



# **UNAUDITED FINANCIAL STATEMENTS**

**(SIX MONTHS)**

**30 JUNE 2023**



## UNAUDITED FINANCIAL REPORT TO THE SHAREHOLDERS

The Board and Management of Caribbean Assurance Brokers (CAB) is pleased to present the financials for the six months ended June 30, 2023. CAB reports unaudited net profit of \$18 million for the period, which represents a \$13.6 million or 306% increase over the prior year comparative period. This significant 2<sup>nd</sup> quarter year over year increase in net profit is a carry-over from the impressive 1<sup>st</sup> quarter result, which was attributable to the strong performance in the Employee Benefits, International Health and General Insurance Divisions.

### Highlights of Q2 and YTD Performance

	Current Quarter			Year-to-Date		
	June 30, 2023 \$'000	June 30, 2022 \$'000	% Change	June 30, 2023 \$'000	June 30, 2022 \$'000	% Change
Revenue	101,313	91,504	11%	215,288	195,720	10%
Operating Profit	2,270	3,784	-40%	20,836	7,305	185%
Net Profit	1,037	2,637	-61%	18,071	4,450	306%
Net Profit Attributable to Shareholders	62	158	-61%	1,084	267	306%
Earnings Per Share	0.004	0.01	-61%	0.07	0.02	306%

#### Review of 2<sup>nd</sup> Quarter

The company earned total income of \$101 million in the quarter ended 30 June 2023 compared to \$91.5 million in the prior year comparative period; an increase of \$9.8 million (11%).

Revenues increased by \$11 million or 13% and this was attributable to increase in revenues for the General (8%) and International (52%) Insurance Divisions. Employee Benefits and Individual Life Divisions both saw a reduction of 7% and 3% respectively, when compared to the prior year comparative period.

There was a reduction in Other Operating Income of approximately \$1.2 million. We closed out the quarter with \$2.6 million compared to \$3.8 million in the prior year comparative period and this was primarily due to a reduction in foreign exchange gains of \$1.6 million.

Second quarter Operating Expenses increased by \$11.3 million when compared to the prior year comparative period. Increase in Operating Expenses was largely attributable to Selling Expenses which increased by \$8.9 million or 41.4% over the comparative period of 2022.

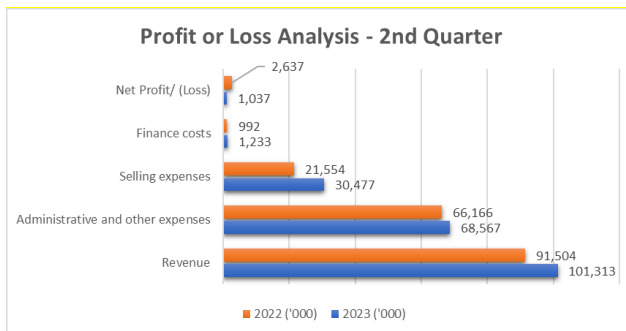
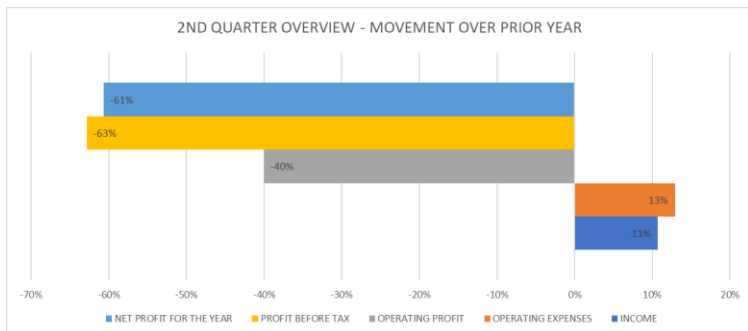
Finance related charges for the three months ended 30 June 2023 increased by \$240,874 (24%), mainly due to interest charges on line of credit facility.

The net result was a Profit Before Tax of \$1.04 million which was \$1.76 million below the amount of \$2.79 achieved over the comparative period of 2022.

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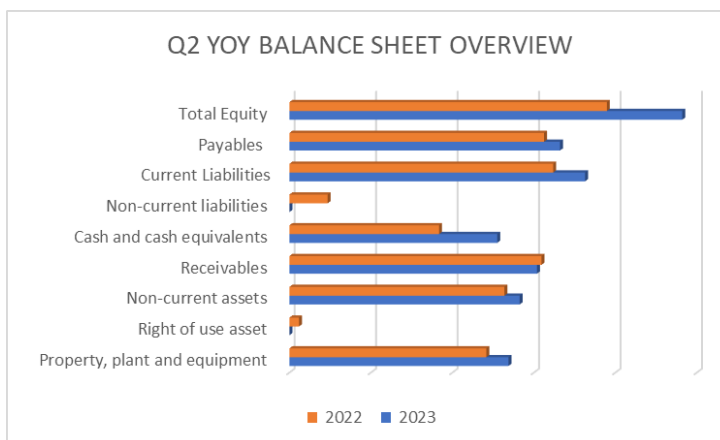
**UNAUDITED FINANCIAL REPORT TO THE SHAREHOLDERS CONT'D**



Total Assets as at June 30, 2023 was \$844 million compared to \$760 million as at June 30, 2022, reflecting an \$83.9 million or 11% increase. The increase in assets was primarily due to increases in cash and cash equivalents, and property plant and equipment. These increases were offset against a \$11.8 million (100%) reduction in right of use assets over the corresponding period.

Total Liabilities as at June 30, 2023 were \$362.9 million, a reduction of \$7.7 million or 2% over the 2022 corresponding period. This was mainly driven by a combined reduction in lease liability (\$12.5m) and long-term loan (\$14.7m) netted off against an increase in payables of \$19.6 million.

Shareholders Equity continues to increase significantly, with the Company having Total Equity of \$481 million at the end of the Quarter under review, which represented an increase of \$91.6 million above the amount at June 30, 2022. The increase in the Company's total equity of \$91.6 million was directly related to the increase in profits over the comparative period.



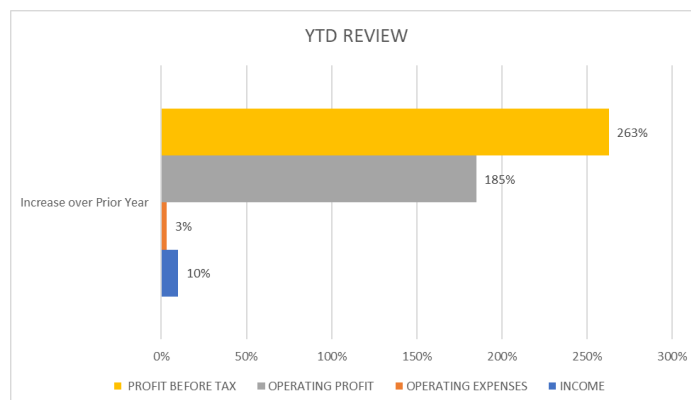
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## UNAUDITED FINANCIAL REPORT TO THE SHAREHOLDERS CONT'D

### Year-to-date (YTD) Review

For the six months ended 30 June 2023, Profit Before Tax was \$19 million when compared to \$5.2 million for the prior year comparative period.



The Company earned total income of \$215 million compared to \$195.7 million for YTD June 2022; an increase of \$19.5 million (10%). The General, International and Employee Benefits Divisions all recorded year over year increases in commission income. Each contributing to the overall increase in revenues of 57%, 43% and 22% respectively.

Operating Expenses for the 6-month period ended June 2023 increased over the comparative 6-month period of 2022 by 3.2% from \$188.4 million to \$194.5 million. Increase in Operating Expenses was maintained below the 6.3% inflation rate for the period June 2023 compared to June 2022 and was largely a result of the 2.8% reduction in Selling Expenses.

Finance Charges for the six months ended June 20, 2023 reduced by \$239,346 (12%) which was attributable to the reduction in interest expense on lease liability.

The Total Assets of the Company increased to \$844 million from \$706 million for 2022-year end; an increase of \$137.7 million or 19%. This increase was mainly attributed to an increase in receivables and property, plant and equipment.

Total Liabilities increased by \$119.6 million or 49% due to an increase in payables of which was directly linked to an increase in premiums booked for the second quarter.

The Company's total Equity increased to \$481 million as at 30 June 2023, up from \$463 million for 2022-year end. The net increase of \$18 million or 4% represents movement net profit.

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## **Corporate Social Responsibility (CSR)**

Corporate social responsibility is an integral part of our identity at CAB, shaping our actions and decisions in a purposeful manner. Our firm belief in the importance of giving back to communities and our clients drives us to actively engage in various initiatives, exemplifying our dedication to making a meaningful difference in society through recent collaborations and partnerships.

### **Read Across Jamaica Day - Collaboration with Joseph Royal Education Centre**

We participated in "Read Across Jamaica Day," a nationwide event aimed at promoting literacy and a love for reading among children. We collaborated with the Joseph Royal Education Centre, a commendable non-profit organization catering to children facing difficulties in traditional school environments.

During the event, our dedicated team members volunteered their time to read and interact with the children at the Joseph Royal Education Centre. This engagement allowed us to not only encourage reading but also demonstrate our support for the educational development of children facing unique challenges.

### **Partnership with MASA Assist - Emergency Air Transportation Services**

We are pleased to announce our partnership with MASA Assist, recognized as the world's leading emergency air transportation company. Through this alliance, we can now offer enhanced emergency air transportation services to our valued clients. MASA Assist is renowned for its prompt and reliable services, ensuring the safe and timely transport of individuals in times of medical emergencies. As part of our value-added services, our clients will benefit from exclusive discounts when availing emergency air transportation services through MASA Assist. This partnership reflects our unwavering commitment to providing comprehensive and reliable solutions that prioritize the well-being of our clients.

As we move forward, we will continue to explore new opportunities to contribute to society, supporting different sectors, and enhance the well-being of our clients. Together with our staff and customers, we strive to build a sustainable and socially responsible future.

A handwritten signature in black ink, appearing to read "R. Walker".

Raymond Walker

Chairman

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**Caribbean Assurance Brokers Limited**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Six Months Ended 30-June 2023**

	3 Months Ended 30/06/2023 \$'	3 months Ended 30/06/2022 \$'	6 Months Ended 30/06/2023 \$'	6 months Ended 30/06/2022 \$'	Audited 12 Months Ended 31/12/2022 \$'
<b>INCOME</b>					
Revenue	98,722,543	87,715,725	200,586,559	178,315,220	469,200,710
Other Operating Income	2,590,908	3,788,267	14,701,602	17,404,524	36,704,160
	<b>101,313,451</b>	<b>91,503,992</b>	<b>215,288,161</b>	<b>195,719,744</b>	<b>505,904,870</b>
<b>OPERATING EXPENSES</b>					
Administrative and other expenses	(68,566,529)	(66,166,039)	(138,910,691)	(131,284,116)	(280,506,168)
Selling expenses	(30,477,148)	(21,553,841)	(55,541,687)	(57,130,194)	(146,059,063)
	<b>(99,043,677)</b>	<b>(87,719,880)</b>	<b>(194,452,378)</b>	<b>(188,414,310)</b>	<b>(426,565,231)</b>
<b>OPERATING PROFIT/(LOSS)</b>	<b>2,269,774</b>	<b>3,784,112</b>	<b>20,835,783</b>	<b>7,305,434</b>	<b>79,339,639</b>
Finance costs	(1,232,577)	(991,703)	(1,825,754)	(2,065,100)	(3,922,701)
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>1,037,197</b>	<b>2,792,409</b>	<b>19,010,029</b>	<b>5,240,334</b>	<b>75,416,938</b>
TAXATION (CHARGE)/CREDIT	-	(155,246)	(938,590)	(790,166)	2,568,432
<b>NET PROFIT FOR THE YEAR</b>	<b>1,037,197</b>	<b>2,637,163</b>	<b>18,071,439</b>	<b>4,450,168</b>	<b>77,985,370</b>
Earnings Per Stock Unit	0.00	0.01	0.07	0.02	0.30

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**Caribbean Assurance Brokers Limited**  
**Statement of Financial Position**  
**As at 30-June -2023**

	UNAUDITED		AUDITED
	June-2023	June-2022	Dec - 2022
	\$	\$	\$
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS:</b>			
Property, plant and equipment	268,883,076	241,663,472	242,119,831
Deferred tax asset	12,822,370	10,402,363	13,760,960
Right of use asset	-	11,808,541	9,385,821
	<u>281,705,446</u>	<u>263,874,376</u>	<u>265,266,612</u>
<b>CURRENT ASSETS:</b>			
Receivables	303,858,702	309,418,080	183,034,012
Taxation recoverable	3,544,972	3,355,250	3,493,091
Cash and cash equivalents	255,046,373	183,638,948	254,664,449
	<u>562,450,047</u>	<u>496,412,278</u>	<u>441,191,552</u>
<b>TOTAL ASSETS</b>	<b><u>844,155,493</u></b>	<b><u>760,286,654</u></b>	<b><u>706,458,164</u></b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES:</b>			
Long term loans	-	38,508,598	-
Lease liability	-	8,414,680	6,838,895
	<u>-</u>	<u>46,923,278</u>	<u>6,838,895</u>
<b>CURRENT LIABILITIES:</b>			
Payables	332,135,153	312,518,481	181,892,907
Short term loan	-	168,877	21,141,502
Current portion of long term loan	30,786,740	6,958,802	30,201,640
Current portion of lease liability	-	4,090,258	3,221,059
	<u>362,921,893</u>	<u>323,736,418</u>	<u>236,457,108</u>
<b>TOTAL LIABILITIES</b>	<b><u>362,921,893</u></b>	<b><u>370,659,696</u></b>	<b><u>243,296,003</u></b>
<b>EQUITY</b>			
Share capital	137,589,247	137,589,247	137,589,247
Accumulated Surplus	295,219,983	203,613,341	277,148,543
Capital reserve	48,424,370	48,424,370	48,424,370
	<u>481,233,600</u>	<u>389,626,958</u>	<u>463,162,161</u>
<b>TOTAL EQUITY</b>	<b><u>481,233,600</u></b>	<b><u>389,626,958</u></b>	<b><u>463,162,161</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>844,155,493</u></b>	<b><u>760,286,654</u></b>	<b><u>706,458,164</u></b>

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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**Caribbean Assurance Brokers Limited**  
**Unaudited Statement of Changes in Equity**  
**As at 30-June 2023**

	Share Capital \$'	Capital Reserve \$'	Accumulated Surplus \$'	Total \$'
<b>Balance at 1 January 2022</b>	137,589,247	48,424,370	202,523,173	388,536,790
Transaction with Owners	-	-	-	-
Dividend paid	-	-	(3,360,000)	(3,360,000)
Total Comprehensive Income	-	-	-	-
Net Profit	-	-	4,450,168	4,450,168
<b>Balance at June 30, 2022</b>	137,589,247	48,424,370	203,613,341	389,626,958
<b>Balance at January 1, 2023</b>	137,589,247	48,424,370	277,148,544	463,162,161
Total comprehensive income for the year	-	-	-	-
Net Profit	-	-	18,071,439	18,071,439
<b>Balance at June 30, 2023</b>	137,589,247	48,424,370	295,219,983	481,233,600

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Caribbean Assurance Brokers Limited

Statement of Cash Flow

As at 30 June 2023

	Unaudited Jun-2023 \$'	Unaudited Jun-2022 \$'	Audited Dec-2022 \$'
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net profit/(loss)	18,071,439	4,450,168	77,985,370
Adjustments for:			
Exchange loss/(gain) on foreign balances	(1,260,138)	1,665,658	85,498
Amortization of right of use asset	1,072,668	3,236,435	5,659,155
Depreciation	10,010,228	5,233,747	10,649,765
Gain on disposal of property, plant and equipment	-	76,487	76,487
Interest income	-	(1,427,395)	(3,492,502)
Interest expense	1,261,995	1,463,073	1,862,908
Interest on right of use asset	563,759	602,028	2,059,793
Taxation expense	938,590	790,166	(2,568,432)
Operating cash flows before movements in working capital	<u>30,658,541</u>	<u>16,090,366</u>	<u>92,318,042</u>
Changes in operating assets and liabilities:			
Increase in receivables	(120,695,955)	(160,290,441)	(32,856,061)
Decrease in payables	149,911,415	155,136,915	23,079,456
Taxation recoverable	(51,882)	181,739	43,898
	<u>59,822,119</u>	<u>11,118,580</u>	<u>82,585,335</u>
Net cash provided by operating activities	<u>59,822,119</u>	<u>11,118,580</u>	<u>82,585,335</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest received	-	1,427,394	3,492,502
Proceed from Sale of Fixed Asset	-	11,000	11,000
Purchase of property, plant and equipment	(36,773,472)	(1,782,684)	(7,655,061)
Net cash used in investing activities	<u>(36,773,472)</u>	<u>(344,290)</u>	<u>(4,151,559)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>			
Interest paid on right of use asset	(563,759)	(602,028)	(2,059,793)
Dividends paid	-	(3,360,000)	(3,359,990)
Interest paid	(1,261,995)	(1,463,073)	(1,862,908)
Loan proceeds	-	-	21,141,502
Principal paid on right of use asset	(1,746,800)	(3,262,097)	(5,707,081)
Loan repayment	(20,556,402)	(16,399,127)	(30,849,916)
Net cash used in financing activities	<u>(24,128,956)</u>	<u>(25,086,324)</u>	<u>(22,698,186)</u>
(DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(1,080,309)	(14,312,034)	55,735,590
Effect of exchange rate translation on cash and cash equivalents	1,462,234	(3,606,913)	(2,629,037)
Cash and cash equivalents at beginning of period/year	<u>254,664,448</u>	<u>201,557,896</u>	<u>201,557,896</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD/ YEAR</b>	<u>255,046,373</u>	<u>183,638,948</u>	<u>254,664,449</u>

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## Notes to the Unaudited Financial Statements

30 June 2023

### 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 June 2023

### 3 SIGNIFICANT ACCOUNTING POLICIES:

This interim financial report for the reporting period ended 30 June 2023 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>2023</u>	<u>2022</u>
	\$	\$
Issued and fully paid		
262,500,000 ordinary shares of no par value	<u>137,589,247</u>	<u>137,589,247</u>

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**Notes to the Unaudited Financial Statements cont'd**  
 30 June 2023

**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	13,977,133	5.32
Gail Minott	13,402,600	5.11
Dr. Paul L. Brown	9,356,917	3.56
Nigel O. Coke	4,032,968	1.54
Bridgeton Management Services	3,373,762	1.29
Nicholas Clarke	1,918,404	0.73
<b>Total</b>	<u>225,411,076</u>	<u>85.87</u>
<b>Total Issued shares</b>	<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	<u>1,701,500.00</u>	<u>0.65</u>
	<u>143,742,224.00</u>	<u>54.16</u>

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## Notes to the Unaudited Financial Statements cont'd

30 June 2023

### 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
Sequoia Thomas	26,000.00	0.01
Krystal Gayle	17,200.00	0.01
Kimloy Walker	17,200.00	0.01
Godfrey Heron	<u>1,759.00</u>	-
	<u>208,059.00</u>	<u>0.08</u>

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Raymond H. Walker, B.Sc., CLU, MBA (Chairman & CEO); Tania Waldron-Gooden, MBA, B.Sc. (Deputy 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., MBA; Carlton Barclay, FCCA, MBA

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**International Insurance | Employee Benefits | General Insurance | Local Individual Insurance**