

## ICICI Lombard Gen.

15 April 2026

**Operator:** Ladies and gentlemen, good evening and a very warm welcome to the ICICI Lombard General Insurance Company Ltd. Q4 FY26 earnings conference call. From the senior management, we have with us today Mr. Sanjeev Mantri, MD and CEO of the company; Mr. Gopal Balachandran, CFO; Mr. Anand Singhi, Chief Retail and Government; Mr. Girish Naik, Chief Enterprise AI and Technology; Mr. Sandeep Guradiya, Chief Corporate Solutions, International and Bancassurance; Mr. Gaurav Arora, Chief Commercial Lines and Motor Underwriting and Claims; and Mr. Girish Segal, Chief Health, Claims, Customer Service and Operations.

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 participants' 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 this conference, please signal an operator by pressing "\*" then "0" on your touch-tone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Sanjeev Mantri, MD and CEO, ICICI Lombard General Insurance Company Ltd. Thank you and over to you, sir.

**Management:** Thank you. Good evening to each one of you. Thank you for joining the earnings conference call of ICICI Lombard for Q4 and FY26. I would like to commence with an overview of the economic and industry trends which have shaped the operating environment over the past few months, coupled with insights on our company's performance and our key initiatives. Following that, our CFO, Gopal Balachandran, will take you through the company's financial performance for Q4 and FY26.

The quarter gone by has been an eventful one. For the first two months, the Indian economy exhibited continued momentum of growth from the previous quarter, whereas March 2026 has been unprecedented in terms of the geopolitical challenges. The ongoing conflict in West Asia has heightened global economic uncertainty, leading to volatility in energy prices and financial markets. These external risks could have some spillover effect on the Indian economy, warranting a measured and watchful approach. That being said, India's macroeconomic fundamentals today are considerably strong and more resilient than in previous periods of global stress. This provides a degree of comfort in our ability to absorb external shocks, although we remain mindful of evolving global conditions.

Let me now dwell upon the ensuing quarter and the year gone by. Retail sales of private cars, two-wheelers, and tractors remain positive for the year. In accordance with the data reported by Vahan for FY26, the sales growth of private cars and two-wheelers stood at a healthy 11.9% and 13.2% respectively. For H2 FY26, the sales growth of private cars and two-wheelers stood at 17.8% and 21.5% as against 4.6% and 3.2% respectively in H1 FY26, led by GST rationalization. This continued momentum is also seen in Q4 FY26, wherein the growth of private cars and two-wheelers stood at a healthy 16.3% and 24.7% respectively.

Also noteworthy was the fact that two-wheeler sales surpassed their pre-COVID peak and were at a decadal high. Even the sales of commercial vehicles, based on the data reported by Vahan,

Report is AI-generated and may contain inaccuracies.

## ICICI Lombard Gen.

15 April 2026

witnessed a growth of 20.2% in H2 FY26 versus 14.9% for H1 FY26, and a full-year growth of 12.9%. Based on the early trends of numbers reported by certain banks, credit growth is expected to be in double digits for Q4 FY26 with broad-based expansion across segments. Also, vehicle financing continued to be an important contributor to credit growth, broadly in line with the trends observed in retail automobile sales. We believe that the above factors augur well for the industry in the time to come.

Moving to the regulatory update, you may be aware that IRDAI has mandated insurers to prepare and present their financial statements in accordance with the applicable Ind AS effective April 1, 2026. We view this as a positive step, as the enhanced disclosure requirements under the Ind AS framework will meaningfully improve transparency and align the reporting standards of Indian insurers with global practices. While the regulator requires insurers to provide reporting as per both Ind AS and Indian GAAP for 2027 and 2028, it has provided insurers the option of seeking four variances to transition the statutory accounting to Ind AS for the first year. We have examined the options provided by the authority and we believe it would be appropriate to seek the variances in order to ensure that the transition is executed in a calibrated and operationally robust manner.

Another important initiative announced by the authority is the public insurance registry, which is expected to become a key pillar of India's digital public infrastructure. As the framework evolves, PIR has the potential to support industry growth by improving penetration, driving efficiency, elevating customer service, and enabling better risk selection across the ecosystem. We believe that over time it will also enhance transparency, strengthen trust, and create enduring benefits for the policyholders, insurers, and the broader financial system.

Let me now dwell upon the industry performance for the year ended March 31, 2026. The general insurance industry reported a GDPI growth of 9.2% for FY26. Excluding the crop and marine segments, the gross GDPI growth stood at 13.3% for FY26. Speaking of the specific segments within the industry, the commercial segment reported a growth of 12.2% for FY26. However, if one was to break down this growth into H1 and H2, the growth was 14.2% and 9.6% respectively. As observed, the business witnessed elevated levels of competitive intensity and pricing pressure, especially in the fire segment in the second half of the year, leading to muted growth.

The renewals of April 1, 2026, are also being reported at a discount to the previous year, reflecting that this trend is likely to continue for Q1 FY27 as well. On the positive side, however, we would also like to mention that the reinsurance renewals for FY27 have been locked. The motor segment growth for the industry stood at 9.2% for FY26. With the momentum experienced post the GST rationalization, the second half of the year has witnessed improved growth levels of 10.5% versus the first half, which stood at 7.6%.

The health segment, including mass health, grew by 15.4% for FY26, which makes it the fastest-growing segment for the last 5 years from FY22 to FY26. Within this, the group health line of business grew at 12.8% for FY26, whereas the retail health growth stood at 19.9% for FY26. Speaking on the underwriting performance of the industry overall, the combined ratio of the industry deteriorated from 113.2% in 9 months FY25 to 119.3% in 9 months FY26. The overall combined ratio for private players remained relatively flat from 111.2% for the period of 9 months FY25 to 111.5% for the period of 9 months FY26. Due to pricing pressure, the combined ratio for the

Report is AI-generated and may contain inaccuracies.

## ICICI Lombard Gen.

15 April 2026

motor line of business continued to remain elevated at 128.1% for 9 months FY26 versus 123.8% for the period ended 9 months FY25.

I will now proceed to present our company's performance across key business segments for FY26. The company reported a growth of 7% in GDPI for FY26 compared to the industry growth of 9.2% for the same period. ICICI Lombard achieved a growth of 18.2% and 15.7% in Q4 and H2 FY26 respectively, against an industry growth of 10.9% and 11.2% over the same period. However, excluding the crop and marine segments, the company recorded a growth of 10.2% for FY26, while the industry grew at 13.3% for the same period.

In the commercial line segment, our growth stood at 5.4% for FY26 as compared to industry growth of 12.2%. During H1 FY26, our growth in commercial lines stood at 6.5% versus industry growth of 14.2%. For H2 FY26, the growth level stood at 3.8% versus industry growth of 9.6%. Despite competitive pressure, we continue to drive profitable growth through prudent underwriting and judicious risk selection through our multi-channel distribution. We continue to maintain a leadership position in liability and marine cargo lines of business for FY26.

In the motor segment, our growth stood at 7.6% for FY26 as against industry growth of 9.2%. In H1 FY26, we grew at 2.2% in the motor segment versus the industry, which grew at 7.6%. However, in H2 FY26, we exceeded the growth level of the industry by 1.5% in motor, reaching 12% versus the industry growth of 10.5%. This momentum was evident in Q4 FY26, where we achieved a growth of 15% while the industry grew at 10%. Our portfolio mix for private cars, two-wheelers, and commercial vehicles stood at 52.8%, 25.4%, and 21.8% respectively for FY26.

In the health segment for FY26, we grew by 20% as against the industry growth of 15.4%. For Q4 FY26, the growth stood at a robust 38.2% as against the industry growth of 20.5%. Our retail health business continued to demonstrate strong growth of 51.1% for FY26, significantly outpacing the industry growth of 19.9% in the same period. Consequently, our market share has improved from 3.3% in FY25 to 4.1% in FY26. For the year, the company has seen 2x growth in the new retail health indemnity business sourced compared to the previous year. Our share of long-term premium in new business for retail health stands at 42.1% for FY26, up from 28.5% for FY25. This performance has been driven by ongoing product innovation and sustained investment in strengthening our retail distribution franchise. For the overall group health portfolio, we continue to maintain a disciplined approach with a focus on managing the book effectively. The group health segment recorded a growth of 11% for FY26 over FY25, with a market share being 8.7% for FY26.

**Management:** Cash flow through underlying long-term business in advance premium in motor insurance has increased over 15% in FY26 compared to FY25. Advance premium, excluding the motor share, is up to 9.6% in FY26 from 9.6% in FY25. Our focus on growth has delivered performance value over the longer term. Investment performance has also remained strong, with 10.7% return on equity against the industry average of 4%. Our "One and One" philosophy provides unified strategic capability and operation for all.

Our best-in-class service continues to deliver strong results. We look forward to your trust and support in the years ahead. With that, looking at our performance numbers, the combined ratio for FY26 was 102.4% compared to 102.6% in FY25. Excluding the impact of catastrophic events, the combined ratio for FY26 stood at 102.1% and 103.1% respectively on a year-on-year basis. Our PAT

Report is AI-generated and may contain inaccuracies.

**ICICI Lombard Gen.**

15 April 2026

is up from 582.96 crore as of March 31, 2025. During the quarter, the company wrote back some provisions, leading to a 10.2% increase in PAT to 36.59 crore in FY26 against 33.21 crore. Our group grew by 11.8% to 37.14 billion in FY26. For Q4 FY26, we grew by 7.5% compared to Q4 FY25.

**Management:** We maintain liquidity; if we maintain liquidity, we would have seen that for the full year. I think we ended at roughly 66.3%, which is well within the range. Hence, to that extent, I think that is the range that we would be tracking pretty closely. In that sense, nothing has changed. If you ask us if any of our reserving philosophy has undergone a change, the short answer is no. We continue to maintain prudence in terms of maintaining our loss reserves.

So hence, I think you have to keep looking at numbers more on a full-year basis as compared to any given quarter. Regarding crop insurance, again, time and again we have talked about it because generally, most of the business in crop gets booked around Q2 and somewhere around Q3 and maybe early Q4. Those are typically the two seasons that largely get exhibited. In our case, we had predominantly a large exposure on crop, largely from one state, of which a large part of our premium was something that had got booked roughly around Q2 of the year.

As we have said, it obviously takes time for the season to play out in terms of actual loss experiences. In any quarter when you see that experience play out, if we see some kind of a positive change, then that gets reflected in the given quarter. This is why you are possibly seeing that number in line with the loss ratio outcomes for Q4. Here again, I would continue to urge that you should look at the numbers more on a full-year basis. On a full-year basis, it is pretty much range-bound, whether you look at FY25 or FY26.

On Ind AS, this is in line with what we put out as part of the opening transcript. There is now a definitive date insofar as the transition to Ind AS is concerned. Hence, that is a very welcome step insofar as the overall industry is concerned. We have been working on a plan of action in terms of getting our processes internally up and ready so that we are able to start reporting numbers to all of you whenever we are ready for it. At this point of time, we will continue to give performance numbers as we have done in the past for the last few years. We will continue even for FY27 on a quarterly basis, in line with the requirements, to submit Ind AS-based results to the regulator.

We will come back to all of you at an appropriate time to talk more specifically in terms of the impact it has on both the combined ratios and the return on equity objectives. We always said in the past also that in the year of transition, there will be a significant decline in the combined ratio; it could mean a reversal of maybe 400 to 450 basis points. But look, that is only the accounting part of economic value; over a period of time, it is expected to converge. From next Q1, we would end up doing a submission on that count.

With respect to the competitive pressure, it has intensified on the commercial line of business. At the same time, the capacity overall on the reinsurance side was very high and available, and we have been able to see that getting mitigated to some extent. Our own understanding is that when we see intensive competition, the selection has to be disciplined. Will we compete in the market? The answer is yes. But we will be creating differentiation. Even last year, we had said that there was a marginal loss of market share for us on that side, purely on the account that we will do what is comfortable. These are all very exposure-driven products, and you have to be cautious of what you pick and what you don't.

Report is AI-generated and may contain inaccuracies.

**ICICI Lombard Gen.**

15 April 2026

**Analyst 1:** On motor also, the industry result is really led by multiple distribution third parties. Thank you.

**Rajesh Jain – Motilal Oswal:** Hi everyone. From my side, I need to know about your outlook for FY27.

**Management:** Thank you.

**Operator:** The next question comes from Parag. Please go ahead.

**Parag:** Yeah, thank you for the opportunity. My question is regarding the market and how you see the market share for commercial lines?

**Management:** At least that kind of share that we draw from subscriptions ensures that we select the right risks. The commercial practice that we have is very unique in the industry. It is not just driven by what business you are able to write, but it is about how you are able to even manage claims. There is a significant contribution from large corporates to mid and small enterprises. From an entity standpoint, we have done a much more recent job on the large corporate side, and over the last two to three years, it has been more about distribution growth. We have been able to diversify our portfolio in a significant manner. We do believe that we have a very significant edge in the overall practice and will maintain a reasonable presence as far as commercial is concerned. I won't jump the gun on where the market share will be, but we will be a very relevant player and we won't lose control on an overall basis.

On crop insurance, the market is opening up significantly. We are still awaiting the details based on the guidelines. We have always maintained our plan that crop will be purely on a selection basis of what we feel is appropriate rather than a target segment. We do not have a specific target like "we must do this much." That is not the way we look at it. We are very pleased with the opportunity that presents itself. Our current crop numbers are virtually half of what they were the year before, and there is some play available for us to make it count this year.

**Parag:** Sorry, you were saying that last year you lost market share in commercial because you believed the market was too soft. If it is too soft again, even if it is very strong in fire, will it have any implication on growth in April, which was very big last year? Also on crop, have you been confined to one state for the last three years? Is it fair to say you will be expanding beyond a particular state in the current year?

**Management:** One state worked out because it was in line with what we wanted to do. It is not a plan that we will continue to be in only one state; we will go wherever it makes commercial sense. On the commercial part, the growth of the industry itself will be impacted, and we are an offshoot of that. Overall, in H1 we had a much bigger loss than in H2, so we know what is required. What cannot be acquired through large corporates, we scaled out in distribution. We should be fine on the commercial part overall as an entity.

**Parag:** From a growth point of view, I was asking about commercial because of fire. The industry itself may have challenges on growth, let me put this very clearly, but it doesn't mean it puts us at a significant disadvantage. It would purely be single-digit growth.

Report is AI-generated and may contain inaccuracies.

**Analyst 2:** Our growth in the second half was 16%. Do you expect that 16% growth run rate to continue largely for FY27?

**Management:** There is so much happening that it is hard to predict. But as Gopal mentioned, we are very confident moving into Q1 and Q2 on a positive note. We will have to watch how the industry plays out. We presume the momentum from the GST rationalization, which led to a robust Q4, will continue to play out. There are opportunities, but we will wait to see how the market behaves.

**Nidesh - Investment:** Thanks for the opportunity. In motor, we grew slower than the market in H1 and faster in H2. What drove that and what is the outlook for motor growth in FY27?

**Management:** H2 was better due to a significant play on new sales doing better in the country. Our new vehicle segment grew at almost 188% for us versus 134% on the old vehicle side. For FY27, we expect a higher single-digit growth at the industry level. Another factor last year was the growth of two-wheelers, which reached a decadal high.

I will add that our relentless focus on improving retention has paid off. At an aggregate company level, predominantly in retail lines, we have seen an improvement in our overall retention numbers by almost 500 basis points. That is something we will continue to stay focused on even as we head into FY27. Beyond new vehicle sales, the growth acceleration is a function of that improved retention.

**Nidesh:** Do we expect the H2 trend to play out next year as well, growing higher than the industry?

**Management:** We are well-placed, but there are multiple factors. If there is a challenge in the economy or if consumer sentiment moves toward saving rather than spending, auto sales get impacted. But we believe the momentum from Q3 and Q4 should play out in Q1. We are going in with a very positive mindset.

**Avinash Singh - MK Global:** I have a couple of questions. First, regarding the 49 crore charge for diminution in value of investments, is that driven by the equity market or bonds? Second, you have accelerated growth in the CV segment, which is typically seen as less profitable. What is the strategy there? Also, the motor reserves of around 780 crores—is that connected?

**Management:** Regarding the last point, you should keep looking at the loss ratio range of 65% to 67% for motor. The absolute amount of the reserve number is not necessarily the right metric to track; the better metric is the loss ratio outcome. We have seen a clear rebound of growth while maintaining our loss ratio expectations. We are very positive as we head into FY27. There is no change in our reserving philosophies; we continue to maintain prudence and margins for consistency, especially in motor third party which has a long tail.

Regarding the 49 crore diminution, we have a policy on the impairment of equity investments. Given the market conditions in Q4, we evaluated the stocks we hold and performed an impairment of 49 crores. Regarding CV, the book is still about 22%. We have a management system that has been working for 18 to 24 months, giving us an advantage in commercial motor selection.

Regarding the Expense of Management (EOM) limits, we have always maintained an environment where we follow the guidelines. In the past, quite a few players have sought dispensations or not

Report is AI-generated and may contain inaccuracies.

## ICICI Lombard Gen.

15 April 2026

followed guidelines, which does not augur well. Any signing on a uniform basis across the industry would place ICICI Lombard at a significant advantage because we have remained within the EOM limits. If others fall in place, we can only see better times ahead for our industry. It just needs to be practiced uniformly. We also believe EOM should be on a single slab basis so there is clarity of execution, letting market forces decide what works for each business line.

**Analyst 1:** What is the latest on regulatory engagement for EOM? Is any revision expected?

**Management:** We await what the regulator has in mind. We don't want to second-guess, but any alignment would be welcomed by us as it puts the industry on a good path for policyholders and for us as an institution.

**Operator:** Ladies and gentlemen, we will take that as the last question for today. I would now like to hand the conference over to Mr. Sanjeev Mantri for closing comments. Over to you, sir.

**Management:** Thank you so much for joining. We look forward to the new financial year with renewed hope. As a team, we are excited about how we closed H2 over H1, and even more so Q4. We are positive about how things can work out for the general insurance industry at large with the reforms the regulator has put in place. At the same time, we hope that the world moves in a much more peaceful manner in the times to come. Thank you and all the best to each one of you.

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

Report is AI-generated and may contain inaccuracies.