

# ICICI Prudential Life Insurance

Estimate change 

TP change 

Rating change 

**CMP: INR638**

**TP: INR740 (+16%)**

**Buy**

**APE, VNB miss estimates; margin down 600bp YoY**

**Minimal impact of surrender charges**

Bloomberg	IPRU IN
Equity Shares (m)	1442
M.Cap.(INRb)/(USD\$)	920.5 / 11
52-Week Range (INR)	674 / 463
1, 6, 12 Rel. Per (%)	1/18/-8
12M Avg Val (INR M)	1180

## Financials & Valuations (INR b)

Y/E MARCH	FY24	FY25E	FY26E
Net Premiums	417.6	475.7	548.3
Surplus / Deficit	13.5	14.9	16.7
Sh. holder's PAT	8.5	9.4	10.9
APE growth - (%)	4.7	23.4	16.0
Tot. Premium gr. (%)	8.3	13.8	15.2
VNB margin (%)	24.6	24.5	24.5
RoEV (%)	18.8	19.8	20.1
Total AUMs (INRt)	2.9	3.5	3.9
VNB (INRb)	22.3	27.4	31.7
EV per share	294	353	423

## Valuations

P/EV (x)	2.2	1.8	1.5
P/EVOP (x)	18.3	14.5	12.3

## Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	73.2	73.2	73.3
DII	8.8	8.5	6.3
FII	13.2	13.4	15.4
Others	4.8	4.9	4.9

FII Includes depository receipts

- In 1QFY25, ICICI Prudential Life Insurance (IPRU) reported 34.4% YoY growth in APE to INR19.6b (4% miss). APE in ULIPs grew 78% YoY, while protection and ex-ULIP individual savings segments reported a moderate APE growth of 3.2% YoY and 10% YoY, respectively.
- VNB grew 8% YoY to INR4.7b (6% miss). VNB margins declined to 24% in 1QFY25 (down 600bp YoY) vs. our estimate of 24.5%.
- Considering the 1Q performance, we have cut our VNB margin estimates for FY25 and FY26. However, we have raised our APE growth estimates to factor in a strong trajectory in proprietary channels.
- We expect IPRU to deliver a 19.4% CAGR in VNB over FY24-26. Going ahead, the company's ability to sustain strong premium growth and VNB margins will be vital for re-rating of the stock. Retain BUY with a TP of INR740 (based on 1.7x Mar'26E EV).

## Shift in product mix toward ULIPs

- IPRU's gross premium grew 12.3% YoY to INR82.8b (14% miss) in 1QFY25, with renewal/first-year/single premium up 4.3%/48.8%/10.6% YoY.
- APE grew 34.4% YoY to INR19.6b in 1QFY25. The protection and ex-ULIP individual savings segments reported a moderate growth of 3.2% YoY and 10% YoY, respectively. ULIPs grew 78% YoY. Retail protection as a percentage of total APE came in at 5.7% in 1QFY25 vs. 7.5% in 1QFY24.
- VNB grew 8% YoY to INR4.7b (6% miss). VNB margins declined to 24% (down 600bp YoY) vs. our estimate of 24.5%. The decline in VNB margins was owing to the shift in the mix toward ULIPs and high cost assumptions.
- On the distribution side, the share of agency/direct channels increased YoY to 29.4%/15.2%. Corporate agents and group channels declined YoY to 11.5%/15.1%. The share of banca channel was broadly flat YoY at 28.8%.
- Gross business from ICICI Bank channel is stable at INR1b per month. The focus on retail protection has increased within the ICICI Bank channel.
- Cost-WRP rose 480bp YoY to 32.5%. PAT grew 8.9% YoY to INR2.3b (6% miss).
- On premium basis, YoY persistency improved across all cohorts. 49th month and 61st month persistency stood at 69.3% and 65.2%, respectively.
- AUM grew 15.9% YoY to INR3.09t, while the solvency ratio moderated to 187.9%.

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**Highlights from the management commentary**

- Agency growth was driven by 1) the addition of more than 12k agents, 2) the launch of new products: trail-based ULIP and 100% money-back annuity product, and 3) improvements in productivity led by tech initiatives.
- IPRU has recently launched a product in ULIP, which will have claim-based commissions, and it has seen good acceptance. The impact of surrender charges is not likely to be material as the share of non-linked business, and non-par within that, is significantly lower than the industry level. Any impact would be absorbed through changes in product and commissions.
- IPRU's own online channel and web aggregators are significant contributors to retail protection and this channel is seeing high degree of competition. Pricing has been changed, which has affected the demand in the short term. IPRU expects growth to come back in the medium term.

**Valuation and view**

IPRU has been delivering strong growth in the past three quarters and has been gaining market share. VNB margins have been under pressure owing to the product mix (higher share of ULIPs) and the allocation of costs, but scale benefits should help to offset the impact. In terms of surrender charges, the company expects a minimal impact. Considering the 1Q performance, we have cut our VNB margin estimates for FY25 and FY26. However, we have raised our APE growth estimates to factor in a strong trajectory in proprietary channels. We expect IPRU to deliver a 19.4% CAGR in VNB over FY24-26. Going ahead, the company's ability to sustain strong premium growth and VNB margins will be vital for re-rating of the stock. Retain BUY with a TP of INR740 (based on 1.7x Mar'26E EV).

**Quarterly performance**

Policy holder's A/c (INR b)	FY24				FY25E				FY24	FY25E	FY25E 1QE	Av/s E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
First year premium	10.2	15.3	15.3	29.5	15.2	19.0	19.4	35.7	70.3	90.4	14.3	6%
Growth (%)	-1.5%	5.9%	11.3%	11.9%	48.8%	24.1%	26.7%	21.1%	8.3%	28.5%	39.9%	
Renewal premium	41.6	58.9	60.8	84.3	43.3	65.2	65.2	86.9	245.6	271.7	54.3	-20%
Growth (%)	6.8%	4.4%	5.7%	16.6%	4.3%	10.7%	7.2%	3.1%	9.0%	10.6%	30.7%	
Single premium	21.9	30.1	26.7	37.8	24.3	33.8	28.6	40.3	116.5	130.0	27.2	-11%
Growth (%)	-5.9%	7.0%	0.9%	20.7%	10.6%	12.5%	7.1%	6.8%	6.7%	11.7%	24.1%	
<b>Gross premium income</b>	<b>73.7</b>	<b>104.3</b>	<b>102.8</b>	<b>151.5</b>	<b>82.8</b>	<b>118.0</b>	<b>113.2</b>	<b>162.9</b>	<b>432.4</b>	<b>492.1</b>	<b>95.9</b>	<b>-14%</b>
Growth (%)	1.5%	5.4%	5.2%	16.6%	12.3%	13.2%	10.1%	7.6%	8.3%	13.8%	30.0%	
<b>PAT</b>	<b>2.1</b>	<b>2.4</b>	<b>2.3</b>	<b>1.7</b>	<b>2.3</b>	<b>2.4</b>	<b>2.5</b>	<b>2.5</b>	<b>8.5</b>	<b>9.4</b>	<b>2.4</b>	<b>-6%</b>
Growth (%)	32.9%	22.4%	3.1%	-26.0%	8.9%	0.0%	11.5%	45.9%	5.1%	10.2%	15.9%	
<b>Key metrics (INRb)</b>												
New Business APE	14.6	20.6	19.1	36.2	19.6	30.1	22.3	36.8	90.5	111.6	20.4	-4%
Growth (%)	-3.9	3.2	4.7	9.6	34.4	46.2	17.1	1.9	4.7	23.4	39.7	
VNB	4.4	5.8	4.4	7.8	4.7	7.5	5.6	9.5	22.3	27.4	5.0	-6%
Growth (%)	-7.0	-7.1	-29.4	-26.4	7.8	30.6	29.6	21.8	-19.5	22.8	14.2	
AUM	2,664	2,719	2,867	2,942	3,089	3,183	3,274	3,459	2,942	3,459	3,019	2%
Growth (%)	15.8	11.3	13.8	17.1	15.9	17.1	14.2	17.6	17.1	17.6	13.3	
<b>Key Ratios (%)</b>												
VNB Margins (%)	30.0	28.0	22.9	21.5	24.0	25.0	25.3	25.7	24.6	24.5	24.5	

## Quarterly snapshot

Policyholder A/c (INRb)	FY24				FY25		
	1Q	2Q	3Q	4Q	1Q	YoY	QoQ
<b>Net premium</b>	<b>70.2</b>	<b>100.2</b>	<b>99.3</b>	<b>147.9</b>	<b>78.7</b>	<b>12</b>	<b>-47</b>
First year premium	10.2	15.3	15.3	29.5	15.2	49	-48
Renewal premium	41.6	58.9	60.8	84.3	43.3	4	-49
Single premium	21.9	30.1	26.7	37.8	24.3	11	-36
Investment income	160.3	69.4	163.2	72.7	173.5	8	139
<b>Total income</b>	<b>235.4</b>	<b>175.3</b>	<b>266.5</b>	<b>225.9</b>	<b>254.6</b>	<b>8</b>	<b>13</b>
<b>Total commission &amp; opex</b>	<b>14.9</b>	<b>19.2</b>	<b>18.8</b>	<b>25.5</b>	<b>19.9</b>	<b>33</b>	<b>-22</b>
Benefits paid	79.5	94.6	100.8	125.2	95.2	20	-24
<b>Total expenses</b>	<b>233.3</b>	<b>172.0</b>	<b>262.3</b>	<b>223.8</b>	<b>251.6</b>	<b>8</b>	<b>12</b>
<b>PBT</b>	<b>2.1</b>	<b>3.3</b>	<b>4.2</b>	<b>2.1</b>	<b>3.0</b>	<b>41</b>	<b>41</b>
<b>Surplus/(Deficit)</b>	<b>2.0</b>	<b>3.0</b>	<b>3.8</b>	<b>2.1</b>	<b>2.8</b>	<b>42</b>	<b>38</b>
<b>Shareholder A/c</b>							
<b>Trf from policyholder a/c</b>	<b>3.8</b>	<b>3.6</b>	<b>4.1</b>	<b>3.2</b>	<b>2.9</b>	<b>-24</b>	<b>-9</b>
Investment Income	3.3	4.3	1.8	4.3	1.7	-50	-61
<b>Total income</b>	<b>7.1</b>	<b>7.9</b>	<b>6.1</b>	<b>7.5</b>	<b>4.6</b>	<b>-36</b>	<b>-39</b>
<b>PAT</b>	<b>2.1</b>	<b>2.4</b>	<b>2.3</b>	<b>1.7</b>	<b>2.3</b>	<b>9</b>	<b>30</b>
<b>APE data</b>							
<b>Savings APE</b>	<b>11.2</b>	<b>16.7</b>	<b>15.5</b>	<b>31.8</b>	<b>16.1</b>	<b>44</b>	<b>-49</b>
<b>ULIP</b>	<b>5.7</b>	<b>9.3</b>	<b>8.5</b>	<b>15.7</b>	<b>10.1</b>	<b>78</b>	<b>-36</b>
<b>Other Savings</b>	<b>5.5</b>	<b>7.5</b>	<b>7.0</b>	<b>16.1</b>	<b>6.0</b>	<b>9</b>	<b>-63</b>
- Non-Participating	5.0	6.6	6.4	14.9	5.5	10	-64
- Group	0.6	0.9	0.6	1.2	0.5	-2	-54
<b>Protection</b>	<b>3.4</b>	<b>3.9</b>	<b>3.6</b>	<b>4.3</b>	<b>3.6</b>	<b>3</b>	<b>-18</b>
<b>Total APE</b>	<b>14.6</b>	<b>20.6</b>	<b>19.1</b>	<b>36.2</b>	<b>19.6</b>	<b>34</b>	<b>-46</b>
<b>APE (% of total)</b>							
<b>Savings APE (%)</b>	<b>76.5</b>	<b>81.1</b>	<b>81.3</b>	<b>88.0</b>	<b>81.9</b>	<b>546</b>	<b>-605</b>
<b>ULIP</b>	<b>38.7</b>	<b>45.0</b>	<b>44.4</b>	<b>43.4</b>	<b>51.4</b>	<b>1,266</b>	<b>796</b>
<b>Other Savings</b>	<b>37.6</b>	<b>36.2</b>	<b>36.9</b>	<b>44.6</b>	<b>30.5</b>	<b>-713</b>	<b>-1,404</b>
- Non-Participating	33.9	31.9	33.8	41.3	27.8	-612	-1,355
- Group	3.8	4.3	3.1	3.2	2.8	-101	-48
<b>Protection</b>	<b>23.5</b>	<b>18.9</b>	<b>18.8</b>	<b>12.0</b>	<b>18.1</b>	<b>-546</b>	<b>611</b>
<b>Distribution mix (%)</b>							
Banca	28.9	28.1	26.8	29.9	28.8	-15	-108
Agency	24.4	26.3	30.3	32.1	29.4	498	-271
Direct	14.5	14.4	15.5	13.1	15.2	68	207
Corporate Agents	12.4	14.3	11.0	13.5	11.5	-87	-195
Group	19.8	17.0	16.4	11.4	15.1	-464	368
<b>Key Ratios (%)</b>							
<b>Operating ratios</b>							
Commission (unwtd)	7.1	10.0	12.7	13.3	15.5	840	218
Opex (unwtd)	20.6	14.9	11.1	8.4	17.0	-360	863
Total Cost (unwtd)	27.7	24.9	23.9	21.7	32.5	480	1,080
Solvency Ratio	203.4	199.4	196.5	191.8	187.9	-1,550	-390
<b>Profitability ratios</b>							
VNB margins	30.0	28.0	22.9	21.5	24.0	-593	258
<b>Persistency ratios</b>							
13th Month	84.4	85.6	85.5	88.3	89.3	490	100
25th Month	77.7	78.6	77.6	78.5	78.7	100	20
37th Month	71.2	68.9	69.0	71.9	72.9	170	100
49th Month	65.8	67.9	65.7	67.8	69.3	350	150
61st Month	63.0	61.9	63.1	63.6	65.2	220	160
<b>Key Metrics (INRb)</b>							
VNB	4.4	5.8	4.4	7.8	4.7	8	-39
AUM	2664	2719	2867	2942	3089	16	5



## Highlights from the management commentary

### Business

- During the quarter, IPRU witnessed 15.1% growth in No of policies.
- RWRP growth of 46% was better than that of the industry and private players and was driven by the direct and agency channels (up 41% and 62%, respectively). In terms of products, growth was driven by annuity and linked, which saw 135% and 78% growth, respectively.

### Surrender charges

- The regulation is a customer-centric measure and will support long-term growth. IPRU has already launched a product that has full money back in the annuity segment.
- IPRU has recently launched a product in ULIP that will have claim-based commissions and the product has seen good acceptance.
- The impact of surrender charges is not likely to be material as the share of non-linked business, and non-par within that, is significantly lower than the industry level. Any impact would be absorbed through changes in products and commissions.

### Product

- Recently, there has been an increase in customer demand for products that give immediate liquidity.
- Credit life for IPRU is growing at twice the rate of credit growth in the system.
- Retail protection saw APE growth of 1.8% but registered 6.7% growth in the number of policies. The two-year CAGR for retail protection is 28.3%.
- IPRU's own online channel and web aggregators are significant contributors to retail protection and this channel is seeing a high degree of competition. Pricing has been changed, which has affected the demand in the short term. IPRU expects growth to come back in the medium term.
- On the Annuity front, contribution increased to ~10.9% from ~6.2%. Within annuity, there has been a tilt toward regular-premium annuity over single-premium annuity. Single-premium annuity has seen a relatively slower growth because of competitive products available in the industry.
- For annuity business, IPRU sees a huge opportunity in the 50-year age cohort. It has fully hedged the annuity business.

### Distribution

- Agency growth was driven by 1) the addition of more than 12k agents, 2) the launch of new products: trail-based ULIP and 100% money-back annuity product, and 3) improvements in productivity led by tech initiatives.
- The company has tie-ups with 43 banks (with 29% channel mix based on APE) and 1,159 partnerships (47 added in 1Q), contributing 12% of channel mix based on APE.
- The ICICI Bank channel is stable with INR1b per month revenue and performing well on retail protection.

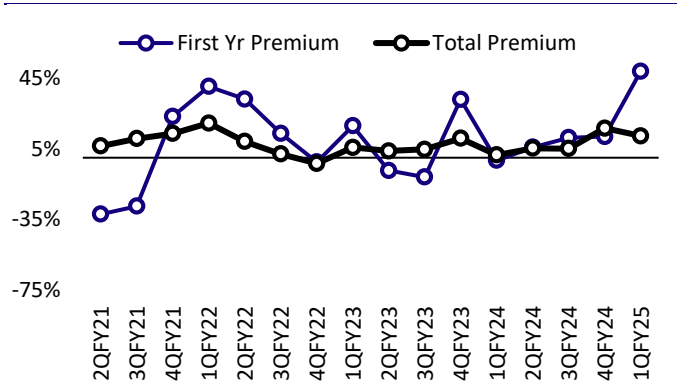
- Banks, other than ICICI and Standard Chartered, grew 31%, led by newly created partner stacks enabling them to efficiently operate end-to-end business aspects from lead generation to policy servicing.
- Other partnership channels are prioritizing non-linked products, and hence the growth is lower than company-level growth.
- Multi-insurer banks and partnerships contribute 23% to APE.
- It has integrated with central agencies for simplified digital customer onboarding, with ~85% of policies issued using digital KYC and ~48% of savings policies issued on the same day in 1QFY25.

**Financials**

- As compared to FY24, the decline in VNB margins in 1Q was due to the product mix, wherein the share of ULIPs has increased.
- The option of sub-debt is available and the company will consider it when needed.
- The life insurance industry is awaiting instructions from the regulator for IFRS implementation. IPRU expects the release of capital under IFRS.
- IPRU has not seen any major changes in product-level margins in the recent past and it is adding riders to enhance margins.

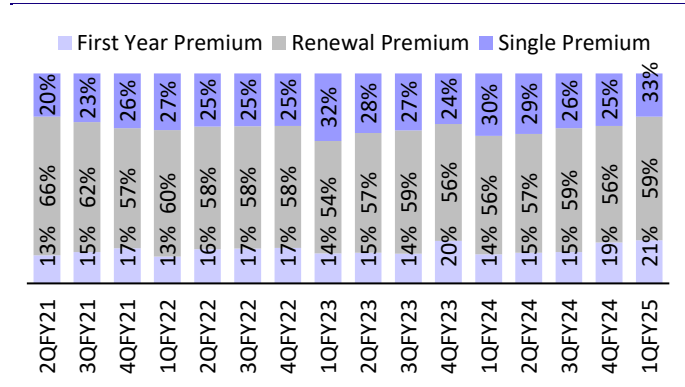
## Story in charts

**Exhibit 1: First-year premium grew 48.8% YoY, while total premium grew 12.3% YoY**



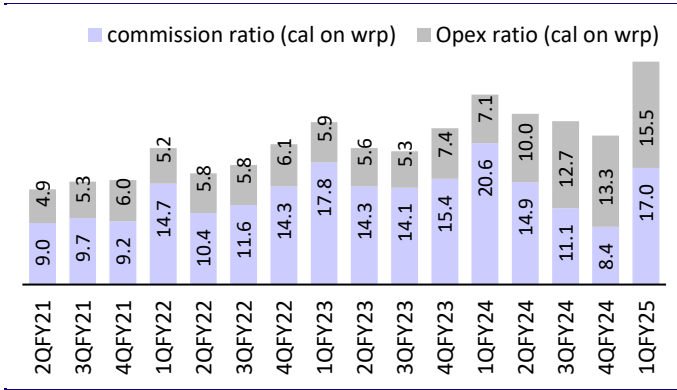
Source: MOFSL, Company

**Exhibit 2: Share of first-year premium increased to 21% in 1QFY25**



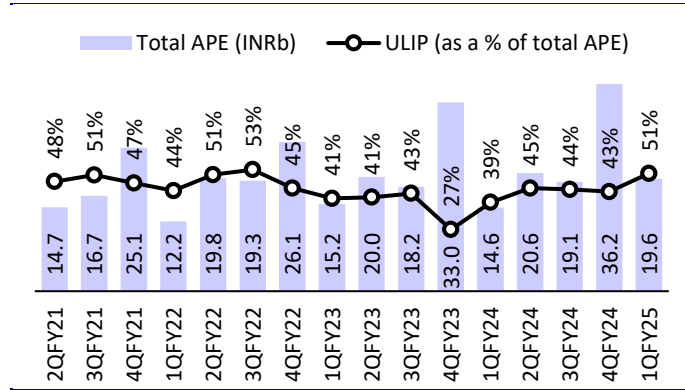
Source: MOFSL, Company

**Exhibit 3: Total expense ratio grew YoY to 32.5% in 1QFY25**



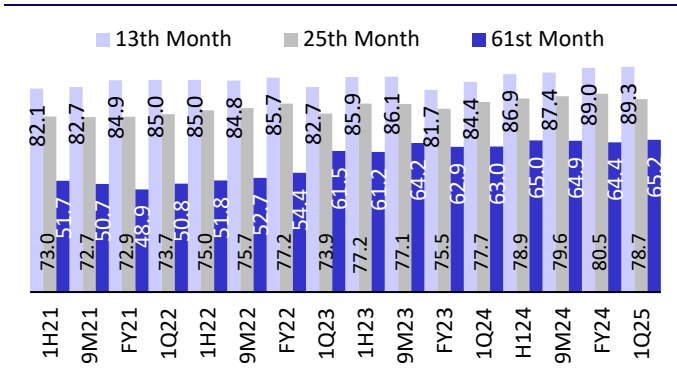
Source: MOFSL, Company

**Exhibit 4: Share of ULIP in total APE rose to 51% in 1QFY25**



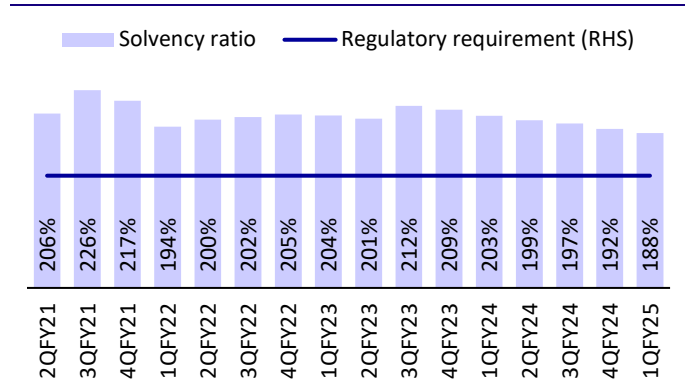
Source: MOFSL, Company

**Exhibit 5: Trend in 13<sup>th</sup>/25<sup>th</sup>/61<sup>st</sup> month persistency**



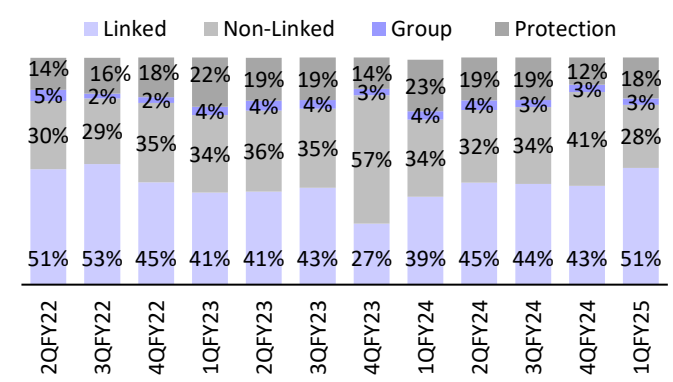
Source: MOFSL, Company

**Exhibit 6: Solvency ratio healthy at 188%, well above the regulatory requirement of 150%**



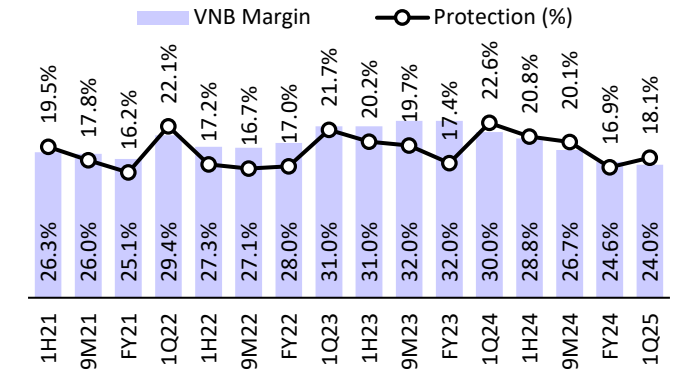
Source: MOFSL, Company

**Exhibit 7: Share of protection stood at 18% of total APE, while share of ULIP was at 51%**



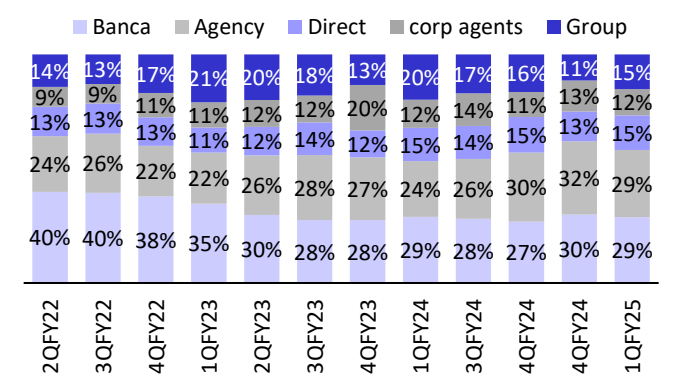
Source: MOFSL, Company

**Exhibit 8: VNB margin declined to 24% in 1QFY25 driven by shift in product mix**



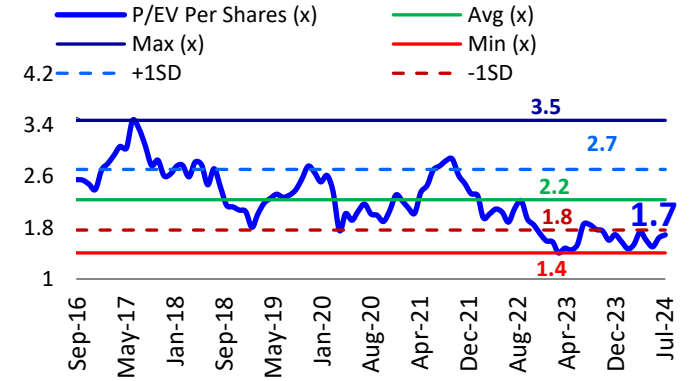
Source: MOFSL, Company

**Exhibit 9: Distribution mix**



Source: MOFSL, Company

**Exhibit 10: 1-Yr. forward P/EV**



Source: MOFSL, Company



## Financials and valuation

Technical account (INR m)	FY21	FY22	FY23	FY24	FY25E	FY26E
Gross Premiums	3,57,328	3,74,580	3,99,328	4,32,356	4,92,070	5,67,020
Reinsurance Ceded	(7,595)	(11,367)	(13,732)	(14,760)	(16,412)	(18,703)
Net Premiums	3,49,734	3,63,213	3,85,595	4,17,597	4,75,658	5,48,316
Income from Investments	4,74,376	2,49,695	99,646	4,65,325	3,21,111	3,56,672
Other Income	16,238	21,793	19,018	19,473	21,440	23,606
<b>Total income (A)</b>	<b>8,40,790</b>	<b>6,35,645</b>	<b>5,04,781</b>	<b>9,03,059</b>	<b>8,18,209</b>	<b>9,28,594</b>
Commission	15,002	16,729	18,639	37,220	38,644	44,608
Operating expenses	26,883	36,730	45,832	41,260	48,892	56,158
<b>Total commission and opex</b>	<b>41,885</b>	<b>53,459</b>	<b>64,471</b>	<b>78,479</b>	<b>87,535</b>	<b>1,00,766</b>
Benefits Paid (Net)	2,26,409	2,91,453	3,07,887	3,97,459	3,86,561	4,35,624
Chg in reserves	5,43,241	2,59,973	1,00,324	4,06,390	3,22,671	3,67,758
Provisions for doubtful debts	6,784	7,195	7,235	6,173	5,684	6,552
<b>Total expenses (B)</b>	<b>8,18,319</b>	<b>6,12,080</b>	<b>4,79,918</b>	<b>8,88,502</b>	<b>8,02,451</b>	<b>9,10,700</b>
<b>(A) - (B)</b>	<b>22,471</b>	<b>23,565</b>	<b>24,864</b>	<b>14,557</b>	<b>15,758</b>	<b>17,894</b>
Prov for Tax	1,418	1,661	1,842	1,078	857	1,184
<b>Surplus / Deficit (Calculated)</b>	<b>21,052</b>	<b>21,903</b>	<b>23,021</b>	<b>13,479</b>	<b>14,901</b>	<b>16,711</b>

Shareholder's a/c (INR m)	FY21	FY22	FY23	FY24	FY25E	FY26E
Transfer from technical a/c	19,849	21,602	20,162	14,719	14,901	16,711
Income From Investments	7,687	10,114	8,761	13,692	14,229	15,225
<b>Total Income</b>	<b>27,538</b>	<b>31,738</b>	<b>28,936</b>	<b>28,554</b>	<b>29,289</b>	<b>32,112</b>
Other expenses	612	1,024	1,022	1,037	1,244	1,493
Contribution to technical a/c	15,748	21,611	18,024	17,926	17,937	18,833
<b>Total Expenses</b>	<b>16,724</b>	<b>23,833</b>	<b>19,967</b>	<b>19,322</b>	<b>19,181</b>	<b>20,326</b>
<b>PBT</b>	<b>10,814</b>	<b>7,906</b>	<b>8,969</b>	<b>9,232</b>	<b>10,108</b>	<b>11,786</b>
Prov for Tax	1,213	364	862	708	718	837
<b>PAT</b>	<b>9,601</b>	<b>7,541</b>	<b>8,107</b>	<b>8,524</b>	<b>9,390</b>	<b>10,949</b>
<b>Growth</b>	<b>-10%</b>	<b>-21%</b>	<b>7%</b>	<b>5%</b>	<b>10%</b>	<b>17%</b>

Premium (INR m) & growth (%)	FY21	FY22	FY23	FY24	FY25E	FY26E
New business prem - unwtd	1,32,261	1,55,022	1,74,125	1,86,788	2,20,410	2,55,676
New business prem - wrp	64,620	77,330	86,400	90,460	1,11,642	1,29,505
Renewal premium	2,25,068	2,19,557	2,25,203	2,45,568	2,71,660	3,11,344
Total premium - unwtd	3,57,328	3,74,580	3,99,328	4,32,356	4,92,070	5,67,020
New bus. growth - unwtd	5.9%	17.2%	12.3%	7.3%	18.0%	16.0%
New business growth - wrp	-12.5%	19.7%	11.7%	4.7%	23.4%	16.0%
Renewal premium growth	7.5%	-2.4%	2.6%	9.0%	10.6%	14.6%
Total prem growth - unwtd	6.9%	4.8%	6.6%	8.3%	13.8%	15.2%

Premium mix (%)	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>New business mix - APE</b>						
- Participating	14.9%	9.6%	12.5%	15.6%	14.9%	14.9%
- Non-participating	32.6%	36.8%	48.2%	38.8%	40.5%	40.5%
- ULIPs	52.5%	53.6%	39.3%	45.6%	44.6%	44.6%
<b>Total premium mix - unwtd</b>						
- Participating	12.9%	12.7%	11.9%	12.2%	12.0%	12.5%
- Non-participating	23.7%	33.3%	41.5%	42.4%	37.9%	37.4%
- ULIPs	63.4%	54.0%	46.7%	45.3%	50.1%	50.1%

Indi. Premium sourcing mix (%)	FY21	FY22	FY23	FY24	FY25E	FY26E
Individual agents	24.0%	27.6%	28.6%	29.6%	30.6%	31.6%
Corporate agents-Banks	45.5%	45.2%	45.0%	44.8%	44.6%	44.4%
Direct business	19.5%	16.3%	18.7%	18.5%	18.3%	18.1%
Others	11.0%	10.9%	7.7%	7.1%	6.5%	5.9%



## Financials and valuation

Balance sheet (INR m)	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Sources of Fund</b>						
Share Capital	14,360	14,373	14,386	14,406	14,406	14,406
Reserves And Surplus	70,671	75,915	83,730	92,223	1,00,031	1,09,398
<b>Shareholders' Fund</b>	<b>91,194</b>	<b>91,631</b>	<b>1,00,918</b>	<b>1,10,082</b>	<b>1,18,236</b>	<b>1,27,983</b>
Policy Liabilities	6,02,156	7,36,821	9,03,074	11,01,621	12,84,801	14,98,896
Prov. for Linked Liab.	12,77,704	14,05,414	13,52,324	15,79,173	17,96,815	19,58,528
Funds For Future App.	13,532	13,833	16,693	12,866	14,796	17,015
Current liabilities & prov.	37,286	52,499	56,881	54,733	65,663	78,776
<b>Total</b>	<b>21,72,281</b>	<b>24,44,402</b>	<b>25,58,472</b>	<b>29,89,998</b>	<b>33,33,072</b>	<b>37,36,574</b>
<b>Application of Funds</b>						
Shareholders' inv	1,00,902	98,535	98,514	1,05,755	1,13,158	1,21,079
Policyholders' inv	6,35,726	7,73,880	9,43,110	11,43,182	13,23,190	15,49,078
Assets to cover linked liab.	13,85,491	15,08,663	14,40,581	16,48,424	17,96,815	19,58,528
Loans	6,628	9,401	13,141	17,606	19,895	22,482
Fixed Assets	4,572	4,872	5,956	7,180	8,185	9,331
Current assets	38,962	49,051	57,171	67,850	71,828	76,076
<b>Total</b>	<b>21,72,281</b>	<b>24,44,402</b>	<b>25,58,472</b>	<b>29,89,998</b>	<b>33,33,072</b>	<b>37,36,574</b>
<b>Persistency ratios (%)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25E</b>	<b>FY26E</b>
13th Month	84.9%	85.7%	85.4%	89.0%	90.8%	91.7%
25th Month	72.9%	77.2%	77.1%	80.5%	82.2%	83.1%
37th Month	65.8%	67.1%	71.5%	72.3%	73.8%	75.7%
49th Month	63.5%	63.7%	63.9%	68.5%	71.6%	73.7%
61st Month	48.9%	54.4%	65.8%	64.4%	64.3%	64.2%
<b>Profitability ratios</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25E</b>	<b>FY26E</b>
VNB margin (%)	25.1%	28.0%	32.0%	24.6%	24.5%	24.5%
RoE (%)	11.8%	8.2%	8.4%	8.1%	8.2%	18.5%
RoIC (%)	19.8%	15.5%	16.7%	17.5%	19.3%	45.1%
Operating ROEV (%)	15.2%	11.0%	17.4%	14.1%	15.0%	14.8%
RoEV (%)	26.5%	8.7%	12.7%	18.8%	19.8%	20.1%
<b>Valuation ratios</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25E</b>	<b>FY26E</b>
Total AUMs (INR b)	2,142	2,405	2,512	2,942	3,459	3,883
Dividend (%)	0%	6%	6%	12%	11%	11%
Dividend payout ratio (%)	0%	38%	10%	10%	17%	14%
EPS (INR)	6.7	5.3	5.6	5.9	6.5	7.6
VNB (INR b)	16.2	21.7	27.6	22.3	27.4	31.7
EV (INR b)	291.1	316.2	356.3	423.3	507.1	609.0
EV/Per share	202.3	219.8	247.7	294.3	352.5	423.3
VIF as % of EV	67%	74%	75%	77%	79%	81%
P/VIF	4.7	3.9	3.4	2.8	2.3	1.9
P/AUM (%)	43%	38%	37%	31%	27%	24%
P/EV (x)	3.2	2.9	2.6	2.2	1.8	1.5
P/EPS (x)	95.6	121.7	113.2	107.7	97.7	83.8
P/EVOP (x)	26.2	28.8	16.7	18.3	14.5	12.3
<b>Operating ratios (%)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25E</b>	<b>FY26E</b>
Investment yield (%)	23.5%	10.9%	4.2%	16.8%	10.3%	10.2%
Operating expenses / GWP	7.5%	9.8%	11.5%	9.5%	9.9%	9.9%
<b>Total expense ratio</b>	<b>11.7%</b>	<b>14.3%</b>	<b>16.1%</b>	<b>18.2%</b>	<b>17.8%</b>	<b>17.8%</b>
Claims / NWP	64.7%	80.2%	79.8%	95.2%	81.3%	79.4%
Solvency margin	217%	205%	209%	192%	209%	204%

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NOTES

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