

BSE SENSEX

63,915

S&amp;P CNX

18,972

**CMP: INR1,330**
**TP: INR1,550 (+17%)**
**Buy**


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## Stock Info

Bloomberg	ICICIGI IN
Equity Shares (m)	491
M.Cap.(INRb)/(USD\$)	653.4 / 8
52-Week Range (INR)	1369 / 1049
1, 6, 12 Rel. Per (%)	18/3/-1
12M Avg Val (INR M)	875

## Financials Snapshot (INR b)

Y/E March	2023	2024E	2025E
NEP	148.2	174.5	205.9
U/W Profit	-8.9	-5.7	-4.1
PBT	21.1	27.3	33.2
PAT	17.3	20.5	24.9
EPS (INR/share)	35.2	41.7	50.7
EPS Growth (%)	36.0	18.3	21.8
BVPS (INR/share)	211.6	239.3	273.8

## Ratios (%)

Claims	72.4	70.1	69.6
Commission	3.0	3.6	3.7
Expense	29.1	27.9	27.0
Combined	104.5	101.6	100.3
RoE	17.7	18.5	19.8

## Valuations

P/E (x)	37.7	31.9	26.2
P/BV (x)	6.3	5.5	4.8

## Shareholding pattern (%)

As On	Mar-23	Dec-22	Mar-22
Promoter	48.0	48.0	48.0
DII	17.4	16.8	13.7
FII	22.9	23.4	26.9
Others	11.8	11.8	11.3

FII Includes depository receipts

## Transformation through innovation

- The Indian insurance industry is undergoing radical transformations. With new reforms and initiatives being introduced by the IRDAI, the general insurance industry is poised for robust growth, riding on tech-driven disruptions.
- ICICIGI through its annual report has re-iterated its future readiness to capitalize on this fast-growing general insurance industry.
- Its core business strategy is built on five pillars, namely (1) enhancing market share (2) delivering customer service and technology (3) capturing newer market opportunities (4) robust risk management and (5) improving operating profitability.
- With continued investments in building agency, ILOM has outgrown the industry in Retail Health MoM since Sep'22. The company's flagship products "ICICI Lombard Complete Health Insurance" and "Health AdventEdge" have been revamped to attract new customers in the healthcare segment.
- In FY23, ILOM introduced **innovative telematic motor insurance solutions: Pay-As-You-Use** - It offers customers the flexibility to choose their cover and premium depending on their usage, **Pay-How-You-Use** – This system incentivizes a customer for good driving behavior, **Motor Floater** - This enables customers owning multiple vehicles to take a single policy with a single renewal date and a comprehensive cover.
- In terms of market share, ILOM has secured a leadership position in the marine segment among the private general insurers. This was achieved by leveraging innovation under the aegis of Marine VAS. In FY23, ILOM received its first patent for electrical monitoring device based on IoT technology.
- ILOM is the first insurance company to introduce SME-specific website and offer a complete end-to-end journey for SME products. During the year, ILOM reinforced its bancassurance channel through strategic collaborations with banks and introduced a comprehensive product suite across their 980+ branches.
- **Valuation:** Going ahead, the growth in the motor segment is likely to be back ended, as the company awaits the rationalization of pricing in the OD segment. Regarding the health segment, the benefits derived from price hikes and the enhanced efficiency of the agency channel are expected to translate into improved profitability. Management continues to guide for reaching a combined ratio of 102% and RoE of high teens by FY25. We believe these are achievable with a) scale benefits driving cost ratios lower, b) a better mix in the health segment with higher share of retail. We revise our target multiple up from 26x to 30x FY25E EPS as the concern around ICICI Bank stake sale should now be behind. We reiterate our BUY rating with a revised 1-year target price of INR1,550.

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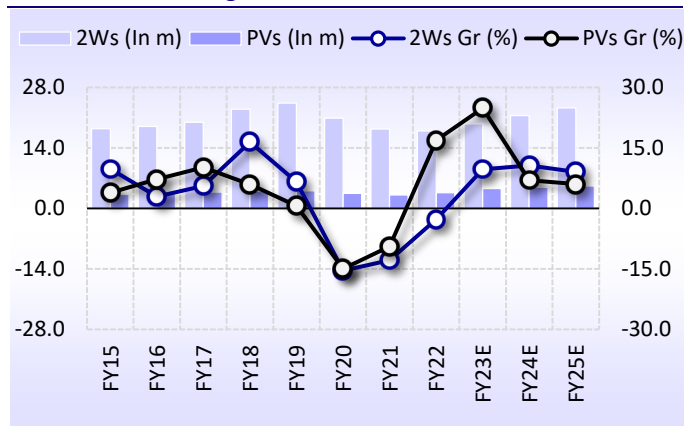
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Investors are advised to refer through important disclosures made at the last page of the Research Report.

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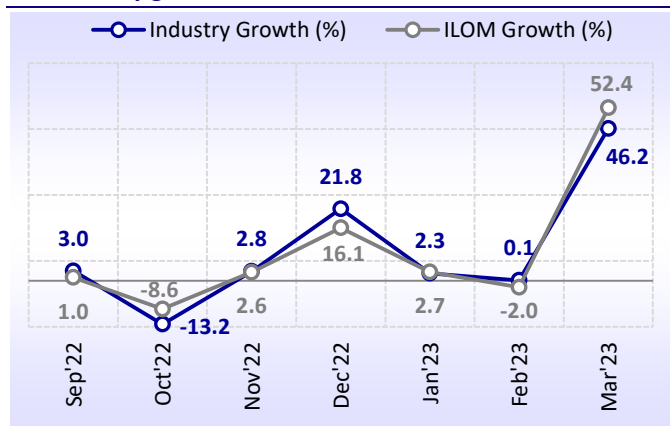
## Story in charts

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



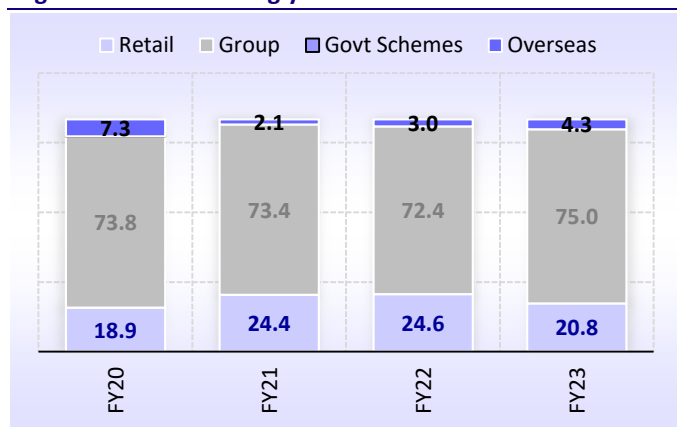
Source: MOFSL, Company

**Exhibit 2: ILOM retail health insurance growth outpacing the industry growth**



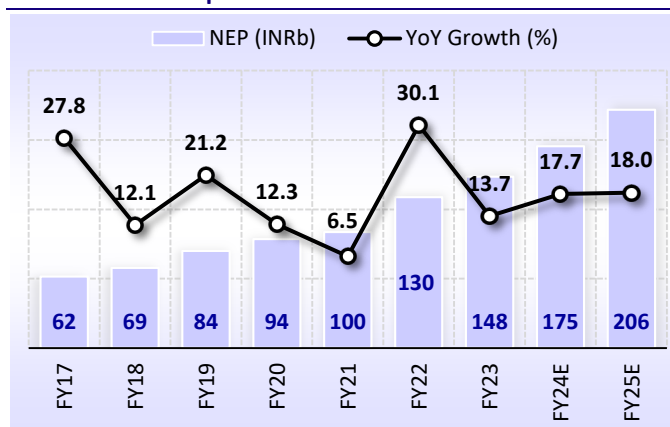
Source: MOFSL, Company, GIC

**Exhibit 3: ICICIGI's Health business dominated by the Group segment with increasingly focus on retail business**



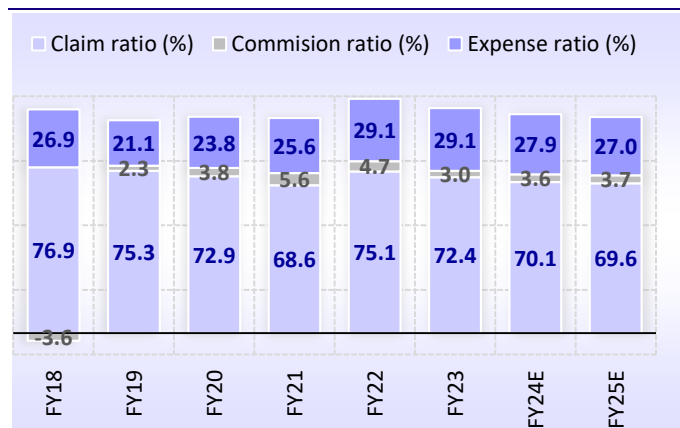
Source: MOFSL, Company

**Exhibit 4: Overall premium to see 18% CAGR over FY23-25**



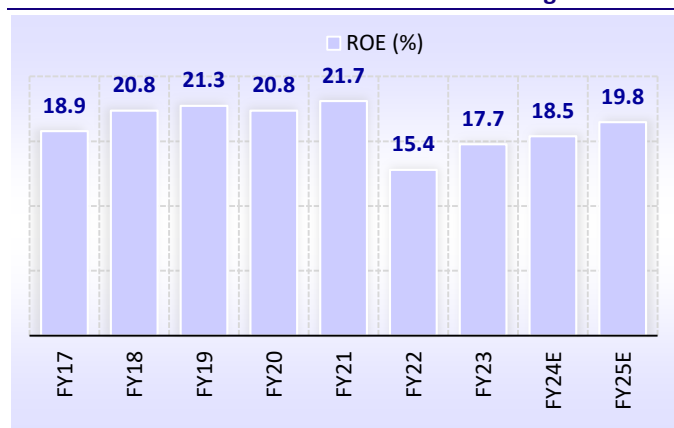
Source: MOFSL, Company

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



Source: MOFSL, Company

**Exhibit 6: Return ratios to recover back to the high teens**



Source: MOFSL, Company

## Highlights of Key business parameters

In Nos	FY20	FY21	FY22	FY23
Capex for new offices & branches (INR b)	4.7	4.8	4.9	5.08
Service Call Centers	2	2	2	3
Call centre executives	501	1,233	679	1601
Capex on Technology Infrastructure (INR b)	6.9	7.3	8.2	8.81
In-house claim managers - Motor	756	707	916	950
In-house claim managers - Health	290	284	299	389
Actuarial Team	22	25	39	42
Top Management and Leadership	11	10	10	13
Business Group (Retail and Wholesale)	5,397	5,264	6,851	8,246
Service, Support, Corporate Groups	3,588	3,688	4,234	4,606
Individual agents (including POS)	47,548	59,545	88,545	1,13,000
Corporate Agents	110	126	160	175
Network Hospitals	6,536	9,307	6,751	7,547
Network Garages	8,800	9,700	11,247	13,134
No. of branches	273	276	283	305
Virtual Offices	840	840	908	917
First Call Resolution rate	82%	81%	82%	81%
New products approved during the year	18	24	21	16
Policies processed electronically	97%	97%	97%	97%
In-house Motor Claims	89%	87%	92%	93%
In-house Health Claims	94%	87%	78%	77%
Net Promoter Score	46	48	52	64
No. of complaints/10,000 policies	1.08	1.09	1.23	1.5
No. of policies issued (m)	26.2	21.7	29.3	32.7
Number of Claims settled (m)	1.9	1.6	2.3	3.6

Source: MOFSL, Company

## Comparative Loss Ratio analysis for ILOM

Segment (%)	FY23	FY22
Motor - Own Damage	72.6	68.1
Motor - Third Party	72.2	74.0
Motor - Total	72.4	70.9
Health Insurance	81.5	100.5
Crop / Weather	80.1	107.9
Marine - Cargo	71.8	77.2
Marine - Other than Cargo	178.7	117.8
Marine - Total	72.4	77.6
Personal Accident	40.8	31.9
Fire	49.3	53.1
Engineering	55.1	69.3
Aviation	96.1	89.4
Workmen's Compensation	66.8	51.2
Public / Product Liability	84.4	59.4
Credit Insurance	99.6	85.8
Others	57.5	47.8
<b>Total</b>	<b>72.4</b>	<b>75.1</b>

Source: MOFSL, Company

## ILOM's GDPI share between rural and urban geographies

	FY23		FY22	
	GDPI (INR m)	% of total GDPI	GDPI (INR m)	% of total GDPI
Rural	26,718	12.71	21,464	11.94
Urban	1,83,532	87.29	1,58,305	88.06
<b>Total</b>	<b>2,10,250</b>	<b>100</b>	<b>1,79,769</b>	<b>100</b>

Source: MOFSL, Company

## Five pillars for building the future growth

ICICIGI has formulated its business strategy around five fundamental pillars that will serve as the foundation and guide its decision-making processes while the company strives to establish itself as a prominent General Insurance organization.

### 1. Leveraging and enhancing market leadership

- In the Corporate Insurance business, ILOM increased engagements with clients for providing value-added services, leveraging technology and risk management expertise. The business registered a strong growth of 24% YoY.
- In Health, Travel & PA segment, it undertook several initiatives, resulting in a robust growth of 39.6% YoY. Further, prices were increased and existing products were revamped.
- ILOM strengthened its Bancassurance channel during the year by entering into a tie-up with AU Small Finance Bank and introducing product suite across their 980+ branches.

### 2. Delivering excellence in customer service and technology

- In FY23, ILOM undertook efforts to improve outcomes of Customer Relations Team (CRT). A new CRT office was opened in Indore to support growing volumes.
- Call steering service was introduced on Voice Bot to make customer call handling more efficient.
- ILOM also initiated steps to widen language capabilities to include Telugu, Kannada, and Malayalam.
- Throughout the year, the management prioritized the enhancement of self-service capabilities by introducing Do-It-Yourself (DIY) services on WhatsApp and consistently launching interactive videos that simplify complex processes. Further, these videos were seamlessly integrated with the Do-It-Yourself (DIY) channels.
- A notable achievement for the company has been the implementation of digital claims process for motor insurance. This approach consolidated the entire journey, from intimation to form filling, inspection, and claims settlement, onto a single mobile platform.

**3. Capturing new market opportunities and reaching the underserved.**

- During the year, ILOM introduced innovative telematic motor insurance solutions:
  - Pay-As-You-Use, offering customers the flexibility to choose their cover and premium depending on their usage,
  - Pay-How-You-Use that incentivizes a customer for good driving behavior, and
  - Motor Floater enabling customers owning multiple vehicles to take a single policy with a single renewal date and a comprehensive cover.
- ILOM recently launched 'Anywhere Cashless', an industry first feature, wherein customers can avail cashless facilities in a hospital of their choice, regardless of it not being part of ILOM's current network of hospitals.
- ILOM is also introducing novel policies that cater to modern needs. This includes new-generation products such as cyber, telehealth, and cashless homecare, which have become increasingly popular among individuals and corporates.
- During the year, ILOM expanded its virtual office network to 917 locations and increased the number of individual agents to ~113,000 with increased focus on tier 2, tier 3 and rural locations.

**4. Robust Risk Management**

- Underwriting - Improve risk selection with predictive ultimate loss model; diversified exposure across geographies and products
- Reinsurance - Spread of risk across the panel of quality re-insurers; conservative level of catastrophe (CAT) protection
- Investments - Tighter internal exposure norms as against regulatory limits; invest high proportion of Debt portfolio (88.7%) in sovereign or AAA-rated securities; all debt securities are rated AA & above.
- Reserving - IBNR utilization improving trend indicates robustness of reserves.

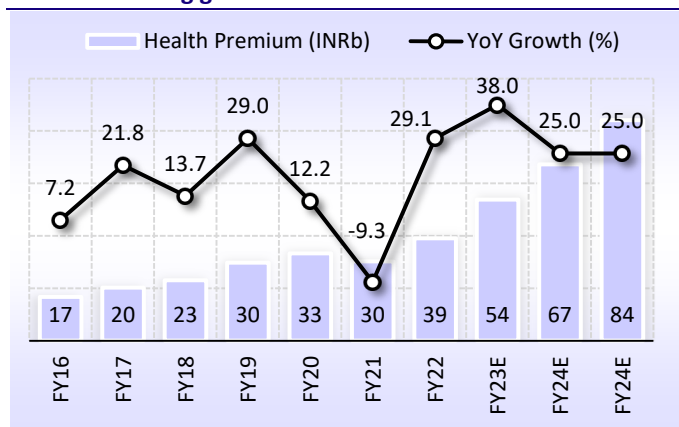
**5. Capital conservation and improving operating performance**

- Strives to continuously improve operational efficiency and financial performance. This is done by prioritizing customer-centric solutions and harnessing the potential of technology through service platforms empowered by cutting-edge technologies.
- Maintains a high solvency ratio of 2.51x as on March 31, 2023, against a regulatory minimum requirement of 1.50x.

## Multiple levers for health business

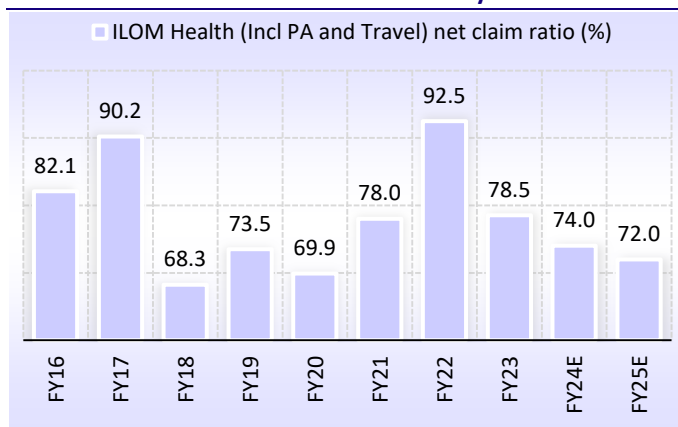
- The shift in industry pricing sentiment led to corporate entities gravitating toward companies with better underwriting and service capabilities. As a result, ILOM experienced a sharp 43.9% YoY growth in its group health segment for FY23.
- As a result of continued investments in building agency distribution workforce, ILOM has outgrown the industry in Retail Health month-on-month since September 2022. This growth is expected to accelerate as the workforce gets productive in the next few quarters.
- ILOM revamped its existing product, Health AdvantEdge. The product now covers planned and unplanned treatments worldwide (including the US and Canada) and includes unlimited teleconsultations, Home Health Care, Ambulance Assistance and many more relevant features. In an industry-first feature, it also offers a life-long discount on premium for customers who have taken the conjugate pneumococcal vaccine.
- ILOM's flagship product, ICICI Lombard Complete Health Insurance, has undergone significant revamp. It now offers a cumulative bonus for every claim-free year, ensuring that policyholders receive added benefits without any reduction in case of claims. Additionally, it allows unlimited triggering of the reset benefit for different illnesses and once even for the same illness. Furthermore, the product incorporates zonal pricing, which ensures affordability, while maintaining its feature-rich nature.

**Exhibit 7: Strong growth momentum in the health business**



Source: MOFSL, Company

**Exhibit 8: Loss ratio to normalize to 72% by FY25**

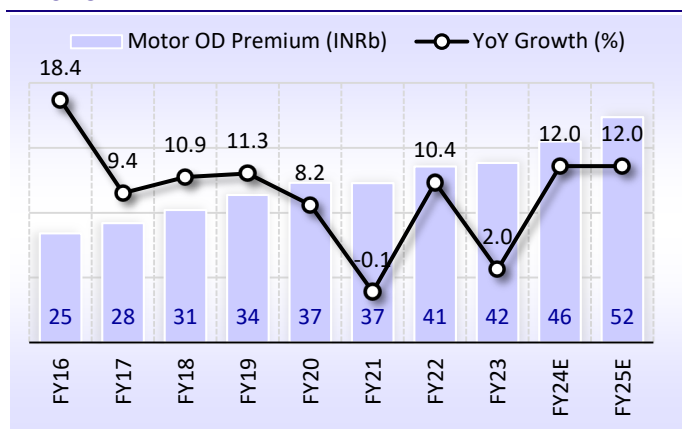


Source: MOFSL, Company

## Motor business – Innovating solutions

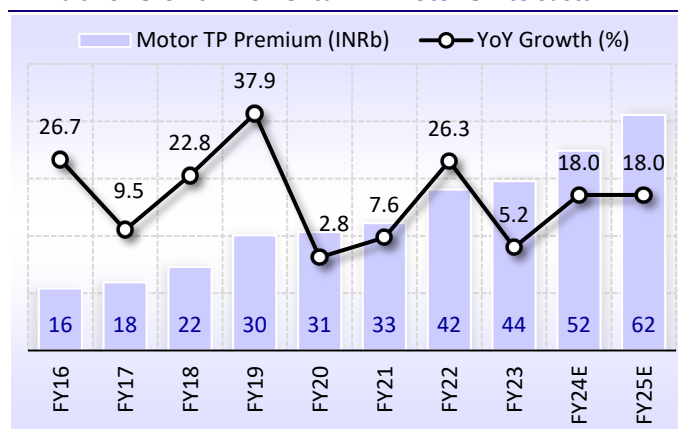
- With growing competitive intensity especially in the private car OD segment, ILOM increased its focus on profitable sub segments using historical granular data and rebalanced its portfolio in favor of the commercial vehicle segment. Policies serviced in FY23 increased by 10.9% YoY to 28.3m.
- ILOM continued with its focus on risk-based pricing, which was further refined to include granular level of variables in risk selection. In FY23, base premium for motor third-party was revised upwards.
- During the year, ILOM introduced **innovative telematic motor insurance solutions**:
  - **Pay-As-You-Use** - It offers customers the flexibility to choose their cover and premium depending on their usage.
  - **Pay-How-You-Use** – This system incentivizes a customer for good driving behavior
  - **Motor Floater** - This enables customers owning multiple vehicles to take a single policy with a single renewal date and a comprehensive cover.
- Furthermore, ILOM expanded its Preferred Partner Network (PPN), guaranteeing top-quality repairs and value-added services for motor customers.
- In March 2023, an impressive 57% of its non-OEM customers chose a PPN garage for vehicle repairs, underscoring the commitment to delivering unmatched customer satisfaction.
- ILOM is working toward strengthening tie-ups with MISPs and intermediaries. Digital initiatives have been a key enabler in the segment, especially on the claims service side, enabling ILOM to improve customer experience.
- With the increasing adoption of Electric Vehicles, the automotive industry market is on the brink of significant disruption. Recognizing this trend, ILOM has placed increased focus and market presence on the EV segment to seize the opportunities it presents.

**Exhibit 9: Motor OD premium to register a 12% CAGR over FY23-25**



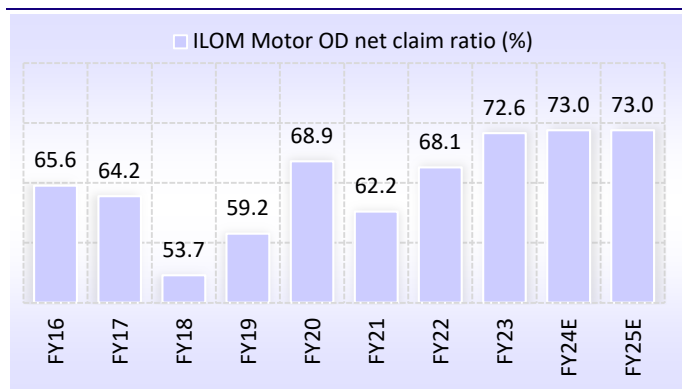
Source: MOFSL, Company

**Exhibit 10: Growth momentum in Motor OD to sustain**

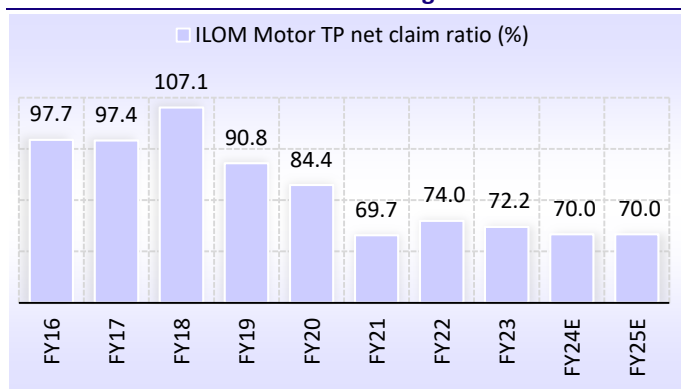


Source: MOFSL, Company



**Exhibit 11: Motor OD claims to remain elevated**

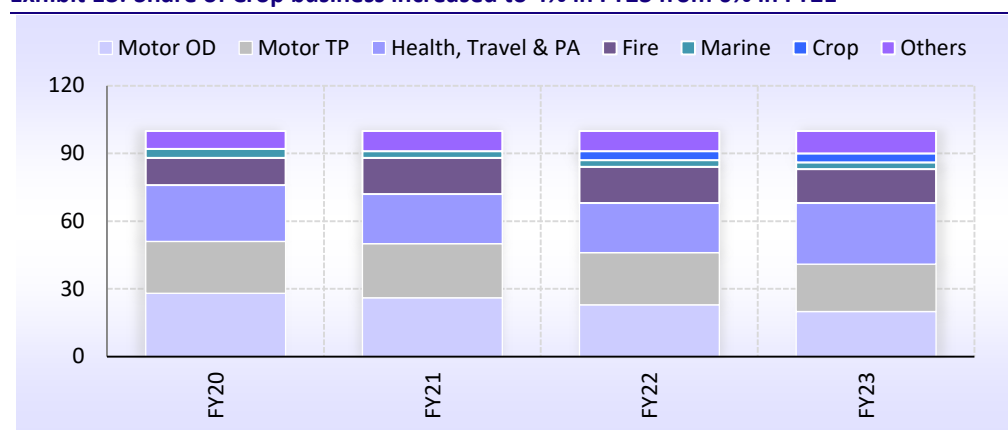
Source: MOFSL, Company

**Exhibit 12: Claim ratio in Motor TP segment to moderate**

Source: MOFSL, Company

## Crop & Cattle business

- While the total population of cattle in India is roughly 300m, it is estimated that less than 5% of these are covered by insurance. This presents a substantial opportunity for further penetration within the cattle insurance sector.
- ILOM's strategy for tapping this segment has largely been in partnership with Dairy & Cooperative, Banks, and other financial institutions.
- ILOM has implemented the PMFBY scheme in 2 states across 10 districts in FY23. It has implemented the scheme under 80-110 surplus sharing model in Maharashtra across seven districts and under traditional full-risk transfer model in Karnataka across three districts.
- Under this scheme, ILOM has covered around 1.79m farmer applications with around 1.3m hectare gross cropped area. ILOM has booked a total GWP of INR8.7b for PMFBY in FY23.
- For FY23, ILOM has insured approximately 130,000+ cattle, resulting in a growth of around 128% YoY (Total insured cattle in FY22 stood at 40,000+).

**Exhibit 13: Share of Crop business increased to 4% in FY23 from 0% in FY21**

Source: MOFSL, Company

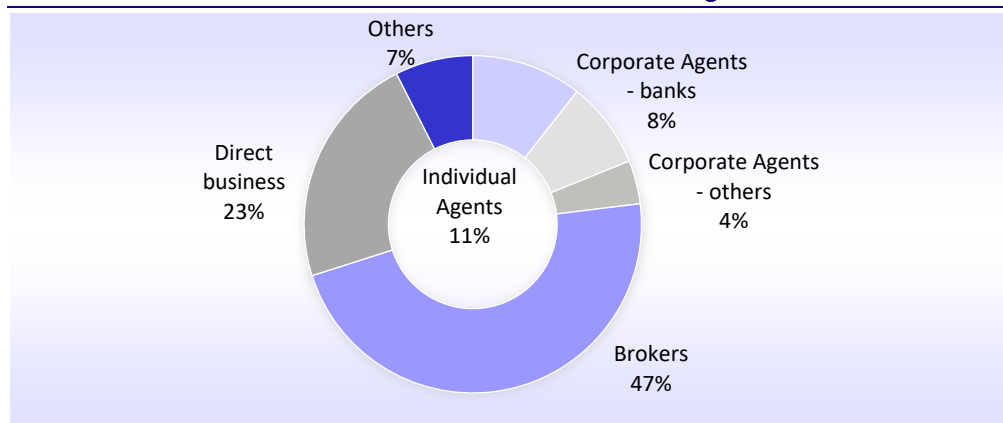


## Emerging leader in commercial lines of business

- Market share (on GDPI basis) in the Engineering segment increased to 15.4% in FY23 from 15.2% in FY22, making ILOM the second largest player in the industry.
- The Marine Cargo segment, one of ILOM's preferred lines of business, has reported a growth of 18.4% YoY in FY23, and has secured a leadership position among the private general insurers in terms of market share. This was achieved by leveraging innovation under the aegis of Marine VAS, including anti-theft and anti-hijacking programs, monitoring of temperature-sensitive cargo, supply-chain solutions, and through proprietary Marine Loss Control Engineering (MLCE).
- In FY23, the Liability segment reported a YoY growth of 27.3% and secured a leadership position in terms of market share.
- New tools such as AI-powered Natural Language Generation (NLG) technology, IoT for monitoring risks and loss-control technique were implemented to reduce the likelihood and severity of losses due to incidents.
- In FY23, ILOM received its first patent for electrical monitoring device based on IoT technology.
- ILOM offers advanced drone-based technology for inspecting wind turbines and solar PV modules as a part of the insurance renewal process, enabling a quick turnaround.

## Strengthening SME & Bancassurance presence

- The Small and Medium Enterprises (SMEs) vertical registered a strong GWP growth of 24.0% YoY in FY23. This was a key driver of ILOM's robust growth in the commercial lines. Consequently, ILOM gained market share in Engineering and Liability lines of business, while maintaining market share in the Fire segment.
- The focus on facilitating technology and innovative solutions have been well-received by customers. ILOM is the first insurance company to introduce SME specific website and offer a complete end-to-end journey for SME products.
- ILOM strengthened its bancassurance channel during the year by entering into a tie-up with AU Small Finance Bank and introducing its product suite across its 980+ branches.
- The Bancassurance and Key Relationship Groups (KRG) segment grew 36.7% YoY. Within this category, the distribution through ICICI Bank witnessed a growth of 27.1% YoY, while non-ICICI Bank distribution grew 42.9% YoY.
- To strengthen the Banca and KRG segment, various measures were taken, including the creation of microsites, the introduction of digital solutions, and direct partner integrations. These initiatives have contributed to the growth of this segment, which offers access to a large prospective client base.
- With new regulations allowing banca partners to onboard multiple insurance partners, ILOM has leveraged its enhanced digital capabilities to seize opportunities for entering into new relationships.

**Exhibit 14: Diversified distribution mix with brokers constituting the lion's share at 47%**

Source: MOFSL, Company

### Key IRDAI reforms during FY23

The IRDAI has introduced several key reforms, aimed at enhancing the penetration of general insurance in India. These reforms have been widely embraced by the entire general insurance industry:

- Introduction of **'Use and File'** paving the way for innovation and customization of products without the need for prior approval.
- Implementation of regulations regarding the **'Expenses of Management'** (EoM) for insurers, offering greater flexibility and simplifying commission structures.
- **Expansion of distribution** by extending the corporate agency partnership from 3 to 9 insurers, thereby widening access to customers and aiding penetration
- Reforms in the regulations for **'Other forms of Capital'** wherein insurers can raise capital by way of preference shares or subordinated debt without having to avail prior approval of the authority
- Amendments made to **Regulatory Sandbox Regulations** have eliminated the time limit, thereby facilitating innovation in products or solutions. Furthermore, the experimental period has been extended to a maximum of 36 months

### Digital initiatives at the core

- Due to ILOM's strong emphasis on digitalization, the company has witnessed a rise in digital revenues (including business generated through the IL TakeCare app) to INR10.95b. As a result, digital revenues now account for 5.2% of the company's overall GDPI for FY23.
- With the introduction of Responsive and Intelligent Assistant (RIA), customers are offered a humanized touch with a virtual chatbot across various platforms, including WhatsApp, Telegram, and its website.
- Additionally, 'Pay as you use' and 'Pay how you use' insurance products incorporate telematics solutions to monitor and manage risks.
- ILOM's tech-driven approach extends to IL TakeCare App, health and wellness platform that offers a one-stop solution for policy lifecycle needs, emergency and preventive care, outpatient department solutions, and health vitals tracking.

- Digital Claims Processing at ILOM
  - 79% E-Claims received through E-Claim portal
  - 25+ lakh InstaSpect settlements since 2017
  - ~28k calls through Cloud calling till March 2023
  - 39% Claims (private car and two-wheeler) processed via ICR/OCR
  - 900+ Internal Surveyors

## Valuation and view

- Going ahead, the growth in the motor segment is likely to be back ended, as the company awaits the rationalization of pricing in the OD segment. Regarding the health segment, the benefits derived from price hikes and the enhanced efficiency of the agency channel are expected to translate into improved profitability. Management continues to guide for reaching a combined ratio of 102% and RoE of high teens by FY25. We believe these are achievable with a) scale benefits driving cost ratios lower, b) a better mix in the health segment with higher share of retail. We revise our target multiple up from 26x to 30x FY25E EPS as the concern around ICICI Bank stake sale should now be behind. We reiterate our BUY rating with a revised 1-year target price of INR1,550

## Financials and valuation

### Income Statement

(INR m)

Y/E March	2018	2019	2020	2021	2022	2023	2024E	2025E
GDPI	1,23,568	1,44,882	1,33,128	1,40,031	1,79,769	2,10,251	2,46,571	2,89,765
Change (%)	15.2	17.2	-8.1	5.2	28.4	17.0	17.3	17.5
NWP	78,447	95,385	96,407	1,06,850	1,34,896	1,55,395	1,83,341	2,16,743
<b>NEP</b>	<b>69,117</b>	<b>83,753</b>	<b>94,036</b>	<b>1,00,140</b>	<b>1,30,321</b>	<b>1,48,229</b>	<b>1,74,524</b>	<b>2,05,889</b>
Change (%)	12.1	21.2	12.3	6.5	30.1	13.7	17.7	18.0
Net claims	53,147	63,081	68,515	68,708	97,819	1,07,256	1,22,401	1,43,213
Net commission	-2,839	2,229	3,639	6,009	6,339	4,722	6,538	8,128
Expenses	21,118	20,139	22,931	27,342	39,201	45,148	51,235	58,611
<b>Underwriting Profit/(Loss)</b>	<b>-2,309</b>	<b>-1,696</b>	<b>-1,049</b>	<b>-1,919</b>	<b>-13,038</b>	<b>-8,898</b>	<b>-5,651</b>	<b>-4,063</b>
Investment income (PH)	11,546	14,011	16,492	21,474	30,978	32,721	26,879	30,261
Operating profit	9,237	12,315	15,443	19,555	17,940	23,823	21,229	26,198
Investment income (SH)	4,140	4,743	4,800	5,170	7,061	7,757	9,390	10,749
Expenses	1,415	1,073	3,272	5,185	8,166	10,454	3,342	3,731
<b>PBT</b>	<b>11,962</b>	<b>15,985</b>	<b>16,971</b>	<b>19,540</b>	<b>16,835</b>	<b>21,125</b>	<b>27,276</b>	<b>33,217</b>
Tax	3,345	5,492	5,031	4,809	4,125	3,835	6,819	8,304
Tax rate (%)	28.0	34.4	29.6	24.6	24.5	18.2	25.0	25.0
<b>PAT</b>	<b>8,618</b>	<b>10,493</b>	<b>11,940</b>	<b>14,731</b>	<b>12,710</b>	<b>17,291</b>	<b>20,457</b>	<b>24,913</b>

### Balance sheet

(INR m)

Y/E March	2018	2019	2020	2021	2022	2023	2024E	2025E
Equity Share Capital	4,539	4,543	4,543	4,546	4,909	4,911	4,911	4,911
Reserves & Surplus	40,872	48,662	56,797	69,809	86,188	99,016	1,12,632	1,29,569
<b>Net Worth</b>	<b>45,412</b>	<b>53,205</b>	<b>61,340</b>	<b>74,355</b>	<b>91,097</b>	<b>1,03,928</b>	<b>1,17,543</b>	<b>1,34,480</b>
FV change - Shareholders	1,857	799	-948	1,630	831	512	537	564
FV change - Policyholders	5,481	2,585	-3,338	5,174	2,762	1,621	1,702	1,787
Borrowings	4,850	4,850	4,850	4,850	2,550	350	350	350
Claims Outstanding	1,59,160	1,64,256	1,80,074	1,82,845	2,49,752	2,69,166	3,12,006	3,62,131
Other liabilities	80,736	1,08,331	1,28,440	1,24,123	1,61,492	1,75,286	1,94,594	2,17,198
<b>Total Liabilities</b>	<b>2,97,497</b>	<b>3,34,026</b>	<b>3,70,418</b>	<b>3,92,977</b>	<b>5,08,483</b>	<b>5,50,862</b>	<b>6,26,733</b>	<b>7,16,510</b>
Investments (PH)	1,34,643	1,68,877	2,04,671	2,34,565	2,98,684	3,33,221	3,73,884	4,21,856
Investments (SH)	47,284	53,431	58,595	74,356	89,179	98,583	1,11,259	1,27,624
Net Fixed Assets	4,060	4,652	6,765	6,268	5,775	5,640	5,740	5,840
Def Tax Assets	2,114	3,013	3,063	3,498	3,456	2,653	2,388	2,149
Current Assets	1,03,478	1,00,037	96,998	72,013	1,08,463	1,08,734	1,19,607	1,31,568
Cash & Bank	5,918	4,016	326	2,277	2,926	2,031	13,856	27,474
<b>Total Assets</b>	<b>2,97,497</b>	<b>3,34,026</b>	<b>3,70,418</b>	<b>3,92,977</b>	<b>5,08,483</b>	<b>5,50,862</b>	<b>6,26,733</b>	<b>7,16,510</b>

E: MOFSL Estimates

## Financials and valuation

### Ratios

Y/E March	2018	2019	2020	2021	2022	2023	2024E	2025E
GWP growth	15.2	17.2	-8.1	5.2	28.4	17.0	17.3	17.5
NWP growth	19.0	21.6	1.1	10.8	26.2	15.2	18.0	18.2
<b>NEP growth</b>	<b>12.1</b>	<b>21.2</b>	<b>12.3</b>	<b>6.5</b>	<b>30.1</b>	<b>13.7</b>	<b>17.7</b>	<b>18.0</b>
Claim ratio	76.9	75.3	72.9	68.6	75.1	72.4	70.1	69.6
Commission ratio	-3.6	2.3	3.8	5.6	4.7	3.0	3.6	3.7
Expense ratio	26.9	21.1	23.8	25.6	29.1	29.1	27.9	27.0
<b>Combined ratio</b>	<b>100.2</b>	<b>98.8</b>	<b>100.4</b>	<b>99.8</b>	<b>108.8</b>	<b>104.5</b>	<b>101.6</b>	<b>100.3</b>

### Profitability Ratios (%)

RoE	20.8	21.3	20.8	21.7	15.4	17.7	18.5	19.8
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Valuations	2018	2019	2020	2021	2022	2023	2024E	2025E
BVPS (INR)	92.5	108.3	124.9	151.4	185.5	211.6	239.3	273.8
Change (%)	21.9	17.2	15.3	21.2	22.5	14.1	13.1	14.4
<b>Price-BV (x)</b>	<b>14.4</b>	<b>12.3</b>	<b>10.6</b>	<b>8.8</b>	<b>7.2</b>	<b>6.3</b>	<b>5.5</b>	<b>4.8</b>
EPS (INR)	17.5	21.4	24.3	30.0	25.9	35.2	41.7	50.7
Change (%)	30.8	21.8	13.8	23.4	-13.7	36.0	18.3	21.8
<b>Price-Earnings (x)</b>	<b>75.7</b>	<b>62.2</b>	<b>54.6</b>	<b>44.3</b>	<b>51.3</b>	<b>37.7</b>	<b>31.9</b>	<b>26.2</b>

E: MOFSL Estimates

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NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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