

ICICI Prudential Life Insurance Company Limited

Q4FY26 Result Update | Sector: Life Insurance

April 15, 2026





Current Market Price	563
Target Price	781
Upside	38.8%
Nifty	24,229
Sensex	78,101

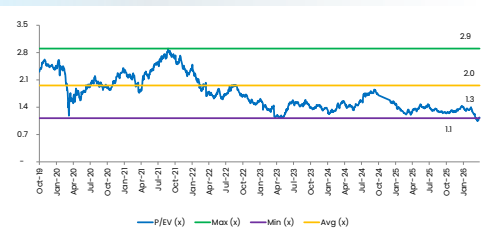
Key Stock Data

Company Name	ICICI Prudential Life Insurance Company Ltd
BSE Code	540133
NSE Code	ICICIPRULI
Bloomberg	IPRU:IN
Shares O/S (Cr)	144.8
Market Cap (Rs.Cr)	81,526
3M Avg Vol	12,74,006
52 week H/L	706/491

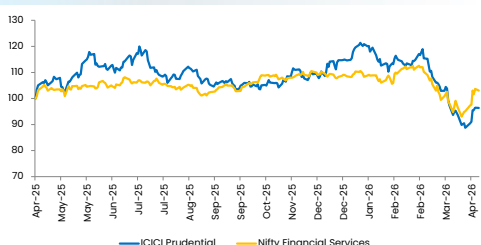
Shareholding Pattern

	Jun-25	Sep-25	Dec-25
Promoter	73.0	72.9	72.9
FII	13.1	13.2	11.5
DII	8.9	8.7	10.4
Public	5.1	5.3	5.2

1 year forward P/EV (x)



1 year relative price chart



Retail Protection Fuels Growth Momentum: IPRU Life reported FY2026 APE of ₹106.41 billion, with Q4 APE growing 9.5% YoY as momentum recovered despite late-quarter geopolitical volatility. Growth was spearheaded by the Retail Protection segment, which surged 60.5% YoY in Q4 (up 32.3% for the full year), capitalizing on significant GST reform tailwinds that boosted retail sum assured. While ULIP growth remained modest at 1.6% YoY due to equity market fluctuations, the Group business rose a robust 14.5%. The company's strategic shift toward high-margin protection and operational cost efficiencies resulted in a VNB margin expansion of 190 bps to 24.7%, yielding an absolute VNB of ₹26.29 billion (up 10.9% YoY). Management remains committed to its "micro-market" strategy and deepening distribution through its 2.42 lakh advisors. Given the favorable base and low protection penetration, we expect APE growth to accelerate significantly through FY2027E and FY2028E.

VNB Margin Expansion Despite GST Headwinds: IPRU Life's VNB margin for FY2026 stood at 24.7%, expanding 190 bps YoY from 22.8% in FY2025. This improvement was achieved despite a 390 bps negative impact from the unavailability of input tax credit following GST reforms. Stability and growth in margins were primarily supported by a superior product mix and higher retail protection contribution, which saw a massive 60.5% YoY surge in Q4FY26. Profitability was further bolstered by increasing policy tenures (averaging 29 years), higher sum assured multiples, and favorable yield curve movements that neutralized tax-related compression. Management continues to view retail protection as a multi-decade opportunity, noting that the GST waiver made products approximately 18% cheaper for consumers, significantly boosting demand. The segment remains dominated by pure term products, as the company maintains its focus on absolute VNB growth through operational efficiencies and a disciplined, granular distribution strategy across micro-markets.

Partnership Channel Leads Growth: The distribution mix for FY2026 was comprised of Agency (25.2%), Direct (13.4%), Banca (29.8%), Partnership Distribution (13.2%), and Group (18.3%) of overall APE. While proprietary channels—agency and direct—faced headwinds due to a high base of annuities and ULIPs, the partnership distribution channel delivered stellar 23.4% YoY growth, fueled by strong retail protection traction. The banca channel remained steady with 3.6% YoY growth, supported by a focus on increasing "share of shelf" across its 53 bank partners. On the cost front, efficiency remained a core pillar; the savings cost-to-premium ratio improved by 40 bps to 12.1%, while the total cost-to-premium ratio held stable at 18.2%. Management highlighted that the integration of AI/ML across the customer journey and underwriting has optimized the cost structure, providing significant operating leverage and supporting a structurally stronger margin profile as the company scales its micro-market strategy.

Valuation and Outlook: ICICI Prudential Life's FY2026 performance reinforces confidence in its protection-led growth trajectory, underpinned by a significant recovery in retail volumes, expanding VNB margins (24.7%), and enhanced operating leverage. The massive 60.5% YoY surge in retail protection following GST reforms, coupled with the rapid scaling of the partnership distribution channel (+23.4% YoY), provides strong APE visibility heading into FY2027E. Furthermore, the company's ability to neutralize substantial GST-related tax headwinds through a superior product mix and cost efficiencies highlights a structurally resilient margin profile. A robust solvency ratio of 227.3% and a clean asset book (zero NPAs) provide a solid cushion against macroeconomic volatility and support steady earnings visibility. We expect the focus on a granular "micro-market" strategy to drive sustainable growth across market cycles. **We value ICICI Prudential Life at 1.7x FY28E P/EV, implying a target price of ₹781, and maintain our BUY rating.**

Financial Summary - Consolidated

Particulars, INR Cr	FY25	FY26	FY27E	FY28E
Gross premiums	47,301	50,934	55,083	59,852
Total Income	57,130	62,325	68,245	75,031
Total Benefits	45,599	49,631	56,335	64,666
Surplus/(Deficit) after tax	1,488	1,343	-1,069	-4,534
APE	9,444	10,641	12,623	14,138
VNB	2,567	2,629	3,132	3,732
New business premium (NBP)	20,266	22,080	24,819	27,798
Embedded value (EV)	47,951	52,988	58,696	66,328
EV per share (Rs)	332.3	367.2	406.8	459.7
P/EV (x)	1.8	1.6	1.5	1.3

Research Analyst

Rajan Gupta

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Source : RBL Research

Key Concall Highlights:

- » **Retail Protection as a Primary Growth Engine:** Retail protection surged 60.5% YoY in Q4, driven by GST reforms that made products 18% cheaper. Management reiterated this as a multi-decade opportunity, with only 13% of the addressable population currently covered.
- » **Resilient VNB Margins:** Despite a 390 bps headwind from the loss of GST input tax credits, VNB margins expanded to 24.7%. This was supported by a superior product mix, higher sum assured, and longer policy tenures (increasing to 29 years).
- » **Channel Performance Divergence:** Partnership distribution was the standout performer with 23.4% YoY growth, while proprietary channels (Agency/Direct) remained under pressure due to a high base of ULIPs and annuities.
- » **Operating Efficiency via Technology:** The savings cost-to-premium ratio improved by 40 bps to 12.1%. Management is aggressively embedding AI/ML and GenAI for automated underwriting and claims, driving structural operating leverage.
- » **Steady Savings & Credit Life Recovery:** Non-linked savings remained steady YoY, while Credit Life grew 1.8%, contributing to an overall 14.5% growth in the Group business.
- » **Robust Solvency & Asset Quality:** The solvency ratio remains strong at 227.3%, well above the 150% regulatory requirement. The company maintained its flawless record of zero NPAs since inception.
- » **Transition to Ind-AS:** The company is ready for the Ind-AS transition, which will align reporting with global standards, though they are seeking a one-year forbearance to finalize systems for CSM (Contractual Service Margin) calculations.
- » **Strategic "Micro-Market" Focus:** Management is pivoting toward a granular micro-market strategy in proprietary channels to reduce volatility and ensure sustainable APE growth across cycles.

Policyholders Account - Consolidated

Particulars, INR Cr	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)
First year premium	2,931	2,709	8.2	2,081	40.8
Renewal premium	9,928	9,209	7.8	6,594	50.6
Single premium	6,789	4,913	38.2	3,551	91.2
Total premium	19,648	16,832	16.7	12,226	60.7
Net premium income	19,180	16,369	17.2	11,809	62.4
Income from investments	-16,302	-905	-	10,746	-251.7
Other income	62	53	17.7	58	7.3
Transfer of funds from shareholders ac	843	121	598.9	-311	-371.5
Total	3,783	15,638	-75.8	22,302	-83.0
Commission					
First year premium	839	572	46.7	465	80.5
Renewal premium	210	216	-2.9	131	60.3
Single premium	746	548	36.1	642	16.3
Total commission	1,795	1,337	34.3	1,238	45.1
Net commission	1,795	1,575	14.0	1,238	45.1
Expenses of management	3,214	2,478	29.7	2,354	36.5
Other expenses	3	192	-	55	-
Provision for taxes	-401	185	-316.8	55	-831.2
Benefits paid	13,754	12,327	11.6	12,402	10.9
Change in actuarial liability	-14,419	162	-	7,494	-
Total	2,150	15,344	-86.0	22,333	-90.4
Surplus/(deficit)	1,632	294	455.7	-31	-5,323.0

Source : RBL Research

Net premium income increased by 17.2% YoY

Net commission increased by 14% YoY

Shareholders Account - Consolidated

Particulars, INR Cr	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)
Transfer from policyholders account	1,211	376	222.0	-97	-1,350.0
Investment income	421	223	88.9	278	51.5
Other income	3	10	-73.6	0	712.5
Expenses other than insurance business	50	65	-23.1	45	12.5
Transfer of funds to policyholders ac	843	121	598.9	-311	-371.5
Profit/(loss) before tax	668	413	61.7	447	49.3
Provision for taxes	59	28	-	57	-
PAT	609	385	58.0	390	56.0

Source : RBL Research

Investment income saw strong growth of 88.9% YoY

PAT during the quarter increased by 58% YoY

Business parameters					
Particulars	Q4FY26	Q4FY25	Y-o-Y %	Q3FY26	Q-o-Q %
APE Mix (%)					
Unit Linked	45.4	43.1	235bps	51.5	-607bps
Non-linked	23.6	26.8	-327bps	18.1	552bps
Annuity	8.0	6.2	177bps	6.1	195bps
Group funds	3.2	3.7	-57bps	6.0	-285bps
Savings	80.2	79.9	28bps	81.6	-145bps
Protection	19.8	20.1	-28bps	18.4	145bps
Distribution Mix (Rs Cr)					
Bancassurance	-1,500	-1,514	-0.9	674	-322.6
Agency	-1,512	-1,477	2.4	731	-306.8
Direct	-805	-804	0.1	370	-317.6
Partnership distribution	-617	-685	-9.9	341	-280.9
Group	-899	-953	-5.7	409	-319.8
Total APE	-5,333	-5,433	-1.8	2,525	-311.2
Distribution Mix (%)					
Bancassurance	28.1	27.9	26bps	26.7	143bps
Agency	28.4	27.2	117bps	29.0	-60bps
Direct	15.1	14.8	30bps	14.7	44bps
Partnership distribution	11.6	12.6	-104bps	13.5	-194bps
Group	16.9	17.5	-68bps	16.2	66bps
Persistency ratio (%)					
13th month	82.1	84.3	-220bps	81.0	110bps
61st month	61.9	61.9	0bps	58.6	330bps
Solvency Ratio (%)					
Annual premium equivalent	-5,331	3,483	-253.1	2,525	-311.1
New business premium	13,292	8,856	50.1	4,117	222.9
Value of new business	1,681	1,116	50.7	560	200.3
VNB margin (%)	23.4	27.8	-442bps	24.4	-102bps

APE from Agency channel remained almost flat

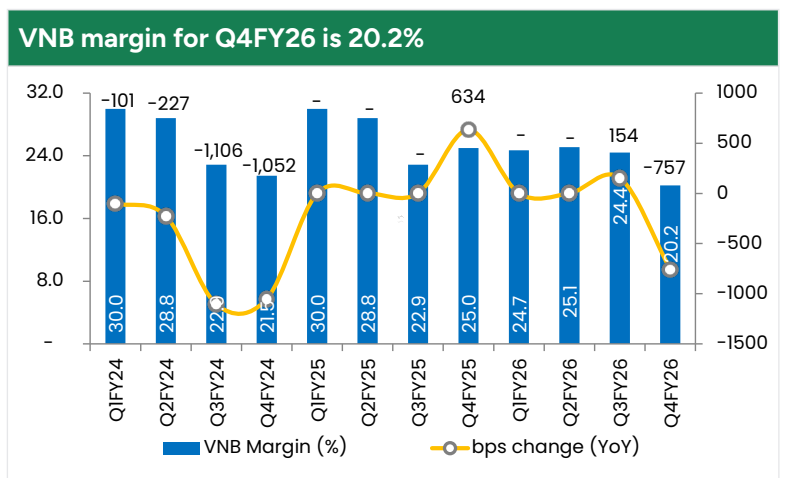
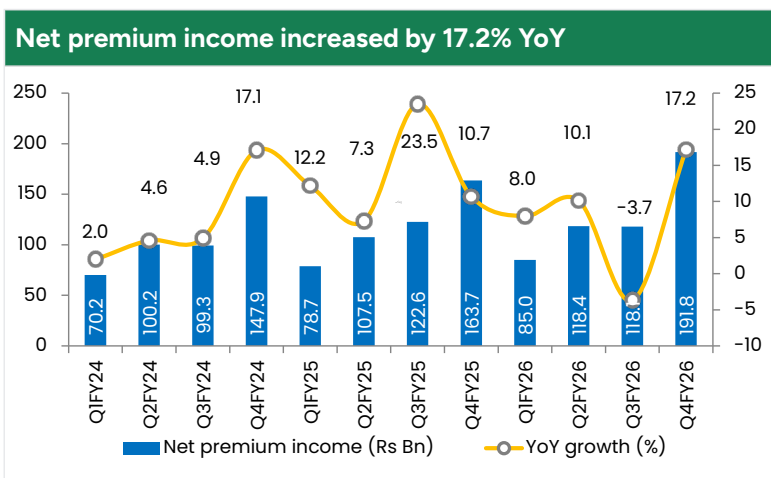
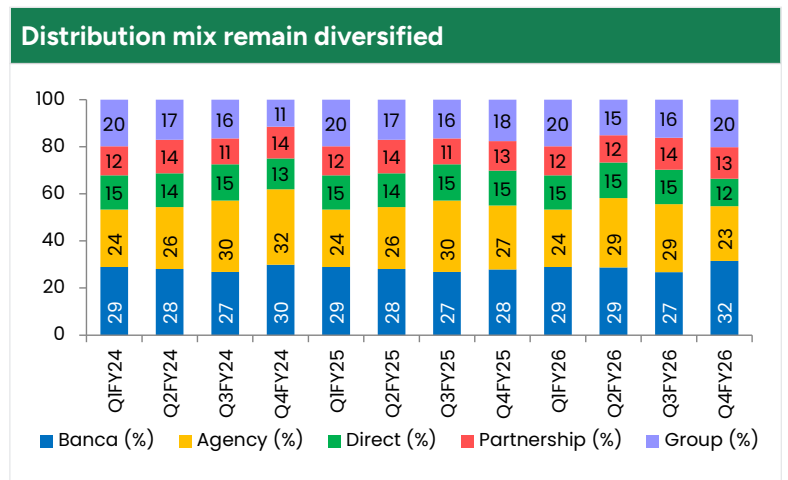
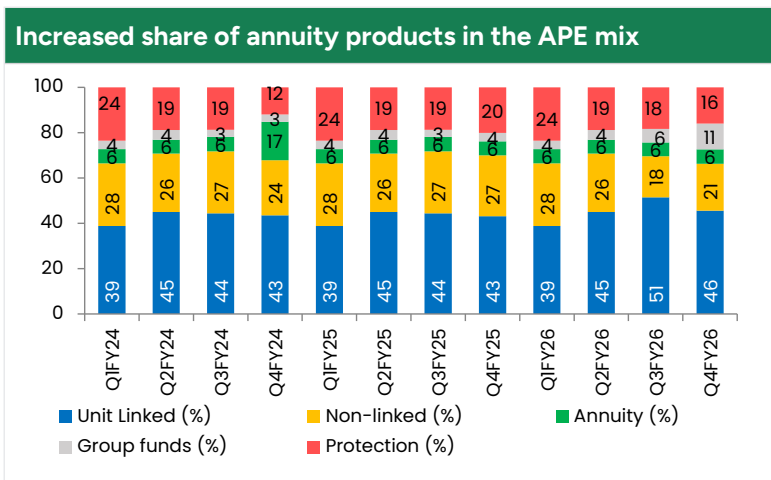
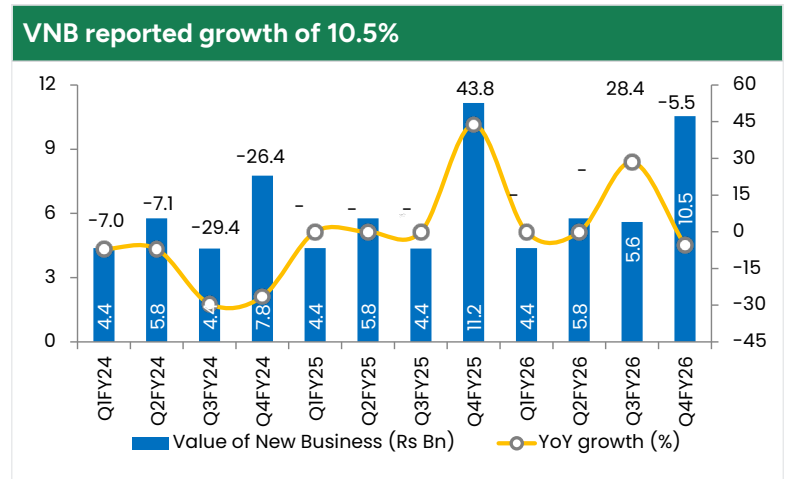
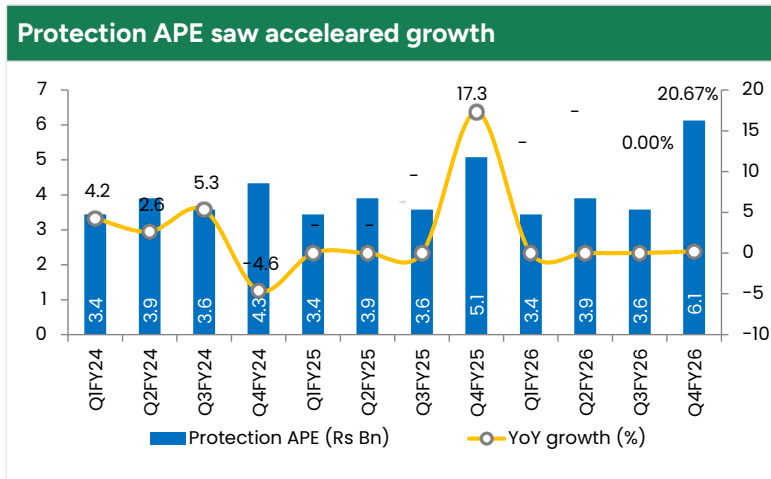
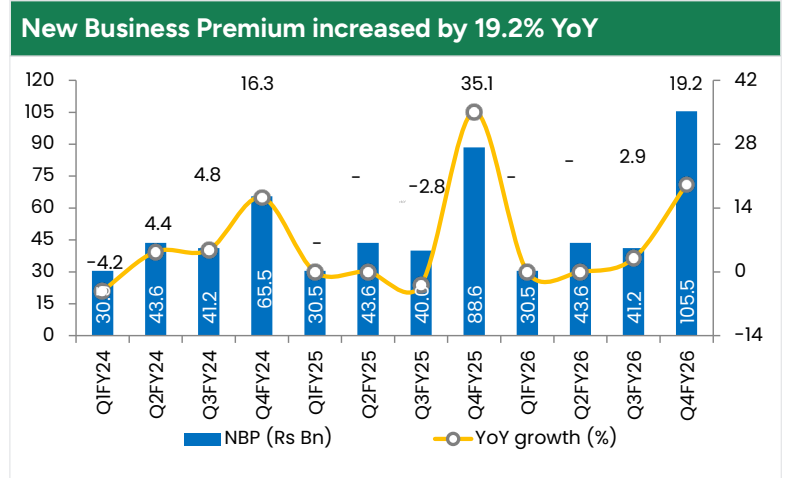
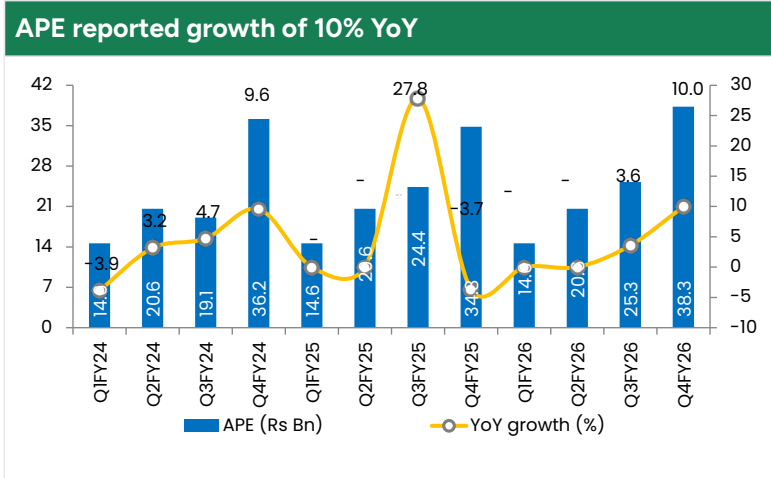
PD contribution in the APE mix decreased by 104bps QoQ/194bps YoY

Fall in persistency in both 13th and 61st month cohorts

VNB margin during the quarter declined

Source : RBL Research

Story in Charts



Source: RBL Research

Technical Account - Consolidated

Particulars, INR Cr	FY25	FY26	FY27E	FY28E
Gross premiums	47,301	50,934	55,083	59,852
Net premiums	45,674	49,183	53,189	57,794
Investment income	9,073	10,332	11,740	13,324
Contribution from the Shareholders account	2,382	2,811	3,317	3,914
Total Income	57,130	62,325	68,245	75,031
Commissions	3,922	4,628	5,461	6,444
Operating expenses	6,196	6,791	7,463	8,223
Benefits paid	37,536	43,515	50,491	58,642
Change in valuation of life reserves	8,063	6,116	5,844	6,023
Total Benefits	45,599	49,631	56,335	64,666
Tax	76	69	-55	-232
Surplus/(Deficit) after tax	1,488	1,343	-1,069	-4,534

Source: RBL Research

Shareholders Account - Consolidated

Particulars, INR Cr	FY25	FY26	FY27E	FY28E
Transfer from policyholder's a/c	2,212	2,256	2,302	2,348
Investment income	773	881	1,004	1,145
Other income	16	18	19	21
Total income	3,379	3,585	3,813	4,066
Operating expenses	118	117	116	115
Contribution to the policyholders a/c	1,975	2,019	2,065	2,111
Profit before tax	1,286	1,449	1,632	1,840
Tax	66	47	46	10
Profit after tax	1,352	1,496	1,678	1,850

Source: RBL Research

Balance Sheet - Consolidated

Particulars, INR Cr	FY25	FY26	FY27E	FY28E
Share capital	1,439	1,439	1,439	1,439
Reserves and surplus	10,686	12,274	14,028	16,516
Fair value change account	358	411	469	553
Shareholder's equity	12,482	14,124	15,936	18,507
Borrowings	1,200	1,200	1,200	1,200
Fair value change account	2,968	3,026	3,044	3,014
Policy liabilities	2,52,669	2,59,320	2,62,550	2,61,656
Funds for future appropriations	1,798	1,845	1,868	1,862
Total liabilities	2,58,635	2,65,391	2,68,662	2,67,732
Total liabilities and shareholders equity	2,71,117	2,79,515	2,84,598	2,86,239
Shareholders investments	11,789	12,143	12,507	12,882
Policyholders investments	1,06,766	1,12,104	1,17,709	1,23,595
Unit linked investments	1,50,916	1,53,890	1,54,807	1,53,281
Loans	1,721	1,911	2,121	2,354
Fixed assets	604	609	614	618
Net current assets/(liabilities)	-680	-1,380	-3,487	-7,214
Total assets	2,71,117	2,79,515	2,84,598	2,86,238

Source: RBL Research

Key Ratios - Consolidated

Particulars, Rs Cr	FY25	FY26	FY27E	FY28E
VNB	2,227	2,567	3,058	3,644
VNB growth (%)	24.6	27.2	28.1	28.9
VNB margin (%)	24.6	27.2	28.1	28.9
APE	9,046	9,444	10,865	12,623
APE growth (%)	4.7	4.4	15.0	16.2
NBP	18,081	20,266	22,080	24,819
NBP growth (%)	6.8	12.1	8.9	12.4

Source: RBL Research

EV Movement				
Particulars, Rs Cr	FY25	FY26	FY27E	FY28E
Opening EV	35,639	41,989	49,660	58,687
Value of New Business (VNB)	2,227	2,567	3,058	3,644
Unwind	3,071	3,653	4,370	5,164
Operating assumption changes	70	82	98	115
EVOP	5,017	6,302	7,526	8,924
Economic assumption change	1,691	1,992	2,356	2,785
Net capital injection	-6	-624	-855	-944
Embedded value (EV)	41,989	49,660	58,687	69,451
Return on embedded value (ROEV)	14.1	15.0	15.2	15.2

Source: RBL Research

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Ratings Methodology

Ratings	Upside
Buy	More than 15%
Accumulate	5% - 15%
Hold	0% - 5%
Sell	Below 0%

Note: RBL Investment ratings (All ratings based on absolute return; All ratings and target price refers to 12 month performance horizon, unless mentioned otherwise).

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S No.	Statement	Answer	
		Yes	No
		Tick Appropriate	
		Yes	No
1.	I/we or any of my/our relative has any financial interest in the subject company? (If answer is yes, nature of interest is given below this table)		No
2.	I/we or any of my/our relatives, have actual/beneficial ownership of one per cent. or more securities of the subject company, at the end of the month immediately preceding the date of the research report or date of the public appearance?		No
3.	I/we or any of my/our relative, has any other material conflict of interest at the time of publication of the research report or at the time of the public appearance?		
4.	I/we have received any compensation from the subject company in the past twelve months?		No
5.	I/we have managed or co-managed public offering of securities for the subject company in the past twelve months?		No
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7.	I/we have received any compensation or other benefits from the subject company or third party in connection with the research report?		No
8.	I/we have served as an officer, director or employee of the subject company?		No
9.	I/we have been engaged in market making activity for the subject company?		No

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Nature of Interest [If answer to f (a) above conflicts is Yes]

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[Please note that only in case of multiple RAs and if the answers differ inter-se between the RAs, then RA specific answer with respect to

S. No.	Name of RA	Signature of RA	Serial Question of question which the signing RA needs to make a separate declaration	Answer	Answer

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