

**Condensed Unaudited Consolidated Interim Financial Statements of  
Colina Holdings Bahamas Limited  
Three Months Ended March 31, 2023  
UNAUDITED**

## Message from the Chairman

Dear Shareholders,

For the three months ended March 31, 2023, the Company recorded net income attributable to ordinary shareholders of \$2.4 million or \$0.10 per ordinary share. During the same period in 2022, the net income attributable to ordinary shareholders was \$3.0 million or \$0.12 per ordinary share.

Comprehensive income attributable to the ordinary shareholders totalled \$1.0 million or \$0.04 per ordinary share for the first quarter of 2023, compared to the quarter ended March 31, 2022 which reflected comprehensive income for the ordinary shareholders of \$2.7 million or \$0.11 per share.

Net investment income totals \$10.7 million for the 3 months ended March 31, 2023 compared to \$4.6 million for the same period in the prior year. Net investment income increased due to improvements in net fair value gains relative to losses that were experienced in the prior quarter on certain investment securities.

Premium revenues total \$37.0 million for the 3 months ended March 31, 2023, compared to the prior year's gross written premiums of \$43.2 million. Prior period gross premiums included revenues from a COVID-19 trip interruption product that was terminated in mid-2022. Excluding the premiums from the trip interruption product in 2022, the Company experienced growth in its other life, health and general insurance lines of business. Net policyholder benefits total \$20.9 million, a reduction from the prior year's net policyholder benefits of \$23.7 million, in part due to the terminated product as well as improved mortality claims experience relative to 2022.

Additional net reserves of \$7.6 million were booked during the period. These additional reserves are included in the provision for future policy benefits net of the changes in reinsurance assets at March 31, 2023.

During the quarter the Company was able to secure a \$30 million loan facility whose proceeds were immediately used to purchase long-term fixed rate securities that further enhance asset-liability matching. The Company will continue to direct funds towards investment purchases aligned with the Company's long-term investment strategy, through the balance of the year.

Total assets at March 31, 2023 were \$901.6 million with invested assets remaining the largest component of total assets, comprising 76.5% of total assets.

Shareholders' equity as at March 31, 2023 totalled \$206.9 million and is net of the first quarter dividend distribution to the Class "A" preference shareholders totalling \$0.6 million and Class "A" Ordinary Shareholders of \$4.5 million for the period.

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.



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Terence Hilts  
Chairman

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

At March 31, 2023 with corresponding figures as at December 31, 2022  
(Expressed in Bahamian dollars)

|  | Notes | March 31,<br>2023<br>(Unaudited) | December 31,<br>2022<br>(Audited) |
|--|-------|----------------------------------|-----------------------------------|
| <b>ASSETS</b>                                    |       |                                  |                                   |
| Cash and demand balances                         | 3     | \$ 60,629,157                    | \$ 63,980,419                     |
| Term deposits                                    | 3,4   | 7,530,570                        | 7,530,295                         |
| Investment securities and other financial assets | 4     | 536,713,599                      | 520,770,935                       |
| Receivables and other assets                     |       | 90,457,124                       | 58,912,555                        |
| Reinsurance receivables                          |       | 15,962,534                       | 16,611,073                        |
| Reinsurance asset                                |       | 19,588,169                       | 20,072,485                        |
| Policy loans                                     | 4     | 65,448,780                       | 65,443,004                        |
| Mortgages and commercial loans                   | 4     | 16,211,531                       | 16,684,436                        |
| Investment properties                            | 4     | 58,524,584                       | 58,086,000                        |
| Equity-accounted investees                       | 4     | 5,284,182                        | 5,216,578                         |
| Property and equipment                           |       | 17,610,664                       | 17,912,588                        |
| Goodwill   |       | 6,418,337                        | 6,418,337                         |
| Other intangible assets                          |       | 1,207,764                        | 1,464,840                         |
| <b>Total assets</b>                              |       | <b>\$ 901,586,995</b>            | <b>\$ 859,103,545</b>             |
| <b>LIABILITIES</b>                               |       |                                  |                                   |
| Provision for future policy benefits             |       | \$ 500,167,668                   | \$ 493,025,971                    |
| Policy dividends on deposit                      |       | 28,702,114                       | 28,674,118                        |
| Total policy liabilities                         |       | 528,869,782                      | 521,700,089                       |
| Bank Loan  |       | 30,000,000                       | -                                 |
| Lease liabilities                                |       | 2,626,245                        | 2,805,618                         |
| Other liabilities                                |       | 105,197,593                      | 96,509,355                        |
| <b>Total liabilities</b>                         |       | <b>666,693,620</b>               | <b>621,015,062</b>                |
| <b>EQUITY</b>                                    |       |                                  |                                   |
| Ordinary shares                                  |       | 24,729,613                       | 24,729,613                        |
| Share premium                                    |       | 5,960,299                        | 5,960,299                         |
| Revaluation reserve                              |       | 5,535,906                        | 6,977,915                         |
| Retained earnings                                |       | 128,155,472                      | 130,174,428                       |
| Total ordinary shareholders' equity              |       | 164,381,290                      | 167,842,255                       |
| Preference shares                                |       | 42,500,000                       | 42,500,000                        |
| Total shareholders' equity                       |       | 206,881,290                      | 210,342,255                       |
| Non-controlling interests                        |       | 28,012,085                       | 27,746,228                        |
| <b>Total equity</b>                              |       | <b>234,893,375</b>               | <b>238,088,483</b>                |
| <b>Total liabilities and equity</b>              |       | <b>\$ 901,586,995</b>            | <b>\$ 859,103,545</b>             |

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

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

For the three months ended March 31, 2023  
with corresponding figures for the three months ended March 31, 2022  
(Expressed in Bahamian dollars)

|   | Notes | 3 Months Ended<br>March 31<br>2023 | 3 Months Ended<br>March 31<br>2022 |
|---|-------|------------------------------------|------------------------------------|
| <b>Revenues:</b>                                |       |                                    |                                    |
| Premium revenue                                 |       | \$ 37,016,386                      | \$ 43,237,218                      |
| Less: Reinsurance premiums                      |       | 6,424,899                          | 8,148,014                          |
| Net premium revenue                             |       | <u>30,591,487</u>                  | <u>35,089,204</u>                  |
| Net investment income                           |       | 10,659,590                         | 4,629,599                          |
| Share of net gain of associates                 |       | 128,584                            | 107,166                            |
| Net commission income                           |       | 1,415,210                          | 1,049,075                          |
| Investment management and other fees            |       | 3,952,173                          | 3,631,677                          |
| Other income and fees                           |       | <u>1,340,271</u>                   | <u>1,494,352</u>                   |
| Total revenues                                  |       | <u>48,087,315</u>                  | <u>46,001,073</u>                  |
| <b>Benefits and expenses:</b>                   |       |                                    |                                    |
| Policyholders' benefits                         |       | 23,745,718                         | 28,422,824                         |
| Less: Reinsurance recoveries                    |       | <u>2,862,642</u>                   | <u>4,727,908</u>                   |
| Net policyholders' benefits                     |       | 20,883,076                         | 23,694,916                         |
| Changes in provision for future policy benefits |       | 7,626,013                          | 5,509,804                          |
| General and administrative expenses             |       | 10,053,295                         | 9,216,735                          |
| Commission expense                              |       | 2,730,761                          | 2,478,209                          |
| Premium and other tax expense                   |       | 2,419,263                          | 1,431,473                          |
| Finance costs and interest                      |       | 309,293                            | 319,679                            |
| Other expenses                                  |       | <u>758,033</u>                     | <u>224,774</u>                     |
| Total benefits and expenses                     |       | <u>44,779,734</u>                  | <u>42,875,590</u>                  |
| <b>Net income for the period:</b>               |       | <b><u>\$ 3,307,581</u></b>         | <b><u>\$ 3,125,483</u></b>         |
| Net income attributable to:                     |       |                                    |                                    |
| Equity shareholders of the Company              |       | \$ 3,043,311                       | \$ 3,575,812                       |
| Non-controlling interests                       |       | <u>264,270</u>                     | <u>(450,329)</u>                   |
| <b>Net income for the period</b>                |       | <b><u>\$ 3,307,581</u></b>         | <b><u>\$ 3,125,483</u></b>         |
| <b>Basic earnings per ordinary share</b>        | 5     | <b><u>\$ 0.10</u></b>              | <b><u>\$ 0.12</u></b>              |

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

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

For the three months ended March 31, 2023  
with corresponding figures for the three months ended March 31, 2022  
(Expressed in Bahamian dollars)

|  | Notes | 3 Months Ended<br>March 31<br>2023 | 3 Months Ended<br>March 31<br>2022 |
|--|-------|------------------------------------|------------------------------------|
| <b>Net income for the period</b>   |       | \$ 3,307,581                       | \$ 3,125,483                       |
| <b>Other comprehensive gains/(losses):</b>                                       |       |                                    |                                    |
| <b>Items that are or will be subsequently be reclassified to profit or loss:</b> |       |                                    |                                    |
| Change in available-for-sale financial assets                                    |       |                                    |                                    |
| from unrealized available-for-sale net losses                                    |       | (1,441,530)                        | (289,175)                          |
| <b>Other comprehensive expense for the period</b>                                |       | <u>(1,441,530)</u>                 | <u>(289,175)</u>                   |
| <b>Total comprehensive income for the period</b>                                 |       | <u>\$ 1,866,051</u>                | <u>\$ 2,836,308</u>                |
| <b>Attributable to:</b>  |       |                                    |                                    |
| Equity shareholders of the Company   |       | \$ 1,601,781                       | \$ 3,286,637                       |
| Non-controlling interests  |       | 264,270                            | (450,329)                          |
| <b>Total comprehensive income for the period</b>                                 |       | <u>\$ 1,866,051</u>                | <u>\$ 2,836,308</u>                |
| <b>Comprehensive earnings per ordinary share</b>                                 | 5     | <u>\$ 0.04</u>                     | <u>\$ 0.11</u>                     |

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

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

For the three months ended March 31, 2023  
with corresponding figures for the three months ended March 31, 2022  
(Expressed in Bahamian dollars)

|  | Notes | Ordinary<br>Share<br>Capital | Share<br>Premium    | Revaluation<br>Reserve | Retained<br>Earnings  | Preference<br>Share<br>Capital | Non-controlling<br>Interests | Total<br>Equity       |
|--|-------|------------------------------|---------------------|------------------------|-----------------------|--------------------------------|------------------------------|-----------------------|
| Balance, January 1, 2022   |       | \$ 24,729,613                | \$ 5,960,299        | \$ 3,704,969           | \$ 120,364,345        | \$ 42,500,000                  | \$ 20,253,664                | \$ 217,512,890        |
| Net loss on remeasurement of<br>available-for-sale securities<br>to fair value |       | -                            | -                   | (289,175)              | -                     | -                              | -                            | (289,175)             |
| Changes in non-controlling interests   |       | -                            | -                   | -                      | -                     | -                              | 3,286,184                    | 3,286,184             |
| Net income for the period  |       | -                            | -                   | -                      | 3,575,812             | -                              | (450,329)                    | 3,125,483             |
| Preference share dividend  | 5     | -                            | -                   | -                      | (610,937)             | -                              | -                            | (610,937)             |
| Balance, March 31, 2022  |       | <u>\$ 24,729,613</u>         | <u>\$ 5,960,299</u> | <u>\$ 3,415,794</u>    | <u>\$ 123,329,220</u> | <u>\$ 42,500,000</u>           | <u>\$ 23,089,519</u>         | <u>\$ 223,024,445</u> |
| Balance, January 1, 2023   |       | \$ 24,729,613                | \$ 5,960,299        | \$ 6,977,915           | \$ 130,174,428        | \$ 42,500,000                  | \$ 27,746,228                | \$ 238,088,483        |
| Net loss on remeasurement of<br>available-for-sale securities<br>to fair value |       | -                            | -                   | (1,442,009)            | -                     | -                              | -                            | (1,442,009)           |
| Changes in non-controlling interests   |       | -                            | -                   | -                      | -                     | -                              | 1,587                        | 1,587                 |
| Net income for the period  |       | -                            | -                   | -                      | 3,043,311             | -                              | 264,270                      | 3,307,581             |
| Ordinary share dividend  | 5     | -                            | -                   | -                      | (4,451,330)           | -                              | -                            | (4,451,330)           |
| Preference share dividend  | 5     | -                            | -                   | -                      | (610,937)             | -                              | -                            | (610,937)             |
| Balance, March 31, 2023  |       | <u>\$ 24,729,613</u>         | <u>\$ 5,960,299</u> | <u>\$ 5,535,906</u>    | <u>\$ 128,155,472</u> | <u>\$ 42,500,000</u>           | <u>\$ 28,012,085</u>         | <u>\$ 234,893,375</u> |

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

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

For the three months ended March 31, 2023  
with corresponding figures for the three months ended March 31, 2022  
(Expressed in Bahamian dollars)

| Notes   | 3 Months Ended<br>March 31<br>2023 | 3 Months Ended<br>March 31<br>2022 |
|---|------------------------------------|------------------------------------|
| <b>Cash flows from operating activities:</b>                                  |                                    |                                    |
| Net income  | \$ 3,307,581                       | \$ 3,125,483                       |
| Adjustments to reconcile net income to net cash used in operating activities: |                                    |                                    |
| Change in unrealized (gain)/loss on fair value through income securities      | (113,624)                          | 4,065,469                          |
| Increase in provision for future policy benefits net of reinsurance assets    | 7,626,013                          | 5,509,805                          |
| Changes in loss provisions for loans and receivables                          | 572,893                            | 168,966                            |
| Depreciation and impairment/amortization charges                              | 559,000                            | 274,493                            |
| Net realized (gain)/loss on sale of available-for-sale securities             | (64,346)                           | 26,136                             |
| Interest income   | (11,023,048)                       | (9,488,681)                        |
| Dividend income   | (275,826)                          | (363,359)                          |
| Operating cash flows before changes in operating assets and liabilities       | 588,643                            | 3,318,312                          |
| Changes in operating assets and liabilities:                                  |                                    |                                    |
| (Increase)/decrease in other assets   | (26,076,098)                       | 35,228,667                         |
| Increase in other liabilities   | 8,717,954                          | 12,841,011                         |
| Net cash provided by operating activities                                     | (16,769,501)                       | 51,387,990                         |

(Continued)

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





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

For the period ended March 31, 2023  
(Expressed in Bahamian dollars)

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**1. General Information**

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

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

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

The ordinary shares of the Company are listed on the Bahamas International Securities Exchange. At March 31, 2023 approximately 58.1% (2022: 58.1%) of the Company's issued ordinary shares were owned by AF Holdings Ltd. (“AFH”) and 41.9% (2022: 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 Company's historical accounts follow International Financial Reporting Standards (“IFRS”) in its accounting policies for interim financial information.

IFRS 17 – Insurance Contracts is a new standard that is effective for periods beginning on or after January 1, 2023. At the time of the preparation of these interim consolidated financial statements, the Company was still in the process of preparing its unaudited current and comparative records on the IFRS 17 basis. As a result, these interim unaudited consolidated financial statements are presented using the IFRS 4 Insurance Contracts reporting standard.

While these financial statements do not include all of the information and footnotes required by IFRS for complete financial statements, in the opinion of management, with the exception of the implementation of IFRS 17, 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:

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

For the period ended March 31, 2023  
(Expressed in Bahamian dollars)

|  | <b>March 31,<br/>2023</b> | <b>March 31,<br/>2022</b> |
|--|---------------------------|---------------------------|
| Term deposits  | \$ 7,530,570              | \$ 7,450,539              |
| Less: Deposits with original maturities of<br>greater than 90 days | <u>(7,530,570)</u>        | <u>(4,935,150)</u>        |
| Short-term deposits  | -                         | 2,515,389                 |
| Cash and demand balances   | <u>60,629,157</u>         | <u>92,870,990</u>         |
| Total cash and cash equivalents                                    | <u>\$ 60,629,157</u>      | <u>\$ 95,386,379</u>      |

**4. Invested Assets**

|  | <b>March 31,<br/>2023</b> | <b>December 31,<br/>2021</b> |
|--|---------------------------|------------------------------|
| Term deposits                                    | \$ 7,530,570              | \$ 7,530,295                 |
| Investment securities and other financial assets | 536,713,599               | 520,770,935                  |
| Mortgages and commercial loans                   | 16,211,531                | 16,684,436                   |
| Policy loans                                     | 65,448,780                | 65,443,004                   |
| Investment properties                            | 58,524,584                | 58,086,000                   |
| Equity-accounted investees                       | <u>5,284,182</u>          | <u>5,216,578</u>             |
| Total invested assets                            | <u>\$ 689,713,246</u>     | <u>\$ 673,731,248</u>        |

**5. Earnings Per Share and Dividends Per Share**

Basic earnings per ordinary share is calculated by dividing net income attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares issued and outstanding during the period, excluding ordinary shares of the Company acquired by Colina held as treasury shares. There were no treasury shares held by Colina as at March 31, 2023 (March 31, 2022: nil).

|   | <b>3 Months<br/>Ended<br/>March 31, 2023</b> | <b>3 Months<br/>Ended<br/>March 31, 2022</b> |
|---|--|--|
| Net income attributable to equity shareholders                | <u>\$ 3,043,311</u>                          | <u>\$ 3,575,812</u>                          |
| Net income attributable to ordinary shareholders              | <u>\$ 2,432,374</u>                          | <u>\$ 2,964,875</u>                          |
| <i>Weighted average number of ordinary shares outstanding</i> | 24,729,613                                   | 24,729,613                                   |
| Basic earnings per ordinary share                             | <u>\$ 0.10</u>                               | <u>\$ 0.12</u>                               |
|   | <b>3 Months<br/>Ended<br/>March 31, 2023</b> | <b>3 Months<br/>Ended<br/>March 31, 2022</b> |
| Comprehensive income attributable to equity shareholders      | <u>\$ 1,601,781</u>                          | <u>\$ 3,286,637</u>                          |
| Comprehensive income attributable to ordinary shareholders    | <u>\$ 990,844</u>                            | <u>\$ 2,675,700</u>                          |
| <i>Weighted average number of ordinary shares outstanding</i> | 24,729,613                                   | 24,729,613                                   |
| Comprehensive earnings per ordinary share                     | <u>\$ 0.04</u>                               | <u>\$ 0.11</u>                               |

Dividends to the Company's shareholders are recognized as a liability in the period in which they are declared by the Board of Directors. For the period ended March 31, 2023, dividends paid or accrued by the Company to ordinary shareholders in the period totaled \$4,451,330 (March 31, 2022: nil). Dividends paid or accrued by the Company to the Class "A" preference shareholders during the period totaled \$610,937 (March 31, 2022: \$610,937). The Company does not have any dilutive shares.