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REPORT OF THE APPOINTED ACTUARY

I have examined the financial condition and valued the policy and claims liabilities of JN General Insurance Company Limited for its Statement of Financial Position as at 31 December 2024 and the corresponding change in the policy and claims liabilities in the Statement of Comprehensive Income for the year then ended. I meet the appropriate qualification standards and am familiar with the valuation and solvency requirements applicable to general insurance companies in Jamaica.

In my opinion:

i) the methods and procedures used in the verification of the data are sufficient and reliable and fulfil acceptable standards of care;

ii) the valuation of policy and claims liabilities has been made in accordance with generally accepted actuarial practice, with such changes as determined and directions made by the Financial Services Commission;

iii) the methods and assumptions used to calculate the policy and claims liabilities are appropriate to the circumstances of the Company and of the said policies and claims;

iv) the amount of the policy and claims liabilities represented in the Statement of Financial Position of JN General Insurance Company Limited makes proper provision for the future payments under the Company's policies and meets the requirements of The Insurance Act and other appropriate regulations of Jamaica;

v) a proper charge on account of these liabilities has been made in the Statement of Comprehensive Income;

vi) there is sufficient capital available to meet the solvency standards as established by the Financial Services Commission;



Xavier Bénarosch
Fellow, Canadian Institute of Actuaries

Kingston, Jamaica
23 April 2025

KPMG
Chartered Accountants
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INDEPENDENT AUDITORS' REPORT ON THE SUMMARY FINANCIAL STATEMENTS

To the Members of
JN GENERAL INSURANCE COMPANY LIMITED

Opinion

The summary financial statements set out on pages 3 to 10, which comprise the summary statement of financial position as at December 31, 2024, the summary statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended and related notes, are derived from the complete audited financial statements of JN General Insurance Company Limited ("the company") for the year ended December 31, 2024.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, on the basis described in note 3(b).

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards which were applied in the preparation of the audited financial statements of the company. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

KPMG, a Jamaican partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Cynthia L. Lawrence
Rajan Trehan
Norman O. Rainford
Nigel R. Chambers
Nyssa A. Johnson
Wilbert A. Spence
Sandra A. Edwards
Karen Ragoobirsingh
Al A. Johnson
Damion D. Reid

INDEPENDENT AUDITORS' REPORT ON THE SUMMARY FINANCIAL STATEMENTS (CONTINUED)

To the Members of
JN GENERAL INSURANCE COMPANY LIMITED

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated April 30, 2025.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements on the basis described in note 3(b).

Auditors' Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

KPMG

Chartered Accountants
Kingston, Jamaica

May 12, 2025

JN GENERAL INSURANCE COMPANY LIMITED

SUMMARY FINANCIAL STATEMENTS
PREPARED FROM THE AUDITED FINANCIAL STATEMENTS

Statement of Financial Position
December 31, 2024

	2024 $'000	2023 $'000
ASSETS		
Intangible asset	-	746
Property and equipment	236,236	250,292
Investment property	354,540	354,540
Deferred tax assets	385,716	388,578
Investments	4,830,868	5,681,647
Securities purchased under resale agreements	689,384	1,048,833
Reinsurance contract assets	4,650,544	2,532,921
Taxation recoverable	435,378	336,550
Due from related entities	442,815	51,315
Other accounts receivable	13,789	17,922
Accrued investment income	52,802	73,357
Cash and cash equivalents	662,551	217,773
Total assets	12,754,623	10,954,474
LIABILITIES AND EQUITY		
Liabilities:		
Bank overdraft	1,399	57,553
Insurance contract liabilities	8,214,133	6,646,347
Accounts payable and accrued charges	147,785	154,769
Lease liabilities	6,153	12,308
Due to related entities	34,582	11,763
Retirement benefits obligation	248,725	118,265
Total liabilities	8,652,777	7,001,005
Equity:		
Share capital	1,222,900	1,222,900
Capital reserve	11,197	11,197
Investment revaluation reserve	67,940	54,901
Retained earnings	2,799,809	2,664,471
Total equity	4,101,846	3,953,469
Total liabilities and equity	12,754,623	10,954,474

The financial statements on pages 3 to 10 were approved for issue by the Board of Directors and signed on its behalf by:



Chairman
Peter Morris



Managing Director
Thomas Smith

The accompanying notes form an integral part of the summary financial statements

JN GENERAL INSURANCE COMPANY LIMITED

SUMMARY FINANCIAL STATEMENTS
PREPARED FROM THE AUDITED FINANCIAL STATEMENTS

Statement of Profit or Loss and Other Comprehensive Income
Year ended December 31, 2024

	2024 $'000	2023 $'000
Insurance revenue	7,739,428	8,360,707
Insurance service expenses	(5,175,008)	(5,496,863)
Net expenses from reinsurance contracts	(2,392,626)	(3,892,214)
Insurance service result	**171,794**	**(1,028,370)**
Interest revenue calculated using the effective interest method	561,979	596,666
Other investment revenue	62,045	88,787
Investment return	624,024	685,453
Net finance (expense)/income from insurance contracts	(227,616)	329,746
Net finance income/(expenses) from reinsurance contracts	44,694	(125,618)
	(182,922)	204,128
Net insurance and investment results	**612,896**	**(138,789)**
Gain/(loss) on disposal of intangible asset and property and equipment	321	(117)
Net impairment gain on financial assets	-	21,781
Other income	76,283	45,924
Other operating expenses	(416,522)	(391,609)
Foreign exchange gains	19,591	1,641
Profit/(loss) before taxation	**292,569**	**(461,169)**
Taxation	(74,240)	(66,334)
Profit/(loss) for the year	**218,329**	**(527,503)**
Other comprehensive (loss)/income:		
Items that will not be reclassified to profit or loss:		
Remeasurement of retirement benefits obligation	(117,196)	25,639
Deferred tax on retirement benefits obligation	39,065	(8,546)
	(78,131)	17,093
Items that are or may be reclassified to profit or loss:		
Change in fair value of debt instruments measured at fair value through other comprehensive income (FVOCI), net of expected credit loss (ECL)	13,039	60,233
Total other comprehensive (loss)/income for the year	(65,092)	77,326
Total comprehensive income/(loss) for the year	**153,237**	**(450,177)**

The accompanying notes form an integral part of the summary financial statements.

JN GENERAL INSURANCE COMPANY LIMITED

SUMMARY FINANCIAL STATEMENTS
PREPARED FROM THE AUDITED FINANCIAL STATEMENTS

Statement of Changes in Shareholders' Equity
Year ended December 31, 2024

	Share capital	Capital reserve	Investment revaluation reserve	Retained earnings	Total
	$'000	$'000	$'000	$'000	$'000
Balances as at January 1, 2023	1,222,900	11,197	(5,332)	3,179,741	4,408,506
Loss for the year	-	-	-	(527,503)	(527,503)
Other comprehensive income:					
Remeasurement of retirement benefits obligation	-	-	-	25,639	25,639
Deferred tax on retirement benefits obligation	-	-	-	(8,546)	(8,546)
Increase in fair value of FVOCI investment securities, net of impairment and ECL	-	-	60,233	-	60,233
Total comprehensive profit/(loss) for the year	-	-	60,233	(510,410)	(450,177)
Transactions with owners recorded directly in equity:					
Dividends:					
Preference (20%), being total dividends	-	-	-	(4,860)	(4,860)
Balances at December 31, 2023	1,222,900	11,197	54,901	2,664,471	3,953,469
Profit for the year	-	-	-	218,329	218,329
Other comprehensive income:					
Remeasurement of retirement benefits obligation	-	-	-	(117,196)	(117,196)
Deferred tax on retirement benefits obligation	-	-	-	39,065	39,065
Increase in fair value of FVOCI investment securities, net of impairment and ECL	-	-	13,039	-	13,039
Total comprehensive profit for the year	-	-	13,039	140,198	153,237
Transactions with owners recorded directly in equity:					
Dividends:					
Preference (20%), being total dividends	-	-	-	(4,860)	(4,860)
Balances at December 31, 2024	1,222,900	11,197	67,940	2,799,809	4,101,846

JN GENERAL INSURANCE COMPANY LIMITED

SUMMARY FINANCIAL STATEMENTS
PREPARED FROM THE AUDITED FINANCIAL STATEMENTS

Statement of Cash Flows
Year ended December 31, 2024

	2024 $'000	2023 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) for the year	218,329	(527,503)
Adjustments for:		
Amortisation of intangible asset	746	709
Depreciation of property and equipment	27,573	26,817
Lease interest expense	3,789	2,892
(Gain)/loss on disposal of property and equipment	(321)	117
Loss on disposal of investments	-	17,512
Gain on revaluation of investment property	-	(51,450)
Post-retirement benefits	13,264	16,086
Interest income	(561,979)	(596,666)
Impairment of investments	-	(21,781)
Taxation	74,240	66,334
	(224,359)	(1,066,933)
Changes in:		
Reinsurance contract assets	(2,117,623)	(1,477,638)
Insurance contract liabilities	1,567,786	1,722,740
Other accounts receivable	4,133	6,167
Payables	(6,984)	37,476
Due to related entities	22,823	1,247
Due from related entities	(391,467)	(46,045)
	(1,145,691)	(822,986)
Interest received	649,424	577,171
Taxes paid	(139,374)	(130,782)
Net cash used by operating activities	(635,641)	(376,597)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(14,046)	(2,485)
Additions to investment property	-	(256)
Purchase of investments	(244,698)	(1,265,944)
Disposal of investments	1,410,228	1,391,610
Proceeds from sale of property and equipment	850	4,818
Net cash provided by investing activities	1,152,334	127,743
Net cash generated/(used) by operating and investing activities c/f	516,693	(248,854)

The accompanying notes form an integral part of the summary financial statements.

JN GENERAL INSURANCE COMPANY LIMITED

SUMMARY FINANCIAL STATEMENTS
PREPARED FROM THE AUDITED FINANCIAL STATEMENTS

Statement of Cash Flows (Continued)
Year ended December 31, 2024

	2024 $'000	2023 $'000
Net cash generated/(used) by operating and investing activities b/f	516,693	(248,854)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(10,901)	(13,697)
Preference dividends paid	(4,860)	(4,860)
Net cash used by financing activities	(15,761)	(18,557)
Net increase/(decrease) in cash and cash equivalents	500,932	(267,411)
Cash and cash equivalents at beginning of year	160,220	427,631
Cash and cash equivalents at end of year	661,152	160,220
Comprised of:		
Cash and bank deposits	662,551	217,773
Bank overdraft	(1,399)	(57,553)
Cash and cash equivalents	661,152	160,220

The accompanying notes form an integral part of the financial statements.

JN GENERAL INSURANCE COMPANY LIMITED

SUMMARY FINANCIAL STATEMENTS
PREPARED FROM THE AUDITED FINANCIAL STATEMENTS

Notes to the Financial Statements
December 31, 2024

1. The company

JN General Insurance Company Limited ("the company") is incorporated and domiciled in Jamaica. The registered office is located at 9 King Street, Kingston. The company is a 99.64% (2024:99.64%) subsidiary of JN Financial Group Limited ("parent company") which is 100% owned by The Jamaica National Group Limited ("ultimate parent"). These entities are incorporated in Jamaica under the Jamaican Companies Act.

The principal activity of the company is the underwriting of general insurance business.

2. Licence and regulations

The company is registered under the Insurance Act 2001 ("the Act") and regulated by the Financial Services Commission.

3. Statement of compliance and basis of preparation

(a) Statement of compliance:

The audited financial statements ("full financial statements") are prepared in accordance with International Financial Reporting Standards (IFRS) and comply with the provisions of the Jamaican Companies Act ("the Act").

(b) Basis of preparation and measurement:

The summary financial statements are prepared on the historical cost basis, except for the following:

- certain financial assets are measured at fair value;
- the liability for defined benefit obligations is recognised as the present value of the defined benefit obligations;
- investment property is measured at fair value, and
- insurance and reinsurance contracts are measured at fulfillment cash flows.

The summary financial statements have been prepared in accordance with Practice Statement 2016-1, *Summary Financial Statements*, issued by the Institute of Chartered Accountants of Jamaica. They have been derived from the full financial statements of the company for the year ended December 31, 2024, which are available at its registered office located at 9 King Street, Kingston, Jamaica and online at https://www.jngijamaica.com. The full financial statements were authorised for issue by the Board of Directors on April 30, 2025, and include an explicit and unreserved statement of compliance with International Financial Reporting Standards (IFRS).

3. Statement of compliance and basis of preparation (continued)

(b) Basis of preparation and measurement (continued):

The summary financial statements do not contain all the disclosures required by IFRS, namely, material accounting policies and other explanatory notes as presented in the audited financial statements of the company prepared in accordance with IFRS. For a better understanding of the company's financial position, its financial performance and its cash flows, these summary financial statements should be read in conjunction with the full financial statements of the company from which these summary financial statements were derived.

The full financial statements have been audited by KPMG in Jamaica who, in their report dated April 30, 2025, expressed an unmodified opinion in relation to those financial statements.

(c) Functional and presentation currency:

The financial statements are presented in Jamaica dollars, which is the functional currency of the company, and are expressed in thousands of dollars unless otherwise stated.

4. Material accounting policies

The company has consistently applied the accounting policies to all periods presented in these summary financial statements.

5. Capital management

The company's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

(i) To comply with the capital requirements set by the regulators of the insurance industry within which the company operates;

(ii) To safeguard the company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits to other stakeholders; and

(iii) To maintain a strong capital base to support the development of its business.

There has been no change during the year in the company's approach to managing or measuring capital.

5. Capital management (continued)

Regulatory capital:

The company's main regulator is the Financial Services Commission (FSC), which monitors the capital requirements for the company. General insurers must maintain at least a minimum level of assets, capital and surplus to meet the liabilities of the company. The primary measure used to assess capital adequacy is the Minimum Capital Test (MCT) which is used by the FSC to determine solvency of the company.

As at December 31, 2024 and 2023, the company exceeded the minimum required level of capital based on the MCT ratio.

	2024	2023
Actual MCT ratio	264%	261%
Minimum required MCT ratio	150%	150%

6. Subsequent event

On April 3, 2025, a Sale and Purchase Agreement was signed for the parent, JN Financial Group Limited (JNFG), to sell all shares in the company to British Caribbean Insurance Company Limited (BCIC) and ICD Group Holdings Limited (ICD) in the ratio 37% to BCIC and 63% to ICD.

It was further agreed that, subsequent to the acquisition, the insurance business of BCIC will be merged into the operations of the company. This merger is part of a broader strategic realignment aimed at enhancing operational efficiency and delivering greater value to policyholders.

The transaction remains subject to the approval of the relevant regulatory authorities. The financial impact of this transaction on the company will be assessed and reflected in future reporting periods, as appropriate.