



Press Release

Hamilton, Bermuda
23rd June 2011

STARTS

BF&M Announces Earnings of \$5.7 Million for 3 Month Period Ended 31st March 2011

BF&M Limited today announced net earnings for the 3 month period ended 31st March 2011 of \$5,698,673, resulting in a return on shareholders equity of 10%. These results compared with net earnings of \$5,916,313 for the comparable 3 month period in 2010. President & CEO, John Wight stated that “we were satisfied overall with the company’s financial results given the current economic climate in Bermuda. The company’s earnings from underwriting activities were negatively impacted by higher health claims which resulted in a loss for this major line of business. Of note, payments to King Edward Memorial Hospital in-patient claims increased by 16% or approximately \$500,000 over the same period in 2010. In addition, major medical claims for overseas treatments increased by 18% or approximately \$600,000 over the same period in 2010. All other lines of insurance business performed more or less the same as that of the corresponding prior period, and in line with expectations.

Shareholders equity at 31st March 2011 was \$171,362,005. Assets totaled \$816,114,947, of which \$74,145,273 was held in cash and short term deposits. Based on the company’s strong balance sheet and financial performance, the Board of Directors maintained the dividend of 20c per share for shareholders of record at 30th June 2011.

Gross Premiums Written for the period increased 7% over 2010 to \$63,253,764. Investment income decreased 2% to \$4,298,664. The fair value of assets classified as held for trading decreased earnings by \$1,956,183 principally due to the drop in the value of US\$ denominated bonds in the quarter. Commissions and other income increased 4% to \$5,535,650. Claims and adjustment expenses increased by 15% to \$6,439,831 and policy benefits decreased 15% to \$23,899,472. Operating expenses increased 9% to \$10,880,645.

BF&M LIMITED

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ENDS

BACKGROUND

BF&M Limited is the holding company of the BF&M Insurance Group. The two largest operating companies within the Group are BF&M Life Insurance Company Limited, a leading provider of life, health and pensions products, and BF&M General Insurance Company Limited, the leading general insurer providing all forms of property, casualty, motor and marine products. The group includes several other companies including Bermuda International Insurance Company Limited, Bermuda International Reinsurance Services Limited, Marchmont Insurance Company Limited, BF&M Investment Services Limited, BF&M Properties Limited, (including Scarborough Property Holdings Limited and Barr's Bay Properties Limited), Hamilton Financial Limited, and a 51.7% interest in the Insurance Corporation of Barbados Limited.

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