# THIRD QUARTER

INTERIM REPORT

2018



#### MANAGING DIRECTOR'S REVIEW

With the absence of any catastrophic event, through the peak of the 2018 hurricane season in our Islands, the third quarter posted a strong result for the Company. Net income rose to \$4,196,671 a 13% increase over last year (2017 - \$3,723,345). Revenue showed improvement while continuing to hold expenses in check.

Both our Agents & Brokers and Underwriting segments reported an increase in performance for the year to date. Total income stood at \$17,407,875 a 2.4% increase over last year (2017 - \$16,997,967). New business closed was strong together with claims expense containment. Unrealized loss on investments was the one negative but with the upturn in the economy we are hopeful for a reversal in this trend.

Overall, the Company has performed well during the quarter and reversed the sluggish start to the year. The outlook is encouraging in the short term and we look forward to posting an improved year end result. As we move towards our Centenary of providing unrivaled service to the insurance sector in The Bahamas we look forward to celebrating the 100th with you all.

Alister I. McKellar, FCII

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**Managing Director** 



# PEACE OF MIND

### **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at September 30, 2018 (amounts expressed in Bahamian dollars)

	Se	ptember 2018	December 2017	
ASSETS				
Cash and bank balances	\$	13,279,973	13,797,166	
Term deposits		5,059,781	5,059,413	
Accounts receivable		15,431,009	15,762,743	
Due from insurance carriers		144,582	451,226	
Investments in securities				
- fair value through profit or loss		4,070,920	4,673,511	
- held-to-maturity		9,705,827	9,961,448	
- available for sale		5,761,671	5,773,060	
Prepayments and other assets		1,554,437	5,076,801	
Prepaid reinsurance premiums		19,533,685	18,421,096	
Reinsurance recoveries		7,790,039	15,499,181	
Intangible assets		14,703	42,510	
Investment properties		974,496	976,180	
Property, plant and equipment		8,274,310	8,452,834	
Total assets	\$	91,595,433	103,947,169	
LIABILITIES General insurance funds:				
Unearned premium reserve	\$	23,270,202	21,778,705	
Outstanding claims		12,090,747	20,751,023	
		35,360,949	42,529,728	
Other liabilities:		700.000	140.014	
Due to related parties		732,869	146,914	
Accounts payable		5,485,792	6,189,734	
Due to reinsurers		2,597,099	7,204,336	
Accrued expenses and other liabilities		2,411,034	3,719,210	
Unearned commission reserve		5,348,021	4,984,489	
Total liabilities		51,935,764	64,774,411	
<b>EQUITY</b> Share capital				
Authorized, issued and fully paid:-				
8,000,000 ordinary shares of \$0.01 each	\$	80,000	80,000	
Retained earnings		24,561,108	23,972,941	
Interest in own shares		(84,600)	(84,600)	
Other comprehensive income		57,002	50,530	
		24,613,510	24,018,871	
Non-controlling interest		15,046,159	15,153,887	
Total equity	\$	39,659,669	39,172,758	
Total liabilities and equity		91,595,433	103,947,169	

### **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the nine months to September 30, 2018 (amounts expressed in Bahamian dollars)

	September 2018	September 2017
INCOME		
Net commission and fees	13,250,103	12,807,544
Net premiums earned	2,946,000	3,091,974
Investment income	1,211,772	1,098,449
Total income	17,407,875	16,997,967
EXPENSES		
Salaries and employees benefits	7,280,697	6,943,147
Net claims incurred	1,570,473	2,525,797
Depreciation and amortization	433,167	493,596
Change in net unrealised loss on investments in		
securities	602,591	220,046
Other operating expenses	3,324,276	3,092,036
Total expenses	13,211,204	13,274,622
Net income	4,196,671	3,723,345
Other comprehensive income		
Unrealized gain on available for sale securities	6,472	10,445
Total comprehensive income	4,203,143	3,733,790
Equity holders of the Company	\$ 4,189,237	3,972,561
Non-controlling interests	13,906	(238,771
	4,203,143	3,733,790
Earnings per share for the profit attributable to the		
equity holders of the Company	\$ 0.53	\$ 0.50

(unaudited)

### **CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the nine months to September 30, 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	-	3,962,116			3,962,116	(238,771)	3,723,345
available for sale securities Distributions to owners:	-	<u>.</u>	-	10,445	10,445	-	10,445
Dividends	<u>-</u>	(3,514,720)	-	-	(3,514,720)	-	(3,514,720)
Balance at September 30, 2017	80,000	23,762,271	(84,600)	51,172	23,808,843	14,598,428	38,407,271
Balance at December 31, 2017	80,000	23,972,943	(84,600)	50,530	24,018,873	15,153,887	39,172,760
Total comprehensive income for the year:  Net income  Unrealised loss on	-	4,182,765	-		4,182,765	13,906	4,196,671
available for sale securities Distributions to owners:	-	-	-	6,472	6,472		6,472
Dividends	-	(3,594,600)	-	-	(3,594,600)	(121,634)	(3,716,234)
Balance at September 30, 2018	80,000	24,561,108	(84,600)	57,002	24,613,510	15,046,159	39,659,669

(unaudited)

## **CONSOLIDATED STATEMENT OF CASH FLOWS**

For the nine months to September 30, 2018 (amounts expressed in Bahamian dollars)

Cash flows from operating activities:         A,196,671         3,723,345           Net income for the period         4,196,671         3,723,345           Adjustments for:         Unearned premium reserve         (483,771)         (441,444)           Depreciation and amoritization         433,167         493,596           Change in net unrealized losses on investments in securities         602,591         220,046           Interest income         (508,710)         (579,419)           Dividend income         (360,888)         (382,786)           Bad debts         36,000         36,000           Bad debts         36,000         30,600           Cash from operations before changes in assets and liabilities         3,914,960         3,069,338           (Increase)/decrease in assets:         295,734         (1,459,158)           Accounts receivable         295,734         (1,459,158)           Due from insurance carriers         306,644         70,033           Prepayments and other assets         3,522,364         (1,142,870)           Perpayments and other assets         1,2175,268         1,125,758           Reinsurance recoveries         7,709,142         28,086,834           Increase/(decrease) in liabilities         1,975,268         1,854,175		September 2018	September 2017
Net income for the period			
Uncarned premium reserve		4.100.071	2.722.245
Uncarned premium reserve (483,771) (441,444) Depreciation and amoritization (23,3167 493,396) Change in net unrealized losses on investments in securities (508,710) (579,419) Dividend income (360,988) (382,786) Bad debts (360,000 36,000) Cash from operations before changes in assets and liabilities (3,914,960 3,069,338)  (Increase)/decrease in assets:  Accounts receivable (295,734 (1,459,158)) Due from insurance carriers (306,644 70,033) Prepayments and other assets (3,522,364 (1,142,870)) Prepaid reinsurance premiums (1,112,589) (861,782) Reinsurance recoveries (7,709,142 28,086,834)  Increase/(decrease) in liabilities: Uncarned premium reserve (1,975,268 1,854,175) Outstanding claims (8,600,276) (22,518,317) Due to related parties (8,500,276) (22,518,317) Due to related parties (8,500,276) (22,518,317) Due to reinsurers (4,607,237) (16,528,746) Uncarned commission reserve (363,532) (13,1939) Net cash provided by (used in) operating activities (2,012,115) (3,351,298) Uncarned commission reserve (363,532) (17,955) Sale of investments in securities (224,958) (12,897,168)  Cash flows from investing activities:  Net (placement)/maturity of term deposits (120,248) (3,037,540) Purchase of property, plant and equipment (225,153) (177,955) Sale of investments in securities (24,958) (19,857,669) Dividends paid to shareholders (3,76,234) (3,514,720) Dividends paid to shareholders (3,594,600) (3,514,720) Dividends paid to shareholders (3,594,600) (3,514,720) Dividends paid to shareholders (3,76,234) (10,437,496) Cash and cash equivalents at beginning of period (13,797,166) (19,862,120)		4,196,671	3,723,345
Depreciation and amoritization		4400 ===4	
Change in net unrealized losses on investments in securities			
investments in securities (602,591 220,046 Interest income (508,710) (579,419) Dividend income (360,988) (382,786) Bad debts 36,000 36,000 36,000 Cash from operations before changes in assets and liabilities 3,914,960 3,069,338 (Increase)/decrease in assets:  Accounts receivable 295,734 (1,459,158) Due from insurance carriers 306,644 70,033 Prepayments and other assets 3,522,364 (1,142,870) Prepaid reinsurance premiums (1,112,589) (861,782) Prepaid reinsurance premiums (1,112,589) (861,782) Prepaid reinsurance premiums (1,112,589) (861,782) Prepaid premium reserve 7,709,142 28,086,834 (Increase)/(decrease) in liabilities:  Unearned premium reserve 1,975,268 1,854,175 Outstanding claims (8,660,276) (22,518,317) Due to related parties 585,955 (247,316) Accounts payable, accrued expenses and other liabilities (2,012,115) (3,351,298) Due to reinsurers (4,607,237) (16,528,746) Unearned commission reserve 363,532 131,939 Net cash provided by (used in) operating activities 2,281,382 (12,897,168)  Cash flows from investing activities:  Net (placement)/maturity of term deposits (120,248) 5,037,540 Purchase of property, plant and equipment (225,153) (177,955) Sale of investments in securities 224,958 49,465 Interest received 360,988 382,786 Net cash provided by investing activities:  Dividends paid to shareholders (3,594,600) (3,514,720) Dividends paid to shareholders (3,594,600) (3,514,720) Dividends paid to shareholders (3,716,234) (3,514,720) Dividends paid to shareholders (3,716,234) (121,634) - Net cash unclaim functing activities:  Dividends paid to shareholders (3,716,234) (10,437,496) Cash and cash equivalents at beginning of period 13,797,166 19,862,120		433,167	493,596
Interest income			
Dividend income   360,988   382,786   8ad debts   36,000   36,00			
Bad debts			
Cash from operations before changes in assets and liabilities         3,914,960         3,069,338           (Increase)/decrease in assets:			
(Increase)/decrease in assets:         295,734         (1,459,158)           Accounts receivable         295,734         (1,459,158)           Due from insurance carriers         306,644         70,033           Prepayments and other assets         3,522,364         (1,142,870)           Prepaid reinsurance premiums         (1,112,589)         (861,782)           Reinsurance recoveries         7,709,142         28,086,834           Increase/decrease) in liabilities:         1         1,975,268         1,854,175           Outstanding claims         (8,660,276)         (22,518,317)         0utstanding claims         (8,660,276)         (22,518,317)           Due to related parties         585,955         (247,316)         (3,351,298)         0utstanding claims         (2,012,115)         (3,351,298)           Accounts payable, accrued expenses and other liabilities         (2,012,115)         (3,351,298)         0uterinsurers         (4,607,237)         (16,528,746)           Unearned commission reserve         363,532         131,939         Net cash provided by (used in) operating activities         2,281,382         (12,897,168)           Cash flows from investing activities:         8         (120,248)         5,037,540           Purchase of property, plant and equipment         (225,153)         (177,955) <td></td> <td></td> <td></td>			
Accounts receivable 295,734 (1,459,158) Due from insurance carriers 306,644 70,033 Prepayments and other assets 1,112,879 (1,142,870) Prepaid reinsurance premiums (1,112,589) (861,782) Reinsurance recoveries 7,709,142 28,086,834  Increase/(decrease) in liabilities: Unearned premium reserve 1,975,268 1,854,175 Outstanding claims (8,660,276) (22,518,317) Due to related parties 585,955 (247,316) Accounts payable, accrued expenses and other liabilities (2,012,115) (3,351,298) Due to reinsurers (4,607,237) (16,528,746) Unearned commission reserve 363,532 131,939 Net cash provided by (used in) operating activities 2,281,382 (12,897,168)  Cash flows from investing activities:  Net (placement)/maturity of term deposits (120,248) 5,037,540 Purchase of property, plant and equipment (225,153) (177,955) Sale of investments in securities 224,958 49,465 Interest received 677,114 682,556 Dividends received 360,988 382,786  Net cash provided by investing activities:  Dividends received (3,594,600) (3,514,720) Dividends paid to shareholders (3,594,600) (3,514,720) Dividends paid to shareholders (3,594,600) (3,514,720) Net cash used in financing activities (3,716,234) (3,514,720)  Net decrease in cash and cash equivalents (517,193) (10,437,496) Cash and cash equivalents at beginning of period 13,797,166 19,862,120	Cash from operations before changes in assets and liabilities	3,914,960	3,069,338
Due from insurance carriers Prepayments and other assets 3,522,364 (1,142,870) Prepaid reinsurance premiums (1,112,589) Reinsurance recoveries 7,709,142 28,086,834  Increase/(decrease) in liabilities: Unearned premium reserve 1,975,268 Unearned premium reserve 1,975,268 Outstanding claims (8,660,276) 2(2,518,317) Due to related parties Accounts payable, accrued expenses and other liabilities (2,012,115) Due to reinsurers (4,607,237) Unearned commission reserve 363,532 131,939 Net cash provided by (used in) operating activities  Cash flows from investing activities: Net (placement)/maturity of term deposits 1(22,153) Purchase of property, plant and equipment 2(25,153) Purchase of property, plant and equipment 2(25,153) Sale of investments in securities 224,958 49,465 Interest received 360,988 382,786 Net cash provided by investing activities: Dividends received 360,988 382,786 Net cash provided by investing activities: Dividends paid to shareholders Dividends paid to shareholders Olividends paid to shareholders (3,594,600) Sp74,392  Cash flows from financing activities: Olividends paid to shareholders (3,514,720) Net decrease in cash and cash equivalents (517,193) Cash and cash equivalents at beginning of period 13,797,166 19,862,120	(Increase)/decrease in assets:		
Prepayments and other assets         3,522,364         (1,142,870)           Prepaid reinsurance premiums         (1,112,589)         (861,782)           Reinsurance recoveries         7,709,142         28,086,834           Increase/(decrease) in liabilities:           Unearned premium reserve         1,975,268         1,854,175           Outstanding claims         (8,660,276)         (22,518,317)           Due to related parties         585,955         (247,316)           Accounts payable, accrued expenses and other liabilities         (2,012,115)         (3,351,298)           Due to reinsurers         (4,607,237)         (16,528,746)           Unearned commission reserve         363,532         131,939           Net cash provided by (used in) operating activities         2,281,382         (12,897,168)           Cash flows from investing activities:           Net (placement)/maturity of term deposits         (120,248)         5,037,540           Purchase of property, plant and equipment         (225,153)         (177,955)           Sale of investments in securities         224,958         49,465           Interest received         677,114         682,556           Dividends received         360,988         382,786           Net cash provided by investing activities<	Accounts receivable	295,734	(1,459,158)
Prepaid reinsurance premiums         (1,112,589)         (861,782)           Reinsurance recoveries         7,709,142         28,086,834           Increase/(decrease) in liabilities:	Due from insurance carriers	306,644	70,033
Reinsurance recoveries	Prepayments and other assets	3,522,364	(1,142,870)
Increase/(decrease) in liabilities:   Unearned premium reserve	Prepaid reinsurance premiums	(1,112,589)	(861,782)
Unearned premium reserve         1,975,268         1,854,175           Outstanding claims         (8,660,276)         (22,518,317)           Due to related parties         585,955         (247,316)           Accounts payable, accrued expenses and other liabilities         (2,012,115)         (3,351,298)           Due to reinsurers         (4,607,237)         (16,528,746)           Unearned commission reserve         363,532         131,939           Net cash provided by (used in) operating activities         2,281,382         (12,897,168)           Cash flows from investing activities:         (120,248)         5,037,540           Purchase of property, plant and equipment         (225,153)         (177,955)           Sale of investments in securities         224,958         49,465           Interest received         677,114         682,556           Dividends received         360,988         382,786           Net cash provided by investing activities         917,659         5,974,392           Cash flows from financing activities:         (3,594,600)         (3,514,720)           Dividends paid to shareholders         (3,594,600)         (3,514,720)           Dividends paid to non-controlling interest         (121,634)         -           Net cash used in financing activities         (3,71	Reinsurance recoveries	7,709,142	28,086,834
Unearned premium reserve         1,975,268         1,854,175           Outstanding claims         (8,660,276)         (22,518,317)           Due to related parties         585,955         (247,316)           Accounts payable, accrued expenses and other liabilities         (2,012,115)         (3,351,298)           Due to reinsurers         (4,607,237)         (16,528,746)           Unearned commission reserve         363,532         131,939           Net cash provided by (used in) operating activities         2,281,382         (12,897,168)           Cash flows from investing activities:         (120,248)         5,037,540           Purchase of property, plant and equipment         (225,153)         (177,955)           Sale of investments in securities         224,958         49,465           Interest received         677,114         682,556           Dividends received         360,988         382,786           Net cash provided by investing activities         917,659         5,974,392           Cash flows from financing activities:         (3,594,600)         (3,514,720)           Dividends paid to shareholders         (3,594,600)         (3,514,720)           Dividends paid to non-controlling interest         (121,634)         -           Net cash used in financing activities         (3,71	Increase/(decrease) in liabilities:		
Outstanding claims         (8,660,276)         (22,518,317)           Due to related parties         585,955         (247,316)           Accounts payable, accrued expenses and other liabilities         (2,012,115)         (3,351,298)           Due to reinsurers         (4,607,237)         (16,528,746)           Unearned commission reserve         363,532         131,939           Net cash provided by (used in) operating activities         2,281,382         (12,897,168)           Cash flows from investing activities:           Net (placement)/maturity of term deposits         (120,248)         5,037,540           Purchase of property, plant and equipment         (225,153)         (177,955)           Sale of investments in securities         224,958         49,465           Interest received         677,114         682,556           Dividends received         360,988         382,786           Net cash provided by investing activities         917,659         5,974,392           Cash flows from financing activities:           Dividends paid to shareholders         (3,594,600)         (3,514,720)           Dividends paid to non-controlling interest         (121,634)         -           Net cash used in financing activities         (3,716,234)         (3,514,720) <td< td=""><td></td><td>1.975.268</td><td>1.854.175</td></td<>		1.975.268	1.854.175
Due to related parties       585,955       (247,316)         Accounts payable, accrued expenses and other liabilities       (2,012,115)       (3,351,298)         Due to reinsurers       (4,607,237)       (16,528,746)         Unearned commission reserve       363,532       131,939         Net cash provided by (used in) operating activities       2,281,382       (12,897,168)         Cash flows from investing activities:         Net (placement)/maturity of term deposits       (120,248)       5,037,540         Purchase of property, plant and equipment       (225,153)       (177,955)         Sale of investments in securities       224,958       49,465         Interest received       677,114       682,556         Dividends received       360,988       382,786         Net cash provided by investing activities       917,659       5,974,392         Cash flows from financing activities:         Dividends paid to shareholders       (3,594,600)       (3,514,720)         Dividends paid to non-controlling interest       (121,634)       -         Net cash used in financing activities       (3,716,234)       (3,514,720)         Net cash and cash equivalents       (517,193)       (10,437,496)         Cash and cash equivalents at beginning of period       13,797,166 </td <td></td> <td></td> <td></td>			
Accounts payable, accrued expenses and other liabilities (2,012,115) (3,351,298)  Due to reinsurers (4,607,237) (16,528,746)  Unearned commission reserve 363,532 131,939  Net cash provided by (used in) operating activities 2,281,382 (12,897,168)  Cash flows from investing activities:  Net (placement)/maturity of term deposits (120,248) 5,037,540  Purchase of property, plant and equipment (225,153) (177,955)  Sale of investments in securities 224,958 49,465  Interest received 677,114 682,556  Dividends received 360,988 382,786  Net cash provided by investing activities 917,659 5,974,392  Cash flows from financing activities:  Dividends paid to shareholders (3,594,600) (3,514,720)  Dividends paid to non-controlling interest (121,634) -  Net cash used in financing activities (3,716,234) (3,514,720)  Net decrease in cash and cash equivalents (517,193) (10,437,496)  Cash and cash equivalents at beginning of period 13,797,166 19,862,120			
Due to reinsurers       (4,607,237)       (16,528,746)         Unearned commission reserve       363,532       131,939         Net cash provided by (used in) operating activities       2,281,382       (12,897,168)         Cash flows from investing activities:         Net (placement)/maturity of term deposits       (120,248)       5,037,540         Purchase of property, plant and equipment       (225,153)       (177,955)         Sale of investments in securities       224,958       49,465         Interest received       677,114       682,556         Dividends received       360,988       382,786         Net cash provided by investing activities       917,659       5,974,392         Cash flows from financing activities:       (3,594,600)       (3,514,720)         Dividends paid to shareholders       (3,594,600)       (3,514,720)         Dividends paid to non-controlling interest       (121,634)       -         Net cash used in financing activities       (3,716,234)       (3,514,720)         Net cash used in financing activities       (3,716,234)       (3,514,720)         Net decrease in cash and cash equivalents       (517,193)       (10,437,496)         Cash and cash equivalents at beginning of period       13,797,166       19,862,120			
Unearned commission reserve         363,532         131,939           Net cash provided by (used in) operating activities         2,281,382         (12,897,168)           Cash flows from investing activities:			
Net cash provided by (used in) operating activities  Cash flows from investing activities:  Net (placement)/maturity of term deposits (120,248) 5,037,540 Purchase of property, plant and equipment (225,153) (177,955) Sale of investments in securities 224,958 49,465 Interest received 677,114 682,556 Dividends received 360,988 382,786  Net cash provided by investing activities 917,659 5,974,392  Cash flows from financing activities:  Dividends paid to shareholders (3,594,600) (3,514,720) Dividends paid to non-controlling interest (121,634) -  Net cash used in financing activities (3,716,234) (3,514,720)  Net decrease in cash and cash equivalents (517,193) (10,437,496) Cash and cash equivalents at beginning of period 13,797,166 19,862,120			
Net (placement)/maturity of term deposits  Purchase of property, plant and equipment  Sale of investments in securities  Sale of investments in securities  Sale of investments in securities  Example 197,114  Example 224,958  A9,465  Interest received  677,114  Example 682,556  Dividends received  360,988  Example 382,786  Net cash provided by investing activities  Dividends paid to shareholders  Dividends paid to shareholders  Example 197,659  Example 197,659			
Net (placement)/maturity of term deposits  Purchase of property, plant and equipment  Sale of investments in securities  Sale of investments in securities  Sale of investments in securities  Example 197,114  Example 224,958  A9,465  Interest received  677,114  Example 682,556  Dividends received  360,988  Example 382,786  Net cash provided by investing activities  Dividends paid to shareholders  Dividends paid to shareholders  Example 197,659  Example 197,659	Cash flows from investing activities		
Purchase of property, plant and equipment  Sale of investments in securities  Interest received  Interest received  Dividends received  Output  Cash provided by investing activities  Dividends paid to shareholders  Dividends paid to non-controlling interest  Net cash used in financing activities  Net cash and cash equivalents  Cash and cash equivalents at beginning of period  (225,153)  (177,955)  49,465  49,465  677,114  682,556  382,786  Net cash provided by investing activities  917,659  5,974,392  (3,594,600)  (3,514,720)  (3,514,720)  (3,514,720)  (3,514,720)  (10,437,496)  19,862,120		(120 248)	5 037 540
Sale of investments in securities  Interest received  Interest received  Dividends received  Securities  Net cash provided by investing activities  Dividends paid to shareholders  Dividends paid to non-controlling interest  Net cash used in financing activities  Net cash and cash equivalents  Cash and cash equivalents at beginning of period  124,958  49,465  677,114  682,556  382,786  917,659  5,974,392  (3,594,600)  (3,514,720)  (3,514,720)  (3,514,720)  (3,514,720)  (10,437,496)  19,862,120			
Interest received Dividends received 360,988 382,786  Net cash provided by investing activities  Cash flows from financing activities: Dividends paid to shareholders Dividends paid to non-controlling interest Net cash used in financing activities  Net cash used in financing activities  Net decrease in cash and cash equivalents Cash and cash equivalents at beginning of period  677,114 682,556 360,988 382,786  5,974,392  Cash flows from financing activities:  (3,594,600) (3,514,720) (3,514,720)  Net decrease in cash and cash equivalents (517,193) (10,437,496) 19,862,120			
Dividends received  Net cash provided by investing activities  Cash flows from financing activities:  Dividends paid to shareholders  Dividends paid to non-controlling interest  Net cash used in financing activities  Net decrease in cash and cash equivalents  Cash and cash equivalents at beginning of period  Cash and cash equivalents at beginning of period  360,988  382,786  360,988  382,786  (3,594,699  (3,594,690)  (3,514,720)  (3,514,720)  (3,514,720)  (3,716,234)  (3,716,234)  (10,437,496)  13,797,166  19,862,120			
Net cash provided by investing activities  Cash flows from financing activities:  Dividends paid to shareholders  Dividends paid to non-controlling interest  Net cash used in financing activities  Net cash used in financing activities  (3,594,600)  (3,514,720)  Net cash used in financing activities  (3,716,234)  (3,514,720)  Net decrease in cash and cash equivalents  (517,193)  (10,437,496)  Cash and cash equivalents at beginning of period  13,797,166  19,862,120			
Dividends paid to shareholders (3,594,600) (3,514,720) Dividends paid to non-controlling interest (121,634)  Net cash used in financing activities (3,716,234) (3,514,720)  Net decrease in cash and cash equivalents (517,193) Cash and cash equivalents at beginning of period 13,797,166 19,862,120			
Dividends paid to shareholders (3,594,600) (3,514,720) Dividends paid to non-controlling interest (121,634)  Net cash used in financing activities (3,716,234) (3,514,720)  Net decrease in cash and cash equivalents (517,193) Cash and cash equivalents at beginning of period 13,797,166 19,862,120			
Dividends paid to non-controlling interest (121,634)  Net cash used in financing activities (3,716,234) (3,514,720)  Net decrease in cash and cash equivalents (517,193) (10,437,496) Cash and cash equivalents at beginning of period 13,797,166 19,862,120		(0.50.4.000)	(0.71.4.700)
Net cash used in financing activities(3,716,234)(3,514,720)Net decrease in cash and cash equivalents(517,193)(10,437,496)Cash and cash equivalents at beginning of period13,797,16619,862,120			(3,514,720)
Net decrease in cash and cash equivalents Cash and cash equivalents at beginning of period $(517,193) \qquad (10,437,496) \\ 13,797,166 \qquad 19,862,120$			<del>-</del>
Cash and cash equivalents at beginning of period 13,797,166 19,862,120	Net cash used in financing activities	(3,716,234)	(3,514,720)
Cash and cash equivalents at beginning of period 13,797,166 19,862,120	Not decrease in each and each equivalents	(517 103)	(10.437.496)
Cash and cash equivalents at end of period 13,279,973 9,424,624	Cash and Cash equivalents at beginning of period	13,797,100	19,002,120
	Cash and cash equivalents at end of period	13,279,973	9,424,624

#### **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 September 30, 2018 are as follows:

	AGENTS & BROKERS	UNDERWRITING	TOTAL	
Net commission & fees	\$ 14,224,114	(974,011)	13,250,103	
Net premiums earned	-	2,946,000	2,946,000	
Interest Income	51,806	456,903	508,709	
Dividend Income	36,104	324,883	360,987	
Other income	70,544	271,532	342,076	
	\$ 14,382,568	3,025,307	17,407,875	
Insurance expenses	-	1,570,473	1,570,473	
Depreciation & amortization	398,352	34,815	433,167	
Change in net unrealized loss on				
investments in securities	-	602,591	602,591	
Other expenses	9,767,251	837,722	10,604,973	
	\$ 10,165,603	3,045,601	13,211,204	
NET INCOME	\$ 4,216,965	(20,294)	4,196,671	

The segment results for the period ended September 30, 2017 are as follows:

	<b>AGENTS &amp; BROKERS</b>	UNDERWRITING	TOTAL	
Net commission & fees	\$ 13,611,872	(804,328)	12,807,544	
Net premiums earned	·	3,091,974	3,091,974	
Interest Income	73,204	506,215	579,419	
Dividend Income	61,846	320,939	382,785	
Other income	55,193	81,052	136,245	
	\$ 13,802,115	3,195,852	16,997,967	
Insurance expenses Depreciation & amortization Change in net unrealized loss	- 456,811	2,525,797 36,785	2,525,797 493,596	
on investment in securities	- ·	220,046	220,046	
Other expenses	9,185,951	849,232	10,035,183	
	\$ 9,642,762	3,631,860	13,274,622	
NET INCOME	\$ 4,159,353	(436,008)	3,723,345	

The segment assets and liabilities as at September 30, 2018 are as follows:

	<b>AGENTS &amp; BROKERS</b>	UNDERWRITING	TOTAL	
Total assets	\$ 31,852,131	59,743,302	91,595,433	
Total liabilities	15,803,281	36,132,483	51,935,764	

The segment assets and liabilities as at September 30, 2017 are as follows:

	<b>AGENTS &amp; BROKERS</b>	UNDERWRITING	TOTAL
Total assets	\$ 32,866,265	65,862,515	98,728,780
Total liabilities	17,489,818	42,831,691	60,321,509