

CHAIRMAN'S REPORT

Dear Shareholders,

The Group has started 2022 with a solid performance in the context of difficult economic conditions globally and specifically in our core markets. These include rising interest rates and high inflation. Profit attributable to equity shareholders for the three months ended 31 March 2022 amounted to \$179 million, a 2% increase over the corresponding period last year of \$176 million. Earnings per share increased to \$0.77 versus \$0.76 in the comparative period last year.

Net result from insurance activities was \$266 million, a 28% increase from the \$208 million reported in the corresponding period last year. Gross written premiums increased year-over-year by \$95 million or 5% and Net written premiums increased by \$82 million or 7%. The Life, Health and Pensions business segment recorded 9% growth in Gross written premiums primarily from the Trinidad and Tobago and Dutch markets. The Property and Casualty business segment also recorded growth, albeit at a lower level, in Gross written premiums.

Net income from investing activities fell from \$332 million to \$306 million, a reduction of \$27 million or 8%. This decrease was principally due to Net fair value losses of \$33 million in the current period, compared to Net fair value gains in the prior period of \$25 million, resulting in an unfavourable movement of \$58 million. The unfavourable fair value movement on the Group's local and global investments was partially offset by an increase in investment income of \$28 million, arising out of an increased investment portfolio.

Operating expenses were \$332 million, a 7% increase over the \$309 million reported in the corresponding period last year. As previously communicated, the Group is closely monitoring expenses as it continues to incur costs associated with the implementation of IFRS 17 (Insurance Contracts) as well as with the group-wide transformation initiatives.

As the year progresses we expect our past investment in upgrades to our operations and our operating structure to continue to reap significant benefits. As a consequence, your Board remains optimistic and excited about the Group's financial performance for the year.



Patrick Hylton
Chairman
Guardian Holdings Limited
5 May 2022

SUMMARY CONSOLIDATED STATEMENT OF INCOME

	Unaudited 3-Months Mar 2022 TT\$'000	Unaudited 3-Months Mar 2021 TT\$'000	Audited 12-Months Dec 2021 TT\$'000
Gross written premiums	2,136,857	2,041,632	7,030,325
Net written premiums	1,333,484	1,251,926	4,626,293
Net result from insurance activities	265,611	208,043	1,061,357
Net income from investing activities	305,532	332,404	1,610,506
Fee and commission income from brokerage activities	40,514	36,713	144,658
Net income from all activities	611,657	577,160	2,816,521
Net impairment losses on financial assets	(17,464)	(5,027)	(136,024)
Operating expenses	(332,210)	(309,072)	(1,501,420)
Finance charges	(51,993)	(50,720)	(199,732)
Operating profit	209,990	212,341	979,345
Share of after tax profits of associated companies	4,292	3,573	34,020
Profit before taxation	214,282	215,914	1,013,365
Taxation	(26,220)	(38,642)	(215,018)
Profit after taxation	188,062	177,272	798,347
Surplus attributable to participating policyholders	(8,144)	(482)	(12,546)
Profit for the period	179,918	176,790	785,801
Profit attributable to non-controlling interests	(542)	(673)	(3,469)
Profit attributable to equity holders of the company	179,376	176,117	782,332
Earnings per share			
- Basic	\$0.77	\$0.76	\$3.37

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 3-Months Mar 2022 TT\$'000	Unaudited 3-Months Mar 2021 TT\$'000	Audited 12-Months Dec 2021 TT\$'000
Profit for the period	179,918	176,790	785,801
Other comprehensive (loss)/income			
Exchange differences on translating foreign operations	(16,751)	(156,846)	(361,290)
Net losses on debt instruments at fair value through other comprehensive income	(195,565)	(58,398)	(131,294)
Gains/(losses) on property revaluation	-	31	(2,131)
Actuarial gains on post-employment benefits	-	-	40,331
Other reserve movements	27	27	117
Income tax relating to components of other comprehensive income	22,779	9,730	22,019
Other comprehensive loss for the period, net of tax	(189,510)	(205,456)	(432,248)
Total comprehensive (loss)/income for the period, net of tax	(9,592)	(28,666)	353,553
Comprehensive income attributable to non-controlling interests	(539)	(660)	(3,474)
Comprehensive (loss)/income attributable to equity holders of the company	(10,131)	(29,326)	350,079

Basis of Preparation

The summary consolidated financial statements are prepared in accordance with criteria developed by management. Under management's established criteria, management discloses the summary consolidated statement of financial position, summary consolidated statement of income, summary consolidated statement of comprehensive income, summary consolidated statement of changes in equity and summary consolidated statement of cash flows.

The summary consolidated financial statements have been prepared in accordance with the accounting policies set out in "Note 2" of the 31 December 2021 audited consolidated financial statements consistently applied from period to period. Any new accounting standards or interpretations which became effective in this financial year have had no material impact on the Group. The areas of critical accounting estimate and judgement as disclosed in "Note 3" of the 31 December 2021 audited consolidated financial statements, have also remained unchanged.


Forward-looking statements

This statement may contain certain forward-looking statements, including but not limited to, statements as to future operating results and plans that involve risks and uncertainties. We use words such as "expects", "anticipates", "believes", or "estimates", the negative of these terms and similar expressions to identify forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by those projected in the forward-looking statements for any reason.

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited Mar 2022 TT\$'000	Audited Dec 2021 TT\$'000
ASSETS		
Property, plant and equipment	690,795	679,813
Right-of-use assets	78,965	82,485
Investment properties	1,646,119	1,645,435
Intangible assets	809,944	808,844
Investment in associated companies	303,763	299,491
Investment securities	21,805,099	21,898,990
Investment securities of mutual fund unit holders	1,792,145	1,762,312
Loans and receivables	2,360,074	1,941,965
Properties for development and sale	98,566	101,482
Pension plan assets	62,833	61,610
Deferred tax assets	87,130	95,953
Reinsurance assets	1,367,166	1,100,732
Deferred acquisition costs	157,645	130,988
Taxation recoverable	181,930	183,007
Cash and cash equivalents	3,438,704	3,480,212
Cash and cash equivalents of mutual fund unit holders	239,944	304,362
Total assets	35,120,822	34,577,681
EQUITY AND LIABILITIES		
Share capital	1,970,043	1,970,043
Reserves	(988,545)	(799,010)
Retained earnings	3,862,099	3,803,348
Equity attributable to owners of the company	4,843,597	4,974,381
Non-controlling interest in subsidiary	9,536	8,997
Total equity	4,853,133	4,983,378
Liabilities		
Insurance contracts	20,000,878	19,503,373
Financial liabilities	3,503,483	3,521,703
Lease liabilities	93,978	96,245
Investment contract liabilities	2,686,100	2,645,659
Third party interests in mutual funds	1,563,049	1,599,412
Pension plan liabilities	38,743	38,459
Post-retirement medical benefit obligations	123,523	123,191
Deferred tax liabilities	420,406	467,790
Provision for taxation	58,508	80,032
Reinsurance liabilities	595,777	427,191
Other liabilities	1,183,244	1,091,248
Total liabilities	30,267,689	29,594,303
Total equity and liabilities	35,120,822	34,577,681

These consolidated financial statements have been approved for issue by the Board of Directors on 5 May 2022 and signed on its behalf:

Director: 

Director: 

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited Mar 2022 TT\$'000	Unaudited Mar 2021 TT\$'000	Audited Dec 2021 TT\$'000
Balance at beginning of period	4,983,378	4,675,888	4,675,888
Total comprehensive (loss)/income	(9,592)	(28,666)	353,553
Other movements	-	-	(4,308)
Dividends	(120,653)	-	(41,755)
Balance at end of period	4,853,133	4,647,222	4,983,378

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Mar 2022 TT\$'000	Unaudited Mar 2021 TT\$'000	Audited Dec 2021 TT\$'000
Profit before taxation	214,282	215,914	1,013,365
Adjustment for specific items included on the accruals basis:			
- Finance charges	51,993	50,720	199,732
- Investment income	(306,993)	(275,273)	(1,210,911)
Interest and dividends received	257,539	224,251	1,164,191
Adjustments for non-cash items	69,438	(28,203)	(76,215)
Operating profit before changes in operating assets/liabilities	286,259	187,409	1,090,162
Net increase in insurance liabilities	558,694	567,406	602,379
Net purchases of investment securities	(193,783)	(239,995)	(1,566,091)
Net purchases of/additions to investment properties	(11,045)	(25,276)	(87,240)
Net movement in other operating assets and liabilities	(439,152)	(497,990)	82,600
Cash provided by/(used in) operating activities	200,973	(8,446)	121,810
Interest paid	(44,947)	(46,375)	(218,346)
Net taxation paid	(61,555)	(123,020)	(246,049)
Net cash provided by/(used in) operating activities	94,471	(177,841)	(342,585)
Net cash used in investing activities	(39,496)	(12,495)	(125,489)
Net cash (used in)/provided by financing activities	(157,821)	178,559	565,835
Net (decrease)/increase in cash and cash equivalents	(102,846)	(11,777)	97,761

SEGMENT INFORMATION

	Life, health and pension business TT\$'000	Property and casualty business TT\$'000	Asset management TT\$'000	Other including consolidation adjustments TT\$'000	Group TT\$'000
Three months ended 31 March 2022					
Gross written premiums	1,159,532	977,325	-	-	2,136,857
Net written premiums	1,092,498	240,986	-	-	1,333,484
Underwriting revenue	1,069,465	313,459	-	-	1,382,924
Underwriting expenses	(937,676)	(186,062)	-	6,425	(1,117,313)
Net result from insurance activities	131,789	127,397	-	6,425	265,611
Net income from investing activities	254,772	15,008	32,157	3,595	305,532
Fee and commission income from brokerage activities	-	45,961	-	(5,447)	40,514
Net income from all activities	386,561	188,366	32,157	4,573	611,657
Net impairment (losses)/gains on financial assets	(17,551)	(1,429)	1,494	22	(17,464)
Operating expenses	(160,168)	(144,394)	(15,967)	(11,681)	(332,210)
Finance charges	(971)	(1,494)	(1,660)	(47,868)	(51,993)
Operating profit/(loss)	207,871	41,049	16,024	(54,954)	209,990
Three months ended 31 March 2021					
Gross written premiums	1,067,784	973,848	-	-	2,041,632
Net written premiums	1,002,099	249,827	-	-	1,251,926
Underwriting revenue	964,311	316,138	-	-	1,280,449
Underwriting expenses	(909,559)	(169,066)	-	6,219	(1,072,406)
Net result from insurance activities	54,752	147,072	-	6,219	208,043
Net income from investing activities	279,534	13,739	30,809	8,322	332,404
Fee and commission income from brokerage activities	-	42,418	-	(5,705)	36,713
Net income from all activities	334,286	203,229	30,809	8,836	577,160
Net impairment (losses)/gains on financial assets	(1,545)	(3,499)	1,522	(1,505)	(5,027)
Operating expenses	(154,061)	(127,298)	(16,324)	(11,389)	(309,072)
Finance charges	(2,091)	(1,561)	(1,042)	(46,026)	(50,720)
Operating profit/(loss)	176,589	70,871	14,965	(50,084)	212,341
Total Assets					
31 March 2022	27,499,932	5,450,823	2,698,490	(528,423)	35,120,822
31 December 2021	27,397,741	4,794,172	2,734,070	(348,302)	34,577,681