

For Immediate Release

BF&M Limited (“BF&M”) Q4 2022 Financial Results

Hamilton, Bermuda: 27 March 2023 - In a filing with the Bermuda Stock Exchange (the “Exchange”), BF&M Limited (the “Company”; Ticker: BFM.BH) announced its Q4 2022 results. The full filing stated:

BF&M Reports Shareholders’ Net Loss for the Year Ended 31 December 2022 of \$8.8 Million

Hamilton, Bermuda, 27 March 2023 —BF&M Limited (“BF&M”, “the BF&M Group” or “the Company”) today reported a shareholders’ net loss of \$8.8 million for the year ended 31 December 2022, as compared to shareholders’ net income of \$25.2 million for 2021. Net income from operations excluding fair value movements in investments and goodwill impairment was \$11.5 million versus \$22.0 million in 2021.

Group President and CEO Abigail Clifford stated: “Our financial results for our fiscal year 2022 were impacted by an extraordinarily volatile year for financial markets. Significant increases in interest rates resulted in short-term fluctuations in the values of our fixed income portfolio. Both bond and equity asset prices declined, resulting in unrealised losses of -\$19 million or -7.4%. A non-recurring, goodwill impairment charge of -\$5 million was also recorded.

Against the backdrop of continuing macroeconomic instability, the Company’s underlying business remains solid, reflecting the resilience of our diversified business portfolio and focus on operational efficiency. P&C continues to benefit from a robust rate environment and our group life results were strong. As expected, group health claims remained elevated just above pre-pandemic levels with a return to normalised levels expected in 2023. Volatility in financial markets impacted overall assets under management, however our pension and annuity businesses remain well-positioned as these markets recover.”

Ms. Clifford added: “Our balance sheet and capital position is exceptionally strong, supported by effective risk management and disciplined capital allocation across our diversified businesses. This is critically important as we face P&C market headwinds of rising reinsurance prices and constrained capacity. On the investment side, we ultimately expect to see the reversal of the market value losses experienced in 2022 as we start to realise the benefit of higher interest income. As we look at our business strategy against the current challenges, we remain confident and committed to deliver on our commitments to stakeholders, while making progress against strategic priorities.”

Equity attributable to shareholders at 31 December 2022 was \$296.8 million. General fund assets totalled \$1.0 billion, of which \$75.8 million was held in cash and cash equivalents. Gross premiums written for the period increased by 3% from the prior year to \$363.0 million, driven by increased property premiums offset by the non-renewal of a large account which was fully reinsured. Short term P&C claims and

adjustment expenses increased by 6.8% to \$15.8 million. Excluding fair value impact, life and health policy benefits increased by 9% to \$96.8 million.

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) Cayman

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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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About the BSX

The Bermuda Stock Exchange (the BSX) is the global leading exchange for the listing of insurance linked securities (ILS) and specialises in listing services for ILS, debt, funds, derivative warrants, equities and structured securities. With over 1,300 securities listed, the BSX is uniquely positioned between Europe and the Americas to deliver speed to market for international issuers. Part of the MIAX Exchange Group, the BSX facilitates electronic trading and settlement and operates the Bermuda Securities Depository platform. Established in 1971, the BSX is a member of the World Federation of Exchanges, an associate member of IOSCO, holds Designated Offshore Securities Market (DOSM) status from the US SEC and is a recognised exchange in the UK, Ireland, Canada and Australia for tax purposes. To learn more about the BSX visit <https://www.bsx.com> and or contact info@bsx.com

