Interim Report

Second Quarter — Fiscal Year 2026

Managing Director's Review

Benjamin Franklin offered some sage advice: "An ounce of prevention is worth a pound of cure." As we ease our way into the most active part of our hurricane season, we'd all be wise to heed those words before a storm threatens.

In the meantime, the second quarter of the year produced mixed financial results for the company that include a decline in net income for our Agency division from \$5.4M to \$4.7M, mitigated by a 40% gain in Underwriting. The overall result, a modest increase in comprehensive net income from \$7.22M to \$7.24M.

The decline in insurance revenue for the quarter from \$61M to \$49M was offset by a decrease in net expense from reinsurance contracts held from \$54M to \$40M. Underwriting's overall performance was bolstered by positive gains in interest income moving from \$396k to 570k, and an unrealized gain on investment in securities of \$372k.

Agency figures, on the other hand, had a \$856k decrease in net revenue from contracts with customers which were partially offset by expense savings resulting in a \$709k fall in net income. This shift in results is believed to be temporary, as other aspects of the Agency are showing promise for the second half of the year.

Externally, we continue to manage the effect that global disruption, inflation, and some significant market challenges pose to our business. Internally, we're keenly focused on delivering continued security, service, and satisfaction to our clients so they can truly enjoy peace of mind.

As always, I want to thank all our clients, the Board of Directors, and my colleagues for their continued support.

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

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

Consolidated Statement of Financial Position

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

		June 2026	December 2025
ASSETS			
Cash and bank balances	$	21,139,199	23,211,189
Term deposits		12,700,149	12,601,615
Accounts receivable		23,948,192	15,708,207
Due from insurance carriers		165,542	201,043
Investments in securities			
- Fair value through profit or loss		18,075,326	17,703,285
- Amortized costs		32,915,306	28,998,330
Prepayments and other assets		1,006,192	810,275
Reinsurance Contract Assets		31,165,079	30,683,251
Right of use asset		474,106	525,660
Investment properties		536,916	536,916
Property, plant and equipment		7,559,605	7,684,978
Total assets	**$**	**149,685,612**	**138,664,749**
LIABILITIES			
Insurance Contract Liabilities:			
Liability for Remaining Coverage	$	50,845,249	50,556,943
Liability for Claims Incurred		10,844,916	4,579,719
		61,690,165	55,136,662
Other liabilities:			
Due to related parties		1,847,169	626,162
Accounts payable		13,542,445	8,360,896
Lease Liability		493,599	550,310
Accrued expenses and other liabilities		1,599,817	3,052,053
Total liabilities		**79,173,195**	**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 $0.01 each		80,000	80,000
Retained earnings		43,800,286	43,961,551
Interest in own shares		(84,600)	(84,600)
		43,795,686	43,956,951
Non-controlling interest		26,716,731	26,981,715
Total equity		**70,512,417**	**70,938,666**
Total liabilities and equity	**$**	**149,685,612**	**138,664,749**

(unaudited)

Consolidated Statement of Comprehensive Income

For the six months to June 30, 2026 (amounts expressed in Bahamian dollars)

		June 2026	June 2025
INCOME			
Insurance Revenue	$	48,531,978	61,039,718
Net revenue from contracts with customers		12,268,860	12,690,742
Investment income		1,399,707	1,261,810
Change in net unrealised gain on investments in securities		372,041	-
Total income	$	62,572,586	74,992,270
EXPENSES			
Net expense from Reinsurance contracts held	$	40,446,235	53,686,279
Salaries and employees benefits		6,640,462	6,560,867
Insurance service expense		4,881,130	4,190,986
Depreciation and amortization		321,658	307,903
Change in net unrealised loss on investments in securities		-	10,056
Other operating expenses		3,039,605	3,017,470
Total expenses	$	55,329,090	67,773,561
Net income	**$**	**7,243,496**	**7,218,709**
Total comprehensive income	**$**	**7,243,496**	**7,218,709**
Equity holders of the Company	$	5,510,215	5,983,702
Non-controlling interests		1,733,281	1,235,007
	$	**7,243,496**	**7,218,709**
Earnings per share for the profit attributable to the equity holders of the Company	$	0.69	0.75

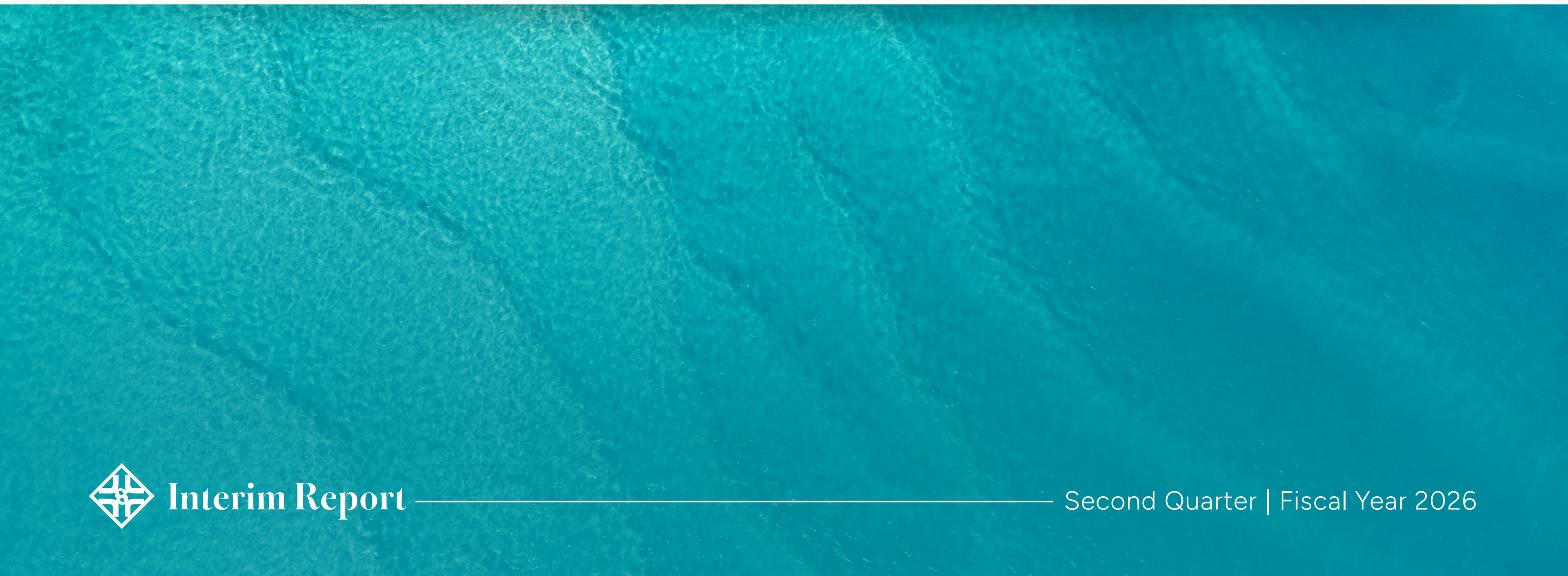
(unaudited)

Consolidated Statement of Changes in Equity

For the six months to June 2026, 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	-	5,983,702	-	5,983,702	1,235,007	7,218,709
Unrealised loss on available for sale securities	-	-	-	-	-	-
Distributions to owners:						
Dividends	-	(4,712,920)	-	(4,712,920)	(1,494,399)	(6,207,319)
Balance at June 30, 2025	**80,000**	**41,198,176**	**(84,600)**	**41,193,576**	**23,374,313**	**64,567,889**
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	-	5,510,215	-	5,510,215	1,733,281	7,243,496
Unrealised loss on available for sale securities	-	-	-	-	-	-
Distributions to owners:						
Dividends	-	(5,671,480)	-	(5,671,480)	(1,998,265)	(7,669,745)
Balance at June 30, 2026	**80,000**	**43,800,286**	**(84,600)**	**43,795,686**	**26,716,731**	**70,512,417**

(unaudited)



Consolidated Statement of Cash Flows

For the six months to June 30, 2026 (amounts expressed in Bahamian dollars)

	June 2026	June 2025
Cash flows from operating activities:		
Net income for the period	7,243,496	7,218,709
Adjustments for:		
Unearned premium reserve	(5,150,103)	(5,963,315)
Depreciation and amoritization	321,658	307,903
Change in net unrealized gains on investments in securities	372,041	-
Interest income	(665,886)	(519,508)
Dividend income	(393,088)	(379,485)
Bad debts	24,000	24,000
Cash from operations before changes in assets and liabilities	**1,752,118**	**688,304**
(Increase)/decrease in assets:		
Accounts receivable	(8,263,985)	(10,627,444)
Due from insurance carriers	35,501	(188,159)
Prepayments and other assets	(195,917)	(692,695)
Reinsurance contract assets	(481,828)	467,522
Increase/(decrease) in liabilities:		
Insurance contract liabilities	5,438,409	6,893,094
Reinsurance contract liabilities	6,265,197	2,897,996
Due to related parties	1,221,006	(926,457)
Accounts payable, accrued expenses and other liabilities	3,729,313	7,695,068
Net cash provided by operating activities	**9,499,814**	**6,207,229**
Cash flows from investing activities:		
Net placement of term deposits	56,199	53,363
Purchase of property, plant and equipment	(144,731)	(364,047)
Purchase of investments in securities	(4,520,312)	(2,749,263)
Interest received	370,407	368,901
Dividends received	393,089	379,485
Net cash used by investing activities	**(3,845,348)**	**(2,311,561)**
Cash flows from financing activities:		
Dividends paid to shareholders	(5,671,480)	(4,712,920)
Principal payment of lease liability	(56,711)	91,515
Dividends paid to non-controlling interest	(1,998,265)	(1,494,399)
Net cash used in financing activities	**(7,726,456)**	**(6,115,804)**
Net decrease in cash and cash equivalents	(2,071,990)	(2,220,136)
Cash and cash equivalents at beginning of period	23,211,189	28,194,795
Cash and cash equivalents at end of period	**21,139,199**	**25,974,659**

(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 June 30, 2026 are as follows:

		AGENTS & BROKERS	UNDERWRITING	TOTAL
Insurance Revenue		-	48,531,978	48,531,978
Net revenue from contracts with customers	$	13,311,022	(1,042,162)	12,268,860
Interest income		95,603	570,283	665,886
Change in net unrealized gain on investments in securities		-	372,041	372,041
Dividend income		-	369,132	369,132
Other income		122,460	242,229	364,689
	$	**13,529,085**	**49,043,501**	**62,572,586**
Net expense from Reinsurance contracts held		-	40,446,235	40,446,235
Insurance service expense		-	4,881,130	4,881,130
Depreciation and amortization		282,964	38,694	321,658
Other expenses		8,570,705	1,109,362	9,680,067
	$	**8,853,669**	**46,475,421**	**55,329,090**
Net income	**$**	**4,675,416**	**2,568,080**	**7,243,496**

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

		AGENTS & BROKERS	UNDERWRITING	TOTAL
Insurance revenue		-	61,039,718	61,039,718
Net revenue from contracts with customers	$	14,167,062	(1,476,320)	12,690,742
Interest income		123,422	396,085	519,507
Dividend income		86,423	355,529	441,952
Other income		-	300,351	300,351
	$	**14,376,907**	**60,615,363**	**74,992,270**
Net expense from Reinsurance contracts held		-	53,686,279	53,686,279
Insurance service expense	$	-	4,190,986	4,190,986
Depreciation and amortization		270,381	37,522	307,903
Change in unrealized loss in investments in securities		-	10,056	10,056
Other expenses		8,722,177	856,160	9,578,337
	$	**8,992,558**	**58,781,003**	**67,773,561**
Net income	**$**	**5,384,349**	**1,834,360**	**7,218,709**

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

		AGENTS & BROKERS	UNDERWRITING	TOTAL
Total assets	$	53,325,195	96,360,417	149,685,612
Total liabilities		33,143,115	46,030,080	79,173,195

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

		AGENTS & BROKERS	UNDERWRITING	TOTAL
Total assets	$	54,254,120	92,842,044	147,096,164
Total liabilities		34,660,122	47,868,153	82,528,275

(unaudited)