



**FAMGUARD**  
CORPORATION LIMITED

**FAMGUARD CORPORATION LIMITED**  
**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
for the nine months ended 30<sup>th</sup> September, 2021  
(Unaudited)

**FAMGUARD CORPORATION LIMITED**

INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30  
SEPTEMBER, 2021

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FAMGUARD CORPORATION LIMITED  
**CHAIRMAN'S REPORT**  
Unaudited Results for the Nine months ended 30 September 2021

**MESSAGE FROM THE CHAIRMAN**

Dear Shareholders:

We are pleased to report that for the nine-month period ending 30th September, 2021, FamGuard Corporation reported profits totaling \$8.2 million, representing \$0.81 per share for ordinary shareholders of the Group. The financial performance of the Group in the context of a global pandemic and the weak economic environment demonstrates its solid financial strength and the strong leadership of its Management.

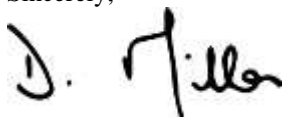
The Group recorded revenues totaling \$99.2 million, a 6.6% increase over the \$93.1 million recorded for the same period ending September 2020. Gross premiums increased by 0.9% to reach \$84.3 million, while annuities and deposits totaled \$10.1 million and exceeded the prior year by 22.2%. These results reflect the tremendous efforts of our agency force who delivered very strong results despite significant operating headwinds. Net revenue from investing activities totaled \$11.9 million a 31% increase over the prior period, driven by favorable market movement in equity and bond prices.

Policyholder benefits totaled \$61.1 million compared to \$59.6 million for the corresponding prior period in 2020. As with the prior quarter results, the increase in medical claims utilization, in a less restricted COVID-19 environment, along with an increase in death benefits contributed to the negative variance. Total expenses, including commissions paid to agents and brokers, exceeded the prior year by 8.3% mainly due to increased expenditure on digitization and customer service initiatives, and an increase in provision for bad debt on premiums receivables and the loan portfolio.

The Group's statement of financial position remains strong with total assets of \$378 million, of which investment assets comprised \$304 million, representing 80% of our total asset. Liabilities amounted to \$277.6 million an increase of 4.3% over the 31st December 2020 balance, mainly due to increases in reserves for future policyholder liabilities which comprise obligations to holders of long-term and short-term insurance policies. Shareholder's equity stood at \$100.8 million compared to \$95.5 million as of December 31, 2020. The Group's capital remains strong well in excess of the minimum requirements established by the Insurance Commission of the Bahamas. Additionally, we are pleased to advise that Family Guardian's financial strength and credit worthiness rating of A-Excellent was recently reaffirmed by AM Best, the insurance industry's leading global rating agency.

While we remain uncertain whether the worst of the pandemic is behind us, we are encouraged by the performance of the Group. We adopt a positive but cautious outlook for the remainder of the year. I am pleased to report that the Board of Directors has approved a dividend of \$0.10 per share to ordinary shareholders of record as of 24<sup>th</sup> November 2021, payable on 1st December 2021. On behalf of the Board of Directors of FamGuard, I would like to extend our sincere thanks to our management, support staff, and sales team for their continued hard work and commitment to serving our clients, which has contributed to the success of the Company. I also wish to thank our shareholders and clients for their continued confidence.

Sincerely,



Dodridge Miller  
Chairman

FAMGUARD CORPORATION LIMITED  
**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at September 30, 2021

(Expressed in Bahamian dollars)

UNAUDITED

	<b>30 September</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Financial Investment Assets:		
Fair value through profit or loss	\$ 18,548,972	\$ 18,540,887
Available-for-sale	9,882,017	10,331,155
Held-to-maturity	197,096,683	177,729,365
Loans, net	78,479,198	82,488,556
Total financial investment assets	<u>304,006,870</u>	<u>289,089,963</u>
Cash and bank balances	20,896,348	18,663,649
Reinsurance assets	1,628,165	2,451,215
Reinsurance recoveries	4,963,051	4,822,780
Receivables and other assets, net	2,936,165	2,801,178
Premiums receivable, net	5,543,118	4,822,125
Right-of-use assets	633,538	688,067
Property, plant and equipment, net	<u>37,784,920</u>	<u>38,494,848</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 378,392,175</u></b>	<b><u>\$ 361,833,825</u></b>
<b>LIABILITIES</b>		
Policy Liabilities:		
Reserves for future policyholders' benefits	\$ 239,259,907	\$ 230,278,175
Other policyholders' funds	26,289,779	24,274,672
Total Policy liabilities	<u>265,549,686</u>	<u>254,552,847</u>
Payables and accruals	11,413,022	11,060,397
Lease liabilities	664,785	688,067
Total liabilities	<u>277,627,493</u>	<u>266,301,311</u>
EQUITY:		
Preference shares	5,000,000	5,000,000
Ordinary shares	2,000,000	2,000,000
Share premium	10,801,080	10,801,080
Revaluation reserve	19,434,715	19,503,360
Retained earnings	63,528,887	58,228,074
Total equity	<u>100,764,682</u>	<u>95,532,514</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>\$ 378,392,175</u></b>	<b><u>\$ 361,833,825</u></b>

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED  
**INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

For the nine months ended September 30, 2021

(Expressed in Bahamian dollars)

UNAUDITED

	<b>9 months to 30-Sep-21</b>	<b>9 months to 30-Sep-20</b>
<b>INCOME:</b>		
Gross premium income	\$ 84,333,812	\$ 83,557,224
Premium ceded to reinsurers	<u>(8,522,908)</u>	<u>(9,030,596)</u>
Net premium income	75,810,904	74,526,627
Annuity & other deposits	<u>10,050,786</u>	<u>8,225,868</u>
Net premium income and annuity deposits	85,861,690	82,752,495
Interest income	11,408,276	9,881,928
Dividend income	573,161	540,212
Unrealized loss on investment assets	(72,329)	(1,333,913)
Other operating income	<u>1,420,032</u>	<u>1,211,751</u>
<b>Total income</b>	<b><u>99,190,830</u></b>	<b><u>93,052,473</u></b>
<b>BENEFITS AND EXPENSES:</b>		
Benefits:		
Policyholders' benefits	55,025,147	53,937,874
Reinsurance recoveries	<u>(3,708,977)</u>	<u>(3,645,775)</u>
Net policyholders' benefits	51,316,170	50,292,099
Change in reserves for policyholders' benefits	<u>9,804,782</u>	<u>9,274,773</u>
<b>Total benefits</b>	<b><u>61,120,952</u></b>	<b><u>59,566,872</u></b>
Expenses:		
Commissions	9,723,857	9,255,942
Operating expenses	13,714,038	13,103,251
Depreciation expense	2,755,574	1,695,577
Premium tax	2,530,014	2,506,805
Bad debt expense	<u>1,101,831</u>	<u>983,940</u>
<b>Total expenses</b>	<b><u>29,825,314</u></b>	<b><u>27,545,514</u></b>
<b>Total benefits and expenses</b>	<b><u>90,946,266</u></b>	<b><u>87,112,386</u></b>
<b>NET INCOME</b>	<b><u>8,244,564</u></b>	<b><u>5,940,087</u></b>
<b>NET INCOME ATTRIBUTABLE TO:</b>		
Ordinary Shareholders	\$ 8,100,814	\$ 5,796,337
Preferred Shareholders	<u>143,750</u>	<u>143,750</u>
	<b><u>8,244,564</u></b>	<b><u>5,940,087</u></b>
<b>Basic earnings per ordinary share</b>	<b><u>\$ 0.81</u></b>	<b><u>\$ 0.58</u></b>

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED

**INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

For the Three months ended September 30, 2021

(Expressed in Bahamian dollars)

UNAUDITED

	<b>3 MONTHS TO</b>	<b>3 MONTHS TO</b>
	<b>30-Sep-21</b>	<b>30-Sep-20</b>
<b>CONTINUING OPERATIONS</b>		
<b>INCOME:</b>		
Net premium income	\$ 25,729,429	\$ 24,445,153
Annuity and Other deposits	3,501,416	1,676,498
Net premium income and annuity deposits	<u>29,230,845</u>	<u>26,121,651</u>
Investment income	6,358,343	3,529,677
Other operating income	642,433	441,937
Total income	<u>36,231,621</u>	<u>30,093,265</u>
<b>BENEFITS AND EXPENSES:</b>		
Net policyholder benefits	21,649,851	20,095,771
Commissions	3,556,184	3,088,269
Operating expenses	7,278,254	5,466,370
Total benefits and expenses	<u>32,484,289</u>	<u>28,650,410</u>
<b>NET INCOME</b>	<u>\$ 3,747,332</u>	<u>\$ 1,442,855</u>
 <b>NET PROFIT ATTRIBUTABLE TO :</b>		
Ordinary Shareholders	<u>3,747,332</u>	<u>1,442,855</u>
Earnings per ordinary share	<u>\$ 0.37</u>	<u>\$ 0.14</u>

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended September 30, 2021

(Expressed in Bahamian dollars)

UNAUDITED

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	<b>9 Months to 30-Sep-21</b>	<b>9 Months to 30-Sep-20</b>
NET INCOME	\$ 8,244,564	\$ 5,940,087
<b>OTHER COMPREHENSIVE INCOME</b>		
Net loss on available-for-sale financial assets	(466,637)	(961,305)
Revaluation of fixed assets	<u>397,992</u>	<u>-</u>
Total other comprehensive loss	<u>(68,645)</u>	<u>(961,305)</u>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b><u>\$ 8,175,919</u></b>	<b><u>\$ 4,978,782</u></b>

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED

**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the nine months ended September 30, 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>				
<b>Balance as at December 31, 2020</b>	<b>5,000,000</b>	<b>2,000,000</b>	<b>10,801,080</b>	<b>19,503,360</b>	<b>58,228,074</b>	<b>95,532,514</b>
<b>Transactions with owners</b>						
Dividends declared and paid -						
Preference shares	-	-	-	-	(143,750)	(143,750)
Ordinary shares (\$0.28 per share)	-	-	-	-	(2,800,000)	(2,800,000)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,943,750)</b>	<b>(2,943,750)</b>
<b>Comprehensive income</b>						
Net Income	-	-	-	-	8,244,564	8,244,564
Other Comprehensive loss	-	-	-	(68,645)	-	(68,645)
<b>Total Comprehensive (loss)/income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(68,645)</b>	<b>8,244,564</b>	<b>8,175,919</b>
<b>Balance as at September 30, 2021</b>	<b>5,000,000</b>	<b>2,000,000</b>	<b>10,801,080</b>	<b>19,434,715</b>	<b>63,528,887</b>	<b>100,764,682</b>

See notes to unaudited consolidated financial statements



**FAMGUARD CORPORATION LIMITED**  
**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the nine months ended September 30, 2021**  
(Expressed in Bahamian dollars)  
**UNAUDITED**

	<b>30-Sep-21</b>	<b>30-Sep-20</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Net Income from continuing operations</b>	<b>\$ 8,244,564</b>	<b>\$ 5,940,087</b>
Adjustments for:		
Depreciation	2,755,574	1,695,577
Unrealized loss on financial assets	72,329	1,333,913
Increase in provision for loans and receivables	1,101,831	983,940
Decrease in reinsurance assets	823,050	821,194
Change in reserve for future policyholders' benefits	8,981,732	8,275,380
Interest income	(11,408,276)	(9,874,143)
Dividend income	(573,161)	(540,212)
<b>Operating profit before working capital changes</b>	<b>9,997,643</b>	<b>8,635,736</b>
(Increase)/decrease in receivables and other assets	(134,987)	1,378,550
(Increase)/decrease in reinsurance recoveries	(140,271)	1,792,554
Increase in premium receivables	(720,993)	(2,512,072)
Increase/(decrease) in payables and accruals	352,625	(2,853,774)
Increase in other policyholders' funds	2,015,107	2,737,123
<b>Net cash from operating activities</b>	<b>11,369,124</b>	<b>9,178,117</b>
<b>Cash flows from investing activities:</b>		
Pension forfeitures reinvested	(140,750)	(50,019)
Purchase of investment securities	(23,000,000)	(20,066,073)
Proceeds from maturity of investment securities	3,794,392	4,949,965
Net Loans repaid	3,505,111	2,244,144
Net purchase of property and equipment	(2,045,646)	(374,315)
Interest received	11,175,586	9,830,764
Dividends received	573,161	540,212
<b>Net cash used in investing activities</b>	<b>(6,138,147)</b>	<b>(2,925,322)</b>
<b>Cash flows from financing activities</b>		
Lease repayments	(54,529)	(43,740)
Dividends paid on preference shares	(143,750)	(143,750)
Dividends paid on ordinary shares	(2,800,000)	(2,200,000)
<b>Net cash used in financing activities</b>	<b>(2,998,279)</b>	<b>(2,387,490)</b>
Net decrease in cash and cash equivalents from continuing operations	2,232,699	3,865,305
Cash and cash equivalents at beginning of the period	18,663,649	20,295,541
<b>Cash and cash equivalents at end of the period</b>	<b>\$ 20,896,348</b>	<b>\$ 24,160,846</b>

See notes to unaudited consolidated financial statements

**FAMGUARD CORPORATION LIMITED**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the nine months ended September 30, 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 31<sup>st</sup>, 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 nine months ended September 30, 2021

(Expressed in Bahamian Dollars)

Unaudited

(Continued)

**3. Earnings per ordinary share**

	<b>30-Sep-21</b>	<b>30-Sep-20</b>
Weighted average number of shares outstanding	10,000,000	10,000,000
Consolidated net income attributable to ordinary shareholders	<u>\$ 8,100,814</u>	<u>\$ 5,796,337</u>
<b>Earnings per ordinary share</b>	<u><u>\$ 0.81</u></u>	<u><u>\$ 0.58</u></u>

**4. Commitments**

Outstanding commitments to extend credit under the mortgage loan agreements amounted to approximately \$831,842 as at 30<sup>th</sup> September, 2021 (31<sup>st</sup> 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 11 November 2021, the Board of Directors declared a dividend of \$0.10 per share to ordinary shareholders of record as of 24<sup>th</sup> November 2021 and payable on 1<sup>st</sup> December 2021.

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

[www.famguardbahamas.com](http://www.famguardbahamas.com)