

## Guardian Holdings Limited (GHL) Results for the Nine Months Ended September 30, 2019

### Key Points:

- GHL booked a net loss reserve of \$86M before tax for claims arising from Hurricane Dorian which affected the Caribbean Basin during August and September 2019.
- The Life, Health and Pension business segment recorded an 8% increase over the prior period, this was driven by the Trinidad & Tobago market as the other Regions were effected by certain non-recurring 2018 uplifts.
- The Group continues incurring costs associated with the implementation of the International Financial Reporting Standard (IFRS) 17 – Insurance contracts. IFRS 17 will become effective on January 1, 2022 and compliance will be a huge undertaking for all Insurance Companies reporting under IFRS.

### Basic Earnings Per Share (EPS):

GHL reported an EPS of \$0.80 in Q3 2019 bringing the total EPS for NM19 to \$1.86, up 16.25 per cent or \$0.26 per share on the corresponding period's EPS of \$1.60 in NM18.

### Dividend:

The Board of Directors declared an interim dividend of \$0.24 per share at the half year, which was the highest over the past seven years. The interim dividend was paid on September 10, 2019 to shareholders on record as at August 21, 2019.

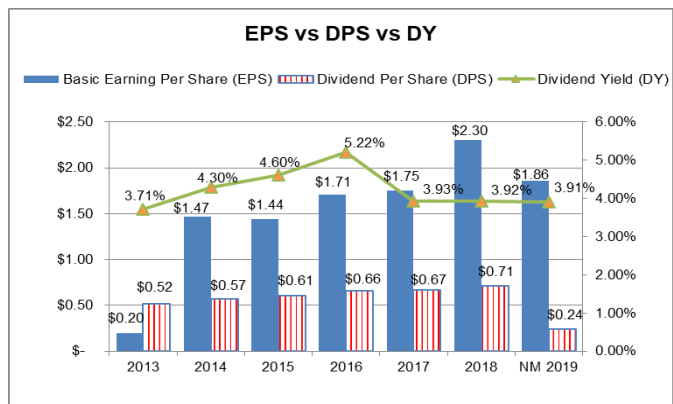
### Summary:

- At the current price of \$22.00 the trailing P/E ratio is 8.59 times which is below the non-banking finance sector weighted average P/E of 12.98 times. GHL's dividend yield is 3.23 per cent compared to the non-banking finance sector weighted average dividend yield of 2.75 per cent.
- Between FY 2014 & 2018 the Group has shown an average dividend payout ratio of 38%.

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

Basic EPS	Q1	Q2	Q3	Q4	Total
2019	0.49	0.57	0.80		\$ 1.86
2018	0.31	0.62	0.67	0.70	\$ 2.30
2017	0.39	0.44	0.27	0.65	\$ 1.75
2016	0.27	0.43	0.42	0.59	\$ 1.71
2015- Restated	0.23	0.31	0.37	0.53	\$ 1.44
2014	0.37	0.42	0.44	0.24	\$ 1.47
2013	0.30	0.16	0.39	-0.65	\$ 0.20

Financial Year End	December 31
Sector	Non-Banking Finance
Symbol on TTSE	GHL
Issued Share Capital	232.02MM
Market Capitalization	\$4.27B
Current Price (February 4, 2020)	\$22.00
52 Week Price Range	\$17.77 - \$22.00
Trailing EPS	\$2.56
Price to Earnings Multiple	8.59x
Current Book Value/Share	\$15.41
Price to Book	1.43x
Return on Equity	16.44%
Return on Assets	2.04%



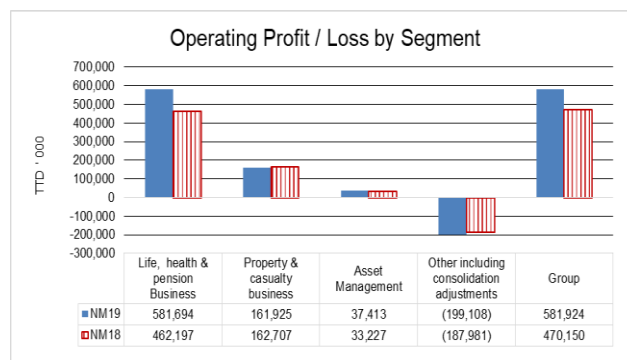
### Income Statement for the period ending September 30, 2019

	NM19 \$'000	NM18 \$'000	\$ Change NM19 - NM18 \$'000	% Change NM19 - NM18	Change	YE18 \$'000
Gross written premiums	4,910,098	4,551,171	358,927	7.89%	↑	5,861,246
Net written premiums	3,390,683	3,168,280	222,403	7.02%	↑	4,164,210
Net income from insurance underwriting activities	538,215	499,758	38,457	7.70%	↑	863,300
Net income from investing activities	926,873	812,692	114,181	14.05%	↑	981,568
Net income from brokerage activities	23,513	23,094	419	1.81%	↑	25,038
<b>Net income from all activities</b>	<b>1,488,601</b>	<b>1,335,544</b>	<b>153,057</b>	<b>11.46%</b>	<b>↑</b>	<b>1,869,906</b>
Net impairment losses on financial assets	(4,672)	(15,004)	(10,332)	-68.86%	↓	(1,329)
Operating expenses	(792,296)	(748,945)	43,351	5.79%	↑	(1,045,595)
Finance charges	(109,709)	(101,445)	8,264	8.15%	↑	(135,522)
<b>Operating profit</b>	<b>581,924</b>	<b>470,150</b>	<b>111,774</b>	<b>23.77%</b>	<b>↑</b>	<b>687,460</b>
Share of profit of associated companies	22,344	17,017	5,327	31.30%	↑	17,045
<b>Profit before taxation</b>	<b>604,268</b>	<b>487,167</b>	<b>117,101</b>	<b>24.04%</b>	<b>↑</b>	<b>704,505</b>
Taxation	(161,476)	(114,246)	47,230	41.34%	↑	(164,632)
<b>Profit after taxation</b>	<b>442,792</b>	<b>372,921</b>	<b>69,871</b>	<b>18.74%</b>	<b>↑</b>	<b>539,873</b>
Profit attributable to participating policyholders	(8,273)	(1,068)	7,205	674.63%	↑	(4,693)
<b>Profit for the period</b>	<b>434,519</b>	<b>371,853</b>	<b>77,076</b>	<b>20.73%</b>	<b>↑</b>	<b>535,180</b>
Profit attributable to non-controlling interests	(1,873)	(909)	964	106.05%	↑	(1,269)
<b>Profit attributable to equity holders</b>	<b>432,646</b>	<b>370,944</b>	<b>61,702</b>	<b>16.63%</b>	<b>↑</b>	<b>533,911</b>
<b>Basic EPS</b>	<b>\$ 1.86</b>	<b>\$ 1.60</b>	<b>\$0.26</b>	<b>16.25%</b>	<b>↑</b>	<b>\$ 2.30</b>

- Total Liabilities amounted to \$25.54B in NM19 and Total Equity was up by 16.10 per cent or \$499.07MM to close at \$3.60B.

The Life, Health & Pension segment was the major contributor to the Group's Operating Profit, followed by the Property & Casualty segment. In third place was the Asset Management segment.

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

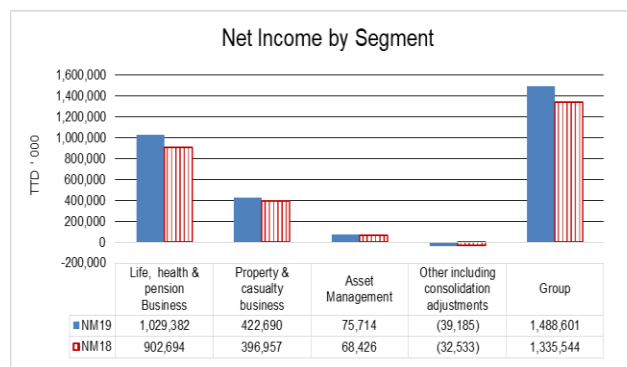


### Balance Sheet as at September 30, 2019

	NM19 \$'000	NM18 \$'000	\$ Change NM19 - NM18 \$'000	% Change NM19 - NM18	Change	YE18 \$'000
Total Assets	29,137,936	26,901,687	2,236,249	8.31%	↑	27,307,207
Total Liabilities	25,539,977	23,802,793	1,737,184	7.30%	↑	23,886,575
Total Equity	3,597,959	3,098,894	499,065	16.10%	↑	3,420,632
	<b>29,137,936</b>	<b>26,901,687</b>	<b>2,236,249</b>			<b>27,307,207</b>

### Financials:

- Net Income from all activities closed at \$1.49B, up 11.46 per cent or \$153.06MM from NM18's total of \$1.34B.
- Profit Before Tax for NM19 stands at \$604.27MM, up 24.04 per cent or \$117.10MM from \$487.17MM in NM18.
- Profit attributable to equity holders totaled \$432.65MM in NM19 up 16.63 per cent or \$61.70MM from \$370.94MM in NM18.
- Total Assets increased by 8.31 per cent or \$2.24B to \$29.14B in NM19.



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