Ref. No.: MUM/SEC/13-4/2026

April 21, 2025

To,

The Manager	The Manager
Listing Department	Listing Department
BSE Limited	**National Stock Exchange of India Limited**
Phiroze Jeejeebhoy Towers	Exchange Plaza, 5th Floor, Plot C/1
Dalal Street	G Block, Bandra Kurla Complex,
Mumbai – 400 001	Mumbai – 400 051

Scrip code: Equity (BSE: 540716/ NSE: ICICIGI)

Dear Sir/Madam,

Subject: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Transcript of earnings conference call for the quarter and financial year ended March 31, 2025

This is further to our letter dated April 3, 2025 and April 15, 2025, please note that the Company had hosted earnings conference call with investor(s) and analyst(s) on Tuesday, April 15, 2025 to discuss the financial performance of the Company for the quarter and financial year ended March 31, 2025.

In this regard, please find attached transcripts of the earnings conference call with investor(s) and analyst(s) for the quarter and financial year ended March 31, 2025.

The above information will also be made available on the Company's website at www.icicilombard.com.

You are requested to kindly take the same on your records.

Thanking you.

Yours Sincerely,

For ICICI Lombard General Insurance Company Limited

Vikas Mehra

Digitally signed by Vikas Mehra
Date: 2025.04.21 19:13:26 +05'30'

Vikas Mehra
Company Secretary

Encl. As above

ICICI Lombard General Insurance Company Limited

Q4 & FY2025 Earnings Conference Call

April 15, 2025

Management:

MR. SANJEEV MANTRI – MD & CEO

MR. GOPAL BALACHANDRAN – CFO

MR. GIRISH NAYAK – CHIEF – TECHNOLOGY AND HEALTH UNDERWRITING & CLAIMS

MR. SANDEEP GORADIA – CHIEF – CORPORATE SOLUTIONS, INTERNATIONAL, BANCASSURANCE

MR. ANAND SINGHI – CHIEF – RETAIL AND GOVERNMENT BUSINESS

MR. GAURAV ARORA – CHIEF REINSURANCE, UNDERWRITING & CLAIMS FOR PROPERTY & CASUALTY

ICICI Lombard General Insurance Company Limited
Q4 & FY2025 Earnings Conference Call
April 15, 2025

Moderator: Good evening, Ladies and Gentlemen, a very warm welcome to ICICI Lombard General Insurance Company Limited Q4 and FY2025 Earnings Conference Call.

From the Senior Management, we have with us today, Mr. Sanjeev Mantri – MD & CEO of the Company; Mr. Gopal Balachandran – CFO; Mr. Girish Nayak – Chief – Technology and Health Underwriting & Claims; Mr. Sandeep Goradia – Chief – Corporate Solutions, International, Bancassurance; Mr. Anand Singhi – Chief – Retail and Government Business; Mr. Gaurav Arora – Chief Reinsurance, Underwriting & Claims for Property & Casualty.

Please note that any statements, comments are made in today's call that may look like forward-looking statements are based on information presently available to the management and do not constitute an indication of any future performance, as future involves risks and uncertainties, which could cause results to differ materially from the current views being expressed.

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.

I now hand the conference over to Mr. Sanjeev Mantri – MD and CEO, ICICI Lombard General Insurance Limited. Thank you and over to you.

Sanjeev Mantri: Good evening to each one of you. Thank you for joining the Earnings Conference Call of ICICI Lombard General Insurance Company Limited for Q4 and FY2025.

Let me give you a brief overview of the trends we observed in the economy, as well as the industry, followed by an overview of the business. Post this, our CFO – Mr. Gopal Balachandran will share the financial performance of the Company for the quarter and the year ended 31st March 2025.

The GDP[1] growth for the quarter ended December 2024 stood at 6.2% versus 5.6%[2] for the quarter ended September 2024, as per the data released by MoSPI[3]. High frequency indicators like e-way bills, toll collections, diesel consumption and GST collections during Q4 FY2025 are all indicating positive economic conditions. Further, MoSPI has revised the full year GDP estimates to 6.5% on February 28, 2025 versus 6.4% published on January 7, 2025.

Let me now dwell on certain industry trends, which can have an impact on the General Insurance (GI) industry at large:

- As indicated during last quarter, the government expenditure remained flat, which impacted the Commercial lines segment growth for the current quarter. However, we have started seeing an uptick in government spending towards capital expenditure in the

1 GDP – Gross Domestic Product
2 Real GDP for September quarter of financial year 2024-25 has been revised upward to 5.6% from 5.4%
3 MoSPI – Ministry of Statistics and Programme Implementation

past few months. This may be positive for the Commercial lines business.

- For the auto industry, we had seen growth in rural market in Q3 FY2025, specifically for Two-wheeler segment at 12.7% and for the Tractor segment at 20.1% as reported by FADA[4]. However, in Q4 FY2025, we have seen a de-growth of 1.9% for the Two-wheeler segment and a de-growth of 4.6% for the Tractor segment. This indicates a softer rural demand. The Private Car segment grew by 1.1% and the Commercial Vehicle segment had a de-growth of 3.8% for Q4 FY2025 as reported by FADA, which had an impact on Motor insurance growth for Q4 FY2025. However, for the coming year, the auto industry is expected to have mid-single digit growth. We remain positive for the Motor insurance business with increasing penetration in the Old Vehicle segment.
- The Health segment continues to be one of the fastest growing segments and is the largest contributor to the industry, constituting 38.1% of the GDPI[5] mix for FY2025. However, the industry growth in FY2025 was impacted due to the 1/n accounting norm and lower growth in the Health Benefit segment, attributable to lower disbursement of credit by NBFCs[6] and MFIs[7]. We believe that the increasing demand for health protection, coupled with increasing medical inflation, may drive double digit growth in the Health segment in the coming year.

[4] FADA – Federation of Automobile Dealers Associations
[5] GDPI – Gross Direct Premium Income
[6] NBFC – Non-Banking Financial Company
[7] MFI – Micro Finance Institution

There were some key economic changes, which were announced during Q4 FY2025:

- The budgetary announcement of income tax relief provided, is expected to result in an additional ₹ 1 trillion[8] in the hands of Indian tax paying population, thereby leading to a high disposable income.
- The second consecutive interest rate cut, tweaking of norms applicable to NBFC lending, coupled with infusion of liquidity by RBI should also support credit growth.

These policy changes aim to encourage spending and investment. They are also expected to stimulate demand for goods and services, thereby boosting consumption and propelling demand for risk protection through insurance solutions.

However, we remain vigilant on the ongoing geopolitical developments, which may pose risk to both global growth and the Indian economy.

Now let me give you an update on the regulatory developments:

The Regulatory Authority during Financial Year 2025, continued with various reforms, seeking to expand the market and increase the penetration of insurance products towards the mission of "Insurance for all by 2047". I would like to mention key circulars which were introduced in Q4 FY2025, regarding capping the increase in senior citizens Health insurance premium rates to 10% per annum and the introduction of BIMA-ASBA facility for Health insurance policies. We believe these regulatory changes will improve affordability and create operational ease for policyholders.

[8] ₹ 1 Trillion – Budget Speech 2025-2026

Overall, we remain positive that the GI industry is poised to grow in the medium to long term, given the favorable economic and regulatory environment, low penetration and relatively higher disposable income.

Now coming to the industry performance for Q4 and FY2025:

The Gross Direct Premium Income (GDPI) grew by 1.7% and 6.2% for Q4 FY2025 and FY2025 respectively. (Excluding the impact of the 1/n accounting norm, the GDPI grew by 8.6% for FY2025.) Excluding Crop and Mass Health, the GDPI grew by 4.9% and 8.0% for Q4 FY2025 and FY2025 respectively as published by GI council.

Speaking on specific segments within the industry:

- The Commercial segment reported a marginal de-growth of 1.2% and growth of 1.5% for Q4 FY2025 and FY2025 respectively. Within this, the Fire segment registered a de-growth of 1.8% and 5.3% for Q4 FY2025 and FY2025 respectively on account of pricing pressure. Excluding the Fire segment, the overall Commercial segment grew by 8.5% for FY2025.
- The Motor segment grew by 6.9% for Q4 FY2025 and 8.0% for FY2025. The growth in the segment has been lower due to muted vehicle sales and continued pricing pressures reflected by higher industry Combined ratio.
- The Health segment grew at 3.7% and 9.0% for Q4 FY2025 and FY2025 respectively. Within this, Group Health grew at 4.5% and 10.6% for Q4 FY2025 and FY2025 respectively. Retail Health grew at 7.6% and 12.1% in Q4 FY2025 and FY2025 respectively.

Looking at the underlying performance of the industry, you may recall our discussion a year back during our earnings call, where we expected some semblance in underwriting discipline in the market due to improvement in the industry's Combined ratio during that period. However, the Combined ratio for the industry has actually worsened to 113.2% for 9M FY2025 as against 112.2% for 9M FY2024. The Combined ratio for the private sector has worsened to 111.2% for 9M FY2025 from 108.3% for 9M FY2024. The industry worsening was largely due to Motor segment Combined ratio, which increased to 123.8% in 9M FY2025 as against 118.2% in 9M FY2024. Our continued focus on driving profitable growth, helped us to improve our Combined ratio from 103.7% in 9M FY2024 to 102.8% in 9M FY2025 and from 103.3% in FY2024 to 102.6% in FY2025 on 'n' basis.

I will now walk you through the Company performance across key business segments during Q4 and FY2025:

The Company's GDPI registered a growth of 8.0% for Q4 FY2025 and 11.0% for FY2025 on 'n' basis.

With the 1/n accounting norm, for Q4 FY2025, the Company registered a growth of 2.3% as against the industry growth of 1.7%. And for FY2025, the Company registered a growth of 8.3% as against the industry growth of 6.2%. Excluding Crop and Mass Health, the Company's growth was 2.2% and 7.7% compared to the industry growth of 4.9% and 8.0% for Q4 FY2025 and FY2025 respectively.

- In the Commercial lines segment, in Q4 FY2025, our growth was at 2.8% as against the industry de-growth of 1.2%. For FY2025, we grew by 2.1% as against the industry growth of 1.5%, thereby maintaining market share. This indicates the strength of our brand, relationship and service quality in an environment where the industry faced continued pricing pressure throughout the year. In the

Fire segment, we grew in line with the industry. In Marine Cargo, Engineering and Liability lines of business, we reported growth higher than the industry leading to market share accretion.

- In the Motor segment, we grew at 0.1% for Q4 FY2025 as against the industry growth of 6.9%. We continue to drive our motor strategy based on granular portfolio segmentation and prudent risk selection. For FY2025, we grew by 11.5% as against the industry growth of 8.0%. Consequently, our market share grew to 10.8% for FY2025 versus 10.5% for FY2024. The portfolio mix for Private Car, Two-wheeler and Commercial Vehicle stood at 53.4%, 25.4% and 21.2% respectively. Our continued focus on multi-channel distribution, underwriting capabilities, efficient claims settlement and actuarial practices helped us in maintaining our leadership position.

Moving to the Health segment, we grew by 22.1% and 19.2% for Q4 FY2025 and FY2025 respectively. With the 1/n accounting norm, we grew by 9.7% and 12.6% for Q4 FY2025 and FY2025 respectively.

  - Our Retail Health segment registered a growth of 47.7% for Q4 FY2025. With the 1/n accounting norm, the growth for Q4 FY2025 was 25.1% as against the industry growth of 7.6%. For FY2025, the overall growth stood at 38.1%. With 1/n accounting norm, the growth for FY2025 was 25.0% as against the industry growth of 12.1%. As a result, we gained market share from 3.0% in FY2024 to 3.3% in FY2025.
  - The Group Health Employer-Employee segment witnessed growth of 24.9% and 18.5% for Q4 FY2025 and FY2025 respectively. Our Group Others business de-grew by 5.5% and with the 1/n accounting norm, the de-growth was 30.0% for Q4 FY2025. For FY2025, Group Others business had a muted growth of 5.3% on account of impact on Health

Benefit business through the Banca channel. With the 1/n accounting norm, this segment showed a de-growth of 10.5% for the year.

We had spoken about various 'One IL One Team' initiatives in our earlier earnings call. One of the initiatives we had spoken about was the consolidation of Customer-Facing Digital Assets like IL TakeCare Health App, Website and digital alliances under 'One IL One Digital' to deliver a superior customer experience and to drive efficiencies. Some of the digital outcomes achieved in FY2025 include:

- Increasing unique customer visit by 2x on our digital platforms.
- 37% growth in fresh transactions on our digital platforms.
- Downloads for our one-stop solution, 'IL TakeCare App', surpassed 14.9 million. The business done through the app stood at ₹ 927.7 million and ₹ 2,653.2 million for Q4 FY2025 and FY2025 respectively.

Consequently, our Customer-Facing Digital Asset business grew by 15.8%, constituting 6.6% of our overall GDP for FY2025.

Now I would like to share with you some initiatives taken by us for improving customer experience and driving efficiencies for claims.

- On the Motor side, our Preferred Partner Network (PPN) serviced 74.1% of our non-OEM claims in Q4 FY2025, up from 69.6% in Q4 FY2024. For FY2025, this number stood at 73.2%, up from 65.0% in FY2024.
- Our cloud calling facilities were used by 89.6% of our Motor customers in Q4 FY2025 as against 77.0% in Q4 FY2024. For the full year, this number was at 86.0% as against 49.0% for the previous

year. This resulted in a reduction of calls-to-claims ratio by 21.0% for the year.

- Our average claim settlement period for Retail lines of business has seen improvement from 6 days in FY2024 to 5 days in FY2025 for Motor OD, and from 5 days in FY2024 to 3 days in FY2025 for Health.
- Our IL Sahayak initiative, which was launched in April 2024, offered an on-ground claim support to over 90,000 customers across 56 cities and 2,500+ hospital network in FY2025.

Our focus on customer experience and process efficiencies has led to healthy NPS of 67 and 69 for Health and Motor claims respectively for 9M FY2025.

With all the above efforts, we are pleased to share that the Company's premium growth has been higher by 210 basis points as against the industry growth rate. Our focus on driving profitable opportunities has further resulted in improvement in the Combined ratio from 103.3% in FY2024 to 102.6% in FY2025 on 'n' basis. On the 1/n accounting norm, the Combined ratio stood at 102.8%, leading to a PAT growth of 30.7% and a delivering ROE for the year at 19.1%.

As we enter into the new financial year, we remain committed to achieving the desired scale through creation of positive customer experiences, leveraging data analytics and a technology-first approach, harnessing our multi-product, multi-distribution strategy and with a continued focus on product innovation. With our core philosophy of ‘One IL One Team’, we continue to scale up the profit pools and to drive sustainable growth.

I will now request Gopal to take you through the financial numbers for the recently concluded quarter and financial year.

Gopal Balachandran: Thanks, Sanjeev, and good evening to each one of you. I will now give you a brief overview of the financial performance for the recently concluded quarter and the financial year. We have uploaded the 'Results Presentation' on our website. You can access it as we walk you through the performance numbers.

With effect from October 1, 2024, long-term products are accounted on a 1/n basis, as mandated by the regulator. Hence, Q4 & FY2025 numbers are not comparable with prior periods. For more details on the impact, refer to Slide no.15 of our investor presentation.

The Gross Direct Premium Income (GDPI) of the Company was at ₹ 268.33 billion in FY2025 as against ₹ 247.76 billion in FY2024, a growth of 8.3% as against industry growth of 6.2%.

- GDPI of the Company was at ₹ 62.11 billion in Q4 FY2025 as against ₹ 60.73 billion in Q4 FY2024, a growth of 2.3% as against industry growth of 1.7%.

On the Retail side of the business, GDPI of the Motor segment was at ₹ 107.40 billion in FY2025 as against ₹ 96.34 billion in FY2024, registering a growth of 11.5%.

- The advance premium for the Motor segment was at ₹ 37.17 billion as at March 31, 2025, as against ₹ 36.44 billion as at December 31, 2024.

GDPI of the Health segment was at ₹ 69.50 billion in FY2025 as against ₹ 61.71 billion in FY2024, registering a growth of 12.6%.

- Our agents, (including Point of sale or POS) was at 1,40,736 as at March 31, 2025, up from 1,40,077 as at December 31, 2024.

GDPI of our Commercial lines segment was at ₹ 69.95 billion in FY2025 as against ₹ 68.51 billion in FY2024, registering a growth of 2.1% as against industry growth of 1.5%.

Resultantly, our Combined ratio stood at 102.8% for FY2025 as against 103.3% for FY2024. Excluding the impact of CAT losses of ₹ 0.94 billion in FY2025 and ₹ 1.37 billion in FY2024, the Combined ratio was 102.4% and 102.5% respectively.

- Combined ratio for Q4 FY2025 was 102.5% as against 102.3% in Q4 FY2024.

Our investment assets during the quarter rose to ₹ 535.08 billion as at March 31, 2025, up from ₹ 515.97 billion as at December 31, 2024. Our investment leverage (net of borrowings) was at 3.74x as at March 31, 2025 as against 3.76x as at December 31, 2024.

Investment income was at ₹ 42.50 billion in FY2025 as against ₹ 36.10 billion in FY2024. On a quarterly basis, investment income was at ₹ 8.77 billion in Q4 FY2025 as against ₹ 9.54 billion in Q4 FY2024. Our capital gains (net of impairment on investment assets) stood at ₹ 8.02 billion for the full year as compared to ₹ 5.51 billion in the previous financial year. Capital gains (net of impairment on investment assets) stood at ₹ 0.06 billion in Q4 FY2025 as compared to ₹ 1.56 billion in Q4 FY2024.

Our Profit before tax (PBT) grew by 30.0% to ₹ 33.21 billion in FY2025 as against ₹ 25.55 billion in FY2024, whereas PBT de-grew by 4.2% to ₹ 6.68 billion in Q4 FY2025 as against ₹ 6.98 billion in Q4 FY2024.

Consequently, Profit after tax (PAT) grew by 30.7% to ₹ 25.08 billion in FY2025 as against ₹ 19.19 billion in FY2024. PAT de-grew by 1.9% to ₹ 5.10 billion in Q4 FY2025 as against ₹ 5.19 billion in Q4 FY2024.

The Board of Directors of the Company has proposed a final dividend of ₹ 7.00 per share for FY2025. This payment is, however, subject to approval of shareholders in the ensuing Annual General Meeting of the Company. The overall dividend for FY2025, including the proposed final dividend is ₹ 12.50 per share. Last year, the overall dividend was ₹ 11.00 per share.

Return on average equity (ROAE) was 19.1% in FY2025 as against 17.2% in FY2024. ROAE for Q4 FY2025 was 14.5% as against 17.8% in Q4 FY2024.

Solvency ratio was at 2.69x as at March 31, 2025, as against 2.36x as at December 31, 2024, continued to be higher than the regulatory minimum requirement of 1.50x.

As I conclude, I would like to assert that we remain focused on our strategy of driving profitable growth, consistent and sustainable value creation for all our stakeholders, while ensuring that the interest of policyholders is in the forefront at all times.

I would like to thank you all for attending this Earnings Call, and we will be happy to take any questions that you may have. 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 their 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 Prayesh Jain from Motilal Oswal Financial Services Limited. Please go ahead.

Prayesh Jain: A good set of numbers especially on the Combined ratio front. Just your thoughts on how do we see the growth from here, firstly, from an overall GWP perspective, given the 1/n impact would continue to be there in H1 FY2026, and second half could see unwinding of the GWP and contributing to some part of growth? So that would be the first question.

Second question would be on your Combined ratio, whether you would look at Combined ratio further improving from the one that reported in for FY2025.

And third bit on the Fire segment, if you could highlight what are the kind of renewals we've seen in January and also in the April renewals?

Those would be my 3 questions.

Sanjeev Mantri: Yes. Thanks, Prayesh. With respect to the growth, even when I was reading in terms of what it is line by line, I had covered. But again, I'll talk about it. Motor per se, we are expecting on the new sale mid-single digit. We're also going by the numbers as has been put across by other OEMs as to what they are seeing, albeit the base on the Private Car in particular, is high.

I also spoke about the fact that the Q4 FY2025, Two-wheeler numbers were negative, which was a bit of a surprise vis-a-vis what we saw in Q3 FY2025 and Commercial Vehicle, I would be more positive overall because government CAPEX and a lot of other activities, which in the last financial year had remained subdued, should get picked up. So net-net, Motor, we will see single digit, maybe just about double digit growth is what our prediction is. And look, all of these things can change real time. We'll keep you updated, but that's what our belief is.

On the Health side, Prayesh, our own belief is we should see double digit growth. Now Health is two components, Retail Health and as well as the Group Health part of it. I'm more clearly talking about the Retail Health part, which will continue to see far more incremental business in terms of new to insurance, and also there would be whatever inflationary growth that comes out in terms of overall. So we would remain positive on Health. Also, Health with a 38.1% contribution, we will not be surprised if we see that contribution probably going to a 40.0% thereabouts and will continue to be the largest player.

Last but not the least, in terms of the Commercial lines of business, we've had one of the most difficult years on Commercial lines, if you see. We've never seen a growth of this nature going to low single digit in the last 7 to 8 years. Clearly, it had multiple factors, Fire pricing, which we spoke about it. However, going forward, and you spoke about, and I'll probably talk about the other question that you put across, we saw a lot of semblance in the industry overall on the Fire side and on that basis, we do believe and we do see relatively much better numbers on Fire, and with the activity on CAPEX, which is coming through, Engineering line of business should also do well.

So overall, Commercial, we would like to believe that we should be back to a double digit growth at the industry level.

Gopal Balachandran: Your last question was on the Combined. So, Prayesh, again, if you look at what we have been saying is, our performance will be in the context of how the market performs. So which is why we also put out as a part of the opening transcript as in to say that at the beginning of the financial year concluded, we had possibly expected a lot more semblance to play out. But in reality, the market seems to have gone slightly more in that sense, north. Combined ratios have increased by almost about 100 basis points at an aggregate level. So obviously, we'll wait for the full year numbers to play out in terms of what the players report. But obviously, we will be at it, when it comes to driving profitable opportunities. So hence, the endeavor will be to try and see how we can create a lot more efficiencies, whether it is on loss ratios, costs, et cetera, and obviously select right portfolio mix. We will also see how the market direction plays out and in that context is how we would also want to see our Combined play through.

Having said that, definitely, the gap between us and the industry Combined, whichever way you look at it, we will be able to do a lot more positives to play out. And in the aggregate, what we have spoken about is time and again, we will look for trying to see if we can do that improvement in the return on equity that we can give to stakeholders, the range that we have generally spoken about in that range of 16% to 18%. The endeavor will be to obviously try and see over the long term to move towards 18% to 20%, depending on how the market plays out.

Sanjeev Mantri: Yes. So Prayesh, the simple answer is would we like to improve our Combined? Certainly, yes. And as Gopal mentioned, we saw a trajectory when we came in last year, the industry Combined had shown improvement, on the basis of that we felt we will go. We also would like to see a similar thing, but the deterioration happened, and the deterioration more so has happened in terms of Motor moving from 118.2% (in 9M FY2024) to 123.8% (in 9M FY2025) for a 9 month Combined. So that being said, we will let these things play out. And in our mind, the single factor that drives is are we able to generate ROAE?

And that's what largely Gopal is speaking about it, as far as we as an entity is concerned.

Prayesh Jain: Just your thoughts on Motor TP price hike. That will be my last for you.

Sanjeev Mantri: Sure. We always remain hopeful, but no news as yet. So is the industry seeking it? The answer is yes. Is it come through? The answer is no. We are planning ourselves for the hike, in that sense.

Prayesh Jain: Thank you so much and wish you all the best. Yes. Thank you so much.

Gopal Balachandran: Thanks Prayesh.

Moderator: Thank you. A reminder to all the participants, in the interest of time, please restrict the questions to two per participant. Next question comes from the line of Sanketh Godha with Avendus Spark. Please go ahead.

Sanketh Godha: Yes. Thank you for the opportunity. Gopal, in the current quarter, we seem to have done a little more reinsurance accepted business, because there is a meaningful difference between GDPI and GWP in the quarter, almost 10%. So sir, just wanted to understand the color of this business. And do you see opportunity in reinsurance accepted with price hikes going up, probably you will do the same kind of a business in subsequent year also. Any thoughts on those lines? Just want to understand.

The second question, Gopal, was that see, if you could not book capital gains in the current quarter, your yield remained at 6.3%. Suppose hypothetically, market remains weak largely for FY2026. So is it fair to say that your 6.3%, 6.4% is the yield probably for the entire FY2026, and therefore, we need to look ROE from that perspective. Just wanted to understand that bit from you.

Lastly, a data keeping question. If you can give Retail Health loss ratio breakup and Motor GWP breakup into new and old, which you usually do? Thank you.

Gopal Balachandran: Yes. Maybe I'll do the data keeping question first, which is something that keeps coming to us every quarter. So I'm just giving you the numbers, both for Q4 FY2024 and Q4 FY2025 and then I will give the numbers for the full year in terms of the breakup between Corporate Health and the Retail Indemnity numbers.

So quarter 4 of last year, Corporate Health loss ratios were 88.1%, and the Retail Indemnity numbers again for quarter 4 of last year was 64.6% vis-a-vis quarter 4 of this year, Corporate Health is at 97.2%, and Retail Health, broadly the range that we have spoken about, is at about 64.8%.

On a full year basis, this number for Corporate Health stands at about 93.7% last year and the current year, again, last year, Retail Indemnity numbers is 65.4%. Full year, this number for Corporate Health is at 97.6% and Retail Indemnity is 67.9%. So that's the numbers in terms of the breakup between Corporate Health and Retail Health.

Now coming to your point, first question on reinsurance accepted, one, at an aggregate level, obviously, if you ask us, underwriting philosophy is to drive profitable growth, whether it is with respect to the Gross Direct Premium Income that we write or even with respect to, let's say, the reinsurances acceptances to the extent whatever we do. So therefore, from a philosophy standpoint, we will stand committed to driving profitable growth across the revenue streams that we source. Having said that, if you look at, at an aggregate level, in terms of roughly the premium that we would have written of close to about ₹ 28,000 crore or thereabout, the extent of reinsurance inward will be a single digit number. So hence, to that extent, a large part of the opportunities is what we see clearly even in the domestic market. Plus, at the same time, given the fact that we also have an office in our IIO business, we would want to continue to see how we can leverage our profitable opportunities even through the IIO business. So hence, that is how we would play through. Whether a particular business comes through in a quarter or otherwise, again, as I keep saying, our business is significantly cyclical. And wherever we see opportunities play out is how you will continue to see the mix of business between direct, RI, et cetera, play out. The larger number to look at will be more on an annual basis. That will be more reflective of where we are in terms of our approach to writing domestic and reinsurance inward.

Sanketh Godha: I was asking this question predominantly because you will see a better pricing environment in next fiscal year. So if other segments slow down, say, Motor slows down a bit because of the weak auto cycle, is it fair to say that this product might be an opportunistic approach to drive the overall growth maybe from that perspective because of the pricing environment?

Gopal Balachandran: Yes, exactly. Sanketh, your point is absolutely right. That's exactly what I said. If you ask us, for us, both of them are preferred areas of opportunity. So therefore, where we see preferable segments for us to be able to underwrite, we will look at both. Will it suddenly become a very large proportion of our overall revenue streams? At this point of time, clearly not. But obviously, we will look at, as I said, profitable opportunities between domestic and reinsurance inward and the revenues that will eventually source will be mix of both.

On your point on capital gains, the approach that we have taken where building the investment portfolio is concerned, the treasury team has done a brilliant job in terms of how to balance the mix of asset classes between equity and the fixed income portfolio. That's the reason during the last periods of high-interest rate regime, we have been able to significantly go long, and which is the reason even in our earlier earnings call, we have spoken on our duration of the book. That still continues to be slightly in excess of 5.3 years. And if you look at the yield to maturity, the yield to maturity of the book also currently stands at about 7.55%. And this is what is translating into, if you look at our mark-to-market positions on the overall investment book, roughly an aggregate mark-to-market gain as on the balance sheet date of roughly about ₹ 18 billion in terms of the mark-to-market unrealized gains is what we have. So the portfolio is well positioned.

The question to ask for is what happens in case if you see possibly sustained periods of price competition or sustained periods of low-interest rate regime? Now all of that, so far as the second part of, let's say, periods of low interest rates sustaining in the next year, to that extent, our duration call will largely reflect that. Reinvestment of the incremental cash flows will get subjected to getting placed at a lower interest rate and that will be true for the entire market. So therefore, the entire market will have to work much harder in terms of improving the pricing. And therefore, on balance, which is what we keep saying, the ROE range that we will work, which will be through a combination of driving underwriting outcomes and return on investment, that will be in the range of 18% to 20%, assuming the market obviously shows signs of change.

Sanjeev Mantri: And also, Sanketh, now I'll just give you the lay of the land. If you go back in time in April, as we were finishing our FY2024, if you would have told us to guess the growth rate for Commercial lines of business, we would have said definitely, it will be in double digits. If you would have told us on the Banca line of business, which is a big practice we have, again, we would have said a decent mid-double digit. But as transpired in the course of the year, both of these lines that are relatively difficult here. But again, the emphasis that we have as a multi-line, multi-product companies, are we agile enough to toggle.

Even if you look at the number that you see quarter on quarter in Motor, we had a significant gain in quarter 1 and quarter 2. And again, in quarter 3 and quarter 4, we have the PSUs, which have built up severe intensity, which is not making much of economic sense. And you have seen us growing relatively low while we finished the year overall with a gain on market share. So what I'm trying to emphasize to all of you is what we see and what comes through, there can be a gap and as an organization, we are expected to maintain that level of agility to make those shifts happen and what we predict not necessarily is the way the market will end up behaving. So we will have to factor that. And again, I come back. In light of that, the focus entirely for us as an organization boils down to are we able to generate the ROEs that is expected by all our stakeholders.

Moderator: Thank you. Next one comes from the line of Nidhesh Jain with Investec. Please go ahead.

Nidhesh Jain: Thanks for the opportunity. Sir, two questions. First is on Fire pricing, are we already seeing signs of improvement in Fire pricing for the industry?

Sanjeev Mantri: Yes. The answer is yes. There is some semblance, but I would like to put a word of caution, because we still have to see a lot more flowing through. But as things stand in first couple of weeks of April, there was definitely much better discipline in the market.

Nidhesh Jain: Sure. Secondly, can you speak about IFRS impact on our profitability or ROE, any rough indication? Because some of the other companies are disclosing their IFRS numbers, which is also quite useful. So if we can also give some indication around that.

Sanjeev Mantri: So Gopal will give the indication. My only point is, just to put things in perspective, there is an economic value and there is an accounting value. All these nuanced changes are eventually on the accounting part of it. There is obviously an implication in terms of how positively IFRS can help us. But we, as an organization, would 100% commit ourselves on the economic value. Now probably Gopal, if you can just talk about it.

Gopal Balachandran: Yes, Nidhesh, we have actually spoken this even in past calls. So therefore, our stance would still be the same, that we will continue to evaluate businesses more on an economic basis, because at the end of the day, that's what will eventually translate in terms of what is the outcome that we are writing from a risk perspective.

Transitions to IFRS, obviously, are accounting changes, which we will be, in that sense, well prepared. Also, at this point of time, obviously, we are getting most of our work done internally, whether it is in terms of understanding the impact of change, getting systems geared up so that as and when there are clear regulatory stipulations is what they have currently indicated. So we will be pretty much ready with whatever it takes to do the transition. But at the same time, we have been speaking about, also is the fact that as and when we will eventually transition to IFRS, there will be a lot of, assumptions, which will have to be made by the market at large. It is important for, again, various stakeholders to ensure consistency in comparison, a need for possibly to see if we can get a lot more alignment with some of those assumptions that the market participants use.

So our endeavour is in that direction, and which is what we are working with the council to see how we can possibly play that role far better in the current times. But obviously, internally, we are pretty much well prepared.

Major areas of impact, I already called out. So, no specific incremental areas to call out as a part of the current impact assessment that we have done. But yes, we are ready, and we will roll out whenever we see the regulatory time lines coming into action.

Nidhesh Jain: Okay. And when we speak about economic prospective, we are talking more about ROE and not Combined ratio, right?

Gopal Balachandran: Yes, because end of the day, whatever you write has to translate into a return to stakeholders through a combination of what we deliver on underwriting, plus obviously, how effectively are we able to put the cash flows to use. So hence, to that extent is what we will be largely driving as an institution.

Nidhesh Jain: Thank you sir. That's it from my side.

Gopal Balachandran: Thanks Nidhesh.

Sanjeev Mantri: Thanks Nidhesh.

Moderator: Thank you. Next question comes from the line of Avinash Singh with Emkay Global Financial Services Ltd. Please go ahead.

Avinash Singh: Yes. Hi. Good evening. Thanks for the opportunity. Just a couple of questions. The first one is on Motor TP. If I see again around ₹ 915 crores of reserve releases you had this fiscal and you have still you have not touched your FY2023 onwards, if I see. Now the backdrop is that the price hike is not happening. Do you see, the support from reserve releases to continue to provide the support in terms of your Motor TP claims ratio to catch up with the claims in place? Also on that front, also another question related is that, okay, industry has seen despite this EoM coming, the overall non claims expense going up. Now do you see that scope next year if the claims were to be under pressure, OPEX side, because now the March 2026 deadline for reaching EoM limits some sanity prevailing among some extreme or aggressive peers, would that lead to your OPEX further improving from here? Because at the end of the day, that's a market-related phenomenon. You cannot outprice yourself in the market. So if the peers were to improve, will that also be helpful?

The second one on the April 1 renewal, if I read correctly, India, even in Asia, the reinsurance capacities and pricing both have been favorable. So in that backdrop, does that help in terms of your profitability in these reinsurance heavy line item like Commercial lines?

Gopal Balachandran: Okay. So maybe I will take the second part first. What you observed is absolutely right. So hence, obviously, that dent us, which is what we have been talking through. The more the market gets sensible, so far as the need for compliance to the expense of management guidelines are concerned, that definitely augurs well from an overall market discipline standpoint. And again, as you rightly indicated, FY2026 is the time period that the regulator has stipulated within which companies are expected to toe the line when it comes to meeting the guidelines on expense of management. So obviously, this is something that we would be definitely closely watching for. But at the same time, I'm sure all of you are also clearly hearing that even the regulator is wanting to make sure that as an industry, pretty much everyone in the market follows the discipline on compliance to expense of management. So hence, the short answer is, of course, it augurs well for favourable market development is concerned. Within that, indeed, obviously, that's something that we have always seen, when the market gets far more sensible on underwriting, then ICICI Lombard by virtue of its brand, technology, service, et cetera, is obviously able to command an incremental market growth without compromising on underwriting outcome. So that's the response to the second one.

To the response on the third one, with respect to the reinsurance renewal cycle, again, Avinash, you all understand insurance as much as what we do. So therefore, in that sense, the renewals are always through cycles. You will always see periods of softness and at some points of time, the market starts to get hardened.

The key is, end of the day, if you look at from our standpoint, what we have, again, particularly in the Commercial lines, where you relatively see higher proportion of reinsurance, we have continued to stay disciplined on picking risks which we think are viable from an underwriting perspective, irrespective of which cycle the market is currently operating at in terms of the reinsurance renewals.

Now that's what is finding favour if you were to see, which is what put out also on our investor presentation, the quality of the partners with whom we work clearly is pretty much there. So obviously, we don't, in that sense, want to take any unnecessary credit risk. So we are very, very conscious of making sure that we work with high-quality panel of reinsurers. So that gives us a lot of comfort when it comes to getting capacity and also now to your point on terms, obviously, we get terms which are better than the market. So even this year, at least what we understand, relative to the market, given the underwriting performance that we have exhibited to the reinsurers, we believe we have been able to get terms both on commissions and the costs that we incur for protecting our net, to be possibly better than where the market is placed at. That will again aid us in our ability to further dwell on incremental market share. So that's in response to the third question on reinsurance renewal cycle.

To your first point on Motor Third Party, again, I keep saying this, the ranges is what we have spoken about in terms of the Motor loss ratio. Again, I will keep saying we have to look at Motor as in the aggregate, and the range that we have spoken about even in the earlier earnings call, for the segment has been between 65% to 67%. Broadly, if you look at the loss ratio outcome that has played out for even the current year, it's pretty much within the range that we have been talking about. So hence, that's how we look at. Now what can happen in case if no Third Party price increase sustains for one more year in FY2026. Obviously, that means we'll have to do a lot more work to make sure that we are able to identify better risk selection and continue to see how we can drive profitable growth. That's what we will focus on. More importantly, for the market, they will have to work much harder, particularly for those companies which have Combined with no Third Party price increase and the compliance to expense of management is something that some of those market participants will have to work on. So again, we believe we again are favourably placed in terms of the opportunity that one sees on Motor Third Party.

Finally, on the point on reserving, our approach to the actuarial principles pretty much stands intact. There is absolutely no change in the way how we have been reserving for the portfolio in terms of consistency and that's the reason even if you would have seen the reserve redundancy, that you would have seen across key lines, we continue to see one more year of reserve redundancy. So that reflects the quality of reserving that we have been able to play up to. So hence, no change in the actuarial thought process.

Avinash Singh: Thank you. Very clear. Thanks.

Moderator: Thank you. Next question comes from the line of Shreya Shivani with CLSA. Please go ahead.

Shreya Shivani: Hi, thank you for this opportunity. I have one question that is on the expense ratio for the quarter. So the way I understood the impact of the 1/n accounting last time, the quarters are similar in terms of what happened in Q3 to Q4 in terms of the volume growth that you got or how much you have retained, then ideally, your expense ratio should have been similar to what it was in Q3. Even the absolute amount has declined in Q4, if I don't talk about the ratio, even the absolute amount has declined. So what has helped us in having much lesser net commissions, at least, if you can help me understand? This is just about the quarter.

Gopal Balachandran: Shreya, again, it's like the question that keeps coming to us in terms of the Third party loss experience on how the loss ratio movement are happening between quarters. Again, I will keep reiterating. Our focus is very clear it is to make sure that expense plus commissions put together as a Company, we are very, very conscious of making sure that we run the overall operations at an EoM threshold, which is less than 30.0%, and which is what if you see on a full year basis, for us, the expense of management number stands at about 29.5%. So hence, we are pretty much committed. Within a quarter, various factors in terms of business mix, in terms of efficiencies that we always keep looking for, in terms of our own internal processes, and so there are numerous factors that go into it. So hence, which is why we keep urging to keep looking at numbers more on an annual basis rather than a particular quarter and more so on an absolute basis, again, there can be many factors to it. So for example, whenever if there are periods where I do a lot more of those investments, in that quarter, you will see the cost hitting us and so on. So a better number to look at will be more the expense of management number than anything else.

Sanjeev Mantri: Also Shreya, since you're comparing quarter 3 and quarter 4, just to highlight, it's the configuration of business that comes in, in quarter 3, we have far more new book that comes in. It's a season where the sale of new growth, our market share in Motor also grows in a very, very significant way.

In January, typical January 1 also is a reasonably big line on the Commercial side of the business, which can further impact the expense ratio in a positive manner. So it's more driven by configuration of what nature of business you write, which creates the differentiation. Also, you know that when these things happen and you have a quarter where there's a new coming in, it would impact us.

Shreya Shivani: Yes. The only thing I was getting confused that if the retention ratios are similar between Q3 and Q4, then your commission rates should have been similar, ideally, your net commission ratios. But I get the part that if you've written more Commercial lines in Q4, then obviously.

Sanjeev Mantri: Okay. Thank you.

Shreya Shivani: Thank you.

Moderator: Thank you. Next question comes from the line of Prakhar Sharma with Jefferies. Please go ahead.

Prakhar Sharma: Hi. Good evening. Just wanted to delve upon the comment on the pricing stance by some of the PSUs or broader market in the Motor Vehicle business. Could you just elaborate on this that from what segments of GI Operators did you see some bit of an aggressive stance? And has there been any change? Because while we talk about the EoM sunset for FY2026, are the private ones also genuinely trying to consolidate on pricing?

Second, just connected to this is, is there a possibility or is there a discussion around the EoM getting pushed out by a year or so just so that everybody makes it without too much disruption? Thank you.

Sanjeev Mantri: So Prakhar, on the PSU aggression, it's primarily driven very extensively on the Motor side. Will it sustain? Too early to comment. There were shades of that visible in quarter 3, but quarter 4, if you see, they have overall buckled the trend and they have gained significant market share also in the Motor segment. It would be anybody's guess in terms of what their plan is. We are pretty ready to face whatever be the trajectory that they have and we'll wait and see how it pans out. As I said in my initial remarks, that we would continue to flow prudently, because these things can happen at multiple level with multiple players, sometimes it's private sector, sometimes it's public sector, but we need to stick to our trajectory of what we want to do.

With respect to the expense of management deferment, our understanding is that what has got called out was full and final. We do believe it will be good long term for the industry if there's a semblance on that count. We are no one to comment in terms of whether a dispensation will be given for another year. But if you ask, I personally believe another year of dispensation will make them continue the practice as it exists and will not change anything because then they can ask another year of dispensation. So that's where we would leave this part of the conversation at least.

Prakhar Sharma: Perfect. Thank you so much.

Moderator: Thank you. Next question comes from the line of Aditi Joshi with JP Morgan. Please go ahead.

Aditi Joshi: Yes. Thank you for taking my question. Just a very simple one. Sorry, could not go through the presentation. With respect to the investment income, in the Q4 FY2025, it was lower on a year on year basis. So just wanted to understand, is it majorly on account of interest income or on account of lower realized gains?

Gopal Balachandran: Yes. We put that in the quarter of the opening script, Aditi. So largely the nature of how we run the overall investment book. The short answer is capital gains. Q4 FY2024, capital gains were roughly about ₹ 150 crore+. This year, pretty much our capital gains is as good as a very, very small number of roughly about ₹ 6 crore. So that's the reason why you see the overall investment income for Q4 FY2025, to be slightly lower than the Q4 FY2024.

But having said that, what has worked well, again, as I said, the treasury team has done a great job in trying to make sure that the portfolio has got significantly balanced to make sure that we go long. Hence, which is why, again, time and again, we have been giving the yield to maturity numbers, which used to be less than 7.00%. That number as we speak, currently stands at about 7.55%. So this is for here to stay. Hence, at least for Q4 FY2025, the short answer is capital gains.

Sanjeev Mantri: Yes. And also something which I must put across what our treasury team has done is even over quarter on quarter, we have increased the yield of the book from 7.00% to 7.55%, so which is a big one with a tenure also, which has gone to 5.34. Overall, it puts us well in terms of the current scenario that exists on the interest rate part. And also in quarter 3, it was more of a tactical call where our investment team felt that it was much better to book capital gains in that quarter vis-a-vis what would happen in Q4. In hindsight, it did work out for us.

Aditi Joshi: Okay. Thanks clear. Thank you.

Moderator: Thank you. Next question comes from the line of Neeraj Toshniwal with UBS Securities. Please go ahead, sir.

Neeraj Toshniwal: Yes, hi. So one question is on the growth side because during this 1/n will normalize from October, how should one think about overall growth and the preferred areas will remain held? And obviously, Motor, there's a lot of competitive intensity, which has increased, especially from PSUs, what I understand. So any comment on overall growth we are targeting in FY2026? That is one. Second is on book-keeping question on the other income from the non-operating reserves, which seems to be very high. So anything on that?

Gopal Balachandran: So maybe I'll take the first one. On the growth side, Neeraj, the good part is, if you look at some of the actions which are being taken, both at various governments and even our own insurance regulator, the efforts have been very, very positive. For example, the recent budget did see a lot of people getting a higher disposable income, which augurs well. Now all of this will start to play through maybe over the subsequent quarters. So that's a very positive action which comes from the government.

Equally, regulators are doing their part in terms of trying to keep relatively the interest rate of the environment at far more acceptable levels. The very recent rate cuts, again, augurs well for driving retail consumption and in general, driving consumptions are concerned. So there are clearly a lot of positive factors, which should aid when it comes to growth because ours is a direct reflection of what happens in so far as economic activities are concerned. Some of these positive actions by the government and regulators augurs very well.

Coupled with this, if you look at side for the next 2 quarters, in general, we are very positively placed in terms of how we see the opportunity play out. Also, what we responded to the earlier question on how the initial corporate renewal cycle has been, that looks again very promising. That's something that has started off on a positive note right from the beginning of the year. So hence, even for the rest of the year, one should see that cycle play through. So overall, we are positively looking at in terms of how the market should play out. Within that, what we have spoken is to try and see how we can continue to deliver that outperformance vis-a-vis the industry growth numbers are what we will be penciling in. First 2 quarters, you are absolutely right, Neeraj, in terms of the impact of 1/n will obviously play out. So maybe to that extent, industry growth could be a little subdued. But on a full year basis, we are very optimistic.

Neeraj Toshniwal: Got it, Gopal. Any comment on the Combined ratio guidance, if we are changing or revising giving any guidance?

Sanjeev Mantri: See on the guidance part, we've given a complete perspective. If the industry continues to deteriorate, our own belief would be that we are part of the same pond, right? So you would see overall challenges. But in our scheme of things, if there is an improvement in status-quo, you would see us probably improving. More importantly, it's the ROE part of it, which we would focus on and see what returns we are able to generate. And in that, we've always maintained that we want to see at least a 16% to 20% range for us as a Company being given to stakeholders.

Neeraj Toshniwal: Lastly on the book-keeping, on the other income on the non-operating results, you seen very high. Is it something regrouping or if you can throw some...

Gopal Balachandran: Yes, nothing specific, Neeraj, but it is business as usual for us. They will all be driven by whatever the regulatory stipulations are and no specific changes per se.

Neeraj Toshniwal: Sure. Thank you.

Moderator: Thank you. Ladies and Gentlemen, due to time constraints, we have reached the end of question and answer session. I would now like to hand the conference over to Mr. Sanjeev Mantri for closing comments.

Sanjeev Mantri: Great to connect with all of you, closure of another financial year, and some exciting times of it. Look forward to interacting with each one of you, as and when your time permits. We do believe that the General Insurance industry is poised for a decent year going forward, and we would keep in touch and keep you updated. Thank you so much for joining in, and all the best to each one of you.

Gopal Balachandran: Thank you so much.

Moderator: Thank you. On behalf of ICICI Lombard General Insurance Company, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

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