

Ref. No.: GIC Re/SE/2019-20/Q4-OBM

Date: June 24, 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 June 24, 2020

1. Pursuant to Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and other applicable requirements, we forward herewith a copy of the **Audited Financial Results (Standalone and Consolidated)** for the quarter and financial year ended March 31, 2020 together with the Auditors' Report as approved by the Board of Directors at its meeting held today. A copy of the press release being issued in this connection is also attached.

Please note that, J Singh & Associates and D R Mohnot & Co. Chartered Accountants, the joint statutory auditors of the Corporation have issued audit reports with **unmodified opinion**.
2. The Insurance Regulatory and Development Authority of India (IRDAI) has vide its circular bearing number IRDA/F&A/CIR/MISC/099/04/2020, dated April 24, 2020 has urged insurers, in view of the emerging market conditions, and to conserve capital with the insurance companies in the interests of the policyholders and of the economy at large, to take a conscious call to refrain from dividend pay-outs from profits pertaining to the financial year ending March 31, 2020, till further instructions. Consequently, the Board after due consideration and taking cognizance of the IRDAI circular did not propose any final dividend for the year ended March 31, 2020.
3. Pursuant to Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and referring to the communication vide letter no. GIC Re/SE/2020-21 dated June 1, 2020, we inform that the Board at its meeting held today has decided to extend the term of existing RTA, M/s. KFin Technologies Pvt. Ltd. upto September 30, 2020.

Request you to kindly take the above information on record.

Thanking You

For General Insurance Corporation of India


(Suchita Gupta)
CS & CFO & 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,
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एक कदम स्वच्छता की ओर

Press Release

GIC Re announces Financial Performance for the Quarter and Year ended March 31, 2020

**GIC Re records growth of 15.35 % in annual premium
Growth in Investment Income of 11.31%
Improvement in underwriting performance for the 4th quarter 2019-20**

Mumbai, June 24, 2020: GIC Re announced financial performance for the Year Ended March 31, 2020 at a Board Meeting of company held in Mumbai today.

Commenting on the results, Mr. Devesh Srivastava, Chairman and Managing Director said, "GIC Re has maintained its market standing in both domestic and foreign businesses. However, fiscal 2020 has seen the Insurance Industry register severe claims World-wide as well as in India. The explosion of the Covid-19 Pandemic has further aggravated the situation leading to an impact on the financial markets and the economy in general." He added, "The highlight, however, has been a strong performance in the fourth quarter with a Profit After Tax of Rs. 1,197 crore which has offset a large proportion of the losses incurred in the three quarters of the year 2019-20.

We give below details of our financial performance for the year ended 31.03.2020:

- Growth in Gross Premium Income of the company was 15.35 % with premium of ₹ 51,030.13 crore for the current year ended 31.03.2020 from ₹ 44,238.00 crore in the previous year ended 31.03.2019.
- Investment Income increased by 11.31 % to ₹ 7,125.48 crore for the year ended 31.03.2020 as compared to ₹ 6,401.34 crore for the year ended 31.03.2019.
- The company recorded Loss before tax of ₹ 445.97 crore in year ended 31.03.2020 as against Profit before tax of Rs ₹ 3,433.82 crore in the previous year. The reduction in profit is on account of provisioning for investments and increase in agriculture losses. Also, Loss before tax up to the period ended 31.12.2019 was Rs.1,547.06 crore, and due to profit before tax for the 4th quarter 2019-20 amounting to Rs.1,101.09 crore, Loss before tax for the year 2019-20 reduced to Rs.445.97 crore.
- Loss After Tax for year period ended 31.03.2020 recorded as ₹ 359.09 crore as compared to Profit after Tax of ₹ 2,224.31 crore for year ended 31.03.2019. As compared to Loss After Tax for the nine months period ended 31.12.2019, amounting to Rs. 1,556.50 crore, there has been profit after tax recorded in the 4th quarter 2019-20 of Rs. 1,197.41, which reduced the loss for the full year 2019-20.
- Net Worth of the company (without fair value change account) recorded as ₹ 20,529.45 crore on 31.03.2020 as against ₹ 22,334.42 crore on 31.03.2019.
- Total Assets was ₹ 1,16,196.20 crore as on 31.03.2020 as compared to ₹ 1,18,883.57 crore as on 31.03.2019.
- Incurred Claims Ratio increased from 89.5 % in the year ended 31.03.2019 to 97.5 % in the year ended 31.03.2020.
- Underwriting Loss recorded ₹ 6,367.18 crore in year ended 31.03.2020 as against loss of ₹ 2,211.46 crore in previous year. Underwriting performance improved during the 4th quarter 2019-20 with underwriting loss for this quarter to Rs.463.58 crores.



- Combined Ratio is 114.37 % for the year ended 31.03.2020 as compared to 105.86 % for the year ended 31.03.2019. Improvement in combined ratio recorded for the full year 2019-20, which was 115.76 % for the period ended 31.12.2019.
- Adjusted Combined Ratio is 102.47 % for the year ended 31.03.2020 as compared to 93.98 % for year ended 31.03.2019
- Solvency Ratio of 1.53 as on 31 March 2020.

Summary of Revenue and Profit and Loss Account

₹ crore

S No	Particulars	Three Month ended 31 Mar 2020	Nine Months ended 31 Dec 2019	Three Month ended 31 Mar 2019	Year ended 31.03.2020	Year ended 31.03.2019
1	Gross Premium	9,217.84	41,812.29	8,089.35	51,030.13	44,238.00
2	Net Premium	8,439.89	38,215.52	5,774.78	46,655.41	38,995.97
3	Earned Premium	7,668.77	36,476.66	5,056.28	44,145.43	37,679.08
4	Incurred Claims	6,887.42	36,148.44	3,783.32	43,035.86	33,739.95
5	Incurred Claims Ratio (on earned premium)	89.8%	99.1%	74.8%	97.5%	89.5%
6	Net Commission	1,419.26	6,089.09	1,047.68	7,508.35	6,105.43
7	Net Commission Percentage (on Net Premium)	16.8%	15.9%	18.1%	16.1%	15.7%
8	Expenses of Management	91.43	281.58	67.08	373.01	256.07
9	Expenses of Management Ratio (on net premium)	1.1%	0.7%	1.2%	0.8%	0.7%
10	Profit/(Loss) on Exchange	252.76	171.27	(56.63)	424.03	216.18
11	Premium Deficiency	(13.00)	32.42	0.43	19.42	5.29
12	Underwriting Profit/(Loss)	(463.58)	(5,903.60)	101.16	(6,367.18)	(2,211.46)
13	Investment Income (Net of Exp)	1,909.48	5,216.00	1,598.89	7,125.48	6,401.34
14	Other Income less Outgoings	(344.82)	(859.46)	(505.97)	(1,204.28)	(756.06)
15	Profit Before Tax	1,101.09	(1,547.06)	1,194.08	(445.97)	3,433.82
16	Provision for Taxation	(96.32)	9.44	590.71	(86.88)	1,209.51
17	Profit After Tax	1,197.41	(1,556.50)	603.37	(359.09)	2,224.31
18	Combined Ratio %		115.76		114.37	105.86



International and Domestic Business Composition

(₹ crore)

Gross Premium	Period Ended 31.03.2020	Share (%)	Period Ended 31.03.2019	Share (%)	Growth (%)
Domestic	36,233.84	71.00%	30,972.21	70.01%	16.99%
International	14,796.29	29.00%	13,265.79	29.99%	11.54%
Total	51,030.13	100%	44,238.00	100%	15.35%

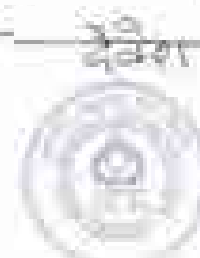
Breakup of Gross Premium

Gross Premium	Year ended 31.03.2020 ₹ crore	Year ended 31.03.2019 ₹ crore	Growth %
A) Fire	12,026.97	10,312.55	16.6%
B) Miscellaneous - Total	35,938.30	31,608.53	13.7%
Misc – Motor	9,440.01	8,349.68	13.1%
Misc – Health	5,588.50	5,147.24	8.6%
Misc – Agriculture	15,470.07	13,289.12	16.4%
Misc - Other LOBs	5,439.72	4,822.49	12.8%
C) Marine	2,109.30	1,772.82	19.0%
Marine – Cargo	1,130.31	744.95	51.7%
Marine – Hull	978.99	1027.87	-4.8%
D) Life	955.57	544.10	75.6%
Total – A+B+C+D	51,030.13	44,238.00	15.4%

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.



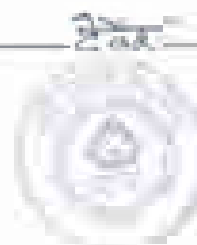
Consolidated Financials of GIC Re

- GIC Re's group includes subsidiary companies namely, GIC Re South Africa, GIC Re Corporate Member, London, and an addition in this year of our 100% owned subsidiary in Russia namely 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 year ended 31st March 2020 are given below:
- Growth in Consolidated Gross Premium Income of the company was 12.94 % with premium of ₹ 51,515.02 crore in the year ended 31.03.2020 from ₹ 45,611.32 crore in the previous year
- Investment Income of the group increased by 10.84 % to ₹ 7,146.88 crore for the year ended 31.03.2020 as compared to ₹ 6,447.75 crore for the year ended 31.03.2019.
- Consolidated Loss After Tax for the year ended 31.03.2020 was ₹ 186.46 crore compared to Profit after Tax of ₹ 2757.57 crore for last year.
- Incurred claims Ratio increased from 88.8% in the year ended 31.03.2019 to 97.3% in the year ended 31.03.2020.
- Group's net worth (without fair value change account) for year ended 31.03.2020 was ₹ 22,843.24 crores as against ₹ 24,520.70 crore for previous year.

Summary of Revenue and Profit and Loss Account of consolidated financials

(₹ crore)

S No	Particulars	2019-20	2018-19
1	Gross Premium	51,515.02	45,611.32
2	Net Premium	46,765.41	39,390.86
3	Earned Premium	44,351.02	38,250.06
4	Incurred Claims	43,150.42	33,969.58
5	Incurred Claims Ratio (on earned premium)	97.3%	88.8%
6	Net Commission	7,561.85	6,116.44
7	Net Commission Percentage (on Net Premium)	16.2%	15.5%
8	Expenses of Management	392.60	272.66
9	Expenses of Management Ratio (on net premium)	0.8%	0.7%
10	Profit/(Loss) on Exchange	429.03	230.47
11	Premium Deficiency	19.42	5.29
12	Underwriting Profit/(Loss)	(6,344.22)	(1,883.44)
13	Investment Income net of expenses	7,146.88	6,447.75
14	Other Income less Outgoings	(1,168.33)	(709.97)
15	Profit Before Tax	(365.67)	3,854.34
16	Taxation	(87.38)	1,215.87
17	Share of Profit in Associate Companies	91.84	119.10
18	Profit After Tax	(186.46)	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 11th largest global reinsurer group based on figures for 2018-19 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. Worldwide, insurance premiums were expected to grow at about 3% in next couple of years as forecast before the Covid-19 pandemic. 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 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. With significant catastrophe activity in 2019 as well, the reinsurance market has shown significant signs of hardening during last few months. The pandemic Covid-19 has also influenced the market sentiment towards hardening in this regard.

In Indian context, 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. 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 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 circumstance

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