15 July 2026

1QFY27 Results Update | Sector: Financials

HDFC Life Insurance

Estimate change	↑
TP change	↓
Rating change	↔

Bloomberg	HDFCLIFE IN
Equity Shares (m)	2158
M.Cap.(INRb)/(USDb)	1235.6 / 12.8
52-Week Range (INR)	815 / 543
1, 6, 12 Rel. Per (%)	-3/-17/-20
12M Avg Val (INR M)	2481

Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Net Premiums	774.2	883.6	1,009.4
PBT	19.6	20.9	23.9
Surplus / Deficit	3.3	13.5	15.2
Sh. PAT	19.1	20.9	23.9
NBP gr - APE (%)	7.9	14.6	14.6
Premium gr (%)	11.9	14.1	14.2
VNB margin (%)	24.2	25.0	25.5
RoEV (%)	12.1	15.0	15.2
Total AUMs (INRt)	3.8	4.4	5.1
VNB (INRb)	40.3	47.7	55.7
EV per share	287.7	330.8	381.1
Valuations			
P/EV (x)	2.0	1.7	1.5
P/EVOP (x)	14.7	12.6	10.9

Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	50.2	50.2	50.3
DII	17.3	15.2	14.1
FII	22.6	24.3	25.0
Others	10.0	10.3	10.6

FII includes depository receipts

CMP: INR568 TP: INR690 (+21%) Buy

VNB margin benefits from product mix; 60bp GST impact

- HDFC Life Insurance (HDFCLIFE) reported an APE of INR35.2b (in line) in 1QFY27, up 9% YoY, with individual APE growing 7% YoY and group APE growing 22% YoY.
- Absolute VNB grew 9% YoY to INR8.8b (6% beat), resulting in a VNB margin of 25% vs. 25.1% in 1QFY26 (est. 24.0%).
- Shareholder PAT increased 12% YoY to INR6.1b (in line). Embedded value at the end of 1QFY27 was at INR658.6b with operating RoEV at 14.7%.
- Protection as a % of APE is expected to remain broadly range-bound at current levels. On the other hand, annuity contributions are likely to increase further, while non-par savings contributions are anticipated to stabilize in the mid-20% range, according to management. ULIP mix is not expected to witness any meaningful upward or downward movement.
- We maintain our APE estimates but increase our VNB margin estimates by 50bp for FY27, considering the 1QFY27 performance. **We reiterate our BUY rating with a revised TP of INR690 (based on 1.8x FY28E EV).**

Protection continues to rise; non-par at 20%+ of individual APE

- For 1QFY27, HDFCLIFE's gross premium grew 15% YoY to INR172b (in line), driven by 19% YoY growth in renewal premium and 15% YoY growth in single premium.
- The group segment and annuity segment witnessed strong 118% YoY growth each. The protection/ULIP/non-par segments witnessed a growth of ~16%/22%/22% YoY. Par segment's APE declined ~52% YoY.
- Contribution from the protection segment continued to improve YoY, with individual protection contributing 8% to APE in 1QFY27 (6% in 1QFY26). However, with the GST tailwind impact likely to normalize, the contribution is expected to remain range-bound in the future.
- While the rising share of protection and non-par savings, along with improving ULIP margins, benefited the VNB margin, it was hit by the loss of ITC (60bp). The residual impact of 60 basis points is expected to taper off in the next quarter, after which margins should stabilize.
- On an individual APE basis, the agency channel jumped 20% YoY, backed by continued investment in productivity improvement. The broker/direct channels grew 7%/19% YoY, while the banca channel slowed down (+2% YoY) owing to heightened competitive intensity in HDFC Bank. However, the company has seen improvement in HDFC Bank's counter share, and the growth trajectory is expected to improve going forward in this channel.
- Persistency ratios declined YoY across 13M/25M/49M in 1QFY27. 37M and 61M persistency improved YoY.
- As of Jun'26, total AUM grew 13% YoY to INR4t.

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- EV at the end of 1QFY27 stood at INR658.6b (+13% YoY), reflecting an operating RoEV of 14.7%. The solvency ratio stood at 185%.
- The commission ratio increased to 12.2% from 11.8% in 1QFY26, and the opex ratio increased to 14.4% from 14.2% in 1QFY26, resulting in a rise in the overall expense ratio to 22.5% from 21.9% in 1QFY26.

Highlights from the management commentary

- Customers are increasingly incorporating guaranteed products as part of their insurance portfolios, aided by a supportive interest rate environment.
- Counter share within HDFC Bank has improved sequentially and is inching towards last year's levels, with the expectation that the growth trajectory will improve going forward.
- VNB growth is expected to broadly track APE growth, while VNB margins are likely to remain around current levels (~25%).

Valuation and view

- HDFCLIFE has reported a 9% YoY growth with continued momentum in agency and non-HDFC bank channels, rising protection and non-par savings contributions, and improving ULIP margins. We expect the growth trajectory to remain stable at 15% for FY26-28E, along with a stable VNB margin, driven by a diversified product mix, rising sum assured (especially in ULIPs), and improving rider attachments. While the loss of ITC has impacted profitability, the same is likely to be fully absorbed by 1HFY27, normalizing its VNB margin.
- We maintain our APE estimates but increase our VNB margin estimates by 50bp for FY27, considering the 1QFY27 performance. **We reiterate our BUY rating with a revised TP of INR690 (based on 1.8x FY28E EV).**

Quarterly performance

Policyholder's A/c (INR b)	FY26				FY27				FY26	FY27E	FY27E	V/s	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1Q	est	(%)	(%)
First-year premium	25.5	35.8	33.2	44.3	26.9	42.1	39.1	52.7	139.9	160.8	29.6	-9.0	5.6	-39.1
Growth (%)	*8.2%*	*10.0%*	*12.0%*	*0.7%*	*5.6%*	*17.7%*	*17.6%*	*19.0%*	*7.8%*	*15.0%*	16.0%			
Renewal premium	76.0	103.4	104.7	148.8	90.2	118.9	120.4	168.0	432.9	497.6	87.1	3.6	18.7	-39.3
Growth (%)	*18.6%*	*17.1%*	*11.7%*	*13.9%*	*18.7%*	*15.0%*	*15.0%*	*12.9%*	*14.9%*	*14.9%*	14.5%			
Single premium	47.2	53.7	50.0	71.2	54.5	59.7	56.0	78.6	222.2	248.8	47.3	15.3	15.4	-23.5
Growth (%)	*16.8%*	*10.9%*	*1.5%*	*8.3%*	*15.4%*	*11.2%*	*11.9%*	*10.4%*	*9.0%*	*12.0%*	0.1%			
Gross premium inc.	**148.8**	**192.9**	**188.0**	**264.2**	**171.7**	**220.8**	**215.5**	**299.3**	**794.9**	**907.2**	163.9	4.7	15.4	-35.0
Growth (%)	*16.1%*	*13.9%*	*8.8%*	*9.9%*	*15.4%*	*14.5%*	*14.6%*	*13.3%*	*11.9%*	*14.1%*	*10.2%*			
PAT	**5.5**	**4.5**	**4.2**	**5.0**	**6.1**	**4.9**	**4.6**	**5.3**	**19.1**	**20.9**	**6.0**	2.3	11.9	23.4
Growth (%)	*14.4%*	*3.3%*	*1.4%*	*4.0%*	*11.9%*	*9.4%*	*9.3%*	*6.9%*	*6.0%*	*9.4%*	*9.4%*			
Key metrics (INRb)														
New business APE	32.3	41.9	39.7	52.5	35.2	47.7	44.8	57.9	166.4	190.7	34.7	1.3	9.0	-33.1
Growth (%)	12.5	8.6	11.3	1.3	9.0	13.8	12.8	10.3	*7.5%*	*14.6%*	7.6			
VNB	8.1	10.1	9.5	12.6	8.8	11.9	11.1	14.3	40.3	47.7	8.3	5.7	8.7	-30.3
Growth (%)	12.7	7.8	2.5	-8.4	8.7	17.9	16.1	13.5	*1.8%*	*18.2%*	2.8			
AUM (INR b)	3,559	3,600	3,777	3,752	4,009	4,410	4,851	4,405	3,752	4,405	3,827	4.7	12.6	6.8
Growth (%)	14.7	10.8	14.9	11.6	12.6	22.5	28.4	17.4	*11.6%*	*17.4%*	7.5			
Key Ratios (%)														
VNB Margins (%)	25.1	24.1	24.0	24.0	25.0	25.0	24.7	24.7	24.2	25.0	24.0	105bp	-9bp	101bp

Quarterly Snapshot

	FY26				FY27		
	1Q	2Q	3Q	4Q	1Q	YoY	QoQ
Net premium income	**144.7**	**187.8**	**182.4**	**258.3**	**165.5**	**14**	**-36**
First year premium	25.5	35.8	33.2	44.3	26.9	6	-39
Renewal premium	76.0	103.4	104.7	148.8	90.2	19	-39
Single premium	47.2	53.7	50.0	71.2	54.5	15	-23
Investment income	145.9	14.1	106.5	-64.8	166.5	14	-357
Total income (A)	**292.0**	**203.2**	**290.4**	**197.3**	**333.1**	**14**	**69**
Commission paid	17.5	23.2	22.7	27.9	21.0	20	-25
First year premium	14.2	13.1	11.5	14.9	9.5	-33	-36
Renewal premium	1.3	1.6	1.8	2.1	1.7	34	-19
Single premium	1.9	8.6	9.5	10.8	9.8	402	-9
Operating expense	15.1	17.8	22.6	21.4	17.7	17	-17
Total commission & Opex	**32.6**	**41.0**	**45.3**	**49.3**	**38.7**	**19**	**-21**
Total Expenses (B)	**289.6**	**204.1**	**290.3**	**191.8**	**329.8**	**14**	**72**
PBT	**1.2**	**-1.7**	**-0.1**	**4.9**	**3.6**	**191**	**-26**
Surplus/(Deficit)	**0.8**	**-1.7**	**-0.1**	**4.4**	**3.1**	**275**	**-29**
Shareholder A/c							
Trf from Policyholder a/c	**3.7**	**2.2**	**1.4**	**4.7**	**3.7**	**1**	**-22**
Investment Income	3.2	3.6	4.2	3.8	3.4	8	-9
Total income	**6.9**	**5.8**	**5.6**	**8.5**	**7.1**	**4**	**-16**
PBT	**5.6**	**4.7**	**4.4**	**4.9**	**6.3**	**12**	**29**
PAT	**5.5**	**4.5**	**4.2**	**5.0**	**6.1**	**12**	**23**
Individual APE							
ULIP	10.6	16.6	15.8	21.4	13.1	24	-39
PAR	8.9	9.9	8.2	9.6	4.5	-50	-54
Term	1.7	2.9	2.5	3.3	2.4	43	-27
Non Par savings	5.3	6.4	7.3	7.4	6.5	24	-11
Annuity	1.4	1.2	1.4	4.8	3.3	135	-32
Total individual APE	**27.8**	**36.9**	**35.2**	**46.5**	**29.7**	**7**	**-36**
Total APE	**32.3**	**41.9**	**39.7**	**52.5**	**35.2**	**9**	**-33**
APE (% of total)							
ULIP	38.0	45.0	44.8	46.1	44.0	600	-215
PAR	32.0	26.7	23.3	20.7	15.0	-1,700	-570
Term	6.0	7.8	7.0	7.0	8.0	200	100
Non Par savings	19.0	17.2	20.8	15.9	22.0	300	615
Annuity	5.0	3.2	4.0	10.3	11.0	600	70
Distribution mix (%)							
Bancassurance	60.0	58.2	56.2	58.0	57.0	-300	-100
Individual agents	16.0	19.5	18.0	18.0	18.0	200	0
Direct	15.0	13.2	14.0	14.0	15.0	0	100
Broker	9.0	9.0	11.8	10.0	10.0	100	0
Key Ratios (%)							
Operating ratios							
Commission (unwtd)	11.8	12.0	12.1	10.5	12.2	48	170
Opex (unwtd)	21.9	9.2	12.0	8.1	10.3	-1,159	221
Total Cost	21.9	21.3	24.1	18.6	22.5	65	391
Solvency ratio	192	175	180	177	185	-700	800
Profitability ratios							
VNB margins	25.1	24.1	24.0	24.0	25.0	-9	101
Persistency ratios							
13th Month	82.7	80.8	79.5	81.6	80.0	-270	-160
25th Month	79.5	72.1	72.9	73.2	73.5	-600	30
37th Month	69.3	70.2	70.2	72.8	76.1	680	330
49th Month	69.9	70.1	69.1	68.9	67.4	-250	-150
61st Month	61.0	62.9	62.4	64.9	65.5	450	60
Key Metrics (INR b)							
VNB	8.1	10.1	9.5	12.6	8.8	9	-30
EV	583.6	595.4	615.7	621.4	658.6	13	6
AUM	3,559	3,600	3,777	3,752	4,009	13	7

Exhibit 1: Our revised estimates

Y/E MARCH	New Estimates		Old Estimates		Change in Estimates (%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Net Premiums (INRb)	883.6	1,009.4	883.6	1,009.4	-	-
PBT (INRb)	20.9	23.9	20.9	23.9	-	-
Surplus / Deficit (INRb)	13.5	15.2	13.5	15.2	-	-
Sh. PAT (INRb)	20.9	23.9	20.9	23.9	-	-
NBP gr - APE (%)	14.6	14.6	14.6	14.6		
Premium gr (%)	14.1	14.2	14.1	14.2		
VNB margin (%)	25.0	25.5	24.5	25.5	0.5	-
RoEV (%)	15.0	15.2	14.8	15.2		
Total AUMs (INRt)	4.4	5.1	4.4	5.1		
VNB (INRb)	47.7	55.7	46.7	55.7	2.0	-
EV per share	330.8	381.1	330	381	0.1	0.1

CONFERENCE CALL

Highlights from the management commentary

Product mix

- Retail protection continues to outperform the overall business, remaining the key growth driver.
- Protection APE grew 40% YoY, with retail protection mix increasing from 6% to 8%. Credit Protect also witnessed a recovery, supported by improving trends in the MFI segment.
- Management does not expect a meaningful increase in ULIP contribution, while non-par savings are expected to continue gaining share as customer demand improves.
- Term protection growth is expected to normalize as the benefit from recent tailwinds moderates.
- Protection as a percentage of APE is expected to remain broadly range-bound at current levels.
- Annuity should continue to gain share, while non-par savings are expected to stabilize in the mid-20% range of APE.
- ULIP mix is not expected to witness any meaningful upward or downward movement.
- Management has increased its focus on non-par products, resulting in contribution improving from the mid-teens to over 20%. Customers are increasingly incorporating guaranteed products as part of their investment portfolios, aided by a supportive interest rate environment.
- While traditional annuity products offer guaranteed returns, recently launched variable annuity products provide customers with participation in long-term market upside. Management believes there remains significant scope for further product innovation in this category.
- The company aims to grow approximately 100 bps faster than the industry, with industry APE growth expected at 14–15%.

VNB

- Improved product mix largely offset the ~60 bps GST impact on VNB margins during the quarter. The residual GST impact of ~60 bps is expected to normalize over the coming quarters.
- Excluding GST, VNB margin stood at 25.6%, reflecting YoY improvement.
- Management expects reported VNB margins to remain broadly range-bound around current levels, while underlying margins should gradually improve with favorable product mix and operating leverage.
- VNB growth is expected to broadly track APE growth, while VNB margins are likely to remain around current levels. Management remains focused on maximizing VNB growth rather than pursuing margin expansion at the expense of growth.

Distribution

- Channels excluding HDFC Bank grew 17% YoY in 1QFY27, led by strong performance in the agency channel and healthy traction across non-bank partnerships.
- Business through HDFC Bank remained subdued, reflecting softer volumes at the bank level.

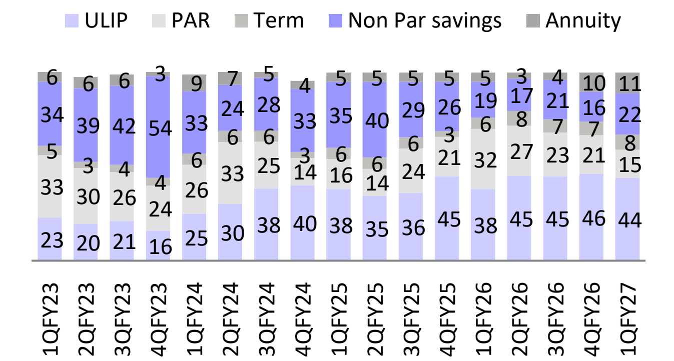
- Counter share within HDFC Bank improved sequentially and is gradually approaching last year's levels. Management expects the banca channel to progressively contribute more meaningfully to growth going forward.
- The agency channel continued to witness healthy traction in protection and annuity products.
- Retail protection through non-bank alliances grew ~60% YoY, while market share across key partners remained stable.
- Excluding HDFC Bank, growth was broad-based across distribution channels, particularly agency and proprietary channels. Within HDFC Bank, competitive pricing pressure had impacted business earlier; however, with competitors facing profitability challenges, management expects market share to gradually recover.
- Agency branches opened over the past 24 months contributed 16% of agency APE, with expansion largely focused on Tier-2 and Tier-3 markets.

Solvency

- The company retains the flexibility to raise INR 500 crore of subordinated debt whenever required.
- Management expects the transition to the Risk-Based Capital (RBC) framework to happen in the near term.
- Given the current growth trajectory in protection and non-par products, capital requirements are expected to remain comfortably within regulatory solvency thresholds.

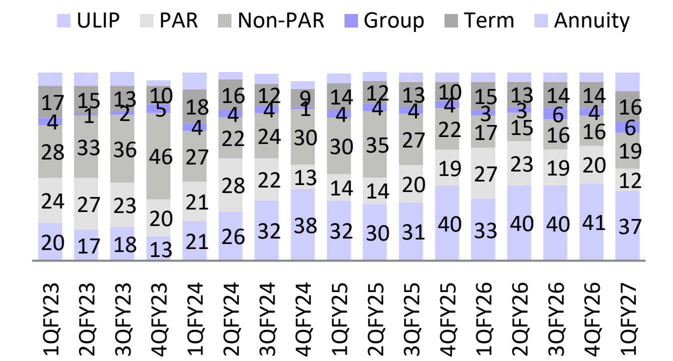
Key exhibits

Exhibit 2: Share of term improved YoY to 8% of individual APE



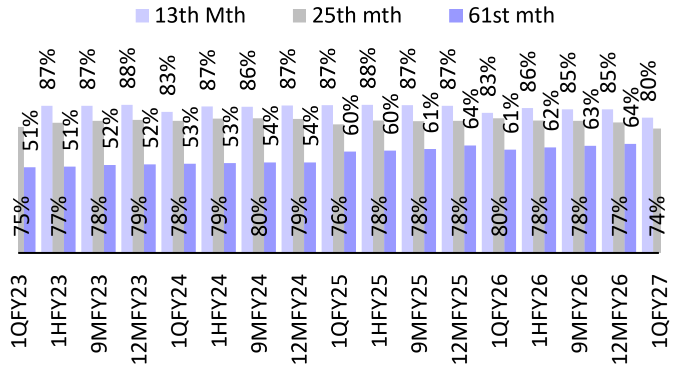
Source: MOFSL, Company

Exhibit 3: Share of ULIP/Par/Non-par/Term at 37%/12%/19%/16% of total APE



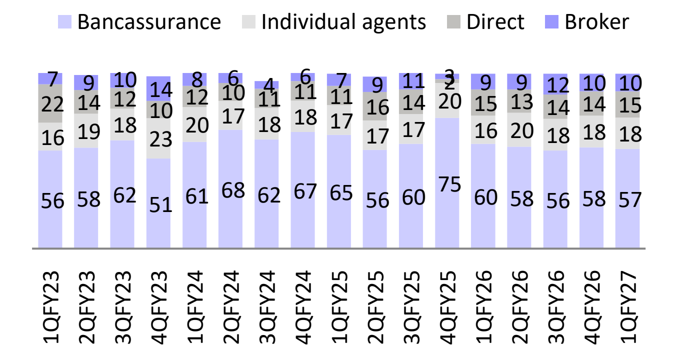
Source: MOFSL, Company

Exhibit 4: Improving trends in the 61M persistency ratio



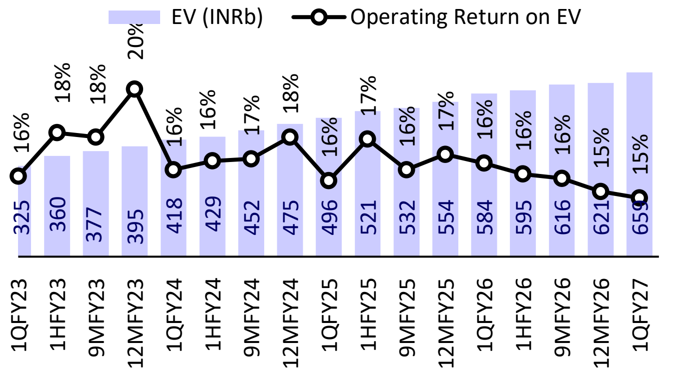
Source: MOFSL, Company

Exhibit 5: Distribution mix for individual APE



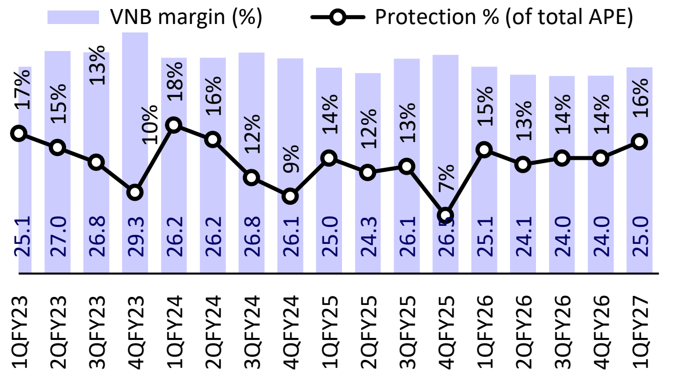
Source: MOFSL, Company

Exhibit 6: Operating RoEV healthy at 15%



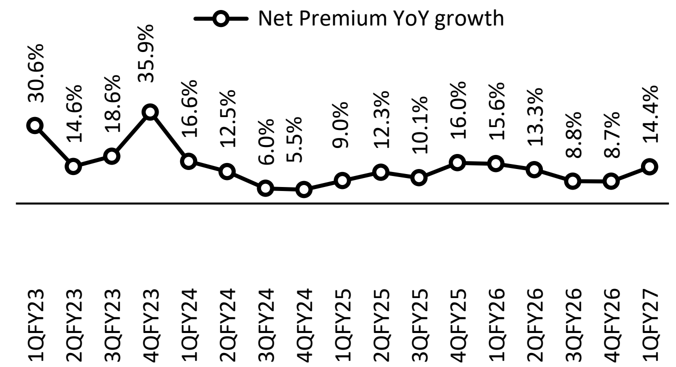
Source: MOFSL, Company

Exhibit 7: VNB margin at 25% for 1QFY27



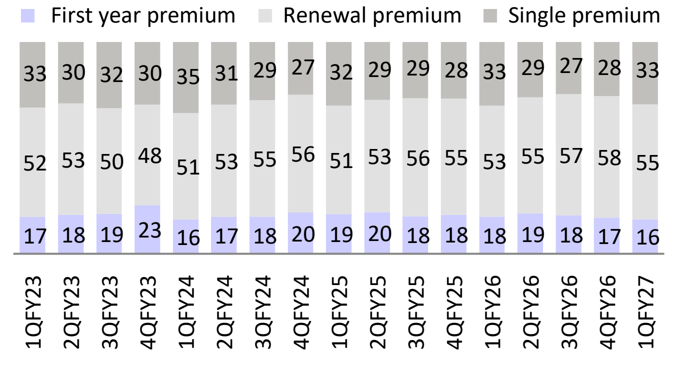
Source: MOFSL, Company

Exhibit 8: Net premium income grew 14% YoY



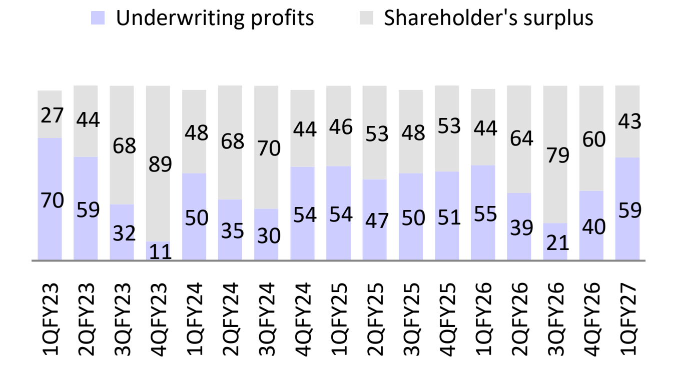
Source: MOFSL, Company

Exhibit 9: Proportion of premium trends among first-year, single, and renewal premiums



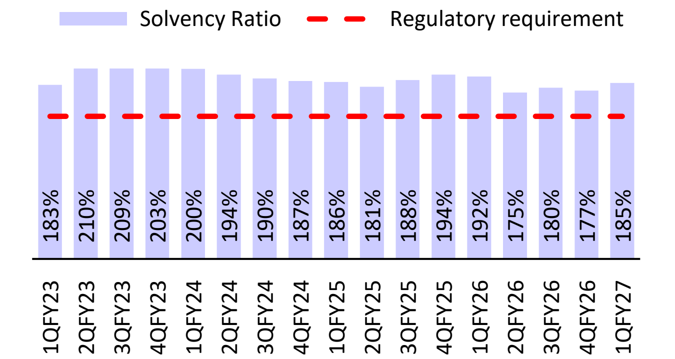
Source: MOFSL, Company

Exhibit 10: Trend in underwriting profit and shareholders' surplus



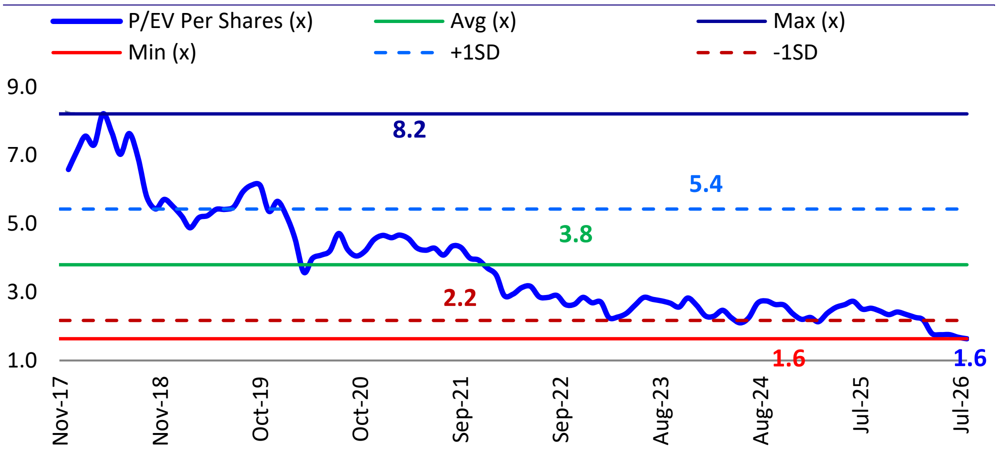
Source: MOFSL, Company

Exhibit 11: Solvency ratio stood at 185% in 1QFY27



Source: MOFSL, Company

Exhibit 12: One-year forward P/EV



Source: MOFSL

Financials and valuations

Technical account (INRm)	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Gross Premiums	3,85,835	4,59,628	5,75,334	6,30,765	7,10,449	7,94,928	9,07,218	10,36,401
Reinsurance Ceded	(4,612)	(5,664)	(7,694)	(11,173)	(14,288)	(20,719)	(23,645)	(27,012)
Net Premiums	3,81,223	4,53,964	5,67,640	6,19,592	6,96,161	7,74,210	8,83,573	10,09,389
Income from Investments	3,26,776	1,92,160	1,25,975	3,83,543	2,59,453	2,01,791	3,04,117	3,55,589
Other Income	4,420	7,460	13,439	4,608	3,834	7,961	8,757	9,632
Total income (A)	**7,12,418**	**6,53,584**	**7,07,054**	**10,07,743**	**9,59,448**	**9,83,962**	**11,96,446**	**13,74,610**
Commission	17104	19403	28869	52563	78353	91437	102459	116830
Operating expenses	45,860	56,125	84,374	69,010	62,218	76,909	90,753	1,04,366
Total commission and opex	**62,964**	**75,528**	**1,13,242**	**1,21,574**	**1,40,571**	**1,68,346**	**1,93,211**	**2,21,196**
Benefits Paid (Net)	2,25,748	3,18,637	3,88,723	3,96,965	3,93,459	3,83,317	4,38,328	4,97,407
Chg in reserves	4,08,296	2,46,815	1,85,862	4,84,194	4,15,156	4,25,290	5,45,736	6,34,324
Prov for doubtful debts	1,682	1,162	4,047	3,183	5,715	2,758	3,244	3,817
Total expenses (B)	**6,98,690**	**6,42,142**	**6,91,875**	**10,05,915**	**9,54,901**	**9,79,711**	**11,80,520**	**13,56,744**
(A) - (B)	**13,729**	**11,442**	**15,180**	**1,828**	**4,547**	**4,251**	**15,926**	**17,867**
Provn for tax	2,744	1,845	1,591	-5,924	-5,882	948	2,389	2,680
Surplus / Deficit	**10,985**	**9,597**	**13,589**	**7,752**	**10,429**	**3,302**	**13,537**	**15,187**

Shareholder's a/c (INRm)	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Transfer from technical a/c	9,909	10,093	14,689	7,991	9,968	11,931	12,860	14,428
Income From Investments	6,476	7,894	7,197	10,022	11,251	14,776	16,169	18,595
Total Income	**16,385**	**17,987**	**22,519**	**18,144**	**21,220**	**26,709**	**29,031**	**33,024**
Other expenses	637	825	1,246	1,209	1,429	2,524	3,029	3,483
Contribution to technical a/c	2,586	5,694	8,795	1,251	1,004	4,487	4,936	5,430
Total Expenses	2,850	6,186	9,794	2,505	2,559	7,159	8,127	9,091
PBT	**13,535**	**11,801**	**12,724**	**15,639**	**18,661**	**19,550**	**20,904**	**23,933**
Prov for Tax	66	275	877	50	(640)	(451)	-	-
PAT	**13,601**	**12,077**	**13,601**	**15,689**	**18,021**	**19,100**	**20,904**	**23,933**
Growth	***5%***	***-11%***	***13%***	***15%***	***15%***	***6%***	***9%***	***14%***

Balance sheet (INRm)	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Sources of Fund								
Share Capital	20,229	21,159	21,526	21,509	21,536	21,588	21,733	21,733
Reserves And Surplus	64,074	1,32,852	1,08,146	1,20,503	1,35,260	1,52,483	1,87,591	2,15,872
Shareholders' Fund	**86,377**	**1,54,859**	**1,29,868**	**1,46,517**	**1,61,256**	**1,76,961**	**2,12,214**	**2,40,496**
Policy Liabilities	8,55,230	10,43,425	14,32,696	17,53,488	21,07,778	24,96,478	29,25,645	34,29,698
Prov. for Linked Liab.	7,09,635	7,65,190	7,53,836	9,21,145	9,77,434	10,03,496	11,43,850	12,53,058
Funds For Future App.	47,866	50,435	50,533	46,386	51,424	52,484	57,733	63,506
Current liabilities & prov.	65,159	62,287	83,030	87,777	95,992	1,10,171	1,21,188	1,33,307
Total	**17,95,817**	**21,03,892**	**24,79,222**	**30,25,071**	**34,91,333**	**39,00,189**	**44,38,897**	**50,98,331**
Application of Funds								
Shareholders' inv	85,421	1,52,379	1,31,319	1,48,819	1,83,863	2,00,549	2,30,631	2,65,225
Policyholders' inv	9,05,378	10,83,110	14,64,485	18,17,966	21,62,671	24,99,514	28,79,936	33,72,329
Assets to cover linked liab.	7,47,595	8,06,215	7,92,015	9,55,416	10,16,282	10,51,916	11,65,668	12,82,235
Loans	4,240	6,428	15,853	18,972	23,783	28,275	31,102	34,212
Fixed Assets	3,401	3,427	3,802	4,158	6,011	7,368	7,736	8,123
Current assets	49,781	52,333	71,748	79,739	98,724	1,12,567	1,23,824	1,36,207
Total	**17,95,817**	**21,03,892**	**24,79,222**	**30,25,071**	**34,91,333**	**39,00,189**	**44,38,897**	**50,98,331**

Financials and valuations

Operating ratios (%)	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Investment yield	22.8%	10.8%	6.1%	15.2%	8.8%	5.9%	8.0%	8.2%
Commissions / GWP	**4.4%**	**4.2%**	**5.0%**	**8.3%**	**11.0%**	**11.5%**	**11.3%**	**11.3%**
- first year premiums	18.5%	17.0%	17.9%	28.4%	45.2%	38.7%	38.0%	38.0%
- renewal premiums	1.5%	1.5%	1.8%	1.6%	1.6%	1.6%	1.6%	1.6%
- single premiums	1.0%	1.3%	1.6%	8.5%	6.8%	13.9%	13.5%	13.5%
Operating expenses / GWP	11.9%	12.2%	14.7%	10.9%	8.8%	9.7%	10.0%	10.1%
Total expense ratio	**17.6%**	**16.3%**	**16.4%**	**19.7%**	**19.3%**	**19.8%**	**21.2%**	**21.3%**
Claims / NWP	59.2%	70.2%	68.5%	64.1%	56.5%	49.6%	49.6%	49.3%
Solvency ratio	201%	176%	203%	187%	194%	177%	185%	180%

Persistency ratios (%)	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
13th Month	90.0%	87.5%	87.5%	87.1%	86.9%	86.8%	86.8%	86.8%
25th Month	81.0%	78.8%	78.7%	79.2%	78.1%	78.0%	77.9%	77.9%
37th Month	71.0%	67.5%	72.4%	73.2%	73.6%	73.3%	73.2%	73.2%
49th Month	67.0%	63.2%	64.0%	69.7%	70.2%	71.2%	71.8%	72.6%
61st Month	53.0%	54.0%	52.3%	53.5%	63.5%	64.2%	65.2%	66.0%

Profitability ratios (%)	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
VNB margin (%)	26.1%	27.4%	27.5%	26.3%	25.6%	24.2%	25.0%	25.5%
RoE (%)	17.6%	10.0%	9.6%	11.4%	11.7%	11.3%	10.7%	10.6%
RoIC (%)	56.7%	21.6%	14.1%	14.7%	16.9%	17.9%	19.6%	22.4%
Operating ROEV (%)	18.5%	16.5%	19.7%	17.5%	16.7%	15.0%	15.7%	15.8%
RoEV (%)	28.9%	12.9%	31.5%	20.1%	16.7%	12.1%	14.9%	15.2%

Valuation data points	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Total AUMs (INRb)	1,738	2,042	2,388	2,922	3,363	3,752	4,405	5,067
DPS	2.02	1.70	1.90	2.00	2.10	2.10	2.00	2.00
Dividend payout ratio (%)	32.1	30.4	30.2	27.5	25.2	23.7	20.7	18.0
EPS, INR	6.3	5.6	6.3	7.3	8.3	8.8	9.7	11.1
Value of new business (INRb)	21.9	26.7	36.7	35.0	39.6	40.3	47.7	55.7
Embedded Value (INRb)	266.2	329.4	395.1	474.5	554.1	621.2	714.2	822.7
EV per share (INR)	123.3	152.6	183.0	219.8	256.7	287.7	330.8	381.1
VIF as % of EV	66%	64%	68%	69%	71%	72%	73%	75%
P/VIF (x)	0.7	0.6	0.5	0.4	0.3	0.3	0.2	0.2
P/AUM (x)	0.7	0.6	0.5	0.4	0.4	0.3	0.3	0.2
P/EV (x)	4.6	3.7	3.1	2.6	2.2	2.0	1.7	1.5
P/EPS (x)	56.1	45.9	33.4	35.0	30.9	30.4	25.7	22.0

N O T E S

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