

FAMGUARD CORPORATION

Interim Consolidated Financial Statements for the
Twelve Months Ended 31 December 2020
(Unaudited)



FAMGUARD
CORPORATION LIMITED



FAMGUARD CORPORATION LIMITED

INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE TWELVE MONTHS ENDED
31 DECEMBER, 2020

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FAMGUARD CORPORATION LIMITED
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2020

(Expressed in Bahamian dollars)

UNAUDITED

	31 December 2020	31 December 2019
ASSETS		
Fair value through profit or loss	\$ 18,540,887	\$ 19,900,129
Available-for-sale	10,331,155	11,467,971
Held-to-maturity	177,729,009	143,441,417
Loans	82,368,799	86,412,527
Total financial investment assets	<u>288,969,850</u>	<u>261,222,044</u>
Cash and bank balances	18,831,829	20,295,541
Reinsurance assets	2,629,415	3,536,748
Reinsurance recoveries	4,722,780	9,720,818
Receivables and other assets, net	3,211,124	4,489,149
Premiums receivable, net	4,967,436	3,848,170
Property, plant and equipment, net	<u>38,863,880</u>	<u>39,293,991</u>
TOTAL	<u><u>\$ 362,196,314</u></u>	<u><u>\$ 342,406,461</u></u>
LIABILITIES AND EQUITY		
LIABILITIES:		
Reserves for future policyholders' benefits	\$ 230,278,175	\$ 219,975,025
Other policyholders' funds	24,274,672	20,426,183
Policy liabilities	254,552,847	240,401,208
Payables and accruals	11,834,007	14,667,646
Total liabilities	<u>266,386,854</u>	<u>255,068,854</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	19,886,470	19,070,327
Retained earnings	58,121,910	50,466,200
Total equity	<u>95,809,460</u>	<u>87,337,607</u>
TOTAL	<u><u>\$ 362,196,314</u></u>	<u><u>\$ 342,406,461</u></u>

FAMGUARD CORPORATION LIMITED
INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the twelve months ended December 31, 2020
(Expressed in Bahamian dollars)
UNAUDITED

	12 months to 31-Dec-20	12 months to 31-Dec-19
CONTINUING OPERATIONS		
INCOME:		
Gross premium income	\$ 111,721,407	\$ 110,769,655
Premium ceded to reinsurers	(12,215,435)	(10,342,701)
Net premium income	99,505,972	100,426,954
Annuity & other deposits	11,713,079	13,365,355
Net premium income and annuity deposits	111,219,051	113,792,309
Interest income	13,474,578	13,070,965
Dividend income	687,076	831,728
Unrealized (los) gain on investment assets	(1,451,418)	542,780
Realized gain from sale of investment assets	-	223,465
Realized loss on disposal of assets	-	(340,018)
Other operating income	1,929,302	1,808,232
Total income	125,858,589	129,929,461
BENEFITS AND EXPENSES:		
Benefits:		
Policyholders' benefits	69,186,133	86,300,969
Reinsurance recoveries	(3,989,208)	(9,796,690)
Net policyholders' benefits	65,196,925	76,504,279
Change in reserves for policyholders' benefits	11,388,682	8,309,889
Total benefits	76,585,607	84,814,168
Expenses:		
Commissions	12,332,016	13,790,485
Operating expenses	19,065,453	20,730,467
Depreciation expense	2,268,562	1,608,281
Premium tax	3,351,730	3,323,178
Bad debt expense	1,546,895	610,161
Total expenses	38,564,656	40,062,572
Total benefits and expenses	115,150,263	124,876,740
Net income from continuing operations	10,708,326	5,052,721
DISCONTINUED OPERATIONS		
Net income from discontinued operations	-	2,991,948
NET INCOME	10,708,326	8,044,669
NET INCOME ATTRIBUTABLE TO		
Ordinary Shareholders	\$ 10,420,826	\$ 7,133,450
Preferred Shareholders	287,500	287,500
Non-controlling interests	-	623,719
	10,708,326	8,044,669
Earnings per ordinary share	\$ 1.04	\$ 0.71

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED
INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the Three months ended December 31, 2020
(Expressed in Bahamian dollars)
UNAUDITED

	3 Months to 31-Dec-20	3 Months to 31-Dec-19
CONTINUING OPERATIONS		
INCOME:		
Net premium income	\$ 24,979,344	\$ 25,489,772
Annuity & other deposits	3,487,211	4,082,355
Net premium income and deposits	28,466,555	29,572,127
Investment income	3,629,794	3,872,575
Other operating income	709,766	271,627
Total income	32,806,115	33,716,329
BENEFITS AND EXPENSES:		
Net policyholder benefits	17,018,735	21,529,745
Commissions	3,076,074	3,690,538
Operating expenses	7,943,067	7,503,267
Total benefits and expenses	28,037,876	32,723,550
Net income from continuing operations	\$ 4,768,239	\$ 992,779
DISCONTINUED OPERATIONS		
Net income from discontinued operations	-	-
NET INCOME	\$ 4,768,239	\$ 992,779
NET PROFIT ATTRIBUTABLE TO :		
Ordinary Shareholders	\$ 4,768,239	\$ 992,779
Earnings per ordinary share	\$ 0.48	\$ 0.10

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED
INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the twelve months ended December 31, 2020

(Expressed in Bahamian dollars)

UNAUDITED

	12 Months to 31-Dec-20	12 Months to 31-Dec-19	\$ var
NET INCOME	\$ 10,708,326	\$ 8,044,669	2,663,657
OTHER COMPREHENSIVE INCOME			
Net (loss) gain on available-for-sale financial assets	(1,136,817)	688,292	(1,825,109)
Realized loss reclassified to net income	-	(223,465)	223,465
Revaluation of fixed assets	1,952,960	-	1,952,960
Remeasurement gain (loss) of post retirement employee benefit	34,884	(3,535)	38,419
Total other comprehensive income	<u>851,027</u>	<u>461,292</u>	389,735
TOTAL COMPREHENSIVE INCOME	<u>\$ 11,559,353</u>	<u>\$ 8,505,961</u>	3,053,392
COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Ordinary Shareholders	\$ 11,271,853	\$ 7,594,742	3,677,111
Non controlling interests	-	623,719	(623,719)
	<u>\$ 11,559,353</u>	<u>\$ 8,505,961</u>	3,053,392
Earnings per ordinary share	<u>\$ 1.13</u>	<u>\$ 0.76</u>	0.37

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the twelve months ended December 31, 2020

(Expressed in Bahamian dollars)

UNAUDITED

	Share Capital		Share Premium	Revaluation Reserve	Retained Earnings	Attributable	Non-Controlling Interests	Total
	Preference Shares	Ordinary Shares				of the Parent		
Balance as of December 31, 2018	\$ 5,000,000	\$ 2,000,000	\$ 10,801,080	\$ 18,605,500	\$ 46,536,285	\$ 82,942,865	\$ 40,401,208	\$ 123,344,073
Transactions with owners								
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)
Total transactions with owners	-	-	-	-	(3,487,500)	(3,487,500)	-	(3,487,500)
Comprehensive income								
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
Total Comprehensive income (loss)	-	-	-	464,827	7,417,415	7,882,242	(40,401,208)	(32,518,966)
Balance as of December 31, 2019	5,000,000	2,000,000	10,801,080	19,070,327	50,466,200	87,337,607	-	87,337,607
Transactions with owners								
Dividends declared and paid -								
Preference shares	-	-	-	-	(287,500)	(287,500)	-	(287,500)
Ordinary shares (\$0.28 per share)	-	-	-	-	(2,800,000)	(2,800,000)	-	(2,800,000)
Total transactions with owners	-	-	-	-	(3,087,500)	(3,087,500)	-	(3,087,500)
Comprehensive income								
Net Income	-	-	-	-	10,708,326	10,708,326	-	10,708,326
Other Comprehensive income	-	-	-	816,143	34,884	851,027	-	851,027
Total Comprehensive income	-	-	-	816,143	10,743,210	11,559,353	-	11,559,353
Balance as of December 31, 2020	5,000,000	2,000,000	10,801,080	19,886,470	58,121,910	95,809,460	-	95,809,460

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the twelve months ended December 31, 2020
(Expressed in Bahamian dollars)
UNAUDITED

	31-Dec-20	31-Dec-19
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income from continuing operations	\$ 10,708,326	\$ 5,052,721
Adjustments for:		
Net cash from operating activities	19,771,191	5,936,297
Net cash (used in) from investing activities	(18,147,403)	12,907,160
Net cash used in financing activities	<u>(3,087,500)</u>	<u>(3,503,620)</u>
Net (decrease) increase in cash and cash equivalents from continuing operations	(1,463,712)	15,339,837
Net cash and cash equivalents from discontinued operations	-	(4,897,440)
Cash and cash equivalents at beginning of the period	<u>20,295,541</u>	<u>9,853,144</u>
Cash and cash equivalents at end of the period	<u>\$ 18,831,829</u>	<u>\$ 20,295,541</u>

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the twelve months ended 31 December 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 31st, 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 twelve months ended 31 December 2020

(Expressed in Bahamian Dollars)

Unaudited

(Continued)

3. Earnings per ordinary share

	31-Dec-20	31-Dec-19
Weighted average number of shares outstanding	10,000,000	10,000,000
Consolidated net income attributable to ordinary shareholders	<u>\$ 10,420,826</u>	<u>\$ 7,133,450</u>
Earnings per ordinary share	<u>\$ 1.04</u>	<u>\$ 0.71</u>

4. Commitments

Outstanding commitments to extend credit under mortgage loan agreements amounted to \$1,368,995 as of 31 December 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.

6. Dividends

On 11 February 2021, the Board of Directors declared a fourth quarter dividend of \$0.08 per share or \$800,000 to shareholders of record as at 24 February 2021 and payable 2 March 2021.