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Date: 12th August 2025

To,
The Manager
Listing Department
BSE Limited
25th Floor, Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400001

To,
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)

Sub: Transcript of conference call held with Investors and Analysts to discuss the unaudited financial results for the quarter ended 30th June 2025

Dear Sir/Madam,

In compliance with Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith Transcript of the conference call held with Investors and Analysts on Friday, 8th August 2025, to discuss unaudited Standalone and Consolidated financial results for the quarter ended 30th June 2025.

Kindly take the above information on record.

Thanking You.

For General Insurance Corporation of India

(Satheesh Kumar)
Company Secretary & 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

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“General Insurance Corporation of India Limited
Q1 FY '26 Earnings Conference Call”
August 08, 2025

**MANAGEMENT: MR. RAMASWAMY NARAYANAN – CHAIRMAN AND
MANAGING DIRECTOR – GENERAL INSURANCE
CORPORATION OF INDIA LIMITED**

MODERATOR: MS. NIKITA – ERNST & YOUNG

Moderator: Ladies and gentlemen, good day, and welcome to General Insurance Corporation of India Q1 FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Nikita from EY. Thank you, and over to you, Ms. Nikita.

Nikita: Thank you, Hamshad. Good morning to all the participants on the call and thanks for joining Q1 FY '26 Earnings Call for General Insurance Corporation of India. Please note that we have mailed out the press release and presentation to everyone and you can now see the results on our website, and it has been uploaded on the stock exchanges as well. In case you have not received the same, you can write to us, and we'll be happy to send it over to you.

Before we proceed with the call, let me remind you that the discussion may contain forward-looking statements that may involve known or unknown risks, uncertainties and other factors. It must be viewed in conjunction with our businesses that could cause future results, performance or achievement to differ significantly from what is expressed or implied by such forward-looking statements.

To take us through the results for the quarter and answer our questions, we have with us the management of GIC represented by Mr. Ramaswamy, Chairman and Managing Director and other top members of the management. We will be starting the call with a brief overview of the quarter gone by, which will then be followed by the Q&A session.

With that said, I now hand over the call to Mr. Ramaswamy, over to you, sir.

Ramaswamy Narayanan: Good morning. I'm Ramaswamy, and thank you all very much for joining today's call. I'll quickly provide an overview of our performance for this quarter, and then we will start the Q&A.

The past year has been characterized by persistent global uncertainty driven by inflationary pressures, geopolitical complexities and escalating climate-related risks. These factors have contributed to heightened volatility across financial and insurance markets.

Nevertheless, the Indian economy exhibited notable resilience underpinned by robust domestic demand and sustained policy impetus. In spite of these challenges, GICRE has delivered a robust performance. Our unwavering focus on underwriting discipline, portfolio optimization and strategic alignment, enabled us to adeptly navigate market headwinds while preserving operational integrity.

The performance of this quarter reaffirms the resilience of our business model and our steadfast adherence to core reinsurance tenants, rigorous risk management, prudent diversification and disciplined underwriting. While catastrophic events continue to pose formidable challenges to the industry, we remain thoroughly prepared, supported by comprehensive risk frameworks and actuarial rigor, we have deepened our understanding of market cycles and refined our risk

appetite accordingly. Looking forward, we remain confident in our strategic direction. The clarity and discipline we have demonstrated position us well to confront emerging challenges and capitalize on future opportunities with resilience and conviction.

We'll now proceed with a detailed review of our financial performance for the quarter. The gross premium income of the company was INR12,388.01 crores for the first quarter ended 30/6/25 as compared to INR12,405.68 crores for the previous quarter ended 30/6/2024.

It needs to be noted that these 2 quarters are really not very comparable since IRDAI has changed the accounting of long-term policies in October 2024 to 1/n, which means that long-term policies, the premium would be apportioned over the number of years, for which the policy is taken. So because of which the premium for the current quarter is lower. And overall, we do see growth in this quarter.

Incurred claims for the quarter is 90.42% for the quarter ended 30/6/2025. It is more or less the same as the previous quarter for the previous year, which is 89.77%. This is in spite of 2 large extraordinary losses, which have hit our books for the current quarter.

Jindal Poly Films, which is a fire loss, where the 100% loss figures are INR2,300 crores and GIC share is about INR925 crores, which is fully provided in our books. And of course, the unfortunate Air India aviation loss, which happened in Ahmedabad.

Both these losses are very adequately provided in our books. In spite of this, the underwriting loss reduced by 30% to INR907.76 crores for the quarter ended 30/6/25 as compared to INR1,288.53 crores for the same quarter last year. Gross investment income has also increased by 18.37% to INR3,228.51 crores as compared to INR2,727.43 crores for the corresponding quarter last year.

Profit before tax has increased by 61.04% to INR2,243.54 crores as compared to INR1,393.16 crores, for the quarter ended 30/6/24. And the profit after tax has increased by 70% to INR1,752.22 crores as compared to INR1,036.36 crores.

I would also like to inform that we have started the practice of providing for catastrophic reserve on a quarterly basis and not annually as done in the previous years. If this were not done, the PBT and PAT figures would have been higher by INR143.47 crores.

The solvency ratio is very robust at 3.85% for the current quarter as compared to 3.36% as on 30/6/24. The total assets have increased by 5.89% to INR197,539.62 crores compared to INR186,552.46 crores for the previous quarter. Net worth of the company has increased by 17.19% to INR45,275.48 crores as on 30/6/25 as against INR38,635.23 crores for the previous quarter. Net worth of the company, including the fair value change account, has increased by 4.17% to INR89,512.55 crores as against INR85,926.02 crores.

The combined ratio has reduced by 2.66% to 106.94% for the quarter ended 30/6/25 as against 109.6% for the quarter ended 30/6/24 and as against 108.8% for the entire year 2024-25.

I would now like to throw open this for questions that you may have. Thank you.

Moderator: The first question is from the line of Aditi Joshi from JPMorgan.

Aditi Joshi: I have a couple of questions. Firstly, on the top line growth. The growth in the international looks to be quite impressive. So is it because of the changes in the credit rating that we have been seeing? Or is it mainly on the account of rates hardening. So if you could just provide some color on that as in how much growth is from the new contract, how much is from the rate hardening?

And on the domestic, it was slightly lower in the international, but going forward, given in the portfolio such as fire insurance, the pricing is getting better at least for the primary insurers. So what is your outlook of growth in the domestic business, including the fire insurance and Motor insurance? So this would be my first question.

Ramaswamy Narayanan: Yes. Thanks, Aditi. Yes, you're spot on. The top line growth on the international has grown because of our credit rating improvement, which happened in October last year, which gave us a chance to look at really good businesses on the 1st Jan renewals, and we managed to write a substantial amount of increase there. So to quickly address your question, it's not because of rate hardening. It is because of new business that we have written on the 1st Jan renewals, which is now coming into our books for this year.

In fact, I would say that for 1st Jan, the market was pretty soft, and we did see rate softening. But then, like I said, because of our credit rating upgrade, we got to see some really good pieces of business both new as well as those that we had written earlier, which we had lost due to our credit rating downgrade, but we managed to get that back. So these are all basically new businesses in our books that you are seeing the increase.

Secondly, on the domestic side, yes, again, you're spot on in saying that the property premium today looks a little subdued simply because quarter-on-quarter when you compare, you're comparing 2 different quarters. In the last quarter, the premium of long-term policies were fully accounted for. Today, we have apportioned them across the different years for which the policy is taken. So to that extent, the property premium would be subdued.

Again, on the domestic front, we have been trying very hard to ensure that the primary insurance rates stay and it is more or less held on until now. So we are very confident that, that will continue to happen during the year.

We are in touch with the market about performance and especially the rates on the primary side is in a position where it is viable for the market to continue writing at those rates. And it gives a certain amount of positiveness to the entire portfolio. So yes, going forward, fire premium would go up, and I think it would be definitely higher than what it was for the entire year last year.

On the domestic side, we have de-grown a bit on the health. Like you would have seen last year, our growth on health was substantial. And it was on the retail health side. This year when we did the analysis of how it is progressing and how it is performing, some of the treaties we felt was not doing the way we wanted it to. There is obviously medical inflation that is coming up and some of the losses have really crept up during the year.

So we have not renewed a couple of treaties that we wrote last year. So to that extent, health will be slightly down. But overall, we are also writing in new clauses of business like surety and cyber and trade credit, et cetera. So that gives us a diversification in our book as well as provides a growth.

So going forward, we would look at this year, maybe for the entire year, we expect the growth to be between 9% and 10% compared to last year.

Aditi Joshi: This 9% and 10% is in domestic or overall...

Ramaswamy Narayanan: Overall. Overall overall. So typically, international would grow about 17% to 20% year-on-year for this year and domestic would be about 6.5% or 7%.

Aditi Joshi: Okay, understood. If I can also squeeze in 1 more on your expense ratio, was slightly better -- I mean, it was a lot better in this quarter as compared to the same quarter last year. So what would be the reason behind that?

Ramaswamy Narayanan: So 2 things. One on the salaries on the employee compensation, what happens is we do provide for the pensions and gratuity for employees based on actuarial calculations. There has been a dip in that for the current quarter compared to last year's quarter. Plus, I think on the IT side, the spending that we have done last quarter compared to this quarter, it was more last quarter. So to that extent, we've got a deficit.

Aditi Joshi: Okay. So what I'm trying to understand is that the expense ratio outlook for the rest of the year and for the coming quarters. So I guess IT spending can be up and down maybe quarter-on-quarter. But it looks like the salary -- employee salary compensation can continue possibly.

Ramaswamy Narayanan: Yes, it will more or less carry at this rate because whatever changes that is looked at, we've kind of already provided for it, right? So honestly, but Aditi, the point is if you look at our expense ratio, it's less than 1%. Honestly, it's not something that is going to move the needle. It's not going to go up from 1% to 5%. It will only change between maybe 0.9% to 1.1%. So honestly, it's not something that is going to move the needle as far as the combined ratios go.

Moderator: The next question is from the line of Shubham an individual investor.

Shubham: Congratulations on a fantastic set of numbers. I had a couple of questions. So one was on the expense ratio. You also see the commission going down from 19%, 20% to 16%. So what has led to this lower commission? And would this like normalize back to 19%, 20% for the entire year?

Ramaswamy Narayanan: Well, yes. So this is more a one-off, I would say, for this quarter. Basically, the initial commissions that we charge. And then depending on the profitability of the portfolio, the commissions would go up or down. That's how typically it works. So I would say this is a one-off. Going forward, we will see that it kind of settles down around 18%, 19% for the year.

Shubham: Okay. Because almost, I think, INR300 crores is like the savings from commission for this quarter?

Ramaswamy Narayanan: Yes, yes. So that's what I said. I mean typically, what would happen is as the quarters advance as we come closer to the end of the year, depending on the profitability of the treaties, the commissions would change. So it will all depend on how these treaties perform over the next 3 quarters. And then typically, the commissions, we would see how it settles.

Shubham: Got it. And second question was, in general, like what's the strategy for booking the investment income? Because ultimately, that is the one which is driving our bottom line. So do we have any specific strategy that every quarter or every year basis how much we have to keep booking to bring a certain level of PAT?

Ramaswamy Narayanan: No, Shubham. It's not like that. Now let us understand our investment book over the 100%, about 74%, 75% is debt, right? And so there is no question of redeciding when to book and how to book. This typically means that for the 75% of our book, the interest would come in at the normal time it gets booked each quarter, right?

It also means that, to a great extent, our book is held to maturity. So we have kind of ensure that the higher rates at which we purchased these -- some of these debts, continues. So we end up getting a good amount of interest on that.

What you're talking about in terms of is about profit on investment of -- I'm sorry, profit on sale of investment equity. So let me be very honest. We don't really try to sell investment just to prop up our bottom line. That is not what we do. When we do sell, it is just because we feel that a particular sector is kind of run up well and reach the end of where it should be. And then we decide to sell if a stock or a sector has become suddenly overheated, we would then kind of sell it and maybe wait and purchase it at a later time.

So these are strategies for which the investment department, there are analysts, there are officers who look at these things in detail and present their recommendation as to what we do. Honestly, we don't really sell equity just to show profit on our books. That's not something that we do. Again, we also need to understand that maybe 2 years down the line, IFRS is going to come in. So we need to be ready for that. So for that, whatever strategy we need to do, we will do.

But at this stage, I think the investment book is in a very comfortable space. Like I said, a major part of that is debt where the interest keeps coming irrespective of how the stock market functions. So again, I have said this earlier also that whatever risk appetite we have, whatever risk we want to take, we take it in our business. We don't take it in our investment. Our investment is normally very, very safe. We don't play around with that. And I think it's in a good space now.

Shubham: Got it. And finally, on our network, so the way we accounted in our books is at the book value that is excluding your fair value changes. Is this in line with what, let's say, the other private insurers could be general or life insurers follow? Or this is something which we are following separately?

Ramaswamy Narayanan: So this is how typically every insurer would be asked to follow by IRDAI. So IRDAI says that everything should be accounted for in book value. We also show it in fair value because when our international rating agencies look at us, they look at us from a market value perspective,

which is why we provide you with both flavors. Of course, going forward, as I said, again, once IndAS comes in, everything would be on market value. So at that time, obviously, we will see everything on market value. But currently, everything is on book value.

Shubham: Got it. And the ROE, which we are showing now it's in the range of 18%, 20% because your net worth is on the lower side because of the exclusion of fair value changes. Once the IFRS and all comes in, would your ROE continue to be in that level or it would automatically drop because of higher net worth?

Ramaswamy Narayanan: We will still need to find that, Shubham. We are still working on it. So IFRS is something that our team is working on. Hopefully, we will not even wait for the dates that IRDAI has given for implementation. We'll actually start doing that much earlier. And we will be in a position to hopefully give you both the figures, the IGAAP as well as the IndAS figures, maybe from the third quarter of this year.

So you as an investor or as an analyst may actually get to see how the books would look once IFRS comes into play. We are still working on it. So I may not be able to give you a 100% answer now as to whether the ROE will change because, honestly, it's not dependent only on the investment fair value. It depends also on how the overall underwriting looks. So there will be multiple factors there.

Moderator: The next question is from the line of Ritika Dua.

Ritika Dua: While, sir, I heard you on the IFRS, that we are going to share from third quarter, not sharing any numbers, but sir, generally, could you maybe highlight some of the changes that we are going to see when we move to IFRS. So with some of the other general insurance, obviously, we have some understanding as to at least the broad changes that are expected as to once we move to rather IFRS. Could you just give us a broad understanding then without any numbers?

Ramaswamy Narayanan: So essentially, it will affect us both in terms of the business performance, which is our core activity, which is reinsurance as well as on the investment side. On the core business side, we do believe that it will be beneficial for us. IFRS will be beneficial the way the business will be shown.

We've seen how other companies have done it in markets where we are present. And once IFRS comes in, the results actually look better on the underwriting side. So we believe the same should happen for us. Like I said, we are still in the process of working that out, understanding our book and putting in the data.

On the investment side, what would happen is, like I said, it will be taken on market value basis. So it would mean that any dip in the market would actually get reflected negatively for us in case we are showing depreciation in our values. Today, that doesn't happen because to an extent, what happens is only the book value is seen, any change in the fair value doesn't really come and hit our books currently.

So to that extent, we'll need to manage our investment in a different way. I guess we'll have to start working like a mutual fund managing the NAVs on a day-to-day basis, ensuring that the churn happens in a way that we are able to kind of roll over the negativity of the market.

So that is again something that we are working on. There are strategies in place to manage that. But the way I see it is, in case IndAS comes in, it should definitely be beneficial to us in the long run.

Moderator: The next question is from the line of Karthikeyan K, an Individual Investor.

Karthikeyan K: So I have a few questions regarding our foreign portfolio. We have sort of stopped writing Foreign portfolio with respect to Motor and Marine, but still we are incurring losses there, right? So how is it going to look forward from this financial year?

Ramaswamy Narayanan: So yes. I mean I wouldn't say we have stopped completely Motor and Marine, but then we are careful about the kind of business that we write. So we do continue to write Motor and Marine. Marine is a worldwide book anyway.

And Motor also, there are specific markets from where we write business. Having said that, there was a particular contract in the U.S., which was for Marine and Motor, which we had stopped in '21. The runoff of that continues to come in.

Karthik, sorry about that. So what I was saying is Marine and Motor, we do continue to write since these are books that we get to see from different markets. But a particular contract from the U.S., which we have stopped in 2021, the runoff continues to come in terms of -- so earlier, both the premium and claims used to come, now the premium is stopped.

Now it's only the claims. But then these are adequately provided in our books. What you get to see is the payments that we are doing for these classes.

Karthikeyan K: Okay. So that's still continuing, right? The runoff and declines are coming still. So how long do you think that's going to happen? How long? I mean any time line? Or it is not possible to provide any time line?

Ramaswamy Narayanan: I guess, Marine is kind of done now. And if you see it reflects in the loss ratios as well. Motor is where we would expect -- I mean, typically, Motor third party is a long-tailed class. We would possibly expect this to go on for another 2 to 3 years. It's actually come down. The actual amounts if you see, have really come down. But over the next 2 to 3 years, we'll still see some claims coming in from Motor, yes.

Karthikeyan K: Sir, another question is, like you said that there is some major impact with the aviation. But there is a line item, which says other miscellaneous where the underwriting loss is almost INR400 crores. Is that also related to aviation or something else?

Ramaswamy Narayanan: There will be. To an extent, Karthikeyan, it would be. Let me also clarify. So when we talk about the aviation loss, per se, so there are multiple classes that are involved in this loss. I'm talking of the Air India -- unfortunate Air India crash that happened in Ahmedabad, now there are multiple

classes, which get involved because this was an international flight, so people would have taken travel policies, that will trigger. There'll be losses paid there.

PA policies that people would have taken that would trigger. Life insurance policies that are taken that would trigger, there will be some losses coming out of Marine. And then over and above all this would be the fleet policy, which Air India has taken through which the hull loss will be paid, which is almost \$125 million, 100%.

And there will be liability losses for the passengers who lost their lives. Plus, since unfortunately, the plane crashed in a building where there were doctors, obviously, the third-party liability will also be high. So there are multiple areas from where losses would come for this particular loss that we are talking about.

Karthikeyan K: Collectively put, what will be the quantum of the loss?

Ramaswamy Narayanan: Again, the market is coming to terms. There are different views about it. There are people who are saying it could be \$200 million to \$250 million. We believe it could be closer to \$400 million to \$450 million because, again, like I said, there are multiple classes getting involved.

Again, the liability could be higher than what people are thinking because even though the Montreal Convention specifies what should be paid, we could have a situation where people might get higher payouts than that.

Again, the third-party loss should work out to be higher because these are all professionals who have lost their lives. So obviously, to that extent, the award could be higher. So the market is still coming to terms with it. Maybe going forward, we will reach a landing on the actual figures.

Karthikeyan K: Okay, sir. With regards to obligatory business, what will be the combined ratio there, sir, for us? I mean, over the years, I mean what it has been? I mean, like how it has progressed from currently what is the combined ratio in the obligatory business?

Ramaswamy Narayanan: So it will be more or less reflecting the combined of our domestic business, okay? So if you look at our domestic business, it currently is at around 104%. For the last couple of years, it's kind of hovering around that figure. And obligatory would also be around that because even though the market today -- the insurance market today is at a combined of maybe 118% or something, I think as a company, we have managed to do better than the market, which reflects in our overall domestic book and the same would be true for obligatory as well.

Karthikeyan K: Okay. Sir, if Life business is an obligatory or, I mean, major part is obligatory or nonobligatory?

Ramaswamy Narayanan: Life, there is no obligatory. It's only for non-life. Life is purely the business that we write voluntarily. There is no obligatory there, yes.

Karthikeyan K: But why is that we are seeing now losses continuously for several quarters, the underwriting part.

Ramaswamy Narayanan: So it's more about the company ramping up its reserves. So what happens is Life is a long-tailed policy, long-tailed class. Normally, policy is taken out in the range of 25, 30 years. So for some

of the treaties that we have written in the past years, maybe 10, 12 years back, if we see that the performance is not as we wanted it to be, then we would provide reserves to ensure that there is no shock coming in the later years. And that is what we have done.

Typically, after COVID, we did expect some kind of stability to happen in the portfolio, which did not seem to be there. The losses seem to be coming more than what we expected. And that is where we have kind of ensured that our provisioning is in line with the losses that we see.

So this is something that we'll continue to do for long-tail class like Life, where we'll continue to monitor the claims that are coming in vis-a-vis the provisioning we have made for the same. And depending on how they move, the provisioning will change.

Karthikeyan K:

Okay. Sir, we have not seen much of a competition, right? Whatever competition has come from like FRBs and the other -- which we don't have any legal presence in India. So going forward, there are no new companies getting created the reinsurance part. So how are we planning to tackle that with the competition? What kind of strategy you're going to follow there and we have legal entities coming in?

Ramaswamy Narayanan:

Karthikeyan, I will not agree with you there that we have not seen competition in this market. I think we have seen all the competition that we wanted to see. FRBs, even before they set up here, they did have a presence in this market. And after coming in, they have competed with us.

We have been seeing price softness happening due to higher capacity being available. There are enough number of -- almost 300 numbers of cross-border reinsurers who are working in this market. So I don't see a situation where we have worked in an environment where there has been no competition. I think competition has been there.

And honestly, as a company, we have welcomed that simply because getting more reinsurance capacity in this market means that the insurance market will develop. There is a lot of scope for insurance growth to happen. The penetration levels are at 1% or maybe less than that for non-life. Obviously, it needs to go up. The government is pushing for that, regulator is pushing for that, insurance for all by 2047.

I think seeing how companies are in this market, the insurance companies, the fact that majority of them are privately owned means that as and when they grow, they will look to reinsurance for supporting their growth. So we welcome more and more people to get into the reinsurance market, then it will also help us to write the kind of business that we want to drive because the kind of relationship we have with all these insurance companies or relationships that go back very many years. They know what kind of capacities we can give, what kind of expertise we provide and what kind of support we provide in this market.

So we don't mind competition as long as people understand what they are writing and they are able to put in that kind of capacities, we are more than happy to have them. Having said that, new companies will take some time to settle down because reinsurance is a game of deep pockets, you need to have a lot of capacities, you need to have a lot of staying power. And if they have that, more than happy to welcome competition in this market.

Karthikeyan K: So what kind of strategy do we have? I mean, planning for like the foreign portfolio, you said that the growth will be in the range of 17% to 20%. So that's going to be for the longer term, right? You didn't specifically mention that for this year. I mean, can we see that going forward for next 2, 3 years?

Ramaswamy Narayanan: Yes, yes. It will all -- that's how we are planning it, that international grew about 17% to 20% year-on-year and domestic could grow about 7% to 8%, where we have factored in the fact that there will be more competition in the domestic market, number one. Number two, on the international side, the confidence comes from the fact that we used to write a lot of business in the past, which we lost, some of the good businesses that we lost due to the credit rating downgrade that we suffered in 2020.

Having got the rating back, having maintained our relationships with all these companies, we are confident that we will get back those businesses that we lost. We've already started. We are already in the market. We've already got some part of the shares for all the businesses that we lost. So it's a question of ramping that up going forward, also getting to see some really good international businesses, which have come up in the last few years and writing that. So the confidence comes from that.

Like I said earlier, we've also provided for the fact or taken on board the fact that there will be competition in the domestic market. Having said that, if the market grows the way it is expected to grow, we don't expect any diminution in our participation in this market.

The shares might come down, but then the overall market will anyway go up. So our business, our capacities in the market will continue. So which is why we are very confident that in the next medium term, we'll definitely be able to write the business that we are looking for.

But again, the biggest challenge and the biggest driver for us is that the business that we write should be profitable. We're not writing business just for increasing our top line. We are not in that game. We want to ensure that every piece of business that we write brings profitability to us, increases our margin and overall helps us in improving our network.

Karthikeyan K: Sir, one last question I have is like the combined has come down during the first quarter for the Foreign portfolio. So what will be like for this financial year going forward, the combined for the Foreign portfolio?

Ramaswamy Narayanan: So we are expecting that the combined will be -- so it's not -- I mean if you're asking whether this is a one-off, it's not. It is something that we expect that it will continue going forward for this year. The combined for the Foreign for this year, we honestly expect it to be closer to where it is now. Maybe it will improve a little more than what it is currently. So I think if you see overall, we are looking at a combined of around 107%, 106.8%, 107% for this year, in which overall, the domestic curve will continue to be at around 104%, 105% and Foreign will come much better than what it was last year. I think it will come closer to 110% is my feeling.

Moderator: The next question is from the line of Anant Mundra from Mytemple Capital.

Anant Mundra: Sir, I just wanted to understand the investment book better. So I just wanted to get a sense like what is the restriction? Are there any regulatory restrictions on us to invest in, say, equities versus fixed income? And could you just highlight that how much of our policyholders' book can we invest in fixed instruments versus equity and how much of the shareholder can we invest in fixed instruments versus equity?

Ramaswamy Narayanan: Okay. I can give you something briefly. If you want more details, I'll get my CIO to talk on this. The point is there are no restrictions. Yes, there are some restrictions which IRDAI have put in, but they don't say that we should put only so much into equity or anything or we should not put it into equity. I think this discipline is something that we have set upon ourselves because we are also rated by international credit rating agencies.

And they want to ensure that the investment book is very, very safe, very, very liquid and doesn't throw up shocks. And like I said, we try to keep our investment book very safe. Having said that, you asked whether there is any specific policy for policyholders' funds vis-a-vis shareholders' funds, we don't do that. The entire fund is taken together. And within that, we decide how much we will have it in debt. So like I said, 74% currently is in debt, about 17% to 18% is equity and typically about 8% is money market.

Money market is more FDs and liquid mutual funds simply because we need the money to pay claims as and when it comes. So we keep it very simple. Our idea is to maintain the equity around the same stage because that gives us the right kind of investment income that we want every quarter in our books.

Otherwise, I mean, there are certain restrictions, which IRDAI puts as to you must have certain percentage in housing, certain percentage in infrastructure, something in government bonds and things like that. But those we are very clearly following. There is no problem there.

Anant Mundra: Got it. Got it. So sir, currently, what is the run rate of our fixed income that comes in quarterly -- without -- if I exclude the capital gains, basically, how much is...

Ramaswamy Narayanan: You wanted the rate of interest, is it?

Anant Mundra: No, no. The quarterly run rate of the investment income that we are receiving right now. So it's about, say, INR2,000 crores quarterly fixed kind of income that we will surely get whether we book any equity gains or not, something of that sort, like some color on that.

Ramaswamy Narayanan: Yes, yes. So we showed INR3,230.26 crores for this quarter, out of which INR1,074 crores is profit on sale of investment. Interest and dividend together is about INR1,850 crores. There is - - we do have branches and operations abroad. We keep that money outside in international funds. That bank interest is about INR167 crores.

And there is also some businesses who keep our premium for some time. So there is a interest on reserve deposits of about INR131 crores. So to come back to your point, maybe interest and dividend, which is something that comes on a regular basis for us, that's about INR1,850 crores and profit on sale of investment is about INR1,074. This is for this quarter, and this is kind of expected to continue fully.

Moderator: The next question is from the line of Shobhit Sharma from HDFC Securities.

Shobhit Sharma: Sorry, I joined a bit late. So sir, my first question is on the growth in the Motor segment. So on the direct side, if you look at industry hasn't grown that much, some of the PSU players have been very aggressive on that side. So was this a one-off quarter for you in the Motor side?

And secondly, how has been our experience in the revision in the pricing primarily on the property segment wherein we have seen last year there was a steep decline in the rate. And I have another follow-up question on the LOB-wise loss ratio, specifically on the Motor, Health and Fire segment, if you can break that into.

Another thing which I wanted to ask you is for the quarter, our net commission ratio has reduced considerably. So have you rationalized the commission rates we have offered to the insurers?

Can you help us understand what has led to that? And lastly, on one small thing, data keeping. On the capital gain, you mentioned for this quarter, you have booked INR1,074 -- INR1,174 crores. Can you give us same number for last year same quarter? And what was the total capital gain realized in FY '25?

Ramaswamy Narayanan: Sure. Okay. So let me try and take this point by point. First, Motor, you asked where is the growth coming from. So yes, there hasn't been much of a growth on the direct side. But we've also been writing some new treaties on Motor where we have been supporting some of our partners. So that is where our growth is coming from.

Earlier, Motor used to be almost predominantly obligatory. Major part of that used to be obligatory. But now there are a lot more treaties that we write with some of the companies on Motor. So that is where our growth is coming from.

Secondly, you asked about revision in pricing on property. Yes, that is something that we are very closely monitoring. And we've tried to ensure and get people on the same page in terms of pricing to ensure that there is viability in the property market on the direct side.

You asked how does that affect us? Honestly, property is majorly proportional capacity that we provide in the market. So if the pricing on the direct side improves and the premium increases, we obviously get the benefit of it. So yes, we would be looking to get the benefit of that. It has not happened. I mean, rather, you would not see it in the first quarter comparison with the first quarter of the previous year because like I said, there is a change in the way long-term policies are accounted for.

Earlier, it used to be booked in the same quarter. Now it is apportioned for the different years for which it is bought. So to that extent, it will actually look flat or even slightly lower. But going forward, by the end of the year, you will see that property premium are higher than what it was last year.

You also wanted to know about the commission. So yes, the commission looks low at this stage because typically, what would happen is when treaties are signed, commissions are started at a

certain level. And then depending on the profitability of the portfolio, the commissions would go up or down. We expect the portfolio to be profitable this year.

Like I said, the pricing has gone up hopefully, catastrophic losses will be comparatively lower than previous years because rains have been good. We have not heard of headline- making floods happening in this part of the country. We've also not heard anything on the international side.

But we are monitoring that. So depending on how the portfolio performs, you would expect commissions to go up in case it works better. Our own feel is that as the year goes through and we reach towards the end of the year, the commissions would be more or less at the same levels as last year.

You also asked about the capital gains INR1,074 crores that we booked this year. For 30/6/24, it was INR790 crores. And for the whole year of 31/3/25, it was INR4,108 crores. So I mean, going by what we have booked, we can expect it to be around the same level or even slightly higher for the entire year.

Shobhit Sharma:

Sir, can you help us understand the LOB-wise loss ratios because there is a significant improvement in the loss ratio despite the 2 large losses, which we have accounted for this quarter. So was this driven by the Motor health or Fire segment?

Ramaswamy Narayanan:

Let me quickly have a look at this. So some of the improvements that I see compared to previous year. Basically, quarter-on-quarter, Fire is more or less the same. I think the improvement has come from Motor -- no, not really. Motor on a combined, yes. It's more from Agri, maybe a bit of Health. And yes, these are the ones that have contributed to the improvement. Of course, Engineering, comparatively a smaller class, but that has shown profitability. These are the 3 main classes.

Overall, Motor looks good now compared to earlier years. Property also is matching up because if I see the overall combined, combined for Fire is at around 106%, Motor is 107%, Health has come down to 111%, Agri at 86%. But honestly, Agri should go up a little as the year goes by.

Cargo has come down. It was a class, which internationally we had issues with. That has come down to 104 %. Hull is at 44%, but again, this will be a one-off. So I think overall, each of the classes have performed better. Idea would be to bring it to bring it -- to better it going forward. It will all, of course, depend on how the catastrophes work out in the next 2 quarters.

Shobhit Sharma:

Okay, sir. And sir, last question, sir, on the Retail Insurance segment, primarily the Motor, Retail, Health, we have seen insurance companies retaining most of the risk on their net. Do you believe that there is an appetite for these insurance companies to cede that business to the reinsurers? Just your views on that, sir.

Ramaswamy Narayanan:

Sir, we are seeing them do it. So like I said, the growth that happened in Motor, which is your question that in the primary market, there was no growth, but where did we grow? So that growth is basically in Retail Motor. So some of the treaties that we have written where it used to be earlier kept by the insurance companies, now they have ceded it to us.

So on the Retail side, you are right in saying that individual policies are small tickets, so the companies have the capacity to retain. But as they start writing more and more, they will obviously need to put in more capital. If you see this market, barring for maybe 4 or 5 companies who are listed in the market, rest are privately owned. So obviously, there will be a problem in getting the kind of capital that is required. And normally, in that kind of a situation, it is the reinsurers who will be putting their capacity and driving up the capacity in the market. And that is what we see happening.

And going forward also, to your question, whether we see this happening, I think once RBC comes into play, what we would typically see is the capital would come down, the solvency ratios would come down for the market. And rather than quickly looking to get capital in, they might look for reinsurance capacities. So that is one reason why we have kept our solvency at a higher level and not really soliciting business at this stage because we would rather wait and write profitable business, which would come to our side when RBC kicks in.

Moderator: The next question is from the line of Ritika Dua from Bandhan AMC.

Ritika Dua: Sir, just my apologies, if you could just reiterate the guidance you gave on combined ratio for the overseas business? And also, if you could just break that down because if I heard the number correctly, then there was a meaningful improvement that you're expecting.

And is this meaningful improvement largely a function of maybe we have already provisioned for the businesses well written and we don't expect any -- or how does that really improvement work, if you could help understand. So that's the first question.

Ramaswamy Narayanan: Okay. So let me just give you a feel on this. So for the current year, so last year, we ended with a combined ratio of 108.8% where typically the Foreign was at 126% and domestic was at 104%. This year, we are expecting that to come down by at least 1%, maybe slightly more. So the combined should be closer to 107% -- 107.5% is what we believe it will be.

And a major part of that improvement would come from international. Because I think domestic, if you see, we are currently at 104.5% or something, where I think that's a good position to be in. I don't think we will be in the short term, able to do better than this on the domestic simply because if you see the overall market, it is running at a combined of 116% to 118%, and we are already doing much better than the insurance market. So our improvement will happen on the Foreign side. And what we believe is from 126%, we should ideally be coming to around 118%, 116% is what we would be looking at for this year.

Ritika Dua: We are already 118% for the quarter. So you said that we could be 116% for the year roughly?

Ramaswamy Narayanan: Exactly. There are 2 quarters -- I mean, the coming 2 quarters, which is the July, August, September and the October, November, December are internationally, the 2 quarters where you get catastrophic losses, so we need to really monitor that and see how that works. Fortunately, we have still not received any adversaries of any major CAT event happening in any of the markets. So we are sanguine about getting a much better combined ratio. But I guess as the quarters move on, you will get a much clearer picture on the combined.

Ritika Dua: Sir, second question is a little more accounting. So for all the unlisted -- investments in the unlisted space that we have, how do we account for the sale? And especially on -- even if they are obviously marked up on a fair value basis, what is our -- when does the market really happen? And what is the basis for the same also, if you could share that?

Ramaswamy Narayanan: Well, honestly, the number of unlisted companies are very, very less in our books. Having said that, the unlisted companies would be accounted for on book value basis only at this stage. We don't really mark it up unless it gets lifted.

Moderator: Ladies and gentlemen, this would be our last question for today. I would now like to hand the conference over to the management for closing comments.

Ramaswamy Narayanan: Thank you, everyone, for your questions, your comments, your suggestions. They mean a lot to us. And honestly, over the years, they have opened our eyes to looking at our business in different ways. I'm hoping that the consistency of our performance this quarter would give you the confidence that it reflects our disciplined execution, a focused strategic approach and prudent risk management. These efforts have positioned us to pursue opportunities.

But hopefully our efforts have positioned us to pursue opportunities that align with our risk appetite and support our long-term vision for sustainable value creation, and I hope that gives you the confidence about how this company will perform going forward.

On a very personal front, I'll be laying down office at the end of September. And so this is most probably the last time that I'll be interacting with all of you on this platform. I would like to take this opportunity to thank all of you for the support that you have given to GIC, the interactions that we have had and the interest that you have shown in us.

I've learned a lot from these interactions and have taken heart from the positive vibes and comments that have come from you. I hope our performances have given you the confidence in our business and the strength that our balance sheet has and that you will continue to support this company and my successor in the years to come. I wish you all the very best in your future endeavors. Thank you once again.

Moderator: Thank you. On behalf of General Insurance Corporation of India, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.