

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

Dear Shareholders,

For the twelve months ended December 31, 2022, the Company recorded net income attributable to ordinary shareholders of \$15.7 million or \$0.64 per ordinary share. During the same period in 2021, the net income attributable to ordinary shareholders was \$22.1 million or \$0.89 per ordinary share.

Comprehensive income attributable to the ordinary shareholders totalled \$19.0 million or \$0.77 per ordinary share for 2022 compared to \$22.0 million or \$0.89 per ordinary share in the prior year.

Net investment income totals \$30.6 million for the 12 months ended December 31, 2022 compared to \$30.9 million for the same period in the prior year.

Net premium revenues in 2022 total \$127.8 million, increasing by \$11.7 million over the prior year's net written premiums of \$116.1 million. Net premium revenue growth is attributed to new lines of medical and general insurance business net of reinsurance ceded in 2022. The new lines of business have had a modest impact on net policyholder benefits which totalled \$91.7 million for the period, compared to \$89.6 million in the prior year.

Additional net reserves of \$12.1 million were booked during the period, an increase of \$6.1 million over the prior year's charge of \$6.0 million. These additional reserves are included in the provision for future policy benefits net of the changes in reinsurance assets at December 31, 2022.

During the period, the Company received some significant repayments of certain of its receivable balances. A significant portion of these funds were reinvested in long-term securities with the balance reflected in the cash position at year end. These assets will be directed towards investment purchases aligned with the Company's long-term investment strategy in the new year as these opportunities become available.

Total assets at December 31, 2022 were \$860.8 million with invested assets remaining the largest component of total assets, comprising 78.3% of total assets.

Shareholders' equity as at December 31, 2022 totalled \$210.3 million and is net of dividend distributions to the Class "A" preference shareholders totalling \$2.4 million and Ordinary Shareholders totalling \$5.9 million for the year.

CHBL continues to concentrate on strategies that will strengthen its balance sheet and capital position to provide the Company with the flexibility necessary to meet the ongoing needs of policyholders and customers.



Terence Hilts
Chairman

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

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

	December 31, 2022 (Unaudited)	December 31, 2021 (Audited)
ASSETS		
Cash and demand balances	\$ 63,980,419	\$ 31,923,719
Term deposits	7,530,295	7,450,539
Investment securities and other financial assets	520,770,935	431,662,321
Receivables and other assets	60,607,689	122,594,451
Reinsurance receivables	16,611,073	24,162,470
Reinsurance asset	20,072,485	18,423,301
Policy loans	65,443,004	66,128,152
Mortgages and commercial loans	16,670,974	19,711,150
Investment properties	58,086,000	58,458,824
Equity-accounted investees	5,216,578	15,471,354
Property and equipment	17,912,588	19,304,546
Goodwill	6,418,337	6,418,337
Other intangible assets	1,464,840	2,152,898
Total assets	\$ 860,785,217	\$ 823,862,062
LIABILITIES		
Provision for future policy benefits	\$ 493,025,972	\$ 479,304,732
Policy dividends on deposit	28,674,118	28,397,049
Total policy liabilities	521,700,090	507,701,781
Lease liabilities	2,805,618	3,246,348
Other liabilities	98,191,026	95,401,043
Total liabilities	622,696,734	606,349,172
EQUITY		
Ordinary shares	24,729,613	24,729,613
Share premium	5,960,299	5,960,299
Revaluation reserve	6,977,915	3,704,969
Retained earnings	130,174,428	120,364,345
Total ordinary shareholders' equity	167,842,255	154,759,226
Preference shares	42,500,000	42,500,000
Total shareholders' equity	210,342,255	197,259,226
Non-controlling interests	27,746,228	20,253,664
Total equity	238,088,483	217,512,890
Total liabilities and equity	\$ 860,785,217	\$ 823,862,062

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

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

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

	12 Months Ended December 31 2022 (Unaudited)	12 Months Ended December 31 2021 (Audited)
Revenues:		
Premium revenue	\$ 155,225,713	\$ 134,325,358
Less: Reinsurance premiums	<u>27,466,023</u>	<u>18,269,020</u>
Net premium revenue	127,759,690	116,056,338
Net investment income	30,635,022	30,897,770
Share of net (loss)/gain of associates	(660,563)	1,146,298
Net commission income	4,706,294	4,028,012
Investment management and other fees	15,780,070	16,280,859
Other income and fees	<u>5,365,232</u>	<u>6,238,671</u>
Total revenues	<u>183,585,745</u>	<u>174,647,948</u>
Benefits and expenses:		
Policyholders' benefits	111,486,558	107,101,144
Less: Reinsurance recoveries	<u>19,814,519</u>	<u>17,520,807</u>
Net policyholders' benefits	91,672,039	89,580,337
Changes in provision for future policy benefits	12,072,056	5,983,072
General and administrative expenses	43,588,019	39,758,716
Commission expense	10,406,326	8,260,930
Premium and other tax expense	5,400,464	3,703,271
Finance costs and interest	1,395,090	1,267,363
Other expenses	<u>1,287,025</u>	<u>1,000,042</u>
Total benefits and expenses	<u>165,821,019</u>	<u>149,553,731</u>
Net income for the period:	<u>\$ 17,764,726</u>	<u>\$ 25,094,217</u>
Net income attributable to:		
Equity shareholders of the Company	\$ 18,188,940	\$ 24,544,865
Non-controlling interests	<u>(424,214)</u>	<u>549,352</u>
Net income for the period	<u>\$ 17,764,726</u>	<u>\$ 25,094,217</u>
Basic earnings per ordinary share	<u>\$ 0.64</u>	<u>\$ 0.89</u>

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

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

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

	12 Months Ended December 31 2022 (Unaudited)	12 Months Ended December 31 2021 (Audited)
Net income for the period	\$ 17,764,726	\$ 25,094,217
Other comprehensive gains/(losses):		
Items that will not be reclassified to profit or loss:		
Revaluation of land or building	(649,000)	4,995,317
Transfers to retained earnings	-	(1,173,050)
Items that are or will be subsequently be reclassified to profit or loss:		
Share of OCI of Equity-Accounted Investees	902,764	(672,713)
Change in available-for-sale financial assets	<u>3,019,182</u>	<u>(3,209,746)</u>
Other comprehensive income/(expense) for the period	<u>3,272,946</u>	<u>(60,192)</u>
Total comprehensive income for the period	<u>\$ 21,037,672</u>	<u>\$ 25,034,025</u>
Attributable to:		
Equity shareholders of the Company	\$ 21,461,886	\$ 24,484,673
Non-controlling interests	<u>(424,214)</u>	<u>549,352</u>
Total comprehensive income for the period	<u>\$ 21,037,672</u>	<u>\$ 25,034,025</u>
Comprehensive earnings per ordinary share	<u>\$ 0.77</u>	<u>\$ 0.89</u>

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

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

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

	3 Months Ended December 31 2022 (Unaudited)	3 Months Ended December 31 2021 (Unaudited)
Revenues:		
Premium revenue	\$ 35,933,826	\$ 37,921,819
Less: Reinsurance premiums	6,385,513	5,895,265
Net premium revenue	29,548,313	32,026,554
Net investment income	17,558,425	8,214,361
Share of net (loss)/gain of associates	(926,133)	399,256
Net commission income	1,291,875	835,273
Investment management and other fees	7,028,660	4,376,043
Other income	(1,889,354)	1,743,583
Total revenues	<u>52,611,786</u>	<u>47,595,069</u>
Benefits and expenses:		
Policyholders' benefits	25,680,566	30,528,482
Less: Reinsurance recoveries	3,915,448	5,350,878
Net policyholders' benefits	21,765,118	25,177,604
Changes in provision for future policy benefits	351,439	(2,048,190)
General and administrative expenses	13,590,702	10,888,024
Commissions	3,387,145	2,418,772
Premium and other tax expense	876,096	187,402
Finance costs	356,020	206,601
Other expenses	400,921	338,523
Total benefits and expenses	<u>40,727,441</u>	<u>37,168,736</u>
Net income for the period:	<u>\$ 11,884,345</u>	<u>\$ 10,426,333</u>
Net income attributable to:		
Equity shareholders of the Company	\$ 11,251,692	\$ 10,326,113
Non-controlling interests	632,653	100,220
Net income for the period	<u>\$ 11,884,345</u>	<u>\$ 10,426,333</u>
Basic earnings per share	<u>\$ 0.43</u>	<u>\$ 0.39</u>

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

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

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

	3 Months Ended December 31 2022 (Unaudited)	3 Months Ended December 31 2021 (Unaudited)
Net income for the period	\$ 11,884,345	\$ 10,426,333
Other comprehensive gains/(losses):		
Items that will not be reclassified to profit or loss:		
Revaluation of land or building	(649,000)	4,995,317
Transfers to retained earnings	-	(1,173,050)
Items that are or will be subsequently be reclassified to profit or loss:		
Share of OCI of Equity-Accounted Investees	902,764	(300,758)
Change in available-for-sale financial assets	2,041,743	955,563
Other comprehensive income for the period	<u>\$ 2,295,507</u>	<u>\$ 4,477,072</u>
Total comprehensive income for the period	<u>\$ 14,179,852</u>	<u>\$ 14,903,405</u>
Attributable to:		
Equity shareholders of the Company	\$ 13,547,199	\$ 14,803,185
Non-controlling interests	632,653	100,220
Total comprehensive income for the period	<u>\$ 14,179,852</u>	<u>\$ 14,903,405</u>
Comprehensive earnings per ordinary share	<u>\$ 0.52</u>	<u>\$ 0.57</u>

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

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

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

	Notes	Ordinary Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Preference Share Capital	Non-controlling Interests	Total Equity
Balance, January 1, 2021		\$ 24,729,613	\$ 5,960,299	\$ 3,765,161	\$ 102,530,695	\$ 42,500,000	\$ 20,351,314	\$ 199,837,082
Net loss on remeasurement of available-for-sale securities to fair value		-	-	(3,209,746)	-	-	-	(3,209,746)
Share of OCI of Equity-Accounted Investees		-	-	(672,713)	-	-	-	(672,713)
Changes in non-controlling interests		-	-	-	-	-	(647,002)	(647,002)
Revaluation adjustment		-	-	38,161	-	-	-	38,161
Revaluation of owner-occupied property		-	-	4,957,156	-	-	-	4,957,156
Transfers to retained earnings		-	-	(1,173,050)	1,173,050	-	-	-
Net income for the period		-	-	-	24,544,865	-	549,352	25,094,217
Ordinary share dividend	5	-	-	-	(5,440,515)	-	-	(5,440,515)
Preference share dividends	5	-	-	-	(2,443,750)	-	-	(2,443,750)
Balance, December 31, 2021		<u>\$ 24,729,613</u>	<u>\$ 5,960,299</u>	<u>\$ 3,704,969</u>	<u>\$ 120,364,345</u>	<u>\$ 42,500,000</u>	<u>\$ 20,253,664</u>	<u>\$ 217,512,890</u>
Balance, January 1, 2022		\$ 24,729,613	\$ 5,960,299	\$ 3,704,969	\$ 120,364,345	\$ 42,500,000	\$ 20,253,664	\$ 217,512,890
Net gain on remeasurement of available-for-sale securities to fair value		-	-	3,019,182	-	-	-	3,019,182
Share of OCI of Equity-Accounted Investees		-	-	902,764	-	-	-	902,764
Changes in non-controlling interests		-	-	-	-	-	7,916,778	7,916,778
Net income for the period		-	-	-	18,188,940	-	(424,214)	17,764,726
Revaluation of investment property		-	-	(649,000)	-	-	-	(649,000)
Ordinary share dividend	5	-	-	-	(5,935,107)	-	-	(5,935,107)
Preference share dividends	5	-	-	-	(2,443,750)	-	-	(2,443,750)
Balance, December 31, 2022		<u>\$ 24,729,613</u>	<u>\$ 5,960,299</u>	<u>\$ 6,977,915</u>	<u>\$ 130,174,428</u>	<u>\$ 42,500,000</u>	<u>\$ 27,746,228</u>	<u>\$ 238,088,483</u>

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

COLINA HOLDINGS BAHAMAS LIMITED
Condensed Unaudited Consolidated Statement of Cash Flows

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

	12 Months Ended December 31 2022	12 Months Ended December 31 2021
Cash flows from operating activities:		
Net income	\$ 17,764,726	\$ 25,094,217
Adjustments to reconcile net income to net cash used in operating activities:		
Change in unrealized loss on fair value through income securities	6,554,200	2,712,399
Increase in provision for future policy benefits net of reinsurance assets	12,072,056	5,983,072
Changes in loss provisions for loans and receivables	1,202,877	3,514,169
Depreciation and impairment/amortization charges	1,961,058	2,411,054
Net realized loss on fair value through income securities	-	139,887
Net realized losses/(gains) on sale of available-for-sale securities	(35,960)	60,487
Interest income	(40,784,869)	(38,376,877)
Dividend income	(1,235,493)	(1,099,561)
Fair value gains on investment properties	-	(1,313,181)
Finance costs	-	2,477,002
Operating cash flows before changes in operating assets and liabilities	(2,501,405)	1,602,668
Changes in operating assets and liabilities:		
(Increase)/decrease in other assets	81,277,770	(56,785,544)
Increase in other liabilities	3,067,109	13,873,378
Net cash provided by/(used in) operating activities	<u>81,843,474</u>	<u>(41,309,498)</u>

(Continued)

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

COLINA HOLDINGS BAHAMAS LIMITED
Condensed Unaudited Consolidated Statement of Cash Flows

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

	12 Months Ended December 31 2022	12 Months Ended December 31 2021
Cash flows from investing activities:		
Decrease in term deposits with original maturities greater than 90 days	81,306	7,851,054
Fair value through income securities purchased	(55,328,978)	(20,892,200)
Proceeds on disposal of fair value through income securities	37,576,001	13,393,374
Available-for-sale securities purchased	(100,675,343)	(35,970,522)
Proceeds on disposal of available-for-sale securities	26,041,509	49,443,102
Proceeds on disposal of other intangible assets	157,084	-
Changes in loans to policyholders	591,560	1,315,471
Changes to investment property	649,000	(497,633)
Net change in mortgage and commercial loans	2,490,827	1,665,244
Interest received	39,704,520	37,263,574
Dividends received	1,235,493	1,099,562
Proceeds on disposal of investment properties	60,000	423,929
Additions to property and equipment	(672,004)	(631,544)
Additions to other intangible assets	(633,878)	(1,050,543)
Net cash (used in)/provided by investing activities	<u>(48,722,903)</u>	<u>53,412,868</u>
Cash flows used in financing activities:		
Changes in non-controlling interests	7,916,778	(647,002)
Interest on other contracts	-	(2,057,808)
Payments on borrowings	-	(209,597)
Increase in lease liabilities	-	60,867
Payment of lease liabilities	(440,730)	(1,072,172)
Dividend to ordinary shareholders	(5,935,107)	(5,440,515)
Dividends to preference shareholders	(2,443,750)	(2,443,750)
Net cash used in financing activities	<u>(902,809)</u>	<u>(11,809,977)</u>
Net increase in cash and cash equivalents	32,217,762	293,393
Cash and cash equivalents, beginning of period	<u>34,278,046</u>	<u>33,984,653</u>
Cash and cash equivalents, end of period	<u>\$ 66,495,808</u>	<u>\$ 34,278,046</u>

(Concluded)

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

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

For the period ended December 31, 2021
(Expressed in Bahamian dollars)

1. General Information

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

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

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. Indigo is registered to operate as a general insurer in The Bahamas.

The ordinary shares of the Company are listed on the Bahamas International Securities Exchange. At December 31, 2022 approximately 58.1% (December 31, 2021: 58.1%) of the Company's issued ordinary shares were owned by AF Holdings Ltd. (“AFH”) and 41.9% (December 31, 2020: 41.9%) by the Bahamian public.

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

2. Significant Accounting Policies

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

3. Cash and Cash Equivalents

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

	December 31, 2022	December 31, 2021
Term deposits	\$ 7,530,295	\$ 7,450,539
Less: Deposits with original maturities of greater than 90 days	<u>(5,014,906)</u>	<u>(5,096,212)</u>
Short-term deposits	2,515,389	2,354,327
Cash and demand balances	<u>63,980,419</u>	<u>31,923,719</u>
Total cash and cash equivalents	<u>\$ 66,495,808</u>	<u>\$ 34,278,046</u>

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

For the period ended December 31, 2021
(Expressed in Bahamian dollars)

4. Invested Assets

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

	December 31, 2022	December 31, 2021
Term deposits	\$ 7,530,295	\$ 7,450,539
Investment securities and other financial assets	520,770,935	431,662,321
Mortgages and commercial loans	16,670,974	19,711,150
Policy loans	65,443,004	66,128,152
Investment properties	58,086,000	58,458,824
Equity-accounted investees	<u>5,216,578</u>	<u>15,471,354</u>
Total invested assets	<u>\$ 673,717,786</u>	<u>\$ 598,882,340</u>

Invested assets comprise 78.3% of total assets at December 31, 2022 (December 31, 2021: 72.7%).

5. Earnings Per Share and Dividends Per Share

Basic earnings per ordinary share is calculated by dividing net income attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares issued and outstanding during the period, excluding ordinary shares of the Company acquired by Colina held as treasury shares. There were no treasury shares held by Colina as at December 31, 2021 (December 31, 2020: nil).

	12 Months Ended December 31, 2022	12 Months Ended December 31, 2021
Net income attributable to equity shareholders	<u>\$ 18,188,940</u>	<u>\$ 24,544,865</u>
Net income attributable to ordinary shareholders	<u>\$ 15,745,190</u>	<u>\$ 22,101,115</u>
<i>Weighted average number of ordinary shares outstanding</i>	24,729,613	24,729,613
Basic earnings per ordinary share	<u>\$ 0.64</u>	<u>\$ 0.89</u>

	12 Months Ended December 31, 2022	12 Months Ended December 31, 2021
Comprehensive income attributable to equity shareholders	<u>\$ 21,461,886</u>	<u>\$ 24,484,673</u>
Comprehensive income attributable to ordinary shareholders	<u>\$ 19,018,136</u>	<u>\$ 22,040,923</u>
<i>Weighted average number of ordinary shares outstanding</i>	24,729,613	24,729,613
Comprehensive earnings per ordinary share	<u>\$ 0.77</u>	<u>\$ 0.89</u>

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

For the period ended December 31, 2021
(Expressed in Bahamian dollars)

	3 Months Ended December 31, 2022	3 Months Ended December 31, 2021
Net income attributable to equity shareholders	<u>\$ 11,251,692</u>	<u>\$ 10,326,113</u>
Net income attributable to ordinary shareholders	<u>\$ 10,640,753</u>	<u>\$ 9,715,177</u>
<i>Weighted average number of ordinary shares outstanding</i>	24,729,613	24,729,613
Basic earnings per ordinary share	<u>\$ 0.43</u>	<u>\$ 0.39</u>
	3 Months Ended December 31, 2022	3 Months Ended December 31, 2021
Comprehensive income attributable to equity shareholders	<u>\$ 13,547,199</u>	<u>\$ 14,803,185</u>
Comprehensive income attributable to ordinary shareholders	<u>\$ 12,936,260</u>	<u>\$ 14,192,249</u>
<i>Weighted average number of ordinary shares outstanding</i>	24,729,613	24,729,613
Comprehensive earnings per ordinary share	<u>\$ 0.52</u>	<u>\$ 0.57</u>

Dividends to the Company's shareholders are recognized as a liability in the period in which they are declared by the Board of Directors. For the twelve months ended December 31, 2022, dividends paid or accrued by the Company to ordinary shareholders in the period totaled \$5,935,107 (December 31, 2021: \$5,440,515). Dividends paid or accrued by the Company to the Class "A" preference shareholders during the period totaled \$2,443,750 (December 31, 2021: \$2,443,750).

The Company does not have any dilutive shares.