

HNB Assurance Records a Robust 1st Quarter Performance

HNB Assurance PLC (HNBA) and its fully owned subsidiary HNB General Insurance Limited (HNBGI) posted a Profit After Tax (PAT) of LKR 74 MN for the first quarter of 2017, reflecting a 121% growth compared to LKR 33 MN recorded during the corresponding period last year.

The Group achieved a growth of 18% during Q1 of 2017, posting a Gross Written Premium (GWP) of LKR 1.9 BN against the GWP of LKR 1.6 BN recorded during the same of 2016. The Life Insurance Company posted a GWP of LKR 988 MN and the General Insurance Company posted a GWP of LKR 929 MN during the period under review. The Group was able to deliver a steady performance as a result of the strategic initiatives implemented in new business acquisition as well as streamlining its core business operations. The key contributors to the reported growth were identified as the growth in both Individual and Corporate Policies of the Life Insurance Company as well as the contribution of the Motor segment of the General Insurance Company. On a comparable basis with the results of the corresponding period of 2016, the post-tax profit of the Life Insurance business showcased a growth of 66%. The businesses were successful in capturing new market segments and seizing profitable growth opportunities, despite the challenging market and economic conditions. The recorded growth was in line with the Group's expectations on the phase of maximizing its profits as well as in delivering value to its stakeholders.

Sharing thoughts on the financial performance of the Group, Chairperson of HNBA and HNBGI Mrs. Rose Cooray stated, "We are indeed pleased on the results the Group was able to yield at the end of the first quarter of this year, amidst the stiff competition and other macroeconomic factors. The Group surpassed the LKR 15 BN milestone of Total Assets during the first quarter of 2017 and Investments in Financial Instruments reached a value of LKR 12 BN. During the same period the Life Insurance Fund grew by 7% while the General Insurance Fund grew by 5% reaching values of LKR 9 BN and LKR 2 BN respectively. These results reflect the favorable direction the company is

headed and the Board, the management and staff of both HNBA and HNBGI are committed to improve the financial performance of the Group as well as to strengthen the competitive positioning of both HNBA and HNBGI".

Commenting on the financial performance of the Group, Chief Executive Officer, Mr. Deepthi Lokuarachchi stated, "I am pleased by the performance delivered by both HNBA and HNBGI during Q1 of 2017. The financials of Q1 reflects a solid growth compared to the results of the first quarter of 2016. During the first quarter of 2017 the Group recorded an impressive investment income growth of 84% reaching a value of LKR 360 MN against the value of LKR 195 MN in the first quarter of 2016. Several key drivers including the synergies of the Group, deriving key strategies to further consolidate the position of the two entities helped the Group to achieve these financial results during Q1 2017".



Chairperson - Mrs. Rose Cooray



Chief Executive Officer - Mr. Deepthi Lokuarachchi