



PRESS RELEASE

Hamilton, Bermuda
2nd September 2008

STARTS

BF&M Limited's Six Month Results to 30th June 2008

BF&M Limited today announced record net earnings for the six month period to 30th June 2008 of \$13,180,499, resulting in a return on shareholders equity of 20%. Earnings for the comparative six month period in 2007 were \$12,068,828. 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."

Total assets for the consolidated group at 30th June 2008 were \$682,178,784. Shareholders Equity was \$152,126,554. Gross Premiums Written for the six month period increased 8% over 2007 to \$108,467,281. Investment income increased 3% to \$8,616,782. Changes in the fair value of assets classified as held for trading decreased earnings by \$4,542,961. This change must flow through earnings in accordance with new accounting standards adopted in 2007. The impact on earnings of this change was largely offset by corresponding changes in the fair value of actuarial liabilities which are supported by these investments. Commissions and other income increased 3% to \$13,537,136. Claims and adjustment expenses decreased by 10% to \$9,566,657 and policy benefits increased 5% to \$33,876,601. Operating expenses increased 13% to \$18,590,310.

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 is still in the midst of the hurricane season, although BF&M's conservative reinsurance program, supported by strong reinsurers, would limit the negative effect on company earnings in the event that a major storm impacted Bermuda.

BF&M LIMITED

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

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, 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

[Enter any additional info here]

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