

Press Release

GIC Re announces Financial Performance for the Nine Months Ended December 31, 2018

GIC Re records growth of 8.6% in Gross Premium y-o-y

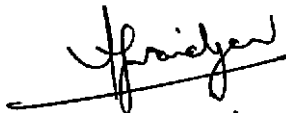
PBT grows 32% y-o-y in Q3, 2018

Net Worth increases by 4.5%

Solvency Ratio improved to 1.84 times

Mumbai, February 8, 2019: GIC Re declared its financial performance for the nine months ended December, 2018, at the board meeting of the company held in Mumbai today.

- Growth in Gross Premium Income of the company was 8.6 % with premium of ₹36,148.65 crore for the nine months ended 31.12.2018 from ₹ 33,274.35 crore in the corresponding previous year period ended 31.12.2017.
- Investment Income for the nine months period ended 31.12.2018 was increased to ₹ 4,806.12 crore as compared to ₹ 3,614.33 crore for the nine months ended 31.12.2017, showing a growth of 33%
- Net Worth of the company (without fair value change account) increased by 4.5% to ₹ 21,720.89 crore on 31.12.2018 from ₹ 20,776.01 crore on 31.12.2017.
- Profit After Tax (PAT) for the nine months period ended 31.12.2018 recorded as ₹ 1,620.94 crore compared to ₹ 1,285.27 crore for the half year ended 30.09.2018.
- Combined ratio is improved to 107.6% for the nine months ended 31.12.2018, in comparison to 110.3% of the half year ended 30.09.2018.
- Adjusted Combined Ratio (after considering the policyholders' investment income) works out to 97% for the nine months ended 31.12.2018.
- Return on Equity (ROE) (unannualized), increased to 7.5% for the nine months ended 31.12.2018 as compared to 6% in the half year ended 30.09.2018.
- Solvency Ratio has improved to 1.84 as on 31.12.2018 as compared to 1.73 as on 30.09.2018.
- Total Assets increased by 7.2 % from ₹ 111,385.04 crore as on 31.12.2017 to ₹ 119,367.26 crore as on 31.12.2018.



Summary of Revenue and Profit and Loss Account

(₹ crore)

SL No	Particulars				
		Nine Months ended 31.12.2018	Half Year ended 30 Sept, 2018	Nine Months ended 31.12.2017	Year Ended 31 March, 2018
1	Gross Premium	36,148.65	27,117.40	33,274.35	41,799.37
2	Net Premium	33,221.19	25,113.29	30,354.44	37,634.46
3	Earned Premium	32,622.80	25,593.34	31,042.72	38,096.05
4	Incurred Claims	29,956.63	24,131.02	26,290.45	32,953.55
5	Incurred Claims Ratio (on earned premium)	91.8%	94.3%	84.7%	86.5%
6	Net Commission	5,057.75	3,905.99	4,823.57	6,370.15
7	Net Commission Percentage (on Net Premium)	15.2%	15.6%	15.9%	16.9%
8	Expenses of Management	188.99	117.86	153.72	216.44
9	Expenses of Management Ratio (on net premium)	0.6%	0.5%	0.5%	0.6%
10	Profit/(Loss) on Exchange	272.81	470.79	(102.41)	(53.33)
11	Premium Deficiency	4.86	7.45	-	-
12	Underwriting Profit/(Loss)	(2,312.62)	(2,098.19)	(327.44)	(1,497.42)
13	Investment Income i.r.o. Policyholders' funds	3,540.32	2,427.19	2,577.74	3,830.87
14	Operating Profit	1,227.70	329.00	2,250.30	2,333.45
15	Investment Income - Shareholders' funds	1,262.13	854.08	1,034.11	1,561.16
16	Other Income less Outgoings	(250.09)	16.56	(187.36)	(226.35)
17	Profit Before Tax	2,239.74	1,199.64	3,097.05	3,668.26
18	Provision for Taxation	618.80	(85.63)	615.06	434.68
19	Profit After Tax	1,620.94	1,285.27	2,481.99	3,233.58
20	Combined Ratio %	107.6%	110.3%	101.1%	104.0%
21	Adjusted combined Ratio	97.0%	100.7%	92.6%	93.8%
22	Earning Per share (EPS for period ended)	9.24	7.33	14.15	18.64
23	Return on Equity for period ended (unannualised)	7.5%	6.0%	12.0%	15.00%
24	Solvency Ratio	1.84	1.73	1.87	1.72

- EPS for the nine months ended 31.12.2018 has been adjusted for the bonus issue of 1:1 on 14th July, 2018.

[Signature]



International and Domestic Business Composition

(₹ crore)

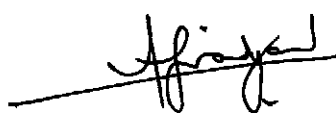
Gross Premium	Period Ended 31.12.2018	Share (%)	Period Ended 31.12.2017	Share (%)	Growth (%)	FY 2017-18
Domestic	26,269.26	72.7	25,047.10	75.3 %	4.9%	29,812.91
International	9,879.39	27.3	8,227.25	24.7 %	20.1%	11,986.46
Total	36,148.65	100 %	33,274.35	100.0%	8.6%	41,799.37

Breakup of Gross Premium

Gross Premium	Nine months ended 31.12.2018 ₹ crore	Nine months ended 31.12.2017 ₹ crore	Growth %
A) Fire	7,584.21	6,978.57	8.7%
B) Miscellaneous - Total	26,900.57	25,078.00	7.3%
Misc – Motor	6,284.54	5,930.88	6.0%
Misc – Health	4,135.90	4,042.32	2.3%
Misc – Agriculture	12,869.18	12,120.78	6.2%
Misc - Other LOBs	3,610.95	2,984.02	21.0%
C) Marine	1,252.77	884.94	41.6%
Marine – Cargo	525.28	299.65	75.3%
Marine – Hull	727.49	585.29	24.3%
D) Life	411.10	332.84	23.5%
Total – A+B+C+D	36,148.65	33,274.35	8.6%

Note: Combined Ratio = (Net incurred claims/ Net earned premium) + (Management expenses + Commission on reinsurance)/ Net written premium

Net Commission = Commission paid on reinsurance accepted - Commission on reinsurance ceded.



About General Insurance Corporation of India (GIC Re)

GIC Re has persistently maintained its leadership position in the Indian reinsurance market. It is the largest reinsurer in the domestic reinsurance market in India. It leads many of the domestic companies' treaty programmes and facultative placements. While foreign reinsurers have opened branch operations in India since early 2017, GIC Re is expected to maintain its market leadership and market share.

Internationally, GIC Re is an effective reinsurance partner for the Afro-Asian region, leading the reinsurance programmes of several insurance companies in Middle East and North Africa, and Asia including SAARC countries. It has offices in London, Dubai, Kuala Lumpur and a representative office in Moscow. In April 2018, syndicate supported by capitalisation by GIC Re became operational at Lloyd's of London. This marks an inflexion point in its history since it will help broaden and diversify its international portfolio.

Based on financial results for 2017-18, GIC Re has emerged 10th largest global reinsurer group based on net premium as per Standard and Poor's. The corporation has featured in the Forbes Global Top Regarded Companies 2018 (ranked 156th), best global employer list (ranked 106th) and as global Growth Champion (ranked 86th).

The global economic environment is a key driver for insurance markets. Worldwide, insurance premiums are expected to grow at about 3% in next couple of years. A major growth engine for this sector will be the emerging markets, with their economic growth significantly higher than global average. In contrast, premium development in industrialised countries is characterised by lower economic growth and saturation in insurance penetration. The year 2018 witnessed second consecutive year of record catastrophe losses globally. This has resulted in hardening in some geographies based on account experience. Rating agencies have changed the outlook for the reinsurance sector from negative to stable.

The general insurance business in India continues to grow at a healthy rate. Penetration remains low at under 1%, and this is an area of great opportunity. Spurred by Government initiatives such as PMFBY, crop insurance is the third largest line of non-life insurance business after motor and health insurance. With government push towards improving insurance coverage and health scheme Aayushman Bharat now operational, GIC Re can be expected to benefit from emerging opportunities in health segment.

Listing of general insurers will bring greater bottom-line focus in the market. Consolidation of public sector companies as envisaged by the government should further improve the pricing discipline in the market.

GIC Re maintains a diversified risk portfolio that includes property, motor, agriculture, marine, engineering, aviation, health, liability. Reinsurance premiums are expected to touch ₹ 70,000 crore by 2022. Its dominance of the Indian market stems from a long-term and broad-based relationship with the Indian insurers. This is supported by continued obligatory cessions and order of preference. Its strength lies in its geographical and business diversification, long-term relationships, prudent risk selection and effective exposure management. Its investment portfolio is also well diversified, with effective asset-liability management. Quite importantly for business that runs on human talent, GIC Re has the right talent pool with a very low attrition rate.

GIC benchmarks its performance against the best-in-class global players. With the competitive advantage that it enjoys and with a domestic market growth momentum, on the strength of its balance sheet size and customer servicing, it can be expected to further strengthen its position globally.

Disclaimer: Certain statements in this document that are not historical facts are forward looking statements. Such forward looking statements are subject to certain risks and uncertainties like government actions, local, political or economic developments, technological risks and many other factors. That could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. GIC Re will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward looking statements to reflect subsequent events or circumstances.

