GIC Re

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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 and nine months ended 31st December 2024

Dear Sir/Madam,

In compliance with Regulation 30 of 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 Wednesday, 5th February 2025, to discuss unaudited financial results for the quarter and nine months ended 31st December 2024.

This is pursuant to and in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable laws.

Kindly take the above information on record.

Thanking You

Yours sincerely

For General Insurance Corporation of India

(Suresh Savaliya)
CS & Compliance Officer

Encl.: A/A

General Insurance Corporation of India
Global Reinsurance Solutions
GIC Re

"General Insurance Corporation of India Q3 2025 Earnings Call"

February 05, 2025

General Insurance Corporation of India
Global Reinsurance Solutions
GIC Re

CHORUS CALL®

MANAGEMENT: **MR. RAMASWAMY NARAYANAN – CHAIRMAN AND MANAGING DIRECTOR, GENERAL INSURANCE CORPORATION OF INDIA**
MR. RAJESH LAHERI – DEPUTY GENERAL MANAGER, GENERAL INSURANCE CORPORATION OF INDIA

Moderator: Ladies and gentlemen, good day, and welcome to GIC Re Q3 FY '25 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 "*" then '0' 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.

Nikita: Thank you. Good morning to all the participants on the call, and thanks for joining Q3 FY '25 earnings conference call for General Insurance Corporation of India.

Please note that we have mailed out the Press Release to everyone, and you can now see the Results on our Website, and it has been uploaded on the stock Exchange as well. In case you have not received the same, you can write to us, and we will 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 achievements to differ significantly from what is expressed or implied by such forward-looking statements.

To take us through the Results of 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'll now hand over the call to Mr. Ramaswamy. Over to you, sir.

Ramaswamy Narayanan: Thank you, Nikita. Good morning, everyone, and thank you for joining us in this earnings call. I am pleased to announce the financial performance for the third quarter ended December 31, 2024. Our Q3 FY '25 performance reflect our steady progress in building a resilient and agile reinsurance business amidst a complex and evolving market landscape.

The reinsurance industry continues to face challenges driven by an uptick in catastrophic events. While we acknowledge the inevitability of these catastrophic events, our focus remains on navigating these risks prudently as well as writing a diversified portfolio across different classes.

As you would have seen from our business figures, this year, we have written more business in the Health Business, which is totally different from the Catastrophe business. Going forward, we intend to grow in emerging areas such as cyber, surety bonds, et cetera. As a result, despite

the external climate change challenges, our focus on disciplined underwriting and risk diversification has yielded tangible results this quarter.

Our combined ratio for the quarter stood at 107.83%, a marked improvement from our prior periods, underscoring our disciplined underwriting approach and prudent risk management. This progress is driven by our emphasis on optimizing portfolio quality, exiting underperforming segments and increasing focus on business lines that align with our risk appetite and profitability targets.

Let me now take you through some of the key "Highlights of the Financial Performance":

Gross premium income for Q3 FY '25 stood at INR 9,967.71 crores, compared to INR 8,778.26 crores in Q3 FY '24. Incurred claims ratio for the quarter declined to 87.8% as compared to 103.1% in Q3 FY '24. Combined ratio for Q3 FY '25 declined to 107.8%, compared to 120.5% in Q3 FY '24.

The adjusted combined ratio, factoring in policyholders' investment income, stood at 89.12% for the 9 months of FY '25 compared to 92.37% in the corresponding period last year. Investment income for Q3 FY '25 stood at INR 2,627.17 crores, compared to INR 3,361.54 crores in the corresponding quarter of the previous year. Profit before tax stood at INR 2,168.69 crores for Q3 FY '25 as compared to INR 1,923.81 crores in Q3 FY '24. Profit after tax increased to INR 1,621.35 crores compared to INR 1,517.95 crores in the corresponding quarter of the previous year.

Solvency ratio improved to 3.52 as on 31/12/2024, compared to 2.94 as on 31/12/2023 and compared to 1.5, which is mandated by the regulator. Net worth, excluding fair value change, stood at INR 40,745.48 crores as on 31/12/2024 as against INR 35,031.89 crores as on 31/12/2023, while net worth, including fair value change, stood at INR 85,803.69 crores as on 31/12/2024 compared to INR 77,626.89 crores as of the previous corresponding period.

On the premium breakup, domestic premium for 9 months ended 31/12/2024 stood at INR 23,657 crores and the international premium stood at INR 7,130 crores. The percentage split is domestic 77% and international 23%. The domestic premium grew by 20.8%, while the International Business witnessed a 19.7% decline.

Looking ahead, we are optimistic about sustaining this momentum, driven by our strategic initiatives and our commitment to achieving long-term underwriting profitability. Having given the highlights now, we will open the floor for questions from interested parties. Thank you.

Moderator: Thank you. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press "*" and 1 on the touchtone telephone. If you wish to remove yourself from the question queue, you may press "*"and 2. Participants are requested to use handsets while

asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question comes from the line of Aditi Joshi with JPMorgan. Please go ahead.

Aditi Joshi*:* A couple of questions. First of all, congratulations on a very good set of numbers. So, firstly, on the top line growth, it was quite a significant growth for the quarter. And when we look at across the business segment, it has been quite broad based across fire, Health and Motor. So, just wanted to understand your outlook of the top line growth for the next full year 2026?

And specifically, if we break it down across the segments, what is your outlook? For instance, I think we are seeing some price hardening trend in the Fire Insurance segment. So, is it what it is driving in the Fire segment? And with respect to the Health Insurance as well, you've said that you are trying to focus more on that. So, going forward, should we continue to expect that growth in that segment as well? That is my first question.

Ramaswamy Narayanan: Yes. Do you want me to answer now or wait for your second one?

Aditi Joshi: Okay. I can actually go ahead with the rest of the questions as well. And second one is, on the investment side, I mean, it was quite an offsetting factor in the earnings growth. So, just the reason behind that, what actually led, is it because of the weaker equity market? Or are you seeing some slowdown in the interest income as well? And lastly, on the LA fires, do you have any exposure to that? And if so, what would be like the impact from that? Yes, these are my questions. Thank you.

Ramaswamy Narayanan: Thanks, Aditi, and thank you for the kind words about the performance. So, okay, the top line, yes, it is as per expectation, the growth. If you remember, at the beginning of FY '25, we had given a guidance that compared to the previous year, we would grow about 8% to 10%, and we would be somewhere close to anywhere between INR 40,000 crores to INR 41,000 crores. And that is what we are targeting. And as you can see, we are well on course for that.

As on 31/12/24, our premium has gone beyond INR 30,000 crores, and we expect another INR 10,000 crores to be added in the next quarter. So, we're well on target on that. So, what you would have also seen is, obviously, we are trying to now kind of ensure that the growth happens across different sectors. So, like you very rightly pointed out, there are essentially 4 sectors currently, which kind of dominate would be fire, Health, Motor and agriculture, right?

So, I think Health, we kind of focused this year, because if you see typically, fire, the own damage part of Motor and agri are more or less climate change-related, which could get affected by catastrophe. So, that was the reason for us to also focus on Health as one of the areas where we would like to grow.

So, idea is to diversify the book so that one loss or one set of losses don't really hurt your book. So, that is what we have done this year. Going forward, next year, we will continue to do that.

Whether that will happen in Health, I am not sure at this stage because we need to look at how these businesses work out. If it doesn't work for us, obviously, we will not write that. But going forward, the idea is also to see that we diversify.

So, like I said in my earlier opening remarks, there are areas where we see traction happening, because the regulator is pushing, there is demand in the market. Surety bonds is one where that business is slowly moving from banks, which used to traditionally do that to now the insurance market.

Cyber, again, as an IT progressive country, obviously, so when people adopt technology very well, cyber becomes a risk, which needs to be covered. We are seeing traction there. So, that's an area we could look at. So, similarly, the idea is to grow in areas, which are slightly different from the catastrophe things.

So, that is what we will do. So, in FY '26, hopefully, you will get to see a much more diversified book. We are just beginning the work on the 1st April renewal. So, maybe in the next earnings call, I might be able to give you a much better understanding of what we are doing.

With regard to price hardening in Fire, yes, I am glad you have noticed that, that is something that we have been working very hard towards. The first 9 months of this year, the pricing was not great. Fortunately, I would say they were in many catastrophic events, which affected the property market. So, the performance looks good.

What you are seeing today in our books in terms of the fire premium is not because of the hardening. The hardening you will see possibly in the last quarter and in next year. So, that way, I think what you are seeing on the Fire portfolio is still the portfolio that was there on the 9-month thing, a slightly depressed portfolio. But I think overall, we have done well there. I think so this was your first question.

Second question on the investment side. Yes, I agree with you. The figures are lower than what we expected. But then the difference is not because of interest rates slowing down. I think our interest income, the way we had budgeted and planned, that is on track. Where we have come down, where our investment income has come down is in the profit on sale of securities.

Now on the equity side, we do sell our equity from time to time. And there, since the last quarter, the market has been pretty topsy turvy. We have not really sold as much as we would normally have, because honestly, the idea is not to just book profits by selling. Idea, when we decide to sell something or buy something, it is based on the fundamentals of the market, and it is decided by our experts in the investment department.

So, we felt this is not the right time to sell, and that is why the profit on sale of equity has come down this year for this quarter and definitely up to 9 months, it is lower than what we planned.

We still have 2 months left. We are seeing how the market will behave, and we will see how to take advantage of that in case the market goes up.

The third question on the LA fire. Yes, we have a small exposure there. It's not major. Currently, we have provided about $25 million in our provisions. Now you should realize this is basically an event, which has happened in the fourth quarter in January. But prudently, we have already provided for it in our third quarter results. It is currently provided at $25 million. My personal feel is this will come down, because these are very, very initial figures. We've still not received too many intimations from our clients. So, we will wait for that and revise it in the next quarter.

Aditi Joshi: Okay. Got it. Thanks for providing a clarification on that. Just one more follow-up. Given that we have had a renewal cycle already done in January, so what has been the trend in the overseas line?

And second, with respect to the upgrade in the credit rating, have you seen some progress in terms of winning the contracts over there? Or how is the progress going? If you are able to share some update of the business in the Overseas business line, then it will be really helpful.

Ramaswamy Narayanan: Yes, Aditi, I got your question. I think you wanted to know about the Jan renewals, right? So, yes, so 2 points there. One, of course, this is the first renewal after getting our credit rating back to A minus. So, we got to see a lot of business. We were in touch with all our business partners, both brokers as well as insurance companies. So, we got to see a lot of business. We wrote about 25% to 26% more business. But what we also saw in the market was there was a lot of capacity available. There was a lot of interest from reinsurance companies. So, to that extent, not all our business writing was accepted. So, we finally got a signing of about 15%, 16%, which overall means that in 1st Jan, we have written about $80 million more, that works out to about INR 650 crores more. That's number one.

Market was quite range based. In fact, we did see softening of rates happening in certain markets, which did not have any catastrophic events. Markets, which did have catastrophic events saw some risk-adjusted rate changes going up. But overall, I thought there were a lot of capacities in the market, and it was a very soft market. But we got to write what we wanted. We're pretty happy with the situation. There were some businesses where we lost. So, even though, like I said, we wrote about $80 million more, we actually lost almost $20 million of business from our existing book. So, it essentially means we wrote almost $100 million more. So, that's a good space to be in. And going forward, I think we will continue to look at our International Business positively and grow when we see the opportunities. Again, 1st April, there are a few renewals waiting for us. We will see how that progresses. Thank you.

Moderator: Thank you. A reminder to all the participants that you may press “*” and 1 to ask a question. Next question comes from the line of Janish Shah, an individual investor. Please go ahead.

Janish Shah: Yes, sir. Thank you for being a part of this. And congratulations for a good set of numbers. Just to me get some more understanding on this International Business. Does it mean that the decline, which we have been seeing in the International Business, is going to be divested in the next year, and it will come on the growth trajectory from here on? That is first question.

Second, if you can just give us some understanding with regard to the rising interest rate scenario. You mentioned that there is capacities available in the global market. When we look at generally, the higher interest rate scenario would also mean invest capital or the capital getting shrunk from the international market that can happen, because the bond prices generally would see losses with many of the people or many of the competitors in their portfolio.

Again, give us some understanding in the scenario if the interest rates were to rise or I mean more specifically on a 10-year bond where globally, we are seeing the pressure. If you can just give some understandings, how are we going to navigate through the situation. Will we be benefiting because of our capital capacity available? Thank you.

Ramaswamy Narayanan: Okay. So, on the first point, international growth. Yes, I would agree with what you said there would be growth going forward. In fact, this year, if you see, the reduction in premium was not because we didn't write any business that we wrote previously. There was only one contract, which I have previously talked about, we used to write a contract in the U.S., which was marine and Motor.

And basically, we stopped that in 2021. Till last year, we still got runoff premiums from that, because it's a long-tail class. So, premiums and claims used to come in, in that class till last year. So, the premium was there, which this year, we have not seen, which means that the contracts in that sense, the exposure is completely now over. So, the premium to that extent got reduced internationally because of that one contract. Otherwise, we more or less still wrote the same business that we wrote last year.

Going forward, yes, in '25, '26, you will get to see a higher premium in the international market. Like I said, we have already written about $80 million more, that's about INR 650 crores adding up. Plus, 1st April renewals are still pending. 1st July renewals are still pending. Plus, we also do write a lot of facultative business across the year, which I am hoping will increase because of our better credit rating that we have now. So, yes, a simple answer to your question would be the international book would increase going forward.

Second, on the interest rate increase side, I didn't quite understand what you wanted to say, but I am assuming that you are saying that as interest rate increases in the world, there will be less capacity coming into the insurance market. Is that what you wanted to ask?

Janish Shah: Yes. Yes. That's what I wanted to ask.

Ramaswamy Narayanan: Right. So, what I would like to say is, so yes, that would happen in nontraditional reinsurance capacities like catastrophe bonds, index-linked securities, and those kind of things, where the capital market looks for opportunities to get better income for the capacity that they are giving. But I think traditional market really doesn't worry too much about those. What they will look for is the profitability, whether the markets in which they are participating gives them the exposure that fix their risk appetite, plus also gives them the income and the profitability and the loss ratios, which are manageable within their own books.

So, in that respect, I think to a great extent, the market needs to ensure that it is profitable. Like I said, this year, after 2 years of very hard market, as we call it, where the prices were really high in the international market. This year, we saw softening simply because not that catastrophic events did not happen. I think this year also, '24 is also, if you see almost $150 billion cat loss market.

But major part of those losses got retained by insurance companies. It did not flow as much into the reinsurance market. Three major events which really hit the reinsurance market, Helene, Milton, and this wildfire, but then this will now be seen more in 2025 rather than 2024.

Apart from that, there were a lot of catastrophic events locally in Spain, in Italy, in the U.K. and around the world. So, the point is losses do happen, but as long as pricing is adequate, I think capacities will be interested. And that's what we saw early this year on 1st Jan renewals. There was much more capacity than last year available on the reinsurance market and that meant that the pricing was soft. I think going forward, this is what will dictate the capacity availability in the market.

Janish Shah: Okay. And one more question on profitability on the international side. We could understand the adjustments which were going on in the International Business in the last 3 to 4 years, where we are trying to book the losses on account of the old contracts. And now that those legacies are now behind, we are still seeing combined ratio in international at 132%.

Could we just get some understanding how is that going to look like? I understand predicting the events are very difficult. But I am saying, in general, if we're looking at the kind of underwriting or the quality, which you are saying it's going to be much better. How do we see that combined ratio or what's the expectation on the combined ratio on the international side that you think will be, and maybe if you can just give also colour onto what are the areas in which you would be exposing yourself in terms of risk management, how should we understand about the International Business underwriting book?

Ramaswamy Narayanan: Okay. So, yes, internationally, if you see the figures, typically for the quarter, that is 31/12/23, our combined was 158%, which has now come down to 122%. After the period, if you see for the 9 months, we were 145% last year. We are 130% this year. So, there is a market improvement. So, coming back to your question, what is our outlook on this. Our outlook is very

simple. We want to reach a situation where International Business ideally should be below 100%.

And that's what we are driving towards. It will take some time. It's a journey. We will need to go through that. What also happens is you need to have adequate premium before you really reach that kind of a combined ratio, simply because if your premiums are low, any one loss can really affect your profit and loss and your combined ratio badly. And that's what we are seeing here.

Overall, the book is good. We are still getting some losses from the previous contract that I talked about. So, that is now waning, but hopefully, next year, we will see the end of that. And that is when we would like to see the combined ratios coming down. Like I said, it is something that we have been constantly doing and combined ratios have come down. I think next year, you will see that this comes down much further.

As to which areas we would be writing in international? Typically, we don't write long-tail classes internationally. So, typically, you would find us not writing too much of Motor, not too much of liability, not too much of Health. What we would prefer and what we normally write is property, which is catastrophic property and aviation, which is written out of our London office because that is the hub for aviation business. We also write marine because it's a worldwide business, so we get to see a lot of good businesses in marine and energy, so we write that as well. This is typically, how we write our business in international. Going forward, I don't see anything changing to this strategy.

Janish Shah: Okay. And lastly, on the domestic combined ratio, it's been more stabilizing, close to 100%, 105%, in that range. Is that the way this business will remain stable? Or there is a room for improvement in terms of this combined ratio. If you can just give some understanding or little guidance on how this book is going to behave? And your choices like how do you fix your businesses in the domestic market? That would have been helpful.

Ramaswamy Narayanan: Yes. So, if you see, we have been continuously improving here also. Over the last 2, 3 years, if you see our combined ratios have steadily come down in the domestic market. We've also, like I said earlier, we have broad-based our book so that we don't really get a shock from one class. This is something that we learned from 2020, when we used to write a lot of Agriculture business. And when 1 bad year happened, we actually got into a loss-making position.

So, that is something that is very clear in our mind that we will ensure that there is diversification in our book, so that the losses from one can be managed by other. Over a period of time, we have come to a stage where the domestic market is doing very well. We should appreciate that GIC writes a lot of proportional business in the domestic market.

We provide a lot of support and capacity to the domestic market. Now when the domestic market itself is writing, you are running at 120% combined sort of, for us to be even at this 102%, 103%

range means that we are doing a very good job of managing our risk exposures. You asked whether there is room for improvement, of course. Always there is room for improvement.

We would always look to go below 100%. We will see how to manage that. Like I said earlier, it's a question of trying to look for opportunities in emerging areas, and being the first to take advantage of that. And since we have our office here, we are based here, we have such a wonderful relationship with all our customers, I think we are in a good position to do that. And going forward, yes, I would hope that you would get to see much better improvement in the combined ratios of the Domestic business also.

Janish Shah: Thank you, sir. Thank you very much.

Ramaswamy Narayanan: Thank you,

Moderator: Next question comes from the line of Sanketh Godha with Avendus Spark. Please go ahead.

Sanketh Godha: Thank you for the opportunity. Sir, the primary companies are saying that the pricing environment in the domestic commercial lines, especially the Property and Fire segment is seeing a meaningful change compared to what it was in current fiscal year. So, just wanted to understand the likely positive impact, first of all, whether you are witnessing that trend changing? And second, if it is true, then what is the likely positive impact you can expect to play out in our numbers?

Ramaswamy Narayanan: Okay. Thanks, Sanketh. Yes, you are right that there is a positive change happening in the property class. In that sense, I would say it is coming back to normalcy, because last 9 months, there was a lot of desire to cut prices and ramp up top line, which was done by the primary insurance companies. And we have been in touch with them and guiding them and advising them, what is the best way to go forward.

So, I think from 1st Jan, we have seen prices holding up. There have been no discounts given compared to earlier times. So, in that respect, yes, I would say the book would look better. How much better, honestly, we would need to see. And to a great extent, it will also depend on what kind of events happen, because the property book has 2 loss scenarios. One is the risk losses, which comes because of a fire or because of machinery breaks down or things like that.

Second and more important category is the catastrophe one where a flood or an earthquake or something like that happens and the losses come up. Like I said, this year, overall, I would say the performance was okay, simply because catastrophic events were lesser in intensity. It affected Motor more than property.

Overall, the property book has shrunk only by about 2% from what I have seen in spite of prices falling by almost 25-odd percent. Now the reason for that is, I think when people had their budgets, and I am talking of the insureds, they had their budgets and when they saw the prices falling, I guess they took higher sum insureds just to kind of ensure that there is no shortage in

what they are buying. So, to that extent, I think premiums didn't fall down, but the overall exposures that we took on really went up, but obviously, the premium rates crashed.

Going forward, I would like to see how this pans out, whether people continue to take a higher sum insured and pay a higher price for it or they are kind of decided that they will pay what they are currently paying, even if it means taking a lower sum insured. This is something that we need to see. This is something that we are talking with companies to understand. But overall, with prices holding up, what would happen is the profitability of this class of business would definitely become better.

Sanketh Godha: Got it. Sir, you said that there is was a price discounting of closer to 25-odd percentage. So, when you say the pricing holding up, has it gone back to the previous level, which means there is a 25% price increase to a large extent in the current environment?

Ramaswamy Narayanan: Yes, I would say that. I would say that. So, what happens is there is typically a burning price that we look at. So, for a subsection within fire, for petrochemicals, for instance, for hotels or for a housing complex, obviously, rates are different depending on the kind of risks that you are taking on board. So, we typically, having been in this industry for a long time, insurance companies as well as us reinsurance companies, we have adequate data to understand what are the burning costs for each subclass of business.

Now what was happening was the price that was being charged was going down much below even the burning cost. Ideally, you should be charging some amount of pricing above the burning cost to take care of your expenses, have some profitability, things like that. That was not happening now. But now at least the pricing is much more disciplined, and at least the burning cost prices are being maintained.

Sanketh Godha: Got it. Perfect. And sir, now given our rating change and kind of solvency we have, the international piece, if I look at 9 months data, we are at 23% of the total GWP. So, should we expect this number to go up incrementally, given the segment still has seen a decline in 9 months compared to last year. So, from a growth point of view, just wanted to understand that the price hike in fire or overseas businesses, adding up together, can we see a mid-teen kind of a growth for FY '26 to come back?

Ramaswamy Narayanan: So, 2 points here. One is whether the skew in the international to domestic will change. So, currently, 77-23, will that change? I don't think much significantly. And I'll tell you why. In actual numbers, you will see international premium figures going up, right? And that is because we are writing more business, because our credit rating has improved. But what is also happening, what we need to understand is the Indian economy is doing much, much better than the rest of the world. So, we, as reinsurers, get to see much more business in this market than what we can see abroad.

So, while we will continue to look for opportunities abroad, write businesses that we lost due to the rating upgrade, try and get it back and write new businesses there, I think we get to see much more opportunities in India. Now if you see the regulator has come out with that slogan, which says insurance for all by 2047. They are also trying to push penetration levels higher. They have different plans to do that.

All that means that GIC as a reinsurance company gets to see so much opportunity, because insurance companies would obviously write more business, and since most of them are unlisted, they would need capital by way of reinsurance, and we are there to provide that. So, I think in the short and maybe even the medium range, I would expect this percentage terms to remain where they are. But of course, the premium figures will definitely go up.

Sanketh Godha: So, is it fair to say that the growth will come back in teens at least compared to single-digit growth, what we see today?

Ramaswamy Narayanan: I am sorry, I didn't get that.

Sanketh Godha: Sir, I was asking whether the growth will come back to mid-teens kind of a figure, given the environment is a little better, compared to single-digit growth what we are experiencing now?

Ramaswamy Narayanan: I would say so. I would say so. I think long term, that is what we would be looking for mid-term, that's what we will be looking for. What you should also realize is even though there is a single-digit increase that we are seeing this year, this really come after years of degrowth. So, it also means that internally, there are a lot of changes that we have had to do to ensure that this growth happens.

But having done that growth, having shown the markets because initially, even other reinsurance companies would be wondering whether we are really serious about growing, whether we should be shown business. But today, I think we have gone past that challenge. Today, the market knows that GIC is there to support. GIC is hungry for business. So, obviously, going forward, yes, there is a chance, and if opportunities present themselves, we definitely could look at double-digit growth happening in the next few years.

Sanketh Godha: Got it, sir. And the third question, what I had was, sir, how much exposure we have in Domestic business to long-term plans. Sir, the reason why I am asking these questions is that because regulators or primary companies have asked to recognize premium on 1/n basis, especially the home dwelling and long-term Health plans and PA plans will get impacted. So, I think these all 3 products are heavily reinsured products. So, from that perspective, just wanted to understand how much is our long-term in Domestic business, point number one?

And second, whether the accounting treatment will also change given the premium will be recognized by the primary companies on deferred basis, whether when we pay reinsurance

commission back to these guys, will also be in a deferred way or you will choose to pay it upfront to the practice what you are doing today?

Ramaswamy Narayanan: Okay. So, the first one on the long-term policies. Actually, it's not a major part of our book. If you see long term would possibly be in Motor, in housing, and maybe some of the Health, Health, even not that much. So, if you look at our book, Motor typically comes a lot from Obligatory.

So, yes, there will be some differentiation there. We don't write too much of long-term housing as of now, simply because we were worried about how the exposures pan out, because initial period, you get the premium, the exposures are low. And then as the years pass by and you continue writing, the exposures go up, your protection costs go up, but actually, there is no income.

So, keeping all this in mind, we had not written much of a long term. Now that IRDA is clarified, that's an area we could look at. But then since we are starting afresh, that wouldn't affect us much. I would say the same for long-term PA and Health, not much of an effect. So, overall, from our books, I don't see much of a problem. Compared to the companies, we may not have that kind of a problem.

Second, on the accounting side, yes, of course, we would follow what the insurance company is doing. And so, since the regulator has said it must be 1/n kind of accounting. We will also do the same thing.

Sanketh Godha: Got it. Got it. And lastly, sir, your Health honestly has done phenomenally well in the current year. For 9 months, the growth is almost 87-odd percentage in the Health. So, whether this INR 7,000 crores of business what you did in third quarter, this will sustain or it was a one-off opportunity, what you got and you did it? And how confident you are that these numbers will repeat in next year?

Ramaswamy Narayanan: Pretty confident because this is not just a one-off opportunity that we looked at. We started it this year. Like I said, this year, the focus was, again, last year having seen 9 catastrophic events in India, which took away almost INR 3,300 crores, both in terms of paid as well as provided. We said that has really shaved off 10% of our combined. If those events had not been there, we would have been at 102% instead of 112%. But then we also know the inevitability of these catastrophic events. We cannot say that we can avoid it.

Having said that, the next best thing to do was increase your premium in classes which are not cat related or which are not cat exposed. And that is what we did this year. So, we focused on Health. Normally, these are retail Health classes, which normally don't come out into the reinsurance market, because these are small-ticket businesses and these can be retained by the companies themselves.

But then we also spoke to companies, understood what they are doing, understood where they needed capital and capacity, and that is where we have engaged with them and written this business. So, I think we don't see a challenge in retaining this. But having said that, every business must be profitable. If we find that in the renewal stage, some of these businesses the way they structure it is not profitable, we will more than happily come out and look for other opportunities.

So, I think we're still at a very early stage this year because we have still not started the renewal processes. We're still in discussions with companies. But what I can promise is that we will be positive. We will look for business opportunities and we will write the businesses that fit our risk appetite and add to our profitability. So, growth is something that we are looking for. And in case the Health business that we are currently writing match what we are looking for, we will, of course, continue writing that.

Sanketh Godha: Got it, sir. And maybe last one from my side. Sir, in fourth quarter, typically, if I look that trend from FY '22 onwards fourth quarter, invariably, we have a provision reversal and the combined meaningfully goes below 100 percentage for the fourth quarter. So, given the trend, is it fair to assume that we might see a similar trend in fourth quarter. And so consequently, the 110% combined what you reported for the full year, might be maybe meaningfully lower compared to what you have reported for 9 months?

Ramaswamy Narayanan: It could. So, what you have said is absolutely right. Our fourth quarter is always our best, and this is internationally so. If you look at it, Jan, Feb, March is normally the quarter where you don't get any catastrophic losses. In our case, the advantage also is that it is the last quarter of the year. So, all the premiums also come in. Otherwise, for previous years, if you see, for instance, we have got currently 9 months premium, but the claims we have provided 100%. So, that is the advantage we get when we have the fourth quarter, the premium comes in. So, the entire 100% premiums have come in, the losses we have already provided for. So, which is why the fourth quarter looks so good.

So, going by what we have seen in the past, how we look at the results, I would expect a meaningful reduction. At this stage, I will not be able to tell you how much we will need to wait and watch there. But then if you see the guidance that we had given last year or early in April was that the focus is not to reduce the combined ratio in one go and come to 102% in 1 year. No, that was never the focus. The focus has always been to reduce it meaningfully over the midrange.

So, over maybe next 2, 3 years, reduce it by 2% each, come to about 105%, and then start with struggle to really come further down, because that will mean really putting in place a lot of risk management features to ensure that our book is well balanced. And that is what we are currently doing.

So, beginning of this year, we had said we were at 112% last year. We would want to come down below 110%, and I believe we are on track to do that. If we are able to do better than that,

great, we will, of course, accept that. But when the focus remains that we want to reduce by about 2%, 2.5% year-on-year as long as something major in terms of catastrophe doesn't hit us. I think we should be on track to do that.

Sanketh Godha: Perfect. Perfect, sir. Thanks for your answers.

Ramaswamy Narayanan: Thanks Sanketh.

Moderator: Thank you. Next question comes from the line of Karthikeyan K, an individual investor. Please go ahead.

Karthikeyan K: Hi, everyone. Good morning. And thank you for the opportunity. So, I have 2 or 3 questions. So, government in the budget has announced that there will be a 100% FDI in the insurance sector. So, what will be the impact for us? What kind of growth that will give us with 100% FDI in insurance?

And second one is, our employee cost has degrown for the 9 months, right? It has come by close to like more than 20%. Any reasons, our total employee strength has come down. What are the reasons for that? And the third one is?

Ramaswamy Narayanan: Yes, Karthikeyan, got your first question. What's your second one?

Karthikeyan K: So, second one is the employee strength, right, what's the employee strength currently? Because the cost has come down by like 20% in the 9 months.

Ramaswamy Narayanan: Okay.

Karthikeyan K: That is the second question. And the third one is, see, we have Obligation and Non-Obligation business, right? So, what's the percentage, how much is Obligatory and how much is Nonobligatory?

Ramaswamy Narayanan: Obligatory and Nonobligatory. Okay. Okay. Okay. All right. Anything else?

Karthikeyan K: That's all, sir.

Ramaswamy Narayanan: Right. So, your first question or maybe I can take the Obligatory, Nonobligatory, that's simple. So, typically, overall book of INR 30,000 crores, 30% is Obligatory, 47% is Nonobligatory domestics, and 23% is foreign. In terms of figures, INR 14,443 crores is Nonobligatory, INR 9,215 crores is Obligatory, right?

Now the next one was on the employee numbers. So, currently, so if you are looking at it from last year, I think when last year ended, we were at about 380 employees, right? So, we have already had one recruitment process. We are currently at 458 employees.

We have also started another recruitment process in January, where people would hopefully join in the next financial year. That is another 110. So, we are actually ramping up our employee forces, because some of the elderly, older employees are retiring as well. So, we are ramping up our employee numbers. That's number two.

And on the 100% FDI thing, well, to be honest, that's a very positive thing for us simply because if there is 100% FDI and if more insurance companies come into this market, then obviously, business will increase, penetration levels will increase. And the moment that happens, obviously, our reinsurance revenue will go up, because typically, no insurance company keeps everything to their net. They look for reinsurance, they ride on the shoulders of the reinsurance, they write on the capital of the reinsurers. So, for us, it is positive.

Now having said that, I think we need to be a little focused on what is really happening. If you go by past, then the FDI got increased from 49% to 74%. And now I am talking only about the nonlife insurance companies, because that is where most of the reinsurance premium comes from.

Now in nonlife companies, only 2 companies, the foreign partner increased their share beyond 50%. They didn't even touch 74%, but at least they went from 49% and they went beyond 50%, only in 2 companies. Rest stayed where they were. So, my point is, I am not still very sure that just this increase of FDI will bring in more players.

My take is that this market must look profitable. When insurance companies do their market study, they should have the feeling that when they enter this market, they will be able to make money. Otherwise, why would anybody put their capital here, number one.

Number two, I would expect that niche areas, and I have talked about this earlier also, maybe areas where new business is coming into this market, and people who have experience of that in other markets, yes, there is a big chance of that happening of those companies, opening up offices here and providing their expertise to the market. So, that is again positive.

Finally, I think at the end of the day, the market is growing. If you see year-on-year, the nonlife market grows at 12% to 14%. But in spite of that, the penetration levels are really coming down or they are at least not going up. So, somewhere, I think there is a need for insurance companies to start expanding their horizon, start expanding their geographical area of business, ensure more people come into the ambit of insurance.

Whether you need new companies to do that, I don't think, even existing companies can do that. But yes, if there are more companies in this market and they try to look at different areas of business and manage to increase the penetration, I think it is positive for the market. And as reinsurers who have our focus in this market, it is positive for us.

Karthikeyan K: Okay. Got it, sir. See one basic question. The general insurance part, the premium ratio to GDP is close to 1%. But if you look at the developed markets, right, that is like more than 5% or 7%, and in the U.S. and all it is almost 10%. So, what's the reason for the low percentage of GDP? What's the reason basically?

Ramaswamy Narayanan: What it means, Karthikeyan, is that we take insurance for 2 reasons. One, if it is compulsory, if it has to be taken, we take. Two, if there is some tax benefits involved, we take. Otherwise, we don't take. So, as a community, as a nation, we possibly don't look at what is our insurance requirements, and then buy for that. Only if we are pushed to a corner, either legally where we have to buy or typically, companies buy because somebody has taken a loan and the banks insist that they must have a cover, they buy a cover.

I think that has to change. As a country, we need to realize that there has to be a need or there has to be a need felt by individuals to transfer the risks that they have in their lives to insurance companies.

Today, unfortunately, also what is happening is a major part of our population is not in a position to afford to pay the premium. They are still trying to ensure that their life works, they are able to do the basic of living their life rather than worrying about risks that come into their life, which is why you see that when a catastrophe happens in India, the protection gap is huge. The insured losses are hardly 8%, 8% to 10%. 92% is your protection gap.

And this is basically made up of people who cannot afford. Yes, there will be lot of people who can afford, but they don't buy. But majorly, this made up of people who cannot afford to buy insurance. And what all this leads to is, and you've seen that happening. When a catastrophe happens, since people have suffered because of that, the government doles out money in form of grants and things like that to ensure that they are able to come back and live a decent life.

Now we are in touch with the government. We have been in touch with other stakeholders like NDMA, National Disaster Management Agency. We are trying to get into a situation where we are telling the government, you obviously are paying out money at the end of an event. Rather than doing that, why don't you kind of cover the entire country by buying an insurance product? If you buy an insurance product, at least you know that you don't have to step in when the catastrophe has happened. The insurance companies will manage that.

The other good point is once the insurance industry gets into this business, they will go in to find out how they can reduce the losses. Obviously, in a catastrophe, you cannot stop a catastrophe happening. But then once the insurance industry is involved, we will look at how we can reduce these losses by putting up positive things on ground to ensure that losses, even if the event happens, the losses are not high enough.

So, I think these are things that we need to do. So, obviously, once this happens, instead of doling money out at the end of the event, if governments buy an insurance cover, obviously, your

penetration levels also go up. It means as a country, everybody is covered. I think this is more or less in sync with what the regulator has brought out as a slogan, which says insurance for all by 2047. So, I think every individual in this country must have either a cover, which protects them from catastrophes and tragedies. They must have something to protect their life. In case they own a Motor, they must have a compulsory Motor insurance. These are areas we need to work. And I think the insurance industry is working very well towards that.

Today, even though Motor insurance is compulsory and obligatory for people to buy a third-party cover, there are many cars running on the roads, which are not insured. So, again, I think it's a case where the government plus the insurance industry must work together, share data and ensure that every Motor vehicle is brought into the ambit of insurance.

So, I think it's a work-in-progress. Like I said, 2047 is the target, but you'll find a lot of work being done now because the regulator is also pushing to ensure that coverage is increased and penetration levels go up. So, I think it's a matter of time before you see these penetration levels going up.

Karthikeyan K: Sir, one follow-up question regarding to the employee addition, see you have added the 70 and you will be adding another 110. So, the number is almost going 50% up more than like last year. So, how are you training them and bringing up to speed in terms of productivity and all that?

Ramaswamy Narayanan: Yes, yes. So, we have an internal system to do that. We've already started HR initiative, which is about 1.5 years old, where we have looked at various things, better recruitment, better retention of people, ensuring that they are well trained, so that they understand the job, they get enthused with the job that they are doing. This is part of something that has been happening for the last 1.5 years.

So, I think going forward, you will see a much better workforce here. Like I said, these are all youngsters. So, we need to understand how to keep them active, how to keep them engaged, how to keep them interested in what they are doing. So, obviously, that is a challenge, of course, but that is something that we are working towards.

Karthikeyan K: Are these new joiners experienced with the industry or like they are new to the industry?

Ramaswamy Narayanan: So, it depends, it depends. So, typically our recruitment process is such that anybody can apply. So, we do have freshers who are applying straight from college. So, I have seen some of the new recruits who have joined recently. Some of them were working in insurance companies, some of them were probably working in banks, and they preferred to come to GIC looking at what we have to offer them in terms of a career.

So, yes, they could be totally different. But the good point is, Karthikeyan, if you look at it, compared to the times when I joined, 30, 35 years back, it used to be a selection where we all

used to be freshers. I can speak for myself, I didn't understand a word of insurance when I came into this company, right?

Compared to that, today, the people who are joining, these are all people who are very clear, they want to follow this career. So, I get people who have done risk management courses. I get people who have done their graduation in risk management. And that is good because they understand, I don't have to teach them the basics. They understand what risk management is all about. All we have to teach them is how reinsurance is different from insurance, and how this company does things differently compared to some other reinsurance company.

And that I said, is part of the training and that part of the on-the-job training also that they get when they work with seniors who have been working in this industry for long. They understand how these things get worked out.

But I see this positively because now I see people don't come into this industry as a mistake, which used to happen 35, 40 years ago, where people used to apply to banks, to us or they were probably trying their UPSC exams and they came here. But this doesn't happen now. Now these are people who are seriously looking at having a career in insurance and reinsurance.

Karthikeyan K: Sir, one final question. See, the combined for domestic has been was contained now, whereas the foreign portfolio is like almost like 130%. Now with the rating upgrade and our revenues growing from the financial year, what will be the combined going forward looks like, both for domestic and international business?

Ramaswamy Narayanan: So, like I said, domestic, we have been slowly creeping up, bettering our combined ratios. Currently, if you see for the quarter, the domestic combined is 102.76%, which is really good. Like I said, when the market is running at a combined close to 118% or 120%, for us to be doing 102% means that we have really managed our exposures well. We've really managed the kind of business that we are writing.

So, that we will continue to do. I am not saying this is the end, and we are satisfied. We will obviously want to do better, and we will do that every quarter, you will see some improvement happening. Yes, there will be some quarters when a catastrophic even hits some part of India. Yes, there could be some deviation. But otherwise, I think we are more or less on track to improve our combined.

On the foreign, like I said earlier, we obviously had our challenges for 2 reasons: one, because the credit rating was not there. So, the kind of business that we could attract was not the best. Number one.

Number two, because of the cascading effect of the U.S. contract, which even though we had stopped in '21, there was a run-off happening, which was it was long-tail classes of marine and Motor. So, honestly, that really upset our combined ratio there. Now that is in the process of

being slowly eliminated. Like I said, this year, we didn't see the premium coming in for the runoff, which means that the business really now the exposures have gone down. But yes, there are still some outstanding claims there, which we continue to see. But I think we are in a much better control of that business today compared to earlier times.

Going forward, once this particular contract really goes away from our books, and since we have now got our credit rating back, we get to see and write much, much better businesses. The good point is we have fantastic relationships in the reinsurance market abroad, which even with the rating downgrade, we have managed to maintain. So, I think going forward, you will get to see us writing better and more business internationally, and also ensure that the combined ratio comes down.

Karthikeyan K: Sir, one last question, if I may. See, the aviation accidents that happened in the overseas, South Korea as well as in the U.S. So, what will be the impact of those incidents to our book? Are we having any impact or what will be the quantum of the impact?

Ramaswamy Narayanan: Yes, yes, there are impacts. There are impacts. I think both South Korea and the American Airlines, we have impact, but these are small ones. The U.S., we have already provided about $7 million for the U.S. event, slightly lower, but you can take it at about $7 million. Even on the South Korea, we have a very, very small share. But again, like I said, these are small losses. This will really not swing the needle in a big way at all.

We are one of the bigger aviation underwriters in the world. And even with the rating downgrade, we manage to write quite a bit of business. Going forward, of course, with the rating upgrade having happened, we will get to see much more business. Advantage is, if you look at it, aviation is that way quite a claim-free kind of a class to write, the safety factors are very high. But yes, there will be losses like what has happened here.

But overall, once you start writing a good book of business, once you get an optimum book of business, then taking care of such losses would be much easier. So, I think in the aviation, we are not in a very bad state, because of this particular losses. But the problem with aviation is that since it is perceived to be a very safe class in terms of number of accidents, compared to the number of flights taking off, what happens is the rates are very, very competitive. So, that is something we are looking at to see how we can maximize the rates and get better rates from the market, but this particular loss will not affect as much. Yes, Karthikeyan, anything else?

Karthikeyan K: That's all, sir. Thank you, and all the best.

Ramaswamy Narayanan: Thank you. Thanks a lot.

Moderator: Next question comes from the line of Aditi Joshi with JPMorgan. Please go ahead.

Aditi Joshi: Thanks for taking my question. I know we are up on time. Just a very quick one. On the Health side, if you are able to provide a little bit detail as in the growth was mainly driven by the Retail

segment or the Corporate segment? And the reason I am asking is that the Corporate segment at the moment in the primary market is undergoing a little bit of pricing pressure. So, if that is driven by the corporate, then how is your outlook on the underwriting on the profitability side of the business? Yes, that's all. Thanks so much.

Ramaswamy Narayanan: Yes. Thanks, Aditi. But yes, so the increased business that you are seeing in the Health side is basically because of retail. It's not because of the group, because group is something that we avoid. We do, of course, get the 4% Obligatory on that. But other than that, typically, there are no treaties for group, so to say. Most of the bigger groups normally come out in fact, and we do look at it, but then not many of them we write. So, in that respect, our book doesn't have much of group barring the Obligatory. The growth that you have seen in retail is basically the retail Health that we have written with stand-alone Health Insurance companies.

Aditi Joshi: Okay, that's very clear. Thank you so much.

Ramaswamy Narayanan: Thank you.

Moderator: Thank you. Next question comes from the line of Janish Shah, an individual investor.

Janish Shah: Yes, sir. Thank you for opportunity. Just a couple of questions. Just a couple of questions. One, on FX, basically, now that your exposure on the international side probably will be increasing, how are you going to manage the currency risk? Basically, what's the policy laid down for managing the currency volatility? Because one is generally, you have been taking a risk on the insurance, the underlying event, that is one. But on the top of it, there is also a currency movement, which are very volatile in last 6 months to 1 year. And if this continues, how are you going to manage that?

And secondly, what would be the general tax rate we should go by? Like I am saying you have been in the range of around 18% on a consolidated basis. So, if you can just help us with to understand it.

Ramaswamy Narayanan: Yes. Thank you. So, on the currency one, so what happens, Janish, is we don't really bring the cash here and convert it into Indian rupees, okay? We typically maintain foreign accounts in London, where we have 3 different currencies, USD, Pound and Euros. And this is where the entire foreign business premium goes and sits. So, we don't really convert it. So, there is no currency volatility that we are looking at.

It's also easier for us because then we don't have to actually convert it back into the currencies at the time of claim payment because normally, when the claims come, we need to manage that very, very quickly.

So, with all that in mind, we have these bank accounts in London using which we manage our foreign currency. So, there is no volatility. What you see as currency loss or gain in our book is basically paper, just when we convert at the end of the quarter from the respective currency to

India, to INR. That is what you see. But it's purely on paper, there is actually no losses. On the tax rate, I'll ask my CFO to speak to you, Mr. Rajesh Laheri.

Rajesh Laheri: Yes. So, current tax rate is 25.06%. But you see from the profit and loss account, which is coming to around 21%, it is mainly because of… I will give you. Yes. So, effective tax rate, which is coming there is 22.7%. Tax risk is 25%. The difference is coming because we are getting ATM tax reduction benefit on dividend around INR 827 crores. Is this okay?

Janish Shah: Yes. So, the normal tax rate will be continuing to be in the range of 25%.

Ramaswamy Narayanan: Yes.

Rajesh Laheri: Yes.

Janish Shah: Okay. Thanks.

Moderator: Mr. Shah, are you done with the questions?

Janish Shah: Yes, I am done. Thank you very much.

Moderator: Thank you. Next question comes from the line of Dharamveer Santkumar Gupta, an individual investor.

Dharamveer S Gupta: Hello, sir. Just now I got the bifurcation from your side on the domestic as well as Obligatory and Overseas segment. Can you throw some light on the profitability or the margin on all these 3 segments?

Ramaswamy Narayanan: Yes. Okay. So, like I said, 30% Obligatory, 47% Nonobligatory Domestic, 23% Foreign. So, each are different businesses actually. So, Obligatory, what it means is, I get 4% of the entire market. So, I get to see businesses which normally doesn't come into the reinsurance market.

Like I said earlier, retail Health, for instance, normally gets retained by the insurance companies. Retail Motor, for instance, normally gets retained by insurance companies. So, there are a lot of individual businesses, long-term housing also to a great extent, as long as they can manage it, they retain it. So, with all this, what happens is, typically, reinsurers like us, would end up reinsuring only corporate business, which is the big industries, the big shipping vessels, the big hotels and things like that.

So, what would happen is, for a reinsurance company, typically, when we talk about getting the spread and the diversification to manage our business, a big part of the chunk of the business doesn't come to us. If you see, Health and Motor together makes up almost 80% of this domestic insurance market.

Now Obligatory, that way works very well for me, simply because it gives me a complete picture of the market, right? But again, the disadvantage there is it is Obligatory. So, obviously, I cannot pick and choose from good insurers or bad insurers. I get the good, bad, ugly. The entire business comes into my book. But that is up to us to manage it properly so that overall, it works well for us. So, that is Obligatory.

Non-obligatory domestic, well, it's a business that we pick and choose. We know which businesses work well. We know which businesses are loss making. So, we always try and write only the profit-making business.

So, it is a business which should work well, which continues to work well for us, simply because it is a business that we have chosen and written to our books. Similarly, with international. International, again, the business that we write is normally a good quality business, barring for couple of mistakes that we made in previous years, which happens. In every portfolio, these happen. So, if you look at it from a performance perspective, each of them have a different role to play, and that is why we continue to write each of them.

The profitability would vary from business to business. I would expect that the Obligatory profitability would be the lowest amongst them, simply because it kind of gives me a huge chunk of premium at one go, and it gives me businesses that I otherwise do not get to see. So, overall, that is how it would work. I think the Nonobligatory businesses, I would expect them to be more profitable. The Obligatory, at least it should breakeven for me.

Dharamveer S Gupta: Thank you, sir.

Ramaswamy Narayanan: Thank you.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions, we have reached the end of question-and-answer session. I would now like to hand the conference over to the Management for closing comments.

Ramaswamy Narayanan: Thank you, everyone. Thank you for your support, as always, and your questions, because these questions really make us think and make us do things differently, and rise to your expectations. We are very grateful for your support. And hopefully, we would have been able to allay your fears about how we are managing the business that we are writing, and how going forward, as a company, as a business, as a portfolio, we should be better than what we were earlier.

And hopefully, going forward, we will get to see much better profitability, much better combined ratios, and much better business. Thank you once again so much for coming in and spending your time with us. Have a great day ahead.

Moderator: Thank you. On behalf of GIC, that concludes this conference. Thank you for joining us. You may now disconnect your lines.