Ref. No.: MUM/SEC/33-04/2025

April 23, 2024

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); Debt (NSE: ILGI29)

Dear Sir/Madam,

Subject: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Transcript of call with media and earnings conference call for the quarter and financial year ended March 31, 2024

This is further to our letter dated April 10, 2024, April 15, 2024 and April 17, 2024, please note that the Company had hosted call with media and earnings conference call with investor(s) and analyst(s) on Wednesday, April 17, 2024 to discuss the financial performance of the Company for the quarter and financial year ended March 31, 2024.

In this regard, please find attached the transcripts of the call with media and of earnings conference call with investor(s) and analyst(s) for the quarter and financial year ended March 31, 2024.

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: 2024.04.23 13:32:32 +05'30'

Vikas Mehra
Company Secretary

Encl. As above

ICICI Lombard General Insurance Company Limited
Q4 and FY2024 Media Conference Call
April 17, 2024

MR. SANJEEV MANTRI – MD & CEO

MR. GOPAL BALACHANDRAN – CFO

Moderator: Good evening, ladies and gentlemen. A very warm welcome to ICICI Lombard General Insurance Company Limited Q4 FY2024 and FY2024 Media Conference Call.

From the Senior Management we have with us today Mr. Sanjeev Mantri – MD and CEO of the Company and Mr. Gopal Balachandran – CFO. Ladies and gentlemen this is a Media Call for the ICICI Lombard General Insurance Company Limited and will be followed by the Investor Call at 7:15 pm today.

Please note that any statements or comments 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 the 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 the operator by pressing "*" and "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, Sir.

Sanjeev Mantri: Thank you. Good evening everyone. Thank you for joining us today for our Q4 FY2024 and FY2024 Media Call.

I'm pleased to provide an overview of our Company's financial performance for the quarter and year-ended March 31, 2024. This has been a momentous year from an organizational and industry standpoint, reinforcing our leadership stance as the largest private sector general insurance player in the country.

We have been observant of the industry trends and market dynamics which have brought along their share of opportunities and challenges for us.

We are committed to meeting the needs and the expectations of our stakeholders by fostering a diverse, enabling and inclusive environment. This has been strengthened by our organizational philosophy of 'One IL One Team' which transcends all businesses and functions into a cohesive team focused on broader organization goals.

The critical enabler for our journey has been the large-scale integration of digital technology, which has facilitated agility, innovation and growth. We have strengthened our leadership team with the addition of Mr. Anand Singhi -- Chief Retail and Government Business and Priya Deshmukh – Head, Health Product – Operations & Services. Their rich experience in the insurance space will help us drive sustained growth.

We are optimistic about the future for the industry as well as about ICICI Lombard fueled by regulatory reforms. With our strong team, we are confident in our ability to navigate challenges and capitalize on opportunities that lie ahead. We remain committed and focused for the upcoming year with more tech enabled offerings, customer centricity through efficient systems and processes, and talent acquisition, nurturing and retention. Thank you.

Now I will invite my colleague, Gopal, to share the Performance Highlights of the Company.

Gopal Balachandran: The Gross Direct Premium Income (GDPI) of the company stood at ₹ 247.76 billion in FY2024 compared to ₹ 210.25 billion in FY2023 a growth of 17.8% which was higher than the industry growth of 12.8%. The GDPI of the Company was at ₹ 60.73 billion in Q4 FY2024 as against ₹ 49.77 billion in Q4 FY2023 a growth of 22%. This growth was higher than the industry growth of 9.5%.

Combined ratio stood at 103.3% for FY2024 compared to 104.5% for FY2023. Excluding the impact of CAT losses of ₹ 1.37 billion the combined ratio was 102.5% in FY2024. The combined ratio stood at 102.2% in Q4 FY2024 as against 104.2% in Q4 FY2023. Profit before tax grew by 21.0% to ₹ 25.55 billion in FY2024 as against ₹ 21.13 billion in FY2023 whereas profit before tax grew by 21.9% to ₹ 6.98 billion in Q4 FY2024 as against ₹ 5.73 billion in Q4 FY2023.

Capital gains were at ₹ 5.51 billion in FY2024 compared to ₹ 4.53 billion in FY2023. Capital gains were at rupees 1.56 billion in Q4 FY2024 as against ₹ 1.59 billion in Q4 FY2023. Consequently, Profit After Tax (PAT) grew by 11.0% to ₹ 19.19 billion in FY2024 as against ₹ 17.29 billion in FY2023. Excluding the impact of reversal of tax provision in Q2 FY2023, Profit After Tax (PAT) grew by 19.8% in FY2024. Profit after tax grew by 18.9% to ₹ 5.2 billion in Q4 FY2024 up from ₹ 4.37 billion in Q4 FY2023.

The Board of Directors of the Company has proposed a final dividend of ₹ 6 per share for FY2024. This payment is subject to the approval of shareholders in the ensuing annual general meeting of the Company. The overall dividend for FY2024 including the proposed final dividend is ₹ 11 per share. Return On Average Equity (ROAE) was 17.2% in FY2024 compared to 17.7% in FY2023. Return On Average Equity (ROAE) was 17.8% in Q4 FY2024 compared to 17.2% in Q4 FY2023.

The Solvency Ratio was 2.62x at March 31, 2024, as against ₹ 2.57x at December 31, 2023, and continues to be higher than the minimum regulatory requirement of 1.5x. The Solvency Ratio was 2.5x at March 31, 2023.

This is a brief snapshot of our performance for the quarter and the overall financial year ended March 31, 2024. We will now be very happy to take any questions that you may have for us. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. We have the first question from the line of Sheersh Kapoor from ETBFSI. Please go ahead.

Sheersh Kapoor: I wanted to ask you that how much was the return on the investment income that you made in the quarter compared to the last quarter?

Gopal Balchandran: If you look at it on a full year the overall investment return that we had on the overall portfolio was about 7.98% that's on a full year basis and that's the number that we largely talk about, because between quarters there will always be opportunities of realizing interest accruals and maybe capital gains will be more opportunistic.

Having said that, if you look at this number for the last year on a full year basis FY2023, the return on the investment book on a realized basis was 7.5%.

Sheersh Kapoor: So, have you made any changes in the investment portfolio? What are you more bullish on? Are you more investing in the equity side or the fixed income side with that also?

Gopal Balachandran: So, approach to investments has always been using the right asset classes depending on how we see the market environment. Currently, for example, if you look at historically, generally we have had a very large proportion of our book in the fixed income group though we have always been positive even on the equity.

Currently, as we speak our exposure to equity stands close to about 11% of the overall book. But having said that we will obviously keep looking at opportunities to increase allocations to equity as well and at the same time in the last couple of years given that we have seen a high interest rate regime operating in the market. So, we have obviously leveraged the high interest rate regime that the market has experienced and that's why if you look at our yield to maturity on the overall book, that on the fixed income side stands at about 7.4%. So, at all points of time it will always be a combination of different asset classes, a combination of both fixed income as well as equities.

Sheersh Kapoor: Just one last thing that I want to ask you that what growth have you seen on the term insurance side, if you can answer that please because there have always been some debate going on the products that give you benefits and then there is pure insurance, term insurance that you call it. What has been the segregation on that?

Gopal Balachandran: Maybe you want to look at term insurance in the context of the life insurance business. What we can talk about is the general insurance business, that we are in. On an overall basis for the full year we have seen growth across different segments at about 17.8%. This number is higher than the industry growth of about 12.8%. It's to that extent on overall basis as a Company across different segments, we have had a significant outperformance related to the market.

Moderator: Thank you. We have the next question from the line of Shilpy Sinha from Economic Times. Please go ahead.

Shilpy Sinha: I have two questions. One is on your combined ratio, your combined ratio for the quarter is around 102%, but for the year it's a little higher. So, if you can give some light on that and what is the target for this year and also on the management expense front now that this year we've seen the commission relax, what was the impact on the total expense of management that the Company has incurred?

Gopal Balachandran: So, the first one Shilpy if you look at it on a combined ratio basis, you are right on a full year basis our combined ratio stood at about 103.3% and for Q2 we are at about 102.2%. But directionally, if you look at it what we have been talking even to all of you and even to the market at large is a directional improvement in our combined across periods and that's exactly what we have been able to deliver even if you look at it on the current FY2024 on a full year basis. Even to the market what we have talked about is by the end of next year we had said that we would look at getting to a combined which will be around 102%. Given the market momentum that we are seeing in the way things are getting shaped up we would obviously explore opportunities in terms of how we could look at bringing that down to 102% combined by the end of FY2025. So, that's in response to the first one. On the management expense front in line with what we have been again speaking with all of you the change that the regulator has brought about in the expense of management regulation it's been a very, very positive change from an overall market perspective. It kind of gives flexibility for players in the market to operate at and within this obviously the EOM guidelines as we all know has put a limit of 30% of the overall gross premiums for companies like us which are into multiple segments. And if you look at it on a full year basis again for ICICI Lombard, we have been well within that limit of 30%. For us the overall expense of management as a percentage of the gross premium return stands at about 29%.

Shilpy Sinha: And what is the outlook there as in have things stabilized here or do you see competition in the market that people are trying to undercut and pay more to the intermediaries just to get more business?

Gopal Balachandran: So, the markets have always been generally competitive. But having said that, the fact that the regulator has put out this guideline on the EOM front and this being the first year in which you would obviously see all players taking action in terms of making sure that they are able to come down within the limit of 30% or 35% basis public information which is available for on a 9 month basis, maybe roughly about half of the market slightly in excess of half of the market are within the threshold. And I'm sure the rest of the companies possibly are working out ways and means to bring them within the threshold as the regulator has laid out. On a full-year basis, most of the companies will start reporting numbers either in Q1 or Q2 of this year. So, I'm sure the regulator will get to know the numbers of the market and directionally they would change the necessary messaging particularly maybe for those companies who have not been able to bring down their expense of management threshold.

Shilpy Sinha: And one last one, your cashless everywhere it's a new initiative that the entire industry has taken up. What has been the progress and has the number moved up like from earlier it was around 64%, 63% has that number gone up since the time it was announced?

Gopal Balachandran: So, again, if you look at Shilpy the thought process from an industry standpoint is something that got announced maybe in the last four weeks or so, slightly in excess of that period. But if you look at it from an ICICI Lombard standpoint we had talked about this initiative of launching anywhere cashless in fact at the beginning of this year. So, hence to that extent obviously we have had a head start in terms of making sure that we create convenience from a customer perspective. As you rightly said this has become more a market phenomenon and therefore to that extent what we have been able to clearly see is more number of hospitals being empaneled as a part of the cashless network. Hence we've obviously seen a change consequent to the fact that the announcement has been made at an industry level as well.

Moderator: Thank you. The next question is from the line of Yash Jain from CNBC. Please go ahead.

Yash Jain: I had a couple of questions. One thing, of course FY2024 is behind us and now we look at FY2025. I wanted to understand how you see FY2025 for the Company in terms of two aspects. One is your net earned premium. What kind of growth do you see?

And the second one is combined ratio. What is the target internally that you would want to achieve since you're so close to now 100, how do you see that moving in FY2025?

My second question is we've seen in this year the regulators come out with regulations which talk about de-tariffication of the terms of motor third party, the prices still continue to be regulated. Do you think FY2025 could be a year of de-tariffication of prices when it comes to motor third party and how would the prices go up or down, what is your sense?

And last one ICICI Lombard and Policy Bazaar, what took you so long to come on the largest aggregator platform? Why now?

And I was just looking at some numbers The last reported numbers you just get about 0.09% of your premium through insurance aggregator platforms, where does this number go to let's say in the next 2 years?

Sanjeev Mantri: We would mirror the way industry will come out in terms of the overall growth. We've spoken numerous points of time. Clearly there is enough and more tailwinds, the industry has in the current year grown by 13%. I would have believed it could do slightly better than how it has turned out, but that being said the number of yardstick which are present, we do believe industry should continue this journey on growing between 13% to 15% in the coming year.

If that happens as the place where we stand, we should at least try to keep pace and grow at least in line with the industry. So, that's what we have as far as the overall growth from our side is concerned.

On the combined side Gopal has just mentioned that yes we've closed the quarter with 102.2. It's a lot to do with again the way industry comes. If you see 9-month numbers at the industry level for the combined there has been an improvement that has come through and if that improvement has come through, it's also reflecting to some extent in the numbers that we have seen.

Again, with expense of management, multiple things that are coming in play. We do believe that we want to believe, but we are not the only players who operate in the market that this can continue. If this trend continues, it augurs well for the industry. With respect to what happens to motor third party. Frankly speaking, this is beyond our control and the right questions should go to the set of organizations or teams which are involved in this they would be recipient of the information whenever as and when motor third party moves in.

Last but not least with respect to the tie up with policy bazaar why now and why not before? So, we had our own reasons we wanted to fuel our own ambitions in terms of digital journey and that's what we have done. We are also build teams almost 5 years back that we have created virtual an organization an organization with an intense focus to drive our digital business. Once that has reached certain levels of traction that we wanted we do work with partners the bulk of our business does get done on a B2B2C basis.

Policy Bazaar has been force to reckon with when it comes to aggregating platforms and we thought it's appropriate that we even join hands with them.

Yash Jain: Just this 0.09% that you currently get from aggregators how much could this grow, let's say I'm not talking about next year itself, but if we take a horizon of next 2 to 3 years since it's an important partnership, what would this number go to?

Gopal Balachandran: I know it's very early days for us Yash. I don't want to jump into, they will be discovering us. We'll be discovering them. Are we excited joining hands with them? Answer is a big yes, absolutely delighted to work with them, but we probably would be in a better position to reply this in quarter 3 or Quarter 4 as to what traction can come out of it. At this point of time it's just too early, too hard a guess for us as an entity as to where we will be and where we are.

Moderator: Thank you. We have the next question from the line of Sheersh Kapoor from at ETBFSI. Please go ahead.

Sheersh Kapoor: So, the general insurance industry maintains double digit growth in FY2024. Maybe in crop insurance and areas like fire insurance, marine insurance. What, according to you, could be some of the areas where Lombard can contribute more and what are some of the areas because you think that were responsible sort of because of this de-growth and what can be the factors that could improve going further in FY2024?

Sanjeev Mantri: So, I'll tell you in terms of Lombard contribution we have known delta 5% vis-a-vis the industry and that's something which is already put across. So, our contribution part is coming, but our hunger and desire to do more for the industry and ourselves remains totally intact.

What has led to this de-growth at the industry level or not probably taking a 3,00,000 crore mark which falling short around 10,000 and thereabout at this point of time. Crop has remained negative in the current year at an industry level that definitely could have contributed by another factor of few thousand could have come from there if you ask me.

We've also seen that there was no TP hike which the industry is seeking otherwise that also would have contributed to some extent in terms of the growth of the industry. So, I would say largely these are two factors which we can look at and see net of that if we adjust to that probably you would have seen a 3-lakh crore mark. Health continues to be the fastest growing segment as far as the industry is concerned.

Sheersh Kapoor: So, again the masses lie at the bottom of the pyramid and crop insurance being one of the important parts of the segment. What is the Lombard doing in that area?

Sanjeev Mantri: So, how the crop works, you have to participate, it's a tender business. We also very actively participate. We win some, we lose some and that's where we are always excited to participate. But if it's a risk price driven model and we do our bit and we have always been a keen participant but would like to do it at the value that makes sense for us as an entity.

Moderator: Thank you. We have the next question from the line of Shilpy Sinha from Economic Times. Please go ahead.

Shilpy Sinha: I wanted to understand in terms of your segment growth, you are present in your other segments of health, but not in the mass health. So, is that a deliberate decision not to be there or is it because the states are going through the trust model and not actually coming to insurance for business.

And also, the crop you're saying that 4.10% of the GDPI is not crop. What was this number last year and as you just now mentioned that you win some and you lose some. So, what will be the strategy here and because of crop you've seen the industry actually decline not decline but overall the growth has been slower than previous years because of the slowdown in crops. So, what is the strategy going forward for you and for the industry how do you see this segment now?

Gopal Balachandran: So, Shilpy on the second part of your question if you look at in general, the approach for crop insurance has been more opportunistic and obviously we keep looking at developments in this space in terms of what the contours of the scheme operate at. And of course, given that this is very high on exposure. We also have to be mindful of what kind of reinsurance terms we get.

Through a combination of both, currently or even this year or even if you look at the last year in general the crop contribution to the overall revenues for us has been a mid-single digit number in that range of 4% to 5%. But in response to your first one on the mass health, again it is similar to what we said on crop. As in to say that we will obviously give, of course these are schemes which are significantly based on tenders and some of the states obviously in line with what you said have moved into the trust model. So, therefore to that extent, it may not necessarily be available within the space of insurance.

Having said that, we do look at developments in the space wherever we believe the pricing is appropriate for the risk that we are assuming then obviously we will be open to looking at writing this segment. So, that's something that we keep looking at again, not just marked as a category, even otherwise every segment of the business, depending on what risk reward does it present is the lens through which we look at segments and on that basis is how we have been taking calls of writing some of these portfolio.

Shilpy Sinha: On group distribution front, you said that ICICI group distribution grew by 22.5%, so what part of the business came through group and what was the contribution of the bank here versus last year?

Gopal Balachandran: So, again if you look at, as we have always kept talking about ICICI group or ICICI Bank within that has always been a very, very important distribution partner for us and obviously we as a Company we would want to significantly leverage the opportunity that the group presents to us.

But in terms of the operating model that we have always followed as a Company is of a multi-product, multi distribution setup, so that we are able to harness the opportunity that different segment presents. Which is why when you look at the overall contribution of let's say the ICICI Group to the aggregate revenues, would be in the range of about anywhere betwee 5% to 6%, but that's a segment that's again doing well within the framework that the group has kind of laid out.

And we do see a lot more potential that we can leverage on in terms of our ability to even grow that particular distribution channel as well.

Shilpy Sinha: And one last one the policy wording which got de-tariff now on March 20th, what is the impact that you see on the commercial lines products and on the retail side?

Sanjeev Mantri: It's again too early. These are all draft. There are lot of discussions which are going on, but every time there is this freedom getting created you will find innovation, you will find more customer-centric products coming through. So, it's a big plus for the industry and we are excited with what opportunity lies ahead for us, but at this point of time is there anything finitely available to say.. It's a bit early for us in the whole thing.

Moderator: Thank you. Ladies and gentlemen, we have no further questions. I would now like to hand the conference over to Mr. Sanjeev Mantri for vote of thanks. Over to you, Sir.

Sanjeev Mantri: Absolutely. Thank you so much for joining on Rama Navami which is actually a holiday for many and look forward to great year and we'll be in touch. Thank you so much. Take care.

Moderator: Thank you. Thank you, on behalf of ICICI Lombard General Insurance Company Limited. That concludes this conference. Thank you all for joining us. You may now disconnect your lines.

Safe Harbor: Except for the historical information contained herein, statements in this release which contain words or phrases such as 'will' , 'would' , ‘indicating’ , ‘expected to’ etc., and similar expressions or variations of such expressions may constitute 'forward-looking statements'. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion in business, the impact of any acquisitions, technological implementation and changes, the actual growth in demand for insurance products and services, investment income, cash flow projections, our exposure to market risks, policies and actions of regulatory authorities; impact of competition; the impact of changes in capital, solvency or accounting standards, tax and other legislations and regulations in the jurisdictions as well as other risks detailed in the reports filed by ICICI Bank Limited, our holding company with the United States Securities and Exchange Commission. ICICI Bank and we undertake no obligation to update forward-looking statements to reflect events or circumstances after the date there.

ICICI Lombard General Insurance Company Limited
Q4 & FY2024 Earnings Conference Call
April 17, 2024

MANAGEMENT:

MR. SANJEEV MANTRI – MD & CEO

MR. GOPAL BALACHANDRAN – CFO

MR. ALOK AGARWAL – EXECUTIVE DIRECTOR

MR. ANAND SINGHI– CHIEF RETAIL AND GOVT BUSINESS GROUP

MR. SANDEEP GORADIA – CHIEF CORPORATE SOLUTION GROUP

MR. GIRISH NAYAK - CHIEF TECHNOLOGY & HEALTH (UW & CLAIMS)

ICICI Lombard General Insurance Company Limited
Q4 & FY2024 Earnings Conference Call
April 17, 2024

Moderator: Good Evening, Ladies and Gentlemen. A Very Warm Welcome to ICICI Lombard General Insurance Company Limited Q4 & FY2024 Earnings Conference Call.

From the senior management, we have with us today, Mr. Sanjeev Mantri – M.D. & CEO of the Company; Mr. Gopal Balachandran – CFO; Mr. Alok Agarwal – Executive Director; Mr. Girish Nayak – Chief Technology and Health Underwriting and Claims; Mr. Sandeep Goradia – Chief Corporate Solutions Group; and Mr. Anand Singhi – Chief, Retail and Government Business.

Please note that any statements or comments 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 the 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. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, please signal an operator by pressing "*" and then "0" on your touchtone phone.

I now hand the conference over to Mr. Sanjeev Mantri – M.D. & CEO, ICICI Lombard General Insurance Limited. Thank you. And over to you, sir.

Sanjeev Mantri: Thank you. Good evening to each one of you. Thank you for joining the earnings conference call of ICICI Lombard Limited for Q4 & FY2024.

Let me give you a brief overview of the industry trends and developments that we have witnessed in the past few months. Post this, our CFO, Mr. Gopal Balachandran, will share the Financial Performance of the Company, for the quarter and the year ended March 31, 2024.

During the quarter, the Indian economy continued its robust growth trajectory with key high frequency indicators reflecting healthy economic conditions. For the Financial Year 2024, India's GDP growth is expected to be 7.6%[1] Looking ahead, a normal south-west monsoon should support

[1] Source: Ministry of Statistics & Programme Implementation

agricultural activity, boost rural demand and help overall sentiments. However, any worsening of geo-political tensions or a global slowdown may have an adverse impact.

Now, talking about Auto Industry, Private car sales witnessed robust growth for the FY2024, aided by improved supplies and sustained customer demand. As per SIAM data, over 4.2 million vehicles were sold in the year. The industry also saw a shift in the customer preference from entry level cars to SUVs. Thus contribution of SUV in private car sales has gone up from 37% to 49% in the last two years.

As mentioned in the last earnings call, the uptick in rural demand saw two-wheeler sales grew by 25% in Q4 to touch 4.5 million. The annual two-wheeler sales also surpassed the FY2020 figures and stood at 18.0 million vehicles. During the year, around 1.7 million commercial vehicles were sold, which was driven primarily by good traction in infra and other core sectors.

Health insurance continued to be the largest product segment for the industry. As per data published in the IRDAI annual report for FY2023, the growth in number of lives has been primarily driven by the Group Health business and we expect this trend to continue for FY2024 as well.

The Commercial lines of business witnessed growth supported by strong government capital expenditure related to infrastructure development. Consequently, Engineering lines of business witnessed a robust growth during the year.

We remain optimistic that the industry will continue to grow given the favorable macros, regulatory changes, low penetration and relatively positive consumer sentiment.

Coming to Performance, the General Insurance industry delivered a year-on-year Gross Direct Premium Income (GDPI) growth of 12.8% for FY2024. Excluding crop and mass health growth stood at 14.8%.

Overall, the Combined ratio for the industry was at 112.2% for 9M FY2024 as against 116.2% for 9M FY2023. For Motor, the Combined ratio was at 118.2% for 9M FY2024 as against 121.9% for 9M FY2023. In our last Earning Call, we had mentioned improvement in the industry Combined Ratio for Motor for H1 FY2024 by ~400 basis points, 119.4% from 123.5% for H1 FY2023. There has been a further improvement of ~300 basis points with the Q3 FY2024 combined ratio for Motor at 115.9% as against 118.9% during the same period last year. The Motor Combined ratio for Private players in Q3 FY2024 was at 110.7% versus 111.8% for the same period last year. This improvement indicates a semblance of discipline coming back to the market.

As you may be aware, no Motor TP rate hike has been announced for FY2025 as yet. We will be watchful of how the industry responds to this in coming days.

Now, I would like to touch upon certain regulatory announcements. On March 20, 2024, after a comprehensive review of regulatory framework, the Authority notified a number of principle-based prescriptions. The new regulations include:

- De-notification of all tariffs notified by the erstwhile Tariff Advisory Committee which continued to be in force since December 2006. With the de-notification of the existing tariffs, the Company is at liberty to design all the general insurance products in line with its own underwriting policy. This would facilitate insurers to respond faster to the emerging market requirements and to design innovative products to cater to customers' needs. It may be mentioned that the pricing of Motor TP line of business continues to be under the tariff regime.
- Rural, Social sector, and Motor Third-Party Obligations Regulations, prescribe the minimum insurance business to be undertaken by the insurers. The compliance and measurement of these statutory obligations has been revised in order to enhance the insurance penetration.
- Bima Sugam - Insurance Electronic Marketplace Regulations allow for establishment of a Digital Public Infrastructure/ Insurance Electronic Marketplace. With this, the authority has set out a vision for democratizing insurance to achieve the goal of insurance for all by 2047.

We believe the regulatory developments are favorable for the industry. I would like to further reiterate that as a Company we will continue to leverage the benefits of being a diversified, multi-product and multi-distribution organization as we capitalize on the existing and emerging business opportunities in the sector.

Now, I will speak about the business impact for us in Q4 and FY2024:

The Company grew by 22.0% during Q4 FY2024. Excluding a one-off transaction in the Motor segment last year, growth was 15.8%, which was higher than the industry growth of 9.5%. For FY2024, the Company grew by 17.8% as against the industry growth of 12.8%. Excluding the one-off transaction last year, growth for FY2024 was 16.4%.

Let me now touch upon our performance in key business segments during the quarter and FY2024:

- In the Commercial business segment, we continue to consolidate our market position, by leveraging our unique distribution network enhanced by the value-added services, prudent risk based underwriting and highly

rated reinsurer capacities. During Q4 FY2024, we grew at 11.3% as against an industry growth of 11.0%. For FY2024, we grew at 14.7%, which was higher than the industry growth of 10.0%. Further, during the year, we accreted market share across segments such as Fire, Marine Cargo, Engineering and Liability. As we speak, we are at an industry-leading position in Marine Cargo and Liability lines of business, while being the 2nd largest in Fire and Engineering lines of business.
Last year, we experienced significant rate hardening in the reinsurance terms in line with global trends. However, as anticipated, the recent April 1st renewals have largely been benign.

- Motor continues to be the largest contributor to our product mix. Over the years, we have developed strong capabilities across distribution, underwriting, claims, servicing and acturial practices. Given our presence across all three sub-segments of private car, two-wheeler and CV, we would continue to balance our portfolio mix depending on the market opportunities. As we saw some discipline return to the market, we scaled up our position in a calibrated manner and consequently entered the year as an industry leader.

  The growth for us during the quarter was 27.3%. Excluding the one-off transaction last year, the growth for Q4 FY2024 was 13.4%, as against the industry growth of 9.6%. For FY2024, we grew at 12.3%. Excluding the one-off transaction last year, the annual growth was 8.9% against the industry growth of 12.9%.

  The growth in Motor segment was aided by strong growth in new private car segment, which grew at ~23% for Q4 FY2024 and ~28% for FY2024, which was higher than SIAM volume growth of 12% and 8.4% respectively. Our new two-wheeler growth was ~11% for Q4 and ~13% for FY2024, while the SIAM volume growth was 24.9% and 12.3% respectively. As rural demand picks up, we expect to see the trend continue for two-wheelers. In the new CV segment, we de grew by 2.1% in Q4 FY2024 and 1.9% in FY2024 while the SIAM volume growth was 0.1% and 14.4% respectively.

  For FY2024, our mix of Private car, Two-wheeler and Commercial vehicle stands at 51.4%, 26.8% and 21.9% respectively.

  We also continue to build efficiency in Motor claims. In Q4 FY2024, we were able to service 70% of our Agency and Direct claims through our Preferred Partner Network (PPN), up from 54% in Q4 FY2023.

  For the next year, we expect mid-single digit growth in private car sales, while the Two-wheeler segment is expected to deliver 8% to 10% growth.

CV sales are expected to grow in double digits in line with the previous year on account of demand from infra sector.

- The Health segment continued to be the fastest growing segment for the industry. We grew faster than the industry both in Q4 and FY2024, registering a growth of 29% for the quarter and full year.

  In Group Health- Employer Employee segment, we grew at 31.7% in Q4 FY2024 and 30.3% in FY2024. The change in the underlying industry pricing sentiment resulted in customers moving towards insurers with superior servicing capabilities.

  Our Retail Health business grew by 21.8% in Q4 FY2024 against the industry growth of 19.9%. For FY2024, our retail business grew at 20.0%, as against the industry growth at 19.1%.

  We would continue to invest in this segment in terms of human capital, technology and knowledge capital to further improve our market share. Our current retail health agency manager count stands at 1,600. We will continue to strengthen our growth levers as we expect to achieve far more in this segment.

  Our Bancassurance and Key Relationship Groups grew at 16.7% for the quarter and 20.2% for the FY2024. Within this, ICICI Group distribution grew by 39.4% for Q4 FY2024 and 22.5% for FY2024. We will continue to deep-mine our existing relationships by creating new value streams, and at the same time, focusing on acquiring new relationships. During the year, we added over 80 banca partnerships.

- In our last call, we spoke about a vision of One IL One Team. Under this, one of our initiatives that we have outlined is, our One IL One Digital Strategy. Through this, we aim to consolidate our customer-facing digital assets of IL TakeCare, Website and alliances along with our distribution facing front ends. This will allow us to exploit the synergies across all our platforms, which will result in benefits to the Company.

  Our one-stop solution for all insurance and wellness needs, the IL TakeCare app, has surpassed ~9.3 million user downloads till date. We continued our growth momentum with ~0.8 million user downloads for the quarter. In the same period, we sourced premium over ₹ 1.13 billion and a premium of ₹ 3.68 billion for FY2024, registering a 3x increase year-on-year.

  Our overall customer-facing digital business grew at 29.5% in Q4 and 39.0% in FY2024 and constitutes 6.8% and 6.0% respectively of our overall business.

Last week, we announced a strategic tie-up with Policy Bazaar. Our tie-up is aimed at leveraging the strength of the 2 institutions to create a superior customer value proposition.

After transitioning to cloud, we have continued to make significant investments on modernization of our technology platforms. Along with this, our core business and technology transformation project, “Project Orion” is also underway. Project Orion would entail three pivotal pillars of reimagining processes with a digital-first approach, modernizing technology by shifting away from legacy systems and enhancing stakeholder experience through superior engagement models.

We are excited to share that we have kick-started the transformation journey with some of our preferred line of businesses and are witnessing the initiatives shaping up nicely.

We firmly believe project Orion will be a key enabler on a vision of - One IL One Team.

As we embark on the new financial year, we will focus on leveraging our multi-product, multi-distribution strategy. Through effective use of data, digital advancements and launching new products, we will maintain focus on scaling up our profit pools, while continuing to grow as One IL One Team.

Now, I would request Gopal to take you through the financial numbers for the recently concluded quarter and the 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 of the recently concluded Quarter and Financial Year. We have uploaded the “Results Presentation” on our website. You can access it as we walk you through the performance numbers.

During the quarter, ICICI Bank acquired additional equity shares of the Company. Consequently, the shareholding of the bank in the Company has increased to more than 50% and the Company has become a subsidiary of the bank.

Gross Direct Premium Income (GDPI) of the Company was at ₹ 247.76 billion in FY2024 as against ₹ 210.25 billion in FY2023, a growth of 17.8%, which was higher than the industry growth of 12.8%. Excluding Crop and Mass health, GDPI growth of the Company was at 17.1% which was higher than the industry growth of 14.8% in FY2024.

- GDPI of the Company was at ₹ 60.73 billion in Q4 FY2024 as against ₹ 49.77 billion in Q4 FY2023, a growth of 22.0%. This growth was higher than the industry growth of 9.5%. Excluding crop and mass health, GDP growth was at 22.0%, which was again higher than the industry growth of 13.8% in Q4 FY2024.

Our GDPI growth during FY2024 was primarily driven by growth in the preferred segments. The overall GDPI growth of our property and casualty segment grew by 14.7% at ₹ 68.51 billion in FY2024 as against ₹ 59.73 billion in FY2023.

On the retail side of the business, GDPI of the Motor segment was at ₹ 96.34 billion in FY2024 as against ₹ 85.82 billion in FY2023, registering a growth of 12.3%.

o The Advance Premium was at ₹ 33.30 billion at March 31, 2024 as against ₹ 33.04 billion as at December 31, 2023.

GDPI of the Health segment was at ₹ 61.71 billion in FY2024 as against ₹ 47.82 billion in FY2023, registering a growth of 29.1%.

o Our agents, which included the point-of-sale distribution count was at 1,28,411 as on March 31, 2024, up from 1,25,088 as on December 31, 2023.

During the year, we witnessed catastrophic events, namely Cyclone Biparjoy, North Indian floods and Cyclone Michaung. Resultantly, combined ratio was 103.3% for the full year FY2024 as against 104.5% for FY2023. Excluding the impact of these CAT losses of ₹ 1.37 billion for the full year, the combined ratio would have been at 102.5%.

o For the quarter, Combined ratio was 102.2% in Q4 FY2024 as against 104.2% in Q4 FY2023.

Our investment assets rose to ₹ 489.07 billion as at March 31, 2024, up from ₹ 468.67 billion as at December 31, 2023. Our investment leverage net of borrowing was 4.09x as at March 31, 2024 as against 4.11x as at December 31, 2023.

Investment income was at ₹ 35.26 billion in FY2024 as against ₹ 29.77 billion in FY2023. On a quarterly basis, investment income was at ₹ 9.3 billion in Q4 FY2024 as against ₹ 8.17 billion in Q4 FY2023.

Our capital gains, net of impairment and investment assets, stood at ₹ 5.51 billion in FY2024 as compared to ₹ 4.53 billion in FY2023. Capital gains, net of impairment and investment assets stood at ₹ 1.56 billion in Q4 FY2024 as compared to ₹ 1.59 billion in Q4 FY2023.

Our Profit Before Tax grew by 21% at ₹ 25.55 billion in FY2024 as against ₹ 21.13 billion in FY2023, whereas Profit Before Tax grew by 21.9% at ₹ 6.98 billion in Q4 FY2024 as against ₹ 5.73 billion in Q4 FY2023.

Consequently, Profit After Tax grew by 11% at ₹ 19.19 billion in FY2024 as against ₹ 17.29 billion in FY2023. Excluding the impact of reversal of tax provision in Q2 FY2023, Profit After Tax grew by 19.8% in FY2024. PAT grew by 18.9% at ₹ 5.2 billion in Q4 FY2024 from ₹ 4.37 billion in Q4 FY2023.

The Board of Directors has proposed a final dividend of ₹ 6 per share for FY2024. This payment is however subject to approval of shareholders in the ensuing Annual General Meeting of the Company. The overall dividend for FY2024 including the proposed final dividend is ₹ 11 per share. Last year, the overall dividend was ₹ 10 per share.

Return on average equity i.e ROAE was 17.2% in FY2024 as again 17.7% in FY2023. Return on average equity for the Q4 FY2024 was 17.8% as against 17.2% in Q4 FY2023. Solvency ratio was at 2.62x at March 31, 2024 as against 2.57x as at December 31, 2023, continued to be higher than the minimum regulatory requirement of 1.5x.

As I conclude, I would like to reiterate that we continue to stay focused on driving profitable growth, sustainable value creation and safeguarding interest of policyholders at all times.

We would like to thank you all for attending this earnings call and we'll be happy to take any questions at this point. Thank you.

Moderator: We will now begin the question-and-answer session. The first question comes from the line of Shreya Shivani from CLSA. Please go ahead.

Shreya Shivani: I have three questions, sir. First is on the overall growth outlook. So health book for us has done quite well since past two years; since FY2022, the growth has been north of 25%, 30%, 40%, right? So, expecting some moderation in growth going ahead, what will be the key drivers for growth in FY2025-26, which segments would be driving majority of the growth and how much higher than industry growth can we deliver in the years to come, given that in the Motor segment, though there has been an improvement and discipline has come in, but it's still quite a high combined ratio for one to expect us to grow very fast in the Motor segment. So that's my first question on key growth drivers and how much faster than industry can we grow in FY2025-26. Second is on the Motor TP segment. Looking at the reserving triangles for the Motor segment, TP segment specifically, so there has been a much higher reserve release in accident year '18, '19, '20, I mean the trend looks much better than the prior year trend. So how should we read this data -- does this also significantly add to your FY2024 loss ratio improvement on YoY basis apart from more new cars being sold? Third question is on the combined ratio, we've done quite well on the combined ratio side, for the fourth quarter that has gone by much better numbers over there. So going ahead, what is our guidance on combined ratio? And one question that I had also asked at the analyst meet about considering natural calamities as business as usual going ahead, does that change our combined ratio guidance in anyway?

Gopal Balachandran: On the first one, if you look at it from an overall market perspective, as we have always been saying, we have always been looking at this business in the context of being a multi-product, multi-distribution setup. And therefore, to that extent, different segment of businesses present opportunities for growth, maybe at different points of time and hence to that extent is where we have been able to put in place a model by which we are able to leverage the growth potential. In that context, when you look at the overall year gone by, we have been able to have an outperformance relative to the market growth. And if you look at in terms of how we are heading into the next year, there's a lot of positive momentum that we see from an overall market perspective as well.One, of course, the slew of regulatory reforms that we spoke as a part of the introductory remarks, that augurs well both from a market standpoint and even from the opportunity that it gives for ICICI Lombard, it's very, very positive.

Second, if you look at the thrust that the government is putting on in general, looking at significant thrust of infrastructure development, that obviously presents a lot more opportunities on multiple segments of businesses, whether you look at it in the commercial line space, maybe for example, thrust on engineering projects to begin with. Obviously, , it aids in logistics, transportation to again look at growth profitably, and more importantly, it is also expected to lead to, let's say, higher number of jobs. And therefore, as I said, augurs very well in terms of the opportunity that one sees. Specific to your point on health, as we have always said even in the past, the opportunity that one sees in the market, if you look at few years back, the market was significantly stressed in terms of the loss experience and more importantly whether you look at it from a combined ratio standpoint. Given that some of the players are already looking at reversing some element of pricing within Group Health and particularly on the Employer-employee side, it obviously augurs well and that's the reason why you see us continuing to grow disproportionately relative to the market, and even as we head into FY2025, we believe health for the industry as well will continue to be by far the one of the fastest growing segments. And within that even for ICICI Lombard, we see an opportunity on Health, both in the Group Health as well as in the Retail Health segments. Whether the growth will be continuing to be at 25%, will it slightly get moderated? We will obviously wait for things to evolve. But honestly, as we have said even in the past, I don't think from a market perspective, we will continue to see prolonged periods of 25% to 30% growth from an industry standpoint. So that's something that we will obviously watch for.

The second question on yours in terms of the Motor third-party reserving triangle, it's good that the market is starting to look at the triangle disclosures from an overall market perspective. That again augurs well, because then every Company is being moved to appropriate level of scrutiny from a market perspective and hence, it again augurs well from our overall market discipline. In terms of some of the releases that you spoke about, if you ask us, the way I would respond to it is, is there any change in the approach of our reserving philosophy, the approach has not changed. And in line with what we have been speaking even in the earlier quarters, the way to look at on the third-party book as you rightly mentioned, is more on an annual basis. And in fact if you recollect even last time in the quarter's earnings call, we did speak about the range within which we see the loss experience play out for Motor as a category. And just to refresh that, we had said Motor own damage loss experience is something that we see in the range of 60% to 65% and Motor third-party as a segment we had said we would be operating at a range between 65% to 70%. And both of that blended is where we had said Motor as a category would run in that range of 64%, 65%. And if you look at the full year numbers both on Motor own damage as well as on Motor third-party, broadly the outcome of the book that we have been able to underwrite has been within that range that I just refreshed. Having said that, one of the key deliverables that we would obviously watch for which we put as a part of the introductory remarks is on Motor third-party pricing. Now as we speak, statement of fact is we have not seen the price change. So we will watch for development in that space and therefore the risk selection will continue to be driven by some of the factors that we see as we speak in terms of no price increase thus far. So hence we will be guided more by that in terms of how we see the opportunity. The range of loss experiences is a function of what I mentioned. Your last point on combined ratio.

Sanjeev Mantri: The Q4 numbers on the combined ratio which leads at 102.2% and thereabout. The overall commentary in terms of what we have spoken tailwinds available, sectoral reform which are being initiated by the regulator, we see a play and we do see that we can have overall 50 basis improvement further to what we said we will achieve as a team by Q4 of next year. But again, we will keep revisiting and absolutely we'll keep communicating, but we do see green shoots and that an improvement can come in overall for us as an entity.

Shreya Shivani: So what you're saying basically by FY2025 we were targeting 102%, that can be 50 bps lower at 101.5% unless there is some other? And what about the catastrophe events, are we still watching it or have we come to a conclusion on how we should be dealing with?

Sanjeev Mantri: Gopal also in the past has been mentioning that the frequency of catastrophic event on an annual basis has increased and do we factor that when we speak about it? Yes, there is a level of factoring, but like last year was an exceptional one which was more than the factoring and that's why we keep stating in terms of what would have happened if those CAT events would not have been in terms of quantum. We are in the business of writing risk at a fundamental level, do we watch, do we factor, all of that is part of the process, but the extent of the event is something which we all await. We will keep you updated on that part, but there is some element which obviously is baked in when we see that we are overall expecting an improvement of 50 basis points.

Moderator: We have the next question from the line of Sanketh Godha from Avendus Spark. Please go ahead.

Sanketh Godha: I have two key questions. One question is with respect to the regulation. My understanding of that new obligation norms on Motor TP seems to be more stringent than it was in the previous regime. So just wanted to understand whether we would be confident to fulfill the obligation of Motor TP in the new norms, is the point we wanted to understand and how we will achieve it? Second strategy question which I want to understand is that you have highlighted about One IL. But if you want to quantify the number, due to One IL, what are the synergies you are expecting to see either in the form of GDPI growth because you are now aligning agents across the business segment or distribution across the segments, so you expect synergies, and quantify the number in terms of GWP, additional GWP or maybe an additional improvement in the expense ratio because of these synergies? Lastly on data keeping, if you can share Retail and Group Health loss ratio? Gopal, if there is no TP price hike, are you still confident that 65 to 70 Motor TP loss ratio is achievable or not?

Sanjeev Mantri: So I'll take the first two and then the other data that you're seeking in the last question Gopal will come in and give it to you. In terms of the new TP regulations that have come in, see, I mean, in the insurance industry, the authority has clearly said that they are looking for insurance for all by 2047, and for that some initiation has to be done. The contours of how this will emerge for all of us still has to emerge, it's work-in progress, but that being said, we have multi-line, multi-product, well distributed franchise with so much of retail, I mean the number of TW we do as an entity is humongous. So we are present. We would definitely back ourselves to achieve the objectives that are set by the regulators, but we wouldn’t be speculating beyond a point as to where we will be placed, complete clarity in terms of what's expected from us. So that's point 1. Under 'One IL One Team' that we have been talking about and really emphasizing, quantification fundamentally comes with the quarter results that you will see us announcing and we would refrain from attaching finite value because the overall performance is subject to scrutiny which we keep announcing to all of you. Are we excited in terms of seeing both top line and cost getting controlled in a relatively better manner? The answer is yes, definitely, and we do believe coming quarter we will accrue, but we would not be culling it out and calling that this has happened because of this. Overall, the efficiency of the Company will be reflected in how we perform as an entity and there are multiple other aspects that come. We may have some genuine savings. We may choose to reinvest also that. So we would not like to dwell on those aspects.

Sanketh Godha: Sanjeev, if you have a 50 basis points better guidance than what it was last year, so is it because of this One IL One Team?

Sanjeev Mantri: I get where your excitement is coming from. This would be one of the contours. We have always maintained that the industry sentiments also has to move in the positive direction. We have always maintained the fact that we would be an output of where the overall industry growth is and how our own placement is. So is this an element that comes in and binds us together as an organization? 110% answer is yes. But to quantify from this output, this much has come because of One IL One Team will not be fair is all I'm saying. So there are multiple things. For the other two questions, I will ask Gopal to revert to you.

Gopal Balachandran: Sanketh, on the health loss numbers, again, I will give you Q4 numbers first and then I will give you the full year numbers. Q4 on the GHI which is the employer-employee segment, this is for Q4 of last year, which is FY2023, that number is at 93.2%. That number for Q4 of this year is at 88.1%. And on a full year basis for the same segment, the range that we have spoken about is to operate in the range of 94%, 95%. If you look at FY2023, the overall loss ratio on the GHI side was 95.2% and this year we are at about 93.7%. On Retail Health, again, just to refresh, what we have talked about even in the past several quarters are we are comfortable operating in the loss ratio range, which is between 65% to 70%. In that context when you look at the Q4 FY2023 numbers, retail, which is on the indemnity side, that loss ratio was about 61%, that number for Q4 of this year is at 64.6%, and on a full year basis, last year number was 64.1% and the current year number is at about 65.4%. That's in response to your second point on the health loss numbers.

Your last question is whether the range that I spoke about of 65% to 70% in the context of Motor third-party. So again, that's the range that we have largely operated at. The only factor that I would say is in line with again what we have been speaking even in the past few quarters, as in to say that, what we are seeing on ground is also maybe an increased preference of the courts to start giving compensation in favor of the victims of the insured. So that's the trend that we will obviously observe. The other factor which we have again spoken of, which should be directionally positive is also this whole six months' law of limitation in terms of how that gets played out. Last year, of course, we did see some developments. And finally, as we have been saying, the matter is presently at the Supreme Court. Once the verdict comes out, we will again have to see in terms of how that gets played out on ground. So hence there are again balancing forces in terms of ones that could possibly see or reflect an increase in the loss experience. Then it's up to us in terms of what risk selection do we do. And the second is more a positive benefit at least for ICICI Lombard from an overall RoE accretion standpoint. And hence that should aid us in terms of maintaining the loss ratio range of 65% to 70%. So there are a lot of moving parts. Now at this point of time we would want to stick with the 65% to 70% range and of course we will see some of these factors in terms of how that gets played out through the year.

Moderator: The next question is from the line of Nidhesh from Investec. Please go ahead.

Nidhesh Jain: First question is on IFRS. So any update what are the timelines on the expected implementation of IFRS and what will be the impact on our P&L and balance sheet?

Gopal Balachandran: Again in line with what I had mentioned even in the last earnings call, we had said that we are pretty much progressing well in terms of doing the impact assessment, making sure that we get ourselves ready for the implementation which is effective from FY2025-26 financial year. And even last quarter, we did say that we will come back in maybe a couple of quarters time frame. So honestly internally while we are doing all of those and also watching for the developments in terms of all the necessary guidelines and standards getting issued in the context of the IFRS transition. So therefore, at this point of time, too early to call out, but as I've always maintained, we have clearly spoken about three or four key areas or aspects, which is where we would likely to see the impact of transition play out in the context of IFRS. So that doesn't change, whether it is in terms of acquisition cost, whether it is in terms of discounting of reserves, whether it is in terms of mark-to-market and the investment book. And maybe for a few set of companies which have issued, let's say, stock units or stock options, so there will be an element of cost through the earnings. So those are three or four key areas where one would see an impact of the transition play out. Specifically, to call out, we will come back and obviously keep all of you updated in terms of where we are on the IFRS transition.

Nidhesh Jain: Secondly, in terms of solvency ratio, we are operating at significantly higher number versus the regulatory threshold and our ROEs have also now improved to 17% to 18%. So do you think of better utilization of capital going forward?

Gopal Balachandran: No, of course, that's obviously something that we always look forward. one of the factors that you see, which also led to let's say, improvement in solvency and of course improvement in earnings over the last few years that's been our approach to, as what Sanjeev has also been talking about, is to sustain profitable growth as a theme. And hence let's say relative to the market, we have been slightly going slow on some of the segments. And therefore, we have not been able to completely utilize the solvency capital. What we are seeing is what we put out as a part of the introductory remark which is, to say that on-ground we are seeing semblance coming back in some of the segments where we have been a bit cautious and therefore as we see, let's say, incremental growth play out in line with our approach to continue to grow as well as remain profitable. Obviously, there will be consumption of capital that one would see in terms of the way forward. And secondly, the approach or the philosophy that ICICI Lombard has always worked with is to be slightly more prudent in terms of the level of solvency that we want to maintain given the fact that the Indian market still continues to operate on a solvency one regime. Thanks to the regulator, they have been significantly working on getting the market again transitioned to a risk-based capital regime. Obviously, we will get to know more in terms of the firm date of transition. So hence that's something again that we will see in terms of how does that results into so far as the consumption of capital is concerned. So, while we do see growth opportunities and hence we believe we will continue to use the capital judiciously.

Moderator: The next question is from the line of Prayesh Jain from Motilal Oswal. Please go ahead.

Prayesh Jain: So firstly, just a clarification. When you say 101.5 as a CoR guidance, that is for the exit rate of Q4 of next year or it's for the full year? Secondly, on the Motor TP business on the obligation, if the share of CV goes up, do you still believe that 65% to 70% guidance can be maintained? And within that, Gopal, time and again we've seen Q4 loss ratios increased sequentially for Motor TP. Is it just because of the adverse judgments that come in Q4 or what is it that really gives that a loss ratio uptrend in every fourth quarter?

Gopal Balachandran: Maybe I'll take the TP loss ratio part first. whenever there is, let's say, a possible reduction in the TP loss ratio, the questions get asked the other way around. I have always maintained that this is the book which is much more long tail in terms of loss development. And therefore, given the nature of the business, you will always see cyclicality/ fluctuations in the loss experience of the book in terms of its outcome. So therefore, which is why I keep harping on looking at the numbers ideally over longer term, but definitely not between the quarters, look at it more on an annual basis. And as I keep saying, again, there are various factors that influences the loss experience of the book. Hence you will get to see fluctuations in the TP loss ratios across quarters. On a full year basis is what I spoke about in terms of trying to maintain and operating at a segment loss ratio in that range of 65% to 70%. Now, coming back to your second part of the question in terms of linked to Motor third-party is the obligation. Now obviously the obligation is something that is applicable to industry at large and therefore as a Company, I mean, we have to make sure that we meet those obligations and I'm sure we will have in place a plan by virtue of which we are able to meet the regulatory expectations. the thought process in terms of where the regulator is coming out with the need to bring about this change is again very, very positive. Because the whole thought process is to try and make sure that the industry comes under the ambit of insurance, and that's very, very positive. And as an industry, if you're able to work collectively and maybe bring the larger set of, let's say, uninsured vehicles within the ambit of insurance, that to my mind is a great positive. And hence, we would obviously work and make sure that we're able to meet those obligations on the third-party side.

The first part on the combined ratio part, obviously, yes, directionally the length that we have talked about, Prayesh, is that we have been saying that directionally the trajectory for us is to bring down the combined over a period of time and obviously this has to be looked at in the context of how we see the market environment operate at which is why even as a part of the introductory remark, we did point out to say that the market is clearly showing signs of, at least from the reported numbers on a nine months basis, there is almost a 400 basis points improvement in combined, from an overall market perspective. And within that one of the key segments which has been a larger contributor of significant competitive intensity has been Motor. That's again a segment which has not just on a half yearly basis, even if you look at the Q3 numbers for the market, that's again shown an improvement of almost about 300 basis points. So which is why we say that there seems to be some a semblance coming back and that's also getting reflected in terms of the growth numbers that many of these players were exhibiting in terms of competitive aggression. Clearly, you can see a lot many players are starting to pull back. So that gives us possibly some confidence in terms of how do we look at achieving the combined objective that we laid out. Even in the past, what we have maintained is, if the market environment is favorable, there is no reason why we would not be able to accelerate the expectations of combined and that is why we stand, and in all fairness, we hope to achieve the thought process that we laid out from a combined perspective.

Prayesh Jain: For the full year, right, that's the clarification I was looking at?

Sanjeev Mantri: Probably we'll be in touch on this, Prayesh. We believe the exit overall with the 50 basis less. There are serious plans of investments also. We would continue to update as the quarters unfold because as Gopal said, these are early signs that makes us optimistic and seize the visibility of this. But there are multiple things that will unfold. As of now, in our mind, it would be probably exit by Q4 is where we would see this and if it gets further accelerated we will come back and connect with you all by end of Q1 of this year.

Moderator: We have the next question from the line of Madhukar Ladha from Nuvama Wealth. Please go ahead.

Madhukar Ladha: Investment yields have improved again this quarter and even if we exclude the capital gains, we're doing quite well. So what is the number that we should be sort of looking at in this and what is the duration, how are we driving this actually?

Gopal Balachandran: So Madhukar, again, I'm sure you guys know far better. obviously investments have to be looked at in terms of its return profile over a period of time. And hence is what we keep saying is to look at market opportunities in terms of having a blended mix of the right asset classes between both fixed income and equity. And that's what we have been looking at over the period of time in terms of realizing the opportunity. Now, specifically to answer your point on what led to, the increase in the interest yield or let's say the overall return on the portfolio, it is in line with the higher interest rate regime that we have seen. And obviously one leverages the opportunity and even if you look at historical past in terms of what mix of our overall returns have been in terms of interest accruals to capital gains, that mix has broadly been on the interest accrual side in the range of 75% to 80%, and on the capital gains side number that could range between 15% to 20%, around that a threshold. So hence is how we see the opportunity play out. And specifically if you look at our yield-to-maturity on the fixed income side, the yield-to-maturity currently stands at about 7.4%. And that's the opportunity that one was able to see in the market. And now can we sustain this? Obviously, we will have to wait and see how the interest rate cycle play out. There are expectations that you will start seeing some rate reduction cycle play through at some point of time. Again, we are positioned well even to capitalize that opportunity. But what could happen at those points is our ability to reinvest those realized flows, will obviously get invested at a lower return on the accrual side. But obviously we are well positioned to capitalize the opportunity from a capital gains standpoint. And therefore now to answer your point on the overall range of returns that we can operate with, again, if you look at FY2023, the overall return on the realized book was roughly at about 7.5%. This number if you look at for FY2024 was roughly at about 7.98%, closer to 8%. And the range, I mean internally the range that we run with is to give a return profile between 7% to 7.5%. Now that we are almost into 23rd, 24th year of operations, the return profile has been definitely better than that particular range. So that's the range that we would be comfortable with and hence is where we would like to operate at.

Moderator: We will now take the last question for today from the line of Aditi Joshi from J.P. Morgan. Please go ahead.

Aditi Joshi: I wanted to understand on the investment intensity in the channel. So for FY2025, what is the outlook of the investments in the channel? In terms of the intensity, are you going to increase further or just wait for the investments in the last couple of years to fructify and then just some guidance on that will be helpful?

Gopal Balachandran: Again, if you look at, what we put out even as a part of the introductory comment is just to refresh again, we have always looked ourselves as a multi-distribution Company and therefore is how we see opportunity play out across different channels. If you ask us, would we stay entrenched with each of these channels? The answer is a clear yes. so far, as we see new Motor vehicle sales gaining momentum and therefore, obviously, we will leverage on the access/partnerships that we have been able to create historically of working with OEM more importantly the dealership touch points. And that's the reason if you look at across the years, the proportion of dealership access that we have had out of the total number of dealerships as a country, again, just to refresh that number used to be between 50% to 55% at the time when we did our listing. Currently, we have been able to reach that number slightly upwards of 65% in terms of the total number of dealerships. So that will continue to be an important channel of distribution. Agency, which encompasses between Motor, Health, SME, has always been an area of opportunity and that's a segment which obviously we have been expanding a lot more. And clearly we have seen benefits of the investments play out, whether you look at on SME, the growth rates over the last several years have been very positive. Even on, let's say, I would say agency motor, that's a segment where we have talked about trying to create a balanced mix between dealership, agency and let's say our direct distribution. So hence, obviously, we will continue to leverage on Motor agency specifically. And in specific, since we're talking in the context of agency, Retail Health is always a positive opportunity that one sees. And that's the reason why we put out that number of the headcount that we have on our own health agency managers, which is currently at about 1,600 and we would want to continue to see expansion in that particular space. So you will obviously see a lot more expansion initiatives being undertaken in the context of retail health and therefore that should logically translate into an improved market share in that particular segment. While even this year, we would have loved to have done better, but honestly, we have not been able to completely leverage the opportunity that one sees. But given the fact that we have been able to strengthen our leadership team as well, one would expect a lot more to happen in terms of expanding distribution, launching new products and obviously strengthening the technology deliverables. So the agency will continue to be a very, very important channel of sourcing. And Sanjeev, in the last earning call did speak about One IL One Digital channel and therefore that will again continue to be a very, very important channel of sourcing. And if you look at just from the current year standpoint, the overall contribution of the digital opportunity that spans across, IL TakeCare, Website, Alliance partners, etc., that contribution has been almost in the range of about 6% to 7% of the overall revenues. And that's again compounding well in excess of almost about 20% year-on-year. So all in all, it is going to be a combination of all channels. There is going to be thrust of investments in each of them. If you ask me which channel by far gained the maximum traction, obviously, Retail Health is an area where we would want to significantly leverage faster. And then of course, we have the digital opportunity that one sees and then we will continue to leverage on the other channels. I did miss one of them, which is the bank partnerships. Again that will be a very important area of sourcing. And within that ICICI Group will be a very important contribution for us. And hence we would obviously want to leverage on each of these channels of distribution.

Aditi Joshi: Can you please share your outlook of the health insurance pricing both in the retail segment and the group that would be helpful?

Sanjeev Mantri: It's a function of loss ratio. And as we said, we will continue to be a prudent underwriter in both the segments. Most of the industry including us have taken a hike on the retail health price last year. As things stand, we would like to operate in this range and while we will obviously keep revisiting in terms of frequency as well as the loss ratio that comes along with it, but that's what retail health is. The group health is far more dynamic and driven by multiple factors in the market. Is it holding up? Overall, yes, there has been some sort of a discipline that continues to exist and if that's what stays, then we would obviously stay relevant. If it does not work out for us, we would not hesitate to move away and let go that business if it's not making sense, that clarity we have. And again reiterate that profit pools keep moving and accordingly we have to be agile as an organization, we will take those calls because to the best of our effort, we want to ensure that we deliver what the market is expecting with us, with the multi-line multi-product Company like us.

Moderator: I would now like to hand the conference over to Mr. Sanjeev Mantri for closing comments. Over to you Sir.

Sanjeev Mantri: Thank you so much for joining in. It's an auspicious day of Ram Navami and so some of you are in a holiday. It's always a pleasure interacting with all of you. The opportunity as it stays, the momentum that we have developed, we are excited about the opportunity ahead. Look forward to interacting with you in time to come and all the best, take care. Thank you so much.

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

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