

FamGuard Corporation Limited
Consolidated Statement of Changes in Equity
For the six months ended June 30, 2012
(Expressed in BSD)

Unaudited

SHARE CAPITAL						
	PREFERENCE SHARES	ORDINARY SHARES	SHARE PREMIUM	REVALUATION RESERVE	RETAINED EARNINGS	TOTAL
	\$	\$	\$	\$	\$	\$
Balance as of December 31, 2010	10,000,000	2,000,000	10,801,080	9,651,739	28,208,682	60,661,501
Net income for 2011	–	–	–	–	5,218,386	5,218,386
Adjustment to fair value of investment in equities	–	–	–	(312,986)	–	(312,986)
Adjustment to appraised value of land and buildings	–	–	–	1,241,690	–	–
Dividends declared and paid – preference shares	–	–	–	–	(662,500)	(662,500)
ordinary shares (\$0.24 per share)	–	–	–	–	(2,400,000)	(2,400,000)
Balance as of December 31, 2011	10,000,000	2,000,000	10,801,080	10,580,443	30,364,568	63,746,091
Net income for the period	–	–	–	–	2,467,182	2,467,182
Adjustment to fair value of investment in equities	–	–	–	(267,736)	–	(267,736)
Adjustment to appraised value of land and buildings	–	–	–	–	–	–
Dividends declared and paid – preference shares	–	–	–	–	(312,500)	(312,500)
ordinary shares (\$0.12 per share)	–	–	–	–	(1,200,000)	(1,200,000)
Balance as of June 30, 2012	10,000,000	2,000,000	10,801,080	10,312,707	31,319,250	64,433,037

FamGuard Corporation Limited
Notes to the Unaudited Interim Financial Statements
As at June 30, 2012

I. Accounting Policies

These interim consolidated financial statements have been prepared in accordance with International Accounting Standards 34: Interim Financial Reporting. 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 December 31, 2011.

These unaudited consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Family Guardian Insurance Company, FG Insurance Agents & Brokers Limited, FG Financial Limited, FG Capital Markets Limited and BahamaHealth Insurance Brokers and Benefit Consultants Limited.

2. Earnings Per Share

	6 MONTHS TO JUNE 30, 2012	6 MONTHS TO JUNE 30, 2011
Weighted average number of shares outstanding	10,000,000	10,000,000
Consolidated net income	\$ 2,467,182	\$ 2,404,518
Earnings per share	\$ 0.25	\$ 0.24

3. Commitments

Outstanding commitments to extend credit under the mortgage loan agreements amounted to approximately \$1,678,827 as at June 30, 2012 (December 31, 2011: \$2,018,022).

Company Addresses

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Mortgages

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- **FG Capital Markets**

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- **FG Financial**

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Family Guardian Financial Centre

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- **Financial Services**
Ordinary Life and Annuities

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- **BahamaHealth**
Group Operations

PO Box SS19079

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- **Operations**

T +242 396-1385

- **FG Insurance Agents & Brokers**

Property and Casualty Insurance
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visit our website at www.famguardbahamas.com



FAMGUARD
CORPORATION LIMITED

Incorporated under the laws of the Commonwealth of The Bahamas

SECOND QUARTER INTERIM REPORT

Unaudited results for the six months
ended JUNE 30, 2012

FAMGUARD
CORPORATION LIMITED

Message From The Chairman
INTERIM REPORT —Six Months Ending June 30, 2012
Dear Shareholders:

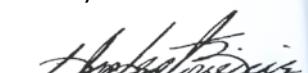
FamGuard reported net profits of \$2.467 million for the six month period ending June 30, 2012 representing an increase of 3% above the same period last year.

Gross premium continued its growth trend and at the end of the second quarter 2012 reflected a 5% increase over prior year-to-date. Responding to decreases in interest rates, annuity deposits declined sharply from \$9.1 million at the end of June 2011 to \$3.2 million at the end of the second quarter 2012. During the first half of the year we also recorded an improving trend in our net policyholder benefits which declined by 9% compared to June 30, 2011.

At the end of the second quarter, total assets stood at \$231.5 million which represents an increase of \$8.7 million or 3.9% over year end 2011 and in keeping with our investment strategy to diversify our assets we reduced the volume of mortgage loans in favour of investments in government and corporate bonds. Mortgages currently represent 35.9% of investment assets down from 39.4% at the end of 2011. Our non-performing mortgage rate stands at 7.4% which is considerably below industry levels and which reflects the quality of our mortgage loan portfolio. Our minimum continuing capital and solvency ratio (MCCSR) has also improved since year end 2011 underscoring the strength and stability of our company.

I am pleased to advise that the Board of Directors declared a dividend of \$0.06 per share for shareholders of record as of August 8, 2012, which was paid on August 13, 2012.

Sincerely,



Norbert F. Boissiere
Chairman

**FamGuard Corporation Limited
Consolidated Statement of Financial Position
As at June 30, 2012
(Expressed in BSD)**

Unaudited

ASSETS

	2012	DEC 31 2011
	\$	\$
Cash and bank balances	8,259,968	5,634,365
Short-term bank deposits	347,048	346,071
Other bank term deposits	23,353,754	13,935,452
Financial Investment Assets:		
Held-to-maturity	67,557,637	65,707,822
Available for sale	6,394,332	6,660,917
Loans	72,534,434	73,337,635
Total investment assets	178,447,173	165,622,262
Reinsurance assets and recoveries	10,171,951	13,126,974
Receivables and other assets	5,465,373	4,508,638
Premiums receivable	4,781,258	6,420,955
Property, plant and equipment, net	32,656,192	33,124,807
TOTAL ASSETS	231,521,947	222,803,636
LIABILITIES & EQUITY		
LIABILITIES		
Reserves for future policyholders' benefits	141,859,624	137,118,184
Other policyholders' funds	16,518,435	15,152,093
Policy liabilities	158,378,059	152,270,277
Payables and accruals	8,710,851	6,787,268
Total liabilities	167,088,910	159,057,545
EQUITY		
Preference shares	10,000,000	10,000,000
Ordinary shares	2,000,000	2,000,000
Share premium	10,801,080	10,801,080
Revaluation surplus	10,312,707	10,580,443
Retained earnings	31,319,250	30,364,568
Total equity	64,433,037	63,746,091
TOTAL LIABILITIES & EQUITY	231,521,947	222,803,636

**FamGuard Corporation Limited
Consolidated Statement of Comprehensive Income
For the six months ended June 30, 2011
(Expressed in BSD)**

Unaudited

NET INCOME
Other Comprehensive Income:

Net value loss on available-for-sale financial assets

Total other comprehensive income

TOTAL COMPREHENSIVE INCOME

Comprehensive Income Attributable To:

Ordinary shareholders

Preferred shareholders

Unaudited

**FamGuard Corporation Limited
Consolidated Statement of Income
For the six months ended June 30, 2012
(Expressed in BSD)**

Unaudited

INCOME

Net premium income and annuity deposits	46,934,944	50,134,178
Investment income	5,197,755	5,242,633
Realized gain (loss) from sale of assets	(25,331)	208
Other operating income	818,250	572,947
Total income	52,925,618	55,949,966

BENEFITS & EXPENSES
BENEFITS

Policyholders' benefits, net of recoveries

Increase in reserves for policyholders benefits

Net policyholder benefits

EXPENSES

Commissions

Operating expenses

Depreciation

Premium tax

Bad debt expenses

Total benefits and expenses
NET INCOME

Earnings per share

Unaudited

Unaudited