

ICICI Prudential Life Insurance

Estimate change



TP change



Rating change



Bloomberg	IPRU IN
Equity Shares (m)	1,435
M.Cap.(INRb)/(USDb)	592.2 / 7.9
52-Week Range (INR)	538 / 222
1, 6, 12 Rel. Per (%)	-9/-18/-18
12M Avg Val (INR M)	1228

Financials & Valuations (INR b)

Y/E MARCH	FY20	FY21E	FY22E
Net Premiums	329	346	364
Surplus / Deficit	21.9	23.2	24.5
Sh. holder's PAT	10.7	11.9	13.6
NBP growth unwt'd (%)	20.5	5.0	10.0
APE growth - (%)	-2.9	-8.1	18.2
Tot. Premium growth (%)	8.0	5.0	5.2
VNB margin (%)	21.7	26.7	27.5
RoE (%)	15.0	15.6	15.9
RoEV (%)	6.5	20.2	15.0
Total AUMs (INR t)	1.5	2.0	2.3
VNB (INRb)	16.0	17.4	21.2
EV per share	160	193	222

Valuations

P/EV (x)	2.6	2.1	1.9
P/EPS (x)	55.4	49.7	43.4

Shareholding pattern (%)

As On	Sep-20	Jun-20	Sep-19
Promoter	73.5	73.5	75.0
DII	4.6	5.2	6.7
FII	15.8	15.1	12.1
Others	6.1	6.2	6.2

FII Includes depository receipts

CMP: INR412

TP: INR525 (+27%)

Buy

VNB margins improve sharply; expanding banca distribution to aid growth

Non-Linked Savings displaying strong traction

- ICICI Prudential Life (IPRU) posted a sharp improvement in VNB margins at 27.4% (the highest among the listed insurers). This was aided by the growing mix of the Non-Linked Savings business and improvement in Protection margins – as the entire re-insurance hike was passed on to the customer. APE declined 23% YoY, mainly led by a 45% YoY plunge in ULIP (reported strong trends on a sequential basis). Persistency rate exhibited a mixed trend; it showed marginal improvement in 13th/61st month, but declined in other cohorts. Overall, persistency in the Protection segment improved sharply, while also showing recovery in ULIP (but lower v/s last year's levels).
- IPRU is focused on expanding its distribution strength and has added IndusInd as its new banca partner (in the previous quarter, it had tied up with IDFC First Bank), which would aid growth in the medium term. We estimate IPRU to deliver 17% VNB growth over FY20–23E. Margins are expected to improve to ~28%, and operating RoEV would sustain at ~15% by FY23E. **Maintain BUY.**

VNB margins improve sharply; sequential improvement in ULIP trends

- 2QFY21 PAT was flat YoY at INR3.0b, supported by opex control, even as business growth remained weak. Gross premium income grew 6% YoY, led by 45% YoY growth in single premium, while first-year premium declined 32% YoY. Renewal premium grew at a modest 10% YoY as persistency reflected a mixed trend.
- Total APE declined 23% YoY in 2QFY21, led by 45% YoY decline in ULIP (despite strong sequential improvement); the Protection business also declined 18% YoY. However, Non-Linked Savings posted 45.2% YoY growth, led by the Non-PAR business. Overall, the share of ULIP declined to ~48% (v/s 65% in FY20), while the share of Protection stood at 15.8% (19.5% in 1HFY21).
- VNB margins improved sharply to 27.4%, aided by an improvement in Protection margins – as the entire re-insurance hike was passed on to the customer. Moreover, improving trends were seen in the high-margin Annuity business. Absolute VNB for the quarter stood at INR4.01b (flat YoY; strong beat to our estimate, aided by robust margins), but declined 15% YoY in 1HFY21.
- Total operating expenses (incl. commissions) declined 14% YoY; thus, cost to total weighted received premium (TWRP) declined to 14.3% (15.9% in FY20 and 16.6% in 1HFY20). Also, in the Savings business, cost/TWRP declined to 8.8% (v/s 10.4% in FY20 and 11% in 1HFY20).

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Highlights from management commentary

- ULIP showed strong sequential improvement in 2QFY21 and is expected to recover in 2HFY21. Overall, expect growth to pick up post 4QFY21.
- Expect persistency to revert to normal levels in 2HFY21 as ULIP persistency is showing recovery, while Protection persistency has improved sharply.

Valuation and view

The Protection and Annuity segments are likely to see healthy growth and should aid VNB margins (estimate 28% by FY23E). We also expect the ULIP business to revive from FY22E and the addition of the new banca partners to further improve business trends. Also, persistency trends in the Protection segment have improved sharply; expect further recovery in overall persistency trends in 2HFY21. We estimate IPRU Life to deliver a ~17% CAGR in VNB over FY20–23E, largely led by continued expansion in VNB margins to ~28%. We expect operating RoEV to sustain at ~15%. **Maintain Buy, with Target Price of INR525 (2.2x Sep'22 EV).**

Quarterly performance**(INR m)**

Policyholder's A/c (INR m)	FY20				FY21E				FY20	FY21E	FY21E 2QE	A v/s E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net premium income	62,081	80,647	81,310	104,751	55,511	85,722	93,313	111,900	328,790	346,446	87,651	-2%
Growth (%)	14.2%	6.1%	8.7%	4.2%	-10.6%	6.3%	14.8%	6.8%	7.5%	5.4%	8.7%	
PAT	2,849	3,019	3,025	1,795	2,876	3,032	2,949	3,033	10,687	11,901	2,650	14%
Growth (%)	1.2%	0.3%	1.9%	-31.3%	0.9%	0.5%	-2.5%	69.0%	-6.3%	11.4%	-12.2%	
Key metrics (INR b)												
New Business APE	14.7	19.0	20.4	17.0	8.2	14.7	18.4	24.0	71.1	65.3	13.1	12%
VNB	3.1	4.0	4.3	4.7	2.0	4.0	4.9	6.5	16.0	17.4	3.1	28%
AUM	1,640	1,655	1,720	1,530	1,700	1,815	1,911	1,978	1,530	1,978	1,723	5%
Key Ratios (%)												
VNB Margins (%)	21.0	21.1	20.9	23.8	24.4	27.4	26.8	27.0	21.7	26.7	23.8	
Solvency ratio (%)	217	211	207	194	205	206	198	196	194	196	195	

E:MOFSL Estimates

Quarterly snapshot

Policyholder A/c (INR b)	FY19				FY20				FY21		Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	YoY	QoQ
Net premium income	54.4	76.0	74.8	100.6	62.1	80.6	81.3	104.8	55.5	85.7	6	54
First year premium	12.6	18.4	16.4	22.4	12.7	17.2	18.7	16.5	6.3	11.7	-32	86
Renewal premium	37.5	51.0	50.1	67.1	40.4	52.4	52.3	64.4	41.4	57.7	10	39
Single premium	5.1	7.4	9.2	12.2	10.2	12.3	11.6	25.7	9.8	17.9	45	83
Total income	78.7	88.3	86.5	160.5	84.3	82.1	129.5	-76.5	190.6	168.4	105	-12
Commission paid	2.8	4.0	3.7	5.1	2.8	3.9	4.3	4.4	2.1	3.5	-11	69
Operating expenses	6.0	6.6	5.8	7.7	6.3	7.5	7.7	7.4	4.9	6.4	-15	30
Total comm. & Opex	8.7	10.5	9.5	12.8	9.1	11.5	11.9	11.8	7.0	9.9	-14	41
Benefits paid	29.4	35.0	33.2	44.9	36.4	41.4	53.9	62.0	26.0	49.1	19	89
Provisions	1.5	1.6	1.6	1.7	1.9	2.6	1.7	2.4	1.6	1.6	-38	0
Total expenses	75.4	86.0	82.9	156.2	79.8	77.1	125.4	-86.1	184.0	162.6	111	-12
PBT	3.3	2.3	3.5	4.3	4.5	5.0	4.1	9.6	6.5	5.7	14	-12
Tax	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.6	0.2	0.4	38	56
Surplus/(Deficit)	3.0	2.0	3.3	4.1	4.2	4.8	3.9	9.0	6.3	5.4	13	-15
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	4.5	14	-30
Investment Income	1.4	1.4	1.4	2.2	1.4	2.0	1.9	1.3	1.3	1.7	-17	33
Total income	3.9	2.9	4.0	6.5	5.1	6.0	5.5	9.9	7.7	6.2	4	-20
PBT	2.8	3.0	3.0	2.8	2.9	3.1	3.0	1.7	3.1	3.3	8	6
Tax	0.0	0.0	0.0	0.2	0.0	0.0	0.0	-0.1	0.2	0.3	496	13
PAT	2.8	3.0	3.0	2.6	2.8	3.0	3.0	1.8	2.9	3.0	0	5
APE data												
Savings APE	12.8	18.3	17.7	22.0	12.6	16.2	17.7	16.2	6.1	12.3	-24	102
ULIP	11.1	16.6	15.5	18.9	10.5	12.8	13.8	10.7	3.6	7.0	-45	95
Other Savings	1.7	1.7	2.2	3.1	2.1	3.4	3.9	5.5	2.5	5.3	56	113
- Non-Participating	1.5	1.5	1.9	2.6	1.6	2.5	2.7	5.6	2.0	4.4	79	119
- Group	0.2	0.2	0.3	0.5	0.5	0.9	1.2	-0.1	0.5	0.9	-3	86
Protection	1.1	1.5	2.0	2.6	2.1	2.8	2.7	3.5	2.1	2.3	-18	8
Total APE	14.0	19.8	19.6	24.6	14.7	19.0	20.4	19.7	8.2	14.7	-23	78
APE (% of total)												Change (bps)
Savings APE (%)	91.8	92.3	90.1	89.4	85.4	85.1	86.9	82.2	74.0	84.2	-94	1,017
ULIP	79.8	83.8	78.9	76.7	71.2	67.2	67.8	54.1	43.6	47.8	-1,931	423
Other Savings	12.0	8.5	11.2	12.7	14.3	17.9	19.0	28.1	30.4	36.3	1,837	594
Protection	8.2	7.7	9.9	10.6	14.6	14.9	13.1	17.8	26.0	15.8	94	-1,017
Distribution mix (%)												
Banca	55.6	56.7	57.0	54.3	52.4	53.2	53.6	44.3	39.6	43.8	-940	422
Agency	21.8	22.3	20.5	22.0	21.2	19.8	21.9	21.7	24.6	22.7	288	-196
Direct	11.7	11.9	11.2	12.8	12.8	13.0	11.7	13.0	12.3	12.2	-85	-10
Corporate Agents	6.5	5.1	5.6	6.4	6.8	7.3	7.2	8.2	8.6	8.6	129	-1
Group	4.4	4.1	5.7	4.5	6.8	6.7	5.6	12.8	14.9	12.8	609	-215
Key Ratios (%)												
Operating ratios												
Commission (unwtd)	5.5	5.6	5.4	5.6	5.1	5.6	5.9	5.3	4.2	4.9	-66	71
Opex (unwtd)	12.0	9.4	8.6	8.5	11.9	10.6	10.6	8.8	10.5	9.0	-167	-152
Total Cost (unwtd)	17.5	15.0	14.0	14.1	17.0	16.2	16.5	14.2	14.8	13.9	-232	-90
Solvency Ratio	234.6	234.3	224.3	214.9	216.7	210.6	207.2	194.1	205.1	205.5	-510	40
VNB margins	17.5	17.4	16.3	17.1	21.0	21.1	20.9	23.8	24.4	27.4	631	297
Persistency ratios												
13th Month	85.8	85.2	84.1	84.6	84.4	83.6	83.1	83.2	81.8	82.1	-150	30
25th Month	77.8	77.8	76.7	75.6	75.7	75.0	74.4	75.1	73.4	73.0	-200	-40
37th Month	68.2	68.3	68.7	69.3	69.8	69.1	68.3	66.7	65.4	65.2	-390	-20
49th Month	63.7	63.7	63.2	63.8	64.2	63.7	64.3	64.6	63.9	63.8	10	-10
61st Month	54.0	54.8	55.6	56.8	57.3	57.2	56.3	56.0	56.8	57.5	30	70
Key Metrics (INR b)												
VNB	2.4	3.5	3.2	4.2	3.1	4.0	4.3	4.7	2.0	4.0	0	100
AUM	1427	1461	1500	1604	1640	1655	1720	1530	1700	1815	10	7

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



Highlights from management commentary

Business mix

- IPRU Life is the market leader among the private sector life insurers in terms of new business sum assured, with market share of 12.5%.
- The company has increased its focus on the Pension and Annuity businesses. Overall, ~10% of total APE in 1HFY21 came from the Non-PAR Guaranteed segment.
- The Credit Life business declined 35% YoY in 1HFY21.
- ULIP showed strong sequential improvement in 2QFY21. Overall, expect ULIP to recover in 2HFY21. Generally, demand for ULIP happens with a lag of ~6 months in response to equity market performance.
- Expect Jan'20 to be the turning point for business growth revival as the higher base of ULIP would diminish. Therefore, expect better trends from 4QFY21.
- Margins in the limited pay category are lower v/s regular pay policies.
- IPRU Life does not have any product mix target and would continue to focus on all business segments.

Operating metrics

- **Non-PAR Guaranteed return book:** IPRU has ~0.6% of liabilities and thus has a minimal ALM mismatch.
- Only 0.7% of the Fixed Income portfolio is toward the below AA rated category; it has reported zero NPAs since inception.
- Deaths due to COVID are in line with the company's assumptions.
- Cost ratios in the Savings business have improved sharply.
- **The entire re-insurance hike in the Protection business has been passed on to the customer, leading to an increase in pricing. On the other hand, certain other players are yet to pass the re-insurance hike. This impacted growth in Retail Protection during the quarter, while VNB margins still improved sharply. Overall, the objective is to protect margins in this business segment.**
- **Expect persistency to revert to normal levels in 2HFY21:** ULIP persistency is also showing a revival trend (but is still lower v/s last year). Protection persistency, on the other hand, has improved sharply over the last year.
- **Cost improvement appears sustainable:** Discretionary cost has come down; while other expenses (such as rental negotiations) would also sustain, variable cost is likely to increase as the growth momentum picks up.
- Improvement in Embedded Value (EV) was largely aided by positive Economic variance. A large portion of the Economic variance that was affected in FY20 has been recovered in 1HFY21, led by improved equity market performance.
- Over FY18–20, the Protection business was the key lever for margin expansion. On the other hand, margins were driven by the higher Non-PAR business in 1HFY21.
- Various hedging techniques are being used in the Non-PAR business, such as partly paid bonds and long-duration govt. bonds, to match future cash flows and forward rate agreements. Furthermore, from an interest rate sensitivity perspective, both pay term and maturity period are important.

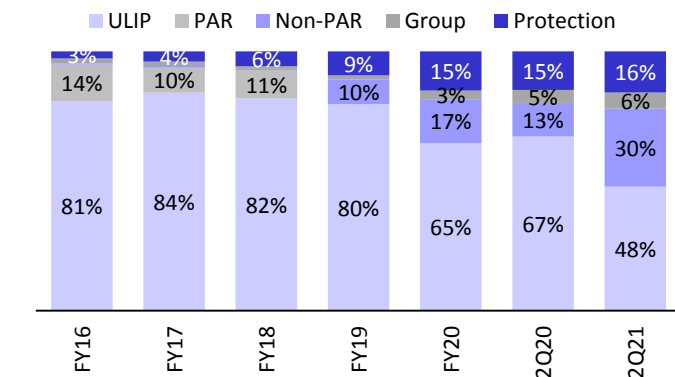
Distribution channel

- The focus is on expanding its partnership with other banca partners. IPRU entered into a partnership with IndusInd Bank during the quarter. It also partnered with NSDL Payments Bank (which has ~3.5m customers).

- IPRU is pushing Non-PAR and PAR products through other banca/agent partners as ICICI Bank is not comfortable with pushing traditional products. Overall, ICICIB's focus remains on ULIP and Protection policies.
- In 1HFY21, ~7.5k new agents were added in the agency channel.
- Overall, contribution from the web aggregator to the total APE is very small.

Key exhibits

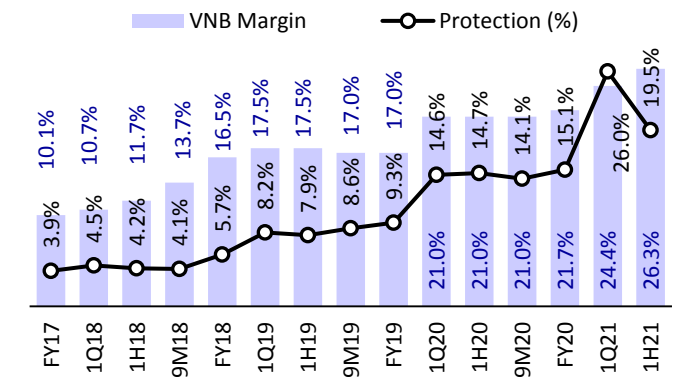
Exhibit 1: Protection mix improves to 15.8% of total APE v/s ~14.7% in 2QFY20



*PAR and Non-PAR has been merged from FY19 onwards

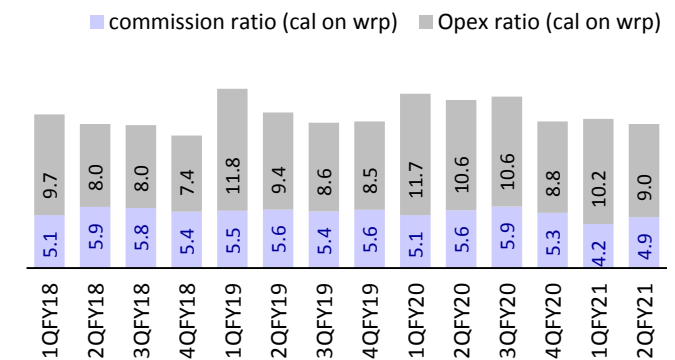
Source: MOFSL, Company

Exhibit 2: Margins expand 530bp YoY to 26.3% on improved Protection mix (27.4% in 2QFY21 v/s 21.1% in 2QFY20)



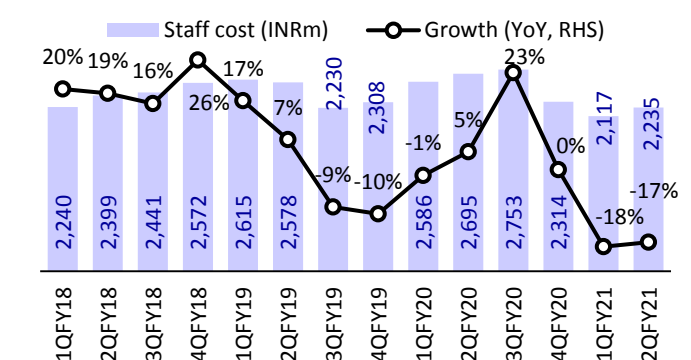
Source: MOFSL, Company

Exhibit 3: Total expense ratio stands at 13.9% (-230bp YoY)



Source: MOFSL, Company

Exhibit 4: Staff cost declines 17% YoY



Source: MOFSL, Company

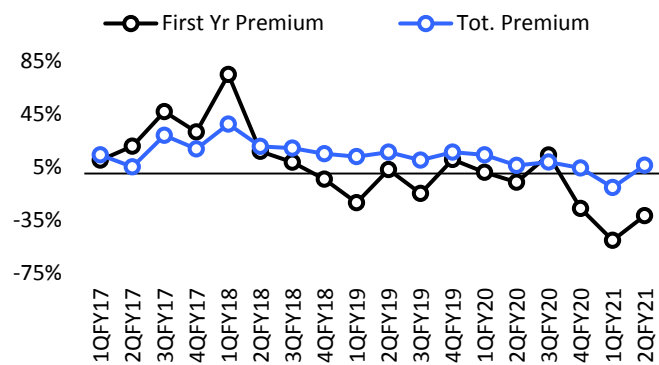
Valuation and view

- We believe India's Life Insurance sector is in a sweet spot. Strong structural potential is now overlapping with the rising share of financial savings and higher disposable incomes. Therefore, we expect Indian insurers to trade at a premium to global insurers.
- Private sector life insurance companies have 47% market share in the total new business APE, and IPRU is among the leading players to reflect market share gains across segments. Furthermore, the new banca tie-ups (IIB during the quarter) are likely to aid faster new premium growth over the medium term.
- 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 continue to increase, driving further margin expansion. Overall, we expect VNB margins to improve to ~28% by FY23E.

- Buy, with Target Price of INR525:** The Protection and Annuity segments are likely to see healthy growth and should help drive VNB margins (estimate 28% by FY23E). We also expect the ULIP business to revive from FY22E and the addition of new banca partners to further improve business trends. Also, persistency trends in the Protection segment have improved sharply, and we expect further recovery in overall persistency trends in 2HFY21. We estimate IPRU Life to deliver a ~17% CAGR in VNB over FY20–23E, largely led by continued expansion in VNB margins to ~28%. We also expect operating RoEV to sustain at ~15%. **Maintain Buy, with Target Price of INR525 (2.2x Sep'22 EV).**

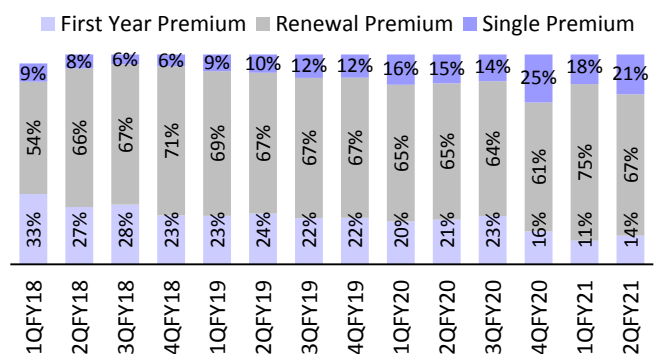
Story in charts

Exhibit 5: First-year premium declines 32% YoY



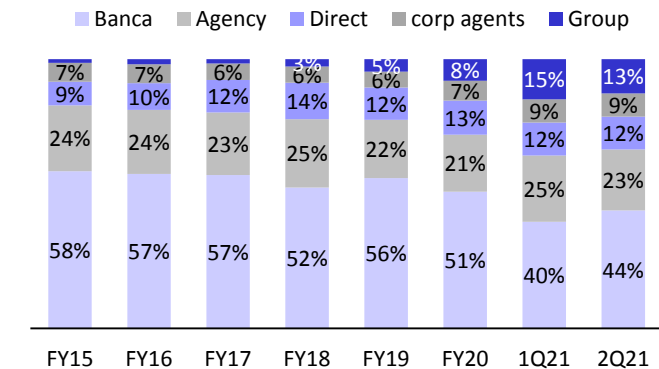
Source: MOFSL, Company

Exhibit 6: Share of single premium improves to 21%



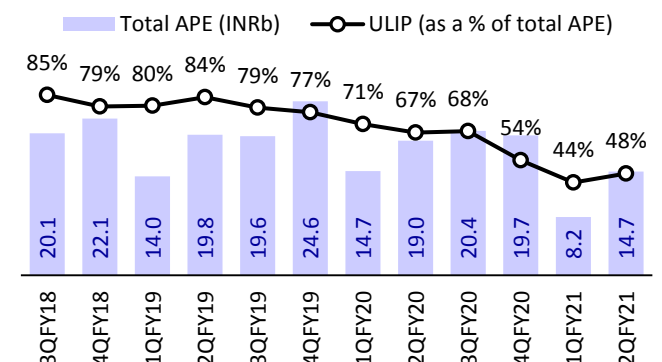
Source: MOFSL, Company

Exhibit 7: Share of bank partners improves



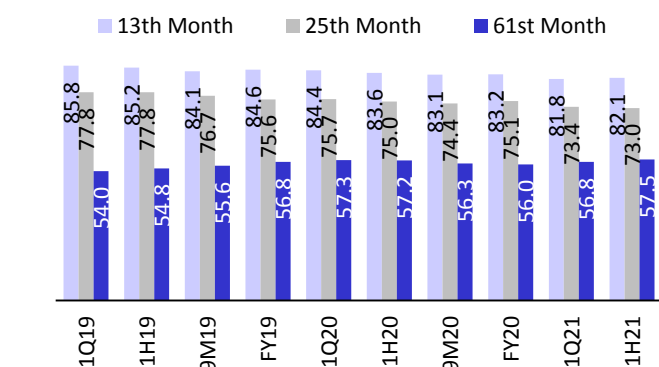
Source: MOFSL, Company

Exhibit 8: Share of ULIP in total APE increases to 48%



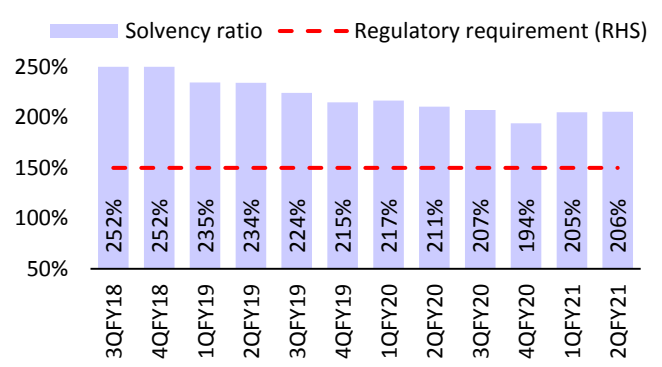
Source: MOFSL, Company

Exhibit 9: 13th/61st month persistency have improved



Source: MOFSL, Company

Exhibit 10: Solvency ratio stable at 206%, well above regulatory requirement of 150%



Source: MOFSL, Company

Financials and valuations

Technical account (INR b)	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Gross Premiums	223.5	270.7	309.3	334.3	350.7	369.1	407.3
Reinsurance Ceded	(2.0)	(2.6)	(3.5)	(5.5)	(4.3)	(4.6)	(5.2)
Net Premiums	221.6	268.1	305.8	328.8	346.4	364.4	402.1
Income from Investments	149.8	112.6	102.1	(125.2)	134.7	138.4	159.0
Total income (A)	371.9	382.2	414.0	219.4	493.5	516.9	577.4
Commission	7.6	14.0	15.5	15.9	20.1	21.3	23.6
Operating expenses	23.6	20.3	26.1	28.5	33.0	34.5	37.9
Total commission and Opex	31.2	34.3	41.6	44.3	53.0	55.8	61.5
Benefits Paid (Net)	150.0	172.8	142.6	193.8	179.5	194.1	202.4
Change in reserves	175.0	154.5	210.0	(50.6)	228.6	232.7	273.9
Total expenses (B)	360.4	367.3	400.5	196.2	468.9	490.8	546.8
(A) - (B)	11.5	14.8	13.4	23.2	24.6	26.1	30.6
Prov. for Tax	0.8	1.2	1.1	1.3	1.4	1.6	1.9
Surplus / Deficit	10.7	13.6	12.3	21.9	23.2	24.5	28.7
Shareholder's a/c (INR b)	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Transfer from technical a/c	11.3	10.9	10.8	19.9	20.8	21.9	25.1
Income From Investments	6.7	7.4	6.4	6.6	6.4	6.6	4.4
Total Income	18.3	18.4	17.3	26.5	27.2	28.5	29.5
Other expenses	0.4	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	14.2	13.9	13.5
Total Expenses	0.4	1.2	5.6	15.8	14.9	14.4	14.0
PBT	17.8	17.2	11.6	10.7	12.3	14.1	15.6
PAT	16.8	16.2	11.4	10.7	11.9	13.6	15.0
Growth	2%	-4%	-30%	-6%	11%	15%	10%
Premium (INR b) & growth (%)	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
NBP - unweighted	78.6	92.1	103.6	124.9	131.1	144	166
NBP - wrp	65.0	75.4	73.2	71.1	65.3	77	92
Renewal premium	144.9	178.6	205.7	209.4	219.6	225	241
Total premium - unweighted	223.5	270.7	309.3	334.3	350.7	369	407
NBP growth - unweighted	16.2%	17.1%	12.5%	20.5%	5.0%	10.0%	15.0%
NBP growth - wrp	27.2%	16.1%	-3.0%	-2.9%	-8.1%	18.2%	18.9%
Renewal premium growth	16.9%	23.2%	15.2%	1.8%	4.9%	2.4%	7.4%
Tot. premium growth - unweighted	16.6%	21.1%	14.3%	8.0%	5.0%	5.2%	10.4%
Premium mix (%)	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
New business - un-wtd							
- Individual mix	88.7%	91.2%	78.5%	63.1%	70.0%	75.0%	76.0%
- Group mix	11.3%	8.8%	21.5%	36.9%	30.0%	25.0%	24.0%
New business mix - APE							
- Participating	9.5%	10.6%	9.0%	12.5%	12.5%	11.8%	13.2%
- Non-participating	4.8%	5.0%	9.0%	18.3%	22.5%	24.9%	27.7%
- ULIPs	85.7%	84.4%	82.0%	69.2%	65.0%	63.3%	59.1%
Total premium mix - un-wtd							
- Participating	11.7%	12.0%	11.4%	12.2%	10.8%	10.7%	11.0%
- Non-participating	13.6%	12.8%	15.2%	17.6%	28.4%	29.9%	31.1%
- ULIPs	74.8%	75.2%	73.4%	70.2%	60.8%	59.4%	58.0%
Indi. Premium sourcing mix (%)	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Individual agents	23.5%	25.6%	21.8%	21.9%	22.9%	23.9%	24.9%
Corporate agents-Banks	57.1%	52.6%	55.2%	49.7%	49.5%	49.3%	49.1%
Direct business	12.8%	16.0%	16.7%	20.1%	22.0%	21.8%	21.6%
Others	6.6%	5.8%	6.3%	8.3%	5.6%	5.0%	4.4%

Financials and valuations

Balance sheet (INR b)	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Sources of Fund							
Share Capital	14.4	14.4	14.4	14.4	14.4	14.4	14.4
Shareholders' Fund	64.1	68.8	70.4	72.2	80.7	90.6	101.5
Policy Liabilities	251.7	309.9	385.5	473.6	626.3	773.5	953.6
Prov. for Linked Liabilities	839.4	923.1	1,037.0	880.4	1,058.2	1,153.5	1,257.3
Funds For Future App.	6.0	8.8	10.3	12.3	14.2	16.3	18.7
Current liabilities & prov.	28.4	34.5	36.6	33.3	40.0	47.9	57.5
Total	1,247.4	1,418.2	1,630.9	1,560.4	1,817.4	2,079.6	2,386.3
Application of Funds							
Shareholders' inv.	66.3	77.5	79.9	74.2	79.4	85.0	90.9
Policyholders' inv.	270.7	332.9	400.7	467.5	628.2	785.5	977.9
Assets to cover linked liabilities	878.8	975.0	1,109.5	970.8	1,058.2	1,153.5	1,257.3
Loans	0.8	1.5	2.7	4.6	5.2	5.9	6.7
Total	1,247.4	1,418.2	1,630.9	1,560.4	1,817.4	2,079.6	2,386.3
Operating ratios (%)							
Investment yield (%)	13.0%	8.6%	6.8%	-8.7%	8.0%	7.1%	7.1%
Commissions / GWP	3.4%	5.2%	5.0%	4.7%	5.7%	5.8%	5.8%
- first year premiums	7.3%	13.9%	16.0%	16.5%	26.4%	23.5%	22.1%
- renewal premiums	2.0%	1.9%	1.9%	1.8%	1.8%	1.8%	1.8%
- single premiums	0.6%	1.9%	1.4%	1.1%	1.1%	1.1%	1.1%
Operating expenses / GWP	10.5%	7.5%	8.4%	8.5%	9.4%	9.4%	9.3%
Total expense ratio	13.9%	12.7%	13.4%	13.3%	15.1%	15.1%	15.1%
Claims / NWP	67.7%	64.5%	46.6%	58.9%	51.8%	53.3%	50.3%
Solvency margin	289%	252%	215%	194%	196%	194%	180%
Persistency ratios (%)							
13th Month	85.7%	86.8%	86.2%	85.3%	84.8%	84.9%	85.5%
25th Month	73.9%	78.3%	77.4%	77.4%	76.7%	76.7%	77.3%
37th Month	66.8%	68.8%	71.0%	69.0%	69.0%	69.5%	70.3%
49th Month	59.3%	64.2%	65.0%	66.4%	65.0%	65.0%	65.7%
61st Month	56.2%	54.5%	58.1%	57.4%	58.5%	60.1%	61.9%
Profitability ratios							
VNB margin (%)	10.1%	16.5%	17.0%	21.7%	26.7%	27.5%	28.1%
RoE (%)	28.7%	24.4%	16.4%	15.0%	15.6%	15.9%	15.7%
RoIC (%)	34.8%	33.4%	23.5%	22.0%	24.5%	28.1%	31.0%
Operating ROEV (%)	16.4%	22.8%	20.2%	15.2%	15.7%	15.3%	15.5%
RoEV (%)	16.0%	16.1%	15.1%	6.5%	20.2%	15.0%	14.7%
Valuation ratios							
Total AUMs (INRb)	1,229.2	1,395.3	1,604.1	1,529.7	1,977.7	2,287.0	2,558.7
- Of which equity AUMs (%)	47%	48%	48%	40%	43%	45%	46%
Dividend (%)	38%	69%	49%	24%	18%	20%	22%
Dividend payout ratio (%)	40%	74%	74%	38%	25%	25%	25%
EPS (INR)	11.7	11.3	8.0	7.4	8.3	9.5	10.5
VNB (INRb)	6.6	12.9	13.3	16.0	17.4	21.2	25.8
EV (INRb)	161.7	187.8	216.1	230.2	276.6	318.2	365.0
EV/Per share	112.7	130.8	150.6	160.4	192.7	221.7	254.3
VIF as % of EV	58%	63%	66%	66%	69%	70%	70%
P/VIF	6.3	5.0	4.1	3.9	3.1	2.7	2.3
P/AUM (%)	48%	42%	37%	39%	30%	26%	23%
P/EV (x)	3.7	3.2	2.7	2.6	2.1	1.9	1.6
P/EPS (x)	35.2	36.6	51.9	55.4	49.7	43.4	39.4

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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
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