



2019 Q1: QUARTERLY REPORT

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Unaudited Financial Statements

**as at
31 March 2019**

1. Managing Director's Comments

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 2019.

Gross written premium for the 3 months was down to \$121 million (Q12018: \$155 million). The reduction is due primarily to our reassessment of portfolio risk, which resulted in the non-renewal of several large accounts and secondly, to timing issues related to the processing of a large renewal transaction.

Net earned premium grew by 24% to \$47.7 million (Q12018: \$38.4 million), due to an increase in premium retention to 51% (Q12018: 33%) and a lower unearned premium adjustment. Claims Incurred for the quarter increased 56% to \$27 million (Q12018: \$17.3 million) while operating expenses fell 7% to \$37.6 million (Q12018: \$31 million) and net commission was negative \$3 million versus a positive of \$1.3 million in the previous year.

Consequently, we generated an underwriting loss of \$17.5 million versus an Underwriting loss of \$15.1 million in the first quarter of 2018.

Other income for the period totalled \$7.8 million (Q12018: \$10.5 million) and consisted primarily of investment income of \$8.5 million, offset by a foreign exchange loss of \$0.7 million.

IronRock's net loss for the period under review was \$9.7 million compared to a loss of \$4.6 million in the previous year.

Shareholder equity grew to \$527 million (FY2018: 515 million), due to a sizeable fair value gain on investments of \$22 million.



R. Evan Thwaites
Managing Director

2.1 Statement of Comprehensive Income

For the Period ended 31 March 2019

(expressed in thousands of Jamaican dollars)

	Unaudited 3 months ended		Audited
	31-Mar-19	31-Mar-18	31-Dec-18
	\$'000	\$'000	\$'000
Gross premium written	120,783	155,019	571,838
Proportional reinsurance	(59,062)	(99,456)	(321,708)
Excess of loss reinsurance	(11,865)	(6,774)	(35,135)
Net premium	49,856	48,789	214,995
Unearned premium adjustment, net	(2,139)	(10,350)	(30,777)
Net earned premium	47,717	38,439	184,218
Commission earned	14,504	15,270	66,314
Commission incurred	(17,531)	(13,922)	(60,023)
Claims, net	(27,032)	(17,304)	(72,387)
Operating expenses	(35,150)	(37,613)	(160,099)
Underwriting profit / (loss)	(17,492)	(15,130)	(41,977)
Investment income	8,453	8,057	32,218
Other income	14	2	1,004
Gain / (loss) on sale of investment	-	-	3,157
Foreing exchange gain / (loss)	(711)	2,408	8,370
Profit / (Loss) before taxation	(9,736)	(4,663)	2,772
Taxation	-	-	-
Net profit / (loss) for period	(9,736)	(4,663)	2,772
Profit / (Loss) per stock unit	\$ (0.05)	\$ (0.02)	\$ 0.01

2.2 Statement of Financial Position

As at 31 March 2019

(expressed in thousands of Jamaican dollars)

	Unaudited 3 months ended		Audited
	31-Mar-19	31-Mar-18	31-Dec-18
	\$'000	\$'000	\$'000
ASSETS			
Cash and cash equivalents	103,624	125,861	61,161
Long-term investments	496,804	333,050	434,587
Insurance and other receivables	142,083	104,812	142,134
Reinsurance assets	154,844	202,584	176,745
Taxation recoverable	16,965	11,513	15,260
Short-term investments	39,580	83,117	108,317
Securities purchased under resale agreements	-	45,025	20,297
Property plant and equipment	20,311	15,616	12,805
Intangible assets	4,957	5,599	5,118
Deferred acquisition costs	32,255	25,117	34,592
	1,011,423	952,294	1,011,016
LIABILITIES AND SHAREHOLDER EQUITY			
Insurance and other payables	109,183	81,802	109,971
Insurance contract provisions	349,797	337,811	360,200
Deferred commission income	25,279	24,516	26,132
Total insurance funds	484,259	444,129	496,303
Shareholders' equity	527,164	508,165	514,713
	1,011,423	952,294	1,011,016

2.3 Statement of Changes in Shareholders' Equity

For the Period ended 31 March 2019

(expressed in thousands of Jamaican dollars)

	Ordinary share capital	Capital reserve	Investment revaluation reserve	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balances as at 31 December 2017	465,540	139,340	5,527	(98,068)	512,339
Net profit / (loss) for the period	-	-	-	(4,663)	(4,663)
Other comprehensive income:					-
Fair value gain / (loss) on investments	-	-	489	-	489
Balances as at 31 March 2018	465,540	139,340	6,016	(102,731)	508,165
					-
Balances as at 31 December 2018	465,540	139,340	5,129	(95,296)	514,713
Net profit / (loss) for the period	-	-	-	(9,736)	(9,736)
Other comprehensive income:					-
Fair value gain / (loss) on investments	-	-	22,187	-	22,187
Balances as at 31 March 2019	465,540	139,340	27,316	(105,032)	527,164

2.4 Statement of Cash Flows

For the Period ended 31 March 2019

(expressed in thousands of Jamaican dollars)

	Unaudited 3 months ended		Audited
	31-Mar-19	31-Mar-18	31-Dec-18
	\$'000	\$'000	\$'000
CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (Loss) after taxation	(9,736)	(4,663)	2,772
Depreciation	2,656	1,352	5,197
Loss / (Gain) on sale of investment	-	-	(3,157)
Increase / (Decrease) in insurance funds	11,498	22,606	70,834
Taxation	-	-	-
Interest income	(8,453)	(8,057)	(27,458)
	(4,035)	11,238	48,188
Decrease / (Increase) in current assets:			
Insurance and other receivables	6,537	59,169	26,766
Deferred policy acquisition costs	2,337	(1,467)	(10,942)
Taxation recoverable	(1,705)	(2,353)	(6,100)
	7,169	55,349	9,724
Increase / (Decrease) in current liabilities:			
Insurance and other payables	(9,406)	(18,880)	9,289
Unearned Commission	(853)	3,164	4,780
	(10,259)	(15,716)	14,069
Net cash provided by / (used in) operating activities	(7,125)	50,871	71,981
CASH FLOW FROM INVESTING ACTIVITIES			
Decrease / (Increase) in:			
Short-term Investments, net	68,737	88,234	63,034
Securities under resale agreements	20,297	(27,769)	(3,041)
Long-term investments, net	(40,030)	(51,951)	(202,107)
Fixed assets	(10,162)	(570)	(962)
Intangibles	160	161	-
Gain / (Loss) on sale of investments	-	-	50,889
Interest received	10,586	10,383	24,865
Net cash provided by / (used in) investing activities	49,588	18,488	(67,322)
Net increase / (decrease) in cash and cash equivalents	42,463	69,359	4,659
Opening cash and cash equivalents	61,161	56,502	56,502
Closing cash and cash equivalents	103,624	125,861	61,161

3. Notes to the Unaudited Financial Statements

For the period ended **31 March 2019**

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.

The company commenced trading 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 year by the weighted average number of ordinary shares in issue.

4. Disclosure of Shareholdings

As at 31 March 2019

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	42,494,271	42,494,271	19.86%
3.	Mayberry Managed Client Accounts	7,841,863	7,841,863	3.66%
4.	Catherine Adella Peart	7,000,000	7,000,000	3.27%
5.	Sharon Harvey-Wilson	1,563,360	3,768,339	1.76%
	<i>Jeremy Wilson</i>	<i>2,204,979</i>		
6.	Michelle A. Myers Mayne	3,000,000	3,000,000	1.40%
7.	PWL Bamboo Holdings Limited	2,924,094	2,924,094	1.37%
8.	W. David McConnell	-	2,420,000	1.13%
	<i>Tania McConnell / Leah McConnell</i>	<i>808,000</i>		
	<i>Tania McConnell / David McConnell</i>	<i>806,000</i>		
	<i>Tania McConnell / W. David McConnell</i>	<i>806,000</i>		
9.	Apex Pharmacy	1,989,266	1,989,266	0.93%
10.	Yuan Liao	1,668,611	1,668,611	0.78%
	Total		182,106,444	85.10%
	Total Issued Shares		214,000,000	100.00%

Directors & Senior Officers

	<i>Connected Parties</i>	Shares Held	Combined Holdings	% of Issued Shares
Directors				
W. David McConnell		-	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>		
	<i>Tania McConnell</i>	<i>2,420,000</i>		
Richard Evan Thwaites		1,600,000	110,600,000	51.68%
	<i>Granite Group Limited</i>	<i>109,000,000</i>		
Gary Peart		-	49,494,271	23.13%
	<i>Mayberry Jamaican Equities Limited</i>	<i>42,494,271</i>		
	<i>Catherine Peart</i>	<i>7,000,000</i>		
Christopher Berry		-	47,407,631	22.15%
	<i>Mayberry Jamaican Equities Limited</i>	<i>42,494,271</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%
Anthony Bell		-	300,000	0.14%
	<i>Jean Bell</i>	<i>300,000</i>		
Senior Officers				
Yvonne Daley		250,000	250,000	0.12%
Maurice Bolt		200,000	200,000	0.09%

"Courage is knowing what
not to fear."

- Plato

