

INSURANCE

03 April 2025

Beyond Disruptions: Charting the Path Forward

- **APE growth to accelerate in FY26 aided by companies' focus on improving their product mix**
- **Having navigated surrender norms well with lower-than-expected impact, the focus now shifts to VNB margins trajectory going forward**
- **We maintain BUY on HDFCLIFE, SBILIFE and LIC and upgrade IPRU to BUY. HDFCLIFE remains as our top pick**

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APE growth set to accelerate: The life insurance industry witnessed very volatile growth trends throughout the year till 11MFY25. During this period, the stock prices of the life insurance players rerated owing to the impact of new surrender norms and other regulatory interventions. Now as FY26 dawns, we expect APE growth to pick up for the private insurers in our coverage in the range of 12-18% CAGR in for FY25-FY27 and VNB margins to improve going ahead in FY26 with the likely ULIP's share in new business premiums to cool off and rise in the credit life offtake driven by growth in retail loans. Further, we believe that the private life insurers could offer a compelling investment opportunity, driven by their robust brand presence, well-established distribution channels, and comprehensive product offerings.

VNB margins to improve: Despite the subdued equity market performance, ULIPs continued to witness strong growth resulting in contraction of VNB margins by 120-390bps YoY in 9MFY25 for private players, while LIC saw an increase of 46bps. The private sector's VNB margins ranged at 22-27% by end-9MFY25. Conversely, LIC's margin expansion can be attributed to its strategic focus on profitable product mix. We expect LIC's margin to be ~18.5% by end FY27. Furthermore, the industry effectively navigated the changes in surrender norms with a lower-than-expected impact in Q3FY25 when the guidelines were issued in Jun'24. This was accomplished through a mix of deferrals, commission reductions, and adjustments to client benefits. Consequently, the focus now shifts to banca growth and the trajectory of VNB margins going ahead, as the ULIP mix share declines and the group protection business gains traction.

Our view: We maintain BUY on HDFCLIFE and raise our TP to Rs 893 (from Rs 755), implying 2.5x in FY27E P/EV and continue to prefer HDFCLIFE as our top pick. We upgrade our HOLD rating on IPRU to BUY with a TP of Rs 662 (previously Rs 706), implying 1.5x its FY27E P/EV. We maintain BUY on SBILIFE with a TP of Rs 1,928 (from Rs 1,995), assigning a multiple of 2.0x to its FY27E P/EV. We maintain BUY on LIC with a TP of Rs 1,064 (earlier Rs 1,071), assigning a multiple of 0.7x to its FY27E P/EV.

Recommendation snapshot

Ticker	Price	Target	Rating
HDFCLIFE IN	693	893	BUY
IPRU IN	563	662	BUY
LICI IN	815	1,064	BUY
SBILIFE IN	1,542	1,928	BUY

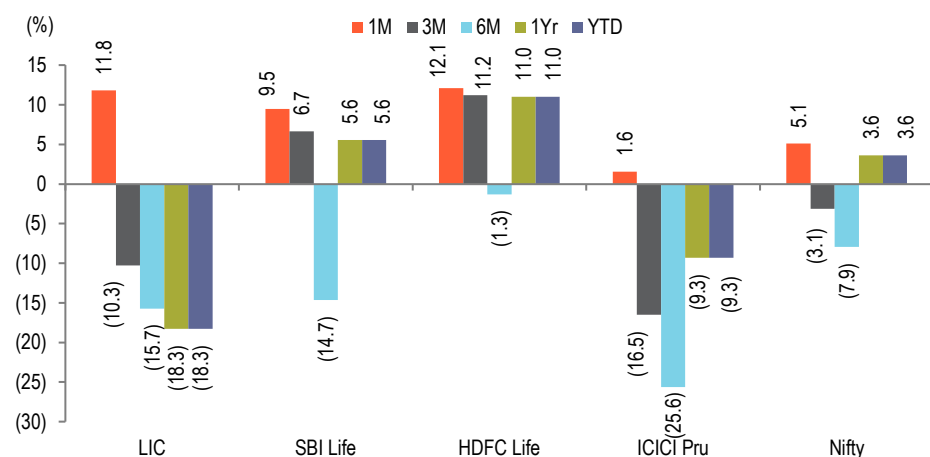
Price & Target in Rupees | Price as of 3 Apr 2025



A year – mark of transformation

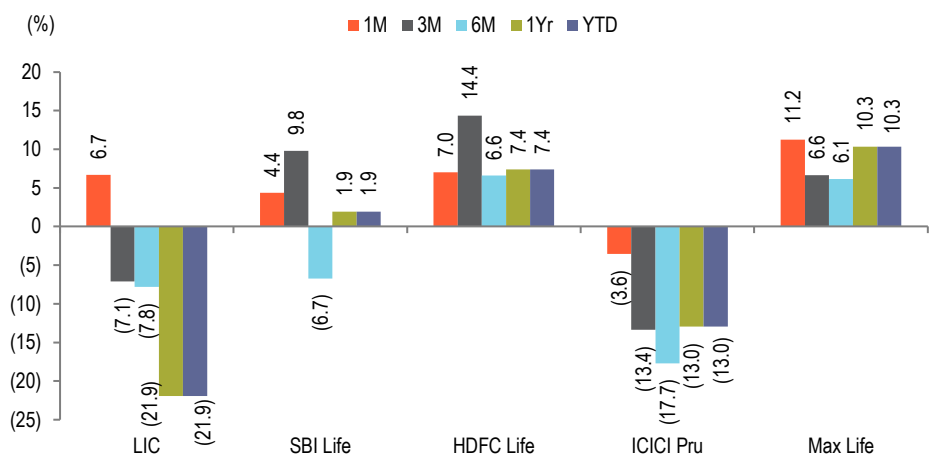
As FY26 begins, life insurance stocks have witnessed derating from the peak levels seen in FY25, impacted by surrender guidelines and contraction in the VNB margins as there was a persistent increase in ULIP sales. The industry started FY25 with a modest growth outlook of ~12% in individual APE for the private insurers as the spread between deposit rates and G-sec yields had narrowed. However, the private insurers significantly outperformed expectations and reported 17.4% growth in individual APE in 11MFY25. However, the higher share of ULIPs in the product mix resulted in a compression of margins.

Fig 1 – Absolute performance – a resilient recovery

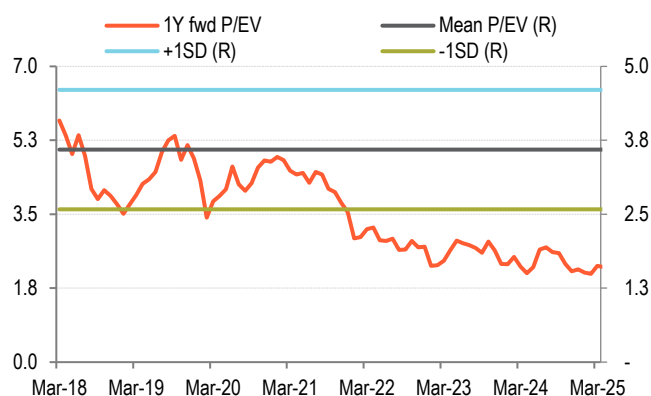


Source: Company, BOBCAPS Research

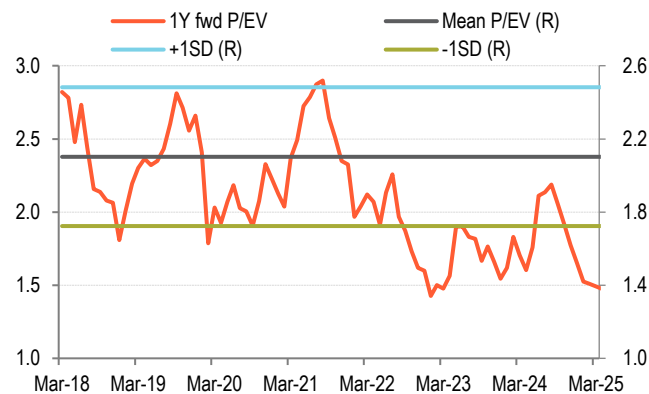
Fig 2 – Relative performance- a divergent trend



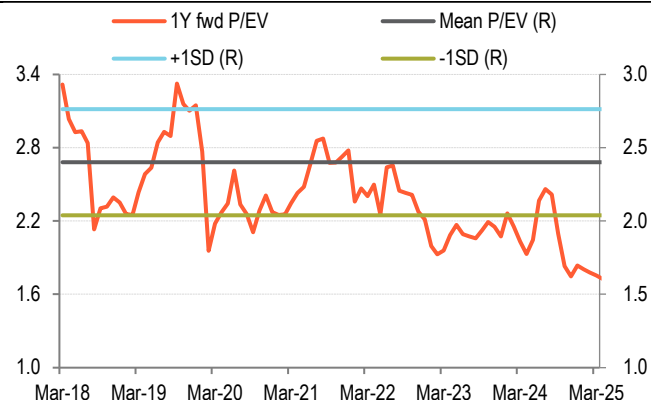
Source: Company, BOBCAPS Research

Fig 3 – Valuation – HDFCLIFE

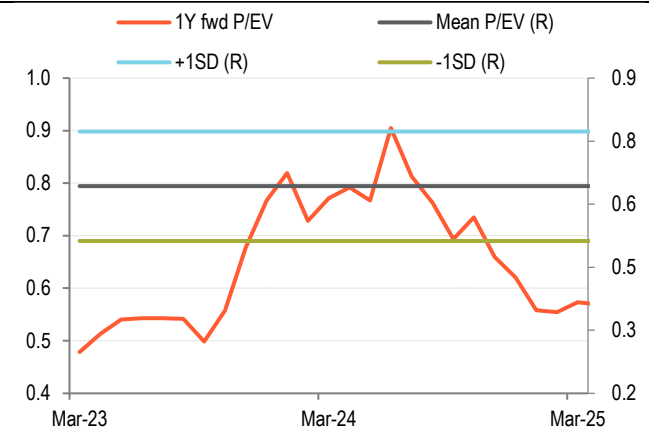
Source: Company, BOBCAPS Research

Fig 4 – Valuation – IPRU

Source: Company, BOBCAPS Research

Fig 5 – Valuation- SBILIFE

Source: Company, BOBCAPS Research

Fig 6 – Valuation- LICI

Source: Company, BOBCAPS Research

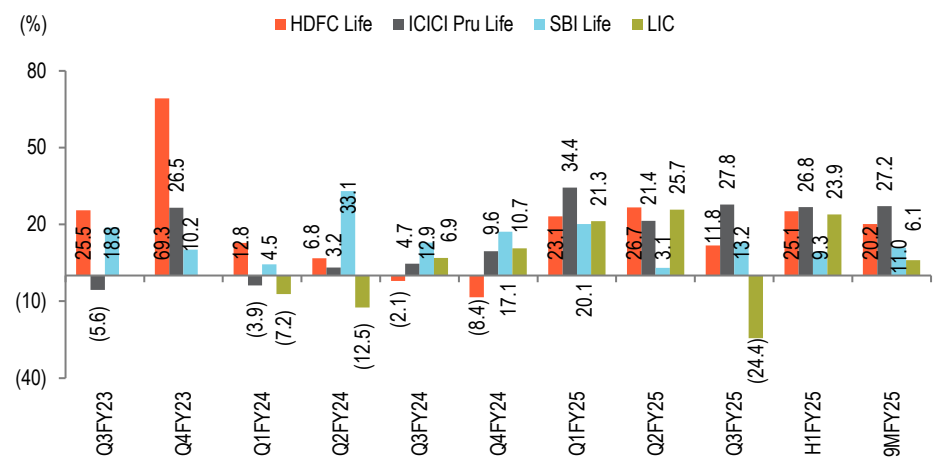
India's life insurance industry witnessed very volatile growth trends in the entire year till 11MFY25. Initially, the individual APE saw 22.2% YoY growth in Apr'24 as compared to a weak performance in Apr'23. This was primarily due to robust growth in new business premiums (61.2% YoY in Apr'24). However, in Aug'24, individual APE growth moderated to 10.3% YoY on a higher base. While in Feb'25, the individual APE de-grew 4.3% YoY. This was largely on account of new business falling 11.6% YoY. For 11MFY25, the overall individual APE saw growth of 12.1% YoY, outpacing the growth outlook of ~12% for FY25 and individual APE for private insurers witnessed a growth of 17.4% YoY. While LICI saw 0.9% YoY growth in 11MFY25.

Likewise, growth of individual APE for private insurers moderated from the highs of H1FY25 (up ~24% YoY) to ~19% YoY in 9MFY25. This can be attributed to the downward readjustment of IRRs after the rally in bond markets during Q3, the distributor-driven product sales as the old surrender value norms were about to end and robust equity markets leading the strong ULIP sales in 1HFY25.

Going ahead into FY26, we expect APE growth to pick up as 9MFY25 growth held up well for the private insurers. For LICI too we anticipate APE growth to accelerate going forward. All eyes are now on the further growth drivers for the insurers, VNB growth and VNB margins, coupled with the expected slowdown in ULIPs as the equity markets cools off and other regulatory guidelines take effect. Most of the listed players have

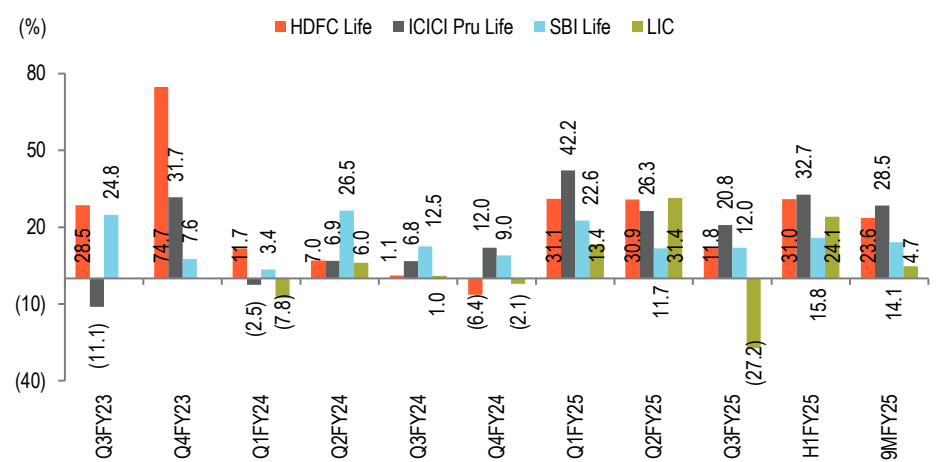
guided for mid-teen APE growth going forward. With robust brand presence, well-established distribution channels, and comprehensive product offerings, we expect private life insurers to offer a compelling investment opportunity.

Fig 7 – Overall APE growth YoY (%) - gaining momentum post disruption



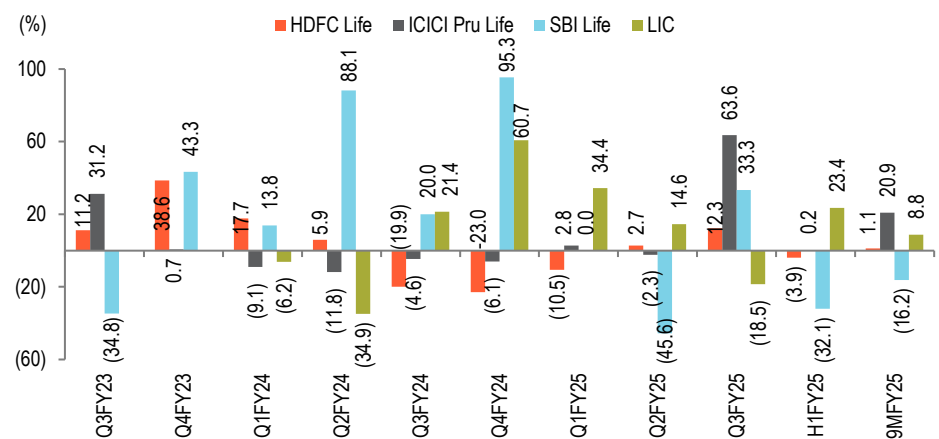
Source: Company, BOBCAPS Research

Fig 8 – Individual APE growth YoY (%) - momentum building steadily



Source: Company, BOBCAPS Research

Fig 9 – Group APE growth YoY (%)

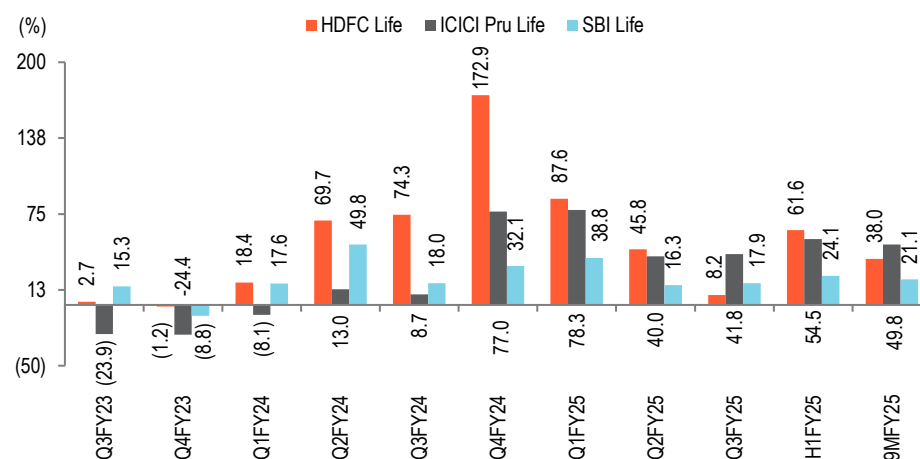


Source: Company, BOBCAPS Research

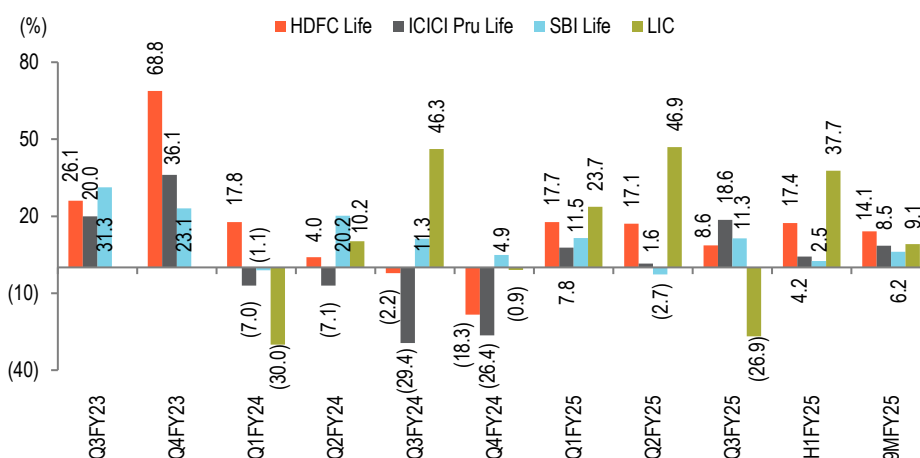
Fig 10 – APE mix- LICI continues to be a dominant player in the group business

(%)	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	FY22	FY23	FY24
HDFC Life								
Individual APE	87.5	89.7	86.1	88.1	87.5	83.7	85.5	86.6
Group APE	12.5	10.3	13.9	11.9	12.5	16.3	14.5	13.4
ICICI Pru								
Individual APE	83.6	88.5	84.9	86.3	79.0	84.7	82.8	84.9
Group APE	16.4	11.5	15.1	13.7	21.0	15.3	17.2	15.1
SBI Life								
Individual APE	94.1	84.2	90.9	92.0	93.1	90.7	82.6	88.2
Group APE	5.9	15.8	9.1	8.0	6.9	9.3	17.4	11.8
LICI								
Individual APE	67.3	70.5	58.4	69.3	64.8	70.6	68.2	67.5
Group APE	32.7	29.5	41.6	30.7	35.2	29.4	31.8	32.5

Source: Company, BOBCAPS Research

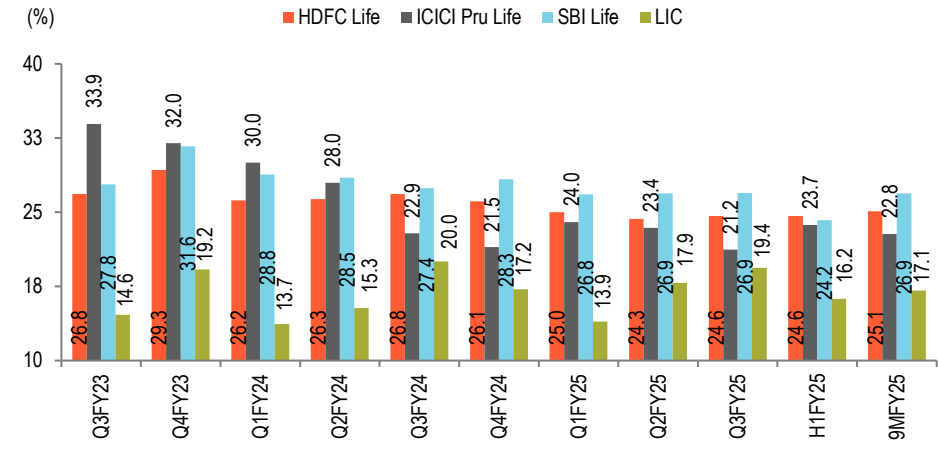
Fig 11 – ULIP growth accelerates

Source: Company, BOBCAPS Research

Fig 12 – VNB growth YoY (%)

Source: Company, BOBCAPS Research

Fig 13 – VNB margins (%) - impacted by product mix, limited surrender effect



Source: Company, BOBCAPS Research

Robust growth in APE across key players

HDFCLIFE reported stronger-than-expected APE growth: The company reported APE growth of 20% in 9MFY25 to Rs 102.9bn. APE grew 12% YoY in Q3FY25 vs. private sector growth of 17% YoY. For 9MFY25, the VNB margin was 25.1%, contracting by 140bps. It declined by 63bps YoY in Q3FY25 to 26.1%. This was due to the changes in the product mix and the 10bps impact of implementation of surrender value regulations for 9M (30bps impact sequentially). VNB grew 14% YoY in 9MFY25 and 8% YoY to Rs 9.3bn in Q3FY25.

IPRU reported strong growth, but VNB margin dwindled: IPRU's APE grew 28% YoY to Rs 24.4bn at end-Q3FY25 and 27% YoY in 9MFY25. Linked APE rose 42% YoY to Rs 12bn, owing to buoyant equity markets while non-linked APE de-grew 24% YoY to Rs 3.96bn in Q3FY25. Annuity and group funds saw robust growth of 50% YoY and 348% YoY. However, VNB margin contracted 221bps QoQ and 166bps YoY to 21.2% in Q3FY25. This was largely on account of product mix change towards low-yielding products like ULIPs.

SBILIFE sees robust APE growth YoY in Q3FY25: The company witnessed strong APE growth of 13% YoY in Q3FY25 and 11% YoY in 9MFY25 on a high base, and gross premium increased at a robust 11% YoY and 9% in 9MFY25. This was led by Individual APE growth of 11% in 9MFY25 and 12% YoY in Q3FY25 vs. industry growth of 6% YoY in Q3FY25. NBP was flat in 9MFY25 at Rs 262.6bn with market share of 22.4% vs. 25.3% in 9MFY24. Despite robust APE growth, VNB margin contracted by 46bps YoY to 26.9% in Q3FY25, down ~120bps YoY in 9MFY25. This was primarily on account of new surrender regulations and increase in the share of ULIPs in the product mix.

LICI reported a weak quarter with APE de-growth of 24% YoY in Q3FY25 and increased 6% YoY in 9MFY25. Non-par grew 18% YoY in Q3FY25 and 107% in 9MFY25 with the share in the product mix increasing to 20.5% in Q3FY25. VNB declined 27% YoY to Rs 19.3bn in Q3FY25 and was up 9% YoY in 9MFY25 to Rs 64.8bn. Its net VNB margin increased to 17.1% in 9MFY25 vs. 16.6% in 9MFY24. For Q3FY25, the VNB margin was 19.4%, compared to 17.9% in Q2FY25 and 20% in Q3FY24. This was primarily on account of the favourable product mix change towards high yielding non-par products, revision in premium rates and change in commission structures.

Fig 14 – Individual APE

(Rs bn)	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	YTD FY25	YTD FY24
Aditya Birla Sun Life	1.4	2.2	2.8	2.6	3.0	3.8	2.7	3.0	4.5	4.0	3.6	33.5	25.2
Ageas Federal Life	0.3	0.5	0.7	0.7	0.8	0.9	0.6	0.5	0.6	0.6	0.8	6.9	5.1
Bajaj Allianz Life	3.3	4.2	5.4	6.3	5.9	6.7	4.9	4.1	6.5	5.9	6.1	59.4	51.5
Canara HSBC Oriental	0.9	1.2	1.4	1.6	1.5	2.0	1.4	4.9	1.0	1.5	1.3	18.8	13.7
Future Generali	0.1	0.2	0.2	0.3	0.2	0.4	0.3	0.3	0.4	0.3	0.4	3.0	2.7
HDFC Life Insurance	6.1	8.1	10.4	10.7	10.9	11.7	8.4	8.9	13.2	13.6	12.0	113.9	95.1
ICICI Prudential	4.0	5.4	6.2	6.8	6.8	7.5	5.9	5.7	7.1	7.2	7.3	69.9	57.1
India First Life Insurance	0.4	0.6	0.7	1.0	1.1	1.4	1.2	1.3	1.5	1.6	1.6	12.3	12.7
Kotak Mahindra Life	0.9	1.2	1.6	1.9	1.7	2.7	1.8	1.7	3.3	3.0	3.3	23.2	21.1
Max Life Insurance	2.8	4.2	5.6	6.2	6.4	7.9	5.4	6.1	8.9	6.9	7.2	67.6	55.5
PNB MetLife	1.0	1.4	1.5	1.7	3.0	1.8	1.3	2.0	2.5	2.1	2.2	20.5	19.3
SBI Life Insurance	8.2	11.3	12.7	16.5	15.9	16.3	14.3	15.3	35.1	19.3	11.8	176.7	156.1
Shriram Life Insurance	0.4	0.6	0.9	0.9	0.9	1.2	0.8	0.9	1.4	1.1	1.0	10.1	7.0
Star Union Dai-ichi Life	0.5	0.9	1.2	1.3	1.4	2.0	0.7	1.4	1.4	2.8	1.1	14.6	13.2
Tata AIA Life Insurance	3.9	5.0	6.0	5.9	6.2	9.3	5.3	5.2	10.2	7.3	6.6	70.8	60.1
Private Total	35.9	48.3	59.3	66.4	67.7	78.3	56.4	63.0	100.5	79.6	68.7	724.3	616.7
LIC	19.2	24.2	27.6	29.9	28.2	41.9	21.5	22.2	28.8	30.9	24.9	299.1	296.4
Grand Total	55.1	72.5	86.9	96.3	95.9	120.1	77.9	85.2	129.3	110.5	93.6	1,023.4	913.2

Source: Company, BOBCAPS Research

Fig 15 – Individual APE growth YoY (%) - slows in Feb'25 on a higher base

(%)	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	YTD FY25	MS YTD FY25	MS YTD FY24	Δ in MS* (bps)	5Y CAGR	2Y CAGR
Aditya Birla Sun Life	36.3	30.3	64.7	34.5	29.0	26.5	49.9	29.6	33.2	3.3	2.8	52	19.5	18.6
Ageas Federal Life	44.5	24.3	75.7	29.5	15.1	9.8	24.3	29.9	36.3	0.7	0.6	12	30.5	48.1
Bajaj Allianz Life	47.5	22.3	34.0	9.8	(12.8)	2.0	8.1	0.3	15.3	5.8	5.6	16	26.8	16.0
Canara HSBC Oriental	27.9	38.1	18.1	21.0	267.8	(44.1)	(8.7)	(17.8)	37.1	1.8	1.5	34	8.2	(10.4)
Future Generali	1.1	(10.7)	19.7	46.5	16.1	0.1	8.1	10.9	10.0	0.3	0.3	(1)	(1.5)	7.1
HDFC Life Insurance	57.8	9.8	25.2	21.4	2.7	12.3	25.3	0.9	19.8	11.1	10.4	72	17.6	13.6
ICICI Prudential	40.4	29.4	32.6	21.8	28.1	9.4	8.7	(12.7)	22.3	6.8	6.3	57	4.5	8.1
India First Life	(22.0)	(21.2)	(6.6)	0.1	(14.0)	27.7	61.0	105.0	(2.5)	1.2	1.4	(18)	7.0	1.7
Kotak Mahindra Life	18.7	(6.2)	44.0	6.3	(6.9)	22.9	12.2	(8.4)	9.8	2.3	2.3	(5)	13.6	7.2
Max Life Insurance	44.8	19.7	38.3	15.4	24.8	11.2	13.8	9.5	21.9	6.6	6.1	53	11.6	21.3
PNB MetLife	6.9	72.2	(13.8)	(22.9)	27.5	(4.0)	8.9	(0.3)	6.4	2.0	2.1	(11)	11.3	6.4
SBI Life Insurance	20.8	3.9	9.1	9.9	8.5	16.0	18.4	(0.9)	13.2	17.3	17.1	17	13.9	11.7
Shriram Life Insurance	67.8	48.6	71.9	34.7	42.5	32.7	39.2	26.5	45.0	1.0	0.8	22	18.3	44.1
Star Union Dai-ichi Life	16.9	20.3	22.0	(21.1)	(2.6)	(25.8)	107.6	(34.7)	10.6	1.4	1.4	(2)	12.0	(16.3)
Tata AIA Life Insurance	12.2	14.6	59.7	5.9	5.2	15.5	13.3	4.9	17.8	6.9	6.6	34	16.7	2.5
Private Total	30.0	14.7	27.8	12.1	15.4	11.4	19.6	1.6	17.4	70.8	67.5	324	13.0	10.6
LIC	0.2	1.0	47.7	(15.1)	(12.4)	(13.0)	(7.1)	(17.4)	0.9	29.2	32.5	(324)	1.4	(3.3)
Grand Total	19.0	10.3	34.1	3.0	6.6	4.8	10.7	(4.3)	12.1	100.0	100.0	0	9.1	6.3

Source: Company, BOBCAPS Research * MS represents Market Share

Fig 16 – Group APE

(Rs bn)	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	YTD FY25	YTD FY24
Aditya Birla Sun Life	0.2	0.3	1.0	0.4	0.3	0.6	0.6	0.2	0.4	0.2	0.7	5.0	4.1
Ageas Federal Life	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.3
Bajaj Allianz Life	0.3	0.3	0.5	0.5	0.3	0.3	0.5	0.2	0.4	0.3	0.4	4.0	3.9
Canara HSBC Oriental	0.0	0.0	0.3	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.8	1.0
Future Generali	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.6	0.2
HDFC Life Insurance	0.8	1.2	1.3	1.3	1.4	1.2	1.7	1.3	1.1	1.3	1.7	14.4	12.8
ICICI Prudential	0.5	0.7	0.8	0.9	0.7	0.8	1.0	0.7	0.7	0.9	0.9	8.4	7.7
India First Life	0.1	0.0	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	1.3	1.1
Kotak Mahindra Life	0.2	0.3	0.4	0.3	0.3	0.4	0.4	0.2	0.4	0.4	0.4	3.6	3.7
Max Life Insurance	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.4	1.6
PNB MetLife	0.2	0.1	0.1	0.1	0.1	0.1	0.3	0.1	0.1	0.1	0.1	1.2	0.9
SBI Life Insurance	0.5	0.7	1.2	0.7	0.5	0.7	0.7	0.5	1.0	0.7	0.5	7.8	12.6
Shriram Life Insurance	0.0	0.1	0.0	0.1	0.0	0.1	0.1	1.3	0.4	0.2	0.1	2.4	0.8
Star Union Dai-Ichi Life	0.6	0.9	1.4	1.5	2.3	2.1	0.9	1.4	1.5	3.1	1.2	16.8	14.8
Tata AIA Life Insurance	0.0	0.1	0.0	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.2	0.9	0.6
Private Total	3.3	4.2	6.6	5.2	5.0	5.2	6.2	6.9	5.1	5.1	6.3	59.1	55.1
LIC	10.3	13.4	28.3	19.0	14.9	14.2	14.7	8.3	8.8	11.8	11.5	155.3	172.0
Grand Total	13.6	17.7	34.9	24.2	19.9	19.4	20.8	15.2	13.9	17.0	17.8	214.4	227.1

Source: Company, BOBCAPS Research

Fig 17 – Group APE growth YoY (%)

(%)	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	YTD FY25	MS YTD FY25	MS YTD FY24	Δ in MS (bps)	5Y CAGR	2Y CAGR
Aditya Birla Sun Life	87.1	(26.7)	100.1	9.7	(15.9)	0.8	(3.1)	9.1	23.1	2.3	1.8	54	19.7	40.2
Ageas Federal Life	28.7	30.9	6.4	(2.6)	(10.6)	(11.6)	(7.1)	(18.6)	7.1	0.1	0.1	2	13.4	15.2
Bajaj Allianz Life	101.8	(24.9)	(46.0)	34.4	(5.3)	31.8	(30.1)	5.9	2.0	1.9	1.7	14	9.6	(1.6)
Canara HSBC Oriental	(68.2)	(81.0)	84.2	(64.5)	(13.0)	31.4	(1.9)	36.4	(22.9)	0.4	0.4	(8)	32.5	(29.5)
Future Generali	10.8	(58.7)	(23.5)	109.8	(42.5)	88.2	105.4	572.2	257.9	0.3	0.1	22	110.5	528.7
HDFC Life Insurance	27.7	0.0	0.6	39.7	26.9	(21.0)	26.7	52.7	12.0	6.7	5.6	105	17.0	26.2
ICICI Prudential	(7.5)	4.2	11.9	30.1	(8.0)	(2.8)	18.9	22.8	9.6	3.9	3.4	55	(7.9)	31.6
India First Life	(11.5)	(15.3)	20.2	95.9	(11.1)	(14.4)	22.9	182.8	21.1	0.6	0.5	13	36.0	68.5
Kotak Mahindra Life	(12.7)	(33.5)	25.4	51.3	(20.9)	2.2	22.3	(36.3)	(4.3)	1.7	1.6	2	9.9	9.2
Max Life Insurance	(0.7)	10.0	20.3	15.9	4.2	(29.5)	(15.1)	(22.8)	(11.3)	0.7	0.7	(4)	20.4	24.2
PNB MetLife	28.4	(14.7)	67.5	359.8	(33.9)	(1.5)	(31.4)	(46.0)	42.9	0.6	0.4	20	4.8	(12.9)
SBI Life Insurance	(65.1)	(50.4)	(10.3)	(32.1)	7.5	32.9	(75.9)	(50.9)	(38.2)	3.6	5.5	(191)	5.6	(11.8)
Shriram Life Insurance	(19.6)	(17.3)	99.0	22.1	2209.5	502.3	209.9	118.1	194.6	1.1	0.4	76	47.7	75.6
Star Union Dai-Ichi Life	13.9	77.1	19.5	(17.7)	(3.8)	(24.4)	117.7	(37.3)	13.7	7.9	6.5	133	15.0	(12.1)
Tata AIA Life Insurance	73.2	(14.2)	183.7	55.5	32.5	24.0	12.5	157.7	47.3	0.4	0.3	16	10.1	38.5
Private Total	(12.7)	(3.3)	8.8	20.8	87.1	5.9	(22.1)	8.6	7.3	27.6	24.2	332	9.6	22.9
LIC	48.8	4.4	(6.7)	20.9	(36.1)	(55.5)	(53.9)	(33.3)	(9.7)	72.4	75.8	(332)	(1.0)	4.4
Grand Total	29.3	2.3	(3.0)	20.9	(8.8)	(43.4)	(47.4)	(22.9)	(5.6)	100.0	100.0	0	14.8	9.9

Source: Company, BOBCAPS Research

Fig 18 – Total APE

(Rs bn)	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	YTD FY25	YTD FY24
Aditya Birla Sun Life	1.7	2.5	3.8	3.1	3.3	4.4	3.3	3.2	4.9	4.2	4.2	38.5	29.2
Ageas Federal Life	0.3	0.5	0.7	0.8	0.8	0.9	0.6	0.5	0.7	0.6	0.9	7.2	5.4
Bajaj Allianz Life	3.6	4.5	5.9	6.8	6.2	7.0	5.4	4.3	6.9	6.1	6.6	63.4	55.4
Canara HSBC Oriental	0.9	1.2	1.7	1.6	1.5	2.2	1.4	4.9	1.1	1.6	1.4	19.5	14.7
Future Generali	0.1	0.2	0.2	0.3	0.2	0.4	0.3	0.3	0.4	0.3	0.9	3.6	2.9
HDFC Life Insurance	6.9	9.3	11.7	12.0	12.3	12.9	10.1	10.2	14.3	14.9	13.7	128.3	108.0
ICICI Prudential	4.5	6.1	6.9	7.7	7.5	8.2	6.8	6.4	7.8	8.1	8.2	78.3	64.8
India First Life	0.5	0.6	1.0	1.2	1.2	1.5	1.3	1.3	1.5	1.7	1.7	13.6	13.7
Kotak Mahindra Life	1.1	1.4	2.0	2.2	2.0	3.0	2.2	2.0	3.7	3.4	3.6	26.7	24.8
Max Life Insurance	3.0	4.3	5.7	6.3	6.5	8.0	5.6	6.3	9.0	7.0	7.3	69.0	57.0
PNB MetLife	1.3	1.4	1.6	1.8	3.0	1.9	1.6	2.1	2.6	2.2	2.2	21.7	20.1
SBI Life Insurance	8.7	12.0	13.9	17.3	16.4	17.0	14.9	15.8	36.1	20.1	12.3	184.4	168.6
Shriram Life Insurance	0.4	0.7	1.0	1.0	1.0	1.3	0.9	2.1	1.7	1.2	1.1	12.5	7.8
Star Union Dai-ichi Life	0.6	0.9	1.4	1.5	2.3	2.1	0.9	1.4	1.5	3.1	1.2	16.8	14.8
Tata AIA Life	4.0	5.1	6.1	6.0	6.2	9.5	5.3	5.3	10.3	7.4	6.8	71.8	60.7
Private Total	39.2	52.6	65.9	71.6	72.7	83.5	62.6	69.9	105.6	84.7	75.0	783.4	671.8
LIC	29.5	37.6	55.9	48.9	43.1	56.1	36.2	30.4	37.6	42.7	36.4	454.4	468.5
Grand Total	68.7	90.2	121.8	120.5	115.8	139.6	98.8	100.4	143.2	127.4	111.4	1,237.8	1,140.3

Source: Company, BOBCAPS Research

Fig 19 – Total APE growth YoY (%)

(%)	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	YTD FY25	MS YTD FY25	MS YTD FY24	Δ in MS (bps)	5Y CAGR	2Y CAGR
Aditya Birla Sun Life	42.0	21.5	69.1	28.9	25.3	23.9	46.2	25.9	31.8	3.1	2.6	55	19.6	21.3
Ageas Federal Life	43.8	24.6	72.1	27.5	13.7	8.5	22.5	27.8	34.8	0.6	0.5	11	29.8	46.8
Bajaj Allianz Life	50.5	18.8	25.4	11.7	(12.5)	3.3	5.6	0.6	14.4	5.1	4.9	26	25.1	14.6
Canara HSBC Oriental	20.8	20.7	20.6	13.9	259.6	(42.5)	(8.5)	(16.6)	33.1	1.6	1.3	29	8.7	(11.4)
Future Generali	1.2	(12.6)	18.6	47.6	9.6	1.7	8.9	114.7	24.9	0.3	0.3	4	16.4	61.9
HDFC Life Insurance	53.8	8.6	22.3	24.2	5.2	8.8	25.4	5.3	18.8	10.4	9.5	90	17.5	14.9
ICICI Prudential	32.3	26.6	30.3	22.9	23.0	8.2	9.8	(9.8)	20.8	6.3	5.7	64	2.5	10.2
India First Life	(21.2)	(20.9)	(5.1)	5.3	(13.9)	25.4	58.8	110.9	(0.7)	1.1	1.2	(10)	8.6	5.1
Kotak Mahindra Life	13.6	(11.1)	41.6	12.8	(8.8)	20.5	13.3	(12.2)	7.7	2.2	2.2	(2)	13.2	7.4
Max Life Insurance	43.6	19.5	37.9	15.4	24.3	10.3	13.1	8.7	20.9	5.6	5.0	57	11.8	21.4
PNB MetLife	7.7	68.8	(11.0)	(8.5)	24.0	(4.0)	7.0	(2.5)	8.0	1.8	1.8	(1)	11.1	5.7
SBI Life Insurance	9.2	0.5	8.1	7.0	8.5	16.4	3.5	(5.0)	9.4	14.9	14.8	11	13.4	10.2
Shriram Life Insurance	58.5	43.0	73.2	33.5	221.7	58.8	51.6	33.5	60.7	1.0	0.7	33	20.4	47.1
Star Union Dai-ichi	13.9	77.1	19.5	(17.7)	(3.8)	(24.4)	117.7	(37.3)	13.7	1.4	1.3	6	15.0	(12.1)
Tata AIA Life	12.7	14.3	61.0	6.5	5.5	15.5	13.3	6.5	18.1	5.8	5.3	47	16.5	3.1
Private Total	25.5	13.2	26.4	12.9	19.9	11.1	15.9	2.2	16.6	63.3	58.9	437	12.7	11.5
LIC	14.8	2.2	28.7	(3.4)	(20.4)	(28.9)	(27.5)	(23.2)	(3.0)	36.7	41.1	(437)	0.6	(1.0)
Grand Total	20.9	8.8	27.3	6.3	4.0	(3.2)	(3.5)	(7.8)	8.6	100.0	100.0		9.9	6.9

Source: Company, BOBCAPS Research

Fig 20 – New business premium

(Rs bn)	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	YTD FY25	YTD FY24
Aditya Birla Sun Life	4.0	5.9	13.1	7.3	6.5	10.3	9.4	5.1	8.9	6.2	10.3	87	67
Ageas Federal Life	0.7	0.9	1.2	1.3	1.3	1.4	1.0	0.9	1.1	1.0	1.2	12	10
Bajaj Allianz Life	6.9	7.7	10.8	12.0	9.5	10.5	10.5	6.6	10.5	8.9	10.8	105	95
Canara HSBC Oriental	1.1	1.5	4.5	1.9	1.8	3.4	1.8	5.3	1.6	2.0	1.9	27	24
Future Generali	0.2	0.2	0.4	0.3	0.3	0.5	0.4	0.4	0.5	0.4	5.6	9	5
HDFC Life Insurance	15.8	22.7	26.9	27.0	28.0	26.7	28.0	24.4	27.1	30.1	32.1	289	253
ICICI Prudential	9.4	13.2	15.1	17.6	15.1	16.6	16.6	13.7	15.6	17.8	18.6	169	149
India First Life	1.5	1.2	4.2	2.3	1.9	2.5	2.5	1.9	2.1	2.4	3.4	26	28
Kotak Mahindra Life	4.0	4.8	6.5	6.1	5.6	7.6	7.3	4.7	7.5	7.5	7.4	69	69
Max Life Insurance	5.1	6.7	8.9	9.3	9.6	11.3	8.4	9.1	12.5	10.0	10.3	101	90
PNB MetLife	3.3	2.1	2.8	2.6	3.8	3.7	5.3	4.6	4.8	3.7	3.5	40	29
SBI Life Insurance	16.9	23.5	29.9	30.0	27.0	29.9	26.5	25.8	53.1	32.8	21.7	317	339
Shriram Life Insurance	0.9	1.7	1.5	1.5	1.5	2.0	1.6	2.7	2.3	1.8	1.5	19	16
Star Union Dai-ichi Life	0.9	1.5	3.4	3.1	10.2	2.7	2.3	1.7	2.9	6.4	2.9	38	30
Tata AIA Life Insurance	4.8	6.2	7.1	7.1	7.2	12.1	6.7	6.6	11.6	8.6	8.9	87	73
Private Total	78.8	103.4	140.7	133.9	133.3	146.5	132.2	135.6	166.9	145.3	144.7	1,461	1,315
LIC	123.8	166.9	283.7	184.3	193.1	203.7	171.3	117.5	135.2	162.9	155.1	1,898	1,862
Grand Total	202.6	270.3	424.3	318.2	326.4	350.2	303.5	253.1	302.2	308.3	299.9	3,359	3,177

Source: Company, BOBCAPS Research

Fig 21 – New business premium growth YoY (%)

(%)	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	YTD FY25	MS YTD FY25	MS YTD FY24	Δ in MS (bps)	5Y CAGR	2Y CAGR
Aditya Birla Sun Life	57.4	8.8	78.0	33.6	7.3	11.2	22.3	13.3	30.0	2.6	2.1	48	20.1	29.7
Ageas Federal Life	58.5	13.5	26.6	18.2	(2.4)	(6.7)	(4.3)	(27.7)	15.0	0.4	0.3	3	21.3	24.7
Bajaj Allianz Life	60.5	2.8	(8.3)	21.5	(10.7)	9.7	(6.9)	2.9	9.8	3.1	3.0	12	18.6	7.8
Canara HSBC Oriental	(19.2)	(37.0)	35.3	(19.8)	202.3	(31.6)	(6.7)	(6.0)	10.2	0.8	0.8	3	9.3	(17.3)
Future Generali	6.6	(18.7)	17.9	64.7	(12.3)	14.0	18.3	395.0	108.3	0.3	0.1	14	59.8	247.3
HDFC Life Insurance	33.8	3.6	9.1	27.9	13.1	(4.6)	25.5	23.5	14.0	8.6	8.0	62	15.3	18.9
ICICI Prudential	7.4	12.3	20.6	25.3	6.3	3.9	13.6	5.3	13.9	5.0	4.7	36	(2.8)	18.1
India First Life	(10.8)	(15.8)	(59.9)	39.2	(11.6)	13.1	44.5	134.4	(5.6)	0.8	0.9	(9)	17.8	25.2
Kotak Mahindra Life	9.6	(18.1)	40.7	33.4	(17.1)	(1.0)	2.2	(33.9)	(0.5)	2.1	2.2	(13)	9.4	3.4
Max Life Insurance	27.8	16.7	29.0	15.4	20.9	3.3	8.8	(6.0)	12.7	3.0	2.8	19	13.0	19.2
PNB MetLife	14.0	53.6	30.3	129.0	79.2	34.0	24.4	6.0	40.8	1.2	0.9	30	15.2	12.8
SBI Life Insurance	(26.4)	(13.5)	4.6	(3.8)	8.1	15.2	(37.2)	(17.9)	(6.4)	9.4	10.7	(122)	15.0	4.2
Shriram Life Insurance	24.3	18.7	79.6	27.0	128.5	32.6	29.0	6.8	22.4	0.6	0.5	8	18.8	27.7
Star Union Dai-ichi	3.6	340.6	4.7	(6.2)	(11.8)	(16.7)	167.2	(44.5)	26.0	1.1	0.9	18	27.4	7.3
Tata AIA Life	10.7	7.9	74.8	11.3	11.4	16.7	13.6	19.5	18.9	2.6	2.3	29	19.9	5.9
Private Total	7.3	6.7	16.4	18.3	30.8	7.0	(0.7)	3.2	11.1	43.5	41.4	211	12.2	14.9
LIC	19.8	35.1	12.4	9.5	(27.2)	(41.2)	(13.9)	(22.0)	1.9	56.5	58.6	(211)	8.3	14.3
Grand Total	14.2	21.9	14.0	13.2	(4.5)	(21.7)	(8.1)	(11.6)	5.7	100.0	100.0	0	12.6	14.6

Source: Company, BOBCAPS Research

Fig 22 – Sum assured

(Rs bn)	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	YTD FY25	YTD FY24
Aditya Birla Sun Life	227	332	446	536	488	352	437	165	333	321	330	3,968	3,153
Ageas Federal Life	17	18	23	23	25	26	21	18	22	21	29	242	194
Bajaj Allianz Life	447	471	566	651	400	759	453	605	560	468	451	5,832	5,092
Canara HSBC Oriental	55	40	1,307	-18	35	61	58	94	81	89	128	1,931	2,084
Future Generali	30	18	19	30	44	37	20	19	22	33	118	390	251
HDFC Life Insurance	888	1,379	1,099	1,166	1,137	1,112	984	998	1,135	1,185	1,145	12,227	11,932
ICICI Prudential	982	889	853	998	974	976	909	956	1,068	1,410	834	10,850	9,113
India First Life	461	118	1,374	253	116	166	152	99	128	270	135	3,272	2,821
Kotak Mahindra Life	176	194	219	311	216	231	141	306	227	257	206	2,484	2,788
Max Life Insurance	424	391	459	479	479	484	371	431	461	448	458	4,886	4,404
PNB MetLife	67	105	114	146	112	121	74	145	113	99	68	1,164	1,432
SBI Life Insurance	405	396	534	649	738	862	745	885	1,202	933	604	7,954	7,045
Shriram Life Insurance	97	348	86	107	90	86	280	236	136	109	94	1,669	899
Star Union Dai-ichi Life	63	43	48	70	119	70	52	65	116	158	378	1,182	1,503
Tata AIA Life Insurance	565	657	802	931	874	971	829	672	1,138	871	962	9,271	7,553
Private Total	5,253	6,234	8,161	6,567	6,427	7,075	5,952	6,086	7,061	7,816	6,237	72,868	62,014
LIC	1,151	951	852	2,607	1,379	2,305	2,506	1,112	1,002	1,422	876	16,163	14,425
Grand Total	6,403	7,185	9,013	9,174	7,807	9,380	8,458	7,198	8,063	9,238	7,113	89,031	76,438

Source: Company, BOBCAPS Research

Fig 23 – Sum assured growth YoY (%)

(%)	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	YTD FY25	MS YTD FY25	MS YTD FY24	Δ in MS (bps)	5Y CAGR	2Y CAGR
Aditya Birla Sun Life	124.5	152.4	77.2	172.4	(44.0)	16.5	(25.6)	(41.5)	25.8	4.5	4.1	33	7.1	(10.9)
Ageas Federal Life	37.9	36.3	31.9	7.9	(2.7)	3.1	4.6	25.4	24.7	0.3	0.3	2	26.1	50.3
Bajaj Allianz Life	93.1	16.6	162.3	25.7	99.9	55.3	(7.8)	(13.4)	14.5	6.6	6.7	(11)	10.7	7.2
Canara HSBC Oriental	(104.7)	(81.3)	(46.1)	(41.4)	54.7	9.7	59.3	101.5	(7.3)	2.2	2.7	(56)	33.5	(27.0)
Future Generali	4.6	128.3	62.0	0.2	(19.1)	11.5	10.8	464.6	55.6	0.4	0.3	11	25.0	92.3
HDFC Life Insurance	0.7	4.5	21.4	50.7	(35.1)	1.0	18.9	2.4	2.5	13.7	15.6	(188)	6.8	(1.3)
ICICI Prudential	19.6	13.9	18.8	17.5	20.5	42.9	31.0	3.2	19.1	12.2	11.9	27	10.0	(7.6)
India First Life	(15.4)	(47.4)	(43.4)	41.0	(5.4)	374.7	123.9	(3.2)	16.0	3.7	3.7	(2)	3.0	(6.3)
Kotak Mahindra Life	12.4	(19.4)	1.7	(14.8)	123.8	63.3	(7.2)	(25.1)	(10.9)	2.8	3.6	(86)	5.8	(15.3)
Max Life Insurance	17.6	(10.2)	29.0	0.7	32.5	(1.0)	2.9	(0.3)	10.9	5.5	5.8	(27)	3.6	23.2
PNB MetLife	1.1	(26.5)	28.3	(29.6)	99.3	44.5	(51.6)	(64.1)	(18.7)	1.3	1.9	(57)	(8.7)	(42.8)
SBI Life Insurance	17.7	(9.4)	(4.6)	71.6	55.0	30.8	18.8	(12.0)	12.9	8.9	9.2	(28)	12.2	(15.6)
Shriram Life Insurance	30.7	20.2	27.1	209.9	186.2	65.7	40.5	21.1	85.7	1.9	1.2	70	19.9	7.4
Star Union Dai-ichi Life	(83.0)	(30.5)	(46.4)	(6.9)	(16.0)	12.3	111.4	148.0	(21.3)	1.3	2.0	(64)	46.3	58.1
Tata AIA Life Insurance	81.0	13.0	40.7	19.0	24.2	25.3	22.4	38.3	22.8	10.4	9.9	53	19.7	22.5
Private Total	12.4	4.5	30.1	46.2	16.3	24.7	25.4	2.1	17.5	81.8	81.1	72	10.8	1.2
LIC	(32.8)	(15.4)	79.6	93.1	26.9	(11.5)	(19.5)	(7.1)	12.0	18.2	18.9	(72)	14.2	19.4
Grand Total	(5.6)	0.4	39.6	57.5	17.8	18.6	15.5	0.9	16.5	100.0	100.0	0	11.2	3.0

Source: Company, BOBCAPS Research

Fig 24 – Average ticket size rose with increase in the ULIPs

(Rs)	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25
Aditya Birla Sun Life	1,11,194	1,27,264	1,02,915	1,04,013	80,985	1,02,811	1,18,891	1,26,625	77,619	1,10,699	1,37,435	1,33,446	1,25,778
Ageas Federal Life	1,12,007	1,23,879	1,11,226	1,11,156	1,27,634	1,33,479	1,44,720	1,44,921	1,34,144	1,21,581	1,20,483	1,18,258	1,43,119
Bajaj Allianz Life	94,187	95,075	88,102	82,984	80,351	73,456	92,827	82,946	97,795	94,315	84,548	98,138	91,818
Canara HSBC	1,02,980	1,30,074	48,354	73,877	1,05,469	1,14,427	1,14,704	1,10,620	1,29,128	1,78,289	93,971	1,17,262	97,674
Future Generali	1,05,249	1,66,067	72,921	76,022	83,637	99,259	78,612	1,13,424	1,34,521	97,326	1,02,503	1,00,561	1,04,579
HDFC Life	1,08,114	98,603	87,361	94,554	1,07,406	99,092	98,233	1,07,875	95,766	99,859	1,14,348	1,23,887	1,20,687
ICICI Prudential	1,25,556	1,68,719	1,24,763	1,09,002	1,37,056	1,28,480	1,28,856	1,38,450	1,34,835	1,32,955	1,09,783	1,23,404	1,33,636
India First Life	62,587	60,793	66,161	58,563	62,050	73,252	64,835	61,934	60,677	73,925	79,958	79,352	78,240
Kotak Mahindra Life	1,00,979	1,08,412	1,12,576	86,640	81,546	86,952	87,898	92,249	95,229	93,070	1,05,193	1,03,963	1,07,663
Max Life Insurance	98,421	1,23,525	81,185	70,767	91,450	99,605	1,05,295	92,485	1,10,664	91,121	1,28,511	88,800	1,18,677
PNB MetLife Life	81,135	98,910	69,095	64,946	66,038	71,370	70,358	76,858	78,377	89,248	1,04,936	1,11,564	85,301
SBI Life Insurance	69,004	63,111	71,034	73,618	81,204	91,537	87,917	84,153	89,632	92,732	1,30,071	1,02,024	76,561
Shriram Life	16,647	23,346	11,414	15,111	17,913	17,928	18,390	25,140	27,007	27,019	31,122	27,768	27,108
Star Union Dai-ichi	83,887	88,427	71,958	74,688	84,926	93,514	1,04,054	1,08,081	75,511	90,404	94,319	1,01,726	79,297
Tata AIA Life	1,03,355	1,05,698	93,711	1,01,472	80,932	98,734	1,01,619	94,231	81,618	82,547	77,845	81,931	76,240
Private Total	88,370	95,416	78,282	78,627	83,535	87,836	90,114	91,185	90,712	94,850	1,05,584	99,120	93,954
LIC	17,110	12,850	21,892	19,006	18,465	17,863	16,739	17,349	37,653	27,091	24,322	17,342	19,870
Grand Total	39,334	32,746	41,822	39,041	40,128	40,691	40,408	37,537	66,034	58,618	61,945	43,746	48,653

Source: Company, BOBCAPS Research

Fig 25 – Average ticket size increased YoY (%)

(%)	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	5Y CAGR	2Y CAGR
Aditya Birla Sun Life	29.6	(0.9)	(25.8)	5.2	11.6	23.4	(23.7)	7.3	15.5	22.8	13.1	13.7	(3.0)
Ageas Federal Life	7.8	30.1	20.3	20.2	19.0	32.5	22.1	15.9	11.0	11.9	27.8	16.2	14.3
Bajaj Allianz Life	13.4	19.0	16.7	(1.0)	11.7	(6.0)	8.1	23.6	(13.6)	18.1	(2.5)	9.2	6.1
Canara HSBC Oriental	(37.2)	(4.3)	44.2	31.6	64.8	44.7	62.3	116.5	1.7	(1.6)	(5.2)	8.0	6.7
Future Generali	40.8	5.0	23.7	9.1	(14.6)	4.7	46.6	4.0	(9.5)	(9.5)	(0.6)	11.8	4.5
HDFC Life Insurance	(6.6)	5.2	14.8	21.4	(6.4)	4.8	19.2	2.4	8.6	14.1	11.6	14.0	8.6
ICICI Prudential	61.0	16.6	31.5	27.9	19.1	31.8	23.1	13.3	(18.3)	(8.1)	6.4	11.0	3.8
India First Life	11.0	24.2	27.2	47.3	18.0	27.6	12.6	25.1	17.7	24.0	25.0	6.2	22.2
Kotak Mahindra Life	26.9	19.1	23.4	19.1	13.0	10.0	12.4	8.0	12.3	4.2	6.6	11.5	4.2
Max Life Insurance	7.0	(7.9)	4.4	11.9	29.2	1.5	24.4	(10.7)	10.3	17.6	20.6	10.4	14.0
PNB MetLife Life	(4.0)	1.4	0.6	(1.9)	(8.0)	(7.5)	(4.4)	14.1	12.2	24.2	5.1	3.9	3.5
SBI Life Insurance	20.6	17.6	23.4	21.4	13.1	6.0	20.1	16.5	32.3	17.9	11.0	7.3	13.6
Shriram Life	(50.9)	(35.3)	(28.2)	(23.4)	(20.8)	13.2	56.1	79.7	56.1	65.2	62.8	11.7	8.0
Star Union Dai-ichi	(19.6)	16.5	22.2	35.6	50.1	37.4	9.0	16.8	(2.3)	(0.6)	(5.5)	0.3	3.4
Tata AIA Life	27.9	8.6	(17.7)	12.4	3.7	(6.5)	(18.4)	(19.0)	(13.2)	(8.4)	(26.2)	8.2	(21.8)
Private Total	10.3	7.9	9.6	14.3	9.1	8.0	14.3	14.6	10.5	12.5	6.3	9.7	5.2
LIC	7.3	(3.1)	0.8	1.3	5.4	(7.1)	116.9	52.4	27.0	8.1	16.1	(0.4)	11.3
Grand Total	10.7	6.1	6.4	17.0	12.4	(8.0)	79.8	49.8	32.3	22.2	23.7	7.3	15.7

Source: Company, BOBCAPS Research

Fig 26 – APE of coverage companies witness picks up

	APE (Rs bn)					YoY growth (%)					APE (Rs bn)		YoY growth (%)		
	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	FY23	FY24	FY23	FY24	
HDFC Life	31.9	47.3	28.7	38.6	35.7	(2.1)	(8.4)	23.1	26.7	11.8	133.4	132.9	36.7	(0.3)	
ICICI Pru	19.1	36.2	19.6	25.0	24.4	4.7	9.6	34.4	21.4	27.8	86.4	90.5	11.7	4.7	
SBI Life	61.3	53.3	36.4	53.9	69.4	12.9	17.1	20.1	3.1	13.2	168.1	197.2	17.6	17.3	
LIC	131.6	211.8	115.6	164.7	99.5	6.9	10.7	21.3	25.7	(24.4)	566.8	569.7	12.5	0.5	

Source: Company, BOBCAPS Research

Fig 27 – VNB growth lags APE growth

	VNB (Rs bn)					YoY growth (%)					VNB (Rs bn)		YoY growth (%)		
	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	FY23	FY24	FY23	FY24	
HDFC Life	8.6	12.3	7.2	9.4	9.3	(2.2)	(18.3)	17.7	17.1	8.6	36.7	35.0	27.6	26.3	
ICICI Pru	4.4	7.8	4.7	5.9	5.2	(29.4)	(26.4)	7.8	1.6	18.6	27.7	22.3	32.0	24.6	
SBI Life	16.8	15.1	9.7	14.5	18.7	11.3	4.9	11.5	(2.7)	11.3	50.7	55.5	30.1	28.1	
LIC	26.3	36.5	16.1	29.4	19.3	46.3	(0.9)	23.7	46.9	(26.9)	91.6	95.8	16.2	16.8	

Source: Company, BOBCAPS Research

Fig 28 – VNB Margins impacted by surrender guidelines

	VNB margins (%)					Change in margins (bps)					VNB margins (%)		Δ in MS (bps)		
	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	FY23	FY24	FY23	FY24	
HDFC Life	26.8	26.1	25.0	24.3	24.6	(2)	(317)	(120)	(199)	(223)	27.5	26.3	20	(130)	
ICICI Pru	22.9	21.5	24.0	23.4	21.2	(1,107)	(1,051)	(600)	(457)	(166)	32.0	24.6	400	(740)	
SBI Life	27.4	28.3	26.8	26.9	26.9	(40)	(332)	(200)	(159)	(46)	30.2	28.1	420	(200)	
LIC	20.0	17.2	13.9	17.9	19.4	539	(201)	27	257	(66)	16.2	16.8	103	67	

Source: Company, BOBCAPS Research

Fig 29 – Performance snapshot

(Rs mn)	Q3FY25	Q3FY24	YoY(%)	9MFY25	9MFY24	YoY(%)	5Y CAGR (%)	2Y CAGR (%)
First year premium								
HDFC Life	29,688	26,792	10.8	85,801	70,962	20.9	12.1	4.4
ICICI Pru	18,246	15,334	19.0	54,054	40,852	32.3	(0.5)	15.1
SBI Life	64,508	56,767	13.6	1,45,129	1,29,474	12.1	15.7	13.0
LIC	72,846	84,290	(13.6)	2,59,565	2,52,278	2.9	(2.2)	(13.5)
Renewal premium								
HDFC Life	93,756	83,962	11.7	2,46,173	2,20,392	11.7	16.8	14.2
ICICI Pru	60,900	60,796	0.2	1,65,107	1,61,288	2.4	3.1	2.9
SBI Life	1,44,676	1,27,200	13.7	3,47,275	3,01,891	15.0	16.3	15.2
LIC	6,45,859	6,24,312	3.5	18,29,251	17,57,124	4.1	4.1	3.6
Single Premium								
HDFC Life	49,306	44,505	10.8	1,38,160	1,30,036	6.2	3.3	2.8
ICICI Pru	47,455	26,719	77.6	1,02,030	78,717	29.6	32.5	33.8
SBI Life	40,794	40,620	0.4	1,17,427	1,30,530	(10.0)	17.1	10.0
LIC	3,51,447	4,63,625	(24.2)	13,20,813	12,22,690	8.0	0.8	(8.7)
Gross Premium								
HDFC Life	1,72,750	1,55,259	11.3	4,70,133	4,21,389	11.6	11.2	8.9
ICICI Pru	1,26,601	1,02,850	23.1	3,21,191	2,80,856	14.4	8.9	13.8
SBI Life	2,49,978	2,24,586	11.3	6,09,831	5,61,895	8.5	16.3	13.7
LIC	10,70,152	11,72,226	(8.7)	34,09,629	32,32,092	5.5	2.5	(2.3)

(Rs mn)	Q3FY25	Q3FY24	YoY(%)	9MFY25	9MFY24	YoY(%)	5Y CAGR (%)	2Y CAGR (%)
VNB								
HDFC Life	9,300	8,560	8.6	25,860	22,670	14.1	15.6	3.1
ICICI Pru	5,170	4,360	18.6	15,750	14,510	8.5	3.9	(8.5)
SBI Life	18,700	16,800	11.3	42,900	40,400	6.2	24.7	11.3
LIC	19,260	26,340	(26.9)	64,770	59,380	9.1		3.4
VNB Margin (%)								
HDFC Life	24.6	26.8	(223) bps	26.5	25.5	(140) bps		
ICICI Pru	21.2	22.9	(166) bps	22.8	26.7	(390) bps		
SBI Life	26.9	27.4	(46) bps	26.9	28.1	(120) bps		
LIC	19.4	20.0	(66) bps	17.1	16.6	46 bps		

Source: Company, BOBCAPS Research

A dominant position – ULIPs

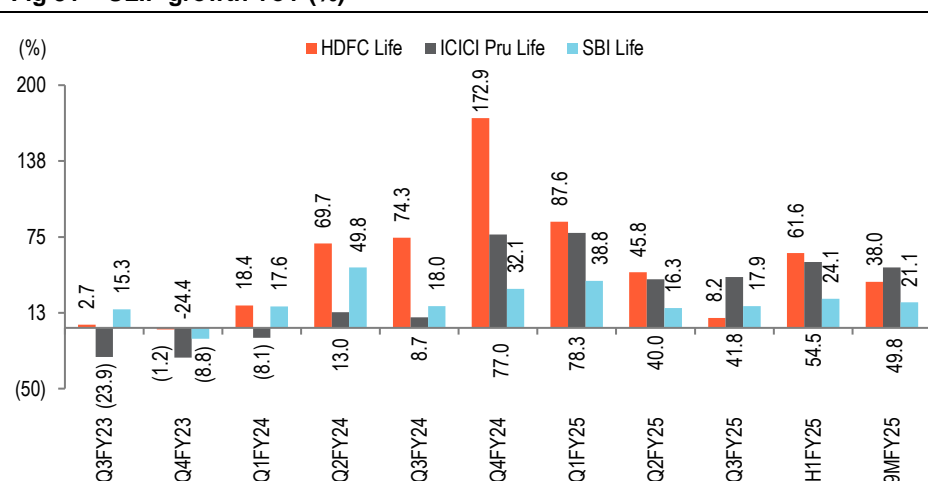
ULIPs continued to be in flavour with a dominant share in the product mix in 9MFY25, despite sluggish equity markets. This impacted margins for most of the players in our coverage coupled with surrender value regulations. For Q3FY23, the share of ULIPs for the companies HDFCLIFE, IPRU, SBILIFE and LIC (on total APE basis) stood in the range of 2-65% which increased to 8-71% in Q3FY25. However, the share of protection in the product mix of the private insurers dropped from 11-19% in Q3FY23 to 10-17% in Q3FY25. Among the listed players, SBILIFE's ULIP share is on the higher side at 71.2% in the APE mix. While IPRU and Axis Max Life have a moderate (44-49%) share of ULIPs, LIC's share increased to 8.1% in Q3FY25 compared to 3.7% in Q1FY25. HDFCLIFE has a balanced product mix, with a ULIP share of 31% in the APE mix.

Fig 30 – ULIPs – SBI Life continue to have a higher proportion

	ULIP share (%)					YoY growth (%)					ULIP Share (%)		YoY growth (%)	
	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	FY23	FY24	FY23	FY24
HDFC Life	32.1	38.2	32.0	30.3	31.0	74.3	172.9	87.6	45.8	8.2	16.0	31.0	(0.6)	93.1
ICICI Pru	44.4	43.5	51.4	51.9	49.2	8.7	77.0	78.3	40.0	41.8	35.9	43.2	(17.0)	26.1
SBI Life	68.4	58.7	61.0	64.9	71.2	18.0	32.1	38.8	16.3	17.9	55.2	60.5	(1.3)	28.4
LIC	2.0	3.2	3.7	6.3	8.1			134.2	273.1	198.5	2.0	2.5		21.9

Source: Company, BOBCAPS Research

Fig 31 – ULIP growth YoY (%)

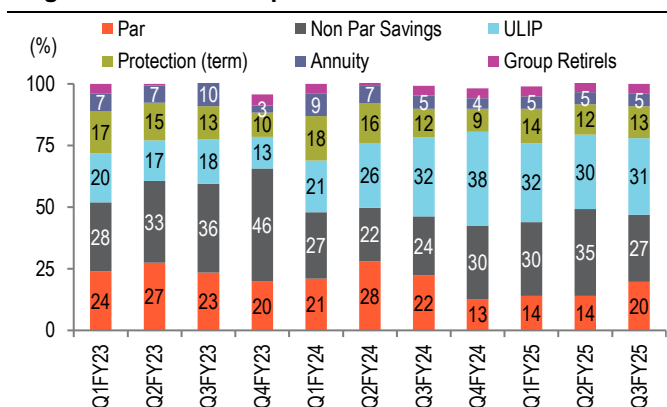


Source: Company, BOBCAPS Research

Change in mix impacted VNB margins

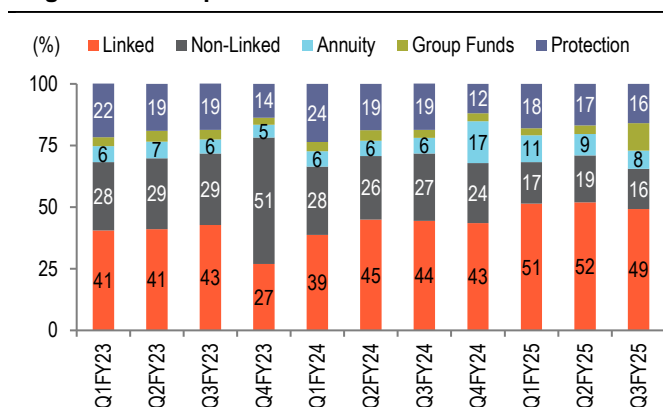
VNB margin for the life insurers declined significantly in FY24 and 9MFY25 from the peak of FY23, where margins saw expansion due to strong growth in the non-par products. With the increasing share of ULIPs in the product mix and the continued regulatory interventions, life insurers' margins have dropped significantly since FY23. For 9MFY25, private insurers' VNB margins fell by 120-390bps YoY to between 22% and 27%, and by 46-220bps to 21-27% in Q3FY25. LIC's VNB margin expanded by 46bps YoY to 17.1% in 9MFY25 and to 19.4% in Q3FY25. Although margins may remain under pressure in the near term, we expect a strategic shift towards non-par, annuity, and protection products to aid VNB margins going ahead. A continued focus on expanding distribution channels and enhancing digital adoption could provide a long-term boost to life insurers' margins.

Fig 32 – HDFCLIFE's product mix



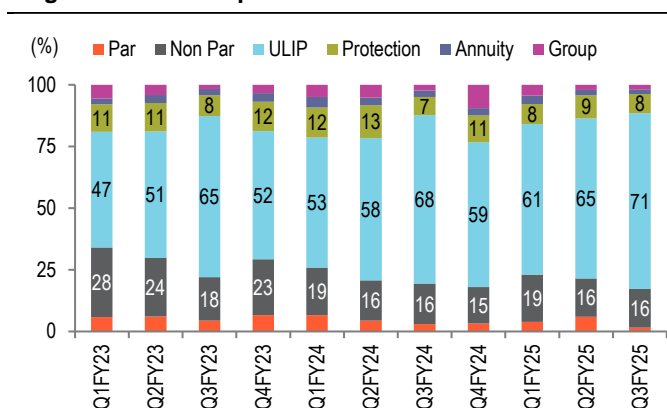
Source: Company, BOBCAPS Research

Fig 33 – IPRU's product mix



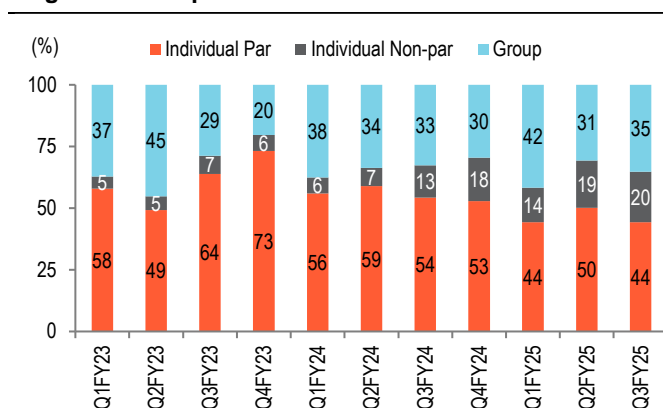
Source: Company, BOBCAPS Research

Fig 34 – SBILIFE's product mix



Source: Company, BOBCAPS Research

Fig 35 – LIC's product mix



Source: Company, BOBCAPS Research

Successfully navigating surrender value regulations

The surrender value norms, which were notified in Jun'24 and came into effect from 1 October 2024, had a limited impact than initially anticipated. Under the new surrender value norms, life insurers are required to pay a larger amount when policyholders opt for early surrender. It was expected that Q3FY25, being the first quarter following the implementation of these new regulations, would witness a more pronounced effect on life insurance companies, particularly impacting both par and non-par. This was accomplished through a strategic combination of deferrals, commission reductions, and adjustments to client benefits.

HDFCLIFE: The company reported a VNB margin of 26.1% in Q3FY25, a contraction of 77bps YoY and 174bps QoQ. Management indicated that the impact of the surrender value regulations on VNB margins was to the tune of 10bps in 9MFY25 and 30bps in Q3FY25. While management had earlier indicated that the change in surrender values impact would be to the tune of 100bps for FY25, it now expects this to be 30bps in FY25.

IPRU: With respect to surrender value regulations, management had earlier anticipated minimal impact on the margins. However, in Q3FY25, there was no impact on margins as commissions were rationalised from the front end. VNB margin contracted 221bps QoQ and 166bps YoY to 21.2% in Q3FY25.

SBILIFE: The company, post the introduction of surrender regulations, re-launched all the products and does not expect a significant impact from these regulations. VNB margin contracted by 45bps YoY to 26.9% in Q3FY25, down ~120bps YoY in 9MFY25. In contrast to its private peers, SBILIFE has retained its commission structure despite the implementation of the new surrender value guidelines.

LICI: Management has taken a lot of measures to mitigate the impact of surrender norms on VNB margin. Management indicated that it has relaunched all its product ranges in accordance with the new surrender guidelines which became effective in Oct'24. Apart from its continued focus on non-par products, the company has made changes to its commission structures and repriced its premiums on certain products to improve the persistency.

Fig 36 – Persistency – largely unaffected

(%)	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	YoY (bps)
13th month												
HDFC Life	86.4	85.0	84.1	85.3	83.3	84.0	83.4	86.2	87.3	82.5	81.9	(150)
ICICI Pru	82.7	83.2	82.3	81.7	84.4	85.6	85.2	88.3	85.7	86.4	85.8	60
SBI Life	83.0	81.5	80.5	84.4	81.5	83.3	82.1	85.8	83.6	84.2	82.7	58
LIC	75.8	70.5	70.9	70.2	75.1	71.2	70.9	71.9	72.4	68.2	68.6	(228)
25th month												
HDFC Life	75.9	76.5	76.2	78.1	78.0	78.1	77.1	77.1	75.9	76.3	75.4	(170)
ICICI Pru	73.9	74.4	74.0	75.5	77.9	78.2	77.2	78.5	79.5	80.6	80.3	310
SBI Life	73.4	71.8	71.5	75.3	75.1	75.2	74.1	76.1	76.1	77.0	74.8	71
LIC	67.8	63.9	63.4	63.8	70.9	65.2	65.4	64.1	68.8	65.0	64.7	(68)
37th month												
HDFC Life	70.3	74.1	67.9	71.5	69.8	71.5	71.2	73.4	73.1	73.1	71.8	60
ICICI Pru	70.1	69.1	69.5	69.4	69.8	68.9	69.4	71.9	73.0	74.0	73.1	370
SBI Life	69.8	72.5	70.7	74.4	69.2	68.3	68.0	71.3	71.4	71.3	70.0	196
LIC	64.3	60.6	65.3	64.9	64.3	60.2	59.7	59.7	66.4	60.5	60.9	119
49th month												
HDFC Life	63.6	61.9	63.0	63.5	66.3	72.3	65.6	68.8	67.5	69.2	68.1	250
ICICI Pru	62.0	62.3	61.6	63.1	70.0	69.4	68.9	67.8	68.2	67.3	66.8	(210)
SBI Life	68.0	67.5	66.8	69.6	68.8	71.6	69.9	72.8	67.7	66.4	65.9	(400)
LIC	60.8	57.0	58.1	57.0	61.6	57.7	62.1	61.4	60.7	56.5	56.0	(607)
61st month												
HDFC Life	52.3	50.5	49.1	52.5	52.7	51.4	51.1	52.0	59.9	67.9	57.8	670
ICICI Pru	61.5	64.1	63.9	62.9	64.2	63.8	66.2	63.6	65.8	63.1	63.1	(310)
SBI Life	51.0	52.8	53.3	57.7	56.6	56.1	55.9	58.9	59.3	66.1	62.3	645
LIC	59.0	55.8	56.4	56.0	59.3	55.2	56.2	54.5	58.4	54.8	59.7	353

Source: Company, BOBCAPS Research

Way ahead: Looking beyond disruptions

IRDAI has embarked on a mission to achieve “Insurance for All” by 2047, continuously refining its regulatory framework to enable the industry to reach this objective. We believe the life insurance companies seem to be confident of achieving healthy VNB growth and balancing the APE growth and margin expansion going forward.

New disruptions

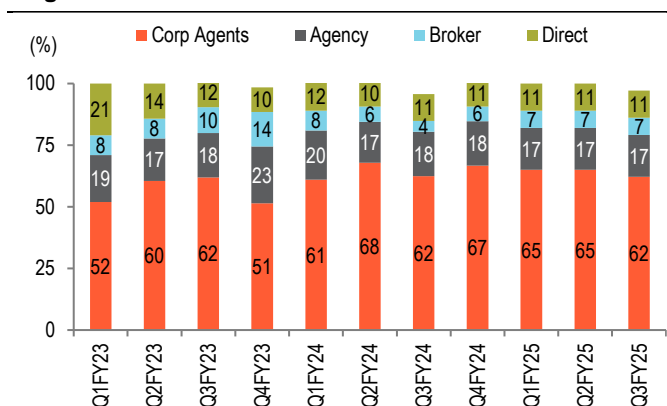
Open architecture in agency: LIC, SBILIFE and IPRU have shared their feedback on the proposed open architecture for individual agents. Some companies have argued that the proposed framework may discourage insurers from building their own proprietary channels, as agents might prioritise high-commission products at the expense of meeting customer needs. Others have highlighted that industrywide investments (training and nurturing) in agents will reduce.

Bancassurance guidelines: There have been several media reports on the potential capping of the insurance business sold through bancassurance channels. The two key proposals according to news reports are (1) to cap the banca share at 50% of overall premiums for an insurer, and (2) cap the parent bank’s share at 50% of the overall

banca premiums for an insurer. We believe that both proposals could potentially impair the insurance industry's ability to sell insurance in the absence of alternative distribution channels unless there is an option of exception/transition period of three to five years which is likely to give the life insurers sufficient time to build in a suitable infrastructure. This was proposed by the regulator to contain the mis-selling of products and reduce the overdependence of the life insurance companies on their parent banks to source business. However, we are of the opinion that mis-selling of products may not be restricted just to the banca channel but could be present in the agency channel too and may not effectively resolve the issue. For Q3FY25, SBILIFE derived 68% of the business from the banca channel, whereas 62% of HDFCLIFE's business and 25% of IPRU's came from the banca channel. Hence, at present this may remain an overhang on insurance stocks while the companies indicated that they would continue to focus on reducing mis-selling and focus on diversifying the channel mix.

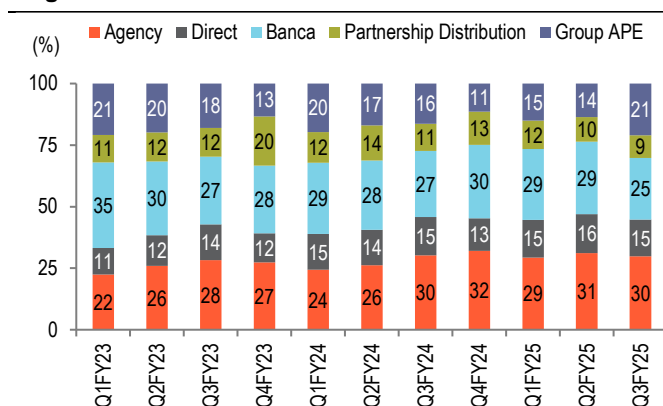
To mitigate the impact of the proposal to cap the banca share, the majority of the companies have diversified their products and channels. Leading insurers have significantly reduced their reliance on specific channels and products. For instance, HDFCLIFE has broadened its product mix by incorporating ULIPs with higher sums assured and riders, while IPRU and SBILIFE have notably decreased their dependence on their parent bancassurance channels.

Fig 37 – HDFCLIFE's distribution mix



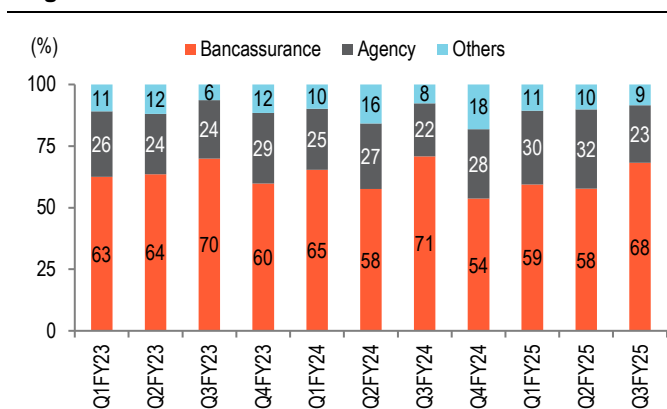
Source: Company, BOBCAPS Research

Fig 38 – IPRU'S distribution mix



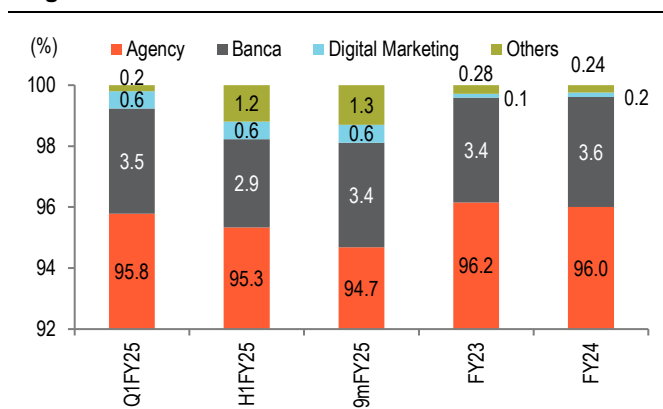
Source: Company, BOBCAPS Research

Fig 39 – SBILIFE's distribution mix

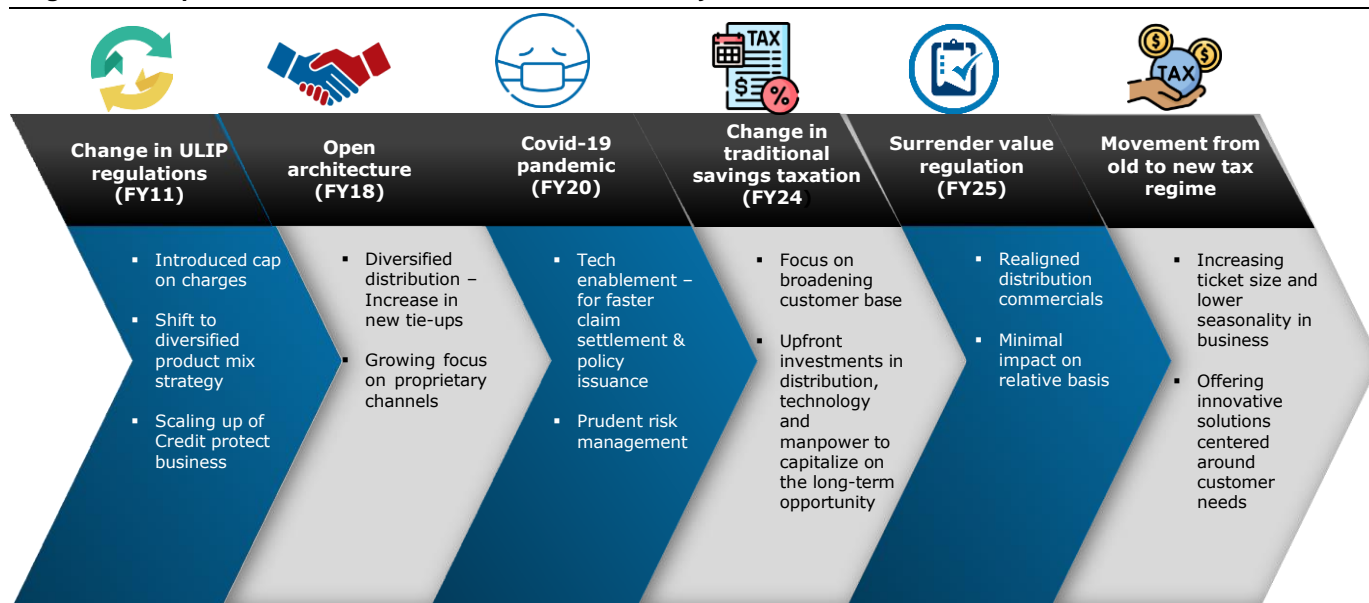


Source: Company, BOBCAPS Research

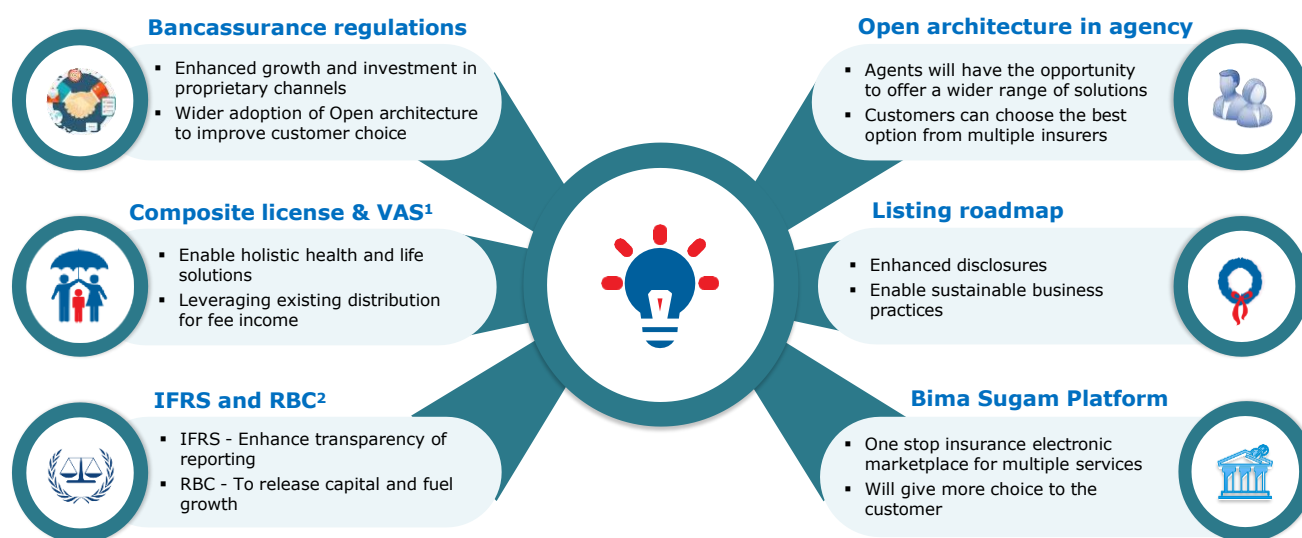
Fig 40 – LICI's distribution mix



Source: Company, BOBCAPS Research

Fig 41 – Disruptions to insurance business model over the years

Source: HDFC Life; BOBCAPS Research

Fig 42 – Disruptions likely or being speculated

Source: HDFC Life, BOBCAPS Research | 1. VAS – Value Added Services; 2. IFRS – International Financial Reporting Standards; RBC – Risk-Based Capital

Outlook

As FY26 approaches, we anticipate a steady pick-up in APE growth for private insurers during FY25-FY27. We expect VNB margins to improve moving into FY26, with the likely moderation in the share of ULIPs within new business premiums, alongside an uptick in credit life sales, driven by the growth in retail loans. Most of the life insurers navigated the implementation of new surrender value guidelines successfully, which had a limited impact on VNB margins. We believe private life insurers present a compelling investment opportunity, underpinned by their strong brand presence, well-established distribution networks, and diverse product offerings.

Valuations

HDFCLIFE

HDFCLIFE has maintained and moved towards a balanced product mix of par, non-par, ULIPs in savings, and a strong annuity and protection (group & individual) business. The company saw a significant impact of taxation on higher ticket non-par policies and later went on to expect a 100bps impact of new surrender norms in FY25. However, it mitigated the impact of the surrender guidelines to only 30bps in FY25, indicated by management in its Q3 conference call. Despite a higher proportion of ULIPs in its savings business, pricing pressures in protection, and the costs associated with technology integration from its merger with Exide Life, the company has effectively managed to keep its margins in check. HDFCLIFE is currently undergoing a challenging balancing act as it continuously restructures its product offerings and commission structures to comply with new regulatory changes while striving to maintain a strong growth trajectory and range-bound margins. Throughout FY25, the company outperformed its growth targets, with relatively lower margin compromises compared to its peers. With the concerns around the bancassurance channel cap management indicated that it continues to focus on diversifying the channel mix. We expect HDFCLIFE to deliver APE growth of 17-19% in FY25-FY27E and its VNB margins to improve to 26.2% in FY27E. We maintain our BUY rating on HDFCLIFE and TP of Rs 893 (from Rs 755), implying 2.5x in FY27E P/EV and continue to prefer HDFCLIFE as our top pick.

IPRU

The company performed well in terms of APE (28% YoY in Q3FY25 and 27% YoY in 9MFY25). For 11MFY25, the company's individual APE saw robust growth of 22.3% YoY, clocking the strongest growth among all the listed players. However, the company's margins contracted 220bps QoQ and 166bps YoY to 21.5% in Q3FY25, indicating that the business growth is not translating into VNB margin expansion. This was largely on account of the product mix change towards low-yield products like ULIPs. Protection share declined to 17% vs. 20% in 9MFY24 with the retail protection share stable at 6% in 9MFY25. We expect VNB margins to be in the range of 24-25% in FY25-FY27. With expectations of ULIP's share in the new business premiums likely cooling off and credit life offtake rising driven by growth in retail loans, we expect IPRU to see ~16% VNB growth in FY25-FY27. With respect to surrender value changes, the impact on the company's margins was negligible due to the rationalisation of commissions and IPRU has the least share of banca channels (~25%) among its listed our coverage universe. We believe that growth in terms of APE and VNB will normalise going forward. Hence, we upgrade our HOLD rating to BUY on IPRU with a TP of Rs 662 (previously Rs 706), implying 1.5x its FY27E P/EV.

SBILIFE

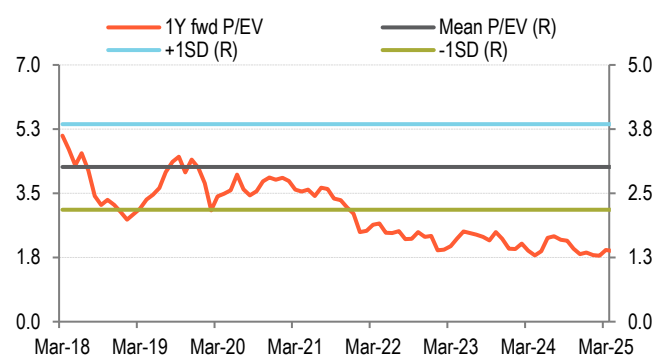
SBILIFE was the market leader in terms of individual and group APE at 17.3% and 3.6% respectively in 11MFY25. ULIPs constituted 60.5%-70.8% in FY19 to FY24 in product mix in terms of APE and has been one of the fastest-growing private life insurers. SBILIFE's APE witnessed strong growth of 13% YoY in Q3FY25 and 11% YoY in 9MFY25 on a high base and gross premium increased at a robust 11% YoY and 9% in 9MFY25. This was led by Individual APE growth of 14% in 9MFY25 and 12% YoY in

Q3FY25 vs. industry growth of 6% YoY in Q3FY25. SBILIFE has witnessed significant improvement in its VNB margins from 17.7% in FY19 to 28.1% in FY24. However, the VNB margin contracted by 46bps YoY to 26.9% in Q3FY25, down ~120bps YoY in 9MFY25. This was primarily due to the new surrender regulations and increase in the share of ULIPs in the product mix. In the earnings conference call, management reiterated its margin guidance to be in the range of 27-29% going forward with a medium-term margin guidance of 27% vs. its earlier guidance of 26-27% in FY25. We expect SBILIFE to register strong growth in APE supported by protection products and to be able to maintain margins going ahead. We believe the VNB margin will expand 26-28% in FY25-FY27. We maintain BUY on SBILIFE with TP to Rs 1,928 (previously Rs 1,995), assigning a multiple of 2.0x to its FY27E P/EV.

LICI

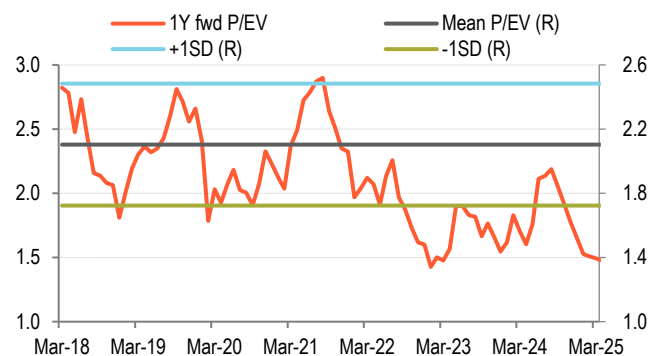
LICI being the dominant player in the life insurance industry has consistently demonstrated effective execution of its stated objectives since its listing despite its mammoth size which makes execution a challenging task. It has the daunting task of diversifying its product range to more profitable non-par products and expanding its VNB margins at a steady pace. Being one of the strongest brands in India, we believe it is well positioned to deliver robust APE growth with margin expansion. We expect VNB margins to range between 18% and 19% in FY25-FY27. We expect the company's focus on higher yielding non-par products to aid VNB margin going forward. We remain positive on LICI given its entrenched brand equity and market leadership. We maintain BUY on LIC with a TP of Rs 1,064 (earlier Rs 1,071), assigning a multiple of 0.7x to its FY27E P/EV.

Fig 43 – Valuation – HDFCLIFE



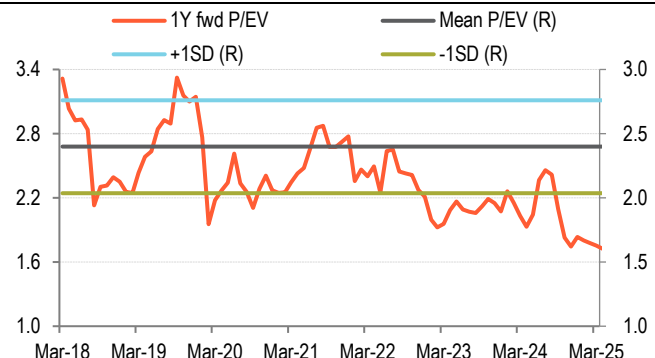
Source: Company, BOBCAPS Research

Fig 44 – Valuation – IPRU



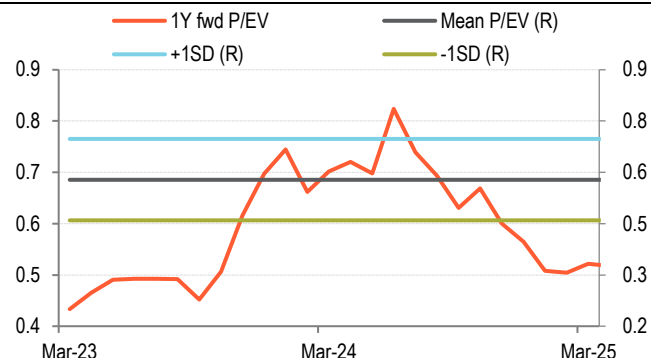
Source: Company, BOBCAPS Research

Fig 45 – Valuation- SBILIFE



Source: Company, BOBCAPS Research

Fig 46 – Valuation- LICI



Source: Company, BOBCAPS Research

Fig 47 – Coverage universe valuations

	Rating	CMP (Rs)	TP (Rs)	M Cap (Rs bn)	Embedded Value (Rs bn)			P/EV (x)			RoEV (%)		
					FY24A	FY25E	FY26E	FY24A	FY25E	FY26E	FY24A	FY25E	FY26E
HDFC Life	BUY	693	893	1,491	475	554	647	3.1	2.7	2.3	17.5	17.2	17.3
ICICI Pru	BUY	563	662	817	423	483	554	1.9	1.7	1.5	14.1	14.4	14.8
SBI Life	BUY	1,542	1,928	1,550	583	704	825	2.6	2.2	1.9	21.8	17.8	16.4
LIC	BUY	815	1,064	5,167	7,273	8,006	8,781	0.7	0.6	0.6	27.9	10.6	10.2

Source: Company, BOBCAPS Research

Key risks

Key downside risks to our estimates are:

- Regulatory changes affecting the business, particularly in the adoption of open architecture, changes in commission and expenses of management limits, introduction of composite insurance licences, etc.
- Adverse regulations on the bancassurance channel.
- Slower growth in APE, thereby impacting VNB margins.
- Slower revival in non-par savings segment on the back of negotiations on commission structure.
- Continued competitive intensity in Credit Protect and annuity segment.

Key upside risk to our estimates are:

- Greater-than-expected APE growth and margin expansion.

Stock performance

Fig 48 – HDFCLIFE

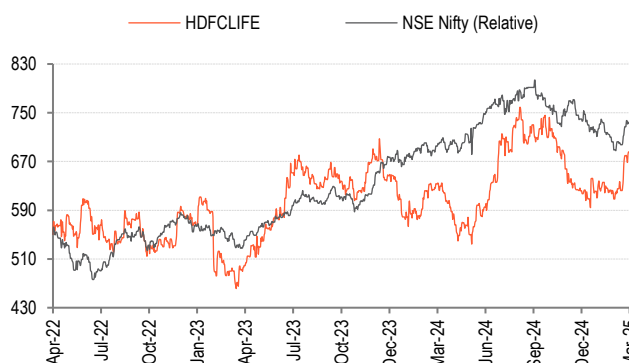


Fig 49 – IPRU

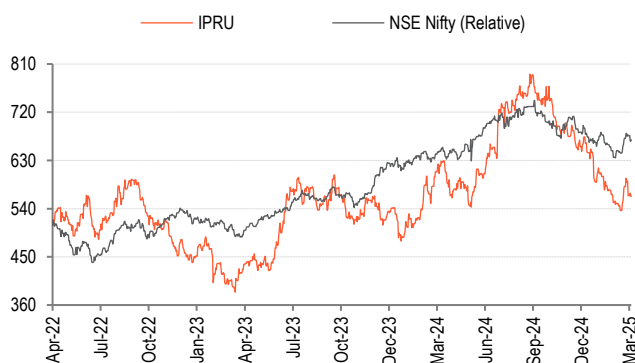
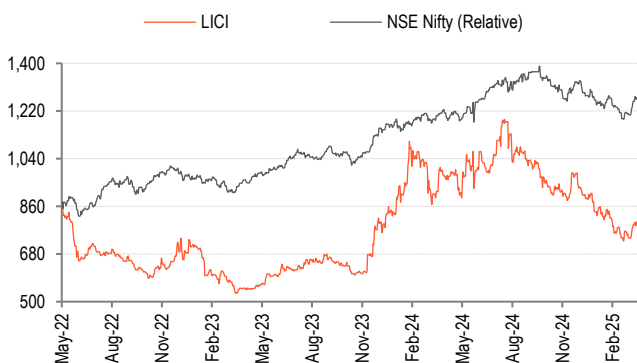
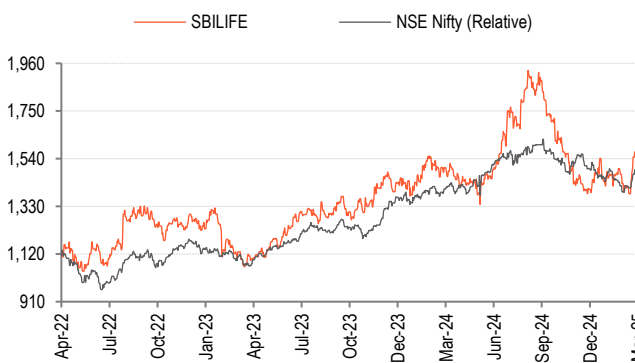


Fig 50 – LIC



Source: NSE

Fig 51 – SBILIFE



Glossary

Glossary of Abbreviations

APE	Average Premium Equivalent	KYC	Know Your Customer
EOM	Expenses of Management	NBP	New Business Premium
EV	Embedded Value	ROEV	Return on Embedded Value
EVOP	Embedded Value Operating Profit	RWRP	Retail Weighted Received Premium
HNI	High Net Worth Individuals	ULIP	Unit Linked Insurance Plan
IRDAI	Insurance Regulatory and Development Authority	VNB	Value of New Business
IRR	Internal Rate of Return		

Source: BOBCAPS Research

Financials – HDFCLIFE

Revenue Account (Technical)

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Gross premium income	5,75,334	6,30,765	7,50,019	8,90,286	10,28,329
First year premium	1,13,239	1,11,108	1,38,471	1,64,716	1,84,541
Renewal premium	2,84,483	3,34,451	3,91,201	4,65,052	5,41,600
Single premium	1,77,612	1,85,205	2,20,347	2,60,518	3,02,188
Net written premium	5,67,640	6,19,592	7,32,144	8,56,696	10,02,232
Income from investments	1,25,975	3,83,543	3,87,638	4,52,589	5,01,423
Other Income	13,439	4,608	5,188	5,812	6,516
Total income	7,07,054	10,07,743	11,24,970	13,15,096	15,10,171
Commissions	28,868	52,563	60,976	70,705	81,389
Operating expenses	84,693	72,195	75,941	92,869	1,07,203
Benefits and bonuses paid	3,88,723	3,96,965	4,27,152	5,04,231	5,82,129
Change in liabilities (net)	1,85,862	4,84,194	5,48,697	6,29,434	7,20,790
Others	0	0	0	0	0
Total expenses	6,88,146	10,05,916	11,12,766	12,97,239	14,91,511
Surplus before tax	18,908	1,827	12,204	17,858	18,660
Provision for tax	5,319	(5,924)	1,526	1,979	2,272
Surplus after tax	13,589	7,751	10,678	15,879	16,388
Trf to shareholders' a/c	14,689	7,991	10,153	12,741	14,492
Balance being FFA	(1,101)	(240)	525	3,138	1,896

Income Statement (Non-technical)

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Trf from policyholders' a/c	14,689	7,991	10,153	12,741	14,492
Income from investments	7,197	10,022	10,834	12,095	13,909
Contr. to policyholders' fund	8,797	1,251	1,388	1,534	1,689
Others	(368)	(1,123)	(1,268)	(1,431)	(1,613)
PBT	12,722	15,638	18,331	21,871	25,098
Provision for taxation	(877)	(50)	330	394	452
PAT	13,599	15,689	18,001	21,477	24,647
Dividend+Interim div.+DDT	4,056	4,304	2,582	3,228	3,228

Balance Sheet

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Equity	1,29,868	1,46,517	1,57,430	1,75,679	1,97,098
Policyholders' funds	22,06,290	27,34,890	32,54,447	38,83,881	46,04,671
FFA	12,354	12,115	13,084	14,131	15,261
Others	1,28,737	1,31,548	1,44,096	1,57,936	1,73,202
Total liabilities	24,77,249	30,25,070	35,69,057	42,31,627	49,90,232
Shareholders' funds	1,31,319	1,48,819	1,60,724	1,84,833	2,12,558
Policyholders' funds	14,64,485	18,17,966	22,05,745	26,71,910	31,97,607
Assets to cover linked liab.	7,92,015	9,55,416	10,77,710	12,28,589	14,00,591
Others	89,430	1,02,870	1,24,878	1,46,295	1,79,475
Total assets	24,77,249	30,25,071	35,69,057	42,31,627	49,90,232

Key Metrics

Y/E 31 Mar	FY23A	FY24A	FY25E	FY26E	FY27E
AUM (Rs mn)	23,87,819	29,22,201	34,44,179	40,85,331	48,10,757
NBP (Rs mn)	2,90,851	2,96,314	3,58,818	4,25,234	4,86,729
APE (Rs mn)	1,33,400	1,32,910	1,58,163	1,85,051	2,16,509
VNB (Rs mn)	36,818	34,955	41,677	49,711	57,717
VNB margin (%)	27.6	26.3	25.7	26.2	26.0
Embedded value (Rs mn)	3,94,988	4,74,655	5,53,722	6,46,502	7,54,712
ROEV (%)	19.6	17.5	17.2	17.3	17.2
ROE (%)	9.6	11.4	11.8	12.9	13.2
Opex ratio (%)	14.7	10.9	9.7	10.2	10.0
Cost ratio (%)	19.7	19.3	17.9	18.3	18.0
Solvency ratio (%)	-	-	-	-	-
EPS (Rs)	6.4	7.3	8.4	10.0	11.5
BVPS (Rs)	60.8	68.1	73.2	81.6	91.6
EVPS (Rs)	185.0	220.6	257.3	300.4	350.7

Source: Company, BOBCAPS Research

Financials – IPRU

Revenue Account (Technical)

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Gross premium income	3,99,328	4,32,356	4,98,074	5,62,824	6,52,875
First year premium	64,938	70,315	81,003	91,534	1,06,179
Renewal premium	2,25,203	2,45,568	2,82,895	3,19,671	3,70,818
Single premium	1,09,187	1,16,472	1,34,176	1,51,619	1,75,878
Net written premium	3,85,595	4,17,596	4,81,140	5,43,688	6,30,678
Income from investments	99,646	4,65,504	5,42,549	4,35,644	4,66,176
Other Income	19,540	19,973	21,449	22,522	23,714
Total income	5,04,781	9,03,073	10,45,138	10,01,854	11,20,567
Commissions	18,639	37,220	49,309	57,408	67,246
Operating expenses	46,458	40,830	49,807	56,282	67,246
Benefits and bonuses paid	3,10,042	4,00,060	4,45,509	3,51,107	3,81,868
Change in liabilities (net)	98,170	4,06,390	4,77,509	5,10,934	5,72,247
Others	0	0	0	0	0
Total expenses	4,73,309	8,84,500	10,22,135	9,75,732	10,88,607
Surplus before tax	31,473	18,573	23,003	26,122	31,960
Provision for tax	8,451	7,681	8,514	8,882	9,861
Surplus after tax	23,021	10,892	14,489	17,240	22,100
Trf to shareholders' a/c	20,162	14,719	14,054	16,378	20,995
Balance being FFA	2,860	(3,827)	435	862	1,105

Income Statement (Non-technical)

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Trf from policyholders' a/c	20,162	14,719	14,054	16,378	20,995
Income from investments	8,761	13,692	14,814	15,794	18,242
Contr. to policyholders' fund	18,024	17,926	19,361	20,329	21,345
Others	(1,929)	(1,252)	(1,278)	(1,305)	(1,332)
PBT	8,969	9,233	8,229	10,538	16,559
Provision for taxation	862	708	823	1,054	1,656
PAT	8,107	8,524	7,406	9,484	14,903
Dividend+Interim div.+DDT	864	867	867	867	868

Balance Sheet

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Equity	1,00,918	1,10,086	1,13,168	1,22,652	1,37,555
Policyholders' funds	22,83,724	27,31,066	32,34,355	38,32,755	45,02,700
FFA	16,693	12,866	15,246	18,066	22,131
Others	1,57,138	1,35,980	1,66,975	1,92,036	2,22,679
Total liabilities	25,58,472	29,89,998	35,29,744	41,65,510	48,85,066
Shareholders' funds	98,514	1,05,755	1,22,147	1,41,080	1,62,947
Policyholders' funds	9,43,110	11,43,182	13,86,955	17,54,584	21,96,464
Assets to cover linked liab.	14,40,581	16,48,424	18,87,445	21,61,125	24,96,099
Others	76,268	92,637	1,33,196	1,08,721	29,556
Total assets	25,58,472	29,89,998	35,29,744	41,65,510	48,85,066

Key Metrics

Y/E 31 Mar	FY23A	FY24A	FY25E	FY26E	FY27E
AUM (Rs mn)	24,82,204	28,97,361	33,96,548	40,56,789	48,55,510
NBP (Rs mn)	1,74,125	1,86,788	2,15,179	2,43,153	2,82,057
APE (Rs mn)	86,400	90,460	1,08,552	1,27,549	1,46,681
VNB (Rs mn)	27,648	22,253	25,835	31,249	36,524
VNB margin (%)	32.0	24.6	23.8	24.5	24.9
Embedded value (Rs mn)	3,56,338	4,23,358	4,83,465	5,53,975	6,35,611
ROEV (%)	17.4	14.1	14.4	14.8	14.9
ROE (%)	8.4	8.1	6.6	8.0	11.5
Opex ratio (%)	11.5	9.5	10.0	10.0	10.3
Cost ratio (%)	16.1	18.2	19.9	20.2	20.6
Solvency ratio (%)	-	-	-	-	-
EPS (Rs)	5.6	5.9	5.1	6.6	10.3
BVPS (Rs)	70.2	76.5	78.7	85.3	95.7
EVPS (Rs)	248.0	294.3	336.1	385.4	442.2

Source: Company, BOBCAPS Research

Financials – LIC

Revenue Account (Technical)

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Gross premium income	47,46,681	47,57,519	52,53,253	57,78,578	62,98,650
First year premium	3,90,899	3,90,380	4,20,260	4,62,286	5,03,892
Renewal premium	24,26,175	25,30,805	27,84,224	30,62,646	33,38,285
Single premium	19,29,607	18,36,335	20,48,769	22,53,645	24,56,474
Net written premium	47,40,046	47,50,696	52,45,898	57,70,488	62,86,053
Income from investments	30,63,901	36,39,439	42,21,749	47,70,577	51,76,076
Other Income	77,786	1,46,933	1,53,808	1,66,881	1,83,570
Total income	78,81,734	85,37,068	96,21,456	1,07,07,946	1,16,45,698
Commissions	2,55,804	2,59,591	2,75,257	2,96,975	3,11,106
Operating expenses	4,81,456	4,81,217	4,98,215	5,22,220	5,51,671
Benefits and bonuses paid	34,25,768	38,88,093	39,34,750	45,24,963	50,00,084
Change in liabilities (net)	34,33,828	35,30,361	43,07,040	46,08,533	49,31,130
Others	(1,47,371)	(27,851)	86,719	87,759	92,737
Total expenses	74,49,484	81,31,411	91,01,981	1,00,40,451	1,08,86,729
Surplus before tax	4,32,250	4,05,656	5,19,474	6,67,495	7,58,970
Provision for tax	52,429	58,252	77,921	1,00,124	1,13,845
Surplus after tax	3,79,822	3,47,405	4,41,553	5,67,371	6,45,124
Trf to shareholders' a/c	3,59,077	3,74,554	4,31,047	5,55,814	6,26,228
Balance being FFA	20,745	(27,150)	10,507	11,557	18,896

Income Statement (Non-technical)

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Trf from policyholders' a/c	3,59,077	3,74,554	4,31,047	5,55,814	6,26,228
Income from investments	11,478	36,946	77,587	93,105	1,12,191
Contr. to policyholders' fund	1,301	449	494	543	598
Others	(4)	(2,463)	(2,709)	(2,980)	(3,278)
PBT	3,69,251	4,08,589	5,05,431	6,45,395	7,34,544
Provision for taxation	594	1,114	2,527	3,227	4,407
PAT	3,68,657	4,07,475	5,02,904	6,42,168	7,30,136
Dividend+Interim div.+DDT	0	0	0	0	0

Balance Sheet

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Equity	4,56,694	8,19,382	12,84,335	18,88,554	25,80,740
Policyholders' funds	4,44,13,661	5,13,84,775	5,53,30,524	5,97,12,511	6,44,49,188
FFA	39,187	12,147	22,654	34,211	53,107
Others	1,772	4,079	7,628	15,257	30,513
Total liabilities	4,49,11,314	5,22,20,383	5,66,45,142	6,16,50,532	6,71,13,548
Shareholders' funds	2,93,635	6,37,440	10,73,551	16,48,803	23,19,407
Policyholders' funds	4,18,91,778	4,87,65,124	5,25,56,485	5,66,89,068	6,11,93,584
Assets to cover linked liab.	2,63,095	3,52,578	3,44,945	4,12,545	4,49,674
Others	24,62,806	24,65,241	26,70,160	29,00,116	31,50,883
Total assets	4,49,11,314	5,22,20,383	5,66,45,142	6,16,50,532	6,71,13,548

Key Metrics

Y/E 31 Mar	FY23A	FY24A	FY25E	FY26E	FY27E
AUM (Rs mn)	4,39,72,050	4,94,78,270	5,44,50,331	6,01,92,371	6,68,13,532
NBP (Rs mn)	23,20,506	22,26,714	24,69,029	27,15,932	29,60,366
APE (Rs mn)	5,66,820	5,69,700	5,83,390	5,98,468	6,20,356
VNB (Rs mn)	91,560	95,710	1,05,010	1,10,717	1,17,868
VNB margin (%)	16.2	16.8	18.0	18.5	19.0
Embedded value (Rs mn)	58,22,430	72,73,440	80,05,588	87,81,483	96,14,916
ROEV (%)	7.7	27.9	10.6	10.2	9.9
ROE (%)	-	-	-	-	-
Opex ratio (%)	15.5	15.6	14.7	14.2	13.7
Cost ratio (%)	5.4	5.5	5.2	5.1	4.9
Solvency ratio (%)	-	-	-	-	-
EPS (Rs)	57.5	64.3	79.5	101.5	115.4
BVPS (Rs)	72.2	129.5	203.1	298.6	408.0
EVPS (Rs)	920.5	1,150.0	1,265.7	1,388.4	1,520.1

Source: Company, BOBCAPS Research

Financials – SBILIFE

Revenue Account (Technical)

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Gross premium income	6,73,156	8,14,306	9,23,423	10,68,401	12,28,661
First year premium	1,51,971	1,74,757	1,98,175	2,29,288	2,45,732
Renewal premium	3,77,270	4,31,923	5,07,883	5,87,621	6,75,764
Single premium	1,43,915	2,07,626	2,17,366	2,51,492	3,07,165
Net written premium	6,65,810	8,05,871	9,14,189	10,57,717	12,16,374
Income from investments	1,32,601	5,03,666	5,40,829	5,63,767	6,39,426
Other Income	17,573	16,777	19,250	22,105	25,373
Total income	8,15,985	13,26,314	14,74,269	16,43,589	18,81,173
Commissions	30,625	32,553	35,995	41,415	46,767
Operating expenses	34,224	39,626	50,043	51,919	58,657
Benefits and bonuses paid	3,02,875	4,31,074	4,76,774	5,23,696	6,09,397
Change in liabilities (net)	4,10,031	7,84,313	8,64,759	9,65,485	10,81,353
Others	0	0	0	0	0
Total expenses	7,77,754	12,87,567	14,27,571	15,82,515	17,96,174
Surplus before tax	38,231	38,747	46,698	61,074	85,000
Provision for tax	9,668	10,833	13,167	14,172	16,075
Surplus after tax	28,562	27,915	33,531	46,903	68,925
Trf to shareholders' a/c	27,072	25,977	31,854	42,213	62,032
Balance being FFA	1,491	1,938	1,677	4,690	6,892

Income Statement (Non-technical)

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Trf from policyholders' a/c	27,072	25,977	31,854	42,213	62,032
Income from investments	7,945	10,341	11,733	14,666	18,332
Contr. to policyholders' fund	(17,075)	(16,276)	(18,709)	(21,515)	(24,742)
Others	(357)	(620)	(672)	(728)	(790)
PBT	17,584	19,421	24,207	34,635	54,832
Provision for taxation	(379)	(483)	(605)	(693)	(1,097)
PAT	17,206	18,938	23,601	33,942	53,735
Dividend+Interim div.+DDT	2,504	2,705	2,705	3,507	3,507

Balance Sheet

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Equity	1,30,175	1,49,084	1,66,811	1,97,246	2,47,474
Policyholders' funds	28,57,634	36,51,022	45,15,781	54,81,266	65,62,618
FFA	11,427	13,366	13,633	13,906	14,184
Others	96,630	1,14,357	1,16,644	1,18,977	1,21,356
Total liabilities	30,95,866	39,27,828	48,12,869	58,11,394	69,45,633
Shareholders' funds	1,12,087	1,30,364	1,62,955	2,03,693	2,54,617
Policyholders' funds	12,98,702	15,65,436	18,84,617	22,70,792	27,39,398
Assets to cover linked liab.	16,32,555	21,60,103	25,92,123	31,10,548	31,10,548
Others	52,521	71,927	1,73,174	2,26,361	28,41,071
Total assets	30,95,866	39,27,830	48,12,869	58,11,394	69,45,633

Key Metrics

Y/E 31 Mar	FY23A	FY24A	FY25E	FY26E	FY27E
AUM (Rs mn)	30,73,390	39,04,623	46,87,591	56,34,797	67,81,783
NBP (Rs mn)	2,95,886	3,82,383	4,15,541	4,80,780	5,52,897
APE (Rs mn)	1,68,100	1,97,200	2,11,248	2,27,046	2,44,942
VNB (Rs mn)	50,700	55,500	57,248	59,032	63,685
VNB margin (%)	30.1	28.1	27.1	26.0	26.0
Embedded value (Rs mn)	4,60,600	5,82,500	7,03,643	8,25,459	9,65,181
ROEV (%)	22.9	21.8	17.8	16.4	15.7
ROE (%)	14.0	13.6	14.9	18.6	24.2
Opex ratio (%)	5.1	4.9	5.4	4.9	4.8
Cost ratio (%)	9.6	8.9	9.3	8.8	8.6
Solvency ratio (%)	-	-	-	-	-
EPS (Rs)	17.2	18.9	23.6	33.9	53.6
BVPS (Rs)	130.1	148.9	166.7	197.1	247.2
EVPS (Rs)	460.2	582.0	703.0	824.7	964.3

Source: Company, BOBCAPS Research

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