

Guardian Holdings Limited (GHL) Results for the Year Ended December 31, 2018

Key Points:

- Shareholders' Equity was reduced by a one-time charge of \$182MM resulting from the adoption of IFRS9.
- The Property and Casualty (P&C) segment returned to a satisfactory performance as it was spared major catastrophic events during the year as opposed to 2017.
- P&C and Asset Management segment holds promise to become important and non-risk exposed elements to the overall Group earnings profile over the relatively short term.
- The volatility in the Global equity market resulted in a net fair value loss of \$12MM in 2018 compared to an exceptional gain of \$246MM in 2017.
- Geographic distribution of revenue remained relatively constant, with approximately 50% earned in Trinidad & Tobago and other Caribbean.

Diluted Earnings Per Share (EPS):

GHL reported an EPS of \$0.70 in Q4 2018 bringing the total EPS for YE18 to \$2.30, up 31.43 per cent or \$0.55 per share on the corresponding period's EPS of \$1.75 in YE17. EPS recorded in YE 18 (\$2.30) and Q418 were the highest over the past six years.

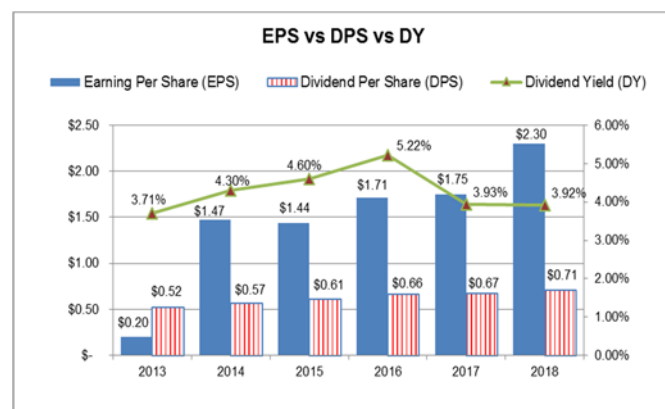
Dividend:

The Board of Directors declared a final dividend of \$0.48 per share which was the highest over the past six years. The final dividend will be paid on April 1, 2019 to shareholders on record as at March 18, 2019.

Dividend	Interim	Final	Total	Dividend Yield
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%

Diluted EPS	Q1	Q2	Q3	Q4	Total
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 Sector	December 30 Non-Banking Finance
Symbol on TTSE	GHL
Issued Share Capital	231.90MM
Market Capitalization	\$4.20B
Current Price (March 19, 2019)	\$18.25
52 Week Price Range	\$15.00 - \$19.00
Trailing EPS	\$2.30
Price to Earnings Multiple	8.26x
Current Book Value/Share	\$14.65
Price to Book	1.30x
Return on Equity	16.47%
Return on Assets	2.07%



Income Statement as at December 31, 2018

	YE18 \$'000	YE17 \$'000	\$ Change YE18 - YE17 \$'000	% Change YE18 - YE17	Change	YE16 \$'000
Gross written premiums	5,861,246	5,472,644	388,602	7.10%	↑	5,475,136
Net written premiums	4,164,210	3,926,948	237,262	6.04%	↑	4,011,462
Net income from insurance underwriting activities	863,300	403,099	460,201	114.17%	↑	612,654
Net income from investing activities	981,568	1,190,957	(209,389)	-17.58%	↓	1,027,706
Net income from brokerage activities	25,038	16,912	8,126	48.05%	↑	4,050
Net income from all activities	1,869,906	1,610,968	258,938	16.07%	↑	1,644,410
Net impairment losses on financial assets	(1,329)	(5,750)	(4,421)	-76.89%	↓	0
Operating expenses	(1,045,595)	(974,756)	70,839	7.27%	↑	(997,503)
Finance charges	(135,522)	(128,893)	6,629	5.14%	↑	(129,605)
Operating profit	687,460	501,569	185,891	37.06%	↑	517,302
Share of profit of associated companies	17,045	18,646	(1,601)	-8.59%	↓	3,285
Profit before taxation	704,505	520,215	184,290	35.43%	↑	520,587
Taxation	(164,632)	(109,924)	54,708	49.77%	↑	(130,149)
Profit after taxation	539,873	410,291	129,582	31.58%	↑	390,438
Amount attributable to participating policyholders	(4,693)	(1,142)	3,551	310.95%	↑	(15,552)
Net gain from discontinued operations	0	0				22,771
Profit for the period	535,180	409,149	133,133	32.54%	↑	397,657
Profit attributable to non-controlling interests	(1,269)	(2,540)	(1,271)	-50.04%	↓	(1,857)
Profit attributable to equity holders	533,911	406,609	127,302	31.31%	↑	395,800
EPS						
Basic	\$ 2.30	\$ 1.75	\$0.55	31.43%	↑	\$ 1.71

Balance Sheet as at December 31, 2018

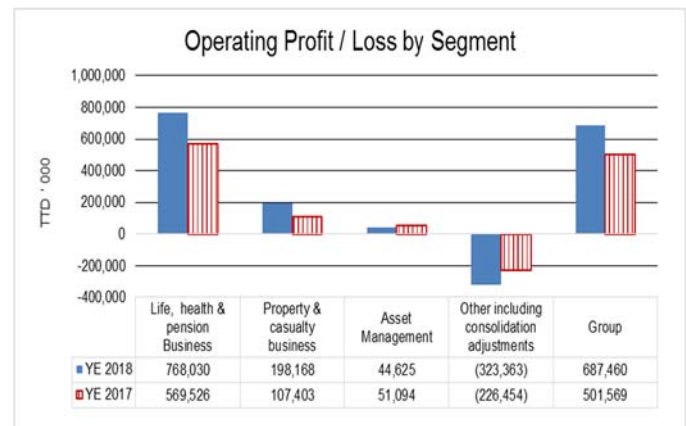
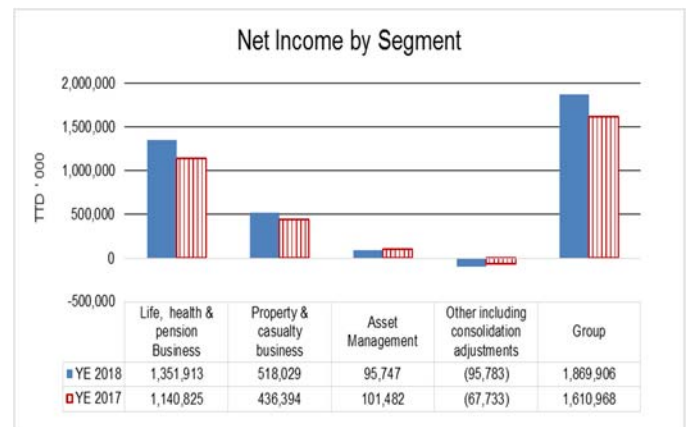
	YE18 \$'000	YE17 \$'000	\$ Change YE18 - YE17 \$'000	% Change YE18 - YE17	Change	YE16 \$'000
Total Assets	27,307,207	27,886,636	(579,429)	-2.08%	↓	24,252,292
Total Liabilities	23,886,575	24,563,751	(677,176)	-2.76%	↓	21,188,697
Total Equities	3,420,632	3,322,885	97,747	2.94%	↑	3,063,595
	27,307,207	27,886,636	(579,429)			24,252,292

Financials:

- Net Income from all activities closed at \$1.87B, up 16.07 per cent or \$258.93MM from YE17's total of \$1.61B.
- Profit Before Tax for YE18 stands at \$704.51MM, up 35.43 per cent or \$184.29MM from \$520.22MM in YE17.
- Profit attributable to equity holders totaled \$533.91MM in YE18 up 31.31 per cent or \$127.30MM from \$406.61MM in YE17.

- Total Assets decreased by 2.08 per cent or \$579.43MM to \$27.31B in YE18.
- Total Liabilities amounted to \$23.89B in YE18 and Total Equities was up by 2.94 per cent or \$97.75MM to close at \$3.42B.

The Life, Health & Pension segment continues to be the major contributor to the Group's Net Income and Operating Profit followed by Property & Casualty. The Asset Management segment held third place for both the Group's Net Income and Operating Profit.



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