

**Condensed Unaudited Consolidated Interim Financial Statements of  
Colina Holdings Bahamas Limited  
Nine Months Ended September 30, 2019  
UNAUDITED**

## Message from the Chairman

Dear Shareholders,

The Board of Directors is pleased to present the Company's results for the nine months ended September 30, 2019.

Total net income for the period totalled \$12.1 million, compared with \$9.7 million during the same period in the prior year. Excluding preference share dividend distributions and non-controlling interests, net income attributable to the Company's ordinary shareholders was \$8.9 million or \$0.36 per ordinary share, compared to \$7.1 million or \$0.29 per ordinary share for the same period in the prior year.

Total revenues increased to \$138.7 million compared to \$127.1 million for the nine months ended September 30, 2018. The increase in revenues is attributed largely to an increase in net investment income which totalled \$32.9 million for this reporting period, up from \$20.6 million in the prior year. Premium revenues totalled \$99.2 million compared to \$101.3 million for the nine months ended September 30, 2018.

Benefits paid to policyholders totalled \$67.6 million for the 9 months ended September 30, 2019 compared to \$68.4 million for the same period in 2018. The Company has set aside additional policyholder reserves totalling \$20.2 million for the period, resulting in a provision for future policy benefits increasing to \$455.1 million through September 30, 2019.

The Company has increased its investment securities and other financial assets by \$24.3 million to \$453.3 million at September 30, 2019 from \$429.0 million at December 31, 2018. Total assets stand at \$791.6 million, compared to \$759.9 million as at December 31, 2018. Invested assets remain the largest proportion of our total assets, which at September 30, 2019 comprised 79.6% of total assets.

The Company's Board of Directors and executives remain deeply saddened by Hurricane Dorian's devastation. We continue to work diligently to assist impacted employees and policy owners. While our Grand Bahama business is fully operational, the Marsh Harbour office remains closed.

Restoration is an arduous and protracted process but the people of The Bahamas are resilient. We will get through these challenging times, together.



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Terence Hilts  
Chairman

**COLINA HOLDINGS BAHAMAS LIMITED**  
**Unaudited Consolidated Interim Statement of Financial Position**

As at September 30, 2019 with comparative figures as at December 31, 2018  
(Expressed in Bahamian dollars)

	<b>September 30, 2019</b>	<b>December 31, 2018</b>
<b>ASSETS</b>		
Cash and demand balances	\$ 42,883,927	\$ 43,474,899
Term deposits	4,486,801	17,568,907
Investment securities and other financial assets	453,275,063	429,020,638
Receivables and other assets	89,782,715	66,264,018
Policy loans	69,133,752	69,443,735
Mortgages and commercial loans	26,269,121	28,480,688
Investment properties	59,661,009	59,461,743
Equity-accounted investees	17,043,045	16,619,083
Property and equipment	13,965,508	14,179,640
Goodwill	13,065,819	13,065,819
Other intangible assets	1,996,951	2,344,722
<b>Total assets</b>	<b>\$ 791,563,711</b>	<b>\$ 759,923,892</b>
<b>LIABILITIES</b>		
Provision for future policy benefits	\$ 455,120,827	\$ 434,961,581
Policy dividends on deposit	27,838,858	27,901,230
Total policy liabilities	482,959,685	462,862,811
Repurchase agreement	14,000,000	14,000,000
Other liabilities	88,875,093	84,023,820
<b>Total liabilities</b>	<b>585,834,778</b>	<b>560,886,631</b>
<b>EQUITY</b>		
Ordinary shares	24,729,613	24,729,613
Share premium	5,960,299	5,960,299
Revaluation reserve	15,002,168	13,964,081
Retained earnings	91,626,436	88,149,601
Total ordinary shareholders' equity	137,318,516	132,803,594
Preference shares	42,500,000	42,500,000
Total shareholders' equity	179,818,516	175,303,594
Non-controlling interests	25,910,417	23,733,667
<b>Total equity</b>	<b>205,728,933</b>	<b>199,037,261</b>
<b>Total liabilities and equity</b>	<b>\$ 791,563,711</b>	<b>\$ 759,923,892</b>

The accompanying notes are an integral part of these consolidated financial statements.

**COLINA HOLDINGS BAHAMAS LIMITED**  
**Unaudited Consolidated Interim Statement of Income**

For the nine months ended September 30, 2019  
with comparative figures for the nine months ended September 30, 2018  
(Expressed in Bahamian dollars)

	<b>9 Months Ended September 30, 2019</b>	<b>9 Months Ended September 30, 2018</b>
<b>Revenues:</b>		
Premium revenue	\$ 99,168,720	\$ 101,297,420
Less: Reinsurance premiums	<u>10,510,295</u>	<u>10,338,020</u>
Net premium revenue	88,658,425	90,959,400
Net investment income	32,978,636	20,616,396
Share of net gain of associates	423,961	950,478
Net commission income	2,834,651	2,732,129
Investment management and other fees	10,838,434	9,681,419
Other income	<u>2,946,962</u>	<u>2,201,472</u>
Total revenues	<u>138,681,069</u>	<u>127,141,294</u>
<b>Benefits and expenses:</b>		
Policyholders' benefits	76,549,203	77,115,229
Less: Reinsurance recoveries	<u>8,974,914</u>	<u>8,716,692</u>
Net policyholders' benefits	67,574,289	68,398,537
Changes in provision for future policy benefits	20,159,246	9,822,901
General and administrative expenses	28,421,085	27,795,845
Commissions	6,184,996	6,826,614
Premium and other tax expense	2,736,018	2,761,916
Finance costs	886,240	854,834
Other expenses	<u>581,729</u>	<u>998,603</u>
Total benefits and expenses	<u>126,543,603</u>	<u>117,459,250</u>
<b>Net income for the period:</b>	<b><u>\$ 12,137,466</u></b>	<b><u>\$ 9,682,044</u></b>
Net income attributable to:		
Equity shareholders of the Company	\$ 10,750,164	\$ 8,952,749
Non-controlling interests	<u>1,387,302</u>	<u>729,295</u>
<b>Net income for the period</b>	<b><u>\$ 12,137,466</u></b>	<b><u>\$ 9,682,044</u></b>
<b>Basic earnings per ordinary share (Note 5)</b>	<b><u>\$ 0.36</u></b>	<b><u>\$ 0.29</u></b>

The accompanying notes are an integral part of these consolidated financial statements.

**COLINA HOLDINGS BAHAMAS LIMITED**  
**Unaudited Consolidated Interim Statement of Comprehensive Income**

For the nine months ended September 30, 2019  
with comparative figures for the nine months ended September 30, 2018  
(Expressed in Bahamian dollars)

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	<b>9 Months Ended September 30, 2019</b>	<b>9 Months Ended September 30, 2018</b>
<b>Net income for the period</b>	\$ 12,137,466	\$ 9,682,044
<b>Other comprehensive gains/(losses):</b>		
Change in available-for-sale financial assets	793,304	(2,202,532)
<b>Total comprehensive income for the period</b>	<b><u>\$ 12,930,770</u></b>	<b><u>\$ 7,479,512</u></b>
<b>Attributable to:</b>		
Equity shareholders of the Company	\$ 11,543,468	\$ 6,750,217
Non-controlling interests	1,387,302	729,295
<b>Total comprehensive income for the period</b>	<b><u>\$ 12,930,770</u></b>	<b><u>\$ 7,479,512</u></b>

The accompanying notes are an integral part of these consolidated financial statements.

**COLINA HOLDINGS BAHAMAS LIMITED**  
**Unaudited Consolidated Interim Statement of Income**

For the three months ended September 30, 2019  
with comparative figures for the three months ended September 30, 2018  
(Expressed in Bahamian dollars)

	<b>3 Months Ended September 30, 2019</b>	<b>3 Months Ended September 30, 2018</b>
<b>Revenues:</b>		
Premium revenue	\$ 33,885,448	\$ 33,803,613
Less: Reinsurance premiums	3,694,974	3,688,036
Net premium revenue	30,190,474	30,115,577
Net investment income	11,429,148	8,036,383
Share of net gain of associates	566,127	386,793
Net commission income	868,122	760,097
Investment management and other fees	3,539,545	3,202,889
Other income	1,098,435	484,950
Total revenues	<u>47,691,851</u>	<u>42,986,689</u>
<b>Benefits and expenses:</b>		
Policyholders' benefits	25,199,349	24,323,590
Less: Reinsurance recoveries	1,831,059	1,614,113
Net policyholders' benefits	23,368,290	22,709,477
Changes in provision for future policy benefits	8,043,091	4,339,073
General and administrative expenses	9,576,196	9,216,936
Commissions	2,121,357	2,365,876
Premium and other tax expense	922,087	918,502
Finance costs	293,917	283,015
Other expenses	176,612	336,623
Total benefits and expenses	<u>44,501,550</u>	<u>40,169,502</u>
<b>Net income for the period:</b>	<b><u>\$ 3,190,301</u></b>	<b><u>\$ 2,817,187</u></b>
Net income attributable to:		
Equity shareholders of the Company	\$ 2,947,470	\$ 2,407,247
Non-controlling interests	242,831	409,940
<b>Net income for the period</b>	<b><u>\$ 3,190,301</u></b>	<b><u>\$ 2,817,187</u></b>
<b>Basic earnings per share (Note 5)</b>	<b><u>\$ 0.09</u></b>	<b><u>\$ 0.07</u></b>

The accompanying notes are an integral part of these consolidated financial statements.

**COLINA HOLDINGS BAHAMAS LIMITED**  
**Unaudited Consolidated Interim Statement of Comprehensive Income**

For the three months ended September 30, 2019  
with comparative figures for the three months ended September 30, 2018  
(Expressed in Bahamian dollars)

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	<b>3 Months Ended September 30, 2019</b>	<b>3 Months Ended September 30, 2018</b>
<b>Net income for the period</b>	\$ 3,190,301	\$ 2,817,187
<b>Other comprehensive gains:</b>		
Change in available-for-sale financial assets	782,750	51,247
<b>Total comprehensive income for the period</b>	<b><u>\$ 3,973,051</u></b>	<b><u>\$ 2,868,434</u></b>
Attributable to:		
Equity shareholders of the Company	\$ 3,730,220	\$ 2,458,494
Non-controlling interests	242,831	409,940
<b>Total comprehensive income for the period</b>	<b><u>\$ 3,973,051</u></b>	<b><u>\$ 2,868,434</u></b>

The accompanying notes are an integral part of these consolidated financial statements.

**COLINA HOLDINGS BAHAMAS LIMITED**  
**Unaudited Consolidated Statement of Changes in Equity**

For the nine months ended September 30, 2019  
with comparative figures for the nine months ended September 30, 2018  
(Expressed in Bahamian dollars)

	Ordinary Share Capital	Share Premium	Revaluation Reserve	Preference Share Capital	Retained Earnings	Non-controlling Interests	Total Equity
Balance, January 1, 2018	\$ 24,729,613	\$ 5,960,299	\$ 15,228,318	\$ 42,500,000	\$ 83,741,479	\$ 22,172,296	\$ 194,332,005
Net loss on remeasurement of available-for-sale securities to fair value	-	-	(2,202,532)	-	-	-	(2,202,532)
Reclassification during the year to profit and loss	-	-	90,696	-	-	-	90,696
Net income for the period	-	-	-	-	8,952,749	729,295	9,682,044
Changes in non-controlling interests	-	-	-	-	-	415,765	415,765
Ordinary share dividends	-	-	-	-	(5,440,515)	-	(5,440,515)
Preference share dividends	-	-	-	-	(1,832,814)	-	(1,832,814)
Balance, September 30, 2018	<u>\$ 24,729,613</u>	<u>\$ 5,960,299</u>	<u>\$ 13,116,482</u>	<u>\$ 42,500,000</u>	<u>\$ 85,420,899</u>	<u>\$ 23,317,356</u>	<u>\$ 195,044,649</u>
Balance, January 1, 2019	\$ 24,729,613	\$ 5,960,299	\$ 13,964,081	\$ 42,500,000	\$ 88,149,601	\$ 23,733,667	\$ 199,037,261
Net gain on remeasurement of available-for-sale securities to fair value	-	-	793,304	-	-	-	793,304
Reclassification during the year to profit and loss	-	-	244,783	-	-	-	244,783
Net income for the period	-	-	-	-	10,750,164	1,387,302	12,137,466
Changes in non-controlling interests	-	-	-	-	-	789,448	789,448
Ordinary share dividends	-	-	-	-	(5,440,515)	-	(5,440,515)
Preference share dividends	-	-	-	-	(1,832,814)	-	(1,832,814)
Balance, September 30, 2019	<u>\$ 24,729,613</u>	<u>\$ 5,960,299</u>	<u>\$ 15,002,168</u>	<u>\$ 42,500,000</u>	<u>\$ 91,626,436</u>	<u>\$ 25,910,417</u>	<u>\$ 205,728,933</u>

The accompanying notes are an integral part of these consolidated financial statements.



**COLINA HOLDINGS BAHAMAS LIMITED**  
**Unaudited Consolidated Statement of Cash Flows**

For the nine months ended September 30, 2019  
with comparative figures for the nine months ended September 30, 2018  
(Expressed in Bahamian dollars)

	<b>9 Months Ended September 30, 2019</b>	<b>9 Months Ended September 30, 2018</b>
<b>Cash flows from operating activities:</b>		
Net income	\$ 12,137,466	\$ 9,682,044
Adjustments to reconcile net income to net cash used in operating activities:		
Change in unrealized (gain)/loss on fair value through income securities	(7,310,545)	3,469,251
Increase in provision for future policy benefits	20,159,246	9,822,901
Changes in loss provisions for loans and receivables	522,729	1,595,797
Depreciation and amortization charges	910,635	707,770
Net realized loss on fair value through income securities	192,453	34,256
Interest income	(26,160,474)	(24,426,833)
Dividend income	(1,707,647)	(1,642,195)
Operating cash flows before changes in operating assets and liabilities	(1,256,137)	(757,009)
Changes in operating assets and liabilities:		
Increase in other assets	(24,326,478)	(7,754,647)
Increase in other liabilities	7,782,608	9,460,585
Net cash (used in)/provided by operating activities	(17,800,007)	948,929

(Continued)

The accompanying notes are an integral part of these consolidated financial statements.

**COLINA HOLDINGS BAHAMAS LIMITED**  
**Unaudited Consolidated Statement of Cash Flows**

For the nine months ended September 30, 2019  
with comparative figures for the nine months ended September 30, 2018  
(Expressed in Bahamian dollars)

	<b>9 Months Ended September 30, 2019</b>	<b>9 Months Ended September 30, 2018</b>
<b>Cash flows from investing activities:</b>		
Changes in non-controlling interests	789,448	415,765
Decrease/(increase) in term deposits with original maturities greater than 90 days	13,082,105	(1,380,751)
Fair value through income securities purchased	(38,995,389)	(27,936,334)
Proceeds on disposal of fair value through income securities	22,853,375	14,967,995
Available-for-sale securities purchased	(38,680,201)	(40,004,216)
Proceeds on disposal of available-for-sale securities	38,723,970	8,451,368
Repayment on loan to SBL Ltd.	2,058,675	2,033,746
Decrease in loans to policyholders	610,231	111,910
Disposal of investment property	(199,266)	(250,650)
Net change in mortgage and commercial loans	1,811,183	3,306,332
Interest received	24,063,025	21,435,536
Dividends received	1,707,647	1,642,195
Additions to property and equipment	(348,732)	(401,512)
Net cash provided by/(used in) investing activities	<u>27,476,071</u>	<u>(17,608,616)</u>
<b>Cash flows used in financing activities:</b>		
Dividends to ordinary shareholders	(5,440,515)	(5,440,515)
Dividends to preference shareholders	(1,832,814)	(1,832,814)
Repayments on borrowings	(4,081,222)	(2,016,791)
Net cash used in financing activities	<u>(11,354,551)</u>	<u>(9,290,120)</u>
Net decrease in cash and cash equivalents	(1,678,487)	(25,949,807)
Cash and cash equivalents, beginning of period	<u>41,988,547</u>	<u>52,432,068</u>
<b>Cash and cash equivalents, end of period (Note 3)</b>	<b><u>\$ 40,310,060</u></b>	<b><u>\$ 26,482,261</u></b>

(Concluded)

The accompanying notes are an integral part of these consolidated financial statements.

**COLINA HOLDINGS BAHAMAS LIMITED**  
**Selected Explanatory Notes to the Unaudited Consolidated Financial Statements**

For the period ended September 30, 2019  
(Expressed in Bahamian dollars)

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**1. General Information**

Colina Holdings Bahamas Limited (“the Company”) was incorporated under the laws of the Commonwealth of The Bahamas on July 6, 1993.

The Company acts principally as a holding company of its principal subsidiaries, Colina Insurance Limited (“Colina”), a wholly-owned life and health insurer incorporated in The Bahamas; Colina General Insurance Agency & Brokers Limited (“CGIA”), a wholly-owned general insurance agent and broker; and Colina Financial Advisors Ltd. (“CFAL”), a wholly-owned financial services company.

Colina is registered to operate as a life and health insurer in The Bahamas, The Cayman Islands, and The Turks and Caicos Islands. CGIA holds a dual registration as a general insurance broker and agent for operations in The Bahamas. CFAL is licensed as a broker dealer in The Bahamas.

The ordinary shares of the Company are listed on the Bahamas International Securities Exchange. At September 30, 2019 approximately 58.1% (2018: 58.1%) of the Company's issued ordinary shares were owned by AF Holdings Ltd. (“AFH”) and 41.9% (2018: 41.9%) by the Bahamian public.

The registered office of the Company is located at Trinity Place Annex, Frederick and Shirley Streets, P.O. Box N-4805, Nassau, The Bahamas and its principal place of business is located at 308 East Bay Street, P.O. Box N-4728, Nassau, The Bahamas.

**2. Significant Accounting Policies**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) for interim financial information. Accordingly, they do not include all of the information and footnotes required by IFRS for complete financial statements. In the opinion of management, these unaudited condensed consolidated financial statements reflect all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the Company’s financial position and results of operations as at the end of and for the periods presented. All significant intercompany accounts and transactions have been eliminated from these statements. The preparation of unaudited condensed consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**COLINA HOLDINGS BAHAMAS LIMITED**  
**Selected Explanatory Notes to the Unaudited Consolidated Financial Statements**

For the period ended September 30, 2019  
(Expressed in Bahamian dollars)

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**3. Cash and Cash Equivalents**

For the purposes of the consolidated statement of cash flows, cash and cash equivalents are comprised of the following:

	<b>September 30, 2019</b>	<b>September 30, 2018</b>
Term deposits	\$ 4,486,801	\$ 51,921,806
Less: Deposits with original maturities of greater than 90 days	<u>(4,214,045)</u>	<u>(51,649,049)</u>
Short-term deposits	272,756	272,757
Cash and demand balances	42,883,927	26,674,987
Less: Bank overdraft	<u>(2,846,623)</u>	<u>(465,483)</u>
Total cash and cash equivalents	<u>\$ 40,310,060</u>	<u>\$ 26,482,261</u>

**4. Invested Assets**

	<b>September 30, 2019</b>	<b>December 31, 2018</b>
Term deposits	4,486,801	17,568,907
Investment securities and other financial assets	453,275,063	429,020,638
Mortgages and commercial loans	26,269,121	28,480,688
Policy loans	69,133,752	69,443,735
Investment properties	59,661,009	59,461,743
Equity-accounted investees	17,043,045	16,619,083
Total invested assets	<u>\$ 629,868,791</u>	<u>\$ 620,594,794</u>

**COLINA HOLDINGS BAHAMAS LIMITED**  
**Selected Explanatory Notes to the Unaudited Consolidated Financial Statements**

For the period ended September 30, 2019  
(Expressed in Bahamian dollars)

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**5. Basic Earnings Per Ordinary Share**

Basic earnings per ordinary share is calculated by dividing net income attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares issued and outstanding during the period, excluding ordinary shares of the Company acquired by Colina held as treasury shares.

	<b>9 Months Ended September 30, 2019</b>	<b>9 Months Ended September 30, 2018</b>
Net income attributable to equity shareholders	\$ 10,750,164	\$ 8,952,749
Net income attributable to ordinary shareholders	<u>\$ 8,917,350</u>	<u>\$ 7,119,935</u>
Weighted average number of ordinary shares outstanding	24,729,613	24,729,613
Basic earnings per ordinary share	<u>\$ 0.36</u>	<u>\$ 0.29</u>
	<b>3 Months Ended September 30, 2019</b>	<b>3 Months Ended September 30, 2018</b>
Net income attributable to equity shareholders	\$ 2,947,470	\$ 2,407,247
Net income attributable to ordinary shareholders	<u>\$ 2,336,532</u>	<u>\$ 1,796,309</u>
Weighted average number of ordinary shares outstanding	24,729,613	24,729,613
Basic earnings per ordinary share	<u>\$ 0.09</u>	<u>\$ 0.07</u>

Dividends to the Company's shareholders are recognized as a liability in the period in which they are declared by the Board of Directors. Dividends paid by the Company to ordinary shareholders in the period totalled \$5,440,515 (\$0.22 per share) (2018: \$5,440,515 (\$0.22 per share)).

Dividends paid by the Company to the Class "A" preference shareholders during the period totalled \$1,832,814 (2018: \$1,832,814).

The Company does not have any dilutive shares.