



PRESS RELEASE

Hamilton, Bermuda
19th May 2011

STARTS

BF&M Limited Announces Earnings of \$17.3 Million for 2010

BF&M Limited today announced net earnings for the year ended 31st December 2010 of \$17.3 million, resulting in a return on shareholder's equity of 10% which President & CEO John Wight, President & BF&M stated "represented a decrease from 2009 results of \$19.6 million". Mr. Wight added that "2010 proved to be a challenging year for Bermuda as the weakened economy which affected businesses and households also affected BF&M's financial performance.

Mr. Wight stated that "we were pleased that rating agency A.M. Best maintained their Financial Strength Rating "A" Excellent for BF&M's two principal operating companies BF&M Life Insurance Company Limited ("BF&M Life") and BF&M General Insurance Company Limited ("BF&M General"). A.M. Best's rating system is designed to provide an opinion of an insurer's financial strength and ability to meet ongoing obligations to policyholders. Their opinions are derived from an evaluation of a company's balance sheet strength, operating performance and business profile. A. M. Best's "A" Excellent rating rationale cited "the organization's consistently positive net income, steady premium growth, and strong capitalization". These "A" Excellent ratings for BF&M Life and BF&M General are the strongest of any local insurer in the Bermuda marketplace."

"The company's balance sheet continues to be very strong. Shareholders equity at 31st December 2010 was \$180.5 million. Assets totaled \$794.2 million, of which \$74.3 million 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 31st March 2011."

Gross Premiums Written for the year increased 5% over 2009 to \$235.7 million. Investment income, including the increase in the value of investments held for trading increased 46% to \$19.5 million. Commissions and other income increased 10% to \$26.6 million. Claims and adjustment expenses increased by 21% to \$22.7 million and policy benefits increased 16% to \$114.1 million. Operating expenses increased 4% to \$45.3 million.

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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