

CBL CORPORATION LIMITED
AGM – CHAIR’S ADDRESS, WEDNESDAY 3RD MAY 2017

The 2016 Financial Year ended 31st December, the second reporting year since the IPO, was successful for CBL. We have achieved organic growth as well as successfully acquiring a majority stake in Securities Financial Solutions Europe and IMS Expert, which completed in January this year. The growth trajectory continues.

The company achieved a record operating profit of \$76.2 million, an increase of 27.2 per cent compared to last year. Gross written premium increased 32.6 per cent to \$321.7 million. We continue to exceed our IPO Prospective Financial Information targets on a like-for-like basis, which is a great achievement, particularly given the global market uncertainties that prevail.

Net profit after tax of \$30.7 million was impacted by a number of below-the-line one-off items. Peter will elaborate more on this in his report shortly.

Needless to say, the Board is very pleased with this performance. It is the result of the application of a focused and consistent strategy of pursuing sustainable, profitable growth through organic means and via carefully considered acquisitions which provide access to new markets.

During the past year acquisitions that fit with our strategy have been a key focus. We have successfully completed the integration of Assetinsure in Australia and Professional Fee Protection in the United Kingdom.

In January 2017, we finalised the acquisition of a majority stake in Securities and Financial Solutions Europe (SFS), France’s largest specialist producer of construction-sector insurance, and IMS Expert Europe (IMS), SFS’ claims management operation. These are strategic acquisitions which protect and strengthen our market leading position in Europe. These transactions were settled for €94.5M and also more than double employee numbers, expanding our team from 182 to 550 people.

This year, we have also experienced substantial organic growth across the company’s European operations. The British decision in June to exit the European Union presented CBL Insurance Europe with new opportunities.

Many customers are looking for more certainty than their British insurance providers are currently able to offer and this has led to positive outcomes as we are domiciled in Ireland.

Key to capitalising on these opportunities is the need to exceed the regulators' capital and solvency requirements. The European Solvency II regulatory regime came into effect in January 2016 and we have exceeded these requirements.

We have taken advantage of the opportunities afforded to us of being a listed company and the increased ability to raise additional capital through a broader shareholder base. In September, the company completed a \$60 million private placement to New Zealand and off-shore investors. Following this, New Zealand retail shareholders were offered the opportunity to subscribe for new shares through our Share Purchase Plan. This was oversubscribed. This demand was a strong vote of confidence in the business and we were delighted and humbled by the support received. It was a great result for both CBL and for shareholders.

The dividend policy remains unchanged from the previous year and we aim to distribute 30 percent of normalised net profit after tax. This resulted in total dividend pay-out for 2016 year of 5 cents per share.

It is also worth noting that our strengthened financial position resulted in an increase in the company's financial rating to A- (excellent), from B++ (good). This is an extremely positive outcome and will help further expansion particularly into South East Asia.

CBL is a truly global business, growing each year in scale and significance. We operate an international platform with a number of businesses offering a wide product mix that create strong revenue opportunities and diversify risk. The decentralised model ensures we have the agility to react to opportunities but still with the strategic oversight and governance of a strong and experienced Board.

As CBL continues to grow and expand internationally, there are increased responsibilities for the Board of Directors. As a result, the Board is proposing an increase in the remuneration cap for Directors. This requires your support and will be elaborated on in detail later in the meeting.

On behalf of the Board I want to take this opportunity to thank our Managing Director, Peter Harris. His insurance expertise and knowledge, along with his vision and energy has driven the success of the company.

Peter is supported by an experienced and dedicated leadership team, many of whom are here today. Their dedication and hard work are evident in these results.

Peter and his team have a strong belief that success will result from strong and trusted relationships with business partners and customers. Our partners and customers place an enormous amount of trust and responsibility in CBL and we are proud to continue to make a difference to their businesses. Once again the Board would like to thank Peter and the executive team for all of their hard work.

May I also acknowledge and thank my fellow directors for their guidance and support and contribution they have made to the company during the past year. Being on the board of CBL requires a significant commitment and an understanding of the many jurisdictions in which the company operates.

Finally, may I add that 2017 is expected to see the company continuing to build momentum across the business. We expect this momentum to translate into further profitable growth and add to overall shareholder value.

I would now invite the Managing Director, Peter Harris to address you.