

# ANNUAL REPORT 2022



DEMERARA  
MUTUAL 

*I'm with Dem*

*I'm with Dem*

## ANNUAL REPORT 2022

### Our Vision

To develop, promote and sustain a customer-focused organisation.

### Our Mission

To surpass our customers' expectations by providing superior service through the integration of people and technology.

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## Offices

### HEAD OFFICE

61 & 62 Avenue of the Republic & Robb Street  
Georgetown, Guyana  
TEL: (592) 225 8991-3  
Fax: (592) 225 8994-5  
corporate@demeraramutual.com

### CLARKE'S AGENCY

61 & 62 Avenue of the Republic and Robb Street  
Georgetown, Guyana  
TEL: (592) 225-3844 – Ext 314  
c\_clarke@demeraramutual.com

### LOT 2, ZESKENDEREN CENTRAL MAHAICONY,

East Coast Demerara, Guyana  
TEL: (592) 221 2276/2061  
FAX: (592) 221 2283  
Mahaicony@demeraramutual.com

### MC PHERSON'S AGENCY

63 Avenue of the Republic & Robb Street  
Georgetown, Guyana  
TEL: (592) 225-8991 - 3, Ext 255  
J\_mcperson@demeraramutual.com

### LINDEN OFFICE

97/98 Republic Avenue  
McKenzie, Linden, Guyana  
TEL: (592) 444 4687/6087  
linden@demeraramutual.com

### BERBICE SALES OFFICE

Lot 4 Wapping Lane  
New Amsterdam,  
Berbice, Guyana  
TEL: (592) 333 3243  
FAX: (592) 333 4724  
berbice@demeraramutual.com

### LEONORA OFFICE

4-6 Groenveldt, Leonora.  
West Coast Demerara, Guyana  
TEL: (592) 701-6309  
Leonora@demeraramutual.com

### GRENADA

#### GRENADA BRANCH OFFICE

Granby Street  
St. George's, Grenada  
TEL: (473) 440 2520/3208  
FAX: (473) 440 4178  
grenada@demeraramutual.com

### ROBERTS SALES OFFICE

Demerara Mutual Office  
Granby Street  
St George's  
Grenada  
TEL: (473) 440 2520  
w\_roberts@demeraramutual.com

### ST.LUCIA

#### ST. LUCIA'S BRANCH OFFICE

37 Chisel Street  
Castries, St. Lucia  
TEL: (758) 452 3979/6199  
FAX: (758) 451 7729  
st.lucia@demeraramutual.com

### KIRTON'S SALES OFFICE

37 Chisel Street  
Castries, St. Lucia  
Tel: (758) 453.6626/28  
Fax: (758) 451.7729  
s\_charleskirton@demeraramutual.com



## Offices

### ST. VINCENT

#### ST. VINCENT BRANCH OFFICE/ SALES OFFICE

65 Grenville Street  
Kingstown, St. Vincent  
TEL: (784) 457 1897  
FAX: (784) 456 2686  
st.vincent@demeraramutual.com

### GORDON'S SALES UNIT

65 Grenville Street  
Kingstown, St. Vincent  
TEL: (784) 457 1897  
FAX: (784) 456 2686  
e\_gordon@demeraramutual.com

### PHILLIPS' SALES OFFICE

65 Grenville Street  
Kingstown, St. Vincent  
TEL: (784) 457 1897  
FAX: (784) 456 2686  
bphillips@demeraramutual.com



## Offices

### Head Office:

#### DEMERARA FIRE & GENERAL INSURANCE COMPANY LIMITED

91 & 92 Avenue of the Republic, Lacytown,  
Georgetown, Guyana  
TEL: (592) 225 8991-3  
FAX: (592) 225 8995  
corporate@demeraramutual.com

### BRANCH OFFICES:

Lot 4 Wapping Lane  
New Amsterdam, Berbice, Guyana  
TEL: (592) 333 3243/2849  
FAX: (592) 333 4724  
berbice@demeraramutual.com

### LOT 2 ZESKENDEREN, SECTION A CENTRAL MAHAICONY,

East Coast Demerara, Guyana  
TEL: (592) 221 2276/2061  
FAX: (592) 221 2283  
mahaicony@demeraramutual.com

### 97/98 REPUBLIC AVENUE

Mackenzie, Linden, Guyana  
TEL: (592) 444 4687, (592) 444 6087  
linden@demeraramutual.com

## Notice of Date of Annual General Meeting

NOTICE IS HEREBY GIVEN pursuant to Regulation 35 of the Society's Regulations that the 131st Annual General Meeting of members will be held on the tarmac of the Demerara Mutual Life Assurance Society Ltd, 61/62 Avenue of the Republic & Robb Street, Georgetown, Guyana on Friday, 22nd September , 2023 at 4.00 p.m.

If any member desires to bring any matter before the meeting, he/she should, no later than fourteen (14) days before the 22nd September , 2023 deliver to the Society's Home Office, a statement in writing in the form of a motion setting forth specifically, such matter.

Whenever any member wishes to vote by proxy at any General Meeting, he/she shall, not less than twenty-four (24) hours before the time at which the Meeting is to take place, deliver or cause to be delivered at the Society's Home Office, a document signed by him/her, in the form (which can be obtained from the Company Secretary) appointing some other member of the Society as his/her proxy.

The Agenda for this meeting will be set out in the Notice to be published in the local Newspapers at least seven (7) days before the date of this Meeting.

Copies of the Financial Statements and the Reports of the Directors and Auditors for 2022 would be available at our Administrative Offices in Guyana, Grenada, St Lucia and St Vincent.



**JAMES K. MORGAN**  
Company Secretary

Demerara Mutual Life Assurance Society Ltd.  
61 - 62 Avenue of the Republic & Robb Street, Georgetown, Guyana  
1st September, 2023

## Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN pursuant to Regulation 35 of the Society's Regulations that the 131st Annual General Meeting of members will be held on the tarmac of the Demerara Mutual Life Assurance Society Ltd, 61/62 Avenue of the Republic & Robb Street, Georgetown, Guyana on Friday, 22nd September , 2023 at 4.00 p.m.

### AGENDA

1. To receive and consider the Reports of the Directors, the Accounts for the year ended 31st December, 2022 and the report of the Auditors thereon.
2. To elect Directors.
3. To fix the remuneration of the Directors.
4. To elect Auditors and fix their remuneration.
5. To approve an appropriation for donations to charity and for educational purposes.



**JAMES K. MORGAN**  
Company Secretary

Demerara Mutual Life Assurance Society Ltd.  
61 - 62 Avenue of the Republic and Robb Street, Georgetown, Guyana  
15th September, 2023

## Chairman's Report



**Ronald Burch-Smith**  
Chairman

Dear Policyholders, I would like to convey special thanks to you for your attendance at this the 131st Annual General Meeting of the Demerara Mutual Life. One hundred and thirty-one (131) years clearly attest to the strength of our Society and its solid foundation being the longest serving Life Assurance Company in Guyana which has stood the test of times and withstood the many challenges of our country over the years.

It has been three years (2020 – 2022) since we last met like this in person to have an Annual General Meeting which always afforded us the opportunity to interact and socialize with you personally. This association we are happy to

have restored due to the removal of the formal Covid-19 restrictions.

Through social media and the virtual meeting platform we were able to maintain our Annual General Meetings which many of you, including our overseas policyholders, were able to benefit from having attended virtually the 2020 and 2021 General Meetings. We have decided to continue using this virtual platform so that other policyholders especially those in the overseas territories could continue to have the privilege of attending our Annual General Meetings.

The year 2022 was a satisfying one with results that were better than year 2021. The year was however, not free from economic and social challenges due primarily to the war in Europe between Ukraine and Russia which started in February 2022 and continues to date. This and the after effects of the Covid-19 were some of the main causes for significant increases in the prices for goods and services resulting in less

## Chairman's Report

disposable income being available for insurance purchases. (12%).

Your Company, the Demerara Mutual Life, has been most resilient and kept persisting for its growth and ensuring your insurance security. Much success was achieved through the efforts of the Management and the Office and Field Staff. These efforts saw the surpassing of the 2021 results in all the territories where we operate, namely, Guyana, Grenada, St Vincent and St Lucia with the overall revenue growth being 5% from \$2.205B in 2021 to \$2.325B in 2022.

### ECONOMIC REVIEW

Globally, the economic growth rate for 2022 was projected at 3.3% compared to 5.9% in 2021. The Guyana economy has once again experienced a significant overall growth of 62.3% in real GDP compared to 19.9% in 2021. The non-oil economy grew by 11.5%. In the Eastern Caribbean territories, namely, Grenada, St Lucia and St Vincent, the average growth rate was estimated at 3.5%.

### FINANCIAL PERFORMANCE

Increase in revenue to sustain expenses for the Society's growth and the achievement of higher levels of profitability was given greater attention with the ease on the Covid-19 restrictions.

**Total revenue** for 2022 was \$2.34B compared to \$2.21B in 2021 which was a 6% increase. The contributions by territories were Guyana - \$1.016B (43%), Grenada - \$708M (30%), St Lucia - \$346M (15%) and St Vincent - \$267M

**Total Expenses:** This amounted to \$1,531M compared to \$1,593M in 2021 a 4% decrease.

**Surplus:** Our after-tax surplus for the year was \$1,438M compared to \$508.8M in 2021, a 1.83% increase.

**Investment income** was \$764M, an 8% increase compared to the \$711M achieved in 2021. Our investments are constantly under review so as to achieve at all times the best possible yields from investments to increase and further strengthen the Society's revenue base.

**Management expenses** totaled \$695M, a 12% decrease when compared to the 2021 expenses of \$785M. We continue to monitor closely our expenses and higher revenue yield to maintain acceptable expense ratios.

**Claims & Surrenders** paid totaled \$690M, a 29% decrease when compared to the \$674M paid in 2021. The prompt settlement of claims is an objective that we continue to sustain. I am sure this is very satisfactory to you our policyholders.

### REGULATIONS

We continue to ensure compliance with all regulations, particularly the Anti-Money Laundering and Countering the Financing

## Chairman's Report

of Terrorism laws. In 2022, our AML/CFT compliance program for our operations in Grenada was reviewed and updated to align with regulatory expectations and fulfill our statutory obligations in the fight against money laundering in the region.

Our internal policies and controls are under constant review to ensure they align with regulatory requirements in the jurisdictions where we operate. We also remained committed to enhancing our corporate governance and risk management frameworks to maintain effective strategic oversight and management of risks which are inherent to our operations.

We are taking steps to implement ISO 9001:2015 Standards to validate our compliance with international standards. Conforming to the ISO Standards also complements the Society's vision to develop, promote and sustain a customer-focused organisation.

### INFORMATION TECHNOLOGY

We continue to maintain and improve our Information Technology structure so that we can afford you real time services to meet your needs and better serve you our valued Policyholders and customers. This platform is being used more by policyholders and we are happy for the results which showed improved efficiency to meet your financial needs and address your queries.

### MARKETING

The Society's individual life sales performance in 2022 totaled \$1.6B representing a 4% increase over the previous year achievement of \$ 1.5B. This marginal improvement in the individual sales was as a result of improved performance in Guyana, Grenada and St. Vincent. The best performing territories for individual life sales were Grenada and Guyana. The best performing sales office was the Roberts' Agency.

The Society's Group premiums from all product lines totaled \$235M, a decrease of 2% compared to the 2021 performance of \$239M. The major decline was in the Group Creditor portfolio. The performance of group pension in 2022 amounted to \$649M in contributions compared to \$668M in 2021, a 3% decrease. The total value of pensions under management by the Society amounted to \$5.9B.

The Society has been strengthening its training programmes for our sales personnel and supporting staff to improve on the gains made in 2021. We assure of new and improved product lines to enhance our competitiveness in 2022 and beyond.

### CORPORATE GOVERNANCE

The Society's compliance with the current regulatory requirements in all the territories where we operate remained a priority for the Society and its Board of Directors to ensure

## Chairman's Report

transparency and accountability. We work closely with the Regulators to ensure that all of our policies and procedures were in conformity with current insurance regulations and that the interests of our policyholder were safeguarded.

### FIRE COMPANY SUBSIDIARY

Our Fire Company subsidiary, the Demerara Fire & General Insurance Company Limited continued to experience growth in a highly competitive insurance environment. New strategies for increase in our market share growth resulted in increased sales, a wider customer base and greater customer loyalty with our Policyholders, making Demerara Fire and Demerara Life a one-stop-shop to satisfy your insurance needs.

Demerara Fire, the wholly owned subsidiary of the Life Company, generated total revenue of \$148.5M which was a 21% increase when compared to the 2021 revenue of \$123.1M.

The after tax profit was \$27.3M compared to the \$7.7M in 2021. Claims paid totaled \$14.2M. This was a 60% decrease when compared to the \$35.5M paid in 2021. This reduction was in no way a reflection of the nonpayment of claims but lesser claims being made by policyholders and more prudent underwriting of new business.

### FUTURE OUTLOOK

We see ourselves as well positioned to continue benefitting from Guyana's rapidly-growing economy and the Oil and Gas industry

which is now the major source of economic growth in Guyana.

With the local content legislation now being in effect given the great results in the Oil and Gas Sector, insurance needs in Guyana are now much greater and Demerara Mutual Life has taken such needed steps to ensure it maximizes its benefits from this sector.

### CONCLUSION

In conclusion, I would like to thank you all for attending today's meeting including those in attendance virtually. We deeply appreciate your valued support and your choice of Demerara Mutual Life to be your Insurance Company to satisfy your insurance needs. We assure you of our continued efforts to provide you with reliable and exceptional service and for the prompt settlement of your claims.

To the Management team and members of the Sales Force and Office Staff, I thank you for your hard work and commitment for the sustained growth and profitability of the Society.

To my fellow Directors, your invaluable contribution to ensuring the continued success of Demerara Mutual Life is deeply appreciated. I thank you for your advice and support.

Ronald Burch-Smith  
CHAIRMAN



## Chief Executive Officer's Report



### Chief Executive Officer's Report

**Melissa De Santos**  
Chief Executive Officer

#### INTRODUCTION

The financial results of the Society for 2022 demonstrated the resilience and commitment of the Management Team to ensuring the attainment of key objectives for the year. Increased business sales were realized notwithstanding the continued harsh economic conditions which persisted together with increased competition and the after effects of the Covid 19 pandemic.

We have, however, regained much of the lost grounds due to the relaxing of the Covid 19 pandemic restrictions. We persisted with our conservation strategies since we were able to once again connect in person

with our policyholders and valued clients for new business and maintaining of their insurance coverages to satisfy their insurance needs. Measures such as the continuation of flexible payment arrangements, discounts and increased benefits resulted in enhanced customers' satisfaction which mitigated policy terminations.

#### MARKETING

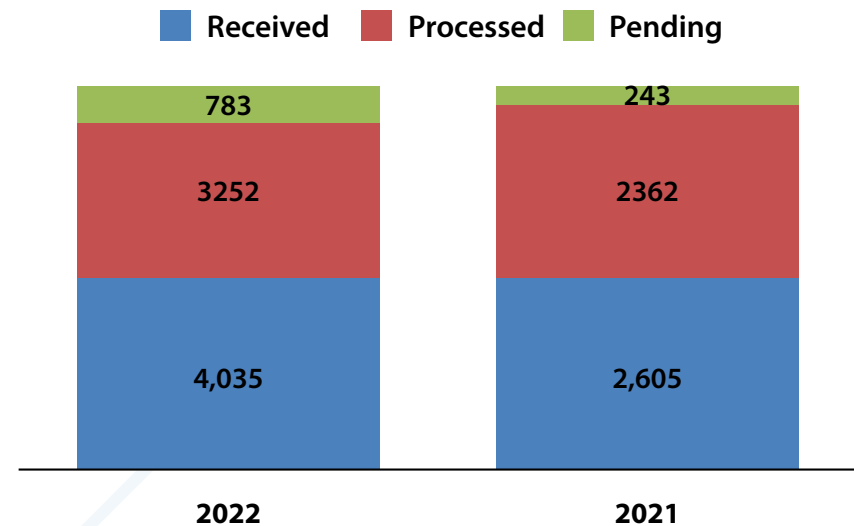
The Society's Individual Life sales performance totaled \$1.4B representing a 2% increase over the previous year's achievement of \$ 1.3B. In 2022 more time was invested in training and motivating of our sales force to achieve greater premium income and concomitant commissions. We also revised some of our current products to better serve

you our customers as these revised products adapt to our changing economies. The best performing territories for Individual sales were Grenada and Guyana. Clarke's Branch of Guyana had an achievement of 185% of their annual sales quota, followed by the Grenada Sales Office with an achievement of 92% of quota. We added a new Unit within the Roberts' Agency in 2022 as we continued to promote salespersons who showed great interest in extending their services to recruitment and training of other sales persons. Managers and Sales Representatives of these offices must be commended for the increase in overall activity. The Society's Group

Life premiums decreased by 3%. Group Life premiums totaled \$173.2M, compared to \$ 178.3M in 2021. Group Health Premiums totaled \$61.8M compared to \$60.6M in 2021 which was a 2% increase. Group pension contributions totaled \$649M in comparison to \$668M in 2021, a reduction of 3%. The total value of pensions under management by the Society as at December 2022 was \$5.9B.

With more emphasis on the recruitment system and the upgrade on current products, our sales teams in Guyana and the Eastern Caribbean territories are anticipated to gain entrance into new markets for higher levels

### Policy Requests 2022 versus 2021



Graph of transactions processed in 2022 versus 2021

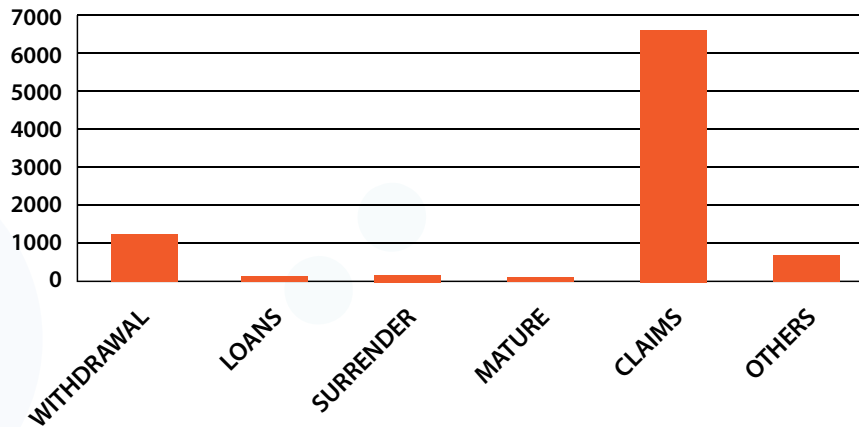
## Chief Executive Officer's Report

of production. We are placing more emphasis on the acquisition of more corporate business for all lines of business including the following areas: life, health and pension. Our Business Development Unit during the year worked closely with the EC territories to target groups in both public and private sectors and which results were positive.

and Call Centre team must be commended for their great work in advising our valued policyholders of the importance of maintaining their life insurance coverage to ensure coverage against unforeseen risks of losses.

Group Life and Group Creditors premium income for the year 2022 totaled **\$174.1M**, an increase of **5%** in comparison to **\$166.2 M** in

### Transactions 2022



#### INSURANCE OPERATIONS

Gratefully the pandemic started to subside in 2022 and the dust begun to settle and which we responded to by preparing for the future and adjusting to changes and trends to counter the post-Covid world. While in the height of the pandemic, policy loans requests increased in the year 2021, a reduction of 54% was experienced in the year 2022.

We have in addition seen a further decrease of 23% in surrenders for which our Sales Agents

2021. This portfolio continued to grow as more companies were seeking to provide insurance coverages for their employees.

**Group Pension** premium income was **\$651M** in comparison to **\$732M** in 2021 a reduction by 12%. Management fees collected from the Segregated Plans amounted to \$1.1M. Pension refunds totalled **\$84.M** and Retirement Benefits paid was **\$474.6M**.

**Group Health and Individual Health.** As we continued to adjust to the post pandemic-era

## Chief Executive Officer's Report

our health portfolio's performance continued to be plausible. In the year under review we received \$107.4M in premiums compared to **\$92.7M** in 2021. Claims paid amounted to **\$55.4M** in comparison to **\$57M** in 2021. We closed the year with a claims ratio of 52.4%

**Call Centre** Our Customers are coming out of the pandemic era with new priorities and we have been providing alternative customer service options, including self-service. We have embraced the digital channel, the new norm, and we have implemented several of these communication channels.

#### FINANCIAL PERFORMANCE

The Company's financial performance for 2022 exceeded that for 2021. This was due to more prudent management, control of expenses and greater efforts by members of the Sales Team in each of the territories where we operate.

**Revenue:** Total revenue was \$2.34B compared to \$2.21B in the previous year, a 6% increase.

**Premium:** Premium income was \$1.57B compared to \$1.49B in 2021 a 5% increase.

**Investments:** Totaled \$764M compared to \$711M, an increase of 8%.

**Total Expenses:** This amounted to \$1,531M compared to \$1,593M in 2021 a 4% decrease.

**Profit:** This was \$1,438M compared to \$508.8M in 2021, an increase of 1.83%.

**Management Expenses:** Management expenses totaled \$695M compared to \$785M for the previous year, a 12% decrease.

**Valuation:** The 2022 Valuation informed of a policy liability of \$11,989,147,938: for the Society's long term insurance business for year ended 31st December 2022.

#### HUMAN RESOURCES

The goals of the Human Resources Department were to select, recruit and train suitable persons to support of the Society's Strategic Plan. Recruiting and retaining the best talent for the industry was a challenge with the emergence of the oil and gas sectors and more lucrative employment remuneration packages offered for skilled workers.

The Society continued to make strides by providing our valued human resources with the requisite developmental support and motivation which helped staff to be more committed and realize their true potential in this rapidly evolving technologically driven environment.

The Human Resources Department continued to foster cohesiveness among internal customers. To this end a Social Committee was established with a view to promoting social and cultural interactions through various activities for employees and sales staff which included Staff Appreciation events.

The Human Resources Department implemented and maintained responsive programs and innovative methods to enhance staff support, and investment in this our greatest resource. Training and development continued as members of staff were encouraged to pursue studies and accreditation



## Chief Executive Officer's Report

in Insurance/Financial Services through Life Office Management Association (LOMA/LIMRA).

### INFORMATION SYSTEMS

We continued to maintain our Information Technology Systems to ensure that our network infrastructure was most efficient to meet the needs of the Society, to have accurate real time information for our policyholders and Regulators and to meet all financial and regulatory standards. Vulnerability testing was an ongoing process to ensure information security, efficient connections and upgrading of our IT System.

### REGULATORY/COMPLIANCE MATTERS

The Society continued to fulfill its regulatory obligations in the jurisdictions we operate. Adherence to Anti-Money Laundering and Countering the Financing of Terrorism legislation in all locations was integral to our compliance obligations. In 2022, we updated our AML/CFT compliance program specific to our operations in Grenada to fulfill our legal obligations in the fight against money laundering in the region.

As in previous years, the Company continued with the reviewing of its policies and processes to strengthen compliance with insurance regulations and align its management system with international standards relevant to our operations. We continued to enhance our risk and governance processes, demonstrating our commitment to managing risks to ensure operational efficiency. To validate these efforts, we are currently taking steps to conform to

ISO 9001:2015 Standards to achieve quality management compliance.

### DEMERARA FIRE & GENERAL

The Society's subsidiary, The Demerara Fire & General Insurance Company Limited continued to tailor its products to suit the needs and affordability of our valued clientele.

The expansion of our Sales Team in 2022 enhanced our ability to deliver improved customer services. We remained committed to the well being of our policyholders by upholding the number one position for fast and efficient claim settlements in the local insurance industry. Through our versatility to growing demands of the insurance market, we remain confident of the continuous development of our Company

The Fire Subsidiary performed admirably during the reporting period. The Company was able to recover from the Covid 19 Pandemic by recording an increase in both total Net Revenue and Profit after tax, demonstrating our resilience. Our marketing strategies continued to be effective as we strive to be a major force in the general insurance business. We are well positioned for new business prospects while maintaining excellent customer service.

### REVENUE

Total Revenue for the year was \$148.5M compared to \$123.1M in 2021 which was a 21% increase

### PROFIT

Total after tax profit was \$27.3M compared to \$7.7M in 2021. This was a 253% increase.

## Chief Executive Officer's Report

### CLAIMS PAID

Claims paid totaled \$14.2M which was a 60% decrease when compared to the \$35.5M paid in 2021.

### EXPENSES

Expense for 2022 totaled \$109.8M compared to \$112.2M in 2021 which was a 2% decrease.

### CONCLUSION

I would like to thank all policyholders for their confidence in placing their business with Demerara Mutual Life and its subsidiary, Demerara Fire & General.

We remain committed to ensuring that you are provided with the best of services you desire to meet your insurance needs and that your claims are settled without any undue delay.

To members of the Management Team and I convey my heartfelt gratitude for the support you have given me and for us working as a

unified team to meet our objectives in a most competitive insurance environment.

To the Chairman and members of the Board, I would like to say how much I appreciate your support and advice to ensure my continued success as the Society's Chief Executive Officer. I am indeed grateful for the confidence placed in me for the efficient management of the Society and ensuring its growth and attainment of objectives.

Melissa De Santos (Ms)

**CHIEF EXECUTIVE OFFICER**

## Management Team



**Melissa De Santos**  
Chief Executive Officer



**Kezia Mc Donald-Eleazer**  
Finance Controller



**James Morgan**  
Company Secretary



**Sharmela Ramsammy**  
Manager  
Sales and Marketing



**Orlene Charles**  
Manager  
Life Insurance Operations



**Sean Seaton**  
Chief Risk  
and Compliance Officer

## Management Team



**Asha Ojha**  
Manager  
Fire and General



**Raymond Govinda**  
Sales Coordinator



**Mark Critchlow**  
Manager  
Mortgage



**Rayann Shury-Clarke**  
Manager  
Business Development



**Nadira Surujpaul**  
Internal Auditor



**Timothy Indarsingh**  
Manager  
Information Technology



**Denise Lambert**  
Manager  
Human Resources  
& Corporate Services



**Bernadette Giddings**  
Manager  
Corporate Care



WE REMAIN COMMITTED TO THE WELL BEING OF OUR POLICYHOLDERS BY UPHOLDING THE NUMBER ONE POSITION FOR FAST AND EFFICIENT CLAIM SETTLEMENTS IN THE LOCAL INSURANCE INDUSTRY.



**Ronald Burch-Smith**  
LL.B, MSc

## Board of Directors



**Dr. Mahendra Carpen**  
M.B.B.A., D.M., F.A.C.P



**Clifford Reis**  
C.C.H



**Dr Arron Fraser**  
F.C.C.A, M.B.A, PhD



**Maurice Solomon**  
F.C.C.A.



**Deenawati Panday**  
LL.B.



**Carlton Joao**  
M.B.A.

## Director's Report

The Directors have the pleasure to submit to you their report for the financial year ended 31st December 2022.

### PRINCIPAL ACTIVITIES

The principal activities of the Society are the sale of long-term Life Assurance and Pension Schemes.

### SUMMARY FINANCIAL RESULTS

A summary of the financial results for the year ended 31st December 2022 is as follows:

	2022 \$	2021 \$
Revenue	2,337,464,478:	2,205,275,041:
Net Profit/loss after taxation	686,828,853:	508,834,551:
Total Comprehensive income	9,897,562,408:	10,698,259,456:
Total Assets	49,657,726,502:	40,135,346,259:
Total Liabilities	13,358,806,652:	3,733,988,817:

### DIRECTORATE

The Directors who retire by rotation are Mr. Clifford B Reis, Ms. Deenawati Panday and Mr. Ronald Burch-Smith. These Directors are eligible and offer themselves for election.

### DIRECTORS' EMOLUMENTS

The emoluments paid to the Society's Directors for the year 2022 were as follows:

	2022 G\$	2021 G\$
Mr. Ronald Burch Smith	2,648,976:	2,522,833:
Mr. Clifford B. Reis, C.C.H.	1,655,592:	1,576,752:
Dr. Leslie Chin, CCH	919,765:	1,576,752:
Mr. Maurice Solomon	1,655,592:	1,576,752:
Ms. Deenawati Panday	1,655,592:	1,576,752:
Dr. Arron Fraser	1,655,592:	1,576,752:
Dr. Mahendra Carpen	1,655,592:	1,576,752:
Mr. Carlton Joao	1,655,592:	1,576,752:
	<u>13,502,293:</u>	<u>13,560,097:</u>

## Director's Report

### DIRECTORS' INTEREST

The Society's Directors are required to be members of the Society by having a participating life assurance policy with the Society. This requirement was met by all Directors. The sums assured of their respective life assurance policies are:

	Sums Assured
Mr. Ronald Burch Smith	500,000:
Mr. Clifford B. Reis,	100,000:
Mr. Maurice Solomon	100,000:
Ms. Deenawati Panday	500,000:
Dr. Arron Fraser	500,000:
Dr. Mahendra Carpen	1,000,000:
Mr. Carlton Joao	1,000,000:

### SERVICE CONTRACTS

The Society's Directors have no interest in any of the Service Contracts executed by the Society.

### CAPITAL EXPENDITURE

The capital investment for the year 2022 was \$21,411,591.

### AUDITORS

The retiring Auditors, TSD LAL & CO is eligible for election and expressed their willingness to be the Society's Auditors for the ensuing year.

### VALUATION

The Society's policy liabilities for the long-term insurance business of the Society as at 31st December 2022 were valued as \$11,989,147,938.

### SUBSTANTIAL SHAREHOLDINGS

The Society is a substantial shareholder of Banks DIH Ltd. The total share investment which the Society and its subsidiary, the Demerara Fire & General Insurance Company, have in Banks DIH Ltd is 81.57M shares. This represents 9.6% of the shareholding of that Company.

By order of the Board.

**JAMES K. MORGAN**  
Company Secretary



## Corporate Governance

### THE BOARD OF DIRECTORS

The members of the Society's Board of Directors are Mr. Ronald Burch-Smith (Chairman) Mr. Clifford B. Reis, C.C.H., Mr. Maurice Solomon, Ms. Deenawati Panday, Dr. Arron Fraser, Dr. Mahendra Carpen and Mr. Carlton Joao.

The Board of Directors of the Society provides oversight for the effective management of the Society's operations. It also oversees its risk management functions to ensure the effective governance of the Society. It is responsible for ensuring that the Society is being managed in keeping with the insurance regulations in all the territories where it operates. It also reviews the performance of the Society's operational activities on a regular basis and takes the necessary decisions for the Society's improved performance and efficiency.

### INVESTMENT/ FINANCE/MARKETING COMMITTEE

This Committee comprises Mr. Maurice Solomon (Chairman), Mr. Clifford B. Reis, Ms. Deenawati Panday and Dr. M Carpen. This committee reviews the Monthly and yearly financial statements of the Society and advising the Board of its recommendations for the improved financial performance of the Society. It also reviews the Annual Budget presented by Management and advises on necessary changes to be made before recommending approval by the Board. The Society's Monthly Financials are also reviewed by this committee and advises on actions to be taken for improved financial performance. It examines periodically the investment policy of the Society to ensure its maximum returns from investments.

Its Marketing Responsibilities include review of the sales performance of the Society and functioning of the respective sales agencies to ensure that the levels of production were consistent with budget projections.

### BUILDING COMMITTEE

The members of this committee are Mr. Carlton Joao (Chairman), Mr. Clifford Reis, Drs. Mahendra Carpen and Arron Fraser.

The Building Committee has responsibility for major building projects of the Society and ensuring that its properties are well maintained.

## Corporate Governance

### AUDIT COMMITTEE

The members of the Audit Committee are Dr. Arron Fraser (Chairman), Mr. Maurice Solomon and Mr. Clifford B. Reis.

The audit committee is responsible for the review of the Society's audit plans to ensure that they are appropriate, risk-based and addresses all the relevant activities of the Society. It also considers audit reports and ensures that the work of the internal and external auditors were well coordinated and efficiently executed.

### HUMAN RESOURCE/DEATH CLAIMS COMMITTEE

This Committee comprises Directors, Ms. Deenawati Panday (Chairperson), Mr. Maurice Solomon, Dr. Mahendra Carpen, Dr. Arron Fraser and Mr. Carlton Joao.

This committee review of the Society's Human Resource structure to ensure adequacy to achieve the Society's objectives. It also ensures that policies and guidelines conform with local laws, regulations and policies and also to international standards pertaining to equal employment opportunities and working conditions.

### RISK COMMITTEE

The members of this Committee comprise Dr. Arron Fraser, Chairman, Mr. Clifford B Reis and Mr. Maurice Solomon. This Committee gives guidance on activities of the Society and the approaches to be taken by the Society regarding risk activities. It also considers the risk profile regarding the corporate strategy and make recommendations for necessary policy changes given any risk exposures that needed to be mitigated.

## Corporate Information

Demerara Mutual Life Assurance Society Limited  
Incorporated by Ordinance 19 of 1891

### REGISTERED OFFICES:

61 & 62 Avenue of the Republic  
& Robb Street  
Georgetown, Guyana  
Tel. (592) 225-8991-3  
Email: corporate@demeraramutual.com

### REASSURERS:

**Swiss Re Life & Health Canada**  
150 King St West, Suite 1000  
Toronto, Ontario M5H 1J9, Canada

### AUDITORS:

TSD LAL & CO.  
CHARTERED ACCOUNTANTS  
(An Independent Correspondent Firm  
of Deloitte Touché Tohmatsu)  
77 Brickdam, Stabroek,  
Georgetown, Guyana

### ACTUARY:

**Edward Kuo Consulting Actuary**  
**Actuarial Perspective Inc**  
2 Robert Speck Parkway  
Suite 750  
Mississauga, Ontario  
L4Z 1H8, Canada

### BANKERS:

**Guyana Bank for Trade & Industry Limited**  
47-48 Water Street  
Georgetown, Guyana

**Republic Bank (Guyana) Limited**  
38-40 Water Street  
Georgetown, Guyana

**Citizens Bank Guyana Inc.**  
231 -233 Camp Street  
Georgetown, Guyana

**Bank of Nova Scotia**  
104 Carmichael Street  
North Cummingsburg  
Georgetown, Guyana

### ATTORNEYS-AT-LAW:

**Messrs Cameron & Shepherd**  
2 Avenue of the Republic  
Georgetown, Guyana





## 2022 Sales Awardees

The following agents are the 2022 Top Producers for the Society and are recognised for their sterling performance

**CHARLES CLARKE**  
CHAIRMAN'S DIAMOND, DOUBLE CENTURION,  
TOP PRODUCER - LIFE  
TOP PRODUCER - FIRE



**MICHAEL BLAIR**  
TOP PRODUCER - MOTOR  
CHAIRMAN'S DIAMOND  
CENTURION



**TONICCA COX**  
CHAIRMAN'S SILVER  
FIFTY PLUS  
ROOKIE AWARD



**RICHARD SEATON**  
CHAIRMAN'S BRONZE  
CENTURION



**LYDIA BUBB-FRAME**  
FIFTY PLUS CLUB



**NATHALIE GIBBS**  
CHAIRMAN'S SILVER  
FIFTY PLUS CLUB



**LESLIE-ANNE BYER**  
CHAIRMAN'S DIAMOND  
FIFTY PLUS CLUB



**ALLISON ALLCOCK**  
CHAIRMAN'S BRONZE  
FIFTY PLUS



**MARIA RODRIGUES**  
CHAIRMAN'S BRONZE  
FIFTY PLUS CLUB



**JOEL MC PHERSON**  
CHAIRMAN'S GOLD  
FIFTY PLUS CLUB



**SHORNA JAMES - ST. JOHN**  
CHAIRMAN'S DIAMOND  
FIFTY PLUS CLUB



**WILCOX ROBERTS**  
CHAIRMAN'S DIAMOND  
CENTURION  
TOP PRODUCER - LIFE



**HAREESH RAMSAMOOJ**  
FIFTY PLUS CLUB



**GAITRIE LOCHAN**  
ROOKIE AWARD



**VONETTA HERMAN**  
ROOKIE AWARD



**PATRICIA ISAACS**  
ROOKIE AWARD



**NICKULA MCDONWALL-JOHN**  
ROOKIE AWARD



# Financial Statements

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DEMERARA MUTUAL LIFE ASSURANCE SOCIETY LIMITED AND SUBSIDIARY ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

### Report on the Audit of Financial Statements

#### Opinion

We have audited the financial statements of the Demerara Mutual Life Assurance Society Limited and Subsidiary, which comprise the consolidated statement of financial position as at 31 December 2022, 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 significant accounting policies set out on pages 31 to 76.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Demerara Mutual Life Assurance Society Limited and Subsidiary as at 31 December 2022, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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 in Guyana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information in the annual report

Management is responsible, for the other information. The other information comprises all the information included in the Group's 2022 annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 the other information was not available.

# Financial Statements

### Responsibilities of Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, the Directors/Management are responsible for assessing the 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 the directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the planning and performance of the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal controls,
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls,
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management,
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability

# Financial Statements

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

to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern,

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

## Report on other legal and regulatory requirements

The financial statements comply with the requirements of the Companies Act 1991. The Insurance Act 2016 came into effect in 2018. As explained in Note 31, the Society has five (5) years to be fully compliant.

## TSD LAL & CO.

### Chartered Accountants

Date: June 30, 2023

77 Brickdam, Stabroek, Georgetown

*TSD Lal & Co*

## DEMERARA MUTUAL LIFE ASSURANCE SOCIETY LIMITED AND SUBSIDIARY

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

Notes	COMPANY		GROUP	
	2022	2021	2022	2021
	G\$	G\$	G\$	G\$
<b>Revenue</b>				
Premiums	5 1,573,147,891	1,494,321,582	1,697,057,326	1,593,736,255
Investment & other income	6 764,316,587	710,953,459	788,930,733	734,652,804
<b>Total revenue</b>	<u>2,337,464,478</u>	<u>2,205,275,041</u>	<u>2,485,988,059</u>	<u>2,328,389,059</u>
<b>Expenses</b>				
Claims	7 353,584,926	281,153,430	367,834,750	316,685,640
Surrenders	8 336,353,143	392,805,026	336,353,143	392,805,026
Commissions	9 106,014,688	97,820,674	123,839,206	113,747,888
Donations	3,688,636	1,823,583	3,688,636	1,823,583
Management expenses	10 695,185,392	785,679,037	772,918,296	846,372,219
Taxation	11 36,335,648	34,192,884	47,755,042	37,434,800
<b>Total expenses</b>	<u>1,531,162,433</u>	<u>1,593,474,634</u>	<u>1,652,389,073</u>	<u>1,708,869,156</u>
<b>Profit before movement in actuarial liabilities</b>	<u>806,302,045</u>	<u>611,800,407</u>	<u>833,598,986</u>	<u>619,519,903</u>
Change in actuarial liabilities	23 (632,562,973)	102,965,856	(632,562,973)	102,965,856
<b>Profit for the year</b>	<u>1,438,865,018</u>	<u>508,834,551</u>	<u>1,466,161,959</u>	<u>516,554,047</u>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified subsequently to profit or loss</b>				
Remeasurement of defined benefit pension plan	34(d) 1,257,453,014	1,907,477,439	1,257,453,014	1,907,477,439
<b>Items that may be reclassified subsequently to profit or loss</b>				
Adjustment to fair value of investments	21 7,966,405,223	8,294,531,459	8,184,411,850	8,328,409,846
Currency translation differences	(13,124,682)	(12,583,993)	(13,124,682)	(12,583,993)
Others	-	-	-	159,742,598
<b>Other comprehensive income for the year</b>	<u>9,210,733,555</u>	<u>10,189,424,905</u>	<u>9,428,740,182</u>	<u>10,383,045,890</u>
<b>Total comprehensive income for the year</b>	<u>10,649,598,573</u>	<u>10,698,259,456</u>	<u>10,894,902,141</u>	<u>10,899,599,937</u>

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

**DEMERARA MUTUAL LIFE ASSURANCE SOCIETY LIMITED AND SUBSIDIARY**
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Guarantee Capital	Retained earnings	Revaluation reserve	Investment reserve	Exchange difference reserve	Total
	G\$	G\$	G\$	G\$	G\$	G\$
<b>COMPANY</b>						
Balance at 1 January 2021	100,000	1,226,069,435	1,116,992,740	14,436,087,244	(1,076,151,433)	15,703,097,986
<b>Total comprehensive income/(loss) for the year</b>	-	2,416,311,990	(23,096,454)	8,263,125,716	41,918,204	10,698,259,456
Balance at 31 December 2021	100,000	3,642,381,425	1,093,896,286	22,699,212,960	(1,034,233,229)	26,401,357,442
<b>Total comprehensive income/(loss) for the year</b>	-	2,696,318,032	(9,830,309)	7,948,456,856	14,653,994	10,649,598,573
Balance at 31 December 2022	100,000	6,338,699,457	1,084,065,977	30,647,669,816	(1,019,579,235)	37,050,956,015
<b>GROUP</b>						
Balance at 1 January 2021	100,000	1,421,333,754	1,166,865,666	14,612,449,830	(1,076,151,433)	16,124,597,817
<b>Total comprehensive income/(loss) for the year</b>	-	2,424,031,486	(3,514,503)	8,437,164,750	41,918,204	10,899,599,937
Balance at 31 December 2021	100,000	3,845,365,240	1,163,351,163	23,049,614,580	(1,034,233,229)	27,024,197,754
<b>Total comprehensive income/(loss) for the year</b>	-	2,723,614,973	(9,830,309)	8,166,463,483	14,653,994	10,894,902,141
Balance at 31 December 2022	100,000	6,568,980,213	1,153,520,854	31,216,078,063	(1,019,579,235)	37,919,099,895


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

**DEMERARA MUTUAL LIFE ASSURANCE SOCIETY LIMITED AND SUBSIDIARY**
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2022**

Notes	COMPANY		GROUP		
	2022 G\$	2021 G\$	2022 G\$	2021 G\$	
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property and equipment	12	1,873,738,560	1,910,778,286	1,974,567,090	2,014,269,030
Commercial building	13	608,000,000	608,000,000	608,000,000	608,000,000
Intangible assets	22	-	17,655,460	13,150,430	35,189,367
Investment in subsidiary company		111,863,250	111,863,250	-	-
<b>Other financial assets</b>					
Held to maturity	15(a)	1,603,831,618	1,652,575,116	1,603,831,618	1,652,575,116
Available for sale	15(c)	31,062,886,969	23,117,236,021	31,713,262,364	23,549,604,790
Loans & receivables	15(b)	907,250,002	742,014,580	907,250,002	742,014,580
Retirement benefit asset	34	5,859,120,285	4,448,002,681	5,859,120,285	4,448,002,681
		<u>42,026,690,684</u>	<u>32,608,125,394</u>	<u>42,679,181,789</u>	<u>33,049,655,564</u>
<b>Current assets</b>					
Inventories		5,173,941	4,324,337	5,957,774	5,008,522
Trade and other receivables	18	234,678,820	142,914,082	289,658,847	195,910,486
Accrued interest	19	38,303,579	46,572,399	38,422,664	46,721,899
Tax recoverable		727,259	1,481,991	16,971,199	17,725,931
Cash on deposits	20	3,662,680,838	3,826,708,690	3,890,602,759	4,037,061,517
Cash at bank and on hand		3,689,471,381	3,505,219,366	3,772,114,717	3,577,884,207
		<u>7,631,035,818</u>	<u>7,527,220,865</u>	<u>8,013,727,960</u>	<u>7,880,312,562</u>
Total assets		<u>49,657,726,502</u>	<u>40,135,346,259</u>	<u>50,692,909,749</u>	<u>40,929,968,126</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserves</b>					
Guarantee capital		100,000	100,000	100,000	100,000
Retained earnings		6,338,699,457	3,642,381,425	6,568,980,213	3,845,365,240
Exchange difference reserve		(1,019,579,235)	(1,034,233,229)	(1,019,579,235)	(1,034,233,229)
Revaluation reserve		1,084,065,977	1,093,896,286	1,153,520,854	1,163,351,163
Investment reserve	21	30,647,669,816	22,699,212,960	31,216,078,063	23,049,614,580
		<u>37,050,956,015</u>	<u>26,401,357,442</u>	<u>37,919,099,895</u>	<u>27,024,197,754</u>
<b>Non-current liabilities</b>					
Actuarial liabilities	23	6,678,746,985	7,389,277,626	6,678,746,985	7,389,277,626
Deposit administration fund	24	5,310,400,894	5,891,217,883	5,310,400,894	5,891,217,883
		<u>11,989,147,879</u>	<u>13,280,495,509</u>	<u>11,989,147,879</u>	<u>13,280,495,509</u>
<b>Current liabilities</b>					
Insurance contract liabilities		119,966,381	91,398,911	217,013,064	174,076,842
Unpaid claims	25(a)	188,098,999	201,830,313	230,598,557	264,274,883
Trade and other payables	26	309,557,228	160,264,084	337,050,354	186,923,138
		<u>617,622,608</u>	<u>453,493,308</u>	<u>784,661,975</u>	<u>625,274,863</u>
Total equity and liabilities		<u>49,657,726,502</u>	<u>40,135,346,259</u>	<u>50,692,909,749</u>	<u>40,929,968,126</u>

These financial statements were approved on 30th June 2023

 Director  
Mr. M Solomon

 Director  
Dr. Mahendra Carpen

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

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	COMPANY		GROUP	
	2022	2021	2022	2021
	G\$	G\$	G\$	G\$
<b>Cash flow from operating activities</b>				
Profit before taxation	842,637,693	645,993,291	881,354,028	656,954,703
Depreciation	40,091,613	35,965,254	44,233,082	40,329,318
Amortization	17,519,228	17,655,452	21,902,705	22,038,930
Investment income	(764,316,587)	(710,953,459)	(788,930,733)	(734,652,804)
<b>Net cash inflow/(outflow) before changes in operating assets</b>	135,931,947	(11,339,462)	158,559,082	(15,329,853)
Decrease in deposits	164,027,852	48,017,171	146,458,758	38,451,067
(Increase) / decrease in receivables, prepayments, intangible assets & inventory	(92,478,111)	(834,448)	(94,561,382)	37,254,586
Decrease in accrued interest	8,268,820	1,084,190	8,299,235	1,079,238
Increase in retirement obligation	(153,664,590)	(74,682,920)	(153,664,590)	(74,682,920)
Decrease in unpaid claims	(13,731,314)	(187,250,074)	(33,676,326)	(202,521,608)
Increase in insurance & actuarial liabilities	(49,400,199)	(162,497,298)	(35,031,447)	(154,850,404)
Increase in deposit admin fund	(580,816,990)	(549,596,710)	(580,816,990)	(549,596,710)
Increase/ (decrease) in trade and other payables	149,293,144	(36,342,355)	150,127,216	(18,034,040)
<b>Net cash used in operations</b>	(432,569,441)	(973,441,906)	(434,306,444)	(938,230,644)
Taxes paid	(35,580,915)	11,861,996	(47,000,309)	2,489,588
<b>Net cash used in operating activities</b>	(468,150,356)	(961,579,910)	(481,306,753)	(935,741,056)
<b>Investing activities</b>				
Dividend, rent and interest received	754,880,134	664,426,891	779,155,580	687,871,568
Proceeds from sale/redemption of securities	536,938,529	673,758,435	536,938,529	673,758,435
Other income	9,436,455	46,526,567	9,775,156	46,781,235
Purchase of securities	(467,440,757)	(787,685,451)	(467,440,757)	(787,685,451)
Mortgage	(40,769,521)	(37,011,807)	(40,769,521)	(37,011,807)
Policy loans	(124,465,901)	(66,648,002)	(124,465,901)	(66,648,002)
Net purchase of property & equipment and exchange differences	(3,051,886)	34,330,109	(4,531,141)	28,086,776
Disposal of property & equipment	-	-	-	2,852
<b>Net cash provided by investing activities</b>	665,527,053	527,696,742	688,661,945	545,155,606

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

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	COMPANY		GROUP	
	2022	2021	2022	2021
	G\$	G\$	G\$	G\$
Net increase / (decrease) in cash and cash equivalents	197,376,697	(433,883,168)	207,355,192	(390,585,450)
Effect of exchange rates	(13,124,682)	(12,583,993)	(13,124,682)	(12,583,993)
Net (decrease) / increase in cash and cash equivalents	184,252,015	(446,467,161)	194,230,510	(403,169,443)
Cash and cash equivalents at the beginning of period	3,505,219,366	3,951,686,527	3,577,884,207	3,981,053,650
Cash and cash equivalents at the end of period	3,689,471,381	3,505,219,366	3,772,114,717	3,577,884,207
Represented by:				
Cash at bank and on hand	3,689,471,381	3,505,219,366	3,772,114,717	3,577,884,207

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

## NOTES ON THE ACCOUNTS

### 1 Incorporation and activities

Demerara Mutual Life Assurance Society Limited was incorporated by Ordinance 19 of 1891 and its major activity is the issuance of life assurance.

The wholly owned subsidiary, Demerara Fire and General Insurance Company Limited's major activities are Fire, Motor and General insurance. It was incorporated under the Companies Act Chapter 89:01 in the Co-operative Republic of Guyana on 27 November 1992 and continued under the Companies Act 1991 on April 29, 1997. It commenced operations on July 1, 1993.

The company's registered office is located at 61-62 Avenue of the Republic, Georgetown, Guyana.

#### No. of employees

The average number of employees of the Group was 112 (2021 - 99)

### 2 New and amended standards and interpretations

#### Amendments effective for the current year end

<b>New and Amended Standards</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to IFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to IAS 16: Proceeds before intended use	1 January 2022
Amendments to IAS 37: Onerous Contracts – Cost of fulfilling a contract	1 January 2022
Annual Improvements 2018-2020	1 January 2022

None of the new and amended standards and interpretations had a material impact on the Group's financial policies when adopted.

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

<b>New and Amended Standards</b>	<b>Effective for annual periods beginning on or after</b>
IFRS 17 Insurance contracts	1 January 2023
Amendments to IAS 1 and IFRS Practice statement 2: Disclosure of Accounting Policies	1 January 2023

## NOTES ON THE ACCOUNTS

### 2 New and amended standards and interpretations cont'd

#### **New and Amended Standards cont'd**

Amendments to IAS 8: Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to IAS 1: Presentation of financial statements on classification of liabilities	1 January 2024

None of the above new and amended standards are expected to have significant impact on the Group's financial statements when adopted except for the standards below:

#### IFRS 17 Insurance contracts

"The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:"

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

In December 2021, the IASB amended IFRS 17 to add a transition option for a "classification overlay" to address possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of IFRS 17.

At the time of preparation of these financial statements, a reasonable estimate of the impact of the above is not known.

#### Amendments to IAS 1 and IFRS Practice statement 2: Disclosure of Accounting Policies

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

## NOTES ON THE ACCOUNTS

### 3 Summary of significant accounting policies

#### (a) Basis of preparation

The financial statements have been prepared under the historical cost convention as modified for the revaluation of property and equipment, investment property and investments and the accounting policies conform with International Financial Reporting Standards.

#### (b) Recognition of income and expenditure

These statements are prepared on the accrual basis.

#### (c) Investment and other income

“Investments are recognised in the financial statements to comply with International Accounting Standards. The company’s and group’s investments have been classified as “available for sale assets”, “investments held to maturity” and “loans and receivables”

“Available for sale” investments are initially recognised at cost and adjusted to fair value (market value) at subsequent periods. Gains or losses on revaluations are recognised through the statement of comprehensive income until the asset is sold or otherwise disposed, at which time it would be transferred to the statement of profit or loss for that period.

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

“Loans and Receivables comprise loans, mortgage and bonds. These are stated at amortised cost.

Income from variable return securities is dealt with on a cash basis whilst income on fixed return securities is recognised as it is earned.

#### (d) Property and equipment and depreciation

Land and buildings held for use in the supply of services for administrative purposes are stated in the statement of financial position at their revalued amounts. The revalued amounts are the fair value at the time of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment. Land and buildings are revalued by independent professional valuer on triennial basis and whenever their carrying amounts are likely to differ materially from their revalued amounts. Any revaluation increase/decrease arising from the revaluation of such land and building is recognized in other comprehensive income and accumulated in revaluation reserve.

Equipment fixtures and vehicles are stated at cost less accumulated depreciation and any accumulated impairment losses.

## NOTES ON THE ACCOUNTS

### 3 Summary of significant accounting policies cont'd

Depreciation provided on a reducing balance basis except for buildings which are depreciated on a straight line basis, at rates sufficient to write off the cost or valuation of assets over its estimated useful lives as stated below:

Furniture, fixtures and equipment	20% per annum
Motor vehicles	25% per annum
Computer appliances	50% per annum
Buildings	2% per annum

No depreciation is provided on Land.

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

#### (e) Foreign currency translation

Transactions in currencies other than Guyana Dollars are recorded at the rate of exchange prevailing on the dates of the transactions. At each reporting date monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on that date.

Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at rates prevailing when the fair value was determined. Gains and losses arising on retranslation are included in the statement of profit or loss and other comprehensive income for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised in the statement of changes in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group’s foreign operations are expressed in Guyana dollars using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the date of the transactions are used. Exchange differences arising, if any, are classified as equity and recognised in the group’s exchange difference reserve. Such exchange differences are recognised in the profit or loss in the period in which the foreign operation is disposed of.

#### (f) Pension funding

The fair value of the Plan’s assets and the present value of the obligation are actuarially calculated at each year end and disclosed on the statement of financial position.

The movement in assets and liabilities of the pension scheme is recognised through the statement of profit or loss and other comprehensive income.



## NOTES ON THE ACCOUNTS

### 3 Summary of significant accounting policies cont'd

#### (g) Charge-ups

Charge-ups are done as required by automatic premium loan provision in the policy contract. This provision authorises the insurer to use the cash surrender value to pay any premiums still due at the end of the grace period. This policy is maintained in force while there is a cash surrender value on the policy. When there is insufficient cash surrender value to pay premiums the policy becomes inactive and is written off.

#### (h) Deferred tax

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the reporting date.

#### (i) Consolidation

The consolidated accounts incorporate the accounts of Demerara Mutual Life Assurance Society Limited and its wholly owned subsidiary Demerara Fire and General Insurance Company Limited. Where necessary, adjustments are made to the financial statements of the subsidiary Demerara Fire and General Insurance Company Limited to bring its accounting policies in the line with the company. Investment in subsidiary is carried at historical cost on the company's statement of financial position.

#### (j) Intangible assets

Intangible assets are amortised over a period of five years.

#### (k) Commercial building

This is an investment property, which is held to earn rentals and/or capital appreciation and is stated at its fair value at the statement of financial position date.

Gains or losses arising from changes in the fair value of investment property are included in the statement of profit or loss and other comprehensive income for the period in which they arise.

All of the Company's property interests held under operating leases to earn rentals or for capital appreciation purpose are accounted for as investment properties and are measured using the fair value model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no further economic benefits are expected from the disposal.

## NOTES ON THE ACCOUNTS

### 3 Summary of significant accounting policies cont'd

#### (l) Inventory

Stocks are valued at lower of cost and net realizable value using average cost method and are held for internal use.

#### (m) Insurance contracts

##### (i) Short term insurance contracts

These contracts are for property, motor, group life and health insurance.

Property insurance contracts provide coverage to the policy holders property damage or loss of property. These contracts are issued for both commercial property and homeowners' property.

Motor insurance provides coverage for damage, theft and personal accident.

Group Life Insurance contracts protect the Group's members from the consequences of events that would affect the ability of the insured or dependent to maintain the current level of income.

Health Insurance contracts cover risk for medical expenses. Benefits are paid on occurrence of the specified insured event either fixed or linked to the extent of the economic loss suffered by policyholders.

Premiums on the contracts are recognised as revenue proportionally over the period of coverage. The portion of premiums received for in force contracts that relate to unexpired risk at the consolidated statement of financial position date is reported as unearned premium liability.

Premiums are shown before the deduction of commissions.

Claims and loss adjustment expenses are recognised in the statement of comprehensive income, as incurred based on estimated liability for compensation owed to policyholders. They arise from events that have occurred up to the date of the financial statements even if they have not been reported to the Group. Liabilities for unpaid claims are estimated based on techniques such as input of assessment of individual cases reported to the Group and statistical analysis for the claims incurred but not reported.

##### (ii) Long term insurance contracts with fixed and guaranteed terms

These contracts insure events associated with human life (for example death or survival) over a long duration. Premiums are shown before deduction of commissions. Policy benefits are recognised as an expense when incurred.

## NOTES ON THE ACCOUNTS

### 3 Summary of significant accounting policies cont'd

#### (m) Insurance contracts cont'd

A liability for policy benefits that are expected to be incurred in the future is established on acceptance of the insured risk. The liability is actuarially determined using the Policy Premium Method as described in Note 33. An actuarial valuation is done annually. Changes in the policyholders' liability are recorded as an expense in the consolidated statement of comprehensive income. Group annuity contracts are determined using accumulated fund values.

#### Interest sensitive contracts

For these contracts, premiums are recorded as premium income and there is no unbundling of the premium receipt between the insurance and the investment components. The liability is determined as the sum of the liability for the insured risk and the accumulated cash value. The liability is actuarially determined using the Policy Premium Method as described in Note 34.

#### (iii) Long term insurance contracts with fixed and guaranteed terms and with discretionary participation feature

In addition to insuring events associated with human life (for example death or survival) over a long duration these contracts contain discretionary benefits that entitles the holder to a bonus when declared by the Group. Premiums are shown before deduction of commissions. Policy benefits are recognised as an expense when incurred.

A liability for both guaranteed and discretionary benefits that are expected to be incurred in the future is established on acceptance of the insured risk. The liability is actuarially determined as described in Note 33. Changes in the policyholders' liability are recorded as expense through the statement of comprehensive income.

#### (iv) Deposit administration contracts

Deposit administration fund represents liabilities under contracts issued by the Society to pension schemes for the provision of pension benefits to their employees. The assets backing these liabilities are managed by the Group but are not legally separated from the Group's general operations. The assets and liabilities of these funds are included on the financial statements. The returns on these funds are guaranteed by the Group by stated interest rates which are revised annually. Liabilities under deposit administration contracts are carried at amortised cost. The company earns administration fees for the management of these funds and incurs interest expense on these funds. Management fees and interest expense are recorded in the income statement. Contributions are recorded directly as liabilities. Withdrawals are deducted directly from the liability.

## NOTES ON THE ACCOUNTS

### 3 Summary of significant accounting policies cont'd

#### (n) Financial instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. Financial instruments carried on the statement of financial position include investments, securities, loans, receivables, payables, accruals and cash resources. The recognition methods adopted for the instruments are disclosed in the individual policy statement.

#### i) Trade receivables

Trade receivables are recognised at amortised cost. Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of profit or loss and other comprehensive income when there is objective evidence that they are not collectable.

#### ii) Bank borrowings

Interest bearing bank loans and overdrafts are recognised at amortised cost.

#### iii) Trade payables

Trade payables are recognised at amortised cost.

#### iv) Cash and cash equivalents

Cash and short term funds are held for the purpose of meeting short term cash commitments rather than investment or other purposes. These are readily convertible to a known amount of cash, with maturity dates of three (3) months or less.

#### v) Derecognition

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

#### o) Reinsurance

The Group has reinsurance coverage in place for insurance risk that it underwrites. Relevant amounts are reimbursed to the company for claims paid in accordance with the terms of the reinsurance agreement.

Reinsurance premiums paid reflect amounts due to reinsurers for the financial year net of commissions earned by the Group for ceding business to them. Unexpired reinsurance premium net of the corresponding commission is an estimated amount of reinsurance premium relating to the future accounting period. This is shown under current assets.

## NOTES ON THE ACCOUNTS

### 3 Summary of significant accounting policies cont'd

#### p) Claims

Claims are made against the Group in respect of the losses incurred by various classes of insurance policies. Claims are recognised when reported to the Group, whether or not settled at the date of the financial statements.

Claims are reflected in the statement of comprehensive income net of reinsurance recoveries. The liability for claims reported and unpaid at the date of the financial statements is disclosed net of amounts recoverable from reinsurers.

#### q) Commissions

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

#### r) Taxation

Income tax expense represents the sum of the tax payable using varying bases for Guyana and the Caribbean Offices. For Guyana, corporation tax is based on its investment income from the statutory fund with expenses restricted to 12% of investment income.

#### s) Liability adequacy test

The company and group, upon notification of the occurrence of an insured event, sets up a provision based on best estimates and/or reports received from loss adjusters. At regular intervals the amounts provided for all unpaid claims are reviewed to take into account any material changes advised of by the client and/or broker. At all times therefore, balances reflected as payable on individual claims represent the assessed liability of the company having taken all the information relevant to the individual claims into consideration. Liabilities for all claims are recognised until they are discharged or cancelled, or have expired.

#### (t) Impairment of tangible assets

At the end of the financial period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised

## NOTES ON THE ACCOUNTS

### 3 Summary of significant accounting policies cont'd

#### (t) Impairment of tangible assets cont'd

immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

#### u) Actuarial liability

Actuarial valuations are done at the end of each financial year using the Policy Premium Method as described in Note 33. Changes in the value of these liabilities are recognised through the statement of comprehensive income.

### 4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

#### Key sources of estimation uncertainty

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

#### i) Available for sale financial assets

In classifying investment securities as available for sale, the company and group has determined that these securities do not meet the criteria for loans and receivables, held for maturity investments or financial assets at fair value through profit or loss and are valued at fair value.

#### ii) Held to maturity financial assets

The directors have reviewed the Group's "held to maturity" assets in the light of its capital maintenance and liquidity requirements and have confirmed the Group's positive intention and ability to hold these assets to maturity.

## NOTES ON THE ACCOUNTS

### 4 Critical accounting judgements and key sources of estimation uncertainty cont'd

#### iii) Useful lives of property and equipment

Management reviews the estimated useful lives of property and equipment at the end of each year to determine whether the useful lives of these assets should remain the same.

#### iv) Actuarial liability

This liability was computed by the actuaries based on data provided by management. The computation of the balance assumes that the data is not materially misstated.

#### v) Trade receivables and other receivables

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

#### vi) Ultimate liability arising from claims made under insurance contract

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

## NOTES ON THE ACCOUNTS

	2022			2021		
	Gross G\$	Reinsurance G\$	Net G\$	Gross G\$	Reinsurance G\$	Net G\$
<b>5 PREMIUMS</b>						
Company						
Life, Health and Annuities Premiums	<u>1,662,049,541</u>	<u>(88,901,650)</u>	<u>1,573,147,891</u>	<u>1,622,906,561</u>	<u>(128,584,979)</u>	<u>1,494,321,582</u>
Health Annuities						
Group						
Life	1,555,024,889	(88,901,650)	1,466,123,239	1,527,270,608	(128,584,979)	1,398,685,629
Liability	12,738,791	(7,730,242)	5,008,549	10,880,205	(7,780,972)	3,099,233
Health	107,024,652	-	107,024,652	95,635,953	-	95,635,953
Fire	136,625,642	(70,633,225)	65,992,417	123,048,315	(72,397,108)	50,651,207
Motor	54,404,740	(1,496,271)	52,908,469	49,238,120	(3,573,887)	45,664,233
	<u>1,865,818,714</u>	<u>(168,761,388)</u>	<u>1,697,057,326</u>	<u>1,806,073,201</u>	<u>(212,336,946)</u>	<u>1,593,736,255</u>
	Company			Group		
	2022	2021		2022	2021	
	G\$	G\$		G\$	G\$	
<b>6 INVESTMENT &amp; OTHER INCOME</b>						
Interest, dividends and rents	754,880,132	664,426,892		779,155,577	687,871,569	
Other income	9,436,455	46,526,567		9,775,156	46,781,235	
	<u>764,316,587</u>	<u>710,953,459</u>		<u>788,930,733</u>	<u>734,652,804</u>	
Held to maturity Bonds & debentures	82,169,005	53,841,224		82,169,005	53,841,224	
Available for sale Shares & stocks	340,352,385	290,689,437		349,242,296	298,783,549	
Loans and receivables						
Policy loans	159,198,347	128,610,261		159,198,347	128,610,261	
Mortgage	5,810,733	2,147,103		5,810,733	2,147,103	
Other financial assets						
Deposits	73,189,614	90,405,777		75,281,578	92,788,680	
Treasury bills	3,187,858	3,324,636		3,187,858	3,324,636	
Other Income (a)	100,408,645	141,935,021		114,040,916	155,157,351	
	<u>764,316,587</u>	<u>710,953,459</u>		<u>788,930,733</u>	<u>734,652,804</u>	
(a) Other Income						
Rent	84,552,898	88,941,299		97,846,468	101,908,961	
Others	15,855,747	52,993,722		16,194,448	53,248,390	
	<u>100,408,645</u>	<u>141,935,021</u>		<u>114,040,916</u>	<u>155,157,351</u>	

## NOTES ON THE ACCOUNTS

	COMPANY		GROUP	
	2022	2021	2022	2021
	G\$	G\$	G\$	G\$
<b>7 CLAIMS (net)</b>				
Motor	-	-	12,046,965	26,380,038
Fire	-	-	2,202,859	9,152,172
Death	194,353,808	171,040,849	194,353,808	171,040,849
Maturity	43,032,174	7,235,486	43,032,174	7,235,486
Annuities paid	59,405,095	54,624,338	59,405,095	54,624,338
T.D. claims	208,762	280,009	208,762	280,009
Health claims	56,503,751	47,815,933	56,503,751	47,815,933
Other Claims	81,336	156,815	81,336	156,815
	<u>353,584,926</u>	<u>281,153,430</u>	<u>367,834,750</u>	<u>316,685,640</u>
<b>8 SURRENDERS</b>				
Cash value surrenders	124,433,741	166,917,146	124,433,741	166,917,146
Investment benefit withdrawals	211,919,402	225,887,880	211,919,402	225,887,880
	<u>336,353,143</u>	<u>392,805,026</u>	<u>336,353,143</u>	<u>392,805,026</u>
<b>9 COMMISSIONS</b>				
Life and annuities	106,014,688	97,820,674	106,014,688	97,820,674
Fire	-	-	13,168,107	12,451,703
Motor	-	-	3,381,494	2,852,254
Liability	-	-	1,274,917	623,257
	<u>106,014,688</u>	<u>97,820,674</u>	<u>123,839,206</u>	<u>113,747,888</u>

## NOTES ON THE ACCOUNTS

	COMPANY		GROUP	
	2022	2021	2022	2021
	G\$	G\$	G\$	G\$
<b>10 MANAGEMENT EXPENSES</b>	<u>695,185,392</u>	<u>785,679,037</u>	<u>772,918,296</u>	<u>846,372,219</u>
This includes:				
Employment cost (a)	297,234,997	282,241,517	332,558,669	307,707,359
Repairs and maintenance	17,736,574	12,004,144	26,368,411	18,486,748
Software license & admin fee	41,950,585	38,166,119	41,950,585	38,166,119
Internet service charge	8,112,942	6,615,202	8,926,930	7,329,058
Utilities	30,317,181	28,635,550	31,501,662	29,884,666
Sales expense	51,037,695	61,249,064	51,037,695	61,249,064
Professional service	40,065,953	30,619,406	40,065,953	30,619,406
Interest & bank charges	7,466,861	8,447,963	7,822,973	8,635,739
Legal fees	1,135,665	1,302,175	3,756,765	3,439,661
Facilities	53,919,647	56,888,494	54,123,594	57,109,620
Auditors remuneration	9,602,900	11,807,629	11,391,800	13,761,895
Directors' emoluments (b)	13,502,293	13,560,097	15,582,615	15,644,269
Depreciation	40,091,613	35,965,254	44,233,082	40,329,318
(a) Employment Cost				
Salaries and wages	205,488,762	188,925,850	232,592,035	208,519,218
Other staff costs	91,746,235	93,315,667	99,966,634	99,188,141
	<u>297,234,997</u>	<u>282,241,517</u>	<u>332,558,669</u>	<u>307,707,359</u>
(b) Directors' emoluments				
Chairman- Mr. Ronald Burch Smith	2,648,976	2,522,833	3,135,276	2,985,973
Directors:				
Mr. Clifford B. Reis, CCH	1,655,592	1,576,752	1,898,748	1,808,328
Dr. Leslie Chin	919,765	1,576,752	1,054,851	1,808,328
Mr. Maurice Solomon	1,655,592	1,576,752	1,898,748	1,808,328
Ms. Deenwattie Panday	1,655,592	1,576,752	1,898,748	1,808,328
Dr. Aaron Fraser	1,655,592	1,576,752	1,898,748	1,808,328
Dr. Mahendra Carpen	1,655,592	1,576,752	1,898,748	1,808,328
Mr. Carlton Joao	1,655,592	1,576,752	1,898,748	1,808,328
	<u>13,502,293</u>	<u>13,560,097</u>	<u>15,582,615</u>	<u>15,644,269</u>
<b>11 TAXATION</b>				
Corporation tax & W/tax (varying rates)	16,316,461	15,314,419	27,735,855	18,556,335
Premium Tax	20,019,187	18,878,465	20,019,187	18,878,465
	<u>36,335,648</u>	<u>34,192,884</u>	<u>47,755,042</u>	<u>37,434,800</u>

Tax provisions are made in accordance with the relevant legislation in the various territories. The bases used to compute the provisions for the Life Company and Fire Company are different. Also, the various islands use bases that are different from those used in Guyana.

## NOTES ON THE ACCOUNTS

### 12 PROPERTY AND EQUIPMENT

#### COMPANY

	Land	Buildings	Furniture, fittings, equipment and motor vehicles	Total
	G\$	G\$	G\$	G\$
Cost/valuation				
At 1 January 2021	907,458,136	1,012,923,448	382,633,881	2,303,015,465
Exchange differences	(17,074,404)	(26,179,353)	(2,665,432)	(45,919,189)
Additions	-	-	9,353,986	9,353,986
At 31 December 2021	890,383,732	986,744,095	389,322,435	2,266,450,262
Exchange differences	(7,267,205)	(11,142,453)	(1,173,533)	(19,583,191)
Additions	-	1,142,149	20,270,030	21,412,179
At 31 December 2022	<u>883,116,527</u>	<u>976,743,791</u>	<u>408,418,932</u>	<u>2,268,279,250</u>
Comprising:				
Cost	244,848,684	530,945,656	408,418,932	1,184,213,272
Valuation	638,267,843	445,798,135	-	1,084,065,977
	<u>883,116,527</u>	<u>976,743,791</u>	<u>408,418,932</u>	<u>2,268,279,250</u>
Depreciation				
At 1 January 2021	-	-	321,941,816	321,941,816
Exchange differences	-	-	(2,235,094)	(2,235,094)
Charge for the year	-	19,734,882	16,230,372	35,965,254
At 31 December 2021	-	19,734,882	335,937,094	355,671,976
Exchange differences	-	(222,848)	(1,000,051)	(1,222,899)
Charge for the year	-	19,534,876	20,556,737	40,091,613
At 31 December 2022	-	39,046,910	355,493,780	394,540,690
Net book values:				
At 31 December 2022	<u>883,116,527</u>	<u>937,696,881</u>	<u>52,925,152</u>	<u>1,873,738,560</u>
At 31 December 2021	<u>890,383,732</u>	<u>967,009,213</u>	<u>53,385,341</u>	<u>1,910,778,286</u>

For details of revaluation of land and building see note 16(a).

### 12 PROPERTY AND EQUIPMENT CONT'D

## NOTES ON THE ACCOUNTS

#### GROUP

	Land	Buildings	Furniture, fittings, equipment and motor vehicles	Total
	G\$	G\$	G\$	G\$
Cost/valuation				
At 1 January 2021	965,458,136	1,048,823,448	402,696,250	2,416,977,834
Exchange differences	(17,074,404)	(26,179,353)	(2,665,432)	(45,919,189)
Additions	-	4,800,000	10,797,319	15,597,319
Disposals	-	-	(96,029)	(96,029)
At 31 December 2021	948,383,732	1,027,444,095	410,732,108	2,386,559,935
Exchange differences	(7,267,205)	(11,142,453)	(1,173,533)	(19,583,191)
Additions	-	1,142,149	21,749,285	22,891,434
At 31 December 2022	<u>941,116,527</u>	<u>1,017,443,791</u>	<u>431,307,860</u>	<u>2,389,868,178</u>
Comprising:				
Cost	261,848,684	541,585,270	431,307,860	1,234,741,814
Valuation	679,267,843	475,858,521	-	1,155,126,364
	<u>941,116,527</u>	<u>1,017,443,791</u>	<u>431,307,860</u>	<u>2,389,868,178</u>
Depreciation				
At 1 January 2021	-	-	334,289,858	334,289,858
Exchange differences	-	-	(2,235,094)	(2,235,094)
Write back on revaluation	-	-	(93,177)	(93,177)
Charge for the year	-	20,548,882	19,780,436	40,329,318
At 31 December 2021	-	20,548,882	351,742,023	372,290,905
Exchange differences	-	(222,848)	(1,000,051)	(1,222,899)
Charge for the year	-	20,348,876	23,884,206	44,233,082
At 31 December 2022	-	40,674,910	374,626,178	415,301,088
Net book values:				
At 31 December 2022	<u>941,116,527</u>	<u>976,768,881</u>	<u>56,681,682</u>	<u>1,974,567,090</u>
At 31 December 2021	<u>948,383,732</u>	<u>1,006,895,213</u>	<u>58,990,085</u>	<u>2,014,269,030</u>

For details of revaluation of land and building see note 16(a).





## NOTES ON THE ACCOUNTS

### 16 FAIR VALUE ESTIMATION CONT'D

	GROUP		
	2022		
	Level 2	Level 3	Total
	G\$	G\$	G\$
<b>Assets carried at fair value</b>			
Available for sale investments	31,216,825,304	496,437,060	31,713,262,364
Commercial building	-	608,000,000	608,000,000
Property and equipment (a)	1,917,885,408	56,681,682	1,974,567,090
	2021		
	Level 2	Level 3	Total
	G\$	G\$	G\$
Available for sale investments	23,046,106,270	503,498,520	23,549,604,790
Commercial building	-	608,000,000	608,000,000
Property and equipment (a)	1,955,278,946	58,990,085	2,014,269,030

(a) On September 28, 2020, the Society's Land and Buildings including the Commercial Building in Guyana were professionally revalued by Patterson Associates. The revaluation surplus of G\$414,844,300 is being held in the revaluation reserve.

On September 2, 2020 the Society's Land and Buildings in Grenada were professionally revalued by the firm TVA Consultants Ltd. The revaluation surplus of G\$538,458,030 is being held in revaluation reserve.

On October 12, 2020 the Society's Land and Building in St Lucia were professionally revalued by a certified valuation surveyor (Celsus Baptiste). The revaluation surplus of G\$100,380,864 is being held in revaluation reserve.

On October 22, 2020 the Society's Land and Building in St Vincent were professionally revalued by the firm Horizon Real Estate Ltd. The revaluation surplus of G\$115,231,686 is being held in revaluation reserve.

The valuations for property are classified at Level 2. If no revaluation of the land and buildings was done, the net book value of land and buildings would have been approximately G\$765,175,427 (2021 - G\$773,352,105)

## NOTES ON THE ACCOUNTS

### 16 FAIR VALUE ESTIMATION CONT'D

#### Assets and liabilities not carried at fair value

The following tables details the values of assets and liabilities that are not carried at fair value; their fair values are estimated to approximate their carrying values:

Company	2022		2021			
	IFRS 13 Level	Carrying Value G\$	Fair Value G\$	IFRS 13 Level	Carrying Value G\$	Fair Value G\$
<b>Assets</b>						
Investments						
Held to Maturity	2	1,603,831,618	1,603,831,618	2	1,652,575,116	1,652,575,116
Loans and Receivables	2	907,250,002	907,250,002	2	742,014,580	742,014,580
Trade and other receivables	2	234,678,820	234,678,820	2	142,914,082	142,914,082
Deposits	2	3,662,680,838	3,662,680,838	2	3,826,708,690	3,826,708,690
Accrued Interest	2	38,303,579	38,303,579	2	46,572,399	46,572,399
Tax recoverable	2	727,259	727,259	2	1,481,991	1,481,991
Cash on Hand and at Bank	1	3,689,471,381	3,689,471,381	1	3,505,219,366	3,505,219,366
		<u>10,136,943,497</u>	<u>10,136,943,497</u>		<u>9,917,486,224</u>	<u>9,917,486,224</u>
<b>Liabilities</b>						
Unpaid Claims	2	188,098,999	188,098,999	2	201,830,313	201,830,313
Actuarial liabilities	3	6,678,746,985	6,678,746,985	2	7,389,277,626	7,389,277,626
Deposit administration fund	2	5,310,400,894	5,310,400,894	2	5,891,217,883	5,891,217,883
Trade, other payables and insurance liabilities	2	429,523,610	429,523,610	2	251,662,995	251,662,995
		<u>12,606,770,489</u>	<u>12,606,770,489</u>		<u>13,733,988,817</u>	<u>13,733,988,817</u>

## NOTES ON THE ACCOUNTS

### 16 FAIR VALUE ESTIMATION

#### Assets and liabilities not carried at fair value cont'd

Group	2022		2021			
	Carrying Value	Fair Value	Carrying Value	Fair Value		
	G\$	G\$	G\$	G\$		
<b>Assets</b>						
<b>Investments</b>						
Held to Maturity	2	1,603,831,618	1,603,831,618	2	1,652,575,116	1,652,575,116
Loans and Receivables	2	907,250,002	907,250,002	2	742,014,580	742,014,580
Trade and other receivables	2	289,658,847	289,658,847	2	195,910,486	195,910,486
Deposits	2	3,890,602,759	3,890,602,759	2	4,037,061,517	4,037,061,517
Accrued Interest	2	38,422,664	38,422,664	2	46,721,899	46,721,899
Tax recoverable	2	16,971,199	16,971,199	2	17,725,931	17,725,931
Cash on Hand and at Bank	1	3,772,114,717	3,772,114,717	1	3,577,884,207	3,577,884,207
		<u>10,518,851,806</u>	<u>10,518,851,806</u>		<u>10,269,893,736</u>	<u>10,269,893,736</u>
<b>Liabilities</b>						
Unpaid Claims	2	230,598,557	230,598,557	2	264,274,883	264,274,883
Actuarial liabilities	3	6,678,746,985	6,678,746,985	2	7,389,277,626	7,389,277,626
Deposit administration fund	2	5,310,400,894	5,310,400,894	2	5,891,217,883	5,891,217,883
Trade, other payables and insurance liabilities	2	554,063,418	554,063,418	2	360,999,980	360,999,980
		<u>12,773,809,855</u>	<u>12,773,809,855</u>		<u>13,905,770,372</u>	<u>13,905,770,372</u>

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

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

#### “Loans & Receivables”

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

#### “Financial instruments where the carrying amounts is equal to fair value”

The carrying amounts of certain financial instruments are assumed to approximate to their fair value due to their short-term nature. These include cash resources and other financial liabilities and assets. Interest bearing borrowings due after one year are fixed by contract and they are not likely to be changed. The fair value is equal to cost.

#### “Actuarial Liabilities”

These values are determined each year by an Actuary using the policy premium method.

## NOTES ON THE ACCOUNTS

### 17 POLICY LOANS

	Company and Group	
	2022	2021
	G\$	G\$
Guyana	45,126,322	45,500,152
Eastern Caribbean Territories	777,208,245	752,416,091
	<u>822,334,567</u>	<u>797,916,243</u>
Policy Loans Provision (i)	-	100,047,576
	<u>822,334,567</u>	<u>697,868,667</u>
(i) Loans Provision		
Opening Balance	100,047,576	102,914,463
Write off	(100,047,576)	-
Exchange rate differences	-	(2,866,887)
Closing Balance	-	<u>100,047,576</u>

Provision for loan on policy was written off during the year ended 2022.

	Company		Group	
	2022	2021	2022	2021
	G\$	G\$	G\$	G\$
<b>18 TRADE AND OTHER RECEIVABLES</b>				
Prepayments	7,707,497	3,929,112	7,707,497	3,929,112
Loans and advances	17,262,195	16,093,934	17,262,195	16,093,934
Other receivables	247,035,741	160,677,109	302,015,768	213,673,513
Provision for bad debt (i)	(37,326,613)	(37,786,073)	(37,326,613)	(37,786,073)
	<u>234,678,820</u>	<u>142,914,082</u>	<u>289,658,847</u>	<u>195,910,486</u>
(i) Provision for impairment (individually assessed)				
Balance as at 1 January	37,786,073	32,214,474	37,786,073	32,214,474
Adjustments during the year	(459,460)	5,571,599	(459,460)	5,571,599
Balance as at 31 December	<u>37,326,613</u>	<u>37,786,073</u>	<u>37,326,613</u>	<u>37,786,073</u>

## NOTES ON THE ACCOUNTS

19 ACCRUED INTEREST	2022	2021	2022	2021
	G\$	G\$	G\$	G\$
Grenada	12,838,548	13,503,824	12,838,548	13,503,824
Guyana	12,014,954	18,342,196	12,134,039	18,491,696
Saint Lucia	8,744,756	10,310,684	8,744,756	10,310,684
St. Vincent	4,705,321	4,415,695	4,705,321	4,415,695
	<u>38,303,579</u>	<u>46,572,399</u>	<u>38,422,664</u>	<u>46,721,899</u>

These include interest accrued on fixed deposit and marketable securities.

## 20 CASH ON DEPOSIT

	Company		Group	
	2022	2021	2022	2021
	G\$	G\$	G\$	G\$
Guyana	1,991,105,376	2,136,806,607	2,219,027,297	2,347,159,434
Grenada	854,474,782	858,978,835	854,474,782	858,978,835
St Lucia	689,541,585	702,970,196	689,541,585	702,970,196
St Vincent	127,559,095	127,953,052	127,559,095	127,953,052
	<u>3,662,680,838</u>	<u>3,826,708,690</u>	<u>3,890,602,759</u>	<u>4,037,061,517</u>

These are short term deposits with varying rates ranging from 0.01% to 5.00% (2021 - 0.01% to 5.00%)

## 21 INVESTMENT RESERVE

This represents fair value gains on the revaluation of investments

	Company		Group	
	2022	2021	2022	2021
	G\$	G\$	G\$	G\$
At 1 January	22,699,212,960	14,436,087,244	23,049,614,580	14,612,449,830
Transfer	-	-	-	140,160,647
Fair value adjustment	7,966,405,223	8,294,531,459	8,184,411,850	8,328,409,846
Exchange difference	(17,948,367)	(31,405,743)	(17,948,367)	(31,405,743)
At 31 December	<u>30,647,669,816</u>	<u>22,699,212,960</u>	<u>31,216,078,063</u>	<u>23,049,614,580</u>

## 22 INTANGIBLE ASSET

	2022	2021	2022	2021
	G\$	G\$	G\$	G\$
Cost				
At 1 January	88,277,274	89,877,667	110,194,659	117,795,052
Exchange difference	(681,159)	(1,600,393)	(681,159)	(1,600,393)
Other	-	-	-	(6,000,000)
At 31 December	<u>87,596,115</u>	<u>88,277,274</u>	<u>109,513,500</u>	<u>110,194,659</u>

## NOTES ON THE ACCOUNTS

## 22 INTANGIBLE ASSET CONT'D

Amortisation				
At 1 January	70,621,814	53,926,597	75,005,292	53,926,597
Exchange difference	(544,927)	(960,235)	(544,927)	(960,235)
Amortisation for the year	17,519,228	17,655,452	21,902,705	22,038,930
At 31 December	<u>87,596,115</u>	<u>70,621,814</u>	<u>96,363,070</u>	<u>75,005,292</u>
<b>Net Book Value</b>	<u>-</u>	<u>17,655,460</u>	<u>13,150,430</u>	<u>35,189,367</u>

Represents cost of accounting and policy administration software. The amortization period is five (5) years.

## 23 ACTUARIAL LIABILITIES

	Company and Group	
	2022	2021
	G\$	G\$
Balance at beginning	7,389,277,626	7,468,302,370
Changes in actuarial liabilities	(632,562,973)	102,965,856
Exchange rate differences	(77,967,668)	(181,990,600)
	<u>6,678,746,985</u>	<u>7,389,277,626</u>

An actuarial valuation is done for the Society annually by an independent actuary.

The results are reflected under non-current liabilities in the statement of financial position and is accounted for in accordance with the Society's accounting policy.

## 24 DEPOSIT ADMINISTRATION FUND

	Company and Group	
	2022	2021
	G\$	G\$
Balance at beginning	5,891,217,883	6,440,814,593
Contributions received plus interest	35,987,354	(192,709,558)
Refund of contributions, claims & benefits	(608,269,167)	(338,834,332)
Effect of Exchange Rate	(8,535,176)	(18,052,820)
	<u>5,310,400,894</u>	<u>5,891,217,883</u>

Deposit administration contracts are issued by the Society to pension schemes for the deposit of pension plan assets with the Society. The assets are included in investments, cash at bank and cash on deposit.

## NOTES ON THE ACCOUNTS

	Company		Group	
	2022	2021	2022	2021
25(a) CLAIMS UNPAID	G\$	G\$	G\$	G\$
Death	167,770,048	161,044,241	167,770,048	161,044,241
Mature	20,328,951	31,369,292	20,328,951	31,369,292
Fire and motor	-	-	42,499,558	62,444,570
	<b>188,098,999</b>	<b>201,830,313</b>	<b>230,598,557</b>	<b>264,274,883</b>

### 25(b) DEVELOPMENT CLAIM TABLES

Development of claims tables provide a measure of the Group's ability to estimate the ultimate value of claims for its general insurance subsidiary. The top half of each table below illustrates how the Group's estimate of total claims outstanding for each reporting year has changed at successive year-ends. The bottom half of the table reconciles the cumulative claims to the amount appearing in the consolidated statement of financial position.

Reporting Year	2016	2017	2018	2019	2020	2021	2022	Total
Gross estimate of cumulative claims cost								
At the end year of claim	58,339,208	5,634,907	5,324,800	7,916,320	47,702,574	31,096,980	8,625,068	164,639,857
One year later	50,730,468	5,634,907	3,740,090	5,635,280	44,587,147	24,173,639	-	-
Two years later	48,233,701	4,891,057	3,440,090	5,635,280	44,559,467	-	-	-
Three years later	48,233,701	2,691,057	3,145,090	5,260,280	-	-	-	-
Four years later	48,058,701	2,691,057	3,145,090	-	-	-	-	-
Five years later	46,767,651	2,691,057	-	-	-	-	-	-
Current estimate of cumulative claims cost								
cost	46,767,651	2,691,057	3,145,090	5,260,280	44,559,467	24,173,639	8,625,068	135,222,252
Cumulative payments	(20,524,121)	(2,691,057)	(3,145,090)	(2,160,280)	(43,842,467)	(20,359,679)	-	(92,722,694)
Outstanding claims recognised in the statement of financial position								
	26,243,530	-	-	3,100,000	717,000	3,813,960	8,625,068	42,499,558

## NOTES ON THE ACCOUNTS

### 26 TRADE AND OTHER PAYABLES

	COMPANY		GROUP	
	2022	2021	2022	2021
	G\$	G\$	G\$	G\$
Trade and other payables	174,279,655	21,803,554	201,772,781	48,462,608
Accruals	4,730,429	5,265,684	4,730,429	5,265,684
Claim option deposits	347,960	349,508	347,960	349,508
Premiums paid in advance	130,199,184	132,845,338	130,199,184	132,845,338
	<b>309,557,228</b>	<b>160,264,084</b>	<b>337,050,354</b>	<b>186,923,138</b>

### 27 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operational decisions. Directors, key management personnel and entities where such directors and key management personnel have control or significant influence are considered related parties.

	GROUP	
	2022	2021
	G\$	G\$

The company shares a common Chairman and Board of Directors with Demerara Fire and General Insurance Company Limited. Some of the Company's staff and facilities were utilized by Demerara Fire and General Insurance Company Limited during the year.

Fees Charged	26,368,411	18,486,748
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The Society's property and equipment are insured by the Demerara Fire and General Insurance Company Limited.

Coverage	867,019,302	861,519,302
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Premiums	3,545,988	3,216,988
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Key management personnel

The Society's 6 (2021 - 6) key management personnel comprises its Executive Managers. The remuneration paid during the year to Executive Managers is included among the cost shared by Demerara Fire & General Insurance Ltd.

	6,488,295	6,960,752
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Directors Emoluments 7 (2021 - 8)	15,582,615	15,644,269
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Balance (due to) / from Subsidiary	(1,499,568)	384,949
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## NOTES ON THE ACCOUNTS

	GROUP	
	2022	2021
	G\$	G\$
<b>27 Related party transactions cont'd</b>		
b. Transactions with companies which have one common Director with Demerara Mutual Life Assurance Society Limited.		
- Investments in Banks DIH Limited Shares 81,575,035 (2021 - 81,575,035)	15,499,256,650	11,420,504,900
- Deposits held at Citizens' Bank Limited. Interest earned at the prevailing commercial rates.	1,330,962,463	1,833,840,800
- Investments in Citizens Bank Guyana Limited shares 1,000,000 (2021 - 1,000,000)	146,000,000	146,000,000
- Insurance Coverage to Company with common directors		
Coverage	51,581,393,262	14,838,988,045
Premiums	59,930,397	41,532,087
c. The Society has agreed to indemnify its Directors against any liability which may arise from the performance of their duties, provided that they act honestly and in good faith to the best interest of the Company.		

## 28 SEGMENTAL INFORMATION

Line of Business	Life G\$	Health G\$	Fire, General & Liability G\$	Total 2022 G\$	Total 2021 G\$
<b>Revenue</b>					
Premiums	1,466,123,239	107,024,652	123,909,435	1,697,057,326	1,593,736,255
Investment and other Income	764,316,587	-	24,614,146	788,930,733	734,652,804
Net Policy income	2,230,439,826	107,024,652	148,523,581	2,485,988,059	2,328,389,059
<b>Benefits and expenses</b>					
Claims	297,081,176	56,503,750	14,249,824	367,834,750	316,685,640
Surrenders	336,353,143	-	-	336,353,143	392,805,026
Commissions	106,014,688	-	17,824,518	123,839,206	113,747,888

## NOTES ON THE ACCOUNTS

### 28 SEGMENTAL INFORMATION CONT'D

#### Benefits and expenses cont'd

Donations	3,688,636	-	-	3,688,636	1,823,583
Management expenses	692,452,880	2,732,512	77,732,904	772,918,296	846,372,219
Taxation	36,335,648	-	11,419,394	47,755,042	37,434,800
	1,471,926,171	59,236,262	121,226,640	1,652,389,073	1,708,869,156

Surplus of revenue over expenditure	758,513,655	47,788,390	27,296,941	833,598,986	619,519,903
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Change in policy liabilities	(633,394,014)	831,041	-	(632,562,973)	102,965,856
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Net Surplus after taxation	1,391,907,669	46,957,349	27,296,941	1,466,161,959	516,554,047
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<b>Assets</b>	49,600,265,863	57,460,639	1,035,183,246	50,692,909,749	40,929,968,126
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<b>Liabilities</b>	12,594,540,037	12,230,450	167,039,367	12,773,809,854	13,905,770,372
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#### Geographical

##### Revenue

Guyana	679,823,166	625,509,055
Out of Guyana	1,017,234,160	968,227,200
	1,697,057,326	1,593,736,255

##### Assets

Guyana	42,186,705,393	33,305,523,762
Out of Guyana	8,506,204,355	7,624,444,364

##### Liabilities

Guyana	6,816,403,573	7,593,857,228
Out of Guyana	5,957,406,281	6,311,913,144

### 29 PENDING LITIGATION

At the end of the year there were certain pending litigations, the outcome of which cannot be quantified at this stage.

### 30 INSURANCE ACT 2016

The Insurance Act 2016 came into effect during April 2018. The Society has five (5) years to be fully compliant with the changes of the new Act.



## NOTES ON THE ACCOUNTS

### 31 Analysis of Financial assets and liabilities by measurement basis

Company	2022					2021
	Held to maturity	Loans and receivable	Available for sale	Other assets and liabilities at amortised cost	Total	
	G\$	G\$	G\$	G\$	G\$	
<b>Assets</b>						
Cash resources	-	-	-	7,352,152,219	7,352,152,219	7,331,928,056
Investments	-	-	31,062,886,969	-	31,062,886,969	23,117,236,021
Bonds	1,603,831,618	-	-	-	1,603,831,618	1,652,575,116
Policy loans	-	822,334,567	-	-	822,334,567	697,868,667
Mortgages	-	84,915,435	-	-	84,915,435	44,145,913
Trade and other receivables	-	234,678,820	-	-	234,678,820	142,914,082
Accrued Interest	-	38,303,579	-	-	38,303,579	46,572,399
Tax Recoverable	-	-	-	727,259	727,259	1,481,991
	<u>1,603,831,618</u>	<u>1,180,232,401</u>	<u>31,062,886,969</u>	<u>7,352,879,478</u>	<u>41,199,830,465</u>	<u>33,034,722,245</u>
<b>Liabilities</b>						
Deposit Administration Fund	-	-	-	5,310,400,894	5,310,400,894	5,891,217,883
Claims	-	-	-	188,098,999	188,098,999	201,830,313
Trade and other payables	-	-	-	174,279,655	174,279,655	21,803,554
Premium in advance, insurance contract & accrual	-	-	-	255,243,954	255,243,954	229,859,442
	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,928,023,502</u>	<u>5,928,023,502</u>	<u>6,344,711,192</u>

## NOTES ON THE ACCOUNTS

### 31 Analysis of Financial assets and liabilities by measurement basis cont'd

Group	2022					2021
	Held to maturity	Loans and receivable	Available for sale	Other assets and liabilities at amortised cost	Total	
	G\$	G\$	G\$	G\$	G\$	
<b>Assets</b>						
Cash resources	-	-	-	7,662,717,476	7,662,717,476	7,614,945,724
Investments	-	-	31,713,262,364	-	31,713,262,364	23,549,604,790
Bonds	1,603,831,618	-	-	-	1,603,831,618	1,652,575,116
Policy loans	-	822,334,567	-	-	822,334,567	697,868,667
Mortgages	-	84,915,435	-	-	84,915,435	44,145,913
Trade and other receivables	-	289,658,847	-	-	289,658,847	195,910,486
Accrued Interest	-	38,422,664	-	-	38,422,664	46,721,899
Tax Recoverable	-	-	-	16,971,199	16,971,199	17,725,931
	<u>1,603,831,618</u>	<u>1,235,331,513</u>	<u>31,713,262,364</u>	<u>7,679,688,675</u>	<u>42,232,114,170</u>	<u>33,819,498,526</u>
<b>Liabilities</b>						
Deposit Administration Fund	-	-	-	5,310,400,894	5,310,400,894	5,891,217,883
Claims	-	-	-	230,598,557	230,598,557	264,274,883
Trade and other payables	-	-	-	201,772,781	201,772,781	48,462,608
Premium in advance, insurance contract & accrual	-	-	-	352,290,637	352,290,637	312,537,373
	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,095,062,869</u>	<u>6,095,062,869</u>	<u>6,516,492,747</u>

### 32 FINANCIAL RISK MANAGEMENT

#### Financial risk management objectives

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

#### (a) Market risk

The group seeks to minimise the effects of these risks by the use of techniques that are governed by management's policies on foreign exchange risk, interest rate risk and credit risk which are approved by the board of directors.

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

## NOTES ON THE ACCOUNTS

## NOTES ON THE ACCOUNTS

### 32 FINANCIAL RISK MANAGEMENT CONT'D

#### (i) Price risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security of its issuer or factors affecting all securities traded in the market. Management continually identifies the risk and diversifies the portfolio in order to minimize these risk. The group does not actively trade in equity investments.

#### (ii) Foreign currency risk

The group is exposed to foreign currency risk due to fluctuations in exchange rates on balances that are denominated in foreign currencies. The equivalent Guyana Dollar Value of Assets and Liabilities in Pound Sterling, Eastern Caribbean Dollars, Barbados and Trinidad & Tobago dollars are shown below:

	Company and Group				
	2022				
	£	ECS\$	TT\$	B'dos\$	Total G\$ equivalent
Assets	560,496	105,922,349	16,419,679	44,625	8,646,754,855
Liabilities	-	(11,323,753)	(457,269)	-	(869,446,045)
	<u>560,496</u>	<u>94,598,596</u>	<u>15,962,410</u>	<u>44,625</u>	<u>7,777,308,809</u>

	Company and Group				
	2021				
	£	ECS\$	TT\$	B'dos\$	Total G\$ equivalent
Assets	560,496	92,889,387	16,419,679	44,625	7,781,586,857
Liabilities	-	(8,583,633)	(457,269)	-	(671,440,360)
	<u>560,496</u>	<u>84,305,754</u>	<u>15,962,410</u>	<u>44,625</u>	<u>7,110,146,498</u>

#### Foreign Currency Sensitivity Analysis

The following table details the company's sensitivity to a 2.5% increase or decrease in the Guyana dollar against the relevant currencies.

The sensitivity analysis shows the impact of all assets and liabilities that are held in foreign currencies per the preceding table. A positive number below indicates an increase in reserves if the currency were to strengthen 2.5% against the Guyana dollar. If the currencies were to weaken 2.5% against the Guyana dollar, there would be an equal and opposite impact on the reserves and the balances would be negative.

	Company and Group			
	£ Sterling impact	EC dollar impact	TT dollar impact	B'dos dollar impact
	G\$ M	G\$ M	G\$ M	G\$ M
2022	<u>3.56</u>	<u>178.70</u>	<u>12.06</u>	<u>0.11</u>
2021	<u>3.98</u>	<u>161.42</u>	<u>12.24</u>	<u>0.12</u>

### 32 FINANCIAL RISK MANAGEMENT CONT'D

#### (a) Market risk cont'd

#### (iii) Interest rate sensitivity analysis

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

	Increase/ decrease in basis points	Company and Group Impact on profit for year	
		2022	2021
<b>Cash and cash equivalents</b>		<b>G\$000</b>	<b>G\$000</b>
Local Currency	+/-50	13,080	14,606
Foreign Currencies	+/-50	5,367	2,920

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

#### (iv) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The group's exposure to interest rate risk is continuously monitored to reduce as far as practical adverse interest rate risk.

Interest Rate Range	Company				
	Maturing 2022				
	Within 1 year	1 to 5 years	Over 5 years	Non interest bearing	Total
	G\$	G\$	G\$	G\$	G\$
<b>ASSETS</b>					
Cash resources	1.7	3,662,680,838	-	-	3,689,471,381
Investments	8.6	-	1,328,053,491	275,778,127	31,062,886,969
Policy loans	12.5	-	822,334,567	-	822,334,567
Mortgages	7.5	-	-	84,915,435	84,915,435
Loans and advances	12.0	17,262,196	-	-	17,262,196
Trade, other receivables and accrued interest	-	-	-	256,447,461	256,447,461
		<u>3,679,943,034</u>	<u>2,150,388,058</u>	<u>360,693,562</u>	<u>35,008,805,811</u>
					<u>41,199,830,465</u>
<b>LIABILITIES</b>					
Actuarial liabilities	-	-	-	6,678,746,985	6,678,746,985
Deposit administration fund	-	-	-	5,310,400,894	5,310,400,894
Claims	-	-	-	188,098,999	188,098,999
Trade and other payables	-	-	-	174,279,655	174,279,655
Premium in advance and insurance liabilities	-	-	-	255,243,954	255,243,954
				<u>12,606,770,487</u>	<u>12,606,770,487</u>
Interest sensitivity gap		<u>3,679,943,034</u>	<u>2,150,388,058</u>	<u>360,693,562</u>	

## NOTES ON THE ACCOUNTS

### 34 FINANCIAL RISK MANAGEMENT CONT'D

	Company					
	Maturing Z2021					
	Within 1 year	1 to 5 years	Over 5 years	Non interest bearing	Total	
	G\$	G\$	G\$	G\$	G\$	
<b>ASSETS</b>						
Cash resources	1.7	3,826,708,690	-	-	3,505,219,366	7,331,928,056
Investments	8.6	-	1,373,037,705	279,537,411	23,117,236,021	24,769,811,137
Policy loans	12.5	-	697,868,667	-	-	697,868,667
Mortgages	7.5	-	-	44,145,913	-	44,145,913
Loans and advances	12.0	16,093,934	-	-	-	16,093,934
Trade, other receivables and accrued interest		-	-	-	174,874,538	174,874,538
		<u>3,842,802,624</u>	<u>2,070,906,372</u>	<u>323,683,324</u>	<u>26,797,329,925</u>	<u>33,034,722,245</u>
<b>LIABILITIES</b>						
Actuarial liabilities	-	-	-	7,389,277,626	-	7,389,277,626
Deposit administration fund	-	-	-	5,891,217,883	-	5,891,217,883
Claims	-	-	-	201,830,313	-	201,830,313
Trade and other payables	-	-	-	21,803,554	-	21,803,554
Premium in advance and insurance liabilities	-	-	-	229,859,442	-	229,859,442
		-	-	-	13,733,988,818	13,733,988,818
Interest sensitivity gap		<u>3,842,802,624</u>	<u>2,070,906,372</u>	<u>323,683,324</u>		

	Group					
	Maturing 2022					
	Within 1 year	1 to 5 years	Over 5 years	Non interest bearing	Total	
Interest Rate Range	G\$	G\$	G\$	G\$	G\$	
<b>ASSETS</b>						
Cash resources	2.54	3,890,602,759	-	-	3,772,114,717	7,662,717,476
Investments	5.70	-	1,328,053,491	275,778,127	31,713,262,364	33,317,093,982
Policy loans	12.50	-	822,334,567	-	-	822,334,567
Mortgages	7.50	-	-	84,915,435	-	84,915,435
Loans and advances	12.00	17,262,196	-	-	-	17,262,196
Trade, other receivables and accrued interest		-	-	-	327,790,514	327,790,514
		<u>3,907,864,955</u>	<u>2,150,388,058</u>	<u>360,693,562</u>	<u>35,813,167,595</u>	<u>42,232,114,170</u>
<b>LIABILITIES</b>						
Actuarial liabilities	-	-	-	6,678,746,985	-	6,678,746,985
Deposit administration fund	-	-	-	5,310,400,894	-	5,310,400,894
Claims	-	-	-	230,598,557	-	230,598,557
Trade and other payables	-	-	-	201,772,781	-	201,772,781
Premium in advance and insurance liabilities	-	-	-	352,290,637	-	352,290,637
		-	-	-	12,773,809,854	12,773,809,854
Interest sensitivity gap		<u>3,907,864,955</u>	<u>2,150,388,058</u>	<u>360,693,562</u>		

## NOTES ON THE ACCOUNTS

### 32 FINANCIAL RISK MANAGEMENT CONT'D

	Group					
	Maturing 2021					
	Within 1 year	1 to 5 years	Over 5 years	Non interest bearing	Total	
	G\$	G\$	G\$	G\$	G\$	
<b>ASSETS</b>						
Cash resources	2.54	4,037,061,517	-	-	3,577,884,207	7,614,945,724
Investments	5.70	-	1,373,037,705	279,537,411	23,549,604,790	25,202,179,906
Policy loans	12.50	-	697,868,667	-	-	697,868,667
Mortgages	7.50	-	-	44,145,913	-	44,145,913
Loans and advances	12.00	16,093,934	-	-	-	16,093,934
Trade, other receivables and accrued interest		-	-	-	244,264,382	244,264,382
		<u>4,053,155,451</u>	<u>2,070,906,372</u>	<u>323,683,324</u>	<u>27,371,753,379</u>	<u>33,819,498,526</u>
<b>LIABILITIES</b>						
Actuarial liabilities	-	-	-	7,389,277,626	-	7,389,277,626
Deposit administration fund	-	-	-	5,891,217,883	-	5,891,217,883
Claims	-	-	-	264,274,883	-	264,274,883
Trade and other payables	-	-	-	48,462,608	-	48,462,608
Premium in advance and insurance liabilities	-	-	-	312,537,373	-	312,537,373
		-	-	-	13,905,770,373	13,905,770,373
Interest sensitivity gap		<u>4,053,155,451</u>	<u>2,070,906,372</u>	<u>323,683,324</u>		

## NOTES ON THE ACCOUNTS

### 32 FINANCIAL RISK MANAGEMENT CONT'D

#### (b) Liquidity risk

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

At 31 December 2022

	Company			
	1 to 12	1 to 5	Over	Total
	months	years	5 years	
G\$	G\$	G\$	G\$	
<b>Liabilities</b>				
Actuarial liabilities	196,130,735	242,389,181	6,240,227,069	6,678,746,985
Deposit administration fund	5,310,400,894	-	-	5,310,400,894
Trade and other payables	-	174,279,655	-	174,279,655
Unpaid Claims	188,098,999	-	-	188,098,999
Premium in advance and accruals	255,243,954	-	-	255,243,954
	<b>5,949,874,582</b>	<b>416,668,836</b>	<b>6,240,227,069</b>	<b>12,606,770,487</b>

At 31 December 2021

	Company			
	1 to 12	1 to 5	Over	Total
	months	years	5 years	
G\$	G\$	G\$	G\$	
<b>Liabilities</b>				
Actuarial liabilities	154,783,801	245,412,173	6,989,081,652	7,389,277,626
Deposit administration fund	5,891,217,883	-	-	5,891,217,883
Trade and other payables	-	21,803,554	-	21,803,554
Unpaid Claims	201,830,313	-	-	201,830,313
Premium in advance and accruals	229,859,442	-	-	229,859,442
	<b>6,477,691,439</b>	<b>267,215,727</b>	<b>6,989,081,652</b>	<b>13,733,988,818</b>

## NOTES ON THE ACCOUNTS

### 32 FINANCIAL RISK MANAGEMENT CONT'D

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

At 31 December 2022

	Group			
	1 to 12 months	1 to 5	Over	Total
	G\$	years	5 years	
G\$	G\$	G\$	G\$	
<b>Liabilities</b>				
Actuarial liabilities	196,130,735	242,389,181	6,240,227,069	6,678,746,985
Deposit administration fund	5,310,400,894	-	-	5,310,400,894
Trade and other payables	-	201,772,781	-	201,772,781
Unpaid Claims	230,598,557	-	-	230,598,557
Premium in advance and accruals	352,290,637	-	-	352,290,637
	<b>6,089,420,823</b>	<b>444,161,962</b>	<b>6,240,227,069</b>	<b>12,773,809,854</b>

At 31 December 2021

	Group			
	1 to 12 months	1 to 5	Over	Total
	G\$	years	5 years	
G\$	G\$	G\$	G\$	
<b>Liabilities</b>				
Actuarial liabilities	154,783,801	245,412,173	6,989,081,652	7,389,277,626
Deposit administration fund	5,891,217,883	-	-	5,891,217,883
Trade and other payables	-	48,462,608	-	48,462,608
Unpaid Claims	264,274,883	-	-	264,274,883
Premium in advance and accruals	312,537,373	-	-	312,537,373
	<b>6,622,813,940</b>	<b>293,874,781</b>	<b>6,989,081,652</b>	<b>13,905,770,373</b>

## NOTES ON THE ACCOUNTS

### 32 FINANCIAL RISK MANAGEMENT CONT'D

#### (c) Credit risk

##### Concentration of Risk

The group is exposed to credit risk in respect of receivables and cash and cash equivalents. However, this risk is controlled by close monitoring of these assets by the group. The maximum credit risk faced by the group is the balance reflected in the financial statements.

	Company		Group	
	2022	2021	2022	2021
	G\$	G\$	G\$	G\$
Held to Maturity(i)	1,603,831,618	1,652,575,116	1,603,831,618	1,652,575,116
Available for sale(i)	31,062,886,969	23,117,236,021	31,713,262,364	23,549,604,790
Cash on Hand & in Bank(ii)	3,689,471,381	3,505,219,366	3,772,114,717	3,577,884,207
Cash on Deposits(ii)	3,662,680,838	3,826,708,690	3,890,602,759	4,037,061,517
Loans Receivables(v)	907,250,002	742,014,580	907,250,002	742,014,580
Trade and other receivables (iii)	234,678,820	142,914,082	283,341,918	189,570,821
Accrued Interest(iv)	38,303,579	46,572,399	38,422,664	46,721,899
Premium Receivable(vi)	-	-	6,316,929	6,339,665
Tax Recoverable	727,259	1,481,991	16,971,199	17,725,931
	<b>41,199,830,466</b>	<b>33,034,722,245</b>	<b>42,232,114,170</b>	<b>33,819,498,526</b>

(i) The investments as reflected are assets for which the likelihood of default are considered minimal by the Directors.

(ii) Cash and cash equivalent include balances held in commercial banks. These banks have been assessed by the Society as being credit worthy with very strong capacity to meet obligations as they fall due.

(iii) Included in trade and other receivables are number of advances and loans to staff and sales representatives on which interest is earned.

(iv) Accrued interest represents amounts due or accrued on the various investments of the group.

(v) Included in loans and receivables are policy loans which are fully secured against the cash value of the individual policies.

These amounts would either be received in the next financial year, or would materialise on maturity of the investment(s) in accordance with the terms and conditions.

(vi) Premium receivable represent amounts due but not received at the date of the statement of financial position. These amounts would be collected in the next financial year.

The above balance are classified as follows:

##### Trade and other receivables

	Company		Group	
	2022	2021	2022	2021
	G\$	G\$	G\$	G\$
Current	234,072,000	115,090,518	282,735,098	161,747,258
Past due over 365 days	606,820	27,823,563	606,820	27,823,563
	<b>234,678,820</b>	<b>142,914,082</b>	<b>283,341,918</b>	<b>189,570,821</b>

## NOTES ON THE ACCOUNTS

### 33 INSURANCE RISK MANAGEMENT

The principal risk that the company faces under its insurance contract is that the actual claims and benefit payments exceed the carrying amount of its assets at any one time. This can occur if there is for some reason widespread deaths either due to epidemics, or other social problems within the territories we operate. It is however prudent of the company to ensure that its risks are properly managed. Risk management policies are discussed below.

Firstly there is the company's underwriting principles that seek to ensure that all risks selected are insurable. The fact that the company operates in four different territories helps to guard against concentration of risks in one location. The company's risk is also mitigated through its reinsurance treaties. Guyana cedes liabilities over G\$400,000 for some policies while other policies are ceded for liabilities above G\$2,000,000. In the EC territories, the amount ceded are liabilities over EC\$100,000. This risk is also managed by the careful adjunction of all claims and avoids the payment of fraudulent claims.

The company's risk management would also include the management of its investments as returns on these are pivotal in the covering of its liabilities. The tri-annual valuations and of recent annual valuations allows for constant monitoring of its assets in relation to the liabilities.

Concentration of insurance risk could have material effect on benefits to be paid. The table below presents the concentration of insured benefits across four bands of insured benefits per individual life assured. The benefit insured figures are shown gross and net of the reinsurance contracts.

Benefits assured per life assured at the end of 2022	Total benefits insured (G\$ millions)			
	Before reinsurance		After reinsurance	
0M - 3M	16,584	11.9%	20,027	22.6%
3M - 5M	27,604	19.8%	26,086	29.5%
5M - 10M	42,113	30.2%	34,171	38.6%
Over 10M	53,104	38.1%	8,252	9.3%
Total	139,405	100.0%	88,536	100.0%

The majority of insured risk is concentrated in the lower band, reinsurance further reduces the total amount of risk in all bands.

### 33 INSURANCE RISK MANAGEMENT CONT'D

#### Reserves for future policyholders' benefits

The Canadian Policy Premium Method is used for the determination of reserves for future policyholder benefits of long-term insurance contracts (actuarial liabilities). The reserves for future policyholders' benefits are determined by actuarial valuation yearly and represents an estimate of the amount required, together with future premiums and investment income, to provide for future benefits and expenses payable on insurance and annuity contracts. The reserves are calculated using assumptions for future policy lapse rates, mortality, expenses, inflation and interest and exchange rates. The assumptions also include provisions for adverse deviation to recognise uncertainty in establishing the assumptions and to allow for possible deterioration in experience. The process of determining the provision necessarily involves risks that the actual results will deviate from the assumptions made.

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

## NOTES ON THE ACCOUNTS

### 33 INSURANCE RISK MANAGEMENT CONT'D

#### (i) Mortality

The mortality assumptions were based on 1986-92 Canadian Institute of Actuaries select and ultimate mortality tables. An investigation into the Society's mortality experience was performed, and the mortality tables were adjusted to reflect the Society's experience and territorial difference. Provisions for AIDS extra mortality, additional margin was provided for uncertainty based on US experience were added to the expected mortality assumptions.

For payout annuity policies, the mortality assumptions are based on 1983 Society of Actuaries. Individual Annuitant Mortality tables. Mortality improvement was assumed for future years. An additional margin was provided for uncertainty in setting the expected assumptions.

#### (ii) Interest Rate

Valuation interest rate assumptions were based on the Society's investment portfolio rate of return during the year of valuation. Additional allowances were made for investment income tax investment expenses, asset default and asset/liability mismatch to reflect Society's investment performance and expected future returns.

#### (iii) Lapse

For individual life insurance policies, an investigation into the Society's lapse experience performed, and the lapse assumption was made based on the Society's experience. An additional margin was provided for uncertainty in setting the expected assumptions.

#### (iv) Expense and Inflation

Projected commission payments were assumed in accordance with the Society's commission schedule.

Policy maintenance expense assumptions were made based on the Society's operating experience during the year of valuation. An additional margin was provided for uncertainty in setting the expected assumptions.

#### Reserves for future policyholders' benefits cont'd

#### (iv) Expense and Inflation cont'd

Future expected rate of inflation was assumed based on actual rate of inflation in the countries where the Society operated. During the year of valuation. Premium tax rates were 3% in St Lucia and 5% in St. Vincent. There is no premium tax in Guyana and Grenada. The allowance for investment income tax was made as a deduction from the interest rate whenever applicable. It was assumed that the tax legislation and rates would continue in the future.

#### (v) Reinsurance

Future reinsurance cash flows were projected according to the reinsurance treaties in force, including reinsurance premiums, reinsurance allowances and reinsurance recovery. The principal reinsurance treaties are with Swiss Re Life & Health Canada.

#### (vi) Exchange Rate

The cash flow projection and reserve calculation of each individual policy was performed based on its original currency. The valuation results were consolidated among different countries using the exchanged rates as at the valuation date provided by the Society.

## NOTES ON THE ACCOUNTS

### 34 Defined Benefit Asset Company and Group

(a) The amounts recognised in the Statement of Financial Position are as follows:

	Company and Group	
	2022 G\$	2021 G\$
Present value of obligation	(1,014,579,134)	(911,788,890)
Fair value of plan assets	6,873,699,419	5,359,791,571
Net defined benefit asset	<u>5,859,120,285</u>	<u>4,448,002,681</u>

(b) Changes in present value of defined benefit obligation is as follows:

	Company and Group	
	2022 G\$	2021 G\$
Opening defined benefit obligation	911,788,890	1,143,106,067
Current service cost	23,233,246	23,070,048
Interest cost	36,471,556	45,724,243
Benefits paid	(69,701,837)	(51,585,858)
Actuarial (loss) / gain	112,787,279	(248,525,610)
Closing defined benefit obligation	<u>1,014,579,134</u>	<u>911,788,890</u>

(c) Changes in fair value of defined benefit obligation are as follows:

Opening fair value of plan assets	5,365,380,285	3,608,948,393
Expected return on plan assets	213,369,393	143,477,211
Contributions paid	7,410,930	7,549,605
Benefits paid	(69,701,837)	(51,585,858)
Actuarial gain	1,357,240,648	1,651,402,220
Closing fair value of plan assets	<u>6,873,699,419</u>	<u>5,359,791,571</u>

## NOTES

## 34 Defined Benefit Asset Company and Group cont'd

(d) Amount recognised in the Statement of Comprehensive Income are as follows:

	Company and Group	
	2022	2021
	G\$	G\$
Current service cost	23,233,246	23,070,048
Net interest on defined benefit obligation	(176,897,837)	(97,752,968)
	<u>(153,664,591)</u>	<u>(74,682,920)</u>

Reconciliation of amount recognised in the Statement of Financial Position

	Company and Group	
	2022	2021
	G\$	G\$
Opening Balance	4,448,002,681	2,465,842,322
Net pension cost	146,253,660	67,133,315
Re-measurement recognised in Other Comprehensive Income	1,257,453,014	1,907,477,439
Contributions paid	7,410,930	7,549,605
	<u>5,859,120,285</u>	<u>4,448,002,681</u>

	Company and Group			
	2022	2021	2020	2019
	G\$	G\$	G\$	G\$
Experience History				
Defined benefit obligation	(1,014,579,134)	(911,788,890)	(1,143,106,067)	(1,093,052,820)
Fair value of plan assets	6,873,699,419	5,359,791,571	3,608,948,389	3,409,152,642
Surplus	<u>5,859,120,285</u>	<u>4,448,002,681</u>	<u>2,465,842,322</u>	<u>2,316,099,822</u>

Summary of main assumptions

Discount rate	4%	4%	4%	4%
Salary increases	3%	3%	3%	3%

## NOTES



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