

**NOT RATED**
**GIC RE**

| Insurance

| 02 March 2026

## Management meet highlights

- Plans to grow international business in the 7-10% range, aided by expansion in low penetration markets
- Overall, it foresees premium growth of 8-10%. It may have impact on its topline if the 4% obligatory cession going away
- Plans to navigate this through strong balance sheet, and long-standing relationships in domestic and global markets. CMP Rs. 372

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**Expects faster global growth:** We hosted the General Insurance Corporation (GICRE) management — Mr. Hitesh Joshi, ED (Additional Charge of CMD); Ms. Jayashri Balkrishna, ED; Mr. V. Balkrishna, GM & CFO and Mr. Sanjay Mokashi, GM & CUO — to gather insights on the overall business and guidance on the outlook. Following the rating upgrade in Oct'25 to A- (Excellent) from B++ (Good) by AM Best, GICRE is well positioned to accelerate growth in its international business; aided by enhanced qualifying criteria for participation in overseas reinsurance market. Management indicated that the international business is expected to grow in the 7-10% range, as the company plans to expand to those markets where it currently has a relatively limited presence.

**International business growth:** In 9MFY26, international business witnessed modest growth at 7.1% YoY and 5.6% YoY in 1HFY26, following a 10.7% YoY decline in FY25. The company plans to increase the international business mix to 30% or 40% in the overall business mix in the short-to-medium term. Currently, the domestic-to-international-business mix stands at 77:23.

**Global presence:** International business is primarily sourced from the countries like Europe, Turkey, Israel, with the company having presence in 137 countries. GIC RE plans to foray in markets such as Japan, South Korea, Australia, where it currently has limited presence. However, management intends to proceed cautiously in the current cycle, with a strong focus on economic viability.

**Competition:** The company has been witnessing increased competition in domestic market, following the entry of global reinsurers (such as Swiss Re and Munich Re). However, supported by its 50Y legacy and deep expertise, the company expects to maintain its market share. Domestic market share stood at 52% in FY25.

**GIC RE,** India's leading re-insurer (FY25 domestic market share: 52%), benefits from the 4% mandatory domestic re-insurance cessation, and the first right of refusal, which provides preferential access to domestic reinsurance placements.



**Profitability:** GIC RE reported PAT decline of 6% YoY in Q3FY26, while NEP grew strong by 11.6% YoY (19.5% QoQ). During the quarter, overall NEP growth was primarily driven by strong growth in motor (up 15.4% YoY), stronger than 11% industry growth, and life (up 35.2% YoY).

**Improved combined ratio:** Combined ratio witnessed improvement and was at 106.9% in 9MFY26 vs 110.0 in 9MFY25. Management guided for a 100bps improvement in the combined ratio, going forward.

**Strong parentage:** GICRE's credit profile is supported by its strong parentage, with the government holding 82.4%, and its strategic importance as a dominant and sole domestic reinsurer in the market.

**Fig 1 – Geographical breakup**

(Rs mn)	Q1FY25	H1FY25	9MFY25	Q1FY26	H1FY26	9MFY26	FY24	FY25
Domestic	1,04,208	1,62,389	2,37,060	1,00,343	1,71,522	2,53,915	2,56,556	3,08,655
International	19,849	45,802	70,810	23,537	48,378	75,845	1,15,264	1,02,885
<b>Total</b>	<b>1,24,057</b>	<b>2,08,192</b>	<b>3,07,870</b>	<b>1,23,880</b>	<b>2,19,900</b>	<b>3,29,760</b>	<b>3,71,820</b>	<b>4,11,540</b>
<b>Mix (%)</b>								
Domestic	84	78	77	81	78	77	69	75
International	16	22	23	19	22	23	31	25
<b>Total</b>	<b>100</b>							
<b>YoY growth (%)</b>								
Domestic	88.5	23.2	21.1	(3.7)	5.6	7.1	1.6	20.3
International	(41.4)	(29.5)	(20.2)	18.6	5.6	7.1	1.6	(10.7)
<b>Total</b>	<b>39.1</b>	<b>5.8</b>	<b>8.2</b>	<b>(0.1)</b>	<b>5.6</b>	<b>7.1</b>	<b>1.6</b>	<b>10.7</b>

Source: Company, BOBCAPS Research

**Fig 2 – Segment-wise breakup**

(Rs mn)	Q1FY25	H1FY25	9MFY25	Q1FY26	H1FY26	9MFY26	FY24	FY25
Fire	38,247	63,836	98,518	35,925	68,169	1,06,589	1,27,714	1,35,808
Agriculture reinsurance	19,798	24,588	30,787	21,060	24,189	29,978	36,854	32,923
Health	28,768	48,405	70,810	24,776	46,179	66,618	57,287	94,654
Motor	15,678	29,658	46,181	18,582	35,184	53,295	71,109	61,731
Life	4,770	8,752	12,315	4,955	10,995	16,655	16,187	20,577
Miscellaneous	16,797	32,953	49,259	18,582	35,184	56,625	62,667	65,846
<b>Total</b>	<b>1,24,057</b>	<b>2,08,192</b>	<b>3,07,870</b>	<b>1,23,880</b>	<b>2,19,900</b>	<b>3,29,760</b>	<b>3,71,818</b>	<b>4,11,540</b>
<b>Mix (%)</b>								
Fire	30.8	35.2	30.7	29.0	31.0	32.0	34.3	33.0
Agriculture reinsurance	16.0	13.5	11.8	17.0	11.0	9.0	9.9	8.0
Health	23.2	26.7	23.2	20.0	21.0	20.0	15.4	23.0
Motor	12.6	16.3	14.2	15.0	16.0	16.0	19.1	15.0
Life	3.8	4.8	4.2	4.0	5.0	5.0	4.4	5.0
Miscellaneous	13.5	3.5	15.8	15.0	16.0	17.0	16.9	16.0
<b>Total</b>	<b>100</b>							

(Rs mn)	Q1FY25	H1FY25	9MFY25	Q1FY26	H1FY26	9MFY26	FY24	FY25
<b>YoY growth (%)</b>								
Fire	14.1	(1.9)	4.8	(6.1)	6.8	8.2	(3.0)	6.3
Agriculture reinsurance	220.1	(3.3)	(1.8)	6.4	(1.6)	(2.6)	(27.4)	(10.7)
Health	536.2	123.6	89.6	(13.9)	(4.6)	(5.9)	17.2	65.2
Motor	(39.2)	(33.0)	(21.0)	18.5	18.6	15.4	18.6	(13.2)
Life	61.9	22.6	5.9	3.9	25.6	35.2	5.8	27.1
Miscellaneous	3.5	(0.9)	(4.9)	10.6	458.0	15.0	5.6	5.1
<b>Total</b>	<b>39.1</b>	<b>5.8</b>	<b>8.2</b>	<b>(0.1)</b>	<b>21.1</b>	<b>7.1</b>	<b>1.6</b>	<b>10.7</b>

Source: Company, BOBCAPS Research

**Fig 3 – Ratio analysis**

%	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	YoY (bps)	QoQ (bps)	FY24	FY25	YoY (bps)
Solvency ratio	336	342	352	370	385	385	387	3,500	200	325	370	4,500
Expenses of management	0.8	0.8	0.9	1.1	0.6	1.8	0.8	(13)	(105)	1.2	0.9	(27)
Incurred claims ratio	89.8	93.7	87.8	82.2	90.4	81.5	87.9	11	643	92.3	88.4	(383)
Net retention ratio	93.0	90.4	93.1	90.9	93.9	90.2	94.3	114	402.0	91.3	92.0	64
Combined ratio	109.6	114.1	107.8	103.6	106.9	109.2	105.3	(251)	(383.0)	111.8	108.8	(301)
Adjusted combined ratio	93.0	81.9	89.5	75.4	87.5	79.8	87.2	(231)	738.0	86.2	85.8	(45)

Source: Company, BOBCAPS Research

**Fig 4 – Ratio analysis**

%	H1FY25	9MFY25	Q1FY26	H1FY26	9MFY26	YoY (bps)	QoQ (bps)	FY24	FY25	YoY (bps)
ROE	14.7	11.1	15.5	19.8	16.9	580	(290)	17.3	15.5	(180)

Source: Company, BOBCAPS Research

## Key Takeaways

### Business mix & market strategy

- Management highlighted that focus remains on the domestic reinsurance market, which currently accounts for 75% of the total business, with expectations to gradually shift the composition to a 76%-24% or 75%-25% domestic-to-international mix in the medium term.
- The company plans to tread the reinsurance market cycles cautiously and take up the business, which is economically viable.
- Growth in the domestic market will be reflective of the domestic reinsurance growth.
- Overall, the company plans a premium growth of 8-10%, going forward.
- With respect to the 4% obligatory cession going away, the company opined that it would have some short-term impact on the premiums in the short term. However, management plans to navigate this challenge through strong balance sheet, rating upgrade, dominant position in the domestic market and spread in the international market.

### International market outlook

- International market witnessed one of its toughest market cycles in FY23. However, conditions have since improved, with the focus now shifting towards expanding international presence in the underpenetrated markets while consolidating in countries where it already has a strong foothold.
- Majority of the company's income is derived from key markets such as Europe, Turkey, Israel, and the USA.
- The company has a limited presence in Japan, South Korea, and Australia, which are seen as potential growth markets.
- Management highlighted that there is a seasonality aspect to the reinsurance market, as most international contracts are renewed on 1 Jan, making the business mix in Q3FY26 not a reliable indicator of the overall trend.

### Pricing

- FY25-26 began on a satisfactory note, in terms of pricing. However, increased competition led to significant pressure on rates in the domestic market, resulting in deterioration of prices towards year-end. Going forward in FY26-27, the company plans utilising reinsurance levers while continuing to support the domestic market.

## Company Background

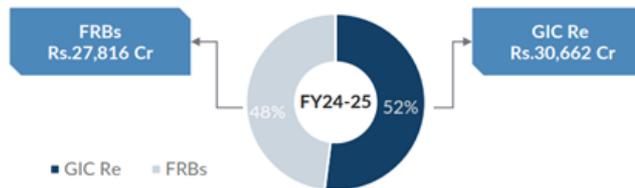
Formed in 1972, GIC Re is a government-owned company primarily involved in providing reinsurance services to direct general insurance companies. It was earlier formed for the purpose of superintending, controlling, and carrying on the business of general insurance in India. But in November 2000, GIC was renotified as an Indian reinsurer. Currently, it is the largest reinsurer in the domestic market in India and is present in 130+ international markets. It provides reinsurer support to 59 direct general and life insurance companies in India.

The main activities include offering reinsurance solutions across various classes of the business such as property, agriculture, liability, motor and health. As a sole reinsurer in the domestic reinsurance market, the company provides reinsurance to the direct general insurance companies in the Indian market. It receives statutory cession of 4% on every policy subject to certain limits. On the international front, it is an effective reinsurer partner for the Afro-Asian region and has started leading the reinsurance programmes of several insurance companies in SAARC countries, Southeast Asia, Middle East and Africa. The company has opened offices in UK, Russia, UAE, Malaysia, South Africa and Brazil. It also has an offshore branch in GIFT City, Gujarat.

**Fig 5 – Framework of reinsurers in India**



**Gross Reinsurance Premium of Indian Reinsurer (GIC Re) and FRBs – Indian Business FY24-25**



Source: GIC Re, BOBCAPS Research

**Fig 6 – Company 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 by providing reinsurance support to Insurance companies
- Largest reinsurer** in the domestic reinsurance market in India and a major reinsurer 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 **137 countries**
- It provides reinsurance support to **59 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 **517**, out of which **36% are female** and average age of employees is **38 years**

- Rank 9th** | Largest Global Reinsurers Group
- A-(Excellent)** | A.M. Best FSR Credit Rating
- ~52%** | ~52% (FY24-25) India Market Share
- 82.40%** | 82.40% (Dec'25) Significant Ownership By GOI
- INR 41,154 Cr** | INR 41,154 Cr GWP (FY24-25)
- 108.8%** | 108.8% Combined Ratio (FY24-25) Consistently improving
- INR 6,701** | INR 6,701 PAT (FY24-25) Continue to Generate Profit
- 370%** | 370% Solvency Ratio (FY24-25) Healthy Capitalization

#### Key Financial Metrics – On Stand Alone Basis

Particulars (INR Cr)	FY22-23	FY23-24	FY24-25	9M FY25-26
Gross Written Premium	36,592	37,182	41,154	32,976
Combined Ratio	109.3%	111.8%	108.8%	106.9%
Profit After Tax	6,313	6,497	6,701	6,138
ROE %	20.8%	17.3%	15.5%	16.9%*
Solvency Ratio	261%	325%	370%	387%

Note: ROE is Profit for the year / Net Worth

Source: GIC Re, BOBCAPS Research

**Fig 7 – Global presence**



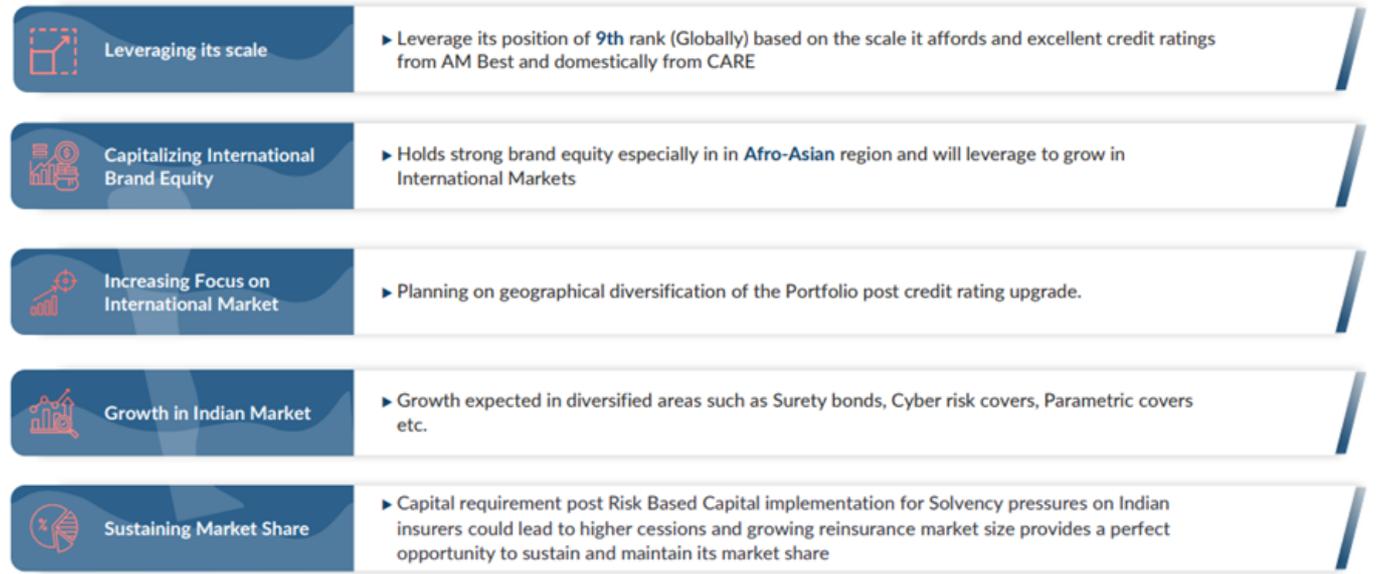
Source: GIC Re, BOBCAPS Research

**Fig 8 – Key strengths**



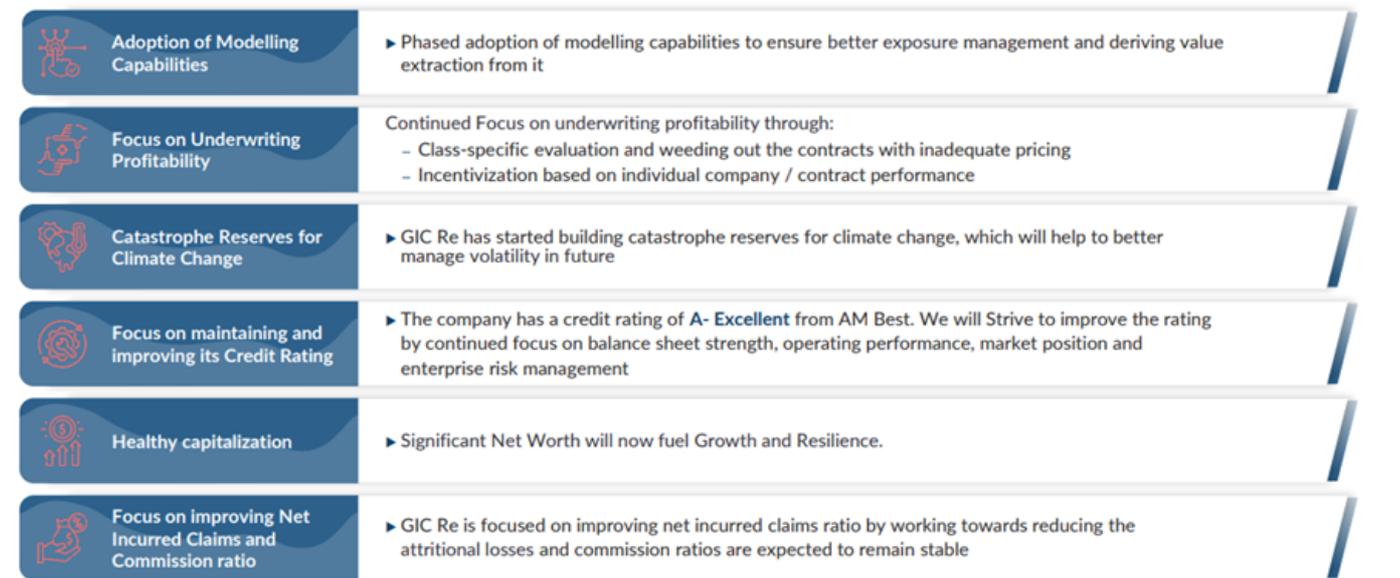
Source: GIC Re, BOBCAPS Research

**Fig 9 – Strategic approach and way forward**



Source: GIC Re, BOBCAPS Research

**Fig 10 – Strategic approach and way forward**



Source: GIC Re, BOBCAPS Research

**Fig 11 – Profit and loss statement**

(Rs mn)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	YoY (%)	QoQ (%)	FY24	FY25	YoY (%)
Gross premium written	84,135	99,677	1,03,671	1,23,880	96,017	1,09,866	10.2	14.4	3,71,818	4,11,540	10.7
Net premium written	76,038	92,810	94,209	1,16,359	86,634	1,03,549	11.6	19.5	3,39,558	3,78,442	11.5
Premiums earned (Net)	88,470	85,395	86,802	1,10,882	89,248	95,803	12.2	7.3	3,35,761	3,61,303	7.6
Income from investments	24,416	17,029	26,502	22,610	25,433	18,798	10.4	(26.1)	86,872	87,140	0.3
Net commission	14,937	17,718	19,102	18,495	22,361	17,192	(3.0)	(23.1)	62,468	73,725	18.0
Total operating expenses	580	846	1,029	721	1,588	808	(4.5)	(49.1)	3,930	3,369	(14.3)
Incurred claims	82,849	75,003	71,342	1,00,262	72,743	84,250	12.3	15.8	3,09,804	3,19,537	3.1
Total expenses	98,267	93,588	91,063	1,19,986	96,757	1,02,295	9.3	5.7	3,76,794	3,96,255	5.2
<b>Underwriting Profit</b>	<b>(10,884)</b>	<b>(5,824)</b>	<b>(3,923)</b>	<b>(9,078)</b>	<b>(3,877)</b>	<b>(5,518)</b>	<b>(5.2)</b>	<b>42.3</b>	<b>(40,066)</b>	<b>(33,516)</b>	<b>(16.3)</b>
<b>Operating Profit</b>	<b>13,532</b>	<b>11,205</b>	<b>22,580</b>	<b>13,532</b>	<b>21,556</b>	<b>13,279</b>	<b>18.5</b>	<b>(38.4)</b>	<b>46,807</b>	<b>53,623</b>	<b>14.6</b>
<b>Non-Operating results</b>											
PBT	22,811	21,687	29,227	22,435	34,728	21,169	(2.4)	(39.0)	78,779	87,656	11.3
Provision for tax	4,204	5,473	7,398	4,913	6,060	5,980	9.3	(1.3)	13,806	20,643	49.5
<b>PAT</b>	<b>18,608</b>	<b>16,214</b>	<b>21,829</b>	<b>17,522</b>	<b>28,668</b>	<b>15,189</b>	<b>(6.3)</b>	<b>(47.0)</b>	<b>64,973</b>	<b>67,014</b>	<b>3.1</b>

Source: Company, BOBCAPS Research

**Fig 12 – Balance sheet**

(Rs mn)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	YoY (%)	QoQ (%)	FY24	FY25	YoY (%)
<b>Sources of funds</b>											
Share Capital	8,772	8,772	8,772	8,772	8,772	8,772	-	-	8,772	8,772	-
Reserves	3,97,042	4,09,683	4,39,273	4,62,398	4,78,519	4,98,133	21.6	4.1	3,78,046	4,39,273	16.2
<b>Total shareholders' funds</b>	<b>4,05,814</b>	<b>4,18,455</b>	<b>4,48,045</b>	<b>4,71,170</b>	<b>4,87,291</b>	<b>5,06,905</b>	<b>21.1</b>	<b>4.0</b>	<b>3,86,818</b>	<b>4,48,045</b>	<b>15.8</b>
Fair value change account	5,14,364	4,50,582	4,01,178	4,42,371	4,20,398	4,35,657	(3.3)	3.6	4,37,485	4,01,178	(8.3)
<b>Total sources of funds</b>	<b>9,20,178</b>	<b>8,69,037</b>	<b>8,49,223</b>	<b>9,13,540</b>	<b>9,07,690</b>	<b>9,42,562</b>	<b>8.5</b>	<b>3.8</b>	<b>8,24,303</b>	<b>8,49,223</b>	<b>3.0</b>
<b>Application of funds</b>											
Fixed Assets	2,938	2,974	2,954	2,968	2,954	2,924	(1.7)	(1.0)	2,871	2,954	2.9
Investments	14,33,053	13,95,409	13,80,737	14,57,156	14,52,596	14,88,608	6.7	2.5	13,14,247	13,80,737	5.1
Loans	1,400	1,402	1,373	1,248	1,253	1,260	(10.1)	0.6	1,519	1,373	(9.6)
Others	6,386	6,431	6,933	7,228	9,082	9,575	48.9	5.4	6,845	6,933	1.3
<b>Total non-current assets</b>	<b>14,43,777</b>	<b>14,06,216</b>	<b>13,91,998</b>	<b>14,68,601</b>	<b>14,65,885</b>	<b>15,02,367</b>	<b>6.8</b>	<b>2.5</b>	<b>13,25,481</b>	<b>13,91,998</b>	<b>5.0</b>
Cash & cash equivalents	2,51,002	2,47,310	2,46,365	2,46,288	2,53,114	2,59,144	4.8	2.4	2,43,889	2,46,365	1.0
Advances	2,54,039	2,36,007	2,37,795	2,60,507	2,67,127	2,72,625	15.5	2.1	2,13,488	2,37,795	11.4
<b>Total current assets</b>	<b>5,05,041</b>	<b>4,83,316</b>	<b>4,84,160</b>	<b>5,06,795</b>	<b>5,20,241</b>	<b>5,31,769</b>	<b>10.0</b>	<b>2.2</b>	<b>4,57,377</b>	<b>4,84,160</b>	<b>5.9</b>
Current Liabilities	8,47,396	8,30,926	8,32,331	8,62,668	8,80,885	8,87,022	6.8	0.7	7,78,108	8,32,331	7.0
Provisions	1,81,243	1,89,568	1,94,603	1,99,188	1,97,551	2,04,551	7.9	3.5	1,80,447	1,94,603	7.8
<b>Total current liabilities</b>	<b>10,28,640</b>	<b>10,20,495</b>	<b>10,26,934</b>	<b>10,61,856</b>	<b>10,78,437</b>	<b>10,91,574</b>	<b>7.0</b>	<b>1.2</b>	<b>9,58,555</b>	<b>10,26,934</b>	<b>7.1</b>
<b>Net current assets</b>	<b>(5,23,599)</b>	<b>(5,37,178)</b>	<b>(5,42,774)</b>	<b>(5,55,061)</b>	<b>(5,58,195)</b>	<b>(5,59,805)</b>	<b>-</b>	<b>-</b>	<b>(5,01,178)</b>	<b>(5,42,774)</b>	<b>-</b>
<b>Total application of funds</b>	<b>9,20,178</b>	<b>8,69,037</b>	<b>8,49,223</b>	<b>9,13,540</b>	<b>9,07,690</b>	<b>9,42,562</b>	<b>8.5</b>	<b>3.8</b>	<b>8,24,303</b>	<b>8,49,223</b>	<b>3.0</b>

Source: Company, BOBCAPS Research

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