

Expect sustained growth momentum

- **SBI Life forecast to deliver strong growth and steady VNB margins in Q3; remains our top life insurance pick**
- **Positive market sentiment should augment AUM, PAT growth for AMCs; Nippon AMC continues as our top pick**
- **Strong AUM growth likely to drive profitability for BAF – our preferred buy among NBFCs**

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Life insurance: Within the private space, we expect SBI Life/IPRU to post NBP growth of 16%/12% YoY in Q3FY24, followed by HDFC Life at 10%. LIC is likely to experience a subpar quarter marked by an estimated 15% YoY drop in NBP. We project VNB growth of 12% YoY for SBI Life and increases of 7%/6%/2% for IPRU/HDFC Life/LIC. Life insurers saw non-par business decline in Q2 accompanied by an uptick in ULIP sales, and we expect this trend to continue in Q3. Retail protection could also gain traction and we anticipate high demand for credit life products considering robust systemic credit growth in Q3.

AMC: Positive market sentiment should spur AUM growth and hence positive core revenue growth for listed AMCs. Equity inflows, particularly through the SIP mode, would be a key driver of profitability. Other income should benefit positively from the strong equity market while expenses are expected to remain stable. Thus, all companies under coverage are expected to post a YoY increase in net profit.

Wealth management: We pencil in a 30% YoY rise in recurring AUM for 360 One in Q3, helped by new fund inflows and MTM gains, particularly in the 360 One Plus and AMC businesses. Annual recurring revenue (ARR) is forecast to grow 12% YoY and non-ARR revenue 5%. The company's cost-to-income ratio is likely to remain high but we still project YoY PAT growth in early double digits in Q3.

NBFC: We estimate 30% YoY growth in BAF's AUM for Q3, tracking within the full-year guidance of 29-31%, and expect 25% YoY growth in PAT. NIM contraction is likely to continue due to a higher cost of funds, whereas we expect credit cost to stay low. The RBI's recent decision to temporarily halt the issuance of existing member identification (EMI) cards is unlikely to have a material impact. In the credit card space, we believe SBI Card will see a record surge in card spends due to the festive season.

Target price revision: We roll valuations for our life insurer coverage to Mar'26E, leading to revised targets for SBI Life (BUY) at Rs 1,970 vs. Rs 1,650, IPRU (HOLD) at Rs 604 vs. Rs 518, HDFC Life (raised to BUY) at Rs 822 vs. Rs 700, and LIC (BUY) at Rs 965 vs. Rs 767. For 360 One (cut to HOLD), we move to Rs 747 vs. Rs 615.

Recommendation snapshot

Ticker	Price	Target	Rating
360ONE IN	677	747	HOLD
ABSLAMC IN	469	497	HOLD
BAF IN	7,430	9,605	BUY
HDFCAMC IN	3,261	3,150	HOLD
HDFCLIFE IN	646	822	BUY
IPRU IN	534	604	HOLD
LICI IN	838	965	BUY
NAM IN	467	513	BUY
SBICARD IN	773	910	BUY
SBILIFE IN	1,438	1,970	BUY
UTIAM IN	868	920	HOLD

Price & Target in Rupees | Price as of 2 Jan 2024



Q3FY24 preview

Fig 1 – BOBCAPS NBFC universe: Q3FY24 estimates

(Rs mn)	Q3FY24E	Q3FY23	Q2FY24	YoY (%)	QoQ (%)	Comments
NBFC						
SBI Card						
Spends	9,63,690	6,88,350	7,91,640	40.0	21.7	We expect spends to grow 40% YoY in Q3FY24 for SBI Card, with 25% loan growth owing to festive season demand. NIM is likely to remain broadly stable even though the C/I ratio looks set to remain high as is traditionally the case in Q3. Credit costs could remain elevated as well. Data on receivable mix, credit cost and C/I ratio would be key to watch.
Loans	4,66,925	3,73,540	4,35,560	25.0	7.2	
NII	13,775	11,446	12,969	20.3	6.2	
NIM (%)	11.0	11.3	11.0	(29bps)	(1bps)	
PPOP	16,414	12,174	15,510	34.8	5.8	
Credit costs (%)	7.0	5.8	6.9	123bps	5bps	
PAT	6,371	5,095	6,030	25.1	5.7	
360 One WM						
Recurring AUM	21,64,422	16,64,940	20,25,361	30.0	6.9	We expect recurring AUM to grow 30% YoY to Rs 2.2tn at end-Q3FY24. The C/I ratio could remain high on account of business expansion, and we estimate 10% YoY PAT growth. Management commentary about exploring new domestic geographies in FY25 along with global expansion would be key to monitor.
Total revenue	4,779	4,096	4,412	16.7	8.3	
C/I (%)	48.0	45.5	48.6	251bps	(60bps)	
PAT	1,988	1,801	1,853	10.4	7.3	
Yield (Recurring - bps)	65	76	63	(11bps)	2bps	
Bajaj Finance						
AUM	30,00,946	23,08,420	29,02,640	30.0	3.4	BAF's AUM is forecast to grow 30% YoY and 3% QoQ at end-Q3. We expect similar growth in loans. NIM is projected to contract 9bps YoY and 3bps QoQ, with a stable C/I ratio and a modest 6bps rise in credit costs. Commentary on newer segments and growth strategies will be key aspects to watch.
Loans	29,30,187	22,53,990	28,57,482	30.0	2.5	
NII	75,396	59,222	71,970	27.3	4.8	
NIM (%)	10.4	10.5	10.4	(9bps)	(3bps)	
PPOP	61,269	48,529	58,312	26.3	5.1	
Credit costs (%)	1.6	1.5	1.6	6bps	4bps	
PAT	37,078	29,729	35,473	24.7	4.5	
LIFE INSURANCE						
SBI Life						
NBP	97,875	84,236	1,00,547	16.2	(2.7)	SBI Life is likely to see sustained strong growth in NBP. We bake in 14% YoY growth in gross premium led by ULIP, protection and annuity plans, along with VNB margin expansion to 29%. Cost leadership is expected to continue. Commentary on ULIP growth and non-par outlook would be key monitorables.
Gross Premium	2,20,356	1,93,319	2,01,758	14.0	9.2	
APE	58,522	54,300	52,300	7.8	11.9	
Total cost (%)	9.4	9.1	9.5	27bps	(11bps)	
VNB	16,971	15,100	14,900	12.4	13.9	
VNB Margin (%)	29.0	27.8	28.5	119bps	51bps	
HDFC Life						
NBP	80,897	73,880	71,013	9.5	13.9	HDFC Life's NBP is projected to post 10% YoY growth at end-Q3FY24. Gross premium is expected to rise 14% YoY with total cost up both QoQ and YoY. We forecast a 7% YoY increase in APE, with absolute VNB growing 6% and VNB margin at 26.5%.
Gross Premium	1,65,413	1,45,750	1,49,403	13.5	10.7	
APE	34,889	32,600	30,430	7.0	14.7	
Total cost (%)	19.8	19.3	19.6	46bps	17bps	
VNB	9,246	8,710	8,216	6.2	12.5	
VNB Margin (%)	26.5	26.7	26.2	(22bps)	30bps	
ICICI Prudential Life						
NBP	45,060	40,272	45,342	11.9	(0.6)	We estimate 12% YoY growth in IPRU's NBP with a 9% rise in gross premium. VNB margin is forecast to move up QoQ to 30% due to a focus on profitable products, such as non-par and protection plans. Total cost could be on the higher side YoY but is likely to decline QoQ.
Gross Premium	1,06,906	97,805	1,04,259	9.3	2.5	
APE	22,047	18,210	20,620	21.1	6.9	
Total cost (%)	17.8	14.7	18.4	313bps	(63bps)	
VNB	6,614	6,180	5,770.0	7.0	14.6	
VNB Margin (%)	30.0	33.9	28.0	(394bps)	202bps	

(Rs mn)	Q3FY24E	Q3FY23	Q2FY24	YoY (%)	QoQ (%)	Comments
LIC						
NBP	4,40,655	5,18,418	4,78,342	(15.0)	(7.9)	LIC's NBP and gross premium growth are expected to remain soft. We project a decline in APE as well, albeit at a slower rate. The company continues to focus on non-par products which are a smaller part of the mix as compared to peers. We continue to believe that VNB margin gains will continue. The cost ratio is expected to remain high but could decline QoQ.
Gross Premium	10,72,702	11,20,367	10,74,771	(4.3)	(0.2)	
APE	1,18,460	1,23,170	1,30,950	(3.8)	(9.5)	
Total cost (%)	15.2	12.3	17.2	288bps	(203bps)	
VNB	18,361	17,983	19,981	2.1	(8.1)	
VNB Margin (%)	15.5	14.6	15.3	90bps	24bps	
AMC						
Nippon AMC						
AUM (Rs bn)	3,806	2,928	3,506	30.0	8.6	We forecast strong 30% YoY growth in Nippon AMC's AUM at end-Q3 supported by robust inflows and MTM gains. The equity tilt is expected to continue. Total revenue is projected to grow 30% YoY supported by higher AUM growth and MTM gains. We estimate 30% YoY PAT growth to Rs 2.7bn, which would represent a quarterly high for the company.
Total revenue	5,382	4,157	4,754	29.5	13.2	
EBITDA	3,606	2,752	3,193	31.0	12.9	
PAT	2,672	2,052	2,444	30.2	9.3	
UTI AMC						
AUM (Rs bn)	2,770	2,408	2,668	15.0	3.8	UTI AMC's AUM is projected to increase at a healthy 15% YoY. Revenue is expected to grow 40% YoY with subsidiaries also forecast to post stable numbers. PAT, however, is likely to decline QoQ due to higher operating expenses and a higher tax rate.
Total revenue	4,113	2,934	4,056	40.2	1.4	
EBITDA	2,303	1,323	2,330	74.1	(1.2)	
PAT	1,715	600	1,828	185.7	(6.2)	
HDFC AMC						
AUM (Rs bn)	5,560	4,448	5,247	25.0	6.0	HDFC AMC is expected to post strong 25% YoY AUM growth led by the equity segment. Revenue growth is likely to be healthy at 19% YoY though yields could decline on account of the inverse relationship between AUM and yields. We forecast blended revenue yield of 48bps and PAT growth of 23% YoY.
Total revenue	7,861	6,629	7,654	18.6	2.7	
EBITDA	6,210	5,165	6,034	20.2	2.9	
PAT	4,525	3,694	4,365	22.5	3.7	
ABSL AMC						
AUM (Rs bn)	3,155	2,817	3,109	12.0	1.5	For ABSL AMC, we estimate a 12% YoY rise in AUM. Revenue yield is projected at 42bps in Q3FY24 vs. 45bps in Q3FY23 and 43bps in Q2FY24. Overall revenue is forecast to grow 8%, EBITDA 7% and PAT 5% YoY.
Total revenue	3,907	3,632	3,907	7.6	0.0	
EBITDA	2,481	2,323	2,476	6.8	0.2	
PAT	1,743	1,663	1,781	4.8	(2.1)	

Source: Company, BOBCAPS Research

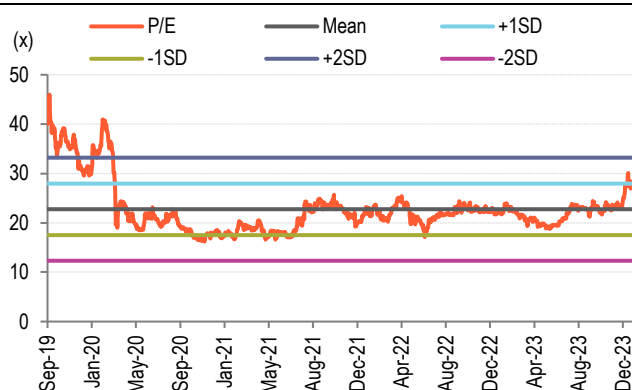
Target price revision

360 One – HOLD, TP Rs 747

360 One retains its niche positioning in the wealth management business, enjoys a track record of innovative products and has a strong team leader-driven model that boasts of low attrition at both the client and senior banker level. We maintain our FY24-FY25 estimates and introduce FY26 forecasts, baking in a recurring AUM CAGR of 32% over FY23-FY26 to Rs 3.8tn and net profit CAGR of 18% to Rs 10.9bn.

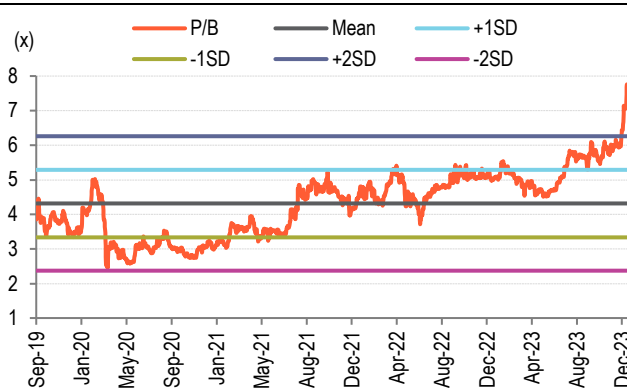
The stock is trading at 24x FY26E EPS. We retain our target P/E multiple of 25x – a 10% premium to the long-term mean – and roll valuations over to Mar'26E for a revised TP of Rs 747 (vs. Rs 615). The stock has run up ~40% in Q3FY24 which limits upside potential and compels us to downgrade our rating from BUY to HOLD. Note, we remain positive on continued traction in the company's ARR model where AUM hit the Rs 2tn mark in Q2FY24, its strong net flows, and tailwinds to growth from expansion of operations and positive market sentiment.

Fig 2 – 1Y fwd P/E band



Source: Bloomberg, BOBCAPS Research

Fig 3 – 1Y fwd P/B band



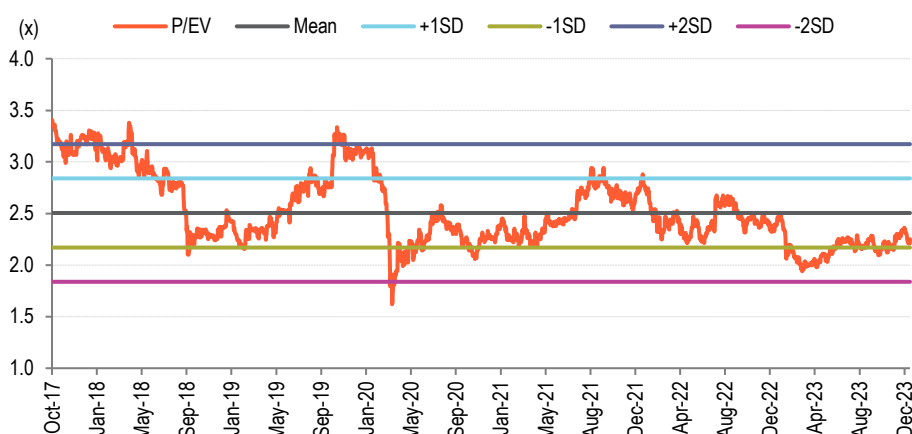
Source: Bloomberg, BOBCAPS Research

SBI Life – BUY, TP Rs 1,970

SBI Life has consistently outperformed peers and maintains market leadership in the private life insurance space, commanding 24.5% share in NBP and 24.9% share in individual APE over Apr-Nov'23. The company's exclusive bancassurance partnership (closed architecture) with parent SBI remains a key competitive advantage owing to the bank's deep reach in smaller towns and cities. Apart from strong brand equity and pedigree, SBI Life has a wide network of ~1,000 branches and ~240,000 agents along with one of the lowest cost ratios among listed peers.

We maintain our FY24-FY25 estimates and introduce FY26 forecasts, penciling in a CAGR of 16% in gross premium, 15% in VNB and 16% in APE over FY23-FY26. The stock is trading at 1.8x FY26E P/EV. We assign an unchanged P/EV multiple of 2.5x – in line with the long-term mean – and roll valuations forward to Mar'26E, yielding a revised TP of Rs 1,970 (vs. Rs 1,650). We continue to prefer SBI Life in the life insurance space for its market leadership, high VNB margins, efficient cost ratios and strong brand – maintain BUY.

Fig 4 – 1Y fwd P/EV



Source: Bloomberg, BOBCAPS Research

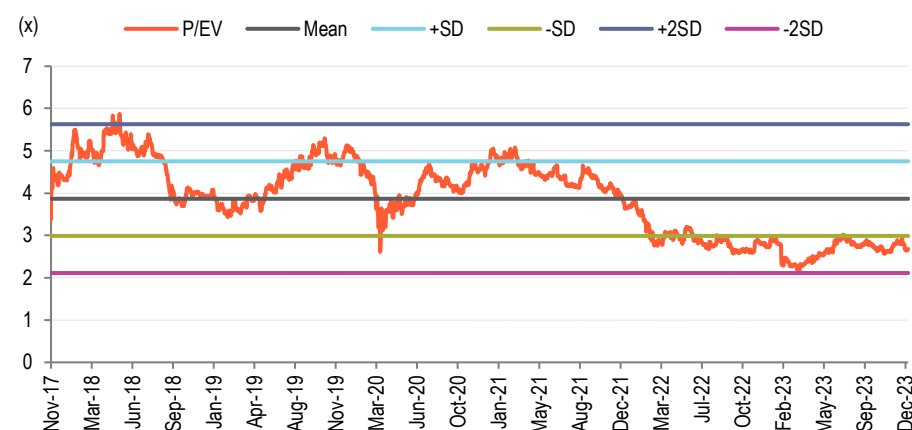
HDFC Life – BUY, TP Rs 822

HDFC Life is the #2 player in the life insurance industry commanding 20.1% share in NBP and 15.5% share in individual APE over Apr-Nov'23. We maintain our FY24-FY25 estimates for the company and introduce FY26 forecasts, baking in an FY23-FY26 CAGR of 15% in gross premium, 12% in VNB and 13% in APE.

The stock is trading at 2.2x FY26E P/EV. We assign an unchanged P/EV multiple of 2.8x – a 30% discount to the long-term mean – and roll valuations over to Mar'26E. This gives us a new TP of Rs 822 (vs. Rs 700), which translates to 27% upside, prompting us to raise our rating from HOLD to BUY.

Our multiple is at a premium to private listed peers under coverage as we factor in the positives from higher market share in the HDFC Bank channel, innovative launches, stable ticket size, a balanced product mix and pickup in demand from tier-2 and tier-3 markets. In particular, the competitive advantage from a balanced product mix can be illustrated from the company's low share of ULIPs at 24% of APE (H1FY24) as compared to 42-56% for covered private peers. We also factor in the negatives of a slight contraction in market share and high expense ratios, which explains our discount to the mean multiple.

Fig 5 – 1Y fwd P/EV



Source: Bloomberg, BOBCAPS Research

IPRU – HOLD, TP Rs 604

While IPRU had a strong November where NBP market share clocked in at 12.5%, the company saw a 70bps decline in 8MFY24 (Apr-Nov) vs. FY23. Per our calculations, APE grew 4% YoY at end-8MFY24 supported by healthy business in October and November. We increase our APE estimates for FY24/FY25 by 11%/7% and introduce FY26 forecasts for the company. Over FY23-FY26, we anticipate a gross premium CAGR of 7%, VNB CAGR of 4% and APE CAGR of 7%. Our VNB margin forecast for FY24 and FY25 stands at 29% each whereas FY26 should see an uptick to 30%.

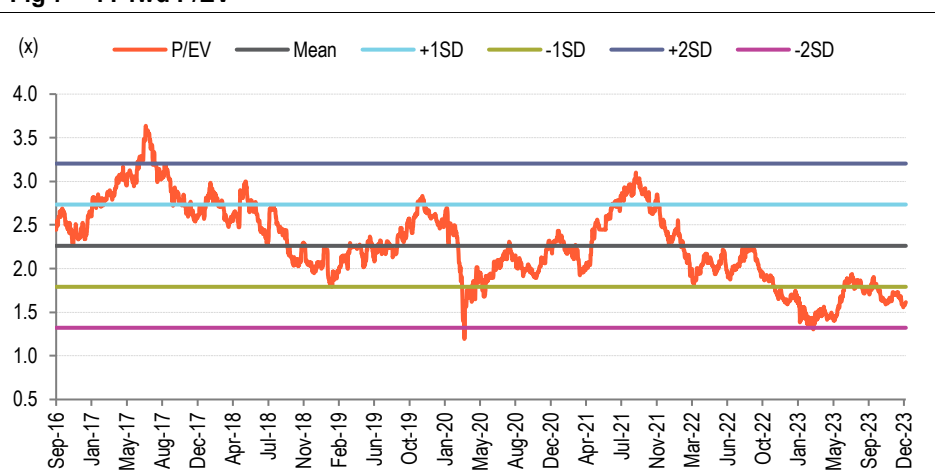
IPRU is trading at 1.4x FY26E P/EV. We assign an unchanged multiple of 1.6x, a 30% discount to the long-term mean, and roll valuations forward to Mar'26E for a revised TP of Rs 604 (vs. Rs 518). We maintain HOLD as we remain cautious on IPRU due to the company's prolonged market share bleed, weak APE growth, slow business from the parent and regulatory headwinds.

Fig 6 – Revised estimates

(Rs bn)	New		Old		Change (%)	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Gross Premium	427	452	427	445	(0.0)	1.6
Net Premium	414	438	414	431	(0.0)	1.6
VNB	25	27	23	26	11.3	7.4
APE	87	95	78	88	11.3	7.4
Embedded Value (EV)	412	473	409	468	0.6	1.0
VNB Margin (%)	29.0	29.0	29.0	29.0	0bps	0bps

Source: BOBCAPS Research

Fig 7 – 1Y fwd P/EV



Source: Bloomberg, BOBCAPS Research

LIC – BUY, TP Rs 965

LIC's market share in individual APE has remained flat at 34% as of end-8MFY24 when compared with FY23 levels. Its NBP market share has contracted 400bps to 59% (vs. 63% in FY23) due to stiff competition from private players, though management appears confident of halting the decline, especially in the group business, by working to

enhance premium collections. The company has also repriced products to make them more competitive and is training agents to push more profitable plans. Moreover, the ticket size of all its products has improved YoY in H1FY24, persistency ratios have moved up and launches of high-margin non-par products (three during H1) bode well.

We maintain our FY24-FY25 estimates for LIC and bring in FY26 forecasts, penciling in a gross premium CAGR of 7%, VNB CAGR of 9% and APE CAGR of 8% over FY23-FY26. The stock is currently trading at 0.7x FY26E EV. We value LIC at 0.8x vs. 0.7x earlier – a 60% discount to listed peers – and roll valuations forward to Mar'26E, yielding a higher TP of Rs 965 (vs. Rs 767).

Our BUY rating stands given the company's entrenched brand equity, clear market leadership, superior agency force, focus on high-margin products and robust claim settlement ratio (>95%). Positive stock triggers include higher growth, a more profitable product mix in favour of non-par plans – in turn supporting structurally higher VNB margins, a sustained reputation for high claim settlement, and further improvement in persistency ratios.

Glossary

Glossary of Abbreviations			
APE	Average Premium Equivalent	NBP	New Business Premium
EOM	Expenses of Management	ROEV	Return on Embedded Value
EV	Embedded Value	RWRP	Retail Weighted Received Premium
EVOP	Embedded Value Operating Profit	ULIP	Unit Linked Insurance Plan
HNI	High Net Worth Individuals	VNB	Value of New Business
IRDA	Insurance Regulatory and Development Authority		

Stock performance

Fig 8 – 360ONE

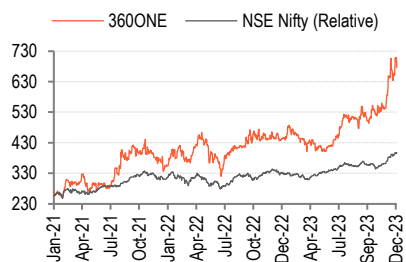


Fig 9 – ABSLAMC

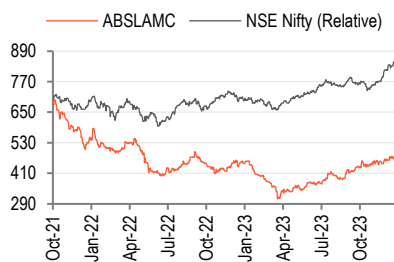


Fig 10 – BAF

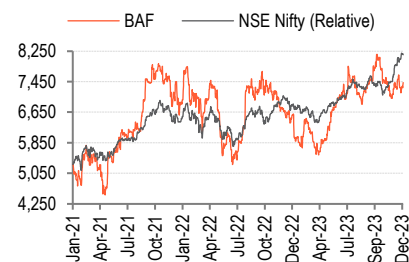


Fig 11 – HDFCAMC

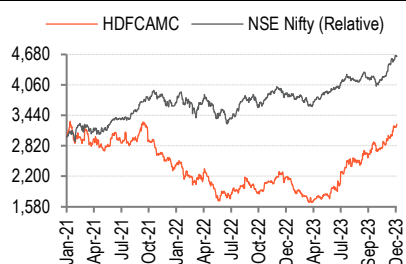


Fig 12 – HDFCLIFE

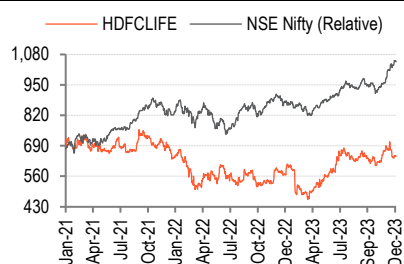


Fig 13 – IPRU

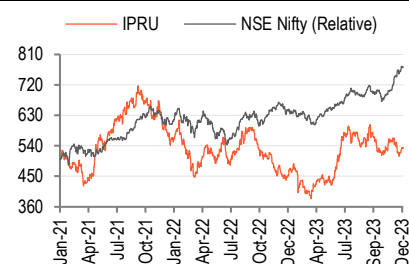


Fig 14 – LIC1

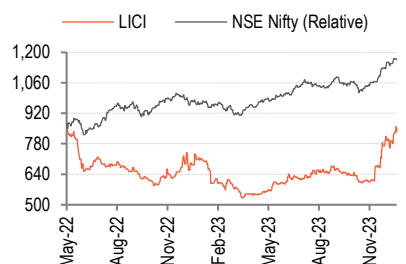


Fig 15 – NAM

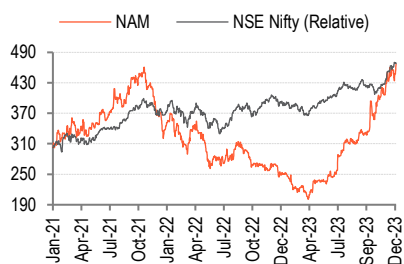


Fig 16 – SBICARD

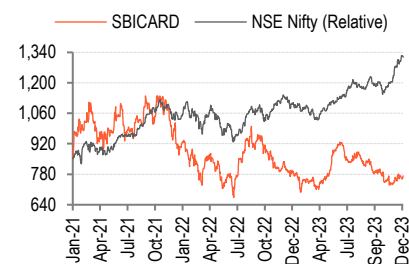


Fig 17 – SBILIFE

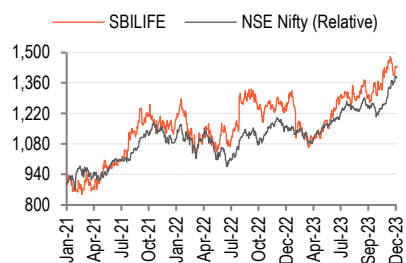
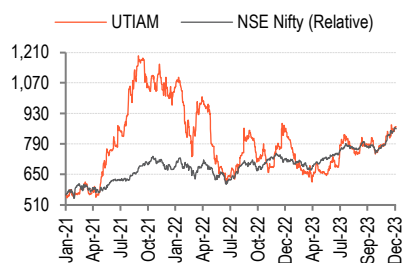


Fig 18 – UTIAM



Source: NSE

Financials – 360ONE

Income Statement

Y/E 31 Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Recurring revenue	9,120	10,496	13,164	16,246	20,008
Non-recurring revenue	4,862	5,154	4,250	4,000	4,250
Other income	1,372	37	900	800	850
Total income	15,354	15,687	18,314	21,046	25,108
Operating expenses	7,841	7,184	8,791	9,681	11,299
PBT	7,513	8,503	9,523	11,365	13,810
PBT growth (%)	54.9	13.2	12.0	19.3	21.5
Tax	1,696	1,824	1,905	2,387	2,900
Tax rate (%)	22.6	21.5	20.0	21.0	21.0
Reported PAT	5,818	6,679	7,618	8,978	10,910

Balance Sheet

Y/E 31 Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Equity capital	177	356	356	356	356
Reserves & surplus	29,798	30,908	31,984	33,330	34,967
Net worth	29,976	31,264	32,340	33,687	35,323
Total debt	58,250	67,837	88,713	1,15,663	1,40,291
Other liab. & provisions	49,145	44,084	46,129	49,972	53,936
Total liabilities & equities	1,07,395	1,11,921	1,34,842	1,65,635	1,94,227
Cash & bank balance	10,222	7,256	10,240	16,125	19,569
Fixed & Other assets	97,173	1,04,665	1,24,601	1,49,510	1,74,657
Total assets	1,07,395	1,11,921	1,34,842	1,65,635	1,94,227

Per Share

Y/E 31 Mar (Rs)	FY22A	FY23A	FY24E	FY25E	FY26E
EPS	64.1	18.1	20.9	24.6	29.9
Dividend per share	55.0	17.3	17.7	20.9	25.4
Book value per share	332.6	85.7	88.6	92.3	96.8

Valuations Ratios

Y/E 31 Mar (x)	FY22A	FY23A	FY24E	FY25E	FY26E
P/E	10.6	37.4	32.4	27.5	22.6
P/BV	2.0	7.9	7.6	7.3	7.0
Dividend yield (%)	8.1	2.6	2.6	3.1	3.8

DuPont Analysis

Y/E 31 Mar (bps of AAAUM)	FY22A	FY23A	FY24E	FY25E	FY26E
Operating income	113.5	100.4	87.7	75.3	70.2
Operating expenses	63.6	46.1	44.3	36.0	32.7
Other income	11.1	0.2	4.5	3.0	2.5
PBT	61.0	54.6	48.0	42.3	40.0
Tax	13.8	11.7	9.6	8.9	8.4

Ratio Analysis

Y/E 31 Mar	FY22A	FY23A	FY24E	FY25E	FY26E
YoY growth (%)					
PBT	54.9	13.2	12.0	19.3	21.5
EPS	53.5	(71.7)	NA	17.8	21.5
Profitability & Return ratios (%)					
Operating to Total income	91.1	99.8	95.1	96.2	96.6
Cost to Income ratio	51.1	45.8	48.0	46.0	45.0
PBT margin	48.9	54.2	52.0	54.0	55.0
ROE	20.0	21.8	24.0	27.2	31.6
Dividend payout ratio	85.8	95.5	85.0	85.0	85.0

Source: Company, BOBCAPS Research

Financials – ABSLAMC

Income Statement

Y/E 31 Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Investment mgmt. fees	12,930	12,266	13,256	14,353	15,980
YoY (%)	21.1	(5.1)	8.1	8.3	11.3
Operating expenses	4,733	5,216	5,957	6,229	6,735
Core operating profits	8,196	7,050	7,299	8,124	9,246
Core operating profits growth (%)	36.4	(14.0)	3.5	11.3	13.8
Depreciation and Interest	405	382	391	429	472
Core PBT	7,791	6,668	6,908	7,695	8,774
Core PBT growth (%)	39.6	(14.4)	3.6	11.4	14.0
Other income	1,156	1,271	2,523	2,300	2,524
PBT	8,947	7,939	9,431	9,995	11,298
PBT growth (%)	28.6	(11.3)	18.8	6.0	13.0
Tax	2,219	1,975	2,377	2,519	2,847
Tax rate (%)	24.8	24.9	25.2	25.2	25.2
Reported PAT	6,728	5,964	7,054	7,477	8,451

Balance Sheet

Y/E 31 Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Equity capital	1,440	1,440	1,440	1,440	1,440
Reserves & surplus	20,525	23,730	26,552	29,542	32,500
Net worth	21,965	25,170	27,992	30,982	33,940
Borrowings	0	0	0	0	0
Other liab. & provisions	2,383	2,711	4,104	4,960	5,285
Total liab. & equities	24,347	27,881	32,095	35,942	39,225
Cash & bank balance	22,189	24,858	29,393	33,430	36,676
Fixed & Other assets	1,853	2,603	2,702	2,513	2,549
Total assets	24,347	27,881	32,095	35,942	39,225

Per Share

Y/E 31 Mar (Rs)	FY22A	FY23A	FY24E	FY25E	FY26E
EPS	23.3	20.7	24.4	25.9	29.3
Dividend per share	11.5	10.3	14.7	15.6	19.1
Book value per share	76.0	87.2	96.9	107.3	117.5

Valuations Ratios

Y/E 31 Mar (x)	FY22A	FY23A	FY24E	FY25E	FY26E
P/E	20.1	22.7	19.2	18.1	16.0
P/BV	6.2	5.4	4.8	4.4	4.0
Dividend yield (%)	2.4	2.2	3.1	3.3	4.1

DuPont Analysis

Y/E 31 Mar (bps of AAAUM)	FY22A	FY23A	FY24E	FY25E	FY26E
Operating income	43.7	44.6	42.4	41.6	41.9
Operating expenses	16.0	19.0	19.0	18.1	17.7
EBITDA	31.6	30.2	31.4	30.2	30.9
Depreciation and Others	1.4	1.4	1.3	1.2	1.2
Core PBT	26.3	24.2	22.1	22.3	23.0
Other income	3.9	4.6	8.1	6.7	6.6
PBT	30.2	28.8	30.1	29.0	29.6
Tax	7.5	7.2	7.6	7.3	7.5
ROAAAUM	22.7	21.7	22.5	21.7	22.2

Ratio Analysis

Y/E 31 Mar	FY22A	FY23A	FY24E	FY25E	FY26E
YoY growth (%)					
Investment mgmt. fees	21.1	(5.1)	8.1	8.3	11.3
Core operating profit	36.4	(14.0)	3.5	11.3	13.8
EPS	27.5	(11.3)	18.3	6.0	13.0
Profitability & Return ratios (%)					
Operating income to Total inc.	91.8	90.6	84.0	86.2	86.4
Cost to Core income ratio	36.6	42.5	44.9	43.4	42.1
EBITDA margin	66.4	61.5	62.2	62.6	63.6
Core PBT margin	55.3	49.3	43.8	46.2	47.4
PBT margin (on total inc.)	63.5	58.6	59.8	60.0	61.1
ROE	34.5	25.3	26.5	25.4	26.0
Dividend payout ratio	49.2	49.6	60.0	60.0	65.0

Annual Average AUM

Y/E 31 Mar	FY22A	FY23A	FY24E	FY25E	FY26E
AAAUM (Rs bn)	2,958	2,752	3,129	3,448	3,814
YoY Growth (%)	9.9	(7.0)	13.7	10.2	10.6
% of AAAUM					
Equity	41	42	42	42	42
Debt	43	38	38	38	37
Liquid	16	18	18	18	18
Others	0	1	2	2	2

Source: Company, BOBCAPS Research

Financials – BAF

Income Statement

Y/E 31 Mar (Rs mn)	FY21A	FY22A	FY23A	FY24E	FY25E
Net interest income	1,38,894	1,75,235	2,29,903	2,88,302	3,77,689
NII growth (%)	2.9	26.2	31.2	25.4	31.0
Non-interest income	33,797	43,708	58,555	74,158	96,837
Total income	1,72,691	2,18,944	2,88,458	3,62,460	4,74,526
Operating expenses	53,082	75,872	1,01,300	1,23,039	1,57,378
PPOP	1,19,608	1,43,072	1,87,158	2,39,421	3,17,148
PPOP growth (%)	6.3	19.6	30.8	27.9	32.5
Provisions	59,686	48,034	31,897	45,193	60,819
PBT	59,923	95,038	1,55,262	1,94,228	2,56,329
Tax	15,724	24,756	40,202	48,945	64,595
Reported net profit	44,198	70,282	1,15,077	1,45,282	1,91,734
Adjustments	0	0	0	0	0
Adjusted net profit	44,198	70,282	1,15,077	1,45,282	1,91,734

Balance Sheet

Y/E 31 Mar (Rs mn)	FY21A	FY22A	FY23A	FY24E	FY25E
Equity capital	1,203	1,207	1,209	89,209	1,01,209
Reserves & surplus	3,67,981	4,35,920	5,42,511	6,66,001	8,28,975
Net worth	3,69,184	4,37,127	5,43,720	7,55,210	9,30,184
Debt securities	5,45,021	7,62,231	8,68,452	11,60,657	14,91,238
Borrowings	7,71,314	8,90,089	12,98,453	17,35,338	22,29,600
Other liab. & provisions	29,185	35,618	41,662	58,099	73,902
Total liab. & equities	17,14,704	21,25,064	27,52,287	37,09,304	47,24,925
Cash & bank balance	21,643	36,803	43,045	1,11,404	1,06,729
Investments	1,83,969	1,22,455	2,27,518	3,01,571	3,87,465
Advances	14,66,869	19,14,233	24,22,689	32,26,495	41,45,472
Fixed & Other assets	42,223	51,573	59,034	69,835	85,259
Total assets	17,14,704	21,25,064	27,52,287	37,09,304	47,24,925
Total debt growth (%)	10.0	39.9	13.9	33.6	28.5
Advances growth (%)	3.8	30.5	26.6	33.2	28.5

Per Share

Y/E 31 Mar (Rs)	FY21A	FY22A	FY23A	FY24E	FY25E
EPS	73.7	116.8	189.6	235.0	310.1
Dividend per share	10.0	20.0	30.0	35.2	46.5
Book value per share	615.4	726.6	895.7	1,221.4	1,504.4

Valuations Ratios

Y/E 31 Mar (x)	FY21A	FY22A	FY23A	FY24E	FY25E
P/E	100.9	63.6	39.2	31.6	24.0
P/BV	12.1	10.2	8.3	6.1	4.9
Dividend yield (%)	0.1	0.3	0.4	0.5	0.6

DuPont Analysis

Y/E 31 Mar (%)	FY21A	FY22A	FY23A	FY24E	FY25E
Net interest income	8.3	9.1	9.4	8.9	9.0
Non-interest income	2.0	2.3	2.4	2.3	2.3
Operating expenses	3.2	4.0	4.2	3.8	3.7
Provisions	3.6	2.5	1.3	1.4	1.4
ROA	2.6	3.7	4.7	4.5	4.5
Leverage (x)	4.9	4.8	5.0	5.0	5.0
ROE	12.8	17.4	23.5	22.4	22.8

Ratio Analysis

Y/E 31 Mar	FY21A	FY22A	FY23A	FY24E	FY25E
YoY growth (%)					
Net interest income	2.9	26.2	31.2	25.4	31.0
Pre-provisioning profit	6.3	19.6	30.8	27.9	32.5
EPS	(15.8)	58.6	62.3	24.0	32.0
Profitability & Return ratios (%)					
Net interest margin	9.6	10.4	10.6	10.2	10.2
Fees / Avg. assets	1.5	1.6	1.8	1.8	1.8
Cost-Income	30.7	34.7	35.1	33.9	33.2
ROE	12.8	17.4	23.5	22.4	22.8
ROA	2.6	3.7	4.7	4.5	4.5
Asset quality (%)					
GNPA	1.8	1.6	0.9	1.0	1.3
NNPA	0.8	0.7	0.3	0.4	0.6
Slippage ratio	5.3	4.1	1.9	2.4	2.5
Credit cost	4.1	2.8	1.5	1.6	1.7
Provision coverage	58.0	58.0	64.0	61.3	57.0
Ratios (%)					
Loans to Total debt	111.1	115.5	111.5	111.1	111.1
CAR	28.3	27.2	25.0	23.4	23.7
Tier-1	25.1	24.8	23.2	21.5	21.9

Source: Company, BOBCAPS Research

Financials – HDFCAMC

Income Statement

Y/E 31 Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Investment mgmt. fees	21,154	21,668	25,344	29,639	33,166
YoY (%)	14.2	2.4	17.0	16.9	11.9
Operating expenses	5,154	5,489	6,522	7,238	7,990
Core operating profits	15,999	16,179	18,822	22,402	25,176
Core operating profits growth (%)	9.3	1.1	16.3	19.0	12.4
Depreciation and Interest	625	630	605	722	834
Core PBT	15,375	15,549	18,217	21,680	24,343
Core PBT growth (%)	9.8	1.1	17.2	19.0	12.3
Other income	3,178	3,158	5,380	5,005	5,535
PBT	18,553	18,706	23,597	26,685	29,877
PBT growth (%)	6.1	0.8	26.1	13.1	12.0
Tax	4,622	4,467	5,899	6,671	7,469
Tax rate (%)	24.9	23.9	25.0	25.0	25.0
Reported PAT	13,931	14,239	17,698	20,013	22,408

Balance Sheet

Y/E 31 Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Equity capital	1,066	1,067	1,067	1,067	1,067
Reserves & surplus	54,234	60,017	65,326	71,330	78,053
Net worth	55,300	61,084	66,393	72,398	79,120
Borrowings	0	0	0	0	0
Other liab. & provisions	3,503	4,281	5,729	7,040	8,583
Total liab. & equities	58,804	65,365	72,123	79,437	87,703
Cash & bank balance	55,783	60,832	68,660	76,033	84,131
Fixed & Other assets	2,714	4,229	3,462	3,404	3,572
Total assets	58,804	65,365	72,123	79,437	87,703

Per Share

Y/E 31 Mar (Rs)	FY22A	FY23A	FY24E	FY25E	FY26E
EPS	65.3	66.7	82.9	93.8	105.0
Dividend per share	42.0	48.0	58.1	65.7	73.5
Book value per share	259.2	286.3	311.1	339.3	370.8

Valuations Ratios

Y/E 31 Mar (x)	FY22A	FY23A	FY24E	FY25E	FY26E
P/E	49.9	48.9	39.3	34.8	31.1
P/BV	12.6	11.4	10.5	9.6	8.8
Dividend yield (%)	1.3	1.5	1.8	2.0	2.3

DuPont Analysis

Y/E 31 Mar (bps of AAAUM)	FY22A	FY23A	FY24E	FY25E	FY26E
Operating income	49.0	48.2	46.9	47.2	45.8
Operating expenses	11.9	12.2	12.1	11.5	11.0
EBITDA	42.0	42.6	35.8	38.6	37.8
Depreciation and Others	1.4	1.4	1.1	1.1	1.2
Core PBT	35.6	34.6	33.7	34.5	33.6
Other income	7.4	7.0	10.0	8.0	7.6
PBT	42.9	41.6	43.7	42.5	41.3
Tax	10.7	9.9	10.9	10.6	10.3
ROAAAUM	32.2	31.7	32.8	31.9	30.9

Ratio Analysis

Y/E 31 Mar	FY22A	FY23A	FY24E	FY25E	FY26E
YoY growth (%)					
Investment mgmt. fees	14.2	2.4	17.0	16.9	11.9
Core operating profit	9.3	1.1	16.3	19.0	12.4
EPS	4.9	5.1	2.2	24.3	13.1
Profitability & Return ratios (%)					
Operating income to Total inc.	86.9	87.3	82.5	85.6	85.7
Cost to Core income ratio	24.4	25.3	25.7	24.4	24.1
EBITDA margin	78.8	77.9	78.8	79.1	79.4
Core PBT margin	63.2	62.6	59.3	62.6	62.9
PBT margin (on total inc.)	76.2	75.3	76.8	77.0	77.2
ROE	27.0	24.5	27.8	28.8	29.6
Dividend payout ratio	64.3	71.9	70.0	70.0	70.0

Annual Average AUM

Y/E 31 Mar	FY22A	FY23A	FY24E	FY25E	FY26E
AAAUM (Rs bn)	4,321	4,498	5,401	6,276	7,242
YoY Growth (%)	4.0	4.1	20.1	16.2	15.4
% of AAAUM					
Equity	46	52	56	58	59
Debt	33	26	25	24	23
Liquid	16	16	13	12	11
Others	5	6	6	7	7

Source: Company, BOBCAPS Research

Financials – HDFCLIFE

Revenue Account (Technical)

Y/E 31 Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Gross premium income	4,59,628	5,75,334	6,76,146	7,57,927	8,69,803
First year premium	80,544	1,13,239	1,13,154	1,33,232	1,61,237
Renewal premium	2,18,080	2,84,483	3,38,064	3,83,535	4,39,253
Single premium	1,61,005	1,77,612	2,24,928	2,41,159	2,69,314
Net written premium	4,53,965	5,67,640	6,67,218	7,47,896	8,58,283
Income from investments	1,92,159	1,25,975	3,00,813	3,27,144	3,71,372
Other Income	7,460	13,439	14,343	15,316	16,311
Total income	6,53,584	7,07,054	9,82,374	10,90,356	12,45,966
Commissions	19,403	28,868	35,533	39,912	46,445
Operating expenses	53,591	84,693	95,238	1,06,878	1,22,658
Benefits and bonuses paid	3,18,637	3,88,723	4,59,878	5,07,516	5,82,616
Change in liabilities (net)	2,46,815	1,85,862	3,67,255	4,08,624	4,59,936
Others	0	0	0	0	0
Total expenses	6,38,446	6,88,146	9,57,904	10,62,929	12,11,655
Surplus before tax	15,137	18,908	24,469	27,427	34,311
Provision for tax	5,541	5,319	9,495	10,375	11,814
Surplus after tax	9,597	13,589	14,975	17,052	22,497
Trf to shareholders' a/c	10,093	14,689	13,965	15,752	20,850
Balance being FFA	(497)	(1,101)	1,010	1,300	1,647

Income Statement (Non-technical)

Y/E 31 Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Trf from policyholders' a/c	10,093	14,689	13,965	15,752	20,850
Income from investments	7,894	7,197	11,451	11,660	13,410
Contr. to policyholders' fund	5,694	8,797	9,237	9,699	10,184
Others	(492)	(368)	(492)	(629)	(780)
PBT	11,801	12,722	15,686	17,084	23,296
Provision for taxation	(276)	(877)	392	427	582
PAT	12,077	13,599	15,294	16,657	22,713
Dividend+Interim div.+DDT	4,135	4,056	5,337	5,337	5,337

Balance Sheet

Y/E 31 Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Equity	1,54,859	1,29,868	1,39,597	1,50,916	1,68,293
Policyholders' funds	18,30,312	22,06,290	25,73,545	29,82,169	34,42,106
FFA	9,409	12,354	14,207	15,912	17,822
Others	1,09,313	1,28,737	1,38,757	1,52,056	1,68,298
Total liabilities	21,03,892	24,77,249	28,66,106	33,01,054	37,96,518
Shareholders' funds	1,52,379	1,31,319	1,54,957	1,78,200	2,04,930
Policyholders' funds	10,83,110	14,64,485	17,52,130	20,96,546	24,98,937
Assets to cover linked liab.	8,06,215	7,92,015	8,31,615	8,73,196	9,16,856
Others	62,188	89,430	1,27,404	1,53,111	1,75,795
Total assets	21,03,892	24,77,249	28,66,106	33,01,054	37,96,518

Key Metrics

Y/E 31 Mar	FY22A	FY23A	FY24E	FY25E	FY26E
AUM (Rs mn)	20,41,704	24,00,000	27,48,057	31,58,601	36,33,018
NBP (Rs mn)	2,41,548	2,90,851	3,38,082	3,74,392	4,30,551
APE (Rs mn)	97,580	1,33,400	1,38,132	1,60,231	1,91,615
VNB (Rs mn)	26,737	36,818	36,605	42,461	51,736
VNB margin (%)	27.4	27.6	26.5	26.5	27.0
Embedded value (Rs mn)	3,00,470	3,94,988	4,59,855	5,35,768	6,27,028
ROEV (%)	16.6	19.6	17.8	17.7	18.0
ROE (%)	10.0	9.6	11.4	11.5	14.2
Opex ratio (%)	12.2	14.7	14.0	14.0	14.0
Cost ratio (%)	16.4	19.7	19.3	19.3	19.4
Solvency ratio (%)	175.7	203.2	199.7	200.9	209.1
EPS (Rs)	5.9	6.4	7.2	7.8	10.7
BVPS (Rs)	75.7	60.8	65.4	70.7	78.8
EVPS (Rs)	146.8	185.0	215.4	251.0	293.7

Source: Company, BOBCAPS Research

Financials – IPRU

Revenue Account (Technical)

Y/E 31 Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Gross premium income	3,74,580	3,99,328	4,27,486	4,52,343	4,86,542
First year premium	59,655	64,938	63,342	69,064	75,970
Renewal premium	2,19,557	2,25,203	2,35,014	2,41,669	2,54,801
Single premium	95,367	1,09,187	1,29,129	1,41,610	1,55,771
Net written premium	3,63,213	3,85,595	4,13,564	4,38,300	4,71,251
Income from investments	2,49,695	99,646	3,70,888	3,08,446	3,39,138
Other Income	22,737	19,540	20,287	21,387	22,569
Total income	6,35,645	5,04,781	8,04,739	7,68,133	8,32,958
Commissions	16,729	18,639	27,296	29,005	31,316
Operating expenses	37,011	46,458	50,275	53,036	57,379
Benefits and bonuses paid	2,93,588	3,10,042	3,79,591	3,06,090	3,28,238
Change in liabilities (net)	2,57,837	98,170	3,18,542	3,48,639	3,80,465
Others	0	0	0	0	0
Total expenses	6,05,166	4,73,309	7,75,704	7,36,770	7,97,399
Surplus before tax	30,479	31,473	29,035	31,363	35,559
Provision for tax	8,576	8,451	10,491	9,506	10,322
Surplus after tax	21,904	23,021	18,544	21,857	25,237
Trf to shareholders' a/c	19,609	20,162	16,340	19,040	22,144
Balance being FFA	2,295	2,860	2,203	2,817	3,093

Income Statement (Non-technical)

Y/E 31 Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Trf from policyholders' a/c	21,602	20,162	16,340	19,040	22,144
Income from investments	10,114	8,761	14,088	12,073	13,884
Contr. to policyholders' fund	21,611	18,024	18,926	19,872	20,865
Others	(1,002)	(1,009)	(1,010)	(1,031)	(1,052)
PBT	9,103	9,890	10,492	10,210	14,110
Provision for taxation	364	862	957	929	1,319
PAT	8,739	9,027	9,535	9,281	12,791
Dividend+Interim div.+DDT	793	864	1,440	1,440	1,440

Balance Sheet

Y/E 31 Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Equity	91,631	1,00,918	1,05,277	1,12,198	1,22,629
Policyholders' funds	21,71,190	22,83,724	24,04,350	27,52,989	31,33,454
FFA	13,833	16,693	23,370	18,696	14,957
Others	1,67,748	1,57,138	1,98,128	1,85,930	1,72,167
Total liabilities	24,44,402	25,58,472	27,31,125	30,69,813	34,43,207
Shareholders' funds	98,535	98,514	1,18,217	1,35,949	1,56,342
Policyholders' funds	7,73,880	9,43,110	10,22,003	11,82,242	13,68,985
Assets to cover linked liab.	15,08,663	14,40,581	15,12,610	16,63,871	18,30,258
Others	63,324	76,268	78,296	87,751	87,622
Total assets	24,44,402	25,58,472	27,31,125	30,69,813	34,43,207

Key Metrics

Y/E 31 Mar	FY22A	FY23A	FY24E	FY25E	FY26E
AUM (Rs mn)	24,04,920	25,11,910	26,70,951	29,99,206	33,71,331
NBP (Rs mn)	1,55,022	1,74,125	1,92,472	2,10,674	2,31,741
APE (Rs mn)	77,330	86,400	86,854	94,792	1,04,271
VNB (Rs mn)	21,652	27,648	25,188	27,490	31,281
VNB margin (%)	28.0	32.0	29.0	29.0	30.0
Embedded value (Rs mn)	3,16,250	3,56,338	4,11,593	4,72,570	5,42,217
ROEV (%)	11.0	17.4	15.9	15.2	15.0
ROE (%)	8.2	8.4	8.4	7.7	10.1
Opex ratio (%)	9.8	11.5	11.6	11.6	11.6
Cost ratio (%)	14.3	16.1	18.0	18.0	18.1
Solvency ratio (%)	204.5	208.9	204.8	200.9	188.2
EPS (Rs)	5.3	5.6	6.0	5.8	8.3
BVPS (Rs)	63.8	70.2	73.2	78.1	85.3
EVPS (Rs)	220.2	248.0	286.4	328.8	377.2

Source: Company, BOBCAPS Research

Financials – LIC1

Revenue Account (Technical)

Y/E 31 Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Gross premium income	42,80,250	47,46,681	46,94,992	51,45,215	57,41,924
First year premium	3,66,493	3,90,899	3,94,808	4,26,393	4,77,560
Renewal premium	22,90,928	24,26,175	25,63,538	27,21,679	29,27,707
Single premium	16,22,828	19,29,607	17,36,646	19,97,143	23,36,657
Net written premium	42,74,192	47,40,046	46,87,950	51,37,497	57,33,311
Income from investments	29,28,945	30,63,901	35,15,978	38,22,048	41,59,374
Other Income	7,795	76,485	45,891	50,480	55,528
Total income	72,94,206	78,81,734	82,49,819	90,10,025	99,48,214
Commissions	2,36,912	2,55,804	2,61,933	2,88,988	3,16,337
Operating expenses	3,83,709	4,81,456	3,87,337	4,11,617	4,59,354
Benefits and bonuses paid	35,74,649	34,25,768	35,87,960	39,92,386	43,62,659
Change in liabilities (net)	29,72,776	34,33,828	38,52,798	40,62,052	43,71,100
Others	0	0	0	0	0
Total expenses	71,68,046	75,96,855	80,90,028	87,55,042	95,09,450
Surplus before tax	2,19,032	4,32,250	3,00,834	3,88,974	5,66,055
Provision for tax	78,786	52,429	36,100	46,677	67,927
Surplus after tax	1,40,246	3,79,822	2,64,734	3,42,297	4,98,128
Trf to shareholders' a/c	1,21,935	3,59,077	2,64,734	3,42,297	4,98,128
Balance being FFA	18,311	20,744	0	0	0

Income Statement (Non-technical)

Y/E 31 Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Trf from policyholders' a/c	1,21,935	3,59,077	2,64,734	3,42,297	4,98,128
Income from investments	2,012	11,478	32,300	53,825	65,181
Contr. to policyholders' fund	83,275	1,301	0	0	0
Others	5	4,716	0	0	0
PBT	40,677	3,73,971	2,97,034	3,96,122	5,63,310
Provision for taxation	236	594	473	632	903
PAT	40,441	3,73,377	2,96,561	3,95,489	5,62,407
Dividend+Interim div.+DDT	9,487	18,973	28,460	31,622	31,622

Balance Sheet

Y/E 31 Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Equity	1,04,091	4,56,694	7,19,412	10,75,390	15,97,103
Policyholders' funds	4,14,71,016	4,44,15,434	4,82,68,232	5,23,30,284	5,67,01,384
FFA	2,38,858	2,61,592	2,84,284	3,08,208	3,33,953
Others	18,344	39,187	39,187	39,187	39,187
Total liabilities	4,15,93,452	4,49,11,314	4,90,26,830	5,34,44,861	5,83,37,674
Shareholders' funds	64,121	2,93,635	5,98,053	7,66,839	10,33,102
Policyholders' funds	3,89,56,935	4,18,91,778	4,57,44,576	4,98,06,628	5,41,77,728
Assets to cover linked liab.	2,39,386	2,63,095	0	0	0
Others	23,33,009	24,62,806	26,84,202	28,71,394	31,26,844
Total assets	4,15,93,452	4,49,11,314	4,90,26,830	5,34,44,861	5,83,37,674

Key Metrics

Y/E 31 Mar	FY22A	FY23A	FY24E	FY25E	FY26E
AUM (Rs mn)	4,08,48,327	4,39,72,046	4,74,89,810	5,12,88,994	5,53,92,114
NBP (Rs mn)	19,89,322	23,20,506	21,31,454	24,23,536	28,14,217
APE (Rs mn)	5,28,776	5,83,860	5,68,473	6,26,107	7,11,226
VNB (Rs mn)	76,190	91,560	88,113	1,03,308	1,17,352
VNB margin (%)	15.1	16.2	15.5	16.5	16.5
Embedded value (Rs mn)	54,14,930	58,22,440	63,47,888	69,11,535	75,84,745
ROEV (%)	11.9	10.9	9.5	9.4	10.2
ROE (%)	11.9	10.9	9.5	9.4	10.2
Opex ratio (%)	9.0	10.1	8.3	8.0	8.0
Cost ratio (%)	14.5	15.5	13.8	13.6	13.5
Solvency ratio (%)	184.5	187.2	198.4	195.0	200.3
EPS (Rs)	6.4	57.6	45.8	61.3	87.5
BVPS (Rs)	16.5	72.2	113.8	170.0	252.5
EVPS (Rs)	856.1	920.5	1,003.7	1,092.8	1,199.3

Source: Company, BOBCAPS Research

Financials – NAM

Income Statement

Y/E 31 Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Investment mgmt. fees	13,066	13,498	15,542	18,048	20,609
YoY (%)	23.0	3.3	15.1	16.1	14.2
Operating expenses	5,159	5,551	6,253	6,827	7,637
Core operating profits	7,907	7,947	9,289	11,221	12,972
Core operating profits growth (%)	41.8	0.5	16.9	20.8	15.6
Depreciation and Interest	310	338	355	385	423
Core PBT	7,597	7,610	8,935	10,836	12,549
Core PBT growth (%)	46.1	0.2	17.4	21.3	15.8
Other income	2,290	1,668	3,519	2,923	3,340
PBT	9,887	9,277	12,454	13,759	15,889
PBT growth (%)	12.7	(6.2)	34.2	10.5	15.5
Tax	2,453	2,048	3,113	3,440	3,972
Tax rate (%)	24.8	22.1	25.0	25.0	25.0
Reported PAT	7,434	7,229	9,340	10,319	11,917

Balance Sheet

Y/E 31 Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Equity capital	6,228	6,234	6,232	6,232	6,232
Reserves & surplus	28,558	28,922	30,323	31,871	33,658
Net worth	34,786	35,156	36,555	38,103	39,890
Borrowings	0	0	0	0	0
Other liab. & provisions	3,179	3,453	4,052	5,164	6,489
Total liab. & equities	37,965	38,609	40,606	43,267	46,379
Cash & bank balance	32,801	32,959	35,520	38,737	42,271
Fixed & Other assets	4,784	5,444	5,087	4,530	4,108
Total assets	37,965	38,609	40,606	43,267	46,379

Per Share

Y/E 31 Mar (Rs)	FY22A	FY23A	FY24E	FY25E	FY26E
EPS	11.8	11.5	14.9	16.5	19.0
Dividend per share	11.0	11.5	12.8	14.1	16.3
Book value per share	55.2	56.1	58.3	60.8	63.6

Valuations Ratios

Y/E 31 Mar (x)	FY22A	FY23A	FY24E	FY25E	FY26E
P/E	39.6	40.5	31.3	28.4	24.6
P/BV	8.5	8.3	8.0	7.7	7.3
Dividend yield (%)	2.4	2.5	2.7	3.0	3.5

DuPont Analysis

Y/E 31 Mar (bps of AAAUM)	FY22A	FY23A	FY24E	FY25E	FY26E
Operating income	46.1	46.1	42.4	41.5	40.2
Operating expenses	18.2	18.9	17.1	15.7	14.9
EBITDA	36.0	32.8	35.0	32.5	31.8
Depreciation and Others	1.1	1.2	1.0	0.9	0.8
Core PBT	26.8	26.0	24.4	24.9	24.5
Other income	8.1	5.7	9.6	6.7	6.5
PBT	34.9	31.7	34.0	31.6	31.0
Tax	8.7	7.0	8.5	7.9	7.8
ROAAAUM	26.2	24.7	25.5	23.7	23.3

Ratio Analysis

Y/E 31 Mar	FY22A	FY23A	FY24E	FY25E	FY26E
YoY growth (%)					
Investment mgmt. fees	23.0	3.3	15.1	16.1	14.2
Core operating profit	41.8	0.5	16.9	20.8	15.6
EPS	62.9	8.3	(2.3)	29.2	10.5
Profitability & Return ratios (%)					
Operating income to Total inc.	85.1	89.0	81.5	86.1	86.1
Cost to Core income ratio	39.5	41.1	40.2	37.8	37.1
EBITDA margin	66.4	63.4	67.2	67.4	68.1
Core PBT margin	49.5	50.2	46.9	51.7	52.4
PBT margin (on total inc.)	64.4	61.2	65.3	65.6	66.3
ROE	22.6	20.7	26.1	27.6	30.6
Dividend payout ratio	93.2	99.7	85.0	85.0	85.0

Annual Average AUM

Y/E 31 Mar	FY22A	FY23A	FY24E	FY25E	FY26E
AAAUM (Rs bn)	2,832	2,930	3,664	4,349	5,122
YoY Growth (%)	23.9	3.5	25.0	18.7	17.8
% of AAAUM					
Equity	42	44	47	47	48
Debt	26	18	19	19	18
Liquid	12	13	10	9	8
Others	20	24	24	25	26

Source: Company, BOBCAPS Research

Financials – SBICARD

Income Statement

Y/E 31 Mar (Rs mn)	FY21A	FY22A	FY23A	FY24E	FY25E
Net interest income	39,033	38,387	45,053	54,721	70,111
NII growth (%)	10.2	(1.7)	17.4	21.5	28.1
Non-interest income	43,498	58,112	75,137	89,621	1,06,450
Total income	97,136	1,13,015	1,42,857	1,75,331	2,14,756
Operating expenses	47,079	58,462	74,484	88,003	1,07,522
PPOP	39,623	44,280	51,896	63,043	77,586
PPOP growth (%)	8.0	11.8	17.2	21.5	23.1
Provisions	26,386	22,558	21,591	30,160	36,227
PBT	13,237	21,722	30,306	32,884	41,359
Tax	3,392	5,560	7,721	8,287	10,423
Reported net profit	9,845	16,161	22,585	24,597	30,937
Adjustments	0	0	0	0	0
Adjusted net profit	9,845	16,161	22,585	24,597	30,937

Balance Sheet

Y/E 31 Mar (Rs mn)	FY21A	FY22A	FY23A	FY24E	FY25E
Equity capital	9,405	9,432	9,461	9,461	9,461
Reserves & surplus	53,615	68,095	88,840	1,10,587	1,38,674
Net worth	63,020	77,527	98,301	1,20,047	1,48,134
Debt securities	59,329	71,063	66,062	78,562	95,835
Borrowings	1,06,635	1,46,801	2,31,429	2,86,752	3,49,796
Other liab. & provisions	41,144	51,093	59,664	80,580	94,012
Total liab. & equities	2,70,129	3,46,484	4,55,456	5,65,941	6,87,777
Cash & bank balance	7,201	11,064	13,545	12,669	11,575
Investments	9,576	12,972	21,397	30,047	36,859
Advances	2,34,591	3,01,873	3,93,610	4,94,101	6,14,324
Fixed & Other assets	18,761	20,576	26,904	29,124	25,018
Total assets	2,70,129	3,46,484	4,55,456	5,65,941	6,87,777
Total debt growth (%)	2.8	26.1	26.4	26.3	22.0
Advances growth (%)	2.8	28.7	30.4	25.5	24.3

Per Share

Y/E 31 Mar (Rs)	FY21A	FY22A	FY23A	FY24E	FY25E
EPS	10.4	17.0	23.8	25.9	32.6
Dividend per share	0.0	2.5	2.5	3.0	3.0
Book value per share	66.4	81.6	103.5	126.4	155.9

Valuations Ratios

Y/E 31 Mar (x)	FY21A	FY22A	FY23A	FY24E	FY25E
P/E	74.5	45.4	32.5	29.9	23.7
P/BV	11.6	9.5	7.5	6.1	5.0
Dividend yield (%)	0.0	0.3	0.3	0.4	0.4

DuPont Analysis

Y/E 31 Mar (%)	FY21A	FY22A	FY23A	FY24E	FY25E
Net interest income	14.9	12.5	11.2	10.7	11.2
Non-interest income	16.6	18.8	18.7	17.5	17.0
Operating expenses	18.0	19.0	18.6	17.2	17.2
Provisions	10.1	7.3	5.4	5.9	5.8
ROA	3.8	5.2	5.6	4.8	4.9
Leverage (x)	4.5	4.4	4.6	4.7	4.7
ROE	16.9	23.0	25.7	22.5	23.1

Ratio Analysis

Y/E 31 Mar	FY21A	FY22A	FY23A	FY24E	FY25E
YoY growth (%)					
Net interest income	10.2	(1.7)	17.4	21.5	28.1
Pre-provisioning profit	8.0	11.8	17.2	21.5	23.1
EPS	(21.4)	64.0	39.8	8.8	25.8
Profitability & Return ratios (%)					
Net interest margin	15.9	13.1	11.8	11.2	11.6
Fees / Avg. assets	16.6	18.8	18.7	17.5	17.0
Cost-Income	54.3	56.9	58.9	58.3	58.1
ROE	16.9	23.0	25.7	22.5	23.1
ROA	3.8	5.2	5.6	4.8	4.9
Asset quality (%)					
GNPA	5.0	2.2	2.4	2.8	2.9
NNPA	1.2	0.8	0.9	0.5	1.5
Slippage ratio	12.6	7.2	5.3	4.5	4.5
Credit cost	11.4	8.4	6.2	6.8	6.5
Provision coverage	77.9	65.3	63.6	82.7	51.1
Ratios (%)					
Loans to Total debt	129.8	132.5	136.6	135.8	138.4
CAR	24.8	23.8	23.1	21.7	22.2
Tier-1	20.9	21.0	20.4	19.7	20.5

Source: Company, BOBCAPS Research

Financials – SBILIFE

Revenue Account (Technical)

Y/E 31 Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Gross premium income	5,87,596	6,73,156	7,76,863	9,09,034	10,57,351
First year premium	1,29,415	1,51,971	1,73,279	2,03,103	2,37,630
Renewal premium	3,33,023	3,77,270	4,28,685	4,93,610	5,71,305
Single premium	1,25,158	1,43,915	1,74,900	2,12,321	2,48,416
Net written premium	5,84,323	6,65,810	7,67,147	8,97,692	10,43,063
Income from investments	2,35,679	1,32,601	3,29,849	2,47,486	2,75,939
Other Income	10,270	17,573	19,289	21,199	23,716
Total income	8,30,272	8,15,985	11,16,285	11,66,377	13,42,719
Commissions	21,583	30,625	38,749	45,144	52,517
Operating expenses	30,153	34,224	41,431	48,366	58,515
Benefits and bonuses paid	3,13,398	3,02,875	4,26,114	4,49,607	5,53,630
Change in liabilities (net)	4,37,619	4,10,031	5,64,958	5,73,635	6,17,663
Others	0	0	0	0	0
Total expenses	8,02,753	7,77,754	10,71,252	11,16,753	12,82,326
Surplus before tax	27,519	38,231	45,033	49,625	60,393
Provision for tax	8,681	9,668	12,634	12,823	14,765
Surplus after tax	18,838	28,562	32,399	36,801	45,628
Trf to shareholders' a/c	17,324	27,072	30,701	34,582	42,807
Balance being FFA	1,513	1,491	1,697	2,220	2,821

Income Statement (Non-technical)

Y/E 31 Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Trf from policyholders' a/c	17,324	27,072	30,701	34,582	42,807
Income from investments	9,831	7,945	10,312	11,475	14,344
Contr. to policyholders' fund	(9,821)	(17,075)	(18,758)	(20,634)	(23,110)
Others	(1,726)	(357)	(543)	(655)	(789)
PBT	15,608	17,584	21,712	24,767	33,251
Provision for taxation	(548)	(379)	(543)	(619)	(831)
PAT	15,060	17,206	21,169	24,148	32,420
Dividend+Interim div.+DDT	2,003	2,504	3,004	3,004	3,004

Balance Sheet

Y/E 31 Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Equity	1,16,223	1,30,175	1,47,410	1,68,554	1,97,969
Policyholders' funds	24,74,190	28,57,634	34,22,592	39,96,227	46,13,890
FFA	9,936	11,427	11,770	12,006	12,246
Others	81,723	96,630	99,529	1,01,519	1,03,550
Total liabilities	26,82,072	30,95,866	36,81,301	42,78,306	49,27,655
Shareholders' funds	1,00,758	1,12,087	1,45,713	1,82,141	2,27,677
Policyholders' funds	11,21,307	12,98,702	16,35,710	20,35,176	23,50,270
Assets to cover linked liab.	14,26,253	16,32,555	17,95,811	19,75,392	21,72,931
Others	33,754	52,521	1,04,066	85,597	1,76,777
Total assets	26,82,072	30,95,866	36,81,301	42,78,306	49,27,655

Key Metrics

Y/E 31 Mar	FY22A	FY23A	FY24E	FY25E	FY26E
AUM (Rs mn)	26,74,000	30,73,390	35,93,143	41,99,462	47,36,240
NBP (Rs mn)	2,54,574	2,95,886	3,48,179	4,15,424	4,86,046
APE (Rs mn)	1,43,000	1,68,100	1,92,762	2,26,678	2,65,214
VNB (Rs mn)	37,037	50,700	54,937	64,603	76,912
VNB margin (%)	25.9	30.1	28.5	28.5	29.0
Embedded value (Rs mn)	3,96,030	4,60,600	5,51,684	6,60,176	7,90,198
ROEV (%)	20.7	22.9	20.4	20.2	20.2
ROE (%)	13.7	14.0	15.3	15.3	17.7
Opex ratio (%)	5.1	5.1	5.3	5.3	5.5
Cost ratio (%)	8.7	9.6	10.3	10.3	10.5
Solvency ratio (%)	204.8	215.4	209.9	211.3	218.0
EPS (Rs)	15.0	17.2	21.1	24.1	32.4
BVPS (Rs)	116.2	130.1	147.3	168.4	197.8
EVPS (Rs)	395.5	459.9	550.9	659.2	789.0

Source: Company, BOBCAPS Research

Financials – UTIAM

Income Statement

Y/E 31 Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Investment mgmt. fees	11,190	11,310	12,061	13,201	14,371
YoY (%)	38.7	1.1	6.6	9.5	8.9
Operating expenses	6,211	6,550	6,963	7,453	8,027
Core operating profits	4,979	4,760	5,098	5,748	6,344
Core operating profits growth (%)	77.2	(4.4)	7.1	12.8	10.4
Depreciation and Interest	460	495	518	540	578
Core PBT	4,519	4,265	4,581	5,208	5,766
Core PBT growth (%)	90.5	(5.6)	7.4	13.7	10.7
Other income	2,084	1,587	4,152	3,097	3,393
PBT	6,603	5,853	8,732	8,305	9,159
PBT growth (%)	9.4	(11.4)	49.2	(4.9)	10.3
Tax	1,256	1,459	2,178	2,071	2,284
Tax rate (%)	19.0	24.9	24.9	24.9	24.9
Reported PAT	5,347	4,393	6,555	6,234	6,875

Balance Sheet

Y/E 31 Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Equity capital	1,270	1,270	1,270	1,270	1,270
Reserves & surplus	34,932	37,409	40,358	43,164	46,257
Net worth	36,316	38,678	41,628	44,433	47,527
Borrowings	0	0	0	0	0
Other liab. & provisions	3,515	3,071	3,429	3,582	3,779
Total liab. & equities	39,830	41,749	45,057	48,015	51,306
Cash & bank balance	33,930	36,051	38,131	40,813	44,066
Fixed & Other assets	5,379	5,201	6,435	6,716	6,759
Total assets	39,830	41,749	45,057	48,015	51,306

Per Share

Y/E 31 Mar (Rs)	FY22A	FY23A	FY24E	FY25E	FY26E
EPS	42.0	34.4	51.6	49.1	54.1
Dividend per share	21.0	22.0	28.4	27.0	29.8
Book value per share	285.0	304.6	327.8	349.9	374.3

Valuations Ratios

Y/E 31 Mar (x)	FY22A	FY23A	FY24E	FY25E	FY26E
P/E	20.7	25.2	16.8	17.7	16.0
P/BV	3.0	2.9	2.6	2.5	2.3
Dividend yield (%)	2.4	2.5	3.3	3.1	3.4

DuPont Analysis

Y/E 31 Mar (bps of AAAUM)	FY22A	FY23A	FY24E	FY25E	FY26E
Operating income	50.0	47.4	44.7	44.0	43.1
Operating expenses	27.7	27.4	25.8	24.9	24.1
EBITDA	31.6	26.6	34.3	29.5	29.2
Depreciation and Others	2.1	2.1	1.9	1.8	1.7
Core PBT	20.2	17.9	17.0	17.4	17.3
Other income	9.3	6.6	15.4	10.3	10.2
PBT	29.5	24.5	32.3	27.7	27.5
Tax	5.6	6.1	8.1	6.9	6.9
ROAAAUM	23.9	18.4	24.3	20.8	20.6

Ratio Analysis

Y/E 31 Mar	FY22A	FY23A	FY24E	FY25E	FY26E
YoY growth (%)					
Investment mgmt. fees	38.7	1.1	6.6	9.5	8.9
Core operating profit	77.2	(4.4)	7.1	12.8	10.4
EPS	82.0	7.7	(17.9)	49.9	(4.9)
Profitability & Return ratios (%)					
Operating income to Total inc.	84.3	87.7	74.4	81.0	80.9
Cost to Core income ratio	55.5	57.9	57.7	56.5	55.9
EBITDA margin	53.2	49.2	57.1	54.3	54.8
Core PBT margin	34.0	33.1	28.3	32.0	32.5
PBT margin (on total inc.)	49.7	45.4	53.9	51.0	51.6
ROE	15.5	11.7	16.3	14.5	15.0
Dividend payout ratio	50.0	63.9	55.0	55.0	55.0

Annual Average AUM

Y/E 31 Mar	FY22A	FY23A	FY24E	FY25E	FY26E
AAAUM (Rs bn)	2,238	2,388	2,700	2,998	3,333
YoY Growth (%)	22.4	6.7	13.1	11.0	11.2
% of AAAUM					
Equity	43	40	38	37	37
Debt	8	10	10	10	10
Liquid	21	16	14	14	13
Others	28	35	37	39	40

Source: Company, BOBCAPS Research

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Note: Recommendation structure changed with effect from 21 June 2021

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