

Make Money Differently



IPO NOTE

from

General Insurance Corporation of India



Issue Opens on: Oct 11, 2017

Issue Closes on: Oct 13, 2017

Promoters of the Company:

The Promoter of the company is President of India, acting through the Ministry of Finance.

Issue Break up:

Reservation For	No. of Shares	% of Issue
QIB*	62,277,900 – 62,282,640	50%
NIB	18,683,371 – 18,684,793	15%
Retail	43,594,532 – 43,597,850	35%
Employee	144,197 - 134,717	-
Total	124,700,000-124,700,000	100%

*Company may allocate up to 60% Shares of the QIB Portion to Anchor Investors.

Object of the Issue:

Augmenting the capital base of the Corporation to support the growth of the business and to maintain current solvency levels and General Corporate Purposes.

Brief Financial Details* (Rs. In Cr.)

Particulars	As of June 30, 2017	As of Mar 31, 2017	As of Mar 31, 2016	As of Mar 31, 2015
Share capital	430.0	430.0	430.0	430.0
Reserves (net)	20,256.8	19,538.7	17,987.7	15,594.1
Net Worth	20,143.2	19,513.6	17,413.5	15,236.7
Revenue- Premiums Earned (net)	12,922.5	26,374.6	15,338.2	13,594.7
Revenue-Investment Income	787.5	2,915.3	2,866.2	2,899.3
Profit Before Tax	557.7	3,416.5	3,021.4	2,830.5
Profit After Tax	554.2	3,004.2	2,689.5	2,801.0
EPS (Rs. per Share)	29.24	36.52	32.83	33.62
Combined Ratio	98.43%	100.16%	107.03%	108.86%
Solvency Ratio [^]	1.83	2.41	3.80	3.32
RoNW (%)	12.48%	16.09%	16.22%	18.97%
NAV (Rs. per share)	234.22	226.90	202.48	177.17
P/E Ratio at upper band	31.19	24.97	27.78	27.13

Source: RHP * Restated [^] not annulised # Gross amount

Indicative Timetable:

Activity	On or about
Finalization of Basis of Allotment	October 18, 2017
Refunds/Unblocking ASBA Fund	October 23, 2017
Credit of equity shares to Depository account	October 24, 2017
Trading commences	October 25, 2017

Business Overview:

General Insurance Corporation of India Limited ("GIC") is the Largest Reinsurance Company in India in terms of gross premiums accepted in Fiscal 2017, and they accounted for approximately 60% of the premiums ceded by Indian insurers to reinsurers during Fiscal 2017, according to CRISIL Research.

GIC is also an International Reinsurer that underwrote business from 161 countries as at June 30, 2017. According to CRISIL Research, GIC ranked as the 12th Largest Global Reinsurer in 2016 and the 3rd Largest Asian Reinsurer in 2015, in terms of gross premiums accepted. GIC provide reinsurance across many key business lines including Fire (Property), Marine, Motor, Engineering, Agriculture, Aviation/Space, Health, Liability, Credit and Financial and Life Insurance. Through their more than 44 years of experience in, and commitment to, providing reinsurance products and services, GIC has become a trusted brand to their insurance and reinsurance customers in India and overseas.

The company has diversified their business geographically to grow their underwriting business and profitability as well as to maintain a balanced portfolio of risks.

The gross premiums on a restated consolidated basis from the International Business in Fiscal 2017, Fiscal 2016 and Fiscal 2015 were Rs.10,300.45 crore, Rs.8,339.69 crore and Rs.6,609.45 crore respectively, and the gross premiums has grown at

a CAGR of 24.84% from Fiscal 2015 to Fiscal 2017. In Fiscal 2017, Fiscal 2016 and Fiscal 2015, their gross premiums for risks outside of India were 30.53%, 45% and 43.28%, respectively, of the total gross premiums. The gross premiums on a consolidated restated basis from the international business for the 3 months ended June 30, 2017 were Rs.3,004.97 crore, and the gross premiums for risks outside of India were 17.34% of the total gross premiums.

GIC developed their overseas business through their home office in Mumbai, branch offices in London, Dubai and Kuala Lumpur, a representative office in Moscow, a subsidiary in the United Kingdom that is a member of Lloyd's of London and a subsidiary in South Africa.

GIC has a senior team of underwriters and actuaries to develop and manage their reinsurance business. GIC uses their experience and long-standing relationships to tailor their portfolio to specific market segments. Their approach to underwriting allows them to deploy their capital across a variety of lines of business and to capitalize on opportunities that offer favorable returns. In addition, their strong balance sheet allows them to underwrite risks across the Indian insurance market including large policies. In Fiscal 2017, GIC led 74.79% of the reinsurance treaties in which they participated in the Indian non-life market. GIC also administers three domestic reinsurance pools and one African-Asian reinsurance pool that allow them to manage reinsurance economics and strengthen relationships with their customers.

GIC maintains a diversified investment portfolio to generate investment returns to support their liabilities for the reinsurance they underwrite and to create shareholder value.

GIC has an Indian investment portfolio, which includes fixed income debt securities including Government securities, equity securities including exchange traded funds, and other investments, but does not include fixed term deposits for their business written outside of India at their branches.

As at June 30, 2017 and March 31, 2017, their Indian investment assets on a standalone restated basis had a carrying value of Rs.41,929.85 crore and Rs.39,126.27 crore, respectively, and a fair value of Rs.73,902.56 crore and Rs.69,162.58 crore respectively.

The investment income from the Indian investment assets on a restated standalone basis in Fiscal 2017, Fiscal 2016 and Fiscal 2015 was Rs.4,515.61 crore, Rs.4,174.99 crore and Rs.4,176.06 crore respectively, and has grown at a CAGR of 3.99% from Fiscal 2015 to Fiscal 2017.

The yields (without unrealized gains) from the Indian investment assets on a standalone restated basis in Fiscal 2017, Fiscal 2016 and Fiscal 2015 were 12.35%, 12.91% and 14.08%, respectively. In the 3 months ended June 30, 2017, the investment income and yields (without unrealized gains) from the Indian investment assets on a restated standalone basis was Rs.1,046.79 crore and 10.33%, respectively.

The gross premiums on a restated consolidated basis in Fiscal 2017, Fiscal 2016 and Fiscal 2015 were Rs.33,740.79 crore Rs.18,534.25 crore and Rs.15,270.16 crore respectively, and have grown at a CAGR of 48.65% from Fiscal 2015 to Fiscal 2017. In the same fiscal years, the profit after tax on a restated consolidated basis was Rs.3,140.62 crore Rs.2,823.42 crore and Rs.2,890.98 respectively, and have grown at a CAGR of 4.23% from Fiscal 2015 to 2017. For the 3 months ended June 30, 2017, the gross premiums and the profit after tax each on a restated consolidated basis were Rs.17,325.35 crore and Rs.628.67 crore, respectively.

Further, as at June 30, 2017 and March 31, 2017, 2016 and 2015, GIC had a restated consolidated net worth (including fair value change account) of Rs.52,116.00 crore, Rs.49,550.85 crore Rs.40,870.26 crore and Rs.43,384.29 crore respectively. The total assets on a restated consolidated basis as at June 30, 2017 and March 31, 2017, 2016 and 2015 amounted to Rs.108,320.68 crore Rs.97,079.44 crore Rs.76,102.75 crore and Rs.74,916.43 crore respectively.

GIC had a solvency ratio of 1.83, 2.41, 3.80 and 3.32, calculated on a restated standalone basis as at June 30, 2017 and as at March 31, 2017, 2016 and 2015, respectively, against minimum statutory requirement of 1.50.

GIC has been rated "A-" (Excellent) with a stable outlook by AM Best for 10 consecutive years. In addition, GIC has paid successive annual dividends in the past 5 fiscal years and their dividends during last 5 fiscal years were an aggregate of Rs.3,320.05 crore.

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