GUARDIAN HOLDINGS LIMITED

Summary Financials 2010

Pursuant to section 155 (2) of the Companies Act Ch81:01 of the laws of Trinidad and Tobago

and Notice of Annual Meeting for 2011

GUARDIAN HOLDINGS LIMITED

Strength. Endurance. Leadership.

In our continued effort to manage our "carbon footprint" as well as reduce the expense incurred in producing a large number of Annual Reports including the full notes, GHL presents a summary of the financial statements, as permitted by section 155 (2) of the Companies Act Ch. 81:01 of the laws of Trinidad and Tobago.

You can secure a copy of the full annual report
- on our website www.guardianholdings.com (go to "Investor Relations / Annual Report")
- by contacting our Legal Department at (868) 632 5433 ext 2037
- by emailing your request to: shareholder@ghl.co.tt

Copies will also be available at the Annual Meeting.

Contents

Guardian Holdings Limited
Head Office
1 Guardian Drive, Westmoorings
Tel: 1-868-632-5433
Fax: 1-868-632-5695

Email: ghl@guardianholdings.com
Facebook: www.facebook.com/GuardianFinancial
Twitter: http://twitter.com/GHLtweets

Corporate Information

Directors
Mr. Arthur Lok Jack (Chairman), Mr. Peter Ganteaume (Deputy Chairman), Mr. Jeffrey Mack (CEO), Mr. Imtiaz Ahamad, Mr. Douglas Camacho, Mr. David Davies, Mr. Philip Hamel-Smith, Mr. Jemal-ud-din Kassum, Mr. Antony Lancaster, Dr. Aleem Mohammed, Mr. Selby Wilson
Secretary
Mrs. Fé Lopez-Collymore
Registered Office
1 Guardian Drive, Westmoorings, Trinidad and Tobago
Registrar and Transfer Office
Guardian Holdings Limited, 1 Guardian Drive, Westmoorings, Trinidad and Tobago
Auditors
Ernst & Young, 5-7 Sweet Briar Road, St. Clair, Trinidad and Tobago
Principal Bankers
RBTT Bank Limited, 19-21 Park Street, Port of Spain, Trinidad and Tobago
GHL Audit Committee
Mr. Selby Wilson (Chairman), Mr. Imtiaz Ahamad, Mr. David Davies, Mr. Peter Ganteaume, Mr. Arthur Lok Jack
GHL Risk & Compliance Committee
Mr. Antony Lancaster (Chairman), Mr. Imtiaz Ahamad, Mr. David Davies, Mr. Philip Hamel-Smith, Mr. Jeff Mack
GHL Remuneration Committee
Mr. Arthur Lok Jack (Chairman), Mr. Peter Ganteaume, Mr. Philip Hamel-Smith, Mr. Antony Lancaster
GHL Corporate Governance Committee
Mr. Philip Hamel-Smith (Chairman), Mr. Peter Ganteaume, Mr. Antony Lancaster, Mr. Arthur Lok Jack
GHL Enterprise Investment Committee
Mr. Arthur Lok Jack (Chairman), Mr. Peter Ganteaume , Mr. Jemal-ud-din Kassum, Mr. Jeff Mack, Dr. Aleem Mohammed

GUARDIAN HOLDINGS LIMITED

Notice is hereby given that the Annual Meeting of Shareholders of Guardian Holdings Limited for 2011 will be held at The Atrium, Guardian Corporate Centre, 1 Guardian Drive, Westmoorings, on May 10, 2011 at 4:30 in the afternoon for the following purposes:

1. To receive and consider the Consolidated Financial Statements of the Company for the year ended December 31, 2010 and the Reports of the Directors and Auditors thereon.
2. To elect directors for specified terms and for such purpose and (if thought fit) to pass the following resolutions:

   (a) That the Directors to be elected be elected en bloc;

   (b) That Messrs. Arthur Lok Jack, Douglas Camacho, Jemal-ud-din Kassum and Aleem Mohammed be and are hereby re-elected Directors of the Company for a term expiring at the close of the third Annual Meeting of the Company following this appointment subject to the provisions of Regulation 4.5 of By-law No. 1.
3. To appoint Auditors and to authorise the Directors to fix their remuneration for the ensuing year.
4. To consider and if thought fit, pass the following resolution as an ordinary resolution to amend the provisions of the Company's Share Option Plan for executives:

   "WHEREAS the Guardian Holdings Limited Share Option Plan for Executives ("the Plan") was approved by the Shareholders of Guardian Life of the Caribbean Limited ("the Predecessor Company") at its Annual General Meeting of May 24, 1993 and was established by Resolution of its Board on that date and adopted by Guardian Holdings Limited on the 21st day of October, 1996 upon acquisition of all the issued shares of the Predecessor Company

   AND WHEREAS there currently remain unallocated One Million One Hundred and Forty One Thousand Two Hundred and Twenty Nine (1,141,229) shares in the Plan

   AND WHEREAS the Directors are desirous of amending the Plan:

   i) to effect the changes set out in Schedule 1 to this Notice of meeting and

   ii) increase the number of shares now allocated to the Plan by Sixteen Million Eight Hundred and Fifty Eight Thousand Seven Hundred and Seventy One (16,858,771) shares so that the number of shares allocated to the plan as from the date hereof shall be Eighteen Million (18,000,000) shares equal to 7.76% of the current issued capital of the Company

   AND WHEREAS by clause 9 of the Plan the Directors are empowered to alter the provisions of the Plan Provided that any such alteration shall be confirmed by the Auditors of the Company for the time being to be fair and reasonable and Provided Further that the number of shares allocated to the Plan cannot be altered without the shareholders prior approval:

   AND WHEREAS although by clause 9 of the Plan the Directors are empowered to alter the provisions of the Plan Provided That any such alteration shall be confirmed by the Auditors of the Company for the time being to be fair and reasonable the Company has been advised that it is not within the competence of their auditors to opine whether such alterations are fair and reasonable and the Directors have been advised that any such proposed amendments should be submitted to the shareholders for approval:

NOW BE IT RESOLVED THEREFORE THAT approval be and is hereby given for the alteration of the provisions of the Plan:

(1) to increase the number of shares now allocated to the Plan by Sixteen Million Eight Hundred and Fifty Eight Thousand Seven Hundred and Seventy One (16,858,771) shares so that the number of shares allocated to the plan as from the date hereof shall be Eighteen Million (18,000,000) shares equal to 7.76% of the current issued capital of the Company; and

(2) to amend the provisions of the Plan as set out in Schedule 1 to this Notice of meeting

AND THAT the Plan be restated as so amended as set out in Schedule 2 to this Notice of Meeting

By Order of the Board

Fé Lopez-Collymore

Corporate Secretary

Date: March 23, 2011

THAT the Plan be amended as follows:

1. That the name of the Plan be amended to "GUARDIAN HOLDINGS LIMITED PERFORMANCE SHARE OPTION PLAN FOR EXECUTIVES"

2. That the words 'AMENDED AS AT MAY 10, 2011' be included immediately following the name of the Plan

3. In clause 1 by:
   (a) the inclusion of the following new definitions:

"Exercise Price"	*The Exercise Price in respect of any option shall be the greater of $18.00 or the Adjusted Reference Price.*
"Reference Price"	*The Reference Price shall be the average of the closing quoted price of the ordinary shares of the Company as derived from the Trinidad and Tobago Stock Exchange on the ten (10) dealing days preceding the date of the offer made to the Grantee pursuant to Rule 2 (i).*
"Adjusted Reference Price"	*The Adjusted Reference Price in respect of any option shall be the Reference Price increased annually by the Growth Rate on the anniversary of the date of the offer of the option commencing from the first anniversary thereof.*
"Growth Rate"	*If the Reference Price is $18.00 or more, the Growth Rate shall be equal to the Risk Free Rate as at the date of the offer of the option; but if the Reference Price is less than $18.00, the Growth Rate shall be equal to the Adjusted Growth Rate as at the date of the offer of the option.*
"Adjusted Growth Rate"	*The Adjusted Growth Rate is the rate determined by applying the following formula:*

$$\left(\frac{\text{Reference Price x (1+ Risk Free Rate)}^{10}}{\$\ 18.00}\right)^{1/10} - 1$$

Risk Free Rate	*The weighted average risk free rate for the Company's portfolio of businesses, as determined by the Board of Directors annually on or before the offer of any option and notified to the Executive at the time of offer of any option.*

   (b) the deletion of the definition of *"the option period"* and its replacement with the following:
   "A period commencing two (2) years from the date on which the option has been offered and expiring eight (8) years after the commencement thereof."
   (c) the deletion of the definition of *"the option Price"*

4. In clause 3 (iii):
   (a) By deleting and replacing that clause with the following:
   Insofar as it has not previously been exercised an option shall lapse upon the earliest of the following:
      a. On the expiry of the option period:
      b. In the event that a Grantee ceases to be an Executive by reason of retirement whereby he becomes entitled to a pension under the Company's pension plan the expiry of eight (8) years from the date he so ceases to be an Executive;
      c. The date the Grantee ceases to be an Executive for any reason other than that set out in sub-paragraph (b) hereof unless otherwise resolved by the Board of Directors at their next meeting after the Grantee has so ceased to be an Executive;
      d. In the event of a Grantee's death the expiry of eight (8) years from the date of the Grantee's death;
      e. The date on which an option lapses pursuant to any condition upon which it was granted.

5. In clause 4 by deleting and replacing that clause with the following:
   "The price at which the Grantee shall be entitled to subscribe for each share the subject of the option shall be the Exercise Price"

6. In clause 8 (i) thereof:
   (a) By deleting the words *"option price"* and replacing with the words *"Exercise Price"*
   (b) By deleting the words *"auditors of the Company shall certify by writing under their hands"* and replacing them with the words *"Board of Directors shall certify by writing the hand of the Chairman"*

7. In clause 9 by deleting and replacing that clause with the following:

   Without prejudice to any option previously granted hereunder the Board of Directors may at any time and from time to time by resolution alter all or any of the provisions of the Plan PROVIDED that no alterations shall be made to this Plan (otherwise than pursuant to Rule 8 (i) hereof) to the advantage of the Executives altering the definition of an Executive or to alter

   (i) The persons to whom options for shares may be granted;
   (ii) The total amount of shares subject to the Plan;
   (iii) The maximum entitlement of any one Executive;
   (iv) The amount payable on acceptance of an offer of an option, the Exercise Price or the period in which payment thereof must be made;
   (v) The voting, dividend, transfer and other rights including those arising on the liquidation of the Company attaching to the shares allotted on any exercise of an option
   (vi) The period during which an option may be exercised

   except with the prior sanction of the Company in General Meeting.

8. In clause 10 by deleting and replacing that clause with the following:

   The maximum number of shares comprised in this Plan as from May 10, 2011 is Eighteen Million (18,000,000) shares

9. In clause 12 by deleting and replacing that clause with the following:

   The decision of the Directors in any dispute or question relating to any option shall be final and conclusive.

GUARDIAN HOLDINGS LIMITED
PERFORMANCE SHARE OPTION PLAN FOR EXECUTIVES
AMENDED AS AT MAY 10, 2011

1. In this Plan the following words bear the following meanings:-

"Adjusted Growth Rate"	the Adjusted Growth Rate is the rate determined by applying the following formula: $$\left(\frac{\text{Reference Price x (1+ Risk Free Rate)}^{10}}{\$\ 18.00}\right)^{1/10} - 1$$
"Adjusted Reference Price"	The Adjusted Reference Price in respect of any option shall be the Reference Price increased annually by the Growth Rate on the anniversary of the date of the offer of the option commencing from the first anniversary thereof.
"Commencement date of the Plan"	May 1, 1993
"the Company"	GUARDIAN HOLDINGS LIMITED
"Directors"	The Directors for the time being of the Company or the Directors present at a duly convened meeting of the Directors or of a duly appointed committee of the Directors at which a quorum is present.
"Executive"	The Chief Executive Officer of the Company and any person who is appointed an Executive or Chief Executive Officer of the Company or any of its subsidiaries including Directors holding any Executive Office with the Company or any of its subsidiaries.
"Exercise Price"	The Exercise Price in respect of any option shall be the greater of $18.00 or the Adjusted Reference Price.
"the Grantee"	Any Executive as herein defined who has accepted the offer of the Company of an option in accordance with the terms of this Plan.
"Growth Rate"	If the Reference Price is $18.00 or more the Growth Rate shall be equal to the Risk Free Rate as at the date of the offer of the option; but if the Reference Price is less than $18.00 the Growth Rate shall be equal to the Adjusted Growth Rate as at the date of the offer of the option.

"the option"	The contract constituted by acceptance in manner indicated in clause 2 (ii) hereof of any offer made in accordance with the terms of this plan.
"the option period"	A period commencing two (2) years from the date on which the option has been offered and expiring eight (8) years after the commencement thereof.
"Reference Price"	The Reference Price shall be the average of the closing quoted price of the ordinary shares of the Company as derived from the Trinidad and Tobago Stock Exchange on the ten (10) dealing days preceding the date of the offer made to the Grantee pursuant to Rule 2 (i).
"Risk Free Rate"	The weighted average risk free rate for the Company's portfolio of businesses as determined by the board of directors annually on or before the offer of any option and notified to the Executive at the time of offer of any option.
"Share(s)"	Fully paid ordinary shares of $1.00 each in the company.

and the singular includes the plural and the masculine includes the feminine and vice versa.

2. (i) An offer of an option for shares shall be in writing and shall be issued only to such Executives as the Directors shall determine in their absolute discretion. No Executive shall be entitled as of right to participate in the Plan.

   (ii) Any offer made under this Plan which in the case of any one individual shall not exceed 50% of the shares comprised in this plan shall be accepted by the person to whom the same is made by notice in writing to the Company and payment of the sum of $5.00 to the Company.

   (iii) The Directors may in their absolute discretion impose conditions on the grant of an option, restricting its exercise in the event that the Grantee does not achieve certain performance targets and restricting the period in which any option may be exercised. If the Directors shall so exercise their discretion full details of the conditions subject to which option is to be granted shall be given in the offer.

3. (i) The option is personal to the Grantee and is non-assignable.

   (ii) Until such time as the option shall lapse it shall be exercisable only by the Grantee during his lifetime or by the Legal Personal Representative of the Grantee provided that immediately prior to his death the Grantee was eligible to exercise the same.

   (iii) Insofar as it has not previously been exercised an option shall lapse upon the earliest of the following:-

a) On the expiry of the option period;
b) In the event that a Grantee ceases to be an Executive by reason of retirement whereby he becomes entitled to a pension under the Company's pension plan the expiry of eight (8) years from the date he so ceases to be an Executive;
c) The date the Grantee ceases to be an Executive for any reason other than that set out in sub-paragraph (b) hereof unless otherwise resolved by the Board of Directors at their next meeting after the Grantee has so ceased to be an Executive;
d) In the event of a Grantee's death the expiry of eight (8) years from the date of the Grantee's death;
e) The date on which an option lapses pursuant to any condition upon which it was granted.

4. The price (hereinafter referred to as the option price) at which the Grantee shall be entitled to subscribe for each share the subject of the option shall be the Exercise Price.

5. Subject to any conditions imposed pursuant to Rule 2 (iii) of this Plan, and subject also to the provisions of Rule 3 and Rule 8 (ii) of this Plan the option may be exercised at any time or times during the option period by notice in writing to the Company. The option may be exercised in respect of all the shares or from time to time in respect of any part of the shares the subject of the option such part (other than a residual part) being not less than 1,000 shares. Every such notice must be accompanied by a remittance for the full amount of the subscription monies for the shares in respect of which the notice is given. Within twenty-eight days from receipt of the notice the Company shall allot such shares to the Grantee accordingly.

6. The shares to be allotted upon any exercise of the option will upon allotment rank pari passu in all respects with the then existing issued ordinary stock units of the Company and will be subject to all the provisions of the Articles of Association of the Company relating to the transfer transmission and otherwise. If at the time of issue the then existing ordinary stock units of the Company are dealt in and quoted on the Trinidad and Tobago Stock Exchange, then forthwith after the exercise of the option the Company will make application to the Trinidad and Tobago Stock Exchange for permission to deal in and for quotation for the shares resulting from the exercise of the option.

7. No option shall be granted for less than 1,000 shares nor more than 50% of the shares comprised in this Plan. The Company will during the option period keep available sufficient unissued shares in the capital of the Company to satisfy all outstanding options.

8. (i) In the event of any alteration in the capital structure of the company after the commencement date of the Plan, whether by way of capitalisation of profits or reserves, rights issues, reduction or capital, or otherwise howsoever taking place, such corresponding alterations (if any) shall be made in (a) the subject matter of the option so far as unexercised; (b) the Exercise Price; (c) the method of exercise of the option; and (d) the amount of shares comprised in the Plan in respect of which no options have been granted and/or

exercised and the maximum entitlement for any one individual; as the Board of Directors shall certify by writing under the hand of the Chairman either generally or as regards any particular Grantee to be in their opinion fair and reasonable.

(ii) Subject to clause 8 (iii) below in the event that an offer is made to all shareholders to acquire the whole or a majority of the issued shares, notice thereof shall be given by the Company to all Grantees and a Grantee or (as the case may be) his personal representative(s) may at any time within six months of the offeror obtaining control of the Company be entitled to exercise his option provided that such exercise is before the expiry of the date upon which the option lapses in accordance with the provisions of Rule 3 (iii) of this Plan. For the purposes hereof "control" shall have the meaning given to that expression by the Third Schedule of the Corporation Tax Ach Ch. 75:02.

(iii) In the event of the transfer of all or a majority of the shares of the Company to another body corporate established by the Company for the purpose of acquiring such shares and operating as the holding company of the Company the Company shall ensure that such other body corporate in anticipation of or within three months after such acquisition by resolution of its board of directors undertakes to perform all the obligations of the company under this plan whereupon the Plan and all options granted thereunder shall continue in operation and the terms and conditions hereof shall as from the date of such resolution have effect as though such other body corporate had originally established the Plan and the expression "the Company" as used throughout the Plan shall thenceforth mean such other body corporate PROVIDED NEVERTHELESS that if such body corporate as aforesaid shall fail to undertake to perform all the obligations of the Company under the plan as aforesaid then the provisions of Clause 8 (ii) above shall, in so far as they are applicable, and without prejudice to any other rights of the Grantees, take effect.

9. Without prejudice to any option previously granted hereunder the Board of Directors may at any time and from time to time by resolution alter all or any of the provisions of the Plan PROVIDED that no alterations shall be made to this Plan (otherwise than pursuant to Rule 8 (i) hereof) to the advantage of the Executives altering the definition of an Executive or to alter

   (i) The persons to whom options for shares may be granted;
   (ii) The total amount of shares subject to the Plan;
   (iii) The maximum entitlement of any one Executive;
   (iv) The amount payable on acceptance of an offer of an option, the Exercise Price or the period in which payment thereof must be made;
   (v) The voting, dividend, transfer and other rights including those arising on the liquidation of the Company attaching to the shares allotted on any exercise of an option
   (vi) The period during which an option may be exercised

   except with the prior sanction of the Company in General Meeting.

10. The maximum number of shares comprised in this Plan as from May 11, 2011 is Eighteen Million (18,000,000) shares

11. On the liquidation of the Company, all unexercised or partially exercised options shall cease with immediate effect.

12. The decision of the Directors in any dispute or question relating to any option shall be final and conclusive.

Members are asked to observe the following requirements of the By-Laws for attendance and voting at the Annual Meeting.

Proxies

Members of the company entitled to attend and vote at the Meeting are entitled to appoint one or more proxies to attend and vote instead of them. A proxy need not also be a member. Where a proxy is appointed by a corporate member, the form of proxy should be executed under seal or be signed by its attorney.

Members who return completed proxy forms are not precluded, if subsequently they so wish, from attending the Meeting instead of their proxies and voting in person.

Representatives of Corporations

Corporate members are entitled to attend and vote by a duly authorised representative who need not himself be a member. Such appointment must be by resolution of the board of directors of the corporate member.

Delivery to the Company

Any instrument appointing a proxy (including an instrument evidencing the authority pursuant to which it is executed) or evidencing the authority of a representative of a corporate member, must be completed and deposited with the Secretary at the Company's Registered Office, 1 Guardian Drive, Westmoorings, not less than 48 hours before the time for holding the meeting or adjourned meeting.

Proof of Identity

Members are also reminded that the By-Laws provide that the Directors may require that any member, proxy or duly authorised representative provide satisfactory proof of his identity before being admitted to the Annual Meeting.

Persons Entitled to Notice

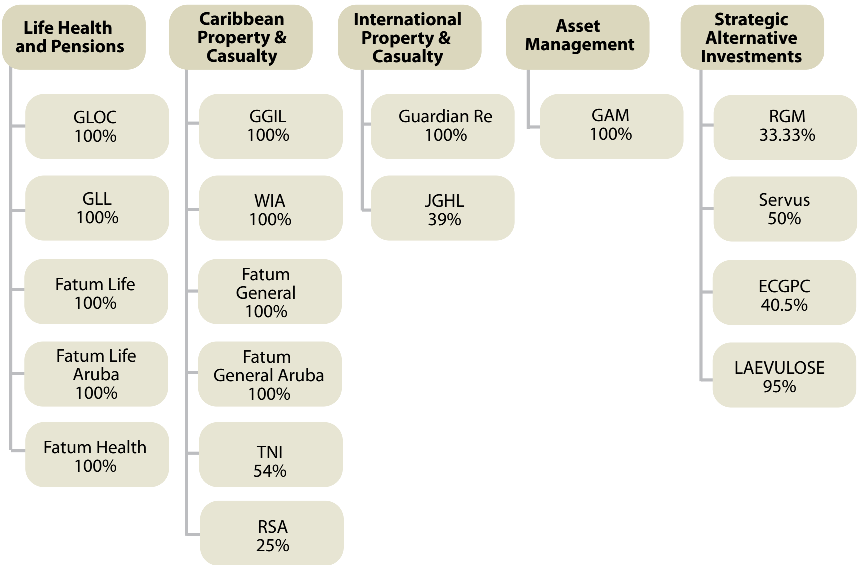
In accordance with section 110(2) of the Companies Act, 1995 the Directors of the Company have fixed April 12, 2011 as the Record Date for the determination of shareholders who are entitled to receive Notice of the Annual Meeting. Only shareholders on record at the close of business on April 12, 2011 are therefore entitled to receive Notice of the Annual Meeting. A list of such shareholders will be available for examination by shareholders at the Company's Registered Office during usual business hours and at the Annual Meeting.

Directors' Contracts

There are no contracts during or at the end of the year ended December 31, 2010 in which a director of the company is or was materially interested and which is or was significant in relation to the company's business.

There are no service contracts between a director and the company or any subsidiary company which has a term of 10 years or more and cannot be determined without payment of compensation.

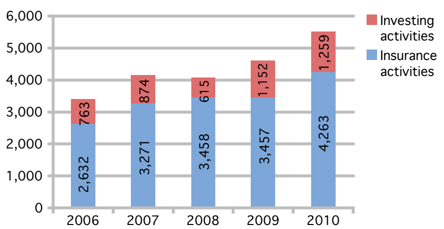
Business Segments



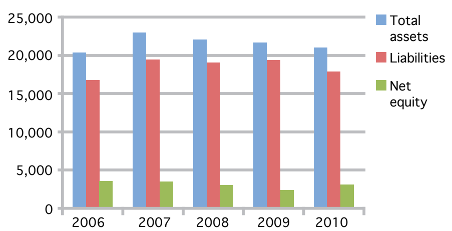
Consolidated Financial Highlights

Revenue	2010	2009
Life business net premiums written	$1,566 million	$1,344 million
General business net premiums written	$2,012 million	$2,135 million
General business net premiums earned	$2,505 million	$1,966 million
Revenue from insurance operations	$4,263 million	$3,457 million
Revenue from investment activities	$1,259 million	$1,152 million
Total revenue	$5,522 million	$4,609 million
Results		
Profit/(loss) for the year	$425 million	($824 million)
Profit/(loss) for the year from continuing operations	$423 million	$368 million
Earnings per ordinary share on continuing operations	$1.92	$1.81
Balance Sheet at December 31		
Total capital & reserves	$3,130 million	$2,342 million
Shareholders' equity	$3,039 million	$2,264 million
Net Asset Value per share	13.11	11.22
Dividend		
Total dividend for the year per ordinary share on continuing operations	50 cents	44 cents
Dividend cover	3.80	3.77
Conversion Rate	**2010 Average rate**	**2010 Year end rate**
Trinidad & Tobago dollar to one US Dollar	6.3529	6.3974
Trinidad & Tobago dollar to one British Pound	9.7924	9.8209
Trinidad & Tobago dollar to one Jamaican Dollar	0.0719	0.0738
Trinidad & Tobago dollar to one Netherlands Antillean Guilder	3.5491	3.5740

Total Revenue **($ milion)**



Balance Sheet **($ milion)**



The Directors have pleasure in submitting their Report for the year ended December 31, 2010.

	2010	2009
Net income from insurance underwriting activities	229,828	251,677
Net income from investing activities	1,174,784	1,041,495
Net income from all activities	1,404,612	1,293,172
Operating profit	550,888	465,401
Share of profit of associated companies	23,026	15,573
Profit before taxation	573,914	480,974
Taxation	(136,798)	(106,892)
Profit for the year from continuing operations	422,757	367,684
Profit/(loss) for the year	425,343	(824,181)
Total assets	20,987,795	21,709,994
Insurance contract liabilities	12,453,763	10,685,948
Equity attributable to owners of the parent	3,039,245	2,263,995

Dividends

An interim dividend of seventeen (17) cents per share was paid in 2010. At their meeting on March 23, 2011 the Directors declared a Final Dividend of thirty-three (33) cents per share which will be paid on April 29, 2011 to shareholders on the Register as at April 12, 2011. The total dividend for 2010 therefore amounts to fifty (50) cents per share.

Directors

Mr. Jemal-ud-din Kassum, having been appointed an additional Director since the last Annual Meeting retires at this Annual Meeting but is eligible and has offered himself for election. Messrs. Arthur Lok Jack, Aleem Mohammed and Douglas Camacho having been elected for terms expiring at the close of this Annual Meeting retire and offer themselves for re-election.

Directors and Significant Interests

These are shown on pages 17 to 19 and should be read as part of this report.

Auditors

The Auditors, Ernst & Young, retire and being eligible, offer themselves for re-appointment.

By Order of the Board

Fé Lopez-Collymore
Corporate Secretary

Date: March 23, 2010

Interests in Shares of the Company

Directors' and Senior Managers' Interests as at December 31, 2010		
Name	**Position**	**Ordinary Shares**
Mr. Arthur Lok Jack	Director	14,581,947
Mr. Peter Ganteaume	Director	635,000
Mr. Jeffrey Mack	Director/Senior Manager	0
Mr. Imtiaz Ahamad	Director	4,813,763
Mr. Douglas Camacho	Director/Senior Manager	408,387
Mr. David Davies	Director	0
Mr. Philip Hamel-Smith	Director	291,497
Mr. Antony Lancaster	Director	3,517
Dr. Aleem Mohammed	Director	0
Mr. Selby Wilson	Director	60,000
Mr. Brent Ford	Senior Manager	211,790
Mr. Neil Dingwall	Senior Manager	2,000
Mr. Richard Espinet	Senior Manager	6,370
Ms. Fé Lopez-Collymore	Senior Manager	210,322
Mr. Gerard Martin Jim	Senior Manager	13,327
Mrs. Anjani Maharaj-Toyer	Senior Manager	637
Mr. Steven Martina	Senior Manager	0
Mr. Keston Nancoo	Senior Manager	12,485
Mrs. Maria Rivas -McMillan	Senior Manager	31,054
Ms. Prabha Siewrattan	Senior Manager	0
Mr. Ravi Tewari	Senior Manager	69,950
Mr. Paul Traboulay	Senior Manager	0

See notes on page 19.

Top Ten Shareholders as at December 31, 2010			
Shareholder Name		**Ordinary Shares**	**%**
1	Tenetic Limited	35,841,859	15.46%
2	RBTT Insurance Holdings Limited	26,834,254	11.57%
3	International Finance Corp	22,271,485	9.60%
4	Arthur Lok Jack	14,581,947	6.29%
5	RBTT Trust Limited	10,337,907	4.46%
6	IFC ALAC GHL Holding Co Ltd	7,423,828	3.20%
7	Trinidad and Tobago Unit Trust Corporation	6,968,044	3.01%
8	Republic Bank Limited	6,777,347	2.92%
9	RBTT Nominee Services Limited	5,919,594	2.55%
10	First Citizens Trust & Asset Management Limited	5,795,439	2.50%

Substantial Shareholders as at December 31, 2010			
Shareholder Name		**Ordinary Shares**	**%**
1	Tenetic Limited	35,841,859	15.46%
2	RBTT Insurance Holdings Limited	26,834,254	11.57%
Note: Mr. A. Lok Jack has a beneficial interest in Tenetic Limited			

Employee Share ownership Plan (ESOP)		
	Dec 31, 2010	**Feb 23, 2011**
Ordinary Shares held	3,705,305	3,677,850

See notes on page 19.

Notes

Note 1: The interests of Directors and Senior Managers include the interests of "connected persons." Persons deemed to be connected with a director/senior manager are:

A. The director's/senior manager's husband or wife.

B. The director's/senior manager's minor children (these include step-children and adopted children) and dependents, and their spouses.

C. The director's/senior manager's partners.

D. Bodies corporate of which the director/senior manager and/or persons connected with him/her together have control. Control of a corporation is the holding of shares which carry 50% or more of the voting rights in the corporation.

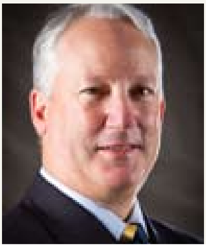
Note 2: There are no non-beneficial interests held by the Directors other than the interests of Messrs Selby Wilson, Douglas Camacho and Brent Ford as trustees of the Guardian Holdings Limited Employee Share Ownership Plan (ESOP). The holdings of the ESOP are shown on page 18.

Note 3: There has been no change in the Substantial interests and Interests of Directors and Senior Managers between the end of the Company's financial year and February 23, 2011, being one (1) month prior to the date of the notice convening the Company's Annual Meeting

Note 4: A substantial interest means one-tenth or more of the issued share capital of the Company.

Board of Directors

ARTHUR LOK JACK
Chairman

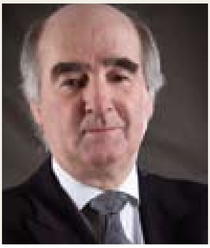


JEFFREY MACK
Group CEO

PETER GANTEAUME
Deputy Chairman

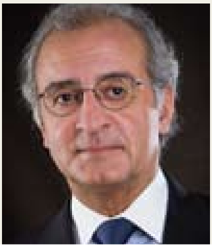
IMTIAZ AHAMAD
Director

DOUGLAS CAMACHO
Group Executive
Director



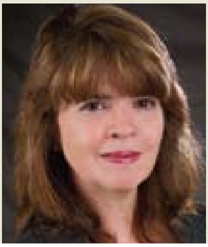
DAVID DAVIES
Director

PHILIP HAMEL SMITH
Director



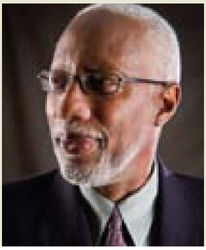
JEMAL-UD-DIN
KASSUM
Director

ANTONY LANCASTER
Director



FÉ LOPEZ
COLLYMORE
Corporate Secretary

DR. ALEEM
MOHAMMED
Director



SELBY WILSON
Director

Chairman's and CEO's Statement

By Arthur Lok Jack and Jeffrey Mack

Dear Shareholders,

It is with great satisfaction that we can report on one of the best years in our company's history. GHL was able to dramatically turnaround its fortunes and deliver $425 million in net profit after tax compared to the $824 loss suffered in 2009. Just as significant to delivering excellent profitability for our shareholders, during 2010 we were able to rebuild and strengthen our balance sheet. This is a key factor in our ability to meet our long-term obligations to our policyholders. Earnings per share (EPS) for 2010 amounted to $1.94 versus a loss of $4.10 in 2009. Eliminating the effects of the Zenith write-off, EPS from continuing operations increased 7% during 2010 over an increased equity base. The Board of Directors of GHL has decided to pay a final dividend of 33 cents per share. That brings the total dividend paid out for the year to 50 cents per share, or $115 million representing a 29% increase over the $89 million distributed in 2009. The dividend per share also increased by 13.6% over the previous year after taking into consideration the average increase in the share capital.

We achieved our best performance since 2004 despite the fact that 2010 continued to see the region's economies struggle. Recent economic reports continue to show that the global economy is not recovering at a rate expected after the severe recession experienced in 2008 and into 2009. Our regional economies are closely linked to those of the United States and the United Kingdom. Their own fiscal constraints and high unemployment levels have continued to hinder their recovery. The latest data out of Trinidad and Tobago suggests that real GDP growth only just turned positive in 2010, with a gain of 0.5%. The low interest rate environment created by the aggressive monetary policy of the developed countries and low credit demand posed an additional challenge for our company. Guardian, like all insurance companies, are huge buyers of government and corporate bonds. While falling interest rates increased the value of our existing bonds, new bond purchases carried lower yields. This had the effect of reducing the amount of interest income earned, while requiring us to strengthen the loss reserves for our long tail insurance obligations. As economic conditions improve, we expect this to have a very positive effect on our business.

During 2010 Guardian experienced a significant change in its own ownership structure. The International Finance Corporation (IFC), along with the IFC African, Latin America, and Caribbean Fund, LLP purchased a 13% ownership stake in GHL. This was achieved by converting an existing US$50 million IFC loan into new common equity, while at the same time injecting US$25 million of fresh cash in return for new common shares. All told, the issuance of 29.7 million of common equity was unanimously approved by our shareholders and sold to the IFC at $16 per share. This represented a premium of over 20% to the then share price of GHL. Post the IFC transaction the amount of outstanding shares stands at 231.9 million.

While the IFC transaction improved the equity portion of our balance sheet, we would also like to report here on a significant post 2010 event that addresses the liability section of our balance sheet. In February 2011 GHL successfully issued the largest ever Trinidad and Tobago dollar based corporate bond in the history of the Caribbean. The proceeds of the $1 Billion were used to pay off existing debt of $850 million, while the balance is earmarked to support our strategic growth plans. By taking advantage of the prevailing low interest rate environment, GHL was able to lower its cost of debt while improving its cash flow by extending out the tenor of the new bond to 12 years. With the elimination of other debt obligations plus the 34% increase in shareholders' equity, the Group's debt to equity ratio has been significantly lowered to .37.

2010 Business Segment Performance

GHL has four strategic business segments, being Life Health and Pensions (LHP), Caribbean Property and Casualty (CPC), International Property and Casualty (IPC), Asset Management, plus a fifth area that we call Strategic Alternative Investments.

The LHP business segment consists of Guardian Life of the Caribbean, Guardian Life Limited, Fatum Life and Fatum Health. In the markets in which we operate, we hold either the number one or number two market share position. This business segment had an excellent year and increased its operating profit before fair value movements by an impressive 32% from $232 million in 2009 to $307 million in 2010. Despite a difficult selling environment for Life and Pension products, segment revenue increased from $2.8 Billion in 2009 to $3.1 billion in 2010, an 11% increase which once again proved the ability of our top rated sales force to sell in any market.

The CPC business segment consists of Guardian General, Fatum General, West Indies Alliance, a 54% ownership stake in TransNemwil, as well as significant minority interests in RoyalStar Assurance Ltd. in the Bahamas, and Diamond Fire & General Insurance Inc. in Guyana. Guardian General is the largest indigenous property and casualty insurer in the Caribbean. This business segment produced an operating profit before fair value movements of $149 million. This was achieved despite the fact that 2010 was the second most active hurricane season since 1969, with 12 named storms, five of which affected this business segment. The most significant of these hurricanes was Tomas. Our net incurred losses from Tomas amounted to $33 million. Despite the frequency of storms, and a continued soft underwriting market, Guardian General's key underwriting metric, combined loss ratio, came in at a very impressive 78%. This means that our profit margin was 22% before considering any investment returns. This attests to the diversified risk portfolio of the company and its well structured reinsurance programme, which continues to protect our bottom line.

The IPC business segment consists of our Bermudian reinsurer, Guardian Reinsurance and our Lloyds of London business, Jubilee. Unfortunately this business segment produced a net loss of $77 million and was the Group's lone poor performer. The main driver of this loss was Jubilee, which suffered a loss of $50 million. Jubilee's loss was mainly attributable to catastrophe losses and their motor business. The Board of Jubilee took the decision in 2010 to discontinue writing this business and we expect that they are now positioned to return to profitability in 2011.

The above three business segments represent our insurance underwriting activities. Our other main activity involves investment management which takes place in our asset management business, Guardian Asset Management (GAM), and our Strategic Alternative Investment segment. GAM is responsible for managing the Group's assets and in addition, manages funds for third-parties. Total asset under management grew in 2010 to $8.2 Billion from $7.8 Billion in 2009. GAM posted an after tax profit of $18.1 million during the year versus $11.2 million in 2009. The two main developmental projects within the Strategic Alternative Investment segments are the Pointe Simon

Waterfront project and the Eastern Caribbean Gas Pipeline (ECGPC). Pointe Simon will be a mixed use development in Fort de France, Martinique. Planned completion is end of 2011. ECGPC is in advanced stages of development and all major contracts necessary to deliver natural gas from Trinidad and Tobago to Barbados have been agreed.

2010 Corporate Initiatives

During 2010 GHL embarked on two major corporate initiatives designed to drive shareholder value while at the same time improving the risk management controls across the organisation. These two initiatives were the introduction of EVA, or Economic Value Added, and ERM, or Enterprise Risk Management.

During the year GHL completed an engagement with world renowned ERM experts, Marsh/Oliver Wyman. The objective of this engagement was to bring international best practices relative to risk management and emerging regulatory requirements into our group. The recent global financial crisis and the failure of a major regional financial conglomerate have accelerated the need to bring risk controls and corporate governance up to first world standards. With its implementation, GHL has built on an already robust structure which now allows us to take an enterprise view of the risks affecting the group and adopt a portfolio approach to managing those risks.

It has been well proven over many organisations, both large and small, that the introduction and use of an Economic Value Added system result in increasing shareholder value over time. In 2010 we hired the leading experts in this field, Stern Stewart, to assist us in implementing EVA across our group. An important component of EVA is the linkage of executive compensation to an increase, or improvement in shareholder value which is measured by net operating profits after tax, less a charge for the Group's cost of capital.

The variable part of our executive's compensation is now conditioned on achieving returns above the weighted average costs of GHL's capital. Driving and meeting these minimum hurdle rates will lead to an increase in share price over time.

We believe that these two completed, important corporate initiatives will cement GHL's place as an industry leader.

2010 was indeed a challenging year, but a fulfilling year as well. We were able to achieve the type of turnaround we promised our shareholders and we fully believe we are on the path to delivering good, consistent, and quality earnings. With our rebuilt and strengthened balance sheet, and a new partner in the IFC, your group is well positioned to take advantage of the myriad opportunities that lie ahead of us.

Our strategy will be to continue to grow organically while searching for acquisitions which will be accretive to earnings. On the acquisition front our preference will be on insurance targets whose main businesses are based in the Caribbean. Mid to long-term we believe an acquisition in the fast growing insurance markets of Latin American make a lot of sense for your company as we continue to fulfill our vision to become the regional wealth management and protection champion.

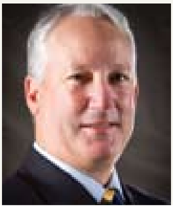
Acknowledgments

In closing we would like to thank all the employees of GHL, as well as its Board of Directors, and the Boards of our various subsidiary companies. Without their dedication, our results would not have been possible. In addition we want to thank our loyal shareholders who have stuck with the company through the good times and the bad. To all of our customers, our most heartfelt thanks, and our promise to provide high quality customer care.

Arthur Lok Jack, Chairman

Jeffrey Mack, Group CEO

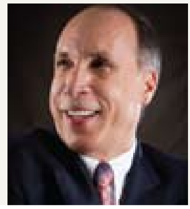
Group Executive Officers



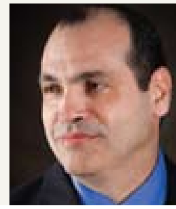
JEFFREY MACK
Group CEO

DOUGLAS CAMACHO
Group President, Strategic Investments & Projects

NEIL DINGWALL
Group Actuary/Chief Performance Officer

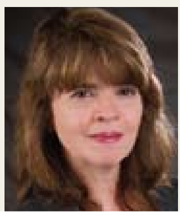


RICHARD ESPINET
Group President, Caribbean Property & Casualty

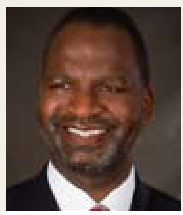


BRENT FORD
Group Chief Investment Officer/Group President Asset Management

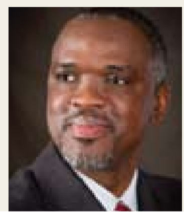
GERARD MARTIN JIM
Group Chief Finance Officer



FÉ LOPEZ COLLYMORE
Corporate Secretary



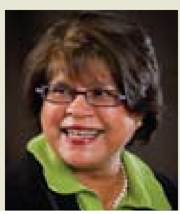
STEVEN MARTINA
Chief Administration Officer, Insurance Administration Services



WENDELL MITCHELL
Group Chief Information Officer

KESTON NANCOO
Group Vice President, Human Resource Services

MARIA RIVAS MCMILLAN
Group Vice President, Corporate Communications



PRABHA SIEWRATTAN
Group Head, Compliance

RAVI TEWARI
Group President, Life Health & Pensions

PAUL TRABOULAY
Group Chief Risk Officer

This Management Discussion and Analysis contains detailed information important to understanding the Company's results and financial condition and should therefore be read in its entirety.

FORWARD LOOKING STATEMENTS – CAUTIONARY LANGUAGE

The report reviews the Company's financial condition and results of operations including its liquidity and capital resources. Historical information is presented and discussed. Where appropriate, factors that may affect future financial performance are also identified and discussed. Certain statements made in this report include "forward-looking statements". Forward-looking statements include any statement that may predict, forecast, indicate or imply future results, performance or achievements instead of historical facts and may contain words like "believe", "expect", "estimate", "project", "budget", "forecast", "anticipate", "plan", "will", "shall", "may" and other words, phrases or expressions with similar meaning. Forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from the results contained in the forward-looking statements and the Company cannot give assurances that such statements will prove to be correct. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

OVERVIEW

Guardian Holdings Limited (GHL) is a holding company formed in 1982 and became a publicly listed company in Trinidad & Tobago on June 18, 1996 and in Jamaica on September 20, 2000. GHL subsidiaries provide financial services through the production, distribution, and administration of insurance and investment products. GHL's principal operations are conducted throughout the Caribbean, and in England and the Republic of Ireland. There are three main business segments: Life and Health Insurance, and Pensions; Property and Casualty Insurance; and Asset Management. Services are primarily distributed and sold throughout the Caribbean, however reinsurance cover is selectively provided on a worldwide basis through the Group's international property and casualty business segment.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Group's accounting policies require the use of judgments relating to a variety of assumptions and estimates, in particular, expectations of current and future mortality, morbidity, persistency, expenses and interest rates. Because of the inherent uncertainty when using the assumptions and estimates, the effect of certain accounting policies under different conditions or assumptions could be materially different from those reported in the consolidated financial statements. A discussion of the most significant accounting policies is presented hereunder.

Value to shareholders of in force long-term business

The acquisition costs of writing new long-term insurance policies occur at the time that the policies are issued. However, the profits on this business are released gradually over the lifetime of the policies. There are a number of accounting treatments available to deal with the disparity between the timing of the acquisition expenses and the release of profits. The Group uses the Achieved Profits Method which is referred to as Embedded Values accounting. An Embedded Value represents the present value of the future profits of the block of existing long-term business. The calculation of Embedded Values requires assumptions concerning future persistency, mortality, morbidity, expenses and investment yields. Under this method, the accounts reported profits are adjusted to reflect the increase or decrease in the future value of the in force portfolio. At December 31, 2010 the Group recorded $673 million (2009: $584 million) in its books for this value to shareholders of in force long-term business. See Note 12 in the Annual Report for further information.

Deferred acquisition cost

The Group incurs significant brokerage costs in connection with the acquisition of its short-term insurance business through its intermediaries. These costs vary with and are integral to the procurement of ongoing insurance business and are amortised over the period during which premiums are earned. At December 31, 2010, the deferred acquisition costs remaining to be amortised totalled $370 million (2009: $467 million).

Financial instruments

The Group has financial assets totalling $11.2 billion (2009: $10.6 billion), which are either held to maturity or held for trading. GHL's specific accounting policies related to its invested assets are disclosed in Note 2.8 in the Annual Report.

Intangible assets

The intangible assets carried on the balance sheet at $253 million (2009: $270 million) represents trademarks and goodwill arising on the acquisition of subsidiaries and require an annual estimate of the future profitability of the respective cash-generating units. Revisions to the estimates that result in the impairment of the carrying value of these assets result in the amounts being expensed in the reporting period in which the revisions are made.

Liabilities for future policy benefits

The establishment of adequate reserves to meet the Group's obligations to its policyholders involve estimating liabilities for future policy benefits on life and health insurance products, and requires the use of assumptions such as those relative to future investment yields, mortality, morbidity, persistency and other appropriate assumptions based on historical experience modified as necessary to reflect anticipated trends and to include provisions for possible adverse deviation. Determining liabilities for the Group's property and casualty insurance products also requires the use of assumptions, including the projected levels of used vehicle prices, the frequency and severity of claims and the effectiveness of internal processes designed to reduce the level of claims. At December 31, 2010 the Group had established reserves for policy liabilities of $12.5 billion (2009: $10.7 billion).

Pension obligations

Determining the Group's obligations to employees under its defined benefit pension plan and stock-based compensation plans requires the use of estimates. The calculation of the liability related to the Group's defined benefit pension plan requires assumptions regarding the appropriate weighted average discount rate, estimated rate of increase in the compensation of its employees, projected changes in staffing levels and the expected long-term rate of return on the plan's assets.

Valuation of Stock Options

Accounting for other stock-based compensation plans may require the use of option pricing models to estimate the Group's obligations. Assumptions used in such models relate to equity market volatility, the risk-free interest rate at the date of the grant, as well as expected exercise dates.

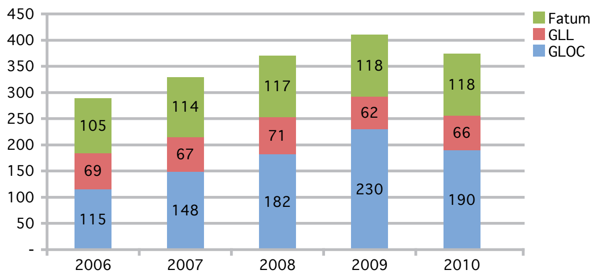
SUMMARY OF FINANCIAL PERFORMANCE

Life, Health & Pensions

2010 was a successful year for the Life Health & Pensions Group, comprised of three insurers that continue to dominate the life, health and pensions (LHP) landscape in the Caribbean. These are Guardian Life of the Caribbean Limited (GLOC) domiciled in Trinidad & Tobago, Guardian Life Limited (GLL) domiciled in Jamaica and the life arm of Fatum (Fatum Life) domiciled in Curaçao and Aruba.

The Group achieved Net Profits of $313 million, which is a 54% improvement year over year. The primary drivers of this performance were the success of our sales team in Individual Life and Employee Benefits in settling new business and efficiencies arising from technological improvements and cost management.

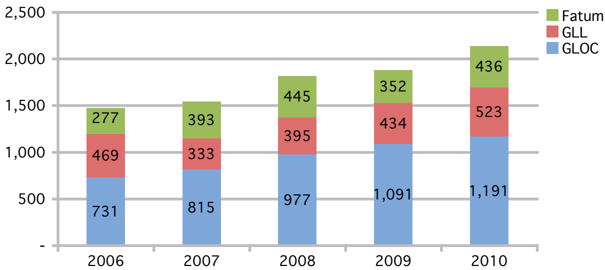
Annualised Premium Income ($ million)



Total Premium Income of $2.15 billion grew by 15%. The operations in both Trinidad & Tobago and Jamaica continue to deliver strong growth in new sales of individual and employee benefits business. For individual Life, GLOC settled new annual premium income of $189 million, GLL settled J$914 million and Fatum settled ANG44.84 million.

The Group continued to consolidate its position in the employee benefits market, registering strong growth in the health industry with premiums of $591 million, a 10% improvement over 2009. Group

Net Premium Income ($ million)



Health business grew by 25% in GLL, 4% in GLOC and 3% in FATUM. GLL's MedeCus Health acquired 68 new schemes in 2010 with new annualised premium income of J$451 million and a 95% retention rate. There were significant improvements in claims and combined ratios year over year for all LHP companies, resulting in increased profitability.

Investment income earned by the LHP Group, however, declined by 10% in 2010 before mark to market adjustments, due mainly to the impact of significant fiscal and monetary changes in the Jamaican economy in 2010. On January 26, 2010, GLL accepted the Government of Jamaica's invitation to participate in the Jamaica Debt Exchange (JDX).

The JDX was a par for par exchange of domestic debt instruments issued on or prior to December 31, 2009 and maturing on or after February 16, 2010 (Settlement Date) for new, longer-dated, lower-yielding instruments in order to reduce the country's debt costs and secure funding from the International Monetary Fund. Under the JDX, Guardian Life exchanged a total of J$17.8 billion on February 16, 2010 for lower-yielding, longer-dated bonds.

Investment income in GLL fell by 20% to J$3.8 billion, resulting mainly from the JDX initiative and the decline in average monthly yield in 6-month Treasury Bills from 19.95% in 2009 to 9.26% for 2010. In addition, the appreciation of the Jamaican dollar against the US and Euro currencies by 4.36% and 12.26% respectively resulted in a 154% decrease in foreign exchange gains.

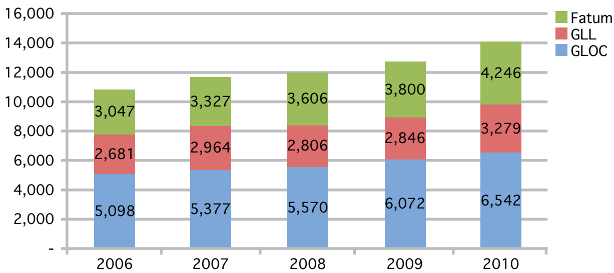
Inclusive of realised and unrealised fair value gains, however, LHP investment income of $824 million surpassed 2009 earnings by 6% due to the creditable portfolio returns by all companies, which were 300 to 600 basis points above their respective benchmark rates. GLOC achieved a 49% increase in investment income over 2009 due to realised and unrealised fair value gains on both its local and overseas equity portfolios.

Operating expenses increased by 6% over 2009, driven mainly by the effects of inflation in all of the Group's territories. Notwithstanding inflationary pressures, the Group realised strong operational efficiencies by improving its cost to premium income ratio to 20% in 2010 down from its 2009 level of 21.6%. In 2010, the standardisation, rationalisation and synergising of the LHP Group operations gained considerable momentum. It is expected that processes and standards will be adopted in 2011 that will further improve operating margins and enhance the quality of our products and services, leading to increased shareholder value.

The LHP Group increased its asset base by 10% to close the year with assets totalling $14 billion.

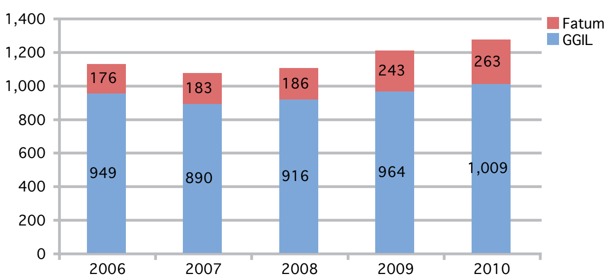
All operating companies maintain a solid capital base. GLOC closed the year with a solvency margin of 24% in excess of its reserves. In addition, GLOC holds an A.M. Best Rating of A-. The capitalisation of

GLL is measured in terms of a Minimum Continuing Capital and Surplus Requirements (MCCSR) ratio. The ratio for GLL is 161%, which is above the regulatory requirement of 150%. Fatum Life holds capital 341% in excess of its statutory LHP requirement.



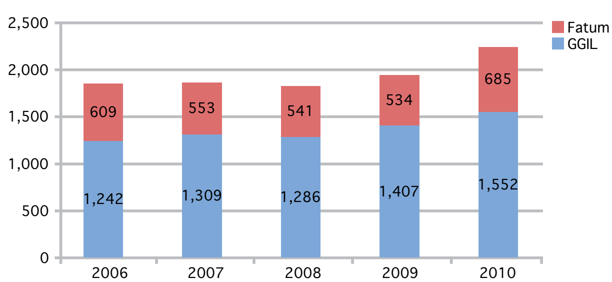
Caribbean Property & Casualty

GHL's Caribbean Property and Casualty Business is serviced by four companies whose operations collectively span 21 countries regionally, including Fatum, which is responsible for the Dutch Antilles, Aruba and a property portfolio in the Netherlands.



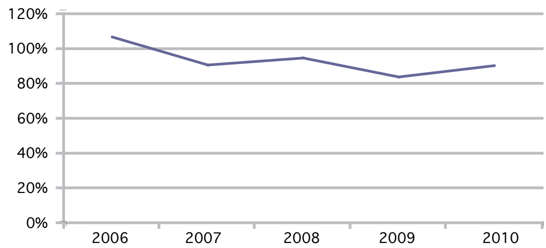
The economic environment continued to put additional pressure on the already soft premium rates and declining insurable interests. Maintaining market share and attracting quality new business were challenged by demands for uncompetitive pricing. This was balanced by our capacity, supported by a strong reinsurance programme, along with the exit of a major international insurer from the Trinidad & Tobago market.

Additionally, the busier than average hurricane season resulted in gross losses of $121.7 million and net of reinsurance recoveries of $36.2 million. There were 19 named storms; twelve were hurricanes, with hurricane Tomas causing the most damages—mainly in St. Lucia and Curaçao—totalling $109.8 million gross and $33.3 million after reinsurance recoveries. Losses arising from an earthquake in Cayman, which occurred in January 2010, also contributed $1.2 million gross and $640,000 net of reinsurance recoveries. Fatum also incurred three large losses totalling $8.9



million, after reinsurance recoveries, from its property portfolio in the Netherlands.

Combined Ratio



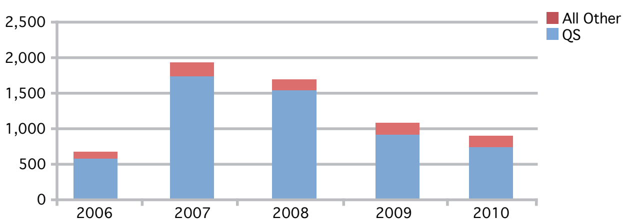
Gross Premiums of $1.272 billion grew by 5.4% over prior year 2009 of $1.207 billion, with the major line of business, Property, contributing $748 million, an increase of 8.7% over 2009.

Profit after tax of $115.4 million moved from $146.7 million in 2009 mainly as a result of the active hurricane season. Net Claims ratio of 48.1% increased from the 2009 ratio of 42.9%, and the overall combined ratio increased to 87.7% from 81.3%.

Total assets of $2.2 billion grew by 15.8% from $1.9 billion. GGIL has an A. M. Best rating of A-(Excellent) in the Financial Size Category VII, which is the highest category and rating of any indigenous Caribbean Property and Casualty Underwriter.

International Property & Casualty

Gross Written Premium ($ million)

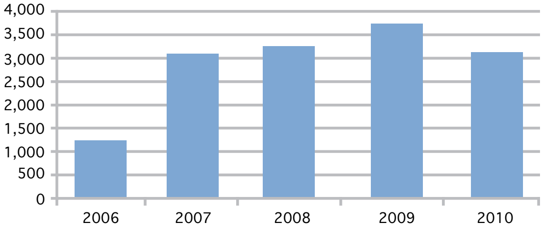


This segment of the Group's business comprises the reinsurance underwriting activity undertaken by its wholly-owned subsidiary Guardian Reinsurance and the 39.1% share of results arising from the Group's investment in Jubilee Holdings Group (a UK-registered holding company managing underwriting activity at Lloyd's of London).

Guardian Reinsurance is a registered Class 3A reinsurer that underwrites risks on a worldwide basis for both Lloyd's Corporate Members as well as non-Caribbean third party cedants. Prior to 2007, the business of Guardian Re comprised primarily of captive business, however, in 2007, to diversify its risk profile, the company began accepting third party business on selective non-Caribbean property books of business.

Gross written premiums declined in 2010 to $902 million (2009: $1,085 million) as a result of the Group's decision to reduce its motor underwriting capacity at Lloyd's for the 2010 underwriting year of account. The continuing business of this segment still relates primarily to providing quota share reinsurance for syndicates at Lloyd's, with the remaining business comprising catastrophe aggregate excess of loss cover on a mix of property and motor business. The five-year history of premiums written by the International Property & Casualty segment is shown below.

Total Assets ($ million)

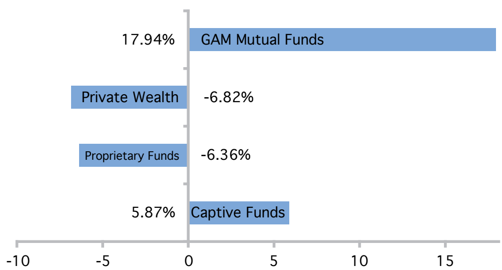


The nature of risks underwritten by the International Property & Casualty business segment dictates that its results are highly sensitive to the occurrence of catastrophic natural disasters such as the Chilean earthquake. The segment reported significant losses arising from this earthquake under both its quota share in Lloyd's underwriting activities and its catastrophe excess of loss treaties on International business. As a result, the segment reported a loss of $77 million for 2010, compared to a profit of $5.1 million for 2009.

The volatility in results attributable to the increasing frequency of large losses worldwide has resulted in management earmarking the Lloyd's business for strategic review in 2011.

Asset Management

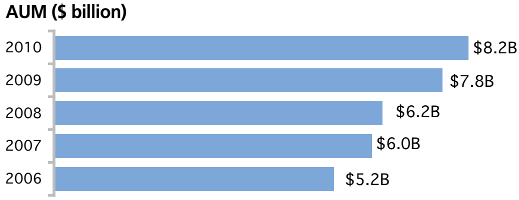
Growth in AUM 2010 (Percent)



In August 2010, the Group sold its asset management subsidiary in Jamaica, Guardian Asset Management Jamaica (GAMJA), to Proven Asset Management, a Jamaica-based asset management company. This sale was in keeping with the Group's strategic initiative of focusing on its core businesses to improve shareholder value. The management of the Group's portfolios in Guardian Life Limited (GLL) and West Indies Alliance (WIA), managed previously by GAMJA, was retained and is now being carried out by the Investment Department of GLL, comprising former employees of GAMJA.

The Group maintained its 100% interest in Guardian Asset Management Trinidad and Tobago (GAM), which manages the investment activities of the Group's Trinidad and Tobago-based subsidiaries as well as third party funds. In 2010, GAM enjoyed yet another year of robust growth, with both revenue and profitability increasing by 43% and 64% respectively, compared to 19% and 50% in 2009. Reported revenues grew by $15 million to $50 million and the company posted an after tax profit of $18 million, up from $11 million in 2009.

AUM ($ billion)

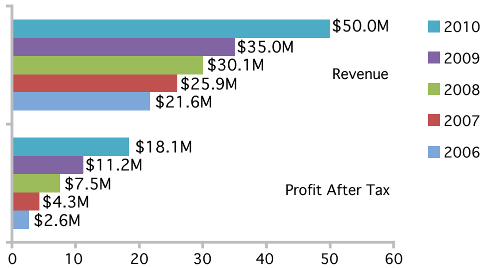


Total Assets under Management (AUM) increased by 5.1% to $ 8.2 billion, led by impressive growth in the "Guardian Asset Management Series of Mutual Funds" and the Group's subsidiary portfolio, which grew by $222 million and $321 million respectively over the year. The noteworthy growth in AUM attests to GAM's ability to deliver consistent value to customers amidst increased competition and the challenging investment climate locally as well as internationally.

The three top performing funds for 2010 were:

- North America Equity Fund 12.41%
- Asia-Pacific Rim Equity Fund: 10.67%
- BRIC Equity Fund: 6.19%

Financial Performance ($ million)



Alternative Investments

Laevulose Inc: Pointe Simon Waterfront Project

Construction work on this mixed-use development in downtown Fort de France, Martinique, continued apace in 2010. The structural work of the 20-storey office tower and eight-storey luxury waterfront condominiums is substantially complete. Work is continuing on the eight-storey hotel and office block.

All construction work is on schedule for final completion at the end of 2011.

Eastern Caribbean Gas Pipeline

Detailed work on engineering requirements for laying of the pipeline has begun and is expected to be completed during 2011. A strategic investment partner has been identified and will come on board during the first half of 2011. Targeted completion date for delivery of gas to Barbados will take place during 2013.

Character cannot be developed in ease and quiet. Only through experience of trial and suffering can the soul be strengthened, vision cleared, ambition inspired and success achieved.

Helen Keller

Engagement/Execution/Excellence

The GHL Group continues to pursue its strategy "to become the Regional Wealth Management and Protection Champion, while building its position in selected international markets". The Human Resource Team is well poised and equipped to deliver on strategy alignment activities and projects. Dave Ulrich's statement that "the 20th century will belong to human resources and to organisational capabilities, and the quality of people and their engagement will be critical factors in corporate vitality and survival", continue to be as relevant in today's unprecedented global economy now in the 21st century as when first articulated. This relevance is rooted in the fact that people are GHL's greatest assets and, more than ever, the Group has to compete as much on its intellectual capital as on its financial capital. The business landscape continues to provide increasingly critical challenges and tomorrow's environment will be no different but no less rich in possibilities for those organisations that are prepared.

It is within this context that the Group Human Resource strategy for 2011 and beyond is "Creating Competitive Advantage through People". In order to move this strategy from concept to reality, Group HR will continue to focus on these key HR initiatives:

Talent Management

- To significantly improve the Group's ability to attract, recruit and retain top quality talent
- To segment the organisation so as to identify key employees/ key talent in the most important jobs through a robust and fair performance management system to ensure that those employees are appropriately rewarded and training and development opportunities are appropriately targeted.
- To continue the process of succession planning and leadership development
- To build requisite bench strength that will allow GHL to fill the leadership pipeline in a timely manner

- To develop a framework for parallel career paths at all levels in the organisation
- To develop deep functional expertise in every role
- To ensure all roles must be business critical

Business Leadership

- To continue providing employees within the HR division, across lines of business, with the opportunity to develop a better understanding of the business
- To continue to play the role of strategic business partnering
- To work with and develop People Management Ownership capabilities in line employees
- To help Leaders/Managers across the Group to become better leaders and better managers

Metrics and Measurement

- To devote staff resources to creating, tracking, analysing and disseminating HR metrics that will allow respective Group companies to predict organisational performance
- To create a meritocracy based upon measured performance as the foundation for our culture

Adding strategic value to the Business

- To deliver solutions through proactive partnering, focused problem solving and action
- To provide service excellence—respect and fair treatment for all
- To offer innovative people strategies that ensure overall business success
- To demonstrate leadership talent and capabilities that develop high performing teams and a rewarding and inclusive work environment

GHL believes that people are its competitive advantage. In this context, the Group avows to deliver the resources and services to prepare them to be winners, to support growth and profitability of their respective companies while preserving the values and special culture of Guardian. In the final analysis, Guardian employees are proud to be a group of ordinary people who do extraordinary things.

Social Responsibility

The European Commission defines Corporate Social Responsibility (CSR) as "the concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders, on a voluntary basis, going beyond what is required by the law". The Guardian Holdings Group can boast of a tradition of service in the English- and Dutch-speaking Caribbean that has lasted for more than 160 years. This connection is deeply embedded in regional communities and in the hundreds of thousands of families to whom Guardian has given protection and coverage for many generations.

Internally, Guardian's CSR can be seen in its best in class human resource practices, employee development programmes, workplace health and safety, wellness and an intrinsic acknowledgement of civic responsibility. In this regard, Guardian employees have taken the lead in community outreach and empowerment in each of its jurisdictions. At the head office, this has been formalised into GIFT, Guardian Initiatives for Transformation, driven by employee volunteers. Community outreach initiatives focus primarily on children, the elderly and families. In 2010 GIFT introduced the 'Pay-It-Forward' programme; one notable employee activity being the preparation of Secondary Entrance Examination (SEA) students of two schools in Trinidad & Tobago who were, in turn, required to do 'pay it forward' to someone else.

Life Pulse, a wellness programme led by employees and supported by the company, aims at improving the quality of work life. Its motto – 'healthy minds, healthy bodies, healthy lives' – seeks to instill the importance of a balanced lifestyle. In 2010, activities included participation in a financial services sector urban track challenge, in house dance/aerobic classes, turtle watching and a series of health fairs during Cancer Awareness Month.

Externally, Guardian has focussed on programmes directed at the environment, community development, educational and capacity building activities. Project Green, launched in 2007, continues to encourage employees to engage in green initiatives to reduce the individual and corporate carbon footprint. In 2010, the company added plastic recycling to its glass, batteries, and paper initiatives. The company already saves energy by powering down its buildings after a certain hour at night.

The Pride in Pawi project, undertaken by the Guardian Life Wildlife Fund in association with the UNDP/GEF Small Grants Programme, continued and will be concluded in 2011. The Group's two main regional sponsorships in 2010 were the Premium Teaching Awards, a collaborative activity – that is more than a decade in existence – with the Mona and St. Augustine Campuses of The University of the West Indies and the CARIFTA Games, the premier track and field meet of the English, French and Dutch Caribbean, then in its eighth consecutive year.

Corporate Governance

In accordance with the recognised principles of Corporate Governance, the Board of Directors of Guardian Holdings Limited established the following standing committees:

- Audit, Compliance & Risk Committee
- Remuneration Committee
- Corporate Governance Committee

Each Committee is governed by a charter which sets out its responsibilities. The composition of each Committee is reviewed on an annual basis by the Corporate Governance Committee which makes recommendations to the Board. Each Charter is reviewed annually by the Board and each Committee makes an annual report to the Board of Directors.

As stated in the report of the Audit, Compliance & Risk Committee in 2010 the Board accepted recommendations for the separation of the Audit, Compliance & Risk Committee into 2 committees with responsibility respectively for Risk & Compliance and Audit. The current members of the Audit, Risk & Compliance Committee will continue to serve as the Audit Committee. The new Risk & Compliance Committee comprises 5 directors, being:

- Mr. Antony Lancaster (Chairman)
- Mr. Imtiaz Ahamad
- Mr. David Davies
- Mr. Arthur Lok Jack
- Mr. Jeff Mack

A new Enterprise Investment Committee was also formed in 2010. This Committee comprises 5 directors, being:

- Mr. Arthur Lok Jack (Chairman)
- Mr. Peter Ganteaume
- Mr. Jemal-ud-din Kassum
- Mr. Jeff Mack
- Dr. Aleem Mohammed

The first meeting of this Committee will be held in March 2011 when a formal mandate will be adopted.

The Committee Reports for 2010 are set out hereunder.

REPORT OF THE AUDIT, COMPLIANCE & RISK COMMITTEE

The Guardian Holdings Limited Audit, Compliance & Risk Committee (the Committee) is comprised of five non-executive directors.

- Mr. Selby Wilson (Chairman)
- Mr. Imtiaz Ahamad
- Mr. David Davies
- Mr. Peter Ganteaume
- Mr. Arthur Lok Jack

The Committee is governed by a charter which sets out its responsibilities in respect of the financial statements, internal controls, the internal audit function, external audit, compliance and risk matters.

The Charter of the Audit & Compliance Committee was revised by the Committee on August 03, 2009 to include oversight for risk management. The revised charter was adopted by the GHL Board on September 7, 2009 and the Committee was consequently renamed the Audit, Compliance & Risk Committee.

During the course of 2010 work has proceeded on the development of an Enterprise Risk Management framework. One result has been a recommendation to the Board to create a separate Risk and Compliance Committee with responsibility for these matters. The board has accepted this recommendation and established such a Committee from 2011 as described earlier in this report. From 2011 therefore, responsibility for Risk and Compliance matters will no longer be included in the mandate of this Committee which has been renamed the "Audit Committee."

The report for 2010 follows.

The Committee held seven meetings in 2010 to discharge its responsibilities.

Independence of the Group Internal Auditor

The Committee is satisfied that the Group Internal Auditor and the Internal Audit staff performed their duties in an objective and transparent manner. Further, the Committee has satisfied itself that the performance of the function is not subject to management's undue influence.

Structure of the Group Internal Audit Function

The Chief Audit Executive (the Group Internal Auditor) has unfettered access to the GHL Audit, Compliance and Risk Committee, with an administrative reporting relationship to the Group Chief Executive Officer. The Group Internal Auditor has complete and direct functional authority over the Group's internal audit staff.

Internal Control and the Internal Audit Function

The internal audit function is the key element of the ongoing assessment of the adequacy and effectiveness of the Group's internal control systems. During the year under review, any significant weaknesses in internal controls noted by the internal auditors and management's risk corrective actions were presented to the Committee at its quarterly meetings. The Committee members have satisfied themselves that the risk corrective actions identified by management for implementation have remedied the weaknesses in internal controls that were highlighted in the internal audit reports presented to them.

The Audit, Compliance & Risk Committee is confident that the internal audit department is performing its responsibilities as set out in the internal audit charter.

External Audit

The Committee has reviewed and approved the external auditor's proposed audit scope and approach for the 2010 financial year. The members are satisfied that Ernst & Young has planned the audit to obtain reasonable assurance that the financial statements are free of material misstatement and present a fair view of the financial position of the Group as at December 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Financial Statements

During 2010, the interim unaudited financial statements were presented to the Committee at its quarterly meetings. The Committee is satisfied that the audited financial statement contained in this Annual Report is complete, consistent with information known to its members and in conformity with appropriate accounting principles that are consistently applied.

Compliance

The Group Vice President - Compliance (Group Head, Compliance) reports to the GHL Audit, Compliance & Risk Committee and leads the Group Compliance Unit. The remit of the Unit is to provide assurance to the Board that the GHL Group of Companies complies with all applicable laws, regulations, and internal policies, codes of conduct and standards of good practice in those jurisdictions in which the Group's businesses operate. The Group Compliance Unit is vested with the authority to formulate and establish procedures to facilitate the implementation and enforcement of the Group's Anti-Money Laundering Compliance Policy and the Group Compliance Policy adopted by the Board of Guardian Holdings Limited in 2004.

The Unit has established a compliance reporting framework throughout the Group and receives periodic compliance reports from the business units on compliance with applicable laws and regulations, regulatory developments and compliance issues. The Unit reports quarterly to the Audit, Compliance & Risk Committee and during the year under the review reported to the Committee on the status of each business unit's compliance with applicable laws and regulations, regulatory developments and the follow up and resolution of compliance issues. The Committee is satisfied that compliance issues raised during the year have been properly followed up and resolved and that there are no material issues remaining unresolved at the year end.

Enterprise Risk Management

ERM Objectives

All of the Group's activities involve the measurement, evaluation, acceptance and management of some degree of risk, or combination of risks including insurance, market, credit, operational, strategic and business risks. The Board and Management consciously promote a responsible approach to risk to ensure that the Group's long-term survival and reputation are not compromised in the pursuit of growth and market expansion. This is driven by our obligation and intent to create value for our shareholders by optimising the opportunities for reward by:

- Maintaining a comprehensive perspective on risk reduction as it relates to the erosion of critical sources of shareholder value through our focus on earnings volatility reduction and the avoidance of earnings related surprises.
- Increasing the efficiency and effectiveness through which capital and other resources are allocated by robust assessment of the risk and reward trade-off.
- Building and sustaining our competitive advantage through increasing our knowledge of the risk environments in which we operate and assuring an adequate pricing of risk.
- Increasing our resistance to financial contagion and resilience to the impact of external events.
- Assuring compliance with all applicable laws and internal procedures.

The Enterprise Risk Management framework, approved by the Board in 2010, continues to provide direction to the operation and development of the Group's value creation and risk management processes. The key framework elements include Risk Strategy and Culture, Governance, Identification and Assessment, Quantification, Mitigation and Monitoring and Reporting.

For the period under review, the Group Chief Risk Officer (CRO) reported quarterly to the Audit, Compliance and Risk Committee on the status of the ERM framework implementation and provided recommendations and guidance on the development and implementation of operational and financial Risk Management structures, tools and limits.

In 2010, the Group strengthened its approach to Risk Governance with the adoption of a '3 lines of defence' model. The model incorporates the oversight, management and assurance of risk management, providing three perspectives of risk in the Group.

The Group will further embed the first line of responsibility for risk management with its businesses and improve risk and control issues. Secondly, the operation of the formal ERM framework supports the Group oversight function which includes the Board Audit, Compliance & Risk Committee, supported by the Group Risk Management Unit and a Group wide network of Business Unit Risk committees. Assurance, the third line, is driven by Group Internal Audit which provides independent and objective assurance of the effectiveness of the Group's systems of internal control established by the first and second lines of defence.

Considerable attention was devoted to the development of Risk Appetite statements at a Group and Business Unit level. Risk Appetite is the level of uncertainty that the Group is willing to assume, given the corresponding reward associated with the risk; it requires deep consideration of the overall philosophy to risk taking in the context of shareholders' expectations and the limits of the Group's capacity for taking on risk.

Ultimately the success of GHL's ERM initiatives will be determined by the extent to which Risk Management embeds in the corporate culture and leads to demonstrably and consistently improving outcomes.

There's been considerable progress in 2010 to effectively manage risk and capital in order to create value. Risk is not static, however. The risk environment will continue to evolve, and the Group will respond in a strategic and enterprise consistent manner.

REPORT OF THE REMUNERATION COMMITTEE

The Remuneration Committee, comprising four non-executive directors, is responsible for making recommendations to the board pertaining to:

- The remuneration packages of the Chairman and members of the boards of directors of all GHL Group Companies;
- The remuneration, performance and incentive awards of senior executives of all GHL Group Companies as identified from time to time by the Committee;
- The recruitment, engagement and promotion of senior executives of the GHL Group as identified from time to time by the Committee.

The members of the Committee are:

- Mr. Arthur Lok Jack (Chairman)
- Mr. Peter Ganteaume
- Mr. Philip Hamel-Smith
- Mr. Antony Lancaster

During 2010 the Committee held two meetings to discharge the responsibilities outlined in its Charter. In the course of these, the Committee considered the following matters on which it made recommendations to the GHL board:

- Grant of Executive Incentive Awards
- Review of Director Remuneration
- Review of Long Term Incentive Plan for Executives

In addition to these routine matters the Committee provided oversight for the development and introduction of an EVA (Economic Value Added) incentive plan for GHL Executives.

REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee was established in November 2006 and is comprised of four non-executive directors. The members of this Committee are:

- Mr. Philip Hamel-Smith (Chairman)
- Mr. Peter Ganteaume
- Mr. Antony Lancaster
- Mr. Arthur Lok Jack

The objectives of the Corporate Governance Committee are to develop, implement and periodically review guidelines for appropriate corporate governance of the GHL Group of Companies. The Corporate Governance Committee's responsibilities include:

1) Making recommendations to the board of Directors of GHL on the composition of the Board and its Committees,
2) Identifying and nominating, for the approval of the GHL Board, suitable candidates to fill vacancies on the boards of directors and board committees of GHL and its major operating subsidiaries;

3) Developing and implementing processes to assess Board and Committee effectiveness;
4) Fostering a system to prevent any improper influence, or the perception of any improper influence, on the decision-making of the directors, officers and employees of the GHL Group by outside interests, including those of related parties.

The Committee held two meetings during 2010 to discharge the responsibilities outlined in its Charter. At these meetings the Committee reviewed Board and Committee compositions. Several board adopted policies are subject to review by this Committee which is an ongoing exercise directed towards continuous improvement of the Group's Corporate Governance structure, particularly in light of the changing regulatory environment. These policies include the Group's Insider Trading, Conflict of Interest and Disclosure Policies.

Report of the Independent Auditors on the Summary Financial Statements

GUARDIAN HOLDINGS LIMITED

The accompanying summary financial statements, which comprise the consolidated statement of financial position as at 31 December 2010, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, are derived from the audited financial statements of Guardian Holdings Limited and its subsidiaries (the "Group") for the year ended 31 December 2010. We expressed an unqualified audit opinion on those financial statements in our report dated 23 March 2011. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

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

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements in accordance with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary 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 financial statements derived from the audited financial statements of the Group for the year ended 31 December 2010 are consistent, in all material respects, with those financial statements, in accordance with International Financial Reporting Standards.

Other Matter

The 2008 consolidated financial statements were audited by other auditors whose report dated 31 March 2009 expressed an unqualified opinion. As part of our audit of the 2010 consolidated financial statements, we also audited the adjustments that were applied to amend the 2008 consolidated 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 consolidated financial statements of Guardian Holdings Limited and its subsidiaries other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2008 consolidated financial statements.

Ernst + Young

Port of Spain,

TRINIDAD:

23 March 2011

GUARDIAN HOLDINGS LIMITED

Consolidated Statement of Financial Position

Expressed in Trinidad & Tobago Dollars • December 31, 2010

	2010 $'000	2009 $'000 (Restated)	2008 $'000 (Restated)
Assets			
Property, plant and equipment	509,744	508,644	591,054
Investment properties	905,507	911,221	706,645
Intangible assets	253,484	270,232	644,066
Investment in associated companies	276,847	274,074	271,946
Financial assets	11,183,338	10,634,815	10,736,363
Financial assets of mutual fund unit holders	1,244,907	1,040,532	579,594
Loans and receivables including insurance receivables	2,453,509	2,288,520	2,573,232
Pension plan assets	86,728	101,838	146,765
Value of inforce life insurance business	673,474	583,705	570,243
Deferred tax assets	25,595	47,378	78,956
Reinsurance assets	761,614	416,336	1,042,338
Segregated fund assets of life insurance policyholders	459,937	400,944	386,585
Deferred acquisition costs	369,623	466,541	521,909
Taxation recoverable	157,550	159,546	131,964
Cash and cash equivalents	1,475,421	2,157,156	3,013,511
Cash and cash equivalents of mutual fund unit holders	150,517	129,273	39,823
Assets held for sale	–	1,319,239	–
Total assets	20,987,795	21,709,994	22,034,994
Equity and liabilities			
Share capital	2,003,470	1,530,398	1,524,006
Reserves	(249,587)	(325,189)	(608,170)
Retained earnings	1,285,362	1,058,786	2,032,025
Equity attributable to owners of the parent	3,039,245	2,263,995	2,947,861
Non-controlling interests in subsidiaries	91,079	78,442	75,255
Total equity	3,130,324	2,342,437	3,023,116
Liabilities			
Insurance contracts	12,453,763	10,685,948	12,284,199
Financial liabilities	2,729,732	4,897,110	4,873,093
Third party interests in mutual funds	1,065,548	866,167	487,356
Segregated fund liabilities of life insurance policyholders	459,937	400,944	386,585
Post retirement medical benefit obligations	78,916	69,498	48,458
Deferred tax liabilities	208,432	199,726	226,273
Provision for taxation	102,308	97,855	86,304
Other liabilities	758,835	702,710	619,610
Liabilities related to assets held for sale	–	1,447,599	–
Total liabilities	17,857,471	19,367,557	19,011,878
Total equity and liabilities	20,987,795	21,709,994	22,034,994

On 23 March 2011, the Board of Directors of Guardian Holdings Limited authorised these financial statements for issue.

Director ______ **Director** ______

Consolidated Income Statement

Expressed in Trinidad & Tobago Dollars • December 31, 2010

GUARDIAN HOLDINGS LIMITED

	2010 $'000	2009 $'000 (Restated)
Insurance activities		
Insurance premium income	4,817,104	3,983,407
Insurance premium ceded to reinsurers	(746,535)	(673,380)
Reinsurance commission income	116,364	111,796
	4,186,933	3,421,823
Change in "Value of inforce life insurance business"	75,808	35,121
Net underwriting revenue	4,262,741	3,456,944
Policy acquisition expenses	(943,623)	(813,036)
Net insurance benefits and claims	(3,089,290)	(2,392,231)
Underwriting expenses	(4,032,913)	(3,205,267)
Net result from insurance activities	229,828	251,677
Investing activities		
Investment income	888,213	946,131
Net realised gains on financial instruments	244,292	7,956
Net fair value gains on financial instruments	95,620	67,803
Fee income	35,648	30,422
Other (loss)/income	(5,264)	99,243
Investment contract benefits	(83,725)	(110,060)
Net income from investing activities	1,174,784	1,041,495
Net income from all activities	1,404,612	1,293,172
Operating expenses	(770,870)	(719,472)
Finance charges	(82,854)	(108,299)
Operating profit	550,888	465,401
Share of profit of associated companies	23,026	15,573
Profit before taxation	573,914	480,974
Taxation	(136,798)	(106,892)
Profit after taxation	437,116	374,082
Amount attributable to participating policyholders	(14,359)	(6,398)
Profit from continuing operations	422,757	367,684
Net gain/(loss) on discontinued operations	2,586	(1,191,865)
Profit/(loss) for the year	425,343	(824,181)
Profit/(loss) attributable to:		
- Equity holders of the parent	405,505	(826,924)
- Non-controlling interests	19,838	2,743
	425,343	(824,181)

Consolidated Income Statement *(continued)*

Expressed in Trinidad & Tobago Dollars • December 31, 2010

	2010	2009 (Restated)
Earnings/(loss) per share		
- Basic - for profit/(loss) attributable to ordinary equity holders of the parent	$1.94	$(4.10)
- Diluted - for profit/(loss) attributable to ordinary equity holders of the parent	$1.88	$(3.97)
Earnings/(loss) per share for continuing operations		
- Basic - for profit attributable to ordinary equity holders of the parent	$1.92	$1.81
- Diluted - for profit attributable to ordinary equity	$1.87	$1.75

Consolidated Statement of Comprehensive Income

Expressed in Trinidad & Tobago Dollars • December 31, 2010

GUARDIAN HOLDINGS LIMITED

	2010 $'000	2009 $'000 (Restated)
Profit/(loss) for the year	425,343	(824,181)
Other comprehensive income/(loss)		
Exchange differences on translating foreign operations	68,592	273,073
Gains on property revaluation	1,312	10,824
Actuarial losses on defined benefit pension plans	(14,771)	(49,721)
Other reserve movements	265	(589)
Income tax (charge)/credit relating to components of other comprehensive income	(890)	182
Other comprehensive income for the period, net of tax	54,508	233,769
Total comprehensive income/(loss) for the period, net of tax	479,851	(590,412)
Total comprehensive income/(loss) attributable to:		
- Equity holders of the parent	464,856	(594,688)
- Non-controlling interests	14,995	4,276
	479,851	(590,412)

Consolidated Statement of Changes in Equity

Expressed in Trinidad & Tobago Dollars • December 31, 2010

	Attributable to equity holders of the parent					
	Share capital $'000	Reserves $'000	Retained earnings $'000	Total Ordinary Shareholders' equity $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2010	1,530,398	(325,189)	1,058,786	2,263,995	78,442	2,342,437
Total comprehensive income	–	74,772	390,084	464,856	14,995	479,851
Decrease in non-controlling interest	–	–	1,733	1,733	(1,733)	–
Issue of Shares	412,609	–	–	412,609	–	412,609
Transfer to/(from) retained earnings	59,389	830	(60,219)	–	–	–
Share option scheme - value of services provided	1,950	–	–	1,950	–	1,950
Share option scheme - lapses	(876)	–	876	–	–	–
Dividends	–	–	(105,898)	(105,898)	(625)	(106,523)
Balance at 31 December, 2010	2,003,470	(249,587)	1,285,362	3,039,245	91,079	3,130,324

Consolidated Statement of Changes in Equity (ctd.)

Expressed in Trinidad & Tobago Dollars • December 31, 2010

GUARDIAN HOLDINGS LIMITED

	Attributable to equity holders of the parent					
	Share capital $'000	**Reserves $'000**	**Retained earnings $'000**	**Total Ordinary Shareholders' equity $'000**	**Non-controlling interests $'000**	**Total equity $'000**
At 1 January 2009 as previously reported	1,539,271	(652,811)	2,113,778	3,000,238	589,015	3,589,253
Unallocated shares	(15,265)	–	–	(15,265)	–	(15,265)
Reclassification of Mutual Fund holder liabilities and related asset portfolios	–	44,641	(44,641)	–	(487,356)	(487,356)
Write-off of design costs	–	–	(20,684)	(20,684)	(26,404)	(47,088)
Other prior period adjustments	–	–	(16,428)	(16,428)	–	(16,428)
Balance at 1 January 2009 - restated	1,524,006	(608,170)	2,032,025	2,947,861	75,255	3,023,116
Total comprehensive income/(loss) - restated	–	281,866	(876,554)	(594,688)	4,276	(590,412)
Transfer to/(from) retained earnings	–	1,115	(1,115)	–	–	–
Share option scheme - value of services provided	9,195	–	–	9,195	–	9,195
Share option scheme - lapses	(2,252)	–	2,252	–	–	–
Repurchase of shares	(551)	–	(974)	(1,525)	–	(1,525)
Dividends	–	–	(96,848)	(96,848)	(1,089)	(97,937)
Balance at 31 December 2009 - restated	1,530,398	(325,189)	1,058,786	2,263,995	78,442	2,342,437

Consolidated Statement of Cash Flows

Expressed in Trinidad & Tobago Dollars • December 31, 2010

	2010 $'000	2009 $'000 (Restated)
Cash flows from operating activities		
Profit before taxation from continuing operations	573,914	480,974
Profit/(loss) before taxation from discontinued operations	2,586	(1,191,865)
Adjustment for specific items included on the accruals basis:		
- Finance charges	82,854	108,299
- Investment income	(888,213)	(946,131)
Adjustment for non-cash items	(339,801)	1,105,062
Interest received	940,659	856,671
Dividends received	32,361	40,686
Operating profit before changes in operating assets / liabilities	404,360	453,696
Net increase in insurance liabilities	445,759	866,457
Net increase in reinsurance assets	(48,207)	(57,060)
Net increase in investment contracts	60,596	129,043
Purchase of financial assets	(7,276,094)	(7,681,425)
Proceeds from sale of other financial assets	6,473,134	7,588,659
Purchase of investment properties	(188,670)	(240,786)
Net decrease/(increase) in loans and receivables	173,664	(265,665)
Net decrease/(increase) in other operating assets/liabilities	69,495	(658,510)
Cash provided by operating activities	114,037	134,409
Interest paid	(132,065)	(105,721)
Net taxation paid	(107,748)	(147,888)
Net cash used in operating activities	(125,776)	(119,200)

Consolidated Statement of Cash Flows *(continued)*

Expressed in Trinidad & Tobago Dollars • December 31, 2010

GUARDIAN HOLDINGS LIMITED

	2010 $'000	2009 $'000 (Restated)
Cash flows from investing activities		
Additional investment in associated company	(3,518)	(1,657)
Proceeds on sale of associated company	8,261	–
Proceeds on sale of subsidiary company	103,397	–
Purchase of property, plant and equipment	(46,106)	(72,076)
Proceeds on sale of property, plant and equipment	314	78,433
Purchase of intangible assets	(1,632)	(5,977)
Net cash provided by/(used in) investing activities	60,716	(1,277)
Cash flows from financing activities		
Repurchase of shares	–	(1,526)
Proceeds from issue of shares	412,609	–
Proceeds from borrowings	206,498	4,156,357
Repayments of borrowings	(1,180,089)	(3,755,636)
Dividends paid to equity holders of the parent	(105,898)	(96,848)
Dividends paid to non-controlling interests	(625)	(1,088)
Redemptions of Mutual Funds	(389,469)	(1,323,405)
Subscriptions of Mutual Funds	219,345	892,009
Net cash used in financing activities	(837,629)	(130,137)
Net decrease in cash and cash equivalents	(902,689)	(250,614)

THE COMPANIES ACT, 1995 (SECTION 144)

I. **Name of Company:** GUARDIAN HOLDINGS LIMITED
Company No. G - 967 (C)

II. **Particulars of Meeting:**
Annual Meeting of the Company to be held at The Atrium, Guardian Corporate Centre, 1 Guardian Drive, Westmoorings on Tuesday, May 10, 2011 at 4:30 in the afternoon.

III. **Solicitation:**
It is intended to vote the proxy solicited hereby (unless the shareholder directs otherwise) in favour of all resolutions specified therein.

IV. **Any director's statement submitted pursuant to section 76 (2):**
No statement has been received from any Director pursuant to Section 76 (2) of the Companies Act, 1995

V. **Any auditor's statement submitted pursuant to section 171 (1):**
No statement has been received from the Auditors of the Company pursuant to Section 171 (1) of the Companies Act, 1995

VI. **Any shareholder's proposal submitted pursuant to sections 116 (a) and 117 (2):**
No proposal has been received from any Shareholder pursuant to Sections 116 (a) and 117 (2) of the Companies Act, 1995

Date	Name and Title	Signature
March 23, 2010	Fé Lopez-Collymore Corporate Secretary	

Form of Proxy

GUARDIAN HOLDINGS LIMITED

REPUBLIC OF TRINIDAD & TOBAGO

THE COMPANIES ACT 1995 (SECTION143 [1])

1. Name of Company: **GUARDIAN HOLDINGS LIMITED** Company No. G - 967 (C)
2. Particulars of Meeting: Annual Meeting of the Company to be held at 4:30 in the afternoon on Tuesday, May 10, 2011.

I/We (block capitals please) ______________________________being Shareholder(s) in the above Company (or in the case of an owner whose shares are held in a Clearing Agency being authorised by the Clearing Agency to do so) appoint (s) the Chairman of the Meeting, or failing him, ___________________________________ of ___________________to be my/our Proxy to attend and vote for me/us on my/our behalf at the above meeting and any adjournment thereof as indicated below on the Resolutions to be proposed in the same manner, to the same extent and with the same powers as if I/we were present at the said meeting or such adjournment or adjournments thereof.

Please indicate with an "X" in the spaces below how you wish your Proxy to vote on the resolutions referred to. If no such indication is given the Proxy will exercise his discretion as to how he votes or whether he abstains from voting:

	FOR	AGAINST
RESOLUTION 1:		
BE IT RESOLVED THAT the Consolidated Financial Statements of the Company for the year ended December 31, 2010 and Reports of the Directors and the Auditors thereon be received and adopted		
RESOLUTION 2:		
a) BE IT RESOLVED THAT the Directors to be re elected be elected en bloc.		
b) BE IT RESOLVED THAT That Messrs. Arthur Lok Jack, Douglas Camacho, Jemal-ud-din Kassum and Aleem Mohammed be and are hereby re-elected Directors of the Company for a term expiring at the close of the third Annual Meeting of the Company following this appointment subject to the provisions of Regulation 4.5 of By-law No. 1;		
RESOLUTION 3:		
BE IT RESOLVED THAT Ernst & Young be reappointed as auditors of the Company and that the Directors be authorised to fix their remuneration for the ensuing year.		
RESOLUTION 4:		
To consider and, if thought fit, pass the ordinary resolution approving the amendment and restatement of the Company's Share Option Plan for Executives as contained in the Notice of Meeting.		

Signature(s)____

Date: ____

For official use only:

Folio Number	
Number of Shares	

NOTES:

1. If it is desired to appoint a proxy other than the Chairman of the Meeting, the necessary deletion must be made and initialled and the name inserted in the space provided.
2. In the case of joint holders, the signature of any holder is sufficient but the names of all joint holders should be stated.
3. If the appointor is a corporation, this form must be under its common seal or under the hand of its duly authorised attorney.

Mail or deliver to: The Corporate Secretary
Guardian Holdings Limited
P.O. Box 88
1 Guardian Drive, Westmoorings

Notes

Front cover:

1. GLL President Eric Hosin (left) chats with Trevor Redhead, Corporate Sales Representative and Ravi Tewari, Group President – Life, Health & Pensions at Guardian Life's Blast Off

2. Group CEO Jeff Mack and International Finance Corporation's Senior Manager for Global Financial Markets in Latin America and the Caribbean, Giri Jadeja, place their signatures to formally seal the IFC's US$75 million equity investment into Guardian Holdings Limited

3. GHL's Head Office in Westmoorings, Trinidad

4. Group Chairman Arthur Lok Jack addresses shareholders at the Special General Meeting. On his left are Group CEO Jeff Mack and Director, Selby Wilson

5. The formal opening of GAM's Office in San Fernando, Trinidad by Her Worship the Mayor Marlene Coudray. She's flanked by GAM General Manager Ian Narine (l) and Brent Ford, Group Chief Investment Officer

Back cover:

1. The highly successful Team Guardian at the Caribbean Financial Institutions' Games (CARIFIN).

2. A little helper lends a hand to Douglas Camacho, Executive Director/Group President, Strategic Investments & Projects, at the Carenage Bay, Trinidad, 2010 International Coastal Clean up

3. GHL's Head Office in Westmoorings, Trinidad

4. Winners celebrate after the 2010 Fatum Loop in Curaçao

5. Project Green continued in 2010 with the installation of 2 plastic recycle bins at GHL Westmoorings and GGL Port of Spain. More bins will be located in other Guardian companies in 2011

Photographs of Directors & Senior Managers: Abigail Hadeed
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