

SECOND QUARTER

INTERIM REPORT

2 0 2 5

MANAGING DIRECTOR'S REVIEW

Each June swarms of sun-seeking cruisers appear on our downtown streets, shuffling down the sidewalk to Junkanoo Beach. These visitors represent the proverbial butter on our tourism bread, and they have contributed significantly to our economy over the past several years in the form of taxes and the purchase of goods and services.

But current global uncertainty, coupled with our Central Bank's forecast of more moderate arrival numbers in the future, remind us that nothing is guaranteed.

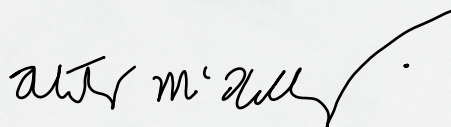
That's why we're laser-focused on our core business, why we scrutinize our finances regularly, and why we place high value on the relationships that have been built over decades.

Despite a difficult reinsurance market, consolidated net income for both of our business segments was positive through June. Our Underwriting division posted a 37% gain in net income (from \$1.3M to \$1.8M) with strong increases in insurance revenue (48%, from \$41.3M to \$61M) and other income (71%, from \$176K to \$300K). Net expense from reinsurance contracts held also increased from \$33M to \$54M, however, a corresponding decline in insurance

service expense of 18%, tipped the overall results into the positive.

Our Agency division also posted a 13% gain in net income (from \$4.7M to \$5.4M) compared to the same period last year, with a strong increase in net revenue from contracts with customers (11%, \$12.7M to \$14.2M). The increase in other expenses of 10% offset some of the income gains, but the net result was a \$639K rise in profitability.

As always, I want to thank our staff for their continued commitment to our customers and the JSJ legacy. Thanks as well to our shareholders and our Board, whose support and guidance make it much easier to manage in any environment.



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 June 30, 2025 (amounts expressed in Bahamian dollars)

	June 2025	December 2024
ASSETS		
Cash and bank balances	\$ 25,974,659	28,194,795
Term deposits	12,509,109	12,386,878
Accounts receivable	27,121,638	16,518,194
Due from insurance carriers	249,532	61,373
Investments in securities		
- fair value through profit or loss	15,672,989	15,683,047
- Amortized costs	24,520,297	21,785,962
Prepayments and other assets	1,222,309	529,614
Reinsurance Contract Assets	30,875,961	31,343,483
Right of use asset	601,156	508,954
Investment properties	536,916	536,916
Property, plant and equipment	7,811,598	7,847,656
Total assets	\$ 147,096,164	135,396,872
LIABILITIES		
Insurance Contract Liabilities:		
Liability for Remaining Coverage	\$ 51,171,894	50,242,115
Liability for Claims Incurred	9,172,555	6,274,559
	<u>60,344,449</u>	<u>56,516,674</u>
Other liabilities:		
Due to related parties	-	926,457
Accounts payable	19,208,946	10,534,073
Lease Liability	614,132	522,617
Accrued expenses and other liabilities	2,360,748	3,340,552
Total liabilities	82,528,275	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	41,198,176	39,927,394
Interest in own shares	(84,600)	(84,600)
	<u>41,193,576</u>	<u>39,922,794</u>
Non-controlling interest	23,374,313	23,633,705
Total equity	64,567,889	63,556,499
Total liabilities and equity	\$ 147,096,164	135,396,872

(unaudited)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months to June 30, 2025 (amounts expressed in Bahamian dollars)

	June 2025	June 2024
INCOME		
Insurance Revenue	\$ 61,039,718	41,251,017
Net revenue from contracts with customers	12,690,742	11,152,376
Change in net unrealised gain on investments in securities	-	136,048
Investment income	1,261,810	962,886
Total income	\$ 74,992,270	53,502,327
EXPENSES		
Net expense from Reinsurance contracts held	\$ 53,686,279	33,168,370
Salaries and employees benefits	6,560,867	6,046,578
Insurance service expense	4,190,986	5,130,893
Depreciation and amortization	307,903	345,027
Change in net unrealised loss on investments in securities	10,056	-
Other operating expenses	3,017,470	2,727,077
Total expenses	\$ 67,773,561	47,417,945
Net income	\$ 7,218,709	6,084,382
Total comprehensive income	\$ 7,218,709	6,084,382
Equity holders of the Company	\$ 5,983,702	5,100,298
Non-controlling interests	1,235,007	984,084
	\$ 7,218,709	6,084,382
Earnings per share for the profit attributable to the equity holders of the Company	\$ 0.75	0.64

(unaudited)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months to June 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	-	5,100,298	-	5,100,298	984,084	6,084,382
Unrealised loss on available for sale securities	-	-	-	-	-	-
Distributions to owners:						
Dividends	-	(3,674,480)	-	(3,674,480)	(1,363,076)	(5,037,556)
Balance at June 30, 2024	80,000	37,287,865	(84,600)	37,283,265	21,176,460	58,459,725
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

(unaudited)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months to June 30, 2025 (amounts expressed in Bahamian dollars)

	June 2025	June 2024
Cash flows from operating activities:		
Net income for the period	7,218,709	6,084,382
<i>Adjustments for:</i>		
Unearned premium reserve	(5,963,315)	(4,883,765)
Depreciation and amortization	307,903	345,027
Change in net unrealized losses on investments in securities	-	136,048
Interest income	(519,508)	(541,151)
Dividend income	(379,485)	(189,494)
Bad debts	24,000	24,000
Cash from operations before changes in assets and liabilities	688,304	975,047
(Increase)/decrease in assets:		
Accounts receivable	(10,627,444)	(11,191,256)
Due from insurance carriers	(188,159)	274,025
Prepayments and other assets	(692,695)	(502,702)
Reinsurance contract assets	467,522	(1,728,446)
Increase/(decrease) in liabilities:		
Insurance contract liabilities	6,893,094	8,410,082
Reinsurance contract liabilities	2,897,996	5,022,346
Due to related parties	(926,457)	(709,037)
Accounts payable, accrued expenses and other liabilities	7,695,068	8,340,440
Net cash provided by operating activities	6,207,229	8,890,499
Cash flows from investing activities:		
Net placement of term deposits	53,363	151,182
Purchase of property, plant and equipment	(364,047)	(232,257)
Purchase of investments in securities	(2,749,263)	(1,862,520)
Interest received	368,901	310,771
Dividends received	379,485	189,494
Net cash used by investing activities	(2,311,561)	(1,443,330)
Cash flows from financing activities:		
Dividends paid to shareholders	(4,712,920)	(3,674,480)
Principal payment of lease liability	91,515	(105,015)
Dividends paid to non-controlling interest	(1,494,399)	(1,363,077)
Net cash used in financing activities	(6,115,804)	(5,142,572)
Net (decrease)/increase in cash and cash equivalents	(2,220,136)	2,304,597
Cash and cash equivalents at beginning of period	28,194,795	25,794,251
Cash and cash equivalents at end of period	25,974,659	28,098,848

(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 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 net unrealized loss on 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 results for the period ended June 30, 2024 are as follows:

	AGENTS & BROKERS	UNDERWRITING	TOTAL
Insurance revenue	-	41,251,017	41,251,017
Net revenue from contracts with customers	\$ 12,743,746	(1,591,370)	11,152,376
Interest income	167,014	374,136	541,150
Change in net unrealized gain on investments in securities	-	136,048	136,048
Dividend income	80,165	165,538	245,703
Other income	-	176,033	176,033
	\$ 12,990,925	40,511,402	53,502,327
Net expense from Reinsurance contracts held	-	33,168,370	33,168,370
Insurance service expense	\$ -	5,130,893	5,130,893
Depreciation and amortization	308,565	36,462	345,027
Other expenses	7,936,850	836,805	8,773,655
	\$ 8,245,415	39,172,530	47,417,945
Net income	\$ 4,745,510	1,338,872	6,084,382

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

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

	AGENTS & BROKERS	UNDERWRITING	TOTAL
Total assets	\$ 52,745,643	86,657,654	139,403,297
Total liabilities	30,907,946	50,035,626	80,943,572