

SELL

TP: Rs 518 | ▼ 10%

ICICI PRUDENTIAL LIFE | Insurance

18 July 2023

Some hits, some misses; maintain SELL

- APE down 4% YoY to Rs 14.6bn in Q1 but up 4% ex-ICICIBC despite a soft demand environment
- VNB margin down 100bps YoY but remains healthy at 30%; cost ratios climbed further on manpower and advertising spends
- Maintain SELL with a new TP of Rs 518 (vs. Rs 494) on a higher target FY25E P/EV of 1.6x (vs. 1.5x) given a resilient performance ex-parent

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APE declines in Q1; June an exception: IPRU's APE declined 4% YoY to Rs 14.6bn in Q1FY24, but grew 4% YoY ex-ICICI Bank (ICICIBC). In June, APE grew 11% YoY and was up 17% ex-parent. Management indicated that 87% of business comes from channels other than ICICIBC. Protection APE increased 4.2% YoY in Q1 and constituted 23.5% of the total while savings APE declined 6% to Rs 11.2bn. Within these, linked plans (39% of total APE) fell 8% YoY whereas non-linked plans (28%) declined 4%. We raise our APE estimates by 1-2% each for FY24/FY25 considering high growth in June and adjusting for a poor April affected by the change in tax policy.

Cost ratios high; market share declines: The total cost ratio increased ~240bps YoY in Q1 due to an increase in manpower costs coupled with higher advertising expense, although the company says this does not reflect an annual trend. Nevertheless, we raise our total expense ratio assumptions by ~100bps each for FY24/FY25. Separately, IPRU's NBP market share loss continued in Q1FY24 – the company retained just 10.8% share vs. 12.5% in Q1FY23 and 12.2% in FY23, though June showed a slight improvement to 11%.

VNB margin falls but still healthy: IPRU's VNB margin declined 100bps YoY to 30% (as expected) due to a decline in group term and non-par business, partially offset by strong growth in retail protection products. VNB decreased 7% YoY to Rs 4.4bn. We raise our VNB margin estimates by 50bps each for FY24/FY25 to 29% and increase VNB estimates by 3%/4%. Persistency improved across cohorts with the 13th month ratio rising from 85.5% at end-2MFY23 to 86.4% at end-2MFY24 and the 61st month cohort rising from 55.7% to 66.5% respectively.

Maintain SELL: The stock is trading at 1.8x FY25E P/EV. However, given a resilient VNB margin and strong retail protection APE growth in Q1 along with solid overall growth in June, we raise our target FY25E P/EV multiple to 1.6x from 1.5x, a 30% discount to the long-term mean. Coupled with estimate changes, this yields a higher TP of Rs 518 (vs. Rs 494). We maintain SELL as the company is yet to remedy key negatives such as market share loss, high cost ratios and weak business from ICICIBC.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	IPRU IN/Rs 575
Market cap	US\$ 10.1bn
Free float	5%
3M ADV	US\$ 13.5mn
52wk high/low	Rs 616/Rs 381
Promoter/FPI/DII	73%/17%/5%

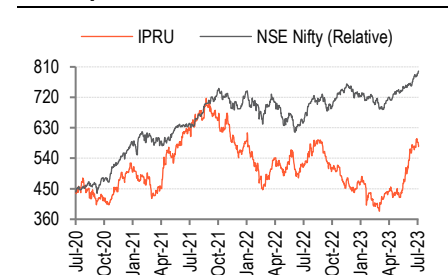
Source: NSE | Price as of 18 Jul 2023

Key financials

Y/E 31 Mar	FY23A	FY24E	FY25E
NBP (Rs mn)	1,74,125	1,92,472	2,10,674
APE (Rs mn)	86,400	80,136	87,470
VNB (Rs mn)	27,648	23,239	25,366
Embedded Value (Rs mn)	3,56,338	4,08,645	4,67,263
VNB margin (%)	32.0	29.0	29.0
EVPS (Rs)	248.0	284.3	325.1
EPS (Rs)	5.6	7.3	7.7
Consensus EPS (Rs)	5.6	8.0	8.6
P/EV (x)	2.3	2.0	1.8

Source: Company, Bloomberg, BOBCAPS Research

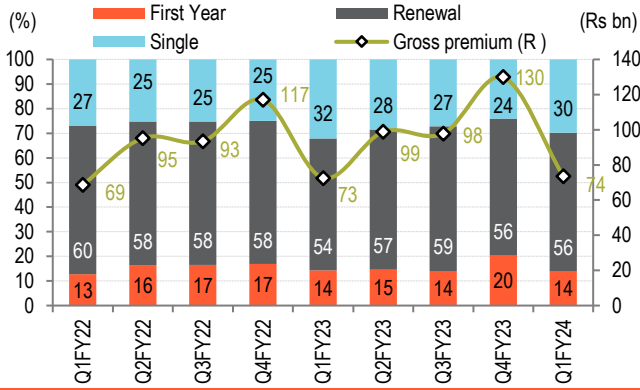
Stock performance



Source: NSE

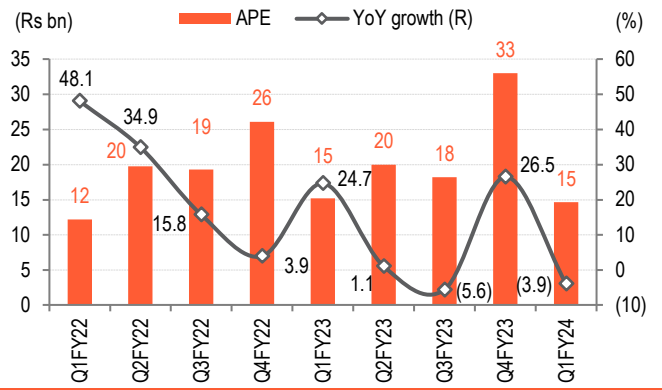


Fig 1 – Gross premium grew 2% YoY



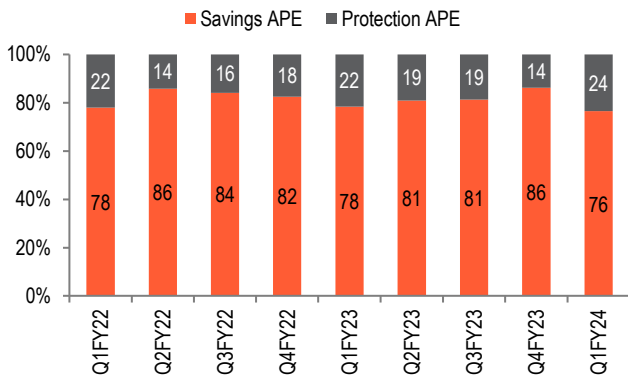
Source: Company, BOBCAPS Research

Fig 2 – APE declined 4% YoY



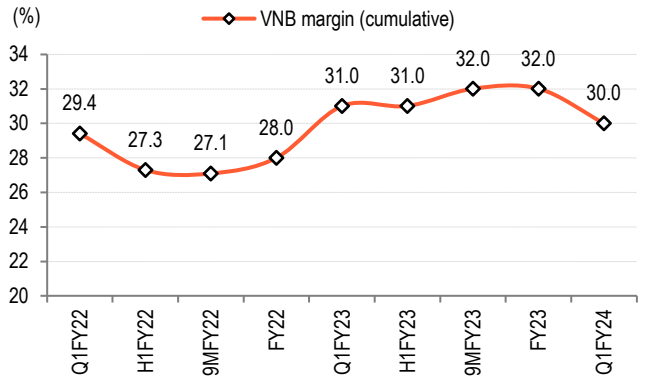
Source: Company, BOBCAPS Research

Fig 3 – Product mix – Protection business moved up



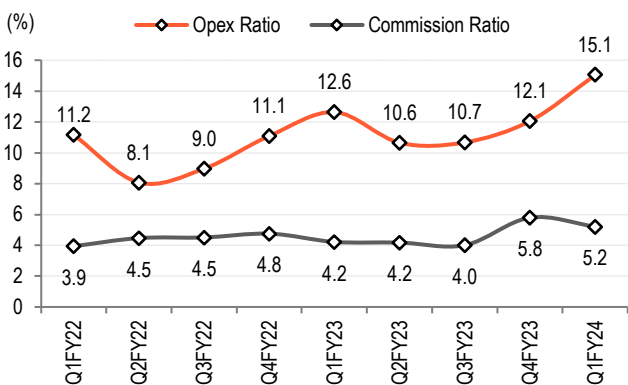
Source: Company, BOBCAPS Research

Fig 4 – VNB margin at 30% at end-Q1



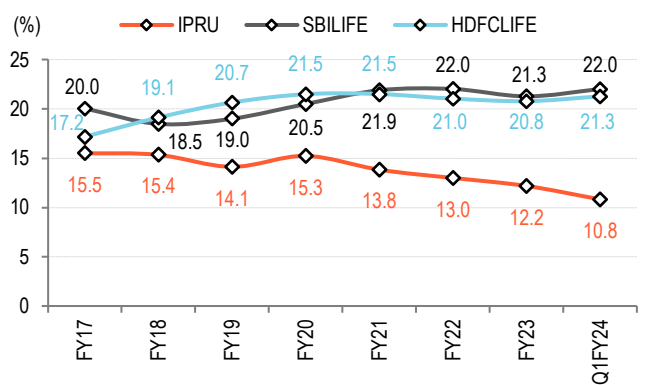
Source: Company, BOBCAPS Research

Fig 5 – Expense ratios increased



Source: Company, BOBCAPS Research

Fig 6 – Market share (NBP basis) declined in Q1 though the month of June was relatively better



Source: Company, BOBCAPS Research

Fig 7 – Distribution mix APE – Agency and partnerships gaining traction YoY

Channel	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24
Mix (Rs bn)													
Bancassurance	3.3	6.4	7.0	10.7	4.7	7.9	7.6	9.9	5.3	6.0	5.0	9.1	4.2
Agency	2.0	3.3	4.2	5.9	2.7	4.8	5.0	5.8	3.4	5.2	5.2	9.0	3.6
Direct	1.0	1.8	2.2	3.1	1.6	2.6	2.6	3.3	1.7	2.5	2.6	3.9	2.1
Partnership distribution	0.7	1.3	1.3	2.6	1.0	1.7	1.6	2.8	1.7	2.4	2.1	6.6	1.8
Group	1.2	1.9	2.0	2.8	2.1	2.8	2.5	4.4	3.2	4.0	3.3	4.4	2.9
Total	8.2	14.6	16.7	25.1	12.2	19.8	19.3	26.1	15.2	20.0	18.2	33.0	14.6
Mix (%)													
Bancassurance	39.6	43.9	41.9	42.5	38.6	39.9	39.5	38.0	34.7	29.8	27.5	27.6	28.9
Agency	24.6	22.7	25.1	23.3	22.5	24.3	25.8	22.0	22.4	26.0	28.4	27.4	24.4
Direct	12.3	12.2	13.3	12.4	13.1	12.9	13.2	12.5	10.8	12.5	14.4	11.8	14.5
Partnership distribution	8.6	8.6	7.7	10.4	8.4	8.7	8.5	10.7	11.1	11.8	11.7	19.9	12.4
Group	14.9	12.7	12.1	11.3	17.4	14.2	13.0	16.8	20.9	19.9	18.0	13.4	19.8

Source: Company, BOBCAPS Research

Fig 8 – Persistency improving across cohorts

(%)	2MFY24	2MFY23	Change
13 th month	86.4	85.5	90bps
25 th month	78.0	77.6	40bps
37 th month	71.8	67.8	400bps
49 th month	64.7	63.3	140bps
61 st month	66.5	55.7	1,080bps

Source: Company, BOBCAPS Research | Note: Regular and Limited pay premium

Earnings call highlights

Product mix

- IPRU launched new products such as a constant maturity fund in May to cater to clients who would earlier purchase debt mutual funds to take advantage of tax benefits (withdrawn in March). Since not many life insurers offer similar products, the company has a first mover advantage.
- Another new taxation rule effective from Apr'23 restricts the tax exemption on income earned from traditional life insurance policies carrying premium above Rs 500,000 (par and non-par, ex-ULIP). This saw some clients of big-ticket, non-linked guaranteed products shifting to either participating plans or ULIPs. The company indicated that its diverse offerings are aiding customer retention.
- RWRP (retail weighted received premium) and individual APE growth do not match in Q1FY24 as many businesses have signed up to make monthly instead of annual payments.
- Annuity APE declined 7% YoY off a high base (up 60%+ in the year-ago quarter). Moreover, single-premium annuity was affected because high interest rates on deposits saw some bank partners prioritise deposit mobilisation as their primary objective rather than insurance sales. However, the company believes this is a transient issue and expects growth to resume in the remainder of the year.

Protection products

- Protection share in APE increased from 21.7% in Q1FY23 to 23.5% in Q1FY24.
- Retail protection growth remained strong at 62% YoY in Q1FY24 with average ticket size and policy count both contributing. Growth was broad-based across distribution channels.
- IPRU monitors protection pricing on a regular basis and could increase rates in some cohorts based on mortality trends.

VNB and Margin

- The company saw strong double-digit APE growth in June. Management intends to increase VNB through APE growth and not through margins.
- VNB margin in Q1FY24 stood at 30% (matching our expectations) vs. 31% in the year-ago period because of a decline in a few high-margin products such as group term and non-par, partially set off by strong growth in retail protection products. The margin remains high in comparison to peers.

Distribution channels

- Although total APE declined 4% YoY in Q1, APE excluding ICICIBC's contribution grew 4%. The parent's share continues to spiral downward with a 35% YoY fall in APE as it remains focused solely on protection and annuity product sales. However, the impact is low as 87% of IPRU's business is ex-ICICIBC and this portion grew at 20% YoY in May and June each.

- Advisors who are weak contributors to business are not terminated as their costs are variable to the company with commissions dependent purely on business generated. IPRU is focusing on increasing the number of unit managers who oversee these agents (4,000 from 3,000 currently). Thus, agent productivity may not depict the true picture.
- IPRU continues to invest in distribution channels. It added 7,481 advisors/agents across the country during Q1FY24 and entered into 49 new non-bank partnerships, totalling to 957.
- The company has 39 bank partnerships, lending access to over 17,500 branches for distribution of its products.
- The focus remains on technology and on leveraging digital assets such as the website and mobile application.

Cost ratios

- Cost ratios remained high owing to (a) additional manpower deployed to activate newer channels, and (b) advertising and sales costs. However, the company views costs on a full-year timeline and hence stated that the increase should not be viewed as the annual trend.

Others

- AUM grew 16% YoY to Rs 2.7tn at end-Q1FY24.
- The solvency ratio remained strong at 203.4% as of Jun'23.
- IRDA has extended the 'use and file' mechanism for a few more products (permitting insurers to market such products without prior approval) and also simplified the approval process for new funds.

Fig 9 – Policyholders’ account

(Rs mn)	Q1FY24	Q1FY23	YoY (%)	Q4FY23	QoQ (%)	FY23	FY22	YoY (%)
Gross premium income	73,748	72,647	1.5	1,29,920	(43.2)	3,99,328	3,74,580	6.6
First Year Premium	10,227	10,385	(1.5)	26,328	(61.2)	64,938	59,655	8.9
Renewal Premium	41,575	38,941	6.8	72,303	(42.5)	2,25,203	2,19,557	2.6
Single Premium	21,946	23,322	(5.9)	31,289	(29.9)	1,09,187	95,367	14.5
Reinsurance	3,547	3,805	(6.8)	3,629	(2.3)	13,733	11,367	20.8
Net premium income	70,200	68,842	2.0	1,26,291	(44.4)	3,85,595	3,63,213	6.2
Income from investments (Net)	1,60,309	(86,708)	NA	(19,053)	NA	99,646	2,49,695	(60.1)
Other income	447	333	34.0	436	2.3	1,516	1,126	34.6
Contribution of funds from Shareholders’ A/c	4,456	2,921	52.6	7,324	(39.2)	18,024	21,611	(16.6)
Total	2,35,412	(14,612)	NA	1,14,998	104.7	5,04,781	6,35,645	(20.6)
Commission on								
First Year Premium	2,211	1,801	22.8	5,306	(58.3)	11,665	10,346	12.7
Renewal Premium	752	714	5.3	1,403	(46.4)	4,277	4,119	3.8
Single Premium	713	368	93.5	410	73.7	1,575	1,448	8.8
Rewards	159	176	(9.7)	416	(61.8)	1,122	816	37.5
Net Commission	3,835	3,059	25.4	7,535	(49.1)	18,639	16,729	11.4
Operating Expenses related to insurance business	11,112	9,184	21.0	15,668	(29.1)	46,459	37,011	25.5
Benefits Paid (Net)	79,458	55,125	44.1	87,607	(9.3)	3,10,042	2,93,588	5.6
Change in actuarial liability	1,37,380	(87,999)	NA	(6,930)	NA	98,170	2,57,837	(61.9)
Surplus/Deficit	2,007	3,950	(49.2)	8,593	(76.6)	23,021	21,904	5.1

Source: Company, BOBCAPS Research

Fig 10 – Shareholders’ account

(Rs mn)	Q1FY24	Q1FY23	YoY (%)	Q4FY23	QoQ (%)	FY23	FY22	YoY (%)
Transfer from Policyholders’ Account	3,796	2,960	28.2	8,223	(53.8)	20,162	21,602	(6.7)
Total income under Shareholders’ Account								
Investment Income	3,317	1,748	89.7	2,590	28.0	8,761	10,114	(13.4)
Other income	19	2	679.2	4	345.2	13	22	(42.6)
Expenses other than those related to insurance business	232	233	(0.4)	284	(18.4)	1,022	1,024	(0.3)
Transfer of funds to Policyholders’ Account	4,456	2,921	52.6	7,324	(39.2)	18,024	21,611	(16.6)
Provisions for doubtful debts (including write off)	359	0	NA	41	770.6	921	1,197	(23.1)
Profit before tax	2,085	1,557	33.9	3,168	(34.2)	8,969	7,906	13.5
Provisions for tax	16	0	NA	819	(98.1)	(862)	(364)	136.7
Profit after tax and before extraordinary items	2,069	1,557	32.9	2,349	(11.9)	8,107	7,541	7.5

Source: Company, BOBCAPS Research

Fig 11 – Balance sheet

(Rs mn)	Q1FY24	Q1FY23	YoY (%)	Q4FY23	QoQ (%)	FY23	FY22	YoY (%)
Sources of funds								
Share Capital	14,389	14,375	0.1	14,386	0.0	14,386	14,373	0.1
Share application money received pending allotment of shares	5	2	NA	2	178.9	2	0	NA
Reserves and Surplus	85,882	76,748	11.9	83,730	2.6	83,730	75,915	10.3
Credit / (Debit) Fair Value Change Account	4,903	(594)	(926.1)	2,801	75.1	2,801	1,342	108.7
Total Equity	1,05,178	90,532	16.2	1,00,918	4.2	1,00,918	91,631	10.1
Policyholders' Funds:	24,33,403	20,72,029	17.4	22,83,724	6.6	22,83,724	21,71,190	5.2
Borrowing	12,000	12,000	-	12,000	-	12,000	12,000	-
Policy Liabilities	23,92,605	20,56,086	16.4	22,55,397	6.1	22,55,397	21,42,236	5.3
- Insurance Reserves	9,39,169	7,68,976	22.1	9,03,074	4.0	9,03,074	7,36,821	22.6
- Provision for Linked Liabilities	14,53,435	12,87,110	12.9	13,52,324	7.5	13,52,324	14,05,414	(3.8)
Add: Fair value change	40,798	15,943	155.9	28,327	44.0	28,327	28,954	(2.2)
FFA	14,904	14,823	0.5	16,693	(10.7)	16,693	13,833	20.7
FFA - provision of lapsed policies	88,429	1,01,400	(12.8)	88,257	0.2	88,257	1,03,249	(14.5)
Total Sources of funds	26,53,914	22,90,784	15.9	25,01,592	6.1	25,01,592	23,91,903	4.6
Application Of Funds								
Investments	10,92,042	8,88,912	22.9	10,41,624	4.8	10,41,624	8,72,415	19.4
- Shareholders'	1,05,854	90,000	17.6	98,514	7.5	98,514	98,535	(0.0)
- Policyholders'	9,86,188	7,98,913	23.4	9,43,110	4.6	9,43,110	7,73,880	21.9
Assets held to cover Linked Liabilities	15,41,864	13,88,510	11.0	14,40,581	7.0	14,40,581	15,08,663	(4.5)
Loans	14,102	10,063	40.1	13,141	7.3	13,141	9,401	39.8
Fixed Assets	6,373	5,096	25.0	5,956	7.0	5,956	4,872	22.2
Net Current Assets	(468)	(1,798)	(74.0)	291	NA	291	(3,449)	(108.4)
Total application of funds	26,53,914	22,90,784	15.9	25,01,592	6.1	25,01,592	23,91,903	4.6

Source: Company, BOBCAPS Research

Fig 12 – Key ratios and growth metrics

(Rs mn)	Q1FY24	Q1FY23	YoY (%)	Q4FY23	QoQ (%)	FY23	FY22	YoY (%)
NBP	32,173	33,707	(4.5)	57,618	(44.2)	1,74,125	1,55,022	12.3
APE	14,610	15,200	(3.9)	33,000	(55.7)	86,400	77,330	11.7
VNB	4,380	4,710	(7.0)	10,550	(58.5)	27,648	21,652	27.7
Opex ratio (%)	15.1	12.6	243bps	12.1	301bps	11.5	9.8	167bps
Commission ratio (%)	5.2	4.2	99bps	5.8	(60bps)	4.7	4.5	20bps
Expense ratio (%)	20.3	16.9	342bps	17.9	241bps	16.1	14.3	187bps
VNB margin (%) – Cumulative	30.0	31.0	(100bps)	32.0	(200bps)	32.0	28.0	400bps
Solvency ratio (%)	203.4	203.6	(20bps)	208.9	(550bps)	209	204	440bps
Persistency ratio (Regular Premium / Limited Premium Payment under Individual category)								
13th month (%) – Cumulative	86.4	85.5	90bps	86.6	(20bps)	86.6	85.7	90bps
61st month (%) - Cumulative	66.5	55.7	1,080bps	65.7	80bps	65.7	54.4	1,130bps

Source: Company, BOBCAPS Research

Valuation methodology

IPRU is currently trading at 1.8x FY25E P/EV. We raise our APE estimates by 1-2% each for FY24/FY25 considering high growth in June and adjusting for a poor April affected by the change in tax policy. We also raise our VNB margin estimates by 50bps for FY24/FY25 to 29% each and increase VNB estimates by 3%/4%.

Given a resilient VNB margin and strong retail protection APE (+62% YoY to Rs 1.1bn) in Q1FY24 along with solid overall growth in June (APE up 11% YoY and NBP up 23%), we increase our target FY25E P/EV multiple to 1.6x from 1.5x, a 30% discount to the long-term mean. This coupled with estimate revision yields a higher TP of Rs 518 (vs. Rs 494).

However, we maintain SELL as the company is yet to remedy key negatives such as market share bleed, high cost ratios and weak business from ICICIBC. The stock has rallied over 20% since 1 June which looks unwarranted, in our view (see our [note of 28 June](#) for details).

Fig 13 – Revised estimates

(Rs bn)	New		Old		Change (%)	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Gross Premium	425	442	423	438	0.4	1.0
Net Premium	411	428	409	424	0.4	0.9
VNB	23	25	23	24	2.7	3.6
APE	80	87	79	86	0.9	1.8
Embedded Value (EV)	409	467	408	467	0.0	0.1
VNB Margin (%)	29.0	29.0	28.5	28.5	50bps	50bps

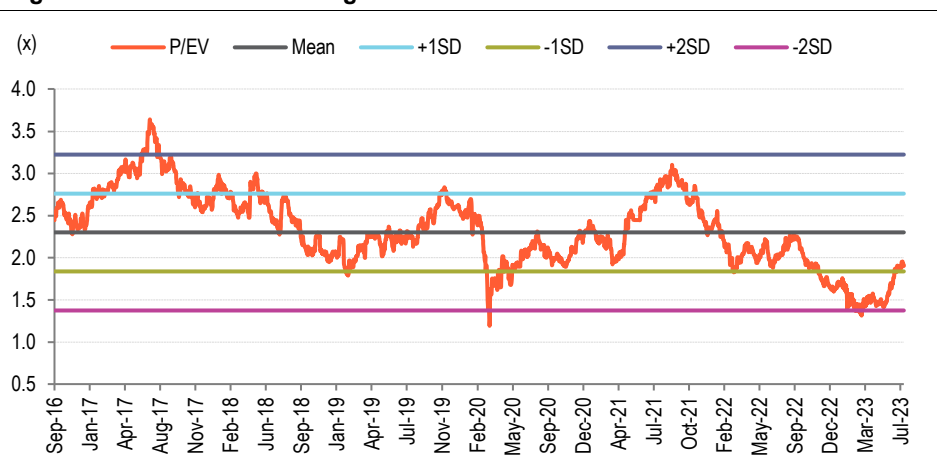
Source: BOBCAPS Research

Fig 14 – Valuation summary

Synopsis of valuation	
Embedded Value (FY25E) (Rs bn)	350
PV of Future business (Rs bn)	396
Total value (Rs bn)	746
Current P/EV (FY25E)	1.8
Implied P/EV (FY25E)	1.6
Implied Target Price (Rs)	518
Current Price (Rs)	575
Upside (%)	(10)

Source: BOBCAPS Research

Fig 15 – 1Y fwd P/EV – Trading around -1SD



Source: Bloomberg, BOBCAPS Research

Key risks

Key upside risks to our estimates are:

- **Favourable changes in regulatory framework:** Any favourable change in regulations, such as increased 80C income tax deduction limits, can positively impact IPRU's growth.
- **Increase in market share:** IPRU has been losing market share for several years now. Any reversal of trend will be a positive.
- **Bancassurance channel growth:** If ICICIIB were to alter its marketing strategy to include all types of insurance products or if the contribution from other banks rises substantially, business growth could come in ahead of our estimates.
- **Profits from capital and bond markets:** Prolonged strength in capital markets could push up growth in ULIPs. Although insurance companies are aiming for a balanced product mix, many of them still have sizeable business coming from ULIPs.

Sector recommendation snapshot

Company	Ticker	Market Cap (US\$ bn)	Price (Rs)	Target (Rs)	Rating
HDFC Life	HDFCLIFE IN	17.1	657	600	HOLD
ICICI Prudential Life	IPRU IN	10.1	575	518	SELL
LIC	LICI IN	47.8	621	775	BUY
SBI Life	SBILIFE IN	16.0	1,315	1,520	BUY

Source: BOBCAPS Research, NSE | Price as of 18 Jul 2023

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		

Source: BOBCAPS Research

Financials

Revenue Account (Technical)

Y/E 31 Mar (Rs mn)	FY21A	FY22A	FY23A	FY24E	FY25E
Gross premium income	3,57,328	3,74,580	3,99,328	4,24,584	4,41,796
First year premium	51,872	59,655	64,938	56,789	61,922
Renewal premium	2,25,068	2,19,557	2,25,203	2,32,113	2,31,122
Single premium	80,389	95,367	1,09,187	1,35,683	1,48,752
Net written premium	3,49,734	3,63,213	3,85,595	4,10,706	4,27,902
Income from investments	4,74,376	2,49,695	99,646	3,70,888	3,08,446
Other Income	16,682	22,737	19,540	20,287	21,387
Total income	8,40,791	6,35,645	5,04,781	8,01,881	7,57,736
Commissions	15,002	16,729	18,639	20,059	20,967
Operating expenses	27,121	37,011	46,458	50,017	52,118
Benefits and bonuses paid	2,26,409	2,93,588	3,10,042	3,80,986	3,03,964
Change in liabilities (net)	5,43,241	2,57,837	98,170	3,13,542	3,42,889
Others	0	0	0	0	0
Total expenses	8,11,773	6,05,166	4,73,309	7,64,604	7,19,937
Surplus before tax	29,019	30,479	31,473	37,277	37,799
Provision for tax	7,965	8,576	8,451	10,500	9,402
Surplus after tax	21,054	21,904	23,021	26,777	28,397
Trf to shareholders' a/c	19,849	19,609	20,162	23,625	24,988
Balance being FFA	1,205	2,295	2,860	3,152	3,409

Income Statement (Non-technical)

Y/E 31 Mar (Rs mn)	FY21A	FY22A	FY23A	FY24E	FY25E
Trf from policyholders' a/c	19,849	21,602	20,162	23,625	24,988
Income from investments	7,687	10,114	8,761	9,088	9,452
Contr. to policyholders' fund	15,748	21,611	18,024	18,926	19,872
Others	(609)	(1,002)	(1,009)	(1,194)	(1,378)
PBT	11,179	9,103	9,890	12,594	13,190
Provision for taxation	1,213	364	862	1,167	1,227
PAT	9,966	8,739	9,027	11,426	11,963
Dividend+Interim div.+DDT	2,872	793	864	1,440	1,440

Balance Sheet

Y/E 31 Mar (Rs mn)	FY21A	FY22A	FY23A	FY24E	FY25E
Equity	91,194	91,631	1,00,918	1,07,168	1,16,772
Policyholders' funds	19,10,481	21,71,190	22,83,724	23,99,350	27,42,239
FFA	13,532	13,833	16,693	23,370	18,696
Others	1,57,074	1,67,748	1,57,138	1,98,128	1,85,930
Total liabilities	21,72,281	24,44,402	25,58,472	27,28,017	30,63,636
Shareholders' funds	1,00,902	98,535	98,514	1,03,440	1,18,956
Policyholders' funds	6,35,726	7,73,880	9,43,110	10,22,003	11,82,242
Assets to cover linked liab.	13,85,491	15,08,663	14,40,581	15,12,610	16,63,871
Others	50,162	63,324	76,268	89,964	98,568
Total assets	21,72,281	24,44,402	25,58,472	27,28,017	30,63,636

Key Metrics

Y/E 31 Mar (Rs mn)	FY21A	FY22A	FY23A	FY24E	FY25E
AUM (Rs mn)	21,42,180	24,04,920	25,11,910	26,70,951	29,99,206
NBP (Rs mn)	1,32,261	1,55,022	1,74,125	1,92,472	2,10,674
APE (Rs mn)	64,620	77,330	86,400	80,136	87,470
VNB (Rs mn)	16,220	21,652	27,648	23,239	25,366
VNB margin (%)	25.1	28.0	32.0	29.0	29.0
Embedded value (Rs mn)	2,91,051	3,16,250	3,56,338	4,08,645	4,67,263
ROEV (%)	15.2	11.0	17.4	15.1	14.7
ROE (%)	11.8	8.2	8.4	10.1	9.9
Opex ratio (%)	7.5	9.8	11.5	11.6	11.6
Cost ratio (%)	11.7	14.3	16.1	16.3	16.4
Solvency ratio (%)	216.8	204.5	208.9	208.3	208.8
EPS (Rs)	6.7	5.3	5.6	7.3	7.7
BVPS (Rs)	63.5	63.8	70.2	74.6	81.2
EVPS (Rs)	202.7	220.2	248.0	284.3	325.1

Source: Company, BOBCAPS Research

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BUY – Expected return >+15%

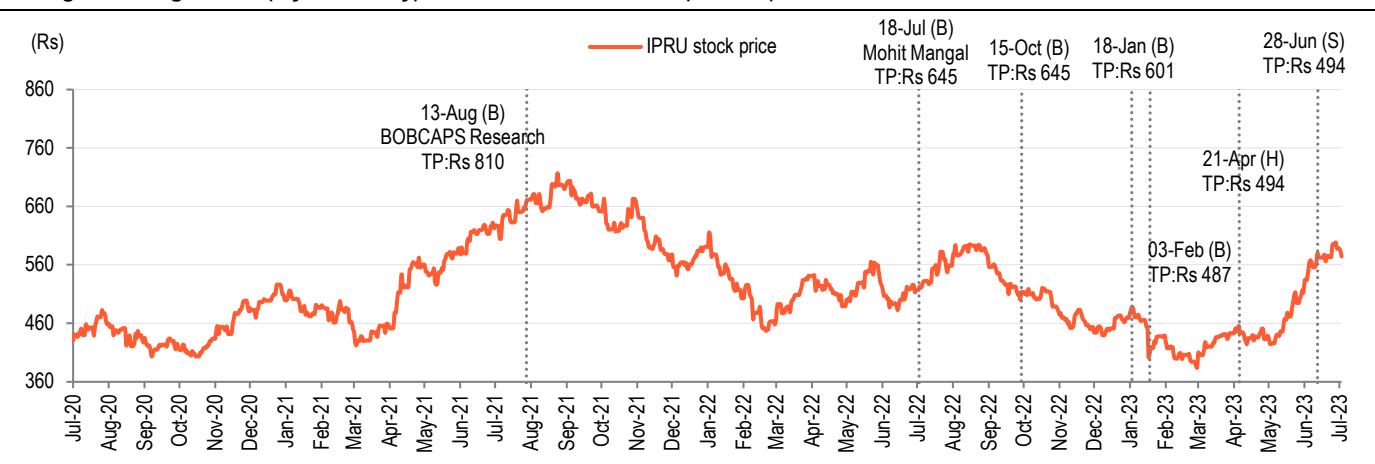
HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

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