



UNAUDITED FINANCIAL STATEMENTS

**(NINE MONTHS)
30 SEPTEMBER 2022**



UNAUDITED FINANCIAL REPORT TO THE SHAREHOLDERS

The financial results for Caribbean Assurance Brokers (CAB) for the nine months ended September 30, 2022, presents an increase in revenues of 10%. CAB reports unaudited net profit of \$104.9 million for the nine months period representing an increase of \$26 million or 33% over prior year. While revenues grew, profitability increased by less than 1% quarter over quarter mainly due to our continued execution on our strategic goals of investing in digitization and data protection/cyber security which was the main contributor to increased expenses. We continue our efforts in focusing on each quarter individually in order to normalize earnings over time. The main focus in the third quarter was executing on customer retention strategies and the associated indicators ultimately bore fruit in an environment of increased competition.

While we now shift our focus to the last quarter of the year, it becomes integral that we focus on new customer acquisition given the changing economic and socio-economic conditions the country currently experiences. We remain steadfast on our strategic plans to improve and add to our product/service offerings which will consequently improve our customer satisfaction index.

Highlights of Q3 and 9 Months Performance

	Current Quarter			Year-to-Date		
	30-Sep-22	30-Sep-21	% Change	30-Sep-22	30-Sep-21	% Change
	\$'000	\$'000		\$'000	\$'000	
Revenue	237,487	224,400	5.8%	432,283	392,443	10.2%
Gross Profit/ (Loss)	100,330	101,519	-1.2%	105,570	101,519	4.0%
Net Profit/ (Loss)	100,473	100,263	0.2%	104,923	78,945	32.9%
Net Profit Attributable to Shareholders	6,028	6,016	0.2%	6,295	4,737	32.9%
Earnings Per Share	0.38	0.38	0.2%	0.40	0.30	32.9%

Review of 3rd Quarter

Commission Income increased by \$16.97 million or 8%. The Employee Benefits, Individual Life, International and General Divisions all saw increases of 15%, 13%, 5% and 1% respectively over their prior year comparative performance. This upward movement was mainly attributable to a combined increase in new business activities. Business development and customer retention strategies were key initiatives employed.

The company earned total income of \$237.5 million in the quarter ended 30 September 2022 compared to \$224.4 million in the quarter ended 30 September 2021; an increase of \$13 million (6%).

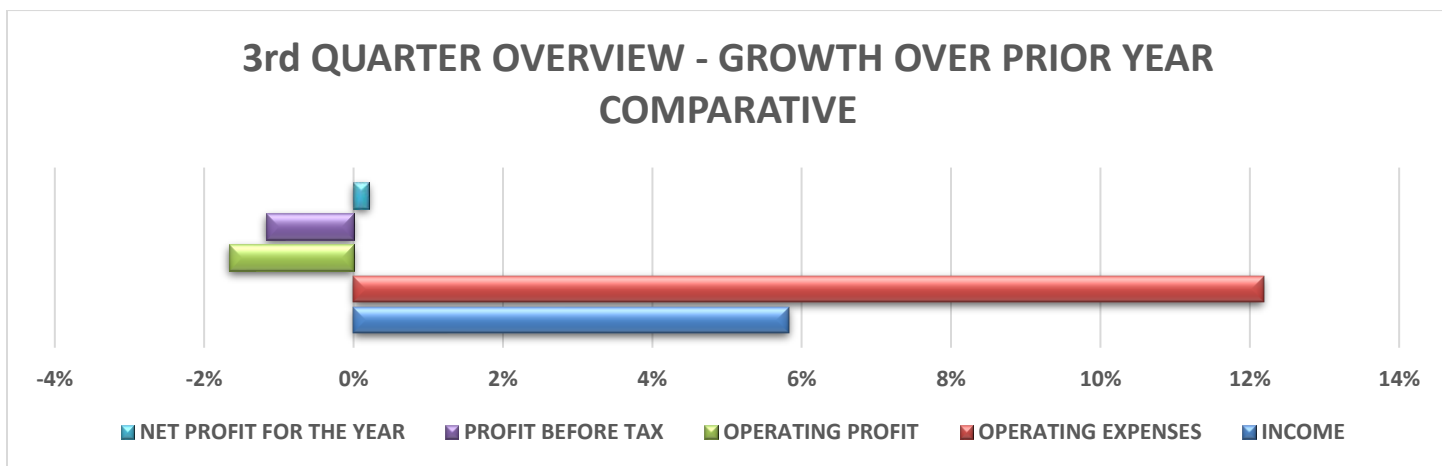
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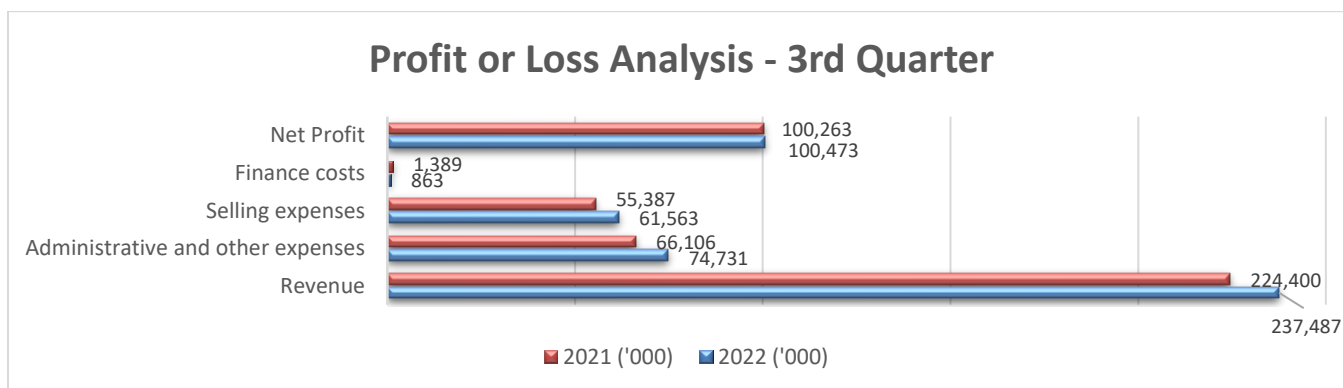
UNAUDITED FINANCIAL REPORT TO THE SHAREHOLDERS CONT'D

Finance related charges for the quarter ended 30 September 2022 decreased by \$525,481 (38%) which was attributable to a paydown on our existing mortgage loan as well as reduction of interest expense on lease liability.

Net profit increased to \$100.47 million when compared to a net profit of \$100.26 million over the comparative period. This was attributable to a tax credit earned by the company in the amount of \$142,678 which is reflective of movement in deferred tax charges on property, plant and equipment.



Our third quarter incurred operating expenses of \$136.3 million, an increase of \$14.8 million or 12% when compared to the quarter ended 30 September 2021. Areas that contributed to the increase in total expenses included software and licensing fees as we revamp our approach towards cybersecurity; staff welfare and agents commission expenses (attributable to the increase in revenues).



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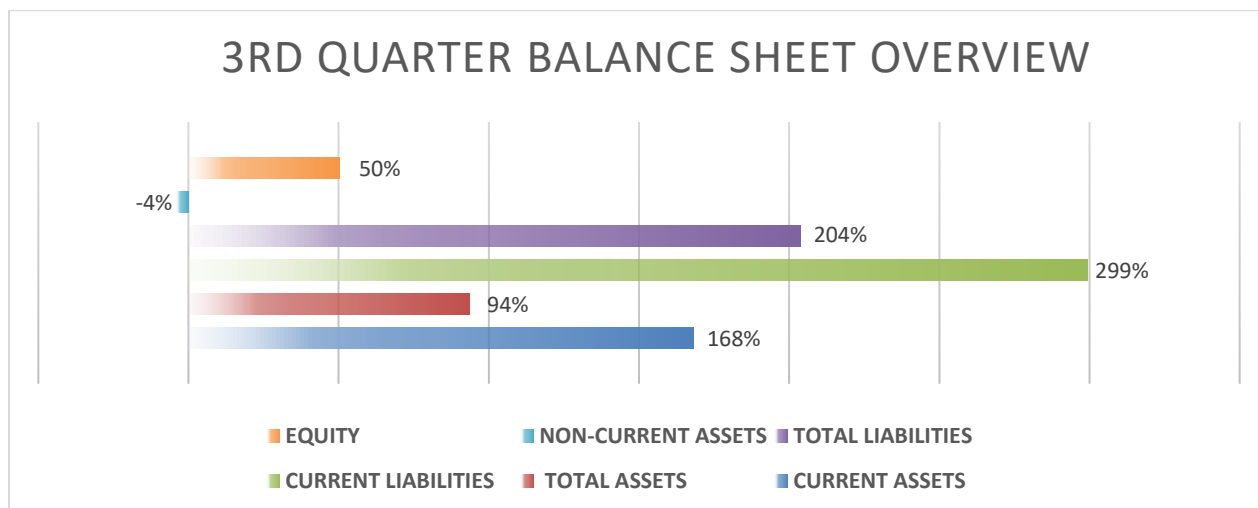
UNAUDITED FINANCIAL REPORT TO THE SHAREHOLDERS CONT'D

Total Assets as at September 30, 2022, amounted to \$1.214 billion compared to \$1.123 billion, reflecting a \$90.67 million or 8% increase over the corresponding period. The increase in assets was primarily due to a \$58 million increase in cash and cash equivalents, coupled with a \$46.48 million increase in receivables. These increases were offset by a combined \$14.35 million reduction in property, plant and equipment, deferred tax asset and right of use asset over the corresponding period.

Total Liabilities as at September 30, 2022 were \$724 million, an increase of \$11.9 million or 2% over the 2021 corresponding period; driven mainly by an increase in payables of approximately \$48.6 million offset against a reduction in long term loan and lease liability of \$28.56 million and \$6.5 million respectively.

Our performance this quarter highlights our capabilities of maintaining our standards throughout the year while containing our expenditure on operational systems that will aid in streamlining key processes within our organisation.

The increase in the company's total equity of \$78.75 million was directly related to the increase in profits over the comparative period.



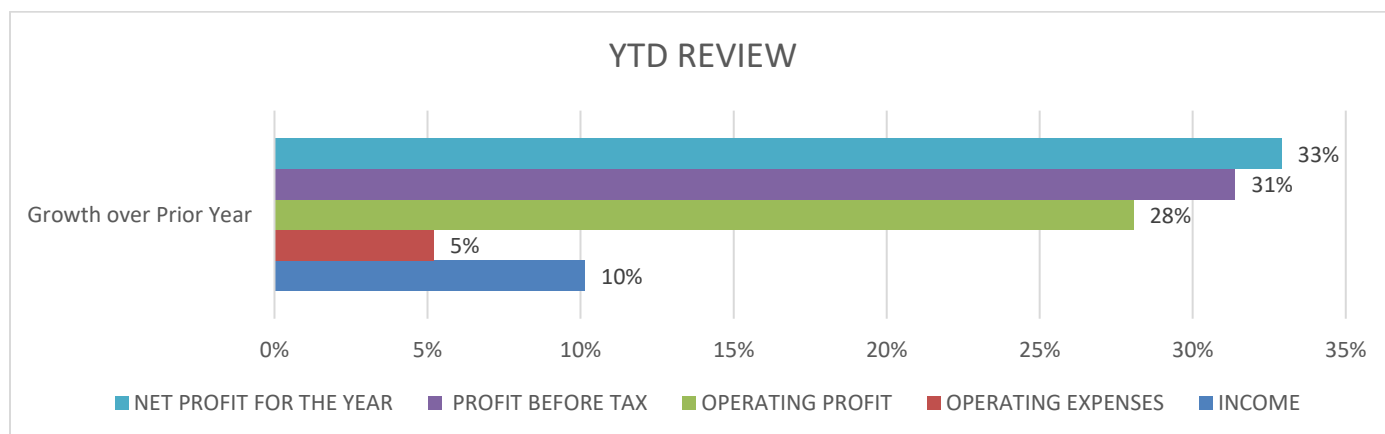
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UNAUDITED FINANCIAL REPORT TO THE SHAREHOLDERS CONT'D

Year-to-date (YTD) Review

For the nine months ended 30 September 2022, Profit Before Tax increased by \$25 million over the prior period.



The company earned total income of \$432 million compared to \$392 million for YTD September 2021; an increase of \$39.8 million (10%). The increase was as a result of an uptick of \$44 million in commission income across all four of the company's divisions.

Operating expenses of \$323.78 million for the nine months ended September 2022 was mainly attributable to an increase of \$11.56 million or 6% in administrative and other expenses when compared to September 2021 YTD. Areas that contributed to the increases in expenses included staff costs, product development initiatives, repairs and maintenance, registration fees arising from increased license and regulatory fees, software licence fees and depreciation on additions to property, plant, and equipment.

Finance charges for the nine months ended September 2022 reduced by \$1.4 million (33%) which was attributable to a paydown on principal of mortgage denominated in foreign currency as well as a reduction in interest expense on lease liability.

The Company had a tax charge of \$647,488 reflecting a decrease of \$755,758 over the comparative period.

The total assets of the Company increased to \$1.214 billion from \$627 million for 2021 year-end; an increase of \$587 million or 94%. This increase was mainly attributed to an increase in cash and cash equivalents.

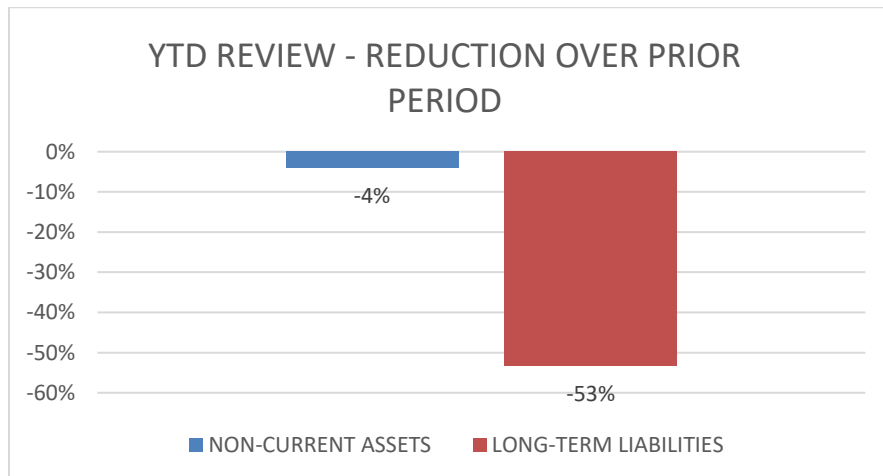
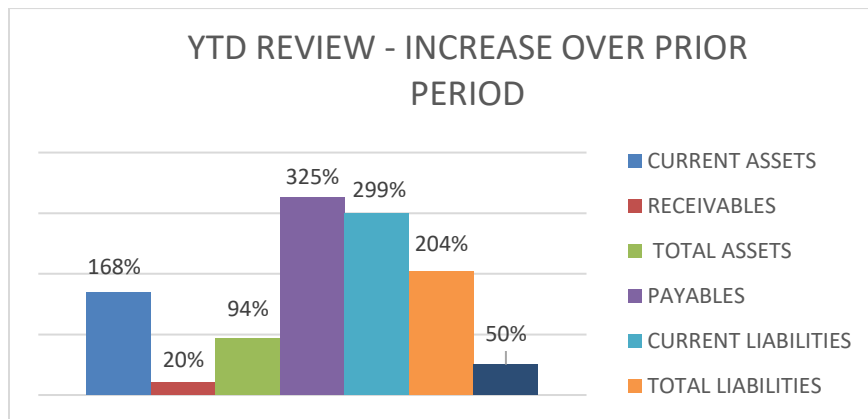
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UNAUDITED FINANCIAL REPORT TO THE SHAREHOLDERS CONT'D

Total Liabilities increased by \$486 million or 204% due to an increase in payables which was directly linked to an increase in premiums booked for the third quarter.

The Company's total Equity increased to \$490 million as at 30 September 2022, up from \$388.5 million for 2021-year end. The net increase of \$101.56 million or 26% is reflective of a dividend payment (\$3.36 million) made during the second quarter, offset against the nine months' net profit of \$104.9 million.



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Raymond H. Walker, B.Sc., CLU, MBA (Executive Chairman); Tania Waldron-Gooden, MBA, B.Sc. (CEO), Rion B. Hall, JP, MBA; Janice P. Holness; Norman Minott LLB (Hons); Jennifer Rajpat, B.Sc., ACII, FLMI, AIAA, ACS; Barrington Whyte, B.A., Joyce West-Johnson, FCCA, CA, M.Sc., B.Sc. (Hons.), JP; Dr. Leo Walker, MBBS, DM.



UNAUDITED FINANCIAL REPORT TO THE SHAREHOLDERS CONT'D

Corporate Social Responsibility (CSR)

Caribbean Assurance Brokers Limited (CAB) takes our Corporate Social Responsibility seriously and continues to commit to engaging in activities that support the communities within which we operate through various donations and sponsorships.

As such, for the period July to September 2022, the Company engaged, supported and aligned with: Kiwanis Club of New Kingston Charity Golf Tournament; North Jamaica Conference 20th Anniversary Celebrations; Jamaica Gasoline Retailers Association 71st Celebrations; Lascelles Coop Credit Union AGM and the Jamaica Credit Union League Awards Ceremony.

Ongoing too, is CAB's dynamic and innovative Loyalty Programme where we continue to reward customers by giving discounts and savings from over 200 merchants and Loyalty Partners island-wide, which includes but is not limited to: pharmacies, hospitals, medical centers, medical labs, dental services, optical services, surgeons & specialists, spas, automotive dealerships, fashion and retail services.

We thank our staff for their dedication and wish to thank our customers for their continued support of our business. **We want you to love doing business with us!**


Tania Waldron-Gooden
Chief Executive Officer

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Caribbean Assurance Brokers Limited
Statement of Profit or Loss and Other Comprehensive Income
For the Nine Months Ended 30 September 2022

	3 Months Ended 30/09/2022	3 months Ended 30/09/2021	9 Months Ended 30/09/2022	9 months Ended 30/09/2021	Audited 12 Months Ended 31/12/2021
	\$'	\$'	\$'	\$'	\$'
INCOME					
Revenue	222,426,050	205,450,245	400,741,269	356,740,180	423,440,242
Other Operating Income	15,060,910	18,949,950	31,541,251	35,702,326	39,613,528
	237,486,960	224,400,195	432,282,520	392,442,506	463,053,770
OPERATING EXPENSES					
Administrative and other expenses	(74,730,913)	(66,105,937)	(204,579,420)	(193,017,212)	(255,305,591)
Selling expenses	(61,562,756)	(55,386,750)	(119,204,375)	(114,705,859)	(144,879,537)
	(136,293,669)	(121,492,687)	(323,783,795)	(307,723,071)	(400,185,128)
OPERATING PROFIT/(LOSS)	101,193,291	102,907,508	108,498,725	84,719,435	62,868,642
Finance costs	(863,232)	(1,388,713)	(2,928,332)	(4,371,669)	(5,764,060)
PROFIT/(LOSS) BEFORE TAX	100,330,059	101,518,795	105,570,393	80,347,766	57,104,582
TAXATION (CHARGE)/CREDIT	142,678	(1,256,173)	(647,488)	(1,403,246)	(969,693)
NET PROFIT/(LOSS) FOR THE YEAR	100,472,737	100,262,622	104,922,905	78,944,520	56,134,889
Earnings Per Stock Unit	0.38	0.38	0.40	0.30	0.21

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Caribbean Assurance Brokers Limited
 Statement of Financial Position
 As at 30 September 2022

ASSETS	UNAUDITED		AUDITED
	September-2022	September-2021	Dec - 2021
	\$	\$	\$
NON-CURRENT ASSETS:			
Property, plant and equipment	239,724,385	247,388,071	245,202,022
Deferred tax asset	10,545,040	10,758,976	11,192,528
Right of use asset	10,190,323	18,663,194	15,044,976
	<u>260,459,748</u>	<u>274,810,241</u>	<u>271,439,526</u>
CURRENT ASSETS:			
Receivables	180,689,148	134,204,592	150,473,011
Taxation recoverable	3,437,313	3,154,742	3,536,989
Cash and cash equivalents	769,850,985	711,601,445	201,557,896
	<u>953,977,446</u>	<u>848,960,779</u>	<u>355,567,896</u>
TOTAL ASSETS	<u>1,214,437,194</u>	<u>1,123,771,020</u>	<u>627,007,422</u>
LIABILITIES			
NON-CURRENT LIABILITIES:			
Long term loans	23,445,018	58,967,760	54,553,238
Lease liability	6,740,441	15,767,035	10,059,958
	<u>30,185,459</u>	<u>74,734,795</u>	<u>64,613,196</u>
CURRENT LIABILITIES:			
Payables	683,102,989	634,508,847	160,668,486
Short term loan	-	1,592,118	-
Current portion of long term loan	6,958,802	-	7,481,882
Current portion of lease liability	4,090,258	1,588,847	5,707,077
	<u>694,152,049</u>	<u>637,689,812</u>	<u>173,857,445</u>
TOTAL LIABILITIES	<u>724,337,508</u>	<u>712,424,607</u>	<u>238,470,641</u>
EQUITY			
Share capital	137,589,247	137,589,247	137,589,247
Accumulated Surplus	304,086,069	225,332,795	202,523,164
Capital reserve	48,424,370	48,424,370	48,424,370
TOTAL EQUITY	<u>490,099,686</u>	<u>411,346,412</u>	<u>388,536,781</u>
TOTAL LIABILITIES AND EQUITY	<u>1,214,437,194</u>	<u>1,123,771,020</u>	<u>627,007,422</u>

Approved for issue by the Board of Directors on and signed on its behalf by:


 Raymond Walker - Chairman


 Barrington Whyte - Director

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Raymond H. Walker, B.Sc., CLU, MBA (Executive Chairman); Tania Waldron-Gooden, MBA, B.Sc. (CEO); Rion B. Hall, JP, MBA; Janice P. Holness; Norman Minott LLB (Hons); Jennifer Rajpat, B.Sc., ACII, FLMI, AIAA, ACS; Barrington Whyte, B.A., Joyce West-Johnson, FCCA, CA, M.Sc., B.Sc. (Hons.), JP; Dr. Leo Walker, MBBS, DM.



Caribbean Assurance Brokers Limited
Unaudited Statement of Changes in Equity
As at 30 September 2022

	Share Capital	Capital Reserve	Accumulated Surplus	Total
	\$'	\$'	\$'	\$'
Balance at 1 January 2021	137,589,247	48,424,370	146,388,275	332,401,892
Total Comprehensive Income				-
Net Profit	-	-	78,944,520	78,944,520
Balance at September 30, 2021	137,589,247	48,424,370	225,332,795	411,346,412
Balance at January 1, 2022	137,589,247	48,424,370	202,523,164	388,536,781
Total comprehensive income for the year				
Net Profit	-	-	104,922,905	104,922,905
Dividends paid	-	-	(3,360,000)	(3,360,000)
Balance at September 30, 2022	137,589,247	48,424,370	304,086,069	490,099,686

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Caribbean Assurance Brokers Limited

Statement of Cash Flows

As at 30 September 2022

	Unaudited Sept-2022	Sep-2021	Audited Dec-2021
	\$'	\$'	\$'
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net profit	104,922,896	78,944,520	56,134,889
Adjustments for:			
Exchange loss/(gain) on foreign balances	1,157,078	(13,229,934)	(8,757,559)
Amortization of right of use asset	4,854,653	4,854,653	6,472,871
Depreciation	7,854,348	9,090,403	11,659,453
Gain on disposal of property, plant and equipment	76,486	(14,998)	(14,998)
Interest income	(2,522,901)	(2,833,315)	(3,304,660)
Interest expense	1,663,898	3,647,155	4,289,803
Interest on right of use asset	811,135	724,514	1,474,257
Taxation expense	647,488	1,403,246	969,693
Operating cash flows before movements in working capital	119,465,081	82,586,244	68,923,749
Changes in operating assets and liabilities:			
(Increase)/decrease in receivables	(31,011,687)	12,896,689	(1,957,105)
Increase in payables	528,454,200	487,883,915	1,903,521
Taxation recoverable	99,674	-	(803,826)
Taxation paid	617,007,268	583,366,848	68,066,339
	-	(421,580)	-
Net cash provided by operating activities	617,007,268	582,945,268	68,066,339
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	2,522,901	2,833,315	3,304,660
Proceed from Sale of Fixed Asset	11,000	15,000	15,000
Purchase of property, plant and equipment	(2,464,197)	(746,232)	(1,129,234)
Net cash provided by investing activities	69,704	2,102,083	2,190,426
CASH FLOW FROM FINANCING ACTIVITIES:			
Interest paid on right of use asset	(811,135)	(724,514)	(1,474,257)
Dividends paid	(3,360,000)	-	-
Interest paid	(1,663,898)	(3,647,155)	(4,289,803)
Loan proceeds	-	5,845,048	3,399,304
Principal paid on right of use asset	(4,936,335)	(4,603,544)	(6,192,391)
Loan repayment	(31,631,585)	(27,365,577)	(28,419,991)
Net cash used in financing activities	(42,402,952)	(30,495,742)	(36,977,138)
INCREASE IN CASH AND CASH EQUIVALENTS	574,674,020	554,551,609	33,279,627
Effect of exchange rate translation on cash and cash equivalents	(6,380,931)	1,258,260	12,486,693
Cash and cash equivalents at beginning of period/year	201,557,896	155,791,576	155,791,576
CASH AND CASH EQUIVALENTS AT END OF PERIOD/ YEAR	769,850,985	711,601,445	201,557,896

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Notes to the Unaudited Financial Statements

30 September 2022

1 IDENTIFICATION AND PRINCIPAL ACTIVITIES:

- (a) Caribbean Assurance Brokers Limited is a limited liability company incorporated and domiciled in Jamaica and is regulated by the Financial Services Commission of Jamaica. The registered office of the company is 94d Old Hope Road, Kingston 6, St. Andrew, Jamaica.
- (b) The principal activity of the company is to search the insurance marketplace for a company in which to place the insured's business for the lowest cost to the insured.
- (c) The company became listed on the Junior Market of the Jamaica Stock Exchange on 9 March 2020. Consequently, the company is entitled to a remission of taxes for ten (10) years in proportions set out below, provided the shares remain listed for at least 15 years.

Years 1-5	100%
Years 6-10	50%

2 REPORTING CURRENCY:

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). These financial statements are presented in Jamaican dollars, which is considered the company's functional and presentation currency.

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Notes to the Unaudited Financial Statements cont'd

30 September 2022

3 SIGNIFICANT ACCOUNTING POLICIES:

This interim financial report for the reporting period ended 30 September 2022 has been prepared in accordance with Accounting Standard IAS 34 'Interim Financial Reporting'. The accounting policies followed in these interim financial statements are consistent with those of the previous financial year and corresponding interim reporting period.

4 EARNINGS PER STOCK UNIT:

Earnings per stock unit is calculated by dividing the net profit attributable to stockholders by the weighted average number of ordinary stock units in issue at end of period.

5 SHARE CAPITAL:

	<u>2022</u>	<u>2021</u>
	\$	\$
Issued and fully paid		
262,500,000 ordinary shares of no par value		
(2021 - 262,500,000) (Net of transaction costs)	<u>137,589,247</u>	<u>137,589,247</u>

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Notes to the Unaudited Financial Statements cont'd

30 September 2022

6 TOP TEN SHAREHOLDERS:

	<u>Shares Held</u>	<u>% of Issued Shares</u>
Raymond Walker	107,100,000	40.80
Rion Hall & Veviene Hall	31,668,724	12.06
C&WJ Co-op Credit Union Limited	21,680,616	8.26
Dr. Karen Rajpat	18,899,952	7.20
Mayberry Jamaican Equities Limited	13,639,395	5.20
Gail Minott	13,402,600	5.11
Dr. Paul L. Brown	12,781,740	4.87
Nigel O. Coke	3,280,500	1.24
Sandra Kenny	1,997,764	0.76
Norman Minott	1,701,500	0.65
Barrington Whyte	1,701,500	0.65
Total	<u>227,854,291</u>	<u>86.80</u>
Total Issued shares	<u>262,500,000</u>	<u>100.00</u>

7 DIRECTORS & SENIOR OFFICERS:

	<u>Shares Held</u>	<u>% of Issued Shares</u>
Directors:		
Raymond Walker	107,100,000.00	40.80
Rion Hall	31,668,724.00	12.06
Barrington Whyte	1,701,500.00	0.65
Norman Minott	1,701,500.00	0.65
Tania Waldron-Gooden	<u>1,570,500.00</u>	<u>0.60</u>
	<u>143,742,224.00</u>	<u>54.76</u>

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Notes to the Unaudited Financial Statements cont'd

30 September 2022

7 DIRECTORS & SENIOR OFFICERS CONT'D:

	<u>Shares Held</u>	<u>% of Issued Shares</u>
Senior Officers:		
Heather Muirhead-Brown	78,000.00	0.03
Michelle Harris	67,900.00	0.02
Krystal Gayle	17,200.00	0.01
Godfrey Heron	<u>1,759.00</u>	-
	<u>164,859.00</u>	<u>0.06</u>

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