



## PRESS RELEASE

Hamilton, Bermuda  
30<sup>th</sup> August 2007

STARTS

### BF&M Limited's Six Month Results to 30<sup>th</sup> June 2007

BF&M Limited today announced record net earnings for the six month period to 30<sup>th</sup> June 2007 of \$12,068,828, resulting in a return on shareholders equity of 20%. Earnings for the comparative six month period in 2006 were \$9,611,932. John Wight, President & CEO of BF&M stated that "we were very pleased with the results, experiencing very good financial performance from all our insurance and non insurance lines of business. Group contributions from general insurance, health and life insurance, real estate, asset management, pension administration, and BF&M's interest in the operations of the Insurance Corporation of Barbados Limited were strong. In addition, our life and health reinsurance activities in the Caribbean and Latin America have commenced which over time we anticipate contributing to our earnings." Mr. Wight added that "while underwriting results were very positive investment performance was poor due to the weak US bond markets in the second quarter. This had a negative effect on half year earnings."

Total assets for the consolidated group at 30<sup>th</sup> June 2007 were \$616,069,713. Shareholders Equity was \$126,212,097. Gross Premiums Written for the six month period increased 8% over 2006 to \$100,194,905. Investment income decreased 25% to \$5,285,144. Commissions and other income increased 15% to \$13,030,278. Claims, adjustment expenses and policy benefits decreased 1% to \$42,626,263. Operating expenses increased 1% to \$16,468,706.

BF&M Limited recently had it's A (Excellent) rating by AM Best reaffirmed. This rating also applied to BF&M Life Insurance Company Limited and BF&M General Insurance Company Limited.

Mr. Wight cautioned that while claims experience in the first six months was excellent, Bermuda was still in the midst of the hurricane season. Experts predicted a busy Hurricane season for 2007 and thus a lot can happen in the next couple of months to negatively impact BF&M's earnings for 2007 although BF&M's conservative reinsurance programme with strong reinsurers would limit the impact on company earnings.

BF&M LIMITED

INSURANCE BUILDING • PO Box HM 1007 • HAMILTON HM DX • BERMUDA • TELEPHONE: 441-295-5566 • FACSIMILE: 441-292-8831

ENDS

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**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, North Atlantic Asset Management 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.

For further information contact:-

R. John Wight C.A, President & Chief Executive Officer  
Phone 295 5566, Fax 292 8831, e-mail [jwight@bfm.bm](mailto:jwight@bfm.bm)

[Enter any additional info here]

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INSURANCE BUILDING • PO Box HM 1007 • HAMILTON HM DX • BERMUDA • TELEPHONE: 441-295-5566 • FACSIMILE: 441-292-8831