

ICICI Prudential Life Insurance

Estimate change



TP change



Rating change



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Bloomberg	IPRU IN
Equity Shares (m)	1,435
M.Cap.(INRb)/(USD\$b)	636.5 / 8.4
52-Week Range (INR)	538 / 222
1, 6, 12 Rel. Per (%)	4/-1/18
12M Avg Val (INR M)	1301

Financials & Valuations (INR b)

Y/E MARCH	FY20	FY21E	FY22E
Net Premiums	329	338	355
Surplus / Deficit	21.9	12.9	14.6
Sh. holder's PAT	10.7	11.5	12.4
NBP growth unwt'd (%)	20.5	5.0	10.0
APE growth - (%)	-2.9	-8.1	18.2
Tot. Premium gr. (%)	8.0	2.5	5.0
VNB margin (%)	21.7	23.8	24.6
RoE (%)	15.0	15.1	14.7
RoEV (%)	6.5	14.5	14.6
Total AUMs (INRt)	1.5	1.7	1.8
VNB (INRb)	16.0	15.5	19.0
EV per share	160	184	210

Valuations

P/EV (x)	2.8	2.4	2.1
P/EPS (x)	59.5	55.3	51.3

Shareholding pattern (%)

As On	Jun-20	Mar-20	Jun-19
Promoter	73.5	75.0	75.0
DII	5.2	5.5	6.3
FII	15.1	13.3	11.5
Others	6.2	6.1	7.2

FII Includes depository receipts

CMP: INR443
TP: INR510 (+15%)
Buy

ULIPs weigh down premium growth; Outlook modest

Rising mix of Protection business drives further margin improvement

- IPRU Life's (IPRU) business trends were weak due to the COVID-19 led lockdown and subdued buyer sentiment toward capital market linked insurance and investment products. APE growth declined 44% YoY led by 66% YoY drop in ULIPs while other segments maintained steady trends. Persistency declined further with 13th/25th month persistency dropping 140bp/170bp QoQ. However, it is recovering and is above the assumptions incorporated in EV calculations.
- 1QFY21 VNB declined 35% YoY; however, management has reiterated its intention to double FY19 VNB guidance over the next 3-4 years. VNB margins improved to 24.4%, led by sharp increase in Protection mix of 26% (v/s 15% in FY20).
- We expect continued buoyancy in the Protection business along with gradual recovery in ULIPs to drive business /VNB growth over the near term while persistency should move in a narrow range. **Maintain Buy with revised PT of INR510.**

VNB margins expand led by protection business; Cost ratios improve

- 1QFY21 PAT was flat YoY at INR2.9b, supported by strong opex control even as business growth was weak. Gross premium income decline ~9% YoY, led by 51% YoY decline in first-year premium while single premium declined 4% YoY.
- Renewal premium grew a modest 2.4% YoY as persistency declined slightly. 13th/25th month persistency dropped by 140bp/170bp QoQ; however, it is recovering and is above the assumptions incorporated in the EV calculations.
- In 1QFY21, total APE declined ~44% YoY led by ULIPs, which plunged 66% YoY. Protection APE growth stood flat; however, its share in overall business mix improved to 26% (15.1% in FY20). Share of ULIPs declined to 44% (~65% in FY20 v/s ~80% in FY19).
- VNB margins improved to 24.4% (21.7% in FY20) due to higher mix of Protection business; however, sharp decline in business volumes resulted in 35% YoY decline in VNB to INR2.0b.
- Total operating expenses (incl. commissions) declined 23% YoY, and thus, cost to total weighted received premium declined to 14.8% (15.9% in FY20 and 17.0% in 1QFY20).

Highlights from management commentary

- IPRULIFE has launched a new Protection product in Jul'20 and expects margins to improve further as the new product pricing is 10-25% higher v/s the old policy. Overall, increase in pricing should neutralize the impact of re-insurance hike.
- Entered into partnership with IDFC First Bank to sell life insurance policies.

Valuation and view

Protection/annuity segments are likely to see healthy growth and should help drive steady margins (24.6% by FY22E). ULIP business growth should remain sluggish in the near term given weak buyer sentiment toward capital market linked insurance and investment products. The continued buoyancy in the Protection business along with gradual recovery in ULIPs should drive business /VNB growth in the near term, even as persistency moves in a narrow range. We remain watchful of surrenders in the ULIP business given the sharp revival in the equity markets. We estimate IPRU Life to deliver CAGR of ~13% in VNB over FY19-22E, largely led by continued expansion in VNB margin while operating RoEV should sustain at ~15%. **Maintain Buy with a revised target price of INR510 (2.4x FY22E EV).**

Quarterly performance**(INRm)**

Policy holder's A/c (INR m)	FY20				FY21E				FY20	FY21E	1Q FY21E	A v/s E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE				
Net premium income	62,081	80,647	81,310	104,751	55,511	74,425	87,957	120,403	328,790	338,296	50,744	9%
Growth (%)	14.2%	6.1%	8.7%	4.2%	-10.6%	-7.7%	8.2%	14.9%	7.5%	2.9%	-18.3%	
Commission paid	2,648	3,945	4,277	4,433	2,067	4,311	5,095	8,122	15,860	19,595	2,939	-30%
Operating expense	6,458	7,542	7,662	7,365	4,939	7,094	8,384	11,828	28,469	32,244	4,837	2%
Surplus/(Deficit)	4,221	4,768	3,870	9,011	6,311	2,828	3,342	372	21,870	12,854	1,978	219%
Shareholder A/c												
Total income	5,122	6,015	5,482	9,868	7,737	4,034	4,736	1,033	26,487	17,541	3,420	126%
PBT	2,870	3,063	3,038	1,717	3,112	2,740	3,216	2,558	10,687	11,912	2,294	36%
PAT	2,849	3,019	3,025	1,795	2,876	2,644	3,104	2,586	10,687	11,495	2,214	30%
Growth (%)	1.2%	0.3%	1.9%	-31.3%	0.9%	-12.4%	2.6%	44.1%	-6.3%	7.6%	0	
Key metrics												
VNB (INRb)	3.1	4.0	4.3	4.7	2.0	3.2	3.9	6.3	16.0	15.5	2	
AUM (INRb)	1,640	1,655	1,720	1,530	1,700	1,570	1,611	1,665	1,530	1,665	1,548	
EV (INRb)	NA	227	NA	230	0	240	250	263	230	263	234	
VNB Margins (%)	21.0	21.0	21.0	21.7	24.4	22.6	22.7	23.5	21.7	23.8	22	
Solvency ratio (%)	217	211	207	194	190	185	180	189	194	189	190	

E:MOFSL Estimates

Quarterly snapshot

Policyholder A/c (INR b)	FY19				FY20				FY21 1Q	Change (bp)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		YoY	QoQ
Net premium income	54.4	76.0	74.8	100.6	62.1	80.6	81.3	104.8	55.5	-11	-47
First year premium	12.6	18.4	16.4	22.4	12.7	17.2	18.7	16.5	6.3	-51	-62
Renewal premium	37.5	51.0	50.1	67.1	40.4	52.4	52.3	64.4	41.4	2	-36
Single premium	5.1	7.4	9.2	12.2	10.2	12.3	11.6	25.7	9.8	-4	-62
Investment income	23.2	12.3	10.5	56.2	19.9	-1.3	45.6	-189.4	130.7	556	-169
Total income	78.7	88.3	86.5	160.5	84.3	82.1	129.5	-76.5	190.6	126	-349
Commission paid	2.8	4.0	3.7	5.1	2.6	3.9	4.3	4.4	2.1	-22	-53
Operating expenses	6.0	6.6	5.8	7.7	6.5	7.5	7.7	7.4	4.9	-24	-33
Total commission & opex	8.7	10.5	9.5	12.8	9.1	11.5	11.9	11.8	7.0	-23	-41
Benefits paid	29.4	35.0	33.2	44.9	36.4	41.4	53.9	62.0	26.0	-29	-58
Provisions	1.5	1.6	1.6	1.7	1.9	2.6	1.7	2.4	1.6	-16	-33
Total expenses	75.4	86.0	82.9	156.2	79.8	77.1	125.4	-86.1	184.0	131	-314
PBT	3.3	2.3	3.5	4.3	4.5	5.0	4.1	9.6	6.5	45	-32
Tax	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.6	0.2	-22	-60
Surplus/(Deficit)	3.0	2.0	3.3	4.1	4.2	4.8	3.9	9.0	6.3	50	-30
Shareholder A/c											
Trf from policyholder a/c	2.5	1.5	2.7	4.2	3.7	4.0	3.6	8.6	6.5	75	-25
Investment Income	1.4	1.4	1.4	2.2	1.4	2.0	1.9	1.3	1.3	-11	1
Total income	3.9	2.9	4.0	6.5	5.1	6.0	5.5	9.9	7.7	51	-22
PBT	2.8	3.0	3.0	2.8	2.9	3.1	3.0	1.7	3.1	8	81
Tax	0.0	0.0	0.0	0.2	0.0	0.0	0.0	-0.1	0.2	1,051	-401
PAT	2.8	3.0	3.0	2.6	2.8	3.0	3.0	1.8	2.9	1	60
APE data											Change (bp)
Savings APE	12.8	18.3	17.7	22.0	12.6	16.2	17.7	16.2	6.1	-51	-62
ULIP	11.1	16.6	15.5	18.9	10.5	12.8	13.8	10.7	3.6	-66	-66
Participating	1.4	1.4	1.7	2.3	1.4	2.2	2.5	2.5	0.0	-100	-100
Other Savings	0.3	0.3	0.5	0.8	0.7	1.2	1.4	3.0	2.5	268	-18
- Non-Participating	0.1	0.1	0.2	0.3	0.2	0.3	0.2	3.1	2.0	905	-36
- Group	0.2	0.2	0.3	0.5	0.5	0.9	1.2	-0.1	0.5	2	-590
Protection	1.1	1.5	2.0	2.6	2.1	2.8	2.7	3.5	2.1	0	-39
Total APE	14.0	19.8	19.6	24.6	14.7	19.0	20.4	19.7	8.2	-44	-58

Quarterly snapshot contd.

Ratios (%)	FY19				FY20				FY21	Change (bp)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	YoY	QoQ
APE (% of total)											
Savings APE (%)	91.8	92.3	90.1	89.4	85.4	85.1	86.9	82.2	74.0	-1,138	-817
ULIP	79.8	83.8	78.9	76.7	71.2	67.2	67.8	54.1	43.6	-2,754	-1,048
Participating	9.7	6.8	8.8	9.3	9.7	11.5	12.3	12.7	0.0	-966	-1,266
Other Savings	2.3	1.7	2.4	3.3	4.6	6.4	6.8	15.4	30.4	2,575	1,498
Protection	8.2	7.7	9.9	10.6	14.6	14.9	13.1	17.8	26.0	1,144	817
Distribution mix (%)											
Banca	55.6	56.7	57.0	54.3	52.4	53.2	53.6	44.3	39.6	-1,285	-476
Agency	21.8	22.3	20.5	22.0	21.2	19.8	21.9	21.7	24.6	347	295
Direct	11.7	11.9	11.2	12.8	12.8	13.0	11.7	13.0	12.3	-54	-76
Corporate Agents	6.5	5.1	5.6	6.4	6.8	7.3	7.2	8.2	8.6	181	46
Group	4.4	4.1	5.7	4.5	6.8	6.7	5.6	12.8	14.9	812	211
Key Ratios (%)											
Operating ratios											
Commission (unwtd)	5.5	5.6	5.5	5.8	5.1	5.3	5.5	5.7	4.2	-90	-150
Opex (unwtd)	12.0	10.5	9.9	9.3	11.9	11.3	11.1	10.3	10.5	-140	20
Total Cost (unwtd)	17.5	16.1	15.4	15.0	17.0	16.6	16.6	15.9	14.8	-220	-110
Solvency Ratio	234.6	234.3	224.3	214.9	216.7	210.6	207.2	194.1	205.1	-1,160	1,100
VNB margins	17.5	17.5	17.0	17.0	21.0	21.0	21.0	21.7	24.4	340	270
Persistency ratios											
13th Month	85.8	85.2	84.1	84.6	84.4	83.6	83.1	83.2	81.8	-260	-140
25th Month	77.8	77.8	76.7	75.6	75.7	75.0	74.4	75.1	73.4	-230	-170
37th Month	68.2	68.3	68.7	69.3	69.8	69.1	68.3	66.7	65.4	-440	-130
49th Month	63.7	63.7	63.2	63.8	64.2	63.7	64.3	64.6	63.9	-30	-70
61st Month	54.0	54.8	55.6	56.8	57.3	57.2	56.3	56.0	56.8	-50	80
Key Metrics (INRb)											
VNB	2.4	3.5	3.2	4.2	3.1	4.0	4.3	4.7	2.0	-35	-57
AUM	1427	1461	1500	1604	1640	1655	1720	1530	1700	4	11

Note: (a) Persistency ratios are excluding single premium, (b) All ratios are on cumulative basis for 1H, 9M and 12M



Highlights from management commentary

Operating metrics

- IPRULIFE witnessed some deferral in renewal premium due to grace period offered to customers, which led to slight drop in persistency. However, the company expects persistency trends to revert to normalcy in the coming quarters.
- The increase in VNB margins is primarily on account of increase in the Protection mix in the total APE. However, VNB margins in the Protection segment have contracted as entire re-insurance hike has not been passed. Nevertheless, it has launched new product Jul'20 onwards, which has relative higher pricing and will neutralize the impact of re-insurance hike and further support VNB margins.
- Levers for cost reduction – to lower rental cost and manage discretionary expenses, etc.
- **It continues to reiterate its guidance of doubling VNB over 3-4 years.**

Business mix

- IPRULIFE is witnessing better trends in the Non-Linked Savings business (14% YoY) while it is continuing to witness pressure in the Linked business (declined 66% YoY).
- Further, it is witnessing strong traction in the Protection/Annuity segment, which will remain a key focus in the near term. The share of Protection in total APE improved to 26% during 1QFY21

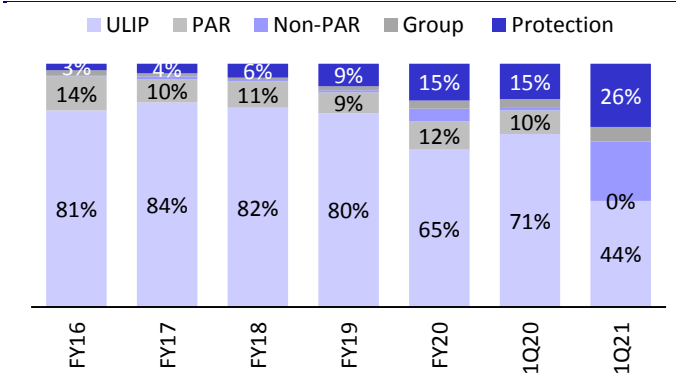
- **In terms of individual sum assured**, IPRULIFE’s performance remains better compared to peers.
- On the other hand, persistency in the ULIP segment has dropped while it has improved in the Protection segment.
- IPRULIFE has launched a new term plan from Jul’20, and thus, expects margins to improve further. The new product prices are 10-25% higher v/s old premiums. Overall, increase in pricing is to neutralize impact of the re-insurance hike.
- The percentage of risk retained in the Protection business is 50% and the rest is passed to the re-insurer.
- Only received 69 claims so far due to COVID-19.
- Some sectors have seen increased risk due to the COVID-19 pandemic. However, it has only 0.9% of fixed income exposure below AA rated.
- Non-par guaranteed return book is very minimal i.e. 0.4% of liabilities, and thus, has minimum ALM mismatch.
- Credit life business was affected significantly during the quarter. It is ~70% lower due to pre-COVID trends.
- Protection and non-linked business contributes 74% of total VNB.

Others

- Entered into partnership with IDFC First Bank to sell Life Insurance policies.

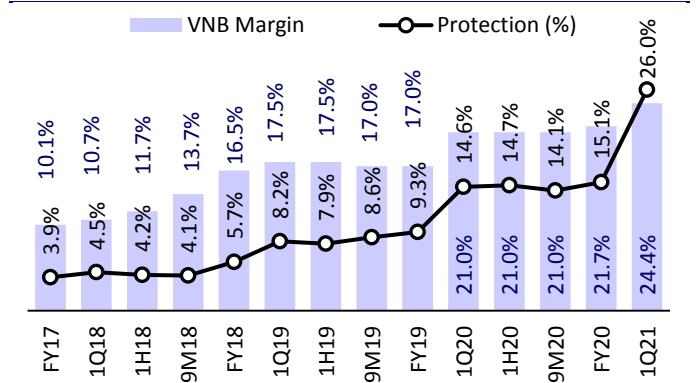
Key Exhibits

Exhibit 1: Protection mix improves to ~26% of total APE v/s ~15% in 1QFY20



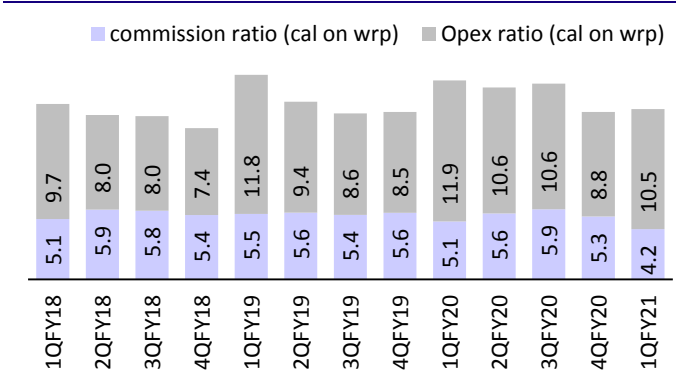
Source: MOFSL, Company

Exhibit 2: Margins expanded 340bp YoY to 24.4% on back of improved Protection mix (~26% v/s ~15% in 1QFY20)



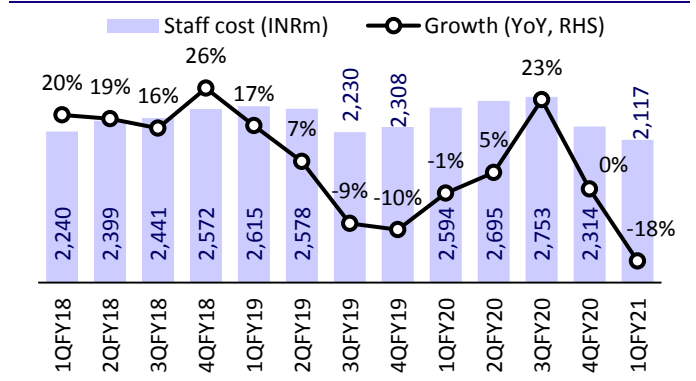
Source: MOFSL, Company

Exhibit 3: Total expense ratio stood at 14.8% (-220bp YoY)



Source: MOFSL, Company

Exhibit 4: Staff cost declined 18% YoY



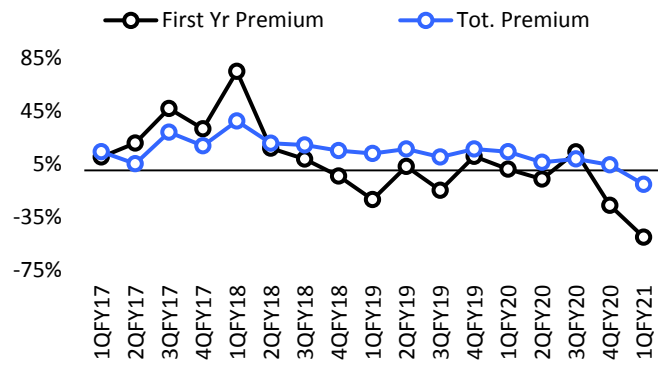
Source: MOFSL, Company

Valuation view

- We believe the Indian life insurance sector is in a sweet spot, where strong structural potential is now overlapping with rising share of financial savings and higher disposable income. We, thus, expect Indian insurers to trade at a premium to global insurers.
- Private sector life insurance companies have 44% market share in total new business APE, and IPRU is amongst the leading players to reflect market share gains across segments
- Protection and Annuity are likely to do well as they are relatively simpler products and easy to transact through the Digital channel. Thus, we expect the share of Protection/Non-PAR to increase, driving further margin expansion. Overall, we expect VNB margins to improve to ~25% by FY22E.
- **Buy with target price of INR510:** Protection/Annuity segments are likely to see healthy growth and should help drive steady margins (24.6% by FY22E). ULIP business growth is likely to remain sluggish in the near term given weak buyer sentiment toward capital market linked insurance and investment products. The continued buoyancy in Protection business along with gradual recovery in ULIPs should drive business/VNB growth over the near term while persistency continues to move in a narrow range. We remain watchful of surrenders in ULIP business given the sharp revival in equity markets. We estimate IPRU Life to deliver CAGR of ~13% in VNB over FY19-22E, largely led by continued expansion in VNB margin while operating RoEV should sustain at ~15%. **Maintain Buy with a revised target price of INR510 (2.4x FY22E EV).**

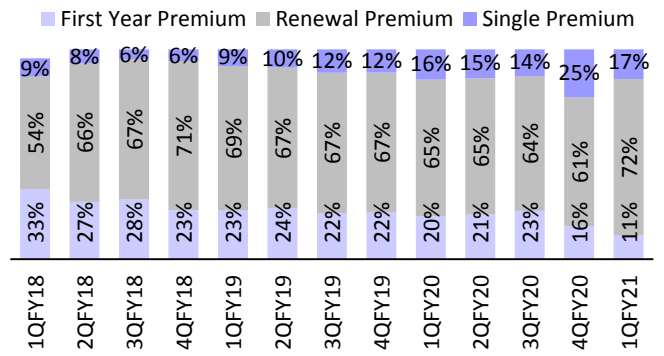
Story in Charts

Exhibit 5: First year premium declined 51% YoY



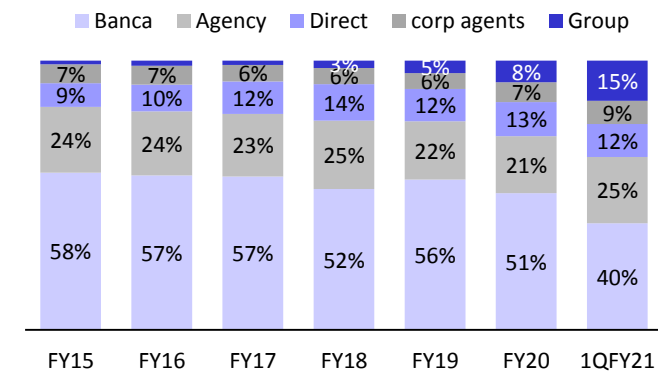
Source: MOFSL, Company

Exhibit 6: Share of single premium declined to 18%



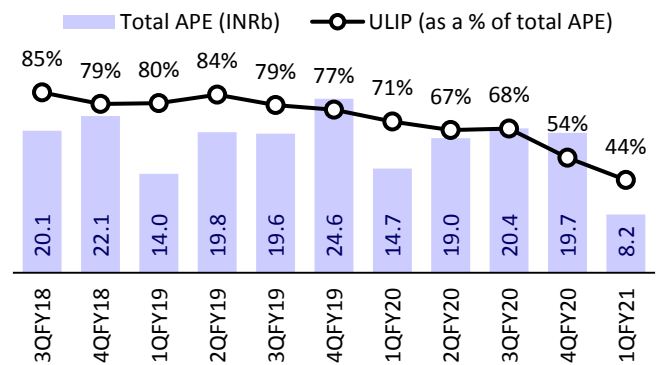
Source: MOFSL, Company

Exhibit 7: Share of bank partners declining



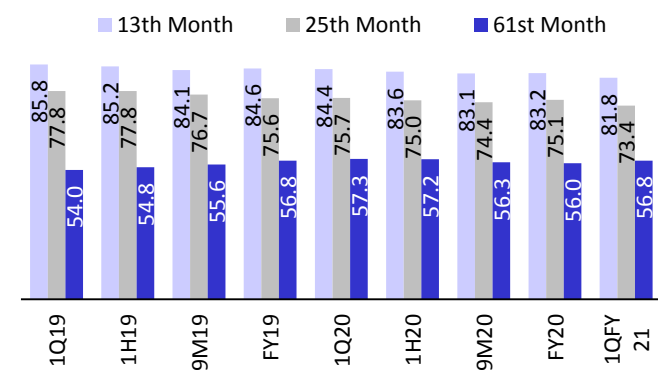
Source: MOFSL, Company

Exhibit 8: Share of ULIP in total APE declined to 44%



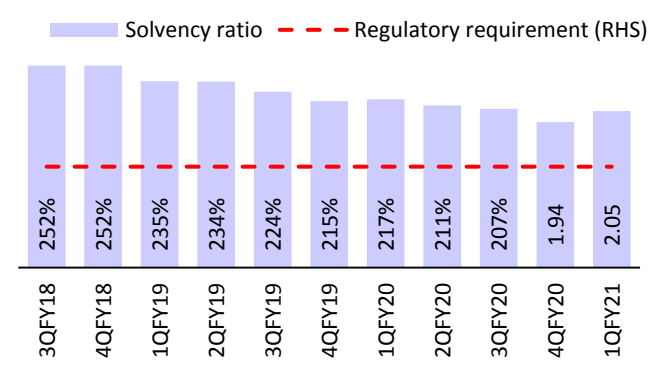
Source: MOFSL, Company

Exhibit 9: 13th/25th month persistency declined



Source: MOFSL, Company

Exhibit 10: Solvency ratio stood at 205%, above the regulatory requirement of 150%



Source: MOFSL, Company

Financials and Valuations

Technical account (INR b)	FY17	FY18	FY19	FY20	FY21E	FY22E
Gross Premiums	223.5	270.7	309.3	334.3	342.5	359.7
Reinsurance Ceded	(2.0)	(2.6)	(3.5)	(5.5)	(4.2)	(4.5)
Net Premiums	221.6	268.1	305.8	328.8	338.3	355.2
Income from Investments	149.8	112.6	102.1	(125.2)	92.0	126.9
Total income (A)	371.9	382.2	414.0	219.4	442.7	496.3
Commission	7.6	14.0	15.5	15.9	19.6	20.6
Operating expenses	23.6	20.3	26.1	28.5	32.2	33.5
Total commission and opex	31.2	34.3	41.6	44.3	51.8	54.2
Benefits Paid (Net)	150.0	172.8	142.6	193.8	143.5	149.7
Chg in reserves	175.0	154.5	210.0	(50.6)	226.8	269.5
Total expenses (B)	360.4	367.3	400.5	196.2	428.7	480.4
(A) - (B)	11.5	14.8	13.4	23.2	13.9	15.9
Prov for Tax	0.8	1.2	1.1	1.3	1.1	1.3
Surplus / Deficit	10.7	13.6	12.3	21.9	12.9	14.6

Shareholder's a/c (INR b)	FY17	FY18	FY19	FY20	FY21E	FY22E
Transfer from technical a/c	11.3	10.9	10.8	19.9	11.2	11.9
Income From Investments	6.7	7.4	6.4	6.6	6.4	7.0
Total Income	18.3	18.4	17.3	26.5	17.5	18.9
Other expenses	0.4	0.4	0.4	0.4	0.4	0.4
Contribution to technical a/c	0.0	0.8	5.3	15.0	5.2	5.6
Total Expenses	0.4	1.2	5.6	15.8	5.6	6.0
PBT	17.8	17.2	11.6	10.7	11.9	12.9
PAT	16.8	16.2	11.4	10.7	11.5	12.4
Growth	2%	-4%	-30%	-6%	8%	8%

Premium (INR b) & growth (%)	FY17	FY18	FY19	FY20	FY21E	FY22E
NBP - unweighted	78.6	92.1	103.6	124.9	131.1	144
NBP - wrp	65.0	75.4	73.2	71.1	65.3	77
Renewal premium	144.9	178.6	205.7	209.4	211.4	215
Total premium - unweighted	223.5	270.7	309.3	334.3	342.5	360
NBP growth - unweighted	16.2%	17.1%	12.5%	20.5%	5.0%	10.0%
NBP growth - wrp	27.2%	16.1%	-3.0%	-2.9%	-8.1%	18.2%
Renewal premium growth	16.9%	23.2%	15.2%	1.8%	0.9%	1.9%
Tot. premium growth - unweighted	16.6%	21.1%	14.3%	8.0%	2.5%	5.0%

Premium mix (%)	FY17	FY18	FY19	FY20	FY21E	FY22E
New business - un-wtd						
- Individual mix	88.7%	91.2%	78.5%	63.1%	70.0%	75.0%
- Group mix	11.3%	8.8%	21.5%	36.9%	30.0%	25.0%
New business mix - APE						
- Participating	9.5%	10.6%	9.0%	12.5%	12.5%	11.8%
- Non-participating	4.8%	5.0%	9.0%	18.3%	22.5%	24.5%
- ULIPs	85.7%	84.4%	82.0%	69.2%	65.0%	63.7%
Total premium mix - un-wtd						
- Participating	11.7%	12.0%	11.4%	12.2%	10.7%	10.6%
- Non-participating	13.6%	12.8%	15.2%	17.6%	28.6%	29.3%
- ULIPs	74.8%	75.2%	73.4%	70.2%	60.7%	60.1%

Indi. Premium sourcing mix (%)	FY17	FY18	FY19	FY20	FY21E	FY22E
Individual agents	23.5%	25.6%	21.8%	21.9%	22.9%	23.9%
Corporate agents-Banks	57.1%	52.6%	55.2%	49.7%	49.5%	49.3%
Direct business	12.8%	16.0%	16.7%	20.1%	22.0%	21.8%
Others	6.6%	5.8%	6.3%	8.3%	5.6%	5.0%

Financials and Valuations

Balance sheet (INR b)	FY17	FY18	FY19	FY20	FY21E	FY22E
Sources of Fund						
Share Capital	14.4	14.4	14.4	14.4	14.4	14
Shareholders' Fund	64.1	68.8	70.4	72.2	80.3	89
Policy Liabilities	251.7	309.9	385.5	473.6	613.6	788
Prov. for Linked Liab.	839.4	923.1	1,037.0	880.4	1,058.2	1,153
Funds For Future App.	6.0	8.8	10.3	12.3	14.2	16
Current liabilities & prov.	28.4	34.5	36.6	33.3	40.0	48
Total	1,247.4	1,418.2	1,630.9	1,560.4	1,804.3	2,092
Application of Funds						
Shareholders' inv	66.3	77.5	79.9	74.2	79.4	85.0
Policyholders' inv	270.7	332.9	400.7	467.5	615.1	798
Assets to cover linked liab.	878.8	975.0	1,109.5	970.8	1,058.2	1,153
Loans	0.8	1.5	2.7	4.6	5.2	6
Total	1,247.4	1,418.2	1,630.9	1,560.4	1,804.3	2,092
Operating ratios (%)	FY17	FY18	FY19	FY20	FY21E	FY22E
Investment yield (%)	13.0%	8.6%	6.8%	-8.7%	5.5%	6.5%
Commissions / GWP	3.4%	5.2%	5.0%	4.7%	5.7%	5.7%
- first year premiums	7.3%	13.9%	16.0%	16.5%	25.9%	22.9%
- renewal premiums	2.0%	1.9%	1.9%	1.8%	1.8%	1.8%
- single premiums	0.6%	1.9%	1.4%	1.1%	1.1%	1.1%
Operating expenses / GWP	10.5%	7.5%	8.4%	8.5%	9.4%	9.3%
Total expense ratio	13.9%	12.7%	13.4%	13.3%	15.1%	15.1%
Claims / NWP	67.7%	64.5%	46.6%	58.9%	42.4%	42.2%
Solvency margin	289%	252%	215%	194%	189%	170%
Persistency ratios (%)	FY17	FY18	FY19	FY20	FY21E	FY22E
13th Month	85.7%	86.8%	86.2%	85.3%	84.8%	84.4%
25th Month	73.9%	78.3%	77.4%	77.4%	76.7%	76.2%
37th Month	66.8%	68.8%	71.0%	69.0%	69.0%	68.6%
49th Month	59.3%	64.2%	65.0%	66.4%	65.0%	65.0%
61st Month	56.2%	54.5%	58.1%	57.4%	58.5%	57.4%
Profitability ratios	FY17	FY18	FY19	FY20	FY21E	FY22E
VNB margin (%)	10.1%	16.5%	17.0%	21.7%	23.8%	24.6%
RoE (%)	28.7%	24.4%	16.4%	15.0%	15.1%	14.7%
RoIC (%)	34.8%	33.4%	23.5%	22.0%	23.7%	25.5%
Operating ROEV (%)	16.4%	22.8%	20.2%	15.2%	14.9%	14.9%
RoEV (%)	16.0%	16.1%	15.1%	6.5%	14.5%	14.6%
Valuation ratios	FY17	FY18	FY19	FY20	FY21E	FY22E
Total AUMs (INRb)	1,229.2	1,395.3	1,604.1	1,529.7	1,665.1	1,833
- Of which equity AUMs (%)	47%	48%	48%	40%	43%	45%
Dividend (%)	38%	69%	49%	24%	18%	20%
Dividend payout ratio (%)	40%	74%	74%	38%	26%	28%
EPS (INR)	11.7	11.3	8.0	7.4	8.0	8.6
VNB (INRb)	6.6	12.9	13.3	16.0	15.5	19.0
EV (INRb)	161.7	187.8	216.1	230.2	263.4	301.8
EV/Per share	112.7	130.8	150.6	160.4	183.5	210.3
VIF as % of EV	58%	63%	66%	66%	67%	71%
P/VIF	6.7	5.4	4.5	4.2	3.6	3.0
P/AUM (%)	52%	46%	40%	42%	38%	35%
P/EV (x)	3.9	3.4	2.9	2.8	2.4	2.1
P/EPS (x)	37.8	39.3	55.7	59.5	55.3	51.3

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
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