



THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

TT\$339,000,000.00

13-YEAR 5.15% FIXED RATE BOND DUE AUGUST 22, 2025 For Auction on August 17, 2012

Guaranteed by the Government of the Republic of Trinidad and Tobago

Agent - Central Bank of Trinidad and Tobago, Eric Williams Financial Complex, St. Vincent Street, Port-of-Spain

"The Securities and Exchange Commission has not in any way evaluated the merits of the securities offered hereunder and any representation to the contrary is an offence."

INFORMATION MEMORANDUM

THE BONDS

1. The National Insurance Property Development Company Limited ("NIPDEC") proposes to raise TT\$339,000,000.00 through the issue of 13-year bonds with a fixed coupon rate. The Bonds will be issued in one tranche on August 22, 2012 pursuant to a Trust Deed between NIPDEC and First Citizens Trustee Services.

The Bonds will be issued with the following features:

Approximately TT\$339,000,000.00 5.15% Fixed Rate Bonds due August 22, 2025.

The Central Bank of Trinidad and Tobago will auction the Bonds via the single price auction system.

As far as possible, applicants will be allotted bonds to the fullest extent of their applications.

The auction will be opened at 1:00pm on August 7, 2012 and closed at 1.00pm on August 17, 2012.

TERMS OF ISSUE

1. Authority

These Bonds will be issued pursuant to the Bye-Laws of the National Insurance Property Development Company Limited.

2. Use of Proceeds

The proceeds of this issue will provide for the implementation of Phase II of the Motor Vehicle Authority of Trinidad and Tobago Project.

In March 2012, the Ministry of Transport (MOT) engaged the services of National Insurance Property Development Company Limited (NIPDEC) to continue the transformation of the management and services offered by the Licensing Division via the Motor Vehicle Authority (MVA) Project - Phase 2.

Project Component

Phase 2 A of the MVA Project encompasses the following overarching components:-

- Provision of a Project Management Team with transformation expertise to manage the Transformation Project and the Implementation Partner.
- Procurement of an Implementation Partner and all goods and services to facilitate the transformation effort.
- Manage the building / retrofitting and commissioning of six (6) Motor Vehicle Authority (MVA) Access Centres and the MVA Head Office.
- Recruitment and training of operational staff for the Motor Vehicle Authority (MVA) Access Centres and the MVA Head Office.
- Implementation of core services for the issuance and renewal of driver's licenses and new vehicle title and registration.
- Manage the development and implementation of Release 2.0 of the MVA Application.

These Bonds are eligible for inclusion in the Statutory Fund of Insurance Companies and will be considered as assets in and originating in Trinidad and Tobago within the meaning of Sections 46 (1) and 186 (1) respectively

of the Insurance Act, 1980 and will also be accepted without limit for appropriate deposit purposes in accordance with Section 29 of the Insurance Act.

3. Date of Issue

The date of issue of the bonds is August 22, 2012.

4. Agent

The Central Bank of Trinidad and Tobago has been appointed sole and exclusive agent for the raising and management of this issue of Bonds.

5. Method of Payment

The Government will meet the associated debt service obligations.

Payment will be made in Trinidad and Tobago dollars.

6. Security

The principal monies and interest represented by the Bonds will be charged upon and are payable out of the Consolidated Fund and are secured on the Revenues and Assets of the Republic of Trinidad and Tobago.

7. Interest

Interest is payable semi-annually on August 22nd and February 22nd. Interest will accrue from August 22nd, 2012 and the first payment will be made on February 22nd, 2013. Interest will be calculated at a rate of 5.15% per annum on a 365-day basis.

8. Business Day

In the event that a payment date occurs on a day other than a Business Day, such payment will be made on the Business Day following that date.

9. Redemption

Any bond forming part of this issue, if not previously cancelled or redeemed by purchase in the open market, will be repaid at par on August 22nd, 2025.

10. Applications and General Arrangements

Applications must be made through the designated Government Securities Intermediaries that are listed at the end of this Information Memorandum. Intermediaries must enter bids based on completed application forms, into the electronic auction system. Applications must be for \$1,000.00 face value or multiples thereof. No allotment will be made for any amount less than \$1,000.00 face value.

Government Securities Intermediaries appointed by the Central Bank will act as counterparties to the Central Bank in the auction and will thereafter provide a secondary market for the bonds. Bids can be placed competitively or non-competitively by submitting the relevant application form, along with payment to a Government Securities Intermediary. The minimum allotment that can be obtained through a non-competitive bid is \$1,000.00 face value and the maximum is \$100,000.00 at a price established in the competitive side of the auction. This price is the minimum price, when the successful bids are ordered from the highest price to the lowest price and may be at par, premium or a discount.

A register of bondholders will be held in book-entry form at the Central Bank of Trinidad and Tobago.

The Information Memorandum is available at www.central-bank.org.tt. Application

Forms and Transfer of Ownership Forms may be obtained at the offices of all Government Securities Intermediaries.

THE ISSUER

1. Overview

Legislative Framework and General Overview

The National Insurance Property Development Company Limited is one of the leading property development companies in Trinidad and Tobago. It was incorporated as a Private Limited Liability Company (PLC) in July, 1977, as an investment of the National Insurance Board (NIB) with a paid up capital of \$25.0m.

The Company is a professional service organisation that provides a range of property development and management, procurement/contract management and other consultancy services, utilising a project management approach. Its clientele includes the State and the Private Sector and its projects over the years have included some of the country's largest development and most of its landmark buildings to date including the Brian Lara Promenade, the Central Bank Towers and the Tobago Transcription Center.

As a private sector organization, it has been able to fulfil its mandate of being profitable and socially responsible to the citizens of Trinidad and Tobago.

The National Insurance Property Development Company Limited (NIPDEC) is proposing to raise up to \$339.0M through the issue of 13-year bonds with a 5.15 per cent coupon rate.

NIPDEC is the only organisation in Trinidad and Tobago with the appropriate mix of ideology, skills and expertise to execute large, complex construction ventures, procure diverse goods and services and manage and maintain properties. NIPDEC's expertise in the construction/property development arena has led to the development of complementary services, such as property management and sales and procurement and contract management.

NIPDEC is a major proponent of the concept of public/private partnership as a vehicle for development.

NIPDEC currently provides five core business services. These are:-

- Property Development
- Mechanical, Electrical and Facilities Management
- Real Estate Services
- Commercial Services
- Procurement and Contract Management

As part of its business operations, NIPDEC is constantly involved in engaging the services of external professionals and organisations to perform a variety of consultancy functions and to supply specialised goods and services.

As a result the Company developed a codified set of Tender Regulations to deal with all matters concerning the evaluation and award of contracts, and above all to ensure that transparency and accountability prevail across the board.

These regulations were developed by the Property Services Association of the United Kingdom, under a government to government agreement in the late 1970's and are administered by NIPDEC's Tenders Committee. The Committee comprises a Chairman, who must be a Board Director, one other Director and the General Manager, Head, Finance and Accounting, the Head, Property Development and the Company Secretary.

Applicable legislation relating to the Company's execution of its statutory duties and performance of its operations is deemed to include:

- Income Tax acts
- The Company's Act 1995
- Freedom of Information Act
- The Securities Industries Act, 1995

The current Strategic Plan outlines the following Vision and Mission Statements for the Company:

Vision Statement

To be the premier private/public developer in Trinidad and Tobago.

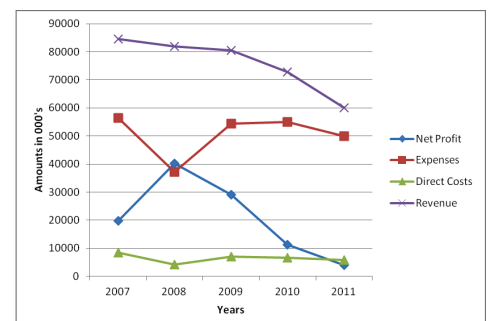
Mission Statement

To develop, manage and sell property, goods and services in partnership with the National Insurance Board and other organizations in Trinidad and Tobago, utilizing a project management approach to bring value to our shareholder and stakeholders.

2. Financial Information

Operating Income

The Graph below highlights the historical financial information over a 5 year period from 2007 to 2011.



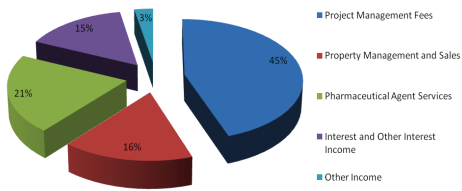
The Company has continued to be profitable even in times of economic downturn. The Company's profitability for the period ended June 30, 2011 was as a result of cost reduction planning in its operating expenditure. The Company recorded an audited profit after tax of **\$4.051m** for the period ended June 30, 2011. The Gross Revenue earned amounted to **\$60.12m** and Operating Expenses stood at **\$49.85m**. The resulting Net Profit/Income after taxes was **\$4.051m**. There was a Revaluation Reserve for the period in the amount of \$470,000, increasing the Net Profit/Income for the period to \$4.521m.

The Company's Gross operating revenues as at June 2011 of **\$60.12m** are derived as follows:



THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

CONTRIBUTION TO INCOME



The Company continues to implement strategies geared towards improving its operating ratio. In addition, the Company is engaged in a more aggressive collection programme in terms of rentals and projects collections.

Operating Expenditure

Expenditure June 2011	Value(\$'000)	(%)
Staff Costs	32,491	65.2
Finance Costs	5,395	10.8
Administration Costs	3,870	7.8
Bad Debts	(1,120)	(2.3)
Accommodation Costs	5,802	11.6
Depreciation	928	1.9
Vehicle Expenses	407	0.8
Revaluation of Investment	2,086	4.2
TOTAL	49,859	100

Debt Profile

The Company has long term borrowings as at 30 June 2011 in the sum of \$55.8m

National Insurance Board	\$3.9 million
First Caribbean International Bank	\$14.2 million
First Citizens Merchant Bank	\$37.7 million

National Insurance Board Loan

The loan is unsecured and is repayable over fifteen years at a rate of interest of 11% p.a. with effect from November 1997.

First Caribbean International Bank

The purpose of this loan was the financing of the construction of the Ministry of Communications, Works, Transport and Public Utilities building in St. Lucia. The loan is payable in monthly installments over fifteen years at a rate of 10.5% p.a. with effect from February 2001.

First Citizens Merchant Bank

This bond provided financing for the Attorney General Building. The bond is repayable in semi-annual payments over twelve years at a rate of interest of 7.04% p.a. with effect from October 2003.

Limited Recourse Fixed Rate Bonds

The Company was the beneficiary of the proceeds of a loan of \$265.28m from Republic Bank Limited which is secured by Limited Recourse Fixed Rate Bond 2002-2014. This loan was borrowed on behalf of the Government of Trinidad and Tobago for construction works. The bonds bear interest at the rate of 7.3% per annum. In accordance with the Trust Deed, the bonds will be redeemed by twenty four equal semiannual payments which commenced on 25th May 2003.

The Company was the beneficiary of the proceeds of a loan of \$286.3m from RBC Merchant Bank Limited which is secured by Limited Recourse Fixed Rate Bond 2006-2018. This loan was borrowed on behalf of the Government of Trinidad and Tobago for the construction of several facilities under the National Security Construction Programme. The bonds bear interest at the rate of 8.75% per annum. In accordance with the Trust Deed, the bonds will be redeemed by twenty four equal semiannual payments which commenced on 6th April 2007.

The Company was the beneficiary of the proceeds of a loan of \$200.0m from Trinidad and Tobago Unit Trust Corporation which is secured by Limited Recourse Fixed Rate Bonds in two Series namely Series A Fixed Rate Bond 2008 for \$50.0m and Series B Fixed Rate Bond 2017 for \$150.0m. This loan was borrowed on behalf of the Government of Trinidad and Tobago for the Upgrade of Road Efficiency (PURE). The bonds

bear interest at the rate of 6.5% per annum. Series A Bonds were repaid as at 27th October 2008, Series B Bond shall be repaid in eighteen (18) equal semi-annual installments.

In July 2009, the Company was the beneficiary of the net proceeds of a bond issue for \$682.0 million received from the Central Bank of Trinidad and Tobago who acted as agents for the issue. The Limited Recourse Fixed Rate Bonds 2009 – 2022 were constituted by RBTT Trust Limited, the named trustees on the bond. The bond principal and interest are guaranteed by the Government of Trinidad and Tobago. The bonds bear interest at the rate of 6.8% per annum.

The funds were used to finance:

1. The Programme for the Upgrade of Road Efficiency (PURE)
2. The Driver and Vehicle Licensing Authority of Trinidad and Tobago (DVLATT)

In March 2010, the Company was the beneficiary of the net proceeds of a Fixed Rate Bond issued for \$500.0 million received from the Central Bank of Trinidad and Tobago who acted as agents for the issue. The Limited Recourse Fixed Rate Bonds 2010 – 2028 were constituted by First Citizens Trustee Services Limited, the named trustees on the bond. The bond principal and interest are guaranteed by the Government of Trinidad and Tobago. The bonds bear interest at the rate of 6.25% per annum. The funds were used to finance the Programme for the Upgrade of Road Efficiency (PURE).

In August 2010, the Company was the beneficiary of the net proceeds of a Fixed Rate Bond issued for \$360.0 million received from the Central Bank of Trinidad and Tobago who acted as agents for the issue. The Limited Recourse Fixed Rate Bonds 2010 – 2028 were constituted by First Citizens Trustee Services Limited, the named trustees on the bond. The bond principal and interest are guaranteed by the Government of Trinidad and Tobago. The bonds bear interest at the rate of 6.10% per annum. The funds were used to finance the Programme for the Upgrade of Road Efficiency (PURE).

In May 2011, the Company was the beneficiary of the net proceeds of a Fixed Rate Bond issued for \$750.0 million received from the Central Bank of Trinidad and Tobago who acted as agents for the issue. The Limited Recourse Fixed Rate Bonds 2011-2030 were constituted by First Citizens Trustee Services Limited, the named trustees on the bond. The bond principal and interest are guaranteed by the Government of Trinidad and Tobago. The bonds bear interest at the rate of 6.55% per annum. The funds are being used to finance the Programme for the Upgrade of Road Efficiency (PURE).

In October 2011, the Company was the beneficiary of the net proceeds of a Fixed Rate Bond issued for \$500.0 million received from the Central Bank of Trinidad and Tobago acting in its capacity as Agent. The Limited Recourse Fixed Rate Bonds 2011-2026 were constituted by First Citizens Trustee Services Limited, the named trustees for this Bond, of which the Principal and Interest are guaranteed by the Government of the Republic of Trinidad and Tobago. The bonds bear interest at the rate of 6.05% per annum. The funds are being used to finance the Programme for the Upgrade of Road Efficiency (PURE).

Promissory Note – ANSA Merchant Bank

In January 2010 NIPDEC was the beneficiary of a Government Guaranteed Fixed Rate Loan from ANSA Merchant Bank Limited in the amount of \$37.4m. The loan was for a period of three (3) years ending on 4th January 2013, interest is paid at the rate of 4.3% per annum. The funds were used to finance the Ministry of Works and Transport Mechanical Division Relocation Project.

3. Strategic Plan

The Strategic Plan envisions the transformation of the Company from its traditional role as project management wherein we have expanded, enhanced and diversified our business into a successful, multiservice organization. We have branched out to

include Facilities Management, Real Estate Services, Commercial Services and Procurement and Contract Management to our roster of functions. Our organizational knowledge over the last three decades has definitely given us a distinct capability and competitive advantage in the markets that we serve. Our Maintenance and Management services have reached international standards.

4. Organizational Structure

As stipulated in its Bylaws, the members of NIPDEC's Board of Directors include the Chairman and a member of the Management of the National Insurance Board of Trinidad and Tobago (its parent company). The other members of the Board were selected from the private sector.

The Board of Directors are as follows:-

Mr. Hamlyn Jailal	(Chairman)
Mr. Ravi Ramoutar	Director
Mr. Navindra Ramnaran	Director
Mrs. Melissa Bart-Smith	Director
Mrs. Krishmanie Misir	Director
Mr. John Boisselle	Director
Ms. Lorna Charles	Director

The Executive Management Team is as follows:-

General Manager

Mr. Lynford Cheddie

Mr. Cheddie joined the NIPDEC Team on June 25th 2012. In addition to a Mechanical Engineering Degree, Mr. Cheddie holds a Masters in Production Engineering as well as Masters in Business Administration (MBA). Mr. Cheddie has gained significant experience in the private sector environment having worked at Trinidad Cement Limited (TCL) and ArcelorMittal Point Lisas. Mr. Cheddie has previously lectured at the University of Trinidad and Tobago (UTT) in the fields of Project Management, Plant Design and Maintenance and is a member of various local and foreign Engineering Associations.

Company Secretary

Ms. Alana Umrav

Ms. Umrav has been an Attorney at Law for the past eight (8) years. She acquired significant experience in the private industry prior to joining NIPDEC. She was initially employed at NIPDEC as a Legal Officer, however, due to her extensive knowledge of corporate issues and policy management she has been promoted to the position of Company Secretary.

Head, Finance & Accounts

Mr. Richard Gittens

Mr. Gittens is a highly qualified financial professional, a certified accountant with over 25 years experience. He is the holder of an Executive Masters in Business Administration and has worked in various industries including Property Development, IT and Manufacturing sectors.

Manager, Real Estate and Commercial Services

Ms. Lynn Hilaire

Ms. Hilaire manages a Department that comprises three (3) units- Car parks, Warehousing and Real Estate Services. Prior to coming to NIPDEC, Ms Hilaire spent nineteen (19) years as a Town Planner with the Town and Country Planning Division of the then Ministry of Planning and Development.

Head, Property Development

Mr. Nivish Singh

Mr. Singh is a new member of the executive management team having only been appointed on April 10th 2012 to head the Property Development Department. In addition to his Engineering Degree, Mr. Singh has a Masters Degree in Business Administration with a specialization in Entrepreneurship. He has over 12 years experience in Project Management and Contract Administration in the local construction sector, as well as, experience working on large oil and gas projects internationally.

Manager, Mechanical Electrical & Facilities

Mr. Daryl Joseph

Mr. Joseph has over fifteen (15) years' experience in the field of mechanical and electrical engineering. Mr. Joseph currently manages the Company's Mechanical, Electrical and Facilities Department which is responsible for building maintenance and service installation.

Senior Legal Officer/Assistant Company Secretary

Ms. Lisa Solomon

Ms. Solomon has been practising as an Attorney at Law for the past thirteen (13) years. She has acquired significant experience in private commercial law, having worked at private law firms for a period of six (6) years, five (5) of which were spent at MG Daly & Partners. Prior to joining NIPDEC, Ms Solomon worked in the public sector with Evolving Technologies and Enterprising Development Limited (eTeck) and in the oil and gas industry at the National Gas Company of Trinidad and Tobago (NGC).

Head, Human Resources

Mr. Nahum Forde

Mr. Forde has been heading the Human Resources Department for the past five (5) years. His expertise has been manifested in the development and implementation of policies and procedures since his appointment to this position.

Manager, Internal Audit

Ms. Miriam Wilson-Edwards

Ms. Wilson-Edwards has over ten (10) years' experience in financial and operational audits, management and compliance reviews, risk assessments and fraud investigations. She holds a Bachelor of Science Degree (Honours) in Economics (Major) and a Minor in Finance, is a Fellow of the Association of Chartered Certified Accountants (FCCA) and a Certified Internal Auditor (CIA). She is also an Associate Member of the Association of Certified Fraud Examiners (ACFE).

Head, Pharmaceuticals

Mrs. Nishi Bhagan

Ms. Nishi Bhagan is fairly new to NIPDEC. She is a Pharmacist by profession, who is trained in management and has both local and international experience in the procurement and supply chain management of pharmaceuticals and pharmaceutical related items.

CONSOLIDATED BALANCE SHEET AS AT 30TH JUNE, 2011

	2011 \$'000	2010 \$'000
ASSETS		
Non-current assets		
Net investment in leased assets	46,909	62,217
Investment properties	29,400	42,986
Property, plant and equipment	18,447	17,576
Available for sale investment	10,217	10,217
Defined pension benefit asset	30,348	28,889
	<u>135,321</u>	<u>161,885</u>
Current assets		
Cash and short-term deposits	160,135	207,148
Restricted cash	1,000,060	443,472
Accounts receivable and prepayments	236,544	190,125
Net investment in leased assets	15,261	15,516
Project costs incurred less project advances	277,636	272,676
Amounts due by parent company	33,097	24,776
	<u>1,722,733</u>	<u>1,151,713</u>
Total assets	1,858,054	1,313,598
EQUITY AND LIABILITIES		
Equity		
Stated capital	25,000	25,000
Revaluation reserve	13,375	12,905
Retained earnings	140,612	136,561
	<u>178,987</u>	<u>174,466</u>
Non-current liabilities		
Borrowings	40,381	55,778
Current liabilities		
Bank overdraft	-	1,240
Borrowings due within one year	15,510	15,845
Accounts payables and accruals	374,708	567,617
Project advances less project costs incurred	1,239,447	489,631
Dividend payable	9,021	9,021
	<u>1,638,686</u>	<u>1,083,354</u>
Total equity and liabilities	1,858,054	1,313,598

Statement of Comprehensive Income			
Year ended June 30, 2011			
	Notes	2011 \$'000	2010 \$'000
Income			
Project and construction management fees		27,058	40,154
Property management and sales		9,830	10,587
Pharmaceutical agent services		12,641	9,867
Interest income from leases		6,436	7,623
Other interest income		2,843	5,504
Gain (loss) on projects		24	(1,948)
Loss on disposal of property, plant and equipment		(413)	(61)
Other income		1,701	988
Total income		60,120	72,814
Direct costs incurred		(5,903)	(6,591)
Total income less direct costs		<u>54,217</u>	<u>66,223</u>
Expenditure			
Staff costs	17	32,491	30,473
Finance costs	18	5,395	6,464
Administration expenses	19	3,870	2,615
Accommodation costs		5,802	5,639
Bad debts		(1,120)	(808)
Depreciation	6	928	1,373
Vehicle expenses		407	535
Loss on revaluation of investment property		2,086	-
Impairment of held-to-maturity investment	9	-	8,667
Total expenses		<u>49,859</u>	<u>54,958</u>
Profit before tax		4,358	11,265
Taxation		(307)	-
Profit for year		<u>4,051</u>	<u>11,265</u>
Other comprehensive income			
Revaluation of property, plant and equipment		470	-
Other comprehensive income for the year		<u>470</u>	<u>-</u>
Total comprehensive income for the year		<u>4,521</u>	<u>11,265</u>

List of Government Securities Intermediaries

Institution	Contact Addresses
ANSA Merchant Bank Limited	11c Maraval Road Port of Spain Tel: 623-8672 Fax: 624-8763
Bourse Securities Limited*	96 Maraval Road Port of Spain Tel: 623-0415 Fax: 624-6953
First Citizens Investment Services Limited*	Ground Floor, Furness Court Corner Richmond Street and Independence Square Port of Spain Tel: 623-7815/5153 Fax: 624-4544
Citicorp Merchant Bank Limited	12 Queen's Park East Port of Spain Tel: 625-1046; 623-3344 Fax: 624-1719
First Citizens Bank Limited	Corporate Centre 9 Queen's Park East Port of Spain Tel: 624-3178 Fax: 627-4548
Intercommercial Bank Limited	Ground Floor Furness Building Port of Spain Tel: 665-4425 Fax: 665-6663
Republic Bank Limited	9-17 Park Street Port of Spain Tel: 625-4411 Fax: 624-1296
RBC Merchant Bank Limited	Corner Broadway and Independence Square Port of Spain Tel: 625-3511 Fax: 624-5212
Scotia Trust and Merchant Bank (Trinidad and Tobago) Limited	Scotia Centre 56-58 Richmond Street Port of Spain Tel: 625-3566 Fax: 623-4405
First Caribbean International Bank (Trinidad and Tobago) Limited	74 Long Circular Road Maraval Port of Spain Tel: 628-4685 Fax: 625-8906
Trinidad and Tobago Unit Trust Corporation *	Corner Richmond Street and Independence Square Port of Spain Tel: 624-8648 Fax: 624-4729

Note: * Intermediaries designated to accept non-competitive bids from the public. Applications will be accepted by these intermediaries up to 12 noon on Thursday 16th August, 2012.