



BRIAN M. MOREE, QC  
Chairman

Stability is an important factor in business particularly in these volatile and turbulent economic times. Since 2008, tough macro economic conditions have made it difficult for even the best companies to consistently maintain profits and continue to pay dividends to their shareholders. Locally the economic climate in 2013 was further impacted by the sluggish recovery of the Bahamian economy (no doubt connected to the slow pace of growth in the US economy) and the frustratingly high rate of unemployment. Also budget deficits and the increasing national debt have highlighted the imperative to achieve a higher rate of growth in GDP and caused the Government of the Bahamas to consider major tax reform based on developing additional streams of revenue through the introduction of new taxes, improved and more efficient collection of existing taxes and reduction of public spending. All of this produced a difficult and uncertain time for the business community in the Bahamas as the country continued to deal with these global and local factors in 2013. However, I am pleased to report that notwithstanding these formidable challenges over the past five years, J.S. Johnson has been a stable financial refuge for its shareholders and a secure and reliable company for its clients and staff. The Company's financial performance throughout this economically turbulent period has been consistent and reliable proving its underlying financial strength and the competence and expertise of its management and staff.

The Company's profit for 2013 remained virtually unchanged with less than a 1% deviation in both the Agency & Brokerage and Underwriting divisions. Dividends continued at 64 cents per share and shareholders earned a 5.69% return on their investment in the Company. The market responded positively to this financial performance in 2013 and demonstrated its continued confidence in J.S. Johnson as evidenced by an increase in the share price from \$10.00 to \$11.25 as mentioned by the Managing Director in his Report.

In other ways, 2013 was an exciting year for the Bahamas as we celebrated the 40th year of our Independence, the completion of the \$410 million three-phase Lynden Pindling International Airport Redevelopment Project and the hosting of the Carifta games. In furtherance of our commitment to be a responsible corporate participant in our community J.S. Johnson was a corporate sponsor for the Carifta games demonstrating support for our athletes in this important regional event. The Company also made contributions in 2013 to other community based projects to assist in the development of our society.

As we look to 2014, the Directors continue to work with management to develop modern and more efficient ways to deliver our services and products to our clients. Automation and reengineering of insurance operations are a constant focal point of the Board as we work to improve and upgrade all aspects of our business. Next year the Company will launch new initiatives to implement a more efficient platform to provide information to our customers in a timely manner including the emailing of customer statements and other web based services.

We approach 2014 with optimism and anticipation although we are cognizant of new challenges which will confront us as we seek to expand our business and increase our client base. The Baha Mar resort is scheduled to open in late 2014 and this will no doubt provide a much needed boost to our tourism industry and to the national economy which will provide new business opportunities for the Company. We intend to take full advantage of these opportunities and to aggressively pursue new business relationships in connection with other investment and residential projects in Nassau and the Family Islands. We will also continue our commitment to develop new and innovative insurance products to service the needs of our clients while maintaining our training programs for our staff. J.S. Johnson is fortunate to have a cadre of highly skilled professionals working for the Company led by an experienced and very able senior management team of insurance executives. I wish to commend all of them for their significant achievements during 2013 and for their hard work and loyalty to the Company. They have once again delivered solid and commendable financial results in a difficult and challenging year.

The financial performance of the Company during the past five years has been particularly impressive given the overall adverse economic conditions. This should provide our shareholders and clients with added confidence that J.S. Johnson is a mature and stable company with a proven record of delivering value to its stakeholders and protecting the interest of its clients. The Company has been providing insurance products and services to the Bahamian public for 95 years and we draw upon that experience every day as we continue our quest to be the best and the brightest in our business sector. The last 95 years clearly validates the role of J.S. Johnson as a market leader and the directors, management and staff of the Company are committed to maintaining that position.

I would like to thank the Directors of J.S. Johnson for their wise and experienced counsel during 2013 and for their valuable contribution to the Company. They are all accomplished professionals and the Company is fortunate to have the benefit of their services. Again, I express our appreciation to the management and staff of J.S. Johnson for another successful year. On behalf of the Board of Directors, I would also like to take this opportunity to thank all of our shareholders and our clients for their continued trust and confidence in J. S. Johnson.



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