



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED  
AND SUBSIDIARY

(Incorporated 23 June, 1966)



# 59<sup>th</sup>

## ANNUAL REPORT AND ACCOUNTS

For the year ended 31st December, 2024



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTICE OF MEETING

### 59th Annual General Meeting

Notice is hereby given that the Fifty Ninth Annual General Meeting of the above named Company will be held at the Company's Offices at Lots 1,2,3 & 4 Avenue of the Republic, Georgetown, on Thursday, 25 September 2025 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, 2024 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.

02 September 2025

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.



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## HEAD OFFICE:

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

Email: [info@hihgy.com](mailto:info@hihgy.com)

Website: [www.hihgy.com](http://www.hihgy.com)

Telephone: 225-1865-7

Fax: 225-7519

P.O. Box: 10188

## DIRECTORS:

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

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

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

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

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

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

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

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

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



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MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## MANAGEMENT:

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



# **HAND-IN-HAND**

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

**AUDITORS:**

TSD LAL and Company,  
Chartered Accountants

**ATTORNEYS-AT-LAW:**

Cameron & Shepherd  
Sievwright Stoby & Co.

**MEDICAL ADVISOR:**

Dr. Janice Imhoff

**CONSULTING ACTUARIES:**

Apex Consulting Limited

**IFRS 17 CONSULTANT:**

Jack A. Alli Sons and Co.

**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



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## 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 20 'B' North Public Road Williamsburg, Rose Hall, Corentyne, Berbice.
	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:		Lot 54 Cotton Field, Anna Regina 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.
LEONORA:		Leonora Mall, Unit 11, Leonora Public Road, West Coast Demerara.
MAHAICA:		Parcel 3114, Helena No 1 Mahaica Village, East Coast Demerara.



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

### Welcome

Ladies and Gentlemen, I am very pleased to welcome you to our Company's 59<sup>th</sup> Annual General Meeting, in which we present our review of the performance of the Company for the year ended 31 December 2024.

### Economic Review and Outlook

The global economy, despite geopolitical risk, saw steady but modest growth in 2024, expanding by 3.2 percent, a slight decrease from 3.3 percent in 2023. At the same time, global inflation eased to 5.7 percent from 6.7 percent in 2023. The International Labour Organization (ILO) also reported a small dip in global unemployment, down to 4.9 percent. The global growth forecast for 2025 is 3.3 percent.

In contrast, Guyana's economy experienced significant growth. Its real GDP grew by 43.6 percent, driven by the oil and gas sector and strong economic fundamentals, while non-oil GDP grew by 13.1 percent. The country also maintained stable exchange rates, low interest rates, and a strong financial sector. Fiscal accounts showed a surplus of \$186,157 million, with debt level at a sustainable US\$5,994 million. Guyana's inflation remained in the low single digit at 2.9 percent.

The value of the Guyana Dollar relative to the United States Dollar remained stable during the period, at G\$208.5=US\$1.00

### Performance Review

We are pleased to report that Hand-in-Hand Mutual Life Assurance Co. Ltd. has achieved a net increase in funds of \$38.8 million compared to \$59.2 million in the previous year. The company's total comprehensive income moved to \$459.3 million, largely due to a revaluation of its assets.

### New Business

In 2024, the company saw growth in new business across the board. The Individual Life and Annuities portfolios issued 194 new policies, generating \$81.6 million in annualized premium income. Group new business also grew significantly, bringing in \$157.7 million in premiums, up from \$103.6 million the previous year. This success is credited to the company's Sales Team, in-house marketing efforts and Brokers. We remain optimistic for continued growth fueled by developments in the Oil and Gas industry, expansion in the housing sector, and tax incentives for Life and Medical Insurance. As we navigate a competitive market, we continue to rely on the steadfast support of our Direct Sales, Marketing, and Business Development Departments to drive further success.



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MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## **CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2024**

### **Claims**

The company's total claims obligations (net of reinsurance recoveries) for 2024 amounted to \$353.0 million, up from \$285.1 million in 2023. This increase was seen across all policy types, with group health claims increasing from \$230.2 million to \$259.3 million, group life claims increasing from \$20.8 million to \$28.2 million, and individual life claims growing substantially from \$33.9 million to \$65.5 million.

A provision of \$26.6 million was made for policies that had reached full maturity or were eligible for partial payouts in accordance with their terms.

### **Actuarial Valuation**

An Actuarial Valuation for the year ending December 31, 2024, reported a surplus of \$8.1 billion, reflecting a Liability Coverage ratio of 2 times. The next Actuarial Valuation is scheduled for December 31, 2025.

### **Frandec and Company (Insurance) Inc.**

In 2024, Frandec and Company (Insurance) Inc. saw its surplus decrease slightly to \$13.4 million from \$15.4 million the previous year. Despite this drop in surplus, the company's total comprehensive income rose by \$7 million, primarily due to a remeasurement of its financial assets.

### **IFRS 17 Accounting Standard**

The company remains fully compliant with the new IFRS 17 Accounting Standard. This is supported by the company's strong corporate governance, which includes a robust Enterprise Risk Management (ERM) and Own Risk and Solvency Assessment (ORSA) framework.

### **Insurance Companies in Guyana – Performance of 2024**

As of the end of December 2024, the total resources of domestic insurance companies (both life and non-life) saw a slight increase of 1.3 percent, or \$1,801 million, reaching \$138,000 million. This total represents 28.6 percent of all assets held by non-bank financial institutions (NBFIs). This growth was largely due to an increase in insurance premiums, deposits, and other liabilities. The life segment accounted for 71.0 percent of industry resources and increased by 3.8 percent, whilst the non-life sector decreased by 4.2 percent and accounted for the remaining 29.0 percent.



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

### Future Outlook

By the end of 2025, global growth is projected to be 3.3 percent. This growth is largely driven by a strong performance in the US economy, which is expected to expand by 2.7 percent. This is happening even as other major economies are projected to see weaker growth. Advanced economies are forecast to grow at 1.9 percent, while emerging and developing market economies (EDMEs) are expected to remain steady at 4.2 percent. The Caribbean region, including Guyana, is predicted to see robust growth of 4.9 percent. Global consumer price increases are expected to continue to slow, reaching 4.2 percent. This includes a 2.1 percent price growth for advanced economies and 5.6 percent for EDMs.

The International Monetary Fund (IMF) warns that unilateral tariffs and trade barriers could pose a risk to economic growth. These protectionist measures could create uncertainty, potentially impacting business investments and causing volatility in financial markets. Diplomatic efforts to resolve conflicts and remove trade barriers are seen as key to stabilizing markets and encouraging economic cooperation.

Guyana's economy is expected to see a significant boost, with an overall real GDP growth of 10.6 percent. This is fueled by steady growth in oil and gas, and support services industries. The non-oil economy is set for even stronger growth at 13.8 percent, driven by expansion in key areas like agriculture, forestry, and fishing, as well as the construction, manufacturing, and services sectors. The gold and bauxite mining industries are also expected to contribute to this non-oil growth. Despite this rapid expansion, inflation is projected to remain low at 2.8 percent, due to monetary policies designed to keep prices and exchange rates stable.

Hand-in-Hand Mutual Life Assurance is dedicated to contributing positively to both the insurance industry and Guyana's economy. We consistently invest in our workforce and technology to deliver excellent products and services to clients and are actively looking to capitalize on new opportunities from Guyana's rapidly expanding economy.

### Appreciation

I am honored to extend my deepest gratitude to our valued policyholders for their unwavering trust, loyalty, and steadfast support over the past 59 years. Your continued confidence in our organization is the cornerstone of our success, and it inspires us to strive for excellence in meeting your needs and exceeding your expectations.

I would also like to take this opportunity to recognize and commend my fellow Directors, Management, and Staff for their exemplary leadership and dedication. Their commitment to the company's vision and mission has been instrumental in achieving our objectives, even in the face of significant challenges. Their resilience, innovation, and teamwork are a testament to the strength of our organization.

As we look to the future, we remain deeply committed to fostering a culture of excellence, embracing growth opportunities, and to maintain exceptional value to our policyholders and stakeholders. Thank you for being an integral part of our journey, and we look forward to achieving even greater milestones together.

Thank you,

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



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## REPORT OF THE DIRECTORS

The Directors have pleasure in submitting for the information of Members and Policyholders the Fifty-Nine Annual Report and Audited Financial Statements for the year ended 31 December 2024.

**1. Principal Activities**

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

**2. Operational Results**

Hand-in-Hand Mutual Life Assurance Co. Ltd.'s net funds increased by \$38.8 million, compared to \$59.2 million increase for the previous year. This figure represents the net gain in funds before any changes from other comprehensive income.

**3. Life Business**

Insurance revenue received for Ordinary Life Business for the year were \$222.3 million as compared to \$168.3 million for the previous year.

**4. Annuities**

Insurance revenue for annuities business received for the year were \$15.4 million as compared to \$80.5 million for the previous year.

**5. Group Business**

Gross premiums received in respect of Group Business amounted to \$629.5 million as compared with \$483.1 million for the previous year.

**6. Ordinary Life Fund**

Ordinary Life Fund as at 31 December 2024 was \$1.96 billion, the comparative for the year ended 31 December 2023 being \$1.54 Billion.

**7. Annuity Fund**

Annuity Fund as at 31 December 2024 was \$968.6 million, the comparative for the year ended 31 December 2023 being \$814.9 million.

**8. Group Life Fund/Single Premium Mortgage Protection/Group Health Fund**

Group Life Fund/Single Premium Mortgage Protection as at 31 December 2024 was \$52.9 million, the comparative for the year ended 31 December 2023 being \$101.9 billion.

**9. Deposit Administration Fund**

Deposit Administration Fund as at 31 December 2024 was \$5.0 billion, the comparative for the year ended 31 December 2023 being \$4.6 billion.

**10. Actuarial Valuation**

An Actuarial Valuation was completed for the year ended 31 December 2024 and revealed a surplus of \$8.1 billion or liability coverage of 2 times. The next Actuarial valuation is due on 31 December 2025.

**11. Claims**

In 2024, the company's total death claims for both Ordinary and Group Life policies were \$139.9 million. After accounting for a recovery of \$46.1 million from our re-insurer, the net cost to the company was \$93.7 million. Additionally, the company paid out \$26.6 million for policies that matured and \$259.3 million in medical claims.



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MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## REPORT OF THE DIRECTORS

### 12. Investments

As of December 31, 2024, the company's total investments reached \$13.5 billion. This portfolio included \$666.6 million in cash, bonds, and other short-term investments, \$233.1 million in mortgages, \$334.2 million in participation loans, and \$1.5 billion in loans to the Fire Company. Additionally, the company continued to invest in local shares throughout the year.

### 13. Employee Relations

Throughout the year, the company maintained a positive relationship with its employees. We continued to support staff growth by providing training at all levels to enhance their technical skills and personal development.

### 14. Directorate

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

### 15. Corporate Governance

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

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

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

Finance and Budget/Audit & Compliance Committee	-	Messrs. Paul Chan-A-Sue
Risk and Investment Committee	-	J.G Carpenter
Customer Management Committee	-	J.G Carpenter
Corporate Governance Committee	-	J.G Carpenter
Marketing Committee	-	T.A Paris
Underwriting and Reinsurance Committee	-	J.G Carpenter
Human Resources/Compensation Committee	-	T.A Parris

### 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



# **HAND-IN-HAND**

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAND-IN-HAND MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

### **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 (The Company) and Subsidiary (together the Group), which comprise the consolidated statement of financial position as at 31 December, 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies as set out on pages 14 to 76.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Hand in Hand Mutual Life Assurance Company Limited and Subsidiary as at 31 December, 2024, their financial performance and it cash flows for the year then ended in accordance with IFRS Accounting Standards.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and Group 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 2024 annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the Company and Group's 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 Company and Group 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. At the time of the audit report this information was not made available to us.



# **HAND-IN-HAND**

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAND-IN-HAND MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

### **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 IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of Company and Group's financial statements that are free from material misstatement, whether due to fraud or error. The Directors/Management is responsible for overseeing the Company and Group's financial reporting process.

In preparing the Company and Group's financial statements, management is responsible for assessing the Company and Group'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 and Group or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

The objectives of our audit are to obtain reasonable assurance about whether the Company and Group 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 and Group's financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and Group's internal control;



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MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAND-IN-HAND MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

- 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 and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Company and Group's 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 and Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the Company and Group's financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

### Report on Other Legal and Regulatory Requirements

The Company and Group financial statements comply with the requirements of the Companies Act. The Insurance Act 2016 came into effect in 2018. As explained in Note 30, the Company and Group did not fully comply with the requirements of the Act.

*TSD Lal & Co.*

TSD LAL & CO.  
CHARTERED ACCOUNTANTS

Date: 17 September 2025

77 Brickdam,  
Stabroek, Georgetown,  
Guyana.



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Company		Group	
		2024 G\$	2023 G\$	2024 G\$	2023 G\$
Insurance revenue	5	867,247,142	732,033,529	931,397,515	791,583,934
Insurance service expenses	6	(1,083,241,647)	(784,033,195)	(1,118,660,098)	(816,832,644)
Net income / (expense) from reinsurance contracts	6	26,707,383	(3,732,002)	26,707,383	(3,732,002)
Insurance service result		(189,287,122)	(55,731,668)	(160,555,200)	(28,980,712)
Net investment result	7	230,903,385	25,220,177	274,484,386	25,220,177
Fees and other income	8	34,334,788	34,488,544	31,474,869	31,848,973
Revaluation gain on investment property	10 (b)	340,500,000	-	340,500,000	-
Total income		605,738,173	59,708,721	646,459,255	57,069,150
Net finance expense from insurance contracts	9(a)	(170,548,783)	256,358,945	(170,548,783)	256,358,945
Net finance income (expense) from reinsurance contracts	9(b)	15,735,994	(57,485,784)	15,735,994	(57,485,784)
Net insurance finance expense		(154,812,789)	198,873,161	(154,812,789)	198,873,161
Operating and administrative expenses	6	(199,485,040)	(140,905,934)	(203,265,845)	(142,182,928)
Taxation		(23,382,738)	(2,709,168)	(32,034,829)	(10,093,357)
Net increase in funds for the year		38,770,484	59,235,112	95,790,592	74,685,314
<b>Other comprehensive income</b>					
<b>Items that may not be subsequently reclassified</b>					
<b>to profit or loss:</b>					
Revaluation of property and equipment, net of tax	10(a)	329,483,330	-	329,483,330	-
Net unrealized gain/(loss) on investments at FVOCI, net of tax	16	91,060,932	(649,388,891)	98,027,602	(383,141,619)
Other comprehensive income		420,544,262	(649,388,891)	427,510,932	(383,141,619)
<b>Total comprehensive income/(loss) for the year</b>		<u>459,314,746</u>	<u>(590,153,779)</u>	<u>523,301,524</u>	<u>(308,456,305)</u>

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



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Notes	Company		Group	
		2024 G\$	2023 G\$	2024 G\$	2023 G\$
<b>ASSETS</b>					
Goodwill	25	-	-	49,756,562	49,756,562
Property & equipment	10 (a)	667,022,572	314,833,434	667,544,356	315,587,122
Investment property	10(b)	1,140,500,000	800,000,000	1,140,500,000	800,000,000
Portfolio investments	11	6,470,720,046	5,725,046,738	6,841,186,991	6,088,547,013
Investment in subsidiary	11	88,000,000	88,000,000	-	-
Investment in associates		129,560,000	-	173,141,001	-
Deposit administration fund assets	11	4,990,427,690	4,569,497,465	4,990,427,690	4,569,497,465
Reinsurance contract assets	17	329,865,019	277,795,317	329,865,019	277,795,317
Receivables and prepayments	13	1,715,664,249	1,694,159,176	1,704,250,985	1,690,061,519
Insurance contract assets		-	-	5,591,363	1,027,483
Stocks of stationery		335,383	343,155	335,383	343,155
Cash on hand and at banks	14	654,916,754	1,324,619,159	698,913,830	1,350,842,612
Interest accrued	11	14,097,621	20,343,730	14,097,621	20,343,730
Statutory deposits	23	-	-	19,434,837	19,434,837
Tax recoverable		13,803,979	13,175,207	16,410,022	15,781,249
<b>TOTAL ASSETS</b>		<b>16,214,913,313</b>	<b>14,827,813,381</b>	<b>16,651,455,660</b>	<b>15,199,018,064</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserves</b>					
Issued share capital	15	275,000	275,000	275,000	275,000
Other reserves	16	7,150,481,586	6,944,916,319	7,155,201,255	7,211,163,591
General reserve	16	902,204,252	648,454,774	974,674,564	395,410,704
		<u>8,052,960,838</u>	<u>7,593,646,093</u>	<u>8,130,150,819</u>	<u>7,606,849,295</u>
Insurance contract liabilities	17	2,987,827,481	2,458,217,505	2,987,827,481	2,458,217,505
Deposit administration fund liabilities	20	4,990,427,690	4,569,497,465	4,990,427,690	4,569,497,465
Deposit on shares		-	-	350,000,275	350,000,275
Tax payable		17,423,431	3,540,864	26,075,522	10,925,053
Payables and accrued expenses	21	143,866,002	195,496,819	144,566,002	196,113,836
Bank overdraft (unsecured)	11	22,407,871	7,414,635	22,407,871	7,414,635
		<u>8,161,952,475</u>	<u>7,234,167,288</u>	<u>8,521,304,841</u>	<u>7,592,168,769</u>
		<u>16,214,913,313</u>	<u>14,827,813,381</u>	<u>16,651,455,660</u>	<u>15,199,018,064</u>
<b>TOTAL EQUITY AND LIABILITIES</b>					

These Financial Statements were approved by the Board of Directors on...17th September 2025....

On behalf of the Board:

*J. Caspek* .....Director

*Phapana* .....Director

*Compton Kemmerant* .....Company Secretary/Finance Controller

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



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

Company	Note	Issued share capital G\$	Other reserves G\$	General reserve G\$	Total G\$
<b>Balance at 1 January 2023</b>		<u>275,000</u>	<u>7,594,305,211</u>	<u>589,219,660</u>	<u>8,183,799,871</u>
Changes in equity 2023					
Total comprehensive income for the year	16	<u>-</u>	<u>(649,388,891)</u>	<u>59,235,112</u>	<u>(590,153,779)</u>
<b>Balance at 31 December 2023</b>		<u>275,000</u>	<u>6,944,916,320</u>	<u>648,454,772</u>	<u>7,593,646,092</u>
Changes in equity 2024					
Total comprehensive income for the year	16	<u>-</u>	<u>420,544,262</u>	<u>38,770,484</u>	<u>459,314,746</u>
Transfer to General Reserve	16	<u>-</u>	<u>(214,978,996)</u>	<u>214,978,996</u>	<u>-</u>
<b>Balance at 31 December 2024</b>		<u><u>275,000</u></u>	<u><u>7,150,481,586</u></u>	<u><u>902,204,252</u></u>	<u><u>8,052,960,838</u></u>
<b>Group</b>					
<b>Balance at 1 January 2023</b>		625,000	7,610,050,210	611,368,100	8,222,043,310
Changes in equity 2023					
Acquisition - Frandec		(350,000)	(15,745,000)	(22,148,438)	(38,243,438)
Transfer to General Reserve	16	-	-	(268,494,272)	(268,494,272)
Total comprehensive income for the year	16	<u>-</u>	<u>(383,141,619)</u>	<u>74,685,314</u>	<u>(308,456,305)</u>
<b>Balance at 31 December 2023</b>		<u>275,000</u>	<u>7,211,163,591</u>	<u>395,410,704</u>	<u>7,606,849,295</u>
Changes in equity 2024					
Transfer to General Reserve	16	-	(55,962,336)	55,962,336	-
Total comprehensive income for the year	16	<u>-</u>	<u>-</u>	<u>523,301,524</u>	<u>523,301,524</u>
<b>Balance at 31 December 2024</b>		<u><u>275,000</u></u>	<u><u>7,155,201,255</u></u>	<u><u>974,674,564</u></u>	<u><u>8,130,150,819</u></u>

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



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	Company		Group	
	2024 G\$	2023 G\$	2024 G\$	2023 G\$
<b>Operating activities</b>				
Net increase in funds for the year before taxation	62,153,222	61,944,280	127,825,421	84,778,671
<b>Adjustments for:</b>				
Depreciation	15,267,290	16,430,974	15,499,194	16,604,902
Net (gains)/losses on investments measured at FVTPL	(43,110,440)	30,262,311	(43,110,440)	30,262,311
Disposal of property & equipment - loss	129,156	10,810	129,156	10,810
Revaluation gain on investment property	(340,500,000)	-	(340,500,000)	-
Increase in investment in associate company	-	-	(43,581,001)	-
Net investment income and finance costs	(187,792,945)	(59,927,906)	(193,042,593)	(60,242,655)
<b>Increase/(Decrease) in funds for the year before working capital changes</b>	(493,853,717)	48,720,469	(476,780,263)	71,414,039
Increase in interest accrued	6,246,109	17,201,525	6,246,109	17,201,525
Increase in receivables and prepayments	(21,505,073)	(479,620,621)	(21,505,073)	(475,522,963)
(Increase)/decrease in reinsurance contract assets	(52,069,702)	15,578,052	(56,633,582)	17,692,747
(Increase)/decrease in stocks of stationery	7,772	(160,281)	7,772	(160,281)
Increase in insurance contract liabilities	529,609,976	97,035,797	529,609,976	97,035,797
Increase/(decrease) in payables and accrued expenses	(51,630,817)	115,375,436	(44,232,227)	115,392,453
Increase in deposit administration fund	420,930,225	361,894,335	420,930,225	338,194,335
Increase in contingency reserve	-	-	-	23,700,000
<b>Cash generated from operations</b>	337,734,773	176,024,712	357,642,937	204,947,652
Taxes paid	(10,128,943)	(9,234,982)	(17,513,132)	(9,234,983)
<b>Net cash provided by operating activities</b>	327,605,830	166,789,730	340,129,805	195,712,669
<b>Investing activities</b>				
Purchase of property & equipment	(38,102,254)	(18,296,223)	(38,102,254)	(19,223,839)
Proceeds from redemption of securities	314,410,213	659,091,644	314,410,213	659,091,644
Purchase of securities	(1,037,423,906)	(226,279,805)	(1,037,423,906)	(226,279,805)
Increase in statutory deposits	-	-	-	(104,749)
Addition/(repayment) of short term loan	-	9,270,239	-	9,270,239
Loans	(438,978,469)	(516,527,337)	(438,978,469)	(516,527,337)
Dividends and interest received	187,792,945	59,927,906	193,042,593	60,242,655
Acquisition of Frandec	-	-	-	(1,981,870)
<b>Net cash used in investing activities</b>	(1,012,301,471)	(32,813,576)	(1,007,051,823)	(35,513,062)
Net increase / (decrease) in cash and cash equivalents	(684,695,641)	133,976,154	(666,922,018)	160,199,607
Cash and cash equivalents at beginning of year	1,317,204,524	1,183,228,370	1,343,427,977	1,183,228,370
<b>Cash and cash equivalents at end of year</b>	632,508,883	1,317,204,524	676,505,959	1,343,427,977
<b>Cash and cash equivalents comprised of:</b>				
Cash at banks	654,916,754	1,324,619,159	698,913,830	1,350,842,612
Bank overdraft (unsecured)	(22,407,871)	(7,414,635)	(22,407,871)	(7,414,635)
	632,508,883	1,317,204,524	676,505,959	1,343,427,977

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



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 1. Incorporation and activities

Hand-in-Hand Mutual Life Assurance Company Limited (the 'Company') was incorporated in Guyana on 23 June 1966. It is engaged in the underwriting of long-term insurance business and associated insurance activities. In January 2023 Hand-in-Hand Life Assurance Company Limited acquired 100 % holding in Frandec and Company (Insurance) Incorporated.

#### Employees

During the year the number of employees was 29 (2023 – 29).

### 2. Basis of Preparation

The consolidated financial statements for the year ended December 31, 2024 have been prepared in accordance with IFRS accounting standard as issued by the International Accounting Standards Board (IASB) (IFRS Accounting Standards). The consolidated financial statements comprise the financial statements of the Company and its subsidiary (together referred to as the 'Group') and are prepared on a historical cost basis, with the exception of certain financial assets and investment property which are stated at fair value. The consolidated financial statements are stated in Guyana dollars, the Group's presentation currency.

The consolidated financial statements include the assets, liabilities, results of operations and cash flows of the Company and its subsidiary. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

#### 2.1 Amendments to existing IFRS Accounting Standards

**Effective for annual  
periods beginning  
on or after**

#### **Amendments effective for the current year**

#### **Amended Standards**

IAS 1 <i>Presentation of Financial Statements</i> (amended for non-current liabilities with covenants along with classification of liabilities as current or non-current)	1 January 2024
IFRS 16 <i>Leases</i> (amended to add subsequent measurement requirements for lease liabilities arising from sale and leaseback transactions)	1 January 2024
IAS 7 <i>Statement of Cash Flows</i> and IFRS 7 <i>Financial Instruments: Disclosures</i> (amended to address supplier finance arrangements)	1 January 2024

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



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 2.2 New and amended standards-Cont'd

#### Pronouncements effective in future periods available for early adoption

	<b>Effective for annual periods beginning on or after</b>
<b>Amended and New IFRS Accounting Standards</b>	
Amendments to IAS 21: Lack of Exchangeability	1 January 2025
Amendments to IFRS 7 and IFRS 9: Classification and measurement of Financial Instruments	1 January 2026
Annual improvements to IFRS Accounting Standards — Volume 11	1 January 2026
IFRS 18: Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19: Subsidiaries without Public Accountability	1 January 2027

The Group has not early adopted any other standard or amendment that has been issued but is not yet effective, however, is evaluating the impact of adoption on its financial reporting.



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 3. Material accounting policies

#### (a) Insurance Contracts and Reinsurance Contracts

##### (i) Classification of Contracts

Contracts issued by the Group are classified as insurance contracts, investment contracts or service contracts. Insurance contracts are contracts that contain a significant insurance risk. Significant insurance risks exist when the Group agrees to compensate policyholders or beneficiaries of the contract for specified uncertain future events that adversely affect the policyholders and whose amount and timing are unknown.

Investment contracts are contracts that contain a financial risk, and which do not include a significant insurance risk. The financial risk represents the risk of a possible future change in one or more of the following items: specified interest rate, financial instrument price or other variable, provided that in the case of a non-financial variable, the variable is not specific to a party to the contract.

Service contracts are contracts that do not contain any significant insurance risk and no financial risk and for which the Company offers administrative services. Service contracts also include the service components of investment contracts. Service contracts are accounted for according to IFRS 15 - Revenue from Contracts with Customers and presented as fee income in the statement of profit or loss.

Contracts are analyzed to determine whether these arrangements should be accounted for as insurance, investment or service contracts. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its term, even if the insurance risk reduces significantly during this period, unless criteria for derecognition are met.

In the normal course of business, the Group uses reinsurance to limit its risk exposure. Reinsurance refers to the transfer of insurance risk, in exchange for compensation (premium), to one or more reinsurers who share the risks. To the extent that assuming reinsurers are unable to meet their obligations, the Group remains liable to its policyholders for the portion reinsured.

All references to insurance contracts include insurance contracts issued by the Group and all references to reinsurance contracts correspond to reinsurance contracts held to reduce the Group's own risk.

##### (ii) Separating Components from Insurance Contracts and from Reinsurance Contracts

At inception, insurance contracts and reinsurance contracts are analyzed to determine whether the contract contains components that should be separated. IFRS 17 distinguishes three categories of components that have to be accounted for separately (i) cash flows relating to embedded derivatives that are required to be separated, (ii) cash flows relating to distinct investment components, and (iii) promises to transfer distinct goods or distinct non-insurance services. The Group applies IFRS 17 to all remaining components of the contract.



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 3. Material accounting policies - cont'd

#### (a) Insurance Contracts and Reinsurance Contracts - cont'd

##### (ii) Level of Aggregation and Recognition

Insurance contracts issued and reinsurance contract held are aggregated into groups for measurement purposes. Groups of contracts are first determined by identifying portfolios of contracts, each comprising contracts subject to similar risks and managed together. The Group has determined that the appropriate level of aggregation is by its reporting segment since they present similar risks and are managed together. The reporting segments are composed of the main products and services offered by the Group. Every portfolio is divided into groups that can fall into one of three categories: onerous contracts, non-onerous contracts with no significant possibility of becoming onerous and the remaining non-onerous contracts. Groups are in turn divided into annual cohorts, established by the year of issue.

The Group has determined that the life and health product lines also represent the right level of aggregation of its reinsurance contracts into portfolios. Groups are split between net gain and net cost and have annual cohorts. The Group generally assigns contracts to the group by set of contracts, rather than on a contract-by-contract basis.

Portfolios determine the level at which contracts are grouped for presentation purposes in the statement of financial position. Insurance contract portfolios which include the liabilities for remaining coverage (LRC) and the liabilities for incurred claims (LIC) for which the total shows an asset are presented separately from those that show liability. The same split in the presentation is applicable to reinsurance contract portfolios.

The group determines the level at which recognition and measurement are carried out. Groups of contracts are established on initial recognition and their composition is not reassessed subsequently. In general, groups of insurance contracts are recognized when issued. In the event that a group of contracts is onerous, it would be recognized as soon as facts and circumstances indicate that the group is onerous. Groups of reinsurance contracts are recognized from the earlier of the beginning of their coverage period and the date an onerous group of underlying insurance contracts is recognized. In the event that insurance contracts and reinsurance contracts are acquired in a transfer of contracts or a business combination, the date of acquisition corresponds to the date of recognition.

##### (iii) Contract Boundaries

All future cash flows within the boundary of each contract in a group are considered in measurement of a group of contracts and are reassessed at each reporting date.



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 3. Material accounting policies - cont'd

#### (a) Insurance Contracts and Reinsurance Contracts – cont'd

##### (iv) Contract Boundaries - cont'd

Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide insurance contract services to the policyholder. Any renewal option available in the contract at inception is included in the contract boundaries if the Group is obliged to comply with it at the request of the policyholder. A substantive obligation to provide insurance contract services ends when the Group has the practical ability to reassess the risks and can modify the pricing.

Expected premiums or claims outside the contract boundary are not recognized as liabilities or assets, as they relate to future insurance contracts.

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

##### (v) Measurement – insurance contracts (initial measurement)

IFRS 17 requires one of three accounting measurement models to be applied to insurance contracts and reinsurance contracts. The Group uses the general measurement model (GMM) to measure the majority of its insurance contracts without direct participation features and its reinsurance contracts held for its life and annuity portfolios.

Liability for remaining coverage (LRC) and liability for incurred claims (LIC)

The LRC represents the Group's obligation for insurance contracts written where insured events have not yet occurred. The LIC represents the Group's obligation to pay claims for insured events that have already occurred, including events that have occurred but for which claims have not been reported. Insurance contracts issued comprise the LRC, which includes a loss component, and the LIC. Reinsurance contracts held comprise of the asset for remaining coverage (ARC), containing a loss recovery component, and an asset for incurred claims (AIC). Note that the LRC and ARC include an element of the present value of future cash flows (PVFCF), a risk adjustment for non-financial risk, and the contractual service margin (CSM). The LIC and AIC include the remainder of the PVFCF and a risk adjustment for non-financial risk.

On initial recognition, the measure of a group of insurance contracts measured under the GMM corresponds to the total of the fulfilment cash flows and the contractual service margin.

##### Fulfilment Cash Flows

The fulfilment cash flows comprise estimates of future cash flows that the Group expects to fulfil insurance contracts, an adjustment to reflect the time value of money and the financial risk related to those cash flows, plus a risk adjustment for non-financial risk.

The estimates of future cash flows include all cash flows that are within the contract boundary including but not limited to premiums, claims and other insurance service expenses, surrender value options, policy loans which correspond to the unpaid capital balance that are fully secured by the cash surrender value on the insurance contracts on which the respective loans are made, and an allocation of insurance acquisition cash flows. Insurance acquisition cash flows, which consist of the costs of selling, underwriting and starting a group of insurance contracts, are directly included in the initial measurement of the group within the fulfilment cash flows.



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 3. Material accounting policies - cont'd

#### (a) Insurance Contracts and Reinsurance Contracts – cont'd

##### (v) Measurement – insurance contracts (initial measurement) - cont'd

###### Fulfilment Cash Flows – cont'd

The risk adjustment for non-financial risk for a group of insurance contracts is the compensation required for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

The discount rate adjusting the estimates of future cash flows to reflect time value of money and the financial risk related to those cash flows must be consistent with the readily available quoted price in active markets and reflect the characteristics of the cash flows and liquidity of the insurance contracts.

###### Contractual Service Margin

The contractual service margin (CSM) is a component of the liability of the group of insurance contracts which represents an unearned profit the Group will recognize as it provides insurance contract services in the future. On initial recognition of a group of insurance contracts, the CSM is measured as the excess, if any, of the expected present value of cash inflows over cash outflows within the boundary of the contract after adding the risk adjustment for non-financial risk. If the total is a net inflow, the group is non-onerous, and no income or expenses arise from the initial recognition of the group. If the total is a net outflow, the group is onerous and no CSM is established for the group, a loss is immediately recognized in the statement of profit or loss and a loss component is created in the LRC.

###### Loss Component

The loss component of the LRC determines the maximum amount of fulfilment cash flows that could subsequently be accounted for in the statement of profit or loss as a reversal of losses on onerous contracts in the insurance service expenses and which would be excluded from the insurance revenue.

###### Contracts Acquired

For groups of contracts acquired in a transfer of contracts or a business combination, the consideration received for the contracts is included in the fulfilment cash flows as a proxy for the premiums received at the date of acquisition. In a business combination, the consideration received is the fair value of the contracts on that date. If the total is a net outflow, the group is onerous, and a loss is immediately recognized in the statement of profit or loss for contracts acquired in a transfer. If the contracts are acquired in a business combination, the net outflow is rather an adjustment to goodwill or to a gain on a bargain purchase.



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 3. Material accounting policies - cont'd

#### (a) Insurance Contracts and Reinsurance Contracts – cont'd

##### (vi) Measurement – insurance contracts (subsequent measurement)

###### Subsequent Measurement

At each reporting date, the carrying amount of a group of insurance contracts measured under the GMM is the sum of the LRC and the LIC. The LRC comprises the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and the remaining CSM at that date. The LIC includes the fulfilment cash flows for incurred claims and expenses that have not been paid, including claims that have been incurred but have not been reported.

###### Fulfilment Cash Flows

The fulfilment cash flows of groups of insurance contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in fulfilment cash flows relating to future services are offset by an equivalent amount in the CSM when the group is non-onerous (see “Contractual Service Margin” section below) whereas they are recognized under insurance service result in the statement of profit or loss for onerous groups. Changes in fulfilment cash flows relating to current or past services are recognized under insurance service results. Changes in the effects of the time value of money and financial risk (on estimates of future cash flows and on the risk adjustment for non-financial risk) are recognized under the net investment result for contracts measured under the GMM. For contracts measured under the GMM, the Group has elected not to disaggregate the change in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses, and as such the entire change in the risk adjustment for non-financial risk is recognized as part of the insurance service result.

###### Contractual Service Margin

Under the GMM, the carrying amount of the CSM at each reporting date is the balance at the beginning of the reporting period, plus the CSM of new contracts added to the group during the period and the interest accreted at discount rates at initial recognition on the carrying amount of the CSM during the period, adjusted by the changes in fulfilment cash flows relating to future services and by the effect of currency exchange differences on the CSM if applicable, less the amount recognized as insurance revenue due to the services provided in the period.

The changes in fulfilment cash flows relating to future services (mentioned above in the “Fulfilment Cash Flows” section) that adjust the CSM include experience adjustments arising from premiums received in the period that relate to future services, changes in estimates of the present value of future cash flows in the LRC at discount rates at initial recognition and not related to the time value of money nor financial risk, differences between investment components expected to be payable in the period versus the actual investment components that become payable in the period, and changes in risk adjustment for non-financial risk that relate to future services. The changes in fulfilment cash flows that do not adjust the CSM are instead recognized in the statement of profit or loss.

###### Loss Component

Groups of contracts that were not onerous at initial recognition can subsequently become onerous if assumptions and experiences changes and therefore a loss component of the LRC is afterwards established for those groups. The loss component is released based on a systematic allocation of the subsequent changes in the fulfilment cash flows between the loss component of the LRC and the LRC excluding the loss component. When the loss component reaches zero, then any excess over the amount allocated to the loss component creates a new CSM for the group of contracts.



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 3. Material accounting policies - cont'd

#### (a) Insurance Contracts and Reinsurance Contracts – cont'd

##### (vii) Measurement - reinsurance contracts

The measurement of reinsurance contracts applying the GMM is similar to that of insurance contracts without direct participation features, with the exception of the following:

##### Initial Measurement Fulfilment Cash Flows

For reinsurance contracts, the estimates of present value of the future cash flows are consistent with the assumptions of the underlying insurance contracts and contain an adjustment for the effect of the non-performance risk of the reinsurer. The risk adjustment for non-financial risk represents the amount of risk being transferred to the reinsurer, which is determined by the Group.

##### Contractual Service Margin

On initial recognition of a group of reinsurance contracts, the CSM represents a net cost or a net gain on purchasing the reinsurance and is accounted for in the statement of financial position. The CSM is measured as the opposite amount of the sum of the fulfilment cash flows (estimates of discounted future cash flows plus a risk adjustment for non-financial risk) and the income recognized in the statement of profit or loss for recovery of a loss recognized on onerous underlying contracts. Nevertheless, if a net cost on purchasing reinsurance coverage relates to insured events that occurred before the purchase of the group, the cost is immediately recognized in the statement of profit or loss as an expense.

##### Loss-Recovery Component

A loss-recovery component of the asset for remaining coverage (ARC) included in the reinsurance assets is established for a group of reinsurance contracts for which onerous underlying insurance contracts had a loss recognized on initial recognition and is adjusted when further onerous underlying insurance contracts are added to a group. The loss-recovery component determines the maximum amount that could subsequently be accounted for in the statement of profit or loss as reversal of recoveries of losses from reinsurance contracts.

##### Subsequent Measurement

At each reporting date, the carrying amount of a group of reinsurance contracts is the sum of the ARC and the assets for incurred claims (AIC). The ARC comprises the fulfilment cash flows that relate to services that will be received under the contracts in future periods and any remaining CSM at that date. AIC includes the fulfilment cash flows for incurred claims and amounts recoverable that have not been received from the reinsurer, including claims that have been incurred but have not been reported.

##### Fulfilment Cash Flows

The fulfilment cash flows of a group of reinsurance contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in fulfilment cash flows are recognized on the same pattern as the underlying contracts depending on whether they are onerous or non-onerous. Similar to insurance contracts measured under the GMM, the Group has elected not to disaggregate the change in risk adjustment for non-financial risk and as such the entire change is recognized as part of net income (expense) from reinsurance contracts.



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 3. Material accounting policies - cont'd

#### (a) Insurance Contracts and Reinsurance Contracts – cont'd

##### (vii) Measurement - reinsurance contracts – cont'd

###### Contractual Service Margin

Under the GMM, the carrying amount of the CSM at each reporting date is accounted for the same as described for insurance contracts (above), except that the CSM is also adjusted for income recognized to cover a loss on initial recognition of an onerous group of underlying contracts and for reversals of a loss- recovery component related to the changes on onerous groups of underlying contracts. Changes in fulfilment cash flows arising from the underlying ceded contracts that have been recognized in the statement of profit or loss as well as changes in the non-performance risk of the reinsurer assessed at each reporting date are recognized in the statement of profit or loss and do not adjust CSM.

###### Loss-Recovery Component

The loss-recovery component is subsequently adjusted to reflect changes in the loss component of an onerous group of underlying insurance contracts and shall not exceed the portion of the carrying amount of the loss component that the Group expects to recover from the group of reinsurance contracts.

##### (viii) Insurance Contracts Measured Under the PAA

The Group has chosen to apply the simplified measurement model called the premium allocation approach (PAA) for certain insurance contracts and reinsurance contracts with coverage periods at inception of one year or less, and for contracts longer than one year for which the measurement of the LRC does not differ materially from the measurement that would be determined by applying the GMM. Health policies are principally the ones using the PAA.

###### Initial Measurement

On initial recognition, the carrying value of the LRC of a group that is not onerous is the total of the premiums received. The Group has chosen to expense insurance acquisition cash flows as incurred in the initial measurement of the LRC of the group. For contracts with a coverage period of one year or less, there is no significant financing component related to the LRC and there is no adjustment for time value of money and financial risk.

The Group assumes that no contracts are onerous at initial recognition unless facts and circumstances indicate otherwise. In such a case, a loss is immediately recognized in the statement of profit or loss for the net outflow and a loss component of the LRC is created for the group.

###### Subsequent Measurement

At each reporting date, the carrying amount of a group of insurance contracts measured under the PAA is the sum of the LRC and the LIC. The LRC at the beginning of the period is adjusted for the variations related to the period for the premiums received and the amount recognized as insurance revenue for the services provided. Similar to insurance contracts measured under the GMM, the LIC includes the fulfilment cash flows for incurred claims and expenses that have not been paid, including claims that have been incurred but have not been reported.

###### Loss Component

If at any time during the coverage period, the facts and circumstances indicate that a group of insurance contracts is onerous, the Group establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining coverage of the group over the carrying amount of the LRC of the group. By the end of the coverage period of the group of contracts, the loss component will reach zero.



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 3. Material accounting policies - cont'd

#### (a) Insurance Contracts and Reinsurance Contracts – cont'd

##### (ix) Reinsurance Contracts Measured Under the PAA

The Group applies the same accounting policies to measure a group of reinsurance contracts as a group of insurance contracts measured under the PAA, adapted where necessary to reflect features that differ from those of insurance contracts. If a loss-recovery component is created for a group of reinsurance contracts measured under the PAA, the amount is recognized directly in the carrying amount of the ARC instead of the adjustment to the CSM that is required for reinsurance contracts not measured under the PAA.

##### (x) Derecognition and Contract Modification

An insurance contract is derecognized when it is extinguished, whether because the rights and obligations relating to the contract have expired, are discharged or are cancelled. On derecognition of a contract from within a group of contracts measured under the GMM, the fulfilment cash flows allocated to the group are reduced by derecognizing the present value of the future cash flows and risk adjustment for non-financial risk that relate to the rights and obligations. The CSM of the group is then adjusted for the change in the fulfilment cash flows, except for changes allocated to a loss component. The number of coverage units for the expected remaining services is adjusted to reflect the coverage units derecognised from the group.

A contract modification may lead to a derecognition under certain conditions such as substantial changes to the contract boundary, or contract conditions that require the modified contract to be included in a different group or to use a different model for the measurement. Consequently, the modified contract is recognized as a new contract. When a contract modification is not treated as a derecognition because neither of the criteria are met, the amounts paid or received for the modification to the contract are considered as changes in estimates of fulfilment cash flows of the LRC.

##### (xi) Presentation in the Statement of Profit or Loss

###### Insurance Revenue

###### Insurance Contracts Measured Under the GMM

At each reporting date, the Group recognizes insurance revenue in the statement of profit or loss as it satisfies its performance obligations which consists in providing services under groups of insurance contracts. The amounts recognized during the period relating to the services provided correspond to the total of the changes in the LRC in the period that relate to services for which the Company expects to receive consideration. Insurance revenue is principally composed of recognition of the CSM for services provided, changes in the risk adjustment for non-financial risk relating to current services and release of expected claims and other insurance service expenses incurred in the period.

In addition, a portion of revenue is recognized in a systematic way based on the passage of time for the recovery of the insurance acquisition cash flows. The release of the CSM into insurance revenue is done by equally allocating the CSM at the end of the period to each coverage unit provided in the current period and those expected to be provided in the future within the contract boundary.

###### Insurance Contracts Measured Under PAA

For contracts measured under the PAA, the insurance revenue for the period is the amount of expected premium receipts allocated for services provided in the period. For contracts with a coverage period of one year or less, the Group allocates the expected premium receipts on the basis of the passage of time since this represents the expected pattern of release of risk during the coverage period



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 3. Material accounting policies - cont'd

#### (a) Insurance Contracts and Reinsurance Contracts – cont'd

##### (xii) Presentation in the Statement of Profit or Loss – cont'd

###### Insurance Service Expenses

Insurance service expenses are composed principally of incurred claims and other insurance service expenses, amortization of insurance acquisition cash flows and losses on onerous contracts and reversals of such losses.

###### Acquisition Costs

For policies accounted for under the GMM acquisition costs are deferred and amortized into income using the same coverage units as the CSM amortization. For policies accounted for under the PAA, the Company has selected the accounting policy option to expense acquisition costs as incurred.

###### Net Expenses from Reinsurance Contracts

The Group has chosen to present income and expenses from reinsurance contracts, other than finance income and expenses from reinsurance contracts, under a single net amount as net expenses from reinsurance contracts under insurance service results, which corresponds to the net of amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid. The allocation of reinsurance premiums paid is recognized in the statement of profit or loss as the Company receives services under groups of reinsurance contracts. The amounts recovered from reinsurers comprise cash flows related to claims or benefit experience of the underlying contracts. The CSM amortization reflects the expected pattern of underwriting of the underlying contracts because the level of services provided depends on the number of underlying contracts in force.

###### Finance Income and Expenses from Insurance Contracts and from Reinsurance Contracts

For contracts measured under the GMM finance income and expenses from insurance contracts and from reinsurance contracts consider the effects of the time value of money, financial risks and their variations during the period on the carrying amount of groups of insurance contracts and of groups of reinsurance contracts.

The Group has made the accounting policy choice to include the finance income or expenses from insurance contracts and from reinsurance contracts in the statement of profit or loss and therefore does not disaggregate these between the statement of profit or loss and the statement of other comprehensive income.

###### Investment Components and Premium Refunds

Amounts received and payments related to investment components as well as premium refunds which meet the definition of an investment component are excluded from insurance service results in the statement of profit or loss.

###### Investment Contract Liabilities and Deposits

Investment contract liabilities relate to contracts that do not include a significant insurance risk but that contain a financial risk. These contracts are initially carried at fair value less transaction costs directly related to the establishment of the contracts and are subsequently measured at amortized cost. The liability is derecognized when it is extinguished, whether because all the obligations relating to this type of contract have been performed, cancelled or have expired.



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 3. Material accounting policies - cont'd

#### (a) Insurance Contracts and Reinsurance Contracts – cont'd

#### (xii) Presentation in the Statement of Profit or Loss – cont'd

##### Investment Contract Liabilities and Deposits – cont'd

Unclaimed amounts on matured policies are classified as financial liabilities at amortized cost and are initially recognized at fair value. Subsequently, maturities are measured at amortized cost using the effective interest rate method. Interest calculated on the effective interest rate is recognized in the statement of profit or loss and presented in (increase) decrease in investment contract liabilities.

#### (b) Deposit administration fund

##### (i) Group Pension Fund

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

##### (ii) Contingency Reserve

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

##### (iii) Fee Income

Fee income mainly comes from contracts that meet the definition of service contracts and include fees earned from the administration of the group pension fund. Fee income is recognized based on the considerations specified in the contract with the customer and excludes any amounts received on behalf of third parties. The nature of the activities included in the fee income represents a single performance obligation (service) which consists of a series of similar services provided to the same customer. The Company recognizes fee income in the statement of profit or loss over time when services are rendered and when it is unlikely that they will be reversed.

#### (c) Classification and measurement of financial instruments

##### Financial assets

IFRS 9 requires all financial assets to be assessed based on a combination of the Group's business model for managing the assets and the instruments' contractual cash flow characteristics. All financial assets are initially recognised at fair value, which includes transaction costs for financial investments not classified at fair value through profit or loss. Financial assets are recorded using trade date accounting at initial recognition. Financial assets are derecognised when the rights to receive cash flows from these financial investments have expired or where the Group has transferred substantially all risks and rewards of ownership.

The Group has classified its financial assets into the following categories: at fair value through profit or loss (FVPL), fair value through other comprehensive income (FVOCI) and at amortised cost.



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 3. Material accounting policies - cont'd

#### (c) Classification and measurement of financial instruments – cont'd

##### Financial assets

The Group's financial assets comprise government bonds, corporate bonds, equity investments, unit trusts, loans, mortgages, cash and cash equivalents, due from brokers and other receivables.

##### Financial liabilities

Financial liabilities are classified as amortised cost. The Group's financial liabilities comprise payables and accrued expenses.

##### Derecognition and modification of financial instruments

A financial asset (or portion of a financial asset) is derecognized when the contractual rights to the cash flows from the financial asset expire, or if the Group transfers to a third party the financial asset and substantially all the risks and rewards of the financial asset. If the Group does not transfer or retain substantially all the risks and rewards of the financial asset and keeps control over the ceded assets, the Group accounts for the part of the asset it kept and recognizes a corresponding liability for the amount payable.

The Group derecognises a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new instrument, with the difference recognised as a derecognition gain or loss. If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original effective interest rate, the Company records a modification gain or loss.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, the exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, with the difference in the respective carrying amounts recognised in the Statement of Profit and Loss.

The terms are deemed to be substantially different if the discounted present value of the cash flows under the new terms (discounted using the original effective interest rate) is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. Qualitative factors such as a change in the currency the instrument is denominated in, a change in the interest rate from fixed to floating and conversion features are also considered.



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 3. Material accounting policies - cont'd

#### (d) Financial Assets and Net Investment Income

Invested assets include financial assets such as cash and short-term investments, bonds, equity instruments, loans, other invested assets and investment properties. At initial recognition, all financial assets are recorded at fair value.

##### i) Cash and Short-Term Investments

Cash and short-term investments consist of cash, payments in transit and fixed income securities held for short-term commitments. Cash, payments in transit and some fixed income securities are classified at amortized cost and accounted for at amortized cost using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest method.

##### ii) Equity Instruments - Fair value through other comprehensive income (designated) and fair value through profit or loss

The Group elected to classify irrevocably certain equity instruments at fair value through other comprehensive income. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The remaining equities at fair value through profit or loss based on the Group's business model for managing these investments. Net gains and losses, including any interest or dividend income and foreign exchange gains and losses, are recognised in profit or loss, unless they arise from derivatives designated as hedging instruments in cash flow or net investment hedges.

##### iii) Bonds, Loans and Mortgages - Amortised cost

Bonds, loans and mortgages are classified as amortised cost as these financial assets are held in a business model whose objective is to hold to collect contractual cash flows and have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial recognition, interest-bearing bonds, loans and mortgages are subsequently measured at amortized cost using the effective interest method and are subject to impairment. Interest income on bonds, loans and mortgages is recorded in net investment income in the statement of profit or loss.

##### iv) Investment Properties

Investment properties are properties owned by the Group that are not owner-occupied and that are held to earn rental income or capital appreciation. Investment properties are recognized at the transaction price plus transaction costs upon acquisition. These properties are subsequently valued at fair value. Changes in fair value are recognized in net investment income in the statement of profit or loss. Rental income is recognized in the statement of profit or loss linearly according to the term of the lease, and operating expenses of properties are recorded in net investment income. The last valuation was done on 2024-02-10. Based on the Directors' opinion the net fair value of investment property approximated the stated value in the financial statements.



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 3. Material accounting policies - cont'd

#### (d) Financial Assets and Net Investment Income – cont'd

##### vi) Other Financial Assets

Due from brokers and other receivables are measured at amortized cost and presented as other assets. The simplified (impairment) approach is used when calculating the expected credit loss for trade account receivables, which represents the lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. Historical experience, external indicators and forward-looking information is used to calculate the expected credit losses.

#### (e) Financial Liabilities

Accounts payable and other liabilities (excluding derivative liabilities) are measured at amortized cost. For these financial instruments, carrying value approximates fair value due to their short-term nature.

#### (f) Fair Value

Fair value is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. When a financial instrument is initially recognized, its fair value is generally the value of the consideration paid or received. Subsequent to initial recognition, the fair value of a financial asset or liability quoted in an active market is generally the closing price. For financial instruments such as cash equivalents and short-term investments that have a short duration, the carrying value of these instruments approximates fair value.

Fair value measurements used in these financial statements have been classified using a fair value hierarchy based upon the transparency of the inputs used in making the measurements. The three levels of the hierarchy are:

- Level 1 – Fair value is based on unadjusted quoted prices for identical assets or liabilities in an active market. The types of financial instruments classified as Level 1 generally include cash and exchange traded common and preferred shares and derivatives.
- Level 2 – Fair value is based on quoted prices for similar assets or liabilities in active markets, valuation that is based on significant observable inputs, or inputs that are derived principally from or corroborated with observable market data through correlation or other means. The types of financial instruments classified as Level 2 generally include cash equivalents, short-term investments, government bonds, certain corporate and private bonds, loans, certain common shares (real estate limited partnership units) and over the counter derivatives.
- Level 3 – Fair value is based on valuation techniques that require one or more significant inputs that are not based on observable market inputs. These unobservable inputs reflect the Company's expectations about the assumptions market participants would use in pricing the asset or liability.

All of the Group's financial instruments requiring fair value measurement meet the requirements of Level 1 or Level 2 of the fair value hierarchy.



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 3. Material accounting policies - cont'd

#### (g) Impairment of Financial Assets

At the end of each reporting period, the Group applies a three-stage impairment model to measure the allowance for credit losses on all financial assets classified at amortized cost. The expected credit losses model is forward looking. Measurement of the allowance for credit losses reflects reasonable and supportable information about past events, current conditions, and forecasts of future events and economic conditions. The amount of the allowance for credit losses therefore reflects changes in credit risk since the initial recognition of the financial asset.

##### Determining the Stage

The expected credit losses model uses a three-stage impairment approach, based on the change in the credit quality of financial assets since initial recognition. If, at the reporting date, the credit risk of non-impaired financial assets has not increased significantly since initial recognition, these financial assets are classified in Stage 1, and an allowance for credit losses, which is measured at each reporting date at an amount equal to 12-month expected credit losses, is recorded.

When there is a significant increase in credit risk since initial recognition, these non-impaired financial assets are migrated to Stage 2, and an allowance for credit losses, that is measured, at each reporting date, at an amount equal to lifetime expected credit losses, is recorded. In subsequent reporting periods, if the credit risk of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, in accordance with the expected credit losses model, the financial asset must be reverted to Stage 1.

When one or more events that have a detrimental impact on the estimated future cash flows of a financial asset have occurred, the financial asset is considered credit-impaired and is migrated to Stage 3, and an allowance for credit losses equal to lifetime expected losses continues to be recorded or the financial asset is written off.

The interest income is calculated on the gross carrying amount for financial assets in Stages 1 and 2 and on the net carrying amount for financial assets in Stage 3.

Financial assets may, over their life, move from one impairment model stage to another based on the improvement or deterioration in their credit risk and their level of expected credit losses. Financial assets are always classified in the various stages of the impairment model based on the change in credit risk between the initial recognition date of the financial asset and the reporting date, and an analysis of evidence of impairment.

##### Definition of Default and Credit-Impaired Financial Asset

The definition of default used in the impairment model corresponds to the definition used for internal credit risk management purposes. Regardless of the above analysis, the Group considers that default occurs when contractual payments on the financial asset are in arrears for more than 90 days, unless the Company has reasonable and justifiable information to demonstrate that a late default criterion is more appropriate. A financial asset is considered credit-impaired when it is in default, unless the detrimental impact on estimated future cash flows is considered insignificant.



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 3. Material accounting policies - cont'd

#### (g) Impairment of Financial Assets – cont'd

##### Measurement of the Allowance for Credit Losses

The allowance for credit losses reflects an unbiased amount, based on a probability-weighted present value of cash flow shortfalls, and takes into account reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. The cash shortfall is the difference between all contractual cash flows owed to the Group and all the cash flows that the Group expects to receive.

The measurement of the allowance for credit losses is estimated for each exposure at the reporting date and is based on the result of multiplying the three credit risk parameters, namely probability of default, loss given default and exposure at default. The result of this multiplication is then discounted using the effective interest rate. The parameters are estimated using an appropriate segmentation that considers common credit risk characteristics.

For financial assets in Stage 1 of the impairment model, credit risk parameters are projected over a maximum horizon of 12 months, while for those in Stage 2 or Stage 3, they are projected over the remaining life of the financial asset. Expected remaining life is the maximum contractual period the Group is exposed to credit risk, including extension options which the borrower has a unilateral right to exercise. The allowance for credit losses also considers information about future economic conditions. Incorporating forward-looking information is based on a set of assumptions and methodologies specific to credit risk and economic projections and therefore requires a high degree of judgment.

##### Write-offs

A financial asset and its related allowance for credit losses is normally written off in whole or in part when the Group considers the probability of recovery to be non-existent and when all guarantees and other remedies available to the Group have been exhausted or if the borrower is bankrupt or winding up and balances owing are not likely to be recovered.



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 3. Material accounting policies - cont'd

#### (h) 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.

#### (i) Taxation

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

#### (j) Property, equipment and depreciation

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

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

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

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

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

#### (k) Defined Benefit 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.



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 3. Material accounting policies - cont'd

#### (l) Leases

##### As Lessor

Leases are classified at inception as either operating or finance based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership. The minimum lease payments of operating leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the item, are recognized as an income on a straight-line basis over the term of the lease.

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

#### (m) Segment reporting

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

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

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

#### (n) Investment in Associates

Associates are entities over which the Company or Group has significant influence but not control or joint control, generally evidenced by an ownership interest of 20% to 50% of the voting rights.

Investments in associates are accounted for using the equity method.



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 4. Critical accounting judgment and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS 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.

- (i) Significant judgments, estimates and assumptions that have changed or are new under IFRS 17 and IFRS 9 include:
  - The actuarial assumptions, such as mortality, longevity, morbidity, expense and policyholder behaviour, used in the valuation of insurance contract liabilities require significant judgment and estimation (note 27).
  - Management uses judgment in determining the coverage units which are based on an estimate of the quantity of coverage provided by the contracts in a group, considering the quantity of benefits provided and the expected coverage duration.
  - In determining discount rates to apply to most insurance contract liability cash flows, the Group generally uses the bottom-up approach, based on risk-free rates, plus an illiquidity premium, which requires judgment.
  - When determining the risk adjustment for non-financial risk, the Group applies significant judgment in reflecting diversification and calculating the confidence level.
  - Sources of estimation uncertainty include expected claims payments and expenses required to settle existing insurance contract obligations. The key assumptions used in the calculation of the liability for incurred claims include claims development, claims costs inflation and medical trends.
  - The measurement of impairment losses under IFRS 9 across relevant financial assets requires judgment, in particular for the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk.

#### (ii) Valuation of Investment Property and Property & Equipment

The Company and Group measures investment property and certain classes of property and equipment at fair value. Independent professional valuers are engaged periodically to determine these amounts using recognized valuation techniques. The valuations require judgment in selecting methods and key inputs and assumptions about market conditions. Changes in these estimates could materially affect the reported carrying values.



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 5 Insurance revenue and insurance service results

Analysis of the total insurance revenue, insurance service expenses, and net expense from reinsurance contracts held recognised during the year is shown in the following tables. Note that the Company has not written any onerous insurance contracts nor have any insurance contracts became onerous during the year. Consequently, no losses from onerous insurance contracts have been recognised in the profit or loss.

	Company		Group	
	2024	2023	2024	2023
	G\$	G\$	G\$	G\$
Contracts measured under the GMM				
Changes in liabilities for remaining coverage:				
Contractual service margin recognized for services provided	23,352,835	24,899,784	23,352,835	24,899,784
Change in risk adjustment for non-financial risk for risk expired	25,668,028	15,704,006	25,668,028	15,704,006
Expected incurred claims and other insurance service expenses	189,006,681	195,084,380	189,006,681	195,084,380
Recovery of insurance acquisition cash flows and experience adjustments	(304,063)	(27,051,154)	(304,063)	(27,051,154)
	<u>237,723,481</u>	<u>208,637,015</u>	<u>237,723,481</u>	<u>208,637,015</u>
Contracts measured under the PAA	629,523,661	523,396,514	693,674,034	582,946,919
Total insurance revenue	<u>867,247,142</u>	<u>732,033,529</u>	<u>931,397,515</u>	<u>791,583,934</u>

### 6 Insurance service expenses, operating and administrative expenses

Claims and benefits	399,185,069	347,848,575	424,499,346	373,707,046
Losses and reversal of losses onerous contracts	401,449,127	262,778,260	401,449,127	262,778,260
Allocation of reinsurance premiums and amounts recoverable	60,704,185	(1,326,714)	60,704,185	(1,326,714)
Actuarial fees	17,992,200	19,891,375	17,992,200	19,891,375
Auditor's remuneration	1,121,944	5,658,356	1,121,944	5,658,356
Directors' emoluments (a)	6,097,032	6,405,912	6,097,032	6,405,912
Depreciation	15,267,290	16,430,973	15,499,194	16,604,901
Employment cost	232,716,828	172,409,213	237,014,790	176,286,527
Pension contributions	9,994,874	8,850,969	9,994,874	8,850,969
Operating expenses	42,255,936	33,471,673	51,611,049	37,638,403
Commissions:				
Ordinary Life	11,001,395	12,992,502	11,001,395	12,992,502
Group Life	22,603,879	23,066,580	22,603,879	23,066,580
Group Health	35,629,545	20,193,458	35,629,545	20,193,458
<b>Total expenses</b>	<u>1,256,019,304</u>	<u>928,671,131</u>	<u>1,295,218,560</u>	<u>962,747,574</u>
Represented by:				
Insurance services expenses	1,083,241,647	784,033,195	1,118,660,098	816,832,644
Net (income) expense from reinsurance contracts held	(26,707,383)	3,732,002	(26,707,383)	3,732,002
Operating and administrative expenses	<u>199,485,040</u>	<u>140,905,934</u>	<u>203,265,845</u>	<u>142,182,928</u>
	<u>1,256,019,304</u>	<u>928,671,131</u>	<u>1,295,218,560</u>	<u>962,747,574</u>
(a) Directors' emoluments:				
Chairman: J. G. Carpenter	1,921,680	1,830,156	1,921,680	1,830,156
Non Executive Directors:				
W. A. Lee	571,968	1,143,939	571,968	1,143,939
P. A. Chan-A-Sue	1,201,128	1,143,939	1,201,128	1,143,939
I. A. McDonald	1,201,128	1,143,939	1,201,128	1,143,939
T. A. Parris	1,201,128	1,143,939	1,201,128	1,143,939
	<u>6,097,032</u>	<u>6,405,912</u>	<u>6,097,032</u>	<u>6,405,912</u>



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

	Company		Group	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	G\$	G\$	G\$	G\$
<b>7 Net investment income/(expense)</b>				
Dividend income	26,605,861	32,982,771	26,605,861	32,982,771
Net realised and unrealised losses on investments at FVTPL	43,110,440	(30,262,311)	43,110,440	(30,262,311)
Foreign exchange losses	1,105,274	(3,647,502)	1,105,274	(3,647,502)
Interest income from participation in mortgages and loans	146,705,831	12,451,063	146,705,831	12,451,063
Net interest income from cash deposits and short-term investments	18,298,027	17,512,802	18,298,027	17,512,802
Taxes deducted at source from investments of statutory fund (i)	(4,922,048)	(3,816,646)	(4,922,048)	(3,816,646)
Share of profit net of dividend from associate company	-	-	43,581,001	-
	<u>230,903,385</u>	<u>25,220,177</u>	<u>274,484,386</u>	<u>25,220,177</u>
(i) Taxation on the Company has been computed based on the applicable tax laws relating to Life Insurance Companies.				
<b>8 Fees and other income</b>				
Rental	30,000,000	30,000,000	30,327,600	30,000,000
Miscellaneous	4,334,788	4,488,544	1,147,269	1,848,973
	<u>34,334,788</u>	<u>34,488,544</u>	<u>31,474,869</u>	<u>31,848,973</u>
<b>9(a) Insurance finance income/(expense) from insurance contracts issued</b>				
Interest accreted	(154,763,277)	(153,881,327)	(154,763,277)	(153,881,327)
Effect of changes in interest rates and other financial assumptions	(15,785,506)	410,240,272	(15,785,506)	410,240,272
	<u>(170,548,783)</u>	<u>256,358,945</u>	<u>(170,548,783)</u>	<u>256,358,945</u>
<b>9(b) Finance income/(expense) from reinsurance contracts held</b>				
Interest accreted	16,640,392	21,225,484	16,640,392	21,225,484
Effect of changes in interest rates and other financial assumptions	(904,398)	(78,711,268)	(904,398)	(78,711,268)
	<u>15,735,994</u>	<u>(57,485,784)</u>	<u>15,735,994</u>	<u>(57,485,784)</u>
<b>Total net investment result and net insurance income/ (expense)</b>	<u>76,090,596</u>	<u>224,093,338</u>	<u>119,671,597</u>	<u>224,093,338</u>



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 10 (a) Property & equipment

Company	Office				Total G\$
	Freehold Land and buildings G\$	Furniture and Equipment G\$	Computer Equipment G\$	Motor Vehicle G\$	
Cost					
At 1 January 2023	263,616,670	15,375,518	14,674,831	46,388,649	340,055,668
Additions	-	2,767,469	15,528,754	-	18,296,223
Disposals	-	(47,513)	(478,461)	-	(525,974)
At 31 December 2023	263,616,670	18,095,474	29,725,124	46,388,649	357,825,917
Additions	-	473,469	37,628,785	-	38,102,254
Revaluation	329,483,330	-	-	-	329,483,330
Disposals	-	(362,989)	(454,203)	-	(817,192)
At 31 December 2024	593,100,000	18,205,954	66,899,706	46,388,649	724,594,309
Accumulated Depreciation					
At 1 January 2023	-	9,197,641	7,133,982	10,745,050	27,076,673
Charge for the year	515,124	882,806	7,904,324	7,128,720	16,430,974
Written back on disposals	-	(39,032)	(476,132)	-	(515,164)
At 31 December 2023	515,124	10,041,415	14,562,174	17,873,770	42,992,483
Charge for the year	831,698	821,068	7,911,548	5,702,976	15,267,290
Transfer	-	-	-	-	-
Written back on disposals	-	(237,703)	(450,333)	-	(688,036)
At 31 December 2024	1,346,822	10,624,780	22,023,389	23,576,746	57,571,737
Net book values:					
At 31 December 2023	263,101,546	8,054,059	15,162,950	28,514,879	314,833,434
At 31 December 2024	591,753,178	7,581,174	44,876,317	22,811,903	667,022,572



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 10 (a) Property & equipment Group

	Freehold	Office	Computer	Motor	Total
	Land and buildings	Furniture and Equipment	Equipment	Vehicle	
	G\$	G\$	G\$	G\$	G\$
Cost					
At 1 January 2023	263,616,670	15,375,518	14,674,831	46,388,649	340,055,668
Additions	-	3,695,085	15,528,754	-	19,223,839
Disposals	-	(47,513)	(478,461)	-	(525,974)
At 31 December 2023	263,616,670	19,023,090	29,725,124	46,388,649	358,753,533
Additions	-	473,469	37,628,785	-	38,102,254
Revaluation	329,483,330	-	-	-	329,483,330
Disposals	-	(362,989)	(454,203)	-	(817,192)
At 31 December 2024	593,100,000	19,133,570	66,899,706	46,388,649	725,521,925
Accumulated Depreciation					
At 1 January 2023	-	9,197,641	7,133,982	10,745,050	27,076,673
Charge for the year	515,124	1,056,734	7,904,324	7,128,720	16,604,902
Written back on disposals	-	(39,032)	(476,132)	-	(515,164)
At 31 December 2023	515,124	10,215,343	14,562,174	17,873,770	43,166,411
Charge for the year	831,698	1,052,972	7,911,548	5,702,976	15,499,194
Written back on disposals	-	(237,703)	(450,333)	-	(688,036)
At 31 December 2024	1,346,822	11,030,612	22,023,389	23,576,746	57,977,569
Net book values:					
At 31 December 2023	263,101,546	8,807,747	15,162,950	28,514,879	315,587,122
At 31 December 2024	591,753,178	8,102,958	44,876,317	22,811,903	667,544,356

### 10 (b) Investment property

	Company & Group	
	2024	2023
	G\$	G\$
At 1 January	800,000,000	800,000,000
Change during the year in Fair Value	340,500,000	-
Closing balance as at 31 December	1,140,500,000	800,000,000

#### (b) (i) Leases as lessor

Investment property comprises a number of commercial properties that are leased to third parties at fixed rates. All leases are classified as operating leases from a lessor perspective. During 2024, investment property rentals of G\$30,000,000 (2023- G\$30,000,000) were included in other income.

At 31 December, the maturity analysis of lease payments, showing undiscounted lease payments to be received after the reporting date is as follows:

	2024	2023
	G\$	G\$
Less than one year	30,000,000	30,000,000
Between two and four years	90,000,000	90,000,000
Five years	30,000,000	30,000,000



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 11 Investments and Fair Value Measurement

The following table presents the classifications and carrying amounts of invested assets in accordance with IFRS 9, together with the fair value hierarchy level.

As at December 31, 2024	Company			Total carrying value	IFRS 13 Level	Fair value
	At fair value	At amortized cost	Other			
	G\$	G\$	G\$	G\$		G\$
<b>Cash and short-term investments (note 14)</b>	-	654,916,754	-	654,916,754	2	654,916,754
<b>Bank overdraft</b>	-	(22,407,871)	-	(22,407,871)	2	(22,407,871)
Corporate and other	-	20,000,000	-	20,000,000	2	20,000,000
Interest accrued	-	14,097,621	-	14,097,621	2	14,097,621
	-	666,606,504	-	666,606,504		666,606,504
<b>Equity instruments</b>						
Common and preferred shares at FVOCI	9,302,584,857	-	-	9,302,584,857	1	9,302,584,857
Common shares at FVTPL	118,599,504	-	-	118,599,504	1	118,599,504
Investment fund units	80,223,542	-	-	80,223,542	1	80,223,542
	9,501,407,903	-	-	9,501,407,903		9,501,407,903
<b>Loans</b>						
Mortgages	-	233,120,730	-	233,120,730	2	233,120,730
Participating loans	-	334,216,160	-	334,216,160	2	334,216,160
Other loan	-	1,501,962,943	-	1,501,962,943	2	1,501,962,943
	-	2,069,299,833	-	2,069,299,833		2,069,299,833
<b>Other invested assets</b>						
Investment property	1,140,500,000	-	-	1,140,500,000	2	1,140,500,000
Cash on hand and Banks	654,916,754	-	-	654,916,754		654,916,754
Investment in subsidiary	-	-	88,000,000	88,000,000		88,000,000
<b>Total invested assets</b>	<b>11,296,824,657</b>	<b>2,735,906,337</b>	<b>88,000,000</b>	<b>14,120,730,994</b>		<b>14,120,730,994</b>
<b>As at December 31, 2023</b>						
<b>Cash and short-term investments (note 14)</b>	-	1,324,619,159	-	1,324,619,159	2	1,324,619,159
<b>Bank overdraft</b>	-	(7,414,635)	-	(7,414,635)	2	(7,414,635)
Corporate and other	-	10,391,772	-	10,391,772	2	10,391,772
Interest accrued	-	20,343,730	-	20,343,730	2	20,343,730
	-	1,347,940,026	-	1,347,940,026		1,347,940,026
<b>Equity instruments</b>						
Common and preferred shares at FVOCI	8,517,737,906	-	-	8,517,737,906	1	8,517,737,906
Common shares at FVTPL	109,873,011	-	-	109,873,011	1	109,873,011
Investment fund units	23,466,731	-	-	23,466,731	1	23,466,731
	8,651,077,648	-	-	8,651,077,648		8,651,077,648
<b>Loans</b>						
Mortgages	-	189,972,603	-	189,972,603	2	189,972,603
Participating loans	-	104,775,830	-	104,775,830	2	104,775,830
Other loan	-	1,338,326,350	-	1,338,326,350	2	1,338,326,350
	-	1,633,074,783	-	1,633,074,783		1,633,074,783
<b>Other invested assets</b>						
Investment property	800,000,000	-	-	800,000,000	2	800,000,000
Cash on hand and Banks	1,324,619,159	-	-	1,324,619,159		1,324,619,159
Investment in subsidiary	-	-	88,000,000	88,000,000		88,000,000
<b>Total invested assets</b>	<b>10,775,696,807</b>	<b>2,981,014,809</b>	<b>88,000,000</b>	<b>13,844,711,616</b>		<b>13,844,711,616</b>



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 11 Investments and Fair Value Measurement - Cont'd

As at December 31, 2024	Group			Total carrying value	IFRS 13 Level	Fair value
	At fair value	At amortized cost	Other			
	G\$	G\$	G\$	G\$		G\$
<b>Cash and short-term investments (note 14)</b>	-	654,916,754	-	654,916,754	2	654,916,754
<b>Bank overdraft</b>	-	(22,407,871)	-	(22,407,871)	2	(22,407,871)
Corporate and other	-	20,000,000	-	20,000,000	2	20,000,000
Interest accrued	-	14,097,621	-	14,097,621	2	14,097,621
	-	666,606,504	-	666,606,504		666,606,504
<b>Equity instruments</b>						
Common and preferred shares at FVOCI	9,673,051,802	-	-	9,673,051,802	1	9,673,051,802
Common shares at FVTPL	118,599,504	-	-	118,599,504	1	118,599,504
Investment fund units	80,223,542	-	-	80,223,542	1	80,223,542
	9,871,874,848	-	-	9,871,874,848		9,871,874,848
<b>Loans</b>						
Mortgages	-	233,120,730	-	233,120,730	2	233,120,730
Participating loans	-	334,216,160	-	334,216,160	2	334,216,160
Other loan	-	1,501,962,943	-	1,501,962,943	2	1,501,962,943
	-	2,069,299,833	-	2,069,299,833		2,069,299,833
<b>Other invested assets</b>						
Investment property	1,140,500,000	-	-	1,140,500,000	2	1,140,500,000
Investment in subsidiary	-	-	88,000,000	88,000,000		88,000,000
Cash on Hand and Banks	698,913,830.00	-	-	698,913,830		698,913,830
<b>Total invested assets</b>	<b>11,711,288,678</b>	<b>2,735,906,337</b>	<b>88,000,000</b>	<b>14,535,195,015</b>		<b>14,535,195,015</b>
<b>As at December 31, 2023</b>						
<b>Cash and short-term investments (note 14)</b>	-	1,324,619,159	-	1,324,619,159	2	1,324,619,159
<b>Bank overdraft</b>	-	(7,414,635)	-	(7,414,635)	2	(7,414,635)
Corporate and other	-	10,391,772	-	10,391,772	2	10,391,772
Interest accrued	-	20,343,730	-	20,343,730	2	20,343,730
	-	1,347,940,026	-	1,347,940,026		1,347,940,026
<b>Equity instruments</b>						
Common and preferred shares at FVOCI	8,876,372,181	-	-	8,876,372,181	1	8,876,372,181
Common shares at FVTPL	109,873,011	-	-	109,873,011	1	109,873,011
Investment fund units	28,332,731	-	-	28,332,731	1	28,332,731
	9,014,577,923	-	-	9,014,577,923		9,014,577,923
<b>Loans</b>						
Mortgages	-	189,972,603	-	189,972,603	2	189,972,603
Participating loans	-	104,775,830	-	104,775,830	2	104,775,830
Other loan	-	1,338,326,350	-	1,338,326,350	2	1,338,326,350
	-	1,633,074,783	-	1,633,074,783		1,633,074,783
<b>Other invested assets</b>						
Investment property	800,000,000	-	-	800,000,000	2	800,000,000
Cash on Hand and Banks	1,350,842,612	-	-	1,350,842,612		1,350,842,612
<b>Total invested assets</b>	<b>11,165,420,535</b>	<b>2,981,014,809</b>	<b>-</b>	<b>12,795,592,732</b>		<b>14,146,435,344</b>

Other financial assets (accrued interest, receivables and prepayments) and other financial liabilities (payables and accrued expenses) are classified at amortized cost under IFRS 9. Their carrying amounts approximate fair value.



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 11 Investments - Carrying Value and Fair Value - Cont'd

#### **Fair Value of Financial Instruments and Investment Property**

##### **Fair value measurements recognised in the statement of financial position**

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

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).

There were no transfers between levels during 2024 and 2023.

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

Fair value of various categories of financial instruments and investment property is determined as described below.

##### **Property & Equipment**

The fair value of property and equipment is determined using various recognized methods was revalued and standards of assessment in the real estate sector. The Hand-in-Hand Mutual Life Assurance Limited property and equipment was revalued on the 10th February 2024 by Mr. Denroy E. Livan , Assistant Valuation Officer. A surplus of \$ 329,483,330 was credited to reserve account.

##### **Investment Property**

The fair value of investment properties is determined using various recognized was revalued methods and standards of assessment in the real estate sector. The Hand-in-Hand Mutual life Assurance Limited investment property was revalued on the 10th February 2024 by Mr. Denroy E. Livan , Assistant Valuation Officer. A surplus of \$ 340,500,000 was credited to reserve account.

##### **Bonds**

Bonds are valued based on quoted price, observed on active markets for identical or similar assets. If prices are not available on active markets, fair value is estimated using current valuation methods that takes into account current data observable on the market for financial instruments that have similar risk profiles and comparable terms.

##### **Equity instruments**

Equities are valued based on quote price, observed on active markets. Unit Trusts and other investment funds are valued using net asset values which are not subject to a significant adjustment for restrictions on redemption or for limited trading activity.

##### **Loans and mortgages**

The fair value of loans and mortgages is estimated by discounting the cash flows with the interest rates currently prevailing on the market for comparable loans and adjusted for credit risk and terms. They are guaranteed and may be repaid at any time. Other loans are carried at amortized cost. The fair value of other loans approximates their carrying value due to their nature.



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 12 Impairment of Financial Assets

The following tables presents the gross carrying value and the allowance for credit losses by stage for financial assets.

(i) Mortgages on properties

Stage 1	Total
Gross carrying value	G\$
At 1 January 2023	184,042,092
Addition	15,000,000
Repayments	(9,009,585)
	<u>190,032,507</u>
Less: provision for impairment	(59,904)
Carrying value at 31 December 2023	<u>189,972,603</u>
Addition	57,175,272
Repayments	(13,591,305)
	<u>233,556,570</u>
Less: net increase in allowance for credit losses (note 26 (b))	(435,840)
Carrying value at 31 December 2024	<u>233,120,730</u>

(ii) Loan to The Hand-in-Hand Mutual Fire Insurance Company Limited

Stage 1	Total
Gross carrying value	G\$
At 1 January 2023	1,045,334,461
Addition	321,116,021
Repayments	(28,124,132)
	<u>1,338,326,350</u>
Carrying value at 31 December 2023	<u>1,338,326,350</u>
Addition	260,000,000
Repayments	(96,363,407)
Carrying value at 31 December 2024	<u>1,501,962,943</u>

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

Stage 1	Total
Gross carrying value	G\$
At 1 January 2023	88,425,950
Repayments	16,515,031
	<u>104,940,981</u>
Less: provision for impairment	(165,151)
Carrying value at 31 December 2023	<u>104,775,830</u>
Addition	295,000,000
Repayments	(63,242,091)
	<u>336,533,739</u>
Less: net increase in allowance for credit losses (note 26 (b))	(2,317,579)
Carrying value at 31 December 2024	<u>334,216,160</u>

There were no transfers amongst stages.



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 12 Impairment of Financial Assets - Cont'd

(iv) Corporate bonds		
Stage 1		Total
Gross and net carrying value		G\$
At 31 December 2024		<u>20,000,000</u>
At 31 December 2023		<u>10,000,000</u>
Comprised of:		
Non-current bonds, loans and receivables		1,667,874,685
Current loans and receivables		<u>421,425,148</u>
		<u>2,089,299,833</u>

#### (a) Inter - Company Loan

Interest is charged at a rate of 6% on total of \$1,501,962,943 per annum. Security held on this loan is an agreement between both Hand-in-Hand Mutual Life Assurance Company Limited and The Hand-in-Hand Mutual Fire Insurance Company Ltd.

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

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

### 13 Receivables and prepayments

	Company	
	<u>2024</u>	<u>2023</u>
	G\$	G\$
Other receivable	390,553,694	379,311,050
Hand-in-Hand Investment USA Inc.	1,327,233,974	1,314,443,181
Sundry receivables	630,000	630,000
Less: allowance for credit losses (note 26 (b))	<u>(2,753,419)</u>	<u>(225,055)</u>
	<u>1,715,664,249</u>	<u>1,694,159,176</u>
	Group	
	<u>2024</u>	<u>2023</u>
	G\$	G\$
Other receivable	379,140,430	375,213,393
Hand-in-Hand Investment USA Inc.	1,327,233,974	1,314,443,181
Sundry receivables	630,000	630,000
Less: allowance for credit losses (note 26 (b))	<u>(2,753,419)</u>	<u>(225,055)</u>
	<u>1,704,250,985</u>	<u>1,690,061,519</u>

### 14 Cash on hand and at banks

	Company	
	<u>2024</u>	<u>2023</u>
	G\$	G\$
Non statutory deposits:		
Deposits - others	367,940,912	1,107,409,570
Current accounts	286,955,842	217,189,589
Cash on hand	20,000	20,000
	<u>654,916,754</u>	<u>1,324,619,159</u>

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





# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 17 Insurance Contracts and Reinsurance Contracts

Carrying Amount of Portfolios of Insurance Contracts and Reinsurance Contracts

As at December 31, 2024	Ordinary Life	Annuity Fund	Group Life Fund	Group Health Fund	Total
	G\$	G\$	G\$	G\$	G\$
<b>Insurance contracts (notes 18 (a) - 18(b); notes 19 - 19(a))</b>					
Insurance contract liabilities measured under the GMM	1,966,342,337	968,608,214	-	-	2,934,950,551
Insurance contract liabilities measured under the PAA	-	-	16,063,182	36,813,748	52,876,930
Subtotal	<u>1,966,342,337</u>	<u>968,608,214</u>	<u>16,063,182</u>	<u>36,813,748</u>	<u>2,987,827,481</u>
<b>Reinsurance contracts (notes 18(c) - 19(a))</b>					
Reinsurance contract assets measured under the GMM	321,378,910	-	-	-	321,378,910
Reinsurance contract assets measured under the PAA	-	-	780,026	7,706,083	8,486,109
Subtotal	<u>321,378,910</u>	<u>-</u>	<u>780,026</u>	<u>7,706,083</u>	<u>329,865,019</u>
<b>As at December 31, 2023</b>					
<b>Insurance contracts (notes 18 (a) - 18(b); notes 19 - 19(a))</b>					
Insurance contract liabilities measured under the GMM	1,541,326,428	814,946,450	-	-	2,356,272,878
Insurance contract liabilities measured under the PAA	-	-	19,297,729	82,646,898	101,944,627
Subtotal	<u>1,541,326,428</u>	<u>814,946,450</u>	<u>19,297,729</u>	<u>82,646,898</u>	<u>2,458,217,505</u>
<b>Reinsurance contracts (notes 18(c) - 19(a))</b>					
Reinsurance contract assets measured under the GMM	241,863,382	-	-	-	241,863,382
Reinsurance contract assets measured under the PAA	-	-	19,762,564	16,169,371	35,931,935
Subtotal	<u>241,863,382</u>	<u>-</u>	<u>19,762,564</u>	<u>16,169,371</u>	<u>277,795,317</u>



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 18(a) Roll-Forward of Net Insurance Contract Liabilities (Assets) by Remaining Coverage and Incurred Claims

The tables below show the roll forward of the liability for insurance contracts issued, showing the liabilities for remaining coverage (excluding onerous component) and liabilities for incurred claims.

	Liability for remaining coverage		Liabilities for incurred claims			
	Excluding onerous contracts component	Onerous contracts component	GMM Groups	(PAA Groups)		Total
				Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
	G\$	G\$	G\$	G\$	G\$	G\$
Insurance contract liabilities at 1 January 2024	2,064,247,233	249,722,730	77,305,575	62,600,170	4,341,797	2,458,217,505
Insurance service result:						
Insurance revenue						
Contracts under the fair value transition approach	(191,893,109)	-	-	-	-	(191,893,109)
Other contracts	(675,354,032)	-	-	-	-	(675,354,032)
<i>Insurance revenue</i>	(867,247,141)	-	-	-	-	(867,247,141)
Incurred claims and other insurance service expenses	-	(54,379,551)	142,889,425	493,169,342	12,158,295	593,837,511
Insurance acquisition costs	57,307,458	-	-	-	-	57,307,458
Losses and reversal of losses on onerous contracts	-	433,561,211	-	-	-	433,561,211
Changes to liabilities for incurred claims	-	-	12,455,034	(3,901,881)	(10,017,686)	(1,464,533)
<i>Insurance service expenses</i>	57,307,458	379,181,660	155,344,459	489,267,461	2,140,609	1,083,241,647
Finance expense (income) from insurance contracts	152,598,293	17,595,047	(1,029,363)	994,808	389,998	170,548,783
						-
Amounts recognized in Statement of Profit or Loss	(657,341,390)	396,776,707	154,315,096	490,262,269	2,530,607	386,543,289
Investment components	(25,290,109)	-	25,290,109	-	-	-
<i>Cash flows</i>						
Premiums received	871,782,250	-	-	-	-	871,782,250
Claims and other insurance service expenses paid, including investment components	-	-	(131,909,727)	(527,571,016)	-	(659,480,743)
Insurance acquisition cash flows	(69,234,820)	-	-	-	-	(69,234,820)
Total cash flows	802,547,430	-	(131,909,727)	(527,571,016)	-	143,066,687
Insurance contract liabilities at 31 December 2024	2,184,163,164	646,499,437	125,001,053	25,291,423	6,872,404	2,987,827,481



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 18(a) Roll-Forward of Net Insurance Contract Liabilities (Assets) by Remaining Coverage and Incurred Claims - cont'd

	Liability for remaining		Liabilities for incurred claims			Total G\$
	Excluding onerous contracts G\$	Onerous contracts component G\$	GMM Groups G\$	(PAA Groups) Estimates of present value of future G\$		
				Risk adjustment for non- G\$		
Insurance contract liabilities at 1 January 2023	2,343,839,514	18,972,373	51,243,947	76,390,895	3,634,693	2,494,081,422
Insurance service result:						
Insurance revenue						
Contracts under the fair value transition approach	(186,943,176)	-	-	-	-	(186,943,176)
Other contracts	(545,090,353)	-	-	-	-	(545,090,353)
<i>Insurance revenue</i>	<i>(732,033,529)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(732,033,529)</i>
Incurred claims and other insurance service expenses	-	(32,027,903)	166,576,408	361,099,123	-	495,647,628
Insurance acquisition costs	21,442,575	-	-	-	-	21,442,575
Losses and reversal of losses on onerous contracts	-	262,778,260	-	-	-	262,778,260
Changes to liabilities for incurred claims	-	-	(15,028,063)	18,385,852	806,944	4,164,733
<i>Insurance service expenses</i>	<i>21,442,575</i>	<i>230,750,357</i>	<i>151,548,345</i>	<i>379,484,975</i>	<i>806,944</i>	<i>784,033,195</i>
Finance expense (income) from insurance contracts	(259,070,085)	-	1,640,404	1,170,575	(99,839)	(256,358,945)
Amounts recognized in Statement of Profit or Loss	(969,661,040)	230,750,357	153,188,750	380,655,550	707,105	(204,359,279)
Investment components	(25,869,612)	-	25,869,612	-	-	-
<i>Cash flows</i>						
Premiums received	766,477,874	-	-	-	-	766,477,874
Claims and other insurance service expenses paid, including investment components	-	-	(152,996,734)	(394,446,275)	-	(547,443,009)
Insurance acquisition cash flows	(50,539,502)	-	-	-	-	(50,539,502)
Total cash flows	715,938,372	-	(152,996,734)	(394,446,275)	-	168,495,363
Insurance contract liabilities at 31 December 2023	2,064,247,233	249,722,730	77,305,575	62,600,170	4,341,797	2,458,217,505



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 18(b) Roll-Forward of Net Insurance Contract Liabilities (Assets) by Measurement Component

The tables below present a roll-forward of the net asset or liability for insurance contracts issued showing estimates of the present value of expected future cash flows, risk adjustment and CSM. These tables exclude insurance contracts measured using the PAA.

	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	CSM		Total
			Contractual service margin (Other contracts)	Contractual service margin (Contracts under fair value approach)	
	G\$	G\$	G\$	G\$	G\$
Insurance contract liabilities at 1 January 2024	1,983,220,353	168,572,192	163,663,210	40,817,123	2,356,272,878
<i>Changes that relate to current service</i>					
Contractual service margin recognized for services provided	-	-	(19,809,986)	(3,542,849)	(23,352,835)
Change in risk adjustment for non-financial risk for risk expired	-	(53,706,639)	-	-	(53,706,639)
Experience adjustments	(61,637,081)	-	-	-	(61,637,081)
	(61,637,081)	(53,706,639)	(19,809,986)	(3,542,849)	(138,696,555)
<i>Changes that relate to future services</i>					
Contracts initially recognized in the period	41,150,091	3,428,489	34,013,723	-	78,592,303
Changes in estimates that adjust the contractual service margin	(28,406,400)	9,552,270	41,201,327	(22,347,197)	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	270,028,081	84,940,828	-	-	354,968,909
	282,771,772	97,921,587	75,215,050	(22,347,197)	433,561,212
<i>Changes that relate to past services</i>					
Changes to liabilities for incurred claims	12,455,034	-	-	-	12,455,034
<i>Total insurance service result</i>	233,589,725	44,214,948	55,405,064	(25,890,046)	307,319,691
Finance expense from insurance contracts	147,626,673	7,409,699	12,655,212	2,857,199	170,548,783
Amounts recognized in Statement of Profit or Loss	381,216,398	51,624,647	68,060,276	(23,032,847)	477,868,474
<i>Cash flows</i>					
Premiums received	259,271,615	-	-	-	259,271,615
Insurance acquisition cash flows	(26,552,689)	-	-	-	(26,552,689)
Claims paid and other insurance service expenses paid (including investment components)	(131,909,727)	-	-	-	(131,909,727)
	100,809,199				100,809,199
Insurance contract liabilities at 31 December 2024	2,465,245,951	220,196,839	231,723,486	17,784,276	2,934,950,551



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MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 18(b) Roll-Forward of Net Insurance Contract Liabilities (Assets) by Measurement Component - cont'd

	CSM				Total G\$
	Estimates of the present value of future cash flows G\$	Risk adjustment for non-financial risk G\$	Contractual service margin (Other contracts) G\$	Contractual service margin (Contracts under fair value approach) G\$	
Insurance contract liabilities at 1 January 2023	1,944,832,759	165,367,975	283,501,084	8,279,905	2,401,981,722
<i>Changes that relate to current service</i>					
Contractual service margin recognized for services provided	-	-	(7,138,857)	(17,760,928)	(24,899,784)
Change in risk adjustment for non-financial risk for risk expired	-	(28,633,760)	-	-	(28,633,760)
Experience adjustments	(34,503,503)	-	-	-	(34,503,503)
	<u>(34,503,503)</u>	<u>(28,633,760)</u>	<u>(7,138,857)</u>	<u>(17,760,928)</u>	<u>(88,037,047)</u>
<i>Changes that relate to future services</i>					
Contracts initially recognized in the period	64,101,264	16,614,038	-	-	80,715,301
Changes in estimates that adjust the contractual service margin	83,350,940	-	(115,230,838)	31,879,898	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	182,062,958	-	-	-	182,062,958
	<u>329,515,162</u>	<u>16,614,038</u>	<u>(115,230,838)</u>	<u>31,879,898</u>	<u>262,778,260</u>
<i>Changes that relate to past services</i>					
Changes to liabilities for incurred claims	(15,028,063)	-	-	-	(15,028,063)
Total insurance service result	<u>279,983,596</u>	<u>(12,019,722)</u>	<u>(122,369,695)</u>	<u>14,118,970</u>	<u>159,713,150</u>
Finance (income) expense from insurance contracts	(293,602,576)	15,223,939	2,531,821	18,418,247	(257,428,568)
	<u>(13,618,980)</u>	<u>3,204,218</u>	<u>(119,837,874)</u>	<u>32,537,218</u>	<u>(97,715,418)</u>
<i>Amounts recognized in Statement of Profit or Loss</i>					
<i>Cash flows</i>					
Premiums received	248,106,697	-	-	-	248,106,697
Insurance acquisition cash flows	(15,148,391)	-	-	-	(15,148,391)
<i>Claims paid and other insurance service expenses paid (including investment components)</i>					
	<u>(180,951,732)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(180,951,732)</u>
	<u>52,006,574</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,006,574</u>
Insurance contract liabilities at 31 December 2023	<u>1,983,220,353</u>	<u>168,572,192</u>	<u>163,663,210</u>	<u>40,817,123</u>	<u>2,356,272,878</u>



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 18(c) Roll-Forward of Reinsurance Contract Assets Held by Remaining Coverage and Incurred Claims

The tables below show the roll forward of the asset for reinsurance contracts held, showing the assets for remaining coverage (excluding loss-recovery component) and amounts recoverable on incurred claims.

	Assets for remaining coverage	Assets for incurred claims			Total G\$
	Excluding loss- recovery component  G\$	GMM Groups  G\$	(PAA Groups) Estimates of present value of future cash flows  G\$	Risk adjustment for non- financial risk  G\$	
Reinsurance contract assets at 1 January 2024	255,493,450	10,080,150	7,281,002	4,940,715	277,795,317
Net expenses from reinsurance contracts					
Allocation of reinsurance premiums paid	(67,800,192)	-	-	-	(67,800,192)
Amounts recoverable from reinsurers	-	38,812,736	60,171,358	-	98,984,094
Adjustments to assets for incurred claims	-	-	(320,884)	(4,155,635)	(4,476,519)
	(67,800,192)	38,812,736	59,850,474	(4,155,635)	26,707,383
Finance income from reinsurance contracts	15,266,266	469,728	-	-	15,735,994
Amounts recognized in Statement of Profit or Loss	(52,533,926)	39,282,464	59,850,474	(4,155,635)	42,443,377
<i>Cash flows</i>					
Premiums paid	112,328,372	-	-	-	112,328,372
Recoveries from reinsurance	-	(42,561,189)	(60,140,858)	-	(102,702,047)
Total cash flows	112,328,372	(42,561,189)	(60,140,858)	-	9,626,325
Reinsurance contract assets at 31 December 2024	315,287,896	6,801,425	6,990,618	785,080	329,865,019



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 18(c) Roll-Forward of Net Reinsurance Contract Assets by Remaining Coverage and Incurred Claims - cont'd

	Assets for remaining coverage	Assets for incurred claims			Total G\$
	Excluding loss- recovery component  G\$	PAA Groups			
		GMM Groups	Estimates of present value of future cash flows  G\$	Risk adjustment for non-financial risk  G\$	
Reinsurance contract assets at 1 January 2023	282,712,129	10,068,289	3,683,279	1,101,513	297,565,210
Net expenses from reinsurance contracts					
Allocation of reinsurance premiums paid	(49,464,378)	-	-	-	(49,464,378)
Amounts recoverable from reinsurers	-	1,325,000	40,568,174	3,839,202	45,732,376
Adjustments to assets for incurred claims	-	-	-	-	-
	(49,464,378)	1,325,000	40,568,174	3,839,202	(3,732,002)
Finance income (expense) from reinsurance contracts	(58,030,267)	11,861	532,622	-	(57,485,784)
Amounts recognized in Statement of Profit or Loss	(107,494,646)	1,336,861	41,100,796	3,839,202	(61,217,786)
<i>Cash flows</i>					
Premiums paid	80,275,967	-	-	-	80,275,967
Recoveries from reinsurance	-	(1,325,000)	(37,503,073)	-	(38,828,073)
Total cash flows	80,275,967	(1,325,000)	(37,503,073)	-	41,447,894
Reinsurance contract assets at 31 December 2023	255,493,450	10,080,150	7,281,002	4,940,715	277,795,317



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 18(d) Roll-Forward of Net Reinsurance Contract Assets (Liabilities) by Measurement Component

	Estimates of the present value of future cash flows	Risk adjustment for non- financial risk	CSM		Total
			Contractual service margin (Other contracts)	Contractual service margin (Contracts under fair value approach)	
	G\$	G\$	G\$	G\$	G\$
Reinsurance contract assets at 1 January 2024	153,153,316	67,528,409	14,312,746	6,868,911	241,863,382
Net expenses from reinsurance contracts					
<i>Changes that relate to current service</i>					
Contractual service margin recognized for services provided	-	-	(2,432,994)	(1,058,396)	(3,491,390)
Change in risk adjustment for non-financial risk for risk expired	1,974,957	-	-	-	1,974,957
Experience adjustments	23,737,279	-	-	-	23,737,279
	25,712,236	-	(2,432,994)	(1,058,396)	22,220,846
<i>Changes that relate to future services</i>					
Contracts initially recognized in the period	(8,525,264)	2,318,872	6,206,392	-	-
Changes in estimates that adjust the contractual service margin	(29,519,138)	-	18,789,721	10,729,417	-
	(38,044,402)	2,318,872	24,996,113	10,729,417	-
<i>Changes that relate to past services</i>					
Changes to amounts recoverable on incurred claims	-	-	-	-	-
Finance income from reinsurance contracts	8,667,352	5,372,376	1,215,442	480,824	15,735,994
<i>Amounts recognized in Statement of Profit or Loss</i>	(3,664,814)	7,691,248	23,778,561	10,151,845	37,956,840
<i>Cash flows:</i>					
Premiums paid	55,921,431	-	-	-	55,921,431
Amounts received	(42,561,189)	-	-	-	(42,561,189)
Total cash flows	13,360,242	-	-	-	13,360,242
Reinsurance contract assets at 31 December 2024	162,848,745	75,219,656	38,091,307	17,020,756	293,180,464



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 18(d) Roll-Forward of Net Reinsurance Contract Assets (Liabilities) by Measurement Component - cont'd

	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	CSM		Total
			Contractual service margin (Other contracts)	Contractual service margin (Contracts under fair value approach)	
	G\$	G\$	G\$	G\$	G\$
Reinsurance contract assets at 1 January 2023	268,639,331	16,354,320	(3,600,894)	9,232,193	290,624,950
Net expenses from reinsurance contracts					
<i>Changes that relate to current service</i>					
Contractual service margin recognized for services provided	-	-	(979,682)	(6,621,223)	(7,600,905)
Change in risk adjustment for non-financial risk for risk expired	-	-	-	-	-
Experience adjustments	1,325,000	-	-	-	1,325,000
	1,325,000	-	(979,682)	(6,621,223)	(6,275,905)
<i>Changes that relate to future services</i>					
Contracts initially recognized in the period	(12,496,827)	3,702,200	8,794,627	-	-
Changes in estimates that adjust the contractual service margin	(11,653,826)	-	9,548,939	2,104,887	-
Changes in recoveries of losses on onerous underlying contracts that adjust the contractual service margin	-	-	-	-	-
	(24,150,653)	3,702,200	18,343,566	2,104,887	-
<i>Changes that relate to past services</i>					
Changes to amounts recoverable on incurred claims	-	-	-	-	-
Finance income (expense) from reinsurance contracts	(108,193,105)	47,471,889	549,757	2,153,053	(58,018,406)
<i>Amounts recognized in Statement of Profit or Loss</i>	(131,018,758)	51,174,089	17,913,640	(2,363,282)	(64,294,311)
<i>Cash flows:</i>					
Premiums paid	16,857,744	-	-	-	16,857,744
Amounts received	(1,325,000)	-	-	-	(1,325,000)
Total cash flows	15,532,744	-	-	-	15,532,744
Reinsurance contract assets at 31 December 2023	153,153,316	67,528,409	14,312,746	6,868,911	241,863,382



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 19 Expected Recognition of the Contractual Service Margin in Net Income

	1 year or less	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years	Total
As at 31 December 2024	G\$	G\$	G\$	G\$	G\$
Insurance contracts	13,571,303	87,083,316	43,168,153	105,684,990	249,507,762
Reinsurance contracts	<u>(2,997,672)</u>	<u>(19,235,238)</u>	<u>(9,535,118)</u>	<u>(23,344,035)</u>	<u>(55,112,063)</u>
As at 31 December 2023					
Insurance contracts	25,492,401	53,212,195	40,213,965	85,561,772	204,480,333
Reinsurance contracts	<u>(573,851)</u>	<u>(4,650,963)</u>	<u>(7,710,478)</u>	<u>(8,246,365)</u>	<u>(21,181,657)</u>

### 19(a) Effect of contracts initially recognized

The following tables present the effect on the measurement components arising from the initial recognition of insurance contracts and reinsurance contracts measured under the GMM.

	Contracts issued		Total G\$
	Non-Onerous G\$	Onerous G\$	
<b>2024</b>			
Estimates of present value of future cash flows	(35,074,952)	76,225,043	41,150,091
Risk adjustment for non-financial risk	1,061,229	2,367,260	3,428,489
Contractual service margin	34,013,723	-	34,013,723
Insurance contract liabilities on initial recognition	<u>-</u>	<u>78,592,303</u>	<u>78,592,303</u>
<b>2023</b>			
Estimates of present value of future cash flows	-	64,101,264	64,101,264
Risk adjustment for non-financial risk	-	16,614,038	16,614,038
Contractual service margin	-	-	-
Insurance contract liabilities on initial recognition	<u>-</u>	<u>80,715,301</u>	<u>80,715,301</u>
<b>Reinsurance contracts held</b>		<b>2024</b>	<b>2023</b>
		G\$	G\$
Impact of reinsurance contracts held initially recognized in the period			
Estimates of present value of future cash flows		(8,525,264)	(12,496,827)
Risk adjustment for non-financial risk		2,318,872	3,702,200
Contractual service margin		6,206,392	8,794,627
Reinsurance contract assets on initial recognition		<u>-</u>	<u>-</u>



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 20 Deposit administration fund

	Company	
	<u>2024</u>	<u>2023</u>
	G\$	G\$
At 1 January	4,569,497,465	4,207,603,130
Contributions received plus interest	574,274,852	678,327,863
Refund of contributions	(101,393,563)	(282,928,876)
Charges, claims and benefits	(51,951,064)	(57,204,652)
Change in statutory contingency reserve	-	23,700,000
	<u>4,990,427,690</u>	<u>4,569,497,465</u>
At 31 December	<u>4,990,427,690</u>	<u>4,569,497,465</u>

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

### 21 Payables and accrued expenses

	Company	
	<u>2024</u>	<u>2023</u>
	G\$	G\$
Other payables	1,148,904	1,838,416
Accruals	142,717,098	193,658,403
	<u>143,866,002</u>	<u>195,496,819</u>

  

	Group	
	<u>2024</u>	<u>2023</u>
	G\$	G\$
Other payables	1,848,904	2,455,433
Accruals	142,717,098	193,658,403
	<u>144,566,002</u>	<u>196,113,836</u>

### 22 Pending litigation

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

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

### 23 Statutory Deposit

	Group	
	<u>2024</u>	<u>2023</u>
	G\$	G\$
Deposit at Bank of Guyana	<u>19,434,837</u>	<u>19,434,837</u>



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 24 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.

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

	<u>2024</u> G\$	<u>2023</u> G\$
(i) Loans to The Hand-in-Hand Mutual Fire Insurance Company Limited.	<u>1,501,962,943</u>	<u>1,338,326,350</u>
Interest received during the year on loans granted to The Hand-in-Hand Mutual Fire Insurance Company Limited.	<u>77,357,079</u>	<u>67,643,286</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>334,216,160</u>	<u>105,834,172</u>
Interest received from loan participation with Hand-in-Hand Trust Corporation Inc.	<u>14,159,835</u>	<u>4,000,000</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 2024-12-29.	<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 2024-06-01; 1.50% on total of \$300,000,000 maturity date 2024-01-17, 2.75% on total of \$200,000,000 maturity date 2024-10-30 and 3% on total of \$100,000,000 maturity date 2022-08-06.	<u>67,095,297</u>	<u>700,015,761</u>
Interest received from Fixed Deposits at Hand-in-Hand Trust Corporation Inc.	<u>11,840,374</u>	<u>11,881,333</u>
(v) The Hand-in-Hand Mutual Fire Insurance Company Limited, \$2,750 - 6% Cumulative Redeemable Preference Shares.	<u>275,000</u>	<u>275,000</u>
(vi) Amounts due from Hand-in-Hand Investment USA Inc. At the end of the year this amount was held by Hand-in-Hand Investment USA Inc. on behalf of Hand-in-Hand Mutual Life Assurance Company Limited to facilitate investments in the future. This amount represents investment and not loan between the companies.	<u>1,327,233,974</u>	<u>1,314,443,181</u>



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 24 Related party transactions - cont'd

	Company		Group	
	<u>2024</u> G\$	<u>2023</u> G\$	<u>2024</u> G\$	<u>2023</u> G\$
(vii) Insurance				
(a) Insurance coverage (sum insured)	473,449,530	473,449,530	-	-
(b) Premiums for the year	1,893,797	1,893,797	-	-
(viii) Fees paid				
Hand-in-Hand Mutual Life Assurance Company Limited utilized the staff and facilities of The Hand-in-Hand Mutual Fire Insurance Company Limited.				
Fees charged	131,979,558	115,066,371	-	-
(ix) Income from investment property rented to Hand-in-Hand Trust Corporation Inc.	30,000,000	30,000,000	-	-
(x) 29,300 Ordinary shares in Rupununi Development Company Limited	14,650,000	14,650,000	-	-
(xi) Subsidiary Companies				
Management fees charged to: Frandec & Company (Insurance) Inc.	3,207,519	2,977,520	-	-
Current accounts				
The Hand-in-Hand Mutual Fire Insurance Company Limited	210,810	68,100	-	-
The Hand-in-Hand Mutual Fire Insurance Company Limited -Motor Environmental & Technical Solutions Inc.	98,838	-	-	-
Frandec & Company (Insurance) Inc.	-	-	-	1,120,137
	309,648	68,100	-	1,120,137
Environmental & Technical Solutions Inc. Share of profit net of dividend			43,581,001	
Deposit on shares	-	-	350,000,275	350,000,275

### 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:

Short term employee benefits - Managers - 14 (2023-14)	39,804,276	41,765,639
Long term benefit is derived from the Pension Scheme.		
Directors' emoluments - 4 (2023-5)	6,097,032	6,405,912

#### (ii) Mortgages

Interest received for the year	10,674,273	8,182,503
Balance outstanding	235,475,485	191,891,518

The above balance refers to 4 (2023-4) 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

Interest paid for the year	429,968	268,560
Balance outstanding	8,628,451	7,585,782

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



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 25 Goodwill

In accordance with IFRS 3 - Business combination, goodwill was generated by the acquisition of Frandec & Company (Insurance) Incorporated (100%).

Goodwill at cost

49,756,562

49,756,562

Goodwill represents the excess of the consideration transferred over the fair value of identifiable net assets acquired in business combinations. Goodwill is not amortized but is tested for impairment annually or more frequently if there are indicators of impairment.

### 26 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

Market risk is the risk of loss arising from adverse changes in market rates and prices such as prices of equities, interest rates, foreign exchange rates and inflation. Market risk arises because of fluctuations in both the value of liabilities and the value of invested assets. The Company uses gap analysis, interest rate sensitivity analysis and exposure limits to manage its exposure. There has been no change in the Company's exposure to market risks or the manner in which it manages these risks.

#### a(i) Equity 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\$475,070,395 (2023- G\$432,553,882).

#### a(ii) Interest rate risk

Interest rate risk arises primarily from the Company's investments in debt and fixed income securities and their movement relative to the value placed on the insurance liabilities. Also some policyholder product features have an influence on the Company's interest rate risk due to guaranteed options.

The Company typically manages interest rate risk by investing in fixed interest securities which closely match the interest rate sensitivity of the liabilities where such investments are available.



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 26 Financial risk management - cont'd

#### a(iii) Interest rate sensitivity analysis

The table below analyses the sensitivity of interest rates exposure for financial assets and 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 and a negative number would indicate a decrease.

	Equity	
	2024 G\$	2023 G\$
Financial assets	13,791,571	14,942,147
Financial liabilities: Bank overdraft	(112,039)	(37,073)

The tables above demonstrates the effect of an instantaneous change in a key assumption while other assumptions remain unchanged. In reality, changes may occur over a period of time and there is a correlation between the assumptions and other factors.

Interest rate sensitivity analysis is disclosed within the Insurance Risk note.



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 26 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:

	2024			2023		
	US\$	T&T\$	<u>Total</u> G\$	US\$	T&T\$	<u>Total</u> G\$
Assets	<u>219,041,291</u>	<u>41,911,902</u>	<u>260,953,193</u>	<u>1,730,876,465</u>	<u>52,711,056</u>	<u>1,783,587,521</u>

**Foreign currency sensitivity analysis:**

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

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

	2024		2023	
	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>6.57</u>	<u>1.26</u>	<u>51.93</u>	<u>1.58</u>



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 26 Financial risk management - cont'd

#### (b) Credit risk - cont'd

##### Impairment of financial assets - cont'd

The following table presents the reconciliation of the impairment allowance for financial assets at amortised cost:

	Company	
	2024	2023
	G\$	G\$
Impairment allowance as at January 1 attributed to:		
Past due but not impaired	<u>2,977,257</u>	<u>2,752,202</u>
Net remeasurement of impairment allowance	<u>2,753,419</u>	<u>225,055</u>
<b>Impairment allowance as at December 31</b>	<u>5,730,676</u>	<u>2,752,202</u>
Non-impaired / Current	2,753,419	225,055
Past due but not impaired	<u>2,977,257</u>	<u>2,977,257</u>

At every reporting date, the Company evaluates whether these financial assets continue to exhibit low credit risk using all reasonable and supportable information that is available without undue cost or effort. In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company applies the low credit risk simplification under IFRS 9 for expected credit losses relating to cash at bank and short-term deposits and IFRS 9's simplified approach for its receivables. The resulting expected credit losses are not material.



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 26 Financial risk management - cont'd

#### (b) Credit risk

Credit risk is the risk of financial loss as a result of the default or failure of third parties to meet their payment obligations to the Company, or variations in market values as a result of changes in expectations related to these risks.

The Company manages credit risk through adherence to pre-established risk criteria which limits concentrations and leverages credit risk ratings. The Company's credit risks arise through exposures to bank deposits, debt investments at amortised costs and receivables. The maximum credit risk faced by the Company is the carrying values reflected in the financial statements.

The credit risk analysis below is presented in line with how the Company manages the risk. The Company manages its credit exposure based on the gross carrying value of the financial instruments and reinsurance contract assets.

	Company	
	2024 G\$	2023 G\$
Bonds, loans and mortgages at amortised cost	2,089,299,833	1,643,466,555
Reinsurance contract assets (i)	329,865,019	277,795,317
Receivables (ii)	1,715,664,249	1,694,159,176
Accrued interest	14,097,621	20,343,730
Cash on hand and at banks	632,508,883	1,317,204,527
<b>Total credit exposure</b>	<b>4,781,435,605</b>	<b>4,952,969,305</b>
Impairment allowance	5,730,676	2,977,257
	Group	
	2024 G\$	2023 G\$
Bonds, loans and mortgages at amortised cost	2,488,440,026	1,643,466,555
Reinsurance contract assets (i)	8,052,960,838	277,795,317
Receivables (ii)	1,707,004,404	1,690,061,519
Accrued interest	88,000,000	20,343,730
Cash on hand and at banks	1,836,179,103	1,343,427,977
<b>Total credit exposure</b>	<b>14,172,584,371</b>	<b>4,975,095,098</b>
Impairment allowance	5,730,676	2,977,257

In addition to the assets disclosed above, the Company is exposed to credit risk for loans on policies and insurance receivables which are presented within insurance contract liabilities in the amount of \$54,828,072 (2023 \$52,348,848) and \$44,393,642 (2023 \$18,894,378), respectively. Mortgages, loans on policies and other loans are fully secured.

(i) Amounts recoverable from reinsurers are estimated in a consistent manner with the underlying insurance contract liabilities (assets) and in accordance with the reinsurance contracts. Although the Company has reinsurance agreements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. The Company's reinsurance assets are held with reinsurance companies that have an independent credit rating of "A-" or better.

(ii) Includes advances and loans to staff and sales representative on which interest is earned.

#### Impairment of financial assets

IFRS 9's ECL model applies to financial assets measured at amortized cost, loan commitments, and financial guarantees that are not measured at FVTPL.



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 26 Financial risk management - cont'd

#### (c) Liquidity risk

Liquidity risk is the risk of not being able to make payments as they become due because there are insufficient assets in cash form.

The Company manages its liquidity risk through cash flow matching of assets and liabilities.

The following tables shows the distribution of liabilities by contractual maturity or expected settlement. The tables also includes financial assets held analyzed by maturity, where applicable.

	Company					
	2024					
	On Demand or within 1 year G\$	1 to 5 years G\$	5 to 10 years G\$	Over 10 years G\$	No specified maturity G\$	Total G\$
<b>Assets</b>						
Investments	-	-	-	-	6,470,720,046	6,470,720,046
Deposit administration fund	4,990,427,690	-	-	-	-	4,990,427,690
Reinsurance contract assets	6,236,267	36,683,923	143,433,728	143,511,101	-	329,865,019
Other financial assets	1,715,664,249	-	-	-	-	1,715,664,249
Cash on hand and at banks	654,916,754	-	-	-	-	654,916,754
Interest accrued	14,097,621	-	-	-	-	14,097,621
	<u>7,381,342,581</u>	<u>36,683,923</u>	<u>143,433,728</u>	<u>143,511,101</u>	<u>6,470,720,046</u>	<u>14,175,691,379</u>
<b>Liabilities</b>						
Insurance contract liabilities	29,890,899	203,454,633	622,822,334	2,131,659,616	-	2,987,827,481
Deposit administration fund	4,990,427,690	-	-	-	-	4,990,427,690
Payables and accrued expenses	143,866,002	-	-	-	-	143,866,002
Bank overdraft (unsecured)	22,407,871	-	-	-	-	22,407,871
	<u>5,186,592,462</u>	<u>203,454,633</u>	<u>622,822,334</u>	<u>2,131,659,616</u>	<u>-</u>	<u>8,144,529,044</u>
<b>2023</b>						
	On Demand or within 1 year G\$	1 to 5 years G\$	5 to 10 years G\$	Over 10 years G\$	No specified maturity G\$	Total G\$
<b>Assets</b>						
Investments	-	-	-	-	5,725,046,738	5,725,046,738
Deposit administration fund	4,569,497,465	-	-	-	-	4,569,497,465
Reinsurance contract assets	253,663,029	12,433,630	1,272,272	10,426,386	-	277,795,317
Other financial assets	1,694,159,176	-	-	-	-	1,694,159,176
Cash on hand and at banks	1,324,619,159	-	-	-	-	1,324,619,159
Interest accrued	20,343,730	-	-	-	-	20,343,730
	<u>7,862,282,559</u>	<u>12,433,630</u>	<u>1,272,272</u>	<u>10,426,386</u>	<u>5,725,046,738</u>	<u>13,611,461,585</u>
<b>Liabilities</b>						
Insurance contract liabilities	342,405,315	510,091,811	530,522,821	1,075,197,559	-	2,458,217,505
Deposit administration fund	4,569,497,465	-	-	-	-	4,569,497,465
Payables and accrued expenses	195,496,819	-	-	-	-	195,496,819
Bank overdraft (unsecured)	7,414,635	-	-	-	-	7,414,635
	<u>5,114,814,234</u>	<u>510,091,811</u>	<u>530,522,821</u>	<u>1,075,197,559</u>	<u>-</u>	<u>7,230,626,424</u>



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 26 Financial risk management - cont'd

#### (c) Liquidity risk

Liquidity risk is the risk of not being able to make payments as they become due because there are insufficient assets in cash form.

The Company manages its liquidity risk through cash flow matching of assets and liabilities.

The following tables shows the distribution of liabilities by contractual maturity or expected settlement. The tables also includes financial assets held analyzed by maturity, where applicable.

	Group					Total
	2024					
	On Demand or within 1 year G\$	1 to 5 years G\$	5 to 10 years G\$	Over 10 years G\$	No specified maturity G\$	G\$
<b>Assets</b>						
Investments	-	-	-	-	6,841,186,991	6,841,186,991
Deposit administration fund	4,990,427,690	-	-	-	-	4,990,427,690
Reinsurance contract assets	38,406,184	150,167,751	56,077,053	85,214,030	-	329,865,019
Other financial assets	1,704,250,985	-	-	-	-	1,704,250,985
Insurance contract assets	5,591,363	-	-	-	-	5,591,363
Cash on hand and at banks	698,913,830	-	-	-	-	698,913,830
Interest accrued	14,097,621	-	-	-	-	14,097,621
Statutory deposit	-	19,434,837	-	-	-	19,434,837
	<u>7,451,687,673</u>	<u>169,602,588</u>	<u>56,077,053</u>	<u>85,214,030</u>	<u>6,841,186,991</u>	<u>14,603,768,336</u>
<b>Liabilities</b>						
Insurance contract liabilities	277,563,906	740,845,553	770,519,080	1,198,898,942	-	2,987,827,481
Deposit administration fund	4,990,427,690	-	-	-	-	4,990,427,690
Payables and accrued expenses	144,566,002	-	-	-	-	144,566,002
Deposit on Shares	350,000,275	-	-	-	-	350,000,275
Bank overdraft (unsecured)	22,407,871	-	-	-	-	22,407,871
	<u>5,784,965,744</u>	<u>740,845,553</u>	<u>770,519,080</u>	<u>1,198,898,942</u>	<u>-</u>	<u>8,495,229,319</u>
2023						
Insurance contract assets	On Demand or within 1 year G\$	1 to 5 years G\$	5 to 10 years G\$	Over 10 years G\$	No specified maturity G\$	Total G\$
<b>Assets</b>						
Investments	-	-	-	-	6,088,547,013	6,088,547,013
Deposit administration fund	4,569,497,465	-	-	-	-	4,569,497,465
Reinsurance contract assets	253,663,029	12,433,630	1,272,272	10,426,386	-	277,795,317
Other financial assets	1,690,061,519	-	-	-	-	1,690,061,519
Insurance contract assets	1,027,483	-	-	-	-	1,027,483
Cash on hand and at banks	1,350,842,612	-	-	-	-	1,350,842,612
Interest accrued	20,343,730	-	-	-	-	20,343,730
Statutory deposit	-	19,434,837	-	-	-	19,434,837
	<u>7,885,435,838</u>	<u>31,868,467</u>	<u>1,272,272</u>	<u>10,426,386</u>	<u>6,088,547,013</u>	<u>14,017,549,976</u>
<b>Liabilities</b>						
Insurance contract liabilities	342,405,315	510,091,811	530,522,821	1,075,197,559	-	2,458,217,505
Deposit administration fund	4,569,497,465	-	-	-	-	4,569,497,465
Payables and accrued expenses	196,113,836	-	-	-	-	196,113,836
Deposit on shares	350,000,275	-	-	-	-	350,000,275
Bank overdraft (unsecured)	7,414,635	-	-	-	-	7,414,635
	<u>5,465,431,526</u>	<u>510,091,811</u>	<u>530,522,821</u>	<u>1,075,197,559</u>	<u>-</u>	<u>7,581,243,716</u>



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 27 Insurance Risk

Insurance risk is the risk of loss or adverse change in the value of insurance liabilities, due to inadequate pricing and provisioning assumptions, or changes in longevity or other expectations. This risk exposure arises from the Company's insurance contracts.

The principal risk the Company faces under insurance contracts is the risk that future claims, policy lapses and expenses will not emerge as expected. To the extent that emerging experience is more favourable than assumed in the valuation, income will emerge in addition to increases in the CSM. If emerging experience is less favourable, losses will result in addition to decreases in the CSM.

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.

#### Claims development

The Company has elected not to disclose information about the development of claims as uncertainty about the amount and timing of the claims payments is typically resolved within one year.



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 27 Insurance Risk - cont'd

(b) Significant judgements and estimates in determining the value of fulfilment cash flows

For the purpose of producing IFRS 17 best estimate liabilities, the Company seeks to make best estimate assumptions about future experience based on current market conditions and recent experience.

#### Longevity and Mortality rates

Current estimates are based on a combination of Company and experience in the Caribbean. Mortality projections are further adjusted for expected future mortality improvements. Assumptions are differentiated by policyholder gender, underwriting class and contract size.

#### Morbidity rates

Morbidity rates relate to insurance contracts that have health risks. Morbidity refers to both the rates of accident or sickness and the rates of recovery from the accident or sickness. Assumptions are based on a combination of Company and industry experience.

#### Expenses

Expenses that are directly attributable to the fulfilment of insurance contracts are within the contract boundary and included in the measurement of the group of insurance contracts. These expenses include costs of administering policies in-force, renewal commissions, acquisition costs, general expenses and an allocation of fixed and variable overhead expenses. Overhead expenses are allocated to groups of insurance contracts using methods that are systematic and rational.

#### Policyholder behaviour

Policy lapse, surrender and premium payment assumptions (collectively policyholder behaviour) are based on Company and industry experience.

#### Discount rates

The interest rates used to discount the cash flows for the purpose of valuing insurance contract liabilities should reflect the timing and liquidity characteristics of the insurance liability cash flows and current market conditions. The Company derives these discount rates with reference to risk free rates adjusted by an illiquidity premium which references observable market rates for corporate debt.

The following table provides a weighted average summary of the discount rates used to present value cash flows that do not vary based on the returns on underlying items by business group by major currency (USD):

Policy duration	2024	2023
3 years	3.6%	7.0%
5 years	7.1%	7.0%
7 years	7.0%	7.3%
10 years	7.0%	7.4%
20 years	7.0%	7.6%
30 years	7.0%	7.5%



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 27 Insurance Risk - cont'd

#### Risk adjustment for non-financial risk

The risk adjustment (RA) for non-financial risk represents the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows that arise from non-financial risk as the entity fulfills insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the current estimate amount.

The Company derives risk adjustment for non-financial risk using a margin for adverse deviation (MfAD) approach. The approach adds a margin (conservatism) to each insurance risk (mortality, morbidity, longevity, expenses, policyholder behaviour) assumption. These MfADs are aggregated to derive the Company's total risk adjustment. The risk adjustment recognizes the benefits of diversification and is further adjusted to achieve the target confidence level.

The net direct and ceded risk adjustment for non-financial risk for the Company corresponds to a confidence level target of 84% as at December 31, 2024 and December 31, 2023.

#### Sensitivity Analysis

The sensitivity analyses do not take into account management actions that could be taken to reduce the impacts. The Company seeks to actively manage its asset and liability position. A change in market conditions may lead to changes in the asset allocation or charging structure which may have a more, or less, significant impact on the value of the liabilities. The analysis also ignores any second order effects of the assumption change, including the potential impact on the Company's asset and liability position and any second order tax effects. The sensitivity of profit and equity to changes in assumptions may not be linear.

	Change in risk variable	Increase (Decrease) to:	
		Insurance contracts issued	Reinsurance contracts held
		<b>GSM</b>	<b>GSM</b>
<b>31 December 2024</b>			
Mortality	+10%	78	49
Mortality	-10%	(79)	(51)
Expenses	+5%	26	0
Expenses	-5%	(26)	0
Lapses	+10%	17	8
Lapses	-10%	(16)	(7)
Parallel shift in discount rates	1%	(160)	(13)
Parallel shift in discount rates	-1%	185	15
<b>31 December 2023</b>			
Mortality	+10%	65	46
Mortality	-10%	(67)	(47)
Expenses	+5%	21	0
Expenses	-5%	(22)	0
Lapses	+10%	9	2
Lapses	-10%	(8)	(2)
Parallel shift in discount rates	1%	(133)	(16)
Parallel shift in discount rates	-1%	154	17



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 28 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, Company life fund, annuity fund and Company health fund. These divisions are the basis on which the Company reports its primary segment information.

	2024				Total
	Ordinary Life Fund	Annuity Fund	Group Life Fund	Group Health Fund	
	G\$	G\$	G\$	G\$	
Insurance revenue	222,316,843	15,405,186	225,817,671	403,707,442	867,247,142
Insurance service expenses	(327,235,665)	(221,915,781)	(72,334,924)	(461,755,277)	(1,083,241,647)
Net expense from reinsurance contracts	6,142,699	-	10,682,953	9,881,732	26,707,383
Insurance service result	(98,776,124)	(206,510,595)	164,165,700	(48,166,103)	(189,287,122)
Net finance (expense)/income from insurance contracts	(127,130,220)	(42,706,397)	470,834	(1,183,000)	(170,548,783)
Net finance expense from reinsurance contracts	15,890,643	-	(154,649)	-	15,735,994
Net insurance finance (expense)/income	(111,239,577)	(42,706,397)	316,185	(1,183,000)	(154,812,789)
Adjusted operating profit (loss)	(210,015,701)	(249,216,993)	164,481,886	(49,349,103)	(344,099,911)
Unallocated amounts:					
Net investment result					571,403,385
Fee and other income					34,334,788
Operating and administrative expenses					(199,485,040)
Taxation					(23,382,738)
Other comprehensive income					420,544,262
Total comprehensive income					459,314,746
<u>Statement of Financial Position</u>					
Segmented assets	140,969,618	83,338,595	49,479,753	56,077,053	329,865,019
Unallocated assets					15,885,048,294
Total assets					16,214,913,313
Segmented liabilities	1,135,374,443	896,348,244	448,174,122	507,930,672	2,987,827,481
Unallocated liabilities					5,174,124,994
Total liabilities					8,161,952,475



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MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 28 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, Company life fund, annuity fund and Company health fund. These divisions are the basis on which the Company reports its primary segment information.

	2023				Total G\$
	Ordinary Life Fund G\$	Annuity Fund G\$	Group Life Fund G\$	Group Health Fund G\$	
Insurance revenue	168,367,712	80,523,688	212,289,723	270,852,406	732,033,529
Insurance service expenses	(180,327,635)	(86,243,651)	(227,369,627)	(290,092,282)	(784,033,195)
Net expense from reinsurance contracts	<u>(1,268,881)</u>		<u>(1,082,281)</u>	<u>(1,380,841)</u>	<u>(3,732,002)</u>
Insurance service result	<u>(13,228,804)</u>	<u>(5,719,963)</u>	<u>(16,162,184)</u>	<u>(20,620,717)</u>	<u>(55,731,668)</u>
Net finance (expense)/income from insurance contracts	191,094,703	64,193,756	(707,731)	1,778,216	256,358,945
Net finance expense from reinsurance contracts	<u>(58,050,738)</u>	-	<u>564,954</u>	-	<u>(57,485,784)</u>
Net insurance finance (expense)/income	<u>133,043,965</u>	<u>64,193,756</u>	<u>(142,777)</u>	<u>1,778,216</u>	<u>198,873,161</u>
Adjusted operating profit (loss)	119,815,161	58,473,793	(16,304,960)	(18,842,500)	143,141,493
Unallocated amounts:					
Net investment result					25,220,177
Fee and other income					34,488,544
Operating and administrative expenses					(140,905,934)
Taxation					(2,709,168)
Other comprehensive income					(649,388,891)
Total comprehensive income					<u>(590,153,779)</u>
<u>Statement of Financial Position</u>					
Segmented assets	<u>99,631,253</u>	<u>89,269,563</u>	<u>41,669,298</u>	<u>47,225,204</u>	<u>277,795,317</u>
Unallocated assets					<u>14,550,018,064</u>
Total assets					<u>14,827,813,381</u>
Segmented liabilities	<u>934,122,652</u>	<u>737,465,252</u>	<u>368,732,626</u>	<u>417,896,976</u>	<u>2,458,217,505</u>
Unallocated liabilities					<u>4,775,949,783</u>
Total liabilities					<u>7,234,167,288</u>



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MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 28 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 revenue is earned and does not consider the location of a policyholder.

#### GEOGRAPHICAL

	Company	
	Total Operating Income	
	2024	2023
	G\$	G\$
Local - Guyana	1,464,959,555	783,716,490
Overseas	8,025,760	8,025,760
	<u>1,472,985,315</u>	<u>791,742,250</u>

  

	Group	
	Total Operating Income	
	2024	2023
	G\$	G\$
Local - Guyana	1,569,831,010	840,627,324
Overseas	8,025,760	8,025,760
	<u>1,577,856,770</u>	<u>848,653,084</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.

	Company			
	Carrying amount of segment assets & liabilities		Additions/(disposals)/revaluations to assets	
	2024	2023	2024	2023
	G\$	G\$	G\$	G\$
<u>Assets</u>				
Guyana	16,028,712,898	14,641,612,966	1,387,099,932	1,139,919,119
Trinidad & Tobago	49,710,711	49,710,711	-	(7,881,747)
United States	136,489,704	136,489,704	-	(1,273,999,433)
	<u>16,214,913,313</u>	<u>14,827,813,381</u>	<u>1,387,099,932</u>	<u>(141,962,061)</u>
<u>Liabilities - Guyana</u>	<u>8,161,952,475</u>	<u>7,234,167,288</u>		

  

	Group			
	Carrying amount of segment assets & liabilities		Additions/(disposals)/revaluations to assets	
	2024	2023	2024	2023
	G\$	G\$	G\$	G\$
<u>Assets</u>				
Guyana	16,465,255,245	15,012,817,649	1,511,123,802	1,511,123,802
Trinidad & Tobago	49,710,711	49,710,711	-	(7,881,747)
United States	136,489,704	136,489,704	-	(1,273,999,433)
	<u>16,651,455,660</u>	<u>15,199,018,064</u>	<u>1,511,123,802</u>	<u>229,242,622</u>
<u>Liabilities - Guyana</u>	<u>8,521,304,841</u>	<u>7,592,168,769</u>		



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 29 Assets held under Trust

#### Assets

	<u>2024</u> <u>G\$</u>	<u>2023</u> <u>G\$</u>
Land & Building	1,733,600,000	1,063,101,546
<b>Ordinary Shares-</b>		
<b>Guyana-</b>		
Demerara Tobacco Company Limited	164,442,000	137,035,000
Demerara Distillers Limited	452,747,955	576,224,670
Caribbean Containers Inc.	83,039,118	62,592,300
Guyana Bank for Trade and Industry Limited	336,672,000	383,899,600
Banks DIH Limited	1,041,946,920	1,013,003,950
Republic Bank (Guyana) Limited	4,057,044,980	3,968,848,350
Citizens Bank (Guyana) Inc.	1,472,132,528	1,384,866,940
Hand-in-Hand Investment Inc.	30,000	30,000
Rupununi Development Company Limited	14,650,000	14,650,000
	<u>7,622,705,501</u>	<u>7,541,150,810</u>
<b><u>Bond &amp; Debentures of Companies Incorporated in Guyana-</u></b>		
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	1,338,326,350	1,338,326,350
Participation of Loan to Hand-in-Hand Trust Corporation Inc.	334,216,160	104,775,830
Fixed Deposit at Republic Bank (Guyana) Limited	68,023,845	67,491,310
Fixed Deposit at Hand-in-Hand Trust Corporation Inc.	67,095,297	66,038,678
Fixed Deposit at Guyana Bank for Trade & Industry Limited	31,731,934	31,518,173
Fixed Deposit at Citizens Bank (Guyana) Inc.	18,750,000	18,750,000
	<u>1,858,143,586</u>	<u>1,626,900,341</u>
<b>TOTAL</b>	<u><u>11,224,449,087</u></u>	<u><u>10,241,152,697</u></u>

### 30 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 and Group has not fully complied with at December 31, 2024.

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



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 31 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.

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 24 (vi)). The current balance of G\$1,327,233,974 (2023 - G\$1,314,443,181) (refer to note 13) is accounted for under receivables. There are no repayment terms on this balance between Hand-in-Hand Mutual Life Assurance Company Limited and Hand-in-Hand Investments USA Inc.

Hand-in-Hand Investment USA Inc. was incorporated in the state of Florida, USA on 1 January, 2018 and is a subsidiary of The Hand-in-Hand Mutual Fire Insurance Company Ltd. The primary purpose of this Company is to manage investments held on behalf of the Hand-in-Hand Company. Certain key management and directors of the Hand-in-Hand Mutual Life Assurance Company Limited are Directors of Hand-in-Hand Investments USA Inc.

### 32 Investment in subsidiary-Hand in Hand Trust Corporation Inc.

On the 29th August 2024, a rights issue of 15,000,000 ordinary shares by Hand-in-Hand Trust Corporation Inc. was taken up by Hand-in-Hand Life Mutual Assurance Company Limited



# HAND-IN-HAND

MUTUAL LIFE ASSURANCE COMPANY LIMITED AND SUBSIDIARY

## NOTES ON THE ACCOUNTS

### 32 Cont'd

The share holdings as at 31st December, 2024 were:

		%
1 Hand-in-Hand Mutual Life Assurance Company Limited	10,550,000	47
2 Hand-in-Hand Mutual Fire Insurance Company Limited	7,200,000	32
3 G.C.I.S Incorporated	4,500,000	20
4 National Industrial and Commercial Investments Limited	250,000	1
Total Shareholding	<u>22,500,000</u>	

However, as control of the Hand-in-Hand Trust Corporation Inc. was only permitted to the Hand-in-Hand Mutual Fire Insurance Company Limited, on the 31st July, 2025, the Hand-in-Hand Mutual Life Assurance Company Limited sold five million one hundred and fifty thousand (5,150,000) shares to the Hand-in-Hand Mutual Fire Insurance Company Limited.

The share holdings as at 31st July, 2025 were:

		%
1 Hand-in-Hand Mutual Life Assurance Company Limited	5,400,000	24
2 Hand-in-Hand Mutual Fire Insurance Company Limited	12,350,000	55
3 G.C.I.S Incorporated	4,500,000	20
4 National Industrial and Commercial Investments Limited	250,000	1
Total Shareholding	<u>22,500,000</u>	

### 33 Approval of financial statements

The financial statements were approved by the Board of Directors and authorized for issue on 17 September, 2025.