# FOURTH QUARTER

# MANAGING DIRECTOR'S REVIEW

Who could have imagined we would face a challenge like a global pandemic, less than one year after suffering the destruction of Hurricane Dorian? What was once considered fantastic material for science fiction movies before 2020-Covid-19--seems to have become modern reality around the world.

In the meantime, recovery from Dorian continues at a painfully slow pace in Abaco and Grand Bahama. It will be some time yet before the homes, cars, boats, and businesses lost in the storm will be replaced. This continues to negatively affect our results.

The upheaval caused by Covid has also had a significant impact on our operations. Total income declined by 41%, as individuals and companies grappled with the inevitable consequences of lockdowns and a huge spike in unemployment. Thanks to a series of proactive measures to reduce our key operational costs, we managed to mitigate much of the income decline and, to date, have not needed to take further drastic measures.

We actually reported a slight gain of some 6% in consolidated results over 2019. However, that figure is somewhat misleading, as it was influenced largely by a 68% decrease in Hurricane Dorian expenses--from \$4.8M to \$1.5M. Coupled with a zero-storm 2020 hurricane season, our Underwriting division realized a \$2,214,878 increase in net income.

On our Agency side, net profits were down 33% and net revenue from contracts with customers decreased by 14%, as the pandemic took its toll on sales.

We returned to normal operating hours in January 2021 and have taken all necessary preventative measures to ensure the safety of both our customers and staff. I sincerely appreciate the patience our customers have shown, as we all try our best to adjust to a new way of doing business.

I also want to thank our customers for their unfailing support at a time when so much is changing. Despite some short-term inconvenience, I'm confident many good things will emerge from these changes. Finally, I'd like to say thanks to our staff for their dedication and commitment. You have really worked through the ups and downs of Covid-19 and have done a superb job.

Let's all continue to pray for a prosperous 2021!

Alister I. McKellar, FCII

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**Managing Director** 



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

As at December 31, 2020 (amounts expressed in Bahamian dollars)

	D	ecember 2020	December 2019
ASSETS			
Cash and bank balances	\$	32,605,631	74,940,376
Term deposits		7,188,678	7,079,247
Accounts receivable		12,831,382	15,055,628
Due from insurance carriers		334,715	928,153
Investments in securities			
- fair value through profit or loss		8,246,055	8,797,749
-Amortized costs		11,015,510	11,810,813
Prepayments and other assets		1,153,757	2,110,101
Prepaid reinsurance premiums		21,631,334	21,355,421
Reinsurance recoveries		19,868,647	149,577,324
Right of use assets		412,798	605,337
Investment properties		787,774	787,774
Property, plant and equipment		8,003,845	8,215,068
Total assets	\$	124,080,126	301,262,991
LIABILITIES			
General insurance funds:			
Unearned premium reserve	\$	25,314,896	25,298,812
Outstanding claims	J	20,017,916	146,289,255
Outstanding Claims	_	45,332,812	171,588,067
Other liabilities:		43,332,012	171,300,007
Due to related parties		<u>-</u>	2,545,350
Accounts payable		15,050,985	37,123,417
Due to reinsurers		7,928,265	40,124,199
Lease liability		419,696	613,227
Accrued expenses and other liabilities		5,827,090	1,344,576
Unearned commission reserve		5,418,202	5,725,488
0.1.cm.1.cm		3,110,202	5,1.25,100
Total liabilities		79,977,050	259,064,324
EQUITY			
Share capital			
Authorized, issued and fully paid:-			
8,000,000 ordinary shares of \$0.01 each	\$	80,000	80,000
Retained earnings		27,359,638	26,774,645
Interest in own shares		(84,600)	(84,600)
		27,355,038	26,770,045
Non-controlling interest		16,748,038	15,428,622
Total equity	\$	44,103,076	42,198,667
Total liabilities and equity		124,080,126	301,262,991

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

For the twelve months to December 31, 2020 (amounts expressed in Bahamian dollars)

	December 2020	December 2019
INCOME		
Net revenue from contracts with customers	18,499,125	20,983,609
Net premiums earned	4,123,213	4,417,563
Investment income	1,821,580	1,892,876
Change in net unrealized gain on investments in securities		283,166
Gain on disposal of investment property		213,619
Revaluation for tax assessment	378,802	213,019
Profit on sale of property plant & equipment	576,602	22,000
Total income	24,822,720	27,812,833
EXPENSES		
Salaries and employees benefits	10,460,362	10,751,826
Net claims incurred	1,528,814	4,785,760
Provision for expected credit loss	146,608	2,710
Depreciation and amortization	745,656	741,669
Revaluation of Investment Property		125,000
Provision for tax assessment	318,564	<u>-</u>
Change in net unrealised loss on investments in securities	532,729	<u>-</u>
Other operating expenses	4,522,538	5,196,699
Total expenses	18,255,271	21,603,664
Net income	6,567,449	6,209,169
Total comprehensive income	6,567,449	6,209,169
Equity holders of the Company	\$ 5,218,033	6 272 100
Equity holders of the Company Non-controlling interests		6,372,198 (163,029)
Non-controlling interests	1,349,416 6,567,449	6,209,169
Earnings per share for the profit attributable to the	0,307,449	0,209,109
equity holders of the Company	\$ 0.65	\$ 0.80

(unaudited)

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

For the twelve months to December 31, 2020 (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, 2018	80,000	25,355,007	(84,600)	25,350,407	15,932,826	41,283,233
Total comprehensive income for the year:  Net income  Unrealised gain on available for sale	-	6,372,198		6,372,198	(163,029)	6,209,169
securities Distributions to owners Dividends	- :: -	(4,952,560)		(4,952,560)	(341,175)	(5,293,735)
Balance at December 31, 2019	80,000	26,774,645	(84,600)	26,770,045	15,428,622	42,198,667
Balance at December 31, 2019	80,000	26,774,645	(84,600)	26,770,045	15,428,622	42,198,667
Total comprehensive income for the year:  Net income  Unrealised loss on available for sale	-	5,218,033		5,218,033	1,349,416	6,567,449
securities Distributions to owners Dividends	- :: -	(4,633,040)		(4,633,040)	(30,000)	(4,663,040)
Balance at December 31, 2020	80,000	27,359,638	(84,600)	27,355,038	16,748,038	44,103,076

(unaudited)

## **CONSOLIDATED STATEMENT OF CASH FLOWS**

For the twelve months to December 31, 2020 (amounts expressed in Bahamian dollars)

Cash flows from operating activities:         Net income for the period         6,567,449         6,209,169           Adjustments for:         Uncarned premium reserve         (30,816)         (449,183)           Depreciation and amoritization         745,656         741,669           Realized gain on disposal of fixed asset         .         (22,000)           Provision for expected credit loss         .         .         2,710           Gain on disposal of investment property         .         .         123,619           Interest scepase         .         .         20,741           Revaluation loss on Investment property         .         .         125,000           Change in net unrealized losses on investments in securities         .         332,729         (283,166)           Interest income         (871,849)         (876,296)         .           Dividend income         .         44,000		December 2020	December 2019
Unearned premium reserve   (430,816)   (449,183)		6.567.440	C 200 100
Uncarned premium reserve   (430,816)   (449,183)		6,567,449	6,209,169
Depreciation and amontitzation   745,656   741,669   Realized gain on disposal of fixed asset		(420.010)	(440 192)
Realized gain on disposal of fixed asset			
Provision for expected credit loss		745,050	
Cain on disposal of investment property			
Interest expense			
Revaluation loss on Investment property		-	
Change in net unrealized losses on investments in securities         532,729         (283,166)           Interest income         (871,849)         (876,296)           Dividend income         (341,560)         (264,970)           Bad debts         48,000         48,000           Cash from operations before changes in assets and liabilities         6,249,609         5,038,056           (Increase) decrease in assets:           Accounts receivable         2,176,246         (769,276)           Due from insurance carriers         593,438         (882,920)           Prepayments and other assets         956,344         (337,158)           Prepaid reinsurance premiums         (275,913)         (1,952,449)           Reinsurance recoveries         129,708,677         (140,204,051)           Increase/(decrease) in liabilities:         129,708,677         (140,204,051)           Unearned premium reserve         446,900         2,850,815           Outstanding claims         (126,271,339)         136,187,844           Due to related parties         (2,545,350)         2,357,321           Accounts payable, accrued expenses and other liabilities         (17,589,919)         31,126,273           Due to reinsurers         (307,286)         481,880           Net cash flows from in		-	
Intreest income   (871,849)   (876,296)   Dividend income   (341,560)   (264,970)   Bad debts   48,000   48,000   48,000   48,000   48,000   Cash from operations before changes in assets and liabilities   6,249,609   5,038,056   Cash from operations before changes in assets and liabilities   6,249,609   5,038,056   Cash from operations before changes in assets   2,176,246   (769,276)   Cash from insurance carriers   593,438   (882,920)   Prepayments and other assets   956,344   (337,158)   Prepaid reinsurance premiums   (275,913)   (1,952,449)   Reinsurance recoveries   129,708,677   (140,204,051)   Increase/(decrease) in liabilities:   Unearned premium reserve   446,900   2,850,815   Cash flows from investing activations   (126,271,339)   136,187,844   Due to related parties   (2,545,350)   2,357,321   Accounts payable, accrued expenses and other liabilities   (17,589,919)   31,126,273   Unearned commission reserve   (307,286)   481,880   Valuation of term deposits   (39,054,527)   (39,438,097)   Cash flows from investing activities:   (4,630,000   4,97,61)   Proceeds from sale of investment property   2,2000   Proceeds from principal payments   (69,567)   (974,761)   Proceeds from principal payments   (341,893)   (282,418)   Sale of investments in securities   811,992   1,046,058   Interest received   834,261   833,089   Dividends received   834,261   833,089   Dividends received   341,560   264,970   Net cash provided by investing activities   (4,633,040)   (4,952,560)   Principal payment of lease liability   (193,531)   (173,005)   Interest payment of lease liability   (193,531)		- 	
Dividend income			
Bad debts			
Cash from operations before changes in assets and liabilities         6,249,609         5,038,056           (Increase)/decrease in assets:			
Cincrease   Cinc			
Accounts receivable	Cash from operations before changes in assets and habilities	0,249,009	5,038,050
Due from insurance carriers   593,438   (882,920)     Prepayments and other assets   956,344   (337,158)     Prepaid reinsurance premiums   (275,913)   (1,952,449)     Reinsurance recoveries   129,708,677   (140,204,051)     Increase/(decrease) in liabilities:   129,708,677   (140,204,051)     Increase/(decrease) in liabilities:   446,900   2,850,815     Outstanding claims   (126,271,339)   136,187,844     Due to related parties   (2,545,350)   2,357,321     Accounts payable, accrued expenses and other liabilities   (17,589,919)   31,126,273     Due to reinsurers   (32,195,934)   35,541,763     Unearned commission reserve   (307,286)   481,880     Net cash (used in)/provided by operating activities   (39,054,527)   69,438,097     Cash flows from investing activities:   (69,567)   (974,761)     Proceeds from sale of investment property   - 22,000     Proceeds from principal payments   - 107,097     Proceeds from insurance coverage of investment properties   - 273,096     Purchase of property, plant and equipment   (341,893)   (282,418)     Sale of investments in securities   811,992   1,046,058     Interest received   834,261   833,089     Dividends received   341,560   264,970     Net cash provided by investing activities   1,576,353   1,289,131     Cash flows from financing activities   (4,633,040)   (4,952,560)     Principal payment of lease liability   - (20,741)     Dividends paid to shareholders   (4,633,040)   (4,952,560)     Principal payment of lease liability   - (20,741)     Dividends paid to non-controlling interest   (30,000)   (341,175)     Net cash used in financing activities   (4,856,571)   (5,487,481)	(Increase)/decrease in assets:		
Prepayments and other assets         956,344         (337,158)           Prepaid reinsurance premiums         (275,913)         (1,952,449)           Reinsurance recoveries         129,708,677         (140,204,051)           Increase/(decrease) in liabilities:         Unearned premium reserve         446,900         2,850,815           Outstanding claims         (126,271,339)         136,187,844           Due to related parties         (2,545,350)         2,357,321           Accounts payable, accrued expenses and other liabilities         (17,589,919)         31,126,273           Due to reinsurers         (32,195,934)         35,541,763           Uncarned commission reserve         (307,286)         481,880           Net cash (used in)/provided by operating activities         (39,054,527)         69,438,097           Cash flows from investing activities:         (69,567)         (974,761)           Proceeds from investing activities:         (69,567)         (974,761)           Proceeds from principal payments         -         107,097           Proceeds from principal payments         -         273,096           Purchase of property, plant and equipment         (341,893)         (282,418)           Sale of investments in securities         811,992         1,046,058           Interest rece	Accounts receivable	2,176,246	(769,276)
Prepaid reinsurance premiums         (275,913)         (1,952,449)           Reinsurance recoveries         129,708,677         (140,204,051)           Increase/(decrease) in liabilities:         129,708,677         (140,204,051)           Uncarned premium reserve         446,900         2,850,815           Outstanding claims         (126,271,339)         136,187,844           Due to related parties         (2,545,350)         2,357,321           Accounts payable, accrued expenses and other liabilities         (17,589,919)         31,126,273           Due to reinsurers         (32,195,934)         35,541,763           Unearned commission reserve         (307,286)         481,880           Net cash (used in)/provided by operating activities         (39,054,527)         69,438,097           Cash flows from investing activities:         (69,567)         (974,761)           Proceeds from investing activities:         (69,567)         (974,761)           Proceeds from principal payments         -         107,097           Proceeds from principal payments         -         273,096           Purchase of property, plant and equipment         (341,893)         (282,418)           Sale of investments in securities         811,992         1,046,058           Interest received         834,261	Due from insurance carriers	593,438	(882,920)
Reinsurance recoveries         129,708,677         (140,204,051)           Increase/(decrease) in liabilities:	Prepayments and other assets	956,344	(337,158)
Increase/(decrease) in liabilities:   Unearned premium reserve	Prepaid reinsurance premiums	(275,913)	(1,952,449)
Unearned premium reserve         446,900         2,850,815           Outstanding claims         (126,271,339)         136,187,844           Due to related parties         (2,545,350)         2,357,321           Accounts payable, accrued expenses and other liabilities         (17,589,919)         31,126,273           Due to reinsurers         (32,195,934)         35,541,763           Unearned commission reserve         (307,286)         481,880           Net cash (used in)/provided by operating activities         (39,054,527)         69,438,097           Cash flows from investing activities:         (69,567)         (974,761)           Proceeds from sale of investment property         -         22,000           Proceeds from insurance coverage of investment properties         -         107,097           Proceeds from insurance coverage of investment properties         -         273,096           Purchase of property, plant and equipment         (341,893)         (282,418)           Sale of investments in securities         811,992         1,046,058           Interest received         834,261         833,089           Dividends received         341,560         264,970           Net cash provided by investing activities         1,576,353         1,289,131           Cash flows from financing activities	Reinsurance recoveries	129,708,677	(140,204,051)
Outstanding claims         (126,271,339)         136,187,844           Due to related parties         (2,545,350)         2,357,321           Accounts payable, accrued expenses and other liabilities         (17,589,919)         31,126,273           Due to reinsurers         (307,286)         481,880           Unearned commission reserve         (307,286)         481,880           Net cash (used in)/provided by operating activities         (39,054,527)         69,438,097           Cash flows from investing activities:         (69,567)         (974,761)           Proceeds from investing activities:         -         22,000           Proceeds from sale of investment property         -         22,000           Proceeds from insurance coverage of investment properties         -         107,097           Proceeds from insurance coverage of investment properties         -         273,096           Purchase of property, plant and equipment         (341,893)         (282,418)           Sale of investments in securities         811,992         1,046,058           Interest received         834,261         833,089           Dividends received         341,560         264,970           Net cash provided by investing activities         1,576,353         1,289,131           Cash flows from financing activities <td>Increase/(decrease) in liabilities:</td> <td></td> <td></td>	Increase/(decrease) in liabilities:		
Due to related parties         (2,545,350)         2,357,321           Accounts payable, accrued expenses and other liabilities         (17,589,919)         31,126,273           Due to reinsurers         (32,195,934)         35,541,763           Unearned commission reserve         (307,286)         481,880           Net cash (used in)/provided by operating activities         (39,054,527)         69,438,097           Cash flows from investing activities:           Net placement of term deposits         (69,567)         (974,761)           Proceeds from sale of investment property         -         22,000           Proceeds from principal payments         -         107,097           Proceeds from insurance coverage of investment properties         -         273,096           Purchase of property, plant and equipment         (341,893)         (282,418)           Sale of investments in securities         811,992         1,046,058           Interest received         834,261         833,089           Dividends received         341,560         264,970           Net cash provided by investing activities         1,576,353         1,289,131           Cash flows from financing activities:           Dividends paid to shareholders         (4,633,040)         (4,952,560) <td< td=""><td>Unearned premium reserve</td><td>446,900</td><td>2,850,815</td></td<>	Unearned premium reserve	446,900	2,850,815
Accounts payable, accrued expenses and other liabilities (17,589,919) 31,126,273 Due to reinsurers (32,195,934) 35,541,763 Unearned commission reserve (307,286) 481,880  Net cash (used in)/provided by operating activities (39,054,527) 69,438,097  Cash flows from investing activities:  Net placement of term deposits (69,567) (974,761) Proceeds from sale of investment property - 22,000 Proceeds from principal payments - 107,097 Proceeds from insurance coverage of investment properties - 273,096 Purchase of property, plant and equipment (341,893) (282,418) Sale of investments in securities 811,992 1,046,058 Interest received 834,261 833,089 Dividends received 834,261 833,089 Dividends received 341,560 264,970 Net cash provided by investing activities:  Dividends paid to shareholders (4,633,040) (4,952,560) Principal payment of lease liability (193,531) (173,005) Interest payment of lease liability - (20,741) Dividends paid to non-controlling interest (30,000) (341,175) Net cash used in financing activities (4,856,571) (5,487,481)  Net (decrease)/increase in cash and cash equivalents (42,334,745) 65,239,747	Outstanding claims	(126,271,339)	136,187,844
Due to reinsurers         (32,195,934)         35,541,763           Unearned commission reserve         (307,286)         481,880           Net cash (used in)/provided by operating activities         (39,054,527)         69,438,097           Cash flows from investing activities:         September 1         974,761)           Net placement of term deposits         (69,567)         (974,761)           Proceeds from sale of investment property         -         22,000           Proceeds from principal payments         -         107,097           Proceeds from insurance coverage of investment properties         -         273,096           Purchase of property, plant and equipment         (341,893)         (282,418)           Sale of investments in securities         811,992         1,046,058           Interest received         834,261         833,089           Dividends received         341,560         264,970           Net cash provided by investing activities         1,576,353         1,289,131           Cash flows from financing activities         (4,633,040)         (4,952,560)           Principal payment of lease liability         (193,531)         (173,005)           Interest payment of lease liability         -         (20,741)           Dividends paid to non-controlling interest <t< td=""><td>Due to related parties</td><td>(2,545,350)</td><td>2,357,321</td></t<>	Due to related parties	(2,545,350)	2,357,321
Unearned commission reserve         (307,286)         481,880           Net cash (used in)/provided by operating activities         (39,054,527)         69,438,097           Cash flows from investing activities:         (69,567)         (974,761)           Proceeds from sale of investment property         -         22,000           Proceeds from principal payments         -         107,097           Proceeds from insurance coverage of investment properties         -         273,096           Purchase of property, plant and equipment         (341,893)         (282,418)           Sale of investments in securities         811,992         1,046,058           Interest received         834,261         833,089           Dividends received         341,560         264,970           Net cash provided by investing activities         1,576,353         1,289,131           Cash flows from financing activities:         -         (4,633,040)         (4,952,560)           Principal payment of lease liability         (193,531)         (173,005)           Interest payment of lease liability         -         (20,741)           Dividends paid to non-controlling interest         (30,000)         (341,175)           Net cash used in financing activities         (4,856,571)         (5,487,481)           Net (dec	Accounts payable, accrued expenses and other liabilities	(17,589,919)	31,126,273
Net cash (used in)/provided by operating activities(39,054,527)69,438,097Cash flows from investing activities:(69,567)(974,761)Proceeds from sale of investment property-22,000Proceeds from principal payments-107,097Proceeds from insurance coverage of investment properties-273,096Purchase of property, plant and equipment(341,893)(282,418)Sale of investments in securities811,9921,046,058Interest received834,261833,089Dividends received341,560264,970Net cash provided by investing activities1,576,3531,289,131Cash flows from financing activities:(4,633,040)(4,952,560)Principal payment of lease liability(193,531)(173,005)Interest payment of lease liability-(20,741)Dividends paid to non-controlling interest(30,000)(341,175)Net cash used in financing activities(4,856,571)(5,487,481)Net (decrease)/increase in cash and cash equivalents(42,334,745)65,239,747		(32,195,934)	35,541,763
Cash flows from investing activities:  Net placement of term deposits Proceeds from sale of investment property Proceeds from principal payments Proceeds from insurance coverage of investment properties Purchase of property, plant and equipment Sale of investments in securities Interest received Int	Unearned commission reserve	(307,286)	481,880
Net placement of term deposits Proceeds from sale of investment property Proceeds from sale of investment property Proceeds from principal payments Proceeds from principal payments Proceeds from insurance coverage of investment properties Purchase of property, plant and equipment Sale of investments in securities Net cash provided by investing activities Principal payment of lease liability Principal payment of lease liability Principals paid to non-controlling interest Net cash used in financing activities  Net cash used in financing activities  Net cash used in financing activities  Net (decrease)/increase in cash and cash equivalents  (42,334,745)  (974,761) (974,761) (974,761) (974,761) P20,000 P107,907 P107,907 P107,907 P27,909 P34,809	Net cash (used in)/provided by operating activities	(39,054,527)	69,438,097
Proceeds from sale of investment property Proceeds from principal payments Proceeds from principal payments Proceeds from insurance coverage of investment properties Purchase of property, plant and equipment Sale of investments in securities Interest received Interest received Bill,992 Bill,046,058 Bill,092 Bill,046,058 Bill,992 Bill,046,058 Bill,092 Bill,046,058 Bill,046,058 Bill,092 Bill,046,058 Bill,046,058 Bill,046,058 Bill,046,058 Bill,046 Bill,046,058 Bill,046,058 Bill,046,058 Bill,046,058 Bill,	Cash flows from investing activities:		
Proceeds from principal payments Proceeds from insurance coverage of investment properties Purchase of property, plant and equipment Sale of investments in securities Interest received Interest received Bill,992 Dividends paid to shareholders Cash flows from financing activities Dividends paid to shareholders Principal payment of lease liability Dividends paid to non-controlling interest Bill,992 Dividends paid to shareholders Bill,992 Dividends paid to shareholders Cash flows from financing activities Cash flows from financing activities Bill,992 Dividends paid to shareholders Cash flows from financing activities Cash flows from financing activit	Net placement of term deposits	(69,567)	(974,761)
Proceeds from insurance coverage of investment properties Purchase of property, plant and equipment Sale of investments in securities Interest received Interest received Sale, 261, 341,560 Dividends received Net cash provided by investing activities  Dividends paid to shareholders Dividends paid to shareholders Principal payment of lease liability Dividends paid to non-controlling interest  Net cash used in financing activities  Net (decrease)/increase in cash and cash equivalents  - 273,096 284,18)  - 273,096 282,418)  - 341,592 1,046,058 - 833,089 - 341,560 264,970 -	Proceeds from sale of investment property	<u>.</u>	22,000
Purchase of property, plant and equipment  Sale of investments in securities  Interest received  Interest received  Dividends received  Net cash provided by investing activities  Dividends paid to shareholders  Dividends payment of lease liability  Interest payment of lease liability  Dividends paid to non-controlling interest  Net cash used in financing activities  Net (decrease)/increase in cash and cash equivalents  (341,893)  (282,418)  811,992  1,046,058  811,992  1,046,058  833,089  264,970  Net (ash provided by investing activities  1,576,353  1,289,131  (4,633,040)  (4,952,560)  (4,952,560)  (193,531)  (173,005)  (20,741)  Dividends paid to non-controlling interest  (30,000)  (341,175)  Net (decrease)/increase in cash and cash equivalents  (42,334,745)  65,239,747	Proceeds from principal payments		107,097
Sale of investments in securities Interest received Interest received Bill,992 Bill,	Proceeds from insurance coverage of investment properties	-	273,096
Interest received 834,261 833,089 Dividends received 341,560 264,970  Net cash provided by investing activities 1,576,353 1,289,131  Cash flows from financing activities:  Dividends paid to shareholders (4,633,040) (4,952,560) Principal payment of lease liability (193,531) (173,005) Interest payment of lease liability (20,741) Dividends paid to non-controlling interest (30,000) (341,175)  Net cash used in financing activities (4,856,571) (5,487,481)  Net (decrease)/increase in cash and cash equivalents (42,334,745) 65,239,747	Purchase of property, plant and equipment	(341,893)	(282,418)
Dividends received 341,560 264,970  Net cash provided by investing activities 1,576,353 1,289,131  Cash flows from financing activities:  Dividends paid to shareholders (4,633,040) (4,952,560)  Principal payment of lease liability (193,531) (173,005)  Interest payment of lease liability - (20,741)  Dividends paid to non-controlling interest (30,000) (341,175)  Net cash used in financing activities (4,856,571) (5,487,481)  Net (decrease)/increase in cash and cash equivalents (42,334,745) 65,239,747	Sale of investments in securities	811,992	1,046,058
Net cash provided by investing activities  Cash flows from financing activities:  Dividends paid to shareholders  Principal payment of lease liability  Interest payment of lease liability  Dividends paid to non-controlling interest  Net cash used in financing activities  Net (decrease)/increase in cash and cash equivalents  1,576,353  1,289,131  (4,952,560)  (193,531)  (173,005)  (20,741)  (20,741)  (30,000)  (341,175)  Net cash used in financing activities  (4,856,571)  (5,487,481)	Interest received	834,261	833,089
Cash flows from financing activities:  Dividends paid to shareholders (4,633,040) (4,952,560)  Principal payment of lease liability (193,531) (173,005)  Interest payment of lease liability - (20,741)  Dividends paid to non-controlling interest (30,000) (341,175)  Net cash used in financing activities (4,856,571) (5,487,481)  Net (decrease)/increase in cash and cash equivalents (42,334,745) 65,239,747	Dividends received	341,560	264,970
Dividends paid to shareholders (4,633,040) (4,952,560) Principal payment of lease liability (193,531) (173,005) Interest payment of lease liability - (20,741) Dividends paid to non-controlling interest (30,000) (341,175)  Net cash used in financing activities (4,856,571) (5,487,481)  Net (decrease)/increase in cash and cash equivalents (42,334,745) 65,239,747	Net cash provided by investing activities	1,576,353	1,289,131
Dividends paid to shareholders (4,633,040) (4,952,560) Principal payment of lease liability (193,531) (173,005) Interest payment of lease liability - (20,741) Dividends paid to non-controlling interest (30,000) (341,175)  Net cash used in financing activities (4,856,571) (5,487,481)  Net (decrease)/increase in cash and cash equivalents (42,334,745) 65,239,747	Cash flows from financing activities:		
Principal payment of lease liability (193,531) (173,005) Interest payment of lease liability - (20,741) Dividends paid to non-controlling interest (30,000) (341,175)  Net cash used in financing activities (4,856,571) (5,487,481)  Net (decrease)/increase in cash and cash equivalents (42,334,745) 65,239,747		(4,633,040)	(4,952,560)
Interest payment of lease liability - (20,741) Dividends paid to non-controlling interest (30,000) (341,175)  Net cash used in financing activities (4,856,571) (5,487,481)  Net (decrease)/increase in cash and cash equivalents (42,334,745) 65,239,747			
Dividends paid to non-controlling interest (30,000) (341,175)  Net cash used in financing activities (4,856,571) (5,487,481)  Net (decrease)/increase in cash and cash equivalents (42,334,745) 65,239,747		-	
Net cash used in financing activities (4,856,571) (5,487,481)  Net (decrease)/increase in cash and cash equivalents (42,334,745) 65,239,747		(30,000)	
		(12.22.1 - 1-1	05 222 5 :-
Cash and cash equivalents at beginning of period 74,940,376 9,700,629			
	Cash and cash equivalents at beginning of period	74,940,376	9,700,629
Cash and cash equivalents at end of period 32,605,631 74,940,376	Cash and cash equivalents at end of period	32,605,631	74,940,376

#### **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, 2020.

#### 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, 2020 are as follows:

		AGENTS & BROKERS	UNDERWRITING	TOTAL
Net revenue from contracts with customers	s \$	18,560,456	(61,331)	18,499,125
Net premiums earned		-	4,123,213	4,123,213
Interest income		178,587	693,262	871,849
Dividend income		52,911	288,649	341,560
Other income		68,261	539,910	608,171
Revaluation for tax assessment			378,802	378,802
	\$	18,860,215	5,962,505	24,822,720
Insurance expenses	\$	-	1,528,814	1,528,814
Depreciation and amortization		696,211	49,445	745,656
Change in net unrealized loss on investmen	nts in	securities -	532,729	532,729
Provision for expected credit loss		-	146,608	146,608
Provision for tax assessment		-	318,564	318,564
Other expenses		13,811,433	1,171,467	14,982,900
_	\$	14,507,644	3,747,627	18,255,271
Net income	\$	4,352,571	2,214,878	6,567,449

The segment results for the period ended December 31, 2019 are as follows:

	AGEN	TS & BROKERS	UNDERWRITING	TOTAL	
Net revenue from contracts with customers	s \$	21,634,771	(651,162)	20,983,609	
Net premiums earned		-	4,417,563	4,417,563	
Interest income		103,038	773,258	876,296	
Gain on disposal of investment property		213,619	-	213,619	
Dividend income		-	264,970	264,970	
Change in net unrealized gain on investme	nt in securiti	es -	283,166	283,166	
Other income		159,515	592,095	751,610	
Profit on sale of property, plant & equipme	nt	<del>-</del>	22,000	22,000	
	\$	22,110,943	5,701,890	27,812,833	
Insurance expenses	\$	-	4,785,760	4,785,760	
Depreciation and amortization		696,494	45,175	741,669	
Revaluation of investment property		125,000	<u>-</u>	125,000	
Provision for expected credit loss		<u>-</u>	2,710	2,710	
Other expenses		14,751,244	1,197,281	15,948,525	
_	\$	15,572,738	6,030,926	21,603,664	
Net income	\$	6,538,205	(329,036)	6,209,169	

The segment assets and liabilities as at December 31, 2020 are as follows:

	AGE	NTS & BROKERS	UNDERWRITING	TOTAL	
Total assets	\$	49,559,221	74,520,905	124,080,126	
Total liabilities		31,934,687	48,042,363	79,977,050	

The segment assets and liabilities as at December 31, 2019 are as follows:

	<b>AGENTS &amp; BROKERS</b>	UNDERWRITING	TOTAL
Total assets	\$ 86,890,119	214,372,872	301,262,991
Total liabilities	70,098,156	188,966,168	259,064,324