



## Press Release

Hamilton, Bermuda  
7<sup>th</sup> June, 2012

### STARTS

BF&M Announces Net Income of \$32.7 Million For The Year Ended 31<sup>st</sup> December, 2011

BF&M Limited today announced shareholders' net income for the year ended 31<sup>st</sup> December, 2011 of \$32.7 million, resulting in a return on shareholders equity of 18%. These results exceeded shareholders' net income of \$17.5 million for 2010. President & CEO, John Wight stated that "we were satisfied with the company's financial results. Normal operating results in 2011 were consistent with those in 2010, but a one time gain in 2011 of \$9.6 million relating to the restructuring of post-retirement health insurance funding was the main reason for the large increase in net income in 2011 versus 2010. In addition, BF&M's investment performance in 2011 was excellent, and the difference between the fair value of investments and reserves for BF&M's life insurance companies produced a net gain of approximately \$5 million."

Mr. Wight added that "the company's balance sheet continues to be very strong. Equity attributable to shareholders at 31<sup>st</sup> December, 2011 was \$193 million. Assets totaled \$892.3 million of which \$75.4 million 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 29<sup>th</sup> June, 2012."

During 2011, 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 year ended 2011 were \$234 million. Investment income increased to \$42.4 million versus \$19.7 million in 2010. The company has a conservative investing philosophy which has resulted in very good performance during times of volatility and uncertainty in the bond and equity markets. Commission and other income decreased 8% in 2011 versus 2010 to \$24.3 million. Short term claims and adjustment expenses decreased 31% to \$15.7 million and life and health policy benefits increased 1% to \$115.4 million. Operating expenses increased 10% to \$49.7 million.

**BF&M Limited**

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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 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 51.5% interest in the Insurance Corporation of Barbados Limited.

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**BF&M Limited**