



UNAUDITED FINANCIAL STATEMENTS FOR
NINE MONTHS ENDED 30th SEPTEMBER 2016

IronRock Insurance Company Limited

Table of Contents

Contents	Page
Report to Stockholders	3
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Shareholders' Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8
List of Shareholders	9

Report to Stockholders

The directors are pleased to present the unaudited financial statements of IronRock Insurance Company Limited (“IronRock”) for the nine months ended 30th September 2016.

At the end of the period, we had gross written premium of \$59.4 million and Other Income of \$25 million. We recorded a pre-tax loss of \$37.9 million for the period versus a budgeted loss of \$40.8 million.

Our operating expenses continue to track well below our projections.

We have now fully invested the funds raised in our IPO and have begun to benefit from increased flows of investment income.

We have completed the first phase of our software development and have commenced using the software in our operation and as expected, have benefited from a meaningful improvement in our operational efficiency. One of our broker partners is using our application and we should see the benefit of increased business flows from them in the final quarter.



R. Evan Thwaites

Managing Director

IronRock Insurance Company Limited
Statement of Comprehensive Income
September 30, 2016

	<u>9 months to</u> <u>Sept 30, 2016</u> <u>'000</u>	<u>3 months to</u> <u>Sept 30, 2016</u> <u>'000</u>	<u>Audited</u> <u>December 31, 2015</u> <u>'000</u>
Gross Premium	59,412	20,930	-
Less proportional reinsurance	(45,280)	(14,859)	-
Excess of loss premium	(6,185)	(2,065)	<u> </u>
Net premium	7,946	4,006	-
Unearned premium adjustment, net	(9,552)	(3,168)	<u> </u>
Net earned premium	(1,606)	838	-
Commission earned	3,617	2,354	-
Commission incurred	(2,230)	(1,524)	-
Claims, net	(508)	(508)	-
Operating expenses	(62,236)	(24,662)	(3,151)
Underwriting loss	(62,963)	(23,502)	(3,151)
Other income			
Investment	9,409	6,002	649
Bank interest	55	17	-
Foreign exchange gain	<u>15,584</u>	<u>3,538</u>	<u>2,694</u>
	<u>25,047</u>	<u>9,558</u>	<u>3,343</u>
(Loss)/profit before taxation	(37,916)	(13,944)	192
Taxation	<u>-</u>	<u>-</u>	(79)
	<u>\$(37,916)</u>	<u>\$(13,944)</u>	<u>113</u>
(Loss)/profit per share (cents per share)	<u>(0.18)</u>	<u>(0.07)</u>	<u>0.03</u>

IronRock Insurance Company Limited
Statement of Financial Position
September 30, 2016

	Unaudited 9 months September 30, 2016 <u>'000</u>	Audited December 31, 2015 <u>'000</u>
ASSETS		
Cash and cash equivalents	22,808	4,712
Investments	514,341	90,216
Insurance and other receivables	35,036	3,927
Reinsurance assets	31,263	-
Taxation recoverable	1,912	83
Property plant and equipment	26,044	-
Deferred acquisition Cost	<u>4,747</u>	<u>-</u>
	<u>\$636,151</u>	<u>98,938</u>
 LIABILITIES AND SHAREHOLDERS' EQUITY		
Insurance and other payables	18,350	-
Insurance contract provisions	41,285	-
Deferred commission income	<u>6,695</u>	<u>-</u>
Total Insurance Funds	47,979	-
Shareholders' equity	<u>569,822</u>	<u>98,938</u>
	<u>\$636,151</u>	<u>98,938</u>



 R. Evan Thwaites Managing Director



 Wayne Hardie Director of Finance

IronRock Insurance Company Limited
Statement of Changes in Shareholders' Equity
For the nine months ended September 30, 2016

	Ordinary share capital	Capital reserve	Investment Revaluation reserve	Retained earnings	Total
	<u>'000</u>	<u>'000</u>	<u>'000</u>	<u>'000</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>(37,916)</u>	<u>(37,916)</u>
Other Comprehensive income:					
Equity revaluation reserve	-	-	2,745	-	2,745
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>2,745</u>	<u>-</u>	<u>508,800</u>
Balances as at September 30, 2016	<u>\$465,540</u>	<u>139,340</u>	<u>2,745</u>	<u>(37,803)</u>	<u>569,822</u>

IronRock Insurance Company Limited
Statement of Cash flows
For the nine months ended September 30, 2016

	Unaudited 30-Sept-16 <u>'000</u>	Audited 31-Dec-15 <u>'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit after taxation	(37,916)	113
Adjustments to reconcile (loss)/profit to net cash provided by operating activities:		
Depreciation	2,948	-
Increase in insurance funds	11,969	-
Taxation	-	79
Interest income	(9,409)	(649)
	(32,407)	(457)
Increase in current assets:		
Premiums receivable	(15,980)	-
Interest receivable	(3,559)	
Other accounts receivable	(11,570)	(4,427)
Taxation Paid	(1,829)	(162)
	(32,937)	(4,589)
Increase/(decrease) in current liabilities:		
Due to other insurance companies	13,602	
Accounts payable	4,748	500
	18,350	500
Net cash used by operating activities	(46,944)	(4,546)
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase)/decrease in term deposits and monetary instruments	(421,381)	(90,216)
Additions to fixed assets	(28,993)	-
Interest received	9,409	649
Net cash used by investing activities	(440,965)	(89,567)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of Ordinary Share	366,715	98,825
Contributed Capital	139,340	-
Net cash provided by financing activities	506,055	98,825
Net increase in cash and bank balances	18,096	4,712
Cash at beginning of period	4,712	-
Cash at end of period	\$ 22,808	4,712

Notes to the Unaudited Financial Statements
 Nine months ended September 30, 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>	<u>2015</u>
	Units	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>
---------------------------------------	-----------------------	----------------------

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

Nine months ended September 30, 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
Stafford Burrowes/Marilyn Burrowes	2,000,000
Apex Pharmacy	1,943,266
YUAN LIAO	1,668,611

Connected Persons

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

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

Senior Officers

Yvonne Daley	250,000	-
Maurice Bolt	200,000	-