

1. COMPANY PROFILE

India International Insurance Pte Ltd is an established general insurer in Singapore serving since 1987, with significant expertise in underwriting of Property, Engineering, Marine (Hull and Cargo), Motor and other Liability classes of general insurance. The focus is on highly specialized class of Marine Hull Insurance and Property Insurance in both Singapore and other regions.

We're rated by Standard & Poor's as A- with Outlook Stable

Our Vision is "To be a leading general insurance company in Singapore with high professional standards and business ethics, supporting the economic activity and growth in Singapore and the region."

Our Core Strengths are Strong capital position with robust solvency ratio, Management team of well qualified and highly experienced professionals, Strong niche player in the competitive Singapore insurance market, and Capacity to underwrite a wide spectrum of risks.

All efforts are made to achieve the objective of Excellent Customer Service.

Our Products are:

- Marine Hull Insurance on a worldwide basis which includes all types of Vessels including container vessels, passenger vessels, tankers etc. for Hull and Machinery, Increased Value, Ship Builders Risk, Ship Repairers Liability, War Risk Cover, Mortgagee Insurance, Oil & Energy Risks
- Cargo and Transit Insurances for a wide range of cargo such as Raw materials, manufactured items, capital goods, bulk cargo, mineral oil etc.
- Motor insurance for Private and Commercial vehicles - Comprehensive Cover & Third Party Fire & Theft Cover as well as Third Party Only Cover
- Under Personal Lines, we also offer Personal Accident cover, Classic and Executive travel shield, Home Protection Insurance, Foreign Domestic Maid insurance, Personal Insurance - All Risks Cover, Burglary, Fire & Allied Perils, Public Liability

2. CORPORATE GOVERNANCE

'India International Insurance Pte Ltd ' is equally owned by India's five state-owned general insurance companies:

- GIC Re
- The New India Assurance Co. Ltd.
- The Oriental Insurance Co. Ltd.
- National Insurance Co. Ltd.
- United India Insurance Co. Ltd.

India International Insurance Pte Ltd is governed by the laws applicable to Insurance Companies registered in Singapore and abides by Regulations of Insurance Regulators.

The Company has the Audit Committee, Investment Committee, Nomination Committee, Risk Committee and Remuneration Committee in place who shall report to the Board of Directors.

Our Board of Directors as on 29th August, 2016

1. Mr. G. Srinivasan – Chairman

Chairman cum Managing Director - The New India Assurance Company Limited, India

2. Mr. Sanatkumar Kochunni – Director

Chairman cum Managing Director - National Insurance Company Limited, India

3. Mr. Iyengar Vijaykumar Gopalan – Independent Director

Chairman cum Managing Director - Agrocorp International Pte Ltd, Singapore

4. Dr. A.K. Saxena – Independent Director

Retired Chairman cum Managing Director - The Oriental Insurance Company Limited, India

5. Mr. R. Ravindra Kumar

Managing Director & Chief Executive Officer - India International Insurance Pte Ltd, Singapore

The Board oversees the Corporate Governance for:

All policy matters
Corporate Strategy for Business Development
Review of Business & Investment Performance
Reinsurance Strategy
Review of Credit Control
Internal Audit & Compliance

3. RISK MANAGEMENT

The primary objective of the Company's risk and financial management framework is to have efficient and effective risk management systems in place. The Company has established a risk management function with clear terms of reference from the Board of Directors, its Committees and the associated Executive Management Committees. This is supplemented with clear organizational structure with documented delegated authorities and responsibilities from the Board of Directors to executive management committees and senior managers.

The Board of Directors approves the Company's risk management policies and meets regularly to approve any commercial, regulatory and organizational requirements of such policies. These policies define the Company's identification of risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets, align underwriting and reinsurance strategy to the corporate goals, and specify reporting requirements. The Company's overall business strategies, its tolerance of risks and its general risk management philosophy are determined by management in accordance with prevailing economic and operating conditions.

The Company takes care of its Asset-Liability Management (ALM) with the help of the appointed Actuary.

The key financial risks include exposure to underwriting, credit, liquidity risk, currency, price and interest rate risk arise in the normal course of business.

In terms of Enterprise Risk Management Strategy, III has developed the following:

- Articulate and communicate a clear understanding of how the Company intends to approach risk management across the firm;
- Set clear objectives for risk management, as set out in this document, in line with the Company's strategic objectives and priorities;
- Define a common risk language so that there is a consistent understanding when communicating risk information across the Company;
- Develop a risk categorisation framework to ensure that the analysis of risk can be broken down into risk areas driving common behaviour patterns;
- Develop and communicate the importance of a risk aware culture across the Company; and
- Align the risk management activities to the strategic objectives of III in order to manage risks to support the delivery of the business plan.

In terms of governance over the ERM activities, III has undertaken the following:

- Risk governance framework designed to prevent, mitigate and manage risk through a line of defence model providing for an effective balance of business control and oversight and assurance testing;
- Governance principles embedded in the values, behaviours and code of conduct throughout the Company;
- Strong oversight by the Board on all key decisions and challenges;
- Board and Executive Management interact effectively to deliver an agreed overall business strategy;
- Organizational structure that encourages clear accountability and ownership aligned with legal entity structure; and
- Board oversees execution of strategy consistent with local regulatory and governance requirements.

All the above has been documented in III ERM Policy and III ERM Framework.

Please refer to Note no. 4 of 'Notes to Financial Statements' in the Annual Report 2016 for further details on Risk and Financial Management.

Key appointment holders for the Company as on 31st December 2016 are as below:

Chief Executive Officer	Mr. R. Ravindra Kumar
Chief Finance Officer	Mr. Ravikumar Goel
Chief Risk Officer	Mr. Basant Kumar Nayak
Appointed Actuary	Mr. Roberto Malattia of Towers Watson Singapore
Internal Auditor	Mr. Chan Kheng Hua

Ascertaining Premium and Claim Liabilities:

The premium and claim liabilities are provided in accordance with the regulatory guidelines and with the help of appointed actuary which are duly audited by the statutory Auditors.

The detailed information is given in Note no. 2 of 'Notes to Financial Statements' (point no 2.7 to 2.10) in the Annual Report 2016.

4. CAPITAL MANAGEMENT

The primary objective of capital management is to ensure maintaining a strong credit rating and healthy capital ratios in order to support the business and maximize shareholder value. Capital includes equity attributable to the owners of the Company less the fair value adjustment reserves. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions.

The Company is subject to minimum capital requirements under the Insurance Act. To determine its capital for regulatory purposes, the Company makes certain adjustments to the carrying values of its assets and liabilities. The regulatory capital requirement is determined by the application of statutory formulae to the Company's business information and has complied fully with these capital requirements.

Table for Capital Adequacy Ratio (CAR):

	31.12.2016	31.12.2015	31.12.2014
Capital Adequacy Ratio	341.42%	305.13%	271.97%
Minimum Capital Adequacy Ratio	120%	120%	120%

5. FINANCIAL ASSETS (INVESTMENT) MANAGEMENT

The Company has a conservative investment approach. The investments are done in accordance with the Board's approved investment policy. The Company's Investment Objectives are:

- To acquire and maintain quality assets that will meet the liabilities of the Company;
- To be able to generate Optimum Returns along with the Safety of the funds;
- To adhere to all Regulatory provisions;
- To conduct all the related activities in a cost effective and efficient manner

To achieve these objectives,

The Company's strategy of continuously reviewing the available investment options and cautious selection with a goal to spread the risk and modify the portfolio mix has yielded good results, which shall be maintained. Conservative investment philosophy of the Company will continue in the long term, however in the medium term in order to augment the investment income, in this current low interest rate regime, the focus would be more on fixed income bonds/equity which falls within the ambit of investment policy of the Company.

Reporting of Investments is done in accordance with FRS 107. Notes no. 2.14 and 5 of 'Notes of Financial Statements' in the Annual Report 2016 explain in details the valuation and reporting of Investments in the Books of Accounts.

S\$'000

Investments Assets by Components	2016	2015
Held to Maturity	253,853	251,126
Available for Sale	102,046	104,960
Mortgage Loans	700	700
Cash and Bank	304,218	317,042
Total Investments Assets	660,817	673,828

6. FINANCIAL PERFORMANCE & CLAIMS STATISTICS

S\$'000

	2016	2015	2014
Gross Premium	157,182	180,343	194,214
(Growth %)	(-)12.84%	(-)7.14%	3.12%
Underwriting Profit	2,863	2,185	2,933
Investment Income	19,660	19,764	37,433
Profit before Tax	28,176	37,051	43,898

Claims Statistics tables are available in Note no. 15 of 'Notes to Financial Statements' in Annual Report 2016.
