



## **AUDITED FINANCIAL REPORT TO THE SHAREHOLDERS**

The Directors of Caribbean Assurance Brokers Limited (CAB) are pleased to release its audited financial statement for the year ended December 31, 2019.

### **Company Performance for the Year Ended December 31, 2019**

For the year ended December 31, 2019, the Company earned gross revenues of J\$401.5 million compared to J\$385.4 million in 2018. There was growth in three out of its four divisions, with two divisions achieving growth in excess of 10% while the other division achieved a 5% growth. The Company recorded Other Income of J\$33.7 million compared to J\$41 million in 2018. The reduction in Other Income was due mainly to the movement in foreign exchange translation resulting from the devaluation of the US dollar. The Company's Operating Expenses of J\$381.1 million in 2019, was marginally less than the J\$381.4 million in 2018, due to the cost containment measures adopted.

The Operating Profit for 2019 was J\$54.2 million compared to J\$45.1 million for 2018, a 20.07% increase year over year. The increase in profit was as a result of the growth in commission income and the containment of costs. The Company experienced finance cost of J\$7.9 million for 2019 compared to J\$2.1 million for the similar period in 2018, which was mainly due to a mortgage loan from Bank of Nova Scotia, interest on a shareholder's loan, and interest on right of use asset for an operating lease. The Company had a Profit Before Tax of J\$46.3 million for 2019 compared to J\$43.1 million for 2018, a 7.51% increase year over year. The Company had a taxation charge of J\$7.7 million for 2019 compared to J\$10.2 million for 2018. The growth in commission income for the year contributed to the increase in net profit of \$38.6 million in 2019 from \$32.8 million in 2018, which equates to an increase of J\$5.8 million or 17.7%.

The Company had other comprehensive income of J\$47.5 million for the year representing unrealized gain on the revaluation of its Old Hope Road Property purchased in January 2019.

**We want you to LOVE doing business with us!**

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

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Total assets increased from J\$308.5 million in 2018 to J\$476.5 million in 2019, a growth of J\$168 million or 54%. This increase was mainly attributed to additions to property, plant & equipment, more specifically: (1) in January 2019, the Company acquired the building it now occupies, and (2) a right of use asset for 2 operating leases.

The Company's total Equity grew from J\$129.3 million in 2018 to J\$212 million in 2019, which represents an increase of J\$83 million or 64%. The increased Equity is mainly due to an increase in Capital Reserves based on the value of the building that was purchased in 2019, as well as the addition of the current year profit. The building was recognized at market value.

In 2019, the Company's Non-Current Liabilities increased to J\$92.8 million from J\$25.5 million in 2018. This increase was due to a USD mortgage that was secured to assist in the purchase of the building and a lease liability.

On behalf of CAB, I would like to express genuine gratitude to our hardworking and dedicated employees for their contribution to our achievements; and to our loyal customers for believing in us and demonstrating their continued support to our business. To our shareholders and directors, I continue to convey my heartfelt appreciation for their continued confidence and guidance.

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

Raymond Walker, MBA, B.Sc., CLU  
Chairman & CEO

**We want you to LOVE doing business with us!**