



FAMGUARD
CORPORATION

CONDENSED
CONSOLIDATED

**FINANCIAL
STATEMENTS**

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For the 6 months ended 30 June 2024
Unaudited

FAMGUARD CORPORATION LIMITED

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED
30 JUNE, 2024

TABLE OF CONTENTS

	Page
Chairman's Report	3
Condensed Consolidated Statement of Financial Position	4
Condensed Consolidated Statement of Income	5-6
Condensed Consolidated Statement of Comprehensive Income	7
Condensed Consolidated Statement of Changes in Equity	8
Condensed Consolidated Statement of Cash Flows	9
Notes to Condensed Consolidated Financial Statements	10-12

FAMGUARD CORPORATION LIMITED
CHAIRMAN'S REPORT
Unaudited Results for the Six months ended 30 June 2024

MESSAGE FROM THE CHAIRMAN

Dear Shareholders:

We are pleased to report that for the six months ending 30 June 2024, FamGuard Corporation recorded profits of \$4.1 million, representing \$0.14 per share for common shareholders. The results reflect a 29% increase in profit attributable to shareholders of the company and continue to show strong year-over-year insurance revenue growth from our core business, an improvement to the medical loss ratio, and benefits derived from the Group's reinsurance program which helped to offset the impact of claims incurred during the period. The quarterly results from the prior year were restated to reflect the updated actuarial model refinements throughout 2023 as a part of the International Financial Reporting Standards (IFRS) 17 implementation as presented in the 2023 year-end audited financials.

The Group reported insurance revenue of \$51.8 million, compared to \$50.2 million for the comparative prior period. The results represent a 3.2% positive variance, which reflects growth for all lines of business for the insurance company over the comparative 2023 results. Revenue from both the premium allocation and general model approaches report increases, with strong results from new business growth and persistency.

Insurance service expenses increased from \$43.1 million to \$43.6 million representing a 1.1% negative variance. An increase in life benefits during the period contributed to the increase, however this was partially offset by a reduction in net expenses from reinsurance contracts held, which reflects the claims recovered from reinsurers and the impact of a reduction in medical reinsurance premium rates during the 2024 renewal period. In addition, benefits incurred for the group and individual medical division continue to show an improvement in the loss ratio when compared to the prior period.

Net investment income totaling \$8.8 million was earned during the period. The variance over the previous year stems mainly from net fair value changes arising from fluctuations in market prices of assets measured at fair value. Net insurance finance expenses reflect the impact of interest rate movements and the returns earned by policyholders with insurance products with an investment component and totaled \$6.7 million. The Group generated fees and other revenues for the quarter totaling \$968,793, which includes commissions earned on property and casualty insurance business sold through FG Insurance Agents & Brokers. Other operating expenses reflect a 3.0% decrease over 2023 and ended the quarter at \$5.4 million.

The Group's statement of financial position remains strong with total assets of \$385 million, of which investment assets comprise \$311.7 million, representing 81% of total assets. Shareholder 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.

Raymond Winder
Chairman

FAMGUARD CORPORATION LIMITED
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2024

(Expressed in Bahamian dollars)

UNAUDITED

	30 June 2024	31 December 2023
ASSETS		
Cash and bank balances	18,778,594	13,608,959
Financial investment assets	311,740,240	309,591,536
Receivables and other assets, net	3,201,242	3,141,394
Right-of-use assets	500,460	523,916
Property and equipment, net	30,488,121	31,168,769
Intangible assets, net	10,482,301	10,371,588
Reinsurance contract assets	9,777,194	9,028,166
Total assets	<u>\$ 384,968,152</u>	<u>\$ 377,434,328</u>
LIABILITIES		
Insurance contract liabilities	252,096,050	248,920,404
Investment contract liabilities	510,092	594,359
Other liabilities	10,130,947	7,355,740
Lease liabilities	555,843	578,387
Total liabilities	<u>263,292,932</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	26,516,159	26,528,360
Retained earnings	82,357,981	80,655,998
Total equity	<u>121,675,220</u>	<u>119,985,438</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 384,968,152</u>	<u>\$ 377,434,328</u>

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED
CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the Six months ended June 30, 2024

(Expressed in Bahamian dollars)

UNAUDITED

	6 months to 30-Jun-24	6 months to 30-Jun-23 Restated
INCOME:		
Insurance revenue	\$ 51,772,469	\$ 50,183,361
Insurance service expenses	(43,572,344)	(43,117,780)
Net expenses from reinsurance contracts held	<u>(1,681,321)</u>	<u>(3,047,430)</u>
INSURANCE SERVICE RESULT	6,518,803	4,018,151
Net investment income	8,756,907	9,875,196
Net insurance finance expenses	<u>(6,714,393)</u>	<u>(6,039,156)</u>
NET INSURANCE AND INVESTMENT RESULT	8,561,317	7,854,191
Other income	968,793	921,298
Other expenses	<u>(5,428,126)</u>	<u>(5,595,200)</u>
NET INCOME	<u>\$ 4,101,984</u>	<u>\$ 3,180,289</u>
NET INCOME ATTRIBUTABLE TO:		
Ordinary Shareholders	<u>\$ 4,101,984</u>	<u>\$ 3,180,289</u>
Basic earnings per ordinary share	<u>\$ 0.14</u>	<u>\$ 0.11</u>

See notes to unaudited consolidated financial statements

CONDENSED CONSOLIDATED STATEMENT OF INCOME
CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the Three months ended June 30, 2024

(Expressed in Bahamian dollars)

UNAUDITED

	3 Months to 30-Jun-24	3 Months to 30-Jun-23
		Restated
INCOME:		
Insurance revenue	\$ 26,015,946	\$ 25,034,119
Insurance service expenses	(22,346,492)	(21,184,480)
Net expenses from reinsurance contracts held	(850,999)	(2,067,880)
INSURANCE SERVICE RESULT	<u>2,818,454</u>	<u>1,781,759</u>
Net investment income	4,494,854	4,634,740
Net insurance finance expenses	(3,525,506)	(2,966,976)
NET INSURANCE AND INVESTMENT RESULT	<u>3,787,802</u>	<u>3,449,523</u>
Other operating income	502,982	465,389
Other operating expenses	(2,787,684)	(3,008,774)
NET INCOME	<u>\$ 1,503,100</u>	<u>\$ 906,138</u>
NET INCOME ATTRIBUTABLE TO:		
Ordinary Shareholders	<u>\$ 1,503,100</u>	<u>\$ 906,138</u>
Basic earnings per ordinary share	<u>\$ 0.05</u>	<u>\$ 0.03</u>

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Six months ended June 30, 2024

(Expressed in Bahamian dollars)

UNAUDITED

	6 months to 30-Jun-24	6 months to 30-Jun-23
NET INCOME	\$ 4,101,984	\$ 3,180,289
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	(12,201)	352,413
Total other comprehensive income	(12,201)	352,413
TOTAL COMPREHENSIVE INCOME	<u>\$ 4,089,783</u>	<u>\$ 3,532,702</u>

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Six months ended June 30, 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 (\$0.08 per share)	-	-	-	(2,400,000)	(2,400,000)
Total transactions with owners	-	-	-	(2,400,000)	(2,400,000)
Comprehensive income					
Net Income	-	-	-	4,101,984	4,101,984
Other Comprehensive gain	-	-	(12,201)	-	(12,201)
Total Comprehensive income	-	-	(12,201)	4,101,984	4,089,783
Balance as at June 30, 2024	<u>2,000,000</u>	<u>10,801,080</u>	<u>26,516,159</u>	<u>82,357,981</u>	<u>121,675,220</u>

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the Six months ended June 30, 2024
(Expressed in Bahamian dollars)
UNAUDITED

	6 months to 30-Jun-24	6 months to 30-Jun-23
		Restated
Net Income	\$ 4,101,984	\$ 3,180,289
Adjustments for:		
Net cash from operating activities	8,138,779	9,303,394
Net cash used in investing activities	(528,327)	(1,906,293)
Net cash used in financing activities	(2,440,817)	(2,039,617)
Net increase in cash and cash equivalents	<u>5,169,635</u>	<u>5,357,484</u>
Cash and cash equivalents at beginning of the period	13,608,959	13,987,239
Cash and cash equivalents at end of the period	<u>\$ 18,778,594</u>	<u>\$ 19,344,723</u>

FAMGUARD CORPORATION LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six months ended June 30, 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 Six months ended June 30, 2024

(Expressed in Bahamian Dollars)

Unaudited

(Continued)

4. Earnings per ordinary share

	<u>30-Jun-24</u>	<u>30-Jun-23</u> Restated
Weighted average number of shares outstanding	30,000,000	30,000,000
Consolidated net income attributable to ordinary shareholders	\$ 4,101,984	\$ 3,180,289
Earnings per ordinary share	<u>\$ 0.14</u>	<u>\$ 0.11</u>

4. Commitments

Outstanding commitments to extend credit under the mortgage loan agreements amounted to approximately \$676,104 as at 30 June, 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. Business Segments

The segment results for the six-month period ended 30 June rounded to the nearest thousand are as follows:

	2024				TOTAL
	LIFE	HEALTH	OTHER	ELIMINATIONS	
	\$	\$	\$		\$
Insurance revenue	14,926	36,846	-	-	51,772
Insurance service expense	(11,413)	(32,160)	-	-	(43,572)
Net expense from reinsurance contracts held	(666)	(1,015)	-	-	(1,681)
Insurance service result	2,847	3,672	-	-	6,519
Net investment income	8,427	302	3,428	(3,400)	8,757
Net insurance finance expenses	(6,714)	-	-	-	(6,714)
Net insurance and investment result	4,560	3,974	3,428	(3,400)	8,561
Other income	222	106	647	(6)	969
Other expenses	(2,259)	(1,591)	(1,584)	6	(5,428)
NET INCOME	2,522	2,489	2,491	(3,400)	4,102

	2023				TOTAL
	LIFE	HEALTH	OTHER	ELIMINATIONS	
	\$	\$	\$		\$
Insurance revenue	13,804	36,380	-	-	50,183
Insurance service expense	(9,318)	(33,800)	-	-	(43,118)
Net expense from reinsurance contracts held	(2,034)	(1,013)	-	-	(3,047)
Insurance service result	2,452	1,567	-	-	4,018
Net investment income	9,338	525	3,012	(3,000)	9,875
Net insurance finance expenses	(6,039)	-	-	-	(6,039)
Net insurance and investment result	5,750	2,092	3,012	(3,000)	7,854
Other income	222	96	610	(6)	921
Other expenses	(2,407)	(1,758)	(1,436)	6	(5,595)
NET INCOME	3,565	429	2,186	(3,000)	3,180

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