

### CHAIRMAN'S REPORT

#### Dear Shareholders,

At the time of writing, members of our Caribbean family in Saint Vincent and the Grenadines, and Barbados, are dealing with the adverse impacts of the La Soufriere volcanic eruption in Saint Vincent. The Group and its employees will be rendering financial and other assistance and our collective hope is for the volcanic activity to subside quickly so that lives can return to an element of normalcy.

The Group has started 2021 with a solid performance in the first quarter. Profits attributable to equity shareholders amounted to \$176 million, an increase of \$213 million over the \$36 million loss recorded in the same period last year. Earnings per share increased to \$0.76 versus a negative \$0.16 in the comparative period last year. The Group's result in the comparative quarter last year was significantly affected by the volatility in equity markets caused by the COVID-19 pandemic.

Net result from insurance activities was \$208 million, a 15% increase over the \$181 million reported in the corresponding period last year. Gross written premiums increased year-over-year by \$63 million or 3% and Net written premiums increased by \$14 million or 1%. The Life, Health and Pension business segment recorded a 2% growth in gross premiums primarily from the Trinidad and Jamaican markets. The integration of the life insurance and annuities portfolio acquired by Guardian Life Limited at the end of Q3 2020 from NCB Insurance Company Limited, has contributed to the increase in this segment's results for the quarter. The Property and Casualty business segment also recorded a growth in gross premiums by 4% primarily from our operations in the Netherlands.

Net income from investing activities increased by \$306 million from \$27 million in the prior period to \$332 million in the current period. This increase was primarily on account of net fair value gains which recorded a favourable movement of \$354 million, from a loss of \$329 million in the prior period to a gain of \$25 million in this period, driven by positive movement in the Group's regional equity portfolios. Your Group continues to closely monitor the volatile investment markets and rebalance portfolios as necessary.

Operating expenses remained on par with prior year at \$309 million. The Group is closely monitoring expenses as it continues to incur costs associated with the implementation of IFRS 17 (Insurance Contracts) as well as with our Group wide transformation initiatives.



**Patrick Hylton**  
Chairman Guardian Holdings Limited  
6 May 2021

### SUMMARY CONSOLIDATED STATEMENT OF INCOME

	Unaudited 3-Months Mar 2021 TT\$'000	Unaudited 3-Months Mar 2020 TT\$'000	Audited 12-Months Dec 2020 TT\$'000
Gross written premiums	2,041,632	1,978,426	6,556,531
Net written premiums	1,251,926	1,238,139	4,381,660
Net result from insurance activities	208,043	180,745	1,413,229
Net income from investing activities	332,404	26,746	988,637
Fee and commission income from brokerage activities	36,713	39,780	144,325
<b>Net income from all activities</b>	<b>577,160</b>	<b>247,271</b>	<b>2,546,191</b>
Net impairment (losses)/gains on financial assets	(5,027)	12,695	(15,695)
Operating expenses	(309,072)	(309,116)	(1,372,256)
Finance charges	(50,720)	(36,716)	(153,847)
<b>Operating profit/(loss)</b>	<b>212,341</b>	<b>(85,866)</b>	<b>1,004,393</b>
Share of after tax profits of associated companies	3,573	4,788	17,705
<b>Profit/(loss) before taxation</b>	<b>215,914</b>	<b>(81,078)</b>	<b>1,022,098</b>
Taxation	(38,642)	40,175	(243,844)
<b>Profit/(loss) after taxation</b>	<b>177,272</b>	<b>(40,903)</b>	<b>778,254</b>
(Surplus)/deficit attributable to participating policyholders	(482)	6,154	2,038
<b>Profit/(loss) for the period</b>	<b>176,790</b>	<b>(34,749)</b>	<b>780,292</b>
Profit attributable to non-controlling interests	(673)	(1,709)	(5,834)
<b>Profit/(loss) attributable to equity holders of the company</b>	<b>176,117</b>	<b>(36,458)</b>	<b>774,458</b>
<b>Earnings/(loss) per share</b>			
- Basic	\$ 0.76	\$ (0.16)	\$ 3.34

### SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 3-Months Mar 2021 TT\$'000	Unaudited 3-Months Mar 2020 TT\$'000	Audited 12-Months Dec 2020 TT\$'000
<b>Profit/(loss) for the period</b>	<b>176,790</b>	<b>(34,749)</b>	<b>780,292</b>
<b>Other comprehensive income/(loss)</b>			
Exchange differences on translating foreign operations	(156,846)	(58,459)	(22,973)
Net (losses)/gains on debt instruments at fair value through other comprehensive income	(58,398)	(225,274)	98,789
Gains/(losses) on property revaluation	31	-	(6,248)
Actuarial gains on post-employment benefits	-	-	41,051
Other reserve movements	27	22	111
Income tax relating to components of other comprehensive income	9,730	14,827	(28,266)
<b>Other comprehensive (loss)/income for the period, net of tax</b>	<b>(205,456)</b>	<b>(268,884)</b>	<b>82,464</b>
<b>Total comprehensive (loss)/income for the period, net of tax</b>	<b>(28,666)</b>	<b>(303,633)</b>	<b>862,756</b>
Comprehensive income attributable to non-controlling interests	(660)	(1,694)	(6,091)
<b>Comprehensive (loss)/income attributable to equity holders of the company</b>	<b>(29,326)</b>	<b>(305,327)</b>	<b>856,665</b>

#### Basis of Preparation

The summary consolidated financial statements are prepared in accordance with criteria developed by management. Under management's established criteria, management discloses the summary consolidated statement of financial position, summary consolidated statement of income, summary consolidated statement of comprehensive income, summary consolidated statement of changes in equity and summary consolidated statement of cash flows.

The summary consolidated financial statements have been prepared in accordance with the accounting policies set out in "Note 2" of the 31 December 2020 audited consolidated financial statements consistently applied from period to period. Any new accounting standards or interpretations which became effective in this financial year have had no material impact on the Group. The areas of critical accounting estimate and judgement as disclosed in "Note 3" of the 31 December 2020 audited consolidated financial statements, have also remained unchanged.


#### Forward-Looking Statements

This statement may contain certain forward-looking statements, including but not limited to, statements as to future operating results and plans that involve risks and uncertainties. We use words such as "expects", "anticipates", "believes", or "estimates", the negative of these terms and similar expressions to identify forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by those projected in the forward-looking statements for any reason.

### SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited Mar 2021 TT\$'000	Audited Dec 2020 TT\$'000
<b>ASSETS</b>		
Property, plant and equipment	694,975	701,168
Right-of-use assets	89,259	93,831
Investment properties	1,627,954	1,670,156
Intangible assets	772,154	797,794
Investment in associated companies	264,495	261,064
Investment securities	20,799,336	20,666,164
Investment securities of mutual fund unit holders	1,471,476	1,465,074
Loans and receivables	2,439,682	2,015,967
Properties for development and sale	106,551	117,585
Pension plan assets	79,558	76,286
Deferred tax assets	71,326	71,227
Reinsurance assets	1,268,050	1,071,541
Deferred acquisition costs	156,462	129,401
Taxation recoverable	164,883	166,269
Cash and cash equivalents	3,348,247	3,433,408
Cash and cash equivalents of mutual fund unit holders	354,932	287,997
<b>Total assets</b>	<b>33,709,340</b>	<b>33,024,932</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	1,970,043	1,970,043
Reserves	(523,217)	(317,746)
Retained earnings	3,194,213	3,018,068
<b>Equity attributable to owners of the company</b>	<b>4,641,039</b>	<b>4,670,365</b>
Non-controlling interest in subsidiary	6,183	5,523
<b>Total equity</b>	<b>4,647,222</b>	<b>4,675,888</b>
<b>Liabilities</b>		
Insurance contracts	19,342,739	18,823,849
Financial liabilities	3,355,856	3,277,504
Lease liabilities	100,381	103,669
Investment contract liabilities	2,701,122	2,696,558
Third party interests in mutual funds	1,368,102	1,301,361
Pension plan liabilities	94,295	92,401
Post-retirement medical benefit obligations	131,890	131,425
Deferred tax liabilities	407,387	420,017
Provision for taxation	63,188	149,111
Reinsurance liabilities	418,228	303,142
Other liabilities	1,078,930	1,050,007
<b>Total liabilities</b>	<b>29,062,118</b>	<b>28,349,044</b>
<b>Total equity and liabilities</b>	<b>33,709,340</b>	<b>33,024,932</b>

These consolidated financial statements have been approved for issue by the Board of Directors on 6 May 2021 and signed on its behalf:

Director: 

Director: 

### SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited Mar 2021 TT\$'000	Unaudited Mar 2020 TT\$'000	Audited Dec 2020 TT\$'000
<b>Balance at beginning of period</b>	4,675,888	3,964,220	3,964,220
Acquisition of non-controlling interests	-	-	(30,365)
Total comprehensive (loss)/income	(28,666)	(303,633)	862,756
Dividends	-	(118,333)	(120,723)
<b>Balance at end of period</b>	<b>4,647,222</b>	<b>3,542,254</b>	<b>4,675,888</b>

### SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Mar 2021 TT\$'000	Unaudited Mar 2020 TT\$'000	Audited Dec 2020 TT\$'000
Profit/(loss) before taxation	215,914	(81,078)	1,022,098
Adjustment for specific items included on the accruals basis:			
- Finance charges	50,720	36,716	153,847
- Investment income	(275,273)	(251,004)	(1,023,054)
Interest and dividends received	224,251	212,162	1,056,027
Adjustments for non-cash items	(28,203)	345,840	322,671
Operating profit before changes in operating assets/liabilities	187,409	262,636	1,531,589
Net increase/(decrease) in insurance liabilities	567,406	297,302	(41,252)
Net purchases of investment securities	(239,995)	(86,557)	(264,556)
Net purchases of/additions to investment properties	(25,276)	(18,353)	(148,754)
Net movement in other operating assets and liabilities	(497,990)	(334,460)	103,042
Cash (used in)/provided by operating activities	(8,446)	120,568	1,180,069
Interest paid	(46,375)	(36,515)	(181,475)
Net taxation paid	(123,020)	(847)	(115,922)
Net cash (used in)/provided by operating activities	(177,841)	83,206	882,672
Net cash used in investing activities	(12,495)	(13,399)	(355,131)
Net cash provided by/(used in) financing activities	178,559	(191,971)	700,435
Net (decrease)/increase in cash and cash equivalents	(11,777)	(122,164)	1,227,976

### SEGMENT INFORMATION

	Life, health and pension business TT\$'000	Property and casualty business TT\$'000	Asset management TT\$'000	Other including consolidation adjustments TT\$'000	Group TT\$'000
<b>Three months ended 31 March 2021</b>					
Gross written premiums	1,067,784	973,848	-	-	2,041,632
Net written premiums	1,002,099	249,827	-	-	1,251,926
Underwriting revenue	964,311	316,138	-	-	1,280,449
Underwriting expenses	(909,559)	(169,066)	-	6,219	(1,072,406)
Net income from investing activities	279,534	13,739	30,809	8,322	332,404
Fee and commission income from brokerage activities	-	42,418	-	(5,705)	36,713
<b>Net income from all activities</b>	<b>334,286</b>	<b>203,229</b>	<b>30,809</b>	<b>8,836</b>	<b>577,160</b>
Net impairment gains/(losses) on financial assets	(1,545)	(3,499)	1,522	(1,505)	(5,027)
Operating expenses	(154,061)	(127,298)	(16,324)	(11,389)	(309,072)
Finance charges	(2,091)	(1,561)	(1,042)	(46,026)	(50,720)
<b>Operating profit/(loss)</b>	<b>176,589</b>	<b>70,871</b>	<b>14,965</b>	<b>(50,084)</b>	<b>212,341</b>
<b>Three months ended 31 March 2020</b>					
Gross written premiums	1,042,835	935,591	-	-	1,978,426
Net written premiums	969,362	268,777	-	-	1,238,139
Underwriting revenue	928,594	316,326	-	-	1,244,920
Underwriting expenses	(893,755)	(177,182)	-	6,762	(1,064,175)
Net income/(loss) from investing activities	27,905	(12,890)	15,130	(3,399)	26,746
Fee and commission income from brokerage activities	-	46,309	-	(6,529)	39,780
<b>Net income/(loss) from all activities</b>	<b>62,744</b>	<b>172,563</b>	<b>15,130</b>	<b>(3,166)</b>	<b>247,271</b>
Net impairment gains/(losses) on financial assets	10,356	(1,299)	3,640	(2)	12,695
Operating expenses	(144,526)	(117,155)	(14,009)	(33,426)	(309,116)
Finance charges	(1,845)	(1,400)	(441)	(33,030)	(36,716)
<b>Operating profit/(loss)</b>	<b>(73,271)</b>	<b>52,709</b>	<b>4,320</b>	<b>(69,624)</b>	<b>(85,866)</b>
<b>Total Assets</b>					
31 March 2021	26,540,015	5,171,228	2,502,658	(504,561)	33,709,340
31 December 2020	26,417,160	4,594,693	2,312,443	(299,364)	33,024,932