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UNAUDITED FINANCIAL STATEMENTS

(NINE MONTHS)

30 September 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. 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.

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



UNAUDITED FINANCIAL REPORT TO THE SHAREHOLDERS

Review of 3rd Quarter

The company earned total income of \$170.6 million in the quarter ended 30 September 2024 compared to \$203.3 million in the prior year comparative period. This represents a decrease of \$32.7 million (16%). The decrease in total income is as a result of the overall decrease in commission rates earned on the flagship ICHIP product combined with attrition in the General and ICHIP client portfolios.

Revenues of \$155.6 million represented a decrease of \$16.8 million or 10% below the prior year comparative period. Despite a positive performance in Individual Life (161%) and General Insurance (161%), this was offset by a decrease in International Life and Health of 55%. The decreased revenue from International Health was result of the reorganization of the structure of the plan, to pay a lower rate on the renewal business, a significantly higher rate on new business, and a focus on shifting the demographics of the plan to a younger age group. Employee benefits remained relatively flat in the current quarter when compared with the prior year quarter.

Other Operating Income of \$14.9 million was \$16.0 million below the \$30.9 million earned in the comparative period. The difference was primarily due to a foreign currency gain of \$10.9 million earned in the prior year comparative period, as opposed to minimal movement in the current quarter.

Third quarter Operating Expenses increased by \$7.0 million or 4.3% when compared to the prior year comparative period, and is significantly less than the 31.0% year to date increase. 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.

There was a significant increase in finance related charges for the three months ended 30 September 2024 of \$7.4 million (15.3%), which primarily consists of interest charges on the line of credit facility and lease liabilities.

The net result was a loss of \$5.6 million which was \$42.7 million below the profit of \$37.1 million achieved during the comparative period of 2023.

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Year-to-date (YTD) Review

For the nine months ended 30 September 2024, a loss of \$17.7 million was realized when compared to a profit before tax of \$55.1 million for the prior year comparative period.

The Company earned total income of \$458.3 million compared to \$418.6 million for YTD September 2023; an increase of \$39.7 million (9.5%).

Revenues of \$408.1 million represented an increase of \$35.1 million or 9.4% above the prior year comparative period. This following divisions experienced an increase when compared to the prior year comparative period: Individual Life (100%), General Insurance (38%) and Employee Benefits (7%). However, the International Life and Health division experienced a decrease of 15% or \$25 million in revenue, which resulted in an overall decrease in revenue, the reasons for which were earlier explained.

Operating Expenses for the 9-month period ended September 2024 increased over the comparative 9-month period of 2023 by 31% from \$355.7 million to \$465.3 million. The increase in Operating Expenses is driven by the transformation strategy undertaken by the company with significant continued emphasis on recruitment, training, and reorganization of the leadership, administrative and sales teams.

Finance Charges for the nine months ended September 20, 2024 increased by \$8.4 million which was attributable to the increase in interest expense on lease liabilities.

The Total Assets of the Company increased to \$1.4 billion from \$1.0 billion at the 2023-year end; an increase of \$391 million or 38%; Current assets increased by \$438.2 million to \$1.13 billion as at 30 September 2024 from \$694m as at 31 December 2023. This increase was mainly attributed to an increase in cash and cash equivalents.

Total Liabilities increased by \$414.6 million or 90.5% over December 2023 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 had Total Equity of \$524.9 million as at 30 September 2024, which was \$54.7 million less than the \$579.6 million as at 31 December 2023. Retained Earnings & Accumulated Surplus of \$338.9 million accounted for 64.6% of Total Equity and considered adequate to fund the Company's capital needs and dividend policy for the foreseeable future.

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

	3 Months Ended 30/09/2024	3 Months Ended 30/09/2023	9 months Ended 30/09/2024	9 months Ended 30/09/2023	Audited 12 Months Ended 31/12/2023
INCOME					
Revenue	155,630,688	172,420,714	408,112,782	373,007,273	501,887,948
Other operating income	14,945,120	30,930,096	33,034,786	45,631,698	57,991,938
Credit impairment losses	-	-	17,142,977	-	(17,142,977)
	170,575,808	203,350,810	458,290,545	418,638,971	542,736,909
OPERATING EXPENSES					
Administrative and other expenses	(89,441,030)	(96,890,436)	(308,439,328)	(235,801,128)	(280,291,212)
Selling expenses	(78,805,071)	(64,359,833)	(156,837,014)	(119,901,521)	(133,394,745)
	(168,246,101)	(161,250,269)	(465,276,342)	(355,702,649)	(413,685,957)
OPERATING PROFIT/(LOSS)	2,329,707	42,100,541	(6,985,797)	62,936,322	129,050,952
Finance costs	(7,913,120)	(484,074)	(10,766,715)	(2,309,826)	(4,982,312)
(LOSS)/PROFIT BEFORE TAX	(5,583,413)	41,616,467	(17,752,512)	60,626,496	124,068,640
Taxation charge	-	(4,506,562)	-	(4,506,562)	(608,084)
NET (LOSS)/PROFIT FOR THE PERIOD	(5,583,411)	37,109,905	(17,752,512)	56,119,934	123,460,556
EARNINGS PER STOCK UNIT	(0.02)	0.14	(0.07)	0.21	0.47

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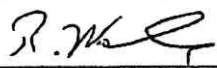
Raymond H. Walker, B.Sc., CLU, MBA (Executive Chairman); Sheralley A Bridgeman ACII, MBA (CEO); Janice P. Holness; Norman Minott LLB (Hons).
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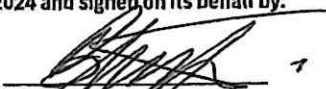


CARIBBEAN ASSURANCE BROKERS LIMITED
STATEMENT OF FINANCIAL POSITION
As at 30-September-2024

	UNAUDITED		AUDITED
	September-2024	September-2023	Dec-2023
ASSETS			
NON-CURRENT ASSETS:			
Property, plant and equipment	229,042,010	264,751,191	236,806,381
Right of use asset	33,232,500	-	-
Intangible asset	21,657,737	-	28,798,972
Deferred tax asset	13,152,876	9,254,398	13,152,876
Investments at amortised cost	-	-	65,029,426
	297,085,123	274,005,589	343,787,655
CURRENT ASSETS:			
Receivables	197,390,852	212,879,434	397,932,795
Taxation recoverable	3,381,075	2,908,417	3,524,565
Cash and bank balances	931,352,231	897,868,937	292,438,567
	1,132,124,158	1,113,656,788	693,895,927
TOTAL ASSETS	1,429,209,281	1,387,662,377	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	338,809,088	326,259,728	393,600,350
TOTAL EQUITY	524,882,705	512,273,345	579,613,967
NON-CURRENT LIABILITY			
Lease liability	31,699,649	-	-
CURRENT LIABILITIES:			
Payables	850,044,274	844,434,642	401,254,413
Current portion of long term loan	22,642,653	30,954,390	56,815,202
TOTAL LIABILITIES	872,686,927	875,389,032	458,069,615
TOTAL EQUITY AND LIABILITIES	1,429,209,281	1,387,662,377	1,037,683,582

Approved for issue by the Board of Directors on 12 November 2024 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); Sheraley A Bridgeman ACII, MBA (CEO); Janice P. Holness; Norman Minoll LLB (Hons).
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CARIBBEAN ASSURANCE BROKERS LIMITED
UNAUDITED STATEMENT OF CHANGES IN EQUITY
As at 30-September-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
Total comprehensive income				
Net profit			56,119,934	56,119,934
Dividends paid			(7,008,750)	(7,008,750)
Balance as at 30 September 2023	137,589,247	48,424,370	326,259,728	512,273,345
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			(17,752,512)	(17,752,512)
Dividends paid			(37,038,750)	(37,038,750)
Balance as at 30 September 2024	137,589,247	48,424,370	338,809,088	524,822,705

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

	Unaudited		Audited
	Sep-24	Sep-23	Dec-2023
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net (loss)/profit	(17,752,512)	56,119,934	123,460,556
Adjustments for:			
Exchange gain on foreign balances	2,723,879	(1,260,138)	(3,927,866)
Gain on derecognition of lease liability	-	-	(1,278,433)
Depreciation	8,269,169	15,054,481	10,771,567
Amortisation	7,640,543	1,072,668	10,343,452
Interest income	(1,762,705)	(6,796,540)	(9,335,550)
Interest expense – loan	5,596,415	2,118	3,985,114
Interest expense on lease liabilities	2,446,421	1,526,885	997,198
Taxation expense	-	4,506,562	608,084
	7,161,210	70,225,970	135,624,122
Changes in operating assets and liabilities:			
Receivables	200,541,941	(29,716,687)	(213,903,004)
Payables	448,789,865	662,210,904	217,962,286
Taxation recoverable	143,490	584,674	(31,474)
Cash inflow from operating activities	656,636,506	703,304,861	139,651,930
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	1,762,705	6,796,540	9,335,550
Purchase of property, plant and equipment	(5,579,831)	(37,685,841)	(5,709,648)
Purchase of intangible assets	-	-	(37,818,225)
Net movements in investments	65,029,426	-	(63,916,968)
Cash inflow/(outflow) from Investing activities	61,212,300	(30,889,301)	(98,109,291)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Interest paid on lease liabilities	(2,127,427)	(1,526,885)	(997,198)
Interest paid	(5,596,415)	(2,118)	(3,811,920)
Principal paid on lease liabilities	-	(1,746,800)	(468,368)
Net loan movement	(34,172,549)	(20,556,402)	(21,141,502)
Loan proceeds	-	-	25,651,928
Dividend paid	(37,038,750)	(7,008,750)	(7,008,750)
Cash outflow from financing activities	(78,935,142)	(30,673,305)	(7,775,810)
INCREASE IN CASH AND CASH EQUIVALENTS	638,913,664	641,742,255	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	254,664,448	254,664,449
CASH AND CASH EQUIVALENTS AT END OF YEAR	931,352,231	897,868,937	292,438,567

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Notes to the Unaudited Financial Statements

30 September 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 September 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 September 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	13,731,853	5.23
Gail Minott	13,402,600	5.11
QWI Investments Ltd	8,000,000	3.05
Bridgeton Management Services Limited	5,337,363	2.03
Prime Asset Management	3,497,469	1.33
Nigel O. Coke	<u>2,440,870</u>	<u>0.93</u>
Total	<u>225,759,447</u>	<u>86.00</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 September 2024

7. DIRECTORS & SENIOR OFFICERS

<u>Directors:</u>	<u>Shares Held</u>	<u>% of Issued Shares</u>
Raymond Walker	107,100,000	40.80
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>110,712,000</u>	<u>42.18</u>

<u>Senior Officers:</u>	<u>Shares Held</u>	<u>% of Issued Shares</u>
Michelle Harris	67,900	0.03
Sequioa Thomas	26,000	0.01
Shamar Clarke	23,975	0.01
Godfrey Heron	<u>1,759</u>	<u>0.00</u>
	<u>119,634</u>	<u>0.05</u>

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