

Ref. No.: GIC Re/SE/2020-21/Q4-OBM

Date: June 29, 2021

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, 5<sup>th</sup> 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 29<sup>th</sup> June 2021**

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, 2021 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 Board of Directors of the Corporation have not recommended payment of Dividend for the FY 2020-21.

**For General Insurance Corporation of India**

  
(Suchita Gupta)  
CS & Compliance Officer



Encl. : A/A

## Press Release

### GIC Re announces Financial Performance for the Year ended 31<sup>st</sup>March 2021

**Mumbai, June 29,2021:** GIC Re announced financial performance for the year ended 31<sup>st</sup>March, 2021 at a Board Meeting of company held in Mumbai today.

We give below details of our financial performance for the year ended 31.03.2021:

- Gross Premium Income of the company was ₹ 47,014.38 crore for the year ended 31.03.2021 as compared to ₹ 51,030.13 crore for the year ended 31.03.2020.
- Incurred Claims Ratio which was 97.5% as on 31.03.2020 has been improved to 92.4 % as on 31.03.2021.
- Underwriting Loss which was ₹ 6,367.18 crore for year ended 31.03.2020 has been improved ₹ 5,488.45 crore for year ended 31.03.2021. Underwriting loss only for the 4<sup>th</sup> quarter 2020-21 is recorded at ₹535.10 crore as compared to loss amount of ₹1,022.64 crore as on 3<sup>rd</sup> quarter 2020-21.
- Investment Income is ₹ 8,820.86crore for year ended 31.03.2021 as compared to ₹ 7,125.48crore for year ended 31.03.2020.
- Solvency Ratio improved to 1.74 as on 31.03.2021, as compared to 1.53 as on 31.03.2020.
- The company recorded Profit Before Tax of ₹ 3,163.38 crore for year ended 31.03.2021 as against Loss before tax of Rs ₹ 445.97 crore for the year ended 31.03.2020. For the 4<sup>th</sup> quarter 2020-21, there has been a Profit Before Tax of ₹ 2,045.48 crore.
- Profit After Tax for year ended 31.03.2021 recorded as ₹ 1,920.44 crore as compared to Loss after Tax of ₹ 359.09 crore for year ended 31.03.2020. There has been Profit After Tax of ₹1,260.44crore recorded for Quarter ended 31.03.2021.
- Total Assets are ₹ 1,34,661.22 crore as on 31.03.2021 as compared to ₹ 1,16,196.20 crore as on 31.03.2020.
- Net Worth of the company (without fair value change account) recorded at ₹22,452.34 crore on 31.03.2021 as against ₹ 20,529.45 crore as on 31.03.2020.
- Net Worth of the company (including fair value change account) recorded as ₹ 49,643.19 crore on 31.03.2021 as against ₹ 35,425.87crore as on 31.03.2020.
- Combined Ratio is 112.03 % for the year ended 31.03.2021 as against 114.38% for year ended 31.03.2020.
- Adjusted Combined Ratio is 95.85 % for the year ended 31.03.2021 as against 102.47% for year ended 31.03.2020.



**Summary of Revenue and Profit and Loss Account**

(₹' crore)

S N O	Particulars	Quarter ended			Year ended	
		31.03.21	31.12.20	31.03.20	31.03.21	31.03.20
1	Gross Premium	8,812.83	11668.51	9,217.84	47,014.38	51,030.13
2	Net Premium	8,240.83	10485.32	8,439.89	42,197.50	46,655.41
3	Earned Premium	7,573.55	9139.16	7,668.77	39,865.89	44,145.43
4	Incurred Claims	6,202.19	8192.95	6,887.42	36,853.75	43,035.86
5	<i>Incurred Claims Ratio (on earned premium)</i>	81.9%	89.6%	89.8%	92.4%	97.5%
6	Net Commission	1,699.97	1,916.29	1,419.26	7,984.39	7,508.35
7	<i>Net Commission Percentage (on Net Premium)</i>	20.6%	18.3%	16.8%	18.9%	16.1%
8	Expenses of Management	78.21	77.52	91.43	278.74	373.01
9	<i>Expenses of Management Ratio (on net premium)</i>	1.0%	0.7%	1.1%	0.7%	0.8%
10	Profit/(Loss) on Exchange	(91.33)	12.94	252.76	(202.18)	424.03
11	Premium Deficiency	36.94	(12.01)	(13.00)	35.30	19.42
12	Underwriting Profit/(Loss)	(535.10)	(1,022.64)	(463.58)	(5,488.45)	(6,367.18)
13	Investment Income (Net of Exp)	2,286.21	2624.47	1,909.48	8,820.86	7,125.48
14	Other Income less Outgoings	294.37	(84.99)	(344.82)	(169.03)	(1,204.28)
15	Profit Before Tax	2045.48	1516.84	1,101.08	3163.38	(445.98)
16	Provision for Taxation	785.05	529.42	(96.32)	1,242.94	(86.88)
17	Profit After Tax	1260.44	987.42	1,197.40	1920.44	(359.10)
18	<b>Combined Ratio %</b>	<b>103.9%</b>	<b>108.5%</b>	<b>107.6%</b>	<b>112.0%</b>	<b>114.4%</b>

**International and Domestic Business Composition**

(₹' crore)

Gross Premium	Year ended 31.03.2021	Share	Year ended 31.03.2020	Share	Growth
Domestic	30,009.93	63.8%	36,233.84	71.0%	-17.2%
International	17,004.46	36.2%	14,796.29	29.0%	14.9%
<b>Total</b>	<b>47,014.38</b>	<b>100.0%</b>	<b>51,030.13</b>	<b>100.0%</b>	<b>-7.9%</b>



**Breakup of Gross Premium**

(₹' crore)

Gross Premium	Year ended 31.03.2021	Year ended 31.03.2020	Growth
A) Fire	14,123.41	12,026.97	17.4%
B) Miscellaneous - Total	29,106.18	35,938.30	-19.0%
Misc – Motor	8,846.90	9,440.01	-6.3%
Misc – Health	5,606.01	5,588.50	0.3%
Misc – Agriculture	9,198.63	15,470.07	-40.5%
Misc - Other LOBs	5,454.64	5,439.72	0.3%
C) Marine	2,530.57	2,109.30	20.0%
Marine – Cargo	1,457.60	1,130.31	29.0%
Marine – Hull	1,072.97	978.99	9.6%
D) Life	1,254.22	955.57	31.3%
<b>Total – A+B+C+D</b>	<b>47,014.38</b>	<b>51,030.13</b>	<b>-7.9%</b>

**Incurred Claims and Combined Ratio**

Particulars	Incurred Claims (₹ crore)		Combined Ratio (%)	
	Year ended			
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Domestic	23,865.74	31,437.01	110.4	112.7
International	12,988.01	11,598.85	114.9	118.5
<b>Total</b>	<b>36,853.75</b>	<b>43,035.86</b>	<b>112.0</b>	<b>114.4</b>

Particulars	Fire	Motor	Health	Agri	Cargo	Hull	Life
<b>Incurred Claims (₹ crore)</b>							
Domestic	3,063.93	4,174.64	4,612.98	8,338.59	311.46	216.07	1,253.60
International	6,470.80	2,119.97	131.38	647.22	739.18	872.82	82.98
<b>Total</b>	<b>9,534.72</b>	<b>6,294.62</b>	<b>4,744.36</b>	<b>8,985.81</b>	<b>1,050.64</b>	<b>1,088.89</b>	<b>1,336.58</b>
<b>Combined Ratio</b>							
Domestic	88.2	104.0	131.8	112.1	96.7	327.6	121.5
International	128.6	91.8	77.9	104.7	114.4	142.7	77.6
<b>Total</b>	<b>111.5</b>	<b>99.3</b>	<b>129.4</b>	<b>111.6</b>	<b>109.5</b>	<b>158.4</b>	<b>116.8</b>

**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 based on Consolidated Financial Statements for the year ended 31.03.2021 are given below:

- Consolidated Gross Premium Income of the company was ₹47,549.85 crore for year ended 31.03.2021 as compared to ₹ 51,515.02 crore for year ended 31.03.2020.
- Investment Income of the group was ₹ 8,822.51 crore for year ended 31.03.2021 as compared to ₹ 7,146.88 crore for year ended 31.03.2020.
- Consolidated Profit After Tax for year ended 31.03.2021 was ₹1,991.59 crore as compared to Loss After Tax of ₹ 186.46 crore for year ended 31.03.2020.
- Incurred claims Ratio which was 97.3% for year ended 31.03.2020 has been improved to 92.4% for year ended 31.03.2021.
- Group's net worth (without fair value change account) for year ended 31.03.2021 is ₹ 24,727.13crores as compared to ₹ 22,843.24 crores for year ended 31.03.2020.

### Summary of Revenue and Profit and Loss Account of Consolidated Financials

(₹' crore)

S No	Particulars	Year ended	
		31.03.2021	31.03.2020
1	Gross Premium	47,549.85	51,515.02
2	Net Premium	42,353.31	46,765.41
3	Earned Premium	39,984.66	44,351.02
4	Incurred Claims	36,928.92	43,150.42
5	<i>Incurred Claims Ratio (on earned premium)</i>	92.4%	97.3%
6	Net Commission	8,024.70	7,561.85
7	<i>Net Commission Percentage (on Net Premium)</i>	18.9%	16.2%
8	Expenses of Management	307.08	392.60
9	<i>Expenses of Management Ratio (on net premium)</i>	0.7%	0.8%
10	Profit/(Loss) on Exchange	(224.26)	429.03
11	Premium Deficiency	35.30	19.42
12	Underwriting Profit/(Loss)	(5,535.60)	(6,344.22)
13	Investment Income net of expenses	8 822.51	7 146.88
14	Other Income less Outgoings	(217.60)	(1,168.33)
15	Profit Before Tax	3,069.31	(365.67)
16	Taxation	1,244.32	(87.37)
17	Share of Profit in Associate Companies	166.60	91.84
18	Profit After Tax	1,991.59	(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 and 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 portfolio composition.

The global economic growth is a key driver for insurance markets which feeds into reinsurance sector. 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. Broadly, the return on equity earned by the reinsurance sector globally for last 4 years has not been meeting investor expectations. Alternative capital continues to be deployed in the market and is finetuning its approach to the sector. The reinsurance market has shown significant signs of hardening during last few months and the trend can be expected to continue during next 6 quarters. However, earlier expectations of significant hardening are being influenced by the inflow of new capital in recent months.

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 in the medium to long term.

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.



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General Insurance Corporation of India

GIC Re

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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