

**Condensed Unaudited Consolidated Interim Financial Statements of
Colina Holdings Bahamas Limited
Three Months Ended March 31, 2022
UNAUDITED**

Message from the Chairman

Dear Shareholders,

For the three months ended March 31, 2022, the Company recorded net income attributable to ordinary shareholders of \$2.9 million or \$0.12 per ordinary share. During the same period in 2021, the net income attributable to ordinary shareholders was \$4.5 million or \$0.18 per ordinary share.

Comprehensive income attributable to the ordinary shareholders totalled \$2.7 million or \$0.11 per ordinary share for the first quarter of 2022, an increase of \$0.6 million in comparison to the quarter ended March 31, 2021 which reflected comprehensive income for the ordinary shareholders of \$2.1 million or \$0.08 per share.

Net investment income totals \$4.6 million for the 3 months ended March 31, 2022 compared to \$8.0 million for the same period in the prior year. Net investment income decreased due to mark to market unrealized losses on certain investment securities.

Premium revenues total \$43.2 million for the 3 months ended March 31, 2022, increasing over the prior year's gross written premiums of \$31.7 million. Premium revenue growth is attributed to new lines of medical and general insurance business in 2022. The new lines of business have had a modest impact on net policyholder benefits which totalled \$23.7 million for the first quarter of 2022, an increase compared to the \$21.3 million experienced for the same period in 2021.

Additional net reserves of \$5.5 million were booked during the period. These additional reserves are included in the provision for future policy benefits net of the changes in reinsurance assets at March 31, 2022.

During the period, the Company received some significant repayments of certain of its receivable balances which resulted in the large cash balances held at quarter end. These assets are expected to be largely redirected towards investment purchases aligned with the Company's long-term investment strategy through the balance of the year.

Total assets at March 31, 2022 were \$850.3 million with invested assets remaining the largest component of total assets, comprising 70.0% of total assets.

Shareholders' equity as at March 31, 2022 totalled \$199.9 million and is net of the first quarter dividend distribution to the Class "A" preference shareholders totalling \$0.6 million.

Generally, the Company's financials are a reflection of ongoing recovery from the pandemic, most notably the positive economic effects of the reopening of The Bahamas. CHBL continues to concentrate on strategies that will strengthen its balance sheet and capital position to provide the Company with the flexibility necessary to consistently meet the needs of policyholders and customers within these shifting economic conditions.



Terence Hilts
Chairman

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

At March 31, 2022 with corresponding figures as at December 31, 2021
(Expressed in Bahamian dollars)

	Notes	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
ASSETS			
Cash and demand balances	3	\$ 92,870,990	\$ 31,923,719
Term deposits	3,4	7,450,539	7,450,539
Investment securities and other financial assets	4	428,779,012	431,662,321
Receivables and other assets		99,527,706	122,594,451
Reinsurance receivables		16,697,949	24,162,470
Reinsurance asset		18,779,639	18,423,301
Policy loans	4	65,360,761	66,128,152
Mortgages and commercial loans	4	19,046,561	19,711,150
Investment properties	4	58,591,449	58,458,824
Equity-accounted investees	4	15,578,520	15,471,354
Property and equipment		19,262,450	19,304,546
Goodwill		6,418,337	6,418,337
Other intangible assets		1,920,501	2,152,898
Total assets		<u>\$ 850,284,414</u>	<u>\$ 823,862,062</u>
LIABILITIES			
Provision for future policy benefits		\$ 485,170,874	\$ 479,304,732
Policy dividends on deposit		28,227,298	28,397,049
Total policy liabilities		513,398,172	507,701,781
Lease liabilities		3,118,902	3,246,348
Other liabilities		110,742,895	95,401,043
Total liabilities		<u>627,259,969</u>	<u>606,349,172</u>
EQUITY			
Ordinary shares		24,729,613	24,729,613
Share premium		5,960,299	5,960,299
Revaluation reserve		3,415,794	3,704,969
Retained earnings		123,329,220	120,364,345
Total ordinary shareholders' equity		157,434,926	154,759,226
Preference shares		42,500,000	42,500,000
Total shareholders' equity		199,934,926	197,259,226
Non-controlling interests		23,089,519	20,253,664
Total equity		<u>223,024,445</u>	<u>217,512,890</u>
Total liabilities and equity		<u>\$ 850,284,414</u>	<u>\$ 823,862,062</u>

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

COLINA HOLDINGS BAHAMAS LIMITED
Condensed Unaudited Statement of Profit or Loss and Other Comprehensive Income

For the three months ended March 31, 2022
with corresponding figures for the three months ended March 31, 2021
(Expressed in Bahamian dollars)

	Notes	3 Months Ended March 31 2022	3 Months Ended March 31 2021
Revenues:			
Premium revenue		\$ 43,237,218	\$ 31,746,718
Less: Reinsurance premiums		<u>8,148,014</u>	<u>3,978,725</u>
Net premium revenue		35,089,204	27,767,993
Net investment income		4,629,599	8,028,491
Share of net gain of associates		107,166	200,126
Net commission income		1,049,075	1,110,662
Investment management and other fees		3,631,677	3,594,532
Other income and fees		<u>1,494,352</u>	<u>1,272,130</u>
Total revenues		<u>46,001,073</u>	<u>41,973,934</u>
Benefits and expenses:			
Policyholders' benefits		28,422,824	25,351,348
Less: Reinsurance recoveries		<u>4,727,908</u>	<u>4,056,769</u>
Net policyholders' benefits		23,694,916	21,294,579
Changes in provision for future policy benefits		5,509,804	2,946,608
General and administrative expenses		9,216,735	9,503,467
Commission expense		2,478,209	1,834,722
Premium and other tax expense		1,431,473	1,166,684
Finance costs and interest		319,679	280,396
Other expenses		<u>224,774</u>	<u>300,896</u>
Total benefits and expenses		<u>42,875,590</u>	<u>37,327,352</u>
Net income for the period:		<u>\$ 3,125,483</u>	<u>\$ 4,646,582</u>
Net income attributable to:			
Equity shareholders of the Company		\$ 3,575,812	\$ 4,549,310
Non-controlling interests		<u>(450,329)</u>	<u>97,272</u>
Net income for the period		<u>\$ 3,125,483</u>	<u>\$ 4,646,582</u>
Basic earnings per ordinary share	5	<u>\$ 0.12</u>	<u>\$ 0.18</u>

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

COLINA HOLDINGS BAHAMAS LIMITED
Condensed Unaudited Statement of Profit or Loss and Other Comprehensive Income

For the three months ended March 31, 2022
with corresponding figures for the three months ended March 31, 2021
(Expressed in Bahamian dollars)

	Notes	3 Months Ended March 31 2022	3 Months Ended March 31 2021
Net income for the period		\$ 3,125,483	\$ 4,646,582
Other comprehensive gains/(losses):			
Items that are or will be subsequently be reclassified to profit or loss:			
Reclassification during the year to profit or loss		-	3,397
Share of OCI of Equity-Accounted Investees		-	(18,167)
Change in available-for-sale financial assets from unrealized available-for-sale net gains		<u>(289,175)</u>	<u>(2,452,166)</u>
Other comprehensive expense for the period		<u>(289,175)</u>	<u>(2,466,936)</u>
Total comprehensive income for the period		<u>\$ 2,836,308</u>	<u>\$ 2,179,646</u>
Attributable to:			
Equity shareholders of the Company		\$ 3,286,637	\$ 2,082,374
Non-controlling interests		<u>(450,329)</u>	<u>97,272</u>
Total comprehensive income for the period		<u>\$ 2,836,308</u>	<u>\$ 2,179,646</u>
Comprehensive earnings per ordinary share	5	<u>\$ 0.11</u>	<u>\$ 0.08</u>

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

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

For the three months ended March 31, 2022
with corresponding figures for the three months ended March 31, 2021
(Expressed in Bahamian dollars)

	Notes	Ordinary Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Preference Share Capital	Non-controlling Interests	Total Equity
Balance, January 1, 2021		\$ 24,729,613	\$ 5,960,299	\$ 3,765,161	\$ 102,530,695	\$ 42,500,000	\$ 20,351,314	\$ 199,837,082
Net loss on remeasurement of available-for-sale securities to fair value		-	-	(2,452,166)	-	-	-	(2,452,166)
Net fair value gain transferred to income on disposal of available-for-sale securities		-	-	3,397	-	-	-	3,397
Share of OCI of Equity-Accounted Investees		-	-	(18,167)	-	-	-	(18,167)
Net income for the period		-	-	-	4,549,310	-	97,272	4,646,582
Balance, March 31, 2021		<u>\$ 24,729,613</u>	<u>\$ 5,960,299</u>	<u>\$ 1,298,225</u>	<u>\$ 107,080,005</u>	<u>\$ 42,500,000</u>	<u>\$ 20,448,586</u>	<u>\$ 202,016,728</u>
Balance, January 1, 2022		\$ 24,729,613	\$ 5,960,299	\$ 3,704,969	\$ 120,364,345	\$ 42,500,000	\$ 20,253,664	\$ 217,512,890
Net loss on remeasurement of available-for-sale securities to fair value		-	-	(289,175)	-	-	-	(289,175)
Changes in non-controlling interests		-	-	-	-	-	3,286,184	3,286,184
Net income for the period		-	-	-	3,575,812	-	(450,329)	3,125,483
Preference share dividend	5	-	-	-	(610,937)	-	-	(610,937)
Balance, March 31, 2022		<u>\$ 24,729,613</u>	<u>\$ 5,960,299</u>	<u>\$ 3,415,794</u>	<u>\$ 123,329,220</u>	<u>\$ 42,500,000</u>	<u>\$ 23,089,519</u>	<u>\$ 223,024,445</u>

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

COLINA HOLDINGS BAHAMAS LIMITED
Condensed Unaudited Consolidated Statement of Cash Flows

For the three months ended March 31, 2022
with corresponding figures for the three months ended March 31, 2021
(Expressed in Bahamian dollars)

	Notes	3 Months Ended March 31 2022	3 Months Ended March 31 2021
Cash flows from operating activities:			
Net income		\$ 3,125,483	\$ 4,646,582
Adjustments to reconcile net income to net cash used in operating activities:			
Change in unrealized loss on fair value through income securities		4,065,469	698,901
Increase in provision for future policy benefits net of reinsurance assets		5,509,805	2,946,608
Changes in loss provisions for loans and receivables		168,966	546,909
Depreciation and impairment/amortization charges		274,493	696,563
Net realized loss/(gains) on sale of available-for-sale securities		26,136	(199,641)
Interest income		(9,488,681)	(9,265,326)
Dividend income		(363,359)	(320,843)
Finance costs		<u>-</u>	<u>581,292</u>
Operating cash flows before changes in operating assets and liabilities		3,318,312	331,045
Changes in operating assets and liabilities:			
Decrease/(increase) in other assets		35,228,667	(14,089,984)
Increase in other liabilities		<u>12,841,011</u>	<u>7,350,521</u>
Net cash provided by/(used in) operating activities		<u>51,387,990</u>	<u>(6,408,418)</u>

(Continued)

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

COLINA HOLDINGS BAHAMAS LIMITED
Condensed Unaudited Consolidated Statement of Cash Flows

For the three months ended March 31, 2022
with corresponding figures for the three months ended March 31, 2021
(Expressed in Bahamian dollars)

	3 Months Ended March 31 2022	3 Months Ended March 31 2021
Cash flows from investing activities:		
Decrease in term deposits with original maturities greater than 90 days	-	5,947,560
Fair value through income securities purchased	(12,590,103)	(666,841)
Proceeds on disposal of fair value through income securities	7,076,003	1,819,877
Available-for-sale securities purchased	(1,573,807)	(3,952,597)
Proceeds on disposal of available-for-sale securities	5,590,436	17,536,005
Reclassification during the year to profit or loss	-	3,397
Change in loans to policyholders	772,376	323,707
Additions to investment property	(132,615)	-
Net change in mortgage and commercial loans	750,068	581,510
Interest received	6,755,763	6,521,140
Dividends received	363,359	320,843
Additions to other intangible assets	-	(688,672)
Net cash provided by investing activities	<u>7,011,480</u>	<u>27,745,929</u>
Cash flows used in financing activities:		
Changes in non-controlling interests	3,286,184	-
Interest on other contracts	-	(525,452)
Dividend to preference shareholders	(610,937)	-
Repayments of lease liabilities	(127,446)	(412,697)
Net cash provided by/(used in) financing activities	<u>2,547,801</u>	<u>(938,149)</u>
Net increase in cash and cash equivalents	60,947,271	20,399,362
Cash and cash equivalents, beginning of period	<u>34,439,108</u>	<u>33,984,653</u>
Cash and cash equivalents, end of period	3 <u><u>\$ 95,386,379</u></u>	<u><u>\$ 54,384,015</u></u>

(Concluded)

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

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

For the period ended March 31, 2022
(Expressed in Bahamian dollars)

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 Agents & 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 March 31, 2022 approximately 58.1% (2021: 58.1%) of the Company's issued ordinary shares were owned by AF Holdings Ltd. (“AFH”) and 41.9% (2021: 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.

3. Cash and Cash Equivalents

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

	March 31, 2022	March 31, 2021
Term deposits	\$ 7,450,539	\$ 14,999,706
Less: Deposits with original maturities of greater than 90 days	<u>(4,935,150)</u>	<u>(6,999,706)</u>
Short-term deposits	2,515,389	8,000,000
Cash and demand balances	<u>92,870,990</u>	<u>46,384,015</u>
Total cash and cash equivalents	<u>\$ 95,386,379</u>	<u>\$ 54,384,015</u>

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

For the period ended March 31, 2022
(Expressed in Bahamian dollars)

4. Invested Assets

	March 31, 2022	December 31, 2021
Term deposits	\$ 7,450,539	\$ 7,450,539
Investment securities and other financial assets	428,779,012	431,662,321
Mortgages and commercial loans	19,046,561	19,711,150
Policy loans	65,360,761	66,128,152
Investment properties	58,591,449	58,458,824
Equity-accounted investees	15,578,520	15,471,354
Total invested assets	<u>\$ 594,806,842</u>	<u>\$ 598,882,340</u>

5. Earnings Per Share and Dividends Per 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. There were no treasury shares held by Colina as at March 31, 2022 (March 31, 2021: nil).

	3 Months Ended March 31, 2022	3 Months Ended March 31, 2021
Net income attributable to equity shareholders	<u>\$ 3,575,812</u>	<u>\$ 4,549,310</u>
Net income attributable to ordinary shareholders	<u>\$ 2,964,875</u>	<u>\$ 4,549,310</u>
<i>Weighted average number of ordinary shares outstanding</i>	24,729,613	24,729,613
Basic earnings per ordinary share	<u>\$ 0.12</u>	<u>\$ 0.18</u>
	3 Months Ended March 31, 2022	3 Months Ended March 31, 2021
Comprehensive income attributable to equity shareholders	<u>\$ 3,286,637</u>	<u>\$ 2,082,374</u>
Comprehensive income attributable to ordinary shareholders	<u>\$ 2,675,700</u>	<u>\$ 2,082,374</u>
<i>Weighted average number of ordinary shares outstanding</i>	24,729,613	24,729,613
Comprehensive earnings per ordinary share	<u>\$ 0.11</u>	<u>\$ 0.08</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. For the period ended March 31, 2022, there were no dividends paid or accrued by the Company to ordinary shareholders in the period (March 31, 2021: nil). Dividends paid or accrued by the Company to the Class "A" preference shareholders during the period totalled \$610,937 (March 31, 2021: nil).

The Company does not have any dilutive shares.

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

For the period ended March 31, 2022
(Expressed in Bahamian dollars)

6. Other Subsequent Events

Dividend declared for Ordinary Shareholders

The Board of Directors, by resolution dated April 20, 2022, authorized the payment of an ordinary dividend of \$0.16 per share for all issued and outstanding Class "A" Ordinary Shareholders of record on May 31, 2022.