

Massy United Insurance Ltd.
(Jamaica Branch)

Financial Statements
December 31, 2021
(expressed in Jamaica dollars)



Independent auditor's report

To the Members of Massy United Insurance Ltd. (Jamaica Branch)

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Massy United Insurance Ltd. (Jamaica Branch) (the Branch) as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and with the requirements of the Jamaican Companies Act.

What we have audited

The Branch's financial statements comprise:

- the statement of financial position as at 31 December 2021;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Branch in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and with the requirements of the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the Branch's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Branch or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Branch's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Branch's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Branch to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

As required by the Jamaican Companies Act, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the accompanying financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers'.

Chartered Accountants
Kingston, Jamaica
13 May 2022

Massy United Insurance Ltd. (Jamaica Branch)

Statement of Financial Position

December 31, 2021

(expressed in thousands of Jamaica dollars)

	Notes	2021 \$	2020 \$
Assets			
Cash and cash equivalents	4	1,685,063	113,277
Fixed deposits	5	119,013	192,916
Accounts receivable	6	301,105	157,123
Reinsurance assets	7	762,697	753,132
Right-of-use assets	16	6,612	10,891
Property and equipment	17	3,307	2,073
Deferred commission expense	8	31,509	40,405
Total assets		2,909,306	1,269,817
Liabilities			
Accounts payable	9	116,191	151,200
General insurance liabilities	11	868,384	787,493
Lease liabilities	16	7,030	11,536
Deferred reinsurance commission income	8	59,018	19,570
Total liabilities		1,050,623	969,799
Home office account			
Head office		1,855,392	200,000
Retained earnings		3,291	100,018
		1,858,683	300,018
Total liabilities and home office account		2,909,306	1,269,817

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

Approved by the Board of Directors on May 13, 2022



Director

Massy United Insurance Ltd. (Jamaica Branch)

Statement of Comprehensive Income For the year ended December 31, 2021

(expressed in thousands of Jamaica dollars)

	Notes	2021 \$	2020 \$
Revenue			
Gross premium earned	11	1,392,502	1,215,380
Reinsurance premium ceded	11	(1,469,493)	(1,020,038)
Net premiums earned		(76,991)	195,342
Reinsurance commission		76,377	139,746
Investment income		4,378	4,388
Other income		154,702	4,492
		158,466	343,968
Expenses			
Losses and loss expenses	11	53,846	22,871
Losses recoverable from reinsurers	11	(22,301)	(3,612)
Net losses and loss expenses		31,545	19,259
Policy acquisition costs	12	88,362	52,829
General and administrative expenses	10	135,286	143,664
		255,193	215,752
(Loss)/income before taxation		(96,727)	128,216
Taxation	18	–	(38,664)
Total comprehensive (loss)/ income for the year		(96,727)	89,552

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

Massy United Insurance Ltd. (Jamaica Branch)

Statement of Changes in Home Office Account

For the year ended December 31, 2021

(expressed in thousands of Jamaica dollars)

	Head office account	Retained earnings	Total
	\$	\$	\$
Balance as of January 1, 2020 - restated	150,945	10,466	161,411
Total comprehensive income for the year	–	89,552	89,552
Transfers from head office - (net)	49,055	–	49,055
Balance as of December 31, 2020	200,000	100,018	300,018
Total comprehensive loss for the year	–	(96,727)	(96,727)
Transfers from head office - (net)	1,655,392	–	1,655,392
Balance as of December 31, 2021	1,855,392	3,291	1,858,683

The accompanying notes are an integral part of these financial statements.

Massy United Insurance Ltd. (Jamaica Branch)

Statement of Cash Flows

For the year ended December 31, 2021

(expressed in thousands of Jamaica dollars)

	2021 \$	2020 \$
Cash flows from operating activities		
(Loss)/Income before taxation	(96,727)	128,216
Adjustment for:		
Depreciation	5,354	6,723
Investment income	(4,378)	(4,388)
	<hr/>	<hr/>
Operating (loss)/ income before working capital changes	(95,751)	130,551
Increase in accounts receivable	(143,982)	(11,213)
Increase in reinsurance assets	(9,565)	(306,805)
Decrease/(increase) in deferred commission	48,343	(23,369)
(Decrease)/increase in accounts payable	(35,009)	127,690
Increase in general insurance liabilities	80,891	268,532
	<hr/>	<hr/>
Cash (used in)/ provided by operating activities	(155,073)	185,386
Income taxes paid	—	(38,664)
	<hr/>	<hr/>
Net cash (used in)/ provided by operating activities	(155,073)	146,722
	<hr/>	<hr/>
Cash flows from investing activities		
Purchase of fixed assets	(2,309)	(1,143)
Net change in short-term deposits	78,282	(139,905)
	<hr/>	<hr/>
Net cash flows provided by/ (used in) investing activities	75,973	(141,048)
	<hr/>	<hr/>
Cash flows from financing activities		
Transfers from head office, net	1,655,392	49,055
Principal repayments on lease liabilities	(4,506)	(5,625)
	<hr/>	<hr/>
Net cash flows provided by financing activities	1,650,886	43,430
	<hr/>	<hr/>
Net increase in cash and cash equivalents	1,571,786	49,104
Cash and cash equivalents - beginning of year	113,277	64,173
	<hr/>	<hr/>
Cash and cash equivalents - end of year	1,685,063	113,277
	<hr/>	<hr/>

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

Massy United Insurance Ltd. (Jamaica Branch)

Notes to Financial Statements
December 31, 2021

(expressed in thousands of Jamaica dollars)

1 General information

Massy United Insurance Ltd. ("the Company") is incorporated under the laws of Barbados and is a subsidiary of Massy (Barbados) Ltd. The ultimate parent of the Company is Massy Holdings Ltd., a company incorporated in Trinidad and Tobago. The Company's registered office is located at Massy Dome, Warrens, St. Michael. It is registered as an external insurer under the Insurance Act of Jamaica as an overseas company under the Companies Act of Jamaica.

The Company was advised of approval of its license to operate as an insurer on December 5, 2018 and hence full operations of the Jamaica Branch commenced. The license is effective from November 1, 2018. The Company acts as a primary insurer for property, motor, liability and marine. The financial statements cover the Jamaica Branch of the Company.

The Company was subject to a Sale and Purchase Agreement between Massy (Barbados) Ltd. and Coralisle Group Ltd. executed on 2nd September 2021. Effective May 4, 2022, the Group completed the sale of 100% of the share capital of Massy United Insurance Ltd. ("MUIL") to the Bermuda based Coralisle Group Ltd., after receiving all regulatory approval.

2 Summary of significant accounting policies

The financial statements were prepared by Massy United Insurance Ltd. (Jamaica Branch) in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRIC interpretations. The financial statements have been prepared under the historical cost basis.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Branch's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimations are significant to the financial statements are disclosed in Note 3.

i) *Standards, amendments and interpretations adopted by the Branch*

The Branch has considered the new and amended standards and interpretations effective January 1, 2021, and adopted the following as of January 1, 2021:

Amendments to IFRS 7, IFRS 4 and IFRS 16 Interest rate benchmark reform – Phase 2

The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide additional temporary reliefs from applying specific IAS 39 and IFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform.

Massy United Insurance Ltd. (Jamaica Branch)

Notes to Financial Statements
December 31, 2021

(expressed in thousands of Jamaica dollars)

2 Summary of significant accounting policies ...continued

a) Basis of preparation ...continued

Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9 (issued on 25 June 2020)

These amendments defer the date of application of IFRS 17 by two years to 1 January 2023 and change the fixed date of the temporary exemption in IFRS 4 from applying IFRS 9, Financial instrument until 1 January 2023.

Standards, interpretations and amendments to published standards that are not yet effective and have not been early adopted by the company

Amendment to IFRS 16, ‘Leases’ – COVID-19 related rent concessions Extension of the practical expedient. As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the IASB published an amendment to IFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can select to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs. (Effective April 1, 2021)

Amendments to IAS 16, ‘Property, plant and equipment’ prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. (Effective January 1, 2024)

Amendments to IAS 37, ‘Provisions, contingent liabilities and contingent assets’ specify which costs a company includes when assessing whether a contract will be loss-making. Annual improvements make minor amendments to IFRS 1, ‘First-time Adoption of IFRS’, IFRS 9, ‘Financial instruments’, IAS 41, ‘Agriculture’ and the Illustrative Examples accompanying IFRS 16, ‘Leases’. (Effective January 1, 2022). (Effective January 1, 2024)

Amendments to IAS 1, Presentation of financial statements’, on classification of liabilities. These narrow scope amendments to IAS 1, ‘Presentation of financial statements’, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the ‘settlement’ of a liability. Note that the IASB has issued a new exposure draft proposing changes to this amendment. (Effective January 1, 2024).

Massy United Insurance Ltd. (Jamaica Branch)

Notes to Financial Statements
December 31, 2021

(expressed in thousands of Jamaica dollars)

2 Summary of significant accounting policies ...continued

a) Basis of preparation ...continued

Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8

The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies. (Effective January 1, 2023)

Amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction

These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences. (Effective January 1, 2023)

IFRS 17, ‘Insurance contracts’, as amended in December 2021

This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features. (Effective January 1, 2023)

b) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity date of three months or less. Cash and cash equivalents are shown net of bank overdrafts where the right of offset exists.

c) Impairment of assets

The Branch assesses at each reporting date whether there is an indication that an asset may be impaired. If such indication exists, or when annual impairment testing for an asset is required, the Branch estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of fair value less costs to sell or its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased.

If such indication exists, the Branch makes an estimate of the recoverable amount. A previous impairment loss is reversed only if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of comprehensive income unless the asset is carried at the revalued amount, in which case the reversal is treated as a revaluation increase.

Massy United Insurance Ltd. (Jamaica Branch)

Notes to Financial Statements

December 31, 2021

(expressed in thousands of Jamaica dollars)

2 Summary of significant accounting policies ...continued

d) Derecognition of financial assets

A financial asset is derecognized when:

- The rights to receive cash flows from the asset have expired;
- The Branch retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement;
- The Branch has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- When the Branch has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Branch's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Branch could be required to repay.

e) Revenue recognition

Premium income:

Premiums written are recognized on policy inception and earned on a pro-rata basis over the term of the related policy coverage. Estimates of premiums written as at the Statement of Financial Position date but not yet received, are assessed based on estimates from underwriting or past experience and are included in premiums earned. Premiums ceded are expensed on a pro-rata basis over the term of the respective policy.

Investment income:

Interest income is recognized in the statement of comprehensive income for all interest-bearing instruments on an accrual basis using the effective yield method based on the initial transaction price.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Investment income also includes dividends when the right to receive payment is established.

Massy United Insurance Ltd. (Jamaica Branch)

Notes to Financial Statements

December 31, 2021

(expressed in thousands of Jamaica dollars)

2 Summary of significant accounting policies ...continued

f) Insurance and reinsurance contracts

Insurance and reinsurance contracts are defined as those containing significant insurance risk at the inception of the contract, or those where at the inception of the contract there is a scenario with commercial substance where the level of insurance risk may be significant. The significance of insurance risk is dependent on both the probability of an insured event and the magnitude of its potential effect. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during the period.

At each financial statement date a liability adequacy test is performed to ensure the adequacy of insurance liabilities. If the test indicates that the provision for claims and claims expenses is inadequate the liabilities are adjusted to correct the deficiency with the resulting charge being included in the statement of comprehensive income.

In the normal course of business, the Branch seeks to reduce the losses to which it is exposed that may cause unfavorable underwriting results by reinsuring a certain level of risk with reinsurance companies. Reinsurance premiums are accounted for on a basis consistent with that used in accounting for the original policies issued and /or the terms of the reinsurance contracts.

The Branch may receive a ceding commission in connection with ceded reinsurance, which is earned in a manner consistent with the premiums ceded. Reinsurance contracts ceded do not relieve the Branch from its obligations to policyholders. The Branch remains liable to its policyholders for the portion reinsured, to the extent that the reinsurers do not meet the obligations assumed under the reinsurance agreements.

g) Unearned premium reserve

Written premiums in respect of direct insurance business and reinsurance contracts assumed are reflected in the financial statements evenly over the terms of the insurance or reinsurance policies. Unearned premiums represent the unearned portion of the premiums written on policies in force at the end of the year.

At each financial statement date, a liability adequacy test is performed by Massy United Insurance Limited's head office, to ensure the adequacy of unearned premiums net of related deferred acquisition costs. In performing the test, current best estimates of future contractual cash flows, claims handling and policy administration expenses, as well as investment income from assets backing such liabilities, are used. Any inadequacy is immediately charged to the statement of comprehensive income by establishing an unexpired risk provision.

Massy United Insurance Ltd. (Jamaica Branch)

Notes to Financial Statements
December 31, 2021

(expressed in thousands of Jamaica dollars)

2 Summary of significant accounting policies ...continued

h) Outstanding claims reserve

Outstanding claims consist of estimates of the ultimate cost of claims incurred that have not been settled at the Statement of Financial Position date, whether reported or not, together with related claims handling costs. Significant delays may be experienced in the notification and settlement of certain types of general insurance claims, such as general liability business. Outstanding claims reserves are not discounted for the time value of money.

Estimates are calculated using methods and assumptions considered to be appropriate to the circumstances of the Branch and the business undertaken. This provision, while believed to be adequate to cover the ultimate cost of losses incurred, may ultimately be settled for a different amount. It is continually reviewed, and any adjustments are recorded in operations in the period in which they are determined.

Unallocated loss adjustment expenses (ULAE) are included in the outstanding claims reserve at year end. The estimate of the reserve is arrived at by examining the overhead expenses allocated to the claims function. This estimate is reviewed by the actuary annually.

The principal assumption underlying the estimates is past claims development experience. This includes assumptions in respect of average claim costs and claim numbers for each accident year. In addition, larger claims are separately assessed by loss adjusters. Judgment is used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates. The ultimate liabilities will vary as a result of subsequent developments. Differences resulting from reassessment of the ultimate liabilities are recognized in subsequent periods.

i) Amounts receivable from reinsurance companies

Amounts receivable from reinsurance companies consist primarily of amounts due in respect of ceded insurance liabilities. Recoverable amounts are estimated in a manner consistent with the outstanding claims reserve or settled claims associated with the reinsured policies and in accordance with the relevant reinsurance contract.

If amounts receivable from reinsurance companies are impaired, the Branch reduces the carrying amount accordingly and recognizes an impairment loss in the statement of income. A reinsurance asset is impaired if there is objective evidence that the Branch may not receive all, or part, of the amounts due to it under the terms of the reinsurance contract.

j) Deferred acquisition costs and reinsurance commission

Deferred acquisition costs, which are reflected net of deferred reinsurance commission income, relate to commissions and other costs of acquiring insurance which vary with, and are primarily related to, the production of new and renewal business. Acquisition costs on premiums written and reinsurance commissions vary with and are directly related to the production of business. These costs and revenues are deferred and recognized over the period of the policies to which they relate.

Massy United Insurance Ltd. (Jamaica Branch)

Notes to Financial Statements
December 31, 2021

(expressed in thousands of Jamaica dollars)

2 Summary of significant accounting policies ...continued

k) Currency

Functional and presentation currency

These financial statements are expressed in Jamaica dollars which in the presentational currency of the Jamaica Branch.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

Translation differences on non-monetary financial assets and liabilities carried at fair value such as equities held at fair value through profit or loss are recognized as part of the fair value gain or loss in the statement of comprehensive income.

l) Premium and other receivables

Premium and other receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Branch will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognized in the statement of comprehensive income within 'general and administration expenses'.

m) Property and equipment

Property and equipment is stated at cost, excluding the costs of day-to-day servicing, less any accumulated depreciation and accumulated impairment in value. Subsequent expenditure related to repairs and maintenance is expensed during the financial period in which they are incurred. The carrying values of property and equipment are reviewed for impairment when events or changes in circumstance indicate that the carrying amount may not be recoverable. Gains and losses on disposals are computed as the difference between carrying amounts and proceeds received and are included in the statement of comprehensive income.

Depreciation of office equipment is provided on a straight-line basis at rates varying from 10% to 25% to write off the cost of the assets over their estimated useful lives.

Massy United Insurance Ltd. (Jamaica Branch)

Notes to Financial Statements

December 31, 2021

(expressed in thousands of Jamaica dollars)

2 Summary of significant accounting policies ...continued

n) Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the financial statement date in the countries where the Branch operates and generates taxable income.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The principal temporary differences arise from depreciation on property, plant and equipment and tax losses carried forward. Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be earned against which the unused tax losses can be utilised.

o) Leases

At inception of a contract, the Branch assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Branch assesses whether:

- The contract involves the use of an identified asset. This may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified
- The Branch has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use
- The Branch has the right to direct the use of the asset. The Branch has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

The Branch as a lessee

The Branch mainly leases various commercial space and equipment used in its operations. Rental contracts for these leases are typically made for fixed periods but may have extension options, which are described below. Some contracts contain lease and non-lease components, which are accounted for as separate components based on the standalone prices stated in the contracts.

Massy United Insurance Ltd. (Jamaica Branch)

Notes to Financial Statements
December 31, 2021

(expressed in thousands of Jamaica dollars)

2 Summary of significant accounting policies ...continued

o) Leases...continued

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants and the leased assets may not be used as security for borrowing purposes.

The right-of-use asset is initially measured at cost, which comprises the initial measurement of the lease liability, any initial direct costs incurred by the Branch, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). Subsequent to initial measurement, the right-of-use asset is depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the Branch is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The Branch also assesses the right-of-use asset for impairment when such indicators exist. The Branch does not revalue any of its right-of-use assets.

The lease liability is initially measured at the present value of the lease payments that are not paid at the lease commencement date, discounted using the interest rate implicit in the lease. If the interest rate implicit in the lease cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. These rates were attained from our bankers in the differing regions.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives
- Residual guarantees
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date
- Lease payments in an optional renewal period if the Branch is reasonably certain to exercise an extension option
- Penalty payments for early termination of a lease unless the Branch is reasonably certain not to terminate early.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made.

The Branch remeasures the lease liability when there is a change in future lease payments arising from a change in an index or rate, or if the Branch changes its assessment of whether it will exercise an extension or termination option. Extension and termination options are included in a number of leases across the Branch. These are used to maximise operational flexibility in terms

Massy United Insurance Ltd. (Jamaica Branch)

Notes to Financial Statements
December 31, 2021

(expressed in thousands of Jamaica dollars)

2 Summary of significant accounting policies ...continued

o) Leases...continued

of managing the assets used in the Branch's operations. The majority of extension and termination options held are exercisable only by the Branch and not by the respective lessor. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in the statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Variable lease payments that do not depend on an index or a rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments (or credits) are recognised as an expense (or income) in the period in which the event or condition that triggers those payments. The Branch did not have any variable lease payments that do not depend on an index or a rate for the period ended December 31, 2021. COVID-19 rental waivers were accounted for as variable lease payments.

The Branch applies the short-term lease recognition exemption to its short-term leases i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets to leases that are considered to be low value. The Branch recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Branch as a lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with similarly owned property, plant and equipment. Rental income (net of any incentives given to lessees) is recognised on a pattern reflecting a constant periodic rate of return on the lessor's net investment.

Branch is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

The Branch leases certain property, plant and equipment. Leases of property, plant and equipment where, the Branch has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Massy United Insurance Ltd. (Jamaica Branch)

Notes to Financial Statements
December 31, 2021

(expressed in thousands of Jamaica dollars)

2 Summary of significant accounting policies ...*continued*

o) Leases...*continued*

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

3 Significant accounting judgments, estimates and assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future.

Liabilities on insurance contracts

The estimation of the ultimate liability arising from claims made under insurance contracts is a critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that the Branch will ultimately pay for such claims.

Claim liabilities are based on estimates due to the fact that the ultimate disposition of claims incurred prior to the date of the financial statements, whether reported or not, is subject to the outcome of events that may not yet have occurred. The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected recoveries. Events which may affect the ultimate outcome of claims include inter alia, jury decisions, court interpretations, legislative changes and changes in the medical condition of claimants.

Management engages an independent actuary to assist in the computation of the estimate of claim liabilities. The ultimate liability arising from claims may be mitigated by recovery arising from reinsurance contracts held.

Massy United Insurance Ltd. (Jamaica Branch)

Notes to Financial Statements

December 31, 2021

(expressed in thousands of Jamaica dollars)

4 Cash and cash equivalents

	2021 \$	2020 \$
Cash at bank	<u>1,685,063</u>	113,277

The cash is held at First Caribbean International Bank (Jamaica) Ltd.

5 Fixed deposits

Fixed deposits with a carrying value of \$119,013 (2020 – 192,916) are held at FirstCaribbean International Bank (Jamaica) Ltd. with an interest rate ranging from 2.75% to 3.75% (2020 – 2.95% to 4.1%) and mature within a one year.

6 Accounts receivable

	2021 \$	2020 \$
Accounts receivable from policyholders, brokers and agents	284,490	156,646
Other receivables	520	477
Corporation tax recoverable	16,095	–
	<u>301,105</u>	<u>157,123</u>

7 Reinsurance assets

Reinsurance assets from reinsurance companies is comprised as follows:

	2021 \$	2020 \$
Reinsurers' share of unearned premium reserves	755,684	746,746
Reinsurers' share of outstanding claims reserves	7,013	6,386
	<u>762,697</u>	<u>753,132</u>

8 Deferred commission

	2021 \$	2020 \$
Deferred commission expense	31,509	40,405
Deferred reinsurance commission income	(59,018)	(19,570)
	<u>(27,509)</u>	<u>20,835</u>

Massy United Insurance Ltd. (Jamaica Branch)

Notes to Financial Statements

December 31, 2021

(expressed in thousands of Jamaica dollars)

9 Accounts payable

	2021	2020
	\$	\$
Outstanding commission	22,042	21,220
Corporation tax payable	22,170	39,496
Other payables	71,979	90,484
	<u>116,191</u>	<u>151,200</u>

10 General and administrative expenses

	2021	2020
	\$	\$
Salaries and employee benefits	44,090	32,565
Occupancy	1,078	(1,456)
Advertising	4,900	8,279
Telephone and communication	1,252	2,161
Depreciation	5,354	6,723
Bad debt provision	(847)	4,907
Regulatory fees	8,512	17,533
Head office expenses	61,411	59,754
Other	9,536	13,198
	<u>135,286</u>	<u>143,664</u>

11 General insurance liabilities and insurance operations

	2021	2020
	\$	\$
Outstanding claims reserve	42,055	22,786
Unearned premium reserve	826,329	764,707
	<u>868,384</u>	<u>787,493</u>

Massy United Insurance Ltd. (Jamaica Branch)

Notes to Financial Statements

December 31, 2021

(expressed in thousands of Jamaica dollars)

11 General insurance liabilities and insurance operations...continued

The Branch assumes property, motor, liability and marine risks from third parties and related companies. The Branch seeks to reduce the losses to which it is exposed by reinsuring certain levels of risk with reinsurance companies.

Movement in outstanding claims reserve may be analyzed as follows:

	Gross \$	Reinsurance \$	Net \$
December 31, 2021			
Balance - beginning of year	22,786	(6,386)	16,400
Losses incurred	53,846	(22,301)	31,545
Losses paid	(34,577)	21,674	(12,903)
	<hr/>	<hr/>	<hr/>
Balance - end of year	42,055	(7,013)	35,042

	Gross \$	Reinsurance \$	Net \$
December 31, 2020			
Balance - beginning of year	13,070	(7,969)	5,101
Losses incurred	22,871	(3,612)	19,259
Losses paid	(13,155)	5,195	(7,960)
	<hr/>	<hr/>	<hr/>
Balance - end of year	22,786	(6,386)	16,400

Massy United Insurance Ltd. (Jamaica Branch)

Notes to Financial Statements

December 31, 2021

(expressed in thousands of Jamaica dollars)

11 General insurance liabilities and insurance operations ...continued

Movement in the unearned premium reserve may be analyzed as follows:

	Gross \$	Reinsurance \$	Net \$
December 31, 2021			
Balance - beginning of year	764,707	(746,746)	17,961
Premiums written	1,454,124	(1,478,431)	(24,307)
Premiums earned	(1,392,502)	1,469,493	76,991
	<u>826,329</u>	<u>(755,684)</u>	<u>70,645</u>

	Gross \$	Reinsurance \$	Net \$
December 31, 2020			
Balance - beginning of year	505,891	(438,358)	67,533
Premiums written	1,474,196	(1,328,426)	145,770
Premiums earned	(1,215,380)	1,020,038	(195,342)
	<u>764,707</u>	<u>(746,746)</u>	<u>17,961</u>

Movement in insurance liabilities and reinsurance assets may be analyzed as follows:

	<u>2021</u>		
	Gross \$	Reinsurance \$	Net \$
Total at beginning of year	22,786	(6,386)	16,400
Losses paid or recovered during the year	(34,577)	21,674	(12,903)
	<u>(11,791)</u>	<u>15,288</u>	<u>3,497</u>
Claims incurred:			
- current year	35,909	(12,262)	23,647
- prior year	17,937	(10,039)	7,898
	<u>53,846</u>	<u>(22,301)</u>	<u>31,545</u>
Total at end of year	42,055	(7,013)	35,042

Massy United Insurance Ltd. (Jamaica Branch)

Notes to Financial Statements

December 31, 2021

(expressed in thousands of Jamaica dollars)

11 General insurance liabilities and insurance operations ...continued

	2020		
	Gross \$	Reinsurance \$	Net \$
Total at beginning of year	13,070	(7,969)	5,101
Losses paid or recovered during the year	(13,155)	5,195	(7,960)
	(85)	(2,774)	(2,859)
Claims incurred:			
- current year	21,709	(14,794)	6,915
- prior year	1,162	11,182	12,344
	22,871	(3,612)	19,259
Total at end of year	22,786	(6,386)	16,400

12 Policy acquisition costs

	2021 \$	2020 \$
Ordinary commission	88,362	52,829

13 Related party transactions

The following transactions were entered into with related parties.

	2021 \$	2020 \$
Gross premiums written	40,488	35,401

Massy United Insurance Ltd. (Jamaica Branch)

Notes to Financial Statements
December 31, 2021

(expressed in thousands of Jamaica dollars)

14 Risk management

Governance framework

The primary objective of the Branch's risk and financial management framework is to protect the shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Management recognizes the critical importance of having efficient and effective risk management systems in place.

The framework provides a basis for identification of risk and its interpretation, align underwriting and reinsurance strategy to corporate goals, and limit structure to ensure the appropriate quality and diversification of assets through its investment policy guidelines.

Capital management framework

The Branch's objectives when managing its capital (head office account and retained earnings) are:

- To safeguard the Branch's ability to continue as a going concern so that it can continue to provide returns to the Head Office and benefits for other stakeholders;
- To comply with the capital requirements set by the regulators of the insurance market within which it operates; and
- To maintain a strong capital base to support the development of its business.

Insurance risk

The Branch primarily issues the following types of general insurance contracts: property, motor, liability and marine. The risks under these policies usually cover a duration of twelve months or less.

The primary risk the Branch has through its insurance contracts is that the actual claims payments or timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, and subsequent development of claims.

The aforementioned insurance risk exposure is also mitigated by diversification across a relatively large portfolio of insurance contracts. The variability of risk is also augmented by careful selection and execution of underwriting guidelines, as well as the use of reinsurance arrangements.

The amounts recoverable from reinsurers are in accordance with reinsurance contracts. Although the Branch has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements.

The Branch utilizes a claims review policy which concentrates on a review of large and personal injury claims where there is the potential for greater exposure and performs periodic review of claims handling procedures.

Massy United Insurance Ltd. (Jamaica Branch)

Notes to Financial Statements
December 31, 2021

(expressed in thousands of Jamaica dollars)

14 Risk management ...continued

Insurance risk...continued

The Branch also enforces a policy of actively managing its claims portfolio in order to reduce its exposure to unpredictable future developments that can negatively impact the Branch.

The Branch has also limited its exposure by its utilization of reinsurance arrangements in order to limit exposure to catastrophic events. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. The majority of the Branch's reinsurance coverage is placed with reputable third-party reinsurers.

The table below sets out the concentration of general insurance contract liabilities by type of contract.

	2021			2020		
	General liabilities \$	Reinsurers' share of liabilities \$	Net liabilities \$	General liabilities \$	Reinsurers' share of liabilities \$	Net liabilities \$
Property	4,445	(4,055)	390	12,362	(7,296)	5,066
Motor	8,785	–	8,785	3,449	16	3,465
Engineering	4,113	(1,708)	2,405	2,236	977	3,213
Other accident	22,640	(250)	22,390	4,417	65	4,482
Marine	2,072	(1,000)	1,072	322	(148)	174
	42,055	(7,013)	35,042	22,786	(6,386)	16,400

Sensitivities

If the insurance liabilities and related reinsurers' share were to increase by 10%, the impact on income before tax and equity would be as follows:

	Change in assumptions	Impact on gross liabilities \$	Impact on reinsurers' share \$	Impact on income before tax \$	Impact on equity \$
December 31, 2021					
Average claim cost	10%	4,206	(701)	3,505	2,338
December 31, 2020					
Average claim cost	10%	2,279	(639)	1,640	1,094

Massy United Insurance Ltd. (Jamaica Branch)

Notes to Financial Statements
December 31, 2021

(expressed in thousands of Jamaica dollars)

14 Risk management ...continued

Credit Risk

The Branch's exposure to credit risk arises from the possibility that counterparties may default on their obligations to the Branch. The amount of the Branch's maximum exposure to credit risk is indicated by the carrying value of its financial assets. Management believes that risk is mitigated by the quality of the counterparties.

The total assets bearing credit risk is as follows:

	2021	2020
	\$	\$
Cash and cash equivalents	1,685,063	113,277
Fixed deposits	119,013	192,916
Accounts receivable	301,105	157,123
Reinsurance assets	7,013	6,386
	<u>2,112,194</u>	<u>469,702</u>

Credit risks arising on cash and cash equivalents and fixed deposits are considered minimal as the Branch's banker is a licensed institution in Jamaica.

Additional information on credit risk for accounts receivables at the financial statement date is disclosed below. The Branch selects reinsurers with A.M. Best ratings A- or higher.

As at year end, the aging analysis of accounts receivable from policyholders, brokers and agents was as follows:

	Total	Neither past due nor impaired	Past due but not impaired			Past due and impaired
			45 - 60 days	60 - 90 days	> 90 days	>90 days
	\$	\$	\$	\$	\$	\$
2021	284,490	3,690	8,586	24,625	106,904	140,685
2020	156,646	108,793	15,782	10,457	20,417	1,197

As at year end, receivables with a nominal value of \$144,745 (2020 - \$6,104) were impaired and provided for in the amounts of \$4,060 (2020 - \$4,907). Movements in the provision for impairment of receivables were as follows:

Massy United Insurance Ltd. (Jamaica Branch)

Notes to Financial Statements
December 31, 2021

(expressed in thousands of Jamaica dollars)

14 Risk management ...continued

Credit Risk...continued

	2021 \$	2020 \$
As of January 1	4,907	–
(Release)/charge for the year	(847)	4,907
As of December 31	<u>4,060</u>	<u>4,907</u>

Liquidity risk

The Branch is exposed to calls on its available cash resources mainly from claims arising from insurance contracts. Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. The Branch mitigates liquidity risk by holding highly liquid financial assets.

The table below summarizes the expected recovery or settlement of financial and insurance liabilities.

	Less than 1 year \$	1 - 3 years \$	Total \$
December 31, 2021			
Liabilities			
Accounts payable	116,191	–	116,191
Lease liabilities	5,231	2,179	7,410
General insurance liabilities:			
Total outstanding claims	42,055	–	42,055
Total	<u>163,477</u>	<u>2,179</u>	<u>165,656</u>

	Less than 1 year \$	1 - 3 years \$	Total \$
December 31, 2020			
Liabilities			
Accounts payable	151,200	–	151,200
Lease liabilities	5,231	7,410	12,641
General insurance liabilities:			
Total outstanding claims	22,786	–	22,786
Total	<u>179,217</u>	<u>7,410</u>	<u>186,627</u>

Massy United Insurance Ltd. (Jamaica Branch)

Notes to Financial Statements

December 31, 2021

(expressed in thousands of Jamaica dollars)

14 Risk management ...continued

Fair Value

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction. There are no financial instruments that, subject to initial recognition, are measured at fair value. The carrying amounts of financial assets and liabilities comprising of the Group's cash and short-term deposits, accounts receivable and accounts payable approximate their fair values because of their short-term maturities.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Branch's currency is pegged to the United States dollar and as a result the Branch is not exposed to material foreign currency risk.

Interest rate risk

The Branch's interest-bearing assets are of a fixed rate nature and therefore changes in the market interest rates would not impact the carrying value or future income from the instrument.

15 Statutory restrictions on assets

The Branch is registered to conduct insurance business under legislation in Jamaica. This legislation prescribes a number of requirements with respect to deposits, investment of funds and solvency for the protection of policy holders.

To meet these requirements, fixed deposits totalling \$100,371 (2020 - \$187,397) are held at First Caribbean International Bank (Jamaica) Ltd.

Massy United Insurance Ltd. (Jamaica Branch)

Notes to Financial Statements

December 31, 2021

(expressed in thousands of Jamaica dollars)

16 Leases

The following tables provide information for leases where the Branch is a lessee:

	Buildings \$	Buildings \$
	2021	2020
At beginning of year	10,891	–
Additions	–	16,887
Depreciation charge	(4,279)	(5,996)
	<u>6,612</u>	<u>10,891</u>
At end of year	<u>6,612</u>	<u>10,891</u>
	Buildings \$	Buildings \$
	2021	2020
Cost	10,891	16,887
Accumulated depreciation	(4,279)	(5,996)
	<u>6,612</u>	<u>10,891</u>
	2021 \$	2020 \$
Lease liabilities		
Adjustment on initial application of IFRS 16	11,536	17,161
Payments	(4,506)	(5,625)
	<u>7,030</u>	<u>11,536</u>
Closing net book amount	<u>7,030</u>	<u>11,536</u>
Current	3,623	8,264
Non-current	3,407	3,272
	<u>7,030</u>	<u>11,536</u>
Amounts recognised in the statement of comprehensive income:	2021 \$	2020 \$
Interest expense on lease liabilities	725	658
Depreciation charge on right-of-use assets	4,279	5,996
	<u>5,004</u>	<u>6,654</u>

Massy United Insurance Ltd. (Jamaica Branch)

Notes to Financial Statements
December 31, 2021

(expressed in thousands of Jamaica dollars)

17 Property and equipment

	General equipment \$	Total \$
At Cost		
At December 31, 2020	3,773	3,773
Additions	2,309	2,309
At December 31, 2021	<u>6,082</u>	<u>6,082</u>
Accumulated Depreciation		
At December 31, 2020	1,700	1,700
Charge for the year	1,075	1,075
At December 31, 2021	<u>2,775</u>	<u>2,775</u>
Net Book Value December 31, 2021	<u>3,307</u>	<u>3,307</u>

	General equipment \$	Total \$
At Cost		
At December 31, 2019	2,630	2,630
Additions	1,143	1,143
At December 31, 2020	<u>3,773</u>	<u>3,773</u>
Accumulated Depreciation		
At December 31, 2019	973	973
Charge for the year	727	727
At December 31, 2020	<u>1,700</u>	<u>1,700</u>
Net Book Value December 31, 2020	<u>2,073</u>	<u>2,073</u>

18 Taxation

	2021 \$	2020 \$
(Loss)/ Income before taxation	<u>(96,727)</u>	128,216
Tax calculated at a tax rate of 33.3% (2020 - 33.3%)	(32,210)	42,739
Expenses not deductible for tax	–	5,887
Movement in deferred tax asset not recognised	32,210	(9,922)
Current year (under)/over provision – current tax	<u>–</u>	<u>(40)</u>
Tax charge	<u>–</u>	<u>38,664</u>

Massy United Insurance Ltd. (Jamaica Branch)

Notes to Financial Statements

December 31, 2021

(expressed in thousands of Jamaica dollars)

19 Head Office Account

During the year additional capital in the amount of \$1.375 billion was injected into the branch to support the capital requirements.