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UNAUDITED FINANCIAL STATEMENTS

(SIX MONTHS)

30 June 2024

We want you to LOVE doing business with us!

Raymond H. Walker, B.Sc., CLU, MBA (Executive Chairman); Sheraley A Bridgeman ACII, MBA (CEO); Janice P. Hoiness; 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.

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



UNAUDITED FINANCIAL REPORT TO THE SHAREHOLDERS

Highlights of Q2-2024 and YTD performance

	Current Quarter			Year-to-Date		
	June 30, 2024	June 30, 2023	% Change	June 30, 2024	June 30, 2023	% Change
	\$'000	\$'000		\$'000	\$'000	
Income	139,430	101,313	38%	287,715	215,288	34%
Operating (Loss)/Profit	(14,103)	2,270	-721%	(9,316)	20,836	-145%
Net (Loss)/Profit	(15,370)	1,037	-1582%	(12,169)	18,071	-167%
Earnings per share	(0.06)	0.004	-1600%	(0.05)	0.07	-171%

Review of 2nd Quarter

The company earned total income of \$139.4 million in the quarter ended 30 June 2024 compared to \$101.3 million in the prior year comparative period. This represents an increase of \$38.1 million (38%). The significant increase in total income is a direct consequence of the reorganization and transformation initiatives implemented during the period.

Revenues of \$132.6 million represented an increase of \$33.9 million or 34% above the prior year comparative period. This increase was spread across all divisions: Individual Life (93%), Employee Benefits (45%), International Life and Health (14%) and General Insurance (11%), when compared to the prior year comparative period.

Other Operating Income of \$6.8 million was \$4.2 million above the \$2.6 million earned in the comparative period. This was primarily due to an increase in interest income of \$2.5 million.

Second quarter Operating Expenses increased by \$54.5 million when compared to the prior year comparative period. The increase in Operating Expenses was a direct result of the continued execution of the reorganization and transformation strategies, which saw the establishment of a new branch office and the recruitment of top-level staffing. The largest items of increase in Operating expenses were Administrative and Others (\$34.7M) and Selling expenses (\$17.1M).

There was a minimal increase in finance related charges for the three months ended 30 June 2024 of \$34,000 (3%), which primarily consists of interest charges on the line of credit facility.

The net result was a loss of \$15.3 million which was \$16 million below the profit of \$1million achieved over the comparative period of 2023.

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Year-to-date (YTD) Review

For the six months ended 30 June 2024, a loss of \$12.1 million was realized when compared to a profit before tax of \$19.0 million for the prior year comparative period.

The Company earned total income of \$287.7 million compared to \$215.2 million for YTD June 2023; an increase of \$72.4 million (34%). The International Health and Individual Life divisions were the major contributors to the year over year increases in commission income.

Operating Expenses for the 6-month period ended June 2024 increased over the comparative 6-month period of 2023 by 53% from \$194.5 million to \$297.0 million. The increase in Operating Expenses is driven by the transformation strategy undertaken by the company with significant emphasis on recruitment, training, and reorganization of the leadership, administrative and sales teams.

Finance Charges for the six months ended June 20, 2024 increased by \$1.0 million (57%) which was attributable to the increase in interest expense.

The Total Assets of the Company increased to \$1.1 billion from \$1.0 billion at the 2023-year end; an increase of \$100,000 or 10%; Current assets increased by \$94m to \$798m as at 30 June 2024 from \$694m as at 31 December 2024. This increase was mainly attributed to an increase in receivables and property, plant and equipment.

Total Liabilities increased by \$96.5 million or 21% due to an increase in payables of which was directly linked to an increase in premiums booked on a year to date basis.

The Company's total Equity fell by \$12.2 million, decreasing from \$579.6 million as at 31 December 2023 to \$567.4 million as at 30 June 2024.

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CARIBBEAN ASSURANCE BROKERS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2024

	3 Months Ended 30/06/2024	3 Months Ended 30/06/2023	6 months Ended 30/06/2024	6 months Ended 30/06/2023	Audited 12 Months Ended 31/12/2023
INCOME					
Revenue	132,603,376	98,722,543	252,482,093	200,586,560	501,887,948
Other operating income	6,826,736	2,590,908	18,089,665	14,701,602	57,991,938
Credit impairment losses	-	-	17,142,977	-	(17,142,977)
	139,430,112	101,313,451	287,714,736	215,288,162	542,736,909
OPERATING EXPENSES					
Administrative and other expenses	(106,001,319)	(68,566,529)	(212,189,104)	(138,910,691)	(280,291,212)
Selling expenses	(47,531,916)	(30,477,148)	(84,841,137)	(55,541,688)	(133,394,745)
	(153,533,235)	(99,043,677)	(297,030,241)	(194,452,379)	(413,685,957)
OPERATING(LOSS)/PROFIT	(14,103,123)	2,269,774	(9,315,505)	20,835,783	129,050,952
Finance costs	(1,266,416)	(1,232,577)	(2,853,596)	(1,825,753)	(4,982,312)
(LOSS)/PROFIT BEFORE TAX	(15,369,539)	1,037,197	(12,169,101)	19,010,030	124,068,640
Taxation charge	-	-	-	(938,591)	(608,084)
NET (LOSS)/PROFIT FOR THE PERIOD	(15,369,539)	1,037,197	(12,169,101)	18,071,439	123,460,556
EARNINGS PER STOCK UNIT	(0.06)	0.00	(0.05)	0.07	0.47

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CARIBBEAN ASSURANCE BROKERS LIMITED
STATEMENT OF FINANCIAL POSITION
As at 30-June-2024

	UNAUDITED June-2024	June-2023	AUDITED Dec-2023
ASSETS			
NON-CURRENT ASSETS:			
Property, plant and equipment	231,130,747	268,883,076	236,806,381
Intangible asset	24,021,394	-	28,798,972
Deferred tax asset	13,152,876	12,822,370	13,152,876
Investments at amortised cost	65,791,543	-	65,029,426
	334,096,560	281,705,446	343,787,655
CURRENT ASSETS:			
Receivables	507,795,692	303,858,702	397,932,795
Taxation recoverable	4,133,123	3,544,972	3,524,565
Cash and bank balances	275,995,778	255,046,373	292,438,567
	787,924,593	562,450,047	693,895,927
TOTAL ASSETS	1,122,021,154	844,155,493	1,037,683,582
EQUITY:			
Share capital	137,589,247	137,589,247	137,589,247
Capital Reserve	48,424,370	48,424,370	48,424,370
Retained earnings/Accumulated Surplus	381,431,249	295,219,983	393,600,350
TOTAL EQUITY	567,444,866	481,233,600	579,613,967
CURRENT LIABILITIES:			
Payables	530,628,831	332,135,153	401,254,413
Current portion of long term loan	23,947,457	30,786,740	56,815,202
TOTAL LIABILITIES	554,576,288	362,921,893	458,069,615
TOTAL EQUITY AND LIABILITIES	1,122,021,154	844,155,493	1,037,683,582

Approved for issue by the Board of Directors on 8 August 2024 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-2024

	Share capital	Capital reserve	Accumulated Surplus	Total
Balance as at 1 January 2023	137,589,247	48,424,370	277,148,544	463,162,161
Transaction with owners	-	-	-	-
Total comprehensive income				
Net profit			18,071,439	18,071,439
Balance as at 30 June 2023	137,589,247	48,424,370	295,219,983	481,233,600
Balance as at 1 January 2024	137,589,247	48,424,370	393,600,350	579,613,967
Transaction with owners	-	-	-	-
Total comprehensive income				
Net profit			(12,169,101)	(12,169,101)
Balance as at 30 June 2024	137,589,247	48,424,370	381,431,249	567,444,866

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CARIBBEAN ASSURANCE BROKERS LIMITED
STATEMENT OF CASH FLOWS
AS AT 30 JUNE 2024

	Unaudited		Audited
	Jun-24	Jun-23	Dec-2023
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net (loss)/profit	(12,169,101)	18,071,439	123,460,556
Adjustments for:			
Exchange gain on foreign balances	1,481	(1,260,138)	(3,927,866)
Gain on derecognition of lease liability	-	-	(1,278,433)
Depreciation	1,841,702	10,010,228	10,771,567
Amortisation expense on property, plant and equipment	4,777,578	1,072,668	10,343,452
Interest income	(678,685)	-	(9,335,550)
Interest expense – loan	2,908,539	1,261,995	3,985,114
Interest expense on lease liabilities	-	563,759	997,198
Taxation expense	-	938,590	608,084
	9,705,579	30,658,541	135,624,122
Changes in operating assets and liabilities:			
Receivables	(109,862,897)	(120,695,955)	(213,903,004)
Payables	133,206,869	149,911,415	217,962,286
Taxation recoverable	(608,558)	(51,882)	(31,474)
Cash inflow from operating activities	19,416,928	59,822,119	139,651,930
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	678,685	-	9,335,550
Purchase of property, plant and equipment	-	(36,773,472)	(5,709,648)
Purchase of intangible assets	-	-	(37,818,225)
Net movements in investments	(762,117)	-	(63,916,968)
Cash outflow from investing activities	(83,432)	(36,773,472)	(98,109,291)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Interest paid on lease liabilities	-	(563,759)	(997,198)
Interest paid	(2,908,539)	(1,261,995)	(3,811,920)
Principal paid on lease liabilities	-	(1,746,800)	(468,368)
Net loan movement	(32,867,745)	(20,556,402)	(21,141,502)
Loan proceeds	-	-	25,651,928
Dividend paid	-	-	(7,008,750)
Cash (outflow) from financing activities	(35,776,284)	(24,128,956)	(7,775,810)
INCREASE IN CASH AND CASH EQUIVALENTS	(16,442,789)	(1,080,309)	33,766,829
Effects of exchange rate translation on cash and cash equivalents	-	1,462,234	4,007,289
Cash and cash equivalents at beginning of year	292,438,567	254,664,449	254,664,449
CASH AND CASH EQUIVALENTS AT END OF YEAR	275,995,778	255,046,373	292,438,567

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Notes to the Unaudited Financial Statements

30 June 2024

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 survey the insurance marketplace for an insurer to accommodate the insureds business seeking the widest coverage at the most competitive price.
- (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.

3. SIGNIFICANT ACCOUNTING POLICIES:

This interim financial report for the reporting period ended 30 June 2024 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 end and corresponding interim reporting period.

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Notes to the Unaudited Financial Statements cont'd

30 June 2024

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:

	2024	2023
	\$	\$
Issued and fully paid 262,500,000 ordinary shares of no par value	<u>137,589,247</u>	<u>137,589,247</u>

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
QWI Investments Ltd	8,500,000	3.24
Bridgeton Management Services Limited	5,014,739	1.91
Prime Asset Management	3,497,469	1.33
Nigel O. Coke	<u>2,440,870</u>	<u>0.93</u>
Total	<u>226,182,103</u>	<u>86.16</u>
Total Issued shares	<u>262,500,000</u>	<u>100.00</u>

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Notes to the Unaudited Financial Statements cont'd
 30 June 2024

7. DIRECTORS & SENIOR OFFICERS

	<u>Shares Held</u>	<u>% of Issued Shares</u>
<u>Directors:</u>		
Raymond Walker	107,100,000	40.80
Rion Hall	31,668,724	12.06
Barrington Whyte	1,701,500	0.65
Norman Minott	1,701,500	0.65
Leo Walker	<u>209,000</u>	<u>0.08</u>
Total Issued shares	<u>142,380,724</u>	<u>54.24</u>

	<u>Shares Held</u>	<u>% of Issued Shares</u>
<u>Senior Officers:</u>		
Michelle Harris	67,900	0.03
Shamar Clarke	29,516	0.01
Sequioa Thomas	26,000	0.01
Godfrey Heron	<u>1,759</u>	<u>0.00</u>
	<u>125,175</u>	<u>0.05</u>

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