

GUARDIAN HOLDINGS LIMITED INVESTOR FORUM

FY 2022

Performance Analysis for the period
January to 31st December 2022

Thursday 9th March 2023



Guardian Group

GUARDIAN HOLDINGS LIMITED
INVESTOR FORUM

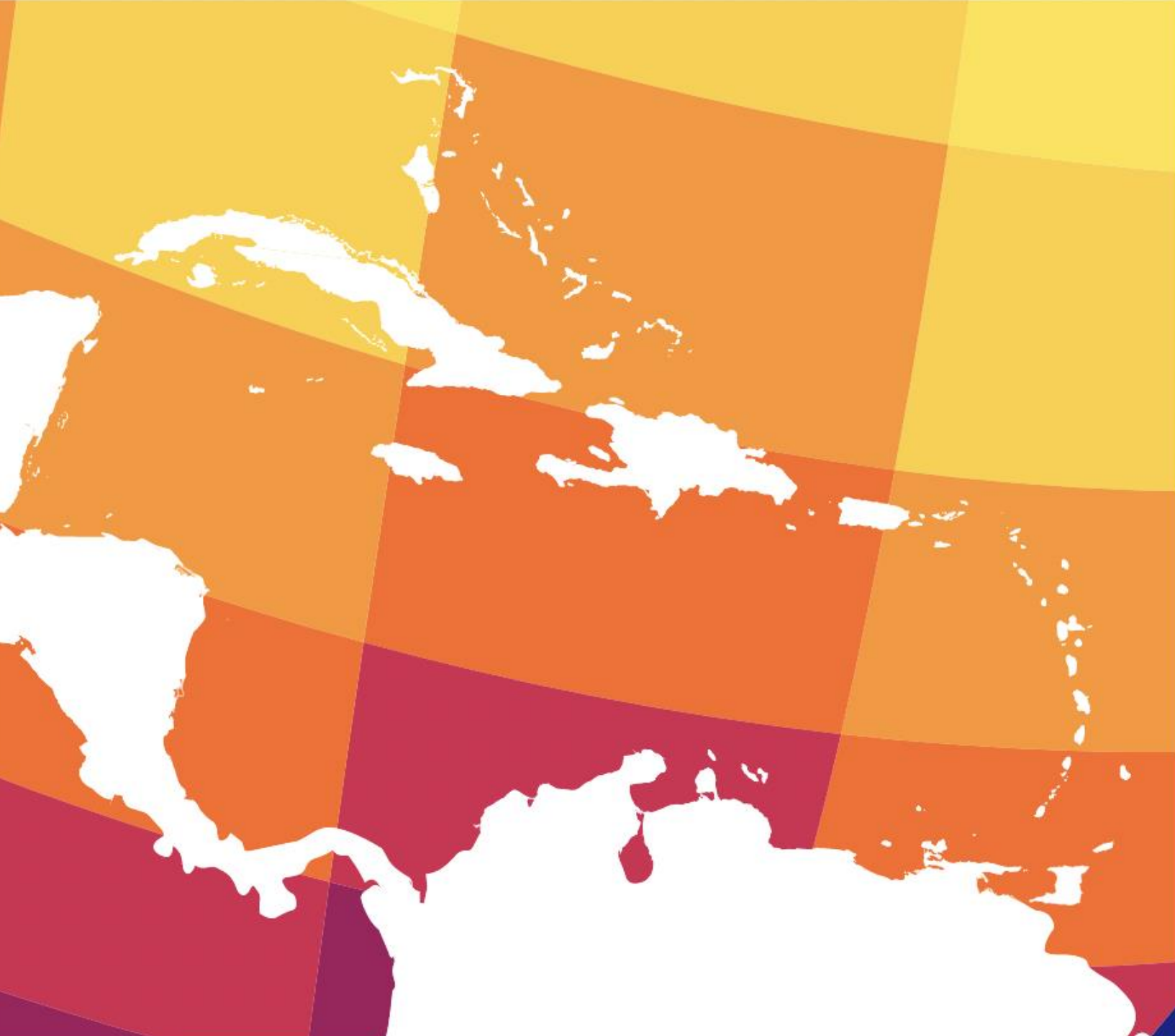
OUR PURPOSE:

To provide peace of mind and prosperity to communities in the Caribbean and across the World

OUR MISSION:

To lead the world in creating financial freedom for you in good times and in bad, through positive interactions, powered by technology





Guardian Group's Operations Regionally

1. Anguilla
2. Antigua
3. Aruba
4. Barbados
5. Belize
6. Bonaire
7. British Virgin Islands
8. Cayman Islands
9. Curacao
10. Dominica
11. Grenada
12. Jamaica
13. Montserrat
14. Netherlands
15. St. Kitts and Nevis
16. St. Lucia
17. St. Martin
18. St. Vincent and The Grenadines
19. The Bahamas
20. Trinidad and Tobago
21. Turks and Caicos
22. U.S. Virgin Islands

Forward Looking Statement – Cautionary Language

Certain statements made in this report include “forward-looking statements”. Forward-looking statements include any statement that may predict, forecast, indicate or imply future results, performance or achievements instead of historical facts and may contain words like “believe”, “expect”, “estimate”, “project”, “budget”, “forecast”, “anticipate”, “plan”, “will”, “shall”, “may” and other words, phrases or expressions with similar meaning. Forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from the results contained in the forward-looking statements and the Company cannot give assurances that such statements will prove to be correct. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.



IAN CHINAPOO

GROUP CHIEF EXECUTIVE OFFICER



Guardian Group

GUARDIAN HOLDINGS LIMITED
INVESTOR FORUM

SAMANTA SAUGH

GROUP CHIEF FINANCIAL OFFICER



Guardian Group

GUARDIAN HOLDINGS LIMITED
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Financial Highlights FY 2022 (31st December 2022)

Gross Written Premiums (TT\$M)

7,297 +4%
2021: 7,030

Net Investing Activities(TT\$M)

1,335 -17%
2021: 1,611

Share Price (TT\$)

26.99 -10%
2021: 30.00

Net Written Premiums (TT\$M)

4,946 +4%
2021: 4,757

After Tax Profit For The YTD (TT\$M)

1,105 +41%
2021: 786

Gearing Ratio (%)

59% +15%
2021: 70%

Net insurance Activities (TT\$M)

1,537 +45%
2021: 1,061

Earning Per Share

\$4.74 +41%
2021: \$3.37

DSCR

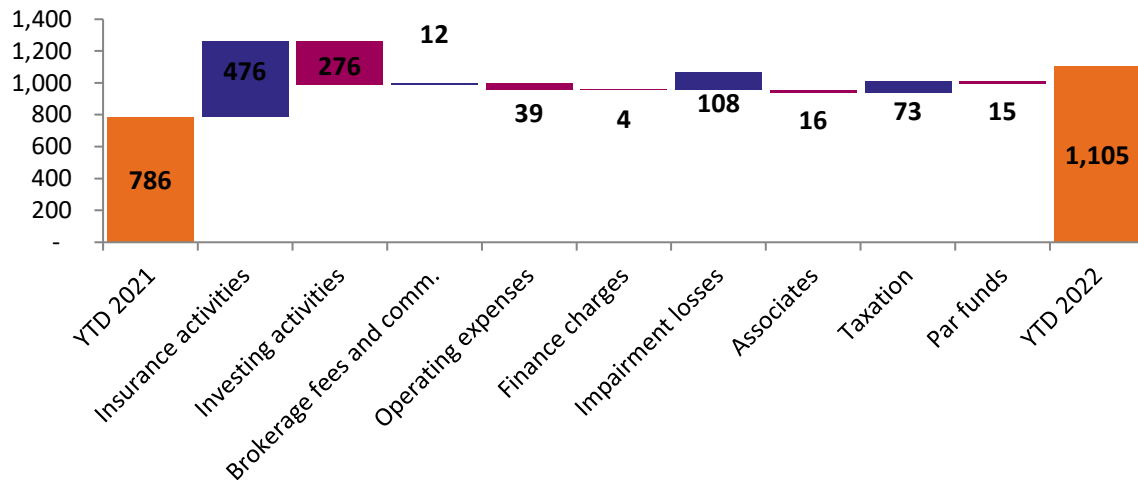
3.9x +34%
2021: 3.2x



Financial Highlights FY 2022 (31st December 2022)

OVERVIEW: The Group had a strong performance in FY 2022 with profit increasing by **+TT\$319M** over the prior year.

Profit after Tax : 2021 - 2022 (TT\$ Millions)

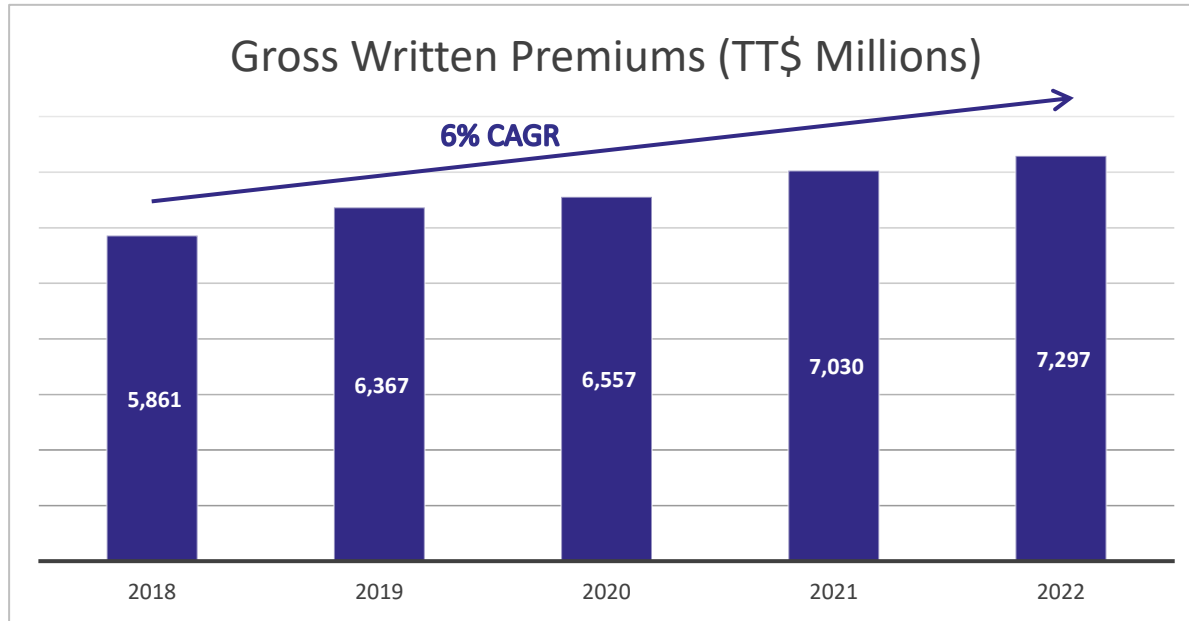


Note: Profit from continuing operation includes NCI

- Reorganisation of insurance operations contributed to increased after-tax profit.
- **Both LHP and P&C** showed growth in Gross written premiums (GWP) and Profit after tax (PAT).
- **Insurance activities** contributed **TT\$1,537M** an uplift of \$476M over prior year to the Group Profit before tax (PBT).
- **Investing activities** declined by **TT\$276M** year on year, impacted by global financial markets.
- **Operating expenses** increased by **TT\$39M**, largely due to our spend in furthering our Transformation journey and the significant expenditures for IFRS 17 implementation

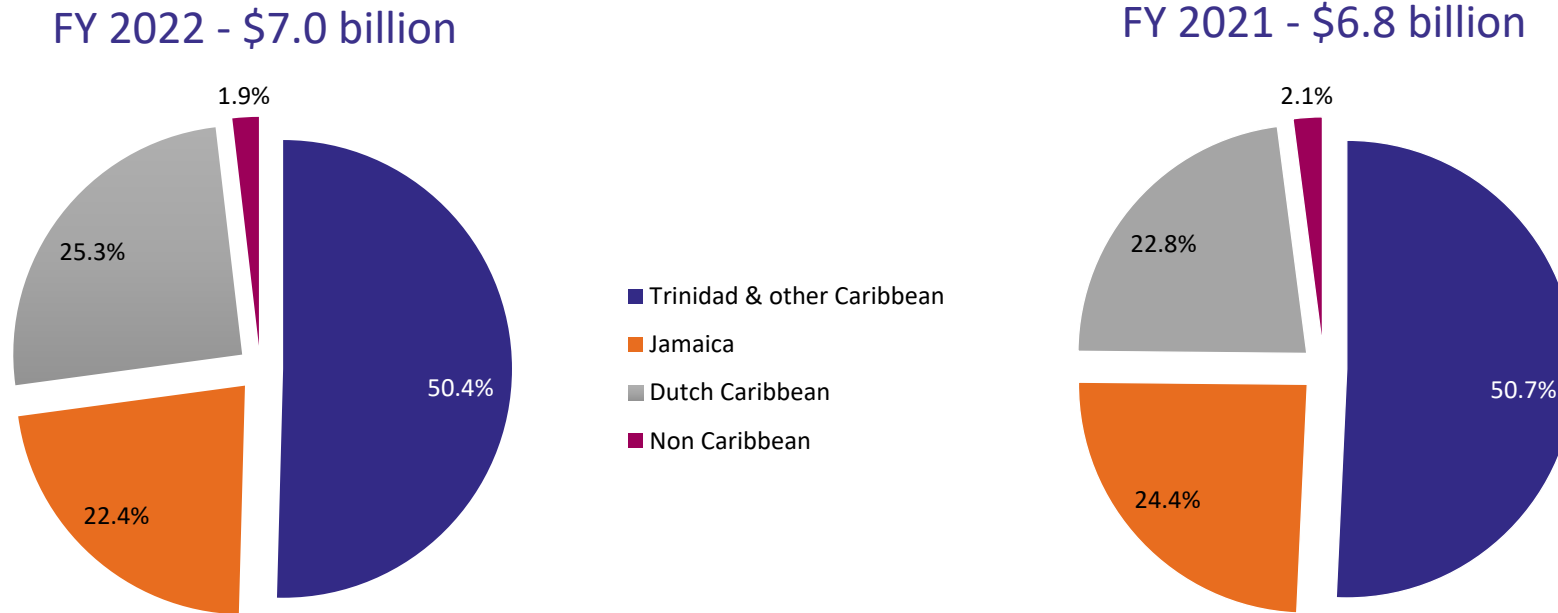


Financial Highlights FY 2022 (31st December 2022)



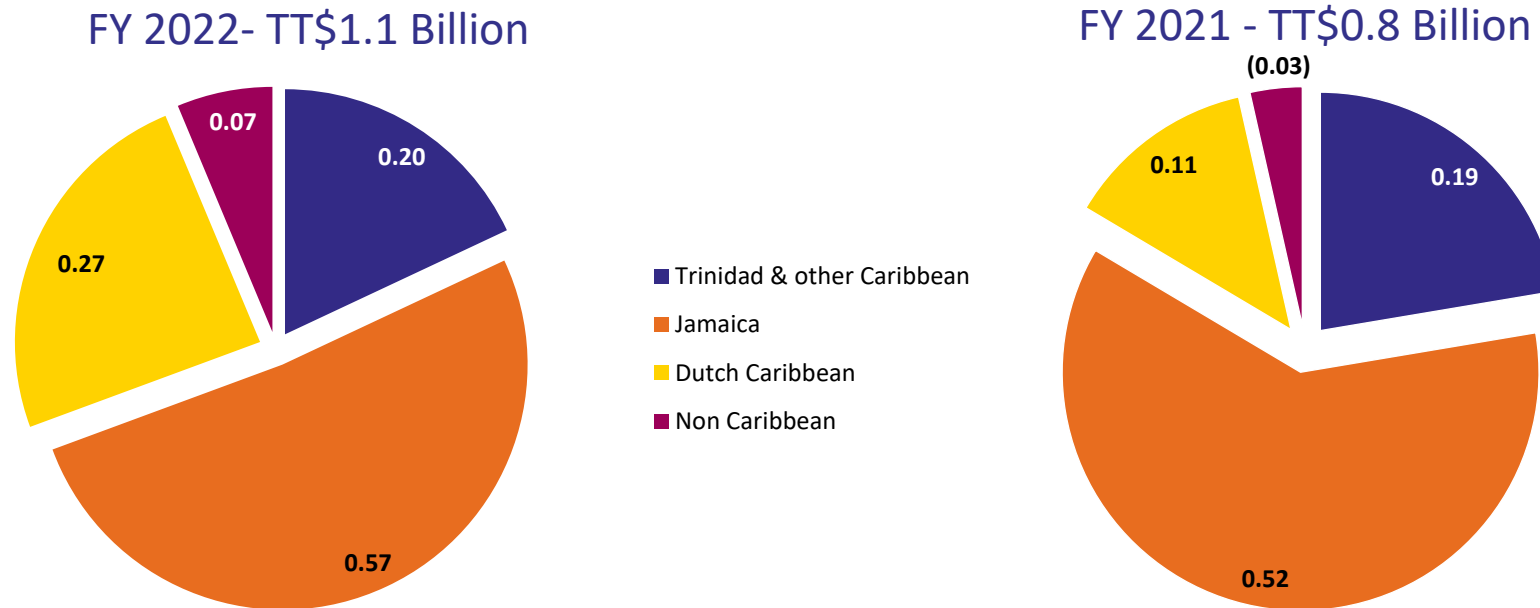
- Continued upward trend in Gross Written Premiums (GWP)
- GWP increased 4% in 2022 when compared to 2021
- Growth driven by Life, Health and Pensions operations

Geographical Distribution of Revenue



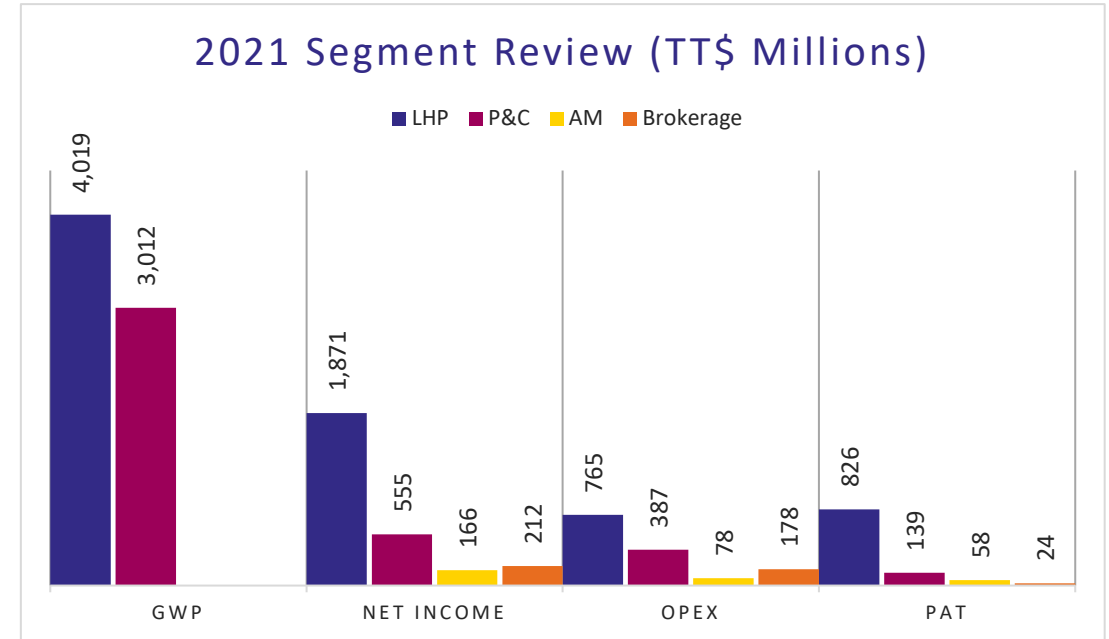
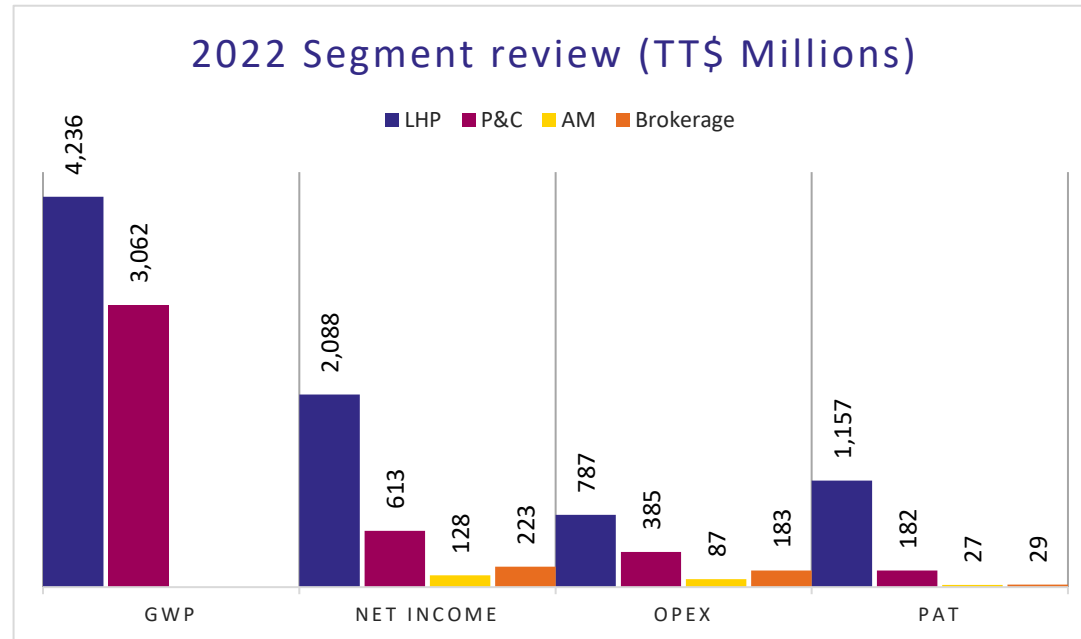
- Total Revenue increased 3% year-on-year.
- Marginal changes in revenue distribution year-on-year.
- Revenue generation is largely concentrated in Trinidad and Tobago.

Geographical Distribution of Profit after Tax



- Net PAT (after deducting amounts attributable to par policyholders) increased 41% year-on-year.
- Bottom line profits led by our Jamaica Operations mainly from LHP business.
- Moderate re-distribution of PAT between Jamaica, Trinidad and Dutch Caribbean.

Results Overview by Segment FY 2022



- Net year on year growth from our LHP segment was GWP +5.4% and PAT 40.2% respectively.
- P&C was relatively flat year over year with 2% growth of GWP and up +31.7% on PAT.
- Asset Management was down year over year with declines of 22.5% on net income and 53% below on PAT.
 - *Net Income from 3rd party mutual funds included under Asset Management*

IFRS 17 – Insurance Contracts

IFRS 17 became effective for the Guardian Group on 1st January 2023.

The main impact is **WHERE, WHEN** and **HOW** specific items are recognised on the financial statements

LHP Companies

Greatest Impact

P&C Companies

Moderate Impact

Asset
Management

No Impact

Next Steps:

**Upcoming IFRS 17
forum in April 2023**

This change does not impact the underlying fundamentals of insurance businesses, or the financial strength or claims paying ability of the Guardian Group.



IFRS 17 Implementation Activities

Adoption of the new standard has had an impact on our underlying processes, systems, internal controls, models etc. particularly as they relate to our insurance operations.

Invest in new systems

Update our financial processes to meet IFRS 17 requirements

Invest in new resources including: staffing, training & upskilling across Finance, Actuarial, IT etc.

Engage experts to guide in the planning and implementation of new standard

Revise our financial and actuarial modelling

Strengthen inter-departmental collaboration

Capture data differently

Perform more detailed analyses



IFRS 17- The Impact on the Guardian Group

Financial:

- Presentation of balance sheet and income statement, including more detailed disclosures
- Recognition of Income/Profits from Insurance Contracts
- Methodology and assumptions for the measurement approach of liabilities

Operations:

- Requires closer inter-departmental collaboration among finance, actuaries, risk managers, operations
- Greater in depth-reviews-those involved in operations and sales can expect to have closer conversations. More collaboration.
- IFRS 17 considerations need to be built into product development, including pricing of product, and categorisation of product under IFRS 17 rules

Systems & Processes:

- Reliant in a greater level of data recording, processing and reporting
- Increased investments in systems and system capability to meet reports and processing complexity requirements
- Need for revised actuarial models
- Additional load on infrastructure processing and storage capacity
- Need for updated internal controls, policies and procedures in line with requirements of the new standard



ERIC HOSIN

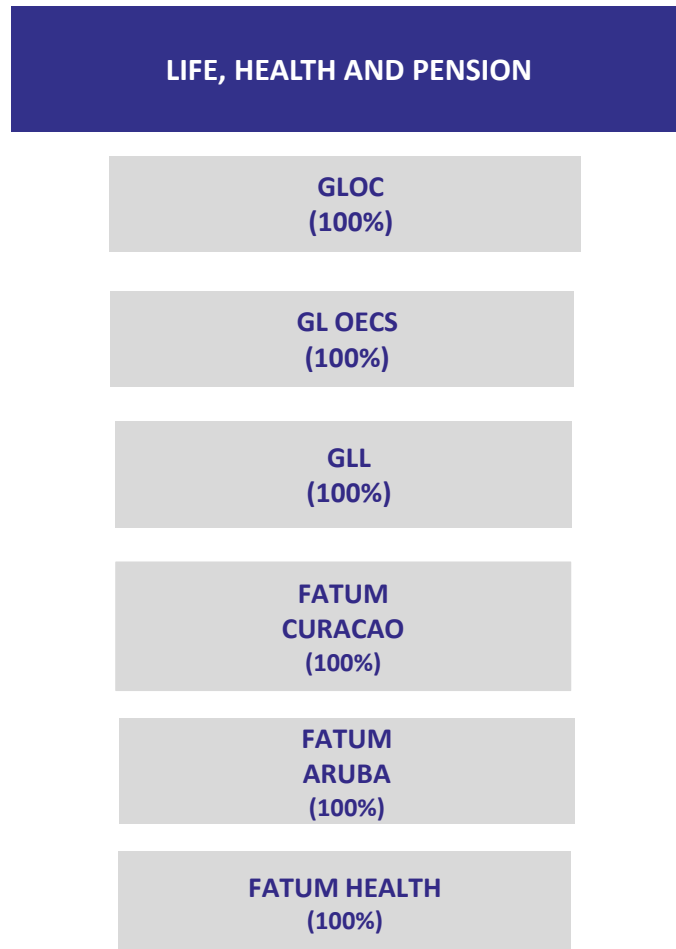
Group Head, Life Health and Pensions



Guardian Group

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Business Segment - Life, Health & Pension YTD December 2022



The leading life insurer in the Caribbean:

- **# 1 in Trinidad**
 - Over 620 dedicated life sales agents
 - GLOC A.M. Best A- Excellent rating
- **# 2 in Jamaica**
 - Over 250 dedicated life sales agents
- **Fatum has approximately 50% of the Dutch Caribbean market**
 - Sales primarily broker-driven
 - 65 dedicated life sales agents



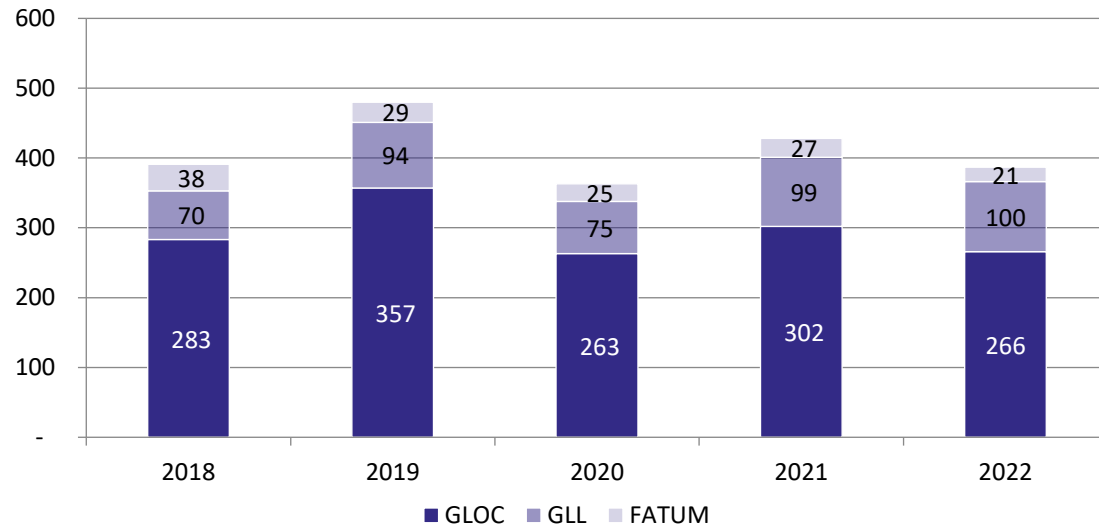
Business Segment - Life, Health & Pension YTD December 2022

LHP Group Q4 2022 Achievements and Outlook

- The LHP companies contributed over TT\$1.157B to the Group's YTD profits after tax representing an 40% improvement over the similar period last year (TT\$826M). This profit was driven by strong performance of our core business, bolstered by prudent asset liability management, cost containment and timely updating of actuarial assumptions to accord with current realities.
- The local equity portfolios of GLOC and GLL continued to be adversely impacted by the decline in the local stock markets. The US Equity market was however buoyed by favorable investor sentiment which resulted in higher equity and bond prices. However, compared to 2021 when all indices (All Jamaica JSE, S&P 500 Total Return Index, Trinidad & Tobago Index) were favourable at the end of the year, 2022 saw all of them declining on average 12%. Notwithstanding the challenges experienced during 2022, the GLOC and GLL portfolios achieved positive returns of 4.1% and 8.6% respectively during 2022.
- The LHP Group has undertaken to upgrade its insurance administration systems. At the end of 2022, new business for the Individual and Group Health portfolios of GLL transitioned to the new insurance system from Oracle. Looking ahead, GLL and GLOC are working collaboratively to implement future modules with full implementation by the end of 2024. FATUM is also on the roadmap for implementation.
- IFRS 17 is effective 1st January 2023. The first reporting will be as at Q1 2023.

Business Segment - Life, Health & Pension YTD December 2022

Annualized Premium Income (TT\$ Millions)

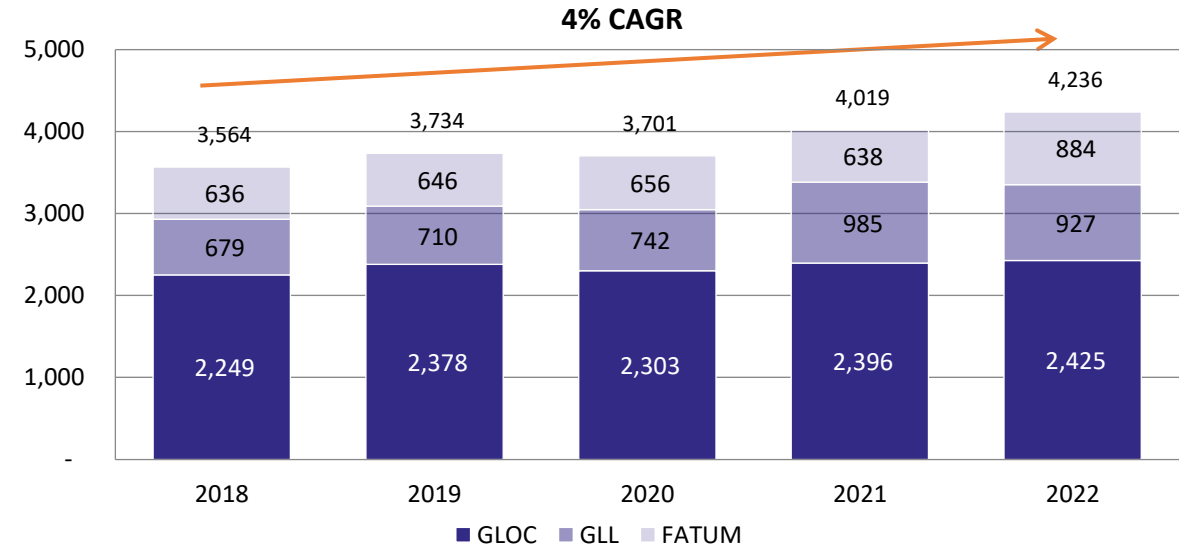


API decreased by 10% when compared to 2021.

- 12% decrease in GLOC
- 22% decrease in Fatum and
- 1% increase in GLL

The decline for GLOC was mainly due to a shifting mix toward traditional protection products away from unregistered retirement products that usually had a higher API per policy.

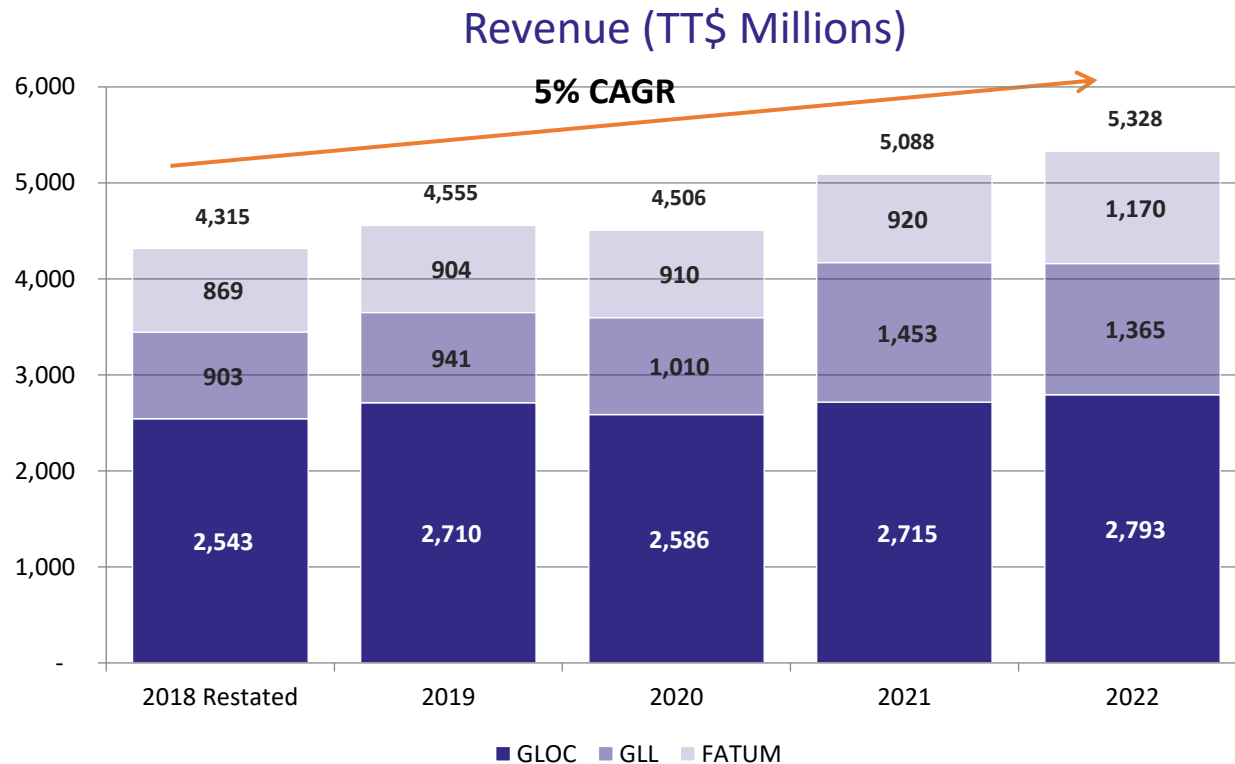
Gross Written premiums (TT\$ Millions)



GWP increased \$217M or 5% when compared to 2021.

- The main contributor to the increase was FATUM whose GWP increased by 39% driven by the sale of a large Pension Plan to the second largest employer on the island in Aruba.
- GLL, however, decreased by 6% primarily due to lower than optimal manpower and lower than budgeted average case size.

Business Segment - Life, Health & Pension YTD December 2022



Total Revenue increased 5% or \$240M over the prior year.

- FATUM Life was the main contributor with a 27% increase driven by its significantly higher GWP due to a Group Pension plan in Aruba.
- GLL decreased by 6% mainly driven by lower premiums and other revenue partially offset by investment income.
- GLOC increased by 3% due to growth in new business and investment income partially offset by the impact of lapses.

Excludes realized and unrealized gains and losses

DEAN ROMANY

President, Guardian General Insurance Limited



Guardian Group

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Business Segment – Property & Casualty YTD December 2022

PROPERTY & CASUALTY / BROKERAGE

PROPERTY & CASUALTY

- GGIL (100%)
- GGIJL (100%)
- FATUM GENERAL INSUR. NV (100%)
- FATUM GENERAL INSUR. ARUBA N.V. (100%)
- GGI (OECS) (100%)
- ROYALSTAR ASSURANCE LIMITED (26%)
- GUARDIAN RE (100%)

BROKERAGE

- FATUM BROKERS HOLDING B.V. (100%)
- SEGUROS BROUWER N.V. (100%)
- FATUM HOLDING ARUBA VBA (100%)
- BOOGAARD ASSURANTIEN N.V. (100%)
- CARIBBEAN INSURANCE BROKERS N.V. (100%)
- BOOGAARD INSURANCES B.V. (100%)
- BOOGAARD ASSURANTIEN BONAIRE B.V. (100%)
- THOMA EXPLOITATIE B.V. (100%)
- JAGER ADVIESBUREAU B.V. (100%)
- THOMA PENSIOENADVISEURS B.V. (100%)
- THOMA ASSURADEUREN B.V. (100%)
- THOMA ASSURANTIEADVISEURS B.V. (100%)
- RISIKO ANALYSE BURO B.V. (100%)
- RAB ASSURADEUREN B.V. (100%)
- KRUIT & VENEMA ASSURADEUREN B.V. (100%)
- KRUIT ASSURANTIEN B.V. (100%)
- FINANCIELE DIENSTVERLENING SNEL & PARTNERS B.V. (100%)
- VANGUARD RISK SOLUTIONS (67.7%)
- ALMI HOLDINGS LIMITED (100%)

An established and distinguished P&C Insurer, long recognised as the largest and strongest indigenous Caribbean Insurer

- Profitably underwrites in every English-speaking Commonwealth country in the Caribbean including the Dutch Caribbean
- Market Leader in the following territories: Trinidad and Tobago; Jamaica; Dutch Antilles; Grenada; and overall Caribbean

Boogaard (brokerage) in the Dutch Caribbean provides additional sources of fee income (together with Thoma)

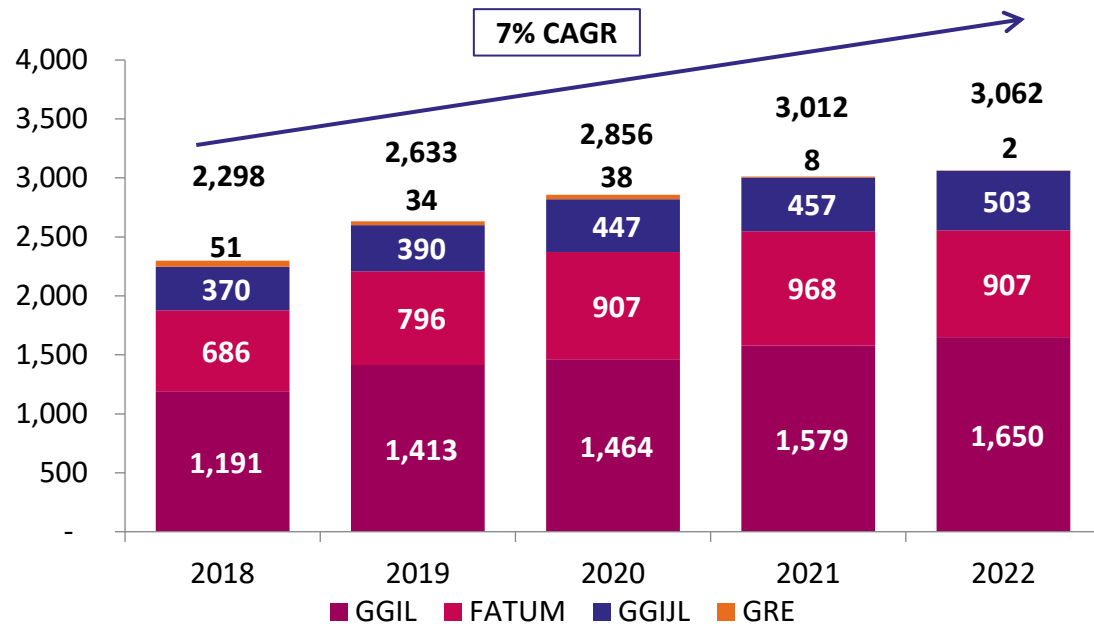
Financial strength and consistently applied underwriting discipline are competitive advantages

- Aim to consistently deliver high profit margins
 - 🚗 Successfully manage the underwriting cycles
 - 🚗 Reputable claims service
 - 🚗 Wide geographic spread to balance portfolio
 - 🚗 Strong global network
 - 🚗 Robust reinsurance program with high-rated security
 - 🚗 Pivoting strategies to deal with challenging reinsurance environment
- “A-” Excellent rating reaffirmed by AM Best



Business Segment – Property & Casualty YTD December 2022

Gross Written Premiums (TT\$ Millions)

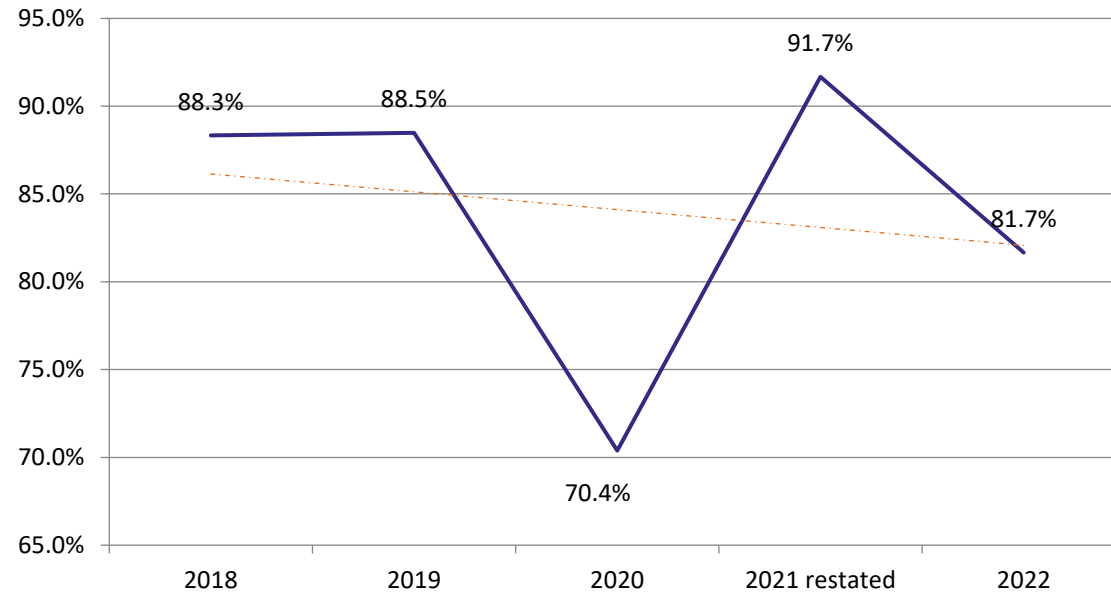


GWP increased TT\$50M when compared to 2021

- Caribbean business grew over prior year due to the Property line of business
- International business through Guardian Group Fatum and Guardian Re show lower premiums than 2021
 - Deliberate re-underwriting of portfolios

Business Segment – Property & Casualty YTD December 2022

Combined Ratio Property and Casualty *



* Excludes brokerage business

Combined Ratio improved from 91.7% at the end of 2021 to 81.7% at the end of 2022 mainly due to an improved claims ratio and commission ratio.

P&C Strategy:

- Customer intimacy;
- Strong technical underwriting discipline;
- Optimal operating efficiency levels;
- Business insights and harnessing power of Advanced Analytics;
- Distinctive reinsurance strategies;
 - Helped improve KPIs during hard reinsurance market

Narisa Hosein

VICE PRESIDENT – INVESTMENTS



Business Segment – Asset Management YTD December 2022

ASSET MANAGEMENT

GGTL
(100%)

GAMISL
(100%)

GAM MUTUAL FUNDS

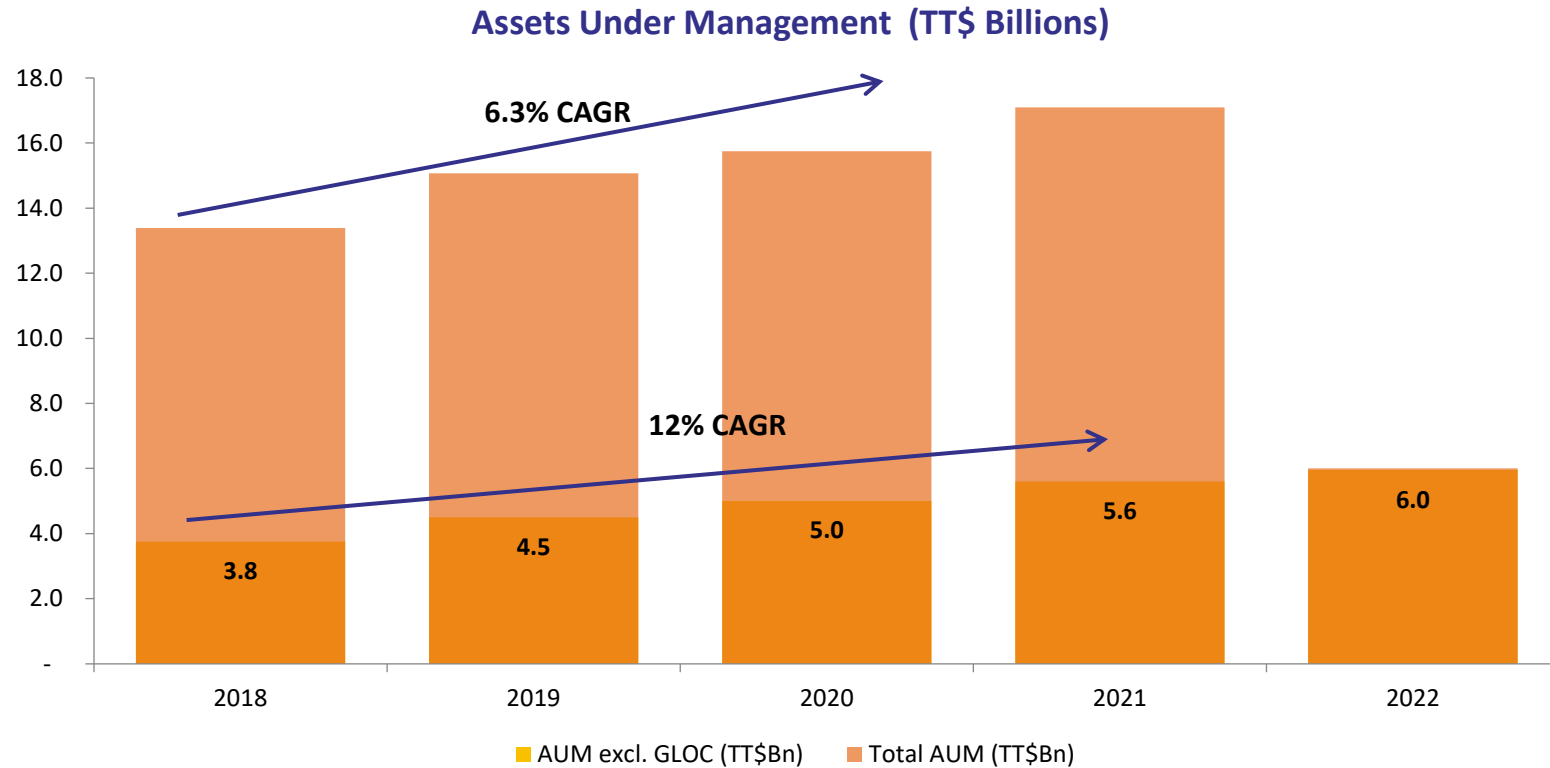


Lines of business

- Registered with CBTT & SEC – offers Trust Services, Loans, Accounting & Administration Services, Merchant Banking Unit, Investment Adviser, Broker-dealer, Underwriter.
- Registered with TTSEC - investment adviser, broker-dealer, underwriter. Manages mutual funds, private wealth, institutional portfolios
- Trades for Non-Discretionary Accounts
- Offers 15 independent mutual funds covering all asset classes; AUM TT\$2.1Bn
- Launched 2 new TTD Mutual Funds in Q1 focused on Caribbean Equity and Fixed Income



Business Segment – Asset Management YTD December 2022

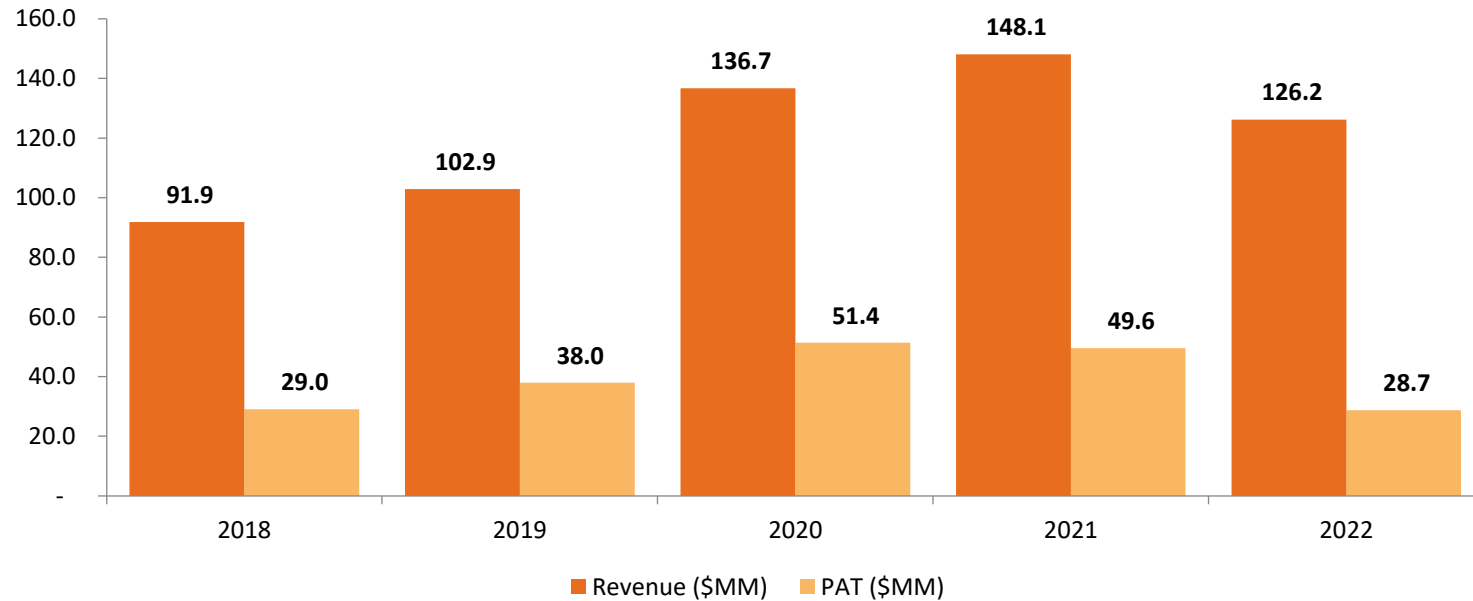


- 2022 was challenging as markets were impacted by declining international fixed income and equity market values.
- Total AUM in 2022 declined as a result of the LHP portfolios reverting to GLOC for internal management.
- Normalized AUM excluding GLOC increased by 6.3% in 2022 from FY 2021 and registered a CAGR of 12% over the last 4 years.



Business Segment – Asset Management YTD December 2022

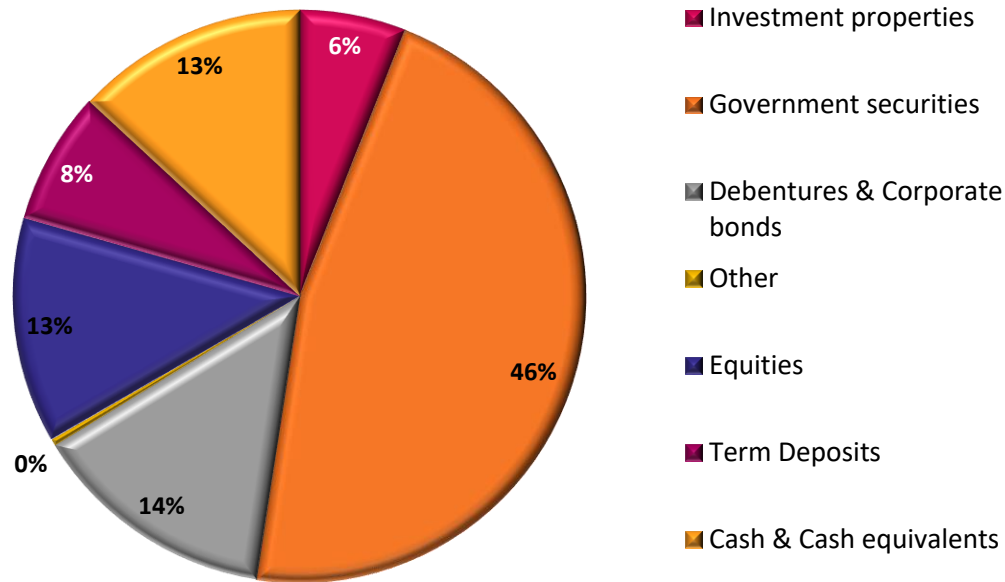
Revenue & Profit (\$TT Millions)



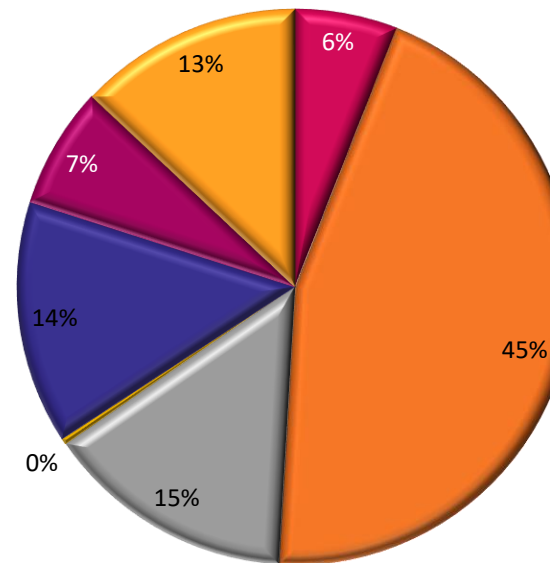
- Revenue for 2022 was down by 15% compared to prior year.
- Lower Trading & Structuring levels
- Loss of fee income from GLOC
- Narrowing of Margins in 2022
- Profit after tax for 2022 was lower by 42% compared to prior year period.
- One-off expenses

Business Segment – Asset Management YTD December 2022

Dec 2022 – TT\$26.7 Billion



Dec 2021 - TT\$26.9 Billion



- Total Assets decreased marginally across the Group for the year
- Decline in market values of debt and equity securities
- Asset mix marginally changed from year end 2021.
- Deposits – slightly up as the portfolio was positioned to capture opportunities for rising rates and longer tenor securities as part of ALM exercise.



IAN CHINAPOO

GROUP CHIEF EXECUTIVE OFFICER



Guardian Group

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Key Group Strategic Initiatives

Continue Perfecting the Core

- Continued investments in our operating environment including cybersecurity maturity and our evolving technology platforms.
- Strengthen the Group's Capital Structure and Asset/Liability Management
- Embed expanded Shared Services capabilities and efficiencies in our Life, Health and Pension businesses
- Continued investments in our digital offering including omni-channel capabilities for our clients to interact and conduct business with us at their convenience.
- Focus on innovative approaches to reinsurance to maximize value from our underwriting capabilities in specific risks across the region

Continue Growing Existing Business and Taking Portfolio Actions

- Achieve Customer Experience (CX) and Cross-Sell goals and targets
- Deepen Relationships and focus on LHP and P&C Product offerings
- Increased investment in Capital Markets origination and structuring business

QUESTIONS AND ANSWERS



THANK YOU

