

HDFC Life Insurance

Estimate change



TP change



Rating change



Bloomberg	HDFCLIFE IN
Equity Shares (m)	2151
M.Cap.(INRb)/(USD\$)	1537.2 / 18.3
52-Week Range (INR)	761 / 511
1, 6, 12 Rel. Per (%)	2/4/-13
12M Avg Val (INR M)	2953

Financials & Valuations (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Net Premiums	735.7	859.0	993.7
PBT	17.8	20.4	22.7
Surplus / Deficit	9.2	10.8	11.9
Sh. PAT	17.8	20.4	22.7
NBP gr - APE (%)	20.2	16.5	16.5
Premium gr (%)	18.7	16.8	15.7
VNB margin (%)	25.0	25.8	26.5
RoEV (%)	16.9	16.3	16.8
Total AUMs (INRt)	3.6	4.3	5.1
VNB (INRb)	39.9	48.0	57.5
EV per share	257.8	300.0	350.4

Valuations

P/EV (x)	2.8	2.4	2.0
P/EVOP (x)	19.4	16.8	14.1

Shareholding Pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	50.4	50.4	50.3
DII	11.3	7.9	6.2
FII	26.7	30.1	30.9
Others	11.7	11.6	12.6

FII includes depository receipts

CMP: INR714

TP: INR900 (+26%)

BUY

Strong growth in APE; VNB margin 120bp lower than estimates

Aiming for better than industry APE growth

- HDFC Life Insurance (HDFCLIFE) reported APE of INR38.6b (in line with our estimates) in 2QFY25, reflecting growth of 27% YoY, driven by 106%/46% YoY growth in Non-Par/ULIP.
- VNB grew 17% YoY to INR9.4b (4% miss on our estimates), resulting in a lower-than-expected VNB margin of 24.3% (25.5% estimate).
- EV grew 21% YoY to INR521b, while solvency was at 181% vs. 194% in 2QFY24. PAT at INR 4.3b grew 15% YoY but was 3% lower than our estimates.
- Management has guided for 18-20% APE growth and 15-17% VNB growth for FY25. Impact of ~100bp is expected on VNB margins due to new surrender value regulations.
- We have lowered our VNB margin assumptions based on 2QFY25 performance and the expected impact of surrender value regulations. We now estimate HDFCLIFE to deliver ~18% VNB CAGR over FY24-FY27 and margin to be steady in the range of 25-26.5%. **Reiterate BUY with a TP of INR900 (premised on 2.8x Sep'26E EV)**

Product mix skewed toward Non-par and ULIP

- During 1HFY25, HDFCLIFE reported 25% YoY growth in total APE, driven by 31% YoY growth in individual APE. VNB grew 17% YoY while VNB margins contracted YoY to 24.6% due to high ULIP share in the product mix and repricing of non-par products. PAT witnessed 15% YoY growth to INR9.1b. We expect 17%/12% growth in APE/VNB for 2HFY25.
- For 2QFY25, the gross premium income increased 13% YoY to INR 169.3b (10% miss). This was driven by 27%/13% YoY growth in new business/renewal premiums.
- The contribution of ULIP/Non-par to individual APE increased YoY to 30%/35% (26%/21% in 2QFY24) while the contribution of Par declined to 14% (28% in 2QFY24). This shift in the product mix was a key factor for the contraction in VNB margin to 24.3% (26.2% in 2QFY24).
- The distribution mix has been largely stable with 65%/17%/11%/7% contribution from banca/agency/direct/broker channel with respect to individual APE.
- The total AUM increased 23% YoY to INR3.2t.

Highlights from the management commentary

- ULIP and guarantee products are currently experiencing strong demand. However, the management expects Par products to bounce back in 2HFY25, driven by product launches and injections to revitalize the segment.

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- The credit life performance is expected to improve in 2HFY25 on account of reduced pricing aggression. Margin accretion will start happening once the popularity of ULIP settles down and higher margin products take center stage.
- IRDAI has communicated its intent to roll out IFRS from April'27. Listed companies will be part of Phase 1 and HDFCLIFE has a window of 24-30 months for implementation.

Valuation and view

HDFCLIFE aims to maintain a balanced product mix and gain a higher market share, focusing on new product launches and customer acquisition. Expansion into Tier-2 cities and beyond by deepening the branch network has resulted in industry-leading growth. Persistency trend has been improving across cohorts, which will keep the renewal premium growth healthy. Surrender charges have an impact of ~100bp on VNB margins; however, discussions around the commission structure will be key to reducing the same. Considering the strong performance in 1HFY25, the company has guided for 18-20% APE growth and 15-17% VNB growth for FY25. We have lowered our VNB margin assumptions based on 2QFY25 performance and the expected impact of surrender value regulations. We now estimate HDFCLIFE to deliver ~18% VNB CAGR over FY24-FY27 and the margin to be steady in the range of 25-26.5%. Reiterate BUY with a TP of INR900 (premised on 2.8x Sep'26E EV).

Quarterly performance

Policyholder's A/c (INR b)	FY24				FY25				FY24	FY25E	FY25E	V/s est
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		2Q		
First year premium	18.5	25.7	26.8	40.1	23.6	32.5	33.5	44.8	111.1	134.1	32.2	1.1
Growth (%)	8.4%	5.9%	-1.7%	-10.1%	27.4%	26.8%	25.2%	11.7%	-1.9%	20.7%	25.5%	
Renewal premium	58.0	78.4	84.0	114.1	64.1	88.3	99.6	135.0	334.5	398.3	103.1	-14.3
Growth (%)	13.8%	13.5%	16.8%	23.3%	10.5%	12.7%	18.6%	18.4%	17.6%	19.1%	31.5%	
Single premium	40.2	45.4	44.5	55.2	40.4	48.4	54.1	70.0	185.2	216.5	52.0	-6.8
Growth (%)	24.0%	14.7%	-4.6%	-6.6%	0.6%	6.8%	21.6%	26.9%	4.3%	16.9%	14.6%	
Gross premium inc.	116.7	149.4	155.3	209.4	128.1	169.3	187.2	249.9	630.8	748.9	187.3	-9.6
Growth (%)	16.2%	12.5%	6.5%	6.7%	9.7%	13.3%	20.6%	19.3%	9.6%	18.7%	25.3%	
Surplus/(Deficit)	4.2	3.8	3.7	4.1	4.8	4.3	4.2	3.6	15.7	17.0	4.2	2.1
Growth (%)	15.4%	15.5%	15.8%	14.6%	15.0%	14.9%	16.2%	-12.0%	15%	8.2%	13%	
PAT	4.2	3.8	3.7	4.1	4.8	4.3	4.3	4.6	15.7	17.8	4.2	3.2
Growth (%)	15.4%	15.5%	15.8%	14.6%	15.0%	14.9%	16.7%	12.7%	15.3%	13.2%	11.4%	
Key metrics (INRb)												
New business APE	23.3	30.5	31.9	47.3	28.7	38.6	38.3	54.4	129.6	159.7	38.3	0.6
Growth (%)	12.8	6.8	-2.1	-8.4	23.1	26.7	20.1	15.1	-1.0%	23.2%	25.9	
VNB	6.1	8.0	8.6	12.3	7.2	9.4	9.6	13.8	35.0	39.9	9.8	-4.0
Growth (%)	17.8	4.0	-2.2	-18.3	17.7	17.1	12.0	11.7	-4.7%	14.1%	22.0	
AUM (INR b)	2,533	2,649	2,797	2,922	3,102	3,249	3,396	3,631	2,922	3,631	3,242	0.2
Growth (%)	18.7	17.8	19.6	22.4	22.5	22.7	21.4	24.2	22.4%	24.2%	22.4	
Key ratios (%)												
VNB margins (%)	26.2	26.2	26.8	26.1	25.0	24.3	25.0	25.3	26.3	25.0	25.5	-119

Quarterly snapshot

	FY23				FY24				FY25			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	YoY	QoQ
Net premium income	98.5	131.1	143.8	194.3	114.8	147.6	152.4	204.9	125.1	165.7	12	32
First year premium	17.1	24.2	27.2	44.7	18.5	25.7	26.8	40.1	23.6	32.5	27	38
Renewal premium	51.0	69.1	71.9	92.5	58.0	78.4	84.0	114.1	64.1	88.3	13	38
Single premium	32.4	39.5	46.6	59.0	40.2	45.4	44.5	55.2	40.4	48.4	7	20
Investment income	-33.0	97.8	49.3	11.9	116.3	81.0	113.7	72.5	141.2	116.1	43	-18
Total income (A)	66.1	229.7	196.9	214.3	232.1	229.7	266.9	278.9	267.1	284.4	24	6
Commission paid	4.0	6.8	6.9	11.1	6.6	11.9	12.5	21.6	14.7	18.5	56	26
First year premium	2.6	4.1	4.9	8.7	4.1	7.0	6.7	13.5	8.4	12.6	80	51
Renewal premium	0.7	1.9	1.2	1.4	0.8	1.2	1.3	1.9	1.1	1.4	14	30
Single premium	0.5	0.7	0.7	0.8	1.6	3.6	4.4	6.2	5.2	4.5	26	-14
Operating expense	15.6	18.4	21.2	29.2	16.3	17.4	17.7	17.6	12.7	16.8	-3	33
Total commission & opex	19.6	25.2	28.1	40.3	22.9	29.3	30.2	39.2	27.4	35.3	21	29
Total expenses (B)	62.8	226.0	194.0	205.1	229.2	232.8	265.7	275.0	261.3	282.8	21	8
PBT	2.2	2.7	2.0	8.2	2.3	-3.8	0.6	2.7	4.6	0.4	-110	-91
Surplus/(Deficit)	2.1	2.5	3.3	5.7	2.1	2.3	0.6	2.7	5.6	5.1	123	-9
Shareholder A/c												
TRF from policyholder a/c	2.5	2.2	4.2	5.8	2.3	1.4	1.3	3.0	2.7	3.9	185	45
Investment income	1.2	1.6	2.4	2.0	2.3	2.4	2.8	2.5	2.6	2.7	13	5
Total income	3.7	3.8	6.6	8.4	4.6	3.8	4.1	5.6	5.2	6.5	71	25
PBT	3.6	3.3	3.1	2.7	4.2	3.3	3.7	4.5	5.0	4.4	32	-12
#REF!	3.6	3.3	3.2	3.6	4.2	3.8	3.7	4.1	4.8	4.3	15	-9
Individual APE												
ULIP	3.9	4.8	5.8	7.2	4.7	7.8	10.7	17.0	9.4	11.7	50	25
PAR	5.6	7.2	7.2	10.8	4.9	8.5	6.9	6.1	3.9	4.8	-43	23
Term	0.8	0.8	1.1	1.8	1.1	1.6	1.7	1.4	1.5	2.0	31	38
Non-par savings	5.7	9.5	11.6	24.5	6.2	6.3	7.8	14.2	8.6	13.6	116	58
Annuity	1.0	1.5	1.7	1.6	1.7	1.9	1.5	1.8	1.2	1.7	-10	38
Total individual APE	17.0	23.7	27.4	46.0	18.6	26.1	28.66	40.5	24.7	34.0	30	38
Total APE	20.6	28.5	32.6	51.6	23.3	30.5	31.9	47.3	28.7	38.6	27	35
APE (% of total)												
ULIP	23.0	19.6	21.0	16.0	25.0	30.2	38.4	40.1	38.0	34.5	437	-345
PAR	33.0	29.6	26.0	24.0	26.0	32.9	24.8	14.4	16.0	14.3	-1,863	-173
Term	5.0	3.3	4.0	4.0	6.0	6.0	6.0	3.3	6.0	6.0	0	0
Non-par savings	34.0	39.1	42.0	54.1	33.0	24.4	28.0	33.4	35.0	40.2	1,580	518
Annuity	6.0	6.0	6.0	3.5	9.0	7.3	5.4	4.3	5.0	5.0	-228	0
Distribution mix (%)												
Bancassurance	56.0	57.7	62.0	51.4	61.0	67.9	62.4	66.7	65.0	65.0	-290	0
Individual agents	16.0	19.4	18.0	23.0	20.0	16.6	18.0	18.0	17.0	17.0	45	0
Direct	22.0	13.5	12.0	10.0	12.0	10.3	11.0	11.0	11.0	11.0	72	0
Broker	7.0	8.7	10.5	14.0	8.0	6.3	4.4	6.0	7.0	7.0	72	0
Key ratios (%)												
Operating ratios												
Commission (unwtd)	3.9	5.1	4.8	5.7	5.7	7.9	8.0	10.3	11.5	10.9	299	-54
Opex (unwtd)	19.6	13.8	14.5	15.0	19.8	11.6	11.4	8.4	21.4	9.9	-171	-1,147
Total cost	19.5	19.0	19.3	20.5	19.6	19.6	19.4	18.7	21.4	20.9	128	-53
Solvency ratio	183	210	209	203	200	194	190	187	186	181	-1,300	-500
Profitability ratios												
VNB margins	25.1	27.0	26.8	29.3	26.2	26.2	26.8	26.1	25.0	24.3	-189	-69
Op. ROEV	15.7	17.7	17.5	19.7	16.0	16.4	16.5	17.5	15.5	16.0	-40	50
Persistency ratios												
13th month	85.0	85.0	84.1	85.3	83.3	84.0	83.4	86.2	87.3	82.5	-150	-480
25th month	74.5	76.4	76.2	78.1	78.0	78.1	77.1	77.1	75.9	76.3	-180	40
37th month	68.4	74.0	67.9	71.5	69.8	71.5	71.2	73.4	73.1	73.1	160	0
49th month	61.8	60.5	63.0	63.5	66.3	72.3	65.6	68.8	67.5	73.1	80	560
61st month	50.7	49.6	49.1	52.5	52.7	51.4	51.1	52.0	59.9	67.9	1,650	800
Key metrics (INR b)												
VNB	5.2	7.7	8.8	15.1	6.1	8.0	8.6	12.3	7.2	9.4	17	31
EV	324.7	360.2	377.0	395.3	418.4	429.1	451.7	474.7	496.1	521.1	21	5
AUM	2,134	2,249	2,338	2,388	2,533	2,649	2,797	2,922	3,102	3,249	23	5



Highlights from the management commentary

Guidance

- The management has guided for 18-20% growth in APE for FY25.
- 15-17% growth in VNB is guided for FY25. However, surrender regulations and the high popularity of ULIP will be an overhang on margins.
- 100bp impact is expected on VNB margins from new surrender charges regulations. However, the company is renegotiating with channel partners on multiple terms to reduce the impact.

Operating performance

- HDFCLIFE outperformed the private sector by growing at 28% YoY in 1HFY25. The market share increased 60bp and touched a new peak of 11%.
- The company recorded a 22% increase in the number of policies sold and 7% ticket size expansion with strong trends across geographies. The company is also a market leader with respect to the overall sum assured.
- The company experienced strong growth of 76% YoY in Non-par on account of new product variant launches, while the momentum in retail protection remained smooth.
- ULIP's contribution fell from 38% to 35% sequentially and is expected to remain range-bound in the 30s.
- Credit protection products witnessed soft growth; however, the focus remains on long-term profitability.
- HDFC pension crossed INR1t AUM, recording a market share of 43.6%.

VNB margin

- Contribution from ULIP has grown to 36% (28% in H1FY24), reflecting a significant tilt. 70% of new HDFCLIFE customers are buying ULIPs, and the company is emphasizing growth and customer acquisition over margins.
- While margins have contracted, VNB growth has been stronger YoY. Margin accretion will start happening once the popularity of ULIP settles down and higher margin products take center stage.
- The higher share of ULIPs remains a key reason for margin contraction. Additionally, the deferment of repricing of Non-par products impacted the margin by 30-40bp in H1FY25 (70bp in 2Q as repricing was done during the quarter).

Product mix

- Competitive intensity has increased in credit life and annuity products with aggressive pricing by few players. However, the company is optimistic about these segments due to strong partnerships with channel partners and price correction with surrender value changes being implemented.
- The overall ticket size was at INR100,000 for Saving products, with a higher ticket size for Non-par products.
- Currently, polarized buying behavior is being witnessed for ULIP and guarantee products. However, the management expects Par products to bounce back in 2HFY25, driven by product launches and injections to revitalize the segment.

- The product mix is expected to remain fairly similar, with ULIPs in the 30s and Non-par just below 40%. The management aims to increase the contribution of Par to 20% in H2 on account of new offerings. The credit life performance is expected to improve in 2HFY25 with reduced pricing aggression.

Distribution

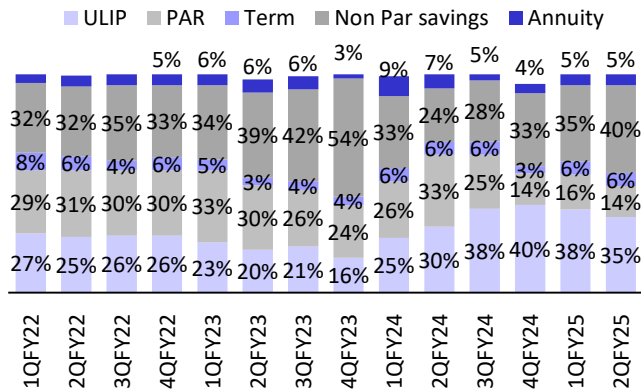
- Counter share at the bank has been stable at 65-66%. Agency channel has been gaining momentum, driven by improved productivity, while the company maintains its market leader position in the broker channel.
- Bancassurance growth was healthy but had a base effect due to a decline in the bank's counter share (70% in Sep'23). The company is also facing a multi-tie situation across all corporate partnerships.
- Partners are trying to strengthen persistency by focusing on getting quality business and offset commission clawback due to surrender value regulations.
- 70% of the business comes from Tier-2 and Tier-3. HDFCLIFE continues to expand its agency channel and add more branches to penetrate deeper into the market and gain quality business.

Regulatory

- IRDAI has communicated its intent to roll out IFRS from April'27. Listed companies will be part of Phase 1 and HDFCLIFE has a window of 24-30 months for implementation.

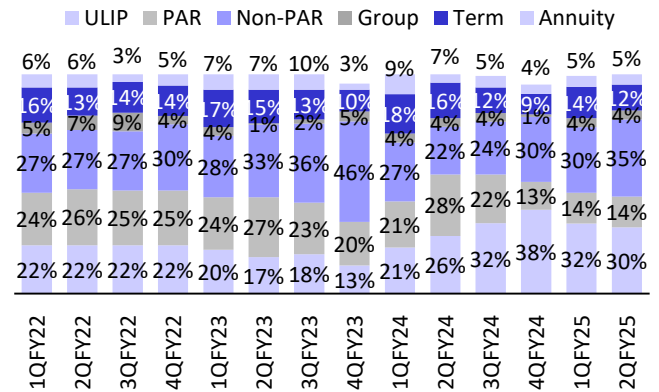
Key exhibits

Exhibit 1: Share of Non-par increases YoY to 40% of individual APE



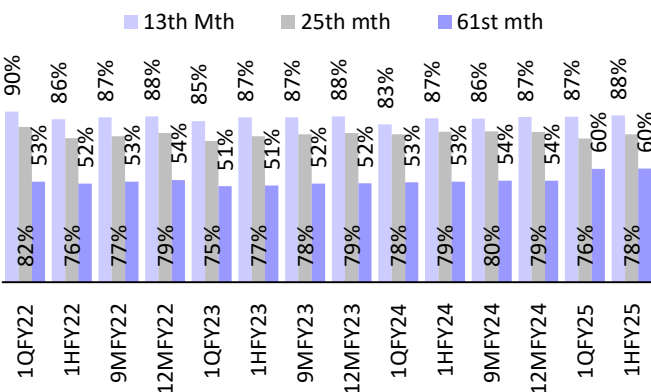
Source: MOFSL, Company

Exhibit 2: Share of Non-par Savings/Annuity/Protection at 35%/5%/12% of total APE, respectively



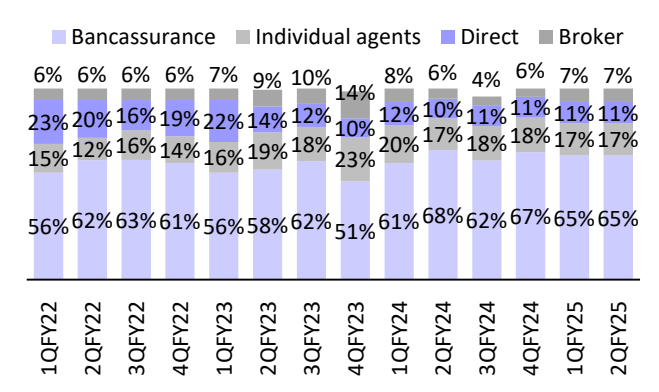
Source: MOFSL, Company

Exhibit 3: Improving trends in persistency ratio



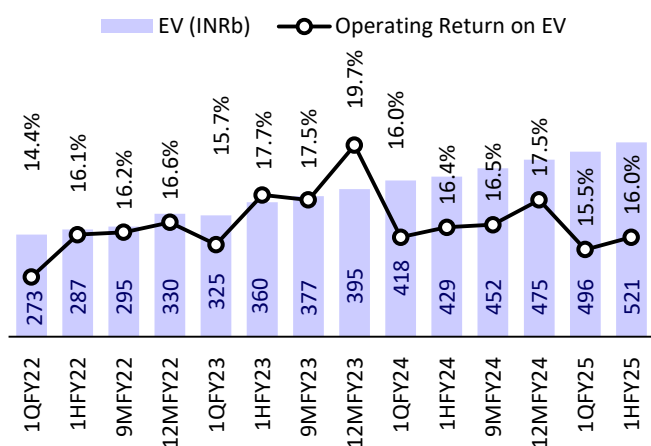
Source: MOFSL, Company

Exhibit 4: Distribution mix for individual APE



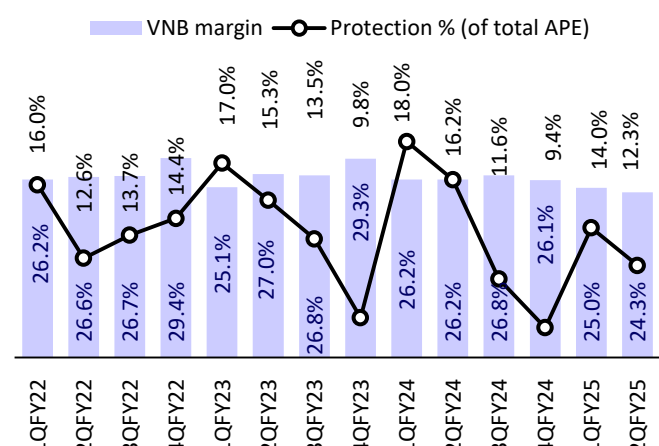
Source: MOFSL, Company

Exhibit 5: Operating RoEV healthy at 16%



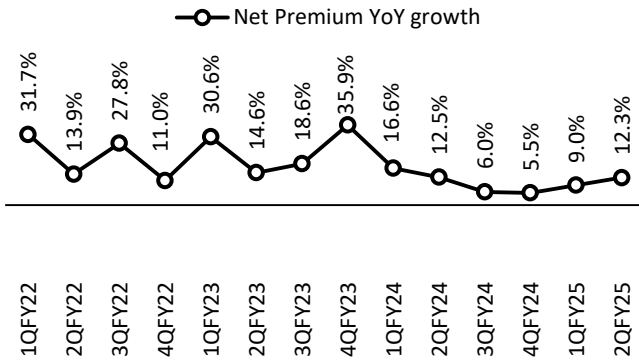
Source: MOFSL, Company

Exhibit 6: VNB margin at 24.3% for 2QFY25



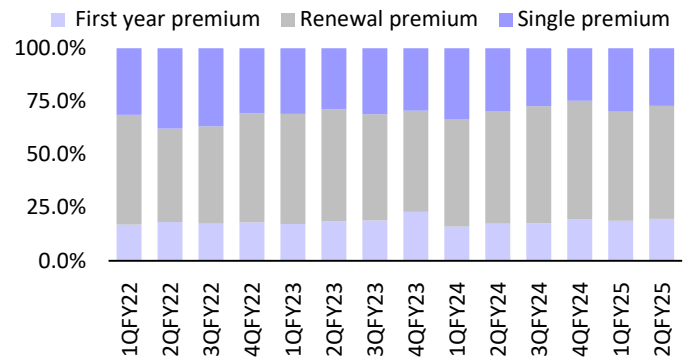
Source: MOFSL, Company

Exhibit 7: Net premium income grew 12% YoY



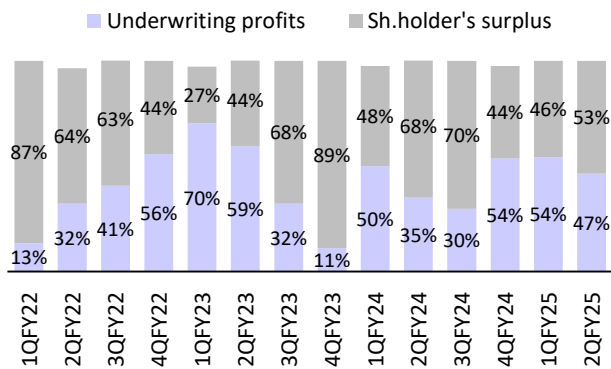
Source: MOFSL, Company

Exhibit 8: Proportion of premium trends among first year, single, and renewal premiums



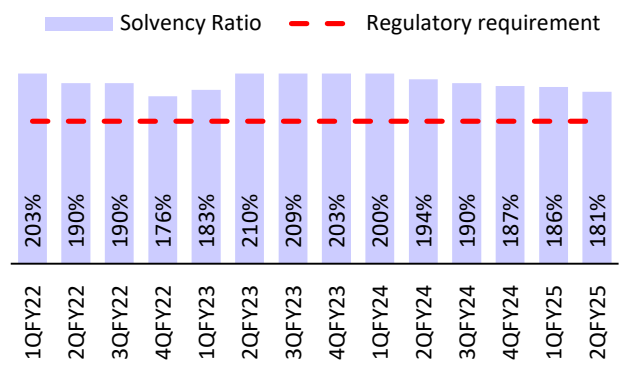
Source: MOFSL, Company

Exhibit 9: Trend in underwriting profit and shareholders' surplus



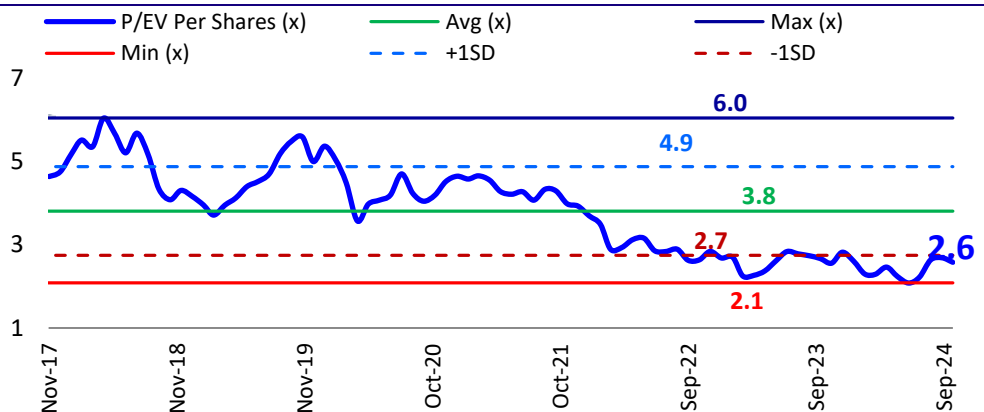
Source: MOFSL, Company

Exhibit 10: Solvency ratio stood at 181% in 2QFY25



Source: MOFSL, Company

Exhibit 11: One-year forward P/EV



Source: MOFSL, Company

Financials and valuations

Technical account (INRm)	FY22	FY23	FY24	FY25E	FY26E	FY27E
Gross premiums	4,59,628	5,75,334	6,30,765	7,48,939	8,74,459	10,11,651
Reinsurance ceded	(5,664)	(7,694)	(11,173)	(13,266)	(15,489)	(17,919)
Net premiums	4,53,964	5,67,640	6,19,592	7,35,673	8,58,970	9,93,732
Income from investments	1,92,160	1,25,975	3,83,543	3,89,660	3,83,937	3,96,619
Other income	7,460	13,439	4,608	5,068	5,575	6,133
Total income (A)	6,53,584	7,07,054	10,07,743	11,30,401	12,48,482	13,96,484
Commission	19,403	28,869	52,563	62,768	73,055	84,908
Operating expenses	56,125	84,374	69,010	77,292	86,567	96,955
Total commission and opex	75,528	1,13,242	1,21,574	1,40,060	1,59,622	1,81,863
Benefits paid (Net)	3,18,637	3,88,723	3,96,965	4,26,993	4,78,081	5,47,848
Chg in reserves	2,46,815	1,85,862	4,84,194	5,49,058	5,94,276	6,48,496
Prov for doubtful debts	1,162	4,047	3,183	3,502	3,852	4,237
Total expenses (B)	6,42,142	6,91,875	10,05,915	11,19,612	12,35,830	13,82,443
(A) - (B)	11,442	15,180	1,828	10,789	12,652	14,041
Provn for tax	1,845	1,591	-5,924	1,618	1,898	2,106
Surplus/deficit	9,597	13,589	7,752	9,170	10,754	11,934

Shareholder's a/c (INRm)	FY22	FY23	FY24	FY25E	FY26E	FY27E
Transfer from technical a/c	10,093	14,689	7,991	9,170	10,754	11,934
Income from investments	7,894	7,197	10,022	11,199	12,510	13,964
Total income	17,987	22,519	18,144	20,513	23,423	26,073
Other expenses	825	1,246	1,209	1,330	1,463	1,609
Contribution to technical a/c	5,694	8,795	1,251	1,376	1,514	1,665
Total expenses	6,186	9,794	2,505	2,756	3,031	3,334
PBT	11,801	12,724	15,639	17,758	20,392	22,738
Prov for tax	275	877	50	-	-	-
PAT	12,077	13,601	15,689	17,758	20,392	22,738
Growth	-11%	13%	15%	13%	15%	12%

Premium (INRm) & growth (%)	FY22	FY23	FY24	FY25E	FY26E	FY27E
New business prem - unwtd	2,41,548	2,90,851	2,96,314	3,50,673	4,06,444	4,71,203
New business prem - WRP	96,644	1,31,000	1,29,629	1,55,788	1,81,494	2,11,531
Renewal premium	2,18,080	2,84,483	3,34,451	3,98,265	4,68,015	5,40,448
Total premium - unwtd	4,59,628	5,75,334	6,30,765	7,48,939	8,74,459	10,11,651
New bus. growth - unwtd	20.1%	20.4%	1.9%	18.3%	15.9%	15.9%
New business growth - APE	18.1%	35.5%	-1.0%	20.2%	16.5%	16.5%
Renewal premium growth	18.0%	30.4%	17.6%	19.1%	17.5%	15.5%
Total prem growth - unwtd	19.1%	25.2%	9.6%	18.7%	16.8%	15.7%

Premium mix (%)	FY22	FY23	FY24	FY25E	FY26E	FY27E
New business mix - WRP						
- Participating	25.2%	23.2%	20.4%	19.0%	18.3%	17.6%
- Non-participating	51.7%	59.9%	48.1%	46.9%	47.2%	47.5%
- ULIPs	23.1%	16.9%	31.5%	34.1%	34.5%	34.9%
Total premium mix - unwtd						
- Participating	19.7%	22.1%	21.4%	20.1%	19.3%	18.7%
- Non-participating	54.1%	56.4%	55.3%	56.6%	58.0%	59.0%
- ULIPs	26.2%	21.6%	23.4%	23.3%	22.7%	22.3%

Financials and valuations

Balance sheet (INRm)	FY22	FY23	FY24	FY25E	FY26E	FY27E
Sources of fund						
Share capital	21,159	21,526	21,509	21,509	21,509	21,509
Reserves and surplus	1,32,852	1,08,146	1,20,503	1,42,564	1,68,551	1,96,885
Shareholders' fund	1,54,859	1,29,868	1,46,517	1,68,579	1,94,566	2,22,899
Policy liabilities	10,43,425	14,32,696	17,53,488	21,47,096	26,27,245	31,82,932
Prov. for linked liab.	7,65,190	7,53,836	9,21,145	11,96,064	13,56,283	14,82,728
Funds for future app.	50,435	50,533	46,386	51,024	56,127	61,739
Current liabilities & prov.	62,287	83,030	87,777	96,555	1,06,211	1,16,832
Total	21,03,892	24,79,222	30,25,071	36,37,809	43,18,922	50,45,621
Application of funds						
Shareholders' inv	1,52,379	1,31,319	1,48,819	1,71,142	1,96,813	2,26,335
Policyholders' inv	10,83,110	14,64,485	18,17,966	22,79,124	27,94,538	33,35,116
Assets to cover linked liab.	8,06,215	7,92,015	9,55,416	10,74,595	12,03,546	13,47,972
Loans	6,428	15,853	18,972	20,869	22,956	25,252
Fixed assets	3,427	3,802	4,158	4,366	4,585	4,814
Current assets	52,333	71,748	79,739	87,713	96,484	1,06,133
Total	21,03,892	24,79,222	30,25,071	36,37,809	43,18,922	50,45,621
Operating ratios (%)						
Investment yield	10.8%	6.1%	15.2%	12.7%	10.4%	9.1%
Commissions/GWP	422.1%	501.8%	833.3%	838.1%	835.4%	839.3%
- first year premiums	17.0%	17.9%	28.4%	28.4%	28.4%	28.4%
- renewal premiums	1.5%	1.8%	1.6%	1.6%	1.6%	1.6%
- single premiums	1.3%	1.6%	8.5%	8.5%	8.5%	8.5%
Operating expenses/GWP	12.2%	14.7%	10.9%	10.3%	9.9%	9.6%
Total expense ratio	16.3%	16.4%	19.7%	19.3%	18.7%	18.3%
Claims/NWP	70.2%	68.5%	64.1%	58.0%	55.7%	55.1%
Solvency ratio	176%	203%	187%	177%	174%	172%
Persistency ratios (%)						
13th month	87.5%	87.5%	87.1%	86.9%	86.9%	86.9%
25th month	78.8%	78.7%	79.2%	79.0%	78.9%	78.8%
37th month	67.5%	72.4%	73.2%	73.4%	73.3%	73.2%
49th month	63.2%	64.0%	69.7%	71.0%	71.9%	72.6%
61st month	54.0%	52.3%	53.5%	57.3%	58.5%	59.4%
Profitability ratios (%)						
VNB margin (%)	27.4%	27.5%	26.3%	25.0%	25.8%	26.5%
RoE (%)	10.0%	9.6%	11.4%	11.3%	11.2%	10.9%
RoIC (%)	21.6%	14.1%	14.7%	16.6%	19.1%	21.3%
Operating ROEV	16.5%	19.7%	17.5%	16.7%	16.5%	16.9%
RoEV (%)	12.9%	31.5%	20.1%	16.8%	16.3%	16.8%
Valuation data points						
Total AUMs (INRb)	2,042	2,388	2,922	3,631	4,321	5,057
- of which equity AUMs (%)	37%	30%	33%	40%	40%	40%
Dividend %	17%	19%	20%	26%	26%	26%
Dividend payout ratio (%)	0%	0%	0%	34%	27%	27%
EPS, INR	5.6	6.3	7.3	8.3	9.5	10.6
Value of new business (INRb)	26.7	36.7	35.0	39.9	48.0	57.5
Embedded Value (INRb)	329.4	395.1	474.5	554.5	645.2	753.6
EV per share (INR)	153.1	183.7	220.6	257.8	300.0	350.4
VIF as % of EV	64%	68%	69%	71%	73%	75%
P/VIF (%)	0.7	0.6	0.5	0.4	0.3	0.3
P/AUM (%)	75%	64%	53%	42%	36%	30%
P/EV (x)	4.7	3.9	3.2	2.8	2.4	2.0
P/EPS (x)	127.2	112.9	97.9	86.5	75.3	67.5

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