

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							1,549,806	1,549,806
Profit for 2016	-	-	-	-	3,423,011	3,423,011	519,546	3,942,557
Other comprehensive income for 2016								
Adjustment to fair value of investment in equities	-	-	-	944,554	-	944,554	-	944,554
Dividends declared and paid								
Preference shares	-	-	-	-	(312,500)	(312,500)	-	(312,500)
Ordinary shares (\$0.12 per share)	-	-	-	-	(1,200,000)	(1,200,000)	-	(1,200,000)
Balance as of 30 June 2016	10,000,000	2,000,000	10,801,080	16,883,926	40,267,298	79,952,304	33,086,895	113,039,199

1. Accounting Policies

These interim unaudited 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 2015.

The interim unaudited financial statements do not include all of the Company disclosures required in the annual audited financial statements and should be read in conjunction with the 31 December 2015 audited financial statements.

2. Earnings Per Ordinary Share

	6 MONTHS to 30 June 2016	6 MONTHS to 30 June 2015
Weighted average number of shares outstanding	10,000,000	10,000,000
Profit attributable to ordinary shareholders	\$3,110,511	\$3,012,370
Earnings per ordinary share	\$0.31	\$0.30

3. Commitments

Outstanding commitments to extend credit under the mortgage loan agreements amounted to approximately \$2,606,945 as at June 30, 2016 (31 December 2015: \$3,662,747).

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FAMGUARD
CORPORATION LIMITED

Incorporated under the laws of the Commonwealth of The Bahamas



FAMGUARD
CORPORATION LIMITED

SECOND QUARTER
INTERIM REPORT

Unaudited results for the six months
ended 30 JUNE 2016



FAMGUARD

CORPORATION LIMITED

INTERIM REPORT

Unaudited results for the six months ended
30 JUNE 2016

MESSAGE FROM THE CHAIRMAN

Dear Shareholders:

I am pleased to report that for the second quarter ending 30 June 2016 FamGuard Corporation recorded profits of \$3.9 million, consistent with our performance over the corresponding period of 2015. Net income attributable to common shareholders totaled \$3.1 million representing \$0.31 per share.

The financial performance of the Company is highlighted by positive variances in total revenues and operating expenses through the first half of the year, compared to the prior period. Total revenues increased by \$607 thousand over the same period in 2015, primarily due to increases in gross premiums. Investment income increased by 4% and contributed \$7.1 million to total revenues during the period, despite the impact of fluctuations in the market value of several equities which impacted investment returns. The Company continues to experience a strong demand by policyholders for the annuity products, with deposits totaling \$7.0 million, comparable to that of the same period in 2015.

Net Policyholder benefits totaled \$39.2 million compared to \$38.2 million for the corresponding prior period. The increase is attributed to an unusually high incidence of medical claims during the period. Cost containment remains at the forefront of the Company's operational efficiency strategy. As such, total expenses show a positive 3% variance when compared with the prior period, as management has made a significant effort to implement cost saving measures across the 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 17th, 2016, payable on August 24th, 2016.

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

Sincerely,

L. Edgar Moxey
Chairman & CEO

FamGuard Corporation Limited
Consolidated Statement of Financial Position
As at 30 JUNE 2016
(Expressed in BSD)

	Unaudited	
	30 June 2016	31 Dec 2015
	\$	\$
ASSETS		
Fair value through profit or loss	13,680,347	13,565,734
Available for sale	14,292,631	13,245,237
Held-to-maturity	153,698,699	147,967,758
Loans	77,900,207	77,269,049
Total financial investment assets	259,571,884	252,047,778
Cash and bank balances	14,790,681	10,187,065
Reinsurance assets	8,980,810	8,677,855
Receivables and other assets	11,928,713	13,372,285
Intangible assets, net	603,333	653,333
Premiums receivable, net	5,199,972	5,412,891
Property, plant and equipment, net	33,886,598	34,184,417
TOTAL ASSETS	\$334,961,451	\$324,535,623
LIABILITIES AND EQUITY		
LIABILITIES:		
Reserves for future policyholders' benefits	193,933,353	187,287,913
Other policyholders' funds	18,040,687	18,270,484
Policy liabilities	211,974,040	205,558,397
Payables and accruals	9,948,212	10,862,444
Total liabilities	221,922,252	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 reserve	16,883,926	15,939,372
Retained earnings	40,267,298	38,356,787
Equity attributable to owners of the Parent	79,952,304	77,097,239
Non-controlling interest	33,086,895	31,017,543
Total equity	113,039,199	108,114,782
TOTAL LIABILITIES AND EQUITY	\$334,961,451	\$324,535,623

FamGuard Corporation Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the six months ended 30 JUNE 2016
(Expressed in BSD)

	Unaudited	
	6 MONTHS to 30 June 2016	6 MONTHS to 30 June 2015
	\$	\$
INCOME:		
Net premium income	45,189,246	44,762,391
Annuity deposits	6,983,389	7,073,073
Net premium income and annuity deposits	52,172,635	51,835,464
Investment income	7,138,698	6,892,176
Other operating income	878,657	855,210
Total income	60,189,990	59,582,850
BENEFITS AND EXPENSES:		
Net policyholder benefits	39,227,312	38,190,988
Commissions	5,758,441	5,915,806
Operating expenses	11,261,680	11,596,402
Total benefits and expenses	56,247,433	55,703,196
NET PROFIT	\$3,942,557	3,879,653
OTHER COMPREHENSIVE INCOME		
Net value gain on available-for-sale financial assets	944,554	244,132
TOTAL COMPREHENSIVE INCOME	\$4,887,111	\$4,123,785
NET PROFIT ATTRIBUTABLE TO:		
Ordinary Shareholders	3,110,511	3,012,370
Preferred Shareholders	312,500	312,500
Non-Controlling Interests	519,546	554,783
	3,942,557	3,879,653
	\$0.31	\$0.30
Earnings per ordinary share		
3 MONTHS to 30 June 2016 3 MONTHS to 30 June 2015		
	\$	\$
Net premium income	\$22,738,101	\$22,854,590
Annuity deposits	2,907,444	2,798,360
Net premium income and annuity deposits	25,645,545	25,652,950
Investment income	3,647,674	3,797,856
Other operating income	468,177	469,774
Total income	29,761,396	29,920,581
BENEFITS AND EXPENSES:		
Net policyholder benefits	18,460,209	19,060,384
Commissions	2,904,917	3,001,609
Operating expenses	5,229,106	6,026,507
Total benefits and expenses	26,594,232	28,088,500
NET PROFIT	\$3,167,164	\$1,832,080
NET PROFIT ATTRIBUTABLE TO:		
Ordinary Shareholders	2,567,368	1,299,642
Preferred Shareholders	312,500	312,500
Non-controlling interests	287,296	326,049
	\$3,167,164	\$1,938,191
	\$0.26	\$0.13
Earnings per ordinary share		

FamGuard Corporation Limited
Consolidated Statement of Cash Flows
For the six months ended 30 JUNE 2016
(Expressed in BSD)

	Unaudited	
	6 MONTHS to 30 June 2016	6 MONTHS to 30 June 2015
	\$	\$
Cash flows from operating activities:		
Profit	3,942,557	3,879,653
Adjustments for:		
Depreciation	754,420	803,999
Amortization of intangible asset	50,000	50,000
Unrealized gain on investment assets	(10,845)	(427,653)
Realized loss on sale of investment assets	117,350	437,840
Increase in provisions for loans and receivables	137,175	214,880
Increase in reinsurance assets	(302,955)	(214,633)
Change in reserve for future policyholders' benefits	6,645,440	8,277,577
Interest income	(6,528,649)	(6,263,409)
Dividend income	(716,554)	(638,954)
Operating profit before working capital changes	4,087,940	6,119,300
Decrease (increase) in receivables and other assets	1,580,681	(5,795,474)
(Decrease) increase in payables and accruals	(914,232)	6,022,800
(Decrease) increase in other policyholders' funds	(229,797)	2,335,055
Net cash from operating activities	4,524,591	8,681,681
Cash flows from investing activities:		
Net changes in non-controlling interest	1,560,649	2,823,055
Net (placement of) proceeds from bank term deposits greater than three months	(302,497)	4,250,071
Purchase of Government bonds and notes	(5,374,434)	(8,639,172)
(Purchase) redemption of corporate bonds	(216,831)	4,292,665
Redemption (purchase) of preference shares	156,064	(6,547,665)
Available- for- sale securities purchased	(96,083)	(719,267)
Purchase of investment in assets at fair value	(103,768)	-
Net policy loans issued	(494,787)	(561,580)
Net mortgage loans issued	(314,547)	(503,438)
Net purchase of property, plant and equipment	(456,600)	(1,040,526)
Proceeds from disposal of property, plant, and equipment	-	8,820
Interest received	6,517,805	6,250,941
Dividends received	716,554	638,954
Net cash from investing activities	1,591,525	252,858
Cash flows from financing activities:		
Dividends paid - preference shares	(312,500)	(312,500)
Dividends paid - ordinary shares	(1,200,000)	(1,200,000)
Net cash used in financing activities	(1,512,500)	(1,512,500)
Net increase in cash and cash equivalents	4,603,616	7,422,039
Cash and cash equivalents at beginning of the period	10,187,065	8,859,179
Cash and cash equivalents at end of the period	14,790,681	16,281,218

See accompanying notes to unaudited consolidated financial statements.