

Ref. No.: GIC-HO/BOARD/SE-NDR01-IMP/183/2023-24

Date: October 16, 2023

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)

Sub.: Investors' Presentation

Pursuant to Regulation 30(6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) read with Schedule III of the Listing Regulations and in continuation to our Letter Ref. no. GIC-HO/BOARD/SE-02-IIM/182/2023-24 dated October 13, 2023, we are enclosing herewith the Investors' Presentation.

The said information is also being made available on the website of the Corporation at www.gicre.in

For General Insurance Corporation of India

**(Satheesh Kumar)
CS & Compliance Officer**

Corporate Presentation

October 2023



भारतीय साधारण बीमा निगम
General Insurance Corporation of India



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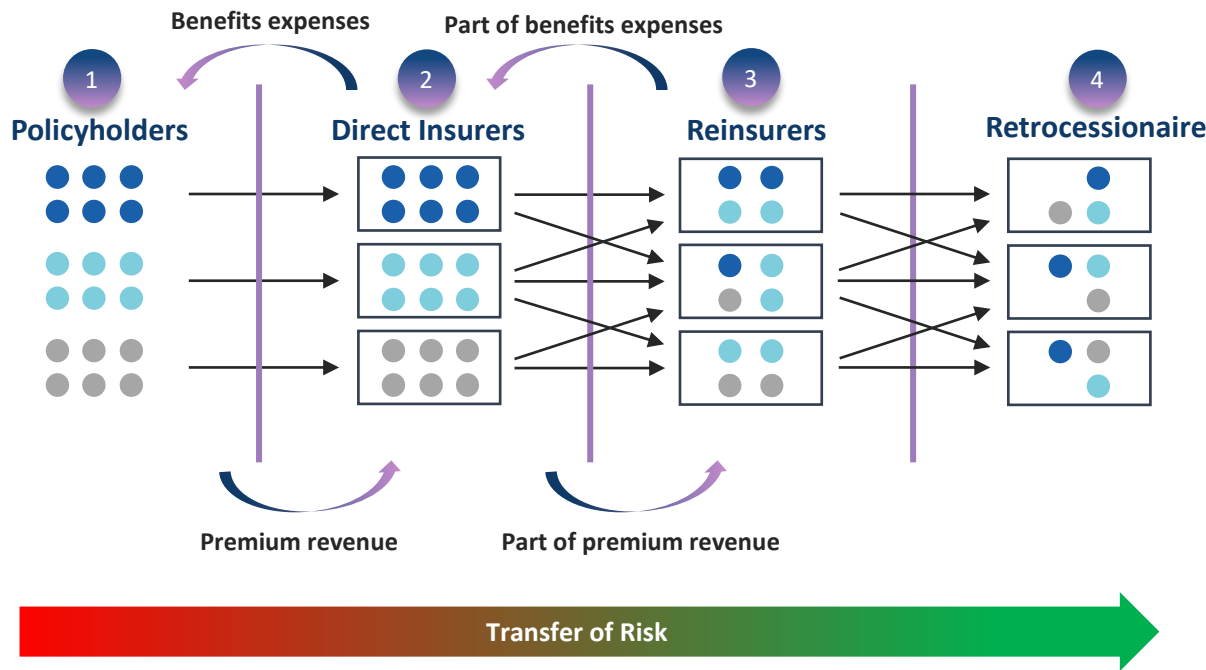
Except for the historical information contained herein, statements in this presentation and the subsequent discussions, which include words or phrases such as "will", "aim", "will likely result", "would", "believe", "may", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", seek to", "future", "objective", "goal", "likely", "project", "should", "potential", "will pursue", and similar expressions of such expressions may constitute "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.



आपत्काले रक्षिष्यामि
GIC Re

Reinsurance Industry Overview

Understanding How Reinsurance Works



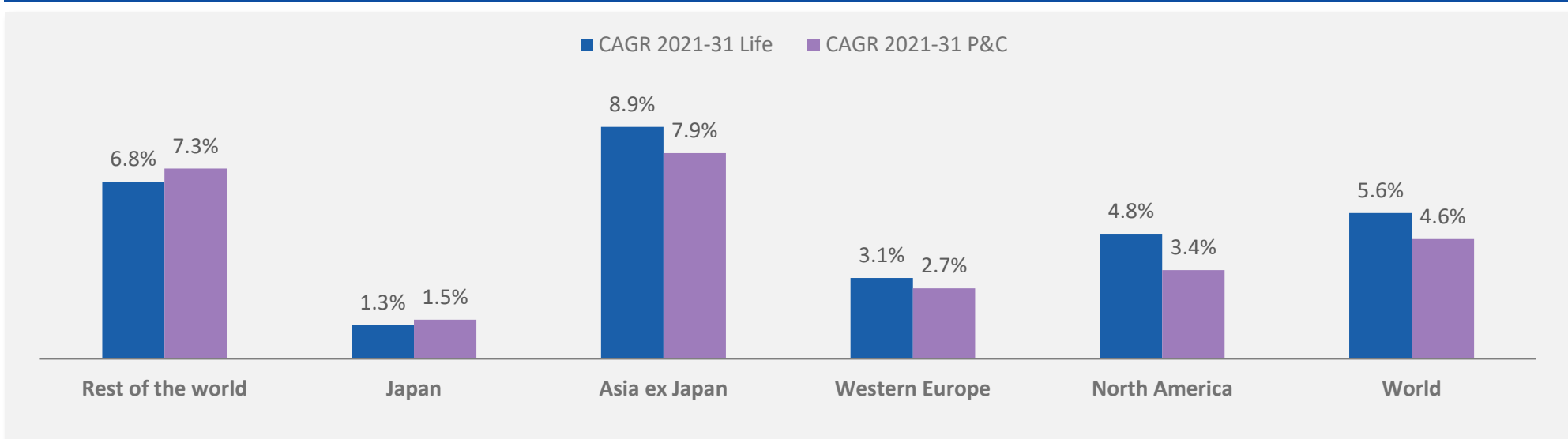
- 1 **Policyholder** - Individual risk exposures
- 2 **Direct Insurer** - Preferably similar risks with independent loss events to obtain a balanced insurance portfolio
- 3 **Reinsurer** - Primary insurers cede actuarial and catastrophe risks to limit undiversifiable risk exposure
- 4 **Retrocessionaire** - Reinsurers retrocede part of the reinsurance premiums to limit risk exposure

Reinsurance Industry Plays a Pivotal Role for Driving the Growth of Insurance Industry

- 1 Reinsurance is the foundation for economic growth through risk transfer mechanism
- 2 The risks flow through insurers to reinsurers
- 3 Insurance is written on the strength of reinsurance support
- 4 Reinsurer insulates himself from the insurer's adverse financial performance
- 5 Reinsurers have devices to guard against anti-selection

- Reinsurance support aims at
- 1 Providing insurers capacity to write more: **proportional**
 - 2 Providing insurers protection against bottom line volatility: **non-proportional – major risks**
 - 3 Providing insurers protection against balance sheet protection: **non-proportional - catastrophe**

Strong Gross Written Premium* Growth Envisaged in Future



Global Reinsurance Sector – Key Trends

Market Size to Expand

- ✓ Size expected to grow from ~USD 575 Billion in 2022 to ~USD 895 Billion in 2027
- ✓ Robust CAGR of 9.1%

Potential for Price Increase

- ✓ Rates rose sharply in Jan'23 renewals due to war, high inflation and increase in national catastrophic claims
- ✓ Potential for further price increase because of current environment (catastrophic events, etc)

Stable outlook for Sector

- ✓ A.M Best maintained its Stable outlook on global reinsurance sector
- ✓ Positive rate momentum across broad range of non-life classes

Other Key Trends

- ✓ Reinsurers restricting cover to named perils only on property portfolios reducing attritional loss expectations
- ✓ Diversification of portfolios and increasing exposure by growing Casualty and Specialty Marine Portfolios to optimize returns

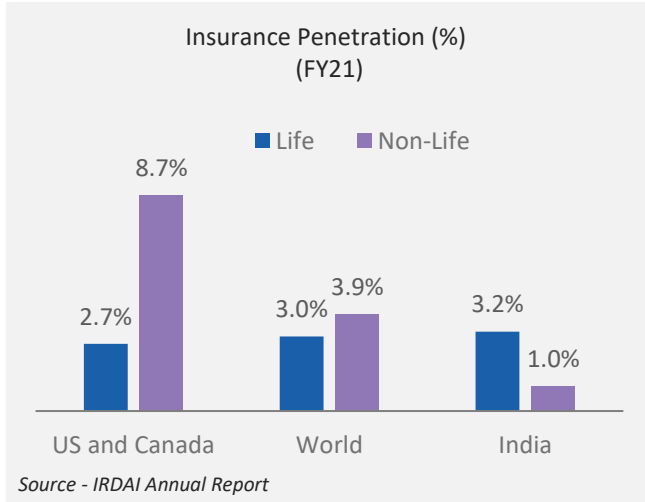
* The conversion into EUR is based on 2020 exchange rates.

Source: A.M. Best; National financial supervisory authorities, insurance associations and statistical offices, Thomson Reuters, Allianz Research; Valuates Report; The Business Research Company ;Precision reports

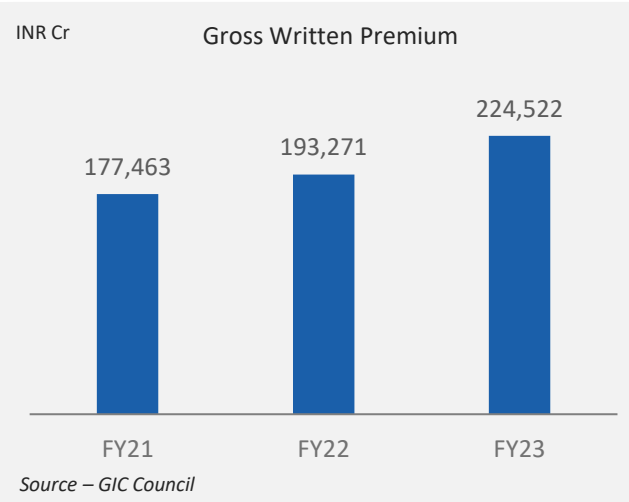
Reinsurance Industry – Indian Scenario

Under Penetrated Insurance Industry in India Poised to Grow in Future

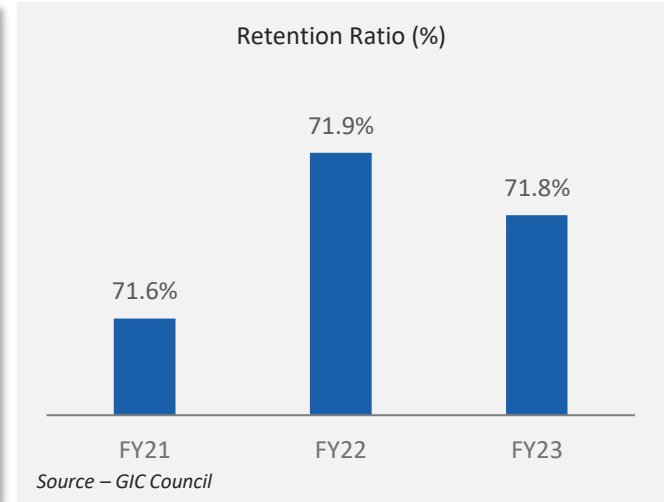
Significant Insurance under-penetration in India



General Insurance GWP grew at 12% since FY21



Retention Ratio of General Insurance Industry



Growing General Insurance Industry Creates a Large Opportunity Pie for Reinsurance Industry



- ✓ India's general insurance market is estimated to grow at a compound annual growth rate (CAGR) of 9.9% during 2021-2026.



- ✓ Reinsurance premiums in India is expected to touch Rs 990 billion by 2025



- ✓ GIC Re expected to maintain market leadership going forward on strong financials, adequate capacity and expertise

Framework of Reinsurers in India

Indian Reinsurers (GIC Re)

- ✓ Only One Indian Reinsurer registered with the regulatory Authority
- ✓ Provides support to direct insurers in India
- ✓ Receives Obligatory cessions on every policy by domestic general insurers

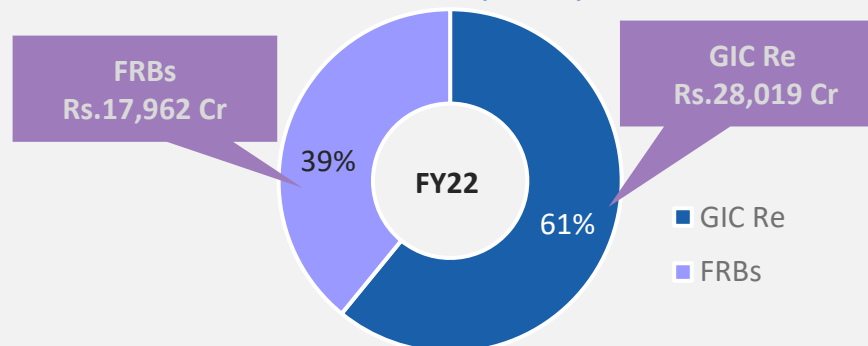
Foreign Reinsurance Branches (FRBs)

- ✓ Insurance Law (Amendment) Act, 2015 allowed Foreign Reinsurers and Society of Lloyd's to open branches in India
- ✓ There are 11 FRBs in India as of FY22
- ✓ FRBs booked Gross RI Premium Income (Indian Business) of INR 17,692 Cr in FY22

Cross Border Reinsurers (CBRs)

- ✓ Insurers with no physical presence in India, but carry on reinsurance business with Indian Insurers.
- ✓ As of FY22, 290 CBRs participated in India Reinsurance business

Gross Reinsurance Premium of Indian Reinsurer (GIC Re) and FRBs – Indian Business FY22





GIC Re Overview, Strength and Strategies

General Insurance Corporation of India (GIC Re) – Overview



General Insurance Corporation of India - GIC was formed under GIBNA of 1972 for the purpose of superintending, controlling, and carrying on the business of General Insurance in India

Largest reinsurer in the domestic reinsurance market in India and Internationally, Company has become an effective reinsurance partner for the Afro-Asian region

It also provides reinsurance solutions in international markets and has become a leading global reinsurance company having presence in around **140 countries**

It provides reinsurance support to **54 direct general and life insurance companies in India**, making it a repository of knowledge and data about the sector and the market

Key segments targeted by GIC Re are - Property, Agriculture/ Crop, Liability, Motor and Health

It has a total employee strength of **449**, out of which **35% are female** and average age of employees is **42 years**

Key Financial Metrics – On Consolidated Basis

Particulars (INR Cr)	FY21	FY22	FY23	Q1FY24
Gross Written Premium	47,550	44,034	37,129	9,207
Combined Ratio	112.0%	111.8%	108.9%	116.1%
Profit After Tax	1,992	2,386	6,907	978
ROE %	8.0%	8.7%	20.1%	*11.1%
Solvency Ratio	170%	200%	264%	288%

ROE is Profit for the year / Net Worth

Source – Annual Report, Public Disclosure

Note - * Annualised, GIBNA - General Insurance Business (Nationalisation) Act, 1972

Rank 16th

Largest Global Reinsurers Group

B++ (Good)

A.M. Best FSR Credit Rating

~60%

(FY23) India Market Share

85.8%

(Jun'23) Significant Ownership By GOI

INR 37,129 Cr

GWP (FY23)

108.9%

Combined Ratio (FY23) Consistently improving

INR 6,907

PAT (FY23) Continue to Generate Profit

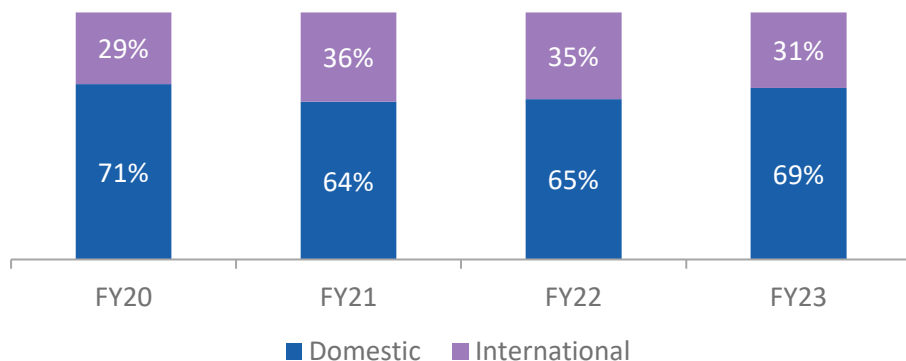
264%

Solvency Ratio (FY23) Healthy Capitalisation

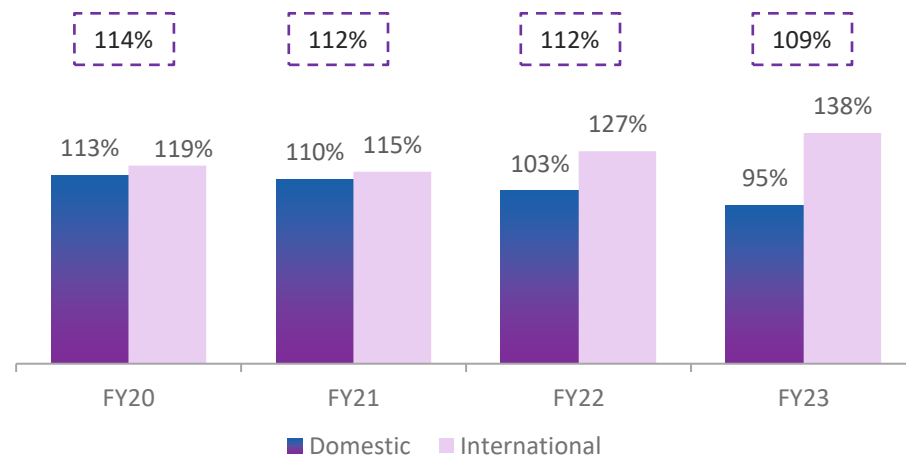
GIC Re – Segment Mix and Business Mix

International and Domestic Business Composition

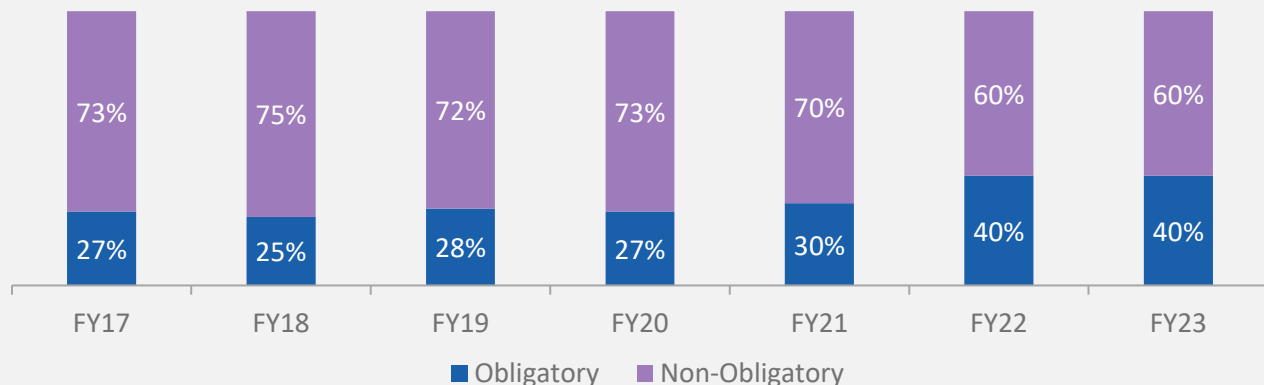
Gross Premium – Geographic Mix



Combined Ratio - Mix



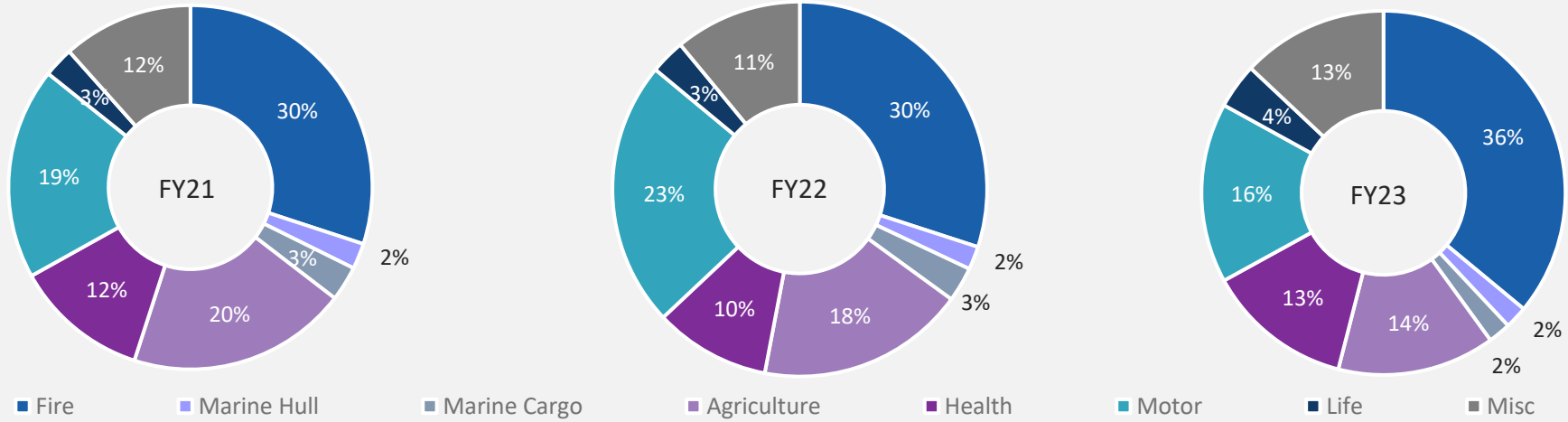
Domestic Business Mix



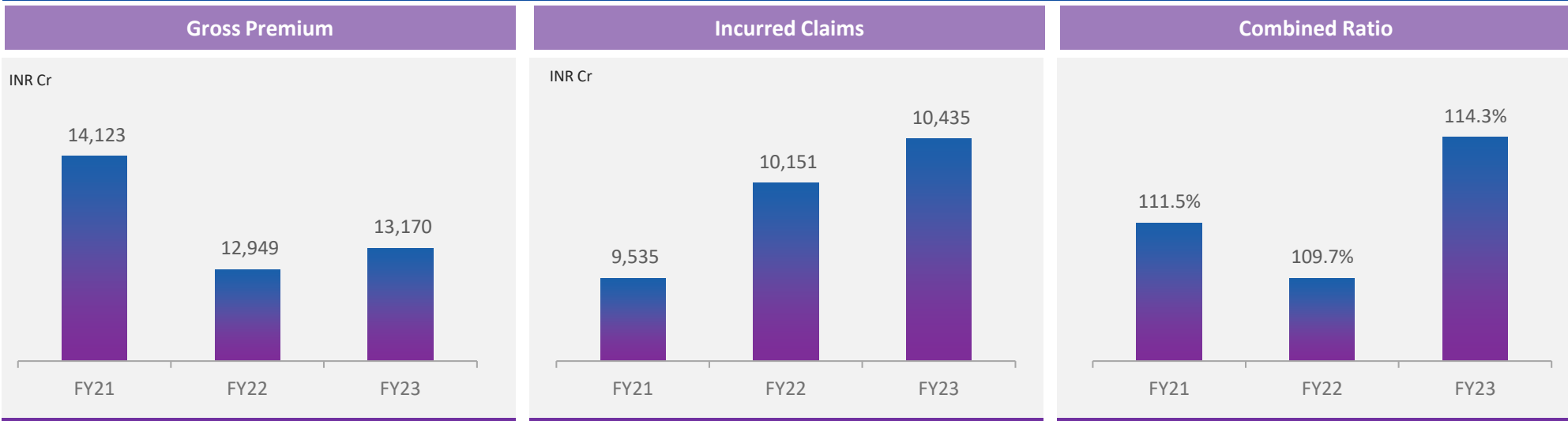
Obligatory cessions reduced to 4% from 5% since 10th January 2022, with no monetary limits on cessions.

GIC Re Health portfolio comprises mostly of Obligatory cessions, some selective domestic treaties and selective Pradhan Mantri Jan Arogya Yojana Abhiyan Schemes besides business written by the foreign branches.

Product Mix - Gross Premium



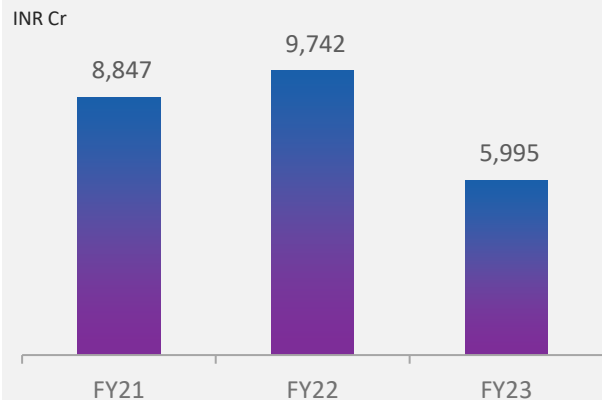
Fire Reinsurance Business



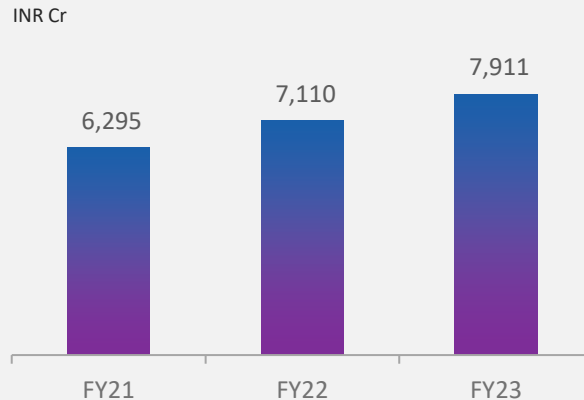
Source – Company Data
Note – Above Data on Standalone basis

Motor Reinsurance Business

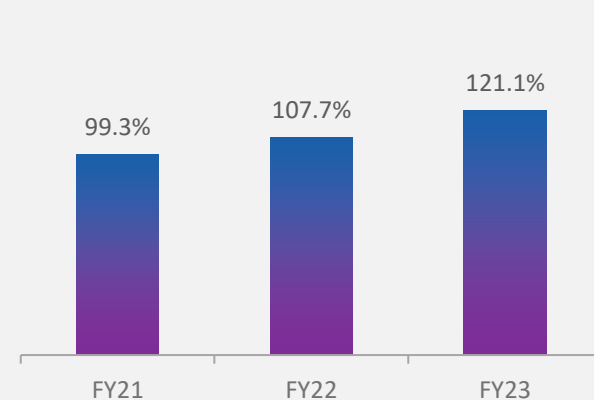
Gross Premium



Incurred Claims

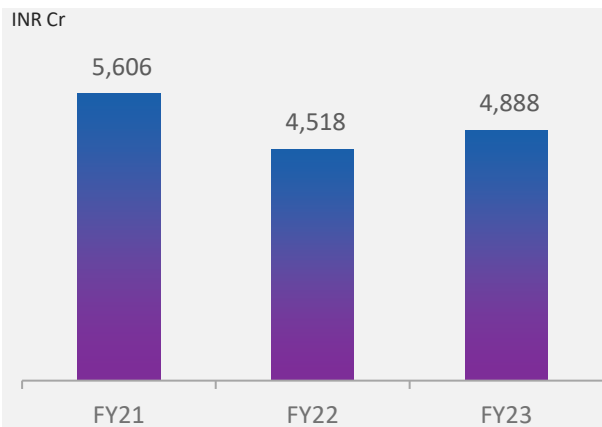


Combined Ratio

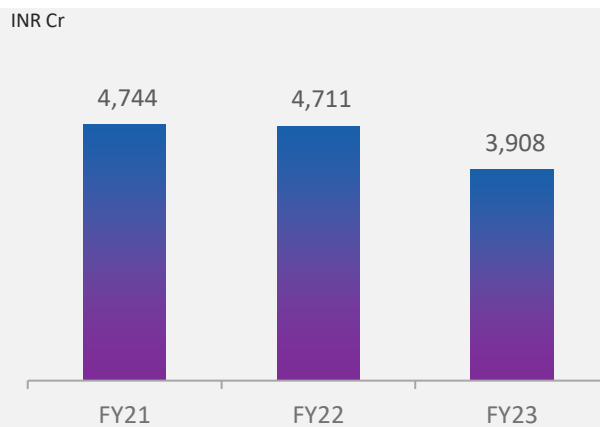


Health Reinsurance Business

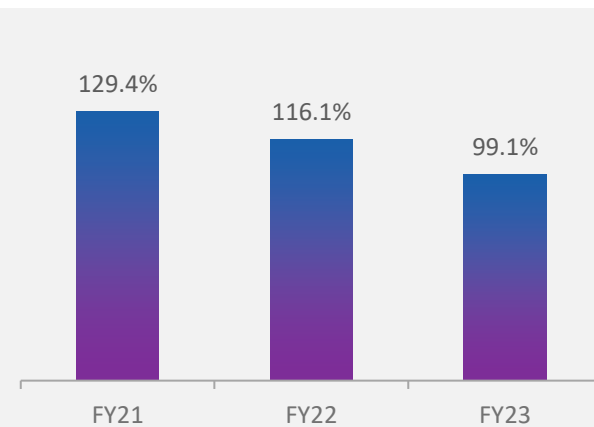
Gross Premium



Incurred Claims



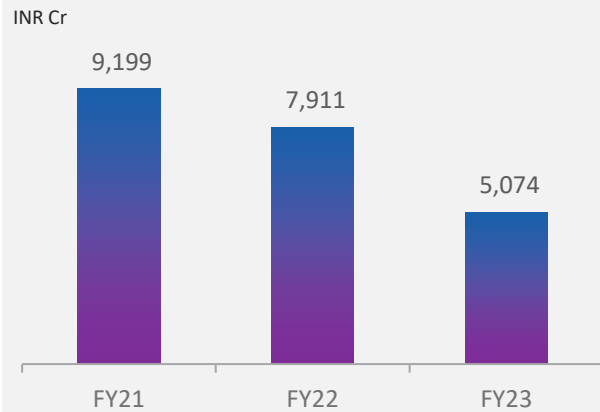
Combined Ratio



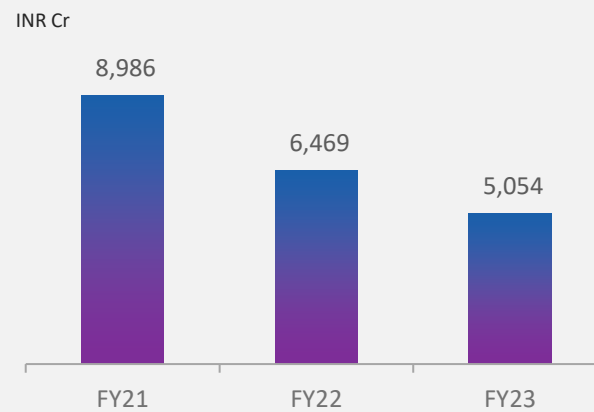
GIC Re – Product Mix (3/4)

Agriculture Reinsurance Business

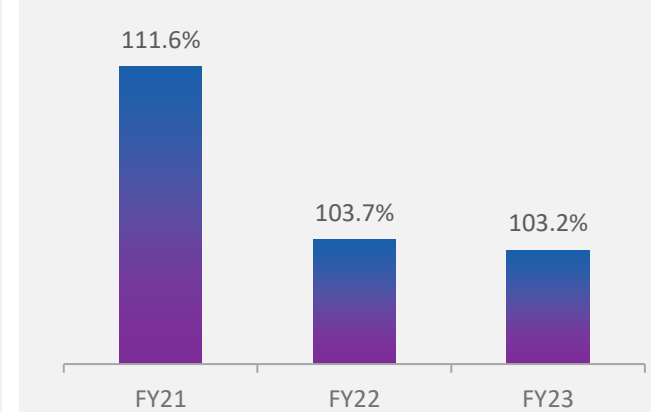
Gross Premium



Incurred Claims

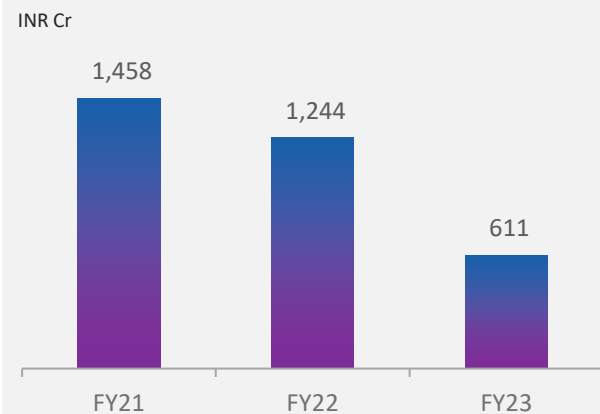


Combined Ratio

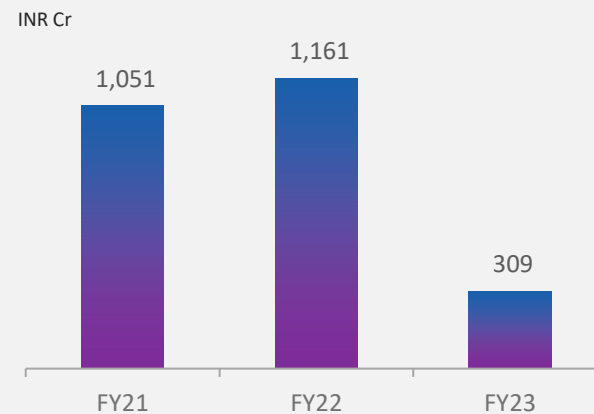


Marine Cargo Reinsurance Business

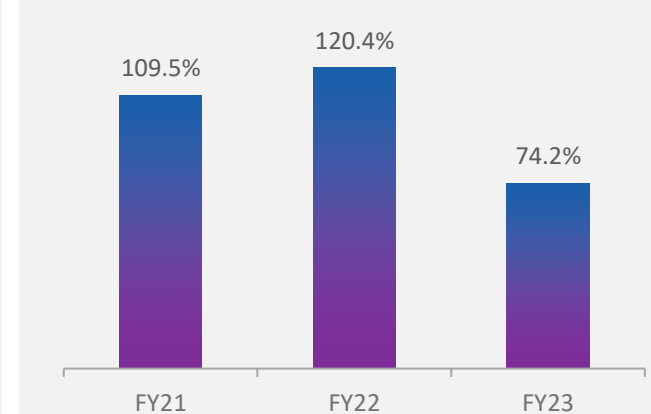
Gross Premium



Incurred Claims



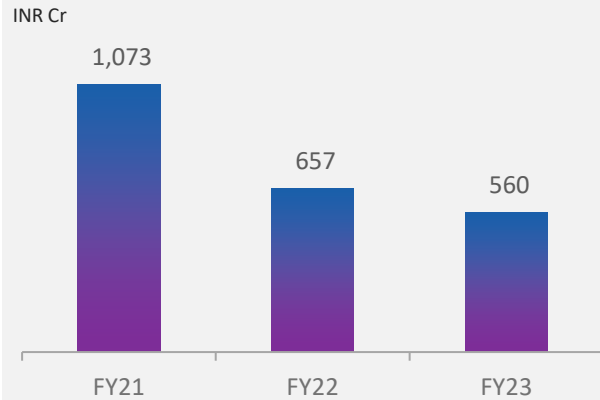
Combined Ratio



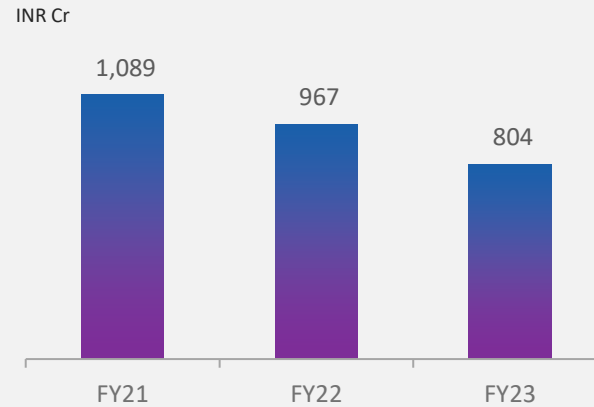
GIC Re – Product Mix (4/4)

Marine Hull Reinsurance Business

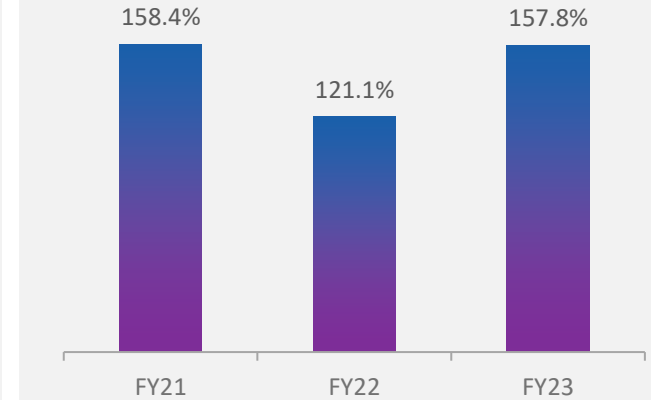
Gross Premium



Incurred Claims

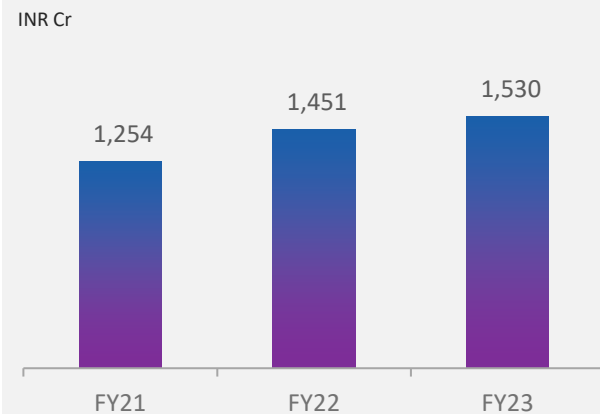


Combined Ratio

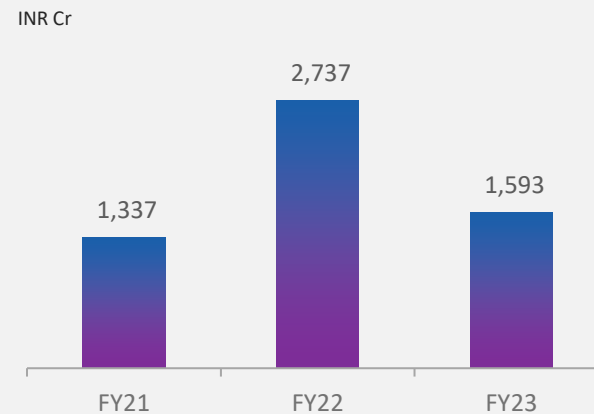


Life Reinsurance Business

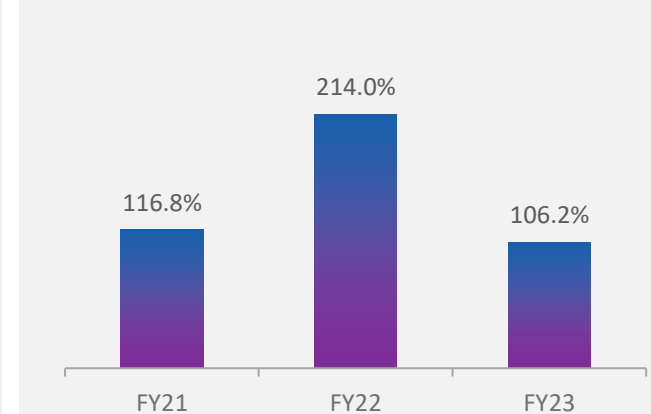
Gross Premium



Incurred Claims



Combined Ratio



Only Indian Reinsurance Player

- Significant ownership by the Government of India
- ~60% market share in the Indian reinsurance market
- Reinsures every non-life insurance player in India
- Support to 54 Direct General and Life Insurance companies in India

Prudent Underwriting

- Geographical Diversification
- Lines of Business Diversification
- Continued focus on Risk Selection
- Deployment of Modelling and Pricing Techniques and Tools

Strong International Presence

- Presence in around 140 Countries
- Leveraging Lloyd's syndicate to further expand presence internationally, it provides underwriting intellectual capabilities, knowhow and skillset such as risk assessment and risk pricing

Non-Cyclical Business

- Relatively non-cyclical business providing stable and steady business profile since demand from insurers is relatively inelastic

Efficient Asset Management

- Healthy investment income
- Diversified investment portfolio
- Effective Asset Liability Management

Exposure Management

- Modelling accumulation of exposures
- Rebalancing the risk portfolio
- Well-rated retrocession counterparties

Dominant Indian market position

- Continued obligatory cessions and order of preference
- Long term relationship with the market
- Well-positioned to exploit all opportunities
- Low management expense ratio at 1.2%

Effective Risk Management

- Conservative claim reserving
- Following best practices such as conducting stress test to assess resilience
- Risk Management models such as Moody's RMS or AIR Worldwide

Leveraging its scale

- Leverage its position of 16th rank (Globally) based on the scale it affords and excellent credit rating domestically

Capitalizing International Brand Equity

- Holds strong brand equity especially in in Afro-Asian region and will leverage to grow in International Markets

Increasing Focus on International Market

- Planning to make the portfolio equal weighted from domestic and international market, currently ~70% of the business in from domestic market

Price Increase

- Capitalizing on the advantage of price increase in select geographies / segments

Growth in Indian Market

- Unprecedented growth expected in Indian markets, particularly in agriculture and health affords an opportunity to leverage GIC Re balance sheet

Sustaining Market Share

- Solvency pressures on Indian insurers could lead to higher cessions and growing reinsurance market size provides a perfect opportunity to sustain and maintain its market share

Adoption of Modelling Capabilities

- Phased adoption of modelling capabilities to ensure better exposure management and deriving value extraction from it

Focus on Underwriting Profitability

- Continued Focus on underwriting profitability through
- ✓ Class-specific evaluation and weeding out the contracts with inadequate pricing
 - ✓ Incentivization based on individual company / contract performance

Catastrophe Reserves for Climate Change

- GIC Re has started building catastrophe reserves for climate change, which will help to better manage volatility in future
- One of the few future ready reinsurance companies in world to make such provision

Focus on restoring its Credit Rating

- The company is aiming to restore its credit rating to A- by focusing on balance sheet strength, operating performance, market position and enterprise risk management

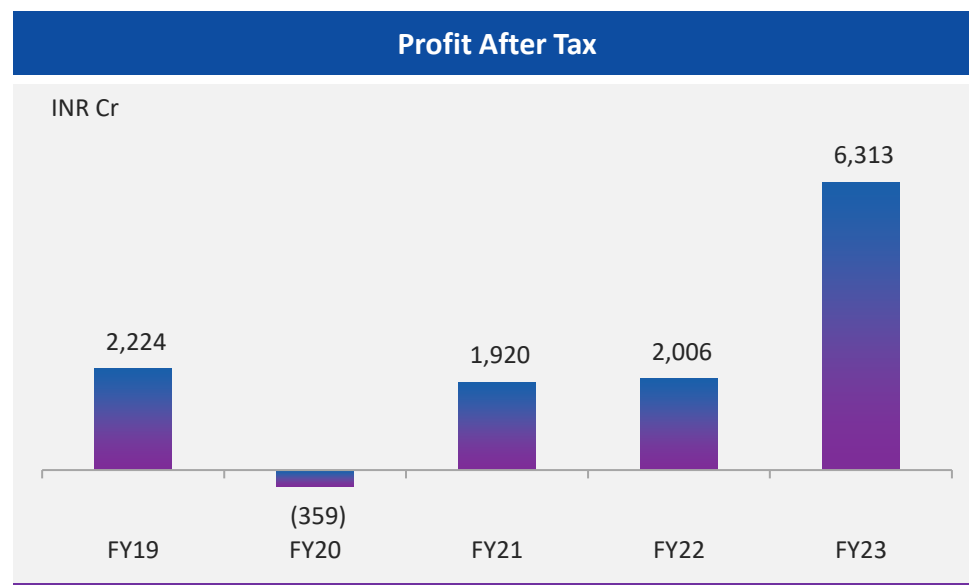
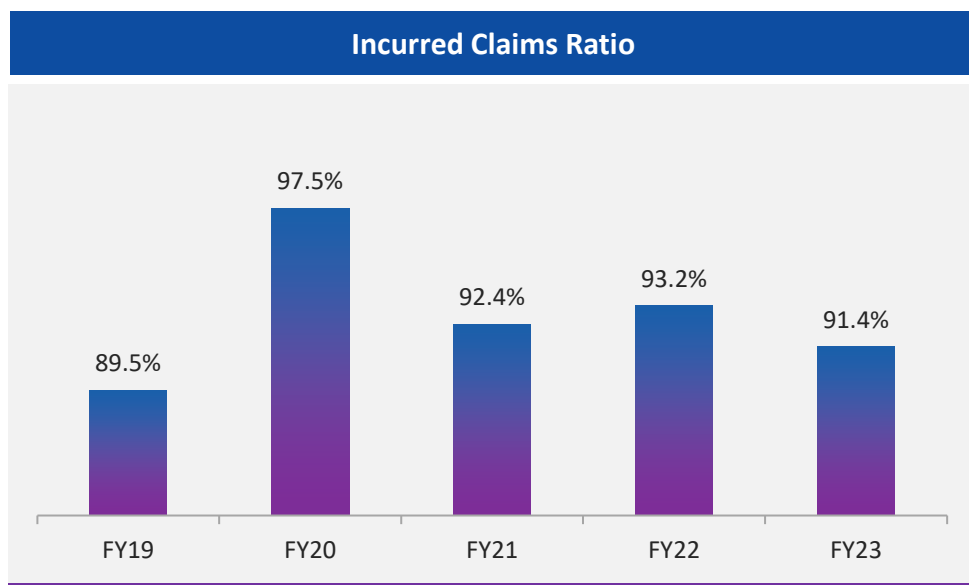
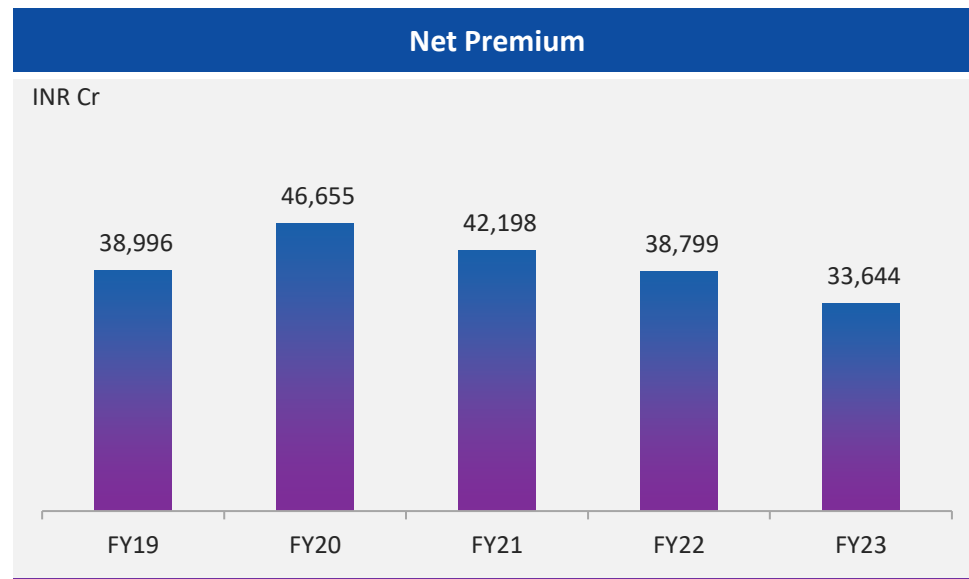
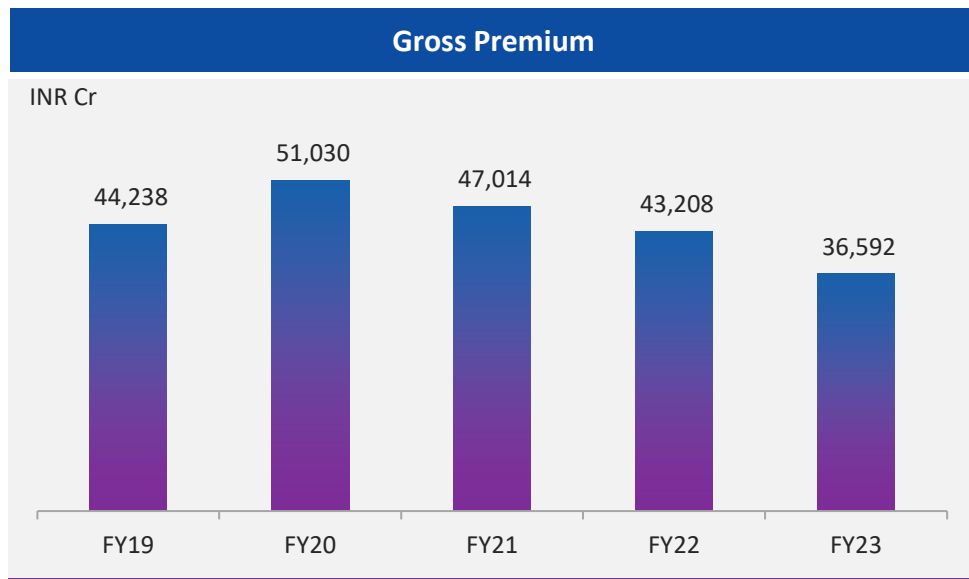
Healthy capitalization

- One of the two global reinsurers to have undergone total equity (net-worth) increase in Calendar Year 2022, wherein other insurers suffered significant catastrophe losses and their net-worth suffered

Focus on improving Net Incurred Claims and Commission ratio

- GIC Re is focused on improving net incurred claims ratio by working towards reducing the attritional losses and commission ratios are expected to remain stable

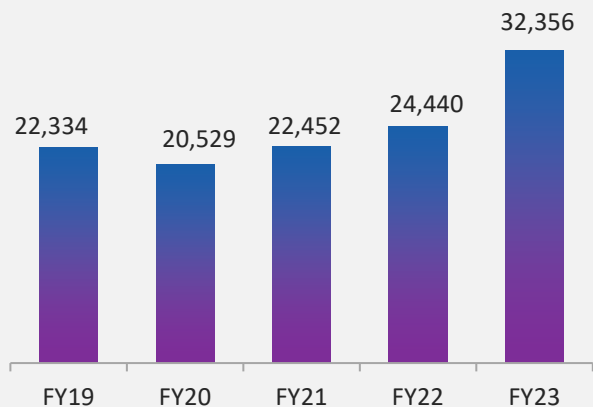
GIC Re - Key Financials on Standalone Basis (1/2)



GIC Re - Key Financials on Standalone Basis (2/2)

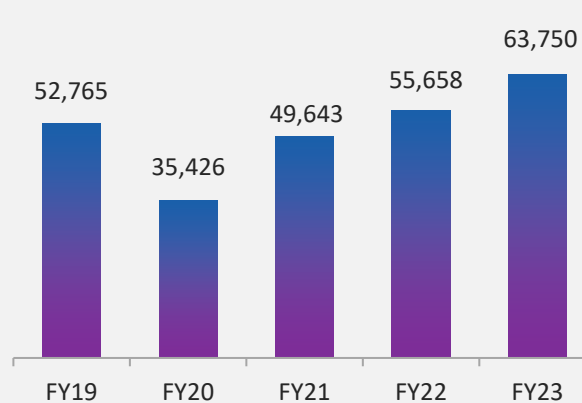
Net Worth Excl. FVC

INR Cr



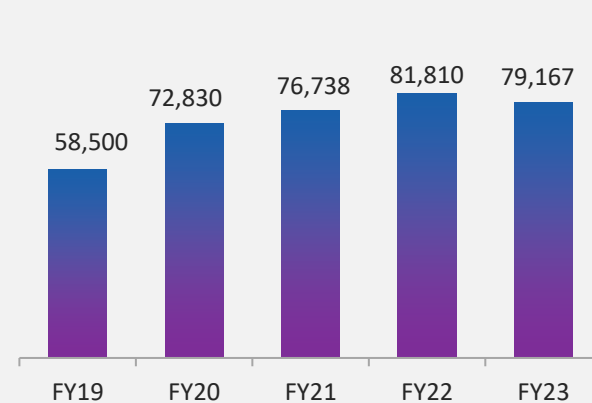
Net Worth Incl. FVC

INR Cr



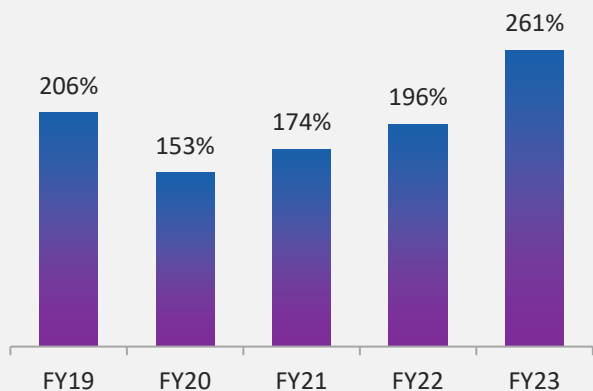
Policyholders' Funds

INR Cr



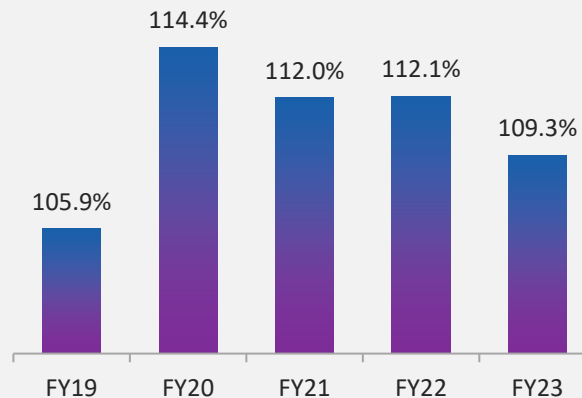
Solvency Ratio %

Q1FY24 – 288%



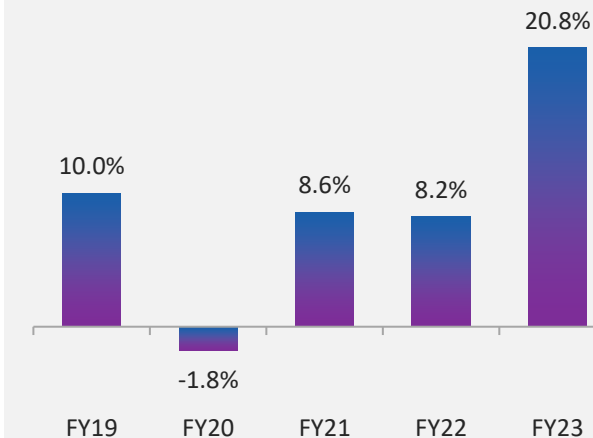
Combined Ratio %

INR Cr



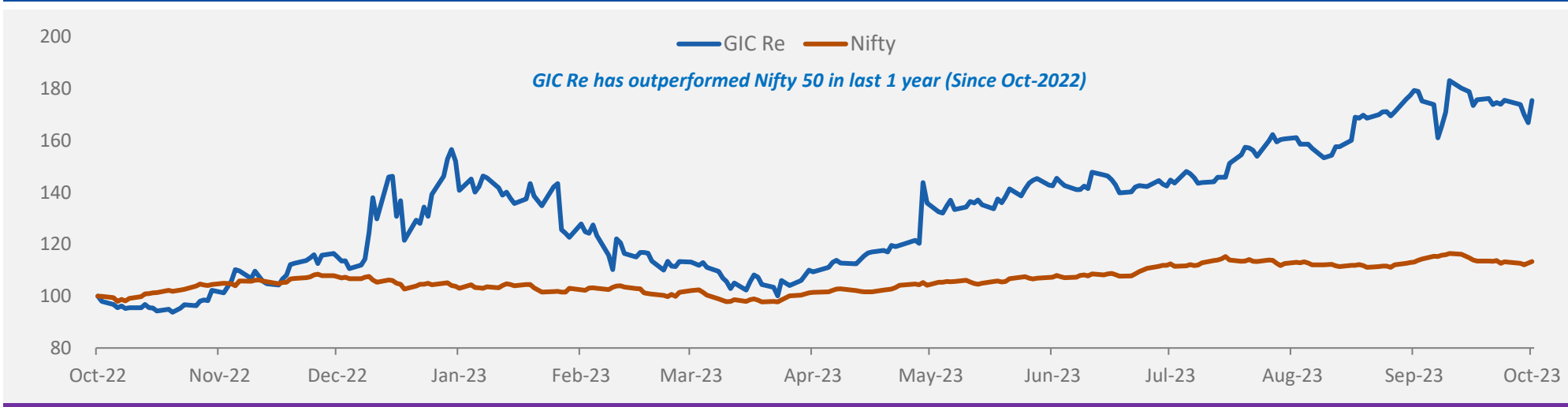
Return on Equity %

INR Cr



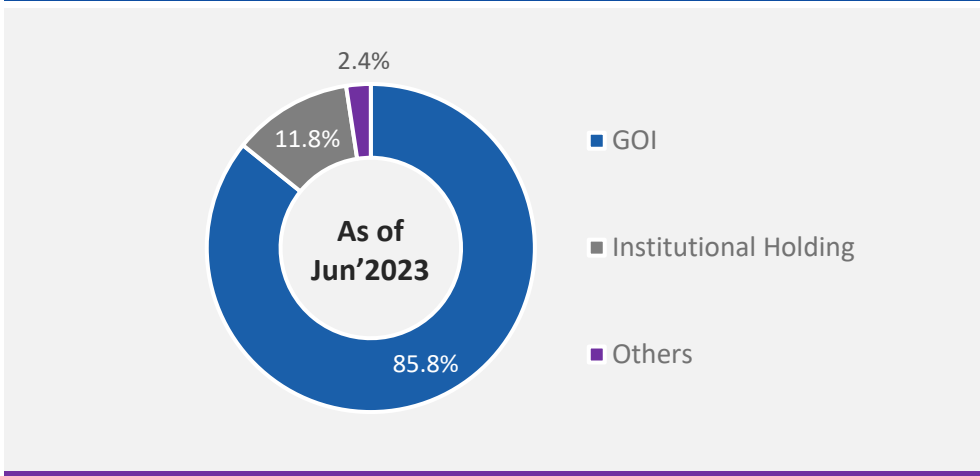
GIC Re – Stock Price Performance

Stock Price Performance – GIC Re vs Nifty 50



Above Chart is Rebased to 100

GIC Re – Shareholding



Stock Price Performance Overview

Particulars	GIC Re	Nifty 50
Current Market Price (INR)	225	19,653
Market Cap (INR Cr)	39,623	NA
1M Performance (%)	0.3%	-0.8%
6M Performance (%)	58.1%	11.5%
Year to Date Performance (%)	20.2%	8.0%
1 Year Performance (%)	81.5%	14.0%

Seasoned Professionals with Extensive Experience

Experienced Board



Mr. Ramaswamy Narayan
Chairman and MD



Dr. M P Tangirala
*Additional Secretary,
Department of Financial
Services, Ministry of Finance*



Ms. A. Manimekhalai
MD & CEO, Union Bank of India



Mr. T Shivakumar
Independent Director



Mr. Priya Bhushan Sharma
Independent Director



Ms. Vinita Kumari
Independent Director

Qualified Management Personnel



Ms. Jayashree Ranade
GM & CFO



Mr. Hitesh Joshi
GM



Mr. SK Rath
GM



Ms. Jayashri B.
GM & CRO



Mr. V Balkrishna
GM



Mr. Vikas Kumar Sharma
Appointed Actuary - LI



Mr. Sateesh Bhat
Appointed Actuary - GI



Mr. Rajesh Khadatare
Chief Marketing Officer



Ms. Modha Poojary
Chief Underwriting Officer

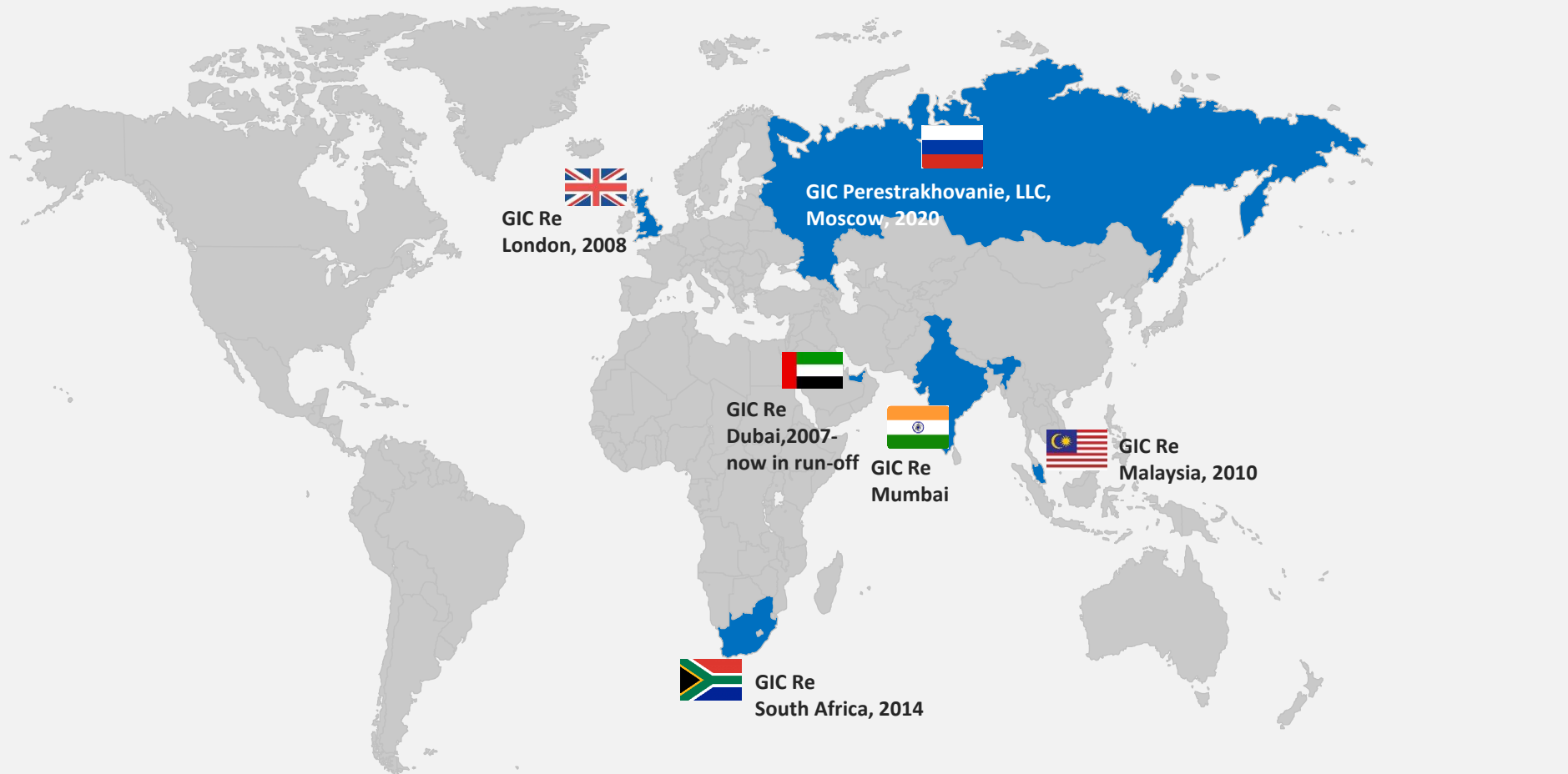


Ms. Radhika Ravishekar
Chief Investment Officer



Mr. Satheesh Kumar S
*CS and Chief Compliance
officer*

GIC Re – Worldwide Presence



Annexure

GIC Re – Key Financials on Standalone Basis



Particulars (INR Cr)	FY19	FY20	FY21	FY22	FY23	Q1 FY23	Q1 FY24
Gross Premium	44,238	51,030	47,014	43,208	36,592	11,022	8,918
Net Premium	38,996	46,655	42,198	38,799	33,644	10,494	8,231
Earned Premium	37,679	44,145	39,866	39,293	35,808	10,736	8,633
Incurred Claims	33,740	43,036	36,854	36,626	32,739	10,169	8,205
Incurred claims ratio (on earned premium)	89.5%	97.5%	92.4%	93.2%	91.4%	94.7%	95.1%
Net Commission	6,105	7,508	7,984	6,951	5,611	1,656	1,841
Net Commission Percentage (on Net Premium)	15.7%	16.1%	18.9%	17.9%	16.7%	15.8%	22.4%
Expenses of Management	256	373	279	371	404	50	86
Expenses of Management ratio (on net premium)	0.7%	0.8%	0.7%	1.0%	1.2%	0.5%	1.0%
Profit/(Loss) on Exchange	216	424	(202)	401	596	351	(59)
Underwriting Profit/(Loss)	(2,211)	(6,367)	(5,488)	(4,266)	(2,341)	(776)	(1,557)
Investment Income	6,401	7,125	8,821	9,562	10,594	1,890	2,455
Other Income less Outgo	(756)	(1,204)	(169)	(1,736)	9	(125)	38
Profit Before Tax	3,434	(446)	3,163	3,560	7,749	989	935
Provision for Taxation	1,210	(87)	1,243	1,554	1,437	299	203
Profit After Tax	2,224	(359)	1,920	2,006	6,313	690	732
Combined Ratio %	105.9%	114.4%	112.0%	112.1%	109.3%	111.0%	118.5%

Ceding Company (Cedant)	The company that transfers its risk to a reinsurer
Combined Ratio	The sum of the loss ratio and the expense ratio
Earned Premiums	The portion of the premium for which protection has been provided
Excess of Loss Reinsurance	A form of reinsurance, which, subject to a specified limit, indemnifies the ceding company for the amount of loss in excess of a specified retention
Expense Ratio	Sum of acquisition costs and other operating expenses, in relation to premiums earned
Facultative Reinsurance	Reinsurance of individual risks by offer and acceptance wherein the reinsurer retains the ability to accept or reject and individually price each risk offered by the ceding company
Incurred but not reported losses (IBNR)	An actuarial estimate of amounts required to pay ultimate net losses that refers to losses that have occurred but have not yet been fully and finally settled/paid
Loss Ratio	Ratio of total losses incurred (paid and reserved) in claims plus adjustment expenses divided by the total premiums earned
Obligatory Treaty	A reinsurance contract under which the subject business must be ceded by the insurer in accordance with contract terms and must be accepted by the reinsurer
Retrocession	A transaction in which a reinsurer transfers risks it has reinsured to another reinsurer
Treaty Reinsurance	The ceding company transfers all risks within a book of business to the reinsurer

Thank You