

Ref. No.: GIC Re/SE/2019-20/Q1-OBM

Date: August 14, 2019

To,
The Manager
Listing Department
BSE Limited
Phiroze Jeejeebhoy Tower
Dalal Street
Mumbai - 400001

The Manager
Listing Department
The National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor, Plot C/1,
G Block, Bandra Kurla Complex
Mumbai - 400051

Scrip Code: (BSE – 540755/ NSE – GICRE)

Dear Sir/Madam,

Sub: Outcome of Board Meeting held on August 14, 2019

Pursuant to Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and other applicable requirements, we forward herewith a copy of the unaudited financial results(**Standalone and Consolidated**) for the quarter ended June 30, 2019 together with the Auditors Limited Review Report approved by the Board of Directors at its meeting held on August 14, 2019.

A copy of the press release being issued in this connection is also attached.

We request you to kindly take the above information on record.

Thanking You

Yours sincerely

For General Insurance Corporation of India



(Suchita Gupta)
Company Secretary & Compliance Officer

भारतीय साधारण बीमा निगम
(भारत सरकार की कंपनी)

General Insurance Corporation of India

(Government of India Company)

CIN NO.: L67200MH1972GOI016133 IRDA REGN No.: 112

“सुरक्षा”, 170, जे. टाटा रोड, चर्चगेट, मुंबई - 400 020.

“SURAKSHA”, 170, J. Tata Road, Churchgate,
Mumbai - 400 020. INDIA Tel.: +91-22-2286 7000
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Press Release

GIC Re announces Financial Performance for the Quarter Ended June 30, 2019

GIC Re records growth of 10.8 % in quarterly premium y-o-y

Net Worth (without fair value change account) increased to ₹ 22,443 crore

Solvency ratio increased to 1.89 as compared to corresponding quarter of Previous Year

Mumbai, August 14: GIC Re announced financial performance for the Quarter Ended June 30, 2019 at a board meeting of company held in Mumbai today.

- Growth in Gross Premium Income of the company was 10.8 % with premium of ₹ 20,813.12 crore for the quarter ended 30.06.2019 from ₹18,791.45 crore in the corresponding quarter of previous year.
- Investment Income increased by 26.3% with income of ₹ 1,403.21 crore for the quarter ended 30.06.2019 as compared to ₹ 1,111.31 crore for the corresponding quarter of previous year.
- Net Worth of the company (without fair value change account) increased by 0.5% to ₹ 22,443 crore on 30.06.2019 from ₹ 22,334 crore on 31.03.2019.
- The company recorded Profit before tax of ₹139.8 crore in first quarter FY 2019-20 against ₹1,029.74 crore in the corresponding quarter of previous year. The reduction in profit is on account of provisioning of IL&FS and reduction in other income such as exchange gains.
- Underwriting Loss recorded Rs 854.37 crore in quarter ended 30.06.2019 as against Rs. 96.37 crore in corresponding quarter of previous year.
- Profit After Tax (PAT) for the quarter ended 30.06.2019 was INR ₹ 108.60 crore compared to ₹ 771.42 crore in corresponding quarter of previous year.
- Combined Ratio is 102.6% for the quarter ended 30.06.2019 as compared to 99.9 % for the corresponding quarter of previous year.
- Adjusted Combined Ratio is 97.25% for the quarter ended 30.06.2019 as compared to 95.18 % for the corresponding quarter of previous year
- Solvency Ratio of 1.89 as on 30th June 2019, which is above the minimum required Solvency Ratio of 1.50.
- Total Assets increased by 6.31 % from ₹ 121,136.83 crore as on 30.06.2018 to ₹ 1,28,776.53 crore as on 30.06.2019.



Summary of Revenue and Profit and Loss Account

(₹ crore)

SL No	Particulars	Three Months Ended			Year Ended	
		30June, 2019	31 March, 2019	30June, 2018	31 March, 2019	31 March, 2018
1	Gross Premium	20,813.12	8,089.35	18,791.45	44,238.00	41,799.37
2	Net Premium	19,644.06	5,774.78	17,321.66	38,995.97	37,634.46
3	Earned Premium	16,737.12	5,056.28	14,584.27	37,679.08	38,096.05
4	Incurred Claims	14,700.69	3,783.32	12,884.21	33,739.95	32,953.55
5	Incurred Claims Ratio (on earned premium)	87.8%	74.8%	88.3%	89.5%	86.5%
6	Net Commission	2,845.33	1,047.68	1,937.51	6,105.43	6,370.15
7	Net Commission Percentage (on Net Premium)	14.5%	18.14%	11.2%	15.7%	16.9%
8	Expenses of Management	63.47	67.07	57.62	256.07	216.44
9	Expenses of Management Ratio (on net premium)	0.3%	1.16%	0.3%	0.7%	0.6%
10	Profit/(Loss) on Exchange	31.98	(56.64)	207.74	216.18	(53.33)
11	Premium Deficiency	13.98	0.43	9.04	5.29	
12	Underwriting Profit/(Loss)	(854.37)	101.16	(96.37)	(2,211.46)	(1,497.42)
13	Investment Income	1401.90	1,598.89	1110.53	6,401.34	5,392.03
14	Other Income less Outgoings	(408.63)	(505.96)	15.58	(756.06)	(226.35)
15	Profit Before Tax	138.90	1,194.08	1029.74	3,433.82	3,668.26
16	Provision for Taxation	30.31	590.71	258.32	1209.51	434.68
17	Profit After Tax	108.59	603.37	771.42	2,224.31	3,233.58
18	Combined Ratio %	102.6%		99.9%	105.9%	104.0%

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Signature and Stamp of GIC Re Mumbai

International and Domestic Business Composition

(₹ crore)

Gross Premium	Quarter Ended 30.06.2019	Share (%)	Quarter Ended 30.06.2018	Share (%)	Growth (%)	FY 2018-19
Domestic	17,400.38	83.60	15,823.51	84.21	9.97	30,972.21
International	3,412.74	16.40	2,967.94	15.79	14.99	13,265.79
Total	20,813.12	100 %	18,791.45	100 %	10.76	44,238.00

Breakup of Gross Premium

Gross Premium	Quarter Ended 30.06.2019 ₹ crore	Quarter Ended 30.06.2018 ₹ crore	Growth %
A) Fire	3,134.14	2,645.83	18.5%
B) Miscellaneous - Total	16,943.22	15,568.62	8.83%
Misc – Motor	2,361.87	2,036.33	16.0%
Misc – Health	2,402.62	1,404.02	71.1%
Misc – Agriculture	10,676.40	10,696.27	-0.2%
Misc - Other LOBs	1,502.33	1,432.00	4.91%
C) Marine	514.90	418.43	23.06
Marine – Cargo	217.36	155.47	39.8%
Marine – Hull	297.54	262.96	13.2%
D) Life	220.86	158.57	39.3%
Total – A+B+C+D	20,813.12	18,791.45	10.76%

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.

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Consolidated Financials of GIC Re

GIC Re's group includes subsidiary companies namely, GIC Re South Africa, GIC Re Corporate Member, London and three associate companies namely GIC Re Bhutan, India International Insurance Pte Ltd, Singapore and Agriculture Insurance Corporation of India. The group performance highlights, on the basis of consolidated financial statements for the quarter ended 30 June, 2019 are given below:

- Growth in Consolidated Gross Premium Income of the company was 10.2 % with premium of ₹ 21,110.36 crore in the quarter ended 30.06.2019 from ₹ 19,160.01 crore in the same period of previous year.
- Investment Income of the group recorded to ₹ 1,412.67 crore for the quarter ended 30.06.2019 as compared to ₹ 1,120.71 crore for the quarter ended 30.06.2018.
- Consolidated Profit After Tax (PAT) for the quarter ended 30.06.2019 was ₹ 192.07 crore compared to ₹ 763.85 crore during same period of last year.
- Incurred claims Ratio decreased from 88.7 % in the quarter ended 30.06.2018 to 87.6% in the quarter ended 30.06.2019.
- Consolidated financials reflect Net Worth of the group (without fair value change account) increased by 2.5 % to ₹ 24,559.76 crore on 30.06.2019 from ₹ 23,952.81 crore on 30.06.2018.

Summary of Revenue and Profit and Loss Account of consolidated financials

(₹ crore)

Particulars	Quarter Ended	Quarter Ended	2018-19
	30.06.2019	30.06.2018	
Gross Premium	21,110.36	19,160.01	45,611.32
Net Premium	19,698.88	17,449.65	39,390.86
Earned Premium	16,841.22	14,734.65	38,250.06
Incurred Claims	14,755.72	13,064.47	33,969.58
Incurred Claims Ratio (on earned premium)	87.6%	88.7%	88.8%
Net Commission	2,886.60	1,942.26	6,116.44
Net Commission Percentage (on Net Premium)	14.7%	11.1%	15.5%
Underwriting Profit/(Loss)	-826.59	-20.42	-1,883.45
Investment Income net of expenses	1,412.67	1,120.71	6,447.75
Profit Before Tax	159.44	1,038.47	3,720.76
Taxation	5.99	258.32	1,215.87
Share of Profit in Associate Companies	38.62	-16.30	119.10
Profit After Tax	192.07	763.85	2,757.57



About General Insurance Corporation of India (GIC Re)

GIC Re has steadfastly maintained its leadership position in the Indian reinsurance market. It is the largest reinsurer in the domestic reinsurance market in India. It leads most 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. GIC Re is 10th largest global reinsurer group based on figures for 2017-18 and 7th largest non-life reinsurer globally. It has offices in London, Dubai, Kuala Lumpur and a representative office in Moscow. In April 2018, syndicate fully capitalised by GIC Re became operational at Lloyd's of London. This syndicate in its second year is expected to scale up over the next few years towards achieving the medium term objective of management of achieving 60:40 domestic : international risk portfolios.

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 weak growth in insurance penetration.

After two years of record catastrophes globally in 2017 and 2018, the reinsurance market has shown significant signs of hardening during last few months. This will be fully reflected in GIC Re financials in next 4-8 quarters.

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. As the government health scheme Aayushman Bharat adopts insurance driven model, GIC Re can be expected to benefit from emerging opportunities in this space.

As the insurers get listed, market consolidates and merger of public sector insurance companies as envisaged by the government is implemented in the backdrop of declining interest rates, the pricing discipline in the market can be expected to strengthen.

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 market. 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 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.



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