

CHAIRMAN'S REPORT

Dear Shareholders,

Change in Accounting Policy and Restatement

In order to conform to the reserving methodology prescribed in the Trinidad & Tobago Insurance Bill which we expect will be enacted in the near future, and which itself is in line with internationally accepted practice, we have effected this change in computing actuarial reserves effective Financial Year 2015. In compliance with IFRS, the 2014 Financial Statements presented herewith for purposes of comparison have been restated accordingly.

The succeeding commentary on the 2015 performance of your Group makes reference to the restated 2014 Financial Statements as opposed to those previously reported. I believe that this provides more meaningful and more easily comprehensible analysis of your Group's progress.

Group Results

I am pleased to report that the Group's 2015 Profit before Tax totalled \$449 million, an improvement of \$51 million (13%) from \$398 million in 2014. Net Income from Insurance Underwriting Activities totalled \$662 million, an increase of \$172 million (35%) from \$490 million in 2014. This resulted from the continued growth in the operating performance of our various business units together with the favourable impact of reserve releases arising from changes to Jamaica tax legislation governing the insurance industry, which were partly offset by changing the reserving methodology for our Jamaican annuity business.

2015 has been a challenging year on the investment front globally. Net Income from Investing Activities for 2015 totalled \$788 million, a decline of \$82 million (9%) when compared to the prior year figure of \$870 million, which was mainly driven by a \$94 million swing in fair values reflecting the turbulent market conditions. We are actively continuing to rebalance our investment portfolio and are well positioned to take advantage of significant opportunities to improve our investment performance as interest rates rise.

The \$27 million increase in operating expenses from \$859 million in 2014 to \$886 million in 2015 includes a \$13 million one-off levy arising from the change in the tax-regime for insurance companies in Jamaica as described above. I am again pleased to report that we are beginning to benefit from our projects to drive down our cost as without this one-off levy operating expenses would have increased by a modest 1.6%. During 2016 we will deploy a number of projects to further drive down our costs.

Profits Attributable to Participating Policyholders increased by \$4 million from \$9 million in 2014 to \$13 million in 2015, reflecting the significant increase in Net Income from Insurance Activities.

Net gain on discontinued operations mainly reflects our Lloyds Syndicates that we closed to new business in 2011, with only one of these syndicates remaining in force as at December 31, 2014. During 2014 we released \$27 million of reserves from this Syndicate as its business quickly came off our book. During 2015 this Syndicate registered a small loss of \$4 million and we have executed a reinsurance transaction to completely remove any exposure, therefore eliminating a great source of volatility to our financial results.

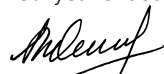
Share of profit of associates fell by \$4 million due to a mark to market loss in our associated company RGM.

Taxation increased by \$16 million from \$86 million to \$102 million mainly due to a tax credit of \$12 million booked in 2014.

Profit to equity holders declined from \$341 million to \$335 million driven by reductions in income from investing activities and discontinued operations as well as one-off expenses, masking the strong increase in operating performance of our business units. The Guardian Group consists of the strongest portfolio of insurance companies across the Caribbean, holding a strong number one position in Trinidad & Tobago, which is the largest insurance market in the English-speaking Caribbean as well as number one or number two positions in all other key markets. Our operating companies have demonstrated robust performance producing a Return on Equity of 12.2% despite the difficult investment market conditions. We are long-term investors and will produce superior long-term investment returns despite short-term vagaries in investment markets.

Confident in the future outlook of the Group, the total dividend per share will be increased by 7% from 57¢ to 61¢. Consequently, further to the interim dividend of 19¢, the final dividend will be 42¢ and will be paid to shareholders on record on March 29, 2016 when the Register of Members will be closed for this purpose.

The Directors have also fixed a date for the Annual Meeting of April 29, 2016 at 4:30 p.m. at the Guardian Corporate Centre, 1 Guardian Drive, Westmoorings. The formal Notice of Annual Meeting with the Directors' Report and audited financial statements for the financial year ended December 31, 2015 will be available to shareholders in due course.


Arthur Lok Jack
Chairman GHL
March 9, 2016

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.

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Guardian Holdings Limited

The accompanying summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at 31 December 2015, and the summary consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, are derived from the audited consolidated financial statements of Guardian Holdings Limited and its subsidiaries (the "Group") for the year ended 31 December 2015. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 9 March 2016.

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of the Group.

Management's Responsibility for the Summary Consolidated Financial Statements

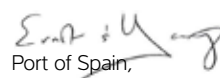
Management is responsible for the preparation of a summary of the audited consolidated financial statements on the basis of their established criteria as described in Note 1.

Auditors' Responsibility

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of the Group for the year ended 31 December 2015 are consistent, in all material respects, with those consolidated financial statements, on the basis of management's established criteria as described in Note 1.


Port of Spain,
TRINIDAD:
March 9, 2016

SUMMARY CONSOLIDATED STATEMENT OF INCOME

	Audited 12-Months Dec 2015 TT\$'000	Audited 12-Months Dec 2014 TT\$'000 (Restated)
Insurance Activities		
Gross premiums written	5,151,553	5,011,115
Net underwriting revenue	3,816,438	3,688,423
Selling and distribution expenses	(642,556)	(623,607)
Claims expenses	(2,511,662)	(2,574,760)
Net income from insurance underwriting activities	662,220	490,056
Investing activities		
Net investment income	795,502	783,429
Net fair value (losses)/gains	(7,180)	86,870
Net income from investing activities	788,322	870,299
Net income from brokerage activities	7,839	5,480
Net income from all activities	1,458,381	1,365,835
Operating expenses	(885,977)	(858,988)
Finance charges	(141,094)	(130,441)
Operating profit	431,310	376,406
Share of profit of associated companies	17,381	21,736
Profit before taxation	448,691	398,142
Taxation	(101,899)	(86,168)
Profit after taxation	346,792	311,974
Amount attributable to participating policyholders	(12,938)	(9,162)
Profit from continuing operations	333,854	302,812
Net gain on discontinued operations	2,468	25,653
Profit for the year	336,322	328,465
Profit attributable to:		
- Equity holders of the parent	334,763	340,736
- Non-controlling interests	1,559	(12,271)
	336,322	328,465
Earnings per share		
- Basic	\$1.44	\$1.47
- Basic - for continuing operations	\$1.43	\$1.36

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Audited 12-Months Dec 2015 TT\$'000	Audited 12-Months Dec 2014 TT\$'000 (Restated)
Profit for the year	336,322	328,465
Other comprehensive income / (loss)		
Exchange differences on translating foreign operations	(74,172)	(190,558)
Gains on property revaluation	1,578	9,321
Actuarial gains on post employment benefits	19,646	53,577
Other reserve movements	(290)	(12,714)
Income tax relating to components of other comprehensive income	(1,931)	(3,943)
Other comprehensive loss for the year, net of tax	(55,169)	(144,317)
Total comprehensive income for the year, net of tax	<u>281,153</u>	<u>184,148</u>
Total comprehensive income attributable to:		
- Equity holders of the parent	278,923	167,001
- Non-controlling interests	2,230	17,147
	<u>281,153</u>	<u>184,148</u>

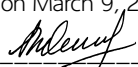
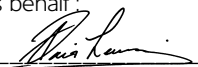
SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Audited Dec 2015 TT\$'000	Audited Dec 2014 TT\$'000 (Restated)
Balance at beginning of the year	2,611,471	2,586,655
Total comprehensive income	281,153	184,148
Movement in unallocated shares	-	61
Acquisition of non-controlling interests	-	(34,184)
Share option scheme - value of services provided	-	936
Dividends	(138,615)	(126,145)
Balance at end of the year	<u>2,754,009</u>	<u>2,611,471</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Audited Dec 2015 TT\$'000	Audited Dec 2014 TT\$'000 (Restated)
ASSETS		
Property, plant and equipment	563,927	536,670
Investment properties	949,917	904,257
Intangible assets	505,097	399,292
Investment in associated companies	212,125	194,925
Financial assets	13,757,214	12,853,201
Financial assets of mutual fund unit holders	1,046,642	1,080,154
Loans and receivables	1,821,478	1,799,373
Properties for development and sale	188,973	170,887
Pension plan assets	102,732	87,750
Deferred tax assets	17,313	23,633
Reinsurance assets	702,548	666,047
Deferred acquisition costs	88,240	87,491
Taxation recoverable	152,352	152,874
Cash and cash equivalents	1,847,901	2,233,973
Cash and cash equivalents of mutual fund unit holders	203,157	105,714
Assets held for sale	24,302	196,979
Total assets	<u>22,183,918</u>	<u>21,493,220</u>
EQUITY AND LIABILITIES		
Share capital	2,038,280	2,038,936
Reserves	(597,775)	(519,350)
Retained earnings	1,289,905	1,068,722
Equity attributable to owners of the parent	2,730,410	2,588,308
Non-controlling interests in subsidiary	23,599	23,163
Total equity	<u>2,754,009</u>	<u>2,611,471</u>
Liabilities		
Insurance contracts	13,231,768	12,778,602
Financial liabilities	2,154,435	2,159,942
Investment contract liabilities	1,697,594	1,622,521
Third party interest in mutual funds	1,045,130	992,350
Pension plan liabilities	85,825	99,711
Post retirement medical benefit obligations	78,636	73,200
Deferred tax liabilities	231,052	207,964
Provision for taxation	33,644	48,900
Other liabilities	853,376	716,393
Liabilities related to assets held for sale	18,449	182,166
Total liabilities	<u>19,429,909</u>	<u>18,881,749</u>
Total equity and liabilities	<u>22,183,918</u>	<u>21,493,220</u>

These summary consolidated financial statements have been approved for issue by the Board of Directors on March 9, 2016 and signed on its behalf:

Director:  Director: 

**SUMMARY CONSOLIDATED STATEMENT
OF CASH FLOWS**

	Audited Dec 2015 TT\$'000	Audited Dec 2014 TT\$'000 (Restated)
Profit before taxation from continuing operations	448,691	398,142
Profit before taxation from discontinued operations	2,468	25,653
	<u>451,159</u>	<u>423,795</u>
Adjustment for specific items included on the accruals basis:		
- Finance charges	141,094	130,441
- Investment income	(771,504)	(771,331)
Interest and dividends received	749,295	767,709
Adjustments for non-cash items	119,256	235,904
	<u>689,300</u>	<u>786,518</u>
Operating profit before changes in operating assets / liabilities	689,300	786,518
Net increase in insurance liabilities	442,332	352,098
Net purchases of financial assets	(942,768)	(677,238)
Net purchases of/additions to investment properties	(33,943)	(62,341)
Net movement in other operating assets and liabilities	32,705	(9,421)
	<u>187,626</u>	<u>389,616</u>
Cash provided by operating activities	187,626	389,616
Interest paid	(161,488)	(139,888)
Net taxation paid	(94,446)	(133,665)
	<u>(68,308)</u>	<u>116,063</u>
Net cash (used in)/provided by operating activities	(68,308)	116,063
Net cash used in investing activities	(181,900)	(107,060)
Net cash (used in)/provided by financing activities	(61,636)	152,869
	<u>(311,844)</u>	<u>161,872</u>
Net (decrease)/increase in cash and cash equivalents	(311,844)	161,872

NOTE 1: 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. These summary consolidated financial statements are derived from the audited consolidated financial statements of Guardian Holdings Limited and its subsidiaries (the "Group") for the year ended December 31, 2015.

These summary consolidated financial statements have been prepared in accordance with the accounting policies set out in "Note 2" of the 31 December 2015 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 estimates and judgements, as disclosed in "Note 3" of the December 31, 2015 audited consolidated financial statements, have also remained unchanged.

NOTE 2: RESTATEMENTS AND RECLASSIFICATIONS

Certain restatements and reclassifications have been made to prior period information. Details of these changes are included in Note 49 of the audited consolidated financial statements for the year ended December 31, 2015.

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
Year ended December 31, 2015					
Gross premiums written	3,022,911	2,128,642	-	-	5,151,553
Net premiums written	2,822,605	729,111	-	-	3,551,716
Underwriting revenue	2,861,346	955,092	-	-	3,816,438
Underwriting expenses	(2,595,468)	(566,937)	-	8,187	(3,154,218)
Net fair value gains/(losses) on financial instruments	28,849	(677)	(36,159)	807	(7,180)
Net income/(loss) from other investing activities	695,226	72,326	95,165	(67,215)	795,502
Net income from brokerage activities	-	7,839	-	-	7,839
Net income/(loss) from all activities	989,953	467,643	59,006	(58,221)	1,458,381
Operating expenses	(535,912)	(260,389)	(38,200)	(51,476)	(885,977)
Finance charges	(3,090)	(26,500)	(223)	(111,281)	(141,094)
Operating profit/(loss)	450,951	180,754	20,583	(220,978)	431,310
Year ended December 31, 2014					
Gross premiums written	2,821,239	2,189,876	-	-	5,011,115
Net premiums written	2,649,048	833,652	-	-	3,482,700
Underwriting revenue	2,672,102	1,016,321	-	-	3,688,423
Underwriting expenses	(2,590,889)	(614,208)	-	6,730	(3,198,367)
Net fair value gains/(losses) on financial instruments	99,936	(46)	(17,602)	4,582	86,870
Net income/(loss) from other investing activities	708,108	74,381	83,132	(82,192)	783,429
Net income from brokerage activities	-	5,480	-	-	5,480
Net income/(loss) from all activities	889,257	481,928	65,530	(70,880)	1,365,835
Operating expenses	(490,112)	(277,655)	(34,504)	(56,717)	(858,988)
Finance charges	(663)	(27,048)	(259)	(102,471)	(130,441)
Operating profit/(loss)	398,482	177,225	30,767	(230,068)	376,406
Total Assets					
December 31, 2015	16,960,884	4,072,071	1,607,514	(456,551)	22,183,918
December 31, 2014 - restated	16,141,975	3,981,361	1,536,757	(166,873)	21,493,220