

August 27, 2024

**SECTOR REPORT** | Sector: Life Insurance

# India Pension Industry

## UPS muddies annuity opportunity but only in the distant future

**We try to make sense of the introduction of the Unified Pension Scheme (UPS) for the life insurance industry, which has been a key beneficiary of the mandatory annuitization rule under NPS (see earlier report). We note that (1) The UPS seems superior to the NPS from a subscriber standpoint and, whether mandatory or not, seems set to materially replace the NPS (2) Prima facie, there does not seem to be mandatory annuitization under the UPS and, if so, it is negative for life insurers (3) The conclusion can be potentially more negative if the states follow the Centre in implementing the UPS (4) All of the above being said, the NPS is not quite a dramatic here-and-now opportunity and the impact, if any, is in the distant future. We most prefer MFSL and SBIL in the life insurance space.**

### The UPS seems superior to the NPS from a subscriber standpoint and, whether mandatory or not, seems set to materially replace the NPS

The UPS comes into existence on 1<sup>st</sup> April 2025. Pre-existing Central Government employees will have the option to shift to the UPS. It is not clear if new employees joining on or after 1<sup>st</sup> April 2025 will have the option to opt for the NPS or will have to mandatorily opt for the UPS. Even if the option for the NPS remains, new employees could gravitate towards the UPS, given its superior features. Some of the key advantages of the UPS over the NPS are (1) Higher government contribution to the pension corpus at 18.5% vs 14% (2) Assured Pension of 50% of average basic pay drawn over the last 12 months prior to superannuation (3) Family Pension worth 60% of employee's pension immediately before their demise (4) Assured Minimum Pension worth Rs 10,000 under the UPS (5) Dearness Relief via Inflation Indexation.

### Prima facie, there does not seem to be mandatory annuitization under the UPS and, if so, it is negative for life insurers

Even if NPS AUM were to remain static, we estimate that the June 2024 NPS AUM, excluding Atal Pension Yojna (APS) and NPS Lite (NPSL), translated to a Rs 3816bn annuity business opportunity in the future based on a 40% corpus conversion. This amounted to as much as 127% of the life insurance industry's new business premium for FY24. However, this opportunity size gets called into question if mandatory annuitization is absent under UPS, which is expected to go on to replace NPS. We note that Central Government employees at 2.64mn account for 18% of subscriber count and 28% of NPS AUM, excluding APS/NPSL. If no mandatory annuitization exists, a lion's share of this 28% of NPS AUM may not get annuitized as subscribers may primarily opt for a here-and-now lump sum withdrawal. It may be noted that the pension corpus under the UPS is to be divided into two funds: (a) an individual pension fund with the 10% employee contribution and matching government contribution and (b) a separate fund with the additional 8.5% government contribution. It remains to be seen whether NPS will have a role to play for the individual pension fund.

### The conclusion can be potentially more negative if the states follow the Centre in implementing the UPS

We note that State Government employees at 6.69mn account for 45% of subscriber count and 51% of NPS AUM as of June 2024, excluding APS/NPSL. Hence, Government employees, in total, account for 62% of subscriber count and 79% of existing NPS AUM. Hence, nearly three-fourth of NPS AUM is theoretically at risk due to the advent of the UPS. It may be noted that, some states, viz. Rajasthan, Punjab and Himachal Pradesh, had already previously chosen not to continue with the NPS and had, in fact, reverted to the Old Pension Scheme (OPS).

### All of the above being said, the NPS is not quite a dramatic here-and-now opportunity and the impact, if any, is in the distant future

We note that 84% of NPS subscribers, on average, who have enrolled over FY20-22 are below 40 years of age. Assuming that this proportion would have been similar in the past, most of the NPS subscriber base would still have a lot of time before they retire.

### We continue to most prefer MFSL and SBIL in the life insurance space

This report also contains a detailed comparison of life insurers across varied parameters.

## Recommendation table

Company	Rating	TP
Max Financial	BUY	1375
SBI Life	BUY	2250
IPRU Life	ADD	850
LIC	ADD	1225
HDFC Life	ADD	825

*N.B. In order of investment preference*

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## VALUATION TABLE

**Exhibit 1: Valuation Table (Coverage Life Insurers – in the order of investment preference)**

COMPANY	Rating	CMP	TP	Upside (%)	VNBPS (Rs)			P/VNBPS (x)		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E
Max Financial	BUY	1086	1375	27	46.3	51.4	61.1	23.5	21.1	17.8
SBI Life	BUY	1839	2250	22	55.4	65.9	78.8	33.2	27.9	23.3
IPRU Life	ADD	744	850	14	15.5	18.2	21.2	48.1	41.0	35.2
LIC*	ADD	1079	1225	14	15.2	18.3	21.5	64.2	53.2	45.1
HDFC Life	ADD	740	825	12	16.3	19.1	22.5	45.4	38.6	32.9

COMPANY	EVPS (Rs)			P/ EVPS (x)			RoEV (%)			VNB Margin (%)		
	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Max Financial	458	583	691	2.4	1.9	1.6	20.2	20.2	19.5	26.5	25.0	25.5
SBI Life	582	695	829	3.2	2.6	2.2	21.8	20.0	19.9	28.1	28.5	29.0
IPRU Life	294	337	388	2.5	2.2	1.9	14.1	15.4	15.4	24.6	24.9	25.2
LIC*	1,150	1,276	1,418	0.8	0.8	0.7	11.5	11.3	11.4	16.8	17.5	18.3
HDFC Life	221	256	299	3.4	2.9	2.5	17.5	17.1	17.2	26.3	26.0	26.3

Source: Companies, YES Sec – Research; \*Valuation for LIC is the implied valuation net of the value of subsidiaries

## COMPARISON OF PENSION SCHEMES

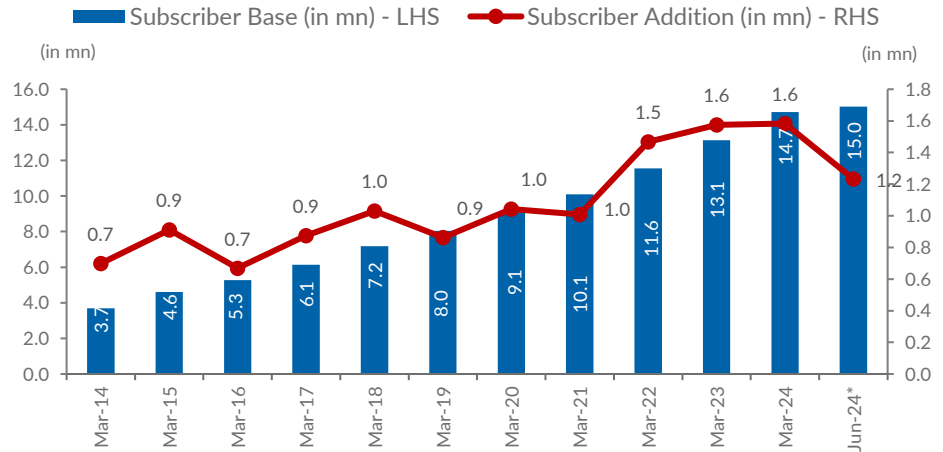
**Exhibit 2: Comparison between UPS, NPS and OPS**

Particulars	Unified Pension Scheme	National Pension Scheme	Old Pension Scheme
<b>Mandatory Annuitisation</b>	Prima facie, not required but clarification awaited	40% of Invested Corpus	Not Applicable
<b>Employee and Government's Contribution</b>	In UPS the employee's contribution would remain 10 per cent, while the government contribution would increase to 18.5 per cent.	NPS promised pensions based on the contributions made by employees and the government. It required a 10-per cent contribution from the central government employee's basic salary and 14 per cent contribution from the government.	No deductions are made from an employee salary towards pensions contributions under OPS
<b>Pension Amount</b>	<p><b>Assured Pension</b></p> <ul style="list-style-type: none"> <li>• 50% of the average basic pay drawn over the last 12 months prior to superannuation.</li> <li>• Applicable for a minimum qualifying service of 25 years.</li> <li>• Proportional for service periods between 10 and 25 years.</li> </ul> <p>Inflation Indexation Applicable</p>	The pension amount is not fixed in NPS as it is a market-linked scheme and is subject to market movements.	In OPS retired government employees received 50 per cent of their last drawn salary as monthly pensions. The amount keeps increasing with the hike in the DA rates.
<b>Family pension</b>	<p><b>Assured Family Pension:</b> 60% of the employee's pension immediately before his demise will be paid to spouse.</p> <p>Inflation Indexation Applicable</p>	The family pension under NPS depended on the accumulated corpus in the pension fund and the annuity plan chosen at retirement.	In cases if a retired employee passes away, their family receives continued pension benefits.
<b>Assured Minimum Pension</b>	Rs 10,000 per month upon superannuation after a minimum of 10 years of service.  Inflation Indexation Applicable	Not Applicable	Not Applicable
<b>Lump Sum Payment at Superannuation</b>	<p>1/10th of monthly emoluments (Pay + DA) for every completed six months of service.</p> <p>This lump sum payment is in addition to gratuity and does not affect the assured pension amount.</p>	Employees under NPS can withdraw a maximum of 60 per cent of the total corpus on retirement. The remaining 40 per cent is invested and returns on it are given as pension every month.	<p>Lump sum could be taken at the time of retirement only via commutation of pension which reduced the pension amount.</p> <p>Employees were entitled to a gratuity payment of a maximum of Rs 20 lakh on retirement.</p>
<b>Dearness Relief</b>	Revision is based on All India Consumer Price Index for Industrial Workers (AICPI-IW), similar to service employees.	Not Applicable	Under the OPS, the pension for retirees is revised twice a year—on January 1 and July 1—whenever the government announces a hike in dearness allowance and dearness relief.

Source: Media Articles, Yes Sec-Research

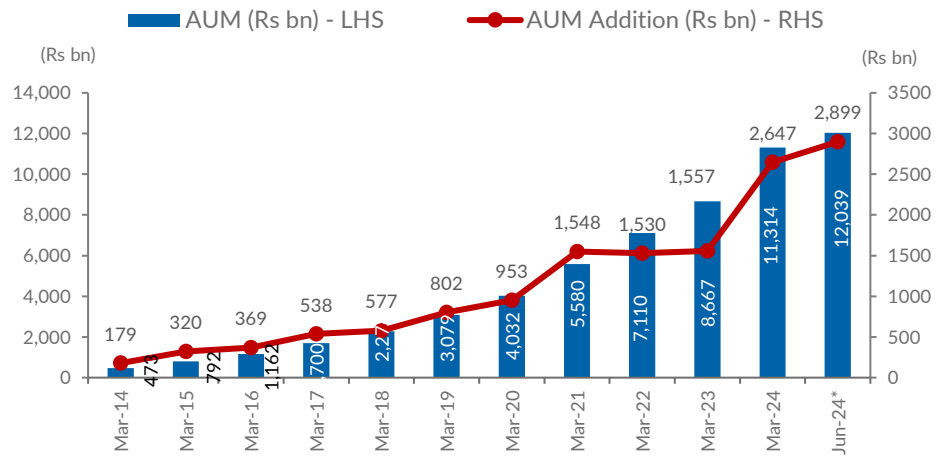
## NPS SUBSCRIBER BASE AND AUM - TOTAL\*

**Exhibit 3: NPS Subscriber Base and Subscriber Addition- Total^ - Mar'14-Jun'24- mn**



Source: NPS, PFRDA, YES Sec-Research, ^Excluding NPS Lite and Atal Pension Yojana (APY), \* Annualised

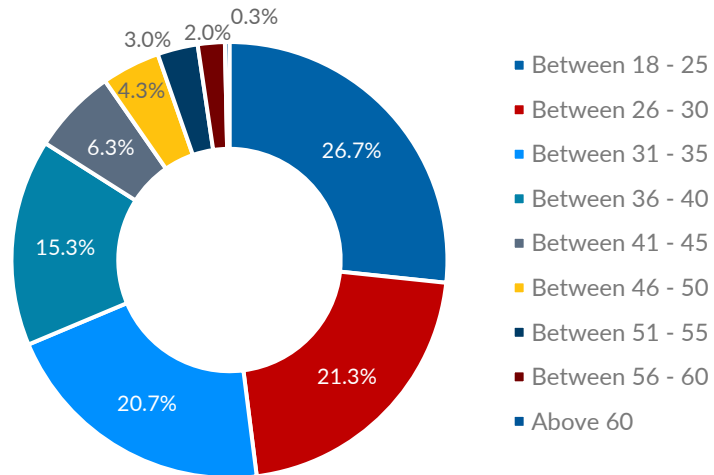
**Exhibit 4: NPS AUM and AUM Addition- Total^ - Mar'14-Jun'24 - Rs. bn**



Source: NPS, PFRDA, YES Sec-Research, ^Excluding NPS Lite and Atal Pension Yojana (APY), \* Annualised

## NPS SUBSCRIBER AGE GROUP-WISE DISTRIBUTION

**Exhibit 5: NPS Subscriber Age Group-wise distribution – Average FY20-22 - %**



Source: NPS, PFRDA, YES Sec-Research

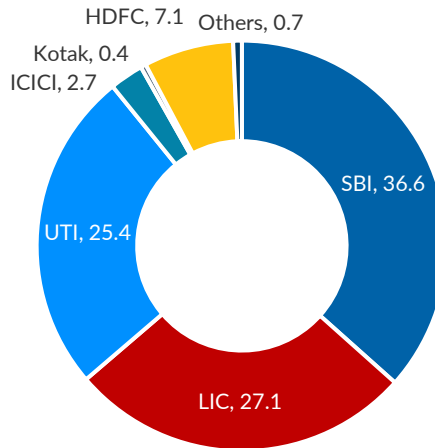
**Exhibit 6: NPS Subscriber Age Group-wise distribution – FY20, FY21, FY22 and Average FY20-22 - %**

Age Group	FY20	FY21	FY22	Average FY20-22
Between 18 - 25	27.0%	30.0%	23.0%	26.7%
Between 26 - 30	21.0%	21.0%	22.0%	21.3%
Between 31 - 35	21.0%	20.0%	21.0%	20.7%
Between 36 - 40	15.0%	15.0%	16.0%	15.3%
Between 41 - 45	6.0%	5.0%	8.0%	6.3%
Between 46 - 50	5.0%	4.0%	4.0%	4.3%
Between 51 - 55	3.0%	3.0%	3.0%	3.0%
Between 56 - 60	2.0%	2.0%	2.0%	2.0%
Above 60	0.0%	0.0%	1.0%	0.3%

Source: NPS, PFRDA, YES Sec-Research

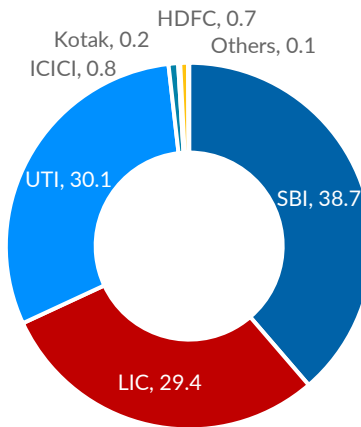
## PFM-WISE MARKET SHARE IN AUM

**Exhibit 7: PFM-wise Market share in AUM – June'24 - %**



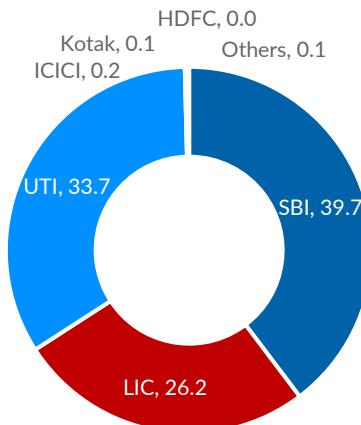
Source: NPS, PFRDA, YES Sec-Research

**Exhibit 8: PFM-wise Market share in AUM – FY17 - %**



Source: NPS, PFRDA, YES Sec-Research

**Exhibit 9: PFM-wise Market share in AUM – FY11 - %**

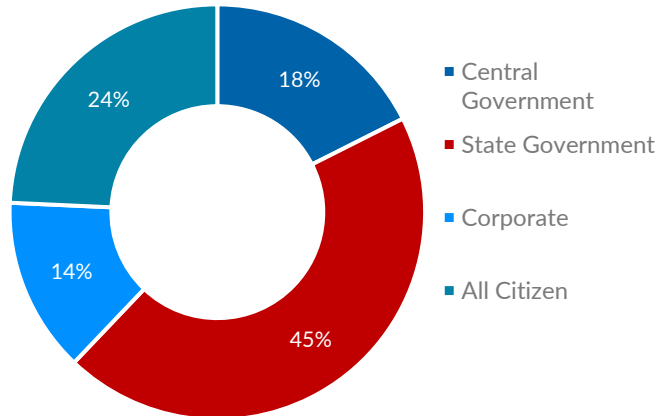


Source: NPS, PFRDA, YES Sec-Research



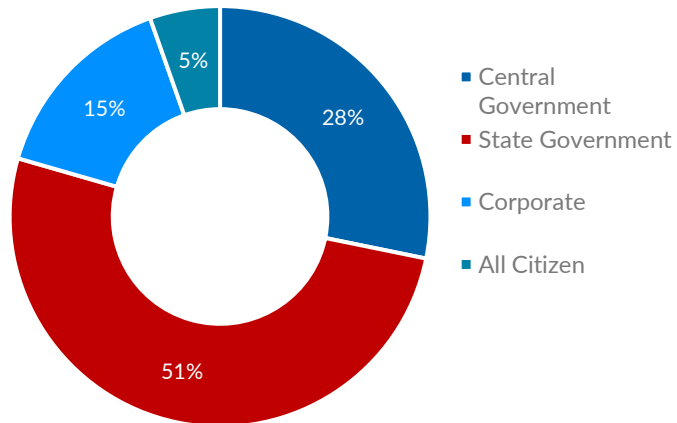
## NPS SEGMENT-WISE SHARE IN SUBSCRIBER BASE AND AUM

**Exhibit 10: NPS Segment-wise share in Subscriber base - June'24 - %**



Source: NPS, PFRDA, YES Sec-Research

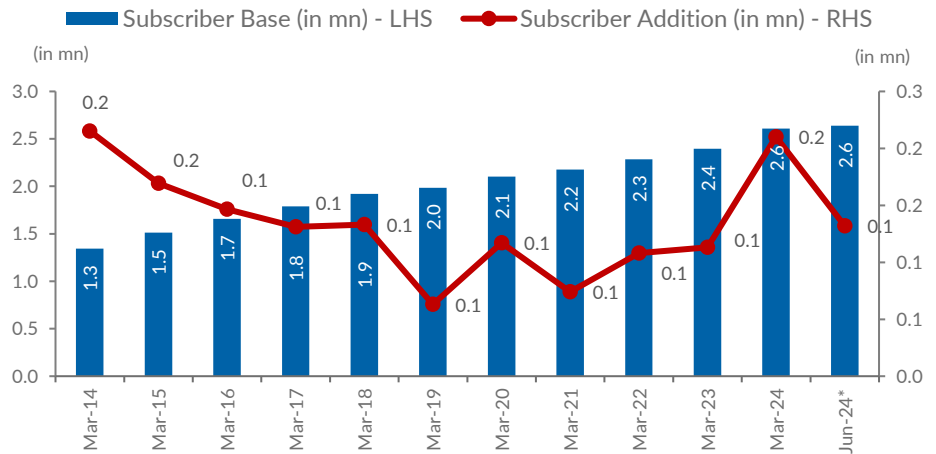
**Exhibit 11: NPS Segment-wise share in AUM - June'24 - %**



Source: NPS, PFRDA, YES Sec-Research

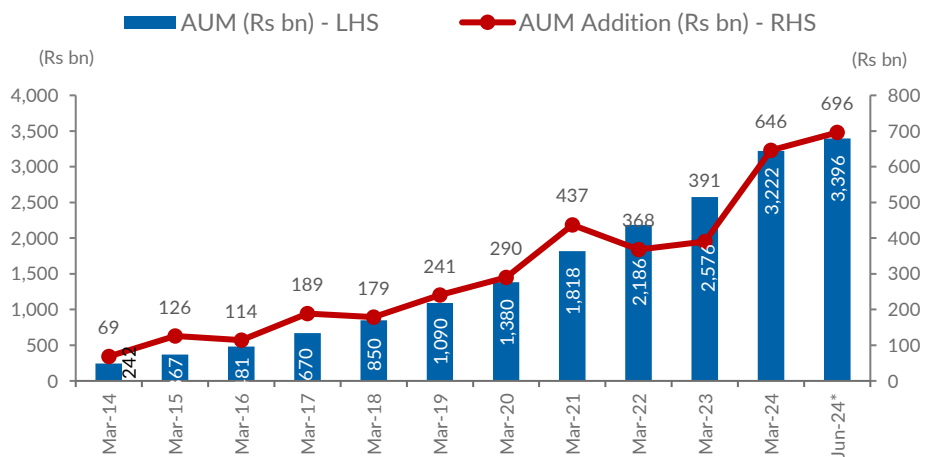
## NPS SUBSCRIBER BASE AND AUM - CENTRAL GOVERNMENT

**Exhibit 12: NPS Subscriber Base and Subscriber Addition- Central Government - Mar'14-Jun'24 - mn**



Source: NPS, PFRDA, YES Sec-Research, \*Annualised

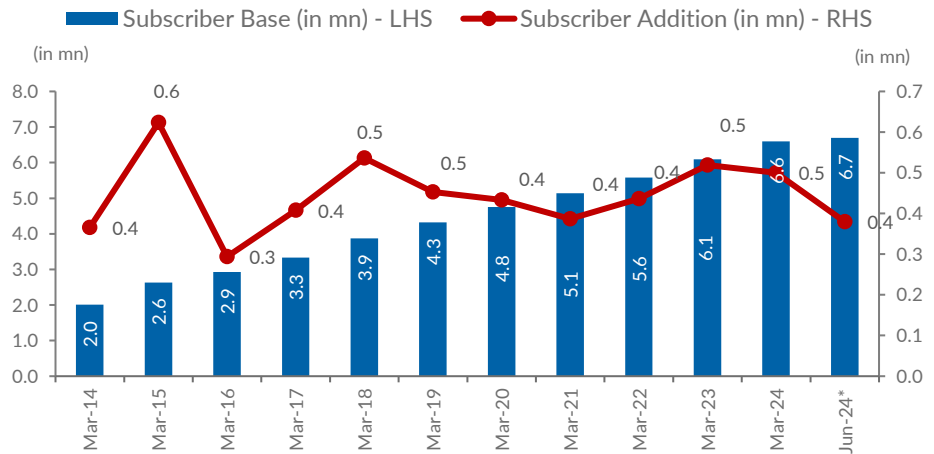
**Exhibit 13: NPS AUM and AUM Addition- Central Government - Mar'14-Jun'24 - Rs. bn**



Source: NPS, PFRDA, YES Sec-Research, \*Annualised

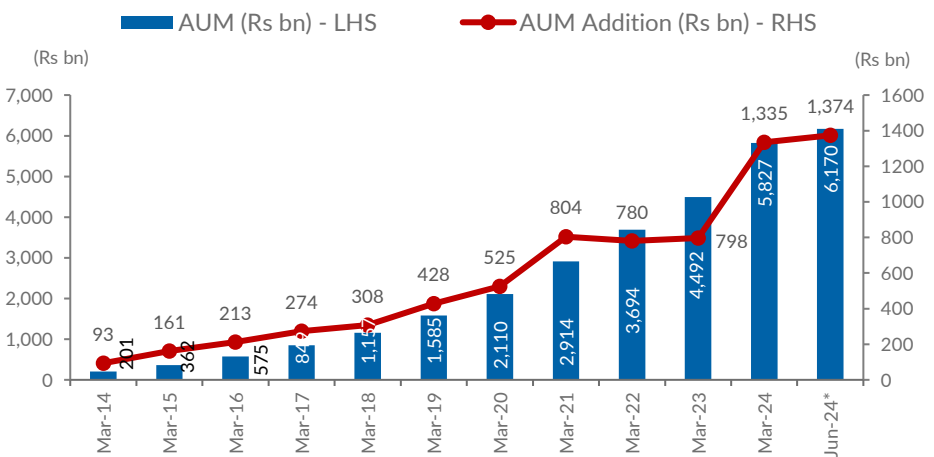
## NPS SUBSCRIBER BASE AND AUM – STATE GOVERNMENT

**Exhibit 14: NPS Subscriber Base and Subscriber Addition- State Government – Mar'14-Jun'24 - mn**



Source: NPS, PFRDA, YES Sec-Research, \*Annualised

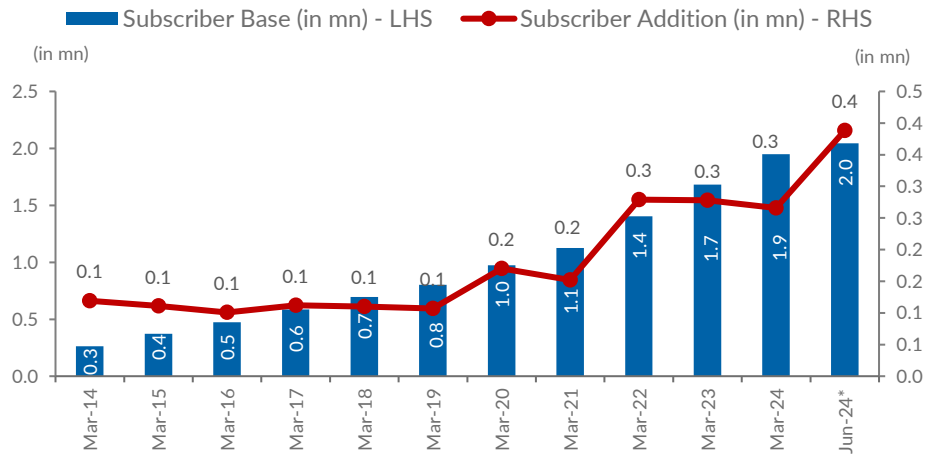
**Exhibit 15: NPS AUM and AUM Addition- State Government – Mar'14-Jun'24 – Rs. bn**



Source: NPS, PFRDA, YES Sec-Research, \*Annualised

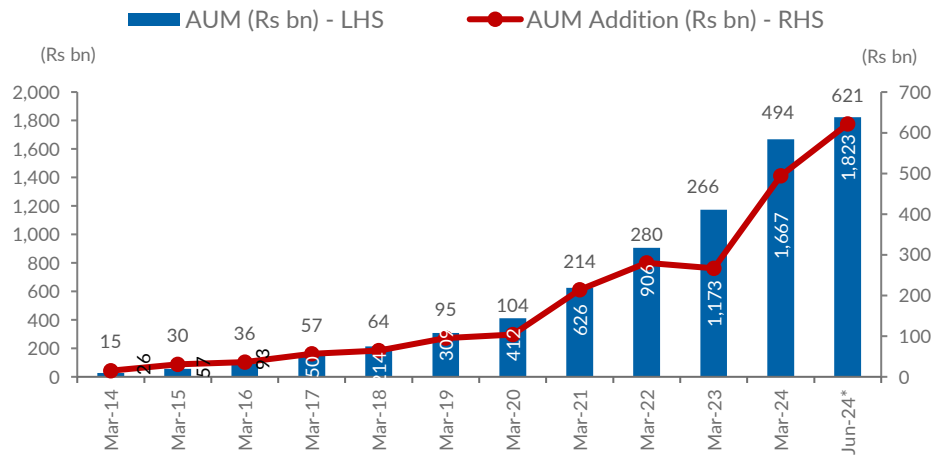
## NPS SUBSCRIBER BASE AND AUM - CORPORATE

**Exhibit 16: NPS Subscriber Base and Subscriber Addition- Corporate - Mar'14-Jun'24 - mn**



Source: NPS, PFRDA, YES Sec-Research, \*Annualised

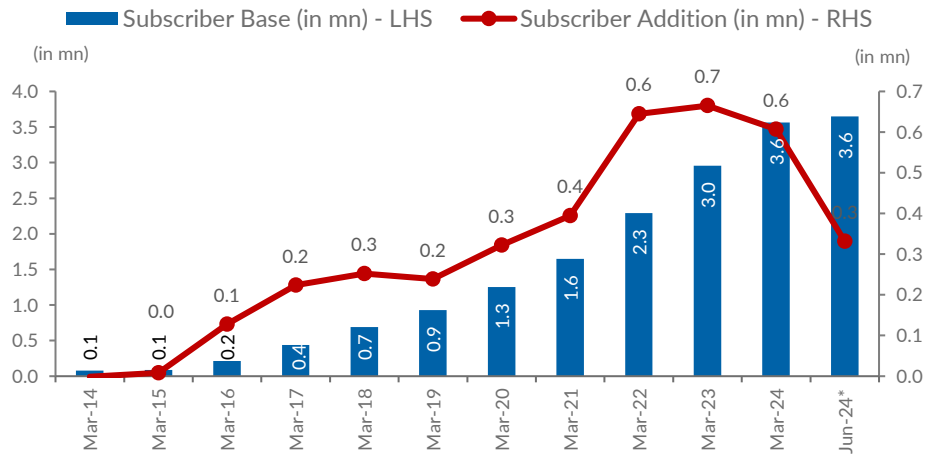
**Exhibit 17: NPS AUM and AUM Addition- Corporate - Mar'14-Jun'24 - Rs. bn**



Source: NPS, PFRDA, YES Sec-Research, \*Annualised

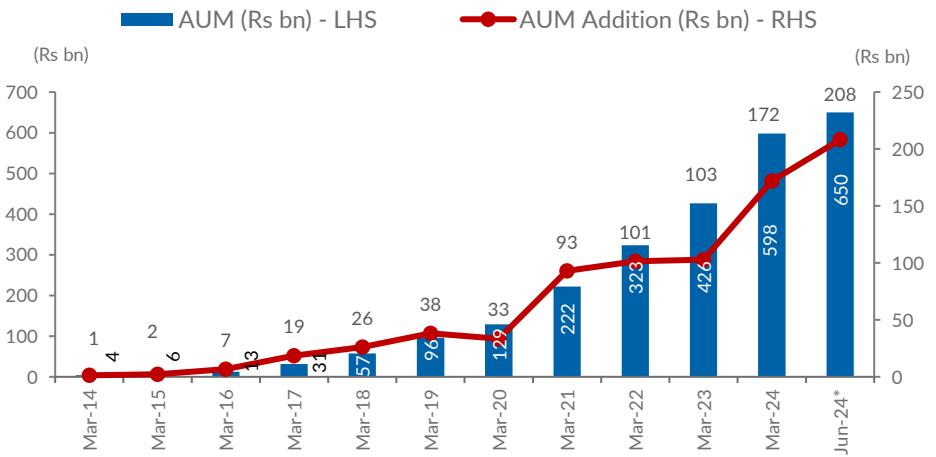
## NPS SUBSCRIBER BASE AND AUM – ALL CITIZEN

**Exhibit 18: NPS Subscriber Base and Subscriber Addition– All Citizen – Mar’14-Jun’24 - mn**



Source: NPS, PFRDA, YES Sec-Research, \*Annualised

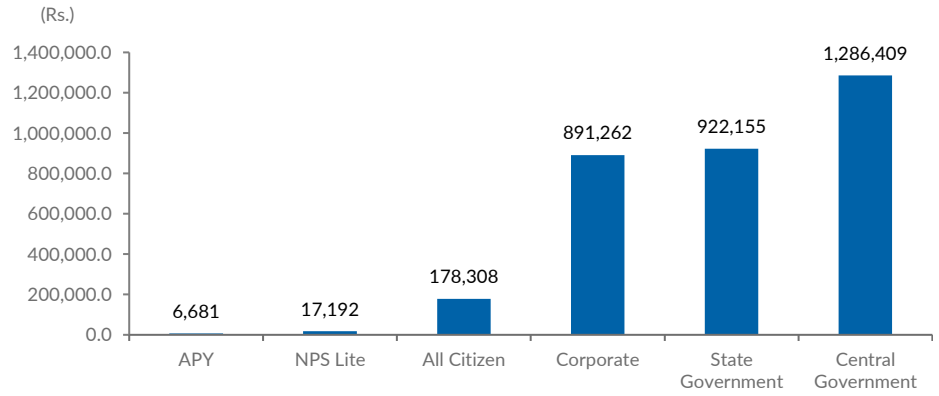
**Exhibit 19: NPS AUM and AUM Addition– All Citizen – Mar’14-Jun’24 – Rs. bn**



Source: NPS, PFRDA, YES Sec-Research, \*Annualised

## SEGMENT-WISE AUM PER SUBSCRIBER

**Exhibit 20: Segment-wise AUM per Subscriber – Jun'24 – Rs.**



Source: NPS, PFRDA, YES Sec-Research

## SUBSCRIBER BASE AND SUBSCRIBER ADDITION TABLES

**Exhibit 21: Subscriber Base – Mar'13 to Jun'24 - mn**

Segment (mn)	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Jun-24
Central Govt.	1.13	1.34	1.51	1.66	1.79	1.92	1.99	2.10	2.18	2.28	2.40	2.61	2.64
State Govt.	1.64	2.01	2.63	2.92	3.33	3.87	4.32	4.75	5.14	5.58	6.10	6.60	6.69
<b>Sub Total (A)</b>	<b>2.77</b>	<b>3.35</b>	<b>4.14</b>	<b>4.58</b>	<b>5.12</b>	<b>5.79</b>	<b>6.31</b>	<b>6.86</b>	<b>7.32</b>	<b>7.86</b>	<b>8.49</b>	<b>9.20</b>	<b>9.33</b>
Corporate	0.14	0.26	0.37	0.47	0.59	0.70	0.80	0.97	1.13	1.40	1.68	1.95	2.05
All Citizen	0.08	0.08	0.09	0.22	0.44	0.69	0.93	1.25	1.65	2.29	2.96	3.56	3.65
<b>Sub Total (B)</b>	<b>0.22</b>	<b>0.34</b>	<b>0.46</b>	<b>0.69</b>	<b>1.03</b>	<b>1.39</b>	<b>1.73</b>	<b>2.23</b>	<b>2.77</b>	<b>3.70</b>	<b>4.64</b>	<b>5.51</b>	<b>5.69</b>
<b>Total (A+B)</b>	<b>2.99</b>	<b>3.69</b>	<b>4.60</b>	<b>5.27</b>	<b>6.15</b>	<b>7.18</b>	<b>8.04</b>	<b>9.08</b>	<b>10.09</b>	<b>11.56</b>	<b>13.13</b>	<b>14.72</b>	<b>15.02</b>
NPS Lite	1.78	2.82	4.15	4.48	4.43	4.40	4.36	4.33	4.30	4.19	4.18	3.33	3.34
APY	0.00	0.00	0.00	2.49	4.86	9.61	14.95	21.14	28.05	36.28	45.95	55.51	57.14
<b>Grand Total</b>	<b>4.77</b>	<b>6.51</b>	<b>8.75</b>	<b>12.24</b>	<b>15.44</b>	<b>21.18</b>	<b>27.36</b>	<b>34.56</b>	<b>42.44</b>	<b>52.02</b>	<b>63.26</b>	<b>73.56</b>	<b>75.50</b>

Source: NPS, PFRDA, Yes Sec-Research

**Exhibit 22: Subscriber Addition – Mar'14 to Jun'24 - mn**

Segment (mn)	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Jun-24
Central Govt.	0.22	0.17	0.15	0.13	0.13	0.06	0.12	0.07	0.11	0.11	0.21	0.03
State Govt.	0.37	0.62	0.29	0.41	0.54	0.45	0.43	0.39	0.44	0.52	0.50	0.10
<b>Sub Total (A)</b>	<b>0.58</b>	<b>0.79</b>	<b>0.44</b>	<b>0.54</b>	<b>0.67</b>	<b>0.52</b>	<b>0.55</b>	<b>0.46</b>	<b>0.54</b>	<b>0.63</b>	<b>0.71</b>	<b>0.13</b>
Corporate	0.12	0.11	0.10	0.11	0.11	0.11	0.17	0.15	0.28	0.28	0.27	0.10
All Citizen	0.00	0.01	0.13	0.22	0.25	0.24	0.32	0.40	0.65	0.67	0.61	0.08
<b>Sub Total (B)</b>	<b>0.12</b>	<b>0.12</b>	<b>0.23</b>	<b>0.34</b>	<b>0.36</b>	<b>0.35</b>	<b>0.49</b>	<b>0.55</b>	<b>0.92</b>	<b>0.94</b>	<b>0.87</b>	<b>0.18</b>
<b>Total (A+B)</b>	<b>0.70</b>	<b>0.91</b>	<b>0.67</b>	<b>0.88</b>	<b>1.03</b>	<b>0.86</b>	<b>1.04</b>	<b>1.01</b>	<b>1.47</b>	<b>1.58</b>	<b>1.58</b>	<b>0.31</b>
NPS Lite	1.04	1.33	0.33	-0.05	-0.03	-0.03	-0.03	-0.03	-0.12	-0.01	-0.85	0.01
APY	0.00	0.00	2.49	2.38	4.74	5.35	6.19	6.91	8.23	9.67	9.57	1.63
<b>Grand Total</b>	<b>1.74</b>	<b>2.24</b>	<b>3.49</b>	<b>3.20</b>	<b>5.74</b>	<b>6.18</b>	<b>7.20</b>	<b>7.89</b>	<b>9.58</b>	<b>11.24</b>	<b>10.30</b>	<b>1.94</b>

Source: NPS, PFRDA, Yes Sec-Research

## AUM AND ADDITION IN AUM TABLES

**Exhibit 23: AUM – Mar'13 to Jun'24 – Rs. bn**

Segment (Rs. bn)	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Jun-24
Central Govt.	173	242	367	481	670	850	1,090	1,380	1,818	2,186	2,576	3,222	3,396
State Govt.	107	201	362	575	849	1,157	1,585	2,110	2,914	3,694	4,492	5,827	6,170
<b>Sub Total (A)</b>	<b>281</b>	<b>443</b>	<b>730</b>	<b>1,056</b>	<b>1,520</b>	<b>2,006</b>	<b>2,675</b>	<b>3,491</b>	<b>4,732</b>	<b>5,880</b>	<b>7,068</b>	<b>9,049</b>	<b>9,566</b>
Corporate	11	26	57	93	150	214	309	412	626	906	1,173	1,667	1,823
All Citizen	2	4	6	13	31	57	96	129	222	323	426	598	650
<b>Sub Total (B)</b>	<b>14</b>	<b>30</b>	<b>63</b>	<b>106</b>	<b>181</b>	<b>271</b>	<b>404</b>	<b>542</b>	<b>848</b>	<b>1,230</b>	<b>1,599</b>	<b>2,266</b>	<b>2,473</b>
<b>Total (A+B)</b>	<b>294</b>	<b>473</b>	<b>792</b>	<b>1,162</b>	<b>1,700</b>	<b>2,278</b>	<b>3,079</b>	<b>4,032</b>	<b>5,580</b>	<b>7,110</b>	<b>8,667</b>	<b>11,314</b>	<b>12,039</b>
NPS Lite	4	8	16	21	26	30	34	37	44	47	49	56	57
APY	0	0	0	5	19	38	69	105	157	209	267	356	382
<b>Grand Total</b>	<b>299</b>	<b>481</b>	<b>809</b>	<b>1,188</b>	<b>1,746</b>	<b>2,346</b>	<b>3,182</b>	<b>4,175</b>	<b>5,780</b>	<b>7,366</b>	<b>8,983</b>	<b>11,727</b>	<b>12,478</b>

Source: NPS, PFRDA, Yes Sec-Research

**Exhibit 24: Addition in AUM – Mar'14 to Jun'24 - Rs. bn**

Segment (Rs. bn)	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Jun-24
Central Govt.	69	126	114	189	179	241	290	437	368	391	646	174
State Govt.	93	161	213	274	308	428	525	804	780	798	1,335	343
<b>Sub Total (A)</b>	<b>162</b>	<b>287</b>	<b>327</b>	<b>463</b>	<b>487</b>	<b>669</b>	<b>816</b>	<b>1,241</b>	<b>1,148</b>	<b>1,188</b>	<b>1,981</b>	<b>517</b>
Corporate	15	30	36	57	64	95	104	214	280	266	494	155
All Citizen	1	2	7	19	26	38	33	93	101	103	172	52
<b>Sub Total (B)</b>	<b>16</b>	<b>33</b>	<b>43</b>	<b>75</b>	<b>90</b>	<b>133</b>	<b>137</b>	<b>307</b>	<b>382</b>	<b>369</b>	<b>667</b>	<b>207</b>
<b>Total (A+B)</b>	<b>179</b>	<b>320</b>	<b>369</b>	<b>538</b>	<b>577</b>	<b>802</b>	<b>953</b>	<b>1,548</b>	<b>1,530</b>	<b>1,557</b>	<b>2,647</b>	<b>725</b>
NPS Lite	4	8	5	5	4	4	3	6	3	2	6	2
APY	0	0	5	14	19	30	37	52	52	58	89	25
<b>Grand Total</b>	<b>183</b>	<b>328</b>	<b>380</b>	<b>558</b>	<b>600</b>	<b>836</b>	<b>993</b>	<b>1,605</b>	<b>1,586</b>	<b>1,618</b>	<b>2,743</b>	<b>752</b>

Source: NPS, PFRDA, Yes Sec-Research



## PFM-WISE AUM UNDER NPS TABLE

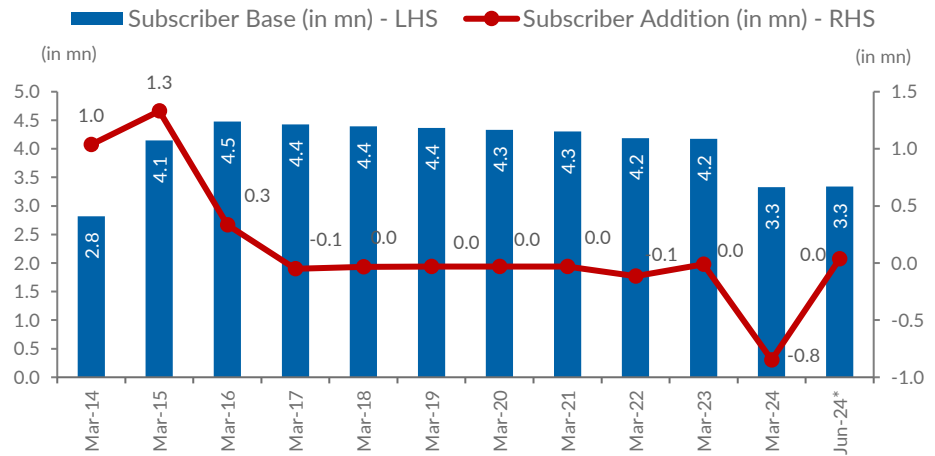
Exhibit 25: PFM-wise AUM under NPS - Mar'13 to Jun'24 - Rs. bn

PFM (Rs. bn)	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Jun-24
SBI	118	186	314	458	661	880	1,220	1,605	2,226	2,825	3,390	4,334	4,570
LIC	85	142	240	353	502	689	927	1,210	1,634	2,094	2,532	3,222	3,387
UTI	95	150	248	358	514	682	937	1,222	1,662	2,019	2,407	3,027	3,176
ICICI	1	2	4	7	14	23	35	44	76	116	165	284	332
Kotak	0	1	1	2	3	5	8	10	16	22	29	47	53
HDFC	0	0	1	4	12	26	52	83	164	284	454	770	884
Birla	0	0	0	0	0	0	1	2	3	6	7	15	18
Tata	0	0	0	0	0	0	0	0	0	0	1	8	19
Max Life	0	0	0	0	0	0	0	0	0	0	1	6	8
Axis	0	0	0	0	0	0	0	0	0	0	2	22	36
Reliance*	0	0	1	1	2	2	3	0	0	0	0	0	0
DSP	0	0	0	0	0	0	0	0	0	0	0	1	3
<b>Grand Total</b>	<b>299</b>	<b>481</b>	<b>809</b>	<b>1,183</b>	<b>1,708</b>	<b>2,308</b>	<b>3,182</b>	<b>4,175</b>	<b>5,780</b>	<b>7,366</b>	<b>8,989</b>	<b>11,735</b>	<b>12,487</b>

Source: NPS, PFRDA, Yes Sec-Research, \*Reliance PF's operation ceased post surrender of the registration in FY20

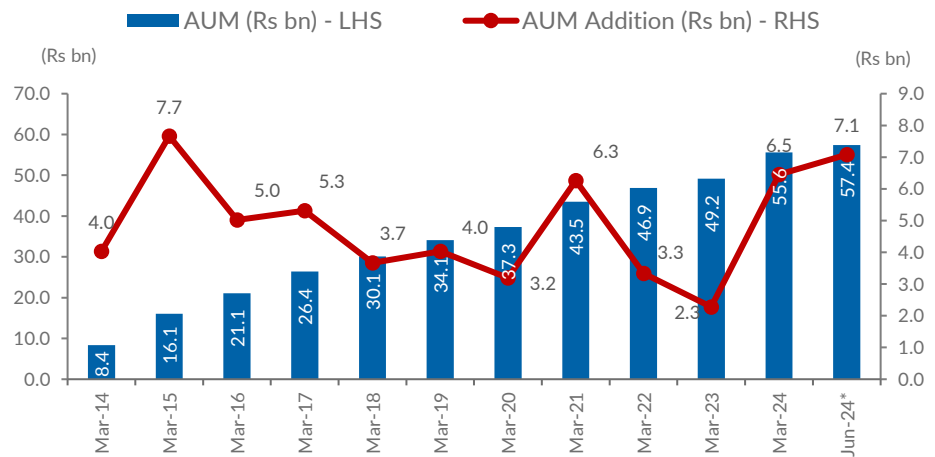
## NPS SUBSCRIBER BASE AND AUM – NPS LITE

**Exhibit 26: NPS Subscriber Base and Subscriber Addition- NPS Lite – Mar'14-Jun'24 - mn**



Source: NPS, PFRDA, YES Sec-Research, \*Annualised

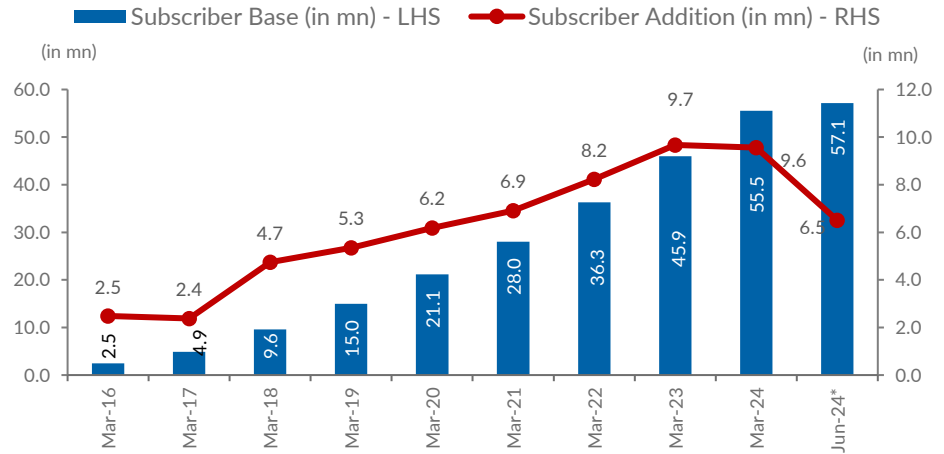
**Exhibit 27: NPS AUM and AUM Addition- NPS Lite – Mar'14-Jun'24 – Rs. bn**



Source: NPS, PFRDA, YES Sec-Research, \*Annualised

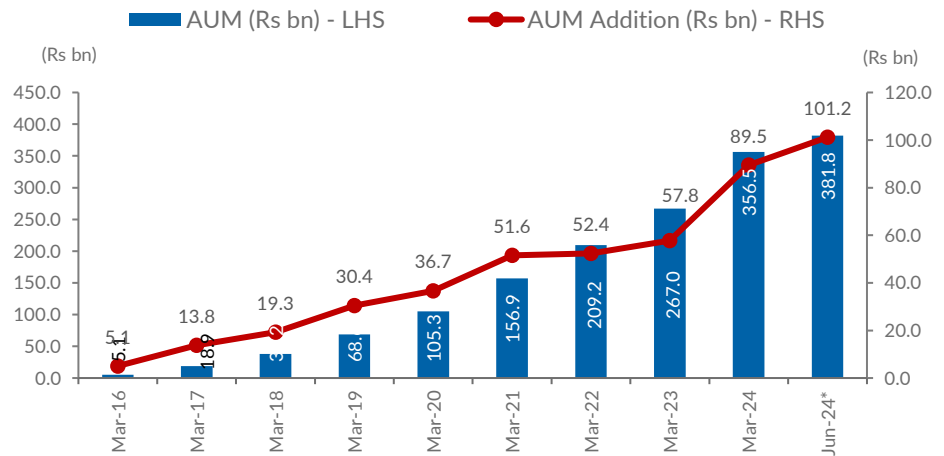
## NPS SUBSCRIBER BASE AND AUM – APY

**Exhibit 28: NPS Subscriber Base and Subscriber Addition- APY – Mar'16-Jun'24 - mn**



Source: NPS, PFRDA, YES Sec-Research, \*Annualised

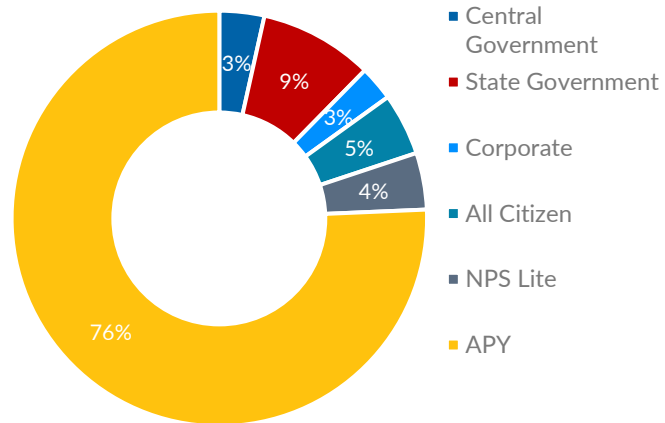
**Exhibit 29: NPS AUM and AUM Addition- APY – Mar'16-Jun'24 – Rs. bn**



Source: NPS, PFRDA, YES Sec-Research, \*Annualised

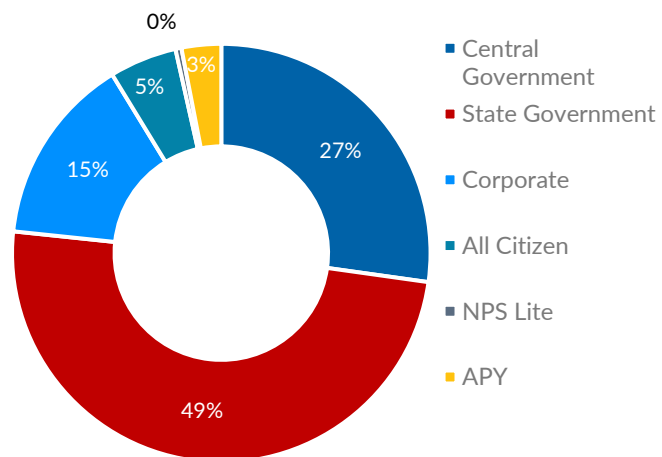
## NPS SEGMENT-WISE SHARE IN SUBSCRIBER BASE AND AUM

**Exhibit 30: NPS Segment-wise share in Subscriber base - Jun'24 - %**



Source: NPS, PFRDA, YES Sec-Research

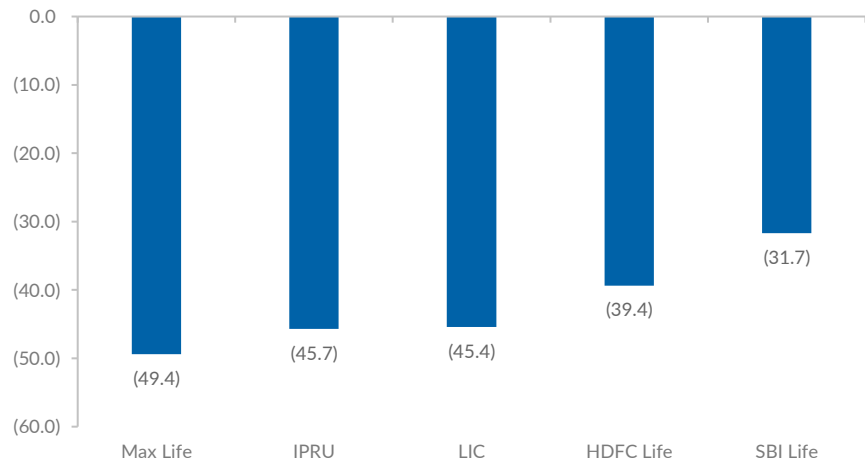
**Exhibit 31: NPS Segment-wise share in AUM - Jun'24 - %**



Source: NPS, PFRDA, YES Sec-Research

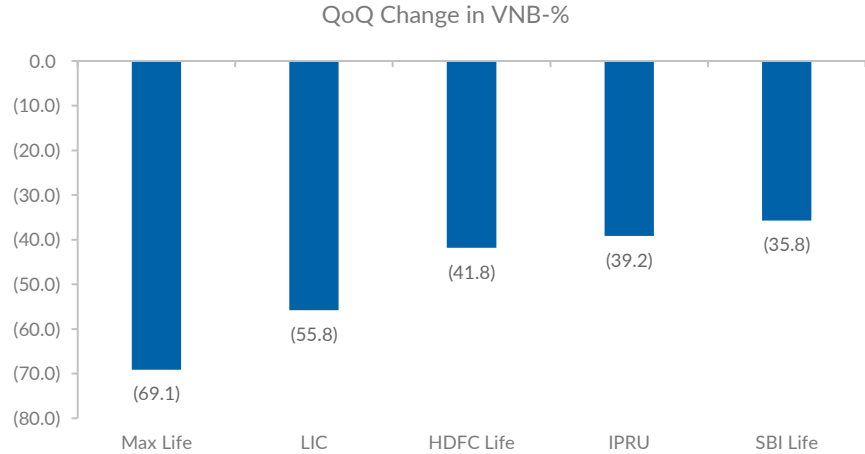
## KEY COMPARATIVE ASPECTS FOR THE QUARTER

**Exhibit 32: Sequential APE Growth – 1QFY25 over 4QFY24 - %**



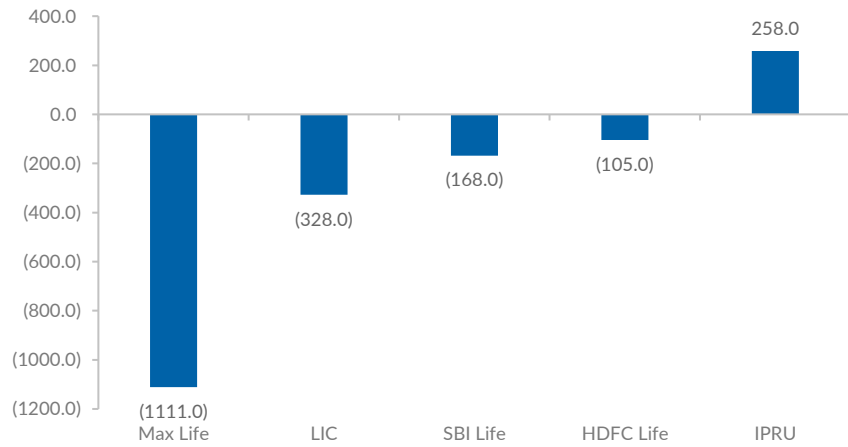
Source: Companies, YES Sec

**Exhibit 33: Sequential VNB Growth – 1QFY25 over 4QFY24 - %**



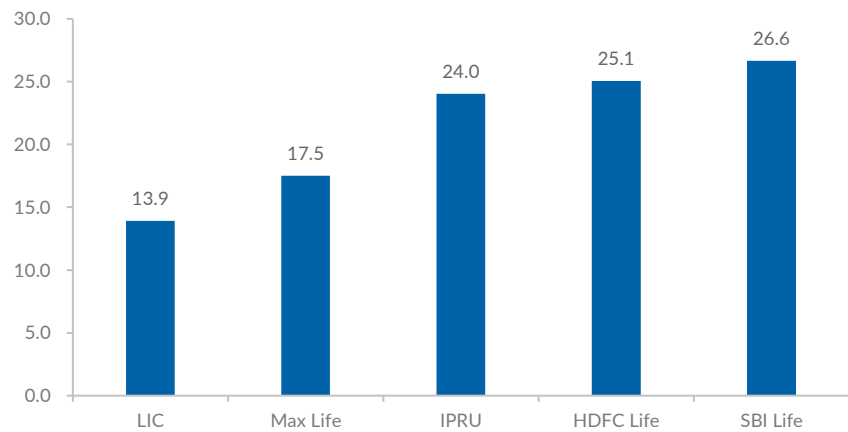
Source: Companies, YES Sec

**Exhibit 34: Sequential VNB Margin Change – 1QFY25 over 4QFY24 - bps**



Source: Companies, YES Sec

**Exhibit 35: VNB Margin – Absolute level - 1QFY25 - %**

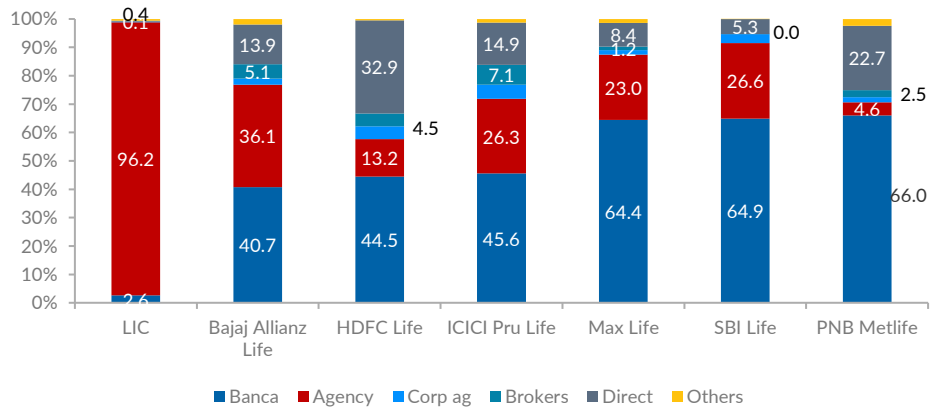


Source: Companies, YES Sec

## LIFE INSURERS DETAILED LONG-TERM COMPARISON (FY20-24)

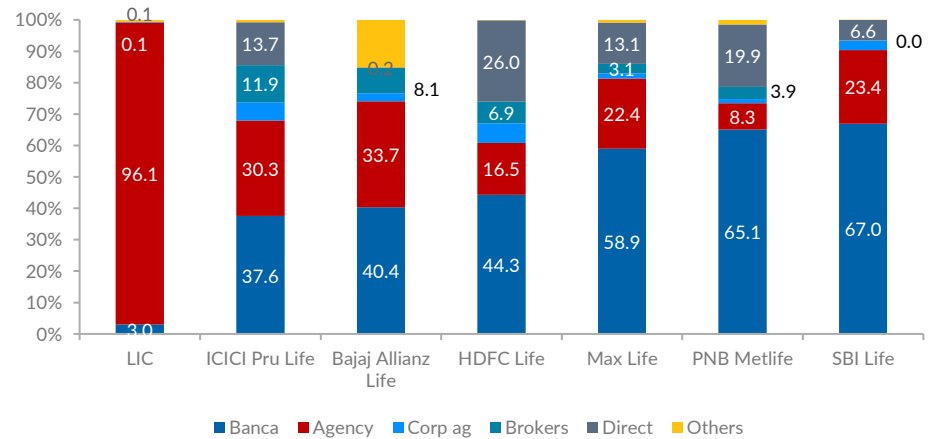
### Channel Mix

**Exhibit 36: Channel Mix Individual basis – NBP - FY22 - %**



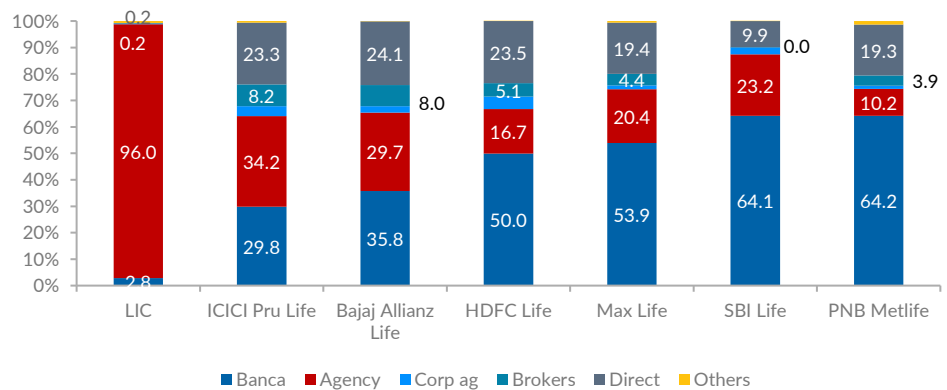
Source: Companies, YES Sec – Research, sorted on Banca

**Exhibit 37: Channel Mix Individual basis – NBP - FY23 - %**



Source: Companies, YES Sec – Research, sorted on Banca

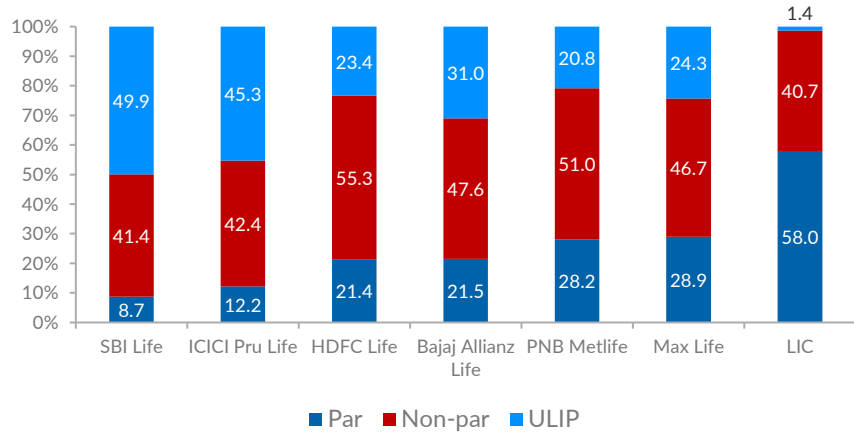
**Exhibit 38: Channel Mix Individual basis – NBP - FY24 - %**



Source: Companies, YES Sec – Research, sorted on Banca

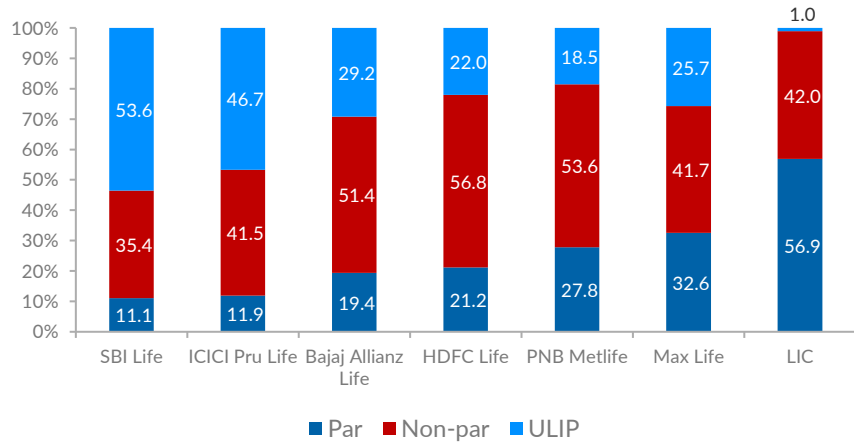
## Product Mix for Total Premium

**Exhibit 39: Product mix based on GWP (Total Premium)- FY24 - %**



Source: Companies, YES Sec - Research, Sorted on Par

**Exhibit 40: Product mix based on GWP (Total Premium)- FY23 - %**

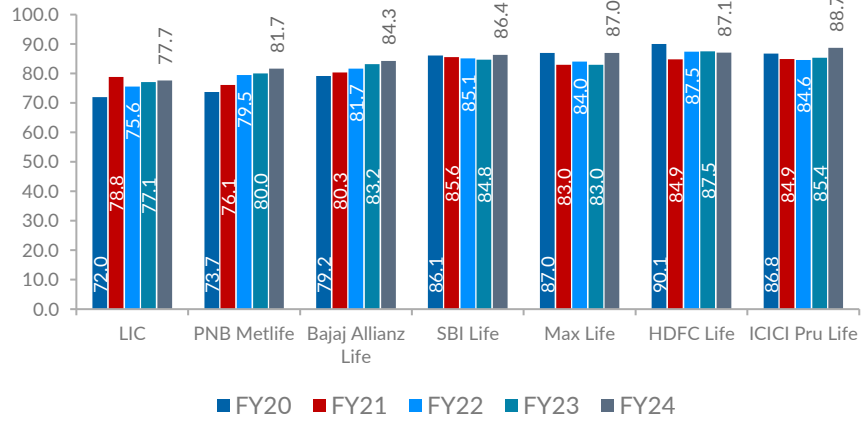


Source: Companies, YES Sec - Research, Sorted on Par



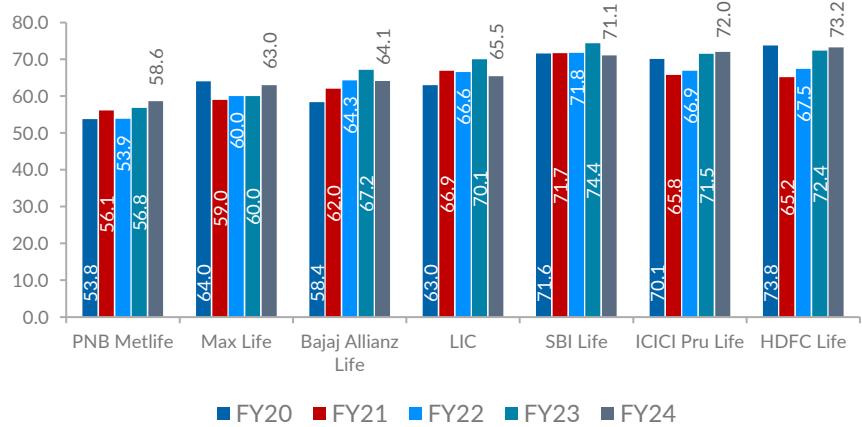
## Persistency and Surrender Ratios

**Exhibit 41: 13<sup>th</sup> month persistency ratio - FY20-FY24 - %**



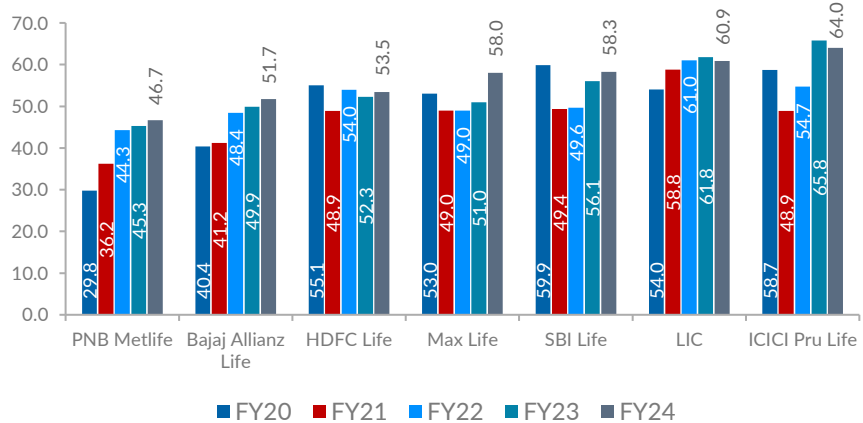
Source: Companies, YES Sec - Research, sorted on FY24

**Exhibit 42: 37<sup>th</sup> month persistency ratio - FY20-FY24 - %**



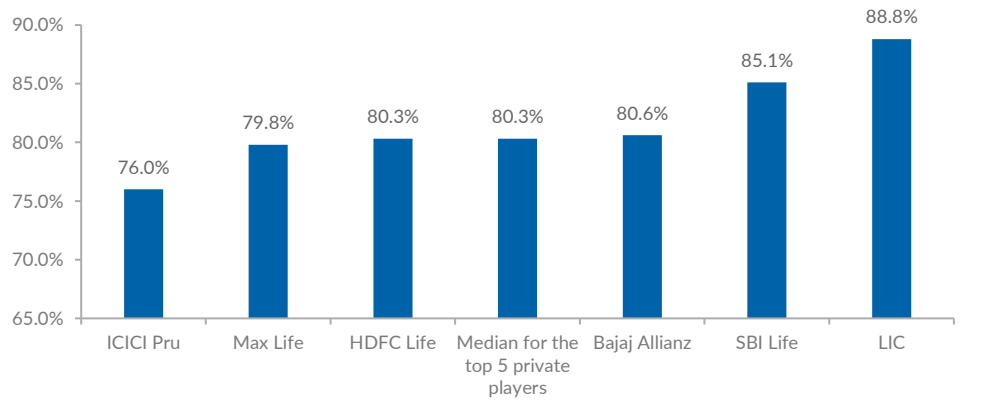
Source: Companies, YES Sec - Research, sorted on FY24

**Exhibit 43: 61<sup>st</sup> month persistency ratio - FY20-FY24 - %**



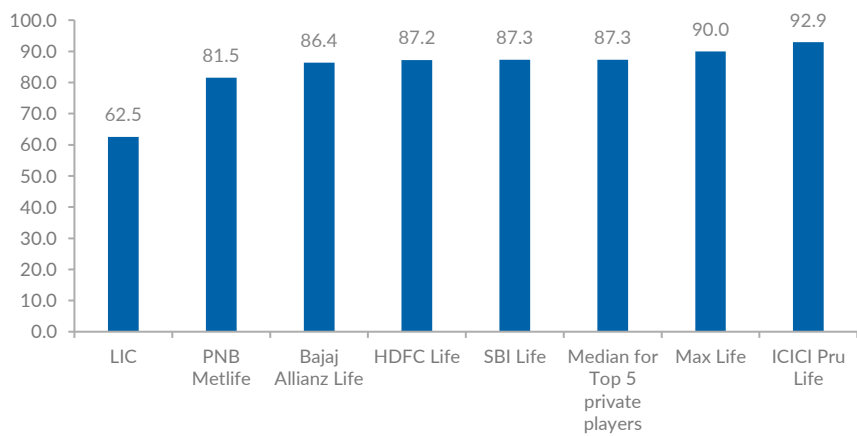
Source: Companies, YES Sec - Research, sorted on FY24

**Exhibit 44: Conservation ratio- FY20 - %**



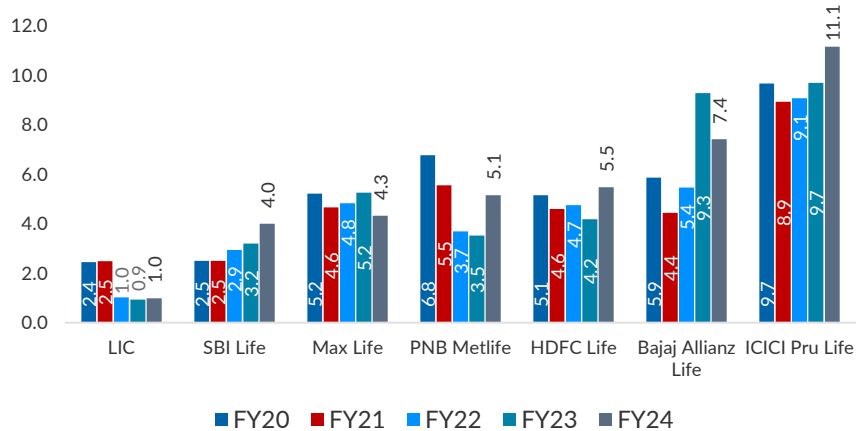
Source: Company DRHP, YES Sec – Research

**Exhibit 45: Conservation ratio- FY24 - %**



Source: Companies, YES Sec – Research

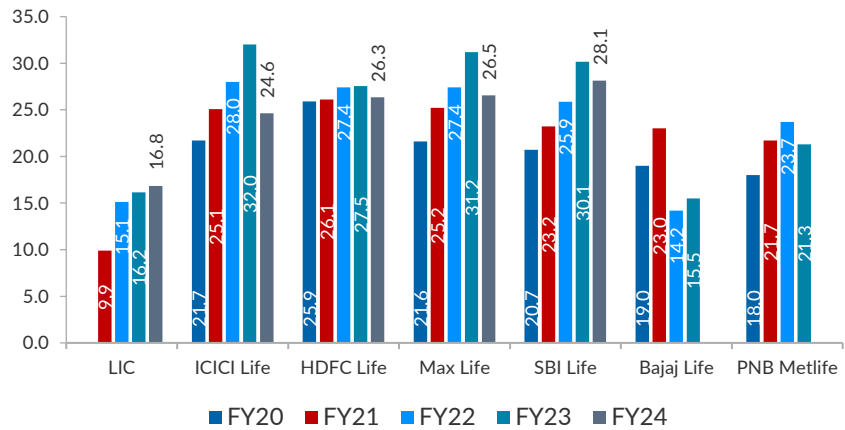
**Exhibit 46: Surrender ratio- FY20-FY24 - %**



Source: Companies, YES Sec – Research, sorted on FY24

## VNB margin

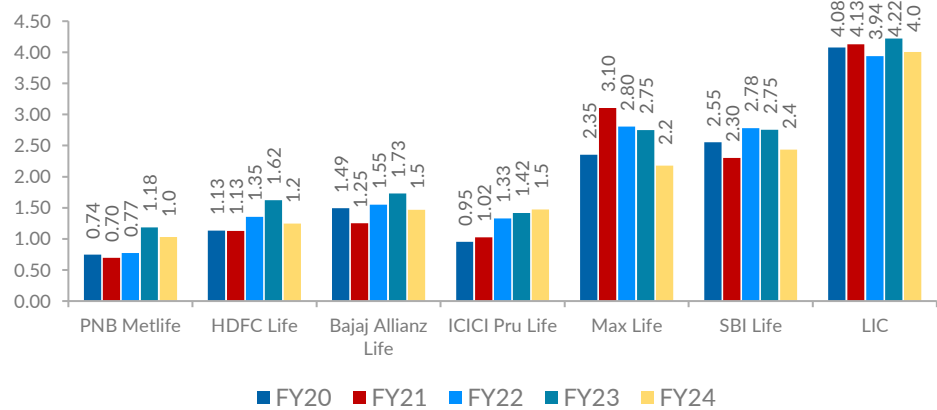
**Exhibit 47: VNB Margin - FY20-FY24 - %**



Source: Companies, YES Sec - Research, Sorted on FY24

## Agent Productivity

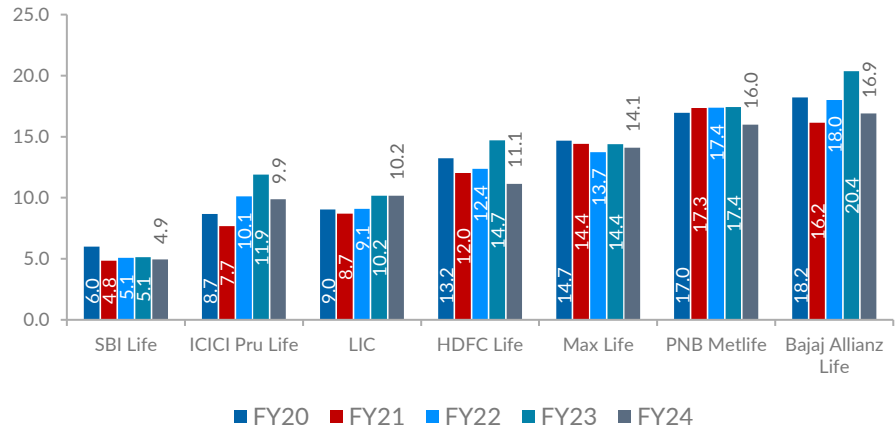
**Exhibit 48: Premium per agent (Individual NBP) - FY20-FY24 - Rs Lacs\***



Source: Companies, YES Sec - Research, \* Rs 0.1mn

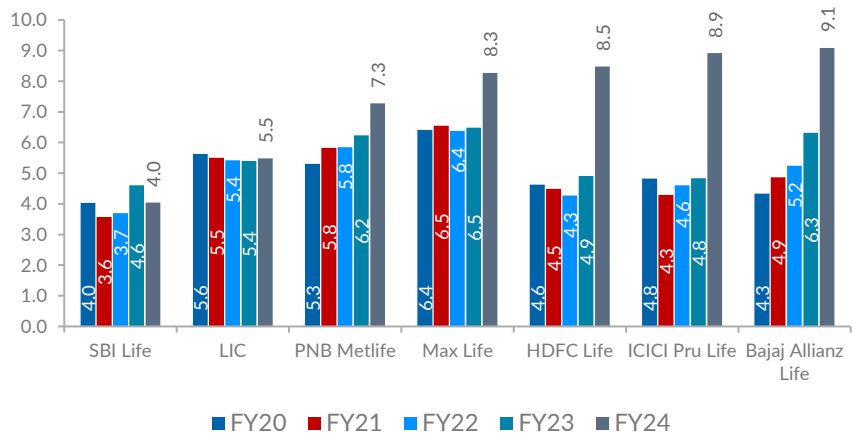
## Expense metrics

**Exhibit 49: Opex ratio - FY20-FY24 - %**



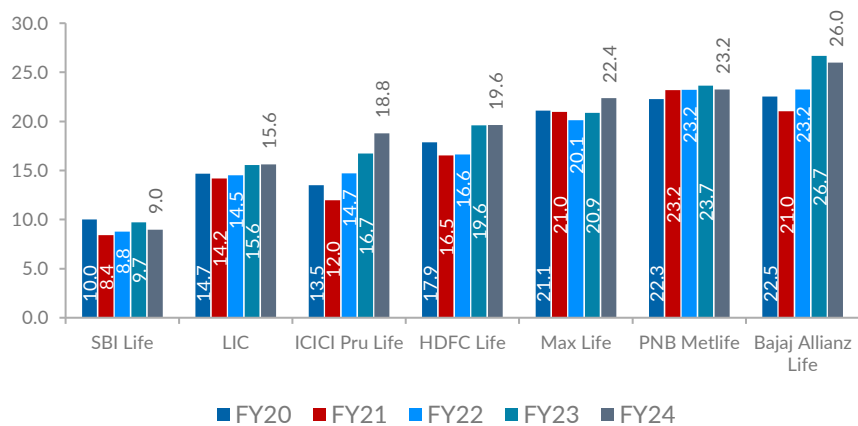
Source: Companies, YES Sec - Research, sorted on FY24

**Exhibit 50: Commission ratio - FY20-FY24 - %**



Source: Companies, YES Sec - Research, sorted on FY24

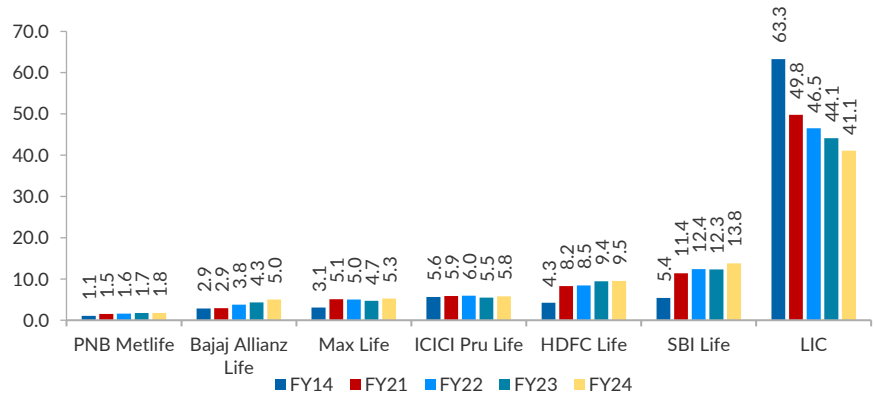
**Exhibit 51: Expense ratio - FY20-FY24 - %**



Source: Companies, YES Sec - Research, sorted on FY24

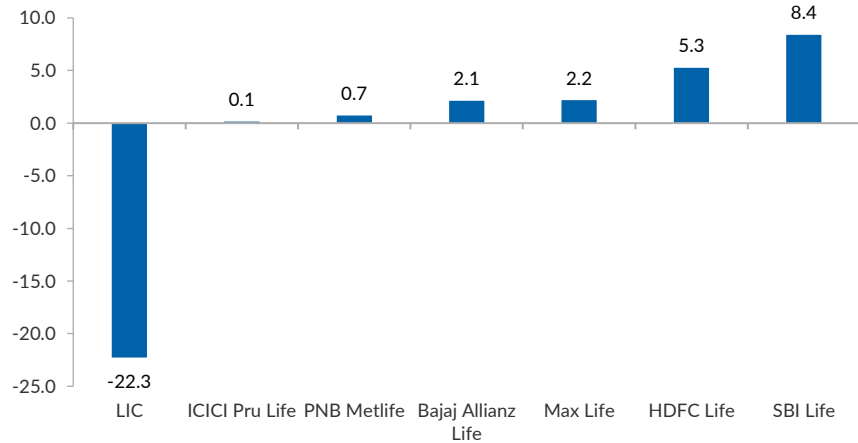
## Market Share Data – Overall

**Exhibit 52: Total APE Market Share – FY14, FY21-FY24 - %**



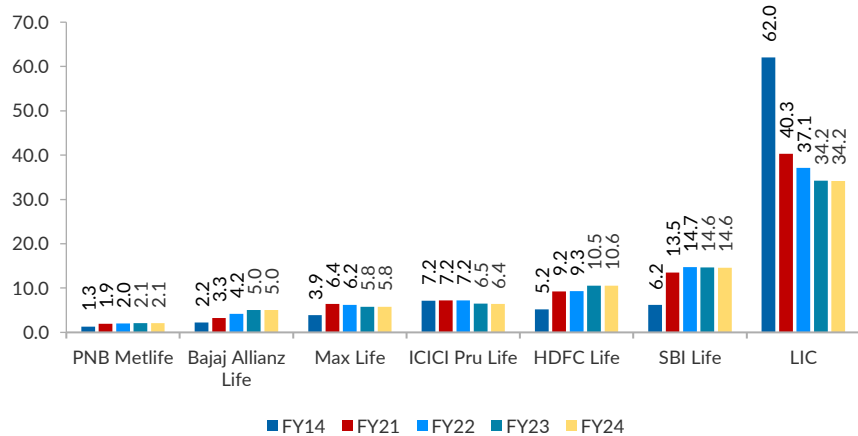
Source: Companies, YES Sec – Research, sorted on FY24

**Exhibit 53: Total APE Market Share change – FY14-FY24 - %**



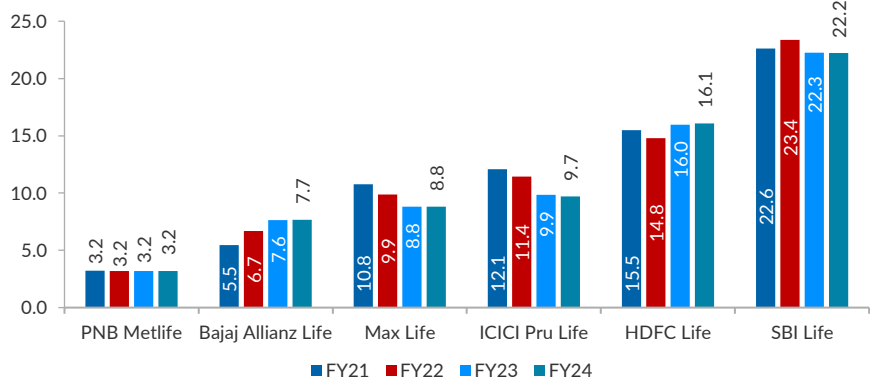
Source: Companies, YES Sec – Research

**Exhibit 54: Individual APE Market Share – FY14, FY21-FY24 - %**



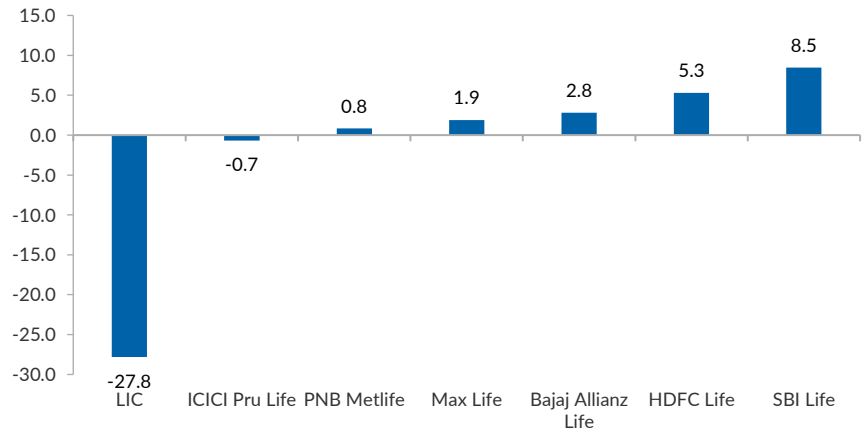
Source: Companies, YES Sec – Research, sorted on FY24

**Exhibit 55: Individual APE Market Share - Private sector only- FY21-FY24 - %**



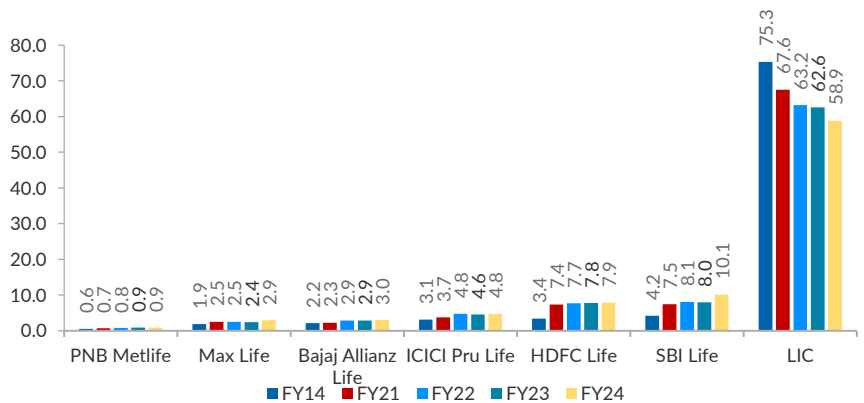
Source: Companies, YES Sec – Research, sorted on FY24f

**Exhibit 56: Individual APE Market Share change - FY14-FY24 - %**



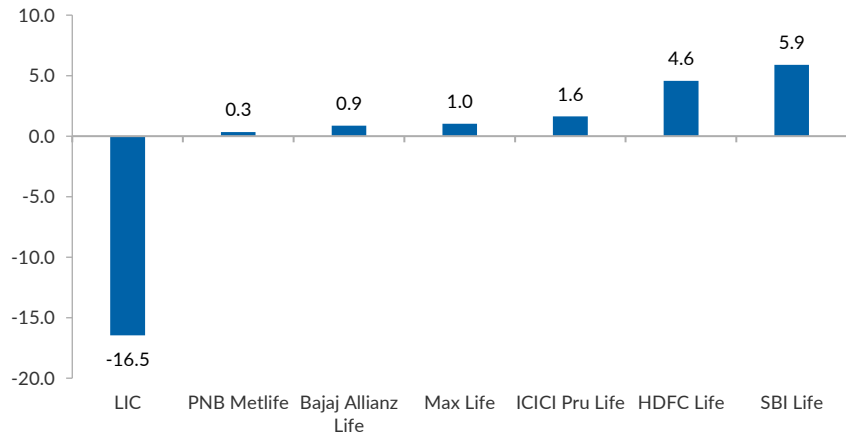
Source: Companies, YES Sec – Research

**Exhibit 57: Total NBP Market Share - FY14, FY21-FY24 - %**



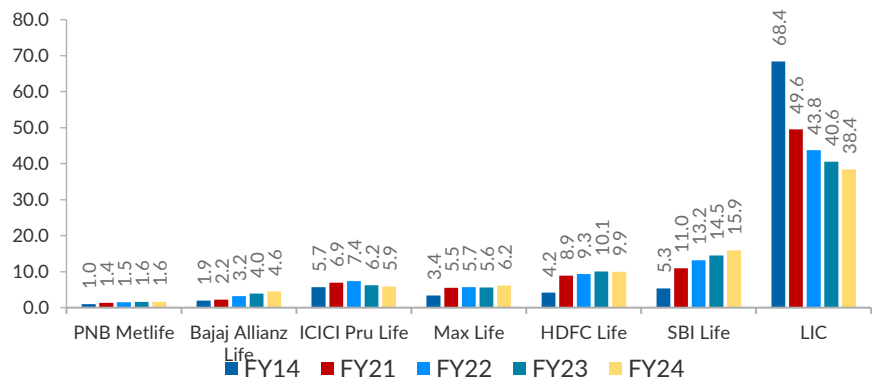
Source: Companies, YES Sec – Research, sorted on FY24

**Exhibit 58: Total NBP Market Share change - FY14-FY24 - %**



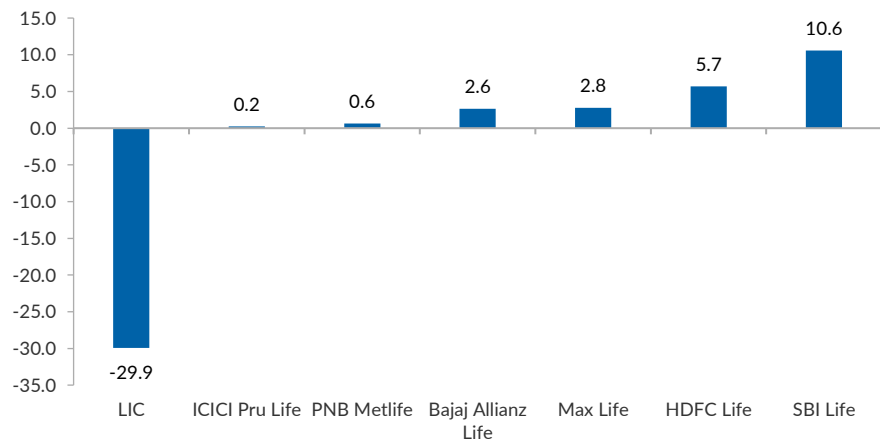
Source: Companies, YES Sec - Research

**Exhibit 59: Individual NBP Market Share - FY14, FY21-FY24 - %**



Source: Companies, YES Sec - Research, sorted on FY24

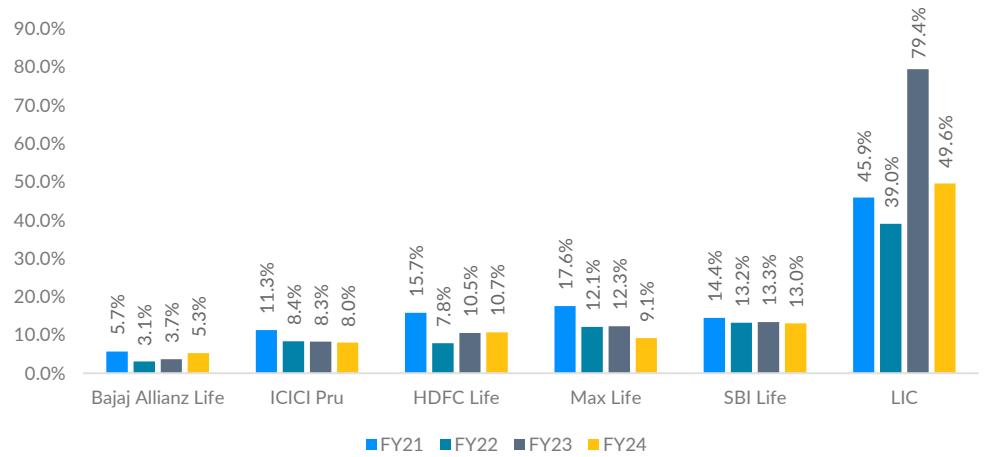
**Exhibit 60: Individual NBP Market Share change - FY14-FY24 - %**



Source: Companies, YES Sec - Research

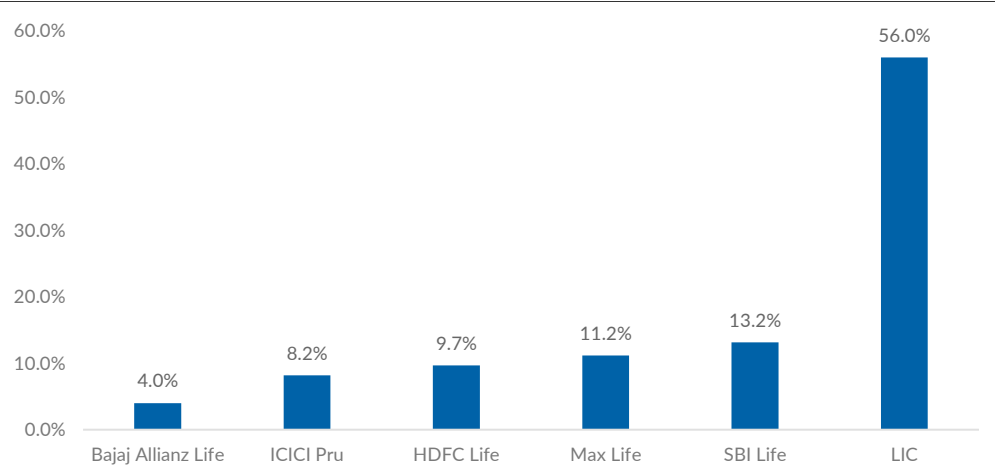
## Accounting Return Ratios

**Exhibit 61: Return on Equity - FY21-FY24 - %**



Source: Companies, YES Sec - Research, Sorted on FY24

**Exhibit 62: Return on Equity - Average - 3 years ending FY24 - %**



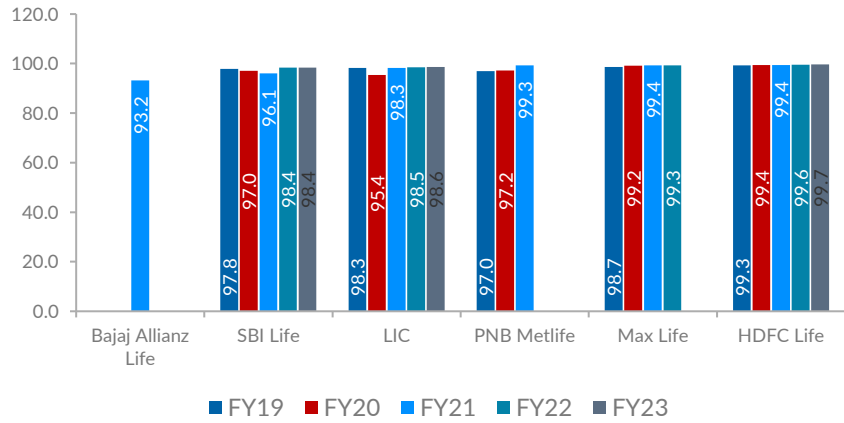
Source: Companies, YES Sec - Research



## Customer Service Levels

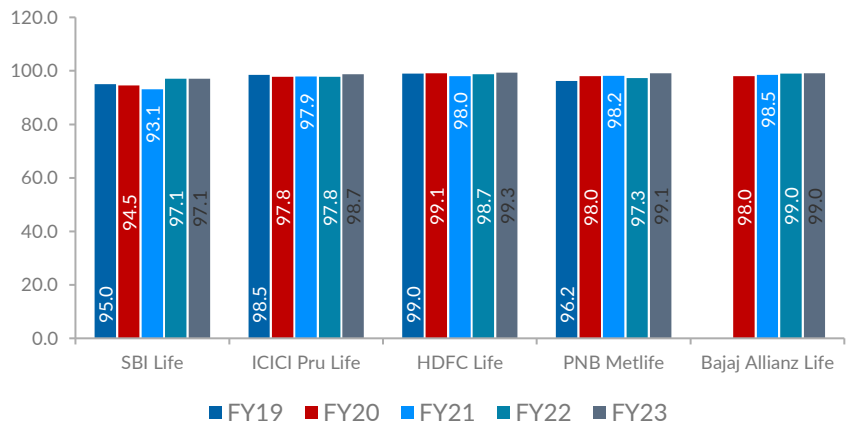
### Settlement Ratio

**Exhibit 63: Overall Claim Settlement ratio – Overall - FY19-FY23 - %**



Source: Companies, YES Sec – Research, sorted on FY23

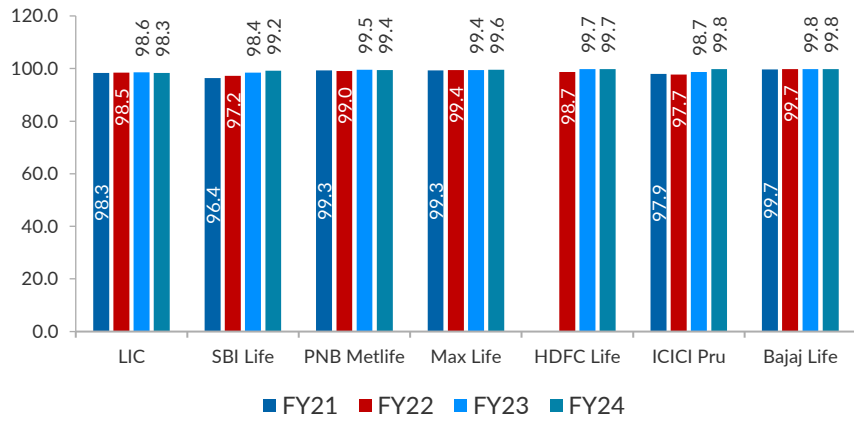
**Exhibit 64: Overall Claim Settlement ratio – Individual - FY19-FY23 - %**



Source: Companies, YES Sec – Research, sorted on FY23

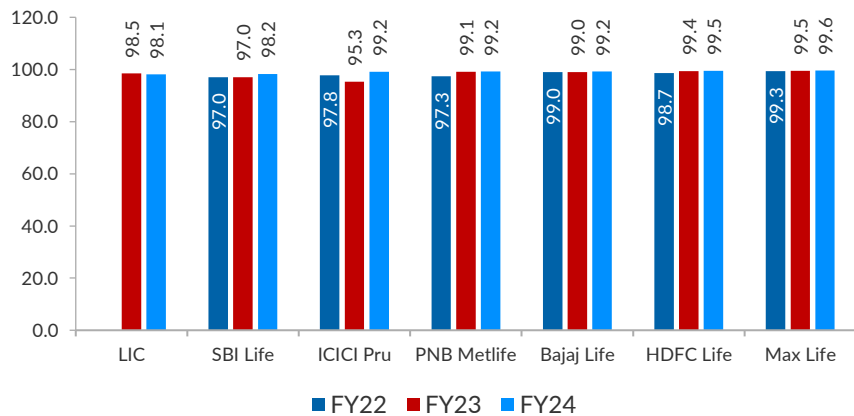
## Calculated Claims Paid Ratio

**Exhibit 65: Calculated Death Claims Paid Ratio – No. of Claims – FY21-FY24 - %**



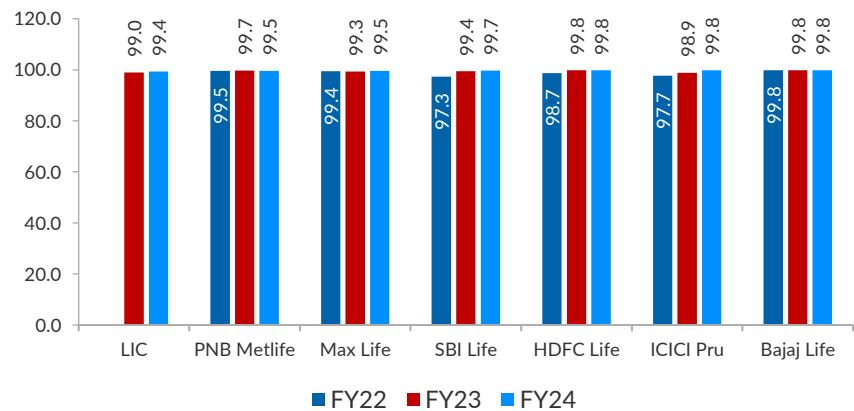
Source: Companies, YES Sec – Research, Sorted on FY24

**Exhibit 66: Calculated Death Claims Paid Ratio – No. of Individual Claims – FY22-FY24 - %**



Source: Companies, YES Sec – Research, Sorted on FY24

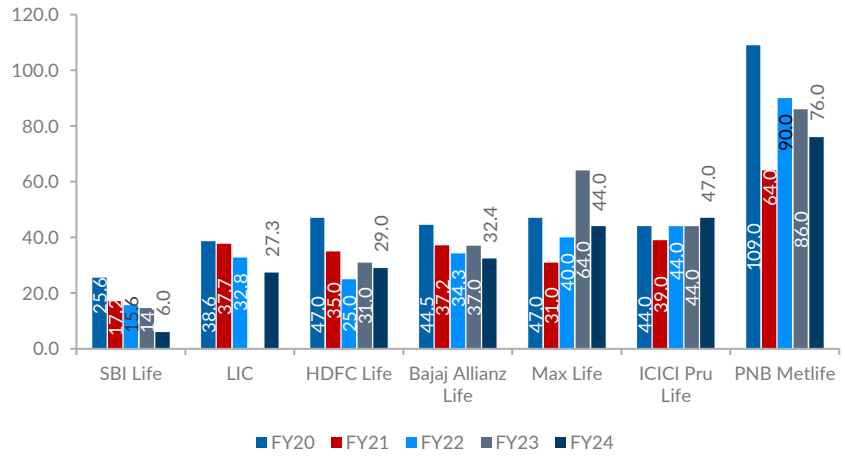
**Exhibit 67: Calculated Death Claims Paid Ratio – No. of Group Claims – FY22-FY24 - %**



Source: Companies, YES Sec – Research, Sorted on FY24

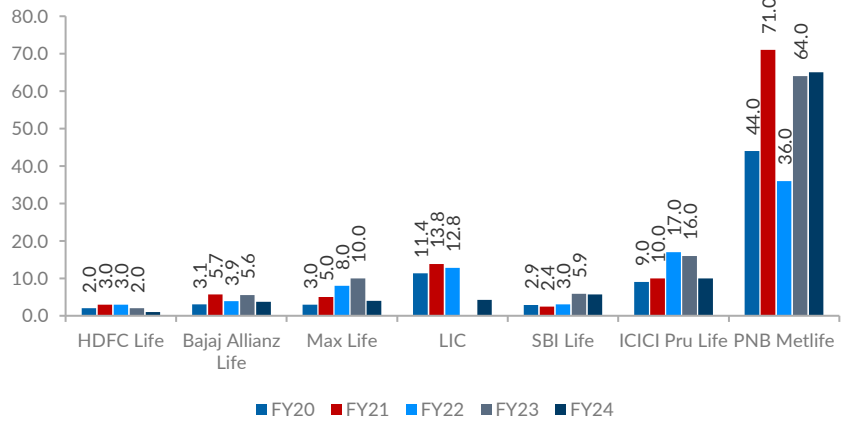
## Complaint Ratios

**Exhibit 68: Policy Complaints per 10,000 policies- FY20-FY24 - no**



Source: Companies, YES Sec - Research, sorted on FY24

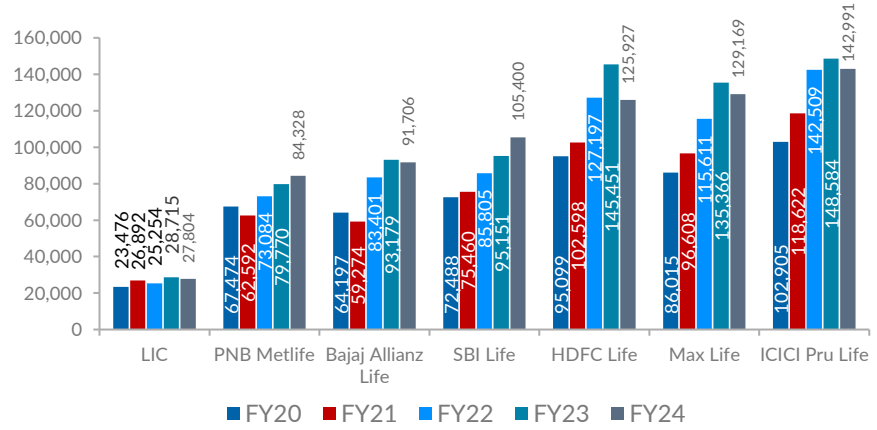
**Exhibit 69: Claim Complaints per 10,000 policies - FY19-FY24 - no**



Source: Companies, YES Sec - Research, sorted on FY24

## Ticket size aspects

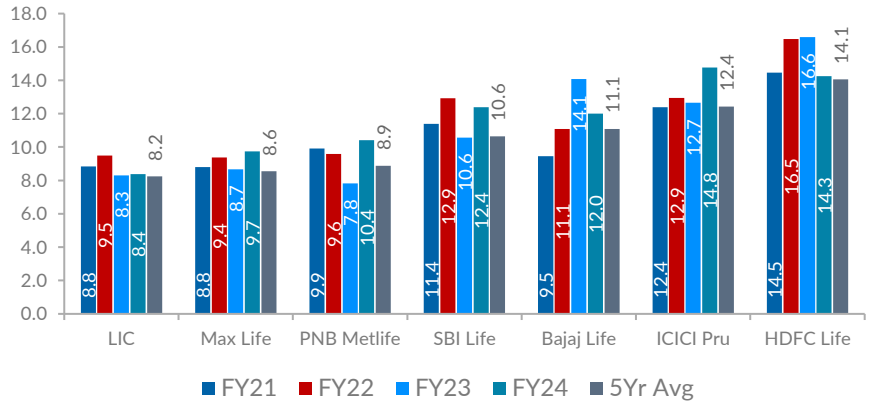
**Exhibit 70: Average ticket size- FY20-FY24 - %**



Source: Companies, YES Sec – Research, sorted on FY24

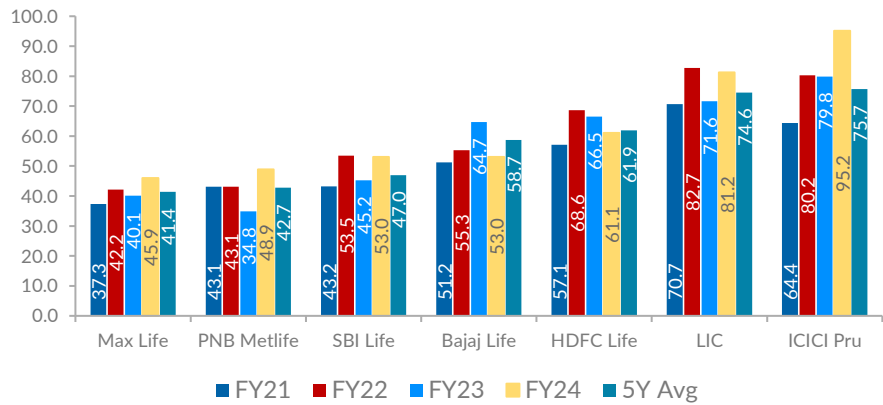
## Under-writing Metrics

**Exhibit 71: Claims as % of AAUM- FY21-FY24, 5 Year Average - %**



Source: Companies, YES Sec - Research, sorted on 5 year average

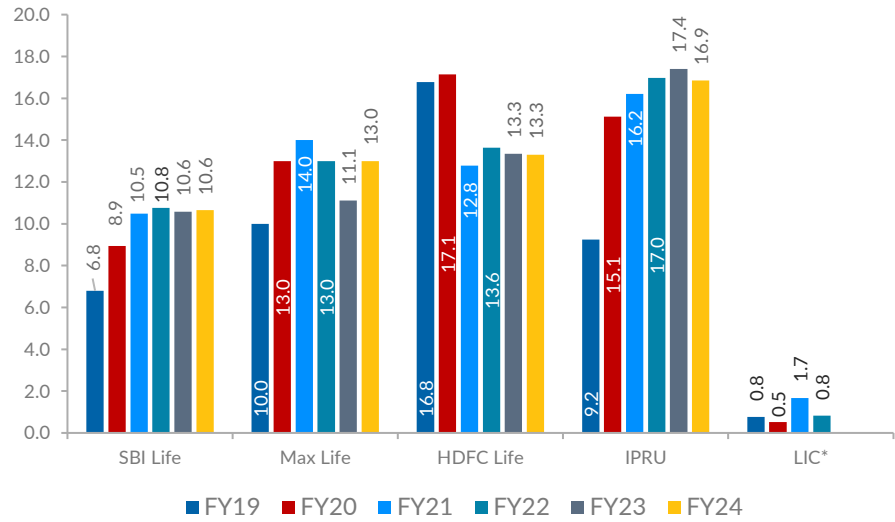
**Exhibit 72: Claims as % of Net Premium- FY21-FY24, 5 Year Average - %**



Source: Companies, YES Sec - Research, sorted on 5 year average

## Share of Protection Business

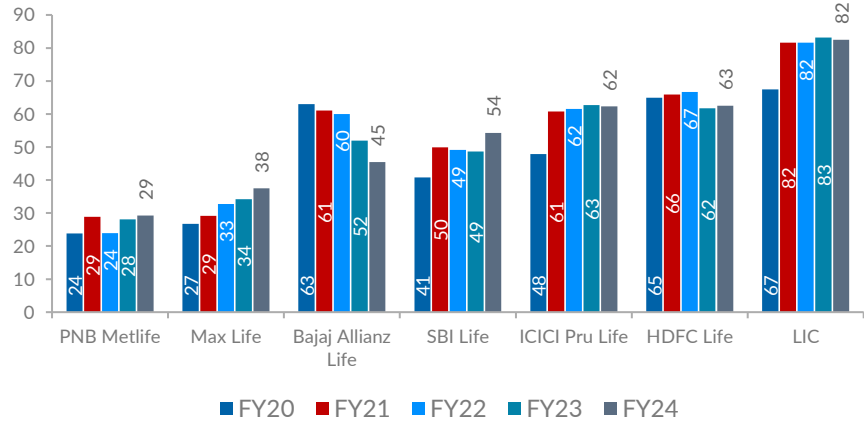
**Exhibit 73: Share of Protection in APE – FY19-FY24 - %**



Source: Companies, YES Sec – Research, Sorted on FY24, \*Total Protection APE not available for LIC for FY23 and FY24

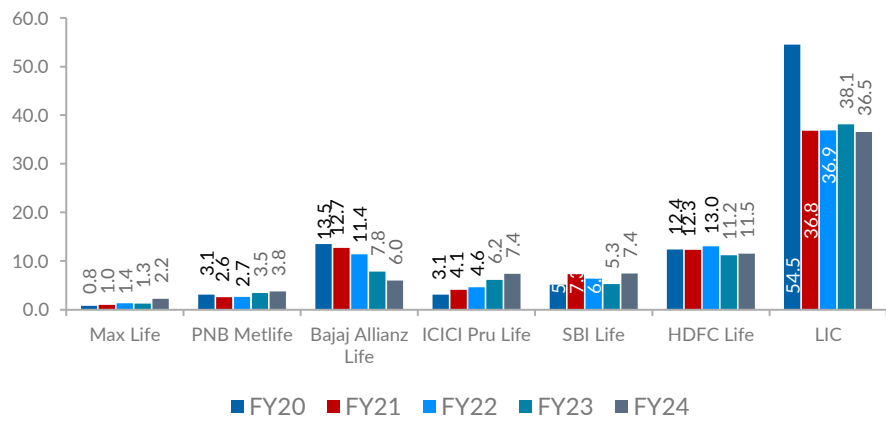
## Share of single premium and group business

**Exhibit 74: Share of Single premium in NBP- FY20-FY24 - %**



Source: Companies, YES Sec – Research, sorted on FY24

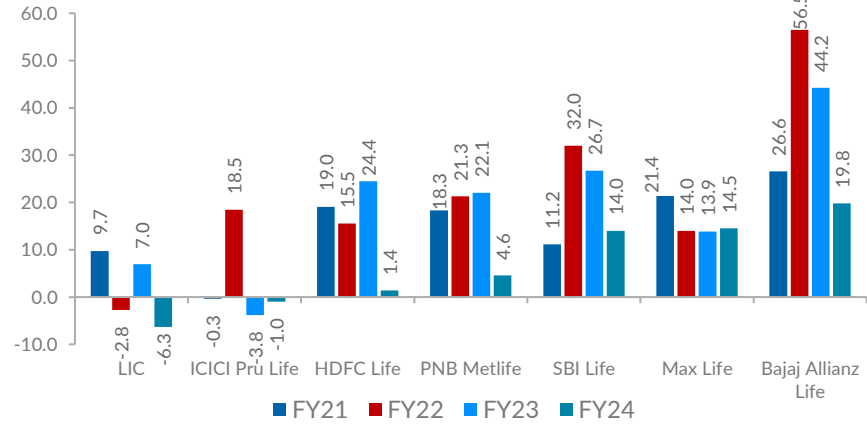
**Exhibit 75: Share of group business in total APE- FY20-FY24 - %**



Source: Companies, YES Sec – Research, sorted on FY24

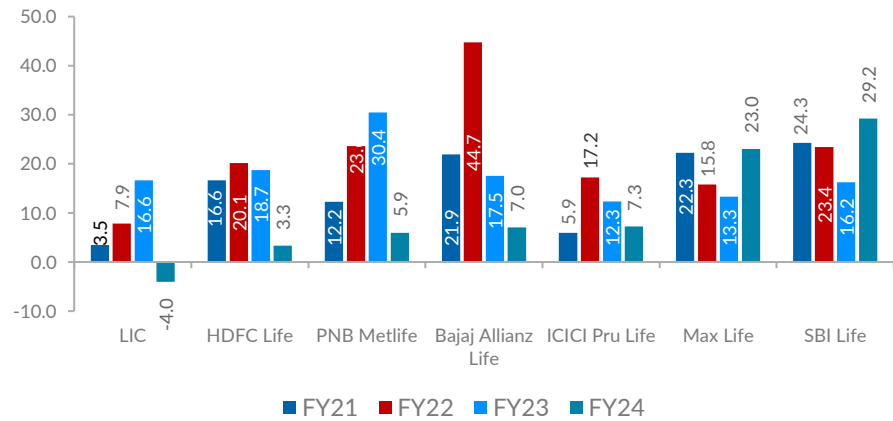
## Business growth aspects

**Exhibit 76: Individual NBP growth – FY21-FY24 - %**



Source: Companies, YES Sec – Research, sorted on FY24

**Exhibit 77: Total NBP Growth– FY21-FY24 - %**

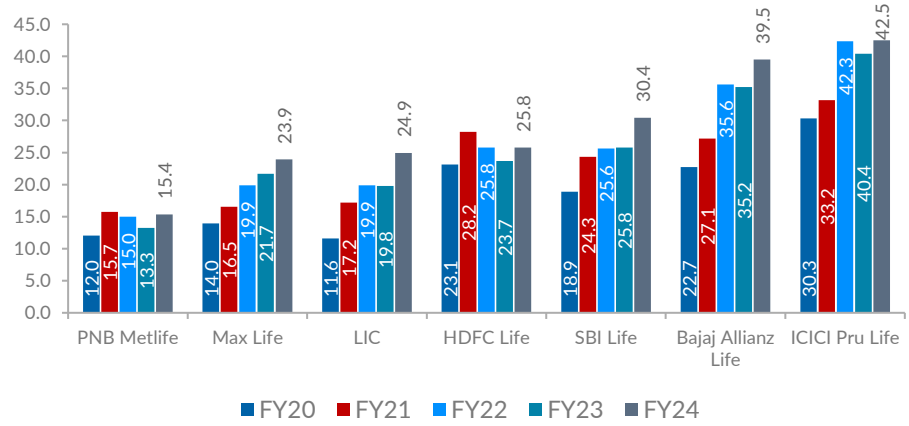


Source: Companies, YES Sec – Research, sorted on FY24



## AUM aspects - Share of Equity

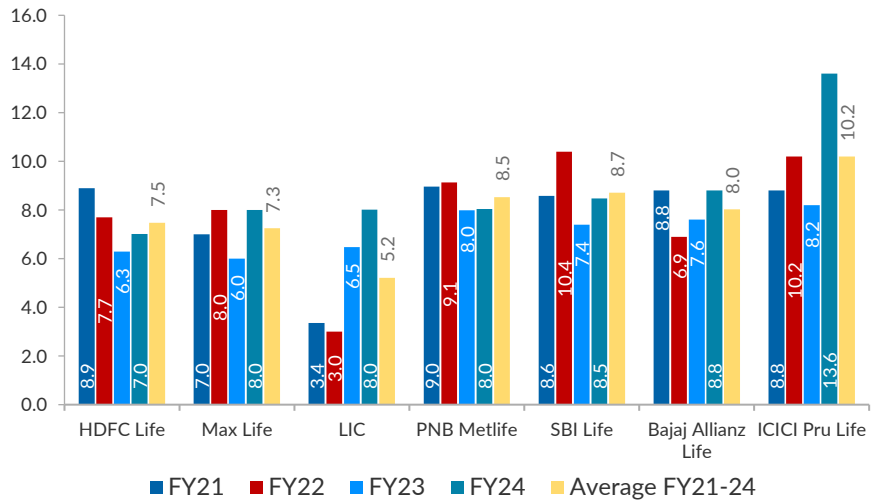
**Exhibit 78: Share of Equity (Shares) in AUM - FY20-FY24 - %**



Source: Companies, YES Sec - Research, sorted on FY24

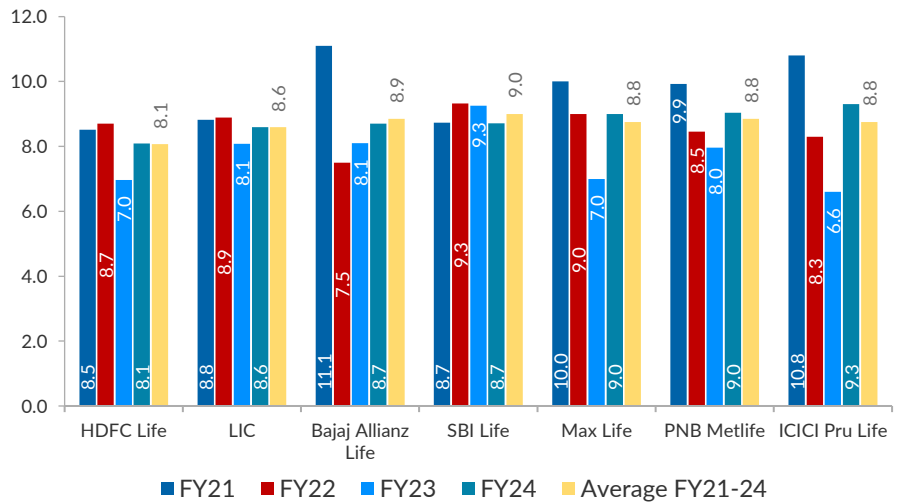
## Investment Yield

**Exhibit 79: Yield on Shareholder's funds – FY21-FY24 - %**



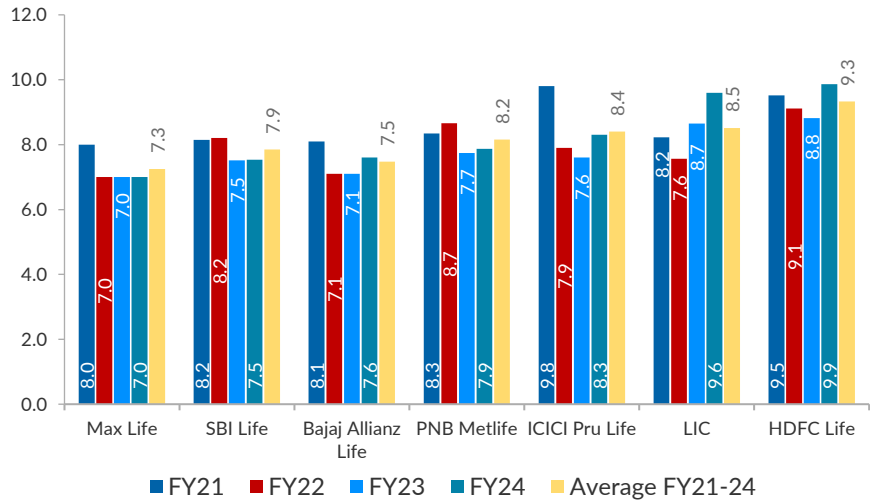
Source: Companies, YES Sec – Research, sorted on FY24

**Exhibit 80: Yield on Policyholder's funds-Par – FY21-FY24 - %**



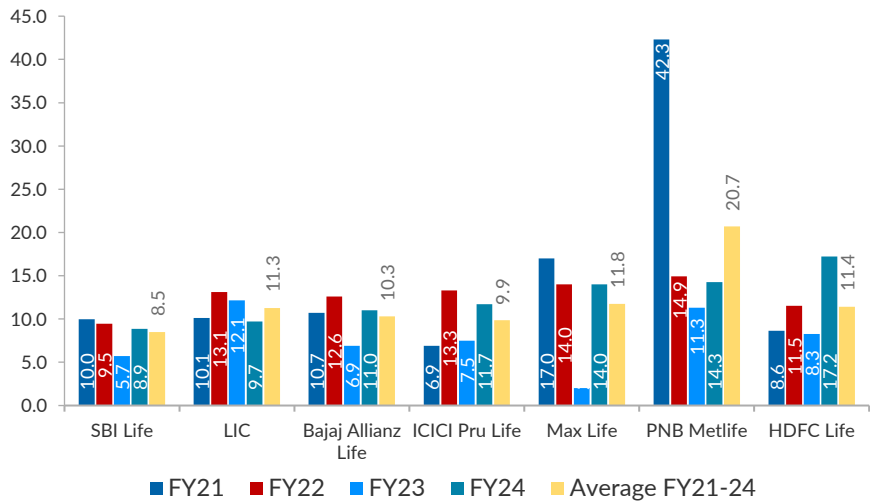
Source: Companies, YES Sec – Research, sorted on FY24

**Exhibit 81: Yield on Policyholder's funds-Non Par – FY21-FY24 - %**



Source: Companies, YES Sec – Research, sorted on FY24

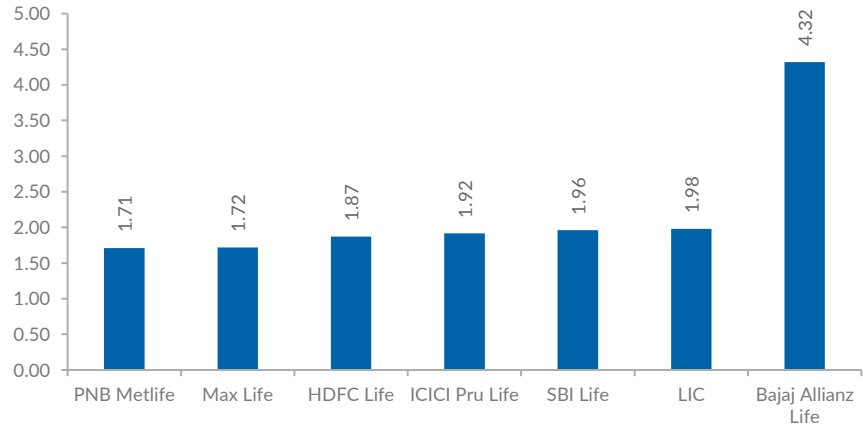
**Exhibit 82: Yield on Policyholder's funds-Linked – FY21-FY24 - %**



Source: Companies, YES Sec – Research, sorted on FY24

## Solvency

**Exhibit 83: Solvency Ratio - FY24 - X**



Source: Companies, YES Sec - Research

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