



2009
summary
financials



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independent auditors' report

To the Shareholders of Guardian Holdings Limited

We have audited the financial statements of Guardian Holdings Limited and its subsidiaries ("the Group") for the year ended December 31, 2009, from which the summarised financial statements were derived, in accordance with International Standards on Auditing. In our report dated March 26, 2010 we expressed an unqualified opinion on the financial statements from which the summarised financial statements were derived.

The 2008 financial statements were audited by other auditors whose report dated March 31, 2009 expressed an unqualified opinion. As part of our audit of the 2009 financial statements, we also audited the adjustments that were applied to amend the 2008 and 2007 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2008 or 2007 financial statements of the Group other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2008 and 2007 financial statements.

In our opinion, the accompanying summarised financial statements are consistent, in all material respects, with the financial statements from which they were derived.

For a better understanding of the Group's financial position as of December 31, 2009 and the results of its operations for the year ended and of the scope of our audit, the summarised financial statements should be read in conjunction with the financial statements from which the summarised financial statements were derived and our audit report thereon.

Ernst + Young

Port of Spain,

TRINIDAD:

March 26, 2010



summary financial information

consolidated income statement

expressed in thousands of trinidad & tobago dollars • december 31, 2009

	Year Ended December 2009	Year Ended December 2008 (Restated)
Insurance premium income	4,027,950	4,026,379
Insurance premium ceded to reinsurers	<u>(724,242)</u>	<u>(748,864)</u>
Net insurance premium income	3,303,708	3,277,515
Investment income	939,843	876,705
Net realised gains / (losses) on financial and other assets	13,844	(35,783)
Net fair value gains / (losses) on financial and other assets	57,062	(388,149)
Commission income	112,629	110,071
Increase in value to shareholders of inforce long-term business	35,121	70,313
Fee income	30,295	30,876
Other operating income	<u>107,211</u>	<u>130,928</u>
Total revenue	4,599,713	4,072,476
Net insurance benefits and claims	(2,392,236)	(2,312,393)
Expenses	<u>(1,618,854)</u>	<u>(1,693,011)</u>
Operating profit	588,623	67,072
Share of profit of associated companies	15,573	28,061
Finance charges	<u>(110,286)</u>	<u>(134,804)</u>
Profit / (loss) before taxation	493,910	(39,671)
Taxation	<u>(116,676)</u>	<u>(18,827)</u>
Profit / (loss) after taxation	377,234	(58,498)
Amount attributable to participating policyholders	<u>(6,398)</u>	<u>8,634</u>
Profit / (loss) from continuing operations	370,836	(49,864)
Net loss on discontinued operations	(1,191,863)	(237,279)
Net gain on sale of equity investments	—	527,254
(Loss) / profit for the year	<u>(821,027)</u>	<u>240,111</u>
(Loss) / profit attributable to:		
- Equity holders of the parent	(844,707)	235,810
- Non-controlling interests	<u>23,680</u>	<u>4,301</u>
	<u>(821,027)</u>	<u>240,111</u>
Earnings per share		
- Basic — for (loss) / profit attributable to ordinary equity holders of the parent	(\$4.18)	\$1.17
- Diluted — for (loss) / profit attributable to ordinary equity holders of the parent	(\$4.04)	\$1.13
Earnings per share for continuing operations		
- Basic — for (loss) / profit attributable to ordinary equity holders of the parent	\$1.72	(\$0.27)
- Diluted — for (loss) / profit attributable to ordinary equity holders of the parent	\$1.66	(\$0.26)



summary financial information

consolidated statement of comprehensive income

expressed in thousands of trinidad & tobago dollars • december 31, 2009

	Year Ended December 2009	Year Ended December 2008 (Restated)
(Loss) / profit for the year	(821,027)	240,111
Other comprehensive income / (loss)		
Exchange differences on translating foreign operations	284,343	(511,304)
Gains / (losses) on property revaluation	10,824	(28,650)
Net gain / (loss) on available-for-sale financial assets	92,819	(115,559)
Actuarial losses on defined benefit pension plans	(49,697)	(31,473)
Other reserve movements	1,677	(2,942)
Income tax relating to components of other comprehensive income	<u>181</u>	<u>—</u>
Other comprehensive income / (loss) for the period, net of tax	<u>340,147</u>	<u>(689,928)</u>
Total comprehensive (loss) / income for the period, net of tax	<u>(480,880)</u>	<u>(449,817)</u>
Total comprehensive (loss) / income attributable to:		
- Equity holders of the parent	(570,106)	(374,401)
- Non-controlling interests	<u>89,226</u>	<u>(75,416)</u>
	<u>(480,880)</u>	<u>(449,817)</u>



summary financial information

consolidated statement of financial position

expressed in thousands of trinidad & tobago dollars • december 31, 2009

	2009	2008 (Restated)	2007 (Restated)
ASSETS			
Property, plant and equipment	508,644	591,054	675,407
Investment properties	959,190	753,373	627,477
Intangible assets	270,232	644,066	1,105,077
Investment in associated companies	274,074	271,946	477,245
Financial assets	10,741,996	10,814,763	11,149,615
Loans and receivables including insurance receivables	1,196,828	1,211,565	1,262,269
Pension plan assets	53,973	105,042	142,879
Value to shareholders of inforce long-term business	583,705	570,243	529,519
Deferred tax assets	47,378	78,956	71,165
Reinsurance assets	408,138	1,042,338	982,024
Deferred acquisition costs	466,540	521,909	594,434
Taxation recoverable	158,295	131,933	130,031
Cash and cash equivalents	2,104,353	2,979,309	3,204,037
Other assets	1,155,944	1,396,995	1,076,109
Assets held for sale	1,319,239	—	—
	<u>20,248,529</u>	<u>21,113,492</u>	<u>22,027,288</u>
Segregated funds			
Financial assets of Mutual Fund unit holders	962,445	515,626	454,470
Cash and cash equivalents of Mutual Fund unit holders	130,308	43,215	19,422
Segregated fund assets of life insurance policyholders	400,944	386,585	449,616
	<u>1,493,697</u>	<u>945,426</u>	<u>923,508</u>
Total assets	<u>21,742,226</u>	<u>22,058,918</u>	<u>22,950,796</u>



summary financial information

consolidated statement of financial position (ctd.)

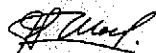
expressed in thousands of trinidad & tobago dollars • december 31, 2009

	2009	2008 (Restated)	2007 (Restated)
EQUITY AND LIABILITIES			
Share capital	1,545,659	1,539,271	1,520,154
Reserves	(329,809)	(652,811)	(62,301)
Retained earnings	1,124,860	2,113,778	2,021,390
Equity attributable to owners of the parent	2,340,710	3,000,238	3,479,243
Non-controlling interests			
Mutual Fund holders	866,167	487,356	361,248
Non-controlling interests in subsidiaries	105,429	101,659	56,633
Total non-controlling interests	971,596	589,015	417,881
Total equity	3,312,306	3,589,253	3,897,124
Liabilities			
Insurance contracts	10,511,045	12,132,682	11,976,622
Financial liabilities	4,844,724	4,829,635	5,016,892
Post retirement medical benefit obligations	69,498	48,458	40,277
Deferred consideration	—	—	188,157
Deferred tax liabilities	199,726	226,273	243,160
Provision for taxation	95,776	86,299	139,722
Other liabilities	860,608	759,733	999,226
Liabilities related to assets held for sale	1,447,599	—	—
18,028,976	18,083,080	18,604,056	
Segregated fund liabilities of life insurance policyholders	400,944	386,585	449,616
Total liabilities	18,429,920	18,469,665	19,053,672
Total equity and liabilities	21,742,226	22,058,918	22,950,796

These financial statements have been approved for issue by the Board of Directors on March 26, 2010 and signed on its behalf:



Director



Director



summary financial information

consolidated statement of changes in equity

expressed in thousands of trinidad & tobago dollars • december 31, 2009

	Attributable to equity holders of the parent					
	Share Capital	Reserves	Retained Earnings	Total Ordinary Shareholders' Equity	Non-controlling Interests	Total Equity
At January 1, 2009	1,539,271	(652,811)	2,113,778	3,000,238	589,015	3,589,253
(Loss) / profit for the year	—	—	(844,707)	(844,707)	23,680	(821,027)
Other comprehensive income / (loss)	—	321,887	(47,286)	274,601	65,546	340,147
Total comprehensive income / (loss)	—	321,887	(891,993)	(570,106)	89,226	(480,880)
Net change in Mutual Fund holder balances	—	—	—	—	323,334	323,334
Transfer to / from retained earnings	—	1,115	(1,115)	—	—	—
Share option scheme - value of services provided	9,193	—	—	9,193	—	9,193
Share option scheme - lapses	(2,253)	—	2,253	—	—	—
Repurchase of shares	(552)	—	(977)	(1,529)	—	(1,529)
Dividends	—	—	(97,086)	(97,086)	(29,979)	(127,065)
Balance at December 31, 2009	1,545,659	(329,809)	1,124,860	2,340,710	971,596	3,312,306



summary financial information

consolidated statement of changes in equity (ctd.)

expressed in thousands of trinidad & tobago dollars • december 31, 2009

	Attributable to equity holders of the parent					Total Equity
	Share Capital	Reserves	Retained Earnings	Total Ordinary Shareholders' Equity	Non-controlling Interests	
At January 1, 2008 as previously reported	1,520,154	(62,440)	2,113,730	3,571,444	56,633	3,628,077
Prior period adjustments	—	139	(92,340)	(92,201)	361,248	269,047
Balance at January 1, 2008 - restated	1,520,154	(62,301)	2,021,390	3,479,243	417,881	3,897,124
Profit for the year - restated	—	—	235,810	235,810	4,301	240,111
Other comprehensive income / (loss)	—	(585,969)	(24,242)	(610,211)	(79,717)	(689,928)
Total comprehensive income / (loss)	—	(585,969)	211,568	(374,401)	(75,416)	(449,817)
Net change in Mutual Fund holder balances	—	—	—	—	230,375	230,375
Transfer to / from retained earnings	—	(4,541)	4,541	—	—	—
Issue of shares - non-controlling interests	—	—	—	—	43,889	43,889
Share option scheme - issue of shares	12,413	—	—	12,413	—	12,413
Share option scheme - value of services provided	14,276	—	—	14,276	—	14,276
Share option scheme - lapses	(7,572)	—	7,572	—	—	—
Dividends	—	—	(131,293)	(131,293)	(27,714)	(159,007)
Balance at December 31, 2008 - restated	1,539,271	(652,811)	2,113,778	3,000,238	589,015	3,589,253



summary financial information

consolidated statement of cash flows

expressed in thousands of trinidad & tobago dollars • december 31, 2009

	Year Ended December 2009	Year Ended December 2008 (Restated)
Cash flows from operating activities		
Profit / (loss) before taxation		
from continuing operations	493,910	(39,671)
(Loss) / profit before taxation		
from discontinued operations	(1,190,388)	291,592
Adjustment for specific items		
included on the accruals basis:		
- Interest expense	110,286	134,804
- Investment income	(939,843)	(876,705)
Adjustment for non-cash items	1,241,426	214,527
Interest received	844,314	739,236
Dividends received	54,833	89,986
Operating profit before changes in		
operating assets / liabilities	614,538	553,769
Net increase in insurance liabilities	843,071	156,060
Net increase in reinsurance assets	(48,860)	(60,314)
Net increase in investment contracts	122,903	52,582
Purchase of financial assets	(8,783,250)	(10,288,998)
Proceeds from sale of equity in		
RBTT Financial Holdings Limited	—	991,489
Proceeds from sale of equity in		
Royal Bank of Canada	—	636,469
Proceeds from sale of other financial assets	7,753,934	7,930,147
Purchase of investment properties	(240,786)	(106,866)
Proceeds from sale of investment properties	—	6,149
Net (increase) / decrease in loans and receivables	(131,573)	61,356
Net increase in other operating assets/liabilities	(752,772)	(360,504)
Cash used in operating activities	(622,795)	(428,661)
Interest paid	(99,268)	(148,573)
Net taxation paid	(73,826)	(63,298)
Net cash used in operating activities	(795,889)	(640,532)



summary financial information

consolidated statement of cash flows (ctd.)

expressed in thousands of trinidad & tobago dollars • december 31, 2009

	Year Ended December 2009	Year Ended December 2008 (Restated)
Cash flows from investing activities		
Additional investment in associated company	(1,657)	(24,776)
Proceeds on sale of associated companies	—	174,354
Proceeds on sale of subsidiary company	—	532,636
Purchase of property, plant and equipment	(72,075)	(42,304)
Proceeds on sale of property, plant and equipment	81,344	21,886
Purchase of intangible assets	(5,977)	(12,816)
Loan repayments received from related parties	34,275	—
Net cash provided by investing activities	<u>35,910</u>	<u>648,980</u>
Cash flows from financing activities		
Repurchase of shares	(1,529)	—
Proceeds from issue of shares	—	12,413
Proceeds from borrowings	4,156,357	1,127,826
Repayments of borrowings	(4,026,146)	(1,021,595)
Dividends paid to equity holders of the parent	(97,086)	(131,293)
Dividends paid to non-controlling interests	(29,979)	(27,714)
Subscriptions of Mutual Funds	1,151,203	918,979
Redemptions of Mutual Funds	(638,976)	(723,225)
Net cash provided by financing activities	<u>513,844</u>	<u>155,391</u>
Net (decrease) / increase in cash and cash equivalents	<u>(246,135)</u>	<u>163,839</u>

