

Press Release

GIC Re announces Financial Performance for the Quarter and Year ended March 31, 2018

GIC Re records growth of 24.5% in annual premium

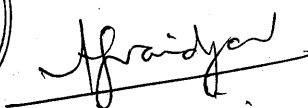
Record Profit After Tax at INR 3,233.58 Crore

Higher dividend declared at 270%

Issue of bonus shares at 1:1

Mumbai, May 25, 2018: GIC Re announced financial performance for the Year Ended March 31, 2018 at a board meeting of company held in Mumbai today. Year 2017 saw record insured losses from global catastrophe events. The year saw catastrophe losses in Harvey, Irma and Maria in the USA and the Caribbean alongside Mexican earthquake and California wildfires, which hit the insurance and reinsurance industry profitability in a major way. Mrs. Alice Vaidyan, CMD highlighted, GIC Re's performance has been remarkable in respect of Premium Growth and maintaining profitability for this financial year against the backdrop of this record global catastrophic loss activity.

- Growth in Gross Premium Income of the company was 24.5% with premium of ₹41,799.37 crore for the current year ended 31.03.2018 from ₹ 33,585.44 crore in the previous year ended 31.03.2017.
- Investment Income increased by 17.6% to ₹ 5,392.03 crore for the year ended 31.03.2018 as compared to ₹ 4,584.35 crore for the year ended 31.03.2017.
- Profit After Tax (PAT) for the year ended 31.03.2018 was INR ₹ 3,233.59 crore compared to ₹ 3,127.67 crore for the previous year ended 31.03.2017.
- Incurred Claims Ratio increased from 81.0% in the year ended 31.03.2017 to 86.5% in the year ended 31.03.2018.
- Combined Ratio is 104.0 % for the year ended 31.03.2018 as compared to 99.7% for the year ended 31.03.2017.
- Net Worth of the company (without fair value change account) increased by 19.9% to ₹ 21,525.92 crore on 31.03.2018 from ₹ 17,946.63 crore on 31.03.2017.
- Growth in net worth (including fair value change account) was 7.04 % at INR 51,360.19 crore on 31.03.2018 as against INR 47,982.94 crore as on 31.03.2017
- Return on Equity (ROE), is 15.0% in the year ended 31.03.2018 compared to 17.4 % in the previous year 31.03.2017.
- Solvency Ratio of 1.72 as on 31 March 2018, which is above the minimum required Solvency Ratio of 1.50.
- Total Assets increased by 16.1 % from ₹ 94,948.62 crore as on 31.03.2017 to ₹ 110,226.98 crore as on 31.03.2018.
- EPS increase from Rs.36.37 for the year 2016-17 to Rs.37.27 for the year 2017-18.



Summary of Revenue and Profit and Loss Account

₹ crore

SL No	Particulars	Three Months Ended			Year Ended	
		31 March, 2018	31 Dec, 2017	31 March, 2017	31 March, 2018	31 March, 2017
1	Gross Premium	8,525.02	8,869.98	9,261.83	41,799.37	33,585.44
2	Net Premium	7,280.02	7,477.13	7,899.65	37,634.46	30,174.56
3	Earned Premium	7,053.34	8,557.68	9,744.41	38,096.05	26,714.90
4	Incurred Claims	6,663.10	7,704.11	6,818.38	32,953.55	21,646.41
5	Incurred Claims Ratio (on earned premium)	94.5%	90.0%	70.0%	86.5%	81.0%
6	Net Commission	1,546.58	1,095.32	1,456.23	6,370.15	5,404.40
7	Net Commission Percentage (on Net Premium)	21.2%	14.6%	18.4%	16.9%	17.9%
8	Expenses of Management	62.72	51.35	51.02	216.44	239.73
9	Expenses of Management Ratio (on net premium)	0.9%	0.7%	0.7%	0.6%	0.8%
10	Profit/(Loss) on Exchange	49.08	(126.09)	(149.53)	(53.33)	(30.83)
11	Underwriting Profit/(Loss)	(1,169.98)	(419.19)	1,269.25	(1,497.42)	(606.47)
12	Investment Income	1,780.17	1,195.59	1,772.50	5,392.03	4,584.35
13	Other Income less Outgoings	(38.98)	11.58	(81.02)	(226.35)	(354.02)
14	Profit Before Tax	571.21	787.98	2,960.73	3,668.26	3,623.86
15	Provision for Taxation	(180.39)	115.22	387.88	434.68	496.19
16	Profit After Tax	751.60	672.76	2,572.85	3,233.58	3,127.67
17	Combined Ratio %				104.0%	99.7%

Financial Data

₹ crore

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017	Growth %	FY 2015-16
GDPI	41,799.37	33,585.44	24.5 %	18,435.81
Profit After Tax (PAT)	3,233.58	3,127.67	3.4%	2,848.39
Return on Equity (ROE)*	15.0%	17.4%		19.2%
Combined ratio (%)	104.0%	99.7 %		107.4 %
Solvency Ratio (times)	1.72	2.40		3.48

International and Domestic Business Composition

₹ crore

Gross Premium	Year Ended 31.03.2018	Share (%)	Year Ended 31.03.2017	Share (%)	Growth (%)	FY 2015-16
Domestic	29,812.91	71.32 %	23,440.34	69.79 %	27.2%	10,194.55
International	11,986.46	28.68 %	10,145.09	30.21 %	18.1%	8,241.26
Total	41,799.37	100 %	33,585.43	100 %	24.5%	18,435.81

Breakup of Gross Premium

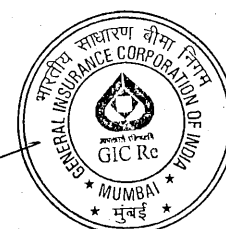
Gross Premium	Year Ended 31.03.2018 ₹ crore	Year Ended 31.03.2017 ₹ crore	Growth %
A) Fire	9,998.18	8,126.49	23.0 %
B) Miscellaneous - Total	30,035.32	23,979.05	25.3 %
Misc – Motor	8,045.55	6,624.39	21.5 %
Misc – Health	5,294.60	4,172.88	26.9 %
Misc – Agriculture	13,139.35	9,752.33	34.7 %
Misc - Other LOBs	3,555.82	3,429.45	3.68 %
C) Marine	1,328.16	1,117.32	18.9 %
Marine – Cargo	446.30	444.60	0.4 %
Marine – Hull	881.86	672.72	31.1 %
D) Life	437.71	362.57	20.7 %
Total – A+B+C+D	41,799.37	33,585.43	24.5 %

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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GIC Re

भारतीय साधारण बीमा निगम

General Insurance Corporation of India

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 year ended 31 March, 2018 are given below:

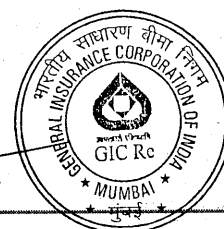
- Growth in Consolidated Gross Premium Income of the company was 25.3 % with premium of ₹ 42,271.41 crore in the year ended 31.03.2018 from ₹ 33,740.79 crore in the same period of previous year.
- Investment Income of the group, increased by 17.8% to ₹ 5,403.09 crore for the year ended 31.03.2018 as compared to ₹ 4,587.75 crore for the year ended 31.03.2017.
- Consolidated Profit After Tax (PAT) for the year ended 31.03.2018 was INR ₹ 3,145.54 crore compared to ₹ 3,671.74 crore during same period of last year.
- Incurred claims Ratio increased from 80.4 % in the year ended 31.03.2017 to 86.5% in the year ended 31.03.2018.
- Consolidated financials reflect Net Worth of the group (without fair value change account) increased by 17.7 % to ₹ 23,203.35 crore on 31.03.2018 from ₹ 19,711.40 crore on 31.03.2017.
- Growth in Group's net worth (including fair value change account) was 6.61 % at ₹ 53,037.70 crores as against ₹ 49,748.55 crore.

Summary of Revenue and Profit and Loss Account of consolidated financials

₹ crore

SL No	Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
1	Gross Premium	42,271.41	33,740.79
2	Net Premium	37,723.99	30,300.33
3	Earned Premium	38,200.00	26,775.97
4	Incurred Claims	33,058.23	21,523.70
5	Incurred Claims Ratio (on earned premium)	86.5 %	80.4 %
6	Net Commission	6,380.09	5,419.75
7	Net Commission Percentage (on Net Premium)	16.9 %	17.9 %
8	Underwriting Profit/(Loss)	(1,534.00)	(456.74)
9	Investment Income	5,403.09	4,587.75
10	Profit Before Tax	3,629.54	3,770.14
11	Taxation	434.92	496.11
12	Share of Profit in Associate Companies	(49.08)	397.71
13	Profit After Tax	3,145.54	3,671.74

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About General Insurance Corporation of India (GIC Re)

GIC Re is the leader 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 SAARC countries. According to Standard and Poor's, in September 2017, GIC Re ranked 12th amongst the top 40 global reinsurers. 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. The move will help broaden and diversify its international portfolio.

The global economic environment is a key driver for insurance markets. Worldwide, insurance premiums are expected to grow at about 3% in 2018 and 2019. 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 2017 witnessed record catastrophe losses globally significantly denting the underwriting performance of insurers and reinsurers who had exposures to these catastrophe events. For some of them, there was significant reduction in profitability.

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.

The public listing initiative by Indian insurance companies has gained momentum. Listing will bring greater bottomline focus to the market. Visibility in the market will improve their interaction with the public-at-large and attract investors.

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 continued obligatory cessions and order of preference; a long-term relationship with the Indian market; and a zest for growth with a keen eye that misses no new opportunity. 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. Importantly, GIC Re has in place 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 growth momentum, it has moved from 12th largest global reinsurer position last year to 11th largest position this year and can be expected to emerge into top 10 global reinsurers in near future.

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