

## CHAIRMAN'S REPORT

### Dear Shareholders,

For the first half of 2022 your Group produced commendable results of which Profit attributable to equity shareholders was \$436 million and represented a 70% increase over the corresponding period last year of \$256 million. Earnings per share increased to \$1.88 versus the comparative period of \$1.10.

Performance was driven from our Life, Health and Pensions segment whilst after tax profit from Property and Casualty and the Brokerage operations was relatively flat. Net income from insurance activities grew to \$681 million, a 63% increase from the \$417 million in prior year mainly attributable to favourable reserve movements on account of capitalising on investment and expense management opportunities.

The world has seen a perfect storm of macroeconomic and geopolitical events, which has led to very high levels of volatility across financial markets, and which has also impacted our portfolios. Net income from investing activities fell from \$770 million to \$570 million, a reduction of 26%. This decrease was principally due to Net fair value losses of \$116 million in the current period, compared to Net fair value gains in the prior period of \$111 million, resulting in an unfavourable movement of \$227 million. The unfavourable fair value movement on the Group's local and global investments was partially offset by an increase in investment income of \$77 million, arising out of our increased investment portfolio and income earned.

Operating expenses were \$742 million, a 3% decrease over the \$769 million reported in the corresponding period last year. As previously communicated, 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 the group-wide transformation initiatives.

As the year progresses, we expect our past investment in upgrades to our operations and our operating structure to continue to reap significant benefits. Your Board remains optimistic and excited about the Group's financial performance for the year and our future.

Based upon the overall performance for the half year under review, your directors have proposed an interim dividend of 20 cents (2021: 18 cents) to be paid to shareholders on record on 12<sup>th</sup> August, 2022 when the register of members will be closed for this purpose.



**Patrick Hylton**  
Chairman

Guardian Holdings Limited  
4<sup>th</sup> August, 2022

## SUMMARY CONSOLIDATED STATEMENT OF INCOME

	Unaudited 6-Months Jun 2022 TT\$'000	Unaudited 6-Months Jun 2021 TT\$'000	Unaudited 3-Months Jun 2022 TT\$'000	Unaudited 3-Months Jun 2021 TT\$'000	Audited 12-Months Dec 2021 TT\$'000
Gross written premiums	3,812,524	3,730,914	1,675,667	1,689,282	7,030,325
Net written premiums	2,369,055	2,250,559	1,035,571	998,633	4,626,293
Net result from insurance activities	680,756	417,012	415,145	208,969	1,061,357
Net income from investing activities	570,442	769,949	264,910	437,545	1,610,506
Fee and commission income from brokerage activities	76,302	71,984	35,788	35,271	144,658
<b>Net income from all activities</b>	<b>1,327,500</b>	<b>1,258,945</b>	<b>715,843</b>	<b>681,785</b>	<b>2,816,521</b>
Net impairment gains/(losses) on financial assets	2,080	(58,789)	19,544	(53,762)	(136,024)
Operating expenses	(742,276)	(768,637)	(410,066)	(459,565)	(1,501,420)
Finance charges	(103,823)	(102,991)	(51,830)	(52,271)	(199,732)
<b>Operating profit</b>	<b>483,481</b>	<b>328,528</b>	<b>273,491</b>	<b>116,187</b>	<b>979,345</b>
Share of after tax profits of associated companies	10,865	9,012	6,573	5,439	34,020
<b>Profit before taxation</b>	<b>494,346</b>	<b>337,540</b>	<b>280,064</b>	<b>121,626</b>	<b>1,013,365</b>
Taxation	(45,174)	(77,247)	(18,954)	(38,605)	(215,018)
<b>Profit after taxation</b>	<b>449,172</b>	<b>260,293</b>	<b>261,110</b>	<b>83,021</b>	<b>798,347</b>
Surplus attributable to participating policyholders	(11,819)	(2,500)	(3,675)	(2,018)	(12,546)
<b>Profit for the period</b>	<b>437,353</b>	<b>257,793</b>	<b>257,435</b>	<b>81,003</b>	<b>785,801</b>
Profit attributable to non-controlling interest	(1,641)	(1,650)	(1,099)	(977)	(3,469)
<b>Profit attributable to equity holders of the company</b>	<b>435,712</b>	<b>256,143</b>	<b>256,336</b>	<b>80,026</b>	<b>782,332</b>
<b>Earnings per share</b>					
- Basic	\$1.88	\$1.10			\$3.37

## SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 6-Months Jun 2022 TT\$'000	Unaudited 6-Months Jun 2021 TT\$'000	Unaudited 3-Months Jun 2022 TT\$'000	Unaudited 3-Months Jun 2021 TT\$'000	Audited 12-Months Dec 2021 TT\$'000
<b>Profit for the period</b>	<b>437,353</b>	<b>257,793</b>	<b>257,435</b>	<b>81,003</b>	<b>785,801</b>
<b>Other comprehensive (loss)/income</b>					
Exchange differences on translating foreign operations	2,040	(249,653)	18,791	(92,807)	(361,290)
Net (losses)/gains on debt instruments at fair value through other comprehensive income	(400,930)	(39,764)	(205,365)	18,634	(131,294)
Gains/(losses) on property revaluation	-	31	-	-	(2,131)
Actuarial gains on post-employment benefits	-	-	-	-	40,331
Other reserve movements	54	54	27	27	117
Income tax relating to components of other comprehensive income	36,203	7,734	13,424	(1,996)	22,019
<b>Other comprehensive loss for the period, net of tax</b>	<b>(362,633)</b>	<b>(281,598)</b>	<b>(173,123)</b>	<b>(76,142)</b>	<b>(432,248)</b>
<b>Total comprehensive income/(loss) for the period, net of tax</b>	<b>74,720</b>	<b>(23,805)</b>	<b>84,312</b>	<b>4,861</b>	<b>353,553</b>
Comprehensive income attributable to non-controlling interest	(1,640)	(1,635)	(1,101)	(975)	(3,474)
<b>Comprehensive income/(loss) attributable to equity holders of the company</b>	<b>73,080</b>	<b>(25,440)</b>	<b>83,211</b>	<b>3,886</b>	<b>350,079</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<sup>st</sup> December, 2021 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 judgment as disclosed in "Note 3" of the 31<sup>st</sup> December, 2021 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 Jun 2022 TT\$'000	Unaudited Jun 2021 TT\$'000	Audited Dec 2021 TT\$'000
<b>ASSETS</b>			
Property, plant and equipment	701,576	687,954	679,813
Right-of-use assets	74,426	83,683	82,485
Investment properties	1,654,534	1,627,968	1,645,435
Intangible assets	798,915	759,105	808,844
Investment in associated companies	305,987	265,413	299,491
Investment securities	21,269,639	21,135,365	21,898,990
Investment securities of mutual fund unit holders	1,753,065	1,636,597	1,762,312
Loans and receivables	2,444,343	2,410,751	1,941,965
Properties for development and sale	94,028	106,445	101,482
Pension plan assets	64,734	80,354	61,610
Deferred tax assets	120,163	75,519	95,953
Reinsurance assets	1,377,071	1,377,842	1,100,732
Deferred acquisition costs	155,859	158,060	130,988
Taxation recoverable	187,611	148,913	183,007
Cash and cash equivalents	3,648,955	3,444,950	3,480,212
Cash and cash equivalents of mutual fund unit holders	247,324	305,923	304,362
<b>Total assets</b>	<b>34,898,230</b>	<b>34,304,842</b>	<b>34,577,681</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	1,970,043	1,970,043	1,970,043
Reserves	(1,169,467)	(599,384)	(799,010)
Retained earnings	4,126,233	3,274,265	3,803,348
<b>Equity attributable to owners of the company</b>	<b>4,926,809</b>	<b>4,644,924</b>	<b>4,974,381</b>
Non-controlling interest in subsidiary	10,637	7,159	8,997
<b>Total equity</b>	<b>4,937,446</b>	<b>4,652,083</b>	<b>4,983,378</b>
<b>Liabilities</b>			
Insurance contracts	19,615,916	19,610,456	19,503,373
Financial liabilities	3,484,445	3,351,493	3,521,703
Lease liabilities	90,216	96,758	96,245
Investment contract liabilities	2,720,449	2,663,289	2,645,659
Third party interests in mutual funds	1,502,586	1,440,279	1,599,412
Pension plan liabilities	38,733	91,635	38,459
Post-retirement medical benefit obligations	123,959	132,376	123,191
Deferred tax liabilities	408,412	401,699	467,790
Provision for taxation	63,839	55,940	80,032
Reinsurance liabilities	801,111	717,035	427,191
Other liabilities	1,111,118	1,091,799	1,091,248
<b>Total liabilities</b>	<b>29,960,784</b>	<b>29,652,759</b>	<b>29,594,303</b>
<b>Total equity and liabilities</b>	<b>34,898,230</b>	<b>34,304,842</b>	<b>34,577,681</b>

These consolidated financial statements have been approved for issue by the Board of Directors on 4<sup>th</sup> August, 2022 and signed on its behalf:

Director:  Director: 

### SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited Jun 2022 TT\$'000	Unaudited Jun 2021 TT\$'000	Audited Dec 2021 TT\$'000
<b>Balance at beginning of period</b>	<b>4,983,378</b>	<b>4,675,888</b>	<b>4,675,888</b>
Total comprehensive income/(loss)	74,720	(23,805)	353,553
Other movements	-	-	(4,308)
Dividends	(120,652)	-	(41,755)
<b>Balance at end of period</b>	<b>4,937,446</b>	<b>4,652,083</b>	<b>4,983,378</b>

### SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Jun 2022 TT\$'000	Unaudited Jun 2021 TT\$'000	Audited Dec 2021 TT\$'000
Profit before taxation	494,346	337,540	1,013,365
Adjustment for specific items included on the accruals basis:			
- Finance charges	103,823	102,991	199,732
- Investment income	(640,860)	(555,242)	(1,210,911)
Interest and dividends received	640,028	530,700	1,164,191
Adjustments for non-cash items	180,120	(62,206)	(76,215)
Operating profit before changes in operating assets/liabilities	777,457	353,783	1,090,162
Net increase in insurance liabilities	358,110	763,754	602,379
Net purchases of investment securities	(111,292)	(652,488)	(1,566,091)
Net purchases of/additions to investment properties	(21,654)	(51,446)	(87,240)
Net movement in other operating assets and liabilities	(396,082)	(311,479)	82,600
Cash provided by operating activities	606,539	102,124	121,810
Interest paid	(113,875)	(109,253)	(218,346)
Net taxation paid	(116,683)	(160,405)	(246,049)
Net cash provided by/(used in) operating activities	375,981	(167,534)	(342,585)
Net cash used in investing activities	(61,827)	(23,992)	(125,489)
Net cash (used in)/provided by financing activities	(205,822)	247,719	565,835
Net increase in cash and cash equivalents	108,332	56,193	97,761

### 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>Six months ended 30 June 2022</b>					
Gross written premiums	2,033,081	1,779,443	-	-	3,812,524
Net written premiums	1,917,225	451,830	-	-	2,369,055
Underwriting revenue	1,914,081	648,847	-	-	2,562,928
Underwriting expenses	(1,530,675)	(364,177)	-	12,680	(1,882,172)
Net result from insurance activities	383,406	284,670	-	12,680	680,756
Net income from investing activities	482,694	24,157	63,130	461	570,442
Fee and commission income from brokerage activities	-	87,192	-	(10,890)	76,302
<b>Net income from all activities</b>	<b>866,100</b>	<b>396,019</b>	<b>63,130</b>	<b>2,251</b>	<b>1,327,500</b>
Net impairment gains/(losses) on financial assets	2,729	(2,858)	1,998	211	2,080
Operating expenses	(374,972)	(289,227)	(40,895)	(37,182)	(742,276)
Finance charges	(1,925)	(2,608)	(3,139)	(96,151)	(103,823)
<b>Operating profit/(loss)</b>	<b>491,932</b>	<b>101,326</b>	<b>21,094</b>	<b>(130,871)</b>	<b>483,481</b>
<b>Six months ended 30 June 2021</b>					
Gross written premiums	1,930,291	1,800,623	-	-	3,730,914
Net written premiums	1,825,820	424,739	-	-	2,250,559
Underwriting revenue	1,803,454	635,941	-	-	2,439,395
Underwriting expenses	(1,698,125)	(336,872)	-	12,614	(2,022,383)
Net result from insurance activities	105,329	299,069	-	12,614	417,012
Net income from investing activities	649,085	42,660	62,859	15,345	769,949
Fee and commission income from brokerage activities	-	82,132	-	(10,148)	71,984
<b>Net income from all activities</b>	<b>754,414</b>	<b>423,861</b>	<b>62,859</b>	<b>17,811</b>	<b>1,258,945</b>
Net impairment gains/(losses) on financial assets	(54,324)	(3,748)	2,566	(3,283)	(58,789)
Operating expenses	(395,718)	(279,611)	(40,514)	(52,794)	(768,637)
Finance charges	(4,020)	(3,221)	(2,926)	(92,824)	(102,991)
<b>Operating profit/(loss)</b>	<b>300,352</b>	<b>137,281</b>	<b>21,985</b>	<b>(131,090)</b>	<b>328,528</b>
<b>Total Assets</b>					
30 June 2022	27,313,425	5,522,748	2,579,061	(517,004)	34,898,230
31 December 2021	27,397,741	4,794,172	2,734,070	(348,302)	34,577,681