Interim Report

Third Quarter — Fiscal Year 2026

Managing Director's Review

This has been a year of notable firsts for The Bahamas. For the first time in 60 years, the Atlantic hurricane season recorded no hurricanes through October and the country also welcomed His Majesty King Charles III, marking his first visit to The Bahamas as King.

JS Johnson maintained its steady progress through the third quarter, with both business segments delivering positive results. This performance contributed to an increase in comprehensive net income from $9.8 million to $11.2 million and an improvement in earnings per share from $1.10 to $1.26.

Despite these positive results, a decline in insurance revenue (premiums earned), from $107 million to $89 million, resulted in a reduction in total income from $125 million to $111 million. While insurance service expenses increased by 43% compared with the prior year, net expenses from reinsurance contracts held declined from $92 million to $74 million. Consequently, total expenses decreased by 13%, from $115 million to $100 million.

Our Agency segment continued to demonstrate solid performance, recording gains in net revenue from contracts with customers, interest and other income. Together with a reduction in operating expenses, these improvements drove a 14% increase in segment net income, from $8.4 million to $9.5 million.

The Underwriting segment also delivered encouraging results, with net income increasing by 21%, from $1.4 million to $1.7 million. Notable contributors included strong gains in interest income ($287K) and changes in net unrealized gains on investments ($740K). In addition, the segment achieved an overall reduction in expenses of $15.1 million, representing a 15% decrease compared with the prior year.

The domestic economic environment remains resilient, with continued growth in tourism and foreign investment contributing positively to employment and broader economic activity. The Central Bank's Monthly Economic and Financial Developments (MEFD) report for the period through the third quarter of 2026 indicates that these favourable trends are expected to continue in the near term.

As we look ahead, we remain focused on sustaining our progress, strengthening our business segments, and delivering lasting value to our shareholders.

I would like to express my sincere appreciation to our clients, the Board of Directors, and my colleagues for their continued confidence, commitment, and support. Their contributions remain integral to our continued success.



William P. Mills, BComm, ACII, ARM
Managing Director

J.S. JOHNSON
PEACE OF MIND
INSURANCE AGENTS & BROKERS

Consolidated Statement of Financial Position

As at September 30, 2026 (amounts expressed in Bahamian dollars)

		September 2026	December 2025
ASSETS			
Cash and bank balances	$	27,188,973	23,211,189
Term deposits		12,744,784	12,601,615
Accounts receivable		38,785,285	15,708,207
Due from insurance carriers		48,452	201,043
Investments in securities			
- Fair value through profit or loss		18,458,362	17,703,285
- Amortized costs		31,033,456	28,998,330
Prepayments and other assets		621,293	810,275
Reinsurance Contract Assets		39,625,525	30,683,251
Right of use asset		457,861	525,660
Investment properties		536,916	536,916
Property, plant and equipment		7,482,931	7,684,978
Total assets	**$**	**176,983,838**	**138,664,749**
LIABILITIES			
Insurance Contract Liabilities:			
Liability for Remaining Coverage	$	64,641,448	50,556,943
Liability for Claims Incurred		12,997,296	4,579,719
		77,638,744	55,136,662
Other liabilities:			
Due to related parties		10,364,864	626,162
Accounts payable		10,659,408	8,360,896
Lease Liability		475,195	550,310
Accrued expenses and other liabilities		5,196,255	3,052,053
Total liabilities		**104,334,466**	**67,726,083**
EQUITY			
Share capital			
Authorized ordinary shares - 40,000,000 of $0.01 each	$	400,000	400,000
Unissued ordinary shares - 32,000,000 of $0.01 each		(320,000)	(320,000)
Issued and fully paid ordinary shares-8,000,000 of $0.01 each		80,000	80,000
Retained earnings		46,525,659	43,961,551
Interest in own shares		(84,600)	(84,600)
		46,521,059	43,956,951
Non-controlling interest		26,128,313	26,981,715
Total equity		**72,649,372**	**70,938,666**
Total liabilities and equity	**$**	**176,983,838**	**138,664,749**

(unaudited)

Consolidated Statement of Comprehensive Income

For the nine months to September 30, 2026 (amounts expressed in Bahamian dollars)

		September 2026	September 2025
INCOME			
Insurance Revenue	$	88,635,011	106,951,552
Net revenue from contracts with customers		19,070,826	15,689,562
Investment income		2,599,874	2,234,340
Change in net unrealised gain on investments in securities		755,076	15,259
Total income	$	111,060,787	124,890,713
EXPENSES			
Net expense from Reinsurance contracts held	$	73,533,142	92,192,947
Salaries and employees benefits		10,451,389	10,209,128
Insurance service expense		10,744,695	7,516,355
Depreciation and amortization		491,032	479,890
Other operating expenses		4,620,078	4,696,585
Total expenses	$	99,840,336	115,094,905
Net income	**$**	**11,220,451**	**9,795,808**
Total comprehensive income	**$**	**11,220,451**	**9,795,808**
Equity holders of the Company	$	10,075,588	8,805,573
Non-controlling interests		1,144,863	990,235
	$	**11,220,451**	**9,795,808**
Earnings per share for the profit attributable to the equity holders of the Company	$	1.26	1.10

(unaudited)

Consolidated Statement of Changes in Equity

For the nine months to September 30, 2026 (amounts expressed in Bahamian dollars)

	Share Capital	Retained Earnings	Interest in own Shares	Total Shareholders' Equity	Non-Controlling Interest	Total Equity
Balance at December 31, 2024	80,000	39,927,394	(84,600)	39,922,794	23,633,705	63,556,499
Total comprehensive income for the year:						
Net income	-	8,805,573	-	8,805,573	990,235	9,795,808
Unrealised loss on available for sale securities	-	-	-	-	-	-
Distributions to owners:						
Dividends	-	(6,310,520)	-	(6,310,520)	(1,494,399)	(7,804,919)
Balance at September 30, 2025	**80,000**	**42,422,447**	**(84,600)**	**42,417,847**	**23,129,541**	**65,547,388**
Balance at December 31, 2025	80,000	43,961,551	(84,600)	43,956,951	26,981,715	70,938,666
Total comprehensive income for the year:						
Net income	-	10,075,588	-	10,075,588	1,144,863	11,220,451
Unrealised loss on available for sale securities	-	-	-	-	-	-
Distributions to owners:						
Dividends	-	(7,511,480)	-	(7,511,480)	(1,998,265)	(9,509,745)
Balance at September 30, 2026	**80,000**	**46,525,659**	**(84,600)**	**46,521,059**	**26,128,313**	**72,649,372**

(unaudited)

Consolidated Statement of Cash Flows

For the nine months to September 30, 2026 (amounts expressed in Bahamian dollars)

	September 2026	September 2025
Cash flows from operating activities:		
Net income for the period	11,220,451	9,795,808
Adjustments for:		
Unearned premium reserve	(8,590,034)	(7,910,650)
Depreciation and amoritization	491,032	479,890
Interest expense	12,818	-
Change in net unrealized gains on investments in securities	755,076	-
Interest income	(1,297,001)	(932,870)
Dividend income	(560,724)	(580,146)
Bad debts	36,000	36,000
Cash from operations before changes in assets and liabilities	**2,067,618**	**888,032**
(Increase)/decrease in assets:		
Accounts receivable	(23,113,079)	(13,261,857)
Due from insurance carriers	152,591	(911,527)
Prepayments and other assets	188,982	(401,999)
Reinsurance contract assets	(8,942,274)	(3,647,038)
Increase/(decrease) in liabilities:		
Insurance contract liabilities	22,674,539	16,173,579
Reinsurance contract liabilities	8,417,577	5,434,261
Due to related parties	9,738,701	(926,457)
Accounts payable, accrued expenses and other liabilities	4,442,715	12,376,794
Net cash provided by operating activities	**15,627,370**	**15,723,788**
Cash flows from investing activities:		
Net placement of term deposits	56,199	53,363
Purchase of property, plant and equipment	(221,186)	(276,357)
Purchase of investments in securities	(3,338,618)	598,787
Interest received	890,972	756,080
Dividends received	560,725	580,146
Net cash used by investing activities	**(2,051,908)**	**1,712,019**
Cash flows from financing activities:		
Dividends paid to shareholders	(7,511,480)	(6,310,520)
Principal payment of lease liability	(75,115)	15,076
Interest payment of lease liability	(12,818)	-
Dividends paid to non-controlling interest	(1,998,265)	(1,494,399)
Net cash used in financing activities	**(9,597,678)**	**(7,789,843)**
Net increase in cash and cash equivalents	3,977,784	9,645,964
Cash and cash equivalents at beginning of period	23,211,189	28,194,795
Cash and cash equivalents at end of period	**27,188,973**	**37,840,759**

(unaudited)

Notes to Consolidated Interim Financial Statements

1. ACCOUNTING POLICIES

These consolidated interim condensed financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. The accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year December 31, 2025.

2. SEGMENT INFORMATION

The Group is organized into two business segments; Insurance Agents & Brokers and General Insurance.

The segment results for the period ended September 30, 2026 are as follows:

	AGENTS & BROKERS	UNDERWRITING	TOTAL
Insurance Revenue	-	88,635,011	88,635,011
Net revenue from contracts with customers	$ 22,925,013	(3,854,187)	19,070,826
Interest income	425,307	871,694	1,297,001
Change in net unrealized gain on investments in securities	-	755,076	755,076
Dividend income	-	524,791	524,791
Other income	174,674	603,408	778,082
	$ 23,524,994	**87,535,793**	**111,060,787**
Net expense from Reinsurance contracts held	-	73,533,142	73,533,142
Insurance service expense	-	10,744,695	10,744,695
Depreciation and amortization	432,875	58,157	491,032
Other expenses	13,546,565	1,524,902	15,071,467
	$ 13,979,440	**85,860,896**	**99,840,336**
Net income	**$ 9,545,554**	**1,674,897**	**11,220,451**

The segment results for the period ended September 30, 2025 are as follows:

	AGENTS & BROKERS	UNDERWRITING	TOTAL
Insurance revenue	-	106,951,552	106,951,552
Net revenue from contracts with customers	$ 22,044,912	(6,355,350)	15,689,562
Interest income	347,762	585,107	932,869
Change in net unrealized gain in investments in securities	-	15,259	15,259
Dividend income	131,448	544,213	675,661
Other income	-	625,810	625,810
	$ 22,524,122	**102,366,591**	**124,890,713**
Net expense from Reinsurance contracts held	-	92,192,947	92,192,947
Insurance service expense	-	7,516,355	7,516,355
Depreciation and amortization	423,606	56,284	479,890
Other expenses	13,692,836	1,212,877	14,905,713
	$ 14,116,442	**100,978,463**	**115,094,905**
Net income	**$ 8,407,680**	**1,388,128**	**9,795,808**

The segment assets and liabilities as at September 30, 2026 are as follows:

	AGENTS & BROKERS	UNDERWRITING	TOTAL
Total assets	$ 72,121,992	104,861,846	176,983,838
Total liabilities	50,439,034	53,895,432	104,334,466

The segment assets and liabilities as at September 30, 2025 are as follows:

	AGENTS & BROKERS	UNDERWRITING	TOTAL
Total assets	$ 61,624,296	100,926,068	162,550,364
Total liabilities	41,675,098	55,327,878	97,002,976

(unaudited)