

BAHAMAS FIRST HOLDINGS LIMITED

# Quarterly Report on Unaudited Results

For the 12 Months Ended December 31, 2024

# Disclaimers

This Report may contain “forward-looking information”. Forward-looking information may relate to our future business, financial outlook and anticipated events or results and may include information regarding our financial position, financial results, operations, business strategies, plans and objectives, particularly, forward-looking information regarding our expectations of future results, performance, achievements, prospects or opportunities for the markets in which we operate. Forward-looking information in this Report is based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review forward-looking information, they are not guarantees of future financial performance as there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct.

The financial information for the 12 months ended December 31, 2024, included in this report is unaudited.

# EXECUTIVE SUMMARY

on Unaudited Results for the 12 months ended December 31, 2024

We are pleased to present an overview of our financial performance for the 12 months ended December 31, 2024 during which period the Group has realized significant gains across key performance indicators, most notably in profit and earnings per share.

## Financial Highlights

- Insurance service result increased by 37% or \$5.4 million over the prior year.
- The Group's profit grew to \$6.9 million, an increase of 324% compared to \$1.6 million in the prior year.
- Earnings per common share increased to \$0.17, up from \$0.04 in the prior year.
- Total assets stood at \$182.2 million as at December 31, 2024, compared to \$176.2 million in the prior year.
- Total comprehensive income experienced an increase of 8% or \$0.5 million over the prior year.

## Strategic Improvements

The Group's significant improvement in profitability is largely attributable to the effective resolution of a claims backlog and reporting issues within the health division of Cayman First. Favorable trends in the health loss ratio, supported by strategic pricing amendments and enhanced operational efficiencies, have further bolstered our financial results. On December 27, 2024, the Cayman Islands Health Insurance Commission (HIC) formally withdrew its previously issued enforcement notice to CFI in recognition of the Company's dedicated remediation efforts, including the implementation of comprehensive technological upgrades, alongside the appointment of senior personnel.

The Group's insurance service result and profit in The Bahamas also improved significantly, recording an increase of 15% over the prior year due primarily to the improvement in claims experience resulting in a more favorable loss ratio.

The Group continues to strategically manage its investment portfolio, as it seeks to minimize its risk exposure to one particular investment, which primarily contributed to the negative variance in Other Comprehensive Income of \$4.8 million.

## Fourth Quarter Performance

Bahamas First reported a strong fourth-quarter result, with Profit increasing by more than \$4.3million and total comprehensive income increasing to \$7.6 million compared to \$6.8 million for the same period of 2023 despite a \$3.6 million decrease in other comprehensive income. This growth reflects the positive impact of seasonality adjustments and profit commissions typically realized in the last quarter of the year, partially offset by the stated decline in other comprehensive income.

## Financial Summary of Unaudited Results

AS AT DECEMBER 31, 2024  
(Expressed in Bahamian dollars)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	As at:	
	31-Dec-24	31-Dec-23
Cash and investments	70,851,651	69,888,699
Broker receivables	21,446,375	15,903,121
Reinsurance contract assets	55,351,927	54,330,047
Property and equipment	24,387,043	24,683,003
Intangible assets and goodwill	7,187,378	8,359,936
Other assets	2,986,283	3,022,518
<b>Total assets</b>	<b>182,210,657</b>	<b>176,187,324</b>
Insurance contract liabilities	93,130,530	90,127,241
Bonds payable	7,616,865	7,616,866
Other liabilities	2,431,518	2,596,848
<b>Total liabilities</b>	<b>103,178,913</b>	<b>100,340,955</b>
Total equity attributable to owners of the company	74,406,777	71,499,852
Non-controlling interest	4,624,967	4,346,517
<b>Total equity</b>	<b>79,031,744</b>	<b>75,846,369</b>
<b>Total liabilities and equity</b>	<b>182,210,657</b>	<b>176,187,324</b>

## Financial Summary of Unaudited Results

FOR THE 3 MONTHS ENDED  
DECEMBER 31, 2024  
(Expressed in Bahamian dollars)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	For the 3 Months Ended	
	31-Dec-24	31-Dec-23
<b>Insurance revenue</b>	<b>59,423,918</b>	<b>59,124,736</b>
Insurance service expenses	(21,069,189)	(25,710,245)
Net expenses from reinsurance contracts held	(27,099,014)	(26,545,707)
<b>Insurance service result</b>	<b>11,255,715</b>	<b>6,868,784</b>
Finance expenses from insurance contracts issued	(67,733)	(437,385)
Finance income from reinsurance contracts held	40,231	265,012
<b>Net insurance finance expenses</b>	<b>(27,502)</b>	<b>(172,373)</b>
Investment and other income, net	677,248	544,706
Other expenses	(4,125,278)	(3,894,730)
<b>Profit for the period</b>	<b>7,780,183</b>	<b>3,346,387</b>
Other comprehensive (loss)/income	(227,561)	3,411,238
<b>Total comprehensive income</b>	<b>7,552,622</b>	<b>6,757,625</b>
<b>Profit attributable to:</b>		
Owners of the company	7,399,096	3,311,963
Non-Controlling Interest	381,087	34,424
	<b>7,780,183</b>	<b>3,346,387</b>
Earnings per common share (Note 5)	<b>0.20</b>	<b>0.09</b>
<b>Total comprehensive income attributable to:</b>		
Owners of the company	7,198,870	6,678,314
Non-Controlling Interest	353,752	79,311
	<b>7,552,622</b>	<b>6,757,625</b>

## Financial Summary of Unaudited Results

FOR THE 12 MONTHS ENDED  
DECEMBER 31, 2024  
(Expressed in Bahamian dollars)

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 12 Months Ended

31-Dec-24

31-Dec-23

<b>Insurance revenue</b>	<b>194,848,249</b>	<b>191,730,146</b>
Insurance service expenses	(86,188,504)	(94,020,514)
Net expenses from reinsurance contracts held	(88,745,762)	(83,189,622)
<b>Insurance service result</b>	<b>19,913,983</b>	<b>14,520,010</b>
Finance expenses from insurance contracts issued	(1,055,010)	(1,004,601)
Finance income from reinsurance contracts held	522,638	700,374
<b>Net insurance finance expenses</b>	<b>(532,372)</b>	<b>(304,227)</b>
Investment and other income, net	1,888,872	1,652,423
Other expenses	(14,324,645)	(14,229,028)
<b>Profit for the period</b>	<b>6,945,838</b>	<b>1,639,178</b>
Other comprehensive (loss)/income	(489,536)	4,321,538
<b>Total comprehensive income</b>	<b>6,456,302</b>	<b>5,960,716</b>
<b>Profit/(loss) attributable to:</b>		
Owners of the company	6,687,941	1,791,500
Non-Controlling Interest	257,897	(152,322)
	<b>6,945,838</b>	<b>1,639,178</b>
Earnings per common share (Note 5)	<b>0.17</b>	<b>0.04</b>
<b>Total comprehensive income/(loss) attributable to:</b>		
Owners of the company	6,177,852	6,065,549
Non-Controlling Interest	278,450	(104,833)
	<b>6,456,302</b>	<b>5,960,716</b>

## Financial Summary of Unaudited Results

FOR THE 12 MONTHS ENDED  
DECEMBER 31, 2024  
(Expressed in Bahamian dollars)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	For the 12 Months Ended	
	31-Dec-24	31-Dec-23
<b>Common shares, Preference shares, Contributed surplus and General reserve</b>		
Balance at beginning and end of period	24,291,275	24,291,275
<b>Revaluation reserve</b>		
Balance at beginning of period	17,403,666	14,644,202
Other comprehensive (loss)/income	(721,196)	2,759,464
<b>Balance at end of period</b>	<b>16,682,470</b>	<b>17,403,666</b>
<b>Retained earnings</b>		
Balance at beginning of period	29,804,911	29,769,754
Total comprehensive income	6,899,048	3,306,085
Preference share dividends	(350,000)	(350,000)
Common share dividends	(2,920,927)	(2,920,928)
<b>Balance at end of period</b>	<b>33,433,032</b>	<b>29,804,911</b>
<b>Non-controlling interest</b>		
Balance at beginning of period	4,346,517	4,451,350
Total comprehensive income/(loss)	278,450	(104,833)
<b>Balance at end of period</b>	<b>4,624,967</b>	<b>4,346,517</b>
<b>Total equity at end of period</b>	<b>79,031,744</b>	<b>75,846,369</b>

## Financial Summary of Unaudited Results

FOR THE 12 MONTHS ENDED  
DECEMBER 31, 2024  
(Expressed in Bahamian dollars)

CONSOLIDATED STATEMENT OF CASH FLOWS	For the 12 Months Ended	
	31-Dec-24	31-Dec-23
Net cash from operating activities	5,661,036	6,373,739
Net cash used in investing activities	(9,487,248)	(1,990,862)
Net cash used in financing activities	(3,332,981)	(3,593,582)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(7,159,193)</b>	<b>789,295</b>
Cash and cash equivalents at the beginning of the period	34,425,676	33,636,381
<b>Cash and cash equivalents at the end of the period</b>	<b>27,266,483</b>	<b>34,425,676</b>



# Selected Explanatory Notes to the Unaudited Financial Results

For the 12 Months Ended December 31, 2024

## 1. GENERAL

Bahamas First Holdings Limited (“BFH” or the “Company”) and its subsidiaries are incorporated under the laws of the Commonwealth of The Bahamas, except BFH International Limited, Cayman First Insurance Company Limited, BRAC Insurance Associates Ltd. and BFH Services (Cayman) Limited which are incorporated under the laws of the Cayman Islands.

These consolidated unaudited financial results include the accounts of BFH and its subsidiaries, which are hereinafter collectively referred to as the “Group”. The primary activity of the Group is the carrying on of general insurance business (property and casualty) and health and group life insurance. The subsidiaries are as follows:

### Registered insurers

- Bahamas First General Insurance Company Limited (“BFG”)
- Cayman First Insurance Company Limited (“CFI”)

### Registered insurance intermediaries

- Nassau Underwriters Agency Insurance Agents & Brokers Ltd. (“NUA”)
- BRAC Insurance Associates Ltd. (“BIA”)

### Management company

- Bahamas First Corporate Services Ltd. (“BFCS”)

### Claims servicing company

- First Response Limited (“FRL”)

### Health referral agency

- BFH Services (Cayman) Limited (“BFHS”)

### Insurance holding company

- BFH International Limited (“BFHIL”)

All of the above subsidiaries are wholly-owned except for CFI.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

The condensed interim financial results have been prepared in accordance with IAS 34 Interim Financial Reporting (“IAS 34”), using the accounting policies adopted in the last annual financial statements for the year ended December 31, 2023. The Group has consistently applied the same accounting policies through all periods presented. These interim unaudited consolidated financial results should be read in conjunction with the consolidated financial statements of the Group for the year ended December 31, 2023.

# Selected Explanatory Notes to the Unaudited Financial Results (Continued)

For the 12 Months Ended December 31, 2024

## 3. SEASONALITY

The Property and Casualty insurance business is seasonal in nature with the bulk of the catastrophe insurance revenue being recognised during the hurricane months of June to November. The insurance service result is driven mainly by claims associated with weather conditions and may vary significantly between quarters. Profit commission earned from reinsurers and paid to agents are significantly impacted by natural catastrophes and are therefore recorded only in the fourth quarter.

## 4. SEGMENTED INFORMATION

The Group's operations are segmented into the following business segments by geographic location:

- General Insurance / Property and Casualty (P&C)
- Health and Life (H&L)

The segment results for the interim periods are noted in the table displayed ►

	BAHAMAS		CAYMAN	
	P&C	P&C	H&L	TOTAL
	\$	\$	\$	\$
<b>For The 12 Months Ended 31-Dec-24</b>				
Insurance service result	16,031,721	4,826,258	(943,996)	19,913,983
Profit/(loss)	4,724,439	3,488,028	(1,266,629)	6,945,838
Capital expenditure	621,511	43,852	76,594	741,957
<b>As at 31-Dec-24</b>				
Total assets	113,274,321	44,544,997	24,391,339	182,210,657
Total liabilities	77,392,472	20,300,903	5,485,538	103,178,913
<b>For The 12 Months Ended 31-Dec-23</b>				
Insurance service result	13,984,672	5,009,347	(4,474,009)	14,520,010
Profit/(loss)	3,449,021	3,706,078	(5,515,921)	1,639,178
Capital expenditure	1,799,223	65,044	248,828	2,113,095
<b>As at 31-Dec-23</b>				
Total assets	110,268,556	40,104,852	25,813,916	176,187,324
Total liabilities	74,338,500	20,237,876	5,764,579	100,340,955

# Selected Explanatory Notes to the Unaudited Financial Results (Continued)

For the 12 Months Ended December 31, 2024

## 5. EARNINGS PER COMMON SHARE

	2024	2023
	\$	\$

### 3 months Ended 31-Dec

Profit for the period attributable to owners of the company	7,399,096	3,311,963
Preference shares dividend paid	(87,500)	(87,500)
Profit for the period attributable to common shareholders	7,311,596	3,224,463
Weighted average number of common shares outstanding	36,511,589	36,511,589
<b>Basic and diluted profit per common share</b>	<b>0.20</b>	<b>0.09</b>

### 12 months Ended 31-Dec

Profit for the period attributable to owners of the company	6,687,941	1,791,500
Preference shares dividend paid	(350,000)	(350,000)
Profit for the period attributable to common shareholders	6,337,941	1,441,500
Weighted average number of common shares outstanding	36,511,589	36,511,589
<b>Basic and diluted profit per common share</b>	<b>0.17</b>	<b>0.04</b>

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