



## **FAMGUARD AND SAGICOR FINANCIAL CORPORATION SIGN MEMORANDUM OF UNDERSTANDING FOR STRATEGIC ALLIANCE**

Norbert Boissiere, Chairman of FamGuard Corporation Limited (FamGuard), the parent company of Family Guardian Insurance Company (Family Guardian), and Dodridge Miller, President and CEO of Sagicor Financial Corporation (Sagicor), have announced that FamGuard and Sagicor have signed a Memorandum of Understanding which outlines the general terms and conditions under which FamGuard and Sagicor propose to form a strategic alliance.

FamGuard has commenced discussions with government and regulatory authorities outlining the scope and nature of this proposed alliance and applications are being submitted for approval from these authorities.

Under the terms of the proposed alliance, FamGuard will increase its issued shares from 8,625,000 to 10,000,000. Sagicor will acquire 20% of all outstanding common stock of FamGuard, 1,375,000 of which will be newly issued shares and the remaining 625,000 shares will be acquired from an existing majority shareholder. The value of these shares will be determined following completion of the due diligence exercise currently underway. In addition, FamGuard proposes to appoint two officers of Sagicor to its Board of Directors. FamGuard and its wholly-owned subsidiary, Family Guardian, will continue to operate its business under the present management structure.

The proposed alliance with Sagicor will bring to Family Guardian access to new technology, a wider range of life insurance and wealth accumulation products and services, and an avenue to take advantage of joint marketing and sales initiatives. With the changing business landscape both locally and internationally, this alliance with Sagicor will allow Family Guardian to achieve greater efficiencies in its operations thereby allowing it to compete more effectively on scope of product and pricing capabilities.

Established in 1983, FamGuard is the holding company of Family Guardian (founded in 1965), FG General Insurance Agency and BahamaHealth Insurance Brokers and Benefit Consultants. For 40 years Family Guardian has helped Bahamians plan for their future with a comprehensive portfolio of insurance, residential and commercial mortgage loans, group and individual life and health and investment products. FamGuard is a publicly traded Bahamian company listed on the Bahamas International Securities Exchange.

Sagicor is a leading provider of financial services in the Caribbean with operations in 22 territories including Panama and the United States. The group was established in 1840 in Barbados and today has assets in excess of US\$1.4 billion and a policyholder base of approximately 450,000. Sagicor is a widely-held publicly traded company with 40,000 shareholders and is listed on the stock exchanges of Barbados and Trinidad and Tobago. The alliance with FamGuard is in keeping with Sagicor's strategy to expand into new and existing markets.

It is anticipated that this transaction will be completed by June 30, 2005, subject to government and regulatory approvals. FamGuard and Sagicor will issue further information as developments unfold.