



## 2022 Q4: QUARTERLY REPORT

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**Unaudited Financial Statements  
as at**

**31 December 2022**



# 1. Report to Stockholders

The Directors take pleasure in presenting the unaudited financial statements of IronRock Insurance Company Limited (“IronRock”) for the quarter and year ended 31 December 2022.

## Managing Director's Report

IronRock produced strong results in the year under review, which was characterised by a significant hardening of property rates in the final quarter. We had robust growth in gross revenue across all classes, but in particular our Engineering class, which benefited from insurance placements associated with the increased construction activity being experienced across the island.

Our underwriting result was affected by the significant increase in the frequency and severity of Motor claims that we, and the industry, have experienced during the course of the year. In addition, operating Expenses were negatively impacted by inflation and additional costs incurred in preparing for the adoption of new accounting standards (IFRS 9 and 17) at January 1, 2023.

Investment income benefited from the increase in short term interest rates, which have remained at elevated levels for most of the year. As expected, the higher interest rates have negatively affected equity markets, however, our revised investment strategy anticipated this outcome and we have reduced our exposure, thus the impact on our investment portfolio was marginal. Exchange rates remained relatively stable during the year and this is reflected in a significant reduction in Foreign Exchange Gains

## Financial Review

### For the Fourth Quarter

Gross written premium ("GWP") increased by 32% in the quarter and totalled \$344.6 million, up from \$261 million in the prior year's quarter. Due to increased reinsurance placements, our Net Earned Premium reduced to \$45.0 million but this reduction was more than offset by increased Commissions (net) which grew by 18% to \$69.1 million. Net claims and Operating expenses amounted to \$14.5 million and \$53.2 million, respectively and thus our Underwriting Profit improved to \$46.3 million. With the addition of Other income of \$17.3 million, our Profit before tax for the quarter was \$63.7 million.

### Year-to-date

GWP increased to \$1.1 billion, up by 25% when compared to the prior year. Commissions (net) amounted to \$97 million, an increase of 35% when compared to 2022. Operating expenses of \$210.9 million, increased by 12% over the prior year whilst Claims Incurred totalled \$74.4 million, a reduction of \$16.6 million. Consequently, our Underwriting loss for the year was \$19.8 million.

Investment Income, which increased to \$53.8 million, up by 23% over the previous year and investment gains of \$10.3 million were the largest contributors to Other income which totalled \$71.7 million. Therefore, for the year ended 31 December 2022, IronRock produced a pre-tax profit of \$51.9 million.

IronRock's Total Assets grew by 20% and amount to \$1.8 billion, and Shareholders' Equity increased by \$49 million to \$668 million, an increase of 8%, both when compared to 2022.

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 December 2022

(expressed in Jamaican dollars)

	Unaudited 3 months ended		Unaudited Year ended	Audited Year ended
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	\$'000	\$'000	\$'000	\$'000
<b>Gross written premium</b>	<b>344,602</b>	<b>260,673</b>	<b>1,104,254</b>	<b>881,209</b>
Proportional reinsurance	(276,269)	(181,829)	(880,041)	(634,278)
Excess of loss reinsurance	(18,890)	(12,142)	(55,949)	(52,482)
<b>Net written premium</b>	<b>49,444</b>	<b>66,701</b>	<b>168,264</b>	<b>194,449</b>
Unearned premium adjustment, net	(4,372)	(18,633)	179	(4,171)
<b>Net earned premium</b>	<b>45,072</b>	<b>48,069</b>	<b>168,443</b>	<b>190,278</b>
Commission earned	98,963	84,627	215,080	173,186
Commission incurred	(29,863)	(26,097)	(118,003)	(101,630)
Claims, net	(14,510)	(20,977)	(74,403)	(91,074)
Operating expenses	(52,418)	(43,691)	(210,955)	(188,781)
<b>Underwriting profit / (loss)</b>	<b>47,244</b>	<b>41,930</b>	<b>(19,838)</b>	<b>(18,021)</b>
<b>Other income</b>				
Investment income	14,604	12,098	53,886	43,869
Miscellaneous income	2	7	3,379	13
Gain / (loss) on sale of investment	1,744	6,902	10,366	9,852
Gain / (loss) on sale of fixed assets	-	-	-	-
Foreign exchange gain / (loss)	982	9,533	4,162	25,131
<b>Total other income</b>	<b>17,332</b>	<b>28,540</b>	<b>71,793</b>	<b>78,865</b>
<b>Profit / (Loss) before taxation</b>	<b>64,576</b>	<b>70,470</b>	<b>51,956</b>	<b>60,844</b>
Deferred Taxation	-	(7,132)	-	(7,132)
<b>Net profit / (loss) for period</b>	<b>64,576</b>	<b>63,338</b>	<b>51,956</b>	<b>53,712</b>
<b>Profit / (Loss) per stock unit</b>	<b>\$ 0.30</b>	<b>\$ 0.30</b>	<b>\$ 0.24</b>	<b>\$ 0.25</b>

## 2.2 Statement of Financial Position

As at 31 December 2022

(expressed in Jamaican dollars)

	Unaudited	Audited
	31-Dec-22	31-Dec-21
	\$'000	\$'000
<b>ASSETS</b>		
Property plant and equipment	19,200	20,485
Intangible assets	2,548	3,190
Deferred taxation	7,992	7,992
Investments	370,740	634,850
Deferred acquisition costs	54,265	46,849
Reinsurance assets	577,532	408,323
Insurance and other receivables	263,603	224,334
Taxation recoverable	40,604	32,966
Due from related party	2,984	2,984
Short-term investments	252,374	80,525
Securities purchased under resale agreements	90,000	12,275
Cash and cash equivalents	172,397	69,637
	<b>1,854,239</b>	<b>1,544,410</b>
<b>LIABILITIES AND SHAREHOLDER EQUITY</b>		
	-	
	-	
Insurance and other payables	305,019	224,917
Insurance contract provisions	811,046	647,546
Finance Lease Obligation	-	-
Deferred commission income	69,383	55,302
Total Liabilities	1,185,448	927,765
Shareholders' equity	668,792	619,645
	<b>1,854,240</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 December 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	-	-	-	53,712	53,712
Other comprehensive income:					
Fair value gain / (loss) on investments	-	-	(1,168)	-	(1,168)
<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	-	-	-	51,956	51,956
Other comprehensive income:					
Fair value gain / (loss) on investments	-	-	(2,809)	-	(2,809)
<b>Balances as at 31 December 2022</b>	<b>465,540</b>	<b>139,340</b>	<b>572</b>	<b>63,340</b>	<b>668,792</b>

## 2.4 Statement of Cash Flows

For the Period ended 31 December 2022  
(expressed in Jamaican dollars)

	Unaudited 12 months ended	Audited Year ended
	31-Dec-22	31-Dec-21
	\$'000	\$'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) after taxation	51,955	53,712
Depreciation	10,986	4,035
Lease interest expense	-	-
Deferred taxation	-	7,132
Loss / (Gain) on disposal of fixed assets	-	-
Loss / (Gain) on sale of investment	(10,367)	(9,852)
Increase / (Decrease) in insurance funds	(5,709)	27,676
Taxation	-	-
Interest income	(53,886)	(43,869)
	(7,021)	38,834
Decrease / (Increase) in current assets:	-	-
Insurance and other receivables	(36,713)	(6,589)
Due from related party	-	(2,984)
Deferred policy acquisition costs	(7,416)	(6,412)
Taxation paid	(7,638)	(6,323)
	(51,767)	(22,308)
Increase / (Decrease) in current liabilities:	-	-
Insurance and other payables	80,102	13,867
Unearned Commission	14,081	8,009
	94,183	21,876
<b>Net cash provided by / (used in) operating activities</b>	<b>35,395</b>	<b>38,402</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	-	-
Decrease / (Increase) in:	-	-
Short-term Investments, net	235,850	(50,525)
Securities (purchased) / sold under resale agreements	(74,725)	79,489
Investments, net	(171,849)	(174,836)
Disposal / (Acquisition) of fixed assets	-	(12,082)
Intangibles	642	-
Proceeds on sale of fixed assets	(9,701)	-
Proceeds on sale of investments	35,818	113,976
Interest received	51,330	43,632
<b>Net cash provided by / (used in) investing activities</b>	<b>67,365</b>	<b>(346)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	-	-
Increase / (Decrease) in:	-	-
Lease liability, net	-	-
<b>Net cash provided by / (used in) financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>102,760</b>	<b>38,056</b>
Opening cash and cash equivalents	69,637	31,581
<b>Closing cash and cash equivalents</b>	<b>172,397</b>	<b>69,637</b>

### 3. Notes to the Unaudited Financial Statements

For the period ended 31 December 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 December 2022

### 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	40,588,516	40,588,516	18.97%
3.	Catherine Adella Peart	7,000,000	7,000,000	3.27%
4.	Mayberry Managed Client Accounts	6,022,345	6,022,345	2.81%
5.	Sigma Global Venture	4,000,000	4,000,000	1.87%
6.	Sharon Harvey-Wilson <i>Jeremy Wilson</i>	1,563,360 2,204,979	3,768,339	1.76%
7.	Michelle A. Myers Mayne	3,000,000	3,000,000	1.40%
8.	PWL Bamboo Holdings Limited	2,924,094	2,924,094	1.37%
9.	W. David McConnell	2,420,000	2,420,000	1.13%
10.	Apex Pharmacy	1,989,266	1,989,266	0.93%
<b>Total</b>			<b>180,712,560</b>	<b>84.45%</b>
<b>Total Issued Shares</b>			<b>214,000,000</b>	<b>100.00%</b>

### Directors & Senior Officers

	<i>Connected Parties</i>	Shares Held	Combined Holdings	% of Issued Shares
<b>Directors</b>				
W. David McConnell		2,420,000	112,231,000	52.44%
<i>Granite Group Limited</i>	109,000,000			
<i>St. Elizabeth Holdings Limited</i>	811,000			
R. Evan Thwaites		1,750,000	110,750,000	51.75%
<i>Granite Group Limited</i>	109,000,000			
Gary Peart		-	47,588,516	22.24%
<i>Mayberry Jamaican Equities Limited</i>	40,588,516			
<i>Catherine Peart</i>	7,000,000			
Christopher Berry		-	45,501,876	21.26%
<i>Mayberry Jamaican Equities Limited</i>	40,588,516			
<i>PWL Bamboo Holdings Limited</i>	2,924,094			
<i>Apex Pharmacy Limited</i>	1,989,266			
Wayne N. Hardie		1,025,727	1,025,727	0.48%
Christian Tavares-Finson		666,000	666,000	0.31%
Anthony Bell		-	300,000	0.14%
<i>Jean Bell</i>	300,000			
<b>Senior Officers</b>				
Yvonne Daley		250,000	250,000	0.12%
Maurice Bolt		200,000	200,000	0.09%



