INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

THE NEW INDIA ASSURANCE COMPANY (T&T) LIMITED

(GUYANA BRANCH)

ON THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of The New India Assurance Company (T&T) Limited. (Guyana Branch), which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and 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 2 to 25.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The New India Assurance Company (T&T) Limited. (Guyana Branch) as at 31 December 2021, and 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 Branch 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.

Responsibilities of Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, the Directors/Management is responsible for assessing the Branch'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 Branch or cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Branch's financial reporting process.

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 misstatements, 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity'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 Branch's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Branch 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.

We 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. Refer to Note 16.

TSD LAL & CO.
Chartered Accountants

Date: March 29, 2022

77 Brickdam,
Stabroek,
Georgetown.

THE NEW INDIA ASSURANCE COMPANY (T&T) LIMITED
(GUYANA BRANCH)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021	2020
		G$'000	G$'000
Insurance contracts premium revenue	6	58,485	58,387
Reinsurers' share of insurance contracts premium revenue		(41,225)	(42,140)
Net insurance contracts premium revenue		17,260	16,247
Net change in unearned premium provision and unexpired risks		(2,063)	3,357
Net insurance revenue		15,197	19,604
Reinsurance commission received		8,102	8,385
Investment and other income	4	676	845
Total revenue		23,975	28,834
Gross claims incurred		(6,732)	(109,117)
Reinsurers' share of gross claim incurred		3,148	96,518
Net insurance claims incurred		(3,584)	(12,599)
Agents and brokers commissions		(11,241)	(11,054)
Other operating and administrative expenses		(25,423)	(21,449)
Total claims incurred and other expenses		(40,248)	(45,103)
Net loss before taxation		(16,273)	(16,269)
Taxation		-	(250)
Total comprehensive loss after taxation		(16,273)	(16,519)

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

THE NEW INDIA ASSURANCE COMPANY (T&T) LIMITED
(GUYANA BRANCH)

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Head Office Account	Total
	G$'000	G$'000
At 1 January 2020	87,867	87,867
Net loss for the year	(16,519)	(16,519)
Transaction with Head office	28,796	28,796
At 31 December 2020	100,144	100,144
Net loss for the year	(16,273)	(16,273)
Transaction with Head office	8,475	8,475
At 31 December 2021	92,346	92,346

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

THE NEW INDIA ASSURANCE COMPANY (T&T) LIMITED
(GUYANA BRANCH)

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	2021	2020
		G$'000	G$'000
ASSETS			
Equipment	5	117	-
Trade and other receivables	7	14,187	11,988
Reinsurance assets	10	115,631	115,021
Term deposits	8	100,896	49,771
Cash and cash equivalents		25,862	62,351
Total Assets		256,693	239,131
EQUITY AND LIABILITIES			
EQUITY			
Head office account	9	92,346	100,144
		92,346	100,144
LIABILITIES			
Insurance contracts	10	141,322	137,804
Trade and other payables		23,025	1,183
		164,347	138,987
Total Equity and Liabilities		256,693	239,131

These financial statements were approved by the Board of Directors on March 29, 2022

Signed on behalf of the Board

Rajeev Bhattathiripad
Managing Director

Yogesh Bhagat
General Manager

Lutchmin Mohan
Accounts Manager

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

THE NEW INDIA ASSURANCE COMPANY (T&T) LIMITED
(GUYANA BRANCH)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 G$'000	2020 G$'000
Cash Flows from the operating activities:		
Premium received from policyholders, including advance receipts	55,471	57,850
Payments of direct claims	(5,580)	(9,173)
Payments of commission and brokerage	(11,241)	(11,054)
Payments of other operating expenses	(24,997)	(22,936)
Net cash flow from operating activities	13,654	14,687
Cash flows from investing activities:		
Purchase of equipment	(143)	-
Purchases of investments	(51,126)	(8,259)
Sales of investments	-	15,265
Rents/Interests/ Dividends received	1,126	169
Net cash flow from investing activities	(50,143)	7,175
Net increase/(decrease) in cash and cash equivalents:	(36,489)	21,862
Cash and cash equivalents at the beginning of the year	62,351	40,489
Cash and cash equivalents at the end of the year	25,862	62,351
Cash & cash equivalent consist of:		
Cash at bank	25,862	62,351
	25,862	62,351

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

THE NEW INDIA ASSURANCE COMPANY (T&T) LIMITED

(GUYANA BRANCH)

NOTES ON THE ACCOUNTS

1. **Incorporation and activities**

The New India Assurance Company (Trinidad and Tobago) Limited (Guyana Branch) is incorporated in the Republic of Trinidad and Tobago and is a subsidiary of The New India Assurance Company Limited, Mumbai, India. The Branch carries on general insurance business in Trinidad and Tobago, Dominica, St. Lucia, St. Maarten, Anguilla and Guyana. The Branch also maintains run-off portfolios in the islands of Antigua, and Barbados. The registered office and principal place of business is located at 6A Victoria Avenue, Port of Spain.

The branch was registered in Guyana on April 27, 2015 to carry out class 1 (Accident & Liability), class 2 (Auto) and class 4 (Fire) insurance.

2. New and amended standards and interpretations

Amendments effective for the current year end

New and Amended Standards	Effective for annual periods beginning on or after
Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	1 January 2021
Amendments to IFRS 16 Leases: Covid-19-Related rent concessions beyond 30 June 2021	1 April 2021

Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The amendments in Interest Rate Benchmark Reform — Phase 2 introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.

Amendments to IFRS 16 Leases: Covid-19-Related rent concessions beyond 30 June 2021

The amendment extends, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.

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

Pronouncements effective in future periods available for early adoption

New and Amended Standards	Effective for annual periods beginning on or after
Annual Improvements 2018-2020	1 January 2022
Narrow scope amendments to IFRS 3, IAS 16 and IAS 37	1 January 2022
IFRS 17 Insurance contracts	1 January 2023
Amendments to IFRS 4 (Deferral of effective date of IFRS 9)	Immediately available
Amendments to IAS 1: Presentation of financial statements on classification of liabilities	1 January 2023
Narrow scope amendments to IAS 1, IAS 8 and IFRS Practice statement 2	1 January 2023
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

The Branch has not opted for early adoption.

Annual Improvements 2018-2020

Makes amendments to the following standards:

IFRS 1 – The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.

IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

IFRS 17 Insurance contracts

IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2023.

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

Amendments to IAS 1: Presentation of financial statements on classification of liabilities

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The effective date of the amendments was deferred to 1 January 2023.

Narrow scope amendments to IAS 1 and IFRS Practice statement 2

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.

Amendments to IAS 8

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

With the exception of IFRS 17, none of the above new and amended standards/ interpretations is expected to have a material effect on the financial statements of the branch.

3. Statement of accounting policies

(a) *Statement of compliance*

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board.

(b) *Foreign currency*

Transactions and balances

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to Guyana dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of profit or loss and other comprehensive income.

3. Statement of accounting policies- cont'd

(c) Insurance receivables

Insurance receivables are recognized when due and measured at amortised cost. The carrying value of insurance receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the statement of profit or loss and other comprehensive income.

(d) Cash and cash equivalents

Cash and cash equivalents are short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risks of change in value. These are shown at cost.

(e) Impairment

The carrying amounts of the Branch's assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

(f) Product classification

Insurance contracts

Insurance contracts are defined as those containing significant insurance risk at the inception of the contract. The significance of insurance risk is dependent on both the probability of an insured event and the magnitude of its potential effect.

Property insurance contracts provide coverage to the policy holder's 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.

(g) Claims

Reported outstanding general insurance claims comprise the estimated costs of all claims incurred but not settled at the statement of financial position date. In estimating the liability for the cost of reported claims not yet paid, the Branch considers any information available from adjusters and information on the cost of settling claims with similar characteristics in previous periods. Provision is made for claims incurred but not reported until after the statement of financial position date. Differences between the provisions for outstanding claims and subsequent revisions and settlement are included in the statement of profit or loss and other comprehensive income in the year the claims are settled.

The estimation of claims incurred but not reported ("IBNR") is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the branch, where more information about the claim event is generally available. Claims IBNR may often not be apparent to the insurer until many years after the event giving rise to the claims has happened.

3. Statement of Accounting Policies- cont'd

(h) Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The Branch's liability for current tax is calculated using tax rates that have been enacted in Guyana at the end of each reporting period.

Deferred tax

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and when they relate to income taxes levied by the same taxation authority, and the branch intends to settle its current tax assets and liabilities on a net basis. At 31 December, 2021 deferred tax assets not taken up due to uncertainties with respect to recoverability, was approximately G$45,549,200 (31 December, 2020- G$39,041,600).

(i) Insurance contract liabilities

General insurance contract liabilities

General insurance contract liabilities are based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not. Significant delays can be experienced in the notification and settlement of certain type of general insurance claims, therefore the ultimate cost of which cannot be known with certainty at the statement of financial position date.

3. Statement of Accounting Policies- cont'd

Provision for unearned premiums

The proportion of written premiums attributable to subsequent periods is deferred as unearned premium. The change in the provision for unearned premium is taken to the statement of profit or loss and other comprehensive income in the order that revenue is recognized over the period of risk.

Provision for unexpired risks

Provision for unexpired risks represents the amount set aside at the end of the year in respect of subsequent risks to be borne by the branch under contracts of insurance in force at the end of the year and are computed as a percentage of the provision for unearned premiums at the end of the year.

(j) Provision for other insurance financial liabilities

A provision is recognised when the Branch has a present legal or constructive obligation, as a result of past events, which it is probable, will result in an outflow of resources and when a reliable estimate of the amount of the obligation can be made.

(k) Measurement of financial assets and liabilities

All financial assets and liabilities are measured at amortised costs.

(l) Revenue recognition

Premium and reinsurance income

Premiums written are recognized on policy inception and earned on a pro rata basis over the term of the related policy coverage.

Commission income

The fee is recognized as revenue in the period in which it is received unless these relate to service to be provided in future periods. If the fees are for services to be provided in future periods, these are deferred and recognized in the statement of profit or loss and other comprehensive income as the service is provided over the term of the contract. Initiation and other front-end fees are also deferred and recognized over the term of the contract.

(m) Expenses of management

Expenses of management are apportioned to the various business segments on the basis of gross premium income written for each class of business.

(n) Other income and expenditure

Other income and expenditure items are accounted for on the accrual basis.

3. Statement of accounting policies- cont'd

(o) Reinsurance

The branch transfers some of its insurance risk to other insurers through reinsurance overseas. The reinsurers assume part of the risk and part of the premium originally taken by the branch. Reinsurer reimburses the branch for claims paid to policyholders according to various standing agreements reached. The branch has treaty reinsurance.

Under a treaty each party automatically accepts specific percentage of the insurers' business.

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

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

4. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Branch'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) Impairment of financial assets

Expected credit losses for financial assets are based on assumptions about risk of default and expected loss rates. Management uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

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

(ii) 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.

THE NEW INDIA ASSURANCE COMPANY (T&T) LIMITED
(GUYANA BRANCH)

NOTES ON THE ACCOUNTS

5 Equipment

	Office Equipment G$'000	Total G$'000
Cost/valuation		
At 1 January 2020	-	-
Additions	-	-
At 31 December 2020	-	-
Additions	143	143
At 31 December 2021	143	143
Depreciation		
At 1 January 2020	-	-
Charge for the year	-	-
At 31 December 2020	-	-
Charge for the year	26	26
At 31 December 2021	26	26
Net book values		
At 31 December 2020	-	-
At 31 December 2021	117	117

The above consist of office equipment used by the branch and are stated at cost less accumulated depreciation.

NOTES ON THE ACCOUNTS

	2021 G$'000	2020 G$'000
6 Premium and other income		
Premium income	58,485	58,387
Interest income	676	845

7 Trade and Other Receivables

	2021 G$'000	2020 G$'000
Insurance receivables	23,931	22,087
Expected credit losses	(10,394)	(11,953)
	13,537	10,134
Other receivables	650	1,854
	14,187	11,988

	2021 G$'000	2020 G$'000
8 Term Deposit		
This amount represents statutory deposit pledged with the Bank of Guyana, of this $50M represents a fixed deposit at an interest rate of 1.25%	100,896	49,771

9 Equity

Head Office Account	2021 G$'000	2020 G$'000
At 01 January	100,144	87,867
Net loss	(16,273)	(16,519)
Transaction with Head Office	8,475	28,796
At 31 December	92,346	100,144

This amount represents the set-up cost for Guyana office, retained earnings and transactions between the branch and head office.

THE NEW INDIA ASSURANCE COMPANY (T&T) LIMITED
(GUYANA BRANCH)

NOTES ON THE ACCOUNTS

10 Insurance contract liabilities / (reinsurance assets)

	2021			2020		
	Insurance Contract Liabilities G$'000	Reinsurance Share of Liabilities G$'000	Net G$'000	Insurance Contract Liabilities G$'000	Reinsurance Share of Liabilities G$'000	Net G$'000
Provision for claims reported by policyholder	86,534	(76,553)	9,981	85,574	(76,299)	9,275
Provision for claims incurred but not reported(IBNR)	17,307	(15,311)	1,996	17,115	(15,260)	1,855
	103,841	(91,864)	11,977	102,689	(91,558)	11,131
Provision for unearned premiums	34,073	(21,606)	12,467	31,923	(21,330)	10,593
Provision for unexpired risk	3,408	(2,161)	1,247	3,192	(2,133)	1,059
	141,322	(115,631)	25,691	137,804	(115,021)	22,783

11(a) Claims unpaid

	2021 G$'000	2020 G$'000
Claims unpaid	86,534	85,574
Reinsurance recoveries	(76,553)	(76,299)
	9,981	9,275

11(b) Claims development table

Development of claims tables provides a measure of the Branch's ability to estimate the ultimate value of claims for its general insurance subsidiary. The top half of each table below illustrates how the Branch'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 statement of financial position.

Reporting Year	2016 G$'000	2017 G$'000	2018 G$'000	2019 G$'000	2020 G$'000	2021 G$'000	Total G$'000
Net estimate of cumulative claims cost							
At the end year of claim	632,973	3,503	4,445	6,412	88,101	4,964	740,397
One year later	634,638	3,495	4,299	10,818	89,676	-	742,926
Two years later	633,309	3,495	4,299	10,818	-	-	651,921
Three years later	633,309	3,495	4,299	-	-	-	641,102
Four years later	633,309	3,495	-	-	-	-	636,804
Five years later	633,309	-	-	-	-	-	633,309
Current estimate of cumulative claims cost	633,309	3,495	4,299	10,818	89,676	4,964	746,561
Cumulative payments	(633,309)	(3,495)	(4,299)	(5,818)	(9,103)	(4,004)	(660,028)
Outstanding claims recognised in the statement of financial position	-	-	-	5,000	80,573	960	86,533

11 Insurance contract liabilities

(a) Provision for claims policyholders may be analysed as follows:

	2021			2020		
	Insurance Contract Liabilities G$'000	Reinsurance Share of Liabilities G$'000	Net G$'000	Insurance Contract Liabilities G$'000	Reinsurance Share of Liabilities G$'000	Net G$'000
At 1 January	102,688	(91,558)	11,130	2,745	-	2,745
Claims incurred	6,733	(3,148)	3,585	109,117	(96,518)	12,599
Claims paid during the year	(5,580)	2,842	(2,738)	(9,173)	4,960	(4,213)
At 31 December	103,841	(91,864)	11,977	102,689	(91,558)	11,131

(b) The provision for unearned premiums may be analysed as follows:

	2021			2020		
	Insurance Contract Liabilities G$'000	Reinsurance Share of Liabilities G$'000	Net G$'000	Insurance Contract Liabilities G$'000	Reinsurance Share of Liabilities G$'000	Net G$'000
At 1 January	31,922	(21,331)	10,591	36,868	(23,224)	13,644
Premium written in the year	58,485	(41,225)	17,260	58,387	(34,340)	24,047
Premium earned during the year	(56,334)	40,950	(15,384)	(63,332)	36,233	(27,099)
At 31 December	34,073	(21,606)	12,467	31,923	(21,331)	10,592

THE NEW INDIA ASSURANCE COMPANY (T&T) LIMITED
(GUYANA BRANCH)

NOTES ON THE ACCOUNTS

11 Insurance contract liabilities

(c) The provision for unexpired risk may be analysed as follows:

	2021			2020		
	Insurance Contract Liabilities G$'000	Reinsurance Share of Liabilities G$'000	Net G$'000	Insurance Contract Liabilities G$'000	Reinsurance Share of Liabilities G$'000	Net G$'000
At 1 January	3,192	(2,133)	1,059	3,687	(2,322)	1,365
Net incurred	216	4,294	4,510	(495)	189	(306)
At 31 December	3,408	2,161	5,569	3,192	(2,133)	1,059

12 Related party transactions, balances and other disclosures.

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

Key management personnel

Compensation

The branch's only (2020- 1) key management personnel comprise its branch manager.

The remuneration paid to key management personnel for the year was as follows:

	2021	2020
	G$'000	G$'000
Short term employee benefits	4,880	4,746

THE NEW INDIA ASSURANCE COMPANY (T&T) LIMITED
(GUYANA BRANCH)

NOTES ON THE ACCOUNTS

13 Analysis of financial assets and liabilities by measurement basis

	Financial assets and liabilities at amortised cost	Total
	G$'000	G$'000
2021		
Assets		
Trade and other receivables	14,187	14,187
Reinsurance asset	115,631	115,631
Term deposit	100,896	100,896
Cash and cash equivalents	25,862	25,862
	256,576	256,576
Liabilities		
Trade and other payables	23,025	23,025
Insurance contracts	141,322	141,322
	164,347	164,347
2020		
Assets		
Trade and other receivables	11,988	11,988
Reinsurance asset	115,021	115,021
Term Deposits	49,771	49,771
Cash and cash equivalents	62,351	62,351
	239,131	239,131
Liabilities		
Trade and other payables	1,183	1,183
Insurance contracts	137,804	137,804
	138,987	138,987

NOTES ON THE ACCOUNTS

14 Financial risk management

Financial risk management objectives

The branch's management monitors and manages the financial risks relating to the operations of the branch. These risks include market risk (currency risk,interest rate risk),credit risk and liquidity risk.

The branch 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 branch's management reports monthly to the board of directors on matters relating to risk and management of risk.

(a) Market risk

Market 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 or its issuer of factors affecting all securities traded in the market.

(i) 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 company is exposed to various risks that are associated with the effects of variations in interest rates.This impacts directly on its cash flows.

The branch's management continually monitors and manages these risks through the use of appropriate tools and implements relevant strategies to hedge against any adverse effects.

(ii) Interest rate sensitivity analysis.

The sensitivity analysis below has been determined based on the exposure to interest rates for all financial instruments at the end of the reporting period.The analysis is prepared assuming the amounts of the financial instruments at the end of the reporting period were in existence throughout the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible charges in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Branch's profit/(loss) for the year ended 31 December 2021 would increase/decrease by G$504,480 (2020- G$248,853).This is mainly attributable to the branch exposure to interest rate on its term deposits.

THE NEW INDIA ASSURANCE COMPANY (T&T) LIMITED
(GUYANA BRANCH)

NOTES ON THE ACCOUNTS

14 Financial risk management - cont'd

Interest rate risk

	Average Interest rate %	Maturing 2021 1 year G$'000	Non-interest bearing G$'000	Total G$'000
Assets				
Trade and other receivables		-	14,187	14,187
Reinsurance asset		-	115,631	115,631
Term deposit	1.31	100,896	-	100,896
Cash and cash equivalents		-	25,862	25,862
		100,896	155,680	256,576
Liabilities				
Trade payables and other payables		-	23,025	23,025
Insurance contract		-	141,322	141,322
		-	164,347	164,347
Interest sensitivity gap		100,896		

	Average Interest rate %	Maturing 2020 1 year G$'000	Non-interest bearing G$'000	Total G$'000
Assets				
Trade and other receivables		-	11,988	11,988
Reinsurance asset		-	115,021	115,021
Term deposit	1.31	49,771	-	49,771
Cash and cash equivalents		-	62,351	62,351
		49,771	189,360	239,131
Liabilities				
Trade payables and other payables		-	1,183	1,183
Insurance contract		-	137,804	137,804
		-	138,987	138,987
Interest sensitivity gap		49,771		

14 Financial risk management - cont'd

(iii) Currency risk

The branch is not exposed to significant risks related to foreign currency translation/ transaction.

(iv) Price risk

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

The Branch is not significantly exposed to other price risks.

Liquidity risk is the risk that the Branch will encounter difficulty in raising funds to meet its commitments associated with financial instruments. The branch manages it's liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form. The information given below relates to the major liabilities based on the remaining period at 31 December or the contractual maturity dates.

	Maturing 2021	
	Within 1 year	Total
	Due 3- 12 mths	
	G$'000	G$'000
Liabilities		
Trade payables and other payables	23,025	23,025
Insurance contract	141,322	141,322
	164,347	164,347

	Maturing 2020	
	Within 1 year	Total
	Due 3- 12 mths	
	G$'000	G$'000
Liabilities		
Trade and other payables	1,183	1,183
Insurance contracts	137,804	137,804
	138,987	138,987

14 Financial risk management - cont'd

(c) Credit risk

Credit risk is the risk that financial loss arises from the failure of a customer to meet its obligations under a contract. In the case of the branch,this arises principally from receivables and cash resource holdings.

Cash and cash equivalent includes balances held at financial institutions. These banks have been assessed by the Directors as being creditworthy, with very strong capacity to meet their obligation as they fall due. The related risk is therefore considered very low.

The branch's exposure to credit risk is continuously monitored to ensure that amounts are recovered. Management monitors the analysis of credit risk portfolio on an ongoing basis. The branch does not have any significant credit risk exposure to any single counterparty or any group counterparties having similar characteristics.

The Branch's maximum exposure to credit risk is stated below:

	2021	2020
	G$'000	G$'000
Receivables (i)	23,931	22,087
Other receivables (ii)	650	1,854
Reinsurance assets	115,631	115,021
Term Deposit	100,896	49,771
Cash at bank	25,862	62,351
	266,970	**251,084**

The receivable balances above are classified as follows:

	2021	2020
Current	23,931	22,087
Past due but not impaired	-	-
Impaired	(10,394)	(11,953)
	13,537	**10,134**

(i) Receivables includes amounts due from brokers and reinsurer.

(ii) Other receivables includes interest accrued on securities, Paye and premium tax adjustments.

15 Lease recognition

The office premises at 58 B, Brickdam, Stabroek, Georgetown, Guyana has been used by the Guyana office of the Branch on short term lease which expired on 31.12.2021. The rent expenses of G$5,832,000 paid during 2021 (2020 - G$5,808,000 is charged to statement of profit or loss and other comprehensive income.

The rental contract was for a period 01 January 2021 to 31 December 2021, hence IFRS 16 treatment for creation of right-of-use asset and lease liability was not done. Management is actually trying to obtain a lease of a different premises.

16 Insurance Act 2016

The Insurance Act 2016 became effective in 2018. Part XIV section 171 of the Act relates to the statutory fund and refers to the Regulations made under the Insurance Act 2016, which also became effective in 2018. The area of non-compliance is as listed:

Part 4- Investments (Related Party Transactions)
"40.3 As a minimum, these policies must-
(a) make it clear that to the extent possible the insurer will avoid related party transactions when reasonable alternatives are available, and
(b) establish criteria that will be met in cases when related party transactions are being proposed."

Management is currently in the process of formulating a related party policy to resolve this issue.

17 Approval of financial statements

The financial statements were approved by the Board of Directors and authorized for issue on March 29, 2022.