

SBI Life Insurance

Estimate change



TP change



Rating change



CMP: INR1,300 TP: INR1,570 (+21%)

Buy

Premium growth in line; VNB margin miss

Maintains 20% growth and 28-30% VNB margin guidance

- SBILIFE reported a slightly muted performance in 1QFY24. APE grew 4% YoY (in line), while VNB was flat YoY as margins contracted 290bp QoQ to 28.7%, due to product mix shifting towards ULIPs. PAT grew 45% YoY to INR3.8b (27% beat).
- In terms of NBP, annuity saw a healthy growth of 102% YoY, while Non-Par savings declined 28% YoY in 1QFY24. Protection/ULIP segment saw modest growth of 11%/10% YoY.
- We slightly lower our VNB margin estimates and expect VNB margins to remain at 29.7% in FY25. We expect SBILIFE to deliver a 20% CAGR in APE over FY23-25, thus enabling a 17% VNB CAGR. RoEV is expected to stay at around ~22%. We reiterate our **Buy** rating on the stock.

Non-par share falls QoQ, Protection business steady

- SBILIFE reported 19% YoY growth in gross premium (4% miss), led by 28%/18% growth in renewal/single premium. Shareholders' PAT grew 45% YoY to INR3.8b (27% beat).
- Total APE grew 4% YoY (in line), within which, Annuity grew 86% YoY. The Protection business grew 16% YoY, led by 33% growth in group protection. On a YoY basis, Par/ULIP segment grew 18%/17% YoY.
- On a sequential basis, the share of ULIP & protection business is maintained at 53% & 12%, respectively. The share of non-par savings stood at 19% vs. 28% in 1QFY23.
- SBILIFE anticipates that the product mix will continue to be influenced primarily by customer demand rather than being driven aggressively by the company's sales team. Additionally, SBILIFE is optimistic about the non-par segment and foresees a potential recovery in its share over the next few quarters.
- Absolute VNB was flat YoY at INR8.7b (a 9% miss). VNB margins contracted 290bp QoQ to 28.7% (vs. estimate of 30.5%) due to weakness in the non-par segment.
- On the distribution front, the share of the banca channel in total APE increased 280bp YoY, while the share of agency channel declined 170bp YoY.
- Except for 61M (improved 640bp YoY to 56.6% in 1QFY24), persistency declined across cohorts.

Highlights from the management commentary

- The management maintained the guidance of better-than-industry premium growth (expected growth of about 20-25%) and a range-bound VNB margin between 28% and 30%.
- The company acknowledged that in the near term, product-level margins are probably at optimum levels and the mix will be a key driver for the margin trajectory.

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Bloomberg	SBILIFE IN
Equity Shares (m)	1000
M.Cap.(INRb)/(USD\$b)	1301.8 / 15.9
52-Week Range (INR)	1340 / 1039
1, 6, 12 Rel. Per (%)	-2/-7/-5
12M Avg Val (INR M)	1455

Financials & Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
Net Premiums	665.8	791.4	947.3
Surplus / Deficit	28.7	23.0	25.1
Sh. PAT	17.2	19.1	21.9
NBP gr- unwt'd (%)	16.2	17.7	20.0
NBP gr- APE (%)	18.4	14.3	22.5
Premium gr (%)	14.6	18.6	19.7
VNB margin (%)	30.1	29.1	29.7
RoEV (%)	16.2	22.0	21.1
Total AUMs (INRt)	3.1	3.6	4.3
VNB	50.7	55.9	69.9
EV per share	460	562	680

Valuations

P/EV (x)	2.8	2.3	1.9
P/EVOP (x)	14.3	13.3	11.0

*VNB, VNB margins based on ETR

Shareholding pattern (%)

As On	Jun-23	Mar-23	Jun-22
Promoter	55.5	55.5	55.5
DII	14.2	15.1	12.3
FII	26.2	25.1	23.9
Others	4.2	4.3	8.3

FII Includes depository receipts

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Valuation and view

SBILIFE reported a slightly muted quarter, with an in line APE and a miss in VNB margins, falling from 31.6% in 4QFY23 to 28.7% in 1QFY24. The fall in margins was primarily due to weakness in the Non-Par segment. SBI channel productivity has been improving and the company is working on improving its efficiency in the agency channel. SBI Life continues to maintain its cost leadership. We estimate a 20% CAGR in APE over FY32-25 and estimate VNB margin to remain at ~29.7% in FY25, thus enabling a 17% VNB CAGR. RoEV is expected to stay at around ~22%. We reiterate our **Buy rating with a TP of INR1,570 (2.3x Mar'25E EV)**.

Quarterly performance**(INR b)**

Policy holder's A/c (INRb)	FY23				FY24E				FY23	FY24E	FY24E 1QE	V/s est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
First year premium	25.7	34.8	50.6	40.9	26.4	38.5	51.0	59.0	152.0	174.8	27.1	(2.7)
Growth (%)	83%	-4%	24%	6%	3%	10%	1%	44%	17%	15%	5%	
Renewal premium	57.6	91.2	109.1	119.4	73.5	99.0	128.7	148.7	377.3	449.9	71.8	2.3
Growth (%)	14%	17%	13%	10%	28%	8%	18%	25%	13%	19%	25%	
Single premium	30.2	40.2	33.7	39.9	35.7	38.2	45.0	54.6	143.9	173.4	41.7	(14.3)
Growth (%)	56%	20%	-24%	42%	18%	-5%	33%	37%	15%	21%	38%	
Gross premium income	113.5	166.2	193.3	200.1	135.6	175.6	224.7	262.3	673.2	798.1	140.6	(3.6)
Growth (%)	35%	13%	6%	14%	19%	6%	16%	31%	15%	19%	24%	
PAT	2.6	3.8	3.0	7.8	3.8	4.3	3.5	7.4	17.2	19.1	3.0	26.6
Growth (%)	18%	53%	-16%	16%	45%	15%	17%	-5%	14%	11%	14%	
Key metrics (INR b)												
New Business APE	29.0	39.3	54.3	45.5	30.3	42.3	55.5	64.5	168.1	192.2	31.3	(3.1)
Growth (%)	79.0	-1.0	18.8	10.2	4.5	7.6	2.2	41.7	18.4	14.3	7.8	
VNB	8.8	12.4	15.1	14.4	8.7	13.1	17.5	18.2	50.7	57.6	9.5	(8.8)
Growth (%)	131.6	24.0	31.3	23.1	-1.1	6.0	16.1	26.7	37.0	13.7	8.4	
AUM	2,624	2,826	3,000	3,073	3,283	3,398	3,523	3,612	3,073	3,612	3,233	1.5
Growth (%)	13.3	15.7	16.8	14.9	25.1	20.2	17.5	17.5	14.9	17.5	23.2	
Key Ratios (%)												
VNB margins (%)	30.4	31.6	27.8	31.6	28.7	31.1	31.6	32.8	30.1	30.0	30.5	179
Solvency ratio (%)	221.0	219.0	225.0	215.0	215.0	217.0	223.0	212.3	215.0	212.3	221.0	600

Quarterly snapshot

	FY22				FY23				FY24	Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	YoY	QoQ
Policyholder A/C (INR b)											
Net premium income	83.1	146.6	180.3	174.3	110.4	164.8	191.7	199.0	131.0	19	-34
First year premium	14.0	36.1	40.7	38.5	25.7	34.8	50.6	40.9	26.4	3	-36
Renewal premium	50.3	77.8	96.5	108.4	57.6	91.2	109.1	119.4	73.5	28	-38
Single premium	19.4	33.3	44.3	28.1	30.2	40.2	33.7	39.9	35.7	18	-10
Investment Income	74.1	107.3	24.2	30.0	-64.1	110.4	74.4	11.9	145.8	-328	1,129
Total income	157.4	254.0	204.6	214.3	46.4	275.3	266.3	228.1	276.9	497	21
Commission paid	2.6	5.3	6.1	6.8	5.1	7.1	8.5	8.7	5.2	3	-40
Operating expenses	6.1	7.5	7.9	9.0	7.7	8.5	9.1	10.0	9.2	20	-8
Total commission & Opex	8.8	12.8	14.0	15.8	12.7	15.7	17.6	18.7	14.4	13	-23
Benefits paid	47.9	127.0	64.7	73.7	51.7	76.4	83.6	91.2	71.0	37	-22
Change in actuarial liability	97.8	109.8	121.2	108.9	-22.7	177.3	159.4	96.0	185.2	-915	93
Total Expenses	154.4	249.6	199.9	198.4	41.7	269.4	260.5	206.0	270.6	548	31
PBT	1.5	2.9	2.6	13.1	3.1	3.9	3.3	19.8	4.4	43	-78
Tax	0.4	0.3	0.3	0.3	0.3	0.5	0.4	0.3	0.4	28	53
Surplus/(Deficit)	1.1	2.6	2.4	12.8	2.7	3.4	3.0	19.5	4.0	45	-80
Shareholder's A/C											
Trf from policyholder a/c	-0.4	1.3	1.7	14.7	1.0	1.9	1.1	23.0	1.9	88	-92
Investment income	2.8	2.4	2.2	2.4	1.8	2.0	2.0	2.1	2.1	21	0
Other income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-97	-97
Total income	2.4	3.8	3.9	17.1	2.8	3.9	3.2	25.2	4.0	45	-84
PBT	2.3	2.5	3.8	6.9	2.7	3.9	3.1	7.9	3.9	46	-51
PAT	2.2	2.5	3.6	6.7	2.6	3.8	3.0	7.8	3.8	45	-51
APE Data											
Individual Savings	12.5	33.4	38.3	34.5	23.5	31.8	47.5	37.1	23.7	1	-36
Par	1.2	2.1	2.0	2.2	1.7	2.4	2.4	3.0	2.0	18	-33
Non Par	1.1	4.2	5.5	6.3	8.2	9.3	9.6	10.4	5.8	-29	-44
ULIP	10.2	27.1	30.8	26.0	13.6	20.1	35.5	23.7	15.9	17	-33
Group Savings Business	0.9	1.5	2.1	1	1.6	1.6	0.9	1.5	1.5	-6	0
Annuity	0.7	0.7	1.2	0.9	0.7	1.3	1.4	1.6	1.3	86	-19
Total Protection	2.2	4.1	4.2	4.9	3.2	4.5	4.6	5.5	3.7	16	-33
Individual Protection	1.3	2.3	2.5	3.1	2.0	2.2	2.6	3.0	2.1	5	-30
Group Protection	0.9	1.8	1.7	1.8	1.2	2.3	2.0	2.5	1.6	33	-36
Total APE	16.3	39.7	45.7	41.4	29	39.3	54.3	45.5	30.3	4	-33
APE (% of total)											Change (bp)
Individual Savings	76.7	84.1	83.8	83.3	81.0	80.9	87.5	81.5	78.2	-282	-332
Par	7.4	5.3	4.4	5.3	5.9	6.1	4.4	6.6	6.6	74	1
Non Par	6.7	10.6	12.0	15.2	28.3	23.7	17.7	22.9	19.1	-913	-372
ULIP	62.6	68.3	67.4	62.8	46.9	51.1	65.4	52.1	52.5	558	39
Group Savings Business	5.5	3.8	4.6	2.4	5.5	4.1	1.7	3.3	5.0	-57	165
Annuity	4.3	1.8	2.6	2.2	2.4	3.3	2.6	3.5	4.3	188	77
Total Protection	13.5	10.3	9.2	11.8	11.0	11.5	8.5	12.1	12.2	118	12
Individual Protection	8.0	5.8	5.5	7.5	6.9	5.6	4.8	6.6	6.9	3	34
Group Protection	5.5	4.5	3.7	4.3	4.1	5.9	3.7	5.5	5.3	114	-21
Distribution mix (%)											Change (bp)
Banca	56.8	63.6	66.1	61.7	62.5	63.5	69.9	59.7	65.3	280	561
Agency	29.0	26.6	22.8	27.6	26.5	24.5	23.6	28.7	24.8	-171	-391
Others	14.2	9.8	11.2	10.7	11.0	12.0	6.5	11.6	9.9	-110	-170
Key Ratios (%)											Change (bp)
Operating ratios											
Commission (Unwtd)	3.1	3.6	3.4	3.9	4.5	4.3	4.4	4.4	3.8	-63	-51
Opex (UnWtd)	7.3	5.1	4.3	5.1	6.7	5.1	4.7	5.0	6.8	2	176
Total Cost (Unwtd)	10.5	8.9	7.7	9.0	11.2	9.4	9.1	9.4	10.6	-61	125
Solvency ratio	215.0	212.0	209.0	205.0	221.0	219.0	225.0	215.0	215.0	-600	0
Operating ratios											
VNB margins	23.7	25.2	25.2	28.3	30.4	31.6	27.8	31.6	28.7	-169	-294
RoE	8.5	8.8	10.3	13.7	0.0	0.0	10.4	14.0	0.0	0	-1,400
Persistence ratios											
13th mth	85.9	84.7	83.9	85.2	85.6	85.2	84.6	85.5	81.5	-414	-405
25th mth	75.3	76.1	76.4	78.1	78.7	77.5	76.3	75.6	75.1	-366	-49
37th mth	72.0	72.1	71.9	72.2	72.2	72.9	73.2	74.5	69.2	-302	-533

	FY22				FY23				FY24	Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	YoY	QoQ
49th mth	66.3	67.5	68.3	69.9	70.3	70.3	70.1	70.3	68.8	-156	-150
61st mth	49.3	48.8	48.7	49.5	50.3	52.5	53.6	55.6	56.6	635	101
Key Metrics (INRb)											
VNB	3.8	10.0	11.5	11.7	8.8	12.4	15.1	14.4	8.7	-1	-40
EV	NA	384.9	NA	396.3	NA	424.1	NA	460.4	NA	NA	NA
AUM	2316	2442	2569	2674	2624	2826	3000	3073	3283	25	7
Equity Portion (%)	28.0	30.0	29.0	29.0	27.0	29.0	29.0	29.0	31.0	400	200

Note: a) Persistency ratios are on a cumulative basis for six, nine, and 12 months



Highlights from the management commentary

Management change

- The Board of Directors has granted approval for the appointment of Mr. Amit Jhingran as the new Managing Director & CEO of the company. The date on which he will officially assume charge in this capacity will be determined and communicated once all the required regulatory approvals are received. In order to ensure a seamless transition, the company is committed to facilitating a smooth handover process between the outgoing and the incoming CEOs.

Overall business

- During the quarter, the company sold 419k policies, reflecting its continued growth trajectory. Over the past decade, the company has maintained consistent growth. Furthermore, the company's Sum Assured witnessed a significant growth of 44% during the quarter, surpassing the industry growth rate of 42%.
- The persistency data revealed a slight decline in 13th and 25th month persistency, but there was significant improvement in 35th and 85th month persistency. The company has initiated efforts to enhance 13th and 25th month persistency through continuous engagement with its customers. The company is optimistic and expects its persistency levels to normalize from 2QFY24 onwards.
- The company expects the share of non-par to increase going ahead to last year levels of about 24%.
- The individual annuity segment has experienced strong growth, primarily driven by competitive annuity rates and the effective efforts of the sales team in raising awareness of the product among customers. The product team is committed to regularly resetting annuity rates in line with the prevailing market rates.
- The higher surrender ratio is primarily attributed to the ULIP products introduced four years ago.
- Credit life insurance accounted for 45% of the group protection segment, with the remaining portion contributed by group GTI offerings.

Distribution

- Agency count has reached 282k and saw a growth of 32% YoY. 14,048 agents were added during the quarter.
- The share of non-SBI banks is at about 3% and has seen a 5% growth on a high base of 86% growth last year. The company expects 20%+ growth in this channel going ahead.
- The agency channel's growth momentum is expected to pick up due to several factors, including an increasing number of agents and the positive impact of

structural changes implemented over the past few quarters. The results of these strategic changes are expected to reflect over the next three quarters, with initial signs becoming apparent from 2Q itself. SBILIFE has the most productive agency force among the private players.

- With regards to the EOM regulations, SBILIFE will be re-evaluating the relationships and the policy is under formulation for the same. The company indicated that it has not breached EOM levels in the past as well. While facing competition, there might be pressures to increase payouts and demands from distributors to re-negotiate commissions. However, IRDAI has implemented rules with robust safeguards to prevent commissions from rising in an exorbitant manner.

Guidance/VNB

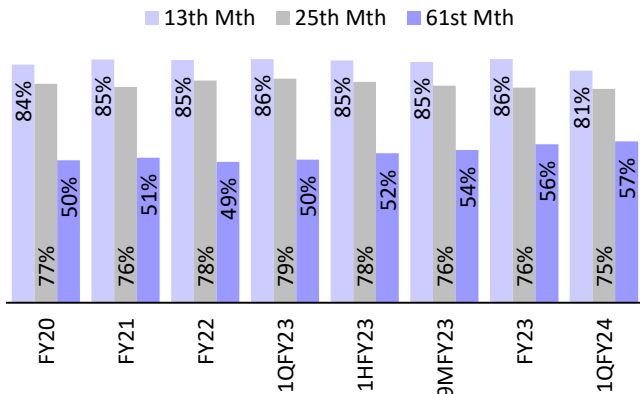
- The decline in VNB margins was primarily attributed to the product mix, with the proportion of ULIPs increasing and the share of non-par products declining.
- The company maintained its guidance of better-than-industry premium growth (growth of about 20-25%) and range-bound VNB margins between 28% and 30%.
- The company acknowledged that in the near term, product-level margins are probably at optimum levels and the mix will be a key driver for the margin trajectory.

Valuation and view

- With an Individual-rated premium market share of ~22% in FY23 among private players, SBILIFE is the market leader. APE growth was muted at 4% YoY in 1QFY24 and we expect a 20% CAGR in APE over FY23-25.
- The share of Non-PAR increased in 4QFY23, driven by an increased demand due to budgetary changes, while ULIP saw a weak trend. However, the same reversed in 1QFY24. Resultantly, VNB margin declined to 28.7%.
- **Reiterate Buy, with a TP of INR1,500:** SBILIFE reported a slightly muted quarter, with an in line APE and a miss in VNB margins, which fell to 28.7% in 1QFY24 from 31.6% in 4QFY23. The fall in margins was primarily due to weakness in the Non-Par segment. SBI channel productivity has been improving and the company is working on improving its efficiency in the agency channel. SBI Life continues to maintain its cost leadership. We estimate a 20% CAGR in APE over FY23-25 and estimate VNB margin to remain at ~29.7% in FY25, thus enabling a 17% VNB CAGR. RoEV is expected to stay at around ~22%. We reiterate our Buy with a TP of INR1,570 (2.3x Mar'25E EV).

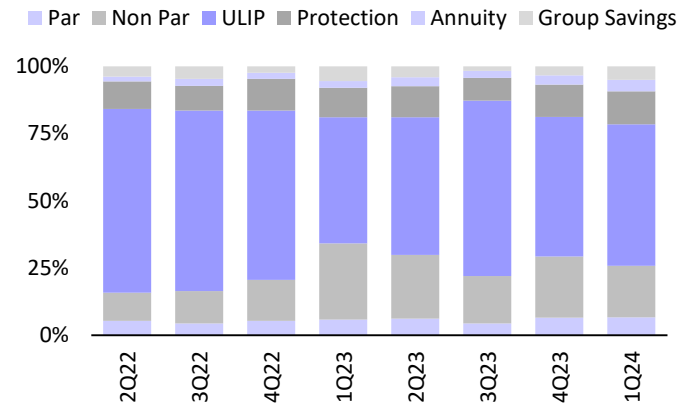
Story in charts

Exhibit 1: Persistency ratios across cohorts



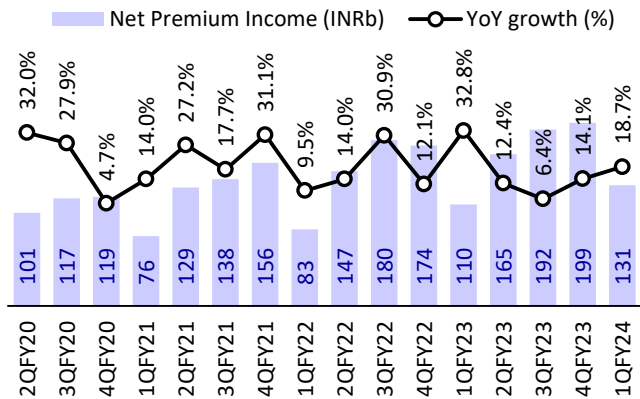
Source: MOFSL, Company

Exhibit 2: Share of ULIP increased to 53% of total APE



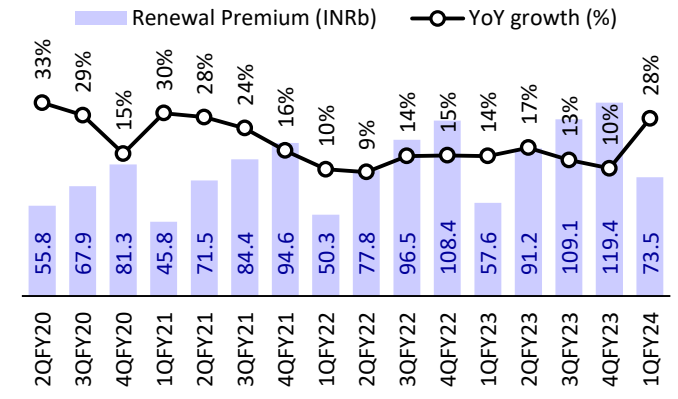
Source: MOFSL, Company

Exhibit 3: Net premium up 19% YoY



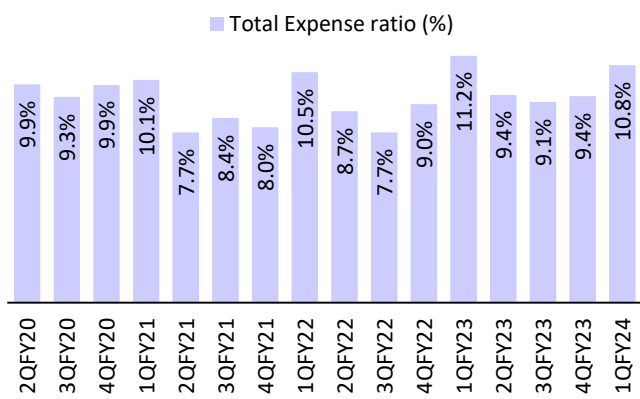
Source: MOFSL, Company

Exhibit 4: Renewal premium grew at 28% YoY



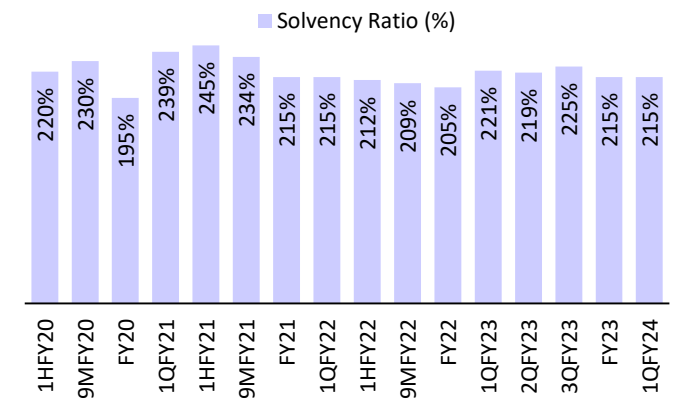
Source: MOFSL, Company

Exhibit 5: Total expense ratio increased to 10.8%



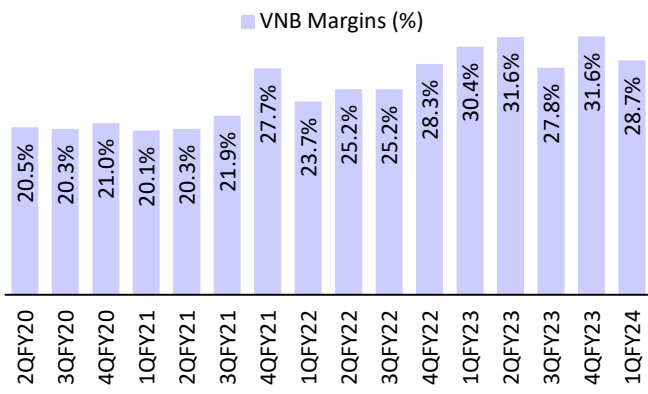
Source: MOFSL, Company

Exhibit 6: Solvency ratio remains healthy at 215%



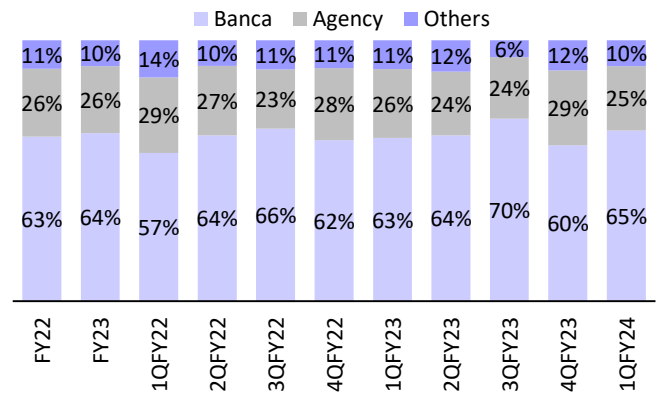
Source: MOFSL, Company

Exhibit 7: VNB margin contracted to 28.7%



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

Financials and valuations

Technical account (INR b)	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Gross Premiums	253.5	329.9	406.3	502.5	587.6	673.2	798.1	955.1
Reinsurance Ceded	(1.9)	(1.0)	(3.1)	(4.9)	(3.3)	(7.3)	(6.7)	(7.8)
Net Premiums	251.7	328.9	403.2	497.7	584.3	665.8	791.4	947.3
Income from Investments	84.6	112.1	30.0	314.6	235.7	132.6	220.4	255.2
Other Income	1.4	1.6	5.2	8.6	10.3	17.6	16.8	20.1
Total income (A)	337.7	442.6	438.4	820.8	830.3	816.0	1,028.6	1,222.7
Commission	11.2	13.5	16.2	17.7	21.6	29.4	29.9	35.6
Operating expenses	17.2	21.2	24.1	24.1	29.7	35.4	45.0	53.7
Total commission and opex	28.4	34.7	40.3	41.9	51.3	64.7	74.8	89.3
Benefits Paid (Net)	117.1	152.9	162.5	215.8	313.4	302.9	288.9	347.4
Chg in reserves	176.0	235.9	206.0	539.3	437.6	410.0	629.6	747.3
Prov for doubtful debts	3.5	5.5	6.8	4.7	7.8	8.2	10.1	12.3
Total expenses (B)	325.1	429.0	415.7	801.8	810.2	785.8	1,003.4	1,196.2
(A) - (B)	12.6	13.6	22.8	19.1	20.1	30.1	25.2	26.4
Prov for Tax	2.4	2.7	3.8	1.0	1.3	1.5	2.2	1.3
Surplus / Deficit (calculated)	10.2	10.9	19.0	18.1	18.8	28.7	23.0	25.1

Shareholder's a/c (INR b)	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Transfer from technical a/c	8.3	10.0	14.6	16.8	17.3	27.1	19.6	22.4
Income From Investments	4.6	5.2	4.8	6.9	9.9	7.9	8.7	10.5
Total Income	12.9	15.2	19.5	23.7	27.2	35.0	28.3	32.9
Other expenses	0.6	0.6	1.0	0.6	2.9	0.4	0.5	0.7
Contribution to technical a/c	0.8	1.0	4.8	8.2	9.8	17.1	8.4	10.1
Total Expenses	1.1	1.4	5.3	8.3	11.6	17.4	8.9	10.8
PBT	11.8	13.7	14.1	15.4	15.6	17.6	19.4	22.1
Prov for Tax	0.3	0.5	(0.1)	0.9	0.5	0.4	0.2	0.2
PAT	11.5	13.3	14.2	14.6	15.1	17.2	19.1	21.9
<i>Growth</i>	20.5%	15.3%	7.2%	2.4%	3.4%	14.3%	11.2%	14.3%

Premium (INR b) & growth (%)	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
New business prem - unwtd	109.7	137.9	165.9	206.2	254.6	295.9	348.3	417.9
New business prem - wrp	84.2	95.3	105.1	113.7	141.9	168.1	192.2	235.5
Renewal premium	143.9	192.0	240.4	296.3	333.0	377.3	449.9	537.2
Total premium - unwtd	253.5	329.9	406.3	502.5	587.6	673.2	798.1	955.1
New bus. growth - unwtd	8.1%	25.8%	20.3%	24.3%	23.4%	16.2%	17.7%	20.0%
New business growth - wrp	27.6%	13.2%	10.2%	8.2%	24.9%	18.4%	14.3%	22.5%
Renewal premium growth	32.3%	33.4%	25.2%	23.2%	12.4%	13.3%	19.2%	19.4%
Total prem growth - unwtd	20.6%	30.1%	23.2%	23.7%	16.9%	14.6%	18.6%	19.7%

Premium mix (%)	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
New business - unwtd								
- Individual mix	76.7%	69.9%	67.8%	60.6%	64.8%	70.7%	70.0%	70.0%
- Group mix	23.3%	30.1%	32.2%	39.4%	35.2%	29.3%	30.0%	30.0%
New business mix - WRP								
- Participating	24.0%	18.4%	10.9%	8.4%	5.3%	9.5%	9.7%	9.1%
- Non-participating	9.0%	10.3%	18.6%	26.6%	28.9%	44.7%	43.9%	44.2%
- ULIPs	67.0%	71.3%	70.5%	65.0%	65.8%	46.0%	46.5%	46.8%
Total premium mix - unwtd								
- Participating	24.8%	21.8%	18.3%	15.1%	12.9%	15.9%	15.5%	15.3%
- Non-participating	19.5%	20.8%	23.8%	28.2%	30.3%	35.0%	33.5%	32.7%
- ULIPs	55.7%	57.4%	57.9%	56.6%	56.8%	49.1%	50.9%	52.0%

Individual prem sourcing mix (%)	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Individual agents	31.2%	29.6%	28.8%	27.7%	26.6%	27.7%	28.4%	28.1%
Corporate agents-Banks	67.4%	68.9%	67.5%	65.4%	64.9%	65.0%	63.4%	63.0%
Direct business	0.8%	0.7%	2.0%	4.1%	5.3%	5.3%	6.0%	6.5%
Others	0.5%	0.7%	1.8%	2.8%	3.1%	2.0%	2.2%	2.4%

Financials and valuations

Balance sheet (INR b)	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Sources of Fund								
Share Capital	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Reserves And Surplus	53.7	64.6	78.8	90.9	104.2	119.2	135.6	154.1
Shareholders' Fund	65.3	75.8	87.4	104.0	116.2	130.2	146.4	164.8
Policy Liabilities	555.6	649.5	761.2	924.1	1,097.6	1,301.3	1,602.8	1,935.6
Prov. for Linked Liab.	495.6	605.9	763.0	965.5	1,174.9	1,407.2	1,551.0	1,804.5
Funds For Future App.	-	2.8	7.1	8.4	9.9	11.4	13.5	15.9
Current liabilities & prov.	35.5	37.4	30.2	42.4	51.3	51.0	52.9	54.9
Total	1,217.1	1,467.3	1,655.8	2,268.3	2,733.4	3,146.9	3,673.3	4,362.0
Application of Funds								
Shareholders' inv	50.1	57.2	68.3	86.0	100.8	112.1	132.3	156.1
Policyholders' inv	544.9	644.7	734.2	939.4	1,121.3	1,298.7	1,647.4	1,988.1
Assets to cover linked liab.	549.4	691.3	785.7	1,162.2	1,426.3	1,632.6	1,771.2	2,073.1
Loans	1.7	1.7	3.6	3.6	3.6	3.9	4.5	5.1
Fixed Assets	5.8	6.0	5.8	5.7	5.3	5.2	5.6	6.1
Current assets	65.2	66.4	58.2	71.5	76.2	94.4	112.3	133.6
Total	1,217.1	1,467.3	1,655.8	2,268.3	2,733.4	3,146.9	3,673.3	4,362.0
Operating ratios (%)	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Investment yield	7.8%	8.4%	1.9%	15.0%	9.3%	4.4%	6.2%	6.1%
Commissions / GWP	4.4%	4.1%	4.0%	3.5%	3.7%	4.4%	3.7%	3.7%
- first year premiums	8.7%	8.3%	8.4%	8.4%	8.3%	11.9%	10.2%	10.2%
- renewal premiums	2.7%	2.7%	2.7%	2.6%	2.6%	2.5%	2.6%	2.6%
- single premiums	0.8%	1.5%	1.4%	1.1%	1.2%	1.4%	1.8%	1.8%
Operating expenses / GWP	6.8%	6.4%	5.9%	4.8%	5.1%	5.3%	5.6%	5.6%
Total expense ratio	11.2%	10.5%	9.9%	8.3%	8.7%	9.6%	9.4%	9.3%
Claims / NWP	46.4%	46.3%	40.1%	43.2%	53.5%	45.5%	36.3%	36.5%
Solvency ratio	206%	213%	195%	215%	205%	215%	212%	204%
Persistency ratios (%)	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
13th Month	83.0%	85.1%	86.1%	85.4%	85.2%	85.5%	85.8%	86.0%
25th Month	75.2%	76.7%	78.5%	75.8%	78.1%	75.6%	74.0%	73.1%
37th Month	70.0%	71.4%	71.6%	72.1%	72.2%	74.5%	75.7%	76.3%
49th Month	63.9%	66.4%	67.3%	65.6%	69.9%	70.3%	70.5%	70.6%
61st Month	58.4%	57.2%	59.9%	50.9%	49.5%	55.6%	59.3%	61.5%
Profitability ratios (%)	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
VNB margin (%)	18.4%	19.8%	20.7%	23.2%	25.9%	30.1%	29.1%	29.7%
RoE (%)	19.0%	18.8%	17.4%	15.2%	13.7%	14.0%	13.8%	14.1%
RoIC (%)	19.4%	19.2%	17.4%	15.3%	14.0%	14.1%	13.9%	14.1%
Operating ROEV (%)	18.0%	17.3%	20.5%	19.1%	20.6%	22.9%	21.3%	21.1%
RoEV (%)	15.3%	17.5%	17.4%	27.0%	18.7%	16.2%	22.0%	21.1%
Valuation ratios	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Total AUMs	1,163	1,410	1,604	2,209	2,674	3,073	3,612	4,290
- of which equity AUMs (%)	23%	23%	21%	27%	29%	29%	31%	31%
Dividend %	20%	20%	0%	25%	20%	25%	28%	33%
Dividend payout ratio (%)	21%	18%	0%	17%	13%	15%	15%	15%
EPS, Rs	11.5	13.3	14.2	14.6	15.1	17.2	19.1	21.9
VNB	15.7	19.2	22.2	26.6	37.0	50.7	55.9	69.9
- VNB growth (%)	36.1%	22.3%	15.6%	19.8%	39.1%	37.0%	10%	25%
EV per share	201.7	237.3	276.4	364.0	396.3	460.4	561.7	680.4
VIF as % of EV	61%	62%	63%	63%	68%	70%	72%	74%
P/VIF	11.2	9.4	7.9	6.2	4.8	4.0	3.2	2.6
P/AUM (%)	112%	92%	81%	59%	49%	42%	36%	30%
P/EV (x)	6.4	5.5	4.7	3.6	3.3	2.8	2.3	1.9
P/EPS (x)	113.0	98.0	91.4	89.3	86.3	75.6	67.9	59.4
P/EVOP (x)	43.8	39.3	28.3	25.9	18.9	14.3	13.3	11.0
P/VNB (x)	82.8	67.7	58.6	48.9	35.1	25.6	23.2	18.6

*VNB, VNB margin, and EV is based on ETR

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NOTES

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