



Please reply to: Company Secretary

HNB Assurance PLC (PQ 108)

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18th August 2021

Mr. Renuke Wijawardhane,
Chief Regulatory Officer
Colombo Stock Exchange
#04-01 west Block
World Trade Centre
Colombo 01

Dear Sir,

NEWS RELEASE – SECTION 8 – CORPORATE DISCLOSURE

We are forwarding herewith a copy of the News Release, pertaining to our company & its fully owned subsidiary, HNB General Insurance Limited.

Please acknowledge the receipt of the same

Yours Faithfully,

Sitari Jayasundara
Chief Legal & Compliance Officer / Board Secretary

HNB Assurance PLC Group Records 27% GWP Growth in 1H21

HNB Assurance PLC (HNBA) and its fully owned subsidiary, HNB General Insurance Limited (HNBGI) recorded a Profit After Tax (PAT) of LKR 285 Mn for the first half of 2021 (excluding surplus transfers from the Life Fund which will be determined at the end of the year following the valuation of the Life Fund), with a Gross Written Premium (GWP) of LKR 5.7 Bn. During the period, both HNBA and HNBGI recorded notable GWP growth rates of 44% and 11% respectively.

Expressing her views on the performance delivered, Chairperson of HNBA and HNBGI, Mrs. Rose Cooray stated, "I'm pleased to state that the Group has completed another successful 1st half, recording a notable PAT of LKR 285 Mn amidst all prevailing challenges and uncertainties. As the pandemic keeps posing new threats, the Group adapted various agile business strategies to combat the adverse aftermath impact of the pandemic as well as to keep growing and going forward. Looking at the performance of each business, the Life Insurance business recorded a GWP of LKR 3.1 Bn and the General Insurance business recorded a GWP of LKR 2.6 Bn and the Net Income of the Group surpassed LKR 6.4 Bn". Mrs. Cooray further added, "It is noteworthy to mention that given the financial stability and positive outlook of the Group, the Fitch Rating for 'National Insurer Financial Strength Rating' of both entities were upgraded to A+. The Boards of HNBA and HNBGI remain confident of the future outlook of both entities and the businesses are well focused on investing in growth opportunities, advancing its product portfolio to suit the needs of its customers and deliver sustainable value to its customers as well as shareholders".

Mr. Prasantha Fernando, Chief Executive Officer of HNBA and HNBGI, stated, "The positive growth momentum of the Group continued during the second quarter, delivering a significant double-digit GWP growth of 27% compared to the corresponding period of last year. Although the PAT growth, in comparison to the corresponding period of 2020, has taken a dip, this was mainly due to increase in claims experienced in the General Insurance business consequent to greater mobility of vehicles compared to last year, and a reversal of deferred tax asset owing to the change in the tax rate. However, change in tax rate is a one-off negative impact and will benefit the Group in the long-run". Mr. Fernando continued, "It is noteworthy to mention that the Total Assets of the Group surpassed LKR 33.7 Bn and the Investment Income of the Group surpassed LKR 1.3 Bn. The Life and General Funds of the Group reached LKR 18.8 Bn and 3.3 Bn respectively. The upgraded Fitch Rating of A+ is a reflection of the Group's resilience, stability

and solid business practices and with effective strategies in place, the Management of HNBA and HNBGI remains confident of what's ahead and is on course to achieve the set targets for the year".

HNB Assurance PLC (HNBA) is one of the fastest growing Insurance Companies in Sri Lanka with a network of 63 branches. HNBA is a Life Insurance company with a rating of A+ (lka) by Fitch Ratings Lanka for 'National Insurer Financial Strength Rating'. Following the introduction of the segregation rules by the Insurance Regulator, HNB General Insurance Limited (HNBGI) was created and commenced its operations in January 2015; HNBGI continues to specialize in motor, non-motor and Takaful insurance solutions and is a fully owned subsidiary of HNB Assurance PLC. HNB General Insurance has been assigned a 'National Insurer Financial Strength Rating' of "A+" (lka) by Fitch Ratings Lanka Limited. HNBA is rated within the Top 100 brands and Top 100 companies in Sri Lanka by LMD and HNB Assurance has won international awards for Brand Excellence, Digital Marketing and HR Excellence including the Great Place To Work® Certification, and won many awards for its Annual Reports at award ceremonies organized by the Institute of Chartered Accountants of Sri Lanka.

ENDS.

Image One: Mr. Prasantha Fernando - Chief Executive Officer of HNBA & HNBGI

Image Two: Mr. Lasitha Wimalaratne - Chief Operating Officer of HNBA

Image Three: Mr. Sithumina Jayasundara - Chief Operating Officer of HNBGI