



## 2022 Q1: QUARTERLY REPORT

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**Unaudited Financial Statements**  
as at

**31 March 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 31 March 2022.

## Managing Director's Report

Despite the lingering effects of the COVID-19 pandemic, commercial activity increased in the first quarter of 2022, and late in the quarter, the Government withdrew the Order and all the measures under the Disaster Risk Management Act (DRMA). Both the increase in commercial activity and the withdrawal of measures under the DRMA are promising signs that the Jamaican economy will continue its recovery during the course of the year. IronRock's

Pricing of property and motor insurance continues to be an issue, especially as the increase in the rate of inflation is likely to result in an increase in the cost of claims. Whilst there are no clear indications, we remain optimistic that the market will respond appropriately. We are already seeing the negative effects of inflation on our operating expenses.

Our new business growth gained momentum during the quarter, with our Gross Written Premium (GWP) increasing by 31%, with growth in our Property and Motor portfolios exceeding 40%. With the increase in construction and the Government's spending on infrastructure and housing set to increase, we are optimistic that the Property segment of the market will continue to grow during the course of the year.

Interest rates continued to increase during the quarter and we expect rates to remain at elevated levels until inflation rate falls to the BOJ's target range of 4% to 6%. Local equity markets remained mixed, with the JSE Index falling marginally and the Junior Market Index rising by 23% during the quarter.

## Financial Review

### For the First Quarter

As mentioned previously, our GWP increased by 31% to total \$260,992 million. Whilst our growth was dominated by our Property and Motor portfolios, we are pleased that all portfolios recorded double digit increases. Due to increased reinsurance placements, our Commissions (net) increased by \$7.6 million to \$10.8 million, however, this increase was offset by a reduction of \$11 million in Net Earned Premium. Operating expenses grew by 19% to \$52.4 million and Claims (net) remained flat at \$18.5 million. Consequently our Underwriting loss increased to \$22.7 million.

Total Assets now amount to \$1.648 billion, an increase of \$234 million or 16% whilst Shareholders' Equity grew by \$41.7 million to \$614.3 million, an increase of 7%, both when compared to the corresponding period in 2021.

We wish to 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 31 March 2022

(expressed in Jamaican dollars)

	Unaudited 3 months ended		Audited Year ended
	31-Mar-22	31-Mar-21	31-Dec-21
	\$'000	\$'000	\$'000
<b>Gross written premium</b>	<b>260,992</b>	<b>198,650</b>	<b>881,209</b>
Proportional reinsurance	(212,083)	(142,377)	(634,278)
Excess of loss reinsurance	(12,365)	(13,435)	(52,482)
<b>Net written premium</b>	<b>36,543</b>	<b>42,838</b>	<b>194,448</b>
Unearned premium adjustment, net	851	5,653	(4,171)
<b>Net earned premium</b>	<b>37,394</b>	<b>48,491</b>	<b>190,277</b>
Commission earned	38,515	27,979	173,186
Commission incurred	(27,675)	(24,758)	(101,630)
Claims, net	(18,576)	(18,509)	(91,074)
Operating expenses	(52,419)	(44,131)	(188,781)
<b>Underwriting profit / (loss)</b>	<b>(22,761)</b>	<b>(10,928)</b>	<b>(18,022)</b>
	-	-	-
<b>Other income</b>	<b>-</b>	<b>-</b>	<b>-</b>
Investment income	12,559	9,666	43,869
Miscellaneous income	2	7	13
Gain / (loss) on sale of investments	-	-	9,852
Gain / (loss) on sale of fixed assets	-	-	-
Foreign exchange gain / (loss)	1,649	5,716	25,131
<b>Total other income</b>	<b>14,210</b>	<b>15,389</b>	<b>78,865</b>
<b>Profit / (Loss) before taxation</b>	<b>(8,551)</b>	<b>4,461</b>	<b>60,843</b>
Deferred Taxation	-	-	(7,132)
Taxation	-	-	-
<b>Net profit / (loss) for period</b>	<b>(8,551)</b>	<b>4,461</b>	<b>53,711</b>
<b>Profit / (Loss) per stock unit</b>	<b>\$ (0.04)</b>	<b>\$ 0.02</b>	<b>\$ 0.25</b>

## 2.2 Statement of Financial Position

As at 31 March 2022

(expressed in Jamaican dollars)

	Unaudited	Audited
	31-Mar-22	31-Dec-21
	\$'000	\$'000
<b>ASSETS</b>		
Property plant and equipment	24,501	20,485
Intangible assets	3,030	3,190
Deferred taxation	7,992	7,992
Investments	650,869	634,850
Deferred acquisition costs	51,196	46,849
Reinsurance assets	490,739	408,323
Insurance and other receivables	262,273	224,334
Taxation recoverable	34,914	32,966
Due from related party	2,984	2,984
Short-term investments	77,566	80,525
Securities purchased under resale agreements	37,889	15,275
Cash and cash equivalents	40,694	69,637
	<b>1,684,647</b>	<b>1,547,410</b>
<b>LIABILITIES AND SHAREHOLDER EQUITY</b>		
Insurance and other payables	313,945	224,917
Insurance contract provisions	691,089	647,546
Deferred commission income	65,245	55,302
Total Liabilities	1,070,279	927,765
Shareholders' equity	614,368	619,645
	<b>1,684,647</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 31 March 2022

(expressed in Jamaican dollars)

	Ordinary share capital	Capital reserve	Investment revaluation reserve	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balances as at 31 December 2020</b>	<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	-	-	-	4,461	4,461
Other comprehensive income:					
Fair value gain / (loss) on investments	-	-	1,065	-	1,065
<b>Balances as at 31 March 2020</b>	<b>465,540</b>	<b>139,340</b>	<b>5,614</b>	<b>(37,867)</b>	<b>572,627</b>
<b>Balances as at 31 December 2021</b>	<b>465,540</b>	<b>139,340</b>	<b>3,381</b>	<b>11,384</b>	<b>619,645</b>
Net profit / (loss) for the period	-	-	-	(8,551)	(8,551)
Other comprehensive income:					
Fair value gain / (loss) on investments	-	-	3,274	-	3,274
<b>Balances as at 31 March 2021</b>	<b>465,540</b>	<b>139,340</b>	<b>6,655</b>	<b>2,833</b>	<b>614,368</b>

## 2.4 Statement of Cash Flows

For the Period ended 31 March 2022

(expressed in Jamaican dollars)

	Unaudited 31-Mar-22	Audited 31-Dec-21
	\$'000	\$'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) after taxation	(8,551)	53,711
Depreciation	2,968	4,035
Lease interest expense	-	-
Deferred taxation	-	7,132
Loss / (Gain) on disposal of fixed assets	-	-
Loss / (Gain) on sale of investment	-	(9,852)
Increase / (Decrease) in insurance funds	(38,873)	27,676
Taxation	-	-
Interest income	(12,559)	(43,869)
	(57,015)	38,834
Decrease / (Increase) in current assets:		
Insurance and other receivables	(37,203)	(6,589)
Deferred policy acquisition costs	(4,347)	(6,412)
Due from related party	-	(2,984)
Taxation paid	(1,948)	(6,323)
	(43,498)	(22,308)
Increase / (Decrease) in current liabilities:		
Insurance and other payables	84,078	13,867
Unearned commission	9,943	8,009
	94,021	21,876
<b>Net cash provided by / (used in) operating activities</b>	<b>(6,492)</b>	<b>38,402</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Decrease / (Increase) in:		
Short-term Investments, net	2,959	(50,525)
Securities (purchased) / sold under resale agreements	(22,614)	79,489
Investments, net	(12,745)	(174,836)
Disposal / (Acquisition) of fixed assets	(6,984)	(12,082)
Intangibles	160	-
Proceeds on sale of fixed assets	-	-
Proceeds on sale of investments	-	113,976
Interest received	11,823	43,632
<b>Net cash provided by / (used in) investing activities</b>	<b>(27,401)</b>	<b>(346)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase / (Decrease) in:		
Lease liability, net	4,950	-
<b>Net cash provided by / (used in) financing activities</b>	<b>4,950</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(28,943)</b>	<b>38,056</b>
Opening cash and cash equivalents	69,637	31,581
<b>Closing cash and cash equivalents</b>	<b>40,694</b>	<b>69,637</b>

### 3. Notes to the Unaudited Financial Statements

For the period ended 31 March 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 31 March 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	40,093,502	40,093,502	<b>18.74%</b>
3.	Catherine Adella Peart	7,000,000	7,000,000	<b>3.27%</b>
4.	Mayberry Managed Client Accounts	6,341,862	6,341,862	<b>2.96%</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>180,571,012</b>	<b>84.38%</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		-	47,093,502	<b>22.01%</b>
	<i>Mayberry Jamaican Equities Limited</i>	<i>39,853,721</i>		
	<i>Catherine Peart</i>	<i>7,000,000</i>		
Christopher Berry		-	45,006,862	<b>21.03%</b>
	<i>Mayberry Jamaican Equities Limited</i>	<i>39,853,721</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 sunlight filters through the leaves, creating dappled shadows on the pavement.

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

- Conrad Hilton Sr.