



**FAMGUARD CORPORATION LIMITED  
INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the year 3 months ended March 31<sup>st</sup>, 2022  
Unaudited

**FAMGUARD CORPORATION LIMITED**  
INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED  
31 MARCH, 2022

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FAMGUARD CORPORATION LIMITED  
CHAIRMAN'S REPORT  
Unaudited Results for the Three months ended 31 March 2022

MESSAGE FROM THE CHAIRMAN

Dear Shareholders:

The results of the first quarter reflect a positive outlook for the Group as we continue to navigate through the various external factors which impact our business. The FamGuard Group recorded profits of \$2.8 million, representing \$0.28 per share for common shareholders. The Group reported total revenue of \$31.3 million for the three months ended March 31, 2022, an 8.1% decline compared to the \$34.1 million reported for the period ending 31st March 2021. The decline in revenue was primarily due to a negative variance in annuity and sundry deposits which were reduced by 50.5% due to the normal fluctuation in deposit amounts from period to period. Moreover, a corresponding decline in reserves for future policyholder benefits occurred in direct correlation. Gross premiums decreased, by 1.6% over the prior period and ended the quarter at \$28.2 million. Investment income totaled \$3.8 million, a 3.9% increase over the prior year despite being impacted by the net fair value losses arising from fluctuations in equity and bond market prices.

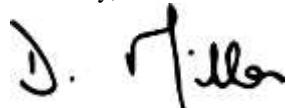
Benefits across all lines of business totaled \$18.8 million compared to \$19.1 million in the prior year, reflecting the net result of a decrease in reserves for policyholder benefits on annuity and sundry deposits which was offset by an increase in group and individual health benefits. Medical benefits in 2022 reflect the normalization of claims compared to the prior year during which there was low utilization stemming from the impact of restrictive protocols around the COVID-19 pandemic. Total expenses, including commissions paid to agents and brokers, reported a positive variance of 1.2% over the prior year and are also within plan performance.

The Group's statement of financial position remains strong with total assets of \$378.5 million, of which investment assets comprised \$311.0 million, representing 82.2% of our total assets. Liabilities amounted to \$279.6 million an increase of 0.5% 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 \$98.9 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.

It is with sadness that we inform our shareholders of the passing of our director Ms. H. Charlotte Pyfrom. Ms. Pyfrom was the daughter of Family Guardian co-founder and past president, Roscoe Pyfrom, and has served on the company's Board since 1999. She has made valuable contributions to the Group over the years, for which we are grateful. We extend our condolences to her family and loved ones.

I am pleased to report that the Board of Directors declared a dividend of \$0.10 per share for shareholders of record as of the 24 May 2022, payable on 1 June 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

FAM GUARD CORPORATION LIMITED

**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at March 31, 2022

(Expressed in Bahamian dollars)

UNAUDITED

	<b>31 March</b> <b>2022</b>	<b>31 December</b> <b>2021</b>
<b>ASSETS</b>		
Financial Investment Assets:		
Fair value through profit or loss	\$ 18,225,875	\$ 18,528,713
Available-for-sale	10,787,175	10,624,554
Held-to-maturity	206,928,924	203,666,764
Loans, net	<u>75,017,154</u>	<u>77,270,823</u>
Total financial investment assets	310,959,128	310,090,854
Cash and bank balances	16,429,336	13,180,153
Reinsurance assets	1,568,376	1,500,648
Reinsurance recoveries	4,910,293	4,777,522
Receivables and other assets, net	1,838,239	3,025,844
Premiums receivable, net	5,286,146	5,662,266
Right-of-use assets	606,015	617,743
Property, plant and equipment, net	30,513,101	30,502,863
Intangible assets, net	<u>6,397,116</u>	<u>6,409,214</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 378,507,750</u></b>	<b><u>\$ 375,767,107</u></b>
<b>LIABILITIES</b>		
Policy Liabilities:		
Reserves for future policyholders' benefits	\$ 241,813,601	\$ 241,133,613
Other policyholders' funds	<u>26,736,614</u>	<u>25,758,186</u>
Total Policy liabilities	<u>268,550,215</u>	<u>266,891,799</u>
Payables and accruals	10,382,954	10,774,298
Lease liabilities	<u>647,533</u>	<u>656,229</u>
Total liabilities	<u>279,580,702</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	19,899,422	20,179,112
Retained earnings	<u>66,226,546</u>	<u>64,464,589</u>
Total equity	<u>98,927,048</u>	<u>97,444,781</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>\$ 378,507,750</u></b>	<b><u>\$ 375,767,107</u></b>

See notes to unaudited consolidated financial statements

FAM GUARD CORPORATION LIMITED

**INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

For the three months ended March 31, 2022

(Expressed in Bahamian dollars)

UNAUDITED

	<b>3 months to 31-Mar-22</b>	<b>3 months to 31-Mar-21</b>
<b>INCOME:</b>		
Gross premium income	\$ 28,222,495	\$ 28,674,358
Premium ceded to reinsurers	<u>(2,963,487)</u>	<u>(2,468,394)</u>
Net premium income	25,259,008	26,205,964
Annuity & other deposits	<u>1,832,368</u>	<u>3,704,053</u>
Net premium income and deposits	27,091,376	29,910,017
Interest income	4,072,908	3,784,184
Dividend income	143,357	176,743
Unrealized loss on financial assets	<u>(398,842)</u>	<u>(285,080)</u>
Other operating income	<u>417,592</u>	<u>513,227</u>
<b>Total income</b>	<b><u>31,326,391</u></b>	<b><u>34,099,090</u></b>
<b>BENEFITS AND EXPENSES:</b>		
Benefits:		
Policyholders' benefits	18,102,662	16,386,271
Reinsurance recoveries	<u>(629,216)</u>	<u>(725,033)</u>
Net policyholders' benefits	17,473,446	15,661,237
Change in reserves for policyholders' benefits	<u>1,286,800</u>	<u>3,434,108</u>
<b>Total benefits</b>	<b><u>18,760,246</u></b>	<b><u>19,095,346</u></b>
Expenses:		
Commissions	3,291,577	3,093,149
Operating expenses	4,866,897	4,560,609
Depreciation expense	370,463	379,991
Amortization expense	428,151	347,424
Premium tax	846,980	860,231
Bad debt expense	119	679,580
<b>Total expenses</b>	<b><u>9,804,187</u></b>	<b><u>9,920,983</u></b>
<b>Total benefits and expenses</b>	<b><u>28,564,433</u></b>	<b><u>29,016,329</u></b>
<b>NET INCOME</b>	<b><u>2,761,958</u></b>	<b><u>5,082,761</u></b>
<b>NET INCOME ATTRIBUTABLE TO:</b>		
Ordinary Shareholders	<b><u>2,761,958</u></b>	<b><u>5,082,761</u></b>
<b>Basic earnings per ordinary share</b>	<b><u>\$ 0.28</u></b>	<b><u>\$ 0.51</u></b>

See notes to unaudited consolidated financial statements

**FAM GUARD CORPORATION LIMITED**

**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the three months ended March 31, 2022

(Expressed in Bahamian dollars)

**UNAUDITED**

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	<b>3 Months to 31-Mar-22</b>	<b>3 Months to 31-Mar-21</b>
NET INCOME	\$ 2,761,958	\$ 5,082,761
OTHER COMPREHENSIVE INCOME		
Net change in fair value on available-for-sale financial assets	(279,690)	(584,607)
Total other comprehensive income	<u>(279,690)</u>	<u>(584,607)</u>
TOTAL COMPREHENSIVE INCOME	<u><u>\$ 2,482,268</u></u>	<u><u>\$ 4,498,154</u></u>
COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Ordinary Shareholders	<u><u>\$ 2,482,268</u></u>	<u><u>\$ 4,498,154</u></u>
Comprehensive earnings per ordinary share	<u><u>\$ 0.25</u></u>	<u><u>\$ 0.45</u></u>

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended March 31, 2022

(Expressed in Bahamian dollars)

UNAUDITED

<u>Share Capital</u>							
	<u>Preference Shares</u>	<u>Ordinary Shares</u>	<u>Share Premium</u>	<u>Revaluation Reserve</u>	<u>Retained Earnings</u>	<u>Total</u>	
<b>Balance as of December 31, 2020</b>	\$ 5,000,000	\$ 2,000,000	\$ 10,801,080	\$ 19,503,360	\$ 58,228,074	\$ 95,532,514	
<b>Transactions with owners</b>							
Redemption of preference shares	(5,000,000)	-	-	-	-	(5,000,000)	
Dividends declared and paid -							
Preference shares	-	-	-	-	(257,175)	(257,175)	
Ordinary shares (\$0.38 per share)	-	-	-	-	(3,800,000)	(3,800,000)	
<b>Total transactions with owners</b>	<b>(5,000,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,057,175)</b>	<b>(9,057,175)</b>	
<b>Comprehensive income</b>							
Net Income	-	-	-	-	10,291,527	10,291,527	
Other Comprehensive income	-	-	-	675,752	2,163	677,915	
<b>Total Comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>675,752</b>	<b>10,293,690</b>	<b>10,969,442</b>	
<b>Balance as at December 31, 2021</b>	<b>-</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 (\$0.10 per share)	-	-	-	-	(1,000,000)	(1,000,000)	
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,000,000)</b>	<b>(1,000,000)</b>	
<b>Comprehensive income</b>							
Net Income	-	-	-	-	2,761,958	2,761,958	
Other Comprehensive loss	-	-	-	(279,690)	-	(279,690)	
<b>Total Comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(279,690)</b>	<b>2,761,958</b>	<b>2,482,268</b>	
<b>Balance as at March 31, 2022</b>	<b>-</b>	<b>2,000,000</b>	<b>10,801,080</b>	<b>19,899,422</b>	<b>66,226,546</b>	<b>98,927,048</b>	

See notes to unaudited consolidated financial statements

**FAM GUARD CORPORATION LIMITED**  
**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the three months ended March 31, 2022**  
(Expressed in Bahamian dollars)  
**UNAUDITED**

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	<b>31-Mar-22</b>	<b>31-Mar-21</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Net Income from continuing operations</b>	<b>\$ 2,761,958</b>	<b>\$ 5,082,761</b>
Adjustments for:		
Depreciation expense	370,463	379,991
Amortization of intangible asset	428,151	347,424
Unrealized loss on financial assets	398,842	285,080
(Decrease)/increase in provision for loans and receivables	(398,882)	512,390
(Increase)/decrease in reinsurance assets	(67,728)	310,449
Change in reserve for future policyholders' benefits	679,988	3,123,659
Interest income	(4,072,908)	(3,784,184)
Dividend income	(143,357)	(176,743)
<b>Operating profit before working capital changes</b>	<b>(43,473)</b>	<b>6,080,827</b>
Decrease/(increase) in receivables and other assets	1,187,605	(196,116)
(Increase)/decrease in reinsurance recoveries	(132,771)	336,790
Decrease/(increase) in premium receivables	376,120	(1,400,370)
(Decrease)/increase in payables and accruals	(391,344)	1,583,921
Increase in other policyholders' funds	978,428	684,862
<b>Net cash from operating activities</b>	<b>1,974,565</b>	<b>7,089,914</b>
<b>Cash flows from investing activities:</b>		
Pension forfeitures reinvested	(96,004)	(30,876)
Purchase of investment securities	(5,192,211)	(11,000,000)
Proceeds from maturity of investment securities	1,318,000	3,502
Net Loans repaid	2,911,385	510,670
Net purchase of property and equipment	(380,701)	(290,209)
Purchase of intangible asset	(416,053)	(106,708)
Interest received	4,422,358	3,526,218
Dividends received	143,357	176,743
<b>Net cash used in investing activities</b>	<b>2,285,131</b>	<b>(7,210,660)</b>
<b>Cash flows from financing activities</b>		
Lease repayments	(10,513)	(11,039)
Dividends paid on ordinary shares	(1,000,000)	(800,000)
<b>Net cash used in financing activities</b>	<b>(1,010,513)</b>	<b>(811,039)</b>
Net decrease in cash and cash equivalents from continuing operations	3,249,183	(931,785)
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>\$ 16,429,336</b>	<b>\$ 17,731,864</b>

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

For the twelve months ended March 31, 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 three months ended March 31, 2022  
(Expressed in Bahamian Dollars)  
Unaudited  
(Continued)

**3. Earnings per ordinary share**

	<b>3 Months to</b> <b>31-Mar-22</b>	<b>3 Months to</b> <b>31-Mar-21</b>
Weighted average number of shares outstanding	10,000,000	10,000,000
Net income attributable to ordinary shareholders	\$ 2,761,958	\$ 5,082,761
<b>Earnings per ordinary share</b>	<b>\$ 0.28</b>	<b>\$ 0.51</b>

**4. Commitments**

Outstanding commitments to extend credit under the mortgage loan agreements amounted to approximately \$515,565 as at 31<sup>st</sup> March, 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**

On 11 May 2022, the Board of Directors declared a dividend of \$0.10 per share to ordinary shareholders of record as of 24<sup>th</sup> May 2022 and payable on 1<sup>st</sup> June 2022.

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

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