



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



General Accident Insurance Company Jamaica Limited

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Period ended September 30, 2014

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GENERAL ACCIDENT INSURANCE COMPANY (JAMAICA) LIMITED



Report to Stockholders

For the nine months ended September 30, 2014

We are pleased to present the unaudited financial statements of General Accident Insurance Company (Jamaica) Limited (“General Accident”) for the nine months ended September 30, 2014.

The highlights are as follows:

Net profit of \$241 million, an increase of 8% (9M13: \$223 million)

Earnings per share of \$0.23 (9M13: \$0.22)

Book value of \$1.62 billion (9M13: \$1.35 billion)

Annualized return on average equity of 21%

Underwriting Performance

For the nine month period, gross written premiums grew to \$4.5 billion, an increase of 18% over the same period last year. Although net earned premiums grew by 10% to \$783 million, net claims charges increased by 4% and administrative expenses by 20%.

Our combined ratio improved from 85% for the 9 months of 2013 to 81% in the nine month period 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 nine months of 2014 was \$176 million, well below prior year amount of \$218 for the same period. 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 increased profitability for the first nine months of 2014 was driven by the improvement in our core business of underwriting commercial property and motor insurance. Net profit for the nine months ending 30 September 2014 was \$241 million or \$0.23 per share. Last year, we reported a net profit of \$223 million or \$0.22 per share for the same period. As a result, our profits increased by 8%.

General Accident ended the quarter with a book value of \$1.62 billion and generated a return on average equity for shareholders for the nine month period of 21%.

As at 30 September 2014, 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:

P. B. Scott
Chairman

Sharon Donaldson
Managing Director



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

Column1	Unaudited 9 months ended 30 September 2014 \$'000	Unaudited 9 months ended 30 September 2013 \$'000	Unaudited 3 months ended 30 September 2014 \$'000	Unaudited 3 months ended 30 September 2013 \$'000	Audited Year ended 31 December 2013 \$'000
Gross Premiums Written	4,516,973	3,805,256	1,074,116	562,657	4,479,755
Reinsurance ceded	(3,612,745)	(2,946,523)	(801,598)	(309,555)	(3,314,356)
Excess of Loss Reinsurance Cost	(96,363)	(103,091)	(23,417)	(28,030)	(147,001)
Net Premiums Written	807,865	755,642	249,101	225,072	1,018,398
Changes in unearned premiums, net	(24,464)	(45,545)	49,120	41,548	(24,205)
Net Premiums Earned	783,401	710,097	298,221	266,620	994,193
Commission Income	240,821	174,167	65,977	57,157	269,094
Commission Expense	(117,976)	(107,328)	(48,897)	(63,823)	(176,920)
Claims Expense	(516,876)	(496,537)	(200,427)	(186,780)	(646,791)
Management Expenses	(314,398)	(261,785)	(108,961)	(96,755)	(381,073)
Underwriting Profit/(Loss)	74,972	18,614	5,913	(23,581)	58,503
Investment Income	176,282	217,726	51,571	73,061	141,407
Other Income	10,136	5,637	4,136	2,789	151,091
Other Operating Expenses	(19,850)	(19,090)	(7,392)	(7,109)	(27,299)
Profit before Taxation	241,540	222,887	54,228	45,160	323,702
Taxation	(60)	-	(30)	-	4,212
NET PROFIT FOR THE PERIOD	241,480	222,887	54,198	45,160	327,914
Other Comprehensive Income:					
Items that may be subsequently reclassified to profit or loss					
Unrealised (losses)/gains on available-for-sale investments, net of tax					
	(2,233)	(14,228)	9,730	(12,336)	(15,621)
Gains recycled to profit or loss on disposal and maturity of available-for-sale investments					
	(2,233)	(4,421)	-	-	(4,174)
	(2,233)	(18,649)	9,730	(12,336)	(19,795)
TOTAL COMPREHENSIVE INCOME	239,247	204,238	63,928	32,824	308,119
EARNINGS PER SHARE	0.23	0.22	0.05	0.04	0.32



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

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	Unaudited 30 September 2014 \$'000	Unaudited 30 September 2013 \$'000	Audited 31 December 2013 \$'000
ASSETS			
Cash and Short Term Investments	1,264,923	1,329,374	1,169,530
Taxation Recoverable	119,989	77,859	101,283
Due from policyholders, brokers and agents	446,356	438,838	464,421
Due from reinsurers and co-insurers	535,989	1,596,322	1,055,294
Deferred policy acquisition cost	224,663	189,839	163,627
Other Receivables	40,512	311	27,034
Due from related parties	100,234	5,023	122
Loans receivable	164,298	169,089	167,515
Leases receivable	61,305	109,548	97,582
Investment Securities	816,427	835,063	934,671
Investment Property	143,549		-
Property, Plant & Equipment	94,025	69,661	66,620
Intangible assets	9,085	15,113	13,163
Deferred tax assets	340		340
Total Assets	4,021,695	4,836,040	4,261,202
LIABILITIES			
Due to reinsurers and coinsurers	196,506	332,586	361,147
Other liabilities	108,324	137,258	78,453
Deferred tax liabilities	-	5,027	-
Insurance Reserves	2,099,462	3,008,104	2,364,658
Total Liabilities	2,404,292	3,482,975	2,804,258
SHAREHOLDERS' EQUITY			
Share capital	470,358	470,358	470,358
Capital reserves	152,030	152,030	152,030
Fair value reserve	46,090	49,469	48,323
Retained earnings	948,925	681,208	786,233
Total shareholders' equity	1,617,403	1,353,065	1,456,944
Total liabilities and shareholder's equity	4,021,695	4,836,040	4,261,202

Approved by the Board of Directors on October 24, 2014, and signed on its behalf by:



General Accident Insurance Company Jamaica Limited

Statement of Changes in Equity

Period ended 30 September 2014

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	Share Capital	Capital Reserves	Fair Value Reserve	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at December 31, 2012	470,358	152,030	68,118	598,344	1,288,850
Net profit for the period				222,887	222,887
Other Comprehensive Income					
Unrealised gains/(losses) on available-for-sale investment, net of tax	-	-	(14,228)	-	(14,228)
Gains recycled to profit or loss on disposal and maturity of available- for-sale investments	-	-	(4,421)	-	(4,421)
Total other comprehensive income	-	-	18,649	-	18,649
Transactions with owners					
Dividends	-	-	-	(140,023)	(140,023)
Issue of shares	-	-	-	-	-
Total transactions with owners	-	-	-	(140,023)	(140,023)
Balance as at 30 September 2013	470,358	152,030	49,469	681,208	1,353,065
Balance as at December 31, 2013	470,358	152,030	48,323	786,233	1,456,944
Net profit for the period				241,480	241,480
Other Comprehensive Income					
Unrealised gains/(losses) on available-for-sale investment, net of tax			(2,233)		(2,233)
Total other comprehensive income	-	-	(2,233)	-	(2,233)
Transactions with owners					
Dividends				(78,788)	(78,788)
Total transactions with owners	-	-	-	(78,788)	(78,788)
Balance as at 30 September 2014	470,358	152,030	46,090	948,925	1,617,403



General Accident Insurance Company Jamaica Limited
Statement of Cash Flows
Nine months ended 30 September 2014

	Unaudited	Unaudited	Audited
	30 September 2014	30 September 2013	31 December 2013
	\$'000	\$'000	\$'000
Cash Flows from Operating Activities			
Net profit	241,480	222,887	327,914
Adjustments for items not affecting cash:			
Depreciation	15,041	11,630	17,352
Amortisation of intangible assets	4,808	7,460	9,947
Gain on sale of investments	-	(4,498)	
Gain on sale of leases	-	-	(4,498)
Gain on disposal of property, plant and equipment	-	(1,415)	(1,378)
Interest income	(108,393)	(95,431)	(129,638)
Dividend income	(3,987)	(4,421)	(7,271)
Deferred taxation	-	-	(4,212)
Foreign exchange (gains)/ losses	(63,902)	(113,376)	(146,495)
Increase in deferred policy acquisition cost	(61,036)	(33,936)	(7,724)
Increase in insurance reserves	(274,767)	808,972	165,526
	(250,756)	797,872	219,523
Changes in operating assets and liabilities:			
Due from policyholders, brokers and agents	47,212	30,358	4,775
Other receivables	(13,478)	13,195	(13,528)
Loans receivable	3,335	68,844	70,418
Other liabilities	29,871	70,930	12,125
Due from related parties	(100,112)	(4,273)	628
Due from reinsurers and coinsurers, net	326,305	(573,663)	(4,075)
	42,377	403,263	289,866
Taxation paid	(18,706)	-	(34,172)
Net cash provided by operating activities	23,671	403,263	255,694
Cash Flows from Investing Activities			
Acquisition of investments	(298,131)	(384,027)	(667,546)
Lease receivables, net	36,277	(44,983)	(33,017)
Acquisition of property, plant and equipment	(42,446)	(24,204)	(26,923)
Acquisition investment property	(143,549)		
Acquisition of intangible asset	(730)	-	(537)
Proceeds from disposal of property, plant and equipment	-	1,415	1,415
Proceeds from disposal and maturity of investments	444,700	106,776	218,787
Dividend received	3,987	4,421	7,271
Interest received	101,244	89,533	123,000
Net cash provided /(used in) investing activities	101,352	(251,069)	(377,550)
Cash Flows from Financing Activities			
Dividends paid	(78,788)	(140,023)	(140,025)
Net cash used in financing activities	(78,788)	(140,023)	(140,025)
Increase/(decrease) in cash and cash equivalents	46,235	12,171	(261,881)
Effect of exchange rate changes on cash and cash equivalents	49,158	-	114,208
Cash and cash equivalents at beginning of period/year	1,169,530	1,317,203	1,317,203
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR	1,264,924	1,329,374	1,169,530



General Accident Insurance Company Jamaica Limited
Notes to the Financial Statements
Period ended September 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.