



**FAMGUARD CORPORATION LIMITED  
INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the 9 months ended September 30th, 2022  
Unaudited

**FAMGUARD CORPORATION LIMITED**

INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30  
SEPTEMBER , 2022

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FAMGUARD CORPORATION LIMITED  
CHAIRMAN'S REPORT  
Unaudited Results for the Nine months ended 30 September 2022

MESSAGE FROM THE CHAIRMAN

Dear Shareholders:

We are pleased to report that for the nine-month period ending 30 September 2022, FamGuard Corporation recorded profits of \$7.0 million, representing \$0.70 per share for common shareholders. The financial results continue to reflect the stability and resilience of the company despite the rising inflation, global interest rates and other external factors which impact our business.

The Group reported total revenue of \$98.5 million for the nine months ended September 30, 2022, compared to the \$98.8 million reported for the comparative prior period. Gross premiums exceed the prior year by 1.1% and totaled \$85.2 million. Net investment income totaled \$11.7 million and was impacted by the net fair value losses arising from the decline in equity and bond market prices. The unfavorable fair value movements were partially offset by an increase in investment income arising from the Group's increased investment in local debt securities.

Benefits across all lines of business totaled \$61.1 million and continue to reflect the net results of a decrease in death benefits over the prior year which trended higher than normal due to COVID related deaths. These positive impacts were partially offset by an increase in group and individual health benefits during the period. Total expenses, including commissions paid to agents and brokers, reported a negative variance of 3.3% over the prior year. Consistent with the increase in premium income reported for the period, commission expenses increased by 4.6% year over year and total \$10.2 million. Expenses, excluding commissions, increased mainly due to costs associated with preparations for the implementation of the new accounting standard International Financial Reporting Standard (IFRS) 17.

The Group's statement of financial position remains strong with total assets of \$388.8 million, of which investment assets comprised \$318.5 million, representing 82% of our total assets. Liabilities amounted to \$286.2 million an increase of 2.8% over the December 31, 2021 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 \$102.6 million compared to \$97.4 million as of December 31, 2021. 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.

Based upon the overall performance of the Group, I am pleased to report that the Board of Directors declared a dividend of \$0.10 per share for shareholders of record as of 24<sup>th</sup> November 2022, payable on 1<sup>st</sup> December 2022. 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,



Dodridge Miller  
Chairman

FAMGUARD CORPORATION LIMITED  
**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at September 30, 2022  
(Expressed in Bahamian dollars)  
**UNAUDITED**

	<b>30 September 2022</b>	<b>31 December 2021</b>
<b>ASSETS</b>		
Financial investment assets:		
Fair value through profit or loss	\$ 16,911,775	\$ 18,528,713
Available-for-sale	11,749,458	10,624,554
Held-to-maturity	218,308,661	203,666,764
Loans, net	<u>71,558,896</u>	<u>77,270,823</u>
Total financial investment assets	318,528,790	310,090,854
Cash and bank balances	15,727,467	13,180,153
Reinsurance assets	1,397,254	1,500,648
Reinsurance recoveries	5,155,549	4,777,522
Receivables and other assets, net	3,362,623	3,025,844
Premiums receivable, net	5,690,101	5,662,266
Right-of-use assets	582,558	617,743
Property and equipment, net	32,815,603	30,502,863
Intangible assets, net	<u>5,565,600</u>	<u>6,409,214</u>
<b>TOTAL ASSETS</b>	<u>\$ 388,825,545</u>	<u>\$ 375,767,107</u>
<b>LIABILITIES</b>		
Policy Liabilities:		
Reserves for future policyholders' benefits	\$ 249,361,723	\$ 241,133,613
Other policyholders' funds	<u>24,394,172</u>	<u>25,758,186</u>
Total Policy liabilities	273,755,895	266,891,799
Payables and accruals	11,863,200	10,774,298
Lease liabilities	<u>629,511</u>	<u>656,229</u>
Total liabilities	<u>286,248,606</u>	<u>278,322,326</u>
EQUITY:		
Ordinary shares	2,000,000	2,000,000
Share premium	10,801,080	10,801,080
Revaluation reserve	21,302,155	20,179,112
Retained earnings	<u>68,473,704</u>	<u>64,464,589</u>
Total equity	<u>102,576,939</u>	<u>97,444,781</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$ 388,825,545</u>	<u>\$ 375,767,107</u>

FAMGUARD CORPORATION LIMITED  
**INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
For the nine months ended September 30, 2022  
(Expressed in Bahamian dollars)  
UNAUDITED

	<b>9 months to 30-Sep-22</b>	<b>9 months to 30-Sep-21</b>
<b>INCOME:</b>		
Gross premium income	\$ 85,247,792	\$ 84,333,812
Premium ceded to reinsurers	<u>(8,692,342)</u>	<u>(8,522,908)</u>
Net premium income	76,555,450	75,810,904
Annuity & other deposits	<u>8,874,850</u>	<u>10,050,786</u>
Net premium income and annuity deposits	85,430,300	85,861,689
Net Interest income	11,926,812	11,001,520
Dividend income	452,108	573,161
Unrealized loss on financial assets	<u>(702,830)</u>	<u>(72,329)</u>
Realized loss on disposal of assets	<u>(2,227)</u>	<u>(87,343)</u>
Other operating income	<u>1,386,520</u>	<u>1,508,800</u>
<b>Total income</b>	<b><u>98,490,683</u></b>	<b><u>98,785,499</u></b>
<b>BENEFITS AND EXPENSES:</b>		
Benefits:		
Policyholders' benefits	54,577,931	55,025,147
Reinsurance recoveries	<u>(2,486,979)</u>	<u>(3,708,977)</u>
Net policyholders' benefits	52,090,952	51,316,170
Change in reserves for policyholders' benefits	<u>9,006,043</u>	<u>9,804,782</u>
<b>Total benefits</b>	<b><u>61,096,995</u></b>	<b><u>61,120,952</u></b>
Expenses:		
Commissions	10,172,065	9,723,857
Operating expenses	15,265,324	13,620,147
Depreciation expense	1,099,226	1,635,578
Amortization	1,276,721	1,119,996
Premium tax	2,557,739	2,530,014
Bad debt expense	<u>13,497</u>	<u>790,391</u>
<b>Total expenses</b>	<b><u>30,384,572</u></b>	<b><u>29,419,984</u></b>
<b>Total benefits and expenses</b>	<b><u>91,481,567</u></b>	<b><u>90,540,936</u></b>
<b>NET INCOME</b>	<b><u>\$ 7,009,116</u></b>	<b><u>\$ 8,244,563</u></b>
<b>NET INCOME ATTRIBUTABLE TO:</b>		
Ordinary Shareholders	\$ 7,009,116	\$ 8,100,813
Preferred Shareholders	<u>-</u>	<u>143,750</u>
<b>Basic earnings per ordinary share</b>	<b><u>\$ 0.70</u></b>	<b><u>\$ 0.81</u></b>

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED  
**INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
For the Three months ended September 30, 2022  
(Expressed in Bahamian dollars)  
UNAUDITED

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	<b>3 MONTHS TO 30-Sep-22</b>	<b>3 MONTHS TO 30-Sep-21</b>
<b>INCOME:</b>		
Net premium income	\$ 25,620,752	\$ 24,629,903
Annuity and other deposits	3,258,094	2,614,259
Net premium income and deposits	<u>28,878,846</u>	<u>27,244,161</u>
Net investment income	3,926,571	4,091,250
Other operating income	529,831	560,101
Total income	<u>33,335,248</u>	<u>31,895,513</u>
<b>BENEFITS AND EXPENSES:</b>		
Net policyholder benefits	21,056,297	20,844,545
Commissions	3,668,571	3,318,967
Operating expenses	<u>6,855,189</u>	<u>5,676,136</u>
Total benefits and expenses	<u>31,580,057</u>	<u>29,839,648</u>
<b>NET INCOME</b>	<u><u>\$ 1,755,191</u></u>	<u><u>\$ 2,055,865</u></u>
<b>NET INCOME ATTRIBUTABLE TO :</b>		
Ordinary Shareholders	<u><u>\$ 1,755,191</u></u>	<u><u>\$ 2,055,865</u></u>
Earnings per ordinary share	<u><u>\$ 0.18</u></u>	<u><u>\$ 0.21</u></u>

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED  
**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
For the nine months ended September 30, 2022  
(Expressed in Bahamian dollars)  
UNAUDITED

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	<b>9 Months to 30-Sep-22</b>	<b>9 Months to 30-Sep-21</b>
NET INCOME	\$ 7,009,116	\$ 8,244,563
OTHER COMPREHENSIVE INCOME		
Net change in fair value on available-for-sale financial assets	1,123,043	(466,637)
Revaluation of property and equipment	-	397,992
Total other comprehensive income/(loss)	1,123,043	(68,645)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b><u>\$ 8,132,159</u></b>	<b><u>\$ 8,175,918</u></b>

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED  
**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the nine months ended September 30, 2022  
(Expressed in Bahamian dollars)  
UNAUDITED

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	<u>Share Capital</u>					
	Preference <u>Shares</u>	Ordinary <u>Shares</u>	Share <u>Premium</u>	Revaluation <u>Reserve</u>	Retained <u>Earnings</u>	<u>Total</u>
<b>Balance as at December 31, 2021</b>	-	<b>2,000,000</b>	<b>10,801,080</b>	<b>20,179,112</b>	<b>64,464,589</b>	<b>97,444,781</b>
<b>Transactions with owners</b>						
Dividends declared and paid -						
Ordinary shares (\$0.30 per share)	-	-	-	-	(3,000,000)	(3,000,000)
<b>Total transactions with owners</b>	-	-	-	-	(3,000,000)	(3,000,000)
<b>Comprehensive income</b>						
Net Income	-	-	-	-	7,009,116	7,009,116
Other Comprehensive income	-	-	-	1,123,043	-	1,123,043
<b>Total Comprehensive income</b>	-	-	-	<b>1,123,043</b>	<b>7,009,116</b>	<b>8,132,159</b>
<b>Balance as at September 30, 2022</b>	<b>-</b>	<b>2,000,000</b>	<b>10,801,080</b>	<b>21,302,155</b>	<b>68,473,704</b>	<b>102,576,939</b>

See notes to unaudited consolidated financial statements

**FAMGUARD CORPORATION LIMITED**  
**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the nine months ended September 30, 2022**  
(Expressed in Bahamian dollars)  
**UNAUDITED**

	<b>9 months to 30-Sep-22</b>	<b>9 months to 30-Sep-21</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Net Income from continuing operations</b>	<b>\$ 7,009,116</b>	<b>\$ 8,244,563</b>
Adjustments for:		
Depreciation expense	1,099,226	1,635,578
Amortization of intangible asset	1,276,721	1,119,996
Unrealized loss on financial assets	702,830	72,329
Loss on disposal of assets	2,227	87,343
Changes in provisions for loans and receivables	368,846	1,101,831
Decrease in reinsurance assets	103,394	823,050
Change in reserve for future policyholders' benefits	8,228,110	8,981,732
Interest income	(12,375,873)	(11,408,276)
Dividend income	(452,108)	(573,161)
<b>Operating profit before working capital changes</b>	<b>5,962,489</b>	<b>10,084,986</b>
Increase in receivables and other assets	(336,779)	(134,987)
Increase in reinsurance recoveries	(378,027)	(140,271)
Increase in premium receivables	(27,835)	(720,993)
Increase in payables and accruals	1,088,902	352,625
(Decrease)/increase in other policyholders' funds	(1,364,014)	2,015,107
<b>Net cash from operating activities</b>	<b>4,944,736</b>	<b>11,456,467</b>
<b>Cash flows from investing activities:</b>		
Pension forfeitures reinvested	(147,715)	(140,750)
Purchase of investment securities	(27,213,694)	(23,000,000)
Proceeds from maturity/redemption of investment securities	13,597,640	3,794,392
Net Loans repaid	5,247,230	3,505,111
Proceeds from disposal of assets	1,500	-
Purchase of property and equipment and intangible assets	(3,848,800)	(2,132,990)
Interest received	12,549,494	11,175,586
Dividends received	452,108	573,161
<b>Net cash used in investing activities</b>	<b>637,763</b>	<b>(6,225,490)</b>
<b>Cash flows from financing activities</b>		
Repayment of principal portion of lease liability	(35,185)	(54,529)
Dividends paid on preference shares	-	(143,750)
Dividends paid on ordinary shares	(3,000,000)	(2,800,000)
<b>Net cash used in financing activities</b>	<b>(3,035,185)</b>	<b>(2,998,279)</b>
Net increase in cash and cash equivalents	2,547,314	2,232,698
Cash and cash equivalents at beginning of the period	13,180,153	18,663,649
<b>Cash and cash equivalents at end of the period</b>	<b>\$ 15,727,467</b>	<b>\$ 20,896,347</b>

See notes to unaudited consolidated financial statements

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

For the NINE months ended September 30, 2022

(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, 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. 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>, 2021 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 2021.

**FAMGUARD CORPORATION LIMITED**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
For the nine months ended September 30, 2022  
(Expressed in Bahamian Dollars)  
Unaudited  
(Continued)

**3. Earnings per ordinary share**

	<b>30-Sep-22</b>	<b>30-Sep-21</b>
Weighted average number of shares outstanding	10,000,000	10,000,000
Consolidated net income attributable to ordinary shareholders	<u>\$ 7,009,116</u>	<u>\$ 8,100,813</u>
<b>Earnings per ordinary share</b>	<u><u>\$ 0.70</u></u>	<u><u>\$ 0.81</u></u>

**4. Commitments**

Outstanding commitments to extend credit under the mortgage loan agreements amounted to approximately \$740,069 as at 30<sup>th</sup> September, 2022 (31<sup>st</sup> December 2021: \$662,768).

**5. Corresponding Figures**

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

**6. Dividends**

The Board of Directors declared a dividend of \$0.10 per share to ordinary shareholders of record as of 24<sup>th</sup> November 2022 and payable on 1<sup>st</sup> December 2022.

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

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