

**Condensed Unaudited Consolidated Interim Financial Statements of  
Colina Holdings Bahamas Limited  
Six Months Ended June 30, 2020  
UNAUDITED**

Dear Shareholders,

For the six months ended June 30, 2020, the Company recorded net income attributable to ordinary shareholders of \$3.6 million or \$0.15 per ordinary share. This compares to net income attributable to ordinary shareholders of \$6.6 million and \$0.27 per ordinary share for the same period in 2019. The Company's results continue to be significantly impacted by mark-to-market price adjustments on its investment securities.

These mark-to-market revaluation losses were reflected in net investment income which has decreased to \$0.9 million compared to \$21.5 million in the prior year. Additional fair value losses were recognized through the revaluation reserve on investment securities classified as available for sale totalling \$7.8 million. The Company ensures that as part of its long-term strategy, that it maintains a strong capital base to withstand these interim periods of price volatility.

The mark-to-market revaluation adjustments affecting net investment income is the primary driver for the reduction in total revenues which totalled \$63.5 million for the 6 months ended June 30, 2020 compared to \$90.9 million in the prior year. Gross premium revenues through June 30, 2020 were down \$4.2 million as new business and renewal premiums were challenged by the effects of the ongoing pandemic. Net premium revenues through June 30, 2020 totalled \$53.5 million compared to \$58.5 million for the same period in 2019.

The decrease in revenues was offset slightly by a reduction in claims experience with net policyholder benefits totalling \$39.1 million for the 6 months ended June 30, 2020 compared to \$44.2 million in the prior year. Additionally, offsetting the impact of the negative investment returns is a release of provisions for future policyholder benefits totalling \$7.0 million compared to an increase in reserves in the prior year totalling \$12.1 million.

The mark-to-market adjustments reflected in the income statement and revaluation reserve have affected the investment securities balance at June 30, 2020 which totals \$434.8 million, a decrease from \$445.8 million at December 31, 2019. Total assets at March 31, 2020 were \$778.2 million with invested assets remaining the largest component of total assets comprising 78.1% of total assets.

On July 13, 2020 the Company held its Annual General Meeting where the shareholders ratified the Board of Directors' approval for the payment of a \$0.16 dividend per share totalling \$3.9 million to the Class "A" ordinary shareholders in respect of the Company's 2019 performance. This dividend along with Class "A" preference dividend distributions in respect of Q1 and Q2 are reflected in shareholders' equity.

Overall, we are pleased that the Company continues to have the strong balance sheet to weather income statement volatility, particularly during these times of economic changes and uncertainty. We remain focused on ensuring that the Company's capital base remains sufficiently strong to meet its obligations to its policyholders and shareholders.



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Terence Hilts  
Chairman

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

As at June 30, 2020 with comparative figures as at December 31, 2019  
(Expressed in Bahamian dollars)

	June 30, 2020	December 31, 2019
<b>ASSETS</b>		
Cash and demand balances	\$ 54,796,991	\$ 44,330,366
Term deposits	4,515,690	5,170,577
Investment securities and other financial assets	434,796,654	445,753,030
Receivables and other assets	84,869,258	94,542,220
Policy loans	69,158,085	69,614,153
Mortgages and commercial loans	24,739,352	25,330,141
Investment properties	59,036,401	59,036,402
Equity-accounted investees	15,270,800	17,532,501
Property and equipment	16,306,176	17,028,963
Goodwill	13,065,819	13,065,819
Other intangible assets	1,649,180	1,881,027
<b>Total assets</b>	<b>\$ 778,204,406</b>	<b>\$ 793,285,199</b>
<b>LIABILITIES</b>		
Provision for future policy benefits	\$ 451,587,486	\$ 458,614,942
Policy dividends on deposit	28,427,556	28,035,994
Total policy liabilities	480,015,042	486,650,936
Repurchase agreement	-	7,000,000
Loans and other borrowings	1,518,871	4,167,356
Other liabilities	92,021,700	83,020,960
<b>Total liabilities</b>	<b>573,555,613</b>	<b>580,839,252</b>
<b>EQUITY</b>		
Ordinary shares	24,729,613	24,729,613
Share premium	5,960,299	5,960,299
Revaluation reserve	6,137,758	13,902,509
Retained earnings	96,923,640	97,272,149
Total ordinary shareholders' equity	133,751,310	141,864,570
Preference shares	42,500,000	42,500,000
Total shareholders' equity	176,251,310	184,364,570
Non-controlling interests	28,397,483	28,081,377
<b>Total equity</b>	<b>204,648,793</b>	<b>212,445,947</b>
<b>Total liabilities and equity</b>	<b>\$ 778,204,406</b>	<b>\$ 793,285,199</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 six months ended June 30, 2020  
with comparative figures for the six months ended June 30, 2019  
(Expressed in Bahamian dollars)

	<b>6 Months Ended June 30, 2020</b>	<b>6 Months Ended June 30, 2019</b>
<b>Revenues:</b>		
Premium revenue	\$ 61,069,583	\$ 65,283,272
Less: Reinsurance premiums	7,609,815	6,815,321
Net premium revenue	53,459,768	58,467,951
Net investment income	972,883	21,549,488
Share of net loss of associates	(2,261,702)	(142,166)
Net commission income	2,010,194	1,966,529
Investment management and other fees	7,376,707	7,298,889
Other income and fees	1,962,543	1,848,527
Total revenues	<u>63,520,393</u>	<u>90,989,218</u>
<b>Benefits and expenses:</b>		
Policyholders' benefits	42,153,848	51,349,854
Less: Reinsurance recoveries	3,098,833	7,143,855
Net policyholders' benefits	39,055,015	44,205,999
Changes in provision for future policy benefits	(7,027,456)	12,116,155
General and administrative expenses	19,114,664	18,844,889
Commission expense	3,308,027	4,063,639
Premium and other tax expense	1,982,404	1,813,931
Finance costs and interest	717,139	592,323
Other expenses	406,355	405,117
Total benefits and expenses	<u>57,556,148</u>	<u>82,042,053</u>
<b>Net income for the period:</b>	<b><u>\$ 5,964,245</u></b>	<b><u>\$ 8,947,165</u></b>
Net income attributable to:		
Equity shareholders of the Company	\$ 4,830,104	\$ 7,802,694
Non-controlling interests	1,134,141	1,144,471
<b>Net income for the period</b>	<b><u>\$ 5,964,245</u></b>	<b><u>\$ 8,947,165</u></b>
<b>Basic earnings per ordinary share (Note 4)</b>	<b><u>\$ 0.15</u></b>	<b><u>\$ 0.27</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 six months ended June 30, 2020  
with comparative figures for the six months ended June 30, 2019  
(Expressed in Bahamian dollars)

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	<b>6 Months Ended June 30, 2020</b>	<b>6 Months Ended June 30, 2019</b>
<b>Net income for the period</b>	\$ 5,964,245	\$ 8,947,165
<b>Other comprehensive (losses)/gains:</b>		
Change in available-for-sale financial assets	<u>(7,493,172)</u>	<u>10,554</u>
<b>Total comprehensive income / (loss) for the period</b>	<b><u>\$ (1,528,927)</u></b>	<b><u>\$ 8,957,719</u></b>
<b>Attributable to:</b>		
Equity shareholders of the Company	\$ (2,663,068)	\$ 7,813,248
Non-controlling interests	<u>1,134,141</u>	<u>1,144,471</u>
<b>Total comprehensive income / (loss) for the period</b>	<b><u>\$ (1,528,927)</u></b>	<b><u>\$ 8,957,719</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 six months ended June 30, 2020  
with comparative figures for the six months ended June 30, 2019  
(Expressed in Bahamian dollars)

	<b>3 Months Ended June 30, 2020</b>	<b>3 Months Ended June 30, 2019</b>
<b>Revenues:</b>		
Premium revenue	\$ 29,365,564	\$ 32,326,565
Less: Reinsurance premiums	3,970,534	3,939,574
Net premium revenue	25,395,030	28,386,991
Net investment income	8,159,991	10,967,288
Share of net loss of associates	(1,913,721)	(636)
Net commission income	1,024,229	1,020,409
Investment management and other fees	3,889,505	3,830,367
Other income	1,151,389	1,068,884
Total revenues	<u>37,706,423</u>	<u>45,273,303</u>
<b>Benefits and expenses:</b>		
Policyholders' benefits	14,993,208	22,353,428
Less: Reinsurance recoveries	1,091,561	2,382,021
Net policyholders' benefits	13,901,647	19,971,407
Changes in provision for future policy benefits	1,845,684	6,778,180
General and administrative expenses	9,693,695	10,247,110
Commissions	1,525,178	2,018,912
Premium and other tax expense	1,021,768	804,470
Finance costs	469,432	415,109
Other expenses	106,635	110,268
Total benefits and expenses	<u>28,564,039</u>	<u>40,345,456</u>
<b>Net income for the period:</b>	<b><u>\$ 9,142,384</u></b>	<b><u>\$ 4,927,847</u></b>
Net income attributable to:		
Equity shareholders of the Company	\$ 6,513,743	\$ 4,631,779
Non-controlling interests	2,628,641	296,068
<b>Net income for the period</b>	<b><u>\$ 9,142,384</u></b>	<b><u>\$ 4,927,847</u></b>
<b>Basic earnings per share (Note 4)</b>	<b><u>\$ 0.24</u></b>	<b><u>\$ 0.16</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 six months ended June 30, 2020  
with comparative figures for the six months ended June 30, 2019  
(Expressed in Bahamian dollars)

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	<b>3 Months Ended June 30, 2020</b>	<b>3 Months Ended June 30, 2019</b>
<b>Net income for the period</b>	\$ 9,142,384	\$ 4,927,847
<b>Other comprehensive losses:</b>		
Change in available-for-sale financial assets	<u>(5,100,390)</u>	<u>(192,497)</u>
<b>Total comprehensive income for the period</b>	<b><u>\$ 4,041,994</u></b>	<b><u>\$ 4,735,350</u></b>
Attributable to:		
Equity shareholders of the Company	\$ 1,413,353	\$ 4,439,282
Non-controlling interests	<u>2,628,641</u>	<u>296,068</u>
<b>Total comprehensive income for the period</b>	<b><u>\$ 4,041,994</u></b>	<b><u>\$ 4,735,350</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 six months ended June 30, 2020  
with comparative figures for the six months ended June 30, 2019  
(Expressed in Bahamian dollars)

	Ordinary Share Capital	Share Premium	Revaluation Reserve	Preference Share Capital	Retained Earnings	Non-controlling Interests	Total Equity
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	-	-	10,554	-	-	-	10,554
Realized gains on available-for-sale securities	-	-	244,783	-	-	-	244,783
Net income for the period	-	-	-	-	7,802,694	1,144,471	8,947,165
Changes in non-controlling interests	-	-	-	-	-	394,964	394,964
Ordinary share dividend	-	-	-	-	(3,956,738)	-	(3,956,738)
Preference share dividends	-	-	-	-	(1,221,876)	-	(1,221,876)
Balance, June 30, 2019	<u>\$ 24,729,613</u>	<u>\$ 5,960,299</u>	<u>\$ 14,219,418</u>	<u>\$ 42,500,000</u>	<u>\$ 90,773,681</u>	<u>\$ 25,273,102</u>	<u>\$ 203,456,113</u>
Balance, January 1, 2020	\$ 24,729,613	\$ 5,960,299	\$ 13,902,509	\$ 42,500,000	\$ 97,272,149	\$ 28,081,377	\$ 212,445,947
Net loss on remeasurement of available-for-sale securities to fair value	-	-	(7,493,172)	-	-	-	(7,493,172)
Net fair value loss transferred to income on disposal of available-for-sale securities	-	-	(271,579)	-	-	-	(271,579)
Net income for the period	-	-	-	-	4,830,104	1,134,141	5,964,245
Changes in non-controlling interests	-	-	-	-	-	(818,035)	(818,035)
Ordinary share dividend	-	-	-	-	(3,956,738)	-	(3,956,738)
Preference share dividends	-	-	-	-	(1,221,875)	-	(1,221,875)
Balance, June 30, 2020	<u>\$ 24,729,613</u>	<u>\$ 5,960,299</u>	<u>\$ 6,137,758</u>	<u>\$ 42,500,000</u>	<u>\$ 96,923,640</u>	<u>\$ 28,397,483</u>	<u>\$ 204,648,793</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 six months ended June 30, 2020  
with comparative figures for the six months ended June 30, 2019  
(Expressed in Bahamian dollars)

	<b>6 Months Ended June 30, 2020</b>	<b>6 Months Ended June 30, 2019</b>
<b>Cash flows from operating activities:</b>		
Net income	\$ 5,964,245	\$ 8,947,165
Adjustments to reconcile net income to net cash used in operating activities:		
Change in unrealized loss/(gain) on fair value through income securities	17,214,227	(4,296,332)
(Decrease)/increase in provision for future policy benefits	(7,027,456)	12,116,155
Changes in loss provisions for loans and receivables	869,286	696,045
Depreciation and amortization charges	1,498,635	843,586
Net realized (gain)/loss on fair value through income securities	(810,598)	244,816
Interest income	(18,046,845)	(17,389,681)
Dividend income	<u>(1,697,544)</u>	<u>(1,495,082)</u>
Operating cash flows before changes in operating assets and liabilities	(1,807,139)	(333,328)
Changes in operating assets and liabilities:		
Decrease/(increase) in other assets	11,999,299	(9,691,045)
Increase in other liabilities	<u>2,392,302</u>	<u>6,266,574</u>
Net cash provided by/(used in) operating activities	<u>12,584,462</u>	<u>(3,757,799)</u>

(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 six months ended June 30, 2020  
with comparative figures for the six months ended June 30, 2019  
(Expressed in Bahamian dollars)

	<b>6 Months Ended June 30, 2020</b>	<b>6 Months Ended June 30, 2019</b>
<b>Cash flows from investing activities:</b>		
Changes in non-controlling interests	(818,035)	394,964
Decrease in term deposits with original maturities greater than 90 days	654,887	12,809,348
Fair value through income securities purchased	(15,372,065)	(29,026,896)
Proceeds on disposal of fair value through income securities	19,683,983	16,024,471
Available-for-sale securities purchased	(29,900,400)	(34,403,901)
Proceeds on disposal of available-for-sale securities	12,147,567	28,959,387
Repayment on loan to SBL Ltd.	92,771	67,654
Decrease in loans to policyholders	1,010,792	1,222,214
Disposal of investment property	1	(399,795)
Net change in mortgage and commercial loans	516,683	1,300,308
Interest received	16,539,534	16,691,558
Dividends received	1,697,544	1,495,082
Additions to property and equipment	(544,001)	(348,732)
Net cash provided by investing activities	<u>5,709,261</u>	<u>14,785,662</u>
<b>Cash flows used in financing activities:</b>		
Dividend to ordinary shareholders	(3,956,738)	(3,956,738)
Dividends to preference shareholders	(1,221,875)	(1,221,876)
Repayments on borrowings	(2,648,485)	(4,081,222)
Net cash used in financing activities	<u>(7,827,098)</u>	<u>(9,259,836)</u>
Net increase in cash and cash equivalents	10,466,625	1,768,027
Cash and cash equivalents, beginning of period	<u>44,330,366</u>	<u>41,988,547</u>
<b>Cash and cash equivalents, end of period (Note 3)</b>	<b><u>\$ 54,796,991</u></b>	<b><u>\$ 43,756,574</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 June 30, 2020  
(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 June 30, 2020 approximately 58.1% (2019: 58.1%) of the Company's issued ordinary shares were owned by AF Holdings Ltd. (“AFH”) and 41.9% (2019: 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 June 30, 2020  
(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>June 30, 2020</b>	<b>June 30, 2019</b>
Term deposits	\$ 4,515,690	\$ 4,759,558
Less: Deposits with original maturities of greater than 90 days	<u>(4,515,690)</u>	<u>(4,486,802)</u>
Short-term deposits	-	272,756
Cash and demand balances	54,796,991	45,747,680
Less: Bank overdraft	<u>-</u>	<u>(2,263,862)</u>
Total cash and cash equivalents	<u>\$ 54,796,991</u>	<u>\$ 43,756,574</u>

**4. Invested Assets**

	<b>June 30, 2020</b>	<b>December 31, 2019</b>
Term deposits	\$ 4,515,690	\$ 5,170,577
Investment securities and other financial assets	434,796,654	445,753,030
Mortgages and commercial loans	24,739,352	25,330,141
Policy loans	69,158,085	69,614,153
Investment properties	59,036,401	59,036,402
Equity-accounted investees	<u>15,270,800</u>	<u>17,532,501</u>
Total invested assets	<u>\$ 607,516,982</u>	<u>\$ 622,436,804</u>

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

For the period ended June 30, 2020  
(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>6 Months Ended June 30, 2020</b>	<b>6 Months Ended June 30, 2019</b>
Net income attributable to equity shareholders	<u>\$ 4,830,104</u>	<u>\$ 7,802,694</u>
Net income attributable to ordinary shareholders	<u>\$ 3,608,229</u>	<u>\$ 6,580,818</u>
Weighted average number of ordinary shares outstanding	24,729,613	24,729,613
Basic earnings per ordinary share	<u>\$ 0.15</u>	<u>\$ 0.27</u>

	<b>3 Months Ended June 30, 2020</b>	<b>3 Months Ended June 30, 2019</b>
Net income attributable to equity shareholders	<u>\$ 6,513,743</u>	<u>\$ 4,631,779</u>
Net income attributable to ordinary shareholders	<u>\$ 5,902,806</u>	<u>\$ 4,020,841</u>
Weighted average number of ordinary shares outstanding	24,729,613	24,729,613
Basic earnings per ordinary share	<u>\$ 0.24</u>	<u>\$ 0.16</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 \$3,956,738 (\$0.16 per share) (2019: \$3,956,738 (\$0.16 per share)).

Dividends paid by the Company to the Class "A" preference shareholders during the period totalled \$1,221,876 (2019: \$1,221,876).

The Company does not have any dilutive shares.