DEMERARA MUTUAL

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Annual Report 2024

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Our Vision

To develop, promote and sustain
a customer-focused organisation.

Our Mission

To surpass our customers' expectations
by providing superior service through
the integration of people and technology.

DEMERARA MUTUAL

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DEMERARA FIRE AND GENERAL

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Notice of Date of
Annual General Meeting

NOTICE IS HEREBY GIVEN pursuant to Regulation 35 of the Society's Regulations that the 133rd Annual General Meeting of members will be held on the tarmac of the Demerara Mutual Life Assurance Society Ltd, 61/62 Avenue of the Republic & Robb Street, Georgetown, Guyana on Thursday, 31st July 2025 at 4.30 p.m.

If any member desires to bring any matter before the meeting, he/she should, no later than fourteen (14) days before the 31st July , 2025 deliver to the Society's Home Office, a statement in writing in the form of a motion setting forth specifically, such matter.

Whenever any member wishes to vote by proxy at any General Meeting, he/she shall, not less than twenty-four (24) hours before the time at which the Meeting is to take place, deliver or cause to be delivered at the Society's Home Office, a document signed by him/her, in the form (which can be obtained from the Company Secretary) appointing some other member of the Society as his/her proxy.

The Agenda for this meeting will be set out in the Notice to be published in the local Newspapers at least seven (7) days before the date of this Meeting.

Copies of the Financial Statements and the Reports of the Directors and Auditors for 2024 would be available at our Administrative Offices in Guyana, Grenada, St Lucia and St Vincent.

JAMES K. MORGAN
Company Secretary
Demerara Mutual Life Assurance Society Ltd.
61 - 62 Avenue of the Republic & Robb Street, Georgetown, Guyana
10th July, 2025

Notice of
Annual General Meeting

NOTICE IS HEREBY GIVEN pursuant to Regulation 35 of the Society's Regulations that the 133rd Annual General Meeting of members will be held on the tarmac of the Demerara Mutual Life Assurance Society Ltd, 61/62 Avenue of the Republic & Robb Street, Georgetown, Guyana on 31st July 2025 at 4.30 p.m.

AGENDA

1. To receive and consider the Reports of the Directors, the Accounts for the year ended 31st December, 2024 and the report of the Auditors thereon.
2. To elect Directors.
3. To fix the remuneration of the Directors.
4. To elect Auditors and fix their remuneration.
5. To approve an appropriation for donations to charity and for educational purposes.
6. Declaration of reversionary bonus for years 2022 to 2024

JAMES K. MORGAN
Company Secretary
Demerara Mutual Life Assurance Society Ltd.
61 - 62 Avenue of the Republic & Robb Street, Georgetown, Guyana
24th July, 2025

Chairman's Report

Ronald Burch-Smith
Chairman

Fellow Policyholders, I welcome you today to this the 133rd Annual General Meeting of the Demerara Mutual Life for the financial year ended 31st December 2024. This is the second Annual Meeting we are having for this year. The lateness of the 2023 General Meeting that was held in January of this year was due to the many changes which had to be made to the Society's financials for us to be compliant with the IFRS 17 which took effect from year 2023. Thanks to the Management and technical support teams for their efforts and taking the necessary steps to ensure that the 2024 financials were completed earlier. We remain committed to presenting to you by the time stipulated our audited annual financials.

I am pleased to inform that several of our key strategic financial objectives for 2024 were attained. This resulted in our 2024 financial results exceeding that for 2023. This achievement was due to the hard work of the Management team and staff members both office and field and the committed support of your Directors. We all remained resilient for growth notwithstanding the surge in the price for goods and services that kept increasing at a rapid rate. It should be noted however, that Major political and economic changes in 2024 and the wars in Europe that persisted were some of the factors that impacted negatively on new business sales, investment returns and the attainment of the overall growth targets. We nonetheless capitalized on the opportunities for increased sales, greater policy retention and higher investment returns. This enabled us to exceed our 2023 financial results and attain several of our 2024 objectives.

THE GLOBAL ECONOMY

The global economy grew by 3.2%. This was a marginal slow down when compared to the 3.3% growth in 2023. The Guyana economy continued on its upward climb and maintained a high growth rate of 43% compared to 38.4% for 2023. The growth rate of the non-oil economy was 13%. This exceeded the 11.7% for 2023.

FINANCIAL PERFORMANCE

Total revenue for 2024 was $2.1B compared to $1.965B in 2023. This was a 7% increase. The contributions by territories were: Guyana - $1,174M (56.4%) Grenada $487M (23.9%), St Lucia $183M (8.8%) and St Vincent $229M (10.9%)

Operating Expenses: This amounted to $523M compared to $327M in 2023, a 59% increase.

Investment income: This was $655M, a 19% increase when compared to the $549M for the previous year.

Claims & Surrenders: These payments totaled $820M, a 2% increase when compared to the previous year amount of $801M.

Surplus: The after tax surplus for the year was a deficit ($19.7M). One of the reasons for this year's negative results was modifications that had to be made to some of the actuarial assumptions in order to comply with the new IRFS standards.

Valuation: The 2024 Valuation informed of a policy liability of $8,929,046,364: for the Society's long-term insurance business for year ended 31st December 2024.

REGULATIONS

Chairman’s Report

The Society operates within a highly regulated insurance industry and a framework designed to protect the rights and interests of policyholders. We have been consistently fostering a proactive and collaborative relationship with all of our regulatory authorities. These engagements ensured that we adhered to the evolving regulatory landscape and complied with regulatory expectations.

Great importance was placed on our compliance with the Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) mandates. We acknowledge the critical role we play in safeguarding the integrity of the financial system. Our robust internal controls and regular review of our policies and procedures ensured that we upheld the standards and business practices. This reinforced our reputation to provide a secure environment for you our policyholders to continue doing business with us.

QUALITY MANAGEMENT SYSTEM

The achievement of ISO 9001:2015 certification of its quality management system by Global Compliance Inc was a milestone that underscored the company’s dedication to operational excellence and continuous improvement. This validates that our processes from policy issuance to claims processing, were designed and executed with a high level of efficiency.

This certification is a confirmation of our culture of quality, efficiency and reliability throughout the Society.

INFORMATION TECHNOLOGY

In year 2024 there was significant IT advancement. We increased our investment in Information Technology to further strengthen our security, enhance efficiency and improve our service to our policyholders.

Key achievements included a major upgrade to our network security with next generation firewalls, secured VPNs, together with a Cyber security Training Program to empower our staff. In 2024 we expanded our IT team, automated our data for quicker insights and upgraded our outlying locations to fiber internet for ensuring reliable service at all our branches. We also launched a new Intranet and enhanced Head Office security with an Access Control System for the streamlining of workflows and greater asset protection.

MARKETING

The sales performance for individual life business in 2024 totaled $1.6B representing an 11% increase over the previous year achievement of $1.5B. Guyana and Grenada were the biggest contributors to premium income, with 23% and 39% respectively. St. Lucia was the most improved territory for individual life sales, accounting for 20% of total sales. Grenada and St. Vincent surpassed their targets while both Guyana and St. Lucia fell short by 3% each. Guyana and Grenada benefited from the experience of our seasoned agents while in St. Lucia and St. Vincent, our teams comprising mainly of newly recruited sales persons, brought renewed energy and zeal to these two territories. Recognition must be given to the best performing sales offices namely, the Charles Clarke’s Branch in Guyana and the Wilcox Roberts’ Agency in Grenada. These two agencies contributed 62% of overall new business premium income. Mr. Charles Clarke continued to break his personal best record by having in excess of four hundred (400) issued lives. Group premiums totaled $377M, representing a 21% increase when compared to the 2023 performance of $313M. The Group Creditor premiums totaled $172.4M which was a 22.8% increase compared to $140.4M in 2023. Group pension contributions totaled $715M compared to $649M in 2023, a 10% increase. The total value of pensions under management at the end of 2024 was $6.2B.

We remained committed to offering affordable and customised insurance plans. This ensured that we were responsive to the changing business environment and the expectations of our policyholders. Our objectives were continuously reviewed for strategic positioning and robust market penetration for increased sales and sustained premium income growth.

FIRE COMPANY SUBSIDIARY

With the implementation of revised strategies, growth of our Fire Company subsidiary, the Demerara Fire & General Insurance Co Ltd in 2024 was maintained. This was confirmed from the financial results which reflected a surplus of $52M compared to the ($6.5M) deficit in 2023.

Thanks to the commitment of the Sales Team, Management and staff. Their greater efforts to deliver to our Fire and General policyholder real-time service and ensuring that their fire, motor and liability insurance needs were fully satisfied, resulted in increased sales and

Chairman's Report

policy retention. Several choose Demerara Life as their one stop shop for all of their insurance needs and which confidence we do appreciate. We remained diligent in our efforts to ensure customer satisfaction and that claims were processed and settled with due expediency. This resulted in our maintaining the number one position for the prompt settlement of policyholder's claims

The general insurance landscape kept changing rapidly with more opportunities for increased sales. Our products and services were tailored to meet the current general insurance needs of our clients. Much attention was given to staff training and improved technology. This was to ensure that our staff members were empowered and adequately equipped to deliver to our clients a service of a very high quality and sell our tailored insurance products that were priced competitively to adequately satisfy all of their insurance needs.

The total revenue for the year was $311M. This was a 13% increase when compared to $273M for 2023.

Claims settled totaled $171M. This was higher than the previous year amount of $87M, a 96% increase.

The after tax results was a profit of $52M compared to the previous year deficit of ($6.6M).

LOOKING AHEAD

We are confident and proud of our strength and the future of Demerara Mutual, our Society that now celebrates 133 years as an insurance provider. We pride our position in the insurance industry and are most optimistic of sustained revenue growth given the many economic opportunities and changing economies in all the territories where we operate. This is so especially for Guyana which is experiencing rapid changes due to growth of the oil and gas sector and increased government investments for infrastructure development. The Society remained resilient and committed to deliver on its strategic objectives and keeping a pace with technological and regulatory changes notwithstanding the global economic challenges that persisted.

CONCLUSION

In closing, I would like to convey my sincere gratitude to the Society's Management and staff in all territories where we operate namely Guyana, Grenada, St Lucia and St Vincent. We thank them for the efficient way in which they managed the day to day operations of the Society for providing quality service to our policyholders and increased revenue.

To my colleagues on the Board, special thanks to each of you for sharing your skills and expertise to ensure the Society's sustained growth and its compliance with all financial and regulatory requirements.

Finally to our policyholders, my deepest appreciation for choosing Demerara Mutual as your insurance provider. We are happy for the opportunity you afford us to meet your insurance needs to ensure your protection against unforeseen financial losses.

Thank You.

Ronald Burch-Smith
CHAIRMAN

Melissa De Santos
Chief Executive Officer

Chief Executive Officer's Report

I am pleased that the financial and other results of the Society for the year 2024 were better than that of 2023. This was due to the efforts of the entire Management team and office staff and also the sales agents in each of the territories where we operate, namely Guyana, Grenada, St Vincent and St Lucia. I would like to convey special thanks to them all for their hard work and commitment.

Our total revenue increased by 7% that is from $1.96B 2023 to $2.1B in 2024. This was due to the resilience to ensure increased levels of income, increase in new business sales and higher quality service to our valued customers. The steep price increases in goods and services and a very competitive insurance environment did not deter from our pursuit to achieve our key strategic objectives.

The certification from Global Compliance Service on the 27th May 2024 for the Society meeting the 9001- 2015 ISO standard in Quality Management Systems was maintained. We continued to provide our valued clients and policyholders with superior customer service and are confident of sustaining our high standards of service for customer satisfaction.

MARKETING

The year ended on a high note with Ordinary Life Premium at December 2024 totalling $1.6B representing a 11% increase from the $1.5B in the 2023 corresponding period. This placed us at 103% of our 2024 Budget of $1.59B. Guyana and Grenada were the leading contributors to Ordinary Life Premium Income, accounting for 23% and 39% respectively. Grenada and St. Vincent surpassed their annual targets while Guyana and St. Lucia fell short of their budget by 3% each. All territories however, surpassed their previous year achievents .

Some notable Sales accomplishments in 2024 were:

- Clarke's Branch in Guyana achieved 129% of their sales Quota.
- Mr. Charles Clarke, Agency Manager wrote in excess of 400 applications.
- Wilcox Roberts' Grenada Agency accounted for 39% of total Premium Income
- 20 sales representatives qualified for special awards for their 2024 achievements

Our sales teams must be commended for their hard work in 2024 in ensuring we served our policyholders with pride and distinction. Our continued premium income growth was attributed to the training and experience of our most seasoned agents, our customized suite of products that catered for every insurance need, robust underwriting and quality customer care. We were committed to expanding our distribution by meeting our customers where they were, opening of new branches in areas with an existing customer base and partnering with Commercial Banks and other bill payment companies. This made premium payment more convenient to those we serve.

The Society's Group Life premiums totaled $306M when compared to $241.2M in 2023, representing a 27% increase. Group Health Premiums totaled $ 71M, a 1% decrease when compared to the $ 71.6M in 2023. The total value of pensions under management by the Society as at December 2024 was $6.2B

In an ever-evolving financial and regulatory landscape, Demerara Mutual remained committed to delivering sustainable growth, operational excellence and an improved customer experience. As we navigated emerging market trends, technological advancements and evolving customer expectations, our strategic initiatives were focused on long term success.

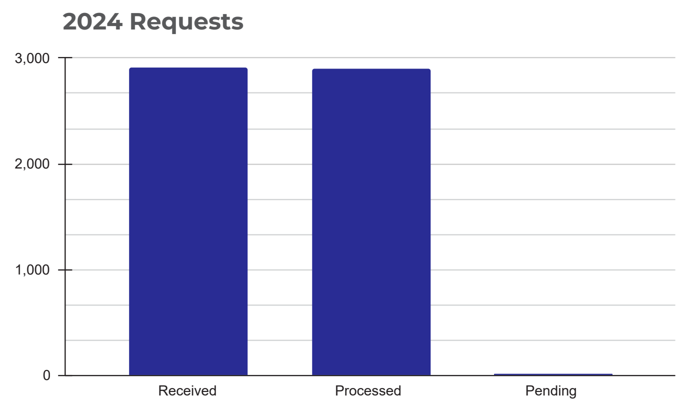
The Society had already invested in new technology to assist with customer queries, including a self-service client portal and chat bots for our social media messaging. We continued to invest in our staff and our processes to ensure customer satisfaction, maintaining of high standards and managing of the financial investment placed with the Society.

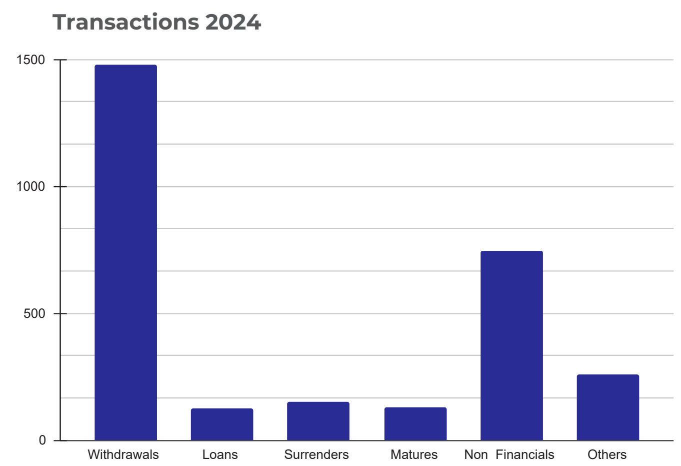
INSURANCE OPERATIONS

The Customer Care department prioritized policyholder's satisfaction and delivery of superior insurance consultation in accordance with the Society's core values. Due to ISO implementation, service quality reached excellent standards. These efforts yielded rewarding results. There were increased sales and policy retention and decreased lapses and surrenders. Our systematic approach to quality management directly translated to improved client outcomes and stronger business performance across all key metrics.

Policyholders' requests received and processed by the Customer Care Team in 2024 were 2,915 with a payout of $137.7M

Below is a snapshot of policy transactions processed in 2024:





Chief Executive Officer's Report

Customer feedback strengthened our loyalty brand while fulfilling ISO 9001-2015 requirements. We gathered insights from both walk-in customers and group clients through ongoing surveys. Also, ongoing surveys generated remarkable responses, highlighting client satisfaction with the significant improvements we've implemented.

The customer feedback metrics below showed improvements when compared to 2023.

	2023	2024
Knowledge	72%	86%
Professionalism	82%	87%
Issued Resolution	73%	85%
Overall Assessment	74%	86%

The improvements above reflected our team's commitment to excellence and our focus on training, process refinement, and customer-centered solutions. Most importantly, these results validated that our service enhancements successfully addressed customer needs and maintained high standards.

GROUP & INDIVIDUAL HEALTH

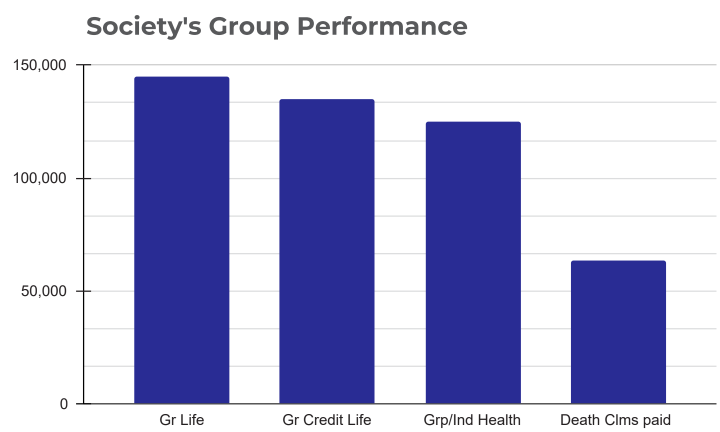
Our Health Portfolio for Individual and Group continued to perform creditably. At the end of the year under review health premiums received amounted to $124.9M of which $63.4M was paid in claims. Our claims experience was 63.4%

Death claims paid were; Guyana – G$61.1M and Easter Caribbean Territories – EC$1.213M.

CORPORATE CARE

In 2024, the premium income for **Group Life and Group Creditors** was **$312M**. This was a **27%** increase compared to **$246.1M** in 2023. This growth was driven by the demand for mortgage loans and the addition of a new Group Life coverage option, with employers providing additional benefits for their employees.

The premium income for **Group Pension** in 2024 was **$715.1M**, an increase of **12%** from the **$641M** in 2023. This was largely due to increased members joining the pension plans. **Group Health** the premium income for 2024 was **$71.4M**, which was below the **$71.6M** for 2023. Claims paid in this category amounted to **$48.1M.**



CALL CENTRE

The Call Centre Unit continued to be very aggressive in our policy conservation efforts. Customers were encouraged to use the on line facility to advise of requests such as need for loans, withdrawals and policy changes.

HUMAN RESOURCES

Our staff remained committed to the developing of their skills and capabilities to enhance their performance and customer service satisfaction. We continued to encourage that they pursue their insurance qualifications from the Life Office Management Association (LOMA) or other recognized institutions. We persisted with primary HR objective to recruit, retain and develop the most committed, qualified and experienced personnel to maximize productivity and achieve our strategic goals.

The HR Department continued to provide essential support by maintaining our core functions such as performance management through ongoing monitoring and evaluation. We prioritize training and development to build our workforce's capacity, ensuring they are equipped to deliver consistent and reliable customer care to our policyholders.

We also promoted a balanced work-life and implemented wellness programs to enhance staff engagement, teamwork and fostering of a positive work culture.

Chief Executive Officer's Report

INFORMATION SYSTEM

In 2024 there was a further strengthening of our technological foundation. We prioritized strategic IT investments to enhance our security IT features, streamline operations and improve service delivery. These initiatives were crucial for our continued success in an evolving digital landscape and ensuring we remained resilient and responsive to the needs of our customers.

Foremost among our achievements was the enhancement of our security posture. We implemented advanced FortiGate firewalls and a secure VPN system across our branch network, fortifying inter-branch communication and data protection. Recognizing that technology alone was not enough, we launched a proactive Cyber security Training Program, empowering our workforce to be more vigilant against digital threats, particularly phishing and social engineering. This dual approach of robust technology significantly strengthened our defenses.

Operationally, we focused on efficiency and modernization and strengthened our IT team. To optimize data handling, we invested in the automation of reporting and data analytics, ensuring swift and accurate responses to data inquiries. We also upgraded outlying locations to fiber internet, guaranteeing reliable and effective service delivery across our entire network. Internally, we launched an Intranet system for streamlined room booking and directory services. We also implemented an Access Control System at Head Office, further enhancing our organizational efficiency and security. Our website was also redesigned to improve usability for our customers, and our intranet to enhance internal workflows.

REGULATORY/COMPLIANCE

Two critical aspects of our operations that underpin our success and ensure the long-term stability of our company were regulatory compliance and quality management. These were fundamental pillars of our commitment to our policyholders and stakeholders.

We operated within an evolving insurance regulatory landscape and our primary responsibility was to safeguard the interests of our policyholders. To that end, we maintained a proactive and collaborative approach with the insurance regulators in all the territories where we operate. This continuous engagement ensured that our operations fulfilled regulatory expectations and reinforced the trust placed in us by our regulators and policyholders.

Adherence to Anti-Money Laundering and Countering the Financing of Terrorism, or AML/CFT laws also remained a top priority. We dedicated resources to regularly review and update our internal policies and procedures. This approach to good governance and risk management was not just about avoiding penalties but about building a resilient and sustainable business so that our policyholders can be confident that we are not only protecting their investments but also contributing to a more secure and transparent financial system.

QUALITY MANAGEMENT

In 2024, we achieved a significant milestone by successfully receiving and implementing ISO 9001:2015 certification from Global Compliance Inc. This certification is a testament to our dedication to operational excellence and continuous improvement. It signified that our processes, from policy issuance to claims handling, were designed and executed with the highest level of precision and efficiency.

This certification was about a culture of quality throughout our organisation. The ISO 9001:2015 standard is ensuring that we have robust systems in place to monitor, measure, and improve our performance. This translated to faster processing times, fewer errors, and ultimately, a better experience for our customers. By streamlining our operations and enhancing our efficiency, we are not only improving our bottom line but also positioning ourselves for sustained growth and innovation.

DEMERARA FIRE & GENERAL

The growth of our subsidiary, the Demerara Fire & General in a general insurance environment continued. Our premium income, profitability and market share have all seen increases when compared to the 2023 results. Our products, prices, efficiency and varying strategies were contributing factors for this growth.

We made significant strides in enhancing our customer service experience. One of our most impactful improvements was the implementation of on-the-spot issuance of policy documents. We recognised that in today's fast paced expectation, efficiency and responsiveness were paramount. We continued to prioritise the needs of our customers and refine our products and processes to provide them with the best fit for their unique insurance requirement. Our knowledgeable team remained passionate and committed to ensuring that every policy we issued completely met the needs of our customers.

Chief Executive Officer's Report

We have maintained our position as the number one in the industry for expeditious claims settlement. This represented our unwavering dedication to being there for our customers when they needed us and underscored our promise to be a reliable partner in the protection of their assets.

In 2024, the Company generated a total revenue of $ 311M which was a 13% increase from the $273.7M earned in 2023.

The after-tax profit was $52M an increase over the previous year deficit of ($6.6M). Expenses for the year totaled $278M compared to $195M in 2023, a 42% increase. Operating expenses totaled $61M compared to $54M in the previous year, a 12% increase. Investment income was $14M compared to $12.3M in the previous year, a 13% increase.

CONCLUSION

I would like to thank the Board of Directors for their continued invaluable support which helped greatly to maintain efficiency and growth of the Society's operations in all the territories where we have a presence, namely Guyana, Grenada , St Lucia and St Vincent.

My deepest appreciation to our policyholders for their continued support in 2024. I assure of our ongoing efforts to ensure that they are provided with affordable products to satisfy all of your insurance needs.

To the Management Team and staff members - Office and sales, I convey my sincere appreciation for their dedication and commitment. Without your support we would not have achieved the several 2024 objectives to ensure continued growth and increase in our market share.

I thank you all.

Melissa De Santos (Ms)
CHIEF EXECUTIVE OFFICER

Corporate Information

Demerara Mutual Life Assurance Society Limited
Incorporated by Ordinance 19 of 1891

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Citizens Bank Guyana Inc.
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Bank of Nova Scotia
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North Cummingsburg
Georgetown, Guyana

ATTORNEYS-AT-LAW:
Messrs Cameron & Shepherd
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Georgetown, Guyana

Management Team

Melissa De Santos
Chief Executive Officer

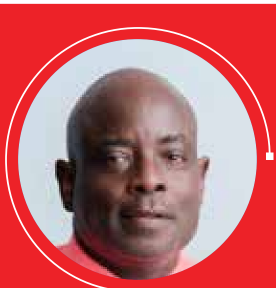
”To the Management Team and staff members - Office and sales, I convey my sincere appreciation for their dedication and commitment. Without your support we would not have achieved the several 2024 objectives to ensure continued growth and increase in our market share

Kezia Mc Donald-Eleazer
Finance Controller

James Morgan
Company Secretary

Sharmela Ramsammy
Manager
Sales and Marketing

Asha Ojha
Manager
Fire and General

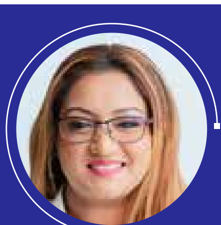


Mark Critchlow
Manager
Mortgage

Rayann Shury-Clarke
Manager
Business Development

Orlene Charles
Manager
Life Insurance Operations

Sean Seaton
Chief Risk
and Compliance Officer

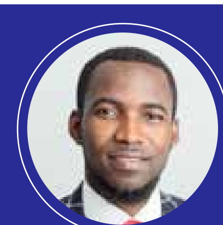


Nadira Surujpaul
Internal Auditor

Timothy Indarsingh
Manager
Information Technology

Bernadette Giddings
Manager
Corporate Care

Lissette Nurse
Manager
Human Resources
& Corporate Services



Terrence Steward
Manager
Customer Care

Board of Directors

Ronald Burch-Smith
LL.B, MSc

Dr. Mahendra Carpen
M.B.B.A., D.M., F.A.C.P

Clifford Reis
C.C.H

Dr Arron Fraser
F.C.C.A, M.B.A, PhD

Maurice Solomon
F.C.C.A.

Deenawati Panday
L.L.B.

Carlton Joao
M.B.A.

> This achievement was due to the hard work of the Management team and staff members both office and field and the committed support of your Directors.

Directors' Report

The Directors have the pleasure to submit to you their report for the financial year ended 31st December 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Society are the sale of long-term Life Assurance and Pension Schemes.

SUMMARY FINANCIAL RESULTS

Below is a summary of the financial results for the year ended 31st December 2024. One of the reasons for this year's negative result was modifications that had to be made to some of the actuarial assumptions in order to comply with the new IFRS standards.

	2024	2023
	G$	G$
Insurance Revenue	1,300,659,165	1,311,733,547:
Total Revenue	2,081,809,222	1,964,660,325:
Net Profit/loss after taxation	(19,720,147)	450,487,734:
Total expenses	1,782,038,630	1,563,351,023
Total Assets	48,825,313,350	47,712,214,677:
Total Liabilities	15,111,238,448	14,171,372,532:

DIRECTORATE

The Directors who retire by rotation are Dr. Mahendra Carpen, Mr. Clifford B. Reis and Ms. Deenawati Panday. These Directors are eligible and offer themselves for election.

DIRECTORS' EMOLUMENTS

The emoluments paid to the Society's Directors for the year 2024 were as follows:

	2024	2023
	G$	G$
Mr. Ronald Burch Smith	2,648,976	2,648,976:
Mr. Clifford B. Reis, C.C.H.	1,655,592	1,655,592:
Mr. Maurice Solomon	1,655,592	1,655,592:
Ms. Deenawati Panday	1,655,592	1,655,592:
Dr. Arron Fraser	1,655,592	1,655,592:
Dr Mahendra Carpen	1,655,592	1,655,592:
Mr. Carlton Joao	1,655,592	1,655,592:
	12,582,528	12,582,528:

DIRECTORS' INTEREST

The Society's Directors are required to be members of the Society by having a participating life assurance policy with the Society. This requirement was met by all Directors. The sums assured of their respective in force life assurance policies are:

	Sums Assured
	G$
Mr. Ronald Burch Smith	500,000:
Mr. Clifford B. Reis,	100,000:
Mr. Maurice Solomon	100,000:
Ms. Deenawati Panday	500,000:
Dr. Arron Fraser	500,000:
Dr. Mahendra Carpen	1,000,000:
Mr. Carlton Joao	1,000,000:

SERVICE CONTRACTS

The Society's Directors have no interest in any of the Service Contracts executed by the Society.

CAPITAL EXPENDITURE

The capital expenditure for the year 2024 was $41,893,977:

AUDITORS

The retiring Auditors, TSD LAL & CO is eligible for election and expressed their willingness to be the Society's Auditors for the ensuing year.

VALUATION

The Society's policy liabilities for the long-term insurance business of the Society as at 31st December 2024 were valued as $8,929,046,364:

SUBSTANTIAL SHAREHOLDINGS

The Society is a substantial shareholder of Banks DIH Ltd. The total share investment which the Society and its subsidiary, the Demerara Fire & General Insurance Company, have in Banks DIH Ltd is 81.57M shares. This represents 9.6% of the shareholding of that Company.

By order of the Board
JAMES K. MORGAN
Company Secretary

Corporate Governance

THE BOARD OF DIRECTORS

The members of the Society's Board of Directors are Mr. Ronald Burch–Smith (Chairman) Mr. Clifford B. Reis, C.C.H., Mr. Maurice Solomon, Ms Deenawati Panday, Dr. Arron Fraser, Dr. Mahendra Carpen and Mr Carlton Joao.

The Board is responsible for ensuring that the Society is being managed in keeping with the insurance regulations in all the territories where it operates. It also reviews the performance of the Society's operational activities on a regular basis and takes the necessary decisions for the Society's improved performance and efficiency. The Directors also oversee the Society's risk management functions to ensure its effective governance and transparency.

FINANCE/MARKETING COMMITTEE

This Committee comprises Mr. Maurice Solomon (Chairman), Mr. Clifford B. Reis, Mr. Carlton Joao and Dr. Aaron Fraser. The Monthly Financials of the Society are reviewed by this committee which advises on actions to be taken for the Society's improved financial performance. It also reviews the Society's Monthly and yearly financial statements and makes recommendations for increase in revenue and control of expenses. The Society's Annual Budget is also considered by this committee before approval.

The Committees' Marketing Responsibilities include review of sales strategies, the functioning of the respective sales agencies and giving guidance on strategic objectives to ensure that the levels of sales production were consistent with budget projections.

BUILDING COMMITTEE

The members of this committee are Mr. Carlton Joao (Chairman), Dr. Mahendra Carpen and Dr. Arron Fraser.

The Building Committee has responsibility for building projects to ensure that all properties of the Society were well maintained and maximum returns obtained for investment properties given current market prices.

AUDIT COMMITTEE

The members of the Audit Committee are Dr. Arron Fraser (Chairman), Mr. Maurice Solomon and Mr. Clifford B. Reis.

The audit committee considers audit reports and ensures that the work of the internal and external auditors were well coordinated and efficiently executed.

It also reviews the Society's audit plans to ensure that the scope of audit addresses relevant risk areas and activities of the Society for reports on adherence of the Society's systems and procedures.

HUMAN RESOURCE/DEATH CLAIMS COMMITTEE

This Committee comprises Directors, Ms. Deenawati Panday (Chairperson), Mr. Carlton Joao and Dr. Mahendra Carpen.

The Human Resource Committee reviews annually staff benefits for the Society's office staff and guides the Board on decisions to be taken on review of salaries other conditions of employment for its office staff members in all the territories where it operates to ensure an healthy industrial climate. It also addresses HR policies to ensure they conform to employment laws and standards for a safe working environment.

This committee also reviews death claims to ensure that all requirements were met and advises the Board on payment of claims.

RISK /INVESTMENT COMMITTE

TThe members of this Committee are Dr. Arron Fraser, Chairman, Mr. Clifford B Reis and Mr. Maurice Solomon. This Committee examines returns from investments and advised of changes to the Society's investment policy to ensure maximum returns from investments. It also considers the risk profile of the Society and makes recommendations for necessary policy changes given any risk exposures that needed to be mitigated. It also guides on activities and approaches to be taken regarding risk activities.

2024 Sales Awardees

The following agents are the 2024 Top Producers for the Society
and are recognised for their sterling performance.

WILCOX ROBERTS
TOP PRODUCER - LIFE
CHAIRMAN'S DIAMOND
CENTURION CLUB

SHORNA JAMES-ST.JOHN
CHAIRMAN'S DIAMOND
EIGHTY PLUS CLUB

LESLIE ANNE BYER
CHAIRMAN'S DIAMOND
FIFTY PLUS CLUB

NATHALIE GIBBS
CHAIRMAN'S DIAMOND
FIFTY PLUS CLUB

NIGEL RODNEY
CHAIRMAN'S GOLD
FIFTY PLUS CLUB

VENISE ADAMS
CHAIRMAN'S SILVER
FIFTY PLUS CLUB

KHALLELAH AKERS
TOP PRODUCER - LIFE
CHAIRMAN'S DIAMOND
FIFTY PLUS CLUB

SABINA CHARLES-KIRTON
TOP PRODUCER - LIFE
CHAIRMAN'S DIAMOND
CENTURION CLUB

MARA MARACELLIN
CHAIRMAN'S SILVER
FIFTY PLUS CLUB

2024 Sales Awardees

The following agents are the 2024 Top Producers for the Society and are recognised for their sterling performance.

CHARLES CLARKE
TOP PRODUCER - LIFE
TOP PRODUCER - FIRE
CHAIRMAN'S DIAMOND
QUADRUPLE CENTURION

MICHAEL BLAIR
TOP PRODUCER - MOTOR
CHAIRMAN'S DIAMOND
CENTURION CLUB

ALLISON ALLICOCK
CHAIRMAN'S DIAMOND
CENTURION CLUB

MERISSA CUNNINGHAM
CHAIRMAN'S GOLD
FIFTY PLUS CLUB

RICHARD SEATON
CHAIRMAN'S SILVER
CENTURION CLUB

PULASHWARI JAIKARAN
CHAIRMAN'S GOLD
EIGHTY PLUS CLUB

JOEL MC PHERSON
CHAIRMAN'S DIAMOND
FIFTY PLUS CLUB

KENNESHA GIDDINGS-ROBERTSON
CHAIRMAN'S SILVER
FIFTY PLUS CLUB

JOSHUA GRIFFITH
CHAIRMAN'S DIAMOND
CENTURION CLUB

HARESH RAMSAMOOJ
FIFTY PLUS CLUB

Report on the Audit of Financial Statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DEMERARA MUTUAL LIFE ASSURANCE SOCIETY LIMITED AND SUBSIDIARY ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Opinion

We have audited the financial statements of the Demerara Mutual Life Assurance Society Limited and Subsidiary, (the Group) which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies set out on pages 22 to 75.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Demerara Mutual Life Assurance Society Limited and Subsidiary as at 31 December 2024, its financial performance and its cash flows for the year then ended in accordance with the IFRS Accounting Standards as issued by the IASB.

Basis for Opinion

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

Other Information in the Annual Report

Management is responsible, for the other information. The other information comprises all the information included in the Group's 2024 annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. At the time of the audit report the other information was not available.

Responsibilities of Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, the Directors/Management are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

Report on the Audit of Financial Statements

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the planning and performance of the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal controls,

- Obtain an understanding of internal controls 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 Group's internal controls,

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management,

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the Group 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

Report on Other Legal and Regulatory Requirements

The Insurance Act 2016 which came into effect in 2018, outlines certain legal requirements for the society. As noted in Note 22, the Society has not fully complied with the provisions of the Act as of the reporting date 31 December, 2024.

TSD LAL & CO.
Chartered Accountants
Date: 30th June, 2025
77 Brickdam, Stabroek, Georgetown

DEMERARA MUTUAL LIFE ASSURANCE SOCIETY LIMITED AND SUBSIDIARY

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	COMPANY 2024	COMPANY 2023	GROUP 2024	GROUP 2023
		G$	G$	G$	G$
Revenue					
Insurance revenue	5	1,300,659,165	1,311,733,547	1,582,089,482	1,558,517,496
Insurance service expenses	5	(799,832,416)	(982,126,840)	(1,016,507,013)	(1,123,169,036)
Insurance service result before reinsurance contracts held		500,826,749	329,606,707	565,582,469	435,348,460
Net (expense)/income from reinsurance contracts held	5	(297,218,885)	64,161,324	(270,509,777)	(21,089,865)
Insurance service result		203,607,864	393,768,031	295,072,692	414,258,595
Investment income	6	655,498,431	548,852,092	669,421,979	561,113,413
Net insurance financial result		859,106,295	942,620,123	964,494,671	975,372,008
Finance expenses from insurance contracts issued		(419,419,021)	(215,795,015)	(419,419,021)	(215,795,015)
Finance income from reinsurance contracts held		(40,107,368)	(38,508,288)	(40,107,368)	(38,508,288)
Net insurance finance expenses		(459,526,389)	(254,303,303)	(459,526,389)	(254,303,303)
Net insurance and investment result		399,579,906	688,316,819	504,968,282	721,068,704
Other income	6	125,651,626	104,074,686	141,206,262	118,736,005
Operating expenses	7	(522,679,225)	(326,920,880)	(583,911,094)	(380,884,424)
Profit before tax		2,552,307	465,470,626	62,263,450	458,920,286
Taxation	8	(22,272,454)	(14,983,292)	(30,431,658)	(14,983,292)
Profit/(loss) for the year		(19,720,147)	450,487,334	31,831,792	443,936,994
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit pension plan	27	(240,199,532)	(877,971,430)	(240,199,532)	(877,971,430)
Change in fair value of financial assets at FVOCI	16	441,605,082	(3,591,171,139)	618,349,171	(3,273,635,329)
Items that may be reclassified subsequently to profit or loss					
Currency translation differences		(8,452,646)	79,023,590	(8,452,646)	79,023,590
Others		-	65,604,000	-	65,603,995
Other comprehensive income for the year		192,952,904	(4,324,514,979)	369,696,993	(4,006,979,174)
Total comprehensive income for the year		173,232,757	(3,874,027,645)	401,528,785	(3,563,042,180)

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

DEMERARA MUTUAL LIFE ASSURANCE SOCIETY LIMITED AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Guarantee Capital G$	Retained earnings G$	Revaluation reserve G$	Investment reserve G$	Exchange difference reserve G$	Total G$
COMPANY						
Balance at 1 January 2023	100,000	6,721,647,275	1,084,065,977	30,647,669,816	(1,038,613,278)	37,414,869,790
Total comprehensive income for the year	-	(427,484,096)	22,332,936	(3,474,993,281)	6,116,796	(3,874,027,645)
Balance at 31 December 2023	100,000	6,294,163,179	1,106,398,913	27,172,676,535	(1,032,496,482)	33,540,842,145
Total comprehensive income for the year	-	(259,919,679)	(2,672,318)	437,188,288	(1,363,534)	173,232,757
Balance at 31 December 2024	100,000	6,034,243,500	1,103,726,595	27,609,864,823	(1,033,860,016)	33,714,074,902
GROUP						
Balance at 1 January 2023	100,000	6,945,657,858	1,153,520,854	31,216,078,063	(1,038,613,278)	38,276,743,497
Total comprehensive income for the year	-	(434,034,441)	22,332,936	(3,157,457,471)	6,116,796	(3,563,042,180)
Balance at 31 December 2023	100,000	6,511,623,417	1,175,853,790	28,058,620,592	(1,032,496,482)	34,713,701,317
Total comprehensive income for the year	-	(208,367,740)	(2,672,318)	613,932,377	(1,363,534)	401,528,785
Balance at 31 December 2024	100,000	6,303,255,677	1,173,181,472	28,672,552,969	(1,033,860,016)	35,115,230,102

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

DEMERARA MUTUAL LIFE ASSURANCE SOCIETY LIMITED AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2024

		COMPANY		GROUP	
	Notes	2024	2023	2024	2023
		G$	G$	G$	G$
ASSETS					
Cash and cash equivalents		4,998,855,303	4,605,869,563	5,101,536,799	4,726,922,485
Investment assets	9	34,290,445,213	33,443,646,967	35,711,091,655	34,659,558,873
Receivables and prepayments	10	241,102,288	153,961,966	250,425,603	164,700,307
Interest receivable	11	37,092,518	38,243,566	37,240,788	38,376,122
Inventories		4,594,787	3,992,317	5,284,052	4,729,626
Tax recoverable		5,590,144	6,675,235	28,354,261	29,439,352
Insurance contract assets	13	1,495,221,386	1,607,710,316	1,501,355,301	1,625,793,734
Reinsurance contract assets	13	18,246,463	49,218,889	109,385,345	97,893,920
Investment property	12	608,000,000	608,000,000	608,000,000	608,000,000
Property and equipment	14	1,894,720,156	1,897,716,016	1,992,795,818	1,996,995,809
Investment in subsidiary company		111,863,250	111,863,250	-	-
Intangible assets	17	-	-	4,383,476	8,766,953
Retirement benefit asset		5,119,581,842	5,185,316,592	5,119,581,842	5,185,316,592
Total assets		48,825,313,350	47,712,214,677	50,469,434,940	49,146,493,772
Liabilities					
Trade and other payables	19	287,507,957	253,622,724	302,918,113	303,690,074
Deposit administration fund	18	6,228,015,931	5,813,061,665	6,228,015,931	5,813,061,665
Insurance contract liabilities	13	7,972,538,499	7,476,565,774	8,188,519,761	7,687,918,347
Reinsurance liabilities	13	623,176,061	628,122,369	634,751,033	628,122,369
Total liabilities		15,111,238,448	14,171,372,532	15,354,204,838	14,432,792,455
Equity & liabilities					
Guarantee capital		100,000	100,000	100,000	100,000
Retained earnings		6,034,243,500	6,294,163,179	6,303,255,677	6,511,623,417
Exchange difference reserve		(1,033,860,016)	(1,032,496,482)	(1,033,860,016)	(1,032,496,482)
Investment reserve	16	27,609,864,823	27,172,676,535	28,672,552,969	28,058,620,592
Revaluation reserve		1,103,726,595	1,106,398,913	1,173,181,472	1,175,853,790
		33,714,074,902	33,540,842,145	35,115,230,102	34,713,701,317
Total equity and liabilities		48,825,313,350	47,712,214,677	50,469,434,940	49,146,493,772

These financial statements were approved on **30th June 2025** on behalf of the board

.... Director
Mr. Maurice Solomon

.... Director
Mr. Ronald Burch-Smith

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

DEMERARA MUTUAL LIFE ASSURANCE SOCIETY LIMITED AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	COMPANY		GROUP	
	2024 G$	2023 G$	2024 G$	2023 G$
Cash flow from operating activities				
Profit before taxation	2,552,307	465,470,626	62,263,450	458,920,286
Adjustments for:				
Depreciation	39,961,175	39,249,188	41,757,951	41,734,419
Amortization	-	-	4,383,477	4,383,477
Investment income	(655,498,431)	(548,852,092)	(669,421,979)	(561,113,413)
Changes in insurance/reinsurance assets	143,461,356	(127,087,967)	112,947,008	(143,060,039)
Changes in insurance/reinsurance liabilities	491,026,418	763,901,713	507,230,079	829,127,247
Net cash inflow before changes in operating assets	21,502,825	592,681,468	59,159,986	629,991,977
(Increase)/decrease in receivables, prepayments & inventory	(87,742,792)	51,481,519	(86,279,727)	45,293,977
Decrease in accrued interest	1,151,048	60,013	1,135,334	46,542
Increase in deposit admin fund	414,954,266	502,660,771	414,954,266	502,660,771
Increase retirement obligation	(174,464,782)	(204,167,737)	(174,464,782)	(204,167,737)
(Increase)/decrease trade and other payables	33,885,232	(15,136,373)	(771,957)	7,437,845
Net cash provided by operations	209,285,797	927,579,661	213,733,120	981,263,375
Taxes paid	(21,187,363)	(20,931,272)	(29,346,567)	(27,451,450)
Net cash provided by operating activities	188,098,434	906,648,389	184,386,553	953,811,925
Investing activities				
Dividend and interest received	655,498,431	548,852,092	669,421,979	561,113,413
Proceeds on disposal of financial investments	364,134,526	532,232,323	364,134,526	532,232,323
Purchase of financial investments	(769,327,690)	(1,087,131,568)	(797,318,137)	(1,107,210,346)
Purchases of property & equipment	(36,965,315)	(63,226,644)	(37,557,961)	(64,163,137)
Net cash (used in)/provided by investing activities	213,339,952	(69,273,797)	198,680,407	(78,027,747)
Net increase in cash and cash equivalents	401,438,386	837,374,592	383,066,960	875,784,178
Effect of exchange rates	(8,452,646)	79,023,590	(8,452,646)	79,023,590
Net increase in cash and cash equivalents	392,985,740	916,398,182	374,614,314	954,807,768
Cash and cash equivalents at the beginning of period	4,605,869,563	3,689,471,381	4,726,922,485	3,772,114,717
Cash and cash equivalents at the end of period	4,998,855,303	4,605,869,563	5,101,536,799	4,726,922,485
Represented by:				
Cash at bank and on hand	4,998,855,303	4,605,869,563	5,101,536,799	4,726,922,485

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

NOTES ON THE ACCOUNTS

1 Incorporation and activities

Demerara Mutual Life Assurance Society Limited was incorporated by Ordinance 19 of 1891 and its major activity is the issuance of life assurance.

The wholly owned subsidiary, Demerara Fire and General Insurance Company Limited's major activities are fire, motor and general insurance. It was incorporated under the Companies Act Chapter 89:01 in the Co-operative Republic of Guyana on 27 November 1992 and continued under the Companies Act 1991 on April 29, 1997. It commenced operations on July 1, 1993.

The company's registered office is located at 61-62 Avenue of the Republic, Georgetown, Guyana.

No. of employees

The average number of employees of the Group was 118 (2023 - 111)

2 New and amended standards and interpretations

Amendments effective for the current year end

New and Amended Standards	Effective for annual periods beginning on or after
Amendments to IAS 1: Classification of Liabilities as Current or Non-current, and Non-current Liabilities with Covenants	1 January 2024
Amendments to IFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to IAS 12: International Tax Reform - Pillar Two Model Rules	1 January 2024
IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information	1 January 2024
IFRS S2: Climate-related Disclosures	1 January 2024

None of the above new and amended standards had a material impact on the Group's financial statements.

Pronouncements effective in future periods available for early adoption

New and Amended Standards	Effective for annual periods beginning on or after
Amendments to IAS 21: Lack of Exchangeability	1 January, 2025
Amendments to IFRS 9 and IFRS 7	1 January, 2026
Annual Improvements to IFRS Standards (Volume 11)	1 January, 2026
IFRS 18: Presentation and Disclosures in Financial Statements	1 January, 2027
IFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January, 2027

The Company and Group have not opted for early adoption.
None of the above new and amended standards have a material impact on the Company's and Group's financial statements when adopted.

NOTES ON THE ACCOUNTS

3 Summary of significant accounting Policies

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention as modified for the revaluation of property and equipment, investment property and investments and the accounting policies conform with the IFRS Accounting Standards as isued by the IASB.

(b) Recognition of income and expenditure

Income and expenditure except insurance contracts transactions are prepared on the accrual basis.

(c) Investment income

Investment income includes dividends and interest income. Interest income is calculated using the effective interest method for financial instruments at amortised cost. Dividends are income received from equity investments.

(d) Property and equipment and depreciation

Land and buildings held for use in the supply of services for administrative purposes are stated in the statement of financial position at their revalued amounts. The revalued amounts are the fair value at the time of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment. Land and buildings are revalued by independent professional valuer on triennial basis and whenever their carrying amounts are likely to differ materially from their revalued amounts. Any revaluation increase/decrease arising from the revalution of such land and building is recognized in the statement of other comprehensive income and accumulated in revaluation reserve.

Equipment, fixtures and vehicles are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation provided on a reducing balance basis except for buildings which are depreciated on a straight line basis, at rates sufficient to write off the cost or valuation of assets over its estimated useful lives as stated below:

Furniture, fixtures and equipment	20% per annum
Motor vehicles	25% per annum
Computer appliances	50% per annum
Buildings	2% per annum

No depreciation is provided on Land.

The gain or loss arising on disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss.

NOTES ON THE ACCOUNTS

3 Summary of significant accounting Policies cont'd

(e) Foreign currency translation

Transactions in currencies other than Guyana Dollars are recorded at the rate of exchange prevailing on the dates of the transactions. At each reporting date monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on that date.

Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at rates prevailing when the fair value was determined. Gains and losses arising on retranslation are included in the statement of profit or loss and other comprehensive income for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised in the statement of changes in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations are expressed in Guyana dollars using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the date of the transactions are used. Exchange differences arising, if any, are classified as equity and recognised in the group's exchange difference reserve. Such exchange differences are recognised in the profit or loss in the period in which the foreign operation is disposed of.

(f) Pension funding

The fair value of the Plan's assets and the present value of the obligation are actuarially calculated at each year end and disclosed on the statement of financial position.

The movement in assets and liabilities of the pension scheme is recognised through the statement of profit or loss and other comprehensive income.

(g) Deferred tax

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the reporting date.

(h) Consolidation

The consolidated accounts incorporate the accounts of Demerara Mutual Life Assurance Society Limited and its wholly owned subsidiary Demerara Fire and General Insurance Company Limited.

Where necessary, adjustments are made to the financial statements of the subsidiary Demerara Fire and General Insurance Company Limited to bring its accounting policies in the line with the company.

Investment in subsidiary is carried at historical cost on the company's statement of financial position.

NOTES ON THE ACCOUNTS

3 Summary of significant accounting Policies cont'd

(i) Intangible assets

Intangible assets are amortised over a period of five years.

(j) Commercial building

This is an investment property, which is held to earn rentals and/or capital appreciation and is stated at its fair value at the statement of financial position date.

Gains or losses arising from changes in the fair value of investment properties are included in the statement of profit or loss and other comprehensive income for the period in which they arise.

The Company's property interests held under operating leases to earn rentals or for capital appreciation purpose are accounted for as investment property and are measured using the fair value model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no further economic benefits are expected from the disposal.

(k) Inventory

Stocks are valued at lower of cost and net realizable value using average cost method and are held for internal use.

(l) Insurance and reinsurance contracts classification

The Group issues insurance contracts as part of its normal operations, assuming significant insurance risk from its policyholders. The Group exercises its judgment in evaluating whether a contract transfers insurance risk and determines the significance of the accepted insurance risk.

Reinsurance contracts are contracts that the Group holds under which it transfers significant insurance risk associated with underlying insurance contracts. A reinsurance contract essentially transfers a significant amount associated with underlying insurance contracts. A reinsurance contract essentially transfers a significant amount of risk when it assumes a majority of the insurance risk associated with the insured portion of the underlying insurance contracts.
Unless otherwise indicated, all references to insurance contracts and reinsurance contracts in these accounting policies pertain to insurance contracts issued or acquired and reinsurance contracts held .

The Group issues life, health, annuity, fire, auto and liability insurance contracts. The Group has no contracts with direct participation feature.

NOTES ON THE ACCOUNTS

3 Summary of significant accounting Policies cont'd

(m) Insurance and reinsurance contracts cont'd

(i) Separating components from insurance and reinsurance contracts

The Company reviews its life insurance and reinsurance products to determine whether they include distinct non-insurance components that must be reported under a different IFRS standard than IFRS 17. The Group apply IFRS 17 to any residual parts of the (host) insurance contract after separating any distinct components. Presently, the Company does not have products with distinct components requiring separation. The Company issues life insurance products that provide an investment benefit payable to the policyholder. These benefits have been evaluated as meeting the criteria of a non-distinct investment component in IFRS 17. IFRS 17 defines investment components as the funds that an insurance contract obligates an insurer to reimburse to a policyholder under any circumstances, regardless of the occurrence of an insured event. Non-distinct investment components are not accounted for separately from the insurance contract. However, the calculation of insurance revenue and insurance expenses does not account for the revenue and expenses associated with investment components. The company considers the investment benefits it offers non-distinct components, as it is unable to assess their value separately from the life insurance aspect of the agreement.

(ii) Level of aggregation

The level of aggregation for the Group is determined firstly by dividing the business written into portfolios of insurance contracts that are subject to similar risks. Each portfolio is further divided into groups of contracts that are (i) contracts that are onerous at initial recognition; (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or (iii) a group of remaining contracts.

The Group evaluates whether a series of contracts can be treated together when assessing the level of aggregation. The Company also assesses whether an insurance contract includes any components that need to be separated. This assessment is done based on an appropriate level of reliable and substantiated information. This facilitates the allocation of contracts to the same group without the need for individual contract assessments.

The Company has defined portfolios of insurance and reinsurance contracts issued based on its product lines, participating individual life, non-participating individual life, group life, group creditor life, individual deferred annuity, payout annuity, Individual health, group health, contracts because the products are subject to similar risks and managed together. The expected profitability of these portfolios at inception is determined based on the current actuarial valuation models, which take into account both existing and new business. The portfolios of the Company's subsidiary were determined as fire, motor, and liability. It is assumed that no such contracts are onerous at initial recognition unless facts and circumstances indicate otherwise. If facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous ones. When evaluating non-onerous contracts, the Group considers the likelihood of changes in the relevant facts and circumstances in future periods to determine if there is a significant chance of the contracts becoming onerous.

Portfolios of reinsurance contracts held are assessed for aggregation within a calendar year (annual cohorts) into groups of (i) contracts for which there is a net gain at initial recognition, (ii) contracts for which at initial recognition there is no significant possibility of a net gain arising subsequently, (iii) remaining contracts in the portfolio.

(iii) Recognition

The Company recognises groups of insurance contracts that it issues from the earliest of the following:

- The beginning of the coverage period
- The date when the first payment from a policyholder, or when the first payment is actually received if there is no due date
- When facts and circumstances indicate that the group is onerous

A group of reinsurance contracts held is recognised from the earliest, of the beginning of the coverage period of the group of reinsurance contracts held.

Proportionate or quota share reinsurance contracts recognition is the later of when any underlying insurance contract is initially recognized and the beginning of the coverage period of the group of reinsurance contracts held.

The Group only recognizes a group of quota share reinsurance contracts once it has recognised at least one of the underlying insurance contracts.

NOTES ON THE ACCOUNTS

3 Summary of significant accounting Policies cont'd

(m) Insurance and reinsurance contracts cont'd

(iv) Contract Boundary

The Group includes all the future cash flows within the boundary of each contract in the measurement of a group of insurance contracts. Insurance contracts Cash flows are within the contract boundary if they result from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums or the Group has a substantive obligation to provide the policyholder with insurance contract services.

A substantive obligation to provide services ends when:

- the Group has the practical ability to reassess the risks of the particular policyholder and can establish a price or level of benefits that fully reflects those reassessed risks; or
- the Group has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflect the risks of that portfolio and the pricing of the premiums up to the reassessment date does not consider risks related to periods after the reassessment date.
- Cash flows are within the contract boundary for groups of reinsurance contracts held if they arise from substantive rights and obligations of the Group that exist during the reporting period in which the Group is required to pay amounts to the reinsurer or has substantive rights to receive services from the reinsurer.

A substantive right to receive services from the reinsurer ends when the reinsurer:

- has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or
- has a substantive right to terminate the coverage

The contract boundary is reassessed at each reporting date to include the effect of changes in circumstances on the Group's substantive rights and obligations

(v) Initial measurement - Groups of contracts not measured under the PAA

Insurance contracts – Initial measurement

The company applies the General Measurement Model to its life segment, which comprises its life, health and annuity contracts.

On initial recognition, the Group measures a group of insurance contracts as the total of:

the fulfillment cash flows, which comprise unbiased and probability-weighted estimates of future cash flows, discounted to present value to reflect the time

(a) value of money, the associated financial risks, and a risk adjustment for non-financial risk.

(b) the CSM.

On initial recognition of a group of insurance contracts, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous) arising from the total of (a) the fulfilment cash flows, (b) any cash flows arising at that date and (c) any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group (including assets for insurance acquisition cash flows.

A negative CSM at the date of inception means the group of insurance contracts issued is onerous. For groups of contracts assessed as onerous, the Company has recognised a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows and the CSM of the group being zero.

The fulfillment cash flows are the current estimates of the future cash flows within the contract boundary of a Group of contracts that the Group expects to receive from premiums and pay for claims, benefits, and expenses. These estimates have been adjusted to reflect the timing and uncertainty of the amounts. Included in these estimates are also policy loans and bonuses for participating policies.

The risk adjustment for non-financial risk for a group of insurance contracts is the compensation required for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk. This amount is determined separately from the other estimates.

NOTES ON THE ACCOUNTS

3 Summary of significant accounting Policies cont'd

(m) Insurance and reinsurance contracts cont'd

Reinsurance contracts held- initial measurement

(v) Initial measurement - Groups of contracts not measured under the PAA cont'd

The measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued, with the exception of the following:

- Measurement of the cash flows include an allowance on a probability-weighted basis for the effect of any non-performance by the reinsurers, including the effects of collateral and losses from disputes;
- The risk adjustment for non-financial risk represents the amount of risk being transferred to the reinsurer;
- On initial recognition, both the net cost or net gain as a CSM and releases this to profit or loss as the reinsurer renders services .

However, if any net cost relates to events before initial recognition, then the Group recognises the cost immediately in profit or loss as an expense.

The CSM for reinsurance contacts is measured as the equal and opposite amount of the total of:

(a) the fulfilment cash flows
(b) any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group
(c) any cash flows arising at that date and
(d) any income recognised in profit or loss because of onerous underlying contracts recognised at that date

(vi) Subsequent measurement - Groups of contracts not measured under the PAA

Insurance contracts – subsequent measurement
The carrying amount of a group of insurance contracts at the end of each reporting period as the sum of liability for remaining coverage and the liability for incurred claims.

(i) the liability for remaining coverage comprising fulfilment cash flows related to future service that will be provided under contracts and any remaining CSM at that date.

(ii) the liability for incurred claims for the Company comprises of fulfilment cash flows related to past service such as cash flows for incurred claims and expenses that have not yet been paid.

Fulfilment cash flows changes are recognised as follows:

- Changes relating to future services are adjusted against the CSM unless these changes relate to onerous contracts.
- Changes that relate to onerous contracts are recognised in the insurance service result in statement of profit or loss.
- Changes relating to current or past services recognised in the insurance service result in statement of profit or loss.
- Changes that in of the time value of money, financial risk and changes therein on estimated future cash flows are recognised as insurance finance income or expenses.

NOTES ON THE ACCOUNTS

3 **Summary of significant accounting Policies cont'd**

(m) **Insurance and reinsurance contracts cont'd**

(vi) Subsequent measurement - Groups of contracts not measured under the PAA

The changes in fulfilment cash flows relating to future service that adjust the CSM comprise of:

- Experience adjustments resulting from the difference between premium revenues (and any related cash flows such as insurance acquisition cash flows and insurance premium taxes) and the estimated amounts at the start of the period. The differences in premiums paid (or payable) for current or past services are immediately recognized in profit or loss. The differences in premiums received (or due) for future services are adjusted against the CSM.
- Changes in estimates of the present value of future cash flows in the liability for remaining coverage, except those relating to the time value of money and changes in financial risk.
- Differences between any investment component that is expected to become payable in the period plus any insurance finance income or expenses and the actual investment component that becomes payable in the period.
- Differences between expected loan repayable by policyholder during the period and the actual loan amount that becomes repayable during the period.
- Changes in the risk adjustment for non-financial risk that relate to future service.
- Differences between any investment component that is expected to become payable in the period plus any insurance finance income or expenses and the actual investment component that becomes payable in the period.

All the above adjustments to the CSM are measured at discount rates that reflect the characteristics of the cash flows of the group of insurance contracts at initial recognition except for changes in the risk adjustment.

Changes in fulfilment cash flows that relate to past or current services comprise:
Changes in the fulfilment cash flows relating to the liability for remaining coverage and experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

When a group of insurance contracts becomes onerous during the coverage period, the Company records a loss in profit or loss for the net outflow, resulting in the carrying value of the liability being equal to the fulfillment cash flows. The Company establishes a loss component for the liability for remaining coverage for such onerous group, which depicts the recognised losses.

NOTES ON THE ACCOUNTS

3 Summary of significant accounting Policies cont'd

(m) Insurance and reinsurance contracts cont'd

(vi) Subsequent measurement - Groups of contracts not measured under the PAA cont'd

Insurance contracts – subsequent measurement cont'd

For insurance contracts issued, at the end of each reporting period the carrying amount of the CSM is adjusted by the Group to reflect the effect of the following changes:

- The effect of any new contracts added to the group;

- Interest accreted on the carrying amount of the CSM;

- Changes in the FCF relating to future service are recognised by adjusting the CSM to the extent the CSM is available. When an increase in the FCF exceeds the carrying amount of the CSM, the excess is recognised in insurance service expenses and a loss component is recognised within the LRC. When changes in the FCF adjust the loss component within the LRC with correspondence to insurance service expenses;
- The effect of any currency exchange differences.

Following all of the aforementioned adjustments, the amount recognized as insurance revenue for services rendered during the specified period. The amount recognised as insurance revenue due to the transfer of insurance contract services in the period is determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining coverage period.
The locked-in discount rate is the weighted average of the rates applicable at the date of initial recognition of contracts that joined a group over a 12-month period. The discount rate used for accretion of interest on the CSM is determined using the top down approach at inception.

Reinsurance contracts – subsequent measurement

To measure reinsurance contracts, the Company applies the same accounting policies as are applied to insurance contracts with the following modifications:

- Changes in the fulfillment cash flows arising from the underlying ceded contracts are recognised in profit or loss;

- Changes in the fulfillment cash flows that result from changes in the risk of non-performance by the issuer of a reinsurance contract held are recognised in the profit or loss;

- Where a loss component has been set up subsequent to initial recognition of a group of underlying insurance contracts, the portion of income recognised from related reinsurance contracts held is disclosed as a loss-recovery component.

(vii) Insurance acquisition cash flows

The Company includes the following acquisition cash flows that arise from selling, underwriting, and starting a group of insurance contracts (issued or expected to be issued) directly attributable to the portfolio of insurance contracts to which the group belongs.

Where insurance acquisition cash flows have been paid or incurred before the related group of insurance contracts is recognised in the statement of financial position, a separate asset for insurance acquisition cash flows is recognised for each related group.

The asset for insurance acquisition cash flow is derecognised when the insurance acquisition cash flows are included in the initial measurement of the CSM of the related group of insurance contracts.

NOTES ON THE ACCOUNTS

3 Summary of significant accounting Policies cont'd

(m) Insurance and reinsurance contracts cont'd

(viii) Initial and subsequent measurement - Groups of contracts measured under the PAA

The Group uses the Premium Allocation Method to measure contracts with a one-year or less coverage period. This approach is used for non life segment which comprises motor, fire, and liability insurance contracts.

For insurance contracts issued, on initial recognition, liability for remaining coverage is measured at the amount of premiums received. The Group has chosen to expense insurance acquisition cash flows when they are incurred.

For reinsurance contracts held for these contracts, on initial recognition, the remaining coverage is measured at the amount of ceding premiums paid.

The carrying amount of a group of insurance and reinsurance contracts issued at the end of each reporting period is the sum of:

(a) Liability for remaining coverage; and

(b) Liability incurred claims, comprising the fulfilment cash flows related to past service allocated to the group at the reporting date relating to incurred claims.

Subsequently, for insurance contracts issued at each reporting date, the liability for remaining coverage is increased for premiums received in the period and decreased for the amounts of expected premiums received recognised as insurance revenue for the services provided in the period; and
For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is increased for ceding premiums paid in the period and decreased for the amounts of ceding premiums recognised as reinsurance expenses for the services received in the period.
The Group does not adjust the liability for remaining coverage for insurance contracts issued and reinsurance contracts held for the effect of the time value of money as insurance premiums are due within the coverage of contracts, which is one year or less.

For contracts measured under the PAA, the liability incurred claims is measured similarly to the liability incurred claims measurement under the GMM. Future cash flows are adjusted for the time value of money.
The Group increases the carrying amount of the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flows exceed the carrying amount of the liability for remaining coverage if facts and circumstances indicate that a group becomes onerous. The amount of such an increase is recognized in insurance service expenses as a loss.
Subsequently, the Group amortises the amount of the loss component within the liability for remaining coverage by decreasing insurance service expenses. The loss component amortisation is based on the passage of time over the remaining coverage period of contracts within an onerous group the loss component as required until the loss component is reduced to zero.

(ix) Derecognition

The Company derecognises insurance contracts when:

- The rights and obligations relating to the contract are distinguished i.e., discharged, cancelled or expired.

- The contract is modified such that the modification results in a change in the measurement model, or the applicable standard for measuring a contract component. In such cases, the Group derecognises the original contract and recognises the modified contract as a new contract. Changes in cash flows from contract modification that does not result in derecognition are treated as changes in estimates of fulfilment cash flows.

NOTES ON THE ACCOUNTS

3 Summary of significant accounting Policies cont'd

(m) Insurance and reinsurance contracts cont'd

(x) Presentation

The Group has presented separately in the statement of financial position the carrying amount of portfolios of insurance contracts issued that are assets, portfolios of insurance contracts issued that are liabilities, portfolios of reinsurance contracts held that are assets and portfolios of reinsurance contracts held that are liabilities. Any assets for insurance acquisition cash flows recognised before the corresponding insurance contracts are recognised are included in the carrying amount of the related portfolios of contracts.

The Group disaggregates the amounts recognised in the statement of profit or loss and other comprehensive income into an insurance service result, comprising insurance revenue and insurance service expenses, and insurance finance income or expenses.
Income and expenses from reinsurance contracts are presented separately from income and expenses from insurance contracts. Income and expenses from reinsurance contracts, other than insurance finance income or expenses, are presented on a net basis as 'net expense from reinsurance contracts held' in the insurance service result.

The Group does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result.

Insurance revenue

The Group's insurance revenue in the reporting period depicts the provision of services arising from a group of insurance contracts at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services.

For contracts not measured under PAA the insurance revenue is comprised of:

- CSM release.
- Changes in the risk adjustment for non-financial risk relating to current services.
- Claims and other insurance service expenses incurred in the year, measured at the amounts expected at the beginning of the year.
- Other amounts, including experience adjustments for premium receipts for current or past services and related cash flows such as insurance acquisition cash flows and premium-based taxes Insurance acquisition cash flow recovery is determined by allocating the portion of premiums related to the recovery of those cash flows based on the passage of time over the expected coverage of a group of contracts.

The Group recognises insurance revenue for groups of insurance contracts that are measured under the PAA based on the passage of time over the coverage period of the group of contracts.

Loss Component

For contracts not measured under the PAA, the Company establishes a loss component of the liability for remaining coverage for onerous groups of insurance contracts.

A loss component indicates the losses that are attributed to each group of onerous insurance contracts or contracts that were profitable at inception but have since become onerous.

The loss component is released based on a systematic allocation of the subsequent changes relating to future service in the fulfillment cash flows between the loss component and the liability for remaining coverage, excluding the loss component. Subsequent changes relate to the estimates of the present value of the future cash outflows plus the risk adjustment for non-financial risk at the beginning of each year (or on initial recognition if a group of contracts is initially recognised in the year).

The loss component is the basis for determining the amounts of fulfillment cash flows recognised as reversals of losses on onerous contracts in the profit or loss statement. These amounts are excluded from insurance revenue when they occur.

NOTES ON THE ACCOUNTS

3 Summary of significant accounting Policies cont'd

(m) Insurance and reinsurance contracts cont'd

(x) Presentation cont'd

Loss Component cont'd

A loss-recovery component is established as an asset in the remaining coverage for a group of reinsurance contracts held depicting loss recovery when the Company recognises a loss component for the underlying insurance contracts at initial recognition or subsequently. The loss-recovery component determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts. Adjustments done to reflect changes in the loss component of the onerous group of underlying contracts cannot exceed the portion of the loss component of the onerous group of underlying contracts that the Group expects to recover from the reinsurance contracts.

Insurance expense

Insurance service expenses exclude investment components and comprise the following:

- incurred claims and benefits
- other incurred directly attributable insurance service expenses
- amortisation of insurance acquisition cash flows
- changes to the liabilities for incurred claims that do not arise from the effects of the time value of money and financial risk
- losses/reversals on onerous groups of contracts

The amortisation of insurance acquisition cash flows is reflected in insurance service expenses for contracts not measured under PAA in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue.

The expenses that do not meet the above categories are included in other operating expenses in the consolidated statement of profit or loss.

Finance income and expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- The effect of the time value of money and changes in the time value of money
- The effect of financial risk and changes in financial risk

The Company does not disaggregates insurance finance income or expenses between profit or loss and OCI for insurance contracts issued or related reinsurance contracts held

Net income/(expenses) from reinsurance contracts held

The group presents separately on the face of the statement of profit or loss and other comprehensive income an amount representing the groups of reinsurance contracts held on a net basis as net income/(expenses). This amount depicts the transfer of received services expected to be paid in exchange for those services and is measured using the same principles as the insurance contracts.

NOTES ON THE ACCOUNTS

3 Summary of significant accounting Policies cont'd

(m) Insurance and reinsurance contracts cont'd

(x) Presentation cont'd

Net income/(expenses) from reinsurance contracts held cont'd

For contracts not measured under the PAA, net income/(expenses) from reinsurance contracts held comprise the following amounts relating to changes in the remaining coverage:

a. insurance claims and other expenses recovery in the period measured at the amounts expected to be incurred at the beginning of the period
b. changes in the risk adjustment for non-financial risk
c. amounts of the CSM recognised in profit or loss for the services received in the period; and
d. ceded premium experience adjustments relating to past and current service.
e. other incurred directly attributable insurance service expenses;
f. effect of changes in risk of reinsurer non-performance;
g. changes that relate to future service (i.e. changes do not adjust the CSM for the group of underlying insurance contracts
h. changes to incurred claims

For groups of reinsurance contracts held measured under the PAA, the Group recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

(n) Financial assets and Financial liabilities

(i) Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial instruments are initially recognised on the trade date measured at their fair value except for financial assets and financial liabilities recorded not measured at FVTPL, where transaction costs directly attributable to its acquisition or issue are added to this amount. Transaction costs of financial assets and financial liabilities measured at FVTPL are expensed in profit or loss.

(ii) Classification and subsequent measurement

Financial assets

Classification

The Group classifies its financial assets on initial recognition, as measured at amortised cost, fair value through profit or loss (FVTPL), or fair value through other comprehensive income (FVOCI), based on the business model for managing the assets and the assets' contractual terms.
The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The purpose of the SPPI (Solely Payment of Principal and Interest) test is to determine whether the fair value of the financial asset at the time of initial recognition changes over time, such as through principal repayments or the amortization of premiums or discounts.

The below summarizes the classifications use by the Group

Type of financial instruments	Classification	Reason
Cash and cash equivalents	AC	SPPI, hold to collect business model
Mortgages	AC	SPPI, hold to collect business model
Equity securities	FVOCI	Hold to collect and sell business model
Government bonds	AC	SPPI, hold to collect business model

NOTES ON THE ACCOUNTS

3 Summary of significant accounting Policies cont'd

(n) Financial assets and liabilities cont'd

<u>Financial assets measured at amortised cost.</u>

Financial assets are held at amortised cost if both of the following conditions are met:

- The instruments are held within a business model with the objective of holding the instrument to collect the contractual cash flows
- The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

<u>Financial assets measured at fair value through other comprehensive income</u>

Financial assets are measured as FVOCI when both of the following conditions are met:

- The instrument is held within a business model with the objective of both collecting contractual cash flows and selling financial assets
- The contractual terms of the financial asset meet the SPPI test

These instruments comprise instruments that had previously been classified as available-for-sale under IAS 39.

Financial assets not meeting the above criteria for measurement as FVOCI or amortised cost are classified as fair value through profit or loss (FVTPL)

Subsequent measurement

Financial assets at amortised cost
After initial measurement, financial instruments are measured at amortised cost, using the effective interest rate (EIR) method, less allowance for impairment. Interest income, and impairment a`re recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial assets at fair value through other comprehensive income
FVOCI financial instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Dividends are recognised as income in profit or loss. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line.

Financial liabilities are measured at amortised cost.

(iii) Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or;
- When rights to receive cash flows from the asset are transferred or in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.
- When the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new instrument
- Financial liability are derecognised when its contractual obligations expire or are discharged or cancelled. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. Derecognition also occurs when the terms of the financial liability are altered and the cash flows of the modified liability are significantly different. In this scenario, a new financial liability is recognised at fair value based on the modified terms.

NOTES ON THE ACCOUNTS

3 Summary of significant accounting Policies cont'd

(o) Impairment of financial assets

After initial recognition, an expected credit loss (ECL) allowance is recognised for financial assets measured at amortised cost. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the default timing (a lifetime ECL). The Group's policy is to measure ECLs on such instruments on a 12-month basis. The Group considers a financial asset to be in default (credit impaired) when contractual payments are 90 days past due. However, where information from internal or external to the Group suggests that it is unlikely to obtain the outstanding contractual obligations, the Group may, in some circumstances, consider a financial asset to be in default. When there is no reasonable expectation of recouping the contractual cash flows, a financial asset is written off.

(p) Cash and cash equivalents

Cash and cash equivalents include cash balances and short-term funds held for the purpose of satisfying short-term financial obligations rather than for investment or other purposes. These are easily convertible into a known quantity of cash and have a maturity date of three (3) months or less.

(q) Taxation

Income tax expense represents the sum of the tax payable using varying bases for Guyana and the Caribbean Offices. For Guyana, corporation tax is based on its investment income from the statutory fund with expenses restricted to 12% of investment income.

(r) Impairment of tangible assets

At the end of the financial period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

A. Critical judgements in applying the group's accounting policies

i) Classification of insurance and reinsurance contracts

Assessing whether the contract transfers significant insurance risk and whether a reinsurance contract held transfers significant risk.

NOTES ON THE ACCOUNTS

4 **Critical accounting judgements and key sources of estimation uncertainty cont'd**

ii) Separate components of insurance contracts

Determining whether it is required to consider an insurance contract as a single contract. The Group evaluates all provisions of the contracts it issues to ascertain whether the policyholder is obligated for any amounts, irrespective of the occurrence or non-occurrence of an insured event, a contract maturity, or contractual cancellation.

iii) Measurement of insurance and reinsurance contracts

Establishing techniques for assessing risk adjustments related to non-financial risk and the coverage units stipulated in a contract.

iv) Level of aggregation of insurance and reinsurance contracts

v) Assessment of eligibility for PAA

The Group uses judgment to assess whether all contracts measured under the PAA approach have met the PAA method's eligibility requirements.

vi) Ultimate liability arising from claims made under insurance contract

The ultimate liability arising from claims made under insurance contract is likely to be different from initial estimates. Both the timing of settlement and the ultimate liability are subject to uncertainty.

v) Useful lives of property and equipment

Management reviews the estimated useful lives of property and equipment at the end of each year to determine whether the useful lives of these assets should remain the same.

B. Key sources of estimation uncertainty

i) Insurance and reinsurance contract assets and liabilities

The estimation of future cash flows involves inherent uncertainty and changes in the key assumptions for life contracts such as mortality, morbidity, longevity, discount rates, risk adjustment, health claims , expenses, lapse and surrender rates may change the fulfillment cash flows materially. Management's chosen assumptions, while compliant with IFRS 17, reflect significant subjectivity due to the absence of deep and liquid financial markets in the region. Information on assumptions used in measuring insurance contracts are detailed in Note 26.

The lack of finalized regulatory guidance and market-standard assumptions in the Caribbean introduces variability in the interpretation and application of IFRS 17. Different, yet compliant, policy choices could have materially impacted financial results.

ii) Impairment losses on financial assets

The determination of inputs into the ECL measurement model, including critical assumptions in estimating the amount and schedule of future cash flows and the assimilation of forward-looking information.

NOTES ON THE ACCOUNTS

5 Insurance revenue and insurance service result

	2024		
	Contracts not measured under PAA	Contracts measured under PAA	Total
	Company	**Subsidiary**	**Group**
	G$	**G$**	**G$**
Insurance revenue			
Contracts not measured under the PAA			
Amounts relating to the changes in the LRC			
- Expected incurred claims and other expenses after loss component allocation	795,758,742	-	795,758,742
- Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation	70,780,752	-	70,780,752
- CSM recognised in profit or loss for the services provided	442,715,988	-	442,715,988
- Other amounts including experience adjustments for premium receipts	(8,596,317)	-	(8,596,317)
Insurance revenue from contracts not measured under the PAA	1,300,659,165	-	1,300,659,165
Insurance revenue from contracts measured under the PAA	-	281,430,317	281,430,317
Total insurance revenue	1,300,659,165	281,430,317	1,582,089,482
Insurance service expenses			
Incurred claims and other directly attributable expenses	(834,731,658)	(215,441,748)	(1,050,173,406)
Changes that relate to past service - adjustment to the LIC s	5,727,923	(1,232,849)	4,495,074
Losses on onerous contracts and reversal of those losses	29,171,318	-	29,171,318
Total insurance service expenses	(799,832,416)	(216,674,597)	(1,016,507,013)
Net income (expenses) from reinsurance contracts held			
Reinsurance expenses - contracts not measured under the PAA			
Amounts relating to the changes in the remaining coverage:			
- Expected claims and other expenses recovery	(69,905,477)	-	(69,905,477)
- Changes in the risk adjustment recognised for the risk expired	(27,860,508)	-	(27,860,508)
- CSM recognised for the services received	(5,591,583)	-	(5,591,583)
Reinsurance expenses - contracts not measured under the PAA	(103,357,568)	-	(103,357,568)
Reinsurance expenses - contracts measured under the PAA	-	(94,681,414)	(94,681,414)
Recoveries for incurred claims and other expenses	54,676,723	121,390,522	176,067,245
Experience adjustment for reinsurance premium paid relating to past or current service	(248,538,040)		(248,538,040)
Total net expenses from reinsurance contracts held	(297,218,885)	26,709,108	(270,509,777)
Total insurance service result	**203,607,864**	**91,464,828**	**295,072,692**

NOTES ON THE ACCOUNTS

5 Insurance revenue and insurance service result cont'd

	2023		
	Contracts not measured under PAA	Contracts measured under PAA	Total
	Company	**Subsidiary**	**Group**
	G$	**G$**	**G$**
Insurance revenue			
Contracts not measured under the PAA			
Amounts relating to the changes in the LRC			
- Expected incurred claims and other expenses after loss component allocation	669,195,040	-	669,195,040
- Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation	(312,091,092)	-	(312,091,092)
- CSM recognised in profit or loss for the services provided	255,739,936	-	255,739,936
- Other amounts including experience adjustments for premium receipts	698,889,663	-	698,889,663
Insurance acquisition cash flows recovery	-	-	-
Insurance revenue from contracts not measured under the PAA	1,311,733,547	-	1,311,733,547
Insurance revenue from contracts measured under the PAA	-	246,783,949	246,783,949
Total insurance revenue	1,311,733,547	246,783,949	1,558,517,496
Insurance service expenses			
Incurred claims and other directly attributable expenses	(752,293,666)	(95,251,413)	(847,545,079)
Changes that relate to past service - adjustments to the LIC	(184,645,869)	(45,790,783)	(230,436,652)
Losses on onerous contracts and reversal of those losses	(45,187,305)	-	(45,187,305)
Insurance acquisition cash flows amortisation	-	-	-
Total insurance service expenses	(982,126,840)	(141,042,196)	(1,123,169,036)
Net income (expenses) from reinsurance contracts held			
Reinsurance expenses - contracts not measured under the PAA			
Amounts relating to the changes in the remaining coverage:			
- Expected claims and other expenses recovery	(64,328,721)	-	(64,328,721)
- Changes in the risk adjustment recognised for the risk expired	170,895,991	-	170,895,991
- CSM recognised for the services received	283,171	-	283,171
Reinsurance expenses - contracts not measured under the PAA	106,850,441	-	106,850,441
Reinsurance expenses - contracts measured under the PAA	-	(87,647,271)	(87,647,271)
Recoveries for incurred claims and other expenses	5,947,083	2,396,082	8,343,165
Effect of changes in the risk of reinsurers non-performance	-	-	-
Changes that relate to future service - changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	29,247,082	-	29,247,082
Changes that relate to past service - adjustments to incurred claims	(77,883,280)	-	(77,883,280)
Recoveries and reversal of recoveries of losses on onerous contracts	-	-	-
Total net expenses from reinsurance contracts held	64,161,324	(85,251,189)	(21,089,865)
Total insurance service result	**393,768,031**	**20,490,564**	**414,258,595**

NOTES ON THE ACCOUNTS

	Company		Group	
	2024	2023	2024	2023
	G$	G$	G$	G$
6 INVESTMENT & OTHER INCOME				
Investment Income (a)	655,498,431	548,852,092	669,421,979	561,113,413
Other income (b)	125,651,626	104,074,686	141,206,262	118,736,005
	781,150,057	652,926,778	810,628,241	679,849,418
(a) Investment Income				
Financial investments at amortised cost				
Interest income				
Bonds & debentures	92,188,049	91,772,332	92,188,049	91,772,332
Mortgage	12,521,039	11,848,885	12,521,039	11,848,885
Deposits with financial institutions	64,781,748	69,315,572	67,679,542	71,756,395
Treasury bills	3,769,035	2,625,858	3,769,035	2,625,858
Financial investments at FVOCI				
Dividend income from equity investments	482,238,560	373,289,445	493,264,314	383,109,943
	655,498,431	548,852,092	669,421,979	561,113,413
(b) Other Income				
Rent	109,466,907	84,742,827	124,255,551	99,175,533
Others	16,184,719	19,331,859	16,950,711	19,560,472
	125,651,626	104,074,686	141,206,262	118,736,005
7 OPERATING EXPENSES	522,679,225	326,920,880	583,911,094	380,884,424
This includes:				
Employment cost	195,772,237	162,063,323	228,522,616	186,902,649
Repairs and maintenance	18,802,998	20,007,527	21,970,437	22,307,459
Internet service charge	16,450,166	11,802,304	17,607,313	12,850,468
Utilities	31,680,992	13,213,515	32,449,774	13,659,120
Sales expense	61,346,898	43,455,847	61,346,898	43,455,847
Professional service	9,704,301	5,510,861	9,704,301	5,510,861
Interest & bank charges	10,141,701	8,202,061	10,465,581	8,432,855
Legal fees	109,410,763	228,000	109,439,263	5,670,390
Facilities	57,693,141	49,445,721	57,932,173	49,639,862
Auditors remuneration	7,046,419	10,274,325	8,330,339	12,233,445
Directors' emoluments (a)	12,582,528	12,582,528	14,527,764	14,527,764
Depreciation	19,528,187	19,202,653	21,004,409	21,203,735
Others	(27,481,105)	(29,067,784)	(9,389,773)	(15,510,030)
(a) Directors' emoluments				
Chairman- Mr. Ronald Burch Smith	2,648,976	2,648,976	3,135,276	3,135,276
Directors:				
Mr. Clifford B. Reis, CCH	1,655,592	1,655,592	1,898,748	1,898,748
Mr. Maurice Solomon	1,655,592	1,655,592	1,898,748	1,898,748
Ms. Deenwattie Panday	1,655,592	1,655,592	1,898,748	1,898,748
Dr. Aaron Fraser	1,655,592	1,655,592	1,898,748	1,898,748
Dr. Mahendra Carpen	1,655,592	1,655,592	1,898,748	1,898,748
Mr. Carlton Joao	1,655,592	1,655,592	1,898,748	1,898,748
	12,582,528	12,582,528	14,527,764	14,527,764

NOTES ON THE ACCOUNTS

	Company		Group	
	2024 G$	2023 G$	2024 G$	2023 G$
8 TAXATION				
Corporation tax & W/tax (varying rates)	**22,272,454**	**14,983,292**	**30,431,658**	**14,983,292**

Tax provisions are made in accordance with the relevant legislation in the various territories. The bases used to compute the provisions for the Life Company and Fire Company are different. Also, the various islands use bases that are different from those used in Guyana.

9 INVESTMENTS

	Company		Group	
	2024 G$	2023 G$	2024 G$	2023 G$
Financial investments at amortised				
Bonds				
Commonwealth Caribbean Government	1,803,363,488	1,704,610,482	1,803,363,488	1,704,610,482
Other Commonwealth Government - United Kingdom	1,863,370	1,891,892	1,863,370	1,891,892
	1,805,226,858	**1,706,502,374**	**1,805,226,858**	**1,706,502,374**
Mortgage (a)	**191,255,369**	**155,542,742**	**191,255,369**	**155,542,742**
Deposits with financial institutions (b)	**4,262,077,463**	**3,986,420,400**	**4,538,068,611**	**4,234,421,101**
Financial investments at FVOCI				
Guyana - equity	26,144,071,916	25,756,039,090	27,288,727,210	26,723,950,295
- equity	46,105	46,105	46,105	46,105
Grenada - equity	1,309,510,662	1,260,468,976	1,309,510,662	1,260,468,976
Trinidad - equity (i)	578,256,840	578,627,280	578,256,840	578,627,280
	28,031,885,523	**27,595,181,451**	**29,176,540,817**	**28,563,092,656**
	34,290,445,213	**33,443,646,967**	**35,711,091,655**	**34,659,558,873**

(i) The Society held 7,000,000 ordinary shares in Mega Life Insurance Company of Trinidad and Tobago. This resulted from a combination of the portfolio of Demerara Life Assurance Company of Trinidad and Tobago and GTM Life Insurance Company of Trinidad and Tobago Limited. A court decision was finalised in 2010 regarding the formation of Mega Life Insurance which resulted in the reversal of the merger and the company's previous holding in Demerara Mutual Life of Trinidad and Tobago of 40% was reinstated. With this court decision, the Society has to decide on whether it would sell or retain its ownership in Demerara Life Assurance Company of Trinidad and Tobago. In the interim this amount would continue to be shown as classified as a held for sale investment rather than an Associate Company until a decision is made.

(a) Mortgage

	Company and Group	
	2024 G$	2023 G$
Guyana	**191,255,369**	**155,542,742**

NOTES ON THE ACCOUNTS

9 INVESTMENTS CONT'D

(b) Deposits with financial institutions

	Company 2024 G$	Company 2023 G$	Group 2024 G$	Group 2023 G$
Guyana	2,493,726,590	2,213,252,787	2,769,717,738	2,461,253,488
Grenada	880,071,471	881,604,293	880,071,471	881,604,293
St Lucia	727,255,064	743,220,269	727,255,064	743,220,269
St Vincent	161,024,338	148,343,051	161,024,338	148,343,051
	4,262,077,463	**3,986,420,400**	**4,538,068,611**	**4,234,421,101**

10 RECEIVABLES AND PREPAYMENTS

	Company 2024 G$	Company 2023 G$	Group 2024 G$	Group 2023 G$
Prepayments	14,529,154	6,298,719	14,529,154	6,298,719
Loans and advances	17,086,645	17,223,505	17,086,645	17,223,505
Other receivables	247,407,385	168,950,199	256,730,700	179,688,540
ECL provision (i)	(37,920,896)	(38,510,457)	(37,920,896)	(38,510,457)
	241,102,288	**153,961,966**	**250,425,603**	**164,700,307**

(i) ECL provision

	Company 2024 G$	Company 2023 G$	Group 2024 G$	Group 2023 G$
Balance as at 1 January	38,510,457	37,326,613	38,510,457	37,326,613
Adjustments during the year	(589,561)	1,183,844	(589,561)	1,183,844
Balance as at 31 December	37,920,896	38,510,457	37,920,896	38,510,457

11 INTEREST RECEIVABLES

	Company 2024 G$	Company 2023 G$	Group 2024 G$	Group 2023 G$
Grenada	13,141,445	12,309,858	13,141,445	12,309,858
Guyana	7,675,693	10,922,268	7,823,963	11,054,824
Saint Lucia	10,313,362	9,477,693	10,313,362	9,477,693
St. Vincent	5,962,018	5,533,747	5,962,018	5,533,747
	37,092,518	**38,243,566**	**37,240,788**	**38,376,122**

These include interest accrued on fixed deposit and marketable securities.

12 COMMERCIAL BUILDING

	Company and Group 2024 G$	Company and Group 2023 G$
At 1 January and 31 December	608,000,000	608,000,000

The building is recognized at its current market value using the fair value model. The valuation was done by Patterson Associates on September 28, 2020, management had determined that the carrying amount approximates current market value as at 31st December 2024.

NOTES ON THE ACCOUNTS

13 INSURANCE AND REINSURANCE CONTRACTS
Insurance contracts issued not measured under PAA
Reconciliation of the liability for remaining coverage and the liability for incurred claims

	2024 Company			
	G$ Liabilities for remaining coverage		G$ Liabilities for incurred claims	G$ Total
Insurance contracts issued	Excluding Loss Component	Loss Component		
Opening insurance contract liabilities	7,042,246,021	58,372,755	375,946,998	7,476,565,774
Opening insurance contract assets	(1,721,903,126)	46,679,258	67,513,552	(1,607,710,316)
Net balance as at 1 January	**5,320,342,895**	**105,052,013**	**443,460,550**	**5,868,855,458**
Insurance revenue	(1,300,659,164)	-	-	(1,300,659,164)
Insurance service expenses				
Incurred claims and other directly attributable expenses	-	-	834,731,658	834,731,658
Changes that relate to past service - adjustments to the LIC	(34,956,435)	-	29,228,511	(5,727,924)
Losses on onerous contracts and reversal of those losses	-	(29,171,318)	-	(29,171,318)
Insurance acquisition cash flows amortisation	-	-	-	-
Insurance service expenses	(34,956,435)	(29,171,318)	863,960,169	799,832,416
Insurance service result	**(1,335,615,600)**	**(29,171,318)**	**863,960,169**	**(500,826,749)**
Finance expenses from insurance contracts issued	412,946,168	6,472,853	-	419,419,021
Effect of changes in exchange rate	(14,300,228)	(160,089)	(886,105)	(15,346,422)
Total amounts recognised in comprehensive income	(936,969,660)	(22,858,554)	863,074,064	(96,754,150)
Investment components	(289,700,049)	-	289,700,049	-
Other changes	-	(8,093,452)	8,093,452	-
Cash flows				
Premiums received	2,147,384,588	-	-	2,147,384,588
Claims and other directly attributable expenses paid	-	-	(1,167,481,593)	(1,167,481,593)
Insurance acquisition cash flows	(274,687,189)	-	-	(274,687,189)
Total cash flows	1,872,697,399	-	(1,167,481,593)	705,215,805
				-
Net balance as at 31 December	**5,966,370,585**	**74,100,006**	**436,846,522**	**6,477,317,113**
				-
Closing insurance contract liabilities	7,581,845,891	44,919,798	345,772,810	7,972,538,499
Closing insurance contract assets	(1,615,475,306)	29,180,208	91,073,712	(1,495,221,386)
Net balance as at 31 December	**5,966,370,585**	**74,100,006**	**436,846,522**	**6,477,317,113**

NOTES ON THE ACCOUNTS

13 INSURANCE AND REINSURANCE CONTRACTS CONT'D

Insurance contracts issued not measured under PAA
Reconciliation of the liability for remaining coverage and the liability for incurred claims

	2023 Company			
	G$ Liabilities for remaining coverage		G$ Liabilities for incurred claims	G$ Total
	Excluding Loss Component	Loss Component		
Insurance contracts issued				
Opening insurance contract liabilities	6,398,074,188	33,128,384	210,006,706	6,641,209,278
Opening insurance contract assets	(1,578,927,098)	23,193,571	43,588,820	(1,512,144,706)
Net balance as at 1 January	**4,819,147,090**	**56,321,955**	**253,595,526**	**5,129,064,572**
Insurance revenue	(1,311,733,547)	-	-	(1,311,733,547)
Insurance service expenses				
Incurred claims and other directly attributable expenses	-	-	752,293,666	752,293,666
Changes that relate to past service - adjustments to the LIC	34,100,382	-	150,545,487	184,645,869
Losses on onerous contracts and reversal of those losses	-	45,187,305	-	45,187,305
Insurance acquisition cash flows amortisation	-	-	-	-
Insurance service expenses	34,100,382	45,187,305	902,839,153	982,126,840
Insurance service result	**(1,277,633,165)**	**45,187,305**	**902,839,153**	**(329,606,707)**
Finance expenses from insurance contracts issued	212,691,261	3,103,754	-	215,795,015
Effect of changes in exchange rate	114,667,902	438,999	5,219,155	120,326,056
Total amounts recognised in comprehensive income	(950,274,002)	48,730,058	908,058,308	6,514,364
Investment components	(305,940,385)	-	305,940,385	-
Cash flows				
Premiums received	1,990,431,592	-	-	1,990,431,592
Claims and other directly attributable expenses paid	-	-	(1,024,133,669)	(1,024,133,669)
Insurance acquisition cash flows	(233,021,401)	-	-	(233,021,401)
Total cash flows	1,757,410,191	-	(1,024,133,669)	733,276,522
Net balance as at 31 December	**5,320,342,894**	**105,052,013**	**443,460,550**	**5,868,855,458**
Closing insurance contract liabilities	7,042,246,021	58,372,755	375,946,998	7,476,565,774
Closing insurance contract assets	(1,721,903,126)	46,679,258	67,513,552	(1,607,710,316)
Net balance as at 31 December	**5,320,342,895**	**105,052,013**	**443,460,550**	**5,868,855,458**

NOTES ON THE ACCOUNTS

13 INSURANCE AND REINSURANCE CONTRACTS CONT'D

Insurance contracts issued not measured under PAA cont'd

Reconciliation of the measurement components of reinsurance contract balances

Insurance contracts issued	**2024 Company**			
	G$ Present Value of Future Cash Flows	**G$ Risk Adjustment for Non-financial Risk**	**G$ CSM**	**G$ Total**
Opening insurance contract liabilities	4,725,072,874	314,088,512	2,437,404,389	7,476,565,774
Opening insurance contract assets	(3,356,148,137)	467,738,491	1,280,699,331	(1,607,710,316)
Net balance as at 1 January	**1,368,924,737**	**781,827,002**	**3,718,103,720**	**5,868,855,458**
Changes that relate to current service				
CSM recognised in profit or loss for the services provided	-	-	(442,715,988)	(442,715,988)
Change in the risk adjustment for nonfinancial risk for the risk expired	-	(70,780,752)	-	(70,780,752)
Experience adjustments	47,569,233	-	-	47,569,233
Changes that relate to future service				
Changes in estimates that adjust the CSM	(58,675,360)	(553,248,740)	611,924,100	-
Changes in estimates that result in onerous contract losses or reversal of losses	(4,142,843)	(34,876,617)	-	(39,019,460)
Contracts initially recognised in the period	(1,082,670,336)	19,528,410	1,072,990,068	9,848,142
Changes that relate to past service				
Changes that relate to past service - adjustments to the LIC	(11,768,778)	6,040,855	-	(5,727,923)
Insurance service result	**(1,109,688,084)**	**(633,336,845)**	**1,242,198,180**	**(500,826,748)**
Finance (income)/expenses from insurance contracts issued	157,761,112	11,635,738	250,022,172	419,419,022
Effect of changes in exchange rate	(5,159,047)	(2,074,593)	(8,112,783)	(15,346,423)
Total amounts recognised in comprehensive income	**(957,086,019)**	**(623,775,701)**	**1,484,107,569**	**(96,754,149)**
Cash flows				
Premiums received	2,147,384,588	-	-	2,147,384,588
Claims and other directly attributable expenses paid	(1,167,481,593)	-	-	(1,167,481,593)
Insurance acquisition cash flows	(274,687,190)	-	-	(274,687,190)
Total cash flows	**705,215,805**	**-**	**-**	**705,215,805**
Net balance as at 31 December	**1,117,054,523**	**158,051,302**	**5,202,211,289**	**6,477,317,113**
Closing insurance contract liabilities	4,472,306,246	99,881,998	3,400,350,255	7,972,538,499
Closing insurance contract assets	(3,355,251,723)	58,169,303	1,801,861,034	(1,495,221,386)
Net balance as at 31 December	**1,117,054,523**	**158,051,302**	**5,202,211,289**	**6,477,317,113**

NOTES ON THE ACCOUNTS

13 INSURANCE AND REINSURANCE CONTRACTS CONT'D

Insurance contracts issued not measured under PAA cont'd

Reconciliation of the measurement components of reinsurance contract balances

Insurance contracts issued	**2023 Company**			
	G$	**G$**	**G$**	**G$**
	Present Value of Future Cash Flows	**Risk Adjustment for Non-financial Risk**	**CSM**	**Total**
Opening insurance contract liabilities	4,387,545,299	153,661,367	2,100,002,612	6,641,209,278
Opening insurance contract assets	(3,462,028,805)	213,018,024	1,736,866,075	(1,512,144,706)
Net balance as at 1 January	**925,516,494**	**366,679,391**	**3,836,868,687**	**5,129,064,572**
Changes that relate to current service				
CSM recognised in profit or loss for the services provided	-	-	(255,739,936)	(255,739,936)
Change in the risk adjustment for nonfinancial risk for the risk expired	-	312,091,092	-	312,091,092
Experience adjustments	(615,791,036)	-	-	(615,791,036)
Changes that relate to future service				-
Changes in estimates that adjust the CSM	1,229,591,111	-	(1,229,591,111)	-
Changes in estimates that result in onerous contract losses or reversal of losses	27,919,999	-	-	27,919,999
Contracts initially recognised in the period	(1,133,252,226)	89,204,014	1,061,315,518	17,267,306
Changes that relate to past service				
Changes that relate to past service - adjustments to the LIC	179,193,490	5,452,378	-	184,645,868
Insurance service result	**(312,338,662)**	**406,747,484**	**(424,015,529)**	**(329,606,707)**
Finance (income)/expenses from insurance contracts issued	(19,909,487)	-	235,704,501	215,795,015
Effect of changes in exchange rate	42,379,869	8,400,127	69,546,060	120,326,056
Total amounts recognised in comprehensive income	**(289,868,280)**	**415,147,611**	**(118,764,968)**	**6,514,364**
Cash flows				
Premiums received	1,990,431,592	-	-	1,990,431,592
Claims and other directly attributable expenses paid	(1,024,133,669)	-	-	(1,024,133,669)
Insurance acquisition cash flows	(233,021,401)	-	-	(233,021,401)
Total cash flows	**733,276,522**	**-**	**-**	**733,276,522**
Net balance as at 31 December	**1,368,924,737**	**781,827,002**	**3,718,103,720**	**5,868,855,458**
Closing insurance contract liabilities	4,725,072,874	314,088,512	2,437,404,389	7,476,565,774
Closing insurance contract assets	(3,356,148,137)	467,738,491	1,280,699,331	(1,607,710,316)
Net balance as at 31 December	**1,368,924,737**	**781,827,002**	**3,718,103,720**	**5,868,855,458**

NOTES ON THE ACCOUNTS

13 INSURANCE AND REINSURANCE CONTRACTS CONT'D

Insurance contracts issued not measured under PAA cont'd

Reconciliation of the liability for remaining coverage and the liability for incurred claims

	2024 Company			2023 Company		
	G$	G$	G$	G$	G$	G$
Reinsurance contracts held	**Remaining Coverage**	**Incurred Claims**	**Total**	**Remaining Coverage**	**Incurred Claims**	**Total**
Opening reinsurance contract assets	49,218,889	-	49,218,889	17,696,533	-	17,696,533
Opening reinsurance contract liabilities	(628,122,369)	-	(628,122,369)	(699,577,152)	-	(699,577,152)
Net balance as at 1 January	**(578,903,479)**	**-**	**(578,903,479)**	**(681,880,619)**	**-**	**(681,880,619)**
Net income (expenses) from reinsurance contracts held						
Reinsurance expenses	(103,357,568)	-	(103,357,568)	106,850,441	-	106,850,441
Other incurred directly attributable expenses	-	-	-	-	-	-
Claims recovered	-	54,676,723	54,676,723	-	5,947,083	5,947,083
Changes that relate to past service - adjustments to incurred claims	-	-	-	-	-	-
Changes that relate to future service - changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	-	-	-	29,247,082	-	29,247,082
Underlying contracts initially recognized in the period	-	-	-	(77,883,280)	-	(77,883,280)
Experience adjustment for reinsurance premium paid relating to past or current service	(248,538,039)		(248,538,039)			
Effect of changes in the risk of reinsurers non-performance	-	-	-	-	-	-
Net income (expenses) from reinsurance contracts held	(351,895,607)	54,676,723	(297,218,884)	58,214,242	5,947,083	64,161,324
Finance income from reinsurance contracts held	(40,107,368)	-	(40,107,368)	(38,508,288)	-	(38,508,288)
Effect of changes in exchange rate	1,700,874	-	1,700,874	(16,629,905)	-	(16,629,905)
Total amounts recognised in comprehensive income	**(390,302,101)**	**54,676,723**	**(335,625,378)**	**3,076,049**	**5,947,083**	**9,023,131**
Cash flows						
Premiums paid net of ceding commissions and other directly attributable expenses paid	364,275,982	-	364,275,982	99,901,091	-	99,901,091
Recoveries from reinsurance	-	(54,676,723)	(54,676,723)	-	(5,947,083)	(5,947,083)
Total cash flows	364,275,982	(54,676,723)	309,599,259	99,901,091	(5,947,083)	93,954,008
Net balance as at 31 December	**(604,929,598)**	**-**	**(604,929,598)**	**(578,903,479)**	**-**	**(578,903,479)**
Closing reinsurance contract assets	18,246,463	-	18,246,463	49,218,889	-	49,218,889
Closing reinsurance contract liabilities	(623,176,061)	-	(623,176,061)	(628,122,369)	-	(628,122,369)
Net balance as at 31 December	**(604,929,598)**	**-**	**(604,929,598)**	**(578,903,479)**	**-**	**(578,903,479)**

NOTES ON THE ACCOUNTS

13 INSURANCE AND REINSURANCE CONTRACTS CONT'D
Insurance contracts issued not measured under PAA cont'd

Reconciliation of the measurement components of reinsurance contract balances

	2024				2023			
	Company				Company			
	G$	G$	G$	G$	G$	G$	G$	G$
Reinsurance contracts held	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	**CSM**	**Total**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	**CSM**	**Total**
Opening reinsurance contract assets	(37,864,825)	79,174,620	7,909,095	49,218,889	(19,060,653)	24,140,761	12,616,425	17,696,533
Opening reinsurance contract liabilities	(738,103,559)	162,219,660	(52,238,470)	(628,122,369)	(706,843,108)	85,299,168	(78,033,211)	(699,577,152)
Net balance as at 1 January	**(775,968,384)**	**241,394,280**	**(44,329,375)**	**(578,903,479)**	**(725,903,761)**	**109,439,929**	**(65,416,787)**	**(681,880,619)**
Changes that relate to current service								
CSM recognised in profit or loss for the services received	-	-	(5,591,583)	(5,591,583)	-	-	283,171	283,171
Change in the risk adjustment for nonfinancial risk for the risk expired	-	(27,860,508)	-	(27,860,508)	-	170,895,991	-	170,895,991
Experience adjustments	(263,766,793)	-	-	(263,766,793)	(58,381,639)	-	-	(58,381,639)
	(263,766,793)	(27,860,508)	(5,591,583)	(297,218,884)	(58,381,639)	170,895,991	283,171	112,797,523
Changes that relate to future service								
Changes in estimates that adjust the CSM	9,756,857	(143,603)	(9,613,253)	-	(11,284,799)	-	11,284,799	-
Contracts initially recognised in the period	(27,783,341)	8,783,738	18,999,603	-	(21,089,777)	(38,941,640)	(17,851,863)	(77,883,280)
Changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	(8,247,758)	21,810,021	(13,562,263)	-	(2,361,759)	-	31,608,841	29,247,082
	(26,274,242)	30,450,156	(4,175,914)	-	(34,736,335)	(38,941,640)	25,041,777	(48,636,199)
Changes that relate to past service - adjustments to the incurred claims	-	-	-	-	-	-	-	-
Effect of changes in the risk of reinsurers non-performance	-	-	-	-	-	-	-	-
Net income (expenses) from reinsurance contracts held	(290,041,036)	2,589,648	(9,767,497)	(297,218,884)	(93,117,974)	131,954,351	25,324,947	64,161,324
Finance income (expenses) from reinsurance contracts held	(40,125,152)	2,549,895	(2,532,110)	(40,107,368)	(33,837,138)	-	(2,306,223)	(38,508,288)
Effect of changes in exchange rate	2,146,294	(613,053)	167,633	1,700,874	(17,063,520)	2,364,927	(1,931,312)	(16,629,905)
Total amounts recognised in comprehensive income	**(328,019,895)**	**4,526,490**	**(12,131,973)**	**(335,625,378)**	**(144,018,632)**	**131,954,351**	**21,087,412**	**9,023,131**
Cash flows								
Premiums paid net of ceding commissions and other directly attributable expenses paid	364,275,982	-	-	364,275,982	99,901,091	-	-	99,901,091
Recoveries from reinsurance	(54,676,723)	-	-	(54,676,723)	(5,947,083)	-	-	(5,947,083)
Total cash flows	309,599,259	-	-	309,599,259	93,954,008	-	-	93,954,008
Net balance as at 31 December	**(794,389,020)**	**245,920,769**	**(56,461,348)**	**(604,929,598)**	**(775,968,384)**	**241,394,280**	**(44,329,375)**	**(578,903,479)**
Closing reinsurance contract assets	(39,223,127)	39,844,958	17,624,633	18,246,463	(37,864,825)	79,174,620	7,909,095	49,218,889
Closing reinsurance contract liabilities	(755,165,892)	206,075,812	(74,085,981)	(623,176,061)	(738,103,559)	162,219,660	(52,238,470)	(628,122,369)
Net balance as at 31 December	**(794,389,020)**	**245,920,769**	**(56,461,348)**	**(604,929,598)**	**(775,968,384)**	**241,394,280**	**(44,329,375)**	**(578,903,479)**

NOTES ON THE ACCOUNTS

13 INSURANCE AND REINSURANCE CONTRACTS CONT'D

Insurance contracts issued measured under PAA

Claim development table

Development of claims tables provide a measure of the Group's ability to estimate the ultimate value of claims for its general insurance subsidiary. The top half of each table below illustrates how the Group's estimate of total claims outstanding for each reporting year has changed at successive year-ends. The bottom half of the table reconciles the cumulative claims to the amount appearing in the consolidated statement of financial position.

Reporting Year	2018	2019	2020	2021	2022	2023	2024	Total
	G$	G$	G$	G$	G$	G$	G$	G$
Gross estimate of cumulative claims cost								
At the end year of claim	69,298,915	7,916,320	47,702,574	31,096,980	8,625,068	8,756,909	67,958,610	241,355,376
One year later	60,105,465	5,635,280	44,587,147	24,173,639	8,300,068	7,890,685		150,692,284
Two years later	56,564,848	5,635,280	44,559,467	23,473,639	8,300,068			138,533,302
Three years later	54,069,848	5,260,280	44,559,467	21,725,679	-			125,615,274
Four years later	53,894,848	5,260,280	43,842,467	-	-			102,997,595
Five years later	86,640,509	-	-	-	-			86,640,509
Current estimate of cumulative claims cost	86,640,509	5,260,280	43,842,467	21,725,679	8,300,068	7,890,685	67,958,610	241,618,298
Cumulative payments	(85,140,509)	(2,160,280)	(43,842,467)	(21,725,679)	(5,392,568)	(5,605,685)	-	(163,867,188)
Outstanding claims recognised in the statement of financial position	1,500,000	3,100,000	-	-	2,907,500	2,285,000	67,958,610	77,751,110

NOTES ON THE ACCOUNTS

13 INSURANCE AND REINSURANCE CONTRACTS CONT'D

Reconciliation of the liability for remaining coverage and the liability for incurred claims

	2024			
	Liabilities for remaining coverage	Liabilities for incurred claims		Total
		PV of cash flow	Risk adjustment	
	G$	G$	G$	G$
Insurance contracts issued				
Opening insurance contract liabilities	114,434,916	84,711,757	12,205,900	211,352,573
Opening insurance contract assets	(18,083,418)	-	-	(18,083,418)
Net balance as at 1 January	**96,351,498**	**84,711,757**	**12,205,900**	**193,269,155**
Insurance revenue	(281,430,317)	-	-	(281,430,317)
Insurance service expenses				
Incurred claims and other directly attributable expenses	-	208,273,770	7,167,978	215,441,748
Changes that relate to past service - adjustments to the LIC	-	9,792,500	(8,559,651)	1,232,849
Insurance service expenses	-	218,066,270	(1,391,673)	216,674,597
Insurance service result	(281,430,317)	218,066,270	(1,391,673)	(64,755,720)
Total amounts recognised in comprehensive income	**(281,430,317)**	**218,066,270**	**(1,391,673)**	**(64,755,720)**
Cash flows				
Premiums received	306,360,829	-	-	306,360,829
Claims and other directly attributable expenses paid	-	(225,026,917)	-	(225,026,917)
Total cash flows	306,360,829	(225,026,917)	-	81,333,912
Net balance as at 31 December	121,282,010	77,751,110	10,814,227	209,847,347
Closing insurance contract liabilities	127,415,925	77,751,110	10,814,227	215,981,262
Closing insurance contract assets	(6,133,915)	-	-	(6,133,915)
Net balance as at 31 December	**121,282,010**	**77,751,110**	**10,814,227**	**209,847,347**

	2023			
	Liabilities for remaining coverage	Liabilities for incurred claims		Total
		PV of cash flow	Risk adjustment	
	G$	G$	G$	G$
Insurance contracts issued				
Opening insurance contract liabilities	97,357,310	42,499,556	6,270,173	146,127,039
Opening insurance contract assets	(6,316,929)	-	-	(6,316,929)
Net balance as at 1 January	**91,040,381**	**42,499,556**	**6,270,173**	**139,810,110**
Insurance revenue	(246,783,949)	-	-	(246,783,949)
Insurance service expenses				
Incurred claims and other directly attributable expenses	-	96,258,611	(1,007,198)	95,251,413
Changes that relate to past service - adjustments to the LIC	-	38,847,858	6,942,925	45,790,783
Insurance service expenses	-	135,106,469	5,935,727	141,042,196
Insurance service result	(246,783,949)	135,106,469	5,935,727	141,042,196
Total amounts recognised in comprehensive income	**(246,783,949)**	**135,106,469**	**5,935,727**	**141,042,196**
Cash flows				
Premiums received	252,095,068	-	-	252,095,068
Claims and other directly attributable expenses paid	-	(92,894,270)	-	(92,894,270)
Total cash flows	252,095,068	(92,894,270)	-	159,200,798
Net balance as at 31 December	**96,351,500**	**84,711,755**	**12,205,900**	**193,269,155**
Closing insurance contract liabilities	114,434,918	84,711,755	12,205,900	211,352,573
Closing insurance contract assets	(18,083,418)	-	-	(18,083,418)
Net balance as at 31 December	**96,351,500**	**84,711,755**	**12,205,900**	**193,269,155**

*** There are no loss components to be reported during this period**

NOTES ON THE ACCOUNTS

13 INSURANCE AND REINSURANCE CONTRACTS CONT'D

The components of new business
The measurement components of initial recognition of insurance contracts not measured under the PAA issued during the year is shown in the table below:

		2024 Company	
Insurance Contracts Issued	**G$ Non-onerous Contracts Originated**	**G$ Onerous Contracts Originated**	**G$ Total**
Estimates of the present value of future cash outflows			
- Insurance acquisition cash flows	231,945,329	16,116,678	248,062,007
- Claims and other directly attributable expenses	1,174,029,997	38,515,175	1,212,545,172
Estimates of the present value of future cash outflows	1,405,975,325	54,631,853	1,460,607,178
Estimates of the present value of future cash inflows	(2,497,933,540)	(45,343,974)	(2,543,277,514)
Risk adjustment for non-financial risk	18,968,147	560,263	19,528,410
CSM	1,072,990,068	-	1,072,990,068
Increase in insurance contract liabilities from contracts recognised in the period	**-**	**9,848,142**	**9,848,142**

		2023 Company	
Insurance Contracts Issued	**G$ Non-onerous Contracts Originated**	**G$ Onerous Contracts Originated**	**G$ Total**
Estimates of the present value of future cash outflows			
- Insurance acquisition cash flows	191,932,977	18,827,872	210,760,849
- Claims and other directly attributable expenses	992,811,660	48,058,487	1,040,870,147
Estimates of the present value of future cash outflows	1,184,744,637	66,886,359	1,251,630,996
Estimates of the present value of future cash inflows	(2,330,876,415)	(54,006,807)	(2,384,883,222)
Risk adjustment for non-financial risk	84,780,208	4,423,806	89,204,014
CSM	1,061,351,570	(36,053)	1,061,315,518
Increase in insurance contract liabilities from contracts recognised in the period	**-**	**17,267,306**	**17,267,306**

*There is no new reinsurance contract recognized during the year.

CSM recognition
The table below shows the expected recognition of the remaining CSM in period in profit or loss in future years
for contracts not measured under PAA

NOTES ON THE ACCOUNTS

13 INSURANCE AND REINSURANCE CONTRACTS CONT'D

	Company	
	G$	G$
Number of years until expected to be recognizsed	Total CSM for Insurance Contracts Issued	Total CSM for Reinsurance Contracts Held
As at 31 December 2024		
1	374,364,071	2,630,597
2	255,849,074	2,502,508
3	233,496,185	2,416,297
4	222,289,648	2,341,029
5	213,044,139	2,315,235
6-10	937,612,282	11,287,238
>10	2,965,555,890	32,968,444
Total	**5,202,211,289**	**56,461,348**
As at 31 December 2023		
1	218,325,031	2,758,566
2	163,328,590	2,135,934
3	157,174,778	1,989,110
4	151,542,412	1,880,302
5	146,342,499	1,781,283
6-10	666,308,593	8,406,983
>10	2,215,081,816	25,377,197
Total	**3,718,103,719**	**44,329,375**

NOTES ON THE ACCOUNTS

14 PROPERTY AND EQUIPMENT

COMPANY

	Land G$	Buildings G$	Furniture, fittings, equipment and motor vehicles G$	Total G$
Cost/valuation				
At 1 January 2023	883,116,527	976,743,791	408,418,932	2,268,279,250
Exchange differences	16,509,961	25,349,292	3,006,148	44,865,401
Additions	-	233,700	21,516,715	21,750,415
At 31 December 2023	899,626,488	1,002,326,783	432,941,795	2,334,895,066
Exchange differences	(1,975,551)	(3,034,089)	(400,373)	(5,410,013)
Additions	-	22,356,735	19,537,242	41,893,977
At 31 December 2024	897,650,937	1,021,649,429	452,078,664	2,371,379,030
Comprising:				
Cost	249,158,435	566,415,335	452,078,664	1,267,652,434
Valuation	648,492,502	455,234,094	-	1,103,726,596
	897,650,937	1,021,649,429	452,078,664	2,371,379,030
Depreciation				
At 1 January 2023	-	39,046,910	355,493,780	394,540,690
Exchange differences	-	1,013,264	2,375,908	3,389,173
Charge for the year	-	20,046,536	19,202,653	39,249,188
At 31 December 2023	-	60,106,709	377,072,341	437,179,051
Exchange differences	-	(181,927)	(299,424)	(481,351)
Charge for the year	-	20,432,988	19,528,187	39,961,175
At 31 December 2024	-	80,357,771	396,301,104	476,658,875
Net book values:				
At 31 December 2024	897,650,937	941,291,659	55,777,560	1,894,720,156
At 31 December 2023	899,626,488	942,220,074	55,869,454	1,897,716,016

For details of revaluation of land and building see note 15(a).

NOTES ON THE ACCOUNTS

14 PROPERTY AND EQUIPMENT CONT'D

GROUP

	Land G$	Buildings G$	Furniture, fittings, equipment and motor vehicles G$	Total G$
Cost/valuation				
At 1 January 2023	941,116,527	1,017,443,791	431,307,860	2,389,868,178
Exchange differences	16,509,961	25,349,292	3,006,148	44,865,401
Additions	-	233,700	22,453,208	22,686,908
At 31 December 2023	957,626,488	1,043,026,783	456,767,216	2,457,420,488
Exchange differences	(1,975,551)	(3,034,089)	(400,373)	(5,410,013)
Additions	-	22,356,735	20,129,888	42,486,623
At 31 December 2024	955,650,937	1,062,349,429	476,496,731	2,494,497,098
Comprising:				
Cost	266,158,435	576,732,194	476,496,731	1,319,387,359
Valuation	689,492,502	485,617,235	-	1,175,109,736
	955,650,937	1,062,349,429	476,496,731	2,494,497,097
Depreciation				
At 1 January 2023	-	40,674,910	374,626,178	415,301,088
Exchange differences	-	1,013,264	2,375,908	3,389,173
Charge for the year	-	20,860,536	20,873,884	41,734,419
At 31 December 2023	-	62,548,709	397,875,970	460,424,679
Exchange differences	-	(181,927)	(299,424)	(481,351)
Charge for the year	-	21,246,988	20,510,963	41,757,951
At 31 December 2024	-	83,613,770	418,087,509	501,701,279
Net book values:				
At 31 December 2024	955,650,937	978,735,659	58,409,222	1,992,795,818
At 31 December 2023	957,626,488	980,478,074	58,891,247	1,996,995,809

For details of revaluation of land and building see note 15(a).

NOTES ON THE ACCOUNTS

15 FAIR VALUE ESTIMATION

Fair value measurement recognised in the statement of financial position

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
The sections that follow provide an analysis of the fair values of the Group's and Company's assets and liabilities based on the following hierarchy contained in IFRS 13:

Level 1: Fair value determination is with reference to quoted prices in active markets for identical assets and liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the assets or liability that are not based on observable market data (unobservable inputs).

The following table provides analysis of the fair value measurement hierarchy of the Company and Group assets and liabilities:

	COMPANY		
	2024		
Assets carried at fair value	**Level 2 G$**	**Level 3 G$**	**Total G$**
Equity investments at FVOCI	27,453,628,683	578,256,840	28,031,885,523
Commercial building	-	608,000,000	608,000,000
Property and equipment (a)	1,838,942,596	55,777,560	1,894,720,156
	2023		
	Level 2 G$	**Level 3 G$**	**Total G$**
Equity investments at FVOCI	27,016,554,171	578,627,280	27,595,181,451
Commercial building	-	608,000,000	608,000,000
Property and equipment (a)	1,841,846,562	55,869,454	1,897,716,016

NOTES ON THE ACCOUNTS

15 FAIR VALUE ESTIMATION CONT'D

Assets carried at fair value	GROUP 2024 Level 2 G$	Level 3 G$	Total G$
Equity investments at FVOCI	28,598,283,977	578,256,840	29,176,540,817
Commercial building	-	608,000,000	608,000,000
Property and equipment (a)	1,934,386,596	58,409,222	1,992,795,818

	2023 Level 2 G$	Level 3 G$	Total G$
Equity investments at FVOCI	27,984,465,376	578,627,280	28,563,092,656
Commercial building	-	608,000,000	608,000,000
Property and equipment (a)	1,938,104,562	58,891,247	1,996,995,809

(a) On September 28, 2020, the Society's Land and Buildings including the Commercial Building in Guyana were professionally revalued by Patterson Associates. The revaluation surplus of G$414,844,300 is being held in the revaluation reserve.

On September 2, 2020 the Society's Land and Buildings in Grenada were professionally revalued by the firm TVA Consultants Ltd. The revaluation surplus of G$538,458,030 is being held in revaluation reserve.

On October 12, 2020 the Society's Land and Building in St Lucia were professionally revalued by a certified valuation surveyor (Celsus Baptiste). The revaluation surplus of G$100,380,864 is being held in revaluation reserve.

On October 22, 2020 the Society's Land and Building in St Vincent and the Grenadines were professionally revalued by the firm Horizon Real Estate Ltd. The revaluation surplus of G$115,231,686 is being held in revaluation reserve.

The valuations for property are classified at Level 2. If no revaluation of the land and buildings was done, the net book value of land and buildings would have been approximately G$770,260,543 (2023 - G$784,638,155)

NOTES ON THE ACCOUNTS

15 FAIR VALUE ESTIMATION CONT'D

Assets and liabilities not carried at fair value

The following tables details the values of assets and liabilities that are not carried at fair value; their fair values are estimated to approximate their carrying values:

Company

	IFRS 13 Level	2024 Value G$	2024 Fair Value G$	IFRS 13 Level	2023 Carrying Value G$	2023 Fair Value G$
Assets						
Investments						
Bonds	2	1,805,226,858	1,805,226,858	2	1,706,502,374	1,706,502,374
Mortgages	2	191,255,369	191,255,369	2	155,542,742	155,542,742
Receivables and prepayments	2	241,102,288	241,102,288	2	153,961,966	153,961,966
Deposits with financial institutions	2	4,262,077,463	4,262,077,463	2	3,986,420,400	3,986,420,400
Interest receivable	2	37,092,518	37,092,518	2	38,243,566	38,243,566
Tax recoverable	2	5,590,144	5,590,144	2	6,675,235	6,675,235
Cash and cash equivalents	1	4,998,855,303	4,998,855,303	1	4,605,869,563	4,605,869,563
		11,541,199,943	11,541,199,943		10,653,215,846	10,653,215,846
Liabilities						
Deposit administration fund	2	6,228,015,931	6,228,015,931	2	5,813,061,665	5,813,061,665
Trade and other payables	2	287,507,957	287,507,957	2	253,622,724	253,622,724
		6,515,523,888	6,515,523,888		6,066,684,389	6,066,684,389

Group

		2024 Carrying Value G$	2024 Fair Value G$		2023 Carrying Value G$	2023 Fair Value G$
Assets						
Investments						
Bonds	2	1,805,226,858	1,805,226,858	2	1,706,502,374	1,706,502,374
Mortgages	2	191,255,369	191,255,369	2	155,542,742	155,542,742
Trade and other receivables	2	250,425,603	250,425,603	2	164,700,307	164,700,307
Deposits with financial institutions	2	4,538,068,611	4,538,068,611	2	4,234,421,101	4,234,421,101
Interest receivable	2	37,240,788	37,240,788	2	38,376,122	38,376,122
Tax recoverable	2	28,354,261	28,354,261	2	29,439,352	29,439,352
Cash and cash equivalents	1	5,101,536,799	5,101,536,799	1	4,726,922,485	4,726,922,485
		11,952,108,288	11,952,108,288		11,055,904,483	11,055,904,483
Liabilities						
Deposit administration fund	2	6,228,015,931	6,228,015,931	2	5,813,061,665	5,813,061,665
Trade and other payables	2	302,918,113	302,918,113	2	303,690,074	303,690,074
		6,530,934,044	6,530,934,044		6,116,751,739	6,116,751,739

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair value of assets and liabilities are determined as follows:

"Mortgages"
These investments are carried net of provision for impairment. The fair value is based on the expected realisation of outstanding balances. Mortgages are secured against the borrowers' properties.

"Financial instruments where the carrying amounts is equal to fair value"
The carrying amounts of certain financial instruments are assumed to approximate to their fair value due to their short-term nature. These include cash resources and other financial liabilities and assets. Interest bearing borrowings due after one year are fixed by contract and they are not likely to be changed. The fair value is equal to cost.

NOTES ON THE ACCOUNTS

16 INVESTMENT RESERVE

This represents fair value gains on the revaluation of investments

	Company		Group	
	2024 G$	2023 G$	2024 G$	2023 G$
At 1 January	27,172,676,535	30,647,669,816	28,058,620,592	31,216,078,061
Fair value adjustment	441,605,082	(3,591,171,139)	618,349,171	(3,273,635,329)
Exchange difference	(4,416,794)	116,177,858	(4,416,794)	116,177,860
At 31 December	**27,609,864,823**	**27,172,676,535**	**28,672,552,969**	**28,058,620,592**

17 INTANGIBLE ASSET

	Company		Group	
Cost	2024 G$	2023 G$	2024 G$	2023 G$
At 1 January and 31 December	87,596,115	87,596,115	109,513,500	109,513,500
Amortisation				
At 1 January	87,596,115	87,596,115	100,746,547	96,363,070
Amortisation for the year	-	-	4,383,477	4,383,477
At 31 December	87,596,115	87,596,115	105,130,024	100,746,547
Net Book Value	**-**	**-**	**4,383,476**	**8,766,953**

Represents cost of accounting and policy administration software. The amortization period is five (5) years.

18 DEPOSIT ADMINISTRATION FUND

	Company and Group	
	2024 G$	2023 G$
Balance at beginning	5,813,061,665	5,310,400,894
Contributions received plus interest	770,387,816	708,152,168
Refund of contributions, claims & benefits	(352,591,587)	(227,281,982)
Effect of Exchange Rate	(2,841,963)	21,790,586
	6,228,015,931	**5,813,061,665**

Deposit administration contracts are issued by the Society to pension schemes for the deposit of pension plan assets with the Society. The assets are included in investments, cash at bank and cash on deposit.

NOTES ON THE ACCOUNTS

19 TRADE AND OTHER PAYABLES

	COMPANY		GROUP	
	2024 G$	2023 G$	2024 G$	2023 G$
Trade and other payables	283,009,891	248,307,142	298,420,047	298,374,492
Accruals	4,498,066	5,315,582	4,498,066	5,315,582
	287,507,957	**253,622,724**	**302,918,113**	**303,690,074**

20 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operational decisions. Directors, key management personnel and entities where such directors and key management personnel have control or significant influence are considered related parties.

	GROUP	
	2024 G$	2023 G$
a. The company shares a common Chairman and Board of Directors with Demerara Fire and General Insurance Company Limited. Some of the Company's staff and facilities were utilized by Demerara Fire and General Insurance Company Limited during the year.		
Fees Charged	21,970,437	22,307,459
Coverage	867,019,302	861,519,302
Premiums	3,545,988	3,216,988
Key management personnel		
The Society's 6 (2023 - 6) key management personnel comprises its Executive Managers. The remuneration paid during the year to Executive Managers is included among the cost shared by Demerara Fire & General Insurance Ltd.	9,416,461	7,145,349
Directors Emoluments 7 (2023 - 7)	14,527,764	14,527,764
Balance (due to) / from Subsidiary	(8,287,514)	(5,244,524)

NOTES ON THE ACCOUNTS

	GROUP 2024 G$	GROUP 2023 G$
20 RELATED PARTY TRANSACTIONS CONT'D		
b. Transactions with companies which have one common Director with Demerara Mutual Life Assurance Society Limited.		
- Investments in Banks DIH Holdings Inc. Shares 81,575,035 (2023 - 81,575,035)	14,683,506,300	14,275,631,125
- Deposits held at Citizens' Bank Limited. Interest earned at the prevailing commercial rates.	1,361,870,040	1,351,416,146
- Investments in Citizens Bank Guyana Limited shares 1,000,000 (2023 - 1,000,000)	388,000,000	365,000,000
- Insurance Coverage to Company with common directors		
Coverage	25,130,280,802	25,061,952,382
Premiums	62,858,907	62,858,907

c. The Society has agreed to indemnify its Directors against any liability which may arise from the performance of their duties, provided that they act honestly and in good faith to the best interest of the Company.

21 PENDING LITIGATION

At the end of the year there were certain pending litigations, the outcome of which cannot be quantified at this stage.

22 INSURANCE ACT 2016

The Insurance Act 2016 went into effect in April 2018. The Society is not fully compliant with the modifications in the new Act governing the statutory fund composition, however this is currently being addressed.

Part XVI of the Act relates to pension plans, their registration, management and all other stipulations. The company has not fully complied with this section for all the plan it manages. The company is currently rectifying this.

NOTES ON THE ACCOUNTS

23 SEGMENTAL INFORMATION

	2024				2023			
	Company		Subsidiary	Group	Company		Subsidiary	Group
Line of Business	Life & Annuities G$	Health G$	Fire, General & Liability G$	Total G$	Life & Annuities G$	Health G$	Fire, General & Liability G$	Total G$
Revenue								
Insurance revenue	1,173,575,700	127,083,464	281,430,317	1,582,089,482	1,184,650,082	127,083,464	246,783,949	1,558,517,496
Insurance service expenses	(707,114,708)	(92,717,708)	(216,674,597)	(1,016,507,013)	(889,409,131)	(92,717,708)	(141,042,196)	(1,123,169,036)
Insurance service result before reinsurance contracts held	466,460,992	34,365,756	64,755,720	565,582,469	295,240,951	34,365,756	105,741,753	435,348,460
Net expense from reinsurance contracts held	(297,218,885)	-	26,709,108	(270,509,777)	64,161,324	-	(85,251,189)	(21,089,865)
Insurance service result	169,242,107	34,365,756	91,464,828	295,072,692	359,402,275	34,365,756	20,490,564	414,258,595
Investment income	655,498,431	-	13,923,548	669,421,979	548,852,092	-	12,261,321	561,113,413
Net insurance financial result	824,740,538	34,365,756	105,388,376	964,494,671	908,254,367	34,365,756	32,751,885	975,372,008
Finance expenses from insurance contracts issued	(407,275,036)	(12,143,985)	-	(419,419,021)	(203,651,030)	(12,143,985)	-	(215,795,015)
Finance income from reinsurance contracts held	(40,107,368)	-	-	(40,107,368)	(38,508,288)	-	-	(38,508,288)
Net insurance finance expenses	(447,382,404)	(12,143,985)	-	(459,526,389)	(242,159,319)	(12,143,985)	-	(254,303,303)
Net insurance and investment result	377,358,134	22,221,772	105,388,376	504,968,282	666,095,049	22,221,772	32,751,885	721,068,704
Other income	125,651,626	-	15,554,636	141,206,262	104,074,686	-	14,661,319	118,736,005
Operating expenses	(522,679,225)	-	(61,231,869)	(583,911,094)	(326,920,880)	-	(53,963,544)	(380,884,424)
Profit before tax	**(19,669,464)**	**22,221,772**	**59,711,143**	**62,263,450**	**443,248,855**	**22,221,772**	**(6,550,340)**	**458,920,286**
Taxation	(22,272,454)	-	(8,159,204)	(30,431,658)	(14,983,292)	-	-	(14,983,292)
Profit for the year	**(41,941,918)**	**22,221,772**	**51,551,939**	**31,831,793**	**428,265,563**	**22,221,772**	**(6,550,340)**	**443,936,994**
Revenue								
Guyana				836,303,316				630,715,123
Out of Guyana				745,786,165				927,802,373
				1,582,089,482				1,558,517,496
Assets								
Guyana				40,534,412,435				39,392,513,466
Out of Guyana				9,935,022,505				9,753,980,306
Liabilities								
Guyana				8,137,100,389				7,654,272,925
Out of Guyana				7,217,104,449				6,778,519,530

NOTES ON THE ACCOUNTS

24 ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT BASIS CONT'D

Company

	2024			
	Amortised Cost	**FVOCI**	**Total**	**2023**
	G$	**G$**	**G$**	**G$**
Assets				
Cash and cash equivalents	4,998,855,303	-	4,998,855,303	4,605,869,563
Equity	-	28,031,885,523	28,031,885,523	27,595,181,451
Bonds	1,805,226,858	-	1,805,226,858	1,706,502,374
Deposits with financial institutions	4,262,077,463	-	4,262,077,463	3,986,420,400
Mortgages	191,255,369	-	191,255,369	155,542,742
Receivables and prepayments	241,102,288	-	241,102,288	153,961,966
Interest receivable	37,092,518	-	37,092,518	38,243,566
Tax Recoverable	5,590,144	-	5,590,144	6,675,235
	11,541,199,943	**28,031,885,523**	**39,573,085,466**	**38,248,397,297**
Liabilities				
Deposit administration fund	6,228,015,931	-	6,228,015,931	5,813,061,665
Trade and other payables	287,507,957	-	287,507,957	253,622,724
	6,515,523,888	**-**	**6,515,523,888**	**6,066,684,389**

Group

	2024			
	Amortised Cost	**FVOCI**	**Total**	**2023**
	G$	**G$**	**G$**	**G$**
Assets				
Cash and cash equivalents	5,101,536,799		5,101,536,799	4,726,922,485
Equity		29,176,540,817	29,176,540,817	28,563,092,656
Bonds	1,805,226,858		1,805,226,858	1,706,502,374
Deposits with financial institutions	4,538,068,611		4,538,068,611	4,234,421,101
Mortgages	191,255,369		191,255,369	155,542,742
Trade and other receivables	250,425,603		250,425,603	164,700,307
Accrued Interest	37,240,788		37,240,788	38,376,122
Tax Recoverable	28,354,261		28,354,261	29,439,352
	11,952,108,289	**29,176,540,817**	**41,128,649,106**	**39,618,997,139**
Liabilities				
Deposit administration fund	6,228,015,931	-	6,228,015,931	5,813,061,665
Trade and other payables	302,918,113	-	302,918,113	303,690,074
	6,530,934,044	**-**	**6,530,934,044**	**6,116,751,739**

NOTES ON THE ACCOUNTS

25 FINANCIAL RISK MANAGEMENT
Financial risk management objectives

The group's management monitors and manages the financial risks relating to the operations of the group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk.

(a) Market risk

The group seeks to minimise the effects of these risks by the use of techniques that are governed by management's policies on foreign exchange risk, interest rate risk and credit risk which are approved by the board of directors.

The group's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates. The group uses gap analysis, interest rate sensitivity and exposure limits to financial instruments to manage its exposure to interest rate and foreign currency risk. There has been no change in the group's exposure to market risks or the manner in which it manages these risks.

(i) Price risk

Price risk is the risk that the value of financial instruments, insurance or reinsurance assets/liabilities will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security of its issuer or factors affecting all securities traded in the market. Management continually identifies the risk and diversifies the portfolio in order to minimize these risk. The group does not actively trade in equity investments.

(ii) Foreign currency risk
The group is exposed to foreign currency risk due to fluctuations in exchange rates on balances that are denominated in foreign currencies. The equivalent Guyana Dollar Value of Assets and Liabilities in Pound Sterling, Eastern Caribbean Dollars, Barbados and Trinidad & Tobago dollars are shown below:

	Company and Group 2024				
	£	**EC$**	**TT$**	**B'dos$**	**Total G$ equivalent**
Assets	560,496	121,903,669	18,519,679	44,625	10,192,954,602
Liabilities	-	(94,677,876)	(457,269)	-	(7,363,172,694)
	560,496	**27,225,793**	**18,062,410**	**44,625**	**2,829,781,908**

	Company and Group 2023				
	£	**EC$**	**TT$**	**B'dos$**	**Total G$ equivalent**
Assets	560,496	119,136,132	18,519,679	44,625	10,014,148,284
Liabilities	-	(88,736,054)	(457,269)	-	(6,926,823,659)
	560,496	**30,400,078**	**18,062,410**	**44,625**	**3,087,324,625**

Foreign Currency Sensitivity Analysis

The following table details the company's sensitivity to a 2.5% increase or decrease in the Guyana dollar against the relevant currencies.

The sensitivity analysis shows the impact of all assets and liabilities that are held in foreign currencies per the preceding table. A positive number below indicates an increase in reserves if the currency were to strengthen 2.5% against the Guyana dollar. If the currencies were to weaken 2.5% against the Guyana dollar, there would be an equal and opposite impact on the reserves and the balances would be negative.

	Company and Group			
	£ Sterling impact G$ M	**EC dollar impact G$ M**	**TT dollar impact G$ M**	**B'dos dollar impact G$ M**
2024	3.70	52.83	14.10	0.12
2023	3.75	59.20	14.11	0.12

NOTES ON THE ACCOUNTS

25 FINANCIAL RISK MANAGEMENT CONT'D

(a) Market risk cont'd

(iii) Interest rate risk

Interest rate risk is the risk that the value of financial instruments, insurance or reinsurances assets/liabilities will fluctuate due to changes in market interest rates. The group's exposure to interest rate risk is continuously monitored to reduce as far as practical adverse interest rate risk.

	Company		Group	
	2024	2023	2024	2023
	G$	G$	G$	G$
Financial assets	34,290,445,213	33,443,646,967	35,711,091,655	34,659,558,873
Insurance contract assets	1,495,221,386	1,607,710,316	1,501,355,301	1,625,793,734
Reinsurance contract assets	18,246,463	49,218,889	109,385,345	97,893,920
Insurance contract liabilities	7,972,538,499	7,476,565,774	8,188,519,761	7,687,918,347
Reinsurance contract liabilities	623,176,061	628,122,369	634,751,033	628,122,369
	44,399,627,622	43,205,264,315	46,145,103,095	4,699,287,243

(iv) Interest rate sensitivity analysis

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the impact on the Group's profit would have been as illustrated on the following table:

	Change in rates	Group Impact on profit for year before tax		Group Impact on profit for year after tax	
		2024	2023	2024	2023
		G$000	G$000	G$000	G$000
Financial assets	+/-50 bps	178.555	173.298	177.216	171.998
Insurance contract assets	+/-50 bps	7.507	8.129	7.450	8.068
Reinsurance contract assets	+/-50 bps	0.547	0.489	0.543	0.486
Insurance contract liabilities	+/-50 bps	40.943	38.440	40.636	38.151
Reinsurance contract liabilities	+/-50 bps	3.174	3.141	3.150	3.117

NOTES ON THE ACCOUNTS

25 FINANCIAL RISK MANAGEMENT CONT'D
(b) Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in raising funds to meet its commitments associated with financial instruments.

At 31 December 2024

	Company			
	1 to 12 months G$	**1 to 5 years G$**	**Over 5 years G$**	**Total G$**
Liabilities				
Deposit administration fund	6,228,015,931	-	-	6,228,015,931
Payables	-	287,507,957	-	287,507,957
	6,228,015,931	**287,507,957**	**-**	**6,515,523,888**

At 31 December 2023

	Company			
	1 to 12 months G$	**1 to 5 years G$**	**Over 5 years G$**	**Total G$**
Liabilities				
Deposit administration fund	5,813,061,665	-	-	5,813,061,665
Payables	-	253,622,724	-	253,622,724
	5,813,061,665	**253,622,724**	**-**	**6,066,684,389**

At 31 December 2024

	Group			
	1 to 12 months G$	**1 to 5 years G$**	**Over 5 years G$**	**Total G$**
Liabilities				
Deposit administration fund	6,228,015,931	-	-	6,228,015,931
Payables	-	302,918,113	-	302,918,113
	6,228,015,931	**302,918,113**	**-**	**6,530,934,044**

At 31 December 2023

	Group			
	1 to 12 months G$	**1 to 5 years G$**	**Over 5 years G$**	**Total G$**
Liabilities				
Deposit administration fund	5,813,061,665	-	-	5,813,061,665
Payables	-	303,690,074	-	303,690,074
	5,813,061,665	**303,690,074**	**-**	**6,116,751,739**

NOTES ON THE ACCOUNTS

25 FINANCIAL RISK MANAGEMENT CONT'D

(b) Liquidity risk cont'd

Insurance and reinsurance contracts
Maturity Analysis
The table below shows the maturity analysis of the insurance and reinsurance contracts not measured under the PAA.

	Company 2024					
	Up to 1 year	1-2 years	2-3 years	4-5 years	>5 years	Total
	G$'000	G$'000	G$'000	G$'000	G$'000	G$'000
Insurance Liabilities	314,810	49,197	46,007	85,522	3,976,770	4,472,306
Reinsurance Liabilities	2,261	8,008	-	22,334	722,564	755,166
	317,071	**57,205**	**46,007**	**107,856**	**4,699,333**	**5,227,472**

	Company 2023					
	Up to 1 year	1-2 years	2-3 years	4-5 years	>5 years	Total
	G$'000	G$'000	G$'000	G$'000	G$'000	G$'000
Insurance Liabilities	395,011	68,774	39,963	89,614	4,131,711	4,725,073
Reinsurance Liabilities	2,515	1,707	8,572	-	725,309	738,104
	397,526	**70,481**	**48,535**	**89,614**	**4,857,020**	**5,463,176**

(c) Credit risk
Concentration of Risk

The group is exposed to credit risk in respect of receivables and cash and cash equivalents. However, this risk is controlled by close monitoring of these assets by the group. The maximum credit risk faced by the group is the balance reflected in the financial statements.

	Company		Group	
	2024	2023	2024	2023
	G$	G$	G$	G$
Financial investments at AC(i)	1,805,226,858	1,706,502,374	1,805,226,858	1,706,502,374
Financial investments at FVOCI(i)	28,031,885,523	27,595,181,451	29,176,540,817	28,563,092,656
Cash and cash equivalents(ii)	4,998,855,303	4,605,869,563	5,101,536,799	4,726,922,485
Deposits with financial institutions(ii)	4,262,077,463	3,986,420,400	4,538,068,611	4,234,421,101
Trade and other receivables (iii)	241,102,288	153,961,966	250,425,603	164,700,307
Mortgages(v)	191,255,369	155,542,742	191,255,369	155,542,742
Accrued Interest(iv)	37,092,518	38,243,566	37,240,788	38,376,122
	39,567,495,322	**38,241,722,062**	**41,100,294,845**	**39,589,557,787**

(i) The investments as reflected are assets for which the likelihood of default are considered minimal by the Directors.

(ii) Cash and cash equivalent include balances held in commercial banks. These banks have been assessed by the Society as being credit worthy with very strong capacity to meet obligations as they fall due.

(iii) Included in trade and other receivables are number of advances and loans to staff and sales representatives on which interest is earned.

(iv) Accrued interest represents amounts due or accrued on the various investments of the group.

These amounts would either be received in the next financial year, or would materialise on maturity of the investment(s) in accordance with the terms and conditions.

NOTES ON THE ACCOUNTS

25 FINANCIAL RISK MANAGEMENT CONT'D

(v) Mortgages are fully secured by charges on the properties

The below tables shows loss allowance on trade and other receivables

	Company		Group	
	2024	**2023**	**2024**	**2023**
	G$	**G$**	**G$**	**G$**
Carrying value	279,023,184	192,472,423	288,346,499	203,210,764
loss allowance	(37,920,896)	(38,510,457)	(37,920,896)	(38,510,457)
	241,102,288	**153,961,966**	**250,425,603**	**164,700,307**

26 INSURANCE RISK MANAGEMENT

The principal risk that the company faces under its insurance contract is that the actual claims and benefit payments exceed the carrying amount of its assets at any one time. This can occur if there is for some reason widespread deaths either due to epidemics, or other social problems within the territories we operate. It is however prudent of the company to ensure that its risks are properly managed.

The Company is exposed to different elements of insurance risks as follows:

i) Mortality risk
The Society's individual and group life insurance policies are subject to mortality
Risk since these contracts pays claims upon the death of an insured. The risk of loss results from a policyholder's mortality occurring differently than anticipated. This risk category also includes other risks such as critical illness and disability.

ii) Longevity risk
The Society's immediate annuity policies are exposed to longevity risk. This is the risk of loss resulting from the annuitant living longer than anticipated.

iii) Morbidity risk
The Society's individual and group health policies cover medical expenses, but the frequency and magnitude of claims can fluctuate. Morbidity risk is the potential for loss to occur if a policyholder's health experience is different than anticipated.

The aim for the company is to ensure the availability of adequate reserves to meet the obligations arising from the insurance contracts. Risk are mitigated firstly through the company's underwriting principles that seek to ensure that all risks selected are insurable. Diversification among the portfolios of insurance contracts in different countries further reduces the risk exposure. The company's risk is also mitigated through its reinsurance treaties and careful adjunction of all claims to avoid the payment of fraudulent claims.

The geographical concentration of the Company's insurance and reinsurance contracts issued is shown below. The disclosure is based on the carrying amounts of insurance contract liabilities and reinsurance contracts held disaggregated to countries where the business is written.

	2024		2023	
	Insurance contracts issued	Reinsurance contracts held	Insurance contracts issued	Reinsurance contracts held
Guyana	1,806,951,736	147,589,449	1,599,261,391	208,070,795
EC Territories	4,670,365,377	457,340,149	4,269,594,067	370,832,684
	6,477,317,113	**604,929,598**	**5,868,855,458**	**578,903,479**

NOTES ON THE ACCOUNTS

26 INSURANCE RISK MANAGEMENT CONT'D

The following sensitivity analysis shows the impact of changes in key assumptions on the contractual service margin, fulfilment cash flows for insurance contracts and reinsurance contract held. Sensitivity analysis relies on the assumption that variables can be changed independently. The methods and assumptions employed in the preparation of the sensitivity analysis remained unchanged from the previous period.

	Change in assumptions	FCF as at 31 December	CSM as at 31 December	Total change in net insurance liabilities
		G$'000	G$'000	G$'000
Mortality/Morbidity rate	+10%	382,702	(338,264)	44,439
Lapse rate	+10%	147,054	(159,994)	(12,940)
Expenses	+10%	246,329	(227,268)	19,061

	Change in assumptions	FCF as at 31 December	CSM as at 31 December	Total change in net reinsurance liabilities
		G$'000	G$'000	G$'000
Mortality rate	+10%	(102,452)	70,621	(31,831)

Measurement of insurance and reinsurance contracts:
The measurement of each group of contracts within the scope of IFRS 17 comprises all future cash flows within the boundary of each group of contracts. Probability-weighted expected future cash flows are the basis for these estimates. The Group predicts the cash flows and the likelihood of their occurrence at the measurement date. The Group employs information regarding historical events, current conditions, and prospective predictions to formulate these expectations. The cash flows include policy premiums, directly attributable policy expenses, and benefit payments. Non-financial assumptions, such as mortality, lapse, and expenses were also used to estimate future cash flows in accordance with the terms of the contracts.

The following table provides a breakdown of the amounts presented on the consolidated balance sheet for insurance contracts issued and reinsurance contracts held.

	Company		Group	
	2024	2023	2024	2023
	G$	G$	G$	G$
Insurance contract assets	1,495,221,386	1,607,710,316	1,501,355,301	1,625,793,734
Insurance contract liabilities	7,972,538,499	7,476,565,774	8,188,519,761	7,687,918,347
Reinsurance contract assets	18,246,463	49,218,889	109,385,345	97,893,920
Reinsurance contract liabilities	623,176,061	628,122,369	634,751,033	628,122,369

The Group has estimated the following key areas by applying IFRS 17 to the measurement of insurance contracts issued and reinsurance contracts held. These are components of the combined balances of insurance contract assets and liabilities and reinsurance contract assets and liabilities:
(i) Mortality

- Future cash flows
- Discount rates
- Risk adjustment for non-financial risk

The following key assumptions were used when estimating future cash flows:

(1) Mortality rates
The assumptions obtained from the Canadian Institute of Actuaries tables and Individual Annuitant Mortality (IAM) tables are adjusted for the Society's experience and territory differences, as determined by the type of contract. Future mortality enhancement is incorporated into the assumptions of immediate annuity and deferred annuity mortality. No future mortality improvement was assumed for individual and group life insurance policies. An increase in expected mortality rates will increase the expected claim cost, reducing the company's expected profits.

NOTES ON THE ACCOUNTS

26 INSURANCE RISK MANAGEMENT CONT'D

Measurement of insurance and reinsurance contracts cont'd

The following key assumptions were used when estimating future cash flows cont'd
(2) Lapse rates
Based on the Society's experience formed the basis for the future lapses assumed for participating and non-participating individual life insurance, individual deferred annuity, and individual health portfolios. There is an annual review of this experience. The valuation of immediate annuity and group contracts did not presume any lapses.

3) Expenses
Total expenses were separated into two categories: expenses directly attributable to the fulfilment of insurance contracts and expenses not directly attributable. Additional allocation is required among the directly relevant expenses to differentiate between acquisition and maintenance expenses. To determine per-policy maintenance expenses for each portfolio, the directly attributable maintenance expenses(excluding premium taxes) was divided by the average number of policies or certificates in group policies during the valuation year.

(4) Discount rates

Cash flows are discounted using adjusted risk-free yield curves, which consider the cash flow characteristics and insurance contract liquidity. The discount curve was developed using top-down approach. Risk-free rates are calculated using government bond yield curves. However, these bonds were not regarded as risk-free because the issuing countries' credit ratings were low. Because there was an absence of active markets and reputable data to estimate credit risk premiums, extensive judgment was employed to make the adjustment. It was predicted that the overall spread for expected and unexpected credit losses would start at 50 basis points, rise to 100 basis points during the next twenty years, and then remain level.

The tables below set out the yield curves used to discount the cash flows of insurance contracts

Duration(year)	2024	2023
1	4.21%	3.44%
5	5.35%	6.41%
10	6.46%	6.35%
15	6.24%	6.17%
20	6.00%	6.00%

(5) Risk adjustment for non-financial risk

The risk adjustment for non-financial risk represents the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. Risk adjustment measures the degree of unpredictability in predicted future cash flows in a way that reflects the Group's risk aversion. It is allocated to groups of contracts based on an analysis of the risk profiles and coverage period. The amount of risk adjustment was computed using an 85% confidence level for all life, health and annuity contracts. For all other contracts risk adjustment was computed using a confidence level of 95%.

NOTES ON THE ACCOUNTS

27 Defined Benefit Asset Company and Group

(a) The amounts recognised in the Statement of Financial Position are as follows:

	Company and Group	
	2024 G$	2023 G$
Present value of obligation	(1,254,188,608)	(1,154,604,087)
Fair value of plan assets	6,373,770,450	6,339,920,679
Net defined benefit asset	**5,119,581,842**	**5,185,316,592**

(b) Changes in present value of defined benefit obligation is as follows:

	Company and Group	
	2024 G$	2023 G$
Opening defined benefit obligation	1,154,604,087	1,014,579,133
Current service cost	32,107,929	29,580,032
Interest cost	46,184,163	40,583,165
Benefits paid	(50,473,238)	(38,627,727)
Actuarial (loss) / gain	71,765,667	108,489,484
Closing defined benefit obligation	**1,254,188,608**	**1,154,604,087**

(c) Changes in fair value of defined benefit obligation are as follows:

Opening fair value of plan assets	6,339,920,679	6,873,699,419
Expected return on plan assets	252,756,874	274,330,933
Contributions paid	8,475,586	7,775,534
Benefits paid	(50,473,238)	(38,627,727)
Actuarial gain	(176,909,451)	(777,257,480)
Closing fair value of plan assets	**6,373,770,450**	**6,339,920,679**

NOTES ON THE ACCOUNTS

27 Defined Benefit Asset Company and Group cont'd

(d) Amount recognised in the Statement of Comprehensive Income are as follows:

	Company and Group	
	2024	**2023**
	G$	**G$**
Current service cost	32,107,929	29,580,032
Net interest on defined benefit obligation	206,572,711	233,747,768
	238,680,640	**263,327,800**

Reconciliation of amount recognised in the Statement of Financial Position

	Company and Group	
	2024	**2023**
	G$	**G$**
Opening Balance	5,185,316,591	5,859,120,285
Net pension cost	165,989,196	196,392,202
Re-measurement recognised in Other Comprehensive Income	(240,199,532)	(877,971,430)
Contributions paid	8,475,586	7,775,534
	5,119,581,841	**5,185,316,591**

	Company and Group			
	2024	**2023**	**2024**	**2023**
Experience History	**G$**	**G$**	**G$**	**G$**
Defined benefit obligation	(1,254,188,608)	(1,154,604,087)	(1,254,188,608)	(911,788,890)
Fair value of plan assets	6,373,770,450	6,339,920,679	6,373,770,450	5,359,791,571
Surplus	**5,119,581,842**	**5,185,316,592**	**5,119,581,842**	**4,448,002,681**

Summary of main assumptions

	Company and Group			
	2024	**2023**	**2024**	**2023**
	G$	**G$**	**G$**	**G$**
Discount rate	4%	4%	4%	4%
Salary increases	5%	3%	5%	3%

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