



General Accident Insurance Company Jamaica Limited

Index

For the period ended 30 September 2023

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Report to Stockholders

For the period ended 30 September 2023

The unaudited financial statements of General Accident Insurance Company Jamaica Limited and its subsidiaries (collectively “General Accident” or “The Group”), for the period ended 30 September 2023 is herein presented.

The group achieved an after-tax profit of \$254.4 million compared to \$278.3 million for the prior year. Despite this, the company continues to track ahead of its internal projections.

The highlights for the group are as follows:

- Insurance Revenue \$6.8 billion (2022: \$5.0 billion)
- Insurance service result \$262.5 million (2022: \$327.8 million)
- Profit before tax of \$318.9 million (2022: \$355.6 million)
- Earnings per share of \$0.24 (2022: \$0.25)
- Total assets of \$10.1 billion (2022: \$9.5 billion)

Insurance Results

For the period ended 30 September 2023, all territories saw increased Insurance Contract Revenues. We continue to receive positive results from our Barbados and Trinidad markets resulting in increased Insurance Revenues of 126% and 51% respectively over the prior year.

All territories incurred increased reinsurance costs as a result of a contraction of capacity. Despite this, our core operation returned a positive net insurance result contribution of \$262.5 million. The Group results were impacted by increased claim costs, mainly due to claims inflation.

Investment Performance

General Accident’s consolidated investment income for the period ended 30 September 2023, was \$173.3 million compared to the prior period of \$228.5 million. Our investment income benefited from interest rates trending upwards during the period. We expect to see improved investment income as the management team continues to efficiently deploy capital to maximize investment returns.

General Accident Insurance Company Jamaica Limited

Report to Stockholders

For the period ended 30 September 2023

Outlook

Our outlook continues to be positive given the significant growth we are experiencing across all territories. The Group through our deep relationship with our reinsurers, continues to reap the benefit of strong reinsurance confidence in the markets. The Group has also taken advantage of higher yields in the monetary market which has helped to grow the company’s investment and other income. Despite the challenges being faced with the claims cost, the company remains resilient in finishing the year strong.

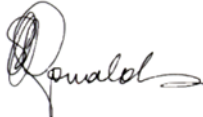
As of September 2023, General Accident remains in compliance with the capital adequacy and liquidity metrics prescribed by the Financial Services Commission, in Jamaica, Barbados, and Trinidad.

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 period ended 30 September 2023

	Unaudited 9 Months ended 30 September 2023 \$'000	Unaudited 9 Months Ending 30 September 2022 \$'000	Unaudited Quarter Ending 30 September 2023 \$'000	Unaudited Quarter Ending 30 September 2022 \$'000	Restated Under IFRS 17 31 December 2022 \$'000
Insurance revenue	6,842,219	4,995,929	1,581,441	1,114,137	7,879,497
Insurance Service expenses	(3,743,056)	(2,851,925)	(1,540,148)	(896,478)	(3,913,210)
Net expenses from reinsurance contracts held	<u>(2,836,665)</u>	<u>(1,816,198)</u>	<u>(102,218)</u>	<u>128</u>	<u>(3,510,187)</u>
Insurance service result	262,498	327,806	(60,925)	217,787	456,100
Net Investment Income	<u>173,337</u>	<u>228,504</u>	<u>41,658</u>	<u>82,458</u>	<u>444,939</u>
Net Insurance and Investment result	435,835	556,310	(19,267)	300,245	901,039
Other operating expenses	(311,588)	(251,199)	(128,284)	(82,260)	(418,237)
Other operating income	<u>194,649</u>	<u>50,505</u>	<u>160,860</u>	<u>47,900</u>	<u>181,108</u>
Profit/(Loss) before taxation	318,896	355,616	13,309	265,885	663,910
Taxation	<u>(64,540)</u>	<u>(77,277)</u>	<u>(5,280)</u>	<u>(28,299)</u>	<u>(86,381)</u>
Profit/(Loss) after taxation	<u>254,356</u>	<u>278,339</u>	<u>8,029</u>	<u>237,586</u>	<u>577,529</u>
Attributable to:					
Owners of General Accident	253,349	258,442	28,741	183,917	525,337
Non-Controlling Interests	<u>1,007</u>	<u>19,897</u>	<u>(20,712)</u>	<u>53,669</u>	<u>52,192</u>
	<u>254,356</u>	<u>278,339</u>	<u>8,029</u>	<u>237,586</u>	<u>577,529</u>
Other Comprehensive Income, net of tax: Items that may not be subsequently reclassified to profit or loss					
Unrealised (losses)/gains on FVOCI investments	28,210	(31,799)	22,120	(23,401)	(32,067)
Foreign currency translation adjustments	<u>19,661</u>	<u>4,115</u>	<u>11,643</u>	<u>(31,039)</u>	<u>(2,491)</u>
Total Other Comprehensive Income	47,871	(27,684)	33,763	(54,440)	(34,558)
TOTAL COMPREHENSIVE INCOME	<u>302,227</u>	<u>250,655</u>	<u>41,792</u>	<u>183,146</u>	<u>542,971</u>
Attributable to:					
Owners of General Accident	294,594	229,651	59,765	138,327	491,195
Non-Controlling Interests	<u>7,633</u>	<u>21,004</u>	<u>(17,973)</u>	<u>44,819</u>	<u>51,776</u>
	<u>302,227</u>	<u>250,655</u>	<u>41,792</u>	<u>183,146</u>	<u>542,971</u>
Earnings Per Share (\$)	<u>0.24</u>	<u>0.25</u>	<u>0.03</u>	<u>0.18</u>	<u>0.51</u>

General Accident Insurance Company Jamaica Limited
Consolidated Statement of Financial Position
As at 30 September 2023

	September 2023 \$'000	September 2022 \$'000	December 2022 \$'000
ASSETS			
Cash and cash equivalents	837,380	1,096,785	786,304
Taxation recoverable	-	-	2,826
Insurance contract assets	30,135	26,946	60,297
Reinsurance contract assets	2,130,814	1,910,224	1,559,432
Other receivables	1,627,821	979,337	991,964
Due from related parties	9,620	7,031	8,049
Loans receivables	57,829	70,054	136,226
Lease receivables	124,769	251,661	66,312
Right of use assets	240,730	60,784	49,760
Investment securities	3,343,792	3,566,241	3,329,726
Investment property	409,898	330,195	407,507
Real estate investment	189,912	189,912	189,912
Property, plant and equipment	873,912	820,139	840,241
Intangible assets	174,642	177,026	166,430
Total assets	<u>10,051,254</u>	<u>9,486,335</u>	<u>8,594,986</u>
LIABILITIES			
Other liabilities	63,195	766,413	246,073
Tax payable	52,232	1,025	42,890
Lease payable	224,810	77,304	53,921
Due to related parties	-	-	16,576
Deferred tax liabilities	73,925	50,652	73,925
Insurance contract liabilities	6,173,099	3,882,212	3,556,886
Reinsurance contract liabilities	7,593	1,621,283	1,450,543
Total liabilities	<u>6,594,854</u>	<u>6,398,889</u>	<u>5,440,814</u>
SHAREHOLDER'S EQUITY			
Share Capital	470,358	470,358	470,358
Capital reserves	161,354	146,384	161,354
Property revaluation reserve	-	2,654	-
Fair value reserve	44,069	16,357	15,858
Translation reserve	71,007	50,042	51,346
Retained earnings	2,432,596	2,089,273	2,179,247
	3,179,384	2,775,068	2,878,163
Non-Controlling interest	277,016	312,378	276,009
Total shareholder's equity	<u>3,456,400</u>	<u>3,087,446</u>	<u>3,154,172</u>
Total liabilities and shareholder's equity	<u>10,051,254</u>	<u>9,486,335</u>	<u>8,594,986</u>

Approved by the Board of Directors on **14 November 2023** and signed on its behalf by:



Paul B. Scott Chairman



Sharon Donaldson – Levine Director

General Accident Insurance Company Jamaica Limited
Consolidated Statement of Changes In Equity
For the period ended 30 September 2023

	Share Capital \$'000	Capital Reserves \$'000	Property Revaluation Reserve \$'000	Fair Value Reserve \$'000	Translation Reserve \$'000	Retained Earnings \$'000	Non- Controlling Interest \$'000	Total \$'000
As at 1 January 2022	470,358	146,384	49,017	48,171	48,510	1,784,468	292,481	2,839,389
Comprehensive income:								
Net profit for the year	-	-	-	-	-	258,442	19,897	278,339
Other comprehensive	-	-	(46,363)	(31,814)	1,532	46,363	-	(30,282)
Total comprehensive	-	-	(46,363)	(31,814)	1,532	304,805	19,897	248,057
Balance at 30 September 2022	470,358	146,384	2,654	16,357	50,042	2,089,273	312,378	3,087,446
As at 1 January 2023	470,358	161,354	-	15,858	51,346	2,179,247	276,009	3,154,172
Comprehensive income:								
Net profit for the year	-	-	-	-	-	253,349	1,007	254,356
Other comprehensive	-	-	-	28,211	19,661	-	-	47,872
Total comprehensive	-	-	-	28,211	19,661	253,349	1,007	302,228
Balance at 30 September 2023	470,358	161,354	-	44,069	71,007	2,432,596	277,016	3,456,400

General Accident Insurance Company Jamaica Limited
Consolidated Statement of Cash Flows
For the period ended 30 September 2023

	Quarter ending 30 September 2023	Quarter Ending 30 September 2022	Audited 31 December 2022
	\$'000	\$'000	\$'000
Net profit	254,356	278,339	577,529
Adjustments for items not affecting cash:			
Depreciation	127,935	120,535	138,027
Amortisation of intangible assets	10,339	11,360	14,157
Amortisation of investment premium	(770)	(1,212)	(1,557)
Gains on revaluation of investment property	-	-	(77,973)
Fair value gains on shares classified as FVTPL	(17,197)	(92,628)	(131,099)
ECL on debt investments	-	-	(2,196)
Gain on disposal of property, plant and equipment	-	(121)	(407)
Finance charge	19,838	1,213	6,812
Interest income	(139,195)	(132,786)	(191,113)
Dividend income	(8,353)	(13,577)	(16,143)
Current and deferred taxation	64,540	77,277	110,937
Foreign exchange gains	(20,213)	7,016	13,644
	291,280	255,416	440,618
Changes in operating assets and liabilities:			
Insurance contract assets	30,162	175,428	142,077
Reinsurance contract assets	(571,382)	(695,127)	(344,335)
Insurance contract liabilities	2,616,213	(1,235,425)	(1,560,751)
Reinsurance contract liabilities	(1,442,950)	1,559,532	1,388,792
Other receivables	(635,857)	(122,628)	(135,255)
Other liabilities	(258,086)	279,129	(224,342)
Due from related parties	(1,571)	(1,648)	13,910
	27,809	214,677	(279,286)
Tax paid and deducted at source	(52,372)	(74,432)	(69,053)
Net cash used in operating activities	(24,563)	140,245	(348,339)
Cash Flows from Investing Activities			
Investments, net	61,891	(467,332)	(82,185)
Loans receivable	11,456	(7,473)	107,962
Lease receivables	8,483	(2,734)	1,008
Net cash outflow from acquisition of subsidiary	(3,966)	-	(48,612)
Acquisition of investment property	-	(2,858)	(2,976)
Acquisition of property, plant and equipment	(74,224)	(141,233)	(174,540)
Acquisition of intangible asset	(18,162)	(8,532)	(720)
Proceeds from disposal of property, plant and equipment	-	121	321
Dividend received	8,353	13,577	16,143
Interest received	136,200	144,189	193,099
Net cash (used in)/provided by investing activities	130,031	(472,275)	9,500
Sub-total c/f	105,468	(332,030)	(338,839)

General Accident Insurance Company Jamaica Limited
Consolidated Statement of Cash Flows cont'd
For the period ended 30 September 2023

	Quarter ending 30 June 2023 \$'000	Quarter Ending 30 June 2022 \$'000	Audited 31 December 2022 \$'000
Sub-total b/f	<u>105,468</u>	<u>(332,030)</u>	<u>(338,839)</u>
Cash Flows from Financing Activities			
Lease payments	(57,045)	(62,769)	(94,190)
Dividends paid	<u>-</u>	<u>-</u>	<u>(250,573)</u>
Net cash used in by financing activities	(57,045)	(62,769)	(344,763)
Increase/(Decrease) in cash and cash equivalents	48,423	(394,799)	(683,602)
Effect of exchange rate changes on cash and cash equivalents	2,653	47,401	25,723
Cash and cash equivalents at the beginning of the year	<u>786,304</u>	<u>1,444,183</u>	<u>1,444,183</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u><u>837,380</u></u>	<u><u>1,096,785</u></u>	<u><u>786,304</u></u>

General Accident Insurance Company Jamaica Limited

Notes to the Financial Statements

For the period ended 30 September 2023

1. Identification and Activities

The General Accident Insurance Company Jamaica Limited (the company) is incorporated and domiciled in Jamaica. The company is a publicly 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 the year ended December 31, 2022. 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 the 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 period ended 30 September 2023

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 9 months ended 30 September 2023:

	Insurance	Investments
	\$'000	\$'000
Revenue	<u>6,842,219</u>	<u>173,337</u>
Profit	<u>262,498</u>	<u>173,337</u>

The segment information for the 9 months ended 30 September 2022:

	Insurance	Investments
	\$'000	\$'000
Revenue	<u>4,995,929</u>	<u>228,504</u>
Profit	<u>327,806</u>	<u>228,504</u>

General Accident Insurance Company Jamaica Limited
Notes to the Financial Statements
For the period ended 30 September 2023

4. Effect of IFRS 17

Upon the adoption of IFRS 17, there were material changes to the presentation and disclosures in the financial statements.

For presentation in the statement of financial position, the Company aggregated insurance contracts issued and reinsurance contracts held, respectively. These are presented separately as follows:

- Portfolios of insurance and reinsurance contracts issued that are assets or liabilities.
- Portfolios of reinsurance contracts held that are assets or liabilities.

For the presentation in the income statement, the Company reported the following new line items under IFRS 17

- Insurance revenue
- Insurance service expenses
- Net expenses from reinsurance contracts held
- Insurance service result

Transition

On the adoption date 1 January 2023, the presentation of the statements of comprehensive income and financial position was adjusted to reflect the requirements of the standard. The changes included the restatement of balances in the statement of financial position. The restatements resulted in a reduction in retained earnings of \$32 million primarily due to actuarial risk adjustment on insurance contract liabilities.

General Accident Insurance Company Jamaica Limited
Shareholdings of Directors and their Connected Parties
For the period ended 30 September 2023

Directors	Combined Holding	Percentage
Musson Jamaica Ltd. Paul B. Scott Melanie Subratie	824,999,989	80.00
Sharon Donaldson Junior Levine	4,424,011	0.429
Gregory Foster	350,000	0.0339
Duncan Stewart Deborah Stewart Diana Stewart	2,475,190	0.2400
Christopher Nakash	1,698,020	0.1647
Nicholas Scott	1,980,198	0.1920
Matthew Lyn Jodi Lyn	96,500	0.0094
Lesley Miller Martin Miller et al	355,795	0.0345

General Accident Insurance Company Jamaica Limited
Shareholdings of Management Team and their Connected Parties
For the period ended 30 September 2023

Manager	Combined Holding	Percentage
Michelle Robinson	780,000	0.0756
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 period ended 30 September 2023

Name	Amount	%
Musson Jamaica Ltd.	824,999,989	80.00
Mayberry Jamaican Equities Ltd.	23,210,265	2.25
QWI Investments Ltd.	15,032,119	1.46
JCSD Trustee Services – Barita Unit Trust	14,354,686	1.39
Apex Pharmacy	10,000,000	0.97
PAM – Pooled Equity Fund	9,343,293	0.91
Lancedale Farquharson	7,750,000	0.75
Mayberry Managed Clients Account	6,265,730	0.61
Sagicor Select Funds Ltd.	5,066,798	0.49
Sharon Donaldson et al	4,424,011	0.43