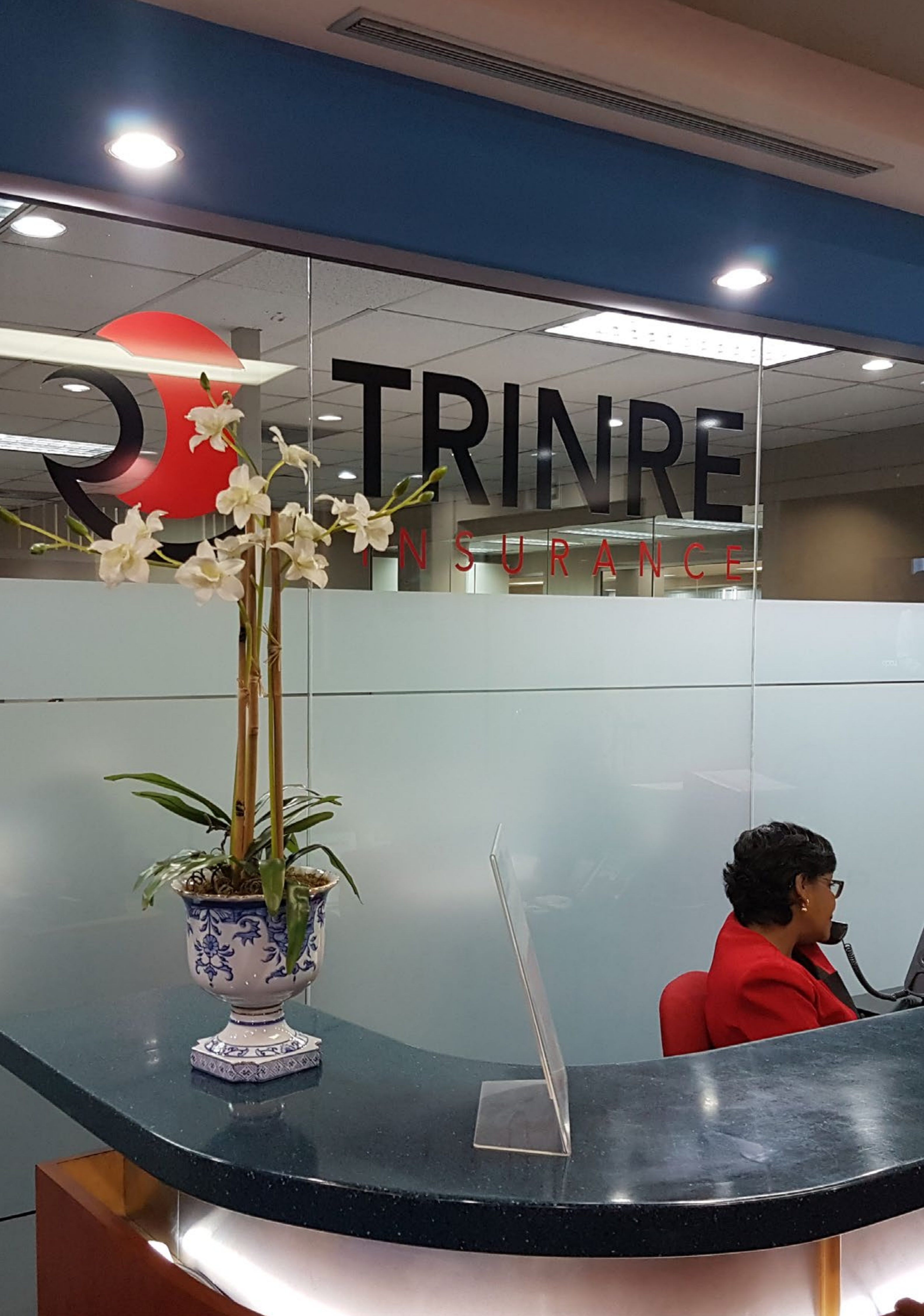
ANNUAL REPORT 2016

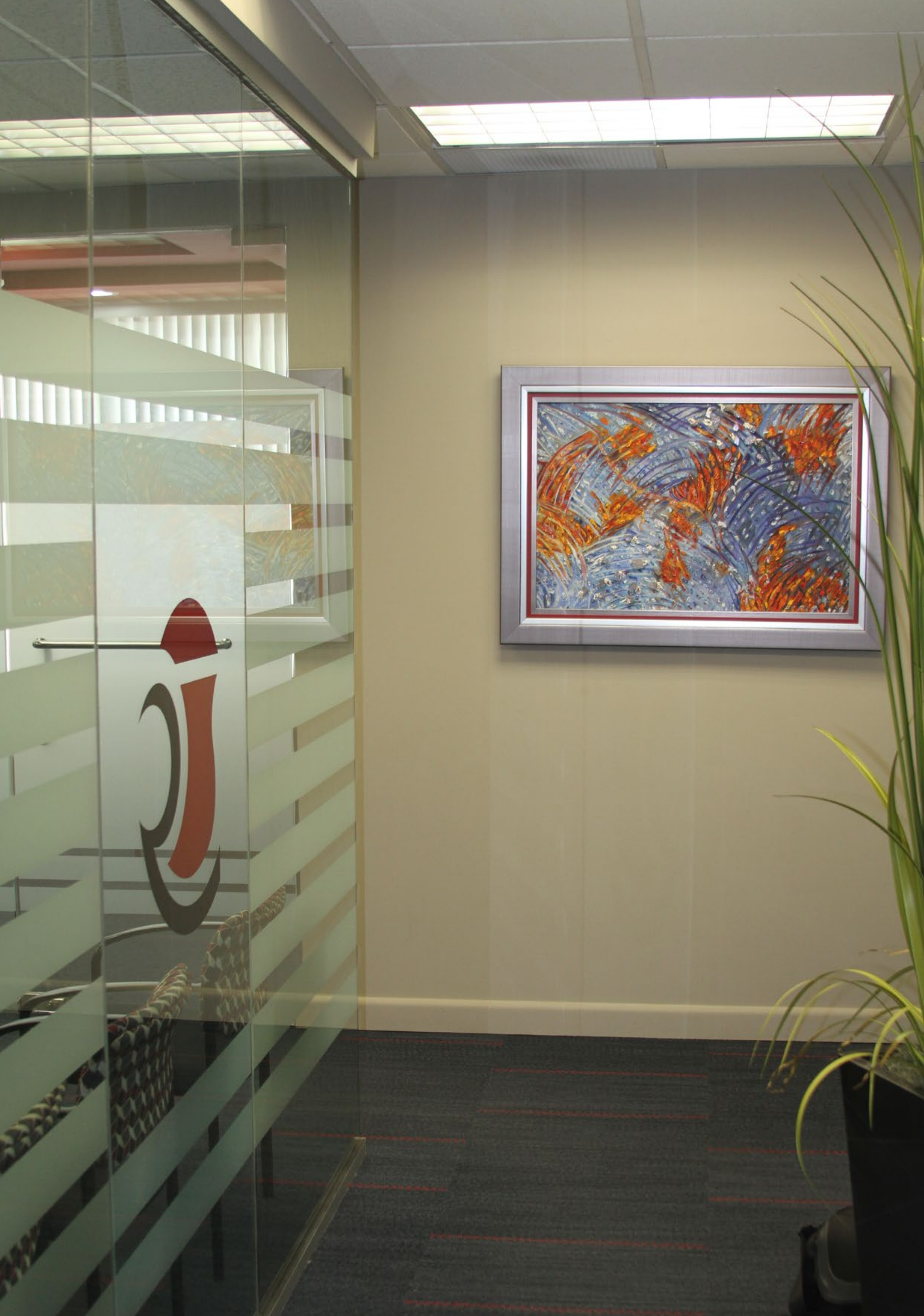

TRINRE
INSURANCE

Our Customers determine our success.

TRINRE Core Belief

REPORTS

FINANCIAL STATEMENTS



CORPORATE INFORMATION

CORPORATE SECRETARY

Jenelle Joseph

LPC, LLB

Attorney-At-Law

REGISTERED OFFICE

69-71 Edward Street

Port of Spain

Trinidad, West Indies

AUDITORS

KPMG Chartered Accountants

69 Edward Street

Port of Spain

BANKERS

Scotiabank Limited

Cor. Park and Richmond Streets

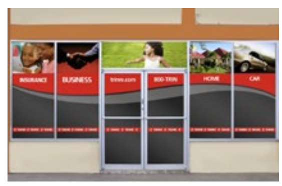
Port of Spain

Trinidad, West Indies

BRANCH NETWORK

Port of Spain

69 Edward Street



San Fernando

35 Independence Avenue

Chaguanas

43 Mulchan Seuchan Road

Arima

22A King Street

Tobago

Milford Bay Plaza

Milford Road, Bon Accord

OUR CORE PURPOSE

To enable greater prosperity for those we serve

OUR VALUES

Respect
Honour
Passion

OUR VISION

To be the most **respected** and admired company built on an enduring foundation of financial health grounded in strong Corporate Governance and citizenship, fuelled by innovation, passion and talent.

To gain **leadership** in the markets we serve, by surpassing the expectations of our customers and consistently honouring our obligations.

To be **recognized** for our social conscience by supporting the wellbeing of our colleagues, environment and communities.

OUR GUIDING PRINCIPLES

We believe that:

- Our customers determine our success.
- Each day has new possibilities.
- Continuous learning and self-mastery will keep us ahead of the competition.
- We must navigate change with strength, courage, innovation, talent and discipline.
- Long-term relationships are built on integrity, high credibility, mutual respect and honour.
- Profit and growth is one measure of success and a means to fulfill our obligations to customers, shareholders, reward our employees and meet other objectives

BOARD OF DIRECTORS

HOWARD A. DOTTIN

Executive MBA, FCCA
Non-Executive Director
Appointed 25th November, 2011

Howard Dottin holds a Masters in Business Administration with specialization in Marketing and Finance, and has over forty years' experience in Accounting and Finance in both the Public and Private Sector. He has held the post of Chief Financial Officer in the Banking sector, and went on to expand his C-Level experience as Group Chief Financial Officer of one of the largest insurance conglomerates in the Caribbean region. Mr. Dottin has shared his wealth of knowledge and experience with students in the field of accounting, and at the post-graduate level to students pursuing MBA's and MSc's in Finance. He is z the Programme Director for the Master of Science in International Finance at the Arthur Lok Jack Graduate School of Business where he also lectures in three of the post-graduate programmes.

ADRIAN BHARATH

BA, FCA, CA
Non-Executive Director
Appointed 16th May, 2013

Adrian Bharath possess over twenty-eight years of experience in the field of Finance and has held the position of Managing Director of AMB Corporate Finance for the past eight years. Mr. Bharath has also held the position of Director in the Corporate Finance Group at PricewaterhouseCoopers Limited (Trinidad and Tobago), and prior to that, spent eleven years at KPMG (London and New York) in the corporate finance, investment banking and auditing lines of business. He has served as Chairman of the National Insurance Board of Trinidad and Tobago, and Director on the Board of the National Insurance Property Development Company Limited (NIPDEC) from 2012 to 2015.

ANTHONY PROUDFOOT

Non-Executive Director
Appointed 16th May, 2013

Anthony Proudfoot holds over thirty years of experience in the fields of retail, marketing and distribution. He has held many leadership positions at both the Ansa McAl and Neal and Massy Holdings groups including several Directorships on the Boards of Trinidad Distributors Limited, Penta Paints Limited and Melville Shipping. Mr Proudfoot was Chairman at a number of organisations; namely Alston's Shipping, Geddes Grant Trinidad and Barbados, and at Hi-Lo Food Stores, he was also the Chief Executive Officer. Most recently, he served as the Chief Executive Officer of H.D. Hopwood in Jamaica and from 2008 to 2012 as a Non-Executive Director on the Board of Agostini's Limited in Trinidad and Tobago.

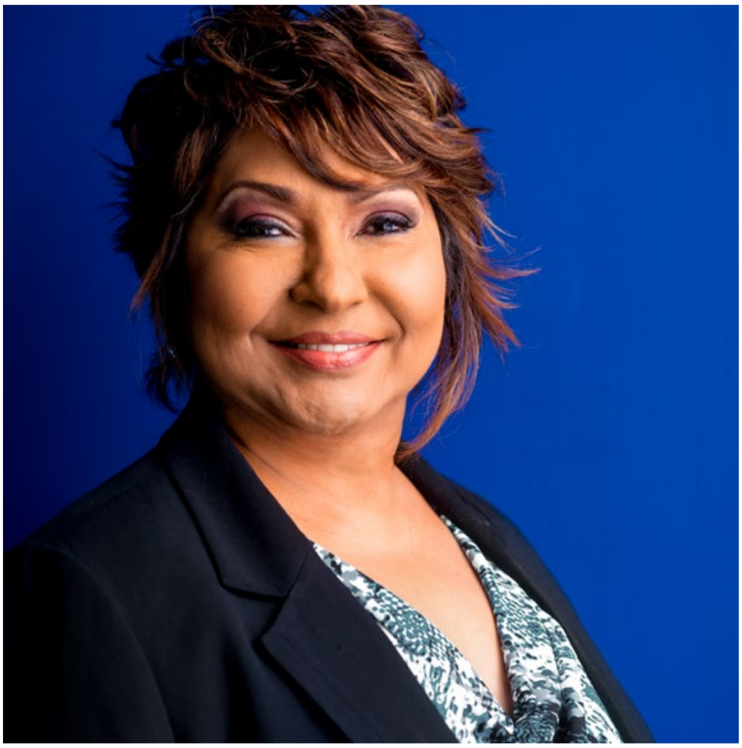
RAYMOND TIM KEE

CLU, MBA
Non-Executive Director/Deputy Chairman
Appointed 18th March, 2002

Raymond Tim Kee is the holder of a Master of Business Administration, and is a qualified Chartered Life Underwriter (CLU) and Sales and Management Trainer. He is the Chairman and Chief Executive Officer of Raymond Tim Kee Investments & Insurance Services Limited/ Guardian Life of the Caribbean Limited, RTK Trading Enterprises Limited, and ART Advertising. His experience in the Insurance industry spans over thirty years and he has also served in executive positions in Sales and Administration with ALGICO/ AIG. Mr. Tim Kee has also dedicated himself to service as the Mayor of the City of Port of Spain until 2016 and is a FIFA Match Commissioner and Standing Committee Member.

Long-term relationships are built on integrity, high credibility, mutual respect and honour.

TRINRE Core Belief



MICHAEL A.A. QUAMINA

LEC, LLB
Non-Executive Director
Appointed 4th April, 2011

RANI LAKHAN-NARACE

EMBA
Executive Chairman

ELIZABETH COX

EMBA, MHP, FLMI
Non-Executive Director
Appointed 1st June, 2010

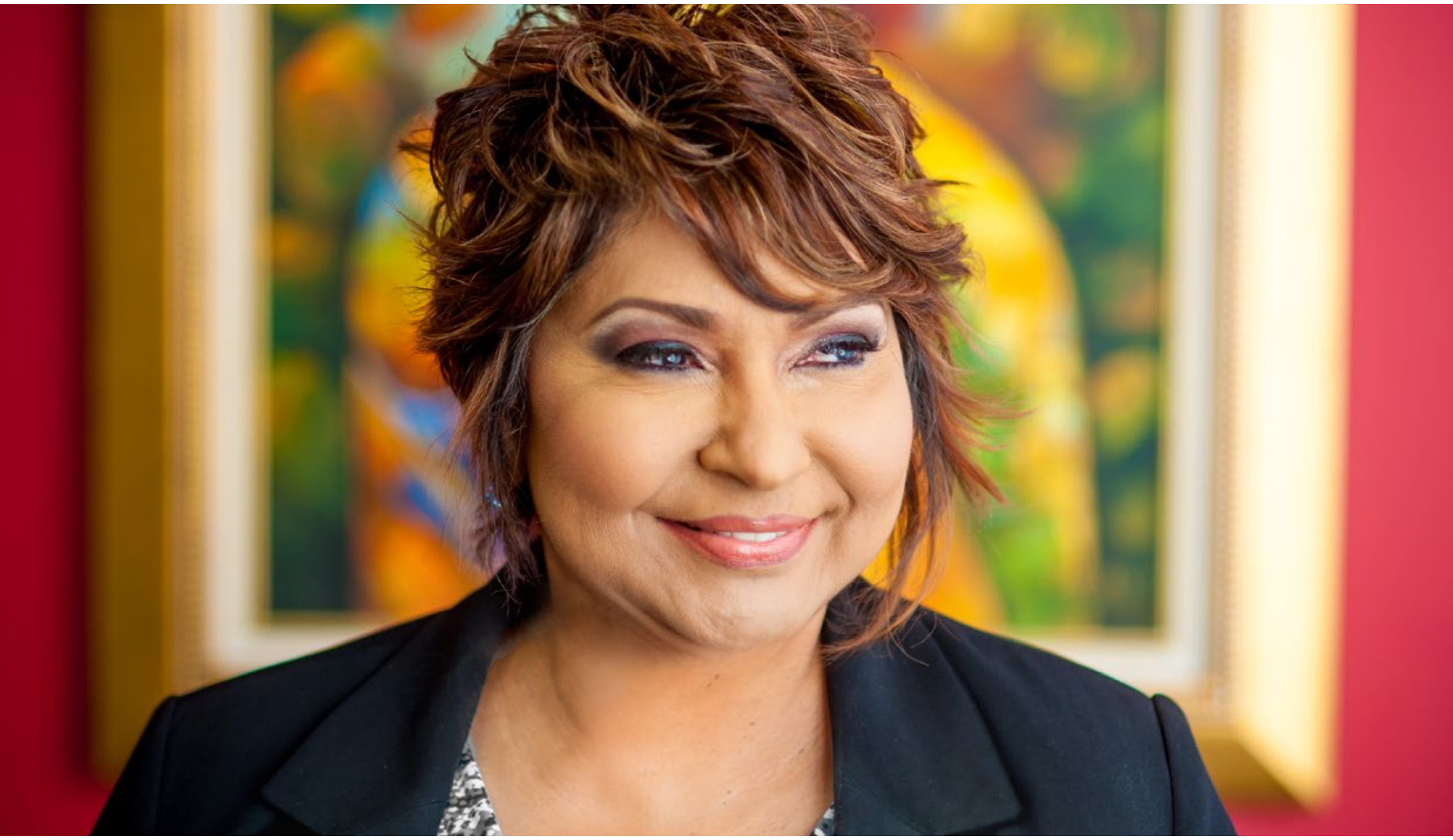
Michael Quamina has practiced various types of Law having completed his Bachelor of Laws Degree (with Honours) at the University of the West Indies, and obtained his Certificate of Legal Education from Hugh Wooding Law School. For over eighteen years, Mr. Quamina has demonstrated skills in Public Administrative Law, Industrial Relations Law, Insurance Law, and the Law with respects to confiscation of assets under the Proceeds of Crime Legislation. He is also adept in dispute resolution and has served on several directorships of financial institutions and other private companies. He currently holds the position of Vice Chairman of Caribbean Airlines.

Rani Lakhan-Narace has contributed to the growth and development of organizations in both the retail and financial services sectors and has served on several Boards including those of many community based organizations. She has served as the President of the Association of Trinidad and Tobago Insurance Companies (ATTIC) and a member of the Board of the Insurance Association of the Caribbean (IAC). She received both an Executive Masters' Degree in Business Administration and a Post MBA Certificate from the Arthur Lok Jack Graduate School of Business, UWI, and holds a Bachelor's Degree from the University of Western Ontario, Canada. She is currently pursuing the Chartered Director's Program with the Caribbean Corporate Governance Institute (CCGI) and serves as a Director on its Board; as well as on the Transparency, Accountability and Governance (TAG) Committee of the American Chamber of Commerce.

She is actively involved as an associate of SHIFT!Caribbean, and is a member of the International Women's Forum and the Powerful Ladies of Trinidad and Tobago (PLOTT).

Elizabeth Cox has amassed over thirty years of experience in Insurance and Management having worked with the GTM Group of Insurance Companies holding the position of Group Marketing Manager at the time of her leaving. She is the Chief Executive Officer and Principal Consultant of Casper Investments Inc. and has served as a Director on the Board of several companies in Guyana and overseas. She obtained a distinction in the Executive Masters in Business Administration at the University of the West Indies, Cave Hill Campus, Barbados, and is the holder of the Fellow Life Management International Diploma (FLMI), the Managed Health Care Professional (MHP), and completed studies in Fraud Investigation, Detection & Prevention in Health & Life Insurance. She is a certified Trainer and Administrator of the MBTI personality assessment instrument and has served as an immediate Past President of the Rotary Club of Georgetown.

CHAIRMAN'S REVIEW



2016 heralded another significant milestone for TRINRE as we established our presence in the life market, not only as a means of product diversification but also to cement our status as a composite insurance company. We are very gratified that we can expand into another market segment and fulfil its needs in an entirely new way.

Having seen the growing need for premium financing, we decided to provide access to this service through the establishment of a fully owned subsidiary; Caribbean Premium Finance Company Limited (CPFC) to offer premium financing within our suite of value added services.

Both these initiatives underscore our continued commitment to our envisioned future of market leadership, despite the harsh realities of soft rates and a declining economy.

The industry as a whole has been reeling under the impact of rising claims and costs management, coupled with declining premiums. This has resulted in even fiercer competition in the market. We have sought to take a very measured approach to these conditions, holding on to prudent underwriting and cost management as our two key drivers while pressing ahead with our growth strategies.

Financial Highlights

For the first time, we are reporting consolidated Financial Statements as a Group; representing the operations of TRINRE and CPFC during the fiscal year ended December 31, 2016.

The 2015 Financial Statements have been restated to reflect a change which arose from corrections necessary to the deferred tax calculations. This restatement resulted in a reduction in the tax expense and retained earnings for 2015 by $277K and $4.6M respectively. The following commentary on our 2016 performance therefore makes reference to these.

Altogether we achieved commendable results in the face of a challenging economic climate; limited availability and depreciation of foreign exchange; reduction in local trade and construction projects as well as downscaling of clients' operations. As a consequence to the aforementioned, revenue amounted to $132.4M versus $159.3M in 2015, a decrease of 16.9% mainly due to steadily declining rates for the past two years in the property and motor lines of business.

The Group reported a Profit after Tax of $6.6M. The main contributor to this was Investment and Other Income which totalled $8.0M driven by strong fair value gains in investment securities and investment property. Total assets decreased by 2.9% from $191.5M in 2015 to $186.0M while total shareholders' equity increased by 1.7% from $61.2M in 2015 to $62.3M.

Our solvency and risk based capital adequacy ratios of 792% and 206% respectively are a measure of the company's overall strength as they continue to exceed the regulatory requirements of 120% and 150% respectively.

Earnings per share amounted to $0.56 whilst Return on Equity remained strong at 11% and Return on Assets at 4%. The directors have approved a final dividend in respect of the year ended December 31, 2016 of $0.08 per share. Together with the interim dividends paid for 2016, the total dividend will be $0.28.

Premier Customer Experience

Delivering a premier experience to all our customers continues to be at the forefront of our strategic focus. In addition to our expanded product and service offerings in the areas of life and premium financing, we also further enhanced our brand and expanded our service environment through the launch of new and improved **Claims Service Centre** at Park and Edward Streets; now affectionately dubbed "The TRINRE Corner".

We recognize our strong relationships with our reinsurers, customers and business partners as one of the key pillars of our success and worked diligently in 2016 to strengthen this important foundation. Our Inaugural Agents Awards was held in February; testament to our growing network of intermediaries. Within our customer experience framework, our Voice of the Customer Programme was advanced further and our efforts on customer retention brought tangible results.

The development of our state of the art insurance software, SOLIS continues to progress steadily and has become a critical enabler of our premier service delivery. Our pride was validated when one of our strategic partners, a global financial organization assessed that SOLIS meets rigorous international standards, particularly in the area of data security and real time service.

Corporate Responsibility

In the prevailing business environment, it is especially critical for us to retain the trust and confidence of our customers, employees, regulators and shareholders by ensuring the sustainability of our business. As such, we continued our focus on process alignment and compliance alongside review of our Enterprise Risk Management & Business Continuity Planning. The implementation of the Insurance Act remains imminent and we await Parliament's approval of this long outstanding piece of legislation.

As always we recognize that success is not just about meeting business objectives; our social conscience is ever present. Our team continued its support of those in need through ongoing sponsorships, donations, and the various initiatives of the TRINRE Foundation, such as, "**Help Haiti Again**", "**Christmas Cheer**" and the "**Joy of Reading**".

More time and effort were invested in employee engagement for the mutual benefit of both our staff and the organization. Communication is a key thread for success on many initiatives to facilitate open and interactive forums.

New Possibilities...2017 & Beyond

Our experience and performance served to test our resilience and resourcefulness in 2016 as we face the new norm of challenging and even disruptive circumstances. As such, the Group is constantly reviewing all business lines so as to support future growth and developmental objectives.

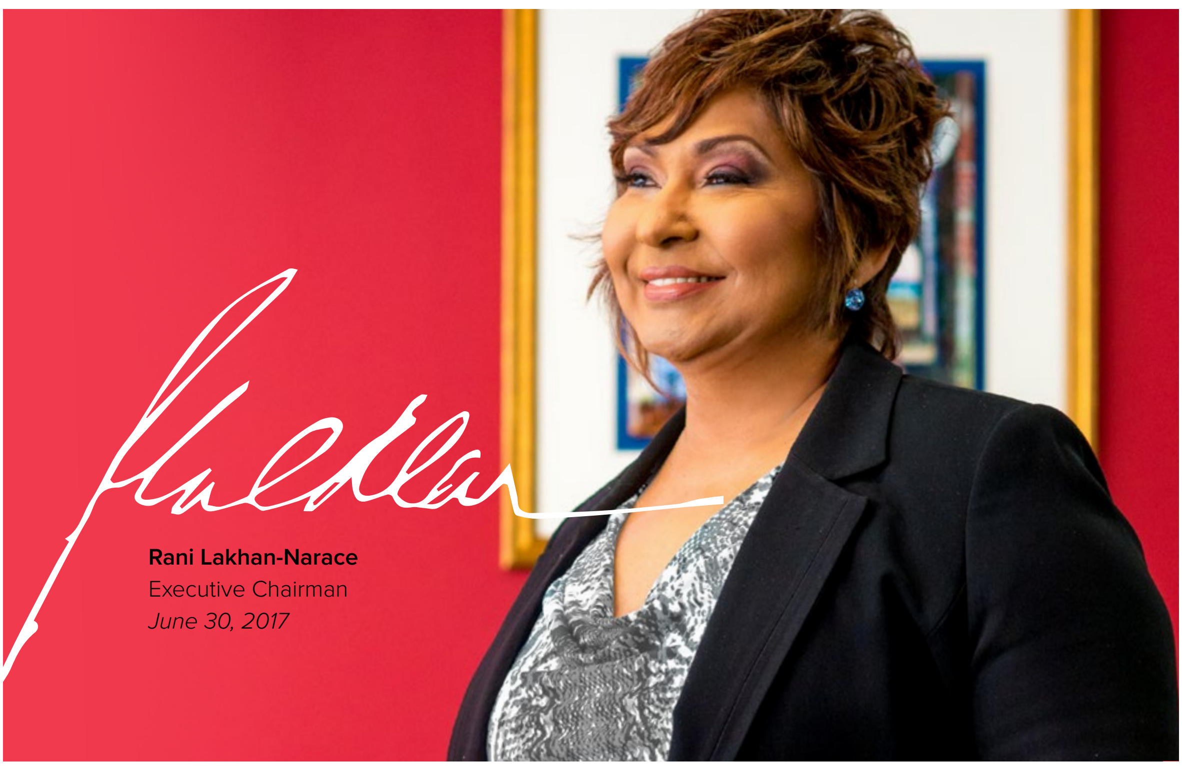
A fire of innovation was ignited in 2016 and our leadership team is fully intent upon fuelling the momentum as we look forward to new possibilities in 2017 and beyond. Our strategic thrust will focus on leveraging technology, analytics and manpower planning as drives to build organizational capacity to enable business performance.

The complete deployment of SOLIS, our state of art technology platform which will be a key enabler for greater operational efficiency, cost management and play a significant complementary role in our premier customer experience framework and digital strategy.

Appreciation

I am genuinely delighted to lead an organization that holds true to its core purpose of enabling greater prosperity for those we serve and is fervently in pursuit of its vision to change the landscape of service and become one of the most respected and admired companies.

I would particularly like to thank our Board of Directors whose dedicated focus on responsible governance is par excellence. On behalf of the entire Board, I would like to express appreciation to our employees and shareholders who have been persistent in their commitment; and I am ever grateful to our brokers, agents and customers who each day continue to demonstrate tremendous faith and confidence in TRINRE's ability to serve their needs.



Rani Lakhan-Narace
Executive Chairman
June 30, 2017

RISK & CORPORATE GOVERNANCE

Our Board of Directors is guided by corporate governance principles that facilitate fairness, transparency and accountability and safeguard the interests of shareholders, customers, employees and the public. This derives from TRINRE's belief that robust governance is an intrinsic element for sustainable performance. To assess and advise on the effectiveness of its Governance Framework, PWC was commissioned to conduct a review and provide recommendations. The Investment and Audit Board Committees continued to operate during the year, whilst it was decided that in the interim the Human Resource and Compensation as well as Nomination and Corporate Governance Committee would function on an ad hoc basis. A summary of their current purpose and composition is provided below. The Board of Directors believe that the Company's overall internal control systems are able to produce credibility and reliability for the financial statements for the period January 1st to December 31st 2016.

COMMITTEE	INVESTMENT	AUDIT
CHAIRMAN	**Anthony Proudfoot**	**Howard Dottin**
COMMITTEE MEMBERS	Howard Dottin Adrian Bharath Raymond Tim Kee	Elizabeth Cox Raymond Tim Kee Michael Quamina Anthony Proudfoot
PURPOSE	The **Investment** Committee's role is to monitor adherence to the investment policy and from time to time, make recommendations for the modification of the investment policy. The Investment Committee will delegate the necessary authority to the Management Team to implement the policy. In addition, the Investment Committee must review investment activities in such depth and with such regularity as is necessary to assure quality investments and conformity to the company's investment policy and the investment limitations stipulated in insurance legislation, regulations and guidelines that are in force.	The **Audit** Committee's role is to assist the Board of Directors (the "Board") in its oversight responsibilities relating to the integrity of the Company's financial statements, financial reporting process, and systems of internal accounting and financial controls; the qualifications, independence, and performance of the independent auditor and the performance of the company's internal audit department; and the company's legal and regulatory compliance.

Composition of the Board

The company's Board of Directors at the close of 2016 comprised a complement of seven Directors, one Executive and six Non-Executive Directors. One change occurred during the course of the year as our Corporate Secretary, Ms Christina Hyatali was replaced by Ms Sueann Sherwood. The Board of Directors expresses their gratitude to Ms Hyatali for her service.

Meeting Attendance

For the year ended December 31, 2016 the Board and its two active Committees; Audit and Investment each held a total of 4 meetings. The attendance record of Directors at Regular Board, Annual and Committee Meetings is outlined below:

DIRECTOR	AUDIT	INVEST MENT	REGULAR BOARD MEETINGS	ANNUAL GENERAL MEETING
Rani Lakhan-Narace	4 (Invited)	2 (Invited)	4	1
Raymond Tim Kee	4	4	4	1
Michael Quamina	2	-	4	-
Elizabeth Cox	2	-	2	-
Howard Dottin	4	4	4	1
Adrian Bharath	-	3	4	1
Anthony Proudfoot	2	4	4	1

Audit Committee Oversight

In accordance with its Terms of Reference, the Audit Committee maintained oversight of both the external and internal audit functions of TRINRE. In so doing the Committee provided the requisite approvals for the execution of audit as well as non-audit works performed by the external auditors in 2016. The value of audit delivery was $138,600. The details and cost of non-audit work are contained below:

- Development of an Enterprise Risk Management (ERM) Framework – $60,000
- Development of a Business Continuity Plan (BCP) Framework – $90,000
- Provision of Tax Return Services – $23,050

Anti-Money Laundering (AML) and Combatting Terrorist Financing (CTF)

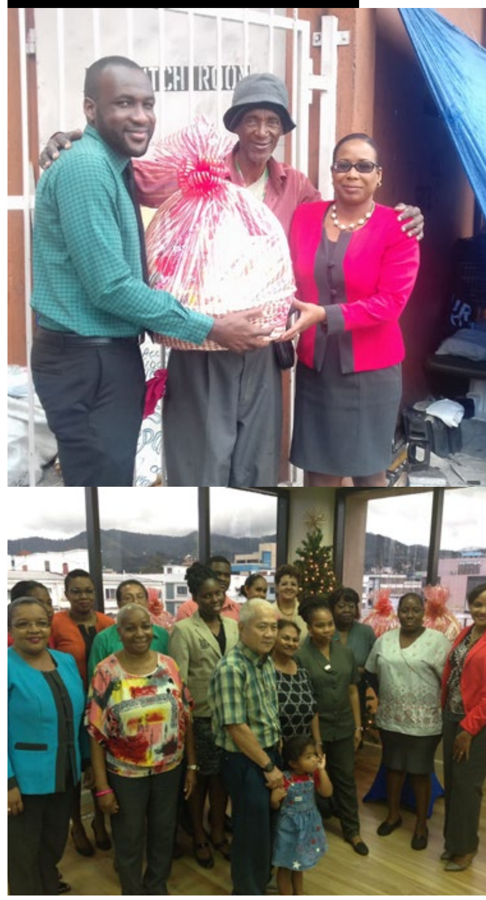
TRINRE is subject to several laws, regulations and guidelines designed to combat money laundering and terrorist financing in the Trinidad and Tobago economy. These requirements, which are critical to Trinidad and Tobago's standing in the international financial market, are designed to protect the country's business community from the reputational risk and financial implications (penalties) associated with inadvertently committing offences related to money laundering and terrorist financing. As the financial and technological landscapes continue to evolve and facilitate additional ways to conduct financial transactions, on a local and international level, so too do the strategies for money laundering and terrorist financing continue to proliferate. This calls for increased vigilance from the business community as their exposure to money laundering and terrorist financing schemes increases.

Although there have been no major changes to the legislative framework for AML/CTF during 2016, the upsurge in news about ISIS, the activities in Syria and the involvement of Trinidad and Tobago nationals, together with the outcome of the 2015 Mutual Evaluation for Trinidad and Tobago, have resulted in increased pressure on the government and our regulators to ensure that our country's AML and CTF strategies are sound. With the expectation that this will give rise to the tightening of the existing legislative framework for AML/CTF and most stringent monitoring by the regulators, TRINRE continues to review and enhance its AML/CTF compliance programme to ensure that an appropriate risk based approach is applied to customer due diligence and monitoring processes and practices so that suspicious activity can be detected and reported at the earliest possible opportunity.

SOCIAL CONSCIENCE HIGHLIGHTS

CELEBRATE RESPONSIBLY

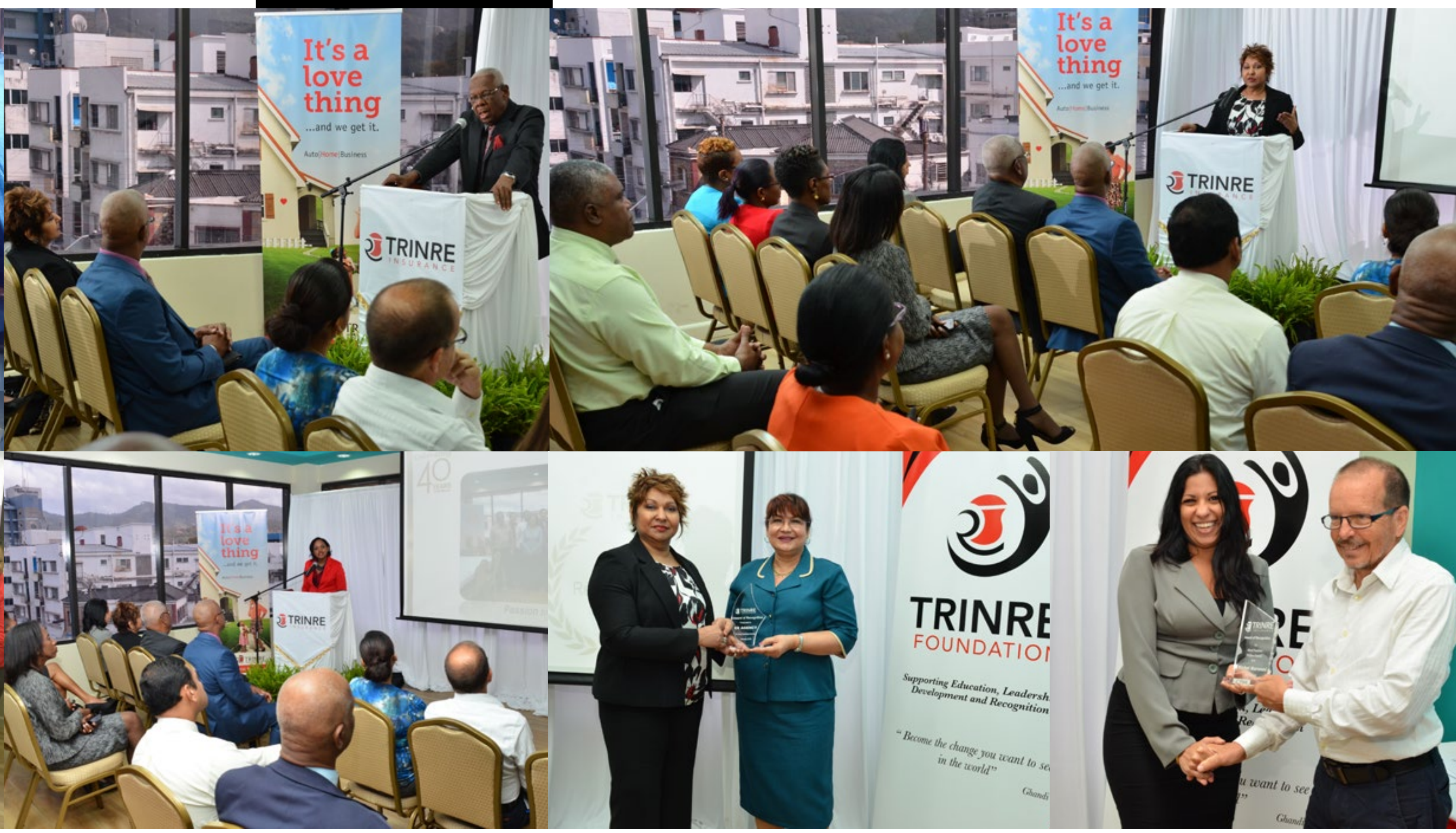
CHRISTMAS CHEER



LETS HELP HAITI

BUSINESS HIGHLIGHTS

AGENTS AWARDS

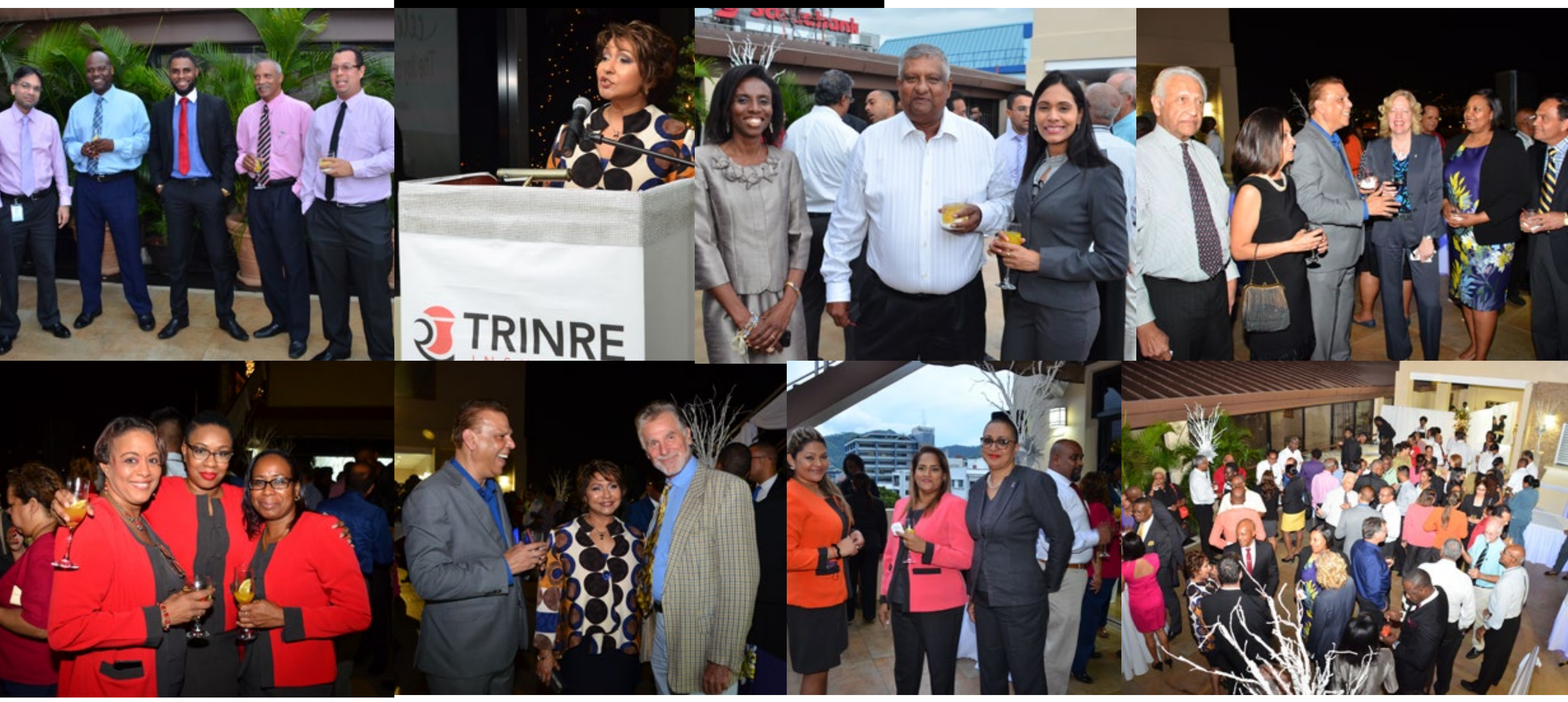


Everyday has new possibilities.

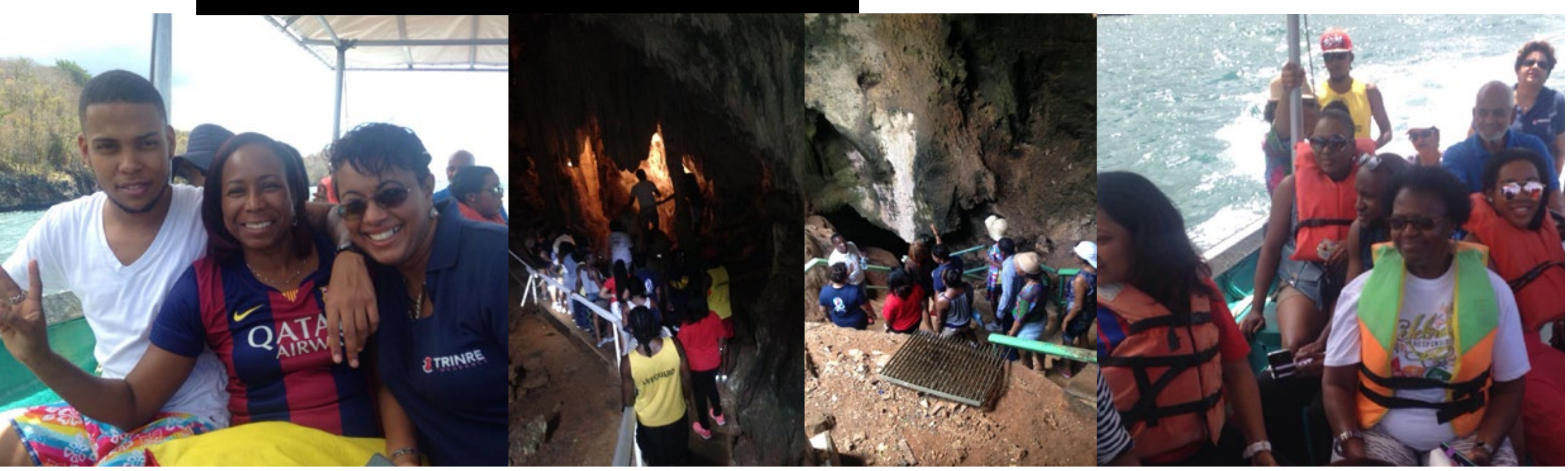
TRINRE Core Belief

BUSINESS HIGHLIGHTS

COCKTAIL RECEPTION 2016

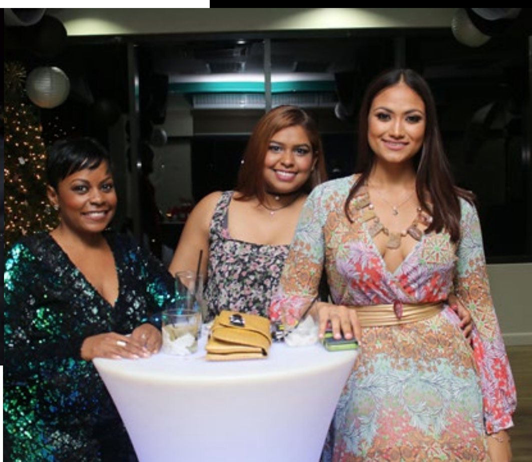


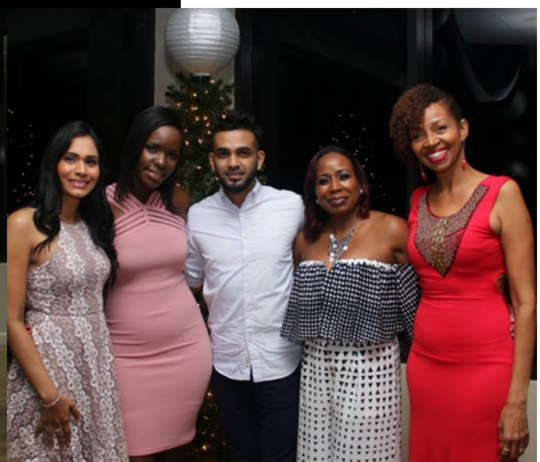
STAFF FUN DAY - DOWN THE ISLANDS

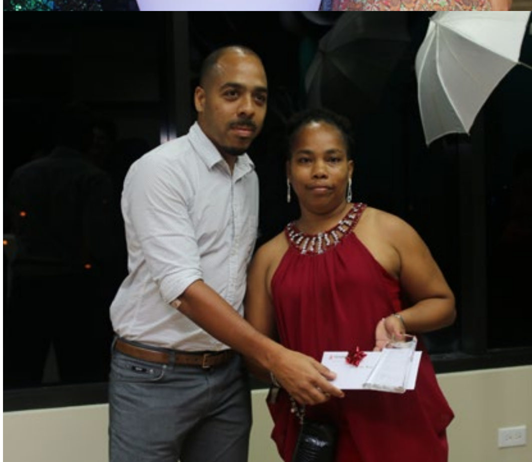


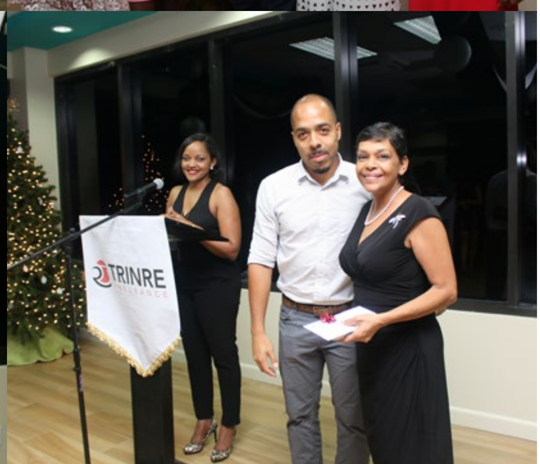
BUSINESS HIGHLIGHTS

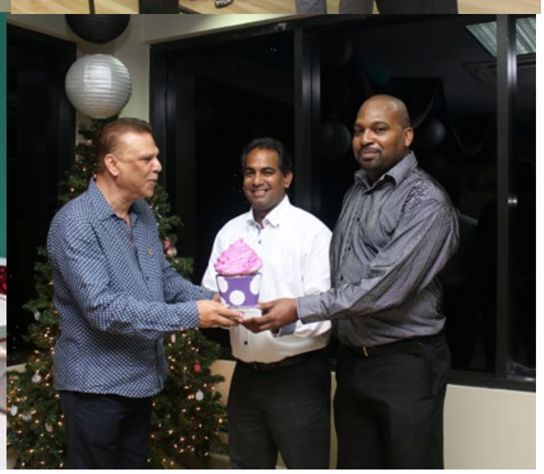
STAFF PARTY AND AWARDS



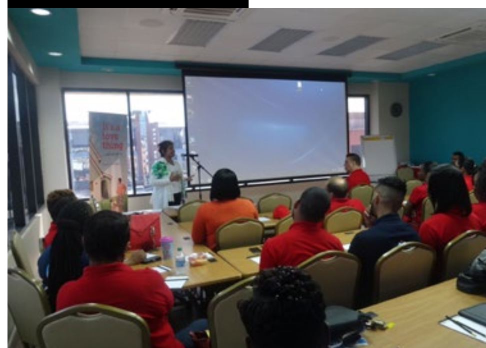


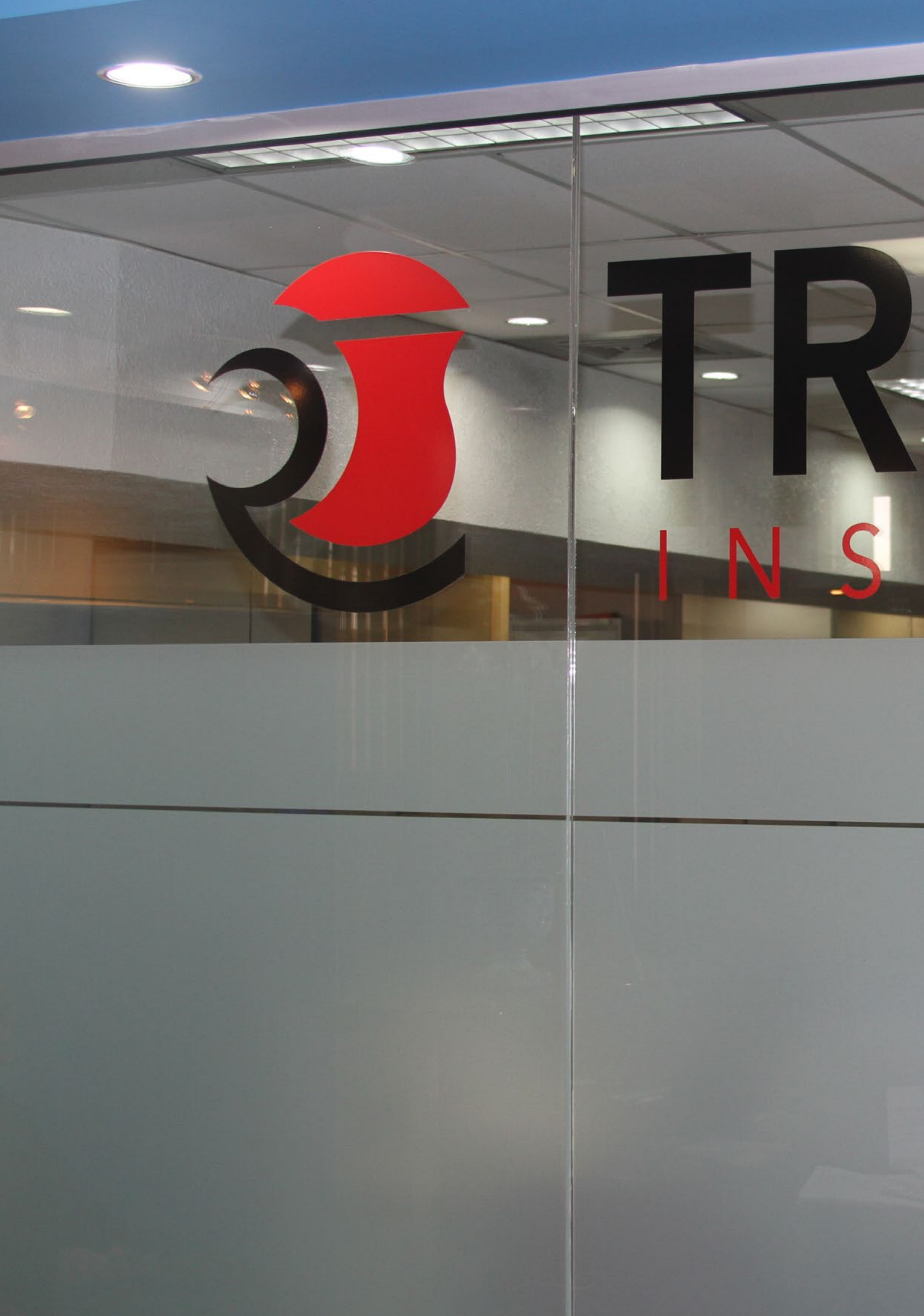






STAFF RALLY

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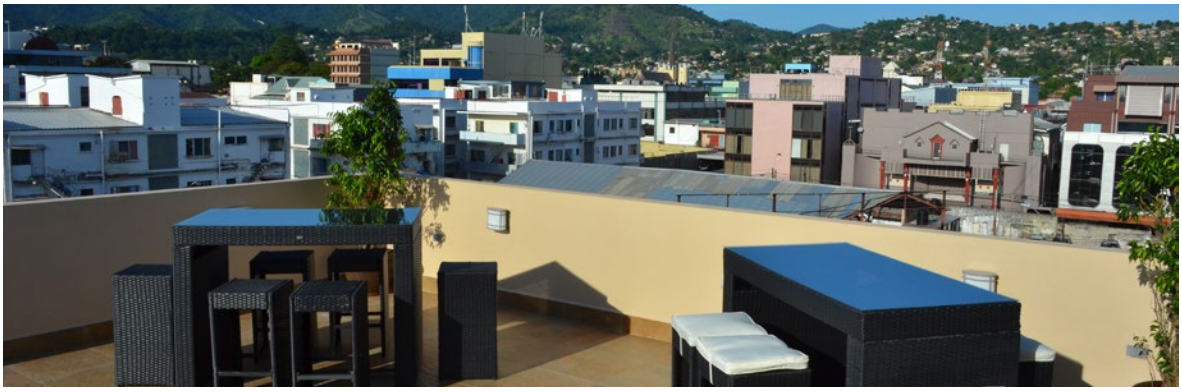
FINANCIAL STATEMENTS

TRINRE
INSURANCE



CONSOLIDATED FINANCIAL STATEMENTS OF

TRINRE INSURANCE COMPANY LTD

DECEMBER 31, 2016

Statement of Management Responsibilities
TRINRE Insurance Company Limited

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of Trinre Insurance Company Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at December 31, 2016, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising of significant accounting policies and other explanatory information;
- Ensuring that the Group keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Group's assets, detection/prevention of fraud, and the achievement of the Group's operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited consolidated financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Group will not remain a going concern for the next twelve months from the reporting date, or up to the date the accompanying consolidated financial statements have been authorised for issue, if later. Management affirms that it has carried out its responsibilities as outlined above.

Rani Lakhan-Narace	**Sheldon Burkette**
Chairman	Finance Manager
May 2, 2017	May 2, 2017

Independent Auditors' Report to the Shareholders of Trinre Insurance Company Limited

Opinion

We have audited the consolidated financial statements of Trinre Insurance Company Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at December 31, 2016, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2016, and 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Trinidad and Tobago, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 Company's annual report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Group's annual report, if we conclude that there is a material misstatement therein, we are required to communicate that matter to those charged with governance before the annual general meeting is held

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS 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 consolidated 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.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 auditors' 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 auditors' 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.

Chartered Accountants

KPMG

Port of Spain

Trinidad, West Indies

May 2, 2017

TRINRE INSURANCE COMPANY LIMITED

Consolidated Statement of Financial Position

December 31, 2016

	Notes	2016	Restated 2015	Restated 2014
		$	$	$
ASSETS				
Property, plant and equipment	4	6,009,468	5,239,774	3,514,166
Intangible assets	5	10,709,590	8,320,366	6,148,764
Investment property	6	12,000,000	10,593,800	10,500,000
Investment securities	7	62,455,985	71,888,157	76,727,260
Reinsurance assets	9	71,948,143	72,144,893	38,303,903
Loans receivable	10	808,263	-	-
Accounts receivable and prepayments	11	17,690,909	20,561,064	21,611,884
Taxation recoverable		152,236	-	1,005,928
Cash and cash equivalents		4,206,930	2,778,205	235,661
Total assets		185,981,524	191,526,259	158,047,566
EQUITY AND LIABILITIES				
EQUITY				
Stated capital	12	22,500,000	22,262,499	22,262,499
Statutory reserve		24,004,958	22,339,687	20,195,399
Retained earnings		15,780,832	16,626,797	14,943,712
		62,285,790	61,228,983	57,401,610
LIABILITIES				
Life assurance funds	13	351,984	393,621	434,654
Insurance liabilities	14	98,291,898	103,276,011	84,314,626
Borrowings	15	7,200,000	5,850,656	-
Taxation payable		-	154,801	-
Accounts payable	16	16,498,883	19,871,635	15,322,848
Deferred tax liability	8	1,352,969	750,552	573,828
		123,695,734	130,297,276	100,645,956
Total equity and liabilities		185,981,524	191,526,259	158,047,566

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

Signed on behalf of the Board

Director **Director**

TRINRE INSURANCE COMPANY LIMITED

Consolidated Statement of Comprehensive Income

December 31, 2016

	Note	2016	2015
		$	$
Revenue			
Gross premium		132,427,852	159,281,805
Premium ceded		(100,127,886)	(132,655,801)
Net premium		32,299,966	26,626,004
Change in unearned premium reserve		1,348,162	12,592,297
Earned premium		33,648,128	39,218,301
Commission income		22,488,140	30,437,665
Total revenue		56,136,268	69,655,966
Losses and expenses			
Claims incurred		17,016,424	18,142,886
Commission expense		11,875,444	14,315,395
Management expenses		25,789,654	24,196,700
Total losses and expenses		54,681,522	56,654,981
Underwriting gain	17	1,454,746	13,000,985
Operating loss on premium financing		(99,244)	-
Investment and other income		4,002,064	2,623,245
Change in investment securities valuation		3,036,286	(3,186,627)
Change in investment property valuation		1,071,867	-
Profit before for taxation		9,465,719	12,437,603
Taxation	8	(2,903,878)	(3,860,451)
Net profit for the year being total comprehensive income attributable to equity holders		6,561,841	8,577,152

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

TRINRE INSURANCE COMPANY LIMITED

Consolidated Statement of Changes in Equity

December 31, 2016

	Notes	Stated Capital	Statutory Reserve	Retained Earnings	Total
		$	$	$	$
Balance at December 31, 2014 as previously reported		22,262,499	20,195,399	19,305,567	61,763,465
Prior year adjustment	25	-	-	(4,361,855)	(4,361,855)
Restated balance at December 31, 2014		22,262,499	20,195,399	14,943,712	57,401,610
Net profit being total comprehensive income for the year		-	-	8,577,152	8,577,152
Transfer to statutory reserve	14	-	2,144,288	(2,144,288)	-
Dividends paid	23	-	-	(4,749,779)	(4,749,779)
Balance at December 31, 2015		22,262,499	22,339,687	16,626,797	61,228,983
Balance at December 31, 2015		22,262,499	22,339,687	16,626,797	61,228,983
Net profit being total comprehensive income for the year		-	-	6,561,841	6,561,841
Transfer to stated capital	13	237,501	-	(237,501)	-
Transfer to statutory reserve	14	-	1,665,271	(1,665,271)	-
Dividends paid	23	-	-	(5,505,034)	(5,505,034)
Balance at December 31, 2016		22,500,000	24,004,958	15,780,832	62,285,790

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

TRINRE INSURANCE COMPANY LIMITED

Consolidated Statement of Cash Flows

December 31, 2016

	2016	2015
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	9,465,802	12,437,603
Adjustments for:		
Depreciation	1,332,715	834,112
(Gain)/loss on disposal of property, plant and equipment	(307)	1,787
Appreciation in investment valuation	(3,036,286)	3,186,627
Appreciation in investment property valuation	(1,071,867)	-
Change in insurance liabilities	(4,984,113)	18,961,385
Change in reinsurance assets	196,750	(33,840,990)
Investment and other income	(4,002,064)	(2,623,245)
	(2,099,370)	(1,042,721)
Changes in accounts receivable	2,857,113	1,038,963
Changes in accounts payable	(3,372,752)	4,548,787
Changes in life assurance funds	(41,637)	(41,033)
Net proceeds on disposal of operating investments	12,468,409	1,652,476
Corporation taxes paid	(2,608,581)	(2,522,998)
Net cash from operating activities	7,203,182	3,633,474
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	4,015,155	2,635,102
Acquisition of property, plant and equipment	(1,872,155)	(2,435,581)
Proceeds from disposal of property, plant and equipment	1,895	1,300
Enhancements to investment property	(334,333)	(93,800)
Movement on loans receivable	(808,263)	-
Purchase of intangible assets	(2,621,066)	(2,298,828)
Net cash (used in) investing activities	(1,618,767)	(2,191,807)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Dividends paid	(5,505,034)	(4,749,779)
Proceeds from borrowings	1,349,344	5,850,656
Net cash (used in) from financing activities	(4,155,690)	1,100,877
Net increase in cash and cash equivalents	1,428,725	2,542,544
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,778,205	235,661
CASH AND CASH EQUIVALENTS AT END OF YEAR	4,206,930	2,778,205
Represented by:		
Cash in hand and at bank	4,206,930	2,778,205

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

TRINRE INSURANCE COMPANY LIMITED

Notes to the Consolidated Financial Statements

December 31, 2016

1. Incorporation and Principal Activity

Trinre Insurance Company Limited (the Company) is a limited liability company incorporated on July 3, 1975 and domiciled in the Republic of Trinidad and Tobago. The address of its registered office is 69 Edward Street, Port of Spain. The Company is a subsidiary of Investment Managers Limited.

The Company primarily underwrites non-life insurance risks, such as those associated with death, motor, property and liability. These products are offered primarily to the domestic market.

The Company owns 100% of the shares of its subsidiary Caribbean Premium Financing Company Limited (the Subsidiary). The Subsidiary is engaged in the business of premium financing.

These financial statements were authorized for issue by the Board of Directors on May 2, 2017.

2. Significant Accounting Policies

(a) Statement of compliance

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

(b) Basis of measurement

These financial statements are prepared on the historical cost basis except for the measurement at fair value of investment securities and investment property at fair value through profit and loss. No account is taken of the effects of inflation. The Group has consistently applied the accounting policies set out below to all periods presented in these financial statements.

(c) Functional and presentation currency

Amounts included in these financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). These financial statements are presented in Trinidad and Tobago dollars which is the Group's functional and presentation currency.

2. Significant Accounting Policies (continued)

(d) Use of estimates, assumptions and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses and contingent assets and liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed below:

- *Determining fair values*

  Fair value reflects the present value of future cash flows associated with a financial asset or liability where an active market exists. Observable market prices or rates are used to determine fair value. For financial instruments with no active market or a lack of price transparency, fair values are estimated using calculation techniques based on factors such as discount rates, credit risk and liquidity. The assumptions and judgements applied here affect the derived fair value of the instruments.

- *Impairment of assets*

  The identification of impairment and the determination of recoverable amounts is an intently uncertain process involving various assumptions and factors, including the financial condition of the counterparty, expected future cash flows, observable market prices and expected net selling prices.

TRINRE INSURANCE COMPANY LIMITED

Notes to the Consolidated Financial Statements

December 31, 2016

2. Significant Accounting Policies (continued)

(e) Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Trinidad and Tobago dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income. There are no non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency.

(f) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred. Land is not depreciated.

Depreciation is computed on the reducing balance basis at rates sufficient to write-off the cost of the assets over their estimated useful lives.

The rates used are as follows:

Buildings	2%
Furniture and equipment	20%
Fixtures and fittings	20%
Motor vehicles	25%
Computer equipment	20%

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

(g) Intangible assets

Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate future economic benefits exceeding costs beyond one year, are recognized as intangible assets. These costs are amortized over their estimated useful lives. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

2. Significant Accounting Policies (continued)

(h) Investment property

Investment property principally comprises land and building not occupied by the Group, which is held for long-term rental yields and capital appreciation. Investment property is classified as a non-current asset and was previously measured using the cost model. During 2014, management decided to change the measurement model to a fair value model and accordingly investment property is now revalued.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(i) Reinsurance assets

The Group assumes and cedes reinsurance in the normal course of business. Reinsurance assets primarily include balances due from reinsurance companies for ceded insurance liabilities. Premiums on reinsurance assumed are recognized as revenue in the same manner as they would be if the reinsurance were considered direct business, taking into account the product classification of the reinsured business. Amounts due to reinsurers are estimated in a manner consistent with the associated reinsured policies and in accordance with the reinsurance contract. Premiums ceded and claims reimbursed are presented on a gross basis.

An impairment review is performed on all reinsurance assets when an indication of impairment occurs. Reinsurance assets are impaired only if there is objective evidence that the Group may not receive all amounts due to it under the terms of the contract and that this can be measured reliably.

(j) Insurance receivables

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

TRINRE INSURANCE COMPANY LIMITED

Notes to the Consolidated Financial Statements

December 31, 2016

2. Significant Accounting Policies (continued)

(k) Financial instruments

i) Classification

The Group previously classified its investments securities as at fair value through profit and loss.

The Group designates all financial assets as investment securities at fair value through profit and loss to eliminate or substantially reduce the mismatch which would otherwise arise and be consistent with how these investments are reported and managed internally.

ii) Recognition

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

iii) Measurement

Financial instruments are initially measured at cost, being the fair value plus the transaction costs that are directly attributable to the acquisition of the instrument. A financial asset is derecognized when the contractual right to receive cash flows expire or when the asset is transferred.

Subsequent to initial recognition all investment securities at fair value through profit and loss are measured at fair value, based on readily available market prices at the close of business on the reporting date for listed instruments or by reference to current market values of another instrument which is substantially the same. 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.

Any investment security at fair value through profit and loss that does not have a quoted market price in an active market and where fair value cannot be reliably measured is stated at cost, including transaction costs, less impairment losses.

TRINRE INSURANCE COMPANY LIMITED

Notes to the Consolidated Financial Statements

December 31, 2016

2. **Significant Accounting Policies** (continued)

(k) Financial instruments (continued)

iii) Measurement (continued)

Gains and losses arising from the change in the fair value of investment securities at fair value through profit and loss subsequent to initial recognition are accounted for in the profit and loss. All non-trading financial liabilities and held-to-maturity assets are 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.

(l) 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.

The Group classifies the cash flows from the acquisition and disposal of financial assets as operating cash flows, as the purchases are funded from the cash flows associated with the origination of insurance contracts, net of the cash flows for payments of benefits and claims incurred for insurance contracts, which are respectively treated under operating activities.

(m) Impairment

The carrying amounts of the Group's assets, other than deferred tax assets (see accounting policy (*u*)), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. In order to determine whether negative revaluations on investment securities correctly represent impairment, all investment securities for which the market value has been significantly below cost price for a considerable period of time, are individually reviewed. A distinction is made between negative revaluations due to general market fluctuations and due to issuer specific developments. The impairment review focuses on issuer specific developments regarding financial condition and future prospects, taking into account the intent and ability to hold the securities under the Group's long-term investment strategy. Impairment losses are recognised in profit and loss.

TRINRE INSURANCE COMPANY LIMITED

Notes to the Consolidated Financial Statements

December 31, 2016

2. Significant Accounting Policies (continued)

(m) Impairment (continued)

i) Calculation of recoverable amount

Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling price and value in use. 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. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

ii) Reversals of impairment

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(n) Product classification

Insurance contracts

Insurance contracts are defined as those containing significant insurance risk at the inception of the contract. The significance of insurance risk is dependent on both the probability of an insured event and the magnitude of its potential effect. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period.

2. Significant Accounting Policies (continued)

(n) Product classification (continued)

Investment contracts

Any contracts not considered insurance contracts under IFRS are classified as investment contracts.

All contracts held by the Group as at December 31, 2016 have been classified as insurance contracts.

(o) Benefits and claims

Reported outstanding general insurance claims comprise the estimated costs of all claims incurred but not settled at the reporting date, less any reinsurance recoveries. In estimating the liability for the cost of reported claims not yet paid, the Group considers any information available from adjusters and information on the cost of settling claims with similar characteristics in previous periods. Provision is made for claims incurred but not reported until after the reporting date.

Differences between the provisions for outstanding claims and subsequent revisions and settlement are included in the statement of comprehensive income in the year the claims are settled.

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

(p) Insurance liabilities

General insurance contract liabilities

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

TRINRE INSURANCE COMPANY LIMITED

Notes to the Consolidated Financial Statements

December 31, 2016

2. Significant Accounting Policies (continued)

(p) Insurance liabilities (continued)

Provision for unearned premiums

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

(q) Provision for other insurance financial liabilities

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

(r) Employee benefits

The Group operates pension scheme arrangements which provide individual annuities payable on retirement for all senior managers and qualifying monthly paid employees, which are administered through individual policy contracts. This is a defined contribution plan to which the Group contributes 5% of salary.

A defined contribution plan is a pension plan under which the Group pays a fixed contribution into a separate entity and will have no legal or constructive obligation to pay further contribution if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The Group's contribution is charged to the income statement in accordance with the accrual basis.

(s) Revenue recognition

Premium income

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

Commission income

The fee is recognized as revenue in the period in which it is received unless these relate to service to be provided in future periods. If the fees are for services to be provided in future periods, these are deferred and recognized in the income statement as the service is provided over the term of the contract.

TRINRE INSURANCE COMPANY LIMITED

Notes to the Consolidated Financial Statements

December 31, 2016

2. **Significant Accounting Policies** (continued)

(s) *Revenue recognition* (continued)

Investment income

If the fees are for services to be provided in future periods, these are deferred and recognized in the income statement as the service is provided over the term of the contract. Interest income is recognized in the income statement as it accrues, taking into account the effective yield of the asset or an applicable floating rate. Interest income includes the amortization of any discount or premium. Investment income also includes dividends, which are recognized as received.

Realised gains and losses recorded in the income statement

Realised gains and losses on the sale of property and equipment and of investment securities at fair value through profit and loss are calculated as the difference between net sales proceeds and the original cost. Realised gains and losses are recognized in the statement of comprehensive income when the sale transaction occurs.

(t) *Other income and expenditure*

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

(u) *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, business levy and green fund levy, charged on worldwide income, and any adjustment of tax payable for the previous years.

Deferred tax is provided using the balance sheet liability method on all temporary differences between the carrying amounts for financial reporting purposes and the amounts used for taxation purposes, except differences relating to the initial recognition of assets or liabilities which affect neither accounting nor taxable income (loss).

Deferred tax is calculated on the basis of the tax rate that is expected to apply to the period when the asset is realised or the liability is settled. The effect on the deferred tax of any changes in the tax rate is charged to the statement of comprehensive income, except to the extent that it relates to items previously charged or credited directly to equity.

Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

TRINRE INSURANCE COMPANY LIMITED

Notes to the Consolidated Financial Statements

December 31, 2016

2. Significant Accounting Policies (continued)

(v) Investments in subsidiaries

Investments in subsidiaries are stated at cost less any accumulated impairment losses. Dividend income from investments in subsidiaries is recognized when the Group's right to receive payment has been established. It is included in other income.

Separate financial statements of the ultimate parent are prepared in accordance with the requirements of the IFRS and are presented elsewhere.

(w) Related parties

A party is related to the Group, if:

(i) Directly, or indirectly through one or more intermediaries, the party:

a) is controlled by, or is under common control with, the company (this includes parents, subsidiaries and fellow subsidiaries);

b) has a direct or indirect interest in the company that gives it significant influence; or

c) has joint control over the company;

(ii) the party is an associate of the company;

(iii) the party is a joint venture in which the company is a venturer;

(iv) the party is a member of the key management personnel of the company or its parent;

(v) the party is a close member of the family of any individual referred to in (i) or (iv);

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

The Company has a related party relationship with its directors and key management personnel, representing certain senior officers of the Company, its parent company and all their affiliates.

TRINRE INSURANCE COMPANY LIMITED

Notes to the Consolidated Financial Statements

December 31, 2016

2. Significant Accounting Policies (continued)

(x) Segment reporting

A segment is a distinguishable component of the Group 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 information is presented in respect of the Group's business segments.

(y) Statutory Reserve

As required by Section 171 of the Insurance Act, 1980 of Trinidad and Tobago at least 25% of the Group's profit from general insurance business, for the preceding year is to be appropriated towards a Statutory Surplus Reserve until such surplus equals or exceeds the reserves in respect of its outstanding unexpired policies. This reserve is not distributable.

(z) Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

3. New, revised and amended standards and interpretations that became effective during the year:

Certain new, revised and amended standards and interpretations came into effect during the current financial year. The Group has assessed them and has adopted those which are relevant to its financial statements:

- IAS 1, *Presentation of Financial Statements* has been amended to clarify or state the following:
  - Specific single disclosures that are not material do not have to be presented even if they are the minimum requirements of a standard.
  - The order of notes to the financial statements is not prescribed.
  - Line items on the statement of financial position and the statement of profit or loss and other comprehensive income (OCI) should be disaggregated if this provides helpful information to users. Line items can be aggregated if they are not material.
  - Specific criteria are now provided for presenting subtotals on the statement of financial position and in the statement of profit or loss and OCI, with additional reconciliation requirements for the statement of profit or loss and OCI.
  - The presentation in the statement of OCI of items of OCI arising from joint ventures and associates accounted for using the equity method follows the IAS 1 approach of splitting items that may, or that will never be, reclassified to profit or loss.

TRINRE INSURANCE COMPANY LIMITED

Notes to the Consolidated Financial Statements

December 31, 2016

3. New, revised and amended standards and interpretations that became effective during the year (continued):

- IAS 16 and IAS 38, *Clarification of Acceptable Methods of Depreciation and Amortisation,* are amended as follows:
- The amendment to IAS 16, *Property, Plant and Equipment* explicitly states that revenue-based methods of depreciation cannot be used. This is because such methods reflect factors other than the consumption of economic benefits embodied in the assets.
- The amendment to IAS 38, *Intangible Assets* introduces a rebuttable presumption that the use of revenue-based amortisation methods is inappropriate for intangible assets.

- IAS 16, *Property, Plant and Equipment,* and IAS 41, *Biological Assets* require a bearer plant, defined as a living plant, to be accounted for as property, plant and equipment and included in the scope of IAS 16 instead of IAS 41. Therefore, a Group can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41.

- Amendments to IAS 27, *Equity Method in Separate Financial Statements* allow the use of the equity method in separate financial statements, and apply to the accounting for subsidiaries, associates, and joint ventures.

- Amendments to IFRS 10, *Consolidated Financial Statements,* and IAS 28, *Investments in Associates and Joint Ventures,* in respect of *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* require that when a parent loses control of a subsidiary in a transaction with an associate or joint venture, the full gain be recognised when the assets transferred meet the definition of a 'business' under IFRS 3, *Business Combinations*.

- IFRS 10, *Consolidated Financial Statements*, IFRS 12, *Disclosure of Interests in Other Entities* and IAS 28, *Investments in Associates and Joint Ventures* have been amended to introduce clarifications on which subsidiaries of an investment entity are consolidated instead of being measured at fair value through profit or loss. IFRS 10 was amended to confirm that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity. An investment entity shall measure at fair value through profit or loss all of its subsidiaries that are themselves investment entities. IAS 28 was amended to provide an exemption from applying the equity method for investment entities that are subsidiaries and that hold interests in associates and joint ventures. IFRS 12 was amended to clarify that the relevant disclosure requirements in the standard apply to an investment entity in which all of its subsidiaries are measured at fair value through profit or loss.

TRINRE INSURANCE COMPANY LIMITED

Notes to the Consolidated Financial Statements

December 31, 2016

3. New, revised and amended standards and interpretations that became effective during the year (continued):

- *Improvements to* IFRS *2012-2014* Cycle contain amendments to certain standards and interpretations applicable to the Group as follows:
- IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations* has been amended to clarify that if an entity changes the method of disposal of an asset or disposal group – i.e. reclassifies an asset or disposal group from held-for-distribution to owners to held-for-sale or vice versa without any time lag, then the change in classification is considered a continuation of the original plan of disposal and the entity continues to apply held-for-distribution or held-for-sale accounting. At the time of the change in method, the entity measures the carrying amount of the asset or disposal group and recognises any write-down (impairment loss) or subsequent increase in the fair value less costs to sell/distribute the asset or disposal group. If an entity determines that an asset or disposal group no longer meets the criteria to be classified as held-for-distribution, then it ceases held-for-distribution accounting in the same way as it would cease held-for-sale accounting.
- IFRS 7, *Financial Instruments: Disclosures,* has been amended to clarify when servicing arrangements are in the scope of its disclosure requirements on continuing involvement in transferred assets in cases when they are derecognised in their entirety. A servicer is deemed to have continuing involvement if it has an interest in the future performance of the transferred asset -e.g. if the servicing fee is dependent on the amount or timing of the cash flows collected from the transferred financial asset; however, the collection and remittance of cash flows from the transferred asset to the transferee is not, in itself, sufficient to be considered 'continuing involvement'.
- IFRS 7 has also been amended to clarify that the additional disclosures required by *Disclosures: Offsetting Financial Assets* and *Financial Liabilities (Amendment to IFRS 7)* are not specifically required for inclusion in condensed interim financial statements for all interim periods; however, they are required if the general requirements of IAS 34, *Interim Financial Reporting*, require their inclusion.

The adoption of these amendments did not result in any change to the presentation and disclosures in the financial statements .

New, revised and amended standards and interpretations not yet effective:

Certain new, revised and amended standards and interpretations have been issued which are not yet effective for the current year and which the Group has not early-adopted. The Group has assessed the relevance of all such new standards, amendments and interpretations with respect to the Group's operations and has determined that the following are likely to have an effect on the consolidated financial statements

TRINRE INSURANCE COMPANY LIMITED

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3. New, revised and amended standards and interpretations not yet effective (continued).

- Amendments to IAS 7, *Statement of Cash Flows*, effective for accounting periods beginning on or after January 1, 2017, requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash flows.

The Group is assessing the impact that this amendment will have on its 2017 financial statements.

- Amendments to IAS 12, *Income Taxes*, effective for accounting periods beginning on or after January 1, 2017, clarifies the following:

- The existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset.

- A deferred tax asset can be recognised if the future bottom line of the tax return is expected to be a loss, if certain conditions are met.

- Future taxable profits used to establish whether a deferred tax can be recognised should be the amount calculated before the effect of reversing temporary differences.
- An entity can assume that it will recover an asset for more than its carrying amount if there is sufficient evidence that it is probable that the entity will achieve this.

- Deductible temporary differences related to unrealised losses should be assessed on a combined basis for recognition unless a tax law restricts the use of losses to deductions against income of a specific type.

The Group is assessing the impact that this amendment will have on its 2017 financial statements.

- IFRS 9*, Financial Instruments,* which is effective for annual reporting periods beginning on or after January 1, 2018, replaces the existing guidance in IAS 39 *Financial Instruments: Recognition and Measurement.* IFRS 9 includes revised guidance on the classification and measurement of financial assets and liabilities, including a new expected credit loss model for calculating impairment of financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. Although the permissible measurement bases for financial assets – amortised cost, fair value through other comprehensive income (FVOCI) and fair value though profit or loss (FVTPL) - are similar to IAS 39, the criteria for classification into the appropriate measurement category are significantly different. IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model, which means that a loss event will no longer need to occur before an impairment allowance is recognised

3. New, revised and amended standards and interpretations not yet effective (continued):

The Group is assessing the impact that this amendment will have on its financial 2018 statements.

- IFRS 15, *Revenue From Contracts With Customers*, effective for accounting periods beginning on or after January 1, 2018, replaces IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programmes,* IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfer of Assets from Customers* and SIC-31 *Revenue – Barter Transactions Involving Advertising Services.* It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. It also does not apply if two entities in the same line of business exchange non-monetary assets to facilitate sales to other parties.

The Group will apply a five-step model to determine when to recognise revenue, and at what amount. The model specifies that revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled.

Depending on whether certain criteria are met, revenue is recognised at a point in time, when control of goods or services is transferred to the customer; or over time, in a manner that best reflects the entity's performance.

There will be new qualitative and quantitative disclosure requirements to describe the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

The Group is assessing the impact that this amendment will have on its 2018 financial statements.

- IFRS 16*, Leases,* which is effective for annual reporting periods beginning on or after January 1, 2019, eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Entities will be required to bring all major leases on-balance sheet, recognising new assets and liabilities. The on-balance sheet liability will attract interest; the total lease expense will be higher in the early years of a lease even if a lease has fixed regular cash rentals. Optional lessee exemption will apply to short- term leases and for low-value items with value of US$5,000 or less.

Lessor accounting remains similar to current practice as the lessor will continue to classify leases as finance and operating leases.

Early adoption is permitted if IFRS 15, *Revenue from Contracts with Customers* is also adopted.

The Group is assessing the impact that this amendment will have on its 2019 financial statements.

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4. Property, Plant and Equipment

	Office Furniture & Fittings	Equipment	Motor Vehicles	Computer Equipment	Building Improve-ments	Work in Progress	Total
	$	$	$	$	$	$	$
Year ended December 31, 2016							
Cost							
Balance as at January 1, 2016	2,220,115	1,939,666	1,340,471	1,943,905	1,968,489	-	9,412,646
Additions	136,280	56,098	-	398,437	42,635	1,238,705	1,872,155
Disposals	-	(1,895)	-	-	-	-	(1,895)
Transfers	-	(81,986)	-	81,986	-	-	-
Adjustment	-	-	-	(5,722)	-	-	(5,722)
Balance as at December 31, 2016	2,356,395	1,911,883	1,340,471	2,418,606	2,011,124	1,238,705	11,277,184
Accumulated depreciation							
Balance as at January 1, 2016	384,874	995,079	996,565	757,068	1,039,286	-	4,172,872
Charge for the year	375,943	175,892	85,976	270,298	191,139	-	1,099,248
Disposals	-	(307)	-	-	-	-	(307)
Adjustment	-	(2,733)	-	(1,364)	-	-	(4,097)
Balance as at December 31, 2016	760,817	1,167,931	1,082,541	1,026,002	1,230,425	-	5,267,716
Net book value							
December 31, 2016	1,595,578	743,952	257,930	1,392,604	780,699	1,238,705	6,009,468
December 31, 2015	1,835,241	944,587	343,906	1,186,837	929,203	-	5,239,774

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4. Property, Plant and Equipment (continued)

	Office Furniture & Fittings	Equipment	Motor Vehicles	Computer Equipment	Building Improve-ments	Work in Progress	Total
	$	$	$	$	$	$	$
Year ended December 31, 2015							
Cost							
Balance as at January 1, 2015	529,009	1,840,317	1,340,471	1,285,424	1,368,085	627,748	6,991,054
Additions	96,773	99,349	-	539,900	65,152	1,639,008	2,440,182
Disposals	-	-	-	(13,990)	-	-	(13,990)
Transfers	1,594,333	-	-	132,571	539,852	(2,266,756)	-
Adjustment	-	-	-	-	(4,600)	-	(4,600)
Balance as at December 31, 2015	2,220,115	1,939,666	1,340,471	1,943,905	1,968,489	-	9,412,646
Accumulated depreciation							
Balance as at January 1, 2015	273,423	778,701	881,930	606,943	935,892	-	3,476,889
Charge for the year	111,451	216,378	114,635	161,028	104,498	-	707,990
Disposals	-	-	-	(10,903)	-	-	(10,903)
Adjustment	-	-	-	-	(1,104)	-	(1,104)
Balance as at December 31, 2015	384,874	995,079	996,565	757,068	1,039,286	-	4,172,872
Net book value							
December 31, 2015	1,835,241	944,587	343,906	1,186,837	929,203	-	5,239,774
December 31, 2014	255,586	1,061,616	458,541	678,482	432,193	627,748	3,514,166

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5. Intangible Assets

	Software	Work in Progress	Deferred Development Costs	Total
	$	$	$	$
Year ended December 31, 2016				
Cost				
Balance as at January 1, 2016	3,512,171	7,237,580	-	10,749,751
Additions	163,878	1,655,448	801,740	2,621,066
Adjustment	5,723	-	-	5,723
Balance as at December 31, 2016	3,681,772	8,893,028	801,740	13,376,540
Accumulated depreciation				
Balance as at January 1, 2016	2,429,385	-	-	2,429,385
Charge for the year	224,964	-	8,503	233,467
Adjustment	4,098	-	-	4,098
Balance as at December 31, 2016	2,658,447	-	8,503	2,666,950
Net book value				
December 31, 2016	1,023,325	8,893,028	793,237	10,709,590
December 31, 2015	1,082,786	7,237,580	-	8,320,366
Year ended December 31, 2015				
Cost				
Balance as at January 1, 2015	2,821,561	5,629,362	-	8,450,923
Additions	2,779	2,296,049	-	2,298,828
Transfers	687,831	(687,831)	-	-
Balance as at December 31, 2015	3,512,171	7,237,580	-	10,749,751
Accumulated depreciation				
Balance as at January 1, 2015	2,302,159	-	-	2,302,159
Charge for the year	127,226	-	-	127,226
Balance as at December 31, 2015	2,429,385	-	-	2,429,385
Net book value				
December 31, 2015	1,082,786	7,237,580	-	8,320,366
December 31, 2014	519,402	5,629,362	-	6,148,764

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Notes to the Consolidated Financial Statements

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6. Investment Property

Investment property comprises property at Kingsbury Place, 22A King Street, Arima not in use at present by the Group.

	2016 $	2015 $
Year ended December 31		
Net book value as at January 1	10,593,800	10,500,000
Enhancements to investment property during the year	334,333	93,800
Change in fair value	1,071,867	-
Valuation as at December 31	12,000,000	10,593,800

The property was valued by Raymond & Pierre Ltd, an independent professional valuator, whose report dated August 8, 2016 assessed the property on the basis of open market value at $12,000,000.

7. Investments Securities

	2016 $	2015 $
Securities at fair value through profit and loss		
Equity securities	36,649,312	39,314,588
Mutual funds	3,996,000	5,852,673
Government and Government-guaranteed bonds	20,516,746	25,581,292
Corporate bonds	1,293,927	1,139,604
Total investment securities	62,455,985	71,888,157

Investment securities amounting to $27,355,631 (2015: $31,832,594) included above are pledged with the Inspector of Financial Institutions as part of the Group's statutory assets.

TRINRE INSURANCE COMPANY LIMITED

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8. Taxation

	2016	2015
	$	$
Income tax recognised in profit and loss		
Corporation tax	810,733	3,523,597
Green fund levy	171,183	59,687
Prior year under-provision of corporation tax	966,777	-
Prior year under-provision of deferred tax	352,768	100,443
Deferred tax expense relating to the origination/reversal of temporary differences	602,417	176,724
	2,903,878	3,860,451
Reconciliation of effective tax rate		
Profit before provision for taxation	9,564,964	12,437,603
Tax at the statutory rate of 25%	2,391,241	3,109,401
Expenses not deductible for tax purposes	9,798	866
Income exempt from tax	(1,230,831)	324,287
Green fund levy	171,183	59,687
Prior year under-provision	966,777	-
Effect on deferred tax for change in tax rate	225,495	-
Adjustment to deferred tax	370,215	366,210
Tax charge for year	2,903,878	3,860,451
Movement in the deferred tax liability (asset)		
Balance at the beginning of the year	750,552	573,828
Charge (credit) to the statement of comprehensive income	602,417	176,724
Balance at the end of the year	1,352,969	750,552
Composition of deferred tax liability (asset)		
Property, plant and equipment	2,652,049	1,503,090
Claims incurred but not reported	(589,070)	(502,538)
Other timing differences	(710,010)	(250,000)
	1,352,969	750,552

TRINRE INSURANCE COMPANY LIMITED

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	2016 $	2015 $
9. Reinsurance Assets		
Claims reported and IBNR (Note 15 (a))	22,050,708	19,947,895
Provision for unearned premiums (Note 15 (b))	45,231,495	47,690,516
Other items	4,665,940	4,506,482
	71,948,143	72,144,893

10. Loans receivable

The loans receivable relates to insurance premium financing, granted during the year. The loans are granted for periods of one year or less.

11. Accounts Receivables and Prepayments

	2016 $	2015 $
Insurance receivables	14,405,179	16,646,792
Other receivables	2,473,902	3,210,444
Prepayments	811,828	703,828
	17,690,909	20,561,064

12. Stated Capital

	2016 $	2015 $
Authorised		
Unlimited number of shares of no par value		
Issued and fully paid		
11,666,666 shares of no par value	22,500,000	22,262,499

During 2016 the sum of $237,501 was transferred from Retained Earnings to the stated capital account to increase the amount in the stated capital account to $22,500,000.

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13. Life Assurance Fund

	2016 $	2015 $
Funds at beginning of year	393,621	434,654
Investment income	4,639	4,312
Premium	84,748	91,994
	483,008	530,960
Claims	(55,640)	-
Commissions	(10,043)	(11,047)
Management expenses	(65,341)	(126,292)
	(131,024)	(137,339)
Funds at end of year	351,984	393,621

14. Insurance Liabilities

	Note	2016 Insurance Contracts Liabilities $	Reinsurers' Share of Liabilities $	Net $
Provision for claims reported by policyholders		35,259,058	19,946,517	15,312,541
Provision for claims incurred but not reported (IBNR)		4,078,142	2,104,191	1,973,951
Total claims reported and IBNR	16(a)	39,337,200	22,050,708	17,286,492
Provision for unearned premiums	16(b)	58,954,698	45,231,495	13,723,203
Total insurance contracts liabilities		98,291,898	67,282,203	31,009,695

TRINRE INSURANCE COMPANY LIMITED

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14. Insurance Liabilities (continued)

		2015		
	Note	**Insurance Contracts Liabilities**	**Reinsurers' Share of Liabilities**	**Net**
		$	**$**	**$**
Provision for claims reported by policyholders		36,601,057	18,044,975	18,556,082
Provision for claims incurred but not reported (IBNR)		3,913,073	1,902,920	2,010,153
Total claims reported and IBNR	16(a)	40,514,130	19,947,895	20,566,235
Provision for unearned premiums	16(b)	62,761,881	47,690,516	15,071,365
Total insurance contracts liabilities		103,276,011	67,638,411	35,637,600

(a) The provision for claims reported by policy holders may be analysed as follows:

	Insurance Contracts Liabilities	**Reinsurers' Share of Liabilities**	**Net**
	$	**$**	**$**
At January 1, 2016	40,514,130	19,947,895	20,566,235
Claims incurred	39,935,968	22,919,544	17,016,424
Claims paid during the year	(41,112,898)	(20,816,731)	(20,296,167)
At December 31, 2016	39,337,200	22,050,708	17,286,492
At January 1, 2015	26,693,624	7,389,333	19,304,291
Claims incurred	45,988,047	28,197,830	17,790,217
Claims paid during the year	(32,167,541)	(15,639,268)	(16,528,273)
At December 31, 2015	40,514,130	19,947,895	20,566,235

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December 31, 2016

14. Insurance Liabilities (continued)

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

	Insurance Contracts Liabilities	Reinsurers' Share of Liabilities	Net
	$	$	$
At January 1, 2016	62,761,881	47,690,516	15,071,365
Premium written in the year	132,427,852	101,896,902	30,530,950
Premium earned during the year	(136,235,035)	(104,355,923)	(31,879,112)
At December 31, 2016	58,954,698	45,231,495	13,723,203
At January 1, 2015	57,621,002	29,957,340	27,663,662
Premium written in the year	159,281,805	132,655,801	26,626,004
Premium earned during the year	(154,140,926)	(114,922,625)	(39,218,301)
At December 31, 2015	62,761,881	47,690,516	15,071,365

15. Borrowings

The borrowings represents a revolving term loan with an authorized limit of $7.2 million, obtained by the Group from Scotiabank to finance short term needs. It is subject to floating interest, currently 3.9%, payable monthly. Principal payments are due six months after each drawdown. The loan is secured by a First Registered Demand Legal Mortgage over property situated at Kingsbury Place, 22A King Street, Arima.

	2016	2015
	$	$
16. Trade and Other Payables		
Sundry creditors and accruals	7,475,186	6,562,084
Amounts due to reinsurers	9,023,697	13,309,551
	16,498,883	19,871,635

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17. Segment Reporting

	Property	Marine	Bond	Misc	Motor	Total
	$	$	$	$	$	$
Year ended December 31, 2016						
Gross premium written	34,531,925	36,941,072	1,705,052	18,408,957	40,840,846	132,427,852
Premium ceded to reinsurers	(31,866,709)	(36,510,331)	(1,511,342)	(10,358,399)	(19,881,105)	(100,127,886)
Net premium written	2,665,216	430,741	193,710	8,050,558	20,959,741	32,299,966
Change in unearned premium reserve	(14,816)	69,503	186,190	352,005	755,280	1,348,162
Earned premium	2,650,400	500,244	379,900	8,402,563	21,715,021	33,648,128
Commission income	7,492,751	732,598	408,284	4,681,248	9,173,259	22,488,140
Total revenue	10,143,151	1,232,842	788,184	13,083,811	30,888,280	56,136,268
LOSSES AND EXPENSES						
Commission expense	3,998,789	214,437	160,911	2,263,760	5,237,547	11,875,444
Claims incurred	339,791	88,554	428,530	4,510,105	11,649,444	17,016,424
Management expenses	4,759,216	541,575	280,250	5,927,105	14,281,508	25,789,654
Total losses and expenses	9,097,796	844,566	896,691	12,700,970	31,168,499	54,681,522
Underwriting profit (loss)	1,045,355	388,276	(81,507)	382,841	(280,219)	1,454,746
Year ended December 31, 2015						
Gross premium written	52,241,905	37,017,851	5,029,546	21,630,842	43,361,661	159,281,805
Premium ceded to reinsurers	(50,532,154)	(36,414,032)	(4,234,236)	(15,460,224)	(26,015,155)	(132,655,801)
Net premium written	1,709,751	603,819	795,310	6,170,618	17,346,506	26,626,004
Change in unearned premium reserve	(21,791)	(125,021)	202,969	3,375,952	9,160,188	12,592,297
Earned premium	1,687,960	478,798	998,279	9,546,570	26,506,694	39,218,301
Commission income	9,287,551	867,411	3,408,693	6,031,642	10,842,368	30,437,665
Total revenue	10,975,511	1,346,209	4,406,972	15,578,212	37,349,062	69,655,966
LOSSES AND EXPENSES						
Commission expense	4,737,121	286,690	349,908	2,990,078	5,951,598	14,315,395
Claims incurred	211,004	8,431	(10,780)	8,184,897	9,749,334	18,142,886
Management expenses	4,663,185	623,846	1,782,622	5,174,123	11,952,924	24,196,700
Total losses and expenses	9,611,310	918,967	2,121,750	16,349,098	27,653,856	56,654,981
Underwriting profit (loss)	1,364,201	427,242	2,285,222	(770,886)	9,695,206	13,000,985

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18. Insurance Contracts Liabilities and Reinsurance Assets – Terms, Assumptions and Sensitivities

Terms and conditions

The major classes of general insurance contracts written by the Group include motor, property, and other miscellaneous types of general insurance. Risks under these policies usually cover a 12 month duration.

For these insurance contracts, claims provisions (comprising provisions for claims reported by policyholders and claims incurred but not yet reported) are established to cover the ultimate cost of settling the liabilities in respect of claims that have occurred and are estimated based on known facts at the reporting date.

The provisions are refined as part of a regular ongoing process and as claims experience develops, certain claims are settled and further claims are reported. Outstanding claims provisions are not discounted for the time value of money.

Group life contracts cover the Group's customers in the event of death. The benefit paid on the occurrence of an insurable event is fixed. There are no maturity or surrender benefits. Claims are recorded in the statement of comprehensive income as incurred based on the estimated contractual liability.

Assumptions

The principal assumption underlying the estimates is the Group's past claims development experience. This includes assumptions in respect of average claim costs and claim numbers for each accident year. Claims provisions are separately analysed by geographical area and class of business. In addition, larger claims are usually separately assessed by loss adjusters. Judgement is used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

Sensitivities

The general insurance claims provision is sensitive to the above key assumptions. The sensitivity of certain assumptions like legislative change, uncertainty in the estimation process, etc, is not possible to quantify. Furthermore, because of delays that arise between occurrence of a claim and its subsequent notification and eventual settlement, the outstanding claim provisions are not known with certainty at the reporting date.

Consequently, the ultimate liabilities will vary as a result of subsequent developments. Differences resulting from reassessment of the ultimate liabilities are recognized in subsequent financial statements.

19. Financial Instruments

Fair values

With the exception of insurance contracts which are specifically excluded under International Accounting Standard No. 39, the estimated fair values of certain financial instruments have been determined using available market information or other appropriate valuation methodologies that require judgement in interpreting market data and developing estimates. Consequently, estimates made do not necessarily reflect the amounts that the Group would realize in a current market exchange. The use of different assumptions and/or different methodologies may have a material effect on the fair values estimated.

The fair value information is based on information available to management as at the dates presented. Although management is not aware of any factors that would significantly affect the fair value amounts, such amounts have not been comprehensively revalued for the purposes of these financial statements since those dates, therefore the current estimates of the fair value may be significantly different from the amounts presented herein.

(i) Short-term financial assets and liabilities

The carrying amount of short-term financial assets and liabilities comprising cash and short-term deposits, accounts receivable and accounts and other payables are a reasonable estimate of their fair values because of the short maturity of these instruments.

(ii) Investments

The fair value of financial assets and liabilities that are traded in active markets are based on quoted market prices or dealer quotations. For all other financial instruments, the Group determines fair values using other valuation techniques.

a) Determination of fair value and fair value hierarchies

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

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19. Financial Instruments (continued)

(ii) Investments (continued)

a) Determination of fair value and fair value hierarchies (continued)

Level 1

Included in the Level 1 category are financial assets and liabilities that are measured in whole or in part by reference to published quotes in an active market.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2

Included in the Level 2 category are financial assets and liabilities that are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions and for which pricing is obtained via pricing services, but where prices have not been determined in an active market.

This includes financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the Group's own models whereby the majority of assumptions are market observable.

Level 3

Included in the Level 3 category are financial assets and liabilities that are not quoted as there are no active markets to determine a price. These financial instruments are held at cost, being the fair value of the consideration paid for the acquisition of the investment, and are regularly assessed for impairment.

TRINRE INSURANCE COMPANY LIMITED

Notes to the Consolidated Financial Statements

December 31, 2016

19. Financial Instruments (continued)

(ii) Investments (continued)

b) Financial instruments measured at fair value

	Level 1	Level 2	Level 3	Total
	$	$	$	$
2016				
Investments at fair value through profit and loss	62,455,985	-	-	62,455,985
2015				
Investments at fair value through profit and loss	71,888,157	-	-	71,888,157

Transfers between and movement in Levels

For the year ended December 31, 2016 there was no transfer of assets between and movement in Levels.

20. Insurance and Risk Management

a. Introduction and overview

The Group has exposure to the following risks from its use of financial instruments:

- Insurance risk
- Credit risk
- Liquidity
- Interest rate
- Foreign currency

TRINRE INSURANCE COMPANY LIMITED

Notes to the Consolidated Financial Statements

December 31, 2016

20. Insurance and Risk Management (continued)

a. Introduction and overview (continued)

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

b. 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. The principal risk the Group faces under such contracts is that the actual claims and benefit payments exceed the premiums written or the carrying amount of insurance liabilities. This is influenced by the frequency of claims, severity of claims, actual benefits paid being greater than originally estimated and subsequent development of long-term claims.

Management of insurance risk

The variability of risks is improved by careful selection and implementation of underwriting strategy and guidelines as well as the use of reinsurance arrangements. The majority of reinsurance business ceded is placed on a quota share basis with retention limits varying by product line.

Although the Group has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to reinsurance ceded, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements.

c. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises on reinsurance assets, investment securities and insurance receivables.

20. Insurance and Risk Management (continued)

c. Credit risk (continued)

Management of credit risk

Reinsurance

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. At each year end, management performs assessment of creditworthiness of reinsurers to update reinsurance purchase strategy and ascertains suitable allowance for impairment of reinsurance assets.

Investment securities

The Group limits its exposure by setting maximum limits of portfolio securities with a single issuer or group of issuers. The Group also only makes use of institutions with high creditworthiness.

Insurance receivables

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. Commission paid to intermediaries is netted off against amounts receivable from them to reduce the risk of doubtful debts.

An estimate of the fair value of collateral and other security enhancements held against financial assets is nil.

Exposure to credit risk

The Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

TRINRE INSURANCE COMPANY LIMITED

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December 31, 2016

20. Insurance and Risk Management (continued)

c. ***Credit risk*** (continued)

	Carrying Amounts 2016	2015
	$	**$**
At fair value through profit and loss investments	62,455,985	71,888,157
Loans receivable	808,263	-
Accounts receivables:		
(i) Insurance receivables	14,405,179	16,646,792
(ii) Other receivables	2,473,902	3,210,444
Reinsurance assets	71,948,143	72,144,893
Cash and cash equivalents	4,206,930	2,778,205
	155,998,402	166,668,491

Impairment losses

The aging of receivables at the reporting date was:

	Gross 2016	Impairment 2016	Gross 2015	Impairment 2015
	$	**$**	**$**	**$**
Not past due	8,744,784	-	9,807,329	-
Past due 46-90 days	3,624,609	-	4,660,304	-
Past due 91-180 days	2,705,962	670,177	2,932,414	753,255
Past due 181-360 days	821,408	821,408	480,078	480,078
More than one year	575,114	575,114	1,133,366	1,133,366
	16,471,877	2,066,699	19,013,491	2,366,699

The movement in the allowance for impairment in respect of receivables during the year was as follows:

	2016	2015
	$	**$**
Balance at the beginning of the year	2,366,699	2,366,699
Impairment loss reversed	(300,000)	-
Balance at the end of the year	2,066,699	2,366,699

TRINRE INSURANCE COMPANY LIMITED

Notes to the Consolidated Financial Statements

December 31, 2016

20. Insurance and Risk Management (continued)

d. Liquidity

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 Group is the daily calls on its available cash resources in respect of claims arising from insurance contracts and the maturity of investment securities. The Group 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 tables analyse the insurance and financial liabilities and the reinsurance and financial assets of the Group into relevant maturity groupings based on the remaining period to the contractual or expected maturity date.

			Maturing		
	Carrying Amount	**No stated maturity**	**Within one year**	**Between one to five years**	**Over five years**
Insurance and financial liabilities as at December 31,2016					
Insurance contracts	38,337,200	-	38,337,200	-	-
Borrowings	7,200,000	-	7,200,000	-	-
Accounts payables	16,498,883	-	16,498,883	-	-
	62,036,083	-	62,036,083	-	-
Reinsurance and financial assets as at December 31, 2016					
Investment securities	62,455,985	40,645,313	3,197,033	3,487,769	15,125,870
Reinsurance assets	26,716,648	-	26,065,186	651,462	-
Loans receivable	808,263	-	808,263	-	-
Accounts receivables	14,405,179	-	14,405,179	-	-
Taxation recoverable	152,236	-	152,236	-	-
Cash and cash equivalents	4,206,930	-	4,206,930	-	-
	108,745,241	40,645,313	48,834,827	4,139,231	15,125,870

TRINRE INSURANCE COMPANY LIMITED

Notes to the Consolidated Financial Statements

December 31, 2015

20. Insurance and Risk Management (continued)

d. Liquidity

	Carrying Amount	No stated maturity	Maturing Within one year	Maturing Between one to five years	Maturing Over five years
Insurance and financial liabilities as at December 31,2015					
Insurance contracts	40,514,130	-	40,514,130	-	-
Borrowings	5,850,656	-	5,850,656	-	-
Taxation payable	154,801	-	154,801	-	-
Accounts payables	19,871,635	-	19,871,635	-	-
	66,391,222	-	66,391,222	-	-
Reinsurance and financial assets as at December 31, 2015					
Investment securities	71,888,157	45,167,271	3,992,303	6,817,676	15,910,907
Reinsurance assets	24,454,377	-	22,614,554	1,839,823	-
Accounts receivables	19,857,236	-	19,857,236	-	-
Cash and cash equivalents	2,778,205	-	2,778,205	-	-
	118,977,975	45,167,271	49,242,298	8,657,499	15,910,907

e. 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.

TRINRE INSURANCE COMPANY LIMITED

Notes to the Consolidated Financial Statements

December 31, 2016

20. Insurance and Risk Management (continued)

e. Interest rates (continued)

Management of interest rate risk

The Investment Committee comprises of one non-executive member and two executive members. The committee is responsible for reviewing the investment portfolio of the Group and setting the general direction as to the types of investments that would comprise the Group's portfolio. The aim is to balance the risk and returns with an objective of maximizing investment income.

At the reporting date the interest rate profile of the interest-bearing financial instruments was:

	Carrying Amounts	
	2016	**2015**
	$	**$**
Fixed rate instruments		
Bonds	16,745,702	21,245,979

	Carrying Amounts	
	2016	**2015**
	$	**$**
Variable rate instruments		
Bonds	5,064,971	5,474,917
Money market funds	4,993,494	6,692,453
Cash at bank	4,206,930	2,778,205
	14,265,395	14,945,575

TRINRE INSURANCE COMPANY LIMITED

Notes to the Consolidated Financial Statements

December 31, 2016

20. Insurance and Risk Management (continued)

f. Foreign currency

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. Currency risk arises on financial instruments that are denominated in a foreign currency, that is, in a currency other than the functional currency in which they are measured. The major foreign currency exposure is to the United States Dollars.

	Carrying Amounts	
	US$	**TT$**
Net position of foreign currency at December 31, 2016:		
US Dollar cash and investments	4,090,626	27,611,725
Net position of foreign currency at December 31, 2015:		
US Dollar cash and investments	3,884,086	24,935,832

21. Related Party Transactions

(a) Identity of related party

The Group has a related party relationship with its parent and with its directors and executive officers.

(b) Related party transactions

A number of transactions have been entered into with related parties in the normal course of business. These transactions were conducted at market rates, on commercial terms and condition.

	2016	**2015**
	$	**$**
Income and expenses		
Management fees	1,014,375	900,000
Directors' fees	360,000	297,751
Accommodation expense	2,098,206	2,058,125
Advertising expense	405,750	414,000
Insurance premium income	(245,921)	(194,954)
	3,632,410	3,474,922

TRINRE INSURANCE COMPANY LIMITED

Notes to the Consolidated Financial Statements

December 31, 2016

	2016	2015
	$	$
21. Related Party Transactions (continued)		
(c) Transactions with key management personnel		
The key management personnel compensation is as follows:		
Short-term employee benefits		
Emoluments	3,450,254	4,013,126

22. Operating Leases

Non-cancellable operating lease rentals are payable as follows:

	2016	2015
Less than one year	3,453,695	2,275,243
Between one and five years	12,802,923	8,181,201
	16,256,618	10,456,444

During the year, $2,710,267 (2015: $2,628,281) was recognised as an expense in the statement comprehensive income in respect of operating leases. The Group leases a number of properties under operating leases. The leases normally run for a period of 1 – 5 years with an option to renew after that date. Lease payments are increased on renewal to reflect market rentals.

23. Dividend Paid

The following dividends were declared and paid by the Group during the respective year.

	2016	2015
	$	$
Fourth quarter dividend 2015	786,038	-
Final dividend for 2015	3,628,206	-
Fourth quarter dividend 2014	-	1,129,113
Final dividend for 2014	-	2,318,209
First quarter dividend	-	710,033
Second quarter dividend	-	592,424
Third quarter dividend	1,090,790	-
	5,505,034	4,749,779

TRINRE INSURANCE COMPANY LIMITED

Notes to the Consolidated Financial Statements

December 31, 2016

23. Dividend Paid (continued)

Dividends declared and paid per share:

	Cents per share 2016 $	2015 $
Fourth quarter dividend 2015	0.067	-
Final dividend for 2015	0.311	-
Fourth quarter dividend 2014	-	0.097
Final dividend for 2014	-	0.199
First quarter dividend	-	0.061
Second quarter dividend	-	0.051
Third quarter dividend	0.094	-

24. Subsequent Events

The Group had no subsequent events to report for the year ended December 31, 2016.

TRINRE INSURANCE COMPANY LIMITED

Notes to the Consolidated Financial Statements

December 31, 2016

25. Prior Year Restatements

Statement of Financial Position

	As previously Reported	Restatement	As Restated
	$	$	$
January 1, 2015			
Deferred tax	3,788,027	(4,361,855)	(573,828)
Retained earnings	(19,305,567)	4,361,855	(14,943,712)
December 31, 2015			
Deferred tax	3,888,469	(4,639,021)	(750,552)
Retained earnings	(21,196,527)	4,569,730	(16,626,797)
Statutory reserve	(22,408,978)	69,291	(22,339,687)

Statement of Comprehensive Income

	As previously Reported	Restatement	As Restated
December 31, 2015			
Tax expense	3,583,285	277,166	3,860,451
Profit (loss) for the year	8,854,318	(277,166)	8,577,152

These restatements arise from corrections necessary to deferred tax calculations due to timing differences in recognising the tax impact of the movement in claims incurred but not reported.

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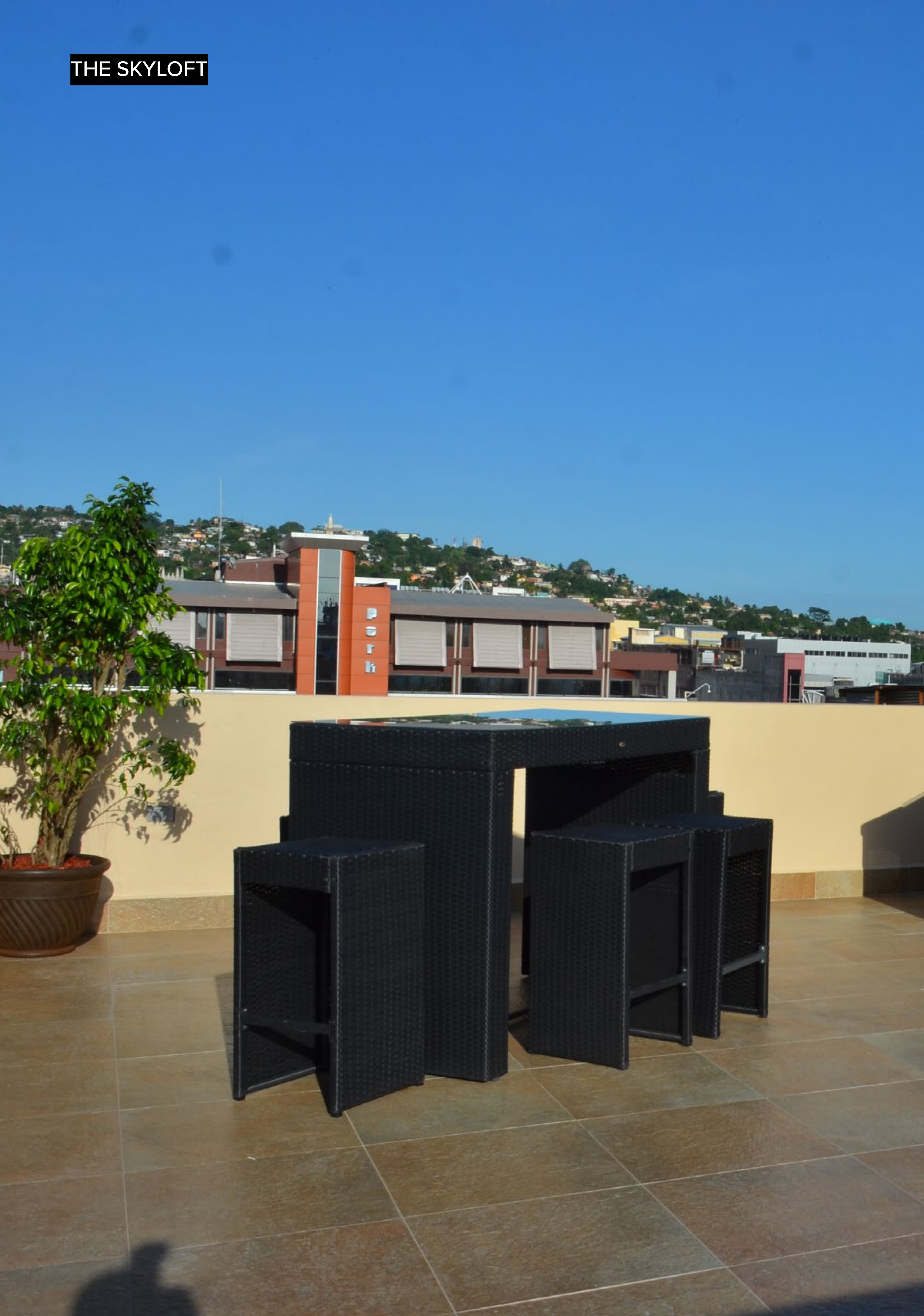

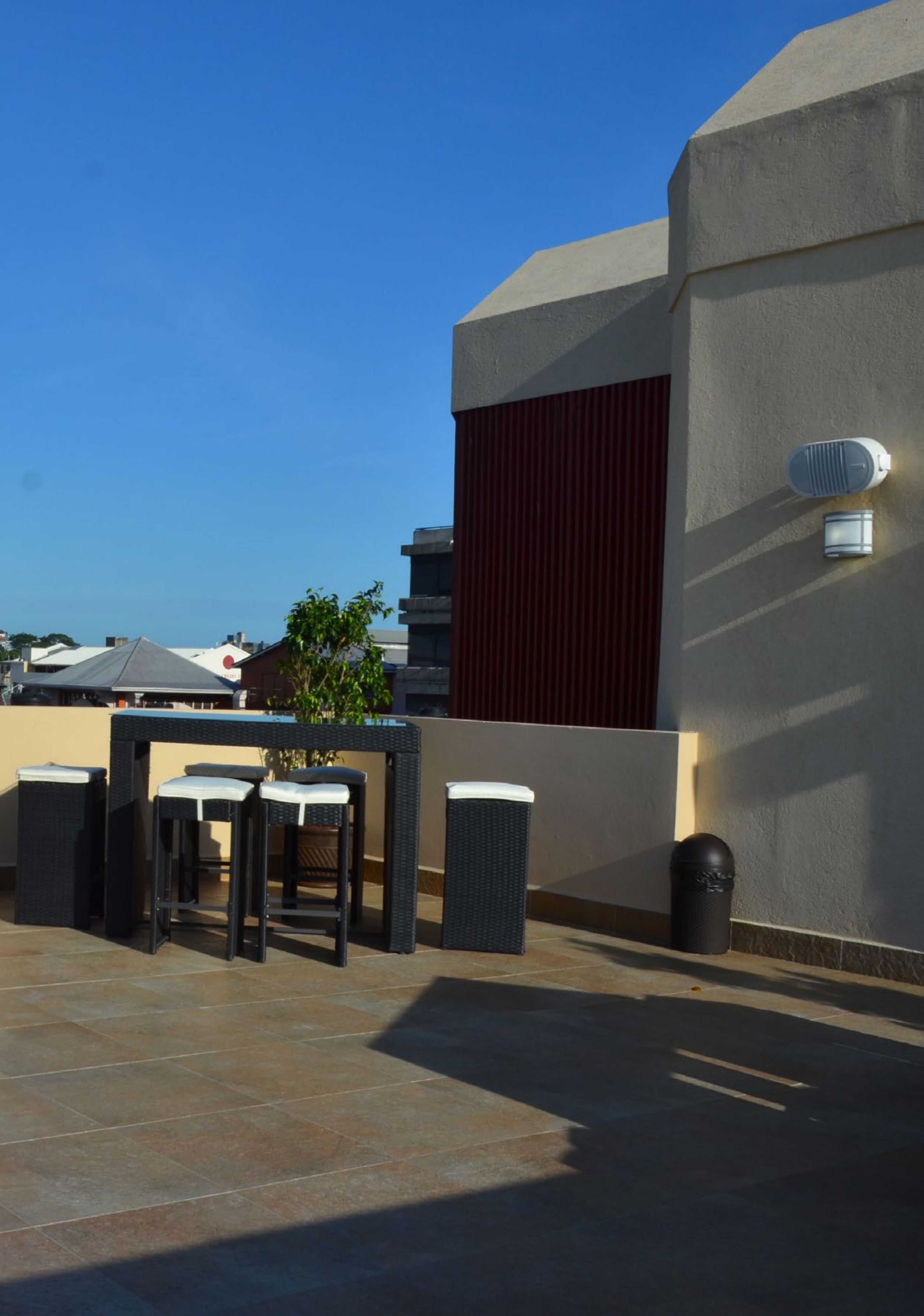

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