



Interim Consolidated Financial Statements for the 6 Months Ended 30 June, 2020  
(Unaudited)

**FAMGUARD CORPORATION LIMITED**

INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30  
JUNE, 2020

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FAMGUARD CORPORATION LIMITED  
**CHAIRMAN'S REPORT**  
Unaudited Results for the Six months ended 30 June 2020

**MESSAGE FROM THE CHAIRMAN**

For the six months of 2020, the economy has been subjugated by the impact of the COVID-19 pandemic which significantly impacted economic activity within the country; this coming on the heels of hurricane Dorian in the last quarter of 2019. Despite these challenging economic conditions for which the pandemic has subjected our economy, FamGuard continues to weather the storms, with reported profits of \$4.5 million for the period ending 30 June 2020 compared to \$5.5m in the comparative period for 2019. Profit attributable to ordinary shareholders represented \$0.44 per ordinary share, compared to \$0.48 per share in 2019.

The Company recorded revenues totaling \$63.0 million for the six months ended June 2020, which trailed the \$65.6 million recorded in June 2019. Investment income declined by 27.2% over the corresponding prior period. Net fair value losses from fluctuations in market prices in the equity and bond market continue to be the main contributor to the negative variance, reflective of the impacts of the pandemic.

Policyholder benefits totaled \$39.5 million compared to \$42.5 million for the six month period of 2019. The positive variance in benefits is primarily attributed to a decline in individual and group medical claims incurred during quarter two, as restrictions on movement and the elimination of elective procedures impacted the normal access to medical care. Total expenses show a positive variance over the corresponding prior period, which reflects the efforts by Management to manage expenses during this challenging time as planned expenses were deferred or forgone to reduce the impact of COVID-19 on the business.

The Company's balance sheet remains strong with total assets exceeding \$349 million, of which investment assets comprised \$268 million, representing 77% of our total asset base. The Company's insurance subsidiary, Family Guardian Insurance Company Limited continues to maintain capital solvency measures above the local and international minimum requirements.

2020 continues to be a year of unprecedented challenges. While we are cautiously optimistic that this pandemic will eventually be behind us, a second surge of the virus has led to additional lockdowns and restrictions, bringing further uncertainty as to the duration and extent of the impact that it will have on the economy and the Company. These challenges compel Management and the Board of Directors to exercise greater prudence in our fiscal responsibilities as we work to preserve capital adequacy, protect the Company's value, and achieve targeted performance as a part of our commitment to policyholders and shareholders. To this end, the Board of Directors has declared a dividend of \$0.06 per share for shareholders of record as of 19 August 2020, payable on 26 August 2020. The Board remains vigilant in monitoring the developments surrounding COVID-19 and wishes to advise shareholders that it may be required to further adjust or possibly defer future dividends.

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,



Norbert Boissiere  
Chairman

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

As at June 30, 2020

(Expressed in Bahamian dollars)

UNAUDITED

	<b>30 June 2020</b>	<b>31 December 2019</b>
<b>ASSETS</b>		
Fair value through profit or loss	\$ 18,582,126	\$ 19,900,129
Available-for-sale	10,732,009	11,467,971
Held-to-maturity	153,223,211	143,441,417
Loans	85,318,155	86,412,527
Total financial investment assets	267,855,501	261,222,044
Cash and bank balances	19,187,968	20,295,541
Reinsurance assets	3,352,518	3,536,748
Reinsurance recoveries	9,708,878	9,720,818
Receivables and other assets, net	3,506,054	3,940,458
Premiums receivable, net	7,606,818	4,396,861
Property, plant and equipment, net	38,256,386	39,293,991
<b>TOTAL</b>	<b>\$ 349,474,123</b>	<b>\$ 342,406,461</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES:</b>		
Reserves for future policyholders' benefits	\$ 225,324,689	\$ 219,975,025
Other policyholders' funds	22,472,324	20,426,183
Policy liabilities	247,797,013	240,401,208
Payables and accruals	12,321,790	14,667,646
Total liabilities	260,118,803	255,068,854
<b>EQUITY:</b>		
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	18,334,558	19,070,327
Retained earnings	53,219,682	50,466,200
Total equity	89,355,320	87,337,607
<b>TOTAL</b>	<b>\$ 349,474,123</b>	<b>\$ 342,406,461</b>

See notes to unaudited consolidated financial statements

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

For the six months ended June 30, 2020

(Expressed in Bahamian dollars)

UNAUDITED

	<b>6 months to 30-Jun-20</b>	<b>6 months to 30-Jun-19</b>
<b>CONTINUING OPERATIONS</b>		
<b>INCOME:</b>		
Gross premium income	\$ 55,980,213	\$ 55,412,179
Premium ceded to reinsurers	(5,898,738)	(5,294,962)
Net premium income	<u>50,081,475</u>	<u>50,117,217</u>
Annuity & other deposits	6,549,370	6,841,817
Net premium income and annuity deposits	<u>56,630,845</u>	<u>56,959,034</u>
Interest income	6,548,777	6,354,538
Dividend income	360,872	412,068
Unrealized (los) gain on investment assets	(1,358,884)	714,044
Realized gain from sale of investment assets	-	149,019
Other operating income	777,599	974,429
Total income	<u>62,959,209</u>	<u>65,563,131</u>
<b>BENEFITS AND EXPENSES:</b>		
Benefits:		
Policyholders' benefits	36,232,290	40,840,395
Reinsurance recoveries	(2,473,282)	(2,724,602)
Net policyholders' benefits	33,759,008	38,115,793
Change in reserves for policyholders' benefits	5,712,093	4,419,463
Total benefits	<u>39,471,101</u>	<u>42,535,256</u>
Expenses:		
Commissions	6,167,673	6,927,667
Operating expenses	9,040,307	10,101,018
Depreciation expense	1,130,078	550,832
Premium tax	1,679,494	1,633,778
Bad debt expense	973,324	291,918
Total expenses	<u>18,990,876</u>	<u>19,505,213</u>
Total benefits and expenses	<u>58,461,977</u>	<u>62,040,468</u>
<b>Net income from continuing operations</b>	4,497,232	3,522,663
<b>DISCONTINUED OPERATIONS</b>		
Net income from discontinued operations	-	2,022,679
<b>NET INCOME</b>	<u>4,497,232</u>	<u>5,545,342</u>
<b>NET INCOME ATTRIBUTABLE TO</b>		
Ordinary Shareholders	\$ 4,353,482	\$ 4,777,798
Preferred Shareholders	143,750	143,750
Non-controlling interests	-	623,794
	<u>4,497,232</u>	<u>5,545,342</u>
<b>Earnings per ordinary share</b>	<u>\$ 0.44</u>	<u>\$ 0.48</u>

See notes to unaudited consolidated financial statements

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

For the Three months ended June 30, 2020

(Expressed in Bahamian dollars)

UNAUDITED

	<b>3 months to 30-Jun-20</b>	<b>3 months to 30-Jun-19</b>
<b>INCOME:</b>		
Net premium income	\$ 25,231,603	\$ 25,607,117
Annuity & other deposits	1,947,925	3,860,879
<b>Net premium income and deposits</b>	<b>27,179,528</b>	<b>29,467,996</b>
Investment income	2,510,041	4,211,317
Other operating income	409,364	497,402.11
<b>Total income</b>	<b>30,098,933</b>	<b>34,176,715</b>
<b>BENEFITS AND EXPENSES:</b>		
Net policyholder benefits	17,435,649	22,346,991
Commissions	2,754,232	3,471,116
Operating expenses	7,103,915	6,428,173
<b>Total benefits and expenses</b>	<b>27,293,796</b>	<b>32,246,280</b>
<b>Net income from continuing operations</b>	<b>\$ 2,805,137</b>	<b>\$ 1,930,435</b>
<b>DISCONTINUED OPERATIONS</b>		
Net income from discontinued operations	-	1,413,465
<b>NET INCOME</b>	<b>\$ 2,805,137</b>	<b>\$ 3,343,900</b>
<b>NET PROFIT ATTRIBUTABLE TO :</b>		
Ordinary Shareholders	\$ 2,661,387	\$ 2,920,547
Preferred Shareholders	143,750	143,750
Non-controlling interests	-	279,603
	<b>\$ 2,805,137</b>	<b>\$ 3,343,900</b>
<b>Earnings per ordinary share</b>	<b>\$ 0.27</b>	<b>\$ 0.29</b>

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED  
**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
For the six months ended June 30, 2020  
(Expressed in Bahamian dollars)  
UNAUDITED

	<b>6 Months to 30-Jun-20</b>	<b>6 Months to 30-Jun-19</b>
NET INCOME	\$ 4,497,232	\$ 5,545,342
<b>OTHER COMPREHENSIVE INCOME</b>		
Net (loss) gain on available-for-sale financial assets	<u>(735,769)</u>	<u>33,236</u>
Total other comprehensive (loss) income	<u>(735,769)</u>	<u>33,236</u>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b><u>\$ 3,761,463</u></b>	<b><u>\$ 5,578,578</u></b>
<b>COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>		
Ordinary Shareholders	\$ 3,617,713	\$ 4,811,034
Non controlling interests	<u>-</u>	<u>623,794</u>
	<b><u>\$ 3,761,463</u></b>	<b><u>\$ 5,578,578</u></b>
<b>Earnings per ordinary share</b>	<b><u>\$ 0.36</u></b>	<b><u>\$ 0.48</u></b>

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended June 30, 2020

(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>	
<b>Balance as of December 31, 2018</b>	\$ 5,000,000	\$ 2,000,000	\$ 10,801,080	\$ 18,605,500	\$ 46,536,285	\$ 82,942,865	\$ 40,401,208	\$ 123,344,073
<b>Transactions with owners</b>								
Dividends declared and paid -								
Preference shares	-	-	-	-	(287,500)	(287,500)	-	(287,500)
Ordinary shares (\$0.32 per share)	-	-	-	-	(3,200,000)	(3,200,000)	-	(3,200,000)
<b>Total transactions with owners</b>	-	-	-	-	(3,487,500)	(3,487,500)	-	(3,487,500)
<b>Comprehensive income</b>								
Net equity impact of								
disposal of discontinued operations	-	-	-	-	-	-	(41,024,927)	(41,024,927)
Net Income	-	-	-	-	7,420,950	7,420,950	623,719	8,044,669
Other Comprehensive income (loss)	-	-	-	464,827	(3,535)	461,292	-	461,292
<b>Total Comprehensive income (loss)</b>	-	-	-	464,827	7,417,415	7,882,242	(40,401,208)	(32,518,966)
<b>Balance as of December 31, 2019</b>	5,000,000	2,000,000	10,801,080	19,070,327	50,466,200	87,337,607	-	87,337,607
<b>Transactions with owners</b>								
Dividends declared and paid -								
Preference shares	-	-	-	-	(143,750)	(143,750)	-	(143,750)
Ordinary shares (\$0.16 per share)	-	-	-	-	(1,600,000)	(1,600,000)	-	(1,600,000)
<b>Total transactions with owners</b>	-	-	-	-	(1,743,750)	(1,743,750)	-	(1,743,750)
<b>Comprehensive income</b>								
Net Income	-	-	-	-	4,497,232	4,497,232	-	4,497,232
Other Comprehensive income	-	-	-	(735,769)	-	(735,769)	-	(735,769)
<b>Total Comprehensive income</b>	-	-	-	(735,769)	4,497,232	3,761,463	-	3,761,463
<b>Balance as of June 30, 2020</b>	5,000,000	2,000,000	10,801,080	18,334,558	53,219,682	89,355,320	-	89,355,320

See notes to unaudited consolidated financial statements



**FAMGUARD CORPORATION LIMITED**  
**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the six months ended June 30, 2020**  
(Expressed in Bahamian dollars)  
**UNAUDITED**

	<b>30-Jun-20</b>	<b>30-Jun-19</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Net Income from continuing operations</b>	<b>\$ 4,497,232</b>	<b>\$ 3,522,663</b>
Adjustments for:		
Depreciation	1,130,078	550,832
Unrealized loss (gain) on investment assets	1,358,884	(714,044)
Realized gain on sale of investment assets	-	(149,019)
Increase in provision for loans and receivables	973,324	291,918
Decrease (increase) in reinsurance assets	184,230	(142,815)
Change in reserve for future policyholders' benefits	5,349,664	4,562,278
Interest income	(6,548,777)	(6,354,538)
Dividend income	(360,872)	(412,068)
<b>Operating profit before working capital changes</b>	<b>6,583,763</b>	<b>1,155,207</b>
Decrease (increase) in receivables and other assets	430,224	(121,747)
Decrease in reinsurance recoveries	11,940	2,938,312
Increase in premium receivables	(3,326,978)	(1,198,776)
Decrease in payables and accruals	(2,345,856)	(6,731)
Increase (decrease) in other policyholders' funds	2,046,141	(273,682)
<b>Net cash from operating activities</b>	<b>3,399,234</b>	<b>2,492,583</b>
<b>Cash flows from investing activities:</b>		
Purchase of investment securities	(11,548,081)	(1,827,360)
Proceeds from maturity of investment securities	1,820,784	4,007,685
Net Loans repaid (issued)	452,239	(852,271)
Purchase of property, plant and equipment	(92,473)	-
Proceeds from disposal of property, plant, and equipment	-	2,001
Interest received	6,243,601	6,496,935
Dividends received	360,872	412,068
<b>Net cash (used in) from investing activities</b>	<b>(2,763,057)</b>	<b>8,239,058</b>
<b>Cash flows from financing activities</b>		
Dividends paid on preference shares	(143,750)	(143,750)
Dividends paid on ordinary shares	(1,600,000)	(1,600,000)
<b>Net cash used in financing activities</b>	<b>(1,743,750)</b>	<b>(1,743,750)</b>
Net (decrease) increase in cash and cash equivalents from continuing operations	(1,107,573)	8,987,891
Net cash and cash equivalents from discontinued operations	-	(4,897,440)
Cash and cash equivalents at beginning of the period	20,295,541	9,853,144
<b>Cash and cash equivalents at end of the period</b>	<b>\$ 19,187,968</b>	<b>\$ 13,943,595</b>

See notes to unaudited consolidated financial statements

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

For the six months ended 30 June, 2020

(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.

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>, 2019 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 2019.

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

For the six months ended 30 June, 2020

(Expressed in Bahamian Dollars)

Unaudited

(Continued)

**3. Earnings per ordinary share**

	<b>30-Jun-20</b>	<b>30-Jun-19</b>
Weighted average number of shares outstanding	10,000,000	10,000,000
Consolidated net income attributable to ordinary shareholders	<u>\$ 4,353,482</u>	<u>\$4,777,798</u>
<b>Earnings per ordinary share</b>	<u>\$ 0.44</u>	<u>\$ 0.48</u>

**4. Commitments**

Outstanding commitments to extend credit under mortgage loan agreements amounted to \$2,191,852 as at 30 June, 2020 (31 December 2019: \$3,669,745).

**5. Corresponding Figures**

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

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

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