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

26 August 2016

CBL Corporation Limited
HY15 Half Year Results for Announcement to the Market

In accordance with NZSX Listing Rule 10.3.1 and ASX Listing Rule 4.3A, I enclose the following for release to the market in relation to CBL Corporation Limited's (NZE/ASX: CBL) HY16 Half Year Results:

1. Media release
2. NZX Appendix 1
3. Financial Statements (including Independent Auditor's Report)
4. Results announcement presentation

CBL's Managing Director Peter Harris and Chief Financial Officer Carden Mulholland will discuss the half year results at 1:00pm New Zealand time today, dial in details as previously announced to the market.

ENDS

MEDIA RELEASE
26 AUGUST 2016

CBL reports first half operating profit lift of 45%

CBL Corporation (CBL)'s strong first-half performance to 30th June 2016 has put the company well on track to meeting its full-year profit targets, says Managing Director Peter Harris.

The specialist insurance company reported an operating profit of $35.1 million on gross written premiums of $179.2 million, up 45 percent and up 43 percent respectively when compared to the first six months of 2015. Net profit after tax (excluding foreign currency translation adjustments) was up 33 percent to $21.8 million.

Growth was particularly strong in CBL's Dublin-based subsidiary CBL Insurance Europe, where operating profit jumped from $0.1 million to $1.6 million, and in the New Zealand-headquartered CBL Insurance.

Mr Harris said the stability of CBL's combined ratio (a measure of underwriting profitability) showed that the company's growth was strong and sustainable, and exemplified CBL's continued aim to focus on quality business and efficient management.

Mr Harris said the half-year results continued a string of good news for CBL following its listing on the New Zealand and Australian stock exchanges in October 2015.

"Since listing, we have paid a maiden dividend of 4.5 cents per share for the 2015 year; comfortably outperformed our IPO forecasts; successfully integrated new acquisitions in Australia, Britain and Mexico; and had our financial strength rating upgraded to A- (Excellent) by international financial ratings agency A.M. Best," Mr Harris said.

Looking ahead, Mr Harris said strong growth opportunities existed in several overseas markets, particularly Europe, Australia, and South-East Asia.

"We have invested considerable resources over the last 6-9 months into developing several new programmes that we expect will generate additional future long term sustainable revenue and profit. We will begin introducing these later this year, and aim to roll them out more broadly in 2017."

In addition, Mr Harris said CBL's planned acquisition of Securities and Financial Solutions Europe SA, France's largest specialist producer of construction-sector insurance and CBL's largest single client, was tracking well and expected to conclude by early 2017.

Mr Harris said Britain's decision to leave the EU opened up some interesting possibilities.

"Some of our British competitors appeared to have been caught out by the success of the Leave campaign; CBL's well-established presence in Europe gives us a considerable advantage should British banks and insurers need to meet stricter licensing criteria in the future," he said.

Mr Harris said that while CBL had delayed investing in Euro-denominated investments in the lead-up to the Brexit referendum, it continued to look for investment opportunities that would boost the company's bottom line without materially affecting its solvency margins.

"However, a disciplined underwriting approach and a focus on claims and cost containment remain central to CBL's strategy for revenue and profit growth across all its business operations."

***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 more than 180 employees. The company has been operating for over 42 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 Limited, which is a regulated insurer in Australia, European Insurance Services Limited, a managing general agency (MGA) in Tunbridge Wells in the United Kingdom and Professional Fee Protection a managing general agency (MGA) in Basildon in the United Kingdom. CBL specialises in writing property and construction related credit and financial surety insurance, bonding and reinsurance.*
CBL 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.

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RESULTS FOR ANNOUNCEMENT TO THE MARKET

REPORTING PERIOD: 6 MONTHS TO JUNE 2016
PREVIOUS REPORTING PERIOD: 6 MONTHS TO JUNE 2015

	AMOUNT ($000)	PERCENTAGE CHANGE
Revenue from ordinary activities	152,730	43.1%
Profit from ordinary activities after tax attributable to shareholders	18,487	(18.7)%
Net profit attributable to shareholders	18,487	(18.7)%

	30 June 2016	31 Dec 2015
Net tangible assets per ordinary share (cents per share)	62.09	57.81

INTERIM / FINAL DIVIDEND
CBL will be declaring its dividend for the half year in October 2016.

COMMENTS
CBL is on track to deliver its 2016 PFI numbers.
Profit from ordinary activities is impacted by FX translation. Excluding FX translation profit attributable to shareholders was $21.8 million, a positive increase of 32.7%.

COMMENTARY ON RESULTS
For commentary on the results please refer to the related information released to the NZX and ASX.

FINANCIAL INFORMATION
The Appendix 1 Release should be read in conjunction with the unaudited Consolidated Interim Financial Statements for the half year ended 30 June 2016 which have been released together with this NZX Appendix 1 Release.

CBL has a waiver on ASX Appendix 4D.

Consolidated Interim Financial Statements

For the Six Months Ended 30 June 2016

CBL corporation

Contents

30 June 2016

Glossary

AUD or A$	Australian Dollars
AI	Assetinsure Pty Limited
AI Group	Assetinsure Holdings Pty Limited and its wholly owned subsidiary, AI
APRA	Australian Prudential Regulation Authority
CBL	CBL Corporation Limited, or as the context requires, CBL Corporation Limited and its subsidiaries.
CBL Insurance	CBL Insurance Limited
CBLIE	CBL Insurance Europe DAC
Company	CBL
EISL	European Insurance Services Limited
FCA	Financial Conduct Authority
FIIG Note	Medium term Australian dollar notes issued by CBL
Foreign currency revaluation	Transactions in foreign currencies are initially recorded in the functional currency at rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to Profit or Loss.
Group	CBL
IFRS	International Financial Reporting Standards
MGA	Managing general agency (an intermediary between brokers and insurers)
NTA	Net tangible asset
NZD or $	New Zealand Dollar
Operating profit	Profit before finance costs, capital raising costs, business combination costs, amortisation of policies-in-force, foreign exchange movements, profit from associates, revaluations and tax
Parent	CBL
PCR	APRA's prudential capital requirement
PFP	Professional Fee Protection Limited
PFP Group	PFP Holdings Pte Limited and its subsidiaries, including PFP
RBNZ	Reserve Bank of New Zealand
SOCI	Statement of comprehensive income
SOFP	Statement of financial position

Directors' Declaration

Declaration

The Directors of the CBL Corporation Limited ("Company") and its consolidated group of subsidiaries ("Group") hereby declare that in the Directors' opinion:

- the Group condensed consolidated interim financial statements for the six months ended 30 June 2016 and the notes to those financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice and comply with the requirements of the New Zealand Equivalent to International Accounting Standard 34 Interim Financial Reporting and IAS 34 Interim Financial Reporting;
- the Group condensed consolidated interim financial statements for the six months ended 30 June 2016 and the notes to those financial statements present fairly the financial position at 30 June 2016 and performance of the Group for the six months ended on that date;
- in the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with the resolution of the Directors dated 26 August 2016 and is signed for and on behalf of the Board of Directors by:

John Wells

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Sir John Wells KNZM, Chairman

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Peter Harris, Managing Director

Deloitte.

Independent Review Report

TO THE SHAREHOLDERS OF CBL CORPORATION LIMITED

We have reviewed the condensed consolidated interim financial statements of CBL Corporation Limited and its subsidiaries ('the Group') which comprise the consolidated statement of financial position as at 30 June 2016, and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the period ended on that date, and a summary of significant accounting policies and other explanatory information on pages 6 to 21.

This report is made solely to the company's shareholders, as a body. Our review has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company's shareholders as a body, for our engagement, for this report, or for the opinions we have formed.

Board of Directors' Responsibilities

The Board of Directors are responsible for the preparation and fair presentation of the condensed consolidated interim financial statements, in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting* and for such internal control as the Board of Directors determine is necessary to enable the preparation and fair presentation of the condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Our Responsibilities

Our responsibility is to express a conclusion on the condensed consolidated interim financial statements based on our review. We conducted our review in accordance with NZ SRE 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity* ('NZ SRE 2410'). NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated interim financial statements, taken as a whole, are not prepared, in all material respects, in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*. As the auditor of CBL Corporation Limited, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

A review of the condensed consolidated interim financial statements in accordance with NZ SRE 2410 is a limited assurance engagement. The auditor performs procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand). Accordingly we do not express an audit opinion on those financial statements.

Our firm carries out other assignments for CBL Corporation Limited in the area of taxation advisory and compliance. These services have not impaired our independence as auditor of the Company. The firm has no other relationship with, or interest in, CBL Corporation Limited.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 30 June 2016 and its financial performance and cash flows for the period ended on that date in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*.

Deloitte

26 August 2016
Chartered Accountants
AUCKLAND, NEW ZEALAND

This review report relates to the unaudited condensed consolidated interim financial statements of CBL Corporation Limited for the 6 months ended 30 June 2016 included on CBL Corporation Limited's website. The company's directors are responsible for the maintenance and integrity of CBL Corporation Limited's website. We have not been engaged to report on the integrity of the entity's website. We accept no responsibility for any changes that may have occurred to the unaudited condensed consolidated interim financial statements since they were initially presented on the website. The review report refers only to the unaudited condensed consolidated interim financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these unaudited condensed consolidated interim financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the unaudited condensed consolidated interim financial statements and related review report dated 29 August 2016 to confirm the information included in the unaudited condensed consolidated interim financial statements presented on this website. Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2016

	Note	30 June 2016 Unaudited $'000	30 June 2015 Unaudited $'000
Gross written premium		**158,916**	99,710
Movement in gross unearned premium		**(11,246)**	(1,735)
Gross premiums		**147,670**	97,975
Premiums ceded		**(16,628)**	(1,746)
Net premiums	2	**131,042**	96,229
Other revenue		**21,688**	9,596
	2	**152,730**	105,825
Claims expense	5	**(59,758)**	(43,537)
Reinsurance and other recoveries	5	**15,408**	9,489
Net claims expense		**(44,350)**	(34,048)
Acquisition costs		**(43,399)**	(32,613)
Other operating expenses		**(29,832)**	(14,858)
Operating profit		**35,149**	24,306
Finance costs		**(2,984)**	(2,928)
Business combination and amortisation of policies-in-force costs		**(2,555)**	(6)
Foreign currency revaluation		**(4,438)**	8,759
Share of (loss)/profit from associate		**(43)**	740
Profit before tax		**25,129**	30,871
Income tax expense		**(6,534)**	(8,131)
Profit for the period		**18,595**	22,740
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**(2,341)**	684
Other comprehensive income net of tax		**(2,341)**	684
Total comprehensive income for the period		**16,254**	23,424
Profit attributable to:			
Shareholders		**18,487**	22,740
Non-controlling interest		**108**	-
Total comprehensive income attributable to:			
Shareholders		**16,151**	23,424
Non-controlling interest		**103**	-
Earnings per share			
Basic and diluted earnings per share (cents)		**8.49**	14.58

The above statement should be read in conjunction with the accompanying notes to the consolidated interim financial statements.

Consolidated Statement of Financial Position

As at 30 June 2016

	Note	30 June 2016 Unaudited $'000	31 December 2015 Audited $'000
ASSETS			
Cash and cash equivalents	4	**307,196**	296,012
Other financial assets	8	**42,350**	59,222
Insurance receivables		**129,397**	108,155
Other receivables		**16,733**	19,338
Loans		**8,604**	9,219
Current tax receivable		**1,446**	4,870
Reinsurance and other recoveries on outstanding claims	5	**100,956**	104,925
Deferred reinsurance expense		**13,584**	16,489
Deferred acquisition costs		**42,795**	38,380
Deferred tax assets		**3,478**	3,193
Property, plant and equipment		**3,156**	3,456
Investment property		**10,673**	10,500
Investments in associates		**3,468**	3,511
Intangible assets		**11,166**	13,311
Goodwill		**51,254**	53,372
TOTAL ASSETS		**746,256**	743,953
LIABILITIES			
Other payables		**27,417**	23,246
Insurance payables		**11,803**	24,577
Current tax liabilities		**1,418**	2,872
Unearned premium liability		**154,007**	144,061
Employee benefits provision		**1,983**	1,578
Contingent consideration		**1,968**	3,608
Deferred tax liabilities		**9,265**	9,558
Outstanding claims liability	5	**276,512**	275,550
Borrowings	7	**64,402**	65,215
TOTAL LIABILITIES		**548,775**	550,265
NET ASSETS		**197,481**	193,688
EQUITY			
Share capital	11	**107,397**	110,070
Reserves		**(3,235)**	(899)
Retained earnings		**93,260**	84,561
Total equity attributed to shareholders of the parent		**197,422**	193,732
Non-controlling interest		**59**	(44)
TOTAL EQUITY		**197,481**	193,688

The consolidated interim financial statements were approved for issue by the Board on 26 August 2016

John Wells.

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Sir John Wells KNZM, Chairman   **Peter Harris, Managing Director**

The above statement should be read in conjunction with the accompanying notes to the consolidated interim financial statements.

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2016

2016 Unaudited

	Note	Share capital $'000	Retained earnings $'000	Reserve $'000	Non controlling interests $'000	Total equity $'000
Balance at 1 January 2016		**110,070**	**84,561**	**(899)**	**(44)**	**193,688**
Comprehensive income						
Profit for the period		**-**	**18,487**	**-**	**108**	**18,595**
Other comprehensive income						
Currency translation differences		**-**	**-**	**(2,336)**	**(5)**	**(2,341)**
Total comprehensive income		**-**	**18,487**	**(2,336)**	**103**	**16,254**
Transactions with shareholders						
Repurchase of shares	11	**(2,673)**	**-**	**-**	**-**	**(2,673)**
Dividends provided for or paid	10	**-**	**(9,788)**	**-**	**-**	**(9,788)**
Total transactions with shareholders		**(2,673)**	**(9,788)**	**-**	**-**	**(12,461)**
Balance at 30 June 2016		**107,397**	**93,260**	**(3,235)**	**59**	**197,481**

2015 Unaudited

	Note	Share capital $'000	Retained earnings $'000	Reserve $'000	Non controlling interests $'000	Total equity $'000
Balance at 1 January 2015		18,000	49,903	(444)	-	67,459
Comprehensive income						
Profit for the period		-	22,740	-	-	22,740
Other comprehensive income						
Currency translation differences		-	-	684	-	684
Total comprehensive income		-	22,740	684	-	23,424
Transactions with shareholders						
Dividends provided for or paid	10	-	(828)	-	-	(828)
Total transactions with shareholders		-	(828)	-	-	(828)
Balance at 30 June 2015		18,000	71,815	240	-	90,055

The above statement should be read in conjunction with the accompanying notes to the consolidated interim financial statements

Consolidated Statement of Cash Flows

For the six months ended 30 June 2016

	Note	30 June 2016 Unaudited $'000	30 June 2015 Unaudited $'000
CASH FLOWS FROM/(TO) OPERATING ACTIVITIES:			
Premium received		**126,907**	87,232
Reinsurance and other recoveries received		**17,710**	1,165
Claims costs paid		**(57,602)**	(13,868)
Premium ceded payments		**(16,553)**	(1,819)
Interest received		**3,099**	1,633
Finance costs		**(2,777)**	(2,355)
Movements in security deposits held		**(656)**	92
Income tax paid		**(4,649)**	(2,523)
Other operating receipts		**29,050**	7,964
Commission paid		**(39,788)**	(30,791)
Other operating payments		**(35,715)**	(17,246)
Net cash flows from operating activities	4	**19,026**	29,484
CASH FLOWS FROM/(TO) INVESTING ACTIVITIES:			
Net cash flows on acquisition of subsidiaries, net of cash acquired		**(1,852)**	(1,733)
Outlays for property and equipment		**(248)**	(440)
Payments for intangible assets		**(1,243)**	(45)
Net receipts for financial assets		**15,579**	19,323
Movements in loans with non-related parties		**389**	214
Net cash flows from investing activities		**12,625**	17,319
CASH FLOWS FROM/(TO) FINANCING ACTIVITIES:			
Dividends paid to equity holders		**(9,788)**	(828)
Repurchase of shares		**(2,673)**	-
Net cash flows from financing activities		**(12,461)**	(828)
Net movement in cash held		**19,190**	45,975
Effects of exchange rates on balances of cash held in foreign currencies		**(8,006)**	9,441
Cash and cash equivalents at start of period	4	**296,012**	166,294
Cash and cash equivalents at end of period	4	**307,196**	221,710

Notes to the Consolidated Interim Financial Statements
For the six months ended 30 June 2016

1 Summary of significant accounting policies

(a) General information

CBL Corporation Limited (CBL, Parent or Company), incorporated on 18 June 2012, is an FMC Reporting Entity under the Financial Markets Conduct Act 2013 and is a profit-oriented company limited by shares, incorporated and domiciled in New Zealand. Its registered office is Level 8, 51 Shortland Street, Auckland 1010, New Zealand.

These condensed consolidated interim financial statements of CBL Corporation Limited and its subsidiaries (Group) for the six months ended 30 June 2016 were authorised for issue in accordance with a resolution of the directors on 26 August 2016.

The principal operating activities of the Group include:

- Underwriting of general insurance through CBL Insurance Limited (CBL Insurance). CBL Insurance is a New Zealand domiciled non-life insurer, regulated by the Reserve Bank of New Zealand (RBNZ), specialising in writing niche building and construction related credit and financial surety insurance, bonding, and reinsurance.
- Underwriting of general insurance through Assetinsure Pty Limited (AI). AI is an Australian domiciled non-life insurer, regulated by the Australian Prudential Regulation Authority (APRA), specialising in surety, financial risk, professional indemnity and property lines.
- Underwriting of general insurance through CBL Insurance Europe DAC (CBLIE) (previously known as CBL Insurance Europe Limited). CBLIE is an Ireland based insurance company, regulated by the Central Bank of Ireland. During 2014 CBLIE commenced underwriting property, construction related credit and financial surety insurance.
- Provision of insurance services as an agent through European Insurance Services Limited (EISL). EISL is a United Kingdom (UK) domiciled managing general agency (MGA) regulated by the Financial Conduct Authority (FCA), specialising in arranging builders warranty, liability insurance and other related products.
- Provision of speciality insurance services as an agent through Profession Fee Protection Limited (PFP). PFP is a leading provider of tax investigation fee protection insurance. PFP is UK domiciled and is regulated by the FCA.

(b) Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with NZ Generally Accepted Accounting Practice and comply with NZ IAS 34 Interim Financial Reporting and comply with IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Group's annual financial statements as at 31 December 2015, which were prepared in accordance with International Financial Reporting Standards, and New Zealand Equivalents to International Financial Reporting Standards.

The condensed consolidated interim financial statements for the six months ended 30 June 2016, as well as the comparative for the six months ended 30 June 2015, are unaudited. The presentation currency used for the preparation of this report is New Zealand dollars. All values are rounded to the nearest thousand dollars ($'000) unless otherwise stated.

(c) Accounting policies

The principal accounting policies adopted in the preparation of these interim financial statements are those applicable to a Tier 1 For Profit Entity and are consistent with those of the Group audited annual financial statements for the year ended 31 December 2015. Certain SOFP items have been reclassified as a result of an alignment of accounting policies across the Group to ensure consistency and comparability between periods.

The application of new or amended accounting standards as of 1 January 2016 has not had a material impact on the financial statements.

Notes to the Consolidated Interim Financial Statements

For the six months ended 30 June 2016

2 Segmental reporting

Unaudited 30 June 2016	CBL Insurance $'000	AI $'000	CBLIE $'000	EISL $'000	PFP $'000	CBL $'000	Inter-segment revenue $'000	Other $'000	Total $'000
Gross written premium - as insurer									
Policyholders	5,797	23,263	11,128	-	-	-	-	-	40,188
Reinsurers	114,409	6,185	-	-	-	-	(1,866)	-	118,728
Gross written premium	120,206	29,448	11,128	-	-	-	(1,866)	-	158,916
Movement in gross unearned premium provision	(5,387)	(1,630)	(5,625)	-	-	-	1,396	-	(11,246)
Total gross premium earned - as insurer	114,819	27,818	5,503	-	-	-	(470)	-	147,670
Ceded premium - as insurer									
Written premium ceded	(2,342)	(16,182)	(1,420)	-	-	-	1,866	-	(18,078)
Movement in unearned ceded premium provision	609	1,860	377	-	-	-	(1,396)	-	1,450
Total earned premium ceded - as insurer	(1,733)	(14,322)	(1,043)	-	-	-	470	-	(16,628)
Total net earned premium - as insurer	113,086	13,496	4,460	-	-	-	-	-	131,042
Premium written and premium ceded - as MGA									
Gross written premium	-	-	-	20,254	-	-	-	-	20,254
Gross written premium ceded to insurers	-	-	-	(17,764)	-	-	-	-	(17,764)
Commission income	-	-	-	2,490	-	-	-	-	2,490
Investment income	657	991	12	92	23	1,485	(1,691)	433	2,002
Other operating revenue	631	6,929	-	4,779	5,010	10,000	(11,331)	1,178	17,196
Other revenue	1,288	7,920	12	4,871	5,033	11,485	(13,022)	1,611	19,198
Total revenue	114,374	21,416	4,472	7,361	5,033	11,485	(13,022)	1,611	152,730
Net claims expense	(37,459)	(5,999)	(733)	-	-	-	-	(159)	(44,350)
Acquisition costs	(38,340)	(3,667)	(1,392)	-	-	-	-	-	(43,399)
Underwriting and operating expenses	(10,415)	(8,449)	(786)	(6,011)	(3,735)	(287)	-	(149)	(29,832)
Operating profit/(loss)	28,160	3,301	1,561	1,350	1,298	11,198	(13,022)	1,303	35,149
Share of loss from associate	-	-	-	-	-	(43)	-	-	(43)
Earnings before interest, tax, depreciation and amortisation	28,287	3,859	1,576	1,315	1,353	10,887	-	(15,594)	31,683
Interest expense	-	-	-	-	-	(2,777)	-	(207)	(2,984)
Depreciation and amortisation	(128)	(545)	-	(68)	(54)	-	-	(2,775)	(3,570)
Profit/(loss) before income tax	28,159	3,314	1,576	1,247	1,299	8,110	-	(18,576)	25,129
Income tax (expense)/credit	(7,932)	(933)	(197)	(248)	50	189	-	2,537	(6,534)
Profit/(loss) for the period	20,227	2,381	1,379	999	1,349	8,299	-	(16,039)	18,595
30 June 2016									
Segment assets	485,005	153,052	24,533	9,325	5,129	189,759	-	(120,547)	746,256
Segment liabilities	349,611	106,717	12,797	7,671	4,391	56,517	-	11,071	548,775

Notes to the Consolidated Interim Financial Statements

For the six months ended 30 June 2016

2 Segmental reporting continued

Unaudited 30 June 2015	CBL Insurance $'000	AI $'000	CBLIE $'000	EISL $'000	PFP $'000	CBL $'000	Inter-segment revenue $'000	Other $'000	Total $'000
Gross written premium - as insurer									
Policyholders	6,179	-	4,062	-	-	-	-	-	10,241
Reinsurers	89,469	-	-	-	-	-	-	-	89,469
Gross written premium	95,648	-	4,062	-	-	-	-	-	99,710
Movement in gross unearned premium provision	(978)	-	(757)	-	-	-	-	-	(1,735)
Total gross premium earned - as insurer	94,670	-	3,305	-	-	-	-	-	97,975
Ceded premium - as insurer									
Written premium ceded	(1,358)	-	(986)	-	-	-	-	-	(2,344)
Movement in unearned ceded premium provision	374	-	224	-	-	-	-	-	598
Total earned premium ceded - as insurer	(984)	-	(762)	-	-	-	-	-	(1,746)
Total net earned premium - as insurer	93,686	-	2,543	-	-	-	-	-	96,229
Premium written and premium ceded - as MGA									
Gross written premium	-	-	-	25,215	-	-	-	-	25,215
Gross written premium ceded to insurers	-	-	-	(19,675)	-	-	-	-	(19,675)
Commission income	-	-	-	5,540	-	-	-	-	5,540
Investment income	1,495	-	31	2	-	296	(189)	-	1,635
Other operating revenue	397	-	-	2,024	-	5,828	(5,828)	-	2,421
Other revenue	1,892	-	31	2,026	-	6,124	(6,017)	-	4,056
Total revenue	95,578	-	2,574	7,566	-	6,124	(6,017)	-	105,825
Net claims expense	(32,987)	-	(1,061)	-	-	-	-	-	(34,048)
Acquisition costs	(31,560)	-	(1,053)	-	-	-	-	-	(32,613)
Underwriting and operating expenses	(8,142)	-	(365)	(5,707)	-	(531)	-	(113)	(14,858)
Operating profit/(loss)	22,889	-	95	1,859	-	5,593	(6,017)	(113)	24,306
Share of profit from associate	340	-	-	400	-	-	-	-	740
Earnings before interest, tax, depreciation and amortisation	23,326	-	89	2,329	-	4,785	-	3,437	33,966
Interest expense	-	-	-	-	-	(2,702)	-	(226)	(2,928)
Depreciation and amortisation	(97)	-	-	(70)	-	-	-	-	(167)
Profit before income tax	23,229	-	89	2,259	-	2,083	-	3,211	30,871
Income tax (expense)/credit	(6,221)	-	(11)	(455)	-	970	-	(2,414)	(8,131)
Profit for the period	17,008	-	78	1,804	-	3,053	-	797	22,740
30 June 2015									
Segment assets	381,686	-	20,021	11,778	-	109,275	-	(46,518)	476,242
Segment liabilities	298,245	-	9,842	7,520	-	58,758	-	11,823	386,188

3 Solvency Requirements

(a) CBL Insurance

CBL Insurance is required to comply with the Solvency Standard for Non-life Insurance Business (the solvency standard) issued by the RBNZ.

CBL Insurance is required to maintain actual solvency capital, as determined under the solvency standard, at or above the minimum solvency capital level.

As at 30 June 2016 the actual solvency capital exceeds the minimum requirements by $54.0 million as shown below (31 December 2015: $44.0 million).

	Unaudited 30 June 2016 $'000	Audited 31 December 2015 $'000
Actual solvency capital	**133,314**	123,709
Minimum solvency capital	**79,309**	79,726
Solvency margin	**54,005**	43,983
Solvency ratio	**168.1%**	155.2%

During the periods ended 30 June 2016 and 31 December 2015 CBL Insurance complied with all regulatory capital requirements.

(b) AI

AI is registered with APRA and is subject to the prudential standards which set out the basis for calculating the prudential capital requirement (PCR), which is the minimum level of capital that APRA deems must be held to meet policyholder obligations. It is AI's policy to hold regulatory capital in excess of the PCR required by APRA. The PCR utilises a risk-based approach and is determined as the sum of the capital charges for insurance, investment, investment concentration, operational and catastrophe risk.

The PCR for AI is as follows:

	Unaudited 30 June 2016 A$'000	Audited 31 December 2015 A$'000
Total capital base	**44,954**	40,548
Prudential capital requirement	**13,575**	14,564
Solvency margin	**31,379**	25,984
Capital adequacy multiple	**3.31**	2.78

During the periods ended 30 June 2016 and 31 December 2015 AI complied with all regulatory capital requirements.

Notes to the Consolidated Interim Financial Statements

For the six months ended 30 June 2016

3 Solvency Requirements (continued)

(c) CBLIE

From 1 January 2016 CBLIE is required to maintain minimum capital as calculated under the European Solvency II Directive; its Solvency Capital Requirement ("SCR") is risk-based, calculated using the Solvency II Standard Formula.

Prior to 1 January 2016 CBLIE was required to maintain minimum capital as calculated under the European Solvency I formula. Regulations stipulated that CBLIE should maintain capital, allowable for solvency purposes, at 150.0% of the calculated threshold amount.

Details of CBLIE's solvency position are as follows:

	Unaudited	Audited
	30 June 2016	31 December 2015
	€'000	€'000
	Solvency II	Solvency I
Actual solvency capital	**8,357**	7,109
Minimum solvency capital	**4,124**	590
Solvency margin	**4,233**	6,519
Solvency margin cover	**202.6%**	1,205%

During the periods ended 30 June 2016 and 31 December 2015 CBLIE complied with all regulatory capital requirements.

(d) EISL

In accordance with rules issued by the UK FCA, EISL is required to maintain a level of capital in excess of 2.5% of regulatory income for its underwriting agency insurance business.

During the periods ended 30 June 2016 and 31 December 2015 EISL complied with all regulatory capital requirements.

(e) PFP

As at 30 June 2016 PFP is an appointed representative of EISL. EISL has a duty to ensure PFP is solvent, in accordance with rules issued by the UK FCA.

During the periods ended 30 June 2016 and 31 December 2015 PFP complied with all regulatory capital requirements.

Notes to the Consolidated Interim Financial Statements
For the six months ended 30 June 2016

4 Cash flow information

(a) Composition of cash

	Unaudited 30 June 2016 $'000	Audited 31 December 2015 $'000
Cash at bank and in hand	**261,647**	233,436
Short term bank deposits	**481**	1,084
Cash held in trust by insurers	**45,068**	61,492
Total cash and cash equivalents	**307,196**	296,012

Cash held in trust by insurers comprises bank deposits held in trust by regulated insurers on CBL Insurance's behalf, for the sole purpose of settling ongoing and potential future claims obligations that CBL Insurance may have under quota share reinsurance arrangements with those insurers.

Short term bank deposits consist of security deposits held by the Group on agents' behalf. The majority of these funds are maintained in accounts that are separate from the normal trading accounts. Interest earned on these security deposits are payable to the agents, along with the principal, when the policies are off risk.

(b) Cash flow reconciliation

Reconciliation of net income to net cash provided by operating activities:

	Unaudited 30 June 2016 $'000	Unaudited 30 June 2015 $'000
Profit for the period	**18,595**	22,740
Cash flows excluded from profit attributable to operating activities		
Non-operating and non-cash flows in profit:		
- depreciation of property, plant and equipment	**334**	246
- amortisation of intangibles	**3,236**	161
- movements in deferred tax	**140**	(728)
- other	**(48)**	(740)
Movement in operating assets and liabilities:		
- increase in receivables	**(41,190)**	(31,881)
- increase in payables	**29,938**	42,345
- increase/ (decrease) in taxation	**1,191**	6,338
- foreign exchange movement	**6,830**	(8,997)
Cash flow from operations	**19,026**	29,484

5 Claims

(a) Net claims expense in the SOCI

Current period claims relate to claim events that occurred in the current financial period. Prior period claims relate to a reassessment of the claim events that occurred in all previous periods.

Unaudited	**Current period $'000**	**Prior period $'000**	**2016 Total $'000**	Current periods $'000	Prior periods $'000	2015 Total $'000
Gross claims	**64,627**	**(4,869)**	**59,758**	38,036	5,501	43,537
Reinsurance and other recoveries	**(17,488)**	**2,080**	**(15,408)**	(10,050)	561	(9,489)
Net claims expense	**47,139**	**(2,789)**	**44,350**	27,986	6,062	34,048

The prior period movements are due to a combination of strengthening to and releases from prior period claims reserves. This is as a result of the actuarial reassessment of these reserves based upon further claims development information.

(b) Outstanding claims liability recognised in the SOFP

	Unaudited 30 June 2016 $'000	Audited 31 December 2015 $'000
(i) Composition of outstanding claims liability		
Gross central estimate - undiscounted	**234,322**	243,030
Claims handling costs	**10,487**	11,144
Risk margin	**42,156**	33,997
	286,965	288,171
Discount to present value	**(10,453)**	(12,621)
Outstanding claims liability - discounted	**276,512**	275,550

The outstanding claims liability includes $202.8 million (31 December 2015: $184.4 million) that is expected to be settled more than 12 months from the reporting date arising from claims (including future claims) expected to be reported over the future life of the insurance contracts.

Notes to the Consolidated Interim Financial Statements

For the six months ended 30 June 2016

5 Claims continued

(b) Outstanding claims liability recognised in the SOFP

(ii) Reconciliation of movements in discounted outstanding claims liability

			30 June 2016 Unaudited			31 December 2015 Audited
	Gross	**Recoveries**	**Net**	Gross	Recoveries	Net
	$'000	**$'000**	**$'000**	$'000	$'000	$'000
Balance as at 1 January	**275,550**	**(104,925)**	**170,625**	158,761	(59,165)	99,596
Change in prior period claims reserve	**(4,869)**	**2,080**	**(2,789)**	(6,825)	7,802	977
Current period claims incurred	**64,627**	**(17,488)**	**47,139**	108,897	(35,205)	73,692
Claims paid during the period	**(48,568)**	**16,921**	**(31,647)**	(61,696)	7,090	(54,606)
Foreign exchange adjustment	**(10,228)**	**2,456**	**(7,772)**	2,866	(371)	2,495
Acquisitions through business combinations	**-**	**-**	**-**	73,547	(25,076)	48,471
Closing balance	**276,512**	**(100,956)**	**175,556**	275,550	(104,925)	170,625

6 Acquisitions and disposals

During the reporting period the following Group transactions occurred:

- PFP acquisition:

  In accordance with IFRS 3 “Business Combinations” the acquirer can report in its financial statements provisional amounts for the items for which the acquisition accounting is incomplete. During the measurement period, the acquirer recognises additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date. The measurement period shall not exceed one year from the acquisition date.

  As reported in the CBL 2015 Annual Report the fair values of the assets and liabilities acquired in acquisition of the PFP Group were provisional and pending final valuations.

  As at 30 June 2016 revised information has been received relating to the valuation of the PFP assets and liabilities as at the acquisition date. The impact of this reassessment is to increase the consideration and goodwill by GBP 0.5 million.

  As at 30 June 2016 the fair values of the assets and liabilities acquired in acquisition of the PFP Group are still provisional and pending final valuations. On completion of the final valuations the balances for the acquisition may be revised.

  The acquisition date was 1 December 2015.

Notes to the Consolidated Interim Financial Statements

For the six months ended 30 June 2016

7 Borrowings

	Unaudited 30 June 2016 $'000	Audited 31 December 2015 $'000
Fixed interest loan	**8,002**	7,962
Fixed interest note	**56,400**	57,253
Total	**64,402**	65,215

The borrowings are initially measured at fair value, net of transaction costs, but are subsequently measured at amortised cost. The fair value based on the quoted price of the fixed interest note as at 30 June 2016 is $60.8 million (31 December 2015 is $63.0 million).

Fixed interest loan:

- The fixed interest loan is from Alpha Insurance A/S. The balance as at 30 June 2016 is $8.0 million (31 December 2015: $8.0 million). On 21 December 2012 Alpha Insurance A/S lent 37.5 million Danish Krone to Intercede 2408 Limited. For the period to 30 September 2015 the loan was subject to a fixed interest rate of 6.0%. From 1 October 2015 the loan is subject to a fixed interest rate of 5.0%. The loan is unsecured and is scheduled to be redeemed on 1 November 2020.

Fixed interest note (FIIG Note):

- On 17 April 2014 CBL launched an initial bond offer through FIIG Securities Limited, and raised A$55.0 million from wholesale investors. The bond pays a fixed rate of 8.25% per annum and has a final maturity of 17 April 2019 but can be repaid by CBL in 2017 or 2018 at 103.0% or 101.5% of the A$55.0 million respectively. Initial transaction costs of A$2.75 million were capitalised and are amortised over the five year term of the fixed interest note;

- On 27 July 2016 CBL received approval to repay the FIIG Note early, refer to note 12.

- The closing balance of $56.4 million (31 December 2015: $57.3 million) includes $1.0 million (31 December 2015: $1.0 million) of accrued interest. Interest is payable six monthly on 17 April and 17 October; and

- These loan notes are guaranteed by the following companies: LBC Holdings UK Limited, LBC Holdings Europe Limited, LBC Holdings New Zealand Limited, Intercede 2408 Limited and EISL.

Covenants:

- The Group has complied with all the loan covenants in place throughout the reporting period.

Notes to the Consolidated Interim Financial Statements

For the six months ended 30 June 2016

8 Other financial assets

	Unaudited 30 June 2016 $'000	Audited 31 December 2015 $'000
Government and fixed interest securities	**42,350**	**59,222**
Total	**42,350**	**59,222**

Fair value hierarchy

The investments carried at fair value have been classified under three levels of the IFRS fair value hierarchy as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset whether directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset that are not based on observable market data (unobservable inputs)

	Unaudited 30 June 2016 $'000	Audited 31 December 2015 $'000
Level 1	**1,580**	4,902
Level 2	**40,770**	54,320
Level 3	**-**	-
Total investments carried at fair value through the profit and loss	**42,350**	59,222

There were no transfers between levels in the current or prior period.

Maturity analysis

	Unaudited 30 June 2016 $'000	Audited 31 December 2015 $'000
Floating interest rate (at call)	**-**	**2,221**
Within 1 year or less	**37,745**	**50,626**
Within 1 to 3 years	**4,605**	**6,375**
Within 3 to 5 years	**-**	**-**
Total	**42,350**	**59,222**

Notes to the Consolidated Interim Financial Statements
For the six months ended 30 June 2016

9 Related party disclosures

(a) Related party balances

Related party receivable and payable balances at the end of the reporting periods were as follows:

			Closing balance	
			Unaudited	Audited
			2016	2015
Nature of relationship	**Related party**	**Type of transaction**	**$'000**	$'000
Key management personnel				
Carden Mulholland	Deposit Power Pty Limited (Australia)	Premium	**533**	303
Adam Massingham	Brutus Management Limited	Fees payable	**-**	(245)

(b) Related party transactions

The impacts of transactions with related parties on the financial statements were as follows:

			Revenue/ (expense) 6 mths to 30 June	
			Unaudited	Unaudited
			2016	2015
Nature of relationship	**Related party**	**Type of transaction**	**$'000**	$'000
Key management personnel				
Carden Mulholland	Deposit Power Pty Limited (Australia)	Insurance contracts - premium	**4,513**	4,793
Carden Mulholland	Deposit Power Pty Limited (Australia)	Insurance contracts - Costs	**(1,915)**	(2,201)
Adam Massingham	Brutus Management Limited	Fees	**(233)**	(189)
Various	Senior management	Interest & repayments	**-**	(185)
Other related parties (common shareholder or director)				
Peter Harris	Altares Limited	Fees	**-**	(256)
Alistair Hutchison	Federal Pacific Group Limited	Fees	**(50)**	(50)

10 Dividends

Period	Cents per share	Total amount $'000	Payment date	Tax rate for imputations	Percentage imputed
Q4 2014 dividend	3.2	828	21 April 2015	28%	100%
Special 2015 dividend	1.8	3,915	22 April 2016	28%	100%
Final 2015 dividend	2.7	5,873	22 April 2016	28%	100%

All dividends in the above table were fully imputed.

Supplementary dividends of $0.5 million (31 December 2015: $0.02 million) are not included in the above dividends as the Company receives an equivalent tax credit from the Inland Revenue.

11 Share capital

On 14 January 2016, CBL acquired 2,160,000 of CBL shares from a selling shareholder of Assetinsure Pty Ltd, which is now a 100% subsidiary of the CBL Corporation Group.

The cost of acquiring these shares was NZ$2.7 million and these are held as treasury shares.

12 Events after the end of the reporting period

FIIG Note:

On 27 July 2016 CBL received approval to repay the FIIG Note early. The approval gives CBL the right to repay the Notes before the maturity date at any time prior to 30 November 2016 by payment of an amount equal to 107% of the outstanding principal together with any accrued interest.

SFS acquisition:

CBL has entered into an agreement, subject to regulatory approval, to acquire Securities and Financial Solutions Europe SA (SFS) and IMS Expert Europe SA (IMS) for €94.5 million. SFS is France's largest specialist construction-sector insurance broker and CBL's largest single producer. IMS is SFS' claims management operation. The businesses operate mainly in France but also operate in other European Territories, such as Spain, Italy and Belgium, and French Territories.

Corporate Directory

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Fax: +64 9 488 8787
Email: enquiry@computershare.co.nz
Website: www.investorcentre.com/nz

Share Registry: Australia
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Website: www.investorcentre.com/nz

Auditors
Deloitte

CBL Group

CBL Corporation Limited

Half Year Results to 30 June 2016

26 August 2016

Strong performance through HY16

- **Solid underlying profit growth across geographies and product lines**
- **Operating profit[1] of NZ$35.1m, up 44.6% on HY15**
- **Increased financial strength rating of CBL Insurance to A- (Excellent)**
- **Successfully signed the strategic acquisition of Securities and Financial Solutions Europe (SFS), CBL's largest European client**
- **Strong solvency margins across all three insurance entities**
- **CBL is on track to achieve the full year forecasts included in CBL's PDS of $40.4m NPAT for FY16**

(1) Profit before finance costs, capital raising costs, business combination costs, amortisation of policies-in-force, foreign exchange movements, profit from associates, revaluations and tax.

Agenda for today

1. Group performance highlights
2. Segmental performance highlights
3. Capital management and solvency
4. Strategy update and outlook

CBL Group

SECTION 1

Group performance highlights

Financial Highlights HY16

Operating profit growth 45% year on year

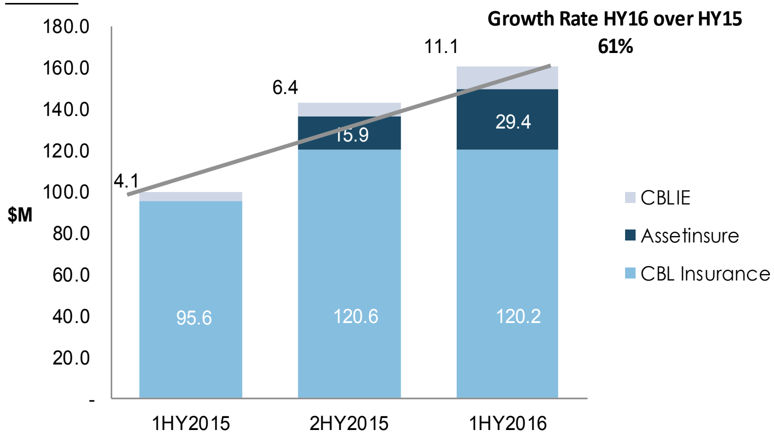
Million	HY16	HY15	Movement %	
Gross written premium (Insurer and MGA)	$179.2	$124.9	43.4%	▲
Reported operating profit	$35.1	$24.3	44.6%	▲
Reported profit after tax (Excl. FX)	$21.8	$16.4	32.7%	▲
Key ratios for the insurance entities 2015 Excludes Assetinsure (AI)				
Claims ratio	33.7%	35.4%	(4.7%)	▲
Acquisition ratio	33.1%	33.9%	(2.3%)	▲
Administration expense ratio	15.0%	8.8%	69.6%	▼
Combined ratio	81.8%	78.1%	4.8%	▼

- **Profit after tax up ▲31.9% on HY2015 excluding FX translation adjustment**
- **Excluding acquisitions made at the end of FY2015 (AI and PFP) profit after tax up 38.1% on HY2015**
- **Increase from strong growth in CBL Insurance and CBLIE products and strong underwriting margins**
- **Claims ratio improved 4.7% on an absolute movement on HY2015 (excludes AI in 2015)**
- **Combined ratio of 81.8% trending favourable to the full year forecast per PFI. Excluding AI the combined ratio for CBL and CBLIE is 75.8%. The movement in the Administration ratio in HY16 is from the acquisition of AI**

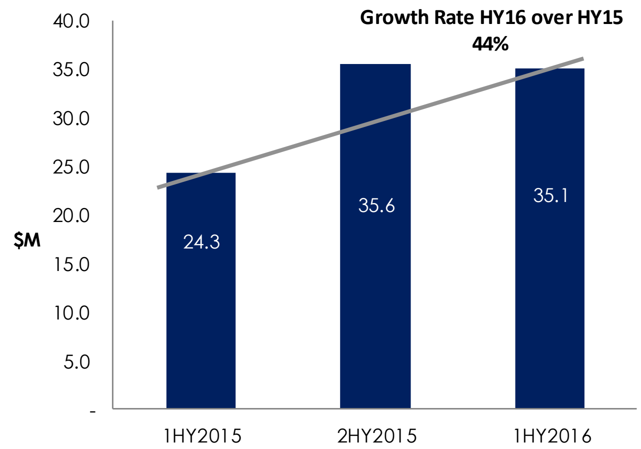
CBL Group

Key Performance Indicators

Gross written premium (GWP) (NZDm)

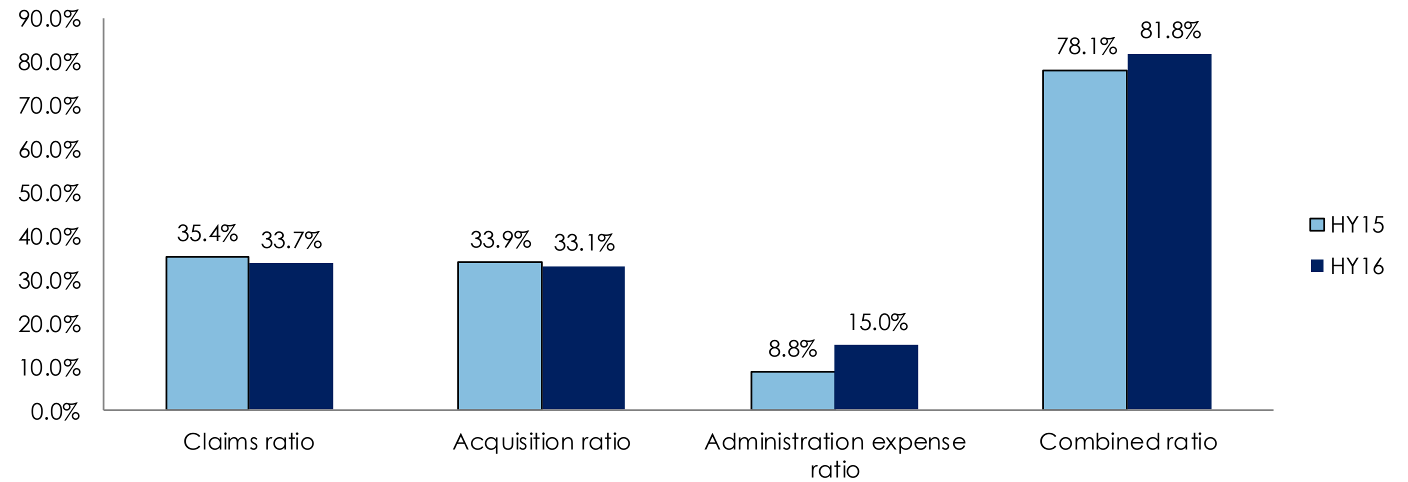


Operating profit (NZDm)



- Claims ratio was 33.7% across the insurance entities
- Combined ratio 81.8% across the insurance entities
- Overheads in line with the full year PFI
- CBL business historically has an increase in the second half of the year renewals with allocation H2 55% / H1 45%

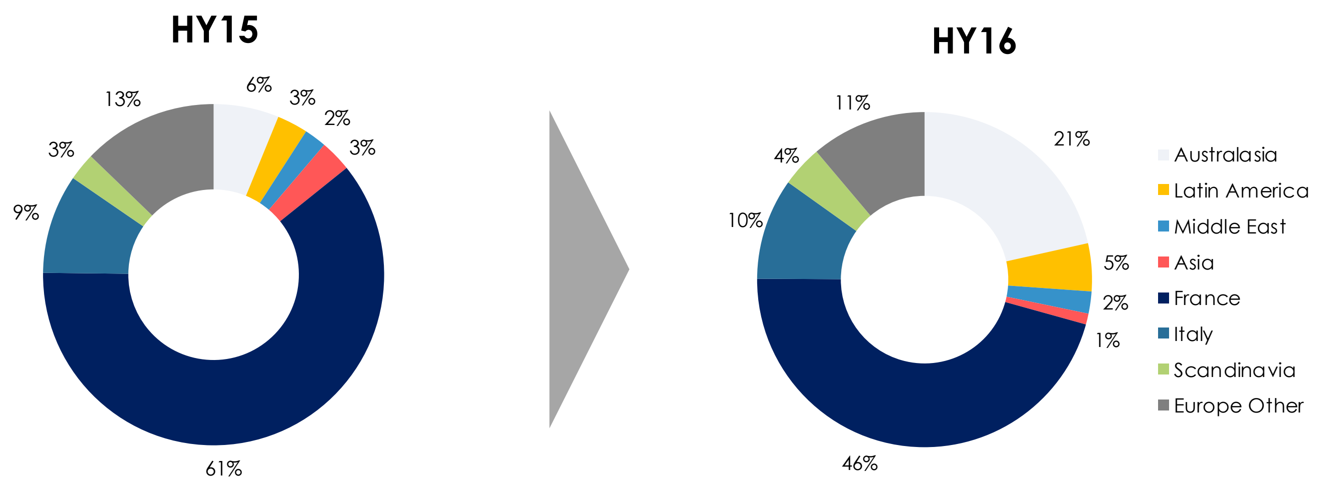
Key ratios



CBL Group

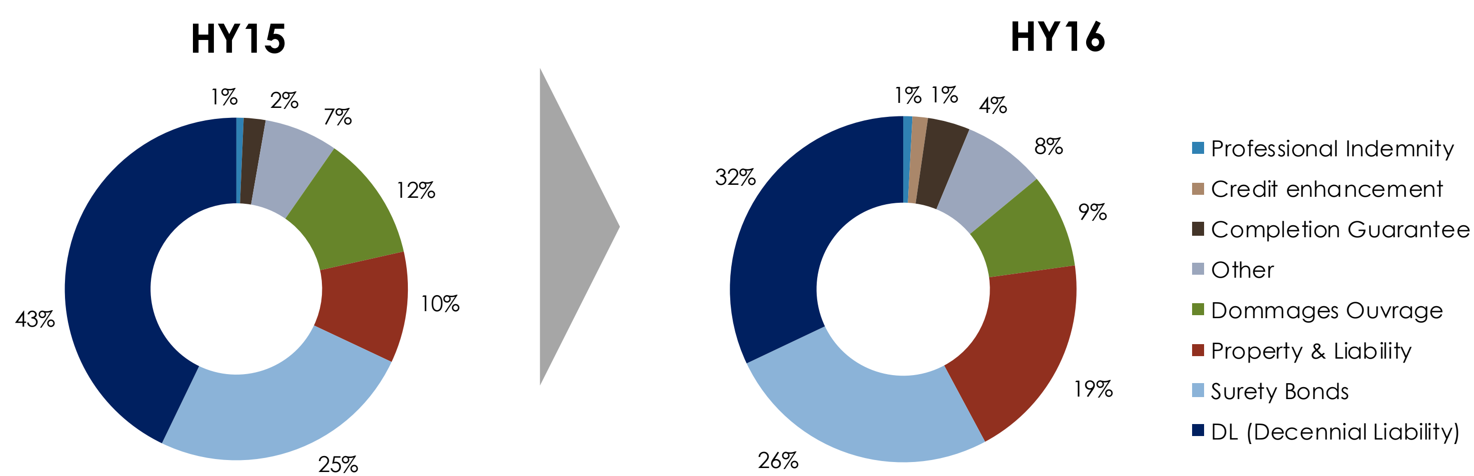
Increasing diversification in offshore markets

GWP by region



- **Acquisition of AI has reduced the European centric nature of CBL's business**
- **Key regions growing year on year**
- **SE Asia pipeline of business through H2 looking strong**
- **More balanced spread of revenues throughout our geographical base**

GWP by product



SECTION 2

Segmental performance highlights

CBL Insurance

NZD Million	HY16	HY15	Movement	
Gross written premium	120.2	95.6	25.7%	▲
Total revenue	114.4	95.6	19.7%	▲
Net incurred claims	37.5	33.0	(13.6%)	▼
Operating expenses	10.4	8.1	(28.4%)	▼
Operating profit	28.2	22.9	23.1%	▲
Profit before tax	28.2	23.2	21.6%	▲
Income tax expense	7.9	6.2	(27.4%)	▼
Profit after tax	20.2	17.0	18.8%	▲

- **Strong year on year GWP growth, up 25.7%**
- **Conservative underwriting and efficient claims management achieved a claims ratio of 33.1% against 35.2% in HY2015**
- **Operating expenses higher than HY2015 due to higher costs associated with being listed and staff costs to support the company who were taken on at the end of 2015**
- **Improved combined ratio of 76.2% compared to 77.6% at HY2015**

Assetinsure

NZD Million	HY16	HY15	Movement	
Gross written premium	29.4	-	-	-
Total revenue	21.4	-	-	-
Net incurred claims	6.0	-	-	-
Operating expenses	8.4	-	-	-
Operating profit	3.3	-	-	-
Profit before tax	3.3	-	-	-
Income tax expense	0.9	-	-	-
Profit after tax	2.4	-	-	-

- **Assetinsure was acquired in September 2015 so there are no half year numbers for comparison**
- **GWP performance in-line with expectations after rationalisation of business lines**
- **Claims ratio improved to 44.5%. This is higher than the other Group insurers but has the impacts of the non-core lines still running off**
- **Operating expenses slightly higher than expected as we complete the rationalisation of the business after our acquisition**
- **Strong profit through the half year (before and after tax)**
- **Assetinsure has started writing new business in Australia using CBL Insurance's new A- (Excellent) financial rating**

CBL Insurance Europe

NZD Million	HY16	HY15	Movement	
Gross written premium	11.1	4.1	170.7%	▲
Total revenue	4.5	2.6	73.1%	▲
Net incurred claims	0.7	1.1	36.4%	▲
Operating expenses	0.8	0.4	(100.0%)	▼
Operating profit	1.6	0.1	1500.0%	▲
Profit before tax	1.6	0.1	1500.0%	▲
Income tax expense	0.2	0.0	-	
Profit after tax	1.4	0.1	1300.0%	▲

- **GWP $11.1m showing strong growth on HY2015's $4.1 million, up 170.7%**
- **Conservative underwriting and claims management resulted in claims expense falling in the HY2016 period by 36.4%**
- **Operating expenses higher as we continue to gear the European business up for further growth expected in Q4 of 2016**
- **Profit (before and after tax) substantially up on HY2015, both up over $1.3 million in the period**
- **Improved combined ratio of 65.2% compared to 97.5% at HY2015**

EISL

NZD Million	HY16	HY15	Movement	
Gross written premium as MGA	20.3	25.2	(19.4%)	▼
Total Revenue	7.4	7.6	(2.6%)	▼
Operating expenses	6.0	5.7	(5.3%)	▼
Operating profit	1.4	1.9	(26.3%)	▼
Profit before tax	1.2	2.3	(47.8%)	▼
Income tax expense	0.2	0.5	60.0%	▲
Profit after tax	1.0	1.8	(44.4%)	▼

- **EISL has found itself in a difficult market in the first half of the year. Management tightened underwriting criteria prior to the Brexit vote to avoid poor quality risks coming to us from underwriters and brokers.**
- **Several small competing insurers tried in Q4 2015 and Q1 2016 to drive prices down to write quick volumes of cash as Solvency II started to take effect from 1 January 2016 in Europe. One of these companies has stopped and another is believed to be struggling, according to press releases in Europe**
- **Quotes in Q2 are now much higher in volume and value and are expected to result in increasing business in Q4 2016 and Q1 2017**
- **Tighter underwriting criteria is expected to ensure that future combined loss ratios for CBL as Insurer will remain within the expected range**
- **GWP behind where we hoped to be due to market backdrop and EISL not proceeding with 2 proposed new programs**
- **A new CEO has been appointed and he brings a broad skill set which should ensure that EISL grows and produces expected profits moving forward**

Professional Fee Protection (PFP)

NZD Million	HY16	HY15	Movement	
Total Revenue	5.0	-	-	-
Operating expenses	3.7	-	-	-
Operating profit	1.3	-	-	-
Profit before tax	1.3	-	-	-
Income tax credit	0.1	-	-	-
Profit after tax	1.3	-	-	-

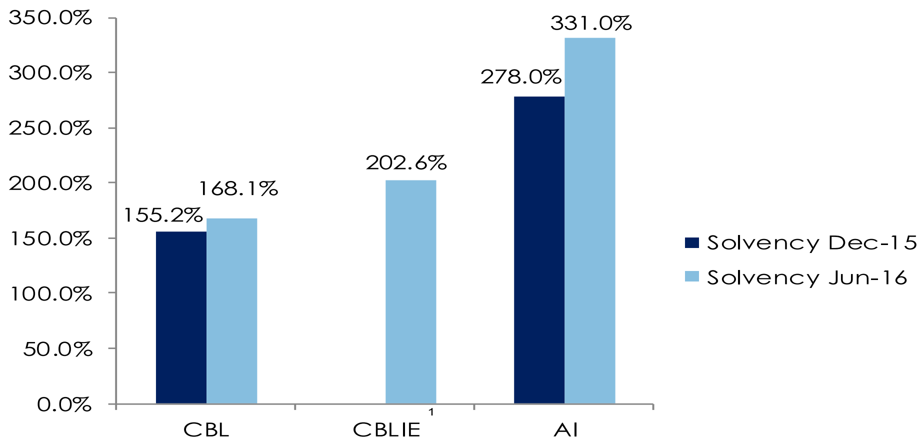
- **PFP has had a solid HY2016 producing revenues and profits in line with Group expectations**
- **Continues to develop new products to introduce to the market**
- **Exploring new markets to expand its offerings and grow revenues and profits in the next 12 months**
- **Developing new marketing and networking initiatives to better integrate with existing and future clients**
- **Development of IT platforms both operationally and customer centric wise**

SECTION 3

Capital management and solvency

Capital management and solvency

Key solvency margins



1. On 1 Jan 2016 Europe moved to a risk based capital Solvency calculation (Solvency II). 2015 figures can not be compared but Solvency on a like for like basis has increased.

- **Enhanced solvency margins in all three insurance entities**
- **CBL Insurance Europe moved to Solvency II as at 1 January 2016 and has a current solvency margin of 203% (FY2015 not comparable)**
- **CBL Corporation will continue to seek to maintain strong solvency levels in the insurance entities while managing capital efficiently**
- **CBL decided to hold off on making any Euro denominated investments until after the Brexit vote. Investing in instruments that will increase investment returns while not materially impacting on solvency capital, currently is taking place**
- **CBL will continue to look for investment returns to improve bottom line results but focus will remain on profitable underwriting and reinvestment of profits in future growth opportunities**
- **CBL paid out its maiden dividend since listing in April 2016 and it expects to declare an interim dividend for the first half of 2016 in October, in line with the 2015 IPO PDS.**

SECTION 4

Strategy update

Strategy update

- CBL aims to deliver attractive shareholder returns by growing all aspects of its business focusing on organic growth as well as looking for opportunities to acquire businesses in the niche insurance sector that further enhance or support existing businesses or provide the Group with access to markets
- CBL has successfully integrated the three acquisitions it made in 2015 and they are all performing as planned with expectations of future growth still to come
- The Brexit vote has occurred in the period and CBL remains confident there are opportunities arising from this event in the months ahead

Growth

- There are opportunities to grow existing markets but also enter new markets in a managed way with long established business partners. CBL Insurance's increased rating from AM Best to A- (Excellent) happened ahead of schedule and is expected to provide further access to markets we choose to enter including Mexico, SE Asia and Australia
- Working with business partners and supporting them to achieve their goals will continue to benefit CBL. The strong balance sheet allows CBL to offer additional capacity to its business partners and leverage this capital

Operational advantage

- CBL sees further opportunity in improving a number of core operational areas including improved claims management and improved financial and loss modelling with the implementation of the SSP IT system, an enhanced risk management framework, InsurTech opportunities and simplification of processes

Update on SFS acquisition

- **Approval from the SFS Workers Council was received, and the application for change of control was submitted to the Luxembourg Regulator, Commissariat aux Assurances (CAA). All questions to date have been responded to and when the CAA operatives return from their summer break at the end of August, the process will continue**
- **We expect the application approval process will be completed by the end of October, with final completion procedures expected to be ready either just prior or just after year end**
- **Under the SPA, all calendar year 2016 earnings for SFS remain in the company, whether completion occurs prior or post 31 December 2016**
- **SFS revenue numbers remain visible to CBL through its insurance premium insured with CBL Insurance and remain on track for the FY2016**

Outlook

Even allowing for the Northern Hemisphere summer, CBL historically does more business in the H2 than H1 (~55% / 45%), and as a result CBL believes it is on track to achieve its PFI forecast for the full FY 2016 year overall, notwithstanding the strength of the NZ$

As we indicated we would, management has invested considerable resource and time in developing and securing some new programs which are expected to produce significant long term revenue and profit for the Group. Three of these programs are expected to start in Q4 of 2016 and ramp up strongly in 2017. Details of these will likely be announced in the coming 3 months

CBL remains a material-size exporter of niche financial services and pays local income tax at full rates on worldwide income

The management wish to thank its Board Members, staff and our loyal shareholders for the guidance, hard work and confidence provided

Thank you

APPENDIX

Additional information

Underlying earnings performance

NZD Million	HY16	HY15	Movement $	Movement %
Gross written premium (insurance entities)	158.9	99.7	59.2	59.4%
Gross earned premium	147.7	98.0	49.7	50.7%
Net premium	131.0	96.2	34.8	36.2%
Net incurred claims	44.4	34.0	10.4	30.6%
Operating expenses	29.8	14.9	14.9	100.0%
Operating Profit [1]	35.1	24.3	10.8	44.4%
Profit before tax [2]	25.1	30.9	(5.8)	(18.8%)
Income tax expense	6.5	8.1	(1.6)	19.8%
Profit after tax	18.6	22.7	(4.1)	(18.1%)

1. Profit before finance costs, capital raising costs, business combination costs, amortisation of policies in force, foreign exchange translation movements, profit from associates, revaluations and tax.
2. At HY15 the FX translation was reporting a gain of 8.8 million and HY16 is reporting a loss of 4.4 million.

Source: Financial statements, CBL management
Note due to rounding there may be casting differences that are not material.

Underlying earnings by entity

NZD Million	CBL Insurance	AI	CBLIE	EISL	PFP	Other / Elimination	Total
Gross written premium (insurance entities)	120.2	29.4	11.1	-	-	(1.9)	158.8
Gross earned premium	114.8	27.8	5.5	-	-	(0.5)	147.6
Net premium	113.1	13.5	4.5	-	-	-	131.1
Total revenue	114.4	21.4	4.5	7.4	5.0	0.1	152.8
Net incurred claims	37.5	6.0	0.7	-	-	0.2	44.4
Operating expenses	10.4	8.4	0.8	6.0	3.7	0.4	29.7
Operating Profit [1]	28.2	3.3	1.6	1.4	1.3	(0.7)	35.1
Profit before tax	28.2	3.3	1.6	1.2	1.3	(10.5)	25.1
Income tax expense	7.9	0.9	0.2	0.2	(0.1)	(2.7)	6.4
Profit after tax	20.2	2.4	1.4	1.0	1.3	(7.7)	18.6

1. Profit before finance costs, capital raising costs, business combination costs, amortisation of policies in force, foreign exchange translation movements, profit from associates, revaluations and tax.

Source: Financial statements, CBL management
Note due to rounding there may be casting differences that are not material.

Balance sheet

	Note	30 June 2016 Unaudited $'000	31 December 2015 Audited $'000
ASSETS			
Cash and cash equivalents	4	**307,196**	296,012
Other financial assets	8	**42,350**	59,222
Insurance receivables		**129,397**	108,155
Other receivables		**16,733**	19,338
Loans		**8,604**	9,219
Current tax receivable		**1,446**	4,870
Reinsurance and other recoveries on outstanding claims	5	**100,956**	104,925
Deferred reinsurance expense		**13,584**	16,489
Deferred acquisition costs		**42,795**	38,380
Deferred tax assets		**3,478**	3,193
Property, plant and equipment		**3,156**	3,456
Investment property		**10,673**	10,500
Investments in associates		**3,468**	3,511
Intangible assets		**11,166**	13,311
Goodwill		**51,254**	53,372
TOTAL ASSETS		**746,256**	743,953
LIABILITIES			
Other payables		**27,417**	23,246
Insurance payables		**11,803**	24,577
Current tax liabilities		**1,418**	2,872
Unearned premium liability		**154,007**	144,061
Employee benefits provision		**1,983**	1,578
Contingent consideration		**1,968**	3,608
Deferred tax liabilities		**9,265**	9,558
Outstanding claims liability	5	**276,512**	275,550
Borrowings	7	**64,402**	65,215
TOTAL LIABILITIES		**548,775**	550,265
NET ASSETS		**197,481**	193,688
EQUITY			
Share capital	11	**107,397**	110,070
Reserves		**(3,235)**	(899)
Retained earnings		**93,260**	84,561
Total equity attributed to shareholders of the parent		**197,422**	193,732
Non-controlling interest		**59**	(44)
TOTAL EQUITY		**197,481**	193,688

Source: Financial statements, CBL management

CBL Group

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