



The National Insurance Board

# 2007

Annual Report







**September 19, 2008**

**The Honourable Zhivargo S. Laing, M.P.**

Minister of State

Ministry of Finance

Cecil Wallace-Whitfield Centre

Cable Beach, N.P., The Bahamas

Dear Minister Laing:

**RE: THE NATIONAL INSURANCE BOARD'S 2007 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 2007.

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,



Patrick Ward

Chairman



**The National Insurance Board**  
**The Commonwealth of The Bahamas**  
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Hon. Kenneth Russell, M.P.  
Minister of National Insurance



Patrick Ward  
Chairman



Archdeacon E. Etienne Bowleg  
Deputy Chairman



Roy Colebrooke  
Member



Van Diah  
Member



Philcher Grant  
Member



Brian Nutt  
Member



John Pinder  
Member



Winston C. Rolle  
Member



Troy Sampson  
Member



Harold Watson  
Member



Dennis Williams  
Member



2007 | Minister and  
Board of Directors



## Committees of the Board

### Human Resource Committee

Patrick Ward  
Archdeacon Etienne Bowleg  
Roy Colebrooke

### Building/Tenders Committee

Harold Watson  
John Pinder  
Philip Kemp  
Theophilus Farquharson

### Finance/Investment Committee

Peter Carey  
Troy Sampson  
Van Diah  
Philcher Grant

### Audit Committee

Van Diah  
Dennis Williams  
Denise Turnquest

### Operations Committee

Winston Rolle  
Brian Nutt  
John Pinder

## Medical Appeals Board

Dr. Winston Campbell (Chair)

Dr. Isla Grant-Taylor

Dr. Nelson Clarke

## Executive Management Team 2007



**Seated from left:** Mrs. Cecile Williams-Bethel, Deputy Director; Miss Melicianna Bethel, Assistant Director; Mrs. V. Theresa Burrows, Deputy Director; Mrs. Heather Maynard, Legal Officer; Mrs. Sonia Gill; Financial Controller; and Miss Azella Major, Deputy Director.

**Standing from left:** Mr. Anthony Curtis Sr., Deputy Director; Mr. Lennox McCartney, Director; Mr. Whitney Patton, Chief Internal Auditor; Mr. Derek Osborne, Actuary Consultant; Mr. Andre Bethel, I.T. Manager; Mr. Michael Adderley, Consultant; and Dr. Mortimer Moxey, Medical Officer.



## Report on Operations

The following table provides a summary comparison of financial and operational performance in 2007 with that of 2006.

PERFORMANCE INDICATORS	2007	2006	% CHANGE
Contribution Income (gross)	\$155.5 m	\$149.3 m	4.1%
Investment Income	88.7 m	73.0 m	21.4%
Benefits Expenditure	139.5 m	124.8 m	11.8%
Administrative Expenditure	31.5 m	37.5 m	(15.8%)
Excess of Income over Expenditure	75.7 m	63.6 m	19.0%
Year-end Reserves	1,492 m	1,415 m	5.4%
Year-end Investments	1,438 m	1,368m	5.1%
Administrative Expenditure as % of Contribution Income (Gross)	20.3%	25.1%	(19.2%)
Yield on Investments	6.5%	5.6%	16.1%
# Contributing Employers	12,793	12,201	4.9%
# Contributing Self-Employed Persons	4,762	4,692	1.5%
# Active Employees	142,000	131,000	8.4%
# Short-term Benefit Claims Awarded	29,223	28,890	0.1%
# Long-term Benefit Claims Awarded	2,093	1,999	4.7%
# Contributory Pensioners (at year-end)	20,686	20,114	2.8%
# Assistance Pensioners (at year-end)	5,960	6,271	(5.0%)
# Employees (December)	488	418	16.7%

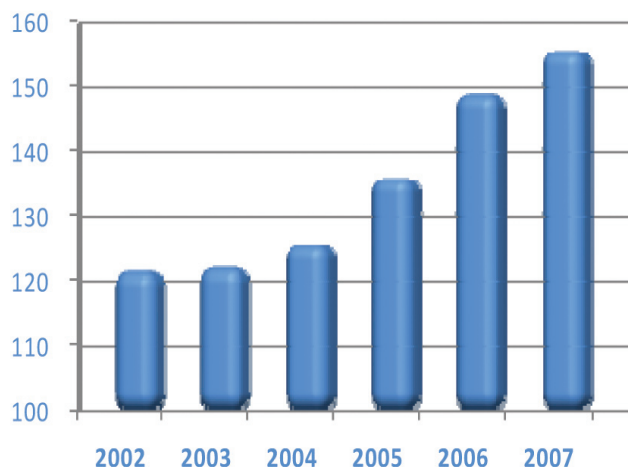


## Contributions

Although the general economy showed signs of slowing down in 2007, contribution income increased by 4.1% from \$149.3 million in 2006 to \$155.5 million in 2007.

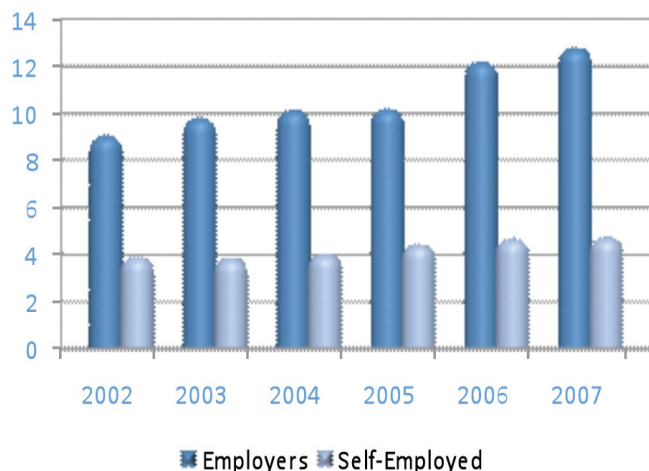
### Contribution Income

(millions of \$'s)



This increase in contribution collections was due to increases in the number of employers, employees and self-employed persons making contributions during 2007.

### # Contributing Employers & Self-Employed Persons (in thousands)

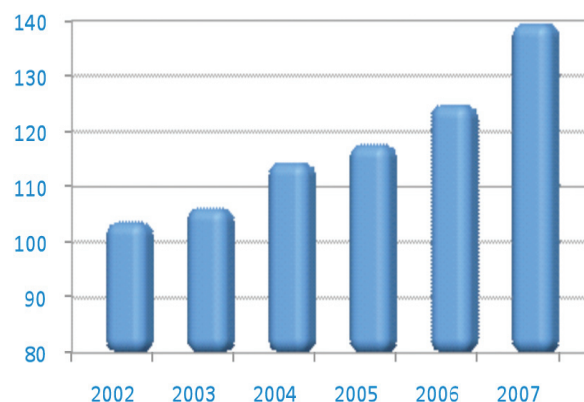


## Benefits

In 2007, benefit payments totalled \$139.5 million, an increase of 11.8% over the amount paid in 2006. Short-Term benefits (Sickness, Maternity and Funeral) totalled \$21.1 million, up from \$20.5 million in 2006, while Industrial Benefits (Injury, Medical Care, Disablement & Death) payments, increased from \$11.4 million to \$11.6 million.

### Benefit Expenditure

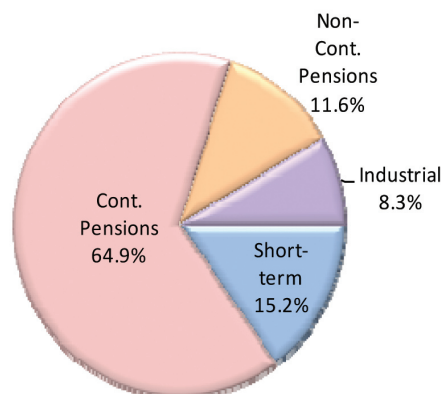
(millions of \$'s)



Effective March 2007, all monthly pensions and minimum pension rates were adjusted to account for inflation. As a result, total contributory (Retirement, Invalidity and Survivors) pension payments increased from \$77.9 million to \$90.5 million and Assistance (Old-Age, Invalidity and Survivors) pensions increased from \$15.0 million to \$16.2 million.

### Benefit Expenditure, 2007

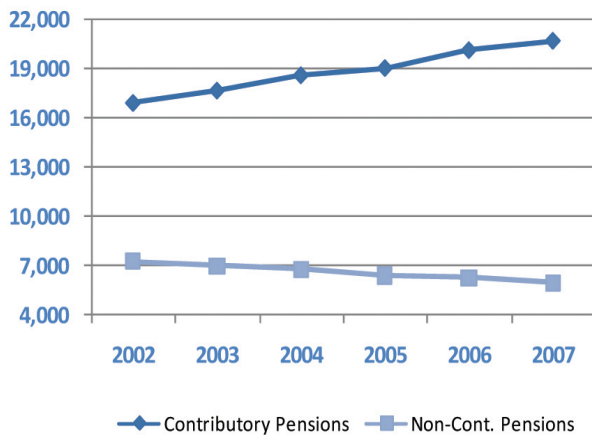
\$139.5 million



As has been the case in previous years, the number of contributory pensions increased in 2007 while the number of non-contributory pensions decreased. In December 2007, a total of 26,646 persons were in receipt of monthly pensions.



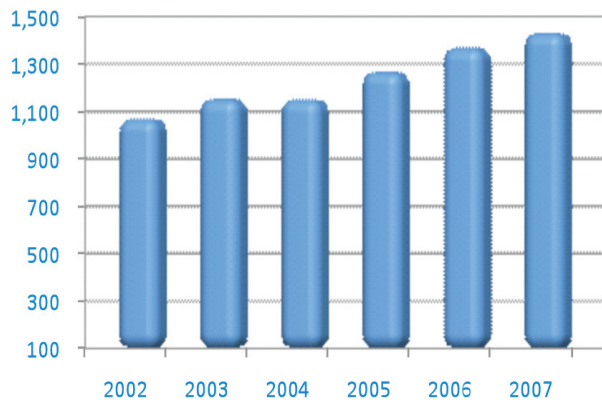
## # Pensions in Payment



## Investments

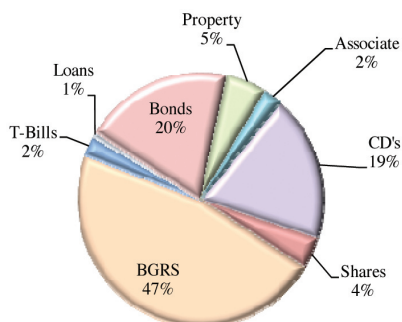
At the end of 2007, National Insurance investments totalled \$1.44 billion dollars, up from \$1.37 billion in 2006.

**Total Investments** (millions of \$'s)



During the year, there were no major changes in the overall allocation of investments.

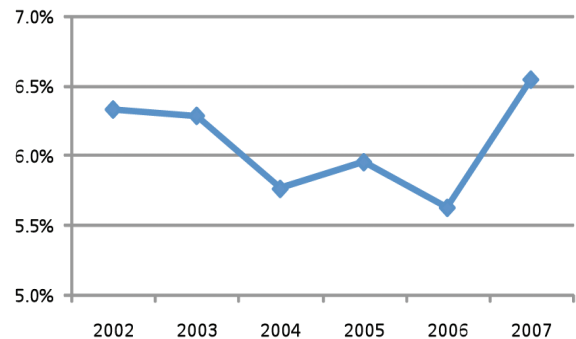
**Investment Portfolio Mix, 2007**  
\$1.44 billion



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

However, the yield on investments increased from 5.62% in 2006 to 6.54% in 2007 due mainly to unrealised gains on equities.

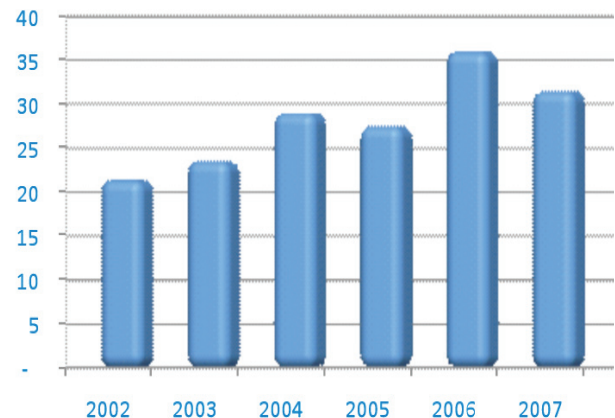
**Yield on Investments**



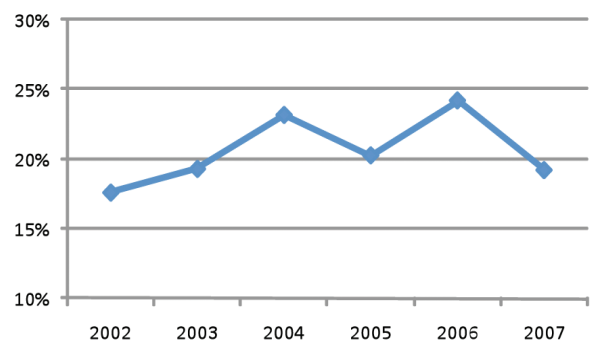
## Administrative Expenses

Due primarily to the expiration of the Voluntary Early Retirement Program in December 2006, operating costs declined from \$37.5 million to \$31.5 million in 2007 and the portion of contribution income consumed by operating costs fell from 25.1% to 20.3%.

**Administrative Costs** (millions of \$'s)



**Administrative Costs as % of Contribution Income**



## Other Activities

### Prosecutions

The National Insurance Act describes a number of contribution and benefit offences for which persons may be prosecuted under the law. Contribution offences include non payment of contributions by an employer or self-employed person, failure by an employer to provide information on an employee's wage status, failure of an employer to register his business and the employer victimizing an employee who cooperates with National Insurance.

Benefit offences include the altering of documents by claimants, the utterance of false information and claiming benefits to which one is not entitled.

Contribution offences come under the responsibility of the Board's Legal Department, while Benefit offences and other fraud matters are dealt with by the Audit Department.

In 2007, the Legal Department brought 496 cases to court. These cases were heard in Abaco, Bimini, Eleuthera, Exuma, Grand Bahama, Mayaguana, New Providence and Long Island. The majority of cases were for failure to produce records. The second most popular charge was failure to pay, followed by failure to register a business as prescribed under the National Insurance Act.

Of the employers and self-employed persons charged, 95% acknowledged their guilt and agreed to settle their arrears; the remainder went to trial and were convicted and fined by the magistrate.

Penalties for contribution offences range from a minimum of six months in jail or a fine of \$1,000, or both, to a maximum of 12 months in jail, or a fine of \$2,500, or both.

In 2007, NIB's Audit Department continued its mandate to detect and arrest fraudulent activities within the Board's assets and revenue. Fraud cases often relate to benefits, employees, employers, and vendors, with benefit fraud being the most common. Such acts include:

- falsifying physician signatures and stamps on claim forms;

- altering death certificates to claim for a person who is alive;
- relatives submitting maternity claims in their name instead of that of the person who delivered the baby;
- employee and employers conspiring to say that an injury occurred while on the job when in fact it didn't;
- claimant in receipt of Survivors pension not disclosing remarriage;
- Retirement pensioners failing to disclose earnings above the allowable amount;
- OANCP pensioners failing to disclose material assets, investment income and gainful employment;
- failure of pensioners to disclose changes in circumstances to disqualify income;
- cheque forgeries.

While matters of fraud in the Board are the responsibility of the Audit Department, in most cases, the offences are prosecuted under the Penal Code of The Commonwealth of The Bahamas and the cases are tried in the Magistrate Courts.

### Appeals

The National Insurance Board has an appeals provision for claimants and contributors when, in their opinion, the Board makes unfavorable decisions regarding them. This provision allows individuals to take decisive action which could ultimately change or rescind decisions of the Board; it is comprised of three processes.

Firstly, there is a process that deals with contributions and classifications of insured persons. Such cases are heard by a committee of the Board of Directors.

The second process involves an Appeal Tribunal, where any question relating to benefit or assistance is decided. The Tribunal is a tri-partite body, made up of a lawyer as its chairperson, with one member representing the employee's interest, and the other representing the employer's interest. Members of the Tribunal are independent citizens of The Bahamas.

The third process is for medical appeals. In this process, medical questions are determined by a Medical Appeals Board. The members of this board are chosen from a panel of practitioners in the medical community.



During 2007, there were no sittings of the Appeal Tribunal, and seven (7) sittings of the Medical Appeal Board. Following is a breakdown of the outcome of appeals heard by the Medical Appeal Board in 2007:

# Appeals heard	34
Decisions upheld	17
Decisions upheld with recommendations	3
Decisions overturned	5
Decisions deferred for review	9

## Human Resources

Staff count increased during the year with a summary of movements shown below.

# Employees – Dec. 2006	418
New Hires	88
Retired	1
Resignations/Terminations	17
# Employees – Dec. 2007	488

61 persons were promoted in 2007. Additionally, increases from industrial contracts resulted in a 3% pay increase to middle Management staff, effective April 8, 2007, and 2% to non-Management staff, effective June 1, 2007.

Also during the year, NIB bid farewell to Director Lennox McCartney. He had originally joined the Board in 1986 as its computerization project manager. He ascended the ranks to Director, and served in this capacity until 1988. He returned to NIB as Director in 1995 and served until December 2007.

In October, NIB held its Long-Service Awards Ceremony, honouring some 63 staff as follows:

30 years:	2
25 years:	17
20 years:	23
10 years:	21.





## **The National Insurance Fund**

**Consolidated Financial Statements  
December 31, 2007**







**PricewaterhouseCoopers**  
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Nassau, Bahamas  
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E-mail: [pwcbbs@bs.pwc.com](mailto:pwcbbs@bs.pwc.com)  
Telephone (242) 302-5300  
Facsimile (242) 302-5350

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of The National Insurance Fund and its subsidiary (together, the Fund), which comprise the consolidated balance sheet as of December 31, 2007, and the consolidated statement of income and expenditure, consolidated statement of changes in reserves and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and with the requirements of the National Insurance Act and the National Insurance (Financial and Accounting) Regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditors' Responsibility*

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

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



# PRICEWATERHOUSECOOPERS

## *Auditors' Responsibility (continued)*

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

## *Opinion*

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2007, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and with the requirements of the National Insurance Act and the National Insurance (Financial and Accounting) Regulations.

*PricewaterhouseCoopers.*

**Chartered Accountants**

**Nassau, Bahamas  
September 10, 2008**



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

**Consolidated Balance Sheet**  
**As of December 31, 2007**  
(Expressed in Thousands of Bahamian dollars)

	Notes	2007 \$	2006 \$
<b>ASSETS</b>			
Cash on hand and at banks	3	14,167	10,455
Receivables and advances	4	8,197	12,831
Prepaid expenses and deposits		<u>1,599</u>	<u>543</u>
		<b>23,963</b>	<b>23,829</b>
<b>Investments</b>			
At fair value through profit or loss:			
Equity securities	5	62,221	50,947
Loans and receivables:			
Certificates of deposit	6(a)	269,093	230,967
Bahamas Government registered stocks	6(b)	668,863	607,410
Bahamas Mortgage Corporation bonds	6(c)	133,128	138,852
Education Loan Authority bonds	6(d)	44,748	44,954
Bahamas Development Bank bonds	6(e)	38,506	29,393
Bahamas Government treasury bills	6(f)	34,615	94,461
Bank of The Bahamas Limited bonds	6(g)	17,010	17,608
Bahamas Electricity Corporation bonds	6(h)	15,482	-
Loans to Bahamas Government corporations	6(i)	18,504	15,805
Clifton Heritage Authority bonds	6(j)	7,982	7,982
Preference shares	6(k)	5,500	6,500
FirstCaribbean International Bank (Bahamas)			
Limited notes	6(l)	3,680	3,530
Latin American Investment Bank (Bahamas)			
Ltd. bonds	6(m)	3,236	3,710
Bridge Authority bonds	6(n)	2,825	2,825
Consolidated Water (Bahamas) Ltd. bonds	6(o)	2,038	2,038
Net investment in finance leases	7	55,643	59,341
Investment property	8	21,264	20,868
Investment in associate	9	<u>33,367</u>	<u>31,199</u>
<b>Total investments</b>		<b>1,437,705</b>	<b>1,368,390</b>
Computer software		654	490
Property, plant and equipment	10	39,178	38,459
Construction in progress – finance leases	11	<u>31,824</u>	<u>23,122</u>
<b>TOTAL ASSETS</b>		<b>1,533,324</b>	<b>1,454,290</b>

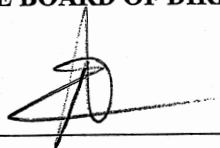
The accompanying notes are an integral part of these consolidated financial statements.

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

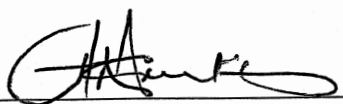
**Consolidated Balance Sheet**  
**As of December 31, 2007**  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

	Notes	2007 \$	2006 \$
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	12	5,804	7,301
Staff pension fund	13	32,797	29,441
Accrued benefits payable		<u>3,094</u>	<u>2,258</u>
<b>TOTAL LIABILITIES</b>		<b><u>41,695</u></b>	<b><u>39,000</u></b>
<b>RESERVES</b>			
Short-term benefits	30	9,566	9,565
Pensions	30	1,250,017	1,180,969
Industrial benefits	30	103,112	98,552
Medical benefits	30	107,749	104,933
Disablement and death benefits	30	20,609	20,695
Fidelity bond	14 & 30	<u>576</u>	<u>576</u>
<b>TOTAL RESERVES</b>		<b><u>1,491,629</u></b>	<b><u>1,415,290</u></b>
<b>TOTAL LIABILITIES AND RESERVES</b>		<b><u>1,533,324</u></b>	<b><u>1,454,290</u></b>

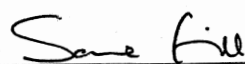
**APPROVED BY THE BOARD OF DIRECTORS AND SIGNED ON ITS BEHALF BY:**



**Chairman**



**Acting Director**



**Financial Controller**

June 26, 2008

**Date**

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



## The National Insurance Fund

### Consolidated Statement of Income and Expenditure For the Year Ended December 31, 2007 (Expressed in Thousands of Bahamian dollars)

	Notes	2007 \$	2006 \$
<b>INCOME</b>			
<b>Contributions</b>			
Employers		101,267	94,724
Insured persons		51,117	51,539
Self-employed persons		3,071	3,011
Voluntarily insured persons		<u>7</u>	<u>3</u>
		155,462	149,277
Refund of contributions		<u>(141)</u>	<u>(256)</u>
<b>Total net contributions</b>		<b><u>155,321</u></b>	<b><u>149,021</u></b>
Grant from Consolidated Fund	15	4,900	4,900
Income from investments	16	83,631	68,368
Income from property	17	1,729	1,777
Share of profits of associate	9	3,295	2,865
Other income		<u>227</u>	<u>242</u>
<b>Total income (carried forward)</b>		<b><u>249,103</u></b>	<b><u>227,173</u></b>



## The National Insurance Fund

### Consolidated Statement of Income and Expenditure

As of Ended December 31, 2007

(Expressed in Thousands of Bahamian dollars)

(Continued)

	Notes	2007 \$	2006 \$
<b>Total income (brought forward)</b>		<b>249,103</b>	<b>227,173</b>
<b>EXPENDITURE</b>			
<b>Benefits expenditure</b>			
Short-term		21,139	20,461
Pensions		106,705	92,916
Industrial		8,327	8,326
Disablement and death benefits		<u>3,311</u>	<u>3,113</u>
<b>Total benefits expenditure</b>		<b><u>139,482</u></b>	<b><u>124,816</u></b>
<b>Administrative expenditure</b>			
Staff salaries, allowances and benefits	22	22,484	23,640
Staff voluntary early retirement package	20	119	4,432
Expenses of the Board of Directors		175	165
Amortisation		243	201
Depreciation	10	1,451	1,724
Other expenses	21	<u>7,052</u>	<u>7,297</u>
<b>Total administrative expenditure</b>		<b><u>31,524</u></b>	<b><u>37,459</u></b>
<b>Expenditure of the medical benefits branch</b>			
Administrative expenditure		1,398	706
Depreciation	10	<u>828</u>	<u>824</u>
<b>Total expenditure of the medical benefits branch</b>		<b><u>2,226</u></b>	<b><u>1,530</u></b>
<b>Other expenditure/(income)</b>			
Provision for doubtful accounts		10	5
Impairment provision/(recovery) on investments	6(a) & (i)	<u>128</u>	<u>(286)</u>
<b>Net other expenditure/(income)</b>		<b><u>138</u></b>	<b><u>(281)</u></b>
<b>Total expenditure</b>		<b><u>173,370</u></b>	<b><u>163,524</u></b>
<b>EXCESS OF INCOME OVER EXPENDITURE</b>		<b><u>75,733</u></b>	<b><u>63,649</u></b>

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



## The National Insurance Fund Limited

### Consolidated Statement of Changes in Reserves For the Year Ended December 31, 2007 (Expressed in Thousands of Bahamian dollars)

	Notes	Short-term		Pensions		Industrial		Medical		Disability and Death		Fidelity Bond		Total	
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
<b>INCOME</b>															
Contributions, net		25,628	24,388	114,782	110,127	13,202	12,667	1,709	1,639	-	-	-	-	155,321	149,021
Grant from Consolidated Fund		-	-	4,900	4,900	-	-	-	-	-	-	-	-	4,900	4,900
Income from investments		464	364	75,107	63,597	4,434	2,511	2,726	1,475	900	421	-	-	83,631	68,368
Income from property		-	-	1,178	1,230	-	-	551	547	-	-	-	-	1,729	1,777
Share of profits of associate		-	-	3,295	2,865	-	-	-	-	-	-	-	-	3,295	2,865
Periodically payable disability and death benefits transferred from income and expenditure account of industrial benefits branch:															
Disability	18	-	-	-	-	-	-	-	-	2,325	2,475	-	-	2,325	2,475
Death	18	57	61	57	60	57	60	56	61	-	-	-	-	227	242
Other income		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total income</b>		<b>26,149</b>	<b>25,013</b>	<b>199,319</b>	<b>182,779</b>	<b>17,693</b>	<b>15,238</b>	<b>5,042</b>	<b>3,722</b>	<b>3,225</b>	<b>2,896</b>	<b>-</b>	<b>-</b>	<b>251,428</b>	<b>229,648</b>
<b>EXPENDITURE</b>															
Benefits		10,921	10,788	-	-	-	-	-	-	-	-	-	-	10,921	10,788
Sickness benefit		6,903	6,441	-	-	-	-	-	-	-	-	-	-	6,903	6,441
Maternity benefit		1,448	1,397	-	-	-	-	-	-	-	-	-	-	1,448	1,397
Maternity grant		1,846	1,804	-	-	-	-	-	-	-	-	-	-	1,846	1,804
Funeral benefit		21	31	-	-	-	-	-	-	-	-	-	-	21	31
Sickness assistance		-	-	68,398	57,906	-	-	-	-	-	-	-	-	68,398	57,906
Retirement benefit		-	-	9,831	9,183	-	-	-	-	-	-	-	-	9,831	9,183
Invalidity benefit		-	-	12,269	10,804	-	-	-	-	-	-	-	-	12,269	10,804
Old age non-contributory pensions		-	-	7,285	6,787	-	-	-	-	-	-	-	-	7,285	6,787
Survivors' benefit		-	-	7,449	6,767	-	-	-	-	-	-	-	-	7,449	6,767
Invalidity assistance		-	-	1,473	1,469	-	-	-	-	-	-	-	-	1,473	1,469
Survivors' assistance		-	-	-	-	6,910	6,886	-	-	-	-	-	-	6,910	6,886
Medical care		-	-	1,367	1,366	50	74	-	-	-	-	-	-	1,367	1,366
Injury benefit		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disability grant		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payment of current periodically payable benefits affected during the year:															
Disability	18	-	-	-	-	-	-	-	-	2,994	2,826	-	-	2,994	2,826
Death	18	21,139	20,461	106,705	92,916	8,327	8,326	-	-	317	287	-	-	139,482	124,816
Disability benefit – capital value		-	-	-	-	2,325	2,475	-	-	-	-	-	-	2,325	2,475
Death benefit – capital value		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Administrative expenditure		5,030	5,962	23,822	28,307	2,672	3,190	2,226	1,530	-	-	-	-	33,750	38,989
Other expenditure/(income)		-	-	138	(281)	-	-	-	-	-	-	-	-	138	(281)
<b>Total expenditure</b>		<b>26,169</b>	<b>26,423</b>	<b>130,665</b>	<b>120,942</b>	<b>13,324</b>	<b>13,991</b>	<b>2,226</b>	<b>1,530</b>	<b>3,311</b>	<b>3,113</b>	<b>-</b>	<b>-</b>	<b>175,695</b>	<b>165,999</b>
<b>EXCESS/(DEFICIENCY) OF INCOME OVER EXPENDITURE</b>		<b>(20)</b>	<b>(1,410)</b>	<b>68,654</b>	<b>61,837</b>	<b>4,369</b>	<b>1,247</b>	<b>2,816</b>	<b>2,192</b>	<b>(86)</b>	<b>(217)</b>	<b>-</b>	<b>-</b>	<b>75,733</b>	<b>63,649</b>
<b>RESERVES, beginning of year</b>		<b>9,565</b>	<b>10,928</b>	<b>1,180,969</b>	<b>1,118,857</b>	<b>98,552</b>	<b>97,118</b>	<b>104,933</b>	<b>102,741</b>	<b>20,695</b>	<b>20,912</b>	<b>576</b>	<b>587</b>	<b>1,415,290</b>	<b>1,351,143</b>
Transfer to/(from) reserves		<b>21</b>	<b>47</b>	<b>394</b>	<b>275</b>	<b>191</b>	<b>187</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11)</b>	<b>606</b>	<b>498</b>
<b>RESERVES, end of year</b>		<b>9,586</b>	<b>9,565</b>	<b>1,250,017</b>	<b>1,180,969</b>	<b>103,112</b>	<b>98,552</b>	<b>107,749</b>	<b>104,933</b>	<b>20,609</b>	<b>20,695</b>	<b>576</b>	<b>576</b>	<b>1,491,629</b>	<b>1,415,290</b>

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

## The National Insurance Fund

### Consolidated Cash Flow Statement For the Year Ended December 31, 2007 (Expressed in Thousands of Bahamian dollars)

	2007 \$	2006 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of income over expenditure	75,733	63,649
Adjustments:		
Grant from Consolidated Fund	(4,900)	(4,900)
Income from investments	(83,861)	(68,368)
Income from property	(1,729)	(1,777)
Share of profits of associate	(3,295)	(2,865)
(Gain)/loss on disposal of property, plant and equipment	3	(84)
Amortisation	243	201
Depreciation	2,279	2,548
Provision for doubtful accounts	10	5
Impairment provision/(recovery) on investments	128	(286)
Grant from Consolidated Fund received	5,553	4,345
<b>Deficit before working capital changes</b>	<b>(9,836)</b>	<b>(7,532)</b>
Increase in receivables and advances	(282)	(85)
(Increase)/Decrease in prepaid expenses and deposits	(1,056)	13,461
Increase/(Decrease) in accounts payable and accrued expenses	(891)	464
Increase in staff pension fund	3,356	3,069
Increase in accrued benefits payable	836	346
<b>Net cash from/(used in) operating activities</b>	<b>(7,873)</b>	<b>9,723</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received – trustee and other securities	63,552	55,766
Dividends received	2,676	1,611
Proceeds from finance leases	10,775	5,654
Income received from property	3,010	597
Dividends received from associate	1,127	1,127
Proceeds from sale of equity securities	19	72
Proceeds on maturity of certificates of deposit	183,194	184,086
Proceeds on maturity of Bahamas Government registered stocks	37,660	32,864
Proceeds on maturity of Bahamas Mortgage Corporation bonds	5,600	9,700
Net movement in Bahamas Government treasury bills	2,965	333
Proceeds on maturity of Bank of The Bahamas Limited bonds	600	-
Proceeds from loans to Bahamas Government corporations	4,378	3,584
Proceeds on redemption of preference shares	1,000	-
Proceeds on maturity of Latin American Investment Bank (Bahamas) Limited bonds	572	280

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



## The National Insurance Fund

### Consolidated Cash Flow Statement For the Year Ended December 31, 2007 (Expressed in Thousands of Bahamian dollars) (Continued)

	2007 \$	2006 \$
<b>CASH FLOWS FROM INVESTING ACTIVITIES (Continued)</b>		
Proceeds from sale of property, plant and equipment	79	117
Proceeds from settlement of reverse repos	24,000	-
Purchase of equity securities	(2,040)	(14,195)
Placements of certificates of deposit	(225,454)	(215,700)
Purchase of Bahamas Government registered stocks	(98,961)	(39,846)
Purchase of Bahamas Mortgage Corporation bonds	-	(15,000)
Purchase of Education Loan Authority bonds	-	(6,820)
Purchase of Bahamas Development Bank bonds	(9,000)	(4,000)
Purchase of Bank of The Bahamas Limited bonds	-	(600)
Purchase of Bahamas Electricity Corporation bonds	(15,000)	-
Additional loans to Bahamas Government corporations	(7,000)	-
Purchase of Clifton Heritage Authority bonds	-	(6,800)
Purchase of preference shares	-	-
Purchase of First Caribbean International Bank (Bahamas) Limited notes	(150)	(3,500)
Purchase of investment property	(396)	(776)
Additional investment in associate	-	(13,091)
Additions to computer software	(407)	(385)
Purchase of property, plant and equipment	(3,080)	(4,772)
Additions to construction in progress	(6,896)	(3,950)
Disbursements for reverse repos	(24,000)	-
<b>Net cash used in investing activities</b>	<b>(51,177)</b>	<b>(33,644)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>59,050</b>	<b>(23,921)</b>
Cash and cash equivalents, beginning of year	119,944	143,865
<b>Cash and cash equivalents, end of year (Note 3)</b>	<b>60,894</b>	<b>119,944</b>

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



## The National Insurance Fund

### Notes to the Consolidated Financial Statements

December 31, 2007

(Expressed in Thousands of Bahamian dollars)

#### 1. General Information

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

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

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

#### 2. Summary of Significant Accounting Policies

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

##### (a) Basis of preparation

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

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



## The National Insurance Fund

### Notes to the Consolidated Financial Statements

December 31, 2007

(Expressed in Thousands of Bahamian dollars)

(Continued)

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

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

The consolidated financial statements do not take account of liabilities to pay benefits in the future. An actuarial valuation is performed every five years, with the latest valuation having been done as of December 31, 2006. Certain results of the actuarial valuation are described in Note 24(b).

In the current year, the Fund adopted IFRS 7 *Financial Instruments: Disclosures* and the amendments to IAS 1 *Presentation of Financial Statements*, which became effective for fiscal periods beginning on or after January 1, 2007. The impact of the adoption of IFRS 7 and the changes to IAS 1 has been to expand the disclosures provided in these consolidated financial statements regarding the Fund's financial instruments and management of capital.

The remaining standards and amendments and interpretations to published standards that became effective for fiscal periods beginning on or after January 1, 2007 were not relevant to the Fund's operations and accordingly did not impact the Fund's accounting policies or consolidated financial statements.

The application of new standards and amendments and interpretations to existing standards that have been published but are not yet effective are not expected to have a material impact on the Fund's accounting policies or consolidated financial statements in the period of initial application.

### (b) Consolidation

#### *Subsidiaries*

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

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries are changed where necessary to ensure consistency with the policies adopted by the Fund.



## **The National Insurance Fund**

### **Notes to the Consolidated Financial Statements**

**December 31, 2007**

**(Expressed in Thousands of Bahamian dollars)**

**(Continued)**

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

##### **(b) Consolidation (continued)**

###### *Associates*

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

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

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

##### **(c) Foreign currency translation**

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

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

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

## **The National Insurance Fund**

### **Notes to the Consolidated Financial Statements**

**December 31, 2007**

**(Expressed in Thousands of Bahamian dollars)**

**(Continued)**

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

### **(e) Financial assets**

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

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

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

Financial assets at fair value through profit or loss are subsequently carried at fair value based on quoted prices for investments quoted in active markets; or valuation techniques, including recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants, for unquoted securities. Gains and losses arising from sales and changes in fair value of these financial assets are recognised in the consolidated statement of income and expenditure in the period in which they arise.

Loans and receivables are carried at amortised cost using the effective interest method, less any provision for impairment.

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

Securities sold subject to repurchase agreements (repos) are reclassified in the consolidated financial statements as pledged assets when the transferee has the right by contract or custom to sell or repledge the collateral; the counterparty liability is included in loans payable when applicable.





## **The National Insurance Fund**

### **Notes to the Consolidated Financial Statements**

**December 31, 2007**

**(Expressed in Thousands of Bahamian dollars)**

**(Continued)**

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

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

Securities purchased under agreements to resell (reverse repos) are recorded as loans to applicable counterparty. The difference between the sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method. Securities lent are retained in the consolidated financial statements.

### **(g) Impairment of financial assets**

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

If there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the consolidated statement of income and expenditure. When the asset is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to the consolidated statement of income and expenditure.

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

### **(h) Investment property**

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

## **The National Insurance Fund**

### **Notes to the Consolidated Financial Statements**

**December 31, 2007**

**(Expressed in Thousands of Bahamian dollars)**

**(Continued)**

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

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

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

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

Changes in fair values are recorded in the consolidated statement of income and expenditure.

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

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

Subsequent costs are included in the carrying amount or recognised as a separate asset, as appropriate, when it is probable that future economic benefits associated with the item will flow to the Fund and the cost of the item can be measured reliably. Repairs and maintenance and costs of leasehold improvements are charged to the consolidated statement of income and expenditure during the financial period in which they are incurred.



## The National Insurance Fund

### Notes to the Consolidated Financial Statements

December 31, 2007

(Expressed in Thousands of Bahamian dollars)

(Continued)

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

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

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

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

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

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

### (j) Computer software

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

### (k) Leases

#### *The Fund is lessee*

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



## The National Insurance Fund

### Notes to the Consolidated Financial Statements

December 31, 2007

(Expressed in Thousands of Bahamian dollars)

(Continued)

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

### (k) Leases (continued)

*The Fund is lessor*

#### Finance leases

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

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

#### Operating leases

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

### (l) Employee benefits

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

The liability recognised in the consolidated balance sheet 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 unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.



## **The National Insurance Fund**

### **Notes to the Consolidated Financial Statements**

**December 31, 2007**

**(Expressed in Thousands of Bahamian dollars)**

**(Continued)**

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

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Bahamas Government securities that have terms to maturity approximating the terms of the related liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, in excess of the greater of 10% of the value of plan assets and 10% of the defined benefit obligation are charged or credited to the consolidated statement of income and expenditure over the average remaining service lives. Past service costs are recognised immediately in the consolidated statement of income and expenditure, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, past service costs are amortised on a straight-line basis over the vesting period.

##### **(m) Revenue recognition**

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

Grants from the Consolidated Fund received from The Bahamas Government to subsidise the assistance provided non-contributory pensioners, are recognised as income in the period in which any conditions attached to the grant are satisfied. These amounts are presented gross in the consolidated statement of income and expenditure.

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

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2007 (Expressed in Thousands of Bahamian dollars) (Continued)

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

##### (m) Revenue recognition (continued)

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

##### (n) Expense recognition

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

##### (o) Unclaimed benefits

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

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

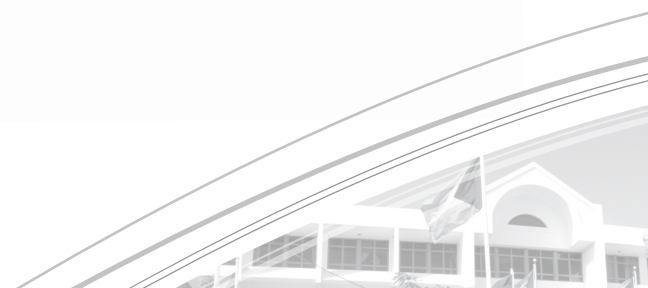
The Regulations provide the following:

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

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

**100.0%**

- ii. Income by way of grant from the Consolidated Fund under Section 45 of the Act shall be fully credited to the pensions' branch.
- iii. Income from investments shall be allocated to the benefits branch to which the investments relate.





## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2007

(Expressed in Thousands of Bahamian dollars)  
(Continued)

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

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

- iv. All other income, which cannot be identified with any specific branch, shall be distributed among the four benefit branches in equal parts.
- v. 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.
- vi. For the years ended December 31, 2007 and 2006, the resulting proportion of administrative expenditure ascribed to the three benefit branches is as follows:

	2007	2006
Short-term benefits reserve	15.95%	16.59%
Pensions reserve	75.57%	74.77%
Industrial benefits reserve	<u>8.48%</u>	<u>8.64%</u>
	<b><u>100.00%</u></b>	<b><u>100.00%</u></b>

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

##### (q) Taxation

The Fund is established under the laws of the Commonwealth of The Bahamas and is not subject to income or capital gains taxes.

##### (r) Corresponding figures

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

## The National Insurance Fund

### Notes to the Consolidated Financial Statements

December 31, 2007

(Expressed in Thousands of Bahamian dollars)

(Continued)

#### 3. Cash and Cash Equivalents

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

	2007 \$	2006 \$
Cash on hand	90	47
Cash at banks – current account	6,725	4,363
Cash at investment managers	711	571
Cash at Central Bank of The Bahamas	<u>6,641</u>	<u>5,474</u>
Cash on hand and at banks	14,167	10,455
Short-term highly liquid investments with original contractual maturities of three months or less:		
Certificates of deposit (Note 6(a))	41,750	47,631
Bahamas Government treasury bills (Note 6(f))	<u>4,977</u>	<u>61,858</u>
	<u><b>60,894</b></u>	<u><b>119,944</b></u>

Cash at the Central Bank of The Bahamas does not earn interest. The effective interest rate earned on cash and cash equivalents during the year was 2.00% (2006: 2.34%).

#### 4. Receivables and Advances

	2007 \$	2006 \$
Grant from Consolidated Fund receivable	-	653
Finance lease receivables	5,486	8,258
Rent receivable	668	1,949
Education loans – staff	605	570
Automobile loans – staff	438	293
Computer loans – staff	72	93
Advances to staff	244	275
Staff uniforms	6	6
Dividends receivable	520	720
Miscellaneous receivables	<u>211</u>	<u>58</u>
	8,250	12,875
Provision for doubtful accounts	<u>(53)</u>	<u>(44)</u>
	<u><b>8,197</b></u>	<u><b>12,831</b></u>



## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2007

(Expressed in Thousands of Bahamian dollars)  
(Continued)

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

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

Units			2007	2006
2007	2006		\$	\$
<i>Ordinary Shares</i>				
1,000	1,000	Bahamas Waste Limited	4	2
3,034,483	3,034,483	Cable Bahamas Limited	36,566	30,345
662,583	197,804	Commonwealth Bank Ltd.	5,586	2,474
442,882	439,382	Consolidated Water Co. Ltd.	2,232	2,210
15,070	-	FamGuard Corporation Limited	109	-
72,716	37,607	Finance Corporation of Bahamas Limited	941	452
76,351	55,591	FirstCaribbean International Bank (Bahamas) Limited	1,115	787
105,563	12,862	Freeport Oil Holdings Company Ltd.	547	161
76,390	74,430	ICD Utilities Limited	557	532
27,950	22,450	J.S. Johnson & Company Limited	307	193
			<u>47,964</u>	<u>37,156</u>
<i>Preference Shares</i>				
2,000,000	2,000,000	Colina Holdings Bahamas Limited; Prime + 2.25%	2,000	2,000
87,360	86,410	Commonwealth Bank Ltd.; 7.00%	8,817	8,641
150	150	FamGuard Corporation Limited; Prime + 1.50%	150	150
3,290,000	3,000,000	Freeport Oil Holdings Company Ltd.; Prime + 1.75%	3,290	3,000
			<u>14,257</u>	<u>13,791</u>
			<u>62,221</u>	<u>50,947</u>

As of December 31, 2007, the cost of ordinary and preference shares totals \$30,506 (2006: \$28,950) and \$14,256 (2006: \$13,791), respectively.

	2007	2006
	\$	\$
Balance as of January 1	50,947	34,348
Purchases	2,040	14,195
Sales	(19)	(72)
Net realised gain	-	22
Net unrealised gain	9,253	2,454
<b>Balance as of December 31</b>	<b><u>62,221</u></b>	<b><u>50,947</u></b>



## The National Insurance Fund

### Notes to the Consolidated Financial Statements

December 31, 2007

(Expressed in Thousands of Bahamian dollars)

(Continued)

#### 6. Loans and Receivables

##### (a) Certificates of deposit

	2007 \$	2006 \$
Certificates of deposit	265,211	228,832
Provision for doubtful accounts	<u>(2,001)</u>	<u>(2,001)</u>
	263,210	226,831
Accrued interest	<u>5,883</u>	<u>4,136</u>
	<b><u>269,093</u></b>	<b><u>230,967</u></b>

During the year, certificates of deposit earned interest at rates of 4.00% to 6.25% (2006: 4.00% to 6.00%) per annum. The effective interest earned on certificates of deposit was 4.97% (2006: 4.37%).

The vast majority of certificates of deposit mature within 12 months of the consolidated balance sheet date. Certificates of deposit with original contractual maturities of three months or less totaling \$41,750 (2006: \$47,631) are included in cash and cash equivalents (See Note 3).

The Fund is permitted, under foreign exchange controls of the Central Bank of The Bahamas, to invest a maximum of \$12.5 million annually (\$3.125 million quarterly) in specific foreign currency investments commencing January 1, 2007. During 2006, the Fund was permitted to invest a maximum of \$25 million annually in specific foreign currency investments. Certificates of deposit as of December 31, 2007 include United States dollar deposits of \$29,510 (2006: \$19,131).

As of December 31, 2007, the Fund has \$2,001 (2006: \$2,001) in certificates of deposit with Gulf Union Bank (Bahamas) Ltd., which is in compulsory liquidation. Accordingly, the Fund has made full provision for amounts outstanding. During 2006, the Fund received payments of \$286 from the liquidators of the bank. No payments were received in 2007.



## The National Insurance Fund

### Notes to the Consolidated Financial Statements

December 31, 2007

(Expressed in Thousands of Bahamian dollars)

(Continued)

#### 6. Loans and Receivables (Continued)

##### (b) Bahamas Government registered stocks

Investments in Bahamas Government registered stocks have interest rates varying from 5.53% to 9.00% (2006: 5.53% to 9.00%) per annum, most of which are tied to the Bahamian dollar Prime rate (Prime).

Face Value		Description		
2007	2006		2007	2006
\$	\$		\$	\$
-	37,660	Prime + 0.22% to 1.00%; 5.75%, 2007	-	37,660
30,041	30,041	Prime + 0.28%; 5.88%, 2008	30,041	30,041
132,547	132,547	Prime + 0.22% to 1.06%; 6.00% to 9.00%, 2009-2013	132,547	132,547
180,853	175,601	Prime + 0.03% to 1.25%; 6.63%, 2014-2018	180,853	175,601
123,358	127,564	Prime + 0.09% to 0.56%; 2019-2023	123,358	127,564
144,993	94,137	Prime + 0.25% to 0.38%, 2024-2028	144,993	94,137
47,059	-	Prime + 0.38% to 0.63%, 2029-2037	47,059	-
			<u>658,851</u>	<u>597,550</u>
		Accrued interest	<u>10,012</u>	<u>9,860</u>
			<u><b>668,863</b></u>	<u><b>607,410</b></u>

The effective interest rate earned on Bahamas Government registered stocks was 6.38% (2006: 6.23%). Bahamas Government registered stocks with face values totaling \$61,867 (2006: \$85,718) have fixed interest rates varying from 5.88% to 9.00% (2006: 5.75% to 9.00%) and maturities ranging from 2008 to 2014 (2006: 2007 to 2014).

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2007

(Expressed in Thousands of Bahamian dollars)  
(Continued)

#### 6. Loans and Receivables (Continued)

##### (c) Bahamas Mortgage Corporation bonds

Series	Description	2007 \$	2006 \$
K	15 year bonds; Prime less 2.00%; 2007-2008	3,700	5,200
B,D,G,J,L, N,O,P	20 year bonds; Prime less 2.00% to 3.50%; 2007-2026	97,100	101,200
A,C,H,M	25 year bonds; Prime less 1.00% to 5.00%; 2009-2018	<u>30,500</u>	<u>30,500</u>
		131,300	136,900
	Accrued interest	<u>1,828</u>	<u>1,952</u>
		<u><b>133,128</b></u>	<u><b>138,852</b></u>

As of December 31, 2007 and 2006 the face values of the bonds equal the carrying values, excluding accrued interest.

##### (d) Education Loan Authority bonds

These bonds are guaranteed by The Bahamas Government.

Face Value		Description	2007 \$	2006 \$
2007 \$	2006 \$			
15,000	15,000	Series A; Prime + 0.25%; 2018	16,262	16,363
6,200	6,200	Series B; Prime + 0.50%; 2023	6,778	6,807
18,800	18,800	Series C; Prime + 0.75%; 2028	<u>20,790</u>	<u>20,867</u>
			43,830	44,037
		Accrued interest	<u>918</u>	<u>917</u>
			<u><b>44,748</b></u>	<u><b>44,954</b></u>



## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2007

(Expressed in Thousands of Bahamian dollars)  
(Continued)

#### 6. Loans and Receivables (Continued)

##### (e) Bahamas Development Bank bonds

These bonds are guaranteed by The Bahamas Government.

Face Value		Description		
2007	2006		2007	2006
\$	\$		\$	\$
10,000	10,000	Series B; Prime less 1.00%; 2020	10,000	10,000
7,000	2,000	Series D; Prime less 1.00%; 2021	7,000	2,000
15,000	15,000	Series A; Prime; 2024	15,000	15,000
6,000	2,000	Series C; Prime; 2026	6,000	2,000
			38,000	29,000
		Accrued interest	506	393
			<u>38,506</u>	<u>29,393</u>

##### (f) Bahamas Government treasury bills

Bahamas Government treasury bills yield 2.70% to 3.50% per annum (2006: 1.00% to 3.40%) and mature within 183 days.

Face Value		Description		
2007	2006		2007	2006
\$	\$		\$	\$
5,000	-	2.70%; 03/04/08	4,977	-
30,000	-	3.40%-3.50%; 05/08/08	29,638	-
-	20,000	1.00%; 01/04/07	-	19,998
-	22,000	2.36%-2.49%; 02/08/07	-	21,946
-	20,000	2.45%-2.49%; 03/06/07	-	19,914
-	33,000	3.40%; 05/10/07	-	32,603
			<u>34,615</u>	<u>94,461</u>

As of December 31, 2007, the cost of Bahamas Government treasury bills totals \$34,452 (2006: \$94,197). The effective interest rate earned on the treasury bills was 3.06% (2006: 0.61%).

Bahamas Government treasury bills with maturities of three months or less totaling \$4,977 (2006: \$61,858) are included in cash and cash equivalents (See Note 3).

## The National Insurance Fund

### Notes to the Consolidated Financial Statements

December 31, 2007

(Expressed in Thousands of Bahamian dollars)

(Continued)

#### 6. Loans and Receivables (Continued)

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

The Series A, B, C and D bonds are supported by Bank of The Bahamas Limited's Government Guaranteed Advanced Education Loan Scheme portfolio; the mortgage-backed bonds are supported by certain mortgages.

Face Value		Description		
2007	2006		2007	2006
\$	\$		\$	\$
3,500	3,500	Series A; Prime; 2012	3,500	3,500
4,800	4,800	Series B; Prime; 2013	4,800	4,800
2,600	2,600	Series C; Prime; 2014	2,600	2,600
6,100	6,100	Series D; Prime; 2015	6,100	6,100
-	600	Mortgage-backed bonds; Prime + 1.75%; 2022	-	600
			17,000	17,600
		Accrued interest	10	8
			<u>17,010</u>	<u>17,608</u>

##### (h) Bahamas Electricity Corporation bonds

During 2007, the Fund purchased Bahamas Electricity Corporation (BEC) fixed rate Series "C" bonds due in 2026, with face values totaling \$15,037. The proceeds of the bond issue are to be used by BEC to pay off existing debt and finance capital expenditures. The bonds were purchased for \$15,000, and earn interest at a rate of 6.56% per annum.

As of December 31, 2007, the carrying amount includes accrued interest of \$482.



## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2007

(Expressed in Thousands of Bahamian dollars)  
(Continued)

#### 6. Loans and Receivables (Continued)

##### (i) Loans to Bahamas Government corporations

	01/01/07 \$	Additional Funds \$	Repayments/ Adjustments \$	12/31/07 \$
BEC (a)	3,853	-	(736)	3,117
BEC (b)	11,728	-	(3,642)	8,086
BMC	-	7,000	-	7,000
	15,581	7,000	(4,378)	18,203
Accrued interest	224			429
	15,805			18,632
Provision for impairment	-			(128)
	<u>15,805</u>			<u>18,504</u>

##### BEC

- (a) On December 1, 1989, a loan facility for BEC in the amount of \$10,000 was approved for the purpose of expanding its power generating system in New Providence and Paradise Island. This loan has been fully drawn down. The principal, which was subject to a one (1) year moratorium, is repayable over twenty (20) years in equal semi-annual instalments of \$524, inclusive of interest. The loan bears interest at 0.50% below Prime but is not to be less than 8.50% per annum. The effective interest rate applicable in the current year was 8.50% (2006: 8.50%). The current portion of the loan is \$800 (2006: \$736).

This loan is guaranteed by The Bahamas Government.



## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2007

(Expressed in Thousands of Bahamian dollars)  
(Continued)

#### 6. Loans and Receivables (Continued)

##### (i) Loans to Bahamas Government corporations (continued)

###### *BEC (continued)*

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

The loan was originally due to be repaid within 3 months from the date of the final drawdown, and was initially extended to May 1, 2005. Approval was subsequently given by the Board of Directors for the repayment date to be amended to seven years from the initial date of drawdown.

In 2007, subsequent approval was given, requiring repayment of the loan by December 31, 2009. The revised loan is payable in quarterly instalments of \$1,092 (2006: \$1,092), inclusive of interest.

This loan bears interest at Prime plus 1.50% (an effective rate of 7.00% in 2007 and 2006). The current portion of the loan is \$3,903 (2006: \$3,641).

This loan is unsecured.

###### *Bahamas Mortgage Corporation (BMC)*

In March 2007, the Board of Directors approved a loan for BMC in the amount of \$7,000 to assist with the funding of the Ministry of Housing projects at an interest rate of Prime (an effective rate of 5.50%). A promissory note was issued by BMC on March 9, 2007 to repay the Fund. The loan and accrued interest were to be repaid by May 31, 2007 from the proceeds of a proposed Government Guaranteed bond issue by BMC, which did not take place during 2007. Accordingly, the loan has not been repaid as of December 31, 2007.

Accrued interest as of December 31, 2007 totals \$314. A provision has been established in the amount of \$128 for a portion of the interest accrued subsequent to the agreed repayment date.



## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2007

(Expressed in Thousands of Bahamian dollars)  
(Continued)

#### 6. Loans and Receivables (Continued)

##### (j) Clifton Heritage Authority bonds

These bonds are guaranteed by The Bahamas Government.

Face Value		Description		
2007	2006		2007	2006
\$	\$		\$	\$
1,126	1,126	Prime + 0.75%; 2020	1,126	1,126
1,455	1,455	Prime + 0.50%; 2025	1,455	1,455
4,219	4,219	Prime + 0.63%; 2030	4,219	4,219
1,126	1,126	Prime + 0.75%; 2035	1,126	1,126
			<u>7,926</u>	<u>7,926</u>
		Accrued interest	56	56
			<u>7,982</u>	<u>7,982</u>

##### (k) Preference shares

Preference shares comprise:

Units		Issuers		
2007	2006		2007	2006
			\$	\$
1,500	1,500	Cable Bahamas Limited; 7.00%; 2010	1,500	1,500
400,000	500,000	Caribbean Crossings Limited; 7.00%; 2016	<u>4,000</u>	<u>5,000</u>
			<u>5,500</u>	<u>6,500</u>

As of December 31, 2007, the cost of preference shares totals \$5,500 (2006: \$6,500).

##### (l) FirstCaribbean International Bank (Bahamas) Limited notes

The notes are senior floating rate notes redeemable at the option of the bank.

Face Value		Description		
2007	2006		2007	2006
\$	\$		\$	\$
3,650	3,500	Prime + 0.75%; 2011	3,650	3,500
		Accrued interest	<u>30</u>	<u>30</u>
			<u>3,680</u>	<u>3,530</u>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2007

(Expressed in Thousands of Bahamian dollars)  
(Continued)

#### 6. Loans and Receivables (Continued)

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

The Fund acquired \$5,000 of the bonds that are supported by the Government Guaranteed Advanced Education Loan Scheme held in trust by SG Hambros Bank and Trust (Bahamas) Limited. Interest is earned at 0.70% above Prime and is payable monthly. As of December 31, 2007, the carrying amount of the bonds includes accrued interest of \$461 (2006: \$363).

During the year, principal payments totaling \$572 (2006: \$280) were received, with cumulative principal payments totaling \$2,225 (2006: \$1,653). The bonds fully mature in 2015.

##### (n) Bridge Authority bonds

Face Value		Description		
2007	2006		2007	2006
\$	\$		\$	\$
955	955	Prime + 1.25%; 2019	955	955
1,025	1,025	Prime + 1.50%; 2024	1,025	1,025
792	792	Prime + 1.63%; 2029	<u>792</u>	<u>792</u>
			2,772	2,772
		Accrued interest	<u>53</u>	<u>53</u>
			<u>2,825</u>	<u>2,825</u>

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

The Fund acquired \$2,000 of Consolidated Water (Bahamas) Ltd. Series A bonds to assist in the financing of the design and construction of the Blue Hills water plant to meet the supply of water to the Water & Sewerage Corporation. Interest is earned at 2.00% above Prime and is paid monthly. As of December 31, 2007 the carrying amount of the bonds includes accrued interest of \$38 (2006: \$38). The bonds mature in 2015.



## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2007

(Expressed in Thousand of Bahamian dollars)  
(Continued)

#### 7. Net Investment in Finance Leases

Net investment in finance leases comprise:

	2007 \$	2006 \$
<i>Gross receivables</i>		
Not later than one year	7,901	7,901
Later than one year and not later than five years	30,849	31,352
Later than five years	<u>40,845</u>	<u>48,244</u>
	79,595	87,497
Unearned finance income	<u>(23,952)</u>	<u>(28,156)</u>
	<u><b>55,643</b></u>	<u><b>59,341</b></u>

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

	2007 \$	2006 \$
Not later than one year	3,973	3,698
Later than one year and not later than five years	18,291	17,504
Later than five years	<u>33,379</u>	<u>38,139</u>
	<u><b>55,643</b></u>	<u><b>59,341</b></u>

The Fund presently has five office buildings being leased to The Bahamas Government under finance lease agreements or arrangements, as follows:

	2007 \$	2006 \$
Claughton House, New Providence	1,542	1,916
Poinciana Hill, New Providence	17,351	18,495
Thompson Boulevard, New Providence	24,082	25,515
Police Headquarters, Grand Bahama	9,058	9,616
Police Dormitories, Grand Bahama	<u>3,610</u>	<u>3,799</u>
	<u><b>55,643</b></u>	<u><b>59,341</b></u>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements

December 31, 2007

(Expressed in Thousands of Bahamian dollars)

(Continued)

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

##### Claughton House Limited

On September 12, 1996, the Fund purchased all of the outstanding shares of Claughton House Limited (formerly Chemical Realty (Bahamas) Holdings Limited) (Claughton House) whose sole asset was an office building in Nassau, New Providence. Effective the same date, Claughton House agreed to enter into a fifteen (15) year finance lease with The Bahamas Government for the office building. The payments due under the lease agreement were set, and are to be revised as necessary, to allow the Fund to recover its capital outlay and yield a return of 1.75% above Prime (an effective rate of 7.25% per annum in 2007 and 2006). At the end of the lease, ownership of the building will be transferred to The Bahamas Government, which is responsible for the maintenance, insurance and taxes on the office building.

##### Bahamas Government office buildings

In prior years, the Ministry of Finance negotiated appropriate funding packages with the Fund for the construction of certain buildings, namely Thompson Boulevard, Poinciana Hill, Police Headquarters and Police Dormitories.

There are presently no formally executed lease agreements, however, the Fund has agreed to enter into finance leases with The Bahamas Government for the buildings on the same terms as the finance lease involving Claughton House.

Location	Date Construction Commenced	Agreed Date of Lease
Poinciana Hill, New Providence	1998	12/31/02
Thompson Boulevard, New Providence	2000	10/31/03
Police Headquarters, Grand Bahama	2000	07/31/03
Police Dormitories, Grand Bahama	2001	09/30/04

The Fund financed the construction and furnishing of these buildings.



## The National Insurance Fund

### Notes to the Consolidated Financial Statements

December 31, 2007

(Expressed in Thousands of Bahamian dollars)

(Continued)

#### 8. Investment Property

	Freeport Building \$	Farrington Road Building \$	JFK Land \$	Modernistic Building \$	Total \$
As of January 1, 2007	8,399	3,902	8,000	567	20,868
Additions	102	251	-	43	396
As of December 31, 2007	<u>8,501</u>	<u>4,153</u>	<u>8,000</u>	<u>610</u>	<u>21,264</u>

The fair values of the properties were last determined by an independent professionally qualified appraiser as of December 31, 2005.

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

#### 9. Investment in Associate

As of December 31, 2007, the Fund owned 4,334,453 (2006: 4,334,453) of the ordinary shares of Bank of The Bahamas Limited, representing 27.80% (2006: 27.80%) of the total outstanding ordinary shares.

Movements in investment in associate comprise:

	2007 \$	2006 \$
As of January 1	31,199	16,370
Purchases	-	13,091
Share of profits	3,295	2,865
Dividends received	<u>(1,127)</u>	<u>(1,127)</u>
As of December 31	<u>33,367</u>	<u>31,199</u>



## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2007 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 9. Investment in Associate (Continued)

Included in investment in associate is goodwill of \$6,740 (2006: \$6,740).

The fair value of the shares held by the Fund as of December 31, 2007 is \$41,654 (2006: \$34,806).

Bank of The Bahamas reported the following balances and transactions as of, and for the twelve months ended, December 31, 2007 and 2006:

	<b>Assets</b>	<b>Liabilities</b>	<b>Total</b>	<b>Net</b>
	<b>\$</b>	<b>\$</b>	<b>Income</b>	<b>Income</b>
			<b>\$</b>	<b>\$</b>
2007	750,472	653,495	53,894	11,853
2006	584,438	492,667	46,227	10,360



## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2007  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

### 10. Property, Plant and Equipment

Property, plant and equipment comprise:

	Land and Buildings \$	Office Furniture & Equipment \$	Computer Hardware \$	Motor Vehicles \$	Land Improvement \$	Medical Equipment \$	Total \$
<b>Cost</b>							
Balance as of January 1, 2007	45,911	4,069	5,082	1,840	355	4,008	61,265
Additions	2,111	280	227	114	-	348	3,080
Disposals	-	-	(1,051)	(287)	-	-	(1,338)
<b>Balance as of December 31, 2007</b>	<b>48,022</b>	<b>4,349</b>	<b>4,258</b>	<b>1,667</b>	<b>355</b>	<b>4,356</b>	<b>63,007</b>
<b>Accumulated depreciation</b>							
Balance as of January 1, 2007	11,716	2,906	4,264	1,095	-	2,825	22,806
Charge for the year	977	219	448	334	-	301	2,279
Disposals	-	-	(1,051)	(205)	-	-	(1,256)
<b>Balance as of December 31, 2007</b>	<b>12,693</b>	<b>3,125</b>	<b>3,661</b>	<b>1,224</b>	<b>-</b>	<b>3,126</b>	<b>23,829</b>
<b>Net book value as of December 31, 2007</b>	<b>35,329</b>	<b>1,224</b>	<b>597</b>	<b>443</b>	<b>355</b>	<b>1,230</b>	<b>39,178</b>
<b>Net book value as of December 31, 2006</b>	<b>34,195</b>	<b>1,163</b>	<b>818</b>	<b>745</b>	<b>355</b>	<b>1,183</b>	<b>38,459</b>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements

December 31, 2007

(Expressed in Thousands of Bahamian dollars)

(Continued)

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

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

	Land and Buildings		Medical Equipment	
	2007	2006	2007	2006
	\$	\$	\$	\$
Cost	29,156	27,135	4,356	4,008
Accumulated depreciation	<u>(5,756)</u>	<u>(5,229)</u>	<u>(3,126)</u>	<u>(2,825)</u>
Net book value	<u>23,400</u>	<u>21,906</u>	<u>1,230</u>	<u>1,183</u>

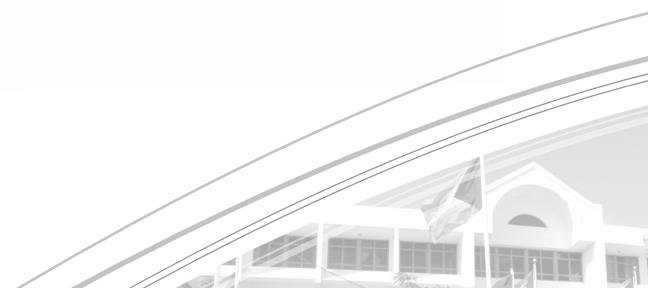
#### 11. Construction in Progress – Finance Leases

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

	2007	2006
	\$	\$
Balance as of January 1	23,122	17,925
Additions	<u>8,702</u>	<u>5,197</u>
Balance as of December 31	<u>31,824</u>	<u>23,122</u>

#### 12. Accounts Payable and Accrued Expenses

	2007	2006
	\$	\$
Accounts payable and accrued expenses	2,495	3,225
Accrued vacation pay	2,374	2,171
Unclaimed benefits	716	1,081
Accrued staff retirement benefits	196	795
Unearned finance income	<u>23</u>	<u>29</u>
	<u>5,804</u>	<u>7,301</u>





## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2007

(Expressed in Thousands of Bahamian dollars)  
(Continued)

#### 13. Staff Pension Fund

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

	2007 \$	2006 \$
Present value of defined benefit obligations	51,703	40,905
Unrecognised past service cost	(2,147)	(2,576)
Unrecognised actuarial losses	<u>(16,759)</u>	<u>(8,888)</u>
<b>Liability in consolidated balance sheet</b>	<b><u>32,797</u></b>	<b><u>29,441</u></b>

The movement in the defined benefit obligation is as follows:

	2007 \$	2006 \$
<b>As of January 1</b>	40,905	37,047
Interest cost	2,424	2,224
Current service cost	1,664	1,515
Employee contributions	388	414
Benefits paid	(3,045)	(1,858)
Actuarial losses	<u>9,367</u>	<u>1,563</u>
<b>As of December 31</b>	<b><u>51,703</u></b>	<b><u>40,905</u></b>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2007

(Expressed in Thousands of Bahamian dollars)  
(Continued)

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

The amount recognised in the consolidated statement of income and expenditure comprises:

	2007	2006
	\$	\$
Interest cost	2,424	2,224
Current service cost	1,664	1,515
Past service costs recognised	429	429
Actuarial loss recognised	<u>1,496</u>	<u>346</u>
<b>Total pension expense (See Note 22)</b>	<b><u>6,013</u></b>	<b><u>4,514</u></b>

The principal actuarial assumptions used were:

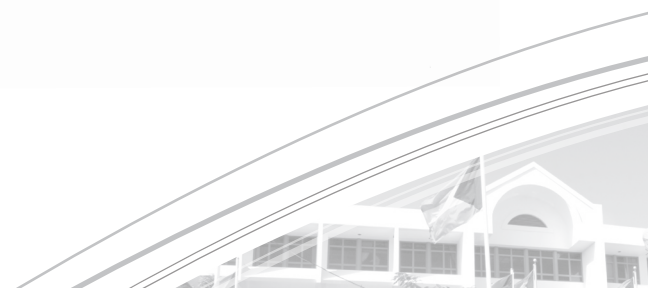
	2007	2006
Discount rate	6.00%	6.00%
Future salary increase (vary by age)	3.03%-7.13%	3.03%-7.13%

Mortality rates have been taken from the 1994 Group Annuity Mortality Static Table (2006: 1983 Group Annuity Mortality Table).

#### 14. Fidelity Bond Reserve

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

There was no income or expenditure in respect of this reserve for the years ended December 31, 2007 and 2006.



## The National Insurance Fund

### Notes to the Consolidated Financial Statements

December 31, 2007

(Expressed in Thousands of Bahamian dollars)

(Continued)

#### 15. Grant from Consolidated Fund

The grant represents an annual allocation from The Bahamas Government, which is to be appropriated towards old-age non-contributory pension payments.

#### 16. Income from Investments

	2007 \$	2006 \$
<b>Income from trustee securities:</b>		
Bahamas Government registered stocks	38,103	36,440
Bahamas Government treasury bills	1,837	771
	<u>39,940</u>	<u>37,211</u>
<b>Income from other securities:</b>		
Certificates of deposit	12,289	8,962
Bahamas Mortgage Corporation bonds	5,833	5,905
Education Loan Authority bonds	2,203	1,944
Dividends from ordinary and preference shares	2,476	2,081
Bahamas Development Bank bonds	1,746	1,383
Loans to Bahamas Government corporations	1,326	804
Bank of The Bahamas Limited bonds	935	935
Clifton Heritage Authority Bonds	486	133
Bahamas Electricity Corporation bonds	285	-
Latin American Investment Bank (Bahamas) Ltd. bonds	217	232
Bridge Authority bonds	193	193
FirstCaribbean International Bank (Bahamas) Limited notes	188	30
Consolidated Water (Bahamas) Ltd. bonds	150	150
	<u>28,327</u>	<u>22,752</u>
<b>Income from other investments:</b>		
Interest income on finance leases	4,305	4,682
Interest income on construction in progress	1,806	1,247
Net gain on investments at fair value through profit or loss (See Note 5)	9,253	2,476
	<u>15,364</u>	<u>8,405</u>
	<u>83,631</u>	<u>68,368</u>



## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2007

(Expressed in Thousands of Bahamian dollars)  
(Continued)

#### 17. Income from Property

	2007 \$	2006 \$
Rental income		
- Freeport office complex	741	701
- New Providence buildings	437	529
- Polyclinics	551	547
	<u>1,729</u>	<u>1,777</u>

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

Section 20(3) of the 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 periodical disablement and death benefits affected during the year. The balance is then transferred at the end of the year to the reserve account. The expenditure of the industrial benefit branch and the income of the disablement and death benefits reserve are eliminated in the consolidated statement of income and expenditure.

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

	2007 \$	2006 \$
Cash on hand	90	47
Cash at banks – current accounts	6,725	4,363
Cash at investment managers	711	571
Receivables and advances	8,197	12,831
Prepaid expenses and deposits	1,599	543
Computer software	654	490
Property, plant and equipment	14,547	15,368
Construction in progress – finance leases	31,824	23,122
Accounts payable and accrued expenses	(5,804)	(7,301)
Accrued benefits payable	<u>(3,094)</u>	<u>(2,258)</u>
	<u>55,449</u>	<u>47,776</u>



## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2007

(Expressed in Thousands of Bahamian dollars)  
(Continued)

#### 20. Staff Voluntary Early Retirement Package

On May 1, 2004, the Board offered a voluntary early retirement package to its staff. The package included both an incentive payment and redundancy pay as per the union contracts. The amount recognised in 2007 is in respect of 1 employee (2006: 40 employees), and comprises pre-retirement salary of \$11 (2006: \$387), incentive payments of \$67 (2006: \$2,602) and redundancy pay of \$37 (2006: \$1,428) and a retroactive payment of \$4 (2006: \$15).

#### 21. Other Expenses

	2007 \$	2006 \$
Utilities	1,416	1,357
Repairs and maintenance	1,240	1,319
Consultancy fees	633	480
Printing, stationery and computer supplies	625	444
Transportation and travel	616	698
Rent	469	456
Training and scholarships	456	508
Insurance	328	315
Motor vehicles	278	312
Advertising and publicity	260	400
Janitorial	209	245
External security	174	308
Audit fees	129	100
Real property tax	87	84
Other miscellaneous expenses	132	271
	<u>7,052</u>	<u>7,297</u>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2007

(Expressed in Thousands of Bahamian dollars)  
(Continued)

#### 22. Staff Benefits

	2007 \$	2006 \$
Pension expense	6,013	4,514
Other staff retirement benefits	(586)	795
Group health plan	859	816
National insurance contributions	487	458
Accrued vacation pay	228	525
Other benefits	342	461
	<u>7,343</u>	<u>7,569</u>

#### 23. Financial Risk Management

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

##### Credit risk

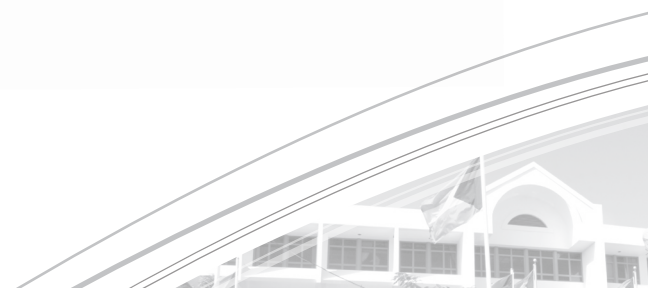
Credit risk is the risk that a counterparty may be unable to perform according to the terms of a contract. As of December 31, 2007, the Fund's total exposure to credit risk was \$1,440,405 (2006: \$1,371,352), principally concentrated with The Bahamas Government that has a credit rating of A – issued by Standard and Poors. As of that date, the Fund had investments, loans and accruals with The Bahamas Government and its corporations totaling \$1,135,417 (2006: \$1,118,320). Certificates of deposit are placed with well-known high quality banks (see Note 30).

##### Liquidity risk

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

##### Interest rate risk

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





## The National Insurance Fund

### Notes to the Consolidated Financial Statements

December 31, 2007

(Expressed in Thousands of Bahamian dollars)

(Continued)

#### 24. Contingent Liabilities

- (a) NIB has provided commitment letters to various medical institutions and other providers of medical care to its industrial benefit claimants. Due to the nature of these commitments, it is not practical to determine the possible financial effect.
- (b) The 8th Actuarial Review of the Fund was conducted as of December 31, 2006. The projections were extended for a sixty year period and indicate that the present value of future expenditure will exceed the opening reserves and the present value of future contributions by \$7.868 billion as depicted below. The report further indicates that the current contribution rate would be insufficient to pay benefits in the long-term.

	\$ (Millions)
Reserves as of December 31, 2006	1,415
Present value of future contributions	9,140
Present value of future expenditure	<u>(18,423)</u>
<b>Present value of shortfall</b>	<b><u>(7,868)</u></b>

- (c) The Fund is a party to several legal actions involving its activities. The Fund is contingently liable for costs and damages in the event of an adverse finding by the courts; however it is not possible to predict the decision of the courts nor estimate the amount of such awards. Accordingly, no provisions have been made in these consolidated financial statements relative to the legal proceedings. Management is of the opinion that the resolution of these matters will not have a material impact on the Fund's consolidated financial statements.

#### 25. Commitments

##### *Capital commitments*

Capital commitments contracted, which consist principally of amounts relating to construction of medical facilities, as of the consolidated balance sheet date but not yet incurred are as follows:

2007	2006
\$	\$
<u>11,296</u>	<u>9,603</u>

##### *Operating lease commitments*

The future aggregate minimum lease payments under non-cancellable operating leases, where the Fund is the lessee, total \$112 (2006: \$75).

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2007

(Expressed in Thousands of Bahamian dollars)  
(Continued)

#### 26. Staff

The average number of persons employed by NIB during the year was 478 (2006: 433).

#### 27. Fair Value of Financial Instruments

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

	Carrying value		Fair value	
	2007 \$	2006 \$	2007 \$	2006 \$
Certificates of deposit	269,093	230,967	269,059	232,232
Bahamas Government registered stocks	668,863	607,410	693,107	637,154
Bahamas Mortgage Corporation bonds	133,128	138,852	121,133	126,320
Education Loan Authority bonds	44,748	44,954	41,692	42,108
Bahamas Development Bank bonds	38,506	29,393	35,914	27,640
Bank of The Bahamas Limited bonds	17,010	17,608	16,463	17,412
Bahamas Electricity Corporation bonds	15,482	-	15,240	
Loans to Bahamas Government corporations	18,504	15,805	18,582	16,229
Clifton Heritage Authority bonds	7,982	7,982	8,153	8,268
FirstCaribbean International Bank (Bahamas) Limited notes	3,680	3,530	3,730	3,608
Latin American Investment Bank (Bahamas) Ltd. bonds	3,236	3,710	2,788	3,452
Bridge Authority bonds	2,825	2,825	3,077	3,114
Consolidated Water (Bahamas) Ltd. bonds	2,038	2,038	2,229	2,297
	<u>1,225,095</u>	<u>1,105,074</u>	<u>1,231,167</u>	<u>1,119,834</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 flow method. The cash flows are discounted at a rate representing the market rates of similar instruments.



## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2007

(Expressed in Thousands of Bahamian dollars)  
(Continued)

#### 28. Investment Managers

The Fund entered into Investment Management Agreements with Royal Fidelity Merchant Bank & Trust Limited (RFMBT), Colina Financial Advisors Limited (CFAL) and Providence Advisors Limited (PAL) (the Managers), whereby the Managers can invest up to \$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 their respective agreements.

As of December 31, investments include the following financial instruments placed with Managers:

	RFMBT \$	CFAL \$	PAL \$	2007 \$	2006 \$
Cash	291	294	126	711	571
Certificates of deposit	-	500	-	500	-
Equity securities	4,776	4,025	456	9,257	4,064
Bahamas Government registered stocks	1,292	377	800	2,469	1,740
Preference shares	306	701	250	1,257	791
Bonds	-	650	-	650	1,100
	<u>6,665</u>	<u>6,547</u>	<u>1,632</u>	<u>14,844</u>	<u>8,266</u>

#### 29. Related Party Balances and Transactions

Related parties comprise ministries and corporations of The Bahamas Government; agencies and entities controlled by The Bahamas Government or in which The Bahamas Government has a significant ownership interest; and key management personnel. Balances and transactions with related parties, not otherwise disclosed in the financial statements include:

	2007 \$	2006 \$
Cash at bank	14,167	10,455
Receivables and advances	6,154	10,870
Accounts payable and accrued expenses	1,036	1,732
Contributions	21,978	19,789
Administrative expenses	1,531	1,548
Key management personnel compensation	1,693	1,286

Several Government corporations have significant arrears in relation to their contributions.



## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2007 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 30. Allocation of Net Assets to Reserves

##### As of December 31, 2007

	Interest Rate	Maturity Date	Short- Term \$	Pensions \$	Industrial \$	Medical \$	Disablement and Death \$	Fidelity Bond \$	Total \$
Cash at Central Bank of The Bahamas	0.00%	Demand	-	5,167	924	250	-	300	6,641
Investments at fair value through profit or loss									
Ordinary shares			-	47,964	-	-	-	-	47,964
Preference shares			-	14,257	-	-	-	-	14,257
			-	62,221	-	-	-	-	62,221
Certificates of deposit			9,000	36,500	-	-	-	-	45,500
Bank of The Bahamas Limited	4.50%-6.00%	01/09/08-12/17/08	-	-	-	-	-	-	-
First Caribbean International Bank (Bahamas) Limited	5.25%-7.00%	03/12/08-09/20/10	-	47,500	5,000	-	12,000	-	64,500
Finance Corporation of The Bahamas Limited	4.75%-5.00%	01/07/08-12/31/08	-	-	42,450	-	-	-	42,450
Commonwealth Bank Limited	5.00%-6.25%	02/04/08-11/20/08	-	-	40,250	-	-	-	40,250
HSBC Bank USA/CIBC World Markets (United States dollars)	3.46%-5.30%	01/16/08-05/14/08	-	29,510	-	-	-	-	29,510
Scotiabank (Bahamas) Limited	4.75%-5.25%	04/19/08-10/21/08	-	6,000	5,000	20,000	-	-	31,000
Royal Bank of Canada	4.50%-5.00%	05/23/08-10/27/08	-	-	-	-	7,500	-	7,500
Fidelity Bank (Bahamas) Limited	5.00%-5.25%	05/03/08-07/13/08	-	499	-	2,001	-	-	2,500
Gulf Union Bank (Bahamas) Ltd.	0.00%	-	-	2,001	-	-	-	-	2,001
Accrued interest			-	5,883	-	-	-	-	5,883
Provision for doubtful accounts (Note 6(a))			-	(2,001)	-	-	-	-	(2,001)
			9,000	125,892	92,700	22,001	19,500	-	269,093
Bahamas Government registered stocks	5.53%-9.00%	2008-2037	-	668,863	-	-	-	-	668,863
Bahamas Mortgage Corporation bonds	2.00%-5.00%	2008-2026	-	113,928	-	19,200	-	-	133,128

# The National Insurance Fund

## Notes to the Consolidated Financial Statements December 31, 2007 (Expressed in Thousands of Bahamian dollars) (Continued)

### 30. Allocation of Net Assets to Reserves (Continued)

#### As of December 31, 2007 (Continued)

	Interest Rate	Maturity Date	Short- Term \$	Pensions \$	Industrial \$	Medical \$	Disability and Death \$	Fidelity Bond \$	Total \$
Education Loan Authority bonds	5.75%-6.25%	2018-2028	-	44,748	-	-	-	-	44,748
Bahamas Development Bank bonds	4.50%-5.50%	2020-2026	-	38,506	-	-	-	-	38,506
Bahamas Government treasury bills	2.70%-3.50%	03/04/08-05/08/08	-	-	-	34,615	-	-	34,615
Bank of The Bahamas Limited bonds	5.50%	2012-2015	-	17,010	-	-	-	-	17,010
Bahamas Electricity Corporation bonds	6.56%	2026	-	15,482	-	-	-	-	15,482
Loans to Bahamas Government corporations	5.50%-8.50%	2008-2011	-	18,504	-	-	-	-	18,504
Clifton Heritage Authority bonds	6.00%-6.25%	2020-2035	-	7,982	-	-	-	-	7,982
Preference shares	7.00%	2010-2016	-	5,500	-	-	-	-	5,500
FirstCaribbean International Bank (Bahamas) Limited notes	6.25%	2011	-	3,680	-	-	-	-	3,680
Latin American Investment Bank (Bahamas) Ltd. bonds	6.20%	2015	-	3,236	-	-	-	-	3,236
Bridge Authority bonds	6.75%-7.13%	2019-2029	-	2,825	-	-	-	-	2,825
Consolidated Water (Bahamas) Ltd. bonds	7.50%	2015	-	2,038	-	-	-	-	2,038
Net investment in finance leases	7.25%	2011-2019	-	55,643	-	-	-	-	55,643
Investment property			-	21,264	-	-	-	-	21,264
Investment in associate			-	33,367	-	-	-	-	33,367
Property, plant and equipment			-	-	-	24,631	-	-	24,631
Amount invested in other assets (Note 19)			-	-	-	-	-	-	-
Staff pension fund			566	36,958	9,488	7,052	1,109	276	55,449
			-	(32,797)	-	-	-	-	(32,797)
<b>Total</b>			<b>9,566</b>	<b>1,250,017</b>	<b>103,112</b>	<b>107,749</b>	<b>20,609</b>	<b>576</b>	<b>1,491,629</b>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2007 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 30. Allocation of Net Assets to Reserves (Continued)

##### As of December 31, 2006

	Interest Rate	Maturity Date	Short- Term \$	Pensions \$	Industrial \$	Medical \$	Disability and Death \$	Fidelity Bond \$	Total \$
Cash at Central Bank of The Bahamas	0.00%	Demand	-	4,000	924	250	-	300	5,474
Investments at fair value through profit or loss									
Ordinary shares			-	37,156	-	-	-	-	37,156
Preference shares			-	13,791	-	-	-	-	13,791
			-	50,947	-	-	-	-	50,947
Certificates of deposit									
FirstCaribbean International Bank (Bahamas) Limited	4.75%-5.50%	03/12/07-12/31/07	-	64,000	-	-	-	-	64,000
Bank of The Bahamas Limited	4.00%-5.00%	01/09/07-12/15/07	-	28,500	17,000	-	-	-	45,500
Finance Corporation of The Bahamas Limited	4.00%-4.50%	01/07/07-12/31/07	-	32,450	10,000	-	-	-	42,450
Commonwealth Bank Limited	4.75%-5.50%	02/02/07-11/20/07	-	-	35,250	-	-	-	35,250
HSBC Bank USA/CIBC World Markets (United States dollars)	4.00%-5.50%	02/02/07-12/27/07	-	19,131	-	-	-	-	19,131
Scotiabank (Bahamas) Limited	4.37%	10/08/07-10/19/07	-	-	-	-	15,000	-	15,000
Royal Bank of Canada	4.75%	10/26/07	-	-	5,000	-	-	-	5,000
Gulf Union Bank (Bahamas) Ltd.	0.00%	-	-	2,001	-	-	-	-	2,001
Fidelity Bank (Bahamas) Limited	4.50%	02/03/07	-	500	-	-	-	-	500
Accrued interest			-	4,136	-	-	-	-	4,136
Provision for doubtful accounts (Note 6(a))			-	(2,001)	-	-	-	-	(2,001)
			-	148,717	67,250	-	15,000	-	230,967
Bahamas Government registered stocks	5.53%-10.50%	2007-2026	-	607,410	-	-	-	-	607,410
Bahamas Mortgage Corporation bonds	2.00%-5.00%	2007-2026	9,000	125,652	-	4,200	-	-	138,852

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2007  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

### 30. Allocation of Net Assets to Reserves (Continued)

As of December 31, 2006 (Continued)

	Interest Rate	Maturity Date	Short- Term \$	Pensions \$	Industrial \$	Medical \$	Disability and Death \$	Fidelity Bond \$	Total \$
Education Loan Authority bonds	5.75%-6.25%	2018-2028	-	44,954	-	-	-	-	44,954
Bahamas Development Bank bonds	4.50%-5.50%	2016-2026	-	29,393	-	-	-	-	29,393
Bahamas Government treasury bills	1.00%-3.40%	01/04/07-05/10/07	-	-	21,946	72,515	-	-	94,461
Bank of The Bahamas Limited bonds	5.50%-7.25%	2012-2015	-	17,608	-	-	-	-	17,608
Loans to Bahamas Government corporations	7.50%-8.50%	2010-2011	-	15,805	-	-	-	-	15,805
Clifton Heritage Authority bonds	6.00%-6.25%	2020-2035	-	7,982	-	-	-	-	7,982
Preference shares	7.00%	-	-	6,500	-	-	-	-	6,500
First Caribbean International Bank (Bahamas) Limited notes	6.25%	2011	-	3,530	-	-	-	-	3,530
Latin American Investment Bank (Bahamas) Limited bonds	6.20%	2015	-	3,710	-	-	-	-	3,710
Bridge Authority bonds	6.75%-7.13%	2019-2029	-	2,825	-	-	-	-	2,825
Consolidated (Water) Bahamas Ltd. bonds	7.50%	2015	-	2,038	-	-	-	-	2,038
Net investment in finance leases	7.25%	2011-2019	-	59,341	-	-	-	-	59,341
Investment property	-	-	-	20,868	-	-	-	-	20,868
Investment in associate	-	-	-	31,199	-	-	-	-	31,199
Property, plant and equipment	-	-	-	-	-	23,091	-	-	23,091
Amount invested in other assets (note 19)	-	-	565	27,931	8,432	4,877	5,695	276	47,776
Staff pension fund	-	-	-	(29,441)	-	-	-	-	(29,441)
<b>Total</b>			<b>9,565</b>	<b>1,180,969</b>	<b>98,552</b>	<b>104,933</b>	<b>20,695</b>	<b>576</b>	<b>1,415,290</b>



## 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
36-050*	18/03/93	6.69%	4,098,900	4,098,900	18-Mar-08
42-052	1/3/96	6.375%	493,200	493,200	25-Apr-08
42-055	9/10/96	6.375%	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	2/9/98	5.88%	2,000,000	2,000,000	2-Sep-08
43-058	21/12/98	5.88%	1,120,000	1,120,000	20-Sep-08
47-037*	7/5/96	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*	7/5/96	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	6.625%	2,500,000	2,500,000	25-Apr-09
42-048	23/05/95	6.625%	1,000,000	1,000,000	25-Apr-09
38-023*	5/10/93	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*	5/10/93	6.13%	3,416,200	3,416,200	5-Oct-10
42-025*	25/04/94	6.75%	2,500,000	2,500,000	25-Apr-10
42-049*	23/05/95	6.75%	1,000,000	1,000,000	25-Apr-10
42-053*	1/3/96	6.75%	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*	11/2/97	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*	1/3/96	7.00%	504,500	504,500	25-Apr-11
47-039*	7/5/96	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*	8/9/95	6.25%	1,000,000	1,000,000	24-Aug-12
37-108*	12/9/95	6.25%	1,000,000	1,000,000	24-Aug-12
37-110*	5/10/95	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	8/10/87	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

CERTIFICATE NUMBER	DATE INVESTED	INTEREST RATE	COST	FACE VALUE	MATURITY DATE
15-036	6/3/91	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	5/7/91	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*	8/4/98	6.00%	1,738,900	1,738,900	8-Apr-14
50-001*	22/05/97	6.56%	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	1/2/95	6.63%	500,000	500,000	20-Sep-14
43-049	1/3/96	6.63%	404,700	404,700	20-Sep-14
43-043	1/2/95	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*	4/7/97	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*	6/3/97	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*	10/8/98	6.06%	6,060,600	6,060,600	10-Aug-17

CERTIFICATE NUMBER	DATE INVESTED	INTEREST RATE	COST	FACE VALUE	MATURITY DATE
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*	10/8/98	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
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	5.625%	4,095,200	4,095,200	29-Jul-18
83-019*	7/12/07	5.53%	4,500,000	4,500,000	4-Dec-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*	11/7/02	6.03%	492,300	492,300	26-Apr-20
65-178*	6/9/02	5.84%	6,724,900	6,724,900	6-Sep-20
73-005*	1/7/05	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
83-002*	28/11/2007	5.59%	500,900	500,900	28-Nov-20
63-066*	6/8/02	6.03%	289,400	289,400	12-Dec-20
62-063*	30/07/01	6.06%	2,709,600	2,709,600	30-Jul-21
65-179*	6/9/02	5.88%	2,850,000	2,850,000	6-Sep-21
66-125*	4/12/02	5.88%	5,648,800	5,648,800	4-Dec-21
67-151*	8/4/03	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*	7/9/05	5.66%	2,460,400	2,460,400	7-Sep-21
75-323*	7/9/05	5.69%	4,815,700	4,815,700	7-Sep-22
66-126*	4/12/02	5.91%	864,100	864,100	4-Dec-22
67-152*	8/4/03	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*	21/07/03	5.88%	3,852,900	3,852,900	21-Jul-23

CERTIFICATE NUMBER	DATE INVESTED	INTEREST RATE	COST	FACE VALUE	MATURITY DATE
68-222	9/12/03	5.875%	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
78-264	22/9/2006	5.71%	5,669,200	5,669,200	22-Sep-23
71-332*	22/10/04	5.78%	764,500	764,500	22-Oct-23
75-316*	7/9/05	5.72%	3,002,300	3,002,300	7-Sep-23
75-307*	7/9/05	5.75%	2,176,100	2,176,100	7-Sep-24
69-036*	8/3/04	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*	1/7/05	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
76-291	18/7/06	5.75%	678,800	678,800	18-Jan-24
77-309	4/5/06	5.75%	57,700	57,700	4-May-24
78-258	22/9/06	5.75%	3,019,700	3,019,700	22-Sep-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*	1/7/05	5.78%	11,533,400	11,533,400	28-Jun-25
74-001*	4/7/05	5.88%	25,894,200	25,894,200	30-Jun-25
77-285	4/5/06	5.78%	1,367,300	1,367,300	4-May-25
76-283	1/18/06	5.78%	3,627,100	3,627,100	18-Jan-25
78-251	9/22/06	5.78%	5,462,600	5,462,600	22-Sep-25
75-290*	7/9/05	5.53%	1,636,900	1,636,900	7-Sep-25
76-270	1/18/06	5.81%	1,466,500	1,466,500	18-Jan-26
79-192*	28/3/2007	5.78%	4,023,200	4,023,200	28-Mar-26
77-271	5/17/06	5.81%	2,000,400	2,000,400	17-May-26
78-245	9/22/06	5.81%	4,950,500	4,950,500	22-Sep-26
79-186*	28/3/2007	5.81%	2,170,100	2,170,100	28-Mar-27
81-272*	26/7/2007	5.81%	3,959,900	3,959,900	26-Jul-27
80-001	8/10/07	5.81%	30,000,000	30,000,000	9-May-27
83-020*	7/12/07	5.81%	5,000,000	5,000,000	28-Nov-27
82-001*	8/10/07	5.84%	10,000,000	10,000,000	8-Oct-28
82-002*	8/10/07	5.87%	15,000,000	15,000,000	8-Oct-29
83-001*	28/11/2007	5.90%	5,000,000	5,000,000	28-Nov-30
81-266*	26/7/2007	6.06%	6,929,500	6,929,500	26-Jul-35
81-259*	26/7/2007	6.09%	13,572,800	13,572,800	27-Jul-36
81-254*	26/7/2007	6.12%	6,355,500	6,355,500	28-Jul-37
81-280*	7/11/07	6.12%	200,000	200,000	26-Nov-37
<b>BGRS purchased by Investment Managers</b>			<b>2,469,696</b>	<b>2,469,696</b>	
<b>TOTAL HOLDINGS</b>			<b>658,851,496</b>	<b>658,851,496</b>	



2. **Equity Securities**  
*See Note 5 of the Notes to Consolidated Financial Statements*
3. **Certificates of Deposit**  
*See Note 6 (a) of the Notes to Consolidated Financial Statements*
4. **Bahamas Mortgage Corporation Bonds**  
*See Note 6 (c) of the Notes to Consolidated Financial Statements*
5. **Education Loan Authority Bonds**  
*See Note 6 (d) of Notes to Consolidated Financial Statements*
6. **Bahamas Development Bank Bonds**  
*See Note 6 (e) of the Notes to Consolidated Financial Statements*
7. **Bahamas Government Treasury Bills**  
*See Note 6 (f) of the Notes to Consolidated Financial Statements*
8. **Bank of The Bahamas Limited Bonds**  
*See Note 6 (g) of the Notes to Consolidated Financial Statements*
9. **Bahamas Electricity Corporation Bonds**  
*See Note 6 (h) of the Notes to Consolidated Financial Statements*
10. **Loans to Bahamas Government Corporations**  
*See Note 6 (i) of the Notes to Consolidated Financial Statements*
11. **Clifton Heritage Authority Bonds**  
*See Note 6 (j) of the Notes to Consolidated Financial Statements*
12. **Preference Shares**  
*See Note 6 (k) of the Notes to Consolidated Financial Statements*
13. **First Caribbean International Bank (Bahamas) Limited Notes**  
*See Note 6 (l) of the Notes to Consolidated Financial Statements*
14. **Latin American Investment Bank (Bahamas) Ltd. Bonds**  
*See Note 6 (m) of Notes to Consolidated Financial Statements*
15. **Bridge Authority Bonds**  
*See Note 6 (n) of the Notes to Consolidated Financial Statements*
16. **Consolidated Water (Bahamas) Ltd. Bonds**  
*See Note 6 (o) of Notes to Consolidated Financial Statements*
17. **Net Investments in Direct Financing Lease**  
*See Note 7 of the Notes to Consolidated Financial Statements*
18. **Investment Property**  
*See Note 8 of the Notes to Consolidated Financial Statements*
19. **Investment in Associate**  
*See Note 9 of the Notes to Consolidated Financial Statements*



## STATISTICAL APPENDIX

### TABLE

<b>1</b>	<b>Registration - Employers &amp; Self-Employed Persons</b>
<b>2</b>	<b>Registration - Insured Persons</b>
<b>3</b>	<b>Contribution Income, 2007</b>
<b>4</b>	<b>Benefit &amp; Assistance Claims Received and Awarded</b>
<b>5</b>	<b>Short-Term Benefit &amp; Assistance Claims Awarded, 2007</b>
<b>6</b>	<b>Short -Term Benefits &amp; Assistance Payments, 2007</b>
<b>7</b>	<b>Long-Term Benefits &amp; Assistance Claims Awarded, 2007</b>
<b>8</b>	<b>Long Term Benefit &amp; Assistance Payments, 2007</b>
<b>9</b>	<b>Industrial Benefit Claims Awarded, 2007</b>
<b>10</b>	<b>Industrial Benefit Payments, 2007</b>
<b>11</b>	<b>Pensions In Payment, December, 2007</b>
<b>12</b>	<b>Pensions in Payment at Year-end, 2003-2007</b>
<b>13</b>	<b>Short-Term Benefits &amp; Assistance, 2003-2007</b>
<b>14</b>	<b>Long-Term Benefits &amp; Assistance, 2003-2007</b>
<b>15</b>	<b>Industrial Benefits, 2003-2007</b>

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

Island/Local Office	2007			2006		
	Employers	Self-Employed	Total	Employers	Self-Employed	Total
<b>Abaco</b>						
Marsh Harbour	84	67	151	110	59	169
Coopers Town	35	22	57	50	21	71
<b>Andros</b>						
Fresh Creek	6	10	16	14	27	41
Kemps Bay	7	14	21	7	8	15
Nicholls Town	25	45	70	17	23	40
<b>Bimini &amp; Berry Islands</b>	18	9	27	14	1	15
<b>Cat Island</b>	9	5	14	12	5	17
<b>Crooked Island &amp; Acklins</b>	2	12	14	14	9	23
<b>Eleuthera</b>						
Governors Harbour	28	8	36	24	11	35
Harbour Island	33	7	40	30	6	36
North Eleuthera	8	1	9	-	-	-
Rock Sound	22	12	34	25	14	39
Spanish Wells	5	15	20	17	16	33
<b>Exuma &amp; Ragged Island</b>	74	55	129	75	50	125
<b>Grand Bahama</b>	288	160	448	292	145	437
<b>Inagua &amp; Mayaguana</b>	9	11	20	5	12	17
<b>Long Island</b>						
Deadmans Cay	10	19	29	10	10	20
Simms	9	9	18	8	17	25
<b>New Providence</b>	1,597	449	2,046	1,930	546	2,476
<b>San Salvador</b>	5	-	5	5	-	5
<b>Total</b>	<b>2,274</b>	<b>930</b>	<b>3,204</b>	<b>2,659</b>	<b>980</b>	<b>3,639</b>

**Table 2. Registration**  
Insured Persons

Island/Local Office	2007			2006		
	Active	Inactive	Total	Active	Inactive	Total
<b>Abaco</b>						
Marsh Harbour	244	472	716	144	373	517
Coopers Town	26	92	118	32	181	213
<b>Andros</b>						
Fresh Creek	16	28	44	14	19	33
Kemps Bay	11	123	134	8	27	35
Nicholls Town	36	119	155	53	256	309
<b>Bimini &amp; Berry Islands</b>	29	301	330	112	74	186
<b>Cat Island</b>	46	17	63	58	41	99
<b>Crooked Island &amp; Acklins</b>	9	18	27	4	44	48
<b>Eleuthera</b>						
Governors Harbour	36	84	120	34	90	124
Harbour Island	58	53	111	56	72	128
North Eleuthera	-	-	-	-	1	1
Rock Sound	67	112	179	54	107	161
Spanish Wells	19	113	132	38	19	57
<b>Exuma &amp; Ragged Island</b>	167	185	352	132	245	377
<b>Grand Bahama</b>	790	1,534	2,324	1,033	4,045	5,078
<b>Inagua &amp; Mayaguana</b>	34	21	55	32	18	50
<b>Long Island</b>						
Deadmans Cay	3	19	22	1	36	37
Simms	4	73	77	8	31	39
<b>New Providence</b>	2,912	8,076	10,988	4,379	7,051	11,430
<b>San Salvador</b>	21	13	34	6	10	16
<b>Total</b>	<b>4,528</b>	<b>11,453</b>	<b>15,981</b>	<b>6,198 #</b>	<b>12,740</b>	<b>18,938</b>

**Table 3. Contribution Income**

Island/Local Office	Employers	Employees	Self-Employed	Voluntary Insured	Installment Agreements	Total 2007	Total 2006
<b>Abaco</b>							
Marsh Harbour	2,332,141	1,454,339	281,487	-	98,844	4,166,811	3,613,921
Coopers Town	458,818	282,301	95,688	-	21,804	858,611	896,091
<b>Andros</b>							
Fresh Creek	251,724	156,825	27,997	-	9,251	445,797	457,565
Kemps Bay	67,597	41,458	32,170	-	1,935	143,160	203,101
Nicholls Town	203,228	128,615	36,242	-	-	368,085	458,414
<b>Bimini &amp; Berry Islands</b>	504,153	314,434	29,519	3,338	19,993	871,437	789,528
<b>Cat Island</b>	94,565	52,477	22,706	-	5,259	175,007	148,692
<b>Crooked Island &amp; Acklins</b>	26,511	16,144	36,571	-	5,112	84,338	74,596
<b>Eleuthera</b>							
Governors Harbour	344,267	210,579	55,579	-	53,587	664,012	497,484
Harbour Island	505,323	306,178	29,246	-	48,635	889,382	642,134
North Eleuthera	91,690	54,177	10,177	-	7,327	163,371	122,611
Rock Sound	328,252	204,124	33,544	-	22,301	588,221	533,500
Spanish Wells	533,408	323,790	82,153	-	-	939,351	912,289
<b>Exuma &amp; Ragged Island</b>	1,584,067	982,804	175,784	-	32,474	2,775,129	2,705,298
<b>Grand Bahama</b>	10,978,040	6,873,404	403,127	-	540,390	18,794,962	17,563,926
<b>Inagua &amp; Mayaguana</b>	217,482	137,664	22,928	-	2,567	380,641	405,523
<b>Long Island</b>							
Deadmans Cay	201,676	122,646	106,601	-	26,353	457,276	367,509
Simms	135,998	69,415	32,293	-	2,076	239,782	227,521
<b>New Providence</b>	79,265,634	39,255,744	1,552,630	3,773.75	2,029,218	122,107,000	118,357,807
<b>San Salvador</b>	206,286	130,109	4,320	-	8,879	349,595	299,493
<b>Total</b>	<b>98,330,860</b>	<b>51,117,227</b>	<b>3,070,762</b>	<b>7,113</b>	<b>2,936,005</b>	<b>155,461,967</b>	<b>149,277,003</b>

**Table 4 . Benefit & Assistance Claims**

Received and Awarded

Benefit Type		Received		Awarded	
		2007	2006	2007	2006
Long-term Benefits/ Assistance	Retirement Benefit	1,457	1,312	1,294	1,110
	Invalidity Benefit	243	267	176	190
	Survivors' Benefit	496	522	363	397
	Old Age Non-Contributory Pension	237	215	143	132
	Invalidity Assistance	147	194	94	139
	Survivors' Assistance	73	61	23	31
Total Long-term		2,653	2,571	2,093	1,999
Short-term Benefits	Sickness Benefit	23,284	23,047	21,371	21,612
	Maternity Benefit	3,917	3,685	3,049	2,896
	Maternity Grant	3,917	3,685	3,357	3,357
	Funeral Benefit	1,276	1,271	1,225	1,220
	Sickness Assistance	40	70	32	66
Total Short-term		32,434	31,758	29,034	29,151
Industrial Benefits	Medical Care	3,102	3,102	-	2,165
	Injury Benefit	1,761	1,774	1,487	1,520
	Disablement Benefit & Grant	150	133	35	36
	Industrial Death	4	7	5	4
	Industrial Funeral	-	-	-	-
Total Industrial		5,017	5,016	1,527	3,725



**Table 5. Short-Term Benefit & Assistance Claims**  
Awarded 2007

Island/Local Office	Sickness Benefit	Maternity Benefit	Maternity Grant	Funeral Benefit	Sickness Assistance	Total
<b>Abaco</b>						
Marsh Harbour	462	91	88	18	-	659
Coopers Town	131	30	30	7	2	200
<b>Andros</b>						
Fresh Creek	177	11	11	2	-	201
Kemps Bay	97	13	12	1	-	123
Nicholls Town	125	22	20	1	-	168
<b>Bimini &amp; Berry Islands</b>	74	12	9	6	-	101
<b>Cat Island</b>	71	6	5	1	-	83
<b>Crooked Island &amp; Acklins</b>	34	1	-	-	-	35
<b>Eleuthera</b>						
Governors Harbour	205	21	21	12	-	259
Harbour Island	141	23	21	11	-	196
North Eleuthera	-	-	-	-	-	-
Rock Sound	254	27	27	9	1	318
Spanish Wells	119	8	8	9	-	144
<b>Exuma &amp; Ragged Island</b>	361	48	44	7	-	460
<b>Grand Bahama</b>	2,237	473	591	193	1	3,495
<b>Inagua &amp; Mayaguana</b>	74	7	8	2	-	91
<b>Long Island</b>						
Deadmans Cay	55	10	8	5	-	78
Simms	62	13	10	3	-	88
<b>New Providence</b>	16,611	2,229	2,631	937	28	22,436
<b>San Salvador</b>	81	4	2	1	-	88
<b>Total</b>	<b>21,371</b>	<b>3,049</b>	<b>3,546</b>	<b>1,225</b>	<b>32</b>	<b>29,223</b>

**Table 6. Short-Term Benefit & Assistance Payments**  
2007

Island/Local Office	Sickness Benefit	Maternity Benefit	Maternity Grant	Funeral Benefit	Sickness Assistance	Total
<b>Abaco</b>						
Marsh Harbour	239,567	188,354	35,600	27,000	-	490,521
Coopers Town	61,531	48,724	13,500	9,159	204	133,118
<b>Andros</b>						
Fresh Creek	42,818	21,646	4,000	3,000	-	71,464
Kemps Bay	30,228	14,711	4,400	1,500	-	50,838
Nicholls Town	51,171	26,116	9,521	1,500	-	88,309
<b>Bimini &amp; Berry Islands</b>	37,837	22,698	5,003	7,500	-	73,038
<b>Cat Island</b>	16,272	10,422	2,400	1,500	-	30,594
<b>Crooked Island &amp; Acklins</b>	10,970	422	-	-	-	11,392
<b>Eleuthera</b>						
Governors Harbour	71,850	42,276	8,400	18,000	-	140,526
Harbour Island	38,362	38,695	8,000	15,000	-	100,057
North Eleuthera	-	-	-	-	-	-
Rock Sound	86,983	42,836	10,938	13,500	577	154,834
Spanish Wells	100,225	9,072	3,200	13,500	-	125,997
<b>Exuma &amp; Ragged Island</b>	135,216	101,095	17,200	10,500	-	264,011
<b>Grand Bahama</b>	1,443,451	1,012,394	237,600	291,000	69	2,984,514
<b>Inagua &amp; Mayaguana</b>	36,272	7,176	3,200	4,500	-	51,148
<b>Long Island</b>						
Deadmans Cay	22,174	13,667	3,600	3,000	-	42,441
Simms	21,021	18,135	4,000	4,500	-	47,656
<b>New Providence</b>	8,441,959	5,274,852	1,077,600	1,419,935	20,030	16,234,376
<b>San Salvador</b>	32,623	9,745	-	1,500	-	43,868
<b>Total</b>	<b>10,920,530</b>	<b>6,903,036</b>	<b>1,448,162</b>	<b>1,846,094</b>	<b>20,880</b>	<b>21,138,702</b>

# Table 7. Long-Term Benefit & Assistance Claims

Awarded 2007

Island/Local Office	Retirement Benefit	Invalidity Benefit	Survivors' Benefit	OANCP	Invalidity Assistance	Survivors' Assistance	Total
<b>Abaco</b>							
Marsh Harbour	38	6	11	2	3	-	60
Coopers Town	7	-	3	2	1	-	13
<b>Andros</b>							
Fresh Creek	11	-	1	1	-	-	13
Kemps Bay	7	-	2	2	-	-	11
Nicholls Town	12	1	5	8	4	1	31
<b>Bimini &amp; Berry Islands</b>	8	1	3	1	1	1	15
<b>Cat Island</b>	4	-	-	1	1	-	6
<b>Crooked Island &amp; Acklins</b>	2	-	-	2	-	-	4
<b>Eleuthera</b>							
Governors Harbour	18	1	6	1	-	-	26
Harbour Island	16	2	2	1	-	-	21
North Eleuthera	-	-	-	-	-	-	-
Rock Sound	12	-	2	-	5	1	20
Spanish Wells	16	-	4	2	-	-	22
<b>Exuma &amp; Ragged Island</b>	12	1	-	-	-	-	13
<b>Grand Bahama</b>	245	22	51	25	14	6	363
<b>Inagua &amp; Mayaguana</b>	2	1	-	3	-	-	6
<b>Long Island</b>							
Deadmans Cay	9	-	-	2	1	-	12
Simms	16	1	4	1	-	-	22
<b>New Providence</b>	857	140	266	89	63	14	1,429
<b>San Salvador</b>	2	-	3	-	1	-	6
<b>Total</b>	<b>1,294</b>	<b>176</b>	<b>363</b>	<b>143</b>	<b>94</b>	<b>23</b>	<b>2,093</b>

# Table 8. Long-Term Benefit & Assistance

Payments 2007

Island/Local Office	Retirement Benefit	Invalidity Benefit	Survivors' Benefit	OANCP	Invalidity Assistance	Survivors' Assistance	Total
<b>Abaco</b>							
Marsh Harbour	698,066	101,930	167,804	200,320	164,770	51,304	1,384,194
Coopers Town	120,069	14,726	23,899	8,270	21,310	2,160	190,434
<b>Andros</b>							
Fresh Creek	99,318	19,692	18,465	54,430	16,510	5,703	214,118
Kemps Bay	300,620	47,987	42,448	128,900	107,850	14,328	642,133
Nicholls Town	59,811	1,900	8,669	37,834	18,610	2,340	129,164
<b>Bimini &amp; Berry Islands</b>	146,204	16,449	66,043	52,450	41,194	8,768	331,108
<b>Cat Island</b>	288,147	24,060	36,302	216,464	80,914	21,887	667,774
<b>Crooked Island &amp; Acklins</b>	206,225	3,080	15,662	75,551	18,480	10,459	329,457
<b>Eleuthera</b>							
Governors Harbour	135,197	33,243	16,726	31,420	12,310	4,200	233,096
Harbour Island	29,708	3,892	12,274	3,620	-	-	49,494
North Eleuthera	14,591	-	6,610	2,010	7,120	3,090	33,421
Rock Sound	19,419	(1,289)	3,896	14,700	9,960	3,515	50,201
Spanish Wells	8,980	3,160	5,731	5,170	10,800	-	33,841
<b>Exuma &amp; Ragged Island</b>	157,019	17,247	18,627	46,180	19,690	13,788	272,551
<b>Grand Bahama</b>	1,304,580	325,541	396,421	290,230	436,612	47,103	2,800,487
<b>Inagua &amp; Mayaguana</b>	146,504	12,989	12,820	24,910	11,160	-	208,383
<b>Long Island</b>							
Deadmans Cay	27,358	3,620	10,940	23,040	25,350	-	90,308
Simms	12,089	1,890	2,655	11,030	6,200	3,405	37,269
<b>New Providence</b>	64,522,761	9,193,712	11,396,932	6,028,997	6,417,256	1,278,456	98,838,114
<b>San Salvador</b>	101,400	7,590	6,060	29,200	22,860	2,826	169,936
<b>Total</b>	<b>68,398,066</b>	<b>9,831,420</b>	<b>12,268,984</b>	<b>7,284,726</b>	<b>7,448,956</b>	<b>1,473,332</b>	<b>106,705,484</b>

**Table 9. Industrial Benefits Claims**

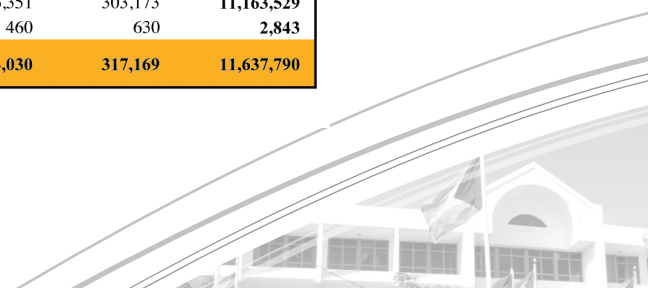
Awarded 2007

Island/Local Office	Injury Benefit	Disablement Benefit &	Industrial Death	Industrial Funeral	Total
<b>Abaco</b>					
Marsh Harbour	40	-	-	-	40
Coopers Town	2	-	-	-	2
<b>Andros</b>					
Fresh Creek	9	-	-	-	9
Kemps Bay	2	-	-	-	2
Nicholls Town	8	-	-	-	8
<b>Bimini &amp; Berry Islands</b>	30	-	-	-	30
<b>Cat Island</b>	-	-	-	-	-
<b>Crooked Island &amp; Acklins</b>	-	-	-	-	-
<b>Eleuthera</b>					
Governors Harbour	10	-	1	-	11
Harbour Island	11	-	-	-	11
North Eleuthera	-	-	-	-	-
Rock Sound	33	-	-	-	33
Spanish Wells	23	-	1	-	24
<b>Exuma &amp; Ragged Island</b>	45	-	-	-	45
<b>Grand Bahama</b>	178	5	1	-	184
<b>Inagua &amp; Mayaguana</b>	3	-	-	-	3
<b>Long Island</b>					
Deadmans Cay	4	-	-	-	4
Simms	7	1	-	-	8
<b>New Providence</b>	1,078	29	2	-	1,109
<b>San Salvador</b>	4	-	-	-	4
<b>Total</b>	<b>1,487</b>	<b>35</b>	<b>5</b>	<b>0</b>	<b>1,527</b>

**Table 10. Industrial Benefits**

Payments 2007

Island/Local Office	Medical Care	Injury Benefit	Disablement Benefit & Grant	Industrial Death	Total
<b>Abaco</b>					
Marsh Harbour	-	37,163	11,221	6,652	55,036
Coopers Town	-	536	-	-	536
<b>Andros</b>					
Fresh Creek	-	7,941	10,724	-	18,665
Kemps Bay	-	1,113	-	-	1,113
Nicholls Town	-	7,926	-	-	7,926
<b>Bimini &amp; Berry Islands</b>	-	27,388	10,264	-	37,652
<b>Cat Island</b>	220	-	6,666	5,243	12,129
<b>Crooked Island &amp; Acklins</b>	-	-	2,640	-	2,640
<b>Eleuthera</b>					
Governors Harbour	-	2,546	-	-	2,546
Harbour Island	-	7,293	-	-	7,293
North Eleuthera	-	-	693	-	693
Rock Sound	210	17,605	794	-	18,610
Spanish Wells	-	16,231	-	1,155	17,386
<b>Exuma &amp; Ragged Island</b>	-	28,049	-	-	28,049
<b>Grand Bahama</b>	32,653	183,744	31,977	315	248,689
<b>Inagua &amp; Mayaguana</b>	-	3,390	-	-	3,390
<b>Long Island</b>					
Deadmans Cay	-	3,379	-	-	3,379
Simms	-	3,447	2,240	-	5,687
<b>New Providence</b>	6,876,399	1,017,606	2,966,351	303,173	11,163,529
<b>San Salvador</b>	-	1,753	460	630	2,843
<b>Total</b>	<b>6,909,482</b>	<b>1,367,110</b>	<b>3,044,030</b>	<b>317,169</b>	<b>11,637,790</b>



**Table 11. Pensions in Payment**  
December 2007

Island	Retirement Benefit	Invalidity Benefit	Survivors' Benefit	OANCP	Invalidity Assistance	Survivors' Assistance	Disablement Benefit	Industrial Death	Total
Abaco	217	27	57	69	65	20	3	2	460
Andros	120	14	23	75	49	11	1	-	293
Bimini & Berry Islands	41	6	15	20	15	2	1	-	100
Cat Island	84	7	13	78	33	8	2	1	226
Crooked Island & Acklins	63	2	5	28	8	4	1	-	111
Eleuthera	51	12	16	18	13	4	1	1	116
Exuma & Ragged Island	87	7	15	27	17	9	-	-	162
Grand Bahama	459	111	159	129	212	25	15	2	1,112
Inagua & Mayaguana	43	5	3	10	4	-	-	-	65
Long Island	21	3	7	11	10	1	-	-	53
New Providence	13,230	1,874	3,273	2,144	2,274	548	490	66	23,899
San Salvador & Rum Cay	23	3	4	10	8	1	-	-	49
<b>Total</b>	<b>14,439</b>	<b>2,071</b>	<b>3,590</b>	<b>2,619</b>	<b>2,708</b>	<b>633</b>	<b>514</b>	<b>72</b>	<b>26,646</b>

**Table 12. Pensions in Payment at Year-End**  
2003-2007

Long-term Benefits					
	2007	2006	2005	2004	2003
Retirement Benefit	14,439	13,895	13,095	12,676	11,959
Invalidity Benefit	2,071	2,090	2,018	1,991	1,909
Survivor's Benefit	3,590	3,556	3,366	3,395	3,288
Old-Age Non-Cont. Pension	2,619	2,796	2,909	3,144	3,316
Invalidity Assistance	2,708	2,769	2,753	2,819	2,790
Survivor's Assistance	633	706	760	844	919
<b>Total</b>	<b>26,060</b>	<b>25,812</b>	<b>24,901</b>	<b>24,869</b>	<b>24,181</b>
Industrial Benefits					
	2007	2006	2005	2004	2003
Disablement	514	499	469	445	404
Industrial Death	72	74	73	74	84
<b>Total</b>	<b>586</b>	<b>573</b>	<b>542</b>	<b>519</b>	<b>488</b>



**Table 13. Short-Term Benefits & Assistance**  
2003-2007

Amount Paid ('000s)					
	2007	2006	2005	2004	2003
Sickness Benefit	\$10,921	\$10,788	\$10,034	\$9,758	\$9,808
Maternity Benefit	\$6,903	\$6,441	\$6,173	\$7,009	\$5,260
Maternity Grant	\$1,448	\$1,397	\$1,367	\$1,286	\$1,227
Funeral Benefit	\$1,846	\$1,804	\$1,921	\$1,806	\$1,736
Sickness Assistance	\$21	\$31	\$11	\$24	\$22
<b>Total</b>	<b>\$21,139</b>	<b>\$20,461</b>	<b>\$19,506</b>	<b>\$19,883</b>	<b>\$18,053</b>
Number of Claims Awarded					
	2007	2006	2005	2004	2003
Sickness Benefit	21,371	21,612	20,844	20,068	21,945
Maternity Benefit	3,049	2,896	2,906	2,857	2,733
Maternity Grant	3,546	3,096	3,286	3,178	3,070
Funeral Benefit	1,225	1,220	1,294	1,213	1,170
Sickness Assistance	32	66	49	59	64
<b>Total</b>	<b>29,223</b>	<b>28,890</b>	<b>28,379</b>	<b>27,375</b>	<b>28,982</b>

**Table 14. Long-Term Benefits & Assistance**  
2003-2007

Amount Paid ('000s)					
	2007	2006	2005	2004	2003
Retirement Benefit	\$68,398	\$57,905	\$54,326	\$51,611	\$47,175
Invalidity Benefit	\$9,831	\$9,183	\$8,343	\$8,071	\$7,692
Survivor's Benefit	\$12,269	\$10,804	\$10,304	\$9,903	\$9,533
Old-Age Non-Cont. Pension	\$7,285	\$6,787	\$7,103	\$7,743	\$8,213
Invalidity Assistance	\$7,449	\$6,767	\$6,748	\$6,787	\$6,838
Survivor's Assistance	\$1,473	\$1,469	\$1,563	\$1,643	\$1,813
<b>Total</b>	<b>\$106,705</b>	<b>\$92,915</b>	<b>\$88,387</b>	<b>\$85,758</b>	<b>\$81,264</b>
Number of Claims Awarded					
	2007	2006	2005	2004	2003
Retirement Benefit	1,294	1,110	1,151	1,143	1,014
Invalidity Benefit	176	190	167	181	211
Survivor's Benefit	363	397	366	410	389
Old-Age Non-Cont. Pension	143	132	115	113	122
Invalidity Assistance	94	139	100	145	131
Survivor's Assistance	23	31	50	36	51
<b>Total</b>	<b>2,093</b>	<b>1,999</b>	<b>1,949</b>	<b>2,028</b>	<b>1,918</b>

**Table 15. Industrial Benefits**  
2003-2007

<b>Amount Paid ('000s)</b>					
	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
Medical Care	\$6,909	\$6,886	\$5,459	\$5,075	\$3,405
Injury Benefit	\$1,367	\$1,366	\$1,352	\$1,071	\$989
Disablement Benefit & Grant	\$3,044	\$2,900	\$2,635	\$2,348	\$2,172
Industrial Death	\$317	\$287	\$274	\$286	\$307
Industrial Funeral	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$11,638</b>	<b>\$11,440</b>	<b>\$9,720</b>	<b>\$8,780</b>	<b>\$6,873</b>
<b>Number of Claims Awarded</b>					
	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
Medical Care	2,165	2,165	1,526	927	1,122
Injury Benefit	1,487	1,520	1,537	1,323	1,228
Disablement Benefit & Grant	35	36	33	50	65
Industrial Death	5	4	6	2	1
Industrial Funeral	0	0	0	0	0
<b>Total</b>	<b>3,692</b>	<b>3,725</b>	<b>3,102</b>	<b>2,302</b>	<b>2,416</b>









