



**UNAUDITED FINANCIAL STATEMENTS
FOR PERIOD ENDED 30 JUNE 2015**



General Accident Insurance Company Jamaica Limited

Table of Contents

Period ended 30 June 2015

Contents	Page
Financial Statements	
Statement of Comprehensive Income	1
Statement of Financial Position	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to the Financial Statements	5

GENERAL ACCIDENT INSURANCE COMPANY (JAMAICA) LIMITED



Report to Stockholders

For the period ended 30 June 2015

We are pleased to present the unaudited financial statements of General Accident Insurance Company (Jamaica) Limited (“General Accident”) for the quarter ended 30 June 2015. Although our performance so far this year is disappointing, we expect our results to improve materially in the second half of 2015.

The highlights are as follows:

Gross written premium \$3.8 billion (2014: \$3.4 billion)

Net profit of \$26.6 million (2014: \$187.2 million)

Shareholders equity \$1.53 billion (2014: \$1.55 billion)

Annualized return on average equity of 6.8% (2014:25%)

Underwriting Performance

For the first half of the year gross written premium grew to \$3.8 billion, an increase of 10% over the same period last year despite a sharp contraction in property rates. Operating costs also increased moderately by 8% in line with our expectations. Nevertheless, claims charges saw a significant increase by 30% to \$413 million. This sharp increase in claims negatively impacted both our loss ratio and combined ratio which worsened from 86% (2014) to 106% for comparable periods, respectively.

Investment Performance

Our investment portfolio performed reasonably well for the first half of 2015 with investment income of \$94 million. While this is also below our investment returns for the first half of last year, it represents an annualized return of 9% which is above our benchmarks of inflation and the returns on short-term Government of Jamaica securities.

GENERAL ACCIDENT INSURANCE COMPANY (JAMAICA) LIMITED



Interim Report to Stockholders For the quarter ended 30 June 2015

Summary

General Accident's profitability of \$26.6 million for the first half of 2015 is well below our prior year performance. By far the largest driver of this disappointing result is our claims experience. Over short periods of time, our loss ratios may experience significant volatility. Nevertheless, we remain confident that the consistent application of General Accident's standards and practices will continue to produce underwriting profits over the long-term. As a result, we expect our performance in the second half of the year to improve significantly.

We wish to thank our all of our policyholders, brokers, reinsurers, and employees for their loyal support.

On behalf of the Board of Directors

Paul Scott
Chairman

Sharon Donaldson
Managing Director



General Accident Insurance Company Jamaica Limited
Statement of Comprehensive Income
Period ended 30 June 2015

	Unaudited 6 Months Ended 30 June 2015 \$'000	Unaudited 6 Months Ended 30 June 2014 \$'000	Unaudited 3 Months Ended 30 June 2015 \$'000	Unaudited 3 Months Ended 30 June 2014 \$'000	Audited Year ended 31 December 2014 \$'000
Gross Premiums Written	3,773,504	3,442,857	2,081,024	1,912,556	5,072,375
Reinsurance ceded	(3,100,573)	(2,811,148)	(1,752,441)	(1,608,821)	(3,878,197)
Excess of Loss Reinsurance Cost	(51,512)	(72,946)	(28,972)	(38,511)	(127,640)
Net Premiums Written	621,419	558,763	299,611	265,224	1,066,538
Changes in unearned premiums, net	(129,484)	(73,584)	(37,526)	(53,477)	2,560
Net Premiums Earned	491,935	485,179	262,085	211,747	1,069,098
Commission Income	178,148	174,844	96,217	90,315	335,967
Commission Expense	(93,922)	(69,079)	(61,815)	(2,058)	(182,938)
Claims Expense	(413,043)	(316,449)	(227,587)	(169,426)	(678,558)
Management Expenses	(221,759)	(205,438)	(114,459)	(110,899)	(441,628)
Underwriting (Loss)/ Profit	(58,641)	69,057	(45,559)	19,679	101,941
Investment Income	93,777	124,711	49,896	68,103	160,396
Other Income	6,443	6,001	3,807	5,212	88,124
Other Operating Expenses	(14,973)	(12,457)	(7,657)	(4,499)	(30,496)
Profit before Taxation	26,606	187,312	487	88,495	319,965
Taxation	(30)	(30)	(30)	(30)	113
NET PROFIT FOR THE PERIOD	26,576	187,282	457	88,465	320,078
Other Comprehensive Income:					
Items that may be subsequently reclassified to profit or loss					
Unrealised gains/(losses) on available-for-sale investments, net of tax	19,669	(11,963)	13,212	(14,876)	6,192
Tax credit		-			46
Gains recycled to profit or loss on disposal and maturity of available-for-sale investments		-			-
	19,669	(11,963)	13,212	(14,876)	6,238
TOTAL COMPREHENSIVE INCOME	46,245	175,319	13,669	73,589	326,316
EARNINGS PER SHARE	0.03	0.18	0.00	0.09	0.31



General Accident Insurance Company Jamaica Limited
Statement of Financial Position
As at 30 June 2015

	Unaudited 30 June 2015 \$'000	Unaudited 30 June 2014 \$'000	Audited 31 December 2014 \$'000
ASSETS			
Cash and Short Term Investments	998,560	1,051,538	1,272,527
Taxation Recoverable	139,815	113,749	127,445
Due from policyholders, brokers and agents	1,535,886	822,991	380,606
Due from reinsurers and co-insurers	614,896	559,464	528,584
Deferred policy acquisition cost	247,830	224,278	202,900
Other Receivables	100,194	26,774	26,273
Due from related parties	832	341	2,275
Loans receivable	167,099	170,502	169,591
Leases receivable	27,632	75,548	44,556
Investment Securities	1,235,300	975,815	910,145
Pooled real estate investment	143,549	143,549	143,549
Property, Plant & Equipment	125,426	81,714	95,138
Intangible assets	5,334	10,547	7,463
Deferred tax assets	499	340	499
Total Assets	5,342,853	4,257,150	3,911,551
LIABILITIES			
Due to reinsurers and coinsurers	1,310,115	538,520	268,437
Other liabilities	83,909	42,267	75,159
Insurance Reserves	2,423,233	2,122,887	1,988,573
Total Liabilities	3,817,257	2,703,674	2,332,169
SHAREHOLDERS' EQUITY			
Share capital	470,358	470,358	470,358
Capital reserves	152,030	152,030	152,030
Fair value reserve	74,230	36,360	54,561
Retained earnings	828,978	894,728	902,433
Total shareholders' equity	1,525,596	1,553,476	1,579,382
Total liabilities and shareholder's equity	5,342,853	4,257,150	3,911,551

Approved by the Board of Directors on July 28, 2015, and signed on its behalf by:

Paul Scott
Director

Sharon Donaldson
Director



General Accident Insurance Company Jamaica Limited

Statement of Changes in Equity

Quarter ended 30 June 2015

	Share Capital \$'000	Capital Reserves \$'000	Fair Value Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance as at December 31, 2013	470,358	152,030	48,323	786,233	1,456,944
Comprehensive Income:					
Net profit for the period				187,282	187,282
Other Comprehensive Income					
Unrealised gains/(losses) on available-for-sale investment, net of tax	-	-	(11,963)	-	(11,963)
Total comprehensive income	-	-	(11,963)	187,282	175,319
Transactions with owners					
Dividends				(78,787)	(78,787)
Total transactions with owners	-	-	-	(78,787)	(78,787)
Balance as at 30 June 2014	470,358	152,030	36,360	894,728	1,553,476
Balance as 31 December 2014	470,358	152,030	54,561	902,433	1,579,382
Comprehensive income:					
Net profit for the period	-	-	-	26,576	26,576
Other Comprehensive Income					
Unrealised gains on available-for-sale investment, net of tax			19,669	-	19,669
Total comprehensive income	-	-	19,669	26,576	46,245
Transactions with owners					
Dividends	-	-	-	(100,031)	(100,031)
Total transactions with owners	-	-	-	(100,031)	(100,031)
Balance as at 30 June 2015	470,358	152,030	74,230	828,978	1,525,596



General Accident Insurance Company Jamaica Limited
Statement of Cash Flows
Quarter ended 30 June 2015

Page 4

	Unaudited	Unaudited	Audited
	30 June	30 June	31 December
	2015	2014	2014
	\$'000	\$'000	\$'000
Cash Flows from Operating Activities			
Net profit	26,576	187,282	320,078
Adjustments for items not affecting cash:			
Depreciation	12,590	9,257	24,066
Amortisation of intangible assets	2,276	3,201	6,430
Amortisation of premium	686	-	2,790
Interest income	(75,541)	(72,058)	(147,653)
Dividend income	(4,567)	(2,267)	(7,789)
Deferred taxation		-	(113)
Foreign exchange gains	(6,819)	(50,388)	(79,354)
Increase in deferred policy acquisition cost	(44,930)	(60,651)	(39,273)
Increase /(decrease) in insurance reserves	434,660	(241,771)	(376,085)
	<u>344,930</u>	<u>(227,395)</u>	<u>(296,903)</u>
Changes in operating assets and liabilities:			
Due from policyholders, brokers and agents	(1,155,280)	(358,570)	128,790
Other receivables	(74,738)	260	1,577
Loans receivable	2,492	(2,987)	(2,076)
Other liabilities	8,750	(36,185)	(3,294)
Due from related parties	1,443	(219)	(2,153)
Due from reinsurers and coinsurers, net	955,366	673,203	383,714
	<u>82,963</u>	<u>48,107</u>	<u>209,655</u>
Taxation suffered at source	(8,794)	(12,466)	(26,162)
Net cash provided by operating activities	<u>74,169</u>	<u>35,641</u>	<u>183,493</u>
Cash Flows from Investing Activities			
Acquisition of investments	(430,426)	(276,094)	(486,646)
Lease receivables, net	16,924	22,034	51,514
Acquisition of property, plant and equipment	(42,878)	(24,351)	(52,584)
Acquisition pooled real estate investment	-	(143,549)	(143,549)
Acquisition of intangible asset	-	(585)	(730)
Proceeds from disposal of property, plant and equipment	-	-	-
Proceeds from disposal and maturity of investments	119,715	275,498	543,377
Dividend received	5,384	2,267	6,972
Interest received	75,548	69,935	148,579
Net cash (used in)/provided by investing activities	<u>(255,733)</u>	<u>(74,845)</u>	<u>66,933</u>
Cash Flows from Financing Activities			
Dividends paid	(100,031)	(78,788)	(203,878)
Net cash used in financing activities	<u>(100,031)</u>	<u>(78,788)</u>	<u>(203,878)</u>
(Decrease)/(increase) in cash and cash equivalents	<u>(281,595)</u>	<u>(117,992)</u>	<u>46,548</u>
Effect of exchange rate changes on cash and cash equivalents	7,628	-	56,449
Cash and cash equivalents at beginning of year	<u>1,272,527</u>	<u>1,169,530</u>	<u>1,169,530</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>998,560</u>	<u>1,051,538</u>	<u>1,272,527</u>



General Accident Insurance Company Jamaica Limited
Notes to the Financial Statements
Quarter ended 30 June 2015

Page 5

Identification and Activities

General Accident Insurance Company (Jamaica) Limited is a limited liability company incorporated and domiciled in Jamaica. The registered office of the company is located at 58 Half-Way-Tree Road, Kingston 10.

The company is licensed to operate as a general insurance company under the insurance Act, 2001. Its principal activity is the underwriting of commercial and personal property and casualty insurance.

The company is a public company listed on the Jamaica Stock Exchange at September 30, 2011.

Statement of Compliance and Basis of Preparation

These unaudited interim financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS) and their interpretations issued by the International Accounting Standards Board (IASB), and the relevant provisions of the Companies Act.

The interim financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets carried at fair value.

The accounting policies and method of computation are consistent with the audited financial statements for year ended December 31, 2014. These financial statements are expressed in Jamaican dollars which is the currency of the primary economic environment in which the company operates.