

# SBI Life Insurance

**CMP: INR2,053 TP: INR2,570 (+25%) Buy**

## Strong growth in term; 110bp GST impact on VNB margin

- SBI Life Insurance (SBILIFE) reported a 24% YoY growth in new business APE to INR86b (6% beat) for 3QFY26. For 9MFY26, APE grew 16% YoY to INR185.2b.
- Absolute VNB grew 22% YoY to INR22.9b (in line), reflecting a VNB margin of 26.6% for the quarter vs 26.9% in 3QFY25 (vs our est. of 27.5%). For 9MFY26, VNB grew 17% YoY to INR50.4b, reflecting a VNB margin of 27.2% (+30bp YoY), including a 110bp impact due to GST exemption.
- The company reported a 5% YoY growth in shareholder PAT to INR5.8b (10% beat). For 9MFY26, PAT grew 4% YoY to INR16.7b. Excluding the one-time impact of labor code and the GST impact, PAT would have grown 34% YoY to INR21.5b.
- Management maintains its APE growth guidance of 13-14%, with the expectation of a sustained growth trajectory in FY27. The GST impact is expected to be offset by a product mix shift and improved operational efficiency, with net impact at ~30-40bp. Accordingly, management has maintained its FY26 VNB margin guidance of 26-28%.
- We have largely maintained our APE/VNB estimates, factoring in an FY25-28 CAGR of 15%/16%, with an operating RoEV of over 18%. **We reiterate our BUY rating with a revised TP of INR2,570 (based on 2.2x FY28E P/EV).**

## Protection momentum continues; broad-based channel growth

- SBILIFE reported a gross premium of INR304.5b (in line), reflecting growth of 22% YoY, driven by 21% YoY growth in renewal premium, 23% YoY growth in first year premium, and 24% YoY growth in single premium.
- The total cost ratio was at 11.6% vs. 8.7% in 3QFY25, and management expects the ratio to be in a similar range going forward. The commission ratio increased to 5.3% from 4.1% in 3QFY25. The operating expense ratio stood at 6.3% vs 4.6% in 3QFY25.
- On the product front, ULIP APE grew 16% YoY, but contribution declined to 66% of total APE (71% in 3QFY25). Strong traction in smart money-back product drove ~7x YoY growth in par, raising its APE contribution to 9% (1.6% in 3QFY25). Non-par savings growth was tepid at 6% YoY, while individual protection witnessed growth of 29% YoY. The annuity segment witnessed growth of 43% YoY. In the group segment, group savings witnessed 33% YoY growth, while the group protection business grew 3% YoY.
- On the distribution front, the agency channel witnessed a 25% YoY growth, driven by 350%/18% YoY growth in par/ULIP segments, while non-par declined 2% YoY due to a shift in focus toward new par products. Individual APE in the bancassurance channel grew 25% YoY, driven by 11x YoY growth in the par segment, 21% YoY growth in non-par, and 15% YoY growth in ULIP. Other channel partners (brokers, digital, etc.) witnessed 39% YoY growth in individual APE, driven by 6x YoY growth in the par segment and 25% YoY growth in non-par, while ULIP declined 14% YoY.

Estimate change	↔
TP change	↑
Rating change	↔

Bloomberg	SBILIFE IN
Equity Shares (m)	1003
M.Cap.(INRb)/(USD\$)	2059 / 22.4
52-Week Range (INR)	2116 / 1373
1, 6, 12 Rel. Per (%)	4/8/34
12M Avg Val (INR M)	1906

### Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Net Premiums	990	1,146	1,324
Surplus / Deficit	28.2	32.7	38.3
Sh.PAT	22.2	24.3	27.9
NBP gr- APE (%)	15.4	15.2	14.6
Premium gr (%)	17.8	15.7	15.6
VNB margin (%)	27.5	28.0	28.5
RoE (%)	12.4	12.2	12.5
RoIC (%)	12.5	12.2	12.6
RoEV (%)	18.4	18.6	18.3
Total AUMs (INRt)	5.4	6.4	7.5
VNB	68.0	79.7	93.0
EV per share	832	987	1,167

### Valuations

P/EV (x)	2.5	2.1	1.8
P/EVOP (x)	15.9	13.2	11.3

\*VNB, VNB margins based on ETR

### Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	55.3	55.4	55.4
DII	18.7	18.7	17.9
FII	21.9	21.9	22.5
Others	4.1	4.1	4.2

FII includes depository receipts

- The company witnessed improvement in the 13<sup>th</sup>-month persistency (based on premium) in 3QFY26 at 84% (82.7% in 3QFY25), while the 61<sup>st</sup>-month persistency declined to 55.1% (62.3% in 3QFY25).
- AUM grew 16% YoY to INR5.1t (in line). Solvency ratio remained stable at 1.91x.
- EV at the end of 9MFY26 was at INR801.3b.

### Highlights from the management commentary

- Rider penetration remains strong, with riders contributing ~30% of individual sum assured and 35–40% attachment on a policy count basis. Renewal rider attachment has also been introduced, further supporting protection economics.
- SBI branch productivity remains healthy at INR6.4m on an individual APE basis. Agency productivity improved to INR300,000 per agent, despite an expanding agent base, reflecting improving quality and effectiveness of the agency channel.
- The decline in 61M persistency is attributed to the COVID cohort, while marginal softness in 25M and 37M cohorts is expected to normalize in 4Q. Overall, persistency metrics are expected to stabilize as growth moderates and the post-COVID book seasons.

### Valuation and view

- SBILIFE's VNB margin in 3QFY26 witnessed the impact of GST, which was offset, to some extent, by a strong traction toward protection products, rising rider attachment rates, and a shift in the product mix toward traditional products. Going forward, sustained traction in non-linked products and further improvement in rider attachment are expected to drive VNB margin expansion.
- Continued investments in agency and digital channels are expected to drive overall growth, supported by a recovery in the bancassurance channel.
- We have largely maintained our APE/VNB estimates, factoring in FY25-28 CAGR of 15%/16% with an operating RoEV of 18%+. **We reiterate our BUY rating with a revised TP of INR2,570 (based on 2.2x FY28E P/EV).**

### Quarterly Performance

Policy holder's A/c (INRb)	FY25				FY26				FY25	FY26E	FY26E 3QE	V/s est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
First year premium	31.5	49.2	64.5	48.6	35.4	52.9	79.2	55.2	193.7	222.7	74.8	5.8
Growth (%)	19%	6%	14%	7%	12%	8%	23%	14%	11%	15%	16%	
Renewal premium	85.4	117.2	144.7	146.8	105.5	140.0	174.7	162.7	494.1	582.9	169.0	3.4
Growth (%)	16%	16%	14%	13%	24%	19%	21%	11%	14%	18%	17%	
Single premium	38.9	37.8	40.8	44.6	37.3	57.9	50.6	49.4	162.1	195.2	47.2	7.2
Growth (%)	9%	-30%	0%	-42%	-4%	53%	24%	11%	-22%	20%	16%	
Gross premium income	155.7	204.1	250.0	240.0	178.1	250.8	304.5	267.3	849.8	1,000.8	291.1	4.6
Growth (%)	15%	1%	11%	-5%	14%	23%	22%	11%	4%	18%	16%	
PAT	5.2	5.3	5.5	8.1	5.9	4.9	5.8	7.5	24.1	22.2	5.2	10.1
Growth (%)	36%	39%	71%	0%	14%	-7%	5%	-8%	27%	-8%	-5%	
<b>Key metrics (INRb)</b>												
New Business APE	36.4	53.9	69.4	54.5	39.7	59.5	86.0	61.9	214.2	247.1	81.2	6.0
Growth (%)	20%	3%	13%	2%	9%	10%	24%	14%	8%	15%	17%	
VNB	9.7	14.5	18.7	16.6	10.9	16.6	22.9	17.6	59.5	68.0	22.3	2.6
Growth (%)	11%	-3%	11%	10%	12%	14%	22%	6%	7%	14%	19%	
AUM	4,148	4,390	4,417	4,480	4,758	4,815	5,117	5,378	4,480	5,378	5,007	2.2
Growth (%)	26%	27%	19%	15%	15%	10%	16%	20%	15%	20%	13%	
<b>Key Ratios (%)</b>												
VNB margin (%)	26.8	26.9	26.9	30.5	27.4	27.9	26.6	28.4	27.8	27.5	27.5	(87)

**Policyholder A/C**

INRb	FY25				FY26		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
<b>Net premium income</b>	<b>151.1</b>	<b>202.7</b>	<b>248.3</b>	<b>238.6</b>	<b>171.8</b>	<b>248.5</b>	<b>302.5</b>
First year premium	31.5	49.2	64.5	48.6	35.4	52.9	79.2
Renewal premium	85.4	117.2	144.7	146.8	105.5	140.0	174.7
Single premium	38.9	37.8	40.8	44.6	37.3	57.9	50.6
Investment Income	192.8	197.5	-62.8	-10.4	215.3	-20.6	155.3
<b>Total income</b>	<b>343.9</b>	<b>400.2</b>	<b>185.4</b>	<b>241.7</b>	<b>387.0</b>	<b>228.1</b>	<b>458.0</b>
Commission paid	5.7	8.4	10.1	10.0	6.7	12.4	16.1
Operating expenses	9.5	11.4	11.6	10.2	12.5	15.2	19.1
<b>Total commission &amp; Opex</b>	<b>15.2</b>	<b>19.8</b>	<b>21.7</b>	<b>20.2</b>	<b>19.2</b>	<b>27.6</b>	<b>35.2</b>
Benefits paid	98.3	140.1	125.3	125.3	101.2	134.8	144.7
<b>Change in actuarial liability</b>	<b>220.3</b>	<b>230.5</b>	<b>29.1</b>	<b>77.1</b>	<b>259.0</b>	<b>60.4</b>	<b>273.5</b>
<b>Total Expenses</b>	<b>333.8</b>	<b>390.4</b>	<b>176.2</b>	<b>222.5</b>	<b>379.3</b>	<b>222.8</b>	<b>453.4</b>
<b>PBT</b>	<b>8.0</b>	<b>7.0</b>	<b>6.1</b>	<b>16.2</b>	<b>5.1</b>	<b>2.2</b>	<b>4.7</b>
Tax	0.6	0.5	0.2	0.6	0.5	0.2	0.4
<b>Surplus/(Deficit)</b>	<b>7.4</b>	<b>6.4</b>	<b>5.9</b>	<b>15.6</b>	<b>4.7</b>	<b>2.0</b>	<b>4.3</b>
<b>Shareholder's A/C</b>							
Trf from policyholder a/c	2.8	2.5	2.6	19.5	3.2	2.1	2.7
Investment income	2.6	2.8	3.2	2.5	2.9	3.2	3.6
<b>Total income</b>	<b>5.4</b>	<b>5.4</b>	<b>5.8</b>	<b>22.0</b>	<b>6.1</b>	<b>5.3</b>	<b>6.3</b>
<b>PBT</b>	<b>5.4</b>	<b>5.5</b>	<b>5.7</b>	<b>8.4</b>	<b>6.1</b>	<b>5.1</b>	<b>6.0</b>
<b>PAT</b>	<b>5.2</b>	<b>5.3</b>	<b>5.5</b>	<b>8.1</b>	<b>5.9</b>	<b>4.9</b>	<b>5.8</b>
<b>APE Data</b>							
<b>Individual Savings</b>	<b>30.6</b>	<b>46.6</b>	<b>61.4</b>	<b>44.1</b>	<b>32.3</b>	<b>49</b>	<b>76.4</b>
Par	1.4	3.2	1.1	1.7	1.8	2.8	7.7
Non Par	7.0	8.4	10.9	12.8	7.7	11.8	11.6
ULIP	22.2	35.0	49.4	29.6	22.8	34.4	57.1
<b>Group Savings Business</b>	<b>1.6</b>	<b>1.1</b>	<b>1.2</b>	<b>1.7</b>	<b>1.5</b>	<b>2.7</b>	<b>1.6</b>
<b>Annuity</b>	<b>1.2</b>	<b>1.2</b>	<b>1.4</b>	<b>1.5</b>	<b>1.3</b>	<b>1.8</b>	<b>2</b>
<b>Total Protection</b>	<b>3.0</b>	<b>5.0</b>	<b>5.4</b>	<b>7.1</b>	<b>4.6</b>	<b>6.0</b>	<b>6.0</b>
Individual Protection	1.5	1.7	2.1	3.0	1.6	2.1	2.7
Group Protection	1.5	3.3	3.3	4.1	3.0	3.8	3.4
<b>Total APE</b>	<b>36.4</b>	<b>53.9</b>	<b>69.4</b>	<b>54.5</b>	<b>39.7</b>	<b>59.5</b>	<b>86</b>
<b>APE (% of total)</b>							
<b>Individual Savings</b>	<b>84.1</b>	<b>86.5</b>	<b>88.5</b>	<b>80.9</b>	<b>81.4</b>	<b>82.4</b>	<b>88.8</b>
Par	3.8	5.9	1.6	3.1	4.5	4.7	9.0
Non Par	19.2	15.6	15.7	23.5	19.4	19.8	13.5
ULIP	61.0	64.9	71.2	54.3	57.4	57.8	66.4
<b>Group Savings Business</b>	<b>4.4</b>	<b>2.0</b>	<b>1.7</b>	<b>3.1</b>	<b>3.8</b>	<b>4.5</b>	<b>1.9</b>
<b>Annuity</b>	<b>3.3</b>	<b>2.2</b>	<b>2.0</b>	<b>2.8</b>	<b>3.3</b>	<b>3.0</b>	<b>2.3</b>
<b>Total Protection</b>	<b>8.2</b>	<b>9.3</b>	<b>7.8</b>	<b>13.0</b>	<b>11.6</b>	<b>10.1</b>	<b>7.0</b>
Individual Protection	4.1	3.2	3.0	5.5	4.0	3.5	3.1
Group Protection	4.1	6.1	4.8	7.5	7.6	6.4	4.0
<b>Distribution mix (%)</b>							
Banca	59.3	57.7	68.2	57.4	58.2	56.8	68.4
Agency	29.9	32.1	23.3	28.6	27.5	30.3	23.6
Others	10.7	10.2	8.5	13.9	14.4	12.9	8.0
<b>Key Ratios (%)</b>							
<b>Operating ratios</b>							
Commission (Unwtd)	3.7	4.1	4.1	4.2	3.7	4.9	5.3
Opex (UnWtd)	6.1	5.6	4.6	4.2	7.0	6.1	6.3
Total Cost (Unwtd)	9.8	9.7	8.7	8.4	10.8	11.0	11.6
Solvency ratio	201.0	204.0	209.0	196.0	196.0	194.0	191.0
<b>Operating ratios</b>							
VNB margins	26.8	26.9	26.9	30.5	27.4	27.9	26.6
<b>Persistency ratios</b>							
13th mth	86.5	84.2	82.7	86.6	84.2	85.4	84.0
25th mth	77.4	77.0	74.8	75.9	75.2	75.7	73.9
37th mth	71.5	68.0	70.0	70.7	70.3	71.4	69.4

49th mth	72.7	69.9	65.9	68.1	68.1	68.0	66.8
61st mth	57.8	55.9	62.3	61.5	59.8	56.2	55.1
<b>Key Metrics (INRb)</b>							
VNB	9.7	14.5	18.7	16.6	10.9	16.6	22.9
AUM	4148	4390	4417	4480	4758	4815	5117



## Highlights from the management commentary

### Business performance:

- Excluding GST and labor code headwinds, PAT would have stood at INR21.5b, reflecting a robust 34% YoY growth. The labor code impact of INR1.4b has been fully accounted for, including within EV.
- Cost discipline remains a key strength, with the opex ratio at 6.2% and total cost ratio at 11.2%, broadly stable despite the evolving product mix and regulatory impacts.
- The company continues to witness strong traction in protection, with individual sum assured growing 74%, leading to a moderation in solvency levels vs 1H due to the capital-intensive nature of the protection business.
- Pure protection premiums are lower in absolute terms, resulting in sum assured growth significantly outpacing premium growth.
- Management expects this trend to continue into 4Q and FY27, while maintaining full-year APE growth guidance of 13–14%, with FY27 growth not expected to fall below current levels.
- Operational efficiency continues to improve, with 99.7% of individual proposals submitted digitally and 58% underwritten digitally.
- Rider penetration remains strong, with riders contributing ~30% of individual sum assured and 35–40% attachment on a policy count basis. Renewal rider attachment has also been introduced, further supporting protection economics.

### Product mix:

- Protection remains the core growth pillar, with pure protection APE up 98% YoY on an individual basis in 9MFY26, significantly outperforming overall company growth.
- Credit life APE grew over 20% YoY, while overall protection growth continues to remain ahead of company growth.
- The UNO channel has emerged as a strong contributor, with 150,000 protection policies sold in 9MFY26.
- Par products saw a sharp 116% growth, driven by strong traction in recently launched offerings, particularly smart money-back product introduced to tap rising market demand.
- Non-par growth (excluding protection) stood at 10% on an IRP basis, which was temporarily impacted as distributor focus shifted toward the newly launched par product during the quarter.
- Annuity business has seen good traction even without the deferred annuity product, which is currently under development and expected to further support growth and margins over time.

### VNB margin

- Excluding GST impact, VNB margin would have been 28.3% in 9MFY26.
- Management reiterated its guidance band of 26–28%, supported by ongoing optimization in the product mix, channel mix, and operating leverage.
- After factoring in favorable product mix benefits, the net impact due to GST for FY26 is expected to be limited to 30–40bp, underscoring strong internal mitigation through pricing, mix, and cost actions.

### Channel mix

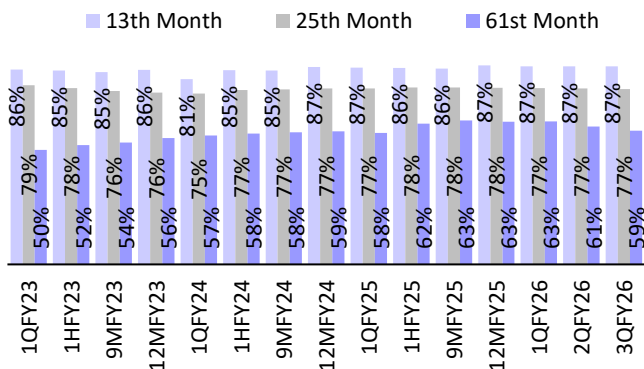
- Bancassurance continues to dominate with a 62% contribution to total APE.
- SBI branch productivity remains healthy at INR6.4m on an individual APE basis.
- Agency productivity improved to INR300,000 per agent despite an expanding agent base, reflecting improving quality and effectiveness of the agency channel.
- The agency channel also supported growth in non-ULIP and sum assured, helping lift the non-ULIP share to 37% in 9MFY26.
- Non-par business through non-banca channels grew 32% YoY on an individual APE basis, while the online channel delivered strong momentum, with 45% YoY APE growth.
- Management reiterated confidence in maintaining 13–14% APE growth for FY26, with 4Q expected to remain within the guided range despite normal seasonality variations across channels.
- SBILIFE remains prepared for any regulatory changes around commission caps, supported by the lowest cost structure in the industry.

### Persistency

- Persistency trends remain broadly stable with no structural concerns. While some decline was observed in cohorts other than 13M, management expects improvement by year-end.
- The decline in 61M persistency is attributed to the COVID cohort, while marginal softness in 25M and 37M cohorts is expected to normalise in 4Q. Overall, persistency metrics are expected to stabilise as growth moderates and the post-COVID book seasons.

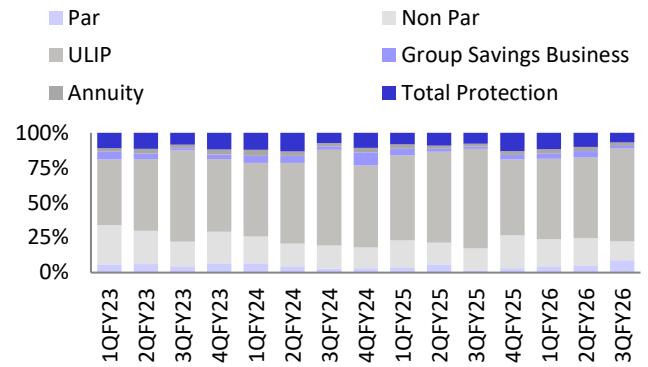
## Story in charts

**Exhibit 1: Persistency ratios across cohorts**



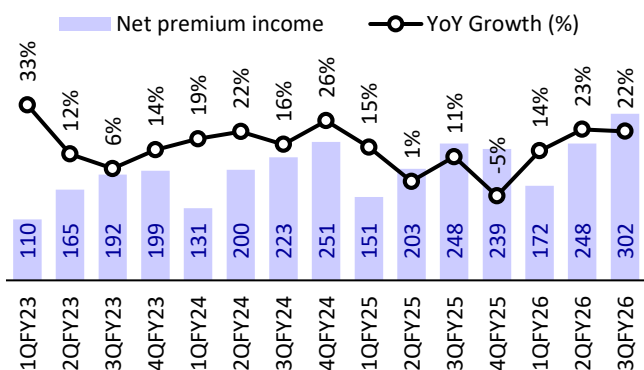
Source: MOFSL, Company

**Exhibit 2: Share of ULIP declined YoY to 66% of total APE**



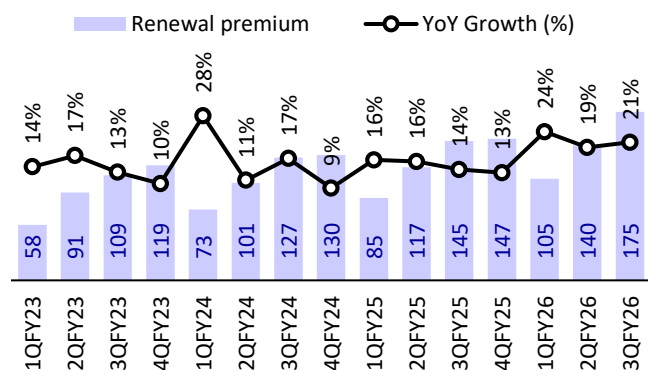
Source: MOFSL, Company

**Exhibit 3: Net premium up 22% YoY in 3QFY26**



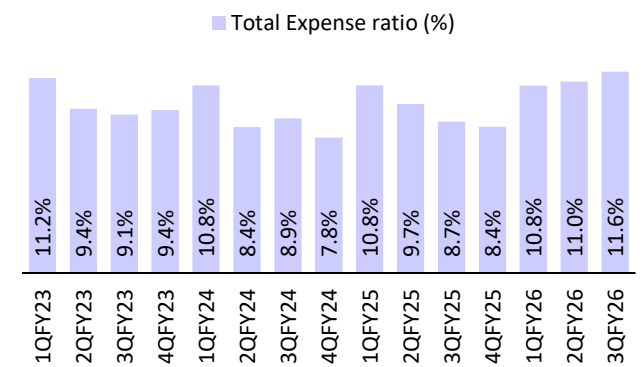
Source: MOFSL, Company

**Exhibit 4: Renewal premium grew 21% YoY in 3QFY26**



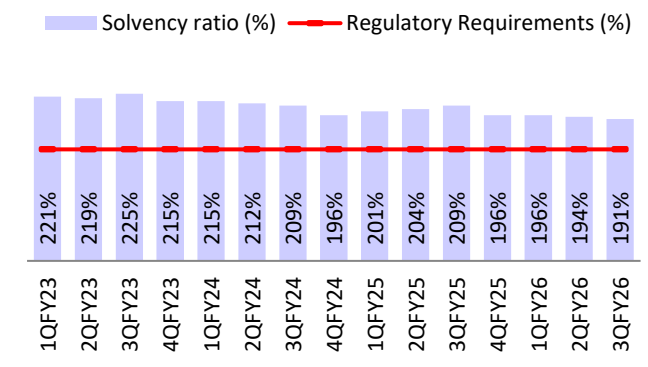
Source: MOFSL, Company

**Exhibit 5: Total expense ratio stood at 11.6% in 2QFY26**



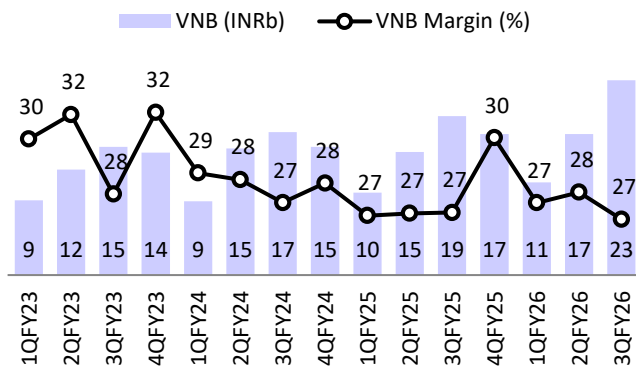
Source: MOFSL, Company

**Exhibit 6: Solvency ratio remained healthy at 191%**



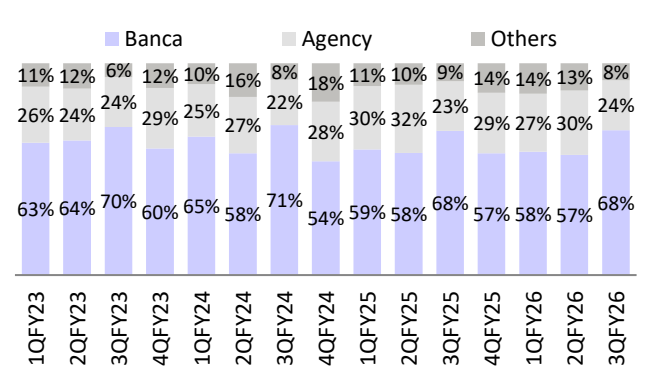
Source: MOFSL, Company

**Exhibit 7: VNB margin stood at 26.6% in 3QFY26**



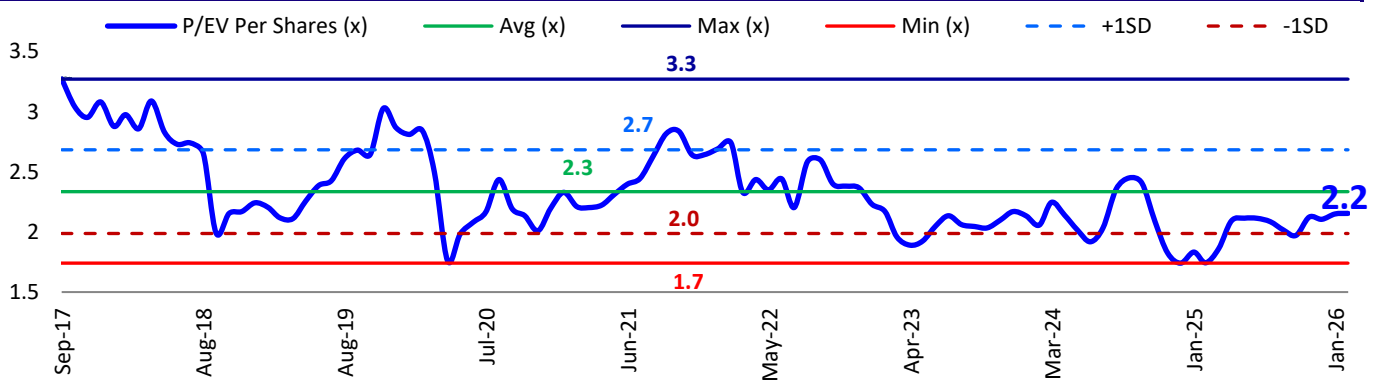
Source: MOFSL, Company; Margins based on effective tax rate

**Exhibit 8: Diverse distribution mix**



Source: MOFSL, Company; Distribution mix based on APE

**Exhibit 9: One-year forward P/EV**



Source: MOFSL, Company



## Financials and valuations

Technical account (INR b)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Gross Premiums	406.3	502.5	587.6	673.2	814.3	849.8	1,000.8	1,158.1	1,338.5
Reinsurance Ceded	-3.1	-4.9	-3.3	-7.3	-8.4	-9.2	(10.9)	(12.6)	(14.6)
Net Premiums	403.2	497.7	584.3	665.8	805.9	840.6	989.9	1,145.5	1,324.0
Income from Investments	30.0	314.6	235.7	132.6	503.9	317.1	402.3	465.2	529.2
Other Income	5.2	8.6	10.3	17.6	16.6	13.4	16.7	20.0	24.0
<b>Total income (A)</b>	<b>438.4</b>	<b>820.8</b>	<b>830.3</b>	<b>816.0</b>	<b>1,326.3</b>	<b>1,171.2</b>	<b>1,408.8</b>	<b>1,630.7</b>	<b>1,877.2</b>
Commission	16.2	17.7	21.6	30.1	32.0	34.2	47.4	54.8	63.1
Operating expenses	24.1	24.1	29.7	34.6	40.3	48.1	63.5	71.1	79.7
<b>Total commission and opex</b>	<b>40.3</b>	<b>41.9</b>	<b>51.3</b>	<b>64.7</b>	<b>72.4</b>	<b>82.3</b>	<b>110.9</b>	<b>125.9</b>	<b>142.8</b>
Benefits Paid (Net)	162.5	215.8	313.4	302.9	431.1	489.0	517.5	596.8	687.5
Chg in reserves	206.0	539.3	437.6	410.0	784.3	557.0	737.5	858.4	989.0
Prov for doubtful debts	-	-	-	-	-	-	-	-	-
<b>Total expenses (B)</b>	<b>415.7</b>	<b>801.8</b>	<b>810.2</b>	<b>785.9</b>	<b>1,297.0</b>	<b>1,139.3</b>	<b>1,378.7</b>	<b>1,595.8</b>	<b>1,836.4</b>
<b>(A) - (B)</b>	<b>22.8</b>	<b>19.1</b>	<b>20.1</b>	<b>30.0</b>	<b>29.3</b>	<b>31.9</b>	<b>30.1</b>	<b>34.8</b>	<b>40.8</b>
Prov for Tax	3.8	1.0	1.3	1.5	1.4	2.0	1.9	2.2	2.5
<b>Surplus / Deficit (calculated)</b>	<b>19.0</b>	<b>18.1</b>	<b>18.8</b>	<b>28.6</b>	<b>27.9</b>	<b>29.9</b>	<b>28.2</b>	<b>32.7</b>	<b>38.3</b>

Shareholder's a/c (INR b)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Transfer from technical a/c	14.6	16.8	17.3	27.1	26.0	27.4	25.8	29.9	35.0
Income From Investments	4.8	6.9	9.8	7.9	10.3	11.1	13.5	15.0	17.7
<b>Total Income</b>	<b>19.5</b>	<b>23.7</b>	<b>27.2</b>	<b>35.0</b>	<b>36.3</b>	<b>38.6</b>	<b>39.4</b>	<b>44.9</b>	<b>52.8</b>
Other expenses	0.6	0.1	1.8	0.4	0.6	0.1	0.5	0.7	0.9
Contribution to technical a/c	4.8	8.2	9.8	17.1	16.3	13.5	16.2	19.4	23.3
Total Expenses	5.3	8.3	11.6	17.4	16.9	13.6	16.6	20.1	24.2
<b>PBT</b>	<b>14.1</b>	<b>15.4</b>	<b>15.6</b>	<b>17.6</b>	<b>19.4</b>	<b>24.9</b>	<b>22.7</b>	<b>24.9</b>	<b>28.6</b>
Prov for Tax	-0.1	0.9	0.5	0.4	0.5	0.8	0.6	0.6	0.7
<b>PAT</b>	<b>14.2</b>	<b>14.6</b>	<b>15.1</b>	<b>17.2</b>	<b>18.9</b>	<b>24.1</b>	<b>22.2</b>	<b>24.3</b>	<b>27.9</b>
<b>Growth</b>	<b>7.2%</b>	<b>2.4%</b>	<b>3.4%</b>	<b>14.4%</b>	<b>9.9%</b>	<b>27.4%</b>	<b>-8.1%</b>	<b>9.4%</b>	<b>14.8%</b>

Balance sheet (INR b)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Sources of Fund</b>									
Share Capital	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Reserves And Surplus	78.8	90.9	104.2	119.2	135.9	157.9	177.4	199.0	224.1
<b>Shareholders' Fund</b>	<b>87.4</b>	<b>104.0</b>	<b>116.2</b>	<b>130.2</b>	<b>149.1</b>	<b>169.9</b>	<b>189.0</b>	<b>210.4</b>	<b>235.3</b>
Policy Liabilities	761.2	924.1	1,097.6	1,301.3	1,558.1	1,798.8	2,142.1	2,550.9	3,037.7
Prov. for Linked Liab.	763.0	965.5	1,174.9	1,407.2	1,667.4	1,938.1	2,235.2	2,569.9	2,931.9
Funds For Future App.	7.1	8.4	9.9	11.4	13.4	14.5	17.1	20.2	23.8
Current liabilities & prov.	30.2	42.4	51.3	51.0	44.9	61.7	64.0	66.3	68.8
<b>Total</b>	<b>1,655.8</b>	<b>2,268.3</b>	<b>2,733.4</b>	<b>3,146.9</b>	<b>3,972.7</b>	<b>4,571.0</b>	<b>5,401.5</b>	<b>6,393.5</b>	<b>7,568.1</b>
<b>Application of Funds</b>									
Shareholders' inv	68.3	86.0	100.8	112.1	130.4	146.0	172.3	203.4	240.0
Policyholders' inv	734.2	939.4	1,121.3	1,298.7	1,565.4	1,852.3	2,200.8	2,614.8	3,106.8
Assets to cover linked liab.	785.7	1,162.2	1,426.3	1,632.6	2,160.1	2,476.4	2,913.4	3,437.8	4,056.6
Loans	3.6	3.6	3.6	3.9	3.9	4.8	5.5	6.4	7.3
Fixed Assets	5.8	5.7	5.3	5.2	5.6	5.9	6.4	6.9	7.4
Current assets	58.2	71.5	76.2	94.4	107.3	85.6	103.1	124.3	149.9
<b>Total</b>	<b>1,655.8</b>	<b>2,268.3</b>	<b>2,733.4</b>	<b>3,146.9</b>	<b>3,972.7</b>	<b>4,571.0</b>	<b>5,401.5</b>	<b>6,393.5</b>	<b>7,568.1</b>



## Financials and valuations

Operating ratios (%)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Investment yield	2.1	17.3	10.2	4.8	15.1	7.9	8.7	8.7	8.5
<b>Commissions / GWP</b>	<b>-4.0</b>	<b>-3.5</b>	<b>-3.7</b>	<b>-4.5</b>	<b>-3.9</b>	<b>-4.0</b>	<b>-4.7</b>	<b>-4.7</b>	<b>-4.7</b>
- first year premiums	-8.4	-8.4	-8.3	-11.9	-10.6	-10.3	-13.5	-13.5	-13.5
- renewal premiums	-2.7	-2.6	-2.6	-2.5	-2.4	-2.4	-2.4	-2.4	-2.4
- single premiums	-1.4	-1.1	-1.2	-1.4	-1.0	-1.4	-1.7	-1.7	-1.7
Operating expenses / GWP	7.3%	5.9%	5.9%	5.9%	6.0%	5.9%	7.5%	7.1%	6.9%
<b>Total expense ratio</b>	<b>9.9%</b>	<b>8.3%</b>	<b>8.7%</b>	<b>9.6%</b>	<b>8.9%</b>	<b>9.7%</b>	<b>11.1%</b>	<b>10.9%</b>	<b>10.7%</b>
Claims / NWP	40.3%	43.4%	53.6%	45.5%	53.5%	58.2%	52.3%	52.1%	51.9%
Solvency ratio	195%	215%	205%	215%	196%	196%	189%	174%	161%

Persistency ratios (%)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
13th Month	86.1%	85.4%	85.2%	85.5%	86.8%	87.4%	87.9%	88.3%	88.6%
25th Month	78.5%	75.8%	78.1%	75.6%	77.4%	77.3%	77.3%	77.2%	77.2%
37th Month	71.6%	72.1%	72.2%	74.5%	71.3%	71.0%	70.9%	70.8%	70.8%
49th Month	67.3%	65.6%	69.9%	70.3%	72.7%	72.4%	72.3%	72.2%	72.2%
61st Month	59.9%	50.9%	49.5%	55.6%	58.6%	57.4%	56.7%	56.3%	56.0%

Profitability ratios (%)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
VNB margin (%)	20.7%	23.2%	25.9%	30.1%	28.1%	27.8%	27.5%	28.0%	28.5%
RoE (%)	17.4%	15.2%	13.7%	14.0%	13.6%	15.1%	12.4%	12.2%	12.5%
RoIC (%)	17.4%	15.3%	14.0%	14.2%	13.8%	15.4%	12.5%	12.2%	12.6%
Operating ROEV (%)	20.5%	19.1%	20.6%	22.9%	21.8%	20.2%	18.4%	18.8%	18.5%
RoEV (%)	17.4%	27.0%	18.7%	16.2%	26.5%	20.6%	18.4%	18.6%	18.3%

Valuation ratios	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Total AUMs	1,603.6	2,208.7	2,674.1	3,073.4	3,889.2	4,480.4	5,377.6	6,363.8	7,530.9
- of which equity AUMs (%)	21%	27%	29%	29%	34%	39%	31%	31%	31%
Dividend %	0%	25%	20%	25%	27%	33%	33%	33%	33%
Dividend payout ratio (%)	0%	17%	13%	15%	14%	11%	12%	11%	10%
EPS, Rs	14.2	14.6	15.1	17.2	18.9	24.1	22.2	24.3	27.9
VNB	22.2	26.6	37.0	50.7	55.5	59.5	68.0	79.7	93.0
- VNB growth (%)	15.6%	19.8%	39.1%	37.0%	9.5%	7.2%	14%	17%	17%
EV per share	276.4	364.0	396.3	460.4	582.6	701.0	831.6	986.6	1,167.3
VIF as % of EV	63%	63%	68%	70%	73%	75%	76%	78%	99%
P/VIF	12.4	9.8	7.6	6.4	4.8	3.9	3.2	2.7	1.8
P/AUM (%)	128%	93%	77%	67%	53%	46%	38%	32%	27%
P/EV (x)	7.8	6.2	5.2	4.5	3.5	2.9	2.5	2.1	1.8
P/EPS (x)	144.4	141.0	136.3	119.2	108.4	85.1	92.5	84.6	73.7
P/EVOP (x)	44.8	41.0	29.8	22.7	20.4	17.4	15.9	13.2	11.3
P/VNB (x)	92.6	77.3	55.5	40.5	37.0	34.5	30.2	25.8	22.1

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NEUTRAL	< - 10 % to 15%
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