



**UNAUDITED FINANCIAL STATEMENTS
FOR PERIOD ENDED 30 SEPTEMBER 2016**



General Accident Insurance Company Jamaica Limited

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Period ended 30 September 2016

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GENERAL ACCIDENT INSURANCE COMPANY (JAMAICA) LIMITED



Report to Stockholders

For the quarter ended 30 September 2016

We are pleased to present the unaudited financial statements of General Accident Insurance Company (Jamaica) Limited (“General Accident”) for the quarter ended 30 September 2016.

The highlights are as follows:

Net profit of \$311.6 million, an increase of 169% (2015: 115.7 million)

Earnings per share of \$0.30 (2015: \$0.11)

Book value of \$1.9 billion (2015: \$1.6 billion)

Annualized return on average equity of 28.6% (2015: 9.7%)

Underwriting Performance

For the 9 months ending 30 September 2016, gross written premium reported was \$5.5 billion, a reduction of 4% over the same period last year. Our net earned premiums grew to \$854 million, an increase of 8% up from \$791 million. Net claims charges saw a marginal increase by 3% to \$607 million. Administrative expenses increased by 3% when compared to the same period prior year.

Given the foregoing, this resulted in the company making an underwriting loss for the first 9 months of \$6.6 million down from a loss of \$21.8 million in the prior year.

Our combined ratio for the first 9 months of 2016 was 102% down from 109% for the same period of 2015.

Investment Performance

Our investment income for the 9 months ending 30 September 2016 was 335.4 million, well above the \$152 million posted for the same period prior year. This is inclusive of foreign currency gains and realized gains on the disposal of certain equity investments. This represents an annualized return 20% which is above the annualized return of 9% for the same period prior year.

GENERAL ACCIDENT INSURANCE COMPANY (JAMAICA) LIMITED



Interim Report to Stockholders

Summary

General Accident's profitability of \$311.6 million for the first nine months of 2016, is well below above prior year performance. By far the largest driver of this encouraging result is the realization of fair value gains resulting from the disposal of equity investments. Our core underwriting business experienced losses, we however 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 a significant turnaround by the last quarter.

As at 30 September 2016, 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 continue steer our way on a trajectory of profitability and growth for the remainder of 2016.

On behalf of the Board of Directors:

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

P. B. Scott
Chairman

A handwritten signature in black ink, appearing to read 'Sharon Donaldson'.

Sharon Donaldson
Managing Director



General Accident Insurance Company Jamaica Limited
Statement of Comprehensive Income
Quarter ended 30 September 2016

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Column1	Unaudited 9 months Ended 30 September 2016	Unaudited 9 months Ended 30 September 2015	Unaudited 3 months Ended 30 September 2016	Unaudited 3 months Ended 30 September 2015	Audited Year ended 31 December 2015
	\$'000	\$'000	\$'000	\$'000	\$'000
Gross Premiums Written	5,231,432	5,448,685	864,612	1,675,181	6,112,355
Reinsurance ceded	(4,274,227)	(4,474,446)	(544,211)	(1,373,873)	(4,832,142)
Excess of Loss Reinsurance Cost	(70,944)	(70,944)	(19,432)	(19,432)	(89,248)
Net Premiums Written	886,261	903,295	300,969	281,876	1,190,965
Changes in unearned premiums, net	(32,282)	(111,392)	11,949	18,092	(70,910)
Net Premiums Earned	853,979	791,903	312,918	299,968	1,120,055
Commission Income	282,305	278,969	42,934	61,145	372,867
Commission Expense	(205,787)	(196,542)	(63,213)	(42,348)	(246,405)
Changes in commission, net	5,722	20,546	(4,047)		10,981
Claims Expense	(607,216)	(590,738)	(132,726)	(177,695)	(696,480)
Management Expenses	(335,581)	(325,991)	(119,389)	(104,229)	(446,362)
Underwriting (Loss)/Profit	(6,578)	(21,803)	36,477	36,841	114,656
Investment Income	335,403	152,150	212,282	58,373	175,653
Other Income	3,532	8,128	1,394	1,685	45,391
Other Operating Expenses	(20,694)	(22,674)	(6,709)	(7,701)	(32,252)
Profit before Taxation	311,663	115,801	243,444	89,198	303,448
Taxation	(60)	(60)	(30)	(30)	970
NET PROFIT FOR THE PERIOD	311,603	115,741	243,414	89,168	304,418
Other Comprehensive Income:					
Items that may be subsequently reclassified to profit or loss					
Unrealised (losses)/gains on available-for-sale					
investments, net of tax	54,799	7,405	3,503	(12,263)	61,288
Gains recycled to profit or loss on disposal of available-for-sale investments	(148,748)	-	-	-	-
Tax credit	-	-	(148,748)	-	2,428
	(93,949)	7,405	(145,245)	(12,263)	63,716
TOTAL COMPREHENSIVE INCOME	217,654	123,146	98,169	76,905	368,134
EARNINGS PER SHARE	0.30	0.11	0.25	0.09	\$0.30



General Accident Insurance Company Jamaica Limited
Statement of Financial Position
As at 30 September 2016

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	Unaudited 30 September 2016 \$'000	Unaudited 30 September 2015 \$'000	Audited 31 December 2015 \$'000
ASSETS			
Cash and Short Term Investments	1,032,477	1,121,731	1,002,316
Taxation Recoverable	170,795	144,565	150,162
Due from policyholders, brokers and agents	506,709	415,849	570,072
Due from reinsurers and co-insurers	676,027	557,089	577,760
Deferred policy acquisition cost	255,958	263,172	225,042
Other Receivables	110,610	76,789	41,961
Due from related parties	-	793	3,871
Loans receivable	230,363	165,622	170,000
Leases receivable	771	18,042	8,877
Investment Securities	1,625,157	1,176,441	1,396,435
Pooled real estate investment	143,549	143,549	143,549
Property, Plant & Equipment	112,392	129,817	126,271
Intangible assets	9,162	4,196	3,587
Deferred tax assets	3,896	499	3,897
Total Assets	4,877,866	4,218,154	4,423,800
LIABILITIES			
Due to reinsurers and coinsurers	290,848	187,976	378,768
Due to related parties	6,322	-	6,322
Other liabilities	180,449	69,067	100,048
Insurance Reserves	2,507,327	2,358,614	2,163,365
Total Liabilities	2,984,946	2,615,657	2,648,503
SHAREHOLDERS' EQUITY			
Share capital	470,358	470,358	470,358
Capital reserves	152,030	152,030	152,030
Fair value reserve	24,328	61,966	118,277
Retained earnings	1,246,204	918,143	1,034,632
Total shareholders' equity	1,892,920	1,602,497	1,775,297
Total liabilities and shareholder's equity	4,877,866	4,218,154	4,423,800

Approved by the Board of Directors on October 26, 2016, and signed on its behalf by:



General Accident Insurance Company Jamaica Limited
Statement of Changes in Equity
Quarter ended 30 September 2016

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	Share Capital	Capital Reserves	Fair Value Reserve	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 31 December 2014	470,358	152,030	54,561	902,433	1,579,382
Net profit for the period				115,741	115,741
Other Comprehensive Income					
Unrealised losses on available-for-sale investment, net of tax	-	-	7,405		7,405
Total comprehensive income	-	-	7,405	115,741	123,146
Transactions with owners					
Dividends	-	-	-	(100,031)	(100,031)
otal transactions with owners	-	-	-	(100,031)	(100,031)
Balance as at 30 September 2015	470,358	152,030	61,966	918,143	1,602,497
Balance as at 31 December 2015	470,358	152,030	118,277	1,034,632	1,775,297
Net profit for the period				311,603	311,603
Other Comprehensive Income					
Unrealised gains on available-for-sale investment, net of tax			54,799		54,799
Gains recycled to profit or loss on disposal of available-for-sale investments			(148,748)		(148,748)
Total other comprehensive income	-	-	(93,949)	311,603	217,655
Transactions with owners					
Dividends				(100,031)	(100,031)
Total transactions with owners	-	-	-	(100,031)	(100,031)
Balance as at 30 September 2016	470,358	152,030	24,328	1,246,204	1,892,920



General Accident Insurance Company Jamaica Limited
Statement of Cash Flows
Quarter ended 30 September 2016

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	Unaudited	Unaudited	Audited
	30 September	30 September	31 December
	2016	2015	2015
	\$'000	\$'000	\$'000
Cash Flows from Operating Activities			
Net profit	311,603	115,741	304,318
Adjustments for items not affecting cash:			
Depreciation	18,655	19,154	27,665
Amortisation of intangible assets	1,960	3,413	4,587
Amortisation of premium	21,826	1,094	5,166
Gain on sale of investments	(148,748)		
Gains on unit trust funds	(1,732)	-	(6,957)
Gain on disposal of property, plant and equipment	-		(1,741)
Interest income	(127,502)	(117,807)	(151,092)
Dividend income	(8,345)	(8,771)	(11,961)
Deferred taxation		-	(970)
Foreign exchange gains	(50,143)	(25,783)	(26,159)
Increase in deferred policy acquisition cost	(30,916)	(60,272)	(22,142)
Increase in insurance reserves	343,962	370,041	174,792
	330,620	296,810	295,606
Changes in operating assets and liabilities:			
Due from policyholders, brokers and agents	63,363	(35,243)	(183,458)
Other receivables	(69,466)	(26,178)	(16,505)
Loans receivable	(60,363)	3,969	(409)
Other liabilities	80,401	(6,092)	24,887
Due from related parties	3,871	1,482	4,726
Due from reinsurers and coinsurers, net	(186,187)	(108,966)	55,235
	162,239	125,782	180,082
Taxation withheld at source	(20,633)	(17,120)	(22,717)
Net cash provided by operating activities	141,606	108,662	157,365
Cash Flows from Investing Activities			
Acquisition of investments	(797,095)	(450,426)	486,646
Lease receivables, net	8,106	26,514	51,514
Acquisition of property, plant and equipment	(10,208)	(53,832)	(52,584)
Acquisition of intangible asset	(2,102)	(147)	(143,549)
Proceeds from disposal and maturity of investments	623,917	192,318	(730)
Dividend received	9,162	8,771	6,972
Interest received	130,685	104,050	148,579
Net cash (used in)/ provided by investing activities	(37,535)	(172,752)	66,933
Cash Flows from Financing Activities			
Dividends paid	(100,031)	(100,031)	(203,878)
Net cash used in financing activities	(100,031)	(100,031)	(203,878)
Increase/(decrease)/cash and cash equivalents	4,040	(164,121)	46,548
Effect of exchange rate changes on cash and cash equivalents	26,221	13,325	56,449
Cash and cash equivalents at beginning of period/year	1,002,216	1,272,527	1,169,530
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR	1,032,477	1,121,731	1,272,527



General Accident Insurance Company Jamaica Limited

Notes to the Financial Statements

Quarter ended 30 September 2016

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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, 2015. These financial statements are expressed in Jamaican dollars which is the currency of the primary economic environment in which the company operates.