



AUDITED FINANCIAL REPORT TO THE SHAREHOLDERS

The Directors of Caribbean Assurance Brokers Limited are pleased to release its audited financial statement for the year ended 31 December 2020.

Company Performance for the Year Ended 31 December 2020

At the end of the year, the company earned gross revenues of J\$396.9 million compared to J\$435.2 million at the end of 2019; a decline of J\$38.3 million. The decline resulted mainly from a J\$27.4 million reduction in commissions from the Individual Life Division; a J\$4.2 million reduction in commissions from the International Insurance Division and J\$4.9 million associated with foreign exchange translation loss. The General Insurance Division remained flat, while the Employee Benefits Division had a J\$1.1 million (2%) growth.

The last quarter of the year contributed significantly to our profitability. Gross Revenue for the 4th quarter grew by 135% while our expenses grew by 15% over 2019 last quarter. The main increase in our income for the 4th quarter was attributed to our International Comprehensive Health Insurance Programme (ICHIP) 2020/2021 policy year renewal being extended to November 2020. Our Profit Before Tax for the quarter grew by 133% over the comparable period of 2019.

Operating expenses for the year 2020 was J\$354.1 million which was J\$27 million or 7% below that of 2019, attributable to expenses being curtailed. The resulting Operating Profit was J\$42.9 million compared to J\$54.2 million over the previous year. With the addition of finance charges of J\$5.3 million, Profit Before Tax was J\$37.6 million compared to J\$46.3 million for 2019.

The Company incurred a tax charges J\$6.0 million for the current year compared to J\$7.6 million in 2019. Net Profit for the year 2020 was therefore J\$31.6 million compared to J\$38.6 million for the year 2019.

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The Company's Balance Sheet saw an increase in its total assets to J\$592 million up from J\$476.5 million in 2019 an increase of J\$115.5 million or 24.2%. This increase was attributed mainly to an increase in cash & bank balances, property, plant & equipment & right of use asset for our new lease.

The Total Equity of the Company grew to J\$332.4 million in 2020 up from J\$212 million in 2019; an increase of J\$120.4 million or 56.7%. The increased Equity was due mainly to an increase in share capital brought about by the company being listed on the JSE Junior Market in March 2020.

The effects of the COVID-19 pandemic continued to impact our lines of business negatively. However, as a company, we continue to strive to rise above the challenges by developing new products and service offerings. Our newly launched website and App will also be able to facilitate e-commerce for online transactions and InsurTech solutions aimed at improving Shareholder value and better quality of service to our customers.

We thank our staff for their dedicated hard work and commitment during these difficult times, as well as our loyal customers for their continued support of our business. Finally, we also thank our shareholders and directors for their continued confidence, support and direction.



Raymond Walker
Chairman/CEO

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