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India | Equity Research | Results Update

## HDFC Life Insurance Company

Life Insurance

### Margin within guidance; expect better volume profitability balance ahead

HDFC Life (HDFCLI) reported 10.6%/7.2% YoY growth in APE/VNB in 9MFY26 with VNB margin down to 24% in Q3FY26 (25.6%/25.1%/24.1% in FY25/Q1/Q2FY26). Q3 VNB margin was well managed, considering the impact of no input tax credit post removal of GST via better product mix (70% YoY growth in term protection in Q3). However, overall volume-cost balance was hit in 9MFY26, leading to lower than past VNB growth and core RoEV. HDFCLI provided a constructive guidance of being able to restore margins through multiple measures by FY26 end. Q3 performance has been largely in line with that guidance which could help assuage investor concerns. Decrease in 13-month persistency is a concern (multiple companies have now reported the same and as such assumes importance). We expect VNB growth to lift up 20% in FY26-28E basis growth recovery and stabler margins.

### Maintain ADD; TP revised to INR 830 based on 2.1x FY28E EV

We factor in APE growth of ~12%/15%/15% with VNB margin of 24.3%/25.5%/26% for FY26/27E/28E, respectively. This results in FY28E EV of INR 854bn with core RoEV of 16.2%. We value HDFCLI based on 2.1x FY28E EV per share (2.3x earlier) and arrive at our revised TP of INR 830 (INR 800 earlier).

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**Downside risks include:** 1) Weak growth which falls below the requisite level to match the cost structure (somewhat seen in 9MFY26), 2) margin headwind from continued increase in ULIPs driven by buoyant capital markets (43% of individual APE in 9MFY26), 3) higher-than-guided impact of GST on margin and 4) any additional regulatory risk like hike in corporate tax rate and/or restrictions in bancassurance.

**Upside risks include:** 1) Possible surprise in growth driven by GST cut, 2) less-than-expected impact of GST on margins (company is exhibiting positive trend thus far with the help of better product mix) and 3) growth revival in non-par segment which may be triggered by events such as rate cuts/drop in equity markets and credit protect from recovery in MFI segment (it is happening).

### Market Data

Market Cap (INR)	1,604bn
Market Cap (USD)	17,743mn
Bloomberg Code	HDFCLIFE IN
Reuters Code	HDFL BO
52-week Range (INR)	821 /584
Free Float (%)	50.0
ADTV-3M (mn) (USD)	22.9

Price Performance (%)	3m	6m	12m
Absolute	0.0	(2.8)	23.8
Relative to Sensex	(1.7)	(4.2)	14.8

ESG Score	2024	2025	Change
ESG score	76.9	76.0	-0.9
Environment	61.0	74.0	13.0
Social	76.5	70.1	-6.4
Governance	84.9	81.2	-3.7

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

### Financial Summary

Y/E March (INR bn)	FY25A	FY26E	FY27E	FY28E
APE	154.8	173.4	199.4	229.3
Embedded Value	554.4	640.0	738.6	853.9
VNB	39.6	42.1	50.8	59.6
VNB margin (%)	25.6	24.3	25.5	26.0
P/EV (x)	2.9	2.5	2.2	1.9
RoE (%)	11.8	11.7	11.9	12.1
RoEV (%)	16.8	15.4	15.4	15.6
Core RoEV (%)	16.7	15.6	16.0	16.2

### Previous Reports

16-10-2025: [Q2FY26 results review](#)

20-07-2025: [Q1FY26 results review](#)

## GST impact partially mitigated in Q3, expecting to neutralise over next quarter; margin expected to normalise to ~25% by start of FY27

Negotiations with distributors concluded and revised commercial norms have now been implemented towards the end of Q3FY26. Annualised impact of GST on margin has been less than 200bps in Q3FY26 (vs. earlier estimate of 300bps) and the company expects less than 100bps in Q4FY26. Growth and margin levers remain protection surge seen post GST rate cut, embedded protection within UL and credit protect growth. Impact of one-time labor code expense was INR 1bn.

VNB growth could have been 13%/11% YoY ex of GST impact and surrender regulation but was 7%/3% YoY in 9M/Q3FY26. VNB margin was 24.4%/24% for 9M/Q3FY26. Margin impact was partially offset by higher share of protection and improvement in inherent product-level margins.

VNB walk (9MFY25 to 9MFY26) had an impact on expenses (INR 0.6bn on account of lower-than-expected volume growth), impact of surrender charge (INR 0.2bn) and GST impact (INR 1.3bn). This was partially offset by new business profile (INR 1.3bn).

## Higher protection/product level sum assured to aid margins ahead; decline in non-par mix has been big in 9MFY26 but better in Q3

- **Decline in non-par is the highlight for 9MFY26.** Total APE reported growth of 11.3%/10.6% in Q3/9MFY26. Savings business reported growth of 6.6%/8.2% in Q3/9MFY26.
  - Within that, par/ULIP reported strong growth of 59%/35.6% YoY in 9MFY26 (7.5%/42.5% in Q3FY26). UL continued to see strong traction supported by favourable equity sentiment, up from 37% in 9MFY25 to 43% of individual APE in 9MFY26. In ULIP, there was huge push towards higher sum assured and riders attachment to lift the product margin (higher sum assured policies comprise >1/4<sup>th</sup> of UL segment).
  - Par grew steadily with share increasing from 18% in 9MFY25 to 27% in 9MFY26 of individual APE.
  - Non-par individual APE mix declined from 35% in 9MFY25 to 19% in 9MFY26. However, there was sequential improvement of 300bps in non-par individual APE mix from 18% in H1FY26 to 21% in Q3FY26.
- Total protection remains strong with 47.2%/27.5% YoY growth in Q3/9MFY26. GST exemption acted as a meaningful catalyst for protection segment. There is clear strong growth in retail protection after GST cut (growth was 70% in Q3FY26). Protection share increased from 7% in H1FY26 to 9% in Q3FY26. Protection component with retail APE including rider attachment stands at 11% in Q3FY26.
- Credit protect rebounded in Q3 (growth of 26%/16% in Q3/9MFY26) and MFI trends are showing signs of revival, while non-MFI segment continued to deliver steady growth.
- Annuity business grew 11.3%/10.6% in Q3/9MFY26. Annuity business continued to be stable at 5% of total APE mix as of 9MFY26 and management plans to launch variable annuity in next couple of months.

## Partnerships leading the growth among distribution channels; bancassurance growth expected to recover in FY27

In 9MFY26, banca/agency/direct/partnership channel reported growth of 8%/14%/12%/19% YoY. Banca forms 59% of individual APE mix, while agency/direct/partnership forms 18%/9%/15% of individual APE mix.

HDFC Bank's counter share was rangebound but showed strong growth in term protection and rider penetration. In other bank partnerships, competitive intensity has increased but HDFC Life has managed to maintain counter share across most partner banks, as per management.

The agency channel remained a strong performer, with 80k new agent additions in 9MFY26. As per management, agency channel should grow faster than company growth and contribute greater than 25% share in the company (vs. 15% of total APE mix in 9MFY26).

## Persistency declined in most cohorts except for 49/61-month

Persistency for 13/25/37<sup>th</sup> months decreased to 85%/78%/72% in 9MFY26 compared to 87%/78%/74% in 9MFY25. 49/61<sup>st</sup> month persistency was 71%/63% in 9MFY26 (vs. 70%/61% in 9MFY25). Management stated that 13-month persistency issue was cohort specific due to lower ticket sizes and mitigating steps have already been taken. Improvement in 61-month persistency was due to tax change related fire sales of high-ticket size policies (>INR 0.5mn) where persistency is better.

## Key operating details

- Solvency ratio dipped from 188% in Q3FY25 to 180% in Q3FY26. Management raised INR 7.5bn in sub-debt in Q3FY26 to improve solvency ratio. Management expects implementation of the risk-based solvency regime in coming quarters; it does not anticipate any requirement for further capital to support organic growth.
- Renewal share of total premium increased in Q3FY26 at 57.1% (vs. 55.7% in Q3FY25). On an absolute basis, renewal premium increased 12% YoY to INR 104.8bn in Q3FY26.
- New business strain to back-book surplus- 77.4%/87.4%/86.7%/87.2%/85.3%/85%/85% in FY21/22/23/24/25/H1FY26/9MFY26, respectively.
- Q3FY26 expense ratio increased to 24.1% compared to 20.2% last year (vs. 21.3% in Q3FY25).
- In 9MFY26, embedded value grew by 15.6% YoY and stood at INR 616bn with operating RoEV at 11% for 9MFY26 (vs. 16.7% in FY25). Operating variance was negative INR 0.7bn due to lower 13-month persistency experience. Economic variance was positive (INR 7.5bn) in 9MFY26.

### Exhibit 1: APE and VNB projection

INR bn	FY23	FY24	FY25	FY26E	FY27E	FY28E
APE- reported	133.4	132.9	154.8	173.4	199.4	229.3
VNB- reported	36.7	35.0	39.6	42.1	50.8	59.6
VNB margins- reported	27.5%	26.3%	25.6%	24.3%	25.5%	26.0%

Source: I-Sec research, Company data

### Exhibit 2: EV projection

EV change - INR bn	FY23	FY24	FY25	FY26E	FY27E	FY28E
Opening EV	329.6	395.3	474.8	554.4	640.0	738.6
Assumption changes	-	-				
New business profits	36.7	35.0	39.6	42.1	50.8	59.6
Expense overrun						
Expected return on in force	26.2	32.4	38.4	44.9	51.8	59.8
- Unwind rate (%)	7.9%	8.2%	8.1%	8.1%	8.1%	8.1%
Operating variance / Tax changes	1.9	1.9	1.2	(0.7)		
<b>EVOP</b>	<b>64.8</b>	<b>69.2</b>	<b>79.2</b>	<b>86.3</b>	<b>102.7</b>	<b>119.4</b>
Changes in economic assumptions						
Economic variance	(15.8)	13.5	3.6	5.0		
Dividend Payout, impact of GST & labour code	16.7	(3.4)	(3.2)	(5.7)	(4.1)	(4.1)
<b>Closing MCEV</b>	<b>395.3</b>	<b>474.8</b>	<b>554.4</b>	<b>640.0</b>	<b>738.6</b>	<b>853.9</b>

Source: I-Sec research, Company data, FY26 includes impact of GST and labour code.

### Exhibit 3: Product wise growth trend

Total APE (INR bn)	Q1FY25	Q2FY25	Q3FY25	9MFY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	9MFY26	Q3FY26	9MFY26
<b>Savings</b>	<b>24.5</b>	<b>34.0</b>	<b>31.5</b>	<b>90.1</b>	<b>47.1</b>	<b>27.6</b>	<b>36.3</b>	<b>33.6</b>	<b>97.5</b>	<b>6.6%</b>	<b>8.2%</b>
UL	9.2	11.7	11.1	31.9	20.7	10.6	16.9	15.8	43.3	42.5%	35.6%
Par	4.0	5.4	7.1	16.5	9.8	8.7	9.9	7.6	26.2	7.5%	59.0%
Non par savings	8.6	13.6	9.7	31.9	11.4	5.5	6.4	7.5	19.4	-22.9%	-39.3%
Group savings	1.1	1.5	1.4	4.1	2.1	1.0	1.3	1.2	3.4	-16.5%	-17.0%
Protection	4.1	4.5	4.2	12.9	4.8	4.7	5.6	6.2	16.4	47.2%	27.5%
Individual	1.5	2.0	1.6	5.1	2.2	1.8	2.5	3.0	7.3	88.9%	42.5%
Group	2.6	2.5	2.6	7.7	2.5	2.9	3.1	3.1	9.1	21.3%	17.5%
Annuity	1.4	1.9	1.8	5.1	2.6	1.6	2.1	2.0	5.7	11.3%	10.6%
<b>Total</b>	<b>28.7</b>	<b>38.6</b>	<b>35.7</b>	<b>102.9</b>	<b>51.9</b>	<b>32.3</b>	<b>41.9</b>	<b>39.7</b>	<b>113.9</b>	<b>11.3%</b>	<b>10.6%</b>

Source: I-Sec research, Company data

### Exhibit 4: Individual APE, protection APE and VNB/VNB margin trend

Individual APE (INR bn)	Q1FY25	Q2FY25	Q3FY25	9MFY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	9MFY26	Q3FY26	9MFY26
UL	9.4	11.7	12.1	33.2	19.3	10.6	16.6	15.8	42.9	29.9%	29.2%
Par	3.9	4.8	7.4	16.2	9.7	8.9	9.9	8.2	27.0	11.2%	66.7%
Non par savings	8.6	13.6	9.2	31.5	12.1	5.3	6.4	7.3	19.0	-20.1%	-39.7%
Term	1.5	2.0	1.6	5.1	2.2	1.7	2.8	2.5	7.0	53.5%	36.5%
Annuity	1.2	1.7	1.6	4.5	2.3	1.4	1.2	1.4	4.0	-9.9%	-11.1%
<b>Total</b>	<b>24.7</b>	<b>34.0</b>	<b>31.2</b>	<b>89.9</b>	<b>46.3</b>	<b>27.8</b>	<b>36.9</b>	<b>35.2</b>	<b>99.9</b>	<b>12.7%</b>	<b>11.2%</b>
YoY gro.											
INR bn	Q1FY25	Q2FY25	Q3FY25	9MFY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	9MFY26	Q3FY26	9MFY26
<b>Total Protection</b>	<b>4.1</b>	<b>4.5</b>	<b>4.2</b>	<b>12.9</b>	<b>4.8</b>	<b>4.7</b>	<b>5.6</b>	<b>6.1</b>	<b>16.4</b>	<b>45.5%</b>	<b>27.5%</b>
Individual	1.5	2.0	1.6	5.1	2.2	1.8	2.5	3.0	7.3	87.1%	42.5%
Group	2.6	2.5	2.6	7.7	2.5	2.9	3.1	3.1	9.1	19.8%	17.5%
INR bn	Q1FY25	Q2FY25	Q3FY25	9MFY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	9MFY26	Q3FY26	9MFY26
VNB	7.2	9.38	9.3	25.9	13.76	8.1	10.1	9.6	27.7	2.7%	7.2%
VNB Margin (%)	25.1	24.3	26.1	25.1	26.5	25.1	24.1	24.0	24.4	-203 bps	-77 bps
EV	496	521	532	532	554	584	595	616	616	15.6%	15.6%

Source: I-Sec research, Company data

**Exhibit 5: VNB walk (INR bn)**

Source: Company data, I-Sec research

**Exhibit 6: Channel growth trend**

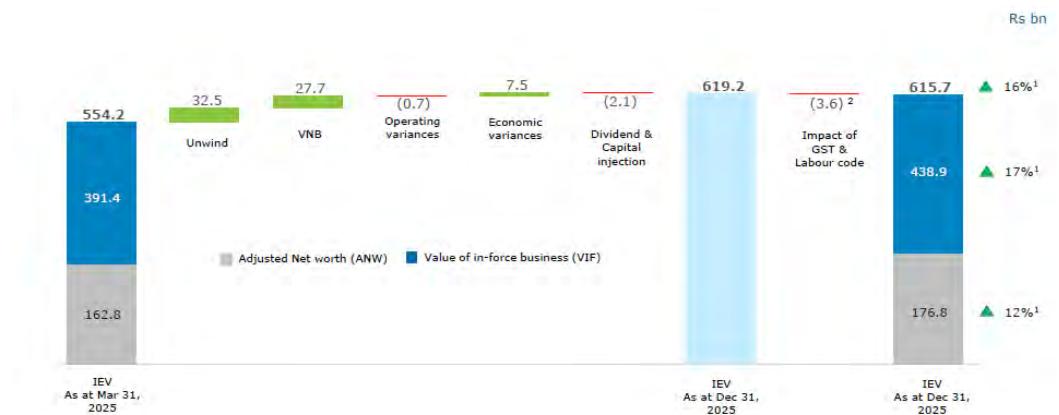
APE (INR bn)	Q1FY25	Q2FY25	Q3FY25	9MFY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	9MFY26	Q3FY26	9MFY26
Banca	15.0	20.3	18.6	53.9	26.4	16.7	21.5	20.8	58.9	11.6%	9.3%
Agency	4.2	5.9	5.2	15.3	9.2	4.4	7.2	6.3	18.0	22.7%	17.7%
Direct	2.2	2.6	3.2	8.1	2.8	2.5	3.3	3.2	9.0	-2.6%	11.2%
Partnership Distribution	3.2	5.1	4.2	12.6	7.8	4.2	4.9	5.9	15.0	40.2%	19.1%
Group	4.0	4.6	4.5	13.1	5.5	4.5	4.9	4.6	14.0	2.2%	7.0%
<b>Total</b>	<b>28.7</b>	<b>38.6</b>	<b>35.7</b>	<b>102.9</b>	<b>51.9</b>	<b>32.3</b>	<b>41.9</b>	<b>39.7</b>	<b>113.9</b>	<b>11.3%</b>	<b>10.6%</b>

Source: I-Sec research, Company data

**Exhibit 7: Q3FY26 result review**

Policyholder's account (INR mn)	FY25				FY26			Change	
	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
<b>Net premium income</b>	1,25,484	1,66,137	1,68,318	2,38,430	1,45,394	1,88,712	1,83,514	9.0	(2.8)
First year premium	23,617	32,599	29,750	44,064	25,595	35,996	33,436	12.4	(7.1)
Renewal premium	64,106	88,311	93,766	1,30,645	76,060	1,03,436	1,04,800	11.8	1.3
Single premium	40,424	48,430	49,306	65,733	47,219	53,708	50,047	1.5	(6.8)
Reinsurance ceded	(2,663)	(3,203)	(4,504)	(2,012)	(3,480)	(4,428)	(4,769)	5.9	7.7
<b>Income from investments</b>	<b>1,41,271</b>	<b>1,16,133</b>	<b>1,954</b>	<b>190</b>	<b>1,46,023</b>	<b>14,174</b>	<b>1,06,563</b>	5,353.0	651.8
<b>Other income</b>	669	692	709	779	739	795	917		
<b>Transfer from S/H A/C</b>	76	1,931	(1,189)	255	694	540	582		
<b>Total income</b>	<b>2,67,501</b>	<b>2,84,893</b>	<b>1,69,793</b>	<b>2,39,654</b>	<b>2,92,850</b>	<b>2,04,221</b>	<b>2,91,576</b>	<b>71.7</b>	<b>42.8</b>
<b>Commission paid</b>	14,703	18,528	19,325	25,824	17,507	23,418	22,725	17.6	(3.0)
<b>Operating expense</b>	12,734	16,887	15,617	17,270	15,205	17,931	22,728	45.5	26.8
<b>Total commission &amp; Opex</b>	<b>27,437</b>	<b>35,415</b>	<b>34,942</b>	<b>43,093</b>	<b>32,712</b>	<b>41,349</b>	<b>45,453</b>	<b>30.1</b>	<b>9.9</b>
<b>Benefits paid</b>	88,531	1,03,392	92,089	1,10,965	87,207	93,798	92,290	0.2	(1.6)
<b>Change in actuarial liability</b>	1,45,741	1,44,488	43,221	82,096	1,70,446	69,966	1,53,777	255.8	119.8
<b>Total Expenses</b>	<b>2,61,709</b>	<b>2,83,295</b>	<b>1,70,251</b>	<b>2,36,155</b>	<b>2,90,365</b>	<b>2,05,112</b>	<b>2,91,519</b>	<b>71.2</b>	<b>42.1</b>
<b>Provisions</b>	34	(28)	529	289	(42)	(460)	46		
<b>Service Tax on linked products</b>	1,085	1,190	1,229	1,388	1,267	1,211	75	(93.9)	(93.9)
<b>PBT</b>	<b>4,674</b>	<b>435</b>	<b>(2,232)</b>	<b>1,807</b>	<b>1,249</b>	<b>(1,669)</b>	<b>(91)</b>	<b>(95.9)</b>	<b>(94.5)</b>
<b>Tax</b>	(984)	(4,707)	(336)	145	402	34	42		
<b>Surplus/(Deficit)</b>	<b>5,657</b>	<b>5,142</b>	<b>(1,896)</b>	<b>1,662</b>	<b>847</b>	<b>(1,703)</b>	<b>(133)</b>	<b>(93.0)</b>	<b>(92.2)</b>
<b>Shareholders' Account</b>	<b>Q1FY25</b>	<b>Q2FY25</b>	<b>Q3FY25</b>	<b>Q4FY25</b>	<b>Q1FY26</b>	<b>Q2FY26</b>	<b>Q3FY26</b>		
<b>Transfer from P/H A/C</b>	2,679	3,874	1,021	2,495	3,676	2,171	1,399	37.0	(35.6)
<b>Investment income</b>	2,583	2,700	2,730	3,287	3,215	3,621	4,199	53.8	16.0
<b>Other income</b>	151	172	187	202	212	233	245	31.4	5.2
<b>Total income</b>	<b>5,413</b>	<b>6,745</b>	<b>3,938</b>	<b>5,984</b>	<b>7,103</b>	<b>6,025</b>	<b>5,843</b>	<b>48.4</b>	<b>(3.0)</b>
Other expenses	346	410	596	751	795	820	830	39.1	1.2
Amounts trf to P/H account	76	1,931	(1,189)	255	694	540	582		
Provisions	-	-	7	119	(22)	(15)	21		
<b>PBT</b>	<b>4,992</b>	<b>4,405</b>	<b>4,524</b>	<b>4,859</b>	<b>5,636</b>	<b>4,680</b>	<b>4,410</b>	<b>(2.5)</b>	<b>(5.8)</b>
<b>Tax</b>	202	53	311	106	152	198	228		
<b>PAT</b>	<b>4,790</b>	<b>4,352</b>	<b>4,213</b>	<b>4,754</b>	<b>5,484</b>	<b>4,483</b>	<b>4,182</b>	<b>(0.7)</b>	<b>(6.7)</b>
<b>Ratios</b>	<b>Q1FY25</b>	<b>Q2FY25</b>	<b>Q3FY25</b>	<b>Q4FY25</b>	<b>Q1FY26</b>	<b>Q2FY26</b>		<b>YoY (bps)</b>	<b>QoQ (bps)</b>
Commission expense- weighted premium	16.0	14.7	15.1	14.3	16.5	16.2	15.9	146	(28)
Opex ratio -weighted premium	13.9	13.4	12.2	9.5	14.3	12.4	15.9	(105)	(191)
<b>Reported APE Data</b>	<b>Q1FY25</b>	<b>H1FY25</b>	<b>9MFY25</b>	<b>FY25</b>	<b>Q1FY26</b>	<b>H1FY26</b>	<b>9MFY26</b>	<b>YoY (%)</b>	<b>QoQ (%)</b>
Individual APE	24,700	58,700	89,900	1,36,190	27,770	64,710	99,880	11.1	
Group APE	3,960	8,540	13,040	18,600	4,480	9,420	13,990	7.3	
New Business APE	28,660	67,240	1,02,930	1,54,790	32,250	74,130	1,13,870	10.6	
<b>Other ratios (%)</b>	<b>Q1FY25</b>	<b>H1FY24</b>	<b>9MFY25</b>	<b>FY25</b>	<b>Q1FY26</b>	<b>H1FY26</b>	<b>9MFY26</b>	<b>YoY (bps)</b>	
Solvency ratio	186.0	181.0	188.0	194.0	192.0	175.0	180.0	-800.0	
Op. ROEV	15.5	16.0	16.0	16.7	16.3	15.6	15.6	-40.0	
ROE	13.2	12.6	12.0	12.1	13.7	12.4	11.6	-40.0	
VNB margins	25.1	24.7	25.1	25.6	25.1	24.5	24.4	-77.2	
<b>Persistency ratios (%)</b>	<b>Q1FY25</b>	<b>H1FY24</b>	<b>9MFY25</b>	<b>FY25</b>	<b>Q1FY26</b>	<b>H1FY26</b>	<b>9MFY26</b>	<b>YoY (bps)</b>	
13th Month	87.30	87.50	87.30	86.90	82.70	85.60	84.90	-240.0	
25th Month	75.90	78.20	77.90	78.10	79.50	78.30	78.00	10.0	
37th Month	73.10	74.20	74.30	73.60	69.30	72.00	71.90	-240.0	
49th Month	67.50	69.30	69.70	70.20	69.90	70.90	71.20	150.0	
61st Month	59.90	60.40	61.40	63.50	61.00	62.40	63.30	190.0	
<b>Key Metrics (INR bn)</b>	<b>Q1FY25</b>	<b>H1FY24</b>	<b>9MFY25</b>	<b>FY25</b>	<b>Q1FY26</b>	<b>H1FY26</b>	<b>9MFY26</b>	<b>YoY (%)</b>	
VNB	7.20	16.58	25.86	39.62	8.09	18.18	27.73	7.2	
EV	496	521	532	554	584	595	616	15.6	
AUM	3,102	3,249	3,287	3,363	3,559	3,600	3,777	14.9	
equity portion (%)	34	35	33	31	32	31	32		

### Exhibit 8: EV movement in 9MFY26



Source: I-Sec research, Company data

### Exhibit 9: Shareholding pattern

%	Mar'25	Jun'25	Sep'25
Promoters	50.3	50.3	50.3
Institutional investors	39.2	39.0	39.0
MFs and other	11.3	11.8	11.9
Banks/ FIs	0.3	0.3	0.3
Insurance Cos.	2.3	2.2	2.0
FIs	25.3	24.8	24.8
Others	10.5	10.7	10.7

Source: Bloomberg, I-Sec research

### Exhibit 10: Price chart



Source: Bloomberg, I-Sec research

## Financial Summary

### Exhibit 11: Technical account

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Gross Premiums	7,10,751	8,69,591	10,11,687	11,73,933
Reinsurance Ceded	(12,382)	(5,840)	(5,840)	(5,840)
Net Premiums	6,98,370	8,63,751	10,05,847	11,68,093
Income from Investments	2,59,548	3,15,013	3,72,911	4,40,452
Other Income	3,922	10,488	11,145	11,865
<b>Total income</b>	<b>9,61,840</b>	<b>11,89,252</b>	<b>13,89,903</b>	<b>16,20,409</b>
Commission	(78,445)	(38,477)	(44,832)	(52,080)
Operating expenses	(62,508)	(1,10,571)	(1,28,609)	(1,49,208)
<b>Total commission and opex</b>	<b>(1,40,952)</b>	<b>(1,49,048)</b>	<b>(1,73,441)</b>	<b>(2,01,288)</b>
Benefits Paid (Net)+ bonus	(3,94,977)	(4,07,155)	(4,76,073)	(5,55,098)
Chg in reserves	(4,15,546)	(6,01,202)	(7,00,217)	(8,17,044)
<b>Total expenses</b>	<b>(9,51,475)</b>	<b>(11,57,40</b>	<b>(13,49,73</b>	<b>(15,73,43</b>
		6)	1)	1)
Prov for doubtful debts	(823)	(1,300)	(1,300)	(1,300)
<b>PBT</b>	<b>9,541</b>	<b>30,545</b>	<b>38,873</b>	<b>45,679</b>
Surplus / Deficit before tax	10,365	31,845	40,173	46,979
Tax (incl. Service Tax &GST)	990	(13,136)	(14,793)	(16,681)
Prov for Tax	5,882	(8,644)	(10,076)	(11,728)
<b>Surplus / Deficit</b>	<b>10,531</b>	<b>17,409</b>	<b>24,080</b>	<b>28,998</b>

Source Company data, I-Sec research

### Exhibit 12: Shareholder's account

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Transfer from technical a/c	10,069	14,355	20,454	24,717
Income From Investments	11,300	10,544	7,010	6,019
<b>Total Income</b>	<b>22,080</b>	<b>25,610</b>	<b>28,175</b>	<b>31,448</b>
Other expenses	(2,102)	(2,418)	(2,780)	(3,197)
Contribution to P/H A/C	(1,073)	(2,869)	(3,049)	(3,246)
Total Expenses	(3,301)	(5,412)	(5,955)	(6,569)
<b>PBT</b>	<b>18,779</b>	<b>20,198</b>	<b>22,220</b>	<b>24,879</b>
Prov for Tax	(671)	(606)	(667)	(746)
<b>PAT</b>	<b>18,108</b>	<b>19,592</b>	<b>21,553</b>	<b>24,133</b>

Source Company data, I-Sec research

### Exhibit 13: Balance sheet

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Share Capital	21,530	21,561	21,561	21,561
Reserves And Surplus	1,35,550	1,51,045	1,68,502	1,88,538
<b>Shareholders' Fund</b>	<b>1,61,546</b>	<b>1,72,556</b>	<b>1,90,013</b>	<b>2,10,049</b>
Policy Liabilities	31,54,591	37,74,409	44,74,626	52,91,670
Prov. for Linked Liab.	9,77,763	11,53,519	12,68,871	13,95,758
Funds For Future App.	51,424	47,092	50,110	53,732
Current liabilities & prov.	-	-	-	-
Borrowings	29,500	29,500	29,500	29,500
<b>Total</b>	<b>33,97,062</b>	<b>40,23,557</b>	<b>47,44,249</b>	<b>55,84,951</b>
Shareholders' investment	1,81,943	99,233	87,690	72,826
Policyholders' investment	21,65,435	26,70,405	32,73,279	39,85,755
Assets to cover linked liab.	10,16,611	12,14,231	13,35,654	14,69,219
Loans	23,783	28,540	34,248	41,097
Fixed Assets	6,086	7,303	8,764	10,517
Current assets	3,204	3,845	4,614	5,537
<b>Total</b>	<b>33,97,062</b>	<b>40,23,557</b>	<b>47,44,249</b>	<b>55,84,951</b>

Source Company data, I-Sec research

### Exhibit 14: Premium details

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
New business premium	3,45,378	3,86,823	4,44,847	5,11,574
Total weighted APE	1,54,790	1,73,365	1,99,370	2,29,275
Renewal premium	4,05,108	4,82,767	5,66,840	6,62,359
Total premium	7,50,486	8,69,591	10,11,687	11,73,933
NBP growth (%)	16.5	12.0	15.0	15.0
APE growth (%)	16.5	12.0	15.0	15.0
Renewal premium growth (%)	20.1	19.2	17.4	16.9
Total premium growth (%)	18.4	15.9	16.3	16.0

Source Company data, I-Sec research

### Exhibit 15: Key ratios

(Year ending March)

	FY25A	FY26E	FY27E	FY28E
<b>Operating Ratios (%)</b>				
Investment yield (%)	8.6	8.9	8.8	8.7
Commissions / GWP	11.0	4.4	4.4	4.4
Operating expenses / GWP	8.8	12.7	12.7	12.7
Total expense / GWP	19.8	17.1	17.1	17.1
Total AUMs (INR bn)	3,364	3,984	4,697	5,528
Profitability ratios (%)				
VNB margin (%)	25.6	24.3	25.5	26.0
RoE (%)	11.8	11.7	11.9	12.1
<b>Core EVOP(unwind +VNB)</b>	<b>16.4</b>	<b>15.7</b>	<b>16.0</b>	<b>16.2</b>
EVOP as % of IEV	16.7	15.6	16.0	16.2
RoEV (%)	16.8	15.4	15.4	15.6
Valuation ratios				
Dividend per share (INR)	2.1	1.9	1.9	1.9
EPS (INR)	8.4	9.1	10.0	11.2
<b>VNB (INR bn)</b>	<b>39.6</b>	<b>42.1</b>	<b>50.8</b>	<b>59.6</b>
EV (INR bn)	554.4	640.0	738.6	853.9
VIF (INR bn)	460.4	535.0	616.2	711.5
ANW (INR bn)	94.0	105.0	122.4	142.5
VIF as % of EV	83.1	83.6	83.4	83.3
EV per share (INR)	258.0	297.8	343.7	397.4
<b>P/EV (x)</b>	<b>2.9</b>	<b>2.5</b>	<b>2.2</b>	<b>1.9</b>
P/EPS (x)	88.2	81.5	74.1	66.2

Source Company data, I-Sec research

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