Our Mission:

"To deliver meaningful social security products and services to our customers"

In that regard we are committed to professional and prudent Management of the NIBTT's resources to ensure:

• access to an array of benefit products relevant to the needs of benefit recipients;

• benefits levels that are meaningful in terms of real purchasing power and poverty amelioration;

• affordable contribution rates for employers, employees and the self-employed;

• support for national social initiatives.

Our Vision:

"Excellence in the provision of social security"

In striving for excellence we commit ourselves to:

• providing caring and courteous service to customers in safe, pleasant and convenient surroundings;

• efficient, effective and timely delivery systems;

• expanding coverage and the range of social security products we offer;

• ensuring financial sustainability through effective contribution income collection and prudent investment strategies that grow the National Insurance Fund;

• create an atmosphere of optimism, teamwork, resourcefulness and well-being for our employees.

Benefit Information

There are 23 benefits in seven categories

Sickness
Maternity
Invalidity
Employment Injury
Retirement
Funeral Grant
Survivors

NIS Benefits

- Sickness Benefit
- Maternity Allowance
- Maternity Grant
- Special Maternity Grant
- Employment Injury Allowance
- Employment Injury Medical Expense
- Employment Injury Disablement Pension
- Employment Injury Disablement Grant
- Employment Injury Death Benefit Widow
- Employment Injury Death Benefit Widower
- Employment Injury Remarriage Grant
- Employment Injury Death Benefit Child
- Employment Injury Death Benefit Dependent Parent Allowance
- Invalidity Benefit
- Retirement Pension
- Retirement Grant
- Survivors' Benefit Widow
- Survivors' Benefit Widower
- Survivors' Benefit Child
- Survivors' Benefit Orphan Allowance
- Survivors Benefit Dependent Parent Allowance
- Survivors' Benefit Remarriage Grant
- Funeral Grant

Customers and Other Stakeholders
We recognise that meeting and exceeding the expectations of our stakeholders must guide our decision-making and behavious.

Employee Development and Recognition
We are a performance-driven organisation committed to facilitating the continuous development of all employees to their fullest potential.

Mutual Respect
We value and respect each other as persons, professionals, and team memberssubscribing to the same mission, vision and values.

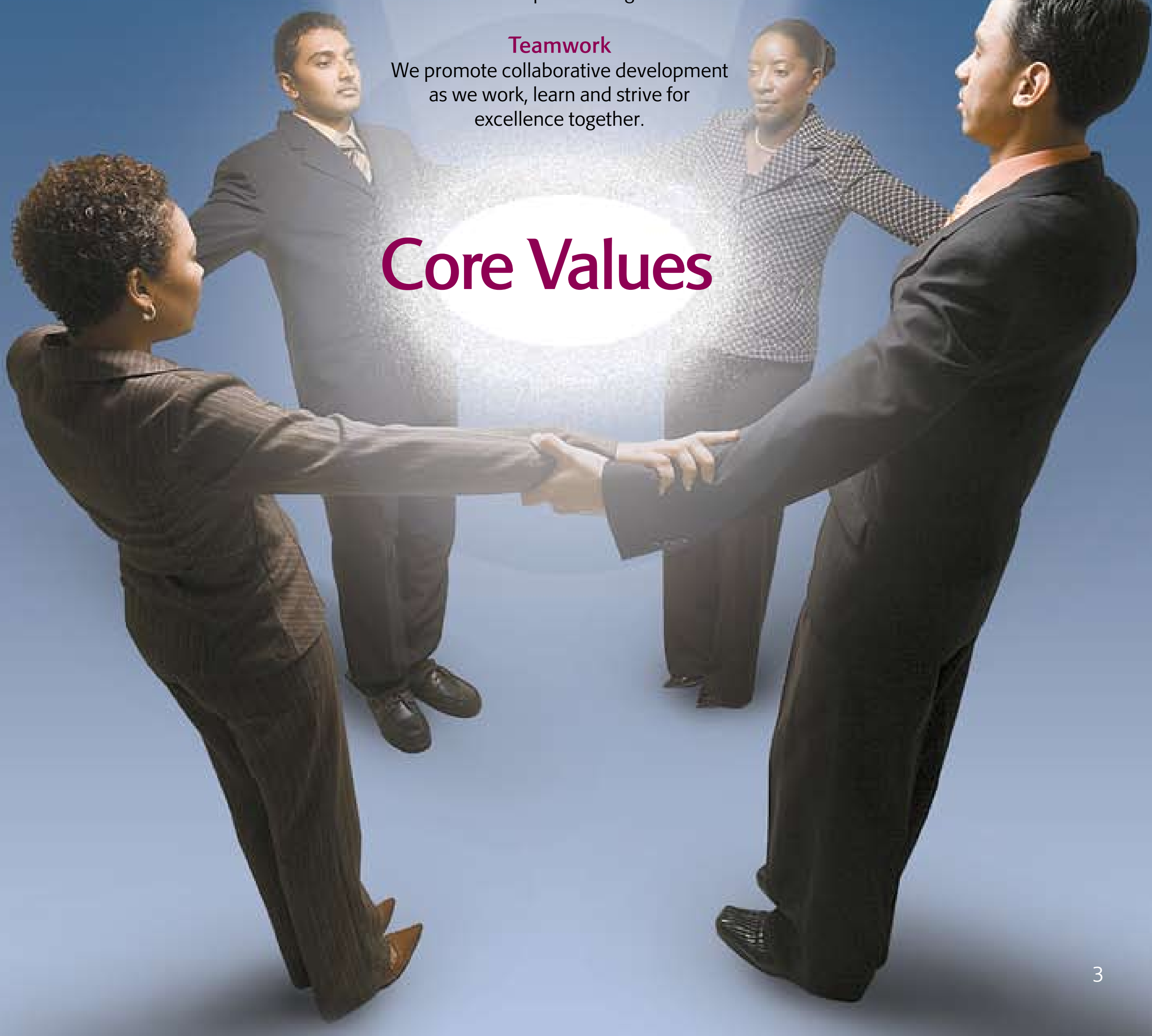
Transparency
We are honest, open, clear and timely in communicating and conducting ourbusiness affairs with each other, our customers and business associates.

Integrity
We are committed to high standards of personal and professional integrity and ethical behavior.

Fairness
We strive to be fair and equitable in our treatment of all stakeholders.

Loyalty
We are committed to protecting the assets and ensuring the best interests of NIBTT and will avoid doing anything to tarnish its reputation and corporate image.

Teamwork
We promote collaborative development as we work, learn and strive for excellence together.



Core Values

Board Committees

INVESTMENT COMMITTEE

Mr Calder Hart - Chairman
Ms Joan John - Member
Mr Emmanuel A Noel - Member
Mr Ruben Mc Sween - Member
Mr Peter Clarke - Member
Mr Michael Annisette - Member
Mr Robert Guiseppi - Member
Executive Director - Member
Executive Manager, Investments, Finance & Business - Ex-officio member

FINANCE COMMITTEE

Mr Calder Hart - Chairman
Mr Michael Annisette - Member
Mr Seeram K. Maharaj - Member
Ms Joan John - Member
Executive Director - Member
Executive Manager, Investments, Finance & Business - Ex-officio member

TENDERS COMMITTEE

Mr Seeram K. Maharaj - Chairman
Mr Henry Sealy - Member
Mr Alva Allen - Member
Executive Director - Member
Executive Manager, Investments, Finance & Business - Ex-officio member

AUDIT COMMITTEE

Ms Inez Sinanan - Chairman
Mr Walton Hilton - Clarke - Member
Mr Rudranath Indarsingh - Member
Executive Director - Member
Internal Auditor - Ex-officio member

HUMAN RESOURCES COMMITTEE

Mr Alva Allen - Chairman
Mr Henry Sealy - Member
Mr Walton Hilton - Clarke - Member
Executive Director - Member
Executive Manager, Human Resources - Ex-officio member

COMPUTER PROJECTS IMPLEMENTATION COMMITTEE

Mr Ruben Mc Sween - Chairman
Ms Joan John - Member
Mr Rudranath Indarsingh - Member
Executive Director - Member
Executive Manager, Planning & Technology - Ex-officio member

PENSION PLAN COMMITTEE

Mr Henry Sealy - Chairman
Ms Lorna Charles - Board Representative
Ms Cherrie-Ann Crichlow-Cockburn - Management Representative
Ms Emrice Henry - Members' Representative
Mr Sherwin Williams - Members' Representative

LAND DEVELOPMENT COMMITTEE

Ms Joan John - Chairman
Mr Seeram K. Maharaj - Member
Mr Rudranath Indarsingh - Member
Executive Director - Member
Executive Manager, Investments, Finance & Business - Ex-officio member

ACTUARIAL REVIEW COMMITTEE/NATIONAL HEALTH INSURANCE SYSTEM COMMITTEE

Mr Calder Hart - Chairman
Mr Walton Hilton-Clarke - Member
Mr Alva Allen - Member
Ms Joan John - Member
Executive Director - Member
Executive Manager, Planning & Technology, - Ex-officio member

Board of Directores

The NIBTT's Board of Directors consists of eleven members designated directors appointed by the Minister of Finance.

The Tri-partite Board consists of representatives nominated by Government (3), Labour(3) and Business (3), the Chairman, and the Execuitve Director as ex-offico member.

The Board of Directors for financial year 2008-2009 from left to right are:
Senator the Honourable Michael Annisette (Labour), Walton Hilton-Clarke (Business), Rudranath Indarsingh (Labour), Joan John (Government), Ruben McSween (Business), Seeram K Maharaj (Business), Alva Allen (Labour), Inez Sinanan (Government), Henry Sealy (Business). Front: Jeffrey McFarlane (ex officio), Calder Hart (Chairman)

Alternates (not shown):
Robert Guisseppi (Labour)
Ermine DeBique (Labour)
Curtis John (Labour)
Stephanie Fingal (Business)
Kenneth Dalip (Business)
Clarence Rambarat (Business)

Executive Director's Report

Overview

The NIBTT's performance over the period July 2008 - June 2009 was reflective of the strength and flexibility of our organization and the unique and resilient culture of our management and staff that allowed us to meet the special challenges locally that were caused by the severe turbulence in the international financial sector.

According to the Central Bank of Trinidad & Tobago, real GDP growth slowed throughout 2008 and turned negative for most sectors of the Trinidad & Tobago economy in the first quarter of 2009. The year was accordingly marked by a reduction in the labour force. Turbulence was also evident in financial markets with the Trinidad & Tobago composite index falling by over 30% during the year and foreign stock indices showing only slightly lower declines. Such developments presented us with challenges in collecting contribution income and securing the National Insurance Fund from fraudulent claims for benefits.

The year under review was also characterized by greater demands for our services and improvements in our service delivery timeframes. There was significant growth in benefit payments, in excess of $2 billion, consistent with a material increase in the number of persons claiming and receiving benefits under the National Insurance System (NIS).

Employers continued to support the system by demonstrating high levels of compliance, assisted by our Authorized Officers, resulting in record contribution income of $2.55 billion for the financial year. Our investments returned a yield of 6.87% at cost, and our asset base increased by $330 million to $17.4 billion. Administrative costs were reduced to 4.92% of contribution income, demonstrating not only improved efficiency but financial discipline and responsibility.

It has consistently been our goal to operate efficiently and generate consistent growth so as to assure our stakeholders that their fund is both secure and well managed. Our focus remains unchanged.

Table 1 Key Indicators

	2009	2008	% Change
Claims			
Beneficiaries	146,203	135,823	7.6
Long Term Beneficiaries	112,131	106,779	5
Benefit Payment (billions)	2.06	1.52	35.53
New Claims for Processing	42,176	40,149	5.04
New Claims Processed and Authorized	41,420	38,660	7
New Claims Paid	41,740	38,350	8.8
Compliance			
Active Insured Persons	497,805	525,755	(5.3)
Active Employer Population	17,233	17,516	(1.6)
Employers Surveyed	6,860	6,076	12.9
Income and Yield			
Contribution Income (billions)	$2.55	$2.04	25
Realized Net Investment Income(billions)	$0.99	$2.05	(51.7)
Admin. Cost (millions)	$125	$114	9.6
Admin. Cost as a % of Contribution Income	4.9%	5.59%	(12.3)
Admin. Cost as a % of Total Income	3.5%	2.8%	25.0
Net Yield of Portfolio (realized income)	6.87%	15.83%	(56.60)
Net Yield of Portfolio (realized and unrealized income)	(1.31)%	15.42%	(108.49)
Total Funds and Reserves (billions)	$17.2	$17.0	1.17
Total Assets (billions)	**$17.4**	**$17.1**	**1.2**

2. Service Delivery

The delivery of excellent service and relevant benefits is our key social responsibility. During the 2009 financial year, we served 628,236 customers according to preliminary estimates. Long-term beneficiaries increased by 5% to 112,131 and there were 1,067 mortgagors as at June 30, 2009. During the year, 194 mortgages were fully paid off. We received contribution payments for almost half a million working persons. No doubt consistent with the slowdown in the economy of Trinidad & Tobago, our customer base declined by 3.5% from last year owing to declines in the number of active (contributing) insured persons and active employers.

Table 2 Distribution of NIBTT Customer Base

Year	Active Insured Employees	Long-Term Beneficiaries	Active Employers	Mortgagors	Total
2008	525,755	106,779	17,516	1,261	651,311
2009	497,805	112,131	17,233	1,067	628,236

3. Benefit Payments

Benefit payments exceeded $2 billion ($2.06 billion) for the financial year under review. This represents an increase of 35.53% over the $1.52 billion paid in 2008. The NIBTT considers this benefit payout a tremendous achievement as we continue to support our customers in a challenging financial environment.

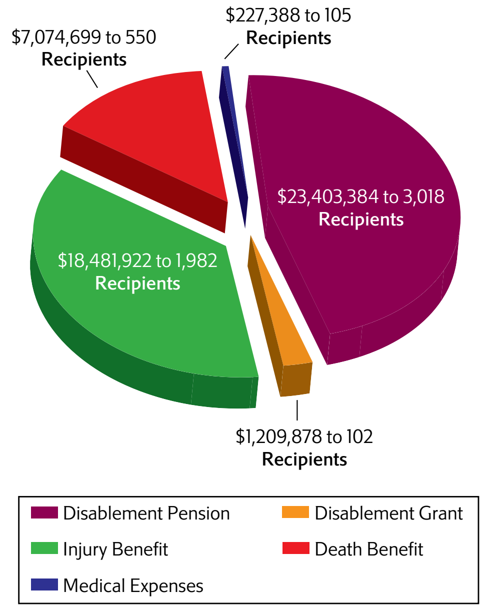
4. Benefit Administration

A total of 146,203 persons received benefits during the financial year ended June 30, 2009. This represents an increase of 10,380 or 7.6% over the previous year's figure of 135,823. Of these, 112,131 or 78% were long-term benefit recipients, 24,989 or 18% were short-term benefit recipients and 5,756 or 4% were employment injury benefit recipients.

The number of long-term benefit recipients increased by 5,352 or 5% to 112,131, when compared with the 106,779 recipients in the financial year ended June 2008.

Within this category, the greatest net growth of 4,640 or 7% was seen in our retirement benefit recipients.

EMPLOYMENT INJURY BENEFIT & EXPENDITURE FY09

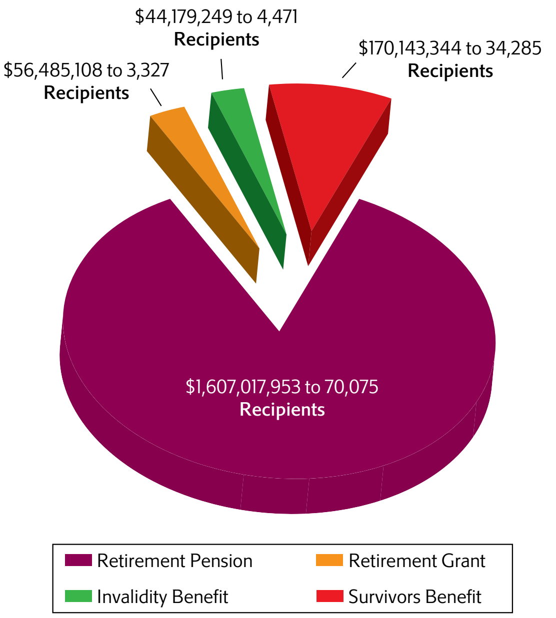


Executive Director's Report (Continued)

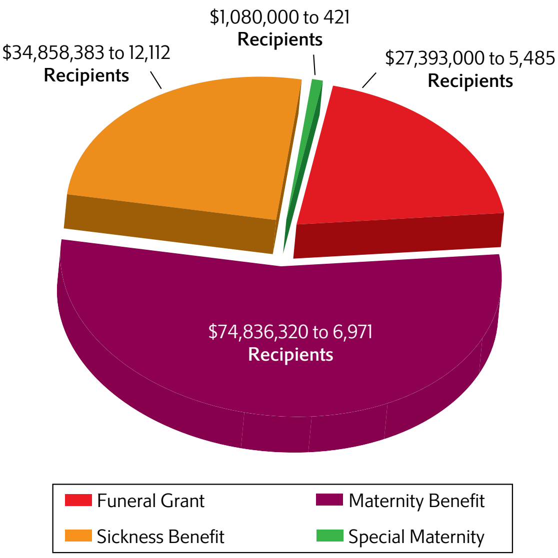
Short-term benefit recipients increased by 8.6% to 24,989 in financial year 2009 from 23,011 in the previous financial year. Employment Injury Benefit recipients decreased by 277 or 4% from 6,033 in 2008 to 5,756 recipients in 2009.

This year we received an increased number of new claims for processing. A total of 42,176 claims were received in 2009 when compared to 40,149 claims received in 2008. This represents an increase of 2,027 or 5% when compared to the 2008 figure.

LONG-TERM BENEFIT RECIPIENTS & EXPENDITURE FY09



SHORT-TERM BENEFIT RECIPIENTS & EXPENDITURE FY09



5. Registration

The NIBTT was able to surpass the registration target of 95% of registration applications being completed within seven days of receipt. Employer registrations exceeded the targets set in our Corporate Strategic Plan and an improved turnaround time was achieved in issuing registration numbers to new insured persons.

Employer Registration

During this financial year 2,292 new employers submitted applications for registration. This represented a decrease of 202 or 8% when compared with the previous year's receipt of 2,494 applications.

At the start of the financial year, a total of 2,309 applications were available for processing. Of these, 2,288 or 99% were determined as new employers. This represented a decrease of 124 or 5% when compared with 2,412 new employers registered in the 2008 financial year. Notwithstanding the addition of these new employers to the system, the net total employers increased by only 182. This is quite likely a reflection of the current economic slowdown, which resulted in a number of employers closing shop.

In financial year 2009, a total of 2,053 or 98.5% of Employers' Certificates were issued in less than seven days. This represented an improvement in our turnaround time when compared with 1,991 or 89.4% of certificates issued within seven days for the previous financial year.

Insured Person Registration

During the financial year, applications for registration of 40,945 employees were submitted. This represented a decrease of 5,018 or 11% when compared with last year's figure of 45,963.

Of the total applications received, 27,151 or 66% were new registrants while 13,794 or 34% were previously registered.

This year registration numbers were issued to a total of 26,539 or 98% of the 27,151 new registrants within seven days of receipt of their applications as compared to a total of 28,941 or 96% of the 30,163 new registrations being issued numbers within seven days in financial year 2008.

6. The National Insurance Appeals Tribunal

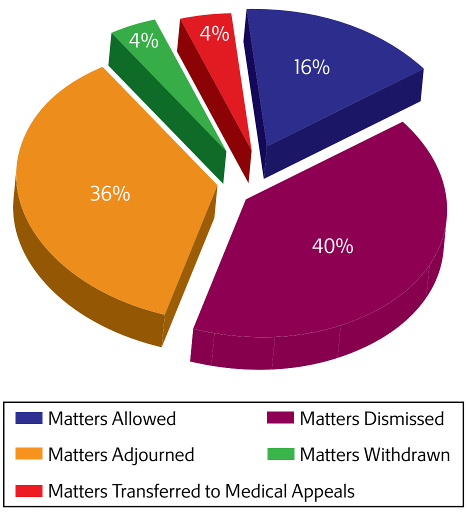
In accordance with Section 62 of the National Insurance Act, the National Insurance Appeals Tribunal determines appeals from persons aggrieved by decisions of the Board in relation to their benefits.

A total of 16 sittings of the Appeals Tribunal were held during the period.

182 matters were heard. Of the matters heard, 29 or 16% were allowed, 73 or 40% were dismissed, 66 or 36% were adjourned, seven or 4% were withdrawn with permission

Executive Director's Report (Continued)

during the hearing and seven or 4% were transferred to the Medical Appeals Tribunal.



Invalidity, Retirement and Employment Injury-related benefits accounted for 147 or 81% of the matters heard.

A total of 67 matters were not heard. In 12 of these matters the notices of appeal were lodged after the statutory deadline and 55 were withdrawn by the appellants prior to the hearing.

The number of matters heard remained fairly consistent with a marginal increase of two over the 2007/2008 figure. However, matters dismissed increased by four when compared with 69 in the previous financial year.

Appeal Matters heard during the Financial Year

Benefit Type	Allowed	Dismissed	Adjourned	Withdrawn	Transferred to Medical Appeals	Total
Retirement	11	14	35	5	0	64
Survivors	1	7	2	1	0	11
Disablement	0	2	0	0	2	4
Injury	1	13	5	0	2	21
Invalidity	13	28	16	1	3	62
Sickness	0	4	6	0	0	10
Maternity	3	2	1	0	0	6
Funeral	0	2	1	0	0	3
Medical Expenses	0	1	0	0	0	1
Total	29	73	66	7	7	182

Appeal Matters not heard during the Financial Year

Benefit Type	Out of Time	Withdrawn	Total
Retirement	9	5	14
Funeral	0	0	0
Invalidity	0	39	39
Survivors	0	7	7
Injury	1	1	2
Sickness	0	0	0
Disablement	1	1	2
Medical Expenses	1	2	3
Total	**12**	**55**	**67**

7. Contribution Income

Contribution income was increased by 25% over the previous year, to $2.55 billion. This performance resulted from a combination of NIBTT's sustained public outreach efforts as well as intensified and effective compliance monitoring strategies.

This is a significant accomplishment given the current challenges in the local economy and is attributable to our diligence in surveying and auditing employers to ensure that they understand and honour their responsibilities under the National Insurance Act.

Accordingly, a total of 6,860 employers were audited during the year under review, compared to 6,076 in the previous year – an increase of 12.9% of employers audited.

8. Management of Administrative Expenditure

Despite inflationary pressures, the NIBTT was successful in managing its operational costs. While administrative expenditure inevitably increased, rising from $115 million in the previous year to $125 million for this year, as a fraction of contribution income, these costs were contained at 4.92%.

This represents an improvement of 12.8% over the previous year's 5.62% and fell well within the performance target of 5.57% for the financial year.

9. Financing the National Insurance System

Total Funds and Reserves grew to $17.2 billion or by 1.17% from $17.0 billion in financial year 2008.

Total Assets similarly grew to $17.4 billion or by 1.7% from $17.1 billion in financial year 2008.

10. Investment Income and Yield

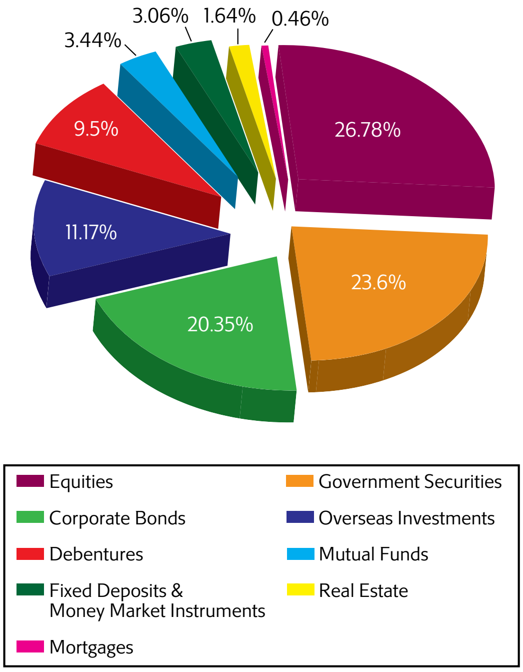
In the previous financial year, net realized investment income stood at $2.05 billion, attributed in large part to the sale of our 20% equity holdings in RBTT which realized income of $1.3 billion. By comparison, in a landscape of economic challenges, realized investment income for 2009 stood at $987.6 million, representing a reduction by 51.7%.

11. Portfolio Mix

At the NIBTT, our investment approach, guided by the Board of Directors, continues to be prudent, effective and non-speculative in nature.

Equities (26.78%) represented the largest share of the investment portfolio, followed by Government Securities (23.6%), Corporate Bonds (20.35%), Overseas Investments (11.17%), Debentures (9.5%), Mutual Funds (3.44%), Fixed Deposits and Money Market instruments (3.06%), Real Estate (1.64%) and Mortgages (0.46%).

Executive Director's Report (Continued)



12. Claims made under Reciprocal Agreements

During the financial year, 59 applications were received from persons in Canada who wished to access Trinidad & Tobago benefits; while one application was received from a CARICOM national in respect of Trinidad & Tobago benefits. This relationship continues to benefit our customers beyond the shores of Trinidad & Tobago.

13. Employee Performance Management System

The Employee Performance Management System (EPMS) was implemented throughout the organization during the course of the financial year.

This is all part of a system being implemented in phases to further improve organisational performance, promote employee development and recognize and reward performances.

In its first year, the Pay-for-Performance aspect of the EPMS proved more challenging to implement than initially anticipated but is expected to be fully in place in the next financial year.

14. Staff Training and Development

All formal training activities identified in the organization's training and staff development programme for financial year 2009 were achieved. A total of 61 internal and external training programmes were completed and involved the participation of 352 staff members at all levels.

As a result, 55% of staff were exposed to approved training programmes. The training provided covered a wide range of skills sets that included insurance, financial management, HR management, OSHA compliance and IT security.

15. Executive and Professional Development

In this financial year, 23 professionals from our Senior and Executive Management Team successfully completed a 'Leadership Development Programme' with the Arthur Lok Jack Graduate School of Business. The general objectives of the programme were to:

- Develop leadership competencies to support new and expanded business opportunities;
- Support succession planning and other human resource development initiatives;
- Facilitate the personal and career development strategies of managers;
- Foster and strengthen employee commitment to the organization and its vision.

The modules focused on, among other areas, Communication and Interpersonal Skills; Managing Conflict; Negotiation Skills; Project Management; Developing Customer Driven Competencies and Knowledge Management for business success.

In addition, the Deputy Executive Director completed the Advanced Management programme at the Harvard Business School over the period March 2009 to May 2009. This intense leadership programme geared towards professional, intellectual and personal development also covered several functional areas and management topics including Accounting and Finance; Corporate Financial Management; Leadership and Corporate Accountability; Corporate Restructuring; Managing Innovation and Organizational Effectiveness; Team Decision Making and Organization Learning; Integrating Leadership Capabilities, Global Economy and Global Economic Crisis.

16. Corporate Social Responsibility

During the year, we were able to connect with 7,529 persons through public education seminars, exhibitions and other public relations activities. We were particularly pleased to be able to partner with corporate citizens and organisations to disseminate required information to their audiences.

In acknowledgement of our dedication to promoting healthy lifestyles and general wellness, we hosted our first ever Health Fair and Wellness Run in October 2008 with participation from over 3,000 persons.

This event was deemed a remarkable success with calls from the public to host this event on an annual basis.

Over the period April to June 2009, all Service Centres hosted a Customer Appreciation Day. The activities allowed our staff to meet with customers in a relaxed atmosphere,

Executive Director's Report (Continued)

to share tokens of appreciation and distribute hampers. Customers were treated to entertainment, while free vision tests, blood pressure and blood sugar testing and other offerings were provided at many of our offices. We also took the opportunity to give updates about our products and services to our customers.

The most valuable outcome of this exercise was the deepening of social bonds with our customers.

17. Extending National Insurance Coverage to Self-Employed Persons

We are well advanced in our preparations to incorporate self-employed persons into the National Insurance System. The actuarial evaluation of this system is targeted for completion in December 2009, following which enabling legislation will be drafted.

Staff and management worked assiduously in formulating policy and designing system requirements for registration eligibility; benefits types; and overall governance of this system.

Our Board of Directors has authorized a commencement date of July 2010.

18. Benefit Fraud

This special unit was established to conduct quality control audits mainly on selected claims to ensure adherence to policies and procedures and to identify and make recommendations for the treatment of occurrences of fraud.

Since its establishment in 2008, this unit has been able to prevent abuse of the fund in the sum of $50.1 million, $14.2 million of which was identified in the current financial year.

The unit continues to make an invaluable contribution to the organization and has as its mandate to:-

- Protect the funds of the NIBTT against haemorrhage through mistake, misrepresentation or fraud in the claims administration process by conducting special audits;
- Provide management with accurate and timely information for making risk intelligent decisions;
- Create an awareness of risk management through policies and procedures throughout the organization.

We have initiated action in 15 fraud matters which are presently before the Magistrates' Courts.

All 15 matters are expected to come up for trial in the financial year beginning July 1, 2009.

19. Online Data Contribution System (ODCS)

This system will allow customers to submit contribution data via the Internet to the NIBTT in a secure, controlled manner. In addition, employers will be allowed to complete pre-registration applications, maintain employer data and generate termination certificates. The design phase has been signed off and development is scheduled to be completed in the 2009/2010 financial year.

20. Electronic Data Management System (EDMS)

In the previous financial year a web based application, Electronic Data Management System, was introduced to process contribution records submitted on the electronic media. This system facilitates the immediate uploading of accurate data supplied by employers and rejection of incompatible records for investigation.

20 selected employers are being used as a pilot in this phase to submit contribution data electronically, and a total of 12,913 contribution records were uploaded through this approach during the year.

Further, contributions on magnetic media were received from another 402 employers and a total of 1,666,877 contribution records were received and uploaded during the year.

The next phase will be implemented during the 2009/2010 financial year.

21. National Health System

The NIBTT continued to make its contribution to the work of the Government Steering Committee mandated to develop the framework and policies governing the implementation of the country's National Health System.

One feature of this work is the collaboration with our Caribbean partners in the sharing of information about country experiences. In that regard, the NIBTT hosted the 3rd Caribbean Meeting on National Health Financing Initiatives with the support of the Ministry of Health in October 2008.

The meeting attracted more than 80 participants and several others from Government Ministries and Non-Governmental Organizations (NGOs) for specific sessions. Participants included senior officials from the Caribbean Social Security Organizations, senior officials from Ministries of Health and National Health Financing Plans, and representatives of local and international organizations. There were notable presentations from WHO/PAHO, IADB, ILO, CARICOM Secretariat and experts from the University of the West Indies. The presentations were made on issues ranging from international developments in health systems and health financing to the role of private health insurers and providers.

Participants were unanimous in their praise for the planning, organization and effective management of the conference.

Executive Director's Report (Continued)

22. Senior Citizen's Grant and Other Welfare Payments

As evidence of Government's confidence in the capability of the organization, the NIBTT was entrusted with the responsibility of processing monthly social welfare benefit cheques. Approximately 110,000 cheques (Public Assistance, Disablement Grant and Senior Citizens Grant) were prepared for payments due by July 1, 2009, a task accomplished ahead of schedule.

Appreciation

The NIBTT is committed to being the leading provider of social security in the Caribbean. This requires us to remain financially strong, offer the products and services needed by our customers and to develop the necessary technology and services that our customers demand.

The financial year past was an excellent one for the NIBTT. Our financial strength, which allows us to fulfil our commitments to our customers, is the highest priority.

Our strong core of people, our customer base and our skilled and dedicated staff are among the elements that place us in a good position to securely forge ahead into the future.

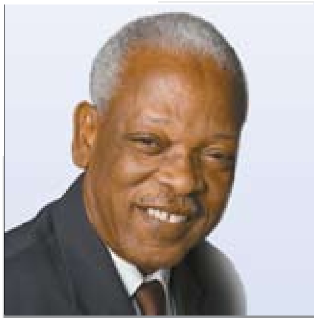
My sincere gratitude to our Chairman and Board of Directors under whose prudent stewardship, the NIBTT has been able to achieve and surpass its goals.

I must also express sincere appreciation to my management team for their leadership skills, various expertise and teamwork during the year. Without your support, our objectives would not have been attained.

On behalf of the Board of Directors and Management, I wish to express our heartfelt gratitude to all employees of the National Insurance Board. Without your commitment and dedication, the results attained for the financial year would not have been possible. It is certainly through your efforts that the National Insurance Board now stands equipped to embrace the challenges of the future. Our most invaluable asset is our people and we thank you.

Jeffrey A Mc Farlane
Executive Director NIBTT
September 30, 2009

The National Insurance Board of Trinidad and Tobago
Executive Management Team



Jeffery A. Mc Farlane
Executive Director

Lorna Charles
Deputy Executive Director

Ian Pemberton
Executive Manager, Investments, Finance and Business

Karen Gopaul
Executive Manager, Insurance Operations (Ag)

Cherrie-Ann Crichlow-Cockburn
Executive Manager, Human Resources

Niala Persad
Executive Manager, Legal Services/ Corporate Secretary (Ag)

Ramlakhan Seecharan
Executive Manager, Planning and Technology (Ag)

Executive Management Team

Jeffrey A. McFarlane
Executive Director

Lorna Charles
Deputy Executive Director

Ian Pemberton
Executive Manager, Investments, Finance and Business

Karen Gopaul
Executive Manager, Insurance Operations (Ag)

Cherrie-Ann Crichlow-Cockburn
Executive Manager, Human Resources

Niala Persad
Executive Manager, Legal Services/Corporate Secretary (Ag)

Ramlakhan Seecharan
Executive Manager, Planning and Technology (Ag)

Senior Management Team

Investments, Finance and Business Services:
Esther Charles – Manager, Business Services
Karen Davis-Holder – Financial Accountant
Ramdath Doobraj – Mortgage Analyst
Annabelle Holder – Senior Investment Analyst

Insurance Operations:
Margaret De Landro – Manager, Insurance Operations
Patricia George-Lezama – Area Operations Manager (Ag)
Emrice Henry – Area Operations Manager
Sean Mc Millan – Area Operations Manager

Human Resources:
Elton Doyle – Manager, Employee and Industrial Relations
Michael Gopaul – Manager, Organisational Development
Sherma Gidaree - Manager, Employee Benefits/Compensation (Ag)

Legal Services/Corporate Secretariat and Corporate Communications
Greta Stephen – Legal Officer
Kendra Thomas – Legal Officer
Shoba Jamunar – Legal Officer
Rena Mahadeo – Legal Officer
Jennilynn Howe-Dopwell – Manager, Corporate Communications (Ag)

Planning and Technology:
Adrian Fortune – Manager, IT Security
Susan Nelson-Mc Conney – Project Manager
Mikhail Noel – Manager, IT Development
Andrew Pienkos – Manager, Research and Development
Warren Ifill – Manager, IT Infrastructure (Ag)

Office of the Executive Director
Patricia Villaruel – Manager, Claims Investigations Unit
Davendra Maraj – Internal Auditor (Ag)

FINANCIAL STATEMENTS

Independent Auditors' Report to the Directors of The National Insurance Board of Trinidad & Tobago

Report on the Non-Consolidated Financial Statements

We have audited the accompanying non-consolidated financial statements of The National Insurance Board of Trinidad & Tobago ("the Board'), set out on pages 3 to 38, which comprise the non-consolidated balance sheet as at June 30, 2009, and the non-consolidated revenue and expenditure accounts and non-consolidated statement of cash flows 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 non-consolidated financial statements in accordance with the accounting policies as set out in Note 5. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the non-consolidated 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 non-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' judgement, 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 auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for 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.

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

The Board's statutory responsibility is to prepare financial statements to be ultimately laid before Parliament as required by the National Insurance Act. These accounts have been prepared under the accounting framework as described in Note 5 of these non-consolidated financial statements.

Opinion

In our opinion, the non-consolidated financial statements give a true and fair view of the financial position of the Board as of June 30, 2009, and of its financial performance and its cash flows for the year then ended in accordance with the accounting policies as set out in Note 5.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 14 of the non-consolidated financial statements. The Board has investments with Clico Investment Bank Limited (CIB) which had matured by June 30, 2009; however, the Board had not received either the principal or accrued interest that was contractually due. There is uncertainty regarding whether the investments fall under the Memorandum of Understanding between the Ministry of Finance and CL Financial Limited. In addition, the winding up exercise of CIB is not yet completed, therefore there is further uncertainty regarding the recovery of the investments from this process. The ultimate outcome of these matters cannot presently be determined and, accordingly, no impairment provision has been made in the non-consolidated financial statements for any effects that may arise from the non-recovery of the principal and/or interest.

Kpmg

Chartered Accountants

November 5, 2009
Port of Spain
Trinidad, W.I.

Non-Consolidated Balance Sheet

June 30, 2009

	Notes	2009 $'000	2008 $'000
ASSETS			
Property, plant and equipment	7	103,204	103,612
Investment properties	8	143,951	143,631
Employee Benefits	9	317,908	292,544
Investment in subsidiary companies	10	166,070	32,190
Investments held-to-maturity	11	8,606,589	6,914,692
Mortgage advances	12	71,788	83,812
Investments available-for-sale	13	5,879,615	5,687,628
Investments at fair value through profit and loss		391,521	480,737
Inventory		138,043	101,782
Claims Receivable – Matured Deposits	14	530,047	–
Other assets	15	651,952	539,153
Cash and cash equivalents	16	389,323	2,680,029
Total assets		17,390,011	17,059,810
FUNDS, RESERVES AND LIABILITIES			
Long-term benefits fund	17	15,916,173	13,741,977
Short-term benefits fund	18	274,175	122,644
Employment injury benefit fund	19	491,243	355,315
Total funds		16,681,591	14,219,936
Accumulated reserve	20	–	1,062,840
Revaluation reserve	21	501,122	1,704,352
Total reserves		17,182,713	16,987,128
Other liabilities	22	57,298	72,682
Borrowings	23	150,000	–
Total funds, reserves and liabilities		17,390,011	17,059,810

The accompanying notes form an integral part of these non-consolidated financial statements.

Chairman

Executive Director

Executive Manager – Investments, Finance & Business

Non-Consolidated Revenue and Expenditure Accounts

June 30, 2009

	2009 $'000	2008 $'000		2009 $'000	2008 $'000
LONG-TERM BENEFITS FUND					
Revenue			**Expenditure**		
Fund at July 1	13,741,977	9,116,174	Benefits incurred	1,877,878	1,374,198
Contribution income	2,268,584	1,735,398	Administrative expenses	111,483	109,834
Penalty income	23,400	19,046			
Adjustment	13,428	—			
Pension asset income	24,511	24,565	Fund at June 30	—	13,741,977
Investment income	941,400	1,961,775			
Miscellaneous income	2,047	—			
Transfer from accumulated reserve	890,187	2,369,051	Balance carried forward	15,916,173	—
	17,905,534	15,226,009		17,905,534	15,226,009
SHORT-TERM BENEFITS FUND					
Revenue			**Expenditure**		
Fund at July 1	122,644	112,230	Benefits incurred	137,088	98,115
Contribution income	152,938	183,748	Administrative expenses	7,516	1,352
Penalty income	209	234	Transfer to accumulated reserve	—	98,554
Pension asset income	219	302			
Investment income	8,402	24,151			
Transfer from accumulated reserve	134,367	—	Fund at June 30	274,175	122,644
	418,779	320,665		418,779	320,665
EMPLOYMENT INJURY BENEFIT FUND					
Revenue			**Expenditure**		
Fund at July 1	355,315	298,628	Benefits incurred	49,124	44,414
Contribution income	127,449	122,498	Administrative expenses	6,263	3,598
Penalty income	605	624	Transfer to accumulated reserve	—	83,492
Pension asset income	634	805			
Investment income	24,341	64,264			
Transfer from accumulated reserve	38,286	—	Fund at June 30	491,243	355,315
	546,630	486,819		546,630	486,819

The accompanying notes form an integral part of these non-consolidated financial statements.

Non-Consolidated Statement of Cash Flows

June 30, 2009

	2009 $'000	2008 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Contribution income	2,548,971	2,041,644
Investment income	974,144	2,050,190
Penalty income	24,214	19,904
Benefits expenditure	(2,064,090)	(1,516,727)
Administrative expenses (net)	(125,262)	(114,785)
Other income	2,047	1,417
Adjustment for depreciation	3,862	4,013
Property, plant and equipment adjustment	(913)	1,138
Adjustment to provision for doubtful debts	(5,089)	(11,638)
Increase in amounts owed	(112,799)	(115,082)
Decrease in amounts due	(9,460)	(15,617)
Increase in claims receivables	(530,047)	–
Net cash flows from operating activities	705,578	2,344,457
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,541)	(10,361)
Purchase of investments	(4,483,120)	(2,573,484)
Sale/maturity of investments	1,345,302	2,907,429
Net cash (used in) from investing activities	(3,140,359)	323,584
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (repayment of) borrowings	150,000	(385,000)
Net (decrease) increase in cash and cash equivalents	(2,284,781)	2,283,041
Cash and cash equivalents at the beginning of the year	2,672,823	389,782
Cash and cash equivalents at the end of the year	388,042	2,672,823
Cash and cash equivalents are comprised of:		
Cash and bank balances (including call deposits)	389,323	2,680,029
Bank overdraft	(1,281)	(7,206)
	388,042	2,672,823

The accompanying notes form an integral part of these non-consolidated financial statements.

Notes to Non-Consolidated Financial Statements

June 30, 2009

1. Incorporation and Principal Activity

The National Insurance Board of Trinidad & Tobago (the Board) was incorporated under Act No. 35 of 1971 (The National Insurance Act), as subsequently amended, and commenced operations in 1972. The principal activity of the Board is to carry out the requirements of the National Insurance Act in providing social security benefits to the insurable population of Trinidad & Tobago. The registered office is located at 2a Cipriani Boulevard Port-of-Spain, Trinidad & Tobago.

These non-consolidated financial statements were authorised for issue by Management on November 5, 2009.

2. Actuarial Review

Section 70 (1) of the Act requires an actuarial review of the National Insurance System at five-yearly intervals.

The Seventh Actuarial Review covering the five year period up to June 30, 2005, of the National Insurance System was completed in June 2007 by an independent actuary who concluded, "the current position of the NIS is very favourable." It was also indicated that, "the NIS is in a good position to put in place strategies to deal with the future demographic bulge."

In general, contribution payments and benefit calculations are based on a system of wage classes. The contribution amount is paid by the employer and the employee in a proportion of two-thirds/one-third. Benefits are grouped into three funds: long term benefits, short term benefits and employment injury benefits. Each fund is credited with contribution income and investment income from which benefit expenditures and administrative expenses are met.

Further, the Actuary made the following recommendations in the Seventh Actuarial Review:

1 The ratio of the contributions paid by employee to those paid by employer, 1:2 should be maintained.

2 Contribution income be distributed between the funds in the following ratio – long term 89%; short term 6%; employment injury 5%.

3 Benefit levels ought to be revised upwards.

4 Administrative Expenses are to be allocated to the funds in the same proportion as Contribution Income.

5 Elimination of the accumulated reserve and the application of the following co-efficients to benefit expenditure to determine reserve funds by benefits branch:

- 2 for the short-term benefit branch;
- 10 for the employment injury benefit branch; and
- The remaining excess of income over expenditure allocated to the long-term benefit branch.

See Note 20 for the allocation made to the fund balances.

Notes to Non-Consolidated Financial Statements

June 30, 2009

3. Legislative Amendments

Contributions
Employer/employee contributions were increased in January 2008 from 9.9% to 10.5% of assumed average weekly earnings. Further increases are due in January 2010 to 10.8% and in January 2012 to 11.4%.

4. Basis of Preparation

(a) Basis of accounting

These non-consolidated financial statements are prepared on the historical cost convention, except for the valuation of available-for-sale and at fair value through profit and loss investments, investment properties, artwork and freehold and leasehold properties. They have been prepared in accordance with the accounting policies described below and no account is taken of the effect of inflation. These accounting policies are consistent with International Financial Reporting Standards, except that consolidated financial statements have not been prepared.

The preparation of the non-consolidated financial statements, in conformity with the accounting policies described below, requires management to make estimates and assumptions that affect the amounts reported in the non-consolidated financial statements and accompanying notes. Actual results could differ from these estimates.

(b) Functional and presentation currency

Items included in these non-consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The non-consolidated financial statements are presented in Trinidad & Tobago dollars, which is the Board's functional and presentation currency, unless otherwise stated.

(c) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management that have a significant effect on the non-consolidated financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 6.

Notes to Non-Consolidated Financial Statements

June 30, 2009

5. Statement of Accounting Policies

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

(a) Foreign currency

Transactions in foreign currencies are initially recorded at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are expressed in Trinidad & Tobago dollars at the rate of exchange ruling on the balance sheet date. All differences arising are taken to the revenue and expenditure accounts. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(b) Financial instruments

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

(c) Cash and cash equivalents

Cash and cash equivalents represent cash and bank balances and highly liquid investments with a maturity period of three months or less.

(d) Impairment

The carrying amounts of the Board's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see accounting policy (d)(i)) and an impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the revenue and expenditure accounts.

When there is objective evidence that an available-for-sale financial asset is impaired, the cumulative loss that had been recognised in reserves is recognised in the revenue and expenditure accounts even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in the revenue and expenditure accounts is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in the revenue and expenditure accounts.

(i) Calculation of recoverable amount

The recoverable amount of the Board's loans and advances and other assets is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Notes to Non-Consolidated Financial Statements

June 30, 2009

5. Statement of Accounting Policies (continued)

(d) Impairment (continued)

(ii) Reversals of impairment

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of an investment in an equity instrument classified as available-for-sale is not reversed through the revenue and expenditure accounts. If the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the revenue and expenditure accounts, the impairment loss shall be reversed, with the amount of the reversal recognised in the revenue and expenditure accounts.

(e) Loans and Advances

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

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

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

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

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

Notes to Non-Consolidated Financial Statements

June 30, 2009

5. Statement of Accounting Policies (continued)

(f) Investment securities

All purchases and sales of investment securities that require delivery within the time frame established by regulation or market convention are recognised at settlement date.

Investment securities are classified as available for sale, fair value through profit and loss and held to maturity. Management at the time of purchase determines the appropriate classification and all investment securities are originally recorded at cost.

(i) Financial assets at fair value through profit and loss

Securities at fair value through profit and loss are trading securities which were either acquired for generating a profit from short-term fluctuations in price or dealer's margin, or are securities included in a portfolio in which a pattern of short-term profit taking exists. Trading securities are initially recognised at cost and subsequently re-measured at fair value based on quoted bid prices at balance sheet date. Where the instrument is not actively traded or quoted on recognised exchanges, fair value is determined using discounted cash flow analysis. Where discounted outflow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate at the balance sheet date for an instrument with similar terms and conditions.

All related realised and unrealised gains and losses are included in operating income. Interest earned whilst holding trading securities is reported as interest income.

(ii) Available-for-sale investments

Available-for-sale securities are financial assets that are not financial assets at fair value through profit and loss, originated by the Board or held to maturity. These are initially measured at cost.

After initial recognition, investments which are classified as "available-for-sale" are measured at fair value in the same manner described above, with unrealised gains or losses on revaluation recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative loss or gain previously reported in the unrealised investment reserve is included in the revenue and expenditure accounts.

Any available-for-sale asset that does not have a quoted market price in an active market and where fair value cannot be reliably measured is stated at cost less impairment losses.

(iii) Held-to-maturity investments

Held-to-maturity assets are other long-term investments which the Board's management has the positive intention and ability to hold to maturity. These investments are carried at amortised cost less impairment losses. Amortised cost is calculated on the effective interest method.

These comprise of financial assets held for trading and those designated at fair value through profit and loss at inception.

Notes to Non-Consolidated Financial Statements

June 30, 2009

5. Statement of Accounting Policies (continued)

(g) Investment properties

Investment properties are properties held by the Board to earn rentals or for capital appreciation or both. Investment properties are initially measured at cost. After initial recognition, investment properties are measured at fair value based on valuations conducted by an independent professional valuator. Gains and losses arising from the change in fair value are included in the revenue and expenditure accounts.

The valuators have adopted the investment method of valuation and assumed good title, vacant possession and no unduly restrictive covenants or onerous or unusual outgoings running with the land.

Rental income from investment properties during the year amounted to \$20.5 million (2008: \$6.8 million). Direct operating expenses incurred on investment properties during the year amounted to \$1.864 million (2008: \$1.375 million).

(h) Investment in subsidiary companies

Subsidiary companies are companies where the Board holds in excess of 50% of the share capital. These are as follows:

Companies	Percentage ownership
National Insurance Property Development Company Limited (NIPDEC)	100%
Trinidad & Tobago Mortgage Finance Company Limited (TTMF)	51%
Home Mortgage Bank	51.25%

In these non-consolidated financial statements of the Board, these investments are accounted for at cost.

(i) Mortgage advances

Mortgage advances are financial assets with fixed or determinable payments. These are measured at amortised cost less provisions for impairment.

(j) Inventory

Inventory is stated at cost and comprises of amounts transferred from investment properties due to the commencement of development, with a view to sale. Upon transfer to investment properties, the deemed cost of the inventory was taken as the fair value of the investment property at the date of change in use.

(k) Related parties

A number of transactions are entered into with related parties into the normal course of business. These transactions were carried out on commercial terms and conditions at market rates (see Note 26).

Notes to Non-Consolidated Financial Statements

June 30, 2009

5. Statement of Accounting Policies (continued)

(l) Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses except for artwork and freehold and leasehold properties which are stated at valuations conducted by independent professional valuators every three years. Freehold and leasehold properties were professionally valued in June 2007 using the investment method. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Board and the cost of the item can be measured reliably.

All other repairs and maintenance are charged to the revenue and expenditure accounts during the financial period in which they are incurred.

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

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

Freehold and leasehold properties	-	2% on buildings.
Improvements to premises:		
Owned	-	Equal annual instalments over a period of ten years.
Leased	-	Equal annual instalments over the period of the lease.
Rented	-	Where a monthly tenancy applies, in equal annual instalments over three years.
Furniture and fixtures/machinery and equipment	-	7.5% - 25%
Motor vehicles/artwork	-	25%

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with their carrying amount and are recognised in the revenue and expenditure accounts.

(m) Provisions

Provisions are recognised when the Board has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Notes to Non-Consolidated Financial Statements

June 30, 2009

5. Statement of Accounting Policies (continued)

(n) Basis of allocation, etc.

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

(i) Contribution income

Contribution income is allocated as follows:

	2009 %	2008 %
Long-term benefits fund	89	85
Short-term benefits fund	6	9
Employment injury benefit fund	5	6
	100	100

(ii) Other income

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

(iii) Fund ratios

Based on the recommendations of the Seventh Actuarial Review, the Board implemented the following: short term benefit fund and employment injury benefit fund balances will be maintained at 2.0 times and 10 times the respective benefits incurred during the current year, the remaining excess of Income over Expenditure is to be allocated to the Long Term Benefit Fund. The Accumulated Reserve has been the subject of misinterpretation and has been removed.

These fund allocations are based solely on the ratios recommended by the Independent Actuary, and do not represent the Board's liability to beneficiaries at June 30, 2009.

(iv) Accumulated reserve

The Board has also decided to remove this Reserve based on the advice of the Actuary.

(o) Revenue recognition

(i) Contribution and benefits

Contribution income is accounted for on the accrual basis to take account of all collections subsequent to June 30 that relate to the current year, and to recognise all known significant receivables.

A provision for benefits is made based on the estimated cost of all benefits approved though not paid at the balance sheet date.

(ii) Investment income

Income from investments is accounted for on the accrual basis. Interest from commercial loans and debentures is not accrued where instalments are in arrears for more than twelve months.

Notes to Non-Consolidated Financial Statements

June 30, 2009

5. Statement of Accounting Policies (continued)

(p) Employee benefits

(i) Short-term

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

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

(ii) Post-employment

The Board contributes to a defined benefit staff pension plan which covers all qualifying employees. Members contribute 5% (2008: 5%) of their pensionable salaries to the Plan whilst the Board currently contributes 5% (2008: 5%). All permanent employees are eligible for membership and temporary employees under certain conditions.

The pension accounting cost for the pension plan is assessed using the projected unit credit method. Under this method, the cost of providing pensions is charged to the revenue and expenditure accounts so as to spread the regular cost over the service lives of the employees in accordance with the advice of a qualified actuary who carries out a full valuation of the plan every three years.

(q) New standards and interpretations not yet adopted

At the date of authorisation of the non-consolidated financial statements there were new standards, amendments to standards and interpretations which were in issue but were not yet effective for the year ended June 30, 2009, and have not been applied in preparing these non-consolidated financial statements. These standards and interpretations and their respective effective dates are as follows:

IFRS 1	First-time Adoption of International Financial Reporting Standards — Amendment relating to cost of an investment on first-time adoption	January 1, 2009
IFRS 2	Share-based Payment — Amendment relating to vesting conditions and cancellations	January 1, 2009
IFRS 3	Business Combinations — Comprehensive revision on applying the acquisition method	July 1, 2009
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations – Amendments resulting from May 2008 Annual Improvements to IFRSs	July 1, 2009
IFRS 7	Financial Instruments: Disclosures — The amendments enhance disclosures about fair value measurements and liquidity risk	January 1, 2009
IFRS 8	Operating Segments	January 1, 2009

Notes to Non-Consolidated Financial Statements

June 30, 2009

5. Statement of Accounting Policies (continued)

(q) New standards and interpretations not yet adopted (continued)

IAS 1	Presentation of non-consolidated financial statements — Amendments relating to disclosure of puttable instruments and obligations arising on liquidation	January 1, 2009
IAS 1	Presentation of non-consolidated financial statements — Amendments resulting from May 2008 Annual Improvements to IFRSs	January 1, 2009
IAS 16	Property, Plant and Equipment — Amendments resulting from May 2008 Annual Improvements to IFRSs	January 1, 2009
IAS 19	Employee Benefits — Amendments resulting from May 2008 Annual Improvements to IFRSs	January 1, 2009
IAS 20	Government Grants and Disclosure of Government Assistance — Amendments resulting from May 2008 Annual Improvements to IFRSs	January 1, 2009
IAS 23	Borrowing Costs — Amendments resulting from May 2008 Annual Improvements to IFRSs	January 1, 2009
IAS 27	Consolidated and Separate Financial Statements — Consequential amendments arising from amendments to IFRS 3	July 1, 2009
IAS 27	Consolidated and Separate Financial Statements — Amendment relating to cost of an investment on first-time adoption	January 1, 2009
IAS 27	Consolidated and Separate Financial Statements — Amendments resulting from May 2008 Annual Improvements to IFRSs	January 1, 2009
IAS 28	Investments in Associates — Consequential amendments arising from amendments to IFRS 3	July 1, 2009
IAS 28	Investments in Associates — Amendments resulting from May 2008 Annual Improvements to IFRSs	January 1, 2009
IAS 29	Financial Reporting in Hyperinflationary Economies — Amendments resulting from May 2008 Annual Improvements to IFRSs	January 1, 2009
IAS 31	Interests in Joint Ventures — Consequential amendments arising from amendments to IFRS 3	July 1, 2009
IAS 31	Interests in Joint Ventures — Amendments resulting from May 2008 Annual Improvements to IFRSs	January 1, 2009
IAS 32	Financial Instruments: Presentation — Amendments relating to puttable instruments and obligations arising on liquidation	January 1, 2009

Notes to Non-Consolidated Financial Statements

June 30, 2009

5. Statement of Accounting Policies (continued)

(q) New standards and interpretations not yet adopted (continued)

IAS 36	Impairment of Assets — Amendments resulting from May 2008 Annual Improvements to IFRSs	January 1, 2009
IAS 38	Intangible Assets — Amendments resulting from May 2008 Annual Improvements to IFRSs	January 1, 2009
IAS 39	Financial Instruments: Recognition and Measurement — Amendments resulting from May 2008 Annual Improvements to IFRSs	January 1, 2009
IAS 39	Financial Instruments: Recognition and Measurement — Amendments for eligible hedged items	July 1, 2009
IAS 40	Investment Property — Amendments resulting from May 2008 Annual Improvements to IFRSs	January 1, 2009
IAS 41	Agriculture — Amendments resulting from May 2008 Annual Improvements to IFRSs	January 1, 2009
IFRIC 15	Agreements for the Construction of Real Estate	January 1, 2009
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	October 1, 2008

Except for additional disclosures, the adoption of these standards and interpretations are not expected to have a material impact on the non-consolidated financial statements.

6. Significant Accounting Judgements and Estimates

In the process of applying the Board's accounting policies, management has used its judgements, estimates and assumptions in determining the amounts recognised in the financial statements; actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The most significant use of judgements and estimates are as follows:

Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded on the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

Notes to Non-Consolidated Financial Statements

June 30, 2009

6. Significant Accounting Judgements and Estimates (continued)

Employee benefits

The cost of the defined benefit staff pension plan is determined using actuarial valuation. The actuarial valuation involves making assumptions about discount rates, expected rates of return on pension plan assets and future salary increases. Due to the long term nature of these plans, such estimates are subject to significant uncertainty. See Note 9 for the assumptions used.

Property, plant and equipment

Management exercises judgement in determining whether costs incurred can accrue sufficient future economic benefits to the Board to enable the value to be treated as a capital expense. Further judgement is used upon annual review of the residual values and useful lives of all capital items to determine any necessary adjustments to carrying value.

Contributions

Management exercises judgement in determining contributions receivable. In determining the receivable, management makes certain assumptions regarding the likelihood of recovery.

Impairment losses on loans and advances

The Board reviews its problem loans and advances at each reporting date to assess whether an allowance for impairment should be recorded in the statement of income. In particular, judgement by management is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

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

Impairment of equity investments

The Board treats available-for-sale equity investments as impaired when there has been a significant or prolonged decline in the fair value below its costs or where other objective evidence of impairment exist. The determination of what is "significant" or "prolonged" requires judgement. The Board treats "prolonged" as greater than six months. In addition, the Board evaluates other factors, such as the share price volatility.

Notes to Non-Consolidated Financial Statements

June 30, 2009

7. Property, Plant and Equipment

	Land Freehold/ Leasehold Buildings $'000	Machinery Equipment/ Furniture and Fittings $'000	Art and Motor Vehicles $'000	Total 2009 $'000	Total 2008 $'000
Cost/valuation at beginning of year	97,166	64,395	3,028	164,589	155,672
Additions	6	2,375	160	2,541	10,361
Disposal/adjustments	294	(20,108)	(386)	(20,200)	(1,444)
At the end of year	97,466	46,662	2,802	146,930	164,589
Accumulated depreciation at beginning of year	3,020	56,467	1,490	60,977	57,270
Current year	1,047	2,234	581	3,862	4,013
Disposal/adjustments	(581)	(20,161)	(371)	(21,113)	(306)
At the end of year	3,486	38,540	1,700	43,726	60,977
Net book value	93,980	8,122	1,102	103,204	103,612

Note:

Valuation of land and freehold and leasehold buildings have been expressed by way of open market values.

Independent professional valuations of the properties of the Board were undertaken in June 2007, and put the market value at $87.4 million.

8. Investment Properties

	2009 $'000	2008 $'000
Scarborough Mall	11,891	11,571
Huggins Building	15,000	15,000
Nipdec House	36,000	36,000
Queen's Park East	66,060	66,060
Palmiste Property	15,000	15,000
	143,951	143,631

Notes to Non-Consolidated Financial Statements

June 30, 2009

9. Employee Benefits

The amounts recognised in the balance sheet are as follows:

	2009 $'000	2008 $'000
Defined benefit obligation	478,018	410,242
Fair value of assets	(691,511)	(709,047)
Benefit surplus	(213,493)	(298,805)
Unrecognised actuarial gains	(104,415)	6,261
Defined benefit asset	(317,908)	(292,544)

The amounts recognised in the revenue and expenditure accounts are as follows:

	2009 $'000	2008 $'000
Current service cost	9,652	7,995
Interest on defined benefit obligation	35,165	28,425
Expected return on plan assets	(67,506)	(59,212)
Net pension income	(22,689)	(22,792)

Movements in the net asset recognised in the balance sheet are as follows:

	2009 $'000	2008 $'000
Net asset at July 1	(292,544)	(266,872)
Net income recognised in the revenue and expenditure accounts	(22,689)	(22,792)
Contributions	(2,675)	(2,880)
Net asset at June 30	(317,908)	(292,544)

Actual return on pension plan assets:

	2009 $'000	2008 $'000
Expected return on pension plan assets	67,506	59,212
Actuarial gain on pension plan assets	(73,061)	58,361
Actual return on pension plan assets	(5,555)	117,573

Experience history

	2009 $'000	2008 $'000	2007 $'000	2006 $'000	2005 $'000
Defined benefit obligation	334,984	334,903	333,902	410,242	478,018
Fair value of plan assets	(708,015)	(594,041)	(604,417)	(709,047)	(691,511)
Surplus	(373,031)	(259,138)	(270,515)	(298,805)	(213,498)
Experience (loss) gain on obligation	(547)	(26,358)	4,858	(56,042)	18,340
Experience gain (loss) on assets	71,687	(166,673)	(39,152)	58,361	(73,061)

Notes to Non-Consolidated Financial Statements

June 30, 2009

9. Employee Benefits (continued)

Principal actuarial assumptions at the balance sheet date:

	2009 %	2008 %
Discount rate	7.50	8.75
Expected return on pension plan assets (net of investment expenses)	8.00	9.60
Rate of salary increases	7.00	8.00
Pension increases	3.00	3.00

10. Investment in Subsidiary Companies

The investments in NIPDEC and TTMF are carried at cost.

	2009 $'000	2008 $'000
NIPDEC	25,000	25,000
TTMF	7,190	7,190
HMB	133,880	–
	166,070	32,190

11. Investments Held-to-Maturity

	2009 $'000	2008 $'000
Government and public sector investments	3,673,679	3,416,803
Corporate securities	4,932,910	3,497,889
	8,606,589	6,914,692

Held to maturity investments earn interest at rates varying between 5.0% to 12.59% (2008: 5.0% and 12.65%).

12. Mortgage Advances

	2009 $'000	2008 $'000
Gross Mortgage Advances	167,800	184,914
Provision for non-performing advances	(96,012)	(101,102)
	71,788	83,812

Mortgage advances earn interest at an average effective rate of 8.0% (2008: 8.05%).

13. Investments Available-for-Sale

	2009 $'000	2008 $'000
Equities:		
- Quoted	5,729,978	5,544,388
- Unquoted	149,637	143,240
	5,879,615	5,687,628

Notes to Non-Consolidated Financial Statements

June 30, 2009

14. Claim Receivable – Matured Deposits

At various times during the year, NIBTT invested a total of US$99,652,121 (equivalent TT$627,280,208 at June 30, 2009) and TT$45,200,477 in secured short-term deposits (Investment Note Certificates or 'INCs') with Clico Investment Bank Limited (CIB). On January 31, 2009, the Central Bank exercised its emergency powers under Section 44(D) of the Central Bank Act and assumed control of CIB. The Central Bank also appointed the Inspector of Financial Institutions as Manager of CIB (the Manager) pursuant to its powers under the Central Bank Act.

During the period January 30, 2009 to June 30, 2009, deposits totaling US$79,604,204 (equivalent TT$501,084,587 as at June 30, 2009) and TT$15,000,000 matured. However, as at June 30, 2009, NIBTT had not received principal or accrued interest that was contractually due. The following facts are pertinent:

1. The appointed Manager has confirmed that the number of certificates held by the NIBTT corresponds to the number of certificates in the INC records at CIB as at January 31, 2009 and has indicated as follows:

   a. the records of CIB do not show that any specific securities were assigned by CIB to support the INC's held by NIBTT;
   b. the decision of the Government of Trinidad and Tobago to safeguard third party deposits does not extend to the INC's issued by CIB;
   c. settlement of all INC's will fall under the purview of the Liquidator, Receiver or Manager to be appointed by the Court.

2. At a meeting held on July 9th, 2009 with the Manager, NIBTT's Management was advised as follows:

   a. the process of winding up the affairs of CIB is yet to be completed;
   b. determination of the assets and liabilities of CIB has not yet been completed.

3. Clause 4 of the Memorandum of Understanding dated January 30, 2009 between the Minister of Finance, acting on behalf of the Government of the Republic of Trinidad and Tobago (GORTT) and CL Financial Limited (CLF), states as follows, "GORTT and CLF will agree on the definition of CIB's unencumbered third-party assets and liabilities and their valuation as established by an independent valuator".

4. Clause 5 of the Memorandum of Understanding states as follows, "the agreed unencumbered third-party assets and liabilities will be sold/transferred to a financial institution approved by the GORTT".

   However, as at the date of preparation of these accounts and to the best of Management's knowledge, there is no agreement between the GORTT and CLF regarding the definition of CIB's unencumbered assets and liabilities as stipulated in Clause 4.

In light of the foregoing, it is Management's opinion that full disclosure rather than impairment recognition is sufficient and appropriate at this time. Consequently, the entire principal and accrued interest on the deposits that have matured at June 30, 2009 have been treated as a receivable due on demand.

15. Other Assets

	2009 $'000	2008 $'000
Investment income receivable	228,335	191,690
Sundry debtors	58,533	14,350
Prepayments	152,086	136,276
Contributions receivable	212,998	196,837
	651,952	539,153

Notes to Non-Consolidated Financial Statements

June 30, 2009

16. Cash and cash equivalents

	2009 $'000	2008 $'000
Cash and Bank	67,040	711,965
Cash equivalents (TT)	196,687	564,737
Cash equivalents (US)	125,596	1,403,327
	389,323	2,680,029

17. Long-Term Benefits Fund

This Fund is held to cover retirement pensions, retirement grants, invalidity and survivors' benefits in respect of qualifying persons.

18. Short-Term Benefits Fund

This Fund is held to cover sickness and maternity benefits and funeral grants in respect of qualifying persons.

19. Employment Injury Benefit Fund

This Fund is held to cover employment injury benefits to eligible insured persons.

20. Accumulated Reserve

	2009 $'000	2008 $'000
Balance of reserve at July 1	1,062,840	3,248,429
Transfer to long term benefits fund	(890,187)	(2,369,051)
Transfer (to) from short term benefits fund	(134,367)	98,554
Transfer (to) from employment injury benefit fund	(38,286)	83,492
Other	–	1,416
Balance of reserve at June 30	–	1,062,840

21. Revaluation Reserve

The revaluation reserve reflects gains or losses on revaluation of freehold properties and available-for-sale investments as follows:

	Properties $'000	Available-for-sale $'000	Total 2009 $'000	Total 2008 $'000
Balance as at July 1	52,765	1,651,587	1,704,352	1,506,035
Movement for the year	(13,428)	(1,189,802)	(1,203,230)	198,317
Balance as at June 30	39,337	461,785	501,122	1,704,352

Notes to Non-Consolidated Financial Statements

June 30, 2009

22. Other Liabilities

	2009 $'000	2008 $'000
Bank overdraft	1,282	7,206
Sundry creditors and accruals	29,999	38,525
Unallocated Mortgage Payments	1,038	3,877
Provision for claims	15,207	13,601
Provision for other payables	9,772	9,473
	57,298	72,682

23. Borrowings

	2009 $'000	2008 $'000
Secured borrowings	150,000	–

24. Administration and Investment Expenses

Included therein are the following charges:

	2009 $'000	2008 $'000
Salaries and other related expenses	79,423	77,655
Depreciation	3,862	4,013

In 2009 administrative expenses amounted to 4.92% (2008: 4.40%) of contribution income and this did not exceed the limit established by the Board of 9.5%.

25. Contingent Liabilities

(a) Pending litigation and outstanding appeals

As at June 30, 2009 there were certain legal proceedings outstanding against the Board. No provision has been made as professional advice indicates that it is unlikely that any significant loss will arise.

(b) Industrial relations

Preliminary discussions for the new Industrial Agreement for the period January 1, 2008 to December 31, 2010 are currently in progress.

Capital projects approved and contracted as at June 30, 2009 amounted to $0.9 million (2008: $0.5 million).

26. Related Party Transactions and Balances

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions. These transactions were carried out on normal terms and conditions at market rates.

The following table provides the total amount of balances and transactions, which have been entered into with related parties who have significant influence over the Board for the relevant financial year/period.

(i) Transactions with related parties

During the years ended June 30, 2009 and 2008, the Board carried out the following significant transactions with related parties during the course of normal operations:

	2009 $'000	2008 $'000
Bonds and debentures	325,000	1,165,838
Interest receivable	16,448	18,466

Notes to Non-Consolidated Financial Statements

June 30, 2009

26. Related Party Transactions and Balances (continued)

(ii) Balances due from related parties

The amounts due from related companies comprise the following:

	2009 $'000	2008 $'000
Payment on Bonds and Debentures	917,700	68,901
Dividends	—	7,580
Agency management fees	(31)	(186)

(iii) Transactions with key management personnel

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

	2009 $'000	2008 $'000
Short-term employee benefits	2,497	2,412
Post-employment benefits	2,701	396

27. Financial Risk Management

Overview

The Board's principal financial instruments comprise investment securities, investment properties, mortgage advances, fixed deposits, cash and cash equivalents and borrowings. Income earned from investments, together with the excess of contributions after benefits are paid, are used to earn above average interest rate margins through the investing in high quality, high yielding assets with acceptable levels of risk.

The Board has exposure to the following risks from the use of financial instruments:
- Credit Risk
- Liquidity Risk
- Market Risk
  - Interest rate
  - Foreign exchange risk

The Board of Directors has overall responsibility for the establishment of a Risk Management Framework.

The following are the systems/structures put in place to ensure that the Board's exposure to risk is minimised.

The Investment Unit

This unit conducts regular due diligence exercises based on published financial reports and other available data.

Detailed monthly reports are submitted to Executive Management and to the Investment Committee (IC).

The Investment Committee

The role of the IC is to review the results of the due diligence exercises conducted by the IMU. Decisions/recommendations are submitted to the Board of Directors for ratification.

Investment decisions are made in the context of Schedule 1 of the National Insurance Act (NI) and the Board's Investment policy.

Notes to Non-Consolidated Financial Statements

June 30, 2009

27. Financial Risk Management (continued)

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Board is mainly exposed to credit risk with respect to its mortgage and bond portfolios.

The Board limits its exposure with respect to its bond portfolio by investing in only bonds issued by the Government of Trinidad & Tobago or institutions with high creditworthiness. The Board, through the Investments Unit and the Investment Committee, consistently monitors the performance of these instruments.

In respect to the Mortgage portfolio, constant monitoring is also employed. The necessary contact with mortgagors is maintained to ensure that payments are received in a timely manner, where necessary mortgage re-scheduling is done, which considers the borrower's new financial position. In the event where recovery may seem doubtful, provisions are set aside to cover any potential losses.

Liquidity Risk

Liquidity risk is the risk that the Board will encounter difficulty in meeting obligations from its financial liabilities.

The daily liquidity position for both operational and the payment of benefits is monitored daily by the Financial Accountant whose job it is to ensure that the bank accounts are adequately serviced. Transfers are done between bank accounts and the excess of Contribution Income over benefit payments are taken up by the Investment Unit who will seek to earn above average interest rate margins through investing in high quality, high yielding assets with acceptable risk.

Market Risk

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Board is primarily exposed to interest rate risk with respect to its fixed rate debentures, government securities and bonds. These are regularly monitored by the Investment Unit and communicated to the Board of Directors by the Investment Committee.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Board is exposed to currency risk with respect to its investments in cash and cash equivalents denominated in United States dollars.

The TT dollar is pegged to the US dollar and this managed float has been there for some time. The TT economy is quite strong and there appears to be no threat of devaluation or appreciation of the TT dollar against the US Dollar.

However, the balances held in US dollars are monitored on a daily basis by the Investment Unit.

Notes to Non-Consolidated Financial Statements

June 30, 2009

27. Financial Risk Management (continued)

Credit risk

The carrying amount of loans and advances and investment securities represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Loans and Advances		Investment Securities	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Mortgages				
Gross amount	167,800	184,914	14,877	13,083
Collectively Impaired				
Gross amount	91,669	97,154		
Allowance for impairment	(91,669)	(73,532)		
Carrying amount	–	23,622		
Past due but not impaired				
Gross amount	51,101	50,830		
Past due comprises				
30-60 days	29,095	22,760		
61-90 days	4,359	4,260		
91-180 days	4,819	5,060		
Over 180 days	12,828	18,750		
Allowance	(4,343)	(27,570)		
Carrying amount	46,758	23,260		
Neither past due nor impaired				
Gross amount	25,030	36,930	14,877	13,083

The Board granted mortgages based on evaluations of the mortgagees' financial situation, and continually monitors the exposure of potential losses from mortgages.

Mortgage balances are stated net of the provisions for diminution in the value of investments as follows:

	2009 $'000	2008 $'000
Mortgages:		
Provisions as at July 1	101,102	112,740
Movement for the year	(5,090)	(11,638)
Provisions as at June 30	96,012	101,102

There were no impaired bonds in the financial year (2008: $0).

Notes to Non-Consolidated Financial Statements

June 30, 2009

27. Financial Risk Management (continued)

Credit risk (continued)

The maximum exposure to credit risk for investment securities at the reporting date by sector:

	2009 $'000	2008 $'000
Concentration by sector		
Corporate	4,927	3,518
Foreign Investment	1,739	1,580
Sovereign	3,674	3,397
Equity	4,537	4,588
	14,877	13,083

The maximum exposure to credit risk for investment securities at the reporting date by location:

	2009 $'000	2008 $'000
Concentration by location		
Trinidad	13,138	11,503
Regional	56	80
International	1,683	1,500
	14,877	13,083

Liquidity risk

The following are the contractual maturities of financial assets and liabilities:

	Up To One year $'000	One to Five Years $'000	Over Five Years $'000	Total $'000
As at June 30, 2009				
Other liabilities	57,298	–	–	57,298
Borrowings	150,000	–	–	150,000
	207,298	–	–	207,298
As at June 30, 2008				
Other liabilities	72,682	–	–	72,682

By an Act of Parliament, benefit payments are derived from current month contributions.

Notes to Non-Consolidated Financial Statements

June 30, 2009

27. Financial Risk Management (continued)

Market risk

Interest rate

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

	2009 $'000	2008 $'000
Fixed rate instruments		
Financial asset	14,949,513	9,347,875
Financial liability	(150,000)	–
	14,799,513	9,347,875
Variable rate instruments		
Financial asset	389,324	246,846
Financial liability	–	–
	389,324	246,846

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the year end would have increased (decreased) reserves by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2008.

Effect in TT$'000	**100 bp Increase**	**100 bp Decrease**
June 30, 2009	38,932	(38,932)
June 30, 2008	24,685	(24,685)

Currency risk

The Board's exposure to foreign currency risk based on notional amounts was as follows:

	TT $'000	US $'000	Total $'000
As at June 30, 2009			
ASSETS			
Cash and cash equivalents	263,727	125,596	389,323
Investment securities			
Available for sale	5,802,737	76,878	5,879,615
Fair value through profit and loss	–	391,521	391,521
Held to maturity	7,066,115	1,540,474	8,606,589
TOTAL ASSETS	13,132,579	2,134,469	15,267,048
As at June 30, 2008			
ASSETS			
Cash and cash equivalents	648,932	2,031,097	2,680,029
Investment securities			
Available for sale	4,606,744	1,080,884	5,687,628
Fair value through profit and loss	–	480,737	480,737
Held to maturity	6,229,431	685,261	6,914,692
TOTAL ASSETS	11,485,107	4,277,979	15,763,086

Notes to Non-Consolidated Financial Statements

June 30, 2009

27. Financial Risk Management (continued)

Market risk (continued)

Currency risk (continued)

The following significant exchange rates were applied during the year:

	Average Rate		Reporting Date Spot Rate	
	2009	**2008**	**2009**	**2008**
USD	**6.2947**	6.1946	**6.3021**	6.2378

Sensitivity Analysis

A 1% strengthening of TTD against USD at year end would have increased (decreased) reserves by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2008.

Effect in TT$'000	Reserves	
	2009	**2008**
TTD	**43,863**	(43,762)

A 1% weakening of the TTD against USD at year end would have had the equal but opposite effect to the above currencies on the amounts shown above, on the basis that all other variables remain constant.

	2009	**2008**
USD	**(6,960)**	7,015

28. Financial Instruments

Fair value

The estimated fair values of certain financial instruments have been determined using available market information, and accordingly, the estimates presented here are not necessarily indicative of the amounts that the Board could realise in a current market exchange.

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

As stated in Note 4 (h), available-for-sale investments and investments at fair value through profit and loss are measured at their fair values based on quoted market prices.

Held-to-maturity investments are carried at amortised cost less any impairment losses. This includes government securities and other bonds, which have interest rates that vary between 1.88% and 12.6%, and maturity dates which vary between years 2008 to 2030.

Mortgage advances are net of specific and other provisions for impairment. The carrying value of performing advances is assumed to be equal to the estimated fair value as the inherent rates of interest in the portfolio approximate market conditions.

Notes to Non-Consolidated Financial Statements

June 30, 2009

28. Financial Instruments (continued)

Fair value (continued)

	2009 Carrying Value $'000	2009 Fair Value $'000
Assets		
Investments held-to-maturity	8,606,589	8,885,433
Investments available-for-sale	5,879,615	5,879,615
Investments at fair value through profit and loss	391,521	391,521
Mortgage advances	71,788	71,788
Cash and cash equivalents	389,323	389,323
Other assets	697,929	697,929
Liabilities		
Other liabilities	57,298	57,298
Borrowings	150,000	150,000

	2008 Carrying Value $'000	2008 Fair Value $'000
Assets		
Investments held-to-maturity	6,914,692	6,987,183
Investments available-for-sale	5,687,628	5,687,628
Investments at fair value through profit and loss	480,737	480,737
Mortgage advances	83,812	83,812
Cash and cash equivalents	2,680,029	2,680,029
Other assets	539,153	539,153
Liabilities		
Other liabilities	72,682	72,682

29. Staff Complement

The staff complement as at June 30, 2009 was 662 (2008: 599).

Year In Review

TRAINING AND DEVELOPMENT
NIBTT's Insurance Operations Managers

Front Row L-R: Esther Brooks, Ann Marie Gibbs, Gregoria Sandy, Ivy Dan Aggan, Jo-ann Chrichlow,Owen King, Sandra Morris.

Second Row L-R: Debra Castillano, Florence Smith Skinner, Sean McMillan, Lennox Williams, Edwin Job, Lorna Charles, Susan Nelson, Emrice Henry, Chanrouti Ramsaroop, Margaret DeLandro.

Third Row L-R: Raymond James, Eustace Bernard, Carol Warner, Rozlyn Ali-Kajim, Cheryl Isaac Munroe, Roesanne Gervais-Romerao, Diane Lee, Ruth Alexander, Beverly Job.

Back Row L-R: Patricia Arneaud, Sandra Antoine, Garth Stewart.

Manager's Training

Managers listen attentively to Dr. Bola B Madsen, speaker at our "Every Day Leadership" seminar.

NATIONAL SOCIAL INITIATIVES

National Health Financing Initiatives Conference

Jeffrey McFarlane, Lady Neelum Feachum (Turks and Caicos Islands) and Ru Croes (Aruba) listen to the sweet sound of the steel pan played by Duvonne Stuart.

Ruben Mc Sween, Board Director, NIBTT elaborates a point to Cherrie-Ann Crichlow-Cockburn, Executive Manager, Human Resources and Margaret De Landro, Manager, Insurance Operations.

Jeffrey McFarlane and Robert Guisseppi, Board Director, NIBTT, welcome Sir LeRoy C. Trotman to the Cocktail Reception.

Bernard Smith (NIBTT) welcomes Lady Neelum Feachum and Desiree James (Turks and Caicos Islands) to the Opening Ceremony of the 3rd Regional National Health Financing Initiatives Conference.

The Head Table at the Opening Ceremony for the 3rd Regional NHFI Conference.
From L-R: Senator the Honourable Jerry Narace, Minister of Health, Calder Hart, Chairman of the NIBTT, Senator the Honourable Mariano Browne, Minister of Trade and Minister in the Ministry of Finance and Jeffrey McFarlane, Executive Director of the NIBTT.

Jeffrey McFarlane serenades the dinner guests at the 3rd Regional Conference for National Health Financing Initiatives.

NATIONAL SOCIAL INITIATIVES

National Health Financing Initiatives Conference

Participants at the 3rd Regional Conference for National Health Financing Initiatives, October 4, 2008, Port of Spain.

Staff from the NIBTT and Ministry of Health engage our visitors in a Conga line to the sweet sounds of the Woodbrook Playboyz Steel Orchestra.

PRINTING OF SENIOR CITIZENS' GRANT CHEQUES

Jeffrey McFarlane delivers the official documents to Senator the Honourable Dr. Amery Browne in the presence of Ian Pemberton, Karen Gopaul, Lorna Charles and other NIBTT officials.

Senator the Honourable Dr. Amery Browne inspects the machines accompanied by Mr. Gregory Besson and other NIBTT officials.

STAFF ACTIVITIES
Christmas Dinner and Dance

Employees of the Tobago Service Centre at the NIBTT's Christmas Dinner and Dance.

A cross-section of employees at NIBTT's Christmas Dinner and Dance.

STAFF ACTIVITIES
Children's Christmas Party

Welcome Santa!

Thank you Santa!

A babe engulfed in Santa's arms

NIBTT employee Leigh John and his daughter Ariel

The face of excitement!

Colour me...Happy!

Peek-a-boo!

Santa and his happy helpers.

STAFF ACTIVITIES
Carnival

A cross-section of the crowd at the staff carnival lime - Head Office, February, 2009.

INSET- "RIDDIM" SECTION
These guys soaked up the fun as they made their own music.

ADMINISTRATIVE PROFESSIONALS' DAY
Ortinola Estate Maracas, St Joseph

Administrative Professionals and their Managers take a nature walk at Ortinola Estates situated in Maracas, St. Joseph.

Staff of the NIBTT enjoy a nature walk.

NIBTT HEALTH FAIR AND WELLNESS RUN

Waiting for the race to start.
Ready...Set...RUN!

Minister the Honourable Marino Browne and other runners pace themselves at the start of the race.

Senator the Honourable Mariano Browne congratulates Seeram Maharaj, Board Director after he completed his 5k run.

NIBTT employees, Danie Peters, Greta Stephen, Joy Rivers and Kezziah James assist visitors to the NIBTT booth at the Health Fair and Wellness Run.

CORPORATE SOCIAL RESPONSIBILITY

These customers pay close attention to the NIBTT Information booklets at the Tunapuna Service Centre.

This gentleman gets his blood pressure checked at the San Fernando Service Centre.

CORPORATE SOCIAL RESPONSIBILITY

A gentle caring hand...a NIBTT employee gives a helping hand to a customer at the Siparia Service Centre.

This excited pensioner tests his umbrella at the Port of Spain Service Centre.

CORPORATE SOCIAL RESPONSIBILITY
Customer Appreciation Days

Karen Gopaul, Executive Manager, Insurance Operations (Ag),Sean McMillan, Area Manager and Cherrie-Ann Crichlow-Cockburn, Executive Manager Human Resources join Nigel Romano, Compliance Officer and Emrice Henry, Area Manager as they present this customer with a hamper at the Barataria Service Centre.

Ms. Karen Gopaul, Executive Manager, Insurance Operations (Ag) presents a hamper to the Sisters of Charity at the Siparia Service Centre while Angela Buchoon looks on.

Alena Nurse and Renee Nelson look on as Marilyn Duncan-Butler, Service Centre Manager and Patricia George-Lezama, Area Manager (Ag) present a hamper to this customer at the Point Fortin Service Centre.

Sean McMillan, Area Manager, presents a token of appreciation to a customer at the North Regional (POS) Service Centre's Customer Appreciation Day. Service Centre Managers Roseanne Gervais-Romero and Cheryl Isaac-Munro look on as they are surrounded by students from Sacred Heart Girls School.

CORPORATE SOCIAL RESPONSIBILITY
Customer Appreciation Days

A St. James Service Centre employee assists this pensioner.

Service, definitely with a smile!

Head Office and Service Centres

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Fax: 627-1787
NIB Hotline: 663-4NIS (4647)
Email: info@nibtt.net
Website: www.nibtt.co.tt

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Records Department
Arima
Chaguaramas
Tunapuna

SERVICE CENTRES
Arima
Cor. Woodford and
Sorzano Streets
Tel: 667-2231/3
Fax: 664-0844

Barataria
35-36 Fifth Street
Tel: 638-3522, 638-5008
Fax: 674-6497

Chaguanas
Elenor St
Chaguanas
Tel: 665-5848/5188
Fax: 665-5188

Couva
2 Captain Watson Street
Exchange Lots
Tel: 636-2347
Fax: 636-0820

Point Fortin
7A Techier Main Road
Tel: 648-3128
Fax: 648-3128

North Regional
85 Abercromby Street
Tel: 625-8302/3, 1034, 2143,
623-0445
Fax: 625-8338

Princes Town
Marlson's Building
Charlotte & High Streets
Tel: 655-2226
Fax: 655-2226

Rio Claro
Lalla's Building
Naparima/Mayaro Road
Tel: 644-2253
Fax: 644-2253

Sangre Grande
Henderson Street
Tel: 668-4120
Fax: 668-2719

Siparia
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Tel: 649-2212
Fax: 649-2778

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27 Harris Promenade
Tel: 652-4247, 2649
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76 Western Main Road
Tel: 622-4013, 1438
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Eastern Main Road
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Fax: 662-5671

Tobago
NIB Mall
Scarborough
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Fax: 639-3843