

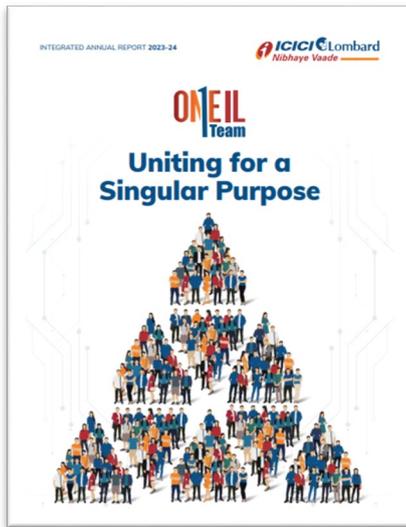
BSE SENSEX
76,993

S&P CNX
23,466

CMP: INR1,731

TP: INR2,100(+21%)

Buy



Stock Info

	ICICIGI IN
Bloomberg Equity Shares (m)	493
M.Cap.(INRb)/(USDb)	853.5 / 10.2
52-Week Range (INR)	1767 / 1190
1, 6, 12 Rel. Per (%)	-3/8/18
12M Avg Val (INR M)	1100

Financials Snapshot (INR b)

Y/E March	2024	2025E	2026E
NEP	168.7	195.4	227.3
U/W Profit	-9.8	-8.4	-8.7
PBT	25.6	33.8	39.7
PAT	19.2	25.3	29.8
EPS (INR/share)	38.9	51.4	60.5
EPS Growth (%)	11.0	32.0	17.6
BVPS (INR/share)	242.8	277.9	322.1

Ratios (%)

Claims	70.8	69.8	69.6
Commission	17.0	16.7	16.4
Expense	15.5	15.3	15.2
Combined	103.3	101.8	101.3
RoE	17.2	19.7	20.2

Valuations

P/E (x)	44.4	33.6	28.6
P/BV (x)	7.1	6.2	5.4

Transformation through innovation

- ICICI Lombard (ICICIGI), through its annual report, has reiterated its future readiness to capitalize on this fast-growing general insurance industry. Its core business strategy is built on five pillars, namely, 1) improving market share; 2) delivering customer service & technology; 3) capturing newer market opportunities & reaching the underserved; 4) robust risk management; and 5) improving operating profitability.
- ICICIGI has outgrown the industry in Retail Health; this growth is likely to accelerate due to the adoption of newly launched products, such as **Max Protect Health Insurance**, with “no limit” in-patient and **AYUSH hospitalization coverage**, with an “unlimited sum insured” option for covering the increasing medical costs and modern treatments up to INR10m.
- During the year, ICICIGI has carried out technological improvements such as: **‘Cloud Calling’**, a feature for reshaping the customer communication during the motor claims process, and expediting the claims settlements. **‘InstaSpect’**, a feature for quicker and hassle-free service delivery, and an efficient claims settlement process. **‘Self-inspection feature’** on the IL TakeCare App, where an AI/ML solution helps in auto-approval of policies depending on the damages detected.
- **Motor Nil Endorsements:** Customers can now make policy changes via **IVR** without speaking to a CRM, thereby reducing waiting time.
- ICICIGI is the first insurance company to introduce an SME-specific website and offer a complete end-to-end journey for SME products. ICICIGI strengthened its bancassurance channel during the year by adding 80 new partnerships.
- During FY24, premiums grew 22% YoY to INR256b, fueled by 28% YoY growth in the health segment, 36% YoY growth in the engineering segment, and ~3x jump in the crop segment. The claims ratio stood at 70.8% vs. 72.4% in FY23, led primarily by the motor segment. The combined ratio was 103.3% vs. 104.5% in FY23. The solvency ratio improved further to 2.62x at the end of FY24 from 2.57x at the end of FY23. The RoE, however, was lower at 17.2% in FY24 vs. 17.7% in FY23.
- **Valuation:** Going forward, growth in the Motor segment is likely to be back-ended, with the company waiting for price rationalization in the OD segment. In the Health segment, the benefits of price hikes and improving the efficiency of the agency channel should translate into better profitability. Scale benefits, a favorable product mix (higher share of retail health), and improvements in efficiencies across channels should help ICICIGI improve its combined ratio and RoE over the next couple of years. **We reiterate our BUY rating with a TP of INR2,100 (premised on 35x FY26E EPS).**

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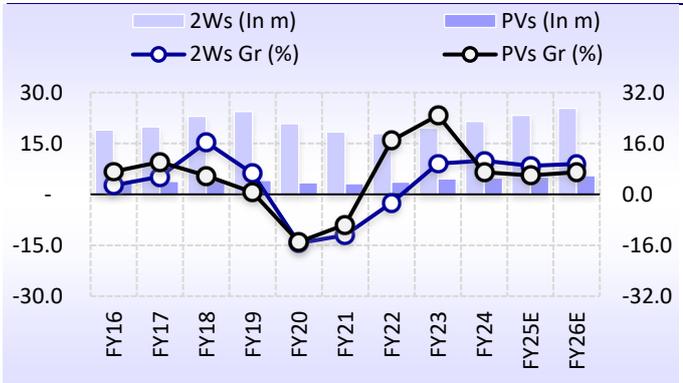
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Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

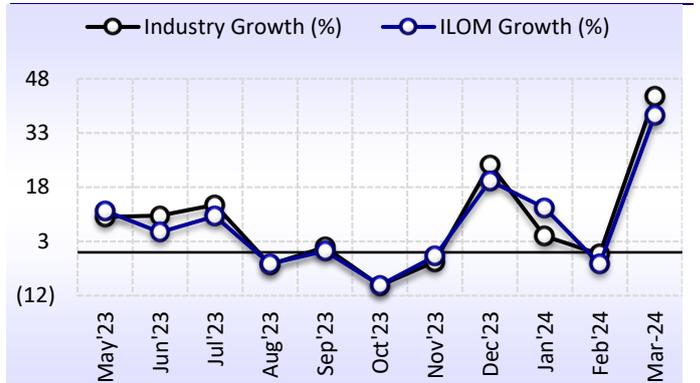
Story in charts

Exhibit 1: Recovery in Auto sales to drive growth in the Motor insurance segment



Source: MOFSL, Company

Exhibit 2: ICIGI's retail health insurance growth is outpacing the industry growth



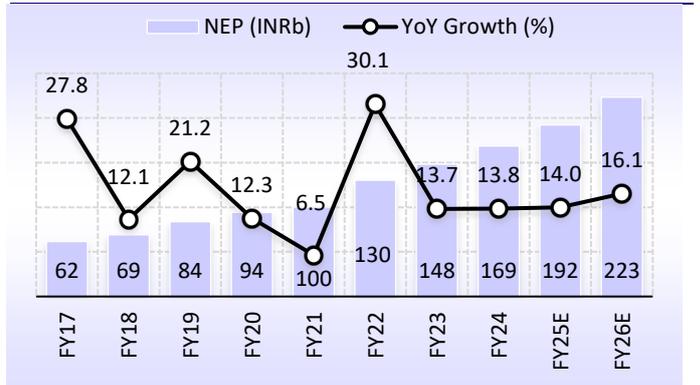
Source: MOFSL, Company, GIC

Exhibit 3: ICIGI's health business is dominated by the Group segment and is focusing on the retail business



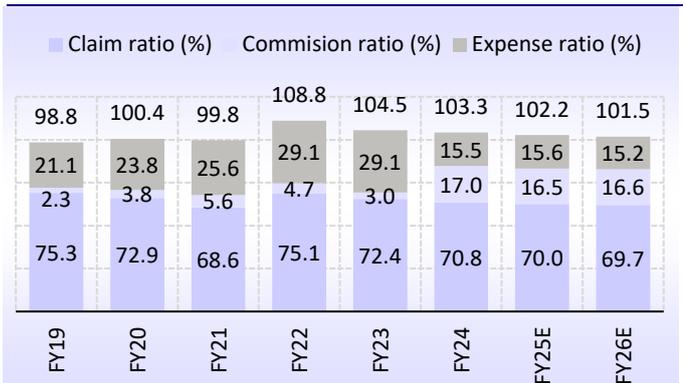
Source: MOFSL, Company

Exhibit 4: Overall premium to experience 15% CAGR over FY24-26E



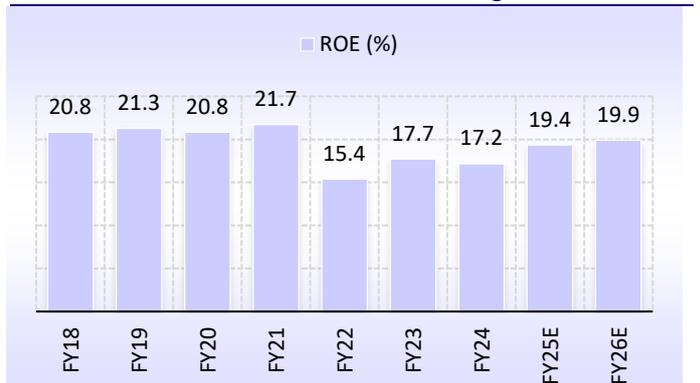
Source: MOFSL, Company

Exhibit 5: Higher investment cost partially offsets the benefit from a lower claims ratio



Source: MOFSL, Company

Exhibit 6: Return ratios to recover to the high teens



Source: MOFSL, Company

Exhibit 7: Key business parameters

In Nos.	FY20	FY21	FY22	FY23	FY24
Capex on new offices & branches (INR b)	4.7	4.8	4.9	5.08	6.16
Service call centers	2	2	2	3	3
Call center executives	501	1,233	679	1601	685
Capex on technology infrastructure (INR b)	6.9	7.3	8.2	8.81	9.45
In-house claims manager – Motor	756	707	916	950	945
In-house claims manager – Health	290	284	299	389	395
Actuarial team	22	25	39	42	45
Top management and leadership	11	10	10	13	12
Business group (Retail and Wholesale)	5,397	5,264	6,851	8,246	8,535
Service, Support, and Corporate groups	3,588	3,688	4,234	4,606	5,123
Individual agents (including POS)	47,548	59,545	88,545	1,13,000	1,28,411
Corporate agents	110	126	160	175	217
Network hospitals	6,536	9,307	6,751	7,547	10,425
Network garages	8,800	9,700	11,247	13,134	13,000
No. of branches	273	276	283	305	312
Virtual offices	840	840	908	917	917
First call resolution rate	82%	81%	82%	81%	84%
New products approved during the year	18	24	21	16	8
Policies processed electronically	97%	97%	97%	97%	99%
In-house motor claims	89%	87%	92%	93%	95%
In-house health claims	94%	87%	78%	77%	87%
Net promoter score	46	48	52	64	67
No. of complaints/10,000 policies	1.08	1.09	1.23	1.5	1.47
No. of policies issued (m)	26.2	21.7	29.3	32.7	36.2
Number of claims settled (m)	1.9	1.6	2.3	3.6	2.9

Source: MOFSL, Company

Exhibit 8: Comparative loss ratio analysis for ICICIGI (%)

Segment	FY24	FY23	FY22
Motor - Own Damage	63.5	72.6	68.1
Motor - Third Party	66.8	72.2	74.0
Motor - Total	65.2	72.4	70.9
Health Insurance	81.4	81.5	100.5
Crop / Weather	88.4	80.1	107.9
Marine - Cargo	72.7	71.8	77.2
Marine - Other than Cargo	136.8	178.7	117.8
Marine - Total	73.4	72.4	77.6
Personal Accident	53.3	40.8	31.9
Fire	62.2	49.3	53.1
Engineering	63.8	55.1	69.3
Aviation	217.3	96.1	89.4
Workmen's Compensation	61.2	66.8	51.2
Public / Product Liability	54.2	84.4	59.4
Credit Insurance	94.0	99.6	85.8
Others	71.9	57.5	47.8
Total	70.8	72.4	75.1

Source: MOFSL, Company

Exhibit 9: ICICIGI's GDPI share between rural and urban geographies

	FY24		FY23	
	GDPI (INR m)	% of total GDPI	GDPI (INR m)	% of total GDPI
Rural	32,462	13.10	26,718	12.71
Urban	2,15,299	86.90	1,83,532	87.29
Total	2,47,761	100	2,10,250	100

Source: MOFSL, Company

Five growth pillars at play

ICICIGI has built its business strategy on five fundamental pillars, which will be core to its existence and decision-making as the company continues on its journey to become a leading general insurance organization.

Improving market share; enhancing leadership

- In the corporate insurance business, ICICIGI increased engagements with clients to provide value-added services by leveraging its technology & risk management expertise.
- In the Health, Travel, & PA segment, it undertook several initiatives that resulted in an increase in the market share to 6.1% in FY24 from 5.7% in FY23. ICICIGI's sustained investments in Retail Health have further facilitated its ability to enhance distribution and report strong growth in this segment. The existing products were revamped, despite new launches.
- ICICIGI strengthened its bancassurance channel during the year, translating into 20.2% growth. It plans to make further investments in this channel to fortify its market position.

Improving customer service with technology

- Digitalization has been a key enabler in anticipating customers' requirements and improving customer services. ICICIGI has migrated its IT infrastructure to cloud, which led to increased agility, reliability, and efficiency in service delivery. All the digital assets, including Nysa and IL TakeCare App, have been enhanced, which led to increased usage.
- The call steering service was introduced on Voice Bot to make customer call handling more efficient.
- ICICIGI also initiated steps to widen language capabilities to include Telugu, Kannada, and Malayalam.
- The year saw management emphasizing on enhancing self-service capabilities as it introduced Do-It-Yourself (DIY) services in WhatsApp and continued introducing interactive videos that simplify complex processes. Further, these videos had built-in integration with DIY channels.
- With the help of AI/ML and speech recognition tools, capabilities of Bots were further enhanced. ICICIGI further used Visual Voice Interactive Response (Visual IVR) to enhance the adoption and efficacy of the welcome call process.
- One of the major successes has been the digital claims process for motor insurance, where the entire journey – right from intimation to filling form, conducting inspection, and claims settlement – was brought together on a single mobile platform.

Capturing new market opportunities and reaching the underserved.

- In FY24, ICICIGI continued to build on insurance solutions in Health, Motor, Travel, and Corporate insurance, including new riders, add-ons, and upgrades across segments to meet the evolving customer needs.
- ICICIGI recently launched 'Anywhere Cashless', an industry-first feature, where customers can avail cashless facilities in a hospital of their choice, regardless of whether or not the hospital is part of ICICIGI's current network.

- During the year, ICICIGI expanded its virtual offices to 917 and individual agents to 128,411, with increased focus on targeting tier 2, tier 3, and rural locations.
- During the year, ICICIGI added over 80 banca partnerships. The current retail health agency manager count stands at 1,600.

Robust risk management

- **Underwriting** – ICICIGI’s strength in underwriting stems from: 1) improvement in risk selection, with predictive ultimate loss model, 2) diversified exposure across geographies and products, and 3) track of lower proportion of losses from catastrophic events than the overall market.
- **Reinsurance** – ICICIGI spreads risk across the panel of quality re-insurers and also adopts a conservative level of catastrophe (CAT) protection.
- **Investments** – The company has tighter internal exposure norms as against regulatory limits. ICICIGI invests a high proportion of debt portfolio (93.9%) in sovereign or AAA-rated securities, and all debt securities are rated AA & above. There has been a zero instance of default on the debt portfolio since inception.
- **Reserving** – Incurred but not reported (IBNR) utilization, improving trend indicates robustness of reserves.

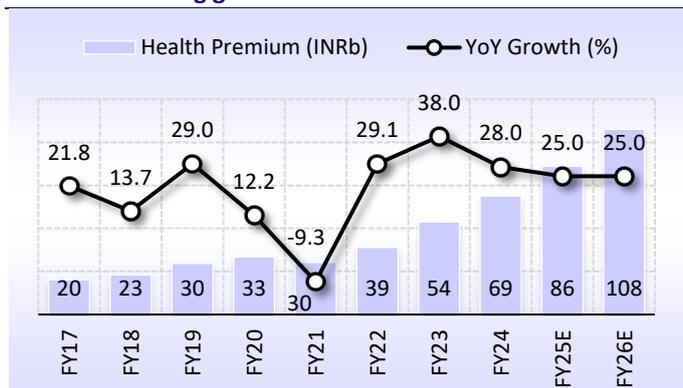
Capital conservation and improving operating profitability

- The company maintains a high solvency ratio against regulatory minimum requirement of 1.50x, with its solvency ratio at 2.62x as of 31st Mar’24.

Multiple levers in place for the health business

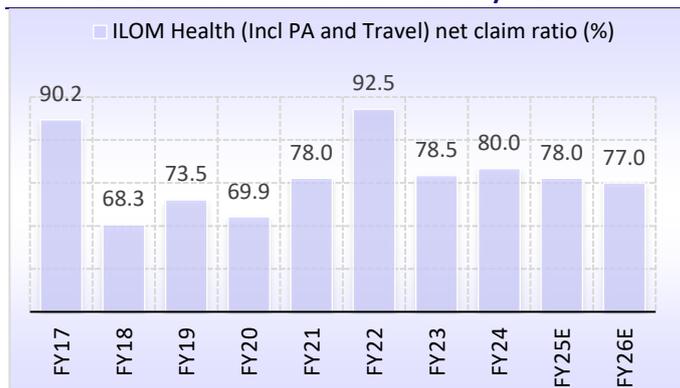
- Health Insurance (including personal accident) is the fastest-growing segment (+20% in FY24) and the largest contributor to GI with a 39.5% share.
- Under the health segment, several initiatives were undertaken that propelled ICICIGI’s market share to 6.1% in FY24 from 5.7% in FY23.
- ICICIGI continued to revamp its existing products along with new launches. ICICIGI introduced **Max Protect Health Insurance** with “no limit” in-patient and **AYUSH hospitalization coverage**, which provided “unlimited sum insured” option for covering the ever-increasing medical costs. The policy also provides for modern treatments up to INR10m and day care treatments including dialysis, radiotherapy, and chemotherapy.
- During the year, it also launched the “**Corporate Advantage Super Top Up**” policy. This product exclusively serves individuals covered under the employer-employee Group Health Insurance policies of ICICIGI. The policy offers extended top-up indemnity cover to corporate group employees with all the standardized features of a retail product, such as in-patient hospitalization, day care treatment, domestic road ambulance, and the reset benefit.
- With the help of AI/ML-based algorithms on the IL TakeCare App, health cashless claim requests are approved within 90 seconds.
- As a result of the continued investments in building agency distribution workforce, ICICIGI has outgrown the industry in Retail Health; this growth is expected to accelerate due to the adoption of newly launched products and continuous investments in human, technology and knowledge capital.

Exhibit 10: Strong growth momentum in the health business



Source: MOFSL, Company

Exhibit 11: Loss ratio to normalize to 78% by FY25

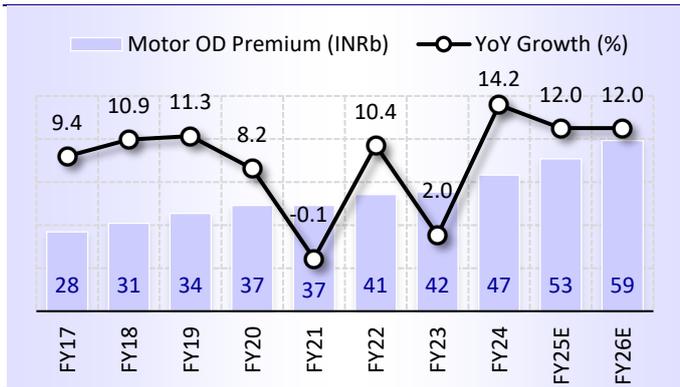


Source: MOFSL, Company

Motor business – Innovating solutions

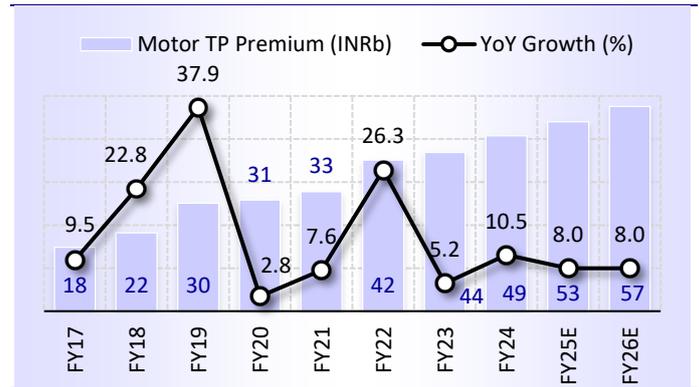
- Motor insurance being another key component of ICICIGI, constitutes ~31.7% of the total GWP and has grown ~12.9% in FY24 led by increased sale of private cars and demand up-tick in 2Ws in the rural areas after 2-3 years.
- The market share in the motor segment stood at 12.5% in FY24 (GDPI basis), thereby making ICICIGI a leader in the motor segment.
- All categories of Motor Segment have continued to do well. Private car sales witnessed robust growth in FY24, aided by improved supplies and sustained customer demand.
- The loss ratio of Motor improved to 65.2% in FY24 from 72.4% in FY23. This was led by improvement in portfolio mix and efficiency in claim settlement process.
- With rising competitive intensity, especially in the private car OD segment, ICICIGI increased its focus on profitable sub-segments using historical granular data and rebalanced portfolio in favor of the commercial vehicle segment.
- The company continued with its focus on risk-based pricing, which was further refined to include the granular level of variables in risk selection. ICICIGI also maintained its focus on strengthening tie ups with MISPs and intermediaries.
- During the year, **technological improvements in the motor insurance** were:
 - **"Cloud Calling"** a feature for reshaping customer communication during the motor claims process, and expediting the claims settlements.
 - **"InstaSpect"** the pioneering mobile self-inspection feature that has led to quicker and hassle-free service delivery and efficient claims settlement process.
 - **'Self-inspection feature'** added on the IL TakeCare App, where an AI/ML solution helps in auto-approval for policies depending on the damages detected.
 - **Motor Nil Endorsements:** Customers can now make policy changes via IVR without speaking to a CRM, thereby reducing wait time.
- Electric Vehicles are all set to disrupt the auto industry as it is witnessing growing adoption. ICICIGI has increased its focus and market presence on this segment to capture the opportunities.

Exhibit 12: Motor OD premium to clock a 12% CAGR over FY24-26E



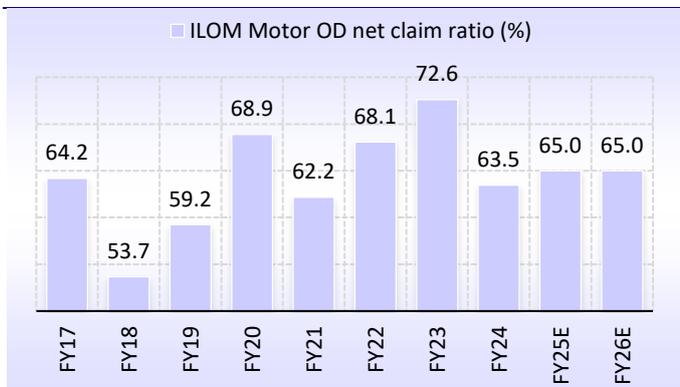
Source: MOFSL, Company

Exhibit 13: Growth momentum in Motor OD to sustain



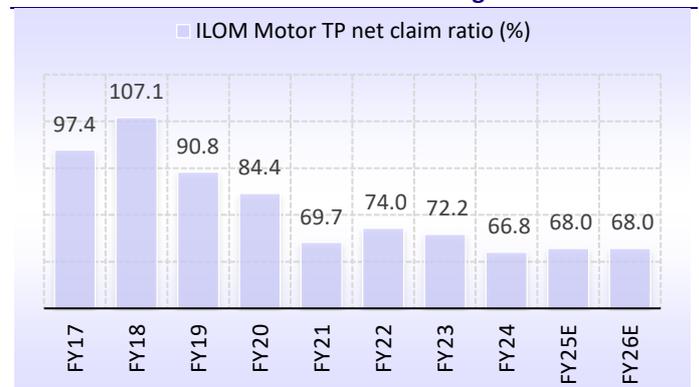
Source: MOFSL, Company

Exhibit 14: Motor OD claims to remain elevated



Source: MOFSL, Company

Exhibit 15: Claim ratio in the Motor TP segment to moderate

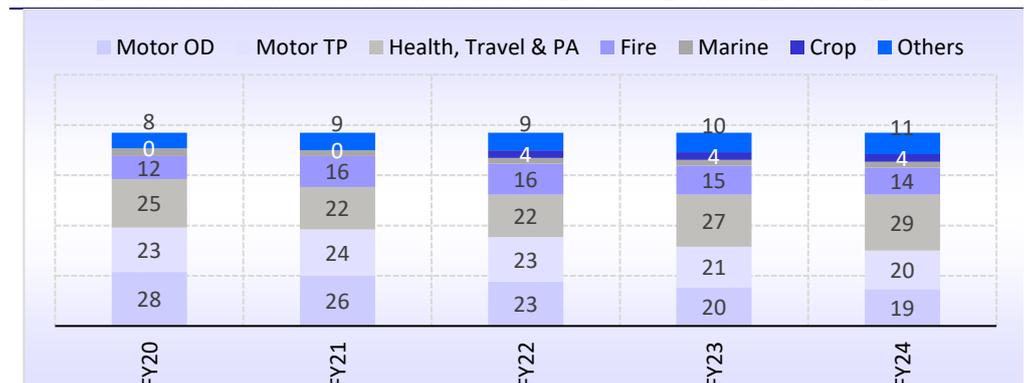


Source: MOFSL, Company

Crop & Cattle business

- While the total population of cattle in India is roughly 300m, it is estimated that less than 5% of the population is covered by insurance. This offers a huge scope for further penetration in this space.
- ICICIGI's strategy for tapping this segment has largely been in partnership with Dairy & Cooperative, Banks, and other financial institutions.
- During FY24, ICICIGI covered ~1.73m farmer applications with around 1.35m hectare gross cropped area. ICICIGI has booked a total GWP of INR11.7b.
- During FY24, ICICIGI insured ~2,68,000 + cattle, which resulted in ~90% YoY growth over 1,41,000 cattle insured in FY23.

Exhibit 16: Share of Health business increased to 29% in FY24 from 22% in FY21



Source: MOFSL, Company

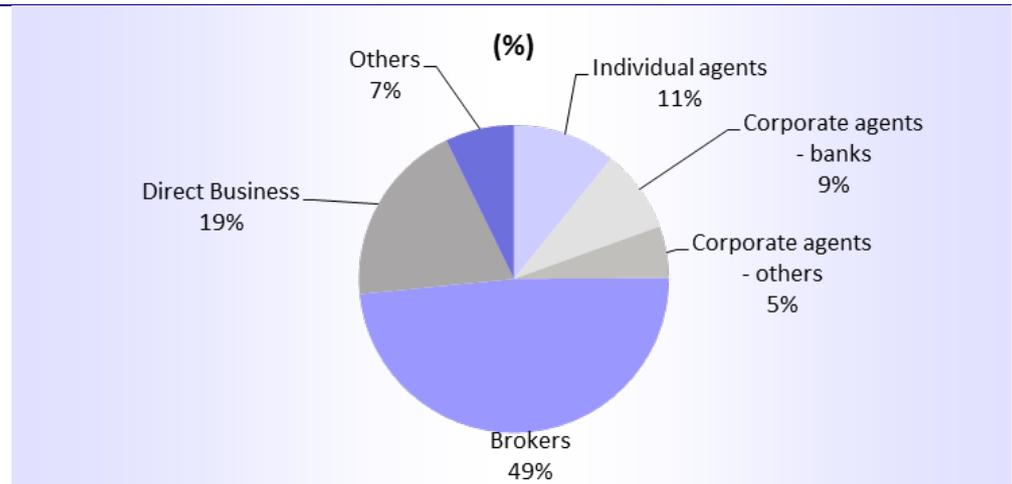
Emerging leader in commercial lines of business

- ICICI's market share (on GDPI basis) in the Engineering segment increased to 16.6% in FY24 from 15.3% in FY23, making it the second-largest player in the industry.
- The Marine Cargo segment, which is one of ICICI's preferred lines of business, has reported a growth of 4.3% YoY in FY24 and has secured leadership position among the private general insurers in terms of market share. This was achieved by leveraging innovation under the aegis of Marine VAS, including anti-theft and anti-hijacking programs, monitoring of temperature-sensitive cargo, supply-chain solutions, and proprietary Marine Loss Control Engineering (MLCE).
- In the Fire segment, ICICI grew 10.3% YoY in FY24, which was 3.1% more than the industry growth of 7.2% in FY24. The company gained a market share of 13.1% in FY24 (vs. 12.8% in FY23) on GDPI basis, thus making ICICI the second-largest player in the industry.
- The Liability segment reported 11.8% YoY growth in FY24 and secured leadership position in market share.
- New tools, such as AI-powered Natural Language Generation (NLG) technology, IoT for monitoring risks, and loss control technique were implemented to reduce the likelihood and severity of losses due to incidents.
- ICICI offers advanced drone-based technology for inspecting wind turbines and solar PV modules as a part of the insurance renewal process, enabling a quick turnaround.

Strengthening SME & Bancassurance presence

- In FY24, the SME segment experienced profitable growth as the primary focus continued to be on prioritizing product innovation, productive stakeholder engagement, and placing a strategic focus on customer service excellence through the agents and channels partners.
- To enhance the engagement with MSMEs, ICICI has launched the second edition of the SalaamMSME campaign to safeguard and protect the businesses and minimizing the risks and losses through solutions like Marine Insurance, Employee Compensation, Group Health Insurance, PI for Doctor (Liability), and Property (Fire).
- Bancassurance and Key Relationship Groups grew 20.2% YoY in FY24. Within this, ICICI Group's distribution increased 22.5% YoY in FY24. The company continues to deep-mine its existing relationships by creating new value streams, and at the same time, focusing on acquiring new relationships.
- ICICI strengthened its bancassurance channel by adding over 80 banca partnerships during the year.

Exhibit 17: Channel wise premium contribution as on FY24 with brokers constituting the lion's share at 49%



Source: MOFSL, Company

Key IRDAI reforms during FY24

Following are the key reforms introduced by IRDAI to increase penetration of general insurance in India. These reforms have been welcomed by the entire general insurance industry:

- IRDAI issued guidelines to include **'AYUSH'** coverage in all Health Insurance policies at par with any other treatment or coverage, thereby giving an option to the policyholders to select the treatment of their choice.
- IRDAI denotified all tariff wordings to design the general products in line with the underwriting policy. The pricing of Motor Third Party line of business continues to be under tariff regime.
- The introduction of **'Bima Trinity'** with a vision of 'Insurance for All by 2047' through strategic drivers, such as Bima Vahak, Bima Vistaar, and Bima Sugam.
- IRDAI has set up the **State Insurance Plan (SIP)** with a vision of insurance proliferation in every nook and corner of the country.
- The regulator has also introduced **Bima Manthan**, a platform for continuous periodic engagement with the industry members to assess the impact of various initiatives.
- Introduced **'Bima Vahak Guidelines'** with an objective of establishing women-centric dedicated distribution channel focusing on enhancing insurance inclusion and creating awareness in every village / Gram Panchayat.
- IRDAI is steering the sector towards Insurance 2.0 and the next set of reforms is expected in the areas of accounting, risk capital, and capital supervision.
- Implementation of regulations regarding the **'Expenses of Management (EoM)'** and **'commission payout'** for insurers, offering greater flexibility and simplifying commission structures.

Digital initiatives at the core

- ICICIGI's digital focus has enabled an increase in digital revenue (including business sourced through IL TakeCare app) to INR14.97b. Digital revenue contributed 6% to the company's overall GDPI for FY24.
- Introduction of Responsive Intelligent Assistant (RIA) – a combination of voice-based BOT and chat-based BOT – which has helped service ~2 times more customer journeys in FY24 compared to last year across the website, call center, and the app. RIA services over 200,000 transactions in a month with a CSAT score of 78% on WhatsApp and 81% on the website chat.
- Investments in new technologies, including Artificial Intelligence (AI), Machine Learning (ML), and Internet of Things (IoT), have brought about greater efficiencies in issuing policies, claims settlements, fraud control, and servicing.
- ICICIGI's tech-driven initiative 'One IL One Digital' enables consolidation of Omni Channel experience for the customers across multiple touchpoints and digital assets – ILTakeCare App and Website. IL TakeCare App, which is a one-stop solution for all insurance and wellness needs, continues its growth momentum.
- **Digitalization impacts at ICICIGI:**
 - Of the total policies issued, 99.3% were issued via electronic mode
 - The downloads on the IL TakeCare App have rapidly increased to 9.3m+ from 4.6m in FY23
 - Of the total cashless authorizations, 61.8% were done through AI for GHI in Mar'24
 - The DIY transactions doubled in 4QFY24 (YoY).
 - The digital initiative for the alliance partners contributed around 6-7% of the total revenue and grew ~20% YoY.
 - Of the total customer acquisitions, ~39% were done digitally, which constituted around 6% of the overall business.

Premium growth driven by the health and commercial segments

- During FY24, premiums grew 22% YoY to INR256b, fueled by 28% YoY growth in the health segment, 36% YoY growth in the engineering segment, and ~3x jump in the crop segment. Within the health segment, growth was led by the group segment, which jumped 32% YoY. The motor segment grew 12% YoY, led by 14% YoY growth in the OD segment and 10% YoY growth in the TP segment.
- In terms of mix, the share of the motor segment dropped to 38.9% from 40.8% in FY23, which was offset by an increase in the share of the health segment to 25.8% (from 23.8% earlier).
- Reinsurance ceded increased during the year with the ratio of NWP to GWP declining to 71% in FY24 from 73.9% in FY23. This increase was owing to higher ceding in the fire segment and increased share of the crop segment.

Motor segment drives a sharp improvement in loss ratios

- In FY24, the claims ratio for ICICIGI was 70.8% vs. 72.4% in FY23. The improvement was fueled by the motor segment, where the loss ratios for Motor OD/Motor TP stood at 63.5%/66.8% vs. 72.6%/72.2% in FY23.
- The loss ratio in the health segment increased 150bp, which can be attributed to the higher share of the group segment and increased monsoon-related claims in FY24.

Combined ratio improves to 103.3%

- During FY24, the company reported a combined ratio of 103.3% vs. 104.5% in FY23. The gains were primarily owing to the improvement in the loss ratio as expense ratio (commission + opex) stood at 32.5% vs. 32.1% in FY23.
- Excluding the impact of CAT losses of INR1.37b, the CoR was 102.5% in FY24.
- Expense ratio improved for the motor TP segment by 245bp but was more than offset by 250bp/300bp increase in Motor OD and fire segments.

Balance sheet continues to be strong

- The investment book at the end of FY24 stood at INR489b vs. INR432b at the end of FY23, while investment leverage was steady at 4.09x vs. 4.15x.
- Investment portfolio mix for the year: Corporate bonds – 41.3%, G-Sec – 42.0% and equity – 11.4%.
- The realized yield on the investment portfolio was 8.0% vs 7.5% in FY23.
- The solvency ratio improved further to 2.62x at the end of FY24 from 2.57x at the end of FY23. The RoE, however, was lower at 17.2% in FY24 vs. 17.7% in FY23.

Valuation and view

- Going forward, growth in the Motor segment is likely to be back-ended, with the company waiting for price rationalization in the OD segment. In the Health segment, the benefits of price hikes and improving the efficiency of the agency channel should translate into better profitability. Scale benefits, a favorable product mix (higher share of retail health), and improvements in efficiencies across channels should help ICICIGI improve its combined ratio and RoE over the next couple of years.
- **Reiterate BUY with a TP of INR2,100 (premised on 35x FY26E EPS).**

Financials and valuation

Income Statement								(INR m)
Y/E March	2019	2020	2021	2022	2023	2024	2025E	2026E
GDPI	1,44,882	1,33,128	1,40,031	1,79,769	2,10,251	2,55,942	2,96,399	3,44,342
Change (%)	17.2	-8.1	5.2	28.4	17.0	21.7	15.8	16.2
NWP	95,385	96,407	1,06,850	1,34,896	1,55,395	1,81,656	2,10,814	2,45,557
NEP	83,753	94,036	1,00,140	1,30,321	1,48,229	1,68,665	1,95,425	2,27,272
Change (%)	21.2	12.3	6.5	30.1	13.7	13.8	15.9	16.3
Net claims	63,081	68,515	68,708	97,819	1,07,256	1,19,395	1,36,400	1,58,262
Net commission	2,229	3,639	6,009	6,339	4,722	30,890	35,262	40,356
Expenses	20,139	22,931	27,342	39,201	45,148	28,177	32,172	37,321
Underwriting Profit/(Loss)	-1,696	-1,049	-1,919	-13,038	-8,898	-9,797	-8,409	-8,667
Investment income (PH)	14,011	16,492	21,474	30,978	32,721	28,856	33,358	37,533
Operating profit	12,315	15,443	19,555	17,940	23,823	19,059	24,949	28,866
Investment income (SH)	4,743	4,800	5,170	7,061	7,757	8,500	11,006	13,218
Expenses	1,073	3,272	5,185	8,166	10,454	2,007	2,180	2,362
PBT	15,985	16,971	19,540	16,835	21,125	25,552	33,775	39,722
Tax	5,492	5,031	4,809	4,125	3,835	6,366	8,444	9,930
Tax rate (%)	34.4	29.6	24.6	24.5	18.2	24.9	25.0	25.0
PAT	10,493	11,940	14,731	12,710	17,291	19,186	25,332	29,791
Change (%)	21.8	13.8	23.4	-13.7	36.0	11.0	32.0	17.6

Balance sheet								(INR m)
Y/E March	2019	2020	2021	2022	2023	2024	2025E	2026E
Equity Share Capital	4,543	4,543	4,546	4,909	4,911	4,927	4,927	4,927
Reserves & Surplus	48,662	56,797	69,809	86,188	99,016	1,14,678	1,32,001	1,53,791
Net Worth	53,205	61,340	74,355	91,097	1,03,928	1,19,605	1,36,928	1,58,718
FV change - Shareholders	799	-948	1,630	831	512	2,445	2,567	2,696
FV change - Policyholders	2,585	-3,338	5,174	2,762	1,621	7,450	7,823	8,214
Borrowings	4,850	4,850	4,850	2,550	350	350	350	350
Claims Outstanding	1,64,256	1,80,074	1,82,845	2,49,752	2,69,166	3,09,541	3,57,280	4,12,672
Other liabilities	1,08,331	1,28,440	1,24,123	1,61,492	1,75,286	1,93,692	2,20,218	2,50,977
Total Liabilities	3,34,026	3,70,418	3,92,977	5,08,483	5,50,862	6,33,083	7,25,167	8,33,627
Investments (PH)	1,68,877	2,04,671	2,34,565	2,98,684	3,33,221	3,73,204	4,19,531	4,73,407
Investments (SH)	53,431	58,595	74,356	89,179	98,583	1,15,869	1,36,310	1,63,330
Net Fixed Assets	4,652	6,765	6,268	5,775	5,640	7,009	7,109	7,209
Def Tax Assets	3,013	3,063	3,498	3,456	2,653	2,926	2,634	2,370
Current Assets	1,00,037	96,998	72,013	1,08,463	1,08,734	1,30,730	1,43,803	1,58,183
Cash & Bank	4,016	326	2,277	2,926	2,031	3,346	15,781	29,128
Total Assets	3,34,026	3,70,418	3,92,977	5,08,483	5,50,862	6,33,083	7,25,167	8,33,627

E: MOFSL Estimates

Financials and valuation

Ratios

Y/E March	2019	2020	2021	2022	2023	2024	2025E	2026E
GWP growth	17.2	-8.1	5.2	28.4	17.0	21.7	15.8	16.2
NWP growth	21.6	1.1	10.8	26.2	15.2	16.9	16.1	16.5
NEP growth	21.2	12.3	6.5	30.1	13.7	13.8	15.9	16.3
Claim ratio	75.3	72.9	68.6	75.1	72.4	70.8	69.8	69.6
Commission ratio	2.3	3.8	5.6	4.7	3.0	17.0	16.7	16.4
Expense ratio	21.1	23.8	25.6	29.1	29.1	15.5	15.3	15.2
Combined ratio	98.8	100.4	99.8	108.8	104.5	103.3	101.8	101.3
Profitability Ratios (%)								
RoE	21.3	20.8	21.7	15.4	17.7	17.2	19.7	20.2

Valuations

	2019	2020	2021	2022	2023	2024	2025E	2026E
BVPS (INR)	108.0	124.5	150.9	184.9	210.9	242.8	277.9	322.1
Change (%)	17.2	15.3	21.2	22.5	14.1	15.1	14.5	15.9
Price-BV (x)	16.0	13.9	11.5	9.4	8.2	7.1	6.2	5.4
EPS (INR)	21.3	24.2	29.9	25.8	35.1	38.9	51.4	60.5
Change (%)	21.8	13.8	23.4	-13.7	36.0	11.0	32.0	17.6
Price-Earnings (x)	81.2	71.4	57.9	67.1	49.3	44.4	33.6	28.6

E: MOFSL Estimates

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