



**FAMGUARD**  
CORPORATION LIMITED

**FAMGUARD CORPORATION LIMITED**  
**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
for the six months ended 30 June, 2021  
(Unaudited)

**FAMGUARD CORPORATION LIMITED**

INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30  
JUNE, 2021

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

**MESSAGE FROM THE CHAIRMAN**

Dear Shareholders:

As you are aware, the widespread effect of the global pandemic continues to impact the local economy, the way we conduct business, and our everyday lives. The gradual restart of tourism and distribution of vaccines has helped to restore some level of optimism; however, we continue to be challenged by increases in COVID-19 cases as a third wave is upon us. Despite the continual effects of the COVID-19 pandemic, the FamGuard Group recorded profits of \$6.3 million for the six months ended June 30, 2021, representing \$0.61 per share for ordinary shareholders. The leadership, commitment, and resilience of management, our sales agents, and support staff continue to be the key attributes that lend to the stability of the Group during these challenging times.

The Group recorded revenues totaling \$67.3 million, an increase of 6.9% over the \$63.0 million recorded in June 2020. Revenue growth was driven primarily by an increase in gross premium income of 1.3% and from investment income which contributed \$7.8 million to total revenue. Deposits on select life products and annuities totaled \$7.4 million, exceeding the prior year by 13.5%.

Policyholder benefits totaled \$40.3 million compared to \$39.5 million for the corresponding prior period. As anticipated, an uptick in medical claims during the quarter after several periods of low utilization, along with an increase in COVID-19 related deaths, contributed to the increase. Total expenses, including commissions paid to agents and brokers, exceeded the prior year by 9.3% mainly due to an increase in depreciation expense on assets placed into service during the year and provision for bad debt on premiums receivables and the loan portfolio in line with the increased credit risk as we continue through the economic impacts of the pandemic.

The Group's statement of financial position remains strong with total assets exceeding \$369 million, of which investment assets comprised \$302 million, representing 82% of our total asset base. Liabilities amounted to \$270.5 million an increase of 1.6% over the December 31, 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 \$99.4 million compared to \$95.5 million as of December 31, 2020. The Group's capital remains strong and continues to measure well in excess of the local minimum requirements established by the Insurance Commission of the Bahamas.

I am pleased to report that the Board of Directors declared a dividend of \$0.10 per share for shareholders of record as of 18 August 2021, payable on 24 August 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,



Norbert Boissiere  
Chairman

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

As at June 30, 2021

(Expressed in Bahamian dollars)

UNAUDITED

	<b>30 June</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Financial Investment Assets:		
Fair value through profit or loss	\$ 18,495,934	\$ 18,540,887
Available-for-sale	9,444,527	10,331,155
Held-to-maturity	193,705,439	177,729,365
Loans, net	79,973,393	82,488,556
Total financial investment assets	<u>301,619,293</u>	<u>289,089,963</u>
Cash and bank balances	15,910,256	18,663,649
Reinsurance assets	1,729,257	2,451,215
Reinsurance recoveries	4,456,966	4,822,780
Receivables and other assets, net	2,912,233	2,801,178
Premiums receivable, net	4,245,024	4,822,125
Right-of-use assets	644,327	688,067
Property, plant and equipment, net	<u>38,358,893</u>	<u>38,494,848</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 369,876,249</u></b>	<b><u>\$ 361,833,825</u></b>
<b>LIABILITIES</b>		
Policy Liabilities:		
Reserves for future policyholders' benefits	\$ 234,620,350	\$ 230,278,175
Other policyholders' funds	24,761,422	24,274,672
Total Policy liabilities	<u>259,381,772</u>	<u>254,552,847</u>
Payables and accruals	10,445,307	11,060,397
Lease liabilities	672,805	688,067
Total liabilities	<u>270,499,884</u>	<u>266,301,311</u>
<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	19,014,919	19,503,360
Retained earnings	<u>62,560,366</u>	<u>58,228,074</u>
Total equity	<u>99,376,365</u>	<u>95,532,514</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>\$ 369,876,249</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 six months ended June 30, 2021

(Expressed in Bahamian dollars)

UNAUDITED

	<b>6 months to 30-Jun-21</b>	<b>6 months to 30-Jun-20</b>
<b>INCOME:</b>		
Gross premium income	\$ 56,688,373	\$ 55,980,213
Premium ceded to reinsurers	(5,507,372)	(5,898,738)
Net premium income	51,181,001	50,081,475
Annuity & other deposits	7,436,527	6,549,370
Net premium income and annuity deposits	58,617,528	56,630,845
Interest income	7,503,631	6,548,777
Dividend income	362,749	360,872
Unrealized loss on investment assets	(113,899)	(1,358,884)
Other operating income	948,699	777,599
<b>Total income</b>	<b>67,318,708</b>	<b>62,959,210</b>
<b>BENEFITS AND EXPENSES:</b>		
Benefits:		
Policyholders' benefits	37,598,823	36,232,290
Reinsurance recoveries	(2,386,549)	(2,473,282)
Net policyholders' benefits	35,212,274	33,759,009
Change in reserves for policyholders' benefits	5,064,133	5,712,093
<b>Total benefits</b>	<b>40,276,407</b>	<b>39,471,102</b>
Expenses:		
Commissions	6,404,890	6,167,673
Operating expenses	9,460,337	9,040,307
Depreciation expense	1,859,592	1,130,078
Premium tax	1,700,651	1,679,494
Bad debt expense	1,340,789	973,324
<b>Total expenses</b>	<b>20,766,259</b>	<b>18,990,878</b>
<b>Total benefits and expenses</b>	<b>61,042,666</b>	<b>58,461,980</b>
<b>NET INCOME</b>	<b>6,276,042</b>	<b>4,497,230</b>
<b>NET INCOME ATTRIBUTABLE TO:</b>		
Ordinary Shareholders	\$ 6,132,292	\$ 4,353,480
Preferred Shareholders	143,750	143,750
	<b>6,276,042</b>	<b>4,497,230</b>
<b>Basic earnings per ordinary share</b>	<b>\$ 0.61</b>	<b>\$ 0.44</b>

See notes to unaudited consolidated financial statements

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

For the Three months ended June 30, 2021

(Expressed in Bahamian dollars)

UNAUDITED

	<b>3 months to 30-Jun-21</b>	<b>3 months to 30-Jun-20</b>
<b>INCOME:</b>		
Net premium income	\$ 24,975,037	\$ 25,231,603
Annuity & other deposits	3,732,474	1,947,925
Net premium income and deposits	<u>28,707,511</u>	<u>27,179,528</u>
Investment income	4,076,634	2,510,042
Other operating income	435,472	409,364
<b>Total income</b>	<b><u>33,219,617</u></b>	<b><u>30,098,934</u></b>
<b>BENEFITS AND EXPENSES:</b>		
Net policyholder benefits	21,181,061	17,435,630
Commissions	3,311,741	2,754,232
Operating expenses	7,533,534	7,103,916
<b>Total benefits and expenses</b>	<b><u>32,026,336</u></b>	<b><u>27,293,779</u></b>
<b>NET INCOME</b>	<b><u>\$ 1,193,281</u></b>	<b><u>\$ 2,805,155</u></b>
<b>NET PROFIT ATTRIBUTABLE TO :</b>		
Ordinary Shareholders	\$ 1,049,531	\$ 2,661,405
Preferred Shareholders	143,750	143,750
	<b><u>\$ 1,193,281</u></b>	<b><u>\$ 2,805,155</u></b>
<b>Earnings per ordinary share</b>	<b><u>\$ 0.10</u></b>	<b><u>\$ 0.27</u></b>

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED

**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the six months ended June 30, 2021

(Expressed in Bahamian dollars)

UNAUDITED

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	<b>6 Months to 30-Jun-21</b>	<b>6 Months to 30-Jun-20</b>
NET INCOME	\$ 6,276,042	\$ 4,497,230
<b>OTHER COMPREHENSIVE INCOME</b>		
Net loss on available-for-sale financial assets	(886,433)	(735,769)
Revaluation of fixed assets	<u>397,992</u>	<u>-</u>
Total other comprehensive loss	<u>(488,441)</u>	<u>(735,769)</u>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b><u>\$ 5,787,601</u></b>	<b><u>\$ 3,761,461</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, 2021

(Expressed in Bahamian dollars)

UNAUDITED

	<u>Share Capital</u>		<u>Share Premium</u>	<u>Revaluation Reserve</u>	<u>Retained Earnings</u>	<u>Total</u>
	<u>Preference Shares</u>	<u>Ordinary 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 (\$0.18 per share)	-	-	-	-	(1,800,000)	(1,800,000)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,943,750)</b>	<b>(1,943,750)</b>
<b>Comprehensive income</b>						
Net Income	-	-	-	-	6,276,042	6,276,042
Other Comprehensive loss	-	-	-	(488,441)	-	(488,441)
<b>Total Comprehensive (loss)/income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(488,441)</b>	<b>6,276,042</b>	<b>5,787,601</b>
<b>Balance as at June 30, 2021</b>	<b>5,000,000</b>	<b>2,000,000</b>	<b>10,801,080</b>	<b>19,014,919</b>	<b>62,560,366</b>	<b>99,376,365</b>

See notes to unaudited consolidated financial statements



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

	<b>30-Jun-21</b>	<b>30-Jun-20</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Net Income from continuing operations</b>	<b>\$ 6,276,042</b>	<b>\$ 4,497,230</b>
Adjustments for:		
Depreciation	1,859,592	1,130,078
Unrealized loss on financial assets	113,899	1,358,884
Increase in provision for loans and receivables	1,340,789	973,324
Decrease in reinsurance assets	721,958	184,230
Change in reserve for future policyholders' benefits	4,342,175	5,349,664
Interest income	(7,503,631)	(6,548,777)
Dividend income	(362,749)	(360,872)
<b>Operating profit before working capital changes</b>	<b>6,788,075</b>	<b>6,583,760</b>
(Increase)/decrease in receivables and other assets	(111,055)	430,224
Decrease in reinsurance recoveries	365,814	11,940
Decrease/(increase) in premium receivables	577,101	(3,326,978)
Decrease in payables and accruals	(615,090)	(2,345,856)
Increase in other policyholders' funds	486,750	2,046,141
<b>Net cash from operating activities</b>	<b>7,491,595</b>	<b>3,399,231</b>
<b>Cash flows from investing activities:</b>		
Pension forfeitures reinvested	(68,946)	(40,880)
Purchase of investment securities	(16,000,000)	(11,548,081)
Proceeds from redemption/maturities of investment securities	300,096	1,820,784
Net Loans repaid	2,128,065	452,239
Net purchase of property and equipment	(1,723,637)	(92,473)
Interest received	6,744,176	6,296,386
Dividends received	362,749	360,872
<b>Net cash used in investing activities</b>	<b>(8,257,497)</b>	<b>(2,751,153)</b>
<b>Cash flows from financing activities</b>		
Lease repayments	(43,740)	(11,902)
Dividends paid on preference shares	(143,750)	(143,750)
Dividends paid on ordinary shares	(1,800,000)	(1,600,000)
<b>Net cash used in financing activities</b>	<b>(1,987,490)</b>	<b>(1,755,652)</b>
Net decrease in cash and cash equivalents	(2,753,393)	(1,107,573)
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>\$ 15,910,256</b>	<b>\$ 19,187,968</b>

See notes to unaudited consolidated financial statements

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

For the six months ended June 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 six months ended June 30, 2021

(Expressed in Bahamian Dollars)

Unaudited

(Continued)

**3. Earnings per ordinary share**

	<b>30-Jun-21</b>	<b>30-Jun-20</b>
Weighted average number of shares outstanding	10,000,000	10,000,000
Consolidated net income attributable to ordinary shareholders	<u>\$ 6,132,292</u>	<u>\$ 4,353,480</u>
<b>Earnings per ordinary share</b>	<u><u>\$ 0.61</u></u>	<u><u>\$ 0.44</u></u>

**4. Commitments**

Outstanding commitments to extend credit under the mortgage loan agreements amounted to approximately \$930,321 as at 30 June, 2021 (31 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 5 August 2021, the Board of Directors declared a dividend of \$0.10 per share or \$1,000,000 to shareholders of record as of 18 August 2021 and payable on 24 August 2021.

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

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