



## **2021 Q4: QUARTERLY REPORT**

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**Unaudited Financial Statements  
as at**

**31 December 2021**



# 1. Report to Stockholders

The Directors take pleasure in presenting the unaudited financial statements of IronRock Insurance Company Limited ("IronRock") for the quarter and year ended 31 December 2021.

## Managing Director's Report

The final quarter of 2021 was IronRock's most profitable quarter to date, driven by increased profit commissions earned under our reinsurance treaties and reduced Operating expenses. The increase in our profit commission is evidence that we have maintained our risk selection and pricing discipline in a relatively soft market.

Despite these market conditions, our new business continues to grow and we gained a number of new corporate accounts during the year, however, this growth was offset, to some extent, as we walked away from a number of accounts where we felt pricing was inadequate. Growth in our personal lines portfolio continues to be robust, with sales of the Motor products we introduced in 2021 being an important contributor. It is worth noting that the accident frequency and loss ratios of these products continue to outperform our initial projections.

The overhaul of our IT infrastructure, that commenced in the third quarter, is now complete and has improved our operating efficiency and strengthened our ability to maintain operations in the face of disaster events. Given that a large proportion of our personal lines business is transacted online, our upgraded infrastructure will also improve service delivery to our clients and, in Managements opinion, contribute to increased utilization of our online platforms.

## Financial Review

### For the Fourth Quarter

Gross written premium ("GWP") for the quarter grew to \$261 million, an increase of 12% over the same quarter last year. Operating expenses were down 7%, and Commissions (net) increased by 22%, while Claims (net) grew by 72%. The net effect was a 15% improvement in the Underwriting profit to \$43 million. Other income more than tripled to \$29 million, driven by Gains on the sale of investments and Foreign exchange gains, as well as a 29% increase in Investment income to \$12 million. Profit before tax for the quarter was \$72 million, and Net profit after tax was \$68 million, a 10% increase over the same quarter in 2020.

### Year-to-date

GWP for the year grew 5% to \$881 million. Proportional reinsurance ceded remained at 72% of GWP, while Excess of Loss reinsurance increased to 6% of GWP, from 5% of GWP in 2020. Commissions (net) increased by 30% to \$72 million, while Claims (net) fell by 1%, and Operating expenses grew by 1%. Due to higher Commissions (net), the Company's Underwriting loss improved to \$16 million, from a loss of \$27 million for 2020. Other income increased by 31% to \$79 million, driven by Foreign exchange gains which doubled to \$25 million, Investment income which increased by 9% to \$44 million, and Gains on the sale of investments which increased by 22% to \$10 million. IronRock therefore ended 2021 with a Profit before tax of \$63 million, almost double what was earned in 2020. Net profit after tax was \$59 million, a 23% improvement over 2020.

We thank our staff, our clients and brokers for their continued support.



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R. Evan Thwaites  
**Managing Director**

## 2.1 Statement of Comprehensive Income

For the Period ended 31 December 2021

(expressed in Jamaican dollars)

	Unaudited 3 months ended		Unaudited Year ended	Audited Year ended
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	\$'000	\$'000	\$'000	\$'000
<b>Gross written premium</b>	<b>260,673</b>	<b>233,761</b>	<b>881,209</b>	<b>836,971</b>
Proportional reinsurance	(181,829)	(157,536)	(634,278)	(603,179)
Excess of loss reinsurance	(12,143)	(10,767)	(52,482)	(44,093)
<b>Net written premium</b>	<b>66,701</b>	<b>65,457</b>	<b>194,449</b>	<b>189,698</b>
Unearned premium adjustment, net	(18,633)	(17,041)	(4,171)	3,354
<b>Net earned premium</b>	<b>48,069</b>	<b>48,417</b>	<b>190,278</b>	<b>193,052</b>
Commission earned	84,627	73,841	173,186	148,696
Commission incurred	(26,097)	(25,844)	(101,630)	(93,588)
Claims, net	(18,824)	(10,935)	(88,920)	(89,556)
Operating expenses	(44,463)	(47,945)	(188,786)	(186,067)
<b>Underwriting profit / (loss)</b>	<b>43,312</b>	<b>37,534</b>	<b>(15,872)</b>	<b>(27,463)</b>
<b>Other income</b>				
Investment income	12,098	9,344	43,874	40,205
Miscellaneous income	2	5	13	41
Gain / (loss) on sale of investments	6,902	-	9,852	8,106
Gain / (loss) on sale of fixed assets	-	-	-	120
Foreign exchange gain / (loss)	9,533	(89)	25,131	11,820
<b>Total other income</b>	<b>28,535</b>	<b>9,260</b>	<b>78,869</b>	<b>60,292</b>
<b>Profit / (Loss) before taxation</b>	<b>71,847</b>	<b>46,794</b>	<b>62,997</b>	<b>32,829</b>
Deferred Taxation	(1,762)	15,124	(1,762)	15,124
Taxation	(2,109)	-	(2,109)	-
<b>Net profit / (loss) for period</b>	<b>67,976</b>	<b>61,918</b>	<b>59,127</b>	<b>47,953</b>
<b>Profit / (Loss) per stock unit</b>	<b>\$ 0.32</b>	<b>\$ 0.29</b>	<b>\$ 0.28</b>	<b>\$ 0.22</b>

## 2.2 Statement of Financial Position

As at 31 December 2021

(expressed in Jamaican dollars)

	Unaudited 31-Dec-21	Audited 31-Dec-20
	\$'000	\$'000
<b>ASSETS</b>		
Property plant and equipment	20,485	11,795
Intangible assets	3,190	3,833
Deferred taxation	13,362	15,124
Investments	635,099	565,306
Deferred acquisition costs	46,849	40,437
Reinsurance assets	383,983	362,532
Insurance and other receivables	224,334	217,507
Taxation recoverable	30,857	26,643
Due from related party	2,984	-
Short-term investments	45,000	30,000
Securities purchased under resale agreements	15,275	94,764
Cash and cash equivalents	104,913	31,581
	<b>1,526,331</b>	<b>1,399,522</b>
<b>LIABILITIES AND SHAREHOLDER EQUITY</b>		
Insurance and other payables	224,917	211,050
Insurance contract provisions	621,053	574,078
Deferred commission income	55,302	47,293
Total Liabilities	901,272	832,421
Shareholders' equity	625,059	567,101
	<b>1,526,331</b>	<b>1,399,522</b>



R. Evan Thwaites  
Managing Director



Wayne Hardie  
Finance Director

## 2.3 Statement of Changes in Shareholders' Equity

For the Period ended 31 December 2021

(expressed in Jamaican dollars)

	Ordinary share capital	Capital reserve	Investment revaluation reserve	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balances as at 31 December 2019</b>	<b>465,540</b>	<b>139,340</b>	<b>34,781</b>	<b>(90,281)</b>	<b>549,380</b>
Net profit / (loss) for the period	-	-	-	47,953	47,953
Other comprehensive income:					
Fair value gain / (loss) on investments	-	-	(30,233)	-	(30,233)
<b>Balances as at 31 December 2020</b>	<b>465,540</b>	<b>139,340</b>	<b>4,549</b>	<b>(42,328)</b>	<b>567,101</b>
<b>Balances as at 31 December 2020</b>	465,540	139,340	4,549	(42,328)	567,101
Net profit / (loss) for the period	-	-	-	59,127	59,127
Other comprehensive income:					
Fair value gain / (loss) on investments	-	-	(1,168)	-	(1,168)
<b>Balances as at 31 December 2021</b>	<b>465,540</b>	<b>139,340</b>	<b>3,381</b>	<b>16,799</b>	<b>625,059</b>

## 2.4 Statement of Cash Flows

For the Period ended 31 December 2021  
(expressed in Jamaican dollars)

	Unaudited 31-Dec-21	Audited 31-Dec-20
	\$'000	\$'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) after taxation	59,126	47,953
Depreciation	10,034	10,453
Lease interest expense	-	185
Deferred taxation	1,762	(15,124)
Loss / (Gain) on disposal of fixed assets	-	(120)
Loss / (Gain) on sale of investment	(9,852)	(8,106)
Increase / (Decrease) in insurance funds	25,523	(63,600)
Taxation	2,109	-
Interest income	(43,874)	(40,206)
	44,828	(68,564)
Decrease / (Increase) in current assets:		
Insurance and other receivables	(6,589)	(58,503)
Deferred policy acquisition costs	(6,412)	(3,935)
Due from related party	(2,984)	-
Taxation paid	(6,323)	(6,210)
	(22,308)	(68,648)
Increase / (Decrease) in current liabilities:		
Insurance and other payables	13,867	27,493
Unearned commission	8,009	11,363
	21,876	38,856
<b>Net cash provided by / (used in) operating activities</b>	<b>44,396</b>	<b>(98,356)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Decrease / (Increase) in:		
Short-term Investments, net	(15,000)	-
Securities (purchased) / sold under resale agreements	79,489	(94,764)
Investments, net	(175,085)	(114,838)
Disposal / (Acquisition) of fixed assets	(18,724)	(2,679)
Intangibles	643	-
Proceeds on sale of fixed assets	-	120
Proceeds on sale of investments	113,976	200,323
Interest received	43,637	43,036
<b>Net cash provided by / (used in) investing activities</b>	<b>28,936</b>	<b>31,198</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase / (Decrease) in:		
Lease liability, net	-	(5,400)
<b>Net cash provided by / (used in) financing activities</b>	<b>-</b>	<b>(5,400)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>73,332</b>	<b>(72,558)</b>
Opening cash and cash equivalents	31,581	104,139
<b>Closing cash and cash equivalents</b>	<b>104,913</b>	<b>31,581</b>

### 3. Notes to the Unaudited Financial Statements

For the period ended 31 December 2021

#### 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. The principal activity of the Company is the underwriting of general insurance business. The Company is a subsidiary of Granite Group Limited, a company incorporated and domiciled in St. Lucia.

The Company's shares were listed on the Junior Market of the Jamaica Stock Exchange in 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 current 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.

#### 5. Earnings per share

Earnings per share is calculated by dividing the profit for the period by the weighted average number of ordinary shares in issue over that period.

## 4. Disclosure of Shareholdings

As at 31 December 2021

### Top Ten Shareholders

	<i>Connected Parties</i>	Shares Held	Combined Holdings	% of Issued Shares
1.	Granite Group Limited	109,000,000	109,000,000	50.93%
2.	Mayberry Jamaican Equities Limited	39,853,721	39,853,721	18.62%
3.	Catherine Adella Peart	7,000,000	7,000,000	3.27%
4.	Mayberry Managed Client Accounts	6,615,592	6,615,592	3.09%
5.	Sigma Global Venture	4,000,000	4,000,000	1.87%
6.	Sharon Harvey-Wilson	2,204,979	3,768,339	1.76%
	<i>Jeremy Wilson</i>	<i>1,563,360</i>		
7.	Michelle A. Myers Mayne	3,000,000	3,000,000	1.40%
8.	PWL Bamboo Holdings Limited	2,924,094	2,924,094	1.37%
9.	W. David McConnell	2,420,000	2,420,000	1.13%
10.	Apex Pharmacy	1,989,266	1,989,266	0.93%
	<b>Total</b>		<b>180,571,012</b>	<b>84.38%</b>
	<b>Total Issued Shares</b>		<b>214,000,000</b>	<b>100.00%</b>

### Directors & Senior Officers

	<i>Connected Parties</i>	Shares Held	Combined Holdings	% of Issued Shares
<b>Directors</b>				
W. David McConnell		2,420,000	112,231,000	52.44%
	<i>Granite Group Limited</i>	<i>109,000,000</i>		
	<i>St. Elizabeth Holdings Limited</i>	<i>811,000</i>		
R. Evan Thwaites		1,700,000	110,700,000	51.73%
	<i>Granite Group Limited</i>	<i>109,000,000</i>		
Gary Peart		-	46,853,721	21.89%
	<i>Mayberry Jamaican Equities Limited</i>	<i>39,853,721</i>		
	<i>Catherine Peart</i>	<i>7,000,000</i>		
Christopher Berry		-	44,767,081	20.92%
	<i>Mayberry Jamaican Equities Limited</i>	<i>39,853,721</i>		
	<i>PWL Bamboo Holdings Limited</i>	<i>2,924,094</i>		
	<i>Apex Pharmacy Limited</i>	<i>1,989,266</i>		
Wayne N. Hardie		1,025,727	1,025,727	0.48%
Christian Tavares-Finson		666,000	666,000	0.31%
Anthony Bell		-	300,000	0.14%
	<i>Jean Bell</i>	<i>300,000</i>		
<b>Senior Officers</b>				
Yvonne Daley		250,000	250,000	0.12%
Maurice Bolt		200,000	200,000	0.09%

"Success seems to be connected with action.  
Successful people keep moving"

- Conrad Hilton Sr.

