

MAX Financial Services

Estimate change



TP change



Rating change



CMP: INR857

TP: INR900 (+5%)

Neutral

In-line performance; Axis group raises stake to 19%

RoEV to sustain above 20%

- MAX Financial Services (MAXLIFE) reported a healthy performance in 1QFY24 with APE/VNB growth of 10%/16% YoY, while VNB margins came in at 22.2%. The performance was broadly in line with our estimates.
- In 1QFY24, all products demonstrated a YoY growth, except for ULIPs, which declined 27% YoY (down 56% QoQ). Retail protection was up 26% YoY/down 23% QoQ. Group protection grew 10% YoY/ 36% QoQ. Total protection increased 16% YoY, while PAR business grew 10% YoY. Non-par savings rose 55% YoY (down 71% QoQ)
- We estimate a 14% APE CAGR over FY23-25, thus driving 10% VNB CAGR over FY23-25E. We reiterate our Neutral stance with a revised TP of INR900, premised on 2.0x Mar'25E EV and a holding company discount of 20%.

VNB margins improved YoY at ~22.2%; persistency trends stable

- **Gross written premium grew ~19% YoY (9% beat) in 1QFY24.** New business premium increased 25% YoY, led by strong growth across product categories. Renewal premium grew 15% YoY (in line). Shareholders PAT (pre-tax) rose 13% YoY to INR1b (in line).
- On a YoY basis, the business mix moved in favor of Non-par savings with a 38% share (vs. 27%), while that of ULIPs declined to 25% from 38%.
- **Absolute VNB grew 16% YoY to INR2.5b (in line),** while VNB margins came in healthy at 22.2% in 1QFY24 (up 100bp YoY). AUM grew ~21% YoY to INR1.3t.
- On the distribution side, Banca APE was down 2% YoY, while Proprietary Channels witnessed a strong growth of 23% YoY.
- 13th/61st month persistency was broadly steady at 84%/51%, while other cohorts were also steady.
- On the cost front, the opex-to-GWP ratio increased 51bp YoY to 17.4%.
- Pursuant to the approval of the MFSL and Max Life boards, Axis Bank will infuse INR16.1b by subscribing to 142.6m equity shares of Max Life at a fair market value INR113.06 per share (determined based on DCF methodology). Upon the completion of the proposed infusion, Axis entities will collectively hold 19.02% of the equity share capital of Max Life.

Highlights from the management commentary

- After the Axis Bank deal, the solvency margin is expected to increase by 39%, providing ample capital for future growth. Although growth has been muted within the Axis Bank channel, the counter share has not declined for Max Life.
- Focus will be on protection and annuity, where capital requirement is higher than other products.



Bloomberg	MAXF IN
Equity Shares (m)	345
M.Cap.(INRb)/(USD)	295.8 / 3.6
52-Week Range (INR)	886 / 599
1, 6, 12 Rel. Per (%)	5/6/-1
12M Avg Val (INR M)	728

Financials & Valuations (INR b)

Y/E MARCH	FY23	FY24E	FY25E
Gross Premiums	253.4	287.7	331.6
Sh. PAT	4.5	5.8	6.8
NBP gr - unwtd (%)	13.3	11.0	16.0
NBP gr - APE (%)	12.0	11.2	16.0
Premium gr (%)	13.1	13.5	15.3
VNB margin (%)	31.2	28.9	29.2
Op. RoEV (%)	22.1	20.8	20.4
Total AUMs (INRb)	1,229	1,474	1,714
VNB(INRb)	19.5	20.1	23.6
EV per Share	377	458	551

Valuations

P/EV (x)	2.2	1.8	1.5
P/EVOP (x)	11.3	10.2	8.5

Shareholding pattern (%)

As On	Jun-23	Mar-23	Jun-22
Promoter	10.2	10.2	14.7
DII	56.2	55.9	53.3
FII	26.6	25.8	23.8
Others	7.1	8.1	8.2

FII Includes depository receipts

- Protection growth has been strong on the back of 1) a favorable low base effect, 2) an upswing in demand 3) enhancements in the supply side, facilitated by renegotiations with reinsurance partners. This has granted flexibility regarding sum assured and the ability to underwrite diverse cohorts.

Valuation and view

MAXLIFE reported a healthy trend in total APE, driven by strong traction in all segments, except ULIPs. Overall the share of ULIPs moderated, while the mix of Non-PAR improved. We expect the share of Non-Par to moderate going ahead. The Banca channel witnessed a muted performance, while the proprietary channel maintained strong trends. VNB margin remained healthy at 22.2%, led by improved product profitability. Persistency trends were stable. Importantly, a key concern has been addressed with Axis Bank's proposition to raise its stake in Max Life to 19% through a primary transaction. This will support the solvency, which stood at 188% in 1QFY24. We estimate 13% APE CAGR over FY23-25, thus driving 10% VNB CAGR. We reiterate our **Neutral stance with a revised TP of INR900 premised on 2.0x Mar'25E EV and a holding company discount of 20%.**

Quarterly performance

Policy holder's A/c (INR b)	FY23				FY24				FY23	FY24E	FY24E 1QE	A v/s E (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
First Year premium	9.2	11.1	14.6	24.1	0.0	15.2	17.2	33.7	59.0	66.1	10.3	-100
Growth (%)	14.2%	-9.3%	-5.5%	38.3%	-100.0%	36.6%	18.0%	40.0%	10.9%	12.1%	11.7%	
Renewal premium	26.2	39.1	40.2	58.3	30.1	43.3	49.0	65.9	163.8	188.3	31.2	-3
Growth (%)	16.7%	12.9%	17.5%	8.4%	15.1%	10.8%	21.7%	12.9%	12.9%	14.9%	19.2%	
Single premium	5.7	7.8	8.0	9.1	0.0	7.7	8.7	17.0	30.6	33.3	6.9	-100
Growth (%)	30.1%	21.3%	26.9%	4.0%	-100.0%	-1.8%	7.7%	86.8%	18.3%	8.9%	21.4%	
Gross premium income	41.0	58.0	62.8	91.5	48.7	66.2	74.8	98.0	253.4	287.7	44.6	9
Growth (%)	17.8%	8.8%	12.2%	14.4%	18.7%	14.1%	19.0%	7.1%	13.1%	13.5%	8.7%	
PAT	0.9	0.5	2.9	0.7	1.0	0.9	1.7	2.2	4.5	5.8	1.0	4
Growth (%)	18.2%	-25.4%	155.7%	-56.5%	13.2%	75.9%	-41.6%	221.6%	16.2%	28.8%	8.5%	
Key metrics (INR b)												
New Business APE	10.1	11.9	15.1	25.4	11.1	16.0	18.1	24.3	62.5	69.5	10.9	2
Growth (%)	15.3	-7.2	-5.2	38.2	10.3	34.2	19.6	-4.3	12.0	11.2	8.4	
VNB	2.1	3.7	5.9	7.7	2.5	4.9	5.3	7.4	19.5	20.1	2.5	-1
Growth (%)	23.8	-0.3	49.7	31.4	16.0	30.7	-10.5	-3.5	27.6	3.0	17.1	
AUM (INRb)	1,071	1,134	1,184	1,229	1,291	1,348	1,405	1,474	1,229	1,474	1,295	0
Growth (%)	14.3	13.3	15.5	14.3	20.5	18.9	18.6	20.0	14.3	20.0	20.9	
Key Ratios (%)												
VNB Margins (%)	21.1	31.3	39.3	30.3	22.2	30.5	29.4	30.6	31.2	28.9	22.8	-61
Solvency ratio (%)	196.0	196.0	200.0	190.0	188.0	195.0	191.0	184.6	189.7	184.6	188.0	-

Exhibit 1: Quarterly snapshot

Policyholder A/c (INRb)	FY22				FY23				FY24E	Change	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	YoY	QoQ
Gross premium	34.8	53.3	56.0	80.0	41.0	58.0	62.8	91.5	30.1	-27	-67
First year premium	8.0	12.3	15.4	17.4	9.2	11.1	14.6	24.1	0.0	-100	-100
Renewal premium	22.4	34.6	34.2	53.8	26.2	39.1	40.2	58.3	30.1	15	-48
Single premium	4.4	6.4	6.3	8.8	5.7	7.8	8.0	9.1	0.0	-100	-100
Shareholders PAT	0.8	0.7	1.2	1.5	0.9	0.5	2.9	0.7	1.0	13	54
APE data (INRb)											
PAR	1.5	2.6	3.4	3.7	1.7	2.0	1.8	2.6	1.9	10	-26
Individual Protection	0.9	0.9	0.9	1.3	0.7	0.8	1.1	1.2	0.9	26	-23
Group Protection	0.8	1.2	0.7	1.3	1.1	0.7	0.5	0.9	1.2	10	36
Non-PAR Savings	2.4	4.3	3.8	5.7	2.7	4.5	8.3	14.4	4.2	55	-71
ULIP	3.2	3.9	7.1	6.4	3.8	3.9	3.4	6.4	2.8	-27	-56
APE (% of total)										Change (bR)	
PAR	17.0	20.4	21.4	20.0	17.0	17.0	12.1	10.1	17.0	0	692
Individual Protection	10.0	6.6	5.6	7.0	7.0	7.0	7.0	4.5	8.0	100	346
Group Protection	9.0	9.0	4.3	7.0	11.0	5.5	3.1	3.5	11.0	0	746
Non-PAR Savings	27.0	33.7	23.9	31.0	27.0	38.1	55.1	56.8	38.0	1,100	-1,877
ULIP	37.0	30.3	44.8	35.0	38.0	32.5	22.7	25.1	25.0	-1,300	-8
Distribution mix (%)											
Proprietary	30	28	27	31	34	36	33	41	39	500	-239
Banca	70	70	72	71	65	63	66	58	59	-600	139
Others	0	2	1	-2	1	1	1	1	2	100	100
Key Ratios (%)											
Operating ratios											
Opex to GWP ratio (%)	23.4	21.7	21.4	19.7	22.9	21.0	20.4	20.5	23.6	70	310
Solvency Ratio	197.0	211.0	207.0	201.0	196.0	196.0	200.0	190.0	188.0	-800	-200
Profitability ratios											
VNB margins	19.7	29.1	24.9	31.9	21.1	31.3	39.3	30.3	22.2	108	-815
Persistency ratios											
13th Month	84.0	84.0	83.0	85.0	84.0	84.0	83.0	84.0	84.0	0	0
25th Month	67.0	67.0	68.0	68.0	68.0	67.0	68.0	68.0	69.0	100	100
37th Month	59.0	60.0	60.0	61.0	61.0	61.0	61.0	61.0	61.0	0	0
49th Month	55.0	56.0	56.0	56.0	56.0	56.0	57.0	57.0	57.0	100	0
61st Month	50.0	50.0	50.0	50.0	50.0	50.0	51.0	51.0	51.0	100	0
Key Metrics (INRb)											
VNB	1.7	3.7	4.0	5.9	2.1	3.7	5.9	7.7	2.5	16	-68
EV	123	130	134	142	142	147	155	163	169	20	4
AUM	937	1001	1025	1075	1071	1134	1184	1229	1291	21	5
Equity Mix (%)	25.1	27.0	24.4	23.5	23.8	23.8	25.2	25.1	26.5	263	134

Note: (a) Persistency ratios, Opex ratio and EV for 1H, 9M and 12M

Sources: MOFSL, company reports

Highlights from the management commentary

Distribution

- During the quarter, the company successfully on-boarded six new partners, including South Indian Bank and five Corporate Agents.
- Prop channel recorded a substantial growth of 23%, reaffirming the company's market leadership for protection within the online domain. Additionally, an encouraging uptick in market share is observed in the savings sector, signifying expansion in this area as well.
- 44% growth in ecommerce; 18% growth in agency channel.
- Significant investments will continue across channels. 100 new offices are likely to be added in FY24.
- For the NRI business, the company has completed FATCA implementation on the website.
- Two of the largest banca partners of Max Life have adopted open architecture over the past couple of years and have now stabilized. From here on, the premium growth from these partners will mirror the growth reported by the respective banks.
- Over last 7-8 months, Max Life have added 5 small size banks as its partners.
- The challenging phase in the banca segment is coming to an end, with the potential for new banks to contribute to an approximate 6-7% share.

Products

- The introduction of the innovative Swag Par design has resulted in a notable increase in participating (Par) policies
- Max Pension AUM has reached INR2.3b and has been among the fastest growing within new pension managers.
- Protection growth has been strong on the back of 1) a favorable low base effect, 2) an upswing in demand 3) enhancements in the supply side, facilitated by renegotiations with reinsurance partners. This has granted flexibility regarding sum assured and the ability to underwrite diverse cohorts.
- For 2Q, ULIP and non-par will be the key focus areas. The long-term goal is to attain a non-participating (non-par) policy share of around 40%.
- Credit life has increased because of new partner tie ups. Growth stood at 27% YoY and should strengthen going ahead.

Axis Bank

- After the Axis Bank deal, the solvency margin is expected to increase by 39%, providing ample capital for future growth.
- Although growth has been muted within the Axis Bank channel, the counter share has not declined for Max Life.
- The last 1% stake will be a secondary transaction.
- 26% higher resources deployed with Axis Bank as compared to last year.
- Deal completion could happen in the next three to six months. IRDAI, CCI, and PFRDA approval will be needed.
- The demerger and subsequent separate listing are projected to occur within the next 18-24 months following the completion of the ongoing transaction

Utilization of fresh capital

- Specific plans are in place to drive growth upward of 20% over the medium term (3-4 years).
- In FY24, the company is aiming for double-digit growth in premium. For 2Q, the target is to realize a growth rate of 20%.
- Focus will be on protection and annuity where capital requirement is higher than other products.

VNB/EV

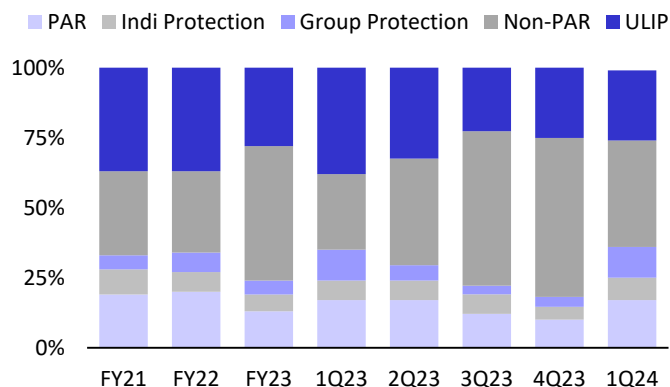
- The margin guidance was maintained by the company and expects the margin to stay between 27% and 28%.
- For FY24, strategy will be skewed toward prioritizing growth over maintaining margins.
- In spite of improvement in the mix, the margin expansion was limited because of investments in the channels and profitability impact of interest rate curve change.
- The company has taken pricing correction in the past few months.
- Economic variance stood at INR1.33b during the quarter.
- Margin profile of group annuity products is slightly weaker than other annuity products.
- The margin profile of Swag Par product is better than the traditional par policies and on an aggregate basis, the margins of par products is expected to improve.

Other

- EOM creates more flexibility and there will be a change in how commissions and expenses are recognized, but there will be no change in overall expense.
- IFRS implementation – will be among the first ones to implement the same. Engaged with Deloitte and KPMG for the same.
- No major impact of the new taxation rules for premium above INR0.5m taxation has been witnessed in 1QFY24.
- NPS improved to 53 from 52 in Mar 23.
- Industry best persistency in 13th month, 2nd best in 25th month, and the 3rd best in 61st month on the number of policies basis.

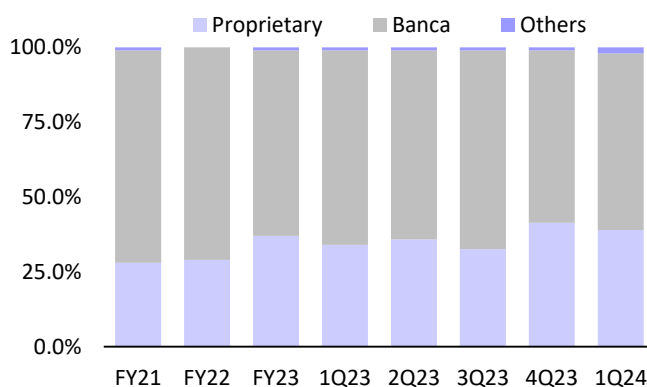
Key exhibits

Exhibit 2: Product mix improves in favor of protection



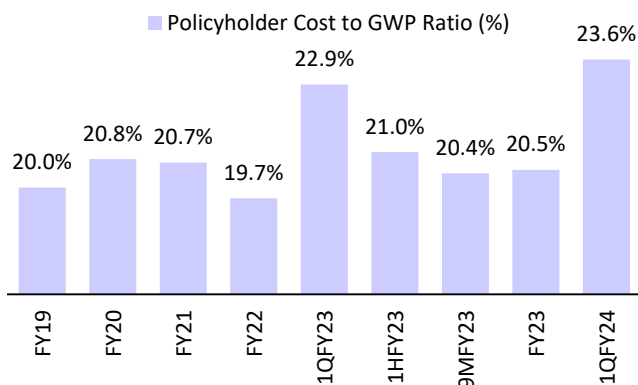
Sources: MOFSL, company reports

Exhibit 3: Proprietary channel forms 39% of total APE



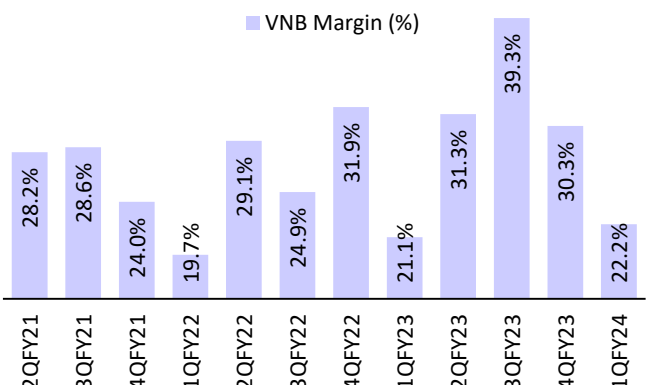
Sources: MOFSL, company reports

Exhibit 4: OPEX-to-GWP ratio grew to 23.6% in 1QFY24



Sources: MOFSL, company reports

Exhibit 5: VNB margin moderates by 110bp YoY to 22.2%



Sources: MOFSL, company reports

Valuation and view

- MAXLIFE has increased its focus on the Non-PAR segments, which along with the Protection segment formed ~65% of total APE in 4QFY23 (vs. ~16% in FY17). Growth in non-par savings continued to witness strong momentum, led by the annuity business and pre-budgetary changes. Protection business saw a healthy recovery and going forward, MAXLIFE would increase its focus on Annuity and Protection, which along with healthy growth in other segments, would support the overall growth momentum.
- The proprietary channel saw a healthy growth of 43% YoY in APE vs. 2% YoY decline for the banca channel; however, the same picked up and grew 41% QoQ in 4QFY23. With this, the proprietary channel now contributes ~41% of the total APE in 4QFY23. The management continues to make significant investments in growing the proprietary channel and expects its share to remain around the similar range. MAXLIFE has also taken a number of steps to improve sales momentum in the banca channel, which will drive the overall growth.
- **Reiterate Neutral with a TP of INR750:** MAXLIFE reported a healthy trend in total APE, driven by strong traction in all segments, except ULIPs. Overall, the share of ULIPs moderated, while the mix of Non-PAR improved. We expect the

share of Non-Par to moderate going ahead. The Banca channel witnessed a muted performance, while the proprietary channel maintained strong trends. VNB margin remained healthy at 22.2%, led by improved product profitability. Persistency trends were stable. Importantly, a key concern was addressed with Axis Bank proposing to raise its stake in Max Life to 19% through primary transaction. This will support the solvency, which stood at 188% in 1QFY24. We estimate 13% APE CAGR over FY23-25, thus driving 10% VNB CAGR. We reiterate our Neutral stance on the stock with a revised TP of INR900, premised on 2.0x Mar'25E EV and a holding company discount of 20%.

Exhibit 6: We value MAXLIFE at INR900 per share

Appraisal value method (INR b)	Mar'25E
Embedded value	238
New business profit	23.6
Appraisal value	485
MFS stake post deal	80%
MFS Value	388
MFS valuation per share (INR)	1,124
Appraisal value-to-embedded value (x)	2.0
Holding company discount	20%
Target price (INR)	900
Upside	5%

Source: MOFSL

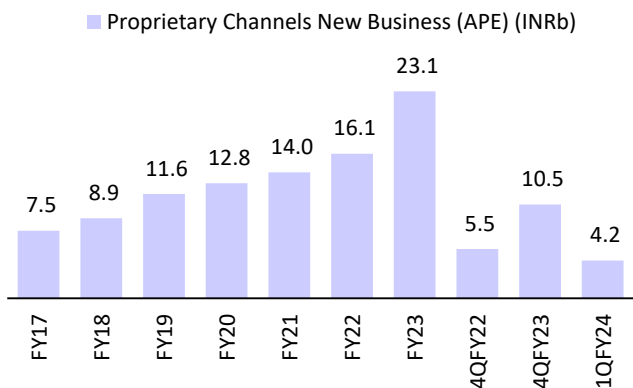
Exhibit 7: We cut our VNB margin estimates, premium estimates unchanged

	Old Est		Revised Est.		Estimates Chg	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Technical Account (INR b)						
Gross Premiums	287.7	331.6	287.7	331.6	0.0	0.0
Investment income	73.1	82.5	73.1	82.5	0.0	0.0
Total income	357.2	410.0	357.2	410.0	0.0	0.0
Commission	20.1	23.2	20.1	23.2	0.0	0.0
Operating expenses	41.5	47.9	41.5	47.9	0.0	0.0
Surplus / Deficit	6.2	6.5	6.2	6.5	-0.1	-0.1
Shareholder's Account						
Total Income	7.4	8.6	7.4	8.6	0.0	0.0
Total Expenses	0.9	1.0	0.9	1.0	0.0	0.0
PBT	6.5	7.6	6.5	7.6	0.0	0.0
PAT	5.8	6.8	5.8	6.8	0.0	0.0
Key Metrics						
VNB (INR b)	20.7	24.3	20.1	23.6	-3.1	-3.0
EV (INR b)	198.1	239.0	197.5	237.5	-0.3	-0.6
Key Ratios						
VNB margin (%)	29.8	30.1	28.9	29.2	-3.1	-3.0
Op. ROEV (%)	21.2	20.7	20.8	20.4	-1.8	-1.6
RoEV (%)	21.8	20.6	21.4	20.3	-1.8	-1.6

Source: MOFSL

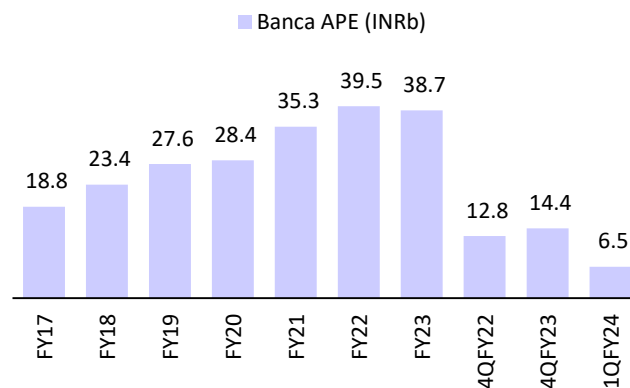
Story in charts

Exhibit 8: Proprietary channel APE rises 23% YoY in 1QFY24 as investments made in the past starts paying off



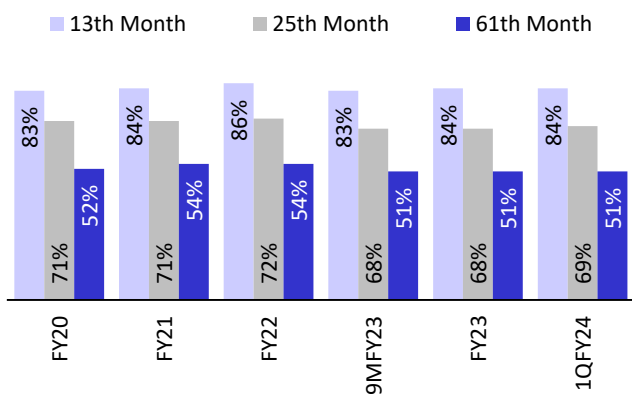
Sources: MOFSL, company reports

Exhibit 9: Banca APE declines 2% YoY and 55% QoQ in 1QFY24



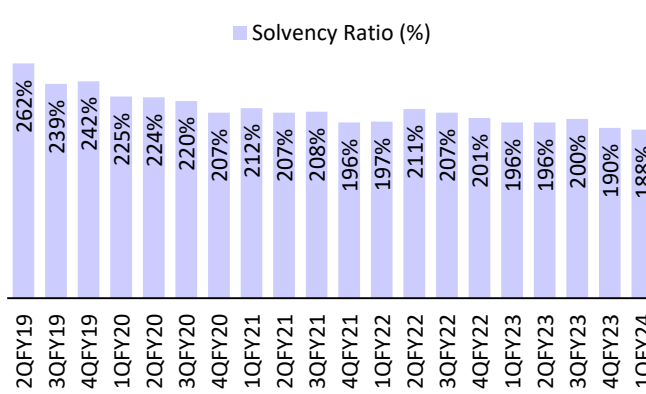
Sources: MOFSL, company reports

Exhibit 10: Persistency trends for MAXLIFE remains stable



Sources: MOFSL, company reports

Exhibit 11: Solvency ratio stands at 188% as on 1QFY24



Sources: MOFSL, company reports

Financials and valuations

Technical account (INR m)	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Gross Premiums	1,25,009	1,45,752	1,61,836	1,90,179	2,24,141	2,53,420	2,87,734	3,31,623
Reinsurance Ceded	1,213	1,569	2,049	2,788	4,272	4,098	4,517	5,213
Net Premiums	1,23,795	1,44,184	1,59,788	1,87,391	2,19,870	2,49,322	2,83,217	3,26,410
Income from Investments	37,574	48,643	21,589	1,21,657	87,408	66,219	73,097	82,508
Other Income	346	440	612	730	878	780	908	1,057
Total income (A)	1,61,715	1,93,267	1,81,989	3,10,230	3,08,155	3,16,321	3,57,222	4,09,975
Commission	8,929	9,896	10,244	12,270	14,028	17,754	20,075	23,161
Operating expenses	16,098	19,274	23,441	27,008	30,192	36,724	41,485	47,862
Total commission and opex	25,027	29,170	33,685	39,277	44,220	54,478	61,560	71,022
Benefits Paid (Net)	49,466	57,178	66,222	70,149	92,772	1,06,125	1,19,883	1,37,876
Chg in reserves	79,043	97,365	66,394	1,96,686	1,64,581	1,46,222	1,66,772	1,91,314
Prov for doubtful debts								
Total expenses (B)	1,53,555	1,83,730	1,66,321	3,06,153	3,01,592	3,06,837	3,48,229	4,00,228
(A) - (B)	8,160	9,536	15,668	4,077	6,564	9,484	8,993	9,747
Prov for Tax	1,077	1,299	2,752	1,857	2,402	2,482	2,834	3,248
Surplus / Deficit	7,083	8,237	12,916	2,220	4,162	7,002	6,160	6,499
Shareholder's a/c (INR m)								
Transfer from technical a/c	3,992	4,402	4,690	3,864	2,781	5,732	4,592	5,435
Income From Investments	2,178	2,177	2,074	2,360	3,212	2,661	2,817	3,197
Total Income	6,175	6,604	6,781	6,351	6,033	8,393	7,409	8,632
Other expenses		257	292	739	707	798	902	1,020
Contribution to technical a/c		120	410	502	1,168	-	-	-
Total Expenses		377	802	1,249	1,862	798	902	1,020
PBT	6,152	6,226	5,978	5,102	4,170	5,050	6,506	7,613
Prov for Tax	875	662	585		303	556	716	837
PAT	5,276	5,564	5,394	5,232	3,867	4,495	5,791	6,775
Growth	-20%	5%	-3%	-3%	-26%	16%	29%	17%
Premium (INR m) & growth (%)								
New business prem - unwtd	43,486	51,604	55,835	68,262	79,049	89,600	99,456	1,15,369
New business prem - WRP	33,072	40,019	42,380	50,327	55,762	62,480	69,470	80,585
Renewal premium	81,523	94,148	1,06,002	1,21,917	1,45,092	1,63,820	1,88,278	2,16,254
Total premium - unwtd	1,25,009	1,45,752	1,61,836	1,90,179	2,24,142	2,53,420	2,87,734	3,31,623
New bus. growth - unwtd	18.6%	18.7%	8.2%	22.3%	15.8%	13.3%	11.0%	16.0%
New business growth - wrp	20.3%	21.0%	5.9%	18.8%	10.8%	12.0%	11.2%	16.0%
Renewal premium growth	14.6%	15.5%	12.6%	15.0%	19.0%	12.9%	14.9%	14.9%
Total prem growth - unwtd	16.0%	16.6%	11.0%	17.5%	17.9%	13.1%	13.5%	15.3%
Premium mix (%)								
New business - unwtd								
- Individual mix	91.6%	92.0%	91.9%	91.2%	89.8%	90.0%	90.0%	90.0%
- Group mix	8.4%	8.0%	8.1%	8.8%	10.2%	10.0%	10.0%	10.0%
New business mix - WRP								
- Participating	44.7%	41.4%	32.2%	20.7%	22.6%	32.8%	32.0%	32.1%
- Non-participating	13.9%	16.4%	29.6%	41.6%	38.5%	30.5%	30.5%	30.5%
- ULIPs	41.4%	42.2%	38.2%	37.7%	39.0%	36.7%	37.5%	37.4%
Total premium mix - unwtd								
- Participating	57.3%	53.4%	49.0%	41.3%	NA	43.3%	44.0%	44.1%
- Non-participating	14.2%	15.0%	19.8%	27.7%	NA	24.0%	23.2%	23.2%
- ULIPs	28.5%	31.5%	31.2%	30.9%	NA	32.6%	32.8%	32.7%
Individual prem sourcing mix (%)								
Individual agents	23.6%	23.2%	22.2%	25.2%	23.0%	24.0%	25.0%	26.0%
Corporate Agents-Banks	63.6%	63.1%	61.4%	63.5%	64.4%	63.0%	63.0%	63.0%
Direct Business	10.0%	11.3%	14.5%	7.0%	8.4%	11.0%	10.0%	9.0%
Others	2.8%	2.5%	1.8%	4.2%	4.2%	2.0%	2.0%	2.0%

Financials and valuations

Balance sheet (INR m)	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Sources of Fund								
Share Capital	19,188	19,188	19,188	19,188	19,188	19,188	19,188	19,188
Reserves And Surplus	7,702	8,478	6,806	10,589	12,760	16,564	21,320	26,922
Shareholders' Fund	26,989	27,609	25,739	30,079	31,959	35,764	40,522	46,125
Policy Liabilities	3,10,137	3,81,436	4,54,807	5,58,936	6,72,822	6,62,443	7,21,037	7,83,589
Prov. for Linked Liab.	1,63,050	1,86,738	1,74,210	2,54,703	2,94,035	5,08,918	6,04,547	7,23,881
Funds For Future App.	18,655	22,498	30,962	29,819	32,369	(117)	49	323
Current liabilities & prov.	17,841	23,398	20,276	28,853	37,214	40,936	45,029	49,532
Total	5,49,628	6,59,270	7,17,724	9,41,082	11,20,549	13,05,981	14,82,674	16,91,642
Application of Funds								
Shareholders' inv	32,146	35,187	32,581	38,484	51,477	69,494	93,817	1,26,653
Policyholders' inv	3,19,238	3,94,173	4,60,484	5,81,847	6,89,187	8,29,667	9,51,722	10,93,061
Assets to cover linked liab.	1,70,981	1,98,619	1,91,642	2,83,736	3,34,432	3,54,498	3,75,768	3,98,314
Loans	2,233	3,265	4,264	5,322	6,661	10,191	15,592	23,856
Fixed Assets	1,582	1,921	2,187	2,213	2,604	3,047	3,565	4,171
Current assets	23,448	26,105	26,566	29,480	36,189	39,084	42,211	45,588
Total	5,49,628	6,59,270	7,17,724	9,41,082	11,20,550	13,05,981	14,82,674	16,91,642
Operating ratios (%)								
Investment yield	8.3%	9.0%	3.3%	15.3%	9.1%	5.9%	5.8%	5.9%
Commissions / GWP	7.1%	6.8%	6.3%	6.5%	6.3%	6.3%	7.0%	7.0%
- first year premiums	20.2%	18.1%	17.2%	17.5%	18.0%	22.6%	22.7%	22.6%
- renewal premiums	3.0%	2.7%	2.6%	2.7%	2.5%	2.5%	2.5%	2.5%
- single premiums	0.1%	1.2%	1.1%	1.4%	1.8%	1.0%	1.0%	1.0%
Operating expenses / GWP	12.9%	13.2%	14.5%	14.2%	13.5%	14.2%	14.4%	14.4%
Total expense ratio	20.0%	20.0%	20.8%	20.7%	19.7%	20.5%	21.4%	21.4%
Claims / NWP	39.9%	39.6%	41.4%	37.4%	42.2%	42.6%	42.3%	42.2%
Solvency ratio	275%	242%	207%	202%	201%	190%	185%	181%
Persistency ratios (%)								
13th Month	80.0%	83.0%	83.0%	84.0%	85.0%	84.0%	85.0%	86.0%
25th Month	72.0%	71.0%	71.0%	71.0%	68.0%	68.0%	69.0%	70.0%
37th Month	62.0%	64.0%	63.0%	63.0%	61.0%	61.0%	61.5%	62.0%
49th Month	57.0%	58.0%	59.0%	58.0%	56.0%	57.0%	57.5%	58.0%
61st Month	53.0%	53.0%	52.0%	54.0%	50.0%	51.0%	51.5%	52.0%
Profitability ratios (%)								
New business margin (%)	20.2%	21.7%	21.6%	25.2%	27.4%	31.2%	28.9%	29.2%
RoE (%)	20.3%	20.4%	20.2%	18.7%	12.5%	13.3%	15.2%	15.6%
Operating RoEV	20.6%	21.9%	20.3%	18.5%	19.2%	22.1%	20.8%	20.4%
RoEV (%)	13.9%	19.0%	11.6%	18.6%	19.8%	14.7%	21.4%	20.3%
Valuation ratios								
Total AUMs (INR bn)	522	628	685	904	1,075	1,229	1,474	1,714
EPS (Rs)	14.3	15.0	14.5	11.0	8.1	10.4	13.4	15.7
Value of new business (INRb)	6.6	8.6	9.0	12.5	15.3	19.5	20.1	23.6
Embedded Value (INR bn)	75.1	89.4	99.8	118.4	141.8	162.6	197.5	237.5
EV Per share (INR)	157.7	187.8	209.6	274.3	328.6	377.0	457.8	550.6
P/EV (x) - after 20% holdco disc	7.0	5.9	5.2	4.0	3.3	2.9	2.4	2.0
P/EPS (x)	76.8	73.5	75.8	100.0	135.4	105.5	61.1	52.2
P/EVOP(x)	34.9	28.8	26.2	25.6	20.8	15.2	14.0	11.8
P/VNB(x)	72.3	57.7	52.9	38.0	31.1	24.3	23.6	20.1

Note: Valuation ratios adjusted for MFS stake (80%) and holding company discount of 20%

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