

Ref. No.: GIC Re/SE/2020-21/Q2-OBM

Date: November 13, 2020

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 November 13, 2020

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/period ended September 30, 2020 together with the Auditors Limited Review Report approved by the Board of Directors at its meeting held on November 13, 2020.

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

Kindly take the above on record.

Thanking You

Yours sincerely

For General Insurance Corporation of India


(Suchita Gupta)
CS & CFO & Compliance Officer



Encl.: A/A

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
www.gicofindia.in



Press Release

GIC Re announces Financial Performance for the Half Year ended September 2020

Mumbai, November 13, 2020: GIC Re announced financial performance for the Half Year Ended September 30, 2020 at a Board Meeting of company held in Mumbai today.

Global scenario for Insurance Industry for the FY 2020-21 has shown weak trends due to COVID-19 situation for most classes while benefitting a few. As compared to Q1, there is a growth in business volume during Q2 FY21.

Although Covid-19 influence remains on the Insurance Industry, severity of the impact is gradually reducing and the same is reflected in the results of the industry. GIC Re's financials for the half year ended 30th September 2020 have shown indications of positivity and signals turnaround in the near future. Investment Income for the half year ended September 2020 has increased significantly. GIC Re's international business has shown a growth rate of 31%. Further, Solvency ratio has improved to 1.63. Our underwriting performance is expected to show better trends going forward and this will result in further strengthening of GIC Re's position.

We give below details of our financial performance for the half year ended 30.09.2020:

- Gross Premium Income of the company was ₹ 26,533.05 crore for the half year ended 30.09.2020 as compared to ₹ 30,272.33 crore in the half ended 30.09.2019. A comparison of quarter 2 of 2020-21, with quarter 2 of 2019-20 shows an increase of 12.6%.
- Incurred Claims Ratio remained in the same range, which was 96.6 % in the Half year ended 30.09.2019 and 97.0 % in the half year ended 30.09.2020.
- Underwriting Loss recorded ₹ 3930.71 crore in Half year ended 30.09.2020 as against loss of ₹ 3154.16 crore in half year ended 30.09.2019. Underwriting loss only for the 2nd quarter 2020-21 is recorded at Rs. 2159.35 Crore as against 2nd quarter 2019-20 underwriting loss of Rs.2,299.79 crore.
- Investment Income of ₹ 3,910.17 crore for the half ended 30.09.2020 as compared to ₹ 3,197.01 crore for the half ended 30.09.2019.
- Solvency Ratio is increased to 1.63 as on 30.09.2020, as compared to 1.53 as on 31.3.2020.
- The company recorded Loss Before Tax of ₹ 398.94 crore in half ended 30.09.2020 as against Loss before tax of Rs ₹ 481.13 crore in the half year ended 30.09.2019. For the 2nd quarter 2020-21, there has been a Profit Before Tax of ₹ 412.28 Cr.
- Loss After Tax for the half year ended 30.09.2020 recorded as ₹ 327.42 crore as compared to Loss after Tax of ₹ 486.86 crore for half year ended 30.09.2019. There has been Profit After Tax of Rs.230.05 Crore recorded for Quarter ended 30.09.2020.
- Total Assets were ₹ 1,26,167.89 crore as on 30.09.2020 as compared to ₹ 1,26,080.50 crore as on 30.09.2019.
- Net Worth of the company (without fair value change account) recorded as ₹ 20,123.59 crore on 30.09.2020 as against ₹ 20,529.45 crore as on 31.03.2020.
- Net Worth of the company (including fair value change account) recorded as ₹ 39,628.66 crore on 30.09.2020 which is more, as compared to ₹ 35,425.87 crore as on 31.03.2020.

- Combined Ratio is 116.13 % for the Half year ended 30.09.2020 as compared to 111.31 % for the half year ended 30.09.2019 and 114.38 % for Financial Year 2019-20.
- Adjusted Combined Ratio is 102.89 % for the half year ended 30.09.2020 as compared to 102.56 % for half year ended 30.09.2019 and 102.47% for Financial Year 2019-20.

Summary of Revenue and Profit and Loss Account

(₹ crore)

S No	Particulars	Quarter ended		Half year ended		Year Ended 31.03.2020
		30.09.2020	30.09.2019	30.09.2020	30.09.2019	
1	Gross Premium	10,651.50	9,459.21	26,533.05	30,272.33	51,030.13
2	Net Premium	8,846.07	8,798.70	23,471.35	28,442.76	46,655.41
3	Earned Premium	9,491.35	11,911.07	23,153.18	28,648.19	44,145.43
4	Incurred Claims	9,589.87	12,961.08	22,458.60	27,661.77	43,035.86
5	Incurred Claims Ratio (on earned premium)	101.0%	108.8%	97.0%	96.6%	97.5%
6	Net Commission	1,808.25	1,123.17	4,368.13	3,968.50	7,508.35
7	Net Commission Percentage (on Net Premium)	20.4%	12.8%	18.6%	14.0%	16.1%
8	Expenses of Management	55.35	165.26	123.01	228.73	373.01
9	Expenses of Management Ratio (on net premium)	0.6%	1.9%	0.5%	0.8%	0.8%
10	Profit/(Loss) on Exchange	(194.38)	73.46	(123.79)	105.44	424.03
11	Premium Deficiency	2.85	34.81	10.37	48.79	19.42
12	Underwriting Profit/(Loss)	(2,159.35)	(2,299.79)	(3,930.71)	(3,154.16)	(6,367.18)
13	Investment Income (Net of Exp)	2,767.35	1,795.11	3,910.17	3,197.01	7,125.48
14	Other Income less Outgoings	(195.71)	(115.34)	(378.41)	(523.98)	(1,204.28)
15	Profit Before Tax	412.28	(620.02)	(398.94)	(481.13)	(445.97)
16	Provision for Taxation	182.23	(24.58)	(71.53)	5.73	(86.88)
17	Profit After Tax	230.06	(595.44)	(327.42)	(486.86)	(359.09)
18	Combined Ratio %	122.10	123.46	116.13	111.31	114.38

International and Domestic Business Composition

(₹ crore)

Gross Premium	Half Year ended 30.09.2020	Share (%)	Half Year ended 30.09.2019	Share (%)	Growth (%)	FY 2019-20
Domestic	17,785.86	67.03%	23,623.47	78.04%	-24.71%	36,233.84
International	8,747.18	32.97%	6,648.86	21.96%	31.56%	14,796.29
Total	26,533.05	100%	30,272.33	100%	-12.35%	51,030.13

Particulars	Incurred Claims (₹ crore)		Combined Ratio	
	Half Year ended		Half Year ended	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
Domestic	15,401.63	21,940.09	113.28	108.55
International	7,056.97	5,721.68	122.24	121.63
Total	22,458.60	27,661.77	116.13	111.31

Breakup of Gross Premium

₹ crore

Gross Premium	Half year ended 30.09.2020	Half year ended 30.09.2019	Growth %
A) Fire	8,303.14	6,390.44	29.9%
B) Miscellaneous - Total	16,310.64	22,377.21	-27.1%
Misc – Motor	4,316.40	5,016.86	-14.0%
Misc – Health	3,179.24	2,955.38	7.6%
Misc – Agriculture	5,999.37	11,732.73	-48.9%
Misc - Other LOBs	2,815.63	2,672.24	5.4%
C) Marine	1,329.04	995.87	33.5%
Marine – Cargo	752.16	496.60	51.5%
Marine – Hull	576.88	499.27	15.5%
D) Life	590.23	508.81	16.0%
Total – A+B+C+D	26,533.05	30,272.33	-12.4%

Particulars	Agri	Fire	Motor	Health	Cargo	Hull	Life
Incurred Claims (₹ crore)							
Domestic	6,907.59	2,049.66	2,274.86	2,122.46	151.71	177.52	421.42
International	321.86	3,798.29	861.19	45.87	392.35	525.21	57.97
Total	7,229.46	5,847.95	3,136.05	2,168.33	544.07	702.73	479.39
Combined Ratio							
Domestic	111.43	93.99	112.21	126.89	88.97	(6,453.56)	89.40
International	124.43	138.01	74.54	74.64	122.33	153.23	104.35
Total	111.84	117.13	98.28	125.03	110.22	199.56	90.95



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.

Consolidated Financials of GIC Re

- GIC Re's group includes subsidiary companies namely, GIC Re South Africa, GIC Re Corporate Member, London, and GIC Perestrakhovanie LLC, Moscow. The group also includes three associate companies namely GIC Re Bhutan, India International Insurance Pte Ltd, Singapore and Agriculture Insurance Company of India Ltd. The group performance highlights, on the basis of Consolidated Financial Statements for the half year ended 30.09.2020 are given below:
- Consolidated Gross Premium Income of the company was ₹ 26,748.74 crore in the half year ended 30.09.2020 as compared to ₹ 30,622.28 crore in the half year ended 30.09.2019.
- Investment Income of the group was ₹3,926.23 crore for half year ended 30.09.2020 as compared to ₹ 3,247.64 crore for the half year ended 30.09.2019.
- Consolidated Loss After Tax for the half year ended 30.09.2020 was ₹ 268.63 crore compared to Loss After Tax of ₹ 460.54 crore for corresponding period of previous year.
- Incurred claims Ratio increased from 96.8% in the half year ended 30.09.2019 to 97.0% in the half year ended 30.09.2020.
- Group's net worth (without fair value change account) for half year ended 30.09.2020 was ₹ 22,412.78 crores as against ₹ 22,486.63 crores for corresponding period of previous year.

Summary of Revenue and Profit and Loss Account of Consolidated Financials

(₹ crore)

S No	Particulars	Half Year ended	Half Year ended	2019-20
		30.09.2020	30.09.2019	
1	Gross Premium	26,748.74	30,622.28	51,515.02
2	Net Premium	23,532.81	28,516.25	46,765.41
3	Earned Premium	23,217.29	28,705.06	44,351.02
4	Incurred Claims	22,519.75	27,776.97	43,150.42
5	Incurred Claims Ratio (on earned premium)	97.0%	96.8%	97.3%
6	Net Commission	4,380.29	4,000.13	7,561.85
7	Net Commission Percentage (on Net Premium)	18.6%	14.0%	16.2%
8	Expenses of Management	139.31	237.11	392.60
9	Expenses of Management Ratio (on net premium)	0.6%	0.8%	0.8%
10	Profit/(Loss) on Exchange	(136.21)	114.45	429.03
11	Premium Deficiency	10.37	48.79	19.42
12	Underwriting Profit/(Loss)	(3,968.64)	(3,243.50)	(6,344.22)
13	Investment Income net of expenses	3,926.23	3,247.64	7,146.88
14	Other Income less Outgoings	(362.21)	(542.51)	(1,168.33)
15	Profit/(Loss) Before Tax	(404.63)	(538.37)	(365.67)
16	Taxation	(60.11)	15.59	(87.37)
17	Share of Profit in Associate Companies	75.89	93.42	91.84
18	Profit/(Loss) After Tax	(268.63)	(460.54)	(186.46)





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 12th largest global reinsurer group based on gross written premium figures for 2019-20 and 7th largest non-life reinsurer globally. It has branch offices in London, Dubai and Kuala Lumpur. In April 2018, syndicate fully capitalised by GIC Re became operational at Lloyd's of London. This syndicate 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. The pandemic has created significant uncertainties in regard to the growth trajectory.

On the operational side, the business could be continued essentially through work from home across the globe by the insurers, intermediaries and reinsurers. On the financial side, the uncertainties remain in regard to its impact on business and economic growth and its resultant impact on premium volume, particularly from small and medium size industries. There could be some shrinkage of purchase of insurance with a potential for cascading effect on reinsurance. The specialty classes of business such as event cancellation, travel, credit / surety / mortgage, agriculture, directors & officers, and business interruption are expected to get adversely affected.

2017 and 2018 saw record level of catastrophes globally. Alternative capital took a pause in its deployment in reinsurance sector in 2019 and the trend continues. With uncertainties created by the pandemic on the assets side of the risk carriers, the reinsurance market has shown significant signs of hardening during last few months and the trend is expected to continue during next 6-8 quarters. Hardening of the rates in various segments is more broad-based as compared to earlier instances in the risk carrier markets.

In Indian context, as the insurers get listed and market consolidates 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, health, motor, agriculture, marine, engineering, aviation, liability. The general insurance business in India has penetration level at under 1% thus indicating great potential. Its dominance of the Indian market stems from a long-term and broad-based relationship with the Indian risk carriers. 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 circumstance.

