



## 2022 Q3: QUARTERLY REPORT

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**Unaudited Financial Statements  
as at**

**30 September 2022**



# 1. Report to Stockholders

The Directors take pleasure in presenting the unaudited financial statements of IronRock Insurance Company Limited (“IronRock”) for the quarter ended 30 September 2022.

## Managing Director's Report

We have had strong growth in Gross Written Premium (GWP), which continues to benefit from increased commercial activity and growth in the economy. Property insurance rates continue to increase and all indications are that these increases will continue into the new year. We have benefited from this trend, with growth in our GWP for Property, topping 33% on a year-to-date basis. Motor losses continue to increase and have contributed significantly to our Underwriting Losses.

Locally, interest rates continue to rise and Management revised our investment strategy to take advantage of the prevailing conditions.

## Financial Review

### For the Third Quarter

Our GWP for the quarter increased by 27% to \$265 million compared to \$209 million in 2021. Proportional reinsurance ceded increased to 78% of GWP, however, excess of loss reinsurance costs fell by approximately 8% to \$12 million. Commissions (net) increased by over 70% to \$9 million, while Claims (net) reduced by 37% to \$17.5 million. Operating expenses were flat at \$54 million. Our Underwriting loss fell to \$17 million, from a loss of \$28 million in 2021.

Other income increased by 40% to \$30.7 million versus \$21.8 million in 2021, led by Gains on the sale of investments of \$5.4 million and Investment Income which increased by 25% to \$14 million. We ended the quarter with a Profit of \$13 million, compared to a loss of \$6 million in 2021.

### Year-to-date

For the year to date, our GWP increased by over 20% and now totals \$760 million, an increase of 20% over the prior year. Our Commissions (net) totalled \$28 million, an increase of 115% when compared to the corresponding period in 2021. Operating expenses increased by 9% and now amount to \$159 million. Claims (net) reduced by \$10 million to \$60 million but this reduction was offset by a reduction of \$19 million in our earned premium and thus our Underwriting loss increased to \$67 million.

Other income increased by \$4 million to \$54 million with investment income \$39 million and investment gains of \$8.6 million being the largest contributors. Consequently, for the nine months ended 30 September 2022, IronRock generated a Net loss of \$12.6 million.

Total Assets grew by 20% and amount to \$1.7 billion, whilst Shareholders' Equity increased by \$50 million to \$608 million, an increase of 6%, both when compared to the corresponding period in 2021.

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 30 September 2022  
(expressed in Jamaican dollars)

	Unaudited 3 months ended		Unaudited 9 months ended		Audited Year ended
	30-Sep- 22	30-Sep- 21	30-Sep- 22	30-Sep- 21	31-Dec- 21
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Gross written premium</b>	<b>265,421</b>	<b>209,399</b>	<b>759,652</b>	<b>620,536</b>	<b>881,209</b>
Proportional reinsurance	(207,992)	(150,839)	(603,773)	(452,448)	(634,278)
Excess of loss reinsurance	(12,343)	(13,433)	(37,059)	(40,339)	(52,482)
<b>Net written premium</b>	<b>45,087</b>	<b>45,126</b>	<b>118,820</b>	<b>127,749</b>	<b>194,449</b>
Unearned premium adjustment, net	627	3,576	4,551	14,460	(4,171)
<b>Net earned premium</b>	<b>45,714</b>	<b>48,703</b>	<b>123,371</b>	<b>142,209</b>	<b>190,278</b>
Commission earned	39,238	30,036	116,116	88,559	173,186
Commission incurred	(30,230)	(24,817)	(88,141)	(75,533)	(101,630)
Claims, net	(17,524)	(27,790)	(59,892)	(70,096)	(91,074)
Operating expenses	(54,442)	(54,062)	(158,537)	(144,323)	(188,781)
<b>Underwriting profit / (loss)</b>	<b>(17,244)</b>	<b>(27,931)</b>	<b>(67,083)</b>	<b>(59,184)</b>	<b>(18,021)</b>
<b>Other income</b>					
Investment income	14,076	11,249	39,282	31,776	43,869
Miscellaneous income	3,375	2	3,378	11	13
Gain / (loss) on sale of investment	5,447	1,871	8,623	2,950	9,852
Gain / (loss) on sale of fixed assets	-	-	-	-	-
Foreign exchange gain / (loss)	7,809	8,765	3,180	15,597	25,131
<b>Total other income</b>	<b>30,707</b>	<b>21,887</b>	<b>54,463</b>	<b>50,334</b>	<b>78,865</b>
<b>Profit / (Loss) before taxation</b>	<b>13,463</b>	<b>(6,044)</b>	<b>(12,620)</b>	<b>(8,850)</b>	<b>60,844</b>
Deferred Taxation	-	-	-	-	(7,132)
<b>Net profit / (loss) for period</b>	<b>13,463</b>	<b>(6,044)</b>	<b>(12,620)</b>	<b>(8,850)</b>	<b>53,712</b>
<b>Profit / (Loss) per stock unit</b>	<b>\$ 0.06</b>	<b>\$ (0.03)</b>	<b>\$ (0.06)</b>	<b>\$ 0.04</b>	<b>\$ 0.25</b>

**2.2 Statement of Financial Position**  
**As at 30 September 2022**  
 (expressed in Jamaican dollars)

	Unaudited		Audited
	30-Sep-22	30-Sep-21	31-Dec-21
	\$'000	\$'000	\$'000
<b>ASSETS</b>			
Property plant and equipment	21,851	22,252	20,485
Intangible assets	2,708	3,404	3,190
Deferred taxation	7,992	15,124	7,992
Investments	501,501	710,369	634,850
Deferred acquisition costs	55,347	46,364	46,849
Reinsurance assets	511,175	366,791	408,323
Insurance and other receivables	261,776	205,709	224,334
Taxation recoverable	38,678	31,853	32,966
Due from related party	2,984	2,984	2,984
Short-term investments	139,805	20,000	80,525
Securities purchased under resale agreements	-	-	12,275
Cash and cash equivalents	175,374	10,098	69,637
	<b>1,719,191</b>	<b>1,434,948</b>	<b>1,544,410</b>
<b>LIABILITIES AND SHAREHOLDER EQUITY</b>			
	-	-	-
Insurance and other payables	319,218	227,810	224,917
Insurance contract provisions	720,488	592,017	647,546
Finance Lease Obligation	1,709	1,249	-
Deferred commission income	69,339	55,001	55,302
Total Liabilities	1,110,754	876,077	927,765
Shareholders' equity	608,437	558,871	619,645
	<b>1,719,191</b>	<b>1,434,948</b>	<b>1,547,410</b>



R. Evan Thwaites  
**Managing Director**



Wayne Hardie  
**Finance Director**

## 2.3 Statement of Changes in Shareholders' Equity

For the Period ended 30 September 202

(expressed in Jamaican dollars)

	Ordinary share capital	Capital reserve	Investment revaluation reserve	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balances as at 31 December 2020	<b>465,540</b>	<b>139,340</b>	<b>4,549</b>	<b>(42,328)</b>	<b>567,101</b>
Net profit / (loss) for the period	-	-	-	(8,850)	(8,850)
Other comprehensive income:					
Fair value gain / (loss) on investments	-	-	620	-	620
Balances as at 30 September 2021	<b>465,540</b>	<b>139,340</b>	<b>5,169</b>	<b>(51,178)</b>	<b>558,871</b>
Balances as at 31 December 2021	465,540	139,340	3,381	11,384	619,645
Net profit / (loss) for the period	-	-	-	(12,620)	(12,620)
Other comprehensive income:					
Fair value gain / (loss) on investments	-	-	1,412	-	1,412
Balances as at 30 September 2022	<b>465,540</b>	<b>139,340</b>	<b>4,793</b>	<b>(1,236)</b>	<b>608,437</b>

## 2.4 Statement of Cash Flows

For the Period ended 30 September 2022  
(expressed in Jamaican dollars)

	Unaudited 9 months ended		Audited Year ended
	30-Sep-22	30-Sep-21	31-Dec-21
	\$'000	\$'000	\$'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit / (Loss) after taxation	(12,620)	(8,850)	53,712
Depreciation	8,843	6,488	4,035
Lease interest expense	-	-	-
Deferred taxation	-	-	7,132
Loss / (Gain) on disposal of fixed assets	-	-	-
Loss / (Gain) on sale of investment	(8,623)	(2,950)	(9,852)
Increase / (Decrease) in insurance funds	(29,910)	13,680	27,676
Taxation	-	-	-
Interest income	(39,282)	(31,776)	(43,869)
	(81,592)	(23,408)	38,834
Decrease / (Increase) in current assets:			
Insurance and other receivables	(35,177)	11,739	(6,589)
Due from related party	-	(2,984)	(2,984)
Deferred policy acquisition costs	(8,498)	(5,927)	(6,412)
Taxation paid	(5,712)	(5,210)	(6,323)
	(49,387)	(2,382)	(22,308)
Increase / (Decrease) in current liabilities:			
Insurance and other payables	94,301	16,818	13,867
Unearned Commission	14,037	7,708	8,009
	108,338	24,526	21,876
<b>Net cash provided by / (used in) operating activities</b>	<b>(22,641)</b>	<b>(1,264)</b>	<b>38,402</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
	-	-	-
Decrease / (Increase) in:			
Short-term Investments, net	(59,280)	10,000	(50,525)
Securities (purchased) / sold under resale agreements	15,275	94,764	79,489
Investments, net	110,534	(202,564)	(174,836)
Disposal / (Acquisition) of fixed assets	(10,209)	(16,945)	(12,082)
Intangibles	482	429	-
Proceeds on sale of fixed assets	-	-	-
Proceeds on sale of investments	32,850	61,072	113,976
Interest received	37,017	31,776	43,632
<b>Net cash provided by / (used in) investing activities</b>	<b>126,669</b>	<b>(21,468)</b>	<b>(346)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
	-	-	-
Increase / (Decrease) in:			
Lease liability, net	1,709	1,249	-
<b>Net cash provided by / (used in) financing activities</b>	<b>1,709</b>	<b>1,249</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>105,737</b>	<b>(21,483)</b>	<b>38,056</b>
Opening cash and cash equivalents	69,637	31,581	31,581
<b>Closing cash and cash equivalents</b>	<b>175,374</b>	<b>10,098</b>	<b>69,637</b>

### 3. Notes to the Unaudited Financial Statements

For the period ended 30 September 2022

#### 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 30 September 2022

### Top Ten Shareholders

	<i>Connected Parties</i>	<b>Shares Held</b>	<b>Combined Holdings</b>	<b>% of Issued Shares</b>
1.	Granite Group Limited	109,000,000	109,000,000	<b>50.93%</b>
2.	Mayberry Jamaican Equities Limited	40,495,825	40,495,825	<b>18.92%</b>
3.	Catherine Adella Peart	7,000,000	7,000,000	<b>3.27%</b>
4.	Mayberry Managed Client Accounts	6,189,009	6,189,009	<b>2.89%</b>
5.	Sigma Global Venture	4,000,000	4,000,000	<b>1.87%</b>
6.	Sharon Harvey-Wilson	2,204,979	3,768,339	<b>1.76%</b>
	<i>Jeremy Wilson</i>	<i>1,563,360</i>		
7.	Michelle A. Myers Mayne	3,000,000	3,000,000	<b>1.40%</b>
8.	PWL Bamboo Holdings Limited	2,924,094	2,924,094	<b>1.37%</b>
9.	W. David McConnell	2,420,000	2,420,000	<b>1.13%</b>
10.	Apex Pharmacy	1,989,266	1,989,266	<b>0.93%</b>
	<b>Total</b>		<b>180,876,533</b>	<b>84.48%</b>
	<b>Total Issued Shares</b>		<b>214,000,000</b>	<b>100.00%</b>

### Directors & Senior Officers

	<i>Connected Parties</i>	<b>Shares Held</b>	<b>Combined Holdings</b>	<b>% of Issued Shares</b>
<b>Directors</b>				
W. David McConnell		2,420,000	112,231,000	<b>52.44%</b>
	<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	<b>51.73%</b>
	<i>Granite Group Limited</i>	<i>109,000,000</i>		
Gary Peart		-	47,495,825	<b>22.19%</b>
	<i>Mayberry Jamaican Equities Limited</i>	<i>40,495,825</i>		
	<i>Catherine Peart</i>	<i>7,000,000</i>		
Christopher Berry		-	45,409,185	<b>21.22%</b>
	<i>Mayberry Jamaican Equities Limited</i>	<i>40,195,825</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	<b>0.48%</b>
Christian Tavares-Finson		666,000	666,000	<b>0.31%</b>
Anthony Bell		-	300,000	<b>0.14%</b>
	<i>Jean Bell</i>	<i>300,000</i>		
<b>Senior Officers</b>				
Yvonne Daley		250,000	250,000	<b>0.12%</b>
Maurice Bolt		200,000	200,000	<b>0.09%</b>



A person is riding a motorcycle away from the camera on a paved road. The rider is wearing a red helmet and a yellow and green striped shirt. The motorcycle has a license plate that reads '0217 H'. In the background, a white van is driving away on the same road. The road is lined with lush green trees, and the scene is brightly lit, suggesting a sunny day.

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

- Conrad Hilton Sr.