

FIRST QUARTER

INTERIM REPORT

2025

SHAREHOLDER'S REVIEW

The recent devastating fire near downtown Nassau that destroyed several structures and severely damaged the Victoria Court apartment building was a sobering reminder: risk is real, not just a term we use extensively in our business. Unfortunately, it's often only after such an event that people understand the importance of protecting themselves against it.

Our hearts go out to those affected by this fire and the other fires across our islands (Abaco, Freeport, Solomons), especially to those who lost their homes.

In our Q1 financial report, consolidated Net income declined by 14% (\$4.4M to \$3.8M), affected by the timing of reinsurance expenses and prior-year portfolio transfers. Financial reporting in the first quarter of the year is often influenced by timing issues, which tend to diminish in significance as the year progresses.

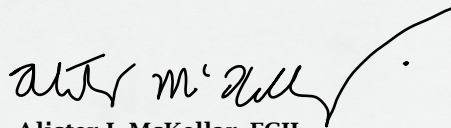
Our Agency division posted an 18% gain in Net income (from \$2.6M to \$3M) compared to the same period last year, with strong increases in Net revenue from contracts with customers (14%, \$6.4M to \$7.3M) and Interest and dividend income (\$48k to \$114k).

The Underwriting segment of our business continued to feel the effects of a hardened global reinsurance market. As I also highlighted in my Q4 report, a modest

increase in Insurance revenue (from \$19.1M to \$19.6M) was mitigated by an 11.5% increase in Net expense from reinsurance contracts held, which rose to \$16.3M from \$14.6M. Net income for the division declined by \$1.1M, or -57% for the period.

According to government reports, the country continues to make progress with tourist arrivals, which grew by 10.1%—2.1 million visitors—in the first two months of 2025 and inflation has also moderated (from 2.5% to 0.3%). Despite an 18% rise in expenditures country revenues continue to grow in this favourable economic climate.

To close, I want to thank our staff for their continued professionalism and commitment. Thanks as well goes to our Board for its guidance, and shareholders for their ongoing confidence. Life may come with risk, but our clients know they have a dependable partner should they ever have to repair, restore or replace because of it.



Alister I. McKellar, FCII
Managing Director



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

PEACE OF MIND

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2025 (amounts expressed in Bahamian dollars)

	March 2025	December 2024
ASSETS		
Cash and bank balances	\$ 25,029,302	28,194,795
Term deposits	12,447,258	12,386,878
Accounts receivable	26,153,802	16,518,194
Due from insurance carriers	750,251	61,373
Investments in securities		
- fair value through profit or loss	15,591,952	15,683,047
- Amortized costs	22,258,497	21,785,962
Prepayments and other assets	1,286,959	529,614
Reinsurance contract assets	29,465,007	31,343,483
Right of use asset	482,968	508,954
Investment properties	536,916	536,916
Property, plant and equipment	7,826,241	7,847,656
Total assets	\$ 141,829,153	135,396,872
LIABILITIES		
Insurance contract liabilities:		
Liability for remaining coverage	\$ 48,823,003	50,242,115
Liability for claims incurred	5,637,356	6,274,559
	<u>54,460,359</u>	<u>56,516,674</u>
Other liabilities:		
Due to related parties	-	926,457
Accounts payable	18,541,441	10,534,073
Lease Liability	493,205	522,617
Accrued expenses and other liabilities	4,078,998	3,340,552
Total liabilities	77,574,003	71,840,373
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	40,059,243	39,927,394
Interest in own shares	(84,600)	(84,600)
	<u>40,054,643</u>	<u>39,922,794</u>
Non-controlling interest	24,200,507	23,633,705
Total equity	\$ 64,255,150	63,556,499
Total liabilities and equity	141,829,153	135,396,872

(unaudited)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months to March 31, 2025 (amounts expressed in Bahamian dollars)

	March 2025	March 2024
INCOME		
Insurance Revenue	19,646,138	19,119,839
Net revenue from contracts with customers	6,735,799	6,268,410
Insurance finance income	-	346,434
Investment income	518,122	31,018
Total income	26,900,059	25,765,701
EXPENSES		
Net expense from Reinsurance contracts held	16,275,417	14,598,678
Salaries and employees benefits	3,176,407	2,890,558
Insurance service expense	1,895,980	2,381,694
Depreciation and amortization	159,111	173,889
Change in net unrealised loss on investments in securities	91,093	-
Other operating expenses	1,488,080	1,286,841
Total expenses	23,086,088	21,331,660
Net income	3,813,971	4,434,041
Other comprehensive income		
Unrealized gain on available for sale securities	-	-
Total comprehensive income	3,813,971	4,434,041
Equity holders of the Company	\$ 3,247,169	3,260,819
Non-controlling interests	566,802	1,173,222
	3,813,971	4,434,041
Earnings per share for the profit attributable to the equity holders of the Company	\$ 0.41	0.41

(unaudited)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months to March 31, 2025 *(amounts expressed in Bahamian dollars)*

	Share Capital	Retained Earnings	Interest in own Shares	Other Comprehensive Income	Total Shareholders' Equity	Non- Controlling Interest	Total Equity
Balance at December 31, 2023	80,000	35,862,047	(84,600)	-	35,857,447	21,555,452	57,412,899
Total comprehensive income for the year:							
Net income	-	3,260,819	-	-	3,260,819	1,173,222	4,434,041
Unrealised gain on available for sale securities	-	-	-	-	-	-	-
Distributions to owners:							
Dividends	-	(2,316,520)	-	-	(2,316,520)	-	(2,316,520)
Balance at March 31, 2024	80,000	36,806,346	(84,600)	-	36,801,746	22,728,674	59,530,420
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	-	3,247,169	-	-	3,247,169	566,802	3,813,971
Unrealised gain on available for sale securities	-	-	-	-	-	-	-
Distributions to owners:							
Dividends	-	(3,115,320)	-	-	(3,115,320)	-	(3,115,320)
Balance at March 31, 2025	80,000	40,059,243	(84,600)	-	40,054,643	24,200,507	64,255,150

(unaudited)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months to March 31, 2025 (amounts expressed in Bahamian dollars)

	March 2025	March 2024
Cash flows from operating activities:		
Net income for the period	3,813,971	4,434,041
<i>Adjustments for:</i>		
Unearned premium reserve	(5,615,867)	(4,079,551)
Depreciation and amortization	159,111	173,889
Interest income	(253,220)	(208,947)
Dividend income	(172,030)	(77,319)
Bad debts	12,000	12,000
Cash from operations before changes in assets and liabilities	(2,056,035)	254,113
(Increase)/decrease in assets:		
Accounts receivable	(9,647,608)	(7,594,771)
Due from insurance carriers	(688,878)	220,556
Prepayments and other assets	(757,345)	(953,441)
Reinsurance contract assets	1,878,476	2,038,118
Increase/(decrease) in liabilities:		
Insurance contract liabilities	4,196,755	(13,447,123)
Reinsurance contract liabilities	(637,203)	11,042,507
Due to related parties	(926,457)	4,018,117
Accounts payable, accrued expenses and other liabilities	8,745,813	5,631,584
Net cash provided by operating activities	107,519	1,209,660
Cash flows from investing activities:		
Net placement of term deposits	215,884	151,182
Purchase of property, plant and equipment	(111,710)	(61,565)
Purchase of investments in securities	(430,681)	(2,061,955)
Interest received	26,198	84,229
Dividends received	172,030	77,319
Net cash used in investing activities	(128,279)	(1,810,790)
Cash flows from financing activities:		
Dividends paid to shareholders	(3,115,320)	(2,316,520)
Principal payment of lease liability	(29,413)	(52,507)
Net cash used in financing activities	(3,144,733)	(2,369,028)
Net decrease in cash and cash equivalents	(3,165,493)	(2,970,158)
Cash and cash equivalents at beginning of period	28,194,795	25,794,251
Cash and cash equivalents at end of period	25,029,302	22,824,093

(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, 2024.

2. SEGMENT INFORMATION

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

The segment results for the period ended March 31, 2025 are as follows:

	AGENTS & BROKERS	UNDERWRITING	TOTAL
Insurance Revenue	\$ -	19,646,138	19,646,138
Net revenue from contracts with customers	7,315,743	(579,944)	6,735,799
Interest income	56,093	197,127	253,220
Dividend income	57,987	160,052	218,039
Other income	-	46,863	46,863
	\$ 7,429,823	19,470,236	26,900,059
Net expense from Reinsurance contracts held	\$ -	16,275,417	16,275,417
Insurance service expense	-	1,895,980	1,895,980
Depreciation and amortization	140,968	18,143	159,111
Change in net unrealized loss on investments in securities	-	91,093	91,093
Other expenses	4,271,594	392,893	4,664,487
	\$ 4,412,562	18,673,526	23,086,088
Net income	\$ 3,017,261	796,710	3,813,971

The segment results for the period ended March 31, 2024 are as follows:

	AGENTS & BROKERS	UNDERWRITING	TOTAL
Insurance revenue	-	19,119,839	19,119,839
Net revenue from contracts with customers	\$ 6,438,953	(170,543)	6,268,410
Insurance finance income	9,473	199,473	208,946
Interest income	-	31,019	31,019
Dividend income	47,830	65,341	113,171
Other income	-	24,316	24,316
	\$ 6,496,256	19,269,445	25,765,701
Net expense from Reinsurance contracts held	-	14,598,678	14,598,678
Insurance service expense	\$ -	2,381,695	2,381,695
Depreciation and amortization	155,581	18,308	173,889
Other expenses	3,780,956	396,442	4,177,398
	\$ 3,936,537	17,395,123	21,331,660
Net income	\$ 2,559,719	1,874,322	4,434,041

The segment assets and liabilities as at March 31, 2025 are as follows:

	AGENTS & BROKERS	UNDERWRITING	TOTAL
Total assets	\$ 51,815,956	90,013,197	141,829,153
Total liabilities	33,506,863	44,067,140	77,574,003

The segment assets and liabilities as at March 31, 2024 are as follows:

	AGENTS & BROKERS	UNDERWRITING	TOTAL
Total assets	\$ 48,036,142	79,475,828	127,511,970
Total liabilities	30,778,897	37,202,650	67,981,547