

Max Financial Services (MAXF)

Insurance

BUY

CMP(₹): **1,338**

Fair Value(₹): **1,540**

Sector View: **Attractive**

NIFTY-50: **24,667**
May 14, 2025

Looking forward to a better FY2026E

Axis Max Life reported 4% VNB growth in 4QFY25, driving 6% VNB growth for the year on the back of 17% APE, with the margin compression incorporating the product mix change and impact of surrender value guidelines. The company is well placed to deliver 17% VNB CAGR (FY2025-28E) and 18% operating RoEV by toggling across products and adding new channels/partners. The volatile stance of Axis Bank remains an imponderable. We revise estimates and roll over FV to Rs1,540; retain BUY.

Non-Axis Bank to support near-term growth

Axis Max Life is well placed to deliver mid-teen APE growth by toggling product mix and stepping up on direct and non-Axis bank channels—something that the company has done well over the years. The key challenge has always been the volatile stance of Axis Bank (up 10% for Axis Max Life Insurance, 48% of overall APE in FY2025), which remains an imponderable; in the earnings call, Axis Max's management highlighted that the bank may likely focus on deposit mobilization over bancassurance in FY2026E. The agency business (offline proprietary up 26% yoy in FY2025) will need to do heavy-lifting, reducing the upside on margins that may buoy due to the product mix change.

4QFY25 results summary

Max Life reported 5.8% yoy APE growth and 3.8% VNB growth in 4QFY25. Margin compression was contained at 54 bps in 4QFY25, likely driven by a shift in product mix. EV was up to Rs252 bn from Rs195 bn in FY2024. Operating RoEV was also strong at 19%. Par and protection growth was strong at 34-81% yoy, driving overall APE growth. The share of ULIPs is down to 40% from 44-45% in the previous two quarters, supporting margins. Growth in proprietary and Axis Bank channels was moderate at ~3% yoy. Non-Axis Bank bancassurance channels delivered strong 53% yoy APE growth, albeit on a low base.

Retain BUY; FV of Rs1,540 (Rs1,425 earlier)

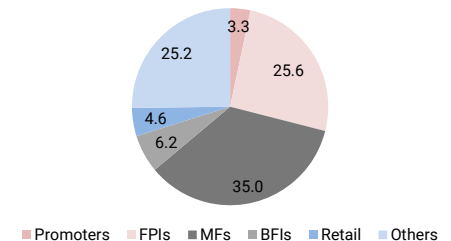
Axis Max Life is now well placed on a steady growth path with the impact of surrender value guidelines behind us. Falling rates will buoy growth in non-par, while the share of ULIPs may decline, linked to market movements. Management guidance remains bullish with 16% APE growth and margin expansion to 25-26% from 24% in FY2025. Axis Bank (see Exhibit 8), however, remains volatile in insurance sales; Axis Max Life, being the largest partner, is tempered by the same. The company will need to sustain growth in agency (up 16% in FY2025), leading to pressure on margin expansion. We expect overall growth to hold on well, with 17% VNB CAGR and 18% operating RoEV, after tweaking estimates. Retain BUY as we roll over AV-based FV to Rs1,540 (2.1X EV). HDFC Life, supported by a consistent banking partner and a turn-up in agency business, is better placed.

Company data and valuation summary

Stock data

CMP(Rs)/FV(Rs)/Rating	1,338/1,540/BUY
52-week range (Rs) (high-low)	1,351-864
Mcap (bn) (Rs/US\$)	462/5.4
ADTV-3M (mn) (Rs/US\$)	1,181/13.8

Shareholding pattern (%)



Price performance (%)	1M	3M	12M
Absolute	15	27	37
Rel. to Nifty	7	19	26
Rel. to MSCI India	7	19	30

Forecasts/Valuations	2025	2026E	2027E
EPS (Rs)	1.9	2.1	2.5
EPS growth (%)	673.0	14.7	17.2
P/E (X)	717.5	625.3	533.4
P/B (X)	6.8	6.7	6.6
EV/EBITDA (X)	700.4	612.2	523.9
RoE (%)	0.9	1.1	1.2
Div. yield (%)	0.0	0.0	0.0
Sales (Rs bn)	1.0	1.1	1.3
EBITDA (Rs bn)	0.7	0.8	0.9
Net profits (Rs bn)	0.6	0.7	0.9

Source: Bloomberg, Company data, Kotak Institutional Equities estimates

Prices in this report are based on the market close of May 14, 2025

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Exhibit 1: Axis Max Life – quarterly summary, March fiscal year-ends, 2024-25, 4QFY24-4QFY25

	4QFY25	4QFY24	3QFY25	YoY (%)	QoQ (%)	2025	2024	YoY (%)
Key items (Rs bn)								
PBT	0.5	(0.6)	1.3	NM	(60.8)	4.5	4.2	6.9
AUM	1,751	1,508	1,717	16.1	2.0	1,751	1,508	16.1
APE	30	29	21	5.8	44.2	88	74	18.0
VNB	8.5	8.2	4.9	3.8	74.3	21.1	19.7	6.8
VNB margin (%)	28	29	23	-54 bps	485 bps	24	27	-251 bps
Embedded value	252	195	241	29.2	4.4	252	195	29.2
Operating RoEV (%)	20.9	26.7	15.4	-578 bps	551 bps	19.1	14.0	510 bps
Key ratios (%)								
Expense to premium	11.3	12.2	12.3	-97 bps	-108 bps	13.6	17.4	-380 bps
Solvency ratio	201	206	196	-500 bps	500 bps	201	188	1300 bps

Source: Company, Kotak Institutional Equities

Exhibit 2: Axis Max Life – key metrics, March fiscal year-ends, 4QFY23-4QFY25 (Rs bn)

	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	YoY (%)	4QFY25E	chg (%)
APE	29	15	22	21	30	5.8	32	(31.9)
VNB	8.2	2.5	5.1	4.9	8.5	3.8	8.4	(39.3)
VNB margin (%)	29	17	24	23	28	-54 bps	26	-288 bps

Source: Company, Kotak Institutional Equities

4QFY25 highlights

- Axis Max Life reported PBT of Rs0.5 bn during the quarter, largely driven by higher back book surplus (up 20% yoy). New business strain was flat yoy at Rs5.7 bn.
- Axis Max Life reported muted 5.8% yoy APE growth and 3.8% VNB growth in 4QFY25. Margin compression was contained at 54 bps in 4QFY25, likely driven by a shift in product mix.
- Management quantified the impact of surrender value guidelines at 50 bps (down from 100 bps called out in 3QFY25), likely driven by efforts to renegotiate commission structure with distributors. This has likely weighed on growth.
- EV was up to Rs252 bn from Rs195 bn in FY2024. Operating RoEV was also strong at 19%.
- Par and protection growth was strong at 34-81% yoy, driving overall APE growth. Share of ULIPs is down to 40% from 44-45% in the previous two quarters, supporting margins.
- Growth in proprietary and Axis Bank channels was moderate at ~3% yoy. Non-Axis bancassurance channels delivered strong 53% yoy APE growth, albeit on a low base.
- Investment variance was down to Rs3.6 bn from Rs5.4 bn in 9MFY25, largely on account of volatility in equity markets and brand shift.

Sharp rise in back book surplus

Exhibit 3: Underwriting profits for Axis Max Life, March fiscal year-ends, 4QFY24-4QFY25, 2020-25 (Rs bn)

	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	YoY (%)	2020	2021	2022	2023	2024	2025	YoY (%)
Underwriting profits	(1.5)	(0.7)	0.8	0.0	(0.6)	NM	4.3	3.8	1.5	2.5	0.2	(0.4)	(271)
New business strain	(5.7)	(4.5)	(5.6)	(5.4)	(5.7)	(1)	(7.6)	(8.6)	(9.3)	(13.2)	(16.0)	(21.2)	32
Backbook surplus	4.2	3.8	6.4	5.4	5.1	20	11.9	12.4	10.8	15.6	16.3	20.8	28
Shareholders surplus	1.0	1.0	1.2	1.1	1.2	24	1.1	1.4	2.4	1.9	3.4	4.5	33

Source: Company, Kotak Institutional Equities

Par and protection drive overall APE growth

- **ULIP growth moderated.** ULIP growth has moderated to 2.6% yoy from 74% growth reported in 9MFY25. The volatility in equity markets has likely led to moderation in demand for ULIPs. Efforts to improve margins profile of ULIPs have led to 4X growth in rider APE in FY2025.
- **Protection growth picked up.** Retail protection was up 65% yoy in 4QFY25, driven largely by value growth; the company had repriced its products up 12-24% in 3QFY25. Group protection was also up 81% in 4QFY25, following muted 8% growth reported in 9MFY25. Slowdown in credit disbursements dragged volumes in credit life and increased competitive intensity dragged down ticket sizes in group term life in 9MFY25. Full-year group protection growth remains moderate at 18% in FY2025.
- **Non-par savings down 17% yoy.** The growth in non-par has been volatile during the year, down 17% in 4QFY25, down 11% yoy in 3QFY25, up 42% yoy in 2QFY25 and down 7% yoy in 1QFY25. The sharp growth in 2Q may have been driven by upfronting of demand in the agency channel. Axis Max Life plans to launch new non-par products in FY2026E to drive growth in the segment.
- **Par growth was strong at 34% yoy.** Par growth picked up to 34% yoy in 4QFY25, following a sharp 18% decline in 9MFY25.

Par and protection drive growth in 4QFY25

Exhibit 4: Product mix, March fiscal year-ends, 4QFY24-4QFY25, 2020-25

	4QFY24	1QFY25	2QFY25	3QFY25	9MFY25	4QFY25	YoY (%)	2020	2021	2022	2023	2024	2025	YoY (%)
APE mix (%)														
PAR	14.8	13.0	9.7	16.4	13.0	18.8	395 bps	30.2	19.0	20.0	13.0	18.0	15.0	-300 bps
Individual protection	6.4	10.0	10.0	10.0	10.0	10.0	359 bps	8.2	9.0	7.5	6.0	8.0	10.0	200 bps
Group protection	1.8	10.0	5.0	4.3	6.0	3.1	129 bps	5.2	5.0	6.5	5.0	5.0	5.0	0 bps
Non-par savings	35.6	27.0	30.3	26.3	28.0	28.0	-759 bps	18.2	30.0	29.0	48.0	34.0	28.0	-600 bps
ULIP	41.4	39.0	44.0	44.7	43.0	40.1	-124 bps	38.2	37.0	37.0	27.0	35.0	42.0	700 bps
APE (Rs bn)														
PAR	4.3	1.9	2.1	3.5	7.5	5.7	34.0	12.4	9.4	11.2	8.1	13.4	13.2	(1.7)
Individual protection	1.8	1.5	2.2	2.1	5.7	3.0	65.0	3.4	4.5	4.2	3.7	5.9	8.8	47.5
Group protection	0.5	1.5	1.1	0.9	3.4	0.9	80.7	2.1	2.5	3.6	3.1	3.7	4.4	18.0
Non-par savings	10.2	3.9	6.6	5.5	16.0	8.5	(16.7)	7.5	14.9	16.2	30.0	25.3	24.6	(2.8)
ULIP	11.9	5.7	9.5	9.4	24.6	12.2	2.6	15.7	18.3	20.7	16.9	26.0	36.8	41.6

Source: Company, Kotak Institutional Equities

Number of policies (NoP) growth was muted in protection and non-parl products

Exhibit 5: Segment-wise ticket size and number of policies, March fiscal year-ends, 2020-25, 4QFY24-4QFY25

	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	YoY (%)	2020	2021	2022	2023	2024	2025	YoY (%)
Number of policies (# '000)													
Participating	42	21	24	30	47	11.9	224	149	148	104	139	122	(12.2)
Individual protection	61	46	54	46	61	—	183	219	176	147	189	207	9.5
Non-par savings	101	40	44	41	84	(16.8)	84	147	161	230	222	209	(5.9)
ULIPs	73	44	72	59	79	8.2	106	131	131	116	165	254	53.9
Ticket size (Rs '000)													
Participating	100	97	99	116	121	20.2	59	66	81	83	98	111	13.3
Individual protection	36	34	45	43	48	32.4	19	22	24	27	34	43	26.5
Non-par savings	111	102	117	116	119	7.4	96	106	105	136	110	115	4.5
ULIPs	160	144	138	158	162	1.0	156	145	168	153	163	151	(7.4)

Source: Company, Kotak Institutional Equities

Smaller banca partnerships scaled up

- **Bancassurance growth was muted.** Bancassurance growth moderated to 7.4% in 4QFY25 from 11.9% in 3QFY25 and 16.1% in 1HFY25. Growth in the Axis Bank channel (51% of overall APE) was muted at 2.7%, dragging down overall bancassurance growth. Other bancassurance partnerships (8% of overall APE) grew at a fast pace of 53% yoy. Management highlighted that deepening of relationship with newer partners such as Tamilnad Mercantile Bank, South Indian Bank and DCB led to faster growth in the channel. The company has onboarded six group credit life partners during the quarter and 22 partners in FY2025.

- **Online proprietary channels grow faster than offline.** Proprietary channels APE growth moderated to 2.8% yoy in 4QFY25 from 41% in 9MFY25. In FY2025, online proprietary channels grew fast at 58% compared to 16% growth in the offline channels. Agency force growth was strong at 22-46% during FY2024-25; this led to sharp drop in agent productivity (see Exhibit 7), as the new agents take time to scale up. Improvement in productivity will drive growth in the agency channel over FY2026-28E.

Non-Axis bancassurance channel grew faster in 4QFY25

Exhibit 6: Channel mix, March fiscal year-ends, 2020-25, 4QFY24-4QFY25

	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	YoY (%)	2020	2021	2022	2023	2024	2025	YoY (%)
Overall APE mix (Rs bn)	26.7	28.5	31.7	34.7	38.8	5	41.5	49.8	55.8	62.3	64.3	69.7	16
Proprietary	11.5	7.2	9.4	8.9	11.8	2.8	12.8	14.0	16.1	23.1	29.6	37.2	25.9
Online		2.7	2.9	2.5	2.8	NM			2.9	3.9	6.9	10.9	57.5
Offline		4.5	6.5	6.4	9.0	NM			13.4	19.2	22.7	26.4	16.3
Bancassurance	16.6	7.0	11.8	11.8	17.9	7.4	28.4	35.3	39.5	38.7	43.4	48.5	11.7
Axis Bank	15.1	5.9	10.4	10.1	15.5	2.7	23.6	31.2	36.0	34.7	38.3	42.0	9.6
Others	1.5	1.1	1.4	1.7	2.3	53.2	4.7	4.1	3.5	4.0	5.1	6.5	27.2
Others	0.6	0.3	0.5	0.4	0.8	19.0	0.3	0.3	0.3	0.8	1.4	2.0	45.6
Overall APE mix (%)													
Proprietary	39.9	49.3	43.3	42.2	38.7	-114 bps	30.9	28.3	28.8	36.9	39.8	42.5	267 bps
Online		18.3	13.4	11.8	9.3	NM			5.1	6.2	9.3	12.4	311 bps
Offline		31.1	29.9	30.4	29.5	NM			24.0	30.7	30.5	30.1	-44 bps
Bancassurance	57.9	48.5	54.4	55.8	58.8	86 bps	68.4	71.2	70.7	61.9	58.4	55.3	-310 bps
Axis Bank	52.6	40.8	47.9	47.9	51.1	-153 bps	57.0	63.0	64.5	55.5	51.5	47.8	-364 bps
Others	5.3	7.6	6.5	7.9	7.7	239 bps	11.4	8.2	6.2	6.4	6.9	7.5	54 bps
Others	2.2	2.2	2.3	2.0	2.5	27 bps	0.7	0.5	0.5	1.2	1.8	2.3	43 bps

Source: Company, Kotak Institutional Equities

Productivity of agency channel is subdued

Exhibit 7: Agency channel metrics for select life insurers, March fiscal year-ends, 2018-25

	2018	2019	2020	2021	2022	2023	2024	2025	YoY (%)	CAGR (%)
Premium (Rs bn)										
Axis Max Life	8.9	11.6	12.8	14.0	13.4	19.2	22.7	26.4	16.3	16.8
Bajaj Allianz Life	11.1	12.0	10.8	11.0	14.9	21.2	25.5	25.5	0.1	12.7
HDFC Life	5.3	6.8	8.6	9.3	11.4	22.8	20.7	24.5	18.3	24.6
ICICI Pru Life	19.8	16.9	15.6	15.4	18.3	22.8	26.4	30.1	14.2	6.2
SBI Life	20.9	25.6	27.7	29.8	30.3	43.2	49.6	60.0	21.0	16.3
Agents (# 000')										
Axis Max Life	57	51	46	55	61	70	103	125	22.0	11.9
Bajaj Allianz Life	71	73	81	88	96	126	151	161	6.8	12.5
HDFC Life	77	91	108	112	115	179	214	244	13.7	17.9
ICICI Pru Life	152	171	191	188	199	201	210	229	9.5	6.1
SBI Life	108	124	130	170	146	209	246	240	(2.3)	12.1
Annualized premium per agent (Rs mn)										
Axis Max Life	156	228	279	254	219	273	221	210	(4.7)	4.3
Bajaj Allianz Life	156	166	134	125	155	168	169	158	(6.2)	0.2
HDFC Life	68	74	80	83	99	127	97	101	4.1	5.7
ICICI Pru Life	131	99	82	82	92	113	126	131	4.3	0.1
SBI Life	193	207	212	175	207	207	202	250	23.9	3.7

Notes:

(a) For periods 2018-21, Axis Max Life's premium includes online as well as offline proprietary channels.

Source: Company, Kotak Institutional Equities

Growth at Axis Bank has been volatile

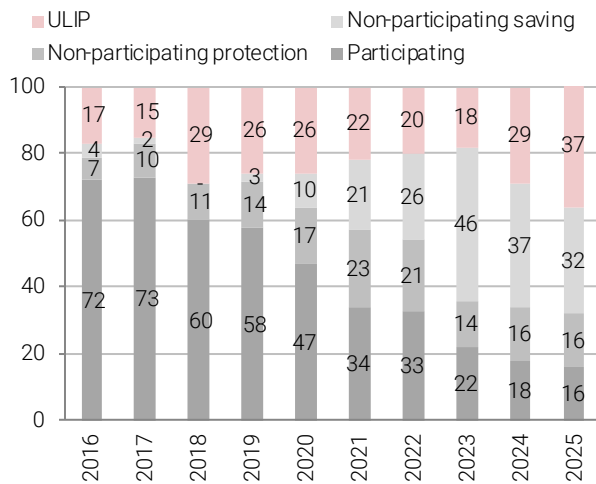
Exhibit 8: Bancassurance premium growth across banks, March fiscal year-ends, 3QFY23-3QFY25 (%)

	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Axis Bank	(1)	19	4	28	(5)	10	0	11	0
HDFC Bank	21	51	16	8	(1)	(1)	27	28	8
ICICI Bank	(50)	(41)	(35)	(16)	(7)	31	73	6	24
State Bank of India	25	7	9	21	15	5	9	3	9
Five key banks	12	21	5	14	5	5	17	14	7

Source: Company, Kotak Institutional Equities

Share of ULIPs shot up in proprietary channels...

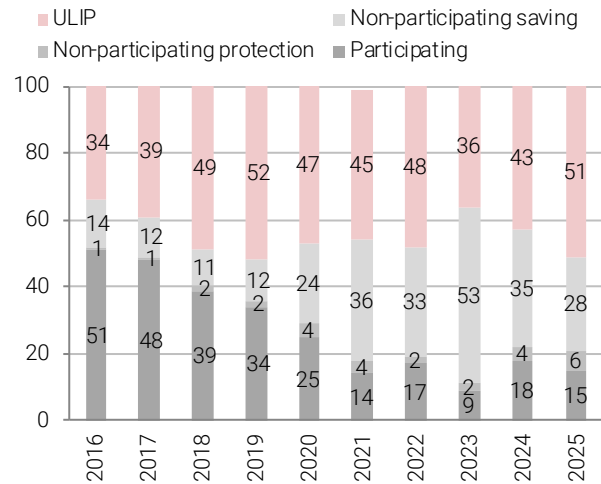
Exhibit 9: Product mix for proprietary channels, March fiscal year-ends, 2016-25 (%)



Source: Company, Kotak Institutional Equities

...and bancassurance

Exhibit 10: Product mix for bancassurance channel, March fiscal year-ends, 2016-25 (%)



Source: Company, Kotak Institutional Equities

Persistency improved in most buckets

Exhibit 11: Persistency, March fiscal year-ends, 11MFY22 onwards (%)

	11MFY22	11MFY23	11MFY24	11MFY25	YoY (bps)
13th month	85	84	87	88	100
25th month	68	68	70	74	400
37th month	61	61	61	63	200
49th month	56	57	58	57	(100)
61st month	50	51	52	53	100

Notes:

(a) Persistency ratios in 11MFY24 and 11MFY25 are based on new IRDA guideline and are not comparable with previous periods.

Source: Company, Kotak Institutional Equities

Operating RoEV to moderate to 18%

Axis Max Life reported operating RoEV of 19% in FY2024. We expect operating RoEV to moderate to 18% over FY2026-28E. We bake in (1) 16% APE growth over FY2026-27E, (2) moderate margin expansion and (3) unwind rate of 8.2%.

Growth to moderate over the medium term; remain above mid-teen levels. While the current momentum is strong at 18% APE growth in FY2025E, we build in moderation to 16% over FY2026-28E. Axis Bank will continue to lag overall growth as the bank focusses on other aspects of the business. Revised surrender value guidelines will also constrain the ability of Axis Max Life (and other peers) to incentivize distributors and prompt some slowdown in aggression.

Moderate margins expansion. Axis Max Life will likely report gradual margins expansion to 25% over FY2026-28E, driven largely by a shift in product mix. Share of ULIPs remains high at 42% in FY2025; we expect the share of traditional products to inch up over the medium term, supporting margins. Faster growth in non-exclusive channels such as e-commerce and non-Axis bancassurance will have a moderating effect on margins.

VNB margins remain rangebound over the medium term

Exhibit 12: APE, VNB and VNB margins, March fiscal year-ends, 2016-28E (Rs bn)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
APE	21	26	32	40	41	50	56	62	74	88	102	118	137
VNB	3.8	5.0	6.6	8.6	9.0	12.5	15.3	19.5	19.7	21.1	24.8	29.2	34.2
VNB margins (%)	18	19	20	22	22	25	27	31	27	24	24	25	25

Source: Company, Kotak Institutional Equities estimates

Operating RoEV to moderate to 18%

Exhibit 13: EV walk, March fiscal year-ends, 2016-28E (Rs bn)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Opening embedded value	52	56	66	75	89	100	118	142	163	195	252	296	348
VNB	3.8	5.0	6.6	8.6	9.0	12.5	15.3	19.5	19.7	21.1	24.8	29.2	34.2
Expected return in force	5.1	5.3	6.4	7.0	8.1	8.6	10.3	12.5	13.7	16.2	20.7	24.3	28.5
Operating variance	(0.0)	0.9	0.6	1.3	1.0	0.8	(2.8)	(0.6)	(0.6)	0.1	—	—	—
Investment varinace	—	1.7	(0.5)	3.5	(3.2)	3.8	0.6	(10.4)	(0.5)	3.6	0.5	0.5	0.5
Dividend payout / capital issuance	(4.4)	(3.2)	(3.9)	(6.0)	(4.6)	(3.8)	—	—	—	16.1	(2.0)	(2.0)	(2.0)
Closing embedded value	56	66	75	89	100	118	142	163	195	252	296	348	409
EVOP	8.9	11.2	13.6	16.8	18.1	18.5	22.8	31.3	32.9	37.3	45.5	53.5	62.7
RoEV (%)	7.4	17.3	13.9	19.0	11.7	18.6	19.8	14.7	19.9	29.2	17.5	17.6	17.6
Operating RoEV (%)	17	20	21	22	20	19	19	22	20	19	18	18	18
Unwinding rate (%)	9.8	9.5	9.7	9.3	9.1	8.6	8.7	8.8	8.4	8.3	8.2	8.2	8.2

Source: Company, Kotak Institutional Equities estimates

Exhibit 14: Change in estimates, March fiscal year-ends, 2025-27E

	New estimates (Rs bn)			Old estimates (Rs bn)			Change (%)		
	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E
Opening embedded value	195	252	296	195	254	298	—	(0.7)	(0.7)
VNB	21	25	29	21	25	29	0.4	(0.8)	(0.8)
Expected return in force	16	21	24	16	21	24	1.2	(0.7)	(0.7)
Operating variance	0.1	0.0	0.0	0.2	0.0	0.0	NM	NM	NM
Investment varinace	3.6	0.5	0.5	5.5	0.5	0.5	(35.3)	—	—
Dividend payout / capital issuance	16.1	(2.0)	(2.0)	16.0	(2.0)	(2.0)	NM	NM	NM
Closing embedded value	252	296	348	254	298	350	(0.7)	(0.7)	(0.7)
EVOP	37	45	54	37	46	54	0.3	(0.8)	(0.8)
RoEV (%)	29	17	18	30	17	18	-87 bps	-2 bps	-2 bps
Operating RoEV (%)	19	18	18	19	18	18	7 bps	-2 bps	-2 bps
APE (Rs bn)	88	102	118	89	103	120	(1.7)	(1.7)	(1.7)
VNB margin	24	24	25	24	24	25	50 bps	21 bps	21 bps

Source: Kotak Institutional Equities estimates

We value Axis Max Life at 2.1X March 2027E EV
Exhibit 15: Appraisal value of Axis Max Life, March fiscal year-ends, 2023-28E

	2023	2024	2025	2026E	2027E	2028E
New business value (VNB, Rs bn)	19.5	19.7	21.1	24.8	29.2	34.2
New business multiple (NBM, X)	13.4	13.4	13.4	13.4	13.4	13.4
Strucutral value (SV= VNB X NBM, Rs bn)	260	264	282	331	391	457
Appraisal value (AV= EV+SV, Rs bn)	423	459	533	627	739	866
Appraisal value/ EV (X)	2.6	2.4	2.1	2.1	2.1	2.1
Appraisal value/ VNB (X)	22	23	25	25	25	25
Value of Max FS at 80% stake and 10% holdco discount (Rs bn)	305	330	384	452	532	624
Value per share of Max FS (Rs)	883	957	1,113	1,309	1,541	1,807

Source: Kotak Institutional Equities estimates

Exhibit 16: Valuation comparison of life insurers, March fiscal year-ends, 2024-27E

	Rating	FV	Price	Market cap.		Embedded value (Rs bn)				Price/EV (X)				Price/VNB (X)				Operating RoEV (%)			
		(Rs)	(Rs)	(Rs bn)	(US \$bn)	2024	2025E	2026E	2027E	2024	2025E	2026E	2027E	2024	2025E	2026E	2027E	2024	2025E	2026E	2027E
HDFC Life	BUY	875	742	1,597	19	475	554	645	752	3.4	2.9	2.5	2.1	46	40	34	29	17.5	16.7	16.7	16.8
ICICI Prudential Life	BUY	790	607	877	10	423	479	549	628	2.1	1.8	1.6	1.4	39	37	31	27	14.1	13.1	14.2	14.3
LIC	BUY	1,175	822	5,200	61	7,273	7,914	8,517	9,164	0.7	0.7	0.6	0.6	54	55	62	62	9.3	10.2	8.3	8.2
LIC core			319	2,018	24	3,291	3,981	4,584	5,231	0.6	0.5	0.4	0.4	21	21	24	24	NA	NA	NA	NA
Max FS	BUY	1,425	1,338	462	5	195	252	296	348	3.3	2.5	2.2	1.8	33	30	26	22	20.2	19.1	18.0	18.1
SBI Life	ADD	1,825	1,755	1,759	21	583	703	832	980	3.0	2.5	2.1	1.8	32	30	26	23	21.8	20.2	18.3	17.9

Source: Company, Kotak Institutional Equities estimates

Ratings and other definitions/identifiers

Definitions of ratings

BUY. We expect this stock to deliver more than 15% returns over the next 12 months.

ADD. We expect this stock to deliver 5-15% returns over the next 12 months.

REDUCE. We expect this stock to deliver -5+5% returns over the next 12 months.

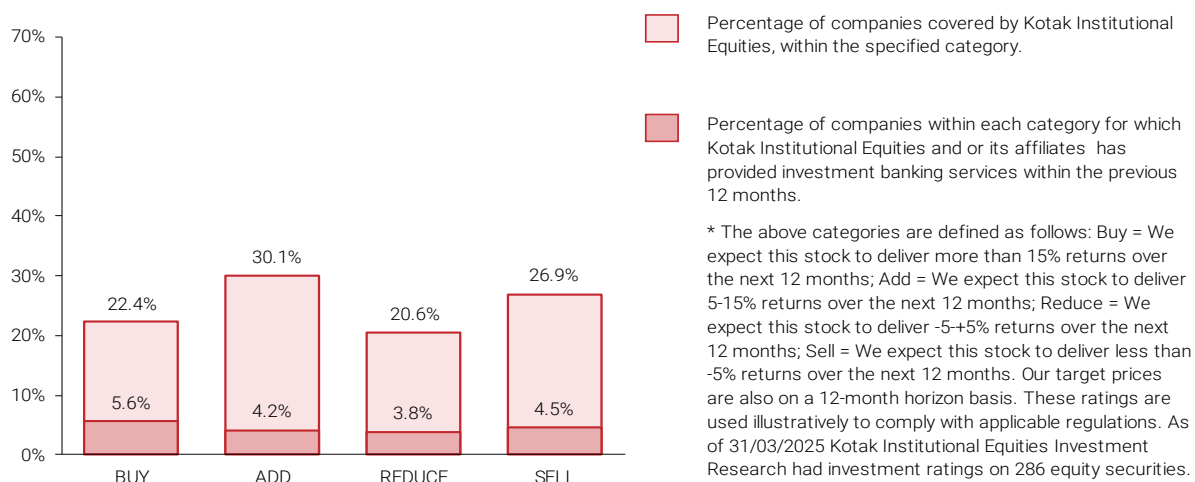
SELL. We expect this stock to deliver <-5% returns over the next 12 months.

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