



HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED

(Incorporated 23 June, 1966)



55th

ANNUAL REPORT AND ACCOUNTS

For the Year Ended 31st December, 2020



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTICE OF MEETING

55th Annual General Meeting

Notice is hereby given that the Fifty Fifth 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, 19 August, 2021 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, 2020 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.

27 July, 2021

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.

Covid-19 safety protocols are in force.



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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

C.R. Quintin

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

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

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

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



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

MANAGEMENT:

Chief Executive Officer	- Keith Evelyn, B.A. (Hons) Sheff. Hallam, B.Sc.UMIST., M.B.A.Liv., A.C.I.B., F.C.I.I. M.C.I.B.S., - Chartered Insurer, Chartered Banker
Manager	- 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., A.C.C.A.
Chief Risk Officer/ Investment Analyst	- Kin Sue, B.Sc., M.Sc., C.I.S.I.
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.
Sales Manager	- Shanomae Baptiste, B.A., P.G. Dip., M.B.A.
Business Development Officer	- Savita Singh, B.Sc.
Manager - Berbice Operations	- Tajpaul Adjodhea, F.L.M.I.



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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.



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 BY THE CHAIRMAN – MR. JOHN G. CARPENTER A.A., BSc.

Welcome

Ladies and Gentlemen, it is with pleasure that I welcome you to our Company's 55th Annual General Meeting, to review the performance of the Company for the year ended 31st December 2020.

Economic Review and Outlook

Global economies are gradually recovering from the COVID-19 pandemic. However, the International Monetary Fund (IMF) estimated that the global economy will contract by 3.2 percent in 2020. In the year gone by, advanced economies contracted by 5.4 percent while emerging and developing economies contracted by 2.6 percent. In this period, Latin America and the Caribbean were hard hit by the pandemic and growth contracted by 6.1 percent as travel restrictions halted tourism. Despite the economic contraction, many governments used debt financing to maintain or increase spending to cushion the effect of the pandemic on households and businesses. This resulted in increased global debt levels in 2020.

The Guyana economy registered a Real Oil GDP Growth of 43.5 percent at the end of 2020, as compared with 5.4 percent growth in the previous year. This growth was attributed to the increased activities in the oil and gas sector, which entered its first full year of oil production. However, due to the pandemic, Guyana's non-oil GDP contracted by 7.3 percent in 2020 as compared to 4.3 percent growth in 2019. The Agriculture sector was the only non-oil sector to record a positive growth rate due to the higher output of rice, other crops and livestock. In 2020, Inflation remained low at 0.9 percent on account of lower oil prices which offset higher food prices.

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 pleased to report that Hand-in-Hand Mutual Life Assurance Company Limited recorded a Net Increase in Funds before Actuarial Adjustment of \$98.9 million compared to \$79.4 million the previous year.

Actuarial adjustments to the Statement of Total Comprehensive Income reflected increases in Gross Reserves of \$24.4 million. These Reserves, as recommended by our actuary, demonstrated prudent provisioning for new regulations and changes in actuarial assumptions. They are designed to give the Company healthy actuarial margins in each of the Company's long-term funds.

Nevertheless, the Total Comprehensive Income increased by \$410.8 million, mainly due to the upward movement of the market value of investments.

New Business

Individual Life and Annuities Portfolios decreased in New Policies by 2.7 percent from the previous year. This resulted from the travel restrictions that our sales representatives encountered due to the pandemic. However, we still managed to issue a total of 128 new policies in 2020, which provided an Annualized Premium Income from Individual Life and Annuities of \$12.7 million.



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 BY THE CHAIRMAN – MR. JOHN G. CARPENTER A.A., BSc.

New Business - Cont'd

Group New Business premium income decreased to \$55.9 million from the previous year is \$112.3 million. This drop in group business stemmed from the moratorium and delays in the processing mortgages due to COVID-19 restrictions. Nevertheless, we are optimistic that new business will improve as the vaccine drive continues to roll out nationwide and the economy reopens.

The Ordinary Life, Group Life, Group Medical and Deposit Administration Funds continued to expand and reached \$6.3 billion at the end of 2020, up from \$5.9 billion in 2019.

These positive results would not have been possible without the effort and support of our Brokers and Sales Team. In the light of a highly competitive market, we look forward to the full 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 \$228.8 million in 2020, against \$231.2 million in the previous year. After reinsurance recoveries, the cost of claims arising from death under Individual Life policies increased slightly from GY\$4.9 million to \$5.8 million. Claim payments, after Reinsurance recoveries, for Group Life increased from \$30.6 million to \$47.8 million, while Group Health claims decreased from \$173.6 million to 147.7 million.

Payments and provisions to the extent of \$27.4 million were also made in respect of policies, which reached full maturity, and policies which during the year became eligible for part payments in accordance with the terms of the policies.

Actuarial Valuation

An Actuarial Valuation was completed for the year ended 31st December, 2020 and revealed a surplus of \$4.3 billion, or Liability Coverage of 1.7 times. The next Actuarial Valuation is due on 31st December, 2021.

Insurance Companies in Guyana

The total domestic insurance sector's resources increased by 5.7 percent or \$4.63 billion to \$86.84 billion in 2020. This represented 31.4 percent of the total assets of the Non-Banking Financial Institutions (NBFIs) and 11.6 percent of the country's GDP.

The Life component, which accounted for 70.2 percent of the industry's resources, grew by 4.4 percent, in 2020 while The Non-Life component also expanded by 8.8 percent.

In 2020, Total Insurance Premiums also increased by 3.9 percent or \$590 million. However, Life premium decreased by 3.4 percent.



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 BY THE CHAIRMAN – MR. JOHN G. CARPENTER A.A., BSc.

Insurance Regulation

The new Insurance Act 2016 which took effect in 2018, required Hand-in-Hand Life to have a minimum surplus of assets equivalent to \$500 million. The Company is required to be compliant within 5 years from 22nd November 2018. We continued to enhance our Corporate Governance structure, and our Enterprise Risk Management (ERM) and Own Risk and Solvency Assessment (ORSA) frameworks are being implemented, in keeping with Best Practice.

IFRS17, with an effective date of 2023, will impact the current business practices of the insurance industry. The main impact would be on the profit recognition aspect of insurance companies. Our Company is currently seeking the appropriate software package to comply with all Insurance and other regulations.

Future Outlook

Global economies are expected to recover from the pandemic with a projected positive growth rate of 4.0 percent (Global Economic Prospects 2021). Growth in emerging and developing economies is projected at 5.0 percent, resulting mainly from China's rebound. The Latin America and the Caribbean Region is expected to expand by 3.7 percent as restrictions become relaxed due to widespread vaccination and sustained monetary policy.

The Guyana economy is expected to record a Real Oil GDP of 20.9 percent on account of growing oil outputs, while the Non-Oil GDP is projected to grow by 6.1 percent, according to the Bank of Guyana. The Non-Oil growth is based on the expansion of all major sectors such as agricultural, mining, financial services and infrastructure projects.

With the challenge brought by the pandemic, Hand-in-Hand Mutual Life Assurance Company Limited remains committed to the future development of the insurance sector and Guyana as a whole. We continue to invest in our staff and technology to provide exemplary products and services to our customers. As a result, we are optimistic that Hand-in-Hand will emerge from this pandemic stronger.

Appreciation

It is my pleasure to thank most sincerely, our policyholders for their continued confidence and loyalty to the organization over the past 55 years. It is also fitting that I pay tribute to my fellow Directors, Management, the Sales Force and the indoor staff members of our Head Office and Branches, for their confidence and support, and for playing their parts in achieving these results.

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 Fifth Annual Report and Audited Financial Statements for the year ended 31 December, 2020.

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 \$98.9 million as compared to \$79.4 million for the previous year.

3. Life Business

Gross premiums received for Ordinary Life Business for the year was \$132.8 million as compared with \$130.0 million for the previous year.

4. Annuities

Annuities received for the year was \$9.6 million as compared with \$7.8 million for the previous year.

5. Group Business

Gross premiums received in respect of Group Business amounted to \$536.4 million as compared with \$580.4 million for the previous year.

6. Ordinary Life Fund

Ordinary Life Fund now stands at \$986.9 million, the comparative for the year ended 31 December, 2019 being \$958.7 million.

7. Annuity Fund

Annuity Fund now stands at \$786.0 million, the comparative for the year ended 31 December, 2019 being \$783.5 million.

8. Group Life Fund/Single Premium Mortgage Protection

Group Life Fund/Single Premium Mortgage Protection now stands at \$1.0 billion, the comparative for the year ended 31 December, 2019 being \$1.1 billion.

9. Deposit Administration Fund

Deposit Administration Fund now stands at \$3.2 billion, the comparative for the year ended 31 December, 2019 being \$2.9 billion.

10. Actuarial Valuation

An Actuarial Valuation was completed for the year ended 31 December, 2020 which revealed a surplus of \$4.3 billion or liability coverage of 1.7 times. The next Actuarial valuation is due on 31 December, 2021.

11. Claims

Total death claims (both Ordinary Life and Group Life) paid and provided for during the year amounted to \$113.5 million of which \$59.9 million is recoverable from our re-insurer resulting in a net cost to the Company of \$53.7 million. Policies matured during the year were \$27.4 million while medical claims amounted to \$147.7 million.



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

REPORT OF THE DIRECTORS

12. Investments

At December 31, 2020 the total amount invested is \$7.0 billion. Included are Investments in Government, Municipal and other Securities which stood at \$6.1 billion, Mortgages amounted to \$133.3 million, Loans on policies \$47.2 million, Participation in Loans \$164.6 million and Loans to Fire Company \$585.8 million. The Company's invested 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 retire on this occasion in accordance with Article 141 and 147 of the Articles of Association and being eligible, offer themselves for re-election.

Messrs: J.G. Carpenter
W. A. Lee
T.A. Parris

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 wide knowledge, experience and professionalism to the deliberations of the Board.

The committees established by the Board and their Chairpersons are:

Finance and Audit Committee	–	Mr. P.A. Chan-A-Sue
Sales and Marketing Committee	–	Mr. W.A. Lee
Human Resources Committee	–	Mr. C.R. Quintin
Buildings 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 2020**

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, 2020, 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, 2020, 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 2020 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 2020

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 2020**

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 but did not fully comply with the Insurance Act 1998 Part XVI, as explained in note 38.

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 Cal L Co

TSD LAL & CO.
CHARTERED ACCOUNTANTS

Date: 27 July, 2021

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 2020

	Notes	2020 G\$	2019 G\$
Revenue			
Premiums	5	678,860,717	718,239,698
Reinsurance premiums	5	<u>105,339,594</u>	<u>102,678,951</u>
Net premiums		573,521,123	615,560,747
Investment income			
"Available for Sale"	6	25,712,300	28,877,558
"Loans and Receivables"	6	3,455,898	4,143,020
"Other Income"	6	<u>18,269,215</u>	<u>42,323,994</u>
		<u>47,437,413</u>	<u>75,344,572</u>
Loss on exchange		(5,790,679)	(2,732,655)
Loss on disposal of investments		-	(5,992,051)
Unclaimed ordinary cheques written off		<u>387,573</u>	<u>795,125</u>
		<u>(5,403,106)</u>	<u>(7,929,581)</u>
		<u>615,555,430</u>	<u>682,975,738</u>
Deduct:			
Expenditure			
Management expenses	7	196,446,215	236,273,450
Commissions	8	50,291,278	63,675,233
Claims (net of reinsurance recoveries)	9	228,800,014	231,162,573
Surrenders	10	17,012,208	49,541,903
Annuities	11	20,178,108	20,659,332
Taxation	12	<u>3,937,846</u>	<u>2,238,088</u>
		<u>516,665,669</u>	<u>603,550,579</u>
Net increase in funds for the year before actuarial adjustment		<u>98,889,761</u>	<u>79,425,159</u>
Actuarial adjustment to:			
Policyholders' liabilities	23	9,214,910	50,904,260
Contingency reserve	25	27,000,000	-
Reinsurance assets	18	<u>(11,833,003)</u>	<u>(2,852,266)</u>
		<u>24,381,907</u>	<u>48,051,994</u>
Net increase in funds for the year		<u>74,507,854</u>	<u>31,373,165</u>
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Fair value adjustment on investments	21	336,329,239	1,410,881,308
Other comprehensive income		<u>336,329,239</u>	<u>1,410,881,308</u>
Total comprehensive income for the year		<u>410,837,093</u>	<u>1,442,254,473</u>

"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 2020

	Issued share capital G\$	Other reserve G\$	General reserve G\$	Total G\$
Balance at 1 January 2019	275,000	2,642,744,513	(149,187,958)	2,493,831,555
Changes in equity 2019				
Total comprehensive income for the year	<u>-</u>	<u>1,410,881,308</u>	<u>31,373,165</u>	<u>1,442,254,473</u>
Balance at 31 December 2019	275,000	4,053,625,821	(117,814,793)	3,936,086,028
Changes in equity 2020				
Total comprehensive income for the year	<u>-</u>	<u>336,329,239</u>	<u>74,507,854</u>	<u>410,837,093</u>
Balance at 31 December 2020	<u>275,000</u>	<u>4,389,955,060</u>	<u>(43,306,939)</u>	<u>4,346,923,121</u>

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



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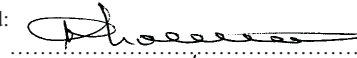
MUTUAL LIFE ASSURANCE COMPANY LIMITED


STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Notes	2020 G\$	2019 G\$
ASSETS			
Non current assets			
Property & equipment	13(a)	276,167,449	276,147,627
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)	6,111,869,298	5,764,135,743
"Loans and Receivables"	14(c)	758,423,143	579,657,506
Reinsurance assets	18	284,837,214	247,190,507
		<u>8,241,297,104</u>	<u>7,677,131,383</u>
Current assets			
Short Term Loan	14(c)	172,431,046	210,785,074
Interest accrued	16	20,526,747	20,729,604
Receivables and prepayments	17	814,400,307	605,333,575
Stocks of stationery		423,277	326,564
Tax recoverable		10,856,367	9,636,438
Cash on hand and at banks	19	1,551,805,299	1,407,593,803
		<u>2,570,443,043</u>	<u>2,254,405,058</u>
TOTAL ASSETS		<u>10,811,740,147</u>	<u>9,931,536,441</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Issued share capital	20	275,000	275,000
Other reserve	21	4,389,955,060	4,053,625,821
General reserve	22	(43,306,939)	(117,814,793)
		<u>4,346,923,121</u>	<u>3,936,086,028</u>
Non - Current Liabilities			
Policyholders' liabilities	23	2,818,881,324	2,809,666,414
Deposit administration fund	24	3,242,870,672	2,862,219,325
Contingency reserves	25	227,000,000	200,000,000
		<u>6,288,751,996</u>	<u>5,871,885,739</u>
Current liabilities			
Claims admitted or intimated but not paid	26	77,713,150	14,769,691
Tax payable		3,401,360	2,847,840
Payables and accrued expenses	27	91,806,305	95,301,968
Bank overdraft (unsecured)	28	3,144,215	10,645,175
		<u>176,065,030</u>	<u>123,564,674</u>
TOTAL EQUITY AND LIABILITIES		<u>10,811,740,147</u>	<u>9,931,536,441</u>

These Financial Statements were approved by the Board of Directors on 27 July, 2021

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 2020

	<u>2020</u>	<u>2019</u>
	G\$	G\$
Operating activities		
Increase in funds and reserves for the year before taxation	78,445,700	33,611,253
Adjustments for:		
Depreciation	2,280,145	2,485,712
Redemption of securities - loss	-	5,992,051
Disposal of property & equipment - loss	82,640	100,312
Investment income	(47,437,413)	(75,344,572)
Increase/(decrease) in funds for the year before working capital changes	33,371,072	(33,155,244)
(Increase) / decrease in interest accrued	202,857	(65,530)
(Increase)/decrease in receivables and prepayments	(209,066,732)	42,519,507
Increase in reinsurance assets	(37,646,707)	(7,469,793)
Decrease/(increase) in stocks of stationery	(96,713)	219,657
Increase/(decrease) in claims admitted or intimated but not paid	62,943,459	(1,835,697)
Increase/(decrease) in payables and accrued expenses	(3,495,663)	3,909,987
Increase in policyholders' liabilities	9,214,910	50,904,260
Increase in deposit administration fund	380,651,347	369,909,066
Increase in contingency reserve	27,000,000	-
Cash generated from operations	263,077,830	424,936,213
Taxes paid	(4,604,255)	(3,019,986)
Net cash provided by operating activities	258,473,575	421,916,227
Investing activities		
Purchase of property & equipment	(2,382,607)	(1,245,458)
Transfer of property	-	800,000,000
Acquisition of investment property	-	(800,000,000)
Proceeds from redemption of securities	83,400,000	-
Purchase of securities	(94,804,316)	(201,212,444)
Short term loan	38,354,028	84,332,928
Loans and Receivables	(178,765,637)	177,092,257
Dividends and interest received	47,437,413	75,344,572
Net cash provided by/(used in) investing activities	(106,761,119)	134,311,855
Net increase in cash and cash equivalents	151,712,456	556,228,082
Cash and cash equivalents at beginning of period	1,396,948,628	840,720,546
Cash and cash equivalents at end of period	1,548,661,084	1,396,948,628
Cash and cash equivalents comprised of:		
Cash at banks	1,551,805,299	1,407,593,803
Bank overdraft (unsecured)	(3,144,215)	(10,645,175)
	1,548,661,084	1,396,948,628

"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 (2019 – 28).

2. New and amended standards and interpretations

Amendments effective for the current year end

New and Amended Standards	Effective for annual periods beginning on or after
Amendments to IFRS 3, 'Business combinations' – Definition of a business	1 January 2020
Amendments to IAS 1 and IAS 8 – Definition of material	1 January 2020
Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest rate benchmark reform	1 January 2020
Amendments to the Conceptual framework	1 January 2020

None of the new and amended standards had a material impact on the company's financial statements.



HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

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

Pronouncements effective in future periods available for early adoption

	Effective for annual periods beginning on or after
New and Amended Standards	
Amendments to IFRS 16 – Covid-19-related Rent Concessions	1 June 2020
Amendments to IAS 16 – Proceeds before intended use	1 January 2022
Amendments to IFRS 3 – Reference to the Conceptual Framework	1 January 2022
Amendments to IAS 37 – Onerous Contracts: Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to IFRS Standards 2018–2020	1 January 2022
Amendments to IAS 1 – 'Presentation of financial statements' on classification of liabilities	1 January 2023
IFRS 17, 'Insurance contracts'	1 January 2023
Amendments to IFRS 10 and IAS 28 – Sale or contribution of assets between an investor and its associate or joint venture	Deferred indefinitely

The Company has not opted for early adoption.

Except for the standards stated below none of the new and amended standards have a material impact on the company's financial statements.

IFRS 17, 'Insurance contracts'

On 18 May 2017, the IASB finished its long-standing project to develop an accounting standard on insurance contracts and published IFRS 17, 'Insurance Contracts'. IFRS 17 replaces IFRS 4, which currently permits a wide variety of practices. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

On transition to IFRS 17, an entity applies IFRS 17 retrospectively to groups of insurance contracts, unless it is impracticable. In this case, the entity is permitted to choose between a modified retrospective approach and the fair value approach.



HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

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 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 is 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.



HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

3. Summary of significant accounting policies – cont'd

(b) Segregated funds – cont'd

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 approximately seven percent (7%) of the value of the deposit administration fund.

(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 and loss and other comprehensive income.

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



HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

3. Summary of significant accounting policies – cont'd

(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. Non monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at rates prevailing at the date when the fair value was determined. Gains and losses 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.

(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 mature after the contractual period has elapsed. Such amounts whether or not claimed for by the policyholder is 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.



HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

3. Summary of significant accounting policies – cont'd

(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 or revalued amounts. No revaluation was done for the financial year, based on the Directors opinion the net book 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.

(l) Investment properties

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

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

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

Any changes in fair value are presented in 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".



HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

3. Summary of significant accounting policies – cont'd

(m) Investments- cont'd

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.

(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.



HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

3. Summary of significant accounting policies – cont'd

(n) Financial instruments – cont'd

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 that is engaged in providing products or services that are 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 that are 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, 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.

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



HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

3. Summary of significant accounting policies – cont'd

(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.

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.

(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.



HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

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

(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 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

	2020			2019		
	Gross G\$	Reinsurance G\$	Net G\$	Gross G\$	Reinsurance G\$	Net G\$
Ordinary Life	132,783,515	22,565,941	110,217,574	130,037,513	21,454,391	108,583,122
Annuities	9,619,908	-	9,619,908	7,818,508	-	7,818,508
Group Life	240,774,064	82,773,653	158,000,411	293,647,123	81,224,560	212,422,563
Group Health	295,683,230	-	295,683,230	286,736,554	-	286,736,554
	<u>678,860,717</u>	<u>105,339,594</u>	<u>573,521,123</u>	<u>718,239,698</u>	<u>102,678,951</u>	<u>615,560,747</u>

6. Investment income

	2020 G\$	2019 G\$
" Available for sale"		
Shares and stocks	<u>25,712,300</u>	<u>28,877,558</u>
" Loans and receivable"		
Policy loans	7,498,319	9,080,244
The Hand-in-Hand Mutual Fire Insurance Company Limited	3,256,379	2,904,165
Participation in Loans at Hand-in-Hand Trust Corporation Inc.	<u>(7,298,800)</u>	<u>(7,841,389)</u>
	<u>3,455,898</u>	<u>4,143,020</u>
" Other Income"		
Cash on deposits	9,878,969	9,784,775
Rental (i)	2,571,703	30,000,000
Miscellaneous	5,818,543	2,539,219
	<u>18,269,215</u>	<u>42,323,994</u>
	<u>47,437,413</u>	<u>75,344,572</u>
Summary of investment income received		
Cash on deposits	9,878,969	9,784,775
Shares and stocks	25,712,300	28,877,558
Policy loans	7,498,319	9,080,244
The Hand-in-Hand Mutual Fire Insurance Company Limited	3,256,379	2,904,165
Participation in Loans at Hand-in-Hand Trust Corporation Inc.	<u>(7,298,800)</u>	<u>(7,841,389)</u>
Rental	2,571,703	30,000,000
Miscellaneous	5,818,543	2,539,219
	<u>47,437,413</u>	<u>75,344,572</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-cancelable 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-cancelable leases were receivable as follows:

	2020 G\$	2019 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 2020, investment property rentals of G\$30,000,000 (2019- G\$30,000,000) were included in revenue.



HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

	<u>2020</u>	<u>2019</u>
	G\$	G\$
7. Management expenses		
Actuarial fees	1,921,500	6,598,693
Auditor's remuneration	5,637,532	5,827,851
Directors' emoluments (Note a)	6,521,832	6,211,284
Depreciation	2,280,145	2,485,712
Employment cost	114,589,344	137,933,987
Pension contributions	8,822,096	8,317,230
Operating expenses	<u>56,673,766</u>	<u>68,898,693</u>
	<u>196,446,215</u>	<u>236,273,450</u>
 (a) Directors' emoluments:		
Chairman: J. G. Carpenter	1,580,952	1,505,664
 Non Executive Directors:		
W. A. Lee	988,176	941,124
P. A. Chan-A-Sue	988,176	941,124
I. A. Mc Donald	988,176	941,124
T. A. Parris	988,176	941,124
C. R. Quintin	<u>988,176</u>	<u>941,124</u>
	<u>6,521,832</u>	<u>6,211,284</u>
 No emoluments were paid to Executive Directors in 2020 (2019- \$0).		
8. Commissions		
Ordinary Life	11,631,745	13,441,974
Group Life	22,244,572	35,438,549
Group Health	<u>16,414,961</u>	<u>14,794,710</u>
	<u>50,291,278</u>	<u>63,675,233</u>



HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

9. Claims

	2020			2019		
	<u>Gross</u> G\$	<u>Reinsurance</u> G\$	<u>Net</u> G\$	<u>Gross</u> G\$	<u>Reinsurance</u> G\$	<u>Net</u> G\$
Ordinary Life						
Death	9,278,875	3,456,684	5,822,191	8,223,000	3,365,352	4,857,648
Maturities	27,364,853	-	27,364,853	21,932,742	-	21,932,742
Other claims	85,123	-	85,123	187,796	-	187,796
	<u>36,728,851</u>	<u>3,456,684</u>	<u>33,272,167</u>	<u>30,343,538</u>	<u>3,365,352</u>	<u>26,978,186</u>
Group Life	104,259,534	56,430,018	47,829,516	61,718,204	31,151,033	30,567,171
Group Health	147,698,331	-	147,698,331	173,617,216	-	173,617,216
	<u>288,686,716</u>	<u>59,886,702</u>	<u>228,800,014</u>	<u>265,678,958</u>	<u>34,516,385</u>	<u>231,162,573</u>

Claims paid in financial year

	2020			2019		
	<u>Gross</u> G\$	<u>Reinsurance</u> G\$	<u>Net</u> G\$	<u>Gross</u> G\$	<u>Reinsurance</u> G\$	<u>Net</u> G\$
Ordinary Life						
Death	7,025,000	3,456,684	3,568,316	8,000,922	3,365,352	4,635,570
Maturities	24,266,223	-	24,266,223	23,896,871	-	23,896,871
Other claims	85,123	-	85,123	187,796	-	187,796
	<u>31,376,346</u>	<u>3,456,684</u>	<u>27,919,662</u>	<u>32,085,589</u>	<u>3,365,352</u>	<u>28,720,237</u>
Group Life	43,230,722	25,998,787	17,231,935	61,129,355	26,533,506	34,595,849
Group Health	147,698,331	-	147,698,331	173,617,216	-	173,617,216
	<u>222,305,399</u>	<u>29,455,471</u>	<u>192,849,928</u>	<u>266,832,160</u>	<u>29,898,858</u>	<u>236,933,302</u>

10. Surrenders

	<u>2020</u> G\$	<u>2019</u> G\$
Annuities	-	4,343,207
Ordinary Life	17,012,208	45,198,696
	<u>17,012,208</u>	<u>49,541,903</u>

11. Annuities

Ordinary Life	<u>20,178,108</u>	<u>20,659,332</u>
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12. Taxation

Taxes deducted at source from investments of statutory fund	<u>3,937,846</u>	<u>2,238,088</u>
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Taxation on the company has been computed based on the applicable tax laws relating to Life Insurance Companies.



HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

13. (a) Property & equipment

	Freehold Land and buildings G\$	Office Furniture and Equipment G\$	Computer Equipment G\$	Motor Vehicle G\$	Total G\$
Cost					
At 1 January 2019	1,063,616,670	13,546,146	22,839,111	10,572,000	1,110,573,927
Additions	-	424,150	821,308	-	1,245,458
Transfer	(800,000,000)	-	-	-	(800,000,000)
Disposals	-	(163,195)	-	-	(163,195)
At 31 December 2019	<u>263,616,670</u>	<u>13,807,101</u>	<u>23,660,419</u>	<u>10,572,000</u>	<u>311,656,190</u>
Additions	-	1,008,689	1,373,918	-	2,382,607
Transfer	-	-	-	-	-
Disposals	-	(96,900)	-	-	(96,900)
At 31 December 2020	<u>263,616,670</u>	<u>14,718,890</u>	<u>25,034,337</u>	<u>10,572,000</u>	<u>313,941,897</u>
Accumulated Depreciation					
At 1 January 2019	-	6,484,166	22,105,737	4,495,831	33,085,734
Charge for the year	-	722,053	548,425	1,215,234	2,485,712
Written back on disposals	-	(62,883)	-	-	(62,883)
At 31 December 2019	<u>-</u>	<u>7,143,336</u>	<u>22,654,162</u>	<u>5,711,065</u>	<u>35,508,563</u>
Charge for the year	-	751,925	556,033	972,187	2,280,145
Written back on disposals	-	(14,260)	-	-	(14,260)
At 31 December 2020	<u>-</u>	<u>7,881,001</u>	<u>23,210,195</u>	<u>6,683,252</u>	<u>37,774,448</u>
Net book values:					
At 31 December 2019	<u>263,616,670</u>	<u>6,663,765</u>	<u>1,006,257</u>	<u>4,860,935</u>	<u>276,147,627</u>
At 31 December 2020	<u>263,616,670</u>	<u>6,837,889</u>	<u>1,824,142</u>	<u>3,888,748</u>	<u>276,167,449</u>

Additions to Freehold land and buildings - during the year 2018 property valued at \$800,000,000 was transferred to the Company from The Hand-in-Hand Mutual Fire Insurance Company Limited. This was done to facilitate the repayment of the inter-company loan between the two companies. See note 30 (i) for more details.

(b) Investment property

	2020 G\$	2019 G\$
Fair value		
At 1 January 2020	800,000,000	-
Additions	-	800,000,000
At 31 December 2020	<u>800,000,000</u>	<u>800,000,000</u>

14. Investments

(a) Held to Maturity:

Local Bonds	<u>10,000,000</u>	<u>10,000,000</u>
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(b) Available for sale:

United States Securities	99,947,020	111,514,484
United States Stocks	83,400,000	145,950,000
Trinidad & Tobago Securities	41,779,468	46,179,580
Local Securities	5,886,742,810	5,460,491,679
	<u>6,111,869,298</u>	<u>5,764,135,743</u>



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

14. Investments- cont'd

(c) Loans and Receivables

	<u>2020</u> G\$	<u>2019</u> G\$
(i) Mortgages on properties		
At 1 January	81,747,395	87,750,650
Drawdown/(repayments) - net	<u>52,871,536</u>	<u>(6,003,255)</u>
	134,618,931	81,747,395
Less: Provision for impairment (a)	<u>1,346,188</u>	<u>817,473</u>
At 31 December	<u>133,272,743</u>	<u>80,929,922</u>
(a) Provision for impairment individually assessed		
At 1 January	817,473	877,506
Movement during the year	<u>528,715</u>	<u>(60,033)</u>
At 31 December	<u>1,346,188</u>	<u>817,473</u>
(ii) Loans on policies	<u>47,213,723</u>	<u>47,197,199</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	421,955,052	512,324,338
Additions	260,000,000	340,200,000
Repayment	<u>(96,154,344)</u>	<u>(430,569,286)</u>
At 31 December	<u>585,800,708</u>	<u>421,955,052</u>
Current	102,084,935	96,154,345
Long term	<u>483,715,773</u>	<u>325,800,707</u>
	<u>585,800,708</u>	<u>421,955,052</u>
(iv) Berbice Bridge Loan (b)		
At 1 January	50,000,000	150,000,000
Repayment	<u>(50,000,000)</u>	<u>(100,000,000)</u>
At 31 December	<u>-</u>	<u>50,000,000</u>
Current	-	50,000,000
Long term	<u>-</u>	<u>-</u>
	<u>-</u>	<u>50,000,000</u>
(v) Participation in Loans - Hand-in-Hand Trust Corporation Inc.(c)		
At 1 January	190,360,407	231,793,907
Repayment	<u>(24,131,100)</u>	<u>(41,433,500)</u>
Balance at 31 December	<u>166,229,307</u>	<u>190,360,407</u>
Current	70,346,111	64,630,729
Long term	<u>95,883,196</u>	<u>125,729,678</u>
	166,229,307	190,360,407
Less: Provision for impairment (a)	<u>1,662,292</u>	<u>-</u>
At 31 December	<u>164,567,015</u>	<u>190,360,407</u>
(a) Provision for impairment individually assessed		
At 1 January	-	-
Movement during the year	<u>1,662,292</u>	<u>-</u>
At 31 December	<u>1,662,292</u>	<u>-</u>
Total loans & receivables as at 31 December	<u>930,854,189</u>	<u>790,442,580</u>
Comprised of:		
Short Term Loan	172,431,046	210,785,074
Loans and Receivables	<u>758,423,143</u>	<u>579,657,506</u>
	<u>930,854,189</u>	<u>790,442,580</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 \$585,800,708 per annum. Security held on this loan is an agreement between both Hand-in-Hand Mutual Life Assurance Company Limited and Hand-in-Hand Mutual Fire Insurance Company Ltd.

(b) Berbice Bridge - Third Loan

This Loan was granted in June 2011 for \$200M. Capital repayment commenced in 2017 and concluded in 2020.

The terms and conditions for these loans are as follows:

Payment of interest commence immediately and is payable annually for the first three (3) years thereafter repayment of the principal and interest will commence three (3) years after the drawdown by 5 equal annual installments. The rate of interest is 7.5%. Security held on these loans are promissory notes for \$200 million in favour of the company.

This was repaid fully in 2020

(c) 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 Limited and Hand-in-Hand Trust Corporation Inc.

15. Fair Value estimation

Fair value measurements recognised in the statement of financial position

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 Level	2020		IFRS 13 Level	2019	
		Carrying Value G\$	Fair Value G\$		Carrying Value G\$	Fair Value G\$
Assets						
Property and equipment	2	276,167,449	276,167,449	2	276,147,627	276,147,627
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	758,423,143	758,423,143	2	579,657,506	579,657,506
Reinsurance assets	2	284,837,214	284,837,214	2	247,190,507	247,190,507
Short term loan	2	172,431,046	172,431,046	2	210,785,074	210,785,074
Interest accrued	2	20,526,747	20,526,747	2	20,729,604	20,729,604
Receivables and prepayments	2	814,400,307	814,400,307	2	605,333,575	605,333,575
Tax recoverable	2	10,856,367	10,856,367	2	9,636,438	9,636,438
Cash on hand and at banks	1	1,551,805,299	1,551,805,299	1	1,407,593,803	1,407,593,803
		<u>4,699,447,572</u>	<u>4,699,447,572</u>		<u>4,167,074,134</u>	<u>4,167,074,134</u>
Liabilities						
Policyholders' liabilities	3	2,818,881,324	2,818,881,324	3	2,809,666,414	2,809,666,414
Deposit administration fund	2	3,242,870,672	3,242,870,672	2	2,862,219,325	2,862,219,325
Contingency reserves	3	227,000,000	227,000,000	3	200,000,000	200,000,000
Claims admitted and intimated but not paid	2	77,713,150	77,713,150	2	14,769,691	14,769,691
Tax payable	2	3,401,360	3,401,360	2	2,847,840	2,847,840
Payables and accrued expenses	2	91,806,305	91,806,305	2	95,301,968	95,301,968
Bank overdraft (unsecured)	1	3,144,215	3,144,215	1	10,645,175	10,645,175
		<u>6,464,817,026</u>	<u>6,464,817,026</u>		<u>5,995,450,413</u>	<u>5,995,450,413</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 Level	2020		IFRS 13 Level	2019	
		<u>Carrying Value</u>	<u>Fair Value</u>		<u>Carrying Value</u>	<u>Fair Value</u>
		G\$	G\$		G\$	G\$
Financial assets						
Investments:						
Available for sale (a)	2	5,886,742,810	5,886,742,810	2	5,460,491,679	5,460,491,679
Available for sale (b)	2	225,126,488	225,126,488	2	303,644,064	303,644,064
		<u>6,111,869,298</u>	<u>6,111,869,298</u>		<u>5,764,135,743</u>	<u>5,764,135,743</u>

"Available for sale"

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

- (a) These were valued based on rates from the Guyana Association of Securities Companies and Intermediaries Inc.
- (b) These were verified with broker's statements.

16. Interest accrued

	<u>2020</u>	<u>2019</u>
	G\$	G\$
Mortgages	-	196,255
Deposits at banks	4,296,998	6,482,083
Interest on Courts Bond	800,000	403,288
Investment Income	<u>15,429,749</u>	<u>13,647,978</u>
	<u>20,526,747</u>	<u>20,729,604</u>

17. Receivables and prepayments

Other receivable	101,349,930	77,645,207
Hand-in-Hand Investment USA Inc.	709,777,856	523,785,847
Sundry receivables	<u>3,272,521</u>	<u>3,902,521</u>
	<u>814,400,307</u>	<u>605,333,575</u>



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

18. Reinsurance assets	Ordinary life	Group life	Single premium	Total
	<u>fund</u>	<u>fund</u>	<u>protection</u>	
	G\$	G\$	G\$	G\$
Balance as at 1 January 2019	171,789,479	1,622,629	66,308,606	239,720,714
Actuarial increase	(3,859,698)	307,582	6,404,382	2,852,266
Claims recoverable	-	4,617,527	-	4,617,527
Balance as at 31 December 2019	167,929,781	6,547,738	72,712,988	247,190,507
Actuarial increase/(decrease)	9,763,381	(2,316)	2,071,938	11,833,003
Claims recoverable	-	25,813,704	-	25,813,704
Balance as at 31 December 2020	<u>177,693,162</u>	<u>32,359,126</u>	<u>74,784,926</u>	<u>284,837,214</u>

19. Cash on hand and at banks	2020	2019
	G\$	G\$
Non statutory deposits:		
Deposits - others	1,156,598,503	1,087,272,526
Current accounts	395,186,796	320,301,277
Cash on hand	20,000	20,000
	<u>1,551,805,299</u>	<u>1,407,593,803</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>2020</u> G\$	<u>2019</u> G\$
At 1 January	4,053,625,821	2,642,744,513
Fair value adjustment on investments	<u>336,329,239</u>	<u>1,410,881,308</u>
At 31 December	<u><u>4,389,955,060</u></u>	<u><u>4,053,625,821</u></u>

22. General reserve

	<u>2020</u> G\$	<u>2019</u> G\$
At 1 January	(117,814,793)	(149,187,958)
Net increase in fund for the year	<u>74,507,854</u>	<u>31,373,165</u>
At 31 December	<u><u>(43,306,939)</u></u>	<u><u>(117,814,793)</u></u>

23. Policyholders' liabilities

	Ordinary life <u>fund</u> G\$	Annuity <u>fund</u> G\$	Group life <u>fund</u> G\$	Single premium mortgage <u>protection</u> G\$	Group health <u>fund</u> G\$	<u>Total</u> G\$
Balance as at 1 January 2019	957,876,563	794,260,332	6,480,105	1,000,145,154	-	2,758,762,154
Actuarial increase/(decrease)	<u>822,741</u>	<u>(10,794,466)</u>	<u>1,023,477</u>	<u>50,449,428</u>	<u>9,403,080</u>	<u>50,904,260</u>
Balance as at 31 December 2019	958,699,304	783,465,866	7,503,582	1,050,594,582	9,403,080	2,809,666,414
Actuarial increase/(decrease)	<u>28,222,677</u>	<u>2,573,772</u>	<u>1,024,395</u>	<u>(15,731,404)</u>	<u>(6,874,530)</u>	<u>9,214,910</u>
Balance as at 31 December 2020	<u><u>986,921,981</u></u>	<u><u>786,039,638</u></u>	<u><u>8,527,977</u></u>	<u><u>1,034,863,178</u></u>	<u><u>2,528,550</u></u>	<u><u>2,818,881,324</u></u>



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

24. Deposit administration fund

	<u>2020</u> G\$	<u>2019</u> G\$
At 1 January	2,862,219,325	2,492,310,259
Contributions received plus interest	480,572,026	461,769,301
Refund of contributions	(69,743,738)	(62,724,532)
Charges, claims and benefits	<u>(30,176,941)</u>	<u>(29,135,703)</u>
At 31 December	<u><u>3,242,870,672</u></u>	<u><u>2,862,219,325</u></u>

25. Contingency reserves

<u><u>227,000,000</u></u>	<u><u>200,000,000</u></u>
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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>2020</u> G\$	<u>2019</u> G\$
Ordinary life	9,170,655	7,256,008
Group life	68,542,495	7,513,683
	<u><u>77,713,150</u></u>	<u><u>14,769,691</u></u>

27. Payables and accrued expenses

Other payables	37,691,562	47,175,563
Accruals	54,114,743	48,126,405
	<u><u>91,806,305</u></u>	<u><u>95,301,968</u></u>

28. Bank overdraft (unsecured)

Bank of Nova Scotia	<u><u>3,144,215</u></u>	<u><u>10,645,175</u></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.

There is an ongoing claim from 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/ outstanding balances between the company and related parties who share common directors with the company.

	2020 G\$	2019 G\$
(i) Loans to The Hand-in-Hand Mutual Fire Insurance Company Limited.	<u>585,800,708</u>	<u>421,955,052</u>
Interest received during the year on loans granted to The Hand-in-Hand Mutual Fire Insurance Company Limited.	<u>36,301,630</u>	<u>33,386,690</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>166,229,307</u>	<u>190,360,407</u>
Interest received from loan participation with Hand-in-Hand Trust Corporation Inc.	<u>951,200</u>	<u>408,611</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 and 2.75% on total of \$200,000,000 maturity date 2020-10-30.	<u>567,367,616</u>	<u>561,976,000</u>
Interest received from Fixed Deposits at Hand-in-Hand Trust Corporation Inc.	<u>5,391,616</u>	<u>976,000</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. There was no agreement or repayment terms between the two companies.	<u>709,777,856</u>	<u>523,785,847</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>2020</u> G\$	<u>2019</u> G\$
(a) Insurance coverage	473,449,530	473,449,530
(b) Premiums for the year	1,893,797	1,893,797

(viii) Fees paid

The 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	86,409,736	93,226,600
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(ix) Current accounts

The Hand-in-Hand Mutual Fire Insurance Company Limited	386,003	-
The Hand-in-Hand Mutual Fire Insurance Company Limited -Motor	53,333	-
	<u>439,336</u>	<u>-</u>

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

	<u>30,000,000</u>	<u>30,000,000</u>
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(xi) 29,300 Ordinary shares in Rupununi Development Company Limited

	<u>21,975,000</u>	<u>21,975,000</u>
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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>2020</u> G\$	<u>2019</u> G\$
Short term employee benefits - Managers - 13 (2019-13)	<u>27,859,382</u>	<u>28,733,330</u>
Long term benefit is derived from the Pension Scheme.		
Directors' emoluments - 6 (2019-6)	<u>6,521,832</u>	<u>6,211,284</u>

(ii) Mortgages

Interest paid for the year	<u>4,720,058</u>	<u>2,865,385</u>
Balance outstanding	<u>134,618,931</u>	<u>81,747,395</u>

The above balance refers to 3 (2019-3) 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>2020</u> G\$	<u>2019</u> G\$
Interest paid for the year	<u>616,388</u>	<u>1,142,044</u>
Balance outstanding	<u>8,822,464</u>	<u>13,399,174</u>

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

NOTES ON THE ACCOUNTS

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

	2020				
	Held to	Available	Loans and	Other	Total
	<u>maturity</u>	<u>for sale</u>	<u>receivable</u>	<u>Assets/Liabilities</u>	
G\$	G\$	G\$	<u>at amortized cost</u>	G\$	
Assets					
Investments	10,000,000	6,111,869,298	758,423,143	-	6,880,292,441
Reinsurance assets	-	-	284,837,214	-	284,837,214
Short term loan	-	-	172,431,046	-	172,431,046
Interest accrued	-	-	20,526,747	-	20,526,747
Receivables and prepayments	-	-	814,400,307	-	814,400,307
Tax recoverable	-	-	10,856,367	-	10,856,367
Cash on hand and at banks	-	-	-	1,551,805,299	1,551,805,299
	<u>10,000,000</u>	<u>6,111,869,298</u>	<u>2,061,474,824</u>	<u>1,551,805,299</u>	<u>9,735,149,421</u>
Liabilities					
Policyholders' liabilities	-	-	-	2,818,881,324	2,818,881,324
	-	-	-	3,242,870,672	3,242,870,672
Contingency Reserve	-	-	-	227,000,000	227,000,000
Claims admitted or intimated but not paid	-	-	-	77,713,150	77,713,150
Tax payable	-	-	-	3,401,360	3,401,360
Payables and accrued expenses	-	-	-	91,806,305	91,806,305
Bank overdraft (unsecured)	-	-	-	3,144,215	3,144,215
	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,464,817,026</u>	<u>6,464,817,026</u>
2019					
	Held to	Available	Loans and	Other	Total
	<u>maturity</u>	<u>for sale</u>	<u>receivables</u>	<u>Assets/Liabilities</u>	
	G\$	G\$	G\$	<u>at amortized cost</u>	G\$
Assets					
Investments	10,000,000	5,764,135,743	579,657,506	-	6,353,793,249
Reinsurance assets	-	-	247,190,507	-	247,190,507
Short term loan	-	-	210,785,074	-	210,785,074
Interest accrued	-	-	20,729,604	-	20,729,604
Receivables and prepayments	-	-	605,333,575	-	605,333,575
Tax recoverable	-	-	9,636,438	-	9,636,438
Cash on hand and at banks	-	-	-	1,407,593,803	1,407,593,803
	<u>10,000,000</u>	<u>5,764,135,743</u>	<u>1,673,332,704</u>	<u>1,407,593,803</u>	<u>8,855,062,250</u>
Liabilities					
Policyholders' liabilities	-	-	-	2,809,666,414	2,809,666,414
Deposit Administration Fund	-	-	-	2,862,219,325	2,862,219,325
Contingency Reserve	-	-	-	200,000,000	200,000,000
Claims admitted or intimated but not paid	-	-	-	14,769,691	14,769,691
Tax payable	-	-	-	2,847,840	2,847,840
Payables and accrued expenses	-	-	-	95,301,968	95,301,968
Bank overdraft (unsecured)	-	-	-	10,645,175	10,645,175
	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,995,450,413</u>	<u>5,995,450,413</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\$305,593,465 (2019- G\$288,206,787).

(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

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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:

	Increase / decrease in basis point	Impact on profit for year	
		2020	2019
Cash and cash equivalents		GSM	GSM
Local Currency	+/-50	4.82	4.78
Foreign Currencies	+/-50	0.97	0.65

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				Total G\$
		2020.12.31		Over 5 years G\$	Non-interest bearing G\$	
		Within 1 year G\$	1 to 5 years G\$			
Assets						
Investments	1.1-10	-	10,000,000	-	6,111,869,298	6,121,869,298
Mortgages on properties	3.5-10	10,319,374	51,656,833	71,296,536.00	-	133,272,743
Loans on policies	15	-	47,213,723	-	-	47,213,723
Loan to The Hand-in-Hand Mutual Fire Insurance Co. Ltd.	6	102,084,935	483,715,773	-	-	585,800,708
Participation in Loans- Hand-in-Hand Trust Corp. Inc.	7.5-12	70,346,111	94,220,904	-	-	164,567,015
Reinsurance assets	-	-	-	-	284,837,214	284,837,214
Interest accrued	1.1-10	20,526,747	-	-	-	20,526,747
Receivables & prepayments	6-8	93,232,399	6,572,166	-	714,595,742	814,400,307
Tax recoverable	-	-	-	-	10,856,367	10,856,367
Cash on hand and at banks	0.15-3	1,156,598,503	-	-	395,206,796	1,551,805,299
		<u>1,453,108,069</u>	<u>693,379,399</u>	<u>71,296,536</u>	<u>7,517,365,417</u>	<u>9,735,149,421</u>
Liabilities						
Policyholders' Liabilities	-	-	-	-	2,818,881,324	2,818,881,324
Deposit administration fund	-	-	-	-	3,242,870,672	3,242,870,672
Contingency reserves	-	-	-	-	227,000,000	227,000,000
Claims admitted or intimated but not paid	-	-	-	-	77,713,150	77,713,150
Tax payable	-	-	-	-	3,401,360	3,401,360
Payables and accrued interest	-	-	-	-	91,806,305	91,806,305
Bank overdraft (unsecured)	-	-	-	-	3,144,215	3,144,215
		<u>-</u>	<u>-</u>	<u>-</u>	<u>6,464,817,026</u>	<u>6,464,817,026</u>
Interest sensitivity gap		<u>1,453,108,069</u>	<u>693,379,399</u>	<u>71,296,536</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				Total
		Within 1 year	1 to 5 years	Over 5 years	Non-interest bearing	
		GS	GS	GS	GS	GS
Assets						
Investments	1.1-0	-	10,000,000	-	5,764,135,743	5,774,135,743
Mortgages on properties	3.5-10	6,228,838	34,729,512	39,971,572	-	80,929,922
Loans on policies	15	-	47,197,199	-	-	47,197,199
Loan to The Hand-in-Hand Mutual Fire Insurance Co.	6-8	96,154,345	325,800,707	-	-	421,955,052
Berbice Bridge loan	7.50	50,000,000	-	-	-	50,000,000
Participation in Loans- Hand-in-Hand Trust Corp. Inc.	7.5-12	64,630,729	125,729,678	-	-	190,360,407
Reinsurance assets	-	-	-	-	247,190,507	247,190,507
Interest accrued	1.1-10	20,729,604	-	-	-	20,729,604
	6-8	68,476,513	6,394,948	1,334,374	529,127,740	605,333,575
Tax recoverable	-	-	-	-	9,636,438	9,636,438
Cash on hand and at banks	0.15-3	1,087,272,526	-	-	320,321,277	1,407,593,803
		<u>1,393,492,555</u>	<u>549,852,044</u>	<u>41,305,946</u>	<u>6,870,411,705</u>	<u>8,855,062,250</u>
Liabilities						
Policyholders' liabilities	-	-	-	-	2,809,666,414	2,809,666,414
Deposit administration fund	-	-	-	-	2,862,219,325	2,862,219,325
Contingency reserves	-	-	-	-	200,000,000	200,000,000
Claims admitted or intimated but not paid	-	-	-	-	14,769,691	14,769,691
Tax payable	-	-	-	-	2,847,840	2,847,840
Payables & accrued interest	-	-	-	-	95,301,968	95,301,968
Bank overdraft (unsecured)	-	-	-	-	10,645,175	10,645,175
		<u>-</u>	<u>-</u>	<u>-</u>	<u>5,995,450,413</u>	<u>5,995,450,413</u>
Interest sensitivity gap		<u>1,393,492,555</u>	<u>549,852,044</u>	<u>41,305,946</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

(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:

	2020			2019		
	US\$	T.T\$	<u>Total</u> G\$	US\$	T.T\$	<u>Total</u> G\$
Assets	<u>1,083,716,549</u>	<u>44,779,813</u>	<u>1,128,496,362</u>	<u>908,857,932</u>	<u>49,179,924</u>	<u>958,037,856</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 weakened 3% against the Guyana dollar, there would be an equal and opposite impact on the reserves and the balances would be negative.

	2020		2019	
	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>32.51</u>	<u>1.34</u>	<u>27.27</u>	<u>1.48</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 reflected by the company are assets for which the likelihood of default are considered minimal by the Directors.

	<u>2020</u> G\$	<u>2019</u> G\$
Investments		
"Held to maturity"	10,000,000	10,000,000
"Available for sale"	6,111,869,298	5,764,135,743
"Loans & receivables" (i)	758,423,143	579,657,506
Reinsurance assets (ii)	284,837,214	247,190,507
Short term loans	172,431,046	210,785,074
Accrued interest (iii)	20,526,747	20,729,604
Receivables and prepayments (iv)	814,400,307	605,333,575
Taxes recoverable	10,856,367	9,636,438
Cash on hand and at banks	<u>1,551,785,299</u>	<u>1,407,593,803</u>
	<u>9,735,129,421</u>	<u>8,855,062,250</u>
Provision for impairment	<u>3,008,480</u>	<u>817,473</u>

- (i) Loans and receivables include the sum of \$47,213,723 (2019- \$47,197,199) 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 include 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) Receivables and prepayments comprised of a number of advances and loans to staff and sales representative on which interest is earned.

The above receivables and prepayments are classified as follows:

	<u>2020</u> G\$	<u>2019</u> G\$
Current	724,594,001	542,819,121
Past due but not impaired	<u>89,806,306</u>	<u>62,514,454</u>
	<u>814,400,307</u>	<u>605,333,575</u>
<u>Ageing of past due but not impaired</u>		
31- 60 days	39,901,191	25,241,656
61- 90 days	8,138,792	3,867,771
91- 120 days	4,593,667	-
over 120 days	<u>37,172,656</u>	<u>33,405,027</u>
Total	<u>89,806,306</u>	<u>62,514,454</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

NOTES ON THE ACCOUNTS

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.

	2020				
	<u>On Demand</u>	1 to 3	4 to 12	1 to 5	<u>Total</u>
	G\$	<u>months</u> G\$	<u>months</u> G\$	<u>years</u> G\$	G\$
Liabilities					
Policyholders' liabilities	-	-	-	2,818,881,324	2,818,881,324
Deposit administration fund	-	-	-	3,242,870,672	3,242,870,672
Contingency reserve	-	-	-	227,000,000	227,000,000
Claims admitted or intimated but not paid	77,713,150	-	-	-	77,713,150
Tax payable	-	-	3,401,360	-	3,401,360
Payables and accrued interest	89,581,195	1,897,761	327,349	-	91,806,305
Bank overdraft (unsecured)	3,144,215	-	-	-	3,144,215
	<u>170,438,560</u>	<u>1,897,761</u>	<u>3,728,709</u>	<u>6,288,751,996</u>	<u>6,464,817,026</u>
	2019				
	<u>On Demand</u>	1 to 3	4 to 12	1 to 5	<u>Total</u>
	G\$	<u>months</u> G\$	<u>months</u> G\$	<u>years</u> G\$	G\$
Liabilities					
Policyholders' liabilities	-	-	-	2,809,666,414	2,809,666,414
Deposit Administration Fund	-	-	-	2,862,219,325	2,862,219,325
Contingency reserve	-	-	-	200,000,000	200,000,000
Claims admitted or intimated but not paid	14,769,691	-	-	-	14,769,691
Tax payable	-	-	2,847,840	-	2,847,840
Payables and accrued interest	71,019,918	614,565	357,059	23,310,426	95,301,968
Bank overdraft (unsecured)	10,645,175	-	-	-	10,645,175
	<u>96,434,784</u>	<u>614,565</u>	<u>3,204,899</u>	<u>5,895,196,165</u>	<u>5,995,450,413</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.

	2020				Total G\$
	Ordinary Life Fund G\$	Annuity Fund G\$	Group Life Fund G\$	Group Health Fund G\$	
Revenue					
Premiums	132,783,515	9,619,908	240,774,064	295,683,230	678,860,717
Reinsurance premiums	22,565,941	-	82,773,653	-	105,339,594
	110,217,574	9,619,908	158,000,411	295,683,230	573,521,123
Investment income	15,308,837	12,510,650	16,896,072	150,151	44,865,710
Other Income	2,571,703	-	-	-	2,571,703
Loss on exchange	(1,132,643)	(82,058)	(2,053,802)	(2,522,176)	(5,790,679)
Loss on disposal of investments	-	-	-	-	-
Unclaimed Ordinary cheque written off	75,808	5,492	137,462	168,811	387,573
	127,041,279	22,053,992	172,980,143	293,480,016	615,555,430
Deduct: Expenditure					
Management expenses	38,424,405	2,783,774	69,674,312	85,563,724	196,446,215
Commissions	11,631,745	-	22,244,572	16,414,961	50,291,278
Claims	33,272,167	-	47,829,516	147,698,331	228,800,014
Surrenders	17,012,208	-	-	-	17,012,208
Annuities	-	20,178,108	-	-	20,178,108
	100,340,525	22,961,882	139,748,400	249,677,016	512,727,823
Surplus of revenue over expenditure before actuarial adjustments	26,700,754	(907,890)	33,231,743	43,803,000	102,827,607
Actuarial adjustments to:					
- Policyholders' liabilities	12,491,273	2,573,772	1,024,395	(6,874,530)	9,214,910
- Reinsurance Assets	(11,835,319)	-	2,316	-	(11,833,003)
	26,044,800	(3,481,662)	32,205,032	50,677,530	105,445,700
Unallocated adjustments/expenses:					
Taxation					3,937,846
Contingency reserve					27,000,000
Fair value adjustment on investments					336,329,239
Total Comprehensive income for the year					410,837,093
<u>Statement of Financial Position</u>					
Segmented assets	2,567,476,202	2,033,984,178	2,776,167,784	19,055,311	7,396,683,475
Unallocated assets					3,415,056,672
Total assets					10,811,740,147
Segmented liabilities	1,044,584,230	805,973,791	1,138,394,299	2,592,675	2,991,544,995
Unallocated liabilities					3,473,272,031
Total liabilities					6,464,817,026



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

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33. Segment reporting - cont'd

	2019				Total G\$
	Ordinary Life Fund G\$	Annuity Fund G\$	Group Life Fund G\$	Group Health Fund G\$	
Revenue					
Premiums	130,037,513	7,818,508	293,647,123	286,736,554	718,239,698
Reinsurance premiums	<u>21,454,391</u>	<u>-</u>	<u>81,224,560</u>	<u>-</u>	<u>102,678,951</u>
Investment income	108,583,122	7,818,508	212,422,563	286,736,554	615,560,747
Other Income	15,744,200	13,054,911	16,545,461	-	45,344,572
Gain/(Loss) on exchange	30,000,000	-	-	-	30,000,000
Gain/(Loss) on disposal of investments	(494,748)	(29,747)	(1,117,226)	(1,090,934)	(2,732,655)
Unclaimed Ordinary cheque written off	(1,084,863)	(65,227)	(2,449,807)	(2,392,154)	(5,992,051)
	<u>143,958</u>	<u>8,655</u>	<u>325,081</u>	<u>317,431</u>	<u>795,125</u>
	<u>152,891,669</u>	<u>20,787,100</u>	<u>225,726,072</u>	<u>283,570,897</u>	<u>682,975,738</u>
Deduct: Expenditure					
Management expenses	42,777,379	2,571,991	96,598,697	94,325,383	236,273,450
Commissions	20,472,651	-	28,407,872	14,794,710	63,675,233
Claims	26,978,186	-	30,567,171	173,617,216	231,162,573
Surrenders	45,198,696	4,343,207	-	-	49,541,903
Annuities	-	20,659,332	-	-	20,659,332
	<u>135,426,912</u>	<u>27,574,530</u>	<u>155,573,740</u>	<u>282,737,309</u>	<u>601,312,491</u>
Surplus of revenue over expenditure before actuarial adjustments	<u>17,464,757</u>	<u>(6,787,430)</u>	<u>70,152,332</u>	<u>833,588</u>	<u>81,663,247</u>
Actuarial adjustments to:					
- Policyholders' liabilities	51,272,169	(10,794,466)	1,023,477	9,403,080	50,904,260
- Reinsurance	(2,544,684)	-	(307,582)	-	(2,852,266)
	<u>(31,262,728)</u>	<u>4,007,036</u>	<u>69,436,437</u>	<u>(8,569,492)</u>	<u>33,611,253</u>
Unallocated adjustments/expenses:					
Taxation					2,238,088
Fair value adjustment on investments					<u>1,410,881,308</u>
Total Comprehensive income for the year					<u><u>1,442,254,473</u></u>
<u>Statement of Financial Position</u>					
Segmented assets	<u>2,330,255,510</u>	<u>1,895,320,728</u>	<u>2,612,155,990</u>	<u>31,584,888</u>	<u>6,869,317,116</u>
Unallocated assets					<u>3,062,219,325</u>
Total assets					<u><u>9,931,536,441</u></u>
Segmented liabilities	<u>1,021,703,329</u>	<u>804,713,840</u>	<u>1,094,307,982</u>	<u>9,658,097</u>	<u>2,930,383,248</u>
Unallocated liabilities					<u>3,065,067,165</u>
Total liabilities					<u><u>5,995,450,413</u></u>



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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	
	2020 G\$	2019 G\$
Local - Guyana	615,209,060	674,854,349
Overseas	346,370	8,121,389
	<u>615,555,430</u>	<u>682,975,738</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	
	2020 G\$	2019 G\$	2020 G\$	2019 G\$
<u>Assets</u>				
	9,671,410,782	8,973,498,585	697,912,197	1,812,781,151
Trinidad & Tobago	44,779,813	49,179,924	(4,400,111)	3,829,901
United Kingdom	-	-	-	(251,615)
United States	1,083,716,549	908,857,932	174,858,617	58,645,929
	<u>10,799,907,144</u>	<u>9,931,536,441</u>	<u>868,370,703</u>	<u>1,875,005,366</u>
<u>Liabilities - Guyana</u>	<u>6,464,817,026</u>	<u>5,995,450,413</u>		

34. ACTUARIAL VALUATION

An actuarial valuation of the Company was done as at 31 December 2020. This revealed a surplus of G\$4,346,923,121 (2019 - G\$3,936,086,028).



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

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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.



HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED

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. A margin is added for adverse deviation.

- (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 2016 - 2020. A margin for adverse deviation assumes a 20% fluctuation in the lapse rate for all years.



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

35. Insurance Risk - cont'd

(c) Guaranteed annuity options - cont'd

(iv) Expenses

Expenses are based on best estimates of Company experience. Administration expenses per policy for traditional life business increased to \$11,567 per annum for 2020 versus an expected of 12,631. Thereafter, our administrative expense per ordinary life/ annuity business policy was set to its expected value of 12,631 per annum in 2020 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 \$2,072 versus an expected per policy expense of 3,784 for 2020. Thereafter, our administrative expense per policy for Mortgage Protection business was maintained at the expected rate of \$ 3,784 per annum in 2020. 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:

Sensitivity	2020 G\$	2019 G\$
2% Increase in Mortality	20.9/10.05 million	20.6/10.3 million
5% Increase in Expenses	26.2 million	27.1 million
10% Change in Lapse Rates	26.8/19.0 million	27.4/19.8 million
100 Basis Points Decrease in Valuation Interest Rate	318.0/290.6 million	327.8/300.1 million



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MUTUAL LIFE ASSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

36. Assets held under Trust

Assets

	<u>2020</u> <u>G\$</u>	<u>2019</u> <u>G\$</u>
Land & Building	1,063,616,670	1,063,616,670
Mortgages	-	11,928,341
Short term loan - Berbice Bridge Company Limited	-	50,000,000
	<u>1,063,616,670</u>	<u>1,125,545,011</u>

Ordinary Shares-

Guyana-

Demerara Tobacco Company Limited	54,814,000	53,443,650
Demerara Distillers Limited	329,271,240	219,514,160
Carribbean Containers Inc.	5,216,025	5,216,025
Guyana Bank for Trade and Industry Limited	168,336,000	156,646,000
Banks DIH Limited	463,087,520	468,876,114
Republic Bank (Guyana) Limited	3,567,868,400	3,344,876,625
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	21,975,000
	<u>5,157,219,961</u>	<u>4,824,524,350</u>

Bond & Debentures of Companies Incorporated in Guyana-

Courts Bond	<u>10,000,000</u>	<u>10,000,000</u>
Loan granted to The Hand-in-Hand Mutual Fire Insurance Company Limited - secured	585,800,708	421,955,052
Participation of Loan to The Hand-in-Hand Trust Corporation Inc.	164,567,015	190,360,407
Fixed Deposit at Republic Bank (Guyana) Limited	65,402,488	65,402,488
Fixed Deposit at Hand-in-Hand Trust Corporation Inc.	61,976,000	61,976,000
Fixed Deposit at Guyana Bank for Trade & Industry Limited	30,872,186	30,627,168
Fixed Deposit at Citizens Bank (Guyana) Inc.	18,750,000	18,750,000
	<u>927,368,397</u>	<u>789,071,115</u>
TOTAL	<u><u>7,158,205,028</u></u>	<u><u>6,749,140,476</u></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, 2020.

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. Insurance Act 1998

The Insurance Act 1998 became effective in 2002 upon the appointment of a Commissioner of Insurance, the duties of whose office were then conferred onto the Bank of Guyana in 2009. Part XVI of the Act relates to pension plans, their registrations, management and all other stipulations. The company has not fully complied with this section for all the plans it manages. This is a continuing effort.

39. 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\$709,777,856 (2019 G\$523,785,847) (refer to note 17) is accounted for under receivables. There are no repayment terms on this balance between the Hand-in-Hand Mutual Life Assurance Company Limited and the 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 the Hand-in-Hand Investments USA Inc.

40. Approval of financial statements

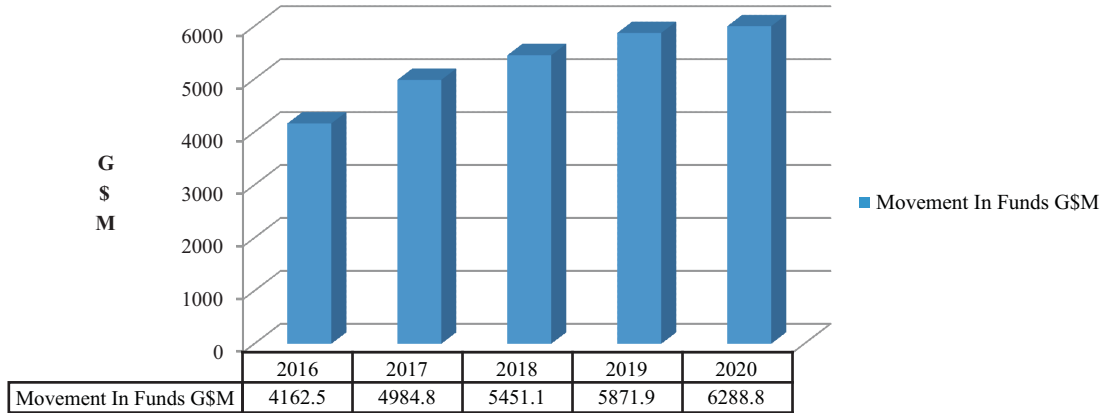
The financial statements were approved by the Board of Directors and authorized for issue on 27 July, 2021.



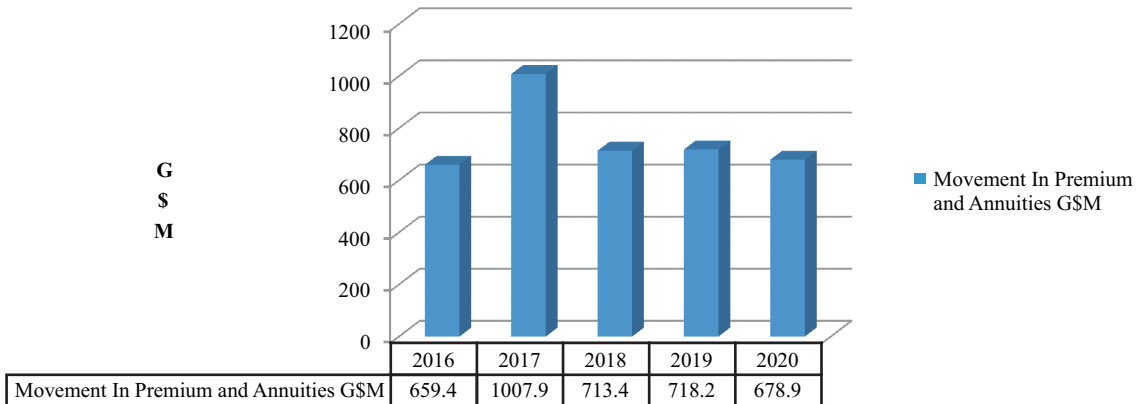
HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED

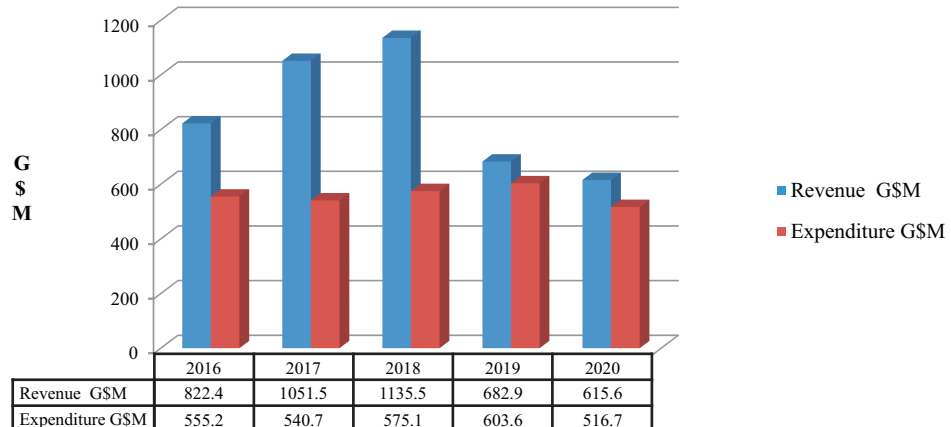
Movement in Funds



Movement in Premium and Annuities G\$M



Revenue vs Expenditure





HAND-IN-HAND

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