



FAMGUARD CORPORATION LIMITED

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PRESS RELEASE:

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FAMGUARD REPORTS OUTSTANDING YEAR 2005

Coming off another strong year in 2004, FamGuard posted very impressive results in 2005, according to the corporation's chairman Norbert Boissiere. The company reported net profit of \$5.4 million, an increase of \$1.9 million over prior year. These strong results were produced by significant growth across all product lines.

In its Home Service division, the oldest sales division of the company, new business grew by more than 200% over 2004. In the Financial Services division, the sale of ordinary life policies grew by more than 60% over prior year, and Group Health premium income increased by more than 25% for the year.

Patricia Hermanns, president of FamGuard, expressed her great satisfaction to see the Home Service division steadily outpace its performance each year for the last 3 years, having increased new business growth in 2004 by 78% and again this year by more than 200%. To respond to the strong growth from this division and to enhance customer service delivery, the company expanded two sales offices in New Providence during 2005 and further enhancements of sales offices will continue in 2006.

Mrs. Hermanns further commented that the Financial Services division of the company, launched more than 20 years ago, has been steadily growing. Over the past 3 years new business growth in this division has increased on average by more than 30% per year, with new business growth in 2005 reaching an all time high of 60% over prior year. During 2005, 16 agents qualified for membership in the Million Dollar Round Table (MDRT) representing approximately 30% of the Financial Services field force.

"In 1999 when we launched BahamaHealth, we had great expectations that our products would fill a need in the Group insurance marketplace," said Mrs. Hermanns. "To have grown our premium income since that time to \$18 million is an accomplishment of which we are all very proud and which speaks, we believe, to the quality of the products we sell."

Mr. Boissiere said that over the company's 40 year history in The Bahamas, Family Guardian has always aimed to sustain a high level of service, stability and reliability in managing the needs of policyholders. "Underpinning our customer service philosophy is our attention to staff training and continued education, and in 2005 we were proud to receive the Life Office Management Association's Education Achievement Award in the Caribbean/Latin American regional category."

In July 2005 Family Guardian received an A- (Excellent) rating from the international insurance rating agency, A. M. Best, who reported that the rating reflects the company's long-standing life insurance marketing presence in The Bahamas, diversified business profile, historically profitable operating performance and more than adequate level of risk-adjusted capitalization.

Mr. Boissiere stated, "On December 30, 2005, we finalized our strategic alliance with Sagicor and in the process allowed our local shareholders to take advantage of the 55% appreciation in share price through the share Tender Offer. We are excited about the future opportunities that this alliance will bring to us and intend to work diligently this year to realize many of those benefits."

In 2005 FamGuard's total assets grew to \$132.1 million, representing an increase of \$19.8 million or 17.6% over prior year. This increase includes the net effect of the Sagicor investment and share buyback which was injected in December 2005 as previously mentioned. Investment assets grew by 17% over prior year increasing for the first time over the \$100 million mark. The company's residential and commercial mortgage loans to Bahamian consumers increased by 13.5% over the previous year.

During 2005 FamGuard paid \$2,587,500 in dividends to ordinary shareholders.

Mr. Boissiere announced that the Annual General Meeting of FamGuard will be held at 4:00 p.m. on May 4 in the Victoria Room of the British Colonial Hilton.