Dated: 14th January 2026

ICICI Prudential Life (IPRU) - BUY

Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs.681	**Rs.820**

Rationale:

- ICICI Prudential Life surprised positively on margins, largely driven by favorable product mix changes.
- We expect tailwinds from higher protection and waning of a high base to drive favorable Value of new business (VNB) growth.
- Sensitivity to margins remains the key monitorable
- Retain BUY with an FV of Rs820 (rolled over from Rs765).

Positives:

- Co. reported 3.6% yoy Annualized Premium Equivalent (APE) growth in Q3FY26 compared to decline of 3-5% in the previous three quarters.
- Adjusting for the high base, two-year CAGR of APE was strong at 15% in Q3FY26.
- VNB margins were flat sequentially at 24.4% despite the impact of ITC disallowance.
- Margins were supported by rise in share of retail protection, higher rider attachment/sum assured, increase in tenure and movement in interest rates.
- The pickup in growth is visible across channels, likely indicating the rise in demand post-GST exemption.

Negatives:

- AUM growth was muted at 7%, with yoy flat equity AUM at Rs1.5 lac crore.
- Direct APE growth was muted at 2% yoy in Q3FY26.
- Persistency trends were weak in both 13th month and 61st month buckets (down 350-540 bps yoy).

Holding Period: 12 months

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
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NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
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NA	–	**Not Available or Not Applicable.** The information is not available for display or is not applicable
NM	–	**Not Meaningful.** The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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