FOURTH QUARTER

INTERIM REPORT

2018



MANAGING DIRECTOR'S REVIEW

While the 2018 hurricane season was still very active, thankfully our islands were spared any major impact for the first time in four years. Without the resulting claims and attritional losses also being well below budget, we've recorded a much improved performance for the full year. Both our underwriting (ICB) and agency (JSJ) segments were up, with combined total income up a healthy 26% at \$7,119,377 from \$5,647,597 in the prior year.

Underwriting saw net income increase by 198% to \$1,577,958 from \$529,093. Insurance expenses (claims) dropped from \$3,457,126 to \$1,825,482 net of reinsurance.

Agency increased net income by just over 8% to \$5,529,422 from \$5,108,701. We had strong new business success in the second half of the year and contained overall expenses.

Against this backdrop, we expect to have another successful year in 2019.

Our centenary celebrations got underway with staff joining the Paper Boys group for a rush out at the New Year's Day Junkanoo Parade. It was a fun event and JSJ received very good coverage in the media. We look forward to welcoming you all to the various events which we have planned throughout the year to mark this special occasion.

Alister I. McKellar, FCII
Managing Director



PEACE OF MIND

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2018 (amounts expressed in Bahamian dollars)

ASSETS Assets 9,700,629 13,797,166 Term deposits 6,087,061 5,039,413 Accounts receivable 14,500,635 15,762,743 Due from insurance carriers 45,233 451,226 Investments in securities		De	ecember 2018	December 2017
Term deposits	ASSETS			
Accounts receivable 14,500,635 15,762,743 Due from insurance carriers 45,233 451,226 Investments in securities	Cash and bank balances	\$	9,700,629	13,797,166
Accounts receivable 14,500,635 15,762,743 Due from insurance carriers 45,233 451,226 Investments in securities	Term deposits			
Due from insurance carriers 45,233 451,226 Investments in securities				
Investments in securities	Due from insurance carriers			
- held-to-maturity - 11,256,459				
- held-to-maturity - 11,256,459 9,961,448 - available for sale 5,767,196 5,773,060 5,076,801 Prepayments and other assets 1,602,406 5,076,801 Prepaid reinsurance premiums 19,419,717 18,421,096 Reinsurance recoveries 9,547,973 15,499,181 Intangible assets 10,693 42,510 Investment properties 973,935 976,180 Property, plant and equipment 8,481,045 8,452,834 Property, plant and equipment 8,481,045 8,452,834 Property, plant and equipment 8,481,045 8,452,834 Property, plant and equipment 10,276,111 20,751,023 21,778,705 21	- fair value through profit or loss		4,448,150	4,673,511
Prepayments and other assets 1,602,406 5,076,801 Prepaid reinsurance premiums 19,419,717 18,421,096 Reinsurance recoveries 9,547,973 15,499,181 Intangible assets 10,693 42,510 Investment properties 973,935 976,180 Property, plant and equipment 8,481,045 8,452,834 Total assets \$ 91,841,132 103,947,169 LIABILITIES General insurance funds: Unearned premium reserve \$ 22,897,180 21,778,705 Outstanding claims 10,276,111 20,751,023 33,173,291 42,529,728 Other liabilities: 33,173,291 42,529,728 Other liabilities 188,029 146,914 Accounts payable 5,225,165 6,189,734 Due to related parties 3,652,923 7,204,336 Accrued expenses and other liabilities 3,036,203 3,719,210 Unearned commission reserve 5,217,820 4,984,489 Total liabilities 80,000 80,000	- held-to-maturity		11,256,459	9,961,448
Prepayments and other assets 1,602,406 5,076,801 Prepaid reinsurance premiums 19,419,717 18,421,096 Reinsurance recoveries 9,547,973 15,499,181 Intangible assets 10,693 42,510 Investment properties 973,935 976,180 Property, plant and equipment 8,481,045 8,452,834 Total assets \$ 91,841,132 103,947,169 LIABILITIES General insurance funds: Unearned premium reserve \$ 22,897,180 21,778,705 Outstanding claims 10,276,111 20,751,023 33,173,291 42,529,728 Other liabilities: 188,029 146,914 Accounts payable 5,225,165 6,189,734 Due to reinsurers 3,652,923 7,204,336 Accounts payable 5,217,820 4,984,489 Total liabilities 3,036,203 3,719,210 Unearned commission reserve 5,217,820 4,984,489 Total liabilities 80,000 <td>- available for sale</td> <td></td> <td>5,767,196</td> <td>5,773,060</td>	- available for sale		5,767,196	5,773,060
Prepaid reinsurance premiums 19,419,717 18,421,096 Reinsurance recoveries 9,547,973 15,499,181 Intragible assets 10,693 342,510 Investment properties 973,935 976,180 Property, plant and equipment 8,481,045 8,452,834 Total assets \$ 91,841,132 103,947,169 LIABILITIES General insurance funds: \$ 22,897,180 21,778,705 Outstanding claims 10,276,111 20,751,023 Outstanding claims 10,276,111 20,751,023 Other liabilities: \$ 188,029 146,914 Accounts payable 5,225,165 6,189,734 Due to reinsurers 3,652,923 7,204,336 Accrued expenses and other liabilities 3,036,203 3,719,210 Uncarned commission reserve 5,217,820 4,984,489 Total liabilities 50,493,431 64,774,411 EQUITY Share capital Authorized, issued and fully paid-8,000,000 ordinary shares of \$0.01 each \$ 80,000 80,000 <td< td=""><td>Prepayments and other assets</td><td></td><td></td><td>5,076,801</td></td<>	Prepayments and other assets			5,076,801
Reinsurance recoveries 9,547,973 15,499,181 Intangible assets 10,693 42,510 Investment properties 973,935 976,180 Property, plant and equipment 8,481,045 8,452,834 Total assets \$ 91,841,132 103,947,169 LIABILITIES General insurance funds: \$ 22,897,180 21,778,705 Unearned premium reserve \$ 22,897,180 21,778,705 Outstanding claims 10,276,111 20,751,023 33,173,291 42,529,728 Other liabilities: \$ 188,029 146,914 Other liabilities: \$ 188,029 146,914 Accounts payable 5,225,165 6,189,734 Accrued expenses and other liabilities 3,036,203 3,719,210 Unearned commission reserve 5,217,820 4,984,489 Total liabilities 50,493,431 64,774,411 EQUITY Share capital 4 Authorized, issued and fully paid:-8,000,000 ordinary shares of \$0.01 each \$ 8,0000 80,000 Retained earnings 25,318,267			19,419,717	18,421,096
Intangible assets 10,693 42,510 Investment properties 973,935 976,180 Property, plant and equipment 8,481,045 8,452,834 Total assets \$ 91,841,132 103,947,169 LIABILITIES General insurance funds: \$ 22,897,180 21,778,705 Outstanding claims 10,276,111 20,751,023 Other liabilities: 33,173,291 42,529,728 Other liabilities: 188,029 146,914 Accounts payable 5,225,165 6,189,734 Accrued expenses and other liabilities 3,036,203 3,719,210 Unearned commission reserve 5,217,820 4,984,489 Total liabilities 50,493,431 64,774,411 EQUITY Share capital Authorized, issued and fully paid:-8,000,000 ordinary shares of \$0.01 each \$ 80,000 80,000 Retained earnings 25,318,267 23,972,941 Interest in own shares 84,600 (84,600) Other comprehensive income 62,527 50,530 Other comprehensive income			9,547,973	15,499,181
Property, plant and equipment 8,481,045 8,452,834 Total assets \$ 91,841,132 103,947,169 LIABILITIES General insurance funds: \$ 22,897,180 21,778,705 Unearned premium reserve \$ 22,897,180 21,778,705 Outstanding claims 10,276,111 20,751,023 33,173,291 42,529,728 Other liabilities: 188,029 146,914 Accounts payable 5,225,165 6,189,734 Due to reinsurers 3,652,923 7,204,336 Accrued expenses and other liabilities 3,036,203 3,719,210 Unearned commission reserve 5,217,820 4,984,489 Total liabilities 50,493,431 64,774,411 EGUITY Share capital Authorized, issued and fully paid:- 8,000,000 ordinary shares of \$0.01 each \$ 80,000 80,000 Retained earnings 25,318,267 23,972,941 Interest in own shares (84,600) (84,600) Other comprehensive income 62,527 50,533 25,376,194 24,018,87	Intangible assets			
Property, plant and equipment 8,481,045 8,452,834 Total assets \$ 91,841,132 103,947,169 LIABILITIES Secretal insurance funds: Secretal insurance funds: Unearned premium reserve \$ 22,897,180 21,778,705 Outstanding claims 10,276,111 20,751,023 33,173,291 42,529,728 Other liabilities: 188,029 146,914 Accounts payable 5,225,165 6,189,734 Due to reinsurers 3,652,923 7,204,336 Accrued expenses and other liabilities 3,036,203 3,719,210 Unearned commission reserve 5,217,820 4,984,489 Total liabilities 50,493,431 64,774,411 EQUITY Share capital Authorized, issued and fully paid:- 8,000,000 80,000 Retained earnings 25,318,267 23,972,941 Interest in own shares (84,600) (84,600) Other comprehensive income 62,527 50,530 225,376,194 24,018,871 Non-controlling interest 15,971,507 15,153,887	Investment properties		973,935	976,180
Comparison of Example 1			8,481,045	8,452,834
General insurance funds: Unearned premium reserve \$ 22,897,180 21,778,705 Outstanding claims 10,276,111 20,751,023 33,173,291 42,529,728 Other liabilities: 8 188,029 146,914 Accounts payable 5,225,165 6,189,734 Due to reinsurers 3,652,923 7,204,336 Accrued expenses and other liabilities 3,036,203 3,719,210 Unearned commission reserve 5,217,820 4,984,489 Total liabilities 50,493,431 64,774,411 EQUITY Share capital 4 4 Authorized, issued and fully paid:- 8,000,000 ordinary shares of \$0.01 each \$ 80,000 80,000 Retained earnings 25,318,267 23,972,941 11 Interest in own shares (84,600) (84,600) Other comprehensive income 62,527 50,530 25,376,194 24,018,871 Non-controlling interest 15,971,507 15,153,887	Total assets	\$	91,841,132	103,947,169
Unearned premium reserve \$ 22,897,180 21,778,705 Outstanding claims 10,276,111 20,751,023 33,173,291 42,529,728 Other liabilities: **** ****				
Outstanding claims 10,276,111 20,751,023 33,173,291 42,529,728 Other liabilities: Tue to related parties 188,029 146,914 Accounts payable 5,225,165 6,189,734 Due to reinsurers 3,652,923 7,204,336 Accrued expenses and other liabilities 3,036,203 3,719,210 Unearned commission reserve 5,217,820 4,984,489 Total liabilities 50,493,431 64,774,411 EQUITY Share capital Authorized, issued and fully paid:- 8,000,000 ordinary shares of \$0.01 each \$ 80,000 80,000 Retained earnings 25,318,267 23,972,941 Interest in own shares (84,600) (84,600) Other comprehensive income 62,527 50,530 Non-controlling interest 15,971,507 15,153,887 Total equity \$ 41,347,701 39,172,758		\$	22.897.180	21.778.705
Other liabilities: Due to related parties 188,029 146,914 Accounts payable 5,225,165 6,189,734 Due to reinsurers 3,652,923 7,204,336 Accrued expenses and other liabilities 3,036,203 3,719,210 Unearned commission reserve 5,217,820 4,984,489 Total liabilities 50,493,431 64,774,411 EQUITY Share capital Authorized, issued and fully paid:-		•		
Other liabilities: 188,029 146,914 Accounts payable 5,225,165 6,189,734 Due to reinsurers 3,652,923 7,204,336 Accrued expenses and other liabilities 3,036,203 3,719,210 Unearned commission reserve 5,217,820 4,984,489 Total liabilities 50,493,431 64,774,411 EQUITY Share capital 4uthorized, issued and fully paid:-8,000,000 ordinary shares of \$0.01 each \$ 80,000 80,000 Retained earnings 25,318,267 23,972,941 Interest in own shares (84,600) (84,600) Other comprehensive income 62,527 50,530 70,507 15,153,887 Non-controlling interest 15,971,507 15,153,887 Total equity				
Accounts payable 5,225,165 6,189,734 Due to reinsurers 3,652,923 7,204,336 Accrued expenses and other liabilities 3,036,203 3,719,210 Unearned commission reserve 5,217,820 4,984,489 Total liabilities 50,493,431 64,774,411 EQUITY Share capital Authorized, issued and fully paid:- 8,000,000 ordinary shares of \$0.01 each \$80,000 80,000 Retained earnings 25,318,267 23,972,941 Interest in own shares (84,600) (84,600) Other comprehensive income 62,527 50,530 25,376,194 24,018,871 Non-controlling interest 15,971,507 15,153,887	Other liabilities:			
Due to reinsurers 3,652,923 7,204,336 Accrued expenses and other liabilities 3,036,203 3,719,210 Unearned commission reserve 5,217,820 4,984,489 Total liabilities 50,493,431 64,774,411 EQUITY Share capital Authorized, issued and fully paid:- 8,000,000 ordinary shares of \$0.01 each \$ 80,000 80,000 Retained earnings 25,318,267 23,972,941 11 Interest in own shares (84,600) (84,600) (84,600) Other comprehensive income 62,527 50,530 25,376,194 24,018,871 Non-controlling interest 15,971,507 15,153,887 Total equity	Due to related parties		188,029	146,914
Accrued expenses and other liabilities Unearned commission reserve 5,217,820 4,984,489 Total liabilities 50,493,431 64,774,411 EQUITY Share capital Authorized, issued and fully paid:- 8,000,000 ordinary shares of \$0.01 each Retained earnings 25,318,267 23,972,941 Interest in own shares (84,600) Other comprehensive income 62,527 50,530 25,376,194 24,018,871 Non-controlling interest 15,971,507 15,153,887 Total equity \$41,347,701 39,172,758	Accounts payable		5,225,165	6,189,734
Unearned commission reserve 5,217,820 4,984,489 Total liabilities 50,493,431 64,774,411 EQUITY Share capital Authorized, issued and fully paid:-	Due to reinsurers		3,652,923	7,204,336
Total liabilities 50,493,431 64,774,411 EQUITY Share capital Authorized, issued and fully paid:	Accrued expenses and other liabilities		3,036,203	3,719,210
EQUITY Share capital Authorized, issued and fully paid:-	Unearned commission reserve		5,217,820	4,984,489
Share capital Authorized, issued and fully paid:- 8,000,000 ordinary shares of \$0.01 each \$ 80,000 80,000 Retained earnings 25,318,267 23,972,941 Interest in own shares (84,600) (84,600) Other comprehensive income 62,527 50,530 Non-controlling interest 15,971,507 15,153,887 Total equity \$ 41,347,701 39,172,758	Total liabilities		50,493,431	64,774,411
Authorized, issued and fully paid: 8,000,000 ordinary shares of \$0.01 each Retained earnings 25,318,267 23,972,941 Interest in own shares (84,600) Other comprehensive income 62,527 50,530 25,376,194 24,018,871 Non-controlling interest 15,971,507 15,153,887 Total equity \$41,347,701 39,172,758	EQUITY			
8,000,000 ordinary shares of \$0.01 each \$ 80,000 80,000 Retained earnings 25,318,267 23,972,941 Interest in own shares (84,600) (84,600) Other comprehensive income 62,527 50,530 25,376,194 24,018,871 Non-controlling interest 15,971,507 15,153,887 Total equity \$ 41,347,701 39,172,758				
Retained earnings 25,318,267 23,972,941 Interest in own shares (84,600) (84,600) Other comprehensive income 62,527 50,530 25,376,194 24,018,871 Non-controlling interest 15,971,507 15,153,887 Total equity \$ 41,347,701 39,172,758	Authorized, issued and fully paid:-			
Interest in own shares (84,600) (84,600) Other comprehensive income 62,527 50,530 25,376,194 24,018,871 Non-controlling interest 15,971,507 15,153,887 Total equity \$ 41,347,701 39,172,758	8,000,000 ordinary shares of \$0.01 each	\$	80,000	
Other comprehensive income 62,527 50,530 25,376,194 24,018,871 Non-controlling interest 15,971,507 15,153,887 Total equity \$ 41,347,701 39,172,758			25,318,267	23,972,941
25,376,194 24,018,871 Non-controlling interest 15,971,507 15,153,887 Total equity \$ 41,347,701 39,172,758				
Non-controlling interest 15,971,507 15,153,887 Total equity \$ 41,347,701 39,172,758	Other comprehensive income			<u> </u>
Total equity \$ 41,347,701 39,172,758			25,376,194	24,018,871
	Non-controlling interest		15,971,507	15,153,887
	Total equity	\$	41,347,701	39,172,758

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the twelve months to December 31, 2018 (amounts expressed in Bahamian dollars)

	December 2018	December 2017
INCOME		
Net commission and fees	18,747,481	17,506,867
Net premiums earned	3,926,395	4,266,028
Investment income	1,694,472	1,451,514
Change in net unrealized gain on investments in		
securities		481,671
Total income	24,368,348	23,706,080
EXPENSES		
Salaries and employees benefits	10,084,176	9,710,317
Net claims incurred	1,825,482	3,457,126
Depreciation and amortization	552,138	657,608
Change in net unrealised loss on investments in		
securities	225,362	-
Other operating expenses	4,573,810	4,243,235
Total expenses	17,260,968	18,068,286
Net income	7,107,380	5,637,794
Other comprehensive income		
Unrealized gain on available for sale securities	11,997	9,803
Total comprehensive income	7,119,377	5,647,597
Equity holders of the Company	\$ 6,150,123	5,300,909
Non-controlling interests	969,254	346,688
	7,119,377	5,647,597
Earnings per share for the profit attributable to the		
equity holders of the Company	\$ 0.77	\$ 0.67

(unaudited)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the twelve months to December 31, 2018 (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, 2016	80,000	23,314,875	(84,600)	40,727	23,351,002	14,837,199	38,188,201
Total comprehensive income for the year: Net income Unrealised gain on available for sale	- 70	5,291,106			5,291,106	346,688	5,637,794
securities	-			9,803	9,803		9,803
Distributions to owners: Dividends	-	(4,633,040)	-		(4,633,040)	(30,000)	(4,663,040)
Balance at December 31, 2017	80,000	23,972,941	(84,600)	50,530	24,018,871	15,153,887	39,172,758
Balance at December 31, 2017	80,000	23,972,941	(84,600)	50,530	24,018,871	15,153,887	39,172,758
Total comprehensive income for the year: Net income Unrealised loss on available for sale	-	6,138,126	-	-	6,138,126	969,254	7,107,380
securities	-	-	-	11,997	11,997	-	11,997
Distributions to owners: Dividends	-	(4,792,800)	-	-	(4,792,800)	(151,634)	(4,944,434)
Balance at December 31, 2018	80,000	25,318,267	(84,600)	62,527	25,376,194	15,971,507	41,347,701

(unaudited)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the twelve months to December 31, 2018 (amounts expressed in Bahamian dollars)

Net Income for the period		December 2018	December 2017
Catalanter Cat	Cash flows from operating activities:		
Unearned premium reserve (224,717) (214,366) Depreciation and amortization 552,138 657,608 (257,608 157,608 1552,138 657,608 1552,138 657,608 (2481,671) Interest income (684,972) (758,235) Dividend income (509,010) (449,211) Bad debts (68,000 48,000 48,000 (48,000) Cash from operations before changes in assets and liabilities (534,181 4,439,919) (Increase)/decrease in assets: Accounts receivable 1,194,108 (3,361,271) Due from insurance carriers 405,993 (306,329) Prepayments and other assets (998,621) (797,423) Reinsurance recoveries 5,951,208 29,180,283 Increase/(decrease) in liabilities: Unearned premium reserve 1,343,192 1,226,157 Outstanding claims (10,474,912) (23,788,833) Due to related parties 41,115 (416,275) Accounts payable, accrued expenses and other liabilities (10,474,912) (23,788,833) Une to reinsurers (3,551,413) (12,845,787) Unearned commission reserve 233,331 95,843 Net cash provided by (used in) operating activities 2,505,000 (8,251,693) Cash flows from investing activities: Net (placement/maturity of term deposits (1,147,203) 5,002,843 Proceeds from sale of investment property 250,066 Purchase of property, plant and equipment (546,287) (224,880) Purchase of property, plant and equipment (546,287) (224,880) Dividends received investments in securities (1,278,793) 499,999 Interest received my provided by investing activities (1,278,793) 499,999 Interest received my provided by investing activities (1,278,793) 499,999 Interest received my provided by investing activities (1,657,103) 6,849,779 Cash flows from financing activities: Dividends received (4,792,800) (4,633,040) Dividends paid to non-controlling interest (151,634) (30,000) Net cash used in financing activities (4,944,434) (4,663,040) Net decrease in cash and cash equivalents (4,906,537) (6,064,954)		7,107,380	5,637,794
Depreciation and amoritization			
Change in net unrealized losses/(gains) on investment in securities 225,362 (481,671) Interest income (684,972) (758,235) Dividend income (509,010) (449,211) Bad debts 68,000 48,000 Cash from operations before changes in assets and liabilities 6,534,181 4,39,919 (Increase)/decrease in assets: Accounts receivable 1,194,108 (3,361,271) Due from insurance carriers 405,993 (306,329) Prepayments and other assets 3,474,395 (973,131) Prepad reinsurance premiums (998,621) (797,423) Reinsurance recoveries 5,951,208 (29,180,283) Increase/(decrease) in liabilities: (10,474,912) (23,788,833) Unearned premium reserve 1,343,192 (12,2788,833) Outstanding claims (10,474,912) (23,788,833) Due to relasted parties 41,115 (416,275) Accounts payable, accrued expenses and other liabilities (1,647,577) (704,846) Due to reinsurers (3,551,413) (12,845,787) Unearned commission reserve 233,331 (95,843) Net cash provided by (used in) operating activities (1,647,577) (704,846) Net cash flows from investing activities		(224,717)	(214,366)
Interest income	Depreciation and amoritization	552,138	657,608
Dividend income 1509,010 1449,211 Bad debts 68,000 48,000 Cash from operations before changes in assets and liabilities 6,534,181 4,439,919 Cash from operations before changes in assets and liabilities 1,194,108 (3,361,271 Due from insurance carriers 405,993 (306,329 Prepayments and other assets 3,474,395 (973,131 Prepaid reinsurance premiums (998,621 (797,423 Reinsurance recoveries 5,951,208 29,180,283 Increase/(decrease) in liabilities: Unearned premium reserve 1,343,192 1,226,157 Outstanding claims (10,474,912 (23,788,833 Due to related parties 41,115 (416,275 Accounts payable, accrued expenses and other liabilities (1,647,577 (704,846 Due to reinsurers (3,551,413 (12,845,787 Unearned commission reserve 233,331 95,843 Net cash provided by (used in) operating activities 2,505,000 (8,251,693 Cash flows from investing activities: 11,147,203 5,002,843 Proceeds from sale of investment property 250,066 Purchase of property, plant and equipment (546,287 (224,880 (Purchase)/Sale of investments in securities (1,278,793 499,999 Interest received 806,170 872,540 Dividends received 806,170 872,540 Dividends paid to shareholders (4,792,800 (4,633,040 Dividends paid to shareholders (4,792,800 (4,633,040 Dividends paid to shareholders (4,944,434 (4,663,040 Net decrease in cash and cash equivalents (4,096,537 (6,064,954	Change in net unrealized losses/(gains) on investment in securities	225,362	(481,671)
Bad debts 68,000 48,000 Cash from operations before changes in assets and liabilities 6,534,181 4,439,919 (Increase)/decrease in assets: Accounts receivable 1,194,108 (3,361,271) Due from insurance carriers 405,993 (306,329) Prepayments and other assets 3,474,395 (973,131) Prepaid reinsurance premiums (998,621) (797,423) Reinsurance recoveries 5,951,208 29,180,283 Increase/(decrease) in liabilities: Unearned premium reserve 1,343,192 1,226,157 Outstanding claims (10,474,912) (23,788,833) Due to related parties 41,115 (416,275) (704,846) Accounts payable, accrued expenses and other liabilities (1,647,577) (704,846) Due to reinsurers (3,551,413) (12,845,787) Unearned commission reserve 233,331 95,843 Net cash provided by (used in) operating activities (1,147,203) 5,002,843 Proceeds from sale of investment property - 250,066	Interest income	(684,972)	(758,235)
Cash from operations before changes in assets and liabilities 6,534,181 4,439,919 (Increase)/decrease in assets:	Dividend income	(509,010)	(449,211)
(Increase)/decrease in assets: 1,194,108 (3,361,271) Accounts receivable 1,194,108 (3,361,271) Due from insurance carriers 405,993 (306,329) Prepayments and other assets 3,474,395 (973,131) Prepaid reinsurance premiums (998,621) (797,423) Reinsurance recoveries 5,951,208 29,180,283 Increase/(decrease) in liabilities: Unearned premium reserve 1,343,192 1,226,157 Outstanding claims (10,474,912) (23,788,833) Due to related parties 41,115 (416,275) Accounts payable, accrued expenses and other liabilities (1,647,577) (704,846) Due to reinsurers (3,551,413) (12,845,787) Unearned commission reserve 233,331 95,843 Net cash provided by (used in) operating activities 2,505,000 (8,251,693) Cash flows from investing activities: (1,147,203) 5,002,843 Proceeds from sale of investment property - 250,066 Purchase)/Sale of investments in securities (1,278,793) 499,999 Interest received	Bad debts	68,000	48,000
Accounts receivable 1,194,108 (3,361,271) Due from insurance carriers 405,993 (306,329) Prepayments and other assets 3,474,395 (973,131) Prepaid reinsurance premiums (998,621) (797,423) Reinsurance recoveries 5,951,208 29,180,283 Increase/(decrease) in liabilities: Unearned premium reserve 1,343,192 1,226,157 Outstanding claims (10,474,912) (23,788,833) Due to related parties 41,115 (416,275) Accounts payable, accrued expenses and other liabilities (1,647,577) (704,846) Due to reinsurers (3,551,413) (12,845,787) Unearned commission reserve 233,331 95,843 Net cash provided by (used in) operating activities 2,505,000 (8,251,693) Cash flows from investing activities: Net (placement)/maturity of term deposits (1,147,203) 5,002,843 Proceeds from sale of investment property - 250,066 Purchase of property, plant and equipment (546,287) (224,880) (Purchase)/Sale of investments in securities (1,278,793) 499,999 Interest received 806,170 872,540 Dividends received 509,010 449,211 Net cash (used in) provided by investing activities: Dividends paid to shareholders (4,792,800) (4,633,040) Dividends paid to non-controlling interest (151,634) (30,000) Net cash used in financing activities (4,944,434) (4,663,040) Net decrease in cash and cash equivalents (4,996,537) (6,064,954)	Cash from operations before changes in assets and liabilities	6,534,181	4,439,919
Due from insurance carriers 405,993 (306,329) Prepayments and other assets 3,474,395 (973,131) Prepaid reinsurance premiums (998,621) (797,423) Reinsurance recoveries 5,951,208 29,180,283 Increase/(decrease) in liabilities: Unearned premium reserve 1,343,192 1,226,157 Outstanding claims (10,474,912) (23,788,833) Due to related parties 41,115 (416,275) Accounts payable, accrued expenses and other liabilities (1,647,577) (704,846) Due to reinsurers (3,551,413) (12,845,787) Unearned commission reserve 233,331 95,843 Net cash provided by (used in) operating activities 2,505,000 (8,251,693) Cash flows from investing activities: Net (placement)/maturity of term deposits (1,147,203) 5,002,843 Proceeds from sale of investment property - 250,066 Purchase)/Sale of investments in securities (1,278,793) 499,999 Interest received 806,170 872,540 Dividends received 509,010 449,211 </td <td>(Increase)/decrease in assets:</td> <td></td> <td></td>	(Increase)/decrease in assets:		
Prepayments and other assets 3,474,395 (973,131) Prepaid reinsurance premiums (998,621) (797,423) Reinsurance recoveries 5,951,208 29,180,283 Increase/(decrease) in liabilities: Unearned premium reserve 1,343,192 1,226,157 Outstanding claims (10,474,912) (23,788,833) Due to related parties 41,115 (416,275) Accounts payable, accrued expenses and other liabilities (1,647,577) (704,846) Due to reinsurers (3,551,413) (12,845,787) Unearned commission reserve 233,331 95,843 Net cash provided by (used in) operating activities 2,505,000 (8,251,693) Cash flows from investing activities: (1,147,203) 5,002,843 Proceeds from sale of investment property - 250,066 Purchase of property, plant and equipment (546,287) (224,880) (Purchase)/Sale of investments in securities (1,278,793) 499,999 Interest received 806,170 872,540 Dividends received 509,010 449,211 Net cash (used in) provided by	Accounts receivable	1,194,108	(3,361,271)
Prepaid reinsurance premiums (998,621) (797,423) Reinsurance recoveries 5,951,208 29,180,283 Increase/(decrease) in liabilities: Unearned premium reserve 1,343,192 1,226,157 Outstanding claims (10,474,912) (23,788,833) Due to related parties 41,115 (416,275) Accounts payable, accrued expenses and other liabilities (1,647,577) (704,846) Due to reinsurers (3,551,413) (12,845,787) Unearned commission reserve 233,331 95,843 Net cash provided by (used in) operating activities 2,505,000 (8,251,693) Cash flows from investing activities: (1,147,203) 5,002,843 Proceeds from sale of investment property - 250,066 Purchase of property, plant and equipment (546,287) (224,880) (Purchase)/Sale of investments in securities (1,278,793) 499,999 Interest received 806,170 872,540 Dividends received 509,010 449,211 Net cash (used in) provided by investing activities (4,637,103) 6,849,779	Due from insurance carriers	405,993	(306,329)
Reinsurance recoveries 5,951,208 29,180,283 Increase/(decrease) in liabilities: Unearned premium reserve 1,343,192 1,226,157 Outstanding claims (10,474,912) (23,788,833) Due to related parties 41,115 (416,275) Accounts payable, accrued expenses and other liabilities (1,647,577) (704,846) Due to reinsurers (3,551,413) (12,845,787) Unearned commission reserve 233,331 95,843 Net cash provided by (used in) operating activities 2,505,000 (8,251,693) Cash flows from investing activities: Very claim of the property of	Prepayments and other assets	3,474,395	(973,131)
Increase/(decrease) in liabilities: Unearned premium reserve	Prepaid reinsurance premiums	(998,621)	(797,423)
Unearned premium reserve 1,343,192 1,226,157 Outstanding claims (10,474,912) (23,788,833) Due to related parties 41,115 (416,275) Accounts payable, accrued expenses and other liabilities (1,647,577) (704,846) Due to reinsurers (3,551,413) (12,845,787) Unearned commission reserve 233,331 95,843 Net cash provided by (used in) operating activities 2,505,000 (8,251,693) Cash flows from investing activities: (1,147,203) 5,002,843 Proceeds from sale of investment property - 250,066 Purchase of property, plant and equipment (546,287) (224,880) (Purchase)/Sale of investments in securities (1,278,793) 499,999 Interest received 806,170 872,540 Dividends received 509,010 449,211 Net cash (used in) provided by investing activities (1,657,103) 6,849,779 Cash flows from financing activities: (4,792,800) (4,633,040) Dividends paid to shareholders (4,944,434) (4,663,040) Net cash used in financing activiti	Reinsurance recoveries	5,951,208	29,180,283
Outstanding claims (10,474,912) (23,788,833) Due to related parties 41,115 (416,275) Accounts payable, accrued expenses and other liabilities (1,647,577) (704,846) Due to reinsurers (3,551,413) (12,845,787) Unearned commission reserve 233,331 95,843 Net cash provided by (used in) operating activities 2,505,000 (8,251,693) Cash flows from investing activities: 1 250,006 Net (placement)/maturity of term deposits (1,147,203) 5,002,843 Proceeds from sale of investment property - 250,066 Purchase of property, plant and equipment (546,287) (224,880) (Purchase)/Sale of investments in securities (1,278,793) 499,999 Interest received 806,170 872,540 Dividends received 509,010 449,211 Net cash (used in) provided by investing activities (1,657,103) 6,849,779 Cash flows from financing activities: (4,792,800) (4,633,040) Dividends paid to shareholders (4,944,434) (4,663,040) Net cash used in financing a	Increase/(decrease) in liabilities:		
Due to related parties 41,115 (416,275) Accounts payable, accrued expenses and other liabilities (1,647,577) (704,846) Due to reinsurers (3,551,413) (12,845,787) Unearned commission reserve 233,331 95,843 Net cash provided by (used in) operating activities 2,505,000 (8,251,693) Cash flows from investing activities: Net (placement)/maturity of term deposits (1,147,203) 5,002,843 Proceeds from sale of investment property - 250,066 Purchase of property, plant and equipment (546,287) (224,880) (Purchase)/Sale of investments in securities (1,278,793) 499,999 Interest received 806,170 872,540 Dividends received 509,010 449,211 Net cash (used in) provided by investing activities (1,657,103) 6,849,779 Cash flows from financing activities: (4,792,800) (4,633,040) Dividends paid to shareholders (4792,800) (4,663,040) Net cash used in financing activities (4,944,434) (4,663,040) Net decrease in cash and cash equivalents <td>Unearned premium reserve</td> <td>1,343,192</td> <td>1,226,157</td>	Unearned premium reserve	1,343,192	1,226,157
Accounts payable, accrued expenses and other liabilities (1,647,577) (704,846) Due to reinsurers (3,551,413) (12,845,787) Unearned commission reserve 233,331 95,843 Net cash provided by (used in) operating activities 2,505,000 (8,251,693) Cash flows from investing activities: Net (placement)/maturity of term deposits (1,147,203) 5,002,843 Proceeds from sale of investment property - 250,066 Purchase of property, plant and equipment (546,287) (224,880) (Purchase)/Sale of investments in securities (1,278,793) 499,999 Interest received 886,170 872,540 Dividends received 509,010 449,211 Net cash (used in) provided by investing activities (1,657,103) 6,849,779 Cash flows from financing activities: Dividends paid to shareholders (4,792,800) (4,633,040) Dividends paid to non-controlling interest (151,634) (30,000) Net cash used in financing activities (4,944,434) (4,663,040) Net decrease in cash and cash equivalents (4,096,537) (6,064,954)	Outstanding claims	(10,474,912)	(23,788,833)
Due to reinsurers (3,551,413) (12,845,787) Unearned commission reserve 233,331 95,843 Net cash provided by (used in) operating activities 2,505,000 (8,251,693) Cash flows from investing activities: Net (placement)/maturity of term deposits (1,147,203) 5,002,843 Proceeds from sale of investment property - 250,066 Purchase of property, plant and equipment (546,287) (224,880) (Purchase)/Sale of investments in securities (1,278,793) 499,999 Interest received 806,170 872,540 Dividends received 509,010 449,211 Net cash (used in) provided by investing activities (1,657,103) 6,849,779 Cash flows from financing activities: (4,792,800) (4,633,040) Dividends paid to shareholders (4,792,800) (4,633,040) Net cash used in financing activities (4,944,434) (4,663,040) Net decrease in cash and cash equivalents (4,096,537) (6,064,954)	Due to related parties	41,115	(416,275)
Unearned commission reserve 233,331 95,843 Net cash provided by (used in) operating activities 2,505,000 (8,251,693) Cash flows from investing activities: Net (placement)/maturity of term deposits (1,147,203) 5,002,843 Proceeds from sale of investment property - 250,066 Purchase of property, plant and equipment (546,287) (224,880) (Purchase)/Sale of investments in securities (1,278,793) 499,999 Interest received 806,170 872,540 Dividends received 509,010 449,211 Net cash (used in) provided by investing activities (1,657,103) 6,849,779 Cash flows from financing activities: (4,792,800) (4,633,040) Dividends paid to shareholders (4,792,800) (4,633,040) Net cash used in financing activities (4,944,434) (4,663,040) Net decrease in cash and cash equivalents (4,096,537) (6,064,954)	Accounts payable, accrued expenses and other liabilities	(1,647,577)	(704,846)
Net cash provided by (used in) operating activities2,505,000(8,251,693)Cash flows from investing activities:Net (placement)/maturity of term deposits(1,147,203)5,002,843Proceeds from sale of investment property-250,066Purchase of property, plant and equipment(546,287)(224,880)(Purchase)/Sale of investments in securities(1,278,793)499,999Interest received806,170872,540Dividends received509,010449,211Net cash (used in) provided by investing activities(1,657,103)6,849,779Cash flows from financing activities:(4,792,800)(4,633,040)Dividends paid to non-controlling interest(151,634)(30,000)Net cash used in financing activities(4,944,434)(4,663,040)Net decrease in cash and cash equivalents(4,096,537)(6,064,954)	Due to reinsurers	(3,551,413)	(12,845,787)
Cash flows from investing activities: Net (placement)/maturity of term deposits Proceeds from sale of investment property Purchase of property, plant and equipment (546,287) (224,880) (Purchase)/Sale of investments in securities (1,278,793) Interest received 806,170 Dividends received 509,010 Net cash (used in) provided by investing activities Cash flows from financing activities: Dividends paid to shareholders Dividends paid to non-controlling interest (151,634) Net cash used in financing activities Net cash used in financing activities (4,944,434) Net decrease in cash and cash equivalents (4,096,537) (6,064,954)	Unearned commission reserve	233,331	95,843
Net (placement)/maturity of term deposits Proceeds from sale of investment property Purchase of property, plant and equipment (546,287) (224,880) (Purchase)/Sale of investments in securities (1,278,793) Interest received Budghard Dividends received Dividends received Sologo (1,657,103) Cash (used in) provided by investing activities Dividends paid to shareholders Dividends paid to non-controlling interest (1,657,103) Net cash used in financing activities (1,663,040) Net cash used in financing activities (4,944,434) Net decrease in cash and cash equivalents (4,096,537) (6,064,954)	Net cash provided by (used in) operating activities	2,505,000	(8,251,693)
Net (placement)/maturity of term deposits Proceeds from sale of investment property Purchase of property, plant and equipment (546,287) (224,880) (Purchase)/Sale of investments in securities (1,278,793) Interest received Budghard Dividends received Dividends received Sologo (1,657,103) Cash (used in) provided by investing activities Dividends paid to shareholders Dividends paid to non-controlling interest (1,657,103) Net cash used in financing activities (1,663,040) Net cash used in financing activities (4,944,434) Net decrease in cash and cash equivalents (4,096,537) (6,064,954)	Cash flows from investing activities:		
Proceeds from sale of investment property Purchase of property, plant and equipment (546,287) (224,880) (Purchase)/Sale of investments in securities (1,278,793) Interest received 806,170 Bividends received 509,010 Net cash (used in) provided by investing activities Cash flows from financing activities: Dividends paid to shareholders Dividends paid to non-controlling interest (151,634) Net cash used in financing activities Net cash used in financing activities (4,944,434) Net decrease in cash and cash equivalents (4,096,537) (6,064,954)		(1,147,203)	5,002,843
Purchase of property, plant and equipment (546,287) (224,880) (Purchase)/Sale of investments in securities (1,278,793) 499,999 Interest received 806,170 872,540 Dividends received 509,010 449,211 Net cash (used in) provided by investing activities (1,657,103) 6,849,779 Cash flows from financing activities: Dividends paid to shareholders (4,792,800) (4,633,040) Dividends paid to non-controlling interest (151,634) (30,000) Net cash used in financing activities (4,944,434) (4,663,040) Net decrease in cash and cash equivalents (4,096,537) (6,064,954)		<u>-</u>	
(Purchase)/Sale of investments in securities (1,278,793) 499,999 Interest received 806,170 872,540 Dividends received 509,010 449,211 Net cash (used in) provided by investing activities (1,657,103) 6,849,779 Cash flows from financing activities: Dividends paid to shareholders (4,792,800) (4,633,040) Dividends paid to non-controlling interest (151,634) (30,000) Net cash used in financing activities (4,944,434) (4,663,040) Net decrease in cash and cash equivalents (4,096,537) (6,064,954)		(546,287)	
Interest received 806,170 872,540 Dividends received 509,010 449,211 Net cash (used in) provided by investing activities (1,657,103) 6,849,779 Cash flows from financing activities: Dividends paid to shareholders (4,792,800) (4,633,040) Dividends paid to non-controlling interest (151,634) (30,000) Net cash used in financing activities (4,944,434) (4,663,040) Net decrease in cash and cash equivalents (4,096,537) (6,064,954)			
Dividends received 509,010 449,211 Net cash (used in) provided by investing activities (1,657,103) 6,849,779 Cash flows from financing activities: Dividends paid to shareholders (4,792,800) (4,633,040) Dividends paid to non-controlling interest (151,634) (30,000) Net cash used in financing activities (4,944,434) (4,663,040) Net decrease in cash and cash equivalents (4,096,537) (6,064,954)			
Net cash (used in) provided by investing activities (1,657,103) 6,849,779 Cash flows from financing activities: Dividends paid to shareholders (4,792,800) (4,633,040) Dividends paid to non-controlling interest (151,634) (30,000) Net cash used in financing activities (4,944,434) (4,663,040) Net decrease in cash and cash equivalents (4,096,537) (6,064,954)			
Dividends paid to shareholders (4,792,800) (4,633,040) Dividends paid to non-controlling interest (151,634) (30,000) Net cash used in financing activities (4,944,434) (4,663,040) Net decrease in cash and cash equivalents (4,096,537) (6,064,954)			
Dividends paid to shareholders (4,792,800) (4,633,040) Dividends paid to non-controlling interest (151,634) (30,000) Net cash used in financing activities (4,944,434) (4,663,040) Net decrease in cash and cash equivalents (4,096,537) (6,064,954)	Cash flows from financing activities:		
Dividends paid to non-controlling interest (151,634) (30,000) Net cash used in financing activities (4,944,434) (4,663,040) Net decrease in cash and cash equivalents (4,096,537) (6,064,954)		(4.792.800)	(4.633.040)
Net cash used in financing activities (4,944,434) (4,663,040) Net decrease in cash and cash equivalents (4,096,537) (6,064,954)			
Net decrease in cash and cash equivalents (4,096,537) (6,064,954)	•		
	Net cush used in initiateing activities	(1,311,131)	(1,003,010)
Cash and cash equivalents at beginning of period 13,797,166 19,862,120	Net decrease in cash and cash equivalents	(4,096,537)	(6,064,954)
	Cash and cash equivalents at beginning of period	13,797,166	19,862,120
Cash and cash equivalents at end of period 9,700,629 13,797,166	Cash and cash equivalents at end of period	9,700,629	13,797,166

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, 2017.

2. SEGMENT INFORMATION

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

The segment results for the period ended December 31, 2018 are as follows:

	AGENTS & BROKERS	UNDERWRITING	TOTAL	
Net commission & fees	\$ 19,256,976	(509,495)	18,747,481	
Net premiums earned		3,926,395	3,926,395	
Interest income	77,540	607,431	684,971	
Dividend income	182,710	446,299	629,009	
Other income	47,349	333,143	380,492	
	\$ 19,564,575	4,803,773	24,368,348	
Insurance expenses Depreciation & amortization Change in net unrealized loss on investments in securities	- 507,395 -	1,825,482 44,743 225,362	1,825,482 552,138 225,362	
Other expenses	13,527,758	1,130,228	14,657,986	
	\$ 14,035,153	3,225,815	17,260,968	
NET INCOME	\$ 5,529,422	1,577,958	7,107,380	

The segment results for the period ended December 31, 2017 are as follows:

	AGENTS & BROKERS	UNDERWRITING	TOTAL	
Net commission & fees	\$ 18,176,449	(669,582)	17,506,867	
Net premiums earned	<u>.</u>	4,266,028	4,266,028	
Interest Income	94,871	663,365	758,236	
Dividend Income		449,211	449,211	
Change in net unrealized gain				
on investment in securities	-	481,671	481,671	
Other income	137,887	106,180	244,067	
	\$ 18,409,207	5,296,873	23,706,080	
Insurance expenses	<u>.</u>	3,457,126	3,457,126	
Depreciation & amortization	616,520	41,088	657,608	
Other expenses	12,683,986	1,269,566	13,953,552	
	\$ 13,300,506	4,767,780	18,068,286	
NET INCOME	\$ 5,108,701	529,093	5,637,794	

The segment assets and liabilities as at December 31, 2018 are as follows:

	AGENTS & BROKERS	UNDERWRITING	TOTAL	
Total assets	\$ 28,836,090	63,005,042	91,841,132	
Total liabilities	12,759,783	37,733,648	50,493,431	

The segment assets and liabilities as at December 31, 2017 are as follows:

	AGENTS & BROKERS	UNDERWRITING	TOTAL	
Total assets	\$ 35,674,850	68,272,319	103,947,169	
Total liabilities	21,539,054	43,235,357	64,774,411	