



**The Guyana and Trinidad
Mutual Fire Insurance
Company Limited**

146th



2025

ANNUAL REPORT



OUR VISION

To be the premier customer-oriented Insurance Services Provider in Guyana and the Caribbean.

OUR MISSION

To consistently provide sound, solid and reliable customer-oriented Insurance Services of the highest professional and ethical standard in Guyana and across the Caribbean.

OUR CORE VALUES

1. Professionalism -

We promote professionalism through exemplary conduct, deportment, positive attitudes and the highest ethical standards.

2. Integrity -

We uphold the highest level of integrity in every aspect of our business.

3. Quality Service -

We strive to ensure customers' satisfaction through quality service and continuous development of new and attractive products.

4. Teamwork -

Teamwork is important to GTM as it encourages harmonious relations among employees as we aim to achieve the Company's goals and objectives.

5. Training and Development -

We aim to provide superior customer service by ensuring that all team members are appropriately trained and developed.

6. Commitment - We are committed to uphold the Vision and Mission of the Company, so as to provide the best customer service.

7. Excellence - For GTM, excellence is important in order to meet and exceed the highest expectations of our policyholders, customers and the community.

A Tradition of Superior Insurance Service

Notice of Meeting

The **Ordinary General Meeting of Members** will be held at 17:00 hours on Wednesday, September 30, 2026 at the Black Magenta (Georgetown Club), 208 Camp Street, Georgetown.

AGENDA

1. To receive and consider the Report of the Directors, the Financial Statements for the year ended 31st December, 2025 and the Report of the Auditors thereon.
2. To sanction the declaration of a final dividend on Scrip Capital.
3. To elect Directors.
4. To fix remuneration of the Directors.
5. To elect Auditors and fix their remuneration.

BY ORDER OF THE BOARD



T. CASTELLO

Company Secretary/

Deputy Finance Controller

GTM Buildings

27-29 Robb & Hincks Streets

Georgetown

31st July, 2026

N.B. The right to vote by proxy may only be exercised if the member resides outside of the City of Georgetown.

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.

HEAD OFFICE

27-29 Robb & Hincks Streets, Georgetown, Guyana

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

DR. R. MOTILALL, BSc., MBBS, DIP. SURG, FCCOS, CHM(UK)

MANAGING DIRECTOR

R. ST. P. YEE, BSc.(HONS), EMBA

FIRE MANAGER

N. ENNIS (Ms.), BSc., ACII

FINANCE CONTROLLER

D. GOWKARRAN (Ms.), MSc., FCCA

**COMPANY SECRETARY/
DEPUTY FINANCE CONTROLLER**

T. CASTELLO, BSoc.Sc., LL.B, ACCA, MBA, FLMI, CPCU

CHAIRMAN & BOARD OF DIRECTORS



**Mr. R. L. Singh, AA
Chairman**



**Ms. B. J. Harper
Director**



**Ms. B. J. Harper
Director**



**Mr. P. S. Fraser
Director**



**Mr. G. E. Dean
Director**



**Mr. R. T. Sinclair
Director**



**Mrs. A. N. Carter-Sharma
Director**



**Dr. R. Motilall
Director**



**Mr. R. St. P. Yee
Managing Director**

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REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their REPORT and the AUDITED FINANCIAL STATEMENTS for the year ended 31 December, 2025 .

FIRE BUSINESS

GUYANA & CARIBBEAN OFFICES

At the commencement of the year after adjustment for the change in currency rates the sum insured for business in force was \$570,706,011,794 with annual premiums of \$2,317,652,105.

New policies, increases and reinstatements totalled \$45,901,843,124: in sums insured, yielding annual premiums of \$153,764,726. The amount of insurance in force at 31 December, 2025 was \$591,370,749,894 with annual premiums of \$2,351,571,760.

SUMMARY OF POLICIES ISSUED AND EXPIRED

	SUM INSURED	ANNUAL PREMIUMS
	G\$	G\$
Insurance in force at 31-12-2024	570,706,011,794	2,317,652,105
Issued during the year ended 31-12-2025	45,901,843,124	153,764,726
	616,607,854,918	2,471,416,831
Expired during the year ended 31-12-2025	25,237,105,024	119,845,071
Insurance in force at 31-12-2025	<u>591,370,749,894</u>	<u>2,351,571,760</u>

The total amount of claims paid and provided for during the year amounted to \$42,180,773 net of reinsurance recoveries.

TRIENNIAL CASH PROFIT

The Directors have declared a return of 30% of the premiums received after deduction of the usual reserve for unexpired time, in respect of those fire insurance policies issued in Guyana entitled to earn profit for the period ended 31 December, 2025. This will result in a return to policyholders of \$22,985,807 in cash.

REPORT OF THE DIRECTORS

INVESTMENTS

At the commencement of the year, the total value of investments was \$11,530,153,899. At 31 December 2025, securities were revalued in accordance with accounting best practice, which resulted in a total value of investments being \$10,710,713,896. This movement is due to the fall in share price during 2025.

Mortgage Loans outstanding at 31 December, 2025 were \$7,405,041.

Certificates for the securities have been examined by the Auditors.

DIVIDENDS

The Directors have approved a final dividend of 5% on the Preferent Scrip and First Preferred Stock, and recommend a final dividend of 5% on the Ordinary Scrip Capital.

DIRECTORATE

The following Directors retire from Office and are eligible for re-election — Ms. B. J. Harper and Messrs. P. S. Fraser and G. E. Dean.

CORPORATE GOVERNANCE

The Company shares a common Board of Directors with the Guyana and Trinidad Mutual Life 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 election.

INDEPENDENT AUDITOR'S REPORT

To the Members of

**The Guyana and Trinidad Mutual Fire Insurance Company Limited
on the Financial Statements for the Year Ended 31 December, 2025**

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **The Guyana and Trinidad Mutual Fire Insurance Company Limited**, which comprise the statement of financial position as at December 31, 2025 and 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 a summary of material accounting policies and other explanatory information.

In our opinion, the financial statements on pages 6 to 56 present fairly, in all material respects, the financial position of **The Guyana and Trinidad Mutual Fire Insurance Company Limited** as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards, Ordinance No. 31 of 1880 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. 31 of 1880 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 misstatement, 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 to cease operations, or has 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 judgment 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 for 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 identify during our audit.

Report on Other Legal and Regulatory Requirements

As stated in Note 40 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 FIRM
157 'C' WATERLOO STREET
GEORGETOWN
GUYANA

31st July, 2026

Table of Acronyms and Phrases

Certain acronyms have been used throughout the financial statements and notes thereto to substitute phrases. These phrases are introduced once throughout the financial statements and notes.

For ease of reference, we have outlined the more frequent acronyms and their associated phrases are set out below:

Acronym	Phrase
AC	Amortised Cost
AOCI	Accumulated Other Comprehensive Income
CSM	Contractual Service Margin
ECL	Expected Credit Losses
FCF	Fulfilment Cash Flows
FRA	Fully Retrospective Approach
FVA	Fair Value Approach
FVOCI	Fair Value through Other Comprehensive Income
FVTPL	Fair Value Through Profit or Loss
GMM	General Measurement Model
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
LIC	Liability for Incurred Claims
LRC	Liability for Remaining Coverage
OCI	Other Comprehensive Income
PAA	Premium Allocation Approach

STATEMENT OF FINANCIAL POSITION

As at 31 December, 2025

	Notes	2025 G\$	2024 G\$
Assets			
Non-current assets			
Property and equipment	(14)a	2,567,860,751	1,472,312,704
Intangible asset	(14)b	476,147,338	—
Right of use asset	(15)a	19,258,421	28,099,771
Deferred tax asset	(16)	163,898,008	136,616,697
Financial investments:			
Debt securities at amortised cost	(17)a	424,092,043	652,247,687
Mortgages at amortised cost	(17)b	7,405,041	12,980,491
Equity securities at fair value through OCI	(17)c	10,710,713,896	10,208,054,287
Retirement benefit assets	(18)	171,552,127	164,814,768
		<u>14,540,927,625</u>	<u>12,675,126,405</u>
Current assets			
Reinsurance contract assets	(19)	296,285,984	327,541,311
Interest accrued	(20)	46,492,059	95,612,035
Receivables and prepayments	(21)	596,950,164	283,077,488
Related party receivable	(33)	455,967,742	727,688,139
Taxes recoverable	(34)	98,485,306	231,854,568
Treasury bills	(17)a	387,942,919	441,363,965
Statutory deposits	(22)	891,059,592	889,656,389
Cash on deposit	(23)	1,782,295,486	1,846,652,679
Cash at bank	(24)	1,038,743,759	588,935,153
Cash on hand and in transit	(24)	42,522,450	24,421,995
		<u>5,636,745,461</u>	<u>5,456,803,722</u>
Total assets		<u>20,177,673,086</u>	<u>18,131,930,127</u>
Equity and liabilities			
Capital and reserves			
Scrip and stock capital	(25)	1,000,000	1,000,000
Premium capital	(26)	122,990,698	153,725,740
Investment reserve	(27)	10,250,680,318	9,748,190,733
Other reserve	(28)	4,868,794,514	4,309,997,125
Dividends, biennial bonus and triennial profit	(29)	37,664,906	37,664,906
Revaluation reserve	(17)d	1,290,965,936	559,436,039
		<u>16,572,096,372</u>	<u>14,810,014,543</u>
Non-current liabilities			
Insurance contract liabilities	(31)	1,895,654,198	2,152,294,381
Pension reserve	(32)	15,311,748	16,561,482
Deferred tax liabilities	(16)	1,064,011,801	569,832,295
Retirement benefit obligations	(18)	58,967,568	113,128,702
Lease liabilities	(15)b	6,489,853	25,678,719
		<u>3,040,435,168</u>	<u>2,877,495,579</u>
Current liabilities			
Lease liabilities	(15)b	12,768,568	4,556,485
Investment contract liabilities	(30)	11,494,255	15,818,851
Provision for taxation	(34)	159,368,866	260,309,532
Payables and accruals	(35)	381,509,857	163,735,137
		<u>565,141,546</u>	<u>444,420,005</u>
Total equity and liabilities		<u>20,177,673,086</u>	<u>18,131,930,127</u>

The financial statements were approved by the Board of Directors on 31st July, 2026

On behalf of the Board:

Chairman: **MR. R. L. SINGH, AA**

Director: **MR. E. A. LUCKHOO, SC**

Company Secretary: **MR. T. CASTELLO**

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31 December, 2025

	Notes	2025 G\$	2024 G\$
Insurance revenue	(5)	3,681,083,605	3,627,405,701
Insurance service expenses	(6)	(1,824,330,009)	(2,447,237,568)
Net expense from reinsurance contracts held	(6)	(559,991,827)	(521,396,106)
Insurance service result		1,296,761,769	658,772,027
Net investment return	(7)a	232,810,019	337,382,478
Finance (expense) / income from insurance contract issued	(7)a	8,380,697	(6,308,675)
Finance income / (expense) from reinsurance contract held	(7)a	(591,637)	456,306
Net investment and net insurance finance result		240,599,079	331,530,109
Other operating expenses	(6)	(577,946,628)	(423,261,776)
Other income	(7)b	245,837	5,420,610
Change in investment contract liabilities	(8)	(74,279,394)	(38,727,260)
Profit before tax		885,380,663	533,733,710
Taxation	(9)	(411,505,489)	(177,889,122)
Net profit after taxation		473,875,174	355,844,588
OTHER COMPREHENSIVE INCOME			
<i>Items that will not be classified subsequently to profit or loss:</i>			
Remeasurement of defined benefit pension plans, net of tax	(18)	54,187,173	(71,671,270)
Remeasurement of freehold properties, net of tax	(14)	731,529,897	—
Net charge to fair value of equity investments at FVOCI, net of tax	(27)	502,489,585	(286,670,465)
Other comprehensive income / (loss) for the year, net of tax		1,288,206,655	(358,341,735)
Total comprehensive income / (loss) for the year		1,762,081,829	(2,497,147)

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

PROFIT OR LOSS (ANNUAL) ACCOUNT — FIRE INSURANCE

For the Year Ended 31 December, 2025

	Notes	2025 G\$	2024 G\$
Premiums on without profit policies and commissions		1,275,950,045	1,237,846,848
Income from investments		235,978,343	347,873,824
Other income		245,837	5,420,610
		<u>1,512,174,225</u>	<u>1,591,141,282</u>
Deduct:			
Claims		38,869,402	107,962,300
Commissions and sales expenses		187,597,393	229,369,812
Salaries and other staff costs		516,300,022	400,378,297
Management expenses		322,910,504	428,296,219
Taxation		(38,221,250)	(60,920,500)
Reinsurance		298,763,138	290,573,152
Pension fund contribution		24,579,771	23,084,834
Transfer to investment reserve	(10)	4,588,293	3,264,703
Interest	(11)	64,049,618	62,255,209
		<u>1,419,436,891</u>	<u>1,484,264,026</u>
Transfer from premiums on with profit policies	(12)	<u>92,737,334</u>	<u>106,877,256</u>

This account, made up in accordance with By-Law 17 of this Company's Ordinance of Incorporation Chapter 210, (together with the accompanying profit or loss (triennial) account) has been prepared to reflect the declaration of triennial cash profit on fire policies entitled to profit in 2025.

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

PROFIT OR LOSS (TRIENNIAL) ACCOUNT — FIRE INSURANCE

For the Year Ended 31 December, 2025

	Notes	2025 G\$	2024 G\$
Balance of unexpired risks reserve at beginning		18,887,078	17,329,309
Premiums received		136,476,213	133,191,201
Premiums on policies surrendered for profit		719,169	1,288,355
		<u>156,082,460</u>	<u>151,808,865</u>
Deduct:			
Unexpired risks reserve at end		20,763,697	21,995,845
Transfer to profit or loss (annual) account	(13)	57,696,968	60,948,528
Triennial profit 30 %		39,451,745	37,800,022
		<u>117,912,410</u>	<u>120,744,395</u>
Transfer from other reserve		<u>38,170,050</u>	<u>31,064,470</u>

This account, made up in accordance with By-Laws 12-14 of this Company's Ordinance of Incorporation Chapter 210, (together with the profit or loss (annual) account) has been prepared to reflect the declaration of triennial cash profit on fire policies entitled to profit in 2025.

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

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 December, 2025

	Scrip & stock capital G\$	Premium capital G\$	Investment reserve G\$	Other reserves G\$	Dividends, biennial bonus & triennial profit G\$	Property & equipment revaluation reserve G\$	Total G\$
Balance at 1 December, 2023	1,000,000	165,140,547	10,034,861,198	4,014,409,000	37,664,906	559,436,039	14,812,511,690
Changes in equity 2024							
Total comprehensive income/(loss) for the year	—	—	(289,935,168)	284,173,318	—	—	(5,761,850)
Transfer of reserves	—	(11,414,807)	3,264,703	11,414,807	—	—	3,264,703
Balance at 31 December 2024	1,000,000	153,725,740	9,748,190,733	4,309,997,125	37,664,906	559,436,039	14,810,014,543
Changes in equity 2025							
Total comprehensive income/(loss) for the year	—	—	502,489,585	528,062,347	—	731,529,897	1,762,081,829
Transfer of reserves	—	(30,735,042)	—	30,735,042	—	—	—
Balance at 31 December 2025	1,000,000	122,990,698	10,250,680,318	4,868,794,514	37,664,906	1,290,965,936	16,572,096,372

“The accompanying notes form an integral part of these financial statements”

STATEMENT OF CASH FLOWS
For the Year Ended 31 December, 2025

	2025 G\$	2024 G\$
Operating activities		
Profit before taxation	885,380,663	533,733,710
Adjustments for -		
Depreciation — property and equipment	71,857,284	28,457,981
Depreciation — right of use asset	4,024,216	4,024,216
Amortisation	16,418,874	—
Dividend and interest received	(207,299,136)	(161,789,623)
Lease interest	2,099,459	1,370,733
Currency exchange (gain) / loss	16,001,413	10,491,346
Net impairment on financial assets	(400,000)	(400,000)
Operating profit before working capital changes	788,082,773	415,888,363
(Increase) in receivables	(313,872,676)	(938,017,950)
(Increase) / decrease in related party	236,323,875	—
Increase / decrease in reinsurance contract assets	31,255,327	(119,991,638)
Increase / (decrease) in payables and pension reserve	216,524,986	(37,096,305)
Increase / (decrease) in insurance contract liabilities	(256,640,183)	22,341,427
Increase / (decrease) in investment contract liabilities	(4,324,596)	1,651,602
Decrease / (increase) in retirement benefit assets	6,737,359	(81,244,254)
Decrease in retirement benefit obligations	54,161,134	474,720
Net cash provided by operations	758,247,999	(735,994,035)
Taxes paid / adjusted	(86,065,933)	(94,139,885)
Net cash provided by operating activities	672,182,066	(830,133,920)
Investing activities		
Purchase of property and equipment	(262,988,385)	(29,104,975)
Purchase of intangible assets	(492,566,211)	—
Net mortgage repayments	5,575,450	1,019,150
Net redemption/(acquisition) of treasury bills and debt securities	281,576,690	4,183,983
Increase in cash on deposits	64,357,193	(310,988,970)
Increase in statutory deposits	(1,403,203)	(8,080,666)
Dividend and interest received	207,299,136	161,789,623
Net cash provided by / (used) in investing activities	(198,149,330)	(181,181,855)
Financing activities		
Principal repayments of lease liabilities right of use asset	(4,024,216)	(4,024,216)
Interest paid on lease liabilities	(2,099,459)	(1,370,733)
Net cash used in financing activities	(6,123,675)	(5,394,949)
Net increase in cash and cash equivalents	467,909,061	(1,016,710,724)
Cash and cash equivalents at beginning of period	613,357,148	1,630,067,872
Cash and cash equivalents at end of period	1,081,266,209	613,357,148
Cash and cash equivalents consist of:		
Cash on hand, at bank and in transit	1,081,266,209	613,357,148

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

NOTES ON THE ACCOUNTS

(1) INCORPORATION AND ACTIVITIES

The Guyana and Trinidad Mutual Fire Insurance Company Limited was incorporated by Ordinance No. 31 of 15th December 1880. The objectives of the Company are to carry on the business of Property, Motor, Accident and Liability and any other class of insurance approved by the Regulators.

(2) ADOPTION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

Amendments effective for the current year

Effective for annual periods beginning on or after

Lack of exchangeability (Amendments to IAS 21) 1 January 2025

The amendments specifies when a currency is exchangeable and when it is not, how to determine the exchange rate when a currency is not exchangeable, and the additional information required to be disclosed when a currency is not exchangeable. This amendment had no impact on the Company's financial statements.

Pronouncements effective in future periods

IFRS 18 Presentation and Disclosures in Financial Statements 1 January 2027
IFRS 18 will replace IAS 1 *Presentation in Financial Statements* and introduces new requirements around

- a defined structure for the income statement by classifying income and expenses into distinct defined categories and imposing new defined subtotals to improve comparability;
- specific information on management-defined performance measures (MPMs), which represent subtotals of income and expenses disclosed outside financial statements, be disclosed in a single note to the financial statements in order to enhance transparency on those MPMs;
- sets out guidance on classification of the information in the primary financial statements or in the notes.

IFRS 19 Subsidiaries without Public Accountability: Disclosures 1 January 2027

IAS 21 Amendments for translation to a Hyperinflationary Presentation Currency 1 January 2027

Annual improvements to IFRS Accounting Standards — Volume 11 (Amendments to IFRS 10, IFRS 9, IFRS 7, IFRS 1, IAS 7) 1 January 2026

IFRS 9 and
IFRS 7 Amendments to the Classification and Measurement of Financial Instruments 1 January 2026

IFRS 9 and Amendments to better report the financial effects of Nature-Dependent Electricity
IFRS 7 Contracts 1 January 2026

The Company is currently assessing the full impact of adopting these new standards and amendments on its financial statements.

NOTES ON THE ACCOUNTS

(3) MATERIAL ACCOUNTING POLICIES

The material accounting policies are set out below:

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 (IFRS Accounting Standards).

b) Insurance and reinsurance contracts

Classification

The Company issues insurance contracts in the normal course of business (direct business). The Company also holds reinsurance contracts (ceded business) for claims arising from one or more insurance contracts issued by the Company. Insurance contracts transfer significant insurance risk at the inception of the contract. Insurance risk is transferred when the Company agrees to compensate a policyholder on the occurrence of an adverse specified uncertain future event.

Scope and separating components

The Company assesses its insurance contracts to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. After separating any distinct components, the Company applies IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Company's contracts do not include any distinct components that require separation.

Level of aggregation

Insurance and reinsurance contracts are aggregated into portfolios and groups for measurement purposes. Portfolios are comprised of contracts with similar risks which are managed together. The Company divides its direct and ceded business into portfolios. Management uses judgement in considering the main geographic areas, lines of businesses, distribution channels and legal entities in which it operates as the relevant drivers for establishing its various portfolios.

Portfolios are then divided into groups of contracts disaggregated into annual cohorts and each annual cohort is classified into three groups based on the expected profitability, as follows:

- a group of contracts that are onerous at initial recognition;
- a group of contracts that at initial recognition have no significant possibility of becoming onerous; or
- a group of the remaining contracts in the portfolio.

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Company aggregates reinsurance contracts held within annual cohorts into:

- A group of contracts for which there is a net gain at initial recognition;
- a group of contracts for which at initial recognition there is no significant possibility of a net gain arising subsequently; and
- a group of the remaining contracts in the portfolio.

NOTES ON THE ACCOUNTS

(3) MATERIAL ACCOUNTING POLICIES — CONT'D

b) Insurance and reinsurance contracts — cont'd

Recognition

An insurance contract issued by the Company is recognised at the earliest of:

- the beginning of the coverage period (i.e. the period during which the Company provides services in respect of any premiums within the boundary of the contract);
- when the first payment from the policyholder becomes due or, if there is no contractual due date, when it is received from the policyholder; and
- for a group of onerous contracts, when the group becomes onerous.

Groups of reinsurance contracts held are initially recognised at the earliest of:

- the beginning of the coverage period of the group of reinsurance contracts held; and
- the date of recognising an onerous group of underlying insurance contracts if the related reinsurance contract held was entered into or before that date.

The recognition of a group of reinsurance contracts held that provide proportional or quota share coverage is delayed until the date that any underlying insurance contracts are initially recognised.

Any premiums received before the recognition of the corresponding group of insurance contracts are recognised as deferred revenues in other liabilities. When the group of contracts are recognised as per above the premiums received are reclassified to the liability for remaining coverage (a component within insurance contract liabilities).

Contract boundary

The measurement of groups of insurance and reinsurance contracts includes all the future cash flows within the boundary of each contract. Cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period in which the entity can compel the policyholder to pay the premiums or has a substantive obligation to provide the policyholder with services. A substantive obligation or right ends when the Company has the practical ability to reassess risks and can set a price or level of benefits that fully reflects those risks.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer. A substantive right to receive services from the reinsurer ends when the reinsurer has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks or has a substantive right to terminate the coverage.

Measurement - Premium Allocation Approach (PAA)

The Company applies the PAA to all groups of contracts that meet the requirements for applying this simplified measurement model. This is the case if the coverage period of the contracts is one year or less, or (for longer coverage periods) if the simplified model produces a reasonable approximation of IFRS 17's general measurement model. The length of the coverage period is mainly determined by the concept of contract boundaries under IFRS 17.

NOTES ON THE ACCOUNTS

(3) MATERIAL ACCOUNTING POLICIES — CONT'D

b) Insurance and reinsurance contracts — cont'd

Measurement - Premium Allocation Approach (PAA) — cont'd

The carrying amount of a group of insurance contracts issued is the sum of Liability for Remaining Coverage (LRC) and Liability for Incurred Claims (LIC). The carrying amount of a group of reinsurance contracts held at the end of the reporting period is the sum of the Asset for Remaining Coverage (ARC) and the Asset for Incurred Claims (AIC).

On initial recognition of a group of insurance contracts a LRC equal to the premiums received is recognised. On initial recognition of a group of reinsurance contracts held, the Company measures the ARC at the amount of ceding premiums paid on initial recognition minus commission income received.

When measuring the LIC and AIC, the Company estimates Fulfilment Cash Flows (FCF) which includes all future cash flows within a contract boundary, an adjustment to reflect the time value of money and the financial risk related to those cash flows, plus an explicit risk adjustment for non-financial risk.

The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows. The Company recognises the AIC for a group of reinsurance contracts held at the amount of the FCF relating to the claims recoverable.

Risk adjustment

For contracts measured under the PAA, unless contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the LIC. The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows and is estimated separately. It reflects the compensation the Company requires for bearing uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfils insurance contracts. For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Company to the reinsurer.

Discounting

IFRS 17 requires estimates of future cash flows to be discounted to reflect the time value of money and financial risk that reflects the characteristics of the liabilities and the duration of each portfolio. The estimates of FCF within the LIC and AIC are adjusted using current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent they are not already included in the cash flows. The discount rates reflect the characteristics of the cash flows arising from each group of insurance contracts, including the timing, currency and liquidity of cash flows. The LIC is discounted by adjusting a liquid risk-free yield curve to reflect the differences between the liquidity characteristics of the financial instruments that underlie the rates observed in the market and the liquidity characteristics of the insurance contracts. The Company has chosen to take the effect of the time value of money and changes in the time value of money and financial risk to the statement of profit or loss.

The Company does not adjust the liability for remaining coverage for insurance contracts issued for the effect of the time value of money, because insurance premiums are due within one year of the coverage period.

NOTES ON THE ACCOUNTS

(3) MATERIAL ACCOUNTING POLICIES — CONT'D

b) Insurance and reinsurance contracts — cont'd

Onerous contracts

A group of insurance contracts is considered to be onerous at initial recognition if the fulfilment cashflows allocated to that group of contracts in total are a net outflow. This occurs if the present value of expected claims, attributable expenses and risk adjustment exceeds the premium. Such onerous contracts are separately grouped from other contracts and the Company recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Company for the liability for remaining coverage for any such onerous group depicting the losses recognised. The loss component is then amortised to net income over the coverage period to offset incurred claims in Insurance service expense. The loss component is measured on a gross basis but may be mitigated by a loss recovery component if the contracts are covered by reinsurance.

Where the Company has established a loss-recovery component, the Company amortises the amount of the loss recovery component within the ARC by decreasing the allocation of recoverables from reinsurers. The loss recovery component is amortised based on the passage of time over the remaining coverage period of the onerous group of contracts until the loss recovery component is reduced to nil.

As all inward contracts are measured under the premium allocation approach (PAA), a simplified measurement model, due to the short-term nature of the contracts, the Company takes the standard's default assumption that no groups are onerous unless facts and circumstances indicate otherwise. The grouping of insurance contracts is determined at initial recognition and is not subsequently reassessed.

Subsequent measurement

For subsequent measurement of a profitable group of contracts, the carrying amount of the LRC is increased outside profit or loss by adding the further premium payments received. The LRC is reduced by the amount of insurance revenue earned as services are provided. The Company earns insurance revenue by spreading the expected total premium for the coverage period within the contract boundaries over the accounting periods in a risk-commensurate manner.

The Company measures the carrying amount of the ARC at the end of each reporting period. The ARC includes:

- reinsurance premiums paid less amounts recognised as allocation of reinsurance premium; and
- reinsurance recovery cash flows received less any amounts recoverable from reinsurers recognised in the period.

Groups that were not onerous at initial recognition can subsequently become onerous if facts and circumstances change during the coverage period. If a group of contracts becomes onerous or facts and circumstances indicate that the expected profitability of an onerous group during the remaining coverage has decreased, the Company increases the carrying amount of the LRC by the relevant amount, with the increase recognised within insurance service expenses. The Company amortises the amount of the loss component within the LRC by decreasing insurance service expenses.

The Company measures the carrying amount of the LIC at the end of each reporting period. The Company recognises the LIC for a group of insurance contracts as at the amount of the FCF relating to the incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

NOTES ON THE ACCOUNTS

(3) MATERIAL ACCOUNTING POLICIES — CONT'D

b) Insurance and reinsurance contracts — cont'd

Subsequent measurement — cont'd

The FCF are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk.

The Company's insurance contracts issued and reinsurance contracts held that generate cash flows in a foreign currency, are treated as monetary items and are revalued at period end exchange rates.

The Company uses consistent assumptions to measure the estimates of the present value of future cash flows for a group of reinsurance contracts held with the groups of underlying insurance contracts issued.

In the measurement of reinsurance contracts held, the probability weighted estimates of the present value of future cash flows include potential credit losses with the reinsurer to reflect the non-performance risk of the reinsurer.

The Company has elected to expense all insurance acquisition cash flows when incurred. Insurance acquisition cash flows arise from the cost of selling, underwriting and initiating a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

Modification and derecognition

The Company derecognises insurance contracts when:

- the rights and obligations relating to the contract are extinguished (i.e. discharged, cancelled or expired); or
- the contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Company derecognises the initial contract and recognises the modified contract as a new contract.

When an insurance contract is derecognised, adjustments are made to the FCF and any net difference is charged to profit or loss.

When a modification is not treated as a derecognition, the Company recognises amounts paid or received for the modification with the contract as an adjustment to the estimate of fulfilment cash flows.

Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts (excluding any investment component) allocated to the period. The Company allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. The LRC is not discounted, as the Company expects that the time between providing each part of the services and the related premium due date is no more than a year.

NOTES ON THE ACCOUNTS

(3) MATERIAL ACCOUNTING POLICIES — CONT'D

b) Insurance and reinsurance contracts — cont'd

Insurance service expense

Insurance service expense includes fulfilment and acquisition cash flows which are costs directly attributable to insurance contracts and are comprised of both direct costs and an allocation of indirect costs. It is composed of the following:

- Incurred claims and other insurance service expense, which are fulfilment cash flows and include direct incurred claims and non-acquisition costs directly related to fulfilling insurance contracts (excluding any investment component);
- adjustments to the LIC (including the risk adjustment) that do not arise from the effects of the time value of money, financial risk and changes therein; and
- Losses and reversals on onerous contracts.

Expenses not meeting the above criteria are included in other operating expenses in the statement of profit or loss.

The Company has elected to present changes in risk adjustment related to the non-financial portion in Insurance service result and changes in the financial portion (discount unwinding and changes in discount rates) in Net insurance financial result.

Net expense from reinsurance contracts

Net expense from reinsurance contracts comprises the amounts expected to be recovered from reinsurers and an allocation of the reinsurance premiums paid. The Company recognises the allocation of reinsurance premium based on the passage of time over the relevant coverage period.

The Company treats reinsurance cash flows that are contingent on claims of the underlying contracts as part of the amounts recoverable from reinsurers and includes ceded commissions not contingent on claims as a reduction of the premiums paid to reinsurers.

The amounts expected to be recovered from reinsurers include the effect of any risk of non-performance by the issuer of the reinsurance contract. For a group of reinsurance contracts held covering onerous underlying insurance contracts issued, the loss recovery components and the reversal of such loss recovery components are included as amounts recoverable from the reinsurer.

Insurance finance income and expense

Insurance finance income and expenses comprise the change in the carrying amount of the group of insurance contracts issued or reinsurance contracts held arising from the effect of the time value of money, financial risk and changes therein. These include:

- unwind of the initial discount i.e. interest accreted on the LIC; and
- the effect of changes in interest rate assumptions.

The Company has elected to include insurance finance income and expenses in profit and loss and does not disaggregate these between profit or loss and Other Comprehensive Income (OCI).

NOTES ON THE ACCOUNTS

(3) MATERIAL ACCOUNTING POLICIES — CONT'D

c) Financial assets and liabilities

On initial recognition, financial assets are classified as measured at amortised cost, Fair Value through Other Comprehensive Income (FVOCI) or Fair Value Through Profit or Loss (FVTPL), depending on the Company's business model for managing the financial assets and whether the cash flows represent solely payments of principal and interest. The Company assesses its business models at a portfolio level based on its objectives for the relevant portfolio, how the performance of the portfolio is managed and reported, and the frequency of asset sales. The Company reclassifies financial assets when and only when its business model for managing those assets changes.

Financial instruments measured at amortised cost

Financial assets that are held to collect contractual cash flows where those cash flows represent solely payments of principal and interest, and which are held in a business model whose objective is to hold the assets to collect their cash flows. They are initially measured at their transaction price and subsequently at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. Such assets held by the Company include some of the Company's debt securities, mortgages, trade and other receivables, and cash and cash equivalents.

Financial liabilities are measured initially at their fair value and are subsequently measured at amortised cost using the effective interest method.

Financial assets measured at fair value through other comprehensive income

The Company has designated at initial recognition its equity instruments at FVOCI. For these investments, dividends are recognised within net investment return in the statement profit or loss but fair value gains and losses are not subsequently reclassified to profit or loss following derecognition of the investment.

d) Impairment of financial assets

The Company assesses the expected credit losses associated with its financial assets measured at amortised cost. The measurement of credit impairment is based on an expected credit loss (ECL) methodology and depends upon whether there has been a significant increase in credit risk. The ECL model is forward looking. The assessment of credit risk and the estimate of an ECL are unbiased, probability-weighted and incorporates all available information relevant to the assessment, including information about past events, current conditions and reasonable and supportable forecasts of economic conditions at the reporting date.

For those credit exposures for which credit risk has not increased significantly since initial recognition, the Company measures loss allowances at an amount equal to the total expected credit losses resulting from default events that are possible within twelve months after the reporting date. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, the Company measures and recognises an allowance at an amount equal to the expected credit losses over the remaining life of the exposure, irrespective of the timing of the default ('Lifetime ECL').

If the financial asset becomes credit-impaired (following significant financial difficulty of issuer/borrower, or a default/breach of a covenant), the Company will recognise a Lifetime ECL. The loss allowance reduces the carrying value of the financial asset and is reassessed at each reporting date. ECLs and subsequent remeasurements of the ECL are recognised in the statement of profit or loss.

NOTES ON THE ACCOUNTS

(3) MATERIAL ACCOUNTING POLICIES — CONT'D

d) Impairment of financial assets — cont'd

IFRS 9 provides a simplification where an entity may assume that the criterion for recognising lifetime ECL is not met if the credit risk on the financial instrument is low ("investment grade") at the reporting date. The Company uses this low credit risk simplification on its debt securities. For trade receivables and other short-term receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

e) Derecognition of financial instruments

Financial assets are derecognised when the Company has transferred substantially all of the risks and rewards of ownership or when the rights to receive cash flows from the asset has expired, with any realised gains or losses recognised in the statement of profit or loss within net investment return.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss within net investment return.

f) Net investment return

Interest income from debt securities and loans is recognised on an accrual basis.

Dividends are recognised when the shareholders' right to receive payment is established, which is the ex-dividend date.

g) Fee and commission income

Other income is recognised as it is earned. This is mainly due to fees charged for routine transactions.

h) Foreign Currencies

Transactions in currencies other than Guyana dollars are recorded at the rates of exchange prevailing on the dates of the transactions. At the date of the financial statements, monetary assets and liabilities that are denominated in foreign currencies are re-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.

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 account. 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.

NOTES ON THE ACCOUNTS

(3) MATERIAL ACCOUNTING POLICIES — CONT'D

i) Property, equipment and depreciation — cont'd

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)
Motor vehicles and machinery	20% (reducing balance)
Computer equipment	20% (straight line)
Other equipment	15% (reducing balance)

No depreciation is provided on land.

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 are written down immediately to their recoverable amounts.

The gain or loss arising on the disposal or retirement of an item of fixed assets 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) Operating expenses

The Guyana and Trinidad Mutual Fire Insurance Company Limited and the Guyana and Trinidad Mutual Life 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.

k) Employees' pension scheme

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

In Guyana, all staff are employed by the Guyana and Trinidad Mutual Fire Insurance Company Limited. Employment costs are shared with the Guyana and Trinidad Mutual Life Insurance Company Limited on a pre-determined, agreed and equitable reimbursement basis.

A defined benefit pension plan is also operated for the sales representatives 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 period were as follows:

	2025	2024
	G\$	G\$
Pension scheme contribution (staff)	35,288,841	29,780,459
Pension scheme contribution (sales representative)	6,487,292	8,902,124
	<u>41,776,133</u>	<u>38,682,583</u>

NOTES ON THE ACCOUNTS

(3) MATERIAL ACCOUNTING POLICIES — CONT'D

k) Employees' pension scheme — cont'd

Actuarial valuations for Sales Representatives and the Staff schemes were completed as at January 1, 2023. The next valuation is due on January 1, 2026.

The fair value of the plans' assets and the present value of the obligations are actuarially calculated at the end of each year and disclosed on the statement of financial position.

The movements in assets and liabilities of the pension schemes are recognised through the statement of profit or loss and other comprehensive income.

l) Taxation

Income tax expense represents the sum of the tax currently payable and the deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted in Guyana and the Caribbean territories at the reporting date.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is charged or credited to the statement of profit or loss and other comprehensive income except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and when they relate to income taxes levied by the same taxation authority, and the Company intends to settle its current tax assets and liabilities on a net basis.

m) Premium Capital

The premium capital is an accumulation of profit premiums net of any refunds, lapses, surrenders and unexpired time. This together with any gain or loss on the profit or loss account is used in the computation of triennial cash profit for distribution amongst members at the end of each triennial period.

NOTES ON THE ACCOUNTS

(3) MATERIAL ACCOUNTING POLICIES — CONT'D

n) Investment reserve

This comprises the movement in the fair value of securities traded. This also includes provision made in accordance with By-Law 19 of the Company's Ordinance.

o) Revaluation reserve

This comprises the revaluation surplus arising from the revaluation of land and buildings and is disclosed net of deferred tax.

p) Triennial profit

This is a return of premium to profit policyholders in cash at the end of a triennial period pursuant to the By-Laws of the Company. A rate of return is decided by the Directors based on the performance of the Company.

q) Biennial bonus

This is a cash bonus payable at a fixed rate of 30% at the end of the biennial period in accordance with the conditions of the policy. These are non-participating policies with a special bonus condition attached and are currently only sold in the territory of St. Lucia.

r) 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.

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.

An 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.

s) Intangible assets

The Company's intangible assets comprise or the value of computer software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation.

Amortisation is calculated using the straight line method over the estimated useful life of five years.

NOTES ON THE ACCOUNTS

(4) CRITICAL ACCOUNTING JUDGEMENTS AND THE USE OF ESTIMATES

In the application of the Company's accounting policies, which are described in Note 3, management is 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 key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have significant risk of causing material adjustments to the carrying amounts of assets and liabilities in the financial statements:

i) Insurance and reinsurance contracts

Management applies judgement to assess whether facts and circumstances indicate whether a group of contracts is onerous at initial recognition or subsequently assesses whether facts and circumstances indicate any changes in the onerous group's profitability and whether any loss component remeasurement is required.

When measuring the liabilities for incurred claims, the Company includes an explicit risk adjustment for non-financial risk. Judgement is applied in determining the methods for estimating the risk adjustment for non-financial risk.

The Company's most significant area of estimation uncertainty is in relation to the estimation of future claims and benefit payments arise primarily from the severity and frequency of claims and uncertainties regarding future inflation rates.

ii) Impairment of financial assets

ECL methodology requires the Company to apply estimates and exercise judgement when calculating an impairment allowance for financial assets carried at amortised cost.

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.

v) Valuation method of pension schemes

Certain assumptions were used in the disclosure information on the schemes based on information provided by the management of the Company.

NOTES ON THE ACCOUNTS

(5) REVENUE AND EXPENSES BY REPORTING SEGMENT

The table below analyses the Company's revenue and results by reportable segment

For year ended 2025	Property G\$	Motor G\$	Accident & Liability G\$	Marine G\$	Total G\$
Insurance revenue	1,748,367,143	1,570,179,372	361,272,971	1,264,119	3,681,083,605
Insurance service expenses (note 6)	(585,382,343)	(1,114,788,923)	(123,525,095)	(633,648)	(1,824,330,009)
Net (expense) income from reinsurance contracts held (note 6)	(334,711,772)	(110,900,844)	(114,379,211)	—	(559,991,827)
Insurance service result	828,273,028	344,489,605	123,368,665	630,471	1,296,761,769
Net investment return (note 7)	115,497,497	107,813,910	9,371,957	126,655	232,810,019
Finance (expense) income from insurance contracts issued	4,193,819	5,040,964	(854,086)	—	8,380,697
Finance income (expense) from reinsurance contracts held	(634,558)	—	42,921	—	(591,637)
Net investment and net insurance finance result	119,056,758	112,854,874	8,560,792	126,655	240,599,079
Unallocated:					
Change in investment contract liabilities					(74,279,394)
Other operating expenses (note 6)					(577,946,628)
Other income					245,837
Income before taxation	947,329,786	457,344,479	131,929,457	757,126	885,380,663
Taxation					(411,505,489)
Net profit after taxation	947,329,786	457,344,479	131,929,457	757,126	473,875,174

NOTES ON THE ACCOUNTS

(5) REVENUE AND EXPENSES BY REPORTING SEGMENT — CONT'D

The table below analyses the Company's revenue and results by reportable segment

For year ended 2024	Property G\$	Motor G\$	Accident & Liability G\$	Marine G\$	Total G\$
Insurance revenue	1,814,032,864	1,629,508,147	176,242,960	7,621,730	3,627,405,701
Insurance service expenses (note 6)	(1,067,244,992)	(1,280,145,667)	(98,515,535)	(1,331,374)	(2,447,237,568)
Net (expense) income from reinsurance contracts held (note 6)	(217,037,347)	(268,318,128)	(34,486,599)	(1,554,032)	(521,396,106)
Insurance service result	529,750,525	81,044,352	43,240,826	4,736,324	658,772,027
Net investment return (note 7)	167,376,095	156,241,232	13,581,605	183,546	337,382,478
Finance (expense) income from insurance contracts issued	(3,692,578)	(1,988,915)	(627,182)	—	(6,308,675)
Finance income (expense) from reinsurance contracts held	—	371,068	85,238	—	456,306
Net investment and net insurance finance result	163,683,517	154,623,385	13,039,661	183,546	331,530,109
Unallocated:					
Change in investment contract liabilities					(38,727,260)
Other operating expenses (note 6)					(423,261,776)
Other income					5,420,610
Income before taxation	693,434,042	235,667,737	56,280,487	4,919,870	533,733,710
Taxation					(177,889,122)
Net profit after taxation	693,434,042	235,667,737	56,280,487	4,919,870	355,844,588

NOTES ON THE ACCOUNTS

	2025 G\$	2024 G\$
(6) EXPENSES BY NATURE		
Claims (gross)	667,737,731	1,469,430,486
Adjustments to liabilities for incurred claims	53,758,660	(31,823,538)
Reinsurance premium ceded net of recoveries on incurred claims	547,834,553	509,429,672
Commissions and sales expenses	398,994,289	442,298,322
Salaries and other staff costs	588,330,294	482,519,756
Pension fund contribution	25,838,129	24,920,331
Lease interest cost	2,099,459	1,370,733
Withholding and other taxes	13,005,862	11,136,968
Management expenses:		
Operating expenses	541,834,135	404,906,231
Depreciation — property and equipment	71,857,283	48,790,468
Depreciation — right of use asset and intangible asset	25,094,133	4,024,216
Directors' emoluments (a)	19,052,130	16,075,441
Auditor's remuneration	6,831,806	8,816,363
Total expenditure	2,962,268,464	3,391,895,449
Represented by expenses included within the statement of profit or loss:		
Insurance service expenses	1,824,330,009	2,447,237,568
Net reinsurance expenses	559,991,827	521,396,106
Other operating expenses	577,946,628	423,261,776
Total expenditure	2,962,268,464	3,391,895,449
Note (a) Directors' emoluments		
Chairman — R. L. Singh	3,932,754	3,575,233
Directors — P. S. Fraser	1,964,328	1,785,744
— E. A. Luckhoo	1,964,328	1,785,744
— B. J. Harper	1,964,328	1,785,744
— G. E. Dean	1,964,328	1,785,744
— A. Carter-Sharma	1,964,328	1,785,744
— R. Sinclair	1,964,328	1,785,744
— Dr. R. Motilall (w.e.f May 2025)	1,369,080	—
Managing Director — R. St. P. Yee	1,964,328	1,785,744
	19,052,130	16,075,441
(7)(a) NET INVESTMENT AND NET INSURANCE FINANCE RESULT		
Interest income calculated using effective interest method:		
Fixed deposits and debt securities	38,425,968	157,697,145
Mortgages	451,660	709,542
Other loans	2,634,667	3,382,936
(Loss) gain on exchange	(16,001,412)	(10,491,346)
Dividend income		
Equity instruments designated at FVOCI	207,299,136	186,084,201
Net investment income	232,810,019	337,382,478
Net insurance financing result		
Insurance finance income (expense)	8,380,697	(6,308,675)
Reinsurance finance (expense) income	(591,637)	456,306
Net investment and net insurance finance result	240,599,079	331,530,109
Net fair value (losses) gains on equity instruments at FVOCI	502,489,586	(286,670,465)
Total net investment and net insurance finance result	743,088,665	44,859,646

NOTES ON THE ACCOUNTS

	2025 G\$	2024 G\$
(7)(b) OTHER INCOME		
Miscellaneous income	245,837	5,420,610
	<u>245,837</u>	<u>5,420,610</u>
(8) DIVIDENDS, BIENNIAL BONUS AND TRIENNIAL PROFIT		
Ordinary scrip dividend	30,000	30,000
Preferent scrip dividend	5,012	5,012
First preferred stock dividend	15,023	15,023
Triennial cash profit paid	74,207,909	38,430,357
Biennial bonus paid	21,450	246,868
	<u>74,279,394</u>	<u>38,727,260</u>
(9) TAXATION		
Reconciliation of tax expenses and accounting profit		
Accounting profit	885,380,663	533,733,710
Corporation tax at (40%)	354,152,265	213,493,484
Add:		
Tax effect of expenses not deductible in determining taxable profits:		
Depreciation for accounting purposes	45,348,116	32,482,197
Property tax	3,997,439	38,087,068
	<u>403,497,820</u>	<u>284,062,749</u>
Deduct:		
Tax effect of depreciation for tax purposes	(31,701,851)	(9,612,223)
	<u>371,795,969</u>	<u>274,450,526</u>
Adjustment / set off / effects of varying tax rates	39,709,520	(96,561,404)
	<u>411,505,489</u>	<u>177,889,122</u>
Corporation tax (28% — 40%)	276,915,575	177,667,338
Deferred tax (note 16)	134,589,914	221,784
	<u>411,505,489</u>	<u>177,889,122</u>

Taxation provisions are made in accordance with the tax administration laws of the various countries in which the Company operates, namely - Guyana, St. Lucia and Grenada.

NOTES ON THE ACCOUNTS

	2025 G\$	2024 G\$
(10) TRANSFER TO INVESTMENT RESERVE		
By-Law 19 of the Company's Ordinance provides that in any year, the Directors may transfer from the interest account to the investment reserve account, an amount to provide for the past losses or future possible losses on investments or depreciation thereof.	4,588,293	3,264,703
(11) INTEREST		
Ordinary scrip	30,001	30,001
Preferent scrip	5,012	5,012
First preferred stock	15,023	15,023
Reserves	64,049,618	62,255,209
	64,099,654	62,305,245
(12) TRANSFER FROM PREMIUMS ON WITH PROFIT POLICIES		
Policies entitled to profit Dec 2023	—	33,731,675
Policies entitled to profit Dec 2024	23,583,682	36,817,491
Policies entitled to profit Dec 2025	31,478,705	36,328,090
Policies entitled to profit Dec 2026	37,674,947	—
	92,737,334	106,877,256
(13) TRANSFER TO PROFIT OR LOSS (ANNUAL) ACCOUNT on policies entitled to profit at December 2025		
As at 31 Dec 2022	—	81,216,386
As at 31 Dec 2023	(13,463,817)	13,463,817
As at 31 Dec 2024	33,731,675	(33,731,675)
As at 31 Dec 2025	37,429,110	—
	57,696,968	60,948,528

NOTES ON THE ACCOUNTS

(14)a PROPERTY AND EQUIPMENT

	Land	Buildings	Furniture, computer and other equipment	Motor vehicles	Total
	G \$	G \$	G \$	G \$	G \$
Cost/valuation					
At 1 January 2024	693,500,000	566,965,243	650,103,184	65,221,589	1,975,790,016
Additions	—	—	21,544,975	7,560,000	29,104,975
At 31 December 2024	693,500,000	566,965,243	671,648,159	72,781,589	2,004,894,991
Additions	—	—	229,154,150	33,834,235	262,988,385
Disposals	—	—	(128,273,948)	—	(128,273,948)
Revaluation	252,960,000	779,730,894	—	—	1,032,690,894
At 31 December 2025	946,460,000	1,346,696,137	772,528,361	106,615,824	3,172,300,322
Comprising:					
Cost	43,678,282	239,248,513	772,528,361	106,615,824	1,162,070,980
Valuation	902,781,718	1,107,447,624	—	—	2,010,229,342
	946,460,000	1,346,696,137	772,528,361	106,615,824	3,172,300,322
Depreciation:					
At 1 January 2024	—	69,697,684	401,017,889	33,408,733	504,124,306
Charge for the year	—	9,801,743	12,293,664	6,362,574	28,457,981
At 31 December 2024	—	79,499,427	413,311,553	39,771,307	532,582,287
Charge for the year	—	20,815,159	36,948,445	14,093,680	71,857,284
At 31 December 2025	—	100,314,586	450,259,998	53,864,987	604,439,571
Net book values:					
At 31 December 2024	693,500,000	487,465,816	258,336,606	33,010,282	1,472,312,704
At 31 December 2025	946,460,000	1,246,381,551	322,268,363	52,750,837	2,567,860,751

NOTES ON THE ACCOUNTS

	2025 G\$
(14)b INTANGIBLE ASSET	
Cost/valuation	
At 1 January 2025	—
Additions	492,566,212
At December 2025	
Depreciation:	
At January 2025	—
Change for the year	16,418,874
At December 2025	16,418,874
Net book value:	
At 31 December 2025	476,147,338

	2025 G\$	2024 G\$
(15) LEASES		
(a) Right of use asset		
The statement of financial position shows the following amounts relating to leases:		
Buildings		
Gross carrying amount:		
At 1 January	30,827,033	26,262,885
Additions	—	30,827,033
Disposal	—	(26,262,885)
At 31 December	30,827,033	30,827,033
Depreciation:		
At 1 January	2,727,262	24,965,931
Change for the year	8,841,350	4,024,216
Disposals	—	(26,262,885)
At December	11,568,612	2,727,262
Net carrying amount:		
At 31 December	19,258,421	28,099,771

NOTES ON THE ACCOUNTS

(15) LEASES — CONT'D

	2025 G\$	2024 G\$
(b) Lease liabilities		
Current	12,768,568	4,556,485
Non-current	6,489,853	25,678,719
	<u>19,258,421</u>	<u>30,235,204</u>
(c) Amounts recognised in the statement of profit or loss related to leases:		
Depreciation of right of use asset	<u>25,094,133</u>	<u>4,024,216</u>
Lease interest cost	<u>2,099,459</u>	<u>1,370,733</u>
(d) Total cash outflows for leases in 2025 were \$10,774,718 (2024 \$5,394,949).		
(e) The Company's leasing activities and how they are accounted for:		
(i) The Company leases various offices with lease contracts typically made for a period of three (3) to five (5) years that include extension and termination options. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. The lease agreements do not impose any covenants. Lease assets may not be used for borrowing purposes.		
(ii) Leases are recognised as right of use assets and a corresponding lease liability at the date at which lease asset is available to the Company. At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using an incremental borrowing rate of 8%.		
(iii) The Company depreciates the right of use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The Company also assesses the right of use asset for impairment when such indicators exist.		
(iv) Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed) and variable payments based on a rate of 3%, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.		
(v) Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right of use asset, or profit or loss if the right of use asset is already reduced to zero.		
(vi) For leases with a remaining lease term of less than twelve months, the Company has applies the short-term lease recognition exemption and recognises lease payments as an expense on a straight line basis over the remaining lease term.		

NOTES ON THE ACCOUNTS

(16) DEFERRED TAX

Recognised deferred tax assets/liabilities are attributed to the following items:

Deferred tax liabilities

Property and equipment, revaluation	639,545,716	343,362,217
Property and equipment, timing difference	330,533,449	160,544,169
Intangible assets	18,060,761	—
Right of use assets	7,251,023	—
Retirement benefit assets	68,620,852	65,925,909
	<u>1,064,011,801</u>	<u>569,832,295</u>

Deferred tax assets

Retirement benefit obligations	23,487,029	45,251,482
Accumulated tax losses	143,714,033	79,271,133
Lease liabilities	(3,303,054)	12,094,082
	<u>163,898,008</u>	<u>136,616,697</u>

Movement in temporary differences

Deferred tax liabilities	Property and equipment revaluation G\$	Property and equipment timing difference G\$	Intangible asset G\$	Right of use assets G\$	Retirement benefit assets G\$	Total G\$
At 1 January, 2024	391,183,379	150,509,026	—	—	103,711,927	645,404,332
Movement during the year:-						
Statement of profit or loss	—	10,035,143	—	—	16,119,902	26,155,045
Statement of other comprehensive income	(47,821,162)	—	—	—	(53,905,920)	(101,727,082)
At 31 December, 2024	<u>343,362,217</u>	<u>160,544,169</u>	<u>—</u>	<u>—</u>	<u>65,925,909</u>	<u>569,832,295</u>
Movement during the year:-						
Statement of profit or loss	—	169,989,280	18,060,761	7,251,023	(4,977,498)	190,323,566
Statement of other comprehensive income	296,183,499	—	—	—	7,672,441	303,855,940
At 31 December, 2025	<u>639,545,716</u>	<u>330,533,449</u>	<u>18,060,761</u>	<u>7,251,023</u>	<u>68,620,852</u>	<u>1,064,011,801</u>

Deferred tax assets

	Lease Liabilities G\$	Accumulated tax losses G\$	Retirement benefit obligations G\$	Total G\$
At 1 January, 2024	—	47,022,910	45,061,595	92,084,505
Movement during the year:-				
Statement of profit or loss	—	32,348,223	(6,314,962)	26,033,261
Statement of other comprehensive income	12,094,082	—	6,404,849	18,498,931
At 31 December, 2024	<u>12,094,082</u>	<u>79,371,133</u>	<u>45,151,482</u>	<u>136,616,697</u>
Movement during the year:-				
Statement of profit or loss	(15,397,136)	64,342,900	6,787,888	55,733,652
Statement of other comprehensive income	—	—	(28,452,341)	(28,452,341)
At 31 December, 2025	<u>(3,303,054)</u>	<u>143,714,033</u>	<u>23,487,029</u>	<u>163,898,008</u>

NOTES ON THE ACCOUNTS

(16) DEFERRED TAX — CONT'D

Net movements for the year	2025 G\$	2024 G\$
Movements in deferred tax liabilities	(494,179,506)	75,572,037
Movements in deferred tax assets	27,281,311	44,532,192
Net movements for the year	(466,898,195)	120,104,229
Movements through the profit or loss account	134,589,914	221,784
Movements through statement of other comprehensive income	332,308,281	(120,326,013)
	466,898,195	(120,104,229)

(17) INVESTMENTS AND FAIR VALUE HIERARACHY ANALYSIS

Accounting classifications and fair value hierarchy of financial instruments

The following table shows the carrying amount and fair value of financial assets, including their fair value hierarchy, and financial liabilities, by measurement category.

		2025		2024	
		G\$	Fair value hierarchy level	G\$	Fair value hierarchy level
(a) Debit securities measured at amortised cost					
	Rate of interest %				
Treasury Bills					
Government of St. Lucia Treasury Bills	4.50 - 7.00	283,642,105	2	337,063,151	2
Government of Grenada Treasury Bills	3.00 - 5.00	104,300,814	2	104,300,814	2
		387,942,919		441,363,965	
Bonds					
Government of Grenada Bond		—		—	
Government of St. Vincent Bond	7.00	28,600,000	2	28,600,000	2
Government of St. Lucia Bonds	4.00 - 6.50	395,492,043	2	623,647,687	2
Total Bonds		424,092,043		652,247,687	
Total carrying amount and fair value		812,034,962		1,093,611,652	
(b) Other financial assets measured at amortised cost					
— Mortgages		7,405,041	2	12,980,491	2
Total carrying amount and fair value		7,405,041		12,980,491	
(c) Equity investments measured at FVOCI					
Equity investments in Guyana		10,705,526,544	1	10,203,036,958	1
Equity investments in the Eastern Caribbean		5,187,352	2	5,017,329	2
Total carrying amount and fair value		10,710,713,896		10,208,054,287	

The carrying amount of remaining short-term financial instruments not measured at fair value is a reasonable approximation of their fair value.

NOTES ON THE ACCOUNTS

(17) INVESTMENTS AND FAIR VALUE HIERARACHY ANALYSIS — CONT'D

(d) (i) Assets carried at fair values

Property and equipment	2025 G\$	2024 G\$
Net book value	<u>2,567,860,751</u>	<u>1,472,312,704</u>

On December 31, 2025, the Company's land and buildings in Guyana were professionally revalued by an independent Valuator resulting in an increase in the revaluation surplus for the year net of deferred tax of G\$731,529,897 and was recognised through other comprehensive income for that year 2025. The revaluation surplus at the end of the year (net of deferred tax) of \$10,250,680,319 is being held in revaluation reserve.

On December 31, 2019, 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 resulting in an increase in the revaluation surplus for the year net of deferred tax of G\$43,080,000 and was recognised through other comprehensive income for that year 2023. The revaluation surplus at the end of the year (net of deferred tax) of \$1,290,965,936 (2024-\$559,436,039) is being held in revaluation reserve.

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 were done, the net book value of land and buildings would have been approximately G\$182,612,209 (2024 — G\$203,427,358).

(ii) Valuation techniques and assumptions applied for the purposes of measuring fair values

For disclosure purposes, fair value measurements are classified as level 1, 2 or 3 based on the degree to which fair value is observable:

Level 1 financial assets are measured in whole or in part by reference to published quotes in an active market. In an active market quoted prices are readily and regularly available from an exchange, broker, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis.

Level 2 financial assets and liabilities are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. These are financial assets with fair values based on broker quotes.

The Company holds no level 3 investments.

The fair values of assets are determined as follows:

Debt securities

Debt securities are valued via independent external sources using directly observable inputs to models or other valuation methods. The valuation methods used are typically of an industry accepted standard and include broker- dealer quotes.

Equity investments

Equity securities are valued based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Where an active market does not exist equities are measured using comparable company valuation multiples.

Mortgages and loans

The fair value of mortgages and loans is determined by discounting the expected future contractual cash flows using a current market interest rate applicable to financial instruments with a similar yield, credit quality, and maturity characteristics. Mortgages are secured against the borrowers' properties.

NOTES ON THE ACCOUNTS

(18) DEFINED BENEFIT ASSETS / OBLIGATIONS

The last actuarial valuations of the plans' assets and the present value of the defined benefit obligations for the sales representatives and the administrative staff were carried out as at January 1, 2023 for both plans by the Actuaries. The present value of the defined benefit obligations and the related current service cost to comply with IAS 19 were measured by the Actuaries as at December 31, 2025. The projected unit method was used as required by IAS 19.

	2025		2024	
	Sales reps. plan	Staff plan	Sales reps. plan	Staff plan
	G\$	G\$	G\$	G\$
Amounts recognised in the statement of financial position				
Fair value of plan assets	341,066,016	942,702,191	381,770,055	850,011,471
Present value of obligations	400,033,584	771,150,064	494,898,757	685,196,703
Fund status asset/(liability)	(58,967,568)	171,552,127	(113,128,702)	164,814,768
Net defined benefit asset/(liability)	(58,967,568)	171,552,127	(113,128,702)	164,814,768
Reconciliation of amounts recognised in the statement of financial position				
Opening benefit asset/(liability)	(113,128,702)	164,814,768	(112,653,982)	259,279,817
Net pension cost	(23,457,011)	(47,732,587)	(24,689,528)	10,519,293
Contributions paid	6,487,292	35,288,841	8,902,124	29,780,459
Re-measurements recognised in other comprehensive income	71,130,853	19,181,102	15,312,684	(134,764,801)
Closing defined benefit asset/(liability)	(58,967,568)	171,552,124	(113,128,702)	164,814,768
Plan assets at fair value				
At beginning of year	381,770,055	850,011,471	371,671,942	818,749,416
Actual return on plan assets	2,244,728	72,986,847	8,426,279	10,882,164
Employer contributions	6,487,292	35,288,841	8,902,124	29,780,459
Employee contributions	2,864,693	21,255,182	4,572,782	19,373,397
Benefit payments	(52,300,753)	(36,840,150)	(11,803,072)	(28,773,965)
	341,066,015	942,702,191	381,770,055	850,011,471
Benefit obligations				
At beginning of year	494,898,757	685,196,703	484,325,925	559,469,599
Current service cost	17,524,644	34,806,379	18,809,152	32,300,790
Interest cost	23,947,152	34,740,370	24,505,768	28,545,985
Employee contributions	2,864,693	21,255,182	4,572,782	19,373,397
Actuarial (gain) / loss	(86,900,909)	10,812,574	(25,511,798)	104,199,997
Benefit payments	(52,300,753)	(36,840,150)	(11,803,072)	(28,773,965)
Past service cost	—	21,179,008	—	(29,919,100)
	400,033,854	771,150,066	494,898,757	685,196,703

NOTES ON THE ACCOUNTS

(18) DEFINED BENEFIT ASSETS / OBLIGATIONS — CONT'D

The major categories of plan assets are as follows:

	2025		2024	
	Sales reps. plan	Staff plan	Sales reps. plan	Staff plan
	G\$	G\$	G\$	G\$
Cash	74,462,891	95,975,602	83,298,454	56,086,141
Investments	674,846,189	664,425,968	674,846,190	604,671,280
Related party receivables	—	191,819,070	—	191,354,918
Current liabilities	—	(9,518,449)	(41,302,944)	(2,100,868)
	<u>749,309,080</u>	<u>942,702,191</u>	<u>716,841,700</u>	<u>850,011,471</u>

Principal actuarial assumptions at the
statement of financial position date

Assumed discount rate	5.00%	5.00%	5.00%	5.00%
Future promotional salary increases	2.00%	2.00%	2.00%	2.00%
Future inflationary salary increases	3.00%	3.00%	3.00%	3.00%
Expected rate of future pension increases	2.00%	2.00%	2.00%	2.00%

Summary of movements in plans' assets and liabilities

	2025	2024
	G\$	G\$
Opening value of plans' assets	164,814,768	259,279,817
Opening value of plans' liabilities	(113,128,702)	(112,653,983)
Closing value of plans' assets	171,552,127	164,814,768
Closing value of plans' liabilities	(58,967,568)	(113,128,702)
Net movements for the year	60,898,493	(94,939,768)
Recognised through the statement of profit or loss account (note a)	(29,413,462)	24,512,349
Recognised in other comprehensive income (note b)	90,311,955	(119,452,117)
	<u>60,898,493</u>	<u>(94,939,768)</u>
(a) The amounts recognised in the statement of profit or loss are included in salaries and other staff costs.		
(b) Amounts recognised in other comprehensive income net of 40% deferred tax.	<u>54,187,173</u>	<u>(71,671,270)</u>

NOTES ON THE ACCOUNTS

(19) REINSURANCE CONTRACT ASSETS HELD

Reininsurance Contract Roll-Forward by Type

The tables below present a roll-forward of the carrying amounts of reinsurance contracts held showing assets for remaining coverage and assets for incurred claims measured using the PAA.

	Assets for remaining Excluding loss component	Assets for incurred claims Estimate of present value of future cash flows	Risk adjustment	Total
	G\$	G\$	G\$	G\$
For year ended 31 December 2025				
Reininsurance contract assets at beginning of year	22,504,439	297,098,260	7,938,612	327,541,311
Allocation of reinsurance premiums	(664,950,244)	—	—	(664,950,244)
Recoveries of incurred claims	—	107,076,247	6,808,653	113,884,900
Changes in asset for incurred claims	—	(1,018,673)	(7,907,810)	(8,926,483)
<i>Net (expense) income from reinsurance contracts held</i>	(664,950,244)	106,057,574	(1,099,157)	(559,991,827)
Reinsurance finance expenses	—	(552,707)	(38,930)	(591,637)
Total changes in the statement of profit or loss	(664,950,244)	105,504,867	(1,138,087)	(560,583,464)
<i>Cash flows</i>				
Premium paid net of commission income and other directly attributable expenses paid	724,925,219	—	—	724,925,219
Amounts recovered	—	(195,597,082)	—	(195,597,082)
Total cash flows	724,925,219	(195,597,082)	—	529,328,137
Reinsurance contract assets at end of year	82,479,414	207,006,045	6,800,525	296,285,984
For year ended 31 December 2024				
Reininsurance contract assets at beginning of year	38,462,293	165,750,320	3,337,060	207,549,673
Allocation of reinsurance premiums	(782,802,326)	—	—	(782,802,326)
Recoveries of incurred claims	—	294,802,103	7,810,830	302,612,933
Changes in asset for incurred claims	—	(37,916,372)	(3,290,341)	(41,206,713)
<i>Net (expense) income from reinsurance contracts held</i>	(782,802,326)	256,885,731	4,520,489	(521,396,106)
Reinsurance finance income (expenses)	—	375,243	81,063	456,306
Total changes in the statement of profit or loss	(782,802,326)	257,260,974	4,601,552	(520,939,800)
<i>Cash flows</i>				
Premium paid net of commission income and other directly attributable expenses paid	766,844,472	—	—	766,844,472
Amounts recovered	—	(125,913,034)	—	(125,913,034)
Total cash flows	766,844,472	(125,913,034)	—	640,931,438
Reinsurance contract assets at end of year	22,504,439	297,098,260	7,938,612	327,541,311

NOTES ON THE ACCOUNTS

		2025 G\$	2024 G\$
(20) INTEREST ACCRUED			
Fixed deposits		8,449,680	50,477,896
Bonds and debentures		13,535,788	19,697,438
Treasury bills		24,506,591	25,436,701
		<u>46,492,059</u>	<u>95,612,035</u>
(21) RECEIVABLES AND PREPAYMENTS			
Receivables		587,047,623	283,334,324
Less: ECL allowance		(18,150,506)	(18,150,506)
		<u>568,897,117</u>	<u>265,183,818</u>
Prepayments		28,053,047	17,893,670
		<u>596,950,164</u>	<u>283,077,488</u>
Receivables comprise of staff loans and other sundry receivables while prepayments consists of securities deposits			
(22) STATUTORY DEPOSITS			
Deposits at amortised cost		<u>891,059,592</u>	<u>889,656,389</u>
These are deposits with Insurance Regulators and with financial institutions held in trust to the order of the relevant Insurance Regulators.			
(23) CASH ON DEPOSIT	Average rate of interest %		
Non Statutory Short term deposit accounts	0.00	544,226,181	1,092,400,317
Statutory Fixed deposits	0.01	380,306,856	379,103,063
Non Statutory Fixed deposits	0.63	857,762,449	375,149,299
		<u>1,782,295,486</u>	<u>1,846,652,679</u>
(24) CASH AT BANK AND CASH ON HAND			
Cash at Bank		1,038,743,759	588,935,153
Cash on Hand and in transit		42,522,450	24,421,995
		<u>1,081,266,209</u>	<u>613,357,148</u>

NOTES ON THE ACCOUNTS

	2025 G\$	2024 G\$
(25) SCRIP AND STOCK CAPITAL		
Ordinary scrip	600,000	600,000
Preferent scrip	100,000	100,000
First preferred stock	300,000	300,000
	<u>1,000,000</u>	<u>1,000,000</u>

These represent the stock capital of the Company. These are not available for payment of any expenses or claims incurred by the Company until all other funds are exhausted. Stockholders are entitled to be paid interest in accordance with the Company's Ordinance. Stock and scrip do not carry voting rights and dividends are paid at the average rate of interest that is declared by the Company each year.

	2025 G\$	2024 G\$
(26) PREMIUM CAPITAL		
Policies entitled to profit Dec 2025	—	104,929,206
Policies entitled to profit Dec 2026	80,574,513	48,796,534
Policies entitled to profit Dec 2027	42,416,185	—
Total	<u>122,990,698</u>	<u>153,725,740</u>

This represents premiums on with-profit policies entitled to cash profit.

(27) INVESTMENT RESERVE		
Balance at 1 January	<u>9,748,190,733</u>	<u>10,034,861,198</u>
Movement in reserves for the year:		
Net fair value (losses) / gain on equity instruments at FVOCI	502,489,585	(289,935,168)
Transfer (from) to investment reserve	—	3,264,703
Net movements in investment reserve for the year	<u>502,489,585</u>	<u>(286,670,465)</u>
Balance at 31 December	<u>10,250,680,318</u>	<u>9,748,190,733</u>

This represents accumulated change in fair value of equity investments and transfers in accordance with By-Law 19 of the Company's Ordinance as per note 11.

NOTES ON THE ACCOUNTS

	2025 G\$	2024 G\$
(28) OTHER RESERVES		
General reserve	4,868,794,514	4,309,997,125
This represents retained earnings.		
(29) DIVIDENDS, BIENNIAL BONUS AND TRIENNIAL PROFIT RESERVE		
Ordinary scrip dividend	30,000	30,000
Preferent scrip dividend	5,000	5,000
First preferred stock dividend	15,000	15,000
Triennial cash profit	37,340,938	37,340,938
Biennial bonus	273,968	273,968
	<u>37,664,906</u>	<u>37,664,906</u>
(30) INVESTMENT CONTRACT LIABILITIES		
Represented by:		
Ordinary scrip dividend	165,748	165,748
Preferent scrip dividend	29,053	29,053
First preferred stock dividend	78,091	78,091
Triennial cash profit	13,894,357	13,894,357
As at 1 January	<u>14,167,249</u>	<u>14,167,249</u>
Amount paid / payable	(2,919,862)	1,602,743
Measurement changes	246,868	48,859
As at 31 December	<u>11,494,255</u>	<u>15,818,851</u>
Represented by:		
Ordinary scrip dividend	204,923	204,923
Preferent scrip dividend	32,128	32,128
First preferred stock dividend	84,700	84,700
Triennial cash profit	11,172,504	15,498,100
Total	<u>11,494,255</u>	<u>15,818,851</u>

These liabilities represent unclaimed dividends and triennial profit.

NOTES ON THE ACCOUNTS

(31) INSURANCE CONTRACT LIABILITIES

Insurance Contract Roll-Forward by Type

The tables below present a roll-forward of the carrying amounts of insurance contracts issued showing liabilities for remaining coverage and liabilities for incurred claims measured using the PAA.

	Liability for remaining Excluding loss component	Liability for incurred claims Estimate of present value of future cash flows	Risk adjustment	Total
	G\$	G\$	G\$	G\$
For year ended 31 December 2025				
Insurance contract Liabilities at beginning of year	1,248,817,567	866,145,358	37,331,456	2,152,294,381
Insurance revenue	(3,681,083,605)	—	—	(3,681,083,605)
Insurance service expenses				
Incurred claims and other expense	—	965,345,970	37,832,939	1,003,178,909
Insurance acquisition cash flows	767,392,440	—	—	767,392,440
Adjustments to liabilities for incurred claims	—	48,393,225	5,365,435	53,758,660
Insurance service result before reinsurance	(2,913,691,165)	1,013,739,195	43,198,374	(1,856,753,596)
Insurance finance (income) expenses	—	(8,247,968)	(132,730)	(8,380,698)
Total changes in the statement of profit or loss	(2,913,691,165)	1,005,491,227	43,065,644	(1,865,134,294)
Cash flows				
Premiums received, net of acquisition cash flows	2,910,584,645	—	—	2,910,584,645
Claims and other insurance service expense paid	—	(1,302,090,534)	—	(1,302,090,534)
Total cash flows	2,910,584,645	(1,302,090,534)	—	1,608,494,111
Insurance contract Liabilities at end of year	1,245,711,047	569,546,051	80,397,100	1,895,654,198
For year ended 31 December 2024				
Insurance contract Liabilities at beginning of year	1,196,989,894	895,838,505	37,124,556	2,129,952,955
Insurance revenue	(3,627,405,701)	—	—	(3,627,405,701)
Insurance service expenses				
Incurred claims and other expense	—	1,729,907,658	34,545,623	1,764,453,281
Insurance acquisition cash flows	725,744,792	—	—	725,744,792
Adjustments to liabilities for incurred claims	—	(7,198,422)	(35,762,085)	(42,960,507)
Insurance service result before reinsurance	(2,901,660,909)	1,722,709,236	(1,216,462)	(1,180,168,135)
Insurance finance (income) expenses	—	4,885,311	1,423,362	6,308,673
Total changes in the statement of profit or loss	(2,901,660,909)	1,727,594,547	206,900	(1,173,859,462)
Cash flows				
Premiums received, net of acquisition cash flows	2,953,488,582	—	—	2,953,488,582
Claims and other insurance service expense paid	—	(1,757,287,694)	—	(1,757,287,694)
Total cash flows	2,953,488,582	(1,757,287,694)	—	1,196,200,888
Insurance contract Liabilities at end of year	1,248,817,567	866,145,358	37,331,456	2,152,294,381

There were no loss components recognised.

NOTES ON THE ACCOUNTS

	2025 G\$	2024 G\$
(32) PENSION RESERVE		
At 1 January	16,561,482	17,811,185
Movements for the year	(1,249,734)	(1,249,703)
At 31 December	<u>15,311,748</u>	<u>16,561,482</u>
This is a reserve created to provide for directors' pensions.		
(33) RELATED PARTY RECEIVABLE / (PAYABLE)		
This amount represents the net balance due from GTM Life Insurance Company Limited for shared costs and inter company transactions.	<u>455,967,742</u>	<u>727,688,139</u>
(34) TAXATION PAYABLE / (RECOVERABLE)		
Taxation payable	<u>159,368,866</u>	<u>260,309,532</u>
Taxation recoverable	<u>(98,485,306)</u>	<u>(231,854,568)</u>
Taxes recoverable arise when advance payments on corporation taxes exceed the tax assessed for the year. Taxes payable and recoverable are disclosed separately, as the Company does not have a legally enforceable right to offset them.		
(35) PAYABLES AND ACCRUALS		
Sundry payables	87,355,725	61,976,540
Accruals	294,154,132	101,758,597
	<u>381,509,857</u>	<u>163,735,137</u>
(36) CONTINGENT LIABILITIES		
There are several pending litigation matters as at the date of the financial statements. The outcome of these matters cannot be determined at this stage.		

NOTES ON THE ACCOUNTS

(37) RELATED PARTY TRANSACTIONS

(a) Transactions with related Company

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 Life Insurance Company Limited. 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.

Transactions with related company

	2025 G\$	2024 G\$
Costs incurred and shared by The Guyana and Trinidad Mutual Life Insurance Company Limited for the year.	255,407,035	175,385,951
Costs incurred and shared with The Guyana and Trinidad Mutual Life Insurance Company Limited for the year.	123,934,686	138,095,436
Net balance due to The Guyana and Trinidad Mutual Life Insurance Company Limited for shared costs.	649,030,799	338,883,113
Net balance due from The Guyana and Trinidad Mutual Life Insurance Company Limited for shared costs.	455,967,742	1,066,571,252
The fixed assets of The Guyana and Trinidad Mutual Life Insurance Company Limited are insured with this Company.		
Insurance coverage	1,185,962,408	1,104,097,522
Premiums for the year	7,581,722	7,581,722
Investment in The Guyana and Trinidad Mutual Fire Insurance Company Limited	100,000	100,000

(b) Key management personnel

(i) Compensation

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

Short term benefits	57,504,000	54,112,800
(ii) Directors' emoluments	19,052,130	16,071,620

NOTES ON THE ACCOUNTS

(38) 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 fair value of the Company's investment portfolio will fluctuate because of changes in market prices (other than those arising from interest rate or currency risk), whether those changes are caused by factors specific to the individual investment or other market factors. The Company's price risk exposure primarily relates to equity investments at FVOCI. Management continually identifies the risk and diversifies the portfolio in order to minimise the risk.

A 5% asset price decrease at 31 December 2025 would reduce the value of our equity investments by approximately \$458,890,847 (31 December 2024 – \$510,394,213).

ii) Interest rate risk

The Company's exposure to interest rate and spread risk arises from measurement of the LIC and AIC, fixed rate debt securities and cash deposits and the employee benefit plan. A decline in interest rates or narrowing spreads can result in compression of the net spread between interest earned on investments. In contrast, increases in interest rates or a widening of credit spreads can reduce market values of fixed income assets, which may lead to lower capital or losses in the event of the liquidation of assets prior to maturity.

Sensitivity analysis

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 asset-liability strategies to limit any adverse effects. The sensitivity of the price of fixed rate securities to movements in interest rates is indicated by their duration. The greater a security's duration, the greater its price volatility to movements in interest rates. The sensitivity of the Company's interest rate risk to interest rate movements is detailed below, assuming linear movements in interest rates.

A positive number indicates an increase in surplus before taxation 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 before taxation and the balances would be negative.

	Increase/ decrease in basis points	Impact on surplus	
		2025	2024
		G\$M	G\$M
Cash deposits	+/-50	8.91	9.23
Fixed rate debt securities	+/-50	4.06	5.47
Mortgages and loans	+/-50	0.04	0.07

NOTES ON THE ACCOUNTS

(39) FINANCIAL RISK MANAGEMENT — CONT'D

(a) Market risk - cont'd

(iii) Currency risk

The Company is exposed to currency risk by holding investments, reinsurance contract assets and other monetary assets and by underwriting and incurring liabilities in currencies other than the currency of the primary environment in which the operating segments operate and the Company is exposed to fluctuations in foreign exchange rates that can impact both its profitability and the reported value of such assets and liabilities. The currencies which the Company is mainly exposed to are Pounds Sterling, United States, Eastern Caribbean and Trinidad & Tobago dollars.

	2025			Total G\$ equivalent
	US\$	EC\$	TT\$	
Assets	4,760,789	21,967,383	660,231	2,599,768,282
Liabilities	—	7,391,633	—	528,501,760

	2024			Total G\$ equivalent
	US\$	EC\$	TT\$	
Assets	3,149,697	23,525,212	660,231	2,369,399,327
Liabilities	—	5,538,596	—	396,009,614

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 includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for 3% change in foreign currency rate. 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 reserves and the balances would be negative.

	US Dollar impact G\$M	EC Dollar impact G\$M	TT Dollar impact G\$M	Total G\$M equivalent
2025 Profit	30.3	31.3	0.6	62.1
2024 Profit	148.9	38.6	0.6	188.1

NOTES ON THE ACCOUNTS

(39) 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 or expected maturity profile based on undiscounted cash flow of its financial assets, reinsurance contract assets' AIC, insurance contract liabilities' LIC and financial liabilities.

	No specified Maturity	1 to 3 months	4 to 12 months	1 to 5 years	Over 5 years	Total
	G\$	G\$	G\$	G\$	G\$	G\$
2025						
Assets						
Debt securities	—	—	—	830,568,126	—	830,568,126
Mortgages and loans	—	74,050	222,151	2,295,563	4,813,277	7,405,041
Equity securities	10,710,713,896	—	—	—	—	10,710,713,896
Statutory deposits	—	—	—	891,059,592	—	891,059,592
Interest accrued	—	46,492,059	—	—	—	46,492,059
Receivables and prepayments	—	568,897,117	—	—	—	568,897,117
Related party receivable	—	182,387,097	273,580,645	—	—	455,967,742
Reinsurance contract assets	—	45,541,330	136,623,990	27,252,351	—	209,417,671
Cash on deposit	—	1,782,295,486	—	—	—	1,782,295,486
Cash at bank	1,038,743,759	—	—	—	—	1,038,743,759
Cash on hand and in transit	42,522,450	—	—	—	—	42,522,450
Total	11,791,780,105	2,625,687,139	410,426,786	1,751,175,632	4,813,277	16,584,082,939
Liabilities						
Insurance contract liabilities	—	125,300,131	375,900,394	85,347,643	—	586,548,168
Pension reserve	15,311,748	—	—	—	—	15,311,748
Investment contract liabilities	11,494,255	—	—	—	—	11,494,255
Payables and accruals	381,509,857	—	—	—	—	381,509,857
Total	408,315,860	125,300,131	375,900,394	85,347,643	—	994,864,028

NOTES ON THE ACCOUNTS

(39) FINANCIAL RISK MANAGEMENT — CONT'D

(b) Liquidity risk - cont'd

	No specified maturity	1 to 3 months	4 to 12 months	1 to 5 years	Over 5 years	Total
	G\$	G\$	G\$	G\$	G\$	G\$
2024						
Assets						
Debt securities	—	71,500,000	500,965,450	546,006,510	—	1,118,471,960
Mortgages and loans	—	148,039	444,118	3,997,059	8,391,275	12,980,491
Equity securities	10,208,054,287	—	—	—	—	10,208,054,287
Statutory deposits	—	—	—	889,656,389	—	889,656,389
Interest accrued	—	93,731,188	75,124	1,805,723	—	95,612,035
Receivables and prepayments	—	265,183,818	—	—	—	265,183,818
Related party receivable	—	259,334,594	778,003,783	—	—	1,037,338,377
Reinsurance contract assets	—	52,734,941	158,204,824	87,978,415	—	298,918,180
Cash on deposit	—	1,662,729,118	183,923,560	—	—	1,846,652,678
Cash at bank	588,935,153	—	—	—	—	588,935,153
Cash on hand and in transit	24,421,995	—	—	—	—	24,421,995
Total	10,821,411,435	2,405,361,698	1,621,616,859	1,529,444,096	8,391,275	16,386,225,363
Liabilities						
Insurance contract liabilities	—	153,740,801	461,222,403	259,803,633	—	874,766,837
Pension reserve	16,561,482	—	—	—	—	16,561,482
Investment contract liabilities	15,818,851	—	—	—	—	15,818,851
Payables and accruals	163,735,137	—	—	—	—	163,735,137
Total	196,115,470	153,740,801	461,222,403	259,803,633	—	1,070,882,307

NOTES ON THE ACCOUNTS

(38) 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, debt securities, mortgages 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.

Impairment assessment of financial assets

The Company's impairment assessment and expected credit loss (ECL) methodology is set out below.

Expected credit loss

ECLs are calculated by considering the probability of default (PD), the loss given default (LGD) and the exposure at default (EAD). The PD is determined by reference to third party information on available companies, or using qualitative information available to the Company, and depends on whether a financial asset requires determination of a 12-month ECL or lifetime ECL. The LGD is determined with reference to any exposure reducing instruments such as collateral or liquid assets that the counterparty may have. The EAD is determined as the amount of the loan balance outstanding at the reporting date.

The Company assesses the possible default events within 12 months for the calculation of ECL for financial assets in stage 1 of the ECL. Lifetime ECL is required to be calculated for instruments in stages 2 or 3. In all instances, the expected loss given default is based on external historical data and on a broad range of forward-looking information as economic inputs, such as GDP growth and equity markets indexes.

Significant increase in credit risk and default

The Company continuously monitors all financial assets subject to ECLs. To determine whether an instrument or a portfolio of instruments is subject to 12-month ECL or lifetime ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition.

The Company considers that there has been a significant increase in credit risk when any contractual payments are more than 30 days past due. In addition, the Company also considers a variety of instances that may indicate unlikelihood to pay by assessing whether there has been a significant increase in credit risk. Such events include:

- The payment trends and internal rating of the counterparty indicating default or near-default;
- The counterparty (or any legal entity within the debtor's group) filing for bankruptcy protection; and
- The counterparty's listed debt suspended at the primary exchange because of facts about financial difficulties.

The Company considers a financial instrument credit impaired for ECL calculations in all cases when the counterparty becomes 90 days past due on its contractual payments. The Company may also consider an instrument to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full. In such cases, the Company recognises a lifetime ECL.

NOTES ON THE ACCOUNTS

(38) FINANCIAL RISK MANAGEMENT — CONT'D

(c) Credit risk - cont'd

Impairment assessment of financial assets — cont'd

The Company applies the simplified approach to measuring ECL which uses a lifetime ECL for receivables, cash and cash equivalents held at amortised cost and are short-term in nature. To measure the lifetime ECL, receivables and other assets have been grouped based on shared credit risk characteristics. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability to settle receivables. Estimates of fulfilment cash flows of reinsurance contract assets and insurance contract liabilities reflect conditions existing at the measurement date, including, where appropriate, adjustments for the risk of non-performance of reinsurers and expected credit losses on premiums due from policyholders and intermediaries.

Amounts arising from expected credit loss: financial investments measured at amortised cost

The following table sets out information about the credit quality of the financial investments measured at amortised cost and subject to IFRS 9's general model. These financial assets include debt securities, mortgages and loans and are segmented into three stages of credit impairment:

Stage 1 - no significant increase in credit risk since inception;

Stage 2 - significant increase in credit risk since inception;

Stage 3 - asset is impaired.

	Gross carrying amount	ECL	Net carrying amount
	G\$	G\$	G\$
As at 31 December 2025			
Stage 1			
<i>Investment grade</i>			
Debt securities	812,034,962	—	812,034,962
Stage 1			
<i>Not rated</i>			
Mortgages	7,405,041	—	7,405,041
Other receivables	587,047,623	(18,150,506)	568,897,117
	594,452,664	(18,150,506)	576,302,158
	1,406,487,626	(18,150,506)	1,388,337,120

NOTES ON THE ACCOUNTS

(38) FINANCIAL RISK MANAGEMENT — CONT'D

(c) Credit risk - cont'd

Impairment assessment of financial assets — cont'd

	Gross carrying amount	ECL	Net carrying amount
	G\$	G\$	G\$
As at 31 December 2024			
Stage 1			
<i>Investment grade</i>			
Debt securities	1,086,461,652	—	1,086,461,652
Stage 1			
<i>Not rated</i>			
Debt securities	7,150,000	—	7,150,000
Mortgages	12,980,491	—	12,980,491
Other receivables	283,334,324	(18,150,506)	265,183,818
	303,464,815	(18,150,506)	285,314,309
	1,389,926,467	(18,150,506)	1,371,775,961

For assets in stage 1, the allowance is calculated as the expected credit losses from events within 12 months after the reporting date. IFRS 9 provides a simplification where an entity may assume that the criterion for recognising lifetime ECL is not met if the credit risk on the financial instrument is low (investment grade) at the reporting date. The Company applied the low credit risk simplification to its investment grade assets, debt securities issued by the Government within Caricom.

Mortgages are secured against the borrowers' properties as at 31 December 2025 and 31 December 2024 property valuations were in excess of mortgage loan amounts. ECLs on mortgages and cash deposits have been determined to be immaterial as at 31 December 2025 and 31 December 2024.

Other receivables comprise a number of advances and loans to staff and sales representatives on which interest is earned. It also include amounts for securities pending redemption and amounts owing to the Company by other organisations. A provision for irrecoverable debts of \$18,150,506 was reflected as at December 31, 2025 (2024 - \$18,150,506).

Related party receivable represents net balance due from The Guyana and Trinidad Mutual Life Insurance Company Limited as shared costs. The Company has a sound capital base management continuously monitors this account.

NOTES ON THE ACCOUNTS

(39) INSURANCE RISK

The principal risks that the Company faces under its insurance contracts are that actual claims are greater than estimates, actual claims are not adequately mitigated by reinsurance, and that total claims from the portfolio of contracts exceed the estimate used in pricing those contracts. The risks and mitigating factors are discussed below.

Risk management objectives and policies

The Company mitigates its risks by engaging in both facultative reinsurance and excess of loss reinsurance treaties. Reinsurance coverage for perils and other risks excluded from the excess of loss treaty are facultatively reinsured on a yearly renewable basis. The Company also engages in redlining where it reserves the right to offer no coverage in specified geographic areas. The Company declines, rates up, applies excesses, accepts small participation or a combination of more than one of the preceding as part of its overall prudent underwriting principles.

Terms and conditions of insurance contracts

All insurance contracts issued by the Company include conditions aimed at protecting it. Some of these include stating assumed risks clearly (aimed at removing any ambiguity), inclusion of excess clauses, reserving the right to terminate the policy with notice, and clearly stating the maximum limit of any liability. The Company promises to settle claims as soon as possible, all consideration given to proper investigations to establish that the insured event and losses have occurred.

Concentration of insurance risk

Insurance risks are spread in a number of geographical areas across the four territories in which the Company operates.

The Company now includes additional elements such as the consideration of the cash flows within the contract boundary, discounting and the risk adjustment for non-financial risk calculation, in its valuation of insurance contract liabilities. This continues to be the largest area of estimation uncertainty. For all our contracts, uncertainty in the estimation of future claims arise primarily from the severity and frequency of claims and uncertainties regarding future inflation rates.

The Company estimates the ultimate costs of settling claims incurred but unpaid at the reporting date and the value of salvage and other expected recoveries by reviewing individual claims reported and making allowance for claims incurred but not yet reported. The ultimate cost of settling claims is estimated using a range of loss reserving techniques, leveraging the Company's historical experience and external benchmarks. The ultimate cost of settling claims is estimated separately for each class of business, except for large claims, which are assessed separately from other claims.

NOTES ON THE ACCOUNTS

(39) INSURANCE RISK — CONT'D

Discounting

The Company applies the bottom-up approach when deriving its discount rates for discounting the LIC and AIC. This approach requires the use of an appropriate (liquid) risk-free yield curve plus a specific illiquidity premium above the risk-free yield curve to represent the reduced liquidity of the insurance contract cashflows compared to the observable risk-free rates. The risk-free yields and illiquidity premium are derived using reference data supplied by third parties with management judgement applied where appropriate, in particular in the derivation of the illiquidity premium. The Company has elected to recognise changes in the effect of discounting as part of insurance finance income or expense in the statement of profit or loss. The following table provides a weighted average summary of the discount rates used to present value cash flows:

	Policy duration			
	1 year	2 years	3 years	5 years
As at 31 December 2025	4.54%	4.62%	4.99%	5.30%
As at 31 December 2024	3.81%	4.16%	4.46%	4.71%

Under the PAA, only the LIC component of the net liability on insurance contracts issued and the AIC component of the net asset on reinsurance contracts held is sensitive to possible changes in insurance risk and interest rate risk variables. The following table presents information on how reasonably possible changes in the yield curve made by the Company impact the valuation of the net insurance contract liabilities, profit before tax.

NOTES ON THE ACCOUNTS

(39) INSURANCE RISK — CONT'D

Risk adjustment

The risk adjustment is the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. It reflects an amount the Company would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount. Under the PAA, the risk adjustment for non-financial risk is limited to the LIC and the AIC.

The Company estimates the probability distribution of the expected present value of the future cash flows from the contracts at each reporting date and calculates the risk adjustment for non-financial risk as the excess of the value at risk at the target confidence level over the expected present value of the future cash flows allowing for the associated risks over all future years. The target confidence level is the 80th percentile for the liability for incurred claims.

The main assumptions underlying estimation of the risk adjustment are:

- Historical claims development can be used to generate the full range of potential outcomes; and
- Expert judgments to allow for the correlation between line of business and region.

Additional qualitative judgment is used to assess the extent to which there are events not included in the historical data.

The Company's insurance risk appetite and methods used to determine the risk adjustment for non-financial risk and resulting confidence level were not changed for the years ended 31 December 2023 and 2022.

Sensitivity analysis

The Company's profitability is sensitive to the flow of monies (1) inwards from policyholders; and (2) outwards to policyholders. If policyholders are unable to pay their premiums, the inflow of cash will be constrained. If claims are above anticipated averages, there will be strain on the Company's finances and it would have to seek alternative financing solutions. Its cash flow would therefore be affected negatively. The following table presents information on how reasonably possible changes in assumptions made by the Company impact the valuation of the net insurance contract liabilities' LIC and the AIC component of reinsurance contract assets, profit after tax.

	LIC (AIC) at 31 December 2025	Impact on Profit	LIC (AIC) at 31 December 2024	Impact on Profit
	G\$	G\$	G\$	G\$
Unpaid claims and expenses - 5% increase				
Insurance contract liabilities	28,477,303	(17,086,382)	43,307,268	(25,984,361)
Reinsurance contract assets	(10,350,302)	6,210,181	(14,854,913)	8,912,948
Net insurance contract liabilities	18,127,001	(10,876,201)	28,452,355	(17,071,413)

The analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

NOTES ON THE ACCOUNTS

(39) INSURANCE RISK — cont'd

Claims Development

Claims are provided for and kept as a liability until they are settled or have expired. At the time of loss, a provision is made based on best estimates. There is some amount of uncertainty surrounding the timing of payments and the exact amount to be paid for most claims. There are occasions where the provision is in excess of the incurred loss. This is adjusted at the time of claim settlement or at the point of the revision of provisions, whichever is earlier. Similarly, there are times when the provision is insufficient to cover the losses estimated. These too are adjusted at the earlier of claims payment or overall claims revision.

The Company considers the claims development information presented below to show the period when the earliest material claims arose, and for which there is still uncertainty in respect of the amount and timing of the claims payments as at 31 December 2025.

	2018	2019	2020	2021	2022	2023	2024	2025	Total
	G\$	G\$	G\$	G\$	G\$	G\$	G\$	G\$	G\$
Net liability for incurred claims									
At end of accident year	298,128,221	272,920,036	218,199,161	240,929,591	416,262,737	593,689,395	562,335,379	334,962,866	
One year later	279,179,903	286,207,084	275,465,823	318,148,123	448,497,247	603,782,114	620,672,894		
Two years later	279,987,826	310,869,240	322,950,089	318,148,123	445,472,229	604,524,766			
Three years later	281,480,326	298,945,831	322,950,089	318,148,123	445,472,229				
Four years later	278,655,520	298,945,831	322,950,089	316,169,268					
Five years later	278,655,520	298,945,831	322,950,089						
Six years later	278,655,520	298,945,831							
Seven years later	278,655,520								
Current estimate	278,655,520	298,945,831	322,950,089	316,169,268	445,472,229	604,524,766	620,672,894	334,962,866	3,222,353,463
Cummulative net claim costs paid to date	(278,655,520)	(298,945,831)	(317,345,069)	(316,169,268)	(445,472,228)	(601,526,524)	(528,102,442)	—	(2,786,216,882)
Net liability for incurred claims	—	—	5,605,020	—	—	2,998,242	92,570,452	334,962,866	436,136,581

Represented as:
31 December 2025

Gross liabilities for incurred claims
Amounts recoverable from reinsurance

Net liabilities for incurred claims

Estimate of the present value of future cash flows G\$	Risk Adjustment G\$	Total G\$
569,546,051	80,397,100	649,943,151
207,006,045	6,800,525	213,806,570
362,540,006	73,596,575	436,136,581

NOTES ON THE ACCOUNTS

(40) INSURANCE ACT 2016

"The Insurance Act 2016 became effective in 2018. There are a number of areas under the Act and supporting Regulations addressing Statutory Funds and policies such as investments, which the Company has not fully complied with at December 31, 2024.

Management is currently in the process of putting measures in place and drafting policies to address the areas outlined above to be fully compliant within the timeliness stipulated by the Bank of Guyana.

(41) APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the Directors on 31st July, 2026.



Peter Bryan [R] receiving the “Chairman’s” award from the Managing Director, Roger Yee.

Mr. Bryan, was also the recipient of the Fire “Sale Person of the Year”, the “Superstar Achievers”, and the “Billionaires’ Club” awards.



Mr. Wazir Khan [R] receiving the “Superstar Achievers” award from the Fire Manager, Ms. Natasha Ennis.

Mr. Khan, was also the recipient of the “Billionaires’ Club” award.



Bursary Awardees 2025



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D'Edward Village
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Tel: 327-5339/5392

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Vreed-en-Hoop
West Bank Demerara
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EASTERN CARIBBEAN

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Agency

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St. Andrew, **Grenada**
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Corporate Information

AUDITORS

Ram & Mc Rae
Chartered Accountants

ATTORNEYS-AT-LAW

Luckhoo & Luckhoo
Sieviewright Stoby & Company

BANKERS

Guyana

Demerara Bank Limited
Guyana Bank for Trade & Industry Limited
Republic Bank (Guyana) Limited
Bank of Nova Scotia
Bank of Baroda (Guyana) Limited

Eastern Caribbean Grenada, St. Lucia and St. Vincent

Republic Bank (Grenada) Limited
Bank of St. Lucia
Royal Bank of Canada
First Caribbean International Bank
RBTT Caribbean Limited
Bank of St. Vincent & the Grenadines
Bank of Nova Scotia



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A Tradition of Superior Insurance Service