

GUARDIAN HOLDINGS LIMITED

TO MARCH 31, 2003

CHAIRMAN'S STATEMENT

The group recorded profits of \$90.4 million for the first quarter of 2003, an increase of 101 per cent compared to the corresponding period in 2002. The major reason for this increase is the incorporation in our financial statements of the after tax profit of Fatum Holding N.V. for 2002 as 'negative goodwill' following the finalisation of the acquisition in April 2003. The acquisition has also resulted in increases of 63 per cent in Insurance Funds and 43 per cent in total group assets.

The operating profit of our existing businesses increased by a very satisfactory 24 per cent in the first quarter, offset somewhat by an increase in finance charges and in taxation. Included in the operating results are those of Fatum for the first quarter.

Despite the deterioration in the economy in Jamaica in recent months, the board of Guardian Holdings Limited remains optimistic about the continued excellent performance of its Jamaican subsidiaries and the group as a whole for 2003. We are pleased to welcome the staff of Fatum into the Guardian Holdings family of companies, and we look forward to playing a significant role in the development of the financial sector in the Netherland Antilles and Aruba in the future.

Nazir Ahamad
Chairman

CONSOLIDATED PROFIT AND LOSS STATEMENT

	Unaudited Mar. 2003 \$TT'000	Unaudited Mar. 2003 \$TT'000	Audited Dec. 2002 \$TT'000
Revenue	586,108	330,300	1,521,724
Operating Profit	66,481	53,452	212,492
Share of Profits of Associated Companies	41,211	33,079	170,949
	107,692	86,531	383,441
Finance Charges	27,704	19,856	85,713
Goodwill Amortisation	7,708	5,520	30,690
Negative Goodwill - Fatum 2002 Profits	(45,651)	-	-
Non-recurrent Expense	-	-	10,936
Profit before Taxation	117,931	61,155	256,102
Taxation	17,910	7,653	33,758
Profit after Taxation	100,021	53,502	222,344
Transfer to Reserves - Associated Companies	-	4,594	-
Net Profit	100,021	48,908	222,344
Minority Interests	9,576	3,878	38,549
Profit attributable to Shareholders	90,445	45,030	183,795
Earnings Per Share - Basic	0.56	0.28	\$ 1.16
Earnings Per Share - Diluted	0.55	0.28	\$ 1.14

CONSOLIDATED BALANCE SHEET

	Unaudited Mar. 2003 \$TT'000	Unaudited Mar. 2003 \$TT'000	Audited Dec. 2002 \$TT'000
Fixed Assets	577,067	205,936	477,484
Investment in Associated Companies	715,888	531,572	702,207
Investments	6,420,502	4,077,088	4,138,682
Pension Plan Assets	99,538	96,162	98,578
Value to Shareholders of Long-term Insurance Business in force	318,776	309,450	324,736
Goodwill	525,204	591,670	551,713
	<u>8,656,975</u>	<u>5,811,878</u>	<u>6,293,400</u>
Current Assets	1,777,160	770,570	1,014,917
Total Assets	<u>10,434,135</u>	<u>6,542,448</u>	<u>7,308,317</u>
Shareholders' Equity			
Share Capital	472,653	460,021	472,653
Reserves	8,143	11,315	25,608
Retained Earnings	653,366	547,965	607,133
	<u>1,134,162</u>	<u>1,019,301</u>	<u>1,105,394</u>
Minority Interests	592,678	515,307	590,239
Medium Term Debt	963,170	1,019,410	971,445
Deferred Tax	11,031	13,693	11,781
Insurance Funds	6,128,141	3,504,174	3,751,866
	<u>7,102,342</u>	<u>4,537,277</u>	<u>4,735,092</u>
Current Liabilities	1,604,953	510,563	877,592
Total Liabilities	<u>8,707,295</u>	<u>5,047,840</u>	<u>5,612,684</u>
	<u>10,434,135</u>	<u>6,582,448</u>	<u>7,308,317</u>
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited Mar. 2003 \$TT'000	Unaudited Mar. 2003 \$TT'000	Audited Dec. 2002 \$TT'000
Balance at the Start of the Period	1,105,394	997,807	997,807
Issue of Shares	-	-	12,632
Translation Adjustments	(32,794)	192	(20,377)
Other Reserve Movements	(28,883)	(23,728)	115
Profits Attributable to Shareholders	90,445	45,030	183,795
Dividends	-	-	(68,578)
Balance at the End of the Period	<u>1,134,162</u> =====	<u>1,019,301</u> =====	<u>1,105,394</u> =====

CONSOLIDATED CASH FLOW STATEMENT

	Unaudited Mar. 2003 \$TT'000	Unaudited Mar. 2003 \$TT'000	Audited Dec. 2002 \$TT'000
Profit Before Taxation	117,931	61,155	256,102
Share of Profits of Associated Companies	(41,211)	(33,079)	(170,949)
Dividends from Associated Companies	-	-	45,284
Adjustments for Non-Cash Items	<u>157,236</u>	<u>191,919</u>	<u>274,135</u>
Operating Cash Flow Before Working Capital Changes	233,956	219,995	404,572
Net Working Capital Changes	(162,648)	22,513	15,275
Net Taxation (Paid)	<u>(3,249)</u>	<u>(4,619)</u>	<u>(20,994)</u>
Cash Flow from Operating Activities	68,059	237,889	398,853
Investing Activities	88,569	(261,471)	(397,924)
Financing Activities	<u>(13,479)</u>	<u>59,732</u>	<u>91,156</u>
Increase in Short-term Funds	<u>143,149</u> =====	<u>36,150</u> =====	<u>92,085</u> =====
