



UNAUDITED FINANCIAL STATEMENTS FOR
SIX MONTHS ENDED 30th JUNE 2018



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 30th June 2018.

Gross written premium for the first half of 2018 grew by 63% to \$282.1m (2017: \$173.3m) and net earned premium increased considerably to \$80.3m (2017: \$23m) an increase of 248%.

Net commissions totalled \$1.4m (2017: \$2m) whilst operating expenses and claims incurred amounted to \$73.9m (2017: \$64.5m) and \$38.2m (2017: \$21.3m) respectively, leading to a much reduced underwriting loss of \$30.3m versus \$60.6m in the corresponding period last year.

Other income for the period amounted to \$21.8m and compares favourably with \$14.3m for the same period last year. The company’s net result for the period under review is a loss of \$8.6m compared to a loss of \$46.3m in 2017.

Unrealised gains in our equity portfolio amounted to \$10m and have been credited to Investment Revaluation Reserve.

We wish to thank our staff, clients, brokers and reinsurers for their support during the year.



R. Evan Thwaites
Managing Director



IronRock Insurance Company Limited
Statement of Comprehensive Income
For the six months ended June 30, 2018

	Unaudited 3 months to Jun 30, 2018 \$'000	Unaudited 3 months to Jun 30, 2017 \$'000	Unaudited 6 months June 30, 2018 \$'000	Unaudited 6 months June 30, 2017 \$'000	Audited Dec 31, 2017 \$'000
Gross Premium	127,096	111,408	282,116	173,349	424,462
Less proportional reinsurance	(77,771)	(89,772)	(177,228)	(132,069)	(270,291)
Excess of loss premium	<u>(9,205)</u>	<u>(6,443)</u>	<u>(15,980)</u>	<u>(12,886)</u>	<u>(25,768)</u>
Net premium	40,120	15,193	88,908	28,395	128,403
Unearned premium adjustment, net	<u>1,840</u>	<u>(1,799)</u>	<u>(8,509)</u>	<u>(5,300)</u>	<u>(50,395)</u>
Net earned premium	41,960	13,394	80,399	23,094	78,008
Commission earned	14,004	7,246	29,274	12,649	33,630
Commission incurred	(13,907)	(5,745)	(27,829)	(10,621)	(31,456)
Claims, net	(20,918)	(8,585)	(38,221)	(21,275)	(46,829)
Operating expenses	<u>(36,347)</u>	<u>(33,439)</u>	<u>(73,961)</u>	<u>(64,471)</u>	<u>(134,735)</u>
Underwriting loss	(15,207)	(27,128)	(30,338)	(60,623)	(101,382)
Other income					
Investment income	8,019	7,750	16,076	15,201	30,736
Bank interest	2	2	4	3	4
Profit/(Loss) on sale of Investment	41	4	41	(1,549)	24,085
Foreign exchange gain	<u>3,248</u>	<u>363</u>	<u>5,656</u>	<u>679</u>	<u>(1,305)</u>
	<u>11,310</u>	<u>8,118</u>	<u>21,777</u>	<u>14,334</u>	<u>53,520</u>
(Loss) before taxation	(1,097)	(19,010)	(5,761)	(46,290)	(47,862)
Taxation	<u>(3,897)</u>	<u>(60)</u>	<u>(8,561)</u>	<u>(60)</u>	<u>-</u>
	<u>(3,897)</u>	<u>(19,070)</u>	<u>(8,561)</u>	<u>(46,350)</u>	<u>(47,862)</u>
(Loss) per share (cents per share)	<u>(0.02)</u>	<u>(0.09)</u>	<u>(0.04)</u>	<u>(0.22)</u>	<u>(0.22)</u>



IronRock Insurance Company Limited
Statement of Financial Position
June 30, 2018

	Unaudited 6 months June 30, 2018 \$'000	Audited Year ended December 31, 2017 \$'000
ASSETS		
Cash and cash equivalents	117,993	56,502
Investments	325,194	280,610
Insurance and other receivables	112,836	166,307
Reinsurance assets	211,369	190,771
Taxation recoverable	12,504	9,160
Short-term Investments	79,255	171,351
Securities purchased under resale agreements	80,024	17,256
Property plant and equipment	14,957	16,398
Intangible Asset	5,439	5,760
Deferred acquisition Cost	<u>28,616</u>	<u>23,650</u>
	<u>988,187</u>	<u>937,765</u>
 LIABILITIES AND SHAREHOLDERS' EQUITY		
Insurance and other payables	86,571	100,682
Insurance contract provisions	359,893	303,392
Deferred commission income	<u>27,929</u>	<u>21,352</u>
Total Insurance Funds	474,391	425,426
 Shareholders' equity	 <u>513,796</u>	 <u>512,339</u>
	<u>988,187</u>	<u>937,765</u>

Managing Director
R. Evan Thwaites

Director of Finance
Wayne Hardie

IronRock Insurance Company Limited
Statement of Changes in Shareholders' Equity
For the six months ended June 30, 2018

	<u>Ordinary share capital</u> \$'000	<u>Capital reserve</u> \$'000	<u>Investment Revaluation reserve</u> \$'000	<u>Retained earnings</u> \$'000	<u>Total</u> \$'000
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>(46,350)</u>	<u>(46,350)</u>
Other Comprehensive income:					
Equity revaluation reserve	<u>-</u>	<u>-</u>	<u>9,869</u>	<u>-</u>	<u>9,869</u>
Total Other Comprehensive income	<u>-</u>	<u>-</u>	<u>9,869</u>	<u>-</u>	<u>9,869</u>
Balances as at June 30, 2017	<u>465,540</u>	<u>139,340</u>	<u>15,374</u>	<u>(96,556)</u>	<u>523,698</u>
Balances as at December 31, 2017	<u>465,540</u>	<u>139,340</u>	<u>5,527</u>	<u>(98,068)</u>	<u>512,339</u>
Net loss for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,561)</u>	<u>(8,561)</u>
Other Comprehensive income:					
Equity revaluation reserve	<u>-</u>	<u>-</u>	<u>10,018</u>	<u>-</u>	<u>10,018</u>
Total Other Comprehensive income	<u>-</u>	<u>-</u>	<u>10,018</u>	<u>-</u>	<u>10,018</u>
Balances as at June 30, 2018	<u>465,540</u>	<u>139,340</u>	<u>15,545</u>	<u>(106,629)</u>	<u>513,797</u>

IronRock Insurance Company Limited
Statement of Cash flows
For the six months ended June 30, 2018

	Unaudited 30-June-18 \$'000	Audited 31-Dec-17 \$'000	Unaudited 30-June 17 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/Profit after taxation	(8,561)	(47,862)	(46,350)
Adjustments to reconcile (loss)/profit to net cash provided by operating activities:			
Depreciation	2,563	1,278	2,557
Gain/Loss on disposal of investment	(41)	1,552	1,549
Increase in insurance funds	35,903	19,069	16,756
Taxation			60
Interest income	<u>(16,076)</u>	<u>(7,450)</u>	<u>(15,201)</u>
	13,788	(12,831)	(40,629)
Increase in current assets:			
Insurance and other receivables	53,796	(17,753)	(58,620)
Deferred Policy acquisition cost	(4,966)	(2,361)	(4,372)
Taxation Paid	<u>(3,344)</u>	<u>(2,374)</u>	<u>(3,213)</u>
	45,486	(22,488)	(66,205)
Increase/(decrease) in current liabilities:			
Insurance and Other Payables	(14,111)	18,717	60,769
Unearned Commission	<u>6,575</u>	<u>3,182</u>	<u>6,613</u>
	<u>(7,536)</u>	<u>21,899</u>	<u>67,382</u>
Net cash used by operating activities	<u>51,738</u>	<u>(13,420)</u>	<u>(39,452)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase)/decrease in:			
Short-term Investments, Net	92,096	70,347	(38,914)
Securities Purchased/Sold under resale agreement	(62,768)	(352)	30,649
Investment, Net	(46,479)	(243)	(40,046)
Additions to fixed assets	(1,122)	(92)	(209)
Intangibles	321		
Proceeds from the sale of Investments	11,954	4,795	
Interest received	<u>15,751</u>	<u>11,549</u>	<u>15,108</u>
Net cash proceeds/(used) by investing activities	<u>9,753</u>	<u>86,004</u>	<u>(23,719)</u>
Net increase in cash and cash equivalents	61,491	72,585	(63,171)
Cash and cash equivalents at beginning of period/year	<u>56,502</u>	<u>86,236</u>	<u>86,236</u>
Cash and cash equivalents at end of period/year	<u>117,993</u>	<u>158,821</u>	<u>23,065</u>

Notes to the Unaudited Financial Statements
For the six months ended June 30, 2018

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 June 30, 2018

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 Jamaican Equities Limited	42,506,271
Mayberry Managed Clients Accounts	8,503,573
Catherine Adella Peart	7,000,000
Sharon Harvey-Wilson	3,768,339
Michelle A. Myers Mayne	3,000,000
Bamboo Group Holdings Limited	2,971,530
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

<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	-	109,811,000
Wayne N. Hardie	1,025,727	-
Anthony Bell	-	300,000
William D. McConnell	-	112,231,000
Christopher Berry	-	47,467,067
Gary Peart	-	49,506,271
Jan Polack	-	-
<u>Senior Officers</u>		
Yvonne Daley	250,000	-
Maurice Bolt	200,000	-