



# FAMGUARD

## CORPORATION LIMITED

FAMGUARD CORPORATION LIMITED  
(Incorporated under the laws of the Commonwealth of The Bahamas)

### CONSOLIDATED BALANCE SHEET

AS OF 31 DECEMBER 2004

(Amounts expressed in Bahamian dollars)

	2004	2003
	\$	\$
<b>ASSETS</b>		
Bank deposits	8,948,089	4,583,422
Government bonds	18,226,600	17,142,500
Preferred shares	1,633,334	1,916,667
Financial assets at fair value through profit or loss	5,776,325	4,823,824
Policy loans	8,468,108	7,956,625
Mortgage loans, net	46,040,470	45,035,120
<b>Total investment assets</b>	<b>89,092,926</b>	<b>81,458,158</b>
Cash and bank balances	2,154,845	1,937,538
Receivables and other assets	2,771,321	4,370,599
Premiums in arrears	1,370,872	1,088,721
Fixed assets, net	16,898,683	17,275,371
	<u>112,288,647</u>	<u>106,130,387</u>
<b>LIABILITIES</b>		
Reserves for future policyholder benefits	67,542,055	61,525,817
Other policyholder funds	6,243,698	6,193,235
<b>Policy liabilities</b>	<b>73,785,753</b>	<b>67,719,052</b>
Payables and accruals	4,699,438	5,851,792
	<u>78,485,191</u>	<u>73,570,844</u>
<b>SHAREHOLDERS' EQUITY</b>		
Preference shares	10,000,000	10,000,000
Ordinary shares	1,725,000	1,725,000
Share premium	2,891,694	2,891,694
Revaluation surplus	5,189,525	5,242,979
Retained earnings	13,997,237	12,699,870
	<u>33,803,456</u>	<u>32,559,543</u>
	<u>112,288,647</u>	<u>106,130,387</u>

FAMGUARD CORPORATION LIMITED

### CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED 31 DECEMBER 2004

(Amounts expressed in Bahamian dollars)

	2004	2003
	\$	\$
<b>DIRECT PREMIUMS</b>		
Ordinary life	8,290,166	7,719,530
Home Service life	11,172,043	11,071,117
Accident and Health	11,708,596	10,853,262
Group health and life	15,490,279	13,226,469
Total direct premiums	46,661,084	42,870,378
Premiums ceded	(3,559,994)	(3,658,487)
Net premiums	43,101,090	39,211,891
Annuity deposits	4,091,091	4,674,403
<b>Net premium income and deposits</b>	<b>47,192,181</b>	<b>43,886,294</b>
Interest income	6,451,768	6,023,561
Dividend income	348,785	340,219
Change in unrealised gain (loss) on financial assets at fair value through profit or loss	748,161	(60,431)
Other operating income	491,068	598,978
<b>Total income</b>	<b>55,231,963</b>	<b>50,788,621</b>
<b>BENEFITS</b>		
Policyholder benefits	24,993,833	26,058,925
Reinsurance recoveries	(1,881,992)	(4,444,370)
Net policyholder benefits	23,111,841	21,614,555
Increase in reserves for future policyholder benefits	6,441,124	6,516,487
	<u>29,552,965</u>	<u>28,131,042</u>
<b>EXPENSES</b>		
Commissions	8,763,209	8,201,542
Operating expenses	12,260,098	11,991,119
Depreciation and amortisation expense	757,518	983,900
Bad debt expense	186,570	99,529
Realised loss on financial assets at fair value through profit or loss	251,440	224,499
	<u>22,218,835</u>	<u>21,500,589</u>
<b>Total benefits and expenses</b>	<b>51,771,800</b>	<b>49,631,631</b>
<b>Net income</b>	<b>3,460,163</b>	<b>1,156,990</b>
<b>Earnings per share</b>	<b>0.40</b>	<b>0.13</b>

FAMGUARD CORPORATION LIMITED

### CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2004

(Amounts expressed in Bahamian dollars)

	Share Capital Preference Shares	Share Capital Ordinary Shares	Share Premium	Revaluation Surplus	Retained Earnings	Total
	\$	\$	\$	\$	\$	\$
Balance as of 1 January 2003, as previously reported	10,000,000	1,725,000	2,891,694	1,008,179	1,696,958	17,321,831
Change in accounting policy, net	-	-	-	-	11,436,335	11,436,335
<b>Balance as of 1 January 2003, as restated</b>	<b>10,000,000</b>	<b>1,725,000</b>	<b>2,891,694</b>	<b>1,008,179</b>	<b>13,133,293</b>	<b>28,758,166</b>
Increase in revaluation surplus	-	-	-	4,256,887	-	4,256,887
Transfer from revaluation surplus	-	-	-	(22,087)	22,087	-
Net income for 2003	-	-	-	-	1,156,990	1,156,990
Dividends declared and paid - preference shares	-	-	-	-	(750,000)	(750,000)
ordinary shares (\$0.10 per share)	-	-	-	-	(862,500)	(862,500)
<b>Balance as of 31 December 2003</b>	<b>10,000,000</b>	<b>1,725,000</b>	<b>2,891,694</b>	<b>5,242,979</b>	<b>12,699,870</b>	<b>32,559,543</b>
<b>Balance as of 1 January 2004</b>	<b>10,000,000</b>	<b>1,725,000</b>	<b>2,891,694</b>	<b>5,242,979</b>	<b>12,699,870</b>	<b>32,559,543</b>
Transfer from revaluation surplus	-	-	-	(53,454)	53,454	-
Net income for 2004	-	-	-	-	3,460,163	3,460,163
Dividends declared and paid - preference shares	-	-	-	-	(750,000)	(750,000)
ordinary shares (\$0.17 per share)	-	-	-	-	(1,466,250)	(1,466,250)
<b>Balance as of 31 December 2004</b>	<b>10,000,000</b>	<b>1,725,000</b>	<b>2,891,694</b>	<b>5,189,525</b>	<b>13,997,237</b>	<b>33,803,456</b>

A complete set of the consolidated accounts may be obtained from the company's corporate office.