



# FAMGUARD CORPORATION

Interim Consolidated Financial Statements for the 3 Months Ended March 31<sup>st</sup>, 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

	<b>31 March 2018</b>	<b>31 December 2017</b>
<b>ASSETS</b>		
Fair value through profit or loss	\$ 12,683,117	\$ 13,141,669
Available-for-sale	13,164,057	14,661,519
Held-to-maturity	176,687,890	176,204,739
Loans	81,320,702	80,030,193
Total financial investment assets	<u>283,855,766</u>	<u>284,038,120</u>
Cash and bank balances	11,054,785	17,225,818
Reinsurance assets	6,791,018	6,520,948
Reinsurance recoveries	11,110,212	8,465,343
Receivables and other assets, net	12,626,283	6,331,591
Premiums receivable, net	5,506,570	5,604,141
Intangible Assets, net	75,000	278,333
Property, plant and equipment, net	<u>37,592,636</u>	<u>37,647,134</u>
TOTAL	<u><u>\$ 368,612,270</u></u>	<u><u>\$ 366,111,428</u></u>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES:</b>		
Reserves for future policyholders' benefits	\$ 209,565,186	\$ 207,261,509
Other policyholders' funds	19,804,408	18,072,481
Policy liabilities	229,369,594	225,333,990
Payables and accruals	13,835,374	15,518,564
Total liabilities	<u>243,204,968</u>	<u>240,852,554</u>
<b>EQUITY:</b>		
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	14,117,255	15,082,090
Retained earnings	50,337,479	48,794,646
Equity attributable to owners of the Parent	<u>87,255,814</u>	<u>86,677,816</u>
Non-controlling interest	38,151,488	38,581,058
Total equity	<u>125,407,302</u>	<u>125,258,874</u>
TOTAL	<u><u>\$ 368,612,270</u></u>	<u><u>\$ 366,111,428</u></u>

See notes to unaudited consolidated financial statements

## FAMGUARD CORPORATION LIMITED

**INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

For the 3 months ended March 31, 2018

(Expressed in Bahamian dollars)

**UNAUDITED**

	<b>3 Months to 31-Mar-18</b>	<b>3 Months to 31-Mar-17</b>
<b>INCOME:</b>		
Gross premium income	\$ 26,641,547	\$ 25,623,771
Premium ceded to reinsurers	(1,804,641)	(2,432,077)
Net premium income	<b>24,836,906</b>	<b>23,191,694</b>
Annuity deposits	2,223,899	1,965,633
Net premium income and annuity deposits	<b>27,060,805</b>	<b>25,157,327</b>
Interest income	3,553,973	3,350,793
Dividend income	335,500	353,624
Unrealized (loss) gain on investment assets	(396,099)	(479,079)
Realized loss from sale of assets	(262,581)	(80,587)
Other operating income	433,072	391,054
Total income	<b>30,724,670</b>	<b>28,693,132</b>
<b>BENEFITS AND EXPENSES:</b>		
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	<b>19,647,156</b>	<b>18,381,133</b>
Expenses:		
Commissions	3,126,296	2,902,012
Operating expenses	4,764,285	4,505,297
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	8,736,715
Total benefits and expenses	<b>28,483,153</b>	<b>27,117,848</b>
<b>NET INCOME</b>	<b>\$ 2,241,517</b>	<b>\$ 1,575,284</b>
<b>NET INCOME ATTRIBUTABLE TO</b>		
Ordinary Shareholders	\$ 2,107,995	\$ 1,533,065
Non-controlling interests	133,522	42,219
	<b>2,241,517</b>	<b>1,575,284</b>
<b>Earnings per ordinary share</b>	\$ 0.21	\$ 0.15

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED  
**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the 3 months ended March 31, 2018

(Expressed in Bahamian dollars)

**UNAUDITED**

	<b>3 Months to 31-Mar-18</b>	<b>3 Months to 31-Mar-17</b>
NET INCOME	\$ 2,241,517	\$ 1,575,284
<b>OTHER COMPREHENSIVE INCOME</b>		
Net loss on available-for-sale financial assets	(964,836)	(216,723)
Total Other Comprehensive Income	<u>(964,836)</u>	<u>(216,723)</u>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b><u>\$ 1,276,681</u></b>	<b><u>\$ 1,358,561</u></b>
<b>COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>		
Ordinary Shareholders	\$ 1,143,159	\$ 1,316,342
Non controlling interests	133,522	42,219
	<b><u>\$ 1,276,681</u></b>	<b><u>\$ 1,358,561</u></b>
<b>Earnings per ordinary share</b>	<b><u>\$ 0.11</u></b>	<b><u>\$ 0.13</u></b>

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED

**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the 3 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	<u>Non-Controlling Interests</u>	<u>Total</u>
	<u>Preference Shares</u>	<u>Ordinary Shares</u>				of the		
<b>Balance as of December 31, 2016</b>	\$ 10,000,000	\$ 2,000,000	\$ 10,801,080	\$ 16,572,792	\$ 39,941,590	\$ 79,443,967	\$ 34,420,152	\$ 113,864,119
Additional non-controlling interest arising from net contributions from investors							\$ 3,104,735	\$ 3,104,735
Profit for 2016	-	-	-	-	6,811,877	6,811,877	1,056,171	7,868,048
Other Comprehensive income for 2016				(1,490,702)	(41,008)	3,421,973		3,421,973
Dividends declared and paid - preference shares	-	-	-	-	(600,000)	(600,000)		(600,000)
ordinary shares (\$0.29 per share)	-	-	-	-	(2,400,000)	(2,400,000)	-	(2,400,000)
<b>Balance as of December 31, 2017</b>	<b>10,000,000</b>	<b>2,000,000</b>	<b>10,801,080</b>	<b>15,082,090</b>	<b>43,712,459</b>	<b>86,677,817</b>	<b>38,581,058</b>	<b>125,258,875</b>
Additional non-controlling interest arising from net contributions from investors							(563,092)	(563,092)
Profit for 2017	-	-	-	-	2,107,995	2,107,995	133,522	2,241,512
Other Comprehensive income for 2017								
Adjustment to fair value of investment in equities	-	-	-	(964,836)	-	(964,836)	-	(964,836)
Dividends declared and paid - preference shares	-	-	-	-	-	-	-	-
ordinary shares (\$0.06 per share)	-	-	-	-	(600,000)	(600,000)	-	(600,000)
<b>Balance as of March 31, 2018</b>	<b>\$ 10,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 10,801,080</b>	<b>\$ 14,117,254</b>	<b>\$ 45,220,454</b>	<b>\$ 87,220,976</b>	<b>\$ 38,151,488</b>	<b>\$ 125,372,712</b>

**FAMGUARD CORPORATION LIMITED**  
**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the 3 months ended March 31, 2018**  
(Expressed in Bahamian dollars)  
UNAUDITED

	31-Mar-18	31-Mar-17
<b>Cash flows from operating activities</b>		
<b>Profit</b>	<b>\$ 2,241,517</b>	<b>\$ 1,575,284</b>
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	2,303,677	556,042
Interest income	(3,553,973)	(3,346,033)
Dividend income	(335,500)	(353,624)
<b>Operating profit before working capital changes</b>	<b>1,197,230</b>	<b>761,154</b>
Increase in receivables and other assets	(6,294,692)	(2,512,398)
Increase in reinsurance recoveries	(2,644,869)	(430,125)
Decrease (Increase) in premium receivables, net	97,571	(141,306)
(Decrease) increase in payables and accruals	(1,683,190)	2,016,121
Increase in other policyholders' funds	1,731,927	573,207
<b>Net cash (used in) from operating activities</b>	<b>(7,596,023)</b>	<b>266,653</b>
<b>Cash flows from investing activities</b>		
Net changes in non-controlling interest	(959,192)	1,383,626
Net Maturity (placement) of bank term deposits greater than three months	172,715	(17,423)
Net proceeds from 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	-
Purchase of FVTPL investments assets	-	(3,096,052)
Sale of FVTPL investments assets	-	2,927,889
Net Policy loans issued	(108,528)	(343,764)
Net mortgage loans (issued) collections	(1,070,788)	12,998
Net purchase of property, plant and equipment	(298,133)	(784,781)
Interest received	3,794,824	3,861,504
Dividends received	335,500	353,624
<b>Net cash from investing activities</b>	<b>2,024,990</b>	<b>8,824,957</b>
<b>Cash flows from financing activities</b>		
Dividends paid on ordinary shares	(600,000)	(600,000)
<b>Net cash used in financing activities</b>	<b>(600,000)</b>	<b>(600,000)</b>
Net (decrease) increase in cash and cash equivalents	(6,171,033)	8,491,610
Cash and cash equivalents at beginning of the period	17,225,818	16,145,293
<b>Cash and cash equivalents at end of the period</b>	<b>\$ 11,054,785</b>	<b>\$ 24,636,903</b>

See notes to unaudited consolidated financial statements

## **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 31<sup>st</sup>, 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

	<b>3 Months to 31-Mar-18</b>	<b>3 Months to 31-Mar-17</b>
Weighted average number of shares outstanding	10,000,000	10,000,000
Consolidated net income attributable to ordinary shareholders	<u>\$ 2,107,995</u>	<u>\$1,533,065</u>
<b>Earnings per ordinary share</b>	<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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