

ICICI Securities Limited
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Q4FY22 result review

Insurance

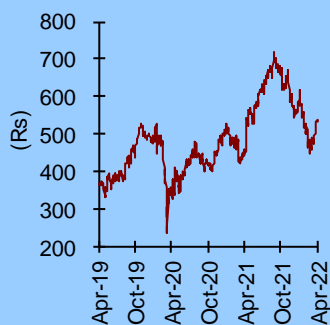
Target price: Rs720

Shareholding pattern

	Sep '21	Dec '21	Mar '22
Promoters	73.4	73.4	73.4
Institutional investors	21.3	21.2	21.1
MFs and others	3.5	3.6	4.0
FIs/Banks	0.5	0.5	0.1
FII	17.2	17.1	16.4
Others	5.3	5.4	5.5

Source: BSE India

Price chart



ICICI Prudential Life Insurance

BUY

Maintained

More levers to grow VNB; valuations attractive

Rs539

We remain enthused with IPRU Life's product and channel diversification strides, which has made the business considerably more robust than before. This is illustrated by the fact that the Rs21.6bn FY22 VNB mix is split between 16% by ULIPs, 43% by protection and 41% by non-linked savings. While volume growth has been volatile, product/distribution levers are available for VNB (volume and margin) growth, which should ensure >15% RoEV. Current valuation at 2.2x/1.9x FY23E/FY24E P/EV is attractive. Maintain BUY.

- ▶ **APE growth of near-20% in FY23E is key milestone.** Management remains positive on achieving >Rs26bn VNB in FY23 based on available levers in distribution, products and margins. Retail protection can gradually improve (grew 50% YoY in Q4FY22) and there is scope for credit protection to continue expanding (+46% in FY22).
- ▶ **Channel diversification is a now a structural business moat.** Banca/agency/direct/partnership/ group channels registered growth of 10%/19%/23%/22%/49% YoY respectively in FY22. Share of banca has reduced from 42.3% in FY21 to 39% in FY22 while that of group has increased from 12.3% in FY21 to 15% in FY22. Share of agency/direct/partnership distribution has been largely stable at 24%/13%/9%. Among initiatives, the company added 24,607 agents in FY22. There are total ~800 partnerships with 27 banks and 198,000 advisors as of Mar'22. Company has maintained its aim to register growth from agency by ring-fencing productive agents and increasing the contribution from all partnerships. With price hikes and introduction of RoP category in protection, banca growth can also pick up in this segment. *The channel diversification can be best summarised from the fact that share of parent bank in overall APE fell from 51% in FY19 to 25% in FY22.*
- ▶ **Product mix balance now more diversified than most.** In the total APE, share of savings APE has declined from 85% in FY20 to 83% in FY22 while that of protection APE has risen from 15% to 17% in the same timeframe. Within savings APE, share of linked savings has declined from 65% in FY20 to 48% in FY22, while that of non-linked savings increased from 17% in FY20 to 27% in FY22. Within protection, retail protection mix saw a sharp decline from 8%/9% in FY20/FY21 to 5% in FY22, and group protection mix improved from 7% to 12% during the same period. Share mix of credit life in overall protection APE has increased from 23% in FY21 to 27% in FY22 driven by new partners. *The product diversification can be best summarised by the fact that >25% of FY22 APE has been generated from products launched in the past two years. Ticket size for both ULIPs and non-linked savings increased for IPRU in FY22.*
- ▶ **Maintain BUY.** We factor-in VNB margins of 28%/29% with APE growth of 20%/15% for FY23E/FY24E respectively. This result in an embedded value (EV) of Rs410bn by FY24E adjusted for variances (we factor rising interest rates impact). As we rollover our estimates to FY24, our target price works out to Rs720 (unchanged) by assigning 20x multiple to FY24 VNB of Rs31bn (earlier 25x). At our TP, the stock will trade at 2.52x FY24E P/EV. At CMP, it is trading at 1.9x FY24E P/EV.

Market Cap	Rs778bn/US\$10.2bn	Year to March				
Reuters/Bloomberg	IPRU.BO/ IPRU IN	FY21	FY22E	FY23E	FY24E	
Shares Outstanding (mn)	1,437.3	Weighted APE (Rs mn)	59,911	69,388	83,266	95,756
52-week Range (Rs)	717/444	Embedded Value (Rs bn)	291.1	316.3	359.9	410.6
Free Float (%)	26.6	New value business (Rs bn)	16.2	21.6	26.0	30.9
FII (%)	16.4	VNB margin (%)	25.1	28.0	28.0	29.0
Daily Volume (US\$/'000)	10,934	PAT (Rs mn)	9,562	7,592	11,698	16,184
Absolute Return 3m (%)	(8.4)	P/EV (x)	2.7	2.5	2.2	1.9
Absolute Return 12m (%)	18.3	EVOP as % of IEV	15.2	11.0	15.4	15.8
Sensex Return 3m (%)	(4.6)	RoE (%)	11.7	8.3	12.0	14.7
Sensex Return 12m (%)	21.4	RoEV (%)	26.4	8.7	13.8	14.1
		Dividend per share (Rs)	0.5	1.0	1.0	1.0

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- ▶ **VNB margin improvement driven by group protection and non-par guaranteed:** Overall VNB margin has increased from 25% in FY21 to 28% in FY22 (29.7% in Q4FY22). Product-wise, margin for protection has shrunk from 83% in FY21 to 70% in FY22 (higher group), Non-linked savings margin increased from 17% in FY21 to 37% (higher non-par) in FY22 and linked margins shrunk from 12% in FY21 to 9% in FY22. *These segment-level changes in margins manifest the effect of new categories introduced by the company in each segment.*
- ▶ **Impact of interest rate changes in VNB is limited to the loss arising out of completely hedged contracts.** With rising share of non-par savings mix, VNB sensitivity to 100bps rise in interest rates has become a negative 3.5% as of FY22 (it was +0.7% in FY21). We have factored-in the negative variances in our EV estimates for FY23E/FY24E. *Repricing and MTM reversions can make this impact transitory. Insurers benefit from higher interest rates in the long term with no reinvestment risks.*
- ▶ **VNB margin walk (25% in FY21 to 28% in FY22) also includes a negative 2% operating variance** due to higher costs and increase in mortality assumptions associated with select partnerships. *It will be insightful to check the same for other private insurers.*
- ▶ **Total covid impact net of reinsurance (including provisions for FY21/FY22 cumulatively) was Rs12.4bn (4% of FY22 EV).**

Table 1: Q4FY22 result review

(Rs mn, year ending March)

	FY21				FY22				Change	
	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	YoY (%)	QoQ (%)
Net premium income	55,511	85,722	89,708	1,18,793	66,019	92,865	90,740	1,13,589	(4.4)	25.2
First year premium	6,275	11,698	13,605	20,293	8,803	15,572	15,475	19,805	(2.4)	28.0
Renewal premium	41,398	57,742	56,801	69,126	41,375	55,704	54,449	68,031	(1.6)	24.9
Single premium	9,794	17,894	21,114	31,587	18,523	24,056	23,518	29,271	(7.3)	24.5
Income from investments	1,30,672	79,494	1,92,783	71,428	92,103	1,35,45	7,370	14,765	(79.3)	100.3
Other income	228	244	234	228	243	264	291	328		43.7
Transfer from S/H A/C	4,163	2,895	2,753	5,937	8,876	2,706	253	9,776	64.7	3,760.9
Total income	1,90,574	1,68,354	2,85,478	1,96,385	1,67,241	2,31,29	98,653	1,38,457	(29.5)	40.3
Commission paid	2,002	3,354	3,617	5,328	2,572	4,017	4,046	5,279	(0.9)	30.5
Operating expenses	5,005	6,544	7,250	8,786	7,813	7,919	8,541	13,271	51.1	55.4
Total commission & opex	7,006	9,898	10,867	14,113	10,385	11,936	12,587	18,551	31.4	47.4
Benefits paid	25,961	49,097	68,174	83,176	56,676	80,229	76,646	80,038	(3.8)	4.4
Change in actuarial liability	1,49,428	1,01,978	2,00,470	91,366	97,031	1,32,28	3,059	25,464	(72.1)	732.5
Total expenses	1,82,395	1,60,973	2,79,511	1,88,656	1,64,092	2,24,44	92,292	1,24,052	(34.2)	34.4
Provisions	208	10	9	11	10	11	8	252		
Service Tax on linked A/C	1,433	1,626	1,671	1,817	1,589	1,750	1,790	1,786	(1.7)	(0.2)
PBT	6,538	5,745	4,287	5,902	1,550	5,084	4,563	12,368	109.6	171.0
Tax	227	353	241	597	-	260	474	927	55.3	95.3
Surplus/(Deficit)	6,311	5,392	4,045	5,305	1,550	4,823	4,089	11,441	115.7	179.8
Shareholders' Account	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	YoY (%)	QoQ (%)
Transfer from P/H A/C	6,461	4,531	4,100	4,756	2,893	4,402	3,627	10,681	124.6	194.5
Income from Investments	1,274	1,691	2,135	2,592	3,991	3,284	1,180	1,664	(35.8)	41.1
Other Income	2	4	2	(3)	-	13	5	(1)	(68.8)	(118.9)
Total	7,737	6,226	6,238	7,345	6,884	7,699	4,812	12,345	68.1	156.6
Other expenses	176	22	168	245	246	246	245	289	17.7	18.0
Amounts transf to P/H acc	4,163	2,895	2,753	5,937	8,876	2,706	253	9,776	64.7	
Provisions (other than	286	10	43	26	(79)	-	1,208	69	165.8	(94.3)
PBT	3,112	3,299	3,274	1,137	(2,158)	4,747	3,106	2,211	94.5	(28.8)
Tax	236	267	211	499	(301)	301	-	364		
PAT	2,876	3,032	3,063	638	(1,857)	4,446	3,106	1,847	189.5	(40.5)
Ratios (%)	Q1FY21	H1FY21	9MFY21	12MFY21	Q1FY22	H1FY22	9MFY22	12MFY22	YoY	QoQ
Commission expense	4.2	4.6	4.7	5.3	5.2	5.5	5.4	0.0	(530)	(540)
Opex ratio	10.6	9.7	9.9	9.5	14.9	12.3	12.3	18.6	910	630
Cost Ratio-Savings	8.8	8.8	9.3	9.6	11.9	11.8	12.2	12.8	320	60
APE (Rs mn)	8,230	22,870	39,540	64,620	12,190	31,960	51,250	77,330	19.7	50.9
ULIP Mix (%)	43.6	46.3	48.2	47.8	44.0	48.2	50.0	48.3	52	(169)
Participating Mix (%)	24.4	28.1	28.5	31.1	29.3	29.7	29.4	27.4	(365)	(200)
Other savings Mix (%)	6.0	6.1	5.5	4.9	4.8	4.8	3.8	3.4	(155)	(45)
Protection Mix (%)	26.0	19.5	17.8	16.2	22.1	17.2	16.7	17.0	79	28
Other ratios (%)	Q1FY21	H1FY21	9MFY21	12MFY21	Q1FY22	H1FY22	9MFY22	12MFY22	YoY	QoQ
Solvency Ratio	205.1	205.0	226.0	216.8	193.1	199.9	202.2	204.5	(1,230)	230
VNB margins	24.4	26.3	26.0	25.1	29.4	27.3	27.1	28.0	287	89
Persistency ratios (%) :	Q1FY21	H1FY21	9MFY21	12MFY21	Q1FY22	H1FY22	9MFY22	12MFY22	YoY	QoQ
13th Month	81.8	83.2	82.7	94.8	85.4	85.1	84.8	85.7	(910)	90
25th Month	73.4	75.1	72.7	73.6	73.7	74.6	75.7	77.2	360	150
37th Month	65.4	66.7	65.1	66.3	65.8	66.3	66.6	67.1	80	50
49th Month	63.9	64.6	63.3	63.0	63.1	63.2	63.1	63.7	70	60
61st Month	58.8	56.0	58.0	58.2	57.8	57.1	56.1	54.4	(380)	(170)
Key metrics (Rs bn)	Q1FY21	H1FY21	9MFY21	12MFY21	Q1FY22	H1FY22	9MFY22	12MFY22	YoY (%)	QoQ (%)
VNB	2.0	6.0	10.3	16.2	3.6	8.7	13.9	21.6	33.4	55.8
EV	-	257	-	291	-	302	-	316	8.7	
AUM	1,700	1,815	2,049	2,142	2,232	2,371	2,376	2,142	-	(9.8)

Source: Company data, I-Sec research

Table 2: APE and VNB projections

Rs bn	FY21	FY22	FY23E	FY24E
Weighted APE	59.9	69.4	83.3	95.8
% growth (YoY)	-15.7%	15.8%	20.0%	15.0%
VNB	16.2	21.6	26.0	30.9
VNB margin reported (%)	25.1%	28.0%	28.0%	29.0%

Source: Company data, I-Sec research

Table 3: Embedded value projection

Embedded Value (Rs bn)	FY21	FY22	FY23E	FY24E
Opening IEV	230.3	291.1	316.3	359.9
Unwind	16.6	20.9	22.7	25.8
- Unwind rate (%)	7.2%	7.2%	7.2%	7.2%
VNB	16.2	21.6	26.0	30.9
Operating assumption changes	3.1	(0.9)	-	-
Persistency Variance	1.1	1.5	-	-
Mortality and Morbidity variance	(2.4)	(11.9)	-	-
Expense variance	0.0	0.07	-	-
Other Variance	0.4	0.64	-	-
EVOP	35.1	31.9	48.6	56.7
Economic assumption change & Invt variance	25.7	(4.4)	(2.0)	(2.0)
Net capital injection	0.0	(2.4)	(3.0)	(4.0)
Closing IEV	291.1	316.3	359.9	410.6

Source: Company data, I-Sec research

Table 4: Valuation

Embedded Value - FY24E, Rs bn	410.6
New Business Profit - FY24E, Rs bn	30.9
New Business Multiple	20
Total appraisal value	1,035.1
Number of shares, mn	1,437.3
Valuation per share (Rs)	720
Target Price / Embedded value	2.52
CMP / Embedded value	1.89

Source: Company data, I-Sec research

Table 5: Channel mix: There are levers in all channels

Rs bn	FY21	FY22	YoY growth	Mix FY21 (%)	Mix FY22 (%)
Banca	27	30	10%	42	39
Agency	15	18	19%	24	24
Direct	8	10	23%	13	13
Partnership Distribution	6	7	22%	9	9
Group	8	12	49%	12	15
Total APE	65	77	20%		

Source: Company data, I-Sec research

Table 6: Protection APE mix is also more diversified; retail mix increase can improve VNB

Rs bn	FY21	FY22	YoY growth	Mix FY21 (%)	Mix FY22 (%)
Retail Protection	5.7	3.8	-34%	55	29
Retail Protection ROP	0.0	0.1	-	-	1
Group term	2.3	5.7	142%	22	43
Credit Life (Non parent Bank)	0.6	2.9	375%	6	22
Credit Life (Parent Bank)	1.8	0.6	-66%	17	5
Total Protection APE	10.5	13.1	25%		

Source: Company data, I-Sec research

Table 7: VNB margin and mix is more diversified in FY22

Rs bn	FY21	FY22	YoY growth	VNB Margin FY21	VNB Margin FY22	VNB Mix FY21	VNB Mix FY22
Protection	8.66	9.24	7%	83%	70%	53	43
Savings Non-Linked	3.93	8.87	126%	17%	37%	24	41
Savings Linked	3.62	3.52	-3%	12%	9%	22	16
Total	16.21	21.63	33%	25%	28%	100	100

Source: Company data, I-Sec research

Table 8: Scenario analysis: Higher non par mix and resultant loss from hedging due to increase in interest rates has led to higher negative sensitivity to increase in interest rates

Scenario	% change in VNB			% change in EV		
	FY20	FY21	FY22	FY20	FY21	FY22
Increase in 100 bps in the reference rates	(2.4)	0.7	(3.5)	(2.5)	(2.8)	(4.2)
Decrease in 100 bps in the reference rates	2.2	(1.7)	3.2	2.6	3.0	4.6
10% increase in the discontinuance rates	(5.0)	(3.1)	(4.9)	(1.1)	(0.9)	(1.0)
10% decrease in the discontinuance rates	5.1	3.2	5.3	1.1	1.0	1.0
10% increase in mortality/morbidity rates	(9.5)	(10.2)	(8.3)	(1.6)	(1.6)	(1.9)
10% decrease in mortality/morbidity rates	9.6	10.4	8.4	1.7	1.6	1.9
10% increase in acquisition expenses	11.6	(10.5)	(10.1)	Nil	Nil	Nil
10% decrease in acquisition expenses	11.6	10.4	10.1	Nil	Nil	Nil
10% increase in maintenance expenses	(3.0)	(2.5)	(2.3)	(0.8)	(0.6)	(0.7)
10% decrease in maintenance expenses	3.0	2.5	2.3	0.9	0.6	0.7
Tax rates increased to 25%	11.4	(11.1)	(10.3)	(5.8)	(6.2)	(6.3)
10% increase in equity values	0.7	1.3	0.6	1.8	2.9	1.9
10% decrease in equity values	(0.7)	(1.6)	(0.6)	(1.8)	(2.9)	(1.9)

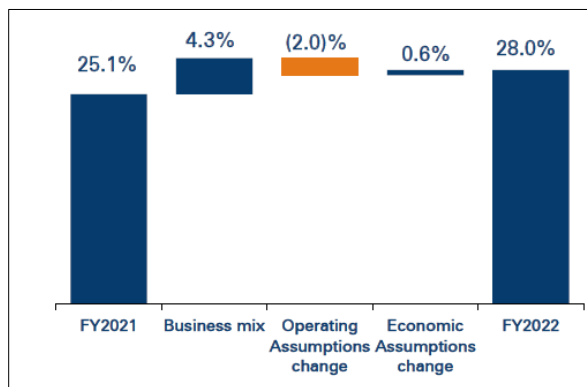
Source: Company data, I-Sec research

Table 9: Economic assumptions: Increase in rates in line with yield curve

Tenor (years)	Reference rates						
	FY19	FY20	FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22
1	6.66%	4.83%	3.91%	3.94%	3.92%	4.05%	3.91%
5	7.83%	7.43%	7.38%	7.50%	7.15%	7.42%	7.38%
10	8.35%	7.32%	7.93%	8.05%	8.16%	8.27%	7.93%
15	8.35%	7.17%	7.48%	7.78%	8.08%	8.04%	7.48%
20	8.22%	7.14%	7.02%	7.50%	7.76%	7.63%	7.02%
25	8.11%	7.14%	6.72%	7.32%	7.46%	7.29%	6.72%
30	8.05%	7.14%	6.55%	7.22%	7.26%	7.06%	6.55%

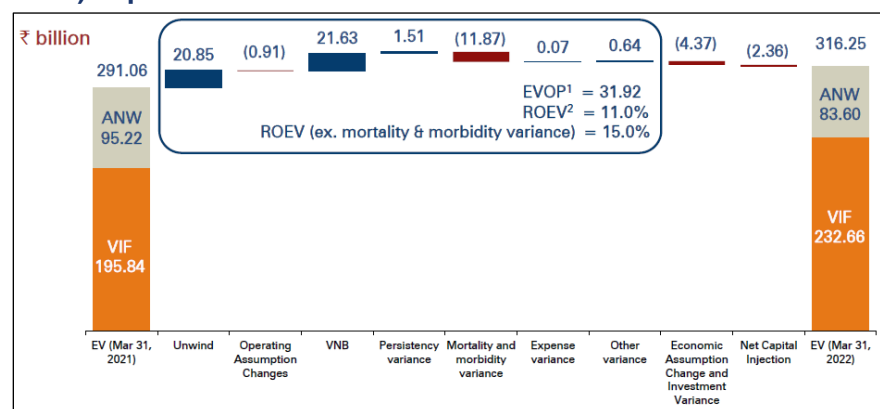
Source: Company data, I-Sec research

Chart 1: VNB walk: negative operating variance involve cost and higher mortality assumptions related to Credit Protect business from select partners



Source: Company data

Chart 2: EV walk: Mortality (Covid) and economic variance (debt MT in S/H book) impacted ROEV in FY22



Source: Company data

Financial summary

Table 10: Policyholders' A/C

(Rs mn, year ending March)

	FY20	FY21	FY22	FY23E	FY24E
Gross Premiums	3,34,307	3,57,328	3,74,886	4,14,898	4,60,441
Reinsurance Ceded	(5,518)	(7,594)	(11,673)	(6,750)	(6,750)
Net Premiums	3,28,790	3,49,734	3,63,213	4,08,148	4,53,691
Income from Investments	(1,25,169)	4,74,376	2,49,695	1,86,417	2,05,056
Other Income	15,774	16,682	22,737	2,130	2,130
Total income	2,19,395	8,40,791	6,35,645	5,96,696	6,60,877
Commission	15,860	15,002	16,729	20,629	22,964
Operating expenses	28,469	26,883	36,730	39,221	43,731
Total commission and opex	44,328	41,885	53,459	59,850	66,695
Benefits Paid (Net)	1,93,766	2,26,409	2,93,588	2,50,840	2,77,087
Chg in reserves	(50,569)	5,43,241	2,57,838	2,71,429	3,00,752
Total expenses	1,87,525	8,11,535	6,04,885	5,82,119	6,44,534
Provisions for doubtful debts	8,712	6,802	7,195	6,731	7,413
Surplus / deficit before tax	23,158	22,454	23,565	7,845	8,929
Prov for Tax	1,314	1,314	1,419	1,662	608
Surplus / Deficit	21,844	21,036	21,904	7,237	8,245

Source: Company data, I-Sec Research

Table 11: Shareholders' A/C

(Rs mn, year ending March)

	FY20	FY21	FY22	FY23E	FY24E
Transfer from P/H A/C	19,887	19,849	21,602	5,612	6,418
Income From Investments	6,629	7,709	10,143	8,272	12,188
Total Income	26,525	27,569	31,863	13,998	18,721
Other expenses	885	1,047	2,305	769	769
Contribution to technical a/c	14,970	15,748	21,611	916	916
Total Expenses	15,855	16,795	23,916	1,685	1,685
PBT	10,670	10,774	7,948	12,313	17,036
Prov for Tax	-	1,213	356	616	852
PAT	10,670	9,562	7,592	11,698	16,184

Source: Company data, I-Sec research

Table 12: Balance sheet

(Rs mn, year ending March)

	FY20	FY21	FY22	FY23E	FY24E
Share Capital	14,359	14,360	14,373	14,373	14,373
Reserves And Surplus	60,994	70,570	75,865	86,125	1,00,873
Shareholders' Fund	72,125	91,093	91,580	1,02,599	1,17,346
Policy Liabilities	4,73,556	6,02,156	7,36,822	10,57,248	13,22,014
Linked Liabilities Provision	8,80,368	12,77,704	14,05,414	13,16,615	13,29,781
Funds For Future App.	12,327	13,532	13,833	14,000	14,000
Current liabilities & prov.	33,321	37,306	52,523	50,350	50,350
Total	15,60,308	21,72,199	24,44,374	26,76,785	29,79,465
Shareholders' inv	74,152	1,00,807	98,469	1,77,274	2,29,010
Policyholders' inv	4,67,503	6,35,726	7,73,880	10,40,421	12,77,232
Assets to cover linked liab.	9,70,850	13,85,491	15,08,663	14,13,340	14,27,473
Loans	4,631	6,628	9,401	3,000	3,000
Fixed Assets	4,778	4,573	4,878	5,250	5,250
Current assets	38,395	38,973	49,075	37,500	37,500
Total	15,60,308	21,72,199	24,44,374	26,76,785	29,79,465

Source: Company data, I-Sec research

Table 13: Premium details*(Rs mn, year ending March)*

	FY20	FY21	FY22	FY23E	FY24E
New business premium	1,24,875	1,32,261	1,54,745	1,85,694	2,13,548
Total APE	71,058	59,911	69,388	83,266	95,756
Renewal premium	2,09,432	2,25,068	2,19,613	2,29,204	2,46,893
Total premium	3,34,307	3,57,328	3,74,358	4,14,898	4,60,441
NBP growth (%)	20.5	5.9	17.0	20.0	15.0
APE growth (%)	(8.9)	(15.7)	15.8	20.0	15.0
Renewal premium growth (%)	1.8	7.5	(2.4)	4.4	7.7
Total premium growth (%)	8.1	6.9	4.8	10.8	11.0
Premium split	FY20	FY21	FY22	FY23E	FY24E
Weighted APE	71,033	59,911	69,388	83,266	95,756
Participating	8,861	8,927	10,444	12,533	14,413
Non-participating	13,173	19,538	22,184	26,620	30,614
ULIP	48,999	31,446	36,760	44,112	50,729
NBP	1,24,625	1,32,261	1,54,745	1,85,694	2,13,548
Participating	8,861	8,927	10,444	12,533	14,413
Non-participating	46,778	66,390	77,676	93,211	1,07,193
ULIP	68,987	56,944	66,625	79,950	91,942
Renewal Premium	2,09,432	2,25,068	2,19,613	2,29,204	2,46,893
Participating	31,348	37,042	32,942	34,381	37,034
Non-participating	13,565	18,314	32,942	34,381	37,034
ULIP	1,64,519	1,69,712	1,53,729	1,60,443	1,72,825
NBP	1,24,625	1,32,261	1,54,745	1,85,694	2,13,548
Individual	78,742	78,480	91,822	1,10,186	1,26,714
Group	45,883	53,781	62,923	75,508	86,834

Source: Company data, I-Sec research

Table 14: Total premium channel mix

(%)	FY17	FY18	FY19	FY20	FY21
Individual agents	20.9	23.3	17.4	13.9	14.7
Corporate agents-Banks plus others	54.7	52.0	50.1	42.0	39.8
Direct business	21.9	21.9	29.2	40.5	41.4
Others	2.5	2.7	3.3	3.6	4.1

Source: Company data, I-Sec research

Table 15: Key ratios*(Year ending March)*

	FY20	FY21	FY22	FY23E	FY24E
Operating ratios (%)					
Investment yield (%)	(7.6)	26.5	11.5	7.8	7.8
Commissions/GWP	4.7	4.2	4.5	5.0	5.0
Operating expenses/GWP	8.5	7.5	9.8	9.5	9.5
Total expense/GWP	13.3	11.7	14.3	14.4	14.5
Benefits Paid/total Liability	13.4	11.4	13.1	10.1	10.0
Solvency margin (%)	194.1	204.5			
Total AUMs (Rs bn)	1,513	2,122	2,381	2,631	2,934
Profitability ratios (%)					
VNB margin (%)	21.6	25.1	28.0	28.0	29.0
RoE (%)	15.0	11.7	8.3	12.0	14.7
Core EVOP(unwind +VNB)	15.4	14.3	14.6	15.4	15.8
EVOP as % of IEV	15.2	15.2	11.0	15.4	15.8
RoEV (%)	6.5	26.4	8.7	13.8	14.1
Valuation ratios					
Dividend per share	0.8	0.5	1.0	1.0	1.0
Dividend pay-out ratio (%)	10.8	7.5	18.9	12.3	8.9
EPS, Rs	7.4	6.7	5.3	8.1	11.3
VNB (Rs bn)	16.1	16.2	21.6	26.0	30.9
EV (Rs bn)	230	291	316	360	411
EV/Per share	160	203	220	251	286
VIF (Rs bn)	152	196	221	253	289
ANW (Rs bn)	75	95	96	107	121
VIF as % of EV	66%	67%	70%	70%	70%
P/EV (x)	3.4	2.7	2.5	2.2	1.9
P/EPS (x)	72.7	81.1	102.1	66.3	47.9

Source: Company data, I-Sec research

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