

Market Information
NZX Limited
Level 2, NZX Centre
11 Cable Street
Wellington
New Zealand

Company Announcements Office
Australian Securities Exchange Limited
Exchange Centre
Level 6, 20 Bridge Street
Sydney NSW 2000
Australia

18 August 2017

CBL Corporation ('CBL')

CBL RECORDS STRONG GROWTH BUT PROFIT IMPACTED BY STRENGTHENING RESERVES

CBL Corporation expects to miss its 1H17 internal operating profit expectations by \$17.5m largely due to a \$16.5m strengthening of CBL Insurance reserves.

CEO Peter Harris, said "The decision by the Board to strengthen reserves in certain lines is seen as a prudential and appropriate approach and takes into account advice from CBL's external actuarial consultants". In providing their advice, they looked back at policies issued up to 10 years ago, and forecast forward for the next 10 years, however the full amount of that strengthening adjustment will be taken through current period earnings."

1H17 expected operating profit is now expected to be \$22.5m. This compares to \$35.1m in 1H16.

Peter Harris emphasised that this is not a restatement of existing reported and open claims, - it is an adjustment that our independent actuaries consider is prudent to make to our future claim forecasts. To put this into perspective, the \$16.5m adjustment to CBL Insurance reserves represents a strengthening of 7.2% of CBL's total net claims reserves of \$229m.

The announcement in July 2017 by Elite Insurance Company that it has decided to stop writing new business and go into orderly runoff is not expected by CBL to adversely affect it, because in February 2016, CBL announced it would be writing its European business directly through CBL Insurance Europe and not Elite. This has resulted in a very strong half year for CBL Insurance Europe.

2017 is shaping to be a year of strong volume and operational growth across the Group. When it announces its results next week, CBL expects to record a 1H17 Gross Revenue of \$205m, - an increase of 29% over 1H 2016 revenue of \$159m. "Much of the benefit of that substantial lift in revenue will flow through into earnings numbers over the next 12 - 18 months," said Mr Harris.

As previously notified, CBL will be announcing its half year results on August 24th.

ENDS

CBL CORPORATION LIMITED

P +64 9 303 4770 | F +64 9 300 5046
Tower One, 51 Shortland Street
PO Box 3772, Auckland 1010, New Zealand
www.cblinsurance.com

CBL Corporation Limited (CBL) is a specialist insurer and reinsurer focused on credit and financial risk. CBL has eight offices spread across 25 countries and almost 550 employees. The company has been operating since for 44 years, and is listed on the ASX and the NZX Main Board. CBL's main operating subsidiary is CBL Insurance Limited, which is a New Zealand licensed non-life insurer supervised and regulated by the Reserve Bank of New Zealand.

CBL also has a number of wholly owned subsidiary companies including CBL Insurance Europe, which is a regulated insurer in Ireland, Assetinsure, an Australian licensed non-life insurer supervised and regulated by Australian Prudential Regulation Authority, European Insurance Services Limited, a managing general agency (MGA) in Tunbridge Wells in the United Kingdom, Securities & Financial Solutions a managing general agency (MGA) in France and Professional Fee Protection, UKs leading fee protection provider offering expertise and market-leading support to help accountancy practices strengthen their client relationships and grow their revenue.

CBL specialises in writing building and construction related credit and financial surety insurance, bonding and reinsurance. CBL Insurance currently has a Financial Strength Rating of A- (Excellent) and an issuer rating of a-, with both outlooks 'Stable', from A.M. Best Ratings Agency.

<i>For investor queries:</i> <i>Carden Mulholland Chief Financial Officer CBL Corporation Limited</i> <i>Phone +64 9 303 4770 ARBN 604 999 466 Incorporated in New Zealand</i>	<i>For media queries:</i> <i>Geoff Senescall John Redwood Senescall Akers Ltd Senescall Akers Ltd</i> <i>+64 21 481 234 +64 21 581 234 senescall@senescallakers.co.nz redwood@senescallakers.co.nz</i>
--	--