

FAMGUARD CORPORATION LIMITED

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

6 months ended June 30, 2025

CONNECTING
PEOPLE WITH
SOLUTIONS



THAT PROTECT
THEIR LIFE,
HEALTH & WEALTH



FAMGUARD CORPORATION LIMITED

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED
30 JUNE, 2025

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FAMGUARD CORPORATION LIMITED
CHAIRMAN'S REPORT
Unaudited Results for the Six months ended 30 June 2025

MESSAGE FROM THE CHAIRMAN

Dear Shareholders:

On behalf of the Board of Directors, I am pleased to present the unaudited results of FamGuard Corporation Limited (the "Group") for the six-month period ended June 30, 2025. For the first half of the year, the Group reported profits of \$3.2 million, representing \$0.11 per ordinary share attributable to its shareholders. The results for the period reflect the continued strength of the Group's core insurance business operations, despite the impact of external market factors, which impacted overall profitability. Notwithstanding these factors, the Group's financial results remain in line with planned performance, underpinned by continued insurance revenue growth, effective management of health claims, and strong investment performance.

The Group reported total insurance revenue of \$63.4 million (June 2024: \$51.8 million) for the six months, representing a 22.5% increase over the corresponding prior period. Insurance revenue increased on all lines of business and continues to reflect key strategic initiatives aimed at delivering greater value to our policyholders through our customer service initiatives and key technology enhancements. Insurance service expenses incurred during the period totaled \$52.8 million compared to \$43.6 million in the prior year. This increase was primarily due to an uptick in medical claims utilization in the group health division driven by the growth in the membership of the portfolio year over year.

Net investment income totaling \$10.5 million (June 2024: \$8.8 million) was recorded for the period, exceeding the prior year by \$1.7 million primarily due to an increase in yields on debt securities in the investment portfolio and 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. During the period, bond prices on long-term debt securities increased, which resulted in lower bond yields and an increase in insurance contract liabilities, which are sensitive to changes in interest rates due to long-term insurance obligations. As a result, net insurance finance expenses increased by \$2.7 million over the prior period and resulted in a negative profit variance compared to the prior period.

Despite these headwinds, the Group's financial position remains strong. Total assets stood at \$397.2 million (Dec 2024: \$386.3 million), representing a 2.8% increase over the prior year-end. Investment assets, which account for 82% of the asset base at \$326.6 million (Dec 2024: \$318.1 million), remain the key driver of this growth. Liabilities totaled \$277.4 million (Dec 2024: \$265.2 million), up 4.6% from year-end 2024, largely due to increased obligations on insurance contracts. Equity attributable to the owners was \$119.8 million (Dec 2024: \$121.2 million), underscoring the Group's solid capital position. The Group remains sufficiently capitalized and compliant with the regulatory capital requirements. In recognition of the Group's sustained performance and our ongoing commitment to delivering value to shareholders, the Board approved total dividends of \$1.5 million, or \$0.05 per ordinary share, for the second quarter.

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 Group. I also extend my deep appreciation to our valued customers and shareholders for your continued confidence and support as we remain committed to delivering long-term value and financial security to all our stakeholders.

Sincerely,

Raymond Winder
Chairman of the Board
FamGuard Corporation

FAMGUARD CORPORATION LIMITED

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2025

(Expressed in Bahamian dollars)

UNAUDITED

	30 June 2025	31 December 2024
ASSETS		
Cash and bank balances	14,900,669	12,389,614
Financial investment assets	326,594,056	318,079,110
Receivables and other assets, net	3,575,253	4,663,792
Right-of-use assets	549,587	477,003
Property and equipment, net	29,634,919	30,025,591
Intangible assets, net	10,913,344	10,677,888
Reinsurance contract assets	11,039,711	10,015,709
Total assets	\$ 397,207,539	\$ 386,328,707
LIABILITIES		
Insurance contract liabilities	266,253,639	255,155,535
Investment contract liabilities	910,143	449,669
Other liabilities	9,594,044	9,021,463
Lease liabilities	616,058	532,555
Total liabilities	277,373,884	265,159,222
EQUITY		
Ordinary shares	2,000,000	2,000,000
Share premium	10,801,080	10,801,080
Revaluation reserve	26,903,836	26,989,345
Retained earnings	80,128,739	81,379,060
Total equity	119,833,655	121,169,485
TOTAL LIABILITIES AND EQUITY	\$ 397,207,539	\$ 386,328,707

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended June 30, 2025

(Expressed in Bahamian dollars)

UNAUDITED

	6 months ended 30-Jun-25	6 months ended 30-Jun-24
Insurance revenue	\$ 63,416,043	\$ 51,772,469
Insurance service expenses	(52,802,326)	(43,572,344)
Net expenses from reinsurance contracts held	(3,194,083)	(1,681,321)
Insurance service result	7,419,634	6,518,803
Interest income from financial assets measured at amortised cost	8,402,008	7,750,071
Other investment income	795,293	463,878
Net fair value gains on financial assets at FVTPL	1,445,748	540,423
Net change in investment contract liabilities	(460,474)	84,267
Release of credit losses on financial assets	307,684	(81,732)
Net investment income	10,490,258	8,756,907
Net finance expenses from insurance contracts issued	(9,367,678)	(6,707,297)
Net finance income from reinsurance contracts held	(96,002)	(7,096)
Net insurance finance expenses	(9,463,680)	(6,714,393)
Net insurance and investment result	8,446,212	8,561,317
Other income	893,361	968,793
Other expenses	(6,089,893)	(5,428,126)
Net income	\$ 3,249,680	\$ 4,101,984
OTHER COMPREHENSIVE INCOME:		
<i>Items that will not be reclassified subsequently to net income:</i>		
Changes in the fair value of equity investments at FVOCI	(85,509)	(12,201)
Total other comprehensive income	(85,509)	(12,201)
Total comprehensive income	\$ 3,164,171	\$ 4,089,783
NET INCOME ATTRIBUTABLE TO:		
Ordinary shareholders	\$ 3,249,680	\$ 4,101,984
Basic and diluted earnings per ordinary share	\$ 0.11	\$ 0.14
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Ordinary shareholders	\$ 3,164,171	\$ 4,089,783

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended June 30, 2025

(Expressed in Bahamian dollars)

UNAUDITED

	3 Months to 30-Jun-25	3 Months to 30-Jun-24
Insurance revenue	\$ 32,283,886	\$ 26,015,946
Insurance service expenses	(28,029,599)	(22,346,492)
Net expenses from reinsurance contracts held	(2,363,251)	(850,999)
Insurance service result	1,891,036	2,818,454
Interest income from financial assets measured at amortised cost	4,332,000	3,913,825
Other investment income	356,707	246,293
Net fair value gains on financial assets at FVTPL	924,129	407,897
Net change in investment contract liabilities	64,844	39,667
Release of credit losses on financial assets	150,197	(112,828)
Net investment income	5,827,876	4,494,854
Net finance expenses from insurance contracts issued	(5,921,956)	(3,503,651)
Net finance income from reinsurance contracts held	(109,875)	(21,855)
Net insurance finance expenses	(6,031,831)	(3,525,506)
Net insurance and investment result	1,687,081	3,787,802
Other operating income	472,283	502,982
Other operating expenses	(3,111,564)	(2,787,684)
Net (loss)/income	\$ (952,200)	\$ 1,503,100
OTHER COMPREHENSIVE INCOME/(LOSS):		
<i>Items that will not be reclassified subsequently to net income:</i>		
Changes in the fair value of equity investments at FVOCI	100,671	(128,317)
Total other comprehensive income/(loss)	100,671	(128,317)
Total comprehensive (loss)/income	\$ (851,529)	\$ 1,374,783
NET (LOSS)/INCOME ATTRIBUTABLE TO:		
Ordinary Shareholders	\$ (952,200)	\$ 1,503,100
Basic and diluted earnings per ordinary share	\$ (0.03)	\$ 0.05
TOTAL COMPREHENSIVE (LOSS)/INCOME		
ATTRIBUTABLE TO:		
Ordinary Shareholders	\$ (851,529)	\$ 1,374,783

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Six months ended June 30, 2025
(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, 2024	2,000,000	10,801,080	26,989,345	81,379,060	121,169,485
Transactions with owners					
Dividends declared and paid -					
Ordinary shares (\$0.15 per share)	-	-	-	(4,500,000)	(4,500,000)
Total transactions with owners	-	-	-	(4,500,000)	(4,500,000)
Comprehensive income					
Net Income	-	-	-	3,249,680	3,249,680
Other Comprehensive loss	-	-	(85,509)	-	(85,509)
Total Comprehensive income	-	-	(85,509)	3,249,680	3,164,171
Balance as at June 30, 2025	<u>2,000,000</u>	<u>10,801,080</u>	<u>26,903,836</u>	<u>80,128,739</u>	<u>119,833,655</u>

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the Six months ended June 30, 2025

(Expressed in Bahamian dollars)

UNAUDITED

	6 months ended 30-Jun-25	6 months ended 30-Jun-24
Net Income	\$ 3,249,680	\$ 4,101,984
Adjustments for:		
Net cash from operating activities	8,345,069	7,125,416
Net cash used in investing activities	(1,389,455)	(528,327)
Net cash used in financing activities	(4,444,559)	(2,440,817)
Net increase in cash and cash equivalents	2,511,055	4,156,272
Cash and cash equivalents at beginning of the period	12,389,614	13,608,959
Cash and cash equivalents at end of the period	\$ 14,900,669	\$ 17,765,231

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2025

(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 three wholly owned subsidiaries; Family Guardian Insurance Company Limited (FG), BahamaHealth Insurance Brokers Limited, and FG Insurance Agents & Brokers Limited (FGIAB) (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 2024 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 2024.

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 2024 audited consolidated financial statements, have also remained unchanged.

4. Commitments

Outstanding commitments to extend credit under mortgage loan agreements amounted to \$932,586 as at 30 June 2025 (31st December 2024: \$428,290).

5. Corresponding Figures

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

FAMGUARD CORPORATION LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2025

(Expressed in Bahamian Dollars)

Unaudited

(Continued)

6. Business Segments

The Group is organised into three main business segments: life insurance, health insurance and other.

These segments and their respective products are as follows:

- Life Insurance - offers a range of ordinary life insurance and industrial life insurance.
- Health Insurance - offers a range of group medical, individual medical, sick and accident, and hospitalisation insurance.
- Other – includes the operations of its general insurance agency and broker, and its other subsidiaries.

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

	2025				
	(\$000)				
	<u>LIFE</u>	<u>HEALTH</u>	<u>OTHER</u>	<u>ELIMINATIONS</u>	<u>TOTAL</u>
	\$	\$	\$		\$
Insurance revenue	16,656	46,760	-	-	63,416
Insurance service expense	(10,653)	(42,149)	-	-	(52,802)
Net expense from reinsurance contracts held	(3,000)	(194)	-	-	(3,194)
Insurance service result	3,003	4,417	-	-	7,420
Net investment income	9,993	447	4,551	(4,500)	10,490
Net insurance finance expenses	(9,464)	-	-	-	(9,464)
Net insurance and investment result	3,532	4,864	4,551	(4,500)	8,446
Other income	200	123	578	(6)	893
Other expenses	(2,791)	(1,869)	(1,436)	6	(6,090)
NET INCOME	941	3,117	3,692	(4,500)	3,250

	2024				
	(\$000)				
	<u>LIFE</u>	<u>HEALTH</u>	<u>OTHER</u>	<u>ELIMINATIONS</u>	<u>TOTAL</u>
	\$	\$	\$		\$
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

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

www.famguardbahamas.com