

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
DIAMOND FIRE AND GENERAL INSURANCE INC.
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Diamond Fire and General Insurance Inc., which comprise the statement of financial position as at 31 December, 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 2 to 53.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Diamond Fire and General Insurance Inc. as at 31 December, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Responsibilities of those Charged with Governance for the Financial Statements

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

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

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.

Auditor's Responsibilities for the Audit of the Financial Statements – Cont'd

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the Company's financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

The financial statements comply with the requirements of the Companies Act 1991.

The Insurance Act 2016 became effective in 2018. As explained in Note 24, the company did not fully comply with the requirements of the Act.

TSD LAL & CO.
CHARTERED ACCOUNTANTS

Date: June 21, 2024.

77 Brickdam,
Stabroek, Georgetown
Guyana.

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DIAMOND FIRE AND GENERAL INSURANCE INC.

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>Notes</u>	<u>2023</u> G\$	<u>2022</u> G\$ Restated
Insurance revenue	5	1,179,718,090	1,004,773,574
Insurance service expense	5	(696,621,539)	(489,703,330)
Net expenses from reinsurance contracts	5	(255,392,774)	(259,198,372)
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Insurance service result		227,703,777	255,871,872
Net insurance finance income (expense)	6	6,896,245	4,256,264
Net investment income	6	44,325,131	39,348,517
		<hr/>	<hr/>
Net insurance and investment result		278,925,153	299,476,653
Fee and other income		80,138,406	62,538,365
Other expense	7	(98,428,104)	(101,497,806)
		<hr/>	<hr/>
Profit before taxation		260,635,455	260,517,212
Taxation	12	(80,522,566)	(88,996,004)
		<hr/>	<hr/>
Profit after taxation		180,112,889	171,521,208
		<hr/>	<hr/>
Basic earnings per share	8	1.20	1.14

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

DIAMOND FIRE AND GENERAL INSURANCE INC.

STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>Note</u>	<u>2023</u> G\$	<u>2022</u> G\$ Restated
Profit after taxation		<u>180,112,889</u>	<u>171,521,208</u>
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit pension plan	12(b)	(16,447,600)	20,218,000
Fair value (loss)/gain on investments in equity instruments	12(b)	<u>(599,947,292)</u>	<u>1,805,150,262</u>
Other comprehensive income /(loss) net of tax		<u>(616,394,892)</u>	<u>1,825,368,262</u>
Total comprehensive income (loss) for the year		<u>(436,282,003)</u>	<u>1,996,889,470</u>

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

DIAMOND FIRE AND GENERAL INSURANCE INC.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>Notes</u>	<u>Share Capital</u> G\$	<u>Retained Earnings</u> G\$	<u>Investments Reserve</u> G\$	<u>Total</u> G\$
Balance at 31 December 2021		<u>350,000,000</u>	<u>916,302,304</u>	<u>1,896,532,230</u>	<u>3,162,834,534</u>
Impact of initial application of IFRS 17	22	<u>-</u>	<u>(10,971,542)</u>	<u>-</u>	<u>(10,971,542)</u>
Restated balance at 01 January 2022		<u>350,000,000</u>	<u>905,330,762</u>	<u>1,896,532,230</u>	<u>3,151,862,992</u>
<i>Changes in equity 2022</i>					
Total comprehensive income for the year		-	191,739,208	1,805,150,262	1,996,889,470
Dividends	21	<u>-</u>	<u>(37,500,000)</u>	<u>-</u>	<u>(37,500,000)</u>
Balance at 31 December 2022		<u>350,000,000</u>	<u>1,059,569,970</u>	<u>3,701,682,492</u>	<u>5,111,252,462</u>
Impact of initial application of IFRS 9	22	<u>-</u>	<u>(13,653,366)</u>	<u>13,653,366</u>	<u>-</u>
Restated balance at 01 January 2023		<u>350,000,000</u>	<u>1,045,916,604</u>	<u>3,715,335,858</u>	<u>5,111,252,462</u>
<i>Changes in equity 2023</i>					
Total comprehensive income/(loss) for the year		-	163,665,289	(599,947,292)	(436,282,003)
Dividends	21	<u>-</u>	<u>(37,500,000)</u>	<u>-</u>	<u>(37,500,000)</u>
Balance at 31 December 2023		<u><u>350,000,000</u></u>	<u><u>1,172,081,893</u></u>	<u><u>3,115,388,566</u></u>	<u><u>4,637,470,459</u></u>

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

DIAMOND FIRE AND GENERAL INSURANCE INC.

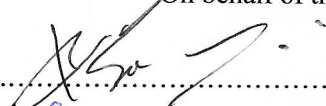
STATEMENT OF FINANCIAL POSITION

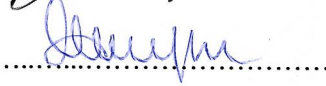
AS AT 31 DECEMBER 2023

	Notes	31 December 2023 G\$	31 December 2022 G\$ Restated	1 January 2022 G\$ Restated
ASSETS				
Cash at bank and on hand		910,758,949	815,521,484	614,237,130
Cash on deposit		50,130,274	45,956,809	45,462,880
Statutory deposits		54,734,080	54,734,498	54,095,072
Investments	9	3,534,528,807	4,002,042,646	2,229,180,082
Reinsurance contract assets	11	217,439,239	116,624,238	104,372,305
Receivables and prepayments		224,203,421	201,478,188	126,181,894
Tax recoverable		6,855,110	6,733,102	6,855,109
Deferred tax asset	12(a)	20,093,492	18,265,140	16,394,979
Defined benefit asset	20	49,917,441	60,985,000	39,590,000
Property and equipment	13	447,758,724	455,345,699	467,761,917
TOTAL ASSETS		5,516,419,537	5,777,686,804	3,704,131,368
EQUITY AND LIABILITIES				
Share capital	14(a)	350,000,000	350,000,000	350,000,000
Retained earnings		1,172,081,893	1,059,569,970	905,330,762
Investment reserve	14(b)	3,115,388,566	3,701,682,492	1,896,532,230
Capital and reserves		4,637,470,459	5,111,252,462	3,151,862,992
Payables and accrued expenses	16	68,912,021	36,952,998	36,233,563
Insurance contract liabilities	10	774,247,196	594,866,795	449,193,589
Lease liability	15	8,481,953	9,263,021	9,966,686
Taxes payable		1,188,151	4,873,510	26,811,673
Deferred tax liability	12(a)	26,119,757	20,478,018	30,062,865
		878,949,078	666,434,342	552,268,376
TOTAL EQUITY AND LIABILITIES		5,516,419,537	5,777,686,804	3,704,131,368

These financial statements were approved by the Board of Directors on 21 June 2024

On behalf of the Board:


..... Director


..... Director

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

DIAMOND FIRE AND GENERAL INSURANCE INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>2023</u>	<u>2022</u>
	G\$	G\$
		Restated
Operating activities		
Profit before taxation	260,635,455	260,517,212
Adjustment for:		
Gain on disposal	-	(1,638,262)
Lease interest	1,049,482	1,096,335
Change in defined benefit asset	7,656,000	(21,395,000)
Depreciation	15,789,268	15,365,660
Operating profit before working capital changes	285,130,205	253,945,946
Increase in insurance contract liabilities	163,559,704	143,850,632
Increase in reinsurance contract assets	(100,354,153)	(12,029,465)
Increase in receivables and prepayments	(22,725,233)	(75,296,294)
Increase in cash on deposit	(639,429)	(639,427)
Increase in payables and accrued expenses	31,959,023	719,435
Cash generated from operations	356,930,117	310,550,829
Taxes paid	(95,394,193)	(111,706,984)
Net cash provided by operating activities	261,535,924	198,843,845
Investing activities		
Purchase of property and equipment	(8,137,293)	(2,949,442)
Purchase of investments	(157,959,471)	(26,020,146)
Proceeds on maturity and sale of investments	39,128,854	70,710,099
Net cash provided by/(used in) investing activities	(126,967,910)	41,740,511
Financing activities		
Lease interest expense	(1,049,482)	(1,096,335)
Repayment of lease liability	(781,068)	(703,665)
Dividends paid	(37,500,000)	(37,500,000)
Net cash used in financing activities	(39,330,550)	(39,300,000)
Net increase in cash and cash equivalents	95,237,464	201,284,355
Cash and cash equivalents at beginning of year	815,521,485	614,237,130
Cash and cash equivalents at end of year	910,758,949	815,521,485

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