

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2021

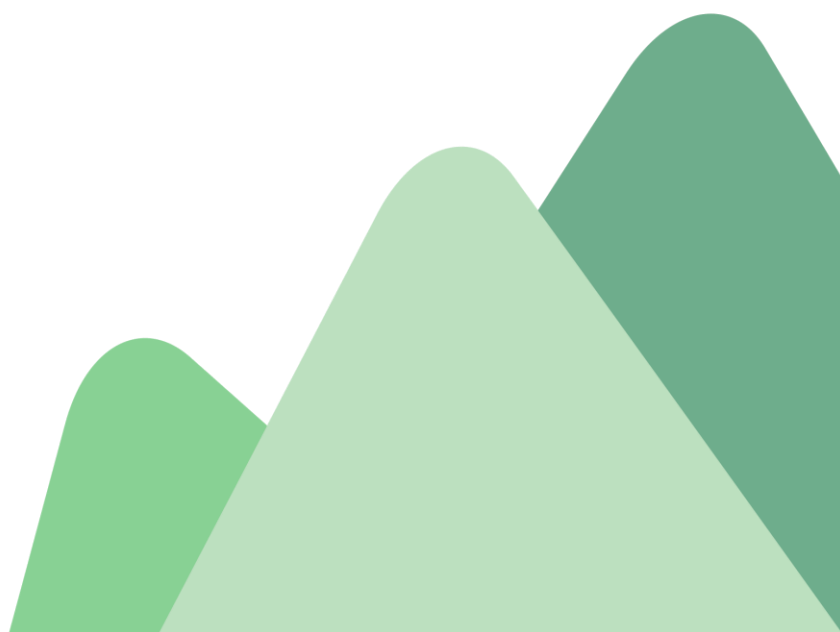


General Accident Insurance Company Jamaica Limited

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For the quarter ended 30 September 2021

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General Accident Insurance Company Jamaica Limited

Report to Stockholders

For the quarter ended 30 September 2021



We are pleased to present the unaudited financial statements of General Accident Insurance Company Jamaica Limited and its subsidiaries (collectively “General Accident”), for the nine months ended 30th September 2021. The group produced a profit after tax of \$350.95 million compared to prior year of \$124.64 million.

The Jamaican segment of the group wrote premium of \$10.83 billion and contributed profit before tax of \$595.48 million. The Trinidad counterpart wrote premium of \$450.61 million a significant increase over the \$282 million written for the nine months in 2020. General Accident (Barbados) booked premium of \$213.97 million compared to \$16 million for the same period in 2020.

The highlights for the group are as follows:

Net profit after tax of \$350.95 million, (2020: \$124.64 million)

Earnings per share of \$0.39 (2020: \$0.14)

Book value of \$3.41 billion (2020: \$3.08 billion)

Annualized return on average equity of 14.66% (2020: 5.47%)

Underwriting Performance

For the period, General Accident wrote gross written premium of \$11.50 billion, compared to \$9.32 billion for the same period last year. Net earned premium improved by 10% to \$2.22 billion while net claims charges also saw an improvement of 15% to \$1.16 billion. Administrative expenses increased by 18% when compared to the same period prior year.

General Accident made an underwriting gain of \$344.68 million. The Jamaican portfolio produced a commendable underwriting profit of \$490.74 million, compared to the prior period’s underwriting profit of \$117.85 million.

Investment Performance

The consolidated investment income for the first nine months of 2021 was \$147.62 million compared to prior year of \$140.46 million.

General Accident Insurance Company Jamaica Limited

Report to Stockholders

For the quarter ended 31 March 2021

Summary

Like all businesses, General Accident continues to be impacted by Covid-19. We are anticipating that with the increased vaccine take-up, some level of normalcy will return to the country. General Accident will continue to rely on our digital platform, along with our strong relationships with our clients, brokers, reinsurers, and employees to continue delivering our service.

General Accident ended the period with a book value of \$3.41 billion and generated annualized return on average equity for shareholders of 14.66%.

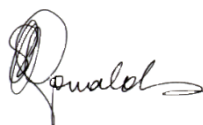
As of September 30, 2021, we remain in compliance with the capital adequacy and liquidity metrics prescribed by the Financial Services Commission.

The board and management of the group is committed to ensuring that General Accident continues on its growth path for the year ahead. We do expect to have a strong last quarter for 2021, provided we have no material natural disaster or event.

On behalf of the Board of Directors



P.B. Scott



Sharon Donaldson



General Accident Insurance Company Jamaica Limited
Consolidated Statement of Comprehensive Income
For the quarter ended 30 September 2021

	Unaudited 9 Months Ended 30 September 2021 \$'000	Unaudited 9 Months Ended 30 September 2020 \$'000	Unaudited Quarter ended 30 September 2021 \$'000	Unaudited Quarter ended 30 September 2020 \$'000	Audited Year ended 31 Dec 2020 \$'000
Gross Premiums Written	11,499,362	9,317,856	3,862,769	3,103,166	12,044,990
Reinsurance ceded	(8,996,559)	(7,209,832)	(2,989,184)	(2,372,478)	(9,066,069)
Excess of loss reinsurance cost	(155,468)	(126,086)	(52,407)	(47,445)	(167,314)
Net Premiums Written	2,347,335	1,981,938	821,178	683,243	2,811,607
Changes in unearned premiums, net	(117,375)	40,626	(48,007)	(15,721)	(71,047)
Net Premiums Earned	2,229,960	2,022,564	773,171	667,522	2,740,560
Commission income	709,972	515,572	189,626	142,355	771,217
Commission expense	(391,880)	(346,032)	(121,173)	(95,215)	(465,634)
Changes in commission, net	(19,943)	32,870	34,833	31,246	-
Claims expense	(1,156,879)	(1,362,136)	(345,294)	(474,834)	(1,816,926)
Management expenses	(1,026,553)	(869,031)	(355,445)	(298,483)	(1,227,772)
Underwriting Profit/(Loss)	344,677	(6,193)	175,718	(27,409)	1,445
Investment income	147,616	140,461	44,656	50,780	293,886
Finance charge	(7,243)	(2,713)	(4,540)	-	(14,642)
Other income	71,972	108,757	36,178	27,723	95,591
Other operating expenses	(115,081)	(84,727)	(41,041)	(37,917)	(116,744)
Profit before Taxation	441,941	155,585	210,971	13,177	259,536
Taxation	(90,989)	(30,948)	(34,384)	(1,029)	(65,724)
PROFIT FOR THE PERIOD/YEAR	350,952	124,637	176,587	12,148	193,812
Attributable to:					
Owners of General Accident Ins. Co. Ja. Ltd.	399,159	147,189	196,799	17,276	242,503
Non-controlling interests	(48,207)	(22,552)	(20,212)	(5,128)	(48,691)
	350,952	124,637	176,587	12,148	193,812
Items that may not be subsequently reclassified to profit or loss					
Unrealised (losses)/gains on FVOCI investment	44,805	(79,874)	2,397	(3,998)	(45,835)
Unrealised gains on revaluation of real estate investment	8,024	32,259	15,677	-	18,696
Foreign currency translation reserve	29,784	69,065	5,962	31,640	88,863
Total Other Comprehensive Income	82,613	21,450	24,036	27,642	61,724
TOTAL COMPREHENSIVE INCOME	433,565	146,087	200,623	39,790	255,536
Attributable to:					
Owners of General Accident Ins. Co. Ja. Ltd.	521,556	129,185	265,072	34,322	274,673
Non-controlling interests	(87,992)	16,902	(64,449)	5,468	(19,137)
	433,565	146,087	200,623	39,790	255,536
EARNINGS PER SHARE	0.39	0.14	0.19	0.02	0.24

General Accident Insurance Company Jamaica Limited

Consolidated Statement of Financial Position

As at 30 September 2021

	Unaudited 30 September 2021 \$'000	Unaudited 30 September 2020 \$'000	Audited 31 December 2020 \$'000
ASSETS			
Cash and short term investments	920,809	1,089,976	756,548
Taxation recoverable	780	73,220	40,401
Due from policyholders, brokers and agents	1,458,323	1,160,079	1,252,837
Due from reinsurers and co-insurers	2,002,377	1,994,844	2,302,249
Deferred policy acquisition cost	531,607	506,688	496,512
Other receivables	107,427	327,540	243,575
Due from related parties	334,819	11,656	22,710
Loans receivables	276,596	-	251,464
Lease receivables	61,507	-	79,157
Rights of use assets	97,392	107,653	148,202
Investment securities	3,981,763	4,001,536	4,210,786
Investment property	319,706	550,809	315,048
Pooled real estate investment	212,328	193,633	212,329
Property, plant & equipment	702,182	657,260	644,924
Intangible assets	183,045	189,768	193,605
Total assets	11,190,661	10,864,662	11,170,347
LIABILITIES			
Taxation payable	2,703	-	4,779
Due to reinsurers and coinsurers	978,067	587,941	954,618
Other liabilities	163,158	285,066	410,784
Due to related parties	-	95	-
Lease liabilities	114,168	116,958	162,521
Deferred tax liabilities	38,049	44,933	38,050
Insurance reserves	6,486,086	6,754,206	6,624,729
Total liabilities	7,782,230	7,789,199	8,195,481
SHAREHOLDERS' EQUITY			
Share capital	470,358	470,358	470,358
Capital reserves	146,384	152,030	146,384
Property revaluation reserve	85,532	91,071	77,508
Fair value reserve	78,125	(604)	33,320
Translation reserve	67,013	16,043	37,229
Retained earnings	2,210,737	1,938,931	1,811,578
	3,058,149	2,667,829	2,576,377
Non-controlling interest	350,282	407,634	398,489
Total shareholders' equity	3,408,431	3,075,463	2,974,866
Total liabilities and shareholders' equity	11,190,661	10,864,662	11,170,347

Approved by the Board of Directors on November 13, 2021 and signed on its behalf by:



Director



Director

General Accident Insurance Company Jamaica Limited
Consolidated Statement of Changes in Equity
For the quarter ended 30 September 2021

	Share Capital \$'000	Capital Reserves \$'000	Property Revaluation Reserve \$'000	Fair Value Reserve \$'000	Translation Reserve \$'000	Retained Earnings \$'000	Non-Controlling Interest	Total
Balance at 31 December 2019	470,358	152,030	58,812	79,112	(22,037)	1,791,743	473,547	3,003,565
Comprehensive income:								
Net profit for the period	-	-				147,188	(22,552)	124,636
Other Comprehensive Income			32,259	(79,716)	38,080	-	30,826	21,449
Total comprehensive income	-	-	32,259	(79,716)	38,080	147,188	8,274	146,085
Transactions with owners							(55,765)	(55,765)
Non-controlling interest in subsidiary							(18,422)	(18,422)
	-	-	-	-	-	-	(74,187)	(74,187)
Balance at 30 September 2020	470,358	152,030	91,071	(605)	16,043	1,938,931	407,634	3,075,463
Balance at 31 December 2020	470,358	146,384	77,508	33,320	37,229	1,811,578	398,489.00	2,974,866
Comprehensive income:								
Net profit for the period	-	-	-	-	-	399,159	(48,207.00)	350,952
Other Comprehensive Income	-	-	8,024	44,805	29,784			82,613
Total comprehensive income	-	-	8,024	44,805	29,784	399,159	(48,207)	433,565
Balance at 30 September 2021	470,358	146,384	85,532	78,125	67,013	2,210,737	350,282.00	3,408,431



General Accident Insurance Company Jamaica Limited
Consolidated Statement of Cash Flows
For the quarter ended 30 September 2021

	Unaudited 30 September \$'000	Unaudited 30 September \$'000	Audited 31 Dec 2020 \$'000
Cash Flows from Operating Activities			
Net profit	350,952	124,637	193,812
Adjustments for items not affecting cash:			
Depreciation	44,348	48,871	53,005
Amortisation of intangible assets	10,797	10,177	14,139
Amortisation of investment premium	(988)	(15,703)	(3,392)
Amortization of right of use lease	59,936	38,013	53,307
Gain on disposal of investment property	-	-	(33,969)
Gain on revaluation of investment property	-	(1,831)	(21,811)
ECL on debt investments	-	(6,872)	(6,872)
Gain on disposal of property, plant and equipment	(6,271)	(1,840)	(2,490)
Finance charge	7,243	2,713	8,428
Interest income	(110,863)	(121,571)	(173,233)
Dividend income	(13,947)	(263)	(14,299)
Current Taxation	90,989	30,948	72,607
Deferred Taxation	-	(30,658)	(6,883)
Foreign exchange gains	(19,618)	48,167	(58,639)
Increase in deferred policy acquisition cost	(35,095)	(33,444)	(23,268)
Increase in insurance reserves	(138,643)	249,938	120,461
	238,840	341,282	170,903
Changes in operating assets and liabilities:			
Due from policyholders, brokers and agents	(185,068)	(69,580)	(135,865)
Other receivables	136,148	(156,824)	(76,167)
Other liabilities	(247,628)	(231,801)	4,580
Due from related parties	(312,109)	(17,035)	(28,184)
Due from reinsurers and coinsurers, net	323,321	(148,295)	(89,023)
	(46,495)	(282,253)	(153,756)
Tax withheld at source	(53,444)	(73,559)	(27,765)
Net cash used in operating activities	(99,939)	(355,812)	(181,521)
Cash Flows from Investing Activities			
Investments, net	229,025	(1,202,369)	550,680
Loans receivable	(25,132)	-	(251,464)
Lease receivable	17,650	-	(79,157)
Net cash outflow from acquisition of additional shares in s	-	(46,676)	(46,676)
Acquisition of property, plant and equipment	(87,077)	(91,886)	(151,679)
Acquisition of investment property	(2,259)	(1,657)	(6,123)
Acquisition of intangible asset	(43)	(3,026)	(7,006)
Proceeds from disposal of property, plant and equipment	-	1,840	52,643
Proceeds from disposal and maturity of investment prope	6,271	2,100,299	298,758
Dividend received	13,947	263	14,299
Interest received	124,411	139,624	176,628
Net cash provided by investing activities	276,793	896,412	550,903

General Accident Insurance Company Jamaica Limited

Consolidated Statement of Cash Flows cont'd

For the quarter ended 30 September 2021

Cash Flows from Financing Activities

Investment made by non-controlling interest	-	-	42,000
Lease payments	(56,463)	(66,036)	(59,788)
Dividends paid	-	(55,765)	(278,433)
Net cash used in financing activities	(56,463)	(121,801)	(296,221)
Increase in cash and cash equivalents	120,390	418,799	73,161
Effect of exchange rate changes on cash and cash equivalents	43,871	28,848	41,058
Cash and cash equivalents at beginning of year	756,548	642,329	642,329
CASH AND CASH EQUIVALENTS AT END OF PERIOD	920,809	1,089,976	756,548



1. Identification and Activities

The General Accident Insurance Company Jamaica Limited (the company) is incorporated and domiciled in Jamaica. The company is a public listed company with its listing on the Jamaica Junior Stock Exchange. The company is an 80% subsidiary of Musson (Jamaica) Limited (Musson). The registered office of the company is located at 58 Half-Way-Tree Road, Kingston 10. The company's ultimate parent company, Musson, is incorporated and domiciled in Jamaica.

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 together with its subsidiaries are referred to as the Group.

2. Summary of Accounting Policies

(a) Basis of preparation and compliance

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, 2020. These financial statements are expressed in Jamaican dollars which is the currency of the primary economic environment in which the company operates.

(b) Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies, etc.

General Accident Insurance Company Jamaica Limited

Notes to the Financial Statements

For the quarter ended 30 September 2021

2. Summary of Accounting Policies (Continued)

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

3. Segment Information

Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions. All operating segments used by management meet the definition of a reportable segment under IFRS 8.

The group is organised into two operating segments.

The segment information for the quarter ended 30 September 2021:

	Insurance \$000	Investments \$000
Revenue	<u>11,499,362</u>	<u>147,616</u>
Profit	<u>344,677</u>	<u>140,373</u>

The segment information for the quarter ending 30 September 2020:

	Insurance \$000	Investments \$000
Revenue	<u>9,317,856</u>	<u>140,461</u>
Profit	<u>(6,193)</u>	<u>137,748</u>

General Accident Insurance Company Jamaica Limited
Shareholdings of Directors and their Connected Parties
For the quarter ended 30 September 2021

DIRECTORS	COMBINED HOLDING	PERCENTAGE
Musson Jamaica Ltd.	824,999,989	80.000
Paul B. Scott Melanie Subratie		
Sharon Donaldson	3,862,431	0.3745
Junior Levine		
Gregory Foster	350,000	0.0340
Geoffrey Messado	1,000,000	0.0970
Duncan Stewart	2,475,190	0.2400
Deborah Stewart Diana Stewart		
Christopher Nakash	1,698,020	0.1647
Nicholas Scott	1,980,198	0.1920
Matthew Lyn	96,500	0.0094
Jodi Lyn		



General Accident Insurance Company Jamaica Limited
Shareholdings of Management Team and their Connected Parties
For the quarter ended 30 September 2021

MANAGER	COMBINED HOLDING	PERCENTAGE
Cheryll Henry	159,445	0.0155
Lesley Miller Martin Miller et al	321,246	0.0315
Jamalda Stanford	92,857	0.0090
Janille Jarrett	25,000	0.0024



General Accident Insurance Company Jamaica Limited

Top Ten Shareholders

For the quarter ended 30 September 2021

SHAREHOLDER	NO. OF UNITS	PERCENTAGE
Musson Jamaica Ltd.	824,999,989	80.00
Mayberry Jamaican Equities Ltd.	19,642,677	1.90
QWI Investments Ltd.	15,032,119	1.46
JCSD Trustee Services – Barita Unit Trust	14,278,202	1.38
Apex Pharmacy	10,000,000	0.97
PAM – Pooled Equity Fund	9,343,293	0.91
Lancedale Farquharson	7,625,000	0.74
Mayberry Managed Clients Account	6,793,160	0.66
Sagicor Select Funds Ltd	5,066,798	0.49
K. Chandiram Ltd.	4,331,450	0.42

