



UNAUDITED FINANCIAL STATEMENTS FOR
YEAR ENDED 31th DECEMBER 2016



IronRock Insurance Company Limited

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Report to Stockholders

The directors are pleased to present the unaudited financial statements of IronRock Insurance Company Limited (“IronRock”) for the year ended 31st December 2016.

At the end of the period, Gross Written Premium amounted to \$127.3 million with Net Written Premium totaling \$46.5 million. Operating Expenses at \$91m and Claims Incurred of \$1.9m were well below projections, whilst our Underwriting Loss was \$80 million, also better than projected.

Having generated Other Income of \$31.8 million, we recorded a pre-tax loss of \$48.2 million for the period.

These results do not include any provision for Actuarial Reserves, which will be accounted for when the Actuary’s Report is received.



R. Evan Thwaites
Managing Director



IronRock Insurance Company Limited
Statement of Comprehensive Income
December 31, 2016

	Unaudited 12 months Dec 31, 2016 <u>'000</u>	Unaudited 3 months Dec 31, 2016 <u>'000</u>	Audited Dec 31, 2015 <u>'000</u>
Gross Premium	127,346	67,934	-
Less proportional reinsurance	(71,945)	(26,665)	-
Excess of loss premium	<u>(8,871)</u>	<u>(2,686)</u>	<u>-</u>
Net premium	46,530	38,584	-
Unearned premium adjustment, net	<u>(38,736)</u>	<u>(29,184)</u>	<u>-</u>
Net earned premium	7,794	9,400	-
Commission earned	10,839	7,222	-
Commission incurred	(5,708)	(3,478)	-
Claims, net	(1,918)	(1,410)	-
Operating expenses	<u>(91,075)</u>	<u>(28,839)</u>	<u>(3,151)</u>
Underwriting loss	(80,068)	(17,104)	(3,151)
Other income			
Investment	16,946	7,538	649
Bank interest	59	4	-
Foreign exchange gain	<u>14,868</u>	<u>(717)</u>	<u>2,694</u>
	<u>31,873</u>	<u>6,825</u>	<u>3,343</u>
(Loss)/profit before taxation	(48,195)	(10,279)	192
Taxation	-	<u>-</u>	<u>(79)</u>
	<u>\$(48,195)</u>	<u>\$(10,279)</u>	<u>\$ 113</u>
(Loss)/profit per share (cents per share)	<u>(0.23)</u>	<u>(0.05)</u>	<u>0.03</u>



IronRock Insurance Company Limited
Statement of Financial Position
December 31, 2016

	Unaudited Year ended December 31, 2016	Audited December 31, 2015
	'000	'000
ASSETS		
Cash and cash equivalents	12,814	4,712
Investments	539,961	90,216
Insurance and other receivables	47,118	3,927
Reinsurance assets	41,102	-
Taxation recoverable	2,622	83
Property plant and equipment	25,056	-
Deferred acquisition Cost	<u>9,739</u>	<u>-</u>
	<u>\$678,412</u>	<u>\$98,938</u>
 LIABILITIES AND SHAREHOLDERS' EQUITY		
Insurance and other payables	25,419	-
Insurance contract provisions	81,358	-
Deferred commission income	<u>9,332</u>	<u>-</u>
Total Insurance Funds	90,690	-
Shareholders' equity	<u>562,303</u>	<u>98,938</u>
	<u>\$678,412</u>	<u>\$98,938</u>

Managing Director

R. Evan Thwaites

Director of Finance

Wayne Hardie

IronRock Insurance Company Limited
Statement of Changes in Shareholders' Equity
For the year ended December 31, 2016

	<u>Ordinary share capital</u> <u>'000</u>	<u>Capital reserve</u> <u>'000</u>	<u>Investment Revaluation Reserve</u> <u>'000</u>	<u>Retained earnings</u> <u>'000</u>	<u>Total</u> <u>'000</u>
Issue of shares	98,825	-	-	-	98,825
Profit for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>113</u>	<u>113</u>
Balances as at December 31, 2015	<u>98,825</u>	<u>-</u>	<u>-</u>	<u>113</u>	<u>98,938</u>
Net loss for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>(48,195)</u>	<u>(48,195)</u>
Other Comprehensive income:					
Equity revaluation reserve	-	-	5,505	-	5,505
Issue of shares	366,715	-	-	-	366,715
Contributed capital	<u>-</u>	<u>139,340</u>	<u>-</u>	<u>-</u>	<u>139,340</u>
Total Other Comprehensive income	<u>366,715</u>	<u>139,340</u>	<u>5,505</u>	<u>-</u>	<u>511,560</u>
Balances as at December 31, 2016	<u>\$465,540</u>	<u>139,340</u>	<u>5,505</u>	<u>(48,082)</u>	<u>562,303</u>

IronRock Insurance Company Limited
Statement of Cash flows
For the year ended December 31, 2016

	Unaudited 31-Dec-16 <u>'000</u>	Audited 31-Dec-15 <u>'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit after taxation	(48,195)	113
Adjustments to reconcile (loss)/profit to net cash provided by operating activities:		
Depreciation	4,217	-
Increase in insurance funds	39,849	-
Taxation	-	79
Interest income	(16,947)	(649)
	<u>(21,076)</u>	<u>(457)</u>
Increase in current assets:		
Premiums receivable	(28,041)	-
Interest receivable	(7,554)	-
Other accounts receivable	(7,095)	(4,427)
Taxation Paid	(2,539)	(162)
	<u>(45,229)</u>	<u>(4,589)</u>
Increase/(decrease) in current liabilities:		
Due to other insurance companies	18,667	-
Accounts payable	<u>6,252</u>	<u>500</u>
	<u>24,919</u>	<u>500</u>
Net cash used by operating activities	<u>(41,386)</u>	<u>(4,546)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase)/decrease in term deposits and monetary instruments	(444,240)	(90,216)
Additions to fixed assets	(29,274)	-
Interest received	<u>16,947</u>	<u>649</u>
Net cash used by investing activities	<u>(456,567)</u>	<u>(89,567)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of Ordinary Share	366,715	98,825
Contributed Capital	<u>139,340</u>	<u>-</u>
Net cash provided by financing activities	<u>506,055</u>	<u>98,825</u>
Net increase in cash and bank balances	8,102	4,712
Cash at beginning of period	<u>4,712</u>	<u>-</u>
Cash at end of period	<u>\$ 12,814</u>	<u>4,712</u>

Notes to the Unaudited Financial Statements
 Year ended December 31, 2016

1. Identification

IronRock Insurance Company Limited (the company) was incorporated June 9, 2015 and is domiciled in Jamaica, with its registered office at 1b Braemar Avenue, Kingston 10. At December 31, 2015, the company was a wholly owned subsidiary of Granite Group Limited, a company incorporated and domiciled in St. Lucia. As a result of the Initial Public Offering (IPO) on 1 March 2016, Granite Group Limited's ownership reduced to 50.9%. The principal activity of the company is the underwriting of general insurance business. The company commenced trading March 2016.

2. Insurance licence

The company is registered under the Insurance Act 2001 (Act)

3. Basis of preparation

The financial statements are prepared on the historical cost basis. The unaudited financial results for the three months' period have been prepared in accordance with International Accounting Standard 34 – Interim Financial Statements

4. Significant Accounting Policies

The same accounting policies and methods of computations are followed in the interim financial statements as compared with the most recent annual audited financial statements for the six months' period ended December 31, 2015.

5. Share capital

	<u>2016</u> Units	<u>2015</u> Units
Authorized ordinary shares	1,000,000,000	1,000,000,000
Issued ordinary shares	214,000,000	3,400,000

Stated:

Issued and fully paid ordinary shares	\$ <u>465,539,781</u>	\$ <u>98,824,740</u>
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A resolution was passed at a General Meeting on February 12, 2016 that each of the authorized and issued ordinary shares of IronRock Insurance Company Limited be sub-divided into 25 ordinary shares (25:1)

On February 16, 2016 24,000,000 shares were issued to the parent company at a value of \$72,000,000.

On 1 March 2016, 105,000,000 shares were issued through an IPO at a value of \$315,000,000. Costs associated with the share issue amounted to \$20,284,959. In addition, the company received \$139,340,440 from its parent company to support the underwriting operations of the company.

6. Loss per share

The calculation of loss per share is based on the net loss for the period attributable to shareholders and the 214,000,000 issued and fully paid ordinary share units.



List of Shareholders

Year ended December 31, 2016

Authorised Share Capital	1,000,000,000 units
Issued Share Capital	214,000,000 units

Top Ten Shareholders

<u>Name</u>	<u>Shareholdings</u>
Granite Group Ltd	109,000,000
Mayberry West Indies Limited	44,951,233
Catherine Adella Peart	7,532,783
Sharon Harvey-Wilson	4,082,039
Michael Fraser/Paulette Fraser	3,333,000
Michelle A. Myers Mayne	3,000,000
Bamboo Group Holdings Limited	2,738,287
William D. McConnell	
Tania McConnell/Leah McConnell	808,000
William D. McConnell	
Tania McConnell/David McConnell	806,000
William D. McConnell	
Tania McConnell/William McConnell	806,000
	2,420,000
Stafford Burrowes/Marilyn Burrowes	2,000,000
Apex Pharmacy	1,943,266

Connected Persons

Shareholdings

Jean Bell	300,000
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Shareholdings of Directors and Senior Officers

<u>Directors</u>	<u>Shareholdings</u>	<u>Connected Persons</u>
Richard Evan Thwaites	1,500,000	109,000,000
William A. McConnell	-	109,000,000
Wayne N. Hardie	1,025,727	-
Anthony Bell	-	300,000
William D. McConnell	-	2,420,000
Christopher Berry	-	49,632,786
Gary Peart	-	52,484,016
Jan Polack	-	-
<u>Senior Officers</u>		
Yvonne Daley	250,000	-
Maurice Bolt	200,000	-