



FAMGUARD CORPORATION LIMITED

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PRESS RELEASE

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FAMGUARD REPORTS STRONG FINANCIAL PERFORMANCE IN 2004

The Chairman of FamGuard Corporation Limited, Norbert Boissiere, announced that the Company in 2004 recorded the strongest financial year in its history. Mr. Boissiere said that he was very gratified to be able to report such strong results during the 40th Anniversary year of FamGuard's wholly-owned subsidiary Family Guardian Insurance Company.

For the year ended 2004 FamGuard recorded a net profit of \$3.5 million, up 199% over prior year-end and 34% higher than December 2000 when it recorded its previously highest net profit of \$2.6 million. Earnings per share were recorded at 40 cents in 2004 compared to 13 cents in 2003. Over the past 3 years Family Guardian completed the consolidation of its merger with Star Insurance Company (Bahamas) as well as the full integration of BahamaHealth into its corporate structure.

Mr. Boissiere pointed out that the merger with Star expanded the Company's market in Home Service and allowed it to improve on its efficiencies and economies of scale through the rationalization of its district office network in Nassau, Freeport and the Family Islands.

The acquisition of the remaining 50% ownership of BahamaHealth in 2002 and the subsequent integration of this company under the Family Guardian corporate structure as well as the retooling of the BahamaHealth products in 2004 notably improved the contribution of our health product lines to the Company's overall performance last year, he said.

In reviewing the Company's significant progress over the past few years, Mr. Boissiere said that the Company has moved aggressively to expand its Financial Services operations (Ordinary Life and Health and Annuity products), selling increasing numbers of life policies with face amounts in excess of \$100,000. Since its IPO launch in 1998, he noted that the Company has more than doubled its premium income derived from this line of business. Over the past 5 years the Company has experienced growth in its Financial Services agency force from 28 to 40 agents and this year recorded the largest percentage of agents who qualified for the prestigious Million Dollar Round Table (MDRT) in the local insurance industry.

In spite of significant setbacks in the last quarter of 2004 due to the devastation and job displacement caused by Hurricanes Frances and Jeanne, the Company was able to record growth in all product lines, producing premium income of \$46.7 million in 2004 which was 8.8% higher than levels achieved in 2003.

During 2004 the Company paid \$1,466,250 in dividends on ordinary shares compared to \$862,500 in 2003.

Mr. Boissiere commented that FamGuard intends to continue to build on the progress made over the past year and expressed the view that the proposed strategic alliance with Sagicor Financial Corporation of Barbados is expected to bring not only continued improvements in efficiencies but also open up new opportunities for the growth and development of both entities.

Mr. Boissiere further announced that the Annual General Meeting for FamGuard will be held in July and the Annual Report will be mailed to shareholders during the month of June.