



**UNAUDITED FINANCIAL STATEMENTS
FOR PERIOD ENDED 31 MARCH 2014**



General Accident Insurance Company Jamaica Limited

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Period ended March 31, 2014

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GENERAL ACCIDENT INSURANCE COMPANY (JAMAICA) LIMITED



Report to Stockholders

For the quarter ended March 31, 2014

We are pleased to present the unaudited financial statements of General Accident Insurance Company (Jamaica) Limited ("General Accident") for the quarter ended March 31, 2014.

The highlights are as follows:

Net profit of \$98.8 million (1Q13: \$97.6 million)

Earnings per share of \$0.10 (1Q13: \$0.09)

Book value of \$1.48 billion (1Q13: \$1.31 billion)

Annualized return on average equity of 28% (1Q13:31%)

General Accident had a solid start to 2014. In summary, stronger results in our core business of underwriting insurance overcame lower returns on our investment portfolio. As a result, General Accident recorded higher profits in the first quarter than in the corresponding period last year.

Underwriting Performance

Gross written premiums grew to \$1.5 billion, an increase of 33% over the first quarter last year. Gross premium development was driven both by the organic growth of our core commercial property and motor businesses as well as a rise in large facultative transactions. Net earned premiums grew by 7% to \$273 million. The slower growth of our net premiums relative to our gross premiums is the consequence of lower risk retention in our commercial property portfolio.

In addition to growing premiums, General Accident improved its combined ratio significantly in the first quarter. Our combined ratio (the most commonly used measure of underwriting profitability) improved from 96% in the first quarter last year to 82% in the first quarter of this year. This improvement was due to lower claims and higher commissions. An improvement in both the frequency and severity of motor claims in the first quarter lowered our loss ratio to 53% versus 56% last year. A large increase in net commissions reflected greater commissions received from reinsurers and is a corollary to the lower retention of risk in our commercial property portfolio mentioned previously. As a result, our underwriting profit grew from \$10.1 million in the first quarter last year to \$49.4 million this quarter.

GENERAL ACCIDENT INSURANCE COMPANY (JAMAICA) LIMITED



Interim Report to Stockholders

Investment Performance

General Accident generated investment income of \$56.6 million in first quarter. While this is a marked decline relative to the \$92.4 million we recorded in the first quarter last year, it represents a healthy annualized 10.1% return on our insurance float, still higher than both inflation and the returns on benchmark GOJ securities.

Summary

General Accident's profitability increased by 1.2% in the first quarter as core underwriting results compensated for lower investment income. Net profit for the quarter was \$98.8million or \$0.10per share.

In the first quarter we paid just over \$78 million in cash to our shareholders or \$0.0764 per share, an increase of more than 50% over the same period last year. We intend to maintain our dividend policy for the remainder of the year.

General Accident ended the quarter with a book value of \$1.48 billion and generated a return on average equity for shareholders of 28%.

We remain in compliance with the capital adequacy and liquidity metrics prescribed by the Financial Services Commission.

We wish to thank all of our policyholders, brokers, reinsurers, and employees for their loyal support. With their help, we are confident that we can maintain our trajectory of profitable growth for the remainder of 2014.

On behalf of the Board of Directors,

A handwritten signature in blue ink, appearing to be 'P. B. Scott'.

P. B. Scott
Chairman

A handwritten signature in blue ink, appearing to be 'Sharon Donaldson'.

Sharon Donaldson
Managing Director



General Accident Insurance Company Jamaica Limited

Statement of Comprehensive Income

Period ended March 31, 2014

	Unaudited March 31, 2014	Unaudited March 31, 2013	Audited December 31, 2013
	\$'000	\$'000	\$'000
Gross Premiums Written	1,530,301	1,154,612	4,479,755
Reinsurance ceded	(1,202,326)	(850,849)	(3,314,356)
Excess of Loss Reinsurance Cost	(34,436)	(38,341)	(147,001)
Net Premiums Written	293,539	265,422	1,018,398
Changes in unearned premiums, net	(20,107)	(8,868)	(24,205)
Net Premiums Earned	273,432	256,554	994,193
Commission Income	84,529	32,775	269,094
Commission Expense	(67,021)	(50,017)	(176,920)
Claims Expense	(147,023)	(152,661)	(646,791)
Management Expenses	(94,539)	(76,551)	(381,073)
Underwriting Profit/(Loss)	49,379	10,099	58,503
Investment Income	56,608	92,374	141,407
Other Income	788	688	151,091
Other Operating Expenses	(7,958)	(5,518)	(27,299)
(Loss)/Profit before Taxation	98,817	97,644	323,702
Taxation	-	-	4,212
(NET LOSS)/PROFIT FOR THE YEAR	98,817	97,644	327,914
Unrealised gains/(losses) on available-for-sale investments, net of tax	2,913	(16,735)	(15,621)
Gains recycled to profit or loss on disposal and maturity of available-for-sale investments	-	(4,498)	(4,174)
	2,913	(21,233)	(19,795)
TOTAL COMPREHENSIVE INCOME	101,730	76,411	308,119
EARNINGS PER SHARE	0.10	0.09	0.32



General Accident Insurance Company Jamaica Limited
Statement of Financial Position
Period ended March 31, 2014

	Unaudited March 31, 2014	Unaudited March 31, 2013	Audited December 31, 2013
	\$'000	\$'000	\$'000
ASSETS			
Cash and Short Term Investments	1,155,188	1,259,830	1,169,530
Taxation Recoverable	105,572	48,149	101,283
Due from policyholders, brokers and agents	1,445,164	1,017,759	464,421
Due from reinsurers and co-insurers	546,452	1,036,827	1,055,294
Deferred policy acquisition cost	215,287	209,114	163,627
Other Receivables	25,933	23,743	27,034
Due from related parties	63,183	915	122
Loans receivable	170,624	243,928	167,515
Leases receivable	93,029	140,471	97,582
Investment Securities	962,725	477,535	934,671
Property, Plant & Equipment	71,117	61,221	66,620
Intangible assets	10,945	20,086	13,163
Deferred tax assets	340	-	340
Total Assets	4,865,559	4,539,578	4,261,202
LIABILITIES			
Due to reinsurers and coinsurers	1,163,317	789,586	361,147
Other liabilities	150,375	36,497	78,453
Deferred tax liabilities	-	12,713	-
Insurance Reserves	2,071,980	2,390,393	2,364,658
Total Liabilities	3,385,672	3,229,190	2,804,258
SHAREHOLDERS' EQUITY			
Share capital	470,358	470,358	470,358
Capital reserves	152,030	152,030	152,030
Fair value reserve	51,236	46,885	48,323
Retained earnings	806,263	641,115	786,233
Total shareholders' equity	1,479,887	1,310,388	1,456,944
Total liabilities and shareholder's equity	4,865,559	4,539,578	4,261,202

Approved by the Board of Directors on May 5, 2014, and signed on its behalf by:

Director

Director



General Accident Insurance Company Jamaica Limited

Statement of Changes in Equity

Period ended March 31, 2014

	Share Capital	Capital Reserves	Fair Value Reserve	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 31 December 2012	470,358	152,030	68,118	598,344	1,288,850
					-
Comprehensive income:					
Net profit for the year	-	-	-	97,644	97,644
Other Comprehensive Income			(21,233)	(4,857)	(26,090)
Total comprehensive income	470,358	152,030	46,885	691,131	1,360,404
Transactions with owners					
Dividends	-	-	-	(50,016)	(50,016)
Total transactions with owners	-	-	-	(50,016)	(50,016)
Balance at 31 March 2013	470,358	152,030	46,885	641,115	1,310,388
Balance at 31 December 2013	470,358	152,030	48,323	786,233	1,456,944
Comprehensive income:					
Net profit for the year	-	-	-	98,817	98,817
Other Comprehensive Income	-	-		-	
Unrealised gains/losses on available-for-sale investment, net of tax			2,913		2,913
Total comprehensive income	470,358	152,030	51,236	885,050	1,558,674
Transactions with owners					
Dividends	-	-	-	(78,787)	(78,787)
Total transactions with owners	-	-	-	(78,787)	(78,787)
Balance as at 31 March 2014	470,358	152,030	51,236	806,263	1,479,887



General Accident Insurance Company Jamaica Limited

Statement of Cash Flows

Period ended March 31, 2014

	Unaudited March 31, 2014	Unaudited March 31, 2013	Audited December 31, 2013
	\$'000	\$'000	\$'000
Cash Flows from Operating Activities			
Net profit	98,817	97,644	327,914
Adjustments for items not affecting cash:			
Depreciation	5,471	3,031	17,352
Amortisation of intangible assets	2,487	2,487	9,947
Gain on sale of investments	-	(4,498)	(4,498)
Gain on disposal of property, plant and equipment	-	-	(1,378)
Interest income	(36,091)	(30,443)	(129,638)
Dividend income	(657)	(1,859)	(7,271)
Deferred taxation	-	12,713	(4,212)
Foreign exchange (gains)/ losses	(19,860)	(55,574)	(146,495)
Increase in deferred policy acquisition cost	(51,660)	(53,211)	(7,724)
Increase in insurance reserves	(292,678)	191,261	165,526
	(294,171)	161,550	219,523
Changes in operating assets and liabilities:			
Due from policyholders, brokers and agents	(980,743)	(548,563)	4,775
Other receivables	1,101	(10,236)	(13,528)
Loans receivable	(3,109)	(5,995)	70,418
Other liabilities	71,922	(29,831)	12,125
Due from related parties	(63,061)	(165)	628
Due from reinsurers and coinsurers, net	1,311,012	442,831	(4,075)
	42,951	9,591	289,866
Tax withheld at source	(4,289)	-	(34,172)
Net cash provided by operating activities	38,662	9,591	255,694
Cash Flows from Investing Activities			
Acquisition of investments	(132,751)	(58,893)	(667,546)
Lease receivables, net	4,553	(75,906)	(33,017)
Acquisition of property, plant and equipment	(9,480)	(7,166)	(26,923)
Acquisition of intangible asset	(268)	-	(537)
Proceeds from disposal of property, plant and equipment	-	-	1,415
Proceeds from disposal and maturity of investments	126,072	96,776	218,787
Dividend received	657	1,859	7,271
Interest received	36,999	26,381	123,000
Net cash provided (used in) by investing activities	25,783	(16,949)	(377,550)
Cash Flows from Financing Activities			
Dividends paid	(78,787)	(50,016)	(140,025)
Net cash used in financing activities	(78,787)	(50,016)	(140,025)
Increase in cash and cash equivalents	(14,342)	(57,373)	(261,881)
Effect of exchange rate changes on cash and cash equivalents		-	114,208
Cash and cash equivalents at beginning of year	1,169,530	1,317,203	1,317,203
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,155,188	1,259,830	1,169,530



General Accident Insurance Company Jamaica Limited
Notes to the Financial Statements
Period ended March 31, 2014

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, 2013. These financial statements are expressed in Jamaican dollars which is the currency of the primary economic environment in which the company operates.