

2026 STRATEGIC CAPITAL & RISK MONITOR

SOLVENCY STATUS	
Required Capital (Stress Loss):	(₹ 6,77,619)
Available Reserves:	(₹ 19,52,222)
Coverage Ratio:	2.881
STATUS:	SAFE

STRESS TEST SCENARIOS (TVaR IMPACT)		
Scenario	TVaR Result	Verdict
Regulatory Shift	-2.86%	Opportunity
Base Case	-2.99%	Baseline
High CAT Loss	-4.09%	Critical Stress

KEY METRICS

Metric	Value
99% VaR	-4.55%
Tail Risk (TVaR)	-6.78%
Portfolio Volatility	26.42%
Diversification Benefit	1.34%
Model Validation	Passed Green Zone (Basel III Compliant)

MANAGEMENT COMMENTARY & RISK OUTLOOK

Conclusion: Based on a stochastic simulation of 1,000 market scenarios, the portfolio demonstrates robust solvency under normal and favorable operating conditions. The diversified allocation between private sector efficiency (ICICI) and public sector stability (NIACL) effectively buffers daily volatility, maintaining a Solvency Ratio well above the regulatory minimum of 1.5x.

Stress Test Warning: However, the model flags a specific sensitivity to Global Catastrophic (CAT) Events. In the 'High CAT Loss' scenario, the portfolio's Expected Tail Loss (TVaR) deteriorates to ~4.09%, driven by GIC Re's exposure to reinsurance claims.

Recommendation: While the current status is SAFE, it is recommended to maintain the computed Capital Reserve of ₹19.5 Lakhs. This surplus capital serves as a critical shock absorber.