



FAMGUARD
CORPORATION

CONDENSED
CONSOLIDATED

**FINANCIAL
STATEMENTS**

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For the 9 months ended 30 September 2024
Unaudited

FAMGUARD CORPORATION LIMITED

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED
30 SEPTEMBER, 2024

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FAMGUARD CORPORATION LIMITED
CHAIRMAN'S REPORT
Unaudited Results for the Nine months ended 30 September 2024

MESSAGE FROM THE CHAIRMAN

Dear Shareholders:

We are pleased to report that for the nine months ending 30 September 2024, FamGuard Corporation (“the Group”) recorded profits of \$4.8 million (2023: \$3.4 million), representing \$0.16 per share (2023:\$0.11 per share) for common shareholders. The financial results reflect the positive impact of strategic initiatives implemented by the Group. The overall results for the nine months remained favorable compared to the prior year and planned performance. The quarterly results from the preceding 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 total insurance revenue of \$79.1 million for the nine months representing a 5.1% increase from \$75.3 million in the prior year. This growth reflects positive insurance revenue growth across all divisions within the insurance company. Overall, The Group’s insurance revenue growth across its insurance divisions highlights successful strategies in group renewals, client acquisition, and retention.

Insurance service expenses increased from \$64.7 million to \$68.3 million representing a 5.6% negative variance. This increase was primarily due to an increase in net death benefits incurred during the period. Net expenses from reinsurance contracts continued to reflect a positive variance, as a result of lower reinsurance premium rates. Net investment income remained steady at \$12.9 million (2023: \$13.0 million), primarily due to unrealized gains on financial assets and interest income on debt securities which produced strong returns to the overall investment portfolio. Net insurance finance expenses, which include the impact of interest rate movements and returns earned by policyholders with investment-linked products, totaled \$9.6 million, consistent with prior period results.

The Group’s balance sheet remains strong, with total assets exceeding \$384.0 million (2023: \$377.4 million), of which \$315.8 million or 82% (2023:82%) comprise investment assets. Liabilities amounted to \$264.0 million an increase of 2.6% over the December 31, 2023 balance mainly due to increases in insurance contract liabilities which comprise obligations to holders of long-term and short-term insurance policies. Shareholder’s equity stood at \$120.0 million (2023:\$120.0 million). The Group’s capital remains strong at 251%, well in excess of the local minimum requirement of 150% 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 \$0.04 per share for shareholders of record as of 26th November 2024, payable on 2nd December 2024. 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
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at September 30, 2024
(Expressed in Bahamian dollars)
UNAUDITED

	30 September 2024	31 December 2023
ASSETS		
Financial investment assets:		
Fair value through profit or loss	\$ 252,562,126	\$ 246,678,440
Fair value through other comprehensive income	13,563,488	13,126,504
Amortized cost	49,665,769	49,786,592
Total financial investment assets	<u>315,791,383</u>	<u>309,591,536</u>
Cash and bank balances	14,571,788	13,608,959
Receivables and other assets, net	3,315,131	3,141,394
Right-of-use assets	488,731	523,916
Property and equipment, net	30,227,953	31,168,769
Intangible assets, net	10,989,069	10,371,588
Reinsurance contract assets	8,649,790	9,028,166
TOTAL ASSETS	<u><u>\$ 384,033,845</u></u>	<u><u>\$ 377,434,328</u></u>
LIABILITIES		
Insurance Contract Liabilities	254,174,317	248,920,404
Investment Contract Liabilities	480,202	594,359
Payables and accruals	8,836,259	7,355,740
Lease liabilities	544,293	578,387
Total liabilities	<u>264,035,071</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	26,851,340	26,528,360
Retained earnings	80,346,354	80,655,998
Total equity	<u>119,998,774</u>	<u>119,985,438</u>
TOTAL LIABILITIES AND EQUITY	<u><u>\$ 384,033,845</u></u>	<u><u>\$ 377,434,328</u></u>

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED
CONDENSED CONSOLIDATED STATEMENT OF INCOME
For the Nine and Three months ended September 30, 2024
(Expressed in Bahamian dollars)
UNAUDITED

	<u>30-Sep-24</u>	<u>30-Sep-23</u> Restated	<u>3 Months to 30-Sep-24</u>	<u>3 Months to 30-Sep-23</u> Restated
INCOME:				
Insurance revenue	\$ 79,081,984	\$ 75,275,043	\$ 27,309,515	\$ 25,091,682
Insurance service expenses	(68,302,047)	(64,676,671)	(24,729,703)	(21,558,891)
Net expenses from reinsurance contracts held	<u>(2,637,871)</u>	<u>(4,571,146)</u>	<u>(956,550)</u>	<u>(1,523,716)</u>
INSURANCE SERVICE RESULT	8,142,066	6,027,226	1,623,262	2,009,075
Net investment income	12,912,511	12,978,977	4,155,604	3,103,781
Net insurance finance expenses	<u>(9,637,991)</u>	<u>(9,058,734)</u>	<u>(2,923,598)</u>	<u>(3,019,578)</u>
NET INSURANCE AND INVESTMENT RESULT	11,416,586	9,947,469	2,855,268	2,093,278
Other operating income	1,678,955	1,567,621	710,162	646,323
Other operating expenses	<u>(8,305,184)</u>	<u>(8,070,544)</u>	<u>(2,877,058)</u>	<u>(2,475,344)</u>
NET INCOME	<u>\$ 4,790,357</u>	<u>\$ 3,444,547</u>	<u>\$ 688,372</u>	<u>\$ 264,258</u>
NET INCOME ATTRIBUTABLE TO:				
Ordinary Shareholders	<u>\$ 4,790,357</u>	<u>\$ 3,444,547</u>	<u>\$ 688,372</u>	<u>\$ 264,258</u>
Basic earnings per ordinary share	<u>\$ 0.16</u>	<u>\$ 0.11</u>	<u>\$ 0.02</u>	<u>\$ 0.01</u>

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Nine months ended September 30, 2024

(Expressed in Bahamian dollars)

UNAUDITED

	<u>9 months to 30-Sep-24</u>	<u>9 months to 30-Sep-23</u> Restated	\$ var	% var
NET INCOME	\$ 4,790,357	\$ 3,444,547	1,345,810	39%
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>322,980</u>	<u>783,321</u>	(460,341)	-59%
Total other comprehensive income	<u>322,980</u>	<u>783,321</u>	(460,341)	-58.8%
TOTAL COMPREHENSIVE INCOME	<u>\$ 5,113,337</u>	<u>\$ 4,227,868</u>	885,469	21%

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Nine months ended September 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 (\$0.17 per share)	-	-	-	(5,100,000)	(5,100,000)
Total transactions with owners	-	-	-	(5,100,000)	(5,100,000)
Comprehensive income					
Net Income	-	-	-	4,790,357	4,790,357
Other Comprehensive gain	-	-	322,980	-	322,980
Total Comprehensive income	-	-	322,980	4,790,357	5,113,337
Balance as at September 30, 2024	<u>2,000,000</u>	<u>10,801,080</u>	<u>26,851,340</u>	<u>80,346,354</u>	<u>119,998,774</u>

See notes to unaudited consolidated financial statements

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

	9 months to 30-Sep-24	9 months to 30-Sep-23 Restated
Net Income	\$ 4,790,357	\$ 3,444,547
Adjustments for:		
Net cash from operating activities	7,535,424	867,905
Net cash used in investing activities	(1,411,368)	(1,666,443)
Net cash used in financing activities	(5,161,227)	(3,259,627)
Net increase/(decrease) in cash and cash equivalents	<u>962,829</u>	<u>(4,058,165)</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>\$ 14,571,788</u>	<u>\$ 9,929,074</u>

See notes to unaudited consolidated financial statements

FAMGUARD CORPORATION LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Nine months ended September 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 Nine months ended September 30, 2024

(Expressed in Bahamian Dollars)

Unaudited

(Continued)

4. Earnings per ordinary share

	<u>30-Sep-24</u>	<u>30-Sep-23</u> Restated
Weighted average number of shares outstanding	30,000,000	30,000,000
Consolidated net income attributable to ordinary shareholders	<u>\$ 4,790,357</u>	<u>\$ 3,444,547</u>
Earnings per ordinary share	<u>\$ 0.16</u>	<u>\$ 0.11</u>

4. Commitments

Outstanding commitments to extend credit under the mortgage loan agreements amounted to approximately \$852,456 as at 30 September, 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 11th November 2024, the Board of Directors declared a third-quarter dividend of \$0.04 per share or \$1,200,000 to shareholders of record as at 26th November 2024 and payable on 2nd December 2024.

7. Business Segments

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

	2024				
	(\$000)				
	<u>LIFE</u>	<u>HEALTH</u>	<u>OTHER</u>	<u>ELIMINATIONS</u>	<u>TOTAL</u>
	\$	\$	\$		\$
Insurance revenue	22,897	56,185	-	-	79,082
Insurance service expense	(17,175)	(51,127)	-	-	(68,302)
Net expense from reinsurance contracts held	<u>(2,263)</u>	<u>(374)</u>	<u>-</u>	<u>-</u>	<u>(2,638)</u>
Insurance service result	3,458	4,684	-	-	8,142
Net investment income	12,443	422	6,647	(6,600)	12,913
Net insurance finance expenses	<u>(9,638)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,638)</u>
Net insurance and investment result	6,264	5,106	6,647	(6,600)	11,417
Other income	585	159	945	(10)	1,679
Other expenses	<u>(3,468)</u>	<u>(2,563)</u>	<u>(2,284)</u>	<u>10</u>	<u>(8,305)</u>
NET INCOME	<u>3,380</u>	<u>2,702</u>	<u>5,308</u>	<u>(6,600)</u>	<u>4,790</u>

	2023				
	(\$000)				
	<u>LIFE</u>	<u>HEALTH</u>	<u>Restated OTHER</u>	<u>ELIMINATIONS</u>	<u>TOTAL</u>
	\$	\$	\$		\$
Insurance revenue	20,706	54,570	-	-	75,275
Insurance service expense	(13,977)	(50,700)	-	-	(64,677)
Net expense from reinsurance contracts held	<u>(3,051)</u>	<u>(1,520)</u>	<u>-</u>	<u>-</u>	<u>(4,571)</u>
Insurance service result	3,677	2,350	-	-	6,028
Net investment income	12,532	427	4,719	(4,700)	12,979
Net insurance finance expenses	<u>(9,059)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,059)</u>
Net insurance and investment result	7,151	2,778	4,719	(4,700)	9,948
Other income	345	321	911	(10)	1,568
Other expenses	<u>(3,431)</u>	<u>(2,476)</u>	<u>(2,172)</u>	<u>10</u>	<u>(8,071)</u>
NET INCOME	<u>4,065</u>	<u>622</u>	<u>3,459</u>	<u>(4,700)</u>	<u>3,445</u>

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