

THE

Hand-in-Hand

MUTUAL FIRE INSURANCE COMPANY LIMITED AND SUBSIDIARIES

(Incorporated 1865)



157th ANNUAL REPORT AND ACCOUNTS

For the year ended 31st December, 2022



NOTICE OF MEETING

The One Hundred and Fifty Seventh Annual General Meeting of Members of the above mentioned Company will be held at the Company's Offices, Lots 1, 2, 3 & 4, Avenue of the Republic, Georgetown, on Friday, 30 June, 2023, at 11:00 a.m for the following purposes:-

AGENDA

- 1. To receive the Report of the Directors and the Accounts for the year ended 31 December 2022 and the Report of the Auditors thereon.
- 2. Declaration of the profits available for distribution amongst Members.
- 3. Election of Directors.
- 4. Election of Auditors.
- 5. To fix the remuneration of the Directors.
- 6. To fix the remuneration of the Auditors.
- 7. Any other business which may properly be brought before the meeting.

BY ORDER OF THE BOARD

Compton Ramnaraine

Company Secretary/ Finance Controller

1, 2, 3 & 4 Avenue of the Republic Georgetown, Guyana

2 June, 2023

N.B. A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote instead of him. The person appointed by proxy must be a member of the Company and qualified to vote on his own behalf. A proxy form requires a \$10.00 stamp.

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

Proxies must be deposited at the Offices of the Company not less than 24 hours before the time appointed for holding the meeting.



HEAD OFFICE:

1, 2, 3 & 4 Avenue of the Republic

Georgetown, Guyana.

Email: info@hihgy.com

Website: www.hihgy.com

Telephone: 225-1865-7

Fax: 225-7519

P.O. Box: 10188

DIRECTORS:

J.G. Carpenter, A.A., B.Sc.

- Chairman

W.A. Lee, A.A., B.Sc., B.S.P., E.M.S.C.P., B.Soc.Sc., Dip.M., F.C.I.M.

- Vice Chairman

I.A. McDonald, A.A., M.A. (Hons) Cantab., F.R.S.L., Hon D.LITT. UWI.

P.A. Chan-A-Sue, C.C.H., F.C.A.

T.A. Parris, B.A. (Econs.), M.A. (Econs. & Ed.)

K. Evelyn, B.A.(Hons) Sheff.Hallam., B.Sc.UMIST., M.B.A. Liv., A.C.I.B., F.C.I.I., M.C.I.B.S., Chartered Insurer, Chartered Banker

O.Singh, B.Sc. (Hons), M.B.A., F.C.C.A., C.P.A. - C.G.A., C.P.C.U.

K.Sue, B.Sc., M.Sc., C.I.S.I.

R.Stanley, F.C.C.A., C.P.C.U., M.Sc.

M. Nagasar, Dip. BMA., G.D.M., M.B.A.



MANAGEMENT:

Group Executive Director - Keith Evelyn, B.A.(Hons) Sheff. Hallam,

B.Sc.UMIST., M.B.A.Liv., A.C.I.B., F.C.I.I., M.C.I.B.S. - Chartered Insurer, Chartered Banker

Managing Director - Omadatt Singh, B.Sc., (Hons.), M.B.A.,

F.C.C.A., C.P.A.- C.G.A., C.P.C.U.

Director/Manager - Mary Nagasar, Dip. BMA., G.D.M., M.B.A.

Assistant Manager- Property Casualty - Sandra Sookdeo-Ishmael, Dip. P.M.

Director - Ronald Stanley, F.C.C.A., C.P.C.U., M.Sc.

Chairman-Motor Insurance Operations Chief Internal Auditor/ Business Analyst

Assistant Motor Manager - Chuwatie Harduwar-Ramsaroop, F.L.M.I., A.C.S.,

A.R.A.

Company Secretary/Finance Controller - Compton Ramnaraine, M.A.A.T., A.I.C.B.,

F.C.C.A.

Director/Chief Risk Officer/ - Kin Sue, B.Sc., M.Sc., C.I.S.I.

Investment Analyst

Accountant- Financial Compliance - Krishundat Ayoganand, F.C.C.A., M.B.A.

Legal and Compliance Officer - Paul Braam, LL.B., L.E.C.

Human Resource Manager - Zaida Joaquin, Dip.P.M., F. L. M. I., A.C.S.,

A.I.R.C., A.I.A.A., A.R.A.

Financial Accountant / Project Manager - Stephen Rambajan, F.C.C.A., M.B.A.

Marketing Officer - Savita Singh, B.Sc.

Assistant I.T Manager - Shakuntala Singh, F.L.M.I., A.C.S.

Manager - Berbice Operations - Tajpaul Adjodhea, F.L.M.I.



AUDITORS: TSD Lal and Company

Chartered Accountants

ATTORNEYS-AT-LAW: Cameron & Shepherd

Hughes, Fields & Stoby

BANKERS: Republic Bank (Guyana) Limited

Guyana Bank for Trade & Industry Limited

Bank of Nova Scotia

Bank of Baroda

Citizens Bank (Guyana) Inc.

Demerara Bank Limited

Hand-in-Hand Trust Corporation

RBC Dominion Securities, Canada

BRANCH OFFICES:

BERBICE: 1) New Amsterdam Lots 15 & 16B New Street,

New Amsterdam, Berbice

2) Corriverton Lot 101 Ramjohn Square, No. 78 Village

(Springlands) Corriverton, Berbice.

3) D'Edward Village Plot 'A' Northern Public Road,

D' Edward Village, West Bank Berbice.

4) Rosehall Lot 45 'A' Public Road, Rosehall Town, Corentyne.

5) Bush Lot Lot 4 Section 'C' Bushlot Public Road,

West Coast Berbice.

LINDEN: 23 Republic Avenue,

Linden, Demerara River.

VREED-EN-HOOP: Lot 4 New Road, Vreed-en-Hoop,

West Coast Demerara.

PARIKA: Lot 1996 Parika Highway,

East Bank Essequibo.

BARTICA: Lot 45 First Avenue,

Bartica.

MON REPOS: 30 Tract "A" Mon Repos,

East Coast Demerara.

GREAT DIAMOND: G3 Building Lot "M" Great Diamond

East Bank Demerara.

ESSEQUIBO: Doobay's Complex, Lot 18 Cotton field,

Essequibo Coast.

SOESDYKE: Shawnee Service Station

Block 'X' Soesdyke, East Bank Demerara.

GEORGETOWN: Lot 212 Barr Street, Kitty Village,

Greater Georgetown.

ENMORE: Enmore Mall, Block # 4, Apartment # 5,

Enmore Public Road, East Coast Demerara.

CAMP STREET: Lot 50 Camp and Robb Street,

Lacy town, Georgetown.



Welcome

Ladies and Gentlemen, it is with pleasure that I welcome you to our Company's 157th Annual General Meeting. Please allow me to review the performance of the Company for the year ended 31st December 2022.

Economic Review

The global economy experienced a significant slowdown in 2022, primarily driven by various factors such as geopolitical risks, inflationary pressures, and tightening monetary policies implemented by central banks worldwide. This deceleration was a continuation of the disruptions to economic activity that began earlier, due to the COVID-19 pandemic and the war in Ukraine. According to estimates, global growth in 2022 reached 3.4 percent, a notable decrease from the 6.2 percent expansion witnessed in 2021. Major advance economies in Europe, USA and China contributed to this contraction.

The Guyanese economy experienced substantial growth in both real and non-oil Gross Domestic Product (GDP). The real GDP growth rate reached an impressive 62.3 percent, primarily driven by high production levels in the oil and gas industry. On the other hand, the non-oil GDP growth rate stood at 11.5 percent, which can be attributed to increased output in various sectors, including mining and quarrying, construction, agriculture and forestry, services, and manufacturing. The robust growth in the Guyanese economy was supported by several factors. Improved investor confidence played a significant role, as it led to increased investments in the country. Moreover, higher government investments and supportive fiscal policies contributed to the positive economic performance.

Insurance Companies in Guyana 2022

In 2022, the domestic insurance sector experienced a substantial growth of 22.8 percent, resulting in its total resources reaching G\$137 billion. The Bank of Guyana attributed this development to the rapid expansion of foreign liabilities, which constituted 65.7 percent of the overall assets held by domestic insurance companies. Within the industry, the life component comprised 69.2 percent of the resources and saw an impressive growth of 25.3 percent or G\$19.2 billion. In comparison, the non-life component witnessed a growth of 17.8 percent or G\$6.4 billion.

Banking Sector

The local commercial banking sector continued to remain stable despite the pandemic and managed to record healthy profits. The weighted-average time deposit rate of the banks increased to 0.94 from 0.91 percent while the weighted-average lending rate decreased by 50 basis points to 8.38 percent.

Commercial banks' average Capital Adequacy Ratio stood at 31.8 percent, well above the prudential benchmark of 8.0 percent.

Trust Companies

The two trust companies in Guyana, Hand-in-Hand Trust Corporation Inc. and Trust Company Guyana Ltd increased their combined resources by 4.0 percent to G\$14.0 billion million. Deposits also increased by 3.7 percent.



Insurance Regulation

The Hand-in-Hand Fire has been actively working towards achieving compliance with the Insurance Act 2016, which became effective in 2018. This Act requires Hand-in-Hand Fire to maintain a minimum asset surplus of G\$400 million, with a compliance deadline of five years from 22 November 2018. Currently, the Company has successfully met this requirement and is fully compliant.

To ensure compliance with the regulation, Hand-in-Hand Fire has implemented a more robust corporate governance structure, which includes the establishment of an Enterprise Risk Management (ERM) framework and an Own Risk and Solvency Assessment (ORSA) framework.

The implementation of IFRS17, scheduled to take effect in 2023, will impact the current business practices of the insurance industry, particularly in terms of profit recognition. To address these changes, our Company is actively collaborating with our external actuary and software vendors. We are currently in the process of testing and implementing the necessary adjustments to ensure compliance with all relevant insurance and other regulatory requirements.

Group Results

The Group's results in this report comprised the performance of four of the five Hand-in-Hand companies, namely the Fire Insurance Company, Trust Company, Investment Company, GCIS Inc and Rupununi Development Company Ltd.

The Group reported a Total Revenue of G\$2.8 billion, indicating a decrease of 13.3 percent compared to the previous year. This decline was primarily attributed to the reduction in the previously rapid increase in share value of locally traded companies. Furthermore, the Total Expenditure of the Group decreased by 4.1 percent to G\$1.9 billion, compared to G\$2.0 billion in 2021. Despite these challenges, the Group achieved a Comprehensive Income Surplus of G\$857.4 million in 2022.

The Hand-in-Hand Mutual Fire Insurance Co. Ltd.

The company demonstrated commendable performance despite facing challenging circumstances. In terms of Hand-in-Hand Fire operations and investments, the Total Revenue experienced a decrease of 5.3 percent to \$1.6 billion compared to the previous year. This decline can be attributed to the competitive nature of the industry. However, the Total Expenditure remained unchanged at G\$1.1 billion, resulting in a revenue surplus of G\$526.1 million.

The Premium Income from all sources within the Fire Insurance Company remained steady at G\$1.3 billion for the period.

During this period, the Company issued 370 New Fire Policies, with a total Sum Insured of G\$24.8 billion. This represents a significant increase of 63.5 percent compared to the previous year. Additionally, the New Business Annualized Premium of Hand-in-Hand Fire witnessed a growth of 47.8 percent or G\$68.0 million. Despite aggressive pricing strategies from competitors driven by excess underwriting capacity, insurance premium rates remained low.



The Hand-in-Hand Mutual Fire Insurance Co. Ltd. - cont'd

Nonetheless, the Business in Force at the end of 2022 amounted to G\$188.3 billion, with an Annualized Premium Income of G\$573.0 million. This signifies a 6.8 percent increase in Sum Insured and a 0.5 percent increase in Annualized Premiums. To accommodate the expanding construction, mining, and Oil and Gas sectors, the Company plans to further expand its portfolios in Accident, Bonds, and Marine insurance.

Motor Insurance

The Company's Motor Insurance Division continued to maintain a prominent position in the industry, thanks to its highly efficient underwriting and claims services. In 2022, we issued a total of 4,794 new policies, resulting in an Annualized Premium of G\$145.8 million. Notably, this represents a modest increase of 1.2 percent in the number of New Policies issued and a significant 9.8 percent increase in Annualized Premiums. These positive trends are attributed to our strategic focus on underwriting more favourable risks, ensuring a robust portfolio.

Claims

The Company successfully fulfilled its claim obligations by disbursing and reserving a total of G\$198.6 million. Ensuring efficient claims handling is an integral part of our mission, and we remain committed to delivering superior claims service to our customers who have unfortunately suffered losses.

Investments

The Company remains diligent in capitalizing on both short-term and long-term investment prospects while effectively managing both systematic and unsystematic risks. Investments have grown from G\$3.3 billion to G\$3.9 billion, generating an average investment yield of 2.6 percent. Furthermore, the Company experienced a ample capital appreciation of 15.5 percent.

Triennial Cash Profit

The Board has sought to ensure a reasonable return on the investment of our With-Profit Policyholders by declaring a return of Cash Profit of 15 percent. Your cheques will be in the mail tomorrow.

Taxation

The Group contributed G\$48.6 million by way of taxation to the general revenue of the country.

Hand-in-Hand Trust Corporation Inc.

Total Equity of the Hand in Hand Trust increased by G\$55.6 million to G\$2.4 billion, due to an increase in the Net Profit earned for the year.

Total Assets increased from G\$11.3 billion to G\$11.6 billion. This was attributed to the increases in, the fair value of securities, mortgages, loans and other cash resources by G\$434.0 million.

The Trust Corporation was happy to report a Tier I and Tier II Capital Adequacy Ratio of 23.1 for 2022, which was above the benchmark average of 8.0 percent.



GCIS Inc.

GCIS Inc. recorded a surplus of G\$15.4 million in 2022, against G\$27.3 million in the previous year. This was mainly due to a increase in claims. GCIS continued to be a key player in the Motor Insurance Industry and complements the Hand-in-Hand Group with excellent service.

Rupunini Development Company Ltd.

In 2022, Hand-In-Hand acquired a majority shareholding in RDC, a company involved in cattle ranching operations and providing tourism services.

During the year, there was a notable increase in Total Assets, which rose by 11.9 percent to reach G\$78.1 million. This growth can be primarily attributed to the increased value of biological assets. Additionally, Total Revenue experienced a significant surge of 68.0 percent, amounting to G\$24.2 million. This growth was driven by an expansion in cattle sales activities. However, despite these positive developments, the Company incurred a Net Loss of G\$7.9 million, which was an improvement compared to the G\$26.0 million loss recorded in the previous year.

Staff and customer service.

Ensuring customer satisfaction remains our topmost priority. Our dedicated staff consistently delivers a high standard of service to our valued customers and the general public. Furthermore, we emphasize the importance of continuous training for our team, both through internal programs and external opportunities.

Future Outlook

In 2023, there is an expectation that the global economy will experience slower growth. Roughly one third of the world's economy is predicted to be in recession this year, which will significantly impact the overall global outlook. Several factors will contribute to this, including continued monetary policy responses to combat inflation, the lingering effects of the Russia/Ukraine conflict, and ongoing disruptions in the supply chain following the COVID-19 pandemic. The most recent forecast for global growth in 2023 is 2.9 percent, with advanced economies anticipated to grow by only 1.2 percent, while emerging market and developing economies are expected to maintain a growth rate of 4.0 percent. Global inflation is predicted to decrease to 6.6 percent in 2023, although it remains higher than pre-pandemic levels. This decrease is partly attributed to declining international prices of fuel and nonfuel commodities, resulting from weaker global demand. Additionally, the tightening of monetary policy is also contributing to a cooling effect on underlying inflation. The growth rate in the Caribbean is projected to further slow down to 5.6 percent in 2023, after experiencing some improvement due to increased tourism.



Future Outlook - cont'd

The economy of Guyana is expected to achieve a real GDP growth rate of 25.1 percent, primarily driven by increased oil production within the Stabroek Block. The non-oil GDP growth is projected to reach 7.9 percent. This growth will be supported by significant contributions from key sectors such as agriculture, construction, and services. The government's investments in transforming the economy, particularly in physical and social infrastructure, will play a crucial role in catalyzing this growth. The services sector is anticipated to benefit from higher demand for tourism products, administrative and support services, transportation and storage, as well as real estate activities. The inflation rate is forecasted to be 3.8 percent, mainly due to a slowdown in food and fuel prices.

Hand-in-Hand recognizes the ongoing transformation of the economy and is committed to modernizing its operations and adapting to seize every opportunity. This includes aligning the organization with the necessary skills and experience to effectively position itself in key sectors such as the thriving housing and infrastructure projects and the expanding Oil & Gas sector. By staying ahead of the curve, Hand-in-Hand aims to fully capitalize on these developments and contribute to the overall growth of the economy.

Appreciation

As we conclude another year filled with accomplishments, I would like to take this opportunity to extend my heartfelt gratitude to my fellow Directors, Management, and Staff. Their unwavering commitment, confidence, and invaluable contributions have been instrumental in overcoming the challenges we faced during these demanding times.

I would also like to express my deep appreciation to our esteemed policyholders. Your loyalty and support have been pivotal not only in the past year but throughout our remarkable 157 year journey. Your trust in us has been a driving force in our continuous pursuit of excellence.

We are truly grateful for the trust placed in us, and we remain dedicated to providing you with exceptional service, innovative solutions, and unwavering support in the years to come. Together, we will continue to thrive and achieve new milestones. Thank you for being a part of our success story.

JOHN G CARPENTER A.A., BSc.

CHAIRMAN



REPORT OF THE DIRECTORS

The Directors have pleasure in submitting for the information of Members and Policyholders their Annual Report and Audited Financial Statements for the year ended 31 December 2022.

1. Principal Activities

The Hand-in-Hand Mutual Fire Insurance Company Limited provides a comprehensive range of services, among which are Property, Motor, Marine, Bond and Accident insurances.

2. Operational Results

The Company's funds increased by G\$526.1 million for the year ended 31 December 2022, compared to an increase in funds of G\$650.7 million for the previous year.

3. Fire Business

During the year, the Company issued 370 fire policies insuring \$24.8 billion, yielding annual premiums of G\$68.1 million. At the close of the year, 13,376 policies were in force, insuring \$188.3 billion with annualised premiums of G\$573.6 million. At the close of the previous year, there were 13,771 policies in force, insuring G\$176.4 billion with annualised premiums of G\$570.7 million. A statement of fire policies issued and expired during the year is shown on page 13 of this report.

4. Motor Business

During the period, 4,794 policies were issued, insuring 4,987 vehicles with annualised premiums of G\$145.8 million. Previous year figures were 4,850 policies insuring 5,185 vehicles with annualised premiums of G\$132.8 million.

5. Investments

Investments at the end of the year stood at G\$3.9 billion as against G\$3.3 billion the previous year. Certificates for securities held by the Company and those lodged with the Company's bankers as collateral for overdraft and loan facilities have been examined by our auditors.

On 20 September 2022, The Hand-in-Hand Mutual Fire Insurance Company Limited purchased 105,580 shares from two non-controlling interest shareholders for G\$31.7 million, taking its shareholdings to 208,232 shares or 56.6% majority.

6. Triennial Cash Profit

The Directors recommend a Cash Profit return of 15% for those policies entitled to earn profit for the triennial period ended 31 December 2022, after deduction of reserve for the unexpired period. This will result in a cash payout of G\$1.7 million. For the year ended 31 December 2021, a 15% Cash Profit was declared which resulted in a payout of G\$1.7 million.

7. Employee Relations

Relations with employees throughout the year were cordial. Training is provided at all levels for technical and personal development.

REPORT OF THE DIRECTORS

8. Directorate

The following Directors retired under Bye-Law 61 & 65 and being eligible, offer themselves for reelection:

Messrs.: W.A. Lee

T.A Parris K. Evelyn

9. Corporate Governance

The Directors apply principles of good governance by adopting policies and procedures for the better management of the Company.

The Board meets monthly and has adopted a set of mandates granted to committees while retaining specific matters for its decisions.

All of the Board members are considered independent and bring vast knowledge, experience and professionalism to the deliberations of the Board.

The committees established by the Board and their Chairpersons are:

Finance and Audit Committee - Mr. P.A. Chan-A-Sue

Sales and Marketing Committee - Mr. W.A. Lee
Human Resources Committee - Mr. T.A Parris
Buildings Committee - Mr. J.G. Carpenter

10. Auditors

The Auditors, Messrs. TSD Lal & Company, retired and have indicated their willingness to be reappointed.

By Order of the Board

Compton Ramnaraine

Company Secretary/Finance Controller



POLICIES ISSUED AND EXPIRED

	No. of Policies	Sum Insured (G\$M)	Annual Premiums (G\$M)
In force as at 2021-12-31	13,771	176,359	570
Issued during the year	370	24,847	_68
	14,141	201,206	638
Expired during the year	<u>765</u>	12,888	65
In force as at 2022-12-31	<u>13,376</u>	<u>188,318</u>	<u>573</u>



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED AND SUBSIDIARIES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Report on the audit of the financial statements

Opinion

We have audited the consolidated financial statements of The Hand In Hand Mutual Fire Insurance Company Limited and Subsidiaries, which comprise the consolidated statement of financial position as at 31 December, 2022, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 17 to 88.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Hand in Hand Mutual Fire Insurance Company Limited and Subsidiaries as at 31 December, 2022, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

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 and its Subsidiaries in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Guyana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information in the annual report

Management is responsible for the other information. The other information comprises all the information included in the Group's 2022 annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements based on the work we have performed, we conclude that if there is a material misstatement of this other information; we are required to report that fact. At the time of our audit report the annual report was not available.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED AND SUBSIDIARIES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Responsibilities of those charged with governance for the financial statements

The Directors/Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Directors/Management is responsible for overseeing the Company and its Subsidiaries' financial reporting process.

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

Auditor's responsibilities for the audit of the financial statements

The objectives of our audit 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 International Standards on Auditing 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.

As part of an audit in accordance with ISA's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Group's 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 control 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED AND SUBSIDIARIES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Auditor's responsibilities for the audit of the financial statements-cont'd

- Conclude on the appropriateness of the directors' 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 Group'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 Group 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Group's financial statements, including the
 disclosures, and whether the Group's financial statements represent the underlying transactions and events in a
 manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business
 activities within the Group's to express an opinion on the Group financial statements. We are responsible for the
 direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee 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

The financial statements comply with the requirements of the Companies Act 1991 and the Financial Institutions Act 1995.

The Insurance Act 2016 came into effect in 2018. As explained in note 47, the Company did not fully comply with the requirements of the Act.

TSD 6/ \$ 60.

TSD LAL & CO.
CHARTERED ACCOUNTANTS

Date: 23 June 2023.

77 Brickdam

Stabroek, Georgetown,

Guyana.



AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	_	Comp	oany	Gro	up
	Notes	2022 G\$	<u>2021</u> G\$	2022 G\$	2021 G\$
Revenue					
Premiums	3	1,266,596,813	1,283,721,218	1,422,127,260	1,449,335,855
Less : Reinsurance premiums	3	298,686,376	288,183,502	310,041,856	299,463,588
Increase/(decrease) in unexpired risks	3	(26,945,086)	47,315,894	(31,336,419)	45,876,301
		994,855,523	948,221,822	1,143,421,823	1,103,995,966
Investment income					
"Held to collect"	4	-	-	35,955,289	39,623,069
"Held for trading"	4	52,123,424	35,618,765	91,768,113	72,780,476
"Loans and receivables"	4	33,998,392	29,964,314	766,521,902	731,079,916
Other income	5	533,248,950	703,330,292	741,300,501	1,243,066,003
Management fees	6	18,000,000	18,000,000	-	-
Unclaimed triennial cash profit and others		1,076,666	2,001,274	1,076,666	2,001,274
Gain on exchange		1,291,665	3,472,734	4,245,534	7,087,347
Gain on disposal of investments "Held for trading"		-	-	20,550,293	50,281,838
Gain on disposal of asset		14,100,000	-	14,100,000	-
	_	1,648,694,620	1,740,609,201	2,818,940,121	3,249,915,889
Deduct:					
Expenditure					
Commissions and allowances	7	121,168,667	152,297,920	124,147,560	155,085,363
Management expenses	8	794,474,408	740,645,754	1,355,740,666	1,418,729,720
Claims (net)	9	198,633,167	226,953,777	225,142,134	243,484,757
Interest	10	-	-	206,095,128	185,843,251
Triennial cash profit	11	1,752,500	1,770,613	1,752,500	1,770,613
Property tax		24,028,390	20,977,645	45,228,763	41,921,669
Taxation	14	(17,459,167)	(52,787,439)	3,421,299	(576,718
	_	1,122,597,965	1,089,858,270	1,961,528,050	2,046,258,655
Total comprehensive income for the year	=	526,096,655	650,750,931	857,412,071	1,203,657,234
Surplus of revenue over expenditure attributable to:					
Owners of the Company		526,096,655	650,750,931	769,010,936	1,062,444,282
Non-controlling interests		520,030,055	030,730,731		
TOH-COHOHING INICIOSIS	-	526,006,655	650,750,931	88,401,135	141,212,952
Total comprehensive income attributable to:	_	526,096,655	030,/30,931	857,412,071	1,203,657,234
Owners of the Company		526,096,655	650,750,931	769,010,936	1,062,444,282
		,	,,	,	-,,,-02
Non-controlling interests		-	_	88,401,135	141,212,952

[&]quot;The accompanying notes form an integral part of these financial statements"



AND SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

Total G\$	3,248,831,830	650,750,931	3,899,582,761	526,096,655	4,425,679,416
Triennial profit G\$	1,770,613	(18,113)	1,752,500	(69,390)	1,683,110
Capital redemption <u>reserve</u> G\$	1,508,452		1,508,452	,	1,508,452
General reserve G\$	2,520,697,215	661,970,944	3,182,668,159	524,689,746	3,707,357,905
Capital reserve G\$	711,670,443	,	711,670,443		711,670,443
Premium <u>capital</u> G\$	13,185,107	(11,201,900)	1,983,207	1,476,299	3,459,506
Company	Balance as at 1 January 2021	Changes in equity 2021 Total comprehensive income for the year	Balance as at 31 December 2021	Changes in equity 2022 Total comprehensive income for the year	Balance as at 31 December 2022

[&]quot;The accompanying notes form an integral part of these financial statements"



UAL FIRE INSURANCE COMPANY LIMITEI

AND SUBSIDIARIES

Group	Premium <u>capital</u> G\$	Capital <u>reserve</u> G\$	Risk <u>reserve</u> G\$	Reserve <u>fund</u> G\$	General <u>reserve</u> G\$	Capital redemption <u>reserve</u> G\$	Triennial <u>profit</u> G\$	Non controlling interest G\$	Total G\$
Balance as at 1 January 2021	13,185,107	843,119,299	178,536,079	279,347,504	3,247,517,709	1,508,452	1,770,613	675,905,529	5,240,890,292
Changes in equity 2021									
Total comprehensive income for the year	(11,201,900)	•	•		1,073,664,295		(18,113)	141,212,952	1,203,657,234
Transfer to risk reserve		•	20,155,279		•		•	5,573,100	25,728,379
Transfer to statutory reserve				56,210,065	(44,034,242)			(12,175,823)	,
Dividend Paid								(986,430)	(986,430)
I									
Balance as at 31 December 2021	1,983,207	843,119,299	198,691,358	335,557,569	4,277,147,762	1,508,452	1,752,500	809,529,328	6,469,289,475
Changes in equity 2022									
Total comprehensive income for the year	1,476,299		1		767,604,027		(69,390)	88,401,135	857,412,071
Transfer to risk reserve		1	(98,262,104)					(27,170,272)	(125,432,376)
Transfer to statutory reserve		1		27,161,153	(21,277,696)	•		(5,883,457)	
On acquisition - RDC				•		•		(11,562,622)	(11,562,622)
Dividend paid								(986,430)	(986,430)
Balance as at 31 December 2022	3,459,506	843,119,299	100,429,254	362,718,722	5,023,474,093	1,508,452	1,683,110	852,327,682	7,188,720,118

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

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



CONSOLIDATED PROFIT AND LOSS (ANNUAL) ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

	_	Company an	d Group
	Notes	<u>2022</u>	<u>2021</u>
		G\$	G\$
Earned premiums		797,374,589	766,873,070
Investment income			
"Held for trading"	4	52,123,424	35,618,765
"Loans and receivables"	4	33,998,392	29,964,314
Other income			
"Cash on deposit"	5	6,086,482	6,076,075
"Miscellaneous"	5	7,886,868	7,371,600
Management fees		18,000,000	18,000,000
Gain on exchange	_	1,291,665	3,472,734
	_	916,761,420	867,376,558
Deduct:			
Management expenses		595,996,157	575,987,993
Claims (net)		46,412,376	107,628,518
Reinsurance premiums		266,847,149	257,399,336
Taxation	_	24,923,852	21,808,585
	_	934,179,534	962,824,432
Transfer - policies entitled to profit 2022/2024	12	(17,418,114)	(95,447,874)

This account, made up in accordance with Section 83 of the Company's Ordinance of Incorporation No. 9 of 1938 (together with the accompanying Profit and Loss (Triennial) Account) has been prepared to reflect the declaration of Triennial Cash Profit on Fire policies entitled to profit in 2022.

[&]quot;The accompanying notes form an integral part of these financial statements"



CONSOLIDATED PROFIT AND LOSS (TRIENNIAL) ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

		Company an	d Group
	Note	2022 G\$	2021 G\$
Premiums received 2019-2022		10,385,048	11,405,630
Balance of unexpired risks reserve at 31 December 2019		2,176,330	2,558,519
Premiums on surrendered profit policies		312,788	218,640
		12,874,166	14,182,789
Deduct:			
Balance of unexpired risks reserve at 31 December 2022		1,823,164	1,832,635
Transfer - profit and loss (Annual) account	13	(43,591,219)	(44,801,196)
Triennial profit - 15%		1,683,110	1,752,500
		(40,084,945)	(41,216,061)
Transfer from general reserve		52,959,111	55,398,850

This account, made up in accordance with Section 78 of the Company's Ordinance of Incorporation No. 9 of 1938 (together with Profit and Loss (Annual) Account) has been prepared to reflect the declaration of Triennial Cash Profit on Fire Policies entitled to profit in 2022.

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



AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION **AS AT 31 DECEMBER 2022**

	Nictor -	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	Notes	31.12.2022 G\$	G\$	31.12.2022 G\$	31.12.2021 G\$
ASSETS		GS	G\$	G\$	G\$
Non-current assets					
Goodwill	41			255,672,892	157,582,46
Property, plant and equipment	15	1,722,442,472	1,732,636,409	2,135,603,525	2,165,189,61
Other assets	13	1,722,442,472	1,732,030,409	2,133,003,323	2,103,189,01
Investments					
"Held to collect"	16			887,977,166	786,241,63
"Held for trading"	16	2,857,836,035	2,389,886,435	4,718,849,555	4,207,964,77
e e e e e e e e e e e e e e e e e e e					
"Loans and receivables" Investment in subsidiaries	16 18	5,151,012 1,031,878,333	7,485,134 948,878,333	7,832,888,186	7,401,123,87
	19	1,031,878,333		102 216 152	106 507 73
Properties on hand		-	1,900,000	102,216,152	106,507,72
Statutory deposits	20	-	-	1,091,632,602	973,283,84
Deferred tax assets	14	71,020,391	49,796,545	72,465,275	51,847,46
	_	5,688,328,243	5,130,582,856	17,097,305,353	15,849,741,40
Current assets					
Receivables and prepayments	21	1,072,546,133	817,737,491	1,104,402,904	917,908,52
Interest accrued	22	15,498,881	10,184,976	32,165,503	17,474,68
Biological asset	50	-	-	50,448,339	-
Stock of stationery		5,156,015	4,779,523	7,819,168	6,785,23
Tax recoverable		160,794,866	137,947,673	178,509,046	157,090,50
Cash on deposits	23	347,308,799	368,384,767	718,760,230	1,072,632,31
Cash at banks and on hand	24	168,467,891	117,130,410	425,252,438	468,586,25
	_	1,769,772,585	1,456,164,840	2,517,357,628	2,640,477,52
TOTAL ASSETS	_	7,458,100,828	6,586,747,696	19,614,662,981	18,490,218,92
	_			·	
EQUITY AND LIABILITIES					
Capital and reserves					
Premium capital	25	3,459,506	1,983,207	3,459,506	1,983,20
Capital reserve	26	711,670,443	711,670,443	843,119,299	843,119,29
Risk reserve	29	-	-	100,429,254	198,691,35
Reserve fund	34	-	-	362,718,722	335,557,56
General reserve	27	3,707,357,905	3,182,668,159	5,023,474,093	4,277,147,76
Capital redemption reserve	28	1,508,452	1,508,452	1,508,452	1,508,45
Triennial profit	31	1,683,110	1,752,500	1,683,110	1,752,50
		4,425,679,416	3,899,582,761	6,336,392,436	5,659,760,14
Non-controlling interest	32			852,327,682	809,529,32
	_	4,425,679,416	3,899,582,761	7,188,720,118	6,469,289,47
Non-current liabilities					
Provision for unexpired risks	30	653,472,549	680,417,635	716,703,441	748,039,86
Medium term borrowings (secured)	33	926,478,484	725,334,461	926,478,484	725,334,46
Customers' deposits	35	920, 1 70,404	723,334,401	587,898,242	627,185,86
Deferred tax liabilities	33 14	474,446,962	474,446,962	612,354,223	613,457,33
Policyholders' liabilities	36	4/4,440,702	+/+,++0,902	940,326	940,32
Lease liability	40	105,354,741	116,768,624	105,354,741	145,070,51
Lease hability	40 _				
Other liabilities	-	2,159,752,736	1,996,967,682	2,949,729,457	2,860,028,36
Other liabilities	22	110.055.077	100 201 211	110 055 077	100 201 21
Short term borrowings (secured)	33	118,855,977	108,381,311	118,855,977	108,381,31
Customers' deposits	35	-	-	8,289,633,046	8,038,574,90
Claims admitted or intimated but not paid	37	356,584,338	270,696,366	377,444,188	293,728,38
Payables and accrued expenses	38	156,937,407	150,157,776	401,757,629	417,709,10
	40	10,848,651	10,234,576	39,150,538	36,934,46
Lease liability	40				
Lease liability Taxes payable		83,997,972	78,127,227	103,927,697	
Lease liability Taxes payable Bank overdraft	39	83,997,972 145,444,331	72,599,997	145,444,331	138,436,00 127,136,91
Lease liability Taxes payable		83,997,972			

"These financial statements were approved by the Board of Directors on 23 June, 2023

On behalf of the Board:

Managard..... Company Secretary/Finance Controller

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



CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

AND SUBSIDIARIES

G\$ (139, 1355,614) (139, 1362,338) (65, 1360,000,000 (181,154 (1674,000) (167	981,377) (65, - 31, - 18, - (115,	(616, (730,773) (616, (272,918) (69, 945,548 530, 391,573 (60, 181,154	
,362,338) (65, ,000,000 ,000,000 181,154 ,674,000) ,000,000) - ,334,122 1, 618,689 247,	981,377) (65, - 31, - 18, - (115,	,272,918) (69, ,945,548 530, ,391,573 (60, 181,154 491,282) (63,	923,943) 686,491 046,830)
,362,338) (65, ,000,000 ,000,000 181,154 ,674,000) ,000,000) - ,334,122 1, 618,689 247,	981,377) (65, - 31, - 18, - (115,	,272,918) (69, ,945,548 530, ,391,573 (60, 181,154 491,282) (63,	923,943) 686,491 046,830)
,362,338) (65, ,000,000 ,000,000 181,154 ,674,000) ,000,000) - ,334,122 1, 618,689 247,	981,377) (65, - 31, - 18, - (115,	,272,918) (69, ,945,548 530, ,391,573 (60, 181,154 491,282) (63,	923,943) 686,491 046,830)
,000,000 ,000,000 181,154 ,674,000) ,000,000) - ,334,122 1, ,618,689 247,	- 31, - 18, - (115, - (127,	945,548 530, 391,573 (60, 181,154 491,282) (63,	686,491 046,830)
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,000,000 181,154 ,674,000) ,000,000) - ,334,122 1,618,689 247,	- 18, - (115, - (127,	391,573 (60, 181,154 491,282) (63,	046,830)
181,154 ,674,000) ,000,000) - ,334,122 1, ,618,689 247,	- (115, - (127,	181,154 491,282) (63,	-
,674,000) ,000,000) - ,334,122 1, ,618,689 247,	- (115, - (127,	491,282) (63,	- 939,328) -
,334,122 1, 618,689 247,	- (127,	-	939,328)
,334,122 1, ,618,689 247,		753,564)	_
,618,689 247,		753,564)	-
,618,689 247,	823,999 (436,		-
		,295,325) (460,	785,123)
101.016 65	915,064 211,	618,689 247,	915,064
,121,816 65,	583,079 894,	245,304 843,	483,461
,973,350 13,	447,675 172,	,054,712 177,	684,231
,192,793 262,	788,440 583,	623,891 1,145,	074,023
,620,192) (8,	231,502) (10,	,920,299) (13,	042,924)
,799,808) (10,	188,498) (37,	,499,701) (35,	377,076)
	- (986,430) (986,430)
,420,000) (18,	420,000) (49,	406,430) (49,	406,430)
			457.500
,582,821) 104,	77/0,651 (415,	513,312) 4/9,	465,602
015 100 200	144.520 1.414	001 (40 024	(16.047
,915,180 308,	1,414,	081,649 934,	616,047
,332,359 412,	915,180 998,	568,337 1,414,	081 640
	,192,793 262, ,620,192) (8, ,799,808) (10, 	,192,793 262,788,440 583, ,620,192) (8,231,502) (10, ,799,808) (10,188,498) (37, - (9,420,000) (18,420,000) (49, ,582,821) 104,770,651 (415,	,192,793 262,788,440 583,623,891 1,145, ,620,192) (8,231,502) (10,920,299) (13, ,799,808) (10,188,498) (37,499,701) (35, - (986,430) (986,430) (49,420,000) (49,406,430) (49,406,430) (49,420,000) (49,406,430) (49,406,430)



NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

		Comp	oany	Gro	up
		<u>2022</u>	<u>2021</u>	2022	<u>2021</u>
		G\$	G\$	G\$	G\$
(a)	Surplus of revenue over expenditure before taxation	508,637,488	597,963,492	860,833,370	1,203,080,516
	Adjustments for:				
	Depreciation	49,617,443	44,167,642	60,077,205	58,272,327
	Depreciation- right of use asset	12,211,990	12,211,990	37,486,173	37,486,173
	Lease expense	7,620,192	8,231,502	10,920,299	13,042,924
	Provision for unexpired risks	(26,945,086)	47,315,894	(31,336,419)	45,876,301
	Provision for loan losses	-	-	(120,901,359)	(47,352,891)
	Fair value through Profit and Loss a/c	(519,275,600)	(689,882,617)	(569,245,789)	(1,065,381,772)
	Gain on disposal of property on hand	(14,100,000)	-	(14,100,000)	-
	Increase in mandatory deposits with				
	- Bank of Guyana	-	-	(118,348,753)	(62,264,706)
	Investment income	(86,121,816)	(65,583,079)	(894,245,304)	(843,483,461)
	Other income	(13,973,350)	(13,447,675)	(172,054,712)	(177,684,231)
	Loss from disposal of fixed assets	1,545,688	270,672	2,714,783	379,746
	Operating deficit before working capital changes	(80,783,051)	(58,752,179)	(948,200,506)	(838,029,074)
	Increase in customers' deposits	-	-	211,770,515	260,702,674
	(Increase)/decrease in receivables, prepayments and interest accrued	(260,122,547)	40,534,270	(194,790,024)	21,953,918
	Changes in biological assets	-	-	(811,351)	-
	(Increase)/decrease in stock of stationery	(376,492)	98,255	(933,694)	(441,740)
	Increase/(decrease) in current liabilities	92,667,603	(72,348,161)	66,601,032	9,484,474
	Cash used in operations	(248,614,487)	(90,467,815)	(866,364,028)	(546,329,748)
	Taxes paid/adjusted	(20,741,127)	(49,129,974)	(83,366,745)	(69,872,243)
	Net cash used in operating activities	(269,355,614)	(139,597,789)	(949,730,773)	(616,201,991)

[&]quot;The accompanying notes form an integral part of these financial statements"



1. Incorporation and activities

The Hand-In-Hand Mutual Fire Insurance Company Limited

The Hand-in-Hand Mutual Fire Insurance Company Limited was incorporated in Guyana on 25 October 1865 under Ordinance of Incorporation No. 18 of 1865.

The Company provides a range of Insurance services and has shareholdings in the following companies:

GCIS Incorporated

Guyana Cooperative Insurance Service was established in Guyana by virtue of Order No. 57 of 1976 made under the Cooperative Financial Institutions Act 1976 (No. 8 of 1976). Effective 16 October 1997 pursuant to Ministerial Order No. 32 of 1997 made under the Financial Institutions Act No. 20 of 1996, the GCIS was registered as a Public Company, limited by shares under the new name GCIS Incorporated. On the 18 November 1998, The Hand-in-Hand Mutual Fire Insurance Company Limited acquired 131,645 or 66.7% of shares in GCIS Incorporated.

The Company's activities include insurance covering fire and motor business.

Hand-In-Hand Trust Corporation Incorporated

In May 1971, the Guyana National Cooperative Bank established a department to carry out various trust services. The department was incorporated as GNCB Trust Company Limited on 28 December, 1971, a wholly owned subsidiary of Guyana National Cooperative Bank.

On 23 February 1977, the GNCB Trust Company Limited was reconstituted and established as the GNCB Trust Corporation by Order No. 13 of 1977, made under the Co-operative Financial Institution Act 1976 (No.8 of 1976).

On 23 February 1999 the GNCB Trust Corporation was incorporated under the Companies Act of Guyana as a company and known as GNCB Trust Corporation Inc.

The GNCB Trust Corporation Inc. was privatized on 20 November, 2002 with The Hand-in-Hand Mutual Fire Insurance Company Limited acquiring 90% of the authorized and issued share capital. On March 14, 2003, 15% of the shares were sold to Hand-In-Hand Mutual Life Assurance Company Limited and 10% were sold to GCIS Incorporated.



1. Incorporation and activities – cont'd

Hand-In-Hand Trust Corporation Incorporated – cont'd

On 25 September 2003, GNCB Trust Corporation Inc. was renamed Hand-in-Hand Trust Corporation Incorporated.

The Company is registered under the Financial Institutions Act 1995 as a deposit taking financial institution.

On 22 September 2009 Hand-In-Hand Trust Corporation Inc. issued 5,000,000 shares fully paid up for an amount of G\$500 million. These are as follows:

Names	Number of shares
The Hand-in-Hand Mutual Fire Insurance Company Limited	1,500,000
Hand-in-Hand Mutual Life Assurance Company Limited	750,000
GCIS Incorporated	500,000
Others	2,250,000
	5,000,000

On 20 October 2015, The Hand-in-Hand Mutual Fire Insurance Company Limited repurchased 2,250,000 shares from one of the non-controlling interest shareholder for an amount of G\$255 million.

The revised shareholdings are as follows:

Shareholdings	Number of shares	Percentage of Holdings
National Industrial & Commercial Investment Limited	250,000	3%
The Hand-in-Hand Mutual Fire Insurance Company Limited	5,375,000	72%
Hand-in-Hand Mutual Life Assurance Company Limited	1,125,000	15%
GCIS Incorporated	750,000	10%
	7,500,000	



1. Incorporation and activities – cont'd

Hand-In-Hand Investments Incorporated

The Company was incorporated in Guyana in September, 2009 and has not commenced operations to date.

The principal activity of the company is investing in properties and shares.

On 31 October 2011 Hand-In-Hand Investments Inc. Issued 100,000 shares fully paid up for an amount of G\$0.1 million. On 31 December 2020, Hand-in-Hand Trust Corporation Inc. sold 5,000 shares to the Hand-in-Hand Mutual Fire Insurance Company Ltd.

The revised shareholdings are as follows:

Names	Number of shares
The Hand-in-Hand Mutual Fire Insurance Company Limited	40,000
Hand-in-Hand Mutual Life Assurance Company Limited	30,000
GCIS Incorporated	30,000
	<u>100,000</u>

Rupununi Development Company Limited

The Company was incorporated in the Cooperative Republic of Guyana on 27 November 1919, and continued under the Companies Act 1991 on May 3, 1997. It operates a cattle ranch with a consumer store for its workers at Rupununi, Region 9, Guyana. The company also attracts tourism.

On the 20th September 2022, The Hand-in-Hand Mutual Fire Insurance Company Limited purchased 105,580 shares from two non-controlling interest shareholders for G\$31.7 million, taking its shareholdings to 208,232 shares or 56.6% majority.

Employees

During the year the number of employees in the group was 296 (2021 - 272).



2. New and amended standards and interpretations

New and amended standards and interpretations

Amendments effective for the current year end

Effective for annual periods beginning on or after

New and Amended Standards

Amendments to IFRS 3: Reference to the Conceptual Framework 1 January 2022

Amendments to IAS 16: Proceeds before intended use 1 January 2022

Amendments to IAS 37: Onerous Contracts –

Cost of fulfilling a contract 1 January 2022

Annual Improvements 2018-2020 1 January 2022

The above new and amended standards had no material effect on the financial statements.

Pronouncements effective in future periods available for early adoption

Effective for annual periods beginning on or after

New and Amended Standards

IFRS 17 Insurance contracts 1 January 2023

Amendments to IAS 1 and IFRS Practice statement 2:

Disclosure of Accounting Policies 1 January 2023

Amendments to IAS 8: Definition of Accounting Estimates 1 January 2023

Amendments to IAS 12 Income Taxes: Deferred Tax related

to Assets and Liabilities arising from a Single Transaction 1 January 2023

Amendments to IAS 1: Presentation of financial statements

on classification of liabilities 1 January 2024

The Company has not opted for early adoption.



2. New and amended standards and interpretations - cont'd

Pronouncements effective in future periods available for early adoption - cont'd

IFRS 17: Insurance Contracts and IFRS 9: Financial Instruments

On 18 May 2017, the International Accounting Standards Board (IASB) issued IFRS 17, a comprehensive standard for the recognition, measurement, presentation and disclosure of insurance contracts with amendments issued on 25 June 2020 that included targeted improvements and the deferral of the effective date to 1 January 2023. IFRS 17 requires entities to measure insurance contracts using current estimates of fulfillment cash flows, which includes all future cash flows associated with insurance contracts, using one of three measurement models. The company has assessed that the majority of its insurance contracts will be eligible for the simplified measurement model, the Premium Allocation Approach. The measurement of insurance contracts under the Premium Allocation Approach is similar to that under IFRS 4 and is available for contracts with a coverage period of one year or less, or where the measurement of the liability for remaining coverage is not expected to differ materially had the General Measurement Model been applied.

Under IFRS 17, the carrying amount of a group of insurance contracts at each reporting date is measured as the sum of the liability for remaining coverage, comprised principally of unearned premiums under IFRS 4, and the liability for incurred claims, comprised principally of future cash flows and an implicit risk margin for non-financial risks of losses on claims incurred but not yet paid. The measurement of insurance contracts under IFRS 17 introduces new requirements, the most notable being that the measurement reflect both the time value of money and an explicit risk adjustment for non-financial risk, whereas the company's current measurement under IFRS 4 reflects neither. IFRS 17 must be applied retrospectively with restatement of comparatives unless impracticable.

IFRS 17 will bring considerable changes to the recognition, measurement, presentation and disclosure of insurance contracts within the company's financial statements. It will not, however, affect the company's underwriting strategy, practice to establish management's best estimate of the reserves, or the company's cash flows. Insurance contracts will be presented differently, including differentiating in the consolidated statement of income between the insurance service result, which includes insurance revenue and insurance service expenses, and insurance finance income or expenses, which includes the effects of discounting and changes in discount rates.



2. New and amended standards and interpretations - cont'd

Pronouncements effective in future periods available for early adoption - cont'd

IFRS 17: Insurance Contracts and IFRS 9: Financial Instruments - cont'd

In 2022, the company finalized the implementation and testing of information technology systems across its insurance and reinsurance operations and completed its analysis and documentation of key accounting policy decisions. The company determined that it will apply IFRS 17 to the majority of its insurance contracts on a full retrospective basis. Where historical data is available without undue cost and effort, the fair value approach has been used to measure our insurance contracts at 1 January 2022, striving to ensure market consistency as much as possible.

In addition, IFRS 9 replaced IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018. However, the Company elected, under the amendments to IFRS 4, to apply the temporary exemption from IFRS 9, thereby deferring the initial application date of IFRS 9 to align with the initial application of IFRS 17. In June 2020, an amendment was issued to defer the effective date of IFRS 17 to annual period on or after 1 January 2023. Eligible insurers were also permitted the option of deferring the adoption of IFRS 9 to coincide with the adoption of IFRS 17. We have elected to apply this deferral option, and the effective date of both IFRS 17 and IFRS 9 will be 1 January 2023.

The standard provides changes to financial instruments accounting for the following:

- Classification and measurement of financial instruments based on a business model approach for managing financial assets and the contractual cash flow characteristics of the financial asset. All financial assets are measured as Fair Value Through Profit or Loss (FVTPL), Fair Value Through Other Comprehensive Income (FVOCI), or amortized cost;
- Provision for impairment will be based on an Expected Credit Loss (ECL) model for all financial assets, except for financial assets classified or designated as FVTPL and equity securities designated as FVOCI. Under the ECL model, a loss.



2. New and amended standards and interpretations - cont'd

Pronouncements effective in future periods available for early adoption - cont'd

IFRS 17: Insurance Contracts and IFRS 9: Financial Instruments - cont'd

• a loss allowance is recognized and maintained equal to 12 months of expected credit losses upon initial recognition. If credit risk subsequently increases significantly, or an asset becomes credit-impaired, the loss allowance is increased to cover full, lifetime expected credit losses, which will not have a material impact to the Company.

Changes in the required loss allowance will be recorded in net investment income in the Statements of Profit or Loss; and

• Hedge accounting that incorporates the risk management practices of an entity, which will not have a material impact to the Company.

The Company's date of initial application of IFRS 9 is 1 January 2023 and the Company has elected the option of presenting comparative information about a financial asset as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset in the comparative period, as permitted by the amendment to IFRS 17 published by the IASB in December 2021.

Overall, while the transitioning to IFRS 17 and IFRS 9 are expected to have an overall impact on the Company's financial statements, taxes and other financial metrics, we are unable at this time to quantify the exact financial impacts of these accounting changes.

Amendments to IAS 8: Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty." Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.



- 2.1 Summary of significant accounting policies
- (a) Accounting convention

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

(b) Financial Instruments

Financial assets and liabilities are recognized on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial instruments carried on the consolidated statement of financial position include investment securities, receivables, payables, fixed deposits and cash resources. The recognition method adopted is disclosed in the individual policy statements.

Policy for Group except for Hand-in-Hand Trust Corporation:

Investments

The Group has classified their investments on the following bases:

Held to collect

These investments are non-derivative financial assets with fixed and determinable payments and fixed maturities that management has the positive intent and ability to hold to maturity. The carrying value of these financial assets at initial recognition includes any directly attributable transactions costs. These investments are measured at amortized cost.

Held for trading

Held for trading investments are primarily equity investments held by the Group and are measured at fair value through profit or loss with any gains and losses as a result of movements in fair value being recognized in profit or loss as it occurs.

Investments in subsidiaries

Investments in subsidiaries are stated at cost.



- 2.1 Summary of significant accounting policies cont'd
- (b) Financial Instruments cont'd

Loans and receivables

Loans and receivables financial assets consist of loans and mortgages granted by the Group. These assets are measured at amortized cost.

Policy for Hand-in-Hand Trust Corporation:

Accounts receivable and prepayments

Accounts receivables and prepayments are measured at amortized cost net of expected credit loss.

Accounts payables and accruals

Accounts payables and accruals are measured at amortized cost.

Investments

Equity investments held by the Trust are measured at fair value through the profit or loss.

(c) Renegotiated Loans

Hand-in-Hand Trust Corporation Inc.'s policy in relation to renegotiated loans is in accordance with Financial Institutions Act 1995 and Bank of Guyana Supervision Guideline 5.

Loans are renegotiated because of weakness in the borrower's financial position or the non-servicing of debt as arranged or where it is determined that the loan can be renegotiated to remedy the specific difficulties faced by borrower.

(d) Loan provisioning

Losses for impaired loans are recognized promptly when there is objective evidence that impairment of a loan or loan portfolio of loans has occurred.

Impairment losses are calculated on individual loans and on loans assessed collectively.

The Trust adopted IFRS 9 and classifies its financial assets based on the business model under IFRS 9 which is effective on or after 1 January 2018.



- 2.1 Summary of significant accounting policies- cont'd
- (d) Loan provisioning- cont'd

Throughout the year the Group assesses on a case by case basis whether there is objective evidence that a loan is impaired.

The Group reviews its portfolio annually. This normally includes a review of collateral held (including reconfirmation of its enforceability) and an assessment of actual and anticipated receipts.

<u>Collateral</u> - It is the Company and Group's policy that all facilities are fully and tangibly secured.

Classification

Hand-In-Hand Trust Corporation Inc., one of the subsidiaries of the Group classifies its loans according to the Financial Institutions Act of 1995.

Loans are classified as non-accrual whenever there is reasonable doubt regarding the collectability of principal or interest.

Provisioning for each classification categories are made based on the following minimum level:

<u>Classification</u>	<u>Level of Provision</u>
Pass	0%
Special mention	0%
Substandard	0% - 20%
Doubtful	50%
Loss	100%

A general provision of 1% of the portion of the loan portfolio not individually assessed is also made.

(e) The Risk Reserve

The Risk Reserve is created as an appropriation of retained earnings to account for the difference between the requirements of IFRS 9 (ECLs) adopted by the Trust and the provisions as required under Bank of Guyana Supervision Guideline No.5.



- 2.1 Summary of significant accounting policies cont'd
- (e) The Risk Reserve cont'd

The Hand-In-Hand Trust Corporation Inc. has adopted the requirements of IFRS 9 and makes specific provisions on loans and advances. The provisions booked as at 31 December, 2022 amounted to G\$86.61 million from IFRS 9 report and an excess provision of G\$125.43 million was made under Bank of Guyana Supervision Guideline No. 5.

The Risk Reserve as at 31 December, 2022 was G\$82.08 million. The decrease of G\$125.43 million is shown as a transfer to Risk Reserve.

(f) Plant, property and equipment and depreciation

Freehold land and buildings held for use in the supply of services or for administrative purposes are stated in the statement of financial position at their revalued amounts. Revalued amounts are taken as the fair value at the date of revaluation less any subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

Any revaluation increase arising on the revaluation of such land and buildings is credited to capital reserve.

Depreciation on revalued buildings is charged to the statement of profit or loss and other comprehensive income. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the capital reserve is transferred directly to retained earnings.

Furniture, equipment, machinery and motor vehicles are stated at cost less accumulated depreciation and any impairment losses.

Depreciation of plant, property and equipment is calculated on the reducing balance method at the rates specified below, which are estimated to write off the cost or valuation of these assets to their residual values over their estimated useful lives.



- 2.1 Summary of significant accounting policies cont'd
 - (f) Plant, property and equipment and depreciation—cont'd

	The Hand-in-Hand		Hand-in-Hand
	Mutual Fire		Trust
	Ins Co. Ltd.	GCIS Inc.	Corporation Inc.
	%	%	%
Building (i)	2	3	_
Office equipment and			
Machinery	2 - 25	10	5 - 20
Motor vehicles	20	25	25
Computers	50	50	20
Right of use asset (ii)	6	_	6

No depreciation is charged on freehold land. General equipment are depreciated at 10%, 15% and 20% on the reducing balance basis for the Rupununi Development Company Ltd.

(i) Depreciation is charged on the parent company's building using the reducing balance method.

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

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

(ii) Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.



- 2.1 Summary of significant accounting policies cont'd
 - (f) Plant, property and equipment and depreciation—cont'd
 - (ii) Leases cont'd

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount



- 2.1 Summary of significant accounting policies cont'd
 - (f) Plant, property and equipment and depreciation—cont'd
 - (ii) Leases cont'd

rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented under Property, Plant and Equipment in the statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

(g) Pension plan

A plan was established on 1 January, 1971 and administered under a Trust Deed executed on that date amended later by supplemental deeds. It is a Defined Benefit Plan and covers the employees of The Hand-in-Hand Mutual Fire Insurance Company Limited and GCIS Inc. The main objective and purpose of the plan is to establish a fund for the provision of pension and other benefits for the employees of the Companies as shall become entitled thereto in accordance with the rules. All employees are eligible to join the plan provided they have completed one year of continuous service with the group and have attained the age of 18 years and are under the age of 50 if males or 45 if females. During the year, the companies' contribution to the pension plan was G\$23,741,044 (2021- G\$19,287,802). A provision for directors' benefits was established in 2015.



- 2.1 Summary of significant accounting policies cont'd
 - (g) Pension plan cont'd

It is administered by The Hand-in-Hand Mutual Fire Insurance Company Limited and is non-contributory.

The Company is presently embarking on the winding up of this Pension plan and establishing a Defined Contribution Scheme for staff from the year 2022.

The Hand-in-Hand Trust Corporation Inc. established a defined contribution pension plan for its employees in the year 2000. The assets of the plan are held in a self-administered fund which is separate from the Corporation's finances. Retirement benefits are determined by contributions to the fund together with investment earnings thereon.

During 2022 the corporation's contribution to the Plan was G\$8,475,138 (2021 G\$7,945,427). The fund balance was G\$330,607,580 as at 31 December 2022 (31 December 2021 – G\$208,246,022).

(h) Provision for unexpired risks

The Hand-in-Hand Mutual Fire Insurance Company Limited's reserve for unexpired risks represents the proportion of the premiums written in a year which relates to periods of insurance subsequent to the reporting period and have been computed on the basis of 50% of the premium income on non-profit policies.

GCIS Incorporated reserve for unexpired risks is on the 60:40 method whereby 60% of the net premium written for the financial year is treated as earned and 40% as relating to the following year.

(i) Consolidation

The financial statements comprise the financial statements of The Hand-in-Hand Mutual Fire Insurance Company Limited (the company) and its controlled subsidiaries, after the elimination of all material intra-company transactions. Control is achieved through ownership of shares. Subsidiaries are consolidated from the date the parent company obtains control until such time as control ceases.



2.1 Summary of significant accounting policies – cont'd

(i) Consolidation – cont'd

The financial statements incorporates the financial statements of GCIS Incorporated, Hand-In-Hand Trust Corporation Inc., Hand-In-Hand Investment Inc. and Rupununi Development Company Ltd., in which The Hand-in-Hand Mutual Fire Insurance Company Limited owns 66.7%, 72%, 40% and 56.6% at 31 December, 2022 respectively of the issued share capitals. The group owns 70.0% of the issued share capital of the Hand-in-Hand Investment Inc.

Acquisitions of subsidiaries are accounted for using the purchase method of accounting. The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to confirm any dissimilar material accounting policies that may exist.

Non-controlling interest represent the interest not held by the company in GCIS Incorporated, Hand-in-Hand Trust Corporation Inc., Hand-in-Hand Investments Inc and Rupununi Development Company Ltd.

(j) Management fees and expenses

Management fees are charged to GCIS Incorporated to equitably spread overhead in relation to the management services rendered to this company.

These expenses are allocated based on the gross premium written on each class of business for the year.

(k) Commissions and allowances

This represents expenses incurred in the acquisition of insurance business contracts mainly through sales representatives and brokers. Various rates are used in the computation of commission and allowances paid.

(1) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable in the normal course of business. Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate.



- 2.1 Summary of significant accounting policies cont'd
- (1) Revenue recognition con't

Dividend income from investments is recognized when the shareholders rights to receive payment have been established.

(m) Goodwill

Goodwill is tested annually for impairment.

(n) Cash and cash equivalents

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

(o) Taxation

Income Tax

Income tax expense represents the sum of tax currently payable and deferred 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 expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company and group's liability for current tax is calculated using tax rates that have been enacted in Guyana at the end of the reporting period.

Deferred Tax

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

Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor accounting profit.



- 2.1 Summary of significant accounting policies cont'd
- (o) Taxation cont'd

Deferred Tax - cont'd

The carrying amount of the deferred tax assets is reviewed at each reporting period and reduced to the extent that it is no longer probable sufficient taxable profit will be available to allow all or part of the assets 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 realized 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 and group intends to settle their current tax assets and liabilities on a net basis.

(p) Properties on hand

These properties relate to mortgages that were foreclosed and purchased at public auction. These are stated at fair value.

(q) Foreign currencies

Transactions in currencies other than Guyana dollars are recorded at the rates of exchange prevailing on the dates of the transaction. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at rates prevailing at the date when the fair value was determined.

Gains and losses arising on retranslation are included in the statement of profit or loss and other comprehensive income for the period.



2.1 Summary of significant accounting policies – cont'd

(r) Reinsurance

The group transfers some of its insurance risk to other insurers through reinsurance both locally and overseas. The reinsurer assumes part of the risk and part of the premium originally taken by the group. Reinsurer reimburses the group for claims paid to policyholders according to various standing agreements reached. The group has both treaty and facultative reinsurance. Under a treaty each party automatically accepts specific percentage of the insurers' business. Facultative reinsurance covers specific individual risks that are unusual or so large that it cannot be covered in the group's reinsurance treaties.

Reinsurance premium paid and reinsurance recoveries that are netted against claims are accounted for in the statement of profit or loss and other comprehensive income.

Reinsurance recoveries on outstanding claims are shown as current asset in the statement of financial position.

(s) Insurance contract – The Hand-in-Hand Mutual Fire Insurance Company Ltd.

The Company issues contracts that transfer insurance risk or financial risk or both.

Accident and liability Insurance contracts protect the company's customer against the risk of causing harm to third parties as a result of their legitimate activities and damages covered include both contractual and non-contractual events.

Property Insurance contracts mainly compensate the company's customers for damage suffered to their properties or for the value of property lost.

Liability adequacy test

The Company, upon notification of the occurrence of an insured event, sets up a provision based on best estimates and/or reports received from loss adjusters. At regular intervals the amounts provided for all unpaid claims are reviewed to take into account any material changes advised of by the client and/or broker.

At all times therefore, balances reflected as payable on individual claims represent the assessed liability of the company having taken all the information relevant to the individual claims into consideration. Liabilities for all claims are kept until they are discharged or cancelled or have expired.



- 2.1 Summary of significant accounting policies cont'd
 - (t) Insurance contract GCIS Inc.

The Company has traditional long-term insurance contracts that continue through the life of the insured individual and for specified periods as well.

Insurance premiums are recognized as they become payable by the contract holder. Premiums paid are recognized through the statement of profit or loss and other comprehensive income and are shown gross of commission.

There is a concentration of insurance risk in the age range of 21-30 years. This risk is factored into the insurance premium amount. A higher premium is charged for high risk insurance contracts. The company maintains a large portfolio of similar contracts resulting in less variability in the estimated risk.

(u) Claims

Claims are made against the group for losses incurred by its various policy holders. Management minimizes this expense by prudent underwriting of policies and efficient handling and settlement of claims. Management also minimizes this expense by reinsurance. Claims are reflected in the statement of profit or loss and other comprehensive income net of reinsurance recoveries. Claims that are reported but not paid are provided for in the accounts. The amount provided is based upon the estimated liabilities and limited to the coverage granted under the policy. Where the claim is subject to reinsurance, an amount is provided as recoverable from the reinsurer. A claim must be made immediately and then put in writing within 14 days according to the insurance contract.

(v) Premium capital

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

(w) Capital reserve

Surplus on revaluation of property, plant and equipment is credited to this reserve.



2.1 Summary of significant accounting policies – cont'd

(x) General reserve

This represents the accumulated surplus or losses of the group together with write off such as unclaimed triennial cash profit.

(y) Capital redemption reserve

A provision is made so as not to reduce the available funds necessary to pay creditors as a result of the redemption of ordinary and preference scrip.

(z) Triennial profit

This represents triennial cash profit, that is, a portion of the profits of the company which is returnable to members in cash at the end of a triennial period in respect of and in proportion to their premium contributions pursuant to the By-Laws of the company. A rate of return is arrived at after taking into account the various prevailing interest rates.

(aa) Reserve fund

This reserve is maintained by Hand-in-Hand Trust Corporation Inc. in accordance with the provisions of Section 20 (1) of the Financial Institutions Act 1995 which requires that a minimum 15% of net profit as defined in the Act, be transferred to the reserve fund until the amount of the fund is equal to its paid up capital.

(ab) Business information

The group's business information are components of an entity that is engaged in providing products or services that are subject to risks and returns that are different from those of other business information.

(ac) Impairment of tangible assets

At the end of each reporting 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).



2.1 Summary of significant accounting policies – cont'd

(ad) Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that the company and group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

De-recognition of provisions

Provisions are de-recognized when it is no longer probable that an outflow of economic resources will be required to settle the obligation.

(ae) Dividends

Dividends that are proposed and declared are recorded as an appropriation of retained earnings in the statement of changes in equity in the period in which they have been approved. Dividends that are proposed and declared after the reporting date are disclosed as a note to the financial statements.

(af) Borrowing costs

Borrowing costs are interest and other costs that the Company and Group incurs in connection with the borrowing of funds – IAS 23 – Borrowing costs. Borrowing costs were expensed during the period.

(ag) Biological asset

The Company is engaged in the rearing of cattle on a large scale for resale. These are valued at the original cost plus rearing expenses incurred. Each category of livestock was thereon valued at a price relative basis, whereby the lowest realisable market price for each category at 31 December 2022 was used.



2.2 Critical accounting judgments and key sources of estimation uncertainty

In the application of the Company and Group's accounting policies which are described in note 2.1, the directors are required to make judgments, 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 recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

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

(i) <u>Receivables and prepayments</u>

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

(ii) <u>Useful lives of plant, property and equipment</u>

Management reviews the estimated useful lives of plant, property and equipment at the end of each reporting period to determine whether the useful lives should remain the same.

(iii) Other financial assets

In determining the fair value of investments in the absence of a market, the Directors estimate the likelihood of impairment by using discounted cash flows.

(iv) Impairment of financial assets/determination of expected credit losses

Management makes judgement on recognition of every financial asset of the expected credit losses. Expected credit losses are estimates of any potential default in payments of contractual cash flows taking into account the entirety of the contract life. These losses are reassessed if the credit risk on the instrument changes. Credit risk is determined based on past and forward-looking information. If the retrieval of forward-looking information causes undue cost or effort past information is used to determine credit risk. There exists significant measurement uncertainty in determining this amount as it is based on management's judgement.

(v) Impairment assessment of right-of-use asset

The Management has estimated that the entirety of the right of use asset will be recoverable. The carrying amount of right-of-use asset in respect of the property is G\$153,297,922 at 31 December 2022 (2021 – G\$190,748,095).

(vi) <u>Ultimate liability arising from claims made under insurance contract</u>

The ultimate liability arising from claims made under insurance contract is likely to be different from initial estimates. Both the timing of settlement and the ultimate liability are subject to uncertainty.



AND SUBSIDIARIES NOTES ON THE ACCOUNTS

	2022				
	Gross	Reinsurance	Increase/(decrease) in	Net	
	G\$	G\$	<u>Unexpired Risks</u> G\$	G\$	
3 Premiums					
Company					
Fire	610,478,616	241,868,027	(29,663,447)	398,274,036	
Marine	12,947,981	2,032,597	(309,409)	11,224,793	
Accident and liabilities	145,449,587	22,946,525	(8,032,425)	130,535,487	
Auto	497,720,629	31,839,227	11,060,195	454,821,207	
	1,266,596,813	298,686,376	(26,945,086)	994,855,523	
Group					
Fire	635,635,838	242,327,703	(30,139,620)	423,447,755	
Marine	12,947,981	2,032,597	(309,409)	11,224,793	
Accident and liabilities	145,449,587	22,946,525	(8,032,425)	130,535,487	
Auto	628,093,854	42,735,031	7,145,035	578,213,788	
	1,422,127,260	310,041,856	(31,336,419)	1,143,421,823	
			2021 Increase/(decrease) in	Net	
	Gross	Reinsurance	Unexpired Risks	1101	
	G\$	G\$	G\$	G\$	
Premiums					
Company					
Fire	634,107,730	234,049,454	30,058,554	369,999,722	
Marine	13,023,935	3,854,374	4,264,952	4,904,609	
Accident and liabilities	160,144,748	19,495,508	(4,016,915)	144,666,155	
Auto	476,444,805	30,784,166	17,009,303	428,651,336	
	1,283,721,218	288,183,502	47,315,894	948,221,822	
Group					
Fire	659,541,442	233,783,784	29,705,219	396,052,439	
Marine	13,023,935	3,854,374	4,264,952	4,904,609	
Accident and liabilities	160,144,748	19,495,508	(4,016,915)	144,666,155	
Auto	616,625,730	42,329,922	15,923,045	558,372,763	
	1,449,335,855	299,463,588	45,876,301	1,103,995,966	
	Comp	any	Group		
	2022	2021	2022	2021	
	G\$	G\$	G\$	G\$	
4 Investment income					
"Held to collect"					
Bonds & debentures	=	-	35,955,289	39,623,069	
"Held for trading"	52 122 424	25 619 765	01.769.112	72 780 476	
Shares and stocks	52,123,424	35,618,765	91,768,113	72,780,476	
"Loans and receivables" Mortgages & loans	33,998,392	29,964,314	766,521,902	731,079,916	
Total	86,121,816	65,583,079	894,245,304	843,483,461	
		,			
Investment income from:					
Quoted investments	39,145,475	36,141,158	80,741,804	74,408,181	
Unquoted investments	46,976,341	29,441,921	813,503,500	769,075,280	
	86,121,816	65,583,079	894,245,304	843,483,461	
5 Other income					
Cash on deposit	6,086,482	6,076,075	19,827,331	11,014,158	
Changes in fair value on equity securities	519,275,600	689,882,617	569,245,789	1,065,381,772	
Miscellaneous	7,886,868	7,371,600	152,227,381	166,670,073	
	533,248,950	703,330,292	741,300,501	1,243,066,003	



AND SUBSIDIARIES

NOTES ON THE ACCOUNTS

		Comp	oany	Gro	up
		2022	2021	2022	2021
		G\$	G\$	G\$	G\$
6	Management fees				
	_	42 000 000	42 000 000		
	GCIS Inc. Hand in Hand Trust Corporation Inc.	12,000,000 6,000,000	12,000,000	-	-
	Hand in Hand Trust Corporation Inc.	18,000,000	6,000,000 18,000,000		
		10,000,000	10,000,000		
7	Commissions and allowances				
	Fire	79,786,258	100,809,555	80,663,126	101,077,940
	Marine	1,688,173	2,070,527	1,688,173	2,070,527
	Accident and liabilities	19,012,040	25,459,587	19,012,040	25,459,587
	Auto	20,682,196	23,958,251	22,784,221	26,477,309
		121,168,667	152,297,920	124,147,560	155,085,363
8	Management expenses				
	Operating expenses	243,073,623	248,187,813	373,080,808	354,603,077
	Provision for losses (a)	-	-	(62,961,626)	96,619,040
	Provision for ECLs (b)	3,960,900	3,808,878	6,019,246	21,603,334
	Employment cost	470,175,909	414,832,039	915,555,527	823,059,194
	Depreciation Directors' emoluments (c)	61,829,433 12,230,209	56,379,632 13,189,494	97,563,378 19,223,455	95,758,500 19,734,306
	Auditor's remuneration	3,204,334	4,247,898	7,259,878	7,352,269
		794,474,408	740,645,754	1,355,740,666	1,418,729,720
	(a) Provision for losses				
	Bad debt written off	-	-	98,622,334	77,882,748
	Bad debt recoveries	-	-	(40,682,601)	(2,190,609)
	Loss allowance (ECLs) for the year			(120,901,359)	20,926,901
				(62,961,626)	96,619,040
	(b) Credit impairment losses on other financial assets				
	Loss allowance on investments	1,255	12,221	1,255	16,912,900
	Loss allowance on other financial assets	3,959,645	3,796,657 3,808,878	6,017,991 6,019,246	4,690,434 21,603,334
		3,200,200	3,000,070	0,012,210	21,000,00
	(c) Directors' emoluments				
	LG Comporter (Chairman HIHE)	3,596,785	3,425,508	4,065,603	3,872,004
	J.G. Carpenter - (Chairman - HIHF) P.A. Chan-Sue - (Chairman - HIH Trust and	2,158,356	2,055,576	4,064,874	3,728,922
	Chairman - GCIS Inc)				
	C.R. Quintin - Retired	- 0.150.256	1,541,682		2,239,068
	W.A. Lee - (Vice Chairman - HIHF) - (Chairman - RDC)	2,158,356	2,055,576	2,257,636	2,055,576
	I.A. Mc Donald	2,158,356	2,055,576	3,129,552	2,963,232
	T.A. Parris	2,158,356	2,055,576	3,598,370	3,409,728
	K. Evelyn	-	-	535,014	260,456
	T. Cadogan	-	-	971,196	907,656
	R. Rowe O. Singh	-	-	468,818 66,196	297,664
	P. Fraser			66,196	
		12,230,209	13,189,494	19,223,455	19,734,306
		12,230,207	10,100,101	17,223,103	12,721,300



AND SUBSIDIARIES

Net	\$	96,935,692 2,254,157	8,438,669 119,325,259	226,953,777		97,803,422	8,438,669	134,988,509	243,484,757
2021 Reinsurance	\$5	245,219	4,084,442	4,329,661		235,436	I	5,652,942	5,888,378
Gross	Ŝ	97,180,911	8,438,669	231,283,438		98,038,858	8,438,669	140,641,451	249,373,135
Net	\$	56,579,278 373,788	(10,540,690) 152,220,791	198,633,167		56,737,345	(10,540,690)	178,571,691	225,142,134
2022 Reinsurance	3	117,410,758	2,084,020	119,494,778		117,770,485	•	3,670,520	121,441,005
Gross	Ŝ	173,990,036	(10,540,690) 154,304,811	318,127,945		174,507,830	(10,540,690)	182,242,211	346,583,139
	9 Claims	Company Fire Marine	Accident and liabilities Auto		Group	Fire Marine	Accident and liabilities	Auto	

NOTES ON THE ACCOUNTS



		Gro	up
		2022	<u>2021</u>
		G\$	G\$
10	Interest		
	Interest expenses	206,095,128	185,843,251
	Interest expenses represent interest on customers' deposits at Hand	d-in-Hand Trust Corpo	oration Inc.
		Company	& Group
		2022	<u>2021</u>
		G\$	G\$
11	Triennial cash profit		
	Triennial cash profit - 15%	1,752,500	1,770,613
12	Policies entitled to profits 2021/2024		
	Policies entitled to profits 2021	-	(41,315,789)
	Policies entitled to profits 2022	(7,913,101)	(34,251,079)
	Policies entitled to profits 2023	(5,889,634)	(19,881,006)
	Policies entitled to profits 2024	(3,615,379)	
		(17,418,114)	(95,447,874)
13	Transfer - profit and loss (Annual)		
	account on policies entitled to profit		
	At 31 December 2019		(1 227 157)
		(1.427.020)	(1,237,157)
	At 31 December 2020 At 31 December 2021	(1,427,039)	(2,248,250)
	At 31 December 2021 At 31 December 2022	(34,251,079) (7,913,101)	(41,315,789)
	AC 31 December 2022	(7,713,101)	
		(43,591,219)	(44,801,196)
		(10,0)1,21)	(11,001,170)



14 Taxation

Taxation on the company and its subsidiaries have been computed based on the applicable tax laws relating to Insurance Companies and Trust Companies.

	Com	pany	Group	
•	2022	2021	2022	2021
	G\$	G\$	G\$	G\$
Reconciliation of tax expenses and accounting profit				
Accounting profit	526,884,268	597,963,492	853,990,772	1,204,233,952
Corporation tax @ 40%/25% Add:	210,753,707	239,185,397	273,836,473	364,444,751
Tax effect of expenses not deductible in determining				
taxable profit	24,724,235	22,551,853	25,719,048	24,144,967
•	235,477,942	261,737,250	299,555,521	388,589,718
Deduct:				
Income exempt from corporation tax	(18,927,179)	(17,314,292)	(48,676,190)	(54,183,580)
-	216,550,763	244,422,958	250,879,331	334,406,138
Adjustments and effect of varying tax rates	(216,550,763)	(244,422,958)	(231,999,959)	(283,492,815)
Corporation tax	-	-	18,879,372	50,913,323
Taxes deducted at source from income on deposits	944,679	880,624	3,442,852	3,244,087
Capital gains tax	2,820,000	-	2,820,000	-
Deferred tax	(21,223,846)	(53,668,063)	(21,720,925)	(54,734,128)
•				
=	(17,459,167)	(52,787,439)	3,421,299	(576,718)
Taxation - current	3,764,679	880,624	25,142,224	54,157,410
- deferred	(21,223,846)	(53,668,063)	(21,720,925)	(54,734,128)
_	(17,459,167)	(52,787,439)	3,421,299	(576,718)
	_			



14 Taxation - cont'd

Deferred tax

The following is the analysis of deferred tax assets/(liabilities) presented in the statement of financial position.

Movement in temporary differences

Company			
Property, plant and equipment G\$	Unused tax losses carried forward G\$	<u>Total</u> G\$	
-	-	-	
447,231	49,349,314	49,796,545	
447,231	49,349,314	49,796,545	
539,108	20,684,738	21,223,846	
986,339	70,034,052	71,020,391	
	and equipment G\$ - 447,231 447,231 539,108	Property, plant and equipment G\$ tax losses carried forward G\$	

-	Comp	oany
Deferred liabilities	Revaluation of land and building G\$	Total G\$
At 1 January 2021	474,446,962	474,446,962
Movement during the year:- Statement of profit or loss and other comprehensive income	-	-
At 31 December 2021	474,446,962	474,446,962
Movement during the year:- Statement of profit or loss and other comprehensive income		
At 31 December 2022	474,446,962	474,446,962



14 Taxation - cont'd

Deferred tax-cont'd

The following is the analysis of deffered tax asset/(liabilities) presented in the statement of financial position.

Movement in temporary differences

Group			
Property, plant and equipment G\$	Unused tax losses carried forward G\$	<u>Total</u> G\$	
1,392,817	729,262	2,122,079	
376,068	49,349,314	49,725,382	
1,768,885	50,078,576	51,847,461	
(66,924)	20,684,738	20,617,814	
1,701,961	70,763,314	72,465,275	
	Group		
Revaluation of land and building G\$	Group Property, plant and equipment G\$	Total G\$	
land and building	Property, plant and equipment		
land and building G\$	Property, plant and equipment G\$	G\$	
land and building G\$	Property, plant and equipment G\$ 17,893,051	G\$ 618,466,080	
land and building G\$ 600,573,029	Property, plant and equipment G\$ 17,893,051 (5,008,746)	G\$ 618,466,080 (5,008,746)	
	and equipment G\$ 1,392,817 376,068 1,768,885	Property, plant and equipment G\$ tax losses carried forward G\$ 1,392,817 729,262 376,068 49,349,314 1,768,885 50,078,576 (66,924) 20,684,738	



15 (a) Property, plant and equipment

COMPANY

	Facilial 11 and		Furniture,		
	Freehold land and	Right-of-use	equipment and	Motor	
	buildings	assets	machinery	<u>vehicles</u>	<u>Total</u>
	G\$	G\$	G\$	G\$	G\$
Cost/valuation					
At 1 January 2021	1,399,600,000	173,654,707	423,052,491	111,497,167	2,107,804,365
Additions	1,432,000	-	24,528,534	40,020,843	65,981,377
Disposals			(2,018,894)		(2,018,894)
At 31 December 2021	1,401,032,000	173,654,707	445,562,131	151,518,010	2,171,766,848
Additions	80,000	-	20,316,048	32,966,290	53,362,338
Disposals			(1,442,343)	(3,562,798)	(5,005,141)
At 31 December 2022	1,401,112,000	173,654,707	464,435,836	180,921,502	2,220,124,045
Comprising:					
Cost	214,994,595	173,654,707	464,435,836	180,921,502	1,034,006,640
Valuation	1,186,117,405	-	-	-	1,186,117,405
	1,401,112,000	173,654,707	464,435,836	180,921,502	2,220,124,045
Depreciation					
At 1 January 2021	11,910,000	21,206,987	299,241,427	52,140,616	384,499,030
Charged for the year	11,671,800	12,211,990	17,787,043	14,708,798	56,379,631
Written back on disposals	, , , , , , , , , , , , , , , , , , ,	-	(1,748,222)	-	(1,748,222)
At 31 December 2021	23,581,800	33,418,977	315,280,248	66,849,414	439,130,439
Charge for the year	11,438,364	12,211,990	16,721,611	21,457,468	61,829,433
Written back on disposals			(887,678)	(2,390,621)	(3,278,299)
At 31 December 2022	35,020,164	45,630,967	331,114,181	85,916,261	497,681,573
Net book values:					
At 31 December 2021	1,377,450,200	140,235,730	130,281,883	84,668,596	1,732,636,409
At 31 December 2022	1,366,091,836	128,023,740	133,321,655	95,005,241	1,722,442,472



AND SUBSIDIARIES

NOTES ON THE ACCOUNTS

15 (b) Property, plant and equipment

GROUP

GROUP					
	Freehold land and <u>buildings</u> G\$	Right-of-use <u>assets</u> G\$	Furniture, equipment and machinery G\$	Motor vehicles G\$	<u>Total</u> G\$
Cost/valuation At 1 January 2021 Additions Disposals	1,752,900,000 1,432,000	300,025,621	554,074,064 28,471,100 (10,924,647)	158,075,069 40,020,843	2,765,074,754 69,923,943 (10,924,647)
At 31 December 2021	1,754,332,000	300,025,621	571,620,517	198,095,912	2,824,074,050
On acquisition Additions Disposals	488,100 80,000 	- - -	5,142,425 32,226,628 (15,123,248)	32,966,290 (3,562,798)	5,630,525 65,272,918 (18,686,046)
At 31 December 2022	1,754,900,100	300,025,621	593,866,322	227,499,404	2,876,291,447
Comprising:					
Cost Valuation	240,211,271 1,514,688,829	300,025,621	593,866,322	227,499,404	1,361,602,618 1,514,688,829
	1,754,900,100	300,025,621	593,866,322	227,499,404	2,876,291,447
Accumulated depreciation At 1 January 2021 Charged for the year Written back on disposals	14,841,000 14,514,870 	71,755,353 37,486,173	405,090,184 24,308,211 (10,504,113)	81,943,516 19,449,246	573,630,053 95,758,500 (10,504,113)
At 31 December 2021	29,355,870	109,241,526	418,894,282	101,392,762	658,884,440
Charge for the year Written back on disposals	14,196,142	37,486,173	20,226,420 (13,369,275)	25,654,643 (2,390,621)	97,563,378 (15,759,896)
At 31 December 2022	43,552,012	146,727,699	425,751,427	124,656,784	740,687,922
Net book values:					
At 31 December 2021	1,724,976,130	190,784,095	152,726,235	96,703,150	2,165,189,610
At 31 December 2022	1,711,348,088	153,297,922	168,114,895	102,842,620	2,135,603,525



AND SUBSIDIARIES

16	Investments	

	Company			
	31.12.2		31.12.2	2021
	Fair value	Cost	Fair value	Cost
	G\$	G\$	G\$	G\$
"Held For trading"				
Shares and other stocks				
Guyana	2,513,830,692	478,080,270	2,028,332,109	530,537,122
Canada	127,757,437	24,684,283	120,444,680	24,684,283
United States	216,247,906	42,277,902	241,109,646	42,277,902
	2,857,836,035	545,042,455	2,389,886,435	597,499,307
Loans and receivables'				
Mortgages (d)	342,270	342,270	342,270	342,270
MCG investment	8,780,642	8,780,642	11,102,509	11,102,509
Provision for impairment ECLs	(3,971,900)	(3,971,900)	(3,959,645)	(3,959,645
Mortgages net of ECL (c)	5,151,012	5,151,012	7,485,134	7,485,134
Total investments	2,862,987,047	550,193,467	2,397,371,569	604,984,441
Impairment on investments				
Opening balance	3,959,645	3,959,645	3,947,424	3,947,424
ECLs during the year	12,255	12,255	12,221	12,221
As at year end	3,971,900	3,971,900	3,959,645	3,959,645
		Grou	ın	
	31.12.2		31.12.2	2021
	<u>Fair value</u>	Cost	Fair value	Cost
	G\$	G\$	G\$	G\$
"Held to collect"				
Bonds & Debentures:-				
Caribbean - Government (a)	282,108,558	282,108,558	235,929,776	235,929,776
Caribbean - Others (b)	645,916,739	645,916,739	590,359,991	590,359,991
Less ECLs	(40,048,131)	(40,048,131)	(40,048,131)	(40,048,131
"Held For trading"	887,977,166	887,977,166	786,241,636	786,241,636
Government:-				
Shares, other stocks and bonds				
Guyana	3,535,725,062	468,679,338	2,902,088,175	726,781,601
Canada	150,757,050	40,868,841	146,681,514	40,868,841
United States	274,681,361	77,283,971	323,660,026	77,537,834
Caribbean - Others	757,686,082	674,642,073	835,535,062	726,086,263
	4,718,849,555	1,261,474,223	4,207,964,777	1,571,274,539
Loans and receivables'				
Martagas				7 476 065 226
Mortgages	7,914,694,783	7,914,694,783	7,476,065,336	/,4/6,065,336
MCG investment	7,914,694,783 8,780,642	7,914,694,783 8,780,642	7,476,065,336 11,102,509	
MCG investment				11,102,509
	8,780,642	8,780,642	11,102,509	7,476,065,336 11,102,509 (86,043,967 7,401,123,878
MCG investment Provision for impairment ECLs	8,780,642 (90,587,239)	8,780,642 (90,587,239)	11,102,509 (86,043,967)	11,102,509 (86,043,967 7,401,123,878
MCG investment Provision for impairment ECLs Mortgages net of ECL (c) Total investments	8,780,642 (90,587,239) 7,832,888,186	8,780,642 (90,587,239) 7,832,888,186	11,102,509 (86,043,967) 7,401,123,878	11,102,509 (86,043,967 7,401,123,878
MCG investment Provision for impairment ECLs Mortgages net of ECL (c) Total investments Impairment on investments	8,780,642 (90,587,239) 7,832,888,186 13,439,714,907	8,780,642 (90,587,239) 7,832,888,186 9,982,339,575	11,102,509 (86,043,967) 7,401,123,878 12,395,330,291	11,102,509 (86,043,967 7,401,123,878 9,758,640,053
MCG investment Provision for impairment ECLs Mortgages net of ECL (c) Total investments	8,780,642 (90,587,239) 7,832,888,186	8,780,642 (90,587,239) 7,832,888,186	11,102,509 (86,043,967) 7,401,123,878	11,102,509 (86,043,967



16 Investments - cont'd

Investment securities					
	Year of	Rate of		Gr	oup
	<u>maturity</u>	interest	Security	31.12.2022	31.12.2021
				G\$	G\$
Held to collect					
(a) Caribbean- Government					
T&T Housing Bond	2025	7.00	Secured	57,300,000	57,300,000
Gov't of St. Kitts New Discount Bonds	2032	3.00	Secured	5,889,405	6,427,841
Gov't of St Kitts New Par Bonds	2057	1.50	Secured	9,148,071	9,148,071
Barbados Port Inc.	2024	8.00	Secured	29,771,082	43,053,864
TSTT Bridge Bond	2029	8.30	Secured	180,000,000	120,000,000
				282,108,558	235,929,776
	N. C	D 0		Gr	oup
	Year of	Rate of	C:-	21 12 2022	21 12 2021
	<u>maturity</u>	interest	Security	31.12.2022 G\$	31.12.2021 G\$
				G\$	Q\$
(b) Caribbean- Others					
JMMB Repurchase Agreement	2022	1.65	Secured	60,915,785	60,000,000
JMMB Repurchase Agreement	2022	1.85	Secured	285,000,954	230,359,991
Hand-in-Hand Mutual Life Assurance Co. Ltd.	2022	2.75	Secured	300,000,000	300,000,000
				645,916,739	590,359,991



16 Investments - cont'd

(c) Mortgages	Compa	ny	Gro	up
	31.12.2022	31.12.2021	31.12.2022	<u>31.12.2021</u>
	G\$	G\$	G\$	G\$
(a) Accrual loan and advances	9,122,912	11,444,779	4,522,205,341	4,326,327,236
Non accruals loan and advances			3,401,270,084	3,160,840,609
	9,122,912	11,444,779	7,923,475,425	7,487,167,845
Expected credit loss (i)	3,971,900	3,959,645	90,587,239	86,043,967
	5,151,012	7,485,134	7,832,888,186	7,401,123,878
(i) Expected credit loss				
At beginning	3,959,645	3,947,424	86,043,967	90,833,224
ECL's during the year	12,255	12,221	4,543,272	(4,789,257)
As at year end	3,971,900	3,959,645	90,587,239	86,043,967



RE INSURANCE COMPANY LIMITED AND SUBSIDIARIES

NOTES ON THE ACCOUNTS

17 Fair value determination

The following table details the carrying costs of assets and liabilities. Fair values are stated for disclosure purposes.

Company	IFRS 13	31.12.2022		IFRS 13	31.12.2021	
	Level	Carrying Value G\$	Fair Value G \$	Level	Carrying Value G\$	Fair Value G \$
Assets		34	34		34	34
Investments						
"Loans and receivables"	2	5,151,012	5,151,012	2	7,485,134	7,485,134
Interest accrued	2	15,498,881	15,498,881	2	10,184,976	10,184,976
Receivables and prepayments	2	1,072,546,133	1,072,546,133	2	817,737,491	817,737,491
Cash on deposits	1	347,308,799	347,308,799	1	368,384,767	368,384,767
Cash at banks and on hand	1	168,467,891	168,467,891	1	117,130,410	117,130,410
		1,608,972,716	1,608,972,716		1,320,922,778	1,320,922,778
Liabilities						
Provision for unexpired risks	3	653,472,549	653,472,549	3	680,417,635	680,417,635
Medium term borrowings	2	926,478,484	926,478,484	2	725,334,461	725,334,461
Short term borrowings	2	118,855,977	118,855,977	2	108,381,311	108,381,311
Claims admitted and intimated but not paid	2	356,584,338	356,584,338	2	270,696,366	270,696,366
Payables and accrued expenses	2	156,937,407	156,937,407	2	150,157,776	150,157,776
Bank overdraft	1	145,444,331	145,444,331	1	72,599,997	72,599,99
		2,357,773,086	2,357,773,086		2,007,587,546	2,007,587,546
Group						
Assets						
Goodwill Investments	3	255,672,892	255,672,892	3	157,582,464	157,582,464
"Held to collect"	2	887,977,166	887,977,166	2	786,241,636	786,241,636
"Loans and receivables"	3	7,832,888,186	7,832,888,186	3	7,401,123,878	7,401,123,878
Statutory deposits	1	1,091,632,602	1,091,632,602	1	973,283,849	973,283,849
nterest accrued	2	32,165,503	32,165,503	2	17,474,689	17,474,689
Receivables and prepayments	2	1,104,402,904	1,104,402,904	2	917,908,529	917,908,529
Cash on deposits	1	718,760,230	718,760,230	1	1,072,632,316	1,072,632,310
Cash at banks and on hand	1	425,252,438	425,252,438	1	468,586,250	468,586,250
		12,348,751,921	12,348,751,921		11,794,833,611	11,794,833,611
Liabilities						
Provision for unexpired risks	2	716,703,441	716,703,441	2	748,039,860	748,039,860
Medium term borrowings	2	926,478,484	926,478,484	2	725,334,461	725,334,461
Customers' deposits	2	8,877,531,288	8,877,531,288	2	8,665,760,773	8,665,760,773
Policyholders' liabilities	2	940,326	940,326	2	940,326	940,320
Short term borrowings	2	118,855,977	118,855,977	2	108,381,311	108,381,311
Claims admitted and intimated but not paid	2	377,444,188	377,444,188	2	293,728,387	293,728,387
Payables and accrued expenses	2	401,757,629	401,757,629	2	417,709,100	417,709,100
Bank overdraft	1	145,444,331	145,444,331	1	127,136,917	127,136,917
		11,565,155,664	11,565,155,664		11,087,031,135	11,087,031,135



17 Fair value determination - cont'd

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

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

(i) "Loans and receivables"

Loans and receivables and other receivables are net of specific provision for impairment. The fair value is based on expected realisation of outstanding balances taking into account the Company's and Group's history with respect to delinquencies. Mortgages are secured against the borrowers' properties.

(ii) "Financial instruments where the carrying amounts are equal to fair value"

The fair values of the Company's and Group's investments were arrived at using market rates provided by Guyana Association of Securities Companies and Intermediaries Inc. and Directors' assessment.

Financial instruments where the carrying amounts are equal to fair value:- Due to their short term maturity, the carrying value of certain financial instruments approximates their fair values. These include cash and cash equivalents, statutory deposits, receivables and prepayments, accrued interest, medium term borrowings, claims admitted and intimated but not paid, payables and accruals, bank overdraft and customer deposits.

- (iii) Fair value of properties on hand, goodwill and reserve were determined using Directors estimate.
- (iv) Fair value of policyholders' liabilities was determined by the actuaries.

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

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

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

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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17 Fair value determination - cont'd

Assets carried at fair value

Company		31.12.2022	(IFRS 13)	
	Level 1	Level 2	Level 3	Total
	G\$	G\$	G\$	G\$
Held for trading financial assets	344,005,342	2,503,542,943	10,287,750	2,857,836,035
		31.12.2021	(IFRS 13)	
-	Level 1	Level 2	Level 3	Total
	G\$	G\$	G\$	G\$
Held for trading financial assets	361,554,327	2,018,044,358	10,287,750	2,389,886,435
		31.12.2022	(IFRS 13)	
Group -	Level 1	Level 2	Level 3	Total
olvap	G \$	G \$	G \$	G\$
Held for trading financial assets	344,105,342	3,300,686,544	1,074,057,669	4,718,849,555
		31.12.2021	(IFRS 13)	
-	Level 1	Level 2	Level 3	Total
	G\$	G\$	G\$	G\$
Held for trading financial assets	361,654,327	2,658,482,167	1,187,828,283	4,207,964,777

Where the fair value of a held for trading financial assets investment security is based on a quoted market price in an active market, the instrument is classified in Level 1. A market is regarded as active if quoted market prices are readily and regularly available from an exchange, dealer, broker, industry, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Where the fair value of a held for trading financial assets investment security is determined by quoted price for an identical instrument in a market that is considered less active or by a quoted price in an active market for a similar instrument, that instrument is included in Level 2.

If the fair value is based on one or more significant inputs that are not derived from observable market data, the instrument is included in Level 3.

	Comp	any	Gro	·up
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	G\$	G\$	G\$	G\$
Property, Plant and Equipment	1,722,442,472	1,732,636,409	2,135,603,525	2,165,189,610
Properties on hand		1,900,000	102,216,152	106,507,725

During the year ended 30 June 1980, The Hand-in-Hand Mutual Fire Insurance Company Limited's land and buildings were revalued by an independent professional valuer. The surplus on revaluation amounting to G\$808,179 was credited to capital reserve. Another revaluation was done on 12 May 1994 by the Directors and an additional revaluation surplus of G\$77,875,716 was credited to capital reserve. A further revaluation was again done on 4 May 2002 by an independent professional valuer, Mr. Hugo Curtis, FRICS - Chartered Valuation Surveyor. A surplus on revaluation amounting to G\$1,006,976,410 was credited to capital reserve. A revaluation was again done on 31 December 2020 by Mr. Travis Davis, Valuer. The surplus arising on revaluation was credited to revaluation reserve.

The GCIS Incorporated's land and buildings were revalued on 7 March 1994 by Mr. Moneer Khan, Valuer, but the revalued figures were not brought in the accounts until 31 December 1994, when a 5% upward adjustment was made to those figures by the Valuation Division of the Ministry of Finance. The surplus arising on revaluation was credited to Revaluation Reserve. A further revaluation was again done on 12 November, 2008 by Mr. Pavel Benn, Valuer. A revaluation was again done on 31 December 2019 by Mr. Travis Davis, Valuer. The surplus arising on revaluation was credited to revaluation reserve.

The valuation of property has been derived to the current market value in the case of land, and the replacement cost in the case of building. The most significant input for these valuation approaches is the value of replacement cost per square foot which is considered to be observable. The valuation of property is classified as a level 2.

Properties on hand relates to foreclosed mortgages. The valuation of these properties was done by an independent professional valuer Mr. Hugo Curtis, FRICS - Chartered Valuation Surveyor.



18 Investment in subsidiaries

	Comp	oany	Gre	oup
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	G\$	G\$	G\$	G\$
GCIS Inc.	215,000,000	215,000,000	-	-
HIH Trust Corporation Inc.	733,838,333	733,838,333	-	-
HIH Investment Inc.	40,000	40,000	-	-
Rupununi Development Co. Ltd.	83,000,000	-	-	-
	1,031,878,333	948,878,333		
9 Properties on hand				

19 Properties on hand

	Comp	any	Group		
Cost	31.12.2022	31.12.2021	31.12.2022	31.12.2021	
	<u>G\$</u>	<u>G\$</u>	<u>G\$</u>	<u>G\$</u>	
Opening and closing balance	1,900,000	1,900,000	106,507,725	106,507,725	
Disposal	(1,900,000)	-	(1,900,000)	-	
Provision for diminution in value			(2,391,573)		
Fair value		1,900,000	102,216,152	106,507,725	

20 Statutory deposits

7 1	Com	Company		up
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	<u>G\$</u>	<u>G\$</u>	<u>G\$</u>	<u>G\$</u>
Deposit at Bank of Guyana			1,091,632,602	973,283,849

This amount represents a statutory deposit by the Trust and is not available for use.



AND SUBSIDIARIES

NOTES ON THE ACCOUNTS

21 Receivables and prepayments

Prepayments 9,218,147 10,678,742 19,292,588 18,643,769 Other receivables (b) 952,216,075 803,470,967 978,311,716 899,682,360 1,099,843,400 835,148,129 1,136,013,482 939,324,540 Less: Provision for impairment/ ECLs (Individually assessed) (27,297,267) (17,410,638) (31,610,578) (21,416,010,010,010,010,010,010,010,010,010,0	T. T. J.	Company		Group	
Reinsurance recoveries (a) 138,409,178 20,998,420 138,409,178 20,998,42 Prepayments 9,218,147 10,678,742 19,292,588 18,643,76 Other receivables (b) 952,216,075 803,470,967 978,311,716 899,682,36 Less: Provision for impairment/ ECLs (Individually assessed) (27,297,267) (17,410,638) (31,610,578) (21,416,012,100,100,100,100,100,100,100,100,100		31.12.2022	31.12.2021	31.12.2022	31.12.2021
Prepayments 9,218,147 10,678,742 19,292,588 18,643,76 Other receivables (b) 952,216,075 803,470,967 978,311,716 899,682,36 Less: Provision for impairment/ ECLs (Individually assessed) (27,297,267) (17,410,638) (31,610,578) (21,416,01) 1,072,546,133 817,737,491 1,104,402,904 917,908,52		G\$	G\$	G\$	G\$
Other receivables (b) 952,216,075 803,470,967 978,311,716 899,682,36 1,099,843,400 835,148,129 1,136,013,482 939,324,54 Less: Provision for impairment/ ECLs (Individually assessed) (27,297,267) (17,410,638) (31,610,578) (21,416,01) 1,072,546,133 817,737,491 1,104,402,904 917,908,52	Reinsurance recoveries (a)	138,409,178	20,998,420	138,409,178	20,998,420
1,099,843,400 835,148,129 1,136,013,482 939,324,54 Less: Provision for impairment/ ECLs (Individually assessed) (27,297,267) (17,410,638) (31,610,578) (21,416,01) 1,072,546,133 817,737,491 1,104,402,904 917,908,52	Prepayments	9,218,147	10,678,742	19,292,588	18,643,763
Less: Provision for impairment/ ECLs (Individually assessed) (27,297,267) (17,410,638) (31,610,578) (21,416,01) 1,072,546,133 817,737,491 1,104,402,904 917,908,52	Other receivables (b)	952,216,075	803,470,967	978,311,716	899,682,361
(Individually assessed) (27,297,267) (17,410,638) (31,610,578) (21,416,01) 1,072,546,133 817,737,491 1,104,402,904 917,908,52	Land Description for important PCL	1,099,843,400	835,148,129	1,136,013,482	939,324,544
	1	(27,297,267)	(17,410,638)	(31,610,578)	(21,416,015)
Impairment on Investments (IFRS 9)		1,072,546,133	817,737,491	1,104,402,904	917,908,529
	Impairment on Investments (IFRS 9)				
Opening balance 17,410,638 13,613,981 21,416,015 15,143,05	Opening balance	17,410,638	13,613,981	21,416,015	15,143,059
ECLs during the year 9,886,629 3,796,657 10,194,563 6,272,95	ECLs during the year	9,886,629	3,796,657	10,194,563	6,272,956
As at year end 27,297,267 17,410,638 31,610,578 21,416,01	As at year end	27,297,267	17,410,638	31,610,578	21,416,015

(a) This represents recoveries from reinsurers, based on the various treaties, on claims provided for but not paid to date.

	Company		Gro	up
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	G\$	G\$	G\$	G\$
Reinsurance recoveries				
Fire	122,410,758	5,000,000	122,410,758	5,000,000
Accident and liabilities	12,998,420	12,998,420	12,998,420	12,998,420
Auto	3,000,000	3,000,000	3,000,000	3,000,000
	138,409,178	20,998,420	138,409,178	20,998,420

(b) Included in this amount is a deposit for the acquisition of 10,000 shares in the Hand-In-Hand Investment USA Inc. of G\$2.2 million.

Hand-in-Hand Investment USA Inc. was incorporated in the state of Florida, USA on 1 January, 2018 and is a subsidiary of The Hand-in-Hand Mutual Fire Insurance Company Ltd. The primary purpose of this company is to manage investments held on behalf of the Hand-in-Hand Group. Certain key management and directors of The Hand-in-Hand Mutual Fire Insurance Company Limited are directors of the Hand-in-Hand Investments USA Inc. As at 31 December, 2022, an amount of G\$1.1 billion is held in trust on behalf of the Hand-in-Hand Mutual Life Assurance Company Limited. At the year end, no shares were issued by the Hand-in-Hand Investment USA Inc. and the net liability of the Company was G\$18,501,679. This Company was not included in the consolidated financial statements as it was considered immaterial to the group.



AND SUBSIDIARIES

	Company		Group	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	G\$	G\$	G\$	G\$
2 Interest accrued				
Bonds	-	-	13,757,874	4,336,198
Deposits at banks	5,635,912	8,215,835	8,544,660	11,169,350
Investment income	9,862,969	1,969,141	9,862,969	1,969,141
	15,498,881	10,184,976	32,165,503	17,474,689
3 Cash on deposits				
Non statutory deposits:				
Term deposits	248,243,732	260,589,707	577,248,855	920,304,336
Other deposits	99,065,067	107,795,060	141,511,375	152,327,980
	347,308,799	368,384,767	718,760,230	1,072,632,316
4 Cash at banks and on hand				
Cash at banks	167,441,096	116,333,382	397,340,225	443,450,815
Cash on hand	1,026,795	797,028	27,912,213	25,135,435
	168,467,891	117,130,410	425,252,438	468,586,250
			Company a	nd Group
			31.12.2022	31.12.2021
5 . Door '			G\$	G\$
5 Premium capital				
Policies entitled to profit 2024			2,025,846	1,983,207
Policies entitled to profit 2025			1,433,660	_
			3,459,506	1,983,207
6 Capital reserve	Compa	any	Gro	up
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	G\$	G\$	G\$	G\$
At beginning	711,670,443	711,670,443	843,119,299	843,119,299

This represents the fair value adjustment on the revaluation of land and building and is not distributable.



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7	General	
//	Creneral	reserve

27 General reserve	Company		Group	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	G\$	G\$	G\$	G\$
At beginning	3,182,668,159	2,520,697,215	4,277,147,762	3,247,517,709
Total comprehensive income for the year	524,689,746	661,970,944	767,604,027	1,073,664,295
Transfer to statutory reserve	<u> </u>		(21,277,696)	(44,034,242)
At end	3,707,357,905	3,182,668,159	5,023,474,093	4,277,147,762
28 Capital redemption reserve				
			Company as	
			31.12.2022	31.12.2021
			G\$	G\$
Ordinary scrip redeemed			600,000	600,000
Preference scrip redeemed			908,452	908,452
			1,508,452	1,508,452
29 Risk reserve			Grou 31.12.2022	31.12.2021
			G\$	G\$
At beginning			198,691,358	178,536,079
Transfer to/ from general reserve			(98,262,104)	20,155,279
At end			100,429,254	198,691,358
30 Provision for unexpired risks				
	Comp		Grou	
	31.12.2022 G\$	31.12.2021 G\$	31.12.2022 G\$	31.12.2021 G\$
Balance at beginning	680,417,635	633,101,741	748,039,860	702,163,559
Movement recorded in income statement	(26,945,086)	47,315,894	(31,336,419)	45,876,301
Balance at end				
Datalice at city	653,472,549	680,417,635	716,703,441	748,039,860



31 Triennial profit

•	Company a	Company and Group	
	31.12.2022	31.12.2021	
	G\$	G\$	
Triennial cash profit	1,683,110	1,752,500	

This represents triennial cash profit on fire policies entitled to profit for the financial year.

32 Non - controlling interest

	Group	
	31.12.2022	31.12.2021
	G\$	G\$
At beginning	809,529,328	675,905,529
Total comprehensive income for the year	88,401,135	141,212,952
Dividend paid	(986,430)	(986,430)
Transfer from risk reserve	(27,170,272)	5,573,100
On acquisition - RDC	(11,562,622)	-
Transfer to statutory reserve	(5,883,457)	(12,175,823)
At end	852,327,682	809,529,328

33 Loan from Hand-in-Hand Mutual Life Assurance Company Limited

	31.12.2022	31.12.2021
	G\$	G\$
At beginning	833,715,772	585,800,708
Additions	320,000,000	350,000,000
Repayment	(108,381,311)	(102,084,936)
At end	1,045,334,461	833,715,772
Short term	118,855,977	108,381,311
Medium term	926,478,484	725,334,461
	1,045,334,461	833,715,772

Loan from related parties at a rate of interest of 6% per annum.

This is secured by unallocated portion of property situated at 1 - 4 Avenue of the Republic, Lacytown, Georgetown.

34 Reserve fund

	Gro	Group	
	31.12.2022	31.12.2021	
	G\$	G\$	
At beginning	335,557,569	279,347,504	
Transfer from retained earnings	27,161,153_	56,210,065	
At end	362,718,722	335,557,569	

This reserve is maintained in accordance with the provisions of section 20 (1) of the Financial Institutions Act 1995 which requires that minimum 15% of net profit as defined in the Act, be transferred to the Reserve Fund until the amount of the Fund is equal to the paid up capital of the Trust.

Group

Company & Group



35 Customers' deposits

	Group	
	31.12.2022	31.12.2021
	G\$	G\$
Fixed	6,936,213,698	6,952,685,049
Savings	1,941,317,590	1,713,075,724
	8,877,531,288	8,665,760,773
Customers' deposits - by maturity		
Fixed - within one year	6,348,315,456	6,325,499,181
Savings - on demand	1,941,317,590	1,713,075,724
	8,289,633,046	8,038,574,905
Fixed - over one year	587,898,242	627,185,868
	8,877,531,288	8,665,760,773

This amount represents interest earning deposits held for customers at Hand-in-Hand Trust Corporation Inc.

The average interest rates are as follows:

Fixed - 1.35% - 5.0% Savings - 2.0%

	Gro	oup
36 Policyholders' liabilities	31.12.2022	31.12.2021
	G\$	G\$
At 31 December	940,326	940,326

Policyholders' liabilities represents unclaimed payments to Life Policyholders and is held in a Trust Deed with Republic Bank (Guyana) Limited. The Life Portfolio is fully wound up as at 31 December, 2019.



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NOTES ON THE ACCOUNTS

37 Claims admitted or intimated but not paid

		Compa	iny	Grou	ıp
		31.12.2022	31.12.2021	31.12.2022	31.12.2021
		G\$	G\$	G\$	G\$
	Fire	161,496,852	78,627,441	161,496,852	78,631,812
	Marine	804,157	904,157	804,157	904,157
	Accident and liabilities	63,015,625	84,906,880	63,015,625	84,906,880
	Auto	131,267,704	106,257,888	152,127,554	129,285,538
		356,584,338	270,696,366	377,444,188	293,728,387
38	Payables and accrued expenses				
		Compa	iny	Grou	ıp
		31.12.2022	31.12.2021	31.12.2022	31.12.2021
		G\$	G\$	G\$	G\$
	Other payables	153,934,503	142,556,462	383,763,016	398,203,923
	Accruals	3,002,904	7,601,314	17,994,613	19,505,177
		156,937,407	150,157,776	401,757,629	417,709,100
39	Bank overdraft				
		Compa	ny	Grou	ıp
		31.12.2022	31.12.2021	31.12.2022	31.12.2021
		G\$	G\$	G\$	G\$
	Republic Bank (Guyana) Limited - secured (i)	140,895,651	58,039,214	140,895,651	58,039,214
	Bank of Nova Scotia (unsecured)	4,548,680	14,560,783	4,548,680	14,560,783
	Citizens Bank Guyana Inc. (unsecured)		_		54,536,920
		145,444,331	72,599,997	145,444,331	127,136,917
	Interest rate	11.0%	11.0%	11.0%	11.0%
	(i) This facility is secured on the following: Companies Banks DIH Ltd. Demerara Distillers Ltd. Sterling Products Ltd. Demerara Tobacco Ltd. Neal and Massy Ltd. SAPIL (Caribbean Containers Inc.)	Shares quantity 1,575,313 416,044 117,432 175,500 1,000,000 85,100			
	ZZZZZZZZZZZZZZZZZZZZZZZZZZZZZZZZZZZZZZ	02,100			

First mortgage registered G\$157,000,000 on property situated at Lot 63 Middle Street, North Cummingsburg Georgetown.

40 Lease liability

	Compa	Company		ıp
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	G\$	G\$	G\$	G\$
Opening balance	127,003,200	137,191,698	182,004,980	217,382,056
Principal payment	(10,799,808)	(10,188,498)	(37,499,701)	(35,377,076)
As at year end	116,203,392	127,003,200	144,505,279	182,004,980
Current	10,848,651	10,234,576	39,150,538	36,934,469
Non-current	105,354,741	116,768,624	105,354,741	145,070,511
	116,203,392	127,003,200	144,505,279	182,004,980

40 Lease liability - cont'd

D' Edward

This lease is for five (5) years and was entered into on 1 January, 2019 and has an annual rental of G\$840,000 payable in advance. This rental is due for revision every year. All terms and conditions are included in the lease agreement dated 1 January, 2019.

Parika

This lease is for five (5) years and was entered into on 1 January, 2019 and has an annual rental of G\$1,500,000 payable in advance. This rental is due for revision every year. All terms and conditions are included in the lease agreement dated 1 January, 2019.

Essequibo

This lease is for five (5) years and was entered into on 1 January, 2019 and has an annual rental of G\$960,000 payable in advance. This rental is due for revision every year. All terms and conditions are included in the lease agreement dated 1 January, 2019.

Rosehall

This lease is for five (5) years and was entered into on 1 January, 2019 and has an annual rental of G\$660,000 payable in advance. This rental is due for revision every year. All terms and conditions are included in the lease agreement dated 1 January, 2019.

Bartica

This lease is for five (5) years and was entered into on 1 January, 2019 and has an annual rental of G\$180,000 payable in advance. This rental is due for revision every year. All terms and conditions are included in the lease agreement dated 1 January, 2019.

Bush Lot

This lease is for five (5) years and was entered into on 1 January, 2019 and has an annual rental of G\$320,000 payable in advance. This rental is due for revision every year. All terms and conditions are included in the lease agreement dated 1 January, 2019.

Mon Repos

This lease is for five (5) years and was entered into on 1 January, 2019 and has an annual rental of G\$2,400,000 payable in advance. This rental is due for revision every year. All terms and conditions are included in the lease agreement dated 1 January, 2019.

Soesdyke

This lease is for five (5) years and was entered into on 1 January, 2019 and has an annual rental of G\$525,000 payable in advance. This rental is due for revision every year. All terms and conditions are included in the lease agreement dated 1 January, 2019.

Diamond

This lease is for five (5) years and was entered into on 1 January, 2019 and has an annual rental of G\$1,260,000 payable in advance. This rental is due for revision every year. All terms and conditions are included in the lease agreement dated 1 January, 2019.

Enmore

This lease is for five (5) years and was entered into on 1 January, 2019 and has an annual rental of G\$150,000 payable in advance. This rental is due for revision every year. All terms and conditions are included in the lease agreement dated 1 January, 2019.

Camp and Robb Street

This lease is for forty (40) years and was entered into on 1 July, 2020 and has an annual rental of G\$600,000 payable in advance. This rental is due for revision every year. All terms and conditions are included in the lease agreement dated 3 June, 2020.

Hand-In-Hand Trust Corporation Inc.

This lease is for five (5) years and was entered into on 1 January, 2019 and has an annual rental of G\$30,000,000 payable in advance. This rental is due for revision every year. All terms and conditions are included in the lease agreement dated 1 January, 2019.



41 Goodwill

In accordance with IFRS 3 - Business combinations, goodwill for impairment at 31 December, 2022 was calculated using the value in use method.

	G:	roup
	31.12.2022	31.12.2021
	G\$	G\$
Balance at beginning and at end	157,582,464	157,582,464
Additions	98,090,428	
	255,672,892	157,582,464
Goodwill at cost	259,713,468	161,623,040
Accumulated impairment/ amortisation	4,040,576	4,040,576
	255,672,892	157,582,464

Impairment testing of goodwill

Goodwill arising through business combination was generated by the acquisition of GNCB Trust Corporation Inc. now renamed Hand-in-Hand Trust Corporation Inc. on 20 November, 2002. On 20 September, 2022, The Hand-in-Hand Mutual Fire Insurance Company Limited acquired 56.6% of Rupununi Development Company Ltd. The following table highlights the goodwill and impairment information in the cash generating unit.

	Hand-in-Hand Trust <u>Corporation Inc.</u>
Carrying amount of goodwill (G\$)	157,582,464
Basis of recoverable amount	Value in use
Discount rate	7%
Cash flow projection term	10 years
Growth rate (extrapolation period)	5%
	Rupununi Development <u>Company Ltd.</u>
Carrying amount of goodwill (G\$)	98,090,428

The values assigned to key assumptions reflect past experience. The cash flow projections are based on budgets approved by senior management and the Board of Directors of the relevant company.

AND SUBSIDIARIES

42 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions.

Listed below are transactions and balances with related parties.

(i) Subsidiary companies

21
-
-
=
-
-
250
,350
,729
,827
,632
,,,

(ii) Other disclosure

The Hand-in-Hand Mutual Fire Insurance Company Limited and Hand-in-Hand Mutual Life Assurance Company Limited have a common Board of Directors. During the year, staff and facilities of the The Hand-in-Hand Mutual Fire Insurance Company Limited were utilised by the Hand-in-Hand Mutual Life Assurance Company Limited.

Company Limited.				
	Compa		Gro	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	G\$	G\$	G\$	G\$
Fees charged	104,547,911	104,055,928	99,906,779	104,055,928
Interest on loan from the Hand-in-Hand				
Mutual Life Assurance Company Limited.	53,832,105	44,341,431	55,482,105	44,341,431
Interest on loan from GCIS Inc.	1,650,000	-		-
Loans granted by the Hand-in-Hand	1.045.004.461	000 515 550	1.045.004.461	000 515 550
Mutual Life Assurance Company Limited.	1,045,334,461	833,715,772	1,045,334,461	833,715,772
(a) Compensation The Company and Group's key management personnel comprises its Directors and Executive managers. The remuneration paid during the year were:				
(i) Short term employee benefit - Managers - 35 (2021-37)	95,386,208	77,324,267	201,076,712	174,727,988
 (ii) Long term employee benefit Managers - Benefits from the contribution of pension scheme are similar to the benefits of all employees. 				
Directors' gratuity & medical benefit	46,380,907	50,000,000	46,380,907	50,000,000
Directors' emoluments - 10 (2021 - 11)	12,230,209	13,189,494	19,223,455	19,734,306
(b) Loans and advances				
Staff - 78 (2021-63)	640,347,042	550,019,323	756,229,239	693,615,584
Director -		_		131,233,114
Rate of interest	6 - 8%	6 - 8%	5 - 10%	5 - 10%
(c) The following are transactions of common interest with the Hand-in-Ha	nd Trust Corporation.			
USA Global Export Company Limited				56,541,358
Rate of interest			10% p.a	10% p.a
Stark Inc			27,267,081	32,522,673
Rate of interest			8% p.a	8% p.a
Keith Evelyn Investments Inc.			59,269,836	59,681,459
Rate of interest			7.5% p.a	7.5% p.a



AND SUBSIDIARIES

43 (a) Business Information

Company

r v			31.12.2022		
			Accident		
			and		
	<u>Fire</u>	Marine	<u>Liabilities</u>	Motor	<u>Total</u>
Revenue	G\$	G\$	G\$	G\$	G\$
Premium	610,478,616	12,947,981	145,449,587	497,720,629	1,266,596,813
Less: Reinsurance premiums	241,868,027	2,032,597	22,946,525	31,839,227	298,686,376
Increase/(decrease) in unexpired risks	(29,663,447)	(309,409)	(8,032,425)	11,060,195	(26,945,086)
Premium (net)	398,274,036	11,224,793	130,535,487	454,821,207	994,855,523
Investment income					
"Held for trading"	41,385,999	875,673	9,861,752	-	52,123,424
"Loans and receivables"	26,994,723	571,173	6,432,496	120 427 020	33,998,392
Other income	312,685,944	6,616,025	74,509,043	139,437,938	533,248,950
Management fees Unclaimed TCP and others	14,292,000 655,200	302,400 13,863	3,405,600 156,126	251,477	18,000,000 1,076,666
Gain on disposal of asset	033,200	13,803	130,120	14,100,000	14,100,000
Gain on exchange	1,025,582	21,700	244,383	-	1,291,665
	795,313,484	19,625,627	225,144,887	608,610,622	1,648,694,620
Deduct: Expenditure					
Commissions and allowances	79,786,258	1,688,173	19,012,040	20,682,196	121,168,667
Management expenses	393,434,690	8,324,563	93,750,432	298,964,723	794,474,408
Claims (net)	36,851,426	779,728	8,781,222	152,220,791	198,633,167
Triennial cash profit	1,752,500	-	-	-	1,752,500
Property tax	24,028,390	-	-	-	24,028,390
Taxation	(20,328,384)			2,869,217	(17,459,167)
	515,524,880	10,792,464	121,543,694	474,736,927	1,122,597,965
Surplus of revenue over					
expenditure	279,788,604	8,833,163	103,601,193	133,873,695	526,096,655
			Accident &		
	<u>Fire</u>	Marine	<u>liabilities</u>	Motor	<u>Total</u>
	G\$	G\$	G\$	G\$	G\$
ASSETS	4,784,250,145	169,949,996	1,523,753,736	980,146,951	7,458,100,828
LIABILITIES	1,798,770,568	65,272,050	580,603,438	587,775,356	3,032,421,412



AND SUBSIDIARIES NOTES ON THE ACCOUNTS

43 (b) Business Information

Company

			31.12.2021 Accident		
	T.		and	3.6	m . 1
	<u>Fire</u> G\$	Marine G\$	<u>Liabilities</u> G\$	Motor G\$	<u>Total</u> G\$
Revenue	U\$	U\$	U\$	G\$	G\$
Premium	634,107,730	13,023,935	160,144,748	476,444,805	1,283,721,218
Less: Reinsurance premiums	234,049,454	3,854,374	19,495,508	30,784,166	288,183,502
Increase/(decrease) in unexpired risks	30,058,554	4,264,952	(4,016,915)	17,009,303	47,315,894
Premium (net)	369,999,722	4,904,609	144,666,155	428,651,336	948,221,822
Investment income					
"Held for trading"	27,978,192	574,644	7,065,929	-	35,618,765
"Loans and receivables"	23,536,675	483,420	5,944,219	-	29,964,314
Other income	426,692,265	8,763,830	107,761,698	160,112,499	703,330,292
Management fees	14,138,824	290,397	3,570,779	-	18,000,000
Unclaimed TCP and others	952,631	19,566	240,588	788,489	2,001,274
Gain on Exchange	2,727,799	56,026	688,909		3,472,734
	866,026,108	15,092,492	269,938,277	589,552,324	1,740,609,201
Deduct: Expenditure					
Commissions and allowances	100,809,555	2,070,527	25,459,587	23,958,251	152,297,920
Management expenses	351,623,382	7,221,991	88,802,951	292,997,430	740,645,754
Claims (net)	96,935,692	2,254,157	8,438,669	119,325,259	226,953,777
Triennial cash profit	1,770,613	-	-	-	1,770,613
Property tax	20,977,645	-	-	-	20,977,645
Taxation	(52,837,123)			49,684	(52,787,439)
	519,279,764	11,546,675	122,701,207	436,330,624	1,089,858,270
Surplus of revenue over					
expenditure	346,746,344	3,545,817	147,237,070	153,221,700	650,750,931
			Accident &		
	<u>Fire</u>	Marine	<u>Liabilities</u>	Motor	<u>Total</u>
	G\$	G\$	G\$	G\$	G\$
ASSETS	4,248,951,082	154,181,835	1,371,467,629	812,147,150	6,586,747,696



MUTUAL FIRE INSURANCE COMPANY LIMITED

AND SUBSIDIARIES

Group					31.12.2022				
			Accident			Hand-in-Hand	Runumi		
	Fire	Marine G\$	Labilities G\$	Motor	<u>Trust</u>	Investments Inc.	Development Co. Ltd.	Taxation G\$	Total G\$
Revenue)))	ð)	3		-	€
Premium	635,635,838	12,947,981	145,449,587	628,093,854			٠		1,422,127,260
Less: Reinsurance premiums	242,327,703	2,032,597	22,946,525	42,735,031		•			310,041,856
Increase/(decrease) in unexpired risks	(30,139,620)	(309,409)	(8,032,425)	7,145,035					(31,336,419)
Net premiums	423,447,755	11,224,793	130,535,487	578,213,788	•				1,143,421,823
Investment income					35055 200				35.055.300
TIGHT TO COLLECT	- 020	- 200	- 1000	- 120 130 3	33,933,269		- 0000		55,955,289
"Held for trading"	41,579,382	8/5,6/3	9,861,752	5,554,857	34,073,434	•	23,035		91,/68,113
Loans and receivables	16,709,730	5/1,1/5	0,432,490	- 210120	40,808,503		- 0040		741 200 501
Uner income	330,033,484	0,010,025	74,509,043	251,215,089	43,857,910	•	9,048,330		741,300,501
Chin on dienosal of investments "Held for tradina"	002,200	00,01	100,170	//+,107	207 025 07				70 550 703
Gain on exchange	1,025,582	21.700	244.383		2.953.869				4.245,534
(Fain on disposal of assets	. '	, '	, '	14 100 000	. '	•			14 100 000
Calli di disposat di assets				14,100,000					14,100,000
!	841,471,133	19,323,227	221,739,287	849,135,791	878,199,298	٠	9,071,385		2,818,940,121
Deduct: expenditure Commissions and allowance	80.663.126	1.688.173	19 012 040	22.784.221					124.147.560
Management expenses	387,088,277	8.324.563	93,750,432	392,375,213	454,663,432	•	19.538.749		1.355,740,666
Interest	•				206,095,128	٠	•		206,095,128
Claims (net)	37,009,493	779,728	8,781,222	178,571,691		٠			225,142,134
Triennial cash profit	1,752,500	. '	. '						1,752,500
Property tax	. '					•		45,228,763	45,228,763
Taxation						٠		3,421,299	3,421,299
1	506,513,396	10,792,464	121,543,694	593,731,125	660,758,560		19,538,749	48,650,062	1,961,528,050
Surplus(deficit) of revenue over expenditure before actuarial adjustment	334,957,737	8,530,763	100,195,593	255,404,666	217,440,738	•	(10,467,364)	(48,650,062)	857,412,071
and non-controlling interest Less. Non controlling interest	18,700,313			35,020,779	39,223,043		(4,543,000)		88,401,135
Surplus/(deficit) of revenue over									
expenditure after non-controlling interest ==	316,257,424	8,530,763	100,195,593	220,383,887	178,217,695		(5,924,364)	(48,650,062)	769,010,936
ASSETS	4,497,451,220	147,095,276	1,313,655,522	1,988,927,316	11,588,708,235	730,000	78,095,412	.	19,614,662,981
LIABILITIES	1,871,470,763	65,510,681	582,797,122	788,657,242	9,114,094,013	39,900	3,373,142		12,425,942,863

NOTES ON THE ACCOUNTS

43 (c) Segmented information



MUTUAL FIRE INSURANCE COMPANY LIMITED

AND SUBSIDIARIES

Group				31.12.2021	2021			
			Accident			Hond in Hond		
Document	Fire G\$	Marine G\$	Liabilities G\$	Motor G\$	Trust G\$	Investments Inc.	Taxation G\$	Total G\$
Nevellue								
Premium	659,541,442	13,023,935	160,144,748	616,625,730		•		1,449,335,855
Less: Reinsurance premiums Increase/(decrease) in unexpired risks	233,783,784 29,705,219	3,854,374 4,264,952	19,495,508 (4,016,915 <u>)</u>	42,329,922 15,923,045				299,463,588 45,876,301
Net premiums	396,052,439	4,904,609	144,666,155	558,372,763			•	1,103,995,966
Investment income "Held to collace"	,	,	,	,	30 673 060	,		30 673 060
"Held for trading"	27 904 314	574 644	7 065 929	4730254	32,025,009			72 780 476
"Loans and receivables"	23.536.676	483.420	5.944.219	1	701.115.602	,		731.079.917
Other income	471,292,267	8,763,830	107,761,697	278,568,109	376,680,099		٠	1,243,066,002
Unclaimed TCP and others	952,631	19,566	240,588	788,489				2,001,274
Gain on disposal of investments "Held for trading"					50,281,838			50,281,838
Gain on exchange	2,727,799	56,026	606,889		3,614,613			7,087,347
	922,466,126	14,802,095	266,367,497	842,459,615	1,203,820,556			3,249,915,889
Deduct: expenditure	101 077 940	2 070 527	75 450 587	26.477.309			,	155 085 363
Volumissions and anowances	046,770,101	2,010,52	190,000,00	200,114,02	027 630 303			1 410 700 700
Management expenses	553,010,/15	1,771,991	88,802,931	383,/40,380	9/0,559,5079			1,418,729,720
Interest	1 000	1			185,845,251			185,845,251
Claims (net)	97,803,422	2,254,157	8,438,669	134,988,509				243,484,757
Triennial cash profit	1,770,613			•				1,770,613
Property tax							41,921,669	41,921,669
Taxation							(576,718)	(576,718)
	553,662,688	11,546,675	122,701,207	545,206,204	771,796,930		41,344,951	2,046,258,655
Surplus/(deficit) of revenue over expenditure before actuarial adjustment	368,803,438	3,255,420	143,666,290	297,253,411	432,023,626		(41,344,951)	1,203,657,234
and non-controlling interest Less: Non controlling interest				60,040,781	81,172,171			141,212,952
Surplus/(deficit) of revenue over	368 803 438	3 255 420	143 666 790	237212630	350 851 455		(41 344 951)	1 062 444 282
							(1256.1261.)	
ASSETS	4,033,503,347	132,258,378	1,176,455,600	1,775,405,869	11,371,905,533	690,200		18,490,218,927
LIABILITIES	1,774,535,498	62,001,062	551,631,609	581,872,755	9,050,848,528	40,000		12,020,929,452

NOTES ON THE ACCOUNTS

43 (d) Segmented information



44 Financial risk management

Financial risk management objectives

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

The Company and Group 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 which are approved by the Board of Directors.

Investment risk management is undertaken at the individual investment level and the degree of monitoring of each investment is determined as a result of the outcome of an evaluation of the level of risk involved. An appropriate risk response strategy is implemented immediately for investments that show signs of credit deterioration. Any impairment to a financial asset resulting from an investor's inability to meet its debt service obligations or a company not performing financially in accordance with expectations, is treated in accordance with International Financial Reporting Standards.

The Company and Group's Management reports monthly to the Board of Directors on matters relating to risk and management of risk.

(a) Market risk

The Company and Group's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates. The Company and Group 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 and Group's exposure to market risk or the manner in which it manages these risks.

(i) Price risk

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

(ii) Interest rate risk

The Company and Group are exposed to interest rate risk but the Company and Group's sensitivity to interest rate risk is immaterial as its financial instruments are substantially at fixed rates. The Company and Group's exposures to interest rate risk on financial assets and financial liabilities are listed overleaf:



AND SUBSIDIARIES

NOTES ON THE ACCOUNTS

- 44 Financial risk management cont'd
 - (a) Market risk cont'd
 - (ii) Interest rate risk cont'd

Interest rate risk - cont'd						
	Interest			Maturing		
	rate %	Within	1 to 5	31.12.2022 Over	Non-interest	
	%0				bearing	Total
		1 year G\$	<u>years</u> G\$	5 years G\$	G\$	Total G\$
Company		G\$	G\$	Сş	G.\$	G\$
Assets						
Investments						
"Held for trading"		_	_	_	2,857,836,035	2,857,836,033
"Loans and receivables"	4.00-18.50	_	5,151,012	_	-	5,151,012
Receivables and prepayments	6.00	_	643,830,472	-	428,715,661	1,072,546,13
Interest accrued	1.00-3.00	15,498,881	· · · · ·	-	· · · · -	15,498,88
Taxes recoverable		-	-	_	160,794,866	160,794,86
Cash on deposits	0.21-11.07	347,308,799	-	-	-	347,308,79
Cash at banks and on hand					168,467,891	168,467,89
* * * * * * * * * * * * * * * * * * * *		362,807,680	648,981,484	- .	3,615,814,453	4,627,603,61
Liabilities					652 472 540	652 472 54
Provision for unexpired risks	6.00	-	- 926,478,484	-	653,472,549	653,472,54
Medium term borrowings		10 949 651		90.005.620	-	926,478,48
Lease liability	6.00 6.00	10,848,651	15,449,102	89,905,639	-	116,203,39
Short term borrowings	6.00	118,855,977	-	-	256 504 220	118,855,97
Claims admitted or intimated but not paid		-	-	-	356,584,338	356,584,33
Payables and accrued expenses		-	-	-	156,937,407	156,937,40
Taxes payable Bank overdraft	11.00	145,444,331	-	-	83,997,972	83,997,97 145,444,33
Bank overthan	11.00	143,444,331		 .		143,444,33
		275,148,959	941,927,586	89,905,639	1,250,992,266	2,557,974,45
Interest sensitivity gap		87,658,721	(292,946,102)	(89,905,639)		
	Average rate			Maturing 31.12.2021		
	%	Within	1 to 5	Over	Non-interest	
	, 0	1 year	years	5 years	bearing	Total
		G\$	G\$	G\$	G\$	G\$
Company						
Assets						
Investments						
"Held for trading"		-	-	-	2,389,886,435	2,389,886,43
"Loans and receivables"	4.00-18.50	-	7,485,134	-	-	7,485,13
Receivables and prepayments	6.00	-	644,125,444	-	173,612,047	817,737,49
Interest accrued		-	-	-	10,184,976	10,184,97
Taxes recoverable		-	-	-	137,947,673	137,947,67
Cash on deposits	0.21-11.07	368,384,767	-	-	-	368,384,76
Cash at banks and on hand					117,130,410	117,130,41
		368,384,767	651,610,578		2,828,761,541	3,848,756,88
Liabilities		300,304,707	031,010,376	 -	2,020,701,341	2,040,730,88
Provision for unexpired risks		_	_	_	680,417,635	680,417,63
Medium term borrowings	6.00	_	725,334,461	_	=	725,334,46
Lease liability	6.00	10,234,576	25,159,530	91,609,094		127,003,20
Short term borrowings	6.00	108,381,311	-	-	-	108,381,31
Claims admitted or intimated but not paid		-	_	_	270,696,366	270,696,36
Payables and accrued expenses		_	_	_	150,157,776	150,157,77
Taxes payable		-	-	-	78,127,227	78,127,22
Bank overdraft	11.00	72,599,997				72,599,99
		191,215,884	750,493,991	91,609,094	1,179,399,004	2,212,717,97
Interest sensitivity gap		177,168,883	(98,883,413)	(91,609,094)		



FIRE INSURANCE COMPANY LIMITED AND SUBSIDIARIES

NOTES ON THE ACCOUNTS

- 44 Financial risk management cont'd
 - (a) Market risk cont'd
 - (ii) Interest rate risk cont'd

Therese rate risk conta	Interest rate			Maturing 31.12.2022		
	%	Within	1 to 5	Over	Non-interest	
		1 year G\$	<u>years</u> G\$	5 years G\$	bearing G\$	Total G\$
Group						
Assets						
Investments						
"Held to collect"	1.50-10.00	617,300,136	1,640,116	269,036,915	-	887,977,16
"Held for trading"	_	· · · · · · · ·	· · · · · · ·	· · · · · · · ·	4,718,849,555	4,718,849,55
"Loans and receivables"	4.00-18.50	1,561,489,046	2,068,159,999	4,203,239,141		7,832,888,18
Statutory deposits	1.00-3.25	1,021,084,813	70,547,789	-	-	1,091,632,60
Receivables and prepayments	6.00	140,594,953	531,983,063		431,824,888	1,104,402,90
Interest accrued	_	· · · · · · · ·	· · · · · · ·	_	32,165,503	32,165,50
Taxes recoverable	_	_	_	_	178,509,046	178,509,04
Cash on deposits	0.21-11.07	718,760,230	_	_		718,760,23
Cash at banks and on hand	-	-	_	_	425,252,438	425,252,43
	-					
	-	4,059,229,178	2,672,330,967	4,472,276,056	5,786,601,430	16,990,437,63
Liabilities						
Provision for unexpired risks	6.06	-	-	-	716,703,441	716,703,44
Medium term borrowings	6.00	-	926,478,484	-	-	926,478,48
Customers deposit - Savings	2.00	1,941,317,590	-	-	-	1,941,317,59
Customers deposit - Fixed deposit	1.35-5.00	6,348,315,456	587,898,242	-	-	6,936,213,69
Policyholders liabilities	-	-	-	-	940,326	940,32
Lease Liability	6.00	39,150,538	15,449,102	89,905,639	-	144,505,27
Short term borrowings	6.00	118,855,977	-	-	-	118,855,97
Claims admitted or intimated but not paid	-	-	-	-	377,444,188	377,444,18
Payables and accrued expenses	-	-	-	-	401,757,629	401,757,62
Taxes payable	_	_	_	_	103,927,697	103,927,69
Bank overdraft	11.00	145,444,331				145,444,33
	_	8,593,083,892	1,529,825,828	89,905,639	1,600,773,281	11,813,588,64
Interest sensitivity gap	=	(4,533,854,714)	1,142,505,139	4,382,370,417		
interest sensitivity gap	Interest	(4,533,854,714)	1,142,505,139	4,382,370,417 Maturing		
nterest sensitivity gap	rate			Maturing 31.12.2021	Non-interest	
nterest sensitivity gap		Within	1 to 5	Maturing 31.12.2021 Over	Non-interest	Track
interest sensitivity gap	rate	Within 1 year	1 to 5 <u>years</u>	Maturing 31.12.2021 Over 5 years	bearing	<u>Total</u>
	rate	Within	1 to 5	Maturing 31.12.2021 Over		Total G\$
Group	rate	Within 1 year	1 to 5 <u>years</u>	Maturing 31.12.2021 Over 5 years	bearing	
Group Assets	rate	Within 1 year	1 to 5 <u>years</u>	Maturing 31.12.2021 Over 5 years	bearing	
Group Assets nvestments	rate %	Within <u>1 year</u> G\$	1 to 5 <u>years</u> G\$	Maturing 31.12.2021 Over <u>5 years</u> G\$	bearing	G\$
Group Assets nvestments "Held to collect"	rate	Within 1 year	1 to 5 <u>years</u>	Maturing 31.12.2021 Over 5 years	bearing G\$	G\$ 786,241,63
Group Assets nvestments "Held to collect" "Held for trading"	rate %	Within 1 year G\$ 561,746,767	1 to 5 <u>years</u> G\$ 95,489,971	Maturing 31.12.2021 Over 5 years G\$	bearing G\$ - 4,207,964,777	G\$ 786,241,63 4,207,964,77
Group Assets nvestments "Held to collect" "Held for trading" "Loans and receivables"	rate % 1.50-10.00 - 4.00-18.50	Within 1 year G\$ 561,746,767 - 1,358,430,401	1 to 5 <u>years</u> G\$ 95,489,971 - 2,123,544,210	Maturing 31.12.2021 Over <u>5 years</u> G\$	bearing G\$	G\$ 786,241,63 4,207,964,77 7,401,123,87
Group Assets nvestments "Held to collect" "Held for trading" "Loans and receivables" Statutory deposits	1.50-10.00 	Within 1 year G\$ 561,746,767 - 1,358,430,401 971,656,202	1 to 5 <u>years</u> G\$ 95,489,971 2,123,544,210 1,627,647	Maturing 31.12.2021 Over 5 years G\$	bearing G\$ - 4,207,964,777 -	G\$ 786,241,63 4,207,964,77 7,401,123,87 973,283,84
Group Assets nvestments "Held to collect" "Held for trading" "Loans and receivables" Statutory deposits Receivables and prepayments	rate % 1.50-10.00 - 4.00-18.50	Within 1 year G\$ 561,746,767 - 1,358,430,401	1 to 5 <u>years</u> G\$ 95,489,971 - 2,123,544,210	Maturing 31.12.2021 Over 5 years G\$	bearing G\$ - 4,207,964,777 - - 177,665,084	G\$ 786,241,63 4,207,964,77 7,401,123,87 973,283,84 917,908,52
Group Assets nvestments "Held to collect" "Held for trading" "Loans and receivables" Statutory deposits Receivables and prepayments nterest accrued	1.50-10.00 	Within 1 year G\$ 561,746,767 - 1,358,430,401 971,656,202	1 to 5 <u>years</u> G\$ 95,489,971 2,123,544,210 1,627,647	Maturing 31.12.2021 Over 5 years G\$	bearing GS	786,241,63 4,207,964,77 7,401,123,87 973,283,84 917,908,52 17,474,68
Group Assets nvestments "Held to collect" "Held for trading" "Loans and receivables" Statutory deposits Receivables and prepayments Interest accrued Taxes recoverable	1.50-10.00 4.00-18.50 1.00-3.25 6.00	Within 1 year G\$ 561,746,767 - 1,358,430,401 971,656,202 96,118,001	1 to 5 <u>years</u> G\$ 95,489,971 2,123,544,210 1,627,647	Maturing 31.12.2021 Over 5 years G\$	bearing G\$ - 4,207,964,777 - - 177,665,084	786,241,63 4,207,964,77 7,401,123,87 973,283,84 917,908,52 17,474,68
Group Assets nvestments "Held to collect" "Held for trading" "Loans and receivables" Statutory deposits Receivables and prepayments nterest accrued Eaxes recoverable Cash on deposits	1.50-10.00 	Within 1 year G\$ 561,746,767 - 1,358,430,401 971,656,202	1 to 5 <u>years</u> G\$ 95,489,971 2,123,544,210 1,627,647	Maturing 31.12.2021 Over 5 years G\$	bearing G\$ - 4,207,964,777 - - 177,665,084 17,474,689 157,090,509	786,241,63 4,207,964,77 7,401,123,87 973,283,84 917,908,52 17,474,68 157,090,50
Group Assets nvestments "Held to collect" "Held for trading" "Loans and receivables" statutory deposits Receivables and prepayments nterest accrued Eaxes recoverable Cash on deposits	1.50-10.00 4.00-18.50 1.00-3.25 6.00	Within 1 year G\$ 561,746,767 - 1,358,430,401 971,656,202 96,118,001 - 1,072,632,316 -	1 to 5 <u>years</u> G\$ 95,489,971 2,123,544,210 1,627,647 644,125,444	Maturing 31.12.2021 Over 5 years G\$ 129,004,898 - 3,919,149,267 - - -	bearing G\$	786,241,63 4,207,964,77 7,401,123,87 973,283,84 917,908,52 17,474,68 157,090,50 1,072,632,31 468,586,25
Group Assets nvestments "Held to collect" "Held for trading" "Loans and receivables" Statutory deposits Receivables and prepayments nterest accrued Eaxes recoverable Cash on deposits	1.50-10.00 4.00-18.50 1.00-3.25 6.00	Within 1 year G\$ 561,746,767 - 1,358,430,401 971,656,202 96,118,001	1 to 5 <u>years</u> G\$ 95,489,971 2,123,544,210 1,627,647	Maturing 31.12.2021 Over 5 years G\$	bearing G\$ - 4,207,964,777 - - 177,665,084 17,474,689 157,090,509	786,241,63 4,207,964,77 7,401,123,87 973,283,84 917,908,52 17,474,68 157,090,50 1,072,632,31 468,586,25
Group Assets nvestments "Held to collect" "Held for trading" "Loans and receivables" Statutory deposits Receivables and prepayments Interest accrued Caxes recoverable Cash on deposits Cash at banks and on hand Liabilities	1.50-10.00 4.00-18.50 1.00-3.25 6.00	Within 1 year G\$ 561,746,767 - 1,358,430,401 971,656,202 96,118,001 - 1,072,632,316 -	1 to 5 <u>years</u> G\$ 95,489,971 2,123,544,210 1,627,647 644,125,444	Maturing 31.12.2021 Over 5 years G\$ 129,004,898 - 3,919,149,267 - - -	bearing G\$	786,241,63 4,207,964,77 7,401,123,87 973,283,84 917,908,52 17,474,66 1,57,090,50 1,072,632,31 468,586,23
Group Assets nvestments "Held to collect" "Held for trading" "Loans and receivables" statutory deposits Receivables and prepayments nterest accrued Eases recoverable Cash on deposits Cash at banks and on hand Liabilities Provision for unexpired risks	1.50-10.00 - 4.00-18.50 1.00-3.25 6.00 - 0.21-11.07	Within 1 year G\$ 561,746,767 - 1,358,430,401 971,656,202 96,118,001 - 1,072,632,316 -	1 to 5 <u>years</u> G\$ 95,489,971 2,123,544,210 1,627,647 644,125,444 2,864,787,272	Maturing 31.12.2021 Over 5 years G\$ 129,004,898 - 3,919,149,267 - - -	bearing G\$	786,241,63 4,207,964,77 7,401,123,87 973,283,84 917,908,52 17,474,68 157,090,50 1,072,632,31 468,586,25 748,039,86
Group Assets nvestments "Held to collect" "Held for trading" "Loans and receivables" Statutory deposits Receivables and prepayments nterest accrued Gask on deposits Cash at banks and on hand Liabilities Provision for unexpired risks Medium term borrowings	1.50-10.00 - 4.00-18.50 1.00-3.25 6.00 - 0.21-11.07 - 6.00	Within 1 year G\$ 561,746,767 - 1,358,430,401 971,656,202 96,118,001 - 1,072,632,316 - 4,060,583,687	1 to 5 <u>years</u> G\$ 95,489,971 2,123,544,210 1,627,647 644,125,444	Maturing 31.12.2021 Over 5 years G\$ 129,004,898 - 3,919,149,267 - - -	bearing G\$	786,241,63 4,207,964,77 7,401,123,87 973,283,84 917,908,52 17,474,68 157,090,50 1,072,632,31 468,586,25 16,002,306,43
Group Assets Investments "Held to collect" "Held for trading" "Loans and receivables" Statutory deposits Receivables and prepayments Interest accrued axes recoverable Cash on deposits Cash at banks and on hand Liabilities Trovision for unexpired risks Medium term borrowings Customers deposit - Savings	1.50-10.00 4.00-18.50 1.00-3.25 6.00 0.21-11.07 - 6.00 2.00	Within 1 year GS 561,746,767 - 1,358,430,401 971,656,202 96,118,001 - 1,072,632,316 - 4,060,583,687	1 to 5 years G\$ 95,489,971 - 2,123,544,210 1,627,647 644,125,444 2,864,787,272	Maturing 31.12.2021 Over 5 years G\$ 129,004,898 - 3,919,149,267 - - -	bearing G\$	786,241,63 4,207,964,77 7,401,123,87 973,283,84 917,908,52 17,474,66 157,090,55 1,072,632,31 468,586,25 748,039,86 725,334,46 1,713,075,72
Group Assets "Held to collect" "Held for trading" "Loans and receivables" statutory deposits Receivables and prepayments nterest accrued Taxes recoverable Cash on deposits Cash at banks and on hand Liabilities Provision for unexpired risks Medium term borrowings Customers deposit - Savings Customers deposit - Fixed deposit	1.50-10.00 - 4.00-18.50 1.00-3.25 6.00 - 0.21-11.07 - 6.00 2.00 1.35-5.00	Within 1 year G\$ 561,746,767 - 1,358,430,401 971,656,202 96,118,001 - 1,072,632,316 - 4,060,583,687	1 to 5 <u>years</u> G\$ 95,489,971 2,123,544,210 1,627,647 644,125,444 2,864,787,272	Maturing 31.12.2021 Over 5 years G\$ 129,004,898 - 3,919,149,267 - - -	bearing G\$	786,241,61 4,207,964,77 7,401,123,87 973,283,8- 917,908,52 10,72,632,31 468,586,22 16,002,306,42 748,039,86 725,334,44 1,713,075,72 6,952,685,04
Group Ussets Investments "Held to collect" "Held for trading" "Loans and receivables" Statutory deposits Receivables and prepayments Interest accrued Graxes recoverable Cash on deposits Cash at banks and on hand Liabilities Provision for unexpired risks Medium term borrowings Customers deposit - Savings Customers deposit - Fixed deposit Folioyholders liabilities	1.50-10.00 - 4.00-18.50 1.00-3.25 6.00 - 0.21-11.07 - 6.00 2.00 1.35-5.00	Within 1 year GS 561,746,767 - 1,358,430,401 971,656,202 96,118,001 - 1,072,632,316 - 4,060,583,687	1 to 5 <u>years</u> G\$ 95,489,971 2,123,544,210 1,627,647 644,125,444 2,864,787,272 725,334,461 - 627,185,868	Maturing 31.12.2021 Over 5 years G\$ 129,004,898 - 3,919,149,267 4,048,154,165	bearing G\$	786,241,63 4,207,964,77 7,401,123,83 973,283,84 917,908,55 17,474,68 1,57,090,56 1,072,632,31 468,586,23 16,002,306,43 748,039,88 725,334,46 1,713,075,77 6,952,685,04
Group In the second of the se	1.50-10.00 4.00-18.50 1.00-3.25 6.00 0.21-11.07 - 6.00 2.00 1.35-5.00 - 6.00	Within 1 year GS 561,746,767 - 1,358,430,401 971,656,202 96,118,001 - 1,072,632,316 - 4,060,583,687 - 4,060,583,687	1 to 5 years G\$ 95,489,971 - 2,123,544,210 1,627,647 644,125,444 2,864,787,272	Maturing 31.12.2021 Over 5 years G\$ 129,004,898 - 3,919,149,267 - - -	bearing G\$	786,241,61 4,207,964,7' 7,401,123,8' 973,283,8. 917,908,5: 17,474,6: 1,57,090,5: 1,072,632,3: 468,586,2: 16,002,306,4: 748,039,8t 725,334,4t 1,713,075,7: 6,952,685,0. 940,3: 182,004,91
Group Assets "Held to collect" "Held for trading" "Loans and receivables" statutory deposits Receivables and prepayments nterest accrued axes recoverable Cash on deposits Cash at banks and on hand Liabilities Provision for unexpired risks Medium term borrowings Customers deposit - Savings Customers deposit - Fixed deposit Policyholders liabilities case liability Short term borrowings	1.50-10.00 - 4.00-18.50 1.00-3.25 6.00 - 0.21-11.07 - 6.00 2.00 1.35-5.00	Within 1 year GS 561,746,767 - 1,358,430,401 971,656,202 96,118,001 - 1,072,632,316 - 4,060,583,687	1 to 5 <u>years</u> G\$ 95,489,971 2,123,544,210 1,627,647 644,125,444 2,864,787,272 725,334,461 - 627,185,868	Maturing 31.12.2021 Over 5 years G\$ 129,004,898 - 3,919,149,267 4,048,154,165	bearing G\$	786,241,61 4,207,964,77 7,401,123,87 973,283,84 917,908,52 10,72,632,31 468,586,22 16,002,306,42 748,039,84 725,334,46 1,713,075,72 6,952,685,04 940,32 182,004,98 108,381,31
Group Assets nvestments "Held to collect" "Held for trading" "Loans and receivables" Statutory deposits Receivables and prepayments nterest accrued Faskes recoverable Cash on deposits Cash at banks and on hand Liabilities Provision for unexpired risks Medium term borrowings Customers deposit - Savings Customers deposit - Fixed deposit Policyholders liabilities Lease liability Short term borrowings Claims admitted or intimated but not paid	1.50-10.00 4.00-18.50 1.00-3.25 6.00 0.21-11.07 - 6.00 2.00 1.35-5.00 - 6.00	Within 1 year GS 561,746,767 - 1,358,430,401 971,656,202 96,118,001 - 1,072,632,316 - 4,060,583,687 - 4,060,583,687	1 to 5 <u>years</u> G\$ 95,489,971 2,123,544,210 1,627,647 644,125,444 2,864,787,272 725,334,461 - 627,185,868	Maturing 31.12.2021 Over 5 years G\$ 129,004,898 - 3,919,149,267 4,048,154,165	bearing G\$	786,241,6; 4,207,964,7; 7,401,123,8; 973,283,8; 917,908,5; 1,072,632,3; 468,586,2; 16,002,306,4; 748,039,8; 725,334,44; 1,713,075,7; 6,952,685,0; 940,3; 182,004,9; 108,381,3; 293,728,38
Group Assets Investments "Held to collect" "Held for trading" "Loans and receivables" Statutory deposits Acceivables and prepayments Interest accrued Fasks on deposits Cash on deposits Cash at banks and on hand Liabilities Provision for unexpired risks Medium term borrowings Customers deposit - Savings Customers deposit - Sixed deposit Policyholders liabilities Lease liability Hort term borrowings Claims admitted or intimated but not paid	1.50-10.00 4.00-18.50 1.00-3.25 6.00 0.21-11.07 - 6.00 2.00 1.35-5.00 - 6.00	Within 1 year GS 561,746,767 - 1,358,430,401 971,656,202 96,118,001 - 1,072,632,316 - 4,060,583,687 - 4,060,583,687	1 to 5 <u>years</u> G\$ 95,489,971 2,123,544,210 1,627,647 644,125,444 2,864,787,272 725,334,461 - 627,185,868	Maturing 31.12.2021 Over 5 years G\$ 129,004,898 - 3,919,149,267 4,048,154,165	bearing G\$	786,241,61 4,207,964,7' 7,401,123,8' 973,283,8- 917,908,5' 17,474,61 157,090,5' 1,072,632,3' 468,586,2: 16,002,306,4' 748,039,86 725,334,44 1,713,075,7' 6,952,685,0' 182,004,98 108,381,3' 293,728,38 417,709,16
Group Assets Investments "Held to collect" "Held for trading" "Loans and receivables" Statutory deposits Seceivables and prepayments Interest accrued Taxes recoverable Tash on deposits Cash at banks and on hand Liabilities Provision for unexpired risks Medium term borrowings Customers deposit - Savings Tustomers deposit - Fixed deposit Policyholders liabilities Lease liability Short term borrowings Claims admitted or intimated but not paid Tayables and accrued expenses	1.50-10.00 4.00-18.50 1.00-3.25 6.00 - 0.21-11.07 - 6.00 2.00 1.35-5.00 - 6.00 6.00	Within 1 year G\$ 561,746,767 - 1,358,430,401 971,656,202 96,118,001 - 1,072,632,316 - 4,060,583,687 - 1,713,075,724 6,325,499,181 - 36,934,469 108,381,311	1 to 5 <u>years</u> G\$ 95,489,971 2,123,544,210 1,627,647 644,125,444 2,864,787,272 725,334,461 - 627,185,868	Maturing 31.12.2021 Over 5 years G\$ 129,004,898 - 3,919,149,267 4,048,154,165	bearing G\$	786,241,61 4,207,964,7' 7,401,123,8' 973,283,8- 917,908,5' 17,474,61 157,090,5' 1,072,632,3' 468,586,2: 16,002,306,4' 748,039,86 725,334,44 1,713,075,7' 6,952,685,0' 182,004,98 108,381,3' 293,728,38 417,709,16
Group Assets "Held to collect" "Held for trading" "Loans and receivables" Statutory deposits Receivables and prepayments Interest accrued Faxes recoverable Cash on deposits Cash at banks and on hand Liabilities Provision for unexpired risks Medium term borrowings Customers deposit - Savings Customers deposit - Fixed deposit Policyholders liabilities Lease liability Short term borrowings Claims admitted or intimated but not paid Payables and accrued expenses Faxes payable	1.50-10.00 4.00-18.50 1.00-3.25 6.00 - 0.21-11.07 - 6.00 2.00 1.35-5.00 - 6.00 6.00	Within 1 year G\$ 561,746,767 - 1,358,430,401 971,656,202 96,118,001 - 1,072,632,316 - 4,060,583,687 - 1,713,075,724 6,325,499,181 - 36,934,469 108,381,311	1 to 5 <u>years</u> G\$ 95,489,971 2,123,544,210 1,627,647 644,125,444 2,864,787,272 725,334,461 - 627,185,868	Maturing 31.12.2021 Over 5 years G\$ 129,004,898 - 3,919,149,267 4,048,154,165	bearing G\$	786,241,6 4,207,964,7 7,401,123,8 973,283,8 917,908,5: 1,072,632,3 468,586,2: 16,002,306,4: 748,039,8t 725,334,44 1,713,075,7: 6,952,685,0 940,3: 182,004,9: 108,381,3 293,728,3: 417,709,14
Group Assets "Held to collect" "Held for trading" "Loans and receivables" Statutory deposits Receivables and prepayments Interest accrued Faxes recoverable Cash on deposits Cash at banks and on hand Liabilities Provision for unexpired risks Medium term borrowings Customers deposit - Savings Customers deposit - Fixed deposit Policyholders liabilities Lease liability Short term borrowings Claims admitted or intimated but not paid Payables and accrued expenses Faxes payable	1.50-10.00 4.00-18.50 1.00-3.25 6.00 - 0.21-11.07 - 6.00 2.00 1.35-5.00 - 6.00 6.00	Within 1 year G\$ 561,746,767 1,358,430,401 971,656,202 96,118,001 1,072,632,316 4,060,583,687 4,060,583,687	1 to 5 <u>years</u> G\$ 95,489,971 2,123,544,210 1,627,647 644,125,444 2,864,787,272 725,334,461 - 627,185,868	Maturing 31.12.2021 Over 5 years G\$ 129,004,898 - 3,919,149,267 4,048,154,165	bearing G\$	786,241,63 4,207,964,77 7,401,123,87 973,283,88 917,908,55 1,7474,66 157,090,56 1,072,632,31 468,586,25 748,039,86 725,334,44 1,713,075,72 6,952,685,04 182,004,98 108,381,31 293,728,38 417,709,16 138,436,06 127,136,91
Group Assets Investments "Held to collect" "Held for trading"	1.50-10.00 4.00-18.50 1.00-3.25 6.00 - 0.21-11.07 - 6.00 2.00 1.35-5.00 - 6.00 6.00	Within 1 year G\$ 561,746,767 - 1,358,430,401 971,656,202 96,118,001 - 1,072,632,316 - 4,060,583,687 - 1,713,075,724 6,325,499,181 - 36,934,469 108,381,311 - 127,136,917	1 to 5 <u>years</u> G\$ 95,489,971 - 2,123,544,210 1,627,647 644,125,444 2,864,787,272 725,334,461 - 627,185,868 - 25,159,530	Maturing 31.12.2021 Over 5 years G\$ 129,004,898 - 3,919,149,267 4,048,154,165	bearing G\$ 4,207,964,777	G\$ 786,241,63 4,207,964,77 7,401,123,87 973,283,84

44 Financial risk management - cont'd

- (a) Market risk cont'd
- (iii) Foreign currency risk

Company

The Company and Group is exposed to foreign currency risk due to fluctuations in exchange rates on investments and foreign bank balances. The currencies which the Company and Group are mainly exposed to are United States dollar and Canadian dollar.

AND SUBSIDIARIES

The equivalent Guyana dollar value of assets are shown below:-

Company		31.12.2022	
	US\$	Can\$	G\$ equivalent
Assets	1,232,258	881,086	384,683
		31.12.2021	
	US\$	Can\$	G\$ equivalent
Assets	1,479,248	830,653	428,867,997
Group			
		31.12.2022	
	US\$	Can\$	G\$ equivalent
Assets	9,188,785	881,086	2,079,339,839
		31.12.2021	
	US\$	Can\$	G\$ equivalent
Assets	9,675,488	830,653	2,174,667,052

Foreign currency sensitivity analysis:

The following table details the company's and group'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 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 a 3% change in foreign currency rates. A positive number below indicates an increase in reserves if the currency were strenghtened 3% against the Guyana dollar. If the currencies were weakened 3% against the Guyana dollar, there would be an equal and opposite impact on the Statement of Profit or Loss and Other Comprehensive Income and the balances would be negative.

31.12.2022					
US\$	Can\$				
G\$M	G\$M				
impact	impact				
7.7	3.8				

Company

Gro	Group					
31.12.	2022					
US\$	Can\$					
G\$M	G\$M					
impact	impact					
57.5	3.8					

Company						
31.12.2021						
US\$	Can\$					
G\$M	G\$M					
impact	impact					
9.3	3.6					

Group						
31.12	2.2021					
US\$	Can\$					
G\$M	G\$M					
impact	impact					
60.5	3.6					

Profit/(loss)



- 44 Financial risk management cont'd
 - (a) Market risk cont'd
 - (iv) Interest sensivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rate at the end of the reporting period.

The sensivity analysis includes only outstanding balances at the end of the reporting period. A 50 basis points increase or decrease is used when reporting interest rate internally to key management personnel and represents management's assessment of the reasonable possible change in interest rates.

A positive number indicates an increase in profits where the interest rate appreciated by 50 basis points. For a decrease of 50 basis points in the interest rate, this would have an equal and opposite impact on profit and the balance below would be negative. If interest rate had been 50 basis points higher/lower and all other variables were held constant, the impact on the company's profit would have been:

	Increase/decrease	Impact on profit for the year					
	in basis points	Company		Gro	ıp		
		31.12.2022 G\$000	31.12.2021 G\$000	31.12.2022 G\$000	31.12.2021 G\$000		
Cash and cash equivalents							
Local currency	+/-50	1,327	1,657	2,108	1,598		
Foreign currency	+/-50	409	185	1,486	185		
Overdrafts							
Local currency	+/-50	727	363	727	636		

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



44 Financial Risk Management - cont'd

(b) Liquidity risk

Liquidity risk is the risk that the Company and Group will encounter difficulty in raising funds to meet its commitments associated with financial instruments.

			Maturing 31.12. 2022		
	On Demand G\$	1 to 3 months G\$	4 to 12 months G\$	1 to 5 years G\$	Total G\$
Company					
Liabilities					
Provision for unexpired risks	653,472,549	-	-	-	653,472,549
Medium term borrowings	-	-	-	926,478,484	926,478,484
Lease liability	-	-	-	116,203,392	116,203,392
Short term borrowings	-	-	118,855,977	-	118,855,977
Claims admitted or intimated but not paid	356,584,338	-	-	-	356,584,338
Payables and accrued expenses	17,558,564	3,272,354	39,725,582	96,380,907	156,937,407
Taxes payable	-	-	83,997,972	-	83,997,972
Bank overdraft	145,444,331		-		145,444,331
	1.173.059.782	3.272.354	242.579.531	1.139.062.783	2.557.974.450

			Maturing 31.12. 2021		
	On Demand G\$	1 to 3 months G\$	4 to 12 months G\$	1 to 5 years G\$	<u>Total</u> G\$
Company					
Liabilities					
Provision for unexpired risks	680,417,635	-	-	-	680,417,635
Medium term borrowings	-	-	-	725,334,461	725,334,461
Lease liability	-	-	-	127,003,200	127,003,200
Short term borrowings	-	-	108,381,311	-	108,381,311
Claims admitted or intimated but not paid	270,696,366	-	-	-	270,696,366
Payables and accrued expenses	22,188,230	3,489,644	24,479,902	100,000,000	150,157,776
Taxes payable	-	-	78,127,227	-	78,127,227
Bank overdraft	72,599,997				72,599,997
	1,045,902,228	3,489,644	210,988,440	952,337,661	2,212,717,973

AND SUBSIDIARIES

NOTES ON THE ACCOUNTS

- 44 Financial Risk Management cont'd
 - (b) Liquidity risk cont'd

Maturing 31.12.2022

	J1.12.2022					
	On Demand G\$	1 to 3 months G\$	4 to 12 months G\$	1 to 5 years G\$	Over 5 years G\$	Total G\$
Group						
Liabilities						
Provision for unexpired risks	716,703,441	-	-	-	-	716,703,441
Medium term borrowings	-	-	-	926,478,484	-	926,478,484
Customers deposit - Savings	1,941,317,590	-	-	-	-	1,941,317,590
Customers deposit - Fixed deposits	-	990,362,666	5,357,952,790	587,898,242	-	6,936,213,698
Policyholders' liabilities	940,326	-	-	-	-	940,326
Lease liability	-	-	-	144,505,279	-	144,505,279
Short term borrowings	-	-	118,855,977	-	-	118,855,977
Claims admitted or intimated but not paid	377,444,188	-	-	-	-	377,444,188
Payables and accrued expenses	57,259,874	10,016,331	228,476,644	106,004,780	-	401,757,629
Taxes payable	-	-	103,927,697	-	-	103,927,697
Bank overdraft	145,444,331					145,444,331
	3,239,109,750	1,000,378,997	5,809,213,108	1,764,886,785		11,813,588,640

Maturing

31.12.2021

Group	On Demand G\$	1 to 3 months G\$	4 to 12 months G\$	1 to 5 years G\$	Over 5 years G\$	Total G\$
Liabilities						
Provision for unexpired risks	748,039,860	-	-	-	-	748,039,860
Medium term borrowings	-	-	-	725,334,461	-	725,334,461
Customers deposit - Savings	1,713,075,724	-	-	-	-	1,713,075,724
Customers deposit - Fixed deposits	-	929,749,176	5,395,750,005	627,185,868	-	6,952,685,049
Policyholders' liabilities	940,326	-	-	-	-	940,326
Lease liability	-	-	-	182,004,980	-	182,004,980
Short term borrowings	-	-	108,381,311	-	-	108,381,311
Claims admitted or intimated but not paid	293,728,387	-	-	-	-	293,728,387
Payables and accrued expenses	60,314,739	3,489,644	31,342,735	322,561,982	-	417,709,100
Taxes payable	-	-	138,436,003	-	-	138,436,003
Bank overdraft	127,136,917					127,136,917
	2,943,235,953	933,238,820	5,673,910,054	1,857,087,291		11,407,472,118

AND SUBSIDIARIES

- 44 Financial Risk Management cont'd
 - (c) Credit risk

Credit risk is the risk that a counterparty will default on its obligations resulting in financial loss to the company and group.

	Maximum Exposure					
The table below shows the maximum exposure to credit risk:	Compa	nny	Group)		
	31.12.2022	31.12.2022 31.12.2021		31.12.2021		
	G\$	G\$	G\$	G\$		
Investments						
"Held to collect"	-	-	887,977,166	786,241,636		
"Held for trading"	2,857,836,035	2,389,886,435	4,718,849,555	4,207,964,777		
"Loans and receivables"	5,151,012	7,485,134	7,832,888,186	7,401,123,878		
Statutory deposits	-	-	1,091,632,602	973,283,849		
Receivables (net of prepayments)	1,063,327,986	807,058,749	1,085,110,316	899,264,766		
Interest accrued	15,498,881	10,184,976	32,165,503	17,474,689		
Tax recoverable	160,794,866	137,947,673	178,509,046	157,090,509		
Cash at banks	167,441,096	116,333,382	397,340,225	443,450,815		
Cash on deposits	347,308,799	368,384,767	718,760,230	1,072,632,316		
Total Credit risk	4,617,358,675	3,837,281,116	16,943,232,829	15,958,527,235		

The Company and Group faces credit risk in respect of its cash and cash equivalents, investments and receivables. However, this risk is controlled by close monitoring of these assets by the Company and Group. The maximum credit risk faced by the Company and Group are the balances reflected in the financial statements.

Cash and cash equivalents are held by commercial banks. These Banks have been assessed by the Directors as being credit worthy, with very strong capacity to meet their obligations as they fall due. The related risk is therefore considered very low. Investments as reflected in the company and group are assets for which the likelihood of default is considered minimal by the Directors. The Group's credit risk on tax recoverable arises from advance corporation tax, which management believes will be recovered in the future from the authority. Receivables consist of a number of customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable on a regular basis.

	Company		Group	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	G\$	G\$	G\$	G\$
Loans and receivables - (i)	5,151,012	7,485,134	7,832,888,186	7,401,123,878
Interest accrued - Note 22	15,498,881	10,184,976	32,165,503	17,474,689
Receivables (excluding prepayments) - Note 21	1,063,327,986	807,058,749	1,085,110,316	899,264,766
	1,083,977,879	824,728,859	8,950,164,005	8,317,863,333
Impairment on loans and receivables (IFRS 9)	27,297,267	17,410,638	122,197,817	107,459,982
Total provision for impairment	27,297,267	17,410,638	122,197,817	107,459,982
(i) The above balances are classified as follows:				
Pass	1,074,917,673	791,650,260	7,307,027,880	6,376,409,208
Special Mention (Past due 30 - 89 days)	18,393,763	17,083,994	1,014,739,518	1,269,743,492
Sub-Standard (Past due 90 - 179 days)	3,721,052	4,956,778	189,339,228	270,579,238
Doubtful (Past due over - 180 days but less than 1 year)	3,487,052	5,842,995	332,472,563	324,140,499
Loss	(16,541,661)	5,194,832	106,584,816	76,990,896
	1,083,977,879	824,728,859	8,950,164,005	8,317,863,333
Included above are non-performing mortgages of:		-	503,383,151	579,012,863

- (ii) As detailed in note 22, Interest accrued represents amounts due or accrued on the various investments of the Company and Group. These amounts would either be received in the new financial year, or would materialise on the maturity of the investment(s) in accordance with their terms and conditions.
- (iii) Receivables comprise a number of advances, loans to staff and sales representatives on which interest is earned. It also includes amounts owing to the Company and Group by other organisations.



45 Insurance risk

The principal risks that the Company and GCIS Inc. (its subsidiary) face under its insurance contracts are that actual claims are greater than estimated, actual claims are not adequately mitigated by re-insurance, 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 and GCIS Inc. mitigate its risks by engaging in both facultative placements 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 renewal basis. The Company also engages in redlining where it reserves the right to offer no coverage in specific geographic areas.

The Company and GCIS Inc. 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 and GCIS Inc. 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 and GCIS Inc. promises to settle claims as soon as possible, all consideration given to proper investigations to establish that the insured event and losses have occurred.

Sensitivity analysis

The Company and GCIS Inc'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 a strain on the company's finances and it would have to seek alternative financing solutions. Its cash flow would therefore be affected negatively.

Concentration of insurance risks

Insurance Risks are spread in a number of geographical areas. However, the majority of the Company and GCIS Inc.'s risks are in Georgetown and its environs. A significant portion of total risk is distributed among properties on Regent and Water Streets in Georgetown.

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 revision of provisions, whichever is earlier. Similarily, 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.

Actuarial Valuation

The actuarial report carried out as at 31 December 2018 revealed that the aggregate amount of the life insurance policy liabilities in relation to its long term insurance business was G\$290,376. On winding up of the portfolio the policyholder's liability increased to G\$940,326 as at December 31, 2019. This amount is held in a Trust Deed for future payments.



46 APUA Investments

The Trustees of the APUA Bonds, the Government of Antigua were ordered by the court to make monthly payments until the Bond is fully repaid, however, this has not been consistent. The Trustee has therefore advised that payments would be distributed to the Bondholders as they are collected.

The Trust have an outstanding balance US\$45,256.59 to be collected from Trustees, RBC Trust.

47 Insurance Act 2016

The Insurance Act 2016 became effective in 2018. There are a number of areas under the Act and supporting Regulations addressing Corporate Governance and Statutory Funds, which the Company has not fully complied with at December 31, 2022.

Management has five years effective from 2018 in which to be fully compliant, as stipulated by the Bank of Guyana.

48 Pending litigations

As at 31 December 2022, there are several legal matters outstanding against the Group, the outcome of which cannot be determined at this stage.



AND SUBSIDIARIES

49 Development claims tables

INSURANCE CONTRACTS- COMPANY	Y <u>Figures in Thousands</u>												
	<u>Before 2016</u>	2016	2017	2018	<u>2019</u>	2020	<u>2021</u>	2022	<u>Total</u>				
Net estimate of cumulative claims cost													
Zero Year	113,490	589,162	313,557	297,171	314,854	195,958	5,711	416,112					
One year later	65,906	403,359	294,288	248,884	316,753	210,990 -	51,100	-					
Two year later	61,782	39,660	322,093	270,630	318,929	199,928	-	-					
Three year later	57,145	406,246	296,973	259,990	306,159	-	-	-					
Four year later	54,136	381,840	312,877	241,918	-	-	-	-					
Five year later	63,551	376,341	314,324	-	-	-	-	-					
Six year later	87,470	376,202	-	-	-	-	-	-					
Current estimate of cumulative claims cost	87,470	376,202	314,324	241,918	306,159	199,928	(51,100)	416,112	1,891,01				
Less Cumulative payments	50,918	370,430	290,602	232,448	284,404	179,231	(74,778)	201,174	1,534,42				
Outstanding claims	36,552	5,772	23,722	9,470	21,755	20,697	23,678	214,938	356,58				
Outstanding claims 2016 and prior									-				
Total net outstanding claims									356,58				
INSURANCE CONTRACTS- GROUP				riguic	5 III THOUSAIN	<u>us</u>	<u>Figures in Thousands</u>						
	Before 2016	2212											
	belore 2010	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	2020	<u>2021</u>	2022	<u>Total</u>				
									<u>Total</u>				
Zero Year	230,768	698,242	402,590	359,047	419,597	233,354	24,872	<u>2022</u> 446,961	<u>Total</u>				
Zero Year One year later	230,768 176,347	698,242 517,394	402,590 380,182	359,047 311,889	419,597 390,548	233,354 248,280			<u>Total</u>				
Zero Year One year later Two year later	230,768 176,347 167,352	698,242 517,394 510,675	402,590 380,182 411,539	359,047 311,889 330,258	419,597 390,548 392,439	233,354	24,872		<u>Total</u>				
Zero Year One year later Two year later Three year later	230,768 176,347 167,352 161,821	698,242 517,394 510,675 519,711	402,590 380,182 411,539 380,326	359,047 311,889 330,258 317,069	419,597 390,548	233,354 248,280	24,872 (33,068)		<u>Total</u>				
Net estimate of cumulative claims cost Zero Year One year later Two year later Three year later Four year later	230,768 176,347 167,352 161,821 158,999	698,242 517,394 510,675 519,711 494,315	402,590 380,182 411,539 380,326 393,950	359,047 311,889 330,258	419,597 390,548 392,439	233,354 248,280 235,346	24,872 (33,068)	446,961	<u>Total</u>				
Zero Year One year later Two year later Three year later Four year later Five year later	230,768 176,347 167,352 161,821	698,242 517,394 510,675 519,711	402,590 380,182 411,539 380,326	359,047 311,889 330,258 317,069	419,597 390,548 392,439 378,331	233,354 248,280 235,346	24,872 (33,068)	446,961	<u>Total</u>				
Zero Year One year later Two year later Three year later Four year later Five year later	230,768 176,347 167,352 161,821 158,999	698,242 517,394 510,675 519,711 494,315	402,590 380,182 411,539 380,326 393,950	359,047 311,889 330,258 317,069 298,997	419,597 390,548 392,439 378,331	233,354 248,280 235,346	24,872 (33,068) - -	446,961	<u>Total</u>				
Zero Year One year later Two year later Three year later Four year later Five year later Six year later	230,768 176,347 167,352 161,821 158,999 168,157	698,242 517,394 510,675 519,711 494,315 489,816	402,590 380,182 411,539 380,326 393,950	359,047 311,889 330,258 317,069 298,997	419,597 390,548 392,439 378,331	233,354 248,280 235,346	24,872 (33,068) - -	446,961					
Zero Year One year later Two year later Three year later Four year later Five year later Six year later Current estimate of cumulative claims cost	230,768 176,347 167,352 161,821 158,999 168,157 196,561	698,242 517,394 510,675 519,711 494,315 489,816 489,677	402,590 380,182 411,539 380,326 393,950 395,397	359,047 311,889 330,258 317,069 298,997	419,597 390,548 392,439 378,331	233,354 248,280 235,346 - -	24,872 (33,068) - - - -	446,961	2,408,20				
Zero Year One year later Two year later Three year later	230,768 176,347 167,352 161,821 158,999 168,157 196,561	698,242 517,394 510,675 519,711 494,315 489,816 489,677	402,590 380,182 411,539 380,326 393,950 395,397	359,047 311,889 330,258 317,069 298,997	419,597 390,548 392,439 378,331 - - 378,331	233,354 248,280 235,346 - - - 235,346	24,872 (33,068) - - - - - (33,068)	446,961	2,408,20 2,030,75 377,44				



			2022
50	Biological Assets- Fair Value	No. of Cows	G\$
	Balance - 31 August, 2022	2,238	49,636,988
	Births	406	5,505,360
	Sales	(229)	(6,220,363)
	Donation	(30)	(599,810)
	Not Brought to the coral	(27)	(578,389)
	Deaths/ Slaughtered	(57)	(1,263,891)
		2,301	46,479,895
	Changes in Fair Value		3,968,444
	Balance - 31 December, 2022	2,301	50,448,339

On the 20th September 2022, the group attained 56.6% majority shareholdings in The Rupununi Development Company Limited.

Assets

Current Assets	
	16,759,465
Investments	11,128,939
Tangible Fixed Assets	5,630,526

Current Assets	
The Revenue Authority	192,750
Biological Assets	49,636,988
Inventories	100,240
Receivables	6,395,380
Cash and Bank	3,448,165
	59 773 523

Current Liabilities	
Related party	99,527,729
Payables	1,163,298
Taxation	2,495,011
	102 106 020

Taxation	2,495,011	
	103,186,038	(43,412,515)
		(26,653,050)
Minority interest		(11,562,622)
Goodwill		(15,090,428) (98,090,428)
Total purchase consideration Purchase consideration paid in prior year		83,000,000 51,326,000
Purchase consideration paid in current year Cash and cash equivalent acquired		31,674,000 3,448,165
		28,225,835
Adjustment for related party on acquisition		99,527,729
Net cash outflow		127,753,564

51 Approval of financial statements

The financial statements were approved by the Board of Directors and authorised for issue on 23 June 2023



GLOSSARY

MUTUAL FIRE INSURANCE COMPANY

The Hand-in-Hand Mutual Fire Insurance Company Limited operates for the benefit of its profit policyholders and their beneficiaries and has no stockholders. All profit policyholders are entitled to share in the profits of the Company. Every person who holds a profit sharing policy is a member of the Company.

TRIENNIAL CASH PROFIT

This is that portion of the "profits of the Company" which is returnable to members in cash at the end of a triennial period in respect of and in proportion to their premium contributions pursuant to the By-laws of the Company.

STATEMENT OF COMPREHENSIVE INCOME

This account shows the result of the business operations for the financial period. Revenue represents income from all sources whatsoever and includes premiums for all types of business - profit and non-profit, fire, accident, motor and marine; while investment income is interest and dividends earned from the Company's investments.

Expenditure includes Management Expenses, Claims net of reinsurance recoveries, Triennial Cash Profit (TCP) paid in current period and provided for in the previous year's accounts and Taxation.

Taxation for the Mutual Company is based on a special formula which caters for Reserves for Unexpired Risks; TCP provided for in the previous year and paid in the current period, Claims and Management Expenses.

PROFIT AND LOSS (ANNUAL) ACCOUNT

This account as its name indicates is prepared annually. Premiums as shown in this account represent those that were earned on both profit and non-profit policies. Figures for the other income heads are the same as those for the comprehensive income except "unclaimed triennial cash profit and others". Deductions for this account under the various heads are for Fire and Accident businesses. The balance of this account is transferred to the several triennial period premium accounts in proportion to the amount of premiums in the accounts.

PROFIT AND LOSS (TRIENNIAL) ACCOUNT

At the beginning of each financial period, a separate Triennial Premium Account is opened. Premiums received in respect of profits sharing policies issued or renewed during that period and not accounted for in any current triennial account are credited during the next three years. This account shows transaction for the triennium ended 31 December, 2022.

CONSOLIDATION

The Consolidated Financial Statements incorporate the Financial Statements of GCIS Incorporated, Hand-in-Hand Trust Corporation Inc., Hand-in-Hand Investments Inc. and Rupununi Development Company Ltd in which The Hand-in-Hand Mutual Fire Insurance Company Limited owns 66.7%, 72%, 40% and 56.6% at 31 December, 2022 respectively of the Issued Share Capitals.