

# HDFC Life Insurance

Estimate change 

TP change 

Rating change 

**CMP: INR594**

**TP: INR800 (+35%)**

**Buy**

## VNB margin beats estimate; APE growth weak

Bloomberg	HDFCLIFE IN
Equity Shares (m)	2152
M.Cap.(INRb)/(USDb)	1279.2 / 14.8
52-Week Range (INR)	761 / 511
1, 6, 12 Rel. Per (%)	0/-1/-8
12M Avg Val (INR M)	3030

### Financials & Valuations (INR b)

Y/E March	2025E	2026E	2027E
Net Premiums	695.1	817.9	954.3
PBT	16.2	20.9	24.0
Surplus / Deficit	13.7	18.0	20.6
Sh. PAT	16.2	20.9	24.0
NBP gr - APE (%)	18.1	18.7	18.7
Premium gr (%)	12.2	17.7	16.7
VNB margin (%)	25.4	26.2	26.8
RoEV (%)	16.9	16.5	17.1
Total AUMs (INRt)	3.6	4.3	5.1
VNB (INRb)	39.9	48.8	59.3
EV per share	257.8	300.3	351.6

### Valuations

P/EV (x)	2.3	2.0	1.7
P/EVOP (x)	16.1	13.9	11.5

### Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	50.3	50.4	50.4
DII	13.2	11.3	6.9
FII	25.7	26.7	30.6
Others	10.8	11.7	12.2

FII includes depository receipts

- HDFC Life Insurance (HDFCLIFE) reported APE of INR35.7b (8% miss) in 3QFY25, up 12% YoY, driven by a 15% increase in sales of policies and a balanced product mix. For 9MFY25, APE grew 20% YoY to INR102.9b.
- VNB rose 9% YoY to INR9.3b (in line) in 3QFY25 and grew 14% YoY to INR25.9b in 9MFY25. VNB margins for 3QFY25 came in 110bp above our estimate at 26.1% vs. 24.3% in 2QFY25 and 26.8% in 3QFY24.
- 3Q PAT grew 14% YoY to INR4.1b, in line with our estimate. For 9MFY25, PAT grew 15% YoY to INR13.3b, aided by 18% YoY growth in the back-book surplus.
- The impact of surrender charges on VNB margins was 30bp in 3QFY25. The company implemented changes in commission constructs, leading to an equal distribution of the impact from surrender charges.
- We have increased our VNB margin assumptions on account of a better-than-expected performance in 3QFY25. We now estimate HDFCLIFE to deliver a 19% VNB CAGR over FY24-FY27E and margin to trend higher going ahead. **Reiterate BUY with a TP of INR800 (based on 2.5x Sep'26E EV).**

## APE growth of 12% led by 27% growth in non-par segment

- For 3QFY25, gross premium income grew 11% YoY to INR172.8b (5% miss), driven by 11%/12% YoY growth in new business/renewal premiums.
- Overall APE growth was 12% YoY, led by 27% growth in the non-par segment and 25% growth in the term business. Individual APE growth was 9%, led by 17% growth in non-par and 12% growth in protection. Share of ULIPs was at 31% on overall APE vs. 20% in 2QFY25 and 32% in 3QFY24.
- The overall channel mix between banca/agents/direct/broker has remained steady at 65%/17%/11%/7% for the past three quarters. On a YoY basis, the share of banca has increased at the cost of agency channel. Counter share at HDFC Bank was steady at 65%.
- The number of policies grew by 15% to 0.88m, outperforming the private sector's growth at 9%.
- For 9MFY25, the persistency ratios for 13<sup>th</sup> and 61<sup>st</sup> month improved 110bp and 780bp to 87% and 61%, respectively, reflecting strong customer retention.
- Total AUM as of Dec'24 increased by 18% YoY to INR3.3t, with AUM mix for Debt: Equity at 67:33 as of 9MFY25.
- Embedded value (EV) grew 18% YoY to INR532.5b, with operating return on EV at 16%. The solvency ratio stood at 188% vs. 190% in 3QFY24, well above the regulatory threshold of 150%.
- During 9MFY25, HDFCLIFE reported 20% YoY growth in total APE, driven by 24% YoY growth in individual APE. VNB grew 14% YoY to INR25.9b. VNB margins contracted 140bp YoY to 25.1%, mainly due to a shift toward ULIP share in the product mix. The implementation of surrender value regulations led to a 10bp impact on margins. PAT grew 15% YoY to INR13.3b.

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**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

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- The management expects margins to remain stable or slightly higher due to better growth in business in 4Q (seasonality impact) and no significant deterioration in the product mix.

### Highlights from the management commentary

- The growth guidance (18% APE growth) has been retained, with 4QFY25 likely to see the benefits of seasonality.
- The company did not revise prices in 3Q, but it expects peers to cut prices due to the impact of the interest rate environment.
- Margins are expected to be in the similar zone or slightly better due to higher business in 4Q and no significant deterioration in the product mix.

### Valuation and view

- HDFCLIFE aims to maintain a balanced product mix and gain a higher market share, focusing on geographical expansions and customer acquisition. Persistency trends have been improving across cohorts, which will keep the renewal premium growth steady. Changes in the commission structure after the discussion will lead to only 20-30bp impact on VNB margins due to the surrender charge regulation. Management has guided for steady or slightly better margins on account of better growth in 4Q and no deterioration in the product mix.
- We have increased our VNB margin assumptions on the back of a better-than-expected performance in 3QFY25. We now estimate HDFCLIFE to deliver a ~19% VNB CAGR over FY24-FY27E and margin to expand from 25.4% in FY25E to 26.8% in FY27E. **Reiterate BUY with a TP of INR800 (premised on 2.5x Sep'26E EV).**

### Quarterly Performance

Policy holder's A/c (INR b)	FY24				FY25				FY25E	FY25E 3Q	V/s est YoY (%)	QoQ (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE					
First year premium	18.5	25.7	26.8	40.1	23.6	32.5	29.7	44.4	133.4	34.5	-13.9	10.8	-8.8
Growth (%)	8.4%	5.9%	-1.7%	-10.1%	27.4%	26.8%	10.8%	10.7%	20.0%	28.7%			
Renewal premium	58.0	78.4	84.0	114.1	64.1	88.3	93.8	124.4	377.1	99.6	-5.8	11.7	6.2
Growth (%)	13.8%	13.5%	16.8%	23.3%	10.5%	12.7%	11.7%	9.1%	12.8%	18.6%			
Single premium	40.2	45.4	44.5	55.2	40.4	48.4	49.3	60.1	197.2	48.1	2.6	10.8	1.8
Growth (%)	24.0%	14.7%	-4.6%	-6.6%	0.6%	6.8%	10.8%	9.0%	6.5%	8.0%			
<b>Gross premium inc.</b>	<b>116.7</b>	<b>149.4</b>	<b>155.3</b>	<b>209.4</b>	<b>128.1</b>	<b>169.3</b>	<b>172.8</b>	<b>229.0</b>	<b>707.6</b>	<b>182.1</b>	<b>-5.2</b>	<b>11.3</b>	<b>2.1</b>
Growth (%)	16.2%	12.5%	6.5%	6.7%	9.7%	13.3%	11.3%	9.4%	12.2%	17.3%			
<b>Surplus/(Deficit)</b>	<b>2.1</b>	<b>2.3</b>	<b>0.6</b>	<b>2.7</b>	<b>5.6</b>	<b>5.1</b>	<b>-1.9</b>	<b>0.9</b>	<b>13.7</b>	<b>2.3</b>	<b>-182.6</b>	<b>-415.7</b>	<b>-137.9</b>
Growth (%)	0.9%	-7.2%	-81.4%	-52.3%	165.7%	122.6%	-415.7%	-65.2%	77.3%	282%			
<b>PAT</b>	<b>4.2</b>	<b>3.8</b>	<b>3.7</b>	<b>4.1</b>	<b>4.8</b>	<b>4.3</b>	<b>4.1</b>	<b>3.8</b>	<b>16.2</b>	<b>4.3</b>	<b>-4.3</b>	<b>13.7</b>	<b>-4.2</b>
Growth (%)	15.4%	15.5%	15.8%	14.6%	15.0%	14.9%	13.7%	-7.4%	3.2%	18.8%			
<b>Key metrics (INRb)</b>													
New business APE	23.3	30.5	31.9	47.3	28.7	38.6	35.7	53.0	157.0	38.7	-7.7	11.8	-7.5
Growth (%)	12.8	6.8	-2.1	-8.4	23.1	26.7	11.8	12.0	21.1%	21.2			
VNB	6.1	8.0	8.6	12.3	7.2	9.4	9.3	14.0	39.9	9.7	-3.8	8.6	-0.9
Growth (%)	17.8	4.0	-2.2	-18.3	17.7	17.1	8.6	13.5	13.9%	13.0			
AUM (INR b)	2,533	2,649	2,797	2,922	3,102	3,249	3,287	3,631	3,631	3,396	-3.2	17.5	1.2
Growth (%)	18.7	17.8	19.6	22.4	22.5	22.7	17.5	24.2	24.2%	21.4			
<b>Key Ratios (%)</b>													
VNB Margins (%)	26.2	26.2	26.8	26.1	25.1	24.3	26.1	26.4	25.4	25.0	106bp	-77bp	174bp

**Exhibit 1: Revised estimates**

Y/E MARCH	New estimates			Old estimates			Change in estimates		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Net Premiums	695.1	817.9	954.3	715.7	836.1	967.5	-2.9	-2.2	-1.4
PBT	16.2	20.9	24.0	18.1	20.0	22.1			
Surplus / Deficit	13.7	18.0	20.6	15.6	17.1	18.7	-12.0	5.5	10.1
Sh. PAT	16.2	20.9	24.0	18.1	20.0	22.1	-10.4	4.7	8.6
NBP gr - APE (%)	18.1	18.7	18.7	21.3	16.6	16.6			
Premium gr (%)	12.2	17.7	16.7	15.5	16.8	15.7			
VNB margin (%)	25.4	26.2	26.8	25.0	25.8	26.5	0.4	0.4	0.3
RoEV (%)	16.9	16.5	17.1	16.9	16.4	16.9			
Total AUMs (INRt)	3.6	4.3	5.1	3.6	4.3	5.1			
VNB (INRb)	39.9	48.8	59.3	40.3	48.5	58.1	-1.1	0.7	2.1
EV per share	257.8	300.3	351.6	258	300	351	0	0	0
<b>Valuations</b>									
P/EV (x)	2.3	2.0	1.7	2.4	2.0	1.8			
P/EVOP (x)	16.1	13.9	11.5	16.6	14.4	12.1			

**Highlights from the management commentary****9MFY25 operational highlights**

- HDFC Life outpaced private and overall industry in terms of premium growth, with an overall market share of 10.8%/private market share of 15.3%.
- Ticket size grew by 8% YoY and volume expansion was also witnessed during 9MFY25. The number of lives insured crossed 36m.
- Better growth in the non-par segment compared to overall growth led to a decline in the surplus.
- Management expects better growth in 4QFY25, driven by the seasonality impact.
- The unwind rate remains consistent at 8.1%. Economic variances have been largely due to a bond yield decline, while equity markets were weak on a 9M basis compared to 6M basis.
- Improvements in sum assured and higher rider attachment have been due to an enhanced level of protection in all products, especially in ULIPs.

**Product mix**

- Traction in ULIPs is likely to decline if market sentiment is weak for 9-12 months. However, the company is following a balanced approach to achieve diversification, regardless of the increased popularity of a specific product.
- MFIs have been impacted in the credit life business slowdown, while all other lines have been stable.
- The company did not revise prices in 3Q, but it expects peers to cut prices, likely due to the interest rate environment.
- Growth in the retail protection segment has been secular across tiers. The retail protection segment continues to grow well, with retail protection APE up 28% YoY in 9MFY25.

**Margins**

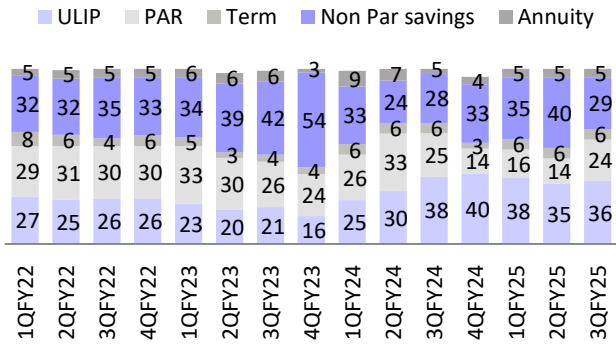
- The 140bp YoY decline in 9MFY25 was majorly due to a shift in the product mix toward ULIP. The implementation of surrender value regulations had an impact of 10bp in 9MFY25 (30bp in 3QFY25).
- A lag in repricing in 2QFY25 and better product margins, especially in ULIP, in 3QFY25 due to improvement in persistency led to sequential improvement in margins.
- A 100bp impact due to surrender regulations was expected, considering no changes in the commission structure. However, after successful discussions regarding the changes in the commission structure, management expects the impact to be around 20-30bp for FY25.
- Margins are expected to be in the similar zone or slightly better due to higher business in 4Q and no significant deterioration in the product mix.

**Distribution**

- Counter market share at HDFC Bank has been steady in the range of 65%. HDFC Bank channel grew 10% YoY.
- The company is focusing on achieving a profitable product mix for the bancassurance channel and optimal manpower to achieve growth through bancassurance.
- Mis-selling in bancassurance channel is lower than in other channels. The company is increasing tie-ups with other banks as well. An open architecture would increase choices for customers and widen the reach as well.
- Bank touchpoints are 10x of life insurance companies and the same can be used to improve the penetration of life insurance.
- The company is focusing on building a high-quality agency franchise. Protection business by the agency channel grew 2x compared to overall growth of protection (28%).
- Agency growth was at 19% YoY for 9MFY25, in line with organization growth, but lower growth was witnessed last year due to changes related to more than 0.5m product categories.
- Term contribution for agency channel is the highest, while ULIP contribution is lower. Growth has come back in the channel due to continued investments. The company added 35 branches to further boost expansion.

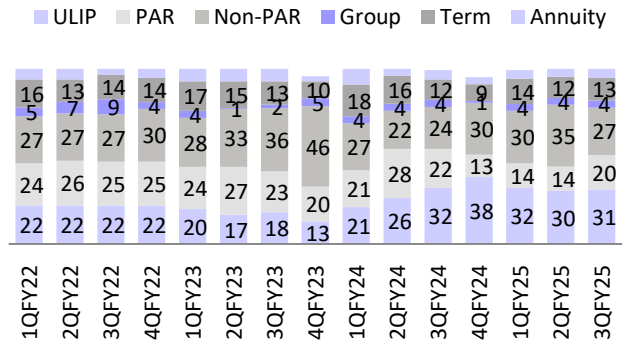
Key exhibits

Exhibit 2: Share of Par increases YoY to 24% of individual APE



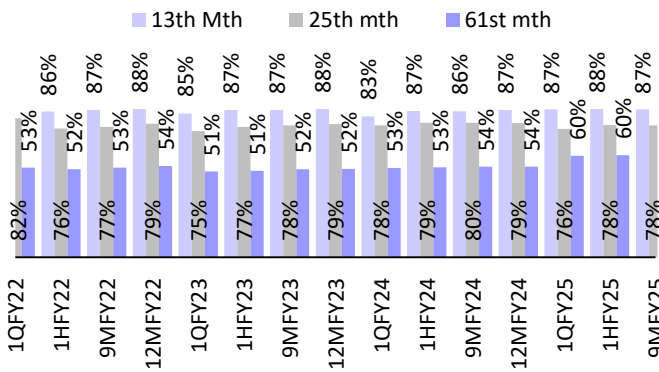
Source: MOFSL, Company

Exhibit 3: Share of Non-par Savings/Annuity/Protection at 27%/5%/13% of total APE, respectively



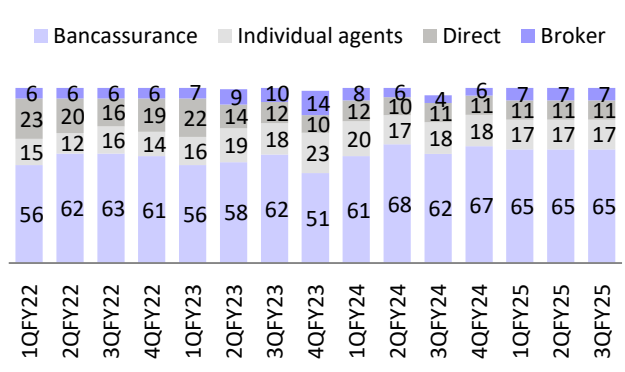
Source: MOFSL, Company

Exhibit 4: Improving trends in persistency ratio



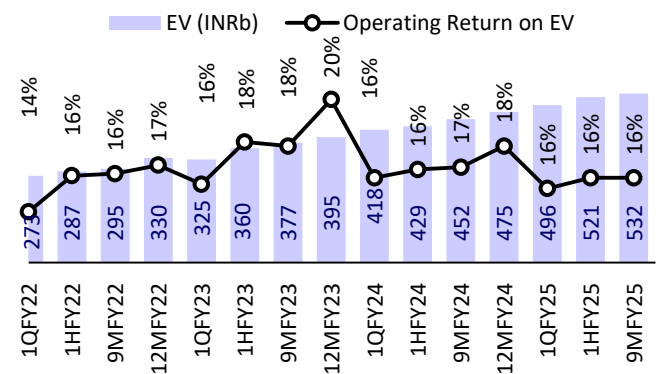
Source: MOFSL, Company

Exhibit 5: Distribution mix for individual APE



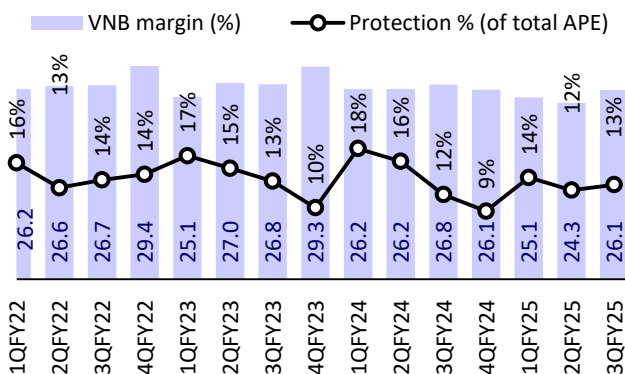
Source: MOFSL, Company

Exhibit 6: Operating RoEV healthy at 16%



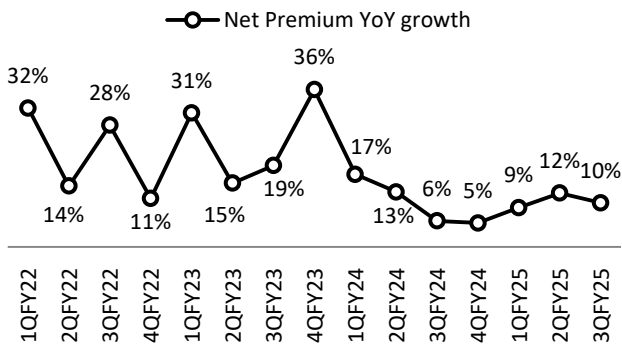
Source: MOFSL, Company

Exhibit 7: VNB margin at 26.1% for 3QFY25



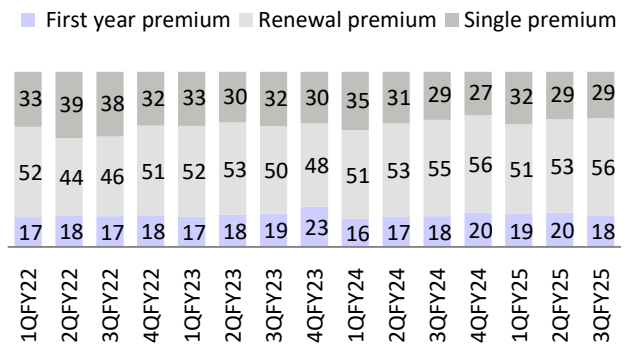
Source: MOFSL, Company

**Exhibit 8: Net premium income grew 10% YoY**



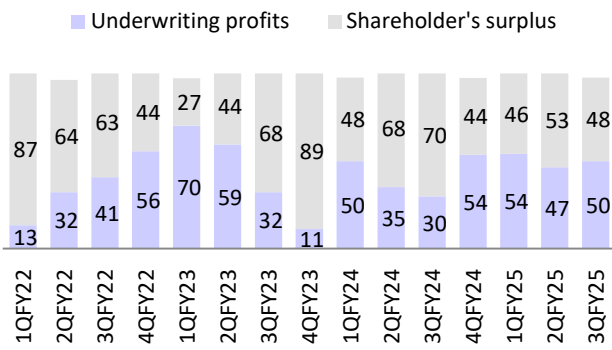
Source: MOFSL, Company

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



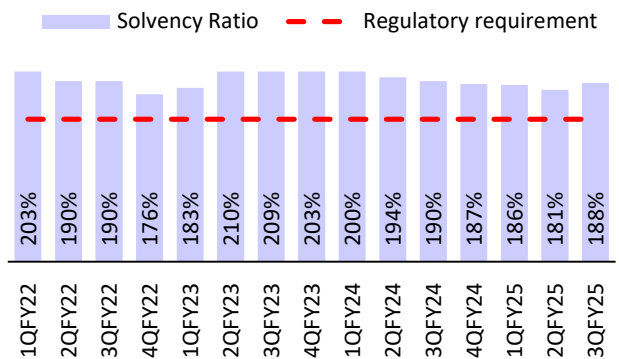
Source: MOFSL, Company

**Exhibit 10: Trend in underwriting profit and shareholders' surplus**



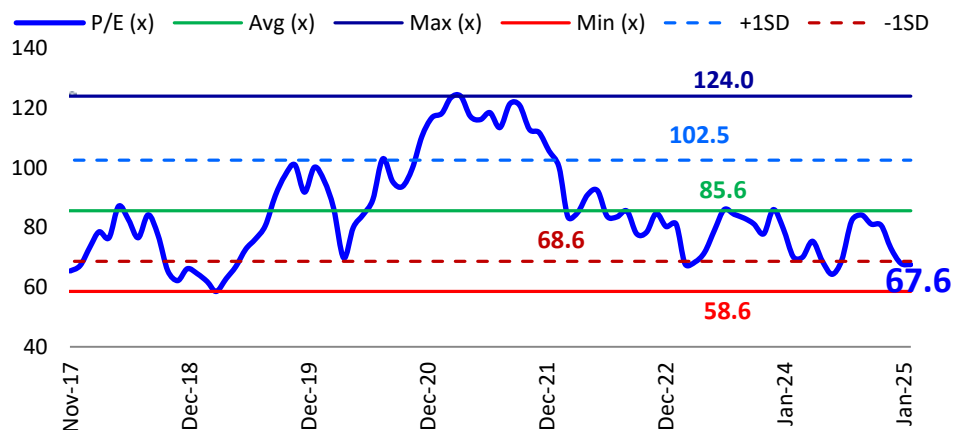
Source: MOFSL, Company

**Exhibit 11: Solvency ratio stood at 188% in 3QFY25**



Source: MOFSL, Company

**Exhibit 12: One-year forward P/EV**



Source: MOFSL, Company

## Financials and valuations

Technical account (INRm)	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Gross Premiums	3,27,069	3,85,835	4,59,628	5,75,334	6,30,765	7,28,561	8,51,140	9,84,971
Reinsurance Ceded	(4,833)	(4,612)	(5,664)	(7,694)	(11,173)	(12,905)	(15,076)	(17,447)
Net Premiums	3,22,236	3,81,223	4,53,964	5,67,640	6,19,592	7,15,656	8,36,064	9,67,524
Income from Investments	(33,109)	3,26,776	1,92,160	1,25,975	3,83,543	3,89,660	3,83,937	3,96,619
Other Income	3,487	4,420	7,460	13,439	4,608	11,198	12,318	13,550
<b>Total income (A)</b>	<b>2,92,614</b>	<b>7,12,418</b>	<b>6,53,584</b>	<b>7,07,054</b>	<b>10,07,743</b>	<b>11,16,514</b>	<b>12,32,319</b>	<b>13,77,693</b>
Commission	14912	17104	19403	28869	52563	61788	71961	83688
Operating expenses	42,669	45,860	56,125	84,374	69,010	77,292	86,567	96,955
<b>Total commission and opex</b>	<b>57,581</b>	<b>62,964</b>	<b>75,528</b>	<b>1,13,242</b>	<b>1,21,574</b>	<b>1,39,079</b>	<b>1,58,527</b>	<b>1,80,643</b>
Benefits Paid (Net)	1,90,215	2,25,748	3,18,637	3,88,723	3,96,965	4,06,506	4,55,431	5,22,180
Chg in reserves	24,408	4,08,296	2,46,815	1,85,862	4,84,194	5,49,061	5,94,394	6,48,632
Prov for doubtful debts	9,207	1,682	1,162	4,047	3,183	3,502	3,852	4,237
<b>Total expenses (B)</b>	<b>2,81,410</b>	<b>6,98,690</b>	<b>6,42,142</b>	<b>6,91,875</b>	<b>10,05,915</b>	<b>10,98,148</b>	<b>12,12,204</b>	<b>13,55,691</b>
<b>(A) - (B)</b>	<b>11,204</b>	<b>13,729</b>	<b>11,442</b>	<b>15,180</b>	<b>1,828</b>	<b>18,367</b>	<b>20,115</b>	<b>22,002</b>
Provn for tax	1,490	2,744	1,845	1,591	-5,924	2,755	3,017	3,300
<b>Surplus / Deficit</b>	<b>9,714</b>	<b>10,985</b>	<b>9,597</b>	<b>13,589</b>	<b>7,752</b>	<b>15,612</b>	<b>17,098</b>	<b>18,702</b>
Shareholder's a/c (INRm)	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Transfer from technical a/c	11,914	9,909	10,093	14,689	7,991	15,612	17,098	18,702
Income From Investments	4,378	6,476	7,894	7,197	10,022	11,199	12,510	13,964
<b>Total Income</b>	<b>16,478</b>	<b>16,385</b>	<b>17,987</b>	<b>22,519</b>	<b>18,144</b>	<b>26,954</b>	<b>29,767</b>	<b>32,840</b>
Other expenses	334	637	825	1,246	1,209	1,330	1,463	1,609
Contribution to technical a/c	1,047	2,586	5,694	8,795	1,251	7,506	8,257	9,083
Total Expenses	3,360	2,850	6,186	9,794	2,505	8,886	9,774	10,752
<b>PBT</b>	<b>13,117</b>	<b>13,535</b>	<b>11,801</b>	<b>12,724</b>	<b>15,639</b>	<b>18,069</b>	<b>19,993</b>	<b>22,089</b>
Prov for Tax	(165)	66	275	877	50	-	-	-
<b>PAT</b>	<b>12,953</b>	<b>13,601</b>	<b>12,077</b>	<b>13,601</b>	<b>15,689</b>	<b>18,069</b>	<b>19,993</b>	<b>22,089</b>
<b>Growth</b>	<b>1%</b>	<b>5%</b>	<b>-11%</b>	<b>13%</b>	<b>15%</b>	<b>15%</b>	<b>11%</b>	<b>10%</b>
Premium (INRm) & growth (%)	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
New business prem - unwtd	1,72,385	2,01,066	2,41,548	2,90,851	2,96,314	3,30,296	3,83,125	4,44,522
New business prem - WRP	71,637	81,832	96,644	1,31,000	1,29,629	1,57,210	1,83,245	2,13,681
Renewal premium	1,54,684	1,84,769	2,18,080	2,84,483	3,34,451	3,98,265	4,68,015	5,40,448
Total premium - unwtd	3,27,069	3,85,835	4,59,628	5,75,334	6,30,765	7,28,561	8,51,140	9,84,971
New bus. growth - unwtd	15.1%	16.6%	20.1%	20.4%	1.9%	11.5%	16.0%	16.0%
New business growth - APE	18.4%	14.2%	18.1%	35.5%	-1.0%	21.3%	16.6%	16.6%
Renewal premium growth	8.8%	19.4%	18.0%	30.4%	17.6%	19.1%	17.5%	15.5%
Total prem growth - unwtd	12.1%	18.0%	19.1%	25.2%	9.6%	15.5%	16.8%	15.7%

Balance sheet (INRm)	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Sources of Fund</b>								
Share Capital	20,244	20,229	21,159	21,526	21,509	21,509	21,509	21,509
Reserves And Surplus	49,675	64,074	1,32,852	1,08,146	1,20,503	1,42,876	1,68,463	1,96,147
<b>Shareholders' Fund</b>	<b>67,999</b>	<b>86,377</b>	<b>1,54,859</b>	<b>1,29,868</b>	<b>1,46,517</b>	<b>1,68,890</b>	<b>1,94,478</b>	<b>2,22,161</b>
Policy Liabilities	6,52,708	8,55,230	10,43,425	14,32,696	17,53,488	21,34,210	25,99,117	31,37,275
Prov. for Linked Liab.	5,08,442	7,09,635	7,65,190	7,53,836	9,21,145	12,08,639	13,84,500	15,29,124
Funds For Future App.	42,209	47,866	50,435	50,533	46,386	51,024	56,127	61,739
Current liabilities & prov.	49,769	65,159	62,287	83,030	87,777	96,555	1,06,211	1,16,832
<b>Total</b>	<b>13,21,624</b>	<b>17,95,817</b>	<b>21,03,892</b>	<b>24,79,222</b>	<b>30,25,071</b>	<b>36,37,809</b>	<b>43,18,922</b>	<b>50,45,621</b>
<b>Application of Funds</b>								
Shareholders' inv	58,555	85,421	1,52,379	1,31,319	1,48,819	1,71,142	1,96,813	2,26,335
Policyholders' inv	6,71,886	9,05,378	10,83,110	14,64,485	18,17,966	22,79,124	27,94,538	33,35,116
Assets to cover linked liab.	5,41,821	7,47,595	8,06,215	7,92,015	9,55,416	10,74,595	12,03,546	13,47,972
Loans	2,991	4,240	6,428	15,853	18,972	20,869	22,956	25,252
Fixed Assets	3,301	3,401	3,427	3,802	4,158	4,366	4,585	4,814
Current assets	43,070	49,781	52,333	71,748	79,739	87,713	96,484	1,06,133
<b>Total</b>	<b>13,21,624</b>	<b>17,95,817</b>	<b>21,03,892</b>	<b>24,79,222</b>	<b>30,25,071</b>	<b>36,37,809</b>	<b>43,18,922</b>	<b>50,45,621</b>

## Financials and valuations

Operating ratios (%)	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Investment yield	-2.7%	22.8%	10.8%	6.1%	15.2%	12.7%	10.4%	9.1%
<b>Commissions / GWP</b>	<b>455.9%</b>	<b>443.3%</b>	<b>422.1%</b>	<b>501.8%</b>	<b>833.3%</b>	<b>848.1%</b>	<b>845.5%</b>	<b>849.6%</b>
- first year premiums	17.9%	18.5%	17.0%	17.9%	28.4%	28.4%	28.4%	28.4%
- renewal premiums	1.6%	1.5%	1.5%	1.8%	1.6%	1.6%	1.6%	1.6%
- single premiums	1.3%	1.0%	1.3%	1.6%	8.5%	8.5%	8.5%	8.5%
Operating expenses / GWP	13.0%	11.9%	12.2%	14.7%	10.9%	10.6%	10.2%	9.8%
<b>Total expense ratio</b>	<b>16.9%</b>	<b>17.6%</b>	<b>16.3%</b>	<b>16.4%</b>	<b>19.7%</b>	<b>19.3%</b>	<b>19.1%</b>	<b>18.6%</b>
Claims / NWP	59.0%	59.2%	70.2%	68.5%	64.1%	56.8%	54.5%	54.0%
Solvency ratio	184%	201%	176%	203%	187%	177%	174%	172%

Persistency ratios (%)	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
13th Month	90.1%	90.0%	87.5%	87.5%	87.1%	86.9%	86.9%	86.9%
25th Month	80.2%	81.0%	78.8%	78.7%	79.2%	79.0%	78.9%	78.8%
37th Month	73.8%	71.0%	67.5%	72.4%	73.2%	73.4%	73.3%	73.2%
49th Month	67.2%	67.0%	63.2%	64.0%	69.7%	71.0%	71.9%	72.6%
61st Month	55.0%	53.0%	54.0%	52.3%	53.5%	57.3%	58.5%	59.4%

Profitability ratios (%)	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
VNB margin (%)	25.9%	26.1%	27.4%	27.5%	26.3%	25.0%	25.8%	26.5%
RoE (%)	20.8%	17.6%	10.0%	9.6%	11.4%	11.5%	11.0%	10.6%
RoIC (%)	56.8%	56.7%	21.6%	14.1%	14.7%	16.9%	18.7%	20.7%
Operating ROEV	18.2%	18.5%	16.5%	19.7%	17.5%	16.8%	16.5%	17.0%
RoEV (%)	12.8%	28.9%	12.9%	31.5%	20.1%	16.9%	16.4%	16.9%

Valuation data points	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Total AUMs (INRb)	1,272	1,738	2,042	2,388	2,922	3,631	4,321	5,057
- of which equity AUMs (%)	29%	36%	37%	30%	33%	40%	40%	40%
Dividend %	0%	0%	17%	19%	20%	26%	26%	26%
Dividend payout ratio (%)	0%	0%	0%	0%	0%	34%	27%	27%
EPS, INR	6.0	6.3	5.6	6.3	7.3	8.4	9.3	10.3
Value of new business (INRb)	19.2	21.9	26.7	36.7	35.0	40.3	48.5	58.1
Embedded Value (INRb)	157.8	266.2	329.4	395.1	474.5	554.9	646.0	755.1
EV per share (INR)	73.4	123.7	153.1	183.7	220.6	258.0	300.4	351.1
VIF as % of EV	85%	66%	64%	68%	69%	71%	73%	75%
P/VIF (%)	0.9	0.7	0.6	0.5	0.4	0.3	0.3	0.2
P/AUM (%)	100%	73%	63%	54%	44%	35%	30%	25%
P/EV (x)	8.1	4.8	3.9	3.2	2.7	2.3	2.0	1.7
P/EPS (x)	98.6	93.9	105.8	93.9	81.4	70.7	63.9	57.8

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