



**UNAUDITED FINANCIAL STATEMENTS
FOR PERIOD ENDED 30 JUNE 2014**



General Accident Insurance Company Jamaica Limited

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Period ended June 30, 2014

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GENERAL ACCIDENT INSURANCE COMPANY (JAMAICA) LIMITED



Report to Stockholders

For the six months ended June 30, 2014

We are pleased to present the unaudited financial statements of General Accident Insurance Company (Jamaica) Limited ("General Accident") for the six months ended June 30, 2014.

The highlights are as follows:

Net profit of \$187 million, an increase of 5% (6M13: \$178 million)

Earnings per share of \$0.18 (6M13: \$0.17)

Book value of \$1.55 billion (6M13: \$1.41 billion)

Annualized return on average equity of 25%

General Accident performed reasonably well in the first six months of 2014.

Underwriting Performance

For the first half the year, gross written premiums grew to \$3.4 billion, an increase of 6% over the first half of last year. Although net earned premiums grew by 9% to \$485 million, net claims charges increased by 2% and administrative expenses by 24%.

Our combined ratio improved from 90% in the first six months of 2013 to 86% in the first six months of 2014. The improvement in our combined ratio occurred despite softness of rates in the commercial property market, our largest line of business.

Investment Performance

Our investment income for the first half of 2014 was \$125 million, well below prior year of \$145 million in the first half of 2013. This represents an annualized return on our average investment portfolio of 10%, in excess of our benchmarks: inflation and returns on Government of Jamaica securities.

GENERAL ACCIDENT INSURANCE COMPANY (JAMAICA) LIMITED



Interim Report to Stockholders

Summary

General Accident's marginal profitability for the first half of 2014 is as a result of improvement in our core business of underwriting commercial property and motor insurance. Net profit for first six months of the year was \$187 million or \$0.18 per share. Last year, we reported a net profit of \$178 million or \$0.17 per share for the same period. As a result, our profitability increased by a mere 5%.

General Accident ended the quarter with a book value of \$1.55 billion and generated a return on average equity for shareholders of 25%.

As at end of the half year, we remain in compliance with the capital adequacy and liquidity metrics prescribed by the Financial Services Commission.

We wish to thank our 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,

P. B. Scott
Chairman

Sharon Donaldson
Managing Director



General Accident Insurance Company Jamaica Limited
Statement of Comprehensive Income
Period ended June 30, 2014

	Unaudited 6 months ended June 30, 2014	Unaudited 6 months ended June 30, 2013	Unaudited 3 months ended June 30, 2014	Unaudited 3 months ended June 30, 2013	Audited December 31, 2013
	\$'000	\$'000	\$'000	\$'000	\$'000
Gross Premiums Written	3,442,857	3,242,599	1,912,556	2,087,986	4,479,755
Reinsurance ceded	(2,811,148)	(2,636,968)	(1,608,821)	(1,786,119)	(3,314,356)
Excess of Loss Reinsurance Cost	(72,946)	(75,062)	(38,511)	(36,721)	(147,001)
Net Premiums Written	558,763	530,569	265,224	265,146	1,018,398
Changes in unearned premiums, net	(73,584)	(87,094)	(53,477)	(78,225)	(24,205)
Net Premiums Earned	485,179	443,475	211,747	186,921	994,193
Commission Income	174,844	117,010	90,315	84,235	269,094
Commission Expense	(69,079)	(43,506)	(2,058)	6,512	(176,920)
Claims Expense	(316,449)	(309,757)	(169,426)	(157,095)	(646,791)
Management Expenses	(205,438)	(165,030)	(110,899)	(88,479)	(381,073)
Underwriting Profit	69,057	42,192	19,679	32,094	58,503
Investment Income	124,711	144,665	68,103	52,290	141,407
Other Income	6,001	2,849	5,212	2,161	151,091
Other Operating Expenses	(12,457)	(11,980)	(4,499)	(6,463)	(27,299)
Profit before Taxation	187,312	177,726	88,495	80,082	323,702
Taxation	(30)	-	(30)	-	4,212
NET PROFIT FOR THE YEAR/PERIOD	187,282	177,726	88,465	80,082	327,914
Items that may be subsequently reclassified to profit or loss					
Unrealised gains/(losses) on available-for-sale investments, net of tax	(11,963)	2,305	(14,876)	(12,336)	(15,621)
Gains recycled to profit or loss on disposal and maturity of available-for-sale investments	(11,963)	(8,784)	-	-	(4,174)
	(11,963)	(6,479)	(14,876)	(12,336)	(19,795)
TOTAL COMPREHENSIVE INCOME	175,319	171,247	73,589	67,746	308,119
EARNINGS PER SHARE	0.18	0.17	0.09	0.08	0.32



General Accident Insurance Company Jamaica Limited
Statement of Financial Position
As at June 30, 2014

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	Unaudited June 30, 2014	Unaudited June 30, 2013	Audited December 31, 2013
	\$'000	\$'000	\$'000
ASSETS			
Cash and Short Term Investments	1,051,538	1,802,336	1,169,530
Taxation Recoverable	113,749	75,915	101,283
Due from policyholders, brokers and agents	822,991	1,774,417	464,421
Due from reinsurers and co-insurers	559,464	2,067,011	1,055,294
Deferred policy acquisition cost	224,278	210,393	163,627
Other Receivables	26,774	47,679	27,034
Due from related parties	341	2,796	122
Loans receivable	170,502	170,042	167,515
Leases receivable	75,548	124,979	97,582
Investment Securities	975,815	710,161	934,671
Investment Property	143,549	-	-
Property, Plant & Equipment	81,714	70,332	66,620
Intangible assets	10,547	17,599	13,163
Deferred tax assets	340	-	340
Total Assets	4,257,150	7,073,660	4,261,202
LIABILITIES			
Due to reinsurers and coinsurers	538,520	2,095,722	361,147
Other liabilities	42,268	84,381	78,453
Deferred tax liabilities	-	5,027	-
Insurance Reserves	2,122,887	3,478,038	2,364,658
Total Liabilities	2,703,675	5,663,168	2,804,258
SHAREHOLDERS' EQUITY			
Share capital	470,358	470,358	470,358
Capital reserves	152,030	152,030	152,030
Fair value reserve	36,360	61,639	48,323
Retained earnings	894,727	726,465	786,233
Total shareholders' equity	1,553,475	1,410,492	1,456,944
Total liabilities and shareholder's equity	4,257,150	7,073,660	4,261,202

Approved by the Board of Directors on July 17, 2014, and signed on its behalf by:



General Accident Insurance Company Jamaica Limited

Statement of Changes in Equity

Period ended June 30, 2014

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	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	-	-	-	177,726	177,726
Other Comprehensive Income			(6,479)	411	(6,068)
Total comprehensive income	-	-	(6,479)	178,137	171,658
Transactions with owners					
Dividends	-	-	-	(50,016)	(50,016)
Total transactions with owners	-	-	-	(50,016)	(50,016)
Balance at 30 June 2013	470,358	152,030	61,639	726,465	1,410,492
Balance at 31 December 2013	470,358	152,030	48,323	786,233	1,456,944
Comprehensive income:					
Net profit for the year	-	-	-	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	-	-	-	(78,788)	(78,788)
Total transactions with owners	-	-	-	(78,788)	(78,788)
Balance as at 30 June 2014	470,358	152,030	36,360	894,727	1,553,475



General Accident Insurance Company Jamaica Limited

Statement of Cash Flows

Period ended June 30, 2014

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	Unaudited June 30, 2014	Unaudited June 30, 2013	Audited December 31, 2013
	\$'000	\$'000	\$'000
Cash Flows from Operating Activities			
Net profit	187,282	177,726	327,914
Adjustments for items not affecting cash:			
Depreciation	9,257	7,007	17,352
Amortisation of intangible assets	3,201	4,973	9,947
Gain on sale of investments	-	(4,498)	(4,498)
Gain on disposal of property, plant and equipment	-	(1,415)	(1,378)
Interest income	(72,058)	(61,101)	(129,638)
Dividend income	(2,267)	(4,322)	(7,271)
Deferred taxation		-	(4,212)
Foreign exchange gains	(50,388)	(74,743)	(146,495)
Increase in deferred policy acquisition cost	(60,651)	(54,490)	(7,724)
(Decrease)/Increase in insurance reserves	(241,771)	1,278,906	165,526
	(227,395)	1,268,043	219,523
Changes in operating assets and liabilities:			
Due from policyholders, brokers and agents	(358,570)	(1,305,221)	4,775
Other receivables	260	(34,172)	(13,528)
Loans receivable	(2,987)	67,891	70,418
Other liabilities	(36,185)	18,053	12,125
Due from related parties	(219)	(165)	628
Due from reinsurers and coinsurers, net	673,203	718,783	(4,075)
	48,107	733,212	289,866
Tax withheld at source	(12,466)	-	(34,172)
Net cash provided by operating activities	35,641	733,212	255,694
Cash Flows from Investing Activities			
Acquisition of investments	(276,094)	(263,398)	(667,546)
Lease receivables, net	22,034	(60,434)	(33,017)
Acquisition of property, plant and equipment	(24,351)	(20,253)	(26,923)
Acquisition investment property	(143,549)		
Acquisition of intangible asset	(585)	-	(537)
Proceeds from disposal of property, plant and equipment	-	1,415	1,415
Proceeds from disposal and maturity of investments	275,498	96,776	218,787
Dividend received	2,267	4,322	7,271
Interest received	69,935	43,509	123,000
Net cash used in investing activities	(74,845)	(198,063)	(377,550)
Cash Flows from Financing Activities			
Dividends paid	(78,788)	(50,016)	(140,025)
Net cash used in financing activities	(78,788)	(50,016)	(140,025)
(Decrease)/Increase in cash and cash equivalents	(117,992)	485,133	(261,881)
Effect of exchange rate changes on cash and cash equivalents			114,208
Cash and cash equivalents at beginning of period	1,169,530	1,317,203	1,317,203
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,051,538	1,802,336	1,169,530



General Accident Insurance Company Jamaica Limited
Notes to the Financial Statements
Period ended June 30, 2014

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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.