ANNUAL REPORT 2023

Confidence At Work

COLINA
HOLDINGS BAHAMAS LIMITED

Contents

Chairman's Report

Colina Holdings Bahamas Limited's (CHBL) is driven in its commitment to meeting the needs of its policyholders and clients, while creating value for its shareholders. In fiscal 2023, CHBL reflected strong performance due to the combined financial strength of its flagship, Colina Insurance Limited (CIL); its investment arm, Colina Financial Advisors Limited (CFAL); and its general insurance operating arm Indigo Insurance (Bahamas) Limited and Colina General Insurance & Agents (Bahamas) Limited (CGIA). Each of these entities remained steadfast and focused on their objectives, with prudent strategic oversight of CHBL's Board.

CHBL has now fully implemented the new accounting standard, IFRS 17 – Insurance Contracts. While the standard requires some material changes to presentation and disclosure of CHBL's financial reporting – most notably in the timing and measurement of the recognition of insurance contracts – the underlying fundamentals of the Company remain the same. Fluctuations in mark-to-market unrealized gains and losses are expected to cause some volatility in returns going forward as the Company, with the adoption of IFRS 9, is now reflecting these movements directly in income rather than in revaluation reserves as it had in prior reporting years. The adoption of both IFRS 17 and IFRS 9 resulted in a net increase to retained earnings of $4.2 million at transition, January 1, 2022.

Notwithstanding the new presentation, CHBL continues to focus on strategies that enhance its balance sheet and capital position, ensuring the flexibility needed to meet the ongoing obligations to policyholders and customers. The Company's strong foundation keeps it adequately positioned to withstand local and global market changes. I would like to highlight the key indicators from fiscal 2023:

- Net income attributable to equity shareholders totaled $34.7 million, compared to the restated $10.9 million in 2022.
- Earnings per ordinary share totaled $1.30 in 2023, compared to the restated $0.34 in 2022.
- Comprehensive income attributable to equity shareholders totaled $34.9 million, compared to the restated $11.1 million in 2022.
- Comprehensive earnings per ordinary share totaled $1.31 per share, compared to the restated $0.35 per share in 2022.
- Net insurance and investment result for the year ended December 31, 2023 was $30.7 million, compared to the restated $6.7 million in 2022.
- Total assets at December 31, 2023 totaled $824.1 million, compared to the restated $757.1 million in 2022.
- Total shareholders' equity grew to $230.2 million, up from the restated $204.2 million in 2022.

In the last quarter of this 2023 fiscal, CFAL hosted its inaugural Pension and Economic Conference, "Building a Solid Foundation for the Next 50 Years." This landmark event set a new standard for thought leadership as it focused on strategies to drive The Bahamas' economy forward and help its citizens thrive, amid current challenges.

During the fiscal year, CIL remained focused on advancing cutting-edge solutions, by expanding its portal to include Group Health and CGIA, while driving the enrollment of its insureds. As further strides to embrace other forms of technology continues, the integration of CIL's payment portal with its policyowner portal and launch of its mobile app are set for the third quarter of 2024.

Indigo is making strides in the digital property and casualty insurance space, via Indigo Insurance (Bahamas) Limited which began its operations in The Bahamas in June 2021. Indigo Insurance (Cayman) Limited, which was launched in 2023, delivered revenue results of over 30% above forecast in its first year of operation. Consumers have embraced Indigo's model of providing car and home insurance that is fast, easy, and paperless, with 24/7 convenience.

Thank you, to our shareholders, for your ongoing support of CHBL and its subsidiaries. Your partnership and unwavering confidence in the Board's sound judgment as we strive to deliver value on your investment are much appreciated.

We extend heartfelt gratitude to our customers and clients. The focus remains on aggressively embedding cutting-edge solutions into our ongoing operations to accompany our outstanding service, thus elevating the client experience to unprecedented levels in 2024 and beyond.

CHBL's executives, managers and team members across all subsidiaries, powered by a talented and aggressive sales force, drive our success. We are mindful of your hard work and appreciate each and every person's commitment towards the achievement of our goals.

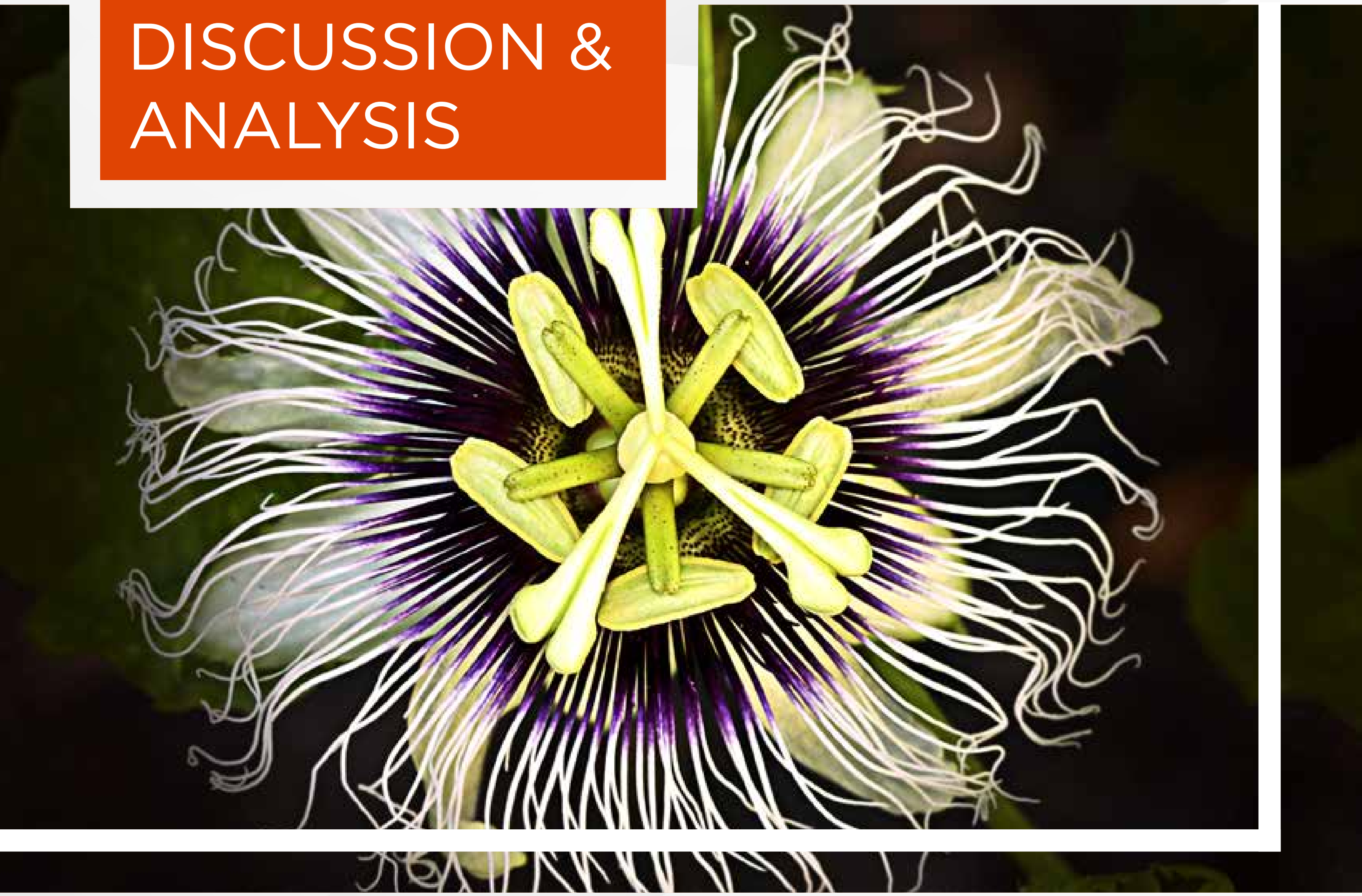
Ednol Farquharson, Macgregor Robertson and Lloyd Steinke retired from the Board in fiscal 2023. It was a pleasure to serve alongside them over the years and we are immensely grateful for their exceptional service, remarkable insights, and innovative ideas that have propelled the Company to new heights. Farewell and best wishes.

Following their departure, we welcomed Richard Letarte as a director and are benefitting from the knowledge, experience and depth that he brings to our deliberations as former President and Chief Executive Officer for Munich Reinsurance Company in Canada.

On behalf of CHBL's Board of talented and experienced directors, thank you all. We are dedicated to providing strong leadership and actively pursuing opportunities to enhance shareholder value.

TERRY HILTS | *Chairman*

MANAGEMENT DISCUSSION & ANALYSIS



Passion Flower
©Eric Rose | Colina 2024 Calendar

Forward-Looking Statements

Colina Holdings Bahamas Limited
Management Discussion & Analysis
For the period ended December 31, 2023
This MD&A is dated September 6, 2024

OVERVIEW

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 Agents & Brokers Limited ("CGIA"), Colina Financial Advisors Ltd. ("CFAL"), Indigo Insurance (Bahamas) Limited and Indigo Insurance (Cayman) 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 and the Cayman Islands.

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.

The MD&A may include "forward looking information" and assumptions about, among other things, CHBL or its subsidiaries' business, operating activities and financial performance and condition. This forward-looking information and these assumptions include, but are not limited to, statements about the Group's objectives and strategies to achieve those objectives, as well as information with respect to the Company's beliefs, plans, expectations, anticipations, estimates, intentions and views of future events. Any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. The Company has based the forward-looking information on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business strategy and financial needs.

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.

The Company transitioned from IFRS 4 to IFRS 17, Insurance Contracts, effective 1 January, 2022. This new standard significantly impacts the timing and measurement of insurance and reinsurance contract recognition. The presentation and disclosures in the financial statements have been revised to comply with IFRS 17 requirements. For further information on the Group's implementation of IFRS 17 and its effects on the financial statements, please refer to Note 2.1 of the consolidated financial statements.

While IFRS 9, Financial Instruments, replaced IAS 39 for annual periods beginning on or after January 1, 2018, the Company opted to defer the application of IFRS 9 under the temporary exemption available through amendments to IFRS 4, Insurance Contracts.

The Group has applied IFRS 9 retrospectively, restating comparative information for financial instruments within its scope. Adjustments to the carrying amounts of financial assets and liabilities upon transition were recorded as an adjustment to retained earnings as of January 1, 2022.

The implementation of all other new standards, amendments, and interpretations to existing standards that have been published but are not yet effective is not anticipated to have a material impact on the Company's accounting policies or financial statements in the period of initial application.

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 and reinsurance 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. For further information on the Group's Critical Accounting Judgement and Estimates, please refer to Note 3 of the consolidated financial statements.

OVERALL PERFORMANCE

Highlights of Financial Performance

The Group reported net income attributable to equity shareholders of $34.7 million for the 12 months ended December 31, 2023, compared to the $10.9 million (restated) in the prior year.

Net income benefitted from favourable net investment income results in 2023 relative to 2022. Net investment income totalled $66.1 million; a considerable increase compared to the $19.1 million (restated) in 2022. As discussed in note 2.1 to the consolidated financial statements, the Group adopted IFRS 9 and IFRS 17 and elected to designate financial assets previously held at amortized cost and fair value through OCI (FVTOCI) at "fair value through profit or loss" (FVTPL). With this change, unrealized gains and losses on assets previously classified as available-for-sale securities and loans and receivables, now at FVTPL, are reflected directly in profit and loss. Included in net investment income are net fair value gains of $22.9 million in 2023, compared to $11.8 million in net fair value losses experienced in 2022. Aside from the improvement in mark-to-market fair value adjustments, net investment income has also grown as a result of increased interest income reflecting the Company's growing investment portfolio.

Total assets at December 31, 2023 total $824.1 million, an 8.8% or $67.0 million increase from $757.1 million (restated) in total assets at December 31, 2022.

Contributing to the growth in total assets is an increase in investment securities and other financial assets which at December 31, 2023 totalled $525.7 million, comprising the largest asset class representing 63.8% of total assets. The Company remains steadfast with its long-term strategic objectives designed to ensure the appropriate balance of liquidity and risk within its investment portfolios to mitigate movements in claims liabilities and policyholder claims. The Company continued to focus its efforts to rebalance assets within its investment portfolio. To this end, the Group purchased an additional $78.7 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.
Net insurance contract liabilities at December 31, 2023 total $492.9 million, an increase over the net insurance contract liabilities at December 31, 2022 totalling $457.1 million. Under IFRS 17, insurance contract liabilities include liabilities for incurred claims, liabilities for remaining coverage and the contractual service margin (unearned profit recognized only as insurance services are provided over the life of the contract).

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

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, 2023

In B$000s *(except for $/share amounts)*	2023	2022 (RESTATED)
Net income for the year	$ 35,213	$ 10,461
Net income for equity shareholders	$ 34,703	$ 10,885
Net income for ordinary shareholders	$ 32,259	$ 8,442
Insurance revenue	$ 124,950	$ 127,368
Insurance service result	$ 4,420	$ 11,626
Net investment income	$ 66,135	$ 19,071
Net insurance finance expenses	$ (39,840)	$ (23,953)
Net insurance and investment result	$ 30,715	$ 6,745
Comprehensive income for the year	$ 35,374	$ 10,715
Comprehensive income for equity shareholders	$ 34,864	$ 11,139
Comprehensive income for ordinary shareholders	$ 32,420	$ 8,695
Total assets	$ 824,116	$ 757,130
Total invested assets	$ 614,291	$ 585,717
Total ordinary shareholders' equity	$ 187,673	$ 161,685
Shareholders' equity	$ 230,173	$ 204,185
Total equity	$ 236,921	$ 231,932
Return as % of total assets	4.3%	1.4%
Return on total opening ordinary equity	20.0%	5.3%
Earnings Per Share and Dividends Per Share		
Earnings per ordinary share	$ 1.30	$ 0.34
Comprehensive earnings per ordinary share	$ 1.31	$ 0.35
Cash dividends declared per share by class		
Class "A" Preference Shares	$ 0.06	$ $0.06
Class "A" Ordinary Shares	$ 0.26	$ $0.24

margin requirements as per the Company's investment mandate. At December 31, 2023, the Company held cash and liquid short-term investments of $58.9 million ($71.5 million in 2022). The Company and its subsidiaries held over $492.5 million in debt securities, over 95.0% of these debt securities 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 31 to the Consolidated Financial Statements.

OFF-BALANCE SHEET ARRANGEMENTS

As at December 31, 2023, 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 21 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, liquidity, and insurance risks – are discussed in Note 31 to the Consolidated Financial Statements. The Group's activities also include trading activities which introduce settlement risk exposures which are also discussed in Note 31.

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 30 to the Consolidated Financial Statements.

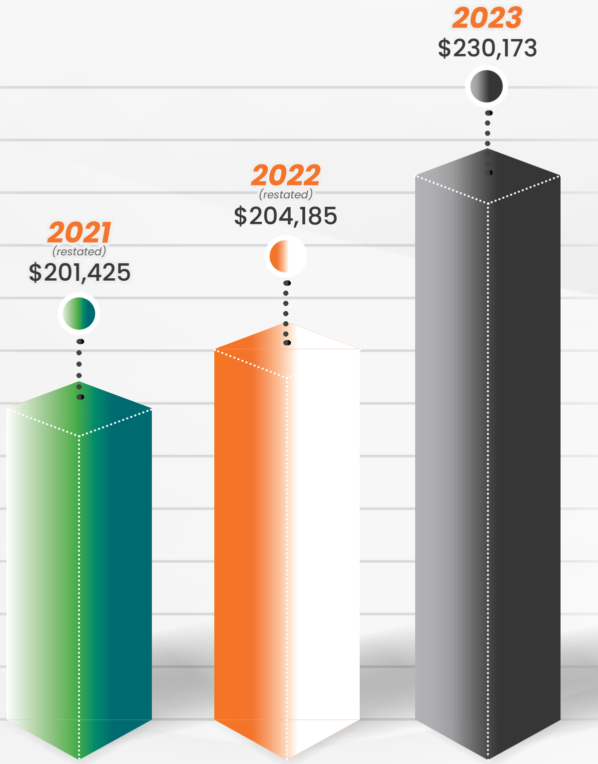
Capital Management

The Company's total ordinary shareholders' equity has increased to $187.7 million at December 31, 2023 compared to the restated $161.7 million in 2022. The growth in retained earnings was as a result of the fiscal performance in 2023 from the Group's operations which further enabled the Company to declare dividends to the Class "A" Ordinary Shareholders of $6.4 million ($0.26 per share) after dividend distributions to the Class "A" Preference Shareholders of $2.4 million.

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

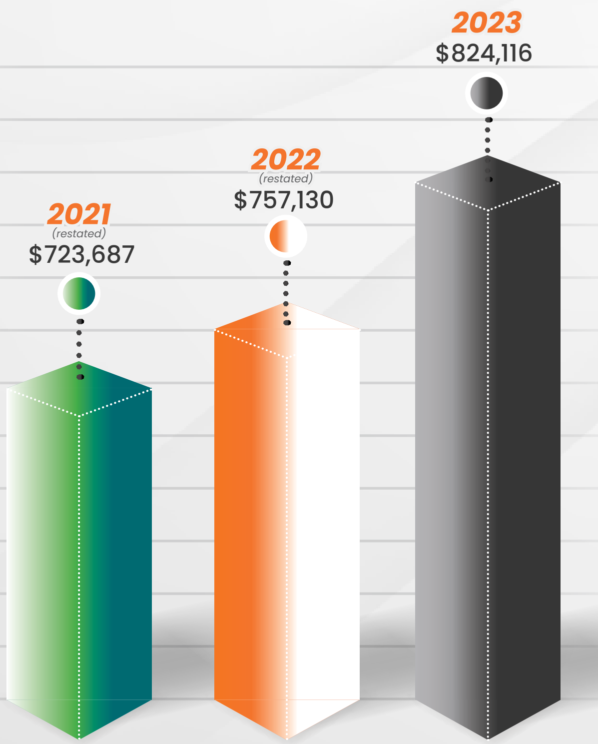
Total Shareholder's Equity

(In B$000s)



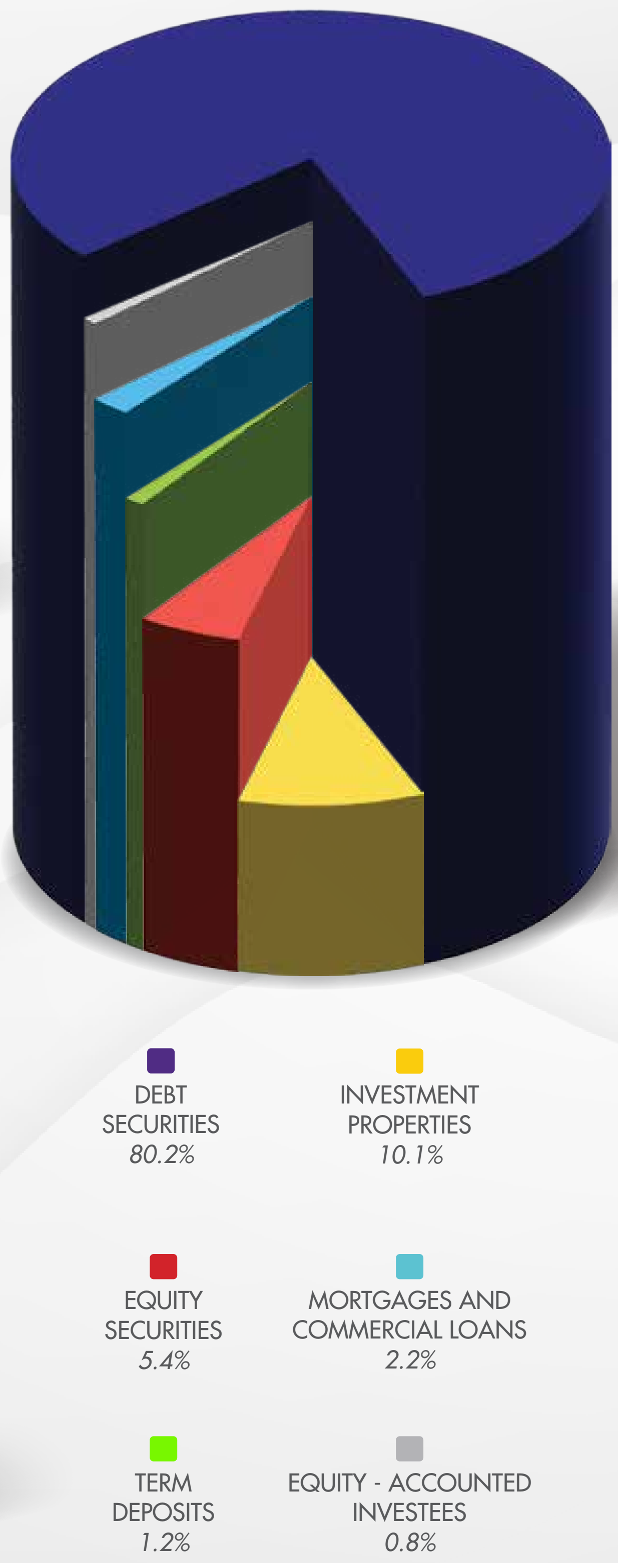
Total Assets

(In B$000s)



Invested Assets Composition

As at December 31, 2023



COLINA
HOLDINGS BAHAMAS LIMITED

COLINA

CFAL

COLINA
GENERAL INSURANCE AGENCY

indigo
insurance

COLINA
REAL ESTATE FUND LTD.

COLINA INSURANCE LIMITED (CIL)

Pink Poui in full bloom
©Eric Rose | Colina 2024 Calendar

Meet The Executive Team

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

Anthony R. Ferguson
President, CFAL

Catherine Williams
Vice President, Finance CIL

Marcus J. Bosland
Resident Actuary, CIL

Sapna Chatlani
Vice President, Group & Health Benefits, CIL

DeAndrea R. Lewis
Vice President, Life Operations, CIL

Alban Smith
Vice President, IT Infrastructure & Service, CIL

D'Andra A. Johnson
Legal Counsel, CHBL

Ruvania E. Deveaux
Chief Risk & Compliance Officer, CHBL

Maxine Seymour
Director of Communications, CHBL

Leonardo Ferguson
Chief Group Internal Auditor, CHBL

Patricia Bain
Director, Human Resources, CIL

Elrod Outten
Director of Sales, CIL

Charles Nevins III
General Manager, CMCO

CIL's Management Team

Sherelle Johnson
AVP, Group and Health

Kenray Marsh
AVP, Life Operations

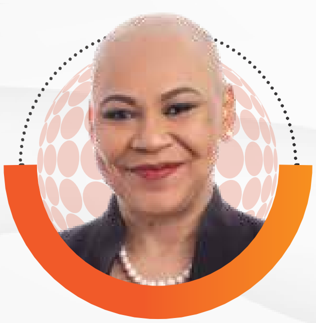
Vashti L. Adderley
Senior Manager, Application Support & Projects

Enrique Pyfrom
Senior Manager, IT Operations

Sandra Thomas
Manager, Claims and Administration

Charmaine S. Parker
Manager, Contact Center

Cheryl Martins
Manager, Group Sales & Administration



Lavaughn Fernander
Manager, Customer Service

Beverly Ferguson
Manager, Credit Collections

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 2023, and at the fiscal year end, CIL exceeded the statutory risk-based capital requirements as set by the Insurance Commission of The Bahamas.

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 a net insurance and investment result of $31.2 million to CIL's operating profit, a significant increase from the prior year's divisional restated loss of $0.9 million. Insurance revenues for Life increased by 8.5%, totalling $34.1 million in 2023 compared to $31.5 million in 2022. Contributing largely to the life division's increased profit was the increase net investment income recognized under this division in 2023 relative to 2022.

HEALTH DIVISION

CIL's Health Division offers a wide range of comprehensive individual medical and group life and medical insurance. Insurance revenues for the health division totalled $82.6 million compared to $90.7 million in 2022. Note that 2022's performance was boosted temporarily by profit generated from a Covid-19 trip

Samantha Adderley
Manager, Life Claims

Derick McIntosh
Financial Controller

Simone Coakley
Financial Reporting Officer

Paula Hospedales
Manager, Reinsurance Administration

Nyoshi Ward
Manager, Payments

Frank Ellis
Manager, Facilities

Tanya Wemyss
Manager, Central Processing

interruption product which terminated shortly after the reopening of the borders in mid-2022. 2023 saw an increase in insurance service expenses as a proportion of insurance revenues reflecting increased claims costs affected by medical inflation and increased claims volumes.

As the Company remains 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.

Garneshia Lightbourn
Manager, Internal Audit

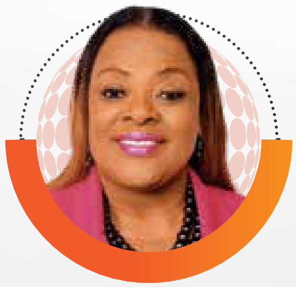
Trina March
Manager, Underwriting

Chris Frye
Manager, Commercial Business

Ravon Smith
Manager, New Business

Sales Managers

Jeffrey Randall
Branch Manager



Sandradee Henfield
Branch Manager

Kino McCartney
Branch Manager

Karen Sweeting
Manager, Marketing Administration

Wayne Miller
Sales Manager

Merranda Lowe
Unit Manager

Sandra Walkes
Asst. Branch Manager

Latasha Strachan
Manager, Sales Training

2023 Awards

MDRT QUALIFIERS

SANDRA SMITH
Collins Branch

LYNETTE THOMPSON
Collins Branch

ALFREDA KNOWLES
Admiral Club

JEFFREY RANDALL
Centreville Branch

VEOSHE JOHNSON
Northern Branch

WAYNE MILLER
Collins Branch

JAMES SEYMOUR
Collins Branch

JANITH MULLINGS
Northern Branch

LATARSHA CLEARE
Collins Branch

SANDRADEE HENFIELD
Northern Branch

SHAKIRA DEAN
Collins Branch

BRIDGETTE SANDS
Collins Branch

AISHA ADDERLEY
Collins Branch

SHAKEILYA KNOWLES
Collins Branch

CARMEN MAJOR
Admiral Club

C.G.I.A. Top Performer

Eleanor Stuart

Group Medical Award

Anthony Russell

Individual Medical Award

Anthony Cartwright

2023 Top Achievers

Top Producer Of The Year

Veoshe Johnson

Employee Of The Year

Rishea Gibson

Genesis Salesperson
Of The Year

Jessica'Lyn Miller

Seasoned Salesperson
Of The Year

Veoshe Johnson

Executive Salesperson
Of The Year

Sandra Smith

Branch of the Year

Nothern Branch | Sandradee Henfield

CIL in the Community

Geriatric Push-a-thon

CIL was a Platinum Sponsor of the 12th annual Sandilands Geriatric Push-a-thon. Employees supported the event by pushing senior residents along the route. The event focused on 'pushing' the importance of the seniors in the community and celebrated healthy aging.

Leonardo Ferguson, Chief Group Internal Auditor, CHBL pushes a senior as Cynthia "Mother" Pratt, Deputy Governor General applauds.

Maxine Seymour, Director, Communications awards a push-a-thon participant with a trophy.

CIL helps kids get back to school

CIL's Northern Branch teamed up with the Reach Out Youth Organization and the Police Staff Association by donating to and volunteering at their back-to-school giveaways. The team purchased and distributed school supplies, back packs, snacks and uniforms. Items donated ensured that kids started the school year with confidence.

Back to School: (L To R) Parez Demeritte, Director Of Northern Bahamas, Police Staff Association And Sandradee Henfield, Northern Branch Manager.

Back to School: (l to r) Merranda Lowe, Unit Manager, Colina, Freeport Branch; Janith Mullings, Sales Representative, Colina, Freeport Branch; Dudley Seide, President, Reach Out Youth Organization; Ms. Carolyn Fox Reach Out Volunteer and Sandradee, Manager, Colina, Freeport Branch.

Bahamas AIDS Foundation

CIL purchased and wrapped gifts for children and adolescents of The Bahamas AIDS Foundation's Adolescent Outreach programme, to spread joy during the festive season.

(L to R) Maxine Seymour, Director, Corporate Communications and Chantal A. Horton, Communications Officer shop for gifts as part of Colina's commitment to building better communities.

(L to R) Emanuel Alexiou, CEO, and Paula-Maria Hospedales, Reinsurance Administration Manager, wrap gifts for young persons infected with and affected by HIV/AIDS.

Natasha Burrows, Employee Development Coordinator, Colina, wraps a basketball ahead of The Bahamas AIDS Foundation's holiday party.

Blue light display at Colina on 21 Collins Avenue.

The Bahamas Resource and Educational Source for Autism and other related Challenges (REACH)

CIL commemorated Autism Awareness month for another consecutive year. The Company donated $10,000 to R.E.A.C.H., and showcased blue light displays at the 308 East Bay Street, 21 Collins Avenue and 12 Village Road locations. Employees also wore shirts each Friday during April to raise funds and awareness for the organization.

CIL Celebrates Back-to-School

CIL held Customer Appreciation Day with employees rocking school uniforms and distributing giveaways to clients. Throughout the day, clients were encouraged to complete client update forms and sign up for CIL's portal. Back-to-school supplies were available for students. Donations were collected for a local school.

Cancer Partnerships

CIL made a $10,000 contribution to The Cancer Society of The Bahamas, serving as Presenting Sponsor of the Annual Charity Golf Tournament. Funds from the tournament helped to raise funds for the Society's ongoing efforts. CIL was also a bronze sponsor of the 2023 CIBC First Caribbean's Walk for the Cure. CIL's employees participated in the event. Proceeds from the walk were donated to eight organizations across The Bahamas that offer cancer support to those in need.

(L to R) Susan Roberts, Founder, Cancer Society and Member, Golf Committee Member; Geoff Andrews, Member, Golf Committee Member and Maxine V. Seymour, Director, Corporate Communications, Colina Insurance Limited.

(L to R) Christina Williams-Minnis, Sr. Group Service Administrator; Davinia Allen, Group Receivables Administrator; Denice Major, Customer Service Representative; Ashley Williams, Actuarial Trainee and Darneisha D. Ferguson, Reinsurance & Subrogation Administrator.

Bahamas Down Syndrome Association “Buddy Walk”

CIL was a Gold partner of Bahamas Down Syndrome Association “Buddy Walk”. Employees participated in the event that aimed to raise funds and awareness for The Bahamas Down Syndrome Association and their work in the community.

(L to R) Cordescia Bastian, Health Claims Examiner; Shorneika K. Rolle-Mackey, Supervisor, Customer Relations Unit; Berdinell Evans, Claims Adjudicator; Maqueria K. Rolle, Customer Service Representative; Sharon Flowers, Sales Representative and Darneisha D. Ferguson, Reinsurance & Subrogation Administrator.

Lupus 242 Receives $5k Donation from Colina

Colina Insurance Limited (Colina) donated five thousand dollars to Lupus 242 to mark Lupus Awareness month. The gift will help the organization provide support to individuals with lupus and educate the public on the disease.

CIL commemorates Kidney Awareness Month

(L to R) Sherelle Johnson, Assistant VP, Group & Health Benefits, Colina; Sapna Chatlani, Vice President, Group & Health Benefits, Colina; present to Tamika Roberts, President, Bahamas Kidney Association; and Donovan Rolle, Member, Bahamas Kidney Association at Colina’s Village Road location.

Special Olympics

CIL hosted a holiday party for Special Olympic athletes. The event was held in celebration of the athlete's achievements in international events, including the 2023 World Games. Colina agents and staff volunteered and assisted by serving the athletes food and coordinating games.

Nassau Music Society's Drum-Off

(L to R) Dr Christine Gangelhoff, Artistic Director, Nassau Music Society and Music Professor, University of The Bahamas; Maxine V. Seymour, Director, Corporate Communications, Colina; With-Mael Alcide, Overall Drum Off Winner – Judges' Choice; Branden Campbell, Winner of the Drum Off Audience Choice Award; Cynthia Van Wynen, President and Executive Director, Nassau Music Society.

International Nurses Day

During Nurses Month, CIL proudly sponsored the Nursing Committee's initiative, 'You Have A Pizza of My Heart' at Princess Margaret Hospital, honoring the dedication of nurses with pizza and drinks, a heartwarming thanks for their tireless service to our community.

Anthony R. Ferguson
President, CFAL

Pamela Q. Ferguson
Vice President, Investments

Sophia Thurston
Vice President, Operations Pension Administration

Tamara Evans
Manager, Settlements

COLINA FINANCIAL ADVISORS LTD.

Steadfast Commitment to the Highest Standards

Colina Financial Advisors Ltd. (CFAL) proudly reflects on another year of strategic growth and unwavering commitment to our clients and stakeholders. As the leading independent investment and advisory firm in The Bahamas, CFAL remains dedicated to serving as stewards of capital, driving prosperity, and fostering financial well-being for our clients and the wider community. Throughout 2023, CFAL continued to demonstrate resilience and agility in navigating dynamic market conditions while upholding the highest standards of integrity and professionalism. Despite the challenges posed by global economic fluctuations, CFAL's comprehensive approach to wealth management enabled us to effectively manage risk and capture opportunities for our clients.

In April 2023, CFAL successfully completed refinancing of the $134.4 million Nassau Cruise Port (NCP) bond.

Notable highlights of the year centered around the execution of several transactions, ranging from the refinancing of previously issued securities as well as funding expansion opportunities for a publicly listed company.

FINANCIAL STRENGTH

CFAL has seen its Assets under Management grow from $2.6 million in 1997 to now more than $2.3 billion in 2023. This milestone is a testament to our team's expertise, disciplined investment approach, and unwavering commitment to delivering superior results for our clients. Whether through tailored investment strategies, innovative financial solutions, or personalized advisory services, CFAL remains dedicated to helping our clients achieve their long-term financial objectives.
In 2023, CFAL achieved remarkable performance across its mutual fund offerings, further solidifying its reputation as a trusted provider of investment solutions. CFAL administers a diverse range of mutual funds, including three local funds denominated in Bahamian dollars (BSD) and two international funds denominated in US dollars (USD). Throughout the year, each of these funds delivered positive returns, showcasing CFAL's expertise in navigating both local and global markets to generate value for investors.

OUR SERVICES

Investment Management: At CFAL, our seasoned and knowledgeable team specializes in crafting tailored portfolios that strike the right balance between fixed income and equity securities, aligning with each client's specific risk and return objectives. Safeguarding and enhancing our clients' assets remain our paramount responsibility.

Wealth Services: CFAL offers a comprehensive suite of wealth services, distinguished by our competitive rates and exceptional professional service that sets us apart from our competitors.

Mutual Funds: CFAL Advisors assist clients in selecting from a range of professionally managed funds which are customized to match each client's unique investment profile, approach, or risk tolerance.

Retirement Planning & Pension Consulting: We provide thorough pension consultation services to ensure companies can fulfill their commitment to employees' retirement security, thereby helping them achieve the rewards of their hard work,

Corporate Advisory: Our seasoned investment advisors form a dedicated team, guiding companies toward their strategic objectives, whether through mergers, acquisitions, IPOs, debt financing, or equity investments.

EMPOWERING THROUGH WEALTH BUILDING

Looking ahead, CFAL remains steadfast in our mission to empower individuals and institutions to navigate the ever-changing financial landscape with confidence and clarity. As we continue to uphold our core values of integrity, expertise, and quality-service, we are confident that CFAL will remain at the forefront of the financial services industry, driving sustainable growth and creating value for all our stakeholders.

Tiffany Cartwright
Manager, Investments

Dionne Comery
Pension Manager

Richard Pinder
Operations Supervisor

Lashell White
Investments Manager

Jomarie Thompson
Office Manager & IT Supervisor

Jeanelle Francis
Manager, Private Wealth & Trading

Angelo Butler
Manager, Corporate Advisory Services

LANDMARK CONFERENCE

In October 2023, CFAL hosted its groundbreaking CFAL Pension and Economic Conference – "Building a Solid Foundation for the Next 50 Years". This pivotal event delved into strategies for propelling The Bahamas' economy forward over the coming half-century, while also exploring how its citizens can thrive in the face of current challenges. With an impressive turnout of industry experts and stakeholders, the conference set a new standard for thought leadership and innovation. Engaging sessions tackled pressing topics such as fortifying The Bahamas' Social Security Programs, navigating the nation's debt landscape, leveraging natural resources through carbon credits, and maximizing the benefits of National Health Insurance.

Pension and Economic Conference

(L to R) Lamont Laing, Accountant; Tiffany Cartwright, Investment Manager; Jomarie Thompson, Office Manager and IT; Anthony Ferguson, President; Sophia Thurston, VP Pension Administration & Operation; Jeanelle Francis, Private Wealth Manager; Shafegah Johnson, Senior Pension Administrator; and Lashell White, Investment Manager.

Marcus Bosland, Resident Actuary, Colina Insurance, addresses attendees of the CFAL Pension and Economic Conference.

A panel discussion on the topic Monetizing The Bahamas' Natural Resources: A Conversation on Carbon Credits featuring Rochell Newbold, Special Advisor on Climate Change & Environmental Matters, Office of the Prime Minister; Wells Howe, Principal, Beneath the Waves; Anthony Ferguson President, CFAL & Director, Carbon Management Limited; and moderated by Candia Dames Executive Editor, The Nassau Guardian.

Pamela Ferguson, VP Investments, appears as a guest on a special edition of the Guardian Radio talk show Morning Blend, which was broadcast live from the CFAL Pension and Economic Conference.

Dr. Stephen Brien, Chair, UK Social Security Advisory Committee, delivers the keynote address at the CFAL Pension and Economic Conference.

CFAL in the Community

In July, the team at CFAL celebrated 50 years of Independence in The Bahamas. CFAL is proud to have been serving the Bahamian community and contributing to national development through our sound financial guidance for 26 years.

Community Giving

Tamara Evans, Manager, Settlements (centered); is pictured presenting a new HP laptop to Dion Johnson, Senior Master, Eva Hilton Primary School; and Christina Sweeting, Schoolboard Member.

In March 2023, CFAL donated several cases of food to Uriah McPhee Primary School to support its ongoing student breakfast and lunch program. Pictured are Lashell White, Manager, Investments; and Jomarie Thompson, Office Manager and IT Supervisor along with students and administrators of the school.

A team of University of The Bahamas (UB) mentored by Angelo Butler, Manager, Corporate Advisory, participated in the annual CFA Institute Research Challenge. (L to R) Rasean Rolle, Joshua Smith, Shermica Ferdinand, and Lavan Gardiner Jr.

In December 2023, the team at CFAL joined The Feeding Five Thousand Network by participating in its third annual "Twelve Days of Christmas" Feeding Initiative. In addition to preparing and serving hot meals to those in need, the team also contributed $1,000 to their pajama drive for the children of the Elizabeth Estates Children's Home.

COLINA GENERAL INSURANCE AGENTS & BROKERS LIMITED (CGIA)

Honey Bee
©Eric Rose | Colina 2024 Calendar

Digital Evolution: Streamlining Operations for Sustainable Growth

During 2023, CGIA embarked on a journey to revamp and revitalize operations with several key innovation-based initiatives. Through the use of cutting-edge digital platforms and data-driven insights, we aim to streamline our processes and enhance customer experience. Automated processes streamline administrative tasks, freeing up valuable time for our agents and brokers to focus on delivering personalized service and expert advice. By leveraging advanced data analytics, we aim to continuously refine our offerings, ensuring that our clients receive the most relevant and cost-effective insurance options.

(l to r) Carlton Adderley, Assistant Operations Manager, CGIA; Andrea Johnson, Assistant Administrator, Elizabeth Estates Children's Home; Jacqueline Gardiner, Underwriting Manager, CGIA; Ray Nairn, Administrator, Elizabeth Estates Children's Home and Beryl Gray, Deputy Administrator, Elizabeth Estates Children's Home.

CGIA donated funds to the Elizabeth Estates Children's Home recently, to assist with the purchase of shoes for the young residents, ahead of the start of the new school year. The donation was warmly received by the children and administrators of the Home.

INDIGO INSURANCE (INDIGO)

Silk Cotton / Kapok Tree
©Eric Rose | Colina 2024 Calendar

Aligning Interests: How Indigo Insurance's Customer-Centric Model Drives Success

Brian Williams
Chief Executive Officer

Nick Brierly
Chief Operations Officer

Ramon Meadows
Chief Financial Officer

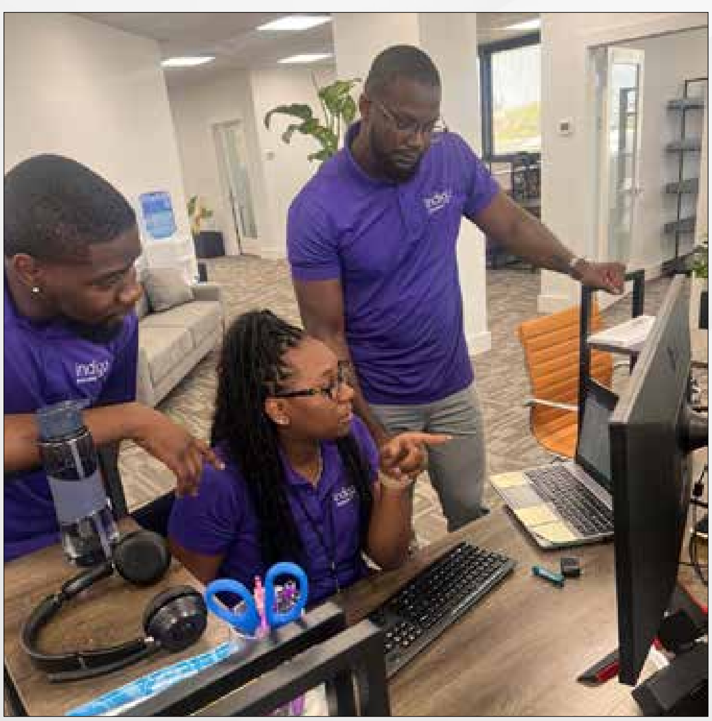
Indigo Insurance is a property and casualty insurer that provides car and homeowners with insurance in minutes. Our customer-centricity runs deep, and our underlying business model is designed to align interests between us and our customers. Sold through CGIA in The Bahamas, and direct and online in the Cayman Islands using a phone or laptop, Indigo simplifies the process of insuring by utilizing advanced analytics to turn data into tailored policies. Purchasing a car or home policy online takes less than 5 minutes. The average response time to inquiries or reported claims is 3.5 hours and with a 96% customer satisfaction score, Indigo is demonstrating that customers value time and quality interactions. Only in its second full year of operations, Indigo ended 2023 with over $11.1M in GWP of which the Cayman Islands accounted for over 10% from 8 months of operation, exceeding expectations. Loss ratios in both markets are in the 50% range, an indication of intuitive and disciplined pricing in a year when no major catastrophes impacted our markets.

We leverage technology in everything we do. All incumbent policies in The Bahamas and most in Cayman are sold through agents and brokers, making our platform that finds, onboards, and digitally serves consumers end-to-end very much an outlier. Our digital ecosystem enables us to integrate marketing and onboarding with underwriting and claims processing to a great extent, collecting and deploying data throughout, to constantly drive efficient customer acquisition, enhance the experience, and mitigate risk.

Our constantly expanding reinsurance arrangements continue to be with high quality, global reinsurers on the basis of an alignment of interests, theirs with ours as we are with the consumer. Despite capacity challenges in the global reinsurance property CAT markets over the past 2 years, we have negotiated additional capacity to grow our home insurance business.

For 2024, our technology stack will continue to evolve to improve customer experience by removing pain points and inconveniences.

A Modern Approach To Insurance



"Our mission at Indigo Insurance is to transform how people perceive and interact with insurance. We believe insurance should be accessible , convenient, and tailored to fit the modern lifestyle"

– Brian Williams, CEO

Indigo Insurance Revolutionizes Insurance in the Cayman Islands with Digital First Approach

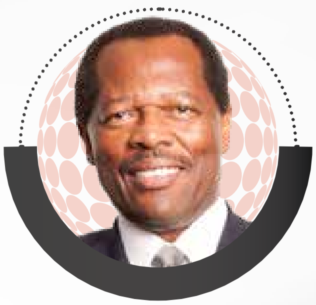
Indigo Insurance's Commitment To Customer Satisfaction Extends Beyond The Purchasing Process

Indigo Insurance, a pioneering digital insurance company, hosted an exclusive event at Aria, Harbour Walk, in Grand Cayman, Cayman Islands to celebrate its official launch, bringing together industry professionals, stakeholders, and press members. The event showcased the company's digital platform and highlighted the advantages of its digital-first approach to auto insurance.

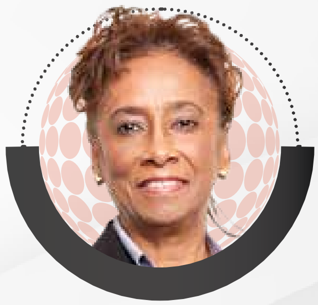
Terence Hilts
Chairman

Emanuel M. Alexiou
Executive Vice Chairman

Anthony Ferguson
Director



Glenn V. Bannister
Director



Sandra J. Knowles
Director

Willie A. Moss
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

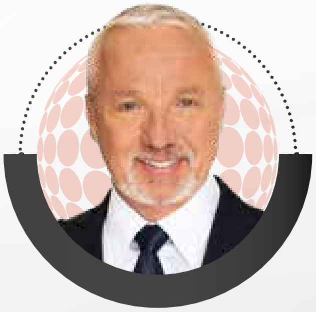
The roles of the Chairman of the Board of Directors and Executive Vice Chairman (EVC) are distinct and clearly defined to ensure appropriate balance and to dilute the powers of decision between both offices. The Chairman is responsible for the long–term strategic development of the Company as well as 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.

Earle Bethell
Director

Andrew Alexiou
Director

Phaedra Mackey-Knowles
Director



Richard Letarte
Director

D'Andra A. Johnson
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, The Bahamas
Director since 2004

Emanuel M. Alexiou [2,3,6,7,8,9]
(Executive Vice Chairman)
CEO, CIL
Consultant, Alexiou, Knowles & Co.
Publisher, The Nassau Guardian (1844) Ltd
New Providence, The Bahamas
Director since 2002

Anthony R. Ferguson [2,3]
President, CFAL
New Providence, The Bahamas
Director since 2002

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

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

Earle Bethell [3,5]
General Manager, Ni Ltd.
New Providence, The Bahamas
Director since 2006

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

Andrew Alexiou [1,3,4,5,6,8]
Managing Director
Apollo Family Office Limited
New Providence, The Bahamas
Director since 2016

Phaedra Mackey-Knowles [1,4]
Financial Consultant
Retired Financial Executive
New Providence, The Bahamas
Director since 2020

Richard Letarte [5,7,9]
President and CEO
Munich Reinsurance
Montréal, Canada
Director since 2023

D'Andra A. Johnson
Legal Counsel, CIL
New Providence, The Bahamas

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 2023 is reflected in the chart below:

Board Member	Board Meetings		Committee Meetings	
	Invites	Attended	Invites	Attended
Terence Hilts *(Chairman)*	4	4	9	9
Emanuel M. Alexiou *(Exec. V. Chairman)*	4	3	21	14
Anthony R. Ferguson	4	4	8	4
Glenn Bannister	4	4	13	11
Earle Bethell	4	4	5	5
Willie A. Moss	4	3	9	8
Sandra J. Knowles	4	2	N/A	N/A
Andrew Alexiou	4	4	15	10
Phaedra Mackey-Knowles	4	4	4	1
Richard Letarte	2	2	4	3

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 2023.

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 Phaedra Mackey-Knowles, 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 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 Phaedra Mackey-Knowles, 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 Richard Letarte, 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 Willie A. Moss, 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 Richard Letarte, 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 2023 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

(Publicly traded company on the Bahamas International Stock Exchange (BISX))
CHBL is comprised of four 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

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.

INDIGO INSURANCE

A general insurer to carry on business in The Bahamas and in the Cayman Islands. Indigo launched its first sales of auto and property general insurance in The Bahamas in Q2/21 and in Cayman in Q1/23.

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 INVESCO Ltd. Name, later changed to A.F. Holdings Ltd.

2002

A.F. Holdings Ltd. buys Global Life Holdings Company Limited, a public company, traded on the Bahamas International Stock Exchange (BISX) and its wholly owned operating subsidiary company, Global Life Assurance Bahamas Limited, (life and health insurance company). A.F. Holdings Ltd. then changes the name of Global Life Holdings Limited to Colina Holdings Bahamas Limited (CHBL) and remains registered on BISX.
A.F. Holdings Ltd. and Global Life Holdings Ltd. agree to merge CICL and Global Life Assurance Bahamas Limited with the surviving company being named CICL.

2003

CICL announces the purchase of Canada Life Insurance Company and finalizes acquisition of same.

2004

CICL announces the intended acquisition of the Bahamas operations of Imperial Life Financial a branch of Desjardins Financial of Quebec Canada.
CICL earns an A- (Excellent) rating from A.M. Best Company.

2005

CICL completes the acquisition of Imperial Life Financial, forming the largest life and health insurer in The Bahamas – CICL changes its name to 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.

2021

Indigo Insurance (Bahamas) Limited became registered as a general insurer to carry on general insurance business in The Bahamas. Indigo launched its first sales of auto and property general insurance in Q2/21.

2023

Indigo Insurance (Cayman) Limited
A general insurer to carry on general insurance business in The Cayman Islands. Indigo Cayman launched its first sales of auto and property general insurance in Q1/23.

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.
310 Cotton Tree Plaza - Unit 4
East Bay Street
Nassau, The Bahamas

AUDITORS

Deloitte & Touche 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 Thursday, October 17, 2024 at the JW Pinder Centre at 21 Collins Avenue, New Providence, The Bahamas.

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, 2023
With Report of Independent Auditors

Hibiscus
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Colina Holdings Bahamas Limited

Audited Consolidated Financial Statements
Year Ended December 31, 2023
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

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, 2023, and the consolidated statement of profit or loss, consolidated statement of 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 material accounting policy information.

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, 2023, 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 Matter	Summary of the Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Transition to IFRS 17 (Insurance Contracts)	The Group adopted IFRS 17 (Insurance Contracts) effective January 1, 2023. The adoption of IFRS 17 was done on a retrospective basis which had an impact on the Group's January 1, 2022 opening equity balances. IFRS 17 is a complex accounting standard requiring considerable judgement and interpretation in its implementation, and impacts how the Group recognizes, measures, presents and discloses insurance contracts. In adopting the new standard, the Group used significant judgment in developing and implementing accounting policies, including policies specific to transition. Where the full retrospective approach was determined to be impracticable, the fair value approach was applied. Under the fair value approach, the contractual service margin ("CSM") at transition is equal to the fair value of a group of insurance contracts less the fulfillment cash flows ("FCF") measured at that date. The adoption of IFRS 17 required a significant level of judgement in the interpretation and determination of accounting policies and methodologies to be applied to the IFRS 17 calculation models, primarily related to the estimate of the fulfilment cash flows and CSM; under both the full retrospective and fair value approaches. Determining the first time adoption of these judgements is inherently judgmental and complex, requiring significant auditor effort.	Assessed the key accounting policies and evaluated the significant judgments adopted by the Group in the IFRS 17 transition to determine if they are in compliance with IFRS 17. Evaluated the design and implementation of controls over the implementation of IFRS 17. Involved our internal actuarial specialists in performing procedures to assess the Group's implementation of the defined methodology and IFRS 17 calculation models, including those related to the estimate of the fulfilment cash flows and CSM; under both the full retrospective and fair value approaches, as applicable. Tested the completeness and accuracy of the incremental data and other information required for IFRS 17 calculations. Evaluated the new disclosures and the disclosures related to the transition impact and reconciled the disclosures to underlying accounting records and supporting data.

Valuation of Insurance Contract Liabilities	As at December 31, 2023 insurance contract liabilities totaled $494,286,557 (refer to Note 9). The Group's insurance contract liabilities represent a significant portion of its total liabilities. Insurance contract liabilities are determined in accordance with IFRS 17. This requires the use of complex valuation models and assumptions to measure groups of insurance contracts as the total of FCF, plus a risk adjustment for non-financial risk and a CSM. The CSM component is only relevant for groups of insurance contracts measured using the general measurement approach and the variable fee approach. While there is considerable judgment applied by management and inherent uncertainty in selecting assumptions, the assumptions with the greatest estimation uncertainty are those related to mortality, policyholder behaviour and discount rates. Auditing certain valuation models and significant assumptions (mortality, policyholder behaviour and discount rates) required a high degree of auditor judgment and an increased extent of audit effort, including the need to involve actuarial specialists. Management also engages an external actuary to prepare a valuation of the Group's insurance contract liabilities as at December 31, 2023.	With the assistance of actuarial specialists, tested the appropriateness of certain valuation models used in the valuation process by: • Assessing the reasonability of movements in insurance contract liabilities; and • Testing the accuracy of certain valuation models for changes in key assumptions. With the assistance of actuarial specialists, tested the reasonableness of mortality and policyholder behaviour assumptions by: • Evaluating whether management's assumptions were determined in accordance with the requirements of IFRS 17; • Testing experience studies and other inputs used in the determination of the assumptions; and • Analyzing management's interpretation and judgment of its experience study results and emerging claims experience, evaluating new and revised key assumptions, assessing reasonable possible alternative assumptions, and considering industry and other external sources of benchmarking, where applicable. With the assistance of actuarial specialists, evaluated the reasonableness of the discount rates used by: • Evaluating whether management's assumptions and methodologies were determined in accordance with the requirements of IFRS 17; and • Testing the inputs and source information underlying the determination of the discount rates and developing a range of independent estimates and comparing those to the discount rates selected by management. We obtained an understanding of the Group's claims reserving process for determining and recording the liability for incurred claims. We evaluated the design and implementation of controls related to determining and recording the liability for incurred claims.

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, 2023 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 performed sensitivity analyses on the key drivers of the cash flow projections and the appropriateness of management's disclosures.
Valuation of Investment Properties	Investment properties as at December 31, 2023, were $62,315,490 (see Note 12 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 appropriateness of the valuation methods used by management, (2) test the underlying data used in the valuation methods, (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.

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' 2023 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

September 6, 2024

Jacques Tremblay FCIA, MAAA, FSA
Partner

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September 6, 2024

Subject: **2022 & 2023 Appointed Actuary's report to the shareholders**

I have valued the insurance contract liabilities of Colina Insurance Limited ("CIL") for its consolidated financial statements as of December 31, 2023, and the change in the consolidated statement of profit or loss for the year ended 2023 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

In my opinion, the amount of insurance contract liabilities is appropriate for its purpose. The valuation conforms to accepted actuarial practice and the consolidated financial statements of CIL fairly present the results of the valuation.

Respectfully submitted,

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

COLINA HOLDINGS BAHAMAS LIMITED
Consolidated Statement of Financial Position

At December 31, 2023 with corresponding figures at December 31, 2022
(Expressed in Bahamian Dollars)

	Notes	December 31, 2023	December 31, 2022 (Restated)	January 1, 2022 (Restated)
ASSETS				
Cash and demand balances	7	$ 51,344,774	$ 63,960,373	$ 31,917,109
Term deposits	6,7,8	7,531,464	7,527,189	7,424,080
Investment securities and other financial assets	8	525,684,671	503,233,895	422,220,781
Receivables and other assets	10	104,460,823	53,031,992	113,118,400
Insurance contract assets	9	1,345,471	1,103,030	2,501,069
Reinsurance contract assets	9	29,808,517	27,522,031	31,026,623
Mortgages and commercial loans	6,11	13,596,100	11,653,046	13,672,524
Investment properties	6,12	62,315,490	58,086,000	58,458,824
Equity-accounted investees	6,13	5,163,745	5,216,578	15,471,354
Property and equipment	14	16,009,844	17,912,588	19,304,546
Goodwill	15	6,418,337	6,418,337	6,418,337
Other intangible assets	15	436,537	1,464,840	2,152,898
Total assets		**$ 824,115,773**	**$ 757,129,899**	**$ 723,686,545**
LIABILITIES				
Insurance contract liabilities	9	$ 494,286,557	458,251,305	$ 432,062,160
Reinsurance contract liabilities	9	-	585,216	1,640,198
Investment contract liabilities	9	25,802,863	30,884,861	30,992,282
Other liabilities	16	65,500,644	32,671,255	34,066,846
Lease liabilities	17	1,604,634	2,805,618	3,246,348
Total liabilities		587,194,698	525,198,255	502,007,834
EQUITY				
Ordinary shares	19	$ 24,729,613	$ 24,729,613	$ 24,729,613
Contributed capital		5,960,299	5,960,299	5,960,299
Revaluation reserve	20	12,220,944	12,062,956	11,809,192
Retained earnings		144,761,944	118,932,548	116,425,943
Total ordinary shareholders' equity		187,672,800	161,685,416	158,925,047
Preference shares	19	42,500,000	42,500,000	42,500,000
Total shareholders' equity		230,172,800	204,185,416	201,425,047
Non-controlling interests	18	6,748,275	27,746,228	20,253,664
Total equity		236,921,075	231,931,644	221,678,711
Total liabilities and equity		**$ 824,115,773**	**$ 757,129,899**	**$ 723,686,545**

The accompanying notes on pages 54 - 173 -are an integral part of these consolidated financial statements.

The financial statements were approved by the Board of Directors on September 6, 2024 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, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

	Notes		2023		2022 (Restated)
Insurance revenue	23	$	124,950,254	$	127,368,429
Insurance service expenses	23		(112,112,605)		(112,879,338)
Net expenses from reinsurance contracts held	23		(8,418,113)		(2,862,825)
Insurance service result			4,419,536		11,626,266
Net investment income	24		66,135,477		19,071,150
Net investment income			66,135,477		19,071,150
Finance expenses from insurance contracts issued	24		(40,752,820)		(24,547,637)
Finance income from reinsurance contracts held	24		912,336		594,809
Net insurance finance expenses			(39,840,484)		(23,952,828)
NET INSURANCE AND INVESTMENT RESULT		**$**	**30,714,529**	**$**	**6,744,588**
Investment management and other fees			18,434,326		15,780,070
Other income and fees			11,625,847		9,989,758
Share of profit/(loss) of equity-accounted investees	13		79,227		(660,563)
Other operating expenses	25		(22,561,561)		(19,677,621)
Other expenses			(231,972)		(357,947)
Other finance costs and interest	26		(2,847,092)		(1,357,039)
Net income for the year		**$**	**35,213,304**	**$**	**10,461,246**
Net income attributable to:					
Equity shareholders of the Company	27	$	34,702,846	$	10,885,460
Non-controlling interests	18		510,458		(424,214)
Net income for the year		**$**	**35,213,304**	**$**	**10,461,246**
Basic earnings per ordinary share	27	**$**	**1.30**	**$**	**0.34**

The accompanying notes on pages 54 - 173 - are an integral part of these consolidated financial statements.

COLINA HOLDINGS BAHAMAS LIMITED
Consolidated Statement of Comprehensive Income

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

	Notes		2023		2022 (Restated)
Net income for the year		$	35,213,304	$	10,461,246
Other comprehensive income/(loss):					
Items that will not be reclassified to profit or loss					
Revaluation of land and building			160,819		(649,000)
Items that are or will subsequently be reclassified to profit or loss					
Share of OCI of Equity-Accounted Investees			-		902,764
Other comprehensive income for the year			160,819		253,764
Total comprehensive income for the year		**$**	**35,374,123**	**$**	**10,715,010**
Attributable to:					
Equity shareholders of the Company	27	$	34,863,665	$	11,139,224
Non-controlling interests	18		510,458		(424,214)
Total comprehensive income for the year		**$**	**35,374,123**	**$**	**10,715,010**
Comprehensive earnings per ordinary share	27	**$**	**1.31**	**$**	**0.35**

The accompanying notes on pages 54 - 173 - 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, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

	Notes	Ordinary Share Capital	Contributed Capital	Revaluation Reserve	Retained Earnings	Preference Share Capital	Non-controlling Interests	Total Equity
Balance, December 31, 2021, as previously reported		$ 24,729,613	$ 5,960,299	$ 3,704,969	$ 120,364,345	$ 42,500,000	$ 20,253,664	$ 217,512,890
Impact of adoption of IFRS 17	2.1	-	-	-	19,768,259	-	-	19,768,259
Impact of adoption of IFRS 9	2.1	-	-	8,104,223	(23,706,661)	-	-	(15,602,438)
Restated balance at January 1, 2022		$ 24,729,613	$ 5,960,299	$ 11,809,192	$ 116,425,943	$ 42,500,000	$ 20,253,664	$ 221,678,711
Net income for the year		-	-	-	10,885,460	-	(424,214)	10,461,246
Share of OCI of Equity-Accounted Investees	13	-	-	902,764	-	-	-	902,764
Revaluation of investment property formerly owner-occupied	20	-	-	(649,000)	-	-	-	(649,000)
Changes in non-controlling interests	18	-	-	-	-	-	7,916,778	7,916,778
Dividends paid to ordinary shareholders	27	-	-	-	(5,935,105)	-	-	(5,935,105)
Preference share dividends	27	-	-	-	(2,443,750)	-	-	(2,443,750)
Balance at December 31, 2022		$ 24,729,613	$ 5,960,299	$ 12,062,956	$ 118,932,548	$ 42,500,000	$ 27,746,228	$ 231,931,644
Net income for the year		-	-	-	34,702,846	-	510,458	35,213,304
Share of OCI of Equity-Accounted Investees	13	-	-	(2,831)	-	-	-	(2,831)
Revaluation of investment property formerly owner-occupied	20	-	-	160,819	-	-	-	160,819
Changes in non-controlling interests	18	-	-	-	-	-	(21,508,411)	(21,508,411)
Dividends paid to ordinary shareholders	27	-	-	-	(6,429,700)	-	-	(6,429,700)
Preference share dividends	27	-	-	-	(2,443,750)	-	-	(2,443,750)
Balance, December 31, 2023		$ 24,729,613	$ 5,960,299	$ 12,220,944	$ 144,761,944	$ 42,500,000	$ 6,748,275	$ 236,921,075

The accompanying notes on pages 54 - 173 - are an integral part of these consolidated financial statements.

COLINA HOLDINGS BAHAMAS LIMITED
Consolidated Statement of Cash Flows

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

	Notes	2023	2022 (Restated)
Cash flows from operating activities:			
Net income		$ 35,213,304	$ 10,461,246
Adjustments to reconcile net income to net cash provided by/(used in) operating activities:			
Fair value (gains)/losses on financial assets		(23,536,291)	11,790,990
Changes in provisions and expected credit losses for mortgage loans		(1,390,040)	195,641
Depreciation and impairment/amortization charges		2,633,057	2,866,433
Net realized losses/(gains) on fair value through profit or loss securities		25,597	(228,821)
Interest income		(54,786,355)	(40,785,128)
Dividend income		(821,945)	(1,235,493)
Net fair value gains on investment properties		(539,999)	(15,122)
Finance costs and interest		2,847,092	1,357,039
Operating cash flows before changes in operating assets and liabilities		(40,355,580)	(15,593,215)
Changes in operating assets and liabilities:			
Changes in reinsurance contract assets and liabilities		(2,871,702)	2,449,610
Changes in insurance contract assets and liabilities		35,792,811	27,587,185
Changes in investment contract liabilities		(5,081,998)	(107,421)
(Decrease)/increase in other assets		(50,252,777)	71,689,520
Decrease in other liabilities		2,829,389	135,407
Net cash (used in)/provided by operating activities		(59,939,857)	86,161,086

(Continued)

The accompanying notes on pages 54 - 173 - are an integral part of these consolidated financial statements.

COLINA HOLDINGS BAHAMAS LIMITED
Consolidated Statement of Cash Flows

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

	Notes	2023	2022 (Restated)
Cash flows from investing activities:			
Increase in term deposits with original maturities greater than 90 days		(1,570,743)	(3,136)
Fair value through profit or loss securities purchased		(78,746,777)	(155,948,301)
Proceeds on disposal of fair value through profit or loss securities		59,991,571	63,373,018
Net decrease in mortgages and commercial loans		1,178,189	2,490,827
Additions to investment property		(3,528,672)	(321,054)
Proceeds from sale of investment property		-	60,000
Additions to other intangibles		-	(296,143)
Interest received		51,929,100	39,597,729
Dividends received		821,945	1,235,493
Proceeds on disposal of property and equipment, net		445,904	33,540
Additions to property and equipment		(147,914)	(448,977)
Net cash provided by/(used in) investing activities		30,372,603	(50,227,004)
Cash flows from financing activities:			
Proceeds from bank borrowings		30,000,000	-
Changes in non-controlling interests		(1,693,287)	7,916,778
Interest paid on other contracts		(602,435)	(2,710,653)
Repayment on bank borrowings		(2,108,218)	-
Increase in lease liabilities		-	257,841
Payment of lease liabilities		(1,337,423)	(875,956)
Dividends paid to ordinary shareholders		(6,429,700)	(5,935,105)
Dividends paid to preference shareholders		(2,443,750)	(2,443,750)
Net cash provided by/(used in) financing activities		15,385,187	(3,790,845)
Net (decrease)/increase in cash and cash equivalents		(14,182,067)	32,143,237
Cash and cash equivalents, beginning of year		66,388,214	34,244,977
Cash and cash equivalents, end of year	7	**$ 52,206,147**	**$ 66,388,214**

(Concluded)

The accompanying notes on pages 54 - 173 - are an integral part of these consolidated financial statements.

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

1. GENERAL INFORMATION

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

The Company acts principally as a holding company of its principal subsidiaries, Colina Insurance Limited ("Colina"), a wholly-owned life and health insurer incorporated in The Bahamas; Colina General Insurance Agency & Brokers Limited ("CGIA"), a wholly-owned general insurance agent and broker; Colina Financial Advisors Ltd. ("CFAL"), a wholly-owned financial services company; and CPCH Bahamas Limited ("CPCH"), a holding company for the Group's general insurance business.

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, 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. 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 30).

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, 2023 were authorized for issue in accordance with a resolution of the Company's Board of Directors on September 6, 2024.

2. MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted 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.

2.1 Basis of preparation

These consolidated financial statements are prepared in accordance with, and comply with, IFRS Accounting Standards (IFRS).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 3.

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. The adoption of IFRS 17 – Insurance Contracts, permits the Group to continue with this valuation policy.

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.

All amounts in these financial statements are expressed in Bahamian dollars, unless otherwise stated.

(Expressed in Bahamian Dollars)

NEW IFRS effective January 1, 2023, applicable to the Group

The Group has applied IFRS 9 *Financial Instruments* (IFRS 9) and IFRS 17 *Insurance Contracts* (IFRS 17) for the first time in these consolidated financial statements. The impact of transition to IFRS 9 and IFRS 17 on the revaluation reserve and retained earnings is summarized below:

		Revaluation Reserve		Retained Earnings	Total
Closing balance - December 31, 2021	$	3,704,969	$	120,364,345	
Impact of adoption of IFRS 17		-		19,768,259	19,768,259
Impact of adoption of IFRS 9		8,104,223		(23,706,661)	(15,602,438)
Subtotal		8,104,223		(3,938,402)	4,165,821
Adjusted balance - January 1, 2022	$	11,809,192	$	116,425,943	

IFRS 17 – Insurance Contracts

IFRS 17 – Insurance Contracts became effective January 1, 2023 and the Company has reflected in these financial statements the changes introduced on adoption of this standard. On the implementation of IFRS 17 – Insurance Contracts, the Group elected to change the classification of certain of its financial assets which are accounted for under IFRS 9 – Financial Instruments.

The standard has brought significant changes to the accounting for insurance and reinsurance contracts. As a result, the Group has restated certain comparative amounts. With the adoption of IFRS 17, the Group has elected to designate some financial assets, previously held at amortized cost and fair value through other comprehensive income (FVTOCI) which support insurance liabilities, at fair value through profit and loss (FVPL).

Recognition, measurement and presentation of insurance contracts

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.

IFRS 17 outlines a general model (GMM), which is modified for insurance contracts with direct participation features, described as the variable fee approach (VFA). The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach (PAA).

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

PAA is generally applied to short duration contracts where the policy contract boundary is one year or less. This includes contracts such as group life, group health and general insurance business. Under PAA, insurance contracts are measured based on unearned premiums. Contracts which are not eligible to be measured under PAA are primarily measured under GMM, unless the contracts have direct participation features which are then measured under the VFA.

Changes to presentation and disclosure

Under the previous accounting standard IFRS 4, insurance balances were classified on the balance sheet as:

- Reinsurance assets
- Policy liabilities (comprised of provision for future policy benefits and policy dividends on deposit)

Under IFRS 17, insurance and reinsurance contracts are presented in the following classifications:

- Insurance Assets: portfolios of insurance contracts issued that are assets
- Reinsurance Assets: portfolios of reinsurance contracts held that are assets
- Insurance Liabilities: portfolios of insurance contracts issued that are liabilities
- Reinsurance Liabilities: portfolios of reinsurance contracts held that are liabilities

Under the previous accounting standard IFRS 4, insurance transactions were classified on the statement of operations as:

- Net premium revenue (comprised of premium revenue net of reinsurance premiums)
- Net policyholders' benefits (comprised of gross policyholders' benefits net of reinsurance recoveries)
- Changes in provision for future policy benefits

Under IFRS 17, insurance and reinsurance transactions are presented in the following classifications:

- Insurance revenue
- Insurance service expenses
- Income or expenses from reinsurance contracts held
- Finance income/expense from insurance contracts issued
- Finance income/ expense from reinsurance contracts held

Transition

The Group has applied a fair value approach for all years prior to January 1, 2021 and has applied the full retrospective approach for all policies issued from January 1, 2021, applying alternative transition methods where the full retrospective approach was impracticable. A fair value approach that uses the fair value of the contracts at the date of transition to determine a value for the contractual service margin ('CSM'). The fair value approach enables an entity to determine the opening transition balances, even if the entity does not have reasonable and supportable information about the contracts that exist at the transition date.

The Group has identified, recognized and measured each group of insurance and reinsurance contracts as if IFRS 17 had always been applied with any resulting net difference was recognized in equity. The effects of adopting IFRS 17 on the consolidated financial statements at January 1, 2022 are presented in the consolidated statement of changes in equity.

IFRS 9 – Financial Instruments

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 provided 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. The Group had not previously applied any version of IFRS 9 and was an eligible insurer that qualified for optional relief from the application of IFRS 9. As at January 1, 2018 (IFRS 9 effective date), the Group elected to apply the optional transitional relief under IFRS 4 that permitted the deferral of the adoption of IFRS 9 for eligible insurers.

The Group has adopted IFRS 9 as issued by the IASB in July 2014 which replaces IAS 39, *Financial Instruments: Recognition and Measurement,* with a date of transition of January 1, 2022. This resulted in changes in accounting policies and adjustments to the amounts previously recognized in the financial statements. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 *Financial Instrument: Disclosures.* Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognized as an adjustment to January 1, 2022 retained earnings.

The adoption of IFRS 9 has resulted in changes in accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets. Set out below are disclosures relating to the impact of the adoption of IFRS 9 on the Group. Further details of the specific IFRS 9 accounting policies applied in the current period (as well as the previous IAS 39 accounting policies applied in the comparative period) are described further within this note.

Classification and measurement of financial instruments

The measurement category and the carrying amount of financial assets and liabilities in accordance with IAS 39 and IFRS 9 at January 1, 2022 are compared as follows:

	IFRS 9			IAS 39		
December 31, 2021 (in $000s)	**Measurement Category**		**Carrying Amount**	**Measurement Category**		**Carrying Amount**
Financial assets						
Cash and demand balances	*Amortized cost*	$	31,917	*Loans and receivables*	$	31,924
Term deposits	*Amortized cost*	$	7,424	*Loans and receivables*	$	7,450
AFS securities	*FVPL*	$	-	*AFS*	$	282,942
FVPL securities	*FVPL*	$	387,513	*FVPL*	$	104,570
Sovereign debt	*FVPL*	$	34,708	*Loans and receivables*	$	44,150
Mortgages and commercial loans	*Amortized cost*	$	13,673	*Loans and receivables*	$	19,712

The following explains how applying the new classification requirements of IFRS 9 led to changes in classification of certain financial assets held by the Company as shown in the table above:

(a) FVPL Option

An entity may, at initial recognition, irrevocably designate a financial asset as measured at FVPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Company has elected to apply the FVPL option to measure these instruments at FVPL. These instruments include assets previously classified as available for sale where fair value changes were recognized through the revaluation reserve in other comprehensive income.

(b) Sovereign debt previously classified as "loans and receivables"

Included in the Company's portfolio of investment securities was sovereign debt which was previously accounted for under amortised cost. The Company has elected to designate the sovereign debt at fair value through profit and loss as permitted under IFRS 9.

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

Reconciliation of statement of financial position balances from IAS 39 to IFRS 9

The Company performed a detailed analysis of its business models for managing financial assets and analysis of their cash flow characteristics. The following table reconciles the carrying amounts of affected financial assets from their previous measurement category in accordance with IAS 39.

	December 31, 2021 - IAS 39 Carrying Amount	*Remeasurements* ECL	*Remeasurements* Fair Value	*Remeasurements* Total	Other reclasses	January 1, 2022 - IFRS 9 Carrying Amount
Cash and demand balances	$ 31,924	$ (7)	$ -	$ (7)	$ -	$ 31,917
Term deposits	$ 7,450	(26)	-	(26)	-	$ 7,424
Investment securities and other financial assets	$ 431,662	-	(9,441)	(9,441)	-	$ 422,221
Receivables and other assets	$ 122,594	(89)	-	(89)	(9,387)	$ 113,118
Mortgages and commercial loans	$ 19,712	(6,039)	-	(6,039)	-	$ 13,673
Total		$ (6,161)	$ (9,441)	$ (15,602)		

A total net remeasurement loss of $15.6 million was recognized in equity for transitioning as at January 1, 2022 for the adoption of IFRS 9.

The following table reconciles the prior period's closing impairment allowance measured in accordance with the IAS 39 incurred loss model to the new impairment allowance measured in accordance with IFRS 9 expected loss model at January 1, 2022:

(In B$000s)	Allowance under IAS 39 December 31, 2021	Transition Adjustment	Stage 1	Stage 2	Stage 3	Allowance under IFRS 9 January 1, 2022
Cash and demand balances	$ 31,924	(7)	(7)	-	-	$ (7)
Term Deposits	$ 7,450	(26)	(26)	-	-	$ (26)
Receivables and other assets	$ 122,594	(89)	(89)	-	-	$ (89)
Mortgages and commercial loans	$ 19,712	(6,039)	(105)	(90)	(5,844)	$ (6,039)

Other amendments to IFRS and IAS

The following are other IFRS and IAS effective on or after January 1, 2023. These standards have been adopted and have no material impact on the Group.

- IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction
- IAS 8 – Definition of accounting estimates
- IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting policies
- IAS 12 – International tax reform – pillar two model rules

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

2.2 Basis of consolidation

Listed below are the subsidiaries of the Company as at December 31, 2023:

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%
CollImpco 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	100%
Ikonic Fund SAC Limited	The Bahamas	93%
General Insurance		
Colina General Insurance Agents & Brokers Limited ("CGIA")	The Bahamas	100%
Indigo Insurance (Bahamas) Limited ("Indigo Bahamas")	The Bahamas	100%
Indigo Insurance (Cayman) Limited ("Indigo Cayman")	The Cayman Islar	100%
Investment Brokerage and Advisory Services		
Colina Financial Advisors Ltd. ("CFAL")	The Bahamas	100%
CFAL Securities Ltd.	The Bahamas	100%

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 2.4) 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.

2.3 Insurance Operations

Significant accounting policies for insurance contracts

A) Summary of measurement approaches

The Company uses different measurement approaches, depending on the type of contract, as follows:

Contracts issued	Product Classification	Measurement Model
Traditional Life contracts	Insurance contracts	GMM
Universal Life contracts	Insurance contracts without direct participation features	GMM
Payout Annuities	Insurance contracts without direct participation features	GMM
Traditional Life	Insurance contracts with direct participation features	VFA
Traditional Life	Insurance contracts with direct participation features	VFA
Annuities	Insurance contracts with direct participation features	VFA
Group and Individual Health	Insurance contracts	PAA
Group Life	Insurance contracts	PAA
Group Travel Interruption	Insurance contracts	PAA
Participation in reinsurance group health facilities	Insurance contracts	PAA
General Insurance - Property, Motor	Insurance contracts	PAA

For underlying direct insurance contracts measured under GMM or VFA, the corresponding reinsurance contract portfolios are measured using GMM. For underlying direct insurance contracts measured under PAA, the corresponding reinsurance contract portfolios are measured using PAA. No reinsurance is held on Non-Par-Annuities, Closed-Par Annuities and participation in reinsurance group health facilities.

B) Definition and classification

The Group issues insurance contracts that transfer significant insurance risk from the policyholder. The Group defines insurance risk as an insured event that could cause an insurer to pay significant additional benefits in a scenario that has a discernible effect on the economics of the transaction. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Group uses judgement to assess whether a contract transfers insurance risk and whether the accepted insurance risk is significant. Once a contract has been classified as an insurance contract, it remains an insurance contract for its duration, even if the insurance risk reduces significantly over time.

Contracts that have a legal form of insurance but do not transfer significant insurance risk and expose the Company to financial risk are classified as investment contracts and are not treated as insurance contracts.

Certain life policies issued by the Group contain direct participation features such as participating traditional life insurance contracts with direct participation features which entitle the policyholder to receive additional payments, supplementary to the main insurance benefit. Policy dividends, together with residual gains in the participating accounts constitute direct participation features. The Group accounts for these contracts under IFRS 17.

An insurance contract with direct participation features is defined by the Group as one which, at inception, meets the following criteria:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

These criteria are assessed at the individual contract level based on the Group's expectations at the contract's inception, and they are not reassessed in subsequent periods, unless the contract is modified. The variability in the cash flows is assessed over the expected duration of a contract. The duration of a contract considers all cash flows within the boundary (see note 2.3 E)).

IFRS 17 defines investment components as the amounts that an insurance contract requires an insurer to repay to a policyholder in all circumstances, regardless of whether an insured event has occurred. Investment components which are highly interrelated with the insurance contract of which they form a part are considered non-distinct and are not separately accounted for. However, receipts and payments of the investment components are excluded from insurance revenue and insurance service expenses. Investment components in some Universal Life policies comprise policyholder account values less applicable surrender fees. The Group uses judgement to assess whether the amounts expected to be paid to the policyholder constitute a substantial share of the fair value returns on the underlying items.

Insurance contracts with direct participation features are viewed as creating an obligation to pay policyholders an amount that is equal to the fair value of the underlying items, less a variable fee for service. The variable fee comprises the amount of the Group's share of the fair value of the underlying items, which is based on a fixed percentage of investment management fees (withdrawn annually from policyholder account values based on the fair value of underlying assets and specified in the contracts with policyholders), less the FCF that do not vary based on the returns on underlying items. The measurement approach for insurance contracts with direct participation features is referred to as the VFA. The VFA modifies the accounting model in IFRS 17 to reflect that the consideration that an entity receives for the contracts is a variable fee.

In the normal course of business, the Company uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers significant risk if it transfers substantially all the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss.

All references to insurance contracts in these financial statements apply to insurance and reinsurance contracts issued or acquired and reinsurance contracts held unless specifically stated otherwise.

C) Unit of account

The Group manages insurance contracts issued by product lines within an operating segment, where each product line includes contracts that are subject to similar risks and are managed together. All insurance contracts within a product line represent a portfolio of contracts. Each portfolio is further disaggregated into groups of contracts that are issued within a fiscal year (annual cohorts) and are:

1. contracts that are onerous at initial recognition;
2. contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or
3. a group of remaining contracts.

These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. Such groups are not subsequently reconsidered.

For each portfolio of contracts, the Group determines the appropriate level at which reasonable and supportable information is available, to assess whether these contracts are onerous at initial recognition and whether non-onerous contracts have a significant possibility of becoming onerous. This level of granularity determines sets of contracts. The Group uses significant judgement to determine at what level of granularity the Group has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment.

For contracts measured using the GMM and VFA, the Group develops rates or prices for the range of insurance contracts that may be issued under a given product form. Rates would typically be intended to result in similar levels of profitability across all insurance contracts issued.

Generally, for contracts measured using the PAA, the Group assumes that no such contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise. If facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous ones. For non-onerous contracts, the Group assesses the likelihood of changes in the applicable facts and circumstances in the subsequent periods in determining whether contracts have a significant possibility of becoming onerous.

Similar to the treatment of the direct (underlying) contracts, the Group divides reinsurance contracts held into contracts with similar insurance risk. The risks for reinsurance contracts in the life business are mortality, morbidity, and longevity risks which correspond to portfolios of direct contracts. The Group manages all reinsurance treaties on the same basis as it does for line of business reporting described above for direct contracts. Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Group aggregates reinsurance contracts held concluded within a fiscal year (annual cohorts) into groups of:

1. contracts for which there is a net gain at initial recognition, if any;
2. contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and

3. remaining contracts in the portfolio, if any.

Transition approaches that were applied by the Group on adoption of IFRS 17 with respect to contracts aggregation requirements are included in note 3.1.6.

Before the Group accounts for an insurance contract based on the guidance in IFRS 17, it analyses whether the contract contains components that should be separated. IFRS 17 distinguishes categories of components that have to be accounted for separately:

1. cash flows relating to embedded derivatives that are required to be separated;
2. cash flows relating to distinct investment components; and
3. promises to transfer distinct goods or distinct services other than insurance contract services.

The Group applies IFRS 17 to all remaining components of the contract. The Group does not have any contracts that require further separation of insurance contracts.

D) Recognition and derecognition

Groups of insurance contracts issued are initially recognised from the earliest of the following:

1. the beginning of the coverage period;
2. the date when the first payment from the policyholder is due or actually received, if there is no due date; and
3. when the Company determines that a group of contracts becomes onerous.

Reinsurance contracts held are recognised as follows:

- a group of reinsurance contracts held that provide proportionate coverage (quota share reinsurance) is recognised at the later of:

    i. the beginning of the coverage period of the group; and
    ii. the initial recognition of any underlying insurance contract;

- all other groups of reinsurance contracts held are recognised from the beginning of the coverage period of the group of reinsurance contracts held; unless the Group entered into the reinsurance contract held at or before the date when an onerous group of underlying contracts is recognised prior to the beginning of the coverage period of the group of reinsurance contracts held, in which case the reinsurance contract held is recognised at the same time as the group of underlying insurance contracts is recognised.

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the annual cohorts restriction. Composition of the groups is not reassessed in subsequent periods.

An insurance contract is derecognised when it is:

- extinguished (that is, when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- the contract is modified and additional criteria discussed below are met.

When an insurance contract is modified by the Group as a result of an agreement with the counterparties or due to a change in regulations, the Group treats changes in cash flows caused by the modification as changes in estimates of the Fulfilment Cash Flows (“FCF”), unless the conditions for the derecognition of the original contract are met. The Group derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

a. if the modified terms had been included at contract inception and the Company would have concluded that the modified contract:

   i. is not within the scope of IFRS 17;
   ii. results in different separable components;
   iii. results in a different contract boundary; or
   iv. belongs to a different group of contracts;

b. the original contract represents an insurance contract with direct participation features, but the modified contract no longer meets that definition.

c. the original contract was accounted for under the PAA, but the modification means that the contract no longer meets the eligibility criteria for that approach.

When a new contract is required to be recognised as a result of modification and it is within the scope of IFRS 17, the new contract is recognised from the date of modification and is assessed for, amongst other things, contract classification, including the VFA eligibility, component separation requirements and contract aggregation requirements.

When an insurance contract not accounted for under the PAA is derecognised from within a group of insurance contracts, the Group:

a. adjusts the FCF to eliminate the present value of future cash flows and risk adjustment for non-financial risk relating to the rights and obligations removed from the group;

b. adjusts the CSM (unless the decrease in the FCF is allocated to the loss component of the Liability for Remaining Coverage ("LRC") of the group) in the following manner, depending on the reason for the derecognition:

   i. if the contract is extinguished, for the same amount as the adjustment to the FCF relating to future service;

   ii. if the contract is transferred to a third party, for the amount of the FCF adjustment in (a) less the premium charged by the third party; or

   iii. if the original contract is modified resulting in its derecognition, for the amount of the FCF adjustment in (a) adjusted for the premium that the Company would have charged if it had entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification; when recognising the new contract in this case, the Company assumes such a hypothetical premium as actually received; and

c. adjusts the number of coverage units for the expected remaining insurance contract services, to reflect the number of coverage units removed.

When an insurance contract accounted for under the PAA is derecognised, adjustments to remove related rights and obligations to account for the effect of the derecognition result in the following amounts being charged immediately to net income / (loss):

a. if the contract is extinguished, any net difference between the derecognised part of the LRC of the original contract and any other cash flows arising from extinguishment;

b. if the contract is transferred to the third party, any net difference between the derecognised part of the LRC of the original contract and the premium charged by the third party; or

c. if the original contract is modified resulting in its derecognition, any net difference between the derecognised part of the LRC and the hypothetical premium that the entity would have charged if it had entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.

E) Measurement

Fulfilment cash flows within contract boundary

The FCF are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Group expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows:

a. are based on a probability-weighted mean of the full range of possible outcomes;
b. are determined from the perspective of the Group, provided that the estimates are consistent with observable market prices for market variables; and
c. reflect conditions existing at the measurement date.

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and it reflects the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts. For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer. For contracts measured under the PAA, unless the contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the Liability for Incurred Claims (“LIC”).

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation. For contracts measured under the PAA, the estimates of future cash flows are not adjusted for the time value of money except for long-term disability claims since these typically have a settlement period of over one year. Refer to note 3.1.2.

Risk of the Group’s non-performance is not included in the measurement of groups of insurance contracts issued. In the measurement of reinsurance contracts held, the probability-weighted estimates of the present value of future cash flows include the potential credit losses and other disputes of the reinsurer to reflect the non-performance risk of the reinsurer.

The Group estimates certain FCF at the portfolio level or higher and then allocates such estimates to groups of contracts.

The Group uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts held and such estimates for the groups of underlying insurance contracts.

Cash flows that are not directly attributable to a portfolio of insurance contracts are recognised in other operating expenses as incurred.

Contract boundary

The Group uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts.

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation ends when:

a. the Group has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or

b. both of the following criteria are satisfied:

    i. the Group has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and

    ii. the pricing of premiums up to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

In assessing the practical ability to reprice, risks transferred from the policyholder to the Group, such as insurance risk and financial risk, are considered; other risks, such as lapse or surrender and expense risk, are not included. Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Group that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or in which the Group has a substantive right to receive insurance contract services from the reinsurer.

Cash flows that are not directly attributable to a portfolio of insurance contracts, such as some product development and training costs, are recognised in other operating expenses as incurred.

Insurance acquisition costs

The Group defines acquisition cash flows as cash flows that arise from costs of selling, underwriting and starting a group of insurance contracts and that are directly attributable to the portfolio of insurance contracts to which the group belongs.

Insurance acquisition cash flows are allocated to groups of insurance contracts on a systematic and rational basis. Insurance acquisition cash flows that are directly attributable to a group of insurance contracts are allocated:

a. to that group; and
b. to groups that will include insurance contracts that are expected to arise from renewals of the insurance contracts in that group.

Insurance acquisition cash flows not directly attributable to a group of contracts but directly attributable to a portfolio of contracts are allocated to groups of contracts in the portfolio or expected to be in the portfolio.

Before a group of insurance contracts is recognised, the Group could pay for directly attributable acquisition costs to originate them. Such balances are recognised as insurance acquisition cash flows assets within the carrying amount of insurance contracts issued and are subsequently derecognised when respective groups of insurance contracts are recognised and the insurance acquisition cash flows are included in the group's measurement. The amounts allocated to groups of insurance contracts yet to be recognised are revised at each reporting date, to reflect any changes in assumptions that determine the inputs to the method of allocation used.

Insurance acquisition cash flows assets not yet allocated to a group are assessed for recoverability if facts and circumstances indicate that the assets might be impaired. Impairment losses reduce the carrying amount of these assets and are recognised in insurance service expenses. Previously recognised impairment losses are reversed to the extent that the impairment conditions no longer exist or have improved.

The recoverability assessment is performed in two steps, as follows:

1. an impairment loss is recognised to the extent that the carrying amount of each asset for insurance acquisition cash flows exceeds the expected net cash inflow as determined by the FCF as at initial recognition for the related group of insurance contracts;

2. in addition, when insurance acquisition cash flows directly attributable to a group of contracts are allocated to groups that include expected contract renewals, such insurance acquisition cash flows should not exceed the expected net cash inflow from the expected renewals as determined by the FCF as at initial recognition for the expected renewals; an impairment loss is recognised for the excess to the extent not recognised in step (1) above.

Other pre-recognition cash flows within the contract boundary

Before a group of insurance contracts is recognised, the Group could recognise assets or liabilities for cash flows related to a group of insurance contracts other than insurance acquisition cash flows, either because of the occurrence of the cash flows or because of the requirements of another IFRS standard. Cash flows are related to the group of insurance contracts if they would have been included in the FCF at initial recognition of the group if they had been paid or received after that date. Such assets or liabilities (referred to as 'other pre-recognition cash flows') are included in the carrying amount of the related portfolios of insurance contracts issued or in the carrying amount of the portfolios of reinsurance contracts held.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and it reflects the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts.

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer.

Methods and assumptions used to determine the risk adjustment for non-financial risk are discussed in note 3.1.3.

F) Initial measurement - Groups of contracts not measured under the PAA

Contractual service margin

The Contractual service margin ("CSM") is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Group will recognise as it provides insurance contract services in the future.

At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous or insurance revenue and insurance service expenses are recognised as in (d) below) arising from:

a. the initial recognition of the FCF;

b. cash flows arising from the contracts in the group at that date;
c. the derecognition of any insurance acquisition cash flows asset; and
d. the derecognition of any other pre-recognition cash flows. Insurance revenue and insurance service expenses are recognised immediately for any such assets derecognised.

When the above calculation results in a net outflow, the group of insurance contracts issued is onerous. A loss from onerous insurance contracts is recognised in profit or loss immediately, with no CSM recognised on the balance sheet on initial recognition, and a loss component is established in the amount of loss recognised (refer to the “Onerous contracts – Loss component” section in note G) Subsequent measurement – Groups of contracts not measured under the PAA).

For groups of reinsurance contracts held, any net gain or net cost at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Group recognises the net cost immediately in net income / (loss). For reinsurance contracts held, the CSM represents a deferred gain or loss that the Group will recognise as a reinsurance expense as it receives insurance contract services from the reinsurer in the future and is calculated as the sum of:

a. the initial recognition of the FCF; and
b. cash flows arising from the contracts in the group at that date;
c. any income recognised in net income / (loss) when the entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group.

A loss-recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised in (c) above. This amount is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Group expects to recover from the reinsurance contracts held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Group applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

For insurance contracts acquired in a portfolio transfer or a business combination within the scope of IFRS 3, at initial recognition, the CSM is an amount that results in no income or expenses arising from:

a. the initial recognition of the FCF; and

b. cash flows arising from the contracts in the group at that date, including the fair value of the groups of contracts acquired as at the acquisition date as a proxy of the premiums received.

G) Subsequent measurement - Groups of contracts not measured under the PAA

The carrying amount at the end of each reporting period of a group of insurance contracts issued is the sum of:

a. the LRC, comprising:
   i. the FCF related to future service allocated to the group at that date; and
   ii. the CSM of the group at that date; and
b. the LIC, comprising the FCF related to past service allocated to the group at the reporting date.

The carrying amount at the end of each reporting period of a group of reinsurance contracts held is the sum of:

a. the asset for remaining coverage, comprising:

i. the FCF related to future service allocated to the group at that date; and
ii. the CSM of the group at that date; and

b. the asset for the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

Changes in fulfilment cash flows

The FCF are updated by the Group for current assumptions at the end of every reporting period, using the current estimates of the amount, timing and uncertainty of future cash flows and of discount rates.

The way in which the changes in estimates of the FCF are treated depends on which estimate is being updated:

a. changes that relate to current or past service are recognised in profit or loss; and

b. changes that relate to future service are recognised by adjusting the CSM or the loss component within the LRC as per the policy below.

For insurance contracts under the GMM, the following adjustments relate to future service and thus adjust the CSM:

a. experience adjustments – arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows and premium-based taxes;

b. changes in estimates of the present value of future cash flows in the LRC, except differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period, determined by comparing (i) the actual investment component that becomes payable in a period with (ii) the payment in the period that was expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable; and

c. changes in the risk adjustment for non-financial risk that relate to future service.

Adjustments (a), (b) and (c) above are measured using discount rates determined on initial recognition (the locked-in discount rates).

For insurance contracts under the GMM, the following adjustments do not adjust the CSM:

a. changes in the FCF for the effect of the time value of money and the effect of financial risk and changes thereof;
b. changes in the FCF relating to the LIC;
c. experience adjustments – arising from premiums received in the period that do not relate to future service and related cash flows, such as insurance acquisition cash flows and premium-based taxes; and
d. experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

For insurance contracts under the VFA, the following adjustments relate to future service and thus adjust the CSM:

a. changes in the amount of the Company's share of the fair value of the underlying items; and

b. changes in the FCF that do not vary based on the returns of underlying items:

i. changes in the effect of the time value of money and financial risks including the effect of financial guarantees;
ii. experience adjustments arising from premiums received in the period that relate to future service and related cash flows, such as insurance acquisition cash flows and premium-based taxes;
iii. changes in estimates of the present value of future cash flows in the LRC, except differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period, determined by comparing (i) the actual investment component that becomes payable in a period with (ii) the payment in the period that was expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable;
iv. differences between loans to a policyholder expected to become repayable in the period and the actual loan to a policyholder that becomes repayable in the period; and
v. changes in the risk adjustment for non-financial risk that relate to future service.

Adjustments (ii)-(v) are measured using the current discount rates.

For insurance contracts under the VFA, the following adjustments do not adjust the CSM:

a. changes in the obligation to pay the policyholder the amount equal to the fair value of the underlying items;
b. changes in the FCF that do not vary based on the returns of underlying items:
   i. changes in the FCF relating to the LIC; and
   ii. experience adjustments arising from premiums received in the period that do not relate to future service and related cash flows, such as insurance acquisition cash flows and premium-based taxes; and
   iii. experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

Changes to the Contractual Service Margin (CSM)

For insurance contracts issued, at the end of each reporting period the carrying amount of the CSM is adjusted by the Group to reflect the effect of the following changes:

a. The effect of any new contracts added to the group.
b. For contracts measured under the GMM, interest accreted on the carrying amount of the CSM.
c. Changes in the FCF relating to future service are recognised by adjusting the CSM. Changes in the FCF are recognised in the CSM to the extent that the CSM is available. When an increase in the FCF exceeds the carrying amount of the CSM, the CSM is reduced to zero, the excess is recognised in insurance service expenses and a loss component is recognised within the LRC. When the CSM is zero, changes in the FCF adjust the loss component within the LRC with correspondence to insurance service expenses. The excess of any decrease in the FCF over the loss component reduces the loss component to zero and reinstates the CSM.
d. The amount recognised as insurance revenue for insurance contract services provided during the period, determined after all other adjustments above.

The Group prepares financial statements on a quarterly basis. The Group has elected to change the treatment of accounting estimates made in previous interim financial statements when applying IFRS 17 in subsequent interim financial statements and in the annual reporting period. Detailed information about the estimates and assumptions used is included in note 3, together with information about the basis of calculation for the line items in the consolidated financial statements.

For reinsurance contracts held, at the end of each reporting period, the carrying amount of the CSM is adjusted by the Group to reflect the effect of the following changes:

a. The effect of any new contracts added to the group.
b. Interest accreted on the carrying amount of the CSM.
c. Income recognised in the statement of income when the entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group. A loss-recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised.
d. Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held.
e. Changes in the FCF, to the extent that the change relates to future service, unless the change results from a change in FCF allocated to a group of underlying insurance contracts that does not adjust the CSM for the group of underlying insurance contracts.
f. The amount recognised in net income / (loss) for insurance contract services received during the period, determined after all other adjustments above.

Income referred to in (c) above is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Group expects to recover from the reinsurance contract held that is entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

Interest accretion on the CSM

Under the GMM, interest is accreted on the CSM using an average discount rate determined at initial recognition that is applied to nominal cash flows that do not vary based on the returns of underlying items. The discount rate used for accretion of interest on the CSM is determined using the top-down approach. The locked-in discount rate for a group is determined as the average of the discount rates applied at the beginning and ending of each period.

Adjusting the CSM for the changes in the FCF relating to future service

Under the GMM, the CSM is adjusted for changes in the FCF, measured applying the discount rates as specified in the ‘Changes in fulfilment cash flows’ section earlier.

Release of the CSM to profit or loss

The amount of the CSM recognised in profit or loss for insurance contract services in the period is determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining expected insurance coverage period of the group of insurance contracts based on coverage units.

The coverage period is defined as a period during which the entity provides insurance contract services. The total number of coverage units in a group is the quantity of service provided by the contracts in the group over the expected coverage period. The coverage units are determined at each reporting period-end prospectively by considering:

a. the quantity of benefits provided by contracts in the group;
b. the expected coverage period of contracts in the group; and
c. the likelihood of insured events occurring, only to the extent that they affect the expected coverage period of contracts in the group.

The Group reflects the time value of money in the allocation of the CSM to coverage units, using discount rates determined at initial recognition that are applied to nominal cash flows that do not vary based on the returns of underlying items, except for contracts measured under the VFA which use the current discount rate. For reinsurance contracts held, the CSM is released to net income / (loss) as insurance contract services are received from the reinsurer in the period.

The coverage period for these reinsurance contracts is determined based on the coverage period of all underlying contracts for which cash flows are included in the reinsurance contract boundary. Refer to the 'Contract boundary' section in note F) above.

Onerous contracts - Loss component

When negative adjustments to the CSM exceed the amount of the CSM, the group of contracts becomes onerous and the Group recognises the excess in insurance service expenses, and it records the excess as a loss component of the LRC.

When a loss component exists, the Group allocates the following between the loss component and the remaining component of the LRC for the respective group of contracts, based on the ratio of the loss component to the FCF relating to the expected future cash outflows:

a. expected incurred claims and other directly attributable expenses for the period;
b. changes in the risk adjustment for non-financial risk for the risk expired; and
c. finance income (expenses) from insurance contracts issued.

The amount of loss component allocation in (a) and (b) above reduce the respective components of insurance revenue and are reflected in insurance service expenses.

Decreases in the FCF in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Increases in the FCF in subsequent periods increase the loss component.

When the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group, a loss-recovery component is established or adjusted within the asset for remaining coverage for reinsurance contracts held. The loss-recovery component results in an amount immediately recognised within the statement of income within the net income / (expense) from reinsurance contracts held.

Subsequently, the loss-recovery component is adjusted to reflect changes in the loss component of an onerous group of underlying insurance contracts. The loss-recovery component is further adjusted, if required, to ensure that it does not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Group expects to recover from the group of reinsurance contracts held.

H) Initial and subsequent measurement – Groups of contracts measured under the PAA

The Group has determined that contracts within the Property & Casualty and the Group Life and Health lines of business almost always have a coverage period of one year or less and are eligible for PAA. Where contracts measured under the PAA have a coverage period of more than one year, the Group expects that the LRC under PAA will not be materially different from what would be expected using the GMM.

For insurance contracts issued, insurance acquisition cash flows allocated to a group are expensed when incurred.

For reinsurance contracts held, on initial recognition, the Group measures the remaining coverage at the amount of ceding premiums paid.

For insurance contracts issued, on initial recognition, the Group measures the LRC at the amount of premiums received. The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:

a. the LRC; and
b. the LIC, comprising the FCF related to past service allocated to the group at the reporting date.

For non-onerous insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

a. increased for premiums received in the period;
b. decreased for insurance acquisition cash flows paid in the period;
c. decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the period; and
d. increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses.

For reinsurance contracts held, on initial recognition, the Group measures the remaining coverage at the amount of ceding premiums paid. The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:

a. the asset for remaining coverage; and
b. the asset for incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

a. increased for ceding premiums paid in the period;
b. decreased for the expected amounts of ceding premiums recognised as reinsurance expenses for the services received in the period.

The Group does not adjust the LRC for insurance contracts issued and the remaining coverage for reinsurance contracts held for the effect of the time value of money, because insurance premiums are due within the coverage period of contracts, which is one year or less. The Group has determined that for all groups of contracts issued for which there is no significant financing component, the LRC will not be discounted. At the inception of the contract, the Group considers the facts and circumstances, with the use of judgement, to determine if there is a significant financing component.

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates. It reflects the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts.

Unless the contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the LIC. For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer.

The Group adjusts the assets for reinsurance contracts held for the effect of the risk of reinsurer's non-performance. In the measurement of reinsurance contracts held, the probability-weighted estimates of the present value of future cash flows include the potential credit losses and other disputes of the reinsurer to reflect the non-performance risk of the reinsurer.

There are no investment components within insurance contracts issued and reinsurance contracts held that are measured under the PAA.

For contracts measured under the PAA and GMM, the LIC is measured similarly. Future cash flows are adjusted for the time value of money.

If facts and circumstances indicate that a group of insurance contracts measured under the PAA is onerous on initial recognition or becomes onerous subsequently, the Group increases the carrying amount of the LRC to the amounts of the FCF with the amount of such an increase recognised in insurance service expenses, and a loss component is established for the amount of the loss recognised. Subsequently, the loss component is remeasured at each reporting date as the difference between the amounts of the FCF determined using a methodology similar to the GMM relating to the future service and the carrying amount of the LRC without the loss component. Where applicable, resulting changes in the loss component are recognised as insurance service expenses.

When a loss is recognised on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group, the carrying amount of the asset for remaining coverage for reinsurance contracts held is increased by the amount of income recognised in profit or loss and a loss-recovery component is established or adjusted for the amount of income recognised. The referred income is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Group expects to recover from the reinsurance contract held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Group applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

Where applicable, changes in the loss-recovery component are recognised as net income from reinsurance contracts held.

l) Amounts recognised in the statement of income within the insurance service result

Insurance revenue

As the Group provides insurance contract services under the group of insurance contracts, it reduces the LRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration that the Group expects to be entitled to in exchange for those services.

For contracts not measured under the PAA, insurance revenue comprises the following:

- Amounts relating to the changes in the LRC:
    a. claims and other directly attributable expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:
        i. amounts allocated to the loss component;
        ii. repayments of investment components and policyholder rights to withdraw an amount;
        iii. insurance acquisition expenses; and
        iv. amounts related to the risk adjustment for non-financial risk (see (b));
    b. changes in the risk adjustment for non-financial risk, excluding:
        i. changes included in insurance finance income / (expenses);
        ii. changes that relate to future coverage (which adjust the CSM); and
        iii. amounts allocated to the loss component; and
    c. amounts of the CSM recognised for the services provided in the period.

In-period cash flow variances would go through CSM if they are investment component, premium-related or policy loan cash flow variances.

Insurance acquisition cash flows recovery is determined by allocating the portion of premiums related to the recovery of those cash flows based on the applicable coverage units of each group. For groups of insurance contracts measured under the PAA, the Group recognises insurance revenue based on the passage of time over the coverage period of a group of contracts.

Insurance service expenses

Insurance service expenses include the following:

a. incurred claims and benefits, excluding investment component and policy loans, reduced by loss component allocations;
b. other incurred directly attributable expenses, including amounts of any other pre-recognition cash flows assets (other than insurance acquisition cash flows) derecognised at the date of initial recognition;
c. insurance acquisition cash flows amortisation;
d. changes that relate to past service – changes in the FCF relating to the LIC; and
e. changes that relate to future service – changes in the FCF that result in onerous contract losses or reversals of those losses; and
f. insurance acquisition cash flows assets impairment net of reversals.

For contracts not measured under the PAA, amortisation of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue, as described above.

For contracts measured under the PAA, amortisation of insurance acquisition cash flows is based on the passage of time.

Other expenses not meeting the above categories are included in other operating expenses in the consolidated statement of income.

Insurance service result from reinsurance contracts held

The Group presents financial performance of groups of reinsurance contracts held on a net basis in net income (expenses) from reinsurance contracts held, comprising the following amounts:

a. reinsurance expenses;
b. incurred claims recovery, excluding investment components reduced by loss-recovery component
1. allocations;
c. other incurred directly attributable expenses;
d. changes that relate to past service – changes in the FCF relating to incurred claims recovery;
e. effect of changes in the risk of reinsurers' non-performance; and
f. amounts relating to accounting for onerous groups of underlying insurance contracts issued:
    i. income on initial recognition of onerous underlying contracts;
    ii. reinsurance contracts held under the GMM: reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held; and
    iii. reinsurance contracts held under the GMM: changes in the FCF of reinsurance contracts held from onerous underlying contracts.

Reinsurance expenses (ceding premiums) are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received insurance contract services at an amount that reflects the portion of ceding premiums that the Group expects to pay in exchange for those services.

For groups of reinsurance contracts held measured under the PAA, the Group recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts.
For contracts measured under the GMM, reinsurance expenses comprise the following amounts relating to the changes in the remaining coverage:

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

a. claims and other directly attributable expenses recovery in the period, measured at the amounts expected to be incurred at the beginning of the period, excluding:
    i. amounts allocated to the loss-recovery component;
    ii. amounts related to the risk adjustment for non-financial risk (see (b));
b. changes in the risk adjustment for non-financial risk, excluding:
    i. changes included in finance income / (expenses) from reinsurance contracts held;
    ii. changes that relate to future coverage (which adjust the CSM); and
    iii. amounts allocated to the loss-recovery component;
c. amounts of the CSM recognised for the services received in the period; and
d. experience adjustments – arising from premiums paid in the period other than those that relate to future service.

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part ceding premiums (reinsurance expenses). Ceding commissions that are contingent on claims of the underlying contracts issued reduce incurred claims recovery.

Premium taxes

Premium taxes (i.e., transaction-based taxes) are cash flows within the boundary of an insurance contract and relate directly to the fulfilment of the insurance contract.

J) Amounts recognised in the statement of income within net insurance finance income / expenses

Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

a. the effect of the time value of money and changes in the time value of money; and
b. the effect of financial risk and changes in financial risk.

For contracts measured under the GMM, the main amounts within insurance finance income or expenses are:

a. interest accreted on the FCF and the CSM;
b. the effect of changes in interest rates and other financial assumptions; and
c. foreign exchange differences.

For contracts measured under the VFA, insurance finance income or expenses include changes in the value of underlying items (excluding additions and withdrawals).

For contracts measured under the PAA, the main amounts within insurance finance income or expenses are:

a. interest accreted on the LIC; and
b. the effect of changes in interest rates and other financial assumptions.

The Company includes all insurance finance income or expenses for the period in profit or loss (that is, the profit or loss option (the PL option) is applied.

The Company disaggregates changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses.

2.4 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.

2.5 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.

2.6 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.

2.7 Financial investments

(a) Classification of financial assets

The Group utilizes a principles-based approach to the classification of financial assets. Debt instruments, are measured at fair value through profit or loss ("FVTPL") or amortised cost based on the nature of the cash flows of these assets and the Group's business model. Equity instruments are measured at FVTPL.

Financial assets are measured on initial recognition at fair value and are classified as and subsequently measured either at amortised cost, or at FVTPL. Financial assets are recognised when the Group becomes a party to the contractual provision of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

(b) Classification of debt instruments

Classification and subsequent measurement of debt instruments depend on:

- the Group's business model for managing the asset; and
- the cash flow characteristics of the asset.

Therefore, in order to determine the appropriate basis, the following methods may be used:

- *Business model assessment*

Business models are determined at the level which best reflects how the Group manages portfolios of assets to achieve business objectives. Judgement is used in determining business models, which is supported by relevant, objective evidence including:

- The nature of liabilities, if any, funding a portfolio of assets;
- The nature of the market of the assets in the country of origination of a portfolio of assets;
- How the Group intends to generate profits from holding a portfolio of assets;
- The historical and future expectations of asset sales within a portfolio.

- *Solely payments of principal and interest ("SPPI")*

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest. In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement.

Based on these factors, the Group classifies its debt instruments into one of the following measurement categories.

Measured at amortised cost

Debt instruments that are held to collect the contractual cash flows and that contain contractual terms that give rise, on specified dates, to cash flows that are solely payments of principal and interest, such as most loans and advances to banks and customers and some debt securities, are measured at amortised cost. In addition, most financial liabilities are measured at amortised cost. The carrying value of these financial assets at initial recognition includes any directly attributable transactions costs.

Measured at fair value through profit and loss (FVTPL)

Debt instruments are classified in this category if they meet one or more of the criteria set out below and are so classified at inception:

- where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, or the debt instruments meet the "SPPI" criteria but fail to meet the criteria for amortised cost based on the business model assessment, the debt instruments are classified and measured at FVTPL; and

- when the debt instruments are held for trading and are acquired principally for the purpose of selling in the short-term or if they form part of a portfolio of financial assets in which there is evidence of short-term profit- taking.

(c) Impairment of financial assets measured at amortised cost

At initial recognition of a financial asset, allowance (or provision in the case of some loan commitments and financial guarantees) is required for Expected Credit Losses (ECL) resulting from default events that are possible within the next 12 months (or less, where the remaining life is less than 12 months) ('12-month ECL').

In the event of a significant increase in credit risk (SICR), an allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL'). Financial assets where 12- month ECL are recognised are defined as 'stage 1'; financial assets which are considered to have experienced a significant increase in credit risk are in 'stage 2'; and financial assets for which there is objective evidence of impairment are defined as being in default or otherwise credit-impaired and are included in 'stage 3'.

To determine whether the lifetime credit risk has increased significantly since initial recognition, the Group considers reasonable and supportable information that is available, including information from the past and forward-looking information. Factors, such as whether payments of principal and interest are in default, an adverse change in credit rating of the borrower and adverse changes in the borrower's industry and economic environment, are considered in determining whether there has been a significant increase in the credit risk of the borrower.

(d) Definition of default

The Group determines that a financial instrument is credit-impaired and in Stage 3 by considering relevant objective evidence, primarily whether:

- contractual payments of either principal or interest are past due for 90 days or more;
- there are other indications that the borrower is unlikely to pay, such as that a concession has been granted to the borrower for economic or legal reasons relating to the borrower's financial condition; and
- the financial asset is otherwise considered to be in default.

If such unlikeliness to pay is not identified at an earlier stage, it is deemed to occur when an exposure is 90 days past due.

(e) Write-off

Financial assets (and the related impairment allowances) are normally written off, either partially or in full, when there is no realistic prospect of recovery. Where loans are secured, this is generally after receipt of any proceeds from the realisation of security. In circumstances where the net realisable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier.

(f) The general approach to recognising and measuring ECL

The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money;
- Reasonable and supportable information that is available without undue cost or effort, at the reporting date, about past events, current conditions and forecasts of future economic conditions.

Measurement

Expected credit losses are calculated by multiplying three main components, being the probability of default ("PD"), loss given default ("LGD") and the exposure at default ("EAD"), discounted at the original effective interest rate. Management has calculated these inputs based on the historical experience of the portfolios adjusted for the current point in time. A simplified approach to calculating the ECL is applied to contract and other receivables which do not contain a significant financing component. Generally, these receivables are due within 12 months unless there are extenuating circumstances. Under this approach, an estimate is made of the lifetime ECL on initial recognition (i.e. Stage 3). For ECL provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

The PD, LGD and EAD models which support these determinations are reviewed regularly in light of differences between loss estimates and actual loss experience; but given that IFRS 9 requirements have only been applied since January 1, 2022, the historical period for such review is limited. Therefore, the underlying models and their calibration, including how they react to forward-looking economic conditions, remain subject to review and refinement. This is particularly relevant for lifetime PDs, which have not been previously used in regulatory modelling, and for the incorporation of 'downside scenarios' which have not generally been subject to experience gained through stress testing. The exercise of judgement in making estimations requires the use of assumptions which are highly subjective and sensitive to the risk factors, and particularly to changes in economic and credit conditions across wide geographical areas. Many of the factors have a high degree of interdependency and there is no single factor to which loan impairment allowances are sensitive. Therefore, sensitivities are considered in relation to key portfolios which are particularly sensitive to a few factors and the results should not be further extrapolated.

The main difference between Stage 1 and Stage 2 expected credit losses is the respective PD horizon. Stage 1 estimates will use a maximum of a 12-month PD while Stage 2 estimates will use a lifetime PD. Stage 3 estimates will continue to leverage pre-January 1, 2022 processes for estimating losses on impaired loans, however, these processes will be updated as experience develops, including the requirement to consider multiple forward-looking scenarios. An expected credit loss estimate will be produced for each individual exposure, including amounts which are subject to a more simplified model for estimating expected credit losses.

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk must consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information will require significant judgement.

For a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

For defaulted financial assets, based on management's assessment of the borrower, a specific provision of expected lifetime losses which incorporates collateral recoveries, is calculated and recorded as the ECL. The resulting ECL is the difference between the carrying amount and the present value of expected cash flows discounted at the original effective interest rate.

Forward-looking information

The estimation and application of forward-looking information will require significant judgement. PD, LGD and EAD inputs used to estimate Stage 1 and Stage 2 credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio.

Each macroeconomic scenario used in the expected credit loss calculation will have forecasts of the relevant macroeconomic variables – including, but not limited to, unemployment rates and gross domestic product, for a three- year period, subsequently reverting to long-run averages. Our estimation of expected credit losses in Stage 1 and Stage 2 will be a discounted probability-weighted estimate that considers a minimum of three future macroeconomic scenarios. Our base case scenario will be based on macroeconomic forecasts where available. Upside and downside scenarios will be set relative to our base case scenario based on reasonably possible alternative macroeconomic conditions.

Scenario design, including the identification of additional downside scenarios will occur on at least an annual basis and more frequently if conditions warrant. Scenarios will be probability-weighted according to our best estimate of their relative likelihood based on historical frequency and current trends and conditions. Probability weights will be updated on a quarterly basis.

(g) Modification of loans

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers and debt instruments. When this happens, the Group assesses whether the new terms are substantially different from the original terms. The Group does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flow to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Change in the currency in which the loan is denominated.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Group derecognises the original financial asset and recognises a new asset at fair value and recalculates the new effective interest rate for the asset. The date of negotiation is consequently considered to the be the date of initial recognition for impairment calculation purposes and the purpose of determining if there has been a significant increase in credit risk.

(h) Reclassified balances

The Group reclassifies debt instruments when and only where its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent.

(i) Classification of equity instruments

The Group classifies and subsequently measures all equity investments at FVTPL.

(j) Presentation in the statement of income

Financial instruments measured at FVTPL

Realised changes in fair value, unrealised changes in fair value, interest income and dividend income are included in other investment income.

Financial instruments measured at amortised cost

- Interest income is included in interest income earned from financial assets measured at amortised cost in the consolidated statement of income.
- Credit impairment losses are presented in the consolidated statement of income.
- Gain or loss on derecognition of debt instruments is presented in the consolidated statement of income.

2.8 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.

2.9 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.

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 12.

2.10 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.

2.11 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 2.5.

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.

2.12 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 investment contract liabilities,' see note 9.4.

2.13 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.

2.14 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 2.19. For the revenue recognition policies surrounding insurance contracts, see note 2.3.

2.15 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.

2.16 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 $62,606 in 2023 (2022: $49,694) and is included in employee/salespersons' benefits expense.

2.17 Taxation

The Group is subject to tax on taxable gross premium income at the flat rate of 3% (2022: 3%). Premium taxes is recognized in the insurance service result in the consolidated statement of income. The Group is also subject to Value Added Tax ("VAT") on taxable supplies at the standard rate of 10.0% (2022: 10%). 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. Eligible subsidiary companies of the Group are also subject to a business licence tax at rates ranging from 0.75% to 2.25% on taxable turnover. 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 (2022: Nil).

2.18 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, 2023, these net assets amounted to $61.7 million (2022: $58.8 million). The Group has entered into a sub-investment management agreement with Colina Financial Advisors Ltd. to manage a significant portion of these assets.

2.19 Leases

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.

2.20 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.

2.21 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.

2.22 New standards and interpretations not yet effective

Certain new standards and amendments to existing standards have been issued but are not effective for the periods covered by these financial statements. The changes in standards and interpretations which may have an effect on future presentation, measurement or disclosure of the Group's financial statements include the following:

- IAS 1 - Liabilities as current or non-current, effective January 1, 2024
- IAS 1 – Non-current liabilities with covenants, effective January 1, 2024
- IFRS 16 – Leases on sale and leaseback, effective January 1, 2024
- IAS 7 and IFRS 7 – Supplier finance, effective January 1, 2024 (with transitional reliefs in the first year)
- IAS 21 – Lack of exchangeability – effective January 1, 2024
- IFRS S1 – General requirements for the disclosure of sustainability-related financial information – effective January 1, 2024 (subject to endorsement of the standard by local jurisdictions)
- IFRS S2 – Climate-related disclosures – effective January 1, 2024 (subject to endorsement of the standard by local jurisdictions)

The impact of the above standards on the Group is under assessment.

3. CRITICAL ACCOUNTING JUDGEMENTS 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. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognized in the consolidated financial statements are described in the sections below.

3.1 Insurance and reinsurance contracts

CONTRACTS NOT MEASURED UNDER PAA

3.1.0 Areas of Judgement

Areas of judgement which broadly impact the Group's reporting include definition and classification of insurance contracts, the unit of account identified in which insurance contracts are assessed, and the level of aggregation applied for measurement and reporting purposes. Specific areas of judgement and estimates impacting contracts not measured under PAA are described in subsequent notes.

Definition and classification

- Whether contracts are within the scope of IFRS 17.
- For contracts determined to be within the scope of IFRS 17, what measurement model is applicable.
- The Group is required to determine the classification of contracts issued in Participating product lines as insurance or investment contracts. The following contracts issued by the Group are considered:
    - Insurance contracts with direct participation features, based on the Group's assessment of whether contracts that are determined to be within the scope of IFRS 17 meet the definition of an insurance contract with direct participation features as follows:
        - whether the pool of underlying items is clearly identified;
        - whether amounts that an entity expects to pay to the policyholders constitute a substantial share of the fair value returns on the underlying items; and
        - whether the Group expects the proportion of any change in the amounts to be paid to the policyholders that vary with the change in fair value of the underlying items to be substantial.
- Whether a contract issued accepts significant insurance risk and, similarly, whether a reinsurance contract held transfers significant insurance risk.

Unit of account

The Group is required to make judgements involved in combination of insurance contracts and separation of distinct components:

- Combination of insurance contracts - whether the contracts with the same or related counterparty achieve or are designed to achieve, an overall commercial effect and require combination.
- Separation – whether components in insurance contracts are distinct (that is, they meet the separation criteria).
- Separation of contracts with multiple insurance coverage – whether there are facts and circumstances where the legal form of an insurance contract does not reflect the substance and separation is required.

Insurance contracts aggregation

The Group is required to make judgements involved in the identification of portfolios of contracts (that is, having similar risks and being managed together). This includes the aggregation of insurance contracts issued on initial recognition into groups of onerous contracts, groups of contracts with no significant possibility of becoming onerous, and groups of other contracts, and a similar grouping assessment for reinsurance contracts held.

Areas of judgements include:

- The determination of contract sets within portfolios and whether the Group has reasonable and supportable information to conclude that all contracts within a set would fall into the same group; and
- Judgements might be applied on initial recognition to distinguish between non-onerous contracts (those having no significant possibility of becoming onerous) and other contracts.

  For contracts not measured under the PAA, the assessment of the likelihood of adverse changes in assumptions that might result in contracts becoming onerous is an area of judgement.

(Expressed in Bahamian Dollars)

3.1.1 Methods used to measure insurance contracts

Mortality and morbidity rates

The Company bases mortality and morbidity rate assumptions from credible mortality and morbidity tables published by actuarial associations including the Canadian Institute of Actuaries. An investigation into the Company's experience is performed, and statistical methods are used to adjust the published tables to produce the probability-weighted expected rates in the future over the duration of the insurance contracts. Rates are differentiated between policyholder groups, based on gender and other parameters.

An increase in expected mortality and morbidity rates will increase the expected life and health claim cost which will reduce future expected profits of the Group.

Lapse and Surrender Rates

The Company derives assumptions about lapse and surrender rates based on Company experience. Historical lapse and surrender rates are derived from the Company's policy administration data. An analysis is then performed of the Company's historical rates in comparison to the assumptions previously used. Statistical methods are used to derive adjustments to reflect the Company's own experience and any trends in the data, to arrive at the probability-weighted expected lapse and surrender rates. Possible increases in lapse and surrender rates could increase or decrease estimates of future cash outflows and thus decrease or increase the CSM.

Expenses

Operating expenses assumptions reflect the projected costs of maintaining and servicing in–force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate. Inflation is considered a non-financial assumption and is derived from the long run expense increases based on the Group's experience and management's expectation of the related expense control measures.

The cash flows within the contract boundary include an allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts. Such overheads are allocated to groups of contracts using methods that are systematic and rational. The overheads are also consistently applied to all costs that have similar characteristics. An increase in the expected level of expenses will reduce future expected profits of the Group.

3.1.2 Discount rates

The top-down approach was used to derive the discount rates. Under this approach, the discount rate is determined as the yield implicit in the fair value of a reference portfolio adjusted for differences between the reference portfolio of assets and respective liability cash flows. The reference portfolio comprises bonds issued by the Government of The Bahamas. The assets were selected in order to match the liability cash flows. The yield from the reference portfolio was adjusted to remove both expected and unexpected credit risk. These adjustments were estimated using information from observed historical levels of default relating to the bonds included in the reference portfolio.

Observable market information is available for up to 30 years. For the unobservable period, the yield curve was interpolated between the last observable point and an ultimate spot rate at 50 years using linear interpolation.

The yield curves that were used to discount the estimates of future cash flows are as follows:

Product	2023				
	1 year	**5 years**	**10 years**	**20 years**	**30 years**
Life (issued and reinsurance held)	3.1%	4.8%	6.9%	6.4%	9.5%
P&C (issued and reinsurance held)	3.1%	4.8%	6.9%	0.0%	0.0%

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

Product	2022				
	1 year	5 years	10 years	20 years	30 years
Life (issued and reinsurance held)	3.1%	4.7%	7.2%	7.0%	8.1%
P&C (issued and reinsurance held)	3.0%	4.0%	5.3%	0.0%	0.0%

Estimates of future cash flows to fulfil insurance contracts

Included in the measurement of each group of contracts within the scope of IFRS 17 are all of the future cash flows within the boundary of each group of contracts. The estimates of these future cash flows are based on probability-weighted expected future cash flows. The Company estimates which cash flows are expected and the probability that they will occur as at the measurement date. In making these expectations, the Company uses information about past events, current conditions and forecasts of future conditions. The Company's estimate of future cash flows is the mean of a range of scenarios that reflect the full range of possible outcomes. Each scenario specifies the amount, timing and probability of cash flows. The probability-weighted average of the future cash flows is calculated using a deterministic scenario representing the probability-weighted mean of a range of scenarios.

Where estimates of expenses-related cash flows are determined at the portfolio level or higher, they are allocated to groups of contracts on a systematic basis, such as activity-based costing method. The Company has determined that this method results in a systematic and rational allocation. Similar methods are consistently applied to allocate expenses of a similar nature.

Uncertainty in the estimation of future claims and benefit payments and premium receipts arises primarily from the unpredictability of changes in the mortality rates, the variability in policyholder behavior, and uncertainties regarding future inflation rates and expenses growth. Assumptions used to develop estimates about future cash flows are reassessed at each reporting date and adjusted where required.

The Company projects estimates of future expenses relating to fulfilment of contracts within the scope of IFRS 17 using current expense levels adjusted for inflation. Possible increases in expense assumptions increase estimates of future cash outflows and thus decrease the CSM within the LRC for contracts measured under the GMM, and they increase the LIC for contracts measured under the PAA.

3.1.3 Risk adjustment for non-financial risk

The risk adjustment for non-financial risk represents the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts and covers non-financial risk. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the best estimate amount. For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer.

The Group has estimated the risk adjustment using a margin approach, calibrated to the cost of capital and target confidence levels. The margin approach involves applying shocks to the insurance assumptions used to project expected cash flows so as to produce an increase in the FCF. Shocks are selected using the projected cost of insurance risk capital such that the resulting risk adjustment falls within the Group's target confidence level range.

The risk adjustment for insurance and reinsurance contracts corresponds to a confidence level of 74%.

3.1.4 Amortization of CSM

The CSM is a component of the asset or liability for the group of insurance contracts that represents the unearned profit the Group will recognise as it provides services in the future. An amount of the CSM for a group of insurance contracts is recognised in net income / (loss) as insurance revenue in each period to reflect the insurance contract services provided under the group of insurance contracts in that period. The amount is determined by:

- Identifying the coverage units in the group;

- Allocating the CSM at the end of the period (before recognising any amounts in net income / (loss) to reflect the insurance contract services provided in the period) equally to each coverage unit provided in the current period and expected to be provided in the future;
- Recognising in net income / (loss) the amount allocated to coverage units provided in the period.

The number of coverage units in a group is the quantity of insurance contract services provided by the contracts in the group, determined by considering the quantity of the benefits provided and the expected coverage period. For groups of insurance contracts, the quantity of benefits is the contractually agreed sum insured, maturity benefit or payout over the period of the contracts.

The total coverage units of each group of insurance contracts are reassessed at the end of each reporting period to adjust for the reduction of remaining coverage for claims paid, expectations of lapses and cancellation of contracts in the period. They are then allocated based on probability-weighted average duration of each coverage unit provided in the current period and expected to be provided in the future.

For reinsurance contracts issued, the number of coverage units in a group reflects the expected pattern of underwriting of the underlying contracts because the level of service provided depends on the number of underlying contracts in force. The quantity of benefit is the maximum potential loss. The remaining coverage units are reassessed at the end of each reporting period to reflect the expected pattern of service and the expectations of lapses and cancellations of contracts. The remaining coverage is allocated based on probability-weighted average duration of each coverage unit provided in the current period and expected to be provided in the future.

For reinsurance contracts held, the CSM amortisation is similar to the reinsurance contracts issued and reflects the expected pattern of underwriting of the underlying contracts because the level of service provided depends on the number of underlying contracts in-force.

3.1.5 Assets for insurance acquisition cash flows

The Group applies judgement in determining the inputs used in the methodology to systematically and rationally allocate insurance acquisition cash flows to groups of insurance contracts. This includes judgements about whether insurance contracts are expected to arise from renewals of existing insurance contracts and, where applicable, the amount to be allocated to groups including future renewals and the volume of expected renewals from new contracts issued in the period. Assets for insurance acquisition cash flows not yet allocated to a group are assessed for recoverability if facts and circumstances indicate that the assets might be impaired. Impairment losses reduce the carrying amount of these assets and are recognised in insurance service expenses. Previously recognised impairment losses are reversed to the extent that the impairment conditions no longer exist or have improved.

3.1.6 Determination of IFRS17 transition amount

The Group has adopted IFRS 17 retrospectively, applying alternative transition methods where the full retrospective approach was impracticable. The full retrospective approach was mostly applied to insurance contracts issued subsequent to December 31, 2020. The fair value approach was applied in circumstances where the full retrospective approach was impracticable. The transition approach was determined at the level of group of insurance contracts and affected the approach to calculating the CSM on initial adoption of IFRS 17 as follows:

- Full retrospective approach

  The CSM at initial recognition is based on initial assumptions when groups of contracts were recognised and rolled forward to the date of transition as if IFRS 17 has always been applied.

- Fair value approach

  The CSM is determined as the difference between the fair value of the group of insurance contracts and the fulfilment cash flows measured at the transition date.

A group of contracts for fair value measurement includes contracts from multiple cohorts and years into a single unit for accounting purposes. For the groups of contracts measured under the fair value approach, the discount rates on initial recognition were determined at January 1, 2022 instead of at the date of initial recognition.

In determining the fair value, the Group has applied the requirements of IFRS 13, Fair Value Measurement. An embedded value approach was used to determine the fair value of groups of insurance contracts for the purposes of applying the fair value approach. Fair value is allocated to groups of contracts based on the present value of future cash flows of the respective contracts. The embedded value is defined to be (a) the fulfilment cash flows plus (b) the cost of capital required to support the insurance contracts less (c) the value of the profits expected to emerge as the obligation is satisfied. The fair value for reinsurance contracts held was determined under the presumption that the market participant is the same market participant that would purchase the underlying direct contracts.

For groups of reinsurance contracts covering onerous underlying contracts measured under the full retrospective approach, the loss-recovery component within the asset for remaining coverage was determined at the transition date by multiplying the loss component of the liability for remaining coverage for the underlying insurance contracts at that date and the percentage of claims for the underlying insurance contracts the Group expects to recover from the reinsurance contracts held.

CONTRACTS MEASURED UNDER PAA

3.1.7 Areas of Judgement

Areas of judgement which broadly impact the Group's reporting include definition and classification of insurance contracts, the unit of account identified in which insurance contracts are assessed, and the level of aggregation applied for measurement and reporting purposes. Specific areas of judgement and estimates impacting contracts measured under PAA are described in subsequent notes.

For insurance contracts with a coverage period of more than one year and for which the entity applies the PAA, the eligibility assessment might involve significant judgement. All contracts measured by the Group under the PAA have a coverage period of one year or less. Thus, no assessment for the PAA is separately required and no judgement was involved. For contracts measured under the PAA, the assessment of the likelihood of adverse changes in applicable facts and circumstances is an area of judgement. For insurance contracts issued measured under the PAA, management judgement might be required to assess whether facts and circumstances indicate that a group of contracts has become onerous.

All contracts measured by the Group were determined to be non-onerous on initial recognition.

3.1.8 Liability for Incurred Claims

Liability for incurred claims (LIC) is deemed a significant estimate for general insurance products as well as group products measured under PAA. The ultimate cost of outstanding claims is calculated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods.

The main assumption underlying these techniques is that a Group's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim counts based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability-weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Estimates of salvage recoveries and subrogation reimbursements are considered as an allowance in the measurement of ultimate claims costs.

Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency exchange rates.

3.1.9 Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled. Because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favourable and unfavourable outcomes in a way that reflects the Company's degree of risk aversion. The Company estimates an adjustment for non-financial risk separately from all other estimates. The Company does not consider the effect of reinsurance in the risk adjustment for non-financial risk of the underlying insurance contracts.

The margin method was used to derive the risk adjustment for non-financial risk at the contract level. In the margin method, the risk adjustment is determined by applying margins to actuarial assumptions relating to non-financial risk. To determine the risk adjustment confidence level, the Group used an approach similar to the 'LICAT' approach outlined by the Canadian Institute of Actuaries (CIA) in an IFRS 17 educational note. This approach infers a reference loss distribution from a regulatory capital framework, which has the benefit of leveraging existing robust capital models. The LICAT approach relies on the Canadian insurance capital adequacy test (LICAT) framework which is assumed to follow a normal distribution and models shocks at approximately the 85th percentile.

The resulting amount of the calculated risk adjustment corresponds to the confidence level of 74%. The methods and assumptions used to determine the risk adjustment for non-financial risk were not changed in 2023.

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

3.1.10 Sensitivity analysis to underwriting risk variables

a) Life Contract Risk

The following tables present information on how reasonably possible changes in assumptions made by the Company with regard to underwriting risk variables impact product line insurance liabilities and profit or loss and equity before and after risk mitigation by reinsurance contracts held. The analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions might be correlated.

At December 31, 2023 (In B$000s)	LRC FCF as at year-end	CSM as at year-end	Total	Impact on LRC/FCF	Impact on CSM	Total increase (decrease) in insurance contract liabilities	Remaining CSM	Impact on profit before income tax	Impact on equity
Insurance contract liabilities	$ 437,287	$ 22,747	**$ 460,034**						
Reinsurance contract assets	(29,941)	6,388	**(23,553)**						
Net insurance contract liabilities	$ 407,346	$ 29,135	**$ 436,481**						
Mortality rate – 10% increase:									
Insurance contract liabilities				$ 22,393	$ (21,488)	**$ 905**	$ 1,259	$ (905)	**$ (905)**
Reinsurance contract assets				(19,670)	18,941	**(729)**	25,329	729	**729**
Net insurance contract liabilities				$ 2,723	$ (2,547)	**$ 176**	$ 26,588	$ (176)	**$ (176)**
Lapse rates – 10% increase:									
Insurance contract liabilities				$ 1,087	$ (1,099)	**$ (12)**	$ 21,648	$ 12	**$ 12**
Reinsurance contract assets				673	(638)	**35**	5,750	(35)	**(35)**
Net insurance contract liabilities				$ 1,760	$ (1,737)	**$ 23**	$ 27,398	$ (23)	**$ (23)**
Expenses – 10% increase:									
Insurance contract liabilities				$ 4,354	$ (4,265)	**$ 89**	$ 18,482	$ (89)	**$ (89)**
Reinsurance contract assets				(22)	21	**(1)**	6,409	1	**1**
Net insurance contract liabilities				$ 4,332	$ (4,244)	**$ 88**	$ 24,891	$ (88)	**$ (88)**

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

(In B$000s)	LRC FCF as at year-end	CSM as at year-end	Total	Impact on LRC/FCF	Impact on CSM	Total increase (decrease) in insurance contract liabilities	Remaining CSM	Impact on profit before income tax	Impact on equity
Insurance contract liabilities	$ 437,287	$ 22,747	**$ 460,034**						
Mortality rate – 10% increase				$ 22,393	$ (21,488)	**$ 905**	$ 1,259	$ (905)	**$ (905)**
Lapse rates – 10% increase				1,087	(1,099)	**(12)**	21,648	12	**12**
Expenses – 10% increase				4,354	(4,265)	**89**	18,482	(89)	**(89)**

No changes were made to the methods and assumptions used in preparing the above analysis.

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

The following table presents information on how reasonably possible changes in assumptions made by the Company with regard to how underwriting risk variables impact insurance liabilities before and after risk mitigation by reinsurance contracts held. These contracts are measured under the PAA and, thus, only the LIC component of insurance liabilities is sensitive to possible changes in underwriting risk variables.

	2023			
(In B$000s)	LIC as at year-end	Impact on LIC	Impact on profit before income tax	Impact on equity
Insurance contract liabilities	$ 27,141			
Reinsurance contract assets	3,693			
Net insurance contract liabilities	$ 30,834			
Unpaid claims and expenses – 10%				
Insurance contract liabilities		$ 2,298	$ (2,298)	**$ (2,298)**
Reinsurance contract assets		(125)	125	**125**
Net insurance contract liabilities		$ 2,173	$ (2,173)	**$ (2,173)**
Expenses – 10% increase:				
Insurance contract liabilities		$ 66	$ (66)	**$ (66)**
Reinsurance contract assets		-	-	**-**
Net insurance contract liabilities		$ 66	$ (66)	**$ (66)**
Unpaid claims and expenses – 10%				
Insurance contract liabilities		$ -	$ -	**$ -**
Reinsurance contract assets		-	-	**-**
Net insurance contract liabilities		$ -	$ -	**$ -**
Expenses – 10% decrease:				
Insurance contract liabilities		$ -	$ -	**$ -**
Reinsurance contract assets		-	-	**-**
Net insurance contract liabilities		$ -	$ -	**$ -**

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

c) Property and Casualty Contract Risk

The following table presents information on how reasonably possible changes in assumptions made by the Company with regard to how underwriting risk variables impact insurance liabilities before and after risk mitigation by reinsurance contracts held. These contracts are measured under the PAA and, thus, only the LIC component of insurance liabilities is sensitive to possible changes in underwriting risk variables.

	2023			
(In B$000s)	**LIC as at year-end**	**Impact on LIC**	**Impact on profit before income tax**	**Impact on equity**
Insurance contract liabilities	$ (1,727)			
Reinsurance contract assets	1,150			
Net insurance contract liabilities	$ (577)			
Unpaid claims and expenses – 10% increase:				
Insurance contract liabilities		$ (77)	$ (77)	**$ (77)**
Reinsurance contract assets		69	69	**69**
Net insurance contract liabilities		$ (8)	$ (8)	**$ (8)**
Expenses – 10% increase:				
Insurance contract liabilities		$ 2	$ (19)	**$ (19)**
Reinsurance contract assets		-	(6)	**(6)**
Net insurance contract liabilities		$ 2	$ (25)	**$ (25)**
Unpaid claims and expenses – 10% decrease:				
Insurance contract liabilities		$ 77	$ 77	**$ 77**
Reinsurance contract assets		(69)	(69)	**(69)**
Net insurance contract liabilities		$ 8	$ 8	**$ 8**
Expenses – 10% decrease:				
Insurance contract liabilities		$ (2)	$ 19	**$ 19**
Reinsurance contract assets		-	6	**6**
Net insurance contract liabilities		$ (2)	$ 25	**$ 25**

(Expressed in Bahamian Dollars)

3.1.11 Methods used and judgements applied in determining the IFRS 17 transition amounts

The Company has adopted IFRS 17 retrospectively. The full retrospective approach was applied to the insurance contracts in force at the transition date. The Company has: identified, recognised and measured each group of insurance contracts as if IFRS 17 had always applied; derecognised any existing balances that would not exist if IFRS 17 had always applied; and recognised any resulting net difference in equity.

3.2 Impairment of Financial Assets

In determining ECL (defined in note 2.7 (f)), management is required to exercise judgement in defining what is considered a significant increase in credit risk and in making assumptions and estimates to incorporate relevant information about past events, current conditions and forecasts of economic conditions. Further information about the judgements involved is included in note 2.7 under sections 'Measurement' and 'Forward-looking information'.

(a) Establishing staging for debt securities and deposits

The Group's internal credit rating model is a 10-point scale which allows for distinctions in risk characteristics and is referenced to the rating scale of international credit rating agencies.

The scale is set out in the following table:

Category		**Group Risk Rating**	**Classification**	**S&P**	**Moody's**	**Fitch**	**AM Best**
Non-default	Investment Grade	1	Minimal risk	AAA, AA	Aaa, Aa	AAA, AA	aaa, aa
		2	Low risk	A	A	A	a
		3	Moderate risk	BBB	Baa	BBB	bbb
	Non-investment grade	4	Acceptable risk	BB	Ba	BB	bb
		5	Average risk	B	B	B	b
	Watch	6	Higher risk	CCC, CC	Caa, Ca	CCC, CC	ccc, cc
		7	Special mention	C	C	C	c
Default		8	Substandard			DDD	
		9	Doubtful	D	C	DD	d
		10	Loss			D	

The Group uses its internal credit rating model to determine in which of the three stages an asset is to be categorised for the purposes of ECL.

Once the asset has experienced a significant increase in credit risk, the investment will move from Stage 1 to Stage 2. The Group has assumed that the credit risk of a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial asset that is investment grade or has a Group risk rating of 1-3 is considered low credit risk.

Stage 1 investments are rated (i) investment grade, or (ii) below investment grade at origination and have not been downgraded more than 2 notches since origination. Stage 2 investments are assets which (i) have been downgraded from investment grade to below investment grade, or (ii) are rated below investment grade at origination and have been downgraded more than 2 notches since origination. Stage 3 investments are assets in default.

(b) Establishing staging for other assets measured at amortised cost, other receivables and loan commitments

Exposures are considered to have resulted in a significant increase in credit risk and are moved to

stage 2 when: Qualitative test

- accounts that meet the portfolio's 'high risk' criteria and are subject to closer credit monitoring.

Backstop criteria

- accounts that are 30 calendar days or more past due. The 30 days past due criteria is a backstop rather than a primary driver of moving exposures into stage 2.

(c) Forward-looking information

When management determines the macro-economic factors that impact the portfolios of financial assets, they first determine all readily available information within the relevant market. Portfolios of financial assets are segregated based on product type, historical performance and homogenous country exposures. There is often limited timely macro-economic data for The Bahamas. Management assesses data sources from local government, International Monetary Fund (IMF) and other reputable data sources. A regression analysis is performed to determine which factors are most closely correlated with the credit losses for each portfolio. Where projections are available, these are used to look into the future up to three years and subsequently the expected performance is then used for the remaining life of the product. These projections are re-assessed on a quarterly basis.

3.3 Fair value of securities not quoted in an active market

The fair value of securities not quoted in an active market may be determined using reputable pricing sources, indicative prices from bond/debt market makers or other valuation techniques. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. The Group exercises judgement on the quality of pricing sources used. Where no market data is available, the Group may value positions using its own models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. The inputs into these models are primarily discounted cash flows.

The models used to determine fair values are periodically reviewed by experienced personnel. The models used for debt securities are based on net present value of estimated future cash flows, adjusted as appropriate for liquidity, and credit and market risk factors.

3.4 Recognition and measurement of intangible assets

The recognition and measurement of intangible assets, other than goodwill, in a business combination involve the utilisation of valuation techniques which may be very sensitive to the underlying assumptions utilised. These intangibles may be marketing-related, customer-related, contract-based or technology-based.

For significant amounts of intangibles arising from a business combination, the Group utilises independent professional advisors to assist management in determining the recognition and measurement of these assets.

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

(a) Goodwill
The assessment of goodwill impairment involves the determination of the value of the cash-generating business units to which the goodwill has been allocated. Determination of the value involves the estimation of future cash flows or of income after tax of these business units and the expected returns to providers of capital to the business units and/or to the Group as a whole. The Group uses the value in use methodology for testing goodwill impairment. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit(s) and a suitable discount rate in order to calculate present value, both of which are material sources of uncertainty.

The Group updates its business unit financial projections annually and applies discounted cash flow or earnings multiple models to these projections to determine if there is any impairment of goodwill. The assessment of whether goodwill is impaired can be highly sensitive to the inputs of cash flows, income after tax, discount rate, growth rate or capital multiple, which are used in the computation.

(b) Other intangible assets
The assessment of impairment of other intangible assets involves the determination of the intangible's fair value or value in use. In the absence of an active market for an intangible, its fair value may need to be estimated. In determining an intangible's value in use, estimates are required of future cash flows generated as a result of holding the asset.

4. RESPONSIBILITIES OF THE APPOINTED ACTUARY

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.

5. 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 - whole life and term insurance, pension, annuity, and savings and investment products.
- Group and Health Division –individual medical and group life and health medical insurance. Includes the Group's participation in International Reinsurance Managers, LLC ("IRM") reinsurance facilities
- Property & Casualty – general insurance products.
- Other – 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.

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

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

December 31, 2023 **(in $000s)**	**LIFE**	**HEALTH**	**P&C**	**OTHER**	**TOTAL**
Insurance revenue	$ 34,135	$ 82,627	$ 8,188	$ -	**$ 124,950**
Insurance service expense	(24,961)	(82,066)	(5,086)	-	**(112,113)**
Net expense from reinsurance contracts held	(2,205)	(4,170)	(2,042)	-	**(8,417)**
Insurance service result	6,969	(3,609)	1,060	-	**4,420**
Net investment income	64,066	1,907	131	31	**66,135**
Net finance expenses from insurance contracts	(40,729)	-	(24)	-	**(40,753)**
Net reinsurance income / (expenses)	-	-	-	-	**-**
from reinsurance contracts	891	-	22	-	**913**
Net insurance finance expenses	(39,838)	-	(2)	-	**(39,840)**
Net insurance and investment result	31,197	(1,702)	1,189	31	**30,715**
Other income	-	-	52	30,087	**30,139**
Other expenses	-	-	(188)	(25,453)	**(25,641)**
NET INCOME	$ 31,197	$ (1,702)	$ 1,053	$ 4,665	**$ 35,213**
SEGMENT ASSETS	$ 716,390	$ 46,979	$ 12,082	$ 48,665	**$ 824,116**
SEGMENT LIABILITIES	$ 544,375	$ 32,115	$ 5,574	$ 5,131	**$ 587,195**

December 31, 2022 (Restated) **(in $000s)**	**LIFE**	**HEALTH**	**P&C**	**OTHER**	**TOTAL**
Insurance revenue	$ 31,465	$ 90,730	$ 5,173	$ -	**$ 127,368**
Insurance service expense	(26,439)	(83,054)	(3,386)	-	**(112,879)**
Net expense from reinsurance contracts held	(242)	(1,349)	(1,272)	-	**(2,863)**
Insurance service result	4,784	6,327	515	-	**11,626**
Net investment income	18,239	556	131	144	**19,070**
Net finance expenses from insurance contracts	(24,531)	-	(16)	-	**(24,547)**
Net reinsurance income / (expenses)	-	-	-	-	**-**
from reinsurance contracts	581	-	14	-	**595**
Net insurance finance expenses	(23,950)	-	(2)	-	**(23,952)**
Net insurance and investment result	(927)	6,883	644	144	**6,744**
Other income	-	-	-	25,109	**25,109**
Other expenses	-	-	(591)	(20,802)	**(21,393)**
NET INCOME	$ (927)	$ 6,883	$ 53	$ 4,451	**$ 10,460**
SEGMENT ASSETS	$ 647,817	$ 50,166	$ 9,953	$ 49,194	**$ 757,130**
SEGMENT LIABILITIES	$ 479,107	$ 35,053	$ 5,200	$ 5,838	**$ 525,198**

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

6. INVESTED ASSETS

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

	2023	2022 (Restated)
Term deposits	$ 7,531,464	$ 7,527,189
Investment securities and other financial assets	525,684,671	503,233,895
Mortgages and commercial loans	13,596,100	11,653,046
Investment properties	62,315,490	58,086,000
Equity-accounted investees	5,163,745	5,216,578
Total invested assets	$ 614,291,470	$ 585,716,708

Invested assets comprise 74.5% of total assets at December 31, 2023 (2022: 77.4%).

7. CASH AND CASH EQUIVALENTS

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

	2023	2022 (Restated)
Term deposits	$ 7,531,464	$ 7,527,189
Less: Deposits with original maturities of greater than 90 days	(6,670,091)	(5,099,348)
Short-term deposits (cash equivalents)	861,373	2,427,841
Cash and demand balances	51,344,774	63,960,373
Total cash and cash equivalents	$ 52,206,147	$ 66,388,214

Term deposits with original maturities of less than 90 days totaled $861,373 (2022: $2,427,841). The weighted-average interest rate on deposits with original maturities greater than 90 days is 2.4% (2022: 2.0%) per annum.

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 $2,902,553 (2022: $2,895,724). No restricted amounts are included in cash and demand balances (2022: Nil).

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

8. INVESTMENT SECURITIES AND OTHER FINANCIAL ASSETS

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

		2023		2022 (Restated)
Fair Value through Profit or Loss				
Equity securities	$	33,122,381	$	28,765,932
Debt securities		492,562,290		474,467,963
Total investment securities and other financial assets	$	525,684,671	$	503,233,895

Financial assets at fair value through profit or loss includes financial instruments in the Bahamas Investment Fund (See note 29).

Investment securities and other financial assets include 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 4.35% to 6.75% per annum (2022: from 4.1% to 6.75% per annum) and scheduled maturities between 2024 and 2065 (2022: between 2024 and 2065).

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

Included in debt securities classified as FVTPL is $2,185,000 (2022: $2,185,000) and $3,013,000 (2022: $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:

	FVTPL	Available-for-sale	Loans and receivables	Total
At December 31, 2021	$ 104,570,228	$ 282,942,053	$ 44,150,040	$ 431,662,321
Adoption of IFRS 9:				
Remeasurement of loans and receivables at FVTPL (note 2.1)	-	-	(9,441,540)	(9,441,540)
Reclassification of Loans and and receivables to FVTPL	34,708,500	-	(34,708,500)	-
Reclassification of AFS to FVTPL	282,942,053	(282,942,053)	-	-
December 31, 2021, restated	$ 422,220,781	$ -	$ -	$ 422,220,781
Additions	155,948,301	-	-	155,948,301
Disposals and maturities	(63,373,018)	-	-	(63,373,018)
Net fair value losses	(11,790,990)	-	-	(11,790,990)
Realized gains	228,821	-	-	228,821
At December 31, 2022, restated	$ 503,233,895	$ -	$ -	$ 503,233,895
Additions	78,746,777	-	-	78,746,777
Disposals and maturities	(59,991,571)	-	-	(59,991,571)
Net fair value gains	23,536,291	-	-	23,536,291
Realized losses	(25,597)	-	-	(25,597)
Deconsolidation of Class A CGBF	(19,815,124)	-	-	(19,815,124)
At December 31, 2023	$ 525,684,671	$ -	$ -	$ 525,684,671

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

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

At December 31, 2023	Level 1	Level 2	Total Fair Value
Financial assets designated at fair value through profit or loss:			
Equity securities	$ 13,581,236	$ 9,011,289	$ 22,592,525
Shares in investment funds	-	10,529,856	10,529,856
Government securities	-	438,401,937	438,401,937
Preferred shares	-	5,407,959	5,407,959
Other debt securities	-	19,187,394	19,187,394
Sovereign debt	-	29,565,000	29,565,000
Total investment securities	**$ 13,581,236**	**$ 512,103,435**	**$ 525,684,671**

The Group did not have any financial instruments classified as Level 3 as at December 31, 2023.

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

At December 31, 2022, restated	Level 1	Level 2	Total Fair Value
Financial assets designated at fair value through profit or loss:			
Equity securities	$ 12,996,381	$ 5,871,200	$ 18,867,581
Shares in investment funds	-	9,898,351	9,898,351
Government securities	-	397,489,212	397,489,212
Preferred shares	-	5,377,867	5,377,867
Other debt securities	-	44,987,884	44,987,884
Sovereign debt	-	26,613,000	26,613,000
Total investment securities	**$ 12,996,381**	**$ 490,237,514**	**$ 503,233,895**

The Group did not have any financial instruments classified as Level 3 as at December 31, 2022.

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, 2023 and 2022 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"):

	2023				
Financial Assets (in B$000s)		**SPPI Financial Assets**		**Non-SPPI Financial Assets**	
	Total Carrying Value	**Fair Value**	**Change in Fair Value**	**Fair Value**	**Change in Fair Value**
Term deposits	$ 7,531,464	$ -	$ -	$ 7,531,464	$ -
Equity securities	$ 22,592,525	$ -	$ -	$ 22,592,525	$ -
Shares in investment funds	$ 10,529,856	$ -	$ -	$ 10,529,856	$ -
Government securities	$ 438,401,937	$ -	$ -	$ 438,401,937	$ -
Preferred shares	$ 5,407,959	$ -	$ -	$ 5,407,959	$ -
Other debt securities	$ 19,187,394	$ -	$ -	$ 19,187,394	$ -
Sovereign debt	$ 29,565,000	$ 29,565,000	$ -	$ -	$ -

	2022				
Financial Assets (in B$000s)		**SPPI Financial Assets**		**Non-SPPI Financial Assets**	
	Total Carrying Value	**Fair Value**	**Change in Fair Value**	**Fair Value**	**Change in Fair Value**
Term deposits	$ 7,527,189	$ -	$ -	$ 7,527,189	$ -
Equity securities	$ 18,867,581	$ -	$ -	$ 18,867,581	$ -
Shares in investment funds	$ 9,898,351	$ -	$ -	$ 9,898,351	$ -
Government securities	$ 397,489,212	$ -	$ -	$ 397,489,212	$ -
Preferred shares	$ 5,377,867	$ -	$ -	$ 5,377,867	$ -
Other debt securities	$ 44,987,884	$ -	$ -	$ 44,987,884	$ -
Sovereign debt	$ 26,613,000	$ 26,613,000	$ -	$ -	$ -

9. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES

9.1 Composition of the balance sheet

The groups of insurance contracts and reinsurance contracts held are set out in the table below, along with presentation of current and non-current portions of the balances:

(In B$000s)	2023						
	Life	Health	P&C	Total	Current	Non-Current	Total
Insurance contract assets	1,345	-	-	**$ 1,345**	106	1,239	**$ 1,345**
Insurance contract liabilities	461,419	27,141	5,727	**$ 494,287**	76,174	418,113	**$ 494,287**
Reinsurance contract assets	23,553	3,693	2,563	**$ 29,809**	14,774	15,035	**$ 29,809**
Reinsurance contract liabilities	-	-	-	**$ -**	-	-	**$ -**

(In B$000s)	2022						
	Life	Health	P&C	Total	Current	Non-Current	Total
Insurance contract assets	1,103	-	-	**$ 1,103**	104	999	**$ 1,103**
Insurance contract liabilities	424,243	30,957	3,051	**$ 458,251**	77,692	380,559	**$ 458,251**
Reinsurance contract assets	22,446	3,043	2,033	**$ 27,522**	17,619	9,903	**$ 27,522**
Reinsurance contract liabilities	277	308	-	**$ 585**	428	157	**$ 585**

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

9.2 *Insurance Contracts Issued*

The following tables explain the components of insurance contract and reinsurance contract assets and liabilities, in addition to changes in these balances for the year.

(a) Insurance Contracts - Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims components (LIC)

	2023					
			LIC			
				For contracts under PAA		
	LRC		For contracts	PV of	Risk	
	Excluding	Loss	not under	future cash	Adjustment for	
(In B$000s)	**Loss Component**	**Component**	**PAA**	**flows**	**non-financial risk**	**TOTAL**
Opening insurance contract assets	**$ (1,207)**	**$ -**	**$ 104**	**$ -**	**$ -**	**$ (1,103)**
Opening insurance contract liabilities	**$ 375,614**	**$ 5,544**	**$ 43,684**	**$ 31,203**	**$ 2,206**	**$ 458,251**
Net Insurance Contract balances, beginning of year	**$ 374,407**	**$ 5,544**	**$ 43,788**	**$ 31,203**	**$ 2,206**	**$ 457,148**
Insurance revenue	(124,951)	-	-	-	-	**(124,951)**
Insurance service expenses:						
Incurred claims and other directly attributable expenses	-	2,518	18,013	95,740	1,761	**118,032**
Changes that relate to past service – changes in the FCF relating to the LIC	-	-	34	(10,105)	(1,684)	**(11,755)**
Losses on onerous contracts and reversal of those losses	-	2,366	-	-	-	**2,366**
Insurance acquisition cash flows amortisation	3,463	-	7	-	-	**3,470**
Insurance service expenses	3,463	4,884	18,054	85,635	77	**112,113**
Investment components	(23,314)	-	23,314	-	-	**-**
Insurance service result	**(144,802)**	**4,884**	**41,368**	**85,635**	**77**	**(12,838)**
Finance expenses from insurance contracts issued recognised in profit or loss	40,646	82	-	26	-	**40,754**
Total amounts recognised in comprehensive income	(104,156)	4,966	41,368	85,661	77	**27,916**
CASH FLOWS						
Premiums received	$ 144,891	$ -	$ -	$ -	$ -	**$ 144,891**
Claims and other directly attributable expenses paid	-	-	(41,744)	(86,493)	-	**(128,237)**
Insurance acquisition cash flows	(8,776)	-	-	-	-	**(8,776)**
Total cash flows	136,115	-	(41,744)	(86,493)	-	**7,878**
Net insurance contract liabilities, end of year	**$ 406,366**	**$ 10,510**	**$ 43,412**	**$ 30,371**	**$ 2,283**	**$ 492,942**
Insurance contract assets	**$ (1,459)**	**$ 8**	**$ 106**	**$ -**	**$ -**	**$ (1,345)**
Insurance contract liabilities	**$ 407,825**	**$ 10,502**	**$ 43,306**	**$ 30,371**	**$ 2,283**	**$ 494,287**
Net insurance contract liabilities, end of year	**$ 406,366**	**$ 10,510**	**$ 43,412**	**$ 30,371**	**$ 2,283**	**$ 492,942**

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

	2022					
			LIC			
				For contracts under PAA		
	LRC		For contracts	PV of	Risk	
	Excluding	Loss	not under	future cash	Adjustment for	
(In B$000s)	Loss Component	Component	PAA	flows	non-financial risk	TOTAL
Opening insurance contract assets	**$ (3,898)**	**$ -**	**$ 104**	**$ 1,293**	**$ -**	**$ (2,501)**
Opening insurance contract liabilities	**$ 358,999**	**$ 602**	**$ 43,894**	**$ 26,836**	**$ 1,731**	**$ 432,062**
Net Insurance Contract balances, beginning of year	**$ 355,101**	**$ 602**	**$ 43,998**	**$ 28,129**	**$ 1,731**	**$ 429,561**
Insurance revenue	(127,369)	-	-	-	-	**(127,369)**
Insurance service expenses:	-	-	-	-	-	
Incurred claims and other directly attributable expenses	-	2,740	20,648	102,976	4,287	**130,651**
Changes that relate to past service – changes in the FCF relating to the LIC	-	-	51	(18,034)	(3,812)	**(21,795)**
Losses on onerous contracts and reversal of those losses	-	1,644	-	-	-	**1,644**
Insurance acquisition cash flows amortisation	2,379	-	-	-	-	**2,379**
Total insurance service expenses	2,379	4,384	20,699	84,942	475	**112,879**
Investment components	(24,802)	-	24,802	-	-	**-**
Insurance service result	**(149,792)**	**4,384**	**45,501**	**84,942**	**475**	**(14,490)**
Finance expenses from insurance contracts issued recognised in profit or loss	24,524	8	-	15	-	**24,547**
Total amounts recognised in comprehensive income	(125,268)	4,392	45,501	84,957	475	**10,057**
CASH FLOWS						
Premiums received	$ 155,581	$ -	$ -	$ -	$ -	**$ 155,581**
Claims and other directly attributable expenses paid	(13,911)	550	(45,711)	(81,883)	-	**(140,955)**
Insurance acquisition cash flows	2,904	-	-	-	-	**2,904**
Total cash flows	144,574	550	(45,711)	(81,883)	-	**17,530**
Net insurance contract liabilities, end of year	**$ 374,407**	**$ 5,544**	**$ 43,788**	**$ 31,203**	**$ 2,206**	**$ 457,148**
Insurance contract assets	**$ (1,207)**	**$ -**	**$ 104**	**$ -**	**$ -**	**$ (1,103)**
Insurance contract liabilities	**$ 375,614**	**$ 5,544**	**$ 43,684**	**$ 31,203**	**$ 2,206**	**$ 458,251**
Net insurance contract liabilities, end of year	**$ 374,407**	**$ 5,544**	**$ 43,788**	**$ 31,203**	**$ 2,206**	**$ 457,148**

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

(b) Insurance Contracts - Reconciliation of the measurement components of insurance contract liabilities

Long-term insurance contracts not measured under PAA

	2023			
(In B$000s)	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	TOTAL
Opening insurance contract assets	$ (1,116)	$ 1	$ 12	**$ (1,103)**
Opening insurance contract liabilities	372,756	36,865	14,622	**424,243**
Net, insurance contract liabilities, beginning of year	**$ 371,640**	**$ 36,866**	**$ 14,634**	**$ 423,140**
Changes that relate to current service:				
CSM recognised for the services provided	-	-	(3,024)	**(3,024)**
Change in the risk adjustment for non-financial risk for the risk expired	-	(4,066)	-	**(4,066)**
Experience adjustments – relating to insurance service expenses	(4,492)	-	-	**(4,492)**
Total changes that relate to current service	(4,492)	(4,066)	(3,024)	**(11,582)**
Changes that relate to future service:				
Changes in estimates that adjust the CSM	(12,490)	3,104	9,387	**1**
Changes in estimates that result in onerous contract losses or reversals of those losses	4,461	(2,715)	-	**1,746**
Contracts initially recognised in the period	(2,866)	2,034	1,452	**620**
Total changes that relate to future service	(10,895)	2,423	10,839	**2,367**
Changes that relate to past service:				
Changes that relate to past service – changes in the FCF relating to the LIC	34	-	-	**34**
Total changes that relate to past service	34	-	-	**34**
Insurance service result	**(15,353)**	**(1,643)**	**7,815**	**(9,181)**
Finance expenses from insurance contracts issued recognised in profit or loss	38,934	1,494	299	**40,727**
Finance expenses from insurance contracts held	38,934	1,494	299	**40,727**
Total amounts recognized in comprehensive income	**23,581**	**(149)**	**8,114**	**31,546**
CASH FLOWS:				
Premiums received	54,200	-	-	**54,200**
Claims and other directly attributable expenses paid	(41,738)	-	-	**(41,738)**
Insurance acquisition cash flows	(7,075)	-	-	**(7,075)**
Total cash flows	5,387	-	-	**5,387**
Net, insurance contract liabilities, end of year	**$ 400,608**	**$ 36,717**	**$ 22,748**	**$ 460,073**
Closing insurance contract assets	(1,347)	1	-	**(1,346)**
Closing insurance contract liabilties	401,955	36,716	22,748	**461,419**
Net, insurance contract liabilities, end of year	**$ 400,608**	**$ 36,717**	**$ 22,748**	**$ 460,073**

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

	2022			
(In B$000s)	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	**CSM**	**Total**
Opening insurance contract assets	$ (977)	$ 1	$ 15	**$ (961)**
Opening insurance contract liabilities	351,830	35,739	16,623	**404,192**
Net, insurance contract liabilities, beginning of year	**$ 350,853**	**$ 35,740**	**$ 16,638**	**$ 403,231**
Changes that relate to current service:				
CSM recognised for the services provided	-	-	(1,824)	**(1,824)**
Change in the risk adjustment for non-financial risk for the risk expired	-	(3,979)	-	**(3,979)**
Experience adjustments – relating to insurance service expenses	(915)	-	-	**(915)**
Total changes that relate to current service	(915)	(3,979)	(1,824)	**(6,718)**
Changes that relate to future service:				
Changes in estimates that adjust the CSM	(106)	1,930	(1,824)	**-**
Changes in estimates that result in onerous contract losses or reversals of those losses	1,297	(284)	-	**1,013**
Contracts initially recognised in the period	(2,388)	1,738	1,281	**631**
Experience adjustments – arising from premiums received in the period that relate to future service	-	-	-	**-**
Total changes that relate to future service	(1,197)	3,384	(543)	**1,644**
Changes that relate to past service:				
Changes that relate to past service – changes in the FCF relating to the LIC	50	-	-	**50**
Experience adjustments – arising from premiums received in the period that relate to past service	-	-	-	**-**
Total changes that relate to past service	50	-	-	**50**
Insurance service result	**(2,062)**	**(595)**	**(2,367)**	**(5,024)**
Finance expenses from insurance contracts issued recognised in profit or loss	22,449	1,721	362	**24,532**
Finance expenses from insurance contracts issued recognised in OCI	-	-	-	**-**
Finance expenses from insurance contracts held	22,449	1,721	362	**24,532**
Total amounts recognized in comprehensive income	**20,387**	**1,126**	**(2,005)**	**19,508**
Insurance acquisition cash flows asset and other pre-recognition	-	-	-	**-**
Unpaid premiums related to past service	-	-	-	**-**
CASH FLOWS:				
Premiums received	52,931	-	-	**52,931**
Claims and other directly attributable expenses paid	(45,712)	-	-	**(45,712)**
Insurance acquisition cash flows	(6,818)	-	-	**(6,818)**
Total cash flows	401	-	-	**401**
Net, insurance contract liabilities, end of year	**$ 371,641**	**$ 36,866**	**$ 14,633**	**$ 423,140**
Closing insurance contract assets	(1,116)	1	12	**(1,103)**
Closing insurance contract liabilties	372,757	36,865	14,621	**424,243**
Net, insurance contract liabilities, end of year	**$ 371,641**	**$ 36,866**	**$ 14,633**	**$ 423,140**

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

(c) **Insurance Contracts - Impact of contracts recognized in the period**

(In B$000s)	2023 Non-Onerous	2023 Onerous	2023 TOTAL	2022 Non-Onerous	2022 Onerous	2022 TOTAL
Estimates of the present value of future cash outflows:						
-Insurance acquisition cash flows	$ 4,774	$ 1,223	**$ 5,997**	$ 5,158	$ 1,272	**$ 6,430**
-Claims and other directly attributable expenses	13,147	2,398	**15,545**	10,457	2,384	**12,841**
Total estimates of the PV of future cash outflows	17,921	3,621	**21,542**	15,615	3,656	**19,271**
Estimates of the present value of future cash inflows:	(20,982)	(3,534)	**(24,516)**	(17,008)	(3,551)	**(20,559)**
-Risk adjustment for non-financial risk	1,501	533	**2,034**	1,213	525	**1,738**
-CSM	1,452	-	**1,452**	1,281	-	**1,281**
Increase (decrease) in insurance contract liabilities from contracts recognized in the period	$ (108)	$ 620	**$ 512**	$ 1,101	$ 630	**$ 1,731**

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

The following tables show amounts determined on transition to IFRS17 for insurance revenue and the CSM by transition method.

(d) **Insurance Contracts - Amounts determined on transition to IFRS17 – Insurance revenue and the CSM by transition method**

	2023			2022		
Life Risk - Insurance Contracts Issued (In B$000s)	**New contracts and contracts measured under the full retrospective approach at transition**	**Contracts measured under the fair value approach at transition**	**TOTAL**	**New contracts and contracts measured under the full retrospective approach at transition**	**Contracts measured under the fair value approach at transition**	**TOTAL**
Insurance revenue	$ 7,116	$ 27,019	**$ 34,135**	$ 5,576	$ 25,890	**$ 31,466**
CSM as at beginning of year	1,537	13,097	**14,634**	994	15,644	**16,638**
Changes that relate to current service:						
CSM recognised for the services provided	(472)	(2,552)	**(3,024)**	(172)	(1,652)	**(1,824)**
Changes that relate to future service:						
Changes in estimates that adjust the CSM	1,052	8,335	**9,387**	(611)	(1,213)	**(1,824)**
Contracts initially recognised in the period	1,452	-	**1,452**	1,281		**1,281**
Experience adjustments – arising from premiums received in the period that relate to future service	-	-	**-**	-		**-**
Total changes that relate to future service	2,032	5,783	**7,815**	498	(2,865)	**(2,367)**
Finance expenses from insurance contracts issued	71	228	**299**	45	318	**363**
Total amounts recognised in comprehensive income	2,103	6,011	**8,114**	543	(2,547)	**(2,004)**
CSM as at year-end	$ 3,640	$ 19,108	**$ 22,748**	$ 1,537	$ 13,097	**$ 14,634**

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

9.3 *Reinsurance Contracts Held*

(a) **Reinsurance Contracts - Reconciliation of the remaining coverage and incurred claims components**

	2023					
	Remaining Coverage		LIC	Incurred Claims		
(In B$000s)	Excluding Loss-Recovery Component	Loss-Recovery Component	For contracts not under the PAA	PV of future cash flows	Risk Adjustment for non-financial Risk	TOTAL
Opening reinsurance contract assets	$ 8,762	$ 911	$ 12,543	$ 4,812	$ 494	**$ 27,522**
Opening reinsurance contract liabilities	(1,012)	-	120	264	43	**(585)**
Net, reinsurance contract assets, beginning of year	**$ 7,750**	**$ 911**	**$ 12,663**	**$ 5,076**	**$ 537**	**$ 26,937**
Net income (expenses) from reinsurance contracts held:						
Reinsurance expenses	(22,827)	-	-	-	-	**(22,827)**
Other incurred directly attributable expenses	-	-	-	3,510	138	**3,648**
Incurred claims recovery	-	(290)	9,769	3,133	(5)	**12,607**
Changes that relate to past service - changes in the FCF relating to incurred claims	-	-	-	(1,685)	(276)	**(1,961)**
Income on initial recognition of onerous underlying contracts	-	444	-	-	-	**444**
Reversals of a loss-recovery component other than change in the FCF of reinsurance contracts held	-	(328)	-	-	-	**(328)**
Net income (expenses) from reinsurance contracts held:	(22,827)	(174)	9,769	4,958	(143)	**(8,417)**
Finance expenses from reinsurance contracts held recognised in profit or loss	840	50	-	22	-	**912**
Finance expenses from reinsurance contracts held	840	50	-	22	-	**912**
Total amounts recognized in comprehensive income	**(21,987)**	**(124)**	**9,769**	**4,980**	**(143)**	**(7,505)**
CASH FLOWS						
Premiums paid net of ceding commissions and other directly attributable expenses paid	29,453	-	-	-	-	**29,453**
Recoveries from reinsurance	-	-	(13,914)	(5,163)	-	**(19,077)**
	-	-	-	-	-	**-**
Total cash flows	29,453	-	(13,914)	(5,163)	-	**10,376**
Net, reinsurance contract assets, end of year	**$ 15,216**	**$ 787**	**$ 8,518**	**$ 4,893**	**$ 394**	**$ 29,808**
Closing reinsurance contract assets	$ 15,216	$ 787	$ 8,518	$ 4,893	$ 394	**$ 29,808**
Closing reinsurance contract liabilities	-	-	-	-	-	**-**
Net, reinsurance contract assets, end of year	**$ 15,216**	**$ 787**	**$ 8,518**	**$ 4,893**	**$ 394**	**$ 29,808**

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

	2022					
	Remaining Coverage		LIC	Incurred Claims		
(In B$000s)	Excluding Loss-Recovery Component	Loss-Recovery Component	For contracts not under the PAA	PV of future cash flows	Risk Adjustment for non-financial Risk	Total
Opening reinsurance contract assets	$ 6,835	$ 527	$ 20,760	$ 2,593	$ 312	**$ 31,027**
Opening reinsurance contract liabilities	(2,287)	14	182	400	51	**(1,640)**
Net,reinsurance contract assets, beginning of year	**$ 4,548**	**$ 541**	**$ 20,942**	**$ 2,993**	**$ 363**	**$ 29,387**
Net income (expenses) from reinsurance contracts held:						
Reinsurance expenses	(23,728)	(203)	10,054	-	-	**(13,877)**
Other incurred directly attributable expenses	-	-	-	(111)	-	**(111)**
Incurred claims recovery	-	-	-	12,167	517	**12,684**
Changes that relate to past service - changes in the FCF relating to incurred claims	-	-	-	(1,745)	(344)	**(2,089)**
Income on initial recognition of onerous underlying contracts	-	437	-	-	-	**437**
Reversals of a loss-recovery component other than change in the FCF of reinsurance contracts held	-	93	-	-	-	**93**
Net income (expenses) from reinsurance contracts held:	(23,728)	327	10,054	10,311	173	**(2,863)**
Finance expenses from reinsurance contracts held recognised in profit or loss	547	34	-	14	-	**595**
Finance expenses from reinsurance contracts held	547	34	-	14	-	**595**
Total amounts recognized in comprehensive income	**(23,181)**	**361**	**10,054**	**10,325**	**173**	**(2,268)**
Premiums paid net of ceding commissions and other directly attributable expenses paid	26,384	-	-	-	-	**26,384**
Recoveries from reinsurance	-	-	(18,324)	(8,241)	-	**(26,565)**
Total cash flows	26,384	-	(18,324)	(8,241)	-	**(181)**
Net, reinsurance contract assets, end of year	**$ 7,751**	**$ 902**	**$ 12,672**	**$ 5,077**	**$ 536**	**$ 26,938**
Closing reinsurance contract assets	$ 8,831	$ 842	$ 12,543	$ 4,812	$ 494	**$ 27,522**
Closing reinsurance contract liabilities	(1,082)	60	129	265	42	**(586)**
Net, reinsurance contract assets, end of year	**$ 7,749**	**$ 902**	**$ 12,672**	**$ 5,077**	**$ 536**	**$ 26,936**

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

(b) Reinsurance Contracts - Reconciliation of the measurement components

	2023			
(In B$000s)	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	**CSM**	**TOTAL**
Opening reinsurance contract assets	**$ 20,057**	**$ 12,718**	**$ (10,329)**	**$ 22,446**
Opening reinsurance contract liabilities	**(389)**	**19**	**93**	**(277)**
Net, reinsurance contract assets, beginning of year	**$ 19,668**	**$ 12,737**	**$ (10,236)**	**$ 22,169**
Changes that relate to current service:				
CSM recognised for the services provided	-	-	949	**949**
Change in the risk adjustment for non-financial risk for the risk expired	-	(1,359)	-	**(1,359)**
Experience adjustments – relating to insurance service expenses	(1,911)	-	-	**(1,911)**
Total changes that relate to current service	(1,911)	(1,359)	949	**(2,321)**
Changes that relate to future service:				
Changes in estimates that adjust the CSM	(4,780)	537	4,244	**1**
Contracts initially recognised in the period	400	681	(636)	**445**
CSM adjustment for income on initial recognition of onerous underlying contracts	181	(179)	-	**2**
Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	-	-	**-**
Changes in the FCF of reinsurance contracts held from onerous underlying contracts	-	-	(330)	**(330)**
Experience adjustments – arising from premiums received in the period that relate to future service	-	-	-	**-**
Total changes that relate to future service	(4,199)	1,039	3,278	**118**
Net income (expenses) from reinsurance contracts held	**(6,110)**	**(320)**	**4,227**	**(2,203)**
Finance expenses from reinsurance contracts held recognised in profit or loss	518	751	(379)	**890**
Finance expenses from reinsurance contracts held recognised in OCI	-	-	-	**-**
Finance expenses from reinsurance contracts held	**518**	**751**	**(379)**	**890**
Total amounts recognized in comprehensive income	**(5,592)**	**431**	**3,848**	**(1,313)**
CASH FLOWS:				
Premiums paid net of ceding commissions and other directly attributable expenses paid	16,614	-	-	**16,614**
Recoveries from reinurance	(13,917)	-	-	**(13,917)**
Total cash flows	2,697	-	-	**2,697**
Net reinsurance contract assets, end of year	$ 16,773	$ 13,168	$ (6,388)	**$ 23,553**
Closing reinsurance contract assets	**16,773**	**13,168**	**(6,388)**	**23,553**
Closing reinsurance contract liabilities	**-**	**-**	**-**	**-**
Net reinsurance contract assets, end of year	**$ 16,773**	**$ 13,168**	**$ (6,388)**	**$ 23,553**

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

	2022			
(In B$000s)	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	**CSM**	**TOTAL**
Opening reinsurance contract assets	26,901	12,417	(11,278)	**28,040**
Opening reinsurance contract liabilities	(364)	52	(130)	**(442)**
Reinsurance contract assets, beginning of year	**$ 26,537**	**$ 12,469**	**$ (11,408)**	**$ 27,598**
Changes that relate to current service:				
CSM recognised for the services provided	-	-	1,458	**1,458**
Change in the risk adjustment for non-financial risk for the risk expired	-	(1,317)	-	**(1,317)**
Experience adjustments – relating to insurance service expenses	(914)	-	-	**(914)**
Total changes that relate to current service	(914)	(1,317)	1,458	**(773)**
Changes that relate to future service:				
Changes in estimates that adjust the CSM	(835)	323	512	**-**
Contracts initially recognised in the period	318	563	(444)	**437**
CSM adjustment for income on initial recognition of onerous underlying contracts	45	50	-	**95**
Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	-	-	**-**
Changes in the FCF of reinsurance contracts held from onerous underlying contracts	-	-	(2)	**(2)**
Experience adjustments – arising from premiums received in the period that relate to future service	-	-	-	**-**
Total changes that relate to future service	(472)	936	66	**530**
Net income (expenses) from reinsurance contracts held	**(1,386)**	**(381)**	**1,524**	**(243)**
Finance expenses from reinsurance contracts held recognised in profit or loss	286	649	(354)	**581**
Finance expenses from reinsurance contracts held recognised in OCI	-	-	-	**-**
Finance expenses from reinsurance contracts held	**286**	**649**	**(354)**	**581**
Total amounts recognized in comprehensive income	**(1,100)**	**268**	**1,170**	**338**
CASH FLOWS:				
Premiums paid net of ceding commissions and other directly attributable expenses paid	12,555	-	-	**12,555**
Recoveries from reinsurance	(18,322)	-	-	**(18,322)**
Total cash flows	(5,767)	-	-	**(5,767)**
Reinsurance contract assets, end of year	$ 19,670	$ 12,737	$ (10,238)	**$ 22,169**
Closing reinsurance contract assets	19,978	12,648	(10,180)	**22,446**
Closing reinsurance contract liabilities	(308)	89	(58)	**(277)**
Reinsurance contract assets, end of year	$ 19,670	$ 12,737	$ (10,238)	**$ 22,169**

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

(c) **Reinsurance Contracts – Impact of contracts recognized in the period**

(In B$000s)	2023 Contracts not originated in a net gain	2023 Contracts originated in a net gain	2023 TOTAL	2022 Contracts not originated in a net gain	2022 Contracts originated in a net gain	2022 TOTAL
Estimates of the present value of future cash inflows	$ -	$ (4,975)	**$ (4,975)**	$ -	$ (4,188)	**$ (4,188)**
Estimates of the present value of future cash outflows	-	4,576	**4,576**	-	3,870	**3,870**
Risk adjustment for non-financial risk	-	(681)	**(681)**	-	(563)	**(563)**
Other pre-recognition cash flows derecognised	-	-	**-**	-	-	**-**
CSM	-	1,080	**1,080**	-	881	**881**
Increase (decrease) in reinsurance contract assets from contracts recognized in the period	$ -	$ -	**$ -**	$ -	$ -	**$ -**

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

(d) **Reinsurance Contracts – Amounts determined on transition to IFRS 17 – CSM by transition method**

	2023			2022		
Life Risk - Reinsurance Contracts Held (In B$000s)	**New contracts and contracts measured under the full retrospective approach at transition**	**Contracts measured under the fair value approach at transition**	**TOTAL**	**New contracts and contracts measured under the full retrospective approach at transition**	**Contracts measured under the fair value approach at transition**	**TOTAL**
CSM as at beginning of year	$ 878	$ 9,360	**$ 10,238**	$ 429	$ 10,979	**$ 11,408**
Changes that relate to current service:						
CSM recognised for the services provided	(222)	(727)	**(949)**	(104)	(1,354)	**(1,458)**
Changes that relate to future service:	-	-				
Changes in estimates that adjust the CSM	439	(4,355)	**(3,916)**	88	(598)	**(510)**
Contracts initially recognised in the period	636	-	**636**	444	-	**444**
Experience adjustments – arising from premiums received in the period that relate to future service	-	-	**-**	-	-	**-**
Total changes that relate to future service	1,075	(4,355)	**(3,280)**	532	(598)	**(66)**
Finance expenses from reinsurance contracts held	42	337	**379**	20	334	**354**
Total amounts recognised in comprehensive income	895	(4,745)	**(3,850)**	448	(1,618)	**(1,170)**
CSM as at year-end	**$ 1,773**	**$ 4,615**	**$ 6,388**	**$ 877**	**$ 9,361**	**$ 10,238**

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

9.4 Investment Contract Liabilities

	2023	2022
Third party pension liabilities	$ 23,478,253	$ 28,291,966
Segregated fund liabilities	2,097,479	2,340,037
Other liabilities	227,131	252,858
Total other liabilities	$ 25,802,863	$ 30,884,861

Interest on third party pension plans is at rates between 4.1% to 4.5% (2022: 4.1% to 4.5%).

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

10. RECEIVABLES AND OTHER ASSETS

Receivables and other assets are comprised of the following:

		2023		2022 (Restated)
Financial assets				
Net balances receivable on ASO plans	$	76,028,647	$	22,233,900
Accrued interest income		6,858,304		5,732,252
Participation in IRM reinsurance facilities		6,577,989		6,675,114
Non-financial assets				
Properties assumed under mortgage defaults		1,715,400		1,753,400
Land held for development		4,426,185		4,426,185
Prepayments and other assets		8,854,298		12,211,141
Total receivables and other assets	$	104,460,823	$	53,031,992

Administrative Services Only (ASO) receivables

Included in receivables and other assets are net amounts due from 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. MORTGAGES AND COMMERCIAL LOANS

Mortgages and commercial loans are comprised of the following:

		2023		2022 (Restated)
Mortgages and commercial loans	$	26,117,717	$	27,295,906
Accrued interest		16,674,998		14,943,795
Subtotal		42,792,715		42,239,701
Less: allowances for impairment / provisions		(29,196,615)		(30,586,655)
Mortgages and commercial loans, net	$	13,596,100	$	11,653,046

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

Mortgages and commercial loans are classified into the following categories:

	2023	2022 (Restated)
Residential mortgages	$ 12,040,789	$ 12,991,786
Commercial mortgages	11,379,717	11,605,311
Commercial paper	2,697,211	2,698,809
Subtotal	26,117,717	27,295,906
Accrued interest	16,674,998	14,943,795
Total	$ 42,792,715	$ 42,239,701

The totals 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, 2023 are loans to employees and salespersons amounting to $1,279,222 (2022: $1,469,121).

Provisions on mortgages and commercial loans are as follows:

	2023	2022 (Restated)
Residential mortgages	$ 5,437,014	$ 5,144,009
Commercial mortgages	5,726,451	8,813,371
Commercial paper	2,499,239	2,241,591
Accrued interest	15,533,911	14,387,684
Total provisions on mortgages and commercial loans	$ 29,196,615	$ 30,586,655

The movement in loan loss provisions is as follows:

	2023	2022 (Restated)
Balance, beginning of year	$ 30,586,655	$ 30,391,014
Increase in provisions	2,130,510	1,202,878
Provisions written back to income	(3,520,550)	(1,007,237)
Balance, end of year	$ 29,196,615	$ 30,586,655

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

	Stage 1 12-month ECL	Stage 2 12-month ECL	Stage 3 12-month ECL	Total
Loss allowance as at December 31, 2021	$ 104,760	$ 89,545	$ 24,158,083	$ 24,352,388
IFRS transition adjustment (note 2.1)	-	-	6,038,626	6,038,626
Restated January 1, 2022 Loss allowance	104,760	89,545	30,196,709	30,391,014
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Net remeasurement of loss allowance	(35,449)	(72,121)	(899,667)	(1,007,237)
Release in provisions of financial assets	-	-	1,202,878	1,202,878
Financial assets that have been derecognised	-	-	-	-
Loss allowance as at December 31, 2022	$ 69,311	$ 17,424	$ 30,499,920	$ 30,586,655
Transfers:				
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Net remeasurement of loss allowance	(59,632)	(16,043)	(3,444,875)	(3,520,550)
Release in provisions of financial assets	-	-	2,130,510	2,130,510
Financial assets that have been derecognised	-	-	-	-
Loss allowance as at December 31, 2023	$ 9,679	$ 1,381	$ 29,185,555	$ 29,196,615

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

	2023	2022
Residential mortgages	6.69%	7.60%
Commercial mortgages	7.53%	9.24%
Commercial paper	7.90%	7.90%

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

12. 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, 2021	$ 3,140,000	$ 630,000	$ 54,688,824	$ 58,458,824
Additions	-	-	321,054	321,054
Disposals	-	-	(60,000)	(60,000)
Loss from fair value adjustments through revaluation reserve (note 20)	-	-	(649,000)	(649,000)
Net gain from fair value adjustments (note 24)	100,000	-	(84,878)	15,122
At December 31, 2022	$ 3,240,000	$ 630,000	$ 54,216,000	$ 58,086,000
Additions	-	-	3,082,768	3,082,768
Transfers from property & equipment (note 14)	-	-	445,904	445,904
Gain from fair value adjustments through revaluation reserve (note 20)	-	-	160,819	160,819
Gain from fair value adjustments (note 24)	5,000	-	534,999	539,999
At December 31, 2023	$ 3,245,000	$ 630,000	$ 58,440,490	$ 62,315,490

A revaluation gain of $160,819 (2022: revaluation loss of $649,000) 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 (note 24).

(Expressed in Bahamian Dollars)

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, 2023 were based on management using the Discounted Cash Flow Method (DCF) and the Sales Comparison Method (SC). (2022: DCF, IA, and SC).

Significant unobservable inputs used in the valuations in 2023 were as follows:

Property Classification	**Valuation technique**	**Significant unobservable inputs**	**Range (weighted average)**
Land and land lots	SC	Sales price / acre	$10,000 - $325,000 ($11,998)
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	$7 - $82 9.8% to 11% 2% - 3% 2% - 3% 8.5% - 9.75% 5% - 24%
	SC	Sales price / sq. ft.	$50 ($50)

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

Significant unobservable inputs used in the valuations in 2022 were as follows:

Property Classification	Valuation technique	Significant unobservable inputs	Range (weighted average)
Land and land lots	SC	Sales price / acre	$9,000 - $325,000 ($10,640)
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	$11 - $80 9.8% to 11% 2% - 3% 2% - 3% 8.5% - 9.75% 7% - 27%
	SC	Sales price / sq. ft.	$50 ($50)

(Expressed in Bahamian Dollars)

	IA	Capitalization rate Vacancy rate	9.0% 17%

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.

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.

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 realizability 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 $12.2 million (2022: $11.8 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 $5,113,504 (2022: $4,609,853), (See note 24). Direct expenses related to generating rental income from investment properties, amounting to $2,369,526 (2022: $2,239,063), are included in general and administrative expenses. Repairs and maintenance costs included in these direct expenses total $432,706 (2022: $380,447).

(Expressed in Bahamian Dollars)

13. EQUITY-ACCOUNTED INVESTEES

Equity-accounted investees are comprised of:

		2023		2022
Walk-In Holdings Limited	$	4,553,831	$	4,472,773
SBL Ltd.		609,914		743,805
Total	$	5,163,745	$	5,216,578

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

		2023		2022
Share of profit / (loss) of equity-accounted investees				
Walk-In Holdings Limited	$	83,889	$	246,432
SBL Ltd.		(4,662)		(906,995)
Total share of profit / (loss) of equity-accounted investees	$	79,227	$	(660,563)

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

		2023		2022
Share of OCI of equity-accounted investees				
Walk-In Holdings Limited	$	(2,831)	$	(2,831)
SBL Ltd.		-		905,595
Total share of OCI of equity-accounted investees (note 20)	$	(2,831)	$	902,764

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(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% (2022: 31%) of WIHL. WIHL owns and operates medical clinics in The Bahamas.

The investment in WIHL is comprised of the following:

		2023		2022
Total assets	$	13,414,047	$	13,438,612
Total liabilities		(1,069,553)		(1,364,728)
Net assets of WIHL	$	12,344,494	$	12,073,884
Company's share of WIHL's net assets	$	3,821,130	$	3,740,072
Goodwill		732,701		732,701
Total investment in WIHL	$	4,553,831	$	4,472,773

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

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

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

		12 Months Ended Dec. 31, 2023		12 Months Ended Dec. 31, 2022
Total revenue	$	8,405,008	$	8,676,617
Net Income before OCI for the period	$	270,610	$	794,944
Other comprehensive income for the period		9,133		9,133
Total comprehensive income for the period	$	279,743	$	804,077
Share of WIHL's net profit	$	83,889	$	246,432
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 classified its investment in SBL as an equity-accounted investee as two of the ten Board members of SBL were 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 comprised private and specialist banking, wealth protection and management, and fiduciary services.

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 was redeemed on March 31, 2022.

In January 2022, Deltec Bank and Trust Limited ("Deltec") and SBL Ltd. executed a share purchase agreement for Ansbacher (Bahamas) Limited ("ABL"). The transaction received regulatory approvals and was finalized effective March 31, 2022.

At the time of the sale, the investment in SBL was comprised of the following:

		As at March 31, 2022*
Total assets	$	541,974,169
Total liabilities		(507,702,765)
Net assets of SBL	$	34,271,404
Share of SBL's net assets	$	6,165,072
Share of SBL's OCI through revaluation reserve		346,495
	$	6,511,567

(*) Prior to sale to Deltec

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

The carrying value of the investment in SBL approximated its fair value at the reporting date. Up to the sale date, the Group's share of SBL's comprehensive net income through March 31, 2022 was as follows:

		3 Months Ended Dec. 31, 2022
Total revenue	$	5,958,535
Net Income before OCI for the period	$	264,474
Other comprehensive loss for the period		(1,585,462)
Total comprehensive loss for the period	$	(1,320,988)
Share of SBL's net profit	$	50,250
Share of SBL's OCI through revaluation reserve	$	(301,238)

At the closing of the ABL transaction the Company received a cash payment of $6,021,019. During 2023, the Company received post-closing payments in accordance with the SPA totalling $54,141. The balance remaining represents managements' estimates of the remaining payments due.

The following table shows and analysis of goodwill and other intangible assets included in equity-accounted investees for the years ending December 31, 2023 and 2022:

		Goodwill		Other Intangibles Assets		Total
Balance as of December 31 , 2021	$	732,701	$	421,332	$	1,154,033
Amortization		-		(74,837)		(74,837)
Disposals during the year		-		(346,495)		(346,495)
Balance as of December 31 , 2022	$	732,701	$	-		732,701
Amortization		-		-		-
Disposals during the year		-		-		-
Balance as of December 31 , 2023	$	732,701	$	-	$	732,701

	2023					
		Other Intangible Assets				
		Gross Carrying Value		Accumulated Amortization		Total
Customer relationships	$	2,831,632	$	(2,831,632)	$	-
Software		618,397		(618,397)		-
Total Other Intangible Assets	$	3,450,029	$	(3,450,029)	$	-

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

14. PROPERTY AND EQUIPMENT

	Land, land improvements and buildings	Leasehold improvements	Furniture, fixtures and equipment	Motor vehicles	Total
Cost / revalued amounts:					
At January 1, 2022	$ 30,645,579	$ 1,614,930	$ 6,052,457	$ 106,957	$ 38,419,923
Additions	257,842	2,564	188,571	-	448,977
Disposals	(77,976)	-	(1,255)	(17,853)	(97,084)
At December 31, 2022	$ 30,825,445	$ 1,617,494	$ 6,239,773	$ 89,104	$ 38,771,816
Additions	-	72,165	32,567	43,182	147,914
Transfers to Investment Property (note 12)	(445,904)	-	-	-	(445,904)
At December 31, 2023	$ 30,379,541	$ 1,689,659	$ 6,272,340	$ 132,286	$ 38,473,826
Accumulated depreciation:					
At January 1, 2022	$ 12,621,022	$ 1,483,342	$ 4,947,001	$ 64,012	$ 19,115,377
Disposals	(53,284)	-	(1,255)	(9,005)	(63,544)
Depreciation charge	1,415,170	70,269	311,299	10,657	1,807,395
At December 31, 2022	$ 13,982,908	$ 1,553,611	$ 5,257,045	$ 65,664	$ 20,859,228
Disposals	-	-	-	-	-
Depreciation charge	1,342,696	35,288	219,990	6,780	1,604,754
At December 31, 2023	$ 15,325,604	$ 1,588,899	$ 5,477,035	$ 72,444	$ 22,463,982
Net book value:					
At December 31, 2023	$ 15,053,937	$ 100,760	$ 795,305	$ 59,842	$ 16,009,844
At December 31, 2022	$ 16,842,537	$ 63,883	$ 982,728	$ 23,440	$ 17,912,588

Property, plant and equipment includes ROU assets with a net book value of $1,235,532 (2022: $2.199,508) related to leased properties that do not meet the definition of investment property:

	2023	2022
Gross	$ 5,690,628	$ 4,597,236
Accumulated depreciation	(4,455,096)	(2,397,728)
Total ROU assets	$ 1,235,532	$ 2,199,508

ROU assets have an average lease term of 6 years (2022: 6 years)

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

	2023	2022
Land and land improvements	$ 4,648,501	$ 4,648,501
ROU assets (gross)	5,690,628	4,597,236
Buildings	20,040,412	21,579,708
Total cost/revalued amount	$ 30,379,541	$ 30,825,445

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 $6.7 million (2022: $7.2 million).

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

15. GOODWILL and OTHER INTANGIBLE ASSETS

Goodwill

Goodwill is comprised of the following at period end:

		2023		2022
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

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

	2023							
		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

	2022							
		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

(Expressed in Bahamian Dollars)

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.

	2023	2022
Discount rate	9.25% to 13.0%	9.25% 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%	2.4% to 4.0%
Growth rate on expenses	2.0% to 3.5%	2.0% to 3.5%

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

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.

Other Intangible Assets

Other intangible assets are comprised of the following at period end:

	2023	2022
Cost	$ 11,868,415	$ 11,868,415
Accumulated amortization	(11,431,878)	(10,403,575)
Net book amount	$ 436,537	$ 1,464,840
Balance, beginning of year	$ 1,464,840	$ 2,152,898
Additions during the period	-	296,143
Amortization charge	(1,028,303)	(984,201)
Balance, end of year	$ 436,537	$ 1,464,840

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.

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, 2023 is shown below:

	Other Intangible Assets		
	Gross Carrying Value	Accumulated Amortization	Total
Customer relationships	$ 4,572,000	$ (4,572,000)	$ -
Trade name	300,000	(273,750)	26,250
Development costs	1,693,826	(1,283,539)	410,287
Total Other Intangible Assets	$ 6,565,826	$ (6,129,289)	$ 436,537

Expected amortization of other intangible assets is shown below:

	Expected Amortization Other Intangible Assets
2024	392,436
2025	44,101
2026 and thereafter	-
Total	$ 436,537

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

16. OTHER LIABILITIES

Other liabilities are comprised of the following:

	2023	2022 (Restated)
Accrued expenses and other liabilities	$ 36,484,477	$ 32,671,255
Bank borrowings	29,016,167	-
Total other liabilities	$ 65,500,644	$ 32,671,255

Included in other liabilities are bank borrowings. The Board of Directors, by resolution dated November 16, 2022, authorized Colina to enter into a non-revolving demand instalment loan facility with FCIB for $30 million for the purpose of purchasing Government of The Bahamas Bonds.

The loan carries an interest rate of Bahamian $Prime minus 0.25% per annum with an interest rate floor of 4.0% and will be repaid by regular semi-annual principal payments of $1.5 million each, plus semi-annual interest payments with any outstanding principal and interest included with the last scheduled payment.

This loan is collateralized by a pledge of Colina's holdings in Class C of the CFAL Global Bond Fund Ltd. in the amount of US$60 million and is subject to a minimum value of twice the amount outstanding on the facility at all times. Throughout the reporting period, Colina has complied with all financial covenants in connection with this facility.

The loan agreement is dated January 10, 2023 and the proceeds of the loan facility were received on January 27, 2023 and immediately used by Colina for the purchase of Bahamas Government Bonds.

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

17. 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 14 with Property and Equipment.

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

		2023		2022
At the beginning of the year	$	2,805,618	$	3,246,348
Additions		-		257,841
Accretion of interest		136,438		177,385
Payments		(853,673)		(853,893)
Lease terminations		(483,749)		(22,063)
As at December 31,	$	1,604,634	$	2,805,618
Within 1 year	$	529,145	$	729,375
1-5 years		1,075,489		1,803,970
> 5 years		-		272,273
Total	$	1,604,634	$	2,805,618

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

The following are the amounts recognized in profit or loss:

		2023		2022
Depreciation expense ROU assets	$	560,937	$	624,680
Interest expense on lease liabilities (note 26)		136,438		177,385
Total amount recognized in profit or loss	$	697,375	$	802,065

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.

18. NON-CONTROLLING INTERESTS

	2023							
(In B$'000s)		**GBDC**		**CGBF**		**CREFL**		**Total**
% ownership by NCI as at December 31, 2023		**14.0%**		**0.0%**		**14.9%**		
Total assets	$	36,430	$	-	$	13,466		
Total liabilities		606		-		901		
Net assets	$	35,824	$	-	$	12,565		
Net assets attributable to NCI	$	4,911	$	-	$	1,837	**$**	**6,748**
Total revenues	$	2,639	$	-	$	1,870		
Net profit	$	1,817	$	-	$	846		
Other comprehensive income / (loss)		-		-		-		
Total comprehensive income	$	1,817	$	-	$	846		
Profit allocated to NCI	$	244	$	165	$	101	**$**	**510**

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

	2022			
(In B$'000s)	GBDC	CGBF	CREFL	Total
% ownership by NCI as at December 31, 2022	14.0%	12.8%	14.9%	
Total assets	$ 35,472	$ 143,827	$ 12,967	
Total liabilities	466	89	1,246	
Net assets	$ 35,006	$ 143,738	$ 11,721	
Net assets attributable to NCI	$ 4,807	$ 21,202	$ 1,737	**$ 27,746**
Total revenues	$ 4,807	$ 21,202	$ 1,737	
Net profit	$ 1,818	$ 2,279	$ 120	
Other comprehensive income / (loss)	-	-	-	
Total comprehensive income	$ 1,818	$ 2,279	$ 120	
Profit/(loss) allocated to NCI	$ 255	$ (679)	$ -	**$ (424)**

(Expressed in Bahamian Dollars)

19. SHARE CAPITAL

	2023	2022
Authorized:		
45,000,000 Class "A" Preference Shares of B$1.00 each (2022: 45,000,000)	$ 45,000,000	$ 45,000,000
30,000,000 Class "B" Preference Shares of B$0.01 each (2022: 30,000,000)	$ 300,000	$ 300,000
35,000,000 Class "A" Ordinary Shares of B$1.00 each (2022: 35,000,000)	$ 35,000,000	$ 35,000,000
40,000,000 Class "B" Ordinary Shares of B$0.01 each (2022: 40,000,000)	$ 400,000	$ 400,000
Issued and fully paid:		
42,500,000 Class "A" Preference Shares of B$1.00 each (2022: 42,500,000)	$ 42,500,000	$ 42,500,000
24,729,613 Class "A" Ordinary Shares of B$1.00 each (2022: 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, 2023, none of the Class “B” ordinary or preference share capital were issued.

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

20. 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 December 31, 2021	$ (8,032,462)	$ 2,291,925	$ 10,134,589	$ (689,083)	$ 3,704,969
Impact of adoption of IFRS9 - (note 2.1) transfer of revaluation reserve for AFS securities	8,032,462	71,761	-	-	8,104,223
Restated balance at January 1, 2022	$ -	$ 2,363,686	$ 10,134,589	$ (689,083)	$ 11,809,192
Net fair revaluation gains of Equity-Accounted Investees (note 13)	-	-	-	902,764	902,764
Revaluation of investment property (note 12)	-	-	(649,000)	-	(649,000)
Balance as of December 31 , 2022	$ -	$ 2,363,686	$ 9,485,589	$ 213,681	$ 12,062,956
Net fair revaluation losses of Equity-Accounted Investees (note 13)	-	-	-	(2,831)	(2,831)
Net fair value gains during the year	-	-	-	-	-
Revaluation of investment property (note 12)	-	-	160,819	-	160,819
Balance as of December 31 , 2023	$ -	$ 2,363,686	$ 9,646,408	$ 210,850	$ 12,220,944

21. 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 8, as at December 31, 2023, the Group did not provide any guarantees to third parties in the ordinary course of business. (2022: 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, 2023 (2022: Nil).

Purchase of property and equipment: The Company had no commitments for the purchase of capital equipment or services at December 31, 2023 (2022: Nil).

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

22. FUTURE MINIMUM LEASE PAYMENTS RECEIVABLE

The Group derives rental income from certain of its investment properties under non-cancellable rental agreements. See also note 24. The future minimum lease payments due to be received under these agreements as of December 31, 2023 are as follows:

	At December 31, 2023	At December 31, 2022
Less than one year	$ 2,373,512	$ 2,171,088
One to two years	2,374,816	1,777,085
Two to three years	2,408,630	1,654,765
Three to four years	2,263,851	1,425,247
Four to five years	1,887,270	1,274,737
More than five years	1,557,119	532,048
Total	$ 12,865,198	$ 8,834,970

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

23. INSURANCE REVENUE AND SERVICE EXPENSES

(a) Insurance service result

An analysis of insurance revenue, insurance service expenses and net expenses from reinsurance contracts held by product line is included in the following tables.

	2023			
(In B$000s)	LIFE	HEALTH	P&C	TOTAL
Insurance revenue:				
For contracts not measured under the PAA:				
The amounts relating to the changes in the LRC:				
- Expected incurred claims and other directly attributable expenses	$ 24,305	$ -	$ -	**$ 24,305**
- Change in the risk adjustment for non-financial risk for the risk expired	4,810	-	-	**4,810**
- CSM recognised for the services provided	3,024	-	-	**3,024**
- Other amounts, including other pre-recognition cash flows assets derecognised at the date of initial recognition	2,026	-	-	**2,026**
Insurance acquisition cash flows recovery	(29)	-	-	**(29)**
Insurance revenue from contracts not measured under the PAA	34,136	-	-	**34,136**
Insurance revenue from contracts measured under the PAA	-	82,626	8,188	**90,814**
Total Insurance Revenue	**$ 34,136**	**$ 82,626**	**$ 8,188**	**$ 124,950**
Insurance service expenses:				
Incurred claims and other directly attributable expenses	(20,531)	(93,854)	(3,646)	**(118,031)**
Changes that relate to past service – changes in the FCF relating to the LIC	(34)	11,789	-	**11,755**
Losses on onerous contracts and reversal of those losses	(2,374)	-	-	**(2,374)**
Insurance acquisition cash flows amortisation	(2,024)	-	(1,439)	**(3,463)**
Total Insurance Service Expenses	**$ (24,963)**	**$ (82,065)**	**$ (5,085)**	**$ (112,113)**
Net income (expenses) from reinsurance contracts held:				
Reinsurance expenses – contracts not measured under the PAA:				
Amounts relating to the changes in the remaining coverage:				
- Expected incurred claims and other directly attributable expenses recovery	216	-	-	**216**
- Change in the risk adjustment for non-financial risk for the risk expired	(1,360)	-	-	**(1,360)**
- CSM recognised for the services received	949	-	-	**949**
- Experience adjustments – arising from ceded premiums paid in the period other than those that relate to future service	(11,605)	-	-	**(11,605)**
Reinsurance expenses – contracts not measured under the PAA	(11,800)	-	-	**(11,800)**
Reinsurance expenses – contracts measured under the PAA	-	(5,921)	(5,106)	**(11,027)**
Other incurred directly attributable expenses	-	-	(64)	**(64)**
Incurred claims recovery	9,478	3,711	3,127	**16,316**
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-	(1,961)	-	**(1,961)**
Income on initial recognition of onerous underlying contracts	118	-	-	**118**
Total net income/(expenses) from reinsurance contracts held	**$ (2,204)**	**$ (4,171)**	**$ (2,043)**	**$ (8,418)**
TOTAL INSURANCE SERVICE RESULT	**$ 6,969**	**$ (3,610)**	**$ 1,060**	**$ 4,419**

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

(In B$000s)	2022 LIFE	2022 HEALTH	2022 P&C	2022 TOTAL
Insurance revenue:				
For contracts not measured under the PAA:				
The amounts relating to the changes in the LRC:				
- Expected incurred claims and other directly attributable expenses	$ 23,502	$ -	$ -	**$ 23,502**
- Change in the risk adjustment for non-financial risk for the risk expired	4,820	-	-	**4,820**
- CSM recognised for the services provided	1,824	-	-	**1,824**
- Other amounts, including other pre-recognition cash flows assets derecognised at the date of initial recognition	(39)	-	-	**(39)**
Insurance acquisition cash flows recovery	1,359	-	-	**1,359**
Insurance revenue from contracts not measured under the PAA	31,466	-	-	**31,466**
Insurance revenue from contracts measured under the PAA	-	90,729	5,173	**95,902**
Total Insurance Revenue	**$ 31,466**	**$ 90,729**	**$ 5,173**	**$ 127,368**
Insurance service expenses:				
Incurred claims and other directly attributable expenses	(23,387)	(104,899)	(2,363)	**(130,649)**
Changes that relate to past service – changes in the FCF relating to the LIC	(49)	21,846	-	**21,797**
Losses on onerous contracts and reversal of those losses	(1,644)	-	-	**(1,644)**
Insurance acquisition cash flows amortisation	(1,360)	-	(1,023)	**(2,383)**
Total Insurance Service Expenses	**$ (26,440)**	**$ (83,053)**	**$ (3,386)**	**$ (112,879)**
Net income (expenses) from reinsurance contracts held:				
Reinsurance expenses – contracts not measured under the PAA, amounts relating to the changes in the remaining coverage:				
- Expected incurred claims and other directly attributable expenses recovery	148	-	-	**148**
- Change in the risk adjustment for non-financial risk for the risk expired	(1,317)	-	-	**(1,317)**
- CSM recognised for the services received	1,458	-	-	**1,458**
- Experience adjustments – arising from ceded premiums paid in the period other than those that relate to future service	(10,912)	-	-	**(10,912)**
Reinsurance expenses – contracts not measured under the PAA	(10,623)	-	-	**(10,623)**
Reinsurance expenses – contracts measured under the PAA	-	(10,049)	(3,057)	**(13,106)**
Other incurred directly attributable expenses	-	-	(111)	**(111)**
Effect of changes in the risk of reinsurers' non-performance	-	-	-	**-**
Incurred claims recovery	9,851	10,788	1,896	**22,535**
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-	(2,089)	-	**(2,089)**
Income on initial recognition of onerous underlying contracts	531	-	-	**531**
Total net income/(expenses) from reinsurance contracts held	**$ (241)**	**$ (1,350)**	**$ (1,272)**	**$ (2,863)**
TOTAL INSURANCE SERVICE RESULT	**$ 4,785**	**$ 6,326**	**$ 515**	**$ 11,626**

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

(b) **Expected recognition of the contractual service margin**

The following tables summarize the expected recognition of the contractual service margin based on the estimate of the CSM using discounted overage units to allocate the CSM to each year:

(In B$000s)	2023		2022	
Number of years until expected to be recognized	**Insurance Contracts Issued**	**Reinsurance Contracts Held**	**Insurance Contracts Issued**	**Reinsurance Contracts Held**
1 Year	$ 2,726	$ 871	$ 1,661	$ 1,309
2 Years	2,378	757	1,468	1,155
3 Years	2,113	660	1,321	1,022
4 Years	1,877	576	1,189	905
5 Years	1,663	500	1,067	797
6 to 10 Years	5,813	1,671	3,794	2,682
>10 Years	6,178	1,353	4,134	2,366
Total	**22,748**	**6,388**	**14,634**	**10,236**

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

24. INVESTMENT INCOME AND INSURANCE FINANCE EXPENSES

An analysis of net investment income and net insurance finance expenses by reporting segment is presented below:

	2023				
(InB$000s)	**Life**	**Health**	**P&C**	**Other**	**TOTAL**
Net investment income (expenses) – underlying assets:					
Net gains on FVTPL investments	$ 22,269	$ 663	$ -	$ -	**$ 22,932**
Interest income	34,576	1,029	131	-	**35,736**
Dividend income	795	24	-	3	**822**
Mortgages and commercial loans (net)	3,184	95			**3,279**
Rental income (note 12)	4,966	148	-	-	**5,114**
Net fair value gains on investment properties (note 12)	526	14			**540**
Other management fees and income (net)	(2,250)	(66)		28	**(2,288)**
Total net investment income – underlying assets	64,066	1,907	131	31	**66,135**
Finance income (expenses) from insurance contracts issued:					
Changes in value of underlying assets of contracts measured under the VFA	$ (24,725)	$ -	$ -	$ -	**$ (24,725)**
Interest accreted	(8,004)	-	(28)	-	**(8,032)**
Effect of changes in interest rates and other financial assumptions	(7,999)	-	4	-	**(7,995)**
Total finance expenses from insurance contracts issued	(40,728)	-	(24)	-	**(40,752)**
Finance income (expenses) from reinsurance contracts held:					
Interest accreted	347	-	26	-	**373**
Effect of changes in interest rates and other financial assumptions	543	-	(4)	-	**539**
Effect of changes in FCF at current rates when CSM is unlocked at locked- in rates	-	-	-	-	**-**
Total finance income from reinsurance contracts held	890	-	22	-	**912**
Net insurance finance expenses	$ (39,838)	$ -	$ (2)	$ -	**$ (39,840)**
Summary of the amounts recognised in profit or loss:					
Net investment income	$ 64,066	$ 1,907	$ 131	$ 31	**$ 66,135**
Net insurance finance expenses	(39,838)	-	(2)	(0)	**(39,840)**
Total amounts recognised in profit or loss	$ 24,228	$ 1,907	$ 129	$ 31	**$ 26,295**
Summary of the amounts recognised:					
Insurance service result	$ 6,969	$ (3,610)	$ 1,061	$ -	**$ 4,420**
Net investment income	64,066	1,907	131	31	**66,135**
Net insurance finance expenses	(39,838)	-	(2)	(0)	**(39,840)**
Net insurance and investment result	$ 31,197	$ (1,703)	$ 1,190	$ 31	**$ 30,715**

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

	2022				
(InB$000s)	**Life**	**Health**	**P&C**	**Other**	**TOTAL**
Net investment income (expenses) – underlying assets:					
Net losses on FVTPL investments	$ (11,450)	$ (341)	$ -		$ (11,791)
Interest income	25,303	753	131	(73)	26,114
Dividend income	989	29	-	217	1,235
Mortgages and commercial loans (net)	1,450	43	-	-	1,493
Rental income (note 12)	4,477	132	-	-	4,609
Net fair value gains on investment properties (note 12)	-	15	-	-	15
Other management fees and income (net)	(2,530)	(75)	-	-	(2,605)
Total net investment income – underlying assets	18,239	556	131	144	**19,070**
Finance income (expenses) from insurance contracts issued:					
Changes in value of underlying assets of contracts measured under the VFA	$ (14,511)	$ -	$ -	$ -	**$ (14,511)**
Interest accreted	(6,489)	-	(13)	-	**(6,502)**
Effect of changes in interest rates and other financial assumptions	(3,532)	-	(3)	-	**(3,535)**
Effect of changes in FCF at current rates when CSM is unlocked at locked- in rates	-	-	-	-	**-**
Foreign exchange differences	-	-	-	-	**-**
Total finance expenses from insurance contracts issued	(24,532)	-	(16)	-	**(24,548)**
Finance income (expenses) from reinsurance contracts held:					
Interest accreted	222	-	12	-	**234**
Effect of changes in interest rates and other financial assumptions	359	-	2	-	**361**
Effect of changes in FCF at current rates when CSM is unlocked at locked- in rates	-	-	-	-	**-**
Total finance income from reinsurance contracts held	581	-	14	-	**595**
Net insurance finance expenses	$ (23,951)	$ -	$ (2)	$ -	**$ (23,953)**
Summary of the amounts recognised in profit or loss:					
Net investment income	$ 18,239	$ 556	$ 131	$ 144	**$ 19,070**
Net insurance finance expenses	(23,951)	-	(2)	-	**(23,953)**
Total amounts recognised in profit or loss	$ (5,712)	$ 556	$ 129	$ 144	**$ (4,883)**
Summary of the amounts recognised:					
Insurance service result	$ 4,785	$ 6,326	$ 515	$ -	**$ 11,626**
Net investment income	18,239	556	131	144	**19,070**
Net insurance finance expenses	(23,951)	-	(2)	-	**(23,953)**
Net insurance and investment result	$ (927)	$ 6,882	$ 644	$ 144	**$ 6,743**

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

25. EXPENSES BY NATURE

An analysis of the expenses incurred by the Group in the reporting period is included in the table below:

	2023				2022			
(In B$000s)	Expenses attributed to insurance acquisition cash flows	Other directly attributable expenses	Other operating expenses	TOTAL	Expenses attributed to insurance acquisition cash flows	Other directly attributable expenses	Other operating expenses	TOTAL
Salaries and employee/salesperson benefits	$ 1,821	$ 8,221	$ 10,433	**$ 20,474**	$ 1,857	$ 7,911	$ 8,782	**$ 18,550**
Fees, insurance, licences	758	6,610	1,182	**8,550**	1,313	5,714	1,740	**8,767**
Advertising and communications expense	691	2,060	2,119	**4,870**	465	1,734	1,198	**3,397**
premium taxes	-	3,964	34	**3,998**	-	4,289	70	**4,359**
Depreciation and amortisation	187	1,035	1,570	**2,792**	217	1,038	1,587	**2,842**
Premises and maintenance	601	1,379	1,289	**3,269**	593	1,339	1,048	**2,980**
Audit, legal and other professional fees	1,141	1,296	2,498	**4,935**	1,052	1,143	2,166	**4,361**
Other expenses	19	206	3,436	**3,661**	-	-	3,086	**3,086**
Total	$ 5,218	$ 24,770	$ 22,562	**$ 52,549**	$ 5,496	$ 23,167	$ 19,678	**$ 48,342**

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

26. OTHER FINANCE COSTS AND INTEREST

Other finance costs and interest are comprised of:

		2023		2022 (Restated)
Interest on liabilities due to ASO groups	$	1,407,841	$	1,070,947
Interest on lease liabilities (note 17)		136,439		177,385
Other interest costs		1,302,812		108,707
Total other finance costs and interest	$	2,847,092	$	1,357,039

27. 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, 2023.

		2023		2022 (Restated)
Net income attributable to equity shareholders	$	34,702,846	$	10,885,460
Net income attributable to ordinary shareholders	$	32,259,096	$	8,441,710
Weighted average number of ordinary shares outstanding		24,729,613		24,729,613
Basic earnings per ordinary share	$	1.30	$	0.34

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

		2023		2022 (Restated)
Comprehensive income attributable to equity shareholders	$	34,863,665	$	11,139,224
Comprehensive income attributable to ordinary shareholders	$	32,419,915	$	8,695,474
Weighted average number of ordinary shares outstanding		24,729,613		24,729,613
Comprehensive basic earnings per ordinary share	$	1.31	$	0.35

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 2023 totalled $6,429,700 ($0.26 per share) (2022: $5,935,105 ($0.24 per share)).

Dividends paid by the Company to the Class "A" preference shareholders during 2023 totalled $2,443,750 (2022: $2,443,750).

The Company does not have any dilutive shares.

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

28. 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 $742,268 and is included in salaries and employee/salespersons' benefits expense (2022: $662,386).

29. 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.

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, 2023 are as follows:

	Bahamas Investment Fund		Colina Investment Plan	
	2023	**2022**	**2023**	**2022**
Equities - listed	$ 4,230,382	$ 3,541,416	$ 1,803,779	$ 1,554,387
Preferred shares - unquoted	400,000	400,000	68,000	68,000
Government securities	6,125,700	5,060,700	723,537	450,250
Debt securities - unquoted	432,143	442,858	10,714	14,286
Other assets	-	-	207,902	205,776
Cash	78,537	2,309,450	103,629	746,510
Due from/(to) general fund	163,123	(40,967)	(154,539)	(276,187)
Total assets	$ 11,429,885	$ 11,713,457	$ 2,763,022	$ 2,763,022

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

30. 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 2023	Total 2022
Assets						
ROU assets	$ -	$ 955,236	$ -	$ -	**$ 955,236**	$ 1,310,890
Receivables and other assets	$ 23,195	$ 12,916	$ 1,512	$ 10,004	**$ 47,627**	$ 207,655
Liabilities						
Loans and other borrowings	$ -	$ 1,427,263	$ -	$ -	**$ 1,427,263**	$ 1,868,057
Other liabilities	$ 511	$ 93,789	$ -	$ -	**$ 94,300**	$ -

Loans advanced to related parties included in mortgages and commercial loans carried interest rates of 5.5% p.a. (2022: 5.5%)

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

Transactions with related parties

The following transactions were carried out with related parties:

	AFH	Other affiliates	Other related parties	Total 2023	Total 2022
Revenues					
Group medical insurance	$ 233,730	$ 1,060,277	$ 123,490	**$ 1,417,497**	$ 1,295,898
Investment management and other fees	-	357,806	4,268	**362,074**	370,108
Rental income	-	-	-	**-**	19,109
Interest and other income	-	-	-	**-**	263,889
Total	$ 233,730	$ 1,418,083	$ 127,758	**$ 1,779,571**	$ 1,949,004
Expenses					
Management and consulting fees	$ 123,921	$ -	$ -	**$ 123,921**	$ 123,676
Legal fees	-	106,971	-	**106,971**	195,261
Administration, Registrar and Transfer Agent fees	-	149,876	-	**149,876**	181,556
Property management fees	-	61,920	-	**61,920**	61,920
Advertising and marketing	-	130,136	-	**130,136**	157,136
Property rental	-	755,270	-	**755,270**	749,549
Medical lab expenses	-	-	617,533	**617,533**	634,388
Interest and financing costs	-	-	96,730	**96,730**	122,459
Other	182,400	356,403	-	**538,803**	542,920
Total	$ 306,321	$ 1,560,576	$ 714,263	**$ 2,581,160**	$ 2,768,865

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, 2023 was $5,644,210 (2022: $4,592,627).

Directors' fees

Fees paid to Directors for services rendered on the Company's Board and Board Committees for the year ended December 31, 2023 totaled $262,750 (2022: $288,500).

31. RISK MANAGEMENT

The Group is concerned about the risks inherent in its business activities (insurance risk) and the risks associated with the management of the financial assets and liabilities (financial risk) which support the operational activities.

Corporate Governance

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. 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.

The following discuss the key risk exposures for the Group.

INSURANCE RISK

Insurance risk is 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.

The main objective of the Group is to ensure that sufficient reserves are available to provide for the liabilities associated with the insurance contracts it issues. The risk exposure can be mitigated by diversification across portfolios in terms of type and amount of risk, geographical location and type of industry covered.

Below is a discussion of insurance risks specific to the lines of coverage provided by the Group.

(a) Contracts not measured under PAA

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.

		2023 (in $000s)		2022 (in $000s)
$0 to $49,999	$	304,895	$	315,130
$50,000 to $99,999		713,531		726,899
$100,000 to $149,999		1,904,866		1,894,706
$150,000 and over		3,508,836		3,379,696
Total	$	6,432,128	$	6,316,431

The Group's contractual service margin and financial results can be impacted by possible movements in key assumptions, such as the discount rate, timing of cash flows, and rates of lapse and mortality. The correlation of assumptions will have a significant effect in determining the ultimate impacts. Sensitivity information will also vary according to the current economic assumptions. See note 3.1.11 for further information.

The Group's financial results will be affected by changes in the rates of mortality, morbidity, lapse, other policyholder behavior and expenses (insurance risks). The nature of those impacts and the extent to which they impact current period earnings depend on the change, the extent to which it relates to past, current or future periods and, where applicable, the extent to which the change impacts onerous or non-onerous groups of contracts.

Changes in the rates of current or future insurance risk that relate to the LIC relate to past service and will impact earnings in the period that those changes are realised. Changes in the rates of insurance risk experienced in the current period that related to the LRC will also impact earnings in the period that those changes are realised.

Changes in the rates of insurance risk expected in the future and changes in the rates of insurance risk experienced in the current period, in relation to the LRC, will affect expected cash flows. To the extent that the changes relate to onerous groups of contracts, or the CSM on non-onerous groups is insufficient to offset any adverse impact of the changes, the impact of the changes will be recognised in earnings in the period realised. Where the changes impact non-onerous groups of contracts, the impact of changes in the LRC will be offset by changes in the CSM with a corresponding change in the CSM release that will be expected in future periods. For contracts under the GMM, given that the CSM is determined at locked-in rates, the CSM release will partially offset the changes in the LRC.

Where the insurance contracts are reinsured, the impacts of changes on direct contracts will be offset to the extent of the reinsurance.

(b) Contracts measured under PAA

Group and Health Insurance contracts

The Group offers Group Life and Group Health insurance contracts, where the period of coverage is one year or less. These contracts are measured under PAA. The Group is exposed to mortality and morbidity risk together with the risk of inflation on expenses and claims.

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.

Property and casualty insurance contracts

Property risks are comprised of physical damage to property. Property policies are underwritten by reference to the commercial replacement value of the properties and content insured.

Casualty risks are comprised of personal injury from motor claims, public liability, employers' liability, workmen's compensation and personal liability coverage.

For the Company's property and casualty insurance contracts, significant risk exposure arises from low frequency, high severity events such as hurricanes. Single events, such as flooding and fires may also generate significant claims.

Claim payment limits are always included to cap the amount payable on occurrence of the insured event. The costs of rebuilding properties, replacement or indemnity for contents are the key factors that influence the level of claims under these policies.

The frequency and severity of claims can be affected by several factors with the single most significant event being a catastrophic event. The Company manages this risk through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling. Underwriting limits are in place to enforce appropriate risk selection criteria. The Company actively manages and pursues early settlement of all claims to reduce its exposure to unpredictable developments. It has a dedicated in-house claims department and uses third party loss adjusters as necessary. The Company will, where necessary, appoint lawyers to act on the Company's behalf in respect of serious bodily injury claims thus ensuring settlements and avoiding claims development.

The Company follows the policy of underwriting and reinsuring contracts of insurance, which generally limit the liability for any one risk. In addition, catastrophe reinsurance is obtained to limit liability to a maximum of 10% of the Company's capital and reserves in the event of a series of claims arising out of a single occurrence.

The Company is exposed to contractual disputes with its reinsurers and the possibility of default by its reinsurers. The Company is also exposed to the credit risk assumed in fronting arrangements and to potential reinsurance constraints. The Company's strategy is to select reinsurers with the best combination of financial strength, price and capacity.

In the event that the Company's reinsurers were unable to meet their obligations under the reinsurance programs in place, the Company would still be obligated to pay all claims made under the insurance policies it issues, but would only receive reimbursement to the extent that the reinsurers could meet their above-mentioned obligations.

Management does not anticipate that there will be any issues with the collection of amounts due from reinsurers as they become due, and is not aware of any disputes with reinsurers, overdue amounts or any specific credit issues.

The reinsurance program used by the Company is reviewed and approved by the Board on an annual basis.

Liability for incurred claims – claims development

The development of insurance liabilities provides a measure of the Group's ability to estimate the ultimate value of claims. The table below illustrates how the Group's estimate of the ultimate claims liability for accident years (Health 2018 – 2023 and P&C 2021-2023) has changed at successive year ends, up to 2023. Updated unpaid claims and other directly attributable expenses related to claims management in each successive year, as well as amounts paid to date, are used to derive the revised amounts for the ultimate claims liability for each accident year used in the development calculations. The most recent estimate is then reconciled to the liability for incurred claims recognised in the statement of financial position.

Gross Health Insurance Claims Development

Gross claims development: (In B$000s)	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**Total**
Estimate of ultimate claim costs (gross of reinsurance, undiscounted, inclusive of other directly attributable expenses related to claims management):							
At end of accident year	$ 36,175	$ 33,677	$ 28,435	$ 38,903	$ 44,315	$ 57,317	
1 year later	36,072	34,234	28,423	42,947	45,339		
2 years later	36,285	34,129	28,216	43,114			
3 years later	36,249	34,151	28,231				
4 years later	36,247	34,150					
5 years later	36,247						
Cumulative gross claims and other directly attributable expenses paid	(35,848)	(34,150)	(28,231)	(43,077)	(45,064)	(45,105)	(231,475)
Gross cumulative claims liabilities - accident years from 2018-2023	399	-	-	37	275	12,212	12,923
Gross cumulative claims liabilities – prior accident years							443
Effect of discounting							-
Effect of the risk adjustment margin for non-financial risk							2,107
Non-actuarial balances included in LIC							15,404
Gross LIC for the contracts originated							$ 30,877

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

Net Health Claims Development

Net claims development: ***(In B$000s)***	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**Total**
Estimate of ultimate claim costs (net of reinsurance, undiscounted, inclusive of other directly attributable expenses related to claims management):							
At end of accident year	$ 35,000	$ 32,875	$ 28,064	$ 38,150	$ 41,953	$ 54,577	
1 year later	34,492	32,509	28,229	40,490	42,734		
2 years later	34,707	32,633	28,022	40,650			
3 years later	34,674	32,656	28,039				
4 years later	34,671	32,655					
5 years later	34,671						
Cumulative net claims and other directly attributable expenses paid	(34,273)	(32,655)	(28,039)	(40,615)	(42,476)	(42,912)	(220,970)
Net cumulative claims liabilities - accident years from 2018-2023	398	-	-	35	258	11,665	11,958
Net cumulative claims liabilities – prior accident years							443
Effect of discounting							-
Effect of the risk adjustment margin for non-financial risk							1,871
Non-actuarial balances included in LIC							12,511
Net LIC for the contracts originated							$ 26,783

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

Gross P&C Claims Development

Gross claims development: (In B$000s)	**2021**	**2022**	**2023**	**Total**
Estimate of ultimate claim costs (gross of reinsurance, undiscounted, inclusive of other directly attributable expenses related to claims management):				
At end of accident year	$ 160	$ 2,020	$ 3,075	
1 year later	130	1,700		
2 years later	371			
3 years later				
4 years later				
5 years later				
Cumulative gross claims and other directly attributable expenses paid	(371)	(1,542)	(2,463)	(4,376)
Gross cumulative claims liabilities - accident years from 2021-2023	-	158	612	770
Gross cumulative claims liabilities – prior accident years				-
Effect of discounting				(40)
Effect of the risk adjustment margin for non-financial risk				176
Non-actuarial balances included in LIC				871
Gross LIC for the contracts originated				$ 1,777

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

Net P&C Claims Development

Net claims development: ***(In B$000s)***	**2021**	**2022**	**2023**	**Total**
Estimate of ultimate claim costs (net of reinsurance, undiscounted, inclusive of other directly attributable expenses related to claims management):				
At end of accident year	$ 16	$ 202	$ 312	
1 year later	13	170		
2 years later	37			
3 years later				
4 years later				
5 years later				
Cumulative net claims and other directly attributable expenses paid	(37)	(154)	(250)	(441)
Net cumulative claims liabilities - accident years from 2021-2023	-	16	62	78
Net cumulative claims liabilities – prior accident years				-
Effect of discounting				(4)
Effect of the risk adjustment margin for non-financial risk				18
Non-actuarial balances included in LIC				492
Net LIC for the contracts originated				$ 584

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, liquidity risk and capital risks.

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.

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).

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

To limit its exposure of potential loss on an insurance policy, the Group may cede certain levels of risk to a reinsurer. The Group selects reinsurers which have well-established capability to meet their contractual obligations and which generally have a Group risk rating of "Investment Grade". 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.

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

	2023	2022
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	$ 300,000
Motor	10% of loss	10% of loss
Property	10% of loss to a maximum of $50,000	10% of loss to a maximum of $50,000

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

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.

The following table 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, 2023 (in $000s)	Balances with no scheduled repayment dates	Current			Past due but not impaired		Total
		Investment Grade	Non-Graded	Unit Linked	30 - 90 days	>90 days	
Financial assets							
Term deposits	$ -	$ 7,531	$ -	$ -	$ -	$ -	$ 7,531
FVPL securities	-	6,746	505,145	13,794	-	-	525,685
Mortgages and commercial loans	-	-	4,952	-	1,767	6,877	13,596
Cash and demand balances	51,163	-	-	182	-	-	51,345
Receivables and other assets	65,192	-	-	208	-	-	65,400
Other financial assets	6,578	6,858	76,029	-	-	-	89,465
Total financial assets	$ 122,933	$ 21,135	$ 586,126	$ 14,184	$ 1,767	$ 6,877	$ 753,022

December 31, 2022 (in $000s)	Balances with no scheduled repayment dates	Current			Past due but not impaired		Total
		Investment Grade	Non-Graded	Unit Linked	30 - 90 days	>90 days	
Financial assets							
Term deposits	$ -	$ 7,530	$ -	$ -	$ -	$ -	$ 7,530
FVPL securities	-	7,902	483,800	11,532	-	-	503,234
Mortgages and commercial loans	-	-	2,668	-	950	8,035	11,653
Cash and demand balances	60,904	-	-	3,056	-	-	63,960
Receivables and other assets	65,237	-	1,943	206	3,338	10,488	81,212
Other financial assets	6,883	5,732	22,259	-	-	-	34,874
Total financial assets	$ 133,024	$ 21,164	$ 510,670	$ 14,794	$ 4,288	$ 18,523	$ 702,463

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

Financial assets are subject to credit impairment losses which are recognized in the statement of income. The following tables summarize the credit risk exposure of financial investments for which an ECL allowance is recognized. The gross carrying amounts of investments below represent the Group's maximum exposure to credit risk on these assets.

	2023				2022
Debt instruments - amortised cost	**Stage 1 12-month ECL**	**Stage 2 12-month ECL**	**Stage 3 12-month ECL**	**Total**	**Total**
Credit grade:					
Investment grade	$ 33,811,779	$ -	$ -	$ 33,811,779	42,195,334
Non-investment grade	88,842,054	1,953,012	30,175,671	120,970,737	86,591,604
Gross carrying amount	$ 122,653,833	$ 1,953,012	$ 30,175,671	154,782,516	128,786,938
Loss allowance	(452,811)	1,382	-	(451,429)	(472,390)
Carrying amount	$ 122,201,022	$ 1,954,394	$ 30,175,671	$ 154,331,087	$ 128,314,548

Loss allowances

The allowance for ECL is recognized in each reporting period and is impacted by a variety of factors, as described below:

- Transfers between stages due to financial assets experiencing significant movement in credit risk or becoming credit-impaired during the period;
- Additional allowances for new financial instruments recognized during the period, as well as releases for financial instruments de-recognized in the period;
- Impact on the measurement of ECL due to inputs used in the calculation including the movement between 12-month and life-time ECL;
- Impacts on the measurement of ECL due to changes made to models and model assumptions; and
- Foreign exchange retranslations for assets denominated in foreign currencies.

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period due to these factors:

	2023			
	Stage 1 12-month ECL	**Stage 2 12-month ECL**	**Stage 3 12-month ECL**	**Total**
Debt instruments - amortised cost				
Loss Allowance as at January 1, 2023	$ (472,390)	$ -	$ -	$ (472,390)
Financial assets fully derecognized during the period	41,688	-	-	41,688
Changes to inputs used in ECL calculation	(4,684)	(16,043)	-	(20,727)
Loss Allowance as at December 31, 2023	$ (435,386)	$ (16,043)	$ -	$ (451,429)

IFRS9 carrying values

The following tables explain the changes in the carrying value between the beginning and the end of the period due to these factors. The gross carrying amounts of investments below represent the Group's maximum exposure to credit risk on these assets.

	Stage 1 12-month ECL	**Stage 2 12-month ECL**	**Stage 3 12-month ECL**	**Total**
Debt instruments - amortised cost				
Gross carrying amount as at January 1, 2023	$ 98,283,176	$ 307,053	$ 30,196,709	$ 128,786,938
Changes in principal and interest	24,370,657	1,645,959	(21,038)	25,995,578
Gross carrying amount as at December 31, 2023	$ 122,653,833	$ 1,953,012	$ 30,175,671	$ 154,782,516

FOREIGN CURRENCY RISK

The Group is not directly exposed to foreign currency risk, as investments and insurance contracts are denominated in Bahamian and United States dollars. The Bahamian Dollar (B$) is fixed to the US Dollar (US$) at the rate of B$1 = US$1.

PRICE RISK

The Group is subject to price risk on its equity securities due to changes in market values. One of the primary objectives of the Group's risk management policy is to mitigate potential adverse impacts of market movements. The Group mitigates this risk by establishing overall limits of equity holdings for each investment portfolio and by maintaining diversified holdings within each portfolio of equity 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.

INTEREST RATE RISK

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. This is primarily a concern with fixed and fluctuating interest rate investments which the Group intends to hold for the long-term.

The Group's fixed income debt securities, mortgage portfolio and cash and cash equivalents are subject to interest rate risk. Fluctuations in interest rates impact the level of gains and losses on the Group's interest-bearing investments.

Increasing interest rates by 10% will increase interest rate sensitive returns, increasing profit or loss and equity by $3.8 million (2022: $2.8 million) while a decrease in interest rates of 10% will decrease interest rate sensitive returns, decreasing profit or loss and equity by $3.8 million (2022: $2.8 million).

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

LIQUIDITY RISK

Liquidity risk is the risk that the Group may encounter difficulty in meeting obligations associated with financial or insurance liabilities, as a result of the inability to generate sufficient cash or its equivalent in a timely and cost-effective way. The Group is exposed to daily calls on its available cash resources, mainly from claims arising from insurance contracts. In respect of significant insured events the Group is exposed to a liquidity risk associated with the timing differences between cash flows and expected reinsurance recoveries to meet its insurance liability obligation.

Asset liability matching is a tool used by the Group to mitigate liquidity risks. The Group has adopted a policy of investing in assets with cash flow characteristics that match the cash flow characteristics of its expected future cash flows. The primary purpose of this matching is to increase the likelihood that cash flows from these assets are synchronized with the timing and the amounts of payments that expect to be paid to policyholders.

The following tables indicate the timing of undiscounted cash flows arising from insurance liabilities, net of reinsurance, as at period end:

	December 31, 2023					
(In B$000s)	**Up to a Year**	**1-5 years**	**Over 5 years**	**No term**	**Not Classified**	**TOTAL**
Life	$ 10,324	$ 69,598	$ 1,302,870	$ -	$ 13,814	$ 1,396,606
Health	10,984	372	-	-	9,475	20,831
P&C	42	34	2	-	-	78
Total	$ 21,350	$ 70,004	$ 1,302,872	$ -	$ 23,289	$ 1,417,515

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

December 31, 2023 (in $000s)	**Current**	**Non-Current**	**Unit Linked**	**Total**
Term deposits	$ 7,531	$ -	$ -	$ 7,531
Investment securities	-	511,891	13,794	525,685
Mortgages and commercial loans	4,952	8,644	-	13,596
Investment properties	-	62,315	-	62,315
Equity-accounted investees	-	5,164	-	5,164
Cash and demand balances	51,163	-	182	51,345
Insurance contract assets	-	1,345	-	1,345
Reinsurance contract assets	9,663	20,146	-	29,809
Receivables and other assets	27,242	77,011	208	104,461
Property and equipment	-	16,010	-	16,010
Goodwill	-	6,418	-	6,418
Other intangible assets	-	437	-	437
Total Assets	$ 100,551	$ 709,381	$ 14,184	$ 824,116

COLINA HOLDINGS BAHAMAS LIMITED
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023 with corresponding figures for the Year Ended December 31, 2022
(Expressed in Bahamian Dollars)

December 31, 2022 (in $000s) (Restated)	Current	Non-Current	Unit Linked	Total
Term deposits	$ 7,527	$ -	$ -	$ 7,527
Investment securities	-	491,702	11,532	503,234
Mortgages and commercial loans	10,428	1,225	-	11,653
Investment properties	-	58,086	-	58,086
Equity-accounted investees	-	5,217	-	5,217
Cash and demand balances	60,904	-	3,056	63,960
Insurance contract assets	-	1,103	-	1,103
Reinsurance contract assets	8,750	18,772		27,522
Receivables and other assets	4,316	48,510	206	53,032
Property and equipment	-	17,913	-	17,913
Goodwill	-	6,418	-	6,418
Other intangible assets	-	1,465	-	1,465
Total Assets	$ 91,925	$ 650,411	$ 14,794	$ 757,130

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 RISK

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, 2023, Colina was in excess of the risk-based capital requirement as set by the Insurance Commission of The Bahamas. 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, 2023, 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, 2023, Colina was in compliance with the capital requirements all jurisdictions in which it operates.

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 2023.

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, 2023 to December 31, 2023. CGIA has been in compliance throughout the year ended December 31, 2023 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, 2023, Indigo was in compliance with its regulatory requirements.

32. OTHER SUBSEQUENT EVENTS

Dividends declared for Ordinary and Preference Shareholders

The Board of Directors, authorized the payments of preference share dividends for the Class "A" Preference Shareholders of the Company for the quarters ended March 31, 2024, June 30, 2024, and September 30, 2024 by resolutions respectively dated March 7, 2024, June 19, 2024, and August 1, 2024.

The Board further approved, by resolution dated April 11, 2024, the payment of an ordinary dividend of $0.18 per share for all issued and outstanding Class "A" Ordinary Shareholders of record on April 30, 2024.

Notes

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COLINA
HOLDINGS BAHAMAS LIMITED

2023 ANNUAL REPORT

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