

ICICI Prudential Life Insurance

Estimate change	↔
TP change	↔
Rating change	↔

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Bloomberg	IPRU INR
Equity Shares (m)	1,435
M.Cap.(INRb)/(USD\$)	743.7 / 9.3
52-Week Range (INR)	725 / 430
1, 6, 12 Rel. Per (%)	-4/0/-18
12M Avg Val (INR M)	927

Financials & Valuations (INR b)

Y/E MARCH	FY22	FY23E	FY24E
Net Premiums	363.2	406.6	464.6
Surplus / Deficit	21.9	23.4	24.9
Sh. holder's PAT	7.5	9.3	11.1
NBP growth unwt'd (%)	17.2	18.5	20.0
APE growth - (%)	19.7	13.1	22.5
Tot. Premium gr. (%)	4.8	11.2	14.3
VNB margin (%)	28.0	30.6	30.8
RoE (%)	8.2	9.8	10.9
RoEV (%)	8.7	14.4	16.8
Total AUMs (INRt)	2.4	2.7	3.1
VNB (INRb)	21.7	26.8	33.0
EV per share	220.3	252.0	294.4

Valuations

P/EV (x)	2.3	2.1	1.8
P/EVOP (x)	23.3	14.3	12.1

Shareholding pattern (%)

As On	Jun-22	Mar-22	Dec-21
Promoter	73.4	73.4	73.4
DII	4.6	4.6	4.3
FII	18.4	18.4	18.9
Others	3.6	3.6	3.4

FII Includes depository receipts

CMP: INR517 TP: INR630 (+22%) Buy

Robust margin drive in line VNB; persistency trend improves

Reiterates guidance to double FY19 VNB by FY23

- IPRU posted a 24.7% YoY growth in new business APE, led by an all-round growth of 25%/22% in Savings/Protection. Within Savings, Annuity/Non-Linked/ULIPs grew 69%/41%/15% YoY.
- VNB grew 31.6% YoY to INR4.7b (in line). This was primarily driven by a 128bp QoQ improvement in VNB margin to 31% in 1QFY23.
- IPRU remains on track to achieve its stated objective of doubling FY19 VNB by FY23. With adequate growth and margin levers available, we estimate the IPRU to meet its guidance, which entails ~23% VNB growth in FY23.
- We expect IPRU to deliver 24% CAGR in VNB over FY22-24, largely led by healthy premium growth and steady margin, thereby enabling operating RoEV at 17% in FY24. **We maintain our Buy rating.**

Margin accretion encouraging; distribution mix getting broad-based

- Net premium income grew 4% YoY in 1QFY23, led by healthy new business premium. However, it missed our estimate by 16% due to decline in renewal premium. PAT fell 16% QoQ to INR1.56b in 1QFY23.
- The share of Protection in the overall mix improved by 420bp QoQ to 21.7% in 1QFY23. Within Protection, demand for Retail Protection remains weak, while Credit Life saw a strong traction, led by buoyed disbursements.
- Annuity APE grew 69% YoY in 1QFY23. On a NBP basis, it constitutes 18% of the mix. The pension subsidiary clocked a strong performance. IPRU remains committed to scaling this segment further.
- ULIPs grew 15% in 1QFY23, lower than the overall growth of 25% due to a volatile capital market. The ULIP mix declined to 41% from 45% in 4QFY22.
- On the distribution side, slack in the banca channel was picked up by new partnerships and the agency channel. While sales at new bank partnerships is performing well (up 71% YoY), sales from ICICI (down 11% YoY) continues to drag overall banca growth.
- The management's strategy on the direct channel, which contributes 11% to APE, remains to upsell to its existing customers through data analytics.
- Persistency improved across cohorts, with 13th/61st month persistency improving 90bp/100bp QoQ to 85.5%/55.7%.
- VNB growth of 32% YoY to INR4.7b in 1QFY23 was led by a higher share of higher margin products like Non-PAR savings, Annuity, and Protection.

Highlights from management commentary

- The management is satisfied with the performance of the 4Ps of its business strategy. It should achieve its objective of doubling FY19 absolute VNB by FY23. Beyond FY23, the VNB growth rate should be in line with that of the industry.
- The industry has addressed only 12-13% of the addressable market for Protection, and hence the opportunity size remains huge.

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- Volatility in the capital market and muted demand for Retail Protection drove the weakest sales performance from the ICICIBC channel.

Valuation and view

IPRU has maintained a steady traction in VNB growth, led by a healthy product mix and APE growth. The share of banca (excluding ICICIBC) has risen to 15% v/s 4% in FY19, thus aiding growth and diversification in the distribution mix. The increase in agent recruitment and the strong pace of adding new partnerships will continue to support premium growth. The idea of approaching customers with a wider product bouquet, through all channels, will further boost premium growth. We expect VNB margin to improve marginally and expect IPRU to deliver 18%/24% CAGR in new business APE and VNB over FY22-24, thus enabling an operating RoEV of 17% in FY24. **We maintain our Buy rating with a TP of INR630/share (2.1x FY24E EV).**

Quarterly performance

Quarterly performance											(INR b)	
Policyholder's A/c (INR b)	FY22				FY23				FY22	FY23E	FY23E 1QE	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
First year premium	8.8	15.6	15.5	19.8	10.4	17.3	18.1	22.1	59.7	68.0	14.7	-30%
Growth (%)	40.3%	33.1%	13.7%	-2.4%	18.0%	11.3%	17.3%	11.6%	15.0%	13.9%	67.4%	
Renewal premium	41.4	55.7	54.4	68.0	38.9	55.8	62.2	75.9	219.6	232.9	41.4	-6%
Growth (%)	-0.1%	-3.5%	-4.1%	-1.6%	-5.9%	0.2%	14.2%	11.6%	-2.4%	6.1%	0.2%	
Single premium	18.5	24.1	23.5	29.3	23.3	29.5	30.9	32.0	95.4	115.7	22.5	4%
Growth (%)	89.1%	34.4%	11.4%	-7.3%	25.9%	22.7%	31.4%	9.3%	18.6%	21.4%	21.3%	
Net premium income	66.0	92.9	90.7	113.6	68.8	103.7	108.6	125.5	363.2	406.6	81.8	-16%
Growth (%)	18.9%	8.3%	1.1%	-4.4%	4.3%	11.7%	19.6%	10.5%	3.9%	11.9%	23.9%	
PAT	-1.9	4.4	3.1	1.8	1.6	2.1	2.5	3.1	7.5	9.3	1.9	-20%
Growth (%)	NM	46.6%	1.7%	189.5%	NM	-51.7%	-19.8%	66.2%	-21.5%	22.8%	NM	
Key metrics (INR b)												
New Business APE	12.2	19.8	19.3	26.1	15.2	20.3	21.2	30.8	77.3	87.5	17.0	-10%
Growth (%)	48.1	34.9	15.8	4.0	24.7	2.6	10.1	18.0	19.7	13.1	39.3	
VNB	3.6	5.2	5.2	7.8	4.7	6.1	6.5	9.5	21.7	26.8	4.8	-2%
Growth (%)	78.1	28.4	20.3	31.1	31.6	18.9	25.8	22.3	33.5	23.7	34.7	
AUM	2,232	2,371	2,376	2,405	2,301	2,517	2,614	2,726	2,405	2,726	2,444	-6%
Growth (%)	31.3	30.6	16.0	12.3	3.1	6.2	10.0	13.4	12.3	13.4	9.5	
Key Ratios (%)												
VNB Margin (%)	29.4	26.0	26.7	29.7	31.0	30.2	30.5	30.8	28.0	30.6	28.4	
Solvency ratio (%)	194	200	202	205	204	200	198	195	205	195	202	

Quarterly snapshot

Policyholder A/c (INR b)	FY21				FY22				FY23	Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	YoY	QoQ
Net premium	55.5	85.7	89.7	118.8	66.0	92.9	90.7	113.6	68.8	4	-39
First-year premium	6.3	11.7	13.6	20.3	8.8	15.6	15.5	19.8	10.4	18	-48
Renewal premium	41.4	57.7	56.8	69.1	41.4	55.7	54.4	68.0	38.9	-6	-43
Single premium	9.8	17.9	21.1	31.6	18.5	24.1	23.5	29.3	23.3	26	-20
Investment income	130.7	79.5	192.8	71.4	92.1	135.5	7.4	14.8	-86.7	-194	-687
Total income	190.6	168.4	285.5	196.4	167.2	231.3	98.7	138.5	-14.6	-109	-111
Total commission and OPEX	7.0	9.9	10.9	14.1	10.4	11.9	12.6	18.6	12.2	18	-34
Benefits paid	26.0	49.1	68.2	83.2	56.7	80.2	76.6	80.0	55.1	-3	-31
Total expenses	184.0	162.6	281.2	190.5	165.7	226.2	94.1	126.1	-19.0	-111	-115
PBT	6.5	5.7	4.3	5.9	1.6	5.1	4.6	12.4	4.4	183	-64
Surplus/(Deficit)	6.3	5.4	4.0	5.3	1.6	4.8	4.1	11.4	3.9	155	-65
Shareholder A/c											
Trf. from policyholder a/c	6.5	4.5	4.1	4.8	2.9	4.4	3.6	10.7	3.0	2	-72
Investment Income	1.3	1.7	2.1	2.6	4.0	3.3	1.2	1.7	1.7	-56	5
Total income	7.7	6.2	6.2	7.3	6.9	7.7	4.8	12.3	4.7	-32	-62
PAT	2.9	3.0	3.1	0.6	-1.9	4.4	3.1	1.8	1.6	-184	-16
APE data											
Savings APE	6.1	12.3	14.1	21.7	9.6	17.0	16.2	21.5	11.9	25	-45
ULIP	3.6	7.0	8.5	11.9	5.4	10.1	10.2	11.7	6.1	15	-48
Other Savings	2.5	5.3	5.6	9.8	4.2	6.9	6.0	9.8	5.8	39	-41
- Non-Participating	2.0	4.4	4.9	8.8	3.6	5.9	5.6	9.1	5.2	45	-43
- Group	0.5	0.9	0.7	1.0	0.6	1.0	0.4	0.7	0.6	-3	-14
Protection	2.1	2.3	2.6	3.4	2.7	2.8	3.1	4.6	3.3	22	-28
Total APE	8.2	14.6	16.7	25.1	12.3	19.8	19.3	26.1	15.2	25	-42
APE (as a percentage of total)									Change (bp)		
Savings APE (%)	74.0	84.2	84.6	86.3	77.9	85.8	84.1	82.5	78.4	42	-416
ULIP	43.6	47.8	50.7	47.2	43.9	50.9	53.0	45.0	40.5	-336	-449
Other Savings	30.4	36.3	33.9	39.1	34.0	34.9	31.1	37.5	37.8	378	33
- Non-Participating	24.4	30.1	29.2	35.1	29.3	30.0	28.9	35.0	34.1	486	-86
- Group	6.0	6.2	4.7	4.0	4.8	4.9	2.1	2.5	3.7	-107	119
Protection	26.0	15.8	15.4	13.7	22.1	14.2	15.9	17.5	21.7	-44	419
Distribution mix (%)											
Banca	39.6	43.8	42.0	42.5	38.6	39.9	39.5	38.0	34.7	-392	-325
Agency	24.6	22.7	25.1	23.3	22.5	24.3	25.8	22.0	22.4	-6	37
Direct	12.3	12.2	13.2	12.4	13.1	12.9	13.2	12.5	10.8	-228	-169
Corporate Agents	8.6	8.6	7.7	10.4	8.4	8.7	8.5	10.7	11.1	274	45
Group	14.9	12.8	12.0	11.3	17.4	14.2	13.0	16.8	20.9	352	411
Key Ratios (%)											
Operating ratios											
Commission (unwtd.)	4.2	4.9	5.3	6.0	5.2	5.8	5.8	6.1	5.9	70	-23
Opex (unwtd.)	10.5	9.0	9.7	9.2	14.7	10.4	11.6	14.3	17.9	320	359
Total Cost (unwtd.)	14.8	13.9	15.0	15.2	19.9	16.2	17.4	20.4	23.8	390	336
Solvency Ratio	205.1	205.5	226.1	216.8	193.7	199.9	202.2	204.5	203.6	990	-90
Profitability ratios											
VNB margin	24.4	27.4	25.7	23.6	29.4	26.0	26.7	29.7	31.0	160	128
Persistency ratios											
13th Month	81.8	82.1	82.7	84.9	85.0	85.1	84.8	84.6	85.5	50	90
25th Month	73.4	73.0	72.7	72.9	73.7	74.6	75.7	77.3	77.6	390	30
37th Month	65.4	65.2	65.1	65.8	66.4	66.3	66.6	66.9	67.8	140	90
49th Month	63.9	62.3	61.4	63.5	64.9	62.0	59.4	63.4	65.0	10	160
61st Month	56.8	51.7	50.7	48.9	50.8	51.6	52.7	54.7	55.7	490	100
Key Metrics (INR b)											
VNB	2.0	4.0	4.3	5.9	3.6	5.2	5.2	7.8	4.7	32	-39
EV	NA	257	NA	291	NA	302	NA	316	NA	NA	NA
AUM	1700	1815	2049	2142	2232	2371	2376	2405	2301	3	-4

Note: Persistency ratios are excluding single premium and cumulative for 1H, 9M, and 12M



Highlights from the management commentary

General environment and business performance

- The new IRDAI chief met all insurers and has set in motion new changes for the development of the sector.
- The idea of Risk Based Capital (RBC) was also discussed. Solvency ratio will improve to ~400% for IPRU under the new regime. The additional capital will be used for further business development.
- New Business Sum Assured grew 25% YoY, with a 110bp YoY improvement in market share to 15.8% in 1QFY23.
- IPRU is on track to double absolute level of FY19 VNB by FY23, as guided by its 4P strategy.
- After FY23, VNB growth should be in line with the sector's growth, despite volatility in revenue.
- The 300bp improvement in VNB margin to 31% in 1QFY23 v/s 28% in FY22 was led by a more optimum business mix.

Product mix

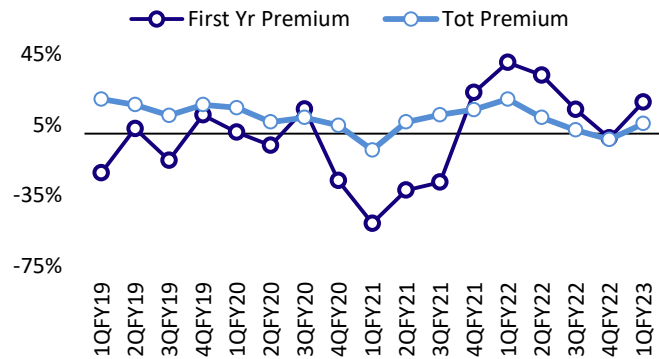
- IPRU has a well-diversified business mix, with the share of ULIPs at 40%.
- The demand for ULIP and PAR products may rise in FY23 as the inflationary environment is usually good for earnings growth, and hence the equity market.
- However, a consistent rise in rates may affect demand for guaranteed products.
- The industry has addressed 12-13% of the addressable market for Protection, and hence the opportunity size remains huge.
- The demand for Retail Protection has been soft in 1QFY23 due to declining fear of COVID-19 and mortality.
- The number of visits for Retail Protection on its own website and the platforms provided by aggregators has fallen.
- IPRU expects Retail Protection to grow from 3QFY23 as the base normalizes.
- The margin on Return on Premium (ROP) is substantially lower than pure Term plans as it is aimed at the mass segment, with stronger mortality assumptions.
- Within Group Protection, Credit life did much better than GTI as disbursement growth has improved across lending institutions.

Distribution mix

- The strategy of building new products has significantly improved IPRU's ability to add new agents and partners.
- The bancassurance channel has 30 bank partners, with a share of 35% in APE.
- Sales from the ICICIBC channel fell 10% YoY in 1QFY23 as the focus remains on selling Retail Protection, Annuity, and ULIPs. Volatility in the capital market and muted demand for Retail Protection drove the weak performance.
- Sales from the non-ICICIBC channel has delivered robust growth (+70% YoY), with its share improving to 15% in the distribution mix in 1QFY23.
- IPRU added over 6,800 agents in 1QFY23. The agency channel now contributes 22% to overall APE.
- Its distribution engine currently has ~800 partners, with 13 new partnerships in 1QFY23.
- The management's strategy on the direct channel remains to upsell to its existing customers through data analytics.

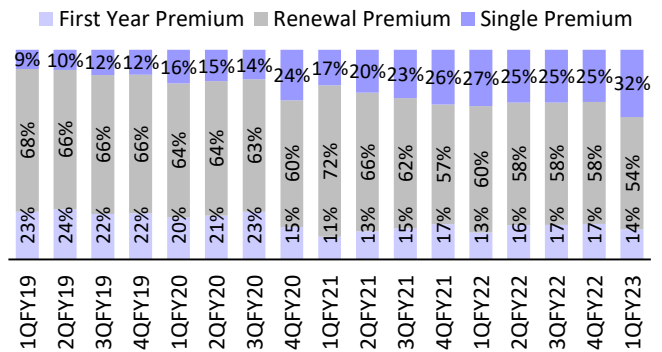
Story in charts

Exhibit 1: First-year premium increases 18% YoY and total premium rose by ~6%



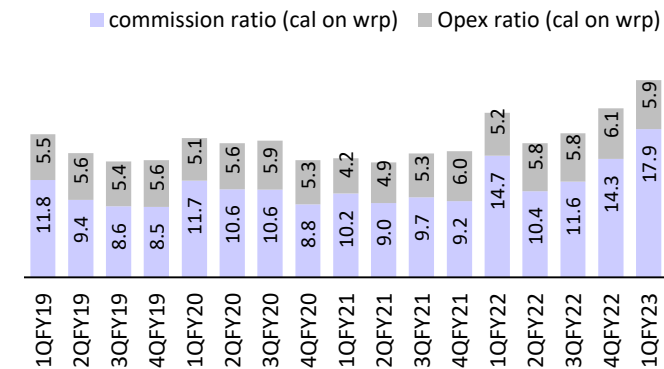
Source: MOFSL, Company

Exhibit 2: Share of new business premium improves to 46% due to a decline in renewal premium



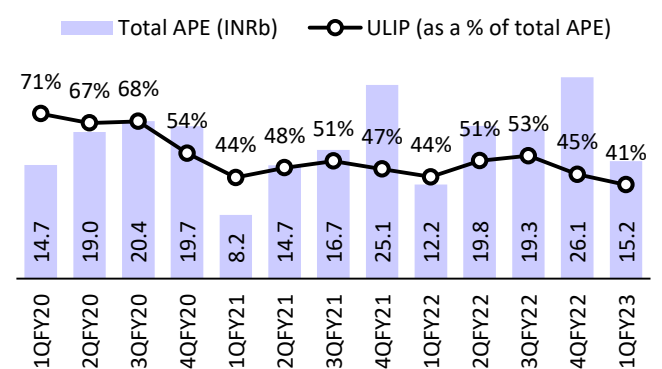
Source: MOFSL, Company

Exhibit 3: Total expense ratio rises to 23.8% as of 1QFY23 due to an increase in brand-building expense



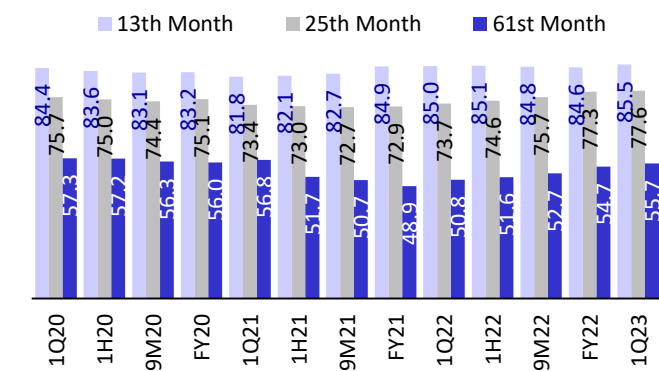
Source: MOFSL, Company

Exhibit 4: Share of ULIP in total APE declines to 41% in 1QFY23, impacted by market volatility



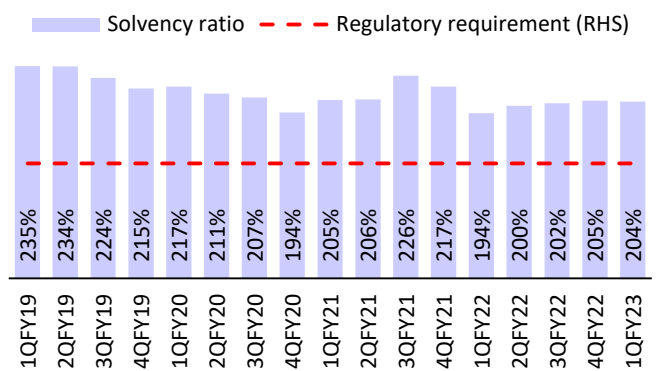
Source: MOFSL, Company

Exhibit 5: 13th/61st month persistency improves by 90bp/100bp QoQ to 85.5%/55.7%



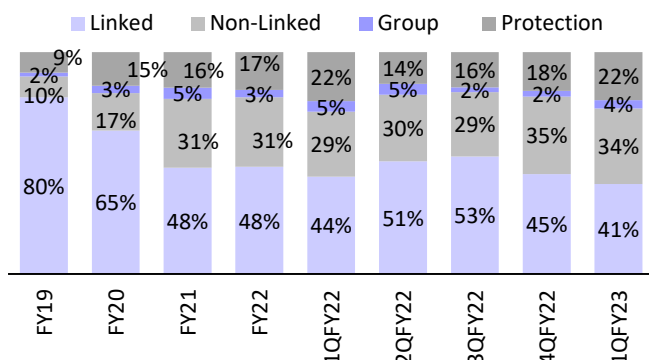
Source: MOFSL, Company

Exhibit 6: Solvency ratio healthy at 204%, well above the regulatory requirement of 150%



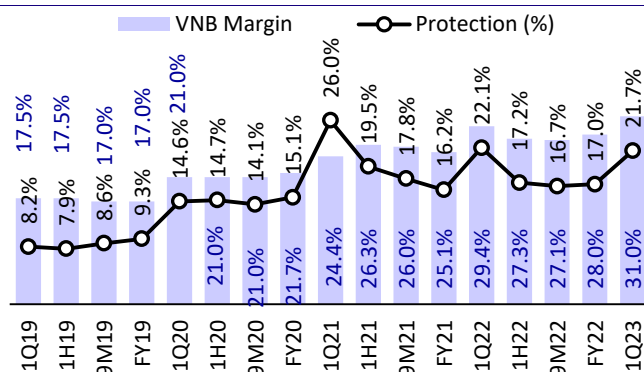
Source: MOFSL, Company

Exhibit 7: Protection mix up QoQ to ~22% of total APE, while the share of ULIP moderates to 41% in 1QFY23



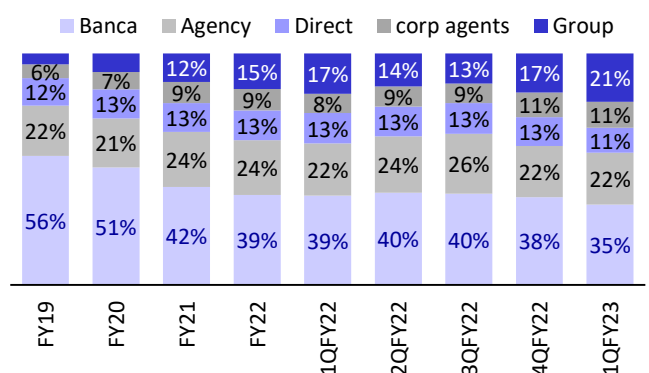
Source: MOFSL, Company

Exhibit 8: VNB margin improves to 31% in 1QFY23, driven by an optimum business mix



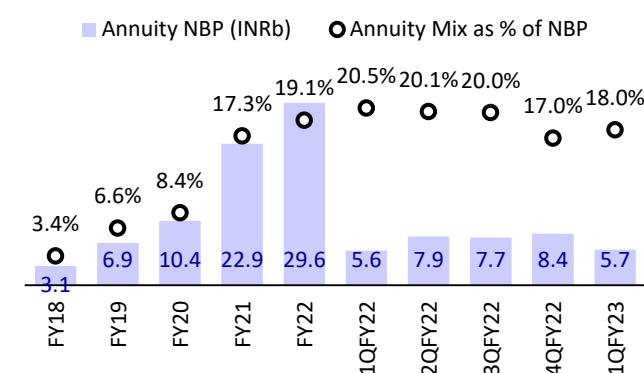
Source: MOFSL, Company

Exhibit 9: Broad-based distribution machinery with a share of banca gradually coming down



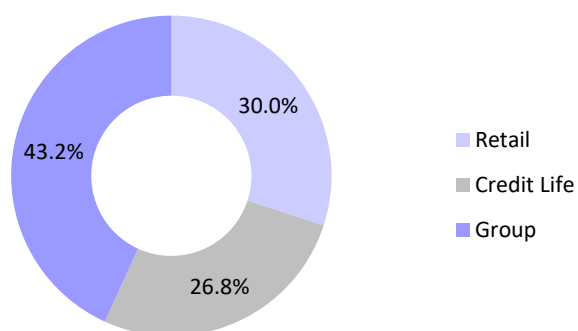
Source: MOFSL, Company

Exhibit 10: Annuity mix, as a percentage of NBP, stands ~18% in 1QFY23



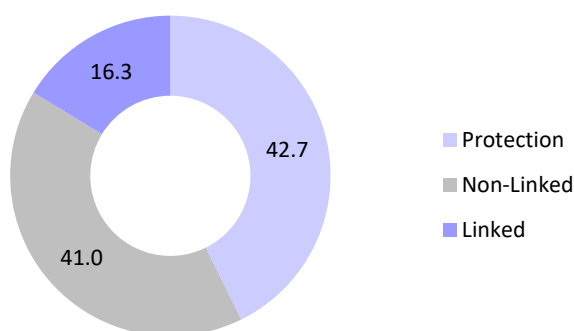
Source: MOFSL, Company

Exhibit 11: Protection breakup across segments in FY22 indicates a tilt towards Group Term plans

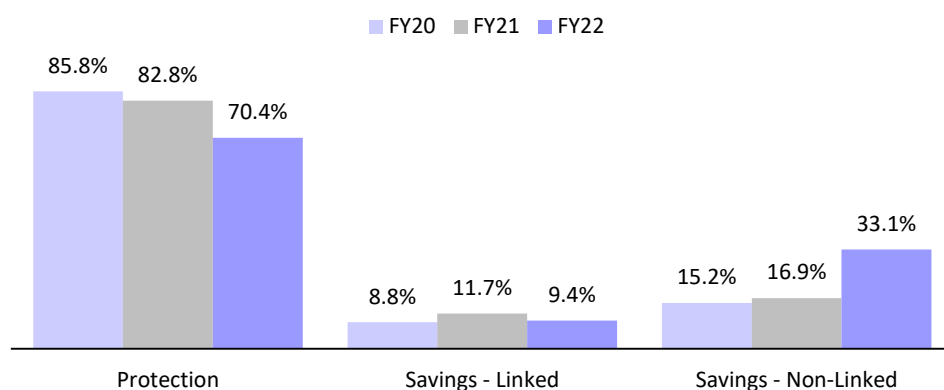


Source: MOFSL, Company

Exhibit 12: VNB contribution mix for FY22 – ~43% of total VNB comes from the Protection segment



Source: MOFSL, Company

Exhibit 13: Segmental VNB margin over the last three years

Source: MOSL, Company

Valuation and view

- The rising share of financial savings and higher disposable incomes, along with favorable demographics, will enable healthy growth for insurers. India's Life Insurance sector is well-positioned to deliver healthy long-term structural growth. We expect Indian insurers to trade at a premium to global peers. Private sector Life Insurance companies constitute 58% market share in total APE. IPRU is among the leading players to post market share gains across segments.
- The management's focus is on changing its product mix, with a higher emphasis on Non-Linked and Annuity segments, while Protection is seeing a healthy recovery. The ULIP segment was impacted by market volatility and is likely to pick up gradually.
- New channel partners are likely to further aid business growth. The share of the banca channel (excluding ICICI BC) has risen by ~15% (v/s 4% in FY19). A strengthened distribution will enable further diversification and drive an increase in the Non-Linked segment mix, which will aid margin.
- The management reiterated its guidance to double FY19 VNB by FY23, aided by: a) the opportunity in the long-term Savings/Protection business, and b) improving persistency and cost ratios. The Protection/Non-Linked business contributed ~43%/41% to total VNB in FY22.
- **Buy with a TP of INR630 per share:** IPRU has maintained a steady traction in VNB growth, led by a healthy product mix and APE growth. The share of banca (excluding ICICI BC) has risen to 15% v/s 4% in FY19, thus aiding growth and diversification in the distribution mix. The increase in agent recruitment and the strong pace of adding new partnerships will continue to support premium growth. The idea of approaching customers with a wider product bouquet, through all channels, will further boost premium growth. We expect VNB margin to improve marginally and expect IPRU to deliver 18%/24% CAGR in new business APE and VNB over FY22-24, thus enabling an operating RoEV of 17% in FY24. **We maintain our Buy rating with a TP of INR630/share (2.1x FY24E EV).**

Financials and valuation

Technical account (INR b)	FY19	FY20	FY21	FY22	FY23E	FY24E
Gross Premiums	309.3	334.3	357.3	374.6	416.6	476.1
Reinsurance Ceded	(3.5)	(5.5)	(7.6)	(11.4)	(10.0)	(11.6)
Net Premiums	305.8	328.8	349.7	363.2	406.6	464.6
Income from Investments	102.1	(125.2)	474.4	249.7	140.2	212.6
Other Income	5.5	15.3	16.2	21.8	25.1	28.8
Total income (A)	414.0	219.4	840.8	635.6	571.9	706.0
Commission	15.5	15.9	15.0	16.7	24.2	27.5
Operating expenses	26.1	28.5	26.9	36.7	55.5	62.1
Total commission and OPEX	41.6	44.3	41.9	53.5	79.7	89.6
Benefits Paid (Net)	142.6	193.8	226.4	291.5	194.1	216.5
Change in reserves	210.0	(50.6)	543.2	260.0	268.0	367.3
Provisions for doubtful debts	6.4	8.7	6.8	7.2	5.8	6.6
Total expenses (B)	400.5	196.2	818.3	612.1	547.5	680.0
(A) - (B)	13.4	23.2	22.5	23.6	24.4	26.0
Prov. for Tax	1.1	1.3	1.4	1.7	1.0	1.1
Surplus/deficit	12.3	21.9	21.1	21.9	23.4	24.9

Shareholder's a/c (INR b)	FY19	FY20	FY21	FY22	FY23E	FY24E
Transfer from technical a/c	10.8	19.9	19.8	21.6	22.6	23.8
Income From Investments	6.4	6.6	7.7	10.1	8.9	9.2
Total Income	17.3	26.5	27.5	31.7	31.5	33.0
Other expenses	0.4	0.4	0.6	1.0	1.1	1.2
Contribution to technical a/c	5.3	15.0	15.7	21.6	20.5	19.9
Total Expenses	5.6	15.8	16.7	23.8	21.6	21.0
PBT	11.6	10.7	10.8	7.9	10.0	12.0
Prov. for Tax	0.2	-	1.2	0.4	0.7	0.8
PAT	11.4	10.7	9.6	7.5	9.3	11.1
Growth	-30%	-6%	-10%	-21%	23%	20%

Premium (INR b) and growth (%)	FY19	FY20	FY21	FY22	FY23E	FY24E
NBP - unweighted	103.6	124.9	132.3	155.0	183.7	220.4
NBP - WRP	78.0	73.8	64.6	77.3	87.5	107.2
Renewal premium	205.7	209.4	225.1	219.6	232.9	255.7
Total premium - unweighted	309.3	334.3	357.3	374.6	416.6	476.1
NBP growth - unweighted	12.5%	20.5%	5.9%	17.2%	18.5%	20.0%
NBP growth - WRP	0.1%	-5.4%	-12.5%	19.7%	13.1%	22.5%
Renewal premium growth	15.2%	1.8%	7.5%	-2.4%	6.1%	9.8%
Tot. premium growth - unweighted	14.3%	8.1%	6.9%	4.8%	11.2%	14.3%

Premium mix (%)	FY19	FY20	FY21	FY22	FY23E	FY24E
New business - unweighted						
- Individual mix	78.5%	63.1%	61.1%	60.0%	64.0%	67.0%
- Group mix	21.5%	36.9%	40.7%	40.0%	36.0%	33.0%
New business mix - APE						
- Participating	9.0%	12.5%	14.9%	9.6%	17.3%	16.7%
- Non-participating	9.1%	18.6%	32.6%	36.8%	36.7%	37.0%
- ULIPs	82.0%	69.0%	52.5%	53.6%	46.0%	46.3%
Total premium mix - unweighted						
- Participating	11.3%	12.0%	12.9%	12.7%	12.8%	12.3%
- Non-participating	15.3%	18.1%	23.7%	33.3%	34.5%	35.2%
- ULIPs	73.5%	69.8%	63.4%	54.0%	52.7%	52.5%

Indi. Premium sourcing mix (%)	FY19	FY20	FY21	FY22	FY23E	FY24E
Individual agents	21.8%	21.9%	24.0%	27.6%	28.6%	29.6%
Corporate agents-Banks	55.2%	49.7%	45.5%	45.2%	45.0%	44.8%
Direct business	16.7%	20.1%	19.5%	16.3%	18.7%	18.5%
Others	6.3%	8.3%	11.0%	10.9%	7.7%	7.1%

Financials and valuation

Balance Sheet (INR b)	FY19	FY20	FY21	FY22	FY23E	FY24E
Sources of Fund						
Share Capital	14.4	14.4	14.4	14.4	14.4	14.4
Reserves and Surplus	54.4	61.1	70.7	75.9	82.1	89.8
Shareholders' Fund	70.4	72.2	91.2	91.6	97.9	105.8
Policy Liabilities	385.5	473.6	602.2	736.8	889.5	1,117.5
Prov. for Linked Liab.	1,037.0	880.4	1,277.7	1,405.4	1,644.4	1,792.4
Funds For Future App.	10.3	12.3	13.5	13.8	15.9	18.3
Current liabilities and prov.	36.6	33.3	37.3	52.5	63.0	75.6
Total	1,630.9	1,560.4	2,172.3	2,444.4	2,741.2	3,141.5
Application of Funds						
Shareholders' inv.	79.9	74.2	100.9	98.5	105.4	112.8
Policyholders' inv.	400.7	467.5	635.7	773.9	923.1	1,162.8
Assets to cover linked liab.	1,109.5	970.8	1,385.5	1,508.7	1,644.4	1,792.4
Loans	2.7	4.6	6.6	9.4	10.6	12.0
Fixed Assets	4.8	4.8	4.6	4.9	5.6	6.3
Current assets	33.4	38.4	39.0	49.1	52.0	55.1
Total	1,630.9	1,560.4	2,172.3	2,444.4	2,741.2	3,141.5
Operating ratios (%)						
Investment yield (%)	6.8%	-8.7%	23.5%	10.9%	5.5%	7.2%
Commissions/GWP	5.0%	4.7%	4.2%	4.5%	5.8%	5.8%
- first-year premiums	16.0%	16.5%	17.9%	17.3%	27.6%	25.6%
- renewal premiums	1.9%	1.8%	1.8%	1.9%	1.8%	1.8%
- single premiums	1.4%	1.1%	1.3%	1.5%	1.1%	1.1%
Operating expenses/GWP	8.4%	8.5%	7.5%	9.8%	13.3%	13.0%
Total expense ratio	13.4%	13.3%	11.7%	14.3%	19.1%	18.8%
Claims/NWP	46.6%	58.9%	64.7%	80.2%	47.7%	46.6%
Solvency margin	215%	194%	217%	205%	195%	187%
Persistency ratios (%)						
13th Month	86.2%	83.2%	84.9%	84.6%	84.4%	84.3%
25th Month	77.4%	75.1%	72.9%	77.3%	79.5%	80.6%
37th Month	71.0%	66.7%	65.8%	66.9%	68.6%	70.6%
49th Month	65.0%	64.6%	63.5%	63.4%	63.6%	64.1%
61st Month	58.1%	56.0%	48.9%	54.7%	56.4%	57.0%
Profitability ratios						
VNB margin (%)	17.0%	21.7%	25.1%	28.0%	30.6%	30.8%
RoE (%)	16.4%	15.0%	11.8%	8.2%	9.8%	10.9%
RoIC (%)	23.5%	22.0%	19.8%	15.5%	19.1%	22.9%
Operating RoEV (%)	20.2%	15.2%	15.2%	11.0%	16.5%	17.0%
RoEV (%)	15.1%	6.5%	26.5%	8.7%	14.4%	16.8%
Valuation ratios						
Total AUMs (INR b)	1,604.1	1,529.7	2,142.2	2,404.9	2,726.5	3,068.1
- Of which equity AUMs (%)	48%	40%	45%	53%	47%	47%
Dividend (%)	49%	24%	0%	20%	22%	24%
Dividend payout ratio (%)	74%	38%	0%	38%	33%	30%
EPS (INR)	8.0	7.4	6.7	5.3	6.5	7.7
VNB (INR b)	13.3	16.0	16.2	21.7	26.8	33.0
EV (INR b)	216.1	230.2	291.1	316.2	361.8	422.5
EV/share	150.6	160.4	202.8	220.3	252.0	294.4
VIF as a percentage of EV	66%	66%	67%	74%	75%	77%
P/VIF	5.2	4.9	3.8	3.2	2.7	2.3
P/AUM (%)	46%	49%	35%	31%	27%	24%
P/EV (x)	3.4	3.2	2.6	2.3	2.1	1.8
P/EPS (x)	65.1	69.5	77.3	98.5	80.2	66.8
P/EVOP (x)	19.5	22.6	21.2	23.3	14.3	12.1

NOTES

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Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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