

ICICI Lombard General Insurance Co. Ltd.

BUY

Sector: General Insurance

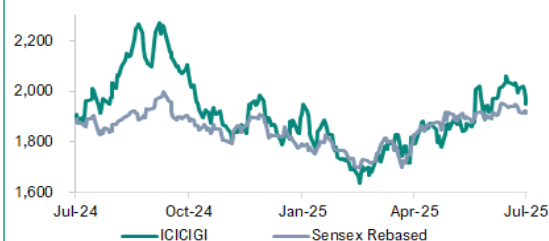
22nd July 2025

Key Changes	Target	Rating	Earnings	Target	Rs. 2,244
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame
Mid Cap	ICICIGI:IN	82,200	ICICIGI	540716	12 Months
				CMP	Rs. 1,954
				Return	+15%

Data as of: 21-07-2025, 18:00 hrs

Company Data			
Market Cap (Rs. cr)	97,054		
52 Week High — Low (Rs.)	2,286 - 1,613		
Outstanding Shares (Rs. cr)	49.6		
Free Float (%)	48.3		
Dividend Yield (%)	0.6		
6m average volume (cr)	0.1		
Beta	0.7		
Face value (Rs.)	10.0		
Shareholding (%)	Q3FY25	Q4FY25	Q1FY26
Promoters	51.6	51.6	51.5
FII's	24.4	23.7	23.9
MFs/Institutions	17.3	17.8	17.6
Public	6.0	6.3	6.1
Others	0.7	0.6	0.9
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	8.7%	0.0%	3.7%
Absolute Sensex	4.7%	7.4%	1.9%
Relative Return	3.9%	-7.4%	1.8%

*over or under performance to benchmark index



Y.E March (cr)	FY25	FY26E	FY27E
Net Premium	19,800	21,342	23,957
Growth (%)	17.4	7.8	12.3
Total Income	22,937	24,599	27,367
Profit before tax	3,321	3,960	4,634
Growth (%)	30.0	19.2	17.0
Net Profit	2,508	2,931	3,429
Growth (%)	30.7	16.8	17.0
EPS (Rs)	50.3	58.7	68.7
Growth (%)	29.6	16.8	17.0
BVPS (Rs)	286.5	332.9	388.2
RoE	17.5	17.6	17.7
P/E	35.7	33.2	28.3
P/EV	6.3	5.8	5.0
Solvency (%)	269.0	275.2	281.7

Digital adoption drives revenue

ICICI Lombard General Insurance is a private general insurance company that offers various insurance products, including travel, home, health and motor insurance.

- In Q1FY26, the company's gross direct premium income (GDPI) was largely flat YoY, at Rs. 7,735cr, as strong performance in its core portfolios was offset by deferred premium recognition under the 1/n accounting norm.
- Net premium earned increased 14% YoY to Rs. 5,136cr, driven by growth across segments – fire insurance (+8.8% YoY), marine (+5.4% YoY), health (+16.7% YoY), motor (+13.5% YoY) and miscellaneous (+21.7% YoY).
- Operating profit rose 30.4% YoY to Rs. 654cr on account of the increase in net premium earned and an increase in investment income (+11.6% YoY).
- Reported profit after tax increased 28.7% YoY to Rs. 747cr, supported by the higher operating profit and an increase in non-operating income (+28.6% YoY).
- The total loss ratio (claims as a % of premiums) declined 100bps YoY to 73.0%, driven by improved claims experiences across the health and crop segments, despite continued pressure in the motor line.
- The combined ratio (claims + expenses as a % of premiums) rose a marginal 60bps YoY to 102.9%, due to an increase in expense ratio.

Outlook & Valuation

The company's performance was steady, driven by disciplined underwriting, rising digital adoption, and innovation-led momentum in its retail health portfolio. Initiatives such as IL Sahayak and the IL TakeCare app are expected to enhance customer engagement and service delivery. The management remains optimistic on industry growth, supported by growing insurance awareness and evolving mobility trends, including electric vehicles. Backed by a robust multi-product, multi-channel strategy and continued focus on operational efficiency, future growth is expected to remain strong. Therefore, **we have upgraded our rating on the stock to BUY with a revised target price of Rs. 2,244 based on 5.8x FY27E BVPS.**

Quarterly Financials Standalone

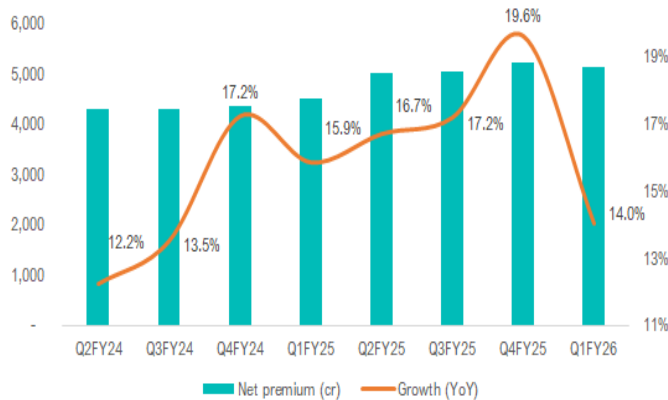
Rs.cr	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)
Net premium earned (Net)	5,136	4,504	14.0	5,226	-1.7
Total income	6,083	5,352	13.7	5,851	4.0
Total expenses	5,429	4,850	11.9	5,435	-0.1
Operating Profit	654	501	30.4	416	57.3
PBT	994	774	28.4	668	48.7
Reported PAT	747	580	28.7	510	46.6
EPS (Rs.)	14.9	11.7	27.7	10.2	46.3



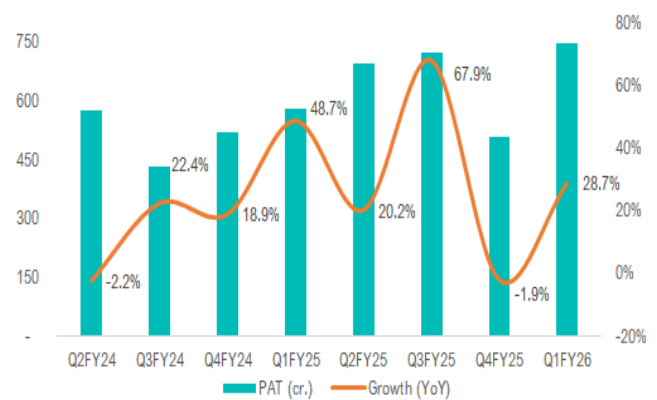
Key Concall Highlights

- In Q1FY26, the company's market share stood at 9.8% on a GDPI basis. Segment-wise, its share in motor insurance was 10.5%, retail health 3.5%, fire 13.1% and marine cargo 20.7%.
- Return on average equity improved 140bps YoY to 20.5%.
- Solvency ratio stood at 2.7x as on Q1FY26, compared to 2.69x in FY25, remaining well above the regulatory minimum requirement of 1.5x.
- Investment leverage declined to 3.74x from 4.14x, as net worth improved.
- The company expanded Preferred Partner Network in motor claims to 74.6%, boosting cost control.
- The company may increase commercial vehicle volumes if pricing improves through a third-party hike, but it remains flexible depending on competitive intensity.
- It issued 99.7% of the 8.9 million policies digitally, indicating end-to-end digitisation across customer onboarding.
- It maintained high net promoter scores for health (68) and motor (69), highlighting service excellence initiatives.

Net Premium



PAT



Segment break-up of GDPI and Premiums Earned

Rs.cr	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)
GDPI	7,735	7,688	0.6	6,210	24.6
Motor	2,444	2,369	3.2	2,781	-12.1
Own Damage	1,267	1,203	5.3	1,411	-10.2
Third Party	1,177	1,166	0.9	1,370	-14.1
Health, Travel & PA	2,596	2,583	0.5	1,885	37.7
Property & Casualty	2,677	2,508	6.7	1,531	74.9
Crop	18	228	-92.1	14	28.6
Premium Earned (Net)	5,136	4,504	14	5,226	-1.7
Motor	2,675	2,356	13.5	2,652	0.9
Health, Travel & PA	1,887	1,618	16.7	1,943	-2.9
Property & Casualty	569	500	13.9	599	-5.0
Crop	5	30	-83.3	32	-84.3

Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Premium earned (net)	22,058	25,208	21,342	23,957	-3.2	-5.0
Profit before tax	3,928	4,522	3,960	4,634	0.8	2.5
Net Profit	2,965	3,414	2,931	3,429	-1.2	0.4
EPS	59.3	68.2	58.7	68.7	-1.0	0.7



Standalone Financials

Profit & Loss Account

Y.E March (Rs. cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Premium Earned (Net)	14,823	16,866	19,800	21,342	23,957
Income from Inv. (net)	2,321	2,860	3,156	3,277	3,430
Other Income	951	33	-20	-20	-20
Total operating income	18,095	19,760	22,937	24,599	27,367
% change	12.2	9.2	16.1	7.2	11.3
Operating exp. Related to insurance business	4,515	2,826	2,845	3,075	3,585
Incurred claims	10,726	11,939	13,987	15,055	16,749
Others	472	3,089	3,838	3,715	3,777
Total Operating Expenses	15,713	17,854	20,670	21,844	24,111
Operating Profit	2,382	1,906	2,267	2,755	3,257
Non-operating income	776	850	1,064	1,216	1,389
Non-operating expense	1,045	201	10	11	12
PBT	2,113	2,555	3,321	3,960	4,634
% change	25.5	21.0	30.0	19.2	17.0
Tax	383	637	813	1,030	1,205
Tax rate (%)	18.2	24.9	24.5	26.0	26.0
Reported PAT	1,729	1,919	2,508	2,931	3,429
Adj*	-	-	-	-	-
Adj. PAT	1,729	1,919	2,508	2,931	3,429
% change	36.0	11.0	30.7	16.8	17.0
No. of shares (cr)	49	49	50	50	50
Adj. EPS (Rs)	35.2	38.8	50.3	58.7	68.7
% change	36.2	10.3	29.6	16.8	17.0
DPS (Rs)	9.5	10.5	11.5	12.5	13.5

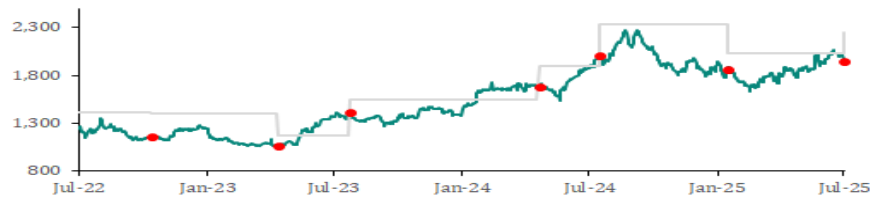
Balance Sheet

Y.E March (Rs. cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Investments–Policyholders	33,322	37,320	39,782	40,976	42,205
Investments–Shareholders	9,858	11,587	13,726	15,373	17,217
Fixed assets	564	701	802	786	770
Deferred tax assets	265	293	169	270	270
Net Current assets	-33,369	-36,916	-39,495	-40,198	-40,779
Total	10,641	12,985	14,984	17,206	19,683
Share capital	491	493	496	497	497
Reserves & Surplus	9,901	11,467	13,807	16,120	18,881
Fair value change	214	990	681	589	305
Shareholders' Fund	51	245	182	190	200
Policy Liabilities	162	745	499	399	105
Borrowings	35	35	0	0	0
Total	10,641	12,985	14,984	17,206	19,683
BVPS (Rs.)	211.3	241.7	286.5	332.9	388.2
% change	14.2	14.4	18.5	16.2	16.6

Ratios

Y.E March (Rs. cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Valuation					
P/E (x)	30.4	43.5	35.7	33.2	28.3
P/EV (x)	5.1	7.0	6.3	5.8	5.0
Div. Yield (%)	0.9	0.6	0.6	0.6	0.7
Per Share (Rs)					
EPS	35.2	38.8	50.3	58.7	68.7
DPS	9.5	10.5	11.5	12.5	13.5
BVPS	211.3	241.7	286.5	332.9	388.2
Earnings (%)					
RoE	16.6	16.0	17.5	17.6	17.7
Expenses (%)					
Loss Ratio	72.8	70.8	70.6	70.5	70.0
Combined Ratio	104.5	103.3	102.8	101.0	100.5
Solvency (%)					
Solvency	251	262	269	275	282

Recommendation Summary (last 3 years)



Dates	Rating	Target
28-Oct-22	BUY	1,400
27-Apr-23	HOLD	1,169
8-Aug-23	BUY	1,553
6-May-24	BUY	1,898
1-Aug-24	BUY	2,331
31-Jan-25	HOLD	2,030
22-Jul-25	BUY	2,244

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%
Not rated/Neutral Definition: Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; Accumulate: Partial buying or to accumulate as CMP dips in the future; Hold: Hold the stock with the expected target mentioned in the note.; Reduce: Reduce your exposure to the stock due to limited upside.; Sell: Exit from the stock; Not rated/Neutral: The analyst has no investment opinion on the stock. Symbols definition: ▲ Upgrade ● No Change ▼ Downgrade			
To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell. The recommendations are based on 12 month horizon, unless otherwise specified. The investment ratings are on absolute positive/negative return basis. It is possible that due to volatile price fluctuation in the near to medium term, there could be a temporary mismatch to rating. For reasons of valuations/ return/lack of clarity/event we may revisit rating at appropriate time. Please note that the stock always carries the risk of being upgraded to BUY or downgraded to a HOLD, REDUCE or SELL. Not rated/Neutral- The analyst has no investment opinion on the stock under review.			

DISCLAIMER & DISCLOSURES

Certification: I, Antu Eapan Thomas, author of this Report, hereby certify that all the views expressed in this research report reflect our personal views about any or all of the subject issuer or securities. This report has been prepared by the Research Team of Geojit Investments Limited, hereinafter referred to as GIL.

For general disclosures and disclaimer: Please [Click here](#)

CRISIL has provided research support in preparation of this research report and the investment rational contained herein along with financial forecast. The target price and recommendation provided in the report are strictly GIL's views and are NOT PROVIDED by CRISIL. Further, CRISIL expresses no opinion on valuation and the associated recommendations. CRISIL has no financial liability whatsoever, to the subscribers / users of this report.

Regulatory Disclosures:

Group companies/ Fellow subsidiaries of Geojit Investments Ltd (GIL) are Geojit Financial Services Limited (GFSL), Geojit Technologies Private Limited (Software Solutions provider), Geojit Credits Private Limited (NBFC), Geojit Fintech Private Ltd, Geojit IFSC Ltd (a company incorporated under IFSC Regulations), Qurum Business Group Geojit Securities LLC (a subsidiary of holding company in Oman engaged in Financial Services), Barjeel Geojit Financial Services LLC (a joint venture of holding company in UAE engaged in Financial Services), and BBK Geojit Consultancy and Information KSC (C) (a joint venture in Kuwait-engaged in Financial services). In the context of the SEBI Regulations on Research Analysts (2014), GIL affirms that we are a SEBI registered Research Entity and in the course of our business as a stock market intermediary, we issue research reports /research analysis etc. that are prepared by our Research Analysts. We also affirm and undertake that no disciplinary action has been taken against us or our Analysts in connection with our business activities.

In compliance with the above-mentioned SEBI Regulations, the following additional disclosures are also provided which may be considered by the reader before making an investment decision:

1. Disclosures regarding Ownership:

GIL confirms that:

(i) It/its associates have no financial interest or any other material conflict in relation to the subject company (ies) covered herein, at the time of publication of the research report.

(ii) It/its associates have no actual/beneficial ownership of 1% or more in relation to the subject company (ies) covered herein, at the end of the month immediately preceding the date of publication of the research report.

Further, the Analyst confirms that:

(i) He, his associates and his relatives shall take reasonable care to ensure that they do not have any financial interest in the subject company (ies) covered herein, and they have no other material conflict in the subject company, at the time of publication of the research report.

(ii) He, his associates and his relatives have no actual/beneficial ownership of 1% or more in the subject company covered, at the end of the month immediately preceding the date of publication of the research report.

2. Disclosures regarding Compensation:

During the past 12 months, GIL or its Associates:

(a) It/its associates, are in receipt of compensation from the subject company details of which are described further below; (b) Have not managed or co-managed public offering of securities for the subject company (c) Have not received any compensation for investment banking or merchant banking or brokerage services from the subject company. (d) GIL has received compensation for products or services other than investment banking or merchant banking or brokerage services from subject company. GIL is engaged in the distribution of insurance products/ Mutual fund products and has derived commissions for the distribution services it has rendered to the Subject Company. e) Have not received any compensation or other benefits from the subject company or third party in connection with the research report (f) The subject company is / was not a client during twelve months preceding the date of distribution of the research report.

3. Disclosure by GIL regarding the compensation paid to its Research Analyst:

GIL hereby confirms that no part of the compensation paid to the persons employed by it as Research Analysts is based on any specific brokerage services or transactions pertaining to trading in securities of companies contained in the Research Reports.

4. **Disclosure regarding the Research Analyst's connection with the subject company:** It is affirmed that I, Antu Eapan Thomas, Research Analyst (s) of GIL have not served as an officer, director or employee of the subject company.

5. **Disclosure regarding Market Making activity:** Neither GIL/its Analysts have engaged in market making activities for the subject company.

6. **Disclosure regarding conflict of interests:** GIL shall abide by the applicable regulations/ circulars/ directions specified by SEBI and Research Analyst Administration and Supervisory Body (RAASB) from time to time in relation to disclosure and mitigation of any actual or potential conflict of interest. GIL will endeavour to promptly inform the client of any conflict of interest that may affect the services being rendered to the client.

7. "Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors."

8. Clients are required to keep contact details, including email id and mobile number/s updated with the GIL at all times.

9. In the course of providing research services by GIL, GIL cannot execute/carry out any trade (purchase/sell transaction) on behalf of, the client. Thus, the clients are advised not to permit GIL to execute any trade on their behalf.

10. GIL will never ask for the client's login credentials and OTPs for the client's Trading Account Demat Account and Bank Account. The Clients are advised not to share such information with anyone including GIL.

11. Standard Warning: "Investment in securities market are subject to market risks. Read all the related documents carefully before investing."

12. Disclosures regarding Artificial Intelligence tools: Neither Geojit Investments Limited nor its Analysts have utilized any AI tools in the preparation of the research reports.

Please ensure that you have read the "Risk Disclosure Documents for Capital Market and Derivatives Segments" as prescribed by the Securities and Exchange Board of India before investing.

Geojit Investments Ltd. Registered Office: 7th Floor 34/659-P, Civil Line Road, Padivattom, Kochi-682024, Kerala, India. Phone: +91 484-2901000, Website : www.geojit.com/GIL . For investor queries: customercare@geojit.com

GRIEVANCES

Step 1: The client should first contact the RA using the details on its website or following

contact details: Compliance officer: Ms. Indu K. Address: 7th Floor, 34/659-P, Civil Line Road, Padivattom, Ernakulam,; Phone: +91 484-2901367; Email: compliance@geojit.com. For Grievances: grievances@geojit.com. **Step 2:** If the resolution is unsatisfactory, the client can also lodge grievances through SEBI's SCORES platform at www.scores.sebi.gov.in **Step 3:** The client may also consider the Online Dispute Resolution (ODR) through the Smart ODR portal at <https://smartodr.in>

Corporate Identity Number: U66110KL2023PLC080586, Research Entity SEBI Reg No: INH000019567; Depository Participant : IN-DP-781-2024.

