

**Ignore the hearsay; growth & margin story remains intact**Insurance ▶ Company Update ▶ **September 13, 2023****TARGET PRICE (Rs): 1,690**

**Post the strong performance of Retail new business during Jul-Aug 2023, SBILIFE shares have not moved much, given investor concerns on such growth being a factor of ULIP-led growth and that, hence, margins are likely to come under pressure. However, our channel checks and discussions with the company suggest that these concerns are unfounded and that Company is well on track to deliver ~20% Retail APE growth in FY24 with VNB margin upholding at ~29%. Overall, SBILIFE's franchise strength powered by brands and distribution remains intact, thus giving it an edge in terms of ability to distribute a variety of life insurance products. Against this backdrop, we increase FY24-26E APE and VNB by ~2-3% each, and reiterate our BUY rating on the stock with Sep-24E target price of Rs1,690/share (FY25E P/EV: 2.6x).**

**SBI Life: Financial Snapshot (Standalone)**

Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
GWP	5,87,596	6,73,156	7,79,234	8,87,443	10,09,018
APE	1,43,000	1,68,100	1,94,042	2,17,676	2,44,394
VNB	37,000	50,700	55,242	62,608	71,052
VNB margin (%)	25.9	30.1	28.5	28.8	29.1
APE growth (%)	24.9	17.6	15.4	12.2	12.3
VNB growth (%)	39.1	37.0	9.0	13.3	13.5
Adj. EPS (Rs)	15.1	17.2	20.4	23.3	26.6
EV	3,96,269	4,60,369	5,50,227	6,58,808	7,83,258
EVOP	56,700	90,440	96,858	1,10,581	1,26,450
Op. RoEV (%)	16.4	22.8	21.0	20.1	19.2
EVPS (INR)	396.2	460.1	549.9	658.4	782.8
P/EV (x)	3.4	2.9	2.5	2.0	1.7
P/EVOP (x)	29.8	18.7	17.5	15.3	13.4

Source: Company, Emkay Research

**Nothing unusual about the recent growth; margin trajectory remains stable**

Recent two months' growth for SBILIFE illustrated 'business as usual', and is driven by the good show in the SBI channel as well as improvement in the agency channel. Growth remains balanced in terms of products as well, and is not extraordinarily driven by an excessive ULIP push. Some of the short-term shift in the product mix is driven by product launches, channel mix and market environment which is quite normal; on full-year basis, the company is well on track to deliver overall product mix of ~55% ULIP and ~45% non-ULIP (Par, Non-par, Annuity, Protection, etc). Given the yield curve shift this year and focus on growth, industry VNB margins are expected to stay flat or see a minor decline, with SBILIFE also seeing some moderation. However, both VNB margin and APE growth for FY24 appear to be shaping up better than our earlier estimation and we up our FY24E APE growth (to 15.4% from 13.6%) and VNB margin (to 28.5% from 27.9%).

**ULIP, one of the most transparent LI products; ability to sell ULIP, a strength**

"Money doesn't grow on trees" is the most frequently-faced reality by life insurers — when selling savings products, they need to balance the interest of policyholders, employees & distributors, and shareholders. In this context, ULIP in its current avatar — where the gap between gross yield and net yield is explicitly capped by the regulator, leading to limit on shareholders' return and operating expenses — is clearly the most transparent and customer friendly life insurance savings product. However, the ability of a life insurer to sell a ULIP is governed by the product's cost structure, as the room for commission and operating expense is limited. And this is the arena where SBILIFE has the strength, of low-cost distribution and operations.

**We revise our estimates upwards; reiterate BUY with Sep-24E TP of Rs1,690**

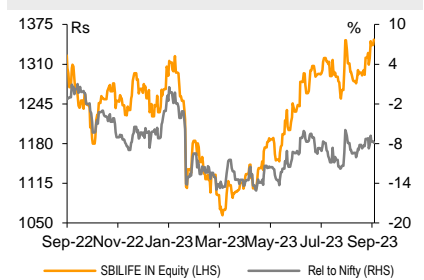
To factor in the past two months' (Jul-Aug) strong growth trends and the likelihood of margin improvement on the back of pick-up in non-par savings and credit life performance in H2, we increase our APE growth estimates for FY24 from 13.6% to 15.4% and our VNB margin for FY24E to 28.5% from 27.9%. Overall, FY24-26E VNB increases by ~3-4%. We reiterate our BUY rating on the stock, with our Appraisal Value method-based Sep-24E Target Price of Rs1,690/share (implied FY25E P/EV: 2.6x).

Target Price – 12M	Sep-24
<b>Change in TP (%)</b>	<b>8.3</b>
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	25.3
CMP (11-Sep-23) (Rs)	1,348.9

Stock Data	Ticker
52-week High (Rs)	1,375
52-week Low (Rs)	1,039
Shares outstanding (mn)	1,001.0
Market-cap (Rs bn)	1,352
Market-cap (USD mn)	16,278
Net-debt, FY24E (Rs mn)	0
ADTV-3M (mn shares)	1
ADTV-3M (Rs mn)	1,492.5
ADTV-3M (USD mn)	18.0
Free float (%)	-
Nifty-50	19,996
INR/USD	83.0
<b>Shareholding, Jun-23</b>	
Promoters (%)	55.5
FPIs/MFs (%)	26.2/14.2

**Price Performance**

(%)	1M	3M	12M
Absolute	2.9	9.6	4.1
Rel. to Nifty	-	1.7	(7.2)

**1-Year share price trend (Rs)****Avinash Singh**

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**Exhibit 1: Appraisal method-based valuation for SBI Life**

Parameter (Rs bn)	Value
FY24E-39E APE CAGR	9.3%
FY24E-39E VNB CAGR	9.3%
Terminal growth rate	5.0%
Cost of Equity	13.5%
FY24E EV	550
Present value of future new business	1,036
Appraisal value - Mar-24E	1,591
Share count (mn)	1,001
Appraisal value per share (Rs) - Mar-24E	1,589
<b>Target Price (Rs) - Sep-24E</b>	<b>1,690</b>

Source: Company, Emkay Research

**Exhibit 2: Implied Valuation multiples for SBI Life**

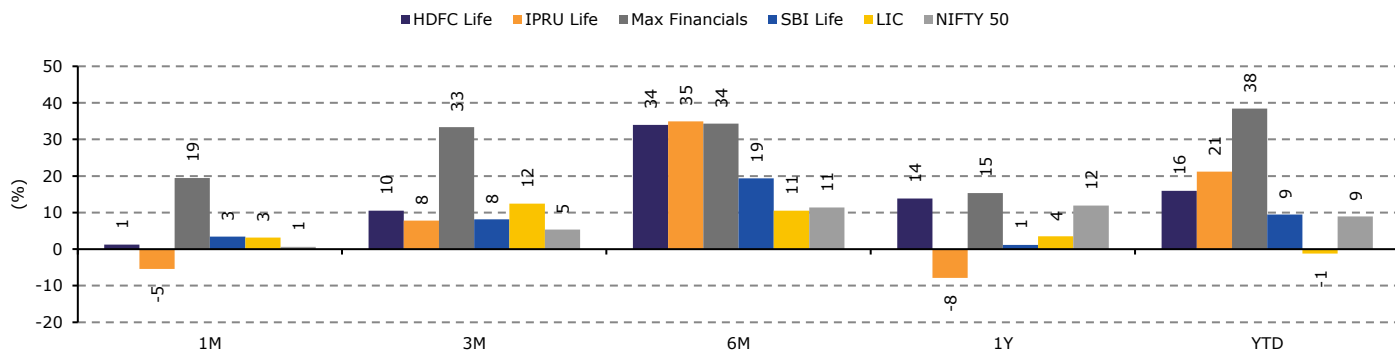
Appraisal value multiple on FY25 estimates	1,690
P/EV	2.6x
RoEV (%)	20.1
P/EVOP	14.4x
Implied FY25E VNB multiple	18.2x
Current price multiple on FY25 estimates (Rs/sh)	1,349
P/EV	2.0x
RoEV (%)	20.1
P/EVOP	11.5x
Implied FY25E VNB multiple	12.8x

Source: Company, Emkay Research

**Exhibit 3: Changes in Estimates**

(Rs bn)	FY24E			FY25E			FY26E		
	Old	Revised	% Change	Old	Revised	% Change	Old	Revised	% Change
APE	191.0	194.0	1.6	212.5	217.7	2.4	236.5	244.4	3.3
VNB	53.3	55.2	3.7	61.1	62.6	2.5	68.9	71.1	3.1
VNB Margin (%)	27.9	28.5	0.6ppts	28.7	28.8	0.0ppts	29.2	29.1	-0.1ppts
EVOP	94.9	96.9	2.1	108.9	110.6	1.6	124.0	126.5	1.9
EV	548.3	550.2	0.3	655.2	658.8	0.5	777.3	783.3	0.8
PAT	20.4	20.4	0.2	23.2	23.3	0.5	26.4	26.6	0.9

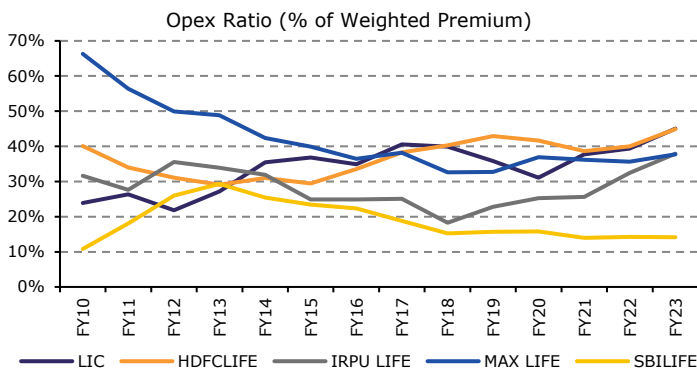
Source: Company, Emkay Research

**Exhibit 4: Life Insurance Stock Price Performance – SBI Life underperforms peers in recent months**

Source: Bloomberg, Emkay Research

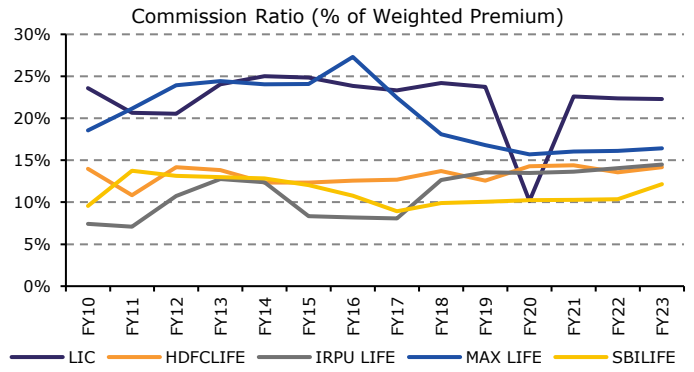
# Story in Charts

**Exhibit 5: SBI Life emerges as a low-cost player among peers**



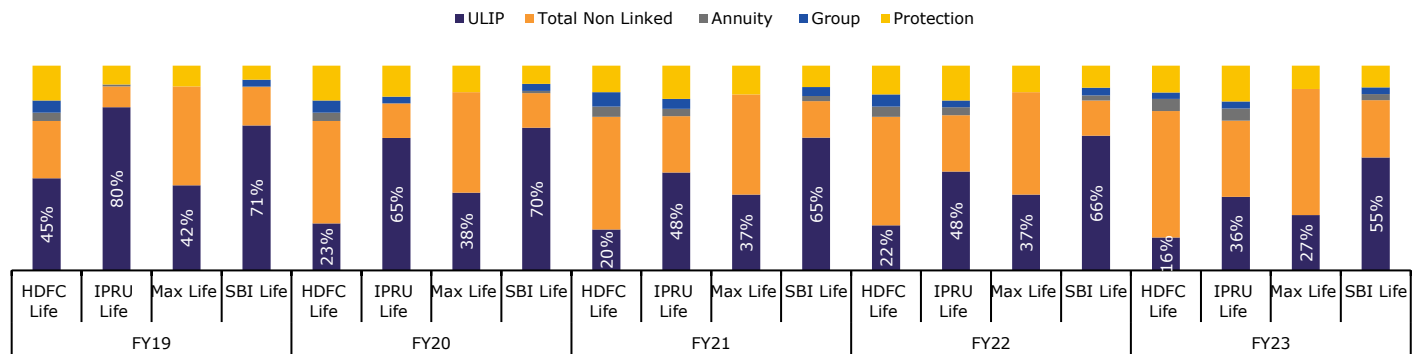
Source: Company, Emkay Research; Note: Weighted Premium = 100% of New Business Regular + 10% of Single premium business + 20% of renewal premium

**Exhibit 6: SBI Life's commission ratio is the lowest among peers**



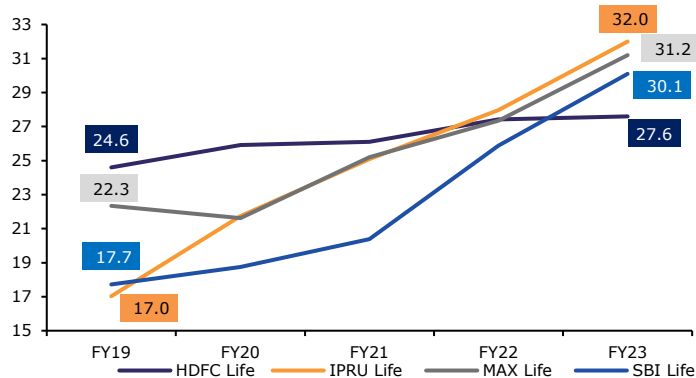
Source: Company, Emkay Research; Note: Weighted Premium = 100% of New Business Regular + 10% of Single premium business + 20% of renewal premium

**Exhibit 7: SBI Life's Product mix has been ULIP-heavy in the last 5 years**



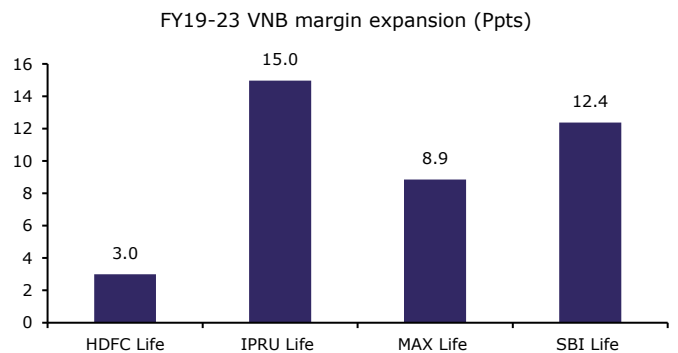
Source: Company, Emkay Research

**Exhibit 8: Despite its ULIP-heavy product mix, SBI Life has delivered consistent expansion in VNB margin**



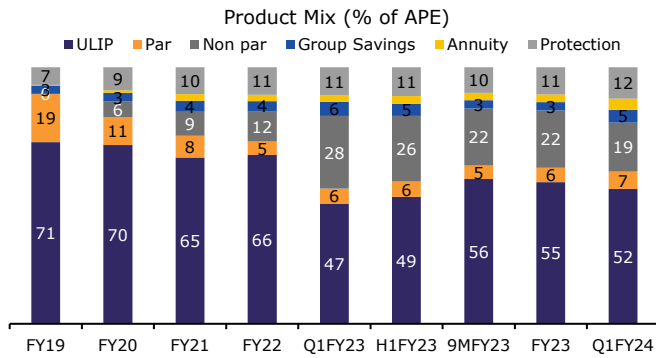
Source: Company, Emkay Research

**Exhibit 9: SBI Life's VNB margin witnessed 12.4bps expansion during FY19-23**



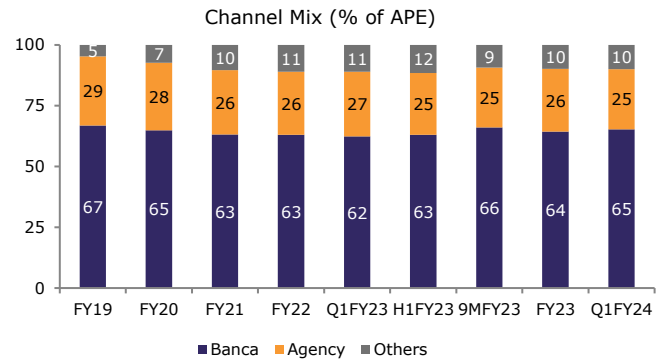
Source: Company, Emkay Research

**Exhibit 10: ULIP dominates the overall APE product mix**



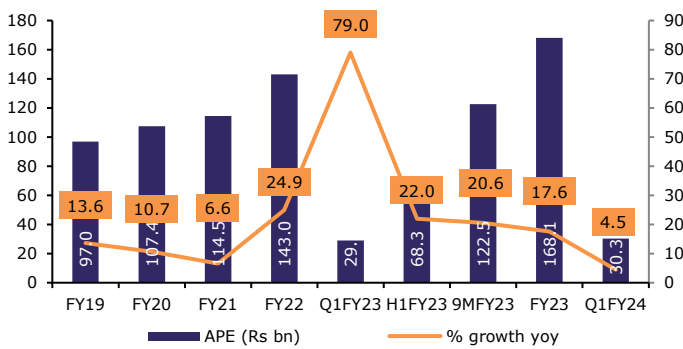
Source: Company, Emkay Research

**Exhibit 11: Banca channel leads the APE channel mix**



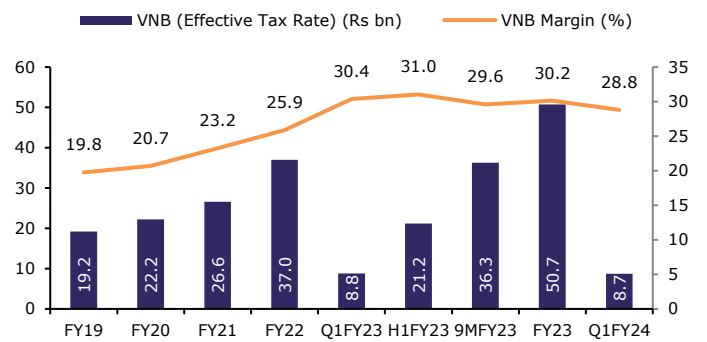
Source: Company, Emkay Research

**Exhibit 12: SBI life's APE grew at 17.6% during FY23**



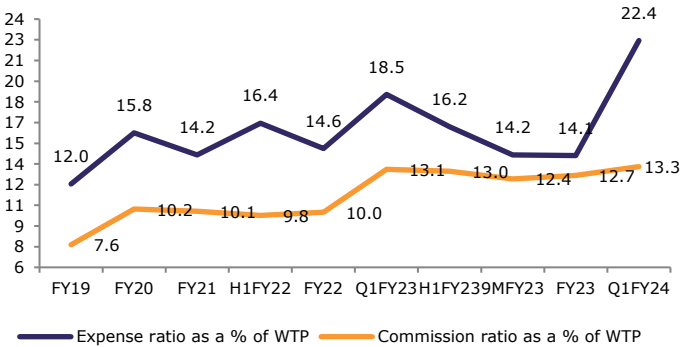
Source: Company, Emkay Research

**Exhibit 13: VNB margin expanding consistently over the past years**



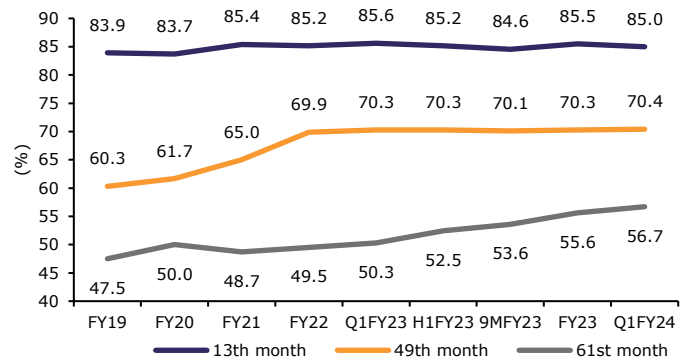
Source: Company, Emkay Research

**Exhibit 14: Expense Ratio spikes to 22.4% in Q1FY24**



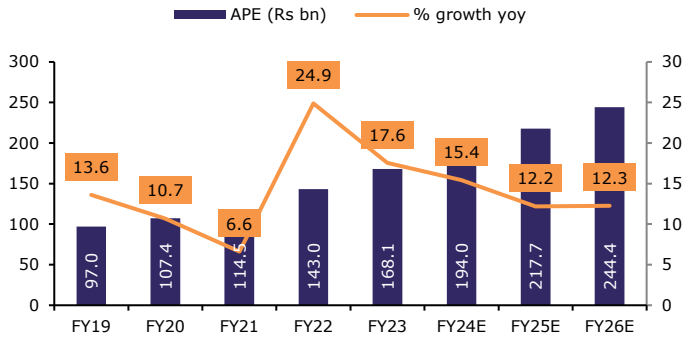
Source: Company, Emkay Research

**Exhibit 15: 61st-month persistency witnesses consistent improvement**



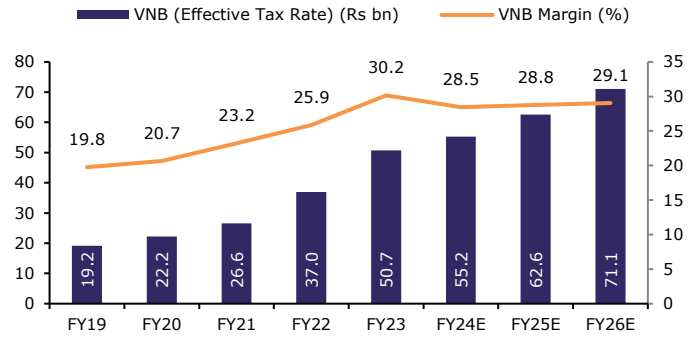
Source: Company, Emkay Research

**Exhibit 16: YTD FY24 (as of Aug-23) growth trends are likely to result in 15.4% APE growth for FY24E**



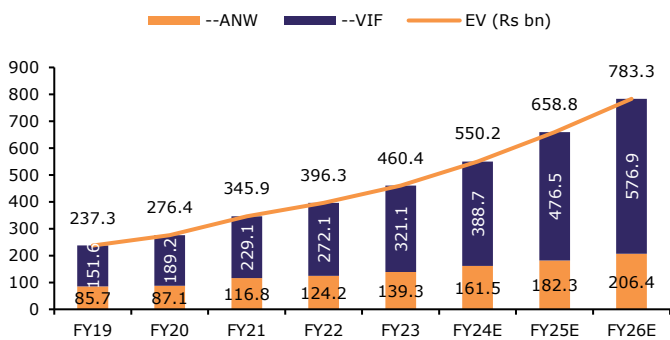
Source: Company, Emkay Research

**Exhibit 17: SBI Life is expected to clock 28.5% VNB margin for FY24E**



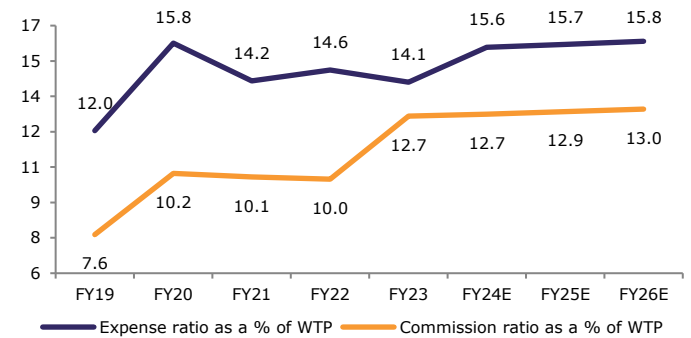
Source: Company, Emkay Research

**Exhibit 18: SBI Life's EV is expected to grow to Rs783bn by FY26E**



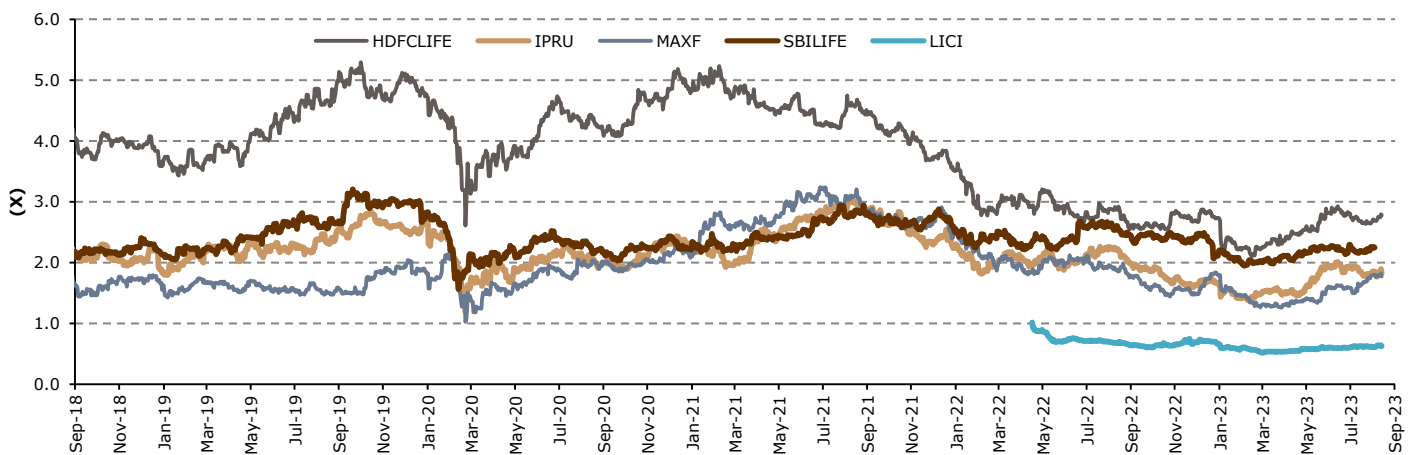
Source: Company, Emkay Research

**Exhibit 19: Expense ratio is expected to inch up to 15.6% during FY24E**



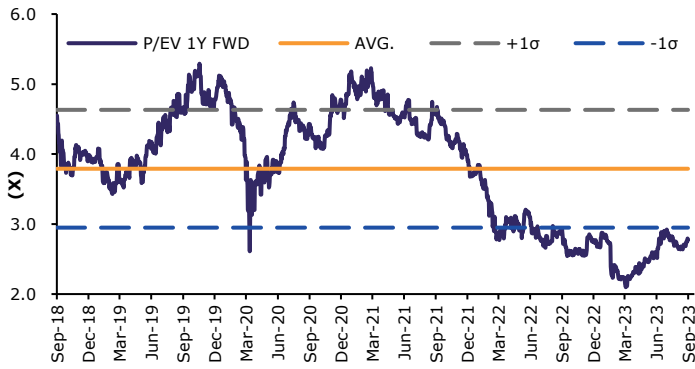
Source: Company, Emkay Research

**Exhibit 20: Life Insurers – 1Y FWD P/EV**



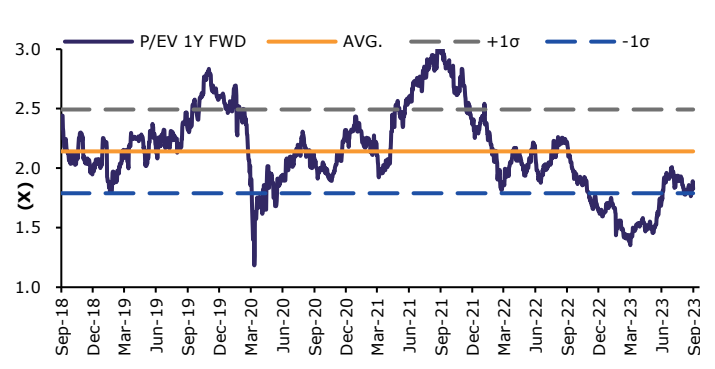
Source: Company, Emkay Research

**Exhibit 21: HDFC Life – P/EV 1Y Fwd**



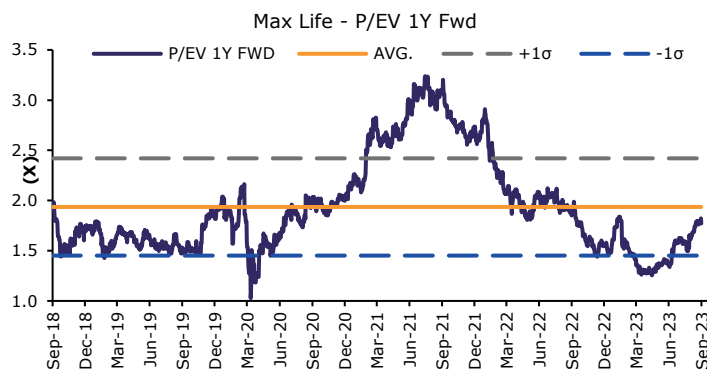
Source: Bloomberg, Emkay Research

**Exhibit 22: IPRU Life – P/EV 1Y Fwd**



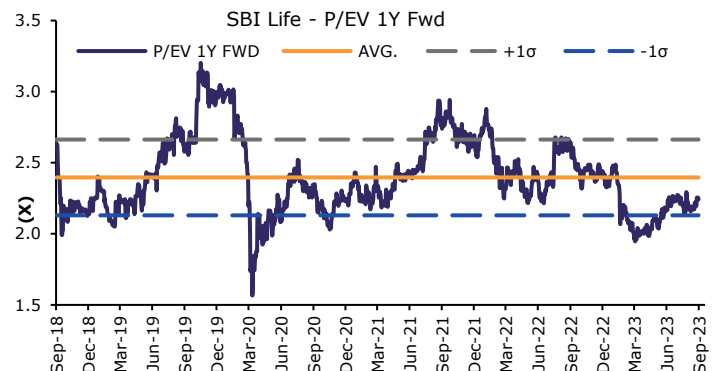
Source: Bloomberg, Emkay Research

**Exhibit 23: MAX Life – P/EV 1Y Fwd**



Source: Bloomberg, Emkay Research

**Exhibit 24: SBI Life – P/EV 1Y Fwd**



Source: Bloomberg, Emkay Research

## Exhibit 25: Life Insurance – Peer Valuation

Company	Unit	HDFC Life				ICICI Prudential Life				Max Financial Services				SBI Life			
Bloomberg ticker		HDFCLIFE IN				IPRU IN				MAXF IN				SBILIFE IN			
Rating		BUY				BUY				BUY				BUY			
Current market price	Rs	659				555				930				1349			
Market Capitalisation	Rs bn	1417				799				321				1350			
Market Capitalisation	USD mn	17,081				9,634				3,870				16,281			
Target price	Rs	740				660				1100				1690			
Upside/Downside	%	12.3				18.9				18.3				25.3			
		HDFC Life				ICICI Prudential Life				Max Financial Services				SBI Life			
Profitability		FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E
VNB Margin	%	27.6	27.6	28.4	29.3	32.0	30.4	30.4	30.8	31.2	27.5	27.5	27.5	30.1	28.5	28.8	29.1
Operating RoEV	%	21.6	19.5	18.8	18.6	17.4	16.7	16.3	16.2	22.1	20.4	19.3	19.0	22.8	21.0	20.1	19.2
Valuation at CMP		FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E
P/EV	x	3.6	3.0	2.5	2.1	2.2	1.9	1.7	1.5	2.5	1.9	1.6	1.4	2.9	2.5	2.0	1.7
P/EVOP	x	21.7	18.3	15.9	13.5	14.5	13.4	11.9	10.4	12.7	12.0	9.9	8.5	14.9	13.9	12.2	10.7
Implied P/VNB	x	30.2	25.9	20.3	15.4	17.4	15.8	12.5	9.4	13.1	12.4	8.5	5.9	18.8	16.1	12.8	9.7
Implied P/VIF	x	4.8	3.8	3.1	2.5	2.2	1.9	1.7	1.5	2.8	2.2	1.8	1.5	3.8	3.1	2.5	2.0
P/B	x	10.9	10.0	9.0	8.1	7.9	7.3	6.8	6.3	7.4	6.7	6.0	5.3	10.4	9.2	8.0	7.0
P/E	x	103.4	89.2	69.5	61.2	98.4	67.1	53.4	50.8	84.8	65.5	54.4	46.0	78.4	66.1	57.9	50.7
P/AUM	x	0.59	0.53	0.47	0.41	0.32	0.29	0.27	0.25	0.32	0.27	0.23	0.20	0.44	0.37	0.31	0.26
per share data		FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E
EV	Rs	183.9	221.5	261.4	308.1	247.9	285.7	328.2	377.1	377.0	483.6	573.3	677.8	460.1	549.9	658.4	782.8
EVOP	Rs	30.4	35.9	41.6	48.7	38.2	41.4	46.7	53.2	73.5	77.8	94.4	110.1	90.4	96.8	110.5	126.4
VNB	Rs	17.1	18.4	21.6	25.7	19.2	19.4	21.5	24.2	45.7	44.7	52.3	60.8	50.7	55.2	62.6	71.0
VIF	Rs	124.4	156.5	189.3	227.9	247.9	285.7	328.2	377.1	301.8	362.9	443.0	536.2	320.8	388.4	476.1	576.4
Book Value	Rs	60.4	66.0	73.1	81.1	70.2	75.6	81.8	88.4	125.0	139.2	156.3	176.5	130.1	147.4	168.1	192.2
Earnings	Rs	6.4	7.4	9.5	10.8	5.6	8.3	10.4	10.9	11.0	14.2	17.1	20.2	17.2	20.4	23.3	26.6
AUM	Rs	1,111	1,234	1,397	1,599	1,727	1,903	2,048	2,217	2,884	3,439	4,010	4,666	3,076	3,676	4,361	5,142
ANW	Rs	59.5	65.0	72.1	80.2	28.1	40.7	46.7	53.2	79.9	126.7	137.5	150.1	139.1	161.3	182.1	206.2
Key parameters		FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E
APE	Rs bn	133.4	143.2	163.0	188.5	86.4	92.0	101.9	112.9	62.5	69.2	81.1	94.2	168.1	194.0	217.7	244.4
VNB	Rs bn	36.7	39.5	46.3	55.3	27.7	28.0	30.9	34.7	19.5	19.0	22.3	25.9	50.7	55.2	62.6	71.1
EVOP	Rs bn	64.9	77.2	89.3	104.7	54.9	59.5	67.1	76.4	31.3	33.1	40.2	46.9	90.4	96.9	110.6	126.5
EV	Rs bn	395.3	476.0	561.8	662.2	356.3	410.6	471.8	541.9	162.6	208.6	247.3	292.4	460.4	550.2	658.8	783.3
Net Worth	Rs bn	129.9	141.8	157.0	174.4	100.9	108.6	117.6	127.0	43.1	48.0	53.9	60.9	130.2	147.5	168.3	192.4
Net Profit	Rs bn	13.6	15.9	20.4	23.1	8.1	11.9	14.9	15.7	4.5	6.2	7.4	8.8	17.2	20.4	23.3	26.6
AUM	Rs bn	2,388	2,652	3,002	3,436	2,482	2,735	2,943	3,187	1,229	1,465	1,708	1,988	3,079	3,680	4,365	5,147
Growth YoY		FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E
APE	%	36.7	7.4	13.8	15.7	11.7	6.4	10.8	10.8	11.8	10.7	17.2	16.2	17.6	15.4	12.2	12.3
VNB	%	37.3	7.4	17.4	19.5	27.8	1.1	10.7	12.3	27.6	-2.4	17.2	16.2	37.0	9.0	13.3	13.5
EVOP	%	47.3	19.0	15.7	17.2	71.9	8.4	12.8	13.9	37.6	5.8	21.3	16.6	59.5	7.1	14.2	14.4
EV	%	31.5	20.4	18.0	17.9	12.7	15.2	14.9	14.9	14.7	28.3	18.5	18.2	16.2	19.5	19.7	18.9
Net Worth	%	-16.1	9.2	10.8	11.1	10.2	7.6	8.2	8.0	9.6	11.4	12.3	12.9	12.0	13.3	14.1	14.3
Net Profit	%	12.6	16.8	28.3	13.5	6.8	46.5	25.7	5.2	41.9	36.4	20.3	18.3	14.2	18.6	14.2	14.2
AUM	%	17.0	11.1	13.2	14.5	3.6	10.2	7.6	8.3	14.3	19.3	16.6	16.4	15.1	19.5	18.6	17.9

Source: Company, Emkay Research

## SBI Life: Standalone Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Gross premium	5,87,596	6,73,156	7,79,234	8,87,443	10,09,018
Net premium	5,84,323	6,65,810	7,71,442	8,78,569	9,98,928
Investment income	2,35,680	1,32,601	2,55,405	3,04,417	3,60,293
Other income	10,270	17,573	12,452	8,867	6,358
<b>Total revenue</b>	<b>8,30,272</b>	<b>8,15,985</b>	<b>10,39,299</b>	<b>11,91,853</b>	<b>13,65,578</b>
Commission expense	21,583	30,625	35,483	40,411	45,947
Operating expense	29,745	34,095	43,361	49,383	56,148
Benefits paid (net)	3,12,381	3,02,875	3,44,170	4,04,908	4,72,478
Change in reserves	4,37,619	4,10,031	5,82,062	6,63,492	7,56,459
<b>Total expenses</b>	<b>8,11,434</b>	<b>7,87,422</b>	<b>10,16,279</b>	<b>11,70,951</b>	<b>13,45,537</b>
<b>Surplus/Deficit</b>	<b>18,838</b>	<b>28,562</b>	<b>23,020</b>	<b>20,902</b>	<b>20,041</b>
Trf from policyholders' acct	17,324	27,072	22,020	19,902	19,040
Shareholders' results	(1,717)	(9,487)	(873)	4,246	8,531
<b>PBT</b>	<b>15,607</b>	<b>17,584</b>	<b>21,147</b>	<b>24,148</b>	<b>27,572</b>
Tax expense	548	379	740	845	965
<b>Reported PAT</b>	<b>15,060</b>	<b>17,206</b>	<b>20,407</b>	<b>23,303</b>	<b>26,607</b>
PAT growth (%)	3.4	14.2	18.6	14.2	14.2
<b>Adjusted PAT</b>	<b>15,060</b>	<b>17,206</b>	<b>20,407</b>	<b>23,303</b>	<b>26,607</b>
<b>Diluted EPS (Rs)</b>	<b>15.1</b>	<b>17.2</b>	<b>20.4</b>	<b>23.3</b>	<b>26.6</b>
Diluted EPS growth (%)	3.4	14.2	18.6	14.2	14.2
<b>DPS (Rs)</b>	<b>2.0</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>
<b>Dividend payout (%)</b>	<b>13.3</b>	<b>14.5</b>	<b>12.3</b>	<b>10.7</b>	<b>9.4</b>
Effective tax rate (%)	4	2	4	4	4
Shares outstanding (mn)	1,000	1,001	1,001	1,001	1,001

Source: Company, Emkay Research

Miscellaneous Metrics					
Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
APE	1,43,000	1,68,100	1,94,042	2,17,676	2,44,394
VNB	37,000	50,700	55,242	62,608	71,052
<b>VNB margin (%)</b>	<b>25.9</b>	<b>30.1</b>	<b>28.5</b>	<b>28.8</b>	<b>29.1</b>
APE growth (%)	24.9	17.6	15.4	12.2	12.3
VNB growth (%)	39.1	37.0	9.0	13.3	13.5
<b>Operating ratios (%)</b>					
NB commission/APE	8.6	12.0	0.0	0.0	0.0
Commissions/TWRP	4.5	5.6	5.7	5.7	5.7
Total exp ratio/TWRP	6.3	6.3	7.0	7.0	7.0
Conservation ratio	83.3	81.6	81.6	81.6	81.6
Solvency ratio	205.0	215.0	0.0	0.0	0.0
RoE	15.2	13.7	14.0	14.7	14.8
<b>Historical metrics</b>					
<b>APE mix (%)</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24E</b>	<b>FY25E</b>	<b>FY26E</b>
A. Retail protection	6.4	5.8	NA	NA	NA
B. Group protection	3.1	3.6	NA	NA	NA
C. Savings - individual					
Par	5.2	5.7	NA	NA	NA
Non-Par	12.0	22.3	NA	NA	NA
ULIP	65.8	55.3	NA	NA	NA
D. Group Savings	3.8	3.3	NA	NA	NA
<b>Persistence ratios (%)</b>					
13th Month	85.2	85.5	NA	NA	NA
49th Month	69.9	70.3	NA	NA	NA

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Share capital	10,004	10,009	10,009	10,009	10,009
Reserves & surplus	1,04,181	1,19,237	1,36,549	1,57,349	1,81,454
<b>Net worth</b>	<b>1,16,223</b>	<b>1,30,175</b>	<b>1,47,487</b>	<b>1,68,287</b>	<b>1,92,392</b>
Policy liabilities	10,97,590	13,01,319	15,58,852	18,51,321	21,83,509
Prov for linked liab.	13,44,530	15,35,926	18,60,539	22,46,895	26,87,050
FFA	9,936	11,427	13,713	16,455	19,747
Current liabilities & prov	51,298	50,996	61,891	74,064	87,742
<b>Total liabilities &amp; equity</b>	<b>26,82,072</b>	<b>30,95,866</b>	<b>36,97,525</b>	<b>43,84,560</b>	<b>51,68,415</b>
Shareholders' investment	1,00,758	1,12,087	1,26,994	1,44,904	1,65,659
Policyholders' investment	11,21,307	12,98,702	15,54,578	18,46,251	21,78,793
Assets to cover linked liab.	14,26,253	16,32,555	19,54,209	23,20,861	27,38,888
Current assets	76,157	94,413	1,12,761	1,33,714	1,57,618
<b>Total assets</b>	<b>26,82,072</b>	<b>30,95,866</b>	<b>36,97,525</b>	<b>43,84,560</b>	<b>51,68,415</b>
BV/share (INR)	116.2	130.1	147.4	168.1	192.2
EV/share (INR)	396.2	460.1	549.9	658.4	782.8
EVOP/share (INR)	56.7	90.4	96.8	110.5	126.4
<b>Embedded value</b>	<b>3,96,269</b>	<b>4,60,369</b>	<b>5,50,227</b>	<b>6,58,808</b>	<b>7,83,258</b>
ANW	1,24,192	1,39,253	1,61,487	1,82,287	2,06,392
VIF	2,72,077	3,21,116	3,88,739	4,76,520	5,76,866
VIF share in EV (%)	68.7	69.8	70.7	72.3	73.6
Total AUM	26,73,177	30,86,761	36,86,652	43,71,666	51,53,216
Investment yield (%)	10.2	4.9	8.0	8.0	8.0
Yield on PH funds (%)	10.1	4.8	7.9	7.9	7.9
Yield on SH funds (%)	10.5	7.5	9.4	9.4	9.4

Source: Company, Emkay Research

Valuation & key ratios					
Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
P/E (x)	89.7	78.5	66.2	58.0	50.8
P/B (x)	11.6	10.4	9.2	8.0	7.0
P/EV (x)	3.4	2.9	2.5	2.1	1.7
P/EVOP (x)	29.8	18.7	17.5	15.3	13.4
Implied P/VNB (x)	27.2	18.8	16.1	12.8	9.7
Dividend yield (%)	0.1	0.2	0.2	0.2	0.2
<b>EV account and RoEV</b>					
<b>Opening EV</b>	<b>3,46,069</b>	<b>3,96,269</b>	<b>4,60,369</b>	<b>5,50,227</b>	<b>6,58,808</b>
Premium unwind	27,300	34,100	39,616	45,973	53,398
VNB	37,000	50,700	55,242	62,608	71,052
Operating variance	(7,700)	5,640	2,000	2,000	2,000
<b>EVOP</b>	<b>56,700</b>	<b>90,440</b>	<b>96,858</b>	<b>1,10,581</b>	<b>1,26,450</b>
Investment variance	(4,500)	(24,240)	(5,000)	0	0
Capital movement	(2,000)	(2,100)	(2,000)	(2,000)	(2,000)
<b>Closing EV</b>	<b>3,96,269</b>	<b>4,60,369</b>	<b>5,50,227</b>	<b>6,58,808</b>	<b>7,83,258</b>
Change in EV	50,200	64,100	89,858	1,08,581	1,24,450
RoEV (%)	15.6	16.7	2NA	20.1	19.2
Operating RoEV (%)	16.4	22.8	21.0	20.1	19.2
EVOP growth (%)	12.9	59.5	7.1	14.2	14.4
<b>EV growth (%)</b>	<b>14.6</b>	<b>16.2</b>	<b>19.5</b>	<b>19.7</b>	<b>18.9</b>
<b>Core operating RoEV (%)</b>	<b>16.4</b>	<b>22.8</b>	<b>21.0</b>	<b>20.1</b>	<b>19.2</b>
Unwind rate (%)	7.9	8.6	8.6	8.4	8.1
VNB-to-opening EV (%)	10.7	12.8	12.0	11.4	10.8

Source: Company, Emkay Research

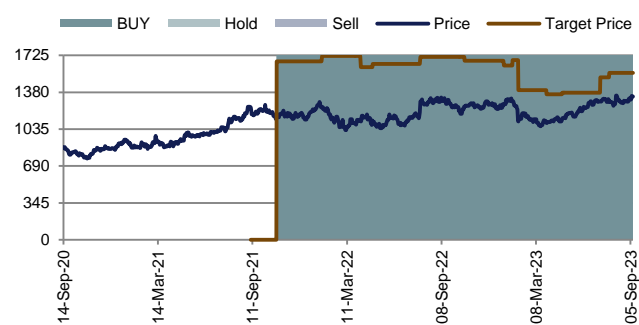


## RECOMMENDATION HISTORY - DETAILS

Date	CMP (INR)	TP (INR)	Rating	Analyst
08-Sep-23	1,341	1,560	Buy	Avinash Singh
21-Aug-23	1,279	1,560	Buy	Avinash Singh
09-Aug-23	1,349	1,560	Buy	Avinash Singh
26-Jul-23	1,293	1,560	Buy	Avinash Singh
09-Jul-23	1,294	1,520	Buy	Avinash Singh
10-Jun-23	1,232	1,375	Buy	Avinash Singh
01-Jun-23	1,208	1,375	Buy	Avinash Singh
16-May-23	1,181	1,375	Buy	Avinash Singh
27-Apr-23	1,137	1,375	Buy	Avinash Singh
21-Apr-23	1,107	1,360	Buy	Avinash Singh
03-Apr-23	1,104	1,360	Buy	Avinash Singh
28-Mar-23	1,091	1,360	Buy	Avinash Singh
09-Mar-23	1,097	1,400	Buy	Avinash Singh
07-Feb-23	1,132	1,400	Buy	Avinash Singh
06-Feb-23	1,138	1,400	Buy	Avinash Singh
02-Feb-23	1,108	1,400	Buy	Avinash Singh
22-Jan-23	1,296	1,680	Buy	Avinash Singh
10-Jan-23	1,303	1,630	Buy	Avinash Singh
05-Jan-23	1,268	1,630	Buy	Avinash Singh
03-Jan-23	1,268	1,675	Buy	Avinash Singh
08-Dec-22	1,267	1,675	Buy	Avinash Singh
08-Nov-22	1,279	1,675	Buy	Avinash Singh
22-Oct-22	1,246	1,675	Buy	Avinash Singh
10-Oct-22	1,239	1,710	Buy	Avinash Singh
29-Sep-22	1,240	1,710	Buy	Avinash Singh
07-Sep-22	1,332	1,710	Buy	Avinash Singh
05-Sep-22	1,293	1,710	Buy	Avinash Singh
24-Aug-22	1,288	1,710	Buy	Avinash Singh
08-Aug-22	1,270	1,710	Buy	Avinash Singh
29-Jul-22	1,294	1,710	Buy	Avinash Singh
08-Jun-22	1,136	1,645	Buy	Avinash Singh
17-May-22	1,070	1,645	Buy	Avinash Singh
12-May-22	1,061	1,645	Buy	Avinash Singh
09-May-22	1,064	1,645	Buy	Avinash Singh
06-May-22	1,059	1,645	Buy	Avinash Singh
29-Apr-22	1,106	1,645	Buy	Avinash Singh
19-Apr-22	1,125	1,615	Buy	Avinash Singh
06-Apr-22	1,107	1,615	Buy	Avinash Singh
08-Feb-22	1,131	1,720	Buy	Avinash Singh
22-Jan-22	1,241	1,720	Buy	Avinash Singh
18-Jan-22	1,266	1,670	Buy	Avinash Singh
07-Dec-21	1,159	1,670	Buy	Avinash Singh
09-Nov-21	1,207	1,670	Buy	Avinash Singh
27-Oct-21	1,186	1,670	Buy	Avinash Singh
07-Sep-21	1,239	-	UR	Avinash Singh

Source: Company, Emkay Research

## RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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