



PRESS RELEASE

STARTS

BF&M reports earnings for the Year Ended 31st December 2016 of \$14.4 million

Hamilton, Bermuda, 13 April, 2017— BF&M Limited (“BF&M” or “the Group”) today reported shareholders’ net income for the year ended 31st December 2016 of \$14.4 million, resulting in a return on shareholders’ equity of 5.5%. Shareholders’ net income for the comparative twelve month period of 2015 was \$23.9 million.

President and CEO John Wight stated: “2016 was a year of many achievements for BF&M despite being a year marked by significant loss events. The financial impact of Hurricane Matthew in the Bahamas and Hurricane Nicole in Bermuda amounted to \$10.1 million. BF&M’s results were particularly pleasing given that 2016 was the most active hurricane season that the Group has ever seen collectively.”

Mr. Wight added: “Our performance in 2016 is a testament to the Group’s consistent strategy of diversification, both geographically and by line of business, and of careful preparation. We are in the business of paying claims and we plan for years like this.”

BF&M operates in Bermuda and 15 islands in the Caribbean and offers property and casualty products as well as health, life, annuities and pension products, and investment advisory services. The Group consists of four main insurance operating companies, with the following A.M. Best financial strength ratings:

BF&M General Insurance Company Limited	A (Excellent)	Bermuda
BF&M Life Insurance Company Limited	A (Excellent)	Bermuda
Island Heritage Insurance Company Ltd.	A (Excellent)	Cayman
Insurance Corporation of Barbados Limited	A- (Excellent)	Barbados

Mr. Wight said: “There is no domestic insurance group in Bermuda or the Caribbean with stronger ratings. Our financial strength means we can be there for our customers when they need us most and 2016 was certainly a year in which this was demonstrated.”

BF&M Limited

Equity attributable to shareholders at 31st December 2016 was \$264.5 million. General fund assets totaled \$1.1 billion of which \$108.9 million was held in cash and cash equivalents.

Gross premiums written for the period were \$347.8 million, an increase of 3% from the corresponding 2015 period.

Investment income for the year reflected a \$0.7 million decrease (2015 - \$6.5 million decrease) in the value of investments for the period. As a result of the Company's disciplined asset liability matching policy which looks to limit volatility of reported earnings as a result of interest rate swings, the Company reported a \$1.5 million net gain (2015 – 0.3 million loss) on the difference between the fair value of investments and reserves.

Commission and other income declined from the prior year by 13% to \$41.0 million due to the impact of 2016 hurricanes on reinsurance profit commissions.

Short term claims and adjustment expenses increased 37% to \$31.0 million primarily due to the 2016 hurricanes as well as a large fire claim that occurred in Bermuda.

Life and health policy benefits, which are recorded at fair value, increased by 20% to \$117.1 million, attributed to higher local health claims reported in Bermuda and an increase to reserves on new annuity business written.

Operating expenses increased by 3% to \$64.3 million.

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 BF&M Investment Services Limited, BF&M Properties Limited, (including Scarborough Property Holdings Limited and Barr's Bay Properties Limited), Hamilton Financial Limited, Island Heritage Insurance Company Ltd, and a 51.3% interest in the Insurance Corporation of Barbados Limited.

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