ASSURIA LIFE (T&T) LTD.

ANNUAL REPORT

2021

CONTENTS

December 31, 2021

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **FORTY-FIRST ANNUAL MEETING OF THE SHAREHOLDERS OF ASSURIA LIFE (T&T) LTD. ("the Company")** will be held on **Wednesday 27th April 2022** at **2 p.m**. at Assuria Life (T&T) Ltd., 49 Dundonald Street, Port of Spain.

ORDINARY BUSINESS

1. To approve the minutes of the 40th Annual Meeting.

2. To receive and consider the Audited Financial Statements of the Company for the financial year ended 31st December 2021 together with the reports of the Directors and the Auditors thereon

3. To re-elect the following Directors of the Company for a period ending on the close of the Annual General Meeting of the Shareholders next following their election in accordance with Article 4.4 of Bye Law No. 1:

   Mr. Mario Merhai
   Mr. Stephen Smit
   Mr. Dharminder Rishie Parbhudayal
   Mr. Jason Clarke
   Mr. Gerry Liauw Kie Fa
   Mr. Martin Jim
   Ms. Angela Lee Loy

4. To consider the re-appointment of BDO as the External Auditors of the Company to hold office until the close of the next Annual Meeting.

5. To authorize the Directors to fix the terms, remuneration and expensed of the External Auditors in respect of the period ending at the conclusion of the next Annual Meeting.

6. To transact any other business, which may be properly brought before the Annual Meeting

   Dated April 8th, 2022

   BY ORDER OF THE BOARD
   Sonya Alexander
   Company Secretary
   Assuria Life (T&T) Ltd
   49 Dundonald Street
   Port of Spain
   Trinidad

Notes:

1. No service contracts were entered into between the Company and any of its Directors.

2. A shareholder entitled to attend and vote at the Annual Meeting is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a shareholder. The Proxy Form must be completed and signed in accordance with the notes on the Proxy Form and then deposited at the Registered Office of the Company, #49 Dundonald Street, Port of Spain at least 48 hours before the appointed time of the Meeting.

3. The proxy form can be collected at the Registered Office of the Company located at or can be downloaded and printed online via the Company's website: www.assurialifett.com - News and Updates section.

ASSURIA LIFE (T&T) LTD.
ANNUAL MEETING- AGENDA

1. Opening Remarks

2. Welcome and Call to Order

3. Announcements

4. Adoption and Confirmation of Minutes of the 40th Annual General Meeting

5. Matters Arising from the Minutes

6. Receipt and Consideration of the Audited Financial Statements for the Financial year ended December 31st, 2021.

7. Election of Directors

8. Re-appointment of Auditors

9. Other Business

10. Vote of Thanks and Close of Meeting

Sonya Alexander
Company Secretary
April 8th, 2022

CORPORATE RECAP

December 31, 2021

CHAIRMAN	Mario Merhai, MSc., AAG
DIRECTORS	Stephen Smit, MSc.
	D.R. Parbhudayal, MSc., AAG Angela Lee Loy FCCA, CA Martin Jim, FCCA, CA Gerry R.K.T. Liauw Kie Fa, MSc, CA, RA, CIA, CISA Jason Clarke, BSc
Managing Director	Jason Clarke, BSc.
Managing, Finance	Donna Babb FCCA
Company Secretary	Sonya Alexander
REGISTERED OFFICE	49 Dundonald Street, Port of Spain
BRANCHES	
Tobago	Unit 9, E-Teck Mall, Sangster Hill, Tobago
Chaguanas	Mid Centre Mall, Chaguanas Eleanore Street, Chaguanas
Arima	Xtra Foods Plaza, O'Meara Road, Arima
San Fernando	11 Independence Avenue, San Fernando
AUDITORS	BDO 122-124 Frederick Street, Port of Spain
BANKERS	
RBC Royal Bank Limited	55 Independence Square, Port of Spain
Republic Bank Limited	72 Independence Square, Port of Spain
ATTORNEYS-AT-LAW	J.D. Sellier & Co 129-131 Abercromby Street, Port of Spain

CORE VALUES

The Company is dedicated to providing Life Insurance options to people of all ages and walks of life through its core values Integrity, Care, Innovation and Expertise and Customer Focus.

VISION

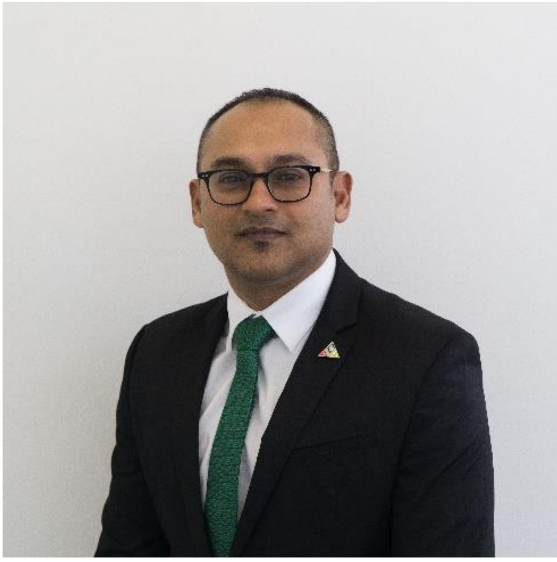
Our **VISION** is to be a people focused Caribbean financial institution of choice, offering trustworthy, innovative and easily accessible insurance solutions to protect what you value, built on a solid and secure base.

MISSION

Our **MISSION** is to deliver an innovative and best-in-class customer experience, with care, through a wide array of solutions. We are a trustworthy partner and respect the interests and aspirations of our stakeholders and community. We aim to provide an opportunity for growth and development of our employees, and a fair return for shareholders.

CHAIRMAN'S REPORT

December 31, 2021



I am pleased to present the Chairman's Report, Actuarial Certification and the Audited Financial Statements of Assuria Life (T&T) Ltd (the "Company") for the year ending 31st December 2021.

Despite the continuing challenges of the Covid-19 pandemic, the Company registered an appreciable performance in 2021. Total Comprehensive Income for the year ended December 31, 2021, was $20.3 million, compared to $3.06 million for the same period of 2020.

Our team has adapted well to the 'new normal' brought on by the COVID-19 pandemic, which has fundamentally changed not only the global and regional economies, but also many of our individual lives.

The Insurance Act (2018) (the "Act") came into effect on January 1st, 2021 and to date the Company satisfied all significant new legislative requirements, including the new risk based capital adequacy requirements.

While COVID-19 is still here, 2021 has been another transformational year for the Company. In line with our Group's Strategic plan, our Group Vision, Mission and Core Values, restructuring and reorganizing of the Company continued. This resulted in a better allocation of resources, improved operating efficiencies and greater uniformity in our operations.

Dividend Proposal

The Board at this time does not propose any dividend distribution.

Appointments

According to Section 3.05.1 of the Byelaws, the Directors hold office until the end of the Annual General Meeting. We recommend to the Shareholders that all the current Directors are reappointed for a further year.

On behalf of the Board of Directors, we extend our heartfelt appreciation to our loyal customers who continue to place their trust in our Company and its development. We also thank our employees, managers and agents, and look forward to continuing our journey together towards making our Company a people focused financial institution of choice.

Assuria Life (T&T) Ltd.

Mario Merhai

Chairman

MANAGING DIRECTOR'S REPORT

December 31, 2021

The Company recorded a significant improvement in its operating performance for the financial reporting period ended December 31, 2021, principally due to continued improvements implemented by our employees, management and the Board.

Financial Highlights

For the financial year ended 31, December 2021, our Company realized a Net Profit Attributable to Equity Holders of TT$16.82 million, compared to a loss of $2.27 million for the corresponding period in 2020.

Our Total Comprehensive Income for the financial year ended 31, December 2021 was $20.3 million compared to $3.06 million for the corresponding period year.

Growth of our insurance premium was flat but our investment portfolio performed significantly better in 2021 compared to 2020. We continue see improvements in our operating efficiencies which translated into a reduction in our administrative expenses.

We are pleased with these results, which reflect the underlying strength of our strategic agenda, and the dedication of the team.

Our Team

Our team adapted seamlessly to the various operating and safety protocols that were implemented during these unusual times and we continue to strive to achieve our aim of providing world class service to our customers.

We thank our employees for their dedication to our customers, and their commitment to the Company.

We look forward to working together as we continue our mission to deliver an innovative and best in class customer experience.

The Future

In line with the Group Strategic Plan, we maintained synergistic alignments with Gulf Insurance Limited, which continued to be of mutual benefit to the Company and the Group.

As we continue to work together, we look with optimism to the future and the unfettered reopening of T&T.

We thank our policyholders, Shareholders, the Board of Directors and our employees as we work towards our goals in 2022

Assuria Life (T&T) Ltd.
Jason Clarke
Managing Director

FINANCIAL HIGHLIGHTS

Assuria Life (T&T) Ltd.

Actuarial Certificate

December 31, 2021

Assuria Life (T&T) Ltd

Actuarial Certification pursuant to Section 56(2) of the

Insurance Act 2018 of the Republic of Trinidad and Tobago

This actuarial certificate and opinion is provided in accordance with the requirements of Section 56(2) of the Insurance Act 2018 with respect to the long-term insurance business registered in Assuria Life (T&T) Ltd ("the Company") as at December 31, 2021.

I have examined the data for the insurance business in force as at December 31, 2021, the statement of income and the Statement of Financial Position for the year then ended. I have applied tests of reasonableness and accuracy to such data which I feel are appropriate. Except for the group creditor life data, I consider the data supplied to be sufficient and accurate for my calculations.

On the basis of my calculations, it is my opinion that as at December 31, 2021, the aggregate amount of the policy liabilities of the Company with respect to the long-term insurance business registered in Trinidad and Tobago is not in excess of $221,008,126, which is comprised of $83,451,537 with respect to the individual ordinary life insurance business, $137,645,278 with respect to the individual annuity business, and ($88,689) with respect to other long term insurance business including personal accident insurance and group creditor life insurance.

Edward Kuo
Fellow, Society of Actuaries
Fellow, Canadian Institute of Actuaries
Principal and Consulting Actuary
Actuarial Perspective Inc.

March 18, 2022
Date

Assuria Life (T&T) Ltd.

Actuarial Certificate

December 31, 2021

Certificates Required by Section 5 Part 1 of the Second Schedule

I hereby certify that to the best of my knowledge and belief, the data supplied by the Company is accurate for the purpose of the actuarial valuation of its long-term insurance business as at December 31, 2021.

March 18, 2022
Date

Jason Clarke
Country Manager
Assuria Life (T&T) Limited

I certify that the valuation of the long-term insurance business has been accurately made on the basis of the data provided by the Company and on the basis and methods described in the valuation report. I have carefully reviewed the data and compared it with data for previous years and the accounts and any questions I had have been satisfactorily answered by the Company.

March 18, 2022
Date

Edward Kuo
Fellow, Society of Actuaries
Fellow, Canadian Institute of Actuaries
Principal and Consulting Actuary
Actuarial Perspective Inc.

Tel: +1 (868) 625 8662
Fax: +1 (868) 627 6515
www.bdo.tt

2nd Floor CIC Building 122-124 Frederick Street Port of Spain, 100825 Trinidad and Tobago

Independent Auditor's Report

To the Shareholders
Assuria Life (T&T) Ltd.

Opinion

We have audited the financial statements of Assuria Life (T&T) Ltd. (the "Company"), which comprise the statement of financial position as at December 31, 2021, and the statement of 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the 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 omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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 identify during our audit.

BDO

March 18, 2022

Port of Spain
Trinidad and Tobago

Assuria Life (T&T) Ltd.

Statement of Financial Position

As at December 31, 2021

(Expressed in Trinidad and Tobago Dollars)

	Notes	2021	2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	36,167,276	36,717,197
Investment property	4	45,233,333	45,233,333
Investments	5	126,651,653	117,525,007
Retirement benefit asset	6	22,860,200	18,434,900
Loans receivable	7	1,802,894	2,733,746
		232,715,356	220,644,183
Current assets			
Investments	5	48,930,687	28,599,070
Taxation recoverable		104,383	631,753
Loans receivable	7	577,755	654,203
Trade and other receivables	8	2,372,844	1,012,310
Cash and cash equivalents		25,735,654	48,531,907
		77,721,323	79,429,243
Total assets		**$310,436,679**	**$300,073,426**
EQUITY			
Share capital	9	57,401,357	57,401,357
Preference shares	10	3,250,000	-
Revaluation reserve		52,705,144	52,705,144
Accumulated deficit		(65,330,565)	(85,642,187)
Total equity		48,025,936	24,464,314
LIABILITIES			
Non-current liabilities			
Insurance contracts	11	208,371,003	217,981,717
Subordinated debt	16	12,662,437	-
Due to related party	16	6,469,640	22,114,600
Deferred tax liability	12	1,508,773	1,216,704
		229,011,853	241,313,021
Current liabilities			
Insurance contracts	11	29,352,739	29,724,780
Due to related party	16	-	2,110,516
Trade and other payables	13	4,046,151	2,460,795
		33,398,890	34,296,091
Total liabilities		**262,410,743**	**275,609,112**
Total equity and liabilities		**$310,436,679**	**$300,073,426**

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

On March 18, 2022, the Board of Directors of Assuria Life (T&T) Ltd authorised these financial statements for issue.

______________________________ Director ______________________________ Director

Assuria Life (T&T) Ltd.

Statement of Comprehensive Income

For the year ended December 31, 2021

(Expressed in Trinidad and Tobago Dollars)

	Notes	2021	2020
Revenue			
Long-term insurance premiums		23,786,785	23,854,219
Insurance premiums received from/(ceded to) reinsurers		876,853	(2,802,564)
Net insurance premiums		24,663,638	21,051,655
Reinsurance commission		70,334	17,539
Investment income		10,484,670	9,749,849
Other income		1,097,688	150,238
Realised loss on disposal of property, plant and equipment		-	(9,871)
Impairment loss		-	(122,686)
Net unrealised gain/(loss) in value of investments		4,182,804	(1,601,652)
Net unrealised gain/(loss) in value of mutual funds		447,363	(815,188)
Net revenue		40,946,497	28,419,884
Insurance benefits		10,099,714	5,639,563
Expenses			
Insurance claims	20	(27,210,302)	(27,322,857)
Commissions		(895,336)	(832,241)
Marketing and administration expenses	14	(5,923,369)	(7,298,941)
Total expenses		(34,029,007)	(35,454,039)
Profit/(loss) from operating activities		17,017,204	(1,394,592)
Finance cost		(500)	(798,494)
Profit/(loss) before taxation		17,016,704	(2,193,086)
Taxation charge	15	(196,413)	(84,135)
Net profit/(loss) for the year attributable to equity Holders		16,820,291	(2,277,221)
Other comprehensive income/(loss)			
Items that will never be reclassified to profit or loss			
Actuarial gain on retirement benefit asset		3,783,400	5,733,700
Deferred tax on actuarial gain on retirement benefit asset		(292,069)	(393,948)
Other comprehensive income		3,491,331	5,339,752
Total comprehensive income for the year		**$20,311,622**	**$3,062,531**

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

Assuria Life (T&T) Ltd.

Statement of Changes in Equity

For the year ended December 31, 2021

(Expressed in Trinidad and Tobago Dollars)

	Share capital	Preference shares	Revaluation reserve	Accumulated deficit	Total equity
Year ended December 31, 2021					
Balance as at January 1, 2021	57,401,357	-	52,705,144	(85,642,187)	24,464,314
Issue of shares	-	3,250,000	-	-	3,250,000
Comprehensive income for the year:					
Net profit for the year attributable to equity holders	-	-	-	16,820,291	16,820,291
Other comprehensive income/(loss):					
Actuarial gain on retirement benefit asset	-	-	-	3,783,400	3,783,400
Deferred tax on actuarial gain on retirement benefit asset (Note 12)	-	-	-	(292,069)	(292,069)
Total comprehensive income	**-**	**-**	**-**	**20,311,622**	**20,311,622**
Balance as at December 31, 2021	**$57,401,357**	**$3,250,000**	**$52,705,144**	**$(65,330,565)**	**$48,025,936**
Year ended December 31, 2020					
Balance as at January 1, 2020	57,401,357	-	52,705,144	(88,704,718)	21,401,783
Comprehensive income for the year:					
Net loss for the year attributable to equity holders	-	-	-	(2,277,221)	(2,277,221)
Other comprehensive income/(loss):					
Actuarial gain on retirement benefit asset	-	-	-	5,733,700	5,733,700
Deferred tax on actuarial gain on retirement benefit asset (Note 12)	-	-	-	(393,948)	(393,948)
Total comprehensive income	**-**	-	**-**	**3,062,531**	**3,062,531**
Balance as at December 31, 2020	**$57,401,357**	-	**$52,705,144**	**$(85,642,187)**	**$24,464,314**

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

Assuria Life (T&T) Ltd.

Statement of Cash Flows

For the year ended December 31, 2021

(Expressed in Trinidad and Tobago Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	17,016,704	(2,193,086)
Adjustments to reconcile loss before taxation to net cash used in operations:		
Depreciation	869,975	1,375,989
(Decrease)/increase in insurance contracts liability	(9,982,755)	217,886
Revaluation of foreign currency investments	178,420	36,150
Realised gains on disposal of plant and equipment	-	9,870
Net unrealised (gain)/loss in the value of investments	(5,859,935)	1,601,652
Unrealised loss allowance	-	122,686
Interest and dividend income	(8,508,172)	(6,672,355)
Interest expense	500	798,494
Decrease in trade and other receivables	213,366	2,735,324
Decrease in due from related parties	(1,843,039)	-
Increase in trade and other payables	1,459,522	850,792
Cash used in operations	(6,455,414)	(1,116,598)
Taxes paid	(63,960)	(58,370)
Net cash used in operating activities	**(6,519,374)**	**(1,174,968)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	6,401,715	5,880,690
Dividend received	532,556	500,887
Proceeds from disposal of property, plant and equipment	-	(9,871)
Acquisition of property, plant and equipment	(320,054)	(319,987)
Mortgage loans granted	(5,700,000)	-
Mortgage repayments	898,587	1,873,214
Policy loans granted	(39,778)	(534,001)
Policy loans disposal	956,248	137,719
Purchase of investments	(42,547,817)	(10,297,400)
Proceeds from disposal of investments	23,541,664	13,021,616
Net cash (used in)/ generated from investing activities	**(16,276,879)**	**10,252,867**
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loan	-	(11,105,173)
Repayment of loan from related party	(15,912,437)	-
Issue of preference shares	3,250,000	-
Issue of subordinated debt	12,662,437	-
Advances from related party	-	3,074,371
Net cash used in financing activities	**-**	**(8,030,802)**
Net (decrease)/ increase in cash and cash equivalents	**(22,796,253)**	**1,047,097**
CASH AND CASH EQUIVALENTS, JANUARY 1	**48,531,907**	**47,484,810**
CASH AND CASH EQUIVALENTS, DECEMBER 31	**$25,735,654**	**$48,531,907**

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

1. Incorporation and business activities

Assuria Life (T&T) Ltd. (the “Company”) was incorporated in the Republic of Trinidad and Tobago in 1980 and was continued under the provisions of the Company’s Act 1995. Its registered address is located at 49 Dundonald Street, Port of Spain, Trinidad. Its principal activity is the underwriting of long-term insurance risks. The Company is a 98% owned subsidiary of Assuria N.V., a company incorporated in the Republic of Suriname.

2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). These financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets measured at fair value and property.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies.

(i) Standards, amendments and interpretations to existing Standards applicable to the Company in the current year which were adopted by the Company.

There are new standards, amendments and interpretations to existing standards applicable to the Company in the current year which were adopted by the Company.

(ii) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company.

The following new standards, interpretations and amendments, which have not been applied in these financial statements, will or may have an effect on the Company’s future financial statements in the period of initial application. In all cases, the entity intends to apply these standards from the application date as indicated in the note below.

2. Summary of significant accounting policies *(continued)*

2.1 Basis of preparation *(continued)*

(ii) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company *(continued)*

IFRS 9 *Financial instruments* – This new standard introduces new requirements for the classification, measurement and recognition of financial assets and financial liabilities and replaces parts of IAS 39. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. IFRS 4 *Insurance Contracts* was subsequently amended to permit entities whose predominant activities are connected with insurance to defer the application of IFRS 9 until January 1, 2023. The Company has selected the deferral option and intends to adopt the standard on January 1, 2023. IFRS 9 is required to be applied retrospectively. IFRS 9 uses the business model and contractual cash flow characteristics to determine whether a financial asset is measured at amortised cost or fair value, replacing the four-category classification in IAS 39. The determination is made at initial recognition. The approach is also based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. IFRS 9 uses an impairment model that is more 'forward looking' in that a credit event no longer has to occur before credit losses are recognised. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income ("OCI") rather than the income statement, unless this creates an accounting mismatch. The Company is yet to assess IFRS 9's full impact.

IFRS 17 *Insurance Contracts* establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts. The scope of IFRS 17 includes insurance contracts, including reinsurance contracts issued and held by an entity, and investment contracts with discretionary participation features an entity issues provided the entity also issues insurance contracts. Any promises to transfer distinct goods or non-insurance services to a policyholder are separated and accounted for in accordance with IFRS 15. On initial recognition, an entity is required to measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. Subsequently, the carrying amount of a group of insurance contracts at the end of each reporting period is the sum of the liability for remaining coverage and the liability for incurred claims. The standard provides two methods to measure the liability for the remaining coverage of a group of insurance contracts. These are the general approach and a simplified premium allocation approach. An entity is only permitted to use the premium allocation approach if this method is expected to result in the measurement of the liability for remaining coverage not differing materially from the liability that would be calculated using the general model, and the coverage period of each contract in the group is one year or less. IFRS 17 also explicitly requires claims liabilities to be discounted. This discount is not permitted to be based on the return on the investment portfolio but must instead be linked to the characteristics inherent in the claim liabilities cash flows (e.g. duration, risk, etc.). A further requirement is that policy acquisition costs are netted against insurance liabilities. However, an entity also has the choice of simply expensing all acquisitions costs as incurred. The effective date for IFRS 17 is January 1, 2023. Early application is permitted, but only if IFRS 9 and IFRS 15 have also been adopted. IFRS 17 requires comparative information for the immediately preceding annual reporting period to be restated.

2. Summary of significant accounting policies *(continued)*

2.1 Basis of preparation *(continued)*

(ii) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company *(continued)*

IAS 1 ‘Presentation of Financial Statements’ (effective for years beginning on or after January 1, 2023). Amended 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.

IFRS 3 ‘Reference to Conceptual Framework’ (effective for years beginning on or after January 1, 2022). Amended to replace an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.

IAS 16 ‘Property, Plant and Equipment’ – (effective for years beginning on or after January 1, 2022). Amended Proceeds before intended use to prohibit deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

Amendments to IAS 37 ‘Onerous Contracts – Costs of Fulfilling a Contract’ (effective for years beginning on or after January 1, 2022). Applied a ‘directly related cost approach’ clarifying that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

Annual improvements to IFRS Standards 2018-2020 (effective for years beginning on or after January 1, 2022).

IFRS 1 ‘First-time Adoption of International Financial Reporting Standards.’ Amended to allow entities that have measured their assets and liabilities at carrying amounts recorded in their parent’s books to also measure any cumulative translation differences using the amounts reported by the parent.

IFRS 9 ‘Financial Instruments’ – Amended to clarify which fees should be included in the 10% test for derecognition of financial liabilities.

Amendment to IFRS 16 ‘Leases’- Removed the illustration of payments from the lessor relating to leasehold improvements in illustrative example 13, to remove any confusion about the treatment of lease incentives.

2. Summary of significant accounting policies *(continued)*

2.2 Basis of preparation *(continued)*

(iii) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company *(continued)*

IAS 8 'Accounting Polices, Changes in Accounting Estimates and Errors' (effective for years beginning on or after January 1, 2023). Amended to 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.

IAS 1 'Presentation of Financial Statement and IFRS Practice Statement 2' (effective for years beginning on or after January 1, 2023). 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.

IAS 12 'Income Taxes' (effective for years beginning on or after January 1, 2023.) The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

Other standards, amendments and interpretation to existing standards in issue but not yet effective are not considered to be relevant to the Company and have not been disclosed.

Improvements to International Financial Reporting Standards

The annual improvements process of the IASB deals with non-urgent but necessary clarifications and amendments to IFRS. The following amendments are applicable to annual periods beginning on or after January 1, 2021:

- IFRS 1 'First-time Adoption of International Financial Reporting Standards' – Subsidiary as a first-time adopter (effective January 1, 2022).
- IFRS 9 'Financial Instruments' – Fees in the '10 per cent' test for derecognition of financial liabilities (effective January 1, 2022).

(iv) Standards, amendments and interpretations to existing standards early adopted by the Company. The Company did not early adopt any new revised or amended standards.

2. Summary of significant accounting policies *(continued)*

2.2 Foreign currency translation

(i) **Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in Trinidad and Tobago Dollars, which is the Company's functional and presentation currency.

(ii) **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

2.3 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Land and buildings are stated at revalued amounts less accumulated depreciation.

Freehold property is revalued every three (3) to five (5) years by an external professional valuator. The last valuations were performed in 2018.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure is recognised in the statement of comprehensive income during the financial period in which the expense is incurred.

Depreciation is charged to the statement of comprehensive income on a reducing balance basis except for freehold land and building, over the estimated useful lives of items of property, plant and equipment and major components that are accounted for separately. Freehold land is not depreciated. Freehold building is depreciated on a straight-line basis over its estimated useful life.

Depreciation and amortisation have been provided at rates sufficient to write off the assets over their estimated useful lives. The rates are as follows:

Freehold building	2%
Fittings and fixtures	25%
Office furniture & equipment	25%
Computer equipment	25%
Plant and equipment	25%
Motor vehicles	25%

2. Summary of significant accounting policies *(continued)*

2.3 Property, plant and equipment *(continued)*

The asset's residual value, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining the net income for the period.

When a revalued property is sold, the amounts included in the capital reserve are transferred to the statement of comprehensive income.

2.4 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any changes recognised in profit or loss.

Any gain or loss on disposal of an investment property is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

Investment property is revalued every three (3) to five (5) years by an external professional valuator. The last valuations were performed in 2018.

2.5 Financial assets – investments

The Company classifies its investments as either held-to-maturity financial assets or financial assets at fair value. The classification depends on the purpose for which the investments were acquired or originated.

Held to maturity assets are financial assets with fixed or determinable payments and fixed maturity that the Company has the intent and ability to hold to maturity. Held to maturity financial assets are initially measured at cost, being the fair value plus the transaction costs that are directly attributable to the acquisition of the instrument.

All non-trading financial liabilities and held-to-maturity assets are subsequently measured at amortised costs less impairment losses. Amortised cost is calculated on the effective interest rate method. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortised based on the effective interest rate of the instrument. The amortisation of premiums and discounts is taken to the statement of comprehensive income.

Financial assets at fair value are investments that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices or that are not classified as loans and receivables.

Financial assets at fair value are initially recognised at fair value plus transactions cost that are directly attributable to their acquisition.

After initial recognition, investments that are classified as "financial assets at fair value" are measured at fair value with unrealised gains or losses on revaluation recognised in the statement of comprehensive income.

2. Summary of significant accounting policies *(continued)*

2.5 Financial assets – investments *(continued)*

The fair value of financial assets at fair value are based on; if readily available, market prices at the close of business on the reporting date for listed instruments. If prices are not readily available, the fair value is based on either valuation models or management's estimate of amounts that could be realised under current market conditions. Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market-related rate at the reporting date for an instrument with similar terms and conditions.

All industry norm purchases and sales of financial assets are recognised on the settlement date. From this date, any gains and losses arising from changes in the fair value of assets are recognised in the statement of comprehensive income.

Investments are derecognised when the rights to receive cash flows from the investments have expired or where they have been transferred and the Company has also transferred substantially all risks and rewards of ownership.

2.6 Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of a financial asset at fair value is calculated by reference to its fair value.

All impairment losses are recognised in the statement of comprehensive income. Any cumulative loss in respect of a financial asset at fair value recognised previously in equity is transferred to the profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and financial assets at fair value that are debt securities, the reversal is recognised in the statement of comprehensive income. For financial assets at fair value that are equity securities, the reversal is recognised directly in equity.

Non-financial assets

The carrying amounts of the Company's non-financial 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, then the asset's recoverable amount is adjusted to reflect the revised estimate.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

2. Summary of significant accounting policies

(continued) **2.6 Impairment** *(continued)*

Non-financial assets (continued)

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of comprehensive income. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (group of units) on a pro-rata basis.

2.7 Taxation

Tax on income comprises current tax and the change in deferred tax. Current tax comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rate enacted by the reporting date, green fund levy and any adjustment of tax payable for the previous years.

Long-term business

Corporation tax at 15% is payable on the net income derived from investments. When profits from the long-term business are transferred to the shareholders' account an additional 10% corporation tax is payable on the amounts so transferred.

Other than long-term business

Corporation tax of 30% is payable on the net income derived from other business.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted by the reporting date.

2.8 Due from insurance contracts

Amounts due from insurance contracts are recognised when due. Amounts due from insurance contracts are classified as loans and receivables and are recognised initially at fair value and are subsequently carried at amortised cost using the effective interest method, less provision for impairment. These include amounts due to and from contract holders. If there is objective evidence that the insurance receivable is impaired, the Company reduces the carrying amount of the insurance receivable accordingly and recognises that impairment loss in the statement of comprehensive income. (See Note 2.6 for the accounting policy on impairment.)

2.9 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.

Cash and cash equivalents comprise cash balances that are payable on demand and deposits with maturities of three months or less from the date of acquisition. Bank overdrafts are disclosed as current liabilities.

2. Summary of significant accounting policies *(continued)*

2.10 Stated capital

Issued shares are classified as equity when there is no obligation to transfer cash or other assets to the shareholders. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax. Transfers to stated capital for which shares have not yet been issued are reflected as contributed capital.

2.11 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are not recognised for future operating losses. When there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

2.12 Insurance contracts

The Company issues insurance contracts that transfer significant insurance risk and financial risk. The Company defines as significant insurance risk the possibility of having to pay benefits on the occurrence of an insured event that are at least 10% more than the benefits payable if the insured event did not occur.

These contracts insure events associated with human life (for example death, or survival) over a long duration. Premiums are recognized as revenue when they become payable by the contract holder. They are accrued unless the cash surrender value of the policy is insufficient to cover the cost of insurance. Premiums are shown before deduction of commission.

Benefits are recorded as an expense when they are incurred.

A liability is recorded for contractual benefits that are expected to be incurred in the future. The liability is determined as the sum of the expected discounted values of future benefit payments, administration expenses, agent commissions, reinsurance premium payments and taxes that are directly related to the contract that would be required to meet the benefits and administrative expenses based on the valuation assumptions used less expected future premiums and reinsurance recovery for ceded benefits. The liability is based on assumptions as to mortality, persistency, maintenance expenses and investment income that are reviewed and established every year based on current estimated future cash flow. A margin for adverse deviations is included in the assumptions.

<u>Underwriting</u>

Full underwriting procedures, which takes into account reinsurers guidelines are in place for the selection of risks for the life insurance business.

<u>Experience analysis</u>

The mortality experience of ordinary life insurance business is reviewed and analyzed every year. The actual death claims are compared with expected figures projected by the actuarial models to ensure that the policy liabilities contain sufficient margin to cover unexpected adverse mortality experience. See Note 11(a) for a comparison of actual and projected claims.

2. Summary of significant accounting policies *(continued)*

2.12 Insurance contracts *(continued)*

Liability adequacy test

At each reporting date, the Consulting Actuary values the policy liabilities using Policy Premium Method. Under this method, all future policy cash flows are projected. Estimates and assumptions are evaluated every year based on the Company's current operating experiences. Any change in policy liabilities is immediately charged to the profit or loss.

Insurance risks are constantly selected, monitored and mitigated by the Company through the following programmes: underwriting, experience analysis and reinsurance.

2.13 Reinsurance contracts

The Company utilizes reinsurance arrangements to mitigate the mortality and morbidity risks associated with its ordinary life insurance and personal accident insurance businesses.

For ordinary life insurance business, the mortality risk exposures exceeding the retention limit on a per-life basis are reinsured. See Note 11(c) for the concentration of sums insured before and after the reinsurance programme.

Morbidity exposure associated with personal accident insurance business is mitigated through a coinsurance arrangement. There is no reinsurance arrangement for annuity business.

Contracts entered into by the Company with reinsurers under which the Company is compensated for losses on one or more contracts issued by the Company and that meet the classification requirements for insurance contracts are classified as reinsurance contracts.

The benefits to which the Company is entitled under its reinsurance contracts held are recognised as reinsurance assets. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable less any applicable reinsurance allowance. The net reinsurance asset is not reported separately in the financial statements. Instead, it is deducted from the gross policy liabilities in the valuation.

2.14 Employee benefits

Short term

Employee benefits are all forms of consideration given by the Company in exchange for service rendered by employees. These include current or short-term benefits such as salaries, bonuses, NIS contributions, annual leave, and non-monetary benefits such as medical care and loans and post-employment benefits such as pensions.

Employee benefits that are earned as a result of past or current service are recognised in the following manner: short-term employee benefits are recognised as a liability, net of payments made, and charged as an expense. Post-employment benefits are accounted for as described below.

Defined benefit plan

Independent qualified actuaries carried out a valuation of the Company's significant post-retirement benefits as at December 31, 2021, which has been fully reflected in these financial statements.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

2. Summary of significant accounting policies *(continued)*

2.14 Employee benefits

Defined benefit plan

The Company operates a defined benefit plan and the assets supporting the plan are invested through a “Deposit Administration Policy” with Sagicor Life Inc. The Trustees are employees at the Company and the plan is funded by the employees and the Company, taking into account the recommendations of independent qualified actuaries.

The asset recognised in the statement of financial position in respect of defined benefit pension plan is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the discount rate.

The Company recognises all actuarial gains and losses arising from the defined benefit plan immediately in OCI and all expenses related to the defined benefit plan in operating expense in the statement of comprehensive income.

Past-service costs are recognised immediately in the statement of comprehensive income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

2.15 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.16 Revenue recognition

Premium income

Premium income is recognised in accordance with accounting policy 2.12.

Investment income

Investment income is accounted for on an accruals basis taking into account the effective yield of the asset or an applicable floating rate and is shown net of direct investment expenses incurred in relation thereto. Dividend income is recognised when received in the financial period.

Commission income

Amounts received as commission are recognised as revenue in the period in which it is earned unless they relate to service to be provided in future periods. If the amounts received are for services to be provided in future periods, they are deferred and recognised in the statement of comprehensive income as the service is provided over the term of the contract.

2.17 Claims

Claims incurred comprise the value of all claims occurring during the period, whether reported or not, together with related handling and administrative expenses. Anticipated inflation and trends in settlement, together with adjustments for claims outstanding from previous years, are also taken into account.

2. Summary of significant accounting policies *(continued)*

2.17 Claims *(continued)*

Claims and loss adjustment expenses are charged to the profit or loss as incurred based on the estimated liability for compensation owed to contract holders. They arise from events that have occurred up to the reporting date even if they have not yet been reported to the Company. The Company does not discount its liabilities for unpaid claims other than for disability claims. Liabilities for unpaid claims are estimated using techniques such as the input of assessments for individual cases reported to the Company and statistical analyses for the claims incurred but not reported and to estimate the expected ultimate cost of more complex claims that may be affected by external factors (such as court decisions).

2.18 Operating expenses

Other expenses are generally recognised on an accrual basis.

2.19 Leases

The Company accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

a. There is an identified asset;

b. The Company obtains substantially all the economic benefits from the use of the asset; and

c. The Company has the right to direct use of the asset.

The Company considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease. In determining whether the Company obtains substantially all the economic benefits from the use of the asset, the Company considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Company has the right to direct use of the asset, the Company considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Company considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Company applies other applicable IFRSs rather than IFRS 16.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

d. Leases of low-value assets; and

e. Leases with a duration of 12 months or less.

The Company is not a party to any lease agreements that require recognition under this standard. Payments made under leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease. When the lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of a penalty is recognised as an expense in the period in which termination takes place.

2. Summary of significant accounting policies *(continued)*

2.20 Segment reporting

A segment is a distinguishable component of the Company that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of other segments.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly expenses of management. Expenses of management are apportioned to the various business segments on a direct basis except for indirect expenses which are apportioned based on premium income written for each class of business.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment.

2.21 Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amount and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously.

3. Property, plant and equipment

	Land and buildings	Fittings and fixtures	Office furniture and equipment	Computer equipment	Plant and equipment	Motor vehicles	Total
At December 31, 2021							
Cost/Valuation							
Balance as at December 31, 2020	36,866,666	3,313,557	2,610,920	9,197,606	2,479,606	-	54,468,355
Additions	-	-	-	135,140	-	-	135,140
Work-in-progress	-	-	-	184,914	-	-	184,914
Balance as at December 31, 2021	**36,866,666**	**3,313,557**	**2,610,920**	**9,517,660**	**2,479,606**	**-**	**54,788,409**
Accumulated Depreciation							
Balance as at December 31, 2020	1,177,578	3,235,710	2,591,946	8,266,318	2,479,606	-	17,751,158
Charge for the year	496,393	30,131	15,042	328,409	-	-	869,975
Balance as at December 31, 2021	**1,673,971**	**3,265,841**	**2,606,988**	**8,594,727**	**2,479,606**	**-**	**18,621,133**
Net Book Value							
At December 31, 2021	**$35,192,695**	**$47,716**	**$3,932**	**$922,933**	**$-**	**$-**	**$36,167,276**
At December 31, 2020							
Cost/Valuation							
Balance as at December 31, 2019	36,866,666	3,313,557	2,610,920	8,877,619	2,479,606	10,500	54,158,868
Additions	-	-	-	319,987	-	-	319,987
Disposals	-	-	-	-	-	(10,500)	(10,500)
Balance as at December 31, 2020	**36,866,666**	**3,313,557**	**2,610,920**	**9,197,606**	**2,479,606**	**-**	**54,468,355**
Accumulated Depreciation							
Balance as at December 31, 2019	659,762	3,181,474	2,559,208	7,770,268	2,204,458	10,500	16,385,670
Disposals	-	-	-	-	-	(10,500)	(10,500)
Charge for the year	517,816	54,236	32,738	496,050	275,148	-	1,375,988
Balance as at December 31, 2020	**1,177,578**	**3,235,710**	**2,591,946**	**8,266,318**	**2,479,606**	**-**	**17,751,158**
Net Book Value							
At December 31, 2020	**$35,689,088**	**$77,847**	**$18,974**	**$931,288**	**$-**	**$-**	**$36,717,197**

4. Investment property

	2021	2020
Cost/valuation		
Balance as at beginning of year	45,233,333	45,233,333
Revaluation	-	-
Balance as at end of year	**$45,233,333**	**$45,233,333**

The investment property is externally valued once every three (3) to five (5) years by an external independent professional valuator. The last valuation was performed in 2018.

5. Investments

	2021	2020
Financial assets measured at amortised cost		
Non-current portion		
Bonds	119,321,397	114,772,758
Mortgage	7,330,256	2,752,249
Total non-current portion	**126,651,653**	**117,525,007**
Current portion		
Bonds	21,287,630	8,496,192
Mortgage	388,272	165,390
	21,675,902	8,661,582
Financial assets at fair value through profit or loss		
Quoted equities	22,961,411	17,101,476
Mutual funds (Note 18)	4,293,374	2,836,012
	27,254,785	19,937,488
Total current portion	**48,930,687**	**28,599,070**
Total investments	**$175,582,340**	**$146,124,077**

The risk associated with the investment portfolio is addressed in Note 17 and fair value is discussed in Note 18.

6. Retirement benefit asset

The following information summarises the IAS 19 – Employee benefits components of the net benefit expense recognized in the statement of comprehensive income and the amounts recognized in the statement of financial position.

	2021	**2020**
Pension assets		
Present value of the defined benefit obligation	(27,547,900)	(28,632,300)
Fair value of plan assets	50,408,100	47,067,200
Recognised asset	**$22,860,200**	**$18,434,900**
Reconciliation of activity during the year		
Opening defined benefit asset	18,434,900	12,463,500
Net pension benefit	4,425,300	5,971,400
Closing defined benefit asset	**$22,860,200**	**$18,434,900**

Movement in the present value of the defined benefit obligation over the year is as follows:

Beginning of year	(28,632,300)	(31,651,700)
Current service cost	(384,500)	(494,700)
Plan participants' contributions	(127,700)	(128,300)
Interest cost	(1,525,400)	(1,636,100)
Actuarial gain on obligation	1,328,000	3,055,400
Benefits paid	1,794,000	2,223,100
Balance as at end of year	**$(27,547,900)**	**$(28,632,300)**

Movement in the fair value of plan assets for the year is as follows:

Beginning of year	47,067,200	44,115,200
Administration expenses	(207,700)	(153,300)
Expected return on plan assets	2,631,800	2,393,500
Actuarial gain on plan assets	2,455,400	2,678,300
Employer contributions	127,700	128,300
Plan participants' contributions	127,700	128,300
Benefits paid	(1,794,000)	(2,223,100)
Fair value of plan assets as at the end for the year	**$50,408,100**	**$47,067,200**

Plan assets comprise the following:

	%	%
Foreign investments	44	42
Local equities	27	26
Government securities	21	24
Corporate bonds	4	5
Other	3	2
Mutual funds	1	1
	100%	100%

6. Retirement benefit asset *(continued)*

The amounts recognised in profit or loss are as follows:

	2021	**2020**
Administration expenses	(207,700)	(153,300)
Current service cost	(384,500)	(494,700)
Net interest income	1,106,400	757,400
	$514,200	**$109,400**
Actual return on plan assets	**$5,087,200**	**$5,071,800**
Amounts recognized in other comprehensive income:		
Experience gains - demographic	1,328,000	3,055,400
Experience gains - financial	2,455,400	2,678,300
	$3,783,400	**$5,733,700**

The principal actuarial assumptions used for accounting purposes were:

Discount rate at end of year	5.60%	5.40%
Future salary increases	3.00%	3.00%
Future pension increase- post retirement	0.00%	0.00%

Sensitivity to present value of defined benefit obligation:

	1% Increase	1% Increase
Discount	$(2,881,900)	$(3,119,800)
Salary growth	$671,500	$830,300

7. Loans receivable

Non-current portion	1,802,894	2,733,746
Current portion	577,755	654,203
Total policy loans	**$2,380,649**	**$3,387,949**

Policy loans represent the amount due by policyholders, in respect to loans provided against the cash surrender values and premiums outstanding on in-force policies, in excess of three months. Each loan is secured by the cash surrender value of the respective policy.

8. Trade and other receivables

Receivables arising from insurance business	-	32,374
Other receivables	2,372,844	979,936
Total trade and other receivables	**$2,372,844**	**$1,012,310**

9. Share capital

Authorised

Unlimited ordinary shares of no par value

Issued and fully paid

277,704,880 Ordinary shares of no par value	**$57,401,357**	**$57,401,357**

10. Preference shares

Authorised

Unlimited preference shares of no par

value *Issued and fully paid*

3,250 preference shares of no par value	**$3,250,000**	**$-**

During 2021, the board of directors approved the issuance of 0% non-redeemable preference shares to the parent company, Assuria N.V.. The preference shares issue was completed to ensure compliance with the capital adequacy requirements of the Insurance Act 2018. The shares were issued effective December 22, 2021.

11. Insurance contracts

(a) Insurance risk

The risk under an insurance contract is the risk that an insured event will occur including the uncertainty of the amount and timing of any resulting claim.

Insurance risks arise from the loss due to actual experience being different from the expectation with respect to claims and benefit payments and the cost of embedded options and guarantees associated with the insurance contracts. The Company is exposed to the following insurance risks: mortality risk, longevity risk, morbidity risk, interest rate risk and expense and inflation risk.

The mortality risk is the most significant risk taken by the Company from its ordinary life insurance business.

For traditional life insurance policies, the death benefits and premiums are guaranteed. For universal life (GEM) policies, the cost of insurance charges can be adjusted by the Company, subject to certain maximum insurance factors.

The AIDS epidemic is an important consideration in selecting and managing mortality risk. HIV test is incorporated in the underwriting requirement for risk selection, and additional provision in policy liability is made for the possible extra mortality due to AIDS.

<u>Experience analysis</u>

The comparison of actual and projected claims is shown in the following table:

	2021	**2020**
Actual death claims ($000)	11,400	2,158
Projected death claims ($'000)	7,703	5,944
Actual/projected ratio	148.0%	36.3%

The Company's deferred annuity contracts provide guarantees on maximum annuity purchase rates upon maturity. Such business is exposed to the risk of mortality improvement being higher than the pricing assumptions.

The Company is exposed to morbidity risk through its personal accident business. The risk exposure from this business is limited.

Interest rate risk

The Company is exposed to the interest rate risk from the following two sources: (i) higher market interest rate than the credited rate can lead to larger than expected early surrenders of the life insurance policies with cash values and deferred annuity policies; (ii) lower earned interest rate than the minimum guaranteed credited rate for universal life (GEM) and deferred annuity (ERA and URA) policies will lead to additional cost to the Company in providing such guarantees.

11. Insurance contracts *(continued)*

(a) Insurance risk *(continued)*

Interest rate risk (continued)

Universal life and deferred annuity policy contracts specify surrender charge schedules, which alleviate the interest rate risk associated with these products.

Expense and inflation risk

All products are exposed to the risk that the actual expenses in carrying out the business are higher than the expense components assumed in the premium rates. All traditional life product premium rates are guaranteed by the Company. The Company has the right to change the expense charge of universal life (GEM) policies, but only to the extent that such change arises from the change in government taxes or duties.

(b) Actuarial valuation

The last actuarial valuation using the Policy Premium Method was carried out by the Company's actuaries and is dated February 28, 2022, which revealed total policy liabilities of $221,008,126 as at December 31, 2021 (2020: $231,476,588).

	2021	2020
Long-term insurance contracts:		
- with fixed and guaranteed terms	155,390,800	166,690,758
- universal life	65,617,326	64,785,830
	221,008,126	231,476,588
Claims admitted or intimated but not paid	16,169,664	13,841,238
Amount due to reinsurers	545,952	2,388,671
Total insurance liabilities	**$237,723,742**	**$247,706,497**
Non-current liabilities	208,371,003	217,981,717
Current liabilities	29,352,739	29,724,780
Total insurance liabilities	**$237,723,742**	**$247,706,497**

Valuation assumptions

Mortality

For ordinary life insurance policies, the mortality assumptions are made based on 1986-92 Canadian Institute of Actuaries select and ultimate mortality tables. An investigation into the Company's mortality experience was performed, and the mortality tables are adjusted to reflect the Company's experience and territory difference. Additional provisions for AIDS extra mortality based on United States experience are added to the expected mortality assumptions.

For individual annuity policies, the mortality assumptions are based on the 1983 Society of Actuaries Individual Annuitant Mortality tables. Mortality improvement at an annual rate of 0.5% was assumed for past (since 1983) and future years.

Lapse

For ordinary life insurance policies, the lapse assumptions are made based on the Company's experience. A study into the Company's lapse experience was performed and the assumptions are derived separately for traditional life insurance policies, universal life insurance policies and accumulation annuity policies.

11. Insurance contracts *(continued)*

(b) Actuarial valuation

(continued) Interest Rate

Valuation interest rate assumptions are based on the Company's current investment performance during the year of valuation. Additional allowances are made for investment income tax, investment expenses, asset default and asset/liability mismatch.

Expense and Inflation

Policy maintenance expense assumptions are made based on the Company's operating experience during the year of valuation. An expense analysis is performed by the Company, and a per-policy maintenance expense is derived from the analysis results. The future expected rate of inflation is assumed based on the actual rate of inflation in Trinidad and Tobago during the year of valuation.

Tax

There is no premium tax for long-term insurance business. The allowance for investment income tax is made as a deduction from the interest rate whenever applicable. It is assumed that current tax legislation and rates continue in the future.

Interest credited rate

The future interest credited rate assumptions are made for the valuation of policies with accumulation accounts, including universal life insurance and accumulation annuities. The assumptions are set according to the Company’s guaranteed interest credit rates.

Premium persistency

Premium persistency assumptions are made in projecting the future premium payments for the Company’s flexible premium products, including universal life and accumulation annuities. A premium persistency experience study based on the actual premium payment data during the year of valuation was performed. For each class of business, a premium persistency rate, defined as the ratio of actual premium paid during the year to the annual minimum premium, is estimated for each policy year.

Change in assumptions

The changes in assumptions from the prior year valuation and their impact on policy liabilities are summarised as follows:

Ordinary life insurance policies

Assumption	**Change**	**Change in Policy liabilities 2021 ($,000)**	**2020 ($,000)**
Mortality	Expected mortality of fully underwritten individual life insurance policies was increased to reflect unfavourable claim experience in the past year.	281	280
Interest Rate	Interest rate assumption was adjusted to reflect changes in the Company’s investment portfolio and expected future investment returns.	(2,133)	1,804
Lapse	Expected lapse assumptions were adjusted to reflect current experience.	3,101	238
Expense	Expected per-policy administrative expense and expected future inflation rate were adjusted to reflect current experience.	(3,555)	(1614)
Premium Persistency	Expected premium persistency ratios for universal life were adjusted to reflect current experience.	4,190	1,577

11. Insurance contracts *(continued)*

(b) Actuarial valuation (continued)

Assumption	Change	Change in Policy liabilities 2021 ($,000)	2020 ($,000)
Individual annuity policies			
Mortality	Expected mortality assumptions were adjusted to reflect mortality improvement.	31	(404)
Interest Rate	Interest rate assumption was adjusted to reflect changes in the Company's investment portfolio and expected future investment returns.	(2,818)	570
Lapse	Expected lapse assumptions were adjusted to reflect current experience.	630	571
Expense	Expected per-policy administrative expense and expected future inflation rate were adjusted to reflect current experience.	(1,754)	(925)
Premium Persistency	Expected premium persistency ratios for deferred annuity policies were adjusted to reflect current experience.	(371)	(40)

Change in assumptions

Sensitivity analysis

Variable	2021 Change in variable	2021 Change in Policy liabilities ($'000)	2021 Percentage of change	2020 Change in variable	2020 Change in policy liabilities ($'000)	2020 Percentage of change
Worsening in ordinary life mortality	10%	4,186	1.9%	10%	5,162	2.2%
Improvement in annuity Mortality	10%	670	0.3%	10%	671	0.3%
Increase in lapses of all lines of business in all future years	10%	1,554	0.7%	10%	1,745	0.8%
Decrease in valuation interest rates in all future years	25 basis points	7,099	3.2%	25 basis points	8,438	3.6%
Increase in policy maintenance expense	10%	1,633	0.7%	10%	2,324	1.0%
Decrease in premium persistency ratios for flexible-premium products in all future years	10%	1,320	0.6%	10%	1,442	0.6%

11. Insurance contracts *(continued)*

(b) Actuarial valuation *(continued)*

The above analyses are based on a change in an assumption while holding all other assumptions constant. The purpose is to provide a measure of sensitivity of the policy liabilities to each individual assumption. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated.

(c) Reinsurance

The following table presents the concentration of sum insured before and after the reinsurance programme.

	Total ordinary life sums assured as at the end of 2021 ($,000)			
Sums assured per-Life	Before reinsurance		After reinsurance	
0-100	210,834	11.93%	6,604	12.92%
100 - 200	736,408	41.65%	27,493	53.78%
200 - 300	340,834	19.28%	10,185	19.92%
300 - 500	213,443	12.07%	4,051	7.92%
Over 500	266,467	15.07%	2,792	5.46%
Total	1,767,986	100%	51,125	100%

	Total ordinary life sums assured as at the end of 2020 ($,000)			
Sums assured per-Life	Before reinsurance		After reinsurance	
0-100	114,988	4.63%	177,658	12.87%
100 - 200	760,531	30.59%	891,791	64.62%
200 - 300	449,873	18.09%	291,838	21.15%
300 - 500	370,881	14.92%	13,558	0.98%
Over 500	789,912	31.77%	5,150	0.37%
Total	**$2,486,185**	**100%**	**$1,379,994**	**100%**

12. Deferred tax liabilities

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable.

Deferred income tax assets and liabilities and the deferred income tax charge in the statement of comprehensive income and OCI are attributable to the following:

	2021	2020
Balance at beginning of year	1,216,704	822,756
Deferred taxation on actuarial gain on retirement benefit asset	292,069	393,948
Balance at end of year	**$1,508,773**	**$1,216,704**
Deferred taxation is attributable to the following items:		
Retirement benefit asset	1,508,773	1,216,704
	$1,508,773	**$1,216,704**

13. Trade and other payables

Trade payables	3,190,885	1,874,338
Other payables	855,266	586,457
	$4,046,151	**$2,460,795**

14. Marketing and administration expenses

Employee benefit expense (Note 14.1)	3,512,121	3,783,299
Depreciation	869,975	1,375,989
Purchase of goods and services	799,729	1,080,658
Professional fees	741,544	1,058,995
Total expenses	**$5,923,369**	**$7,298,941**

14.1. Employee benefit expense

Salaries, wages and allowances	2,589,002	3,148,537
Pension costs/(income)	257,098	(69,688)
Other benefits	666,021	704,450
Employee benefit expense	**$3,512,121**	**$3,783,299**

The above amounts do not include expenses relating to the Agents of the Company.

15. Taxation

	2021	2020
Current tax	(181,882)	(51,271)
Prior year overprovision	13,408	-
Green fund levy	(27,939)	(32,864)
Tax charge	**(196,413)**	**$(84,135)**
Profit/ (loss) before tax	**$17,016,704**	**$(2,193,086)**
Tax at statutory rates 30% applicable to profits	(5,105,011)	-
Effect of different tax rate 15% of life insurance companies	181,882	(434,649)
Green fund levy	(27,939)	(32,864)
Prior year overprovision	13,408	-
Tax effects of:		
Income not subject to tax	14,304,031	(2,548,847)
Expenses not deductible for tax	(9,562,784)	2,932,225
Tax charge	**$(196,413)**	**$(84,135)**

16. Related party transactions and balances

The Company has a related party relationship with its parent and with its directors and executive officers. A number of transactions have been entered into with related parties in the normal course of business.

On July 10, 2019, Assuria Schadeverzekering N.V., loaned the company US$3,000,000 at an interest rate of 2.75% per annum with repayment due by June 30, 2029. During December 2020 the board of directors of Assuria Schadeverzekering N.V. agreed to change the loan to 0% effective January 1, 2021.

On December 1, 2021, the Company executed a zero-coupon subordinated loan agreement with its parent company, Assuria N.V., which has an original maturity date of no less than five (5) years from the execution date. Proceeds from the subordinated debt were US$1,875,000, which was used as a partial repayment towards the loan from Assuria Schadeverzekering N.V.

On December 22, 2021, the company issued preference shares to its parent company, Assuria N.V., subsequent to approval from the board of directors. Proceeds from the share issue were $3,250,000, which was used to repay US$481,246 towards the loan from Assuria Schadeverzekering N.V.

There is no collateral in place for the above loans.

	2021	**2020**
Mortgages receivable	5,512,417	1,547,277
Related party loans	(4,347,462)	(20,392,200)
Related party loans interest accrued	(278,503)	-
Other related party balances	(1,843,675)	(1,722,400)
Non current portion	**$(955,203)**	**$(20,567,323)**
Related party loan interest accrued	-	(280,320)
Other related party balances	-	(1,830,196)
Current portion	-	$(2,110,516)
Total	**$6,469,640**	**$(22,677,839)**
Subordinated debt	**$(12,662,437)**	$-

The related party transactions included in the statement of comprehensive income are as follows:

		2021	2020
a)	Finance cost	$(500)	$(798,493)
b)	Key management personnel compensation		
	Directors' fees	$(144,000)	$(156,000)
	Key management compensation	$(678,000)	$(857,000)
	Professional fees	($86,400)	$(72,000)
c)	Interest received on mortgages	$50,398	$59,244

Other related party transactions are as follows:

a)	Mortgage principal repaid	$23,989	$106,523
b)	Mortgage issued	$4,500,000	$-

17. Financial risk management

Introduction and overview

The Company has exposure to the following risks:

- Insurance risk
- Credit risk
- Liquidity risk
- Market risk
- Operational risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risks and the Company's management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimize potential adverse effects on the financial performance of the Company through diversity and regular reviews of its investment portfolio. The Board of Directors approves written principles for overall risk management and investing excess liquidity and Management is responsible for its implementation.

(a) Insurance risk

Insurance risk is addressed in Note 11.

(b) Credit risk

Credit risk arises from the possibility that counterparts may default on their obligation to the Company. The amount of the Company's maximum exposure to credit risk is indicated by the carrying amount of its financial assets.

Management of credit

risk Investment securities

The Company limits its exposure to credit risk by investing in liquid securities i.e. securities traded on the open market, bonds and fixed deposits held with reputable institutions. The Company invests in institutions with higher creditworthiness.

Loans and receivables

Reinsurance is placed with high rated counterparties and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year and are subject to regular reviews. Each year, management performs an assessment of the creditworthiness of reinsurers to update reinsurance purchase strategy and ascertains suitable allowance for impairment of reinsurance assets.

17. Financial risk management *(continued)*

(b) ***Credit risk*** *(continued)*

Management of credit risk

The credit risk in respect of customer balances incurred on non-payment of premiums or contributions will only persist during the grace period specified in the policy document on the expiry of which the policy is either repaid up or terminated. Loans awarded on policies are secured by the cash surrender value accumulated on the policy. Informal credit checks are performed for agents.

Exposure to credit risk would be the carrying amount of financial assets at December 31, as follows:

	2021	**2020**
At fair value through profit or loss (Mutual Funds) (Note 5)	4,293,374	2,836,012
At amortised cost		
Bond and Mortgages (Note 5)	148,327,555	126,186,589
Loans receivable (Note 7)	2,380,649	3,387,949
Trade and other receivables (Note 8)	2,372,844	1,012,310
Cash and cash equivalents	25,735,654	48,531,907
	$183,110,076	**$181,954,767**
The exposure to credit risk by type of counter party was:		
Trinidad and Tobago Government Bonds Other	39,964,121	30,970,695
Commonwealth Government Bonds and	9,817,414	21,566,604
certificates of interest issued by Banks Corporate	11,182,968	57,702,069
bonds, individual customers, and other counterparties	122,145,573	71,715,399
	$183,110,076	**$181,954,767**
The exposure to credit risk by geographic region was:		
Trinidad and Tobago	167,373,790	156,911,395
Other Caricom Government Bonds	9,128,006	20,935,261
Other	6,608,280	4,108,111
	$183,110,076	**$181,954,767**

17. Financial risk management *(continued)*

(b) ***Credit risk*** *(continued)*

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings if available or to a rating assigned by management using an approach consistent with that used by Standard and Poors. The table below provides information regarding the credit risk exposure of the Company by classifying assets according to the Standard & Poor's issued credit rating.

AAA - An obligation rated 'AAA' has the highest rating assigned by Standard & Poors. The obligor's capacity to meet its financial commitment on the obligation is extremely strong.

AA - An obligation rated 'AA' differs from the highest-rated obligations only to a small degree. The obligor's capacity to meet its financial commitment is very strong.

A - An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.

BBB - An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

Below BBB - Obligations rated 'Below BBB' are regarded as having significant speculative characteristics. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions.

Not Rated - This indicates that there is insufficient information on which to base a rating. These balances are current and are monitored regularly for impairment. This classification includes obligations due from individuals, short term securities and receivables arising under contracts of insurance underwritten in the international property and casualty business of the Group.

The below table shows the concentration of credit risk at December 31.

2021	**AA**	**A**	**BBB**	**BB**	**B**	**Not Rated**	**Total**
Non-current							
Investments	-	3,162,075	107,367,630	7,446,435	1,345,257	7,330,256	126,651,653
Loans receivable	-	-	-	-	-	1,802,894	1,802,894
	-	3,162,075	107,367,630	7,446,435	1,345,257	9,133,150	128,454,547
Current							
Investments	-	-	24,330,945	-	336,314	1,302,017	25,969,276
Loans receivable	-	-	-	-	-	577,755	577,755
Trade and other receivables	-	-	-	-	-	2,372,844	2,372,844
Cash and cash equivalents	16,114,664	-	9,620,990	-	-	-	25,735,654
	16,114,664	-	33,951,935	-	336,314	4,252,616	54,655,529
	$16,114,664	**$3,162,075**	**$141,319,565**	**$7,446,435**	**$1,681,571**	**$13,385,766**	**$183,110,076**

17. Financial risk management *(continued)*

(b) ***Credit risk*** *(continued)*

2020	AA	A	BBB	BB	B	Not Rated	Total
Non-current							
Investments	-	5,633,278	89,416,607	8,182,222	11,540,782	2,752,118	117,525,007
Loans receivable	-	-	-	-	-	2,733,746	2,733,746
	-	5,633,278	89,416,607	8,182,222	11,540,782	5,485,864	120,258,753
Current							
Investments	-	-	9,487,328	-	1,844,876	165,390	11,497,594
Loans receivable	-	-	-	-	-	654,203	654,203
Trade and other receivables	-	-	-	-	-	1,012,310	1,012,310
Cash and cash equivalents	2,880,402	14,112,193	30,731,215	72,615	-	735,482	48,531,907
	2,880,402	14,112,193	40,218,543	72,615	1,844,876	2,567,385	61,696,014
	$2,880,402	**$19,745,471**	**$129,635,150**	**$8,254,837**	**13,385,658**	**$8,053,249**	**$181,954,767**

(c) ***Liquidity risk***

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Management of liquidity risk

The major liquidity risk confronting the Company is the daily calls on its available cash resources in respect of claims arising from insurance contracts and the maturity of investment securities. The Company sets limits on the minimum portion of maturing funds available to meet such calls and on the minimum level of borrowing facilities that should be in place to cover claims at unexpected levels of demand.

The following are the contractual maturities of financial liabilities and payments coming due subsequent to December 31:

2021	Carrying amount	Contractual cash flows	Less than 12 months	2-4 years	More than 4 years
Insurance contracts	237,723,742	237,723,742	29,352,739	62,791,094	145,579,909
Subordinated debt	12,662,437	12,662,437	-	-	12,662,437
Due to related party	6,469,640	6,469,640	-	-	6,469,640
Trade and other payables	4,046,151	4,046,151	4,046,151	-	-
	$260,901,970	**$260,901,970**	**$33,398,890**	**$62,791,094**	**$164,711,986**

2020	Carrying amount	Contractual cash flows	Less than 12 months	2-4 years	More than 4 years
Insurance contracts	247,706,497	247,706,497	29,724,780	65,427,886	152,553,831
Due to related party	24,225,116	24,225,116	2,110,516	-	22,114,600
Trade and other payables	2,460,795	2,460,795	2,460,795	-	-
	$274,392,408	**$274,392,408**	**$34,296,091**	**$65,427,886**	**$174,668,431**

17. Financial risk management *(continued)*

(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Interest rates

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk arises on interest-bearing financial instruments recognized in the statement of financial position.

Management of interest rate risk

The Investment Committee comprises three non-executive directors and provides general direction as to the types of investments that would comprise the Company's portfolio. The aim is to balance the risk and returns with the objective of maximizing investment income.

The strategies adopted to reduce interest rate risk are as follows:

a. Investments will generally be purchased on the primary market and on the secondary market at a price of par or below and held to maturity.
b. Purchases on the secondary market will be made above par where the yield to maturity is consistent with returns being enjoyed on comparable investments.
c. Investments will also be made with a view to holding to maturity.
d. The Company will maintain an appropriate balance of long term and short-term instruments to smooth un-realised gains or losses on long term instruments caused by fluctuations in interest rates.

Profile

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was as follows:

	2021	**2020**
Fixed-rate instruments		
Financial assets	152,398,543	172,918,191
Financial liabilities	-	(20,392,200)
	$152,398,543	**$152,525,991**

Fair value sensitivity analysis for fixed-rate instruments

The Company is unable to assess the sensitivity of the fair values of financial assets at fair value through profit or loss as a result of changes in interest rates at the reporting date due to the lack of sufficient information.

17. Financial risk management *(continued)*

(d) ***Market risk*** *(continued)*

(ii) *Price risk*

Price risk is the risk that the value of a security will decline in the

future. *Management of price risk*

The Company manages its equity price risk by limiting its investment in those equities that are traded on the open market to no more than ten per cent (10%) of its total assets.

The exposure to price risk at the reporting date is $22,961,411 (2020: $17,101,476).

Price sensitivity analysis for financial instruments

A change of one per cent in interest rates at the statement of financial position date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis was performed on the same basis for 2020.

	2021	**2020**
1% increase	229,614	$172,242
1% decrease	(229,614)	$(172,242)

(iii) *Currency risk*

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to currency risk on its revenue and services that are denominated in other currencies other than its functional currency. The Company's functional currency is Trinidad and Tobago Dollars (TTD). The other primary currency that these transactions are denominated in is United States Dollar (USD).

Management of currency risk

The Company mitigates against this risk by holding about 23% (2020: 34%) of its investment portfolio to provide a natural hedge to settle transactions with its foreign suppliers. The Company uses the spot market to adjust any imbalances.

Exposure to currency risk shown in Trinidad and Tobago Dollars at December 31;

	Carrying amount	**United States Dollars**	**Canadian Dollars**
2021			
Investment at fair value through profit or loss	1,376,220	-	1,376,220
Investments held-to-maturity	38,634,452	38,634,452	-
Cash and cash equivalents	5,274,733	5,274,733	-
Due to related party	(4,625,965)	(4,625,965)	-
Subordinated debt	(12,662,437)	(12,662,437)	-
Net exposure	**$27,997,003**	**$26,620,783**	**$1,376,220**

17. Financial risk management (continued)

(d) Market risk (continued)

(iii) Currency risk (continued)

Management of currency risk (continued)

Exposure to currency risk shown in Trinidad and Tobago Dollars at December 31;

2020	**Carrying amount**	**United States Dollars**	**Canadian Dollars**
Investment at fair value through profit or loss	1,102,177	-	1,102,177
Investments held-to-maturity	48,727,409	48,727,409	-
Cash and cash equivalents	87,351	87,351	-
Due to related party	(24,225,116)	(24,225,116)	-
Net exposure	**$25,691,821**	**$24,589,644**	**$1,102,177**

There were no foreign currency sales or purchases forecasted for the subsequent three months after year-end which would otherwise have been included in the exposure analysis above.

The following significant exchange rates applied during the year:

Reporting date spot rate:	**2021**	**2020**
United States Dollar	6.7533	$6.7974
Canadian Dollar	5.3431	$5.6090

Sensitivity analysis

A one per cent strengthening of the Trinidad and Tobago Dollar against the United States Dollar and Canadian Dollar at December 31 would have increased (decreased) profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis was performed on the same basis for 2021.

	2021	**2020**
United States Dollar	(266,208)	$(245,896)
Canadian Dollar	(13,762)	$(11,022)

(e) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risk arises from all of the Company's operations.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost-effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to key management. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

17. Financial risk management *(continued)*

(e) Operational risk *(continued)*

- requirements for appropriate segregation of duties, including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective.

Compliance with Company standards is supported by a programme of periodic reviews undertaken by senior management.

18. Financial instruments

Fair value

The estimated fair values of certain financial instruments have been determined using available market information, and accordingly, the estimates presented here are not necessarily indicative of the amounts that the Company could realise in the current market exchange.

The carrying amounts of financial assets and liabilities, included under loans and receivables, cash and cash equivalents and trade and other payables, approximate their fair values because of the short-term maturities of these instruments.

The carrying amount of the bank loan approximates its fair value.

Held-to-maturity investments are carried at amortised cost less any impairment losses. This includes quoted and unquoted government securities and other bonds, which have interest rates that vary between 1.85% and 10.18%, and maturity dates that vary between the years 2022 to 2036.

The below table shows the carrying amount and fair value of the held to maturity investments at December 31;

	2021	2021	2020	2020
	Carrying value	Fair value	Carrying value	Fair value
Quoted government bonds	49,781,536	50,206,527	52,537,430	52,187,460
Quoted other bonds	90,827,491	92,824,294	70,731,520	70,623,511
Mortgages	7,718,528	7,718,528	2,917,639	2,917,639
	$148,327,555	**$150,749,349**	**$126,186,589**	**$125,728,610**

As stated in Note 2.5, available-for-sale investments and investments at fair value through profit or loss are carried at their fair values based on quoted market prices.

18. Financial instruments (continued)

Fair value (continued)

Fair value hierarchy

The different levels of hierarchy have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At the reporting date financial instruments carried at fair value, were categorized under Levels 1, 2 and 3. There was no transfer of financial instruments carried at fair value between levels during the year, neither were there any changes in the categorization from the prior year.

Classifications and fair values

The following table shows the carrying amounts of financial assets carried at fair value, including their levels – the fair value hierarchy at December 31;

2021	**Carrying amount**	**Fair Value** Level 1	**Level 2**	**Level 3**
Financial assets measured at fair value				
Financial assets at fair value through profit or loss (Note 5)	27,254,785	22,961,411	4,293,374	-
	$27,254,785	**$22,961,411**	**$4,293,374**	**$-**

2020	**Carrying amount**	**Fair Value** Level 1	**Level 2**	**Level 3**
Financial assets measured at fair value				
Financial assets at fair value through profit or loss (Note 5)	19,937,488	17,101,476	2,836,012	-
	$19,937,488	**$17,101,476**	**$2,836,012**	**-**

19. Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company is subject to the capital requirements under the Insurance Act, 2018 as follows:

(a) Section 22: minimum paid-up share capital of $15,000,000.

(b) Section 82: maintain adequate capital base to ensure compliance upon completion on quarterly capital adequacy return, for which the minimum results allowed are (i) one hundred and fifty per cent (150%) capital ratio, and (ii) seventy-seven per cent (77%) net tier 1 ratio.

(c) Section 89: comply with credit exposure limits – (i) single person or entity borrower must not exceed ten per cent (10%) of capital base, and (ii) group borrower must not exceed twenty-five per cent (25%) of capital base.

During 2021, to comply with the Insurance Act, 2018, the board of directors of the Company approved the issue of preference shares (Note 10) and the issue of subordinated debt (Note 16).

As at December 31, 2021, the Company was compliant with the capital base requirements stipulated within the Insurance Act, 2018.

20. Claims

A review of the company's outstanding claims was undertaken during the year ended December 31, 2021. Where all the criteria for payment on claims over ten (10) years are not met by the policyholder and or the beneficiary, the Company's claims committee made recommendations on those that should be considered for write off. In 2021, claims amounting to $660,532 (2020: $6,250) were written off.

21. Subsequent event

The Company evaluated all events that occurred from January 1, 2022, through March 18, 2022, the date the financial statements were available to be issued. During the period, the Company did not have any subsequent events requiring recognition or disclosure in the financial statements.

ASSURIA LIFE (T&T) LTD.

FORM OF PROXY

REPUBLIC OF TRINIDAD AND TOBAGO

The Companies Act. Chap 81:01 (Section 143(1))

NAME OF COMPANY: ASSURIA LIFE (T&T) LTD. **Company No.:** A 6896 (C)

PARTICULARS OF MEETING

Forty-First Annual Meeting of the Shareholders of the Company to be held on Wednesday 27th April, 2022 at 2 p.m. at Assuria Life (T&T) Ltd., 49 Dundonald Street, Port of Spain.

I/We

____

OF

____

Being Shareholder(s) in the above Company, hereby appoint(s) the following person:

____

to be my/our proxy to attend and vote for me / us on my / our behalf at the above meeting and at any adjournment/s thereof, as indicated below on the resolutions to be proposed in the same manner; to the same extent and with the same powers as if I / we was / were/ present at the said meeting or such adjournment or adjournments thereof.

Dated ______________________ Signature of Shareholder(s) ______________________

Please indicate with an "X" in the spaces below and overleaf how you wish your proxy to vote on the resolutions referred to be cast. Unless otherwise instructed, the proxy may vote or abstain from voting as he / she thinks fit. Please consider the Notes 1- 6 overleaf for your assistance to complete and deposit this Proxy Form.

ORDINARY BUSINESS	FOR	AGAINST
RESOLUTION 1: BE IT RESOLVED That the minutes of the 40th Annual Meeting be approved.	☐	☐
RESOLUTION 2: BE IT RESOLVED That the Audited Financial Statements of the Company for the financial year ended 31st December 2021 together with the reports of the Directors and the Auditors thereon be approved.	☐	☐
RESOLUTION 3: BE IT RESOLVED That the following retiring Directors are hereby re-elected en-bloc for the term from the date of their re-election until the close of the next Annual Meeting of the Company following their re-election, subject always to earlier termination.	☐	☐
RESOLUTION 4: BE IT RESOLVED That BDO of 122-124 Frederick Street, Port of Spain be re-appointed as Auditors of the Company to hold office until the close of the next Annual Meeting.	☐	☐
RESOLUTION 5: BE IT RESOLVED That any other business, which may be properly brought before the annual meeting be transacted.	☐	☐

NOTES ON COMPLETING PROXY FORM

1. A shareholder may appoint a proxy of his / her own choice. If such an appointment is made, delete the words "Chairman of the Meeting" from the Proxy Form and insert the name and address of the person appointed proxy in the spaced provided and initial the alteration.

2. If the appointor is a Corporation, this Proxy Form must be under **its common seal or and under the hand of an officer or attorney of the company** duly authorized in that behalf.

3. A shareholder that is a body corporate may, in lieu of appointing a proxy authorize an individual by resolution of its directors or its governing body to represent it at the Annual Meeting.

4. In the case of joint shareholders, the names of all the joint shareholders must be stated on the Proxy Form and all joint shareholders must sign the Proxy Form.

5. If the Proxy Form is returned without any indication as to how the person appointed proxy shall vote, the proxy will exercise his / her discretion as to how he / she votes or whether he / she abstains from voting.

6. To be valid, this Proxy Form must be completed, signed and deposited at the registered office of the Company at the address below **at least 48 hours** before the time appointed for holding the Annual Meeting or adjourned meeting.

7. Complete the form by placing an X in the appropriate space and RETURN TO:

The Secretary
Assuria Life (T&T) Ltd
49 Dundonald Street
Port of Spain
Trinidad