Solid past.
Strong future.

2021 ANNUAL REPORT

COLINA
HOLDINGS BAHAMAS LIMITED

CONTENTS

CHAIRMAN'S REPORT

In our last report to you, we expressed our confidence in CHBL's ability to weather the economic uncertainty and volatility that were brought about by the pandemic. We remain proud that the CHBL group of companies are able to provide financial solutions to help our customers mitigate risks – both expected and unexpected throughout this unprecedented period.

Over time, CHBL has diligently focused on strategies to strengthen its balance sheet and capital position so the Company would remain flexible to consistently meet the needs of policyholders and customers, amidst fluctuating economic circumstances.

We were pleased to see the continued reopening and recovery of the local Bahamian economy which resulted in the improved market conditions through 2021. The onset of the pandemic in 2020 contributed to significant mark to market valuation losses on investment securities that had a significant effect on the prior year's comprehensive income. We are pleased to report that several financial indicators reflect trends consistent with the economic recovery and have trended positively throughout the 2021 fiscal:

- Net income attributable to equity shareholders totalled $24.5 million, compared to $20.1 million in 2020.
- Earnings per ordinary share totalled $0.89 in 2021, compared to $0.71 in 2020.
- Comprehensive income attributable to equity shareholders totalled $24.5 million, compared to $9.5 million in 2020.
- Comprehensive earnings per ordinary share totalled $0.89 per share, compared to $0.29 per share in 2020.

- Total revenues for the year ended December 31, 2021 were $174.6 million, compared to $146.2 million in 2020.

- Total assets at December 31, 2021 totalled $823.9 million, compared to $785.4 million in 2020.

- Total equity grew to $217.5 million, up from $199.8 million in 2020.

- The Company continued to honour its commitment to policyholders, paying over $107.1 million in benefits in 2021. Payments to policyholders represented over 79.7% of gross premiums.

CIL's Financial Strength Rating of A- (Excellent) and the Long-Term Issuer Credit Rating (Long-Term ICR) of "a-" (Excellent) were affirmed by AM Best in 2021. The ratings are a reflection of CIL's very strong balance sheet strength; strong operating performance; appropriate enterprise risk management and neutral business profile. The global credit rating agency concurrently affirmed the Long-Term ICR of "bbb-" (Good) of CHBL.

CFAL attained two illustrious awards this fiscal - 2021 Acquisition International Award Global Excellence Award for Best Investment and Advisory Firm Award (Caribbean). CFAL's proficiency in wealth management also earned it recognition as a Global Advisory Experts Recommended Firm. Notably, CFAL was the book runner for The Bahamas Investment Fund which was launched by Nassau Cruise Port in 2021 to give the average citizen an opportunity to invest in the cruise port.

We are excited to launch our newest operating company, Indigo Insurance (Bahamas) Limited. Indigo expands CHBL's service offerings to provide property and casualty insurance needs. Indigo takes a cutting-edge approach to leveraging digital technology to comprehensively manage the insurance process from start to finish, including application, delivery of policy documents, claims adjudication and more. Indigo's digital platform is well integrated with our general insurance brokerage company, CGIA, to provide a truly seamless digital service experience.

The Bahamas is rebounding from the pandemic, with positive signs of economic recovery on the rise. We remain cautiously optimistic and hopeful that 2022 will continue on the same trend of recovery as 2021 as COVID-19 cases continue to decline and businesses return to pre-pandemic levels. CHBL will continue to build on its strategies that created its solid past to position the Company for a strong future, as partners to help meet the needs of policyholders and customers within these changing economic times.

Our shareholders are important to us; we appreciate your ongoing support of CHBL and its subsidiaries. Thank you for your partnership and unwavering confidence during these unprecedented times. We will continue to do our best to meet the accompanying expectations of the confidence you place in us.

We remain grateful to our team leaders and members for their agility in adapting to remote operations during the height of the COVID-19 pandemic. Our team's demonstrated resilience is a testament of our ability to service policyholders and clients in an ever changing environment. As we embrace the return to pre-pandemic in-person operations, we are mindful of the need to be vigilant and retain health and safety protocols.

On behalf of CHBL's Board, which comprises diverse professionals with extensive experience across industries, thank you all for your support. We will continue to give the guidance required as we chart the way forward for our businesses.

TERRY HILTS
Chairman

MANAGEMENT'S DISCUSSION & ANALYSIS

FORWARD-LOOKING STATEMENTS

Colina Holdings Bahamas Limited
Management Discussion & Analysis
For the period ended December 31, 2021

This MD&A is dated April 30, 2022

Colina Holdings Bahamas Limited ("CHBL" or "the Company") is a holding company, incorporated in 1993. CHBL subsidiaries provide financial services solutions through the production, distribution, and administration of insurance and investment products. CHBL's wholly-owned principal subsidiaries include Colina Insurance Limited ("CIL"), Colina General Insurance Agency & Brokers Limited ("CGIA"), Colina Financial Advisors Ltd. ("CFAL") and the newly formed Indigo Insurance (Bahamas) Limited ("Indigo").

CIL is a life and health insurer whose principal operations are conducted largely in The Bahamas and which is also registered to operate in the Cayman Islands and The Turks and Caicos Islands. CGIA holds a dual registration as a general insurance agent and broker for operations in The Bahamas. CFAL is an investment advisory firm, established to provide financial services including investment management, pension management and administration, corporate advisory services, escrow, registrar and transfer agent services. Indigo is registered as a general insurer in The Bahamas.
All references to financial information presented are in relation to the consolidated financial statements of the Company and its subsidiaries (collectively, "The Group"), unless otherwise identified.

BASIS OF PRESENTATION AND SUMMARY OF ACCOUNTING POLICIES:

The Consolidated Financial Statements of the Company, on which the information presented in this report is based, have been prepared in accordance with International Financial Reporting Standards. This report should be read in conjunction with the annual consolidated financial statements and accompanying note disclosures.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES:

The Group's accounting policies require the use of judgments relating to a variety of assumptions and estimates that affect amounts reported in the Consolidated Financial Statements. In particular, with respect to insurance related assumptions and estimates, these include expectations of current and future mortality, morbidity, longevity, investment returns, expenses, lapse and surrender rates and discount rates. Management has also applied judgement in its assessment of valuations of real estate and goodwill which include assumptions and estimates in relation to rates such as discount, growth, vacancy, and inflation. In applying its accounting policies, management makes subjective and complex judgments that frequently estimate matters which are inherently uncertain. Many of these policies are common in the insurance and financial services industries; others are specific to the Group's business and operations. Due to the inherent uncertainty of using the assumptions and estimates, the effect of certain accounting policies under different conditions or assumptions could be materially different from those reported in the consolidated financial statements. A discussion of the most significant accounting policies follows:

PROVISION FOR FUTURE POLICY BENEFITS

The establishment of adequate actuarial reserves to meet the Group's obligations to its policyholders involve estimating liabilities for future policy benefits on life and health insurance policies and requires the use of assumptions such as those relative to future investment yields, mortality, morbidity, longevity, persistency, expenses, and other applicable assumptions based on historical experience – modified as necessary to reflect anticipated trends and to include margins for risk and possible adverse deviation.

GOODWILL AND OTHER INTANGIBLE ASSETS

Intangible assets on the Company's consolidated balance sheet include goodwill and other intangible assets. The assessment of goodwill requires an annual estimate of future cash flows of the respective cash-generating units. Revisions to the estimates that result in the impairment of the carrying value of these assets cause the amounts to be expensed in the reporting period in which the revisions are made. Other intangible assets include acquired computer software licenses which are capitalized on the basis of the costs incurred for its acquisition and implementation. Management reviews the carrying amounts annually to determine if there are any indications that these assets are impaired at which time, the impairment losses are recognized.

Revaluation of property and equipment, investment properties, and other real estate holdings

The Group carries investment properties at fair value with changes in fair value recognized in the consolidated statement of income. Land and buildings are measured at their revalued amounts with changes in fair value recognized in the revaluation reserve. Other real estate holdings such as land held for development and properties assumed under mortgage default are held at the lower of cost or realizable value. The valuation of real estate for impairment and changes in fair value are assessed annually by management with reference to periodic appraisals obtained from independent appraisers in intervening periods. Management's assessment of the appropriateness of the carrying amounts are carried out using a number of valuation methodologies including the discounted cash flow (DCF) model which requires the use of assumptions including capitalization rates, vacancy rates, rental and expense growth rates.

Overall PERFORMANCE

Colina Holdings Bahamas Limited Statistical Financial Reporting Data

(All data in B$000s with the exception of $/per share amounts)

For the period ended December 31, 2021

	2021	2020	2019
Net income for the year	$ 25,094	$ 20,592	$ 18,104
Net income for equity shareholders	$ 24,545	$ 20,095	$ 17,147
Net income for ordinary shareholders	$ 22,101	$ 17,652	$ 14,703
Comprehensive income for the year	$ 25,034	$ 10,039	$ 18,508
Comprehensive income for equity shareholders	$ 24,485	$ 9,543	$ 17,552
Comprehensive income for ordinary shareholders	$ 22,041	$ 7,099	$ 15,108
Gross premium revenue	$ 132,325	$ 123,488	$ 134,295
Net premium revenue	$ 116,056	$ 107,744	$ 119,035
Net commission income	$ 4,028	$ 3,649	$ 3,804
Investment management and other fees	$ 16,281	$ 15,435	$ 14,672
Total revenues	$ 174,648	$ 146,215	$ 180,234
Total assets	$ 823,862	$ 785,395	$ 794,502
Total invested assets	$ 598,882	$ 621,992	$ 614,116
Total ordinary shareholders' equity	$ 154,759	$ 136,986	$ 135,217
Total equity	$ 217,513	$ 199,837	$ 197,381
Shareholders' equity	$ 197,259	$ 179,486	$ 177,717
Return as % of total assets	3.0%	2.6%	2.3%
Return on total opening ordinary equity	16.1%	13.1%	11.7%
Earnings per ordinary share	$ 0.89	$ 0.71	$ 0.59
Comprehensive Earnings per ordinary share	$ 0.89	$ 0.29	$ 0.61
Return for equity shareholders	13.7%	11.3%	10.2%
Comprehensive return for equity shareholders	13.6%	5.4%	10.4%
Cash dividends declared per share by class			
Class (A) Preference Shares	$ 0.06	$ 0.06	$ 0.06
Class (A) Ordinary Shares	$ 0.22	$ 0.22	$ 0.22

Colina Holdings Bahamas Limited
Quarterly Financial Information
(All data in B$000s with the exception of $/per share amounts)

	2021				2020			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net premium revenue *(for the quarter)*	$ 32,026	$ 27,480	$ 28,782	$ 27,768	$ 24,878	$ 29,800	$ 25,198	$ 27,868
Total revenue *(for the quarter)*	$ 47,595	$ 35,500	$ 49,579	$ 41,974	$ 52,387	$ 33,746	$ 28,269	$ 31,813
Net Earnings by Quarter								
Total net income	$ 10,425	$ 3,011	$ 7,011	$ 4,647	$ 8,460	$ 6,714	$ 8,262	$ (2,844)
Net income attributable to equity shareholders	$ 10,326	$ 3,077	$ 6,593	$ 4,549	$ 9,777	$ 6,232	$ 6,542	$ (2,456)
Net income attributable to ordinary shareholders	$ 9,715	$ 2,466	$ 5,371	$ 4,549	$ 9,167	$ 5,621	$ 5,931	$ (3,067)
Quarterly Earnings per Ordinary Share	$ 0.39	$ 0.10	$ 0.22	$ 0.18	$ 0.37	$ 0.23	$ 0.24	$ (0.12)

CHANGES IN ACCOUNTING POLICIES:

A description of changes in accounting policies and disclosures is included in Note 2.5 to the Consolidated Financial Statements.

SUMMARY OF FINANCIAL PERFORMANCE

The Company's operating performance in 2021 reflected the positive effects of business in The Bahamas beginning its return to pre-pandemic levels. The Company benefited from having an appropriate balance of liquidity and risk within its investment portfolios which provided it with the flexibility and strength to withstand the volatile market changes experienced in 2020.

All of the operating entities within CHBL experienced growth in their revenues over 2020 in line with the improvement in market conditions. Gross premium revenues increased by $10.8 million to $134.3 million for the year ended December 31, 2021. Premium revenue receipts were negatively impacted in 2020 by the shutdowns and economic conditions affecting new business levels and lapse rates.

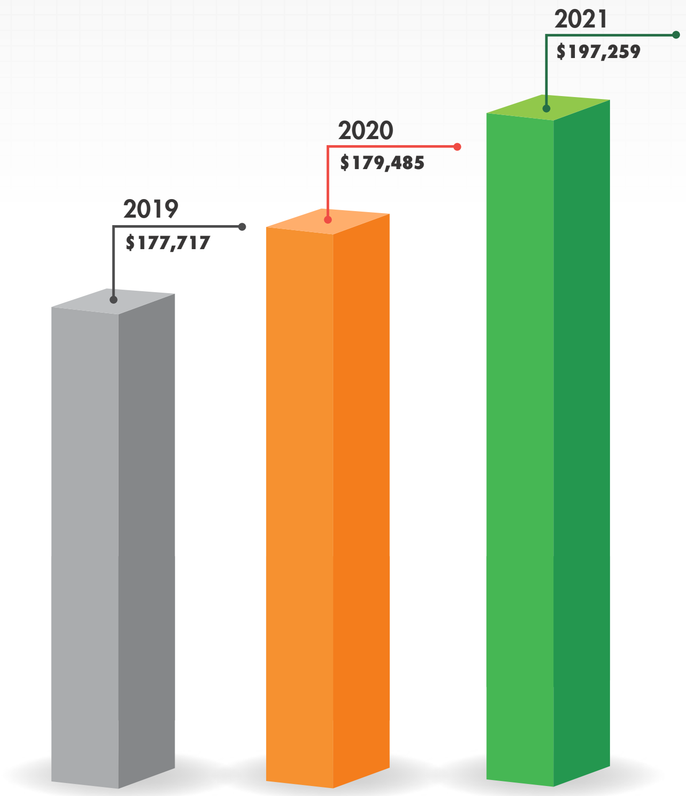
Net investment income has increased by $14.4 million to $30.9 million in 2021 compared to $16.5 million in 2020. The prior year's investment income was marred by significant unrealized net fair value losses on Bahamian issued securities at the onset of 2020 reflecting the negative market reaction to the expected impact of COVID-19 on The Bahamas' economy.

The Company continued to focus its efforts to rebalance assets within its investment portfolio. To this end, the Group purchased an additional $56.9 million in new investment securities, funded in part by the proceeds from the disposal and/or maturity of other securities that are less suited to the Company's evolving asset/liability matching profile.

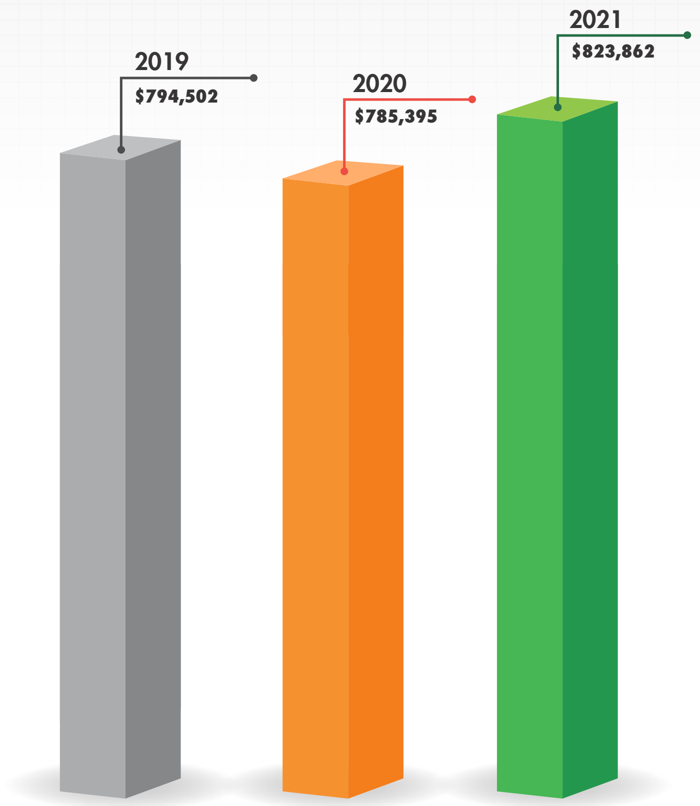
During 2021, additional net reserve provisions of $5.9 million were made, increasing the gross provision for future policyholder liabilities to $479.3 million (net of reinsurance). The Company's robust reserving methodologies remain adequate to fulfil the Company's obligations to its policyholders.

The Company divides its operating segments into three classifications of Life, Health and Other. The Life and Health divisions include the Company's Individual Life Insurance and Individual and Group Health Insurance business respectively. Results from the Company's reinsurance and other subsidiaries and associate operating activities are captured in "Other".

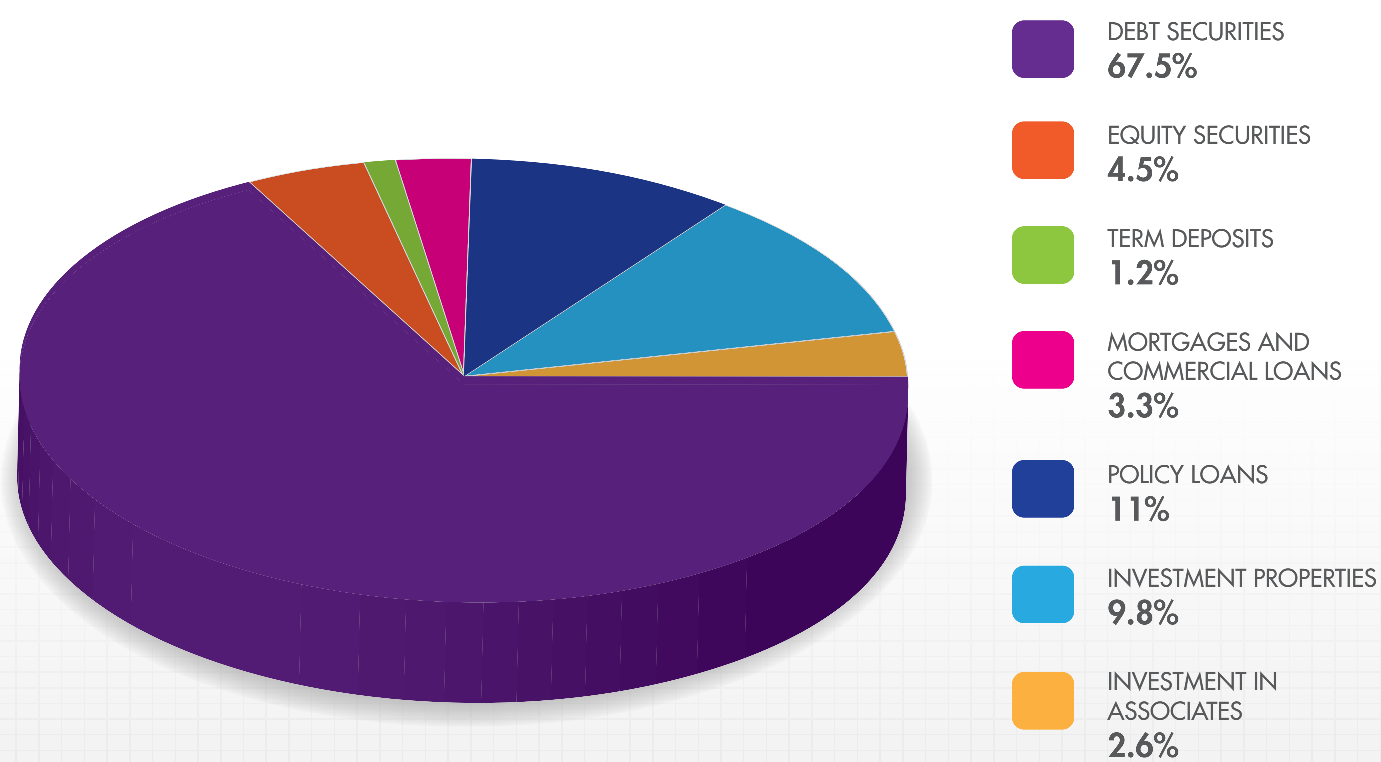
Total Shareholder's EQUITY
(In B$ thousands)



Total ASSETS
(In B$ thousands)



Invested Assets COMPOSITION
As at December 31, 2021



LIQUIDITY ANALYSIS

The Company's current and short-term cash needs are generally met through funding generated from its regular operations. Cash in excess of short-term needs are invested in a managed portfolio where the Company also maintains adequate levels of liquid investments, in accordance with established liquidity margin requirements as per the Company's investment mandate. At December 31, 2021, the Company held cash and liquid short-term investments of $39.3 million ($46.9 million in 2020). The Company and its subsidiaries held over $404.5 million in debt securities, over 85% were investments in government and sovereign debt comprised primarily of investments in Bahamas Government Registered Stock. The Company maintains a sufficient amount of liquid assets to meet unanticipated cash flow requirements prior to their maturity.

An analysis of the maturity profile of the financial liabilities of the Company based on remaining contractual obligations on an undiscounted cash flow basis is summarized in Note 35 to the Consolidated Financial Statements.

OFF-BALANCE SHEET ARRANGEMENTS

As at December 31, 2021, the Company did not provide any guarantees to third parties. Included, however, in term deposits and investment securities are $2.9 million and $5.2 million, respectively, in restricted balances held in favour of various regulatory bodies.

Other contingent liabilities and commitments are discussed in Note 24 to the Consolidated Financial Statements.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Risk exposures that arise as a result of the financial instruments that the Company invests in – such as financial, interest rate, credit and liquidity risks – are discussed in Note 35 to the Consolidated Financial Statements. The Group's activities also include trading activities which introduce settlement risk exposures which are also discussed in Note 35.

TRANSACTIONS WITH RELATED PARTIES

In the normal course of business, the Company has entered into transactions with related parties and affiliates. These balances and transactions are identified and discussed in Note 34 to the Consolidated Financial Statements.

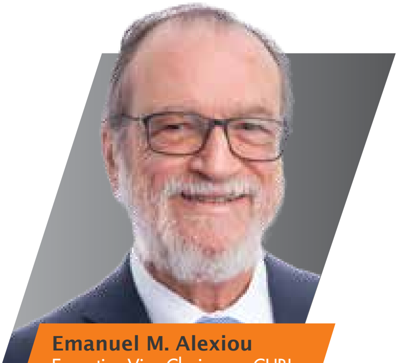
CAPITAL MANAGEMENT

The Company's total ordinary shareholders' equity has increased to $154.8 million at December 31, 2021 compared to $136.9 million in 2020. The growth in retained earnings was as a result of the fiscal performance in 2021 from the Group's performance and further enabled the Company to declare dividends to the Class "A" Ordinary Shareholders of $5.4 million or $0.22 / share after dividend distributions to the Class "A" Preference Shareholders of $2.4 million.

COLINA INSURANCE LIMITED (CIL)

(Above): Colina Employees Pack Food Parcels at The Bahamas Feeding Network.

Meet the EXECUTIVE TEAM



Emanuel M. Alexiou
Executive Vice Chairman, CHBL;
Chief Executive Officer, CIL

Anthony R. Ferguson
President, CFAL

Stephen Haughey
Chief Operating Officer, CHBL

Catherine Williams
Vice President, Finance CIL

Marcus J. Bosland
Resident Actuary, CIL

Wendy Butler
Vice President, Group &
Health Benefits, CIL

DeAndrea R. Lewis
Vice President, Life Operations, CIL

Giorgina Duncanson-Thompson
Chief Group Internal Auditor, CHBL

Charles Nevins III
General Manager, CMCO

Ruvania E. Deveaux
Chief Risk & Compliance
Officer, CHBL

Philip Smallwood
Director of Sales, CIL

Maxine Seymour
Director of
Communications, CHBL

CIL's MANAGEMENT TEAM

Sapna Chatlani
Actuary

Lauren Saunders
Actuary

Sandra Thomas
Manager, Group Administration

Cheryl Martins
Manager, Group Sales & Administration

Lavaughn Fernander
Manager, Customer Service

Beverly Ferguson
Manager, Credit Collections

Charmaine S. Parker
Manager, Customer Service

Nickara Roberts-Burrows
Manager, Infomation Systems & Projects

Samantha Adderley
Manager, Life Claims

Enrique Pyfrom
Manager, IT Operations

COMPANY FOUNDATION

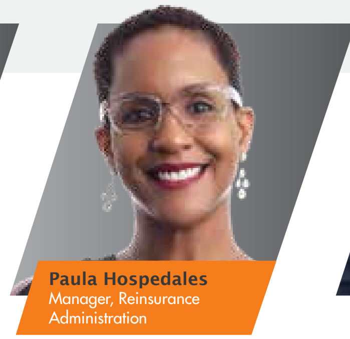
CIL is a diversified financial services company offering a comprehensive life and health insurance solutions. CIL was built on a firm foundation of trust, integrity and responsibility, evolving over the years to become The Bahamas' largest life and health insurer, with a solid reputation for providing insurance and related financial services products that help clients prepare for life's unexpected events.

FINANCIAL STRENGTH

Throughout 2021, and at the fiscal year end, CIL exceeded the statutory risk based capital requirements as set by the Insurance Commission of The Bahamas. CIL also measures its solvency ratio using Canadian reserving methodologies and solvency standards as measured by the Minimum Continuing Capital and Surplus Requirement (MCCSR). The Canadian Insurance regulator has set a MCCSR supervisory target of 150% and at December 31, 2021, CIL's MCCSR exceeded the target.


Ramon Meadows
Financial Controller


Simone Coakley
Financial Reporting Officer


Paula Hospedales
Manager, Reinsurance Administration


Leotha Nixon
Manager, Human Resources


Nyoshi Ward
Manager, Payment Centre


Frank Ellis
Manager, Facilities


Chris Frye
Manager, Commercial Business

LIFE DIVISION

CIL's Life Division offers a wide range of whole life and term insurance, pension, annuity, and savings and investment products.

The Life Division contributed $9.7 million to CIL's operating profit, an increase over the prior year's divisional contribution of $3.1 million. The division's profitability improved as a result of the significant increase in net investment income relative to the prior year which more than offset the increased policyholder benefits and expenses that were experienced in the period.

HEALTH DIVISION

CIL's Health Division offers a wide range of comprehensive individual medical and group life and medical insurance.

The health division contributed $11.3 million to total net income in 2021 compared to $15.6 million in 2020. Health claims experience was muted during 2020 largely due to the restriction of movement during the COVID-19 shutdowns that occurred as well as insureds deferring elective or other non-urgent medical services as a result.

Mindful of the volatility of claims, CIL continues to rigorously assess renewals of existing business to ensure that they adequately reflect perceived risk exposure and changes in claims experience. CIL will maintain this discipline as it has proven to be effective over the long-term and has enabled CIL to limit losses in high claims years.

CIL IN THE COMMUNITY

THE BAHAMAS RESOURCE AND EDUCATIONAL SOURCE FOR AUTISM AND OTHER RELATED CHALLENGES (R.E.A.C.H.)

Colina's Corporate Office at 308 East Bay Street "Lights it Up Blue".

REACH received a $10,000 donation from CIL in commemoration of Autism Awareness month in April. Colina showcased a blue light display at the 308 East Bay location and employees brought awareness to and raised funds for autism by purchasing t-shirts that they wore each Friday during the month.

PROVIDING ACCESS TO CONTINUED EDUCATION (PACE)

(L to R): DeAndrea Lewis, Vice President, Life Operations, CIL and Patrice Miller, Principal, PACE.

PACE received a $5,000 donation from CIL on International Women's Day. The contribution was used to purchase books for the young mothers and supplies for their infants.

(L to R): Troy E. Clarke, President and CEO, LEAD Institute and Elrod Outten, Branch Manager, Northern Branch, CIL.

LEADERSHIP ESTEEM ABILITY DISCIPLINE (LEAD) INSTITUTE

CIL donated to the LEAD Institute to assist young persons enrolled in the organization's programme in Freeport.

SIR VICTOR SASSOON (BAHAMAS) HEART FOUNDATION

CIL donated $10,000 to the Sir Victor Sassoon (Bahamas) Heart Foundation. The funds assisted children with heart ailments, in need of life saving heart surgeries. Employees wore red throughout February to raise awareness.

(L to R): Maxine Seymour, Director, Corporate Communications, CIL; Dr. Erecia Hepburn, President, The Bahamas Heart Association and Nickara Roberts, Manager, IT Projects & Support, CIL.

‘PAINT DA STREETS PINK’ FUN, RUN, WALK

CIL collaborated with the Rotaract Club of Southeast Nassau Centennial (RSENC) on its ‘Paint Da Streets Pink’ Fun, Run, Walk event. Company employees volunteered to distribute water along the route. Part proceeds aided the Sister Sister Breast Cancer Support Group.

Sandra Smith, Sales Representative at Colina, ensuring runners stay hydrated.

HANDS FOR HUNGER

CIL stocked the Hands for Hungry pantry ahead of the holidays to help the most vulnerable in the community. Employees purchased nonperishable items and CIL supplemented their efforts with a $6,000 investment.

The CHBL audit team (L to R): Cerio Rolle; Kendra Donald; Precious-Fortune Thompson, Outreach Manager, Hands for Hunger; Giorgina Duncanson-Thompson, Chief Group Internal Auditor, CHBL; Leonardo Ferguson and Aniesha Maycock.

BAHAMAS PRIMARY SCHOOL STUDENT OF THE YEAR FOUNDATION (BPSSYF)

One of the top elementary students in the country received a Patron Scholarship from Colina during the 2021 BPSSYF awards ceremony.

(L to R): Catherine Williams, Vice President, Finance, Colina Insurance Limited and Dr. Ricardo P. Deveaux, President & CEO, The Bahamas Primary School Student of the Year Foundation.

CANCER SOCIETY OF THE BAHAMAS

CIL partnered with the Cancer Society of The Bahamas by investing more than $10,000 as a Presenting Sponsor of the Charity Golf Tournament and an additional $5,000 toward the Vintage Virtual Cancer Ball.

(L to R): Philip Smallwood, Director of Sales, CIL; Maxine V. Seymour, Director, Corporate Communications, CIL; Susan Roberts, Founder, Cancer Society and Member, Golf Committee Member; Geoff Andrews, Member, Golf Committee Member.

Initiatives featured do not comprehensively represent CIL’s philanthropic investments.

Sales MANAGERS

Jeffrey Randall
Branch Manager

Elrod Outten
Branch Manager

Kino McCartney
Branch Manager

Karen Sweeting
Manager, Marketing Administration

Clothie Lockhart
Manager, Sales Training

Yvonne Gibson-Sands
Sales Manager

Sandra Walkes
Asst. Branch Manager

2021 SALES AWARDS

UNIT OF THE YEAR

SANDRA WALKES UNIT

BRANCH OF THE YEAR

COLLINS BRANCH

CIL congratulates its 2021 TOP ACHIEVERS

SALESPERSONS OF THE YEAR

ALFREDA KNOWLES
(Executive Agent)

VEOSHE JOHNSON
(Seasoned Agent)

SHAKEILYA KNOWLES
(Genesis Agent)

EMPLOYEE OF THE YEAR

CLINTIECE TAYLOR

TOP PRODUCER OF THE YEAR

ALFREDA KNOWLES
(Genesis Agent)

TOP BRANCH PERSISTENCY

ADMIRAL CLUB

INDIVIDUAL MEDICAL AWARD

SANDRA SMITH

CGIA TOP PERFORMER

C. KINO McCARTNEY

GROUP MEDICAL AWARD

YVONNE GIBSON-SANDS

(ABOVE) CFAL was the book runner for The Bahamas Investment Fund which gives citizens an opportunity to invest in the Nassau Cruise Port.

Anthony R. Ferguson
President, CFAL

Pamela Q. Ferguson
VP Operations & Pension Administration

Sophia Thurston
VP Investments

Tamara Evans
Manager, Settlements

COLINA FINANCIAL ADVISORS LTD. (CFAL)

A NEW NORMAL, A BRIGHT FUTURE

Some things change, but our disciplined, proven approach to investing has remained the same for 24 years – even at the height of the "new normal."

The world continued to grapple with the impact of the COVID-19 pandemic on every aspect of life and business in 2021, and the investment management industry was no exception. At CFAL, we remained steady, protecting our clients' investments, and preserving their wealth using our 'structured yet flexible' approach. By utilizing our trademark analytical strategies, tapping into our extensive industry network, and leveraging state-of-the-art technology, we continued to generate returns for our clients during a year of constant change.

PLANNING FOR OUR FUTURE

CFAL is a leading independent investment and advisory firm based in Nassau, Bahamas with a long and proven record of financial stability and integrity in all economic climates. CFAL provides innovative financial planning solutions for institutions and individuals and advises clients both internationally and in The Bahamas on a range of services:

INVESTMENT MANAGEMENT

CFAL's experienced and knowledgeable investment team is able to design an appropriate mix of fixed income and equity securities that provides a portfolio consistent with the risk and return objectives of each client. The protection and enhancement of clients' assets is the most important aspect of CFAL's responsibilities.

WEALTH SERVICES

CFAL provides a comprehensive array of wealth services to investors. CFAL's combination of competitive rates and outstanding professional service set it apart from its competitors.

MUTUAL FUNDS

CFAL Advisors can help clients choose from a suite of professionally managed funds as part of an investment strategy that is individually tailored to each client's individual investment profile, investment approach or risk appetite.

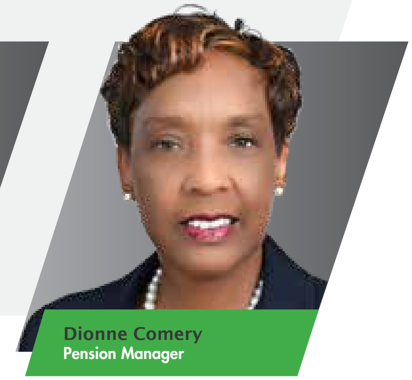
RETIREMENT PLANNING & PENSION CONSULTING

CFAL provides extensive pension consultation to ensure companies are able to provide employees the kind of retirement they've worked so hard to achieve.

CORPORATE ADVISORY

This team comprises experienced investment advisors who assist companies in achieving their strategic goals, whether through mergers, acquisitions, IPOs, debt financing or equity investments.

Tiffany Cartwright
Manager, Investments



Dionne Comery
Pension Manager

Richard Pinder
Operations Supervisor

Lashell White
Investments Manager

Jeanelle Francis
Manager, Private Wealth & Trading

Jomarie Thompson
Office Manager & IT Supervisor

FINANCIAL STRENGTH

ASSETS UNDER MANAGEMENT AND ADMINISTRATION

CFAL has, over the past 24 years, developed the financial strength and capital resources to boost and implement its strategic goals while executive management simultaneously remains focused on growing the company's asset base and developing the core business. CFAL has seen its Assets under Management grow from $2.6 million in 1997 to over $1.9 billion in 2022, which comprises Pension and Investment Assets.

CFAL continues to manage its administrative costs carefully, with overall costs remaining within acceptable levels relative to revenue generated.

Celebrating INTERNATIONAL AND REGIONAL RECOGNITION

(L TO R): Pamela Ferguson, VP of Investments, Anthony Ferguson, President, and Sophia Thurston, VP Pension Administration and Operations celebrate after the company won the 2020 Acquisition International Award (AI) Global Excellence Award for Best Investment and Advisory Firm Award (Caribbean).

The year began with a celebration of excellence. We won the 2021 Acquisition International Award (AI) Global Excellence Award for Best Investment and Advisory Firm Award (Caribbean), marking the second time that we earned this prestigious award.

Anthony Ferguson, President, noted that “this incredible achievement would not have been possible without the steadfast commitment of our team. Our flexibility and dedication to putting the needs of our clients first enabled us to provide them with the highest level of personalized service. We thank our team and our clients for their unwavering trust and support.” CFAL was also selected as a Global Advisory Experts (GAE) Recommended Firm this year for its expertise in private wealth management. GAE recognizes and recommends leading advisory experts and specialty firms worldwide.

Investing IN OUR YOUTH

Angelo Butler, Senior Financial Analyst, and a University of the Bahamas graduate, led a team of UB students to the subregional finals of the CFA Institute Regional Challenge as a CFA Society volunteer mentor. In the global intercollegiate competition, the students earned the unique opportunity to apply classroom knowledge to real world scenarios in equity research.

(L TO R): Raschard McKinney, JP Morgan Bahamas (volunteer mentor); Students Tiasha Lewis, Rashorn Fraser, and Courtney John; and Angelo Butler, Senior Financial Analyst, CFAL (volunteer mentor).

Investing IN MY BAHAMAS

Over 3,500 Bahamians contributed to the recent Bahamas Investment Fund equity offering, which raised over $25 million to support the Nassau Cruise Port Ltd. redevelopment project. Pictured from left to right are Mike Maura, Jr., CEO, Nassau Cruise Port Ltd.; Owen Wells, Director, Bahamas Investment Fund; Antoine Bastian, Director, Bahamas Investment Fund; Anthony Ferguson, President, CFAL; and Angelo Butler, Senior Financial Analyst, CFAL.

In December 2021, we launched the Bahamas Investment Fund (BIF), an open-end investment vehicle designed to provide investment opportunities for Bahamians in local infrastructure, technology, energy, and other similar projects. The goal of the fund is to promote and support community investments that will positively impact the long-term development of our country. Our first offering, launched in partnership with Nassau Cruise Port Ltd. (NCPL) and Global Ports Holding, successfully raised over $25 million in equity for the cruise port management company. BIF now holds a 49% collective stake in NCPL.

Growing WEALTH FOR FUTURE GENERATIONS

Our clients are more than investors – they are parents, spouses, entrepreneurs, employees, and employers, and so much more to our community and the world. As such, we have changed our tagline to reflect the dream that all investors hold when they seek to grow their wealth, whether it be for their families, communities, employees, or anyone who is important to them. Our goal is to help our clients grow wealth for future generations by supporting their investment decisions throughout all stages of life, ensuring their financial security and that of those whom they hold dear.

COLINA GENERAL INSURANCE AGENTS & BROKERS LIMITED (CGIA)

Colina General 2021 financial results continue to show an upward trend of growth with a competitive edge in the local insurance market environment. Gross premiums and commission revenue margins increased by 12.5%, 10.7% respectively when compared to 2020 results.

Notably, this significant financial growth performance has been achieved in spite of disruptive market challenges imposed by the Covid-19 pandemic and the rising environmental threats emanating from climate change. The impact of these environmental trends has created emerging risks that threatened the efficiency of business processes, customer acquisition and retention efforts, premium rate revision and increases; and more stringent underwriting guidelines and its implications for customers living in disaster-prone areas.

The company has responded to customer concerns by implementing a revised business operating model which developed an effective talent base and digital competencies that are adaptable to the following customer innovations:

- Maximizing the efficiency of operational processes, managing customer engagement safely and remotely, addressing their evolving needs and expectations, coverage gaps and service demands in the changing business environment, offering initiatives that express empathy to those who are distressed and financially vulnerable due to the volatile financial markets.

Ednol Farquharson
Chief Executive Officer

We maintain the company has managed the noted challenges effectively as evidenced by the measured progress of the operating model and the improved financial performance during the year. "The company has successfully delivered value to its customer base despite the changing market dynamics."

Zania Arthur
Operations Manager

Anthony Lowe
Financial Controller

Jacqueline Gardiner
Manager, Underwriting

Carlton Adderley
Asst. Operations Manager/
Human Resources Manager

EMPLOYEE OF THE YEAR 2021

RHYNA BARRY
Account Executive

CUSTOMER SERVICE REP OF THE YEAR

CRASHANN SCOTT
Business Development Co-ordinator

BRANCH OF THE YEAR

LORRAINE PRATT
Branch Representative

CGIA LONG SERVICE AWARDS

15 YEARS

Erica Pyfrom
Branch Supervisor

10 YEARS

Tamara Davis-Moncur
Customer Service Rep

Anthony Lowe
Financial Controller

5 YEARS

Nakera Jarvis
Customer Service Rep

Daryl Dorsett
Accounts Supervisor

Terence Hilts
Chairman

Emanuel M. Alexiou
Executive Vice Chairman

Anthony Ferguson
Director

Sandra J. Knowles
Director

Glenn V. Bannister
Director

Ednol Farquhason
Director

Macgregor Robertson
Director

Earle Bethell
Director

CORPORATE GOVERNANCE

BOARD COMPOSITION

The composition of CHBL's Board has been designed to include individuals with a broad range of skills, expertise, knowledge and valuable experience to ensure effective oversight of the Company's business. Directors are also expected to possess high standards of integrity, honesty and loyalty to the Company. CHBL's Corporate Governance Manual outlines its Board selection procedures with are reviewed annually by the Compensation, Nominating & Corporate Governance Committee. The Company's shareholders elect board members at the Annual General Meeting each year while the Board Chairman, Committee Members and Committee Chairpersons are selected by the Compensation, Nominating & Corporate Governance Committee.

Directors receive periodic training on key risk areas that affect the operations of the Company.

PHILOSOPHY

It is the philosophy of the Board that good corporate governance is a pre-requisite to the achievement of the Company's goals and objectives. The Directors remain committed to the upholding of high standards of corporate governance in the execution of their duties and in the delivery of sustainable value to shareholders.

LEADERSHIP

The roles of the Chairman of the Board of Directors and Executive Vice Chairman (EVC) are distinct and clearly defined to ensure appropriate balance and to dilute the powers of decision between both offices. The Chairman is responsible for the long-term strategic development of the Company as well as the leadership and governance of the Board. The EVC is responsible for the development of business plans, the management of the daily affairs of the Company and the implementation of the Board's strategy. The EVC is advised and assisted in the discharge of his duties, as delegated by the Board, by an executive management team which comprises functional specialists and professionals.

The Compensation, Nominating & Corporate Governance Committee evaluates each director's performance annually. Each director completes an annual certification and assessment on corporate governance and oversight of the company while every committee completes an assessment of their performance against the terms of reference of that committee.

Willie A. Moss
Director

Lloyd Steinke
Director

Andrew Alexiou
Director

Phaedra Mackey-Knowles
Director

Nikolai Sawyer
Corporate Secretary

BOARD COMMITTEES

1. Audit & Finance
2. Compensation, Nominating & Corporate Governance
3. Complaints Review
4. Conduct Review
5. Information Technology
6. Investment
7. Participating Policy
8. Risk Management
9. Reinsurance Steering

The DIRECTORS

Terence Hilts (Chairman) [2,6]
Retired Banking Executive
New Providence, Bahamas
Director since 2004

Emanuel M. Alexiou [2,3,6,7,9]
(Executive Vice Chairman)
CEO, CIL
Partner, Alexiou, Knowles & Co.
Publisher, The Nassau Guardian (1844) Ltd
New Providence, Bahamas
Director since 2002

Anthony R. Ferguson [2,3,5,8,9]
President, CFAL
Executive Vice Chairman,
Ansbacher (Bahamas) Limited
New Providence, Bahamas
Director since 2002

Sandra J. Knowles
Chairperson, Cable Cares Foundation
New Providence, Bahamas
Director since 2004

Glenn V. Bannister [1,2,4,6]
Retired Executive
New Providence, Bahamas
Director since 2005

Ednol Farquharson [3]
President, CGIA
New Providence, Bahamas
Director since 2005

Macgregor Robertson [1,4,8]
Retired Chartered Accountant
New Providence, Bahamas
Director since 2005

Earle Bethell [3,5]
General Manager, Ni Ltd.
Director since 2006

Willie A. Moss [1,4,7,8]
Partner, Graham, Thompson & Co.
Grand Bahama, Bahamas
Director since 2007

Lloyd Steinke [9]
Executive Consultant
Toronto, Canada
Director since 2012

Andrew Alexiou [9]
Managing Director
Ansbacher (Bahamas) Limited
New Providence, Bahamas
Director since 2016

Phaedra Mackey-Knowles [1]
Financial Consultant
Retired Financial Executive
Director since 2020

Nikolai Sawyer
Corporate Secretary

All information pertaining to the re-election of directors is outlined in the proxy which is sent to shareholders along with notice of the Annual General Meeting. Full biographical sketches of board members are available online at **www.colina.com/board-of-directors/**

Board and Committee MEETINGS ATTENDED

Members of the Board and its standing Committees meet multiple times each year, generally once per quarter. Specific attendance for the year 2020 is reflected in the chart below:

Board Member	Board Meetings		Committee Meetings	
	Invites	Attended	Invites	Attended
Terence Hilts	4	4	8	8
Emanuel M. Alexiou	4	4	15	9
Anthony R. Ferguson	4	4	10	2
Sandra J. Knowles	4	4	–	–
Glenn V. Bannister	4	4	13	13
Ednol Farquharson	4	3	4	4
Macgregor Robertson	4	4	9	9
Earle Bethell	4	4	4	4
Willie A. Moss	4	3	10	10
Lloyd Steinke	4	4	4	4
Andrew Alexiou	4	4	–	–
Phaedra Mackey-Knowles	4	4	2	2

Board COMMITTEES

Directors and employees annually certify individual compliance with CHBL's code of business conduct and ethics, understanding that a breach of any of the provisions will lead to disciplinary actions by the Company including suspension, termination and legal prosecution. The Board has complied with CHBL's rules of professional conduct and can confirm that no breach has been identified among any of the directors or employees during 2020.

CHBL's philosophy is that risk management is a positive and enabling process which helps the Company achieve its overall objectives by enhancing the quality of decision-making within CHBL and its subsidiaries. CHBL takes the view that the effective use of risk management facilitates the pursuit of innovative opportunities based on a clear understanding and management of risk exposures. Risk management is aligned with corporate aims, objectives and priorities. CHBL's approach is to embed risk management throughout the organization via a culture that spreads risk awareness best practice and lessons learnt. Risk management is proactive so that corporate and operational risks are identified and the impact and likelihood of occurrence are assessed and actively managed.

In recognition of its ultimate responsibility for risk management within CHBL, the Board of Directors has established a risk governance framework to ensure the successful implementation of a robust enterprise risk management (ERM) framework.

The Board sets the risk appetite and oversees the executive management team which is responsible for setting underlying risk tolerances that fit with the overall risk appetite of the Company. The Board is satisfied that the risk management process is functioning effectively. In order to effectively discharge its duties and fulfil its mandate, the Board has established the following standing Committees to oversee and debate important issues of policy outside of main Board meetings:

AUDIT & FINANCE

Chaired by Macgregor Robertson, the Committee's principal role is to assist the Board of Directors in its oversight of the integrity of the Company's financial statements, strategy and objectives. This Committee supervises the qualification, independence and performance of the external auditor and internal auditors of the Company.

CHBL has a robust Internal Audit Department. The team recently received three of the four Distinguished Auditor Practitioner Awards from The Institute of Internal Auditors Bahamas Chapter on the occasion of their 30th Anniversary. The internal controls established by the department are aligned with best practices and function optimally to effectively manage risks across the Group.

COMPENSATION, NOMINATING, & CORPORATE GOVERNANCE

Chaired by Terence Hilts, the Committee's principal role is to assist in the review and oversight of the evaluation of the performance of the executives of the Company, including setting their compensation (including benefits, compensation plans, policies and programmes) and succession planning.

The Committee annually reviews the Board's performance and develops criteria for selecting new Board members and identifying and considering candidates.

COMPLAINTS REVIEW

Chaired by Emanuel M. Alexiou, the Committee reviews and approves policies and procedures concerning customer complaints, and reviews trends identified in relation to complaints received with a view to recommending and implementing corrective action. The Committee oversees the investigation of any discrepancies, complaints and regulatory concerns emanating from customer complaints or grievances.

CONDUCT REVIEW

Chaired by Macgregor Robertson, the Committee's principal role is to ensure management establishes procedures for identifying transactions with related parties of the Company that may have a material effect on the stability or solvency of the Company. The Committee is charged with reviewing established procedures to ensure compliance with rules on related party transactions. The Committee ensures compliance with the provisions of the Insurance (General) Regulations 2010 (in relation to related party transactions) and the Company's Related Party Transactions Policy.

INFORMATION TECHNOLOGY

Chaired by Anthony Ferguson, the Committee serves as an oversight committee on matters of Information Technology and is responsible for setting the Company's overall IT strategic direction. The Committee is charged with recommending and reviewing companywide IT policies, procedures and standards for operational efficiency and system security.

The Committee assumes responsibility for developing and approving an effective and robust IT Risk Management Framework and reviews IT risk assessments as conducted by management or external consultants. The Committee also determines priorities for the implementation of applications and capital requests.

INVESTMENT

Chaired by Emanuel M. Alexiou, the Committee establishes the Company's policies, standards and procedures, and reviews, approves and monitors the Company's investment strategy, portfolio and results. The Investment Committee designates an Investment Manager and is responsible for the Investment Manager's compliance with the investment policy at all times.

PARTICIPATING POLICY

Chaired by Emanuel M. Alexiou, the Committee is mandated to review and approve policies governing participating policies issued or proposed by the Company, periodically reviewing the rate of premium for participating policies as approved by the Company's actuary for participating policies. The Company's dividend policy, vis-a-vis participating policies, is also reviewed by this Committee, which oversees the investigation of any discrepancies, complaints and regulatory concerns affecting participating policies issued by the Company.

RISK MANAGEMENT

Chaired by Anthony Ferguson, the Committee is charged with identifying and monitoring the key risks to which the Company is exposed (including operational, credit, liquidity, regulatory, legal and reputational risk) and assessing the Company's business strategies and plans from a risk perspective. The Committee approves risk management policies that establish the appropriate approval levels for decisions and other checks and balances to manage risk.

The Board, led by its Risk Management Committee, deliberates on risk data and analysis and continues to develop and implement the enterprise risk management framework.

CHBL and its subsidiaries continue to maintain good relationships with relevant regulatory agencies by demonstrating ongoing commitment to compliance with applicable laws, regulations and guidelines. The Board has delegated specific oversight of risk management, legal, and regulatory matters to the Risk Management Committee. The Committee aims to ensure that the Company is in compliance with legal and regulatory requirements.

The Committee monitored new legislation, regulations, guidelines and initiatives and assessed the aforementioned to determine any possible impact on the Company. The Committee reviewed examination reports from regulators and reports from executive management and legal counsel concerning significant legal and regulatory matters. The Committee is satisfied that the compliance system is operating efficiently and effectively.

REINSURANCE STEERING

Chaired by Lloyd Steinke, the Committee is charged with oversight over all reinsurance matters pertaining to individual products, group products, and assumed reinsurance. The Committee assesses and monitors retention levels and reinsurance arrangements on a regular basis.

All Board Committees operate within defined terms of reference as contained in the Company's Corporate Governance Manual. The Chairpersons of the aforementioned Committees reported to the Board at regular intervals during the year. Additionally, minutes of the Committees' meetings were readily available to all members of the Board for review.

The Board and its committees are in compliance with the rules of its regulators, according to the terms outlined in CHBL's Corporate Governance Manual. During the 2020 fiscal year, members of the Board and its various committees have successfully executed on its obligations with emphasis on risk management.

About
COLINA HOLDINGS BAHAMAS LIMITED

CHBL is comprised of three principal subsidiary operating companies:

COLINA INSURANCE LIMITED

LIFE DIVISION (LIFE INSURANCE, RETIREMENT AND INVESTMENT PLANNING PRODUCTS)

Life products include Whole Life, Term and Endowment plans that meet a variety of needs over one's lifetime and which can be built into one's financial plan for final expenses, income protection, investments or retirement.

HEALTH DIVISION (INDIVIDUAL & GROUP HEALTH COVERAGE)

CIL's flexible and cost-effective comprehensive health plans offer Individuals and Groups access to vital medical services, preventative care, prescription drugs and the country's largest overseas health network to access top medical facilities in The Bahamas and North America.
Restore Group Critical Illness coverage is the first of its kind in The Bahamas.

COLINA FINANCIAL ADVISORS LTD.

PENSIONS, INVESTMENTS, BROKERAGE, CORPORATE ADVISORY

CFAL is a leading investment and advisory firm and the largest pension provider in The Bahamas, with a long and proven record of financial stability and integrity in all economic climates.
CFAL provides innovative financial planning solutions for institutions and individuals and advises clients both internationally and in The Bahamas on a range of services including pension management, brokerage and investment management accounts.

COLINA GENERAL INSURANCE AGENTS & BROKERS LIMITED

PROPERTY & CASUALTY

CGIA is a wholly owned subsidiary of CHBL which offers general insurance coverage for home, auto, marine and business and safeguards the financial wellbeing of its clients by providing general insurance solutions that best suit their needs and financial position.

1899
Imperial Life Assurance Company of Canada establishes agency in The Bahamas.

1965
Insurance Company of North America (INA) (later CIGNA International), begins operations in The Bahamas.

1997
Colina Insurance Company Limited (CICL) is purchased from CIGNA by Bahamian consortium INVESCO.

2002
CICL merges with Global Life Assurance Bahamas Limited. The newly formed Colina Holdings Bahamas Limited (CHBL) is registered on the Bahamas International Stock Exchange (BISX).

2004
CICL's intended acquisition of The Bahamas operations of Imperial Life Financial is announced. CICL finalizes acquisition of Canada Life Insurance Company. The Company earns an A- (Excellent) rating from A.M. Best Company.

2005
CICL and Imperial Life Financial merge, forming the largest life and health insurer in The Bahamas - ColinaImperial Insurance Limited.

2009
The name "Imperial" is retired. The Company is now known as Colina Insurance Limited (CIL) and adopts a new logo.

2010
CIL acquires majority interest in RND Holdings Limited, which later changed its name to Colina Real Estate Fund Ltd. (CREFL).

2011
CHBL acquires all issued and outstanding shares in Colina General Insurance Agency Limited ("CGIA").

2012
Colina General Insurance Agency Limited ("CGIA") changes its name to Colina General Insurance Agents & Brokers Limited.

2013
CHBL acquires all issued and outstanding shares of Colina Financial Advisors Ltd. ("CFAL") and its wholly owned subsidiary CFAL Securities Ltd.

Shareholder INFORMATION

As required by the Company's Corporate Governance guidelines, CHBL and its subsidiaries review its relationships with key service providers on an annual basis and from time to time may rotate appointments.

CHBL's key professional relationships and other shareholder references are summarized below:

Corporate Headquarters
308 East Bay Street
Second Floor
PO Box N-4728
Nassau, The Bahamas

General Enquiries
242.396.2000
info@colina.com
www.colina.com

Listing
Bahamas International Securities Exchange (BISX)
Symbol: CHL

Registrar and Transfer Agent
Bahamas Central Securities Depository Ltd.
202 British Colonial Hilton
PO Box N-9307
Nassau, The Bahamas

Auditors
Deloitte & Touché Chartered Accountants

Legal Counsel
Alexiou Knowles & Co.

Bankers
CIBC FirstCaribbean International Bank Ltd.
Citibank, N.A.

Reinsurers
Munich Reinsurance Company Canada Branch (Life)
International Reinsurance Managers, LLC
Swiss Re Life and Health Canada
Optimum Re Insurance Company
RGA Life Reinsurance Company of Canada
Pacific Services Canada Limited
Everest Re Group, Ltd.

Actuarial Consultants
Oliver Wyman

Communication with Shareholders
The following reports are available on our website
www.colina.com
Annual Report
Quarterly Reports

The Annual General Meeting of the Company will be held at 5:00 p.m. on Wednesday, May 25, 2022 at the JW Pinder Centre at 21 Collins Avenue.
The Notice of the Meeting, detailing the business of the meeting, is sent to all shareholders.

CONSOLIDATED FINANCIAL STATEMENTS

Audited Consolidated Financial Statements

Year Ended December 31, 2021
With Report of Independent Auditors

Deloitte.

Deloitte & Touche
Chartered Accountants
and Management Consultants
2nd Terrace, Centreville,
P.O. Box N-7120
Nassau, Bahamas

Tel: +1 (242) 302 4800
Fax: +1 (242) 322 3101
www.deloitte.com/bs

INDEPENDENT AUDITORS' REPORT

To the Shareholders of:
Colina Holdings Bahamas Limited:

Opinion

We have audited the consolidated financial statements of Colina Holdings Bahamas Limited and its subsidiaries (the "Group") which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Summary of the Key Audit Matters	How the scope of our audit responded to the Key Audit Matter
Impairment of Goodwill	Under IFRSs, the Group is required to annually test the amount of goodwill for impairment. This annual impairment test was significant to our audit because the balance of $6,418,337 as at December 31, 2021 is material to the consolidated financial statements. In addition, management's assessment process is complex and highly judgmental and is based on assumptions, specifically discount rates, growth rates on terminal value, growth rate on revenues, and growth rate on expenses, which are affected by expected future market and economic conditions.	In evaluating the impairment of goodwill, we performed various procedures, including the following: • We assessed the Group's design and implementation of controls relating to the carrying value of goodwill; • We tested underlying data (including cash flow, forecasts, and financial statement data) used in developing estimates; • We involved our internal fair value specialists to assess the appropriateness of the valuation methodology to assist with the testing of the discount rate and the long-term growth rate and sensitivity analysis around key assumptions used by management in the goodwill impairment testing; and • We perform sensitivity analyses on the key drivers of the cash flow projections and the appropriateness of management's disclosures.
Valuation of Provision for Future Policy Benefits	As at December 31, 2021, the Group had recorded provision for future policy benefits of $479,304,732 (see Note 18 of the consolidated financial statements), which is material to the consolidated financial statements. Management makes key judgments and estimates in determining the valuation of the provision for future policy benefits. Key areas of judgment include expected future policy lapse rates, mortality, morbidity, investment yield, policy maintenance expense assumptions, and any other relevant contingency.	In evaluating the valuation of the provision for future policy benefits, we performed various procedures, including the following: • Understanding and evaluating the process and controls in place to determine the provision for future policy benefits; • We obtained an understanding of management's actuary (the "actuary"), including their qualifications; • We engaged our actuarial specialists to (1) obtain and inspect the reports of management's actuary; (2) assess the appropriateness of the assumptions and judgments made by the actuary, (3) assess whether the methods used by the actuary was in accordance with professional actuarial standards, and

	This requires special audit consideration because of the assumptions, as small changes in assumptions may have a material impact on the provision.	(4) develop an independent range of reasonable provision for future policy benefits valuations and (5) perform retrospective procedures to assess the adequacy of previously determined reserves; • Testing the completeness and accuracy of the data used in the calculation of the provision for future policy benefits; and • Assessing the adequacy of the disclosures in the consolidated financial statements.
Valuation of Investment Properties	Investment properties as at December 31, 2021, were $58,458,824 (see Note 13 of the consolidated financial statements). Investment properties are measured at fair value in the consolidated financial statements. Investment properties are valued using a combination of the discounted cash flow method, cost approach, income approach, and the sales comparison approach. These methods require certain key assumptions, and significant judgments to be made by management, including rental income, market rents, operating expenses, vacancies, discounts rates, and capitalization rates. We considered this a key audit matter due to the significant judgments made by management in determining the fair value of the investment properties through the use of various valuation methods and assumptions.	In evaluating the valuation of investment properties, we performed various procedures including the following: • Understanding and evaluating the process and controls in place for valuing investment properties; • We obtained an understanding of management's fair value specialist(s), including their qualifications; • We engaged our fair value specialists to (1) evaluate the appropriates of the valuation methods used by management; (2) test the underlying data used in the valuation methods; and (3) evaluate the reasonableness of key assumptions such as vacancies, rental income, capitalization rates, market rents, discounts rates and operating expenses. • Testing the completeness and accuracy of the data used in the valuation models; and • Assessing the adequacy of the disclosures in the consolidated financial statements.

Premium Revenue	Premium revenue is the Group's primary source of revenue. The occurrence and accuracy of premium revenue are considered to be a key audit area due to manual intervention of certain revenue transactions.	In evaluating the occurrence and accuracy of premium revenue, we performed various procedures including the following: • Understanding management's process for recording these transactions; • We assessed whether the Group's revenue recognition policies complied with IFRS; • We assessed the Group's design and implementation of controls; and • We selected samples and tested entries subject to manual intervention.

Other Matter

The consolidated financial statements of the Group for the year ended December 31, 2020 were audited by another auditor who expressed an unmodified opinion on those statements on May 31, 2021.

Other Information

Management and those charged with governance are responsible for the Other Information. The Other Information comprises all the information in the Colina Holdings Bahamas Limited and its subsidiaries' 2021 Annual Report, but does not include the consolidated financial statements and our auditors' report thereon ("the Other Information").

Our opinion on the consolidated financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is S. Tshombe Godet.

Deloitte & Touche

Nassau, Bahamas
April 30, 2022

Jacques Tremblay FCIA, MAAA, FSA
Partner

Oliver Wyman
120 Bremner Boulevard Suite 800
Toronto, ON M5J 0A8
Canada

Tel: +1 416 868 7071
jacques.tremblay@oliverwyman.com

OLIVER WYMAN

April 30, 2022

Subject: **2021 certification of actuarial liabilities**

I have valued the actuarial liabilities of Colina Holdings Bahamas Limited for its consolidated balance sheet as of December 31, 2021, for a total amount of $460,881,431 and their change in the consolidated statement of operations for the year then ended in accordance with accepted actuarial practice, the Canadian Institute of Actuaries' Standards of Practice (for Life companies), and the Canadian valuation method ("CALM"), all of which are accepted in The Bahamas, including selection of appropriate assumptions and methods.

The total actuarial liabilities reflects the gross actuarial liabilities of $479,304,732 adjusted for the reinsurance asset of $18,423,301.

In my opinion, the amount of the actuarial liabilities reported above makes appropriate provision for all future policyholder obligations, and the consolidated financial statements of Colina Holdings Bahamas Limited present fairly the results of the valuation.

Respectfully submitted,

Jacques Tremblay

Jacques Tremblay FCIA, MAAA, FSA,

Fellow of Canadian Institute of Actuaries, Member of the American Academy of Actuaries, Fellow of Society of Actuaries

Appointed Actuary for Colina Insurance Limited

Oliver Wyman Limited

MARSH & McLENNAN COMPANIES

COLINA HOLDINGS BAHAMAS LIMITED
Consolidated Statement of Financial Position

At December 31, 2021 with corresponding figures at December 31, 2020
(Expressed in Bahamian dollars)

	Notes	2021	2020
ASSETS			
Cash and demand balances	8	$ 31,923,719	$ 31,271,815
Term deposits	7,8	7,450,539	15,660,104
Investment securities and other financial assets	7,9	431,662,321	443,758,594
Receivables and other assets	10	122,594,451	76,410,597
Reinsurance receivables		24,162,470	14,962,537
Reinsurance assets	18	18,423,301	16,687,479
Policy loans	7,11	66,128,152	67,471,882
Mortgages and commercial loans	7,12	19,711,150	23,493,544
Investment properties	7,13	58,458,824	56,609,849
Equity-accounted investees	7,14	15,471,354	14,997,768
Property and equipment	15	19,304,546	15,888,712
Goodwill	16	6,418,337	6,418,337
Other intangible assets	17	2,152,898	1,764,472
Total assets		**$ 823,862,062**	**$ 785,395,690**
LIABILITIES			
Provision for future policy benefits	18	$ 479,304,732	$ 471,585,838
Policy dividends on deposit		28,397,049	28,323,445
Total policy liabilities		507,701,781	499,909,283
Lease liabilities	19	3,246,348	4,048,056
Other liabilities	20	95,401,043	81,601,269
Total liabilities		606,349,172	585,558,608
EQUITY			
Ordinary shares	22	24,729,613	24,729,613
Contributed capital		5,960,299	5,960,299
Revaluation reserve	23	3,704,969	3,765,161
Retained earnings		120,364,345	102,530,695
Total ordinary shareholders' equity		154,759,226	136,985,768
Preference shares	22	42,500,000	42,500,000
Total shareholders' equity		197,259,226	179,485,768
Non-controlling interests	21	20,253,664	20,351,314
Total equity		217,512,890	199,837,082
Total liabilities and equity		**$ 823,862,062**	**$ 785,395,690**

The accompanying notes on pages **46-99** are an integral part of these consolidated financial statements.

The financial statements were approved by the Board of Directors on April 30, 2022 and signed on its behalf by:

T. Hilts - Chairman

E. M. Alexiou – Executive Vice-Chairman

COLINA HOLDINGS BAHAMAS LIMITED
Consolidated Statement of Profit or Loss

For the Year Ended December 31, 2021 with corresponding figures for the Year Ended December 31, 2020
(Expressed in Bahamian dollars)

	Notes	2021	2020
Revenues:			
Premium revenue	26	$ 134,325,358	$ 123,488,947
Less: Reinsurance premiums	26	(18,269,020)	(15,745,298)
Net premium revenue	26	116,056,338	107,743,649
Net investment income	13,27	30,897,770	16,495,617
Share of profit/(loss) of equity-accounted investees	14	1,146,298	(2,103,416)
Net commission income		4,028,012	3,648,966
Investment management and other fees		16,280,859	15,434,604
Other income and fees		6,238,671	4,995,773
Total revenues		174,647,948	146,215,193
Benefits and expenses:			
Policyholders' benefits	28	107,101,144	91,606,123
Less: Reinsurance recoveries	28	(17,520,807)	(12,522,738)
Net policyholders' benefits	28	89,580,337	79,083,385
Changes in provision for future policy benefits	18	5,983,072	(3,716,583)
General and administrative expenses	13,29	39,758,716	37,772,449
Commission expense		8,260,930	6,857,947
Premium and other tax expense		3,703,271	3,484,587
Finance costs and interest	30	2,267,405	2,141,271
Total benefits and expenses		149,553,731	125,623,056
Net income for the year		**$ 25,094,217**	**$ 20,592,137**
Net income attributable to:			
Equity shareholders of the Company	31	$ 24,544,865	$ 20,095,290
Non-controlling interests	21	549,352	496,847
Net income for the year		**$ 25,094,217**	**$ 20,592,137**
Basic earnings per ordinary share	31	**$ 0.89**	**$ 0.71**

The accompanying notes on pages **46-99** are an integral part of these consolidated financial statements.

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

For the Year Ended December 31, 2021 with corresponding figures for the Year Ended December 31, 2020
(Expressed in Bahamian dollars)

	Notes	2021	2020
Net income for the year		$ 25,094,217	$ 20,592,137
Other comprehensive income/(loss):			
Items that will not be reclassified to profit or loss			
Revaluation of land and building	13,15	4,995,317	1,057,086
Transfers to retained earnings	23	(1,173,050)	-
Items that are or will subsequently be reclassified to profit or loss			
Reclassification during the year to profit or loss	23	-	(692,645)
Share of OCI of Equity-Accounted Investees	23	(672,713)	(431,317)
Revaluation adjustment	23	-	(109,950)
Change in available-for-sale financial assets	23,27	(3,209,746)	(10,375,469)
Other comprehensive loss for the year		(60,192)	(10,552,295)
Total comprehensive income for the year		**$ 25,034,025**	**$ 10,039,842**
Attributable to:			
Equity shareholders of the Company		$ 24,484,673	$ 9,542,995
Non-controlling interests	21	549,352	496,847
Total comprehensive income for the year		**$ 25,034,025**	**$ 10,039,842**
Comprehensive earnings per ordinary share	31	**$ 0.89**	**$ 0.29**

The accompanying notes on pages **46-99** are an integral part of these consolidated financial statements.

COLINA HOLDINGS BAHAMAS LIMITED
Consolidated Statement of Changes in Equity

For the Year Ended December 31, 2021 with corresponding figures for the Year Ended December 31, 2020
(Expressed in Bahamian dollars)

	Notes	Ordinary Share Capital	Contributed Capital	Revaluation Reserve	Retained Earnings	Preference Share Capital	Non-controlling Interests	Total Equity
Balance, January 1, 2020		$ 24,729,613	$ 5,960,299	$ 14,317,456	$ 90,209,720	$ 42,500,000	$ 19,664,160	$ 197,381,248
Net income for the year		-	-	-	20,095,290	-	496,847	20,592,137
Share of OCI of Equity-Accounted Investees	14	-	-	(431,317)	-	-	-	(431,317)
Net loss on remeasurement of available-for-sale securities to fair value	23	-	-	(10,375,469)	-	-	-	(10,375,469)
Revaluation adjustment	23	-	-	(109,950)	109,950	-	-	-
Reclassification during the year to profit or loss	23	-	-	(692,645)	-	-	-	(692,645)
Revaluation of investment property	13	-	-	1,057,086	-	-	-	1,057,086
Changes in non-controlling interests	21	-	-	-	-	-	190,307	190,307
Dividends paid to ordinary shareholders	31	-	-	-	(5,440,515)	-	-	(5,440,515)
Preference share dividends	31	-	-	-	(2,443,750)	-	-	(2,443,750)
Balance at December 31, 2020		$ 24,729,613	$ 5,960,299	$ 3,765,161	$ 102,530,695	$ 42,500,000	$ 20,351,314	$ 199,837,082
Net income for the year		-	-	-	24,544,865	-	549,352	25,094,217
Share of OCI of Equity-Accounted Investees	14	-	-	(672,713)	-	-	-	(672,713)
Net loss on remeasurement of available-for-sale securities to fair value	23	-	-	(3,209,746)	-	-	-	(3,209,746)
Revaluation of investment property	13	-	-	38,161	-	-	-	38,161
Revaluation of owner-occupied property	15			4,957,156				4,957,156
Transfers to retained earnings	23	-	-	(1,173,050)	1,173,050	-	-	-
Changes in non-controlling interests	21	-	-	-	-	-	(647,002)	(647,002)
Dividends paid to ordinary shareholders	31	-	-	-	(5,440,515)	-	-	(5,440,515)
Preference share dividends	31	-	-	-	(2,443,750)	-	-	(2,443,750)
Balance, December 31, 2021		**$ 24,729,613**	**$ 5,960,299**	**$ 3,704,969**	**$ 120,364,345**	**$ 42,500,000**	**$ 20,253,664**	**$ 217,512,890**

The accompanying notes on pages **46-99** are an integral part of these consolidated financial statements.

COLINA HOLDINGS BAHAMAS LIMITED
Consolidated Statement of Cash Flows

For the Year Ended December 31, 2021 with corresponding figures for the Year Ended December 31, 2020
(Expressed in Bahamian dollars)

	Notes	2021	2020
Cash flows from operating activities:			
Net income		$ 25,094,217	$ 20,592,137
Adjustments to reconcile net income to net cash provided by/(used in) operating activities:			
Change in unrealized losses on fair value through profit or loss securities	27	2,712,399	11,034,629
Increase/(decrease) in provision for future policy benefits net of reinsurance assets		5,983,072	(3,716,583)
Changes in loss provisions for loans and receivables		3,514,169	2,024,544
Depreciation and impairment/amortization charges		2,411,054	2,174,630
Net realized losses on fair value through profit or loss securities	27	139,887	1,302,697
Net realized losses/(gains) on sale of available-for-sale securities		60,487	(556,865)
Interest income		(38,376,877)	(31,261,614)
Dividend income		(1,099,561)	(1,275,222)
Net fair value (gains)/losses on investment properties		(1,313,181)	3,642,388
Finance costs and interest		2,477,002	2,376,889
Operating cash flows before changes in operating assets and liabilities		1,602,669	6,337,630
Changes in operating assets and liabilities:			
(Decrease)/increase in other assets		(56,785,544)	4,613,858
Decrease/(increase) in other liabilities		13,873,378	(805,003)
Net cash (used in)/provided by operating activities		(41,309,497)	10,146,485

(Continued)

The accompanying notes on pages **46-99** are an integral part of these consolidated financial statements.

COLINA HOLDINGS BAHAMAS LIMITED
Consolidated Statement of Cash Flows

For the Year Ended December 31, 2021 with corresponding figures for the Year Ended December 31, 2020
(Expressed in Bahamian dollars)

	Notes	2021	2020
Cash flows from investing activities:			
Decrease/(increase) in term deposits with original maturities greater than 90 days		7,851,054	(7,776,689)
Fair value through profit or loss securities purchased		(20,892,200)	(24,110,393)
Proceeds on disposal of fair value through profit or loss securities		13,393,374	22,309,034
Available-for-sale securities purchased		(35,970,522)	(63,054,620)
Proceeds on disposal of available-for-sale securities		49,443,102	36,373,347
Reclassification during the year to profit or loss	23	-	(692,645)
Net change in loans to policyholders		1,315,471	2,058,084
Repayments from loan to SBL Ltd.		-	1,611,642
Net decrease in mortgages and commercial loans		1,665,244	1,076,456
Additions to investment property		(497,633)	(158,749)
Additions to other intangibles		(1,050,543)	(347,140)
Interest received		37,263,575	29,072,278
Dividends received		1,099,561	1,275,222
Proceeds on disposal of property and equipment, net		423,929	220,493
Additions to property and equipment		(631,544)	(791,177)
Net cash provided by/(used in) investing activities		53,412,868	(2,934,857)
Cash flows from financing activities:			
Changes in non-controlling interests		(647,002)	190,307
Interest paid on other contracts		(2,057,808)	(1,905,653)
Payments on repurchase agreement		-	(7,000,000)
Payments on borrowings		(209,597)	(235,618)
Increase in lease liabilities		60,867	605,977
Payment of lease liabilities		(1,072,172)	(960,895)
Dividends paid to ordinary shareholders		(5,440,515)	(5,440,515)
Dividends paid to preference shareholders		(2,443,750)	(2,443,750)
Net cash used in financing activities		(11,809,977)	(17,190,147)
Net increase/(decrease) in cash and cash equivalents		293,393	(9,978,519)
Cash and cash equivalents, beginning of year		33,984,653	43,963,172
Cash and cash equivalents, end of year	8	**$ 34,278,046**	**$ 33,984,653**

(Concluded)

Premium and other taxes paid during the period totaled $3,623,716 (2020: $3,480,336).

The accompanying notes on pages **46-99** are an integral part of these consolidated financial statements.

1. Reporting Entity

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 December 31, 2021, approximately 58.1% (2020: 58.1%) of the Company's issued ordinary shares were owned by AF Holdings Ltd. ("AFH") and 41.9% (2020: 41.9%) by the Bahamian public. All significant balances and transactions with AFH and parties related to AFH are disclosed as related party transactions in these consolidated financial statements (See Note 34).

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.

The consolidated financial statements of the Company and its subsidiaries (collectively, "the Group") for the year ended December 31, 2021 were authorized for issue in accordance with a resolution of the Company's Board of Directors on April 30, 2022.

2. Basis of Preparation

2.1 Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

The Group presents its consolidated statement of financial position broadly in order of liquidity. An analysis regarding recovery or settlement within twelve months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 35.

2.2 Basis of accounting

The consolidated financial statements of the Group have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities and investment properties that are required to be remeasured at fair value. The Company, with the concurrence of The Insurance Commission of The Bahamas, uses actuarial practices generally accepted in Canada for the valuation of its provision for future policyholder benefits as no specific guidance is provided by IFRS for determining such provisions. The adoption of IFRS 4 – Insurance Contracts, permits the Group to continue with this valuation policy.

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expense will not be offset in the consolidated statement of profit or loss unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Group.

The consolidated financial statements provide comparative information in respect of the previous period. In addition, the Group presents an additional statement of financial position at the beginning of the preceding period where there has been a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in the consolidated financial statements.

2.3 Functional currency and foreign currency transactions

The Group's functional and presentation currency is the Bahamian dollar. Monetary assets and liabilities denominated in currencies other than the Bahamian dollar are translated to Bahamian dollars using the rates of exchange prevailing at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Income and expense items denominated in foreign currencies are translated at a rate of exchange that approximates the actual rate prevailing at the time of the transaction. Resulting differences are recognized in profit or loss in the reporting period in which they arise.

2.4 Use of judgement and estimates

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, and the accompanying disclosures and the disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

(a) Valuation of long-term insurance contract liabilities and investment contract liabilities with a Discretionary Participation Feature ("DPF") and Reinsurance Assets

The liability for life insurance contracts and investment contracts with DPF is either based on current assumptions or on assumptions established at inception of the contract, reflecting the best estimate at the time increased with a margin for risk and adverse deviation. All contracts are subject to a liability adequacy test, which reflect management's best current estimate of future cash flows.

The main assumptions used relate to mortality, morbidity, longevity, investment returns, expenses, lapse and surrender rates, and discount rates. The Group bases mortality and morbidity rates on standard industry Canadian mortality tables which reflect historical experiences, adjusted when appropriate to reflect the Group's unique risk exposure, product characteristics, target markets and own claims severity and frequency experiences. For those contracts that insure risk related to longevity, prudent allowance is made for expected future mortality improvements as well as wide ranging changes to life style, which could result in significant changes to the expected future mortality exposure.

Estimates are also made as to future investment income arising from the assets backing life insurance contracts. These estimates are based on current market returns as well as expectations about future economic and financial developments.

Assumptions on future expense are based on current expense levels, adjusted for expected expense inflation if appropriate.

Lapse and surrender rates are based on the Group's historical experience of lapses and surrenders.

Discount rates are based on current industry risk rates, adjusted for the Group's own risk exposure.

The net carrying value at December 31, 2021 of long-term insurance contract liabilities with DPF is $216,420,558 (2020: $222,266,024) and of investment contract liabilities with DPF is $3,047,737 (2020: $3,735,632) (See Note 18).

(b) Accident and health insurance contract liabilities

For medical insurance contracts, estimates have to be made for the expected ultimate cost of claims reported at the consolidated statement of financial position date and for the expected ultimate cost of claims incurred but not yet reported ("IBNR") at the reporting date. It can take a significant period of time before the ultimate claims cost can be established with certainty and for certain types of policies, IBNR claims form the majority of the consolidated statement of financial position liability for accident and health insurance.

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques.

The main assumption underlying these techniques is that a company's past claims development experience can be used to project future claims development and hence, ultimate claims costs.

The net carrying value at the reporting date of accident & health insurance contract liabilities is $18,771,297 (2019: $13,364,519) (See Note 18).

(c) Goodwill impairment testing

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating units to which the goodwill relates. Where the recoverable amount of the cash-generating units is less than their carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

The carrying value of goodwill is $6,418,337 (2020: $6,418,337) (See Note 16).

(d) Revaluation of property and equipment and investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognized in the consolidated statement of profit or loss. In addition, it measures certain land and buildings at revalued amounts with changes in fair value being recognized in the revaluation reserve. The Group assesses its property holdings through the use of independent valuation specialists on a periodic basis, performing management assessments in the intervening years. For investment properties, a valuation methodology based on a discounted cash flow ("DCF") model was used, as there is a lack of comparable market data due to the nature of the properties. Land and buildings were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location, and the condition of the respective property. Key assumptions used to determine the fair value of the properties and sensitivity analysis are discussed in Note 13.

2.5 Changes in accounting policies

In the current year, there were several new and amended standards and interpretations issued by the International Accounting Standards Board (the "IASB") and the International Financial Reporting Interpretations Committee of the IASB effective for annual reporting periods beginning on or after January 1, 2021. The adoption of the following standards and interpretations has not led to any material changes in the Group's accounting policies.

- COVID-19 Related Rent Concessions (Amendment to IFRS 16); and
- Interest Rate Benchmark Reform (Amendment to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

2.6 New standards and interpretations not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

- COVID-19-Related Rent Concessions beyond June 30, 2021 (Amendment to IFRS 16)
- Property, Plant, and Equipment – Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018-2020
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to the Conceptual Framework (Amendments to IFRS 3)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Disclosure of accounting policies (Amendments to IAS 1)
- Definition of accounting estimates (Amendments to IAS 8)
- Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts
- IFRS 9 – Financial Instruments
- Amendments to IFRS 9 – Prepayment Features with Negative Compensation

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard and requires entities to identify and account for portfolios of insurance contracts, which comprise contracts that are subject to similar risks and are managed together. The IASB has issued a temporary exemption for the effective date of implementation of IFRS 9 for insurance companies which meet certain qualifying criteria. This exemption allows the application of IFRS 9 to be deferred until the adoption of IFRS 17 – Insurance Contracts, which is effective for periods commencing on or after January 1, 2023. At December 31, 2021, the Group and its major subsidiary, Colina Insurance Limited, meet these qualifying criteria based on the following and have therefore deferred implementation of IFRS 9.

Effective January 1, 2018, the Group adopted the amendments to IFRS 4. The detail, nature and effects of the changes are explained below:

Amendments to IFRS 4 – Insurance Contracts provide two optional solutions to reduce the impact of the differing effective dates of IFRS 9, Financial Instruments (effective January 1, 2018), and IFRS 17 – Insurance Contracts (effective January 1, 2023).

IFRS 9 is generally effective for annual reporting periods beginning on or after January 1, 2018. In September 2016, the International Accounting Standards Board ("IASB") issued amendments to IFRS 4 - Insurance contracts ("IFRS 4"), which provide optional relief to eligible insurers in respect of IFRS 9. The options permit (a) entities whose predominant activity is issuing insurance contracts within the scope of IFRS 17 – Insurance contracts ("IFRS 17") a temporary exemption to defer the implementation of IFRS 9, or alternatively (b) give entities issuing insurance contracts the option to remove from profit or loss the incremental volatility caused by changes in the measurement of specified financial assets upon application of IFRS 9. Entities that apply either of the options will be required to adopt IFRS 9 on January 1, 2023, which aligns with the effective date of IFRS 17.

The Group evaluated its liabilities at December 31, 2015, the prescribed date of assessment under the temporary exemption provisions and concluded that all of the liabilities were predominantly connected with insurance. At December 31, 2015, the provision for future policy benefits totaled $387,181,176. Of this amount, 98% were liabilities that arose from contracts within the scope of IFRS 4. Total liabilities at December 31, 2015 amounted to $541,082,433 and 93% of these liabilities arose because the Group issues insurance contracts and fulfil obligations arising from insurance contracts. The Group has determined that it does not engage in significant activity unconnected with insurance as over 90% of its revenues are derived from insurance-related activity.

Additionally, the Group has not previously applied any version of IFRS 9. Therefore, the Group is an eligible insurer that qualifies for optional relief from the application of IFRS 9. As at January 1, 2018 (IFRS 9 effective date), the Group has elected to apply the optional transitional relief under IFRS 4 that permits the deferral of the adoption of IFRS 9 for eligible insurers. The Group will continue to apply IAS 39 – Financial instruments: Recognition and measurement ("IAS 39") until January 1, 2023. See Note 10, Investment securities and other financial assets for additional disclosures which enable comparison between the Group and entities that applied IFRS 9 at January 1, 2018.

At December 31, 2021, the Group's corporate bonds, mutual funds, unquoted and quoted investments are classified as Available-for-Sale ("AFS") in accordance with IAS 39. The AFS financial assets are recorded at fair value on the Group's statements of financial position with changes in their fair value recorded in other comprehensive income.

Management has not yet assessed the full impact of the relevant adoption of these standards and interpretations in future periods against the consolidated financial statements of the Group.

The accounting policies adopted are consistent with those of the previous financial year except as discussed below. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

3.1 Principles of consolidation

The consolidated financial statements include the accounts of the Company and subsidiaries. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);

- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangements with the other vote holders of equity in the investee;
- Rights arising from other contractual arrangements; and
- The Company's voting rights and potential voting rights.

Where the Company has control, subsidiaries are fully consolidated from the date on which control is transferred to the Company and are de-consolidated from the date on which control ceases. The financial statements of subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Company's equity. Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Non-controlling interests consist of the amount of those interests at the date of the original business combination (See Note 3.2) and the non-controlling interest's share of changes in equity since the date of the combination. Changes in the Group's ownership interest of consolidated subsidiaries that don't result in loss of control are accounted for directly in equity.

All material inter-company balances and transactions are eliminated on consolidation. The accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

3.2 Business combinations

Business combinations are accounted for using the acquisition method. The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a "concentration test" that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group has an option to measure any non-controlling interests in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date. This includes separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date and any resulting gain or loss is recognized through profit or loss. It is then considered in the determination of goodwill.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or a liability will be recognized as measurement period adjustments in accordance with the applicable IFRS. If the contingent consideration is classified as equity, it will not be remeasured and its subsequent settlement will be accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the fair value of net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the re-assessment still results in an excess of the fair value of the net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to an appropriate cash-generating unit that is expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

3.3 Equity-accounted investees

The Group's equity-accounted investees are accounted for using the equity method of accounting. An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of the net assets of the associate. Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognized at the date of acquisition is recognized as goodwill. As goodwill relating to an associate forms part of the carrying amount of an equity-accounted investee and is not separately recognized, it is neither amortized nor individually tested for impairment.

After application of the equity method, the Group assesses at each reporting date whether there is any objective evidence that the entire carrying amount of the equity-accounted investee is impaired by comparing its carrying value to its recoverable amount. Any impairment losses are recognized immediately in the consolidated statement of profit or loss.

The consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income reflect the share of the profit or loss and OCI of associates, respectively. Where there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes and discloses this, when applicable, in the statement of changes in equity. Profits or losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the relevant associate.

Upon loss of significant influence over an associate, the Group measures and recognizes any remaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the remaining investment and proceeds from disposal is recognized in profit or loss.

3.4 Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise: cash on hand; demand deposits; term deposits with original maturities of 90 days or less; net of bank overdrafts.

3.5 Financial assets

Classification

The Group classifies its financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates the classification at every reporting date.

Financial assets at fair value through profit or loss ("FVPL")

Financial assets at FVPL have two sub categories - namely, financial assets held for trading, and those designated at fair value through profit or loss at inception. Investments typically purchased with the intention to sell in the near future are classified as held for trading. For investments designated at initial recognition as at FVPL, the following criteria must be met:

The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets and liabilities or recognizing gains and losses on a different basis; or

The assets are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the Group intends to sell in the short term or that it has designated as at FVPL or available-for-sale. Balances that are included in this classification include: certain investment securities designated as loans and receivables at initial recognition, mortgages and commercial loans, policy loans, receivables arising from insurance contracts, and term deposits with maturities of greater than 90 days.

Available-for-sale ("AFS") financial assets

AFS financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories.

Recognition

Regular way purchases and sales of financial assets are recognized on the trade date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus, in the case of all financial assets not carried at FVPL, transaction costs that are directly attributable to their acquisition.

Derecognition

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or where they have been transferred and the Group has also transferred substantially all risks and rewards of ownership.

Measurement

AFS financial assets and financial assets at FVPL are carried at fair value. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets classified in the FVPL category are included in the consolidated statement of profit or loss in the period in which they arise. Unrealized gains and losses arising from changes in the fair value of financial assets classified as AFS are recognized in the revaluation reserve in the consolidated statement of changes in equity. When financial assets classified as AFS are sold or impaired, the difference between cost or amortized cost and estimated fair value is removed from the revaluation reserve and charged to the consolidated statement of profit or loss.

Loans and receivables are measured at amortised cost.

3.6 Fair value measurement

The Group measures financial instruments and non-financial assets such as investment properties and certain items of property and equipment at fair value at each reporting date. Fair value is defined under accounting guidance currently applicable to the Group to be the prices that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between open market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or;
- In the absence of a principal market, in the most advantageous and accessible market for the asset or liability.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There have been no material changes in the Group's valuation techniques in the period represented in these consolidated financial statements.

3.7 Impairment of financial assets

Financial assets carried at amortized cost

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset ('a loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Group about the following events:

- significant financial difficulty of the issuer or debtor;
- a breach of contract, such as a default or delinquency in payments;
- it becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganization;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, though the decrease cannot yet be identified with the individual financial assets in the group, including:
    - adverse changes in the payment status of issuers or debtors in the group; or
    - local economic conditions that correlate with defaults on the assets in the group.

If there is objective evidence that an impairment loss has been incurred on loans and receivables carried at amortized cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the consolidated statement of profit or loss.

Financial assets carried at fair value

The Group assesses at each reporting date whether there is objective evidence that an AFS financial asset is impaired, including in the case of equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost. If any evidence exists for AFS financial assets, the cumulative loss – measured as the difference between the acquisition cost and current fair value, less any impairment loss on the financial asset previously recognized in profit or loss – is removed from equity and recognized in the consolidated statement of profit or loss. The impairment loss is reversed through the consolidated statement of profit or loss if in a subsequent period the fair value of a debt instrument classified as AFS increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss.

For unlisted shares classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

3.8 Investment properties

Investment properties comprise freehold land and buildings, residential rental properties, and commercial properties that are held for long-term yields and capital appreciation. Investment properties are initially measured at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and exclude the costs of day-to-day servicing of an investment property.

Subsequent to initial recognition, such properties are measured at estimated fair value based on open market value determined periodically by external appraisers with management valuations in intervening periods. Gains or losses arising from changes in the fair values of investment properties are included in the consolidated statement of profit or loss in the year in which they arise.

Investment properties are derecognized either when they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the consolidated statement of profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use evidenced by the end of owner-occupation, commencement of an operating lease to another party, or completion of construction or development. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of the change in use.

When the Group completes the construction or development of a self-constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognized in the consolidated statement of profit or loss.

Rental income from investment property is recognized in net investment income on a straight-line basis over the term of the lease.

3.9 Property and equipment

Property and equipment, with the exception of certain Land improvements and Buildings, are carried at cost less accumulated depreciation and any accumulated impairment losses. Land improvements and buildings are carried at their revalued amounts, as assessed by qualified independent property appraisers or management valuation in intervening periods. Depreciation is charged using the straight-line method to allocate the cost of the assets over their estimated useful lives, as follows:

- Furniture, fixtures and equipment — 5 to 10 years
- Computer hardware — 3 to 5 years
- Motor vehicles — 4 to 5 years
- Leasehold improvements — 5 to 15 years, or shorter lease term
- Land improvements and buildings — 5 to 40 years

Land is not depreciated. The assets' useful lives are reviewed at each reporting date and adjusted if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the consolidated statement of profit or loss.

Increases in the carrying amount arising on revaluation of land and buildings are credited to the revaluation reserve in equity. After revaluation the depreciable amount of revalued buildings is based on its revalued amount.

Decreases that offset previous increases of the same asset are charged against the revaluation reserve directly in equity; all other decreases are charged to the consolidated statement of profit or loss and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

3.10 Goodwill and other intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquiree at the acquisition date. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses related to goodwill cannot be reversed in future periods. Goodwill is allocated to Cash Generating Units ("CGUs") for the purpose of impairment testing. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

For goodwill arising from the purchase of insurance related business, goodwill is allocated to CGUs identified according to the nature and type of insurance contract by major block of business.

For each CGU, the impairment charge is calculated by comparing the present value of the in force and projected new business at time of purchase and currently to determine how much the value has decreased relative to the original amount of goodwill recorded.

The Group's policy for goodwill arising on the acquisition of an associate is described in Note 3.3.

Other intangible assets

Other intangible assets include acquired computer software licenses which are capitalized on the basis of the costs incurred to acquire and implement the specific software. These costs are amortized using the straight-line method over the estimated useful life, not exceeding a period of three years and are included in general and administrative expenses in the consolidated statement of profit or loss. At each reporting date, the Group reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

Other intangible assets included in equity-accounted investees

These intangible assets include customer relationships, non-competitive agreement, trade name, and software and are carried at cost less accumulated amortization. Intangible assets included in equity-accounted investees are amortized on a straight-line basis as follows:

Customer relationships	10 years
Non-competitive agreement	2 years
Trade name	5 to 9 years
Software	3 years

The carrying amount of intangible assets included in equity-accounted investees is reviewed at each reporting date to assess whether it is recorded in excess of its recoverable amount. Where the carrying value exceeds this estimated value the asset is written down to the recoverable amount.

3.11 Insurance contracts

The Group issues contracts that transfer insurance risk or financial risk or both. Insurance contracts are those contracts that transfer significant insurance risk. Such contracts may also transfer financial risk. Significant insurance risk is defined as the probability of paying significantly more on the occurrence of an insured event than if the insured event did not occur.

Financial risk is the risk of a possible future change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of price or rates, a credit rating or credit index or other variable.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire. Investment contracts can however be reclassified as insurance contracts after inception if insurance risk becomes significant.

A number of insurance and investment contracts contain a Discretionary Participation Feature ("DPF"). This feature entitles the contract holder to receive, as a supplement to guaranteed benefits, additional benefits or bonuses:

- that are likely to be a significant portion of the total contractual benefits;
- whose amount or timing is contractually at the discretion of the Group, and;
- that are contractually based on:
  - the performance of a specified pool of contracts or a specified type of contract;
  - realized and/or unrealized investment returns on a specified pool of assets held by the Group; or
  - the profit or loss of the Group, fund or other entity that issues the contract.

The amount and timing of the distribution to individual contract holders is at the discretion of the Group, subject to the advice of the Appointed Actuary.

Insurance contracts and investment contracts with and without DPF are classified into three main categories, depending on the duration of risk and whether or not the terms and conditions are fixed.

Short-term insurance contracts

Short duration life insurance contracts protect the Group's customers from the financial consequences of events (such as death, sickness, or disability). Benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the policyholder. There are no maturity or surrender benefits.

Claims and loss adjustment expenses are charged to profit or loss as incurred based on the estimated liability for compensation owed to contract holders. They include direct and indirect claims settlement costs and arise from events that have occurred up to the reporting date even if they have not yet been reported to the Group. Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the Group and statistical analyses for the claims IBNR.

Individual health, group life and health insurance premiums are recognized as revenue over the related contract periods.

Property and casualty contracts are generally one-year renewable contracts issued by the Group covering insurance risks over property, motor and general accident. Property and casualty premiums written are recognized as income over the periods covered by the related policies taking into consideration the exposure period to which they relate. The adjustment to apportion the gross premiums written and ceded over the life of the policy is made through the movement in unearned premiums.

Unearned premiums at year end represent the proportion of the premiums which relate to periods of insurance subsequent to the statement of financial position date. This amount is calculated on a pro-rated basis.

Long-term insurance and other contracts

Long-term insurance and other contracts insure events associated with human life (for example death, or survival) over a long duration. Premiums are recognized as revenue when they become payable by the contract holder. Premiums are shown before deduction of commissions. Benefits are recorded as an expense when they are incurred.

A liability for contractual benefits that are expected to be incurred in the future is recorded when the premiums are recognized. The liability is based on assumptions as to mortality, persistency, maintenance expenses and investment income that are reviewed annually. A margin for adverse deviations is included in the assumptions.

Long-term insurance and other contracts are further classified into the following sub-categories:

- with fixed and guaranteed terms;
- with fixed and guaranteed terms and with DPF;
- without fixed and guaranteed terms; and
- without fixed and guaranteed terms and with DPF.

The contracts containing DPF participate in the profits of the Colina. As Colina declares the amount to be paid, it is credited to the individual policyholders and a liability for these declared amounts included in the provision for future policy benefits.

Long-term investment contracts with DPF

The fair value of these contracts is determined with reference to the fair value of the underlying financial assets and they are recorded at inception at their fair value.

3.12 Provision for future policy benefits

The provision for future policy benefits represents the amount required, in addition to future premiums and investment income, to provide for estimated future benefit payments, taxes (other than income taxes), commissions and policy administration expenses for all insurance and annuity policies in force with the Group. The Group's Appointed Actuary is responsible for determining the provision for future policy benefits.

The provision for future policy benefits is determined using accepted actuarial practices established by the Canadian Institute of Actuaries ("CIA"), which are accepted in The Bahamas. In accordance with these standards, the actuarial liabilities have been determined by the Appointed Actuary using the Canadian Asset Liability Method ("CALM") and the CIA Standards of Practice (Practice – Specific Standards For Insurers), Section 2300, Life and Health Insurance ("SOP").

CALM involves the projection of future interest rate scenarios in order to determine the amount of assets needed to provide for all future obligations. The method consists of four basic steps:

1. Determination of the period over which these projections are performed.
2. Projection of liability cash flows.
3. Projection of asset cash flows.
4. Performance of interest rate scenario testing under a variety of plausible economic conditions.

The Group maintains specific assets to back the policy liabilities by lines of business. The projection of liability and asset cash flows recognizes these specific assets. The projection period is chosen so as to include all insured events in the valuation process.

The actuarial liabilities for very small blocks of business have been set up as 100% of their annual premiums. IBNR reserves for group life, accident and health are computed as a percentage of related premiums based on experience studies. These bases are in accordance with CALM and SOP.

3.13 Commission expense

Commission expenses comprise commissions earned by the Group's salespersons in respect of insurance and investment products sold. Commission expenses are recognized when payable.

3.14 Pension business

The pension business consists of third-party pension plans with fund accumulations at rates of interest determined by the Group. There are no future interest or annuity rate guarantees. The liability established for future pension benefits for each of these plans is equal to the fund balance at the valuation date. Such third-party pension liabilities are included in 'other liabilities,' see Note 20.

3.15 Policy dividends on deposit

Policy dividends on deposit comprise dividends declared on policies but not withdrawn from the Group, together with accrued interest. Policy dividends are recognized as a liability when declared and are expensed through policyholders' benefits on the consolidated statement of profit or loss.

3.16 Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds.

Where any subsidiary purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs, is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently sold, reissued or otherwise disposed of, any consideration received is included in equity attributable to the Company's equity holders, net of any directly attributable incremental transaction costs.

Dividends on ordinary and preference shares are recognized as a liability and deducted from equity when they are approved by the Company's Board of Directors. Dividends for the year that are approved after the reporting date are dealt with as an event after the reporting date.

3.17 Revenue recognition

Non-insurance revenue comprises net investment income, commission income, investment management and other fees, and other income and fees. Revenue from contracts with customers is recognized when or as the underlying services are provided to the customer in a manner that depicts the Group's satisfaction of the performance obligations in the contract. Revenue is based on the transaction price in the contract with the customer, which is the amount of consideration which the Group is or expects to be entitled to for providing the underlying services.

Interest income for financial assets that are not classified as at FVPL is recognized using the effective interest method. Dividend income is recognized when the Group's right to receive payment is established – this is the ex-dividend date for equity securities. Commission income is earned on the completion of the sale and is recognized at a point in time, being the effective date of writing the policy. Interest income on financing of premiums to customers is recognized using the effective interest method over the financing period. The Group earns revenue from corporate advisory services, investment management services, pension management services, registrar and transfer agent services, and administrative services only ("ASO") insurance contracts. These other income and fees are recognized based on the consideration specified in the contract which is allocated to the performance obligations of the contract. The Group recognizes revenues related to these contracts either at a point in time or over time as the services specified have been transferred or provided. Investment management and other fee income is recorded on an accrual basis when the related trade is executed or over time as the service is provided.

The Group's policy for recognition of revenue from operating leases is described in Note 3.23. For the revenue recognition policies surrounding insurance contracts, see Note 3.11.

3.18 Reinsurance

In the normal course of business, the Group seeks to limit its exposure to loss on any single insured and to recover benefits paid, by ceding premiums to reinsurers under excess coverage contracts. Contracts entered into that meet the classification requirements of insurance contracts are classified as reinsurance contracts held. Amounts recoverable from reinsurers are estimated in a manner consistent with the policy liability associated with the reinsured and in accordance with the terms of each reinsurance contract and are classified as reinsurance assets on the consolidated balance sheet.

Reinsurance liabilities are primarily premiums due for reinsurance contracts and are recognized as an expense when due.

An impairment review of recoverable amounts is performed at each reporting date or more frequently when an indication of impairment arises during the reporting year. Impairment occurs when objective evidence exists that the Group may not recover outstanding amounts under the terms of the contract and when the impact on the amounts that the Group will receive from the reinsurer can be measured reliably. The impairment loss is recorded in the consolidated statement of profit or loss.

Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or expire or when the contract is transferred to another party.

Ceded reinsurance arrangements do not relieve the Group from its obligations to policyholders.

The Group also assumes reinsurance risk in the normal course of business for non-life insurance contracts. Premiums and claims on assumed reinsurance are recognized as revenue or expenses in the same manner as they would be if the reinsurance were considered direct business, taking into account the product classification of the reinsured business. Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in manner consistent with the related reinsurance contract.

Premiums and claims are presented on a gross basis for both ceded and assumed reinsurance.

3.19 Defined contribution pension plan

The Group's subsidiaries operate separate defined contribution pension plans. Contributions are made to the plans on a mandatory and voluntary basis. The Company has no further payment obligations once the contributions have been paid. The Company's portion of the contributions is charged to the consolidated statement of profit or loss as employee/salespersons' benefits expense in the year to which they relate.

3.20 Share-based payments

The Group's subsidiaries operate separate Employee Share Ownership Plans ("ESOP"). Under these plans, eligible employees and salespersons can purchase common shares of the Company on the open market through regular payroll deductions up to a maximum of 10% of eligible earnings. Employee and salespersons' contributions are matched by the Company at rates ranging between 20% to 100% of eligible earnings. The Group's matching contribution fully vests to the employee or salesperson after a period of 1-4 years, subject to the individual plan requirements. These share-based payments to employees and salespersons are measured at the fair value of the equity instruments at the grant date. The cost of matching employee and salespersons' contributions amounted to $39,025 in 2021 (2020: $34,186) and is included in employee/salespersons' benefits expense.

3.21 Taxation

The Group is subject to tax on taxable gross premium income at the flat rate of 3% (2020: 3%). Premium taxes are included in premium and other tax expense in the consolidated statement of profit or loss. The Group is also subject to Value Added Tax ("VAT") on taxable supplies at the standard rate of 12.0% (2020: 12%). The Group is eligible, however, for input tax credits to reduce its VAT liability based on an apportionment formula based on its proportion of standard rated taxable supplies to non-taxable supplies. VAT incurred by the Group in excess of input tax credits received are apportioned to the Group's general and administrative expenses. There are no other corporate, income or capital gains taxes levied on the Group in The Bahamas or in any other jurisdictions in which the Group operates. There are no uncertain tax liabilities requiring accrual in the consolidated statement of financial position (2020: Nil).

3.22 Segregated fund

With the acquisition of Imperial Life in 2005, certain contracts were acquired which allow unit holders to invest in a segregated fund managed by the Group for their benefit. Substantially all risks and rewards of ownership accrue to the unit holders and, consequently, the assets held in the segregated fund account are excluded from the assets in the Group's general funds and are therefore not included in the consolidated statement of financial position. As of December 31, 2021, these assets amounted to $53.2 million (2020: $50.8 million). The Group has entered into a sub-investment management agreement with Colina Financial Advisors Ltd. to manage a significant portion of these assets.

3.23 Leases

Policy applicable from January 1, 2019

The Group assesses at contract inception whether a contract is, or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets ("ROU" assets) representing the right to use the underlying assets.

i) Right-of-use assets

Right-of-use assets are initially measured at cost, comprising the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

ii) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from external financial sources and make certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise and extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made of the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in "property and equipment' and lease liabilities in "loans and borrowing" in the statement of financial position.

iii) Short-term leases and leases of low value assets

The Group applies the short-term lease recognition exemption to short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the main lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the main lease, not with reference to the underlying asset. If a main lease is a short-term lease to which the Group applies the exemption described previously, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of “rental income”.

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from IFRS 16.

3.24 Bank borrowings

Bank borrowings are initially recognized at fair value, which is the cost of the consideration received, net of issue costs and any discount or premium on settlement. Subsequent to initial recognition, they are measured at amortized cost, using the effective interest rate method.

Borrowing costs are recognized as an expense when incurred.

3.25 Other financial liabilities and insurance, trade and other payables

These items are recognized when due and measured on initial recognition at the fair value of the consideration paid. Subsequent to initial recognition, they are measured at amortized cost using the effective interest rate method.

Financial liabilities and insurance, trade and other payables are derecognized when the obligation under the liability is discharged, cancelled or expired. When the existing liability is replaced by another from the same lender on substantially different terms, or the terms of the existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of profit or loss.

3.26 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event; it is probable that the Company will be required to settle that obligation; and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle that obligation at the reporting date and are discounted to present value.

4. Responsibilities of the Appointed Actuary and Independent Auditors

The Appointed Actuary is appointed by the Board of Directors and is responsible for carrying out an annual valuation of the Group's policy liabilities in accordance with accepted actuarial practice and reporting thereon to the Board of Directors. In performing the valuation, the Appointed Actuary makes assumptions as to the future rates of interest, asset default, mortality, claims experience, policy termination, inflation, reinsurance recoveries, expenses and other contingencies taking into consideration the circumstances of the Group and the policies in force. The Appointed Actuary's report outlines the scope of the valuation and the actuary's opinion.

The Independent Auditors have been appointed by the shareholders and are responsible for conducting an independent and objective audit of the consolidated financial statements in accordance with International Standards on Auditing. They report to the shareholders regarding the fairness of the presentation of the Group's consolidated financial statements in accordance with IFRS.

(Expressed in Bahamian dollars)

5. Subsidiaries

Subsidiaries of the Company as of December 31, 2021 are as follows:

Name	Place of Incorporation	Shareholding
Life and Health Insurance Company		
Colina Insurance Limited ("Colina")	The Bahamas	100%
Mortgage Company		
Colina Mortgage Corporation Ltd. ("CMCO")	The Bahamas	100%
Investment Property Holding Companies		
Bay St. Holdings Ltd.	The Bahamas	100%
Colina Real Estate Fund Ltd. ("CREFL")	The Bahamas	84%
Collmpco One Ltd.	The Bahamas	100%
Dax Limited	The Bahamas	100%
Goodman's Bay Development Company Limited ("GBDC")	The Bahamas	86%
IMPCO Properties (Bahamas) Limited	The Bahamas	100%
IMPCO Real Estate Holdings (Bahamas) Limited	The Bahamas	100%
NCP Holdings Ltd.	The Bahamas	100%
P.I. Investments Ltd.	The Bahamas	100%
Wednesday Holding Company Ltd.	The Bahamas	100%
Investment Holding Companies		
August Property Holdings Ltd.	The Bahamas	100%
Colina MTS Limited	The Bahamas	100%
CPCH Bahamas Limited	The Bahamas	100%
Fairway Close Development Company Ltd.	The Bahamas	100%
Partner Investment Ltd.	The Bahamas	100%
PRO Health Holdings Ltd.	The Bahamas	100%
Sharp Investment Ltd.	The Bahamas	100%
Investment Funds		
CFAL Global Bond Fund Ltd. ("CGBF")	The Bahamas	89%
Ikonic Fund SAC Limited	The Bahamas	93%
General Insurance		
Colina General Insurance Agents & Brokers Limited ("CGIA")	The Bahamas	100%
Indigo Insurance (Bahamas) Limited ("Indigo") (formerly Mint Insurance Company (Bahamas) Ltd.	The Bahamas	100%
Investment Brokerage and Advisory Services		
Colina Financial Advisors Ltd. ("CFAL")	The Bahamas	100%
CFAL Securities Ltd.	The Bahamas	100%

(Expressed in Bahamian dollars)

6. Segment Information

For management purposes, the Group is organized into business units based on its products and services and has three reportable operating segments as follows:

- Life Division - offers a wide range of whole life and term insurance, pension, annuity, and savings and investment products.
- Group and Health Division – offers a wide range of individual medical and group life and health medical insurance.
- Other – includes the Group's participation in International Reinsurance Managers, LLC ("IRM") reinsurance facilities and the operations of its other subsidiary and associated companies.

Segment performance is evaluated based on profit or loss, which in certain respects is measured differently from profit or loss in the consolidated financial statements.

Intersegment transactions have occurred between operating segments at an arm's length basis in a manner similar to transactions with third parties. Segment income, expense and results would then include those transfers between business segments which would then be eliminated on consolidation.

The segment results for the period ended December 31 are as follows:

	2021			
	Life	**Health**	**Other**	**Total**
INCOME				
Net premium revenue	$ 45,618,711	$ 59,620,358	$ 10,817,269	$ 116,056,338
Net investment income and share of income from equity-accounted investees	27,914,886	832,082	3,297,100	32,044,068
Net commission income	-	-	4,028,012	4,028,012
Investment management and other fees	-	7,919,761	8,361,098	16,280,859
Other income and fees	473,077	3,380,661	2,384,933	6,238,671
Total revenues	74,006,674	71,752,862	28,888,412	174,647,948
POLICYHOLDER BENEFITS	43,062,150	43,497,280	9,003,979	95,563,409
EXPENSES	21,206,825	16,943,818	15,839,679	53,990,322
NET INCOME	$ 9,737,699	$ 11,311,764	$ 4,044,754	$ 25,094,217
TOTAL ASSETS	$ 711,867,315	$ 63,760,416	$ 48,234,331	$ 823,862,062
TOTAL LIABILITIES	$ 550,822,531	$ 40,842,194	$ 14,684,447	$ 606,349,172

(Expressed in Bahamian dollars)

	2020			
	Life	**Health**	**Other**	**Total**
INCOME				
Net premium revenue	$ 47,151,713	$ 51,399,099	$ 9,192,837	$ 107,743,649
Net investment income and share of income from equity-accounted investees	14,215,133	401,721	(224,653)	14,392,201
Net commission income	-	-	3,648,966	3,648,966
Investment management and other fees	-	7,243,261	8,191,343	15,434,604
Other income and fees	157,613	2,761,251	2,076,909	4,995,773
Total revenues	61,524,459	61,805,332	22,885,402	146,215,193
POLICYHOLDER BENEFITS	38,214,139	29,922,054	7,230,609	75,366,802
EXPENSES	20,168,135	16,313,259	13,774,860	50,256,254
NET INCOME	$ 3,142,185	$ 15,570,019	$ 1,879,933	$ 20,592,137
TOTAL ASSETS	$ 687,001,158	$ 49,906,478	$ 48,488,054	$ 785,395,690
TOTAL LIABILITIES	$ 537,009,137	$ 35,038,404	$ 13,511,067	$ 585,558,608

7. Invested Assets

The following represent the Company's total invested assets which are comprised of the following:

	2021	**2020**
Term deposits	$ 7,450,539	$ 15,660,104
Investment securities and other financial assets	431,662,321	443,758,594
Mortgages and commercial loans	19,711,150	23,493,544
Policy loans	66,128,152	67,471,882
Investment properties	58,458,824	56,609,849
Equity-accounted investees	15,471,354	14,997,768
Total invested assets	$ 598,882,340	$ 621,991,741

Invested assets comprise 72.7% of total assets at December 31, 2021 (2020: 79.2%).

8. Cash and Cash Equivalents

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

	2021	**2020**
Term deposits	$ 7,450,539	$ 15,660,104
Less: Deposits with original maturities of greater than 90 days	(5,096,212)	(12,947,266)
Short-term deposits (cash equivalents)	2,354,327	2,712,838
Cash and demand balances	31,923,719	31,271,815
Total cash and cash equivalents	$ 34,278,046	$ 33,984,653

As of the reporting date, term deposits with original maturities of less than 90 days totalled $2,354,327 (2020: $2,712,838). The weighted-average interest rate on deposits with original maturities greater than 90 days is 2.4% (2020: 2.3%) per annum.

(Expressed in Bahamian dollars)

Included in deposits with original maturities of greater than 90 days are restricted balances held in favour of regulatory bodies in the Turks & Caicos Islands and the Cayman Islands totaling $2,887,049 (2020: $2,885,095). No restricted amounts are included in cash and demand balances (2020: Nil).

9. Investment Securities and other Financial Assets

Investment securities and other financial assets comprise equity and debt securities classified into the following categories:

	2021	2020
Equity securities		
Fair value through profit or loss	$ 16,350,254	$ 10,882,575
Available-for-sale	10,833,029	15,923,100
Total equity securities	27,183,283	26,805,675
Non-pledged debt securities		
Fair value through profit or loss	88,219,974	84,736,070
Available-for-sale	272,109,024	288,066,809
Loans and receivables	44,150,040	44,150,040
Total debt securities	404,479,038	416,952,919
Total investment securities and other financial assets	$ 431,662,321	$ 443,758,594

Included in financial assets at fair value through profit or loss are financial instruments in the Bahamas Investment Fund (See Note 33).

Included in investment securities and other financial assets are government debt securities which are mainly comprised of fixed rate and variable rate bonds tied to the Bahamian $ Prime Rate issued by The Bahamas Government. These securities have interest rates ranging from 4.1% to 6.5% per annum (2020: from 4.1% to 8.6% per annum) and scheduled maturities between 2022 and 2065 (2020: between 2021 and 2065).

Included in debt securities classified as 'available-for-sale' is $2,185,000 (2020: $2,185,000) and $3,013,000 (2020: $3,013,000) representing restricted balances held in favour of the CILStatutory Trust and The Mint (Insurance) Bahamas Trust (the "Trusts"), respectively. The CILStatutory Trust and The Mint (Insurance) Bahamas Trust were established by Colina Insurance Limited and Indigo Insurance (Bahamas) Limited, respectively, in accordance with the Insurance Act, 2005 and Insurance (General) Regulations 2010 (as amended) which require that certain assets be deposited in favour of the Insurance Commission of The Bahamas by registered insurers in respect of entities which propose to carry on life, health, or general insurance business.

The movements in the categories of investment securities are as follows:

	FVPL	Available-for-sale	Loans and receivables	Total
At December 31, 2019	$ 106,154,612	$ 287,127,240	$ 44,150,040	$ 437,431,892
Additions	24,110,393	63,054,620	-	87,165,013
Disposals and maturities	(22,309,034)	(36,373,347)	-	(58,682,381)
Net fair value gains/(losses)	(12,337,326)	(9,818,604)	-	(22,155,930)
At December 31, 2020	95,618,645	303,989,909	44,150,040	443,758,594
Transfers, net	4,305,043	(4,305,043)		-
Additions	20,892,200	35,970,522	-	56,862,722
Disposals and maturities	(13,393,374)	(49,443,102)	-	(62,836,476)
Net fair value gains/(losses)	(2,852,286)	(3,270,233)	-	(6,122,519)
At December 31, 2021	$ 104,570,228	$ 282,942,053	$ 44,150,040	$ 431,662,321

(Expressed in Bahamian dollars)

Realized net fair value gains/(losses) are included in net investment income in the consolidated statement of income.

The following table shows an analysis of financial instruments by level within the fair value hierarchy:

At December 31, 2021	**Level 1**	**Level 2**	**Total Fair Value**
Financial assets designated at fair value through profit or loss:			
Equity securities	$ 5,005,380	$ 1,869,041	$ 6,874,421
Shares in investment funds	-	9,475,833	9,475,833
Government securities	-	67,412,303	67,412,303
Preferred shares	-	403,572	403,572
Other debt securities	-	20,404,099	20,404,099
Total	$ 5,005,380	$ 99,564,848	$ 104,570,228
Available-for-sale financial assets:			
Equity securities	$ 7,263,024	$ 3,043,493	$ 10,306,517
Shares in investment funds	-	526,512	526,512
Government securities	-	240,258,242	240,258,242
Preferred shares	-	10,793,975	10,793,975
Other debt securities	-	21,056,807	21,056,807
Total	$ 7,263,024	$ 275,679,029	$ 282,942,053
Loans and receivables:			
Sovereign debt	-	34,708,500	34,708,500
Total	$ -	$ 34,708,500	$ 34,708,500

The Group did not have any financial instruments classified as Level 3 as at December 31, 2021.

At December 31, 2020	**Level 1**	**Level 2**	**Total Fair Value**
Financial assets designated at fair value through profit or loss:			
Non-Pledged Securities			
Equity securities	$ 4,932,918	$ 2,061,272	$ 6,994,190
Shares in investment funds	-	3,888,385	3,888,385
Government securities	-	70,155,143	70,155,143
Preferred shares	-	489,283	489,283
Other debt securities	-	14,091,644	14,091,644
Total	$ 4,932,918	$ 90,685,727	$ 95,618,645
Available-for-sale financial assets:			
Equity securities	$ 7,790,252	$ 3,287,350	$ 11,077,602
Shares in investment funds	-	4,845,498	4,845,498
Government securities	-	252,559,506	252,559,506
Preferred shares	-	13,908,312	13,908,312
Other debt securities	-	21,598,991	21,598,991
Total	$ 7,790,252	$ 296,199,657	$ 303,989,909
Loans and receivables:			
Sovereign debt	$ -	$ 34,681,500	$ 34,681,500
Total	$ -	$ 34,681,500	$ 34,681,500

The Group did not have any financial instruments classified as Level 3 as at December 31, 2020.

The following table presents the fair value and the amount of change in the fair value of the Company's financial assets as at and for the year ended December 31, 2021 and 2020 showing separately the fair value of financial assets with contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI") and the fair value of financial assets that do not give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding ("non-SPPI"):

	2021				
Financial Assets		**SPPI Financial Assets**		**Non-SPPI Financial Assets**	
(in B$000s)	**Total Carrying Value**	**Fair Value**	**Change in Fair Value**	**Fair Value**	**Change in Fair Value**
Term deposits	$ 7,450,539	$ -	$ -	$ 7,450,539	$ -
Equity securities	17,180,938	-	-	17,180,938	-
Shares in investment funds	10,002,345	-	-	10,002,345	-
Government securities	307,670,545	-	-	307,670,545	-
Preferred shares	11,197,547	-	-	11,197,547	-
Other debt securities	41,460,906	-	-	41,460,906	-
Sovereign debt	44,150,040	34,708,500	-	-	-

	2020				
Financial Assets		**SPPI Financial Assets**		**Non-SPPI Financial Assets**	
(in B$000s)	**Total Carrying Value**	**Fair Value**	**Change in Fair Value**	**Fair Value**	**Change in Fair Value**
Term deposits	$ 15,660,104	$ -	$ -	$ 15,660,104	$ -
Equity securities	18,071,792	-	-	18,071,792	-
Shares in investment funds	8,733,883	-	-	8,733,883	-
Government securities	322,714,649	-	-	322,714,649	-
Preferred shares	14,397,595	-	-	14,397,595	-
Other debt securities	35,690,635	-	-	35,690,635	-
Sovereign debt	44,150,040	34,681,500	-	-	-

10. Receivables and Other Assets

Receivables and other assets are comprised of the following:

	2021	**2020**
Financial assets		
Premiums receivable	$ 9,929,534	$ 4,479,283
Less: Provision on premiums receivable	(1,712,305)	(1,645,708)
Net balances receivable on ASO plans	80,109,628	47,577,328
Agents' balances	782,160	932,242
Less: Provision on agents' balances	(775,582)	(910,241)
Accrued interest income	5,211,843	5,535,363
Receivables from related parties (Note 34)	269,506	135,502
Participation in IRM reinsurance facilities	5,775,958	1,157,902
Non-financial assets		
Properties assumed under mortgage defaults	1,753,400	1,753,400
Land held for development	4,505,522	4,468,501
Prepayments and other assets	16,744,787	12,927,025
Total receivables and other assets	$ 122,594,451	$ 76,410,597

(Expressed in Bahamian dollars)

Administrative Services Only (ASO) receivables

Included in receivables and other assets are net amounts due from / (due to) groups to whom the Group provides administrative services only ("ASO").

Participation in IRM reinsurance facilities

The Group participates in reinsurance facilities managed by International Reinsurance Managers, LLC ("IRM"), an underwriting management company domiciled in the United States of America which provides group health reinsurance services to small and medium sized insurance companies in the Caribbean and Latin America. The Group's participation in these facilities varies from 10% to 50% for differing underwriting years and its interest is included above. The underlying assets of the reinsurance facilities are principally comprised of US Treasury money market instruments.

11. Policy Loans

Policy loans are comprised of:

	2021	2020
Policy loans	$ 62,389,167	$ 63,704,638
Accrued interest on policy loans	3,744,833	3,805,332
Subtotal	66,134,000	67,509,970
Less: Provisions	(5,848)	(38,088)
Policy loans, net	$ 66,128,152	$ 67,471,882

Policy loans are secured by the cash surrender values of the policies on which the loans are made with the exception of $5,848 (2020: $38,088) in policy overloans. Policy overloans represent policy loans in excess of the cash surrender values of the policies on which the loans are made. These overloans are not secured by cash surrender values, however, the related policies remain in force. The policy overloans have been fully provided for at December 31, 2021. Interest is accrued on a monthly basis and the loans are settled on termination of the policy, if not repaid while the policy remains in force. The approximate annual effective interest rate on policy loans is 11.8% (2020: 11.8%).

12. Mortgages and Commercial Loans

Mortgages and commercial loans are comprised of the following:

	2021	2020
Mortgages and commercial loans	$ 29,786,733	$ 31,451,977
Accrued interest	14,276,805	12,779,484
Subtotal	44,063,538	44,231,461
Less: Provisions	(24,352,388)	(20,737,917)
Mortgages and commercial loans, net	$ 19,711,150	$ 23,493,544

(Expressed in Bahamian dollars)

Mortgages and commercial loans are classified into the following categories:

	2021	2020
Residential mortgages	$ 15,275,601	$ 16,766,285
Commercial mortgages	11,812,929	11,982,584
Commercial paper	2,698,203	2,703,108
Subtotal	29,786,733	31,451,977
Accrued interest	14,276,805	12,779,484
Total	$ 44,063,538	$ 44,231,461

The totals above represent the Group's gross exposure on mortgages and commercial loans. It is the Group's policy not to lend more than 75% of collateralized values.

Included in residential mortgages at December 31, 2021 are loans to employees and salespersons amounting to $1,905,889 (2020: $2,169,790).

Provisions on mortgages and commercial loans are as follows:

	2021	2020
Residential mortgages	$ 3,743,435	$ 3,708,856
Commercial mortgages	5,709,861	5,689,591
Commercial paper	1,141,121	-
Accrued interest	13,757,971	11,339,470
Total provisions on mortgages and commercial loans	$ 24,352,388	$ 20,737,917

The movement in loan loss provisions is as follows:

	2021	2020
Balance, beginning of year	$ 20,737,917	$ 18,423,557
Increase in provisions	4,352,456	2,667,132
Provisions written back to income	(737,985)	(352,772)
Balance, end of year	$ 24,352,388	$ 20,737,917

As of the reporting date, the approximate weighted average interest rates on mortgages and commercial loans are as follows:

	2021	2020
Residential mortgages	7.54%	7.55%
Commercial mortgages	9.22%	9.21%
Commercial paper	7.90%	7.90%

(Expressed in Bahamian dollars)

13. Investment Properties

The Group's investment properties consist of land holdings, residential rental properties, and commercial office rental properties and are carried at fair value. All investment properties have been classified as Level 3 in the fair value measurement hierarchy and there were no transfers from or to Level 3 during the period. Movements in investment properties classified by category are as follows:

	Land	Residential	Commercial Office	Total
At December 31, 2019	$ 3,140,000	$ 630,000	$ 55,266,402	$ 59,036,402
Additions	-	-	158,749	158,749
Gain from fair value adjustments through revaluation reserve (Note 23)	-	-	1,057,086	1,057,086
Net loss from fair value adjustments	-	-	(3,642,388)	(3,642,388)
At December 31, 2020	$ 3,140,000	$ 630,000	$ 52,839,849	$ 56,609,849
Additions	-	-	497,633	497,633
Gain from fair value adjustments through revaluation reserve (Note 23)	-	-	38,161	38,161
Gain from fair value adjustments (Note 27)	-	-	1,313,181	1,313,181
At December 31, 2021	$ 3,140,000	$ 630,000	$ 54,688,824	$ 58,458,824

A revaluation gain of $38,161 (2020: $1,057,086) was recognized through the revaluation reserve for an investment property which was originally owner-occupied and transferred from property and equipment to investment property. Net gains/(losses) on all other investment properties from fair value adjustments are included in net investment income on the consolidated statement of profit or loss (See Note 27).

In accordance with the Group's policy for the valuation of investment property holdings in intervening periods, the fair values of all properties at December 31, 2021 were based on valuations performed by external independent appraisers and management using the Discounted Cash Flow Method (DCF), Replacement Cost (RC) Method, Income Approach Method (IA) and the Sales Comparison Method (SC). (2020: DCF and SC).

Significant unobservable inputs used in the valuations in 2021 were as follows:

Property Classification	Valuation technique	Significant unobservable inputs	Range (weighted average)
Land and land lots	SC	Sales price / acre	$10,000 - $375,000 ($12,141)
Residential	SC	Sales price / sq.ft.	$330 ($330)
Commercial office	DCF	Estimated rental rate / sq.ft. / p.a. Discount rate Rent growth p.a. Expense inflation p.a. Capitalization rate for terminal value Vacancy rate	$27 - $48 9.8% 2.0% 2.0% 8.5% 5.0%
	SC	Sales price / sq. ft.	$6-$50 ($27)
	RC	Replacement cost / sq. ft.	$7-$350 ($194)

(Expressed in Bahamian dollars)

	IA	Capitalization rate Vacancy rate	8.0%-9.0% 6.4%-57.4%

Significant unobservable inputs used in the valuations in 2020 were as follows:

Property Classification	**Valuation technique**	**Significant unobservable inputs**	**Range (weighted average)**
Land and land lots	SC	Sales price / acre	$10,000 - $375,000 ($59,663)
Residential	SC	Sales price / sq.ft.	$330 ($330)
Commercial office	DCF	Estimated rental rate / sq.ft. / p.a. Discount rate Rent growth p.a. Expense inflation p.a. Capitalization rate for terminal value Vacancy rate	$10 - $78 9.8%-11.0% 1.0% - 3.0% 2.0% - 3.0% 8.5% - 9.8% 5.5% - 21.8%
	SC	Sales price / sq. ft.	$6 ($6)

Under the Income Approach (IA) method, the projected net annual income net of estimated building expenses is determined and is divided by the capitalization rate. The capitalization rate is the expected rate of return used on similar investments.

The Replacement Cost (RC) method bases the cost of replacing the subject property with a structure providing similar utility. The cost estimate may not be necessarily based on similar materials if considered appropriate by the appraiser based on current construction standards.

Under the Discounted Cash Flow (DCF) method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. A market-derived discount rate is applied to establish the present value of the income streams associated with the property. The exit yield is normally separately determined and differs from the discount rate.

The duration of the cash flows and the specific timing of the inflows and outflows are determined by events such as lease renewals, and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behavior that is a characteristic of the class of property. Periodic cash flows are typically estimated as gross rental income less vacancy, non-recoverable expenses, maintenance and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Under the Sales Comparison (SC) method, fair value is determined by a comparison of recent property sales similar to the subject property. The prices for these properties provide the basis for estimating the value of the subject by comparison. Appropriate adjustments are made for the differences in the properties as they compare to the subject property. The adjusted process yields various indicators of value which are analyzed and correlated to provide a value estimate for the subject property.

(Expressed in Bahamian dollars)

Significant increases (decreases) in estimated rental values and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the property. Significant increase (decrease) in long-term vacancy rates and discount rates in isolation would result in a significantly lower (higher) fair value. Increases/(decreases) in the capitalization rate would result in a significantly lower (higher) fair value.

Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and discount rate and an opposite change in the long term vacancy rate.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment property for repair, maintenance and enhancement.

Investment properties, with carrying values totaling approximately $12.3 million (2020: $12.1 million), have been mortgaged in support of loans advanced to subsidiary companies by the Group. The referenced loans have been eliminated on consolidation. Rental income from investment properties totaled $4,800,596 (2020: $4,867,991), (See Note 27). Direct expenses related to generating rental income from investment properties, amounting to $2,300,063 (2020: $1,763,993), are included in general and administrative expenses.

14. Equity-accounted investees

Equity-accounted investees are comprised of:

		2021		2020
Walk-In Holdings Limited	$	4,226,341	$	3,902,448
SBL Ltd.		11,245,013		11,095,320
Total	$	15,471,354	$	14,997,768

Gains and losses from the Group's equity-accounted investees are comprised of the following:

		2021		2020
Share of profit / (loss) of equity-accounted investees				
Walk-In Holdings Limited	$	326,723	$	(221,601)
SBL Ltd.		819,575		(1,881,815)
Total share of profit / (loss) of equity-accounted investees	$	1,146,298	$	(2,103,416)

Gains and losses recognized in revaluation reserve from the Group's equity-accounted investees are comprised of the following:

		2021		2020
Share of OCI of equity-accounted investees				
Walk-In Holdings Limited	$	(2,831)	$	(2,831)
SBL Ltd.		(669,882)		(428,486)
Total share of OCI of equity-accounted investees	$	(672,713)	$	(431,317)

(Expressed in Bahamian dollars)

Walk-In Holdings Limited

In November 2007, the Group, through its wholly-owned subsidiary, PRO Health Holdings Ltd., acquired interest in Walk-In Holdings Limited ("WIHL"), a privately-held company incorporated in The Bahamas at a cost of $3,402,631. At the balance sheet date, the Group owns 31% (2020: 31%) of WIHL. WIHL owns and operates medical clinics in The Bahamas.

The investment in WIHL is comprised of the following:

		2021		2020
Total assets	$	12,654,419	$	11,723,893
Total liabilities		(1,375,479)		(1,498,899)
Net assets of WIHL	$	11,278,940	$	10,224,994
Company's share of WIHL's net assets	$	3,493,640	$	3,169,747
Goodwill		732,701		732,701
Total investment in WIHL	$	4,226,341	$	3,902,448

Management estimates that the carrying value of the investment in WIHL approximates its fair value at the reporting date.

The Group's share of WIHL's comprehensive net income is as follows:

		12 Months Ended Dec. 31, 2021		12 Months Ended Dec. 31, 2020
Total revenue	$	8,571,945	$	5,999,133
Net Income before OCI for the period	$	1,053,946	$	(723,975)
Other comprehensive income for the period		9,133		9,133
Total comprehensive income for the period	$	1,063,079	$	(714,842)
Share of WIHL's net profit/(loss)	$	326,723	$	(221,601)
Share of WIHL's OCI through revaluation reserve	$	(2,831)	$	(2,831)

SBL Ltd.

In July 2009, the Company and Colina, purchased 7% and 12% of SBL Ltd. ("SBL") at a cost of $3 million and $5 million respectively. In considering the classification of its 19% equity holding in SBL, the Group has classified its investment in SBL as an equity-accounted investee as two of the ten Board members of SBL are also Directors of the Company. In May 2009, SBL acquired the issued and outstanding shares of Ansbacher (Bahamas) Limited ("ABL") and in July 2009, merged ABL subsequently with Sentinel Bank & Trust Limited ("SBT") with the surviving entity retaining the name Ansbacher (Bahamas) Limited. ABL's principal activities comprise private and specialist banking, wealth protection and management, and fiduciary services.

During 2013, the Company and Colina made additional capital contributions of $124,473 and $213,382 respectively in SBL Ltd. The funds were used by SBL's subsidiary, ABL to partially fund the acquisition of Finter Bank and Trust (Bahamas) Limited. CHBL and Colina's percentage ownership in SBL Ltd. after the capital contribution remained at 7% and 12% respectively.

The Company made additional investments in SBL and ABL during 2015. However, these additional investments did not impact the Company's consolidated percentage ownership in SBL nor its classification as an equity-accounted investee. In June 2015, the Company facilitated a $15 million loan to SBL using proceeds received from bank borrowings. This loan was fully repaid in August 2020 (See Note 34). In December 2015, the Company purchased 1 Series B Preference Share of ABL with a par value of $0.01 and Share Premium of $4,999,999.99 for a total investment of $5 million. The Preference Share was issued at the rate of 7% per annum and is cumulative and non-voting and is included in Investment Securities in the available-for-sale classification.

(Expressed in Bahamian dollars)

The investment in SBL is comprised of the following:

	2021	2020
Total assets	$ 495,446,050	$ 558,636,632
Total liabilities	(436,261,770)	(495,240,202)
Net assets of SBL	$ 59,184,280	$ 63,396,430
Company's share of SBL's net assets	$ 10,823,681	$ 10,434,766
Intangible assets	421,332	660,554
Total investment in SBL	$ 11,245,013	$ 11,095,320

Management estimates that the carrying value of the investment in SBL approximates its fair value at the reporting date.

The Group's share of SBL's comprehensive net income is as follows:

	12 Months Ended Dec. 31, 2021	12 Months Ended Dec. 31, 2020
Total revenue	$ 26,858,262	$ 25,524,688
Net Income before OCI for the period	$ 4,313,555	$ (9,904,290)
Other comprehensive income for the period	(3,525,694)	(2,255,189)
Total comprehensive income for the period	$ 787,861	$ (12,159,479)
Share of SBL's net profit/(loss)	$ 819,575	$ (1,881,815)
Share of SBL's OCI through revaluation reserve	$ (669,882)	$ (428,486)

The following table shows an analysis of goodwill and other intangible assets included in equity-accounted investees for the years ending December 31, 2021 and 2020:

	Goodwill	Other Intangibles Assets	Total
Balance as of December 31 , 2019	732,701	1,330,902	$ 2,063,603
Amortization	-	(454,785)	(454,785)
Balance as of December 31 , 2020	732,701	876,117	1,608,818
Amortization	-	(454,785)	(454,785)
Balance as of December 31 , 2021	$ 732,701	$ 421,332	$ 1,154,033

The gross carrying value and accumulated amortization by major category of other intangible assets is shown below.

	2021		
	Other Intangible Assets		
	Gross Carrying Value	Accumulated Amortization	Total
Customer relationships	$ 2,831,632	$ (2,443,001)	$ 388,631
Software	618,397	(585,696)	32,701
Total Other Intangible Assets	$ 3,450,029	$ (3,028,697)	$ 421,332

(Expressed in Bahamian dollars)

	2020		
	Other Intangible Assets		
	Gross Carrying Value	Accumulated Amortization	Total
Customer relationships	$ 2,831,632	$ (1,988,216)	$ 843,416
Software	618,397	(585,696)	32,701
Total Other Intangible Assets	$ 3,450,029	$ (2,573,912)	$ 876,117

The useful life of intangible assets with finite lives ranges from 2 to 10 years, with a weighted average amortization period of 9 years. Expected amortization of the intangible assets is shown below:

	Other intangibles included in Equity-accounted Investees
2022	$ 307,519
2023	64,347
2024	49,466
2025 and thereafter	-
	$ 421,332

15. Property and Equipment

	Land, land improvements and buildings	Leasehold improvements	Furniture, fixtures and equipment	Motor vehicles	Total
Cost / revalued amounts:					
At January 1, 2020	$ 26,209,432	$ 1,596,701	$ 5,400,721	$ 79,259	$ 33,286,113
Additions	462,274	16,511	311,882	510	791,177
Disposals	(136,458)	-	(86,310)	-	(222,768)
At December 31, 2020	$ 26,535,248	$ 1,613,212	$ 5,626,293	$ 79,769	$ 33,854,522
Additions	176,182	1,718	426,456	27,188	631,544
Disposals	(1,023,007)	-	(292)	-	(1,023,299)
Revaluation adjustments through OCI (Note 23)	4,957,156	-	-	-	4,957,156
At December 31, 2021	$ 30,645,579	$ 1,614,930	$ 6,052,457	$ 106,957	$ 38,419,923
Accumulated depreciation:					
At January 1, 2020	$ 10,729,344	$ 1,299,633	$ 4,185,473	$ 42,700	$ 16,257,150
Transfers	-	-	(1,346)	1,346	-
Disposals	(2,275)	-	-	-	(2,275)
Depreciation charge	1,245,132	101,304	354,266	10,233	1,710,935
At December 31, 2020	$ 11,972,201	$ 1,400,937	$ 4,538,393	$ 54,279	$ 17,965,810
Disposals	(599,078)	-	(292)	-	(599,370)
Depreciation charge	1,247,899	82,405	408,900	9,733	1,748,937
At December 31, 2021	$ 12,621,022	$ 1,483,342	$ 4,947,001	$ 64,012	$ 19,115,377
Net book value:					
At December 31, 2021	$ 18,024,557	$ 131,588	$ 1,105,456	$ 42,945	$ 19,304,546
At December 31, 2020	$ 14,563,047	$ 212,275	$ 1,087,900	$ 25,490	$ 15,888,712

(Expressed in Bahamian dollars)

Property, plant and equipment includes ROU assets with a net book value of $2,590,995 (2020: $3,170,087) related to leased properties that do not meet the definition of investment property:

	2021	2020
Gross	$ 4,417,371	$ 6,357,587
Accumulated depreciation	(1,826,376)	(3,187,500)
Total ROU assets	$ 2,590,995	$ 3,170,087

The revalued amounts of land, land improvements and buildings is comprised of the following:

	2021	2020
Land and land improvements	$ 4,648,501	$ 5,110,001
ROU assets (gross)	4,417,371	6,357,587
Buildings	21,579,707	15,067,660
Total cost/revalued amount	$ 30,645,579	$ 26,535,248

Properties are stated at their revalued amounts, as assessed by qualified independent property appraisers or management valuation in intervening periods. The revalued amount is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion, assuming that the buyer is granted vacant possession of all parts of the property required by the business and disregarding potential alternative uses.

Increases in the carrying amount arising on revaluation of land and buildings are credited to the revaluation reserve in equity.

If land, land improvements and buildings were stated on a historical cost basis, the carrying amount would be approximately $7.8 million (2020: $8.3 million).

16. Goodwill

	2021	2020
Cost	$ 17,244,032	$ 17,244,032
Accumulated impairment charges	(10,825,695)	(10,825,695)
Net book amount	$ 6,418,337	$ 6,418,337
Balance, beginning of year	$ 6,418,337	$ 6,418,337
Impairment charge	-	-
Balance, end of year	$ 6,418,337	$ 6,418,337

(Expressed in Bahamian dollars)

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs as follows:

	2021			
	Life	Health	Other	Total
Insurance acquisitions	$ -	$ 3,420,840	$ -	$ 3,420,840
CFAL	-	-	1,007,167	1,007,167
CGIA	-	-	1,990,330	1,990,330
Total	$ -	$ 3,420,840	$ 2,997,497	$ 6,418,337

	2020			
	Life	Health	Other	Total
Insurance acquisitions	$ -	$ 3,420,840	$ -	$ 3,420,840
CFAL	-	-	1,007,167	1,007,167
CGIA	-	-	1,990,330	1,990,330
Total	$ -	$ 3,420,840	$ 2,997,497	$ 6,418,337

Goodwill is comprised of goodwill that was acquired as a result of insurance company mergers and acquisitions by Colina and goodwill resulting from the acquisition of CFAL and CGIA by CHBL.

The recoverable amount of goodwill related to insurance acquisitions was based on its value in use determined by the present value of projected net cash flows of the respective CGUs.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	2021	2020
Discount rate	9.25% to 13.0%	9.5% to 13.0%
Growth rate on terminal value	2.0% to 3.0%	2.0% to 3.0%
Growth rate on revenues	2.4% to 4.0%	2.0% to 4.0%
Growth rate on expenses	2.0% to 3.5%	2.0% to 7.5%

For the insurance and subsidiary acquisitions, three and five years of cash flows, respectively, were included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined based on estimates by management.

17. Other Intangible Assets

	2021	2020
Cost	$ 11,781,702	$ 10,731,159
Accumulated amortization	(9,628,804)	(8,966,687)
Net book amount	$ 2,152,898	$ 1,764,472
Balance, beginning of year	$ 1,764,472	$ 1,881,027
Additions during the period	1,050,543	347,140
Amortization charge	(662,117)	(463,695)
Balance, end of year	$ 2,152,898	$ 1,764,472

Upon acquisition of CFAL in September 2013, the excess of the purchase price over total net assets acquired totaled $5,879,167 and was recognized as goodwill. At the time of acquisition, the analysis to identify intangible assets for allocation purposes of purchase price over net assets acquired had not been completed.

(Expressed in Bahamian dollars)

During 2014, an independent valuation exercise was performed in order to determine this allocation at the valuation date of October 1, 2013. As a result of this, an amount of $4,872,000 was allocated to intangible assets.

The gross carrying value and accumulated amortization by major category of other intangible assets from acquisitions as of December 31, 2021 is shown below:

	Other Intangible Assets		
	Gross Carrying Value	Accumulated Amortization	Total
Customer relationships	$ 4,572,000	$ (3,697,111)	$ 874,889
Trade name	300,000	(221,250)	78,750
Development costs	1,397,683	(198,424)	1,199,259
Total Other Intangible Assets	$ 6,269,683	$ (4,116,785)	$ 2,152,898

Expected amortization of other intangible assets is shown below:

	Expected Amortization Other Intangible Assets
2022	$ 533,122
2023	533,122
2024	533,122
2025 and thereafter	553,532
	$ 2,152,898

18. Provision for Future Policy Benefits and Reinsurance Assets

The provision for future policy benefits is calculated using expected future policy lapse rates, mortality, morbidity, investment yield and policy maintenance expense assumptions and any other relevant contingency. The reinsurance assets are presented separately on the Statement of Financial Position.

The provisions for adverse deviation recognize uncertainty in establishing these best estimates and allow for possible deterioration in experience. As the best estimate assumption is realized, the provisions for adverse deviations will be released in future income to the extent that they are no longer required to cover adverse experience.

The assumptions used in determining the provision for future policy benefits are reviewed regularly, compared to emerging experience and updated when appropriate. The assumptions that are most sensitive to change are investment yields, expenses, policy lapse rates, and mortality and morbidity.

The impact of the COVID-19 pandemic is still uncertain and dependent on the progression of the virus, potential treatments, the distribution of vaccines and on actions taken by governments, businesses and individuals. Explicit estimates have been included in the Provision for Future Policy Benefits to provide for short-term additional claims due to COVID-19. Given the circumstances, it is difficult to reliably predict the potential impact of this disease on the Company's future policy benefits.

Margins for Adverse Deviation Assumptions

The basic assumptions made in establishing provisions for future policy benefits are best estimates for a range of possible outcomes. To recognize the uncertainty in establishing these best estimates, to allow for possible deterioration in experience and to provide greater comfort that the provisions are adequate to pay future benefits, the Appointed Actuary is required to include a margin in each assumption.

The impact of these margins is to increase provisions and decrease the income that would be recognized on inception of the policy. The Canadian Institute of Actuaries prescribes a range of allowable margins. The Company uses assumptions which take into account the risk profiles of the business. The Closed Participating Fund ("Closed Par Fund"), discussed below, has the lowest margins, as the risk is passed back to the policyholders by dividend distributions.

Investment yields

The computation of provisions takes into account projected net investment income on assets supporting policy liabilities and income expected to be earned or forgone on reinvestment or financing of mismatched cash flows. Uncertainties exist with respect to projections of interest rates and the magnitude of losses from asset defaults. The Company accounts for such uncertainties by incorporating provisions for losses into projections of investment income. A margin for adverse deviation is calculated by interest rate scenario testing under the CALM methodology. The margin in the most adverse scenario can be interpreted as deducting 35 basis points from the current (Prime) rates immediately and assuming future interest rates remain at that level in the long term. If future interest rates were to differ by 100 basis points from that assumed in the valuation, without changing the policyholder dividend scale, the liability would increase by $63.1 million (2020: $62.6 million) or decrease by $48.8 million (2020: $48.3 million).

Expenses

The administration expense assumption is based on an expense study conducted by the Company. The expenses are allocated by line of business using allocation factors developed by the Company. Such expense studies are conducted annually, and are subject to changes in the Company's cost structure as well as the rate of inflation. Best estimate expenses are assumed to increase with inflation range of 1.73% to 2.5% throughout the years. Expenses are increased by a range of 0% to 6.25%, where the Closed Par Fund has no margin. If future expenses are to differ by 10% from that assumed, the liability would increase by $6.1 million (2020: $6.1 million) or decrease by $6.1 million (2020: $6.1 million).

Policy lapse rates

Policyholders may allow their policies to lapse by choosing not to continue to pay premiums. The Company bases its estimate of future lapse rates on previous experience for a block of policies. A margin for adverse deviation is added by increasing or decreasing lapse rates, whichever is adverse, by a range of 5% to 20%. If future margins on lapse rates are to differ by 10% from that assumed, the liability would increase by $7.9 million (2020: $8.1 million) or decrease by $7.5 million (2020: $7.7 million).

Mortality and Morbidity

Assumptions for life business are based on Company and industry experience. A margin is added for adverse deviation in the range of 4.0 to 11.25 per 1000 divided by the expectation of life for mortality, and between 15% and 20% for morbidity. The Closed Par Fund has the lowest margin added. If future mortality and morbidity are to differ by 10% from that assumed, the liability would increase by $3.7 million (2020: $3.6 million) or decrease by $3.5 million (2020: $3.4 million).

(Expressed in Bahamian dollars)

Medical claims costs

The principal assumption underlying the estimate of the medical claims reserve is the Company's past claims development experience and loss ratios. If the average claim costs were to increase by 10%, gross liabilities would increase by $0.9 million (2020: $0.8 million), with the net liabilities increasing by $0.8 million (2020: $0.7 million). If the average claim costs were to decrease by 10%, gross liabilities would decrease by $0.9 million (2020: $0.8 million), with the net liabilities decreasing by $0.8 million (2020: $0.7 million).

Analysis of provision for future policy benefits

The following is a summary of the provision for future policy benefits by product line:

	2021		
	Gross Reserve	Reinsurance Asset	Net Reserve
Life insurance	$ 441,183,240	$ 16,635,105	$ 424,548,135
Annuities	14,514,262	-	14,514,262
Accident and health	20,559,493	1,788,196	18,771,297
Colina Investment Plan (Note 33)	3,047,737	-	3,047,737
Total provision for future policy benefits	$ 479,304,732	$ 18,423,301	$ 460,881,431

	2020		
	Gross Reserve	Reinsurance Asset	Net Reserve
Life insurance	$ 435,992,410	$ 15,025,750	$ 420,966,660
Annuities	16,831,548	-	16,831,548
Accident and health	15,026,248	1,661,729	13,364,519
Colina Investment Plan (Note 33)	3,735,632	-	3,735,632
Total provision for future policy benefits	$ 471,585,838	$ 16,687,479	$ 454,898,359

The following is a summary of the provision for future policy benefits by contract category:

	2021		
	Gross Reserve	Reinsurance Asset	Net Reserve
Short-term insurance contracts	$ 22,366,673	$ 1,788,196	$ 20,578,477
Long-term insurance and other contracts			
-with fixed and guaranteed terms	221,290,282	16,021,284	205,268,998
-with fixed and guaranteed terms and with DPF	202,401,692	(665,264)	203,066,956
-without fixed and guaranteed terms	15,565,661	-	15,565,661
-without fixed and guaranteed terms and with DPF	14,632,687	1,279,085	13,353,602
Long-term investment contracts with DPF	3,047,737	-	3,047,737
Total provision for future policy benefits	$ 479,304,732	$ 18,423,301	$ 460,881,431

(Expressed in Bahamian dollars)

	2020		
	Gross Reserve	Reinsurance Asset	Net Reserve
Short-term insurance contracts	$ 16,803,149	$ 1,661,729	$ 15,141,420
Long-term insurance and other contracts			
-with fixed and guaranteed terms	210,577,593	14,537,845	196,039,748
-with fixed and guaranteed terms and with DPF	207,580,418	(848,886)	208,429,304
-without fixed and guaranteed terms	17,715,535	-	17,715,535
-without fixed and guaranteed terms and with DPF	15,173,511	1,336,791	13,836,720
Long-term investment contracts with DPF	3,735,632	$ -	3,735,632
Total provision for future policy benefits	$ 471,585,838	$ 16,687,479	$ 454,898,359

Provision for Unpaid Claims and Reinsurers' Share of Provision for Unpaid Claims

The movement in the provision for unpaid claims for included in short-term insurance contracts comprises:

	2021		
	Gross	Reinsurers' Share	Net
Provision, beginning of year	$ 7,471,515	$ 513,525	$ 6,957,990
Claims incurred	39,218,053	555,332	38,662,721
Claims paid	(37,895,905)	(577,828)	(37,318,077)
Provision, end of year	$ 8,793,663	$ 491,029	$ 8,302,634
Breakdown of the provision			
Notified claims	$ 1,463,457	$ -	$ 1,463,457
Incurred but not reported (IBNR) on medical, dental & vision	7,330,206	491,029	6,839,177
Provision, end of year	$ 8,793,663	$ 491,029	$ 8,302,634

	2020		
	Gross	Reinsurers' Share	Net
Provision, beginning of year	$ 9,277,341	$ 467,141	$ 8,810,200
Claims incurred	29,194,193	1,513,301	27,680,892
Claims paid	(31,000,019)	(1,466,917)	(29,533,102)
Provision, end of year	$ 7,471,515	$ 513,525	$ 6,957,990
Breakdown of the provision			
Notified claims	$ 1,374,655	$ -	$ 1,374,655
Incurred but not reported (IBNR) on medical, dental & vision	6,096,860	513,525	5,583,335
Provision, end of year	$ 7,471,515	$ 513,525	$ 6,957,990

The IBNR on medical, dental & vision from the table above is included in the net reserve on short-term insurance contracts as follows:

Short-term insurance contracts

The following table shows the estimate of claims by calendar year, net of reinsurance for the past 3 years for the medical, dental and vision lines of business. The table shows how the estimate of total incurred claims for each calendar year varies based on the when the estimate is made:

	Year Claim is Incurred			
(in B$000s)	**2019**	**2020**	**2021**	**Total**
Estimate of net claims				
End of year incurred	$ 32,875	$ 28,064	$ 38,150	$ 99,089
One year later	32,509	28,229		
Two years later	32,633			
Current (December 31, 2021) Estimate of ultimate claims	$ 32,633	$ 28,229	$ 38,150	$ 99,012
Cumulative payments (through December 31, 2021	(32,623)	(27,990)	(32,185)	(92,798)
Current (December 31, 2021) Amount included in the provision for unpaid claims netof reinsurer's share of provision for unpaid claims	$ 10	$ 390	$ 4,631	$ 5,031

The following table shows how the amount presented in the table above is included in the total provision for unpaid claims and reinsurers' share of provision for unpaid claims:

(in B$000s)	**2021**
Amount included in the provision for unpaid claims net of reinsurer's share of provision for unpaid claims	$ 5,031
Other provisions	3,272
Total	$ 8,303

Analysis of change in provision for future policy benefits

	Gross Reserve	**Reinsurance Asset**	**Net Reserve**
Balance, January 1, 2020	$ 475,223,871	$ 16,608,929	$ 458,614,942
Normal changes in policy liabilities	21,740,849	583,843	21,157,006
Changes in assumptions and refinement of estimates	(25,378,882)	(505,293)	(24,873,589)
Balance, December 31, 2020	$ 471,585,838	$ 16,687,479	$ 454,898,359
Normal changes in policy liabilities	8,239,258	1,334,014	6,905,244
Changes in assumptions and refinement of estimates	(520,364)	401,808	(922,172)
Balance, end of year	$ 479,304,732	$ 18,423,301	$ 460,881,431

(Expressed in Bahamian dollars)

Closed Participating Fund

In the provision for future policy benefits as of December 31, 2021 are actuarial reserves totaling $31.6 million (2020: $33.0 million) relating to Colina's commitment to maintain and operate a Closed Participating Fund ("Closed Par Fund") covering the individual participating business (both life and annuity) of the Canada Life portfolio of business acquired on January 1, 2004. The objective of this Closed Par Fund is to finance the participating policyholders' reasonable expectations that Colina will: (i) pay the benefits guaranteed by each participating policy according to its terms; (ii) pay dividends according to the current dividend scale provided that current experience continues; and (iii) make an equitable adjustment to the dividend scale in future years to reflect any deviations from the current experience, in accordance with the insurer's dividend policy as well as applicable actuarial standards. Future profits that may emerge within the Closed Par Fund are for the sole benefit of the participating policyholders.

The Appointed Actuary's valuation of the Closed Par Fund as of December 31, 2021 shows that it had the following asset mix:

	2021	2020
Government securities	58.8%	65.0%
Policy loans	19.8%	21.5%
Equity securities	7.5%	9.4%
Mortgage loans	1.7%	1.9%
Cash and equivalents	9.2%	1.1%
Corporate bonds	3.0%	1.1%
Total	100.0%	100.0%

19. Lease Liabilities

Lease liabilities

The Group has lease contracts for property and other real estate used in its operations. Leases generally have lease terms between 3 and 20 years, inclusive of renewable clauses that are likely to be exercised. Where lease terms are for periods of 12 months or less or are for low value, the Group has applied the 'short-term lease' and 'lease of low-value assets' recognition exemption.

The carrying amounts of ROU assets recognized and the movements during the period are included in Note 15 with Property and Equipment.

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2021	2020
At the beginning of the year	$ 4,048,056	$ 4,167,356
Additions	60,867	605,977
Accretion of interest	209,597	235,618
Payments	(851,665)	(871,983)
Lease terminations	(220,507)	(88,912)
As at December 31,	$ 3,246,348	$ 4,048,056
Current	$ 658,776	$ 807,869
Non-current	2,587,572	3,240,187
Total	$ 3,246,348	$ 4,048,056

The following are the amounts recognized in profit or loss:

	2021	2020
Depreciation expense ROU assets (Note 15)	$ 613,919	$ 613,919
Interest expense on lease liabilities (Note 30)	209,597	235,618
Total amount recognized in profit or loss	$ 823,516	$ 849,537

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

20. Other Liabilities

	2021	2020
Third party pension liabilities	$ 28,217,773	$ 28,316,950
Benefits payable to policyholders	18,823,028	15,623,058
Accrued expenses and other liabilities	38,147,638	33,672,687
Reinsurance payables	10,212,604	3,988,574
Total other liabilities	$ 95,401,043	$ 81,601,269

Interest on third party pension plans are at rates between 4.1% to 4.5% (2020: 4.1% to 4.5%).

21. Non-controlling Interests

	2021			
	GBDC	CGBF	CREFL	Total
% ownership by NCI as at December 31, 2021	14.0%	12.8%	14.9%	
(in B$000s)				
Total assets	$ 33,997	$ 131,957	$ 13,248	
Total liabilities	509	3,346	1,644	
Net assets	$ 33,488	$ 128,611	$ 11,604	
Net assets attributable to NCI	$ 4,593	$ 13,920	$ 1,741	$ 20,254
Total revenues	$ 2,556	$ 3,867	$ 2,116	
Net profit	$ 1,777	$ 3,657	$ 1,023	
Other comprehensive income / (loss)	-	-	-	
Total comprehensive income	$ 1,777	$ 3,657	$ 1,023	
Profit allocated to NCI	$ 290	$ 102	$ 157	$ 549

	2020			
	GBDC	CGBF	CREFL	Total
% ownership by NCI as at December 31, 2020	14.0%	12.8%	14.9%	
(in B$000s)				
Total assets	$ 36,694	$ 125,052	$ 12,534	
Total liabilities	483	83	1,953	
Net assets	$ 36,211	$ 124,969	$ 10,581	
Net assets attributable to NCI	$ 4,935	$ 13,832	$ 1,584	$ 20,351
Total revenues	$ 1,352	$ (3,600)	$ 660	
Net profit	$ 835	$ (3,845)	$ (544)	
Other comprehensive income / (loss)	13	-	(5)	
Total comprehensive income / (loss)	$ 848	$ (3,845)	$ (549)	
Profit / (loss) allocated to NCI	$ 119	$ 461	$ (83)	$ 497

22. Share Capital

	2021	2020
Authorized:		
45,000,000 Class "A" Preference Shares of B$1.00 each (2020: 45,000,000)	$ 45,000,000	$ 45,000,000
30,000,000 Class "B" Preference Shares of B$0.01 each (2020: 30,000,000)	$ 300,000	$ 300,000
35,000,000 Class "A" Ordinary Shares of B$1.00 each (2020: 35,000,000)	$ 35,000,000	$ 35,000,000
40,000,000 Class "B" Ordinary Shares of B$0.01 each (2020: 40,000,000)	$ 400,000	$ 400,000
Issued and fully paid:		
42,500,000 Class "A" Preference Shares of B$1.00 each (2020: 42,500,000)	$ 42,500,000	$ 42,500,000
24,729,613 Class "A" Ordinary Shares of B$1.00 each (2020: 24,729,613)	$ 24,729,613	$ 24,729,613

The Class “A” Preference Shares were authorized for issue on September 30, 2005, as non-voting and redeemable at the discretion of the Board of Directors at any time after September 30, 2006, upon 90 days’ notice. The shares were issued with dividends payable quarterly at the Bahamian $ Prime rate plus 2.25% per annum on the par value outstanding to shareholders of record on the record date.

The Company gave notice to the Class “A” Preference Shareholders on October 29, 2008 of its intention to retire all issued and fully paid Class “A” Preference Shares. Preference Shareholders of record on that date were provided with the first right of refusal to subscribe for an equivalent amount of Par Value of Class “A” Preference Shares which were issued at a dividend rate payable quarterly at the Bahamian $ Prime rate plus 1.5% per annum. On January 31, 2009, all issued and fully paid Class “A” Preference Shares issued and fully paid on that date were issued at the new dividend rate. The Class “A” Preference Shares rank in priority to the ordinary shares in a winding up with respect to repayment of capital and any cumulative dividends in arrears. During 2015, an additional 2,000,000 of Class “A” Preference Shares were issued.

At the Extraordinary Annual General Meeting of the Company held June 3, 2015, the shareholders approved resolutions to authorize an additional 30,000,000 of Class “B” Preference Share capital with a par value of $0.01 each and an additional 40,000,000 of Class “B” Ordinary voting share capital with a par value of $0.01. At December 31, 2020, none of the Class “B” ordinary or preference share capital were issued.

(Expressed in Bahamian dollars)

23. Revaluation Reserve

The revaluation reserve is comprised of the net gain/(loss) on remeasurement of available-for-sale securities to fair value and revaluation adjustments related to land and buildings. Also included in the revaluation reserve are unrealized gains related to the purchase of additional equity in a subsidiary company subsequent to the date control was first established.

	Available-for-Sale	Subsidiary Acquisitions	Land and Building	Equity-Accounted Investees	Total
Balance as of January 1, 2019	$ 6,355,348	$ 2,291,925	$ 5,255,236	$ 414,947	$ 14,317,456
Revaluation adjustment	(109,950)	-	-	-	(109,950)
Net fair revaluation gains of Equity-Accounted Investees (See Note 14)	-	-	-	(431,317)	(431,317)
Net fair value losses during the year	(10,375,469)	-	-	-	(10,375,469)
Revaluation of investment property (Note 13)	-	-	1,057,086	-	1,057,086
Transfers to net income	(692,645)	-	-	-	(692,645)
Balance as of December 31 , 2020	(4,822,716)	2,291,925	6,312,322	(16,370)	3,765,161
Net fair revaluation losses of Equity-Accounted Investees (Note 14)	-	-	-	(672,713)	(672,713)
Net fair value losses during the year	(3,209,746)	-	-	-	(3,209,746)
Revaluation of investment property (Note 13)	-	-	38,161	-	38,161
Revaluation of owner-occupied property (Note 15)	-	-	4,957,156	-	4,957,156
Transfers to retained earnings	-	-	(1,173,050)	-	(1,173,050)
Balance as of December 31 , 2021	$ (8,032,462)	$ 2,291,925	$ 10,134,589	$ (689,083)	$ 3,704,969

24. Contingent Liabilities and Commitments

The Group has the following contingent liabilities and commitments as of the year-end reporting date:

Legal proceedings and regulations

The Group operates in the insurance and financial services industry and is subject to legal proceedings in the normal course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigations) will have a material effect on its results and financial position.

The Group is also subject to insurance solvency regulations in all the jurisdictions in which it operates and has complied with all regulations. There are no contingencies associated with the Group's compliance or lack of compliance with such regulations.

Contingent liabilities

The Group may have contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business. It is not anticipated that any material loss will arise from the contingent liabilities. Other than as disclosed in Note 9, as at December 31, 2021, the Group did not provide any guarantees to third parties in the ordinary course of business. (2020: Nil).

The Group, is from time to time, in connection with its normal operations, named as a defendant in actions for damages and costs allegedly sustained by the plaintiffs. The Board of Directors is of the opinion, based upon the advice of counsel, that the final outcome of such actions will not have a material adverse effect on the financial position of the Group.

Commitments

Lending: The Company had no commitments to extend credit for mortgages and commercial loans at December 31, 2020 (2020: Nil).

Purchase of property and equipment: The Company had no commitments for the purchase of capital equipment or services at December 31, 2021 (2020: Nil).

(Expressed in Bahamian dollars)

25. Future Minimum Lease Payments Receivable

The Group derives rental income from certain of its investment properties under non-cancellable rental agreements. See also Note 27. The future minimum lease payments due to be received under these agreements as of December 31, 2021 are as follows:

	At December 31, 2021	At December 31, 2020
Less than one year	$ 1,616,529	$ 1,418,795
One to two years	917,000	1,001,620
Two to three years	810,383	1,028,429
Three to four years	663,236	823,897
Four to five years	556,773	829,879
More than five years	152,467	1,793,995
Total	$ 4,716,388	$ 6,896,615

26. Net Premium Revenue

Net premium revenue is comprised of the following:

	2021	2020
Life and health insurance premiums	$ 123,211,760	$ 113,587,814
Less: Reinsurance premiums	(18,269,020)	(15,745,298)
Subtotal	104,942,740	97,842,516
Premiums from IRM reinsurance facilities (Note 10)	11,113,598	9,901,133
Net premium revenue	$ 116,056,338	$ 107,743,649

Net premium revenues are classified in the following categories:

	2021	2020
Short-term insurance contracts	$ 73,328,224	$ 67,791,651
Long-term insurance and other contracts		
-with fixed and guaranteed terms	35,499,235	32,557,239
-with fixed and guaranteed terms and with DPF	16,104,033	16,975,544
-without fixed and guaranteed terms	2,572,308	29,296
-without fixed and guaranteed terms and with DPF	6,185,952	5,513,059
Long-term investment contracts with DPF	635,606	622,158
Total premium revenue arising from contracts issued	134,325,358	123,488,947
Premiums ceded to reinsurers	(18,269,020)	(15,745,298)
Net premium revenue	$ 116,056,338	$ 107,743,649

(Expressed in Bahamian dollars)

27. Net Investment Income

Net investment income is classified as follows:

	2021	2020
Term deposits	$ 210,304	$ 157,780
Investment securities		
Interest income	23,564,967	22,246,872
Dividend income	1,099,561	1,275,222
Net fair value losses included in profit and loss	(2,912,773)	(11,780,461)
Net fair value losses included in the revaluation reserve (Note 23)	(3,209,746)	(10,375,469)
Net investment return on managed assets	18,752,313	1,523,944
Mortgages and commercial loans	(1,531,039)	361,397
Policy loans	7,448,292	7,631,945
Rental income (Note 13)	4,800,596	4,867,991
Fair value gains/(losses) on investment properties (Note 13)	1,313,181	(3,642,388)
Fair value losses on property assumed under mortgage default	-	(32,000)
Other management fees and income (net)	(3,095,319)	(4,590,741)
Total return on invested assets	27,688,024	6,120,148
Less: Fair value losses in the revaluation reserve (Note 23)	3,209,746	10,375,469
Total net investment income recognized in income	$ 30,897,770	$ 16,495,617

There are no impairment charges included in net investment income (2020: $150,000).

28. Net Policyholders' Benefits

Net policyholders' benefits are comprised of the following:

	2021	2020
Life and health policyholder benefits	$ 99,963,674	$ 81,508,403
Less: Reinsurance recoveries	(17,520,807)	(12,522,738)
Subtotal	82,442,867	68,985,665
Benefits paid on IRM reinsurance facilities (Note 10)	7,137,470	10,097,720
Total net policyholders' benefits	$ 89,580,337	$ 79,083,385

Included in life and health policyholder benefits is $863,085 related to interest on policy dividends on deposit (2020: $872,999).

(Expressed in Bahamian dollars)

Policyholders' benefits for the year by contract classification were as follows:

		2021		2020
Short-term insurance contracts	$	48,353,045	$	40,989,348
Long-term insurance and other contracts				
-with fixed and guaranteed terms		24,920,264		16,918,882
-with fixed and guaranteed terms and with DPF		25,452,246		25,553,311
-without fixed and guaranteed terms		1,887,348		1,885,211
-without fixed and guaranteed terms and with DPF		5,383,940		3,523,643
Long-term investment contracts with DPF		1,104,301		2,735,728
Total policyholders' benefits		107,101,144		91,606,123
Reinsurance recoveries		(17,520,807)		(12,522,738)
Net policyholders' benefits	$	89,580,337	$	79,083,385

29. General and Administrative Expenses

General and administrative expenses are comprised of:

		2021		2020
Salaries and employee/salesperson benefits	$	18,079,690	$	17,851,216
Fees, insurance and licences		7,369,014		5,204,951
IRM reinsurance facilities expenses (Note 10)		1,630,648		1,712,213
Advertising and communications expense		3,589,972		3,584,001
Depreciation and amortization (Notes 15 and 17)		2,411,054		2,174,630
Premises and maintenance		2,797,604		2,949,672
Underwriting fees		828,806		716,505
Consulting and other expenses/write-offs		3,051,928		3,579,261
Total general and administrative expenses	$	39,758,716	$	37,772,449

30. Finance Costs and Interest

Finance costs and interest are comprised of:

		2021		2020
Interest on third party pension liabilities	$	1,197,984	$	1,200,893
Interest on liabilities due to ASO groups		717,483		527,139
Interest on lease liabilities (Note 19)		209,597		235,618
Other interest costs		142,341		177,621
Total finance costs and interest	$	2,267,405	$	2,141,271

(Expressed in Bahamian dollars)

31. 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 year, excluding ordinary shares of the Company acquired by Colina and held as treasury shares. There were no treasury shares held by the Company as at December 31, 2021.

	2021	2020
Net income attributable to equity shareholders	$ 24,544,865	$ 20,095,290
Net income attributable to ordinary shareholders	$ 22,101,115	$ 17,651,540
Weighted average number of ordinary shares outstanding	24,729,613	24,729,613
Basic earnings per ordinary share	$ 0.89	$ 0.71

	2021	2020
Comprehensive income attributable to equity shareholders	$ 24,484,673	$ 9,542,995
Comprehensive income attributable to ordinary shareholders	$ 22,040,923	$ 7,099,245
Weighted average number of ordinary shares outstanding	24,729,613	24,729,613
Comprehensive Basic earnings per ordinary share	$ 0.89	$ 0.29

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 the Class "A" ordinary shareholders in 2021 totalled $5,440,515 ($0.22 per share) (2020: $5,440,515 ($0.22 per share)).

Dividends paid by the Company to the Class "A" preference shareholders during 2021 totalled $2,443,750 (2020: $2,443,750).

The Company does not have any dilutive shares.

32. Pension Plan

The Group's subsidiaries operate various defined contribution plans for eligible administrative employees and salespersons which are administered by CFAL. Under the respective plans, eligible staff and salespersons contribute between 5% to 7.5% of pensionable earnings with the subsidiary Companies contributing between 5% to 7.5%. The subsidiary Group's matching contributions vest with the employee/salesperson on various scales but fully vest after five to ten years. Pension expense for the year was $841,340 and is included in salaries and employee/salespersons' benefits expense (2020: $814,753).

33. Unit Linked Funds and Investment Plans

Certain policy contracts allow the policyholder to invest in units in a notional fund called the Bahamas Investment Fund (the "BIF"). The value of the units is linked to the performance of the underlying assets of the BIF. These assets may be varied by the Company from time to time and neither the policyholder nor any other person who may be entitled to benefit has any legal or beneficial interest in the BIF or the units or any underlying assets, which are solely the property of the Group.

Certain policy contracts, obtained through the acquisition of the former Colina in 2002, allow the policyholder to acquire units in a notional investment fund known as the Colina Investment Plan (the "CIP"). The value of the units is based on the performance of the underlying assets of the CIP. These assets may be varied from time to time.

(Expressed in Bahamian dollars)

Depending on the issue date of their policy, the Group may have guaranteed investors in the CIP a minimum rate of return of either 4% or 4.5% per annum, payable at maturity. The liabilities in relation to these guarantees are included in the provision for future policy benefits.

Issuance of new CIP policies was discontinued in January 2001.

The underlying assets of the BIF and CIP that are included in their respective categories in the reporting at December 31, 2021 are as follows:

	Bahamas Investment Fund		Colina Investment Plan	
	2021	**2020**	**2021**	**2020**
Equities - listed	$ 3,132,168	$ 3,125,110	$ 1,370,591	$ 1,386,638
Preferred shares - unquoted	400,000	489,283	218,000	262,642
Government securities	5,946,400	6,426,300	587,237	2,469,900
Debt securities - unquoted	453,572	464,287	17,857	21,429
Policy loans	-	-	205,375	355,595
Cash	656,172	309,988	823,886	170,074
Due from/(to) general fund	26,951	121,646	(175,209)	(930,646)
Total assets	$ 10,615,263	$ 10,936,614	$ 3,047,737	$ 3,735,632

34. Related Party Balances and Transactions

Related parties are entities or individuals where there is effective control or significant influence by the Company, its directors, AFH or its shareholders. All significant balances and transactions with related parties, are disclosed in these consolidated financial statements as being with related parties.

Year-end balances arising from sales/purchases of products and /or services

The following related party amounts are included in the consolidated statement of financial position as at December 31:

	AFH	Other affiliates	Other related parties	Key Management/ Directors	Total 2021	Total 2020
Assets						
Investment securities	$ -	$ 525,786	$ 5,000,000	$ -	$ 5,525,786	$ 5,376,656
ROU assets	$ -	$ 1,666,542	$ 9,733	$ -	$ 1,676,275	$ 2,051,393
Mortgages and and commercial loans, net	$ -	$ -	$ -	$ 262,655	$ 262,655	$ 300,669
Cash and bank balances	$ -	$ -	$ 307,011	$ -	$ 307,011	$ 207,120
Receivables and other assets	$ 9,597	$ 185,812	$ 74,097	$ -	$ 269,506	$ 135,502
Liabilities						
Loans and other borrowings	$ -	$ 2,271,898	$ 12,742	$ -	$ 2,284,640	$ 2,700,074
Other liabilities	$ -	$ 11,083	$ -	$ -	$ 11,083	$ 20,610

Included in “Investment securities” and “Receivables and other assets” in 2021 is the $5 million investment in ABL Preference Shares (2020: $5 million) (See Note 10).

Loans advanced to related parties included in mortgages and commercial loans carry interest rates of 5.5% p.a. (2020: 5.5% p.a.).

(Expressed in Bahamian dollars)

Transactions with related parties

The following transactions were carried out with related parties:

	AFH	Other affiliates	Other related parties	Total 2021	Total 2020
Revenues					
Group medical insurance	$ 33,067	$ 891,240	$ 1,020,977	$ 1,945,284	$ 1,888,228
Investment management and other fees	-	384,992	24,306	409,298	395,377
Rental income	-	-	76,437	76,437	72,000
Interest and other income	-	-	612,979	612,979	802,898
Total	$ 33,067	$ 1,276,232	$ 1,734,699	$ 3,043,998	$ 3,158,503
Expenses					
Management and consulting fees	$ 123,672	$ -	$ -	$ 123,672	$ 113,363
Legal fees	-	161,797	-	161,797	316,262
Administration, Registrar and Transfer Agent fees	-	131,707	-	131,707	115,876
Property management fees	-	61,920	-	61,920	61,920
Advertising and marketing	-	98,842	-	98,842	122,899
Property rental	-	678,085	54,549	732,634	690,094
Medical lab expenses	-	-	707,458	707,458	478,043
Interest and financing costs	-	1,435	146,452	147,887	171,369
Other	187,400	358,779	27,602	573,781	1,481,095
Total	$ 311,072	$ 1,492,565	$ 936,061	$ 2,739,698	$ 3,550,921

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and its subsidiaries, directly or indirectly, including any director (whether executive or otherwise) of the Group. Compensation for key management personnel for the year ended December 31, 2021 was $4,244,795 (2020: $4,217,100).

Directors' fees

Fees paid to Directors for services rendered on the Company's Board and Board Committees for the year ended December 31, 2021 totaled $285,500 (2020: $287,290).

35. Risk Management

Governance Framework

The primary objective of the Company's Corporate Governance framework is to protect the Company's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Key management recognizes the critical importance of having efficient and effective risk management systems in place. The Group has a clear organizational structure with documented delegated authorities and responsibilities from the Board of Directors to executive management committees and senior managers.

Regulatory Framework

Regulators are primarily interested in protecting the rights of the policyholders and have established guidelines and regulations by which the Group is required to comply to ensure that the Group is satisfactorily managing affairs for their benefit. The operations of the Group are subject also to regulatory requirements in the foreign jurisdictions in which it operates. The Group's regulators are interested in ensuring that the Group maintains an appropriate solvency position to meet unforeseen liabilities arising from changes in the economic environment. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions to minimize the risk of default and insolvency on the part of insurance companies to meet unforeseen liabilities as they arise.

Insurance risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount and timing of the resulting claim.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the estimate established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Factors that increase insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

Frequency and severity of claims

For contracts where death is the insured risk, the most significant factors that could increase the overall frequency of claims are epidemics or wide spread changes in lifestyle such as eating, smoking and exercise habits, resulting in earlier or more claims than expected. For contracts where survival is the insured risk, the most significant factor is continued improvement in medical science and social conditions that would increase longevity.

At present, these risks do not vary significantly in relation to the location of the risk insured by the Group. However, undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis.

The table below indicates the concentration of insured benefits across four bands of insured benefits per coverage insured rounded to the nearest thousand.

	2021 (in $000s)	2020 (in $000s)
$0 to $49,999	$ 327,982	$ 349,287
$50,000 to $99,999	741,562	768,845
$100,000 to $149,999	1,901,882	1,909,142
$150,000 and over	3,290,198	3,172,972
Total	$ 6,261,624	$ 6,200,246

The Group manages risks through its underwriting strategy and reinsurance arrangements. The underwriting strategy is intended to ensure that the risks underwritten are well diversified in terms of type of risk and the level of insured benefits. Medical selection is also included in the Group’s underwriting procedures with premiums varied to reflect the health condition and family medical history of the applicants. The Group limits the amount of loss on any one policy by reinsuring certain levels of risk in various areas of exposure with other insurers.

(Expressed in Bahamian dollars)

Generally, the Group has retention limits on insurance policies as follows:

	2021	2020
Individual life	$ 50,000	$ 50,000
Individual accidental death and dismemberment	$ 50,000	$ 50,000
Individual personal accident	$ 50,000	$ 50,000
Group accidental death and dismemberment	$ 50,000	$ 50,000
Individual and Group Medical	$ 300,000	$ 250,000
Motor	10% of loss	Nil
Property	10% of loss to a maximum of $50,000	Nil

In addition, Indigo purchases catastrophe excess of loss reinsurance to further limit its exposure to a series of claims arising out of a single occurrence.

Reinsurance ceded does not discharge the Group's liability as the primary insurer and failure of reinsurers to honour their obligations could result in losses to the Group.

Financial risk

The Group is exposed to financial risk through its financial assets, financial liabilities (investment contracts and borrowings), reinsurance assets and insurance liabilities. In particular, the key financial risk is that the proceeds from its financial assets are not sufficient to fund the obligations arising from its insurance and investment contracts. The most important components of this financial risk are interest rate risk, credit risk and liquidity risk.

These risks arise from open positions in interest rate and equity products, all of which are exposed to general and specific market movements. The risk that the Group primarily faces due to the nature of its investments and liabilities is interest rate risk.

The Group manages these positions within an asset liability management ("ALM") framework that has been developed to maximize long-term investment returns in excess of its obligations under insurance and investment contracts. The principal technique of the Group's ALM is to match cash flows from assets to the liability cash flows arising from insurance and investment contracts by reference to the type of benefits payable to contract holders. For each distinct category of liabilities, a separate portfolio of assets is maintained.

The Group's ALM is integrated with the management of the financial risks associated with the Group's other financial assets and liabilities not directly associated with insurance and investment liabilities.

Interest rate risk

The Group is vulnerable to periods of declining interest rates given that most of its investments in government bonds have floating interest rates tied to the Bahamian $ Prime rate. The Group manages this risk by attempting to retain a level of assets to liabilities with similar principal values, effective interest rates and maturity dates.

The Group monitors interest rate risk by calculating the duration of the investment portfolio and the liabilities issued. The duration is an indicator of the sensitivity of the assets and liabilities to changes in current interest rates. The duration of the liabilities is determined by projecting expected cash flows from the contracts using best estimates of mortality, morbidity and terminations. No future discretionary supplemental benefits are assumed to accrue. The duration of the assets is calculated in a consistent manner. Any gap between the duration of the assets and the duration of the liabilities is minimized by means of buying and selling securities of different durations. The Group's sensitivity to interest rate risk is included in Note 18.

Credit risk

Credit risk arises from the failure of a counterparty to perform according to the terms of the contract. From this perspective, the Group's credit risk exposure is primarily concentrated in its deposits placed with other financial institutions, loans to policyholders and other clients, and amounts due from reinsurers and insurance contract holders.

The Group's deposits are primarily placed with well-known high quality financial institutions. Loans to policyholders are generally collateralized by cash surrender values of the respective policies. Mortgage loans are adequately secured by properly registered legal charges on real property. With respect to the Group's unsecured commercial paper loans and other material unsecured receivables, management is satisfied that the debtors concerned are both financially able and willing to meet their obligations to the Group except in those instances where impairment provisions have been made.

Reinsurance is used to manage insurance risk. This does not, however, discharge the Group's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the Group remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalization of any contract. Management assesses the Group's reinsurance placement policy by assessing the creditworthiness of all reinsurers by reviewing credit grades provided by rating agencies and other publicly available financial information. The Group's main reinsurer is Munich Reinsurance Company Canada Branch (Life).

The table following provides information regarding the credit risk exposure of the Group by classifying assets according to the Group's internal assessments of the credit ratings of counterparties. The table also includes an aging analysis of financial assets, providing information regarding the Group's exposures on amounts current, and past due:

December 31, 2021 (in $000s)	Balances with no scheduled repayment dates	Current Investment Grade	Current Non-Graded	Current Unit Linked	Past due but not impaired 30 - 90 days	Past due but not impaired >90 days	Total
Financial assets							
Term deposits	$ -	$ 7,451	$ -	$ -	$ -	$ -	$ 7,451
FVPL securities	-	1,874	92,764	9,932	-	-	104,570
AFS securities	-	5,892	274,856	2,194	-	-	282,942
Loans and receivables	-	-	44,150	-	-	-	44,150
Mortgages and commercial loans	-	-	9,049	-	1,379	9,283	19,711
Policy loans	65,923	-	-	205	-	-	66,128
Cash and demand balances	30,444	-	-	1,480	-	-	31,924
Premiums receivable	-	-	3,724	-	3,453	1,040	8,217
Reinsurance receivables	-	-	1,701	-	2,615	19,846	24,162
Other financial assets	6,053	5,212	80,110	-	-	-	91,375
Total financial assets	$ 102,420	$ 20,429	$ 506,354	$ 13,811	$ 7,447	$ 30,169	$ 680,630

December 31, 2020 (in $000s)	Balances with no scheduled repayment dates	Current Investment Grade	Current Non-Graded	Current Unit Linked	Past due but not impaired 30 - 90 days	Past due but not impaired >90 days	Total
Financial assets							
Term deposits	$ -	$ 15,660	$ -	$ -	$ -	$ -	$ 15,660
FVPL securities	-	1,809	83,305	10,505	-	-	95,619
AFS securities	-	6,404	293,445	4,141	-	-	303,990
Loans and receivables	-	-	44,150	-	-	-	44,150
Mortgages and commercial loans	-	-	9,121	-	2,554	11,819	23,494
Policy loans	67,116	-	-	356	-	-	67,472
Cash and demand balances	30,792	-	-	480	-	-	31,272
Premiums receivable	-	-	2,057	-	689	88	2,834
Reinsurance receivables	-	-	1,377	-	5,842	7,744	14,963
Other financial assets	1,316	5,535	47,577	-	-	-	54,428
Total financial assets	$ 99,224	$ 29,408	$ 481,032	$ 15,482	$ 9,085	$ 19,651	$ 653,882

Management's internal credit rating assessment allows for Government Securities and listed equity securities to be included in the 'Investment Grade' classification.

Liquidity risk

The Group is exposed to daily calls on its available cash resources, mainly from claims arising from insurance contracts. Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. Management sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of borrowing facilities that should be in place to cover maturities, claims and surrenders at unexpected levels of demand.

The table below summarizes the maturity profile of the financial liabilities of the Group based on remaining contractual obligations (undiscounted cash flow basis):

December 31, 2021 (in $000s)	Up to a year	1-5 years	Over 5 years	No Term	Not Classified	Total
Insurance and Investment Contracts						
Short-term insurance contracts	$ 7,815	$ 332	$ 90	$ -	$ 10,977	$ 19,214
Long-term insurance and other contracts						
-with fixed and guaranteed terms	(8,984)	(6,010)	745,781	-	9,612	740,399
-with fixed and guaranteed terms, with DPF	11,611	51,708	533,150	-	12,577	609,046
-without fixed and guaranteed terms	1,670	6,098	14,813	-	244	22,825
-without fixed and guaranteed terms, with DPF	2,360	6,950	11,807	-	(1,489)	19,628
Long-term investment contracts with DPF	-	-	-	-	3,048	3,048
Financial Liabilities						
Policy dividends on deposit	-	-	-	28,397	-	28,397
Lease liabilities	658	2,109	479	-	-	3,246
Other financial liabilities	-	-	-	95,401	-	95,401
Total	$ 15,130	$ 61,187	$ 1,306,120	$ 123,798	$ 34,969	$ 1,541,204

December 31, 2020 (in $000s)	Up to a year	1-5 years	Over 5 years	No Term	Not Classified	Total
Insurance and Investment Contracts						
Short-term insurance contracts	$ 5,044	$ 539	$ 100	$ -	$ 10,462	$ 16,145
Long-term insurance and other contracts						
-with fixed and guaranteed terms	(9,221)	(9,653)	718,774	-	12,851	712,751
-with fixed and guaranteed terms, with DPF	11,214	50,658	544,291	-	16,900	623,063
-without fixed and guaranteed terms	1,834	6,589	16,324	-	346	25,093
-without fixed and guaranteed terms, with DPF	2,435	7,093	11,495	-	(1,345)	19,678
Long-term investment contracts with DPF	-	-	-	-	3,736	3,736
Financial Liabilities						
Policy dividends on deposit	-	-	-	28,323	-	28,323
Lease liabilities	808	2,563	677	-	-	4,048
Other financial liabilities	-	-	-	81,601	-	81,601
Total	$ 12,114	$ 57,789	$ 1,291,661	$ 109,924	$ 42,950	$ 1,514,438

Due to system limitations, certain balances were not able to be classified and have been included in the caption ‘not classified’.

The table below summarizes the expected recovery or settlement of assets:

December 31, 2021 (in $000s)	**Current**	**Non-Current**	**Unit Linked**	**Total**
Term deposits	$ 7,451	$ -	$ -	$ 7,451
Investment securities				
FVPL securities	-	94,638	9,932	104,570
AFS securities	-	280,748	2,194	282,942
Loans and receivables	-	44,150	-	44,150
Mortgages and commercial loans	10,428	9,283	-	19,711
Policy loans	-	65,923	205	66,128
Investment properties	-	58,459	-	58,459
Equity-accounted investees	-	15,471	-	15,471
Cash and demand balances	30,444	-	1,480	31,924
Reinsurance assets	-	18,423	-	18,423
Reinsurance receivables	4,316	19,846	-	24,162
Receivables and other assets	122,594	-	-	122,594
Property and equipment	-	19,305	-	19,305
Goodwill	-	6,418	-	6,418
Other intangible assets	-	2,153	-	2,153
Total Assets	$ 175,233	$ 634,817	$ 13,811	$ 823,861

December 31, 2020 (in $000s)	**Current**	**Non-Current**	**Unit Linked**	**Total**
Term deposits	$ 15,660	$ -	$ -	$ 15,660
Investment securities				
FVPL securities	-	85,114	10,505	95,619
AFS securities	-	299,849	4,141	303,990
Loans and receivables	-	44,150	-	44,150
Mortgages and commercial loans	11,675	11,819	-	23,494
Policy loans	-	67,116	356	67,472
Investment properties	-	56,610	-	56,610
Equity-accounted investees	-	14,998	-	14,998
Cash and demand balances	30,792	-	480	31,272
Reinsurance assets	-	16,687	-	16,687
Reinsurance receivables	7,219	7,744	-	14,963
Receivables and other assets	76,411	-	-	76,411
Property and equipment	-	15,889	-	15,889
Goodwill	-	6,418	-	6,418
Other intangible assets	-	1,764	-	1,764
Total Assets	$ 141,757	$ 628,158	$ 15,482	$ 785,397

Price risk

The Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group has a relatively small investment in local equities which are exposed to market price risk arising from uncertainties about the future values of the investment. A sensitivity analysis has therefore not been presented. Securities reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors and/or respective Board Committees review and approve equity investment decisions meeting thresholds established in each respective subsidiary's Investment guidelines.

Settlement Risk

The Group's trading activities may give rise to settlement risk. Settlement risk is the risk of loss due to the failure of counterparty to honor its obligations to deliver cash, securities, or other assets as contractually agreed.

For those transactions, the Group mitigates settlement risk by the simultaneous commencement of the payment and the delivery parts of the transaction.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes or systems. Internal processes include activities relating to accounting, reporting, operations, compliance and personnel management. Such risk manifests itself in various breakdowns, errors and business interruptions and can potentially result in financial losses and other damage to the Group.

The Group regularly assesses new systems which will better enable the Group to monitor and control its exposure to operational risk in order to keep operational risk at appropriate levels.

Capital Management

The Group manages its capital requirements by assessing shortfalls between reported and required capital levels on a regular basis. Adjustments to current capital levels are made in light of changes in economic conditions and risk characteristics of the Group's activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid or return of capital to the shareholders.

Subsidiary Capital Requirements

The Company and its subsidiaries fully complied with all externally imposed capital requirements during the reported financial period and no changes were made to the Company's capital base, objectives, policies and processes from the prior year. The following is a summary of capital requirements by principal subsidiary:

Colina

Externally imposed capital requirements for Colina in The Bahamas are set and regulated by the Insurance Commission of The Bahamas. These requirements are put in place to ensure sufficient solvency margins. At December 31, 2021, Colina exceeded both the statutory margin requirement and the minimum ratio requirement of qualifying to admissible assets. Further objectives are set by management and the Board to maintain a strong credit rating and healthy capital ratios in order to support its business objectives and maximize shareholders' value. For the purposes of assessing its capital position, Colina uses the capital on its consolidated statement of financial position excluding goodwill and with limitations placed on all but the strongest forms of capital.

In addition to the solvency margins as required by statute, Colina measures its solvency ratio using Canadian reserving methodologies and solvency standards as measured by the Minimum Continuing Capital and Surplus Requirement ("MCCSR"). The Canadian Insurance regulator has set a MCCSR supervisory target of 150%. At December 31, 2021, Colina's MCCSR exceeded the target.

Colina is registered as a Class "A" external insurer in the Cayman Islands and capital requirements for its Cayman business is set and regulated by the Cayman Islands Monetary Authority. Colina is registered as an domestic long-term insurer under Section 5. (1)(a) of the Insurance Ordinance (CAP 16.06) to carry on business from within the Turks and Caicos Islands. Capital requirements for Colina's business in the Turks and Caicos Islands are set and regulated by the Turks and Caicos Islands Financial Services Commission. At December 31, 2021, Colina was in compliance with the capital requirements in both jurisdictions.

CFAL

CFAL is required to have a minimum capital of $25,000 calculated as per the Securities Act and was well in excess of the minimum requirement throughout 2021.

CGIA

Externally imposed capital requirements are set by the Insurance Commission of The Bahamas ("the Commission"). These requirements are put in place to ensure sufficient solvency margins. The Commission generally requires companies registered as an insurance broker to maintain, at all times, a minimum paid up share capital and minimum net assets of not less than $50,000 or the maximum deductible amount of the company's professional indemnity insurance, whichever is greater.

CGIA manages its capital structure to support its business. No changes were made in the objectives, policies or procedures during the year from January 1, 2021 to December 31, 2021. CGIA has been in compliance throughout the year ended December 31, 2021 with the capital requirements as determined by the Commission.

Indigo

Indigo is required to maintain capital in excess of an amount determined as per a prescribed formula set out in local legislation. The formula prescribes minimum capital requirements for the Company's assets and liabilities based on the risk relative to the nature of the balances and also provides for a margin for catastrophe. At December 31, 2021, Indigo was in compliance with its regulatory requirements.

Coronavirus (COVID-19)

Since the start of January 2020, the outbreak of the Novel Coronavirus (COVID-19) has significantly impacted global commercial activity and has caused widespread business disruption. The Group has responded to the business disruptions caused by the pandemic as follows:

Business continuity and risk management plans

The Group activated its business continuity and risk management plans immediately at the onset of the pandemic. These plans included alternative business operating practices to allow for business to continue and clients to be serviced through online and remote means.

Impact on the valuation of assets and liabilities

Due to the uncertainty of the economic impact of the pandemic, there has been significant market volatility which has negatively impacted market values and thus the fair values of certain of the Group's recognized assets. The Group has considered the potential impacts of the current economic volatility in the determination of estimates used to assess the valuation of its assets and liabilities and believe that the amounts presented in its consolidated financial statements appropriately consider current available information. Management will continue to monitor the economic environment and will continue to factor these changes in its assessments.

Ongoing assessments

Management continues to monitor developments related to the pandemic and continues to coordinate its operational response based on existing business continuity plans and on guidance from global and health organizations, government, and general pandemic response best practices to secure the health and safety of its clients and employees.

The Directors and management believe that the Group has a very strong capital base, sufficient liquidity and the ability to continue to meet its obligations even under significant stress.

36. Other Subsequent Events

Dividends declared for Ordinary and Preference Shareholders

The Board of Directors, by resolution dated March 17, 2022, authorized the payment of preference share dividends for the Class "A" Preference Shareholders of the Company for the quarter ended March 31, 2022.

The Board further approved, by resolution dated April 20, 2022, 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.

Sale of Ansbacher (Bahamas) Limited

In January 2022, Deltec Bank and Trust Limited and SBL Ltd. executed a share purchase agreement for Ansbacher (Bahamas) Limited ("ABL"). ABL is a wholly-owned subsidiary of SBL Ltd. in which Colina Holdings Bahamas Limited and Colina Insurance Limited have a consolidated interest of 19%. The transaction received regulatory approvals and was finalized effective March 31, 2022.

COLINA
HOLDINGS BAHAMAS LIMITED

2021 ANNUAL REPORT

308 East Bay Street
P. O. Box N-4728
Nassau, The Bahamas