



PRESS RELEASE

Hamilton, Bermuda
7th April 2009

STARTS

BF&M Limited Announces Earnings of \$22.2 Million for 2008

BF&M Limited today announced net earnings for the year ended 31st December 2008 of \$22,171,067, resulting in a return on shareholders equity of 15%. John Wight, President & CEO of BF&M stated that “while 2008 results were down from the record earnings of \$27,303,827 in 2007, we were overall pleased as our core operating businesses performed well and while our investment performance was affected by the volatility of the global and Bermuda investment markets, the decline in value of our bonds and equities held during 2008 year was less than 2%. The Company maintains a conservative investment policy which served our shareholders and policyholders well during the economic climate that challenged our business in 2008. The company’s balance sheet has never been stronger. Shareholders equity at 31st December 2008 was \$156,483,916. The cash balance at 31st December was \$48,102,581, some of which we will invest into the fixed income market when we are confident that the economy, both globally and locally, shows signs of improvement.”

Based on the company’s strong balance sheet and continuing strong financial performance the Board of Directors maintained the dividend of 20c per share for shareholders of record 31st March 2009.

Total assets for the consolidated group at 31st December 2008 were \$683,967,328. Shareholders Equity was \$156,483,916. Gross Premiums Written for the year increased 9% over 2007 to \$211,882,319. Investment income increased 1% to \$17,332,072. Changes in the fair value of assets classified as held for trading decreased earnings by \$2,618,678. This change must flow through earnings in accordance with new accounting standards adopted in 2007. Commissions and other income increased 3% to \$24,239,950. Claims and adjustment expenses increased by 7% to \$20,143,994 and policy benefits increased 14% to \$90,025,498. Operating expenses increased 13% to \$40,016,009.

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.

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, 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.

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