

Unaudited

Company Addresses

SHARE CAPITAL

	PREFERENCE SHARES	ORDINARY SHARES	SHARE PREMIUM	REVALUATION RESERVE	RETAINED EARNINGS	ATTRIBUTABLE TO OWNERS OF THE PARENT	NON- CONTROLLING INTERESTS	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
Balance as of 31 December 2014	10,000,000	2,000,000	10,801,080	\$15,057,914	\$36,218,443	\$74,077,437	\$26,048,393	\$100,125,830
Additional non-controlling interest arising from net contributions from investors							\$3,253,263	\$3,253,263
Profit for 2015	-	-	-	-	5,177,516	5,177,516	1,715,887	6,893,403
Other Comprehensive income for 2015				881,458	(14,172)	867,286		867,286
Dividends declared and paid -								
Preference shares	-	-	-	-	(625,000)	(625,000)		(625,000)
Ordinary shares (\$0.24 per share)	-	-	-	-	(2,400,000)	(2,400,000)	-	(2,400,000)
Balance as of 31 December 2015	10,000,000	2,000,000	10,801,080	15,939,372	38,356,787	77,097,239	31,017,543	108,114,782
Additional non-controlling interest arising from net contributions from investors							(42,584)	(42,584)
Profit for 2016	-	-	-	-	543,143	543,143	232,250	775,393
Other Comprehensive income for 2016								
Adjustment to fair value of investment in equities	-	-	-	425,731	-	425,731		425,731
Dividends declared and paid -								
Preference shares	-	-	-	-	-	-	-	-
Ordinary shares (\$0.06 per share)	-	-	-	-	(600,000)	(600,000)	-	(600,000)
Balance as of 31 March 2016	\$10,000,000	\$2,000,000	\$10,801,080	\$16,365,103	\$38,299,930	\$77,466,113	\$31,207,208	\$108,673,321

I. Accounting Policies

These interim unaudited consolidated financial statements have been prepared in accordance with International Accounting Standards 34: Interim Financial Reporting. The interim unaudited consolidated financial statements do not include all of the information and Company disclosures required in the annual consolidated financial statements, and should be read in conjunction with the December 31, 2015 audited financial statements.

These unaudited consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Family Guardian Insurance Company, FG General Insurance Agency Limited, FG Financial Limited, FG Capital Markets Limited and BahamaHealth Insurance Brokers Limited. Additionally it includes consolidation, in accordance with IFRS 10 on the basis of control over an affiliated umbrella fund, with FG Financial Fund Ltd SAC with effect from 1 October 2013.

2. Earnings Per Ordinary Share

	2016	2015
Weighted average number of shares outstanding	10,000,000	10,000,000
Consolidated net income attributable to ordinary shareholders	\$543,143	\$1,712,729
Earnings per ordinary share	\$0.05	\$0.17

3. Commitments

Outstanding commitments to extend credit under the mortgage loan agreements amounted to approximately \$2,382,339 as at 31 March 2016. (31 December 2015: \$3,662,747)

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Visit our website at www.famguardbahamas.com



FAMGUARD
CORPORATION LIMITED

Incorporated under the laws of the Commonwealth of The Bahamas



FAMGUARD
CORPORATION LIMITED

FIRST QUARTER
INTERIM REPORT

Unaudited results for the THREE
months ended 31 MARCH 2016



INTERIM REPORT

Unaudited results for the THREE months ended
31 MARCH 2016

MESSAGE FROM THE CHAIRMAN

Dear Shareholders:

I am pleased to report that for the first quarter ending 31 March 2016 FamGuard Corporation recorded profits of \$775 thousand. Net income attributable to common shareholders totaled \$543 thousand or \$0.05 per share. The financial performance of the Company during the period was impacted by fluctuations in the market value of several equities along with an increase in policyholder benefits during the quarter.

Total revenues increased by \$766 thousand over the same period in 2015; primarily due to increases in net premiums. Investment income increased by 12.8% and contributed \$3.5 million to total revenues during the period, while annuity deposits remained consistent, totaling \$4.1 million year to date.

Policyholder benefits totaled \$20.8 million compared to \$19.1 million for the corresponding prior period. The increase is attributed to higher medical claims from our Group Health business as a result of a combination of increased membership and higher than normal claim activity during the period.

Total expenses exceed prior year as a result of continued investment in technology to increase our competitiveness and human capital aimed at improving our service to our policyholders and customers.

The Company's balance sheet remains strong with total assets of \$327 million, of which investment assets comprised \$254 million, representing 78% of our total asset base. The Company's insurance subsidiary, Family Guardian Insurance Company Limited continues to maintain capital solvency measures in excess of the local and international minimum requirements.

I am pleased to advise that the Board of Directors declared a dividend of \$0.06 per share for shareholders of record as of May 24th, 2016, payable on May 30th, 2016.

On behalf of the Board of Directors of FamGuard, I would like to extend our sincere thanks to our shareholders and customers for their continued support.

Sincerely,

L. Edgar Moxey
Chairman

FamGuard Corporation Limited
Consolidated Statement of Financial Position
As at 31 March 2016
(Expressed in BSD)

	Unaudited	
	31 March 2016	31 Dec 2015
	\$	\$
ASSETS		
Fair value through profit or loss	13,570,403	13,565,734
Available-for-sale	13,759,139	13,245,237
Held-to-maturity	149,825,698	147,967,758
Loans	77,331,888	77,269,049
Total financial investment assets	254,487,128	252,047,778
Cash and bank balances	11,682,639	10,187,065
Reinsurance assets	8,985,182	8,677,855
Receivables and other assets, net	18,055,198	18,785,175
Intangible assets, net	628,333	653,333
Property, plant and equipment, net	33,592,844	34,184,417
TOTAL ASSETS	327,431,324	324,535,623
LIABILITIES AND EQUITY		
LIABILITIES:		
Reserves for future policyholders' benefits	192,213,517	187,287,913
Other policyholders' funds	17,660,140	18,270,484
Policy liabilities	209,873,657	205,558,397
Payables and accruals	8,884,346	10,862,444
Total liabilities	218,758,003	216,420,841
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	16,365,103	15,939,372
Retained earnings	38,299,930	38,356,787
Equity attributable to owners of the parent	77,466,113	77,097,239
Non-controlling interest	31,207,208	31,017,543
Total equity	108,673,321	108,114,782
TOTAL LIABILITIES AND EQUITY	327,431,324	324,535,623

FamGuard Corporation Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the three months ended 31 March 2016
(Expressed in BSD)

	Unaudited	
	3 MONTHS to 31 March 2016	3 MONTHS to 31 March 2015
	\$	\$
INCOME:		
Gross premium income	24,854,012	24,215,902
Premium ceded to reinsurers	(2,402,867)	(2,308,101)
Net premium income	22,451,145	21,907,801
Annuity deposits	4,075,945	4,274,713
Net premium income and annuity deposits	26,527,090	26,182,514
Interest income	3,281,096	3,070,480
Dividend income	350,230	286,340
Unrealized gains and (losses)	(99,099)	117,634
Realized loss from sale of assets	(41,203)	(380,134)
Other operating income	410,479	385,436
Total income	30,428,593	\$29,662,270
BENEFITS AND EXPENSES:		
Benefits:		
Policyholders' benefits	18,024,093	15,354,227
Reinsurance recoveries	(1,875,267)	(1,172,704)
Net policyholders' benefits	16,148,826	14,181,523
Increase in reserves for policyholders' benefits	4,618,277	4,949,081
Total benefits	20,767,103	19,130,604
Expenses:		
Operating expenses	4,684,562	2,914,197
Commissions	2,853,524	4,540,019
Premium tax	745,620	726,477
Depreciation and amortization expense	401,085	430,854
Bad debt expense	201,306	(21,344)
Total expenses	8,886,097	8,590,203
Total benefits and expenses	29,653,200	27,720,807
PROFIT	775,393	1,941,463
OTHER COMPREHENSIVE INCOME		
Net value gain on available-for-sale financial assets	425,731	23,469
Total Other Comprehensive Income	425,731	23,469
Total Comprehensive Income	1,201,124	1,964,932
PROFIT ATTRIBUTABLE TO:		
Ordinary Shareholders	543,143	1,712,729
Non-controlling interests	232,250	228,734
775,393	1,941,463	
0.05	0.17	

Earnings per ordinary share

FamGuard Corporation Limited
Consolidated Statement of Cash Flows
For the three months ended 31 March 2016
(Expressed in BSD)

	Unaudited	
	3 MONTHS to 31 March 2016	3 MONTHS to 31 March 2015
	\$	\$
Cash flows from operating activities:		
Profit	\$775,393	\$1,941,463
Adjustments for:		
Depreciation	376,085	405,854
Amortization of intangible asset	25,000	25,000
Unrealized loss (gain) on investment assets	99,099	(117,634)
Realized loss from sale of investment assets	41,203	380,134
Increase (decrease) in bad debt provision	194,510	(21,344)
Change in reinsurance assets	(307,327)	(68,038)
Change in reserve for future policyholders' benefits	4,925,604	5,017,119
Interest income	(3,281,096)	(3,070,480)
Dividend income	(350,230)	(286,340)
Operating profit before working capital changes	2,498,241	4,205,734
Decrease (increase) in receivables and other assets	729,977	(5,278,381)
(Decrease) increase in payables and accruals	(1,978,098)	6,937,770
(Decrease) increase in other policyholders' funds	(610,344)	312,837
Net cash from operating activities	639,776	6,177,960
Cash flows from investing activities:		
Changes in non-controlling interest	(141,685)	989,238
Net placement of bank term deposits greater than three months	(226,740)	1,950,655
Purchase of government bonds	(1,748,701)	(3,605,205)
(Purchase) redemption of corporate bonds	(330,966)	5,000
Net redemption of preference shares	115,000	0
Purchase of equities	(199,851)	(409,241)
Policy loans issued	(192,049)	(320,736)
Net mortgage loans repaid (issued)	190,191	(56,537)
Net purchase of property, plant and equipment	(376,085)	(223,390)
Interest received	4,016,454	3,784,288
Dividends received	350,230	286,340
Net cash from investing activities	1,455,798	2,400,412
Cash flows from financing activities:		
Dividends paid - ordinary shares	(600,000)	(600,000)
Net cash used in financing activities	(600,000)	(600,000)
Net increase in cash and cash equivalents	1,495,574	7,978,372
Cash and cash equivalents at beginning of the period	10,187,065	8,859,179
Cash and cash equivalents at end of the period	\$11,682,639	\$16,837,551

See accompanying notes to unaudited consolidated financial statements.