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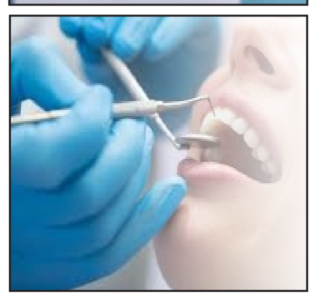
The Guyana and Trinidad Mutual Life Insurance Company Limited



ANNUAL REPORT 2022

Notice of Meeting

The **Ordinary General Meeting of Members** will be held at 14:00 hours on Wednesday, 14th June, 2023 via **Zoom Virtual Meeting Portal.**

AGENDA

1. To approve and if seen fit pass, a special resolution authorising and directing the holding of the Ordinary General Meeting of Members of the GTM Life Insurance Company Limited by means of a computer generated virtual real time format, where all members are in simultaneous visual attendance, due to the health and safety risks associated with large public gatherings in order to reduce the general transmission of the COVID-19 Virus.

2. To receive and consider the Report of the Directors, the Financial Statements for the year ended 31st December, 2022 and the Report of the Auditors thereon.

3. To elect Directors.

4. To fix remuneration of the Directors.

5. To elect Auditors and fix their remuneration.

BY ORDER OF THE BOARD

S. BACCHUS-HINDS
Company Secretary/
Deputy Finance Controller

GTM Buildings
27-29 Robb & Hincks Streets
Georgetown
26th April, 2023

N.B. The right to vote by proxy may only be exercised by any member who does not attend the virtual meeting.

The appointed proxy must be a member of the Company.

The instrument appointing a proxy must be deposited at the Head Office of the Company not less than twenty-four hours before the time appointed for holding the meeting.

Chairman & Board of Directors

CHAIRMAN	**R. L. SINGH,** AA, ACIS
DIRECTORS	**E. A. LUCKHOO,** LL.B(HONS) (LOND), SC
	B. J. HARPER (MS.), BA
	P. S. FRASER
	G. E. DEAN, BSc., CGMA
	R. T. SINCLAIR, MSc.
	A. N. CARTER-SHARMA (MRS.), BEng. (ARCH), OSHA-30HR
MANAGING DIRECTOR	**R. ST. P. YEE,** BSc.(HONS), EMBA

Management Team

MANAGING DIRECTOR	**R. ST. P. YEE,** BSc.(HONS), EMBA
MANAGER (AG.)	**D. RAMSAROOP,** ALMI, ACS
FINANCE CONTROLLER	**K. NAUTH,** MBA, FCCA, CPA, MSc.
COMPANY SECRETARY/ DEPUTY FINANCE CONTROLLER	**S. BACCHUS-HINDS (MS.),** ACCA, BSc.(HONS)
BRANCH MANAGER, GRENADA	**N. ENNIS (MS.),** ACII, BSc.
BRANCH MANAGER, ST. LUCIA	**G. MAXWELL (MS.),** FCII, MSc., BSc.
BRANCH MANAGER, ST. VINCENT	**C. CAMBRIDGE,** AIAA, ACS(HONS), AIRC, Dip.Mgt (UWI)

Report of the Directors

The Directors have pleasure in presenting their **ANNUAL REPORT** and the **AUDITED FINANCIAL STATEMENTS** for the year ended 31 December 2022.

All amounts stated are in Guyana dollars.

INSURANCE IN FORCE
At the commencement of the year, after adjustments including adjustment for the change in currency exchange rates there were 13,974 policies in force insuring $98,973,699,432 with annual premiums of $1,156,942,700. During the year 1,421 policies were issued insuring $14,244,265,442 with annual premiums of $140,232,797. At 31 December 2022, there were 14,240 policies in force insuring $105,968,566,489 including bonus additions, yielding annual premiums of $1,293,044,898.

GROUP LIFE
At the commencement of the year, there were 111 group plans in force with annual premiums of $281,299,713 insuring a total sum of $39,817,446,156. At 31 December 2022, there were 125 group plans in force with annual premiums of $322,399,607 insuring a total sum of $46,569,682,050.

HEALTH INSURANCE
At the commencement of the year, there were 195 group plans and 3,089 individual plans with annual premiums of $1,220,245,196. During the year, 13 group plans and 385 individual plans were issued with annual premiums of $283,783,400. At 31 December 2022, there were 208 group plans and 3,157 individual plans with annual premiums of $1,421,679,950.

ACCIPROTECT
At the commencement of the year, there were 2,315 policies insuring $3,932,162,500 with annual premiums of $14,843,669. At 31 December 2022, there were 2,113 policies insuring $3,666,500,000 with annual premiums of $14,600,364.

ACTUARIAL LIABILITIES
At 31 December 2022 Actuarial Liabilities were valued $6,356,721,994. This represents a net movement in actuarial liabilities of $160,018,562 over previous year. Actuarial Liabilities as at 31 December 2021 were valued at $6,196,703,432. These liabilities are secured by assets pledged with the Regulators.

CLAIMS
Total claims paid and provided for during the year amounted to $1,051,122,532. Death claims in respect of 81 policies totalled $188,680,737 net of reinsurance; endowments matured required $40,104,298; payments under annuity policies were $11,942,688; disability benefits paid amounted to $49,936; and health insurance benefits paid amounted to $810,344,373. Since inception of the Company, the total net claims paid and provided for amounted to $10,906,207,010.

INVESTMENTS
At the commencement of the year, the total value of investments was $9,452,711,465. The value of investments purchased during the year amounted to $344,111,809 while redemptions were $551,872,419. At 31 December 2022, securities were revalued in accordance with the Company's accounting policy, which resulted in a net increase in fair value of $3,085,784,468. The total value of investment as at December 31, 2022 was $12,330,735,323.

DIRECTORATE
All the Directors retire as provided in the Company's Ordinance and are eligible for re-election.

CORPORATE GOVERNANCE
The Company shares a common Board of Directors with The Guyana and Trinidad Mutual Fire Insurance Company Limited and regular meetings are held for each Company.

The Board has established a Budget and Liquidity Risk Management Committee, which on an ongoing basis, reviews the Company's liquidity requirements and monitors potential risks to the business. Other major Committees, on which members of the Board serve, are the Audit, Risk Management, Information Systems, Marketing and Public Relations, Building, Investment and Organisational and Compensation.

AUDITORS
Ram & McRae Chartered Accountants have retired and are eligible for re-election.

Independent Auditor's Report

To the Members of
The Guyana and Trinidad Mutual Life Insurance Company Limited
on the Financial Statements for the Year Ended 31 December 2022

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of The Guyana and Trinidad Mutual Life Insurance Company Limited, which comprise the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and summary of significant accounting policies and other explanatory information.

In our opinion, financial statements on pages 4 to 43 present fairly, in all material respects, the financial position of the Guyana and Trinidad Mutual Life Insurance Company Limited as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, Ordinance No. VI of 1925 and the Insurance Act 2016.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, Ordinance No. VI of 1925 and the Insurance Act 2016, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report — cont'd

Auditor's Responsibilities for the Audit of the Financial Statements - cont'd

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

Report on Other Legal and Regulatory Requirements

As stated in Note 48 to these financial statements, the Bank of Guyana has determined that the Company is not compliant with certain provisions of the Insurance Regulations 2018 which require the Company to take corrective action over five years from November 6, 2019.

Ram & Mc Rae
CHARTERED ACCOUNTANTS
PROFESSIONAL SERVICES FiIRM

157 'C' WATERLOO STREET
GEORGETOWN
GUYANA
April 26, 2023

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December, 2022

	Notes	2022 G$	2021 G$
REVENUE			
Insurance premiums	(5)	2,645,626,233	**2,335,686,274**
Reinsurance premiums ceded	(5)	(197,897,773)	**(222,678,990)**
		2,447,728,460	**2,113,007,284**
Income from investments			
"Held to maturity"		110,174,019	**115,684,277**
"Loans and receivables"		47,828,167	**44,597,587**
"Available for sale"		98,048,384	**86,049,756**
	(6)	256,050,570	**246,331,620**
Other income	(7)	18,142,317	**26,915,281**
Currency exchange gain/(loss)	(8)	(19,985,235)	**4,966,104**
		2,701,936,112	**2,391,220,289**
***Deduct:* EXPENDITURE**			
Benefits:			
Claims	(9)	1,051,122,532	**912,564,380**
Surrenders	(10)	217,739,584	**212,931,936**
		1,268,862,116	**1,125,496,316**
Expenses:			
Commissions and sales expenses	(11)	223,682,914	**207,913,994**
Salaries and other staff costs	(12)	164,318,982	**154,924,295**
Management expenses	(12)	297,972,322	**317,207,258**
Withholding and other taxes	13(a)	4,086,765	**4,464,550**
		690,060,983	**684,510,097**
Total expenditure		1,958,923,099	**1,810,006,413**
Net surplus before movement in actuarial liabilities and taxation		743,013,013	**581,213,876**
Net movement in actuarial liabilities	(14)	(160,018,562)	**(339,154,240)**
Net profit after movement in actuarial liabilities and before taxation		582,994,451	**242,059,636**
Taxation	13(b)	(5,377,782)	**(4,331,855)**
Net profit after taxation		577,616,669	**237,727,813**
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss:			
Fair value gain on property and equipment	(17)	—	**26,000,000**
Fair value gain on investment	(27)	3,085,784,468	**2,380,531,190**
Other comprehensive income for the year net of taxation		3,085,784,468	**2,406,531,190**
Total comprehensive income for the year		3,663,401,137	**2,644,259,003**

"The accompanying notes form an integral part of these financial statements."

Statement of Changes in Equity

For the Year Ended 31 December, 2022

	Note	Guarantee capital	Investment reserve	Revaluation reserve	Retained earnings	Total
		G $	G $	G $	G $	G$
Balance at 1 January 2021		**100,000**	**5,081,579,998**	**317,257,293**	**1,040,490,427**	**6,439,427,718**
Changes in equity 2021						
Total comprehensive income for the year		—	2,380,531,190	26,000,000	237,727,813	2,644,259,003
Balance at 31 December 2021		**100,000**	**7,462,111,188**	**343,257,293**	**1,278,218,240**	**9,083,686,721**
Changes in equity 2022						
Total comprehensive income for the year		—	3,085,784,468	—	577,616,669	3,663,401,137
Balance at 31 December 2022		100,000	10,547,895,656	343,257,293	1,855,834,909	12,747,087,858

"The accompanying notes form an integral part of these financial statements."

Statement of Financial Position

As at 31 December, 2022

	Notes	2022 G $	2021 G $
Assets			
Non-current assets			
Property and equipment	(15)	1,780,070,622	**1,537,316,312**
Other assets			
Investments			
Held to maturity	16(a)	1,214,807,988	**1,181,025,166**
Loans and receivables	16(b)	610,588,794	**602,132,226**
Available for sale	16(c)	10,505,338,541	**7,669,554,073**
Segregated funds' assets	(18)	946,787,439	**933,113,325**
Statutory deposits	(19)	224,040,341	**223,489,483**
		15,281,633,725	**12,146,630,585**
Current assets			
Unexpired reinsurance premiums (net of commission)	(20)	176,393,046	**105,063,574**
Premiums outstanding	(21)	112,109,677	**97,646,577**
Related party	(35)	—	**100,664,866**
Accrued and unpaid interest	(22)	42,197,368	**40,116,115**
Receivables and prepayments	(23)	125,185,774	**153,542,644**
Tax recoverable	(32)	8,899,633	**13,496,926**
Treasury bills	(24)	710,013,896	**692,421,336**
Cash on deposit	(25)	3,779,965,687	**3,637,644,171**
Cash at bank	(38)	1,947,486,166	**1,196,757,630**
Cash on hand and in transit		6,297,355	**2,029,887**
		6,908,548,602	**6,039,383,726**
Total assets		22,190,182,327	**18,186,014,311**
Equity and liabilities			
Capital and reserves			
Guarantee capital	(26)	100,000	**100,000**
Investment reserve	(27)	10,547,895,656	**7,462,111,188**
Revaluation reserve	(15)	343,257,293	**343,257,293**
Retained earnings		1,855,834,909	**1,278,218,240**
		12,747,087,858	**9,083,686,721**
Non-current liabilities			
Actuarial liabilities	(14)	6,356,721,994	**6,196,703,432**
Sundry reserve	(28)	1,494,640	**2,744,320**
Deposit administration fund	(29)	1,348,709,023	**1,243,023,301**
		7,706,925,657	**7,442,471,053**
Current liabilities			
Claims admitted and intimated (net of amounts recoverable from reinsurers)	(30)	403,884,801	**296,315,593**
Segregated funds' liabilities	(18)	946,787,439	**933,113,325**
Claims option deposits	(31)	3,026,819	**3,008,362**
Taxation	(32)	3,355,516	**3,067,574**
Premiums received in advance	(33)	100,068,512	**102,433,080**
Payables and accruals	(34)	140,913,280	**206,795,997**
Related party	(35)	927,318	**—**
Unearned premiums	(36)	124,731,934	**104,656,914**
Unexpired risk	(37)	12,473,193	**10,465,692**
		1,736,168,812	**1,659,856,537**
Total equity and liabilities		22,190,182,327	**18,186,014,311**

The financial statements were approved by the Board of Directors on 26[th] April, 2023.
On behalf of the Board:

Chairman: MR. R. L. SINGH, AA
Director: MR. E. A. LUCKHOO
Company Secretary: MS. S. BACCHUS-HINDS

"The accompanying notes form an integral part of these financial statements."

Statement of Cash Flows

For the Year Ended 31 December, 2022

	2022 G$	2021 G$
Operating activities		
Profit before taxation	582,994,451	**242,059,668**
Adjustments for:		
Depreciation	23,577,127	**27,651,217**
Dividends and interest received	(256,050,570)	**(246,331,620)**
Loss on disposal of assets	—	**9,784,933**
Loss / (gain) on exchange	19,985,235	**(4,966,104)**
Operating profit before working capital changes	370,506,243	**28,198,094**
(Decrease) /Increase in reserves	(19,985,235)	**4,966,104**
Increase in deposit administration fund	105,685,722	**59,466,209**
Decrease in sundry reserve	(1,249,680)	**(1,164,980)**
Decrease/(increase) in receivables & prepayments	27,473,797	**(316,917,541)**
Increase in liabilities	236,042,894	**467,707,429**
Net cash provided by operations	718,473,741	**242,255,315**
Taxes paid	(492,547)	**(887,058)**
Net cash provided by operating activities	717,981,194	**241,368,257**
Investing activities		
Acquisition of property and equipment	(16,331,437)	**(4,598,510)**
(Acquisition) / Proceeds of investments	(33,782,823)	**79,982,424**
Increase in policy and other loans	(23,787,638)	**(6,279,899)**
Increase in treasury bills	(17,592,560)	**(154,803,847)**
Mortgage repayments / (disbursements)	15,331,072	**(95,831,112)**
Increase in statutory deposits	(550,858)	**(830,836)**
Dividends and interest received	256,050,570	**246,331,620**
Net cash provided by investing activities	179,336,326	**63,969,840**
Net increase in cash and cash equivalents	897,317,520	**305,338,097**
Cash and cash equivalents at beginning of period	4,836,431,688	**4,531,093,591**
Cash and cash equivalents at end of period	5,733,749,208	**4,836,431,688**
Cash and cash equivalents consist of:		
Cash on deposit, at bank, on hand and in transit	5,733,749,208	**4,836,431,688**
	5,733,749,208	**4,836,431,688**

"The accompanying notes form an integral part of these financial statements."

Notes on the Accounts

1. INCORPORATION AND ACTIVITIES

The Guyana and Trinidad Mutual Life Insurance Company Limited was incorporated in Guyana by Ordinance No. 6 of 1925 on 30 May 1925. It is engaged in the underwriting of long term insurance business and associated insurance activities.

2. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

Pronouncements effective in future period for early adoption

New and Amended Standards

			Effective for annual periods beginning on or after
IAS 16	—	Amendment to IAS 16 — Property, Plant and Equipment	1 January 2022
IFRS 9	—	Amendment to IFRS 9 — Financial Instruments	1 January 2022
IAS 37	—	Amendment to IAS 37 — Provision, Contingent Liabilities and Contingent Assets	1 January 2022
IFRS 3	—	Amendments to IFRS 3 — Business Combination	1 January 2022
IAS 1	—	Amendments to IAS 1 — Presentation of Financial Statements	1 January 2023
IFRS 17	—	Insurance Contracts	1 January 2023
IFRS 10	—	Amendment to IFRS 10 — Consolidated Financial Statements and investments in Associates and Joint Venture	Deferred indefinitely

IAS 16 Amendments to IAS 16 — Property, Plant and Equipment

The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sale proceeds and related cost in profit and loss.

IFRS 9 Amendments to IFRS 9 — Financial Instruments

The amendment, part of the Annual Improvements to IFRS Standards 2018 to 2020, clarifies which fees an entity includes when it applies the '10 percent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

IAS 37 Amendments to IAS 37 — Provision, Contingent Liabilities and Contingent Assets

The amendments clarify that, for the purpose of assessing whether a contract is onerous; the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

Notes on the Accounts

2. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS — cont'd

Pronouncements effective in the future period for early adoption — cont'd

IFRS 3 Amendments to IFRS 3 — Business Combination

The amendments updated the reference to the conceptual framework. They also added to IFRS 3 an exception to its requirement for an entity to refer to the conceptual framework to determine what constitute an asset or a liability. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The International Accounting Standard Board added this exception to avoid an unintended consequence of updating the reference. Without the exception, an entity would have recognised some liabilities on the acquisition of a business that it would not recognise in other circumstances. Immediately after the acquisition, the entity would have had to derecognise such liabilities and recognise a gain that did not depict an economic gain.

IAS 1 Amendments to IAS 1 — Presentation of Financial Statements

IAS 1 has been revised to (i) clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the 'right' to defer settlement by at least twelve months and make explicit that only rights in place 'at the end of the reporting period' should affect the classification of a liability; (ii) clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and (iii) made clear that settlement refers to the transfer to the counterparty of cash, equity instruments, or other assets and services.

IFRS 10 Amendments to IFRS 10 — Consolidated Financial Statements and IAS 19 Investment in Associates and Joint Ventures

The amendments clarify the recognition of gains or losses in the Parent's financial statements for the sale or contribution of assets between an investor and its associate or joint venture.

IFRS 17 and IFRS 9 Insurance Contracts and Financial Instruments

In May 2017, the IASB issued IFRS 17 Insurance Contracts (“IFRS 17”). This standard is to be applied using a retrospective approach, with at least one year of comparative results provided. If retrospective application to a group of insurance contracts is impracticable, a modified retrospective or fair value approach may be used. We have elected to use a fair value approach in instances where retrospective application is impracticable. IFRS 17 replaces IFRS 4 and impacts how we recognise, measure, present, and disclose our insurance contracts in our financial statements. The disclosures in the Company’s 2022 financial statements are more limited than the disclosures to be included in the first year of adoption, being 2023

In July 2014, the IASB issued the final version of IFRS 9 which replaces IAS 39. IFRS 9 includes guidance on the classification and measurement of financial instruments, impairment of financial assets and hedge accounting, and does not require restatement of comparative periods.

In June 2020, an amendment was issued to defer the effective date of IFRS 17 to annual periods beginning on or after January 1, 2023. Eligible insurers were also permitted the option of deferring the adoption of IFRS 9 to coincide with the adoption of IFRS 17. We have elected to apply this deferral option, and the effective date of both IFRS 17 and IFRS 9 will be January 1, 2023.

Notes on the Accounts

2. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS — cont'd

Pronouncements effective in the future period for early adoption — cont'd

IFRS 17 and IFRS 9 Insurance Contracts and Financial Instruments— cont'd

In December 2021, the International Accounting Standards Board (IASB) issued an amendment to IFRS 17 to allow for a transition option that permits insurers to present comparative information on financial assets as if IFRS 9 were applicable during the comparative period ("classification overlay"). We have elected to apply the classification overlay to our financial assets and their comparative period results as if IFRS 9 had been effective since January 1, 2022. Such changes will be reflected in our first IFRS 17 Financial statements for the year ended December 31, 2023.

IFRS 17 establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts. The key principles of IFRS 17 are as follows:

- Insurance contracts are those under which an entity accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.
- Insurance contracts issued and reinsurance contracts held are divided into groups that will be separately recognised and measured.
- Groups of insurance contracts are recognised and measured as the total of the following measurement components: a) the present value of future cash flows; b) a risk adjustment for non-financial risk; and c) the contractual service margin ("CSM"), an amount that represents the unearned profit of the group of contracts. These measurement components apply to groups of insurance contracts measured using the general measurement approach ("GMA"). The GMA will be applied to the Company's long-term insurance contracts, such as individual life and annuities.
- For short duration contracts, such as our group life and group health, a simplified measurement approach (the premium allocation approach or "PAA") is applied. Under the PAA, insurance contracts are measured based on unearned profits and do not include a CSM.
- The profit from a group of insurance contracts is recognised into income over the period that insurance contract services are provided and as our risks related to servicing the contracts diminish over time. A group of insurance contracts issued is considered onerous when the measurement leads to a negative CSM either at issue or when subsequently measured. In this case, the CSM is not allowed to decrease below zero and a loss component is tracked. If certain criteria are met, a reinsurance loss recovery component can be recognised to offset a portion of the losses recognised on the underlying insurance contracts.
- Insurance revenue, insurance services expenses and insurance finance income or expenses are presented separately.
- The measurement of reinsurance contracts held is similar to insurance contracts issued with a key difference being that the CSM can be positive or negative.
- Disclosures are intended to enhance transparency and comparability of results.

The measurement of insurance contracts under IFRS 17 differs from the Policy Premium Method currently applied under IFRS 4. The most significant differences by measurement component are as follows:
Present value of future cash flows:

- The discount rates used to present value future cash flows under IFRS 17 are based on the characteristics of the insurance contracts. Under IFRS 4, discount rates are based on the portfolio of assets supporting the insurance contract liabilities.

Notes on the Accounts

2. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS — cont'd

Pronouncements effective in the future period for early adoption — cont'd

IFRS 17 and IFRS 9 Insurance Contracts and Financial Instruments — cont'd

- Estimates under IFRS 17 include the prevailing market view of the cost of financial guarantees, which requires a valuation consistent with market option prices. Under IFRS 4, the cost of financial guarantees is based on the amount required to fulfill the obligation.
- Expense cash flows under IFRS 17 are those directly attributable to the fulfillment of the obligations under insurance contracts.

Risk adjustment:

- Measures the compensation required for uncertainty related to non-financial risk, such as mortality, morbidity, surrender and expenses under IFRS 17.
- Provisions for uncertainty related to financial risk are included in the present value of future cash flows under IFRS 17.
- No amount is provided for asset-liability mismatch risk under IFRS 17.
- Under IFRS 4, amounts provided for the risks listed above are reflected in a provision for adverse deviations included in insurance contract liabilities.

Contractual Service Margin (CSM):

- This is a new component of liabilities and necessitates the "grouping" of insurance contracts, which is not required under IFRS 4.
- The CSM represents unearned profits, which will be amortized into income over the term of the contracts.

The measurement approach under IFRS 17 and IFRS 4 is similar for insurance contracts measured using the PAA, such as our group life and group health contracts. Differences arise mainly in the measurement of the Liability for Incurred Claims, where the discount rate and risk adjustment changes noted above apply.

On transition to IFRS 17, the Company will apply the full retrospective approach to all identified insurance contracts unless it is impracticable to do so. When impracticable, the fair value approach will be applied. The fair value approach calculates the CSM or loss component of the liability for remaining coverage as the difference between the fair value of a group of insurance contracts at the date of transition and the FCF measured at that date.

IFRS 9 includes guidance on the classification and measurement of financial instruments, impairment of financial assets, and hedge accounting. The classification of financial assets is based on the cash flow characteristics and the business model within which an asset is managed, and determines how the financial asset is measured. All financial assets are measured as Fair Value Through Profit or Loss (FVTPL), Fair Value Through Other Comprehensive Income (FVOCI), or amortized cost. The classification and measurement of financial liabilities remain generally unchanged from IAS 39. IFRS 9 also introduces an impairment model for financial assets not measured at fair value through profit or loss (FVTPL). The model requires the recognition of an allowance for 12-month expected losses at the initial recognition of a financial asset, and the recognition of an allowance for lifetime expected losses if certain criteria are met. In addition, IFRS 9 introduces a new model for hedge accounting to better align with risk management activities. We do not expect re-designation and re-measurement under IFRS 9 to have a material impact to the Company's opening equity on transition to IFRS 9.

Under IFRS 17, we are electing to recognise all insurance finance income or expense in income rather than other comprehensive income, to align with the accounting for our fixed income assets under IFRS 9.

The Company is in the advanced stages of implementation of IFRS 17 and is continuing to refine the new accounting processes and internal controls required. A reasonable estimate of the financial impacts cannot be provided at this stage.

Notes on the Accounts

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Accounting convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain investments, property and equipment and conform with International Financial Reporting Standards.

The principal accounting policies are set out below:

b) Revenue recognition

i) Premiums
Premiums on long-term insurance are recognised as revenue when due from policyholders. Premiums are recognised gross of commissions payable. Premiums received that relate to future periods are included in current liabilities and premiums outstanding are included in current assets.

ii) Income from investments
Interest income for all interest bearing financial instruments except for those classified as available-for-sale or designated at fair value is recognised in the statement of profit or loss and other comprehensive income on an accrual basis using the effective interest yield method.

The effective interest yield is the rate that exactly discounts estimated future cash receipts or payments throughout the expected life of the financial instrument or where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

iii) Other income
Other income is recognised as it is earned. This is mainly due to fees charged for routine transactions and fees earned for the administration of pension plans.

c) Reinsurance

The Guyana and Trinidad Mutual Life Insurance Company Limited has treaty reinsurance in place for risk that it underwrites on its life products. Relevant amounts are reimbursed to the Company for claims paid in accordance with the terms of the reinsurance agreement.

Reinsurance premiums paid reflect amounts due to reinsurers for the financial year net of commissions earned by the Company for ceding business to them. Unexpired reinsurance premium net of the corresponding commission is an estimated amount of reinsurance premium relating to the future accounting period. This is shown under current assets.

d) Claims

Claims are made against the Company in respect of the various classes of insurance policies. Claims are recognised when reported to the Company, whether or not settled at the date of the financial statements.

Claims are reflected in the statement of profit or loss and other comprehensive income net of reinsurance recoveries. The liability for claims reported and unpaid at the date of the financial statements is disclosed net of amounts recoverable from reinsurers.

Notes on the Accounts

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—cont'd

e) Maturities

Some of the Company's policies mature when the contractual period has elapsed. Such amounts whether or not claimed for by the policyholder are accrued in the statement of profit or loss and other comprehensive income, and provided for as claims admitted under current liabilities.

f) Commissions

This represents expenses incurred in the acquisition of insurance business contracts mainly through insurance advisors and brokers. Various rates are used in the computation of commissions paid.

g) Operating expenses

The Guyana and Trinidad Mutual Life Insurance Company Limited and The Guyana and Trinidad Mutual Fire Insurance Company Limited share common staff and facilities. In Guyana, staff are employed, and facilities owned by, The Guyana and Trinidad Mutual Fire Insurance Company Limited. In the Caribbean territories, staff are employed, and facilities owned by, The Guyana and Trinidad Mutual Life Insurance Company Limited. Relevant costs are shared between the Companies on a pre-determined, agreed and equitable reimbursement basis.

h) Taxation

Income tax expense represents the sum of the tax payable using varying bases for Guyana and the Caribbean Offices. For Guyana, Corporation Tax is based on its investment income from the statutory fund with expenses restricted to 12% of investment income.

i) Property, equipment and depreciation

Land and buildings held for use in the supply of services, or for administrative purposes are stated in the statement of financial position at cost or their revalued amounts. Revalued amounts are taken as the fair value at the date of revaluation determined from the market based evidence by appraisal undertaken by professional valuers.

Any revaluation increase arising on the revaluation of such land and buildings is credited to the revaluation reserve. Depreciation on revalued assets is charged to the statement of profit or loss and other comprehensive income.

Equipment and fixtures are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and construction work-in-progress, over their estimated useful lives as follows:-

Buildings	—	2%	(reducing balance)
Furniture and fittings	—	10%	(reducing balance)
Computer equipment	—	20%	(reducing balance)
Other equipment	—	15% - 20%	(reducing balance)

No depreciation is provided on land.

Notes on the Accounts

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—cont'd

i) Property, equipment and depreciation — cont'd

Assets are reviewed for impairment whenever there is objective evidence to indicate that the carrying amount of an asset is greater than its estimated recoverable amount, and is written down immediately to its recoverable amount.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss and other comprehensive income.

j) Financial investments

Investments are recognised in the financial statements to comply with International Financial Reporting Standards.

The Company classifies its investment portfolio into the following categories: "held to maturity investments", "loans and receivables" and "available for sale financial assets". Management determines the appropriate classification at the time of purchase based on the purpose for which the investment securities are acquired. The classification is reviewed annually.

Income on variable return securities is dealt with on a cash basis, while income on fixed return securities is recognised as it is earned.

i) Held to maturity investments

Investments held to maturity are carried at amortised cost. Any gain or loss on these investments is recognised in the statement of profit or loss and other comprehensive income when the assets are de-recognised or impaired.

ii) Loans and receivables

These comprise mortgages on properties and loans and are stated at amortised cost.

iii) Available-for-sale financial assets

These investments are initially recognised at cost and adjusted to fair value (market value) at subsequent periods. Gains or losses on revaluations are recognised through the investment reserve account until the asset is sold or otherwise disposed, at which time previously recognised gains or losses are transferred to the statement of profit or loss and other comprehensive income for that period.

k) Impairment of tangible assets

At the end of the financial period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Notes on the Accounts

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—cont'd

k) Impairment of tangible assets - cont'd

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Any impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

l) Financial instruments

Financial assets and liabilities are recognised on the statement of financial position when the Company becomes a party to the contractual provisions of the instruments.

Financial instruments carried on the statement of financial position include investment securities, loans and bank overdrafts, receivables, payables, accruals, borrowings and cash resources.

i) **Receivables and prepayments**
Receivables and prepayments are recognised at amortised cost. Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of profit or loss and other comprehensive income when there is objective evidence that they are not collectible.

ii) **Bank borrowings**
Interest bearing bank overdraft is recognised at amortised cost.

iii) **Payables and accruals**
Payables and accruals are recognised at amortised cost.

iv) **Cash and cash equivalents**
Cash and short-term funds are held for the purpose of meeting short-term cash commitments rather than investment or other purposes. These are readily convertible to a known amount of cash, with maturity dates of three (3) months or less.

v) **Derecognition**
Financial assets are derecognised when the right to receive cash flows from the asset has expired.

Financial liabilities are derecognised when they are extinguished, that is when the obligation is discharged, cancelled or expired.

m) Actuarial liabilities

Actuarial valuations for the Company are done at the end of each financial year. Changes in the actuarial liabilities are recognised through the statement of profit or loss and other comprehensive income for the period.

In the valuation, the appointed Actuary considers the insurance portfolio of the Company at the end of the year and applies such actuarial assumptions as outlined in note 43.

Notes on the Accounts

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—cont'd

n) **Unearned premiums**

This provision is an estimation of premiums received in the current year on short-term insurance contracts which relate to the future period.

o) **Unexpired risk**

This is a provision for claims on short-term insurance contracts that may be reported in the future accounting period but which relate to the present accounting period.

p) **Claims option deposits**

Some of the Company's policies allow the policyholders the option of leaving the maturity proceeds on deposit with the Company. These are separately classified under current liabilities.

q) **Segregated funds**

Segregated funds' assets and liabilities represent funds maintained to meet specific investment objectives of certain pension schemes that bear the investment risk.

Investment income and both realised and unrealised gains and losses accrue directly to the pension schemes.

The assets of each scheme are segregated and are not subject to claims that arise out of any other business of the Company. The assets and liabilities are carried at fair values. Deposits, withdrawals, net investment income and realised gains and losses, together with the increase or decrease in market value of investments are charged or credited to the segregated funds' assets and liabilities.

The Company earns fees for the administration of these schemes.

r) **Reserves**

Gains and losses on the revaluation of "available for sale" assets are recorded in the investment reserve. Gains and losses arising out of the revaluation of property are recorded in the revaluation reserve.

s) **Foreign currencies**

Transactions in currencies other than Guyana dollars are recorded at the rates of exchange prevailing on the dates of transactions. At the date of the financial statements, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on re-translation are included in the statement of profit or loss and other comprehensive income for the period.

Notes on the Accounts

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—cont'd

t) **Assets under management**

The Company provides custody and investment management services to certain pension schemes. Those assets that are held in a fiduciary capacity are not included in these financial statements.

u) **Pension plan**

A defined benefit pension scheme is operated by The Guyana and Trinidad Mutual Fire Insurance Company Limited.

The Guyana and Trinidad Mutual Life Insurance Company Limited has no employees in Guyana. All staff are employed by The Guyana and Trinidad Mutual Fire Insurance Company Limited, and employment costs are shared on a pre-determined, agreed and equitable reimbursement basis. The Company also pays the corresponding portion of pension contribution to the pension scheme.

A defined benefit pension plan is also operated for the insurance advisors of both The Guyana and Trinidad Mutual Fire and The Guyana and Trinidad Mutual Life Insurance Companies. Contributions to the scheme are paid by The Guyana and Trinidad Mutual Fire Insurance Company Limited, and the relevant portion is then reimbursed by The Guyana and Trinidad Mutual Life Insurance Company Limited.

Contributions for the year were as follows:

	2022 G$	2021 G$
Pension scheme contribution (staff)	3,290,527	**1,399,041**
Pension scheme contribution (insurance advisors)	11,413,448	**9,730,792**

Actuarial valuations are conducted every 3 years. At the time of reporting,the actuarial valuation for the year ended December 31,2022 was still in progress.

Notes on the Accounts

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the date of the statement of financial position , that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the financial statements:

i) **Available for sale financial assets**
In classifying investment securities as available for sale, the Directors have determined that these securities do not meet the criteria for loans and receivables, held to maturity investments or financial assets at fair value through profit or loss and are valued at fair value.

ii) **Held to maturity financial assets**
The Directors have reviewed the Company's "held to maturity" assets in the light of its capital maintenance and liquidity requirements and have confirmed the Company's positive intention and ability to hold these assets to maturity.

iii) **Useful lives of property and equipment**
Management reviews the estimated useful lives of property and equipment at the end of each year to determine whether the useful lives of these assets should remain the same.

iv) **Other financial assets**
In determining the fair value of the investments in the absence of an active market, the directors estimate the likelihood of impairment by using discounted cash flows.

v) **Receivables**
On a regular basis, management reviews receivables to assess impairment. Based on information available as to the likely impairment in cash flows, decisions are taken in determining appropriate provisions to be made for impairments.

vi) **Actuarial liability**
This liability is computed annually by the actuaries based on data provided by management. The computation of this balance assumes that the data is not materially misstated.

vii) **Provision for claims**
Provision for claims comprised claims notified but not settled at 31 December, 2022. This provision is arrived at after taking into account all known facts up to the reporting date. While management believes that the liability carried at the reporting date is adequate, any deviation in the actual cost of the claims would result in the recognition of an additional surplus or deficit in subsequent financial years.

Notes on the Accounts

5. PREMIUMS

	2022 Gross G$	2022 Reinsurance G$	2022 Net G$	2021 Gross G$	2021 Reinsurance G$	2021 Net G$
Life	1,404,717,498	190,219,907	1,214,497,591	**1,270,207,229**	**221,319,096**	**1,048,888,133**
Health	1,239,513,815	7,677,866	1,231,835,949	**1,071,348,936**	**1,359,894**	**1,069,989,042**
Annuities	1,394,920	—	1,394,920	**(5,869,891)**	**—**	**(5,869,891)**
	2,645,626,233	197,897,773	2,447,728,460	**2,335,686,274**	**222,678,990**	**2,113,007,284**

6. INCOME FROM INVESTMENTS

	2022 G$	2021 G$
Held to maturity		
Bonds and debentures	62,789,219	**61,211,541**
Fixed deposits	21,177,129	**30,985,561**
Treasury bills	26,207,671	**23,487,175**
	110,174,019	**115,684,277**
Loans and receivables		
Mortgages	24,138,746	**21,009,091**
Policy loans	18,609,226	**18,219,741**
Other loans	5,080,195	**5,368,755**
	47,828,167	**44,597,587**
Available for sale		
Equities	98,048,384	**86,049,756**
TOTAL	256,050,570	**246,331,620**

7. OTHER INCOME

	2022 G$	2021 G$
Miscellaneous income	18,142,317	**26,915,281**

8. CURRENCY EXCHANGE GAIN / (LOSS)

	2022 G$	2021 G$
(Loss) / gain on exchange	(19,985,235)	**4,966,104**

These differences arose as a result of translation of monetary assets and liabilities denominated in foreign currencies at the reporting date, and transaction differences for the period.

Notes on the Accounts

9. CLAIMS

	2022 Gross G$	2022 Reinsurance G$	2022 Net G$	2021 Gross G$	2021 Reinsurance G$	2021 Net G$
Life - Death claims	379,483,581	190,802,844	188,680,737	**338,925,418**	**171,715,732**	**167,209,686**
- Maturities	40,104,298	—	40,104,298	**32,263,017**	**—**	**32,263,017**
- Disability benefits	49,936	—	49,936	**154,268**	**—**	**154,268**
Health	810,344,873	—	810,344,873	**700,589,400**	**—**	**700,589,400**
Annuities	11,942,688	—	11,942,688	**12,348,009**	**—**	**12,348,009**
	1,241,925,376	190,802,844	1,051,122,532	**1,084,280,112**	**171,715,732**	**912,564,380**

Claims paid in the financial year

	2022 Gross G$	2022 Reinsurance G$	2022 Net G$	2021 Gross G$	2021 Reinsurance G$	2021 Net G$
Life - Death claims	207,827,947	274,711,329	(66,883,382)	**67,272,717**	**354,664,300**	**(287,391,583)**
- Maturities	13,432,704	—	13,432,704	**45,653,482**	**—**	**45,653,482**
- Disability benefits	49,936	—	49,936	**154,268**	**—**	**154,268**
Health	766,951,893	—	766,951,893	**695,126,840**	**—**	**695,126,840**
Annuities	11,942,688	—	11,942,688	**12,348,009**	**—**	**12,348,009**
	1,000,205,168	274,711,329	725,493,839	**820,555,316**	**354,664,300**	**465,891,016**

10. SURRENDERS

	2022 G$	2021 G$
Surrenders including surrender of bonuses	217,739,584	**212,931,936**

11. COMMISSIONS AND SALES EXPENSES

	2022 G$	2021 G$
Life	115,782,761	**113,571,208**
Health	107,900,153	**94,325,268**
Annuities	—	**17,518**
	223,682,914	**207,913,994**

Notes on the Accounts

12. MANAGEMENT EXPENSES

	2022 G$	2021 G$
Depreciation	23,577,127	**27,651,217**
Actuarial fees	11,515,400	**11,516,825**
Directors' emoluments - note (a)	12,298,400	**9,838,752**
Auditor's remuneration	6,541,720	**6,323,637**
Operating expenses	244,039,675	**261,876,827**
	297,972,322	**317,207,258**

Operating Expenses comprise all other expenses which are not itemised, including advertising, consultancy fees, insurance levy, IFRS 17 and actuarial fees which make up a significant portion of total operating expenses.

	2022 G$	2021 G$
Salaries and other staff costs	164,318,982	**154,924,296**

Note (a) Directors' emoluments

			2022 G$	2021 G$
Chairman	—	R. L. Singh	2,951,616	**2,683,296**
Directors	—	P. S. Fraser	1,475,808	**1,341,648**
	—	E. A. Luckhoo	1,475,808	**1,341,648**
	—	B. J. Harper	1,475,808	**1,341,648**
	—	L. W. Validum (deceased 2021-04-24)	—	**447,216**
	—	G. E. Dean	1,475,808	**1,341,648**
	—	R. Sinclair (w.e.f May, 2022)	983,872	**—**
	—	A. Carter-Sharma (w.e.f May, 2022)	983,872	**—**
Managing Director	—	R. St. P. Yee	1,475,808	**1,341,648**
			12,298,400	**9,838,752**

13(a). WITHHOLDING AND OTHER TAXES

	2022 G$	2021 G$
Withholding tax	1,752,435	**2,246,153**
Stamp tax	2,334,330	**2,218,397**
	4,086,765	**4,464,550**

13(b). TAXATION

	2022 G$	2021 G$
Corporation tax (varying rates)	5,377,782	**4,331,855**

Taxation on the Company has been computed based on the applicable laws relating to life insurance companies in Guyana and the Caribbean Islands in which the Company operates.

14. ACTUARIAL LIABILITIES

	2022 G$	2021 G$
Balance at beginning	6,196,703,432	**5,857,549,192**
Net movement in actuarial liabilities	160,018,562	**339,154,240**
Balance at end	6,356,721,994	**6,196,703,432**

Actuarial liabilities are valued at the end of each financial year. Changes in the liabilities are recognised through the statement of profit or loss and other comprehensive income.

Notes on the Accounts

15. PROPERTY AND EQUIPMENT

	Land G$	Buildings G$	Furniture & equipment G$	Motor vehicles G$	Total G$
Cost/valuation					
At 1 January 2021	755,958,151	765,386,127	129,613,242	4,862,000	**1,655,819,520**
Additions	—	—	1,642,936	—	**1,642,936**
Work in Progress	—	2,955,574	—	—	**2,955,574**
At 31 December 2021	755,958,151	768,341,701	131,256,178	4,862,000	**1,660,418,030**
Additions 15(1)	182,000,000	80,751,438	3,579,999	—	**266,331,437**
At 31 December 2022	937,958,151	849,093,139	134,836,177	4,862,000	**1,926,749,467**
Comprising:					
Cost	708,787,741	735,006,256	134,836,177	4,862,000	**1,583,492,174**
Valuation	229,170,410	114,086,883	—	—	**343,257,293**
	937,958,151	849,093,139	134,836,177	4,862,000	**1,926,749,467**
Accumulated depreciation					
At 1 January 2021	—	49,874,105	43,248,084	2,328,312	**95,450,501**
Charge for the year	—	14,497,849	12,646,620	506,748	**27,651,217**
At 31 December 2021	—	64,371,954	55,894,704	2,835,060	**123,101,718**
Charge for the year	—	14,372,994	8,798,745	405,388	**23,577,127**
At 31 December 2022	—	78,744,948	64,693,449	3,240,448	**146,678,845**
Net book value					
At 31 December 2021	755,958,151	703,969,747	75,361,474	2,026,940	**1,537,316,312**
At 31 December 2022	937,958,151	770,348,191	70,142,728	1,621,552	**1,780,070,622**

15 (i) Additions include properties transferred from The Guyana and Trinidad Mutual Fire Insurance Company Limited in October, 2022, valued as follows;Land $182,000,000 and Buildings $68,000,000.

Notes on the Accounts

16. INVESTMENTS

	2022 G $	2021 G $
(a) **Held to maturity**		
Guyana and Eastern Caribbean	1,214,807,988	**1,181,025,166**
(b) **Loans and receivables**		
Mortgages	384,732,236	**400,063,308**
Policy loans	225,856,558	**202,068,919**
	610,588,794	**602,132,227**
(c) **Available for sale**		
Equity investments in Guyana	10,493,388,238	**7,657,603,770**
Equity investments in Grenada	11,950,303	**11,950,303**
	10,505,338,541	**7,669,554,073**

Notes on the Accounts

16. INVESTMENTS — cont'd

(d) Details of Securities

	Year of maturity	Rate of interest	2022 G$	2021 G$
"Held to maturity"				
Guyana	2023	4.75%	37,500,000	**75,000,000**
Eastern Caribbean				
Dominica	2034	3.50%	1,493,707	**3,575,000**
Grenada	2022	3.85%	—	**17,589,000**
Grenada	2023	3.00%	14,300,000	**28,600,000**
St. Lucia	2023	4.50%	77,220,000	**77,220,000**
St. Lucia	2032	7.00%	71,500,000	**71,500,000**
St. Lucia	2027	6.25%	122,050,500	**71,857,500**
St. Lucia	2022	7.00%	—	**39,434,445**
St. Lucia	2024	4.50%	129,446,259	**126,812,039**
St. Lucia	2025	7.50%	152,993,184	**152,993,184**
St. Lucia	2025	6.50%	100,100,000	**100,100,000**
St. Lucia	2025	6.00%	111,484,637	**111,484,637**
St. Lucia	2025	6.00%	71,500,000	**71,500,000**
St. Lucia	2026	6.40%	50,193,000	**50,193,000**
St. Lucia	2027	6.50%	28,162,695	**28,162,695**
St. Lucia	2028	7.00%	7,940,425	**7,940,425**
St. Lucia	2028	6.75%	39,189,150	—
St. Lucia	2026	6.50%	71,500,000	—
St. Vincent	2022	7.50%	17,664,790	**19,767,706**
St. Vincent	2024	4.50%	23,237,500	**34,856,250**
St. Vincent	2026	7.00%	35,750,000	**35,750,000**
St. Vincent	2026	6.75%	51,582,141	**56,689,285**
Total			1,214,807,988	**1,181,025,166**

Notes on the Accounts

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table details the carrying values of assets and liabilities at amortised cost. However, fair values have been used for disclosure purposes.

	2022			2021		
	IFRS 13	Carrying value	Fair value	IFRS 13	Carrying value	Fair value
	LEVEL	G$	G$	LEVEL	G$	G$
Assets						
Investments						
Held to maturity	2	1,214,807,988	1,214,807,988	**2**	1,181,025,166	1,181,025,166
Loans and receivables	2	610,588,794	610,588,794	**2**	602,132,226	602,132,226
Segregated funds' assets	1&2	946,787,439	946,787,439	**1&2**	933,113,325	933,113,325
Statutory deposits	1	224,040,341	224,040,341	**1**	223,489,483	223,489,483
Related party	2	—	—	**2**	100,664,867	100,664,867
Treasury bills	1	710,013,896	710,013,896	**1**	692,421,336	692,421,336
Cash resources	1	5,733,749,208	5,733,749,208	**1**	4,836,431,688	4,836,431,688
Other financial assets	2	464,785,499	464,785,499	**2**	409,865,836	409,865,836
		9,904,773,165	9,904,773,165		8,979,143,927	8,979,143,927
Lliabilities						
Actuarial liabilities	2	6,356,721,994	6,356,721,994	**2**	6,196,703,432	6,196,703,432
Deposit administration fund	2	1,348,709,023	1,348,709,023	**2**	1,243,023,301	1,243,023,301
Claims admitted and intimated (net of amounts recoverable from reinsurers)	2	403,884,801	403,884,801	**2**	296,315,593	296,315,593
Segregated funds' liabilities	2	946,787,439	946,787,439	**2**	933,113,325	933,113,325
Claims option deposits	2	3,026,819	3,026,819	**2**	3,008,362	3,008,362
Taxation	2	3,355,516	3,355,516	**2**	3,067,574	3,067,574
Related party	2	927,318	927,318	**2**	—	—
Other financial liabilities	1&2	379,681,559	379,681,559	**1&2**	427,096,003	427,096,003
		9,443,094,469	9,443,094,469		9,102,327,590	9,102,327,590

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of assets and liabilities are determined as follows:

"Loans and receivables"
These investments are carried net of specific and other provisions for impairment. The fair value is based on the expected realisation of outstanding balances. Mortgages are secured against the borrowers' properties, and policy loans are secured by the cash values of the policies.

"Financial instruments where the carrying amounts are equal to fair value"
The carrying amounts of certain financial instruments are assumed to approximate their fair values due to their short-term nature. These includes cash resources, treasury bills and other assets and liabilities.

Notes on the Accounts

17. FAIR VALUE OF FINANCIAL INSTRUMENTS - cont'd

Valuation techniques and assumptions applied for the purposes of measuring fair value — cont'd

Assets carried at fair value

	2022 G$	2021 G$
Property and equipment		
Net book value	1,780,070,622	**1,537,316,312**

On March 31, 2021, the Company's land and buildings in Guyana were professionally revalued by the Senior Valuation Officer of the Valuation Division of the Ministry of Finance. The revaluation surplus of G$26,000,000 is being held in revaluation reserve.

On January 15, 2016, the Company's property in Grenada was professionally revalued by the firm John Joseph & Associates Ltd. The revaluation surplus of G$37,318,064 is being held in revaluation reserve.

On November 4, 2015, the Company's property in St. Vincent was professionally revalued by the firm Evans Properties. The revaluation surplus of G$19,690,671 is being held in revaluation reserve.

On November 2, 2015, the Company's property in Le Choc, St. Lucia was professionally revalued by the firm Charles Heywood and Co. Ltd. The revaluation surplus of G$137,666,029 is held in revaluation reserve.

On October 27, 2015, the Company's property in Castries, St. Lucia was professionally revalued by the firm Charles Heywood and Co. Ltd. An impairment of G$73,520,376 was recognised in the statement of profit or loss and other comprehensive income for the year ended December 31, 2015. No valuation has since been carried out on the property.

All valuations were based on open market value. The valuation of property has been derived by reference to the current market value in the case of land, and the replacement cost in the case of buildings. The most significant input for these valuation approaches is the value or replacement cost per square foot which is considered to be observable. The valuation of property is classified as a level 2.

If no revaluation of land and buildings was done, the net book value of land and buildings would have been approximately G$1,365,049,049 (2021-G$1,116,670,605).

	2022 G $	2021 G$
Investments		
Available for sale		
Level 1	10,500,321,021	**7,664,536,553**
Level 2	5,017,520	**5,017,520**
	10,505,338,541	**7,669,554,073**

Level 1:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2:

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Notes on the Accounts

	2022 G$	2021 G$
18. SEGREGATED FUNDS' ASSETS/LIABILITIES		
Equity investments	679,190,090	**453,440,094**
Cash on deposit	267,597,349	**479,673,231**
	946,787,439	**933,113,325**

These are assets managed by the Company on behalf of certain pension schemes. The schemes bear all rewards and risks for the performance of these investments. These assets are disclosed at fair value and a corresponding liability booked.

	2022 G$	2021 G$
19. STATUTORY DEPOSITS	224,040,341	**223,489,483**

These are deposits with Insurance Regulators.

	2022 G$	2021 G$
In addition to the foregoing, these assets are held in trust to the order of the Insurance Regulators:	15,215,829,000	**10,867,547,729**

	2022 G$	2021 G$
20. UNEXPIRED REINSURANCE PREMIUMS		
Unexpired reinsurance premiums	176,402,701	**105,073,231**
Unearned reinsurance commissions	(9,655)	**(9,657)**
	176,393,046	**105,063,574**

This is an estimate of the amount of reinsurance cost paid that relates to the future accounting period.

	2022 G$	2021 G$
21. PREMIUMS OUTSTANDING		
Life	34,535,418	**24,099,557**
Health	77,574,259	**73,547,020**
	112,109,677	**97,646,577**

These are premiums due from policyholders but were unpaid at the date of the financial statements.

	2022 G$	2021 G$
22. ACCRUED AND UNPAID INTEREST		
Bonds	23,573,521	**17,672,079**
Deposits	8,820,915	**14,491,020**
Treasury bills	9,802,932	**7,953,016**
	42,197,368	**40,116,115**

	2022 G$	2021 G$
23. RECEIVABLES AND PREPAYMENTS		
Receivables	103,162,633	**134,356,393**
Less: Provision for bad debts	(2,744,668)	**(2,744,668)**
	100,417,965	**131,611,725**
Prepayments	24,767,809	**21,930,919**
	125,185,774	**153,542,644**

These comprise securities pending redemption, loans to insurance advisors and staff, and other sundry receivables.

Notes on the Accounts

	2022 G$	2021 G$
24. TREASURY BILLS		
Guyana	134,650,336	**157,102,037**
Dominica	7,035,600	**7,035,600**
Grenada	237,976,122	**226,930,688**
St. Lucia	271,672,013	**242,673,186**
St. Vincent and the Grenadines	58,679,825	**58,679,825**
	710,013,896	**692,421,336**
25. CASH ON DEPOSIT		
Short term deposit accounts	594,375,362	**588,601,987**
Fixed deposits	3,185,590,325	**3,049,042,184**
	3,779,965,687	**3,637,644,171**

The interest rates on fixed deposit and short term deposit accounts are at varying rates from 0.01% to 2.75%.

	2022 G$	2021 G$
26. GUARANTEE CAPITAL	100,000	**100,000**

This is a deposit made by The Guyana and Trinidad Mutual Fire Insurance Company Limited upon the formation of this Company. This amount is not available for the payment of any expenses or claims incurred by the Company until all other funds are exhausted.

	2022 G$	2021 G$
27. INVESTMENT RESERVE		
Balance at beginning	7,462,111,188	**5,081,579,998**
Movements due to fair value revaluations	3,085,784,468	**2,380,531,190**
Balance at end	10,547,895,656	**7,462,111,188**

This represents accumulated fair value adjustments on the revaluation of investments.

During the year, stock prices for investments held which are traded on the local stock exchange increased exponentially at an average rate of 38% over 2021. As such these investments are subject to market volatility and are valued using the closing quoted stock exchange price at December 31, 2022.

	2022 G$	2021 G$
28. SUNDRY RESERVE		
Balance at beginning	2,744,320	**3,909,300**
Movements for the year	(1,249,680)	**(1,164,980)**
Balance at end	1,494,640	**2,744,320**

This is a reserve created to provide for directors' pensions.

Notes on the Accounts

	2022 G$	2021 G$
29. DEPOSIT ADMINISTRATION FUND		
Balance at beginning	1,243,023,301	**1,183,557,092**
Contributions received plus interest	192,584,164	**169,567,092**
Refund of contributions, charges, claims and benefits	(86,898,442)	**(110,100,883)**
Balance at end	1,348,709,023	**1,243,023,301**

This fund is administered by the Company on behalf of several group pension schemes and is represented by assets included in investments, cash at bank and cash on deposit.

	2022 G$	2021 G$
30. CLAIMS ADMITTED AND INTIMATED (NET OF AMOUNTS RECOVERABLE FROM REINSURERS)		
Life - Death claims	498,476,470	**517,623,680**
- Maturities	67,448,955	**40,777,361**
Health	56,018,860	**12,625,881**
	621,944,285	**571,026,922**
Outstanding reinsurance recoveries	(218,059,484)	**(274,711,329)**
	403,884,801	**296,315,593**
31. CLAIMS OPTION DEPOSITS	3,026,819	**3,008,362**

As per policy in note 3(p), some policyholders exercise the option of leaving their maturity proceeds with the Company on which interest is paid. These deposits are available to be withdrawn on demand.

	2022 G$	2021 G$
32. TAXATION PAYABLE / (RECOVERABLE)		
Corporation tax — Payable	3,355,516	**3,067,574**
Corporation tax — Recoverable	(8,899,633)	**(13,496,926)**
33. PREMIUMS RECEIVED IN ADVANCE		
Life	96,988,395	**100,658,345**
Health	3,080,117	**1,774,735**
	100,068,512	**102,433,080**

These are premiums received from policyholders that relate to future accounting periods.

Notes on the Accounts

	2022 G$	2021 G$
34. PAYABLES AND ACCRUALS		
Sundry payables	39,915,908	**103,148,314**
Accruals	100,997,372	**103,647,683**
	140,913,280	**206,795,997**
35. RELATED PARTY		
Due from The Guyana and Trinidad Mutual Fire Insurance Company Limited	—	**100,664,866**
Due to The Guyana and Trinidad Mutual Fire Insurance Company Limited	(927,318)	—

This amount represents the balance owed by/(to) The Guyana and Trinidad Mutual Fire Insurance Company Limited for shared costs.

	2022 G$	2021 G$
36. UNEARNED PREMIUMS		
Balance at beginning	104,656,914	**98,460,929**
Increase in provision	20,075,020	**6,195,985**
Balance at end	124,731,934	**104,656,914**

This provision is an estimate of premiums received in the current year on short-term insurance contracts which relate to the future period.

	2022 G$	2021 G$
37. UNEXPIRED RISKS		
Balance at beginning	10,465,692	**9,846,093**
Increase in provision	2,007,501	**619,599**
Balance at end	12,473,193	**10,465,692**

This is a provision made for claims on short-term insurance contracts that may be reported in the future accounting period but which relate to the present accounting period.

	2022 G$	2021 G$
38. CASH AT BANK		
Balance at beginning	1,196,757,630	**1,024,935,666**
Movement	750,728,536	**171,821,964**
Balance at end	1,947,486,166	**1,196,757,630**

Notes on the Accounts

39. RELATED PARTY TRANSACTIONS

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. The Company shares a common Chairman and Board of Directors with The Guyana and Trinidad Mutual Fire Insurance Company Limited. In Guyana, the staff are employed, and facilities owned by, The Guyana and Trinidad Mutual Fire Insurance Company Limited. In the Caribbean territories, staff are employed and facilities owned by, The Guyana and Trinidad Mutual Life Insurance Company Limited. Relevant costs are shared between the Companies on a pre-determined, agreed and equitable reimbursement basis.

	2022 G$	2021 G$
Transactions with related company		
Cost incurred and shared with The Guyana and Trinidad Mutual Fire Insurance Company Limited for the year.	159,736,673	**157,964,157**
Cost incurred and shared by The Guyana and Trinidad Mutual Fire Insurance Company Limited for the year.	73,749,411	**76,645,590**
Net Balance due from The Guyana and Trinidad Mutual Fire Insurance Company Limited for shared costs.	—	**100,664,866**
Net Balance due to The Guyana and Trinidad Mutual Fire Insurance Company Limited for shared costs.	(927,318)	—

The Company's fixed assets are insured by The Guyana and Trinidad Mutual Fire Insurance Company Limited.

	2022 G$	2021 G$
Insurance coverage	927,748,242	**906,488,170**
Premiums for the year	4,581,127	**4,517,347**

Key management personnel

The Company's key management personnel comprises its Managing Director and Executive Managers. The remuneration paid during the year to Executive Managers is included among the costs shared by The Guyana and Trinidad Mutual Fire Insurance Company Limited.

	2022 G$	2021 G$
Short term benefits	15,235,089	**15,171,931**
Directors' emoluments — 8 Directors (2021 — 6)	12,298,400	**9,838,752**
Related party (mortgages)	46,433,958	**15,041,324**
Interest received for the year	2,056,247	**1,171,963**

i) The above balance represents two (2) mortgages and will be fully amortised in the year 2028 and 2034 respectively. The rate of interest is 6% per annum. Mortgages are secured against the borrowers' properties.

ii) The comparative balance represents one(1) mortgage and will be fully amortised in the year 2028.

Notes on the Accounts

40. ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT BASIS

	Held to maturity G$	Loans and receivables G$	Available for sale G$	Financial assets and liabilities at amortised cost G$	TOTAL G$
At 31 Dcember 2022					
Assets					
Cash resources	—	—	—	5,733,749,208	5,733,749,208
Investments	1,214,807,988	610,588,794	10,505,338,541	—	12,330,735,323
Segregated funds' assets	—	—	—	946,787,439	946,787,439
Treasury bills	—	—	—	710,013,896	710,013,896
Statutory deposits	—	—	—	224,040,341	224,040,341
Receivables and prepayments	—	—	—	125,185,774	125,185,774
Others	—	—	—	339,599,724	339,599,724
	1,214,807,988	610,588,794	10,505,338,541	8,079,376,382	20,410,111,705
Liabilities					
Actuarial liabilities	—	—	—	6,356,721,994	6,356,721,994
Deposit administration fund	—	—	—	1,348,709,023	1,348,709,023
Claims admitted and intimated*	—	—	—	403,884,801	403,884,801
Segregated funds' liabilities	—	—	—	946,787,439	946,787,439
Payables and accruals	—	—	—	140,913,280	140,913,280
Others	—	—	—	246,077,932	246,077,932
	—	—	—	9,443,094,469	9,443,094,469

	Held to maturity G$	Loans and receivables G$	Available for sale G$	Financial assets and liabilities at amortised cost G$	TOTAL G$
At 31 Dcember 2021					
Assets					
Cash resources	—	—	—	4,836,431,688	4,836,431,688
Investments	1,181,025,166	602,132,226	7,669,554,073	—	9,452,711,465
Segregated funds' assets	—	—	—	933,113,325	933,113,325
Treasury bills	—	—	—	692,421,336	692,421,336
Statutory deposits	—	—	—	223,489,483	223,489,483
Receivables and prepayments	—	—	—	153,542,644	153,542,644
Others	—	—	—	256,323,193	256,323,193
	1,181,025,166	602,132,226	7,669,554,073	7,095,321,669	16,548,033,134
Liabilities					
Actuarial liabilities	—	—	—	6,196,703,432	6,196,703,432
Deposit administration fund	—	—	—	1,243,023,301	1,243,023,301
Claims admitted and intimated*	—	—	—	296,315,593	296,315,593
Segregated funds' liabilities	—	—	—	933,113,325	933,113,325
Payables and accruals	—	—	—	206,795,997	206,795,997
Others	—	—	—	226,375,942	226,375,942
	—	—	—	9,102,327,590	9,102,327,590

*Net of amounts recoverable from reinsurers

Notes on the Accounts

41. INSURANCE ACT 2016

The Insurance Act 2016 became effective in 2018 upon the appointment of a Commissioner of Insurance, the duties of whose office were then conferred onto the Bank of Guyana in 2018.

Part XVI of the Act relates to pension plans, their registration, management and all other stipulations. The Company has not fully complied with this section for some of the plans that it manages. The Company continues to work along with clients to satisfy their requirements as stipulated by the Act.

42. FINANCIAL RISK MANAGEMENT

Financial risk management objectives
The Company's management monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by the use of techniques that are governed by management's policies on foreign exchange risk, interest rate risk and credit risk.

(a) **Market risk**
The Company's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates. The Company uses gap analysis, interest rate sensitivity and exposure limits to financial instruments to manage its exposure to interest rate and foreign currency risk. There has been no change in the Company's exposure to market risks or the manner in which it manages these risks.

(i) **Price risk**
Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to individual security, of its issuer, or factors affecting all securities traded in the market. Management continually identifies the risk and diversifies the portfolio in order to minimise the risk.

(ii) **Interest rate sensitivity analysis**
The table below analyses the sensitivity of interest rates exposure for both financial assets and financial liabilities at the end of the reporting period. The sensitivity analysis includes only outstanding balances at the end of the reporting period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

A positive number indicates an increase in surplus where the interest rate appreciates by 50 basis points. For a decrease of 50 basis points in the interest rate, there would be an equal and opposite impact on surplus.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the impact on the Company's balances would have been as illustrated on the following table:

		Impact on surplus for year	
		2022	**2021**
	Increase/decrease in basis points	**G$M**	**G$M**
Cash and cash equivalents			
Local currency	+/-50	6.71	6.63
Foreign currencies	+/-50	22.29	21.86

Apart from the foregoing with respect to the other financial assets and liabilities, it was not possible to determine the expected impact of a reasonable possible change in interest rates on surplus or equity as other factors such as credit risks, market risks, political and disaster risks can affect the value of the assets and liabilities.

(iii) **Interest rate risk**
The Company's exposure to interest rate risk is minimal but the Company's management continuously monitors and manages these risks through the use of appropriate tools and implements strategies to hedge against any adverse effects.

Notes on the Accounts

42. FINANCIAL RISK MANAGEMENT—cont'd

(a) **Market risk — cont'd**

(iii) **Interest rate risk — cont'd**

The Company's exposures to interest rate risk on financial assets and financial liablilties are listed below:

2022

	Average interest rate	Maturing Within 1 year	1 to 5 years	Over 5 years	Non interest bearing	Total
	%	G $	G $	G $	G $	G $
Assets						
Cash resources	1.00	3,779,965,687	—	—	1,953,783,521	5,733,749,208
Investments	5.04	710,013,896	1,206,867,563	7,940,425	10,505,338,541	12,430,160,425
Segregated funds' assets		—	946,787,439	—	—	946,787,439
Statutory deposits	2.00	—	224,040,341	—	—	224,040,341
Policy loans	9.07	—	225,856,558	—	—	225,856,558
Mortgages	6.00	15,454,796	88,812,833	280,464,607	—	384,732,236
Receivables and prepayments	8.00	125,185,774	—	—	—	125,185,774
Others		—	—	—	339,599,724	339,599,724
		4,630,620,153	2,692,364,734	288,405,032	12,798,721,786	20,410,111,705
Liabilities						
Actuarial liabilities	—	—	—	—	6,356,721,994	6,356,721,994
Deposit administration fund	—	—	—	—	1,348,709,023	1,348,709,023
Sundry reserve	—	—	—	—	1,494,640	1,494,640
Claims admitted and intimated*	—	—	—	—	403,884,801	403,884,801
Segregated funds' liabilities	—	—	—	—	946,787,439	946,787,439
Payables and accruals	—	—	—	—	140,913,280	140,913,280
Others	—	—	—	—	244,583,292	244,583,292
		—	—	—	9,443,094,469	9,443,094,469
Interest sensitivity gap		4,630,620,153	2,692,364,734	288,405,032		

2021

	Average interest rate	Maturing Within 1 year	1 to 5 years	Over 5 years	Non interest bearing	Total
	%	G $	G $	G $	G $	G $
Assets						
Cash resources	1.00	3,637,644,171	—	—	1,198,787,517	4,836,431,688
Investments	5.04	692,421,336	1,173,084,741	7,940,425	7,669,554,073	9,543,000,575
Segregated funds' assets		—	933,113,325	—	—	933,113,325
Statutory deposits	2.00	—	223,489,483	—	—	223,489,483
Policy loans	9.07	—	202,068,919	—	—	202,068,919
Mortgages	6.00	16,070,876	92,351,853	291,640,579	—	400,063,308
Receivables and prepayments	8.00	153,542,644	—	—	—	153,542,644
Others		—	—	—	256,323,192	256,323,192
		4,499,679,027	2,624,108,321	299,581,004	9,124,664,782	16,548,033,134
Liabilities						
Actuarial liabilities	—	—	—	—	6,196,703,432	6,196,703,432
Deposit administration fund	—	—	—	—	1,243,023,301	1,243,023,301
Sundry reserve	—	—	—	—	2,744,320	2,744,320
Claims admitted and intimated*	—	—	—	—	296,315,593	296,315,593
Segregated funds' liabilities	—	—	—	—	933,113,325	933,113,325
Payables and accruals	—	—	—	—	206,795,997	206,795,997
Others	—	—	—	—	223,631,622	223,631,622
		—	—	—	9,102,327,590	9,102,327,590
Interest sensitivity gap		4,499,679,027	2,624,108,321	299,581,004		

*Net of amounts recoverable from reinsurers

Notes on the Accounts

42. FINANCIAL RISK MANAGEMENT — cont'd

(a) Market risk — cont'd

(iv) Foreign currency risk

The Company's exposure to the effects of fluctuations in foreign currency exchange rates arises mainly from investments and foreign bank balances. The currencies which the Company is mainly exposed to are Pounds Sterling, United States, Trinidad and Tobago, Eastern Caribbean and Barbados Dollars.

The aggregate amounts of assets and liabilities denominated in currencies other than Guyana Dollars are as shown below:

2022

	£	US $	TT$	EC $	B'dos $	Total equivalent G $
Assets	1,475,617	4,696,393	—	65,311,599	482,611	6,079,201,209
Liabilities	—	—	20,614	25,534,656	46,289	1,830,514,852

2021

	£	US $	TT$	EC $	B'dos $	Total equivalent G $
Assets	1,475,065	3,365,036	—	57,879,068	482,668	5,291,800,017
Liabilities	—	—	20,614	19,431,381	46,289	1,394,130,717

Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 3% increase or decrease in the Guyana Dollar against the relevant currencies. Although a rate is not formally adopted and used as a measure, 3% gives a prudent possibility of a change in rate.

The sensitivity analysis shows the impact of all assets and liabilities that are held in foreign currencies per the preceding table. A positive number below indicates an increase in reserves if the currency were to strengthen 3% against the Guyana Dollar. If the currencies were to weaken 3% against the Guyana Dollar, there would be an equal and opposite impact on the reserve and the balances would be negative.

	£ Sterling impact G $M	US Dollars impact G $M	TT Dollars impact G $M	EC Dollars impact G $M	B'dos Dollars impact G $M	Total equivalent G$M
2022 Profit/(loss)	11.2	29.7	(0.02)	85.3	1.2	127.5
2021 Profit/(loss)	12.0	21.3	(0.02)	82.5	1.2	116.9

Notes on the Accounts

42. FINANCIAL RISK MANAGEMENT — cont'd

(b) **Liquidity risk**
Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet its commitments associated with financial instruments.

The Company manages its liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form.

The following table details the Company's remaining contractual maturity:

	On Demand G$	1 to 3 Months G$	4 to 12 Months G$	1 to 5 Years G$	Over 5 Years G$	Total G$
At 31 December 2022						
Assets						
Mortgages	292,398	3,705,941	11,456,458	88,812,833	280,464,606	384,732,236
Securities	—	—	—	10,505,338,541	—	10,505,338,541
Bonds	—	—	116,409,150	923,276,870	175,121,968	1,214,807,988
Segregated funds' assets	—	—	—	946,787,439	—	946,787,439
Policy loans	—	—	—	225,856,558	—	225,856,558
Statutory deposits	—	—	—	—	224,040,341	224,040,341
Outstanding premiums	112,109,677	—	—	—	—	112,109,677
Accrued interest	42,197,368	—	—	—	—	42,197,368
Unexpired reinsurance premiums	—	176,393,046	—	—	—	176,393,046
Receivables and prepayments	—	125,185,774	—	—	—	125,185,774
Tax recoverable	—	8,899,633	—	—	—	8,899,633
Treasury bills	—	—	710,013,896	—	—	710,013,896
Cash on deposit	6,614,940	75,599,314	3,697,751,433	—	—	3,779,965,687
Cash at bank	1,947,486,166	—	—	—	—	1,947,486,166
Cash on hand and in transit	6,297,355	—	—	—	—	6,297,355
	2,114,997,904	389,783,708	4,535,630,937	12,690,072,241	679,626,915	20,410,111,705
Liabilities						
Actuarial liabilities	115,395,807	4,543,234	28,484,070	206,186,854	6,002,112,029	6,356,721,994
Deposit administration fund	—	—	1,348,709,023	—	—	1,348,709,023
Sundry reserve	—	—	—	—	1,494,640	1,494,640
Claims admitted and intimated (net of recoverable from reinsurers)	403,884,801	—	—	—	—	403,884,801
Segregated funds' liabilities	—	—	—	946,787,439	—	946,787,439
Claims option deposit	3,026,819	—	—	—	—	3,026,819
Premiums received in advance	—	100,068,512	—	—	—	100,068,512
Taxation	—	3,355,516	—	—	—	3,355,516
Unearned premiums	124,731,934	—	—	—	—	124,731,934
Unexpired risk	12,473,193	—	—	—	—	12,473,193
Payables and accruals	927,318	140,913,280	—	—	—	141,840,598
	660,439,872	248,880,542	1,377,193,093	1,152,974,293	6,003,606,669	9,443,094,469
Net assets/(liabilities)	1,454,558,032	140,903,166	3,158,437,844	11,537,097,948	(5,323,979,754)	10,967,017,236

Notes on the Accounts

42. FINANCIAL RISK MANAGEMENT — cont'd

(b) **Liquidity risk — cont'd**

	On Demand	1 to 3 Months	4 to 12 Months	1 to 5 Years	Over 5 Years	Total
	G$	G$	G$	G$	G$	G$
At 31 December 2021						
Assets						
Mortgages	304,284	3,853,616	11,912,976	92,351,853	291,640,579	400,063,308
Securities	—	—	—	7,669,554,073	—	7,669,554,073
Bonds	—	—	77,220,000	921,494,761	182,310,405	1,181,025,166
Segregated funds' assets	—	—	—	933,113,325	—	933,113,325
Policy loans	—	—	—	202,068,919	—	202,068,919
Statutory deposits	—	—	—	—	223,489,483	223,489,483
Due from The Guyana and Trinidad Mutual Fire Insurance Company Limited	—	100,664,866	—	—	—	100,664,866
Outstanding premiums	97,646,577	—	—	—	—	97,646,577
Accrued interest	40,116,115	—	—	—	—	40,116,115
Unexpired reinsurance premiums	—	105,063,574	—	—	—	105,063,574
Receivables and prepayments	—	153,542,644	—	—	—	153,542,644
Tax recoverable	—	13,496,926	—	—	—	13,496,926
Treasury bills	—	—	692,421,336	—	—	692,421,336
Cash on deposit	621,502,503	71,506,991	2,944,634,677	—	—	3,637,644,171
Cash at bank	1,196,757,630	—	—	—	—	1,196,757,630
Cash on hand and in transit	2,029,887	—	—	—	—	2,029,887
	1,958,356,996	448,128,617	3,726,188,989	9,818,582,931	697,440,467	16,648,698,000
Liabilities						
Actuarial liabilities	369,628,808	9,099,233	21,647,139	188,197,365	5,608,130,887	6,196,703,432
Deposit administration fund	—	—	1,243,023,301	—	—	1,243,023,301
Sundry reserve	—	—	—	—	2,744,320	2,744,320
Claims admitted and intimated (net of recoverable from reinsurers)	296,315,593	—	—	—	—	296,315,593
Segregated funds' liabilities	—	—	—	933,113,325	—	933,113,325
Claims option deposit	3,008,362	—	—	—	—	3,008,362
Premiums received in advance	—	102,433,080	—	—	—	102,433,080
Taxation	—	3,067,574	—	—	—	3,067,574
Unearned premiums	104,656,914	—	—	—	—	104,656,914
Unexpired risk	10,465,692	—	—	—	—	10,465,692
Payables and accruals	—	206,795,997	—	—	—	206,795,997
	784,075,369	321,395,884	1,264,670,440	1,121,310,690	5,610,875,207	9,102,327,590
Net assets/(liabilities)	1,174,281,627	126,732,733	2,461,518,549	8,697,272,241	(4,913,434,740)	7,546,370,410

Notes on the Accounts

42. FINANCIAL RISK MANAGEMENT—cont'd

(c) **Credit risk**

Concentration of assets and liabilities

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company faces credit risk in respect of its receivables, investments and cash and cash equivalents. However, this risk is controlled by close monitoring of these assets by the Company. The maximum credit risk faced by the Company are the balances reflected in the financial statements.

The table below shows the Company's maximum exposure to credit risk:

	2022 Maximum exposure **G$**	**2021** Maximum exposure **G$**
Loans and receivables (i)	610,588,794	**602,132,227**
Unexpired reinsurance premiums (net of commission) (ii)	176,393,046	**105,063,574**
Outstanding premiums (iii)	112,109,677	**97,646,577**
Accrued interest (iv)	42,197,368	**40,116,115**
Receivables (v)	125,185,774	**153,542,644**
Investments (vi)	11,720,146,529	**8,850,579,239**
Segregated funds' assets (vii)	946,787,439	**933,113,325**
Statutory deposit (viii)	224,040,341	**223,489,483**
Tax recoverable (ix)	8,899,633	**13,496,926**
Treasury bills (x)	710,013,896	**692,421,336**
Cash and cash equivalents (xi)	5,733,749,208	**4,836,431,688**
Total credit risk exposure	20,410,111,705	**16,548,033,134**
The above balances are classified as follows:		
Current	20,403,156,106	**16,546,688,912**
Past due but not impaired	6,955,599	**1,344,222**
	20,410,111,705	**16,548,033,134**

(i) Loans and receivables include the sum of G$225,856,558 (2021 — G$202,068,919) for loans on policies. These are fully secured against the cash values of the individual policies.

Mortgages to the sum of G$384,732,236 (2021 — G$400,063,308) are also included in the amount for loans and receivables and are fully secured by charges on properties.

(ii) Unexpired reinsurance premiums is the estimated portion of the reinsurance cost that relates to the future accounting period. This amount would be recovered through the reversing of this provision in the next financial year.

(iii) Outstanding premiums represent premiums due but not received at the date of the statement of financial position. These amounts would be collected in the next financial year.

Notes on the Accounts

42. FINANCIAL RISK MANAGEMENT — cont'd

(c) **Credit risk — cont'd**

(iv) As detailed in note 22, accrued and unpaid interest represents amounts due or accrued on the various investments of the Company. These amounts would either be received in the next financial year, or would materialise on the maturity of the investment(s) in accordance with their terms and conditions.

(v) Receivables comprise a number of advances and loans to staff and insurance advisors on which interest is earned. They also include amounts for securities pending redemption and amounts owing to the Company by other organisations.

(vi) Investments in government bonds and equities are assets for which the likelihood of default are considered extremely low by the Company.

(vii) Segregated funds' assets are assets administered by the Company on behalf of certain pension schemes. These mainly consist of equities and cash on deposits. All related risks on these investments are borne by the respective pension schemes.

(viii) Statutory deposits represent deposits with Insurance Regulators and Commercial Banks held to the order of the Insurance Regulators. The likelihood of default is considered very low by the Company.

(ix) Tax recoverable reflects overpayment of advance corporate tax to the Tax Authorities. The likelihood of default is considered extremely low by the Company.

(x) Treasury bills are investments in Eastern Caribbean Governments and are such that the likelihood of default is extremely low and have therefore been considered virtually risk-free by the Company.

(xi) Cash and cash equivalents include balances held with commercial banks. These banks have been assessed by the Company as being credit worthy, with very strong capacity to meet their obligations as they fall due. The related risk is therefore considered very low.

Mortgages which were past due but not impaired

	2022 **G$**	**2021** **G$**
Past due more than 1 year	6,955,599	**1,344,222**

Notes on the Accounts

43. INSURANCE RISK

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

The principal risk that the Company faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. The Company has developed its insurance underwriting strategy to diversify the types of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

(a) **Frequency and severity of claims**
For contracts where death is the insured risk, the most significant factors that could increase the overall frequency of claims are epidemics or wide spread changes in lifestyle resulting in earlier or more claims than expected.

At present, these risks do not vary significantly in relation to the location of the risk insured by the Company. However, under-concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis. For contracts with fixed and guaranteed benefits and fixed future premiums, there are no mitigating terms and conditions that reduce the insurance risk accepted.

The Company manages these risks through its underwriting strategy and reinsurance arrangements.

The underwriting strategy is intended to ensure that the risks underwritten are well diversified in terms of type of risk and the level of insured benefits. For example, the Company to some extent balances death risk and survival risk across its portfolio. The Company has a retention limit of G$3,000,000 on the vast proportion of lives insured. The Company reinsures the excess of the insured benefit over G$3,000,000 for standard risks (as measured by the sum insured) under a yearly renewable term reinsurance arrangement. The Company does not have in place any reinsurance for contracts that insure survival risk.

Insurance risk for contracts disclosed in this note is also affected by the contract holders' right to pay reduced or no future premiums, to terminate the contract completely, or to exercise a guaranteed annuity option. As a result, the amount of insurance risk is also subject to the contract holders' behaviour. On the assumption that contract holders will make decisions rationally, overall insurance risk can be assumed to be aggravated by such behaviour. For example, it is likely that contract holders whose health has deteriorated significantly will be less inclined to terminate contracts insuring death benefits than those contract holders remaining in good health.

(b) **Sources of uncertainty in the estimation of future benefit payments and premium receipts**
Uncertainty in the estimation of future benefit payments and premium receipts for long-term insurance contract arises from unpredictability on long-term changes in overall levels of mortality and variability in contract holder behaviour.

Reserves for future policyholders' benefits
The Policy Premium Method is used for the determination of reserves for future policyholder benefits of long-term insurance contracts. The reserves for future policyholders' benefits are determined by actuarial valuation every year and represent an estimate of the amount required, together with future premiums and investment income, to provide for future benefits and expenses payable on insurance and annuity contracts. The reserves are calculated using assumptions for future policy lapse rates, mortality, morbidity rates, maintenance expenses and interest rates. The assumptions also include provisions for adverse deviation to recognise uncertainty in establishing the assumptions and to allow for possible deterioration in experience. The process of determining the provision necessarily involves risks that the actual results will deviate from the assumptions made.

Notes on the Accounts

43. INSURANCE RISK — cont'd

Actuarial liabilities are calculated using best estimate assumptions with margins for adverse deviation.

(i) **Mortality assumptions**
Mortality assumptions for life business are based on Company experience and industry experience in the Caribbean. A margin is added for adverse deviation.

(ii) **Investment yields**
Expected investment yields are based on actual investment yields.

(iii) **Persistency**
Lapse rates are based on Company's experience where credible experience is available and industry experience is used where credible Company experience is not available. A margin for adverse deviation is added by increasing or decreasing lapse rates.

(iv) **Expenses**
Expenses are based on best estimates of Company experience. Expenses are increased 10% as a margin for adverse deviation. Expenses per policy are assumed to increase with inflation.

Traditional Life — $1,785 per policy plus 2% of premium
Universal Life — $3,570 per policy plus 2% of premium

(v) **Ongoing review**
Actuarial assumptions are continuously reviewed based on emerging Company and industry experience and revised if appropriate and material.

(vi) **Margins for adverse deviation assumptions**
The basic assumptions made in establishing actuarial liabilities are best estimates for a range of possible outcomes. To recognise the uncertainty in establishing these best estimates, to allow for possible deterioration in experience and to provide greater comfort that the reserves are adequate to pay future benefits, the appointed actuary is required to include a margin in each assumption. The impact of these margins is to increase reserves and so decrease the income that would be recognised on inception of the policy. The Canadian Institute of Actuaries prescribes a range of allowable margins. The Company uses assumptions at the conservative end of the range, taking into account the risk profiles of the business and its small size.

(vii) **Sensitivity Analysis**
The following shows the sensitivity of the gross /net reserves for the Ordinary Life, Individual Annuity and Single Premium Mortgage protection business to a change in the valuation assumptions as follows:

2% Increase/decrease in mortality	101.8/ 19.6 million
5% Increase in expenses	32.1 million
10% change in lapse rates	654.9 / 608.5 million
25 Basis points decrease in valuation increase rate (no change to UL crediting rate)	569.7 / 529.1 million

The above analyses are based on a change in an assumption while holding all other assumptions constant. The purpose is to provide a measure of sensitivity of the actuarial liabilities to each individual assumption. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated.

The results show that the level of actuarial liabilities is most sensitive to change in lapses and interest rates.

44. REPORTING BY CLASS OF INSURANCE

The Company's reporting is organised into three main business segments per the classes of insurance namely Life, Health and Annuities. The Company's primary reporting format is by class of insurance, and the secondary format would be by geographical segments.

Notes on the Accounts

44. REPORTING BY CLASS OF INSURANCE — cont'd

The following is an analysis by the respective segments:

i) **By class of business**

	2022			
	Life	**Health**	**Annuities**	**Total**
	G $	**G $**	**G $**	**G $**
Revenue				
Net premiums	1,214,497,591	1,231,835,949	1,394,920	2,447,728,460
Income from investments	127,045,465	128,859,186	145,919	256,050,570
Other income	9,001,734	9,130,244	10,339	18,142,317
Currency exchange (loss)	(9,916,141)	(10,057,705)	(11,389)	(19,985,235)
	1,340,628,649	1,359,767,674	1,539,789	2,701,936,112
Deduct:				
Expenditure				
Claims	228,834,971	810,344,873	11,942,688	1,051,122,532
Surrenders	217,739,584	—	—	217,739,584
Commissions & sales expenses	115,782,761	107,900,153	—	223,682,914
Management expenses	239,291,248	223,000,056	—	462,291,304
Withholding and other taxes	2,115,392	1,971,373	—	4,086,765
	803,763,956	1,143,216,455	11,942,688	1,958,923,099
Surplus before taxation and actuarial liabilities	536,864,693	216,551,219	(10,402,899)	743,013,013
Net movement in actuarial liabilities				(160,018,562)
Net surplus after movement in actuarial liabilities				582,994,451
Taxation				(5,377,782)
Net Profit after taxation				577,616,669
Assets	15,907,754,543	3,854,937,957	2,427,489,827	22,190,182,327
Liabilities	589,286,802	196,738,565	2,296,991,592	3,083,016,959
Unallocated liabilities				3,355,516

	2021			
	Life	**Health**	**Annuities**	**Total**
	G $	**G $**	**G $**	**G $**
Revenue				
Net premiums	1,048,888,133	1,069,989,042	(5,869,891)	2,113,007,284
Income from investments	122,278,004	124,737,920	(684,304)	246,331,620
Other income	13,360,635	13,629,416	(74,770)	26,915,281
Currency exchange gain/(loss)	2,465,154	2,514,746	(13,796)	4,966,104
	1,186,991,926	1,210,871,124	(6,642,761)	2,391,220,289
Deduct:				
Expenditure				
Claims	199,626,971	700,589,400	12,348,009	912,564,380
Surrenders	212,931,936	—	—	212,931,936
Commissions & sales expenses	113,571,208	94,325,268	17,518	207,913,994
Management expenses	257,897,748	214,194,025	39,780	472,131,553
Withholding and other taxes	2,438,722	2,025,452	376	4,464,550
	786,466,585	1,011,134,145	12,405,683	1,810,006,413
Surplus before taxation and actuarial liabilities	400,525,341	199,736,979	(19,048,444)	581,213,876
Net movement in actuarial liabilities				(339,154,240)
Net surplus after movement in actuarial liabilities				242,059,636
Taxation				(4,331,855)
Net Profit after taxation				237,727,813
Assets	12,683,822,067	3,237,049,254	2,265,142,990	18,186,014,311
Liabilities	594,152,416	129,523,222	2,178,880,946	2,902,556,584
Unallocated liabilities				3,067,574

The above do not include actuarial liabilities. Actuarial liabilities valued at December 31, 2022 were $6,356,721,994 (2021 — $6,196,703,432). There was a restatement in the liabilities for 2021 from $3,212,106,827 to $2,902,556,584.

Notes on the Accounts

45. ASSETS UNDER MANAGEMENT

Assets under management which are managed on behalf of certain pension schemes are listed below:

	2022 G$	2021 G$
Equity investments	837,655,000	**345,450,000**
Mutual funds	222,245,194	**268,295,545**
Treasury bills and mortgages	1,610,727,293	**1,292,313,530**
	2,670,627,487	**1,906,059,075**

These amounts are not reflected in the financial statements.

46. ACTUARIAL VALUATION

An actuarial valuation of the Company was done as at December 31, 2022. The result of the actuarial valuation is shown under non-current liabilities in the statement of financial position and is accounted for in accordance with the Company's accounting policy. The next actuarial valuation is due at December 31, 2023.

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47. PENDING LITIGATION

At the date of the statement of financial position, there was no pending litigation against the Company that required a provision in the financial statements.

48. INSURANCE ACT 2016

The Insurance Act 2016 became effective in 2018. Part XIV section 171 of the Act relates to the statutory fund and refers to the Regulations made under the Insurance Act 2016, which also became effective in 2018.
Part 4 of the Regulations stipulate the statutory fund's composition, limits and other requirements including investments. The areas of non-compliance are as listed.
Disposal of assets
As stated in part 4 number 29 of the Regulations; (1)"An insurer which immediately before the commemcement of these Regulations has -

(a) permissable assets in excess of the limits specified in these regulations; or
(b) non-permissable assets, shall reduce such assets so that it is in compliance with these regulations within a period of five years from the date of commencement of these Regulations."

Category limits
As stated in part 4 number 33 of the Regulations; "the category limits of investments for statutory fund requirements shall be as set out in Schedule 3." Schedule 3 specifies a maximum of 20% of the statutory fund for shares of Corporations in Guyana. At present, 97% of the statutory fund represents investment in shares of Corporation in Guyana. Management is currently in the process of resolving this issue.

49. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the Directors on April 26, 2023.