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India | Equity Research | Results Update

ICICI Prudential Life Insurance Company

Life Insurance

Product and distribution initiatives adapting well to macros; valuation remains attractive

ICICI Prudential (IPRU) has successfully accelerated volume growth (5%/15% growth in total APE FY24/FY25; 22.3% growth in retail WRP vs 17.4% growth for the private industry in 11MFY25) backed by well-executed distribution/product initiatives. Margin performance has been muted (VNB margin down to 22.7%/22.8% in Q4FY25/FY25, from 24.6% in FY24) driven primarily by product mix change. As margin bottoms out with high ULIP mix and implementation of higher surrender charges, VNB growth ahead improve (6.4% YoY in FY25). The diversified channel mix (agency/direct/banca/partnership distribution/group APE mix is 29%/14%/29%/11%/16%, as of FY25) is unique among peers and significantly blunts the risks to the business. Yet, IPRU's ability to improve margins shall be tested, considering open architecture and increase in linked products mix.

Maintain BUY; TP revised to INR 750 (vs. INR 776), basis 1.75x (unchanged) FY27E EV

We factor in VNB margin of ~23.5%/24% with APE growth of 13%/15% for FY26E/FY27E, resulting in an embedded value (EV) of INR 619bn by FY27E. This translates to operating RoEV of 13.5%/13.8% in FY26/FY27E. IPRU has demonstrated strong volume performance having reported retail WRP growth of 22.3% YoY vs. 17.4% of private industry in 11MFY25. However, despite strong volume growth, VNB growth stood at 6.4% in FY25 due to weaker margins. Our **BUY** rating captures possible EV growth till FY27E – balanced between volume and stable margin outlook while valuation remains modest. IPRU is also better placed in terms of any risk of channel disruption from any adverse regulation basis diversified mix. Risks include weakness in volume/margin and adverse regulations.

Focus remains on growing APE and VNB on absolute basis

VNB margin improved from 21.5% in Q4FY24 to 22.7% in Q4FY25. However, it remained subdued for FY25 at 22.8% (vs. 24.6% in FY24) due to change in product mix (higher mix of UL and group funds). VNB growth stood at 2.4%/6.4% in Q4/FY25.

Financial Summary

Y/E March (INR bn)	FY24A	FY25A	FY26E	FY27E
APE	82.0	103.3	116.7	134.2
Embedded Value	423.4	479.5	544.4	619.3
New value business	22.3	23.7	27.7	32.5
VNB margin (%)	24.6	22.8	23.5	24.0
P/EV (x)	2.0	1.8	1.6	1.4
EVOP as % of IEV	14.1	13.1	13.8	14.0
RoE (%)	8.1	10.3	10.6	10.8
RoEV (%)	18.8	13.3	13.5	13.8

Ansuman Deb

ansuman.deb@icicisecurities.com
+91 22 6807 7312

Shubham Prajapati

shubham.prajapati@icicisecurities.com

Sanil Desai

sanil.desai@icicisecurities.com

Market Data

Market Cap (INR)	861bn
Market Cap (USD)	10,081mn
Bloomberg Code	IPRU IN
Reuters Code	ICIR BO
52-week Range (INR)	797 /515
Free Float (%)	27.0
ADTV-3M (mn) (USD)	11.2

Price Performance (%)	3m	6m	12m
Absolute	(7.8)	(19.0)	(2.1)
Relative to Sensex	(10.3)	(15.9)	(9.8)

ESG Score	2023	2024	Change
ESG score	77.3	76.2	(1.1)
Environment	62.8	66.7	3.9
Social	75.7	74.6	(1.1)
Governance	83.9	81.9	(2.0)

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Previous Reports

24-01-2025: [Q3FY25 results review](#)

23-10-2024: [Q2FY25 results review](#)

Key pointers from results: lower margins and higher non par mix

- **VNB growth was 8.5% in 9MFY25 but decreased to 6.4% in FY25.** This was mainly due to a decline in APE (down 3.2% YoY) on last year's high base. In the medium term, IPRU would work towards mid-teens APE growth with an alpha over the market. Focus remains on growing VNB at higher rate over APE.
- **Product mix moved towards non-linked in Q4 on back of product launch.** This is contrary to the dominance of linked products during 9MFY25. Non-linked APE mix improved from 24.3% in Q4FY24 to 28.6% in Q4FY25 on back on new product launch, leading to growth of 13.8% YoY for Q4FY25 in the non-linked segment. Linked APE mix remained stable in Q4FY25 at 43.4% but declined in value by 3.3% YoY. In FY25, linked business mix increased to 48.3% from 43.2% in FY24 and grew by 28.5% YoY. Non-linked business mix declined to 21.2% in FY25, from 25.8% in FY24 with a value decline of 5.6% YoY. Protection segment reported a growth of 9%/7.4% in Q4/FY25 and forms ~13.5%/15.7% of total APE mix. Group savings grew strong with 115%/107% YoY growth and forms ~7.2%/6.4% of total APE mix in Q4/FY25. Annuity forms 7.4%/8.4% of total APE and reported a decline of 58%/8% in Q4FY25/FY25.
- **Reduction in costs QoQ, but expense ratio higher YoY:** Cost/TWRP increased from 24% in FY24 to 25.1% in FY25 (vs. 27.8% in 9MFY25). Cost/TWRP (for saving LoB) improved from 15.8% in FY24 to 15.4% in FY25 (vs. 16.8% in 9MFY25). IPRU has been investing in capabilities – people, technology and process improvements, which should help deliver operating leverage in coming years.

VNB margin shrinks due to higher ULIPs and lower protection margin

- **VNB margin witnessed drop of ~185bps YoY from 24.6% in FY24 to 22.8% in FY25.** This was primarily due to negative impact of ~330bps being due to change in operating assumptions i.e., lower expense absorption due to higher ULIP mix, 60bps due to economic assumption change. This was positively offset by ~200bps due to new business profile (effect of repricing). New business profile comprises the impact of differences in mix of product segments/distribution channel/customer profile & product repricing, amongst others.
- **For savings, VNB margin improved from 14.4% in FY24 to 16.8% in FY25. However, for protection, VNB margin declined to 54.5% in FY25 from 75% in FY24.** Management stated that effort remains for improving the protection margins.

Q4 mix shifts towards non-linked; retail protection doing well

For Q4FY25, IPRU reported APE decline of 3.2% YoY while for FY25, APE grew by 15% YoY. Q4FY25 APE contribution was skewed towards non-linked savings products at 28.6%, linked savings at 43.4%, protection at 13.5%, annuity at 7.4% and the balance 7.2% from group savings products. For FY25, linked savings remains overweight at 48.3%, non-linked savings at 21.2%, protection at 15.7% and group savings at 3.8%.

- **Annuity business declined 57.8%/8.2% YoY in Q4FY25/FY25.** This was mainly due to the base effect of last year on product launch. Within annuity, the company is focused on customer segment of age 50 years+ and offers differentiated products such as 'Guaranteed Pension Plan Flexi Benefit Enhancer' with customisation. This product was launched in Q4FY24 and is the industry's first annuity plan that provides customers with an option to receive 100% refund of premiums paid any time, starting from the day of purchase, with deferred commission structure.

- **Group fund business reported strong growth** of 114.5% YoY in Q4FY25 and 25% in FY25. Group fund is part of product proposition for corporates along with group term while adding to absolute profits. Group funds contributed 3.8% to APE. This business involves managing funds for gratuity leave encashment and superannuation and is typically lumpy in nature and relatively low margin.
- **Retail protection APE grew strong at 27.4%/25.1% YoY in Q4FY25/FY25.** Management remains confident that retail protection would remain stable from growth perspective; currently, it is 37% of total protection.
- **Group term business has declined in FY25 by 2.9% YoY impacted due to increased competition.** Underwriting strategy remains focused on selecting businesses that meet defined risk-reward expectations.
- **Credit life grew by 1% YoY, and forms 37% of overall protection business.** Within credit life, 40% business is from MFI and remaining is from non-MFI. Credit life is down due to stress in MFI, which is expected to continue for a few quarters. Non-MFI business is good with growth of 20%.
- **Unit linked APE declined by 3.3% YoY in Q4FY25 due to impact of market volatility.** The company was able to offset some of the impact with product launches in non-linked segments. Further, in the linked segment, the company has been increasing the value proposition with wealth as well as protection offerings, higher sum assured, benefits for nominee, thereby insulating impact to some extent. These type of products within ULIPs is 10–12%, which is isolated from market vagaries.
- **Processes have become more efficient:** With a set of capabilities encompassing digital tools and analytics, the company was able to issue ~50% policies on the same day for savings LoB in FY25. It has also launched an initiative of crediting commissions on the same day of policy issuance. Use of AI, machine learning and data analytics have led to 57% reduction in cases with higher propensity for fraud and early claims for savings policies (Oct'23–Mar'25).
- **Regular and limited-pay persistency has been improving consistently across most cohorts:** 13/25/37-month persistency saw improvement and stood at 89.1%/82.6%/75.2% in FY25 vs. 88.7%/79.7%/72% in FY24, while 49/61-month persistency declined from 70.7%/65.6% in FY24 to 69.5%/64.1% in FY25.
- **IPRU Life launched following new products/variants in Q4FY25**
 - **IPRU GIFT Select** is a non-par guaranteed income product. Key differentiator of the product is the increasing income feature, making it a quasi-inflation hedge and instant cashback feature. This product witnessed strong traction within days of launch and helped offset the impact of market volatility witnessed in the linked business in Q4FY25.
 - **IPRU Goal Protect** is a non-par, non-linked, individual pure risk health rider that ensures financial safeguarded in unforeseen circumstances. It assures continuity of base policy, even after death, by providing benefits when due to nominee and without the need to pay any future premiums.
 - **IPRU Smart Goal Assure** is a multi-benefit ULIP that blends the benefits of life insurance with investment focusing on goal-based savings. With the Smart Benefit feature, plan remains secure through premium waivers and family income support in case of life's uncertainties, keeping goals intact. Plan also has Maturity Protect feature – a guaranteed maturity benefit to safeguard investments.

Channel mix remains well diversified; blunts business risks materially

For FY25, agency/direct business grew 14.2%/17% contributing 28.9%/14.4% to the company's APE in FY25. Banca channel reported growth of 18.2% YoY and contributed 29.4% of total APE in FY25. Partnership distribution contributed 10.9% in FY25.

For Q4FY25, except for banca channel, other channels reported decline YoY. Banca channel grew by 6.8% YoY, while agency/direct/partnership channels slipped 20.2%/7.8%/10.7% YoY. Group business contributed 16.4% of total APE in FY25 and growth of 32.9%/24.6% YoY in Q4FY25/FY25.

This diversified distribution should enable IPRU grow sustainably in the long term.

- **Banca channel remains stable:** ICICI Bank's contribution is stable (14–15% of total APE) with focus on protection line of business. From other banks' perspective, focus is on lowering mis-selling. Persistency is a fair measure of business. Every year, IPRU is improving on that. The company continues to add new partnerships and increase its share in existing partnerships. Currently, it has a total of 48 bank tie-ups (five bank tie-ups done in FY25) with access to more than 23,000 bank branches and more than 1,300 non-bank partnerships.
- **In Q4FY25, proprietary business saw a decline of 16.6% YoY**, primarily because of two factors – 1) the high base of annuity in previous year; and 2) customer preference shifting away from ULIPs.

High base of last year (Q4FY24) annuity business was primarily driven by proprietary channels, especially agency. Agency channel was very agile to shift gears and grew faster than the company on the back of high ULIP sales up to 9MFY25. However, as markets became volatile in Q4, customer preference started shifting away from ULIP products, impacting agency channel. Agency channel was quick to pick up the latest non-par product GIFT Select, launched in Q4FY25.

- **Group business muted on account of credit life business slowdown in MFI segment** while business done through non-MFI has seen robust growth. Group term business declined by 3% YoY in FY25.
- **Partnerships:** Partnership distribution is more focused on non-linked savings (47% of mix) and protection and annuity products (28% of mix), resulting in lower growth compared to other channels who have higher ULIP mix. APE declined by 3.2% YoY in FY25.

EV walk and key parameters

Embedded value was at INR 479.5bn with RoEV at 13.3%. Operating profit for FY25 was INR 55.3bn. The breakdown of EVOP is as follows:

- Unwind contribution by FY25 is at 8% of opening EV.
- VNB of INR 23.7bn is 5.6% of the opening EV.
- Unwind and VNB together constitute 13.6% of opening EV.
- Operating assumption change is a negative of INR 2.54bn. During the year, the company has strengthened its operating assumptions, which has led to negative movement. Last year, the company had shown mortality variance due to higher-than-expected claims incurred but not reported in group business. The company had continuously monitored this variance through the year and now has aligned its long-term mortality assumption.
- Persistency variance is a positive INR 0.17bn. The company continues to see improvement in company-level persistency.

- Mortality and morbidity variance is a positive INR 0.05bn.
- EV sensitivity remains stable: Basis FY25 sensitivity, IPRU Life's embedded value is likely to decline by 1.5% (vs. 1.7% in FY24) with a 10% drop in equity levels and by 3.5% (vs. 3.5%, as on Mar'24) with a 100bps rise in reference rates.
- VNB sensitivity has increased to reference rates. With 100bps increase in reference rates, VNB decreases by 3.7% in FY25 (vs 2.9% in FY24) and with 100bnps decrease in reference rates, VNB increases by 3.9% in FY25 (vs 2.7% in FY24).

Total economic and investment variance were negative INR 0.24bn, due to shift in yield curve and equity market movement.

Solvency ratio was at 212.2% as of Mar'25. Company had raised INR 14bn in Q3FY25. Four and half years back, company had raised INR 12bn, which has call option coming up in Nov'25 and was one of the reasons for this fund raise. Company stated that RBC (risk-based capital) regulations discussions are on-going and the final framework and implementations timeline remains uncertain and any capital implications will be assessed once there is clarity.

Exhibit 1: Q4FY25 result review

INR mn	FY25				Change	
	Q1FY25	Q2FY25	Q3FY25	Q4FY25	YoY (%)	QoQ (%)
Net premium income	78,747	1,07,542	1,22,614	1,63,692	10.7	33.5
First year premium	15,221	20,587	18,246	27,092	(8.1)	48.5
Renewal premium	43,350	60,858	60,900	92,094	9.3	51.2
Single premium	24,267	30,307	47,455	49,130	30.1	3.5
Income from investments	1,73,533	1,42,770	(79,059)	(9,049)	(112.5)	(88.6)
Other income	544	562	600	526	(4.2)	(12.4)
Transfer from S/H A/C	1,761	(799)	1,010	1,206	(75.0)	19.4
Total income	2,54,584	2,50,075	45,165	1,56,375	(30.8)	246.2
Commission paid	9,456	12,349	11,037	15,752	23.8	42.7
Operating expenses	10,397	10,550	9,744	9,025	(29.4)	(7.4)
Total commission & opex	19,853	22,899	20,781	24,777	(2.8)	19.2
Benefits paid	95,226	1,20,218	1,23,110	1,23,271	(1.5)	0.1
Change in actuarial liability	1,34,891	1,04,217	(1,05,013)	1,620		
Total expenses	2,49,969	2,47,334	38,879	1,49,668	(32.7)	285.0
Provisions	20	(135)	(17)	162		
Service Tax on linked A/C	1,632	1,777	1,758	1,757	(0.8)	(0.1)
PBT	2,964	1,100	4,545	4,789	97.7	5.4
Tax	122	173	355	1,852	410.3	421.2
Surplus/(Deficit)	2,843	927	4,190	2,937	42.6	(29.9)
Shareholders' Account	Q1FY25	Q2FY25	Q3FY25	Q4FY25	YoY (%)	QoQ (%)
Transfer from P/H A/C	2,891	1,018	3,260	3,761	18.3	15.4
Income from Investments	1,682	1,271	1,802	2,222	(48.1)	23.3
Other Income	63	71	3	20	(66.1)	579.3
Total	4,636	2,361	5,065	6,003	(20.1)	18.5
Other expenses	286	308	296	556	61.0	87.7
Amounts transf to P/H acc	1,761	(799)	1,010	1,206	(75.0)	19.4
Provisions (other than taxation)	-	-	0	100		
PBT	2,589	2,852	3,758	4,141	76.9	10.2
Tax	345	343	502	278		
PAT	2,243	2,510	3,257	3,863	122.4	18.6
Ratios (%)	Q1FY25	H1FY25	9MFY25	FY25	YoY (bps)	
Commission expense	15.5	15.0	15.0	13.7	425	
Opex ratio	17.1	14.4	14.4	11.2	(326)	
Cost Ratio-Savings	19.2	17.9	16.8	15.4	(40)	
APE (INR mn)	19,630	44,660	69,040	1,04,060	15%	
Linked Mix (%)	51	52	51	48	505	
Non-Linked and Other Savings Mix (%)	31	31	32	36	(395)	
Protection Mix (%)	18	17	17	16	(112)	
Other ratios (%)	Q1FY25	H1FY25	9MFY25	FY25	YoY (bps)	
Solvency Ratio	187.9	188.6	221.8	212.2	2,040	
VNB margins	24.0	23.7	22.8	22.8	(180)	
Persistency ratios (%): retail excluding single premium	Q1FY25	H1FY25	9MFY25	FY25	YoY (bps)	
13th Month	89.7	89.8	89.8	89.1	10	
25th Month	80.6	81.0	81.6	82.6	210	
37th Month	72.8	73.7	74.5	75.2	290	
49th Month	70.7	69.9	69.2	69.5	100	
61st Month	65.9	65.9	65.3	64.1	(30)	
Key metrics (INR bn)	Q1FY25	H1FY25	9MFY25	FY25	YoY (%)	
VNB	4.7	10.6	15.8	23.7	6.4	
EV	-	460	-	480	13.3	
AUM	3,089	3,205	3,104	3,094	5.2	

Source: Company data, I-Sec research

Exhibit 2: IPRU APE mix- Unit linked and protection witnessed strong growth

INR bn	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q4FY25 YoY	FY25 YoY
Total APE	19.090	36.2	90.5	19.6	25.0	24.4	35.0	104.1	-3.2%	15.0%
Savings APE	15.5	31.8	75.2	16.1	20.8	20.5	30.3	87.7	-4.7%	16.6%
Linked	8.5	15.7	39.1	10.1	13.0	12.0	15.2	50.3	-3.3%	28.5%
Non Linked	5.2	8.8	23.4	3.3	4.8	4.0	10.0	22.1	13.8%	-5.6%
Annuity	1.2	6.1	9.5	2.1	2.2	1.8	2.6	8.8	-57.8%	-8.2%
Group	0.6	1.2	3.2	0.5	0.9	2.7	2.5	4.0	114.5%	25.0%
Protection APE	3.6	4.3	15.3	3.6	4.2	3.9	4.7	16.4	9.0%	7.4%
Retail Protection	1.1	1.4	4.8	1.1	1.7	1.5	1.7	6.0	27.4%	25.1%
Group Protection	2.5	3.0	10.5	2.4	2.5	2.4	3.0	10.4	0.7%	-0.7%
Mix (%)	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	YoY bps	YoY bps
Total APE	100%	100%	100%	100%	100%	100%	100%	100%		
Savings APE	81.3%	88.0%	83.1%	81.9%	83.1%	84.0%	86.6%	84.3%	-145 bps	112 bps
Linked	44.4%	43.4%	43.2%	51.4%	51.8%	49.2%	43.4%	48.3%	-7 bps	506 bps
Non Linked	27.3%	24.3%	25.8%	16.9%	19.1%	16.2%	28.6%	21.2%	425 bps	-465 bps
Annuity	6.3%	17.0%	10.5%	10.9%	8.7%	7.5%	7.4%	8.4%	-958 bps	-213 bps
Group	3.1%	3.2%	3.5%	2.8%	3.5%	11.0%	7.2%	3.8%	393 bps	31 bps
Protection APE	18.8%	12.0%	16.9%	18.1%	16.8%	16.0%	13.5%	15.7%	150 bps	-112 bps
Retail Protection	5.6%	3.7%	5.3%	5.7%	6.7%	6.0%	4.9%	5.7%	118 bps	46 bps
Group Protection	13.2%	8.2%	11.6%	12.4%	10.1%	10.0%	8.6%	10.0%	33 bps	-158 bps
VNB	4.4	7.8	22.3	4.7	5.86	5.2	8.0	23.7	2.4%	6.4%
VNB Margin	22.8	21.5	24.6	24.0	23.4	21.2	22.7	22.8	124 bps	-185 bps
Embedded value		423.4	423.4		460.2		479.5	479.5	13.3%	13.3%

Source: Company data, I-Sec research

Exhibit 3: Distribution APE – strong growth led by proprietary (agency + direct) and banca channels

Channel APE (INR bn)	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	H1FY25	Q3FY25	9MFY25	Q4FY25	FY25	Q4FY25 YoY	FY25 YoY
Banca	5.1	10.8	25.9	5.7	7.4	13.0	6.1	19.1	11.5	30.6	6.8%	18.2%
Agency	5.8	11.6	26.4	5.8	7.8	13.6	7.3	20.9	9.3	30.1	-20.2%	14.2%
Direct	3.0	4.7	12.8	3.0	4.0	6.9	3.6	10.6	4.4	14.9	-7.8%	17.0%
Partnership Distribution	2.1	4.9	11.7	2.3	2.5	4.8	2.3	7.0	4.4	11.4	-10.7%	-3.2%
Group	3.1	4.1	13.7	3.0	3.4	6.4	5.1	11.5	5.5	17.0	32.9%	24.6%
Total	19.1	36.2	90.5	19.6	25.0	44.7	24.4	69.0	35.0	104.1	-3.2%	15.0%

Source: Company data, I-Sec research

Exhibit 4: APE and VNB projections

INR bn	FY23	FY24	FY25	FY26E	FY27E
Weighted APE	75.8	82.0	103.3	116.7	134.2
Reported APE	86.4	90.5	104.1	117.6	135.2
VNB	27.7	22.3	23.7	27.7	32.5
VNB margin reported (%)	32.0%	24.6%	22.8%	23.5%	24.0%

Source: Company data, I-Sec research

Exhibit 5: EV projection

Embedded Value (INR bn)	FY23	FY24	FY25	FY26E	FY27E
Opening Embedded Value	316.3	356.4	423.4	479.5	544.4
Unwind	27.1	30.7	33.9	38.4	43.6
- Unwind rate (%)	8.6%	8.6%	8.0%	8.0%	8.0%
VNB	27.7	22.3	23.7	27.7	32.5
Operating assumption changes	(1.6)	0.7	(2.5)		
Persistency Variance	1.4	(0.6)	0.2		
Mortality and Morbidity variance	0.2	(2.9)	0.1		
Expense variance	0.0	-	0.1		
Other Variance	0.1	(0.1)			
EVOP	54.9	50.2	55.3	66.0	76.0
Economic assumption change & Invt variance	(14.5)	16.9	(0.2)		
Net capital injection	(0.3)	(0.1)	1.0	(1.1)	(1.1)
Closing Embedded Value	356	423	479.5	544.4	619.3

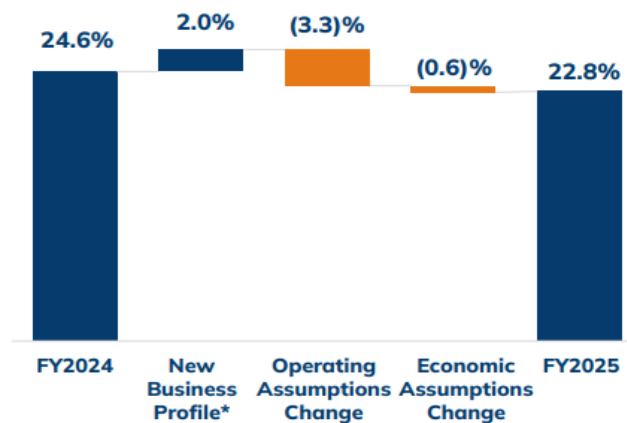
Source: Company data, I-Sec research

Exhibit 6: Protection APE & VNB

INR bn	FY22	FY23	FY24	FY25
Retail protection	3.9	3.3	4.8	6.0
Group term	5.7	7.0	4.5	4.3
Credit Life	3.5	4.8	6.0	6.1
Total protection	13.1	15.0	15.3	16.4
Protection -VNB	9.2	10.9	11.4	8.9
VNB margin	70.4%	72.3%	75.0%	54.5%

Source: Company data, I-Sec research

Exhibit 7: VNB margin movement



Source: Company data, I-Sec research

Exhibit 8: Shareholding pattern

%	Sep'24	Dec'24	Mar'25
Promoters	73.0	73.0	73.0
Institutional investors	22.3	22.3	21.7
MFs and other	7.5	7.5	6.5
Banks/ FIs	0.3	0.4	0.5
Insurance Cos.	1.3	1.3	1.5
FII's	13.2	13.1	13.3
Others	4.7	4.7	5.3

Source: Bloomberg, I-Sec research

Exhibit 9: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 10: Technical Account

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Gross Premiums	4,32,356	4,89,507	5,18,868	5,87,353
Reinsurance Ceded	(14,760)	(16,913)	(6,750)	(6,750)
Net Premiums	4,17,597	4,72,594	5,12,118	5,80,603
Income from Investments	4,65,503	2,28,195	2,78,040	3,06,930
Other Income	19,973	5,410	23,130	23,130
Total income	9,03,073	7,06,199	8,13,287	9,10,662
Commission	37,220	48,594	25,432	28,821
Operating expenses	41,260	39,716	48,474	54,976
Total commission and opex	78,480	88,310	73,906	83,798
Benefits Paid (Net)+ bonus	4,00,060	4,61,825	3,21,137	3,63,074
Chg in reserves	-	-	-	-
Total expenses	8,84,930	6,85,849	7,86,882	8,85,699
Prov for doubtful debts	6,173	6,953	8,711	9,835
PBT	11,970	13,398	17,694	15,128
Surplus / Deficit before tax	11,970	13,398	17,694	15,128
Tax (incl. Service Tax & GST)	1,078	2,501	780	882
Prov for Tax	1,078	2,501	780	882
Surplus / Deficit	10,892	10,897	16,914	14,246

Source Company data, I-Sec research

Exhibit 11: Shareholder's Account

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Transfer from technical a/c	14,719	10,931	14,831	11,890
Income From Investments	14,052	7,304	14,262	22,093
Total Income	28,771	18,234	29,208	34,098
Other expenses	1,185	1,640	769	769
Contribution to P/H A/C	18,381	3,278	14,320	17,185
Total Expenses	19,565	4,918	15,090	17,954
PBT	9,205	13,317	14,118	16,145
Prov for Tax	699	1,462	706	807
PAT	8,507	11,855	13,412	15,337

Source Company data, I-Sec research

Exhibit 12: Balance Sheet

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Share Capital	14,406	14,453	14,453	14,453
Reserves And Surplus	92,183	1,05,551	1,17,863	1,32,100
Shareholders' Fund	1,10,046	1,19,338	1,34,416	1,48,654
Policy Liabilities	27,99,915	29,29,783	35,52,445	39,65,081
Prov. for Linked Liab.	15,79,173	15,56,577	15,15,569	15,30,725
Funds For Future App.	12,866	12,832	14,000	14,000
Current liabilities & prov.	54,777	53,991	50,350	50,350
Borrowings	12,000	26,000	26,000	26,000
Total	29,90,011	31,42,386	37,77,936	42,04,810
Shareholders' investment	1,05,673	1,40,404	3,34,987	4,01,450
Policyholders' investment	11,43,182	12,86,988	18,27,278	21,71,990
Assets to cover linked liab.	16,48,424	16,12,399	15,69,921	15,85,620
Loans	17,606	24,191	3,000	3,000
Fixed Assets	7,194	8,476	5,250	5,250
Current assets	67,914	69,902	37,500	37,500
Total	29,90,011	31,42,386	37,77,936	42,04,810

Source Company data, I-Sec research

Exhibit 13: Premium Details

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
New business premium	1,86,788	2,32,306	2,32,513	2,67,390
Total weighted APE	81,971	1,03,284	1,16,710	1,34,217
Renewal premium	2,45,568	2,57,202	2,86,354	3,19,962
Total premium	4,32,356	4,89,507	5,18,868	5,87,353
NBP growth (%)	(6.9)	26.0	13.0	15.0
APE growth (%)	8.1	26.0	13.0	15.0
Renewal premium growth (%)	9.0	4.7	11.3	11.7
Total premium growth (%)	8.3	13.2	6.0	13.2

Source Company data, I-Sec research

Exhibit 14: Key ratios

(Year ending March)

	FY24A	FY25A	FY26E	FY27E
Operating Ratios (%)				
Investment yield (%)	17.8	7.9	8.6	8.3
Commissions / GWP	8.6	9.9	4.9	4.9
Operating expenses / GWP	9.5	8.1	9.3	9.4
Total expense / GWP	18.2	18.0	14.2	14.3
Total expense ratio	14.5	16.0	9.1	9.2
Benefits Paid / Total Liability	14.5	16.0	9.1	9.2
Profitability ratios (%)				
VNB margin, basis effective tax rate (%)	24.6	22.8	23.5	24.0
RoE (%)	8.1	10.3	10.6	10.8
Core EVOP(unwind +VNB)	14.9	13.6	13.8	14.0
EVOP as % of IEV	14.1	13.1	13.8	14.0
RoEV (%)	18.8	13.3	13.5	13.8
Valuation ratios				
Dividend per share (INR)	0.6	0.9	0.8	0.8
EPS (INR)	5.9	8.2	9.3	10.6
VNB (INR bn)	22.3	23.7	27.7	32.5
EV (INR bn)	423.4	479.5	544.4	619.3
Value of new business (INR bn)	22.3	23.7	27.7	32.5
VIF (INR bn)	309.2	356.0	405.9	466.6
ANW (INR bn)	114.2	123.5	138.5	152.8
VIF as % of EV	73.0	74.3	74.6	75.3
EV per share (INR)	292.9	331.8	376.7	428.5
P/EV (x)	2.0	1.8	1.6	1.4
P/EPS (x)	101.2	72.6	64.2	56.1

Source Company data, I-Sec research

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Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal, Contact number: 022-40701000, E-mail Address : complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Bhavesh Soni Email address: headservicequality@icicidirect.com Contact Number: 18601231122
