



CBL Corporation Limited

2017 Half Year Results to 30 June 2017
Presentation

24 August 2017

Peter Harris - Managing Director
Carden Mulholland - Group Chief Financial Officer

Disclaimer and important information

The information in this presentation has been prepared by CBL Corporation Limited (CBL) to provide a general overview of CBL and its operations. It has been prepared solely for informational purposes and does not purport to be complete or comprehensive and does not constitute financial product, investment, tax or other advice. CBL has not independently verified the information contained herein, nor does CBL make any representation or warranty, either express or implied, as to the accuracy, completeness or reliability of the information contained in this presentation. This presentation does not take into account your personal objectives, financial situation or needs and you should consult your financial and other advisors before making any investment in CBL.

This presentation is not and should not be construed as an offer to sell or a solicitation of an offer to buy CBL securities and may not be relied upon in connection with any purchase of CBL securities. No money is currently being sought. CBL shares cannot currently be applied for or acquired under any intended offer. If an offer is made, it will be made in accordance with the provisions of the Financial Markets Conduct Act 2013.

Past performance information provided in this presentation may not be a reliable indication of future performance. The valuations, forecasts, estimates, opinions and projections contained herein involve elements of subjective judgment and analysis. Any opinions expressed in this material are subject to change without notice and may differ or be contrary to opinions expressed by other parties associated with CBL as a result of using different assumptions and criteria. This presentation may contain certain forward-looking statements with respect to the financial condition, results of operations and business of CBL. Forward looking statements **can generally be identified by use of words such as 'project', 'foresee', 'plan', 'expect', 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' or similar expressions. All such forward-looking statements** involve known and unknown risks, significant uncertainties, assumptions, contingencies, and other factors, many of which are outside the control of CBL, which may cause the actual results or performance of CBL to be materially different from any future results or performance expressed or implied by such forward-looking statements. Such forward-looking statements speak only as of the date of this presentation. CBL undertakes no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such dates or to update or keep current any of the information contained herein. Any estimates or projections as to events that may occur in the future (including projections of revenue, expense, net income and performance) are based upon the best judgment of CBL from the information available as of the date of this presentation. Actual results may vary from the projections and such variations may be material. You are cautioned not to place undue reliance on forward-looking statements.

In particular, this presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. CBL's securities have not been, and will not be, registered under the U.S. Securities Act of 1933 (the Securities Act) or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States without registration except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable U.S. state securities laws.

Nothing contained herein is, or shall be relied upon as, a promise or representation as to the past or future. CBL, its officers, employees, agents and/or advisers expressly disclaim any and all liability relating or resulting from inaccurate or incomplete information and the use or reliance of all or any part of this presentation or any of the information contained herein.

Certain financial data included in the presentation are "non-GAAP financial measures" under Regulation G of the U.S. Securities Exchange Act of 1934, including earnings before interest, tax, depreciation and amortization, or EBITDA, and underlying profit. These non-GAAP financial measures do not have a standardized meaning prescribed by International Financial Reporting Standards (IFRS) and therefore may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with IFRS. Although CBL's management uses these measures in assessing the performance of CBL's business, and CBL believes these non-GAAP financial measures provide useful information to other users in measuring the financial performance and condition of the business, you are cautioned not to place undue reliance on any non-GAAP financial measures included in the following material. All amounts are disclosed in New Zealand dollars (NZ\$) unless otherwise indicated.

The information has not been and will not be independently verified or audited. This presentation is provided to each recipient on a confidential basis and it, and the information it contains, must not be provided or disclosed to any other person.

Contents

	Page
Results Overview	4
Financial Results	15
Business Performance of Operating Subsidiaries	20
Outlook	27
Appendix	31

Results Overview



1H17 Results Summary

Record GWP of \$204.5m, reported profit down -32%, underlying profit up 2% to \$23.6m

Gross Written Premium (GWP) ¹	\$204.5m	▲29%	■ Strong organic growth in GWP, up 29% on 1H16, across major lines of business and new product and market development, resulted in a record half year revenue
Total revenue	\$206.2m	▲35%	
Operating profit	\$22.4m	▼36%	■ Increased GWP in 1H will reflect in earnings in the next 12 – 18 months
Reported profit	\$12.6m	▼32%	■ Full half year of revenue from SFS contributed to a 35% increased in total revenue on 1H16
Underlying profit	\$23.6m	▲2%	■ Reported profit impacted by \$11.9m after tax effect of strengthening of CBL Insurance claims reserves ²
			■ Underlying profit was up 2%, including adjusting for prior year claims reserves adjustment
			■ The combined ratio for the three insurance entities was 80.8% when adjusted for prior period claims movements, or 89.4% including prior period movements

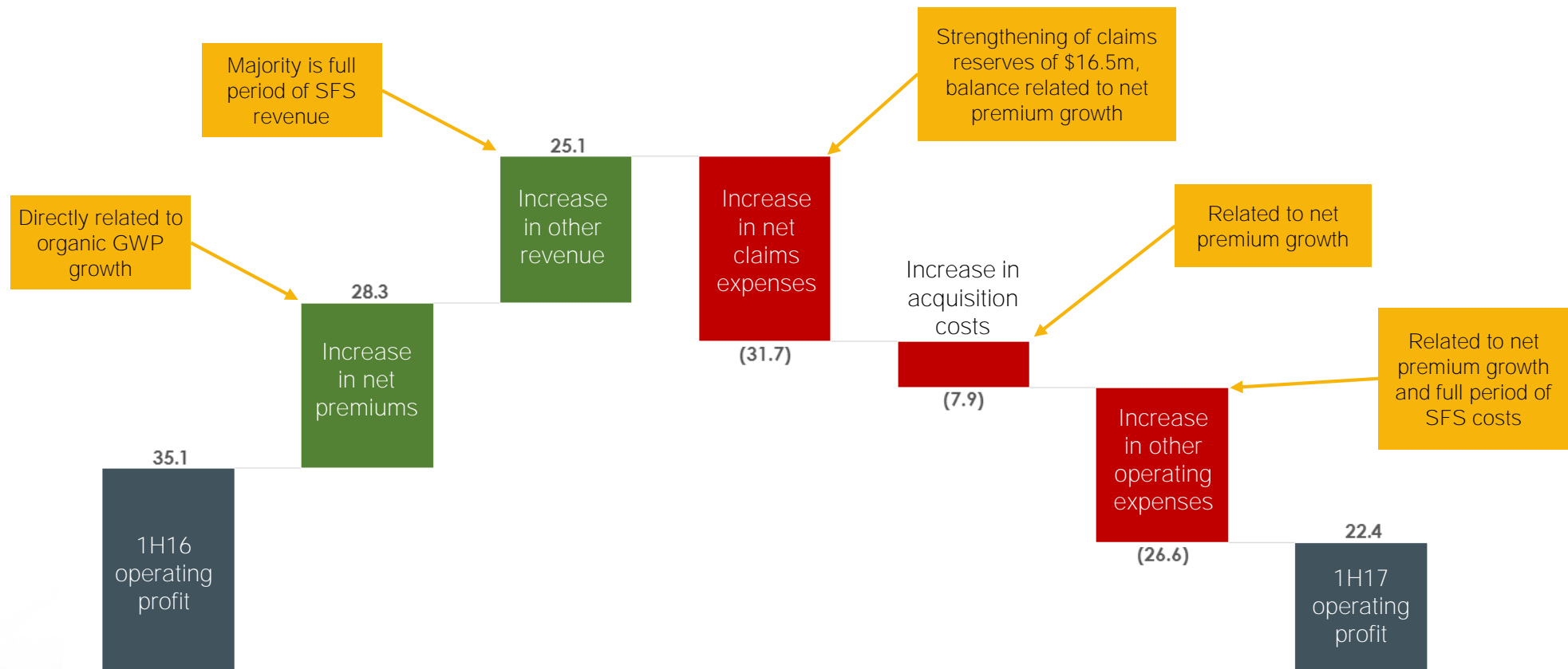
Notes:

1. GWP includes CBL Insurance, CBL Insurance Europe and Assetinsure only.

2. Refer to page 7 for a full explanation of the claims strengthening in CBL Insurance.

Operating Profit Bridge 1H16 to 1H17

Growth in GWP and revenue offset by \$16.5m claims strengthening

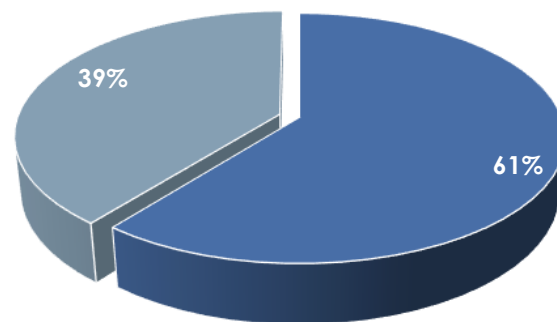


CBL Insurance Claims Strengthening Explained

Total Claims Strengthening of \$16.5m (pre tax), \$11.9m (post tax)

Current Period	\$2.3m
Prior Years	\$14.2m
Total Claims Strengthening	\$16.5m

\$6.5m net increase to claims reserves



\$10.0m increase due to a reduction of discount rates used to present value claims reserves

- \$12.5m increase (\$11.5m on the French business and \$1m on other lines) relating to a change in the ultimate loss ratios as a result of advice from the independent actuaries for CBL Insurance, PwC, to increase the claims reserves – strengthening looks back over policies issued over the last 10 years and forward for the next 10 years
- \$6m decrease relating to an explicit analysis of claims handling costs compared to the market average used previously resulted in a reduction of the estimated claims handling costs to be more in line with CBL Insurance experience

- The reduction in the discount to present value reflects a change in the estimated discount rate for the Euro denominated claims reserves
- Previously the discount was based on 10-year European government bond yields – new estimate based on a yield curve issued by EIOPA (European Insurance and Occupational Pensions Authority)
- If Euro government bond yields increase in the future, the discounted present value would reverse (dependent on rate movement and claims reserve balance at that time)

Growth Initiatives

CBL has been expanding its products and market during 1H17

New Products New Markets

- Successfully launched domestic builders warranty product in Victoria, Australia, including the use of innovative mobile and online product delivery
- Secured share of credit default government program for small consumer lending in Mexico
- US-Mexico border crossing insurance for heavy vehicles under NAFTA directives. Program expected to grow to include passenger vehicles in 2018

Existing Products New Markets

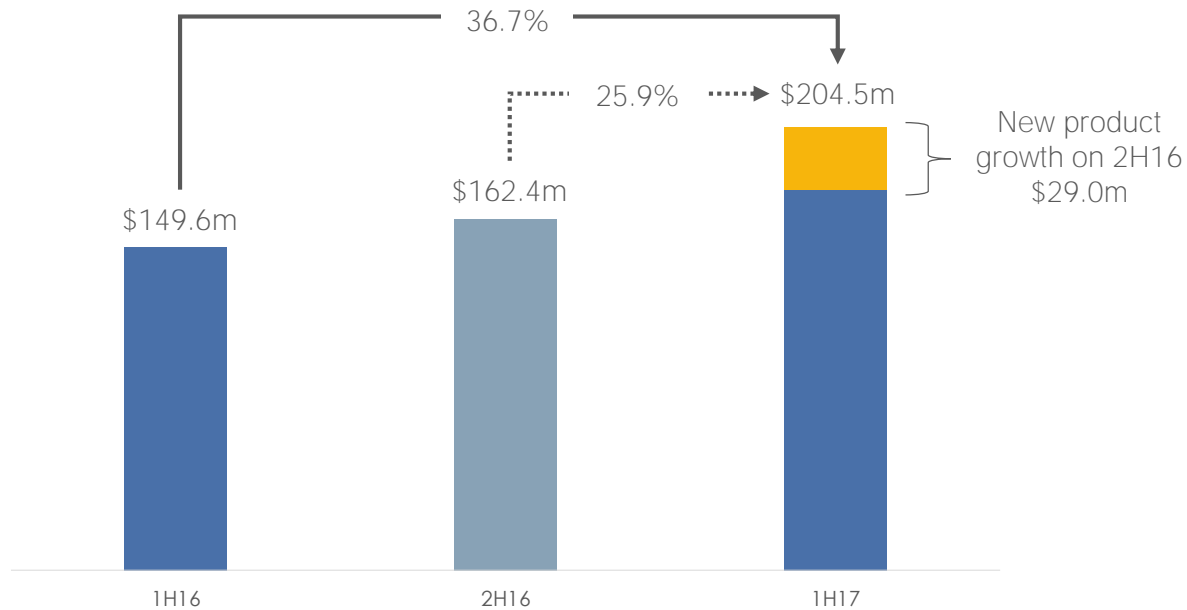
- Due to sign a joint venture agreement in India with SREI Infrastructure Finance, a listed infrastructure and asset finance group, including the online delivery of payment securities for India Power, a SREI subsidiary
- Strategic alliance with DUAL Spain growing strongly
- Fuel bond credit securities taken to UK, and distribution agreement signed and launched with BP Oil
- Secured new program of employee lending protection in Italy, to be incepted in early 2018

New Products Existing Markets

- Insuring the financial liability of municipals in France relating to statutory liability payments

GWP Growth Analysis – Constant Currency*

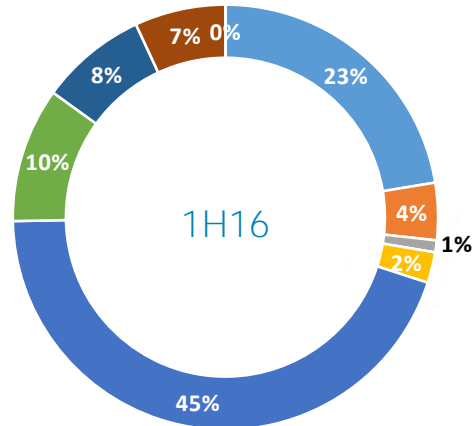
GWP has shown consistent growth on a constant currency basis



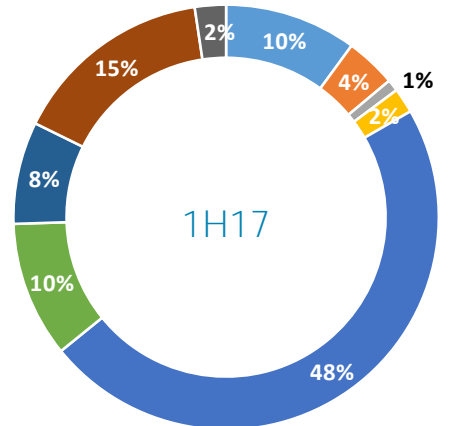
- 36.7% growth in 1H17 GWP over 1H16, excluding new products growth was 17.3% on existing products
- 25.9% increase in 1H17 GWP over 2H16 representing continued strong growth in GWP over the traditionally larger second half of the year, excluding new products growth was 8.1% on existing products

GWP by Geography – Constant Currency*

Strong growth across most territories and continued diversity achieved



- Australasia 23%
- Latin America 4%
- Middle East 1%
- South East Asia 2%
- Europe - France 45%
- Europe - Italy 10%
- Europe - Scandinavia 8%
- Europe - Other 7%
- North America 0%



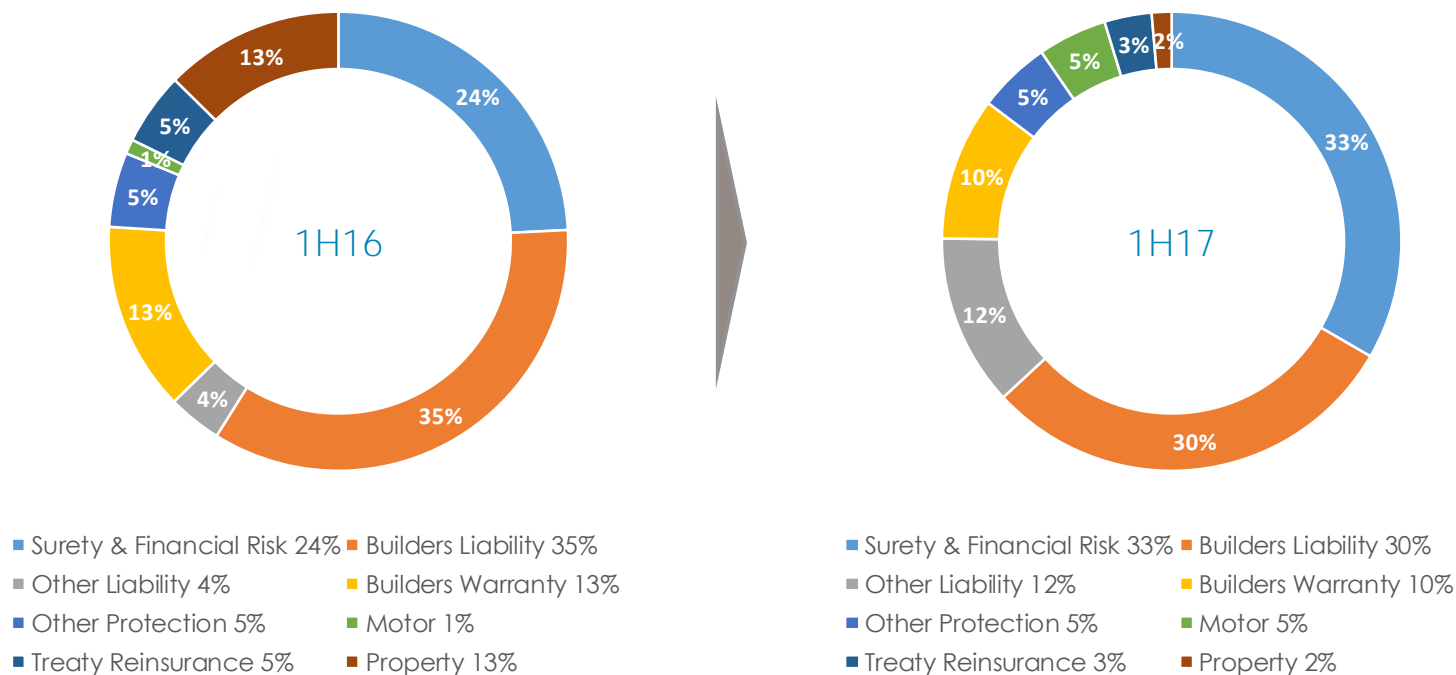
- Australasia 10%
- Latin America 4%
- Middle East 1%
- South East Asia 2%
- Europe - France 48%
- Europe - Italy 10%
- Europe - Scandinavia 8%
- Europe - Other 15%
- North America 2%

	1H17 v 1H16	1H17 v 2H16	Trend
Australasia	-38.5%	-17.1%	
Latin America	21.5%	-25.9%	
Middle East	34.4%	35.2%	
South East Asia	11.7%	107.9%	
Europe - France	45.4%	20.4%	
Europe - Italy	38.1%	38.8%	
Europe - Scandinavia	31.4%	73.2%	
Europe - Other	204.2%	71.5%	
North America	n/a	n/a	
Total GWP	37.0%	26.2%	

*GWP includes CBL Insurance, CBL Insurance Europe and Assetinsure only; GWP in all periods is revalued to 1H17 average FX rates

GWP by Product – Constant Currency*

Product mix movement related to growth, new products and Assetinsure product changes

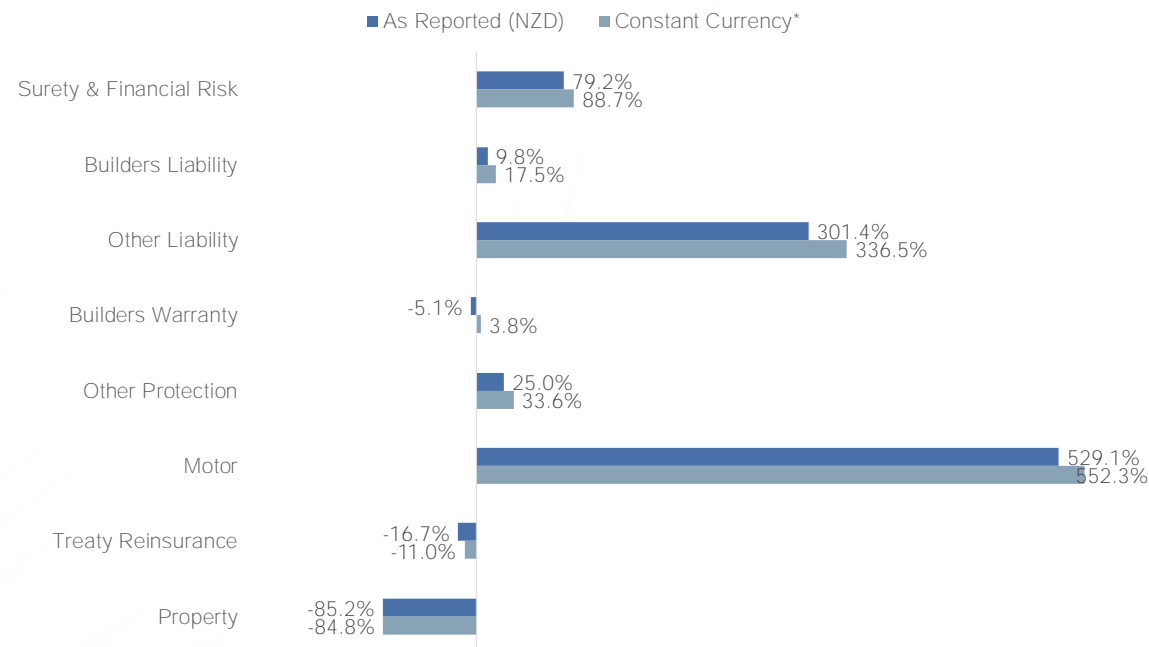


*GWP includes CBL Insurance, CBL Insurance Europe and Assetinsure only; GWP in all periods is revalued to 1H17 average FX rates

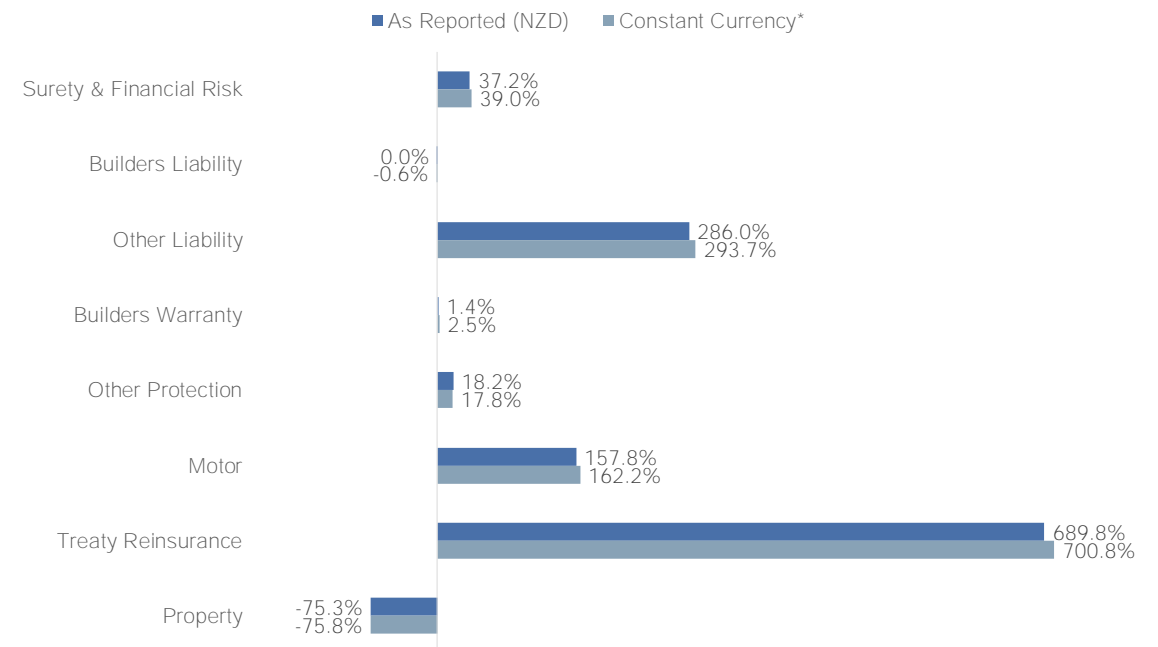
GWP by Product – Constant Currency*

CBL's largest product groups experienced strong growth despite FX

Product Growth Rates 1H17 vs 1H16



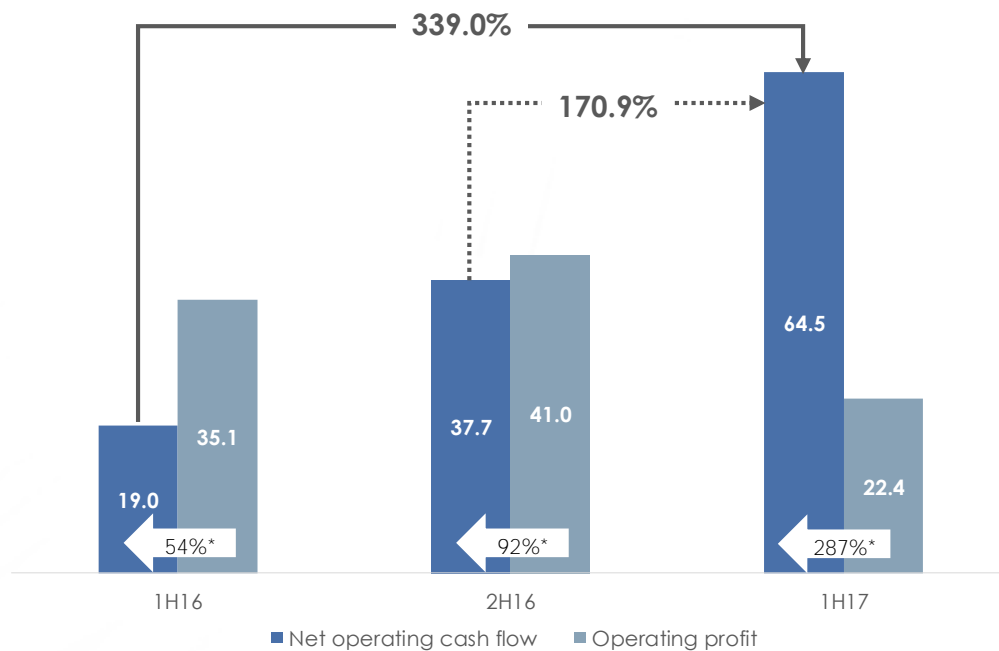
Product Growth Rates 1H17 vs 2H16



*GWP includes CBL Insurance, CBL Insurance Europe and Assetinsure only; GWP in all periods is revalued to 1H17 average FX rates

Cash Flow Analysis

\$64.5m net operating cash flow up with high cash conversion rate



- 1H17 cash generated by strong GWP growth and upfront program payments that will earn out over a longer period
- 1H17 cash flow up on both 1H16 and 2H16
- Cash conversion ratio higher in 1H17 at 287% than experienced during 2016
- **Significant increases to CBL's cash reserves increases liquidity, with total cash and cash equivalents now \$444.9m**

*Cash Conversion Ratio = Net operating cash flow / Operating profit

Financial Results



Financial Results

1H17 reported profit down -32.3% on 1H16, up 4.1% on 2H16

NZD Millions	1H17	1H16	Movement	2H16	Movement
Gross written premium	204.5	158.9	28.7%	162.8	25.6%
Total revenue	206.2	152.7	35.0%	180.7	14.1%
Net claims expense	(76.0)	(44.4)	71.2%	(42.0)	81.0%
Acquisition costs	(51.3)	(43.4)	18.2%	(42.1)	21.9%
Operating expenses	(56.4)	(29.8)	89.3%	(55.6)	1.4%
Operating profit	22.4	35.1	-36.2%	41.0	-45.4%
Profit before tax	17.8	25.1	-29.1%	19.0	-6.3%
Income tax expense	(5.2)	(6.5)	-20.0%	(6.9)	-24.6%
Reported profit	12.6	18.6	-32.3%	12.1	4.1%
Reported profit attributable to non-controlling interests	(0.1)	0.1		0.9	
Reported profit attributable to shareholders	12.7	18.5	-31.4%	11.3	12.4%
Earnings per share attributable to shareholders (cps)	5.4	8.4	-36.1%	4.8	12.7%
Dividends per share (cps)	1.5	3.0		2.0	

- GWP up 28.7% on 1H16 and up 25.6% on 2H16, with total revenue up 35.0% on 1H16 and up 14.1% on 2H16
- Most of the increased GWP in 1H earned in next 12 – 18 months
- Operating profit down -36.2% on 1H16, and -45.4% down on 2H16
- Earnings per share attributable to shareholders down -36.1% on 1H17, but up 12.7% on 2H16

Underlying Profit

1H17 underlying profit \$23.6m up 1.7%, and \$23.9m excluding SFS up 3.0%

NZD Millions	1H17	1H16	Movement	2H16	Movement
Reported profit	12.6	18.6	-32.3%	12.1	4.1%
Prior year reserve movements ¹	13.7	(1.1)		(1.3)	
Capital raising and business acquisition costs ²	1.2	2.2		4.2	
Foreign exchange translation adjustment ³	(4.4)	4.4		5.3	
Finance costs ⁴	4.3	-		7.8	
Tax effect ⁵	(3.8)	(0.9)		(3.3)	
Underlying profit	23.6	23.2	1.7%	24.8	-4.8%
Underlying profit per share attributable to shareholders (cps)	10.0	10.5	-4.8%	10.2	-2.0%
SFS normalisation adjustments ⁶	(0.3)	-		4.1	
Underlying profit (excl SFS)	23.9	23.2	3.0%	20.7	15.5%

Notes:

1. Prior year reserve movements. 1H17 is adjusted for the total prior year reserve movement. Historical half year periods have been restated to reflect that period's portion of the prior year reserve movement.

2. Non-recurring costs relating to acquiring businesses, including SFS, Affirmative and Allied Risk, and capital raising costs associated with the share placement and share purchase plan.

3. Unrealised FX translation adjustment in order to report our FX denominated assets and liabilities into NZD.

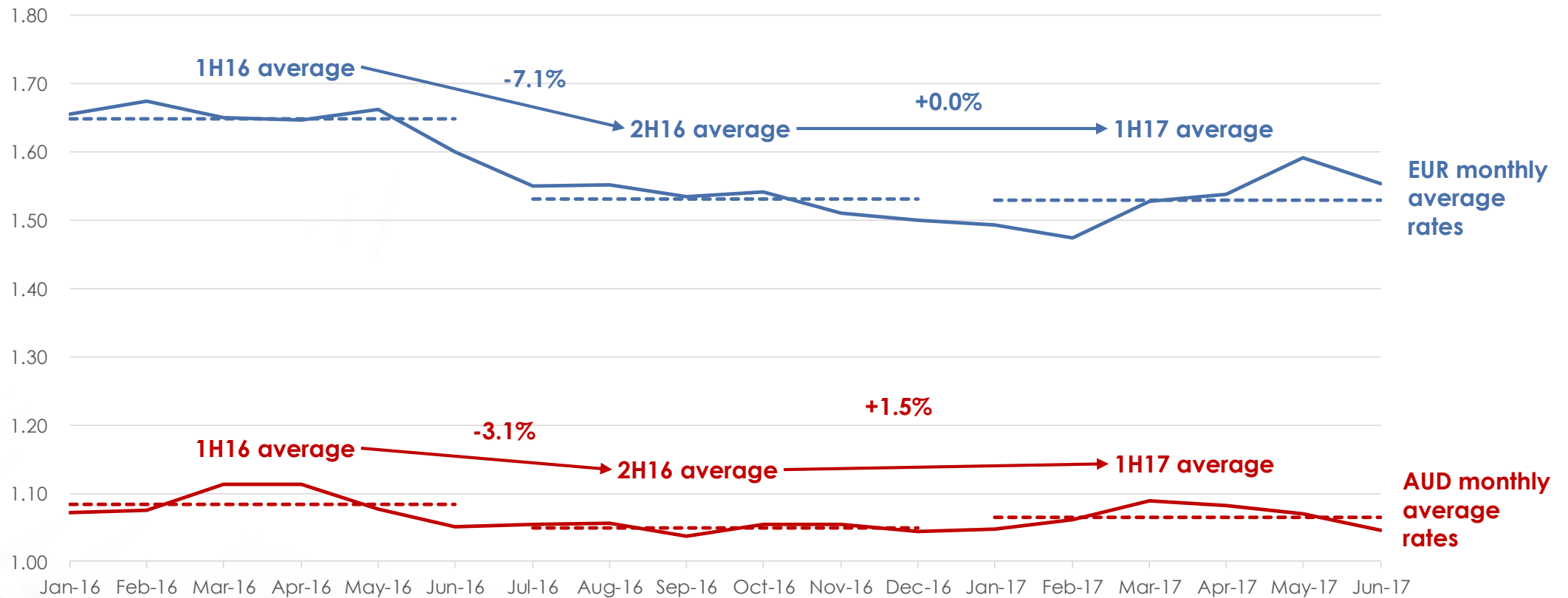
4. Non-recurring costs includes: the initial transaction costs associated with the SFS acquisition facility; costs associated with early repayment of FIIG note including accelerated amortisation of issue costs and repayment premium, and establishment costs; reversal of the discount to present value of the contingent consideration relating to the SFS acquisition.

5. Tax effect of deductible costs and assessable income of the adjusting items at 28% NZ corporate tax rate.

6. Normalised for SFS results in 2H16 which relates to the 3 months from 1 October 2016 to 31 December 2016, and full 6 months in 1H17, as well as finance costs directly relating to the acquisition, not accounted for elsewhere in business acquisition costs.

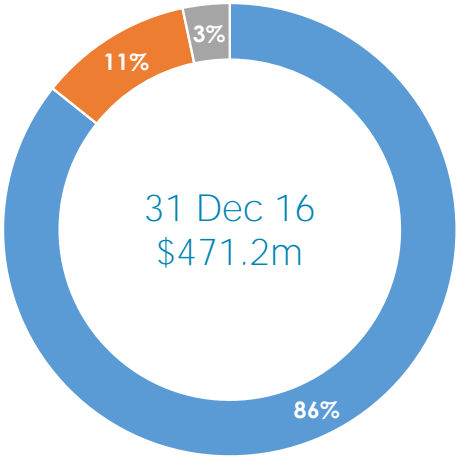
Foreign Exchange Rates

Both EUR and AUD have declined against the NZ dollar 1H17 v 1H16

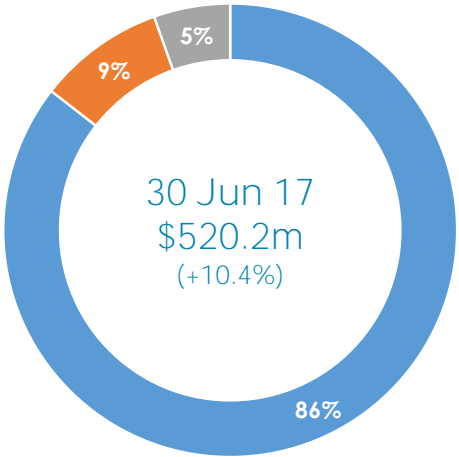


Investment Analysis

Conservative investment portfolio maintained with cash of \$444.9m



- Cash and cash equivalents \$403.9m
- Government and fixed interest securities \$51.5m
- Equity securities \$15.8m



- Cash and cash equivalents \$444.9m
- Government and fixed interest securities \$46.9m
- Equity securities \$28.3m

Capital Management

CBL has repaid \$15m in principal during 1H17

- During 1H17 CBL repaid \$15m against the ANZ NZD denominated loan to meet agreed repayments and drew down a **further €50 million from ANZ to settle the SFS acquisition on 5 January 2017**
- Movements in other loan balances reflect currency changes as **these loans are denominated in foreign currency to match CBL's** earnings and cash flow and amortisation of capitalised costs
- CBL Group will continue to target a long-term capital structure that maintains investment grade credit metrics
- CBL Corporation was accorded an investment grade issuer credit rating from AM Best of bbb- on 18 August 2017, with an **outlook of 'Stable'. This is CBL Corporation's first rating**
- CBL Insurance Financial Strength Rating was reconfirmed by AM Best as A- (Excellent) on 9 June 2017, with an outlook of **'Stable'**

NZD Millions	30-Jun-17	31-Dec-16	Movement
ANZ bank loan – NZD	49.7	64.2	(14.5)
ANZ bank loan – EUR	78.0	-	78.0
Vendor loan note	24.1	22.7	1.4
Fixed interest loan	8.0	7.6	0.4
Other bank loans	2.7	2.3	0.4
Total debt	162.6	96.9	65.7

Total debt / total debt plus equity	34.8%	24.9%
Operating profit / interest ¹	5.8x	11.7x

Notes:
 1. Interest is adjusted for FIIG repayment costs of \$7.4 million that were incurred in 2H16 and is calculated based on 12 months of operating earnings and interest costs. Additional bank establishment costs relating to SFS have also been included in interest.

Business Performance of Operating Subsidiaries



Operating profit was down -64.2% on 1H16 due to claims strengthening and unearned income

NZD Millions	1H17	1H16	Movement	2H16	Movement
Gross written premium	154.2	120.2	28.3%	127.2	21.2%
Total revenue	130.9	114.4	14.4%	113.8	15.0%
Net claims expense	(66.9)	(37.5)	78.4%	(37.2)	79.8%
Acquisition costs	(41.2)	(38.3)	7.6%	(35.8)	15.1%
Underwriting and operating expenses	(12.8)	(10.4)	23.1%	(10.4)	23.1%
Operating profit	10.1	28.2	-64.2%	30.3	-66.7%
Profit before tax	10.1	28.2	-64.2%	30.3	-66.7%
Income tax (expense)/credit	(2.8)	(7.9)		(3.6)	
Reported profit	7.2	20.2	-64.4%	26.8	-73.1%

- CBL Insurance experienced strong underlying organic growth with a GWP increase of 28.3% from 1H16 and 21.2% on 2H16, as a result of commencing new programs and opening new markets
- Total earned revenue growth was lower as CBL Insurance will earn the GWP over the next 12 – 18 months
- Net claims expense included \$16.5m reserve strengthening
- Reported profit was down -64.4% on 1H16, predominantly as a result of the claims reserve strengthening and unearned premium revenue to flow through in next 12 – 18 months
- Combined ratio 93.4% (82.4% without prior years claims adjustment), up from 76.2% in 1H16 and 74.3% in 2H16
- 1H17 solvency ratio 150%

Operating profit down -39.4% as product rationalisation continues

NZD Millions	1H17	1H16	Movement	2H16	Movement
Gross written premium	13.7	29.4	-53.4%	16.7	-18.0%
Total revenue	17.0	21.4	-20.6%	17.6	-3.4%
Net claims expense	(4.5)	(6.0)	-25.0%	(2.0)	125.0%
Acquisition costs	(2.4)	(3.7)	-35.1%	(3.4)	-29.4%
Underwriting and operating expenses	(8.1)	(8.4)	-3.6%	(10.1)	-19.8%
Operating profit	2.0	3.3	-39.4%	2.2	-9.1%
Profit before tax	2.0	3.3	-39.4%	2.2	-9.1%
Income tax (expense)/credit	(0.5)	(0.9)		(0.6)	
Reported profit	1.5	2.4	-37.5%	1.6	-6.3%

- The effects of rationalising the Assetinsure product portfolio are again evident in the reduction in GWP from 1H16 of -53.4%, however we expect the decline to arrest, as can be seen in the lower reduction from 2H16 of -18.0%
- We expect new programs to continue to develop and grow
- Total revenue was down less as Assetinsure also earns commission income on business it underwrites as an MGA for its insurance partners
- Claims were affected by two CAT weather events in Sydney on a property book which has now run-off
- Reported profit was down -37.5% on 1H16, but only -6.3% down on 2H16
- Combined ratio 90.2%, up from 86.0% in 1H16 and 85.0% in 2H16
- 1H17 solvency ratio 352%

CBL Insurance Europe (CBLIE)



Operating profit up 362.5% on writing CBL Insurance business through CBLIE and not Elite

NZD Millions	1H17	1H16	Movement	2H16	Movement
Gross written premium	96.8	11.1	772.1%	28.7	237.3%
Total revenue	24.1	4.5	435.6%	9.4	156.4%
Net claims expense	(4.7)	(0.7)	571.4%	(3.0)	56.7%
Acquisition costs	(11.1)	(1.4)	692.9%	(4.9)	126.5%
Underwriting and operating expenses	(0.9)	(0.8)	12.5%	(0.9)	0.0%
Operating profit	7.4	1.6	362.5%	0.6	1133.3%
Profit before tax	7.4	1.6	362.5%	0.7	957.1%
Income tax (expense)/credit	(1.5)	(0.2)		(0.1)	
Reported profit	5.8	1.4	314.3%	0.6	866.7%

- Announced in February 2016, CBL Insurance started to write its business through CBLIE shifting away from Elite Insurance, which has resulted in strong growth during 1H17 reporting a 772.1% and 237.3% increase in GWP from 1H16 and 2H16 respectively
- Elite, a specialised ATE and UK motor insurer, announced in July 2017 that it has ceased to write new business and has put itself into solvent orderly run-off
- CBLIE also grew its own business organically
- Operating profit was up 362.5% on 1H16 and reported profit was up 314.3% over the same period
- New executive management team secured from Allied Risk commenced in July 2017
- Combined ratio 78.8%, up from 65.3% in 1H16, but down from 93.3% in 2H16
- 1H17 solvency ratio 187%

Securities & Financial Solutions Europe (SFS)



Revenue up on 2H16, operating profit down, due to seasonality and French elections

NZD Millions	1H17	1H16	Movement	2H16	Movement
Total revenue	41.2	-	0.0%	33.0	24.8%
Operating expenses	(39.4)	-	0.0%	(27.4)	43.8%
Operating profit	1.7	-	0.0%	5.5	-69.1%
Profit before tax	(0.6)	-	0.0%	4.1	-114.6%
Income tax (expense)/credit	(0.0)	-		(1.3)	
Reported profit	(0.6)	-	0.0%	2.8	-121.4%

- Reported in CBL accounts from 6 October 2016, but acquisition settled on 5 January 2017
- 1H17 is the first full period of CBL majority ownership (71%)
- Revenue in 1H17 is up on 2H16, but this period was only one quarter
- SFS earnings and profit are heavily skewed to the last quarter of each calendar (and fiscal) year when annual policy renewals occur
- SFS experienced delays of up to 8 weeks in projects on hold until the results of the French election became known. Almost caught up by half year, and expect to exceed targets by year end

European Insurance Services (EISL)



Operating profit was down \$0.6m on 1H16

NZD Millions	1H17	1H16	Movement	2H16	Movement
Total revenue	6.9	7.4	-6.8%	6.4	7.8%
Operating expenses	(6.1)	(6.0)	1.7%	(5.2)	17.3%
Operating profit	0.8	1.4	-42.9%	1.2	-33.3%
Profit before tax	0.8	1.2	-33.3%	1.2	-33.3%
Income tax (expense)/credit	(0.2)	(0.2)		0.4	
Reported profit	0.6	1.0	-40.0%	1.6	-62.5%

- EISL revenue is down -6.8% on 1H17, but up 7.8% on 2H16, the traditionally larger half
- 1H17 expenses included increased IT costs as EISL incurs these up front to improve its long term efficiencies, plus the cost of the new management team being in place for the full six months including staff recruitment and replacement costs
- Operating profit was down on both 1H16 (-42.9%) and 2H16 (-33.3%) as a result of increased costs as above as well as the French elections, which delayed many construction projects



Professional Fee Protection (PfP)

Operating profit was up 15.4% on 1H16 and 150.0% on 2H16

NZD Millions	1H17	1H16	Movement	2H16	Movement
Total revenue	4.6	5.0	-8.0%	3.6	27.8%
Operating expenses	(3.2)	(3.7)	-13.5%	(3.1)	3.2%
Operating profit	1.5	1.3	15.4%	0.6	150.0%
Profit before tax	1.4	1.3	7.7%	0.5	180.0%
Income tax (expense)/credit	-	0.1		(0.0)	
Reported profit	1.4	1.3	7.7%	0.5	180.0%

- Revenue was down on 1H16 by -8.0%, but up 27.8% on 2H16, reflecting seasonality skewed to the first half
- Operating expenses were down on 1H16 by -13.5% and generally in line with 2H16 with the increase reflective of increased wage costs
- Focus in 2H17 and 2018 is on increasing product line up and adding on an export market in 2018

Outlook



Business Development Outlook

CBL has delivered and look to continue to deliver on business development

Targeted Business Development*	1H17 Business Development Projects
Extracting additional value and profit from growing organic revenues and consolidating our position further	Major product lines of Surety & Financial Risk and Builders Liability were up 88% and 18% respectively over 1H16 reflecting strong organic growth in existing product lines, but growth offset by claims reserve strengthening
Build CBL's culture, branding and identity in Europe	Developed and launched new CBLIE website, working with SFS on joint marketing of CBLIE and CBL Insurance in Europe
Develop emerging programs and markets in Europe (France, Italy, Romania, and Spain), Latin America (Mexico), Australia and South East Asia (Philippines, Vietnam), and India	New programs written in Spain, Australia, France, Italy, Romania and Mexico. New joint venture to be signed in 3Q17 in India and implemented in 2018 after regulatory approval
CBL will continue to drive efficiencies and higher quality data from the SSP IT system	Granularity of data and analysis improving, but project can deliver more. Intensive work on reconciliations
Senior appointments are being made in New Zealand and Europe; giving better management capacity and reporting structures aligned into the Group	Mark Christer appointed CEO of Europe, Larry Sherin appointed CEO of CBLIE, Ronan Ryan appointed COO of CBLIE, Neal Lamont appointed Financial Controller of CBLIE. Further appointments being worked on
Continued roll-out of new insure-tech programs in selected markets of the Group	Online and mobile Australia builders warranty product went live in January delivering time and cost benefits to customers. Revenue now over \$1m per month after 6 months from start. NSW has passed legislation that will enable CBL to enter that market in 2Q18. Online payment securities portal to go live shortly in India for India Power customers

Results Outlook

Operating profit and revenue growth expected to continue

- Full year FY17 guidance previously indicated total revenue growth of 12% - 15% on FY16, and underlying operating profit growth of 18% - 22% on FY16*
- CBL has delivered 35% growth in 1H17
- Operating profit is below expectations for the half year following prior year and current period reserve strengthening that reduced operating profit
- CBL expects 2H17 to result in continued strong growth in total revenue and maintains its guidance previously provided, but operating profit will remain below guidance by the amount of the prior period adjustments, although a resurgence is targeted for FY18
- CBL expects to be highly cash flow positive in 2H17 and current liquidity levels are expected to continue to rise

* This guidance includes 100% of SFS and PfP, and are subject to movements in foreign exchange and material adverse events. Underlying operating profit is also subject to one-off expenses, amortisation of intangibles and any other non-operating adjustment



Thank You

Q&A

Appendix



New Product Groups

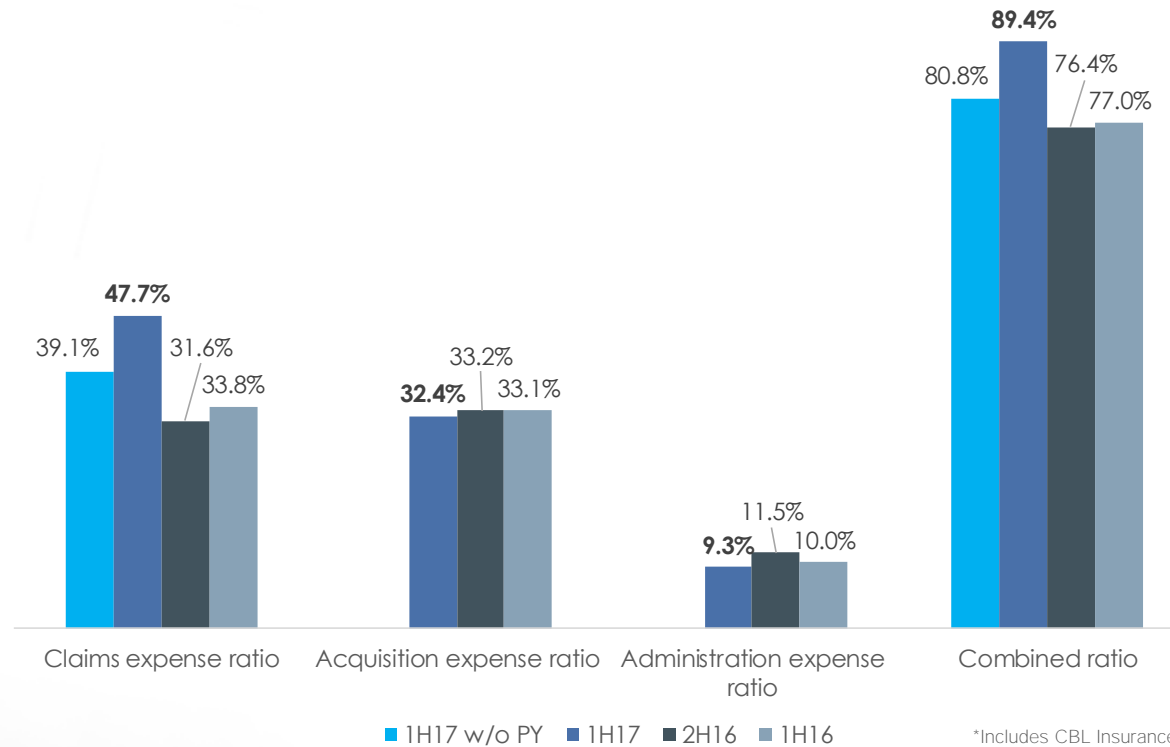
CBL has introduced new product groups more representative of its business



Key Insurance Ratios*

Despite claims strengthening, CBL shows benefit of operating leverage

For illustrative purposes, if the prior years strengthening was removed from the claims and combined ratios for CBL Insurance for 1H17, the ratios would be 39.1% (vs 47.7%) and 80.8% (vs 89.4%) respectively (note no prior periods have been adjusted)



Profit and Loss for the period to 30 June 2017*

	Note	30 June 2017 Unaudited \$'000	30 June 2016 Unaudited \$'000
Gross written premium – as insurer		204,485	158,916
Movement in gross unearned premium		(29,536)	(11,246)
Gross premiums		174,949	147,670
Premiums ceded		(15,563)	(16,628)
Net premiums	2	159,386	131,042
Other revenue		46,803	21,688
	2	206,189	152,730
Claims expense	5	(105,732)	(59,758)
Reinsurance and other recoveries	5	29,687	15,408
Net claims expense		(76,045)	(44,350)
Acquisition costs		(51,265)	(43,399)
Other operating expenses		(56,438)	(29,832)
Operating profit		22,441	35,149
Finance costs		(7,359)	(2,984)
Capital raising, business combination and amortisation of acquired intangibles		(1,595)	(2,555)
Foreign exchange translation adjustment		4,399	(4,438)
Share of loss from associates		(64)	(43)
Profit before tax		17,822	25,129
Income tax expense		(5,206)	(6,534)
Profit after tax		12,616	18,595

*Source: CBL Corporation Ltd Financial Summary and Consolidated Interim Financial Statements for the six months ended 30 June 2017. Notes refer to the notes to these accounts.

Balance Sheet as at 30 June 2017*

	Note	30 June 2017 Unaudited \$'000	31 December 2016 Audited \$'000
ASSETS			
Cash and cash equivalents	4	444,936	403,894
Other financial assets	8	75,240	67,295
Insurance receivables		158,163	135,702
Other receivables		199,708	214,198
Current tax receivable		7,279	662
Recoveries on outstanding claims	5	117,205	91,671
Deferred reinsurance expense		21,744	15,689
Deferred acquisition costs		52,731	44,833
Deferred tax assets		3,849	3,351
Property, plant and equipment		10,160	8,609
Investments in associates		5,969	3,571
Intangible assets		55,921	59,501
Goodwill		163,237	154,953
TOTAL ASSETS		1,316,142	1,203,929
LIABILITIES			
Other payables		229,611	322,017
Insurance payables		26,248	5,952
Current tax liabilities		3,985	5,728
Unearned premium liability		197,943	166,958
Employee benefits provision		4,665	4,667
Contingent consideration		16,564	15,321
Deferred tax liabilities		22,620	21,466
Outstanding claims liability	5	346,522	272,291
Borrowings	7	162,643	96,909
TOTAL LIABILITIES		1,010,801	911,309
NET ASSETS		305,341	292,620
EQUITY			
Share capital	11	168,602	168,602
Reserves		223	(5,076)
Retained earnings		105,415	97,441
Total equity attributed to shareholders of the parent		274,240	260,967
Non-controlling interest		31,101	31,653
TOTAL EQUITY		305,341	292,620

*Source: CBL Corporation Ltd Financial Summary and Consolidated Interim Financial Statements for the six months ended 30 June 2017. Notes refer to the notes to these accounts.