



UNAUDITED FINANCIAL STATEMENTS

(THREE MONTHS)

31 MARCH 2023



UNAUDITED FINANCIAL REPORT TO THE SHAREHOLDERS

The Board and management of Caribbean Assurance Brokers (CAB) is pleased to present the financials for the three months ended March 31, 2023. CAB reports unaudited net profit of \$17 million for the period, which represents a \$15 million or 840% increase over the prior comparative period. The company significantly increased net profit year over year while focusing on the implementation of our new operating system which was implemented in January 2023. This will aid in the commitment to improve our customers' experience.

Company Performance

Review of 1st Quarter

Revenues increased by \$9 million or 9% and this was mainly attributable to Employee Benefits and General Departments which saw increases of 22% and 61% respectively. The International Department saw increase of 1% year over year while Individual Life saw a reduction of 23%. These results are reflective of our revenue diversification strategy. The General and Employee benefits divisions have grown at a faster pace than the International Division- our largest revenue earner to date. There was a reduction in other income of approximately \$2.3 million. We closed out the quarter with \$12 million compared to \$14.4 million in the prior year comparative period and this was primarily due to a reduction in foreign exchange gains of \$1.6 million.

The company earned total income of \$114 million in the quarter ended 31 March 2023 compared to \$105 million in the quarter ended 31 March 2022, an increase of \$8.99 million (9%).

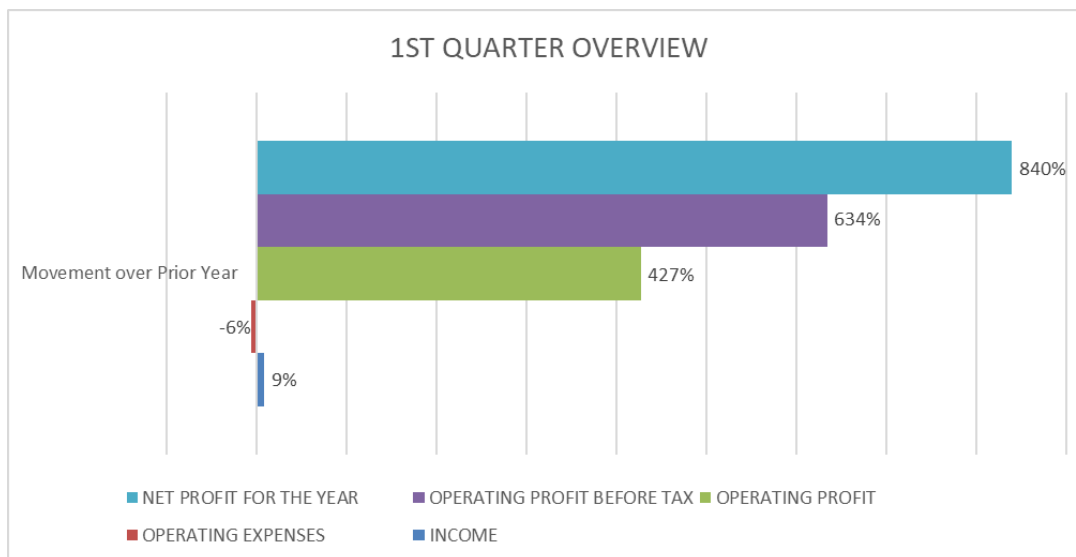
Finance related charges for the three months ended 31 March 2023 decreased by \$480,221 (45%), mainly due to a reduction in interest charges on lease liability.

Profit Before Tax therefore increased by \$15.5 million over the same period of 2022.

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UNAUDITED FINANCIAL REPORT TO THE SHAREHOLDERS CONT'D



During the first quarter, we continued on the path of recruiting for the right fit and the best talent. The first quarter expenses included the hiring of professionals in the areas of Risk Management, Internal Audit and Data Protection in order to ensure that we are compliant by November 30th 2023; which cumulatively resulted in an increase of \$4.7 million. Other areas that contributed to the increase in expenses included software licence fees, advertising and promotion expenses, and repairs and maintenance.

Strict management of total operating expenses of \$95.4 million for the three months ended 31 March 2023 resulted in reduction of \$6 million or 6% when compared to the 31 March 2022 figures.

Total Assets as at March 31, 2023, amounted to \$832.5 million compared to \$684 million for the corresponding period ended March 31, 2022, reflecting a \$148.6 million or 22% increase. The increase in assets was primarily due to an increase in cash and cash equivalents. These increases were offset against a \$4.8 million (36%) reduction in right of use assets over the corresponding period.

Total Liabilities as at March 31, 2023 were \$352 million, an increase of \$59 million or 20% over the 2022 corresponding period, driven mainly by an increase in payables of approximately \$74.8 million or 34% netted off against a reduction in long-term loans of \$11 million.

The increase in the company's total equity of \$89.8 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

Corporate Social Responsibility (CSR)

At CAB, we believe in giving back to the communities where we operate, and we demonstrate this commitment through our corporate social responsibility efforts. Recently, we had the privilege of sponsoring the Jamaica American Football Association Limited, as they represented Jamaica on the international stage. In addition, we remain committed to supporting Reddy's Place of Safety.

As part of our mandate to offer value-added services to our clients, we have partnered with Island Legal Wills, a company that provides a convenient online platform for our clients to create their own professional, legally binding wills. This service is available through our CAB Loyalty Programme.

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!**

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 Three Months Ended 31-March 2023

Note	3 months to 31/03/2023 \$'	3 months to 31/03/2022 \$'	Audited 12 Months Ended 31/12/2022 \$'
INCOME			
Revenue	101,864,017	90,599,494	469,200,710
Other Operating Income	12,110,694	14,386,094	36,704,160
	113,974,711	104,985,588	505,904,870
OPERATING EXPENSES			
Administrative and other expenses	(70,344,162)	(65,655,864)	(280,506,168)
Selling expenses	(25,064,540)	(35,808,403)	(146,059,063)
	(95,408,702)	(101,464,266)	(426,565,231)
OPERATING PROFIT/(LOSS)	18,566,009	3,521,322	79,339,639
Finance costs	(593,176)	(1,073,397)	(3,922,701)
OPERATING PROFIT/(LOSS) BEFORE TAX	17,972,833	2,447,924	75,416,938
TAXATION (CHARGE)/CREDIT	(938,591)	(634,920)	2,568,432
NET PROFIT/(LOSS) FOR THE YEAR	17,034,242	1,813,005	77,985,370
Earnings Per Stock Unit	0.07	0.01	0.32

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Caribbean Assurance Brokers Limited
 Statement of Financial Position
 As at 31-Mar -2023

	UNAUDITED Mar-2023 \$	Mar-2022 \$	AUDITED Dec - 2022 \$
ASSETS			
NON-CURRENT ASSETS:			
Property, plant and equipment	274,878,465	243,564,135	242,119,831
Deferred tax asset	12,822,370	10,557,609	13,760,960
Right of use asset	8,581,320	13,426,759	9,385,821
	<u>296,282,155</u>	<u>267,548,503</u>	<u>265,266,612</u>
CURRENT ASSETS:			
Receivables	147,863,447	126,755,307	183,034,012
Taxation recoverable	3,482,838	3,694,601	3,493,091
Cash and cash equivalents	384,625,530	285,893,920	254,664,449
	<u>536,171,815</u>	<u>416,343,828</u>	<u>441,191,552</u>
TOTAL ASSETS	<u>832,453,970</u>	<u>683,892,331</u>	<u>706,458,164</u>
LIABILITIES			
NON-CURRENT LIABILITIES:			
Long term loans		54,553,238	-
Lease liability	6,838,895	10,059,958	6,838,895
	<u>6,838,895</u>	<u>64,613,196</u>	<u>6,838,895</u>
CURRENT LIABILITIES:			
Payables	292,672,685	217,880,281	181,892,907
Current portion of long term loan	50,295,829	6,958,802	51,343,142
Current portion of lease liability	2,450,157	4,090,258	3,221,059
	<u>345,418,671</u>	<u>228,929,340</u>	<u>236,457,108</u>
TOTAL LIABILITIES	<u>352,257,566</u>	<u>293,542,536</u>	<u>243,296,003</u>
EQUITY			
Share capital	137,589,247	137,589,247	137,589,247
Accumulated Surplus	294,182,786	204,336,178	277,148,544
Capital reserve	48,424,370	48,424,370	48,424,370
TOTAL EQUITY	480,196,403	390,349,795	463,162,161
TOTAL LIABILITIES AND EQUITY	<u>832,453,970</u>	<u>683,892,331</u>	<u>706,458,164</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 (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

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



Caribbean Assurance Brokers Limited
Unaudited Statement of Changes in Equity
As at 31-Mar 2023

	Share Capital	Capital Reserve	Accumulated Surplus	Total
	\$'	\$'	\$'	\$'
Balance at 1 January 2022	137,589,247	48,424,370	202,523,164	388,536,781
Transaction with Owners	-	-	-	-
Dividend paid	-	-	(3,359,990)	(3,359,990)
Total Comprehensive Income	-	-	-	-
Net Loss	-	-	77,985,370	77,985,370
Balance at December 31, 2022	137,589,247	48,424,370	277,148,544	463,162,161
Balance at January 1, 2023	137,589,247	48,424,370	277,148,544	463,162,161
Total comprehensive income for the year	-	-	17,034,242	17,034,242
Net Profit	-	-	-	-
Balance at March 31, 2023	137,589,247	48,424,370	294,182,786	480,196,403

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Caribbean Assurance Brokers Limited
 Statement of Cash Flow
 As at 31 March 2023

	Unaudited Mar-2023 \$'	Mar-2022 \$'	Audited Dec-2022 \$'
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net profit/(loss)	17,034,242	1,813,005	77,985,370
Adjustments for:			
Exchange (gain)/loss on foreign balances	759,401	844,374	85,498
Amortization of right of use asset	804,501	1,618,218	5,659,155
Depreciation	4,593,972	2,830,507	10,649,765
Gain on disposal of property, plant and equipment	-	(4,000)	76,487
Interest income	(1,060,000)	(1,380,543)	(3,492,502)
Interest expense	417,136	768,962	1,862,908
Interest on right of use asset	176,040	304,435	2,059,793
Taxation expense	938,590	634,920	(2,568,432)
Operating cash flows before movements in working capital	23,663,882	7,429,876	92,318,042
Changes in operating assets and liabilities:			
Decrease/ (Increase) in receivables	35,132,059	23,383,485	(32,856,061)
Increase/(decrease) in payables	111,398,267	58,252,441	23,079,456
Taxation recoverable	10,254	-	43,898
	170,204,462	89,065,802	82,585,335
Taxation paid	-	(157,612)	-
Net cash provided by/(used in) operating activities	170,204,462	88,908,190	82,585,335
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	1,060,000	1,380,543	3,492,502
Proceed from Sale of Fixed Asset	-	4,000	11,000
Purchase of property, plant and equipment	(37,352,606)	(1,192,620)	(7,655,061)
Net cash provided by in investing activities	(36,292,606)	191,923	(4,151,559)
CASH FLOW FROM FINANCING ACTIVITIES:			
Interest paid on right of use asset	(176,040)	(304,435)	(2,059,793)
Dividend paid	-	-	(3,359,990)
Interest paid	(417,136)	(768,962)	(1,862,908)
Loan proceeds	-	-	21,141,502
Principal paid on right of use asset	(770,902)	(1,616,819)	(5,707,081)
Loan repayment	(1,047,313)	(523,364)	(30,849,916)
Net cash (used in)/provided by financing activities	(2,411,391)	(3,213,581)	(22,698,186)
(DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	131,500,465	85,886,532	55,735,590
Effect of exchange rate translation on cash and cash equivalents	(1,339,384)	(1,550,508)	(2,629,037)
Cash and cash equivalents at beginning of period/year	254,664,449	201,557,896	201,557,896
CASH AND CASH EQUIVALENTS AT END OF PERIOD/ YEAR	384,825,530	285,893,920	254,664,449

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Notes to the Unaudited Financial Statements

31 March 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

31 March 2023

3 SIGNIFICANT ACCOUNTING POLICIES:

This interim financial report for the reporting period ended 31 March 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

31 March 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	11,699,500	4.56
Nigel O. Coke	3,969,546	1.51
Bridgeton Management Services	2,026,851	0.77
Barrington Whyte	1,701,500	0.65
Norman Minott	<u>1,701,500</u>	<u>0.65</u>
Total	<u>227,827,922</u>	<u>86.79</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

31 March 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

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