

PRESS RELEASE

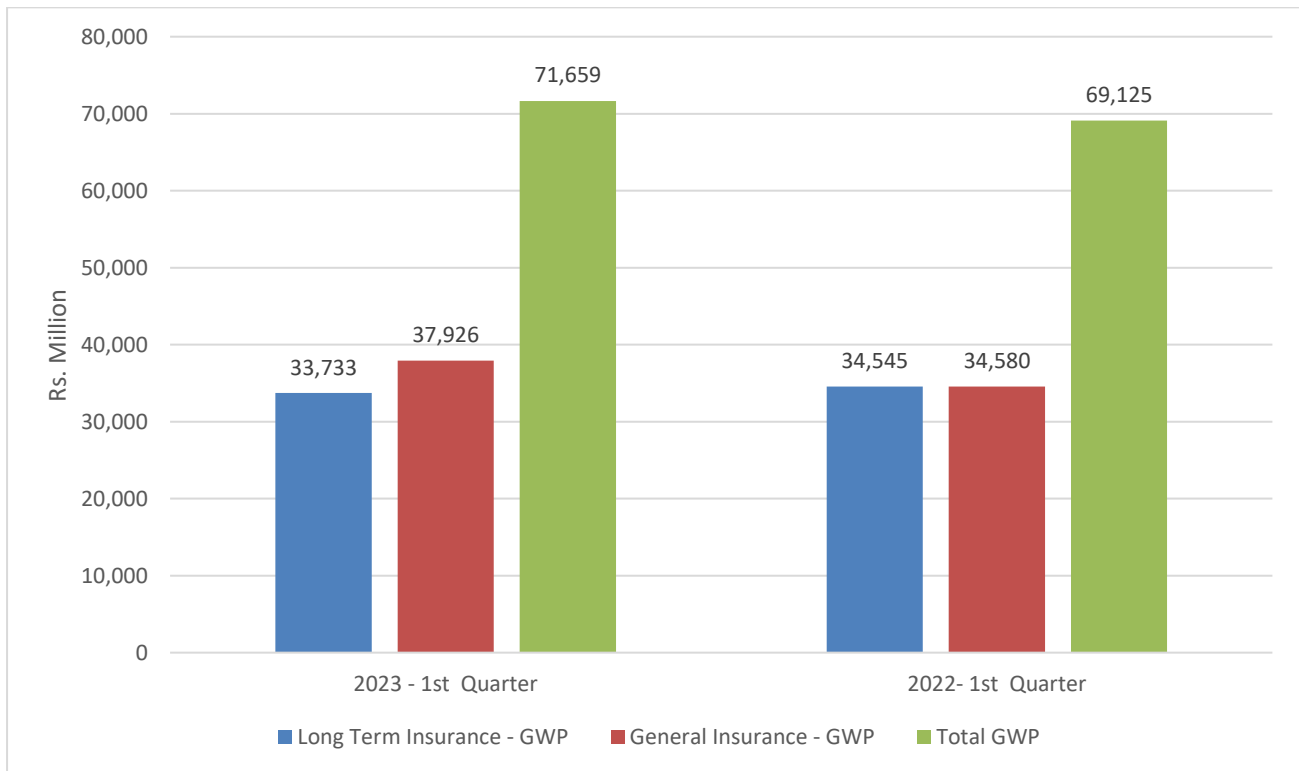
Performance of the Insurance Industry – Q1, 2023

Gross Written Premium

The insurance industry had achieved a growth of 3.67% in terms of overall Gross Written Premium (GWP), during the 1st Quarter of 2023, recording a GWP increase of Rs. 2,535 million when compared to the same period in the year 2022. GWP of Long-Term Insurance and General Insurance Businesses was Rs. 71,659 million compared to the 1st Quarter of 2022, amounting to Rs. 69,125 million.

The GWP of Long-Term Insurance Business amounted to Rs. 33,733 million (Q1, 2022: Rs. 34,545 million) recording a decline of 2.35%. The GWP of General Insurance Business amounted to Rs. 37,926 million (Q1, 2022: Rs. 34,580 million) recording a growth of 9.68%

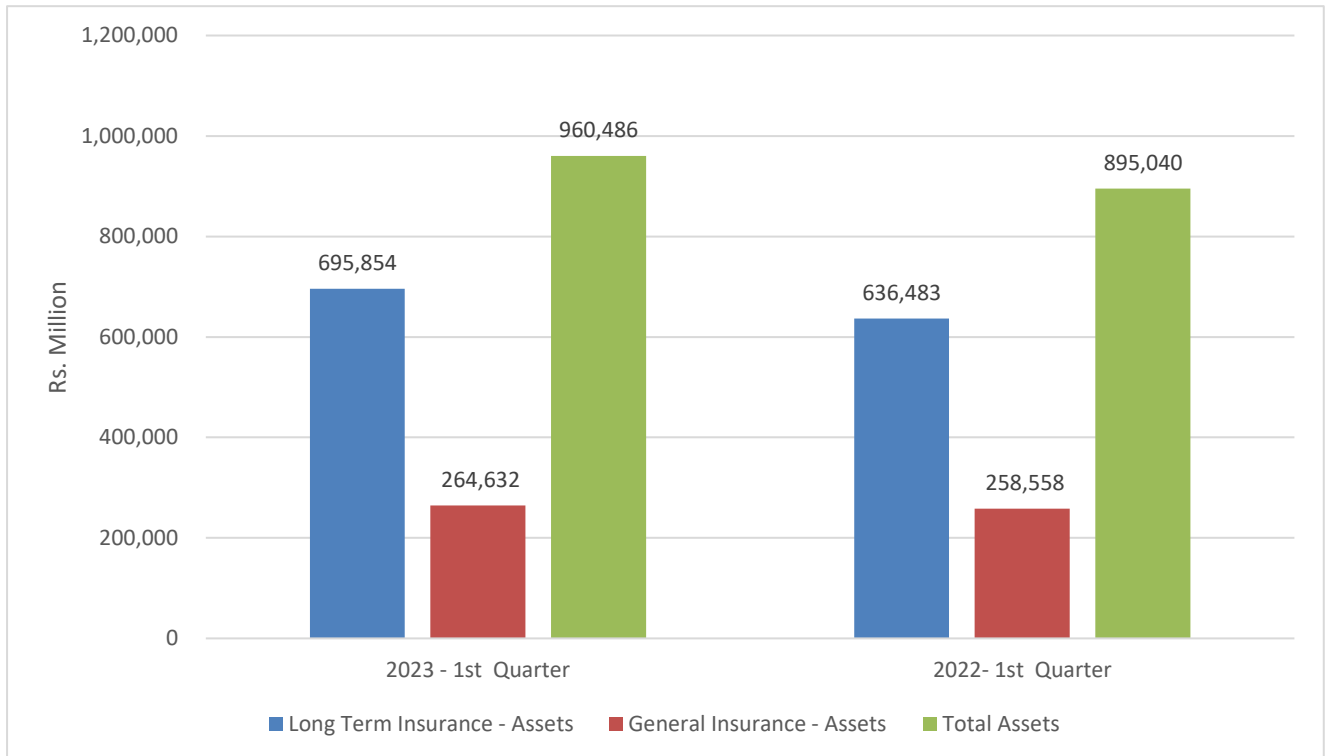
Chart 1- Gross Written Premium Income



Total Assets

The value of the total assets of insurance companies has increased to Rs. 960,486 million at the end of 1st Quarter 2023, when compared to Rs. 895,040 million recorded as at the end of Q1 2022, reflecting a growth of 7.31%. The assets of Long-Term Insurance Business amounted to Rs. 695,854 million (Q1 2022: Rs.636,483 million) depicting a growth rate of 9.33%. The assets of General Insurance Business amounted to Rs. 264,632 million (Q1, 2022: Rs. 258,558 million) depicting a growth of 2.35%.

Chart 2- Total Assets



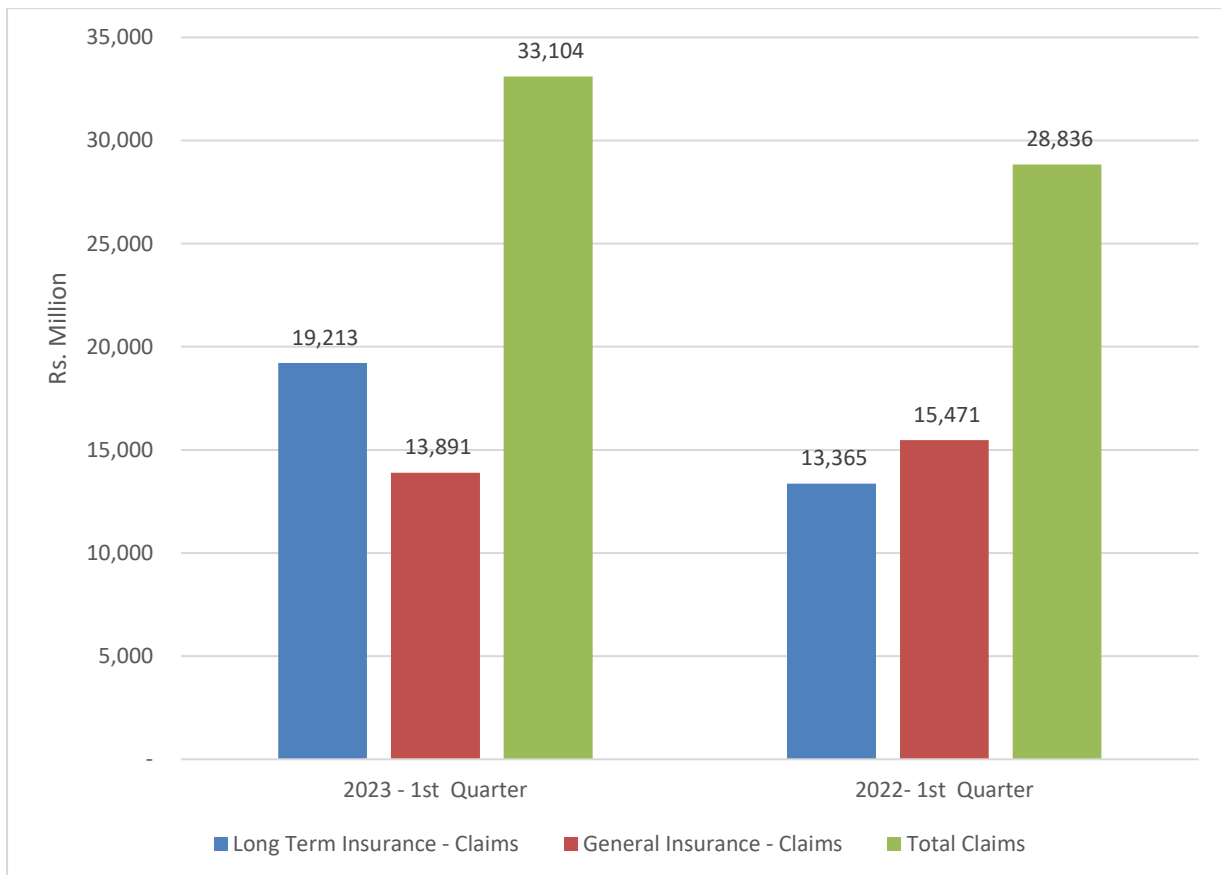
Investment in Government Debt Securities

Investments in Government Debt Securities amounted to Rs. 335,377 million (Q1, 2022: Rs. 277,835 million) representing 53.76% of the total investments of Long-Term Insurance Business and increased by 20.71%, while such investment of the total investment of General Insurance Business amounted to Rs. 64,304 million (Q1, 2022: Rs. 80,862 million) representing 41.92% and decreased by 20.48%. Accordingly, the total investment in Government Debt Securities in both businesses amounted to Rs. 399,680 million (Q1, 2022: Rs. 358,696 million), showing an overall increase of 11.43%.

Claims incurred by Insurance Companies

The value of claims incurred by insurance companies in both Long-Term Insurance Business and General Insurance Business was Rs. 33,104 million (Q1, 2022: Rs. 28,836 million) showing an increase in total claims incurred amount by 14.80% year-on-year. The Long-Term Insurance claims, including maturity and death benefits, amounted to Rs. 19,213 million (Q1, 2022: Rs. 13,365 million). The claims incurred in the General Insurance Business, including Motor, Fire, Marine and other categories, amounted to Rs. 13,890 million (Q1, 2022: Rs. 15,471 million). Hence, during the 1st Quarter of 2023, claims incurred by Long Term Insurance has increased by 43.76% and claims incurred by General Insurance Businesses has decreased by 10.22%, when compared to the same period in 2022.

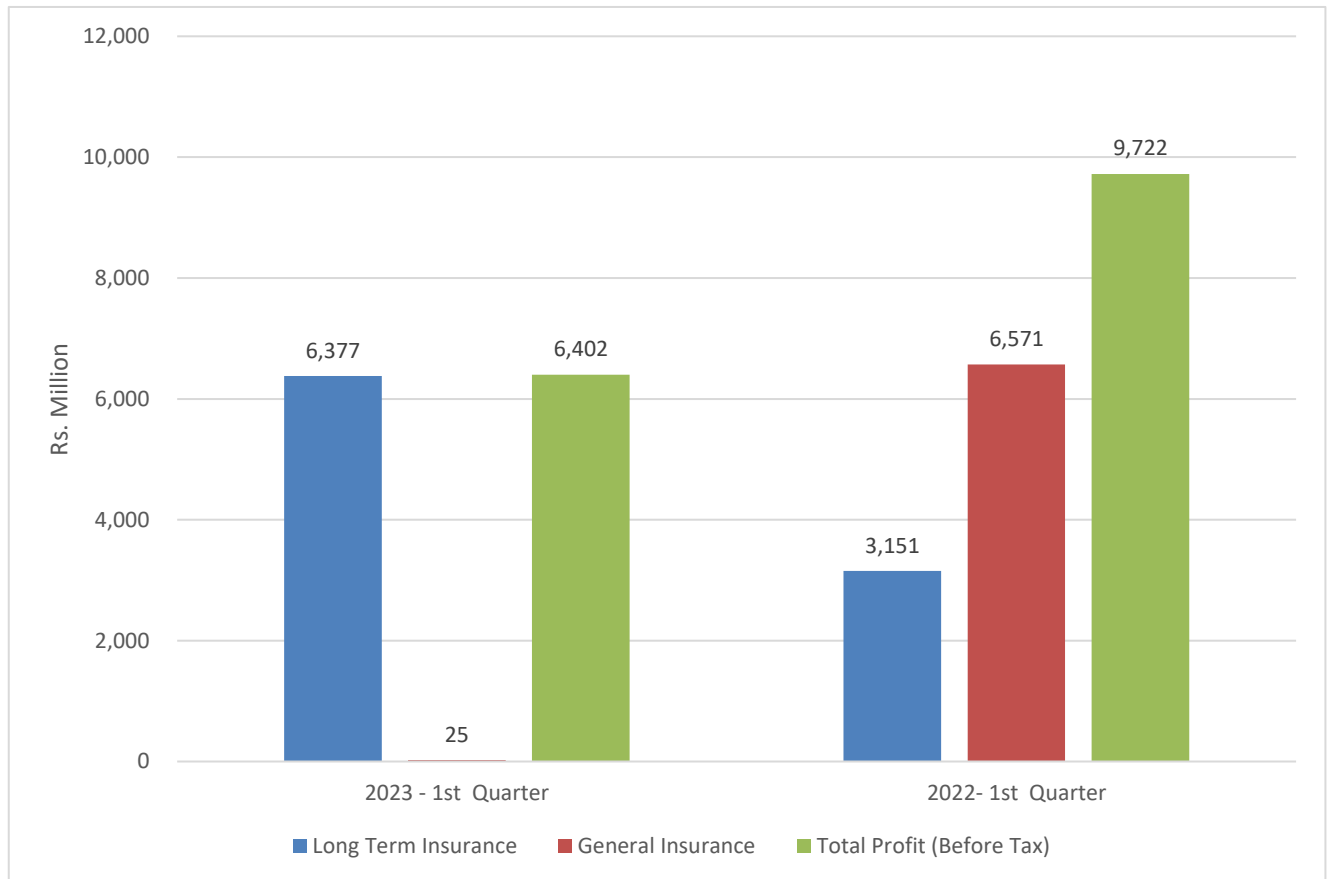
Chart 3- Claims incurred by Insurance Companies



Profit (Before Tax) of Insurance Companies

The Profit Before Tax (PBT) of insurance companies as at the end of 1st Quarter 2023 in both Long-Term Insurance Business and General Insurance Business amounted to Rs. 6,402 million (Q1, 2022: Rs. 9,722 million) showing a decrease of total profit amount by 34.16%. The PBT of Long-Term Insurance Business amounted to Rs. 6,377 million (Q1, 2022: Rs. 3,151 million), an increase of 102.36% while the PBT of General Insurance Business amounted to Rs. 25 million (Q1, 2022: Rs. 6,571 million) decrease of 99.62%. Loss of foreign exchange transactions of Rs. 2 billion is the main reason for the decrease of PBT of General Insurance Business in Q1, 2023.

Chart 4- Profitability of Insurance Companies



Insurers

Out of twenty-eight (28) Insurance Companies (Insurers) in operation as of 31st March 2023, fourteen (14) companies are engaged in Long-Term (Life) Insurance Business, twelve (12) companies are engaged in General Insurance Business and two (02) companies function as composite companies (transacting in both Long Term and General Insurance Businesses).

Insurance Brokers

Seventy-eight (78) insurance brokering companies were registered with the Commission as of 31st March 2023. Total Assets of insurance brokering companies have increased to Rs. 10,038 million as at the end of 1st Quarter 2023, when compared to Rs. 8,701 million recorded at the same period of 2022, indicating a growth of 15.37%.

Notes:

1. The above data for Q1, 2023 does not include one general insurance company due to the non-submission of quarterly returns for Q1 2023.
2. Total assets of the Insurance Brokering Companies represent all Insurance Brokering Companies excluding 4 Brokering Companies due to non-submission of Quarterly Returns.

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