

WE ARE



SEPTEMBER 2024  
SIX-MONTH REPORT





TOGETHER WE ARE  
A POWERFUL FORCE  
FOR SUSTAINABLE  
WELLBEING

PERFORMANCE MEASUREMENTS

\$5.9m

NET EARNINGS

85.9%

COMBINED OPERATING RATIO

\$11.0m

OPERATING PROFIT

\$19.0m

OPERATING CASH FLOW

\$28.2m

FEE INCOME

4.9%

DIVIDEND YIELD (ANNUALISED)

14.4%

OPERATING RETURN ON  
AVERAGE EQUITY (ANNUALISED)

A- (Excellent)

FINANCIAL STRENGTH RATING,  
A.M. BEST



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# REPORT TO SHAREHOLDERS

The Argus Group continues to deliver solid financial operating performance and maintains a healthy financial position.

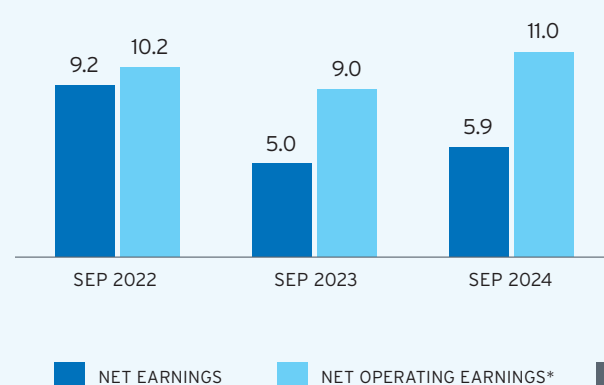
Our strategy has always been to grow our business to enable better leverage of scale and buying power for the benefit of our customers and community. We are incredibly proud of the progress that we have made over the last fifteen years to transform the Argus Group. We have diversified our business lines, grown our markets and delivered impressive shareholder value. The proposed amalgamation with BF&M Limited is an exciting next step in our evolution. With greater geographic reach and enhanced resources, we are confident that our talented team will continue to drive further sustainable growth in the coming years.

Our key measure of profitability for the Group is operating earnings, which is \$11.0 million compared to \$9.0 million in the previous year. Insurance revenues across all lines of business within the Group grew from last year. Key growth contributors include higher health insurance premiums and growth in new business within our property & casualty insurance division. Overall fee income has continued to grow, notably in our healthcare services business, which has increased 13.8 percent compared to prior year. The benefits of our diversified income sources were apparent this period, where elevated health insurance claims were mitigated by growth in profits of our healthcare services.

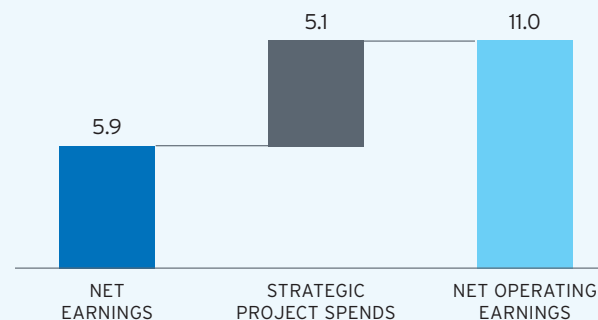
The headline net income for the half year was \$5.9 million, including non-recurring items illustrated below. The overall performance of our insurance and pension businesses has remained robust, even as health claims costs and utilisation continue rising.

Inflation has placed additional pressure on our margins and operating expenses. However, the Argus team has consistently managed claims inflation effectively, deploying market-leading initiatives to control rising costs and protect margins through strategic pricing and underwriting. We are excited about the scale benefits anticipated from our planned amalgamation with BF&M Limited. This proposed amalgamation will substantially expand our scale, strengthening purchasing power and operational efficiency, ultimately benefiting customers and delivering long-term returns for shareholders.

EARNINGS PERFORMANCE (\$ MILLIONS)



OPERATING EARNINGS RECONCILIATION (\$ MILLIONS)



\*Net Operating Earnings - net income excluding impact of external market factors and/or one-off events such as Change in fair value of investments and investment properties, gains from sale of business segments, non-core assets, asset impairments, penalties, strategic project spends, and one-time transition impacts from adoption of new accounting standards.

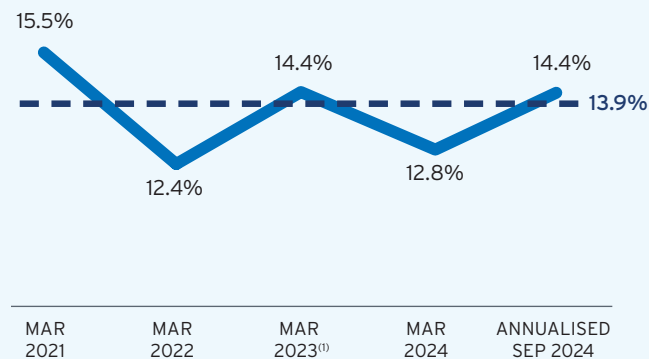
# RETURN ON EQUITY

Amid ongoing growth in health claims, we are pleased to report an annualised operating return on average equity of 14.4 percent. This result compares favorably with our five-year average annual operating return on equity of 13.9 percent. We remain committed to delivering attractive, sustainable returns for our investors and aim to deploy surplus capital through judicious investments and strategic growth opportunities.

Since March 2018, our shareholders' equity has increased from \$105.9 million to \$160.4 million as at September 30, 2024. During this time, we have returned \$28.3 million to shareholders through dividends and a further \$3.2 million through share repurchases. Our track record of building shareholder value has remained reliable, even in challenging and volatile times. This success is driven by solid operating earnings, diversified revenue streams, and a steadfast commitment to careful stewardship of both policyholder and shareholder assets.

Our strong balance sheet and careful capital management have allowed us to invest in our strategy to create long-term sustainable value and growth. Our statutory capital also remains comfortably above regulatory requirements.

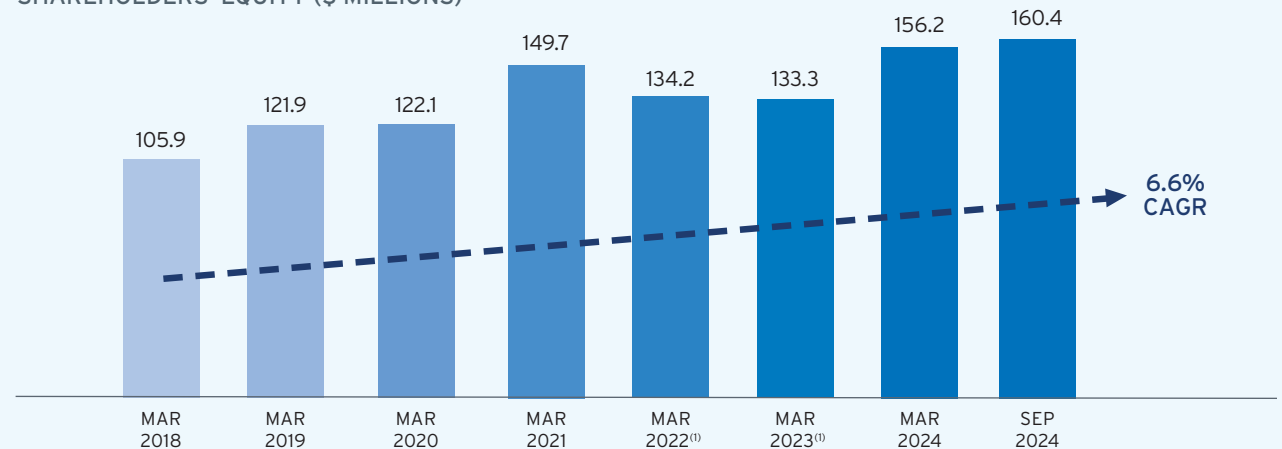
RETURN ON EQUITY (OPERATING EARNINGS BASIS)



— ANNUAL RETURN ON EQUITY  
 - - AVERAGE

(1) Restated for the adoption of IFRS 17

SHAREHOLDERS' EQUITY (\$ MILLIONS)



## SUPERIOR UNDERWRITING RESULTS

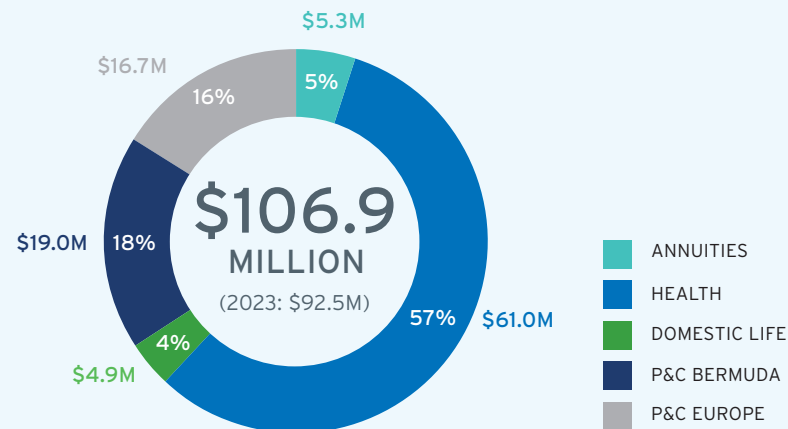
The Argus Group underwrites a diverse range of insurance risks for corporate and individual clients, offering coverage in health, life, property, and liability insurance.

Our disciplined approach to underwriting prioritises quality over volume, combining rigorous risk management with a balanced focus on margins and affordability. This approach has been fundamental to our consistent record of strong underwriting results. For the six months ended September 30, 2024, insurance revenue increased by \$14.4 million, or approximately 15.6 percent, compared to the same period last year.

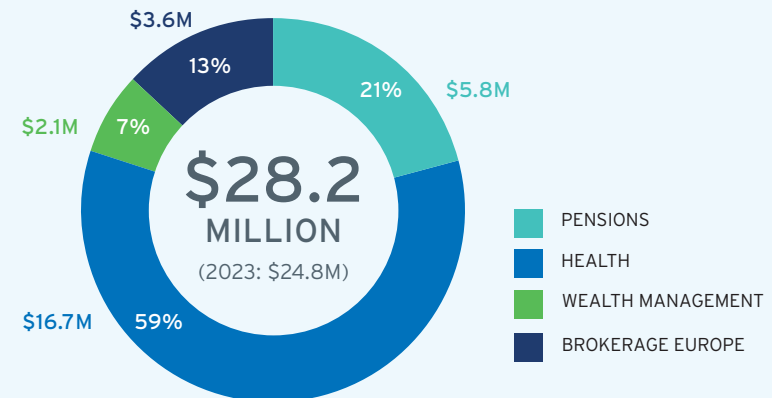
As illustrated in the 'Insurance Revenue' chart, health insurance premium is the largest contributor to our insurance revenue. Property & Casualty insurance premium from both Bermuda and Europe are also meaningful contributors to Group income. Across the globe, healthcare costs have been consistently rising. To mitigate risk and ensure fair, consistent margins, we reprice our policies annually, taking into account key factors like utilisation, demographics, medical technology advancements, and benefit changes. These measured premium rate adjustments have been a major contributor to our ongoing success.

Fee income is a capital-efficient source of revenue for the Argus Group. This period, increased fee income from healthcare services helped offset higher health claims, exemplifying its stabilising effect. Fee income rose by \$3.4 million, or approximately 13.8 percent, driven by our healthcare delivery and administrative services. We continue to expand fee-based income sources, enhancing revenue resilience and diversification with complementary products and services.

INSURANCE REVENUE (\$ MILLIONS)



FEE INCOME (\$ MILLIONS)



## MITIGATING COST & RISK

Every day, our claims team fulfills our commitment to putting customers first in everything we do. We settle claims fairly and support our customers with empathy and true compassion during challenging and stressful times.

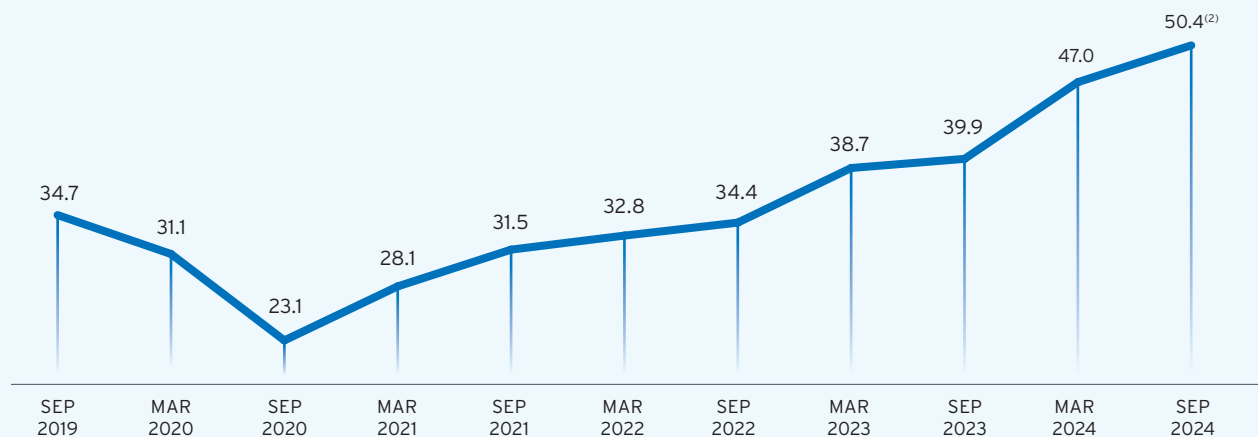
The strength of our insurance operations is evident in the combined operating ratio – a key metric for assessing our underwriting performance. For the six months ended September 30, 2024, this ratio for our insurance businesses stood at a solid 85.9 percent.<sup>(1)</sup>

The elevated growth in health claims seen last year and during the first quarter of the current year has reverted to a more normalised level of growth in recent months. Higher levels of utilisation and higher average costs, notably in local claims, continue to influence performance.

As health insurers, we take our responsibility as custodians of our clients' health dollars very seriously. In recent years, we've successfully mitigated healthcare costs through diligent case management and improvements in our overseas health network.

Our general insurance economic model relies on ceding much of the insurance risk to reinsurers. This comprehensive reinsurance program reduces our exposure to large-scale risk events, helping to keep volatility in our underwriting income low, even during catastrophes. Hurricane losses incurred during the period from Ernesto were mitigated by our robust reinsurance programme. Our European businesses support global diversification having contributed positively to Group results through disciplined underwriting.

HEALTH INCURRED CLAIMS (\$ MILLIONS)



(1) Combined Operating Ratio is calculated as sum of insurance service expenses, commission expense net of commission income, reinsurance costs, and operating expense divided by sum of insurance revenues and management fee income.

(2) The elevated growth seen last year and during the first quarter of the current year has reverted to a more normalised level of growth in recent months.

# DIVERSIFIED INVESTMENTS

Our commitment to careful and diligent custodianship of policyholder and shareholder assets is central to the Argus Group's investment philosophy.

Our investment portfolio is designed to ensure funds are readily available to satisfy our obligation to policyholders and to enhance shareholder value by generating appropriate long-term, risk-adjusted yields. We have a clear objective to maximise returns without taking on inappropriate levels of risk.

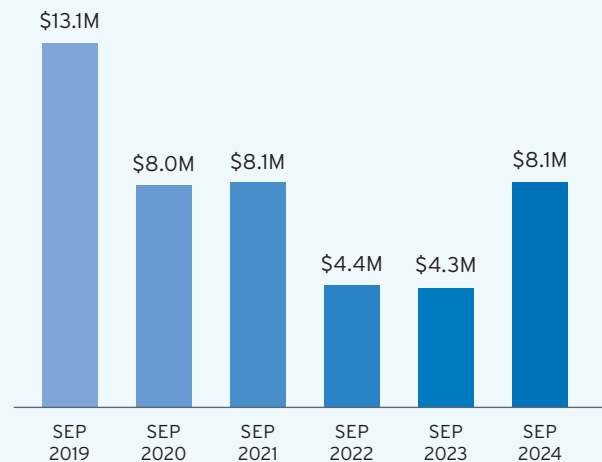
Our investment portfolio experienced some fluctuations due to interest rate movements portfolio during the six months ended

September 30, 2024. In the first quarter of our financial year, market interest rates remained higher for longer, leading to higher interest income, which also resulted in unrealised losses within our fixed income securities. During our second quarter, interest rates were cut by 50 basis points, which indicated a pivotal shift in the Federal Reserve's monetary policy and those unrealised losses were reversed and replaced with gains. As we tend to hold our bonds to maturity, these market fluctuations are temporary in nature. Our investments continued to provide stable income, recorded through the income statement and, overall, the Group's portfolio performed slightly ahead of expectations.

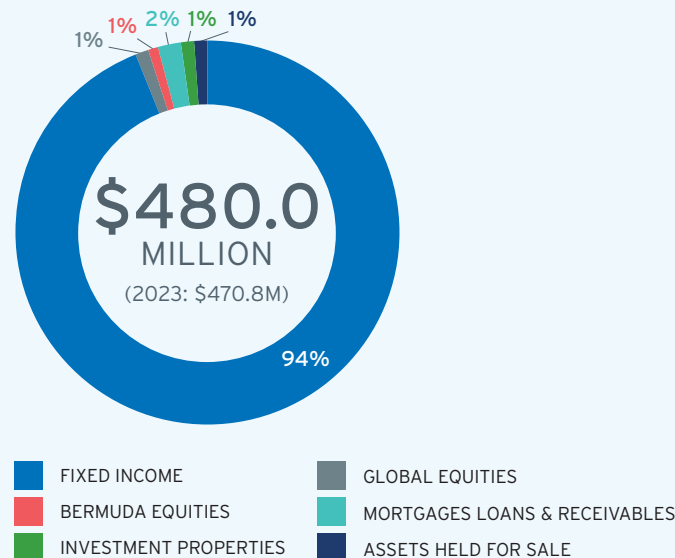
Against this backdrop, the Group's investment portfolio generated a total income of \$13.4 million for the six months to September 30, 2024 - \$8.1 million of income reported through the income statement, and \$5.3 million of unrealised gains reported within other comprehensive income.

The Group continues to hold a high quality, diversified, global investment portfolio. 94 percent of the Group's investments are in fixed income bonds, of which 99 percent are classified as investment grade.

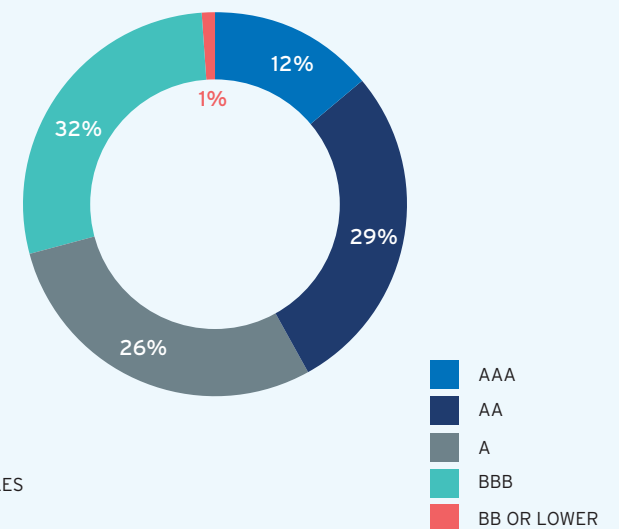
**INVESTMENT INCOME (\$ MILLIONS)**  
(reported through the income statement)



**INVESTMENT ASSETS AT 30 SEPTEMBER 2024**



**FIXED INCOME PORTFOLIO RATINGS AT 30 SEPTEMBER 2024**



# SUSTAINABILITY, GROWING STRENGTH & OPPORTUNITY

Sustainability is at the core of who we are and what we do. It has been deeply embedded in the Argus culture for many years, forming a cornerstone of our brand purpose. We are pleased to share our latest sustainability report, highlighting the progress we have made in further integrating sustainable practices across our organisation. Our sustainability reports are available at [www.argus.bm/sustainability](http://www.argus.bm/sustainability).

The Board has declared a dividend of twelve cents per share payable on January 31, 2025 for shareholders of record on December 31, 2024. We have been able to provide steady increases to our dividends in the last several years.

Our share price has fluctuated over the past five years, with an overall upward trend. However, it continues to trade below book value.

Our focus is growth and sustainable profitability. The proposed amalgamation with BF&M Limited will create value through scale benefits and unlock new markets for growth. We will remain a disciplined business, maintain a strong balance sheet, deliver solid financial performance, and continue to provide reliable dividends to our shareholders.

On behalf of the Board and Management, we extend our gratitude to our shareholders and clients for their ongoing support, and to our staff for their unwavering commitment.

**DAVID A. BROWN**  
Chair, Argus Group



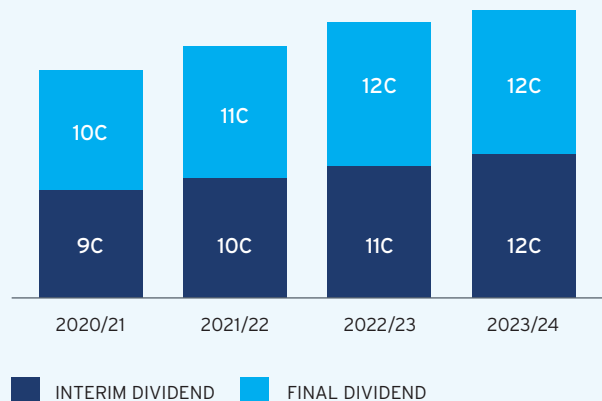
**ALISON S. HILL**  
Group CEO



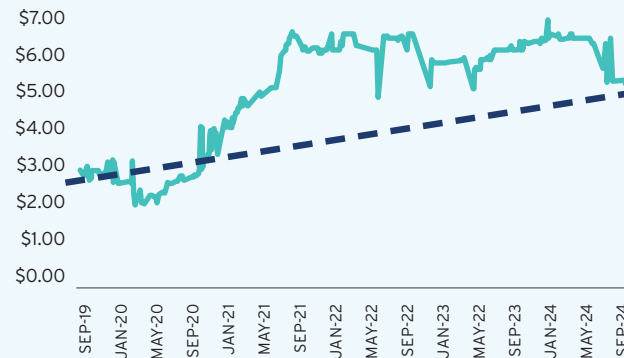
**PETER J. DUNKERLEY**  
Group CFO & Deputy CEO



DIVIDENDS DECLARED



5 YEAR STOCK PRICE





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INSPIRING

SUSTAINABILITY

GOVERNANCE REPORT

# BOARDS, COMMITTEES & OFFICERS

## BOARD OF DIRECTORS

David A. Brown (Chair)  
 Keith W. Abercromby  
 Barbara J. Merry  
 Constantinos Miranthis  
 Sergio Muñoz  
 E. Barclay Simmons (Deputy Chair)  
 N. H. Cole Simons, JP  
 Christian Teixidor

## BOARD COMMITTEES

### AUDIT COMMITTEE

Keith W. Abercromby (Chair)  
 David A. Brown  
 Barbara J. Merry  
 Constantinos Miranthis  
 E. Barclay Simmons  
 N. H. Cole Simons, JP  
 Christian Teixidor

### GOVERNANCE COMMITTEE

Barbara J. Merry (Chair)  
 David A. Brown  
 E. Barclay Simmons

### PEOPLE & COMPENSATION COMMITTEE

David A. Brown (Chair)  
 Keith W. Abercromby  
 Constantinos Miranthis

### RISK COMMITTEE

E. Barclay Simmons (Chair)  
 Keith W. Abercromby  
 Barbara J. Merry  
 Constantinos Miranthis  
 Sergio Muñoz

## OFFICERS

Chair - David A. Brown  
 Deputy Chair - E. Barclay Simmons  
 Chief Executive Officer - Alison S. Hill  
 Chief Financial Officer  
 & Deputy CEO - Peter J. Dunkerley  
 Chief Investment Officer  
 & Head of Global Wealth - Simon Giffen  
 Company Secretary - Janice Fernandes  
 Assistant Secretary - Sasha Castle-Siddiq

## OUR LEADERSHIP TEAM

Our leadership team is dedicated to promoting collaboration, sustainability and innovation throughout the Company. They are focused on the goals of adding value for our shareholders and ensuring exceptional experiences for our customers and colleagues. They are committed to setting Argus apart as a leader in the industry.



**ONESIMUS NZABALINDA**

CHIEF GLOBAL COMPLIANCE  
& AUDIT OFFICER



**ALEX REYNOLDS**

CHIEF CORPORATE DEVELOPMENT  
& INVESTOR RELATIONS OFFICER



**TOM HEALY**

GLOBAL DIRECTOR OF FINANCE



**ALISON HILL**

CHIEF EXECUTIVE OFFICER



**PETER LOZIER**

CHIEF COMMERCIAL OFFICER  
& HEAD OF GLOBAL HEALTH



**TORY RICHARD**

CHIEF INFORMATION OFFICER



**DAVID SIMONS**

CHIEF EXPERIENCE OFFICER



**KEVIN GALEA PACE**

HEAD OF GLOBAL BROKING



**PETER DUNKERLEY**

CHIEF FINANCIAL OFFICER  
& DEPUTY CHIEF EXECUTIVE OFFICER



**ROBBIE MACDONALD**

GROUP GENERAL COUNSEL



**HANNAH ROSS**

CHIEF STRATEGY  
& CAPITAL OFFICER



**SHEENA SMITH**

CHIEF HUMAN CAPITAL  
& CULTURE OFFICER



**SIMON GIFFEN**

CHIEF INVESTMENT OFFICER  
& HEAD OF GLOBAL WEALTH

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## OUR PRINCIPAL OPERATING SUBSIDIARIES

### BERMUDA

#### ARGUS INSURANCE COMPANY LIMITED

Constantinos Miranthis (Chair)  
Peter J. Dunkerley  
Peter Lozier  
E. Barclay Simmons

#### BERMUDA LIFE INSURANCE COMPANY LIMITED

Constantinos Miranthis (Chair)  
David A. Brown  
Peter J. Dunkerley  
E. Barclay Simmons

#### ISLAND HEALTH SERVICES LTD.

David A. Brown (Chair)  
Dr. Gerhard L. Boonstra  
Dr. Jeffrey Macleod  
Peter J. Dunkerley  
Peter Lozier

#### CENTURION INSURANCE SERVICES LIMITED

Barbara J. Merry (Chair)  
Peter J. Dunkerley  
Ryan Eve  
Kevin Galea Pace

#### I.H.S. LABORATORIES LTD.

David A. Brown (Chair)  
Peter J. Dunkerley  
Peter Lozier  
Dr. Basil Wilson

#### ARGUS WEALTH MANAGEMENT LIMITED

E. Barclay Simmons (Chair)  
Peter J. Dunkerley  
Constantinos Miranthis  
N. H. Cole Simons, JP

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### GIBRALTAR

#### ARGUS INSURANCE COMPANY (EUROPE) LIMITED

Keith W. Abercromby (Chair)  
Alex Bonavia  
Peter J. Dunkerley  
Constantinos Miranthis  
Sergio Muñoz  
Michel Macelli

#### WESTMED INSURANCE SERVICES LIMITED

Peter J. Dunkerley (Chair)  
Alex Bonavia

#### ARGUS GROUP HOLDINGS (EUROPE) LIMITED

Peter J. Dunkerley (Chair)  
Keith Abercromby  
Barbara J. Merry

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### CANADA

#### ONE TEAM HEALTH, INC.

Peter J. Dunkerley (Chair)  
Peter Lozier

### MALTA

#### ANTES INSURANCE BROKERS LIMITED

Barbara J. Merry (Chair)  
Peter J. Dunkerley  
Kevin Galea Pace  
Lawrence Pavia  
Christian Teixidor

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# INSPIRING



FINANCIAL REPORT



# CONDENSED CONSOLIDATED BALANCE SHEETS

<i>(in \$ thousands)</i>	Note	SEPTEMBER 30 2024 <i>(unaudited)</i>	MARCH 31 2024 <i>(audited)</i>
<b>Assets</b>			
Cash and short-term investments		94,042	60,966
Interest and dividends receivable		3,763	3,449
Assets held-for-sale		3,288	3,910
Investments	3	474,321	480,970
Receivable for investments sold		256	278
Trade and other receivables		5,834	6,562
Reinsurance contract assets	6	30,612	30,444
Other assets		12,978	11,313
Investment properties		2,399	2,399
Investment in associates		2,719	2,719
Property and equipment		54,191	56,027
Right-of-use assets		2,965	2,942
Intangible assets		22,980	23,387
<b>TOTAL GENERAL FUND ASSETS</b>		<b>710,348</b>	<b>685,366</b>
Segregated fund assets	9	1,305,077	1,244,364
<b>TOTAL ASSETS</b>		<b>2,015,425</b>	<b>1,929,730</b>

Approved by the Board of Directors



David A. Brown  
Chair



E. Barclay Simmons  
Deputy Chair

<i>(in \$ thousands)</i>	Note	SEPTEMBER 30 2024 <i>(unaudited)</i>	MARCH 31 2024 <i>(audited)</i>
<b>Liabilities</b>			
Fee based payables		9,854	8,606
Payables arising from investment transactions		1,932	-
Taxes payable		202	257
Accounts payable and accrued liabilities		34,725	41,141
Lease liabilities		3,172	3,247
Insurance contract liabilities	6	257,169	234,236
Reinsurance contract liabilities	6	353	1,134
Investment contract liabilities		239,712	237,790
Post-employment benefit obligation	7	2,868	2,707
<b>TOTAL GENERAL FUND LIABILITIES</b>		<b>549,987</b>	<b>529,118</b>
Segregated fund liabilities	9	1,305,077	1,244,364
<b>TOTAL LIABILITIES</b>		<b>1,855,064</b>	<b>1,773,482</b>
<b>Equity</b>			
Attributable to shareholders of the Company			
Share capital		16,552	15,899
Contributed surplus		56,659	57,056
Retained earnings		92,148	88,622
Accumulated other comprehensive loss	11	(4,998)	(5,329)
<b>TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY</b>		<b>160,361</b>	<b>156,248</b>
<b>TOTAL EQUITY</b>		<b>160,361</b>	<b>156,248</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,015,425</b>	<b>1,929,730</b>

The accompanying notes form part of these condensed consolidated financial statements.

# CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

<i>For the six months ended September 30 (in \$ thousands, except for per share data)</i>	Note	2024 <i>(unaudited)</i>	2023 <i>(unaudited)</i>
Insurance revenue		106,873	92,453
Insurance service expenses		(77,527)	(63,786)
Net expenses from reinsurance contracts held		(8,839)	(8,649)
<b>Insurance service result</b>		<b>20,507</b>	<b>20,018</b>
Investment income		8,137	4,313
Net finance expenses from insurance contracts		(3,961)	(2,666)
Net finance income from reinsurance contracts		523	154
Movement in investment contract liabilities		(1)	29
<b>Net financial result</b>		<b>4,698</b>	<b>1,830</b>
Gain from the sale of subsidiary	12	-	259
Fee income from service contracts	10	28,238	24,808
Commission expenses		(793)	(863)
Other operating expenses		(46,459)	(40,845)
<b>EARNINGS BEFORE INCOME TAXES</b>		<b>6,191</b>	<b>5,207</b>
Income tax expense		(318)	(174)
<b>NET EARNINGS FOR THE PERIOD</b>		<b>5,873</b>	<b>5,033</b>
<b>Earnings per share</b>			
<i>Basic</i>	8	0.27	0.23
<i>Diluted</i>		0.27	0.23

The accompanying notes form part of these condensed consolidated financial statements.

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE OPERATIONS

<i>For the six months ended September 30 (in \$ thousands)</i>	<b>2024</b> <i>(unaudited)</i>	<b>2023</b> <i>(unaudited)</i>
<b>NET EARNINGS FOR THE PERIOD</b>	<b>5,873</b>	<b>5,033</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Items that will not be reclassified to net earnings:		
Post-employment medical benefit obligation remeasurement	(209)	(6)
Change in unrealised gains/(losses) on equity investments	(62)	370
Items that are or may subsequently be reclassified to net earnings:		
Change in unrealised gains on bond investments	5,766	9,711
Net finance income/(expenses) from insurance contracts	(6,175)	7,740
Net finance income/(expenses) from reinsurance contracts	(11)	-
Change in unrealised gains/(losses) on translating financial statements of foreign operations	1,400	(218)
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>709</b>	<b>17,597</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>6,582</b>	<b>22,630</b>

The accompanying notes form part of these condensed consolidated financial statements.

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>For the six months ended September 30 (in \$ thousands)</i>	2024 <i>(unaudited)</i>	2023 <i>(unaudited)</i>
<b>Share Capital</b>		
Authorised:		
25,000,000 common shares of \$1.00 each (2023 - 25,000,000)	25,000	25,000
Issued and fully paid, beginning of period 23,085,873 shares (2023 - 22,813,487 shares)	23,086	22,814
Add: Shares issued under the dividend reinvestment plan (2023 - 119,194 shares)	-	119
Deduct: Shares held in Treasury, at cost 1,136,263 shares (2023 - 1,294,519 shares)	(6,534)	(7,422)
<b>TOTAL, NET OF SHARES HELD IN TREASURY, END OF PERIOD</b>	<b>16,552</b>	<b>15,511</b>
<b>Contributed Surplus</b>		
Balance, beginning of period	57,056	55,595
Stock-based compensation expense	154	140
Treasury shares granted to employees	(551)	15
Shares issued under the dividend reinvestment plan	-	585
<b>BALANCE, END OF PERIOD</b>	<b>56,659</b>	<b>56,335</b>
<b>Retained Earnings</b>		
Balance, beginning of period	88,622	113,904
Adjustment on initial recognition of IFRS 17	-	(27,424)
Restated retained earnings balance, beginning of period	88,622	86,480
Net earnings for the period	5,873	5,033
Dividends	(2,619)	(2,583)
Loss on treasury shares granted to employees	(106)	-
Realised gain on equity securities designated at FVOCI	378	-
<b>BALANCE, END OF PERIOD</b>	<b>92,148</b>	<b>88,930</b>
<b>Accumulated Other Comprehensive Loss</b>		
Balance, beginning of period	(5,329)	(43,655)
Adjustment on initial recognition of IFRS 17	-	19,486
Restated accumulated other comprehensive loss balance, beginning of period	(5,329)	(24,169)
Other comprehensive income	709	17,597
Reclassification of gain on equity securities to retained earnings	(378)	-
<b>BALANCE, END OF PERIOD</b>	<b>(4,998)</b>	<b>(6,572)</b>
<b>Total attributable to Shareholders of the Company</b>	<b>160,361</b>	<b>154,204</b>
<b>TOTAL EQUITY</b>	<b>160,361</b>	<b>154,204</b>

The accompanying notes form part of these condensed consolidated financial statements.

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>For the six months ended September 30 (in \$ thousands)</i>	Note	2024 (unaudited)	2023 (unaudited)
<b>OPERATING ACTIVITIES</b>			
Earnings before income taxes		6,191	5,207
<b>Adjustments to reconcile net earnings to cash basis</b>			
Bad debt expense		293	114
Interest income		(8,274)	(7,638)
Dividend income		(60)	(131)
Investment income related to deposit administration pension plans		2,082	1,178
Net realised and unrealised (gains)/losses on investment		(1,162)	1,971
Amortisation of mortgages and net premium of bonds		(531)	(94)
Net impairment losses on investments		25	180
Change in the fair value of contingent liability		92	176
Gain from the sale of subsidiaries	12	-	(259)
Gain on the derecognition right-of-use assets		(109)	-
Amortisation, depreciation and impairment		3,706	3,473
Expense on vesting of stock-based compensation		154	140
Interest expense on leases		108	105
		(3,676)	(785)
<b>Change in operating balances</b>			
Trade and other receivables		718	(513)
Reinsurance contract assets		161	3,827
Other assets		(1,615)	867
Fee based payables		860	2,448
Accounts payable and accrued liabilities		(5,849)	(401)
Insurance contract liabilities		15,591	8,896
Reinsurance contract liabilities		(785)	332
Investment contract liabilities		1,922	(3,467)
Post employment benefit liability		(48)	(31)
		10,955	11,958
Interest income received		5,798	6,324
Dividend income received		60	131
Income tax paid		(370)	(408)
<b>CASH GENERATED FROM OPERATING ACTIVITIES</b>		<b>18,958</b>	<b>22,427</b>

<i>For the six months ended September 30 (in \$ thousands)</i>	Note	2024 (unaudited)	2023 (unaudited)
<b>INVESTING ACTIVITIES</b>			
Purchase of investments		(170,967)	(88,202)
Sale, maturity and paydown of investments		189,323	78,269
Sale of subsidiary, net of cash disposed of	12	-	4,418
Purchase of property and equipment		(1,732)	(2,756)
<b>CASH GENERATED FROM/ (USED IN) INVESTING ACTIVITIES</b>			
		<b>16,624</b>	<b>(8,271)</b>
<b>FINANCING ACTIVITIES</b>			
Dividends paid to shareholders		(2,619)	(1,889)
Interest expense paid		(108)	(105)
Principal elements of the lease payments		(374)	(368)
<b>CASH USED IN FINANCING ACTIVITIES</b>			
		<b>(3,101)</b>	<b>(2,362)</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND SHORT-TERM INVESTMENTS</b>			
		<b>595</b>	<b>(424)</b>
<b>NET INCREASE IN CASH AND SHORT-TERM INVESTMENTS</b>			
		<b>33,076</b>	<b>11,370</b>
<b>CASH AND SHORT-TERM INVESTMENTS, beginning of period</b>			
		<b>60,966</b>	<b>41,587</b>
<b>CASH AND SHORT-TERM INVESTMENTS, end of period</b>			
		<b>94,042</b>	<b>52,957</b>

The accompanying notes form part of these condensed consolidated financial statements.



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## SEPTEMBER 30, 2024

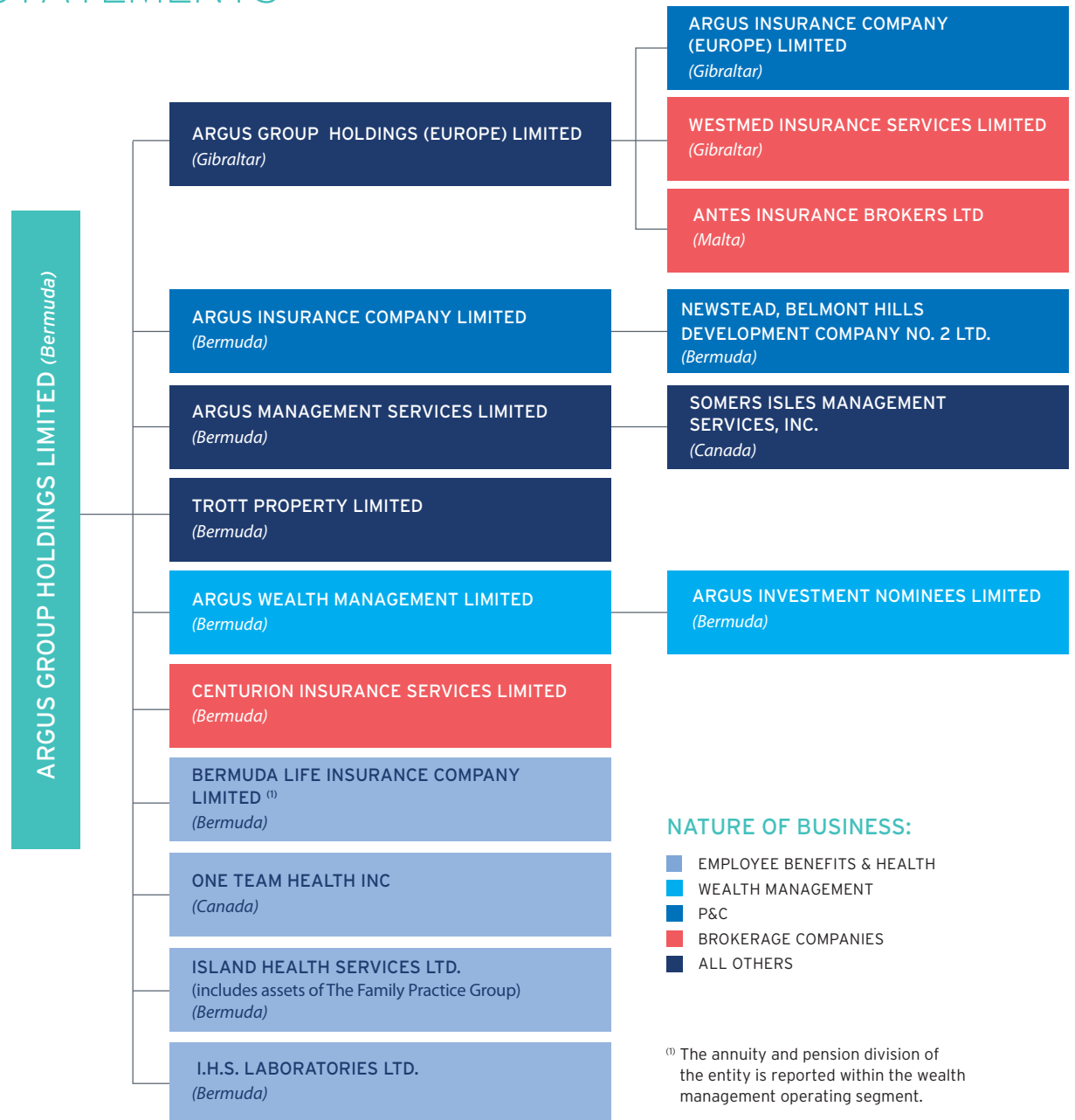
(Amounts in tables are expressed in thousands of Bermuda dollars, except for per share amounts and where otherwise stated)

### 1 OPERATIONS

Argus Group Holdings Limited (the Company) was incorporated in Bermuda with limited liability on May 26, 2005, as a holding company and has its registered office at the Argus Building, 14 Wesley Street, Hamilton HM 11, Bermuda. The Company's shares are traded on the Bermuda Stock Exchange. At September 30, 2024, it had 1,393 shareholders; 79.1 percent of whom were Bermudian, holding 87.8 percent of the issued shares. The Company and its subsidiaries (the Group) operates predominantly in Bermuda, Gibraltar, Malta and Canada underwriting life, health, property and casualty insurance (P&C). The Group also provides investment, savings and retirement products, administrative services and insurance broker services.

#### 1.1 GROUP COMPOSITION

The table provides details of the significant subsidiaries as at September 30, 2024, which are directly and indirectly held by the Company.



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## 2 SIGNIFICANT ACCOUNTING POLICIES

### 2.1 BASIS OF PRESENTATION

These unaudited consolidated interim financial statements have been prepared on a condensed basis in accordance with International Accounting Standard 34 (IAS 34), Interim Financial Reporting and do not include all of the information required for full annual financial statements.

All amounts are in Bermuda dollars, which is the Group's presentation currency and which are on par with United States (U.S.) Dollars.

The Condensed Consolidated Balance Sheets are presented in order of decreasing liquidity.

These condensed consolidated interim financial statements follow the same accounting policies and methods of their application as our March 31, 2024, audited consolidated financial statements and should be read in conjunction with the latter, except for any changes discussed in Note 2.2.

### 2.2 NEW AND REVISED ACCOUNTING POLICIES AND STANDARDS

There are new standards and amendments to existing standards that are mandatory for the first time for financial periods beginning April 1, 2024, as discussed in the March 31, 2024, audited consolidated financial statements.

However, these do not impact the condensed consolidated interim financial statements of the Group.

### 2.3 SEASONALITY OF OPERATIONS

The Group underwrites a range of risks, some of which are subject to potential seasonal variation. The most material of these is the Group's exposure to North Atlantic hurricanes, which are largely concentrated in the second and third quarters of the fiscal year. In contrast, a majority of the insurance revenue in the lines of business impacted occurs during the first quarter of the fiscal year. If any catastrophic events do occur, it is likely that the Group will share some of the market's losses, net of reinsurance.

Details of the Group's recent exposures to these lines of business are disclosed in the March 31, 2024 annual report.

### 3 INVESTMENTS

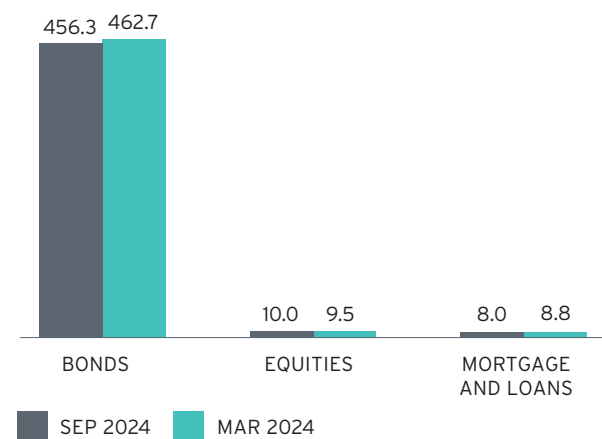
#### CARRYING VALUES AND ESTIMATED FAIR VALUES OF INVESTMENTS

	SEPTEMBER 30, 2024		MARCH 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Investments at FVOCI <sup>(1)</sup>				
Bonds	151,359	151,359	144,724	144,724
Equities	3,548	3,548	6,056	6,056
	154,907	154,907	150,780	150,780
Investments at FVTPL <sup>(2)</sup>				
Bonds	66,194	66,194	59,443	59,443
Equities	6,479	6,479	3,437	3,437
	72,673	72,673	62,880	62,880
Investments at Amortised cost				
Bonds	238,765	232,512	258,523	246,861
Mortgages and loans	7,935	8,478	8,746	9,288
Policy loans	41	41	41	41
	246,741	241,031	267,310	256,190
<b>TOTAL INVESTMENTS</b>	<b>474,321</b>	<b>468,611</b>	<b>480,970</b>	<b>469,850</b>

<sup>(1)</sup> Fair value through Other Comprehensive Income (FVOCI)

<sup>(2)</sup> Fair value through profit or loss (FVTPL)

#### INVESTMENT COMPOSITION (\$ MILLIONS)



## 4 FAIR VALUE MEASUREMENT

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group determines the estimated fair value of each individual security utilising the highest level inputs available. Prices for the majority of the Group's investment portfolio are provided by a third-party investment accounting firm whose pricing processes and the controls thereon are subject to an annual audit on both the operation and the effectiveness of those controls. The audit reports are available to clients of the firm and the report is reviewed annually by Management. In accordance with their pricing policy, various reputable pricing sources are used, including broker-dealers and pricing vendors. The pricing sources use bid prices where available, otherwise indicative prices are quoted based on observable market trade data. The prices provided are compared to the investment managers' pricing.

The Group has not made adjustments to any pricing provided by independent pricing services or its third-party investment managers for either period ended September 30, 2024, and year ended March 31, 2024.

**Level 1** investments are securities with quoted prices in active markets. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The Group determines securities classified as Level 1 to include highly liquid U.S. treasuries, certain highly liquid short-term investments and quoted equity securities.

**Level 2** investments are securities with quoted prices in active markets for similar assets or liabilities or securities valued using other valuation techniques for which all significant inputs are based on observable market data. Instruments included in Level 2 are valued via independent external sources using modelled or other valuation methods. Such methods are typically industry accepted standard and include:

- broker-dealer quotes;
- pricing models or matrix pricing;
- present values;
- future cash flows;
- yield curves;
- interest rates;
- prepayment speeds; and
- default rates.

Other similar quoted instruments or market transactions may be used.

The Group determines securities classified as Level 2 to include short-term and fixed maturity investments and certain derivatives such as:

- U.S. corporate bonds;
- Municipal, other government and agency bonds;
- Foreign corporate bonds;
- Mortgage/asset-backed securities;
- Bond and equity funds with listed underlying assets; and
- Derivatives, such as options, forward foreign exchange contracts, interest rate swaps and credit default swaps.

The fair value of investment properties was determined by external independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's investment properties annually. Fair value is based on market data from recent comparable transactions. These assets are classified as Level 2. Investment properties for which no market data from recent comparable transactions are available, are classified as level 3.

Fair value of the Investment contract liabilities (Deposit accounted annuity policies) is determined by using valuation techniques, such as discounted cash flow methods. A variety of factors are considered in the valuation techniques, including yield curve, credit spread and default assumptions, which have market observable inputs. Accordingly, Investment contract liabilities are classified under Level 2.

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The fair value of the majority of the investments for accounts of segregated fund holders is based on net asset values reported by third parties, such as investment managers and fund administrators. The fair value hierarchy of direct investments within investments for accounts of segregated fund holders, such as short-term securities, local equities and corporate debt securities, is determined according to valuation methodologies and inputs described above in the respective asset type sections.

The Group determines whether transfers have occurred between levels of the fair value hierarchy by re-assessing the categorisation at the end of each reporting period based on the lowest level input that is significant to the fair value measurement as a whole.

**Level 3** investments are securities for which valuation techniques are not based on observable market data. The Group classifies unquoted/private equities as Level 3 assets, as the valuation technique incorporates both observable and unobservable inputs. These investments may be subject to certain lock-up provisions. The type of underlying investments held by the investee, which form the basis of the net asset valuation, include assets such as private business ventures, to which the Group does not have access. The Group considers net asset value as a reasonable approximate of fair value.

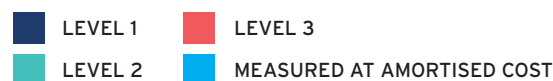
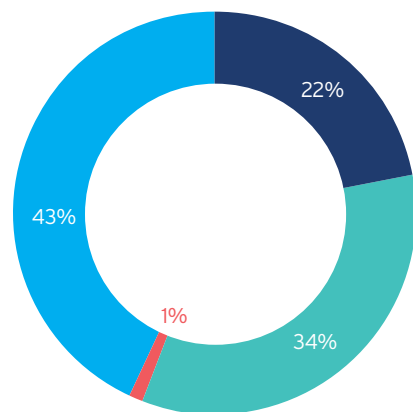
The Group has an established control framework with respect to the measurement of fair values. This includes an investment validation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer. The Group's investment validation process includes a review of price movements relative to the market. Any significant discrepancies are investigated and discussed with investment managers and a valuation specialist. The process also includes regular reviews of significant observable inputs and valuation adjustments. Significant valuation issues are reported to the Board of Directors.



#### 4.1 ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

The following table presents fair value of the Group's assets and liabilities measured at fair value in the Condensed Consolidated Balance Sheets, categorised by level under the fair value hierarchy.

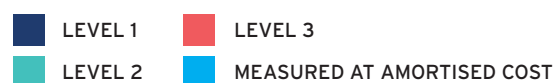
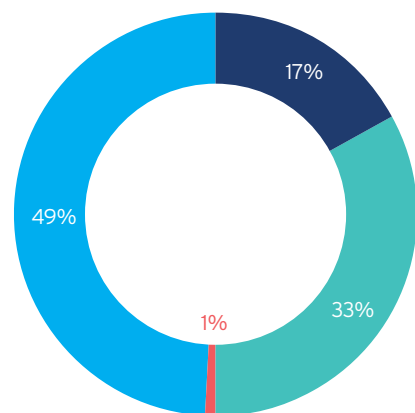
#### ASSET FAIR VALUE LEVELLING SEPTEMBER 2024



SEPTEMBER 30, 2024	Level 1	Level 2	Level 3	Total Fair Value
Cash and short-term investments	94,042	-	-	94,042
Interest and dividends receivable	-	3,763	-	3,763
Investments at FVOCI				
Bonds				
U.S. government	9,962	-	-	9,962
U.S. corporates	-	104,705	-	104,705
Municipal, other government and agency	-	26,862	-	26,862
Mortgage/asset-backed securities	-	9,830	-	9,830
Total bonds at FVOCI	9,962	141,397	-	151,359
Equities				
Global listed equities	1,968	-	-	1,968
Preferred stock	-	97	-	97
Private equity funds and unquoted equities	-	-	1,483	1,483
Total equities at FVOCI	1,968	97	1,483	3,548
<b>TOTAL INVESTMENTS AT FVOCI</b>	<b>11,930</b>	<b>141,494</b>	<b>1,483</b>	<b>154,907</b>
FVTPL				
Bonds				
U.S. government	16,514	-	-	16,514
U.S. corporates	-	10,092	-	10,092
Municipal, other government and agency	-	22,939	-	22,939
Foreign corporates	-	16,649	-	16,649
Total bond at FVTPL	16,514	49,680	-	66,194
Equities				
Global listed equities	3,042	-	-	3,042
Private equity funds and unquoted equities	-	-	3,437	3,437
Total FVTPL equities	3,042	-	3,437	6,479
<b>TOTAL INVESTMENTS AT FVTPL</b>	<b>19,556</b>	<b>49,680</b>	<b>3,437</b>	<b>72,673</b>
Investment properties	-	-	2,399	2,399
<b>TOTAL ASSETS AT FAIR VALUE</b>	<b>125,528</b>	<b>194,937</b>	<b>7,319</b>	<b>327,784</b>
LIABILITIES				
Investment contract liabilities	-	3	-	3
<b>TOTAL LIABILITIES AT FAIR VALUE</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>3</b>
<b>SEGREGATED FUNDS</b>	<b>6,286</b>	<b>1,298,791</b>	<b>-</b>	<b>1,305,077</b>

#### 4.1 ASSETS AND LIABILITIES MEASURED AT FAIR VALUE - *continued*

#### ASSET FAIR VALUE LEVELLING MARCH 2024



MARCH 31, 2024	Level 1	Level 2	Level 3	Total Fair Value
Cash and short-term investments	60,966	-	-	60,966
Interest and dividends receivable	-	3,449	-	3,449
Investments at FVOCI				
Bonds				
U.S. government	14,117	-	-	14,117
U.S. corporates	-	94,206	-	94,206
Municipal, other government and agency	-	28,401	-	28,401
Mortgage/asset-backed securities	-	8,000	-	8,000
Total FVOCI bonds	14,117	130,607	-	144,724
Equities				
Global listed equities	4,478	-	-	4,478
Preferred stock	-	95	-	95
Private equity funds and unquoted equities	-	-	1,483	1,483
Total FVOCI equities	4,478	95	1,483	6,056
<b>TOTAL INVESTMENTS AT FVOCI</b>	<b>18,595</b>	<b>130,702</b>	<b>1,483</b>	<b>150,780</b>
Investments at FVTPL				
Bonds				
U.S. government	14,683	-	-	14,683
U.S. corporates	-	10,420	-	10,420
Municipal, other government and agency	-	21,455	-	21,455
Foreign Corporate	-	12,885	-	12,885
Total FVTPL bonds	14,683	44,760	-	59,443
Equities				
Private equity funds and unquoted equities	-	-	3,437	3,437
Total FVTPL equities	-	-	3,437	3,437
<b>TOTAL INVESTMENTS AT FVTPL</b>	<b>14,683</b>	<b>44,760</b>	<b>3,437</b>	<b>62,880</b>
Investment properties	-	-	2,399	2,399
<b>TOTAL ASSETS AT FAIR VALUE</b>	<b>94,244</b>	<b>178,911</b>	<b>7,319</b>	<b>280,474</b>
LIABILITIES				
Investment contract liabilities	-	3	-	3
<b>TOTAL LIABILITIES AT FAIR VALUE</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>3</b>
<b>SEGREGATED FUNDS</b>	<b>10,088</b>	<b>1,234,276</b>	<b>-</b>	<b>1,244,364</b>

The following table provides a roll forward for the General fund assets measured at fair value for which significant unobservable inputs (Level 3) are used in the fair value measurement.

SEPTEMBER 30, 2024	At FVTPL Equities	At FVOCI Equities	Investment properties	Total
Balance, beginning of year	3,437	1,483	2,399	7,319
Included in Investment income	-	-	-	-
Included in Other comprehensive income	-	-	-	-
Sales/Write Off	-	-	-	-
	3,437	1,483	2,399	7,319

MARCH 31, 2024	AT FVTPL Equities	AT FVOCI Equities	Investment properties	Total
Balance, beginning of year	1,290	2,272	2,399	5,961
Included in Investment income	2,147	-	-	2,147
Included in Other comprehensive income	-	201	-	201
Sales/Write Off	-	(990)	-	(990)
	3,437	1,483	2,399	7,319

#### 4.2 ASSETS AND LIABILITIES NOT MEASURED AT FAIR VALUE

For assets and liabilities not measured at fair value in the Condensed Consolidated Balance Sheets, the adjacent table discloses summarised fair value information categorised by the level in the preceding hierarchy, together with the related carrying values.

#### 4.3 TRANSFERS OF ASSETS AND LIABILITIES WITHIN THE FAIR VALUE HIERARCHY

The Group's policy is to record transfers of assets and liabilities between levels at their fair values as at the end of each reporting period, consistent with the date of determination of fair value. Assets are transferred out of Level 1 when they are no longer transacted with sufficient frequency and volume in an active market. Conversely, assets are transferred from Level 2 to Level 1 when transaction volume and frequency are indicative of an active market. There were no transfers between Levels 1 and 2 during the period ended September 30, 2024, and year ended March 31, 2024.

SEPTEMBER 30, 2024					
	Level 1	Level 2	Level 3	Total Fair Value	Carrying Value
<b>ASSETS</b>					
Bonds	42,552	189,960	-	232,512	238,765
Mortgages and loans <sup>(1)</sup>	-	8,478	-	8,478	7,935
Policy loans	-	41	-	41	41
<b>TOTAL ASSETS DISCLOSED AT FAIR VALUE</b>	<b>42,552</b>	<b>198,479</b>	<b>-</b>	<b>241,031</b>	<b>246,741</b>
<b>LIABILITIES</b>					
Investment Contract liabilities <sup>(2)</sup>	-	228,991	-	228,991	239,709
<b>TOTAL LIABILITIES DISCLOSED AT FAIR VALUE</b>	<b>-</b>	<b>228,991</b>	<b>-</b>	<b>228,991</b>	<b>239,709</b>
MARCH 31, 2024					
	Level 1	Level 2	Level 3	Total Fair Value	Carrying Value
<b>ASSETS</b>					
Bonds	66,250	180,611	-	246,861	258,523
Mortgages and loans <sup>(1)</sup>	-	9,288	-	9,288	8,746
Policy loans	-	41	-	41	41
<b>TOTAL ASSETS DISCLOSED AT FAIR VALUE</b>	<b>66,250</b>	<b>189,940</b>	<b>-</b>	<b>256,190</b>	<b>267,310</b>
<b>LIABILITIES</b>					
Investment Contract liabilities <sup>(2)</sup>	-	227,770	-	227,770	237,787
<b>TOTAL LIABILITIES DISCLOSED AT FAIR VALUE</b>	<b>-</b>	<b>227,770</b>	<b>-</b>	<b>227,770</b>	<b>237,787</b>

(1) Fair value of mortgages and loans is determined by discounting expected future cash flows using current market rates.

(2) Fair value of Investment contract liabilities is based on the following methods:

- Deposit administration pension plans - based on a discounted cash flow method. Factors considered in the valuation include current yield curve, plus appropriate spreads which have market observable inputs; and
- Self-funded group health policies - the carrying value approximates the fair value due to the short-term nature of these investment contract liabilities.

## 5 OPERATING SEGMENTS

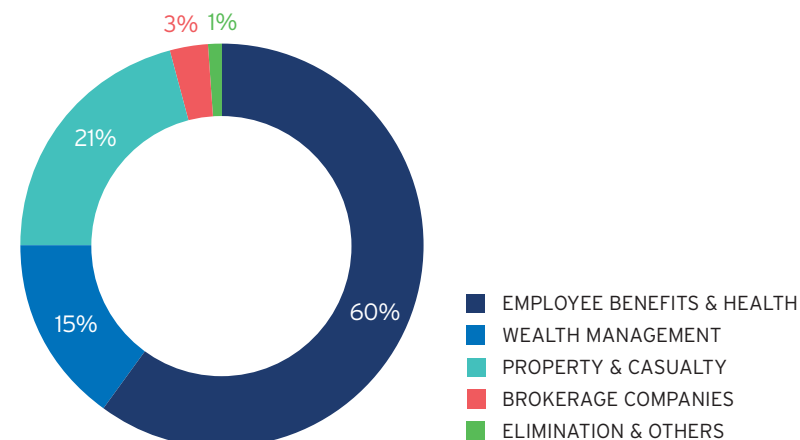
### 5.1 RESULTS BY SEGMENT

FOR THE SIX MONTHS ENDED SEPTEMBER 30		Employee Benefits and Health	Wealth Management	Property and Casualty	Brokerage Companies	All other	Elimination	Total
Insurance revenue	2024	66,065	5,270	35,538	-	-	-	106,873
	2023	55,310	5,097	32,046	-	-	-	92,453
Insurance service expenses	2024	(58,556)	(4,480)	(14,491)	-	-	-	(77,527)
	2023	(43,736)	(4,109)	(15,941)	-	-	-	(63,786)
Net expense from reinsurance contracts held	2024	965	-	(9,804)	-	-	-	(8,839)
	2023	(406)	-	(8,243)	-	-	-	(8,649)
Investment income	2024	912	5,564	1,741	4	(84)	-	8,137
	2023	173	5,728	(1,552)	2	(38)	-	4,313
Gain from the sale of subsidiary	2024	-	-	-	-	-	-	-
	2023	-	-	-	-	(2,964)	3,223	259
Fee income from service contracts	2024	16,654	7,973	30	3,581	-	-	28,238
	2023	13,985	7,300	-	3,523	-	-	24,808
Other operating expenses	2024	(15,330)	(5,487)	(4,628)	(3,570)	(16,937)	(507)	(46,459)
	2023	(13,715)	(5,883)	(3,772)	(3,514)	(13,397)	(564)	(40,845)
Income tax expense	2024	-	-	(70)	(199)	(49)	-	(318)
	2023	-	-	(27)	(93)	(54)	-	(174)
Segment earnings/(loss) attributable to shareholders, after tax	2024	10,547	5,475	7,628	(200)	(17,070)	(507)	5,873
	2023	11,592	5,214	2,134	(109)	(16,458)	2,660	5,033

## GEOGRAPHIC INFORMATION ON SEGMENT REVENUES

FOR THE SIX MONTHS ENDED SEPTEMBER 30		Bermuda	Europe	Total
Segment revenues	2024	116,018	18,483	134,501
	2023	98,008	14,973	112,981

## SEGMENT REVENUES



## 5.2 ASSETS AND LIABILITIES BY SEGMENT

	Employee Benefits and Health	Wealth Management	Disposal Group	Property and Casualty	Brokerage Companies	All other	Elimination	Total
<b>SEPTEMBER 30, 2024</b>								
Total General Fund Assets	88,113	459,693	3,288	134,528	15,181	169,405	(159,860)	710,348
Segregated Fund Assets	-	1,305,077	-	-	-	-	-	1,305,077
Total General Fund Liabilities	35,597	420,689	-	67,943	11,263	15,090	(595)	549,987
Segregated Funds Liabilities	-	1,305,077	-	-	-	-	-	1,305,077
<b>MARCH 31, 2024</b>								
Total General Fund Assets	97,967	439,205	3,910	118,073	14,890	170,468	(159,147)	685,366
Segregated Fund Assets	-	1,244,364	-	-	-	-	-	1,244,364
Total General Fund Liabilities	35,201	405,899	-	59,613	10,992	16,949	464	529,118
Segregated Fund Liabilities	-	1,244,364	-	-	-	-	-	1,244,364

## 6 INSURANCE AND REINSURANCE CONTRACTS

The Group's Insurance contracts issued and reinsurance contracts held by operating segment and exclude intercompany balances comprised of:

	SEPTEMBER 30, 2024				
	Employee Benefits and Health		Wealth Management	Property and Casualty	Total
	PAA	GMM	GMM	PAA	
<b>Insurance contracts issued</b>					
Insurance contract liabilities	20,783	701	173,094	62,591	257,169
<b>Reinsurance contracts held</b>					
Reinsurance contract assets	8,788	-	-	21,824	30,612
Reinsurance contract liabilities	(16)	(337)	-	-	(353)
	MARCH 31, 2024				
	Employee Benefits and Health		Wealth Management	Property and Casualty	Total
	PAA	GMM	GMM	PAA	
<b>Insurance contracts issued</b>					
Insurance contract liabilities	16,941	666	163,396	53,233	234,236
<b>Reinsurance contracts held</b>					
Reinsurance contract assets	7,607	-	-	22,837	30,444
Reinsurance contract liabilities	(786)	(348)	-	-	(1,134)



An analysis of the LRC and LIC for insurance contracts issued by the wealth management operating segment measured under GMM were as follows:

	SEPTEMBER 30, 2024			MARCH 31, 2024		
	Liabilities for remaining coverage		Total	Liabilities for remaining coverage		Total
	Excluding loss component	Liabilities for incurred claims		Excluding loss component	Liabilities for incurred claims	
Opening insurance contract liabilities	162,104	1,292	163,396	156,873	1,502	158,375
<b>Insurance revenue</b>						
Contracts under the full retrospective transition approach	(107)	-	(107)	(200)	-	(200)
Contracts under the fair value transition approach	(4,642)	-	(4,642)	(9,411)	-	(9,411)
Post transition	(521)	-	(521)	(690)	-	(690)
Total insurance revenue	(5,270)	-	(5,270)	(10,301)	-	(10,301)
<b>Insurance service expenses</b>						
Incurred claims and other insurance service expenses	-	4,552	4,552	-	8,664	8,664
Adjustments to liabilities for incurred claims	-	(72)	(72)	-	(59)	(59)
Total insurance service expenses	-	4,480	4,480	-	8,605	8,605
Total insurance service result	(5,270)	4,480	(790)	(10,301)	8,605	(1,696)
Net finance expenses from insurance contracts	2,600	-	2,600	4,394	-	4,394
Other comprehensive income	6,147	-	6,147	451	-	451
<b>Total changes in the consolidated statement of operations and comprehensive operations</b>	<b>3,477</b>	<b>4,480</b>	<b>7,957</b>	<b>(5,456)</b>	<b>8,605</b>	<b>3,149</b>
Investment components and premium refunds	(3,105)	3,105	-	(6,034)	6,034	-
<b>Cash flows</b>						
Premiums received	9,285	-	9,285	16,721	-	16,721
Claims and other insurance service expenses paid, including investment components	-	(7,544)	(7,544)	-	(14,849)	(14,849)
Total cash flows	9,285	(7,544)	1,741	16,721	(14,849)	1,872
<b>CLOSING INSURANCE CONTRACT LIABILITIES</b>	<b>171,761</b>	<b>1,333</b>	<b>173,094</b>	<b>162,104</b>	<b>1,292</b>	<b>163,396</b>

## 7 POST-EMPLOYMENT BENEFIT LIABILITY

The Group operates a post-employment medical benefit plan in Bermuda, which provides medical benefits to eligible retired employees and their spouses. The amount of benefits provided depends on future cost escalation and the Company meeting the benefit payment obligation as it falls due. Actuarial valuation to determine the defined benefit obligation is performed quarterly.

The plan exposes the Group to actuarial risks, such as longevity risk, interest rate risk and healthcare cost inflation risks. Responsibility for governance of the plan lies with the Company. Risks are managed through plan design and eligibility changes, which limit the size and growth of the defined benefit obligation.

The movement in the defined benefit liability is as follows:

	For the six months ended September 30 2024	For the year ended March 31 2024
Balance, beginning of year	2,707	2,790
Movements during the period/year recognised in Operating expense:		
Current service cost	2	4
Interest cost on benefit liability	56	128
	58	132
Remeasurement during the period/year included in Other comprehensive income:		
Actuarial (gain)/loss arising from experience adjustment	209	(20)
Benefit payments	(106)	(195)
<b>BALANCE, END OF PERIOD/YEAR</b>	<b>2,868</b>	<b>2,707</b>

As at September 30, 2024, the present value of the defined benefit obligation was comprised of \$0.1 million (March 31, 2024 - \$0.1 million) relating to active employees and \$2.8 million (March 31, 2024 - \$2.6 million) relating to members in retirement.

Components of the change in benefit liabilities year-over-year and other employee future benefit expense are as follows:

- (i) Current service cost represents benefits earned in the current period. These are determined with reference to the current workforce eligible for benefits and the amount of benefits to which they will be entitled upon retirement, based on the provisions of the Group's benefit plan.
- (ii) Interest cost on the benefit liability represents the increase in the liability that results from the passage of time.
- (iii) Each quarter, the actuaries recalculate the benefit liability and compare it to that estimated as at the prior period end. Any differences resulting from changes in assumptions, or from plan experience being different from expectations of management at the previous year end, are considered actuarial gains or losses. The significant actuarial assumptions in measuring the Group's accrued benefit liability are estimated as follows:

	SEPTEMBER 30 2024	MARCH 31 2024
Discount rate	4.2%	4.8%
Health care cost trend rate	5.5%	5.5%

## 8 EARNINGS PER SHARE

The following table reflects the net earnings and share data used in the basic and diluted earnings per share computations:

FOR THE SIX MONTHS ENDED SEPTEMBER 30 (in \$000'S)	2024	2023
Net earnings for the period	5,873	5,033
AS AT SEPTEMBER 30 (number of shares)	2024	2023
Weighted average outstanding common shares	21,949,610	21,542,416
Common shares and common share equivalents	21,949,610	21,638,162
Earnings per share		
Basic	0.27	0.23
Diluted	0.27	0.23

## 9 SEGREGATED FUNDS AND SEPARATE ACCOUNTS

The assets for contracts held under the Segregated Funds are allocated to Separate Accounts as authorised by the Bermuda Life Insurance Company Limited (Separate Accounts) Consolidation and Amendment Act 1998.

Changes to Segregated Funds are as follows:

	FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2024	FOR THE YEAR ENDED MARCH 31, 2024
Additions to Segregated Funds		
Contributions and transfers	77,447	145,244
Return on investments	76,748	131,993
Segregated funds acquired	-	1,132
	154,195	278,369
Deductions from Segregated Funds		
Withdrawals, benefit payments and transfers to the General Fund	87,290	151,077
Operating expenses	6,192	11,334
	93,482	162,411
Net additions to Segregated Funds for the period/year	60,713	115,958
Segregated Funds, beginning of period/year	1,244,364	1,128,406
<b>SEGREGATED FUNDS, END OF PERIOD/YEAR</b>	<b>1,305,077</b>	<b>1,244,364</b>

## 10 FEE INCOME FROM SERVICE CONTRACTS

Fee income from service contracts recognised during the period were as follows:

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2024	Employee Benefits and Health	Wealth Management	Property and Casualty	Brokerage Companies	Total
Pensions and policyholder administration	16,654	5,824	30	-	22,508
Investment management	-	2,149	-	-	2,149
Brokerage income	-	-	-	3,581	3,581
<b>TOTAL FEE INCOME FROM SERVICE CONTRACTS</b>	<b>16,654</b>	<b>7,973</b>	<b>30</b>	<b>3,581</b>	<b>28,238</b>

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2023	Employee Benefits and Health	Wealth Management	Property and Casualty	Brokerage Companies	Total
Pensions and policyholder administration	13,985	5,273	-	-	19,258
Investment management	-	2,027	-	-	2,027
Brokerage income	-	-	-	3,523	3,523
<b>TOTAL FEE INCOME FROM SERVICE CONTRACTS</b>	<b>13,985</b>	<b>7,300</b>	<b>-</b>	<b>3,523</b>	<b>24,808</b>

## 11 COMPONENTS OF ACCUMULATED OTHER COMPREHENSIVE LOSS

	SEPTEMBER 30 2024	MARCH 31 2024
Remeasurement of post-employment medical benefit obligation	(398)	(189)
Equity investments at FVOCI	281	721
Bonds at FVOCI	(13,946)	(19,712)
Finance income on insurance contracts	12,758	18,933
Finance income on reinsurance contracts	30	41
Translation of financial statements of foreign operations	(3,723)	(5,123)
<b>TOTAL ACCUMULATED OTHER COMPREHENSIVE LOSS</b>	<b>(4,998)</b>	<b>(5,329)</b>

## 12 DISPOSAL OF SUBSIDIARY

On May 19, 2023 the Group entered into an Amalgamation Agreement with a related party to sell NBHH (Keepsake) Limited. The sale was completed on May 25, 2023.

### (a) Net cash inflow from sale of subsidiary

Proceeds from sale	4,418
Less: Cash and short-term investments	-
<b>Net cash inflow</b>	<b>4,418</b>

### (b) Gain from sale of subsidiary

Proceeds from sale	4,418
Net assets disposed of on sale of subsidiary	(4,159)
<b>Gain from the sale of subsidiary</b>	<b>259</b>

## 13 DIRECTORS AND OFFICERS HOLDINGS AND RESTRICTED STOCK

At September 30, 2024 the Directors and Officers of the Company had combined interests totalling 231,907 shares out of 23,085,873 shares (2023 - 158,294 shares out of 22,932,681 shares) in issue on that date.

## 14 SUBSEQUENT EVENTS

The Board has declared dividend of 12 cents per share (2023: 12 cents per share), payable on January 31, 2025, for shareholders of record on December 31, 2024.

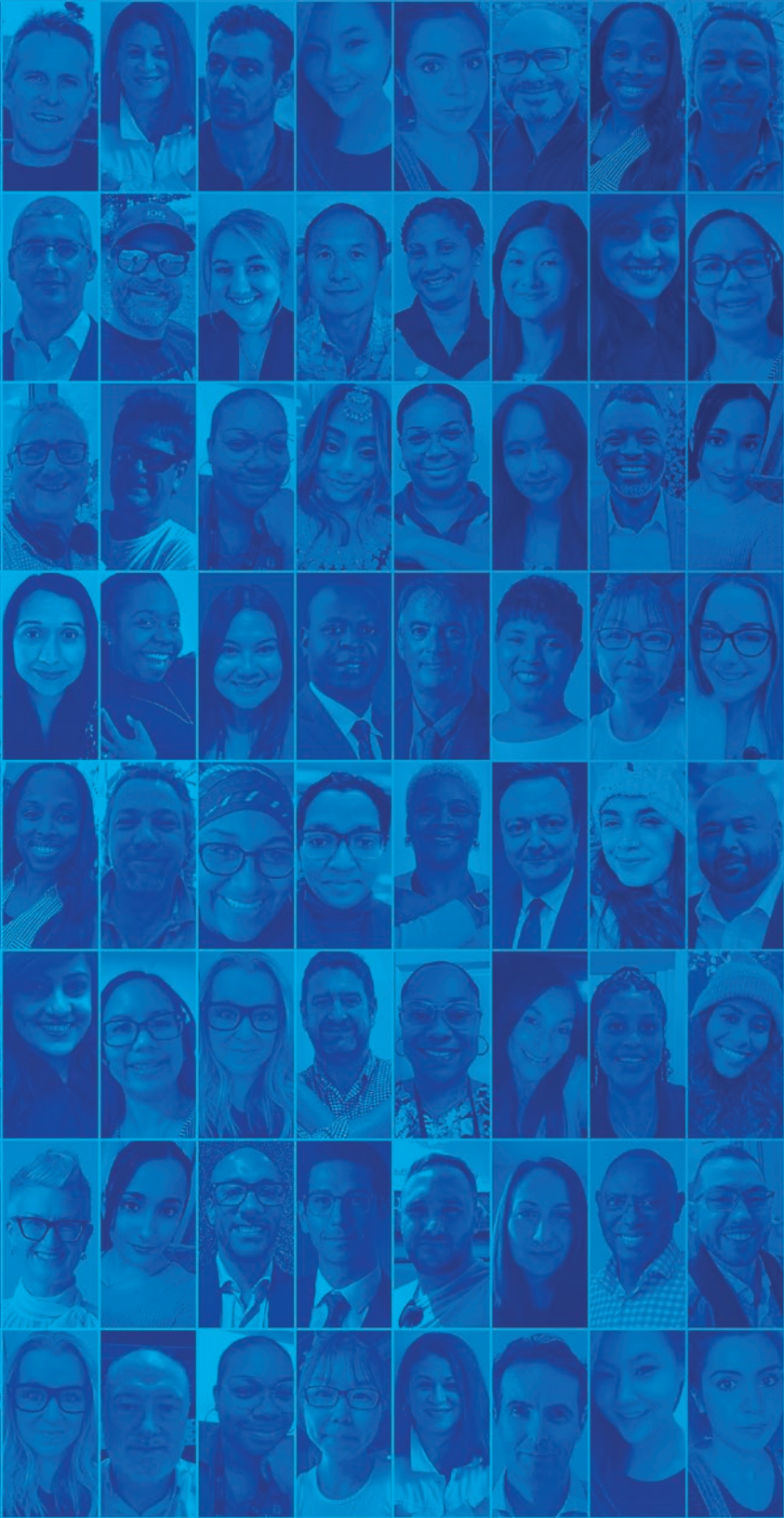


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