



FAMGUARD CORPORATION

Interim Consolidated Financial Statements for the 3 Months Ended March 31st, 2018
(Unaudited)



FAMGUARD CORPORATION LIMITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
MONTHS ENDED MARCH 31, 2018

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FAMGUARD CORPORATION LIMITED
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2018

(Expressed in Bahamian dollars)

UNAUDITED

	31 March 2018	31 December 2017
ASSETS		
Fair value through profit or loss	\$ 12,683,118	\$ 13,141,670
Available-for-sale	13,164,058	14,661,520
Held-to-maturity	176,680,685	176,196,403
Loans	81,318,377	80,030,193
Total financial investment assets	<u>283,846,238</u>	<u>284,029,786</u>
Cash and bank balances	16,533,985	16,881,642
Reinsurance assets	6,791,018	6,520,948
Reinsurance recoveries	10,882,175	8,237,303
Receivables and other assets, net	6,195,718	4,825,916
Premiums receivable, net	5,506,570	5,561,420
Intangible Assets, net	75,000	100,000
Property, plant and equipment, net	<u>36,748,815</u>	<u>36,803,313</u>
TOTAL	<u>\$ 366,579,519</u>	<u>\$ 362,960,328</u>
LIABILITIES AND EQUITY		
LIABILITIES:		
Reserves for future policyholders' benefits	\$ 209,565,186	\$ 207,261,508
Other policyholders' funds	19,804,408	18,072,481
Policy liabilities	229,369,594	225,333,989
Payables and accruals	13,441,218	13,968,901
Total liabilities	<u>242,810,812</u>	<u>239,302,890</u>
EQUITY:		
Preference shares	10,000,000	10,000,000
Ordinary shares	2,000,000	2,000,000
Share premium	10,801,080	10,801,080
Revaluation reserve	13,273,433	14,238,268
Retained earnings	49,545,031	48,037,032
Equity attributable to owners of the Parent	85,619,544	85,076,380
Non-controlling interest	38,149,163	38,581,058
Total equity	<u>123,768,707</u>	<u>123,657,438</u>
TOTAL	<u>\$ 366,579,519</u>	<u>\$ 362,960,328</u>

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three months ended March 31, 2018

(Expressed in Bahamian dollars)

UNAUDITED

	3 Months to 31-Mar-18	3 Months to 31-Mar-17
INCOME:		
Gross premium income	\$ 26,641,547	\$ 25,623,771
Premium ceded to reinsurers	(1,804,641)	(2,432,077)
Net premium income	24,836,906	23,191,694
Annuity deposits	2,223,899	1,965,633
Net premium income and annuity deposits	27,060,805	25,157,327
Interest income	3,553,973	3,346,032
Dividend income	335,500	353,624
Unrealized loss on investment assets	(396,099)	(479,079)
Realized loss from sale of assets	(262,581)	(80,587)
Other operating income	433,072	394,878
Total income	30,724,670	28,692,196
BENEFITS AND EXPENSES:		
Benefits:		
Policyholders' benefits	20,730,948	17,452,384
Reinsurance recoveries	(3,117,400)	(859,469)
Net policyholders' benefits	17,613,548	16,592,915
Increase in reserves for policyholders' benefits	2,033,608	1,788,218
Total benefits	19,647,156	18,381,133
Expenses:		
Commissions	3,126,296	2,902,012
Operating expenses	4,764,285	4,505,298
Depreciation and amortization expense	379,142	436,293
Premium tax	799,246	767,816
Bad debt (release) expense	(232,972)	125,297
Total expenses	8,835,997	8,736,716
Total benefits and expenses	28,483,153	27,117,849
NET INCOME	\$ 2,241,517	\$ 1,574,348
NET INCOME ATTRIBUTABLE TO		
Ordinary Shareholders	\$ 2,107,995	\$ 1,532,129
Non-controlling interests	133,522	42,219
	2,241,517	1,574,348
Earnings per ordinary share	\$ 0.21	\$ 0.15

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED
INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended March 31, 2018

(Expressed in Bahamian dollars)

UNAUDITED

	3 Months to 31-Mar-18	3 Months to 31-Mar-17
NET INCOME	\$2,241,517	\$ 1,574,348
OTHER COMPREHENSIVE INCOME		
Net gain on available-for-sale financial assets	<u>(964,835)</u>	<u>(216,723)</u>
Total Other Comprehensive Income	<u>(964,835)</u>	<u>(216,723)</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 1,276,682</u>	<u>\$ 1,357,625</u>
COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Ordinary Shareholders	\$ 1,143,160	\$ 1,315,406
Non controlling interests	<u>133,522</u>	<u>42,219</u>
	<u>\$ 1,276,682</u>	<u>\$ 1,357,625</u>
Earnings per ordinary share	<u>\$ 0.11</u>	<u>\$ 0.13</u>

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended March 31, 2018

(Expressed in Bahamian dollars)

UNAUDITED

	<u>Share Capital</u>		<u>Share Premium</u>	<u>Revaluation Reserve</u>	<u>Retained Earnings</u>	Attributable to Owners		<u>Total</u>
	<u>Preference Shares</u>	<u>Ordinary Shares</u>				<u>of the Parent</u>	<u>Non-Controlling Interests</u>	
Balance as of December 31, 2017	10,000,000	2,000,000	10,801,080	14,238,268	48,037,032	85,076,380	38,581,058	120,720,906
Additional non-controlling interest arising from net contributions from investors							(565,417)	(565,417)
Profit for 2018	-	-	-	-	2,107,995	2,107,995	133,522	2,241,517
Other Comprehensive income for 2018								
Adjustment to fair value of investment in equities	-	-	-	(964,835)	-	(964,835)	-	(964,835)
ordinary shares (\$0.06 per share)	-	-	-	-	(600,000)	(600,000)	-	(600,000)
Balance as of March 31, 2018	<u>\$ 10,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 10,801,080</u>	<u>\$ 13,273,433</u>	<u>\$ 49,545,027</u>	<u>\$ 85,619,540</u>	<u>\$ 38,149,163</u>	<u>\$ 120,832,170</u>

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the three months ended March 31, 2018
(Expressed in Bahamian dollars)

UNAUDITED

	31-Mar-18	31-Mar-17
Cash flows from operating activities		
Profit	\$ 2,241,517	\$ 1,574,348
Adjustments for:		
Depreciation	354,142	411,293
Amortization of intangible asset	25,000	25,000
Unrealized loss on investment assets	396,099	479,079
Realized loss on sale of investment assets	262,581	80,587
(Decrease) increase in mortgage provision	(226,243)	101,350
(Increase) decrease in reinsurance assets	(270,070)	1,232,176
Change in reserve for future policyholders' benefits	2,303,678	556,042
Interest income	(3,553,973)	(3,346,033)
Dividend income	(335,500)	(353,624)
Operating profit before working capital changes	1,197,231	760,217
Increase in receivables and other assets	(1,369,802)	(2,512,398)
Increase in reinsurance recoveries	(2,644,872)	(430,125)
Decrease (increase) in premium receivables, net	54,850	(141,306)
(Decrease) increase in payables and accruals	(527,683)	2,016,121
Increase in other policyholders' funds	1,731,927	573,207
Net cash (used in) from operating activities	(1,558,349)	265,716
Cash flows from investing activities		
Net changes in non-controlling interest	(961,517)	1,383,626
Net Maturity (placement) of bank term deposits greater than three months	172,715	(17,423)
Net purchase of Government bonds and notes	143,912	4,517,336
Net (purchase) redemption of corporate bonds	(487,500)	10,000
Net redemption of preferred shares	502,180	0
Purchase of FVTPL investments assets	-	(3,096,052)
Sale of FVTPL investments assets	-	2,927,889
Net Policy loan collections (issued)	46,713	(343,764)
Net mortgage loan (issued) collections	(1,070,788)	12,998
Net purchase of property, plant and equipment	(298,133)	(784,781)
Interest received	4,163,959	3,862,441
Dividends received	335,500	353,624
Net cash from investing activities	2,547,041	8,825,894
Cash flows from financing activities		
Dividends paid on ordinary shares	(600,000)	(600,000)
Net cash used in financing activities	(600,000)	(600,000)
Net increase in cash and cash equivalents	388,692	8,491,610
Cash and cash equivalents at beginning of the period	16,145,293	16,145,293
Cash and cash equivalents at end of the period	\$ 16,533,985	\$ 24,636,903

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Three months ended March 31, 2018

(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, 1969. FG sells life and health insurance products in The Bahamas.

FG Financial Fund Limited SAC (the “Fund”) is also included as a subsidiary and is the umbrella Fund for its four Sub-Funds; FG Financial Preferred Income Fund, FG Financial Diversified Fund, FG Financial Growth Fund and FG Financial Global USD Bond Fund. Each Sub-Fund has its own investment strategy and is segregated from the other Sub-Funds within the umbrella Fund.

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, 2016 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 2017.

3. Earnings per ordinary share

	3 Months to 31-Mar-18	3 Months to 31-Mar-17
Weighted average number of shares outstanding	10,000,000	10,000,000
Consolidated net income attributable to ordinary shareholders	<u>\$ 2,107,994</u>	<u>\$1,532,129</u>
Earnings per ordinary share	<u><u>\$ 0.21</u></u>	<u><u>\$ 0.15</u></u>

4. Commitments

Outstanding commitments to extend credit under the mortgage loan agreements amounted to approximately \$4,748,052 as at March 31, 2018 (31 December 2017: \$4,296,310).



FAMGUARD CORPORATION

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