



FAMGUARD
CORPORATION

CONDENSED
CONSOLIDATED

**FINANCIAL
STATEMENTS**

—
2
0
2
4
—

famguardbahamas.com

For the 3 months ended 31st, March 2024
Unaudited

FAMGUARD CORPORATION LIMITED

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS
ENDED 31 MARCH, 2024

TABLE OF CONTENTS

| | Page |
|--|-------------|
| Chairman's Report | 3 |
| Condensed Consolidated Statement of Financial Position | 4 |
| Condensed Consolidated Statement of Income | 5 |
| Condensed Consolidated Statement of Comprehensive Income | 6 |
| Condensed Consolidated Statement of Changes in Equity | 7 |
| Condensed Consolidated Statement of Cash Flows | 8 |
| Notes to Condensed Consolidated Financial Statements | 9-10 |

FAMGUARD CORPORATION LIMITED
CHAIRMAN'S REPORT
Unaudited Results for the Three months ended 31 March 2024

MESSAGE FROM THE CHAIRMAN

Dear Shareholders:

We are pleased to report that for the three months ending 31 March 2024, FamGuard Corporation recorded profits of \$2.6 million, representing \$0.09 per share for common shareholders. The underlying earnings have been largely driven by a reduction in group and individual medical claims incurred during the quarter combined with the continued premium growth in our core business across the various divisions.

The Group reported insurance revenue of \$25.8 million for the three months ended March 31, 2024, compared to \$25.1 million reported for the comparative prior period. Insurance revenue increased in all lines of business during the first quarter, which continues to reflect strong results from new business growth and persistency.

Insurance service expenses totaled \$21.2 million for the quarter, a 3.2% positive variance over the prior year. Effective case management resulted in subrogation recoveries and savings on claims costs, which positively impacted the total claims paid during the quarter. Net expenses from reinsurance contracts held totaled \$830,322 reflecting the reduction in reinsurance premium rates for the group and individual medical division during the 2024 renewal period and an increase in reinsurance recovered on life policies for death claims incurred that exceeded their retention.

Net investment income totaling \$4.3 million was earned for the period, a negative variance of 18.7% compared to 2023. This variance is primarily due to a one-off recovery on a non-performing mortgage account combined with an increase in mark-to-market gains on debt and equity investments held in mutual funds in the prior year. Net insurance finance expenses, which reflect the impact of interest rate movements and the returns earned by policyholders with insurance products with an investment component, totaled \$3.2 million and remained relatively in line with prior year results.

The Group's statement of financial position remains strong with total assets of \$381 million, of which investment assets comprised \$311.3 million, representing 82% of total assets. During the quarter, the Board of Directors approved dividends totaling \$1.2 million to common shareholders, this represented dividends of \$0.04 per ordinary share. Shareholder's equity stood at \$121.5 million, at the end of the reporting period.

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.

FAMGUARD CORPORATION LIMITED
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2024

(Expressed in Bahamian dollars)

UNAUDITED

| | 31 March 2024 | 31 December 2023 |
|-------------------------------------|--------------------------|-----------------------------|
| ASSETS | | |
| Cash and bank balances | 15,055,512 | 13,608,959 |
| Financial investment assets | 311,300,259 | 309,591,536 |
| Receivables and other assets, net | 3,949,039 | 3,141,394 |
| Right-of-use assets | 512,188 | 523,916 |
| Property and equipment, net | 30,838,564 | 31,168,769 |
| Intangible assets, net | 10,392,590 | 10,371,588 |
| Reinsurance contract assets | 9,368,234 | 9,028,166 |
| Total assets | <u>\$ 381,416,386</u> | <u>\$ 377,434,328</u> |
| LIABILITIES | | |
| Insurance contract liabilities | 250,134,812 | 248,920,404 |
| Investment contract liabilities | 549,759 | 594,359 |
| Other liabilities | 8,619,169 | 7,355,740 |
| Lease liabilities | 567,206 | 578,387 |
| Total liabilities | <u>259,870,946</u> | <u>257,448,890</u> |
| EQUITY: | | |
| Ordinary shares | 2,000,000 | 2,000,000 |
| Share premium | 10,801,080 | 10,801,080 |
| Revaluation reserve | 26,689,477 | 26,528,360 |
| Retained earnings | 82,054,883 | 80,655,998 |
| Total equity | <u>121,545,440</u> | <u>119,985,438</u> |
| TOTAL LIABILITIES AND EQUITY | <u>\$ 381,416,386</u> | <u>\$ 377,434,328</u> |

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED
CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the Three months ended March 31, 2024

(Expressed in Bahamian dollars)

UNAUDITED

| | 3 months to 31-Mar-24 | 3 months to 31-Mar-23 Restated |
|--|----------------------------------|--|
| INCOME: | | |
| Insurance revenue | \$ 25,756,523 | \$ 25,149,242 |
| Insurance service expenses | (21,225,852) | (21,933,300) |
| Net expenses from reinsurance contracts held | <u>(830,322)</u> | <u>(979,550)</u> |
| INSURANCE SERVICE RESULT | 3,700,349 | 2,236,392 |
| Net investment income | 4,262,053 | 5,240,456 |
| Net insurance finance expenses | <u>(3,188,887)</u> | <u>(3,072,180)</u> |
| NET INSURANCE AND INVESTMENT RESULT | 4,773,516 | 4,404,668 |
| Other income | 465,811 | 455,909 |
| Other expenses | <u>(2,640,442)</u> | <u>(2,586,426)</u> |
| NET INCOME | <u>\$ 2,598,886</u> | <u>\$ 2,274,152</u> |

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the three months ended March 31, 2024
(Expressed in Bahamian dollars)
UNAUDITED

| | 3 months to 31-Mar-24 | 3 months to 31-Mar-23 |
|---|----------------------------------|----------------------------------|
| NET INCOME | \$ 2,598,886 | \$ 2,274,152 |
| OTHER COMPREHENSIVE INCOME: | | |
| <i>Items that may be reclassified subsequently to net income:</i> | | |
| Net change in fair value on available-for-sale financial assets | <u>161,117</u> | <u>(226,200)</u> |
| Total other comprehensive income | <u>161,117</u> | <u>(226,200)</u> |
| TOTAL COMPREHENSIVE INCOME | <u>\$ 2,760,003</u> | <u>\$ 2,047,952</u> |

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended March 31, 2024

(Expressed in Bahamian dollars)

UNAUDITED

| | Ordinary <u>Shares</u> | Share <u>Premium</u> | Revaluation <u>Reserve</u> | Retained <u>Earnings</u> | <u>Total</u> |
|--|---------------------------|--------------------------|-------------------------------|-----------------------------|---------------------------|
| Balance as at December 31, 2023 | 2,000,000 | 10,801,080 | 26,528,360 | 80,655,998 | 119,985,438 |
| Transactions with owners | | | | | |
| Dividends declared and paid - | | | | | |
| Ordinary shares (\$0.04 per share) | - | - | - | (1,200,000) | (1,200,000) |
| Total transactions with owners | - | - | - | (1,200,000) | (1,200,000) |
| Comprehensive income | | | | | |
| Net Income | - | - | - | 2,598,886 | 2,598,886 |
| Other Comprehensive gain | - | - | 161,117 | - | 161,117 |
| Total Comprehensive income | - | - | 161,117 | 2,598,886 | 2,760,003 |
| Balance as at March 31, 2024 | <u>2,000,000</u> | <u>10,801,080</u> | <u>26,689,477</u> | <u>82,054,883</u> | <u>121,545,440</u> |

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the three months ended March 31, 2024
(Expressed in Bahamian dollars)
UNAUDITED

| | 3 months to 31-Mar-24 | 3 months to 31-Mar-23 Restated |
|---|----------------------------------|---|
| Net Income | \$ 2,598,886 | \$ 2,274,152 |
| Adjustments for: | | |
| Net cash from operating activities | 2,907,651 | 7,398,095 |
| Net cash used in investing activities | (240,689) | (1,020,802) |
| Net cash used in financing activities | <u>(1,220,409)</u> | <u>(1,019,809)</u> |
| Net increase in cash and cash equivalents | 1,446,553 | 5,357,484 |
| Cash and cash equivalents at beginning of the period | <u>13,608,959</u> | <u>13,987,239</u> |
| Cash and cash equivalents at end of the period | <u>\$ 15,055,512</u> | <u>\$ 19,344,723</u> |

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three months ended March 31, 2024

(Expressed in Bahamian Dollars)

Unaudited

1. General Information

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, FG Insurance Agents & Brokers Limited (FGIAB), 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 Act, 2005. FG sells life and health insurance products in The Bahamas. FGIAB operates as an agent and broker for general insurance products in the Bahamas. All other wholly owned subsidiaries within the group are inactive.

The registered office of the Company is located at the offices of E. Dawson Roberts & Co., Parliament and Shirley Streets, Nassau, The Bahamas. The ordinary shares of the Company are listed on The Bahamas International Securities Exchange (BISX).

2. Basis of Preparation

The unaudited interim condensed consolidated financial statements have been prepared in accordance with IAS 34 - “Interim Financial Reporting” unless otherwise noted. The condensed consolidated financial statements do not include all the disclosures required in the annual financial statements and should be read in conjunction with the Group’s 2023 audited consolidated financial statements.

The accounting policies used in the preparation of the condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2023.

3. Accounting Estimates and Judgements

In preparing these condensed consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group’s accounting policies and the reported amounts of assets, liabilities, income and expenses. The results for period are not necessarily indicative of full year results for the financial year. The areas of critical accounting estimate and judgement as disclosed in Note 5 of the 31 December 2023 audited consolidated financial statements, have also remained unchanged.

FAMGUARD CORPORATION LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three months ended March 31, 2024

(Expressed in Bahamian Dollars)

Unaudited

(Continued)

4. Earnings per ordinary share

| | <u>31-Mar-24</u> | <u>31-Mar-23</u> Restated |
|---|---------------------|------------------------------|
| Weighted average number of shares outstanding | 30,000,000 | 30,000,000 |
| Consolidated net income attributable to ordinary shareholders | <u>\$ 2,598,886</u> | <u>\$ 2,274,152</u> |
| Earnings per ordinary share | <u>\$ 0.09</u> | <u>\$ 0.08</u> |

4. Commitments

Outstanding commitments to extend credit under the mortgage loan agreements amounted to approximately \$1,146,180 as at 31 March, 2024 (31st December 2023: \$1,052,829).

5. Corresponding Figures

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

6. Dividends

On 3 May 2024, the Board of Directors declared a first-quarter dividend of \$0.04 per share or \$1,200,000 to shareholders of record as at 15th May 2024 and paid 22 May 2024.

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

www.famguardbahamas.com