TRINIDAD AND TOBAGO INSURANCE LIMITED

ABRIDGED SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2022

Tatil
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INDEPENDENT AUDITOR'S REPORT ON THE ABRIDGED SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

TO THE SHAREHOLDER OF TRINIDAD & TOBAGO INSURANCE LIMITED

Report on the Audit of the Abridged Separate and Consolidated Financial Statements

Opinion

The summary separate and consolidated financial statements, which comprise the summary separate and consolidated statement of financial position as at December 31, 2022, the summary separate and consolidated statements of income, summary separate and consolidated comprehensive income, summary separate and consolidated changes in equity and summary separate and consolidated cash flows for the year then ended, and related summary notes, are derived from the audited separate and consolidated financial statements of Trinidad and Tobago Insurance Limited (the "Group") for the year ended December 31, 2022.

In our opinion, the accompanying summary separate and consolidated financial statements are consistent, in all material respects, with the audited separate and consolidated financial statements, on the basis described in Note 2 (i).

Summary Separate and Consolidated Financial Statements

The summary separate and consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards ("IFRSs"). Reading the summary separate and consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited separate and consolidated financial statements and the auditor's report thereon.

The Audited Separate and Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified opinion on the audited separate and consolidated financial statements in our audit report dated 21 March 2023.

Management's Responsibility for the Summary Separate and Consolidated Financial Statements

Management is responsible for the preparation of the summary separate and consolidated financial statements on the basis described in Note 2 (i).

Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements

Our responsibility is to express an opinion on whether the summary separate and consolidated financial statements are consistent, in all material respects, with the audited separate and consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

EY

Port of Spain,
TRINIDAD:
21 March 2023

ABRIDGED SEPARATE AND CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022 • Expressed in thousands of Trinidad and Tobago Dollars

Parent			Group	
2021	2022		2022	2021
		Assets		
68,568	59,565	Cash and short-term funds	465,534	419,239
8,015	7,994	Fixed deposits	53,187	53,468
353,381	282,376	Investment securities	2,481,335	2,708,252
1,534	1,194	Interest receivable	9,129	10,843
72,032	70,626	Insurance receivables	81,694	79,585
–	–	Loans and advances	208,126	214,359
14,781	18,231	Other receivables and prepayments	22,699	22,858
3,563	6,707	Taxation recoverable	7,785	3,747
162,435	197,744	Reinsurance assets	218,682	179,803
101,297	124,208	Investment properties	156,616	109,227
2,355	2,417	Right-of-use assets	6,003	8,084
66,790	66,790	Investments in subsidiaries	–	–
62,009	50,436	Property and equipment	72,454	81,228
30,490	43,288	Intangible assets	68,032	45,073
4,395	4,467	Deferred tax asset	6 505	6,144
77,055	73,371	Employee benefit asset	137,804	142,484
1,028,700	1,009,414	**Total assets**	3,995,585	4,084,394
		Liabilities		
81,414	68,790	Insurance and other payables	92,089	98,863
–	–	Taxation payable	10	167
2,383	2,296	Lease liabilities	6 344	8,416
36,291	37,594	Deferred tax liability	153,625	174,245
3,551	3,982	Employee benefit obligation	6,899	6,502
–	–	Investment contract liabilities	282,978	273,901
328,650	373,051	Insurance contract liabilities	1,785,172	1,705,772
452,289	485,713	**Total liabilities**	2,327,117	2,267,866
		Equity		
19,070	19,070	Stated capital	19,070	19,070
15,944	15,944	Catastrophe reserve	15,944	15,944
541,397	488,687	Retained earnings	1,632,801	1,780,770
576,411	523,701	**Equity attributable to the equity holders of the Parent**	1,667,815	1,815,784
–	–	**Non-controlling interest**	653	744
–	–	**Total equity**	1,668,468	1,816,528
1,028,700	1,009,414	**Total liabilities and equity**	3,995,585	4,084,394

The accompanying notes form an integral part of these abridged separate and consolidated financial statements.

These abridged separate and consolidated financial statements were approved by the Board of Directors and authorised for issue on March 21st, 2023 and signed on its behalf by:

Ray A. Sumairsingh	M. Musa Ibrahim
Chairman	**Managing Director**

TATIL Board of Directors

Ray A. Sumairsingh (Chairman)
M. Musa Ibrahim (Managing Director)
Dr. Maryam Abdool-Richards
Michal Andrews
Dr. Marlene Attzs
Nabeel Hadeed (Corporate Secretary)
Gregory Hill
Larry Howai
Charles Mouttet
Franklyn Parsotan
Nigel Smith

TATIL Senior Management Team

M. Musa Ibrahim	Managing Director
Ryan Toby	General Manager
Alex Malins-Smith	Chief Financial Officer
Alya Abdulla Ali Taib	Manager, Accident and Health
Owen Field	Executive, Information Technology and Digital Transformation
Gamal Hallim	Manager, Claims
Nabeel Hadeed	Executive Director Legal
Neil Mohammed	General Manager, Special Projects
Sarita Parsad	Head of Legal and Compliance
Salisha Rajnarinesingh	Senior Manager, Underwriting
Vijay Seudath	Technical Manager
Nicholas Sonnylal	Manager, Agencies and Direct Business
Ricardo St. Cyr	Manager, Broker Services

The full Audited Financial Statements can be accessed at each of the company's offices during normal business hours in accordance with section 80 (2) of the FIA and section 152 (2) of the IA.

ABRIDGED SEPARATE AND CONSOLIDATED STATEMENT OF INCOME

For the Year ended 31 December 2022 • Expressed in thousands of Trinidad and Tobago Dollars

Parent 2021	Parent 2022		Group 2022	Group 2021
598,993	697,365	Gross insurance contracts premium revenue	864,257	793,322
(357,651)	(479,169)	Reinsurers' share of insurance contracts premium revenue	(475,361)	(349,057)
241,342	218,196	**Net insurance contracts premium revenue**	388,896	444,265
(32,858)	(40,425)	Gross change in unearned premium provision and unexpired risk	(40,425)	(32,858)
32,405	40,353	Reinsurers' share of change in unearned premium provision and unexpired risks	40,353	32,405
(453)	(72)	**Net change in unearned premium provision and unexpired risks**	(72)	(453)
240,889	218,124	**Net insurance revenue**	388,824	443,812
29,610	9,987	Investment income	(34,550)	291,150
66,174	74,234	Other income	87,374	76,456
336,673	302,345	**Total revenue**	441,648	811,418
(165,148)	(188,286)	Gross claims incurred	(377,377)	(383,049)
14,350	24,339	Reinsurer's share of gross claims incurred	39,568	22,030
(150,798)	(163,947)	**Net insurance claims incurred**	(337,809)	(361,019)
–	–	Interest charged on investment contracts	(12,186)	(11,783)
(148,276)	(148,790)	General administrative and selling expenses	(213,165)	(199,954)
(299,074)	(312,737)	**Total claims incurred and other expenses**	(563,160)	(572,756)
37,599	(10,392)	**Net (loss)/profit before taxation**	(121,512)	238,662
(11,388)	(4,853)	Taxation expense	3,616	(37,545)
26,211	(15,245)	**Net (loss)/profit after taxation**	(117,896)	201,117
		(Loss)/Profit attributable to:		
26,211	(15,245)	**Equity holders of the Parent**	(117,811)	201,022
–	–	**Non-controlling interest**	(85)	95
26,211	(15,245)		(117,896)	201,117

The accompanying notes form an integral part of these abridged separate and consolidated financial statements.

ABRIDGED SEPARATE AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year ended 31 December 2022 • Expressed in thousands of Trinidad and Tobago Dollars

Parent 2021	Parent 2022		Group 2022	Group 2021
26,211	(15,245)	Net (loss)/profit after taxation	(117,896)	201,117
		Other comprehensive gain/(loss)		
		Other comprehensive gain/(loss) not to be reclassified to separate statement of income or loss in subsequent periods:		
8,486	(6,877)	Re-measurement gain/(loss) on defined benefit plans	(10,418)	14,604
(2,311)	1,912	Income tax effect	2,797	(3,841)
32,386	(20,210)	**Total comprehensive (loss)/income for the year, net of tax**	(125,517)	211,880
		Attributable to:		
32,386	(20,210)	**Equity holders of the Parent**	(125,426)	211,785
–	–	**Non-controlling interest**	(91)	95
32,386	(20,210)		(125,517)	211,880

The accompanying notes form an integral part of these abridged separate and consolidated financial statements.

ABRIDGED SEPARATE AND CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year ended 31 December 2022 • Expressed in thousands of Trinidad and Tobago Dollars

Parent	Stated capital	Statutory surplus reserve	Catastrophe reserve	Retained earnings	Total
Balance at 1 January 2021	19,070	102,615	15,944	430,794	568,423
Reclassification of statutory surplus reserve	–	(102,615)	–	102,615	–
Total comprehensive income	–	–	–	32,386	32,386
Dividends 2021	–	–	–	(24,398)	(24,398)
Balance as at 31 December 2021	19,070	–	15,944	541,397	576,411
Total comprehensive loss	–	–	–	(20,210)	(20,210)
Dividends 2022	–	–	–	(32,500)	(32,500)
Balance as at 31 December 2022	19,070	–	15,944	488,687	523,701

Group	Stated capital	Statutory surplus reserve	Catastrophe reserve	Retained earnings	Total equity attributable to equityholders of the Parent	Non-controlling interest	Total
Balance at 1 January 2021	19,070	102,615	15,944	1,502,584	1,640,213	649	1,640,862
Reclassification of statutory surplus reserve (Note 2)	–	(102,615)	–	102,615	–	–	–
Total comprehensive income	–	–	–	211,785	211,785	95	211,880
Other life insurance reserve movements	–	–	–	(11,816)	(11,816)	–	(11,816)
Dividends 2021	–	–	–	(24,398)	(24,398)	–	(24,398)
Balance as at 31 December 2021	19,070	–	15,944	1,780,770	1,815,784	744	1,816,528
Total comprehensive income	–	–	–	(125,426)	(125,426)	(91)	(125,517)
Other life insurance reserve movements	–	–	–	9,957	9,957	–	9,957
Dividends 2022	–	–	–	(32,500)	(32,500)	–	(32,500)
Balance as at 31 December 2022	19,070	–	15,944	1,632,801	1,667,815	653	1,668,468

The accompanying notes form an integral part of these abridged separate and consolidated financial statements.

ABRIDGED SEPARATE AND CONSOLIDATED STATEMENT CASH FLOWS

For the Year ended 31 December 2022 • Expressed in thousands of Trinidad and Tobago Dollars

Parent			Group	
2021	2022		2022	2021
		Cash flows from operating activities		
37,599	(10,392)	**Net (loss)/profit before taxation**	(121,512)	238,662
		Adjustments to reconcile net profit to net cash generated from operating activities:		
(2,239)	(1,931)	Gain on employee benefits	(3,249)	(3,110)
6,267	6,901	Depreciation and amortisation	11,866	11,163
(10,840)	12,174	Net (gain)/loss on revaluation of investments	119,892	(170,499)
(3,555)	(3,926)	Realised (gain)/loss on sale of equities	(3,926)	(16,469)
–	(6,810)	Loss/(gain) on revaluation of investment property	6,188	3,910
–	–	Loss on disposal of property and equipment	1	12
245	220	Amortisation of premiums on investment securities	220	245
46	(282)	Impairment expense/(write-back)	(96)	(5,499)
(1,451)	(1,567)	(Gain)/loss on foreign exchange	2,734	(1,319)
26,072	(5,613)	Operating profit before working capital changes	12,118	57,096
(52,097)	(37,013)	(Increase)/decrease in receivables	(32,372)	(48,386)
40,970	(12,711)	Increase/(decrease) in payables	(12,649)	40,345
32,049	44,401	Increase/(decrease) in insurance contracts	84,907	120,782
46,994	(10,936)	**Cash generated from operations**	52,004	169,837
(12,682)	(4,810)	Taxes paid	(8,762)	(17,661)
34,312	(15,746)	Cash generated from/(used in) operating activities	43,242	152,176
		Cash flows from investing activities		
(30,676)	(24,289)	Additions to property and equipment, intangible assets, leased assets	(35,061)	(45,788)
144,922	98,824	Proceeds from sale/maturity of investments and fixed deposits	503,243	1,047,287
(137,415)	(35,293)	Purchase of investments and fixed deposits	(438,929)	(1,286,032)
–	–	Net increase in loans and advances	6,300	(7,245)
(23,169)	39,242	**Cash (used in)/generated from investing activities**	35,553	(291,778)
		Cash flows from financing activities		
(24,398)	(32,500)	Dividends paid to shareholders	(32,500)	(24,398)
(24,398)	(32,500)	**Cash used in financing activities**	(32,500)	(24,398)
(13,255)	(9,004)	Net (decrease)/increase in cash and cash equivalents	46,295	(164,000)
81,823	68,568	Cash and cash equivalents at the beginning of the year	419,239	583,239
68,568	59,565	Cash and cash equivalents at the end of the year	465,534	419,239
		Represented by:		
47,089	38,865	Cash on hand and at bank	431,359	370,291
21,479	20,700	Short-term deposits	34,175	48,948
68,568	59,565		465,534	419,239
		Supplemental information:		
15,716	11,973	Interest and dividends received	97,826	108,276

The accompanying notes form an integral part of these abridged separate and consolidated financial statements.

NOTES TO THE ABRIDGED SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 31 December 2022 (Expressed in thousands of Trinidad and Tobago dollars)

1. Incorporation and business activities of the Group

Trinidad and Tobago Insurance Limited ("the Parent") is incorporated and domiciled in the Republic of Trinidad and Tobago and is a wholly owned subsidiary of ANSA Merchant Bank Limited, whose ultimate parent is ANSA McAL Limited. The Trinidad and Tobago Insurance Limited Group ("the Group") comprising of the Parent and two subsidiaries, Tatil Life Assurance Limited and Tatil Re Limited, carries on the underwriting of all classes of long-term and short-term insurance business and the rental of properties. The Parent was continued under the provisions of the Companies Act, 1995 on 6 October 1999. Its registered office and principal place of business is located at 11 Maraval Road, Port of Spain.

2. Significant accounting policies

i. Basis of preparation

These abridged financial statements of the Group have been derived from the audited financial statements of the Tatil Group. The audited financial statements of the Tatil Group were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). All of the notes necessary for a fair presentation in accordance with IFRS have not been included in these abridged financial statements. The full audited financial statements can be accessed at each of the Company's offices during normal business hours in accordance with section 80 (2) of the FIA and section 152 (2) of the IA. Disclosures in the notes to these abridged financial statements are limited to those matters considered to be material and necessary to present a true and fair view of the Group's performance.

These abridged financial statements have been prepared in accordance with the accounting policies set out in the respective notes of the audited financial statements consistently applied from period to period, and that all new and revised accounting standards and interpretations that are mandatory for the period under review and which are relevant to the Group have been adopted.

The abridged financial statements are presented in Trinidad and Tobago dollars (TTD) which is the functional currency of the Parent and all values are rounded to the nearest thousand, except where otherwise indicated.

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on the going concern basis.

ii. Contingent liabilities

In the ordinary course of business the Group is involved in various legal claims and proceedings. Provisions have been established, where necessary, based on the professional advice received. While it is not practical to forecast the precise outcome of pending or threatened legal proceedings, management is of the view that final determination of such proceedings will not have a material impact on the financial results and financial position of the Group.

3. Related party transactions and balances

Parties are considered to be related if one has the ability to control or exercise significant influence over the other party in making financial or operational decisions. The Parent is owned by ANSA Merchant Bank Limited, whose ultimate parent is ANSA McAL Limited. A number of transactions are entered into with related parties in the normal course of business. These include insurance coverage and property rental and were carried out at commercial terms and at market rates.

The related assets, liabilities, income and expenses from these transactions are as follows:

Parent			Group	
2021	2022		2022	2021
		Assets		
2,240	6,837	ANSA Merchant Bank Limited	6,837	2,240
210	4,931	Trinidad and Tobago Insurance Limited - subsidiaries	–	–
12,974	14,011	ANSA McAL Limited Group	59,299	58,416
15,424	25,779		66,136	60,656
		Liabilities		
2,464	3,012	ANSA Merchant Bank Limited	3,012	2,464
2,060	428	Trinidad and Tobago Insurance Limited - subsidiaries	–	–
968	1,310	ANSA McAL Limited Group	2,272	2,308
5,492	4,750		5,284	4,772
		Income		
16,837	11,982	ANSA Merchant Bank Limited	11,982	16,837
3,331	8,387	Trinidad and Tobago Insurance Limited - subsidiaries	–	–
31,903	35,416	ANSA McAL Limited Group	36,124	32,876
1,928	1,887	Other related parties	1,887	1,928
53,999	57,672		49,993	51,641
		Expenses		
2,229	1,602	ANSA Merchant Bank Limited	1,602	2,229
24,042	35,816	Trinidad and Tobago Insurance Limited - subsidiaries	–	–
1,833	6,111	ANSA McAL Limited Group	6,561	2,283
993	1,041	Directors fees	2,226	2,141
29,097	44,570		10,389	6,653

4. Subsequent events

Acquisition of Colonial Fire & General Insurance Company Limited

Pursuant to an Offer and Take-Over Bid Circular dated December 29, 2022 ("Offer"), Trinidad and Tobago Insurance Limited ("TATIL") acquired and paid for 97.5% of the issued and outstanding ordinary shares of Colonial Fire & General Insurance Company Limited ("Colfire") for the cash price of TTD 20.32 per share in February 2023. TATIL intends to exercise its right under Sections 202 and 203 of the Companies Act, Chap. 81:01 to acquire compulsorily 2.5% of the ordinary shares in Colfire, which represents the shares held by Colfire shareholders who did not accept the Offer. TATIL shall become the holder of the entire shareholding in Colfire upon conclusion of the compulsory acquisition of the 2.5% ordinary shareholding in Colfire in 2023.