



UNAUDITED FINANCIAL STATEMENTS FOR
SIX MONTHS ENDED 30th JUNE 2016



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 six months ended 30th June 2016.

At the end of the period, we recorded Gross Written Premium of \$38.5 million and Other Income of \$15.5 million. We are pleased that our results are significantly better than our projections, with our underwriting loss being \$39.4 million versus projected loss of \$48.8 million and a pre-tax loss of \$23.9 million versus projected loss of \$29.6 million.

We maintained our focus on expense management and are delighted that we are well below our projected rate of expenditure.

We have been cautious in our approach to investing, seeking opportunities that provide us with risk appropriate returns and we expect to achieve our projected investment returns during the course of the third quarter.

During the quarter we successfully negotiated agreements with our targeted brokers and the number of submissions we have received from them has exceeded our initial projections. Our success ratio has been good and we have exceeded our revenue projections in each of the last two (2) months.

The property market continues to soften and consequently, prices are somewhat lower than we had projected. Gratifyingly, terms, conditions and prices in the other markets are broadly in line with our projections. All indications are that the current market conditions will continue for the balance of the financial year.

We continue to develop our technology solutions and will begin implementation with two (2) broking firms in the coming quarter. We believe that our software will significantly reduce the cost both we and our brokers incur in writing business and contribute meaningfully to operational efficiency.



R. Evan Thwaites
Managing Director



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

	<u>6 months to June 30, 2016</u>	<u>3 months to June 30, 2016</u>	<u>Audited December 31, 2015</u>
Gross Premium	38,481,824	31,459,605	-
Less proportional reinsurance	(30,420,512)	(26,268,287)	-
Excess of loss premium	<u>(4,120,826)</u>	<u>(2,061,971)</u>	<u>-</u>
Net premium	3,940,486	3,129,347	-
Unearned premium adjustment, net	<u>(6,384,079)</u>	<u>(3,821,144)</u>	<u>-</u>
Net earned premium	<u>(2,443,593)</u>	<u>(691,797)</u>	-
Commission earned	1,263,579	1,172,346	-
Commission incurred	<u>(706,625)</u>	<u>(667,686)</u>	-
Operating expenses	<u>(37,577,230)</u>	<u>(21,283,132)</u>	<u>(3,150,852)</u>
Underwriting loss	<u>(39,463,867)</u>	<u>(21,470,269)</u>	<u>(3,150,852)</u>
Other income			
Investment	3,406,162	2,873,725	649,074
Bank interest	38,025	27,351	-
Foreign exchange gain	<u>12,074,702</u>	<u>10,553,055</u>	<u>2,693,886</u>
	<u>15,518,889</u>	<u>13,454,131</u>	<u>3,342,960</u>
(Loss)/profit before taxation	<u>(23,944,978)</u>	<u>(8,016,138)</u>	192,108
Taxation	<u>-</u>	<u>-</u>	<u>(79,063)</u>
	<u>\$(23,944,978)</u>	<u>\$(8,016,138)</u>	<u>113,045</u>
(Loss)/profit per share (cents per share)	<u>(0.11)</u>	<u>(0.04)</u>	<u>0.03</u>



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

	Unaudited 6 months June 30, 2016	Audited December 31, 2015
ASSETS		
Cash and cash equivalents	81,756,403	4,711,924
Investments	469,252,009	90,215,643
Insurance and other receivables	39,746,690	3,927,013
Reinsurance assets	24,794,464	-
Taxation recoverable	574,281	83,205
Property plant and equipment	24,064,772	-
Deferred acquisition Cost	<u>3,576,574</u>	<u>-</u>
	<u>\$643,765,193</u>	<u>98,937,785</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Insurance and other payables	25,543,009	-
Insurance contract provisions	31,178,543	-
Deferred commission income	<u>5,624,426</u>	<u>-</u>
Total Insurance Funds	36,802,968	-
Shareholders' equity	<u>581,419,215</u>	<u>98,937,785</u>
	<u>\$643,765,193</u>	<u>98,937,785</u>

R. Evan Thwaites Managing Director

Wayne Hardie Director of Finance

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

	<u>Ordinary share capital</u>	<u>Capital reserve</u>	<u>Investment Revaluation reserve</u>	<u>Retained earnings</u>	<u>Total</u>
Issue of shares	98,824,740	-	-	-	98,824,740
Profit for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>113,045</u>	<u>113,045</u>
Balances as at December 31, 2015	<u>98,824,740</u>	<u>-</u>	<u>-</u>	<u>113,045</u>	<u>98,937,785</u>
Net loss for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,944,978)</u>	<u>(23,944,978)</u>
Other Comprehensive income:					
Equity revaluation reserve	-	-	370,928	-	370,928
Issue of shares	366,715,041	-	-	-	366,715,041
Contributed capital	<u>-</u>	<u>139,340,440</u>	<u>-</u>	<u>-</u>	<u>139,340,440</u>
Total Other Comprehensive income	<u>366,715,041</u>	<u>139,340,440</u>	<u>370,928</u>	<u>-</u>	<u>506,426,409</u>
Balances as at June 30, 2016	<u>\$465,539,781</u>	<u>139,340,440</u>	<u>370,928</u>	<u>(23,831,933)</u>	<u>581,419,215</u>



IronRock Insurance Company Limited
Statement of Cash flows
For the six months ended June 30, 2016

	Unaudited 30-Jun-16	Audited 31-Dec-15
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit after taxation	(23,944,978)	113,047
Adjustments to reconcile (loss)/profit to net cash provided by operating activities:		
Depreciation	1,719,477	-
Increase in insurance funds	8,431,930	-
Taxation	-	79,063
Interest income	(3,406,162)	(649,074)
	(17,199,733)	(456,964)
Increase in current assets:		
Premiums receivable	(21,189,546)	-
Interest receivable	(2,077,729)	
Other accounts receivable	(12,552,401)	(4,427,013)
Taxation Paid	(491,077)	(162,268)
	(36,310,753)	(4,589,281)
Increase/(decrease) in current liabilities:		
Due to other insurance companies	20,593,239	
Accounts payable	<u>4,949,770</u>	<u>500,000</u>
	<u>25,543,009</u>	<u>500,000</u>
Net cash used by operating activities	(27,967,477)	(4,546,245)
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase)/decrease in term deposits and monetary instruments	(378,665,439)	(90,215,644)
Additions to fixed assets	(25,784,248)	-
Interest received	<u>3,406,162</u>	<u>649,074</u>
Net cash used by investing activities	(401,043,525)	(89,566,570)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of Ordinary Share	366,715,041	98,824,740
Contributed Capital	<u>139,340,440</u>	<u>-</u>
Net cash provided by financing activities	<u>506,055,481</u>	<u>98,824,740</u>
Net increase in cash and bank balances	77,044,479	4,711,925
Cash at beginning of period	<u>4,711,924</u>	<u>-</u>
Cash at end of period	\$ <u>81,756,403</u>	<u>4,711,925</u>



Notes to the Unaudited Financial Statements
Six months ended June 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> Units	<u>2015</u> 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>
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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
Six months ended June 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	43,383,605
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
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	1,943,266

Connected Persons

	<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	-