

## CHAIRMAN'S REPORT

### Dear Shareholders,

I am delighted to present my first quarterly Chairman's Report covering the half-year financial performance of your Group following my appointment as Chairman.

Before presenting my brief commentary on the half-year financial performance, I would like to remind you that your Group has implemented International Financial Reporting Standard (IFRS) 17 Insurance Contracts effective 1<sup>st</sup> January, 2023, as fully discussed in the previous Chairman's Report. IFRS 17 replaced IFRS 4 Insurance Contracts and materially changed the financial statements in terms of presentation, recognition and measurement of insurance contracts mainly in the Life, Health and Pension segment. In accordance with the transition provisions of IFRS 17, the Group has restated its prior year comparative results and recognised the total impact on initial application of IFRS 17 in the opening consolidated statement of financial position as at 1<sup>st</sup> January, 2022.

For the half year ended 30<sup>th</sup> June, 2023, the Group delivered strong results from continued growth across our operations in the English and Dutch Caribbean. Group profit attributable to equity shareholders amounted to \$251 million, an increase of \$123 million or 95% over the corresponding period last year. Earnings per share increased to \$1.08 versus \$0.55 in the comparative period last year. Our results benefited from year-over-year revenue growth as well as fair value gains generated in the current year versus losses in the prior year. This was partially offset by increasing reinsurance costs, higher operating expenses due to sales activities and IFRS 17 implementation as well as an increase in insurance finance expenses partially due to the impact of interest rate movements on liabilities and higher taxation expense.

Both Life, Health and Pension (LHP) and Property and Casualty (P&C) segments contributed favourably to the Group's results, as they continue to build strong momentum. Insurance service results increased by \$77 million or 29% from \$268 million in the prior year to \$345 million in the current period. Overall insurance revenue, net of claims and insurance related expenses, increased by \$183 million partially offset by increased reinsurance expenses of \$106 million due to higher reinsurance costs from P&C lines.

Net income from investing activities also increased by \$601 million over the prior year of \$268 million. The net change from fair value movements over prior year were gains of \$572 million mainly from government securities, corporate bonds and international equities. Foreign exchange gains in current year versus prior year losses also contributed to the favourable results. Your Group continues to closely monitor volatile markets and rebalance portfolios as necessary.

Net insurance finance expenses increased by \$446 million over the prior year mainly from our LHP segment. Among other items, finance expenses include the impact of interest rate movements and returns earned by our policyholders who hold insurance products with an investment component. For the first half of the current year, the impact of those interest rate movements was less favourable to the Group's insurance liabilities. However, it is worthy to note that the impact was favourable for our clients as they earned higher investment income in this period due to growth in the policyholders' underlying funds, which resulted in higher expenses for the Group.

Fees and commissions from brokerage activities increased by \$8 million or 10% year-on-year mainly due to brokerage activities in the Dutch Caribbean. Our Asset Management segment also reported growth in after-tax profit during the half-year of 41% over the prior year. The Group continues to focus efforts on developing this segment through third-party business and product offerings.

Operating expenses increased by \$47 million or 13% year-over-year and are mainly related to investment in our people, sale-related expenses, growth strategies across the business segments, coupled with continued investment in our IFRS 17 implementation activities.

Your Group remains focused on optimising performance, capitalising on emerging opportunities, while at the same time managing and mitigating known and emerging risks.

Based on the overall performance of the half year under review, your Directors have proposed an interim dividend of 22 cents (2022: 20 cents) to be paid to shareholders on record as at 21<sup>st</sup> August, 2023 when the register of members will be closed for this purpose.



**Robert Almeida**  
Chairman  
Guardian Holdings Limited  
4<sup>th</sup> August, 2023

## SUMMARY CONSOLIDATED STATEMENT OF INCOME

|  | Unaudited<br>6-Months<br>Jun 2023<br>TT\$'000 | Unaudited<br>6-Months<br>Jun 2022<br>TT\$'000<br>(Restated) | Unaudited<br>3-Months<br>Jun 2023<br>TT\$'000 | Unaudited<br>3-Months<br>Jun 2022<br>TT\$'000<br>(Restated) |
|--|---|---|---|---|
| Insurance revenue  | 2,647,643                                     | 2,392,762   | 1,374,890                                     | 1,234,183   |
| Insurance service expenses   | (1,764,812)                                   | (1,692,795)   | (937,854)                                     | (852,069)   |
| Net expenses from reinsurance contracts held   | (537,950)                                     | (431,746)   | (284,485)                                     | (261,684)   |
| <b>Insurance service result</b>  | <b>344,881</b>                                | <b>268,221</b>  | <b>152,551</b>                                | <b>120,430</b>  |
| Investment income from financial assets measured at amortised cost and fair value through other comprehensive income | 476,009                                       | 455,308   | 238,973                                       | 232,600   |
| Investment income from financial assets measured at fair value through profit or loss                                | 165,085                                       | 171,838   | 86,248  | 94,832  |
| Net realised (losses)/gains on financial and other assets  | (10,536)                                      | 13,866  | (24,878)                                      | 10,719  |
| Net fair value gains/(losses)  | 151,148                                       | (420,900)   | 205,081                                       | (317,402)   |
| Fee income   | 43,813  | 37,792  | 33,446  | 26,305  |
| Other income   | 83,532  | 30,643  | 55,614  | 3,760   |
| Net impairment (losses)/gains on financial assets  | (8,518)                                       | 9,260   | (10,089)                                      | 3,323   |
| Investment contract benefits   | (31,375)                                      | (29,747)  | (14,883)                                      | (15,126)  |
| <b>Net income from investing activities</b>  | <b>869,158</b>                                | <b>268,060</b>  | <b>569,512</b>                                | <b>39,011</b>   |
| Finance (expenses)/income from insurance contracts issued  | (440,376)                                     | 4,180   | (241,372)                                     | 69,075  |
| Finance (expenses)/income from reinsurance contracts held  | (815)   | 163   | 362   | (1,297)   |
| <b>Net insurance finance (expenses)/income</b>   | <b>(441,191)</b>                              | <b>4,343</b>  | <b>(241,010)</b>                              | <b>67,778</b>   |
| <b>Net insurance and investment result</b>   | <b>772,848</b>                                | <b>540,624</b>  | <b>481,053</b>                                | <b>227,219</b>  |
| Fee and commission income from brokerage activities  | 83,867  | 76,302  | 33,752  | 37,720  |
| <b>Net income from all activities</b>  | <b>856,715</b>                                | <b>616,926</b>  | <b>514,805</b>                                | <b>264,939</b>  |
| Other operating expenses   | (416,120)                                     | (369,423)   | (217,403)                                     | (196,662)   |
| Other finance charges  | (88,701)                                      | (103,823)   | (44,141)                                      | (51,830)  |
| <b>Operating profit</b>  | <b>351,894</b>                                | <b>143,680</b>  | <b>253,261</b>                                | <b>16,447</b>   |
| Share of after tax profits of associated companies   | 6,824   | 11,500  | 5,775   | 7,355   |
| <b>Profit before taxation</b>  | <b>358,718</b>                                | <b>155,180</b>  | <b>259,036</b>                                | <b>23,802</b>   |
| Taxation   | (105,020)                                     | (25,188)  | (67,360)                                      | (22,910)  |
| <b>Profit for the period</b>   | <b>253,698</b>                                | <b>129,992</b>  | <b>191,676</b>                                | <b>892</b>  |
| Profit attributable to non-controlling interest  | (2,845)                                       | (1,641)   | (1,595)                                       | (1,099)   |
| <b>Profit/(loss) attributable to equity holders of the company</b>   | <b>250,853</b>                                | <b>128,351</b>  | <b>190,081</b>                                | <b>(207)</b>  |
| <b>Earnings per share</b>  |   |   |   |   |
| - Basic  | \$ 1.08                                       | \$ 0.55   |   |   |

## SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

|   | Unaudited<br>6-Months<br>Jun 2023<br>TT\$'000 | Unaudited<br>6-Months<br>Jun 2022<br>TT\$'000<br>(Restated) | Unaudited<br>3-Months<br>Jun 2023<br>TT\$'000 | Unaudited<br>3-Months<br>Jun 2022<br>TT\$'000<br>(Restated) |
|---|---|---|---|---|
| <b>Profit for the period</b>  | <b>253,698</b>                                | <b>129,992</b>  | <b>191,676</b>                                | <b>892</b>  |
| <b>Other comprehensive income/(loss)</b>  |   |   |   |   |
| <i>Items that may be reclassified subsequently to profit or loss:</i>   |   |   |   |   |
| Exchange differences on translating foreign operations  | (22,810)                                      | (14,029)  | (53,937)                                      | (8,705)   |
| Net fair value losses on debt securities at fair value through other comprehensive income   | (11,720)                                      | (399,215)   | (15,355)                                      | (206,314)   |
| Net change in allowance for expected credit losses on debt securities at fair value through other comprehensive income            | 2,717   | (1,405)   | 3,857   | 1,007   |
| Net losses/(gains) on debt securities at fair value through other comprehensive income reclassified to profit or loss on disposal | 3   | (310)   | -   | (58)  |
| Finance income from insurance contracts issued  | 131,054                                       | 311,078   | 33,883  | 131,035   |
| Taxation relating to components of other comprehensive income   | 10,134  | 28,424  | 1,649   | 5,645   |
| <b>Net other comprehensive income/(loss) that may be reclassified subsequently to profit or loss</b>                              | <b>109,378</b>                                | <b>(75,457)</b>   | <b>(29,903)</b>                               | <b>(77,390)</b>   |
| <i>Items that will not be reclassified subsequently to profit or loss:</i>  |   |   |   |   |
| Other reserve movements   | (82)  | 54  | 40  | 27  |
| Taxation relating to components of other comprehensive income   | -   | 7,779   | -   | 7,779   |
| <b>Net other comprehensive (loss)/income that will not be reclassified subsequently to profit or loss</b>                         | <b>(82)</b>                                   | <b>7,833</b>  | <b>40</b>                                     | <b>7,806</b>  |
| <b>Other comprehensive income/(loss) for the period, net of taxation</b>  | <b>109,296</b>                                | <b>(67,624)</b>   | <b>(29,863)</b>                               | <b>(69,584)</b>   |
| <b>Total comprehensive income/(loss) for the period, net of taxation</b>  | <b>362,994</b>                                | <b>62,368</b>   | <b>161,813</b>                                | <b>(68,692)</b>   |
| Comprehensive income attributable to non-controlling interest   | (2,894)                                       | (1,640)   | (1,642)                                       | (1,101)   |
| <b>Comprehensive income/(loss) attributable to equity holders of the company</b>  | <b>360,100</b>                                | <b>60,728</b>   | <b>160,171</b>                                | <b>(69,793)</b>   |

**SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

|   | Unaudited<br>Jun 2023<br>TT\$'000 | Unaudited<br>Jun 2022<br>TT\$'000<br>(Restated) | Unaudited<br>Dec 2022<br>TT\$'000<br>(Restated) | Unaudited<br>1 Jan 2022<br>TT\$'000<br>(Restated) |
|---|-----------------------------------|---|---|---|
| <b>ASSETS</b>   |                                   |   |   |   |
| Property, plant and equipment                         | 756,374                           | 701,576   | 756,153   | 679,813   |
| Right-of-use assets                                   | 51,480                            | 74,426  | 42,480  | 82,485  |
| Investment properties                                 | 1,562,452                         | 1,654,534                                       | 1,590,437                                       | 1,645,435   |
| Intangible assets                                     | 655,037                           | 655,894   | 668,441   | 664,606   |
| Investment in associated companies                    | 306,084                           | 300,783   | 307,634   | 293,651   |
| Investment securities                                 | 23,085,873                        | 21,290,162                                      | 21,752,636                                      | 21,919,371  |
| Investment securities of mutual fund unit holders     | 1,670,409                         | 1,753,065                                       | 1,741,039                                       | 1,743,378   |
| Loans and receivables                                 | 4,111,413                         | 4,102,239                                       | 3,264,323                                       | 2,515,037   |
| Properties for development and sale                   | 97,991                            | 94,028  | 96,122  | 101,482   |
| Pension plan assets                                   | 112,878                           | 64,734  | 111,909   | 61,610  |
| Deferred tax assets                                   | 126,702                           | 120,163   | 106,953   | 95,961  |
| Reinsurance contract assets                           | 709,696                           | 489,739   | 551,404   | 634,658   |
| Insurance contract assets                             | 765,177                           | 182,257   | 762,794   | 176,240   |
| Taxation recoverable                                  | 212,640                           | 187,648   | 191,600   | 183,043   |
| Cash and cash equivalents                             | 2,586,059                         | 3,651,773                                       | 3,464,704                                       | 3,483,168   |
| Cash and cash equivalents of mutual fund unit holders | 221,255                           | 247,324   | 144,389   | 323,296   |
| <b>Total assets</b>                                   | <b>37,031,520</b>                 | <b>35,570,345</b>                               | <b>35,553,018</b>                               | <b>34,603,234</b>                                 |
| <b>EQUITY AND LIABILITIES</b>                         |                                   |   |   |   |
| Share capital   | 1,970,043                         | 1,970,043                                       | 1,970,043                                       | 1,970,043   |
| Reserves  | (713,975)                         | (874,450)                                       | (977,416)                                       | (799,010)   |
| Retained earnings                                     | 3,354,802                         | 3,072,973                                       | 3,224,682                                       | 3,057,457   |
| <b>Attributable to equity holders of the company</b>  | <b>4,610,870</b>                  | <b>4,168,566</b>                                | <b>4,217,309</b>                                | <b>4,228,490</b>                                  |
| Non-controlling interest in subsidiary                | 14,049                            | 10,637  | 11,155  | 8,997   |
| <b>Total equity</b>                                   | <b>4,624,919</b>                  | <b>4,179,203</b>                                | <b>4,228,464</b>                                | <b>4,237,487</b>                                  |
| <b>Liabilities</b>                                    |                                   |   |   |   |
| Insurance contract liabilities                        | 22,513,124                        | 21,210,023                                      | 22,218,127                                      | 21,010,679  |
| Reinsurance contract liabilities                      | 581,496                           | 773,810   | 566,825   | 554,515   |
| Financial liabilities                                 | 3,298,767                         | 3,484,445                                       | 3,305,274                                       | 3,521,703   |
| Lease liabilities                                     | 60,957                            | 90,216  | 54,288  | 96,245  |
| Investment contract liabilities                       | 2,040,228                         | 2,055,249                                       | 2,021,243                                       | 1,992,053   |
| Third party interests in mutual funds                 | 1,730,690                         | 1,502,586                                       | 1,563,727                                       | 1,599,412   |
| Pension plan liabilities                              | 38,993                            | 38,733  | 40,294  | 38,459  |
| Post-retirement medical benefit obligations           | 107,929                           | 123,959   | 106,438   | 123,191   |
| Deferred tax liabilities                              | 282,105                           | 238,180   | 249,248   | 270,628   |
| Provision for taxation                                | 204,982                           | 212,398   | 274,000   | 275,541   |
| Other liabilities                                     | 1,547,330                         | 1,661,543                                       | 925,090   | 883,321   |
| <b>Total liabilities</b>                              | <b>32,406,601</b>                 | <b>31,391,142</b>                               | <b>31,324,554</b>                               | <b>30,365,747</b>                                 |
| <b>Total equity and liabilities</b>                   | <b>37,031,520</b>                 | <b>35,570,345</b>                               | <b>35,553,018</b>                               | <b>34,603,234</b>                                 |

These consolidated financial statements have been approved for issue by the Board of Directors on 4<sup>th</sup> August, 2023 and signed on its behalf:

Director: 

Director: 

**SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

|   | Share<br>capital<br>TT\$'000 | Reserves<br>TT\$'000 | Retained<br>earnings<br>TT\$'000 | Total<br>attributable to<br>equity holders<br>of the company<br>TT\$'000 | Non-<br>controlling<br>interest<br>TT\$'000 | Total<br>equity<br>TT\$'000 |
|---|------------------------------|----------------------|----------------------------------|--|---|-----------------------------|
| <b>Six months ended 30 June 2023</b>        |                              |                      |                                  |  |   |                             |
| Balance at beginning of period - restated   | 1,970,043                    | (977,416)            | 3,224,682                        | 4,217,309  | 11,155                                      | 4,228,464                   |
| Impact of redesignation of financial assets | -                            | 154,112              | -                                | 154,112  | -   | 154,112                     |
| Total comprehensive income                  | -                            | 109,329              | 250,771                          | 360,100  | 2,894                                       | 362,994                     |
| Dividends                                   | -                            | -                    | (120,651)                        | (120,651)  | -   | (120,651)                   |
| <b>Balance at end of period</b>             | <b>1,970,043</b>             | <b>(713,975)</b>     | <b>3,354,802</b>                 | <b>4,610,870</b>   | <b>14,049</b>                               | <b>4,624,919</b>            |
| <b>Six months ended 30 June 2022</b>        |                              |                      |                                  |  |   |                             |
| Balance at beginning of period              | 1,970,043                    | (799,010)            | 3,803,348                        | 4,974,381  | 8,997                                       | 4,983,378                   |
| IFRS 17 transition adjustment               | -                            | -                    | (745,891)                        | (745,891)  | -   | (745,891)                   |
| Total comprehensive income/(loss)           | -                            | (75,440)             | 136,168                          | 60,728   | 1,640                                       | 62,368                      |
| Dividends                                   | -                            | -                    | (120,652)                        | (120,652)  | -   | (120,652)                   |
| <b>Balance at end of period - restated</b>  | <b>1,970,043</b>             | <b>(874,450)</b>     | <b>3,072,973</b>                 | <b>4,168,566</b>   | <b>10,637</b>                               | <b>4,179,203</b>            |

**SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS**

|  | Unaudited<br>Jun 2023<br>TT\$'000 | Unaudited<br>Jun 2022<br>TT\$'000<br>(Restated) |
|--|-----------------------------------|---|
| <b>Cash flows from operating activities</b>                            |                                   |   |
| Profit before taxation   | 358,718                           | 155,180   |
| Adjustment for specific items included on the accruals basis:          |                                   |   |
| - Other finance charges  | 88,701                            | 103,823   |
| - Investment income  | (654,275)                         | (639,907)                                       |
| Interest and dividends received  | 637,058                           | 639,060   |
| Adjustments for non-cash items   | (122,231)                         | 489,993   |
| <b>Operating profit before changes in operating assets/liabilities</b> | <b>307,971</b>                    | <b>748,149</b>                                  |
| Change in insurance contract assets/liabilities                        | 454,415                           | 404,386   |
| Change in reinsurance contract assets/liabilities                      | (142,925)                         | 362,867   |
| Net increase in investment contracts                                   | 32,199                            | 41,112  |
| Purchase of investment securities                                      | (5,843,180)                       | (4,035,202)                                     |
| Proceeds from sale of investment securities                            | 4,857,447                         | 3,903,866                                       |
| Purchase of/additions to investment properties                         | (7,297)                           | (21,654)  |
| Proceeds from sale of investment property                              | 41,383                            | -   |
| Additions to properties for development and sale                       | (99)                              | (91)  |
| Net increase in loans and receivables                                  | (855,177)                         | (1,571,489)                                     |
| Net decrease in other operating assets/liabilities                     | 611,219                           | 753,855   |
| <b>Cash (used in)/provided by operating activities</b>                 | <b>(544,044)</b>                  | <b>585,799</b>                                  |
| Interest paid  | (101,161)                         | (113,875)                                       |
| Net taxation paid  | (180,699)                         | (115,021)                                       |
| <b>Net cash (used in)/provided by operating activities</b>             | <b>(825,904)</b>                  | <b>356,903</b>                                  |
| <b>Cash flows from investing activities</b>                            |                                   |   |
| Acquisition of brokerage portfolio                                     | -                                 | (13,882)  |
| Purchase of property, plant and equipment                              | (23,534)                          | (42,903)  |
| Proceeds from sale of property, plant and equipment                    | 285                               | 389   |
| Purchase of intangible assets  | (1,709)                           | (5,431)   |
| <b>Net cash used in investing activities</b>                           | <b>(24,958)</b>                   | <b>(61,827)</b>                                 |
| <b>Cash flows from financing activities</b>                            |                                   |   |
| Proceeds from borrowings and repurchase agreements                     | 166,333                           | 22,319  |
| Repayments of borrowings and repurchase agreements                     | (167,164)                         | (73,729)  |
| Payment of principal portion of lease liabilities                      | (8,273)                           | (7,819)   |
| Dividends paid to equity holders of the company                        | (120,651)                         | (120,652)                                       |
| Redemptions from mutual funds  | (367,083)                         | (195,140)                                       |
| Subscriptions to mutual funds  | 538,212                           | 169,199   |
| <b>Net cash provided by/(used in) financing activities</b>             | <b>41,374</b>                     | <b>(205,822)</b>                                |
| <b>Net (decrease)/increase in cash and cash equivalents</b>            | <b>(809,488)</b>                  | <b>89,254</b>                                   |
| Cash and cash equivalents at beginning of period                       | 3,609,093                         | 3,806,464                                       |
| Net impairment gain/(loss)   | 2,526                             | (500)   |
| Exchange rate adjustments  | 5,183                             | 3,879   |
| <b>Cash and cash equivalents at end of period</b>                      | <b>2,807,314</b>                  | <b>3,899,097</b>                                |
| <b>Comprising:</b>   |                                   |   |
| Cash at bank and in hand   | 2,140,346                         | 2,900,041                                       |
| Short-term deposits (90 days or less)                                  | 458,876                           | 766,550   |
| Cash and cash equivalents  | 2,599,222                         | 3,666,591                                       |
| Cash and cash equivalents in mutual funds                              | 221,643                           | 248,849   |
| Loss allowance   | (13,551)                          | (16,343)  |
|  | <b>2,807,314</b>                  | <b>3,899,097</b>                                |

#### SEGMENT INFORMATION

|   | Life, health and pension business<br>TT\$'000 | Property and casualty business<br>TT\$'000 | Insurance brokerage business<br>TT\$'000 | Asset Management<br>TT\$'000 | Other including consolidation adjustments<br>TT\$'000 | Total<br>TT\$'000 |
|---|---|--|--|------------------------------|---|-------------------|
| <b>Six months ended 30 June 2023</b>                  |   |  |  |                              |   |                   |
| Insurance revenue                                     | 1,360,127                                     | 1,287,516                                  | -  | -                            | -   | 2,647,643         |
| Insurance service expenses                            | (1,202,428)                                   | (594,356)                                  | -  | -                            | 31,972  | (1,764,812)       |
| Net income/(expenses) from reinsurance contracts held | (10,079)                                      | (527,943)                                  | -  | -                            | 72  | (537,950)         |
| <b>Insurance service result</b>                       | <b>147,620</b>                                | <b>165,217</b>                             | <b>-</b>                                 | <b>-</b>                     | <b>32,044</b>   | <b>344,881</b>    |
| Net income from investing activities                  | 749,707                                       | 57,793                                     | 2,297                                    | 55,402                       | 3,959   | 869,158           |
| Net insurance finance expenses                        | (433,478)                                     | (7,713)                                    | -  | -                            | -   | (441,191)         |
| <b>Net insurance and investment result</b>            | <b>463,849</b>                                | <b>215,297</b>                             | <b>2,297</b>                             | <b>55,402</b>                | <b>36,003</b>   | <b>772,848</b>    |
| Fee and commission income from brokerage activities   | -   | -  | 118,064                                  | -                            | (34,197)  | 83,867            |
| <b>Net income from all activities</b>                 | <b>463,849</b>                                | <b>215,297</b>                             | <b>120,361</b>                           | <b>55,402</b>                | <b>1,806</b>  | <b>856,715</b>    |
| Other operating expenses                              | (152,180)                                     | (63,333)                                   | (84,768)                                 | (32,126)                     | (83,713)  | (416,120)         |
| Other finance charges                                 | (1,903)                                       | (1,921)                                    | (449)                                    | (2,270)                      | (82,158)  | (88,701)          |
| <b>Operating profit/(loss)</b>                        | <b>309,766</b>                                | <b>150,043</b>                             | <b>35,144</b>                            | <b>21,006</b>                | <b>(164,065)</b>                                      | <b>351,894</b>    |
| Share of after tax profits of associated companies    | -   | 3,247                                      | -  | -                            | 3,577   | 6,824             |
| <b>Profit/(loss) before taxation</b>                  | <b>309,766</b>                                | <b>153,290</b>                             | <b>35,144</b>                            | <b>21,006</b>                | <b>(160,488)</b>                                      | <b>358,718</b>    |
| Taxation  | (74,517)                                      | (18,820)                                   | (6,540)                                  | (4,458)                      | (685)   | (105,020)         |
| <b>Profit/(loss) for the period</b>                   | <b>235,249</b>                                | <b>134,470</b>                             | <b>28,604</b>                            | <b>16,548</b>                | <b>(161,173)</b>                                      | <b>253,698</b>    |
| <b>Six months ended 30 June 2022</b>                  |   |  |  |                              |   |                   |
| Insurance revenue                                     | 1,187,197                                     | 1,205,565                                  | -  | -                            | -   | 2,392,762         |
| Insurance service expenses                            | (1,085,357)                                   | (641,793)                                  | -  | -                            | 34,355  | (1,692,795)       |
| Net income/(expenses) from reinsurance contracts held | (2,184)                                       | (429,634)                                  | -  | -                            | 72  | (431,746)         |
| <b>Insurance service result</b>                       | <b>99,656</b>                                 | <b>134,138</b>                             | <b>-</b>                                 | <b>-</b>                     | <b>34,427</b>   | <b>268,221</b>    |
| Net income/(loss) from investing activities           | 173,357                                       | 28,923                                     | (1,036)                                  | 61,630                       | 5,186   | 268,060           |
| Net insurance finance income/(expenses)               | 13,744  | (9,401)                                    | -  | -                            | -   | 4,343             |
| <b>Net insurance and investment result</b>            | <b>286,757</b>                                | <b>153,660</b>                             | <b>(1,036)</b>                           | <b>61,630</b>                | <b>39,613</b>   | <b>540,624</b>    |
| Fee and commission income from brokerage activities   | -   | -  | 109,086                                  | -                            | (32,784)  | 76,302            |
| <b>Net income from all activities</b>                 | <b>286,757</b>                                | <b>153,660</b>                             | <b>108,050</b>                           | <b>61,630</b>                | <b>6,829</b>  | <b>616,926</b>    |
| Other operating expenses                              | (127,465)                                     | (70,873)                                   | (91,085)                                 | (39,374)                     | (40,626)  | (369,423)         |
| Other finance charges                                 | (1,925)                                       | (2,139)                                    | (469)                                    | (2,405)                      | (96,885)  | (103,823)         |
| <b>Operating profit/(loss)</b>                        | <b>157,367</b>                                | <b>80,648</b>                              | <b>16,496</b>                            | <b>19,851</b>                | <b>(130,682)</b>                                      | <b>143,680</b>    |
| Share of after tax profits of associated companies    | -   | 5,132                                      | -  | -                            | 6,368   | 11,500            |
| <b>Profit/(loss) before taxation</b>                  | <b>157,367</b>                                | <b>85,780</b>                              | <b>16,496</b>                            | <b>19,851</b>                | <b>(124,314)</b>                                      | <b>155,180</b>    |
| Taxation  | 9,432   | (18,579)                                   | (2,203)                                  | (8,134)                      | (5,704)   | (25,188)          |
| <b>Profit/(loss) for the period</b>                   | <b>166,799</b>                                | <b>67,201</b>                              | <b>14,293</b>                            | <b>11,717</b>                | <b>(130,018)</b>                                      | <b>129,992</b>    |
| <b>Total Assets</b>                                   |   |  |  |                              |   |                   |
| 30 June 2023  | 29,771,369                                    | 4,372,550                                  | 601,510                                  | 2,489,500                    | (203,409)   | 37,031,520        |
| 30 June 2022  | 28,372,117                                    | 4,429,105                                  | 568,380                                  | 2,588,062                    | (387,319)   | 35,570,345        |

#### Note 1: 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 2022 audited financial statements consistently applied from period to period, except for the adoption of IFRS 17 Insurance Contracts that became effective for the Group from 1 January 2023. Details on the Group's adoption of IFRS 17 Insurance Contracts are provided in Note 2 below.

#### Note 2: IFRS 17 Insurance Contracts

Effective 1 January 2023, IFRS 17 replaced IFRS 4 Insurance Contracts, materially changing the recognition and measurement of insurance contracts and the corresponding presentation and disclosures in the Group's financial statements.

##### (a) Change in Accounting Policies

Refer to Note 2.1(d) of the Group's audited consolidated financial statements for the year ended 31 December 2022 for details of the Group's accounting policies under IFRS 17.

##### (b) Transition Approach

In accordance with the transition requirements of IFRS 17, the Group has restated its financial statements, and is therefore presenting:

- Within the summarised consolidated statement of financial position, an opening balance sheet as at 1 January 2022, the date of transition to IFRS 17. Differences between the carrying value of assets, liabilities and equity previously recorded and those under IFRS 17 were recorded in retained earnings.
- Summarised consolidated statement of financial position as at 31 December 2022, now restated under the IFRS 17 regime.
- Summarised consolidated statements of financial position, income, comprehensive income, cash flows, and changes in equity as at and for the periods ended 30 June 2023 and 30 June 2022, in compliance with IFRS 17.

While retrospective application is required, if full retrospective application to a group of contracts is impractical, the modified retrospective or fair value methods may be used. The Group therefore applied the fair value approach to all long-term portfolios within the Life, Health, and Pension businesses that were in issue as at 1 January 2022 and prior, and the full retrospective approach thereafter. For all other portfolios, the full retrospective approach was used for all relevant periods.

##### (c) Redesignation of Financial Assets

The Group, having previously applied IFRS 9 Financial Instruments, was permitted under IFRS 17 to change its classification and designation of financial assets. Accordingly, some redesignations were performed based on facts and circumstances existing at the date of initial application of IFRS 17 (i.e., 1 January 2023) and were applied on that date.

##### (d) Impact of Initial Application of IFRS 17

The initial application of IFRS 17 resulted in a reduction of total equity of \$746 million as at 1 January 2022. The opening IFRS 17 statement of financial position and related adjustments are presented below:

|  | Audited<br>31-Dec-21<br>TT\$'000 | Unaudited<br>IFRS 17 Initial<br>Application<br>Adjustments<br>1-Jan-22<br>TT\$'000 | Unaudited<br>1-Jan-22<br>TT\$'000 |
|--|----------------------------------|--|-----------------------------------|
| <b>ASSETS</b>  |                                  |  |                                   |
| Intangible assets                                    | 808,844                          | (144,238)  | 664,606                           |
| Reinsurance contract assets                          | 1,100,732                        | (466,074)  | 634,658                           |
| Insurance contract assets                            | -                                | 176,240  | 176,240                           |
| Deferred acquisition costs                           | 130,988                          | (130,988)  | -                                 |
| Other assets   | 32,537,117                       | 590,613  | 33,127,730                        |
| <b>Total assets</b>                                  | <b>34,577,681</b>                | <b>25,553</b>  | <b>34,603,234</b>                 |
| <b>EQUITY AND LIABILITIES</b>                        |                                  |  |                                   |
| Share capital  | 1,970,043                        | -  | 1,970,043                         |
| Reserves   | (799,010)                        | -  | (799,010)                         |
| Retained earnings                                    | 3,803,348                        | (745,891)  | 3,057,457                         |
| <b>Attributable to equity holders of the company</b> | <b>4,974,381</b>                 | <b>(745,891)</b>   | <b>4,228,490</b>                  |
| Non-controlling interest in subsidiary               | 8,997                            | -  | 8,997                             |
| <b>Total equity</b>                                  | <b>4,983,378</b>                 | <b>(745,891)</b>   | <b>4,237,487</b>                  |
| Insurance contract liabilities                       | 19,503,373                       | 1,507,306  | 21,010,679                        |
| Reinsurance contract liabilities                     | 427,191                          | 127,324  | 554,515                           |
| Investment contract liabilities                      | 2,645,659                        | (653,606)  | 1,992,053                         |
| Other liabilities                                    | 7,018,080                        | (209,580)  | 6,808,500                         |
| <b>Total liabilities</b>                             | <b>29,594,303</b>                | <b>771,444</b>   | <b>30,365,747</b>                 |
| <b>Total equity and liabilities</b>                  | <b>34,577,681</b>                | <b>25,553</b>  | <b>34,603,234</b>                 |

## Note 2: IFRS 17 Insurance Contracts (continued)

The initial application adjustments arise principally from:

- *The introduction of the Contractual Service Margin (CSM)*  
This is a new liability that represents future unearned profits on long-term insurance contracts written.
- *The measurement of the Risk Adjustment*  
This is a concept in IFRS 17 that is similar to the Margins for Adverse Deviation that was previously estimated under IFRS 4. IFRS 17 does however introduce some specific considerations in the calculation and application of this item.
- *The determination of Discount Rates*  
IFRS 17 introduced some changes in how discount rates are determined, primarily removing from consideration the characteristics of the assets which support the related insurance liabilities.
- *Other measurement changes*  
This includes changes to the level at which contracts are aggregated for measurement purposes and how contract boundaries are defined.
- *Presentation changes*  
Several assets and liabilities experienced no change to their measurement but have been moved to other areas of the financial statements, including:
  - o Premiums receivable and Policy loans – These amounts were previously reported in loans and receivables and have now been reclassified to insurance contract liabilities/assets as they are insurance contract related.
  - o Deposits with/balances due from reinsurers – These amounts were previously reported in loans and receivables and have now been reclassified to reinsurance contract assets/liabilities as they are related to reinsurance contracts.
  - o Deposits and premiums received in advance – These amounts were previously reported in other liabilities and have now been reclassified to insurance contract liabilities/assets as they are insurance contract related.
  - o Amounts due to reinsurers – These amounts were previously reported in Other liabilities and have now been reclassified to reinsurance contract assets/liabilities as they are related to reinsurance contracts.
  - o Deferred acquisition costs – These were previously reported as a separate line within the assets section of the financial statements and have been reclassified to insurance contract liabilities/assets as they are insurance contract related.

## 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.



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