

Unaudited

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 2013	10,000,000	2,000,000	10,801,080	11,770,798	33,906,623	68,478,501	20,455,388	88,933,889
Additional non-controlling interest arising from net contributions from investors							4,573,440	4,573,440
Profit for 2014	-	-	-	-	5,345,479	5,345,479	1,019,565	6,365,044
Other Comprehensive income for 2014				3,287,116	(8,659)	3,278,457		3,278,457
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 2014	10,000,000	2,000,000	10,801,080	15,057,913	36,218,444	74,077,437	26,048,393	100,125,830
Additional non-controlling interest arising from net contributions from investors							3,173,570	3,173,570
Profit for 2015	-	-	-	-	3,785,082	3,785,082	1,423,207	5,208,289
Other Comprehensive income for 2015								
Adjustment to fair value of investment in equities	-	-	-	730,504	-	730,504		730,504
Dividends declared and paid -								
Preference shares	-	-	-	-	(312,500)	(312,500)		(312,500)
Ordinary shares (\$0.18 per share)	-	-	-	-	(1,800,000)	(1,800,000)		(1,800,000)
Balance as of 30 Sept 2015	10,000,000	2,000,000	10,801,080	15,788,417	37,891,026	76,480,523	30,645,169	107,125,692

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 2014.

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

	2015	2014
Weighted average number of shares outstanding	10,000,000	10,000,000
Consolidated net income attributable to ordinary shareholders	\$3,472,582	\$3,409,184
Earnings per ordinary share	\$0.35	\$0.34

3. Commitments

Outstanding commitments to extend credit under the mortgage loan agreements amounted to approximately \$3,782,082 as at 30 Sept 2015 (31 December 2014: \$3,014,028)

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Visit our website at www.famguardbahamas.com



Incorporated under the laws of the Commonwealth of The Bahamas

THIRD QUARTER
INTERIM REPORT

Unaudited results for the nine months
ended 30 SEPTEMBER 2015





INTERIM REPORT
Unaudited results for the nine months ended
30 SEPTEMBER 2015

MESSAGE FROM THE CHAIRMAN

Dear Shareholders:

I am pleased to report that for the third quarter ending 30 September 2015 FamGuard Corporation recorded profits of \$5.2 million. The financial results of the third quarter exceeded profits of the same period in 2014 by 20.6%. Earnings per ordinary share increased from \$0.34 in 2014 to \$0.35 in 2015.

The financial performance of the company is driven by total revenues which increased by \$2.9 million over the same period in 2014; primarily due to increases in net premiums and investment income. Net premiums totaled \$67.3 million, an increase over the prior period by 2.7%. Investment income contributed to \$10.7 million in total revenue.

Policyholder benefits totaled \$57.4 million year to date compared to \$55.6 million for the corresponding prior period. The variance can be attributed to an increase in medical claims during the period, as well as an increase in reserves for policyholder benefits. Total expenses exceed prior year as a result of continued efforts to invest in technology and human capital aimed at improving our service to our policyholders and customers. The introduction of Value Added Tax (VAT) also contributed to the additional expense load and accounted for \$326 thousand of the total expenses.

The Company's financial stability continues to be evidenced by its strong balance sheet. Total assets increased by \$21.2 million over the past 9 months and stood at \$323 million as at September 30th, 2015. Investment assets stood at \$250 million and represented 78% of our total asset base.

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 23rd, 2015, payable on November 30th, 2015.

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,

Norbert F. Boissiere
Chairman

FamGuard Corporation Limited
Consolidated Statement of Financial Position
As at 30 September 2015
(Expressed in BSD)

Unaudited

	30 Sept 2015	31 Dec 2014
	\$	\$
ASSETS		
Other Bank term deposits	12,228,378	12,608,063
Financial Investment Assets:		
Held-to-maturity	139,234,601	126,773,151
Available-for-sale	8,345,692	7,615,189
Fair value through profit or loss	13,760,371	12,743,245
Loans	76,907,463	75,422,467
Total investment assets	250,476,505	235,162,115
Cash and bank balances	10,725,929	8,859,179
Reinsurance assets	8,255,610	7,787,963
Reinsurance recoveries	5,705,473	6,220,475
Receivables and other assets	7,275,092	5,549,637
Intangible assets	678,333	753,333
Premiums receivable, net	5,464,432	3,682,504
Property, plant and equipment, net	34,346,993	33,743,195
Total assets	322,928,367	301,758,401
LIABILITIES AND EQUITY		
LIABILITIES:		
Reserves for future policyholders' benefits	186,043,643	174,665,956
Other policyholders' funds	18,539,286	16,064,122
Policy liabilities	204,582,929	190,730,078
Payables and accruals	11,219,746	10,902,493
Total liabilities	215,802,675	201,632,571
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	15,788,417	15,057,913
Retained earnings	37,891,026	36,218,444
Equity attributable to owners of the parent	76,480,523	74,077,437
Non-controlling interest	30,645,169	26,048,393
Total equity	107,125,692	100,125,830
Total liabilities and equity	322,928,367	301,758,401

FamGuard Corporation Limited
Consolidated Statement of Profit or Loss and Comprehensive Income
For the nine months ended 30 September 2015
(Expressed in BSD)

Unaudited

	9 MONTHS to 30 Sept 2015	9 MONTHS to 30 Sept 2014
	\$	\$
INCOME:		
Net premium income	67,286,209	65,523,418
Annuity deposits	9,118,133	9,377,529
Net premium income and annuity deposits	76,404,342	74,900,947
Investment income	10,734,960	9,506,654
Other operating income	1,395,294	1,185,840
Total income	88,534,596	85,593,441
BENEFITS AND EXPENSES:		
Net policyholders' benefits	57,442,985	55,556,685
Commissions	8,709,794	8,563,512
Operating expenses	17,173,528	17,155,575
Total benefits and expenses	83,326,307	81,275,772
Net Profit	5,208,289	4,317,669
NET PROFIT ATTRIBUTABLE TO:		
Ordinary Shareholders	3,472,582	3,409,184
Preferred Shareholders	312,500	312,500
Non-controlling interests	1,423,207	595,985
	5,208,289	4,317,669
	0.35	0.34
Earnings per ordinary share		
OTHER COMPREHENSIVE INCOME:		
Net value gain on available-for-sale financial assets	730,504	91,581
Total comprehensive income	5,938,792	4,409,250
COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Ordinary Shareholders	4,203,085	3,500,765
Preferred Shareholders	312,500	312,500
Non controlling interests	1,423,207	595,985
	5,938,792	4,409,250
	3 MONTHS to 30 Sept 2015	3 MONTHS to 30 Sept 2014
	\$	\$
INCOME:		
Net premium income	22,523,818	21,947,841
Annuity deposits	2,045,060	4,710,095
Net premium income and annuity deposits	24,568,878	26,657,936
Investment income	3,851,590	2,988,990
Other operating income	531,264	440,809
Total income	28,951,732	30,087,735
BENEFITS AND EXPENSES:		
Net policyholders' benefits	19,251,997	20,574,107
Commissions	2,793,988	2,822,535
Operating expenses	5,577,125	5,862,158
Total benefits and expenses	27,623,110	29,258,800
Net Profit	1,328,622	828,935
NET PROFIT ATTRIBUTABLE TO:		
Ordinary Shareholders	460,212	614,339
Preferred Shareholders	-	-
Non-controlling interests	868,410	214,596
	1,328,622	828,935
Earnings per ordinary share	0.05	0.06

FamGuard Corporation Limited
Consolidated Statement of Cash Flows
For the nine months ended 30 September 2015
(Expressed in BSD)

Unaudited

	9 MONTHS to 30 Sept 2015	9 MONTHS to 30 Sept 2014
	\$	\$
Cash flows from operating activities:		
Net Income	5,208,289	4,317,669
Adjustments for:		
Depreciation	1,199,344	1,450,735
Amortization of intangible asset	75,000	75,000
Unrealized gain on investment assets	(725,520)	(187,182)
Realized loss from sale of investment assets	512,929	257,537
Change in bad debt provision	202,074	332,729
Change in mortgage provision	248,770	155,867
Change in reinsurance assets	(467,647)	(290,185)
Change in reserve for future policyholders' benefits	11,377,687	10,309,276
Interest income	(9,546,764)	(8,736,680)
Dividend income	(975,605)	(840,329)
Operating profit before working capital changes	7,108,557	6,844,437
Increase in receivables and other assets	(1,210,453)	(1,748,078)
Increase in premiums in arrears	(1,984,002)	(491,575)
Increase in payables and accruals	317,253	3,481,968
Increase in other policyholders' funds	2,475,164	1,858,151
Net cash from operating activities	6,706,519	9,944,903
Cash flows from investing activities:		
Net contributions from investors	3,899,089	2,573,892
Net proceeds from (placement of) bank term deposits greater than three months	379,685	(4,352,519)
Purchase of government bonds	(10,675,514)	(16,439,535)
Proceeds from redemption of corporate bonds	4,529,650	-
Purchase of preference shares	(6,561,773)	-
Purchase of equities - FVTPL	(291,606)	(81,873)
Policy loans issued	(368,834)	(769,547)
Net mortgage loans (issued) repaid	(1,945,837)	28,800
Net purchase of property, plant and equipment	(1,803,142)	(1,413,775)
Interest received	9,135,408	8,536,031
Dividends received	975,605	840,329
Net cash used in investing activities	(2,727,269)	(11,078,197)
Cash flows from financing activities:		
Dividends paid - preference shares	(312,500)	(312,500)
Dividends paid - ordinary shares	(1,800,000)	(1,800,000)
Net cash used in financing activities	(2,112,500)	(2,112,500)
Net increase (decrease) in cash and cash equivalents	1,866,750	(3,245,794)
Cash and cash equivalents at beginning of the period	8,859,179	10,857,649
Cash and cash equivalents at end of the period	10,725,929	7,611,855
Cash and cash equivalents is comprised of:		
Cash and bank balances	10,725,929	7,611,855
	10,725,929	7,611,855

See accompanying notes to unaudited consolidated financial statements.