



FAMGUARD
CORPORATION LIMITED

FAMGUARD CORPORATION LIMITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
for the twelve months ended 31 December, 2021
(Unaudited)

FAMGUARD CORPORATION LIMITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE TWELVE MONTHS ENDED
31 DECEMBER, 2021

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FAMGUARD CORPORATION LIMITED
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2021

(Expressed in Bahamian dollars)

UNAUDITED

	31 December 2021	31 December 2020
ASSETS		
Financial Investment Assets:		
Fair value through profit or loss	\$ 18,528,713	\$ 18,540,887
Available-for-sale	10,624,555	10,331,155
Held-to-maturity	203,658,500	177,729,365
Loans, net	77,270,824	82,488,556
Total financial investment assets	310,082,592	289,089,963
Cash and bank balances	13,141,517	18,663,649
Reinsurance assets	1,500,648	2,451,215
Reinsurance recoveries	4,629,279	4,822,780
Receivables and other assets, net	2,728,284	2,801,178
Premiums receivable, net	5,662,267	4,822,125
Right-of-use assets	617,743	688,067
Property, plant and equipment, net	36,912,074	38,494,848
TOTAL ASSETS	\$ 375,274,404	\$ 361,833,825
LIABILITIES		
Policy Liabilities:		
Reserves for future policyholders' benefits	\$ 241,133,613	\$ 230,278,175
Other policyholders' funds	26,232,419	24,274,672
Total Policy liabilities	267,366,032	254,552,847
Payables and accruals	10,085,074	11,060,397
Lease liabilities	656,229	688,067
Total liabilities	278,107,335	266,301,311
EQUITY:		
Preference shares	-	5,000,000
Ordinary shares	2,000,000	2,000,000
Share premium	10,801,080	10,801,080
Revaluation reserve	20,179,112	19,503,360
Retained earnings	64,186,877	58,228,074
Total equity	97,167,069	95,532,514
TOTAL LIABILITIES AND EQUITY	\$ 375,274,404	\$ 361,833,825

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED
INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the twelve months ended December 31, 2021

(Expressed in Bahamian dollars)

UNAUDITED

	12 months to 31-Dec-21	12 months to 31-Dec-20
INCOME:		
Gross premium income	\$ 112,791,527	\$ 111,442,491
Premium ceded to reinsurers	<u>(11,517,832)</u>	<u>(12,215,435)</u>
Net premium income	101,273,695	99,227,057
Annuity & other deposits	<u>16,525,300</u>	<u>11,713,079</u>
Net premium income and annuity deposits	117,798,995	110,940,135
Interest income	15,902,110	13,501,355
Dividend income	751,995	687,076
Unrealized loss on investment assets	(107,265)	(1,451,418)
Other operating income	<u>2,284,034</u>	<u>1,982,456</u>
Total income	<u>136,629,869</u>	<u>125,659,605</u>
BENEFITS AND EXPENSES:		
Benefits:		
Policyholders' benefits	78,549,605	69,186,133
Reinsurance recoveries	<u>(5,512,496)</u>	<u>(4,089,208)</u>
Net policyholders' benefits	73,037,109	65,096,925
Change in reserves for policyholders' benefits	<u>11,806,005</u>	<u>11,388,682</u>
Total benefits	<u>84,843,114</u>	<u>76,485,607</u>
Expenses:		
Commissions	13,523,011	12,332,016
Operating expenses	19,712,713	18,958,919
Depreciation expense	3,826,615	2,289,838
Premium tax	3,383,746	3,343,363
Bad debt expense	<u>1,326,854</u>	<u>1,435,371</u>
Total expenses	<u>41,772,939</u>	<u>38,359,508</u>
Total benefits and expenses	<u>126,616,053</u>	<u>114,845,115</u>
NET INCOME	<u>10,013,816</u>	<u>10,814,490</u>
NET INCOME ATTRIBUTABLE TO:		
Ordinary Shareholders	\$ 9,756,641	\$ 10,526,990
Preferred Shareholders	<u>257,175</u>	<u>287,500</u>
	<u>10,013,816</u>	<u>10,814,490</u>
Basic earnings per ordinary share	<u>\$ 0.98</u>	<u>\$ 1.05</u>

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED
INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the Three months ended December 31, 2021

(Expressed in Bahamian dollars)

UNAUDITED

	3 MONTHS TO 31-Dec-21	3 MONTHS TO 31-Dec-20
INCOME:		
Net premium income	25,462,791	24,700,429
Annuity and other deposits	6,474,514	3,487,211
Net premium income and annuity deposits	<u>31,937,305</u>	<u>28,187,641</u>
Investment income	4,637,732	3,656,872
Other operating income	864,002	762,620
Total income	<u>37,439,039</u>	<u>32,607,132</u>
BENEFITS AND EXPENSES:		
Net policyholder benefits	23,722,162	16,918,755
Commissions	3,799,154	3,076,074
Operating expenses	8,148,471	7,737,917
Total benefits and expenses	<u>35,669,787</u>	<u>27,732,747</u>
NET INCOME	<u><u>1,769,252</u></u>	<u><u>4,874,385</u></u>
 NET PROFIT ATTRIBUTABLE TO :		
Ordinary Shareholders	\$ 1,655,827	\$ 4,730,635
Preferred Shareholders	113,425	143,750
	<u>1,769,252</u>	<u>4,874,385</u>
Earnings per ordinary share	<u>\$ 0.17</u>	<u>\$ 0.47</u>

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the twelve months ended December 31, 2021

(Expressed in Bahamian dollars)

UNAUDITED

	12 Months to 31-Dec-21	12 Months to 31-Dec-20
NET INCOME	\$ 10,013,816	\$ 10,814,490
OTHER COMPREHENSIVE INCOME		
Net gain/(loss) on available-for-sale financial assets	277,758	(1,136,817)
Revaluation of fixed assets	397,994	1,569,850
Remeasurement of defined benefit obligation	<u>2,163</u>	<u>34,884</u>
Total other comprehensive loss	<u>677,915</u>	<u>467,917</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 10,691,731</u>	<u>\$ 11,282,407</u>

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the twelve months ended December 31, 2021
(Expressed in Bahamian dollars)
UNAUDITED

	<u>Share Capital</u>		Share <u>Premium</u>	Revaluation <u>Reserve</u>	Retained <u>Earnings</u>	<u>Total</u>
	Preference <u>Shares</u>	Ordinary <u>Shares</u>				
Balance as of December 31, 2019	\$ 5,000,000	\$ 2,000,000	\$ 10,801,080	\$ 19,070,327	\$ 50,466,200	\$ 87,337,607
Transactions with owners						
Dividends declared and paid -						
Preference shares	-	-	-	-	(287,500)	(287,500)
Ordinary shares (\$0.28 per share)	-	-	-	-	(2,800,000)	(2,800,000)
Total transactions with owners	-	-	-	-	(3,087,500)	(3,087,500)
Comprehensive income						
Net Income	-	-	-	-	10,814,490	10,814,490
Other Comprehensive income	-	-	-	433,033	34,884	467,917
Total Comprehensive income	-	-	-	433,033	10,849,374	11,282,407
Balance as at December 31, 2020	5,000,000	2,000,000	10,801,080	19,503,360	58,228,074	95,532,514
Transactions with owners						
Redemption of preference shares	(5,000,000)	-	-	-	-	(5,000,000)
Dividends declared and paid -						
Preference shares	-	-	-	-	(257,175)	(257,175)
Ordinary shares (\$0.38 per share)	-	-	-	-	(3,800,000)	(3,800,000)
Total transactions with owners	(5,000,000)	-	-	-	(4,057,175)	(9,057,175)
Comprehensive income						
Net Income	-	-	-	-	10,013,816	10,013,816
Other Comprehensive income	-	-	-	675,752	2,163	677,915
Total Comprehensive income	-	-	-	675,752	10,015,979	10,691,731
Balance as at December 31, 2021	-	2,000,000	10,801,080	20,179,112	64,186,877	97,167,069

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the twelve months ended December 31, 2021
(Expressed in Bahamian dollars)
UNAUDITED

	31-Dec-21	31-Dec-20
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income from continuing operations	\$ 10,013,816	\$ 10,814,490
Adjustments for:		
Depreciation	3,826,615	2,289,839
Unrealized loss on financial assets	107,265	1,451,418
Increase in provision for loans and receivables	1,326,854	1,173,135
Decrease in reinsurance assets	950,567	1,085,533
Change in reserve for future policyholders' benefits	10,855,438	10,303,150
Interest income	(15,902,110)	(13,501,355)
Dividend income	(751,995)	(687,076)
Operating profit before working capital changes	10,426,450	13,746,150
Increase/(decrease) in receivables and other assets	72,894	(62,289)
Increase in reinsurance recoveries	193,501	4,989,038
(Decrease)/increase in premium receivables	(840,142)	136,614
Decrease in payables and accruals	(975,323)	(3,058,558)
Increase in other policyholders' funds	1,957,747	3,848,489
Net cash from operating activities	10,835,127	19,599,444
Cash flows from investing activities:		
Pension forfeitures reinvested	(95,091)	(92,176)
Purchase of investment securities	(29,500,000)	(40,007,200)
Proceeds from maturity of investment securities	4,234,383	6,083,818
Net Loans repaid	4,369,690	3,013,666
Net purchase of property and equipment	(2,243,841)	(900,449)
Interest received	15,253,104	13,095,233
Dividends received	751,995	687,076
Net cash used in investing activities	(7,229,760)	(18,120,032)
Cash flows from financing activities		
Payment of principal portion of lease liability	(70,324)	(23,804)
Redemption of preference shares	(5,000,000)	-
Dividends paid on preference shares	(257,175)	(287,500)
Dividends paid on ordinary shares	(3,800,000)	(2,800,000)
Net cash used in financing activities	(9,127,499)	(3,111,304)
Net decrease in cash and cash equivalents	(5,522,132)	(1,631,892)
Cash and cash equivalents at beginning of the period	18,663,649	20,295,541
Cash and cash equivalents at end of the period	\$ 13,141,517	\$ 18,663,649

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the twelve months ended December 31, 2021

(Expressed in Bahamian Dollars)

Unaudited

1. General

FamGuard Corporation Limited (the “Company”) is incorporated under the laws of the Commonwealth of The Bahamas and serves as an investment holding Company with five wholly owned subsidiaries; Family Guardian Insurance Company Limited (FG), BahamaHealth Insurance Brokers Limited (formerly BahamaHealth Insurance Brokers and Benefit Consultants Limited), FG Insurance Agents & Brokers Limited, FG Financial Limited and FG Capital Markets Limited (together, “the Group”). FG is the principal operating unit and is licensed as an insurance company under the Insurance Companies Act, 2009. FG sells life and health insurance products in The Bahamas.

The registered office of the Company is located at the offices of E. Dawson Roberts & Co., Parliament and Shirley Streets, Nassau, Bahamas.

2. Accounting Policies

These unaudited consolidated financial statements have been prepared in accordance with International Accounting Standards 34: Interim Financial Reporting. The interim unaudited financial statements do not include all of the information and Company’s disclosures required in the annual audited financial statements, and should be read in conjunction with the December 31st, 2020 audited financial statements.

The accounting policies used in the preparation of the interim consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2020.

FAMGUARD CORPORATION LIMITED
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the twelve months ended December 31, 2021

(Expressed in Bahamian Dollars)

Unaudited

(Continued)

3. Earnings per ordinary share

	31-Dec-21	31-Dec-20
Weighted average number of shares outstanding	10,000,000	10,000,000
Consolidated net income attributable to ordinary shareholders	<u>\$ 9,756,641</u>	<u>\$ 10,526,990</u>
Earnings per ordinary share	<u><u>\$ 0.98</u></u>	<u><u>\$ 1.05</u></u>

4. Commitments

Outstanding commitments to extend credit under the mortgage loan agreements amounted to approximately \$662,768 as at 31st December, 2021 (31st December 2020: \$1,368,995).

5. Corresponding Figures

Where necessary, corresponding figures have been adjusted to conform with changes in presentation in the current year.

6. Dividends

On 10 February 2022, the Board of Directors declared a dividend of \$0.10 per share to ordinary shareholders of record as of 23rd February 2022 and payable on 1st March 2022.

FamGuard Corporation Ltd. | No. 1 Shirley Street | P. O. Box SS-6232 | Nassau, Bahamas

www.famguardbahamas.com