

# UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED MARCH 31, 2022



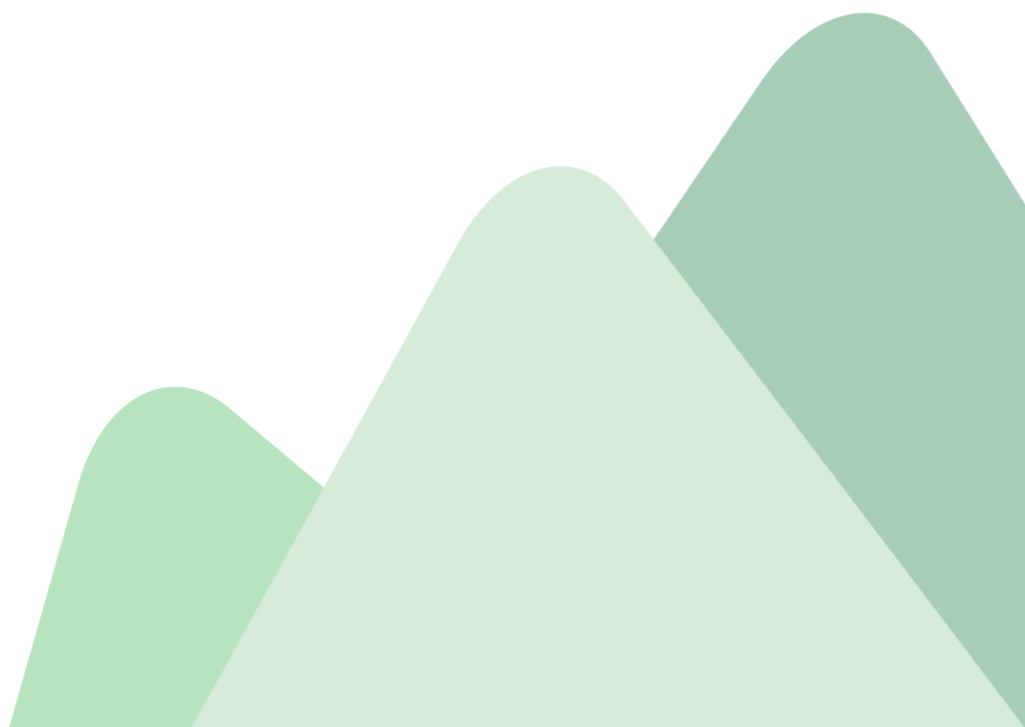
# General Accident Insurance Company Jamaica Limited

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For the quarter ended 31 March 2022

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## **Report to Stockholders**

### **For the quarter ended 31 March 2022**

We are pleased to present the unaudited financial statements of General Accident Insurance Company Jamaica Limited and its subsidiaries (collectively “General Accident”), for the quarter ended 31st March 2022. The group produced an after tax profit of \$25.6 million representing an increase of 65% compared to prior year.

For the quarter ended March 31, 2022, the Jamaica operation of General Accident wrote premiums of \$3.4 billion and contributed profit before tax of \$121.9 million. Our Trinidad subsidiary wrote premiums of \$201.2 million, a significant increase over the \$143.9 million written for prior year. Our Barbados subsidiary wrote premiums of \$108.7 million compared to \$62.1 million written for prior year.

The highlights for the group are as follows:

Gross written premiums of \$3.7 billion (2021: \$3.3 billion)

Profit after tax of \$25.6 million (2021: \$15.5 million)

Earnings per share of \$0.05 (2021: \$0.03)

Total assets of \$13.45 billion (2021: \$12.11 billion)

Retained earnings of \$1.92 billion (2021: \$1.86 billion)

### **Underwriting Performance**

General Accident continues to benefit from growth across the region achieving gross written premiums of \$3.7 billion, an increase of 11% compared to prior year. Net earned premiums increased by 12% while net claims incurred and administrative expenses increased by 6% and 28% respectively. Consequently, General Accident produced underwriting profit of \$21.4 million.

## General Accident Insurance Company Jamaica Limited

### Report to Stockholders

For the quarter ended 31 March 2022

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#### Investment Performance

General Accident's consolidated investment income for the quarter ended March 31, 2022 was \$44.0 million compared to prior year of \$48.9 million. Notably, with interest rates trending upwards, we expect corresponding increases in our consolidated investment income over the short to medium term.

#### Summary

While the global economy continued to be challenged by the Covid-19 pandemic, General Accident's focused, dynamic management team and dedicated staff have enabled us to achieve good performance. In fact, the increased adoption of technology in the Caribbean region, accelerated by the pandemic, has validated our commitment to a regional digital strategy. Our presence in all three of the Caribbean's largest insurance markets diversifies our underwriting risk and creates economies of scale. However, it also better enables General Accident to invest, develop and deploy digital insurance solutions.

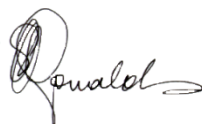
As of March 2022, General Accident remains in compliance with the capital adequacy and liquidity metrics prescribed by the Financial Services Commission, in Jamaica, Barbados and Trinidad.

We remain focused on cementing our market leadership in Jamaica, growing our operations in Trinidad and Barbados, and placing technology at the core of our operations.

#### 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 31 March 2022**

	Quarter ended 31 March 2022	Quarter ended 31 March 2021	Audited Year ended 31 Dec 2021
	\$'000	\$'000	\$'000
<b>Gross Premiums Written</b>	3,673,429	3,298,977	13,959,807
Reinsurance ceded	(2,739,204)	(2,419,161)	(10,488,851)
Excess of loss reinsurance cost	(57,039)	(49,115)	(216,992)
<b>Net Premiums Written</b>	<b>877,186</b>	<b>830,701</b>	<b>3,253,964</b>
Changes in unearned premiums, net	(68,966)	(111,769)	(221,205)
<b>Net Premiums Earned</b>	<b>808,220</b>	<b>718,932</b>	<b>3,032,759</b>
Commission income	234,552	210,797	892,857
Commission expense	(139,229)	(135,788)	(511,026)
Claims expense	(481,676)	(454,116)	(1,751,360)
Management expenses	(400,459)	(313,532)	(1,582,913)
<b>Underwriting Profit/(Loss)</b>	<b>21,408</b>	<b>26,293</b>	<b>80,317</b>
Investment income	44,031	48,858	226,526
Finance charge	(2,251)	(2,703)	(7,076)
Other (expenses)/income	5,860	(1,532)	124,591
Other operating expenses	(41,443)	(36,305)	(164,663)
<b>Profit before Taxation</b>	<b>27,605</b>	<b>34,611</b>	<b>259,695</b>
Taxation	(1,962)	(19,089)	(110,459)
<b>PROFIT FOR THE PERIOD/YEAR</b>	<b>25,643</b>	<b>15,522</b>	<b>149,236</b>
<b>Attributable to:</b>			
Owners of General Accident Ins. Co. Ja. Ltd.	48,987	36,062	254,750
Non-controlling interests	(23,344)	(20,540)	(105,514)
	<b>25,643</b>	<b>15,522</b>	<b>149,236</b>
<b>Items that may not be subsequently reclassified to profit or loss</b>			
Unrealised (losses)/gains on FVOCI investments	-	(6,521)	14,880
Unrealised gains on revaluation of real estate investment	(29,120)	5,179	(22,417)
Foreign currency translation adjustments	3,640	1,482	2,100
Total Other Comprehensive Income	(25,480)	140	(5,437)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>163</b>	<b>15,662</b>	<b>143,799</b>
<b>Attributable to:</b>			
Owners of General Accident Ins. Co. Ja. Ltd.	36,387	36,387	249,807
Non-controlling interests	(36,224)	(20,725)	(106,008)
	<b>163</b>	<b>15,662</b>	<b>143,799</b>
<b>EARNINGS PER SHARE</b>	<b>0.05</b>	<b>0.03</b>	<b>0.25</b>


**General Accident Insurance Company Jamaica Limited**  
**Consolidated Statement of Financial Position**  
**As at 31 March 2022**

	Unaudited 31 March 2022 \$'000	Unaudited 31 March 2021 \$'000	Audited 31 December 2021 \$'000
<b>ASSETS</b>			
Cash and short term investments	1,059,839	827,730	1,444,183
Taxation recoverable	20,983	89,366	2,859
Due from policyholders, brokers and agents	1,856,150	1,751,011	1,415,334
Due from reinsurers and co-insurers	3,589,245	2,379,746	3,280,908
Deferred policy acquisition cost	580,085	510,847	562,600
Other receivables	995,341	804,357	858,033
Due from related parties	5,817	11,656	5,383
Lease receivable	62,580	-	67,320
Loans receivable	368,539	-	244,188
Rights of use assets	60,386	126,511	82,164
Investment securities	3,395,296	4,182,402	3,101,667
Investment property	327,782	362,634	328,149
Pooled real estate investment	189,912	193,633	189,912
Property, plant & equipment	752,553	684,222	740,908
Intangible assets	184,924	190,047	180,014
<b>Total assets</b>	<b>13,449,432</b>	<b>12,114,162</b>	<b>12,503,622</b>
<b>LIABILITIES</b>			
Taxation payable	1,029	27,962	1,038
Due to reinsurers and coinsurers	1,423,422	918,437	1,065,509
Other liabilities	663,695	44,040	549,644
Due to related parties	-	177,027	0
Lease liabilities	79,882	393,528	103,207
Deferred tax liabilities	50,652	44,932	50,652
Insurance reserves	8,308,625	7,475,322	7,811,608
<b>Total liabilities</b>	<b>10,527,305</b>	<b>9,081,248</b>	<b>9,581,658</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	470,358	470,358	470,358
Capital reserves	146,384	152,030	146,384
Property revaluation reserve	49,017	96,954	49,017
Fair value reserve	19,051	45,452	48,171
Translation reserve	49,566	62,786	45,926
Retained earnings	1,918,614	1,862,585	1,869,627
	2,652,990	2,690,165	2,629,483
<b>Non-controlling interest</b>	<b>269,137</b>	<b>342,749</b>	<b>292,481</b>
<b>Total shareholders' equity</b>	<b>2,922,127</b>	<b>3,032,914</b>	<b>2,921,964</b>
<b>Total liabilities and shareholders' equity</b>	<b>13,449,432</b>	<b>12,114,162</b>	<b>12,503,622</b>

Approved by the Board of Directors on May 13, 2022 and signed on its behalf by:



Director



Director

**General Accident Insurance Company Jamaica Limited**  
**Consolidated Statement of Changes In Equity**  
**For the quarter ended 31 March 2022**

	Share Capital \$'000	Capital Reserves \$'000	Property Revaluation Reserve \$'000	Fair Value Reserve \$'000	Translation Reserve \$'000	Retained Earnings \$'000	Non-Controlling Interest	Total
<b>Balance at 31 December 2020</b>	470,358	152,030	91,775	51,973	61,304	1,826,523	363,289	3,017,252
<b>Comprehensive income:</b>								
Net profit for the period	-	-	-	-	-	36,062	(20,540)	15,522
Other Comprehensive Income			5,179	(6,521)	1,482	-	-	140
<b>Total comprehensive income</b>	-	-	5,179	(6,521)	1,482	36,062	(20,540)	15,662
<b>Balance at 31 March 2021</b>	<b>470,358</b>	<b>152,030</b>	<b>96,954</b>	<b>45,452</b>	<b>62,786</b>	<b>1,862,585</b>	<b>342,749</b>	<b>3,032,914</b>
<b>Balance at 31 December 2021</b>	470,358	146,384	49,017	48,171	45,926	1,869,627	292,481	2,921,964
<b>Comprehensive income:</b>								
Net profit for the period	-	-	-	-	-	48,987	(23,344)	25,643
Other Comprehensive Income	-	-	-	(29,120)	3,640			(25,480)
<b>Total comprehensive income</b>	-	-	-	(29,120)	3,640	48,987	(23,344)	163
<b>Balance at 31 March 2022</b>	<b>470,358</b>	<b>146,384</b>	<b>49,017</b>	<b>19,051</b>	<b>49,566</b>	<b>1,918,614</b>	<b>269,137</b>	<b>2,922,127</b>

**General Accident Insurance Company Jamaica Limited**  
**Consolidated Statement of Cash Flows**  
**For the quarter ended 31 March 2022**

	Unaudited 31 Mar 2022 \$'000	Unaudited 31 Mar 2021 \$'000	Audited 31 Dec 2021 \$'000
<b>Cash Flows from Operating Activities</b>			
Net profit	25,643	15,522	149,236
Adjustments for items not affecting cash:			
Depreciation	19,726	16,990	142,215
Amortisation of intangible assets	3,550	14,142	14,506
Amortisation of investment premium	(341)	-	(1,202)
Amortization of right of use lease	21,717	19,315	
Gain on revaluation of investment property	-	-	(6,803)
ECL on debt investments	-	-	
Gain on disposal of property, plant and equipment	-	-	(6,271)
Finance charge	2,242	2,702	7,402
Interest income	(51,381)	(48,858)	(167,984)
Dividend income	(8,242)	-	(18,822)
Current Taxation	1,962	19,089	97,857
Deferred Taxation	-	-	12,602
Foreign exchange gains	968	7,414	(33,753)
Increase in deferred policy acquisition cost	(17,485)	(14,335)	(66,088)
Increase in insurance reserves	497,017	509,759	1,186,879
	<b>495,376</b>	<b>541,740</b>	<b>1,309,774</b>
<b>Changes in operating assets and liabilities:</b>			
Due from policyholders, brokers and agents	(440,816)	(498,175)	(162,497)
Other receivables	(137,308)	(196,401)	(614,458)
Other liabilities	114,051	57,026	138,860
Due from related parties	(434)	54,672	17,327
Due from reinsurers and coinsurers, net	49,576	152,871	(867,768)
	<b>80,445</b>	<b>111,733</b>	<b>(178,762)</b>
Tax withheld at source	(20,095)	(4,718)	(76,658)
<b>Net cash provided by/(used) in operating activities</b>	<b>60,350</b>	<b>107,015</b>	<b>(255,420)</b>
<b>Cash Flows from Investing Activities</b>			
Investments, net	(319,629)	1,793	1,090,207
Loans receivable	(124,351)	-	7,276
Lease receivable	4,740	-	11,837
Net cash outflow from acquisition of additional shares in subsidiary	-	-	-
Acquisition of property, plant and equipment	(28,309)	(8,670)	(127,134)
Acquisition of investment property	-	(27,630)	(2,259)
Acquisition of intangible asset	(8,532)	(7,043)	(479)
Proceeds from disposal of property, plant and equipment	-	-	6,239
Proceeds from disposal and maturity of investment property	-	-	
Dividend received	8,242	-	18,822
Interest received	63,251	48,858	187,839
<b>Net cash (used in)/ provided by investing activities</b>	<b>(404,588)</b>	<b>7,308</b>	<b>1,192,348</b>



## General Accident Insurance Company Jamaica Limited

### Consolidated Statement of Cash Flows cont'd

For the quarter ended 31 March 2022

	Unaudited 31 Mar 2022 \$'000	Unaudited 31 Mar 2021 \$'000	Audited 31 Dec 2021 \$'000
<b>Cash Flows from Financing Activities</b>			
Investment made by non-controlling interest	-	-	-
Lease payments	(24,924)	(60,287)	(82,921)
Dividends paid	-	-	(196,701)
Net cash used in financing activities	(24,924)	(60,287)	(279,622)
<b>Increase in cash and cash equivalents</b>	<b>(369,162)</b>	<b>54,036</b>	<b>657,306</b>
Effect of exchange rate changes on cash and cash equivalents	(15,182)	17,146	30,329
<b>Cash and cash equivalents at beginning of year</b>	<b>1,444,183</b>	<b>756,548</b>	<b>756,548</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>1,059,839</b>	<b>827,730</b>	<b>1,444,183</b>

## General Accident Insurance Company Jamaica Limited

### Notes to the Financial Statements

For the quarter ended 31 March 2022

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#### 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, 2021. 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 31 March 2022

#### 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 31 March 2022:

	Insurance \$000	Investments \$000
Revenue	<u>3,673,429</u>	<u>44,031</u>
Profit	<u>21,408</u>	<u>41,780</u>

##### The segment information for the quarter ending 31 March 2021:

	Insurance \$000	Investments \$000
Revenue	<u>3,298,977</u>	<u>48,858</u>
Profit	<u>26,293</u>	<u>46,155</u>

**General Accident Insurance Company Jamaica Limited**  
**Shareholdings of Directors and their Connected Parties**  
**For the quarter ended 31 March 2022**

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

**General Accident Insurance Company Jamaica Limited**  
**Shareholdings of Management Team and their Connected Parties**  
**For the quarter ended 31 March 2022**

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<b>MANAGER</b>	<b>COMBINED HOLDING</b>	<b>PERCENTAGE</b>
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 31 March 2022

SHAREHOLDER	NO. OF UNITS	PERCENTAGE
Musson Jamaica Ltd.	824,999,989	80.00
Mayberry Jamaican Equities Ltd.	20,117,431	1.95
QWI Investments Ltd.	15,032,119	1.46
JCSD Trustee Services – Barita Unit Trust	14,291,658	1.39
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	6,716,724	0.65
Sagikor Select Funds Ltd	5,066,798	0.49
K. Chandiram Ltd.	4,331,450	0.42