

HDFC Life Insurance

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR625 **TP: INR700 (+12%)** **Neutral**

PAT in line; VNB tad lower than estimates

Growth outlook remains steady

- HDFC Life Insurance (HDFCLIFE) reported a decent performance in 2QFY24, with APE in line with our estimates at INR30.5b (up 7% YoY). The company reported a 3.4% miss on VNB and a 40bp miss on VNB margins.
- APE rose 7% YoY to INR30.5b, driven by ULIP, term and annuity products while non-PAR declined 30% YoY.
- VNB increased by 4% YoY (3.4% miss), with margin declining 80bp YoY to 26.2%. EV grew 3% QoQ to INR429b.
- In 1HFY24, APE/VNB/PAT grew 9%/10%/15% to INR54b/INR14.1b/INR7.9b.
- 2Q PAT at INR3.8b was in line with estimates (up 15.5% YoY).
- We estimate HDFCLIFE to deliver an ~18% VNB CAGR over FY23-25 and margin to improve to ~28.5% by FY25. **Retain Neutral with a TP of INR700 (premised on 2.7x Mar'25E EV).**

Protection trends improving; ULIP growth strong at 70%

- HDFCLIFE's total premium rose 12.5% YoY to INR148b (in line), with new business premium up 11.4% YoY and renewal premium up 13.5% YoY.
- Total APE grew 6.8% YoY to INR30.5b (in line) in 2QFY24, with individual APE rising 7% YoY. Within total APE, ULIPs/Group spiked 70%/675% YoY, while Annuity and Term grew 10%/14% YoY. Non-par declined 30% YoY.
- VNB grew 4% YoY to INR81b (3.4% miss) in 2QFY24, while VNB margin declined ~80bp YoY to 26.2% (flat QoQ).
- On the distribution front, based on individual APE, the share of banca improved to 61% and the agency channel's share stood at 20%. This increase was at the cost of the direct channel as it continues to face intense competition, with its share moderating to 12% (from 22% in 1QFY23).
- Total EV grew 3% QoQ to INR429b. Total AUM increased by 18% YoY to INR2.6t, while the solvency ratio stood at 194% (600bp QoQ decline).

Highlights from the management commentary

- The company's broader aim is to grow VNB in line with APE and maintain VNB margin in FY24 vs. FY23. In FY25, margins are expected to improve.
- Growth in protection was robust at 28% on new business premium basis. Retail protection registered YoY growth of 46% in 1HFY24.
- The share of return of premium products has been increasing, with the increase in presence in tier 2 & 3 cities (~30% of the total protection).
- With regards to distribution in low-tier cities, the Exide merger and partnerships with banks that have a strong presence in these geographies will be the key drivers. HDFC Bank's strategy to expand its branch network would also be helpful.

Bloomberg	HDFCLIFE IN
Equity Shares (m)	2153
M.Cap.(INRb)/(USD\$)	1344.3 / 16.1
52-Week Range (INR)	691 / 458
1, 6, 12 Rel. Per (%)	-2/7/4
12M Avg Val (INR M)	2446

Financials & Valuations (INR b)

Y/E MARCH	FY23	FY24E	FY25E
Net Premiums	567.6	682.4	826.2
Surplus / Deficit	13.6	14.3	17.2
Sh. PAT	13.6	16.6	19.5
NBP gr- unwt'd (%)	20.4	14.0	20.0
NBP gr - APE (%)	35.5	13.0	21.2
Premium gr (%)	25.2	19.8	21.1
VNB margin (%)	27.6	27.6	28.5
RoEV (%)	19.9	19.2	18.8
Total AUMs (INRt)	2.4	2.9	3.4
VNB (INRb)	36.7	40.9	51.2
EV per share	184	219	260

Valuations

P/EV (x)	3.4	2.9	2.4
P/EVOP (x)	20.7	17.9	14.9

Shareholding pattern (%)

As On	Jun-23	Mar-23	Jun-22
Promoter	50.3	50.3	51.5
DII	6.2	6.6	6.9
FII	30.9	29.9	27.7
Others	12.6	13.2	13.9

FII Includes depository receipts

Valuation and view

HDFCLIFE focuses on maintaining a balanced product mix, with an emphasis on product innovation and superior customer service. While protection has picked up momentum, Non-PAR growth is likely to be back-ended. Credit life will continue to witness healthy traction as the momentum in disbursements across lending institutions remains strong. Persistency trends improved across all cohorts, which should keep renewal premium growth healthy. We estimate HDFCLIFE to deliver an ~18% VNB CAGR over FY23-25 and margin to improve to ~28.5% by FY25. **Maintain Neutral with a TP of INR700 (premised on 2.7x Mar'25E EV).**

Quarterly performance**(INR m)**

Policy holder's A/c (INR b)	FY23				FY24E				FY23	FY24E	FY24E 2Q	V/s est
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
First year premium	17.1	24.2	27.2	44.7	18.5	25.7	33.2	50.3	113.2	127.7	26.7	-3.8
Growth (%)	32.9%	16.6%	28.8%	73.5%	8.4%	5.9%	21.8%	12.6%	40.6%	12.7%	10.1%	
Renewal premium	51.0	69.1	71.9	92.5	58.0	78.4	93.1	128.5	284.5	357.9	80.3	-2.4
Growth (%)	31.1%	37.2%	29.7%	26.1%	13.8%	13.5%	29.5%	38.8%	30.4%	25.8%	16.3%	
Single premium	32.4	39.5	46.6	59.0	40.2	45.4	53.0	65.4	177.6	203.9	44.9	1.1
Growth (%)	30.6%	-12.5%	1.5%	31.1%	24.0%	14.7%	13.7%	10.7%	10.3%	14.8%	13.5%	
Gross premium inc.	100.5	132.8	145.8	196.3	116.7	149.4	179.3	244.1	575.3	689.5	151.9	-1.6
Growth (%)	31.3%	14.2%	18.9%	36.1%	16.2%	12.5%	23.0%	24.4%	25.2%	19.8%	14.3%	
PAT	3.6	3.3	3.2	3.6	4.2	3.8	3.4	4.3	13.6	16.6	3.7	1.0
Growth (%)	19.1%	19.0%	15.2%	0.3%	15.4%	15.5%	9.2%	19.7%	12.6%	22.1%	14.3%	
Key metrics (INRb)												
New business APE	20.6	28.5	32.6	51.6	23.3	30.5	38.5	56.8	131.0	148.0	31.2	-2.3
Growth (%)	32.2	11.7	25.5	69.3	12.8	6.8	18.1	10.1	35.5	13.0	9.4	
VNB	5.2	7.7	8.8	15.1	6.1	8.0	10.4	16.4	36.7	40.9	8.3	-3.4
Growth (%)	27.0	13.6	26.1	68.8	17.8	4.0	19.2	8.3	37.4	11.4	7.7	
AUM (INR b)	2,134	2,249	2,338	2,388	2,533	2,649	2,781	2,912	2,388	2,912	2,676	-1.0
Growth (%)	17.7	17.6	20.1	17.0	18.7	17.8	18.9	22.0	17.0	22.0	19.0	
Key Ratios (%)												
VNB Margins (%)	25.1	27.0	26.8	29.3	26.2	26.2	27.1	28.8	27.6	27.6	26.6	-40
Solvency ratio (%)	183.0	210.0	209.0	203.0	200.0	194.0	198.0	196.3	203.3	196.3	201.0	-700

Quarterly snapshot

	FY22			FY23				FY24E		Change (%)	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	YoY	QoQ
Net premium income	114.4	121.2	142.9	98.5	131.1	143.8	194.3	114.8	147.6	13	29
First year premium	20.8	21.2	25.7	17.1	24.2	27.2	44.7	18.5	25.7	6	39
Renewal premium	50.3	55.4	73.4	51.0	69.1	71.9	92.5	58.0	78.4	13	35
Single premium	45.2	46.0	45.1	32.4	39.5	46.6	59.0	40.2	45.4	15	13
Investment income	88.7	19.8	14.0	-33.0	97.8	49.3	11.9	116.3	81.0	-17	-30
Total income (A)	204.8	142.2	160.5	66.1	229.7	196.9	214.3	232.1	229.7	0	-1
Commission paid	5.1	5.1	6.2	4.0	6.7	6.8	10.9	6.6	11.8	76	79
Operating expense	13.5	15.0	18.1	15.6	18.4	21.2	29.2	16.3	17.4	-5	7
Total commission & Opex	18.6	20.1	24.3	19.6	25.1	28.0	40.1	22.9	29.2	16	28
Total Expenses (B)	202.5	139.4	152.5	62.8	226.0	194.0	205.1	229.2	232.8	3	2
PBT	1.8	2.0	7.1	2.2	2.7	2.0	8.2	2.3	-3.8	-241	-264
Tax	0.1	0.2	1.5	0.1	0.2	-1.3	2.5	0.2	-6.1	-2,609	-2,907
Surplus/(Deficit)	1.6	1.8	5.5	2.1	2.5	3.3	5.7	2.1	2.3	-7	8
Shareholder A/c											
Trf from Policyholder a/c	2.0	1.8	5.0	2.5	2.2	4.2	5.8	2.3	1.4	-38	-42
Investment Income	2.0	1.8	1.5	1.2	1.6	2.4	2.0	2.3	2.4	48	2
Total income	4.1	3.6	6.5	3.7	3.8	6.6	8.4	4.6	3.8	1	-18
PBT	2.8	2.8	3.2	3.6	3.3	3.1	2.7	4.2	3.3	1	-21
Tax	0.0	0.0	-0.4	0.0	0.0	0.0	-0.9	0.0	-0.5	-4,408	-3,759
PAT	2.7	2.7	3.6	3.6	3.3	3.2	3.6	4.2	3.8	15	-9
Individual APE											
ULIP	5.4	5.6	6.7	3.9	4.8	5.8	7.2	4.7	7.8	65	66
PAR	6.5	6.5	7.8	5.6	7.2	7.2	10.8	4.9	7.6	6	56
Term	1.4	0.9	1.6	0.8	0.8	1.1	1.8	1.1	1.6	94	38
Non Par savings	6.8	7.4	8.6	5.7	9.5	11.6	24.5	6.2	7.2	-24	16
Annuity	1.1	1.1	1.3	1.0	1.5	1.7	1.6	1.7	1.9	30	12
Total individual APE	21.2	21.5	25.9	16.9	24.3	27.6	45.3	18.8	26.0	7	38
Total APE	25.5	26.0	30.5	20.6	28.5	32.6	51.6	23.3	30.5	7	31
APE (% of total)											
ULIP	25.4	26.0	26.0	23.0	19.6	21.0	16.0	25.0	30.2	1,056	517
PAR	30.6	30.0	30.0	33.0	29.6	26.0	24.0	26.0	29.4	-16	345
Term	6.4	4.4	6.0	5.0	3.3	4.0	4.0	6.0	6.0	269	0
Non Par savings	32.0	34.6	33.0	34.0	39.1	42.0	54.1	33.0	27.8	-1,126	-517
Distribution mix (%)											
Bancassurance	62.5	62.6	61.0	56.0	57.7	62.0	51.4	61.0	67.9	1,021	690
Individual agents	11.8	15.6	14.0	16.0	19.4	18.0	23.0	20.0	16.6	-284	-345
Direct	19.8	15.8	19.0	22.0	13.5	12.0	10.0	12.0	10.3	-325	-172
Broker	6.0	6.0	6.0	7.0	8.7	10.5	14.0	8.0	6.3	-242	-172
Key Ratios (%)											
Operating ratios											
Commission (unwtd)	4.4	4.1	4.3	3.9	5.1	4.8	5.7	5.7	7.9	281	228
Opex (unwtd)	11.7	12.4	12.6	19.6	13.8	14.5	15.0	19.8	11.6	-220	-815
Total Cost	16.0	16.4	16.8	19.5	19.0	19.3	20.5	19.6	19.6	61	-1
Solvency ratio	190	190	176	183	210	209	203	200	194	-1,600	-600
Profitability ratios											
VNB margins	26.6	26.7	29.4	25.1	27.0	26.8	29.3	26.2	26.2	-82	0
ROE	13.5	13.0	10.1	14.1	12.4	11.9	11.9	12.6	12.4	0	-20
Op. ROEV	16.1	16.2	16.6	15.7	17.7	17.5	19.7	16.0	17.7	0	170
Persistency ratios											
13th Month	86.0	87.0	87.5	85.0	87.0	87.0	87.5	83.3	84.0	-300	70
25th Month	76.0	77.0	78.8	74.5	77.0	78.0	78.7	78.0	78.1	110	10
37th Month	66.0	67.0	67.5	68.4	70.0	71.0	72.4	69.8	71.5	150	170
49th Month	63.0	63.0	63.2	61.8	63.0	64.0	64.0	66.3	72.3	930	600
61st Month	52.0	53.0	54.0	50.7	51.0	52.0	52.3	52.7	51.4	40	-130
Key Metrics (INR b)											
VNB	6.8	6.9	9.0	5.2	7.7	8.8	15.1	6.1	8.0	4	31
EV	287.0	295.4	329.6	324.7	360.2	377.0	395.3	418.4	429.1	19	3
EVOP	13.2	12.9	14.2	11.7	13.8	16.8	22.5	15.0	-15.0	-209	-200
AUM	1,912	1,947	2,042	2,134	2,249	2,338	2,388	2,533	2,649	18	5
Equity portion (%)	38	36	37	35	32	32	30	32	32	0	0

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



Highlights from the management commentary

Business

- In 1HFY24, HDFCLIFE recorded a healthy growth of 10% in individual WRP vs. 8% for overall industry. The company's market share in H1FY24 stood at 15.7% among private players and 10.3% in the overall sector.
- HDFCLIFE continued to grow faster than the overall industry and was ranked among the top 3 life insurers across the individual and group businesses. Sales of individual policies grew 10%, beating industry growth.
- The total wallet share for HDFC Bank increased to 70%+ in Sep'23 and 62% in 1HFY24, driven by investment in human resources and the introduction of new products.
- HDFCLIFE has insured more than 30m lives across the individual and group businesses, up 16% YoY.
- Two-thirds of new customers are new to HDFCLIFE and 50% of them are younger than 35 years.
- Growth in protection was robust at 28% on new business premium basis. Retail protection registered YoY growth of 46% in 1HFY24.
- The share of return of premium products has been increasing, with the increase in presence in tier 2 & 3 cities (~30% of the total protection). Returns of premium products are not margin dilutive.
- Sum assured recorded healthy growth, with retail and overall sum assured growing by 61% and 45% YoY, respectively, for 1HFY24. HDFCLIFE continues to lead in terms of sum assured and private market share based on overall sum assured stood at 18% for H1FY24.
- Annuity APE grew by 17% and the segment contributed to 18% of new business premium. Annuity and Protection put together contributed to about 55% of new business premium in 1HFY24.
- In the non-par savings, products have been re-priced twice in 1HFY24 and the same will continue in line with the overall interest rate environment.
- Premium from policies with ticket size of over INR0.5m declined 20%, while for policies with a ticket size of below INR0.5m, premium grew 18%. The share of the INR0.5m+ ticket size declined to 6% in 1HFY24 from 12% in FY23.
- HDFCLIFE introduced two new products in the protection category - HDFC Life Sanchay Legacy and Click 2 Protect Elite.

Agency & Broking

- Agency and broking channels were affected by a decline in policies with premium of over INR0.5m. HDFCLIFE expects a recovery in this segment in 2HFY24.
- PolicyBazar has shifted from the web aggregator to the broker business during last year, though its broking channel has seen a decline. The decline was mainly due to high dependence of the channel on policies with the ticket size of more than INR0.5m.
- The agency channel has a persistency of 90% on overall basis. Low-tier cities have seen a strong demand for ULIPs.
- Its share from Exide has improved, with improvements seen in retail protection and credit protection.

Strategy in low-tier cities

- The company's strategy to increase the number of customers by entering low-tier cities has played out well as premium growth from tier 2 & 3 towns was double compared with company-level growth.
- The key observation is that customers are younger and the ticket sizes are lower in these geographies.
- With regards to distribution in low-tier cities, the Exide merger and the recent partnerships with banks that have a strong presence in these geographies will be the key drivers. HDFC Bank's strategy to expand its branch network would also be helpful.

EV/VNB

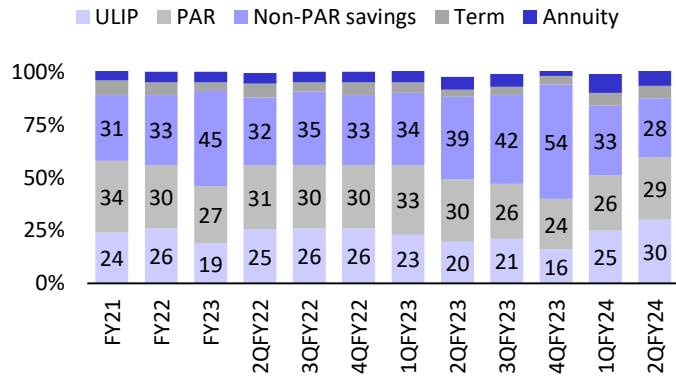
- The company's broader aim is to grow VNB in line with APE and maintain VNB margin in FY24 vs. FY23. In FY25, margins are expected to improve.
- In 1QFY24, investment variance was INR8b, of which ~INR5b was from equity and ~INR 3b was from debt. However, the interest rate movement in 2QFY24 has nullified the investment variance on the debt segment.

Valuation and view

- HDFCLIFE maintained market leadership as a top 3 life insurer in the industry with an individual APE-based market share of ~16% for FY23 among private insurers (v/s 8.0% in FY10).
- Product innovation has been a key differentiator and played a critical role in driving business growth. Several of the company's savings products – such as Sanchay Plus and Sanchay-PAR Advantage – have seen strong traction.
- Protection momentum is picking up while Non-PAR/Annuity businesses are likely to witness healthy trends. In 2QFY24 HDFC Life introduced 2 new products in the protection category - HDFC Life Sanchay Legacy and Click 2 Protect Elite.
- We expect the share of high-margin products (Annuity and Protection) to remain steady, driving a steady VNB margin. We expect VNB margin of ~30.7% by FY25.
- HDFCLIFE has delivered strong return ratios in the past few years, which should remain robust, driven by: a) healthy new business margin, b) a balanced product mix, c) quality underwriting, and d) robust persistency ratios.
- **Neutral with a TP of INR700:** HDFCLIFE remains focused on maintaining a balanced product mix, with an emphasis on product innovation and superior customer service. While protection has picked up momentum, Non-PAR growth is likely to be back ended. Credit life will continue to witness healthy traction as the momentum in disbursements across lending institutions remains strong. Persistency trend improved across all cohorts that will keep the renewal premium growth healthy. We estimate HDFCLIFE to deliver ~18% VNB CAGR over FY23-25 and margin to improve to ~28.5% by FY25. Maintain Neutral with a TP of INR700 (premised on 2.7x Mar'25E EV).

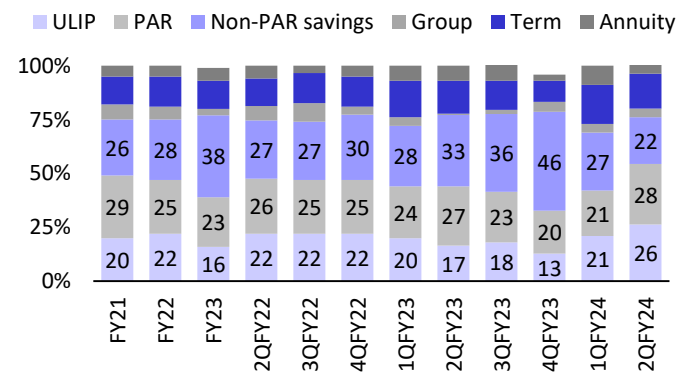
Key exhibits

Exhibit 1: Share of Non-PAR Savings declines to 28% of Individual APE (%)



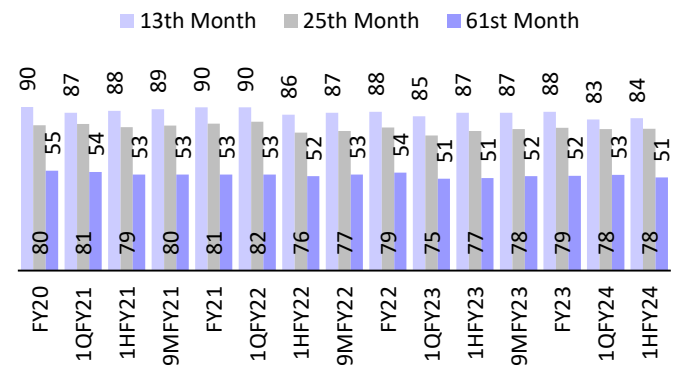
Source: MOFSL, Company

Exhibit 2: Share of Non-PAR Savings/Annuity/Protection at 22%/7%/16% of total APE, respectively (%)



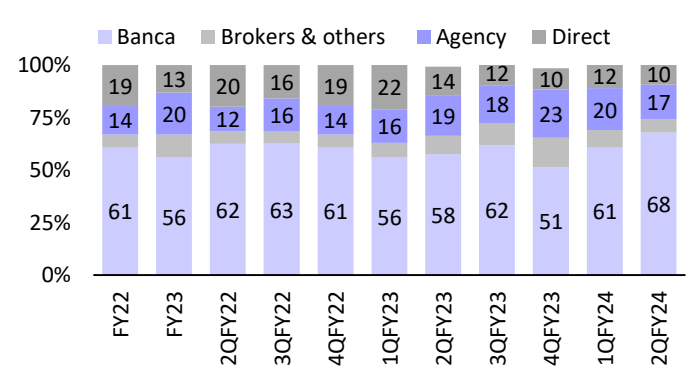
Source: MOFSL, Company

Exhibit 3: Persistency ratio for 61st month decline (%)



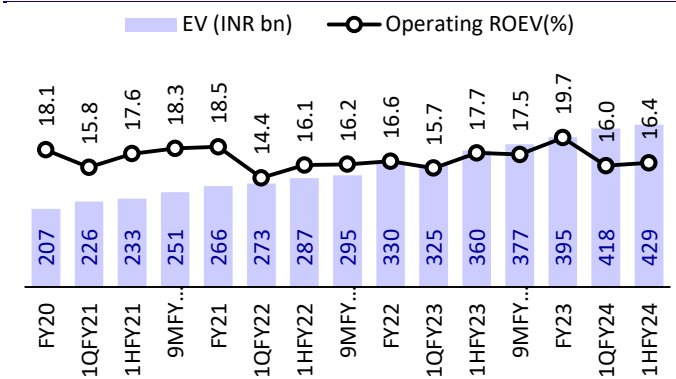
Source: MOFSL, Company

Exhibit 4: Share of banca continues to improve (%)



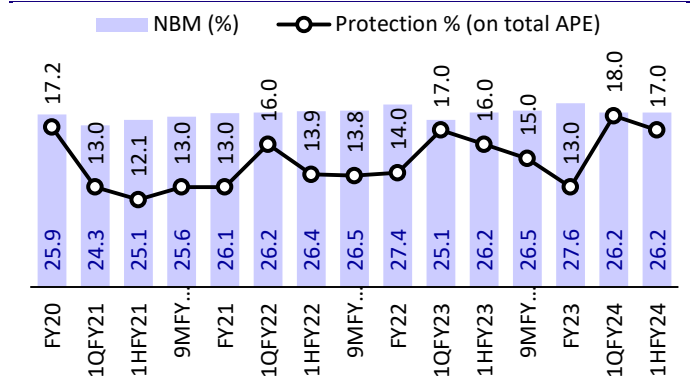
Source: MOFSL, Company

Exhibit 5: Operating RoEV healthy at 16.4% with EV up 2.5% QoQ (%)



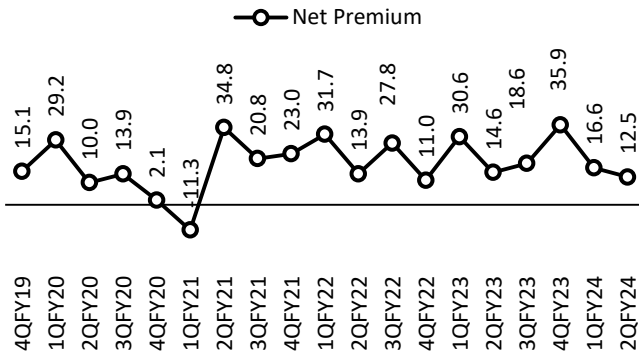
Source: MOFSL, Company

Exhibit 6: VNB margin steady at 26.2% in 2QFY24 (%)



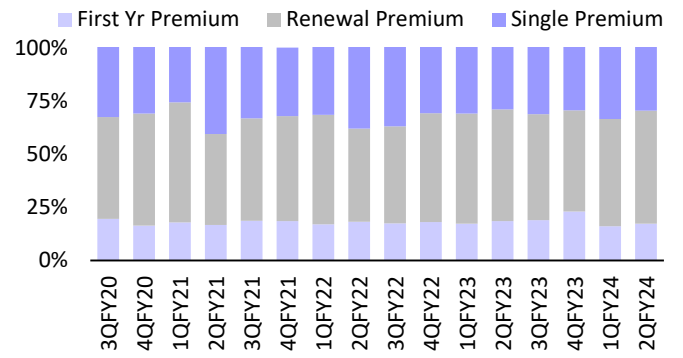
Source: MOFSL, Company

Exhibit 7: Net premium income grew ~13% YoY (%)



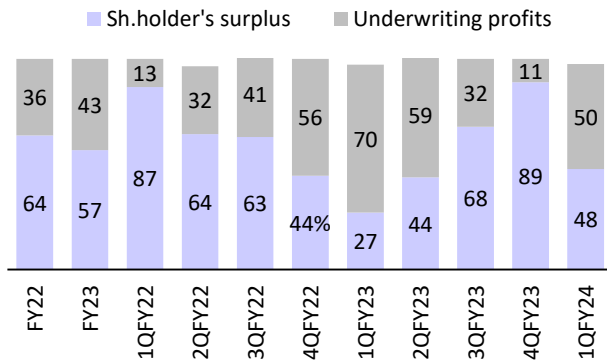
Source: MOFSL, Company

Exhibit 8: Proportion of premium trends among first year, single and renewal premiums (%)



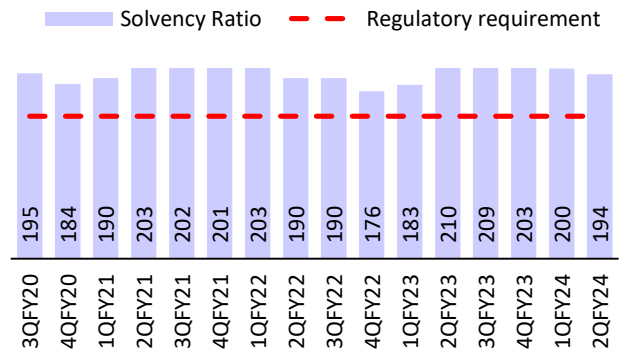
Source: MOFSL, Company

Exhibit 9: Trend in underwriting profit and shareholders' surplus (%)



Source: MOFSL, Company

Exhibit 10: Solvency ratio stood at 194% in 2QFY24 (%)



Source: MOFSL, Company

Financials and valuations

Technical account (INR b)	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Gross Premiums	291.9	327.1	385.8	459.6	575.3	689.5	834.9
Reinsurance Ceded	(2.6)	(4.8)	(4.6)	(5.7)	(7.7)	(7.2)	(8.7)
Net Premiums	289.2	322.2	381.2	454.0	567.6	682.4	826.2
Income from Investments	90.3	(33.1)	326.8	192.2	126.0	228.7	262.2
Other Income	4.8	3.5	4.4	7.5	13.4	15.1	17.0
Total income (A)	384.4	292.6	712.4	653.6	707.1	926.1	1,105.5
Commission	11.2	14.9	17.1	19.4	28.9	31.0	37.9
Operating expenses	38.1	42.7	45.9	56.1	84.4	77.9	93.4
Total commission and opex	49.3	57.6	63.0	75.5	113.2	108.9	131.2
Benefits Paid (Net)	139.9	190.2	225.7	318.6	388.7	405.4	487.1
Change in reserves	175.1	24.4	408.3	246.8	185.9	391.8	462.7
Prov for doubtful debts	0.9	5.7	(1.9)	(2.5)	0.3	0.3	0.3
Total expenses (B)	365.2	277.9	695.1	638.4	688.1	906.4	1,081.5
(A) - (B)	19.2	14.7	17.3	15.1	18.9	19.7	24.0
Tax (incl GST)	5.7	5.0	6.3	5.5	5.3	5.3	6.8
Surplus / Deficit	13.5	9.7	11.0	9.6	13.6	14.3	17.2

Shareholder's a/c (INR b)	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Transfer from technical a/c	12.1	11.9	9.9	10.1	14.7	16.9	19.7
Income From Investments	4.1	4.4	6.5	7.9	7.2	4.5	5.2
Total Income	16.4	16.5	16.4	18.0	22.5	22.0	25.5
Other expenses	0.3	0.3	0.6	0.8	1.2	1.4	1.5
Contribution to technical a/c	3.1	1.0	2.6	5.7	8.8	3.8	4.3
Total Expenses	3.5	3.4	2.8	6.2	9.8	5.1	5.8
PBT	12.9	13.1	13.5	11.8	12.7	16.9	19.8
Tax	(0.1)	(0.2)	0.1	0.3	0.9	(0.3)	(0.3)
PAT	12.8	13.0	13.6	12.1	13.6	16.6	19.5
Growth	15%	1%	5%	-11%	13%	22%	17%

Premium (INR b) & growth (%)	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
NBP - unweighted	149.7	172.4	201.1	241.5	290.9	331.6	397.9
NBP - wrp	60.5	71.6	81.8	96.6	131.0	148.0	179.4
Renewal premium	142.1	154.7	184.8	218.1	284.5	357.9	437.0
Total premium - unweighted	291.9	327.1	385.8	459.6	575.3	689.5	834.9
NBP growth - unweighted	31.9%	15.1%	16.6%	20.1%	20.4%	14.0%	20.0%
NBP growth - wrp	12.0%	18.4%	14.2%	18.1%	35.5%	13.0%	21.2%
Renewal premium growth	16.4%	8.8%	19.4%	18.0%	30.4%	25.8%	22.1%
Tot. premium growth - unweighted	23.9%	12.1%	18.0%	19.1%	25.2%	19.8%	21.1%

Premium mix (%)	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
New business - un weighted							
- Individual mix	51.1%	48.8%	49.9%	48.0%	50.3%	67.0%	66.0%
- Group mix	48.9%	51.2%	50.1%	52.0%	49.7%	33.0%	34.0%
New business mix - WRP							
- Participating	14.4%	15.9%	28.8%	25.2%	23.2%	25.6%	25.6%
- Non-participating	38.5%	59.5%	49.9%	51.7%	59.9%	43.9%	42.7%
- ULIPs	47.1%	24.5%	21.3%	23.1%	16.9%	30.5%	31.7%
Total premium mix - un weighted							
- Participating	20.0%	18.5%	19.8%	19.7%	22.1%	40.0%	40.0%
- Non-participating	41.2%	47.3%	51.0%	54.1%	56.4%	12.8%	12.8%
- ULIPs	38.8%	34.2%	29.1%	26.2%	21.6%	47.2%	47.2%

Indi premium sourcing mix (%)	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Individual agents	13.8%	13.3%	12.3%	13.2%	17.0%	18.0%	19.0%
Corporate agents-Banks	46.7%	41.8%	45.8%	44.5%	46.6%	46.5%	44.9%
Direct business	31.8%	35.0%	32.9%	32.9%	29.0%	28.0%	28.5%
Others	7.8%	9.9%	9.0%	9.4%	7.4%	7.5%	7.6%

Financials and valuations

Balance sheet (INR b)	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Sources of Fund							
Share Capital	20.2	20.2	20.2	21.2	21.5	21.5	21.5
Reserves And Surplus	36.4	49.7	64.1	132.9	108.1	119.8	133.7
Shareholders' Fund	56.6	68.0	86.4	154.9	129.9	141.5	155.4
Policy Liabilities	536.7	652.7	855.2	1,043.4	1,432.7	1,748.4	2,130.9
Prov. for Linked Liab.	605.2	508.4	709.6	765.2	753.8	883.2	975.2
Funds For Future App.	39.5	42.2	47.9	50.4	50.5	60.0	71.4
Current liabilities & prov.	51.2	49.8	65.2	62.3	81.1	105.4	137.0
Total	1,300.3	1,321.6	1,795.8	2,103.9	2,477.2	2,938.5	3,469.8
Application of Funds							
Shareholders' invt	50.5	58.6	85.4	152.4	131.3	157.6	189.1
Policyholders' invt	571.2	671.9	905.4	1,083.1	1,464.5	1,802.4	2,192.6
Assets to cover linked liab.	633.8	541.8	747.6	806.2	792.0	867.3	949.6
Loans	1.1	3.0	4.2	6.4	15.9	19.7	24.4
Current assets	40.4	43.1	49.8	52.3	69.8	87.2	109.0
Total	1,300.3	1,321.6	1,795.8	2,103.9	2,477.2	2,938.5	3,469.8
Operating ratios (%)							
Investment yield	7.5%	-2.7%	19.8%	10.2%	5.6%	8.6%	8.3%
Commissions / GWP	3.8%	4.6%	4.4%	4.2%	5.0%	4.5%	4.5%
- first year premiums	15.5%	17.9%	18.5%	17.0%	17.9%	19.3%	19.4%
- renewal premiums	1.5%	1.6%	1.5%	1.5%	1.8%	1.5%	1.5%
- single premiums	1.2%	1.3%	1.0%	1.3%	1.6%	0.5%	0.5%
Operating expenses / GWP	13.1%	13.0%	11.9%	12.2%	14.7%	11.3%	11.2%
Total expense ratio	16.9%	17.6%	16.3%	16.4%	19.7%	15.8%	15.7%
Claims / NWP	46.4%	56.4%	57.1%	66.3%	64.9%	55.8%	55.4%
Solvency ratio	188%	184%	201%	176%	203%	196%	192%
Persistence ratios (%)							
13th Month	87.2%	90.1%	90.0%	87.5%	87.5%	87.5%	87.5%
25th Month	80.5%	80.2%	81.0%	78.8%	78.7%	78.7%	78.7%
37th Month	72.0%	73.8%	71.0%	67.5%	72.4%	72.4%	72.4%
49th Month	67.7%	67.2%	67.0%	63.2%	64.0%	67.7%	68.5%
61st Month	52.3%	55.0%	53.0%	54.0%	52.3%	53.2%	55.8%
Profitability ratios (%)							
VNB margin (%)	24.6%	25.9%	26.1%	27.4%	27.6%	27.6%	28.5%
RoE (%)	24.5%	20.8%	17.6%	10.0%	9.6%	12.2%	13.1%
Operating ROEV	20.1%	18.2%	18.5%	16.5%	19.7%	19.0%	19.2%
RoEV (%)	20.3%	12.9%	28.9%	23.8%	19.9%	19.2%	18.8%
Valuation & key data							
Total AUMs (INRb)	1,256	1,272	1,738	2,042	2,388	2,912	3,431
- of which equity AUMs (%)	38%	29%	36%	37%	30%	39%	40%
Dividend %	16%	0%	0%	17%	19%	23%	26%
Dividend payout ratio (%)	31%	0%	0%	0%	0%	30%	29%
EPS, INR	6.3	6.4	6.7	5.7	6.3	7.7	9.0
VNB (INRb)	15.40	19.18	21.85	26.74	36.74	40.9	51.2
Embedded Value (INRb)	182.7	206.3	266.2	329.4	395.1	471.0	559.7
EV per share (INR)	84.9	95.8	123.6	153.0	183.5	218.8	260.0
VIF as % of EV	68%	65%	66%	64%	68%	70%	73%
P/VIF (%)	10.8	10.0	7.6	6.3	5.0	4.1	3.3
P/AUM (%)	107%	106%	77%	66%	56%	46%	39%
P/EV (x)	7.4	6.5	5.1	4.1	3.4	2.9	2.4
P/EPS (x)	98.6	97.4	92.9	109.5	98.9	81.0	69.1
P/EVOP (x)	44.0	40.5	35.2	30.6	20.7	17.9	14.9
P/VNB (x)	87.4	70.1	61.6	50.3	36.6	32.9	26.3

NOTES

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BUY	>=15%
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