

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED DECEMBER 31, 2022



General Accident Insurance Company Jamaica Limited

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For the quarter ended 31 December 2022

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Report to Stockholders

For the quarter ended 31 December 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 December 2022. The group produced an after-tax profit of \$588.1 million for the year ended December 2022.

For the year ended December 31, 2022, the Jamaican operation of General Accident wrote premiums of \$13.8 billion and contributed profit before tax of \$438.6 million. Our Trinidad subsidiary wrote premiums of \$948.1 million, a significant increase over the \$654.5 million written for the prior year. Our Barbados subsidiary wrote premiums of \$394.8 million compared to \$330.6 million written for prior year.

The highlights for the group are as follows:

Gross written premiums of \$15.1 billion (2021: \$14.0 billion)

Profit after tax of \$588.1 million (2021: \$149.2 million)

Earnings per share of \$0.52 (2021: \$0.25)

Total assets of \$12.55 billion (2021: \$12.52 billion)

Retained earnings of \$2.15 billion (2021: \$1.87 billion)

Return on Equity 19% (2021:10%)

Underwriting Performance

General Accident continues to benefit from growth across the region achieving gross written premiums of \$15.1 billion, an increase of 9% compared to prior year. Net earned premiums increased by 11% while net claims incurred decreased by 9% and administrative expenses increased by 12%. Consequently, General Accident produced underwriting profit of \$427 million.

General Accident Insurance Company Jamaica Limited

Report to Stockholders

For the quarter ended 31 December 2022

Investment Performance

General Accident's consolidated investment income for the year ended December 31, 2022 was \$361.4 million compared to prior year of \$226.5 million. We continue to seek to maximise the returns on our investment portfolio, therefore going into the new year we expect increases in our consolidated investment income over the short to medium term.

Summary

We continue to enjoy excellent growth in premium income across the region, primarily due to increase penetration of the broker markets in Barbados and Trinidad. Although we have not achieved the profitability targets in all regions, we remain committed to our growth plans and are confident that we will meet our strategic objectives.

As of December 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 December 2022

	Unaudited Year Ended 31 Dec 2022	Audited Year Ended 31 Dec 2021	Unaudited Quarter Ended 31 Dec 2022	Unaudited Quarter Ended 31 Dec 2021	Audited Year ended 31 Dec 2021
	\$'000	\$'000	\$'000	\$'000	\$'000
Gross Premiums Written	15,114,209	13,959,807	2,020,255	2,457,050	13,959,807
Reinsurance ceded	(11,333,291)	(10,488,851)	(954,615)	(1,481,382)	(10,488,851)
Excess of loss reinsurance cost	(282,639)	(216,992)	(82,295)	(54,096)	(216,992)
Net Premiums Written	3,498,279	3,253,964	983,345	921,572	3,253,964
Changes in unearned premiums, net	(125,904)	(221,205)	(132,331)	(67,212)	(221,205)
Net Premiums Earned	3,372,375	3,032,759	851,014	854,360	3,032,759
Commission income	1,076,401	892,857	301,855	242,197	892,857
Commission expense	(657,050)	(511,026)	(208,365)	(139,288)	(511,026)
Claims expense	(1,582,554)	(1,751,360)	(178,750)	(535,616)	(1,751,360)
Management expenses	(1,781,841)	(1,582,913)	(548,537)	(493,622)	(1,582,913)
Underwriting Profit/(Loss)	427,331	80,317	217,217	(71,969)	80,317
Investment income	361,371	226,526	111,098	73,914	226,526
Finance charge	(3,716)	(7,076)	(2,503)	-	(7,076)
Other income	42,270	124,591	14,975	41,203	124,591
Other operating expenses	(162,217)	(164,663)	(30,322)	(42,187)	(164,663)
Profit before Taxation	665,039	259,695	310,465	961	259,695
Taxation	(76,915)	(110,459)	362	(6,835)	(110,459)
PROFIT/(LOSS) FOR THE YEAR/PERIOD	588,124	149,236	310,827	(5,874)	149,236
Attributable to:					
Owners of General Accident Ins. Co. Ja. Ltd.	533,335	254,750	276,229	(7,115)	254,750
Non-controlling interests	54,789	(105,514)	34,598	1,241	(105,514)
	<u>588,124</u>	<u>149,236</u>	<u>310,827</u>	<u>(5,874)</u>	<u>149,236</u>
Items that may not be subsequently reclassified to profit or loss					
Unrealised gains/(losses) on FVOCI investments	(32,268)	14,880	(454)	(29,925)	14,880
Unrealised gains/(losses) on revaluation of real estate investment	8,635	(22,417)	8,635	9,331	(22,417)
Foreign currency translation adjustments	(6,967)	2,100	(2,263)	(46,003)	2,100
Total Other Comprehensive Income	(30,600)	(5,437)	5,918	(66,597)	(5,437)
TOTAL COMPREHENSIVE INCOME	557,524	143,799	316,745	(72,471)	143,799
Attributable to:					
Owners of General Accident Ins. Co. Ja. Ltd.	505,659	249,807	283,356	(49,515)	249,807
Non-controlling interests	51,865	(106,008)	33,389	(22,955)	(106,008)
	<u>557,524</u>	<u>143,799</u>	<u>316,745</u>	<u>(72,471)</u>	<u>143,799</u>
EARNINGS PER SHARE	0.52	0.25	0.27	(0.01)	0.25

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

	Unaudited 31 December 2022 \$'000	Audited 31 December 2021 \$'000
ASSETS		
Cash and short term investments	850,722	1,444,183
Taxation recoverable	-	2,859
Due from policyholders, brokers and agents	1,769,560	1,415,334
Due from reinsurers and co-insurers	3,142,814	3,280,908
Deferred policy acquisition cost	619,948	562,600
Other receivables	1,053,236	858,033
Due from related parties	8,526	5,383
Lease receivable	66,312	67,320
Loans receivable	253,144	244,188
Rights of use assets	49,760	82,164
Investment securities	3,194,561	3,101,667
Investment property	332,483	328,149
Pooled real estate investment	189,912	189,912
Property, plant & equipment	849,133	740,908
Intangible assets	166,430	180,014
Total assets	12,546,541	12,503,622
LIABILITIES		
Taxation payable	29,406	1,038
Due to reinsurers and coinsurers	1,222,095	1,065,509
Other liabilities	547,432	549,644
Lease liabilities	53,921	103,207
Deferred tax liabilities	50,652	50,652
Insurance reserves	7,461,930	7,811,608
Total liabilities	9,365,436	9,581,658
SHAREHOLDERS' EQUITY		
Share capital	470,358	470,358
Capital reserves	146,384	146,384
Property revaluation reserve	57,652	49,017
Fair value reserve	15,903	48,171
Translation reserve	38,959	45,926
Retained earnings	2,152,389	1,869,627
	2,881,645	2,629,483
Non-controlling interest	299,460	292,481
Total shareholders' equity	3,181,105	2,921,964
Total liabilities and shareholders' equity	12,546,541	12,503,622

Approved by the Board of Directors on February 14, 2023 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 December 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
Balance at 31 December 2020	470,358	146,384	77,508	33,320	37,229	1,811,578	398,489	2,974,866
Comprehensive income:								
Net profit for the period	-	-	-	-	-	254,750	(105,514)	149,236
Other Comprehensive Income			(28,491)	14,851	8,697		(494)	(5,437)
Total comprehensive income	-	-	(28,491)	14,851	8,697	254,750	(106,008)	143,799
Transactions with owners								
Dividends						(196,701)		(196,701)
Balance at 31 December 2021	470,358	146,384	49,017	48,171	45,926	1,869,627	292,481	2,921,964
Comprehensive income:								
Net profit for the period	-	-	-	-	-	533,335	54,789	588,124
Other Comprehensive Income	-		8,635	(32,268)	(6,967)		802	(29,798)
Total comprehensive income	-	-	8,635	(32,268)	(6,967)	533,335	55,591	558,326
Transactions with owners								
Dividends						(250,573)		(250,573)
Non-controlling interest dilution							(48,612)	(48,612)
	-	-	-	-	-	(250,573)	(48,612)	(299,185)
Balance at 31 December 2022	470,358	146,384	57,652	15,903	38,959	2,152,389	299,460	3,181,105

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

	Unaudited 31 December 2022 \$'000	Audited 31 Dec 2021 \$'000
Cash Flows from Operating Activities		
Net profit	588,124	149,236
Adjustments for items not affecting cash:		
Depreciation	136,922	142,215
Amortisation of intangible assets	14,940	14,506
Amortisation of investment premium	(1,212)	(1,202)
Gain on revaluation of investment property	(2,949)	(6,803)
Unrealised fair value gain on investments	(131,099)	-
ECL on debt investments	(2,196)	-
Gain on disposal of property, plant and equipment	(321)	(6,271)
Finance charge	8,025	7,402
Interest income	(191,082)	(167,984)
Dividend income	(16,143)	(18,822)
Current Taxation	76,915	97,857
Deferred Taxation	-	12,602
Foreign exchange gains	13,644	(33,753)
Increase in deferred policy acquisition cost	(57,348)	(66,088)
Increase in insurance reserves	(349,678)	1,186,879
	86,542	1,309,774
Changes in operating assets and liabilities:		
Due from policyholders, brokers and agents	(354,226)	(162,497)
Other receivables	(195,203)	(614,458)
Other liabilities	(2,211)	138,860
Due from related parties	(3,144)	17,327
Due from reinsurers and coinsurers, net	294,680	(867,768)
	(173,562)	(178,762)
Tax withheld at source	(45,688)	(76,658)
Net cash used in operating activities	(219,250)	(255,420)
Cash Flows from Investing Activities		
Investments, net	(92,996)	1,090,207
Loans receivable	(8,956)	7,276
Lease receivable	1,008	11,837
Acquisition of property, plant and equipment	(171,620)	(127,134)
Acquisition of investment property	(2,976)	(2,259)
Acquisition of intangible asset	(8,532)	(479)
Proceeds from disposal of property, plant and equipment	321	6,239
Dividend received	16,143	18,822
Interest received	192,240	187,839
Net cash (used in)/ provided by investing activities	(75,368)	1,192,348
Sub-total c/f	(294,618)	936,928

General Accident Insurance Company Jamaica Limited

Consolidated Statement of Cash Flows cont'd

For the quarter ended 31 December 2022

Sub-total b/f	(294,618)	936,928
Cash Flows from Financing Activities		
Lease payments	(88,194)	(82,921)
Dividends paid	(250,573)	(196,701)
Net cash used in financing activities	(338,767)	(279,622)
(Decrease)/Increase in cash and cash equivalents	(633,385)	657,306
Effect of exchange rate changes on cash and cash equivalents	39,924	30,329
Cash and cash equivalents at beginning of year	1,444,183	756,548
CASH AND CASH EQUIVALENTS AT END OF PERIOD	850,722	1,444,183

General Accident Insurance Company Jamaica Limited

Notes to the Financial Statements

For the quarter ended 31 December 2022

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 December 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 December 2022:

	Insurance \$000	Investments \$000
Revenue	<u>15,114,209</u>	<u>361,371</u>
Profit	<u>427,331</u>	<u>357,655</u>

The segment information for the quarter ending 31 December 2021:

	Insurance \$000	Investments \$000
Revenue	<u>13,959,807</u>	<u>226,526</u>
Profit	<u>80,317</u>	<u>219,450</u>

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

DIRECTORS	COMBINED HOLDING	PERCENTAGE
Musson Jamaica Ltd.	824,999,989	80.000
Paul B. Scott Melanie Subratie		
Sharon Donaldson	4,424,011	0.429
Junior Levine		
Gregory Foster	350,000	0.0340
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		
Lesley Miller	360,746	0.0351
Martin Miller et al		

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

MANAGER	COMBINED HOLDING	PERCENTAGE
Michelle Robinson	780,000	0.0758
Cheryll Henry	159,445	0.0155
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 December 2022

SHAREHOLDER	NO. OF UNITS	PERCENTAGE
Musson Jamaica Ltd.	824,999,989	80.00
Mayberry Jamaican Equities Ltd.	21,642,677	2.10
QWI Investments Ltd.	15,032,119	1.46
JCSD Trustee Services – Barita Unit Trust	14,384,371	1.39
Apex Pharmacy	10,000,000	0.97
PAM – Pooled Equity Fund	9,343,293	0.91
Lancedale Farquharson	7,632,582	0.74
Mayberry Managed Clients Account	6,340,154	0.61
Sagicor Select Funds Ltd	5,066,798	0.49
Sharon Donaldson et al	4,424,011	0.43

