



PRESS RELEASE

STARTS

BF&M Reports Net Income for the Three Months Ended 31 March 2023 of \$10.5 million

Hamilton, Bermuda, 20 June 2023—BF&M Limited (“BF&M”, “the BF&M Group” or “the Company”) today reported a net income of \$10.5 million for the three months ended 31 March 2023, marking a significant improvement compared to a restated net loss for the comparative period in 2022 of \$3.0 million. This marks the first quarter the Company is reporting under IFRS 17 and IFRS 9, the respective new accounting standards for insurance contracts and the measurement of financial assets.

Abigail Clifford, Group President and CEO, stated: “BF&M had a good start to the year. It was a strong quarter for our P&C business, as we continue to drive rate increases and initiate a more selective approach to underwriting risks. It was also a positive quarter for our pensions and annuity operations, capitalising on more favourable market conditions. Furthermore, investment markets continued their rebound and higher interest rates are beginning to show through into improved core investment income. We continue to experience higher loss trends in our Group Health business, due to complex cases requiring out of country treatment. However, we are working closely with our partners to control cost while ensuring our clients receive the best-in-class coverage they can expect with BF&M.”

Ms. Clifford added: “The underlying dynamics of BF&M’s business remain resilient as we transition into IFRS 17, a new accounting standard for insurance contracts. Our capital position and financial strength ratings continue to be exceedingly strong.”

Equity attributable to shareholders on 31 March 2023, was \$295.4 million. General fund assets totaled \$947.4 million, of which \$107.4 million was held in cash and cash equivalents.

The Company’s combined insurance service and net investment result under IFRS 17, a measure of operating performance was \$20.2 million versus a loss of \$17.7 million in Q1 2022 as restated, driven by higher core investment income, increases in bond and equity assets and an increase in profit commissions on certain reinsurance contracts.

The BF&M Group consists of three main insurance operating companies, with the following AM 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)	Bermuda

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BACKGROUND

BF&M Limited is the holding company of the BF&M group of companies (“BF&M Group”). The two largest operating companies within the BF&M 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 BF&M 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), and Island Heritage Insurance Company, Ltd.

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