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For Immediate Release: April 6, 2009

FamGuard Financial Results as at December 31, 2008

FamGuard Chairman, Mr. Norbert Boissiere, today announced the company's 2008 audited consolidated financial results.

In 2008 FamGuard recorded its strongest gains in more than five years in premium income growth, increasing gross premium revenue by \$9.4 million or 14.7% over year-end 2007.

The group life and health division recorded the most significant gains due to strong growth in new business from this product line. During 2008, new group life and health sales increased by more than 200% over 2007 with BahamaHealth adding 72 new groups to its fast growing portfolio.

In spite of continuing weak economic conditions in the second half of 2008, premium income from ordinary life sales recorded gains of 7.6% over prior year-end and new sales from this division marginally exceeded the levels attained in 2007.

During 2008, an escalation in death claims due to trauma, particularly during the first nine months of the year, negatively impacted net revenues derived from our ordinary life product line. These death claims have since declined and this decline has been sustained through the first two months of 2009.

At the end of 2008 operating income stood at \$5.72 million, marginally higher than the \$5.67 million recorded at the end of 2007. While 2008 operating income ended the year higher than 2007, it declined against the third quarter results due to two accounting misstatements (or posting errors) which affected the quarterly financial reports.

The misstatements were discovered within the year, after the third quarter, and therefore had no effect on the annual audited financial statements. The cumulative net result up to September 30, 2008 was an overstatement of premium income of \$1,173,545 and an understatement of policyholder benefits of \$300,842 which together resulted in an understatement of accounts payable of \$1,474,387. During 2009 the company will restate the comparative information for 2008 in the quarterly financial statements.

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Net income for the year ended December 31, 2008 was \$4.9 million. This represents a decrease of \$3.1 million or 38.6% against the prior year. This decline is mainly due to unrealized losses on the investments in equities of \$821,491 compared to an unrealized gain on the same equities in 2007 of \$2.3 million. The net result is a swing in value of \$3.1 million in 2008 over 2007. Earnings per share stood at \$0.42 compared to \$0.73 recorded at the end of 2007.

During 2008 the International Accounting Standards Board issued an amendment to the standards, which has allowed the reclassification of investment equities. The company has adopted this amendment as of July 1, 2008. As a result of this change, future unrealized gains or losses on our equities portfolio will be accounted for through the balance sheet instead of the income statement.

During the year total assets grew by \$15 million or 9.3% to \$176.5 million and shareholders' equity increased by \$4.8 million or 8.91% to end the year at \$58.8 million. The company's Minimum Continuing Capital and Surplus Requirement (MCCSR) or solvency ratio stood at 218.3%, notably higher than the minimum ratio of 150% recommended by regulators and reflecting the company's strong capital base. Again this year, A. M. Best, the international insurance rating agency, affirmed Family Guardian's A- (Excellent) rating.

During second quarter 2008 FamGuard launched two new subsidiary companies – FG Financial and FG Capital Markets - in order to more adequately meet the growing need for wealth accumulation and retirement products. As part of that initiative, FG Financial launched under FG Financial Fund Limited SAC three new mutual funds which offer varying degrees of investment risks to the fund unit holders. The response has been encouraging and our client base continues to grow. Through our subsidiary Family Guardian, we expanded our group division product line to include a creditor life product and also added three new products to our home service portfolio to meet the changing needs of this customer base for more innovative family plan policies, wealth accumulation products and burial expense policies.

We also broadened our reach in the market with the addition of a new sub branch in George Town, Exuma, to serve our growing home service and financial services clientele in that market, and we increased our office space with the acquisition and renovation of the Family Guardian Financial Centre located on East Bay and Church Streets to allow for improved customer service facilities, expansion of our growing financial services agency force and BahamaHealth operation, and a new state-of-the-art training facility.

An electronic version of the full audited financial statements can be obtained by visiting the company's website at www.famguardbahamas.com.