



HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED

(Incorporated 23 June, 1966)



57th

ANNUAL REPORT AND ACCOUNTS

For the Year Ended 31st December, 2022



HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTICE OF MEETING

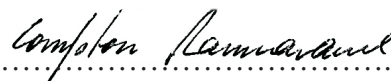
57th Annual General Meeting

Notice is hereby given that the Fifty Seventh Annual General Meeting of the above named Company will be held at the Company's Offices at Lots 1,2,3 & 4 Avenue of the Republic, Georgetown, on Thursday, 25 May, 2023 at 10:00 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. Election of Directors.
3. To fix the remuneration of the Directors.
4. Election of Auditors.
5. To fix the remuneration of the Auditors.
6. 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.

24 April, 2023

N.B. A Member entitled to attend and vote at the Meeting may appoint a proxy to attend and vote instead of him. A proxy need not be a Member of the Company. A proxy form requires a \$10.00 stamp.

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



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

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., F.C.I.I., A.C.I.B., 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.



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

MANAGEMENT:

Group Executive Director	- Keith Evelyn, B.A. (Hons) Sheff. Hallam, B.Sc.UMIST., M.B.A.Liv., F.C.I.I., A.C.I.B. 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.
Deputy Manager	- Lalita Sukhram, F.L.M.I., A.C.S., A.R.A.
Assistant Life Manager	- Elizabeth Gopie, F.L.M.I., A.C.S., A.I.R.C.
Company Secretary/ Finance Controller	- Compton Ramnaraine, M.A.A.T., A.I.C.B., F.C.C.A.
Financial Accountant/ Project Manager	- Stephen Rambajan, F.C.C.A., M.B.A.
Accountant-Financial Compliance	- Krishundat Ayoganand, F.C.C.A., M.B.A.
Director/Chief Risk Officer/ Investment Analyst	- Kin Sue, B.Sc., M.Sc., C.I.S.I.
Director/Chief Internal Auditor/ Business Analyst	- Ronald Stanley, F.C.C.A., C.P.C.U., M.Sc.
Legal and Compliance Officer	- Paul Braam, LL.B., L.E.C.
Human Resource Manager	- Zaida Joaquin, A.A., Dip. P.M., F.L.M.I., A.C.S., A.I.R.C., A.I.A.A., A.R.A.
Marketing Officer	- Savita Singh, B.Sc.
Manager - Berbice Operations	- Tajpaul Adjodhea, F.L.M.I.
Assistant IT Manager	- Shakuntala Singh, F.L.M.I, A.C.S



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

AUDITORS:

TSD LAL and Company,
Chartered Accountants

ATTORNEYS-AT-LAW:

Cameron & Shepherd
Hughes, Fields & Stoby

MEDICAL ADVISOR:

Dr. Janice Imhoff

CONSULTING ACTUARIES:

Apex Consulting Limited

BANKERS:

Republic Bank (Guyana) Limited

Guyana Bank for Trade & Industry Limited

Bank of Nova Scotia

Citizens Bank (Guyana) Inc.

Demerara Bank Limited

Bank of Baroda

Hand-in-Hand Trust Corporation Inc.

Guyana Americas Merchant Bank Inc.

JMMB Investments Trinidad & Tobago



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

BRANCH OFFICES:

BERBICE:	1) New Amsterdam	Lots 15 & 16 B 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:		130 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.



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 BY THE CHAIRMAN – MR. JOHN G. CARPENTER A.A., BSc.

Welcome

Ladies and Gentlemen, I am very pleased to welcome you to our Company's 57th Annual General Meeting, in which we present our review of the performance of the Company for the year ended 31st December 2022.

Economic Review and Outlook

The global economy faced several challenges in 2022, primarily due to the lingering COVID-19 pandemic and the conflict between Russia and Ukraine. As a result, the global economic growth rate for the year was projected at 3.2 percent, which is significantly lower than the 5.9 percent recorded in the previous year. The supply chain disruption caused by China's zero COVID-19 policy and the Ukraine war resulted in significant price increases in consumables, both locally and internationally. This led to monetary authorities in most developed countries significantly increasing interest rates to curb inflation.

The advanced and emerging economies are estimated to have grown by 2.5 and 3.4 percent, respectively, at the end of 2022. The Latin America and Caribbean region's growth rate is expected to be 3.6 percent in 2022, which is nearly half of the previous year's growth rate.

Guyana's economy continued to thrive due to its Oil and Gas sector. Consequently, the real GDP is estimated to have grown by 62.3 percent, making Guyana the fastest growing economy globally, in 2022. Additionally, the Non-Oil GDP saw substantial growth of 11.5 percent, primarily driven by activities in the quarrying, construction, agriculture, and service sectors.

The value of the Guyana dollar relative to the United States dollar remained stable during the review period, at G\$208.50=US\$1.00.

Performance Review

I am delighted to announce that Hand-in-Hand Mutual Life Assurance Co. Ltd has recorded a 4.5% increase in Net Increase in Funds before Actuarial Adjustment, totaling \$137.7 million compared to the previous year.

The Statement of Total Comprehensive Income shows an increase in Gross Reserves of \$109.1 million after Actuarial adjustments. These Reserves were established in accordance with the recommendations of our actuary and reflected cautious provisioning for new regulations and changes in actuarial assumptions. They have been put in place to ensure the Company maintains healthy actuarial margins in its long-term funds.

The Total Comprehensive Income had increased by \$1.48 billion, primarily due to the rise in the market value of investments.

New Business

In 2022, the Individual Life and Annuities Portfolios experienced a 16.3% increase in New Policies compared to the previous year, with a total of 164 new policies issued. This resulted in an Annualized Premium Income of \$94.5 million from Individual Life and Annuities.



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 BY THE CHAIRMAN – MR. JOHN G. CARPENTER A.A., BSc.

New Business - Cont'd

The Group New Business premium income also saw growth, rising to \$81.4 million from the previous year of \$72.1 million. We remain optimistic about the potential for further growth in New Business, driven by ongoing development in the Oil and Gas industry, expansion in the housing sector, and tax relief on Life and Medical Insurance.

Moreover, the Ordinary Life, Group Life, Group Medical, and Deposit Administration Funds continued to expand, reaching \$7.2 billion by the end of 2022, up from \$6.7 billion in 2021.

These positive outcomes are attributed to the hard work and dedication of our Brokers and Sales Team. As we face a highly competitive market, we are counting on the unwavering support of our Direct Sales, Marketing, and Business Development Departments.

Claims

The Company was happy to meet its Claim obligations, paying and reserving a total of \$267.5 million in 2022, against \$281.1 million in the previous year. Furthermore, after reinsurance recoveries, the cost of claims resulting from death under Individual Life policies reduced significantly from GY\$15.9 million to \$2.1 million. Similarly, the payment of claims under Group Life policies decreased from \$52.0 million to \$30.3 million, while Group Health claims increased from \$178.5 million to \$201.5 million.

Additionally, the Company allocated \$33.1 million for policies that had reached full maturity or were eligible for partial payments as per the terms of the policies.

Actuarial Valuation

An Actuarial Valuation was completed for the year ended 31st December 2022 and revealed a surplus of \$7.5 billion, or Liability Coverage of 2.0 times. The next Actuarial Valuation is due on 31st December 2023.

Insurance Companies in Guyana – performance for the first half of 2022

The domestic insurance sector's resources grew by 33.9% to reach \$150.3 billion, equivalent to 32.7% of the total assets of Non-Banking Financial Institutions (NBFIs). The Life component, comprising 70.10% of the industry's resources, recorded an impressive growth of 38.1%, equivalent to \$29.08 billion. The Non-Life component also experienced an increase of 24.8%, equivalent to \$8.95 billion.

Insurance Regulation

Hand-in-Hand Mutual Life Assurance Company Limited has been making strides in becoming compliant with the Insurance Act 2016, which came into effect in 2018. The Act necessitates that Hand-in-Hand Mutual Life Assurance Company Limited maintains a minimum asset surplus of \$500m, which the company has had to comply with within 5 years from November 22, 2018. At present, the company has met that requirement and is fully compliant.



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 BY THE CHAIRMAN – MR. JOHN G. CARPENTER A.A., BSc.

Insurance Regulation - Cont'd

To comply with the regulations, Hand-in-Hand Mutual Life Assurance Company Limited has implemented a more robust corporate governance structure, including an Enterprise Risk Management (ERM) framework and an Own Risk and Solvency Assessment framework.

The insurance industry's current business practices will be affected by IFRS17, which takes effect in 2023. The primary impact will be on the profit recognition aspect of insurance companies. Our company is presently collaborating with our external actuary and software vendors and is in the process of testing and implementing the necessary changes to ensure compliance with all relevant insurance and other regulations.

Future Outlook

Due to factors such as decreased real disposable income, high inflation, higher interest rates, and tighter monetary policies, global economies are forecast to grow at a slower rate, with advanced economies expanding by 1.1% and emerging markets growing by 3.7%. Overall, the world economies are projected to grow by 2.7% in 2023.

Despite the external economic challenges, Guyana's economy is expected to grow by 25.1 percent in the coming year due to the continued increase in oil exploration and production. Moreover, the Non-Oil GDP is forecast to grow by 7.9 percent in 2023, primarily driven by the aggressively expanding construction, agriculture, and mining sectors.

Hand-in-Hand Mutual Life Assurance Company Limited is dedicated to the future growth of both the insurance industry and Guyana as a whole. We continuously invest in our workforce and technology to deliver exceptional products and services to our clients. We are determined to take advantage of the opportunities presented by the remarkable expansion of the economy.

Appreciation

I am delighted to express my heartfelt gratitude to our policyholders for their unwavering trust, allegiance, and backing of our organization throughout the past 57 years. I also believe it is appropriate to commend my fellow Directors, Management, and staff for their exceptional leadership of the company and their contributions to accomplishing our objectives despite the challenging circumstances.

Thank you,

JOHN G. CARPENTER A.A., BSc.
CHAIRMAN



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

REPORT OF THE DIRECTORS

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

1. Principal Activities

The Company is engaged in the underwriting of long term business and associated insurance activities.

2. Operational Results

The Net increase in funds for the year before actuarial adjustment was \$137.7 million as compared to \$131.8 million for the previous year.

3. Life Business

Gross premiums received for Ordinary Life Business for the year were \$133.0 million as compared to \$124.7 million for the previous year.

4. Annuities

Annuities received for the year were \$83.3 million as compared to \$100.6 million for the previous year.

5. Group Business

Gross premiums received in respect of Group Business amounted to \$566.3 million as compared with \$527.9 million for the previous year.

6. Ordinary Life Fund

Ordinary Life Fund as at 31 December 2022 was \$1.0 billion, the comparative for the year ended 31 December 2021 being \$995.7 million.

7. Annuity Fund

Annuity Fund as at 31 December 2022 was \$999.8 million, the comparative for the year ended 31 December 2021 being \$901.2 million.

8. Group Life Fund/Single Premium Mortgage Protection

Group Life Fund/Single Premium Mortgage Protection as at 31 December 2022 was \$997.6 million, the comparative for the year ended 31 December 2021 being \$1.0 billion.

9. Deposit Administration Fund

Deposit Administration Fund as at 31 December 2022 was \$3.9 billion, the comparative for the year ended 31 December 2021 being \$3.6 billion.

10. Actuarial Valuation

An Actuarial Valuation was completed for the year ended 31 December 2022 and revealed a surplus of \$7.8 billion or liability coverage of 1.9 times. The next Actuarial valuation is due on 31 December 2023.

11. Claims

Total death claims (both Ordinary Life and Group Life) paid and provided for during the year amounted to \$90.6 million, of which \$57.7 million is recoverable from our re-insurer resulting in a net cost to the Company of \$32.9 million. In addition, policies matured during the year were \$33.1 million, while medical claims amounted to \$201.5 million.



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

REPORT OF THE DIRECTORS

12. Investments

On 31 December 2022, the total amount invested was \$10.9 billion. It included investments in Government, Municipal and other Securities of \$9.8 billion, Mortgages \$184.0 million, Loans on policies \$48.1 million, Participation in Loans \$88.4 million and Loans to Fire Company \$1.0 billion. In addition, the Company continued to invest in Local Shares during the financial year.

13. Employee Relations

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

14. Directorate

The following Directors, Messrs. J.G Carpenter, W.A. Lee and T.A Parris retire on this occasion in accordance with Article 141 and 147 of the Memorandum and Articles of Association and, being eligible, offer themselves for re-election.

15. 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 structure of mandates granted to committees whilst retaining specific matters for its decisions.

Non-executive Board members are considered independent and bring broad knowledge, experience and professionalism to the deliberations of the Board.

The committees established by the Board and their Chairpersons are:

Finance, Audit and Risk Committee	–	Mr. P.A. Chan-A-Sue
Sales and Marketing Committee	–	Mr. W.A. Lee
Human Resources Committee	–	Mr. T.A. Parris
Building Committee	–	Mr. J.G. Carpenter

16. Auditors

The Auditors, TSD Lal and Company, retire and have indicated their willingness to be reappointed.

By Order of the Board

Compton Ramnaraine
Company Secretary/Finance Controller



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
HAND-IN-HAND MUTUAL LIFE ASSURANCE COMPANY LIMITED
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Hand-in-Hand Mutual Life Assurance Company Limited, which comprise the statement of financial position as at 31 December, 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and funds, 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 14 to 55.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Hand-in-Hand Mutual Life Assurance Company Limited 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 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, 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 Company'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 or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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 is 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's financial reporting process.



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
HAND-IN-HAND MUTUAL LIFE ASSURANCE COMPANY LIMITED
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Responsibilities of Those Charged with Governance for the Financial Statements - Cont'd

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or 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 ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
HAND-IN-HAND MUTUAL LIFE ASSURANCE COMPANY LIMITED
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

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

We communicate with 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 identified during our audit.

Report on Other Legal and Regulatory Requirements

The financial statements comply with the requirements of the Companies Act 1991. The Insurance Act 2016 came into effect in 2018. As explained in Note 37, the company did not fully comply with the requirements of the Act.

TSD Lal & Co.

TSD LAL & CO.
CHARTERED ACCOUNTANTS

Date: 24 April, 2023

77 Brickdam,
Stabroek, Georgetown,
Guyana.



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

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

	Notes	2022 G\$	2021 G\$
Revenue			
Premiums	5	782,604,326	753,141,568
Reinsurance premiums	5	101,654,936	100,480,214
Net premiums		680,949,390	652,661,354
Investment income			
"Available for Sale"	6	38,697,077	44,427,795
"Loans and Receivables"	6	12,575,105	7,176,124
"Other Income"	6	37,367,247	3,345,754
		88,639,429	54,949,673
Loss on exchange		(5,258,136)	(6,343,216)
Gain on disposal of investments		-	40,522,197
Unclaimed ordinary cheques written off		306,200	752,617
		(4,951,936)	34,931,598
		764,636,883	742,542,625
Deduct:			
Expenditure			
Management expenses	7	254,958,263	226,450,668
Commissions	8	53,285,142	49,365,277
Claims (net of reinsurance recoveries)	9	267,512,512	281,061,169
Surrenders	10	17,414,794	23,598,952
Annuities	11	26,553,627	26,699,167
Taxation	12	7,185,042	3,534,934
		626,909,380	610,710,167
Net increase in funds for the year before actuarial adjustment		137,727,503	131,832,458
Actuarial adjustment to:			
Policyholders' liabilities	23	102,446,147	116,032,184
Contingency reserve	25	25,300,000	23,000,000
Reinsurance assets	18	(18,651,038)	7,769,923
		109,095,109	146,802,107
Net increase/ (decrease) in funds for the year		28,632,394	(14,969,649)
Other comprehensive income			
Items that may be subsequently reclassified			
to profit or loss:			
Fair value adjustment on investments	21	1,447,423,248	1,710,676,858
Other comprehensive income		1,447,423,248	1,710,676,858
Total comprehensive income		1,476,055,642	1,695,707,209
for the year			

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



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

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

	Issued share <u>capital</u> G\$	Other <u>reserve</u> G\$	General <u>reserve</u> G\$	<u>Total</u> G\$
Balance at 1 January 2021	275,000	4,389,955,060	(43,306,939)	4,346,923,121
Changes in equity 2021				
Total comprehensive income for the year	<u>-</u>	<u>1,710,676,858</u>	<u>(14,969,649)</u>	<u>1,695,707,209</u>
Balance at 31 December 2021	275,000	6,100,631,918	(58,276,588)	6,042,630,330
Changes in equity 2022				
Total comprehensive income for the year	<u>-</u>	<u>1,447,423,248</u>	<u>28,632,394</u>	<u>1,476,055,642</u>
Balance at 31 December 2022	<u>275,000</u>	<u>7,548,055,166</u>	<u>(29,644,194)</u>	<u>7,518,685,972</u>

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



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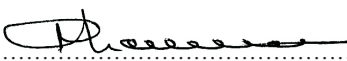
MUTUAL LIFE ASSURANCE COMPANY LIMITED

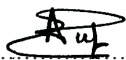
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Notes	2022 G\$	2021 G\$
ASSETS			
Non current assets			
Property & equipment	13(a)	312,978,995	294,384,081
Investment property	13(b)	800,000,000	800,000,000
Other assets			
Investments			
"Held to Maturity"	14(a)	10,000,000	10,000,000
"Available for Sale"	14(b)	9,782,758,473	8,186,165,029
"Loans and Receivables"	14(c)	1,164,689,188	989,031,246
Reinsurance assets	18	277,112,045	283,438,881
		<u>12,347,538,701</u>	<u>10,563,019,237</u>
Current assets			
Short Term Loan	14(c)	201,255,057	158,461,332
Interest accrued	16	37,545,255	13,734,802
Receivables and prepayments	17	1,216,872,772	1,015,462,872
Stocks of stationery		182,874	317,853
Tax recoverable		13,175,207	13,175,207
Cash on hand and at banks	19	1,183,228,370	1,275,182,507
		<u>2,652,259,535</u>	<u>2,476,334,573</u>
TOTAL ASSETS		<u>14,999,798,236</u>	<u>13,039,353,810</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Issued share capital	20	275,000	275,000
Other reserve	21	7,548,055,166	6,100,631,918
General reserve	22	(29,644,194)	(58,276,588)
		<u>7,518,685,972</u>	<u>6,042,630,330</u>
Non - Current Liabilities			
Policyholders' liabilities	23	3,037,359,655	2,934,913,508
Deposit administration fund	24	3,932,303,130	3,559,809,707
Contingency reserves	25	275,300,000	250,000,000
		<u>7,244,962,785</u>	<u>6,744,723,215</u>
Current liabilities			
Claims admitted or intimated but not paid	26	82,627,335	111,148,916
Tax payable		4,169,636	3,401,360
Payables and accrued expenses	27	149,352,508	98,970,896
Bank overdraft (unsecured)	28	-	38,479,093
		<u>236,149,479</u>	<u>252,000,265</u>
TOTAL EQUITY AND LIABILITIES		<u>14,999,798,236</u>	<u>13,039,353,810</u>

These Financial Statements were approved by the Board of Directors on 24 April, 2023.

On behalf of the Board:

.....Director

.....Director

.....Company Secretary/Finance Controller

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



HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	<u>2022</u> G\$	<u>2021</u> G\$
Operating activities		
Increase/(decrease) in funds and reserves for the year before taxation	35,817,436	(11,434,715)
Adjustments for:		
Depreciation	10,977,203	3,339,873
Redemption of securities -gain	-	(40,522,197)
Disposal of property & equipment - loss	685,697	12,364
Investment income	<u>(88,639,429)</u>	<u>(54,949,673)</u>
Decrease in funds for the year before working capital changes	(41,159,093)	(103,554,348)
Increase/(decrease) in interest accrued	(23,810,453)	6,791,945
Increase in receivables and prepayments	(201,409,900)	(201,062,565)
Increase in reinsurance assets	6,326,836	1,398,333
Increase in stocks of stationery	134,979	105,424
Increase/(decrease) in claims admitted or intimated but not paid	(28,521,581)	33,435,766
Increase in payables and accrued expenses	50,381,612	7,164,591
Increase in policyholders' liabilities	102,446,147	116,032,184
Increase in deposit administration fund	372,493,423	316,939,035
Increase in contingency reserve	<u>25,300,000</u>	<u>23,000,000</u>
Cash generated from operations	262,181,970	200,250,365
Taxes paid	<u>(6,416,766)</u>	<u>(5,853,776)</u>
Net cash provided by operating activities	<u>255,765,204</u>	<u>194,396,589</u>
Investing activities		
Purchase of property & equipment	(30,257,814)	(21,568,869)
Proceeds from redemption of securities	104,250,000	216,087,565
Purchase of securities	(253,420,196)	(539,184,239)
(Repayment)/addition of Short term loan	(42,793,725)	13,969,714
Loans and Receivables	(175,657,942)	(230,608,103)
Dividends and interest received	<u>88,639,429</u>	<u>54,949,673</u>
Net cash used in investing activities	<u>(309,240,248)</u>	<u>(506,354,259)</u>
Net (decrease) in cash and cash equivalents	(53,475,044)	(311,957,670)
Cash and cash equivalents at beginning of period	1,236,703,414	1,548,661,084
Cash and cash equivalents at end of period	<u><u>1,183,228,370</u></u>	<u><u>1,236,703,414</u></u>
Cash and cash equivalents comprised of:		
Cash at banks	1,183,228,370	1,275,182,507
Bank overdraft (unsecured)	<u>-</u>	<u>(38,479,093)</u>
	<u><u>1,183,228,370</u></u>	<u><u>1,236,703,414</u></u>

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



HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

1. Incorporation and activities

Hand-in-Hand Mutual Life Assurance Company Limited was incorporated in Guyana on 23 June 1966. It is engaged in the underwriting of long-term insurance business and associated insurance activities.

Employees

During the year the number of employees was 29 (2021 – 28).

2. 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

None of the above new and amended standards and interpretations had a significant effect on the Financial Statements of the Company.

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.



HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

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

The standards and amendments that are expected to have a material impact on the Company's accounting policies when adopted are explained below:

IFRS 17: Insurance contracts and IFRS 9: Financial Instruments

In May 2017, the IASB issued IFRS 17 Insurance Contracts ("IFRS 17"). This standard is to be applied using a retrospective approach, with at least one year of comparative results provided. If retrospective application to a group of insurance contracts is impracticable, a modified retrospective or fair value approach may be used. We have elected to use a fair value approach in instances where retrospective application is impracticable. IFRS 17 replaces IFRS 4 and impacts how we recognize, measure, present, and disclose our insurance contracts in our Financial Statements.

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

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

In December 2021, the IASB issued an amendment to IFRS 17 to allow for a transition option that permits insurers to present comparative information on financial assets as if IFRS 9 were applicable during the comparative period ("classification overlay"). We have elected to apply the classification overlay to our financial assets and their comparative period results as if IFRS 9 had been effective since January 1, 2022.

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

- Insurance contracts are those under which an entity accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.
- Insurance contracts issued and reinsurance contracts held are divided into groups that will be separately recognized and measured.
- Groups of insurance contracts are recognized and measured as the total of the following measurement components: a) the present value of future cash flows; b) a risk adjustment for non-financial risk; and c) the contractual service margin ("CSM"), an amount that represents the unearned profit of the group of contracts. These measurement components apply to groups of insurance contracts measured using the general measurement model ("GMM"). For short duration contracts, such as most of our group life and group health business, a simplified measurement approach (the premium allocation approach or "PAA") is applied. Under the PAA, insurance contracts are measured based on unearned profits and do not include a CSM.



HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

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

IFRS 17: Insurance contracts and IFRS 9: Financial Instruments – cont'd

- The profit from a group of insurance contracts is recognized into income over the period that insurance contract services are provided and as our risks related to servicing the contracts diminish over time.
- Insurance revenue, insurance services expenses and insurance finance income or expenses are presented separately.
- Disclosures are intended to enhance transparency and comparability of results.

A group of insurance contracts issued is considered onerous when the measurement leads to a negative CSM either at issue or when subsequently measured. In this case, the CSM is not allowed to decrease below zero and a loss component is tracked.

The measurement of reinsurance contracts held is similar to insurance contracts issued with the provision that the CSM can be positive or negative.

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

In addition, IFRS 9 will replace IAS 39, effective January 1, 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 is 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 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. Changes in the required ECL 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 January 1, 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.



HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

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

IFRS 17: Insurance contracts and IFRS 9: Financial Instruments – cont'd

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.

3. Summary of significant accounting policies

(a) Accounting convention

The accounts have been prepared under the historical cost convention, modified by the revaluation of certain investments and investment property and conform to International Financial Reporting Standards.

(b) Segregated funds

All income and direct expenses related to the funds are allocated accordingly. Indirect expenses are apportioned based on the amount of premiums generated in the year.

Policyholders' Liabilities

(i) Ordinary Life

All income and expenses relating to individual life and annuities businesses are allocated to this fund.

(ii) Group Life

Income and expenses relating to group life businesses are allocated to this fund and are represented by assets included in the cash on hand and at banks and securities.

(iii) Group Health

This fund is administered by the Company on behalf of several group medical schemes and is represented by assets included in cash on hand and at banks and securities.

Deposit administration fund

(i) Group Pension Fund

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

(ii) Contingency Reserve

This reserve represents a provision of approximately seven percent (7%) of the value of the deposit administration fund.



HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

3. Summary of significant accounting policies - cont'd

(c) 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.

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

(d) Reinsurance

The Company 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 Company. Reinsurer reimburses the Company for claims paid to policyholders according to various standing agreements reached.

The Company 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 Company's reinsurance treaties.

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

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

(e) Foreign currencies

Transactions in currencies other than Guyana dollars are recorded at the rates of exchange prevailing on the dates of the transaction. At the end of the reporting period, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on that date. Nonmonetary 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 are recognized in the statement of profit or loss and other comprehensive income.

(f) Management expenses

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

(g) Commission 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.



HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

3. Summary of significant accounting policies - cont'd

(h) Claims

Claims are made against the Company for losses incurred by its various policyholders. Management minimizes this expense by prudent underwriting policies and efficient handling and settlement of claims. Management also minimizes this expense by reinsurance.

Provisions are made in the Financial Statements for claims that are reported but not paid. A claim must be made immediately and then put in writing within 14 days according to the insurance contract.

All claims are recognized when reported to the Company, whether or not settled at the end of the reporting period.

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

(i) Maturities

Some of the Company's policies matured after the contractual period had elapsed. Such amounts whether or not claimed for by the policyholder are accrued in the statement of profit or loss and other comprehensive income and provided for as claims admitted or intimated but not paid under current liabilities.

(j) Taxation

Life insurance business is taxed at 25% on the income from the statutory fund less 12% allowance for expenses.

(k) Property, equipment and depreciation

Land and building held for use in the provision of services, or for administrative purposes is stated in the statement of financial position at cost. Based on the Directors opinion the net fair value of land approximated the stated value in the financial statements.

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

Depreciation of 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 life.

Office Machinery and Equipment	-	10%
Motor Vehicles	-	20%
Computers	-	50%

Depreciation is charged in the year of acquisition but none in the year of disposal.



HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

3. Summary of significant accounting policies - cont'd

(l) Investment properties

Investment properties, principally office building is held for long term rental income.

After initial recognition, investment properties are measured at fair value. The last valuation was done on 2018-11-28.

No revaluation was done for the financial year. Based on the Directors' opinion the net fair value of investment property approximated the stated value in the financial statements.

Any changes in fair value are presented in the statement of profit or loss as part of other income.

(m) Investments

Investments are recognized in the financial statements to comply with International Accounting Standards.

The Company classifies its investment portfolio into the following categories: "held to maturity", "available for sale" and "loans and receivables".

Management determines the appropriate classification at the time of purchase based on the purpose for which the investment securities were acquired. The classification is reviewed annually.

Held to maturity

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

Available for sale

These investments are initially recognized at cost and adjusted to fair value in subsequent periods.

Gains or losses on "available for sale financial assets" are recognized through the statement of profit and loss and other comprehensive income.

Loans and receivables

Loans and receivables are stated net of unearned interest and provision for losses. Specific provisions are established on individual loans to recognize impairment and are written off when the possibility of further recovery seems remote.

Loans and receivables are classified as non-accrual whenever there is reasonable doubt regarding the collectability of principal or interest and principal is ninety days past due.



HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

3. Summary of significant accounting policies - cont'd

(n) Financial instruments

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

Receivables

Trade receivables are stated at amortized cost. Appropriate allowances for estimated unrecoverable amounts are recognized in the statement of profit or loss and other comprehensive income when there is objective evidence that they are not collectible.

Payables

Trade payables are recognized at amortized cost.

Cash and cash equivalents

Cash and cash equivalents in the financial statement consist of cash at banks and cash on hand and bank overdraft with maturity period of three months or less.

De-recognition

Financial assets are derecognized when the right to receive cash flows from the asset has expired. Financial liabilities are derecognized when they are extinguished, i.e., when obligation is discharged, cancelled or expired.

(o) Segment reporting

A business segment is a component of an entity engaged in providing products or services subject to risks and returns that are different from those of other business segments.

A geographical segment is a group of assets and operations engaged in providing similar products and services subject to risks and returns that are different from those of other business segments.

The Company analyses its operations by both business and geographic segments. The primary formats of business are those reflecting ordinary life fund, group life fund and group health fund. The Company's secondary format is that of geographic segments reflecting the primary economic environment in which the Company has exposure.

(p) Insurance contracts

The company issues contracts that transfer insurance risk.

Short-duration life insurance contracts protect the company's customers from the consequences of events such as death or disability that would affect the ability of the customer or his/her dependents to maintain their current level of income.

Long-term insurance contracts with fixed and guaranteed terms are contracts that insure events associated with human life such as death over a long duration.



HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

3. Summary of significant accounting policies - cont'd

(p) Insurance contracts – cont'd

Premiums received and reinsurance premiums ceded are recognized as revenue and expense over the period of coverage.

(q) Pension funding

A defined benefit plan was established on 1 January 1971 and was administered under a Trust Deed executed on that date, amended later by supplemental deeds.

All employees of the Hand-in-Hand Mutual Life Assurance Company Limited are contracted with The Hand-in-Hand Mutual Fire Insurance Company Limited. They provide services to Hand-in-Hand Mutual Life Assurance Company Limited, for which the Company pays on a monthly basis. The Company also pays the corresponding portion of pension contribution to the pension scheme.

This plan is also operated for the Sales Representatives of the Hand-in-Hand Mutual Life Assurance Company Limited. Contributions to the scheme are paid by The Hand-in-Hand Mutual Fire Insurance Company Limited, and the relevant portion is then reimbursed by Hand-in-Hand Mutual Life Assurance Company Limited.

(r) Leases

As Lessor

Leases are classified at inception as either operating or finance based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

The minimum lease payments of operating leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the item, are recognized as an income on a straight-line basis over the term of the lease.

Assets held under finance leases are recognized in the Company's assets at the lower of the present value of the minimum lease payment and the fair value.

4. Critical accounting judgment and key sources of estimation uncertainty

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimated.

The estimation of the liability arising from claims made under insurance contracts is the Company's most critical accounting estimate.

(i) Receivables and other receivables

On a regular basis, management reviews receivables and other receivables 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.



HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

4. Critical accounting judgment and key sources of estimation uncertainty – cont'd

(ii) Useful lives of property and equipment

Management reviews the estimated useful lives of property and equipment at the end of each year to determine whether the useful lives 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) Method of actuarial valuation

Valuation has been performed on a seriatim, record-by-record basis for each individual life coverage.

Actuarial liabilities have been calculated using the Caribbean Policy Premium Method, which is a Gross Premium Valuation Method, based on cash flow projections. The liability is equal to the value of the assets that will be sufficient, without being excessive, to provide for future policy cash flows. The reserve is strictly prospective.

Acquisition expenses are ignored. Future cash flows are based on best estimates with Provisions for Adverse Deviation. An expected assumption and a Provision for Adverse Deviation must be made for each contingency and factor which materially affects the future cash flows.

The following cash flows are included: premiums, commissions, administrative expenses, guaranteed and non-guaranteed benefits such as dividends, cash surrender values, reinsurance premiums, benefits and investments income taxes.

Non-guaranteed benefits are based on policyholders' reasonable expectations and for this purpose the Company have allowed for future bonuses and dividends.

Cash flows are determined over the term of the liability. The term of the liability is the last possible date to which the policyholder can prolong coverage without requiring the consent of the insurer. The reserve is determined as the present value of all expected future policy cash flows, where the cash flows are discounted at the valuation interest rate.

Best estimates are used for expected cash flows. These are based on past experience of the Company, in conjunction with other published data subject to modifications appropriate to the circumstances.

Provisions for Adverse Deviations (PFAD) are added to each expected assumption. The PFADs are to provide for mis-estimation of the mean and deterioration of the mean. They do not provide for statistical fluctuation, which is effectively catastrophic risk and should be provided for in the capital and surplus held by the Company. The PFADs are to be sufficient, but not excessive.

This is an appropriate Method by which to determine the adequacy of the liabilities as it is a Gross Premium Valuation Method with explicit assumptions.



HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

5. Premiums

	2022			2021		
	<u>Gross</u>	<u>Reinsurance</u>	<u>Net</u>	<u>Gross</u>	<u>Reinsurance</u>	<u>Net</u>
	G\$	G\$	G\$	G\$	G\$	G\$
Ordinary Life	133,006,079	24,030,092	108,975,987	124,674,395	21,799,033	102,875,362
Annuities	83,304,944	-	83,304,944	100,567,046	-	100,567,046
Group Life	256,431,048	77,624,844	178,806,204	241,361,715	78,681,181	162,680,534
Group Health	309,862,255	-	309,862,255	286,538,412	-	286,538,412
	<u>782,604,326</u>	<u>101,654,936</u>	<u>680,949,390</u>	<u>753,141,568</u>	<u>100,480,214</u>	<u>652,661,354</u>

6. Investment income

	<u>2022</u>	<u>2021</u>
	G\$	G\$
" Available for sale"		
Shares and stocks	<u>38,697,077</u>	<u>44,427,795</u>
" Loans and receivables"		
Policy loans	7,841,605	7,176,124
Participation in Loans at Hand-in-Hand Trust Corporation Inc.	<u>4,733,500</u>	<u>-</u>
	<u>12,575,105</u>	<u>7,176,124</u>
" Other Income"		
Cash on deposits	15,694,154	6,254,461
Rental (i)	24,109,967	-
Interest paid on Annuities	(8,250,000)	(8,250,000)
Miscellaneous	<u>5,813,126</u>	<u>5,341,293</u>
	<u>37,367,247</u>	<u>3,345,754</u>
	<u>88,639,429</u>	<u>54,949,673</u>

(i) Leases as lessor

Investment property comprises a number of commercial properties that are leased to third parties. Each of the leases contain an initial non cancellable period of one year, with annual rent as listed below. Subsequent renewals are negotiated with the lessee and historically the average renewal period is one year. No contingent rent is charged.

The Company leases its investment property.

(i.) Future minimum lease payments

At 31 December, the future minimum lease payments under non-cancellable leases were receivable as follows:

	<u>2022</u>	<u>2021</u>
	G\$	G\$
Less than one year	30,000,000	30,000,000
Between two and four years	90,000,000	90,000,000
Five years	30,000,000	30,000,000

(ii.) Amounts recognised in profit or loss

During 2022, investment property rentals of G\$24,109,967 (2021- G\$ 0) were included in revenue.



HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

	<u>2022</u> G\$	<u>2021</u> G\$
7. Management expenses		
Actuarial fees	9,065,747	6,617,625
Auditor's remuneration	5,893,348	5,312,438
Directors' emoluments (a)	6,100,884	6,502,096
Depreciation	10,977,202	3,339,873
Employment cost	138,453,804	125,098,884
Pension contributions	8,453,482	7,498,607
Operating expenses	76,013,796	72,081,145
	<u>254,958,263</u>	<u>226,450,668</u>
 (a) Directors' emoluments:		
Chairman: J. G. Carpenter	1,743,008	1,660,008
Non Executive Directors:		
W. A. Lee	1,089,469	1,037,592
P. A. Chan-A-Sue	1,089,469	1,037,592
I. A. Mc Donald	1,089,469	1,037,592
T. A. Parris	1,089,469	1,037,592
C. R. Quintin	-	691,720
	<u>6,100,884</u>	<u>6,502,096</u>
 8. Commissions		
Ordinary Life	13,031,360	10,115,233
Group Life	24,588,827	23,770,085
Group Health	15,664,955	15,479,959
	<u>53,285,142</u>	<u>49,365,277</u>



HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

9. Claims

	2022			2021		
	<u>Gross</u>	<u>Reinsurance</u>	<u>Net</u>	<u>Gross</u>	<u>Reinsurance</u>	<u>Net</u>
	G\$	G\$	G\$	G\$	G\$	G\$
Ordinary Life						
Death	28,282,490	26,104,048	2,178,442	26,658,431	10,721,210	15,937,221
Maturities	33,118,965	-	33,118,965	32,409,864	-	32,409,864
Other claims	353,080	-	353,080	2,160,916	-	2,160,916
	<u>61,754,535</u>	<u>26,104,048</u>	<u>35,650,487</u>	<u>61,229,211</u>	<u>10,721,210</u>	<u>50,508,001</u>
Group Life	61,950,918	31,631,979	30,318,939	125,113,721	73,086,570	52,027,151
Group Health	201,543,086	-	201,543,086	178,526,017	-	178,526,017
	<u>325,248,539</u>	<u>57,736,027</u>	<u>267,512,512</u>	<u>364,868,949</u>	<u>83,807,780</u>	<u>281,061,169</u>

Claims paid in financial year

	2022			2021		
	<u>Gross</u>	<u>Reinsurance</u>	<u>Net</u>	<u>Gross</u>	<u>Reinsurance</u>	<u>Net</u>
	G\$	G\$	G\$	G\$	G\$	G\$
Ordinary Life						
Death	31,144,231	26,104,048	5,040,183	22,606,572	10,721,210	11,885,362
Maturities	31,452,167	-	31,452,167	30,751,375	-	30,751,375
Other claims	353,080	-	353,080	2,160,916	-	2,160,916
	<u>62,949,478</u>	<u>26,104,048</u>	<u>36,845,430</u>	<u>55,518,863</u>	<u>10,721,210</u>	<u>44,797,653</u>
Group Life	86,284,503	20,626,955	65,657,548	95,338,256	36,962,823	58,375,433
Group Health	201,543,086	-	201,543,086	178,526,017	-	178,526,017
	<u>350,777,067</u>	<u>46,731,003</u>	<u>304,046,064</u>	<u>329,383,136</u>	<u>47,684,033</u>	<u>281,699,103</u>

10. Surrenders

	<u>2022</u>	<u>2021</u>
	G\$	G\$
Ordinary Life	<u>17,414,794</u>	<u>23,598,952</u>

11. Annuities

	<u>2022</u>	<u>2021</u>
	G\$	G\$
Ordinary Life	<u>26,553,627</u>	<u>26,699,167</u>

12. Taxation

	<u>2022</u>	<u>2021</u>
	G\$	G\$
Taxes deducted at source from investments of statutory fund	<u>7,185,042</u>	<u>3,534,934</u>

Taxation on the Company has been computed based on the applicable tax laws relating to Life Insurance Companies.



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

13. (a) Property & equipment

	Freehold <u>Land and buildings</u> G\$	Office Furniture and <u>Equipment</u> G\$	Computer <u>Equipment</u> G\$	Motor <u>Vehicle</u> G\$	<u>Total</u> G\$
Cost					
At 1 January 2021	263,616,670	14,718,890	25,034,337	10,572,000	313,941,897
Additions	-	459,625	438,420	20,670,824	21,568,869
Transfer	-	(42,180)	42,180	-	-
Disposals	-	(35,960)	-	-	(35,960)
At 31 December 2021	263,616,670	15,100,375	25,514,937	31,242,824	335,474,806
Additions	-	323,553	10,588,436	19,345,825	30,257,814
Disposals	-	(48,410)	(21,428,542)	(4,200,000)	(25,676,952)
At 31 December 2022	263,616,670	15,375,518	14,674,831	46,388,649	340,055,668
Accumulated Depreciation					
At 1 January 2021	-	7,881,001	23,210,195	6,683,252	37,774,448
Charge for the year	-	711,424	1,047,852	1,580,597	3,339,873
Transfer	-	(19,765)	19,765	-	-
Written back on disposals	-	(23,596)	-	-	(23,596)
At 31 December 2021	-	8,549,064	24,277,812	8,263,849	41,090,725
Charge for the year	-	693,771	4,278,347	6,005,085	10,977,203
Written back on disposals	-	(45,194)	(21,422,177)	(3,523,884)	(24,991,255)
At 31 December 2022	-	9,197,641	7,133,982	10,745,050	27,076,673
Net book values:					
At 31 December 2021	263,616,670	6,551,311	1,237,125	22,978,975	294,384,081
At 31 December 2022	263,616,670	6,177,877	7,540,849	35,643,599	312,978,995

(b) Investment property

	<u>2022</u> G\$	<u>2021</u> G\$
Fair value		
At 1 January 2022 and 31 December 2022	800,000,000	800,000,000

14. Investments

(a) Held to Maturity:

Local Bonds	10,000,000	10,000,000
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(b) Available for sale:

United States Securities	192,554,385	177,327,219
United States Stocks	83,400,000	145,950,000
Trinidad & Tobago Securities	57,292,114	60,772,728
Local Securities	9,449,511,974	7,802,115,082
	9,782,758,473	8,186,165,029



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

14. Investments- Cont'd

(c) Loans and Receivables

	<u>2022</u> G\$	<u>2021</u> G\$
(i) Mortgages on properties		
At 1 January	117,537,178	134,618,931
Addition	80,000,000	-
Repayments	<u>(11,636,075)</u>	<u>(17,081,753)</u>
	185,901,103	117,537,178
Less: Provision for impairment (a)	<u>1,859,011</u>	<u>1,175,371</u>
At 31 December	<u>184,042,092</u>	<u>116,361,807</u>
(a) Provision for impairment individually assessed		
At 1 January	1,175,371	1,346,188
Movement during the year	<u>683,640</u>	<u>(170,817)</u>
At 31 December	<u>1,859,011</u>	<u>1,175,371</u>
(ii) Loans on policies	<u>48,141,742</u>	<u>48,677,336</u>
This represents loans granted to policyholders taking into account the cash value of the policies.		
(iii) Loan to The Hand-in-Hand Mutual Fire Insurance Company Limited (a)		
At 1 January	833,715,772	585,800,708
Additions	320,000,000	350,000,000
Repayment	<u>(108,381,311)</u>	<u>(102,084,936)</u>
At 31 December	<u>1,045,334,461</u>	<u>833,715,772</u>
Current	111,935,916	108,381,311
Long term	<u>933,398,545</u>	<u>725,334,461</u>
	<u>1,045,334,461</u>	<u>833,715,772</u>
(iv) Participation in Loans - Hand-in-Hand Trust Corporation Inc.(b)		
At 1 January	150,240,063	166,229,307
Repayment	<u>(60,920,922)</u>	<u>(15,989,244)</u>
Balance at 31 December	<u>89,319,141</u>	<u>150,240,063</u>
Current	89,319,141	50,080,021
Long term	<u>-</u>	<u>100,160,042</u>
	89,319,141	150,240,063
Less: Provision for impairment (a)	<u>893,191</u>	<u>1,502,400</u>
At 31 December	<u>88,425,950</u>	<u>148,737,663</u>
(a) Provision for impairment individually assessed		
At 1 January	1,502,400	1,662,292
Movement during the year	<u>(609,209)</u>	<u>(159,892)</u>
At 31 December	<u>893,191</u>	<u>1,502,400</u>
Total loans and receivables as at 31 December	<u>1,365,944,245</u>	<u>1,147,492,578</u>
Comprised of:		
Short term Loans and Receivables	201,255,057	158,461,332
Long term Loans and Receivables	<u>1,164,689,188</u>	<u>989,031,246</u>
	<u>1,365,944,245</u>	<u>1,147,492,578</u>



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

14. Investments- cont'd

(c) Loans and Receivables - Cont'd

(a) Inter - Company Loan

Interest is charged at a rate of 6% on total of \$1,045,334,461 per annum. Security held on this loan is an agreement between both Hand-in-Hand Mutual Life Assurance Company Limited and The Hand-in-Hand Mutual Fire Insurance Company Ltd.

(b) Participation in Loans - Hand-in-Hand Trust Corporation Inc.

Interest is charged at a rate of 9.55% on total of \$79,800,000; 11% on total of \$62,660,042; 11% on total of \$75,000,000 and 12% on total of \$90,000,000. Capital repayment commenced in 2018. Security held on these loans is an agreement between Hand-in-Hand Mutual Life Assurance Company Ltd. and Hand-in-Hand Trust Corporation Inc.

15. Fair Value estimation

Fair value measurements recognised in the statement of financial position

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following levels were used in the analysis of financial instruments that are measured subsequent to initial recognition at fair value.

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 asset or liability that are not based on observable market data (unobservable inputs).



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

15. Fair Value estimation - cont'd

Fair value measurements recognised in the statement of financial position - cont'd

	IFRS 13	2022		IFRS 13	2021	
	Level	Carrying Value	Fair Value	Level	Carrying Value	Fair Value
		G\$	G\$		G\$	G\$
Assets						
Property and equipment	2	312,978,995	312,978,995	2	294,384,081	294,384,081
Investment property	2	800,000,000	800,000,000	2	800,000,000	800,000,000
Investments:						
Held to maturity	2	10,000,000	10,000,000	2	10,000,000	10,000,000
Loans and receivables	2	1,164,689,188	1,164,689,188	2	989,031,246	989,031,246
Reinsurance assets	2	277,112,045	277,112,045	2	283,438,881	283,438,881
Short term loan	2	201,255,057	201,255,057	2	158,461,332	158,461,332
Interest accrued	2	37,545,255	37,545,255	2	13,734,802	13,734,802
Receivables and prepayments	2	1,216,872,772	1,216,872,772	2	1,015,462,872	1,015,462,872
Tax recoverable	2	13,175,207	13,175,207	2	13,175,207	13,175,207
Cash on hand and at banks	1	1,183,228,370	1,183,228,370	1	1,275,182,507	1,275,182,507
		<u>5,216,856,889</u>	<u>5,216,856,889</u>		<u>4,852,870,928</u>	<u>4,852,870,928</u>
Liabilities						
Policyholders' liabilities	3	3,037,359,655	3,037,359,655	3	2,934,913,508	2,934,913,508
Deposit administration fund	2	3,932,303,130	3,932,303,130	2	3,559,809,707	3,559,809,707
Contingency reserves	3	275,300,000	275,300,000	3	250,000,000	250,000,000
Claims admitted and intimated but not paid	2	82,627,335	82,627,335	2	111,148,916	111,148,916
Tax payable	2	4,169,636	4,169,636	2	3,401,360	3,401,360
Payables and accrued expenses	2	149,352,508	149,352,508	2	98,970,896	98,970,896
Bank overdraft (unsecured)	1	-	-	1	38,479,093	38,479,093
		<u>7,481,112,264</u>	<u>7,481,112,264</u>		<u>6,996,723,480</u>	<u>6,996,723,480</u>

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

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

"Property and equipment"

Property and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Management's judgement was used to determine that fair value approximates the carrying value.

"Investment property"

Investment property is carried at fair value. Management's judgement was used to determine that fair value approximates the carrying value.

"Held to maturity"

The carrying value of these investments were determined using the level 2 fair value measurement.

"Loans and receivables"

These investments are carried net of provision for impairment. The fair value is based on the expected realisation of outstanding balances. Mortgages are secured against the borrowers' properties and policy loans are secured by the cash value of the policies.

"Receivables, short term loans and interest accrued"

Receivables, short term loans and interest accrued are net of provisions for impairment. The fair value of receivables is based on expected realisation of outstanding balances taking into account the Company's history with respect to delinquencies.

"Reinsurance assets, policyholders' liabilities, deposit administration fund and contingency reserves"

These were measured by management on the advice from the actuaries.

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

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 on hand and at bank, payables and accrued interest, tax payable/recoverable, prepayments, statutory deposits, bank overdraft (unsecured) and claims admitted and intimated but not paid.



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

15. Fair value estimation - cont'd

Fair values

The following assets are carried at fair values.

	IFRS 13	2022		IFRS 13	2021	
	Level	Carrying Value	Fair Value	Level	Carrying Value	Fair Value
		G\$	G\$		G\$	G\$
Financial assets						
Investments:						
Available for sale (a)	2	9,449,511,974	9,449,511,974	2	7,802,115,082	7,802,115,082
Available for sale (b)	2	333,246,499	333,246,499	2	384,049,947	384,049,947
		<u>9,782,758,473</u>	<u>9,782,758,473</u>		<u>8,186,165,029</u>	<u>8,186,165,029</u>

"Available for sale"

(a) The carrying values of these investments were valued using quoted market prices and from inputs other than quoted prices.

(b) These were stated based on the broker's statements.

16. Interest accrued

	2022	2021
	G\$	G\$
Deposits at banks	19,727	-
Interest on Courts Bond	453,699	453,699
Investment Income	<u>37,071,829</u>	<u>13,281,103</u>
	<u>37,545,255</u>	<u>13,734,802</u>

17. Receivables and prepayments

Other receivable	88,051,433	73,668,310
Hand-in-Hand Investment USA Inc.	1,126,808,818	939,152,041
Sundry receivables	<u>2,012,521</u>	<u>2,642,521</u>
	<u>1,216,872,772</u>	<u>1,015,462,872</u>



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

18. Reinsurance assets	Ordinary life <u>fund</u> G\$	Group life <u>fund</u> G\$	Single premium mortgage <u>protection</u> G\$	<u>Total</u> G\$
Balance as at 1 January 2021	177,693,162	32,359,126	74,784,926	284,837,214
Actuarial increase/(decrease)	(11,146,896)	1,403,522	1,973,451	(7,769,923)
Claims recoverable	-	6,371,590	-	6,371,590
Balance as at 31 December 2021	166,546,266	40,134,238	76,758,377	283,438,881
Actuarial increase	16,171,603	2,141,919	337,516	18,651,038
Claims recoverable	-	(24,977,874)	-	(24,977,874)
Balance as at 31 December 2022	<u>182,717,869</u>	<u>17,298,283</u>	<u>77,095,893</u>	<u>277,112,045</u>

19. Cash on hand and at banks

	<u>2022</u> G\$	<u>2021</u> G\$
Non statutory deposits:		
Deposits - others	1,015,489,772	964,215,993
Current accounts	167,718,598	310,946,514
Cash on hand	20,000	20,000
	<u>1,183,228,370</u>	<u>1,275,182,507</u>

The interest rates on deposits vary from 0.15% to 3%.

20. Share capital

Authorised		
Number of 6% cumulative redeemable preference shares	<u>10,000</u>	<u>10,000</u>
Issued and fully paid		
2,750 - 6% cumulative redeemable preference shares	<u>275,000</u>	<u>275,000</u>

The Capital of the Company is G\$1,000,000 divided into 10,000 Redeemable Cumulative Preference shares of G\$100 each. This amount issued to The Hand-in-Hand Mutual Fire Insurance Company Limited is not available for the payment of any expenses or claims incurred by the Company until all other funds are exhausted. The Company shall be entitled to the whole or any part of the shares as shall be determined by the Board.



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

21. Other reserve

	<u>2022</u>	<u>2021</u>
	G\$	G\$
At 1 January	6,100,631,918	4,389,955,060
Fair value adjustment on investments	<u>1,447,423,248</u>	<u>1,710,676,858</u>
At 31 December	<u><u>7,548,055,166</u></u>	<u><u>6,100,631,918</u></u>

22. General reserve

	<u>2022</u>	<u>2021</u>
	G\$	G\$
At 1 January	(58,276,588)	(43,306,939)
Net increase in fund for the year	<u>28,632,394</u>	<u>(14,969,649)</u>
At 31 December	<u><u>(29,644,194)</u></u>	<u><u>(58,276,588)</u></u>

23. Policyholders' liabilities

	Ordinary life	Annuity	Group life	Single premium	Group health	Total
	<u>fund</u>	<u>fund</u>	<u>fund</u>	mortgage <u>protection</u>	<u>fund</u>	
	G\$	G\$	G\$	G\$	G\$	G\$
Balance as at 1 January 2021	986,921,981	786,039,638	8,527,977	1,034,863,178	2,528,550	2,818,881,324
Actuarial increase/(decrease)	<u>8,819,442</u>	<u>115,204,576</u>	<u>2,480,687</u>	<u>(13,871,059)</u>	<u>3,398,538</u>	<u>116,032,184</u>
Balance as at 31 December 2021	995,741,423	901,244,214	11,008,664	1,020,992,119	5,927,088	2,934,913,508
Actuarial increase/(decrease)	<u>27,099,909</u>	<u>98,585,797</u>	<u>2,430,699</u>	<u>(23,346,924)</u>	<u>(2,323,334)</u>	<u>102,446,147</u>
Balance as at 31 December 2022	<u><u>1,022,841,332</u></u>	<u><u>999,830,011</u></u>	<u><u>13,439,363</u></u>	<u><u>997,645,195</u></u>	<u><u>3,603,754</u></u>	<u><u>3,037,359,655</u></u>



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

24. Deposit administration fund

	<u>2022</u> G\$	<u>2021</u> G\$
At 1 January	3,559,809,707	3,242,870,672
Contributions received plus interest	613,872,365	560,783,908
Refund of contributions	(207,870,897)	(203,967,272)
Charges, claims and benefits	(33,508,045)	(39,877,601)
	<hr/>	<hr/>
At 31 December	<u>3,932,303,130</u>	<u>3,559,809,707</u>

25. Contingency reserves

At 1 January	250,000,000	227,000,000
Movement	<u>25,300,000</u>	<u>23,000,000</u>
	<hr/>	<hr/>
At 31 December	<u>275,300,000</u>	<u>250,000,000</u>

A Contingency reserve representing approximately 7% of the value of the Deposit Administration Fund was appropriated to the Statutory Fund, in keeping with draft legislation in Guyana.

26. Claims admitted or intimated but not paid

	<u>2022</u> G\$	<u>2021</u> G\$
Ordinary life	49,749,054	12,830,956
Group life	<u>32,878,281</u>	<u>98,317,960</u>
	<u>82,627,335</u>	<u>111,148,916</u>

27. Payables and accrued expenses

Other payables	71,099,885	42,425,984
Accruals	<u>78,252,623</u>	<u>56,544,912</u>
	<u>149,352,508</u>	<u>98,970,896</u>

28. Bank overdraft (unsecured)

Bank of Nova Scotia	<u>-</u>	<u>38,479,093</u>
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MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

29. Pending litigation

There are several income tax appeals pending for the years 1976-1988 and 1995 inclusive. The tax in dispute has been lodged with the Guyana Revenue Authority.

This is an ongoing claim between the Pension Scheme and Hand-In-Hand Mutual Life Assurance Company Limited, in relation to a Pension Scheme administered under the Deposit Administration Fund.

30. 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 with related parties.

Related companies

The following are transactions and balances between the Company and related parties who share common directors with the Company.

	<u>2022</u> G\$	<u>2021</u> G\$
(i) Loans to The Hand-in-Hand Mutual Fire Insurance Company Limited.	<u>1,045,334,461</u>	<u>833,715,772</u>
Interest received during the year on loans granted to The Hand-in-Hand Mutual Fire Insurance Company Limited.	<u>53,832,105</u>	<u>44,341,431</u>
(ii) Loan Participation with Hand-in-Hand Trust Corporation Inc.		
Interest is charged at a rate of 9.55% on total of \$79,800,000; 11% on total of \$62,660,042; 11% on total of \$75,000,000 and 12% on total of \$90,000,000. Capital repayment commenced in January, 2018.	<u>89,319,141</u>	<u>150,240,063</u>
Interest received from loan participation with Hand-in-Hand Trust Corporation Inc.	<u>4,733,500</u>	<u>-</u>
(iii) An Individual Annuity was purchased by Hand-in-Hand Trust Corporation Inc. on 2017-12-29 under Contract No: DA 2017/0006. Interest paid at a rate of 2.75% Yearly. The Maturity date for this annuity is 2022-12-29.	<u>300,000,000</u>	<u>300,000,000</u>
Interest paid to Hand-in-Hand Trust Corporation Inc.	<u>8,250,000</u>	<u>8,250,000</u>
(iv) Fixed Deposits at Hand-in-Hand Trust Corporation Inc.		
Interest received at a rate of 2% on total of \$61,000,000 maturity date 2020-06-01; 1.50% on total of \$300,000,000 maturity date 2020-01-17, 2.75% on total of \$200,000,000 maturity date 2020-10-30 and 3% on total of \$100,000,000 maturity date 2022-08-06.	<u>688,134,429</u>	<u>676,474,614</u>
Interest received from Fixed Deposits at Hand-in-Hand Trust Corporation Inc.	<u>11,659,815</u>	<u>9,106,998</u>
(v) The Hand-in-Hand Mutual Fire Insurance Company Limited, \$2,750 - 6% Cumulative Redeemable Preference Shares.	<u>275,000</u>	<u>275,000</u>
(vi) Amounts due from Hand-in-Hand Investment USA Inc.		
At the end of the year this amount was held by Hand-in-Hand Investment USA Inc. on behalf of Hand-in-Hand Mutual Life Assurance Company Limited to facilitate investments in the future. This amount represents investment and not loan between the companies.	<u>1,126,808,818</u>	<u>939,152,041</u>



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

30. Related party transactions - cont'd

Related companies- cont'd

(vii) Insurance

	<u>2022</u> G\$	<u>2021</u> G\$
(a) Insurance coverage (sum insured)	473,449,530	473,449,530
(b) Premiums for the year	1,893,797	1,893,797

(viii) Fees paid

Hand-in-Hand Mutual Life Assurance Company Limited utilized the staff and facilities of The Hand-in-Hand Mutual Fire Insurance Company Limited.

Fees charged	104,547,911	104,055,928
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(ix) Current accounts

The Hand-in-Hand Mutual Fire Insurance Company Limited	-	109,812
The Hand-in-Hand Mutual Fire Insurance Company Limited -Motor	800,000	-
Environmental & Technical Solutions Inc.	412,687	-
Frandec & Company (Insurance) Inc.	84,600	-
	1,297,287	109,812

(x) Income from investment property rented to Hand-in-Hand Trust Corporation Inc.

30,000,000	30,000,000
------------	------------

(xi) 29,300 Ordinary shares in Rupununi Development Company Limited

14,650,000	14,650,000
------------	------------

Key management personnel

(i) Compensation

The Company's key management personnel comprises of its Directors, its Chief Executive Officer and Managers. The remuneration paid during the year was as follows:

	<u>2022</u> G\$	<u>2021</u> G\$
Short term employee benefits - Managers - 14 (2021-13)	34,245,964	29,933,288
Long term benefit is derived from the Pension Scheme.		
Directors' emoluments - 5 (2021-6)	6,100,884	6,502,096

(ii) Mortgages

Interest received for the year	5,387,240	4,847,450
Balance outstanding	185,901,103	117,537,178

The above balance refers to 4 (2021-3) mortgages. The rate of interest is 3.5% - 9% per annum. Security held on this mortgage are promissory notes, irrecoverable limited power of attorney and transports.

(iii) Loans

	<u>2022</u> G\$	<u>2021</u> G\$
Interest paid for the year	419,740	492,025
Balance outstanding	6,397,829	7,490,330

The rate of interest is 6% per annum. Security held on these loans are promissory notes and investments in equity.



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

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31. Analysis of financial assets and liabilities by measurement basis.

	2022				
	Held to maturity G\$	Available for sale G\$	Loans and receivable G\$	Other Assets/Liabilities at amortized cost G\$	Total G\$
Assets					
Investments	10,000,000	9,782,758,473	1,164,689,188	-	10,957,447,661
Reinsurance assets	-	-	277,112,045	-	277,112,045
Short term loan	-	-	201,255,057	-	201,255,057
Interest accrued	-	-	37,545,255	-	37,545,255
Receivables and prepayments	-	-	1,216,872,772	-	1,216,872,772
Tax recoverable	-	-	13,175,207	-	13,175,207
Cash on hand and at banks	-	-	-	1,183,228,370	1,183,228,370
	<u>10,000,000</u>	<u>9,782,758,473</u>	<u>2,910,649,524</u>	<u>1,183,228,370</u>	<u>13,886,636,367</u>
Liabilities					
Policyholders' liabilities	-	-	-	3,037,359,655	3,037,359,655
Deposit Administration Fund	-	-	-	3,932,303,130	3,932,303,130
Contingency Reserve	-	-	-	275,300,000	275,300,000
Claims admitted or intimated but not paid	-	-	-	82,627,335	82,627,335
Tax payable	-	-	-	4,169,636	4,169,636
Payables and accrued expenses	-	-	-	149,352,508	149,352,508
	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,481,112,264</u>	<u>7,481,112,264</u>
	2021				
	Held to maturity G\$	Available for sale G\$	Loans and receivables G\$	Other Assets/Liabilities at amortized cost G\$	Total G\$
Assets					
Investments	10,000,000	8,186,165,029	989,031,246	-	9,185,196,275
Reinsurance assets	-	-	283,438,881	-	283,438,881
Short term loan	-	-	158,461,332	-	158,461,332
Interest accrued	-	-	13,734,802	-	13,734,802
Receivables and prepayments	-	-	1,015,462,872	-	1,015,462,872
Tax recoverable	-	-	13,175,207	-	13,175,207
Cash on hand and at banks	-	-	-	1,275,182,507	1,275,182,507
	<u>10,000,000</u>	<u>8,186,165,029</u>	<u>2,473,304,340</u>	<u>1,275,182,507</u>	<u>11,944,651,876</u>
Liabilities					
Policyholders' liabilities	-	-	-	2,934,913,508	2,934,913,508
Deposit Administration Fund	-	-	-	3,559,809,707	3,559,809,707
Contingency Reserve	-	-	-	250,000,000	250,000,000
Claims admitted or intimated but not paid	-	-	-	111,148,916	111,148,916
Tax payable	-	-	-	3,401,360	3,401,360
Payables and accrued expenses	-	-	-	98,970,896	98,970,896
Bank overdraft (unsecured)	-	-	-	38,479,093	38,479,093
	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,996,723,480</u>	<u>6,996,723,480</u>



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

32. Financial risk management

Financial risk management objectives

The Company's management monitors and manages the financial risk relating to the operation of the Company through internal risk reports which analyze exposure 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 seeks to minimize 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 risks.

(a) Market risk

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

(i) Price risk

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

Should the market prices of investments change by 5 percent with all other variables held constant, the impact on equity would be G\$ 489,137,924 (2021- G\$409,308,251).

(ii) Interest rate sensitivity analysis

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

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



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

32. Financial risk management - cont'd

(a) Market risk - cont'd

(ii) Interest rate sensitivity analysis - cont'd

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

		Impact on profit for year	
		2022	2021
	Increase / decrease in basis point		
Cash and cash equivalents		G\$M	G\$M
Local Currency	+/-50	4.06	3.99
Foreign Currencies	+/-50	1.02	0.83

Apart from the foregoing with respect to 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 risks, market risks, political and disaster risks can affect the value of the assets and liabilities.

(iii) Interest rate risk

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

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

	Interest Rate %	Maturing 2022.12.31			
		Within 1 year G\$	1 to 5 years G\$	Over 5 years G\$	Non-interest bearing G\$
Assets					
Investments	1.1-10	-	10,000,000	-	9,782,758,473
Mortgages on properties	3.5-10	184,042,092	-	-	-
Loans on policies	15	-	48,141,742	-	-
Loan to The Hand-in-Hand Mutual Fire Insurance Co. Ltd.	6	1,045,334,461	-	-	-
Participation in Loans- Hand-in-Hand Trust Corp. Inc.	7.5-12	88,425,950	-	-	-
Reinsurance assets	-	-	-	-	277,112,045
Interest accrued	1.1-10	37,545,255	-	-	-
Receivables & prepayments	6-8	1,216,872,772	-	-	-
Tax recoverable	-	-	-	-	13,175,207
Cash on hand and at banks	0.15-3	1,183,228,370	-	-	-
		<u>3,755,448,900</u>	<u>58,141,742</u>	<u>-</u>	<u>10,073,045,725</u>
Liabilities					
Policyholders' Liabilities	-	-	-	-	3,037,359,655
Deposit administration fund	-	-	-	-	3,932,303,130
Contingency reserves	-	-	-	-	275,300,000
Claims admitted or intimated but not paid	-	-	-	-	82,627,335
Tax payable	-	-	-	-	4,169,636
Payables and accrued expenses	-	-	-	-	149,352,508
		<u>-</u>	<u>-</u>	<u>-</u>	<u>7,481,112,264</u>
Interest sensitivity gap		<u>3,755,448,900</u>	<u>58,141,742</u>	<u>-</u>	



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

32. Financial risk management - cont'd

(a) Market risk - cont'd

(iii) Interest rate risk - cont'd

	Interest Rate %	Maturing 2021.12.31				
		Within 1 year G\$	1 to 5 years G\$	Over 5 years G\$	Non-interest bearing G\$	Total G\$
Assets						
Investments	1.1-0	-	10,000,000	-	8,186,165,029	8,196,165,029
Mortgages on properties	3.5-10	15,166,824	75,834,120	25,360,863	-	116,361,807
Loans on policies	15	-	48,677,336	-	-	48,677,336
Loan to The Hand-in-Hand Mutual Fire Insurance Co. Ltd.	6-8	118,855,977	714,859,795	-	-	833,715,772
Participation in Loans- Hand-in-Hand Trust Corp. Inc.	7.5-12	148,737,663	-	-	-	148,737,663
Reinsurance assets	-	-	-	-	283,438,881	283,438,881
Interest accrued	1.1-10	13,734,802	-	-	-	13,734,802
Receivables & prepayments	6-8	34,524,476	5,661,378	-	975,277,018	1,015,462,872
Tax recoverable	-	-	-	-	13,175,207	13,175,207
Cash on hand and at banks	0.15-3	964,215,993	-	-	310,966,514	1,275,182,507
		1,295,235,735	855,032,629	25,360,863	9,769,022,649	11,944,651,876
Liabilities						
Policyholders' liabilities	-	-	-	-	2,934,913,508	2,934,913,508
Deposit administration fund	-	-	-	-	3,559,809,707	3,559,809,707
Contingency reserves	-	-	-	-	250,000,000	250,000,000
Claims admitted or intimated but not paid	-	-	-	-	111,148,916	111,148,916
Tax payable	-	-	-	-	3,401,360	3,401,360
Payables & accrued expenses	-	-	-	-	98,970,896	98,970,896
Bank overdraft (unsecured)	-	-	-	-	38,479,093	38,479,093
		-	-	-	6,996,723,480	6,996,723,480
Interest sensitivity gap		1,295,235,735	855,032,629	25,360,863		



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

32. Financial risk management - cont'd

(a) Market risk-cont'd

(iv) Foreign currency risk

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

The equivalent Guyana dollar value of assets in United States dollar and the Trinidad and Tobago Dollar are shown below:

	2022			2021		
	US\$	T.T\$	<u>Total</u> G\$	US\$	T.T\$	<u>Total</u> G\$
Assets	<u>1,603,472,517</u>	<u>60,292,458</u>	<u>1,663,764,975</u>	<u>1,278,902,996</u>	<u>63,773,073</u>	<u>1,342,676,069</u>

Foreign currency sensitivity analysis:

Although a rate is not formally adopted and used as a measure, 3% gives prudent possibility of a change in rate.

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

	2022		2021	
	US dollar <u>impact</u> G\$ M	T.T dollar <u>impact</u> G\$ M	US dollar <u>impact</u> G\$ M	T.T dollar <u>impact</u> G\$ M
Profit/(loss)	<u>48.10</u>	<u>1.81</u>	<u>38.37</u>	<u>1.91</u>



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

32. Financial risk management - cont'd

(b) Credit risk

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Company faces credit risk in respect of its cash and cash equivalents, investments and receivables. However, this risk is controlled by close monitoring of these assets by the Company. The maximum credit risk faced by the Company is the balance 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 risk is therefore considered very low.

Investments, receivables and prepayments reflected by the Company are assets for which the likelihood of default are considered minimal by the Directors.

	<u>2022</u> G\$	<u>2021</u> G\$
Investments		
"Held to maturity"	10,000,000	10,000,000
"Available for sale"	9,782,758,473	8,186,165,029
"Loans & receivables" (i)	1,164,689,188	989,031,246
Reinsurance assets (ii)	277,112,045	283,438,881
Short term loans	201,255,057	158,461,332
Accrued interest (iii)	37,545,255	13,734,802
Receivables and prepayments (iv)	1,216,872,772	1,015,462,872
Taxes recoverable	13,175,207	13,175,207
Cash on hand and at banks	<u>1,183,228,370</u>	<u>1,275,182,507</u>
	<u>13,886,636,367</u>	<u>11,944,651,876</u>
Provision for impairment	<u>2,752,202</u>	<u>2,677,771</u>

(i) Loans and receivables include the sum of \$48,141,742 (2021- \$48,677,336) for loans on policies. These are fully secured against the cash values of the individual policies. Ongoing evaluation is performed on the financial condition of these receivables on a regular basis. This amount also includes a loan that is granted to The Hand-in-Hand Mutual Fire Insurance Company Limited on which interest is earned.

(ii) Reinsurance assets comprise amounts recovered from reinsurers for claims that were paid during the financial year.

(iii) Accrued interest represents amounts due or accrued on the various investments of the Company. These amounts will be received in the next financial year, or will materialise on the maturity of the investment(s) in accordance with their terms and conditions.

(iv) Advances and loans to staff and sales representative on which interest is earned is part of receivables and prepayments.

The above receivables and prepayments are classified as follows:.

	<u>2022</u> G\$	<u>2021</u> G\$
Current	1,192,233,317	982,767,348
Past due but not impaired	<u>24,639,455</u>	<u>32,695,524</u>
	<u>1,216,872,772</u>	<u>1,015,462,872</u>
<u>Ageing of past due but not impaired</u>		
31- 60 days	20,235,942	11,537,439
61- 90 days	562,620	764,251
91- 120 days	1,482,480	877,219
over 120 days	<u>2,358,413</u>	<u>19,516,615</u>
Total	<u>24,639,455</u>	<u>32,695,524</u>

While the foregoing is past due they are still considered collectible in full. There is no specific impairment of receivables however, the Company makes a general provision as stated above.



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

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32. Financial risk management - cont'd

(c) Liquidity risk

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

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

The following table shows the distribution of liabilities by maturity:

	2022				Total G\$
	On Demand	1 to 3	4 to 12	1 to 5	
	G\$	months G\$	months G\$	years G\$	
Liabilities					
Policyholders' liabilities	-	-	-	3,037,359,655	3,037,359,655
Deposit administration fund	-	-	-	3,932,303,130	3,932,303,130
Contingency reserve	-	-	-	275,300,000	275,300,000
Claims admitted or intimated but not paid	82,627,335	-	-	-	82,627,335
Tax payable	-	-	4,169,636	-	4,169,636
Payables and accrued expense	149,352,508	-	-	-	149,352,508
	<u>231,979,843</u>	<u>-</u>	<u>4,169,636</u>	<u>7,244,962,785</u>	<u>7,481,112,264</u>

	2021				Total G\$
	On Demand	1 to 3	4 to 12	1 to 5	
	G\$	months G\$	months G\$	years G\$	
Liabilities					
Policyholders' liabilities	-	-	-	2,934,913,508	2,934,913,508
Deposit Administration Fund	-	-	-	3,559,809,707	3,559,809,707
Contingency reserve	-	-	-	250,000,000	250,000,000
Claims admitted or intimated but not paid	111,148,916	-	-	-	111,148,916
Tax payable	-	-	3,401,360	-	3,401,360
Payables and accrued expense	97,990,505	980,391	-	-	98,970,896
Bank overdraft (unsecured)	38,479,093	-	-	-	38,479,093
	<u>247,618,514</u>	<u>980,391</u>	<u>3,401,360</u>	<u>6,744,723,215</u>	<u>6,996,723,480</u>



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

33. Segment reporting

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance.

For management purposes, the Company is currently organised into four operating divisions - ordinary life fund, group life fund, annuity fund and group health fund. These divisions are the basis on which the Company reports its primary segment information.

	2022				
	Ordinary Life Fund G\$	Annuity Fund G\$	Group Life Fund G\$	Group Health Fund G\$	Total G\$
Revenue					
Premiums	133,006,079	83,304,944	256,431,048	309,862,255	782,604,326
Reinsurance premiums	24,030,092	-	77,624,844	-	101,654,936
	108,975,987	83,304,944	178,806,204	309,862,255	680,949,390
Investment income	29,903,864	25,685,348	32,777,945	272,271	88,639,428
Loss on exchange	(893,637)	(559,706)	(1,722,900)	(2,081,891)	(5,258,136)
Unclaimed Ordinary cheque written off	52,040	32,594	100,331	121,236	306,200
	138,038,253	108,463,179	209,961,579	308,173,871	764,636,882
Deduct: Expenditure					
Management expenses	43,330,963	27,139,236	83,540,574	100,947,490	254,958,263
Commissions	13,031,360	-	24,588,827	15,664,955	53,285,142
Claims	35,650,487	-	30,318,939	201,543,086	267,512,512
Surrenders	17,414,794	-	-	-	17,414,794
Annuities	-	26,553,627	-	-	26,553,627
	109,427,604	53,692,863	138,448,340	318,155,531	619,724,338
Surplus of revenue over expenditure before actuarial adjustments	28,610,649	54,770,315	71,513,239	(9,981,660)	144,912,544
Actuarial adjustments to:					
- Policyholders' liabilities	27,099,909	98,585,797	(20,916,225)	(2,323,334)	102,446,147
- Reinsurance Assets	16,509,119	-	2,141,919	-	18,651,038
	(14,998,379)	(43,815,482)	90,287,545	(7,658,326)	23,815,359
Unallocated adjustments/expenses:					
					7,185,042
					25,300,000
					1,447,423,248
Total Comprehensive income for the year					1,438,753,565
Statement of Financial Position					
Segmented assets	3,635,546,908	3,540,490,776	3,594,488,795	21,668,627	10,792,195,106
Unallocated assets					4,207,603,130
Total assets					14,999,798,236
Segmented liabilities	114,133,636	42,170,618	75,523,591	151,998	231,979,843
Unallocated liabilities					7,249,132,421
Total liabilities					7,481,112,264



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

33. Segment reporting - cont'd

	2021				
	Ordinary Life Fund G\$	Annuity Fund G\$	Group Life Fund G\$	Group Health Fund G\$	Total G\$
Revenue					
Premiums	124,674,395	100,567,046	241,361,715	286,538,412	753,141,568
Reinsurance premiums	21,799,033	-	78,681,181	-	100,480,214
	102,875,362	100,567,046	162,680,534	286,538,412	652,661,354
Investment income	19,238,497	15,322,611	20,339,276	49,290	54,949,674
Other Income	-	-	-	-	-
Loss on exchange	(1,050,050)	(847,010)	(2,032,831)	(2,413,324)	(6,343,216)
Loss on disposal of investments	6,708,009	5,410,932	12,986,280	15,416,977	40,522,197
Unclaimed Ordinary cheque written off	124,588	100,497	241,194	286,339	752,617
	127,896,405	120,554,076	194,214,452	299,877,694	742,542,626
Deduct: Expenditure					
Management expenses	37,486,446	30,237,973	72,571,378	86,154,871	226,450,668
Commissions	10,115,233	-	23,770,085	15,479,959	49,365,277
Claims	50,508,001	-	52,027,151	178,526,017	281,061,169
Surrenders	23,598,952	-	-	-	23,598,952
Annuities	-	26,699,167	-	-	26,699,167
	121,708,632	56,937,140	148,368,614	280,160,847	607,175,233
Surplus of revenue over expenditure before actuarial adjustments	6,187,772	63,616,935	45,845,838	19,716,847	135,367,393
Actuarial adjustments to:					
- Policyholders' liabilities	8,819,442	115,204,576	(11,390,372)	3,398,538	116,032,184
- Reinsurance	9,173,445	-	(1,403,522)	-	7,769,923
	(11,805,115)	(51,587,641)	58,639,732	16,318,309	11,565,286
Unallocated adjustments/expenses:					
Taxation					3,534,934
Contingency reserve					23,000,000
Fair value adjustment on investments					1,710,676,858
Total Comprehensive income for the year					1,695,707,210
Statement of Financial Position					
Segmented assets	3,129,627,731	2,820,134,154	3,259,445,272	20,336,946	9,229,544,103
Unallocated assets					3,809,809,707
Total assets					13,039,353,810
Segmented liabilities	1,095,474,760	924,736,579	1,157,219,487	6,081,587	3,183,512,413
Unallocated liabilities					3,813,211,067
Total liabilities					6,996,723,480



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

33. Segment reporting - cont'd

The Company's operations are located in Guyana. The geographical segment is defined by the location of the operation from which the sale is made and does not consider the location of the customer.

GEOGRAPHICAL

	Revenue	
	2022	2021
	G\$	G\$
Local - Guyana	756,199,865	725,164,264
Overseas	8,437,018	17,378,361
	<u>764,636,883</u>	<u>742,542,625</u>

The following is an analysis of the carrying amount of segment assets, and additions to property and equipment and other assets, analysed by the geographical area in which the assets are located.

	Carrying amount of segment assets & liabilities		Additions/(disposals)/revaluations to assets	
	2022	2021	2022	2021
	G\$	G\$	G\$	G\$
<u>Assets</u>				
	13,531,716,641	11,696,677,741	1,835,038,900	2,013,433,957
Trinidad & Tobago	57,592,458	63,773,073	(6,180,615)	18,993,260
United States	<u>1,410,489,137</u>	<u>1,278,902,996</u>	<u>131,586,141</u>	<u>195,186,447</u>
	<u>14,999,798,236</u>	<u>13,039,353,810</u>	<u>1,960,444,426</u>	<u>2,227,613,663</u>
<u>Liabilities - Guyana</u>	<u>7,481,112,264</u>	<u>6,996,723,480</u>		

34. Actuarial Valuation

An actuarial valuation of the Company was done as at 31 December 2022. This revealed a surplus of G\$7,518,685,972 (2021 - G\$6,042,630,330).



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

35. Insurance Risk

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

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

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

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

(a) Frequency and severity of claims

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

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

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

The underwriting strategy is intended to ensure that the risks underwritten are well diversified in terms of the type of risk and the level of insured benefits. For example, the Company to some extent balances death risk and survival risk across its portfolio. The Company has a retention limit of G\$1,500,000 on the vast proportion of lives insured. The Company reinsures the excess of the insured benefit over G\$1,500,000 for standard risks (as measured by the sum insured) under a yearly renewable term reinsurance arrangement. The Company does not have in place any reinsurance for contracts that insure survival risk.

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



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NOTES ON THE ACCOUNTS

35. Insurance Risk - cont'd

(b) Sources of uncertainty in the estimation of future benefit payments and premium receipts

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

(c) Guaranteed annuity options

The Company has no annuity policy with the guaranteed annuity option, hence is not exposed to the risk from variability in contract holder behaviour.

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

(i) Mortality

An assumption was made which reflected the Actuary's knowledge of mortality experience in the Caribbean. The mortality assumption used for all policies was 120% of the CIA 86-92 Male Aggregate Table (240% for Special Whole Life) plus a margin for adverse deviation equal to 15 per thousand (7.5% per thousand for the participating business), divided by life expectancy. In addition, an allowance for AIDS was added to the mortality rates in accordance with CIA guidelines tables: AIDS 92 Cn 1a-1f. The Mortality assumption for rated policies used the rating applied by the reinsurer.

(ii) Investment yields

It is impossible to predict long-term interest rates in the Guyanese environment since the longest government security is 12 months. The valuation as at 31 December, 2018 used an interest assumption of 2.5% per annum, after tax and after a Margin for Adverse Deviation of 0.85% per annum.

For the current valuation, this assumption has been maintained.

(iii) Persistency

The assumed lapse rates were derived using the Company's experience for the period 2018 - 2022. A margin for adverse deviation assumes a 20% fluctuation in the lapse rate for all years.



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NOTES ON THE ACCOUNTS

35. Insurance Risk - cont'd

(c) Guaranteed annuity options - cont'd

(iv) Expenses

Expenses are based on best estimates of the Company experience. Administration expenses per policy for traditional life business increased to \$56.2 per annum for 2022 versus an expected of \$60.5. Thereafter, our administrative expense per ordinary life / annuity business policy was set to its expected value of \$12,757 per annum in 2022 and inflation on expenses has been applied at a rate of 1.0% per annum. A margin for Adverse Deviation of 10% per annum on non-participating business and 5% per annum on participating business was maintained. Premium paying policies were given equal weights. Paid up policies have been assigned one-eighth of the expense of premium paying policies. For the single mortgage protection policies expenses was determined as per policy expense of \$3,822 for 2022. Thereafter, our administrative expense per policy for Mortgage Protection business was maintained at the expected rate of \$3,822 per annum in 2022. Inflating at the same rate as outlined above with a Margin for Adverse Deviation of 10% per annum.

(v) Ongoing review

Actuarial assumptions are continuously reviewed based on emerging Company and industry experience and revised if appropriate and material.

(vi) Margins for adverse deviation assumptions

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

(vii) Sensitivity Analysis

The following table shows the sensitivity of the Gross/Net Reserves for the Ordinary Life, Individual Annuity and Single Premium Mortgage Protection business to a change in the valuation assumptions as noted:

	2022	2021
	<u>G\$</u>	<u>G\$</u>
Sensitivity		
2% Increase in Mortality	22.9/12.2 million	21.7/11.7 million
5% Increase in Expenses	24.9 million	25.5 million
10% Change in Lapse Rates	28.8/20.3 million	27.0/19.8 million
100 Basis Points Decrease in Valuation Interest Rate	358.1/329.7 million	337.0/310.8 million



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

36. Assets held under Trust

Assets

	<u>2022</u> <u>G\$</u>	<u>2021</u> <u>G\$</u>
Land & Building	1,063,616,670	1,063,616,670
Ordinary Shares-		
Guyana-		
Demerara Tobacco Company Limited	164,442,000	109,628,000
Demerara Distillers Limited	938,148,641	386,893,707
Caribbean Containers Inc.	8,762,922	5,216,025
Guyana Bank for Trade and Industry Limited	352,804,200	201,068,000
Banks DIH Limited	1,099,832,860	810,403,160
Republic Bank (Guyana) Limited	4,629,441,109	4,511,257,625
Citizens Bank (Guyana) Inc.	553,946,776	553,946,776
Hand-in-Hand Investment Inc.	30,000	30,000
Rupununi Development Company Limited	14,650,000	14,650,000
	<u>7,762,058,508</u>	<u>6,593,093,293</u>

Bond & Debentures of Companies Incorporated in Guyana-

Courts Bond	10,000,000	10,000,000
Loan granted to The Hand-in-Hand Mutual Fire Insurance Company Limited - secured	1,045,334,461	833,715,772
Participation of Loan to Hand-in-Hand Trust Corporation Inc.	88,425,950	148,737,663
Fixed Deposit at Republic Bank (Guyana) Limited	66,970,227	65,920,026
Fixed Deposit at Hand-in-Hand Trust Corporation Inc.	64,998,699	63,977,814
Fixed Deposit at Guyana Bank for Trade & Industry Limited	31,305,297	31,093,859
Fixed Deposit at Citizens Bank (Guyana) Inc.	18,750,000	18,750,000
	<u>1,315,784,634</u>	<u>1,162,195,134</u>
TOTAL	<u>10,151,459,812</u>	<u>8,828,905,097</u>

37. 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, Statutory Funds and policies such as investments and related party, which the Company has not fully complied with at December 31, 2022.

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



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

38. Hand-in-Hand Investment USA Inc.

During 2018 the Company was informed by Lloyds Bank International Limited Private Banking to have its portfolio transferred or liquidated.

The portfolio comprised of equity instruments, bonds and cash deposits and was accounted for under investments and cash at banks.

In 2018, the Directors resolved that Hand-in-Hand Mutual Life Assurance Company Limited will liquidate its investment portfolio at Lloyds Bank International Limited Private Banking and transfer the proceeds from that liquidation to Hand-in-Hand Investment USA Inc.

The amount liquidated on behalf of Hand-in-Hand Mutual Life Assurance Company Limited by Lloyds Bank International Limited Private Banking was USD 933,852.40.

The Directors decided to utilize the balances from Lloyds Bank International Limited Private Banking owing to The Hand-in-Hand Mutual Fire Insurance Company Limited and GCIS Inc. to purchase a substantial amount of the equity holdings in Republic Bank (Guyana) Limited from Hand-in-Hand Mutual Life Assurance Company Limited (refer to note 30 (vi)). The current balance of G\$1,126,808,818 (2021 - G\$ 939,152,041) (refer to note 17) is accounted for under receivables. There are no repayment terms on this balance between Hand-in-Hand Mutual Life Assurance Company Limited and Hand-in-Hand Investments USA Inc.

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 Life Assurance Company Limited are Directors of Hand-in-Hand Investments USA Inc.

39. Approval of financial statements

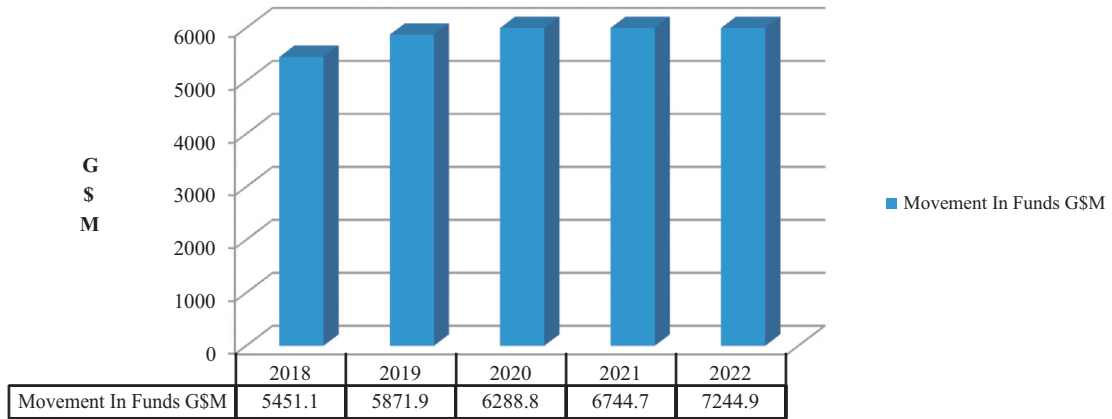
The financial statements were approved by the Board of Directors and authorized for issue on 24 April, 2023.



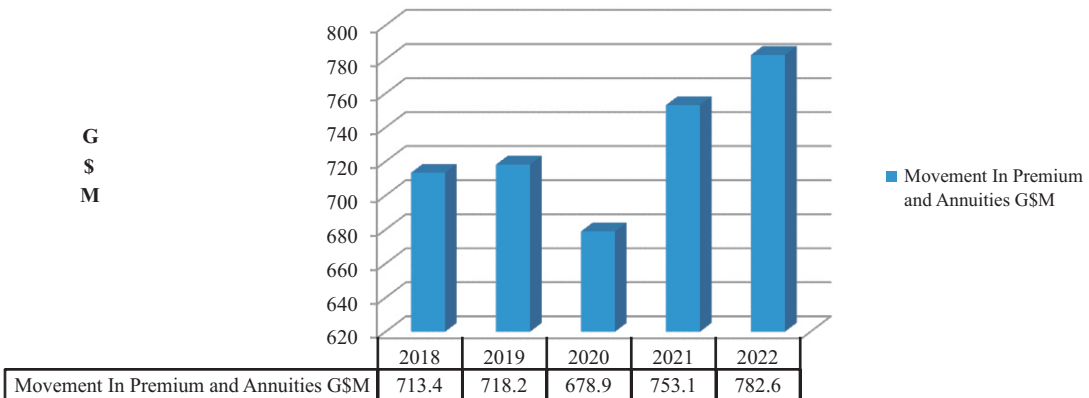
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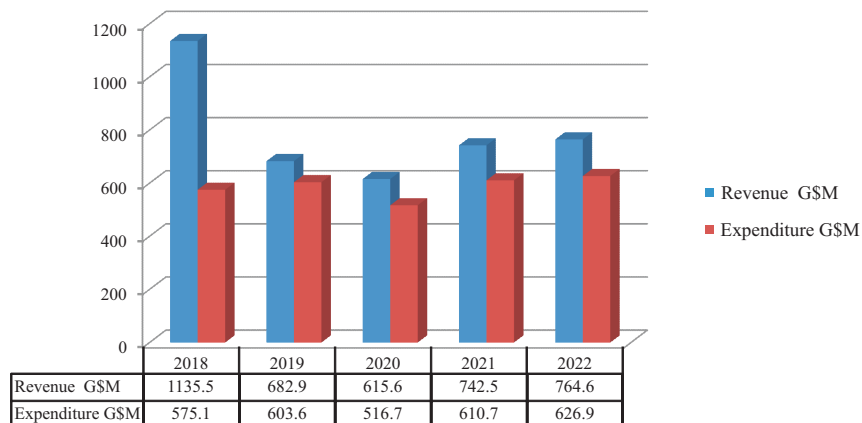
Movement in Funds



Movement in Premium and Annuities G\$M



Revenue vs Expenditure





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MUTUAL LIFE ASSURANCE COMPANY LIMITED

PLANS OF INSURANCE OFFERED:

JOINT WHOLE-OF-LIFE
SPECIAL WHOLE-OF-LIFE
WHOLE-OF-LIFE LIMITED PAYMENT
EXECUTIVE BONUS WHOLE-OF-LIFE
RETIREMENT BONUS WHOLE-OF-LIFE
ANTICIPATED BONUS WHOLE-OF-LIFE
ENDOWMENT
ANTICIPATED ENDOWMENT
SECONDARY SCHOOL EDUCATION ENDOWMENT
UNIVERSITY EDUCATION ENDOWMENT TERM
5 YEARS RENEWABLE & CONVERTIBLE TERM
ANNUITIES (IMMEDIATE AND DEFERRED)
GROUP LIFE
GROUP MEDICAL
GROUP PENSION
GROUP CREDITORS

RIDERS - may be attached to most plans

HOSPITAL INDEMNITY
ACCIDENTAL MEDICAL EXPENSES
ACCIDENTAL DEATH AND DISMEMBERMENT
ACCIDENTAL DISABILITY INCOME
TOTAL PERMANENT DISABILITY
TOTAL DISABILITY WAIVER OF PREMIUM
PAYOR WAIVER OF PREMIUM