

MEDIA RELEASE

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GHL J\$ bond issue retains ‘high creditworthiness’ ratings

Caribbean Information and Credit Rating Services Limited (CariCRIS) has reaffirmed the assigned rating of *CariAA-* (Foreign and Local Currency Ratings) on its regional scale, and *jmAAA* (Local Currency Rating) on the Jamaica national scale, to the J \$13.4 billion debt issue of Guardian Holdings Limited (GHL or the Company). The regional scale ratings indicate that the level of creditworthiness of this debt obligation, adjudged in relation to other obligations in the Caribbean is **high**. The Jamaica national scale rating indicates that the level of creditworthiness of the debt obligation compared to other debt obligations in Jamaica is the **highest**.

The ratings are supported by GHL’s moderate industry diversification and good market position, with a strong presence in the English and Dutch speaking Caribbean. GHL also has a history of good financial performance and adequate liquidity metrics which underpin its strong debt service capacity. The healthy financial position continues to be driven by the good performance of the Group’s operating subsidiaries. Further benefiting the ratings are the Group’s robust risk management systems that support the execution of strategic goals. These rating strengths are tempered by the structural subordination of GHL’s cash flows that may impact timely debt servicing and the current weak economic conditions in Trinidad and Tobago and Jamaica which expose the Group to downside risks.

CariCRIS has also maintained a **stable** outlook on the ratings. The stable outlook is premised on CariCRIS’ expectation that over the next 12 to 15 months GHL will continue to record good financial performance driven by the performance of the Group’s operating subsidiaries.

Rating Sensitivity Factors

Factors that could, individually or collectively, lead to an improvement in the ratings and/or outlook include:

- Expansion of the Group’s product and service offerings and/or improvements in operating efficiencies leading to a sustained increase in PAT of 10% or more for more than 2 years
- An improvement in the credit rating of the Government of The Republic of Trinidad and Tobago

Factors that could, individually or collectively, lead to a lowering of the ratings and/or outlook include:

- A fall in GHL's dividend receipts from the Group's subsidiaries leading to a fall in the cash flow adequacy ratio below 1 time sustained for 3 financial periods
- A lowering of the ratings of any of the Group's top 5 reinsurers
- A lowering of the credit rating of the Government of The Republic of Trinidad and Tobago
- Breach of covenants stipulated in the final term sheet/prospectus for the bond offering
- Re-emergence of regulatory constraints on dividends payable by GHL's major operating subsidiaries
- A material decline in the Group's loss ratio such that it negatively impacts the Group's overall financial performance

About the Company:

Guardian Holdings Limited (GHL or the Company), is a public limited liability holding company incorporated in Trinidad and Tobago in November 1982. GHL and its subsidiaries, known as "the Group", constitute a diversified financial services group with a focus on life, health, property and casualty insurance, pensions and asset management and is one of the largest insurance services providers in the Caribbean region. The Group's subsidiaries provide financial services through the production, distribution, and administration of insurance and investment products. There are three main business segments within the Group: Life, Health and Pensions (LHP), Property and Casualty Insurance (P&C) and Asset Management Services. The Group has exhibited steady growth over the years and currently serves markets in 21 countries across the English and Dutch speaking Caribbean, including Trinidad & Tobago, Barbados, Jamaica, Curacao, Aruba, St. Maarten and Bonaire. The Group's products and services are marketed and distributed throughout the Eastern Caribbean, the Bahamas, the Cayman Islands, the United States Virgin Islands and Belize.

The ultimate parent company of GHL is the NCB Financial Group (NCBFG) with 61.77% (143,326,379 ordinary shares)¹ shareholding as at September 2021. NCBFG is a financial conglomerate that provides a suite of financial products and services through its subsidiaries and associates across the Caribbean. The other major shareholders of GHL include large corporates across the Caribbean.

¹ On June 16, 2021, NCBFG disposed of 451,612 GHL ordinary shares to facilitate the listing of GHL on the Jamaica Stock Exchange



In September 2020, GHL acquired 100% of the insurance and annuities business of the NCB Insurance Company (NCBIC)². The acquisition was funded through the issue of a J \$13.4 billion unsecured, fixed rate bond in 5 tranches. Each tranche is serviced through quarterly interest payments and principal repayments by way of bullet payments upon maturity.

For more information on GHL's ratings, please visit www.caricris.com or contact:

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² NCBIC and GLL are domiciled in Jamaica. NCBIC is a provider of insurance, long-term investment, and pension services to individual and group clients