



PRESS RELEASE

Hamilton, Bermuda
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STARTS

BF&M Limited Announces 2006 Earnings of \$23.9 Million

BF&M Limited today reported net earnings for the year ended 31st December, 2006 of \$23.9 million, a record for the Company and up 42% year on year. This represented a 25% return on equity for shareholders. The results included the combined operations of BF&M Limited and subsidiaries, including its 51.7% interest in the Insurance Corporation of Barbados which took effect 28th December 2005. Financial highlights included:

- Gross premiums written up 50% to \$177.9 million
- Investment income up 61% to \$16.3 million
- Commissions and other income up 85% to \$18.2 million
- Earnings per share of \$3.67, up from \$2.38
- Total assets up 17% to \$575 million
- Shareholders Equity up 31% to \$111 million

Reflecting on the company's strong earnings, John Wight, President & CEO commented: "We were very pleased with our results for 2006 as all insurance and non insurance lines of business recorded excellent results. It was the combined efforts and team work of management and staff at BF&M that generated these results in 2006". Mr. Wight added that "the diversification of BF&M into other countries but in lines of business that we have expertise in has opened up new avenues for profitability in future years. Bermuda will always be our main focus however expansion outside Bermuda into Barbados in 2005, and other Caribbean countries and Latin America in 2007 will enhance long term shareholder value."

BF&M Limited is rated A (Excellent) by AM Best. This rating also applies to BF&M Life Insurance Company Limited and BF&M General Insurance Company Limited.

Last month the Company reported an increase in the quarterly dividend from 14 cents to 16 cents per share for shareholders of record on 30th March 2007.

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 North Atlantic Asset Management Limited, Bermuda International Insurance Services Limited, Bermuda International Reinsurance Services Limited, Marchmont Insurance Company Limited, and BF&M Properties Limited, (including Scarborough Property Holdings Limited and Barr's Bay Properties 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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INSURANCE BUILDING • PO Box HM 1007 • HAMILTON HM DX • BERMUDA • TELEPHONE: 441-295-5566 • FACSIMILE: 441-292-8831