



## PRESS RELEASE

Hamilton, Bermuda  
28<sup>th</sup> May 2009

### STARTS

#### BF&M Announces Earnings of \$888,614 for 3 month period ended 31<sup>st</sup> March 2009

BF&M Limited today announced net earnings for the three month period ended 31<sup>st</sup> March 2009 of \$888,614. This compared with net earnings for the comparative period in 2008 of \$7,876,371. John Wight, President & CEO of BF&M stated that “while our core operating businesses performed well during Q1, our investment portfolio was adversely affected by the underperformance of, in particular, long term US Treasury securities that decreased in value as interest rates increased. Overall the fair value of investments decreased \$10.7 million for the three month period ended 31<sup>st</sup> March 2009 This compared with an increase of \$2.5 million for the same period in 2008. These changes in fair value must flow through earnings in accordance with accounting standards adopted in 2007”.

Mr. Wight added that “60% of BF&M’s investment portfolio consists of Government and Corporate bonds and 100% of these at 31<sup>st</sup> March 2009 were rated investment grade by independent rating agencies. The Company has no direct exposure to the sub prime mortgage market. Only 5% of BF&M’s investment portfolio is in equities. Our investment results were also affected by the decline in value of local equity investments in Bermuda companies. We anticipate improvements in the company’s results throughout 2009 as investment markets improve”.

Gross Premiums Written for the three months ended 31<sup>st</sup> March 2009 increased 12% over the same period in 2008 to \$54,347,882. Total assets for the consolidated group at 31<sup>st</sup> March 2009 were \$703,704,281. This represented a 7% increase from 31<sup>st</sup> March 2008. Shareholders Equity at 31<sup>st</sup> March 2009 was \$155,322,458. This represented a 6% increase from 31<sup>st</sup> March 2008.

The Board of Directors maintained the dividend of 20c per share for shareholders of record 30<sup>th</sup> June 2009.

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

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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), BF&M (Canada) Limited, Hamilton Financial Limited, and a 51.7% interest in the Insurance Corporation of Barbados Limited.

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