

SBI Life Insurance

| | |
|-----------------|---|
| Estimate change | ↔ |
| TP change | ↔ |
| Rating change | ↔ |

| | |
|-----------------------|---------------|
| Bloomberg | SBILIFE IN |
| Equity Shares (m) | 1002 |
| M.Cap.(INRb)/(USD\$) | 1797.8 / 20.8 |
| 52-Week Range (INR) | 1936 / 1373 |
| 1, 6, 12 Rel. Per (%) | -3/16/7 |
| 12M Avg Val (INR M) | 2391 |

Financials & Valuations (INR b)

| Y/E MARCH | FY25 | FY26E | FY27E |
|-------------------|-------|-------|---------|
| Net Premiums | 840.6 | 974.1 | 1,128.9 |
| Surplus / Deficit | 29.9 | 35.2 | 41.5 |
| Sh.PAT | 24.1 | 27.6 | 32.1 |
| NBP gr- APE (%) | 7.4 | 16.0 | 16.2 |
| Premium gr (%) | 4.4 | 15.9 | 15.9 |
| VNB margin (%) | 27.8 | 28.5 | 29.0 |
| RoE (%) | 15.1 | 15.2 | 15.4 |
| RoIC (%) | 15.4 | 15.3 | 15.5 |
| RoEV (%) | 20.6 | 19.4 | 19.0 |
| Total AUMs (INRt) | 4.5 | 5.4 | 6.4 |
| VNB | 59.5 | 70.8 | 83.7 |
| EV per share | 701 | 839 | 999 |

Valuations

| | | | |
|------------|------|------|------|
| P/EV (x) | 2.3 | 2.2 | 1.8 |
| P/EVOP (x) | 13.7 | 13.3 | 11.3 |

*VNB, VNB margins based on ETR

Shareholding Pattern (%)

| As On | Jun-25 | Mar-25 | Jun-24 |
|----------|--------|--------|--------|
| Promoter | 55.4 | 55.4 | 55.4 |
| DII | 18.2 | 18.7 | 15.9 |
| FII | 22.3 | 21.9 | 24.7 |
| Others | 4.1 | 4.1 | 4.0 |

FII includes depository receipts

CMP: INR1,794 TP: INR2,140 (+19%) Buy

Product mix shift drives VNB margin expansion

- SBI Life Insurance (SBILIFE) reported 9% YoY growth in new business APE to INR39.7b (in line).
- VNB margin for the quarter stood at 27.4% vs our estimate of 28.5% (26.8% in 1QFY25). Absolute VNB grew 12% YoY to INR10.9b (in-line), driven by the product mix shift toward non-linked products.
- Shareholder PAT grew 14% YoY to INR5.9b (in-line) in 1QFY26.
- The company reaffirmed its full-year guidance of mid-teen APE growth, supported by new non-par and protection product launches. Apart from the focus on product mix shift toward non-linked products, higher sales of products with larger sum assured and improved rider attachment are expected to drive VNB margin expansion to 26-28% for FY26, according to management.
- We expect SBILIFE to clock a CAGR of 16%/19% in APE/VNB over FY25-27, while RoEV is likely to remain at ~19% over FY27. We maintain our estimates and **reiterate our BUY rating on the stock with a TP of INR2,140 (premised on 2.2x FY27E EV).**

Distribution shifting gradually toward non-linked across channels

- SBILIFE reported 3% YoY growth in new business premium (NBP) to INR72.7b. Gross premium stood at INR178.1b (in-line), reflecting 14% YoY growth. This was driven by 24%/12% YoY growth in renewal premium/first year premium, which was offset by a 4% YoY decline in single premium.
- The total cost ratio was 10.8% vs. 9.8% in 1QFY25. The commission ratio was stable at 3.7%. The operating expense ratio stood at 7% vs. 6.1% in 1QFY25, owing to investments toward branch expansion, employee addition, and digital infrastructure during the quarter. The company expects the opex ratio to remain in the range of 6-6.5%.
- On the product front, ULIP APE grew 3% YoY, contributing 57% to total APE (61% in 1QFY25). Increasing focus on non-linked products resulted in 10%/29% YoY growth in the non-par/par savings segment. Strong growth in group protection (+100% YoY) was fueled by both the credit life and GPI businesses. Consequently, the protection business grew 53% YoY, with its contribution increasing to 11.6% from 8.2% in 1QFY24.
- On the distribution front, SBILIFE added 36,000 agents on a gross basis during the quarter and continues to focus on productivity enhancement, along with a shift toward margin-accretive product mix for each channel. While the agency channel witnessed a 15% YoY decline with respect to ULIP APE, the par and non-par segments witnessed 29%/37% YoY growth, leading to channel growth of 1% YoY (after 49% YoY growth in 1QFY25). Individual APE in the bancassurance channel grew 9% YoY, with 13%/60% YoY growth in ULIP/Par, while non-par APE declined 4% YoY. Other channel partners (brokers, digital, etc.) witnessed 6% YoY growth in individual APE, with 25%/9% YoY growth in ULIP/Non-par segments.

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- The company witnessed continued improvement in the 13th and 61st month persistency (based on premium) in 1QFY26, increasing ~60bp and ~500bp YoY, respectively. The 49th month persistency declined 430bp YoY due to a particular cohort that could not be revived.
- AUM grew 15% YoY to INR4.8t (in line). Solvency ratio was stable at 1.96x.

Highlights from the management commentary

- SBILIFE continues to pivot toward a margin-accretive product mix, with the agency channel already achieving this shift. Similar progress is visible in the bancassurance segment, where ULIP contribution declined 2%, and the company remains focused on further increasing the non-par share.
- Group protection reported robust growth, led by credit life (up 25% YoY), while GPI growth was also in double digits. Management expects credit life to maintain 20-25% YoY growth, backed by 10-15% YoY growth in home loans and better attachment rates. However, GPI growth may moderate due to its inherently lumpy nature.
- SBILIFE currently works with 14,000+ branches of partner banks, of which 10-20% are active monthly. The company aims to improve activation levels to unlock higher growth.

Valuation and view

- SBILIFE continued to report improvement in the VNB performance in 1QFY26, aided by a shift in the product mix toward traditional products, strong growth in the protection segment, and rising attachment rates. Going forward, sustained traction in non-linked products and further improvement in rider attachment are expected to drive VNB margin expansion. Continued investments in agency and digital channels are expected to drive overall growth, supported by a recovery in the bancassurance channel.
- We expect SBILIFE to clock a CAGR of 16%/19% in APE/VNB over FY25-27, while RoEV is likely to remain at ~19% over FY27. We maintain our estimates and **reiterate our BUY rating on the stock with a TP of INR2,140 (premised on 2.2x FY27E EV).**

Quarterly Performance

| | | | | | | | | | | | INRm |
|----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----------|
| Policy holder's A/c (INRb) | 1Q | FY25 | | | | 1Q | FY26 | | | | V/s est |
| | | 2Q | 3Q | 4Q | | 2QE | 3QE | 4QE | FY25 | FY26E | FY26E 1QE |
| First year premium | 31.5 | 49.2 | 64.5 | 48.6 | 35.4 | 56.2 | 75.3 | 57.9 | 193.7 | 224.9 | 34.0 |
| Growth (%) | 19% | 6% | 14% | 7% | 12% | 14% | 17% | 19% | 11% | 16% | 8% |
| Renewal premium | 85.4 | 117.2 | 144.7 | 146.8 | 105.5 | 137.8 | 166.5 | 164.3 | 494.1 | 574.0 | 97.6 |
| Growth (%) | 16% | 16% | 14% | 13% | 24% | 18% | 15% | 12% | 14% | 16% | 14% |
| Single premium | 38.9 | 37.8 | 40.8 | 44.6 | 37.3 | 44.6 | 48.3 | 55.6 | 162.1 | 185.9 | 44.6 |
| Growth (%) | 9% | -30% | 0% | -42% | -4% | 18% | 18% | 25% | -22% | 15% | 15% |
| Gross premium income | 155.7 | 204.1 | 250.0 | 240.0 | 178.1 | 238.6 | 290.1 | 277.9 | 849.8 | 984.8 | 176.2 |
| Growth (%) | 15% | 1% | 11% | -5% | 14% | 17% | 16% | 16% | 4% | 16% | 13% |
| PAT | 5.2 | 5.3 | 5.5 | 8.1 | 5.9 | 6.1 | 6.3 | 9.3 | 24.1 | 27.6 | 5.9 |
| Growth (%) | 36% | 39% | 71% | 0% | 14% | 14% | 15% | 14% | 27% | 14% | 14% |
| Key metrics (INRb) | | | | | | | | | | | |
| New Business APE | 36.4 | 53.9 | 69.4 | 54.5 | 39.7 | 61.9 | 81.8 | 65.1 | 214.2 | 248.5 | 39.2 |
| Growth (%) | 20% | 3% | 13% | 2% | 9% | 15% | 18% | 19% | 8% | 16% | 8% |
| VNB | 9.7 | 14.5 | 18.7 | 16.6 | 10.9 | 17.3 | 23.3 | 19.3 | 59.5 | 70.8 | 11.2 |
| Growth (%) | 11% | -3% | 11% | 10% | 12% | 20% | 25% | 16% | 7% | 19% | 15% |
| AUM | 4,148 | 4,390 | 4,417 | 4,480 | 4,758 | 4,948 | 5,146 | 5,378 | 4,480 | 5,378 | 4,794 |
| Growth (%) | 26% | 27% | 19% | 15% | 15% | 13% | 17% | 20% | 15% | 20% | 16% |
| Key Ratios (%) | | | | | | | | | | | |
| VNB margin (%) | 26.8 | 26.9 | 26.9 | 30.5 | 27.4 | 28.0 | 28.5 | 29.6 | 27.8 | 28.5 | 28.5 |

Policyholder A/C

| Policyholder A/C (INR b) | FY25 | | | | FY26 |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q |
| Net premium income | 151.1 | 202.7 | 248.3 | 238.6 | 171.8 |
| First year premium | 31.5 | 49.2 | 64.5 | 48.6 | 35.4 |
| Renewal premium | 85.4 | 117.2 | 144.7 | 146.8 | 105.5 |
| Single premium | 38.9 | 37.8 | 40.8 | 44.6 | 37.3 |
| Investment Income | 192.8 | 197.5 | -62.8 | -10.4 | 215.3 |
| Total income | 343.9 | 400.2 | 185.4 | 241.7 | 387.0 |
| Commission paid | 5.7 | 8.4 | 10.1 | 10.0 | 6.7 |
| Operating expenses | 9.5 | 11.4 | 11.6 | 10.2 | 12.5 |
| Total commission & Opex | 15.2 | 19.8 | 21.7 | 20.2 | 19.2 |
| Benefits paid | 98.3 | 140.1 | 125.3 | 125.3 | 101.2 |
| Change in actuarial liability | 220.3 | 230.5 | 29.1 | 77.1 | 259.0 |
| Total Expenses | 333.8 | 390.4 | 176.2 | 222.5 | 379.3 |
| PBT | 8.0 | 7.0 | 6.1 | 16.2 | 5.1 |
| Tax | 0.6 | 0.5 | 0.2 | 0.6 | 0.5 |
| Surplus/(Deficit) | 7.4 | 6.4 | 5.9 | 15.6 | 4.7 |

Shareholder's A/C

| | | | | | |
|----------------------------------|------------|------------|------------|-------------|------------|
| Trf from policyholder a/c | 2.8 | 2.5 | 2.6 | 19.5 | 3.2 |
| Investment income | 2.6 | 2.8 | 3.2 | 2.5 | 2.9 |
| Total income | 5.4 | 5.4 | 5.8 | 22.0 | 6.1 |
| PBT | 5.4 | 5.5 | 5.7 | 8.4 | 6.1 |
| PAT | 5.2 | 5.3 | 5.5 | 8.1 | 5.9 |

APE Data

| | | | | | |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|
| Individual Savings | 30.6 | 46.6 | 61.4 | 44.1 | 32.3 |
| Par | 1.4 | 3.2 | 1.1 | 1.7 | 1.8 |
| Non Par | 7.0 | 8.4 | 10.9 | 12.8 | 7.7 |
| ULIP | 22.2 | 35.0 | 49.4 | 29.6 | 22.8 |
| Group Savings Business | 1.6 | 1.1 | 1.2 | 1.7 | 1.5 |
| Annuity | 1.2 | 1.2 | 1.4 | 1.5 | 1.3 |
| Total Protection | 3.0 | 5.0 | 5.4 | 7.1 | 4.6 |
| Individual Protection | 1.5 | 1.7 | 2.1 | 3.0 | 1.6 |
| Group Protection | 1.5 | 3.3 | 3.3 | 4.1 | 3.0 |
| Total APE | 36.4 | 53.9 | 69.4 | 54.5 | 39.7 |

APE (% of total)

| | | | | | |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|
| Individual Savings | 84.1 | 86.5 | 88.5 | 80.9 | 81.4 |
| Par | 3.8 | 5.9 | 1.6 | 3.1 | 4.5 |
| Non Par | 19.2 | 15.6 | 15.7 | 23.5 | 19.4 |
| ULIP | 61.0 | 64.9 | 71.2 | 54.3 | 57.4 |
| Group Savings Business | 4.4 | 2.0 | 1.7 | 3.1 | 3.8 |
| Annuity | 3.3 | 2.2 | 2.0 | 2.8 | 3.3 |
| Total Protection | 8.2 | 9.3 | 7.8 | 13.0 | 11.6 |
| Individual Protection | 4.1 | 3.2 | 3.0 | 5.5 | 4.0 |
| Group Protection | 4.1 | 6.1 | 4.8 | 7.5 | 7.6 |

Distribution mix (%)

| | | | | | |
|--------|------|------|------|------|------|
| Banca | 59.3 | 57.7 | 68.2 | 57.4 | 58.2 |
| Agency | 29.9 | 32.1 | 23.3 | 28.6 | 27.5 |
| Others | 10.7 | 10.2 | 8.5 | 13.9 | 14.4 |

Key Ratios (%)

| | | | | | |
|---------------------------|-------|-------|-------|-------|-------|
| Operating ratios | | | | | |
| Commission (Unwtd) | 3.7 | 4.1 | 4.1 | 4.2 | 3.7 |
| Opex (UnWtd) | 6.1 | 5.6 | 4.6 | 4.2 | 7.0 |
| Total Cost (Unwtd) | 9.8 | 9.7 | 8.7 | 8.4 | 10.8 |
| Solvency ratio | 201.0 | 204.0 | 209.0 | 196.0 | 196.0 |
| Operating ratios | | | | | |
| VNB margins | 26.8 | 26.9 | 26.9 | 30.5 | 27.4 |
| Persistency ratios | | | | | |
| 13th mth | 86.5 | 84.2 | 82.7 | 86.6 | 87.1 |
| 25th mth | 77.4 | 77.0 | 74.8 | 75.9 | 77.4 |

| Policyholder A/C (INR b) | FY25 | | | | FY26 |
|---------------------------|------|------|------|------|------|
| | 1Q | 2Q | 3Q | 4Q | 1Q |
| 37th mth | 71.5 | 68.0 | 70.0 | 70.7 | 72.0 |
| 49th mth | 72.7 | 69.9 | 65.9 | 68.1 | 68.4 |
| 61st mth | 57.8 | 55.9 | 62.3 | 61.5 | 62.8 |
| Key Metrics (INRb) | | | | | |
| VNB | 9.7 | 14.5 | 18.7 | 16.6 | 10.9 |
| AUM | 4148 | 4390 | 4417 | 4480 | 4758 |



Highlights from the management commentary

VNB and profitability:

- The shift in VNB during the quarter was primarily driven by a change in the product mix toward higher-margin traditional products, compared to the mix in 1QFY25.
- Margin expansion was supported by an increased share of non-par and protection products, along with improved rider attachment rates, which rose to 40%. Management aims to further increase attachment rates by extending rider offerings to existing policies (currently only offered on new policies).
- Despite opening a similar number of branches as last year, the company reported largely stable opex margins YoY, aided by improved productivity.
- While there was a marginal increase in cost ratios due to new branches and investments in digital infrastructure, the company expects opex ratios to remain within 6-6.5% for the full year.
- SBILIFE maintains a guidance of 26-28% for VNB margin in FY26.

Product mix:

- SBILIFE continues to pivot toward a margin-accretive product mix, with the agency channel already achieving this shift. Similar progress is being made in the bancassurance segment, with ULIP contribution declining 2%, backed by the company's focus on further increasing the non-par share.
- Group protection reported robust growth, led by credit life (up 25% YoY), while GPI growth was also in double digits. Management expects credit life to maintain 20-25% YoY growth, backed by 10-15% YoY growth in home loans as well as better attachment rates. However, GPI growth may moderate due to its inherently lumpy nature.
- The company reaffirmed its full-year guidance of mid-teen APE growth, supported by non-par and protection product launches.

Channel performance:

- The company added 31,000 agents on a gross basis and opened 36 new branches during the quarter, reflecting a continued focus on scaling the agency channel.
- While agency growth was slightly below internal expectations, the product mix achieved was in line with strategic goals, and agency productivity is expected to improve over the next nine months.
- The bancassurance channel saw a sequential pickup in June due to the mobilization of field staff, with management confident of delivering stronger performance in the coming quarters.

- SBILIFE currently works with 14,000+ branches of partner banks, of which 10-20% are active monthly. The company aims to improve activation levels to unlock higher growth.
- The digital/online channel accounted for 14% of APE, with robust YoY growth in individual (+46%) and protection (+58%) businesses. This reflects the company's broader strategy to diversify beyond agency and banca by investing in a scalable online platform.

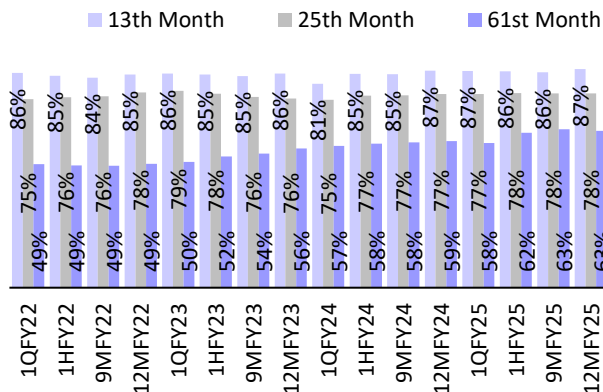
Persistency trends:

- The 49th-month persistency ratio declined due to a specific legacy cohort that has been underperforming for several years. This will also impact the 61st-month persistency ratio in the upcoming period.

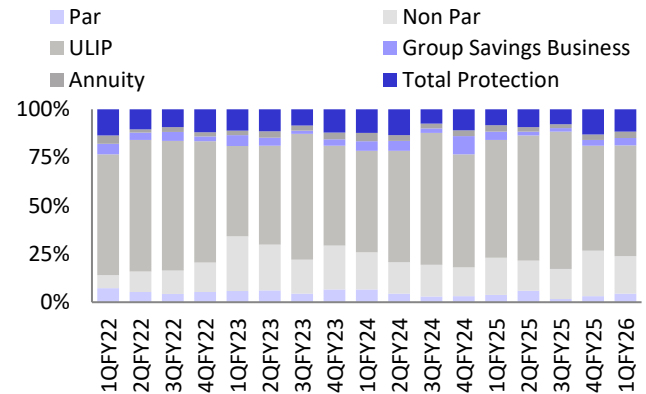
EV:

- Improvement in equity market conditions led to a positive impact on IEV. RoEV was healthy, driven by both unwinding and mark-to-market gains.

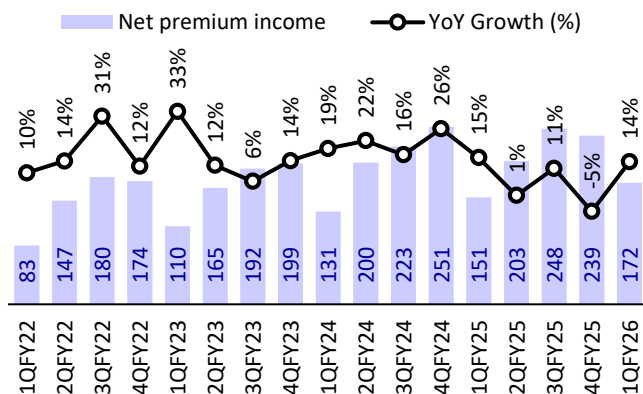
Story in charts

Exhibit 1: Persistency ratios across cohorts


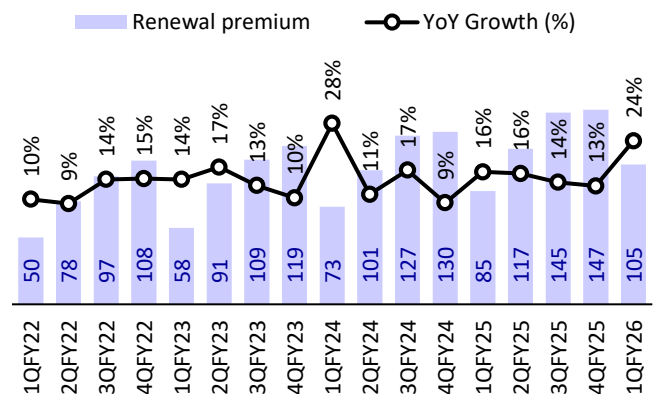
Source: MOFSL, Company

Exhibit 2: Share of ULIP declined YoY to 57% of total APE


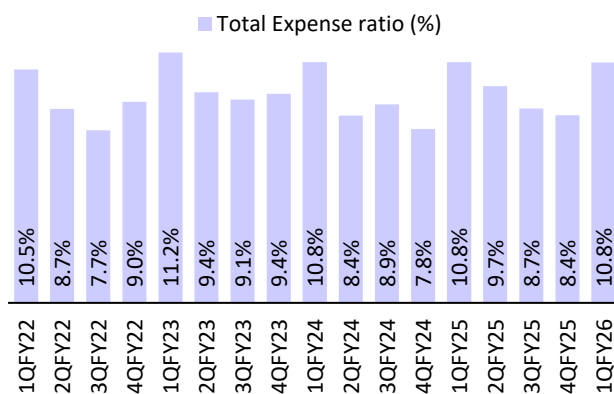
Source: MOFSL, Company

Exhibit 3: Net premium up 14% YoY in 1QFY26


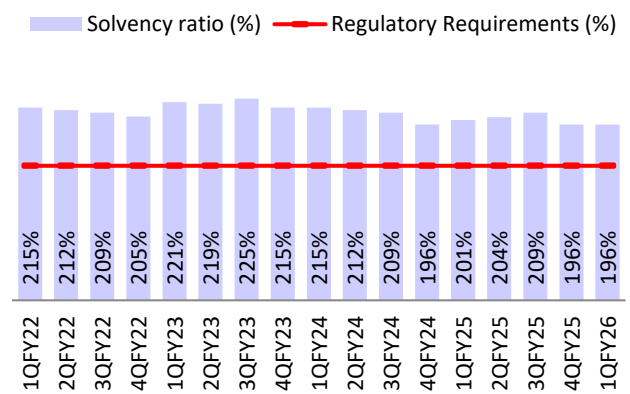
Source: MOFSL, Company

Exhibit 4: Renewal premium grew 24% YoY in 1QFY26


Source: MOFSL, Company

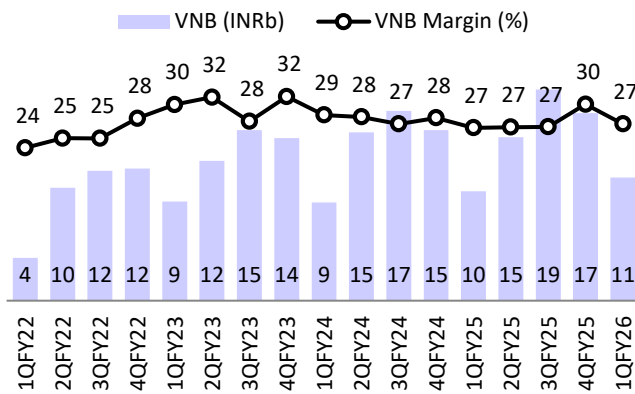
Exhibit 5: Total expense ratio stood at 10.8% in 1QFY26


Source: MOFSL, Company

Exhibit 6: Solvency ratio remained healthy at 196%


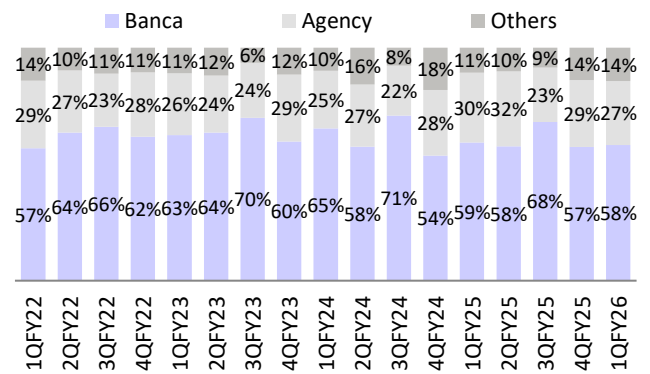
Source: MOFSL, Company

Exhibit 7: VNB margin stood at 27.4% in 1QFY26



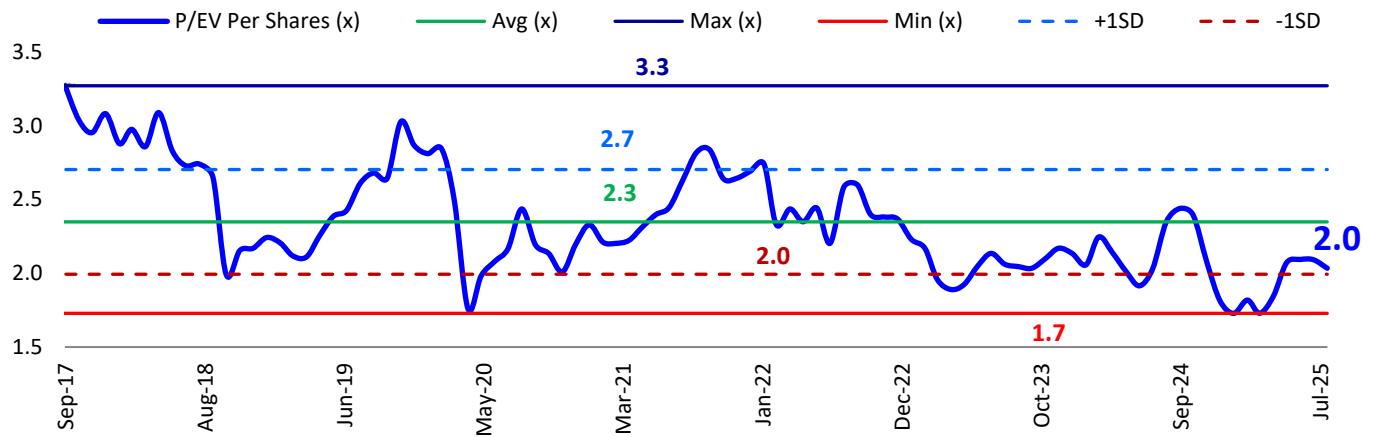
Source: MOFSL, Company; Margins based on Effective tax rate

Exhibit 8: Share of distribution mix across channels



Source: MOFSL, Company; Distribution mix based on APE

Exhibit 9: One-year forward P/EV



Source: MOFSL, Company

Financials and valuations

| Technical account (INR b) | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E |
|---------------------------------------|--------------|--------------|--------------|--------------|----------------|----------------|----------------|----------------|
| Gross Premiums | 406.3 | 502.5 | 587.6 | 673.2 | 814.3 | 849.8 | 995.6 | 1,149.1 |
| Reinsurance Ceded | -3.1 | -4.9 | -3.3 | -7.3 | -8.4 | (9.2) | (10.8) | (12.5) |
| Net Premiums | 403.2 | 497.7 | 584.3 | 665.8 | 805.9 | 840.6 | 984.7 | 1,136.6 |
| Income from Investments | 30.0 | 314.6 | 235.7 | 132.6 | 503.9 | 317.1 | 403.3 | 460.4 |
| Other Income | 5.2 | 8.6 | 10.3 | 17.6 | 16.6 | 13.4 | 16.1 | 19.4 |
| Total income (A) | 438.4 | 820.8 | 830.3 | 816.0 | 1,326.3 | 1,171.2 | 1,404.1 | 1,616.4 |
| Commission | 16.2 | 17.7 | 21.6 | 30.1 | 32.0 | 34.2 | 41.6 | 48.0 |
| Operating expenses | 24.1 | 24.1 | 29.7 | 34.6 | 40.3 | 48.1 | 53.9 | 60.4 |
| Total commission and opex | 40.3 | 41.9 | 51.3 | 64.7 | 72.4 | 82.3 | 95.5 | 108.3 |
| Benefits Paid (Net) | 162.5 | 215.8 | 313.4 | 302.9 | 431.1 | 489.0 | 518.2 | 595.7 |
| Chg in reserves | 206.0 | 539.3 | 437.6 | 410.0 | 784.3 | 557.0 | 738.0 | 849.9 |
| Total expenses (B) | 415.7 | 801.8 | 810.2 | 785.9 | 1,297.0 | 1,139.3 | 1,354.8 | 1,563.1 |
| (A) - (B) | 22.8 | 19.1 | 20.1 | 30.0 | 29.3 | 31.9 | 38.7 | 45.6 |
| Prov for Tax | 3.8 | 1.0 | 1.3 | 1.5 | 1.4 | 2.0 | 3.5 | 4.2 |
| Surplus / Deficit (calculated) | 19.0 | 18.1 | 18.8 | 28.6 | 27.9 | 29.9 | 35.2 | 41.5 |
| Shareholder's a/c (INR b) | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E |
| Transfer from technical a/c | 14.6 | 16.8 | 17.3 | 27.1 | 26.0 | 27.4 | 32.2 | 37.9 |
| Income From Investments | 4.8 | 6.9 | 9.8 | 7.9 | 10.3 | 11.1 | 12.7 | 15.0 |
| Total Income | 19.5 | 23.7 | 27.2 | 35.0 | 36.3 | 38.6 | 45.0 | 53.0 |
| Other expenses | 0.6 | 0.1 | 1.8 | 0.4 | 0.6 | 0.1 | 0.5 | 0.7 |
| Contribution to technical a/c | 4.8 | 8.2 | 9.8 | 17.1 | 16.3 | 13.5 | 16.2 | 19.4 |
| Total Expenses | 5.3 | 8.3 | 11.6 | 17.4 | 16.9 | 13.6 | 16.6 | 20.1 |
| PBT | 14.1 | 15.4 | 15.6 | 17.6 | 19.4 | 24.9 | 28.3 | 32.9 |
| Prov for Tax | -0.1 | 0.9 | 0.5 | 0.4 | 0.5 | 0.8 | 0.7 | 0.8 |
| PAT | 14.2 | 14.6 | 15.1 | 17.2 | 18.9 | 24.1 | 27.6 | 32.1 |
| <i>Growth</i> | 7.2% | 2.4% | 3.4% | 14.4% | 9.9% | 27.4% | 14.5% | 16.2% |

| Balance sheet (INR b) | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E |
|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Sources of Fund | | | | | | | | |
| Share Capital | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| Reserves And Surplus | 78.8 | 90.9 | 104.2 | 119.2 | 135.9 | 157.9 | 182.8 | 212.3 |
| Shareholders' Fund | 87.4 | 104.0 | 116.2 | 130.2 | 149.1 | 169.9 | 194.5 | 223.7 |
| Policy Liabilities | 761.2 | 924.1 | 1,097.6 | 1,301.3 | 1,558.1 | 1,798.8 | 2,142.1 | 2,550.9 |
| Prov. for Linked Liab. | 763.0 | 965.5 | 1,174.9 | 1,407.2 | 1,667.4 | 1,938.1 | 2,229.8 | 2,556.6 |
| Funds For Future App. | 7.1 | 8.4 | 9.9 | 11.4 | 13.4 | 14.5 | 17.1 | 20.2 |
| Current liabilities & prov. | 30.2 | 42.4 | 51.3 | 51.0 | 44.9 | 61.7 | 64.0 | 66.3 |
| Total | 1,655.8 | 2,268.3 | 2,733.4 | 3,146.9 | 3,972.7 | 4,571.0 | 5,401.5 | 6,393.5 |
| Application of Funds | | | | | | | | |
| Shareholders' inv | 68.3 | 86.0 | 100.8 | 112.1 | 130.4 | 146.0 | 172.3 | 203.4 |
| Policyholders' inv | 734.2 | 939.4 | 1,121.3 | 1,298.7 | 1,565.4 | 1,852.3 | 2,200.8 | 2,614.8 |
| Assets to cover linked liab. | 785.7 | 1,162.2 | 1,426.3 | 1,632.6 | 2,160.1 | 2,476.4 | 2,913.4 | 3,437.8 |
| Loans | 3.6 | 3.6 | 3.6 | 3.9 | 3.9 | 4.8 | 5.5 | 6.4 |
| Fixed Assets | 5.8 | 5.7 | 5.3 | 5.2 | 5.6 | 5.9 | 6.4 | 6.9 |
| Current assets | 58.2 | 71.5 | 76.2 | 94.4 | 107.3 | 85.6 | 103.1 | 124.3 |
| Total | 1,655.8 | 2,268.3 | 2,733.4 | 3,146.9 | 3,972.7 | 4,571.0 | 5,401.5 | 6,393.5 |

Financials and valuations

| Operating ratios (%) | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E |
|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Investment yield | 2.1 | 17.3 | 10.2 | 4.8 | 15.1 | 7.9 | 8.8 | 8.7 |
| Commissions / GWP | -4.0 | -3.5 | -3.7 | -4.5 | -3.9 | -4.0 | -4.3 | -4.3 |
| - first year premiums | -8.4 | -8.4 | -8.3 | -11.9 | -10.6 | -10.3 | -10.3 | -10.3 |
| - renewal premiums | -2.7 | -2.6 | -2.6 | -2.5 | -2.4 | -2.4 | -2.4 | -2.4 |
| - single premiums | -1.4 | -1.1 | -1.2 | -1.4 | -1.0 | -1.4 | -1.4 | -1.4 |
| Operating expenses / GWP | 7.3% | 5.9% | 5.9% | 5.9% | 6.0% | 5.9% | 6.3% | 6.1% |
| Total expense ratio | 9.9% | 8.3% | 8.7% | 9.6% | 8.9% | 9.7% | 9.7% | 9.6% |
| Claims / NWP | 40.3% | 43.4% | 53.6% | 45.5% | 53.5% | 58.2% | 52.7% | 52.5% |
| Solvency ratio | 195% | 215% | 205% | 215% | 196% | 196% | 189% | 174% |

| Persistency ratios (%) | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E |
|------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| 13th Month | 86.1% | 85.4% | 85.2% | 85.5% | 86.8% | 87.4% | 87.9% | 88.3% |
| 25th Month | 78.5% | 75.8% | 78.1% | 75.6% | 77.4% | 77.3% | 77.3% | 77.2% |
| 37th Month | 71.6% | 72.1% | 72.2% | 74.5% | 71.3% | 71.0% | 70.9% | 70.8% |
| 49th Month | 67.3% | 65.6% | 69.9% | 70.3% | 72.7% | 72.4% | 72.3% | 72.2% |
| 61st Month | 59.9% | 50.9% | 49.5% | 55.6% | 58.6% | 57.4% | 56.7% | 56.3% |

| Profitability ratios (%) | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E |
|--------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| VNB margin (%) | 20.7% | 23.2% | 25.9% | 30.1% | 28.1% | 27.8% | 28.5% | 29.0% |
| RoE (%) | 17.4% | 15.2% | 13.7% | 14.0% | 13.6% | 15.1% | 15.2% | 15.4% |
| RoIC (%) | 17.4% | 15.3% | 14.0% | 14.2% | 13.8% | 15.4% | 15.3% | 15.5% |
| Operating ROEV (%) | 20.5% | 19.1% | 20.6% | 22.9% | 21.8% | 20.2% | 19.4% | 19.2% |
| RoEV (%) | 17.4% | 27.0% | 18.7% | 16.2% | 26.5% | 20.6% | 19.4% | 19.0% |

| Valuation ratios | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E |
|---------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Total AUM | 1,603.6 | 2,208.7 | 2,674.1 | 3,073.4 | 3,889.2 | 4,480.4 | 5,377.6 | 6,363.8 |
| - of which equity AUM (%) | 21% | 27% | 29% | 29% | 34% | 39% | 31% | 31% |
| Dividend % | 0% | 25% | 20% | 25% | 27% | 33% | 33% | 33% |
| Dividend payout ratio (%) | 0% | 17% | 13% | 15% | 14% | 11% | 10% | 8% |
| EPS, Rs | 14.2 | 14.6 | 15.1 | 17.2 | 18.9 | 24.1 | 27.6 | 32.1 |
| VNB | 22.2 | 26.6 | 37.0 | 50.7 | 55.5 | 59.5 | 70.8 | 83.7 |
| - VNB growth (%) | 15.6% | 19.8% | 39.1% | 37.0% | 9.5% | 7% | 19% | 18% |
| EV per share | 276.4 | 364.0 | 396.3 | 460.4 | 582.6 | 701.0 | 839.0 | 998.6 |
| VIF as % of EV | 63% | 63% | 68% | 70% | 73% | 75% | 76% | 77% |
| P/VIF | 11.0 | 8.6 | 6.7 | 5.6 | 4.3 | 3.5 | 2.9 | 2.4 |
| P/AUM (%) | 113% | 82% | 68% | 59% | 47% | 41% | 34% | 29% |
| P/EV (x) | 6.9 | 5.4 | 4.6 | 3.9 | 3.1 | 2.6 | 2.2 | 1.8 |
| P/EPS (x) | 127.6 | 124.6 | 120.5 | 105.3 | 95.8 | 75.2 | 65.6 | 56.5 |
| P/EVOP (x) | 39.6 | 36.2 | 26.4 | 20.0 | 18.1 | 15.4 | 13.3 | 11.3 |
| P/VNB (x) | 81.8 | 68.3 | 49.1 | 35.8 | 32.7 | 30.5 | 25.6 | 21.7 |

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|----------------------------------|--|
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| BUY | >=15% |
| SELL | < - 10% |
| NEUTRAL | < - 10 % to 15% |
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