

FIRST...Living up to our Name.

BAHAMAS FIRST HOLDINGS LIMITED

2007
ANNUAL
REPORT



First...Living Up To Our Name

On January 1, 1983, when the first Bahamian-owned general insurance company began transacting business in The Bahamas, it seemed only appropriate that it would be called the Bahamas First General Insurance Company Limited. Twenty five years later, "First" is more than just part of our proud name.

It is the goal we set for ourselves in all areas of our business and operating principles. It is what drives our leadership position in the market and the many "Firsts" we have achieved as a company. It is why Bahamas First General, the principal subsidiary of Bahamas First Holdings, is First in insurance today and will remain First in insurance tomorrow.

Over the past year we have taken First to a new level by introducing First Response, the only on-site accident assistance programme in The Bahamas. It is another step in the path we have chosen to follow as a company, a path that challenges us every day to be First and Living Up To Our Name.

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“ 2007 was an extremely active and successful year! ”

CHAIRMAN'S MESSAGE

2007 saw the attainment of further significant milestones in the ongoing measured development of your Company.

First, we were successful in concluding a strategic arrangement with the Economical Insurance Group (EIG), of Canada, that nation's fourth largest general insurance company, whereby they acquired a 20% interest in exchange for a substantial cash investment into your Company. As a result, this transaction has a number of important elements, the most notable of which include:

- A major strengthening of the balance sheet
- Access to a highly developed knowledge base
- Technical expertise, particularly by two of their most senior officers who will be proposed to join the Board of Directors



- The opportunity for enhanced training and international industry exposure for our staff and business partners

- A significant increase in the value of your shares

Second, we acquired the Carib Insurance Agency, a well-respected and recognized agency in The Bahamas. We welcome their staff and clients to the Bahamas First family.

Third, we launched the First Response Unit, which has been well received in the marketplace and has increased business flow in the motor segment of our New Providence portfolio.

Fourth, we achieved record profits which speaks well for the financial strength of your Company, but also that we were blessed by having a largely storm free year, with the exception of Tropical Storm Noel.

Fifth, your Company declared the largest final dividend in its history. Further efforts will be made this year to increase dividend payments, whilst always being mindful to protect the Company's financial position.

Sixth, we achieved record gross written premiums.

Seventh, we retained our A.M. Best A- (Excellent) rating, without qualification, in a very challenging environment.

As is clear from the above, 2007 was an extremely active and successful year!

The financial markets were, to say the least, extremely challenging during 2007, particularly from August onwards. This provided a stark lesson for the need to remain extremely focused in such a difficult environment.

As to the future, your Board of Directors will continue to monitor every business opportunity, which fits with the overall philosophy and strategy for the development of your Company. This may include looking at overseas opportunities as and when they meet this criteria.

Everyone in the Bahamas First Group worked extremely hard this year to achieve the above results. My thanks and appreciation go out to the Board of Directors, the Management Team, the Staff, our Agents and other stakeholders for their dedication in continuing to make Bahamas First a dominant and respected participant in the insurance industry in The Bahamas.

A handwritten signature in black ink, appearing to read 'IAN D. FAIR'. The signature is stylized and fluid.

IAN D. FAIR
Chairman

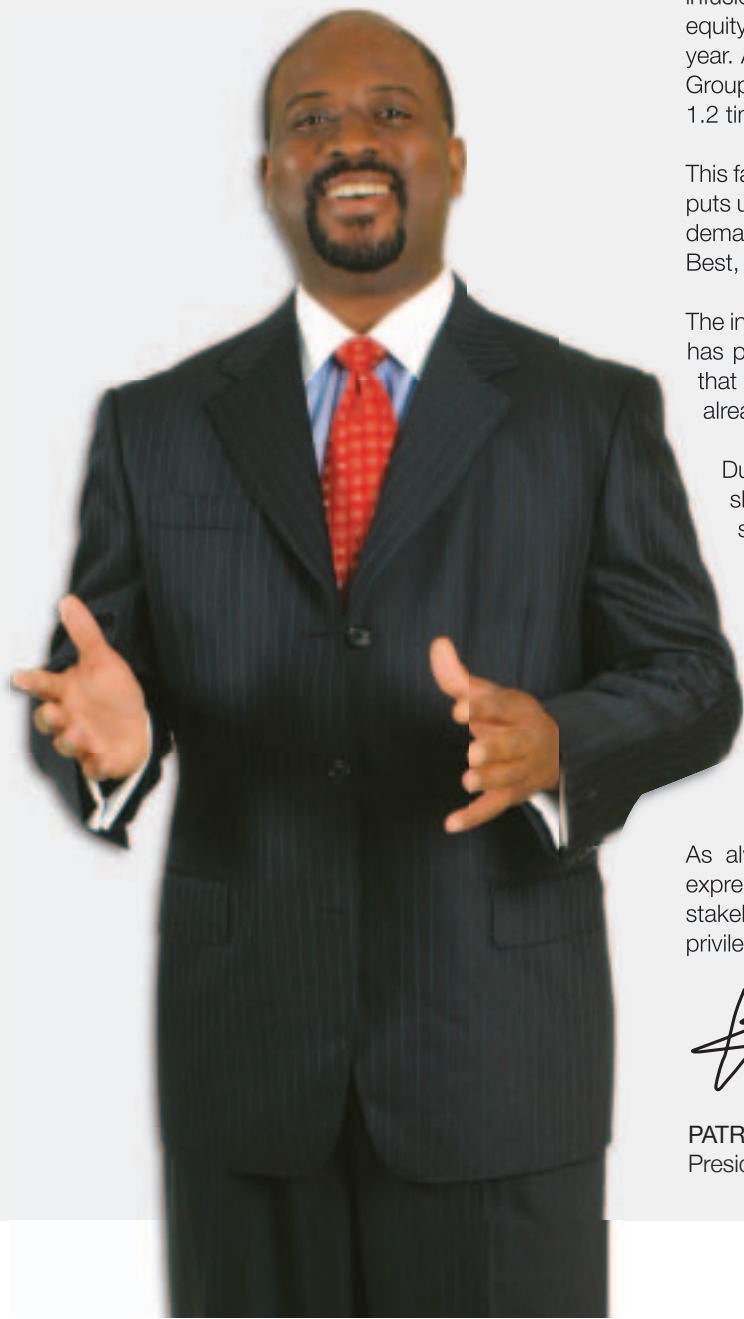
“*The particularly robust performance of the main risk taking subsidiary, Bahamas First General Insurance (BFG), was the key driver in the delivery of the best results ever achieved by the Group.*”

PRESIDENT'S MESSAGE

For the second consecutive year, the global non-life insurance industry was spared the occurrence of a significant market loss and, despite our own brush with Tropical Storm Noel, The Bahamas also benefited from this quiet period.

While the 2007 published results for major international insurance entities do not, in the main, appear to be as strong as 2006, the market results were nonetheless very impressive. We fully expect that the results for the general insurance sector in our local market, particularly the risk taking entities, will show a noticeable improvement over the trend established over the prior 5-year period.

I am pleased to be able to report that we have enjoyed outstanding results across the business components that make up the Bahamas First Holdings Group of companies.



The particularly robust performance of the main risk taking subsidiary, Bahamas First General Insurance (BFG), was the key driver in the delivery of the best results ever achieved by the Group.

The earnings per common share for 2007 grew to \$0.48 compared to \$0.14 in 2006, representing a net income attributable to common shareholders of just over \$14M for the current year.

The combined operating ratio fell to 89%, from 98% in 2006, resulting in a net underwriting income of \$14.3M, a 67% increase over the prior year. This fact alone is a clear demonstration of the underlying strength and quality of our portfolio of business.

As a result of the growth in retained earnings and the capital infusion provided by the EIG transaction, the shareholders' equity grew to \$46.5M, nearly twice the level of the prior year. At that level of capitalization, the solvency ratio of the Group has now improved to 120%, which gives a cover of 1.2 times the level of net written premium for 2007.

This fact augurs well for the protection of policyholders, and puts us in a position to meet the increasingly more stringent demands of regulators and rating agencies, such as A M Best, both now and in the future.

The integration of the Carib agency into the Group structure has proceeded as expected and the additional resources that have been introduced into our organization have already benefited us in many respects.

During 2007 your company paid dividends to common shareholders amounting to \$0.07 per share and, subsequent to the yearend, the Directors declared a further dividend of \$0.02 per common share, on the basis of the strong results achieved in 2007.

BFG commenced trading on the 1st January 1983 and so 2008 will mark the 25th anniversary of its successful trading experience. We plan to recognize this milestone over the course of 2008, and you will also note special mention in the following pages.

As always, I am delighted to join the Chairman in his expression of thanks and appreciation to all of our stakeholders, particularly the dedicated team I have the privilege to work with each day.

PATRICK G. W. WARD
President & CEO

SUMMARY OF RESULTS

SUMMARY OF RESULTS

FINANCIAL SUMMARY Year Ended December 31, 2007	2007	2006	% Increase
	In thousands, except for per share data and ratios.		
BALANCE SHEET			
Total assets	\$ 131,113	\$ 110,304	19%
Shareholders' equity	46,489	23,251	100%
Book value per common share	1.15	0.64	
STATEMENT OF OPERATIONS			
Gross premiums written	108,498	98,910	10%
Net premiums written	38,637	34,408	12%
Net premiums earned	36,220	32,876	10%
Commission received	15,607	13,421	16%
Net claims incurred	6,961	7,508	-7%
Net underwriting income	14,324	8,562	67%
Investment revenues	10,471	3,830	173%
Net income, before preference share dividend	14,360	4,486	220%
per common share	0.49	0.16	
Net income	14,010	4,136	237%
per common share	0.48	0.14	
RATIOS			
Solvency ratio	120%	68%	
Combined operating ratio	89%	98%	

YEAR IN REVIEW

2007 in Review

The Bahamian non-life insurance sector breathed a collective sigh of relief at the close of the hurricane season in 2007. The local market loss generated by the occurrence of Tropical Storm Noel paled in comparison to the losses experienced in each of the five major storm events since 1999.

The majority of the claims that emerged were from the islands of Exuma and Long Island with the latter being particularly hard hit by flooding. The level of overall economic loss to the residents of Long Island exceeded the insured losses by a meaningful margin, and it is a credit to the communities within that island that they were able to marshal the resources needed to recover their way of life so quickly.

The Path To Profitable Growth Continues

The overall economical conditions in The Bahamas during 2007 were mostly favourable, despite a decline in economic output as measured by the growth in GDP in the 3rd and 4th quarters. While the slowdown may have muted prospects for the growth of our business, we still managed to achieve record top line results in 2007.

The gross written premium for 2007 was almost 10% over the prior year, while the net written premium increased by a slightly higher margin of 12%.

	2007	2006
Gross Written Premium	\$108,498,417	\$98,910,054
Net Written Premium	38,636,845	34,408,162

For the most part, the growth in our business was generated by the terrific performance of our agency base where, almost without exception, each of our producers increased their placements with BFG. In some cases the increases were substantial and it is encouraging to note that the Group is building on its franchise as the market's first choice for general insurance.

More importantly, despite a progressive flattening in the pricing environment for the major lines of business, we were able to maintain technically sound pricing for the vast majority of our portfolio.

As the market continues to demand lower pricing, it will become increasingly more important for us to maintain underwriting discipline to ensure our long-term viability. At the same time, we will continue to aggressively seek out mutually beneficial solutions that create the right balance between our clients' needs, and our requirement for sound pricing.

Property: The property account continues to be our largest line of business, and gross written premiums grew by roughly 8% in 2007. The net written premium in this class of business increased by more than twice this level of growth, mostly as a result of an increase in the Group's net retentions for certain risks within the property portfolio.

Property rates in The Bahamas, particularly for catastrophe cover, were under pressure for most of the year and trended downward in comparison to 2006. While the rise in the cost of reinsurance for catastrophe protections was abated in 2007, the fall in original gross rates was well ahead of this decline in some cases. In certain instances we were obliged to forego renewals or new business prospects due to pricing considerations.

Fortunately, we were successful in retaining a substantial part of our portfolio and also in attracting new business at acceptable terms.

Early into 2007, the Group experienced its single largest fire loss on record, which resulted in a claim in excess of \$5M. This commercial property loss was preceded by a major fire claim involving a private home in Lyford Cay. Notwithstanding these losses and the claims emerging from Noel, the loss ratio for this class of business finished the year below 15%.

The good overall performance of the property account, together with the change in reinsurance structure mentioned above, resulted in a significantly improved margin for this line of business in 2007.

Motor and Liability: Once again we experienced year over year growth in our vehicle count, particularly in the private car sector of the motor portfolio. Following the launch of the First Response Unit, we encountered a marked increase in new motor business, a clear indication that the benefits associated with this accident assistance programme, are highly valued by our New Providence customer base. BFG now insures in excess of 60,000 vehicles in The Bahamas and we continue to ensure that our claims and underwriting capacity are ready to meet the respective requirements.

The accident assistance programme that is offered through the First Response Unit provides a real value added service to our clients but it also provides us with enhancements in the way in which motor claims are managed and controlled. Judging by the rapid response by one of our competitors, it would appear that we might be on the verge of a market wide adoption to such programmes.

The liability portfolio also grew in 2007, compared to 2006, despite pricing pressures.

YEAR IN REVIEW

The combined motor and liability loss ratios for 2007 were exceptional and produced the largest underwriting profit ever achieved by these lines of business in the history of the Group.

Marine: Unfortunately, the vexing problem of private pleasure craft thefts continued to plague the market in 2007, and the issue is generating widespread market reaction to combat the problem. While the premium in this class of business increased slightly in 2007, the theft losses held the underwriting profit to a level just slightly higher than the prior year.

Other Lines: The overall contribution to our underwriting profit from the other classes of business was positive and aided in the historical result produced in 2007.

Capital and Investment Management

As always the prudent management of our capital was a priority for the Group, with particular focus on the developing demands from regulators and rating agencies. The capacity to grow our earnings and write attractive business at the highest level of return depends very much on the availability of adequate risk capital and our ability to leverage this, particularly in a market where viable investment options are fairly limited.

During the year we booked a sizeable unrealized gain on our largest equity investment, Commonwealth Bank Ltd. We do not expect a similar performance in the immediate future, although we remain convinced that the investment remains a sound choice. As detailed in note 26 of the financial statements, we have already seen some of that value reduced, as the market capitalization of the Bank returned to levels more in keeping with recent trading patterns.

The other investment related income outpaced last year's performance, and as we continue to integrate the previous acquisitions into our Group structure, we expect to realize superior returns in the future.

Subsequent to the close of the EIG transaction, we repaid, in full, the short-term loan of \$6M, which formed part of our response to the temporary capital structure requirements of BFG, which were linked to A M Best's guidelines. Prior to the close of the year, BFH acquired \$5M of additional capital in BFG, thereby further strengthening the main risk taking entity within the Group.

Corporate Governance

This year we have featured separately the makeup and mandate of the various subcommittees of the Board on page 35.

I am pleased to be able to say that, as at 5th May 2008 we have been able to recruit a qualified lawyer to fill the vacancy created by the departure of the Compliance Officer.

At the forthcoming AGM, two high-level executives from the EIG will be nominated for board seats, and it is anticipated that their vast personal experience and industry-related expertise will enhance the quality of oversight over the affairs of the Group.

Some of the pending legislative agenda that will accompany, for example, this country's signing of the European Economic Agreement, will create additional regulatory concerns for the insurance industry and wider services sector generally.

We are even more confident that the new regulatory requirements or mandates that will come on stream will not create a compliance burden as we have ensured that an adequate compliance framework is in place to meet these demands.

Future Outlook

We are optimistic about our future prospects, but there are a number of pending or existing developments that will pose significant operational challenges for the insurance sector in The Bahamas. As markets become more open within the region, the competitive threats that hang over the market will intensify to an even greater extent. We are already experiencing considerable pricing pressures created by both client demands and market share initiatives by both internal and external competitors.

The projected rate of growth expected in The Bahamas for 2008 has been the subject of considerable debate, although the current consensus seems to be that it will be lower, probably 25% lower, than originally proposed.

Having regard to the current and future environment that this Group will operate in, the Board has approved a 3-year plan that provides operational targets and performance measures to guide the management of the company's resources in such a way that we are positioned to achieve the best possible returns.

An important ingredient in this mix of items is the successful implementation of our new insurance software that replaces our old legacy system. The new software was launched on the 2nd January 2008, the first working day in the new year, and despite some anticipated setbacks, we are well on the way to reaping the benefits that this new platform will provide. Change of this magnitude is never easy, but this substantial investment in a new, more efficient IT platform will facilitate the attainment of a number of important objectives over the next decade of our existence.

1st

- locally capitalized general insurance company in The Bahamas

- general insurance company in The Bahamas to reach \$100 million in premium income

- local company in The Bahamas to receive an A- (Excellent) financial strength rating from A M Best dating back to 1999

- in authorized agents with 18 highly professional brokers and agents across the country

- in property, automobile, marine, accident, engineering, liability and professional indemnity insurance

- with AutoSafe, a 60-point auto inspection service located in the Bahamas First Centre to assist clients in determining the insured value of their vehicle

- to introduce an on-site accident assistance programme enabling claims processing to begin at the scene of an accident

FIRST 25 YEARS

The Bahamas First General Insurance Company was born out of the dynamic and visionary leadership of our founding Chairman, the late Robert H. "Bobby" Symonette.



The Board of Directors in the early years.

He, along with the company's first group of shareholders and directors, envisioned a company that would become the undisputed market leader and a company with the stability and resources to establish itself and remain a successful and long-term fixture in the Bahamian business community.

That was in 1982. Twenty five years later that vision has become a reality.

Our initial portfolio of business was supplied by two agencies – Nassau Underwriters Agency and Basil Burnside Limited. Both represented the Royal Insurance (UK) at that time and together with Bobby were very instrumental in the formation of the company.

In addition to the founding agencies, several other well-established agencies were subsequently appointed to provide a more diversified distribution channel, and to engender widespread confidence in the company.

With the assistance of various reinsurers, we were able to put in place a solid infrastructure which provided the platform for future growth and development on a scale unparalleled in The Bahamas. Between 1983 and 1991, we experienced steady growth in line with the appointment of additional agents and the acquisition of business previously written by overseas carriers that withdrew from the market.



Anthony Walker, (left) the first Managing Director with the former Prime Minister, The Rt. Honorable Sir Lynden Oscar Pindling at a reception for the launch of Bahamas First.

By 1996 Bahamas First General had become a wholly-owned subsidiary of Bahamas First Holdings (BFH), a move prompted by the shareholders of BFG and Nassau Underwriters to create an entity that could represent the interests of both shareholders.

Two years later Royal's 20 percent interest in BFG was acquired, placing the entire control of the company within a Bahamian shareholder group. Simultaneously, through acquisitions and a merger, Moseley Burnside Insurance Agency Limited became part of BFH.

Strategic acquisitions to diversify our sources of business have continued in recent years. The business portfolios of Colina General Insurance Company Ltd., and Commonwealth General Insurance Company Ltd., were acquired in 2004 and 2005, respectively. In both cases contracts were secured for exclusive agency representation of BFG. The most recent addition to BFH is Carib Insurance Brokers & Agents Ltd., which became part of the group in 2007.

While the structure of the company has changed since its formation, three underlying principles that underpin our success have remained relatively unchanged.



The head office for Bahamas First in the early years, now the head office for NUA (left), and the Bahamas First Centre (right).

First, our underwriting and claims practices stood the test of time and scrutiny providing all of our stakeholders with good returns and a high level of service.

Second, our growth and stature in the market have been achieved by the solid performance of a loyal, yet growing stable of professional and dedicated agents.

They have been the face of Bahamas First through our years of development and remain our most important business partners in providing insurance products and services to every sector of the various communities throughout The Bahamas.

Third and most importantly, we have been fortunate to always have had staff who understand we are first and foremost in the service business. Without their dedication and professionalism we would be First in name only. With them we have lived up to our name each and every day of our First 25 years.

FIRST RESPONSE

FIRST RESPONSE: ANOTHER FIRST FOR BAHAMAS FIRST



When the Bahamas First Centre officially opened in 2005, we also introduced our new branding for the company: Bahamas First. First In Insurance. Today. Tomorrow.

We said we fully intend to maintain and build upon this leadership position by continuing to focus on those areas of our business and



First Response team members have been trained to provide on-site accident assistance.

operating principles that have enabled Bahamas First to achieve this status.

We said we will remain “first in insurance” through our commitment to our agency network, which is stronger today than it was when the company was established in 1982.

And we also stated that we will remain “First in insurance ... today and tomorrow” by seeking and finding new ways to support these business partnerships and our customers.

With First Response, which was launched on August 1, 2007, we demonstrated again that we are a company that keeps our promises and with an eye to innovation.

First Response provides on-location assistance and support from the moment of a motor vehicle accident through the claim and repair process. It is the only programme of its kind in The Bahamas and is an exclusive accident assistance service offered at no cost to drivers whose vehicles are insured through authorized agents of BFG.

Since its launch the bold and distinctive First Response vans have become as common a sight at accident locations as police vehicles, ambulances and wrecker trucks.

It has enabled authorized agents of Bahamas First to deliver the most dynamic, value added auto insurance product in The Bahamas. First Response also substantially reduces the administrative workload in processing an automobile accident claim and provides BFH authorized agents with a unique selling tool to acquire new business.

More so, consumers, specifically drivers in New Providence where the service is available and whose vehicles are insured through us, now have access to immediate on-site professional assistance if they are involved in an accident.

We are the only general insurer in The Bahamas to offer the type of service which First Response provides.

We are the only general insurer who can provide its clients with a large measure of security and peace of mind when an accident occurs.

And we are the only general insurer in The Bahamas who can begin claims procedures almost at the moment an accident occurs. This not only facilitates faster claims processing but will assist in fraud detection and add a new cost control mechanism to our business operations.

First Response is indeed another First for Bahamas First. It exemplifies our leadership position in the market, our commitment to our authorized agents and their clients and our responsibility to our shareholders to create value through innovative approaches to our business.



Dr. Roger Brown, Registrar of Insurance Companies congratulates Patrick Ward at the launch of First Response.



Guests to the launch saw an accident reenactment and a First Response unit in action.



Chairman Ian Fair addressing guests at the launch.

THE BFH FAMILY OF AGENTS

With the addition of Carib Insurance Brokers & Agents, BFH now has three subsidiary companies in the general insurance distribution channel, complimented by 15 other agencies which are either independent exclusive agents or independent non-exclusive agents.

While our subsidiaries operate under the BFH umbrella, each occupies a unique position in the market, thus enabling them to successfully compete with each other and contribute to the overall growth of the Group.



NUA Insurance Agents And Brokers – The Hands on Insurance Agency – has been helping Bahamian families and business with their insurance needs for more than 40 years. As a founding shareholder of BFG, NUA -- or Nassau Underwriters as it is still fondly identified in some circles – is the largest contributor to gross written premiums among all subsidiaries and authorized agents.



Moseley Burnside Agency represents the amalgamation of two long-time market participants that have served the Bahamian communities with personalized service for many years. The agency has preserved this distinctive quality as it seeks to expand its client base.



Carib Insurance Brokers and Agents has a strong and loyal portfolio of business, particularly in the commercial area. Following its formation in 1965, Carib enjoyed a representational relationship with London-based Lloyd's Brokers, Cooper Gay Co. Ltd., which laid the foundation for the expertise it has developed in the commercial area. The company has embarked on a rebranding programme with the promise of "Expert Advice. Personal Service."

FIRST CLASS

FIRST CLASS STAFF



Bahamas First General and
Bahamas First Corporate
Services management group



NUA Insurance Agents
& Brokers



Moseley Burnside
Agency



Carib Insurance Brokers
& Agents

CONSOLIDATED

CONSOLIDATED BALANCE SHEET

As of December 31st, 2007 (Expressed in Bahamian dollars)

ASSETS	Notes	2007	2006
Cash		\$ 9,626,221	\$ 5,946,983
Term deposits	5	3,705,560	3,304,799
Investments	6	21,270,567	12,311,967
Investment in associate	7	699,808	175,062
Trade accounts receivable	8, 21	27,371,094	24,940,086
Sundry receivables and prepayments	21	1,385,048	1,146,752
Receivable from reinsurers		235,213	241,436
Deferred commission costs	9	4,004,682	3,935,094
Deferred reinsurance premiums	9	26,827,559	26,290,026
Deferred reinsurance cost	9	4,035,334	4,614,739
Unpaid claims recoverable from reinsurers	10	10,738,428	13,651,205
Property and equipment	11	13,428,052	10,952,881
Intangible Asset and Goodwill	12, 13	7,785,717	2,792,559
TOTAL		\$ 131,113,283	\$110,303,589

LIABILITIES & SHAREHOLDERS' EQUITY	Notes	2007	2006
Trade accounts payable		14,772,475	12,394,799
Loan Payable	14	-	6,000,000
Unearned commission income	9	5,852,605	5,701,519
Unearned premiums	9	42,686,985	39,733,058
Accrued liabilities		1,882,638	1,606,826
Unpaid claims	10	19,429,325	21,616,446
		84,624,028	87,052,648
SHAREHOLDERS' EQUITY:			
Common Shares	15	359,819	287,855
Preference Shares	15	5,000,000	5,000,000
Contributed surplus	15	16,840,529	6,162,493
General reserve	16	4,000,000	4,000,000
Revaluation surplus	17	1,932,558	1,079,779
Retained earnings		18,356,349	6,720,814
Total shareholders' equity		46,489,255	23,250,941
TOTAL		\$131,113,283	\$110,303,589

See notes to consolidated financial statements.

These consolidated financial statements were approved by the Board of Directors on April 14, 2008 and are signed on its behalf by:



IAN D. FAIR
Director



PATRICK G. W. WARD
Director

CONSOLIDATED

CONSOLIDATED STATEMENT OF INCOME

UNDERWRITING INCOME:	Notes	2007	2006
Gross premiums written	18, 21	\$ 108,498,417	\$ 98,910,054
Movement in unearned premiums	9	(2,953,927)	(6,368,837)
		105,544,490	92,541,217
Premiums ceded to reinsurers		(69,861,572)	(64,501,892)
Movement in deferred reinsurance premiums	9	537,533	4,836,837
Net premiums earned		36,220,451	32,876,162
Commission income		15,607,019	13,420,824
Total underwriting income		51,827,470	46,296,986
UNDERWRITING EXPENSES:			
	Notes	2007	2006
Net claims incurred	10	\$ 6,961,041	\$ 7,508,058
Commission expense		11,024,315	10,821,120
Cost of excess of loss reinsurance		16,500,715	16,533,733
Premium tax		3,016,555	2,871,583
Total underwriting expenses		37,502,626	37,734,494
Net underwriting income		14,324,844	8,562,492
OTHER INCOME	19	1,512,859	1,353,244
REALIZED GAINS ON INVESTMENTS		-	177,790
UNREALIZED GAINS ON INVESTMENTS	6, 26	8,958,600	2,299,032
Total income		24,796,303	12,392,558
OTHER EXPENSES:			
Salaries, benefits and bonuses	20, 21	5,780,194	4,737,105
General and administrative expenses		4,655,769	3,169,147
Total other expenses		10,435,963	7,906,252
NET INCOME		\$ 14,360,340	\$ 4,486,306
NET INCOME		\$ 14,360,340	\$ 4,486,306
PREFERENCE SHARE DIVIDENDS	15	(350,000)	(350,000)
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS		\$ 14,010,340	\$ 4,136,306
BASIC AND DILUTED EARNINGS PER COMMON SHARE	15	\$ 0.48	\$ 0.14

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As of December 31st, 2007 (Expressed in Bahamian dollars)

	Common Shares	Preference Shares	Contributed Surplus	General Reserve	Revaluation Surplus	Retained Earnings	Total
Balance at December 31, 2005	\$ 287,855	\$ 5,000,000	\$ 6,162,493	\$4,000,000	\$1,079,779	\$3,735,929	\$20,266,056
Preference share Dividends paid (Note 15)	-	-	-	-	-	(350,000)	(350,000)
Net income	-	-	-	-	-	4,486,306	4,486,306
Dividends paid (\$0.04 per common share)	-	-	-	-	-	(1,151,421)	(1,151,421)
Balance at December 31, 2006	\$ 287,855	\$ 5,000,000	\$6,162,493	\$4,000,000	\$1,079,779	\$6,720,814	\$23,250,941
Shares issued (Note 15)	71,964	-	10,678,036	-	-	-	10,750,000
Preference share Dividends paid (Note 15)	-	-	-	-	-	(350,000)	(350,000)
Net increase (Note 17)	-	-	-	-	852,779	-	852,779
Net Income	-	-	-	-	-	14,360,340	14,360,340
Dividends paid (\$0.07 per common share)	-	-	-	-	-	(2,374,805)	(2,374,805)
Balance at December 31, 2007	\$359,819	\$5,000,000	\$16,840,529	\$4,000,000	\$1,932,558	\$18,356,349	\$46,489,255

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

CASH FLOWS FROM OPERATING ACTIVITIES:		Notes	2007	2006
Net Income			\$ 14,360,340	\$ 4,486,306
Adjustments for:				
Net gains on investments			(8,958,600)	(2,476,822)
Depreciation and amortization	11		518,091	389,157
Interest income	19		(448,706)	(242,267)
Dividend income	19		(765,830)	(740,572)
Share of net earnings of associates	7		(144,746)	(177,437)
Gain on disposals of property and equipment			(1,328)	(170)
Net income from operations			4,559,221	1,238,195
Increase in trade accounts receivable			(486,641)	(4,279,300)
Decrease in sundry receivables and prepayments			157,063	186,231
Decrease in receivable from reinsurers			6,223	405,708
Decrease (increase) in deferred reinsurance costs			579,405	(581,118)
Increase in deferred commission costs			(69,588)	(445,986)
Increase in deferred reinsurance premiums			(537,533)	(5,398,621)
Decrease (increase) in trade accounts payable			(62,756)	4,392,720
Decrease (increase) in unearned commission income			(442,691)	476,643
Increase (decrease) in net unpaid claims			725,656	(479,292)
Increase in accrued liabilities			275,812	493,848
Increase in unearned premiums			2,953,927	6,368,837
Net cash from operating activities			7,658,098	2,377,865
CASH FLOWS FROM INVESTING ACTIVITIES:				
			2007	2006
Purchase of property and equipment	11		(1,907,530)	(1,636,200)
Interest received			449,326	232,335
Dividends received			885,830	842,449
Proceeds from disposals of property and equipment			1,500	2,054
Purchase of investments	7		-	(5,556)
Purchase of investment in associate			(500,000)	
Sale of investments			-	1,427,790
Intangible asset on acquisition of business portfolio			-	(736,716)
Net purchase consideration for business acquisition			(4,532,420)	
Increase in term deposits maturing after ninety days			771,742	(68,113)
Net cash used in investing activities			(4,831,552)	58,043

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

CASH FLOWS FROM FINANCING ACTIVITIES:	Notes	2007	2006
Preference share dividends paid		(350,000)	(350,000)
Common share dividends paid		(2,374,805)	(1,151,421)
Proceeds from issue of common shares		10,750,000	-
Repayment of/Proceeds from bank loan	14	(6,000,000)	6,000,000
Net cash from (used in) financing activities		2,025,195	4,498,579
NET INCREASE IN CASH AND CASH EQUIVALENTS		4,851,741	6,934,487
CASH AND CASH EQUIVALENTS:			
BEGINNING OF YEAR		7,135,952	201,465
END OF YEAR		\$ 11,987,693	\$ 7,135,952
CASH AND CASH EQUIVALENTS ARE COMPRISED OF:			
Cash		\$ 9,626,221	\$ 5,946,983
Term deposits maturing within ninety days		2,361,472	1,188,969
		\$ 11,987,693	\$ 7,135,952

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

Bahamas First Holdings Limited (“BFH” or the “Company”) and its subsidiaries are incorporated under the laws of the Commonwealth of The Bahamas. These consolidated financial statements include the accounts of the 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. The subsidiaries are all wholly-owned and are as follows:

Registered general insurers:

- Bahamas First General Insurance Company Limited (“BFG”)
- Allied Bahamas Insurance Company Limited (“ABI”)

Registered insurance agencies:

- Nassau Underwriters Agency Insurance Agents & Brokers Limited (“NUA”)
- Moseley Burnside Insurance Agency Limited (“MBI”)
- Carib Insurance Agents & Brokers Limited (“CIA”)

Management company:

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

BFCS provides administrative and corporate services to the Group and charges management fees to the various Group companies, which are eliminated on consolidation.

Claims servicing company:

- First Response Limited (“FRL”)

FRL provides motor claim roadside assistance and claim adjusting services to BFG.

The registered office of the Group is located at 32 Collins Avenue, Nassau, Bahamas.

2. ADOPTION OF NEW AND REVISED STANDARDS

Standards and Interpretations effective in the current period

In the current year, the Group has adopted IFRS 7 Financial Instruments: Disclosures which is effective for annual reporting periods beginning on or after January 1, 2007, and the consequential amendments to IAS 1, Presentation of Financial Statements. The impact of the adoption of IFRS 7 and the changes to IAS 1 has been to expand the disclosures provided in these financial statements regarding the Group’s financial instruments and management of capital. Four Interpretations issued by the International Financial Reporting Interpretations Committee are effective for the current period.

These are: IFRIC 7 Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies; IFRIC 8 Scope of IFRS 2; IFRIC 9 Reassessment of Embedded Derivatives; and IFRIC 10 Interim Financial Reporting and Impairment. The adoption of these Interpretations has not led to any changes in the Group’s accounting policies.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Standards and Interpretations in issue not yet adopted

At the date of authorisation of these financial statements the following Standards and Interpretations were in issue but not yet effective:

IAS 1 (Revised) Presentation of Financial Statements (effective for accounting periods beginning on or after 1 January 2009);

IAS 23 (Revised) Borrowing Costs (effective for accounting periods beginning on or after 1 January 2009);

IAS 27 (Revised) Consolidated and Separate Financial Statements (effective for accounting periods beginning on or after 1 July 2009);

IFRS 2 (Revised) Share-based payments (effective for accounting periods beginning on or after 1 January 2009);

IFRS 3 (Revised) Business Combination (effective for accounting periods beginning on or after 1 July 2009);

IFRS 8 Operating Segments (effective for accounting periods beginning on or after 1 January 2009);

IFRIC 11 IFRS 2 Group and Treasury Share Transactions (effective for accounting periods beginning on or after 1 March 2007);

IFRIC 12 Service Concession Arrangements (effective for accounting periods beginning on or after 1 January 2008);

IFRIC 13 Customer Loyalty Programmes (effective for accounting periods beginning on or after 1 July 2008) and

IFRIC 14 IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective for accounting periods beginning on or after 1 January 2008).

The impact of the adoption of IFRS 7 and the changes to IAS 1 has been the expansion of the disclosures provided in the consolidated financial statements regarding the Group's financial instruments and management of capital.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The following is a summary of the significant accounting policies:

a. Basis of preparation - These consolidated financial statements have been prepared on the accrual basis and under historical cost convention, except for investments carried at fair value through profit and loss, and land and buildings, which are revalued every three years.

The accounting policies are consistent with those used in the previous years.

b. Basis of consolidation - Subsidiaries are those enterprises controlled by BFH. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Intra-group balances and transactions, and any unrealized gains arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with associates are eliminated to the extent of the Group's interest in the enterprise. Unrealized gains arising from transactions with associates are eliminated against the investment in the associate. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

c. Investment in associates - An associate is an entity over which the Group is in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Investments in associates are carried in the consolidated balance sheet at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of the associates in excess of the Group's interest in those associates are not recognized.

Where a company within the Group transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate. Losses may provide evidence of an impairment of the asset transferred in which case appropriate provision is made for impairment.

d. Financial instruments:

Classification and measurement - On initial recognition a financial asset or liability is measured at its fair value plus transaction costs directly attributable to the acquisition or issue of the financial asset or liability. After initial recognition financial assets are classified as either financial assets at fair value through profit or loss; held-to-maturity investments; loans and receivables; or available-for-sale; and are measured at their fair values without any deduction for transaction costs, except for the following financial assets:

(i) loans and receivables and held-to-maturity financial instruments are measured at amortised cost using the effective interest rate method;

(ii) investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost.

After initial recognition financial liabilities are measured at amortised cost using the effective interest method, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, are measured at fair value. Term deposits are classified as held-to-maturity financial instruments. They have fixed or determinable payments and fixed maturity dates, and the Group has the intent and ability to hold them to maturity.

Trade accounts receivable, sundry receivables and receivable from insurers are classified as loans and receivables and are carried at cost, which equates to amortised cost, less provision for bad debts. Trade accounts payable and accrued liabilities are financial liabilities, which are carried at cost.

Investments in Bahamas Registered Stock are designated as held-to-maturity and are carried at amortised cost. Preference share investments are classified as available-for-sale and are carried at cost, as this is considered to be the fair value at the consolidated balance sheet date. Gains and losses arising from changes in fair value of available-for-sale investments are recognised through the consolidated statement of changes in equity until the investments are disposed of or are determined to be permanently impaired, at which time the cumulative gain or loss previously recognised in equity is included in the consolidated statement of income for the period. All other investments are classified as financial assets at fair value through profit or loss. They are measured at fair value with reference to market prices, or, for non-listed companies, financial information on the company.

Recognition and derecognition - The Group recognizes/derecognizes a financial asset when it becomes a party to the contractual provisions of the instrument. The Group recognizes/derecognizes financial assets purchased or sold on the trade date. The gain or loss on investments classified as at fair value through profit or loss is recognized in the consolidated statement of income.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Investments held-to-maturity are recognized/derecognized on the day they are transferred to/by the Group. Financial liabilities are derecognized when they are extinguished. For financial asset and liabilities carried at amortised cost, a gain or loss is recognized in the consolidated statement of income when it is derecognized or impaired, as well as through the amortization process.

e. Trade accounts receivable - Trade accounts receivable are stated at cost less provision for bad debts. The bad debt provision is based on management's evaluation of the accounts receivable portfolio.

f. Property and equipment - Property and equipment, other than freehold land and buildings, are stated at cost less accumulated depreciation and amortization and impairment losses.

Expenditure incurred in the construction or replacement of property and equipment is capitalized. Other subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the property and equipment. All other expenditure is recognized in the consolidated statement of income as an expense as incurred.

Depreciation is charged to the consolidated statement of income on a straight-line basis over the estimated useful lives. Land is not depreciated and expenditure incurred in the construction-in-progress is not depreciated until construction is completed.

The estimated useful lives are as follows:

Buildings	40 years
Furniture and equipment	5 - 10 years
Leasehold improvements and others	3 - 5 years
Computer software	3 - 7 years

Freehold land and buildings are stated at fair market value, based on independent professional appraisals, which are performed every three years. Revaluation increments are recorded in the revaluation surplus in the consolidated statement of changes in equity, unless they reverse a revaluation decrease of the same asset previously recognized as an expense and are transferred to retained earnings to the extent realized by complete or partial disposal of the related asset. Any revaluation decrease is recognized as an expense unless it reverses a revaluation increase that was previously recognized in revaluation surplus.

g. Intangible assets and goodwill - On acquisition of an investment in an associate/subsidiary any difference between the cost of the investment and the investor's share of the net fair value of the identifiable assets, liabilities and contingent liabilities is accounted for as follows:

(i) any goodwill arising on the acquisition i.e. the excess of the cost of the investment over the investor's share of the fair value of the net assets is included in the carrying amount of the investment for associates and as goodwill in the consolidated balance sheet for subsidiaries. Amortization of goodwill is not permitted, instead goodwill is tested for impairment at least annually.

(ii) any excess of the investor's share of the fair value of the net assets over the cost of the investment is included in the consolidated statement of income in the period in which the investment is acquired.

For insurance portfolios acquired, an intangible asset is accounted for under IFRS 4, representing the difference between the fair value of the contractual insurance rights acquired and insurance obligations assumed and any liability for insurance contracts that it issues. The subsequent measurement of this intangible asset is consistent with the measurement of the related insurance liability. IAS 38 Intangible Assets does not apply to this intangible asset; however, it does apply to customer lists and relationships reflecting the expectation of future contracts that are not part of the contractual insurance rights and insurance obligations that existed at the date of the business combination or portfolio transfer. Intangible assets recognized under IAS 38 are initially carried at cost. After initial recognition an intangible asset with a finite useful life is

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

amortised, whereas an intangible asset with an indefinite useful life is not amortised. An intangible asset shall be regarded as having an indefinite useful life when there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows to the entity. The intangible asset is tested for impairment at least annually.

An intangible asset shall be derecognized on disposal or when no future economic benefit is expected from its use or disposal. The gain or loss arising from the derecognition is recognized in the consolidated statement of income.

h. Impairment - The carrying amounts of the Group's assets, including goodwill and intangible assets are reviewed at each consolidated balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. The value in use is determined using the future cash flows and applying the appropriate discount rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the consolidated income statement.

An impairment loss in respect of held-to-maturity assets is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

i. Premiums - Premiums written are recognized as income over the periods covered by the related policies taking into consideration the exposure period to which they relate. The adjustment to apportion the gross premiums written and ceded over the life of the policy is made through the movement in the unearned premiums.

Unearned premiums at year end represent the proportion of the premiums which relate to periods of insurance subsequent to the consolidated balance sheet date. This amount is calculated on a quarterly pro-rated basis.

j. Premiums ceded - Premiums ceded to reinsurers are recognized as expense over the periods covered by the related policies taking into consideration the exposure period to which they relate.

Deferred reinsurance premiums in the consolidated balance sheet at year end represent the proportion of the premiums ceded which relate to periods of insurance subsequent to the consolidated balance sheet date. This amount is calculated on a quarterly pro-rated basis.

k. Unpaid claims - The provision for unpaid claims represents an estimate of the amount needed to provide for the ultimate expected cost of settling claims related to insured losses (both reported and unreported) that have occurred on or before each consolidated balance sheet date. The provision is periodically reviewed and evaluated in the light of emerging claims experience and changing circumstances. Changes in estimate of the ultimate liability are included in net claims incurred in the consolidated statement of income.

l. Deferred acquisition costs

Reinsurance costs - Certain costs related to excess of loss reinsurance contracts are deferred and matched with the income related to these costs. Deferred reinsurance costs in the consolidated balance sheet at year end represent the deferred portion of these costs.

Deferred and unearned commissions - At year end represent the proportion of the commission paid to agents and brokers and received from reinsurers which related to periods of insurance subsequent to the consolidated balance sheet date. This amount is calculated on a quarterly pro-rated basis taking into consideration the exposure period to which they relate.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

m. Commission income and expense - Base commissions paid to agents and received from insurers and reinsurers are calculated based on gross premiums written and reinsured. Base commissions paid and received are adjusted so they are recognized over the period covered by the related policies taking into consideration the exposure period to which they relate.

Profit commissions received from reinsurers and non-group insurers, calculated based on past underwriting results, are received from other insurance companies for whom Group agents may act and from the Group's reinsurers. The agency profit commissions are recorded in the year in which Group agents receive notification of the commission and reinsurance profit and override commissions are recorded on an accruals basis.

n. Dividend and interest income - Dividend income is recorded when the dividend is declared. Interest income is accounted for on an accrual basis.

o. Cash and cash equivalents - Cash and cash equivalents consist of cash on hand and deposits with banks maturing within 90 days.

p. Related parties - Related parties include key management personnel, directors, associated company, shareholders with shareholding in excess of 10% of outstanding common shares, and companies that are controlled by these parties.

q. Earnings per share - Earnings per share is computed by dividing the net income, after deducting dividends declared on preference shares, by the weighted average number of common shares outstanding during the year. There is no material difference between basic earnings per share and fully diluted earnings per share.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

- i. The ultimate liability arising from claims made under insurance contracts

The estimation of the ultimate liability arising from claims made under insurance contracts is the Group's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the amounts that the Group will ultimately pay to settle such claims.

Significant areas requiring estimation and judgments include:

- Estimates of the amount of any liability in respect of claims notified but not settled and incurred but not reported claims provisions ("IBNR") included within provisions for insurance and reinsurance contracts.
- The corresponding estimate of the amount of reinsurance recoveries which will become due as a result of these estimated claims.
- The recoverability of amounts due from reinsurers.
- Estimates of the proportion of exposure which has expired in the period as represented by the earned proportion of premiums written.

The carrying value at the consolidated balance sheet date of gross claims reported and loss adjustment expenses and claims incurred but not reported was \$19,429,325 (2006: \$21,616,446). The amount of reinsurance recoveries estimated at the consolidated balance sheet date is \$10,738,427 (2006: \$13,651,205).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

ii. Impairment of goodwill and intangible assets

Determining whether goodwill or intangible assets are impaired requires an estimation of the value in use or fair value less costs to sell of the cash-generating unit to which the value has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value both of which are material sources of uncertainty. Fair value less costs to sell is the amount obtainable from the sale of an asset or cash generating unit between knowledgeable willing parties, less the costs of disposal.

The carrying value at the consolidated balance sheet date for intangible assets and goodwill was \$7,785,717 (2006: \$2,792,559).

iii. Provision for bad debts

As described in Note 3, provision for bad debts is based on management's evaluation of the respective portfolios. This evaluation is based on the aged analysis of the accounts receivable.

The carrying value at the consolidated balance sheet date for trade accounts receivable was \$27,371,094 (2006: \$24,940,086).

5. TERM DEPOSITS AND BANK OVERDRAFT

Term deposits are denominated in Bahamian dollars with an average interest rate of 5.25% (2006: 4.92%) at the consolidated balance sheet date.

	2007	2006
Term deposits maturing within 90 days	\$ 2,361,472	\$1,188,969
Term deposits maturing after 90 days	1,344,088	2,115,830
	\$ 3,705,560	\$3,304,799

The Company also has a bank overdraft facility with Commonwealth Bank Limited up to \$3,000,000, which bears interest at prime plus 1.5% per annum.

6. INVESTMENTS

	2007	2006
Held-to-maturity:		
Bahamas Registered Stock - at amortised cost		
\$231,000 5.53% (2005: 5.78%) per annum 2015	\$ 231,000	\$ 231,000
\$180,800 5.69% (2005: 5.94%) per annum 2020	180,800	180,800
	\$ 411,800	\$ 411,800
At fair value through profit or loss:		
Bahamas International Securities Exchange Limited (BISX)		
12 (2006: 12) common shares - at cost \$130,556		
(2006: \$130,556) less impairment	5,557	5,557
Commonwealth Bank Limited		
2,133,000 (2006: 711,000) common shares	17,853,210	8,894,610
Cost \$2,639,852 (2006: \$2,639,852)	17,858,767	8,900,167

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	2007	2006
Available-for-sale:		
Commonwealth Bank Limited		
4,000 'A' Class preferred shares of \$500 each - at cost	2,000,000	2,000,000
FamGuard Corporation Limited		
500 variable rate cumulative redeemable preference shares of \$1,000 each - at cost	500,000	500,000
FOCOL Holdings Limited		
500,000 preference shares of \$1 each - at cost	500,000	500,000
Cost \$2,639,852 (2006: \$2,639,852)	3,000,000	3,000,000
Total investments	\$ 21,270,567	\$ 12,311,967

The Commonwealth Bank Limited "A" Class preferred shares are redeemable at the option of the Bank and bear interest at the rate of 7% per annum (2006: 7%).

During the year, 711,000 common shares were subject to a three-for-one split resulting in a total of 2,133,000 common shares. In 2006, the common shares and 4,000 preference shares of Commonwealth Bank Limited were pledged to secure the borrowings of the Group and have since been released (see Note 14). At December 31, 2007, the Commonwealth Bank common shares were valued at \$8.37 (2006: \$5.12), which was the price quoted by BISX at that date (see Note 26).

The Group owns 500 variable rate cumulative redeemable preference shares in FamGuard Corporation Limited (the "Corporation"). The shares bear interest at the rate of prime plus 1.5% per annum, presently 7% (2006: 7%).

The Group also owns 500,000 cumulative redeemable preference shares in FOCOL Holdings Limited. The shares are redeemable at the option of FOCOL Holdings Limited and bear interest at the rate of prime plus 1.75%, presently 7.25% (2006: 7.25%).

7. INVESTMENT IN ASSOCIATES

During the year, the Company acquired a 30% interest in General Brokers & Agents Limited ("GBA"), an agent of BFG. The consideration for this acquisition of \$500,000 was applied to GBA's receivable account with BFG.

The Group also holds a 20% (2006: 20%) equity interest in Star General Agency (Grand Bahama) Limited ("Star General").

	2007	2006
Balance at January 1	\$ 175,062	\$ 117,625
Acquisition during the year	500,000	-
Dividends received during the year	(120,000)	(120,000)
Share of net earnings for the year	144,746	177,437
Balance at December 31	\$ 699,808	\$ 175,062

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	2007	2006
Share of associates' unaudited balance sheet:		
Total Assets	\$ 2,561,291	\$ 1,362,237
Total Liabilities	(2,055,998)	(1,259,175)
Net assets	505,294	103,062
Goodwill	194,514	72,000
Carrying value of investment in associates	\$ 699,808	\$ 175,062
Share of associates' unaudited income statement:		
Revenues	\$ 949,018	621,158
Net income	\$ 144,746	\$ 177,437

Investment in associates includes \$194,514 (2006: \$72,000) in goodwill. At December 31, 2007 the recoverable amount exceeded the carrying amount of the investment in associates; accordingly no provision for impairment was considered necessary.

8. TRADE ACCOUNTS RECEIVABLES

Trade accounts receivables which are shown net of bad debt provision, is comprised of amounts receivable from insurance agents that have signed agency agreements with BFG and clients of the Group's agency subsidiaries (NUA, MBI, CIA).

At December 31, 2007 trade accounts receivables are as follows:

	2007	2006
BFG	\$ 17,275,705	\$ 17,793,986
Agency subsidiaries	11,120,460	7,978,384
	28,396,165	25,772,370
Provision:		
Balance at January 1	832,284	802,415
Increase in provision for the year	264,438	140,755
Bad debts written off for the year	(71,651)	(110,886)
Balance at December 31	1,025,071	832,284
Trade accounts receivable, net	\$ 27,371,094	\$ 24,940,086

BFG receivables

Included in BFG's trade receivables are debtors with a carrying amount of \$10,251,137 (2006:\$8,129,395) which are past due at the reporting date. In this past due amount are trade receivables totaling \$4,204,459 (2006: \$2,040,311) which are secured by collateral over real estate or parent company guarantees. In view of the long-term relationship with the majority of the agency entities, their payment history and the fact that there has been no significant change in the credit quality, management does not consider that any provision is required.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	2007	2006
Aging of past due balances:		
91 - 120 days	\$ 7,121,578	\$ 5,301,560
121 - 180 days	1,623,394	1,638,960
180 days and over	1,506,165	1,220,319
Balance at December 31	\$ 10,251,137	\$ 8,160,839

The average age of BFG receivables is 124 days (2006: 145 days).

Agency subsidiaries receivables

Included in the agency subsidiaries trade receivables are debtors with a carrying amount of \$6,942,782 (2006: \$4,736,837) for which there are provisions totaling \$1,025,071 (2006: \$800,840). All receivables twelve months or over have been fully provided against.

	2007	2006
Aging of past due balances:		
91 - 120 days	\$ 1,863,520	\$ 1,363,990
121 - 180 days	2,579,818	2,142,801
180 days and over	2,499,444	1,230,046
Balance at December 31	\$ 6,942,782	\$ 4,736,837

The average age of agency receivables is 68 days (2006: 57 days).

9. DEFERRED/UNEARNED PREMIUMS AND COMMISSIONS

	INSURANCE ASSETS			INSURANCE LIABILITIES		
	Deferred Reinsurance Premiums	Deferred Commission Costs	Deferred Reinsurance Costs	Unearned Premiums	Unearned Commission Income	Net
Balance at January 1, 2006	\$20,891,405	\$3,489,108	\$4,033,621	\$(33,364,221)	\$(5,224,876)	\$(10,174,963)
Portfolio transfer as a change in net retention	561,783	-	-	-	(235,387)	326,396
Movement during the year	4,836,838	445,986	581,118	(6,368,837)	(241,256)	(746,151)
Balance at December 31, 2006	26,290,026	3,935,094	4,614,739	(39,733,058)	(5,701,519)	(10,594,718)
Movement during the year	537,533	69,588	(579,405)	(2,953,927)	(151,086)	(3,077,297)
Balance at December 31, 2007	\$26,827,559	\$4,004,682	\$4,035,334	\$(42,686,985)	\$(5,852,605)	\$(13,672,015)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

10. UNPAID CLAIMS AND CLAIMS INCURRED

	Gross	Reinsurance	Net
Unpaid claims at December 31, 2005	\$ 24,167,641	\$ (15,723,108)	\$ 8,444,533
Claims incurred	21,748,161	(14,240,103)	7,508,058
Claims paid	(24,299,356)	16,312,006	(7,987,350)
Unpaid claims at December 31, 2006	21,616,446	(13,651,205)	7,965,241
Claims incurred	20,319,467	(13,358,426)	6,961,041
Claims paid	(22,506,588)	16,271,203	(6,235,385)
Unpaid claims at December 31, 2007	\$ 19,429,325	\$ (10,738,428)	\$ 8,690,897

The table below shows the development of claims over a period of time on a gross basis, and also shows the cumulative incurred claims, including both notified and IBNR claims for each successive accident year.

Accident Years	2003	2004	2005	2006	2007	Total
Gross claims incurred at end of reporting year	\$ 8,835,050	\$101,635,745	\$21,233,541	\$15,131,676	\$18,731,278	
One Year Later	10,799,090	99,051,431	21,952,158	18,026,630		
Two Years Later	10,731,840	97,449,270	23,309,773			
Three Years Later	11,897,238	96,850,953				
Four Years Later	11,818,943					
Total Incurred To Date	11,818,943	96,850,953	23,309,773	18,026,630	\$18,731,278	
Cumulative payments to date	(10,291,528)	(95,223,624)	(20,908,838)	(13,635,982)	(15,285,097)	
Liability included in Balance Sheet	1,527,415	1,627,329	2,400,935	4,390,648	3,446,181	\$13,392,508
Reserves for prior years						6,036,817
Total unpaid claims including amount recoverable from reinsurer in the Consolidated Balance Sheet						\$19,429,325

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

11. PROPERTY AND EQUIPMENT

2007	Land	Buildings	Furniture & Equipment	Leasehold Improvements And Others	Software Development In Progress	Total
COST/VALUATION:						
At January 1, 2007	\$2,329,322	\$6,203,869	\$1,857,410	\$ 461,951	\$ 1,905,642	\$ 12,758,194
Additions	-	-	163,476	151,548	1,592,506	1,907,530
Addition through acquisition	-	-	233,745	-	-	233,745
Appreciation	231,392	621,387	-	-	-	852,779
Transfer	(66,964)	66,964	(103,443)	-	103,443	-
Disposals	-	-	(35,705)	(89,501)	(27,360)	(152,566)
At December 31, 2007	\$2,493,750	\$6,892,220	\$2,115,483	\$ 523,998	\$ 3,574,231	\$ 15,599,682

ACCUMULATED DEPRECIATION:

At January 1, 2007	\$ -	\$ 314,604	\$1,067,138	\$ 423,571	\$ -	\$ 1,805,313
Transfer	-	(349)	(103,546)	6,317	97,578	-
Charge for the year	-	158,771	209,444	39,558	110,318	518,091
Disposals	-	-	(34,913)	(89,501)	(27,360)	(151,774)
At December 31, 2007	-	473,026	1,138,123	379,945	180,536	2,171,630
Carrying amount 2007	\$2,493,750	\$6,419,194	\$ 977,360	\$ 144,053	\$ 3,393,695	\$ 13,428,052

2006	Land	Buildings	Furniture & Equipment	Leasehold Improvements And Others	Software Development In Progress	Total
COST/VALUATION:						
At January 1, 2006	\$2,329,322	\$6,203,869	\$1,785,320	\$ 448,300	\$ -	\$ 10,766,811
Additions	-	-	85,176	13,651	1,537,373	1,636,200
Transfer	-	-	-	-	368,269	368,269
Disposals	-	-	(13,086)	-	-	(13,086)
At December 31, 2006	\$2,329,322	\$6,203,869	\$1,857,410	\$ 461,951	\$ 1,905,642	\$12,758,194

ACCUMULATED DEPRECIATION:

At January 1, 2006	\$ -	\$ 155,932	\$ 901,351	\$370,073	\$ -	\$ 1,427,356
Charge for the year	-	158,672	176,987	53,498	-	389,157
Disposals	-	-	(11,200)	-	-	(11,200)
At December 31, 2006	-	314,604	1,067,138	423,571	-	1,805,313
Carrying amount 2006	\$2,329,322	\$5,889,265	\$ 790,272	\$ 38,380	\$ 1,905,642	\$ 10,952,881

In May 2007 land and the buildings were revalued to fair market value based on a valuation performed by an independent appraiser. The fair value of the land and building was estimated to be \$2,493,750 and \$6,506,250, respectively, based on the combined effect of the cost, income and sales comparison approach. The surplus arising on the revaluation of \$852,779 is included in revaluation surplus in shareholders' equity (See Note 17). The net book value of the land and building of the Group, ignoring the effects of the revaluation, would have been \$2,118,844 and \$4,861,203 (2006: \$2,118,844 and \$5,019,974) respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

12. BUSINESS COMBINATION

Effective January 1, 2007 BFH acquired 100% of the voting shares of CIA, an insurance agency located in The Bahamas. The fair value of the identifiable assets and liabilities of CIA as at the date of acquisition were as follows:

	Fair value on acquisition
Property, plant and equipment	\$ 233,745
Cash and cash equivalent	481,770
Accounts receivables	1,944,367
Sundry receivables and prepayments	395,359
Trade accounts payable	(2,440,432)
Unearned commissions	(593,777)
Net assets	21,032
Goodwill arising on consolidation	4,993,158
Total consideration	\$ 5,014,190

The fair values equate to the previous carrying values of the assets and liabilities before acquisition. The total cost of the acquisition was \$4,946,500, which was paid in cash.

Net cash acquired with the subsidiary	\$ 481,770
Cash paid	(5,014,190)
Net cash outflow	\$ (4,532,420)

The impact of the acquisition of CIA on the results of the Group has been to contribute \$2,129,820 in gross written premiums and \$851,090 in net profit

13. INTANGIBLE ASSET AND GOODWILL

	Freehold		Total
	Land	Buildings	
Balance at January 1, 2006	\$ -	\$ 2,055,843	\$2,055,843
Additions	100,000	636,716	736,716
Balance at December 31, 2006	100,000	2,692,559	2,792,559
Additions	4,993,158	-	4,993,158

Goodwill

Goodwill is attributed to two separate cash-generating units and the impairment testing on the carrying value has been carried out on these units. The recoverable amount has been determined to be the fair value less costs to sell, which is higher than the carrying value and accordingly there is no requirement for an impairment loss to be recognized. The fair value is based on a multiple of the projected commission income.

Intangible asset

Intangible asset of \$2,692,559 arises on the acquisition of an insurance portfolio and is a separate cash-generating unit. The recoverable amount has been determined to be the fair value less costs to sell, which is higher than the carrying value and accordingly there is no requirement for an impairment loss to be recognized. The fair value is based on a multiple of the cash flow, which is projected to be generated from underwriting the portfolio.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

14. LOAN PAYABLE

In 2006, upon obtaining the necessary regulatory approval, BFH negotiated a loan in the amount of US\$6,000,000 with The Bank of N.T. Butterfield & Son Limited. Full and final repayment of the loan was due and paid within one year after initial drawdown. The loan bore interest at 2% above U.S. LIBOR per annum and was secured by shares in Commonwealth Bank Limited. The loan was repaid on December 27, 2007.

15. SHARE CAPITAL

The Group's share capital is comprised as follows:

	2007	2006
Common shares		
Authorized: 45,000,000 (2006: 35,000,000) at \$0.01 each		
Issued and fully paid: 35,981,905 (2006: 28,785,572) par value \$0.01 per share	\$ 359,819	\$ 287,855
Preference shares		
Authorised: 5,000,000 (2006: 5,000,000) at \$1.00 each		
Issued and fully paid: 5,000,000 (2006: 5,000,000) par value \$1.00 per share	\$ 5,000,000	\$ 5,000,000

At an Extraordinary Meeting of shareholders held in December 2007, the share capital of the Company was increased from 35,000,000 share of \$0.01 each to 45,000,000 shares of \$0.01 each. Additionally, shareholders approved the issue of 7,196,393 common shares at a total cost of \$10,750,000.00, resulting in an increase of \$10,678,036 in contributed surplus.

The weighted average number of common shares for the purposes of earnings per common share is 29,062,356 (2006: 28,785,572).

The Preference Shares are non-convertible, non-voting, cumulative, redeemable "A" with a dividend rate of 7% per annum. These shares are redeemable at the option of the Company.

16. GENERAL RESERVE

The Group has established a general reserve from retained earnings in the amount of \$4,000,000 (2006: \$4,000,000), which the directors have determined is not available for distribution.

17. REVALUATION SURPLUS

The movement in the revaluation surplus is as follows:

	Land	Freehold	Buildings	Total
Balance at January 1, 2006	\$ 210,478		\$ 869,301	\$1,079,779
Net increase	-		-	-
Balance at December 31, 2006	210,478		869,301	1,079,779
Net increase	231,392		621,387	852,779
Balance at December 31, 2007	\$441,870		\$1,490,688	\$1,932,558

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

18. GROSS PREMIUMS WRITTEN

	2007	2006
Group agents	\$ 56,092,738	\$37,858,186
Non group agents	44,818,100	57,372,396
Associates	7,587,579	3,679,472
	\$ 108,498,417	\$ 98,910,054

19. OTHER INCOME

	2007	2006
Dividend income	\$ 765,830	\$ 740,572
Claims handling fees	146,190	188,100
Interest income	448,706	242,267
Share of net earnings from associates (Note 7)	144,746	177,437
Other income	7,387	4,868
	\$ 1,512,859	\$ 1,353,244

20. SALARIES, BENEFITS AND BONUSES

Included in salaries, benefits and bonuses is a profit sharing and performance bonus payable to certain directors, management and staff amounting to \$512,812 (2006: \$200,000). This amount was determined and approved by the Board of Directors.

The majority of the Group's employees participate in a defined contribution pension plan, which the Group contributes 3% to 5% per annum of base salary. The Group paid contributions for the year amounting to \$158,734 (2006: \$101,007).

21. RELATED PARTY TRANSACTIONS AND BALANCES

Related party transactions and balances are as follows:

	2007	2006
Gross premiums written - associates	\$ 7,376,623	\$ 5,963,991
- others	115,237	132,582
	7,491,860	6,096,573
Trade accounts receivable - associates	\$ 3,508,151	\$ 1,024,882
- others	3,581	4,165
	\$ 3,511,732	\$ 1,029,047
Directors fees paid	\$ 133,000	\$ 133,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The trade accounts receivables - associates is secured by collateral and a guarantee. The receivable balance will be settled in cash. No expense has been recognized in the period for bad or doubtful debts in respect of the amounts owed by related parties.

Key management personnel include members of the Group's management team having authority and responsibility for planning, directing and controlling the activities of the Group's operation. Compensation to key management personnel is included in salaries, benefits and bonuses in the consolidated statement of income and is as follows:

	2007	2006
Salaries and other benefits	\$ 800,031	\$ 841,328
Post employment benefits	26,798	33,721
	826,829	875,049
Receivables from key management personnel	\$ 179,107	\$ 172,220

In April 2006, the directors extended a share option to certain executive directors to purchase 250,000 common shares of the Company at a purchase price of \$0.75. The option expires April 2011. To date, no portion of the option has been exercised.

22. CONTINGENCIES

In the normal course of its business, the Group is involved in various legal proceedings arising out of and incidental to its operations. Management of the Group does not anticipate that the losses, if any, incurred as a result of these legal proceedings will materially affect the financial position of the Group.

23. INSURANCE RISK

BFG issues contracts that transfer insurance or financial risk or both. The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, the risk is random and therefore unpredictable.

BFG follows the policy of underwriting and reinsuring contracts of insurance, which generally limit the liability of BFG for any one risk to a maximum amount of not more than 1% of BFH's capital and reserves. In addition, catastrophe reinsurance is obtained to limit liability to a maximum of 10% of the Group's capital and reserves in the event of a series of claims arising out of a single occurrence.

The frequency and severity of claims can be affected by several factors with the single most significant event being a catastrophic event. BFG 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. BFG actively manages and pursues early settlement of all claims to reduce its exposure to unpredictable developments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

24. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

The Group's investments are exposed to market price risk, interest rate risk, credit risk and liquidity risk. The Group is also exposed to credit risk on accounts receivable and amounts due from reinsurers.

Market price risk - Market price risk is the risk that the value will fluctuate as a result of changes in market prices.

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 interest rate investments, which the Group intends to hold for the long-term.

The Group evaluates the financial condition of its reinsurers and monitors concentrations of credit risk to minimize its exposure to significant losses from reinsurer insolvency.

Liquidity risk - Liquidity risk is the risk that the Group may have difficulty liquidating its positions due to existing or unforeseen market constraints. The Group's investments in quoted available-for-sale shares are in a market that is not highly active and comprises large blocks of shares in each investment. The other investments in preferred shares do not have a market and therefore may not be readily realizable. As a result, the Group may not be able to quickly liquidate its investments at an amount close to their fair value in order to meet liquidity requirements. Management does not anticipate that it will be required to quickly liquidate its investments to meet its commitments.

Credit risk - Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Management assesses the credit rating of its primary reinsurers to ensure that they are financially viable to meet their reinsurance commitments. Other receivables are monitored for impairment and provided for if considered necessary.

25. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The fair values of the Group's financial assets and liabilities are estimated to approximate their carrying values at the consolidated balance sheet date for one or all of the following reasons:

- a. Short-term maturities; or
- b. Interest rates approximate current market rates, and
- c. Carrying values approximate current market values.

26. EVENTS AFTER THE BALANCE SHEET DATE

At April 14, 2008, the market price of the Commonwealth Bank Limited common shares decreased by \$1.15 from the market price used for the carrying value of \$8.37 at the balance sheet date, reducing the value of the group's investment by \$2,452,950.

INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Bahamas First Holdings Limited:

We have audited the accompanying consolidated financial statements of Bahamas First Holdings Limited (the "Group"), which comprise the consolidated balance sheet as of December 31, 2007, and the consolidated statements of income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2007, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Deloitte & Touche

April 14, 2008

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and Management Consultants
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Deloitte Touche Tohmatsu

CORPORATE GOVERNANCE

Corporate Governance

As a public company BFH has pioneered the way for best practice in the area of corporate governance. We believe good governance requires adherence to all legal requirements, regulations and our stated company policies, as well as a developed culture of responsibility. For these reasons BFH has developed a compliance framework that gives each of our employees, agents and strategic partners the resources, guidance and tools necessary to make ethical and value-based decisions that will effectively minimize and manage the risks inherent to our business.

Five corporate governance committees of the board are in place, each chaired by a non executive director.

Audit Committee

Chaired by Graham Garner, the committee assists the board in fulfilling its oversight responsibilities as they relate to the Group's accounting policies, financial reporting, internal control and the legal and regulatory environment. The other committee members are:

Alison Treco
Ian Fair

Corporate Governance & Nominations Committee

Chaired by Ian Fair, the committee measures the Group's governance against best practices and makes recommendations for board appointments and composition. The other committee member is:

Judith Whitehead

Executive Remuneration Committee

The committee is responsible for reviewing and approving the Group's compensation plan, and evaluating executive performance. The other committee members are:

Ian Fair
Quentin Chisnall

Finance & Investment Committee

The committee focuses on two objectives: financial risk management and investment policy oversight. The committee is chaired by Ian Fair. The other committee members are:

Graham Garner
John Dunkley*
Patrick Ward*
Quentin Chisnall
Valarie Darville*

Technical Review & Risk Compliance Committee

Chaired by Robert Inksater, the committee is responsible for ensuring adherence to risk management guidelines as well as reviewing and assessing technical and reinsurance matters. The other committee members are:

John Dunkley*
Patrick Ward*
Pauline Ward*
Valarie Darville*

* denotes Executives

DIRECTORS

DIRECTORS AND OFFICERS

DIRECTORS



Ian D. Fair
Chairman

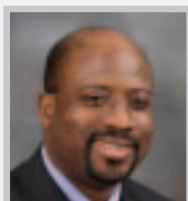
Mr. Fair has been the Chairman of the Board and a director of the Board of Directors since 1999. He is Chairman of the Bahamas International Securities Exchange, Deputy Chairman of Butterfield Bank (Bahamas) Limited.

He also serves as Chairman of The Bahamas Maritime Authority.



Graham C. Garner
Director

A Director since 2000, Mr. Garner holds directorships in a number of other Bahamian companies in the financial, retail, property and insurance sectors. He was a partner with Coopers & Lybrand (now known as PricewaterhouseCoopers) in The Bahamas for 20 years before retiring in 1990. Mr. Garner is a fellow of the Institute of Chartered Accountants of England and Wales and a member of the Bahamas Institute of Chartered Accountants.



Patrick G.W. Ward
President and CEO

Mr. Ward has been a Director since 1998 and prior to that President and Managing Director of Bahamas First General Insurance Company. He is President and CEO of Bahamas First Holdings Limited, Bahamas First General Insurance Company Limited, Allied Bahamas Insurance Company Limited and Bahamas First Corporate Services.

He also serves as Chairman of The National Insurance Board.



Robert Inksater
Director

Mr. Inksater, who resides in Toronto, Canada, has been a BFH Director since 2003 and a Director of Bahamas First General Insurance Company Limited since 1999. He was Executive Vice President of Aon Re Canada Inc., before retiring in 1998. Mr. Inksater's insurance career also includes Sterling Offices of Canada Limited; IOC Reinsurance Brokers Ltd, where he was President and Director; and J.H. Minet Ltd. where he was Senior Vice President.



John A.G. Dunkley
Vice President and Director

Mr. Dunkley has been a Director and Vice President since 1996. He is President and Managing Director of Nassau Underwriters Brokers & Agents, President and a Director of Moseley Burnside Brokers & Agents and a Director of Bahamas First Corporate Services Ltd. He was also a Board member for Bahamas First General Insurance Company Limited from 1991 to 1997.



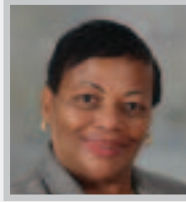
Judith Whitehead
Director

A Director since 2005, Mrs. Whitehead is the Managing Partner of Graham Thompson & Co., a leading law firm in Nassau. She has served on various other company and civic boards.



Quentin Chisnall
Director

A Director since the inception of Bahamas First Holdings Limited (BFH) in 1996, Mr. Chisnall also served as the first President until December 2003. He has served and is still a Director on the Boards of several BFH subsidiary companies. Mr. Chisnall was also the Managing Director of Nassau Underwriters Agency Limited for a 23-year period until 1996.



Carolyn A. Miller

Mrs. Miller is Secretary of BFH and prior to that served as Assistant Secretary of BFH and its subsidiary companies since 2002. She joined BFH in 1999 after spending many years with various financial institutions in the Bahamas including Roywest Banking Corporation, NatWest Trust Corporation (Bahamas) Limited and Coutts & Co. (Bahamas) Limited, now known as S.G. Hambros Bank & Trust (Bahamas) Limited.

OFFICER

LIST OF AUTHORIZED AGENTS

BAHAMAS FIRST AUTHORIZED AGENTS

Our network of agents has been the backbone of our company since we began offering insurance services in 1983. Our presence has grown from the two agencies that supplied our initial portfolio of business to a group of 18 authorized agencies that deliver the highest quality of service our customers have come to expect from Bahamas First from Grand Bahama to Inagua and everywhere in between.

NEW PROVIDENCE

A. Scott Fitzgerald Insurance Brokers & Agents
(242) 356-5709

Andeaus Insurance Broker Co. Ltd.
(242) 323-4545

Bethel Thompson Agency
(242) 394-7251

CARIB Insurance Agency
(242)322-8210

CMA Insurance Brokers & Agents
(242) 393-6735

Colina General Insurance Agency
(242) 325-3809

Confidence Insurance Brokers & Agenctcs
(242) 323-6920

FINCO
(242) 328-0559

General Brokers & Agents
(242) 322-1871

LIV Insurance Agents and Brokers Ltd.
(242) 361-5123

Moseley Burnside Insurance Agency
(242) 394-8305

N.U.A. Insurance Agents & Brokers Ltd.
(242) 382-5992

Professional Insurance Consultants
(242) 327-2143

Response Insurance Agency Ltd.
(242) 393-3277

Star General Insurance Agency
(242) 393-5529

Sunshine Insurance Agency
(242) 394-0011

ABACO

Abaco Insurance Agency
(242) 367-2549

GRAND BAHAMA

Star General Insurance (G.B.) Ltd.
(242) 352-5705

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and Management Consultants
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Nassau, Bahamas

Attorneys:

Graham Thompson & Co.
Sassoon House
Shirley Street & Victoria Avenue
Nassau, Bahamas

Registrar and Transfer Agents:

Royal Fidelity Share Registrars & Transfer Agents Limited
51 Frederick Street
Nassau, Bahamas

