



UNAUDITED FINANCIAL STATEMENTS FOR  
THREE MONTHS ENDED 31<sup>th</sup> MARCH 2017



# 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 quarter ended 31st March 2017.

At the end of the period, gross written premium amounted to \$61.94 million compared to \$7 million in the same period last year, an increase of 882%. Net earned premium totaled \$9.7 million compared to (\$1.8) million in 2016. With operating expenses of \$31 million and claims incurred of \$12.7m, the company produced an underwriting loss of \$33.5 million versus \$17.9 million in the corresponding period last year.

Other income amounted to \$6.2 million, compared to \$3.6 million posted for the same period last year.

Consequently, the company produced a loss of \$27.3 million versus a loss of \$14.4 million in 2016.



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R. Evan Thwaites  
Managing Director



**IronRock Insurance Company Limited**  
**Statement of Comprehensive Income**  
**For the three months ended March 31, 2017**

	<b>Unaudited 3 months Mar 31, 2017 \$'000</b>	<b>Unaudited 3 months Mar 31, 2016 \$'000</b>	<b>Audited Dec 31, 2016 \$'000</b>
Gross Premium	61,940	7,022	127,346
Less proportional reinsurance	(42,296)	(4,152)	(71,945)
Excess of loss premium	<u>(6,442)</u>	<u>(2,059)</u>	<u>(8,871)</u>
Net premium	13,200	811	46,530
Unearned premium adjustment, net	<u>(3,502)</u>	<u>(2,563)</u>	<u>(38,736)</u>
Net earned premium	9,700	(1,752)	7,794
Commission earned	5,403	91	10,839
Commission incurred	(4,876)	(39)	(5,708)
Claims, net	(12,691)	-	(4,042)
Operating expenses	<u>(31,031)</u>	<u>(16,295)</u>	<u>(91,075)</u>
<b>Underwriting loss</b>	<b>(33,495)</b>	<b>(17,995)</b>	<b>(82,191)</b>
<b>Other income</b>			
Investment income	7,450	532	16,946
Bank interest	1	11	59
Loss on sale of Investment	(1,552)	-	-
Foreign exchange gain	<u>316</u>	<u>3,059</u>	<u>14,867</u>
	<u>6,215</u>	<u>3,602</u>	<u>31,872</u>
(Loss) before taxation	(27,280)	(14,393)	(50,319)
Taxation	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(27,280)</u>	<u>(14,393)</u>	<u>(50,319)</u>
 (Loss) per share (cents per share)	 <u>(0.12)</u>	 <u>(0.06)</u>	 <u>(0.23)</u>



**IronRock Insurance Company Limited**  
**Statement of Financial Position**  
**March 31, 2017**

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	<b>Unaudited Year ended March 31, 2017 \$'000</b>	<b>Audited December 31, 2016 \$'000</b>
<b><u>ASSETS</u></b>		
Cash and cash equivalents	158,821	86,236
Investments	365,856	365,542
Insurance and other receivables	57,062	47,118
Reinsurance assets	62,850	41,716
Taxation recoverable	4,996	2,622
Short-term Investments	-	70,347
Securities purchased under resale agreements	31,002	30,649
Property plant and equipment	19,641	20,711
Intangible Asset	4,230	4,345
Deferred acquisition Cost	<u>12,100</u>	<u>9,739</u>
	<u>716,558</u>	<u>679,025</u>
 <b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>		
Insurance and other payables	44,649	25,419
Insurance contract provisions	120,077	84,095
Deferred commission income	<u>12,514</u>	<u>9,332</u>
Total Insurance Funds	177,240	118,846
Shareholders' equity	<u>539,318</u>	<u>560,179</u>
	<u>716,558</u>	<u>679,025</u>

\_\_\_\_\_ Managing Director  
R. Evan Thwaites

\_\_\_\_\_ Director of Finance  
Wayne Hardie

**IronRock Insurance Company Limited**  
**Statement of Changes in Shareholders' Equity**  
**For the three months ended March 31, 2017**

	Ordinary share capital \$'000	Capital reserve \$'000	Investment Revaluation reserve \$'000	Retained earnings \$'000	Total \$'000
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>(14,393)</u>	<u>(14,393)</u>
Other Comprehensive income:					
Equity revaluation reserve	-	-	-	-	-
Issue of shares	373,526	-	-	-	373,526
Contributed capital	<u>-</u>	<u>139,340</u>	<u>-</u>	<u>-</u>	<u>139,340</u>
Total Other Comprehensive income	<u>373,526</u>	<u>139,340</u>	<u>-</u>	<u>-</u>	<u>512,867</u>
Balances as at March 31, 2016	<u>472,351</u>	<u>139,340</u>	<u>-</u>	<u>(14,280)</u>	<u>597,412</u>
Balances as at December 31, 2016	<u>465,540</u>	<u>139,340</u>	<u>5,505</u>	<u>(50,206)</u>	<u>560,179</u>
Net loss for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>(27,280)</u>	<u>(27,280)</u>
Other Comprehensive income:					
Equity revaluation reserve	<u>-</u>	<u>-</u>	<u>6,419</u>	<u>-</u>	<u>6,419</u>
Total Other Comprehensive income	<u>-</u>	<u>-</u>	<u>6,419</u>	<u>-</u>	<u>6,419</u>
Balances as at March 31, 2017	<u>465,540</u>	<u>139,340</u>	<u>11,924</u>	<u>(77,486)</u>	<u>539,318</u>



**IronRock Insurance Company Limited**  
**Statement of Cash flows**  
**For the three months ended March 31, 2017**

	<b>Unaudited 31-Mar-17 \$'000</b>	<b>Audited 31-Dec-16 \$'000</b>	<b>Unaudited 31-Mar 16 \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss)/Profit after taxation	(27,280)	(50,319)	(14,393)
Adjustments to reconcile (loss)/profit to net cash provided by operating activities:			
Depreciation	1,278	4,218	620
Gain/Loss on disposal of investment	1,552		
Increase in insurance funds	19,069	42,379	3,053
Taxation	-		
Interest income	<u>(7,450)</u>	<u>(15,888)</u>	<u>(532)</u>
	(12,831)	(19,610)	(11,252)
Increase in current assets:			
Insurance and other receivables	(17,753)	(35,137)	( 2,472)
Deferred Policy acquisition cost	(2,361)	(9,739)	
Taxation Paid	<u>(2,374)</u>	<u>(2,539)</u>	
	(22,488)	(47,415)	(2,472)
Increase/(decrease) in current liabilities:			
Insurance and Other Payables	18,717	24,919	1,828
Unearned Commission	<u>3,182</u>	<u>9,332</u>	
	<u>21,899</u>	<u>34,251</u>	<u>1,828</u>
Net cash used by operating activities	<u>(13,420)</u>	<u>(32,774)</u>	<u>(11,896)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
(Increase)/decrease in:			
Short-term Investments, Net	70,347	19,869	
Securities Purchased/Sold under resale agreement	(352)	(30,649)	
Investment, Net	(243)	(360,037)	(104,857)
Additions to fixed assets	(92)	29,274	(23,981)
Proceeds from the sale of Investments	4,795		
Interest received	<u>11,549</u>	<u>8,334</u>	<u>533</u>
Net cash proceeds/(used) by investing activities	<u>86,004</u>	<u>(391,757)</u>	(128,305)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Issue of Ordinary Share	-	366,715	373,526
Contributed Capital	-	<u>139,340</u>	<u>139,340</u>
Net cash provided by financing activities	-	<u>506,055</u>	<u>512,866</u>
Net increase in cash and cash equivalents	72,585	81,524	372,665
Cash and cash equivalents at beginning of period/year	<u>86,236</u>	<u>4,712</u>	<u>4,712</u>
Cash and cash equivalents at end of period/year	<u>158,821</u>	<u>86,236</u>	<u>377,377</u>

Notes to the Unaudited Financial Statements  
For the three months ended March 31, 2017

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.

5. 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  
As at March 31, 2017

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

**Top Ten Shareholders**

<b><u>Name</u></b>	<b><u>Shareholdings</u></b>
Granite Group Ltd	109,000,000
Mayberry West Indies Limited	45,541,323
Catherine Adella Peart	7,000,000
Sharon Harvey-Wilson	3,768,339
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	1,989,266

**Connected Persons**

<b><u>Connected Persons</u></b>	<b><u>Shareholdings</u></b>
Jean Bell	300,000

**Shareholdings of Directors and Senior Officers**

<b><u>Directors</u></b>	<b><u>Shareholdings</u></b>	<b><u>Connected Persons</u></b>
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	-	111,420,000
Christopher Berry	-	48,530,589
Gary Peart	-	53,541,323
Jan Polack	-	-
<b><u>Senior Officers</u></b>		
Yvonne Daley	250,000	-
Maurice Bolt	200,000	-