

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

## **MEDIA RELEASE**

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### **CBL REPORTS STRONG HALF-YEAR REVENUE GROWTH**

Strong organic growth from operations saw specialist insurer CBL Insurance lift underlying profit in the first six months of the year by 2% to \$23.6m. This was off the back of a 35% jump in revenue to \$206.2m.

However, as already signalled last week operating profit was impacted by the decision to take a one-off \$16.5m increase to its reserves against future claim forecasts. This led to operating profit of \$22.4m, down 36% on the same period last year and reported profit of \$12.6m, down 32%.

CBL Managing Director Peter Harris said, "Strategies to drive growth both at home abroad performed, evidenced by the operating result recorded by the group. Whilst it was disappointing that our performance was tainted by the requirement to take an adjustment covering up to a 20-year span all in the half year, the board took the prudent decision to do so and based on independent actuarial advice. Moreover, it strengthens the company against unexpected claim activity."

Mr Harris also noted that of the \$16.5m, \$10m related to a decrease in the discount rate for Euro denominated claims which could easily be turned around should Euro bond yields increase in the future. The balance related directly to a review of policies looking back for up to 10 years, and forward for up to 10 years.

Mr Harris further noted that cash flow was again up significantly at \$64.5m for the period and that total cash and cash equivalents now stood at \$444.9m

"A feature of the first half was our product expansion programme such as the launch of builders warranties in Victoria, Australia, the growth from our strategic partnership with DUAL in Spain, and our NAFTA US/Mexico border crossing program heavy motor."

CBL completed on the acquisition of a 71% share in SFS in January - a €94m enterprise value transaction, and increased its senior leadership team in Europe.

CBL Chairman Sir John Wells said the strong revenue growth to the 2017 financial year was encouraging.

"The half year was also positively marked by CBL joining the S&P NZX50 and the reconfirmation of our A- credit rating by AM Best.

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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](http://www.cblinsurance.com)

Sir John said the CBL's Board has resolved to pay an interim dividend of 1.5 cents per share, which will be imputed for qualifying shareholders.

## ENDS

*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>
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