

## Guardian Holdings Limited (GHL) Results for the First Quarter Ended March 31, 2020

### Key Points:

- The COVID-19 pandemic profoundly affected the global market in Q120, as equities suffered a steep decline since the global financial crisis and international corporate bond yields rose abruptly due to increases in credit spreads as investors “fled to safety” by shifting from corporate to sovereign debt.
- In Q120, net income from investing activities declined by 91.14 per cent from the corresponding period last year (Q119). This was mainly due to net fair value losses of 329M which the Group views as temporary and anticipates recovery, as global efforts intensify with the aim of defeating the COVID-19 pandemic.
- The Life, Health and Pension business segment - net income from insurance underwriting activities recorded an increase of 69.36% over Q119, this was driven by the Jamaica markets.
- The Property and Casualty business segment – generated a growth of 5.77 per cent in net Income from insurance underwriting activities over last year corresponding period (Q119) due to the Dutch markets.

### Basic Earnings Per Share (EPS):

GHL reported a loss on EPS of (\$0.16) for Q120, down 132.65 per cent or \$0.65 per share on the corresponding period's EPS of \$0.49 in Q119.

### Dividend:

The Board of Directors declared a final dividend of \$0.51 per share for the fiscal ending 2019 which was the highest over the past seven years. The final dividend was paid on April 02, 2020 to shareholders on record as at March 19, 2020.

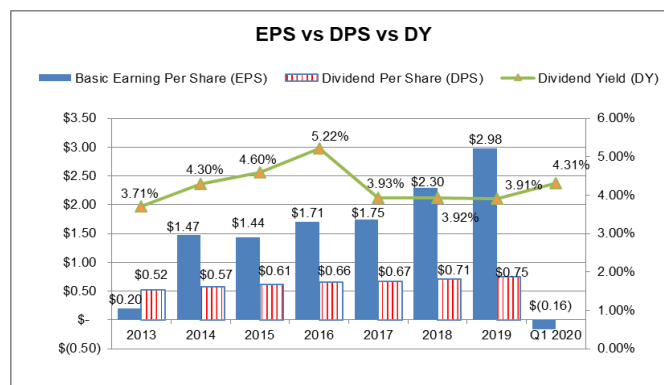
### Summary:

- At the current price of \$18.90 the trailing P/E ratio is 8.11 times which is below the non-banking finance sector weighted average P/E of 12.75 times. GHL's historic dividend yield is 3.97 per cent compared to the non-banking finance sector weighted average dividend yield of 2.39 per cent.
- Between FY 2014 & 2019 the Group has shown an average dividend payout ratio of 36%.

Dividend	Interim	Final	Total	Dividend Yield
<b>Q1 2020</b>				<b>4.31%</b>
<b>2019</b>	0.24	0.51	0.75	<b>3.91%</b>
<b>2018</b>	0.23	0.48	0.71	<b>3.92%</b>
<b>2017</b>	0.22	0.45	0.67	<b>3.93%</b>
<b>2016</b>	0.21	0.45	0.66	<b>5.22%</b>
<b>2015</b>	0.19	0.42	0.61	<b>4.60%</b>
<b>2014</b>	0.17	0.40	0.57	<b>4.30%</b>
<b>2013</b>	0.15	0.37	0.52	<b>3.71%</b>

Financial Year End	December 31
<b>Sector</b>	<b>Non-Banking Finance</b>
Symbol on TTSE	GHL
Issued Share Capital	232.02MM
Market Capitalization	\$4.04B
Current Price (June 25, 2020)	\$18.90
52 Week Price Range	\$17.04 - \$23.03
Trailing EPS	\$2.33
Price to Earnings Multiple	8.11x
Current Book Value/Share	\$15.15
Price to Book	1.25x
Return on Equity	-3.89%
Return on Assets	-0.49%

Basic EPS	Q1	Q2	Q3	Q4	Total
<b>2020</b>	(0.16)				<b>\$ (0.16)</b>
<b>2019</b>	0.49	0.57	0.80	1.12	<b>\$ 2.98</b>
<b>2018</b>	0.31	0.62	0.67	0.70	<b>\$ 2.30</b>
<b>2017</b>	0.39	0.44	0.27	0.65	<b>\$ 1.75</b>
<b>2016</b>	0.27	0.43	0.42	0.59	<b>\$ 1.71</b>
<b>2015- Restated</b>	0.23	0.31	0.37	0.53	<b>\$ 1.44</b>
<b>2014</b>	0.37	0.42	0.44	0.24	<b>\$ 1.47</b>
<b>2013</b>	0.30	0.16	0.39	-0.65	<b>\$ 0.20</b>



### Income Statement for the period ending March 31, 2020

	Q120 \$'000	Q119 \$'000	\$ Change Q120 - Q119 \$'000	% Change Q120 - Q119	Change	YE19 \$'000
Gross written premiums	1,978,426	1,958,388	20,038	1.02%	↑	6,366,679
Net written premiums	1,238,139	1,279,916	(41,777)	-3.26%	↓	4,484,742
Net results from insurance underwriting activities	180,745	154,078	26,667	17.31%	↑	958,579
Net income from investing activities	26,746	301,764	(275,018)	-91.14%	↓	1,369,846
Fee & commission income from brokerage activities	39,780	30,431	9,349	30.72%	↑	117,052
<b>Net income from all activities</b>	<b>247,271</b>	<b>486,273</b>	<b>(239,002)</b>	<b>-49.15%</b>	<b>↓</b>	<b>2,445,477</b>
Net impairment gains / (losses) on financial assets	12,695	5,665	7,030	124.10%	↑	(87,586)
Operating expenses	(309,116)	(299,316)	9,800	3.27%	↑	(1,374,500)
Finance charges	(36,716)	(35,984)	732	2.03%	↑	(146,705)
<b>Operating (loss) / profit</b>	<b>(85,866)</b>	<b>156,638</b>	<b>(242,504)</b>	<b>-154.82%</b>	<b>↓</b>	<b>836,686</b>
Share of after tax profit of associated companies	4,788	6,430	(1,642)	-25.54%	↓	18,033
<b>(Loss) / Profit before taxation</b>	<b>(81,078)</b>	<b>163,068</b>	<b>(244,146)</b>	<b>-149.72%</b>	<b>↓</b>	<b>854,719</b>
Taxation	40,175	(46,497)	(86,672)	-186.40%	↓	(151,006)
<b>(Loss) / Profit after taxation</b>	<b>(40,903)</b>	<b>116,571</b>	<b>(157,474)</b>	<b>-135.09%</b>	<b>↓</b>	<b>703,713</b>
(Loss) / Profit attributable to participating policyholders	6,154	(3,121)	9,275	297.18%	↑	(8,753)
Net gain from discontinued operations	0	0				0
<b>(Loss) / Profit for the period</b>	<b>(34,749)</b>	<b>113,450</b>	<b>(148,199)</b>	<b>-130.63%</b>	<b>↓</b>	<b>694,960</b>
(Loss) / Profit attributable to non-controlling interests	(1,709)	(589)	1,120	190.15%	↑	(2,652)
<b>(Loss) / Profit attributable to equity holders</b>	<b>(36,458)</b>	<b>112,861</b>	<b>(149,319)</b>	<b>-132.30%</b>	<b>↓</b>	<b>692,308</b>
<b>Basic EPS</b>	<b>\$ (0.16)</b>	<b>\$ 0.49</b>	<b>-\$0.65</b>	<b>-132.65%</b>	<b>↓</b>	<b>\$ 2.98</b>

### Balance Sheet as at March 31, 2020

	Q120 \$'000	Q119 \$'000	\$ Change Q120 - Q119 \$'000	% Change Q120 - Q119	Change	YE19 \$'000
Total Assets	29,543,024	28,571,784	971,240	3.40%	↑	30,068,087
Total Liabilities	26,000,770	25,124,322	876,448	3.49%	↑	26,103,867
Total Equity	3,542,254	3,447,462	94,792	2.75%	↑	3,964,220
	<b>29,543,024</b>	<b>28,571,784</b>	<b>971,240</b>			<b>30,068,087</b>

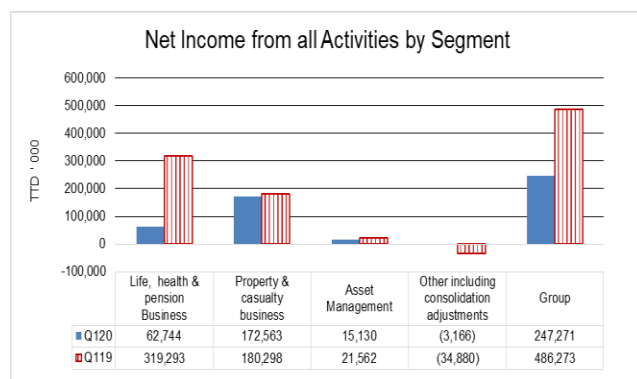
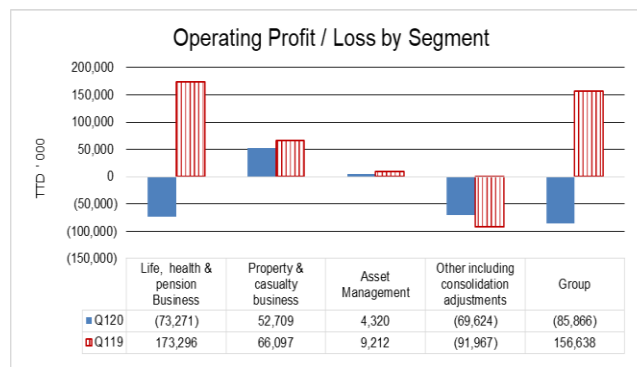
### Financials:

- Net Income from all activities closed at \$247.27MM, down 49.15 per cent or \$239.00MM from Q119's total of \$486.27MM.
- GHL declared a loss before tax in Q120 of \$81.08MM, down 149.72 per cent or \$244.15MM, compared to a profit of \$163.07MM in Q119.
- The Group recorded a loss attributable to equity holders of \$36.46MM in Q120 down 132.30 per cent or \$149.32MM from a profit of \$112.86MM in Q119, this was primarily due to the volatility in the financial markets
- Total Assets increased by 3.40 per cent or \$971.24MM to \$29.54B in Q120.
- Total Liabilities amounted to \$26.00B in Q120 and Total Equity was up by 2.75 per cent or \$94.79MM to close at \$3.54B.

### Segments:

The Property & Casualty Business segment was the major contributor to the Group's Operating Profit, followed by the Asset Management segment.

The Property & Casualty Business segment was the major contributor to the Group's Net Income. In second place was the Life, Health & Pension Business segment, followed by the Asset Management segment.



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