

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 2023

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 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity, 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 31.

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 2023, 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.

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

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 and the Insurance Act 2016.



TSD LAL & CO.

Chartered Accountants



Date: September 9, 2024.

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 2023

(Expressed in thousands of Guyana dollars)

	Note	<u>2023</u>	<u>2022</u>
Insurance Revenue	13	81,060	63,207
Insurance Service Expenses	13	<u>(114,206)</u>	<u>(42,931)</u>
Insurance service result before reinsurance contract held		(33,146)	20,276
Allocation of reinsurance premium	13	(52,533)	(40,896)
Amount recovered from reinsurers for incurred claims and commission		<u>73,805</u>	<u>10,498</u>
Net expenses from reinsurance contracts held		<u>21,272</u>	<u>(30,398)</u>
Net insurance service result		<u>(11,874)</u>	<u>(10,122)</u>
Investment income from financial assets not measured at fair value through profit and loss	14(a)	<u>1,099</u>	<u>1,355</u>
Net investment income		<u>1,099</u>	<u>1,355</u>
Finance expenses from insurance contracts issued		7,643	100
Finance income from reinsurance contracts held		<u>(6,788)</u>	<u>1</u>
Net insurance finance expenses		<u>855</u>	<u>101</u>
Expenses other than for insurance service	15	<u>(10,858)</u>	<u>(9,075)</u>
Loss before tax		<u>(20,778)</u>	<u>(17,741)</u>
Income tax expense		<u>-</u>	<u>-</u>
Loss for the year		<u><u>(20,778)</u></u>	<u><u>(17,741)</u></u>

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 2023

(Expressed in thousands of Guyana dollars)

	Head Office Account	Total
At January 1, 2022	92,346	92,346
IFRS-17 adjustments	788	788
Net loss after taxation	(17,741)	(17,741)
Transactions with Head office	<u>27,388</u>	<u>27,388</u>
At December 31, 2022	102,781	102,781
Net loss for the year	(20,778)	(20,778)
Transactions with Head office	<u>(120)</u>	<u>(120)</u>
At December 31, 2023	<u><u>81,883</u></u>	<u><u>81,883</u></u>

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 2023

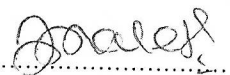
(Expressed in thousands of Guyana dollars)

Assets	Note	<u>2023</u>	<u>2022</u>
Non-current asset			
Property, plant and equipment	8	7,585	13,632
Investment Assets			
Other financial assets	5	52,155	101,541
Reinsurance assets	6	33,399	26,132
Cash and cash equivalents	12	179,812	121,362
	4	72,226	37,555
Total Assets		<u>345,177</u>	<u>300,222</u>
Equity and Liabilities			
Equity			
Head office account	9	81,883	102,781
		<u>81,883</u>	<u>102,781</u>
Non-current liability			
Lease liability	7	600	5,709
Liabilities			
Insurance contracts	11	227,000	156,456
Lease liability	7	6,929	7,200
Other financial liabilities	10	28,765	28,076
		<u>262,694</u>	<u>191,732</u>
Total equity and liabilities		<u>345,177</u>	<u>300,222</u>

These financial statements were approved by the Board of Directors on September 9, 2024.

Signed on behalf of the Board


.....
Rajeev Bhattathiripad
Managing Director


.....
Ram Naresh
Assistant General 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 2023

(Expressed in thousands of Guyana dollars)

Cash Flows from operating activities:	<u>2023</u>	<u>2022</u>
Premium received from policyholders, including advance receipts	92,895	61,446
Payments to the re-insurers, net of commissions and claims	(43,968)	-
Payments of direct claims	(3,819)	(2,507)
Payments of commission and brokerage	(18,699)	(13,969)
Payments of other operating expenses	(28,019)	(9,974)
Other payments	<u>(7,232)</u>	<u>(3,929)</u>
Net cash flow from operating activities	(8,842)	31,067
Cash flows from investing activities:		
Purchase of fixed assets	(556)	(19,509)
Purchases of investments	(1,659)	(645)
Sales of investments	51,045	-
Rents/Interests/ Dividends received	<u>1,882</u>	<u>780</u>
Net cash flow from investing activities	50,712	(19,374)
Cash flows from financing activities:		
Payments for Lease Liability	<u>(7,200)</u>	<u>-</u>
Net cash flow from financing activities	(7,200)	-
Net increase in cash and cash equivalents:	34,671	11,693
Cash and cash equivalents at the beginning of the year	<u>37,555</u>	<u>25,862</u>
Cash and cash equivalents at the end of the year	<u><u>72,226</u></u>	<u><u>37,555</u></u>

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 Company carries on general insurance business in Trinidad and Tobago, Dominica, St. Lucia, St. Maarten, Anguilla and Guyana. The Company 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

- IAS 1 & IFRS Practice Statement 2 - Disclosure of Accounting Policies (effective 1 January 2023)

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements (the PS), in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments had an impact on the Branch's disclosures of accounting policies, but not on the measurement, recognition, or presentation of any items in the Branch's financial statements.

- IAS 8 - Definition of Accounting Estimates (effective 1 January 2023)

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Branch's financial statements.

- IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023)

In May 2021, the IASB issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments had no impact on Branch's financial statements.

THE NEW INDIA ASSURANCE COMPANY (T&T) LIMITED

(GUYANA BRANCH)

NOTES ON THE ACCOUNTS

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

- IFRS 17 – Insurance contracts, (effective 1 January 2023)

The Branch applied IFRS 17 'Insurance Contracts' for the first time on 1 January 2023. IFRS 17 replaces IFRS 4 (Insurance Contracts) for annual periods beginning on or after 1 January 2023.

The Branch has restated comparative information for 2022 applying the transitional provisions in IFRS 17.

On transition date, 1 January 2022, the Branch:

- Has identified, recognised and measured each group of insurance contracts as if IFRS 17 had always applied
- Has identified, recognised and measured assets for insurance acquisition cash flows as if IFRS 17 has always applied. However, no recoverability assessment was performed before the transition date. At transition date, a recoverability assessment was performed, and no impairment loss was identified
- Derecognised any existing balances that would not exist had IFRS 17 always applied
- Recognised any resulting net difference in equity

- IFRS 9 – Financial Instruments

IFRS 9 replaced IAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018. However, the Branch elected, under the amendments to IFRS 4, to apply the temporary exemption from IFRS 9, thereby deferring the initial application date of IFRS 9 to align with the initial application of IFRS 17.

The Branch has applied IFRS 9 retrospectively and restated comparative information for 2022 for financial instruments in the scope of IFRS 9.

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.

THE NEW INDIA ASSURANCE COMPANY (T&T) LIMITED

(GUYANA BRANCH)

NOTES ON THE ACCOUNTS

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.

THE NEW INDIA ASSURANCE COMPANY (T&T) LIMITED

(GUYANA BRANCH)

NOTES ON THE ACCOUNTS

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, 2023 deferred tax assets not taken up due to uncertainties with respect to recoverability, was approximately G\$68,176,400 (31 December, 2022- G\$59,865,200).

(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.

THE NEW INDIA ASSURANCE COMPANY (T&T) LIMITED

(GUYANA BRANCH)

NOTES ON THE ACCOUNTS

3. Statement of Accounting Policies- cont'd

(i) *Insurance contract liabilities- 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.

(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.

(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.

THE NEW INDIA ASSURANCE COMPANY (T&T) LIMITED

(GUYANA BRANCH)

NOTES ON THE ACCOUNTS

3. Statement of Accounting Policies- cont'd

(o) *Reinsurance- cont'd*

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.

(p) *Leases*

Leases are accounted for under IFRS 16. This requires that the Branch account for all leases that provide a right of use as an asset with a corresponding liability.

The right of use asset and lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Branch applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss which compares the carrying value against the recoverable amount.

The right of use asset and liability currently in the financial statements relates to the rental office space to carry out the Branch's activities.

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.

THE NEW INDIA ASSURANCE COMPANY (T&T) LIMITED

(GUYANA BRANCH)

NOTES ON THE ACCOUNTS

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

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) Trade receivable and other receivable

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.

(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
(Expressed in thousands of Guyana dollars)

4. Cash and cash equivalent	<u>2023</u>	<u>2022</u>
11. Insurance contract liabilities		
Cash	100	100
Open Bank Balances	<u>72,126</u>	<u>37,455</u>
	<u><u>72,226</u></u>	<u><u>37,555</u></u>
5. Investment Assets	<u>2023</u>	<u>2022</u>
Deposits	<u>52,155</u>	<u>101,541</u>
Measured at amortised cost	<u><u>52,155</u></u>	<u><u>101,541</u></u>
6. Other financial assets	<u>2023</u>	<u>2022</u>
Insurance receivables (i)	32,192	24,420
Income receivable	489	1,272
Other receivables	440	440
Other reinsurers	<u>278</u>	<u>-</u>
	<u><u>33,399</u></u>	<u><u>26,132</u></u>
(i) Insurance receivables consist of:		
Insurance receivable	44,342	36,570
Expected credit losses	<u>(12,150)</u>	<u>(12,150)</u>
	<u><u>32,192</u></u>	<u><u>24,420</u></u>
Opening Insurance Contract Liabilities		
7. Lease liability	<u>2023</u>	<u>2022</u>
Open Non-current	<u><u>600</u></u>	<u><u>5,709</u></u>
Current	<u><u>6,929</u></u>	<u><u>7,200</u></u>

This lease relates to the rental of office space in which the branch is situated. The total payments of the lease are \$21,600,000. The lease was discounted over a thirty-six-month period using 7.37% per annum.

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

NOTES ON THE ACCOUNTS
(Expressed in thousands of Guyana dollars)

8. Property, Plant and Equipment

	Right-of- use Asset (i)	Office Equipment (ii)	Total
Cost/valuation			
As at January 1, 2022	-	143	143
Additions	19,509	-	19,509
As at December 31, 2022	19,509	143	19,652
Additions	-	556	556
As at December 31, 2023	19,509	699	20,208
Depreciation			
As at January 1, 2022	-	26	26
Charge for the year	5,961	33	5,994
As at December 31, 2022	5,961	59	6,020
Charge for the year	6,503	100	6,603
As at December 31, 2023	12,464	159	12,623
Net book values			
At 31 December 2023	7,045	540	7,585
At 31 December 2022	13,548	84	13,632

(i) Relates to right of use asset for the rental of office space. This is amortised over a three year period.

(ii) Office equipment used by the branch and are stated at cost less accumulated depreciation.

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

NOTES ON THE ACCOUNTS
(Expressed in thousands of Guyana dollars)

9. Equity

11. Insurance contract liabilities		
Head Office Account	<u>2023</u>	<u>2022</u>
Opening Insurance Contract Liabilities		
At 01 January	102,781	92,346
Net loss	(20,778)	(17,741)
Transaction with Head Office	(120)	27,388
IFRS-17 Adjustments	-	788
At 31 December	<u><u>81,883</u></u>	<u><u>102,781</u></u>

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

10. Other financial liabilities	<u>2023</u>	<u>2022</u>
Sundry creditors and accruals	2,536	1,739
Lease interest payable	-	1,074
Other Reinsurers	25,265	24,597
Employee benefits obligation	<u>964</u>	<u>666</u>
	<u><u>28,765</u></u>	<u><u>28,076</u></u>

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

NOTES ON THE ACCOUNTS
(Expressed in thousands of Guyana dollars)

11. Insurance contract liabilities

	<u>2023</u>			
	Liability for remaining coverage	Liability for incurred claims		
	Excluding Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening Insurance Contract Liabilities	43,455	106,652	6,349	156,456
Net balance as at January 1	43,455	106,652	6,349	156,456
Insurance revenue from contracts measured under the Premium Allocation Approach (PAA)	(81,060)	-	-	(81,060)
Insurance service expenses				
Incurred claims	-	31,571	-	31,571
Changes that relate to past service - adjustments to the Liability for Incurred Claims (LIC)	-	25,840	12,760	38,600
Other directly attributable expenses	-	25,335	-	25,335
Insurance acquisition expenses	18,699	-	-	18,699
Total insurance service expenses	18,699	82,746	12,760	114,205
Total insurance service result	(62,361)	82,746	12,760	33,145
Finance expenses from insurance contracts issued	-	(7,643)	-	(7,643)
Total amounts recognised in comprehensive income	(62,361)	75,103	12,760	25,502
Cash flows				
Premiums received	92,895	-	-	92,895
Claims paid	-	(3,819)	-	(3,819)
Insurance acquisition cash flows	(18,699)	-	-	(18,699)
Other directly attributable expenses paid	-	(25,335)	-	(25,335)
Total cash flows	74,196	(29,154)	-	45,042
Net balance as at December 31	55,290	152,601	19,109	227,000

Opening Insurance Contract Liabilities

	<u>2022</u>			
	Liability for remaining coverage	Liability for incurred claims		
	Excluding Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening Insurance Contract Liabilities	34,073	101,764	6,057	141,895
Net balance as at January 1	34,073	101,764	6,057	141,895
Insurance revenue from contracts measured under the PAA	(63,208)	-	-	(63,208)
Insurance service expenses				
Incurred claims	-	6,328	-	6,328
Changes that relate to past service - adjustments to the LIC	-	1,167	291	1,458
Other directly attributable expenses	-	21,176	-	21,176
Insurance acquisition expenses	13,969	-	-	13,969
Total insurance service expenses	13,969	28,671	291	42,931
Total insurance service result	(49,239)	28,671	291	(20,277)
Finance expenses from insurance contracts issued	-	(100)	-	(100)
Total amounts recognised in comprehensive income	(49,239)	28,571	291	(20,377)
Cash flows				
Premiums received	72,590	-	-	72,590
Claims paid	-	(2,507)	-	(2,507)
Insurance acquisition cash flows	(13,969)	-	-	(13,969)
Other directly attributable expenses paid	-	(21,176)	-	(21,176)
Total cash flows	58,621	(23,683)	-	34,938
Net balance as at December 31	43,455	106,652	6,349	156,456

THE NEW INDIA ASSURANCE COMPANY (T&T) LIMITED
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NOTES ON THE ACCOUNTS
(Expressed in thousands of Guyana dollars)

2023

11. Insurance contract liabilities
11.a Fire insurance

	Liability for remaining coverage	Liability for incurred claims		
	Excluding Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening Insurance Contract Liabilities				
Opening Insurance Contract Liabilities	29,545	95,029	5,657	130,231
Net balance as at January 1	29,545	95,029	5,657	130,231
Insurance revenue from contracts measured under the PAA	(51,650)	-	-	(51,650)
Insurance service expenses				
Incurred claims	-	25,490	-	25,490
Changes that relate to past service - adjustments to the LIC	-	29,681	17,844	47,525
Other directly attributable expenses	-	11,293	-	11,293
Insurance acquisition expenses	13,064	-	-	13,064
Total insurance service expenses	13,064	66,464	17,844	97,372
Total insurance service result	(38,586)	66,464	17,844	45,722
Finance expenses from insurance contracts issued	-	(9,166)	-	(9,166)
Total amounts recognised in comprehensive income	(38,586)	57,298	17,844	36,556
Cash flows				
Premiums received	56,509	-	-	56,509
Claims paid	-	(379)	-	(379)
Insurance acquisition cash flows	(13,064)	-	-	(13,064)
Other directly attributable expenses paid	-	(11,293)	-	(11,293)
Total cash flows	43,445	(11,672)	-	31,773
Net balance as at December 31	34,405	140,655	23,501	198,560
Opening Insurance Contract Liabilities				

2022

	Liability for remaining coverage	Liability for incurred claims		
	Excluding Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening Insurance Contract Liabilities				
Opening Insurance Contract Liabilities	24,635	95,099	5,661	125,395
Net balance as at January 1	24,635	95,099	5,661	125,395
Insurance revenue from contracts measured under the PAA	(40,929)	-	-	(40,929)
Insurance service expenses				
Incurred claims	-	10	-	10
Changes that relate to past service - adjustments to the LIC	-	384	(4)	380
Other directly attributable expenses	-	9,870	-	9,870
Insurance acquisition expenses	10,513	-	-	10,513
Total insurance service expenses	10,513	10,264	(4)	20,773
Total insurance service result	(30,415)	10,264	(4)	(20,156)
Finance expenses from insurance contracts issued	-	1	-	1
Total amounts recognised in comprehensive income	(30,415)	10,265	(4)	(20,154)
Cash flows				
Premiums received	45,839	-	-	45,839
Claims paid	-	(466)	-	(466)
Insurance acquisition cash flows	(10,513)	-	-	(10,513)
Other directly attributable expenses paid	-	(9,870)	-	(9,870)
Total cash flows	35,326	(10,335)	-	24,991
Net balance as at December 31	29,545	95,029	5,657	130,231

THE NEW INDIA ASSURANCE COMPANY (T&T) LIMITED
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NOTES ON THE ACCOUNTS
(Expressed in thousands of Guyana dollars)

		<u>2023</u>				
		Liability for remaining coverage		Liability for incurred claims		
		Excluding Loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening Insurance Contract Liabilities		542	-	-	-	542
Net balance as at January 1		542	-	-	-	542
Insurance revenue from contracts measured under the PAA		(1,623)	-	-	-	(1,623)
Insurance service expenses						
Other directly attributable expenses		-	-	605	-	605
Insurance acquisition expenses		403	-	-	-	403
Total insurance service expenses		403	-	605	-	1,008
Total amounts recognised in comprehensive income		(1,220)	-	605	-	(616)
Cash flows						
Premiums received		2,017	-	-	-	2,017
Insurance acquisition cash flows		(403)	-	-	-	(403)
Other directly attributable expenses paid		-	-	(605)	-	(605)
Total cash flows		1,614	-	(605)	-	1,010
Net balance as at December 31		936	-	-	-	936

		<u>2022</u>				
		Liability for remaining coverage		Liability for incurred claims		
		Excluding Loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening Insurance Contract Liabilities		545	-	-	-	545
Net balance as at January 1		545	-	-	-	545
Opening Insurance Contract Liabilities		(1,304)	-	-	-	(1,304)
Insurance service expenses						
Other directly attributable expenses		-	-	420	-	420
Insurance acquisition expenses		228	-	-	-	228
Total insurance service expenses		228	-	420	-	649
Total amounts recognised in comprehensive income		(1,076)	-	420	-	(656)
Cash flows						
Premiums received		1,301	-	-	-	1,301
Insurance acquisition cash flows		(228)	-	-	-	(228)
Other directly attributable expenses paid		-	-	(420)	-	(420)
Total cash flows		1,072	-	(420)	-	652
Net balance as at December 31		542	-	-	-	542

THE NEW INDIA ASSURANCE COMPANY (T&T) LIMITED
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NOTES ON THE ACCOUNTS
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2023

11. Insurance contract liabilities
11.c Motor vehicle

	Liability for remaining coverage	Liability for incurred claims		
	Excluding Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening Insurance Contract Liabilities	13,222	5,743	342	19,307
Net balance as at January 1	13,222	5,743	342	19,307
Insurance revenue from contracts measured under the PAA	(26,279)	-	-	(26,279)
Insurance service expenses				
Incurred claims	-	5,831	-	5,831
Changes that relate to past service - adjustments to the LIC	-	(5,312)	(5,966)	(11,278)
Other directly attributable expenses	-	12,536	-	12,536
Insurance acquisition expenses	4,687	-	-	4,687
Total insurance service expenses	4,687	13,055	(5,966)	11,776
Total insurance service result	(21,592)	13,055	(5,966)	(14,503)
Finance expenses from insurance contracts issued	-	1,979	-	1,979
Total amounts recognised in comprehensive income	(21,592)	15,034	(5,966)	(12,524)
Cash flows				
Premiums received	31,363	-	-	31,363
Claims paid	-	(3,441)	-	(3,441)
Insurance acquisition cash flows	(4,687)	-	-	(4,687)
Other directly attributable expenses paid	-	(12,536)	-	(12,536)
Total cash flows	26,676	(15,977)	-	10,699
Net balance as at December 31	18,306	4,800	(5,624)	17,482

2022

Opening Insurance Contract Liabilities

	Liability for remaining coverage	Liability for incurred claims		
	Excluding Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening Insurance Contract Liabilities	8,745	785	47	9,576
Net balance as at January 1	8,745	785	47	9,576
Insurance revenue from contracts measured under the PAA	(20,294)	-	-	(20,294)
Insurance service expenses				
Incurred claims	-	6,318	-	6,318
Changes that relate to past service - adjustments to the LIC	-	783	295	1,078
Other directly attributable expenses	-	10,667	-	10,667
Insurance acquisition expenses	3,099	-	-	3,099
Total insurance service expenses	3,099	17,768	295	21,162
Total insurance service result	(17,195)	17,768	295	868
Finance expenses from insurance contracts issued	-	(101)	-	(101)
Total amounts recognised in comprehensive income	(17,195)	17,667	295	767
Cash flows				
Premiums received	24,771	-	-	24,771
Claims paid	-	(2,041)	-	(2,041)
Insurance acquisition cash flows	(3,099)	-	-	(3,099)
Other directly attributable expenses paid	-	(10,667)	-	(10,667)
Total cash flows	21,672	(12,708)	-	8,964
Net balance as at December 31	13,222	5,743	342	19,307

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NOTES ON THE ACCOUNTS
(Expressed in thousands of Guyana dollars)

11. Insurance contract liabilities
11.d Liability and workmen's compensation

Opening Insurance Contract Liabilities

Opening Insurance Contract Liabilities

Net balance as at January 1

Insurance revenue from contracts measured under the PAA

Insurance service expenses

Changes that relate to past service - adjustments to the LIC

Other directly attributable expenses

Insurance acquisition expenses

Total insurance service expenses

Total insurance service result

Finance expenses from insurance contracts issued

Total amounts recognised in comprehensive income

Cash flows

Premiums received

Insurance acquisition cash flows

Other directly attributable expenses paid

Total cash flows

Net balance as at December 31

<u>2023</u>			
Liability for remaining coverage	Liability for incurred claims		
Excluding Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
90	5,880	350	6,320
90	5,880	350	6,320
(1,004)	-	-	(1,004)
-	1,400	842	2,242
-	733	-	733
436	-	-	436
436	2,133	842	3,411
(568)	2,133	842	2,407
-	(432)	-	(432)
(568)	1,701	842	1,975
2,444	-	-	2,444
(436)	-	-	(436)
-	(733)	-	(733)
2,007	(733)	-	1,275
1,530	6,848	1,192	9,570

Opening Insurance Contract Liabilities

Opening Insurance Contract Liabilities

Net balance as at January 1

Insurance revenue from contracts measured under the PAA

Insurance service expenses

Other directly attributable expenses

Insurance acquisition expenses

Total insurance service expenses

Total insurance service result

Total amounts recognised in comprehensive income

Cash flows

Premiums received

Insurance acquisition cash flows

Other directly attributable expenses paid

Total cash flows

Net balance as at December 31

<u>2022</u>			
Liability for remaining coverage	Liability for incurred claims		
Excluding Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
90	5,880	350	6,320
90	5,880	350	6,320
(302)	-	-	(302)
-	98	-	98
53	-	-	53
53	98	-	150
(250)	98	-	(152)
(250)	98	-	(152)
303	-	-	303
(53)	-	-	(53)
-	(98)	-	(98)
250	(98)	-	153
90	5,880	350	6,320

THE NEW INDIA ASSURANCE COMPANY (T&T) LIMITED
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NOTES ON THE ACCOUNTS
(Expressed in thousands of Guyana dollars)

<u>2023</u>				
	Liability for remaining coverage	Liability for incurred claims		
	Excluding Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening Insurance Contract Liabilities	56	-	-	56
Net balance as at January 1	56	-	-	56
Insurance revenue from contracts measured under the PAA	(504)	-	-	(504)
Insurance service expenses				
Incurred claims	-	250	-	250
Changes that relate to past service - adjustments to the LIC	-	72	40	112
Other directly attributable expenses	-	169	-	169
Insurance acquisition expenses	109	-	-	109
Total insurance service expenses	109	491	40	640
Total insurance service result	(395)	491	40	136
Finance expenses from insurance contracts issued	-	(24)	-	(24)
Total amounts recognised in comprehensive income	(395)	467	40	112
Cash flows				
Premiums received	563	-	-	563
Insurance acquisition cash flows	(109)	-	-	(109)
Other directly attributable expenses paid	-	(169)	-	(169)
Total cash flows	454	(169)	-	285
Net balance as at December 31	115	298	40	453
<u>2022</u>				
	Liability for remaining coverage	Liability for incurred claims		
	Excluding Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening Insurance Contract Liabilities	59	-	-	59
Net balance as at January 1	59	-	-	59
Insurance revenue from contracts measured under the PAA	(378)	-	-	(378)
Insurance service expenses				
Other directly attributable expenses	-	121	-	121
Insurance acquisition expenses	75	-	-	75
Total insurance service expenses	75	121	-	196
Total insurance service result	(303)	121	-	(182)
Finance expenses from insurance contracts issued	-	-	-	-
Total amounts recognised in comprehensive income	(303)	121	-	(182)
Cash flows				
Premiums received	376	-	-	376
Insurance acquisition cash flows	(75)	-	-	(75)
Other directly attributable expenses paid	-	(121)	-	(121)
Total cash flows	300	(121)	-	179
Net balance as at December 31	56	-	-	56

THE NEW INDIA ASSURANCE COMPANY (T&T) LIMITED
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NOTES ON THE ACCOUNTS
(Expressed in thousands of Guyana dollars)

		<u>2023</u>		
		Liability for incurred claims		
	Asset for remaining coverage	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening Reinsurance Contract Assets	(26,021)	(89,983)	(5,356)	(121,360)
Net balance as at January 1	(26,021)	(89,983)	(5,356)	(121,360)
Net income (expenses) from Reinsurance contracts held				
Reinsurance expenses - contracts measured under PAA	52,534	-	-	52,534
Reinsurance commission received	(11,133)	-	-	(11,133)
Claims recovered	-	(23,144)	-	(23,144)
Changes that relate to past service - adjustments to incurred claims	-	(28,104)	-	(28,104)
Changes that relate to future services - changes in cash flows	-	-	-	-
Effect of changes in the risk of reinsurers non-performance	-	-	(11,425)	(11,425)
Net income (expenses) from Reinsurance contracts held	41,400	(51,247)	(11,425)	(21,272)
Finance expenses from insurance contracts issued	-	6,788	-	6,788
Total amounts recognised in comprehensive income	41,400	(44,460)	(11,425)	(14,484)
Cash flows				
Premiums paid net of ceding commissions and other directly attributable expenses paid	(44,166)	-	-	(44,166)
Recoveries from reinsurance	-	198	-	198
Total cash flows	(44,166)	198	-	(43,968)
Net balance as at December 31	(28,787)	(134,245)	(16,781)	(179,812)

		<u>2022</u>		
		Liability for incurred		
	Asset for remaining coverage	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening Reinsurance Contract Assets	(21,606)	(90,027)	(5,359)	(116,992)
Net balance as at January 1	(21,606)	(90,027)	(5,359)	(116,992)
Net income (expenses) from Reinsurance contracts held				
Reinsurance expenses - contracts measured under PAA	40,896	-	-	40,896
Reinsurance commission received	(10,114)	-	-	(10,114)
Claims recovered	-	(10)	-	(10)
Changes that relate to past service - adjustments to incurred claims	-	(377)	-	(377)
Effect of changes in the risk of reinsurers non-performance	-	-	2	2
Net income (expenses) from Reinsurance contracts held	30,782	(387)	2	30,397
Finance expenses from insurance contracts issued	-	(1)	-	(1)
Total amounts recognised in comprehensive income	30,782	(388)	2	30,397
Cash flows				
Premiums paid net of ceding commissions and other directly attributable expenses paid	(35,198)	-	-	(35,198)
Recoveries from reinsurance	-	432	-	432
Total cash flows	(35,198)	432	-	(34,766)
Net balance as at December 31	(26,022)	(89,983)	(5,357)	(121,362)

THE NEW INDIA ASSURANCE COMPANY (T&T) LIMITED
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NOTES ON THE ACCOUNTS
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2023				
Liability for incurred claims				
	Asset for remaining coverage	Present value of future cash flows	Risk adjustment for non-financial risk	Total
12. Reinsurance contract assets- cont'd				
12.a Fire insurance				
Opening Reinsurance Contract Assets	(25,566)	(89,983)	(5,356)	(120,905)
Net balance as at January 1	(25,566)	(89,983)	(5,356)	(120,905)
Net income (expenses) from Reinsurance contracts held				
Reinsurance expenses - contracts measured under PAA	48,419	-	-	48,419
Reinsurance commission received	(10,550)	-	-	(10,550)
Claims recovered	-	(22,925)	-	(22,925)
Changes that relate to past service - adjustments to incurred claims	-	(28,041)	-	(28,041)
Effect of changes in the risk of reinsurers non-performance	-	-	(11,390)	(11,390)
Net income (expenses) from Reinsurance contracts held	37,869	(50,966)	(11,390)	(24,486)
Finance expenses from insurance contracts issued	-	6,767	-	6,767
Total amounts recognised in comprehensive income	37,869	(44,199)	(11,390)	(17,720)
Cash flows				
Premiums paid net of ceding commissions and other directly attributable expenses paid	(40,288)	-	-	(40,288)
Recoveries from reinsurance	-	198	-	198
Total cash flows	(40,288)	198	-	(40,090)
Net balance as at December 31	(27,984)	(133,984)	(16,746)	(178,714)

2022				
Liability for incurred				
	Asset for remaining coverage	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening Reinsurance Contract Assets	(21,145)	(90,027)	(5,359)	(116,531)
Net balance as at January 1	(21,145)	(90,027)	(5,359)	(116,531)
Net income (expenses) from Reinsurance contracts held				
Reinsurance expenses - contracts measured under PAA	37,802	-	-	37,802
Reinsurance commission received	(9,690)	-	-	(9,690)
Claims recovered	-	(10)	-	(10)
Changes that relate to past service - adjustments to incurred claims	-	(377)	-	(377)
Effect of changes in the risk of reinsurers non-performance	-	-	2	2
Net income (expenses) from Reinsurance contracts held	28,112	(387)	2	27,728
Finance expenses from insurance contracts issued	-	(1)	-	(1)
Total amounts recognised in comprehensive income	28,112	(388)	2	27,727
Cash flows				
Premiums paid net of ceding commissions and other directly attributable expenses paid	(32,533)	-	-	(32,533)
Recoveries from reinsurance	-	432	-	432
Total cash flows	(32,533)	432	-	(32,101)
Net balance as at December 31	(25,566)	(89,983)	(5,356)	(120,905)

THE NEW INDIA ASSURANCE COMPANY (T&T) LIMITED
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NOTES ON THE ACCOUNTS
(Expressed in thousands of Guyana dollars)

	<u>2023</u>	<u>2022</u>
12. Reinsurance contract assets- cont'd		
12.b Property insurance other than fire		
	Asset for remaining coverage	
Opening Reinsurance Contract Assets	(406)	(409)
Net balance as at January 1	(406)	(409)
Net income (expenses) from Reinsurance contracts held		
Reinsurance expenses - contracts measured under PAA	1,217	978
Reinsurance commission received	(439)	(317)
Net income (expenses) from Reinsurance contracts held	779	661
Total amounts recognised in comprehensive income	779	661
Cash flows		
Premiums paid net of ceding commissions and other directly attributable expenses paid	(1,074)	(658)
Total cash flows	(1,074)	(658)
Net balance as at December 31	(702)	(406)
	<u>2023</u>	<u>2022</u>
12.c Motor vehicle		
	Asset for remaining coverage	
Net balance as at January 1	-	-
Net income (expenses) from Reinsurance contracts held		
Reinsurance expenses - contracts measured under PAA	2,456	1,785
Total amounts recognised in comprehensive income	2,456	1,785
Cash flows		
Premiums paid net of ceding commissions and other directly attributable expenses paid	(2,456)	(1,785)
Total cash flows	(2,456)	(1,785)
Net balance as at December 31	-	-
	<u>2023</u>	<u>2022</u>
12.d Liability and workmen's compensation		
	Asset for remaining coverage	
Opening Reinsurance Contract Assets	(38)	-
Net balance as at January 1	(38)	-
Net income (expenses) from Reinsurance contracts held		
Reinsurance expenses - contracts measured under PAA	407	264
Reinsurance commission received	(131)	(98)
Net income (expenses) from Reinsurance contracts held	276	166
Total amounts recognised in comprehensive income	276	166
Cash flows		
Premiums paid net of ceding commissions and other directly attributable expenses paid	(320)	(203)
Total cash flows	(320)	(203)
Net balance as at December 31	(81)	(38)

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NOTES ON THE ACCOUNTS
(Expressed in thousands of Guyana dollars)

		<u>2023</u>		
		Liability for incurred claims		
	Asset for remaining coverage	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening Reinsurance Contract Assets	(11)	-	-	(11)
Net balance as at January 1	(11)	-	-	(11)
Net income (expenses) from Reinsurance contracts held				-
Reinsurance expenses - contracts measured under PAA	34	-	-	34
Reinsurance commission received	(14)	-	-	(14)
Other incurred directly attributable expenses	-	-	-	-
Claims recovered	-	(219)	-	(219)
Changes that relate to past service - adjustments to incurred claims	-	(63)	-	(63)
Effect of changes in the risk of reinsurers non-performance	-	-	(35)	(35)
Net income (expenses) from Reinsurance contracts held	20	(282)	(35)	(296)
Finance expenses from insurance contracts issued	-	21	-	21
Total amounts recognised in comprehensive income	20	(261)	(35)	(275)
Cash flows				-
Premiums paid net of ceding commissions and other directly attributable expenses paid	(28)	-	-	(28)
Total cash flows	(28)	-	-	(28)
Net balance as at December 31	(19)	(261)	(35)	(315)

		<u>2022</u>		
		Liability for incurred claims		
	Asset for remaining coverage	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening Reinsurance Contract Assets	(51)	-	-	(51)
Net balance as at January 1	(51)	-	-	(51)
Net income (expenses) from Reinsurance contracts held				-
Reinsurance expenses - contracts measured under PAA	67	-	-	67
Reinsurance commission received	(9)	-	-	(9)
Net income (expenses) from Reinsurance contracts held	58	-	-	58
Total amounts recognised in comprehensive income	58	-	-	58
Cash flows				-
Premiums paid net of ceding commissions and other directly attributable expenses paid	(19)	-	-	(19)
Total cash flows	(19)	-	-	(19)
Net balance as at December 31	(11)	-	-	(11)

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NOTES ON THE ACCOUNTS
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13. Insurance service result

2023

	Fire insurance	Property insurance other than fire	Motor vehicle	Liability and workmen's compensation	Miscellaneous	Total
Insurance contracts premium revenue	51,650	1,623	26,279	1,004	504	81,060
Insurance revenue	51,650	1,623	26,279	1,004	504	81,060
Insurance service expenses						
Incurred claims	(25,490)	-	(5,831)	-	(250)	(31,571)
Changes that relate to past service - adjustments to the LIC	(47,525)	-	11,278	(2,242)	(112)	(38,601)
Insurance acquisition expenses	(13,064)	(403)	(4,687)	(436)	(109)	(18,699)
Other directly attributable expenses	(11,293)	(605)	(12,536)	(733)	(169)	(25,335)
Total insurance service expenses	(97,372)	(1,008)	(11,776)	(3,411)	(640)	(114,206)
Net income (expenses) from Reinsurance contracts held						
Reinsurance expenses - contracts measured under PAA	(48,419)	(1,217)	(2,456)	(407)	(34)	(52,533)
Reinsurance commission received	10,550	439	-	131	14	11,133
Effect of changes in the risk of reinsurers non-performance	11,390	-	-	-	35	11,425
Claims recovered	22,925	-	-	-	219	23,144
Changes that relate to past service - adjustments to incurred claims	28,041	-	-	-	63	28,104
Total net income (expenses) from Reinsurance contracts held	24,486	(778)	(2,456)	(276)	297	21,272
Total insurance service result	(21,236)	(163)	12,047	(2,683)	161	(11,874)

2022

	Fire insurance	Property insurance other than fire	Motor vehicle	Liability and workmen's compensation	Miscellaneous	Total
Insurance contracts premium revenue measured under PAA	40,929	1,304	20,294	302	378	63,207
Insurance revenue	40,929	1,304	20,294	302	378	63,207
Insurance service expenses						
Incurred claims	(10)	-	(6,318)	-	-	(6,328)
Changes that relate to past service - adjustments to the LIC	(380)	-	(1,078)	-	-	(1,458)
Insurance acquisition expenses	(10,513)	(228)	(3,099)	(53)	(75)	(13,969)
Other directly attributable expenses	(9,870)	(420)	(10,667)	(98)	(121)	(21,176)
Total insurance service expenses	(20,773)	(649)	(21,162)	(150)	(196)	(42,931)
Net income (expenses) from Reinsurance contracts held						
Reinsurance expenses - contracts measured under PAA	(37,802)	(978)	(1,785)	(264)	(67)	(40,896)
Reinsurance commission received	9,690	317	-	98	9	10,114
Effect of changes in the risk of reinsurers non-performance	(2)	-	-	-	-	(2)
Claims recovered	10	-	-	-	-	10
Changes that relate to past service - adjustments to incurred claims	377	-	-	-	-	377
Total net income (expenses) from Reinsurance contracts held	(27,728)	(661)	(1,785)	(166)	(58)	(30,398)
Total insurance service result	(7,572)	(6)	(2,653)	(15)	123	(10,122)

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NOTES ON THE ACCOUNTS
(Expressed in thousands of Guyana dollars)

14. Investment income	<u>2023</u>	<u>2022</u>
14.a Investment income from financial assets not measured at fair value through profit or loss		
Interest income from		
Amortised cost investment securities	<u>1,099</u>	<u>1,355</u>
	<u>1,099</u>	<u>1,355</u>
15. Operating expenses	<u>2023</u>	<u>2022</u>
Depreciation	6,603	5,994
Staff costs	7,345	6,037
Legal and professional	2,306	2,751
Advertising	3,286	3,525
Rates and taxes	5,015	2,673
Travelling and motor vehicle	2,973	1,724
Telephone and electricity	1,184	1,111
Printing and stationery	837	902
Miscellaneous	<u>6,644</u>	<u>5,534</u>
	<u>36,193</u>	<u>30,251</u>
Insurance service expenses	25,335	21,176
Other than insurance service expense	<u>10,858</u>	<u>9,075</u>
	<u>36,193</u>	<u>30,251</u>

16. 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 key management personnel comprise its branch manager.

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

	<u>2023</u>	<u>2022</u>
Short term employee benefits	<u>4,089</u>	<u>3,778</u>

17. Analysis of financial assets and liabilities by measurement basis

All financial assets and liabilities are measured at amortized cost.

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NOTES ON THE ACCOUNTS
(Expressed in thousands of Guyana dollars)

18. 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 or 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 changes 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 2023 would increase/decrease by G\$261 (2022- G\$508). This is mainly attributable to the branch exposure to interest rate on its term deposits.

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(Expressed in thousands of Guyana dollars)

18. Financial risk management - cont'd

Interest rate risk

	Average Interest rate %	Maturing 2023			
		1 year	2 - 5 years	Non-interest bearing	Total
Assets					
Investment Assets	1.32	52,155	-	-	52,155
Other financial assets		-	-	33,399	33,399
Reinsurance assets		-	-	179,812	179,812
Cash and cash equivalents		-	-	72,226	72,226
		<u>52,155</u>	<u>-</u>	<u>285,437</u>	<u>337,592</u>
Liabilities					
Insurance contracts		-	-	227,000	227,000
Lease liability	7.37	6,929	600	-	7,529
Other financial liabilities		-	-	28,765	28,765
		<u>6,929</u>	<u>600</u>	<u>255,765</u>	<u>263,294</u>
Interest sensitivity gap		<u>45,226</u>	<u>(600)</u>		
	Average Interest rate %	Maturing 2022			
		1 year	2 - 5 years	Non-interest bearing	Total
Assets					
Investment Assets	1.31	101,541	-	-	101,541
Other financial assets		-	-	26,132	26,132
Reinsurance assets		-	-	121,362	121,362
Cash and cash equivalents		-	-	37,555	37,555
		<u>101,541</u>	<u>-</u>	<u>185,049</u>	<u>286,590</u>
Liabilities					
Insurance contracts		-	-	156,456	156,456
Lease liability	7.37	7,200	5,709	-	12,909
Other financial liabilities		-	-	28,076	28,076
		<u>7,200</u>	<u>5,709</u>	<u>184,532</u>	<u>197,441</u>
Interest sensitivity gap		<u>94,341</u>	<u>(5,709)</u>		

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NOTES ON THE ACCOUNTS
(Expressed in thousands of Guyana dollars)

18. 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 its 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		
	2023		
	Within 1 year <u>Due 3- 12 mths</u>	Within 2-5 years	Total
Liabilities			
Insurance contracts	227,000	-	227,000
Lease liability	6,929	600	7,529
Other financial liabilities	28,765	-	28,765
	<u>262,694</u>	<u>600</u>	<u>263,294</u>

	Maturing		
	2022		
	Within 1 year <u>Due 3- 12 mths</u>	Within 2-5 years	Total
Liabilities			
Insurance contracts	156,456	-	156,456
Lease liability	7,200	5,709	12,909
Other financial liabilities	28,076	-	28,076
	<u>191,732</u>	<u>5,709</u>	<u>197,441</u>

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NOTES ON THE ACCOUNTS
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18. 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:

	<u>2023</u>	<u>2022</u>
Receivables (i)	32,192	24,420
Other receivables (ii)	440	440
Income receivable	489	1,272
Other reinsurers	278	-
Reinsurance assets	179,812	121,362
Investment Assets	52,155	101,541
Cash at bank	72,226	37,555
	<u><u>337,592</u></u>	<u><u>286,590</u></u>

The receivable balances above are classified as follows:

Current	32,632	24,860
Past due but not impaired	11,710	11,710
Expected credit losses	(12,150)	(12,150)
	<u><u>32,192</u></u>	<u><u>24,420</u></u>

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

(ii) Other receivables includes interest accrued on securities and other miscellaneous items.

19. Pending litigations

There is one pending litigation filed by a policy holder against New India Guyana for the replacement and/or reinstatement cost of Insured Asset and Breach of Insurance Policy the outcome of which cannot be determined todate.

20. Approval of financial statements

The financial statements were approved by the Board of Directors and authorized for issue on September 9, 2024.