

# Guardian Holdings Limited

## Consolidated Financial Statements

### First Quarter Results to March 31, 2017

Expressed in Trinidad and Tobago Dollars

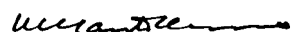
#### CHAIRMAN'S REPORT

Dear Shareholders,

I am pleased to report that Group Profit attributed to equity shareholders for the three months ended March 31, 2017 amounted to \$90 million, an increase of \$28 million or 45% over the corresponding period last year.

Across the region our businesses, including our recently acquired Dutch Caribbean brokerage sub-group, demonstrated resilience in the face of adverse economic and market conditions. Notably, our investment performance was excellent with income of \$279 million for the period compared to \$232 million last year, an increase of \$47 million owing substantially to favourable fair value movements.

The Board is satisfied with the Group's first quarter results and looks forward to the coming quarters where the foundation is being laid for the Group's future growth.



**Henry Peter Ganteaume**  
Deputy Chairman GH  
May 4, 2017

#### 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 INCOME

	Unaudited 3-Months Mar 2017 TT\$'000	Unaudited 3-Months Mar 2016 TT\$'000	Audited 12-Months Dec 2016 TT\$'000
Gross written premiums	1,619,552	1,593,117	5,475,136
Net written premiums	1,073,595	1,073,828	4,011,462
Net income from insurance underwriting activities	102,898	104,665	612,654
Net income from investing activities	278,731	232,167	1,027,706
Net income from brokerage activities	4,523	4,207	4,050
<b>Net income from all activities</b>	<b>386,152</b>	<b>341,039</b>	<b>1,644,410</b>
Operating expenses	(235,238)	(216,457)	(997,503)
Finance charges	(32,161)	(32,774)	(129,605)
<b>Operating profit</b>	<b>118,753</b>	<b>91,808</b>	<b>517,302</b>
Share of profit of associated companies	4,265	1,624	3,285
<b>Profit before taxation</b>	<b>123,018</b>	<b>93,432</b>	<b>520,587</b>
Taxation	(29,370)	(31,459)	(130,149)
<b>Profit after taxation</b>	<b>93,648</b>	<b>61,973</b>	<b>390,438</b>
Amount attributable to participating policyholders	(3,164)	782	(15,552)
<b>Profit from continuing operations</b>	<b>90,484</b>	<b>62,755</b>	<b>374,886</b>
Net (loss)/gain from discontinued operations	-	(132)	22,771
<b>Profit for the period</b>	<b>90,484</b>	<b>62,623</b>	<b>397,657</b>
Profit attributable to non-controlling interests	(270)	(199)	(1,857)
<b>Profit attributable to equity holders of the parent</b>	<b>90,214</b>	<b>62,424</b>	<b>395,800</b>
<b>Earnings per share</b>			
- Basic	\$0.39	\$0.27	\$1.71
- Basic - for continuing operations	\$0.39	\$0.27	\$1.61

#### SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 3-Months Mar 2017 TT\$'000	Unaudited 3-Months Mar 2016 TT\$'000	Audited 12-Months Dec 2016 TT\$'000
<b>Profit for the period</b>	<b>90,484</b>	<b>62,623</b>	<b>397,657</b>
<b>Other comprehensive income/(loss)</b>			
Exchange differences on translating foreign operations	25,106	81,358	41,093
Gains on property revaluation	-	-	30,657
Actuarial gains on post employment benefits	-	-	8,609
Other reserve movements	(96)	69	(352)
Income tax relating to components of other comprehensive income	-	-	(3,948)
<b>Other comprehensive income for the period, net of tax</b>	<b>25,010</b>	<b>81,427</b>	<b>76,059</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>115,494</b>	<b>144,050</b>	<b>473,716</b>
Comprehensive income attributable to non-controlling interests	(78)	(846)	(3,143)
<b>Comprehensive income attributable to equity holders of the parent</b>	<b>115,416</b>	<b>143,204</b>	<b>470,573</b>

**CONSOLIDATED STATEMENT  
OF FINANCIAL POSITION**

	Unaudited Mar 2017 TT\$'000	Audited Dec 2016 TT\$'000
<b>ASSETS</b>		
Property, plant and equipment	595,559	593,434
Investment properties	1,292,260	1,256,946
Intangible assets	512,532	515,163
Investment in associated companies	209,712	211,566
Financial assets	15,735,537	15,391,785
Financial assets of mutual fund unit holders	972,636	976,307
Loans and receivables	2,258,762	2,045,742
Properties for development and sale	174,769	168,972
Pension plan assets	107,282	106,140
Deferred tax assets	24,621	24,346
Reinsurance assets	941,490	790,796
Deferred acquisition costs	106,439	88,498
Taxation recoverable	142,947	177,151
Cash and cash equivalents	1,929,482	1,744,053
Cash and cash equivalents of mutual fund unit holders	230,263	161,142
Assets held for sale	-	251
<b>Total assets</b>	<b>25,234,291</b>	<b>24,252,292</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	2,032,284	2,032,282
Reserves	(521,887)	(547,186)
Retained earnings	1,541,792	1,556,032
<b>Equity attributable to owners of the parent</b>	<b>3,052,189</b>	<b>3,041,128</b>
Non-controlling interests in subsidiary	22,545	22,467
<b>Total equity</b>	<b>3,074,734</b>	<b>3,063,595</b>
<b>Liabilities</b>		
Insurance contracts	15,211,662	14,663,168
Financial liabilities	2,150,776	2,170,647
Investment contract liabilities	1,860,346	1,811,761
Third party interests in mutual funds	1,116,235	1,082,711
Pension plan liabilities	70,034	68,253
Post retirement medical benefit obligations	90,354	89,646
Deferred tax liabilities	252,839	246,783
Provision for taxation	46,908	76,841
Reinsurance liabilities	446,974	316,697
Other liabilities	913,429	661,939
Liabilities related to assets held for sale	-	251
<b>Total liabilities</b>	<b>22,159,557</b>	<b>21,188,697</b>
<b>Total equity and liabilities</b>	<b>25,234,291</b>	<b>24,252,292</b>

These consolidated financial statements have been approved for issue by the Board of Directors on 4 May, 2017 and signed on its behalf:



**SUMMARY CONSOLIDATED STATEMENT  
OF CHANGES IN EQUITY**

	Unaudited Mar 2017 TT\$'000	Unaudited Mar 2016 TT\$'000	Audited Dec 2016 TT\$'000
<b>Balance at beginning of the period</b>	3,063,595	2,754,009	2,754,009
Total comprehensive income	115,494	144,050	473,716
Other movements	-	-	(2,878)
Disposal of asset held for sale	-	-	(13,698)
Dividends	(104,355)	(97,398)	(147,554)
<b>Balance at end of period</b>	<b>3,074,734</b>	<b>2,800,661</b>	<b>3,063,595</b>

**SUMMARY CONSOLIDATED STATEMENT  
OF CASH FLOWS**

	Unaudited Mar 2017 TT\$'000	Unaudited Mar 2016 TT\$'000	Audited Dec 2016 TT\$'000
Profit before taxation from continuing operations	123,018	93,432	520,587
(Loss)/profit before taxation from discontinued operations	-	(132)	22,771
	123,018	93,300	543,358
Adjustment for specific items included on the accruals basis:			
- Finance charges	32,161	32,774	129,605
- Investment income	(203,280)	(192,867)	(820,293)
Interest and dividends received	170,893	156,827	817,738
Adjustments for non-cash items	(27,396)	(133,916)	(239,057)
Operating profit/(loss) before changes in operating assets/liabilities	95,396	(43,882)	431,351
Net increase in insurance liabilities	543,345	740,891	1,419,659
Net purchases of financial assets	(239,247)	(146,145)	(1,301,456)
Net purchases of/additions to investment properties	(25,512)	(5,643)	(224,259)
Net movement in other operating assets and liabilities	37,097	(54,544)	(155,239)
Cash provided by operating activities	411,079	490,677	170,056
Interest paid	(41,807)	(52,972)	(160,762)
Net taxation paid	(20,363)	(4,802)	(119,164)
Net cash provided by/(used in) operating activities	348,909	432,903	(109,870)
Net cash used in investing activities	(13,486)	(21,388)	(66,220)
Net cash used in financing activities	(79,080)	(116,858)	(33,913)
Net increase/(decrease) in cash and cash equivalents	256,343	294,657	(210,003)

**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
<b>Three months ended 31 March 2017</b>					
Gross written premiums	907,260	712,292	-	-	1,619,552
Net written premiums	844,613	228,982	-	-	1,073,595
Underwriting revenue	806,554	241,238	-	-	1,047,792
Underwriting expenses	(806,343)	(139,455)	-	904	(944,894)
Net income/(loss) from investing activities	259,932	26,637	22,020	(29,858)	278,731
Net income from brokerage activities	-	4,523	-	-	4,523
<b>Net income/(loss) from all activities</b>	<b>260,143</b>	<b>132,943</b>	<b>22,020</b>	<b>(28,954)</b>	<b>386,152</b>
Operating expenses	(141,800)	(81,596)	(9,291)	(2,551)	(235,238)
Finance charges	(548)	(4,782)	(113)	(26,718)	(32,161)
<b>Operating profit/(loss)</b>	<b>117,795</b>	<b>46,565</b>	<b>12,616</b>	<b>(58,223)</b>	<b>118,753</b>
<b>Three months ended 31 March 2016</b>					
Gross written premiums	889,015	704,102	-	-	1,593,117
Net written premiums	854,291	219,537	-	-	1,073,828
Underwriting revenue	794,027	235,056	-	-	1,029,083
Underwriting expenses	(790,269)	(134,793)	-	644	(924,418)
Net income/(loss) from investing activities	218,702	28,429	17,562	(32,526)	232,167
Net income from brokerage activities	-	4,207	-	-	4,207
<b>Net income/(loss) from all activities</b>	<b>222,460</b>	<b>132,899</b>	<b>17,562</b>	<b>(31,882)</b>	<b>341,039</b>
Operating expenses	(120,956)	(68,718)	(8,431)	(18,352)	(216,457)
Finance charges	(978)	(5,471)	(64)	(26,261)	(32,774)
<b>Operating profit/(loss)</b>	<b>100,526</b>	<b>58,710</b>	<b>9,067</b>	<b>(76,495)</b>	<b>91,808</b>
<b>Total Assets</b>					
31 March 2017	19,351,846	4,560,833	1,627,275	(305,663)	25,234,291
31 December 2016	18,910,161	4,076,232	1,562,415	(296,516)	24,252,292

**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 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 2016 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 2016 audited consolidated financial statements, have also remained unchanged.