

# SBI Life Insurance

Estimate change	↔
TP change	↑
Rating change	↔

**CMP: INR1,636 TP: INR1,900 (+16%) Buy**

## Gross premium in line; VNB margin contracts to 26.8%

### Focus on protection and non-par to improve margins in FY25E

Bloomberg	SBILIFE IN
Equity Shares (m)	1002
M.Cap.(INRb)/(USD\$)	1635.5 / 19.5
52-Week Range (INR)	1665 / 1251
1, 6, 12 Rel. Per (%)	9/2/0
12M Avg Val (INR M)	1818

- SBI Life Insurance (SBILIFE) reported a decent performance in 1QFY25. APE grew 20% YoY (in line) to INR36.4b, whereas absolute VNB grew 11.5% YoY (a marginal miss of 2.4%) to INR9.7b during the quarter.
- Strong growth in ULIPs and a blip in protection sales led to a contraction in VNB margin for 1QFY25. VNB margin came in at 26.8% vs. 28.8% in 1QFY24 (our estimate at 27.5%).
- We expect SBILIFE to deliver an 18% CAGR in APE and VNB over FY24-26, while RoEV is likely to remain ~20%. **We reiterate our BUY rating on the stock with a TP of INR1,900 (premised on 2.2x Mar'26E EV).**

### Financials & Valuations (INR b)

Y/E MARCH	FY24	FY25E	FY26E
Net Premiums	805.9	949.9	1,106.4
Surplus / Deficit	28.0	36.8	43.3
Sh. PAT	18.9	19.9	23.2
NBP gr- unwt'd (%)	29.2	18.0	18.0
NBP gr- APE (%)	17.5	17.6	18.0
Premium gr (%)	22.8	16.0	16.5
VNB margin (%)	28.1	27.6	28.1
RoEV (%)	26.5	21.9	20.5
Total AUMs (INRt)	3.9	4.6	5.4
VNB	55.5	63.5	76.1
EV per share	583	710	856

### Valuations

P/EV (x)	2.8	2.3	1.9
P/EVOP (x)	16.3	14.0	11.6

\*VNB, VNB margins based on ETR

### Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	55.4	55.4	55.5
DII	15.9	15.4	14.2
FII	24.7	25.2	26.2
Others	4.0	4.0	4.2

FII Includes depository receipts

### ULIP's share in APE increases to 61% in 1QFY25

- SBILIFE reported 15% YoY growth in gross premium to INR155.7b (in line), led by 16% growth in renewal premium.
- Total APE rose 20% YoY (in line), within which, non-par and ULIPs grew 20.7% and 39.6%, respectively. The total protection business, however, dipped 18.9% YoY, led by a 28.6% YoY decline in individual protection business. The Par/Annuity segments decreased 30.0%/7.7%, YoY.
- The total cost ratio for 1QFY25 was 10.5% vs. 10.8% in 1QFY24. The commission ratio was 4.4% vs. 4.0% in 1QFY24. The operating expense ratio was 6.1% vs. 6.8% in 1QFY24.
- For 1QFY25, the share of ULIPs in APE increased to 61.0% from 52.5% in 1QFY24. The share of protection business declined YoY to 8.2% in 1QFY25 from 12.2%. On a YoY basis, the share of group protection and individual protection declined during the quarter.
- On the distribution front, the share of the banca and agency channels in total APE stood at 59.3% and 29.9%, respectively.
- On a YoY basis, except for the 49<sup>th</sup> Month (which declined 110bp YoY to 67.7% in 1QFY25), persistency improved across all cohorts.
- Shareholders' PAT jumped 36% YoY to INR5.2b (vs. our estimate of INR4.0b; registering a 30.5% beat).

### Highlights from the management commentary

- SBILIFE guided 18-20% premium growth and ~28% VNB margin for FY25.
- Lower VNB margin in 1QFY25 was due to: 1) a lower share of protection and 2) a reduced margin on non-par products due to timing differences between interest rate movement and IRR change.
- For reviving the protection segment, SBILIFE is working actively with SBI and, based on its customer data, will launch a protection product on the Yono app with: 1) pre-authorization, 2) simple product features, and 3) competitive pricing. Further, it plans to launch a new product in Aug'24 for the HNI segment with higher sum assured. Higher non-medical limits are also being implemented.

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

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**Valuation and view**

SBILIFE reported a decent performance during the quarter, with APE and VNB in line with estimates (VNB margin contracted to 26.8% in 1QFY25). New product launches are likely to kick-start the recovery in the protection segment. Further, the impact of surrender charges is likely to be minimal. Considering the seasonality, the SBI channel is anticipated to see recovery in growth in 2Q and 3Q. SBILIFE continues to maintain its cost leadership. We expect SBILIFE to deliver an 18% CAGR in APE/VNB over FY24-26, while RoEV is projected to remain ~20%. **We reiterate our BUY rating on the stock with a TP of INR1,900 (premised on 2.2x Mar'26E EV).**

**Quarterly performance**

Policy holder's A/c (INR b)	FY24				FY25				FY24	FY25E	FY25E 1QE	(INR b) V/s est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
First year premium	26.4	46.3	56.8	45.3	31.5	53.4	65.7	53.8	174.8	205.3	32.4	(3.0)
Growth (%)	3%	33%	12%	11%	19%	15%	16%	19%	15%	17%	23%	
Renewal premium	73.5	101.2	127.2	130.0	85.4	121.9	147.3	152.4	431.9	507.8	86.3	(1.1)
Growth (%)	28%	11%	17%	9%	16%	20%	16%	17%	14%	18%	17%	
Single premium	35.7	54.2	40.6	77.1	38.9	63.9	49.2	95.9	207.6	245.9	36.9	5.4
Growth (%)	18%	35%	21%	93%	9%	18%	21%	24%	44%	18%	3%	
<b>Gross premium income</b>	<b>135.6</b>	<b>201.8</b>	<b>224.6</b>	<b>252.4</b>	<b>155.7</b>	<b>239.2</b>	<b>262.2</b>	<b>302.0</b>	<b>814.3</b>	<b>959.1</b>	155.7	0.0
Growth (%)	19%	21%	16%	26%	15%	19%	17%	20%	21%	18%	15%	
<b>PAT</b>	<b>3.8</b>	<b>3.8</b>	<b>3.2</b>	<b>8.1</b>	<b>5.2</b>	<b>4.0</b>	<b>3.6</b>	<b>8.4</b>	<b>18.9</b>	<b>19.9</b>	4.0	30.5
Growth (%)	45%	1%	6%	4%	36%	5%	11%	3%	10%	5%	4%	
<b>Key metrics (INRb)</b>												
New Business APE	30.3	51.8	61.3	53.3	36.4	59.8	70.6	63.4	195.5	229.9	36.1	0.8
Growth (%)	4.5	31.7	12.9	17.1	20.1	15.5	15.2	18.9	17.5	17.6	19.2	
VNB	8.7	14.9	16.8	15.1	9.7	16.5	19.4	17.9	55.5	63.5	9.9	(2.4)
Growth (%)	-1.1	20.2	11.3	4.9	11.5	10.7	15.2	18.6	9.5	14.3	14.2	
AUM	3,283	3,452	3,714	3,889	4,148	4,339	4,549	4,558	3,889	4,558	4,014	3.3
Growth (%)	25.1	22.1	23.8	26.5	26.3	25.7	22.5	17.2	26.5	17.2	22.3	
<b>Key Ratios (%)</b>												
VNB margins (%)	28.8	28.5	27.4	28.3	26.8	27.6	27.4	28.3	28.1	27.6	27.5	(70)

## Quarterly snapshot

Policyholder A/C (INR b)	FY24				FY25		YoY	QoQ
	1Q	2Q	3Q	4Q	1Q			
<b>Net premium income</b>	<b>131.0</b>	<b>200.5</b>	<b>223.2</b>	<b>251.2</b>	<b>151.1</b>	<b>15</b>	<b>-40</b>	
First year premium	26.4	46.3	56.8	45.3	31.5	19	-31	
Renewal premium	73.5	101.2	127.2	130.0	85.4	16	-34	
Single premium	35.7	54.2	40.6	77.1	38.9	9	-50	
Investment Income	145.8	85.1	164.7	108.1	192.8	32	78	
<b>Total income</b>	<b>276.9</b>	<b>285.7</b>	<b>388.0</b>	<b>375.7</b>	<b>343.9</b>	<b>24</b>	<b>-8</b>	
Commission paid	5.2	8.0	9.4	8.5	5.7	9	-33	
Operating expenses	9.2	9.0	10.6	11.1	9.5	4	-14	
<b>Total commission &amp; Opex</b>	<b>14.4</b>	<b>16.9</b>	<b>20.0</b>	<b>19.6</b>	<b>15.2</b>	<b>6</b>	<b>-22</b>	
Benefits paid	71.0	101.3	112.6	149.7	98.3	38	-34	
<b>Change in actuarial liability</b>	<b>185.2</b>	<b>159.7</b>	<b>248.6</b>	<b>190.8</b>	<b>220.3</b>	<b>19</b>	<b>15</b>	
<b>Total Expenses</b>	<b>270.6</b>	<b>277.9</b>	<b>381.1</b>	<b>360.1</b>	<b>333.8</b>	<b>23</b>	<b>-7</b>	
<b>PBT</b>	<b>4.5</b>	<b>5.4</b>	<b>4.5</b>	<b>12.9</b>	<b>8.0</b>	<b>79</b>	<b>-38</b>	
Tax	0.4	0.4	0.4	0.1	0.6	43	316	
<b>Surplus/(Deficit)</b>	<b>4.0</b>	<b>5.0</b>	<b>4.1</b>	<b>12.8</b>	<b>7.4</b>	<b>83</b>	<b>-42</b>	
<b>Shareholder's A/C</b>								
<b>Trf from policyholder a/c</b>	<b>1.9</b>	<b>1.7</b>	<b>0.8</b>	<b>21.6</b>	<b>2.8</b>	<b>46</b>	<b>-87</b>	
Investment income	2.1	2.5	2.5	3.3	2.6	25	-19	
<b>Total income</b>	<b>4.0</b>	<b>4.1</b>	<b>3.3</b>	<b>24.8</b>	<b>5.4</b>	<b>35</b>	<b>-78</b>	
<b>PBT</b>	<b>3.9</b>	<b>3.9</b>	<b>3.3</b>	<b>8.4</b>	<b>5.4</b>	<b>37</b>	<b>-36</b>	
<b>PAT</b>	<b>3.8</b>	<b>3.8</b>	<b>3.2</b>	<b>8.1</b>	<b>5.2</b>	<b>36</b>	<b>-36</b>	
<b>APE Data</b>								
<b>Individual Savings</b>	<b>23.7</b>	<b>41.1</b>	<b>53.8</b>	<b>40.9</b>	<b>30.6</b>	<b>29</b>	<b>-25</b>	
Par	2.0	2.3	1.8	1.7	1.4	-30	-18	
Non Par	5.8	8.6	10.1	7.9	7.0	21	-11	
ULIP	15.9	30.2	41.9	31.3	22.2	40	-29	
<b>Group Savings Business</b>	<b>1.5</b>	<b>2.7</b>	<b>1.4</b>	<b>5</b>	<b>1.6</b>	<b>7</b>	<b>-68</b>	
<b>Annuity</b>	<b>1.3</b>	<b>1.6</b>	<b>1.6</b>	<b>1.6</b>	<b>1.2</b>	<b>-8</b>	<b>-25</b>	
<b>Total Protection</b>	<b>3.7</b>	<b>7.0</b>	<b>4.5</b>	<b>5.8</b>	<b>3.0</b>	<b>-19</b>	<b>-48</b>	
Individual Protection	2.1	2.1	2.3	2.9	1.5	-29	-48	
Group Protection	1.6	4.9	2.2	2.9	1.5	-6	-48	
<b>Total APE</b>	<b>30.3</b>	<b>52.3</b>	<b>61.3</b>	<b>53.3</b>	<b>36.4</b>	<b>20</b>	<b>-32</b>	
<b>APE (% of total)</b>								
<b>Individual Savings</b>	<b>78.2</b>	<b>78.6</b>	<b>87.8</b>	<b>76.7</b>	<b>84.1</b>	<b>585</b>	<b>733</b>	
Par	6.6	4.4	2.9	3.2	3.8	-275	66	
Non Par	19.1	16.4	16.5	14.8	19.2	9	441	
ULIP	52.5	57.7	68.4	58.7	61.0	851	226	
<b>Group Savings Business</b>	<b>5.0</b>	<b>5.2</b>	<b>2.3</b>	<b>9.4</b>	<b>4.4</b>	<b>-55</b>	<b>-499</b>	
<b>Annuity</b>	<b>4.3</b>	<b>3.1</b>	<b>2.6</b>	<b>3.0</b>	<b>3.3</b>	<b>-99</b>	<b>29</b>	
<b>Total Protection</b>	<b>12.2</b>	<b>13.4</b>	<b>7.3</b>	<b>10.9</b>	<b>8.2</b>	<b>-397</b>	<b>-264</b>	
Individual Protection	6.9	4.0	3.8	5.4	4.1	-281	-132	
Group Protection	5.3	9.4	3.6	5.4	4.1	-116	-132	
<b>Distribution mix (%)</b>								
<b>Banca</b>	<b>65.3</b>	<b>57.6</b>	<b>70.7</b>	<b>53.8</b>	<b>59.3</b>	<b>-601</b>	<b>558</b>	
<b>Agency</b>	<b>24.8</b>	<b>26.6</b>	<b>21.5</b>	<b>28.2</b>	<b>29.9</b>	<b>519</b>	<b>175</b>	
<b>Others</b>	<b>9.9</b>	<b>15.9</b>	<b>7.8</b>	<b>18.0</b>	<b>10.7</b>	<b>81</b>	<b>-733</b>	
<b>Key Ratios (%)</b>								
<b>Operating ratios</b>								
Commission (Unwtd)	3.8	3.9	4.2	3.4	3.7	-19	28	
Opex (UnWtd)	6.8	4.4	4.7	4.4	6.1	-66	171	
Total Cost (Unwtd)	10.6	8.4	8.9	7.8	9.8	-85	198	
Solvency ratio	215.0	212.0	209.0	196.0	201.0	-1,400	500	
<b>Operating ratios</b>								
VNB margins	28.8	28.5	27.4	28.3	26.8	-200	-153	
<b>Persistency ratios</b>								
13th mth	81.5	83.3	82.1	86.8	83.6	214	-317	
25th mth	75.1	75.2	74.1	77.4	76.1	101	-131	
37th mth	69.2	68.3	68.0	71.3	71.4	219	11	
49th mth	68.8	71.6	69.9	72.7	67.7	-105	-496	
61st mth	56.6	56.1	55.9	58.6	59.3	271	77	
<b>Key Metrics (INRb)</b>								
VNB	8.7	14.9	16.8	15.1	9.7	11	-36	
AUM	3283	3452	3714	3889	4148	26	7	



## Highlights from the management commentary

### Business

- During 1QFY25, SBILIFE issued 0.425m policies with total ~4m lives covered.
- The Gross Written Premium grew 15% YoY to INR155.7b in 1QFY25 mainly due to 19% YoY growth in new business regular premium and 16% growth YoY in renewal premium in 1QFY25.

### Product

- The protection sales were weak as customers have been focusing more on ULIPs given the strong market environment.
- For reviving the protection segment, SBILIFE is working actively with SBI and, based on its customer data, will launch a protection product on the Yono app with: 1) pre-authorization, 2) simple product features, and 3) competitive pricing. Further, it plans to launch a new product in Aug'24 for the HNI segment with higher sum assured. Higher non-medical limits are also being implemented.
- Credit protection products are growing strongly on the back of disbursements. Education loan customers will be targeted by focusing on young customers.
- Credit protection APE stood at INR470m in 1QFY25.
- Annuity business contributed 16% to the total NBP. Within this, ~90% was contributed by the individual annuity business.
- SBILIFE remains more focused towards individual annuity business and overall annuity segment is expected to pick up in the coming quarters.
- The company is planning to revamp its par portfolio and rider portfolio (attachments will be available to all products).
- Composite license has been in talks for more than a year. Contours in life and general business are different. SBI has both life and general insurance companies. As and when the announcement made the parent will take a call.

### Surrender charges

- Under surrender charges, SBILIFE expects a very low impact (much lower than 1%) owing to its product mix and conservative assumption on surrenders. For new products, SBILIFE is not planning any commission changes for distributors.
- The impact of surrender charges will be more than offset by favourable product mix (pick up in protection and annuity).

### Finance

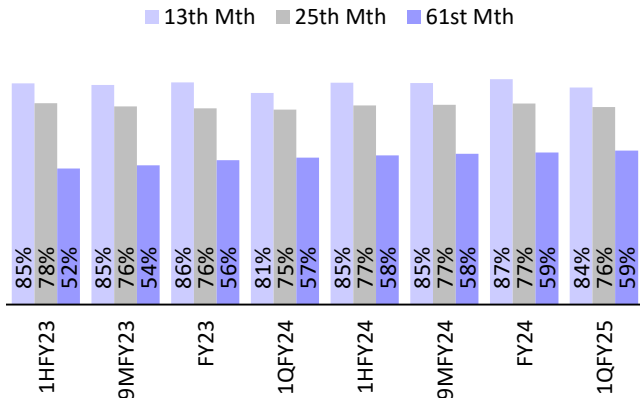
- For FY25, the company has guided for 18-20% premium growth and ~28% VNB margins
- Lower VNB margin in 1QFY25 was due to: 1) a lower share of protection and 2) a reduced margin on non-par products due to timing differences between interest rate movement and IRR change.
- Higher commission costs in 1QFY25 were owing to the EOM adjustments, which were missing in 1QFY24.

**Distribution**

- APE channel mix for 1QFY25 is banca channel at 59%, agency channel at 30% & other channels at 11%.
- SBI productivity per branch stood at INR4.8m.
- Banca has seasonality wherein 2Q and 3Q will see relatively stronger growth. The company expects a strong recovery with new product launches.
- In tier 2 and 3, SBILIFE has been strong penetration level, and company is aiming to increase penetration further.
- Agency channel has been strong on back of accretion of agents in past few quarters and improving productivity of existing agents. Agent Productivity stands at INR 0.17m on individual APE basis. SBILIFE added 11,188 agents in 1QFY25 taking the total count over 0.257m agents.
- For other channels, it's a mix of bank partners (some banks have shown weakness and expected to recover in the quarters going ahead), online channel (strong growth), and some other partners (strong growth).

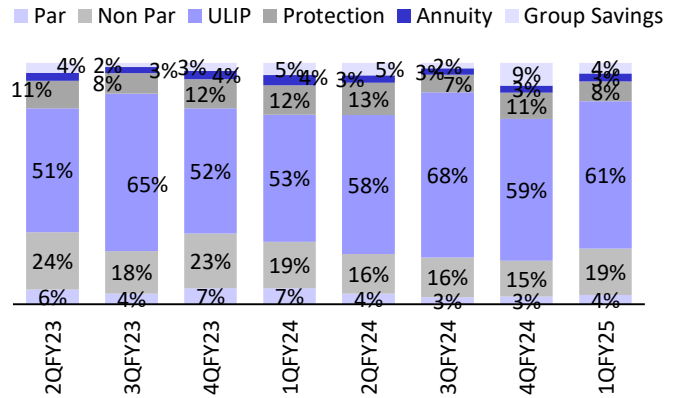
Story in charts

Exhibit 1: Persistency ratios across cohorts



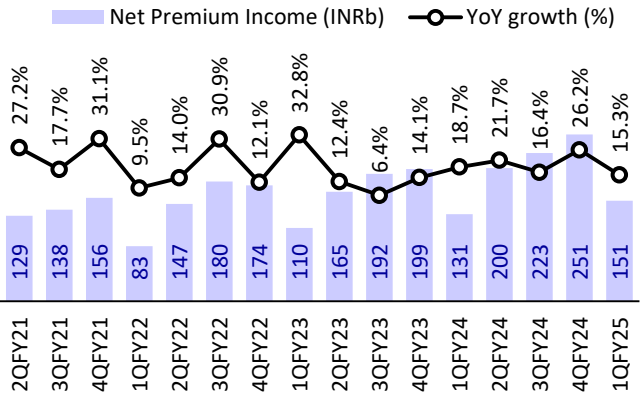
Source: MOFSL, Company

Exhibit 2: Share of ULIP declined to 61% of total APE



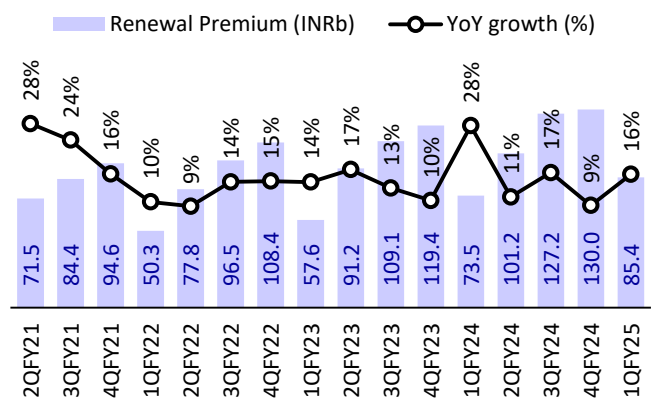
Source: MOFSL, Company

Exhibit 3: Net premium up 15% YoY



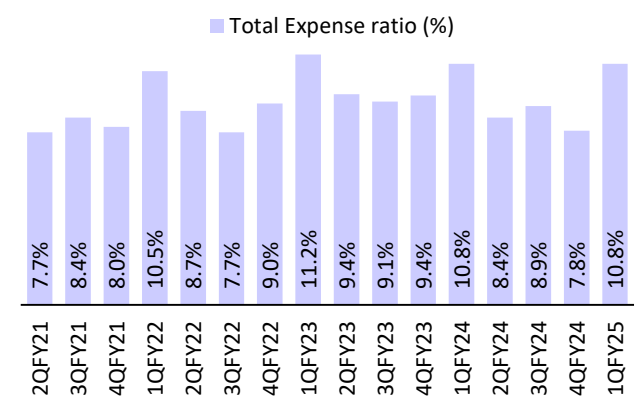
Source: MOFSL, Company

Exhibit 4: Renewal premium grew 16% YoY



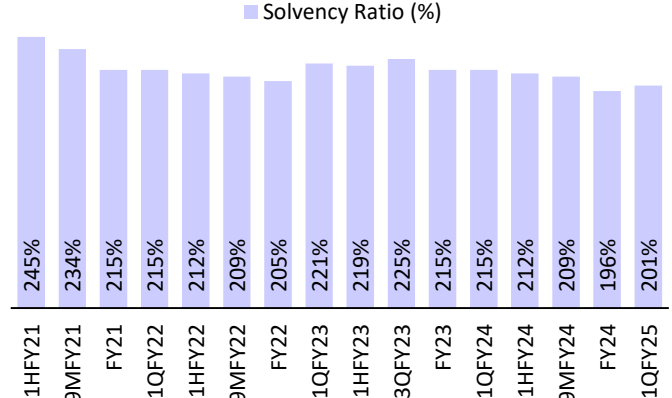
Source: MOFSL, Company

Exhibit 5: Total expense ratio stood at 10.8%



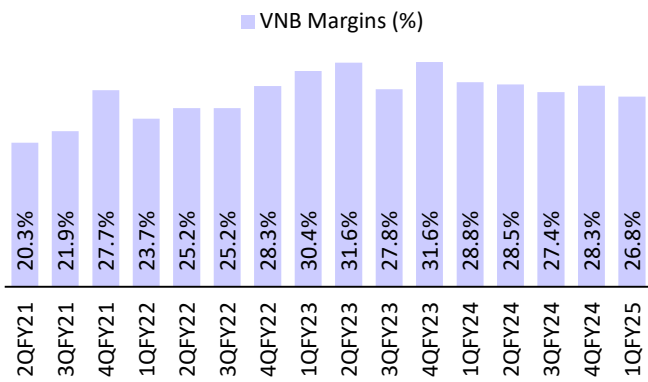
Source: MOFSL, Company

Exhibit 6: Solvency ratio remained healthy at 201%



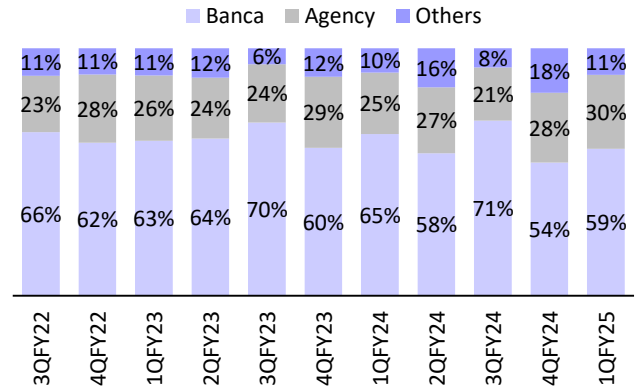
Source: MOFSL, Company

**Exhibit 7: VNB margin stood at 26.8%**



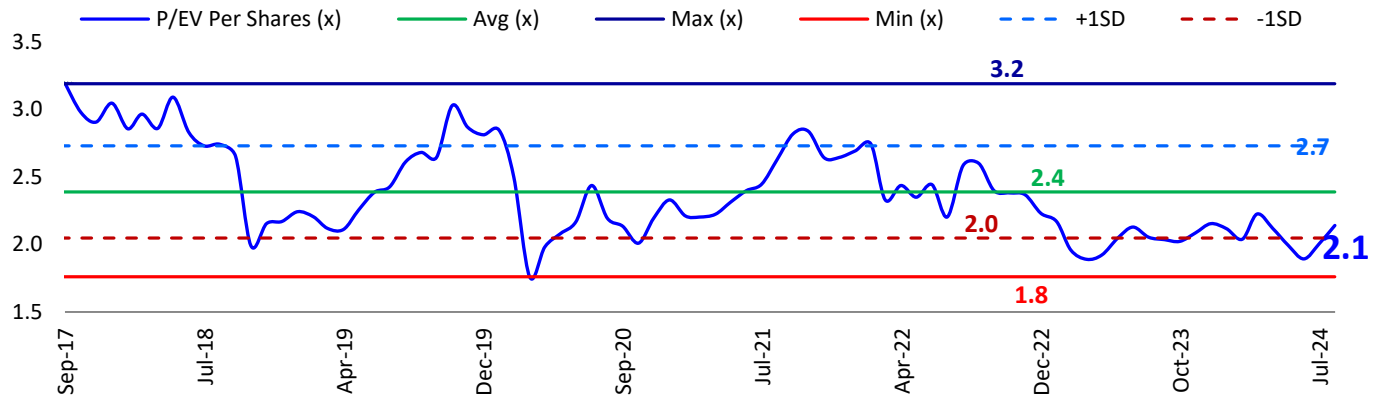
Source: MOFSL, Company; Margins based on Effective tax rate

**Exhibit 8: Share of distribution mix across channels**



Source: MOFSL, Company; Distribution mix based on APE

**Exhibit 9: One-year forward P/EV**



Source: MOFSL, Company

## Financials and valuations

Technical account (INR b)	FY21	FY22	FY23	FY24	FY25E	FY26E
Gross Premiums	502.5	587.6	673.2	814.3	959.1	1,117.2
Reinsurance Ceded	(4.9)	(3.3)	(7.3)	(8.4)	(9.2)	(10.8)
Net Premiums	497.7	584.3	665.8	805.9	949.9	1,106.4
Income from Investments	314.6	235.7	132.6	503.7	370.4	427.4
Other Income	8.6	10.3	17.6	22.0	26.4	31.6
<b>Total income (A)</b>	<b>820.8</b>	<b>830.3</b>	<b>816.0</b>	<b>1,326.3</b>	<b>1,346.7</b>	<b>1,565.5</b>
Commission	17.7	21.6	30.1	31.1	40.8	47.6
Operating expenses	24.1	29.7	34.6	39.8	49.4	57.7
<b>Total commission and opex</b>	<b>41.9</b>	<b>51.3</b>	<b>64.7</b>	<b>70.9</b>	<b>90.2</b>	<b>105.3</b>
Benefits Paid (Net)	215.8	313.4	302.9	433.4	474.4	552.7
Chg in reserves	539.3	437.6	410.0	784.3	730.1	846.9
Prov for doubtful debts	4.7	7.8	8.3	8.3	12.4	14.4
<b>Total expenses (B)</b>	<b>801.8</b>	<b>810.2</b>	<b>785.9</b>	<b>1,296.9</b>	<b>1,307.1</b>	<b>1,519.2</b>
<b>(A) - (B)</b>	<b>19.1</b>	<b>20.1</b>	<b>30.0</b>	<b>29.4</b>	<b>39.5</b>	<b>46.3</b>
Prov for Tax	1.0	1.3	1.5	1.4	2.8	3.0
<b>Surplus / Deficit (calculated)</b>	<b>18.1</b>	<b>18.8</b>	<b>28.6</b>	<b>28.0</b>	<b>36.8</b>	<b>43.3</b>

Shareholder's a/c (INR b)	FY21	FY22	FY23	FY24	FY25E	FY26E
Transfer from technical a/c	16.8	17.3	27.1	26.0	31.5	37.5
<b>Total Income</b>	<b>23.7</b>	<b>27.2</b>	<b>35.0</b>	<b>36.3</b>	<b>41.9</b>	<b>49.8</b>
<b>PBT</b>	<b>15.4</b>	<b>15.6</b>	<b>17.6</b>	<b>19.4</b>	<b>20.1</b>	<b>23.4</b>
Prov for Tax	0.9	0.5	0.4	0.5	0.2	0.3
<b>PAT</b>	<b>14.6</b>	<b>15.1</b>	<b>17.2</b>	<b>18.9</b>	<b>19.9</b>	<b>23.2</b>
<i>Growth</i>	2.4%	3.4%	14.2%	10.0%	5.3%	16.5%

Premium (INR b) & growth (%)	FY21	FY22	FY23	FY24	FY25E	FY26E
New business prem - unwtd	206.2	254.6	295.9	382.4	451.2	532.4
New business prem - wrp	113.7	141.9	166.4	195.5	229.9	271.3
Renewal premium	296.3	333.0	377.3	444.6	507.8	584.8
Total premium - unwtd	502.5	587.6	673.2	826.9	959.1	1,117.2
New bus. growth - unwtd	24.3%	23.4%	16.2%	29.2%	18.0%	18.0%
New business growth - wrp	8.2%	24.9%	17.2%	17.5%	17.6%	18.0%
Renewal premium growth	23.2%	12.4%	13.3%	17.8%	14.2%	15.1%
Total prem growth - unwtd	23.7%	16.9%	14.6%	22.8%	16.0%	16.5%

Premium mix (%)	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>New business - unwtd</b>						
- Individual mix	60.6%	64.8%	70.7%	70.0%	70.0%	70.0%
- Group mix	39.4%	35.2%	29.3%	30.0%	30.0%	30.0%
<b>New business mix - WRP</b>						
- Participating	8.4%	5.3%	5.5%	3.9%	5.9%	5.9%
- Non-participating	26.6%	28.9%	38.9%	45.0%	42.2%	42.2%
- ULIPs	65.0%	65.8%	55.6%	51.0%	51.9%	51.9%
<b>Total premium mix - unwtd</b>						
- Participating	15.1%	12.9%	11.1%	9.5%	9.9%	9.8%
- Non-participating	28.2%	30.3%	35.4%	38.3%	38.7%	39.0%
- ULIPs	56.6%	56.8%	53.6%	52.1%	51.4%	51.2%

Individual prem sourcing mix (%)	FY21	FY22	FY23	FY24	FY25E	FY26E
Individual agents	27.7%	26.6%	23.4%	28.4%	28.1%	28.1%
Corporate agents-Banks	65.4%	64.9%	67.0%	63.4%	63.0%	63.0%
Direct business	4.1%	5.3%	6.6%	6.0%	6.5%	6.5%
Others	2.8%	3.1%	3.1%	2.2%	2.4%	2.4%



## Financials and valuations

Balance sheet (INR b)	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Sources of Fund</b>						
Share Capital	10.0	10.0	10.0	10.0	10.0	10.0
Reserves And Surplus	90.9	104.2	119.2	135.9	152.5	172.4
<b>Shareholders' Fund</b>	<b>104.0</b>	<b>116.2</b>	<b>130.2</b>	<b>149.1</b>	<b>165.2</b>	<b>184.7</b>
Policy Liabilities	924.1	1,097.6	1,301.3	1,558.1	1,888.8	2,270.5
Prov. for Linked Liab.	965.5	1,174.9	1,407.2	1,667.4	1,804.4	2,045.6
Funds For Future App.	8.4	9.9	11.4	13.4	15.8	18.6
Current liabilities & prov.	42.4	51.3	51.0	44.9	46.5	48.3
<b>Total</b>	<b>2,268.3</b>	<b>2,733.4</b>	<b>3,146.9</b>	<b>3,972.7</b>	<b>4,618.8</b>	<b>5,475.8</b>
<b>Application of Funds</b>						
Shareholders' inv	86.0	100.8	112.1	130.4	153.8	181.5
Policyholders' inv	939.4	1,121.3	1,298.7	1,565.4	1,935.1	2,323.0
Assets to cover linked liab.	1,162.2	1,426.3	1,632.6	2,160.1	2,391.8	2,807.7
Loans	3.6	3.6	3.9	3.9	4.5	5.1
Fixed Assets	5.7	5.3	5.2	5.6	6.0	6.5
Current assets	71.5	76.2	94.4	107.3	127.6	151.9
<b>Total</b>	<b>2,268.3</b>	<b>2,733.4</b>	<b>3,146.9</b>	<b>3,972.7</b>	<b>4,618.8</b>	<b>5,475.8</b>

Persistency ratios (%)	FY21	FY22	FY23	FY24	FY25E	FY26E
13th Month	85.4%	85.2%	85.5%	86.8%	87.8%	88.6%
25th Month	75.8%	78.1%	75.6%	77.4%	78.5%	79.1%
37th Month	72.1%	72.2%	74.5%	71.3%	69.6%	68.8%
49th Month	65.6%	69.9%	70.3%	72.7%	73.9%	74.5%
61st Month	50.9%	49.5%	55.6%	58.6%	60.3%	61.4%

Profitability ratios (%)	FY21	FY22	FY23	FY24	FY25E	FY26E
VNB margin (%)	23.2%	25.9%	30.1%	28.1%	27.6%	28.1%
RoE (%)	15.2%	13.7%	14.0%	13.5%	12.7%	13.3%
RoIC (%)	15.3%	14.0%	14.1%	13.7%	12.9%	13.4%
Operating ROEV (%)	19.1%	20.6%	22.9%	21.8%	20.1%	19.8%
RoEV (%)	27.0%	18.7%	16.2%	26.5%	21.9%	20.5%

Valuation ratios	FY21	FY22	FY23	FY24	FY25E	FY26E
Total AUMs	2,209	2,674	3,073	3,889	4,558	5,404
- of which equity AUMs (%)	27%	29%	29%	34%	31%	31%
Dividend %	25%	20%	25%	27%	33%	33%
Dividend payout ratio (%)	17%	13%	15%	14%	17%	14%
EPS, INR	14.6	15.1	17.2	18.9	19.9	23.2
VNB	26.6	37.0	50.7	55.5	63.5	76.1
- VNB growth (%)	19.8%	39.1%	37.0%	9.5%	14%	20%
EV per share	364.0	396.3	460.4	582.6	710.4	856.3
VIF as % of EV	63%	68%	70%	73%	76%	77%
P/VIF	7.8	6.0	5.1	3.8	3.0	2.5
P/AUM (%)	74%	61%	53%	42%	36%	30%
P/EV (x)	4.5	4.1	3.5	2.8	2.3	1.9
P/EPS (x)	112.2 (x)	108.5	95.0	86.4	82.1	70.5
P/EVOP (x)	32.6	23.7	18.0	16.3	14.0	11.6
P/VNB (x)	61.4	44.2	32.2	29.4	25.8	21.5

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NOTES

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