

## Guardian Holdings Limited (GHL) Results for the First Quarter Ended March 31, 2021

### Key Points:

- The GHL Group started 2021 with a solid performance in the first quarter, with profit attributable to equity shareholders amounting to \$176.12MM, an increase of \$212.58MM over the \$36.46MM loss recorded in the same period last year, which was significantly affected by the volatility in equity markets caused by the COVID-19 pandemic.
- The Life, Health and Pension business segment recorded a 2 per cent growth in gross premiums primarily from the Trinidad and Jamaican markets. The integration of the life insurance and annuities portfolios 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 per cent primarily from operations in the Netherlands.

### Basic Earnings Per Share (EPS):

GHL reported a basic EPS of \$0.76 for Q121, up 575.00 per cent or \$0.92 per share on the corresponding period's Loss Per Share (LPS) of \$0.16 in Q120.

### Dividend:

The Board of Directors did not declare a dividend for the fiscal year 2020, as a decision was made to conserve the cash resources of the Group given the measures taken due to the COVID-19 pandemic. In addition, the Dutch and Jamaica regulatory bodies' restricted dividend flows for the year 2020. Jamaica is expected to resume dividend flows this year (2021).

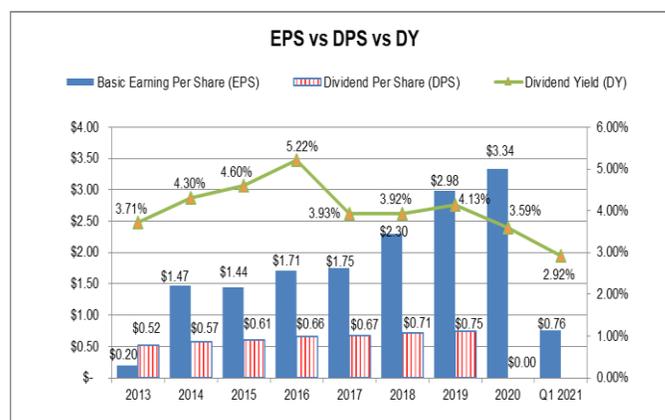
### Industry:

At the current price of \$29.00 the trailing P/E ratio is 6.81 times which is below the non-banking finance sector weighted average P/E ratio of 11.50 times. GHL's trailing dividend yield as at May 10, 2021 is 2.59 per cent, which is above the non-banking finance sector weighted average dividend yield of 1.42 per cent. Between FY 2014 & 2020 the Group has shown an average dividend payout ratio of 30.58%.

Dividend	Interim	Final	Total	Dividend Yield
<b>Q1 2021</b>				<b>2.92%</b>
<b>2020</b>	0.00	0.00	0.00	<b>3.59%</b>
<b>2019</b>	0.24	0.51	0.75	<b>4.13%</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	\$5.96B
Current Price (May 10, 2021)	\$29.00
52 Week Price Range	\$18.00 - \$29.00
Trailing Earnings Per Share (EPS)	\$4.26
Trailing Price to Earnings Multiple	6.81x
Current Book Value/Share	\$20.00
Price to Book	1.45x
Return on Equity	17.20%
Return on Assets	2.23%

Basic EPS	Q1	Q2	Q3	Q4	Total
<b>2021</b>	0.76				<b>\$ 0.76</b>
<b>2020</b>	(0.16)	0.87	1.38	1.25	<b>\$ 3.34</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, 2021

	Q121 \$'000	Q120 \$'000	\$ Change Q121 - Q120 \$'000	% Change Q121 - Q120	Change	YE20 \$'000
Gross written premiums	2,041,632	1,978,426	63,206	3.19%	↑	6,556,531
Net written premiums	1,251,926	1,238,139	13,787	1.11%	↑	4,381,660
Net results from insurance underwriting activities	208,043	180,745	27,298	15.10%	↑	1,413,229
Net income from investing activities	332,404	26,746	305,658	1142.82%	↑	988,637
Fee & commission income from brokerage activities	36,713	39,780	(3,067)	-7.71%	↓	144,325
<b>Net income from all activities</b>	<b>577,160</b>	<b>247,271</b>	<b>329,889</b>	<b>133.41%</b>	<b>↑</b>	<b>2,546,191</b>
Net impairment gains / (losses) on financial assets	(5,027)	12,695	(17,722)	-139.60%	↓	(15,695)
Operating expenses	(309,072)	(309,116)	(44)	-0.01%	↓	(1,372,256)
Finance charges	(50,720)	(36,716)	14,004	38.14%	↑	(153,847)
<b>Operating profit</b>	<b>212,341</b>	<b>(85,866)</b>	<b>298,207</b>	<b>347.29%</b>	<b>↑</b>	<b>1,004,393</b>
Share of after tax profit of associated companies	3,573	4,788	(1,215)	-25.38%	↓	17,705
<b>Profit before taxation</b>	<b>215,914</b>	<b>(81,078)</b>	<b>296,992</b>	<b>366.30%</b>	<b>↑</b>	<b>1,022,098</b>
Taxation	(38,642)	40,175	(78,817)	-196.18%	↓	(243,844)
<b>Profit after taxation</b>	<b>177,272</b>	<b>(40,903)</b>	<b>218,175</b>	<b>533.40%</b>	<b>↑</b>	<b>778,254</b>
Surplus / (Deficit) attributable to participating policyholders	(482)	6,154	(6,636)	-107.83%	↓	2,038
<b>Profit for the period</b>	<b>176,790</b>	<b>(34,749)</b>	<b>211,539</b>	<b>608.76%</b>	<b>↑</b>	<b>780,292</b>
Profit attributable to non-controlling interests	(673)	(1,709)	(1,036)	-60.62%	↓	(5,834)
<b>Profit attributable to equity holders</b>	<b>176,117</b>	<b>(36,458)</b>	<b>212,575</b>	<b>583.07%</b>	<b>↑</b>	<b>774,458</b>
<b>Basic EPS</b>	<b>\$ 0.76</b>	<b>\$ (0.16)</b>	<b>\$0.92</b>	<b>575.00%</b>	<b>↑</b>	<b>\$ 3.34</b>

### Balance Sheet as at March 31, 2021

	Q121 \$'000	Q120 \$'000	\$ Change Q121 - Q120 \$'000	% Change Q121 - Q120	Change	YE20 \$'000
Total Assets	33,709,340	29,543,024	4,166,316	14.10%	↑	33,024,932
Total Liabilities	29,062,118	26,000,770	3,061,348	11.77%	↑	28,349,044
Total Equity	4,647,222	3,542,254	1,104,968	31.19%	↑	4,675,888
	<b>33,709,340</b>	<b>29,543,024</b>	<b>4,166,316</b>			<b>33,024,932</b>

### Financials:

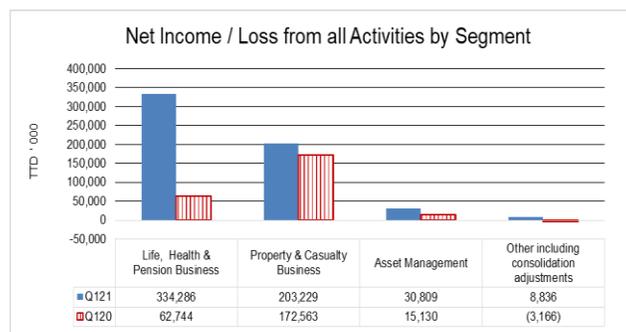
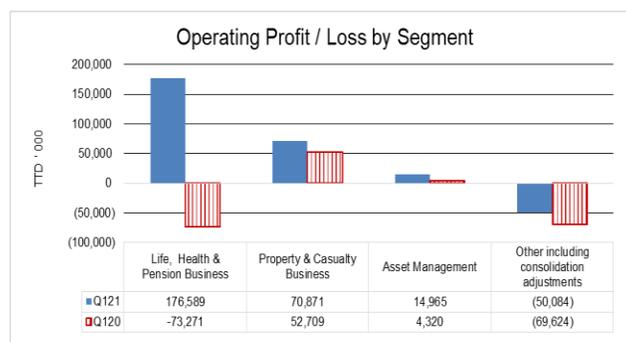
- Net Income from all activities closed at \$577.16MM, up 133.41 per cent or \$329.89MM from Q120's total of \$247.27MM.
- Operating Expenses stood at \$309.07MM, a slight decrease of 0.01 per cent or 0.44MM from the previous corresponding period Q120 of \$309.12MM. The Group continues to closely monitor its expenses as it incurs costs associated with the implementation of IFRS 17 (Insurance Contracts) as well as with the Group wide transformation initiatives.
- GHL declared a Profit After Tax in Q121 of \$177.27MM, an increase of 533.40 per cent or \$218.18MM, compared to the loss posted in Q120 of \$40.90MM.
- The Group recorded a Profit attributable to equity holders of \$176.12MM in Q121 up 583.07 per cent or \$212.58MM from Q120's loss of \$36.46MM.
- Total Assets rose by 14.10 per cent or \$4.17B to \$33.71B in Q121.
- Total Liabilities amounted to \$29.06B in Q121 and Total Equity was up by 31.19 per cent or \$1.10B to close at \$4.65B.

### Segments:

For the first quarter of 2021, the Life, Health & Pension Business segment contributed 83.16 per cent to the Group's Operating Profit,

followed by the Property & Casualty Business segment with 33.38 per cent. In third place was the Asset Management segment representing 7.05 per cent of the Group's Operating Profit.

For the Q121 period, the Life, Health & Pension Business segment was the major contributor to the Group's Net Income with 57.92 per cent. In second place was the Property & Casualty Business segment representing 35.21 per cent, followed by the Asset Management segment with 5.34 per cent of the Group's Net Income from all Activities.



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