

# Forward **Focused**

**Six Month Report**

30 June 2024



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View our 2024 six month financial report online:  
[reports.bfm.bm/docs/2024sixmonthreport](https://reports.bfm.bm/docs/2024sixmonthreport)

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# Report to shareholders

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**Abigail Clifford**  
Group President and  
Chief Executive Officer

**L. Anthony Joaquin**  
Group Chair

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As we mark the halfway point of this year, we are pleased to present our six month report, detailing our financial performance and the strategic steps we are taking to bring our customers peace of mind and create value for shareholders.

## A resilient first six months

We are pleased with the company's performance in the first half of the year, particularly our ability to sustain earnings in the face of ongoing macroeconomic headwinds and to push forward with internal efficiency projects to further modernise our operations.

We reported a consolidated net income for the six months of \$7.5 million. The Company's combined insurance service and net investment result was a gain of \$21.6 million, driven by higher core investment income, reduced but favourable reserve and ALM movement, and an increase in the insurance result within our Life and Health business. This compared to a net income of \$13.9 million in the same period in 2023. Shareholders' equity remains strong at \$301.9 million, an increase over 31 December 2023, supported by our high-quality general fund asset portfolio totaling \$962.3 million.

BF&M's investment portfolio performed well in the first half of the year, driven by strong market fundamentals and higher bond and interest rates, which bolstered our core investment income. We anticipate that our investment income will continue to benefit from the higher interest rate environment over the next several years.

Our Property and Casualty business was impacted by higher reinsurance costs and losses from a limited number of individual property events at Island Heritage. These were partially offset by higher investment, property and motor insurance revenue, and commission income which generated favourable results.

Within our Life and Health business, we remain committed to mitigating the impacts of rising loss trends in our Group Health business. As we continue to navigate this challenging environment, we reported a slight improvement in our Group Health and Life results during the second quarter, enabling us to generate a positive insurance service result.

Our Pension business continues to be a strength, with positive financial contributions and a healthy influx of new business.



## Anchoring the business in disciplined underwriting and unparalleled customer service

For over a century, BF&M has been guided by the desire to help our customers in Bermuda and the international communities we serve to protect what matters most. The past few years have been difficult for our industry, and we have been transparent about the challenges we are facing – including the impacts of rising reinsurance costs and diminishing reinsurance capacity, as well as soaring healthcare costs and increased utilisation.

Against this backdrop, our focus continues to be on enhancing our financial resilience through prudent risk selection and rate action. We are committed to ensuring adequate compensation for every risk that we write.

In Property and Casualty, BF&M had a successful reinsurance renewal on April 1st, navigating once again through a difficult market. We have continued to advance our product harmonisation efforts, which are on track for completion this year.

We also proactively de-risked certain elements of our property portfolio, which we believe will benefit our underwriting results over the long-term. And at the same time, we continue to innovate – preparing to launch a new Marine Cargo product in Cayman in September that is currently being socialised with brokers.

In Life and Health, our primary focus is on cost containment strategies. This includes negotiating with our overseas healthcare providers to secure lower fees for our customers. Meanwhile, our efforts to keep care on island have led to a new partnership with Arscott Surgical Suite, enabling select surgeries to be completed locally.

We have also been dedicated to empowering our insureds through informative presentations aimed at educating them on market conditions, the factors driving the rising costs of premiums, and strategies for managing healthcare expenses. As always, we remain committed to helping our insureds stay healthy and avoid costly treatments in the future by offering a robust suite of preventative care and wellness benefits.

## Moving forward together

In June 2024, we announced our decision to sign an amalgamation agreement with Argus Group, which we expect to close in the fourth quarter of 2024 subject to regulatory and shareholder approval.

Our future with Argus is built on our shared heritage as Bermudian businesses and commitment to developing innovative solutions that improve the quality of life for our island and ensure expansive access to care. Together, we are planning to build a multi-line insurer with an enhanced portfolio of businesses across key geographies, greater scale to help mitigate rapidly rising costs, and the ability to invest in enhanced digital offerings – in addition to a higher quality earnings profile and strong capitalisation.

We are extremely excited for what lies ahead as we pursue this amalgamation. We entered the proposed combination with the goal of meaningfully accelerating our progress across BF&M's three strategic pillars – growth, efficiency, and service. As one unified enterprise, we will do just that, and be in an even better position to navigate an evolving insurance landscape for the benefit of our customers, shareholders, and the community.



**Abigail Clifford**

Group President and  
Chief Executive Officer



**L. Anthony Joaquin**

Group Chair





# Financial strength

BF&M's strong financial position enables us to continue taking decisive steps to deliver long-term growth and resilience. We are navigating a complex insurance landscape and dynamic macro environment with disciplined risk management at the forefront of everything we do. As a result, we have sustained positive earnings and increased dividends to shareholders during the first six months of the year.

## Highlights

For the six months ended 30 June 2024 and 2023

	30 June 2024	30 June 2023
Insurance revenue	<b>\$198,989</b>	\$178,527
Net income / (loss) (in \$000's)	<b>\$7,453</b>	\$13,889
Cash dividends (in \$000's)	<b>\$5,046</b>	\$4,651
Net earnings per share	<b>\$0.80</b>	\$1.54
Cash dividends per share	<b>\$0.56</b>	\$0.52
Annualised return on general fund assets	<b>1.5%</b>	3.0%
Annualised return on shareholders' equity	<b>4.8%</b>	9.2%

### Best-in-class ratings from AM Best



# Governance

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At BF&M, effective governance is the cornerstone of sustaining trust and driving long-term success. We are dedicated to fostering a culture of transparency, ethical leadership, and compliance with regulations. Our Board of Directors, along with our Executive and Senior leadership teams, leverage a comprehensive governance structure to guide the organisation toward its strategic vision while consistently upholding the highest principles of integrity.

## Group Executive Committee



**Abigail Clifford**

Group President and  
Chief Executive Officer



**Bruce Walker**

EVP, Group Chief  
Financial Officer



**Michelle Jackson**

EVP, Group Head of  
Life, Health and Pensions



**Caroline Mills-White**

EVP, Group Head of  
Property and Casualty



**Gemma Rochelle**

EVP, Group General Counsel  
and Chief Compliance Officer

## Senior Management Team



**Stacy Ashby**  
Head of Internal  
Audit



**Jennifer Brown**  
Group Head of Marketing  
and Communications



**Jennifer Campbell**  
Chief Human  
Resources Officer



**Jason Cook**  
Group Head of  
Business Operations



**Miguel DoCouto**  
Head of Pension  
Operations



**Karysa Ebanks**  
Head of Talent  
Management



**Marianne Hood**  
Chief Information  
Officer



**Maureen Kennedy**  
Head of Pension  
Regulations



**Lisa Lewis**  
Group Head of  
Client Experience



**Caitlyne Lindo**  
Head of Benefits  
Management



**Matthew MacDonald**  
Head of Financial  
Reporting



**Daniel McMillan**  
Senior Legal  
Counsel



**Jai-Michael Phillips**  
Head of Life  
and Health



**Matthew Radoux**  
Chief Actuary and  
Chief Risk Officer



**Victoria Rankin**  
Group Head of P&C  
Reinsurance and Fronting



**Lorenzo Ratteray**  
Group Head of  
Consumer Solutions



**Michelle Smith**  
Head of HR Data  
and Insights



**Penny Smith**  
Head of Property  
and Casualty Claims



**Andrew Spencer**  
Head of  
Investments



**Evelyn Tibbetts-Farrar**  
Group Head of  
Producer Solutions



**Raana Warner**  
Head of Facilities and  
Office Management



**Barry Williams**  
Head of  
Compliance



**Lin Zhou**  
Chief Accounting  
Officer



# Board of Directors

**L. Anthony Joaquin<sup>1</sup>**  
Group Chair, BF&M Limited  
Retired Managing Partner, Ernst & Young

**Abigail Clifford**  
Group President and CEO,  
BF&M Limited

**Nancy L. Gosling<sup>2</sup>**  
President and CEO,  
Gosling Brothers Limited

**Gordon J. Henderson<sup>1</sup>**  
Retired President and CEO,  
BMO Life Insurance Company

**Andrew Lo<sup>2</sup>**  
President and CEO,  
Embark

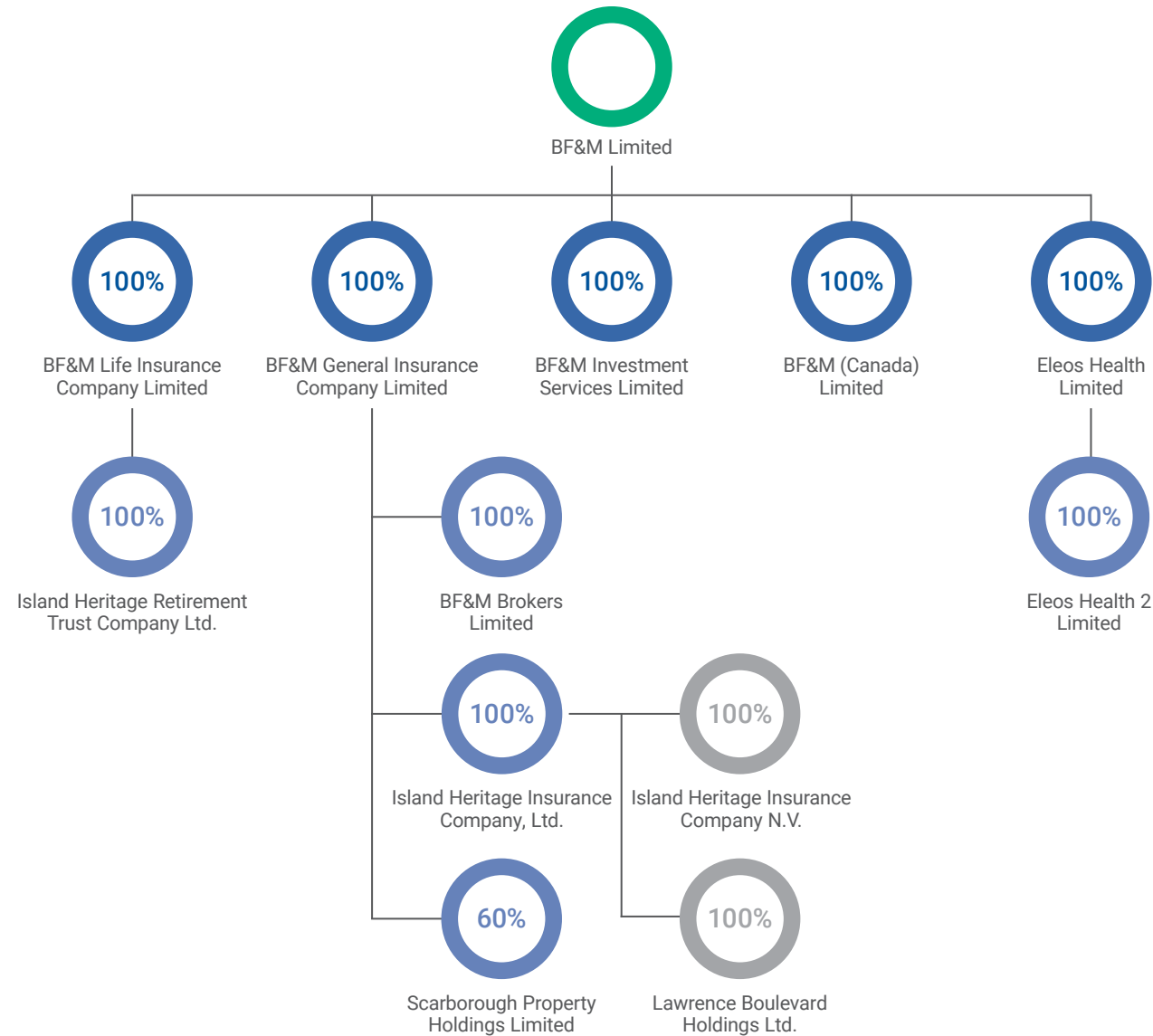
**Paul C. J. Markey<sup>2</sup>**  
Retired Chair,  
AON Bermuda

**Conor O’Dea<sup>1</sup>**  
Retired Chair / Director,  
Butterfield Bank (Cayman) Ltd.

**Jennifer Reynolds<sup>1</sup>**  
CEO, Women Corporate  
Directors Foundation (WCD)

<sup>1</sup> Finance, Compensation and Corporate Governance Committee  
<sup>2</sup> Audit, Compliance and Corporate Risk Management Committee

# Corporate Structure



## Directors and Officers

### BF&M General Insurance Company Limited

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#### Directors

- Nancy L. Gosling, B.Comm., C.G.A., LLD, Chair
- Paul C. J. Markey, Deputy Chair
- Abigail Clifford, B.A., M.Sc.
- Andrew Lo, BASc, P. Eng.
- Caroline Mills-White, M.Sc., FCIP

#### Officers

- Abigail Clifford, B.A., M.Sc., Group President and Chief Executive Officer
- Caroline Mills-White, M.Sc., FCIP, Executive Vice President, Group Head of Property & Casualty
- Lorenzo Ratteray, CPCU, AIC, Group Head of Consumer Solutions, Property & Casualty
- Gemma Rochelle, LL.B. (Hons.), Executive Vice President, Group General Counsel and Chief Compliance Officer, and Corporate Secretary

### BF&M Life Insurance Company Limited

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#### Directors

- Gordon Henderson, B.A. (Hons.), LL.B., Chair
- L. Anthony Joaquin, FCA, Deputy Chair
- Abigail Clifford, B.A., M.Sc.
- Michelle Jackson
- Conor O'Dea, FCA
- Jennifer Reynolds, MBA, ICD.D

#### Officers

- Abigail Clifford, B.A., M.Sc., Group President and Chief Executive Officer
- Michelle Jackson, Executive Vice President, Group Head of Life, Health & Pensions
- Gemma Rochelle, LL.B. (Hons.), Executive Vice President, Group General Counsel and Chief Compliance Officer, and Corporate Secretary

### BF&M Investment Services Limited

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#### Directors

- Abigail Clifford, B.A., M.Sc.
- Gemma Rochelle, LL.B. (Hons.)
- Bruce Walker, CPA, CA
- Jennifer Reynolds, MBA, ICD.D

#### Officers

- Abigail Clifford, B.A., M.Sc., Group President and Chief Executive Officer
- Gemma Rochelle, LL.B. (Hons.), Executive Vice President, Group General Counsel and Chief Compliance Officer, and Corporate Secretary
- Andrew Spencer, CPA, CMA, MBA, CFA, FLMI, Head of Investments
- Bruce Walker, CPA, CA, Executive Vice President, Chief Financial Officer

## Directors and Officers

### Island Heritage Insurance Company, Ltd.

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#### Directors

- Conor O'Dea, FCA, Chair
- Abigail Clifford, B.A., M.Sc.
- Gordon Henderson, B.A. (Hons.), LL.B.
- Paul C. J. Markey
- Caroline Mills-White, M.Sc., FCIP

#### Officers

- Abigail Clifford, B.A., M.Sc., Group President and Chief Executive Officer
- Evelyn Tibbetts-Farrar, CPCU, ACII, Group Head of Producer Solutions, Property & Casualty
- Caroline Mills-White, M.Sc., FCIP, Executive Vice President, Group Head of Property & Casualty
- Barry Williams, Head of Compliance
- Gemma Rochelle, LL.B. (Hons.), Executive Vice President, Group General Counsel and Chief Compliance Officer, and Corporate Secretary

### Island Heritage Retirement Trust Company Ltd.

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#### Directors

- Conor O'Dea, FCA, Chair
- Abigail Clifford, B.A., M.Sc.
- Michelle Jackson

#### Officers

- Michelle Jackson, Executive Vice President, Group Head of Life, Health & Pensions
- Bruce Walker, CPA, CA, Executive Vice President, Chief Financial Officer
- Barry Williams, Head of Compliance
- Gemma Rochelle, LL.B. (Hons.), Executive Vice President, Group General Counsel and Chief Compliance Officer, and Corporate Secretary

### Directors and Officers Share Interests

The total shares held by Directors and Officers at 30 June 2024 were 207,507 (30 June 2023 - 149,149)



# Financial statements

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## Condensed Consolidated Interim Statement of Financial Position

As at 30 June 2024 (unaudited) and 31 December 2023 (audited)  
(In thousands of Bermuda dollars)

	30 Jun 2024 \$	31 Dec 2023 \$
<b>Assets</b>		
Cash and cash equivalents	111,186	83,679
Regulatory assets	27,129	26,129
Investments	705,019	717,632
Other assets	21,731	15,643
Reinsurance contract held assets	47,473	71,875
Investment properties	15,227	15,650
Property and equipment	12,394	12,992
Tax recoverable	980	820
Deferred tax asset	408	394
Intangible assets	9,134	10,685
Assets held for sale	11,608	10,803
<b>Total general fund assets</b>	<b>962,289</b>	<b>966,302</b>
Segregated funds assets	1,478,300	1,353,193
<b>Total assets</b>	<b>2,440,589</b>	<b>2,319,495</b>
<b>Liabilities</b>		
Other liabilities	40,287	41,876
Retirement benefit obligations	704	591
Investment contract liabilities	328,230	324,434
Insurance contract liabilities	278,692	286,750
Reinsurance contract held liabilities	5,207	5,578
Liabilities held for sale	116	165
<b>Total general fund liabilities</b>	<b>653,236</b>	<b>659,394</b>
Segregated funds liabilities	1,478,300	1,353,193
<b>Total liabilities</b>	<b>2,131,536</b>	<b>2,012,587</b>
<b>Equity</b>		
Share capital	9,391	9,273
Treasury shares	(6,988)	(6,352)
Contributed surplus	1,482	1,482
Share premium	70,004	69,494
Accumulated other comprehensive loss	(2,845)	(2,591)
Retained earnings	230,895	228,723
<b>Total shareholders' equity</b>	<b>301,939</b>	<b>300,029</b>
Non-controlling interests	7,114	6,879
<b>Total equity</b>	<b>309,053</b>	<b>306,908</b>
<b>Total liabilities and equity</b>	<b>2,440,589</b>	<b>2,319,495</b>

## Condensed Consolidated Interim Statement of Income

For the six months ended 30 June 2024 (unaudited) and 2023 (unaudited)  
(In thousands of Bermuda dollars, except per share amounts)

	30 Jun 2024 \$	30 Jun 2023 \$
Insurance revenue	198,989	178,527
Insurance service expenses	(102,964)	(92,851)
Net expenses from reinsurance contracts held	(86,746)	(72,753)
<b>Insurance service result</b>	<b>9,279</b>	<b>12,923</b>
Investment result	11,231	18,791
Change in investment contract liabilities	1,096	(457)
<b>Net investment result</b>	<b>12,327</b>	<b>18,334</b>
Net finance (expense) / income from insurance contracts issued	370	(4,109)
Net finance income from reinsurance contracts held	989	772
<b>Net insurance finance result</b>	<b>1,359</b>	<b>(3,337)</b>
Other income	9,040	8,331
Participating policyholders' net loss / (income)	(723)	(149)
Other operating expenses	(21,949)	(19,653)
Amortisation expense	(1,512)	(2,183)
Interest expense	(67)	(70)
<b>Income / (loss) before income taxes</b>	<b>7,754</b>	<b>14,196</b>
Income taxes	301	307
<b>Net income / (loss) for the period</b>	<b>7,453</b>	<b>13,889</b>
<b>Net income / (loss) attributable to:</b>		
Shareholders	7,218	13,632
Non-controlling interests in subsidiaries	235	257
<b>Net income / (loss) for the period</b>	<b>7,453</b>	<b>13,889</b>
<b>Earnings per share</b>		
Basic and fully diluted	<b>\$0.80</b>	<b>\$1.54</b>

## Condensed Consolidated Interim Statement of Comprehensive Income

For the six months ended 30 June 2024 (unaudited) and 2023 (unaudited)  
(In thousands of Bermuda dollars)

	30 Jun 2024 \$	30 Jun 2023 \$
<b>Net income / (loss) for the period</b>	<b>7,453</b>	<b>13,889</b>
<b>Other comprehensive income / (loss)</b>		
<b>Items that may be subsequently reclassified to the income statement</b>		
Currency translation differences	(254)	158
<b>Total other comprehensive income / (loss) after income taxes</b>	<b>(254)</b>	<b>158</b>
<b>Total other comprehensive income / (loss) attributable to:</b>		
Shareholders	(254)	158
<b>Total other comprehensive income / (loss) after income taxes</b>	<b>(254)</b>	<b>158</b>
<b>Comprehensive income / (loss)</b>	<b>7,199</b>	<b>14,047</b>
<b>Comprehensive income / (loss) attributable to:</b>		
Shareholders	6,942	13,790
Non-controlling interests in subsidiaries	257	257
<b>Comprehensive income / (loss)</b>	<b>7,199</b>	<b>14,047</b>

## Condensed Consolidated Interim Statement of Changes in Equity

For the six months ended 30 June 2024 (unaudited) and 2023 (unaudited)  
(In thousands of Bermuda dollars)

	30 Jun 2024 \$	30 Jun 2023 \$
<b>Share capital</b>		
Balance - beginning of year	9,273	9,187
Shares issued under employee share purchase plan	-	6
Shares issued under equity incentive plan	-	9
Share grants issued under equity incentive plan	118	83
Share grants forfeited under equity incentive plan	-	(13)
<b>Balance - end of period</b>	<b>9,391</b>	<b>9,272</b>
<b>Treasury shares</b>		
Balance - beginning of year	(6,352)	(5,227)
Acquisition of shares	(636)	(1,072)
<b>Balance - end of period</b>	<b>(6,988)</b>	<b>(6,299)</b>
<b>Contributed surplus - beginning and end of period</b>	<b>1,482</b>	<b>1,482</b>
<b>Share premium</b>		
Balance - beginning of year	69,494	67,853
Shares issued under employee share purchase plan	-	108
Shares issued under equity incentive plan	-	170
Share grants issued under equity incentive plan	2,780	1,373
Share grants forfeited under equity incentive plan	(85)	(285)
Deferred share grant	(2,185)	(800)
<b>Balance - end of period</b>	<b>70,004</b>	<b>68,419</b>
<b>Accumulated other comprehensive loss</b>		
Balance - beginning of year	(2,591)	(1,287)
Other comprehensive income / (loss) income for the period	(254)	158
<b>Balance - end of period</b>	<b>(2,845)</b>	<b>(1,129)</b>
<b>Retained earnings</b>		
Balance - beginning of year	228,723	214,869
Net income / (loss) for the period	7,218	13,632
Cash dividends	(5,046)	(4,651)
<b>Balance - end of period</b>	<b>230,895</b>	<b>223,850</b>
<b>Total equity attributable to shareholders of the Group</b>	<b>301,939</b>	<b>295,595</b>
<b>Attributable to non-controlling interest</b>		
Balance - beginning of year	6,879	6,444
Net income / (loss) income for the period	235	257
Cash dividends	-	-
<b>Balance at the end of the period</b>	<b>7,114</b>	<b>6,701</b>
<b>Total equity</b>	<b>309,053</b>	<b>302,296</b>



## Condensed Consolidated Interim Statement of Cash Flows

For the six months ended 30 June 2024 (unaudited) and 2023 (unaudited)  
(In thousands of Bermuda dollars)

	30 Jun 2024 \$	30 Jun 2023 \$
<b>Cash flows from operating activities</b>		
<b>Income / (Loss) before income tax</b>	<b>7,218</b>	<b>14,196</b>
Adjustments for:		
Investment income	(13,376)	(10,620)
Net realised (gain) / loss on investments	2,438	(2,625)
Change in fair value of investments	(3,494)	(5,985)
Reversal of impairment of investments	(156)	(2,367)
Amortisation of property and equipment	700	726
Amortisation of investment properties	447	528
Amortisation of intangible assets	1,527	1,982
Impairment of intangible assets	24	-
Interest on lease liabilities	67	70
Compensation expense related to shares and options	510	537
<b>Changes in assets and liabilities:</b>		
Regulatory assets	(882)	(1,343)
Other assets	(5,704)	(3,815)
Reinsurance contracts held	24,031	23,896
Insurance contract liabilities issued	(8,058)	(11,834)
Investment contract liabilities	3,796	9,384
Other liabilities	(1,658)	6,766
Retirement benefit obligations	113	110
<b>Cash generate from (used for) operations</b>	<b>7,543</b>	<b>19,606</b>
Income taxes paid	(160)	(544)
Interest received	12,294	9,740
Dividends received	339	509
<b>Net cash generated from (used for) operating activities</b>	<b>20,016</b>	<b>29,311</b>
<b>Cash flows from investing activities</b>		
Purchase of investments	(105,062)	(87,212)
Proceeds from sales of investments	119,178	90,175
(Additions) / Disposals of property and equipment	(899)	(246)
(Additions) / Disposals of investment properties	(24)	(248)
(Additions) / Disposals of intangible assets	-	(788)
<b>Net cash generated from investing activities</b>	<b>13,193</b>	<b>1,681</b>

	30 Jun 2024 \$	30 Jun 2023 \$
<b>Cash flows used for financing activities</b>		
Cash dividends paid	(5,046)	(4,651)
Interest paid	(67)	(70)
Acquisition of treasury shares	(636)	(1,072)
Cash proceeds on issue of common shares	118	114
Principal elements of lease payments	(108)	-
<b>Net cash used for financing activities</b>	<b>(5,739)</b>	<b>(5,679)</b>
Effect from changes in exchange rates	37	158
<b>Increase in cash and cash equivalents</b>	<b>27,507</b>	<b>25,471</b>
<b>Cash and cash equivalents - beginning of year</b>	<b>83,679</b>	<b>75,847</b>
<b>Cash and cash equivalents - end of period</b>	<b>111,186</b>	<b>101,318</b>

# Notes to Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2024 (unaudited) and 2023 (unaudited)  
(In thousands of Bermuda dollars, except share and per share amounts)

## 1 Nature of operations and significant accounting policies

BF&M Limited (the "Group") is domiciled in Bermuda as a holding company. It has subsidiaries with operations in 16 countries, with principal offices in Bermuda and the Cayman Islands. The consolidated Group's principal business is insurance. The Group is involved in property, casualty, motor, marine, life, health and long-term disability insurance, annuities, the management and investment of pension plans, as well as the rental of office space in buildings owned by the Group.

The Group reports under International Financial Reporting Standards ("IFRS"). These unaudited interim consolidated financial statements should be read in conjunction with the Group's 2023 consolidated financial statements, as interim financial statements do not include all the information incorporated in annual consolidated financial statements prepared in accordance with IFRS. These condensed financial statements are presented in accordance with the requirements of Section IIA of the Bermuda Stock Exchange Listing Regulations and may not comply fully with the requirements of IAS 34 - Interim Financial Reporting.

The accounting policies used in the preparation of the unaudited interim consolidated financial statements are consistent with those adopted in the 2023 consolidated financial statements.

All amounts in the unaudited interim consolidated financial statements and notes are shown in thousands of Bermuda dollars unless otherwise stated.

## 2 New and revised accounting standards

IFRS 18 "Presentation and Disclosure in Financial Statements" ("IFRS 18") was issued in April 2024 to be effective for years beginning on January 1, 2027 and to be applied retrospectively. The standard replaces IAS 1 "Presentation of Financial Statements" ("IAS 1") while carrying forward many elements of IAS 1 unchanged. IFRS 18 introduces three sets of new requirements for presentation of financial statements and disclosures within financial statements:

- Introduction of a specific structure for income statements, to include three defined categories of income and expenses: operating, investing and financing activities, with defined subtotals including operating profit and income before financing and income taxes.
- Required disclosure of management-defined performance measures ("MPM") with a reconciliation between these measures and totals or subtotals specified by IFRS Accounting Standards. These disclosures will be subject to audit. MPMs are defined as subtotals of income and expenses not specified by IFRS Accounting Standards that are used in public communications to communicate management's view of the Group's financial performance.
- Enhanced guidance on organising information and determining whether to provide the information in the financial statements or in the notes. IFRS 18 also requires enhanced disclosure of operating expenses based on their characteristics, including their nature, function or both.

The Group is assessing the impact of this standard on the Group's Consolidated Financial Statements.

## 3 Segmental information

Management has determined the operating segments based on a combination of factors, including products, geographical areas and reports reviewed by the Group Chief Executive Officer (CEO) to make strategic decisions. All the operating segments meet the definition of a reportable segment.

### a) Health, life, annuity and pension

This operating segment includes group and individual health and accident, life, disability, annuity and pension products offered in Bermuda and Cayman.

### b) Property and casualty (Bermuda)

This operating segment includes the following products: personal and commercial fire, windstorm, burglary, public liability, marine, special types, personal automobile, personal auto-cycle, workmen's compensation and commercial vehicles.

### c) Real estate (Bermuda)

This operating segment includes the Group's real estate operations in Bermuda. The Group currently holds ownership in three buildings, with full ownership of two buildings and a majority ownership in the other. The Group occupies one of the fully owned buildings and the other two are leased principally to non-related parties. Two of the three operations within this segment are now classified as held for sale.

### d) Cayman Islands and other Caribbean operations

This operating segment is identified by its geographical location. Insurance coverage includes motor, property, marine and casualty business.

### e) Corporate and other

Corporate operations consist of corporate level income and expenses and returns from investments not allocated to any operating segments. It also represents the combined operations of a holding company, a management company and an investment management company. The Group manages shared services centrally with most costs allocated based on either net assets, head count, expenses or revenues. Some central costs are not allocated and remain within the corporate Group.

### Measurement basis

The accounting policies of the segments are generally the same as those for the Group as a whole, adjustments are made at the Group level where differences exist. The Group evaluates performance of operating segments on the basis of profit or loss from operations before tax.

Intersegment income is recorded at management's estimate of current market prices.

## Notes to Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2024 (unaudited) and 2023 (unaudited)  
(In thousands of Bermuda dollars)

The segmental information provided to the CEO for the reportable segments for the six months ended 30 June 2024 is as follows:

	Health, life, annuity, and pension	Property and casualty	Real estate	Cayman and other Caribbean operations	Corporate and other	Total
	2024 \$	2024 \$	2024 \$	2024 \$	2024 \$	2024 \$
<b>Results by segment</b>						
Insurance revenue	68,279	32,993	-	98,719	(1,002)	198,989
Insurance service expenses	(67,619)	(6,075)	-	(30,498)	1,228	(102,964)
Net expenses from reinsurance contracts held	(293)	(19,290)	-	(67,163)	-	(86,746)
<b>Insurance service result</b>	<b>367</b>	<b>7,628</b>	<b>-</b>	<b>1,058</b>	<b>226</b>	<b>9,279</b>
Investment result	6,033	3,584	-	1,197	417	11,231
Change in investment contract liabilities	1,096	-	-	-	-	1,096
Finance income / (expense) from insurance contracts issued	1,365	(406)	-	(589)	-	370
Finance income / (expense) from reinsurance contracts held	243	331	-	415	-	989
Other income	6,465	13	1,771	13	778	9,040
Participating policyholders' share of net income	(723)	-	-	-	-	(723)
Other operating expenses	(10,319)	(6,585)	(364)	(5,565)	884	(21,949)
Amortisation expense	(32)	(315)	(444)	(191)	(530)	(1,512)
Interest expense	-	-	-	(7)	(60)	(67)
Income tax expense	-	-	-	(230)	(71)	(301)
Non-controlling interests in subsidiaries	-	-	(235)	-	-	(235)
<b>Shareholders' net income</b>	<b>4,495</b>	<b>4,250</b>	<b>728</b>	<b>(3,899)</b>	<b>1,644</b>	<b>7,218</b>
<b>Other segment information</b>						
Impairment recoveries recognised in net income on mortgages	-	-	-	-	-	-
<b>Total assets</b>	<b>657,228</b>	<b>194,082</b>	<b>32,087</b>	<b>131,958</b>	<b>(53,066)</b>	<b>962,289</b>
Fixed asset & intangible expenditures	-	-	580	213	106	899
<b>Total liabilities</b>	<b>545,630</b>	<b>35,470</b>	<b>2,173</b>	<b>78,952</b>	<b>(8,989)</b>	<b>653,236</b>



## Notes to Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2024 (unaudited) and 2023 (unaudited)  
(In thousands of Bermuda dollars)

The segmental information provided to the CEO for the reportable segments for the six months ended 30 June 2023 is as follows:

	Health, life, annuity, and pension	Property and casualty	Real estate	Cayman and other Caribbean operations	Corporate and other	Total
	2023 \$	2023 \$	2023 \$	2023 \$	2023 \$	2023 \$
<b>Results by segment</b>						
Insurance revenue	62,807	30,726	-	85,897	(903)	178,527
Insurance service expenses	(62,446)	(7,507)	-	(24,239)	1,341	(92,851)
Net expenses from reinsurance contracts held	(1,643)	(16,092)	-	(55,018)	-	(72,753)
<b>Insurance service result</b>	(1,282)	7,127	-	6,640	438	12,923
Investment result	14,423	2,418	-	1,550	400	18,791
Change in investment contract liabilities	-	-	-	-	(457)	(457)
Finance income / (expense) from insurance contracts issued	(2,769)	(486)	-	(854)	-	(4,109)
Finance income / (expense) from reinsurance contracts held	(75)	333	-	514	-	772
Other income	5,510	211	1,990	15	605	8,331
Participating policyholders' share of net income	(149)	-	-	-	-	(149)
Other operating expenses	(9,607)	(5,522)	(476)	(4,829)	781	(19,653)
Amortisation expense	(54)	(601)	(661)	(191)	(676)	(2,183)
Interest expense	-	-	-	(7)	(63)	(70)
Income tax expense	-	(231)	-	-	(76)	(307)
Non-controlling interests in subsidiaries	-	257	-	-	-	257
<b>Shareholders' net loss / income</b>	5,997	2,992	853	2,838	952	13,632
<b>Other segment information</b>						
Impairment recoveries recognised in net income on mortgages	(104)	-	-	-	-	(104)
<b>Total assets</b>	629,088	182,480	35,232	139,058	(47,903)	937,955
Fixed asset & intangible expenditures	12	27	349	551	237	1,176
<b>Total liabilities</b>	522,797	32,763	7,523	83,959	(11,383)	635,659

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