

<b>SHARE CAPITAL</b>						
	PREFERENCE SHARES	ORDINARY SHARES	SHARE PREMIUM	REVALUATION RESERVE	RETAINED EARNINGS	TOTAL
	\$	\$	\$	\$	\$	\$
<b>Balance as of December 31, 2011</b>	<b>\$10,000,000</b>	<b>\$2,000,000</b>	<b>\$10,801,080</b>	<b>\$10,580,443</b>	<b>\$30,364,568</b>	<b>\$63,746,091</b>
Net income for 2012	-	-	-	-	5,440,804	5,440,804
Impairment loss transfer to profit & loss				594,020		594,020
Adjustment to fair value of investment in equities	-	-	-	(40,117)	-	(40,117)
Dividends declared and paid -						
preference shares					(625,000)	(625,000)
ordinary shares (\$0.24 per share)					(2,400,000)	(2,400,000)
<b>Balance as of December 31, 2012</b>	<b>10,000,000</b>	<b>2,000,000</b>	<b>10,801,080</b>	<b>11,134,346</b>	<b>32,780,372</b>	<b>66,715,798</b>
Net income for the period	-	-	-	-	3,883,819	3,883,819
Adjustment to fair value of investment in equities	-	-	-	305,059	-	305,059
Dividends declared and paid -						
preference shares					(312,500)	(312,500)
ordinary shares (\$0.18 per share)					(1,800,000)	(1,800,000)
<b>Balance as of 30 September 2013</b>	<b>\$10,000,000</b>	<b>\$2,000,000</b>	<b>\$10,801,080</b>	<b>\$11,439,405</b>	<b>\$34,551,692</b>	<b>\$68,792,176</b>

See accompanying notes to unaudited consolidated financial statements.

## 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 31 December 2012.

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

## 2. Earnings Per Share

	9 MONTHS TO 30 SEPT. 2013	9 MONTHS TO 30 SEPT. 2012
Weighted average number of shares outstanding	10,000,000	10,000,000
Consolidated net income	\$ 3,883,819	3,092,975
Earnings per share	<b>\$ 0.39</b>	<b>0.31</b>

## 3. Commitments

Outstanding commitments to extend credit under the mortgage loan agreements amounted to approximately \$ 1,205,739 as at 30 September 2013 (31 December 2012: \$1,111,720)

## Company Addresses

### FamGuard Corporate Office

East Bay Street & Village Road  
PO Box SS6232, Nassau, Bahamas  
T +242 396-4000 | F +242 393-1100

Bryinda Carroll, VP Legal & Compliance  
bcarroll@familyguardian.com

- **Investments Department Mortgages**

T +242 396-4000

- **FG Capital Markets**

Brokerage and Advisory Services  
T +242 396-4076

- **FG Financial**

Pensions and Mutual Funds

T +242 396-4076

### Family Guardian Financial Centre

East Bay & Church Streets  
PO Box SS6232, Nassau, Bahamas

- **Financial Services Ordinary Life and Annuities**

T +242 396-1400

- **BahamaHealth Group Operations**

PO Box SS19079

T +242 396-1300

- **Operations**

T +242 396-1385

- **FG Insurance Agents & Brokers**

Property and Casualty Insurance  
T +242 396-1400

T +242 336-3418

### Marathon District

Marathon Road, PO Box SS6232  
Nassau, Bahamas  
T +242 393-0091

### Chippingham District

Thompson Boulevard, PO Box SS6232  
Nassau, Bahamas

T +242 325-1811

### Carmichael District

Blue Hill Road South, PO Box SS6232  
Nassau, Bahamas

T +242 341-4429

### Freeport

Financial Services and Mortgages  
Regent Centre, PO Box F42479  
Freeport, Grand Bahama

T +242 352-3670

### Home Service District Office

East Mall Drive, PO Box F42479  
Freeport, Grand Bahama

T +242 352-7233

### Abaco Office

Memorial Plaza, PO Box AB20901  
Marsh Harbour, Abaco

T +242 367-3264

### Eleuthera Office

Bay Front Plaza, PO Box EL89  
Governor's Harbour, Eleuthera

T +242 332-2258

### Exuma Office

Turnquest Plaza, PO Box EX29346  
George Town, Exuma

T +242 336-3418



**FAMGUARD**  
CORPORATION LIMITED

Incorporated under the laws of the Commonwealth of The Bahamas

## THIRD QUARTER INTERIM REPORT

Unaudited results for the nine months ended 30 SEPTEMBER 2013

**FAMGUARD**  
CORPORATION LIMITED

**INTERIM REPORT**

Unaudited Results For Nine Months Ended  
30 September 2013

**MESSAGE FROM THE CHAIRMAN**
**Dear Shareholders:**

For the third quarter ended September 30, 2013 FamGuard recorded net income of \$3.9 million which represents an increase of 26% or \$791 thousand dollars over the same period in 2012. Earnings per ordinary share increased by 28%, from \$0.28 at September 30, 2012 to \$0.36 at September 30, 2013.

Total income for the period increased by \$4.3 million or 5.5% mainly due to strong growth in our annuity deposits which increased by \$5.4 million or 109% over prior year-to-date ending the quarter at \$10.3 million. Total income was also positively impacted by \$291 thousand or a 3.7% growth in investment income. Net premium income fell by 2.9% principally reflecting fluctuations in group health coverage related to risk-adjusted premium rates. As a result of these changes, our performance in this product line continues to make strong contributions to the Company's overall net income.

The Company recorded an increase of 5.8% in net policyholder benefits due to the growth in reserves related to the increase in annuity deposits. Policyholder benefits attributed to life and health lines declined against prior year by almost 5%. Operating expenses have been maintained at levels recorded in 2012 and this trend is expected to continue through year-end.

Our results for the three months ending September 30, 2013 reflect continued improvements with net income increasing by 68% or \$423 thousand over the same period in 2012.

Total assets grew over the nine months ended September 30, 2013 by \$14.4 million and total equity increased by \$2.1 million to end the quarter at \$68.8 million.

I am pleased to advise that the Board of Directors declared a dividend of \$0.06 per share for shareholders of record as of November 13, 2013 payable on November 18, 2013.

Sincerely,



Norbert F. Boissiere  
Chairman

**FamGuard Corporation Limited  
Consolidated Statement of Financial Position  
As at 30 September 2013  
(Expressed in BSD)**

Unaudited

**ASSETS**

	2013	DEC 31 2012
	\$	\$
Short-term bank deposits	349,190	2,106,607
Other bank term deposits	25,823,270	20,226,365
Financial Investment Assets:		
Held-to-maturity	85,977,080	78,001,978
Available for sale	6,744,415	6,439,356
Loans	72,543,096	73,381,797
Total investment assets	191,437,051	186,102,278
Cash and bank balances	7,285,914	5,946,175
Reinsurance assets and recoveries	10,880,145	11,147,023
Intangible Assets	923,333	953,333
Receivables and other assets	4,888,905	1,913,131
Premiums receivable	5,545,317	5,268,489
Property, plant and equipment, net	30,835,472	32,018,731
<b>TOTAL ASSETS</b>	<b>251,796,136</b>	<b>237,402,986</b>

**LIABILITIES & EQUITY**
**LIABILITIES**

Reserves for future policyholders' benefits	160,137,503	148,549,600
Other policyholders' funds	13,171,726	12,442,312
Policy liabilities	173,309,229	160,991,912
Payables and accruals	9,694,732	9,695,276
Total liabilities	183,003,960	170,687,188

**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	11,439,405	11,134,346
Retained earnings	34,551,691	32,780,372
Total equity	68,792,176	66,715,798
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>251,796,136</b>	<b>237,402,986</b>

**FamGuard Corporation Limited  
Consolidated Statement of Comprehensive Income**

For the nine months ended 30 September 2013  
(Expressed in BSD)

Unaudited

**NET INCOME**
**Other Comprehensive Income:**

Net value gain (loss) on available-for-sale financial assets	305,059	(312,948)
Total other comprehensive income	305,059	(312,948)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>\$ 4,188,878</b>	<b>\$ 2,780,027</b>
<b>Comprehensive Income Attributable To:</b>		
Ordinary Shareholders	3,876,378	2,467,527
Preferred Shareholders	312,500	312,500
	<b>\$ 4,188,878</b>	<b>\$ 2,780,027</b>

**FamGuard Corporation Limited  
Consolidated Statement of Income  
For the nine months ended 30 September 2013  
(Expressed in BSD)**

Unaudited

**INCOME**

Net premium income	63,560,550	65,455,514
Annuity deposits	10,291,986	4,916,564
Investment income	8,233,898	7,943,011
Realized loss from sale of assets	(134,382)	(668,475)
Other operating income	1,143,892	1,109,801
Total income	<b>83,095,944</b>	<b>78,756,414</b>

**BENEFITS & EXPENSES**

Net policyholder benefits	54,644,737	51,630,933
Commissions	8,332,489	8,750,162
Operating expenses	11,667,381	11,742,314
Depreciation and amortization expense	1,606,254	1,487,720
Premium tax	2,112,430	2,201,761
Bad debt expense	848,834	(149,452)
Total benefits and expenses	<b>79,212,125</b>	<b>75,663,438</b>

**NET INCOME**
**NET INCOME ATTRIBUTABLE TO**

Ordinary Shareholders	3,571,319	2,780,475
Preferred Shareholders	312,500	312,500
	<b>3,883,819</b>	<b>3,092,975</b>
Earnings per ordinary share		\$0.36

**FamGuard Corporation Limited  
Consolidated Statement of Income  
For the three months ended 30 September 2013  
(Expressed in BSD)**

Unaudited

**INCOME**

Net premium income	21,451,248	21,712,198
Annuity deposits	4,916,650	1,724,935
Investment income	2,844,385	2,745,256
Realized loss from sale of assets	(70,479)	(643,144)
Other operating income	366,263	291,551
Total income	<b>29,508,067</b>	<b>25,830,794</b>

**BENEFITS & EXPENSES**

Net policyholder benefits	19,802,511	17,626,958
Commissions	3,025,951	2,681,992
Operating expenses	3,823,771	3,964,587
Premium tax	536,829	513,403
Depreciation and amortization expense	707,669	695,422
Bad debt expense	562,433	(277,361)
Total benefits and expenses	<b>28,459,164</b>	<b>25,205,001</b>

**NET INCOME**
**NET INCOME**

Ordinary Shareholders	<b>\$ 1,048,903</b>	<b>\$ 625,792</b>
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**FamGuard Corporation Limited  
Consolidated Statement of Cash Flows  
For the nine months ended 30 September 2013  
(Expressed in BSD)**

Unaudited

**Cash flows from operating activities**

<b>Net income</b>	<b>3,883,819</b>	<b>3,092,975</b>
Adjustments for:		
Depreciation expense	1,576,254	1,487,720
Amortization of intangible asset	30,000	0
Realized loss from sale of mortgage assets	134,382	668,475
Change in bad debt provision	368,411	4,772
Change in mortgage provision	480,423	166,330
Change in reinsurance assets	266,878	5,238,568
Reserve for policyholders' benefits	11,587,903	10,069,867
Interest income	(7,797,822)	(7,646,404)
Dividend income	(436,076)	(296,606)

**Operating profit before working capital changes**

<b>10,094,172</b>	<b>12,785,697</b>
(2,943,854)	(2,028,920)
(276,828)	1,839,305
(544)	331,019
729,414	894,888

**Net cash from operating activities**

<b>7,602,360</b>	<b>13,</b>
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