Key Insurance Company Limited
Unaudited Financial Statements
For the nine months ended 30 September 2020

KEY INSURANCE
COMPANY LIMITED

Index

Key Insurance Company Limited (KICL) is pleased to present its financial results for the third quarter ended 30 September 2020.

Financial Performance

The Company reported an improved performance for the third quarter ended 30 September 2020, generating profit before tax of $8.1 million when compared to a loss of $116.5 million in 2019 for the same period. Net premiums earned for the nine months ended 30 September 2020 were $599.2 million in comparison to $224.3 million in 2019. This represents an increase of 167.1%.

The Company's underwriting results have improved significantly, with an underwriting loss of $2.6 million for the third quarter of 2020 compared to a loss of $112.5 million in 2019. The underwriting loss for the nine months ended 30 September 2020 when normalized, for the one-off amortization of underwriting assets, amounts to $246.0 million which is a 27% improvement over the underwriting results for the nine months ended 30 September 2019.

These results are attributable to the successful implementation by management of the Company's strategic initiatives, including a focus on Company's customer centricity and improving underwriting practices, as well as adopting more effective risk management practices and enhancing investment returns. The Company expects to meet its financial targets for 2020, despite the ongoing challenges attributable to the COVID-19 pandemic, as management is confident that these initiatives will continue to drive positive results for the rest of 2020 and into 2021.

Marketing Campaign

The Company's marketing campaign commenced in earnest during the quarter. The campaign focuses on the theme **"Go, Live, Ride and Drive"** and content and messages convey experiences where customers can feel "at peace with insurance from Key" while doing their everyday runs or making major investment decisions such as purchasing a car or securing their home and its contents. The campaign's theme represents specific products, namely:

1. Motor Vehicle Insurance (GO)
2. Property Insurance (LIVE)
3. Motor Bike Insurance (RIDE)
4. Public Transport Insurance (DRIVE)

The response has been very positive, and is achieving its objectives of driving brand awareness, and generate sales for our various insurance products.

Rights Issue

The Board of Directors on 08 September 2020 agreed to the tabling of a resolution for a Rights Issue at the Annual General Meeting (AGM) of the Company. Subsequent, to the end of the financial period, the Company held its Annual General Meeting on 22 October 2020 and the shareholders approved a) an increase in the authorized number of shares in the Company from 496,000,000 ordinary shares to 700,000,000 ordinary shares; and b) a renounceable rights issue for the purposes of raising capital for the benefit of the Company. It is expected that the increased capital base will improve the Company's profitability and ensure the target level of capital adequacy is achieved.

Outlook

Management continues to be proactive in ensuring that, through the effective implementation of the Company's Turnaround Pillars, it remains nimble and focused on delivering positive results. We are grateful for the commitment and fortitude of our entire Key team who are highly engaged and vested in the success of the Company.

As we continue to navigate these unprecedented times arising from the COVID 19 pandemic, we encourage everyone to take care of each other and stay safe by sanitizing, wearing your mask and practicing social distancing. We wish to thank all our stakeholders for their continued contribution and support.

Key Insurance Company Limited
Statement of Comprehensive Income
Nine months ended 30 September 2020
(expressed in Jamaican dollars unless otherwise indicated)

	Note	Unaudited Three Months ended 30 September 2020 $'000	Unaudited Three Months ended 30 September 2019 $'000	Unaudited Nine Months ended 30 September 2020 $'000	Unaudited Nine Months ended 30 September 2019 $'000
Gross Premiums Written	5	401,977	332,943	1,045,064	1,135,418
Reinsurance Ceded		(142,052)	(282,301)	(402,219)	(935,800)
Net Premiums Written		259,925	50,642	642,845	199,618
Change in unearned premium reserve, net		(55,623)	12,893	(43,647)	24,706
Net Premiums Earned		204,302	63,535	599,198	224,324
Change in insurance reserves		3,428	(576)	-	(1,069)
Commission on reinsurance ceded		17,445	28,858	61,365	87,068
Commission on premiums written		(28,441)	(31,995)	(89,191)	(107,024)
Claims expense		(90,584)	(64,219)	(490,468)	(223,352)
Change in unexpired risk reserves		-	-	-	(8,937)
Amortization of underwriting assets	6	-	-	(323,136)	-
Administration and other expenses		(108,718)	(108,126)	(326,895)	(312,287)
Underwriting loss		(2,568)	(112,523)	(569,127)	(341,277)
Investment income		9,082	3,719	16,306	26,228
Other income		1,561	(7,413)	14,786	16,238
Profit/(loss) before Taxation		8,075	(116,217)	(538,035)	(298,811)
Taxation		(2,423)	-	179,649	-
Profit/(loss) after Taxation		5,652	(116,217)	(358,386)	(298,811)
Other Comprehensive Income:					
Items that will not be subsequently reclassified to profit or loss:					
Changes in fair value of equity instruments at FVOCI		(7,383)	3,053	(23,809)	(8,984)
		(7,383)	3,053	(23,809)	(8,984)
Total Comprehensive Income for the Period		(1,731)	(113,164)	(382,195)	(307,795)
Earnings per share	7	0.02	(0.32)	(0.97)	(0.81)

The notes on pages 7 to 15 are an integral part of these condensed interim financial statements.

Key Insurance Company Limited
Statement of Financial Position
As at 30 September 2020
(expressed in Jamaican dollars unless otherwise indicated)

	Note	Unaudited 30 September 2020 $'000	Unaudited 30 September 2019 $'000	Audited 31 December 2019 $'000
ASSETS				
Cash and deposits		924,039	847,494	937,029
Investment securities		213,029	381,127	241,937
Due from policyholders, brokers and agents		207,997	222,860	164,229
Due from reinsurers		1,798,588	934,538	2,037,052
Deferred policy acquisition costs		61,276	147,513	138,703
Taxation recoverable		224,281	217,189	219,117
Other receivables		12,473	26,365	50,475
Right-of-use asset		9,383	-	17,808
Investment properties		200,150	205,150	200,150
Intangible assets		2,596	174	3,637
Property, plant and equipment		214,636	188,165	221,513
Deferred taxation		457,974	-	278,325
		4,326,422	3,170,575	4,509,975
LIABILITIES AND EQUITY				
Liabilities				
Other payables		37,998	37,898	64,961
Lease liability		9,940	-	18,950
Due to reinsurers		1,835,573	737,586	1,604,761
Deferred taxation		-	3,111	-
Insurance reserves		2,260,346	1,807,923	2,160,963
		4,143,857	2,586,518	3,849,635
Equity				
Share capital	4	235,282	235,282	235,282
Capital reserve		57,371	57,371	57,371
Fair value reserves		435,660	334,518	459,469
(Accumulated losses)/Retained earnings		(545,748)	(43,114)	(91,782)
		182,565	584,057	660,340
		4,326,422	3,170,575	4,509,975

Approved for issue on behalf of the Board of Directors on 12 November 2020 and signed on its behalf by:

Donald Wehby — Chairman

Linval Freeman — Director

The notes on pages 7 to 15 are an integral part of these condensed interim financial statements.

Key Insurance Company Limited

Statement of Changes in Equity
Nine months ended 30 September 2020
(expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital $'000	Capital Reserves $'000	Fair Value Reserves $'000	Retained Earnings $'000	Total $'000
Balance as at 01 January 2019		235,282	57,371	340,449	255,697	888,799
Total comprehensive income for the period		-	-	(5,931)	(298,811)	(304,742)
Balance as at 30 September 2019		235,282	57,371	334,518	(43,114)	584,057
Balance as at 31 December 2019 as originally presented		235,282	57,371	459,469	(91,782)	660,340
Effect of adopting IFRS 9	3	-	-	-	(95,580)	(95,580)
Restated balance as at 01 January 2020		235,282	57,371	459,469	(187,362)	564,760
Total comprehensive income for the period		-	-	(23,809)	(358,386)	(382,195)
Balance as at 30 September 2020		235,282	57,371	435,660	(545,748)	182,565

The notes on pages 7 to 15 are an integral part of these condensed interim financial statements.

Key Insurance Company Limited
Statement of Cash Flows
Nine months ended 30 September 2020
(expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Nine Months ended 30 September 2020 $'000	Unaudited Nine Months ended 30 September 2019 $'000
Cash Flows from Operating Activities		
Net loss	(358,386)	(298,811)
Adjustment for items not affecting cash:		
Amortisation and depreciation	13,917	13,534
Gain on sale of available-for-sale investment securities	-	(8,984)
Gain on sale of property, plant and equipment	-	(26)
Loss on revaluation of investment properties	-	17,819
Gain on foreign exchange	(14,553)	(15,310)
Dividend income	(235)	(828)
Provision for expected credit loss	2,817	-
Interest income	(16,071)	(26,276)
Taxation	(179,649)	-
	(552,160)	(318,882)
Changes in operating assets and liabilities		
Due from policyholders, brokers and agents	(110,828)	(37,584)
Change in deferred policy acquisition costs	77,427	7,698
Change in insurance reserves	99,383	209,522
Due from reinsurers	223,536	(699,945)
Due to reinsurers	230,812	721,634
Other assets	34,458	(16,468)
Other liabilities	(35,973)	(15,633)
	(33,345)	(149,658)
Taxation paid	(5,164)	(6,760)
Net cash used in operating activities	(38,509)	(156,418)
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(14,630)	(3,159)
Acquisition of intangible asset	(1,566)	(185)
Proceeds on disposal of property, plant and equipment	-	26
Procceds on disposal of investment properties	-	136,000
Purchase/disposal of investments (net)	23,086	127,386
Interest and dividend received	18,891	29,418
Net cash provided by investing activities	25,781	289,486
Net (decrease)/increase in cash and cash equivalents	(12,728)	133,068
Effect of changes in exchange rate on cash and cash equivalents	(262)	306
Cash and cash equivalents at the beginning of the period	934,029	711,118
Cash and cash equivalents at the end of the period	921,039	844,492

The notes on pages 7 to 15 are an integral part of these condensed interim financial statements.

1. Identification and Activities

(a) Key Insurance Company Limited (the Company) is registered and domiciled in Jamaica. Its registered office is located at 6c Half Way Tree Road, Kingston 5, Jamaica.

(b) The Company is licenced to operate as a general insurer in Jamaica, under the Insurance Act 2001. Its principal activity is the underwriting of motor, commercial and personal property and casualty insurance.

(c) The Company is a public company listed on the Jamaica Stock Exchange.

2. Significant Accounting Policies

Basis of Preparation

These interim financial statements have been prepared in accordance with International Accounting Standards 34 - Interim Financial Reporting and have been prepared under the historical cost convention as modified by the revaluation of investment securities, investment properties and certain property, plant and equipment.

These financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited financial statements as at and for the year ended 31 December 2019. Except for the adoption of IFRS 9 – *Financial Instruments* as stated below, the accounting policies adopted are consistent with those followed in the preparation of the audited financial statements for the year ended 31 December 2019.

New standard effective in the current year

(i) IFRS 9, 'Financial instruments',

The Company adopted IFRS 9 effective 01 January 2020 after exercising its right to a temporary exemption in the financial years ended 31 December 2018 and 2019.

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, and impairment of financial assets. The adoption of IFRS 9 from 01 January 2020 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transitional provisions in IFRS 9 [7.2.15], comparative figures have not been restated.

Classification

From 01 January 2020, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI), or through profit or loss)
- those to be measured at amortised cost.

The available for sale (AFS) category under IAS 39 is no longer applicable.

The classification depends on the business model used for managing the financial assets and the contractual terms of the cash flows.

2. Significant Accounting Policies (Continued)

New standard effective in the current year (Continued)

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). Equity instruments held for trading are measured at fair value through profit or loss (FVPL).

The Company reclassifies debt investments only when its business model for managing those assets changes.

Measurement

Debt instruments
Measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into three measurement categories:

- Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in the income statement using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in the income statement.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Changes in fair value are taken through OCI. The recognition of interest income and impairment gains or losses are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in the income statement using the effective interest rate method. Impairment losses are presented as a separate line item in the income statement.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is measured at FVPL is recognised in profit or loss in the period in which it arises.

Equity instruments
The Company measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payments is established. The changes in the fair value of financial assets at FVPL are recognised in the income statement. The Company will strategically develop a trading equity portfolio which will see the gains and losses in the portfolio be recognized in profit and loss.

2. Significant Accounting Policies (Continued)

New standard effective in the current year (Continued)

Impairment

From 01 January 2020, the Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets classified at amortised cost, debt instruments measured at FVOCI, trade and other receivables and due from reinsurers.

Application of the General Model
The Company has applied the 'general model' as required under IFRS 9 for debt instruments other than trade receivables. Under this model, the Company is required to assess on a forward-looking basis the ECL associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The ECL will be recognised in profit or loss before a loss event has occurred. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes. The probability-weighted outcome considers multiple scenarios based on reasonable and supportable forecasts. Under current guidance, impairment amount represents the single best outcome; the time value of money; and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

ECL is calculated by multiplying the Probability of default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).

The impairment model uses a three-stage approach based on the extent of credit deterioration since origination:

Stage 1 – 12-month ECL applies to all financial assets that have not experienced a significant increase in credit risk since origination and are not credit impaired. The ECL will be computed using a 12-month PD that represents the probability of default occurring over the next 12 months.

Stage 2 – When a financial asset experiences a significant increase in credit risk subsequent to origination but is not credit impaired, it is considered to be in Stage 2. This requires the computation of ECL based on lifetime PD that represents the probability of default occurring over the remaining estimated life of the financial asset. Provisions are higher in this stage because of an increase in risk and the impact of a longer time horizon being considered compared to 12 months in Stage 1.

Stage 3 – Financial assets that have an objective evidence of impairment will be included in this stage. Similar to Stage 2, the allowance for credit losses will continue to capture the lifetime ECL.

The Company uses judgement when considering the following factors that affect the determination of impairment:

2. Significant Accounting Policies (Continued)

New standard effective in the current year (Continued)

Assessment of Significant Increase in Credit Risk
The assessment of a significant increase in credit risk is done on a relative basis. To assess whether the credit risk on a financial asset has increased significantly since origination, the Company compares the risk of default occurring over the expected life of the financial asset at the reporting date to the corresponding risk of default at origination, using key risk indicators that are used in the Company's existing risk management processes. At each reporting date, the assessment of a change in credit risk will be individually assessed for those considered individually significant and at the segment level for retail exposures. This assessment is symmetrical in nature, allowing credit risk of financial assets to move back to Stage 1 if the increase in credit risk since origination has reduced and is no longer deemed to be significant.

Macroeconomic Factors, Forward Looking Information and Multiple Scenarios
The Company applies an unbiased and probability weighted estimate of credit losses by evaluating a range of possible outcomes that incorporates forecasts of future economic conditions.

Macroeconomic factors and forward looking information are incorporated into the measurement of ECL as well as the determination of whether there has been a significant increase in credit risk since origination. Measurement of ECLs at each reporting period reflect reasonable and supportable information at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Company uses three scenarios that are probability weighted to determine ECL.

Expected Life
When measuring ECL, the Company considers the maximum contractual period over which the Company is exposed to credit risk. All contractual terms are considered when determining the expected life, including prepayment options and extension and rollover options. For certain revolving credit facilities that do not have a fixed maturity, the expected life is estimated based on the period over which the Company is exposed to credit risk and where the credit losses would not be mitigated by management actions.

Application of the Simplified Approach

For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires that the impairment provision is measured at initial recognition and throughout the life of the receivables using a lifetime ECL. As a practical expedient, a provision matrix is utilised in determining the lifetime ECLs for trade receivables.

The lifetime ECLs are determined by taking into consideration historical rates of default for each segment of aged receivables as well as the estimated impact of forward-looking information.

3. Effect of adoption of IFRS 9

The new standard has been applied from 01 January 2020 and the financial statements of the Company have been restated as of that date to reflect the effect of the adoption of IFRS 9 'Financial instruments'.

As noted in the accounting policies for the new standards, the transition provisions applied by the Company do not require comparative figures to be restated. The total impact of adoption is therefore recognised in the opening statement of financial position on 01 January 2020 as shown in Table 1 below:

Table 1 - Effect on statement of financial position as at 01 January 2020:

	31 December 2019 As originally presented $'000	Effects of IFRS 9 $'000	01 January 2020 As restated $'000
ASSETS			
Cash and deposits	937,029	-	937,029
Investment securities	241,937	(4,440)	237,497
Due from policyholders, brokers and agencies	164,229	(64,243)	99,986
Due from reinsurers	2,037,052	(14,928)	2,022,124
Deferred policy acquisition costs	138,703	-	138,703
Taxation recoverable	219,117	-	219,117
Other receivable	50,475	(11,969)	38,506
Right-of-use asset	17,808	-	17,808
Investment properties	200,150	-	200,150
Intangible assets	3,637	-	3,637
Property, plant and equipment	221,513	-	221,513
Deferred tax assets	278,325	-	278,325
Total Assets	**4,509,975**	**(95,580)**	**4,414,395**
LIABILITIES			
Other payables	64,961	-	64,961
Lease liability	18,950	-	18,950
Due to reinsurers	1,604,761	-	1,604,761
Insurance reserves	2,160,963	-	2,160,963
Total Liabilities	**3,849,635**	-	**3,849,635**
EQUITY			
Share capital	235,282	-	235,282
Capital reserve	57,371	-	57,371
Fair value reserves	459,469	-	459,469
Accumulated deficit	(91,782)	(95,580)	(187,362)
Total Equity	**660,340**	**(95,580)**	**564,760**
Total Liabilities and Equity	**4,509,975**	**(95,580)**	**4,414,395**

3. Effect of adoption of IFRS 9 (Continued)

The impact of these changes on the Company's equity is as follows:

Table 2 - Effect on equity components as at 01 January 2020:

	Share Capital $'000	Capital Reserve $'000	Fair Value Reserve $'000	Accumulated Deficit $'000
Closing equity components 31 December 2019 – IAS 39	235,282	57,371	459,469	(91,782)
IFRS 9 Impact				
Increase in provision for debt investments at FVOCI	-	-	-	(4,440)
Increase in provision for trade, other receivables and due from reinsurers	-	-	-	(91,140)
	-	-	-	(95,580)
Opening equity components 01 January 2020 – IFRS 9	235,282	57,371	459,469	187,362

(i) IFRS 9 – impact of adoption

On 01 January 2020 (the date of initial application of IFRS 9), the Company's management has assessed which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories. The main effects resulting from this reclassification are as follows

The Company's investments securities that were previously classified as AFS have now been reclassified to amortised cost, FVOCI or FVPL.

(a) Certain debt instruments were reclassified from AFS to FVOCI as the Company's business model is achieved both by collecting contractual cash flows and selling of these assets. The contractual cash flows of these investments are solely principal and interest.

(b) The Company elected to present in OCI changes in the fair value of some of its equity investments previously classified as AFS because these investments are held as long-term strategic investments that are not expected to be sold in the short to medium term.

(c) Equity instruments that are held for trading are required to be held as FVPL under IFRS 9. The classification for investments already held by the Company under this business model is unchanged.

(d) There was no impact on the amounts recognised in relation to the financial assets described in items (a) and (b) from the adoption of IFRS 9.

Impairment of financial assets

The Company has two types of financial assets that are subject to the new expected credit loss model under IFRS 9:

- Receivables
- Debt instruments carried at amortised cost

The Company revised its impairment methodology under IFRS 9 for each of these classes of assets. The impact of the change in impairment methodology on the Company's retained earnings is disclosed in Table 2 above.

The Company has not early adopted any standards, interpretations or amendments that had been issued and is not yet effective.

4. Share Capital

	2020 $'000	2019 $'000
Authorised -		
496,000,000 ordinary shares		
Issued and fully paid -		
368,460,863 ordinary shares at no par value ordinary shares	235,282	235,282

On 24 March 2020, GraceKennedy Financial Group Limited a wholly owned subsidiary of GraceKennedy Limited acquired 65% of the share capital of the Company.

5. Segment Information

Management has determined the operating segments based on the reports reviewed by the General Manager that are used to make strategic decisions.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. The operating segments are Motor and Non-Motor classes of insurance premium written.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit/(loss) before income tax, not including non-recurring gains and losses. Income and expenses that are directly related to segments are reported within those segments.

Head office income and expenses are allocated to segments based on gross premium written.

5. Segment Information (Continued)

	2020		
	Motor	Non-Motor	Total
	$'000	$'000	$'000
Gross premiums written	684,721	360,343	1,045,064
Reinsurance ceded	(48,795)	(353,424)	(402,219)
Net premiums written	635,926	6,919	642,845
Change in insurance reserve, net	(41,285)	(2,362)	(43,647)
Net premiums earned	594,641	4,557	599,198
Amortization of underwriting assets	(300,266)	(22,870)	(323,136)
Underwriting expenses	(800,251)	(44,938)	(845,189)
Underwriting loss	(505,876)	(63,251)	(569,127)
Other Income			31,092
Segment results			(538,035)

	2019		
	Motor	Non-Motor	Total
	$'000	$'000	$'000
Gross premium written	765,870	369,548	1,135,418
Reinsurance ceded	(588,954)	(346,846)	(935,800)
Net premiums written	176,916	22,702	199,618
Change in insurance reserve, net	20,208	3,429	23,637
Net premiums earned	197,124	26,131	223,255
Underwriting expenses	(480,945)	(83,587)	(564,532)
Underwriting loss	(283,821)	(57,456)	(341,277)
Other Income			42,466
Segment results			(298,811)

6. Amortization of Underwriting Assets

Following the acquisition in March 2020 of the majority shareholding in the Company by GraceKennedy Financial Group Limited and the appointment of a new Board of Directors and Senior Management effective 31 March 2020, the Motor Quota Share Reinsurance Agreement (the MQS Agreement) was reviewed and terminated on 06 April 2020 with an effective date of 01 January 2020. The Agreement made no provision for the payment of cash or the settlement of outstanding balances upon termination and hence was terminated without recourse by either party to the Agreement. The review and termination of this Agreement were completed as part of the restructuring plan for the Company's operations and the streamlining of its underwriting business to make it more profitable on a go forward basis. Upon termination of the Agreement, Management decided to accelerate the amortization of certain underwriting assets resulting in a one-time charge of $323M to the Statement of Comprehensive Income for the quarter ended 31 March 2020, comprising $235M relating to the terminated Agreement and the amount $88M relating to Deferred Policy Acquisition Costs.

7. Earnings per share

The calculation of earnings per share is based on the net loss for the period attributable to stockholders and the 368,460,863 issued and fully paid ordinary stock units.

8. Subsequent Event

Subsequent to end of the financial period, the Company held its Annual General Meeting and the shareholders approved:

(i) an increase in the number of authorized shares in the Company from 496,000,000 ordinary shares to 700,000,000 ordinary shares; and

(ii) a renounceable rights issue for the purposes of raising capital for the benefit of the Company.