



Press Release

Hamilton, Bermuda
17th November 2011

STARTS

BF&M Announces Earnings of \$16.7 Million for 9 Months Ended 30th September 2011

BF&M Limited today announced net earnings for the 9 month period ended 30th September 2011 of \$16,688,016, resulting in a return on shareholders equity of 12%. These results compared with net earnings of \$16,899,331 for the comparable 9 month period in 2010. President & CEO, John Wight stated that “we were satisfied overall with the company’s financial results given the current economic climate in Bermuda and the resulting challenges faced by many of our policyholders”.

Equity attributable to owners at 30th September 2011 was \$178,760,033. Assets totaled \$870,168,038, of which \$69,050,679 was held in cash and short term deposits. Based on the company’s strong balance sheet, the Board of Directors maintained the dividend of 20c per share for shareholders of record at 30th December 2011.

Mr. Wight added that “in August, AM Best reaffirmed the financial strength ratings of A (Excellent) to BF&M’s two principal operating subsidiaries, BF&M General Insurance Company Limited and BF&M Life Insurance Company Limited. There is no insurance company in Bermuda writing domestic insurance business with ratings this strong. AM Best cited BF&M’s “consistent positive net income, steady premium growth, high level of capital, and strong market share”.

Gross Premiums Written for the 9 month period ended 30th September 2011 increased 7% over 2010 to \$189,674,637. Investment income decreased 2% to \$12,319,956. The fair value of BF&M’s investments increased by \$23,919,695 during the 9 month period, principally as a result of the company’s planned overweighting in safe investments such as US long term Treasuries, which increased in value significantly due to the flight to quality during a time of increased uncertainty in the global investment markets. Commissions and other income decreased 3% to \$17,106,838. Claims and adjustment expenses decreased by 2% to \$17,578,013 and policy benefits increased 2% to \$93,591,517. Operating expenses increased 19% to \$36,309,460., due to several one time expenses that are not expected to recur in 2012.

BF&M Limited

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 Services 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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BF&M Limited