

THIRD QUARTER

INTERIM REPORT

2 0 2 5

MANAGING DIRECTOR'S REVIEW

As of this writing, most of The Bahamas is breathing a sigh of relief for being spared the Cat 5 fury of Hurricane Melissa, which barreled through our region recently. Several of our southern islands suffered some flooding and damage, but nothing close to the catastrophe Dorian brought to our shores in 2019. It was an uncomfortable reminder, and our hearts go out to victims in Jamaica, Haiti and Cuba.

We're now in the last month of hurricane season, which is typically quiet. In fact, since 2001 The Bahamas has only seen three hurricanes in November: Michelle, 2001; Noel, 2007; and Nicole, 2022. Good odds, but we definitely don't want any surprises this year!

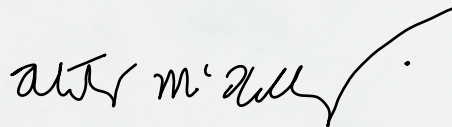
In the meantime, our business continues its steady pace forward, posting modest gains through the third quarter of the year. Consolidated net income advanced by \$1.7M, bolstered by a \$280,000 gain in our Underwriting segment and \$1.4M in Agency and Brokers. Shareholders enjoyed a 20% increase in earning per share, from \$0.92 to \$1.10.

Our Agency segment registered strong results in net revenue from contracts with customers (\$19M to \$22M) and a \$109,000 bump in interest income,

which contributed to a 20% increase in net income for the segment. Despite an 11% rise in other expenses (from \$12M to \$13.6M) the overall results indicate steady customer demand across lines.

Our Underwriting segment continues to face limited capacity constraints in the market, despite some recent signs that the market may be softening a bit. A 20% drop in insurance service expense and a \$625K boost to other income helped the division's results for the period.

This year's weather may have been mild overall, but we did encounter some bumps along the way (ie-September's "Microburst" event). I want to thank our customers and shareholders for their loyalty, and our staff for their continued professionalism. Thanks as well to our Board for their support and guidance.



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 September 30, 2025 (amounts expressed in Bahamian dollars)

	September 2025	December 2024
ASSETS		
Cash and bank balances	\$ 37,840,759	28,194,795
Term deposits	12,548,980	12,386,878
Accounts receivable	29,744,052	16,518,194
Due from insurance carriers	972,900	61,373
Investments in securities		
- fair value through profit or loss	15,698,307	15,683,047
- Amortized costs	21,133,239	21,785,962
Prepayments and other assets	931,613	529,614
Reinsurance Contract Assets	34,990,521	31,343,483
Right of use asset	520,299	508,954
Investment properties	536,916	536,916
Property, plant and equipment	7,632,778	7,847,656
Total assets	\$ 162,550,364	135,396,872
LIABILITIES		
Insurance Contract Liabilities:		
Liability for Remaining Coverage	\$ 58,505,044	50,242,115
Liability for Claims Incurred	11,708,820	6,274,559
	<u>70,213,864</u>	<u>56,516,674</u>
Other liabilities:		
Due to related parties	-	926,457
Accounts payable	20,947,872	10,534,073
Lease Liability	537,693	522,617
Accrued expenses and other liabilities	5,303,547	3,340,552
Total liabilities	97,002,976	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	42,422,447	39,927,394
Interest in own shares	(84,600)	(84,600)
	<u>42,417,847</u>	<u>39,922,794</u>
Non-controlling interest	23,129,541	23,633,705
Total equity	65,547,388	63,556,499
Total liabilities and equity	\$ 162,550,364	135,396,872

(unaudited)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months to September 30, 2025 *(amounts expressed in Bahamian dollars)*

	September 2025	September 2024
INCOME		
Insurance Revenue	\$ 106,951,552	64,015,315
Net revenue from contracts with customers	15,689,562	16,137,948
Change in net unrealised gain on investments in securities	15,259	226,036
Investment income	2,234,340	1,691,586
Total income	\$ 124,890,713	82,070,885
EXPENSES		
Net expense from Reinsurance contracts held	\$ 92,192,947	50,539,505
Salaries and employees benefits	10,209,128	9,375,052
Insurance service expense	7,516,355	9,350,690
Depreciation and amortization	479,890	541,336
Other operating expenses	4,696,585	4,125,727
Total expenses	\$ 115,094,905	73,932,310
Net income	\$ 9,795,808	8,138,575
Total comprehensive income	\$ 9,795,808	8,138,575
Equity holders of the Company	\$ 8,805,573	7,318,398
Non-controlling interests	990,235	820,177
	\$ 9,795,808	8,138,575
Earnings per share for the profit attributable to the equity holders of the Company	\$ 1.10	0.92

(unaudited)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months to September 30, 2025 *(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, 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	-	7,318,398	-	7,318,398	820,177	8,138,575
Unrealised loss on available for sale securities	-	-	-	-	-	-
Distributions to owners:						
Dividends	-	(5,032,440)	-	(5,032,440)	(1,363,076)	(6,395,516)
Balance at September 30, 2024	80,000	38,148,004	(84,600)	38,143,404	21,012,557	59,155,961
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

(unaudited)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months to September 30, 2025 (amounts expressed in Bahamian dollars)

	September 2025	September 2024
Cash flows from operating activities:		
Net income for the period	9,795,808	8,138,575
Adjustments for:		
Unearned premium reserve	(7,910,650)	(5,863,200)
Depreciation and amortization	479,890	541,336
Change in net unrealized losses on investments in securities	-	226,036
Interest income	(932,870)	(800,757)
Dividend income	(580,146)	(345,502)
Bad debts	36,000	36,000
Cash from operations before changes in assets and liabilities	888,032	1,932,488
(Increase)/decrease in assets:		
Accounts receivable	(13,261,857)	(17,521,450)
Due from insurance carriers	(911,527)	483,666
Prepayments and other assets	(401,999)	(247,352)
Reinsurance contract assets	(3,647,038)	(6,436,410)
Increase/(decrease) in liabilities:		
Insurance contract liabilities	16,173,579	16,142,265
Reinsurance contract liabilities	5,434,261	3,685,730
Due to related parties	(926,457)	(709,037)
Accounts payable, accrued expenses and other liabilities	12,376,794	22,491,935
Net cash provided by operating activities	15,723,788	19,821,835
Cash flows from investing activities:		
Net placement of term deposits	53,363	29,345
Purchase of property, plant and equipment	(276,357)	(569,159)
Purchase of investments in securities	598,787	(3,637,776)
Interest received	756,080	631,740
Dividends received	580,146	345,503
Net cash used by investing activities	1,712,019	(3,200,347)
Cash flows from financing activities:		
Dividends paid to shareholders	(6,310,520)	(5,032,440)
Principal payment of lease liability	15,076	(157,523)
Dividends paid to non-controlling interest	(1,494,399)	(1,363,076)
Net cash used in financing activities	(7,789,843)	(6,553,038)
Net (decrease)/increase in cash and cash equivalents	9,645,964	10,068,450
Cash and cash equivalents at beginning of period	28,194,795	25,794,251
Cash and cash equivalents at end of period	37,840,759	35,862,701

(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 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 on 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 results for the period ended September 30, 2024 are as follows:

	AGENTS & BROKERS	UNDERWRITING	TOTAL
Insurance revenue	-	64,015,315	64,015,315
Net revenue from contracts with customers	\$ 19,465,129	(3,327,181)	16,137,948
Interest income	237,858	562,898	800,756
Change in net unrealized gain on investments in securities	-	226,036	226,036
Dividend income	134,086	309,569	443,655
Other income	-	447,175	447,175
	\$ 19,837,073	62,233,812	82,070,885
Net expense from Reinsurance contracts held	-	50,539,505	50,539,505
Insurance service expense	\$ -	9,350,692	9,350,692
Depreciation and amortization	486,044	55,292	541,336
Other expenses	12,320,865	1,179,912	13,500,777
	\$ 12,806,909	61,125,401	73,932,310
Net income	\$ 7,030,164	1,108,411	8,138,575

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

The segment assets and liabilities as at September 30, 2024 are as follows:

	AGENTS & BROKERS	UNDERWRITING	TOTAL
Total assets	\$ 66,391,045	93,223,607	159,614,652
Total liabilities	48,688,745	51,769,946	100,458,691