

HNB Assurance Group Delivers Outstanding Financial Results for Q1 2018

HNB Assurance Group delivered a superlative financial performance, reporting a Profit After Tax (PAT) of LKR 699 MN for Q1 2018 reflecting a steady growth of 844% in comparison to the PAT of LKR 74 MN recorded during the corresponding period of 2017. This growth mainly resulted due to the transfer of One-off surplus of LKR 381 MN to Shareholder Fund from Non-Participating Policyholder Fund due to the change in liability valuation method and the surplus transfer made during the first quarter 2018 amounting to LKR 210 MN.

In analyzing the financial results of the period under review, the Group recorded a Gross Written Premium (GWP) of LKR 2.19 BN, depicting a consolidated growth of 15% in comparison with the GWP of LKR 1.9 BN recorded during the first quarter of 2017. The Parent Company, HNB Assurance PLC (HNBA) recorded a GWP of LKR 1.06 BN when compared with the GWP of LKR 988 MN recorded during Q1 2017. The subsidiary, HNB General Insurance Limited (HNBGI) recorded a GWP of LKR 1.14 BN against a GWP of LKR 929 MN recorded during the corresponding period last year, reflecting a growth of 22%. Together with the One-off Surplus, HNBA posted a PAT of LKR 658 MN for the period, recording a growth rate of 1,159% while the PAT excluding One-off Surplus and Surplus Transfers during Q1 marked a 28% growth. HNBGI recorded a PAT of LKR 41 MN when compared with the PAT of LKR 22 MN recorded during the first quarter of 2017, showcasing a growth of 88%.



Sharing her views on the financial results, Chairperson of HNBA and HNBGI Mrs. Rose Cooray stated "In a challenging period for the entire insurance industry, the Company was able to deliver steady financial results for the first quarter of 2018. These results showcase the effectiveness of our customer centric strategies and the Company's day-to-day focus on operational efficiencies in capturing new market segments. These financial results reassure stability and the

positive growth momentum of the Group and will continue to steer its course through challenging market conditions by focusing on its strengths, core competencies and synergies of the Group. It is pertinent to note that the PAT of the Life Insurance Company includes a surplus transfer of LKR 210 MN made as per the recommendation of the Consultant Actuary, subsequent to the valuation of the Life Fund as at the end of 1Q 2018. Further, the Company also transferred LKR 381 MN to Shareholders Fund, with the approval of the Insurance Regulatory Commission of Sri Lanka (IRCSL), as One-off Surplus arising from Non-Participating Life Insurance Fund due to the change in the valuation method of the Life Fund as per the regulations of the IRCSL. The one-off surplus will be kept as a Restricted Regulatory Reserve as per the Directions of the IRCSL.



Speaking on the performance of the Group, Managing Director/CEO of HNBA and HNBGI Mr. Deepthi Lokuarachchi stated "In spite of several macro-economic challenges prevailing in the country, the Group was able to achieve a GWP growth of 15% during the first quarter. The Individual and Corporate policies of the Life Insurance Company and categories such as Fire, Motor and Marine of the General Insurance Company depicted a promising growth. During the first quarter, Total Assets of the Group reached LKR 19 BN and the Investments in Financial Instruments surpassed the mark of LKR 15 BN. The Life Insurance Fund and the General Insurance Fund reached values of LKR 10.9 BN and LKR 2.5 BN respectively". Speaking on the Group's future outlook Mr. Lokuarachchi added "These results are a testament to the efforts, strategies and the positive direction of the Group. The Group's performance ambitions remain high as we continue to develop dynamic products and capture growing markets in both Life and General Insurance segments whilst sustaining our core business model to benefit our stakeholders".