

PRESS RELEASE

Performance of the Insurance Industry during the year 2012

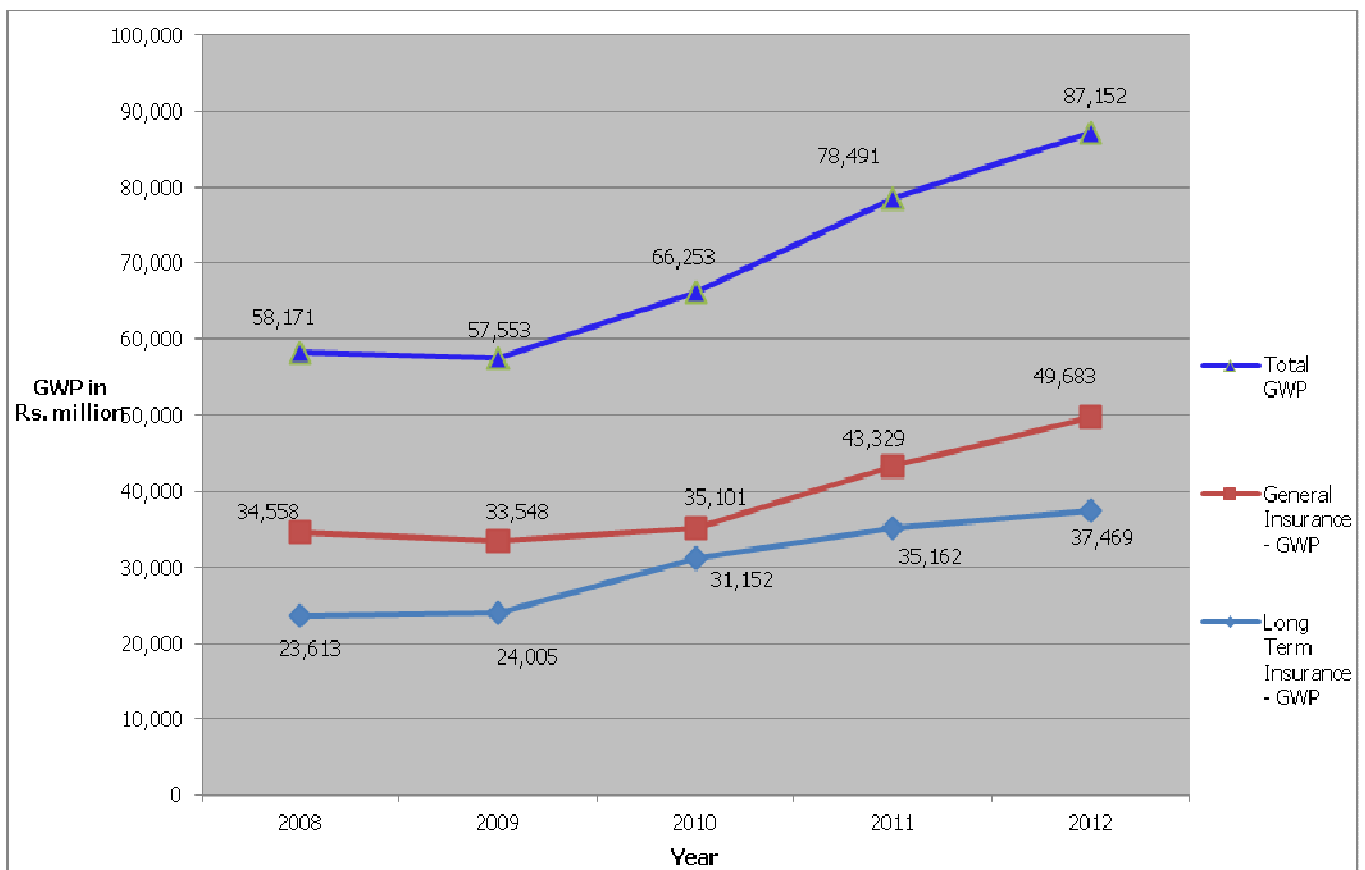
The insurance industry sustained its growth during the year 2012. Overall Gross Written Premium (GWP) grew by 11.03% and total assets increased by 15.49% when compared to 2011.

Out of twenty two (22) Insurance Companies (Insurers) registered with Insurance Board of Sri Lanka (IBSL) at the end of year 2012, twelve (12) are composite companies (dealing in both General and Long Term Insurance businesses), seven (07) are registered to carry on General Insurance business and three (03) companies are registered to carry on only Long Term (Life) Insurance business. Ceylinco Takaful Limited is prohibited from engaging in insurance business since 5th August 2009.

The overall Gross Written Premium (GWP) Income for Long Term Insurance and General Insurance businesses was Rs. 87,152 million compared with the previous year amount of Rs. 78,491 million which reflected a growth of 11.03%. The GWP Income of General Insurance Business amounted to Rs. 49,683 million (2011: Rs. 43,329 million) while the GWP Income of Long Term Insurance Business amounted to Rs. 37,469 million (2011: Rs. 35,162 million) during 2012. Thus, General Insurance Business and Long Term Insurance Business witnessed a growth of 14.67% and 6.56% respectively in GWP Income during the 2012 when compared to the previous year.

Year	2008	2009	2010	2011	2012
Long Term Insurance - GWP	23,613	24,005	31,152	35,162	37,469
General Insurance - GWP	34,558	33,548	35,101	43,329	49,683
Total GWP	58,171	57,553	66,253	78,491	87,152

Gross Written Premium (GWP) Long Term Insurance and General Insurance Business (Rs. millions)



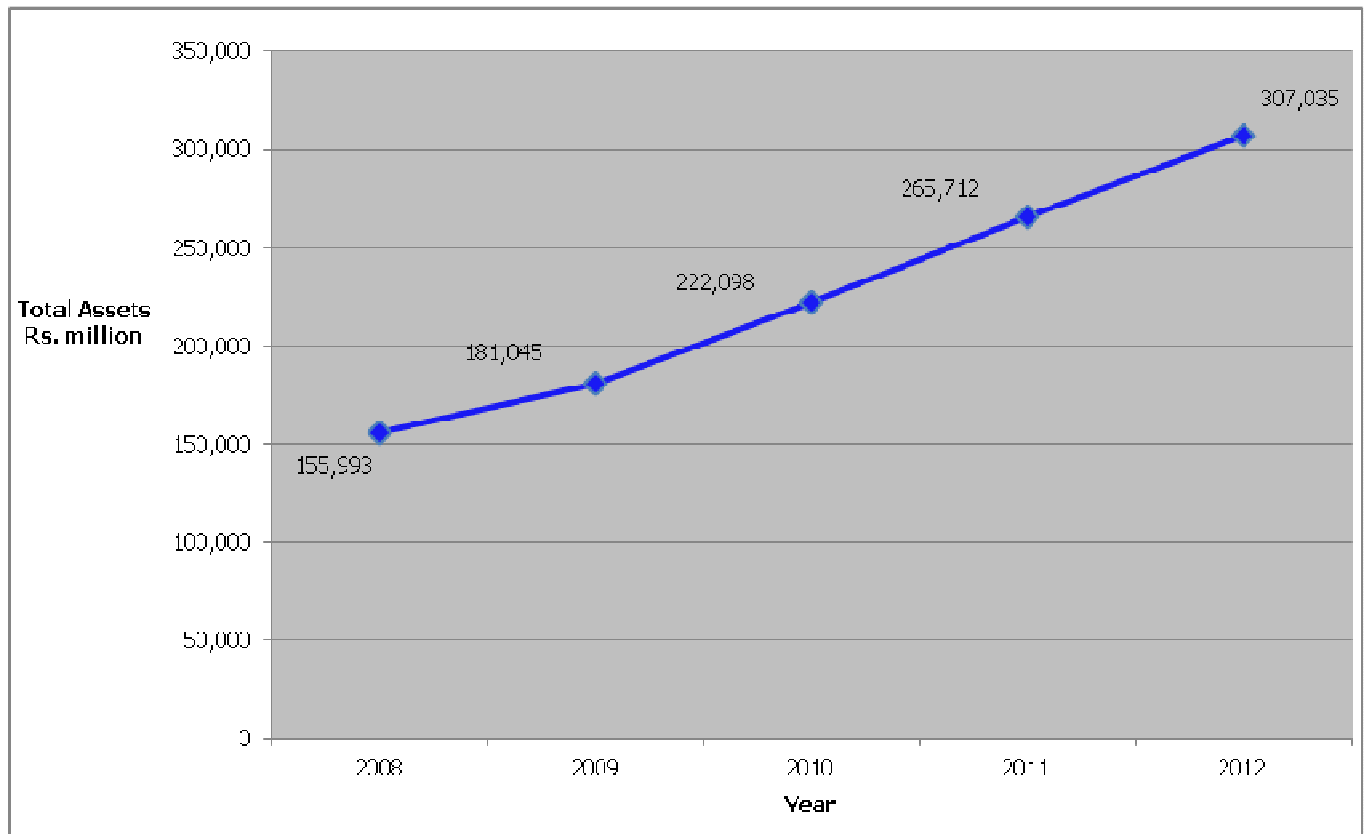
Note:

- 1) The above chart is based on unaudited figures in 2012.
- 2) Strike, Riot, Civil Commotion and Terrorism (SRCC & T) premium income of National Insurance Trust Fund (NITF) not considered for insurance companies general insurance GWP for the year 2012.
- 3) The above chart does not include NITF information.

The Total Assets of the insurance companies have increased to Rs. 307,035 million at the end of year 2012. Total Assets valued at the end of year 2011 was Rs. 265,419 million.

Year	2008	2009	2010	2011	2012
Total Assets (Rs. millions)	155,993	181,045	222,098	265,712	307,035

Total Assets of the Insurance Companies at the end of each year



Note:

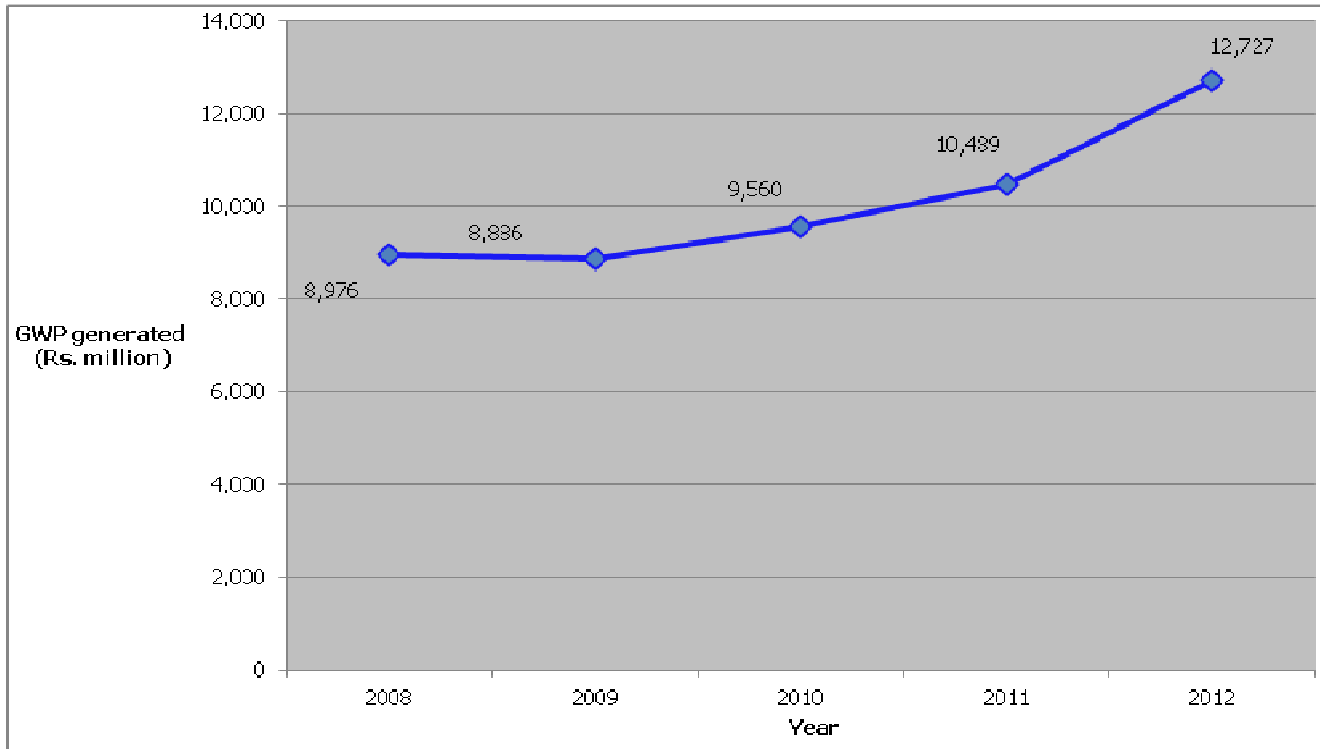
- 1) The above chart does not include NITF information.
- 2) With reference to Assets, Inter Segment Balances not considered (transactions between Long Term Insurance and General Insurance segments).

In terms of Section 25 of the Act, 20% of assets of the Technical Reserve of General Insurance Business and 30% of the assets of Long Term Insurance Fund of the Life Insurance Business should be invested in Government Securities. This is a mandatory requirement that all insurance companies have to comply with. The investment in Government Securities represents 53.54% (Rs. 97,876 million) of the total assets of Long Term Insurance Business and 23.17% (Rs. 28,776 million) of the total assets of General Insurance Business at the end of year 2012. This is in excess of the required amount of investment in Government Securities by the Act.

Insurance Brokering Companies, registered with the IBSL in terms of Section 82 of the Act, are mainly concentrating on General Insurance Business. During 2012, fifty five (55) insurance brokering companies engaged in insurance brokering business. However, at the end of the year the number of companies reduced to fifty four (54). The total premium income from both General Insurance Business and Long Term Insurance Business generated through insurance brokering companies amounted to Rs. 12,727 million during the year 2012, compared with the previous year amount of Rs. 10,489 million, which reflected a growth of 21.34% (2011 – Growth Rate 9.72%).

Year	2008	2009	2010	2011	2012
Total Gross Written Premium generated from both General and Long Term Insurance Businesses (Rs. millions)	8,976	8,886	9,560	10,489	12,727

Gross Written Premium generated by Insurance Brokering Companies



IBSL, as the prudential regulator, provides guidance and direction to the Sri Lankan insurance industry, in terms of the Regulation of Insurance Industry Act, No. 43 of 2000 (the Act).

Insurance Board of Sri Lanka

12th June 2013