

CHAIRMAN’S REPORT

Dear Shareholders,

The environment continues to display elevated levels of inflation and tighter financial conditions, partially due to a myriad of factors that contribute to extend economic uncertainty and volatility of global financial markets. Despite these conditions, your Group’s strategies remain resilient and flexible, and continues to position us to navigate current market conditions as well as to identify and pursue opportunities while supporting our customers and employees in an evolving environment. On this backdrop your Group is thrilled to share our exceptional first quarter 2024 results, which continue to demonstrate our path to excellence and growth.

In the prior year’s first quarter publication, the Group reported unaudited first quarter 2023 results of profit attributable to equity shareholders of \$61 million. This was subsequently updated to include the non-recurring net fair value gain of \$174 million arising from the model change implemented by our Jamaican operations, thereby reclassifying financial assets supporting life and annuity portfolios from amortised costs and fair value through other comprehensive income to fair value through the profit and loss. The change was also reported in the Group’s audited results for the year ended 31st December, 2023. This update coupled with IFRS 17 related refinements increased the first quarter 2023 comparative results from \$61 million to \$256 million. The succeeding commentary on the 2024 performance of your Group makes reference to the restated 2023 financial statements as opposed to those previously reported.

For the three months ended 31st March, 2024, your Group recorded unaudited profit attributable to equity shareholders of \$234 million, a decline of 9% or \$22 million from the prior year’s first quarter restated results of \$256 million. This movement was mainly driven by higher net insurance finance expenses partially offset by improved net insurance service result and net investment income. When compared to the prior year’s quarter, the Group’s equity value per share increased to \$17.37 from \$14.20 whilst earnings per share decreased marginally from \$1.10 to \$1.01, where the prior year’s quarter benefited from the non-recurring net fair value gain referenced earlier. The Group’s balance sheet metrics remain strong and robust capital levels.

Insurance revenue grew by 12% over the prior year from continued growth in core business performance across our diversified operations in the English-speaking and Dutch Caribbean markets. The Life, Health and Pension (LHP) segment contributed insurance revenue of \$699 million, up from \$647 million in the prior year by \$52 million or 8%. Insurance revenue increased on all lines except Group Health, as clients continued to service their policies coupled with new business growth across all territories. This year-over-year increase in revenue was partially offset by increased insurance service expenses mainly due to health claims and directly attributable expenses.

Property and Casualty (P&C) also reported higher insurance revenue of \$712 million, up from \$611 million in the prior year by \$101 million or 17%, principally from operations in the Trinidad, Jamaica and Dutch Caribbean markets. All business lines experienced growth except Marine. This year-over-year growth in revenue was partially offset by higher insurance service expenses and higher net expenses from reinsurance contracts held. Notably, reinsurance markets continued to tighten thus resulting in increased reinsurance expenses primarily on the property book of business.

The Insurance Brokerage segment recorded fee and commission income of \$74 million, up 9% from the prior year. This was mainly due to increased income from our operations in the Netherlands.

Net income from investing activities also increased by \$39 million over the prior year to \$533 million, achieved mainly by the LHP and P&C Segments. This year-over year increase of \$39 million, which would have been higher if not for the previously referenced non-recurring net fair value gain in the prior year’s quarter, was mainly driven by higher investment income and higher net fair value gains partially offset by a higher level of foreign exchange losses and lower realised gains mainly from the debt securities portfolio. Your Group continues to closely monitor volatile markets and rebalance portfolios, as necessary.

Net insurance finance expenses increased by \$61 million over the prior year mainly from our LHP segment. Among other items, finance expenses include the flow through of the portion of net income from investment activities that is associated with insurance products with an investment component. For the reporting period, the impact of those interest rate movements was less favorable to the Group’s insurance liabilities; however, the impact was favorable for our clients as they earned higher investment income of \$89 million in the current period compared to \$70 million in the prior period due to growth in the policyholders’ underlying funds, which resulted in higher expenses for the Group.

The Asset Management segment reported year-over-year growth in after-tax profit for the period of 24%. The Group continues to focus efforts on developing this segment through third-party business, increased structuring, and trade activities.

Other operating expenses that were not attributable to insurance portfolios increased by \$2 million or 1% year-over-year. This was in part due to a combination of inflationary impacts on our cost structure and increased expenditure to support our commercial activities offset by a reduction in controllable expenses from active management of operating expenses.

Overall, your Board is very satisfied with the Group’s performance in this quarter. The Group remains sufficiently capitalised and compliant with regulatory ratios. The diversified business model also continues to position the teams well to respond to the changing business landscape and to navigate the ongoing uncertainties in our investment markets and the macro environment.

I wish to thank the Board, management, staff and most importantly our customers for their loyalty and continuing support.



Robert Almeida
Chairman, Guardian Holdings Limited
2nd May, 2024

SUMMARY CONSOLIDATED STATEMENT OF INCOME

	Unaudited 3-Months Mar 2024 TT\$’000	Unaudited 3-Months Mar 2023 TT\$’000 (Restated)	Audited 12-Months Dec 2023 TT\$’000
Insurance revenue	1,411,522	1,257,772	5,439,385
Insurance service expenses	(903,978)	(819,911)	(3,684,312)
Net expenses from reinsurance contracts held	(325,664)	(271,705)	(1,053,315)
Insurance service result	181,880	166,156	701,758
Investment income from financial assets measured at amortised cost and fair value through other comprehensive income	205,755	187,882	791,611
Investment income from financial assets measured at fair value through profit or loss	145,706	126,949	567,020
Net realised gains on financial and other assets	1,423	18,737	3,455
Gain on reclassification of financial assets measured at amortised cost to fair value through profit or loss	-	231,169	231,169
Loss on reclassification of financial assets measured at fair value through other comprehensive income to fair value through profit or loss	-	(57,577)	(57,577)
Net fair value gains/(losses)	148,196	(51,083)	209,533
Fee income	21,346	19,453	84,730
Other income	26,570	32,228	147,030
Net impairment gains on financial assets	1,148	3,241	2,197
Investment contract benefits	(16,832)	(16,492)	(64,869)
Net income from investing activities	533,312	494,507	1,914,299
Finance expenses from insurance contracts issued	(214,868)	(151,726)	(787,051)
Finance income/(expenses) from reinsurance contracts held	1,323	(1,039)	(795)
Net insurance finance expenses	(213,545)	(152,765)	(787,846)
Net insurance and investment result	501,647	507,898	1,828,211
Fee and commission income from brokerage activities	54,435	50,115	155,893
Net income from all activities	556,082	558,013	1,984,104
Other operating expenses	(209,613)	(207,735)	(900,176)
Other finance charges	(44,037)	(44,560)	(176,779)
Operating profit	302,432	305,718	907,149
Share of after tax profits of associated companies	3,747	1,049	15,259
Profit before taxation	306,179	306,767	922,408
Taxation	(69,506)	(49,843)	(221,412)
Profit for the period	236,673	256,924	700,996
Profit attributable to non-controlling interest	(2,844)	(1,250)	(5,178)
Profit attributable to equity holders of the company	233,829	255,674	695,818
Earnings per share			
- Basic and diluted	\$1.01	\$1.10	\$3.00

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 3-Months Mar 2024 TT\$’000	Unaudited 3-Months Mar 2023 TT\$’000 (Restated)	Audited 12-Months Dec 2023 TT\$’000
Profit for the period	236,673	256,924	700,996
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations	35,830	27,121	(38,310)
Net fair value (losses)/gains on debt securities at fair value through other comprehensive income	(24,932)	7,071	51,754
Net change in allowance for expected credit losses on debt securities at fair value through other comprehensive income	(2,144)	(1,140)	(14,023)
Net loss on debt securities at fair value through other comprehensive income reclassified to profit or loss on disposal	-	3	-
Cumulative loss on debt securities reclassified from fair value through other comprehensive income to fair value through profit or loss	-	57,577	57,577
Finance income from insurance contracts issued	53,580	31,899	298,910
Finance income from reinsurance contracts held	49	26	256
Taxation relating to components of other comprehensive income	7,063	4,293	(40,523)
Net other comprehensive income that may be reclassified subsequently to profit or loss	69,446	126,850	315,641
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Losses on property revaluation	-	-	(5,746)
Remeasurement of pension plans	-	-	(1,237)
Remeasurement of post-retirement medical benefit obligations	-	-	(15,282)
Share of other comprehensive income/(loss) of associated companies	44	(122)	3,148
Taxation relating to components of other comprehensive income	(558)	-	(3,357)
Net other comprehensive loss that will not be reclassified subsequently to profit or loss	(514)	(122)	(22,474)
Other comprehensive income for the period, net of taxation	68,932	126,728	293,167
Total comprehensive income for the period, net of taxation	305,605	383,652	994,163
Comprehensive income attributable to non-controlling interest	(2,876)	(1,252)	(5,114)
Comprehensive income attributable to equity holders of the company	302,729	382,400	989,049

Guardian Holdings Limited

Summary Consolidated Financial Statements

First Quarter Results to 31st March, 2024

Expressed in Trinidad and Tobago Dollars

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited Mar 2024 TT\$'000	Unaudited Mar 2023 TT\$'000 (Restated)	Audited Dec 2023 TT\$'000
ASSETS			
Property, plant and equipment	716,267	755,436	707,850
Right-of-use assets	56,455	55,363	60,000
Investment properties	1,567,463	1,593,131	1,554,950
Intangible assets	683,177	662,871	686,385
Investment in associated companies	313,327	309,798	308,775
Investment securities	25,409,778	24,132,869	25,089,815
Loans and receivables	2,302,257	2,067,402	1,979,838
Properties for development and sale	172,330	98,662	167,423
Pension plan assets	95,293	110,980	92,994
Deferred tax assets	197,523	275,350	159,348
Reinsurance contract assets	855,948	1,112,862	721,646
Insurance contract assets	91,893	162,003	103,003
Taxation recoverable	224,606	184,965	200,388
Cash and cash equivalents	3,595,027	3,255,625	2,955,965
Total assets	36,281,344	34,777,317	34,788,380
EQUITY AND LIABILITIES			
Share capital	1,970,043	1,970,043	1,970,043
Reserves	(450,559)	(706,434)	(519,878)
Retained earnings	2,509,992	2,030,505	2,399,555
Equity attributable to owners of the company	4,029,476	3,294,114	3,849,720
Non-controlling interest in subsidiary	14,806	12,407	11,930
Total equity	4,044,282	3,306,521	3,861,650
Liabilities			
Insurance contract liabilities	22,473,529	21,821,612	22,201,811
Reinsurance contract liabilities	229,633	505,247	130,377
Financial liabilities	3,699,859	3,347,240	3,269,983
Lease liabilities	64,015	64,550	68,012
Investment contract liabilities	2,055,787	2,033,290	2,023,612
Third party interests in mutual funds	1,662,281	1,596,729	1,686,258
Pension plan liabilities	17,808	39,327	17,433
Post-retirement medical benefit obligations	124,033	107,117	122,876
Deferred tax liabilities	342,216	291,537	287,432
Provision for taxation	203,838	210,744	186,483
Other liabilities	1,364,063	1,453,403	932,453
Total liabilities	32,237,062	31,470,796	30,926,730
Total equity and liabilities	36,281,344	34,777,317	34,788,380

These consolidated financial statements have been approved for issue by the Board of Directors on 2nd May 2024 and signed on its behalf:

Director: 

Director: 

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital TT\$'000	Reserves TT\$'000	Retained earnings TT\$'000	Equity attributable to owners of the company TT\$'000	Non- controlling interest TT\$'000	Total equity TT\$'000
Three months ended 31 March 2024						
Balance at beginning of period	1,970,043	(519,878)	2,399,555	3,849,720	11,930	3,861,650
Total comprehensive income	-	69,319	233,410	302,729	2,876	305,605
Dividends	-	-	(122,973)	(122,973)	-	(122,973)
Balance at end of period	1,970,043	(450,559)	2,509,992	4,029,476	14,806	4,044,282
Three months ended 31 March 2023						
Balance at beginning of period - restated	1,970,043	(834,065)	1,791,904	2,927,882	11,155	2,939,037
Recognition of deferred tax credits	-	-	104,485	104,485	-	104,485
Balance at end of period - restated	1,970,043	(834,065)	1,896,389	3,032,367	11,155	3,043,522
Total comprehensive income	-	127,631	254,769	382,400	1,252	383,652
Dividends	-	-	(120,653)	(120,653)	-	(120,653)
Balance at end of period - restated	1,970,043	(706,434)	2,030,505	3,294,114	12,407	3,306,521

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Mar 2024 TT\$'000	Unaudited Mar 2023 TT\$'000 (Restated)	Audited Dec 2023 TT\$'000
Cash flows from operating activities			
Profit before taxation	306,179	306,767	922,408
Adjustment for specific items included on the accruals basis:			
- Other finance charges	44,037	44,560	176,779
- Investment income	(359,483)	(321,423)	(1,389,124)
Interest and dividends received	292,943	267,360	1,377,495
Adjustments for non-cash items	(131,442)	(111,677)	(269,105)
Operating profit before changes in operating assets/liabilities	152,234	185,587	818,453
Change in insurance contract assets/liabilities	244,554	155,036	995,669
Change in reinsurance contract assets/liabilities	(32,469)	(204,006)	(190,167)
Net increase in investment contracts	21,504	5,874	23,021
Purchase of investment securities	(2,405,983)	(1,825,515)	(10,694,492)
Proceeds from sale of investment securities	2,354,413	1,464,691	9,435,507
Purchase of/additions to investment properties	(834)	(3,604)	(6,378)
Proceeds from sale of investment property	1,502	25,296	22,473
Additions to properties for development and sale	(3,242)	-	(16,067)
Proceeds from sale of properties for development and sale	13	-	28,712
Net increase in loans and receivables	(310,173)	(273,078)	(199,870)
Net decrease/(increase) in other operating assets/liabilities	298,861	305,042	(231,840)
Cash provided by/(used in) operating activities	320,380	(164,677)	(14,979)
Interest paid	(15,347)	(19,414)	(200,818)
Net taxation paid	(52,828)	(93,247)	(243,112)
Net cash provided by/(used in) operating activities	252,205	(277,338)	(458,909)
Cash flows from investing activities			
Purchase of property, plant and equipment	(15,926)	(9,103)	(48,386)
Proceeds from sale of property, plant and equipment	96	196	1,229
Purchase of intangible assets	(252)	(611)	(24,290)
Net cash used in investing activities	(16,082)	(9,518)	(71,447)
Cash flows from financing activities			
Proceeds from borrowings and repurchase agreements	413,543	137,005	365,603
Repayments of borrowings and repurchase agreements	(24,653)	(128,749)	(391,546)
Payment of principal portion of lease liabilities	(4,765)	(4,243)	(18,658)
Dividends paid to equity holders of the company	-	(120,653)	(171,696)
Dividends paid to non-controlling interests	-	-	(4,339)
Redemptions from mutual funds	(236,257)	(170,134)	(827,179)
Subscriptions to mutual funds	238,364	215,230	941,462
Net cash provided by/(used in) financing activities	386,232	(71,544)	(106,353)
Net increase/(decrease) in cash and cash equivalents	622,355	(358,400)	(636,709)
Cash and cash equivalents at beginning of period	2,955,965	3,609,114	3,609,114
Net impairment gain/(loss)	1,032	2,564	(4,085)
Exchange rate adjustments	15,675	2,347	(12,355)
Cash and cash equivalents at end of period	3,595,027	3,255,625	2,955,965
Comprising:			
Cash at bank and in hand	2,828,986	2,718,442	2,390,345
Short-term deposits (90 days or less)	781,076	550,472	581,434
Cash and cash equivalents	3,610,062	3,268,914	2,971,779
Loss allowance	(15,035)	(13,289)	(15,814)
Net cash and cash equivalents	3,595,027	3,255,625	2,955,965

Guardian Holdings Limited

Summary Consolidated Financial Statements

First Quarter Results to 31st March, 2024

Expressed in Trinidad and Tobago Dollars

SEGMENT INFORMATION

	Life, health and pension business TT\$'000	Property and casualty business TT\$'000	Insurance brokerage business TT\$'000	Asset Management TT\$'000	Other including consolidation adjustments TT\$'000	Total TT\$'000
Three months ended 31 March 2024						
Insurance revenue	699,264	712,258	-	-	-	1,411,522
Insurance service expenses	(597,434)	(323,663)	-	-	17,119	(903,978)
Net expenses from reinsurance contracts held	(43)	(325,659)	-	-	38	(325,664)
Insurance service result	101,787	62,936	-	-	17,157	181,880
Net income/(loss) from investing activities	471,247	35,296	327	36,585	(10,143)	533,312
Net insurance finance expenses	(201,193)	(12,352)	-	-	-	(213,545)
Net insurance and investment result	371,841	85,880	327	36,585	7,014	501,647
Fee and commission income from brokerage activities	-	-	73,524	-	(19,089)	54,435
Net income/(loss) from all activities	371,841	85,880	73,851	36,585	(12,075)	556,082
Other operating expenses	(91,834)	(34,126)	(41,903)	(14,631)	(27,119)	(209,613)
Other finance charges	(994)	(986)	(275)	(1,413)	(40,369)	(44,037)
Operating profit/(loss)	279,013	50,768	31,673	20,541	(79,563)	302,432
Share of after tax profits of associated companies	-	955	-	-	2,792	3,747
Profit/(loss) before taxation	279,013	51,723	31,673	20,541	(76,771)	306,179
Taxation	(50,881)	(9,145)	(4,861)	(4,297)	(322)	(69,506)
Profit/(loss) for the period	228,132	42,578	26,812	16,244	(77,093)	236,673
Three months ended 31 March 2023						
Insurance revenue	646,694	611,078	-	-	-	1,257,772
Insurance service expenses	(563,611)	(267,075)	-	-	10,775	(819,911)
Net expenses from reinsurance contracts held	(11,216)	(260,526)	-	-	37	(271,705)
Insurance service result	71,867	83,477	-	-	10,812	166,156
Net income/(loss) from investing activities	445,041	22,598	660	32,541	(6,333)	494,507
Net insurance finance expenses	(145,775)	(6,990)	-	-	-	(152,765)
Net insurance and investment result	371,133	99,085	660	32,541	4,479	507,898
Fee and commission income from brokerage activities	-	-	67,598	-	(17,483)	50,115
Net income/(loss) from all activities	371,133	99,085	68,258	32,541	(13,004)	558,013
Other operating expenses	(84,345)	(35,228)	(42,987)	(15,754)	(29,421)	(207,735)
Other finance charges	(1,010)	(912)	(234)	(1,082)	(41,322)	(44,560)
Operating profit/(loss)	285,778	62,945	25,037	15,705	(83,747)	305,718
Share of after tax profits/(loss) of associated companies	-	(304)	-	-	1,353	1,049
Profit/(loss) before taxation	285,778	62,641	25,037	15,705	(82,394)	306,767
Taxation	(33,148)	(8,211)	(5,177)	(2,614)	(693)	(49,843)
Profit/(loss) for the period	252,630	54,430	19,860	13,091	(83,087)	256,924
Total Assets						
31 March 2024	28,884,044	3,829,296	706,597	2,327,086	534,321	36,281,344
31 March 2023	27,435,135	4,275,176	775,075	2,469,678	(177,747)	34,777,317

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 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 2023 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 2023 audited consolidated financial statements, have also remained unchanged.

Note 2: Restatement

The Group has restated its March 2023 comparative numbers for a non-recurring net fair value gain of \$174 million from the reclassification of financial assets backing life and annuity portfolios being transferred from amortised cost and fair value through other comprehensive income to fair value through the profit or loss. There were also further adjustments related to the implementation of the new IFRS 17 accounting standard in the first year.

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.