

# Financials – Non Lending

## Result Preview



### Company

Angel One  
BSE  
CAMS  
ICICI Lombard  
360ONE WAM  
MCX  
Star Health  
HDFC Life  
IPRU Life  
SBI Life  
Max Financials

## Growth saga of capital markets-linked companies continues

### GI players to report modest growth; VNB margins to expand

- Equity indices continued to scale new heights in 2QFY25, with Nifty surpassing 26,000 and Sensex exceeding 85,000. The positive market sentiment and higher trading days contributed to a sustained upward trajectory in key parameters (volumes, orders, client additions, etc.) for capital markets-related companies. Angel One and BSE continue to benefit from the current trends. However, SEBI's new F&O segment regulations are expected to impact these trends from the end of 3QFY25.
- In the AMC sector, Jul'24 recorded the highest-ever net equity inflows. Equity AUM rose 59% YoY in Aug'24, driven by an all-time high trajectory of SIP flows (~INR235b in Aug'24). Growth across all segments, especially equity and money market AUM, led to 20% growth in the total MF AUM (over Mar'24-Aug'24). The strong growth momentum in equity AUM is expected to boost the performance of CAMS and 360ONE.
- Private life insurance companies posted 18%/9% growth in APE in Jul'24/Aug'24. For Sep'24, we expect industry growth to remain stable. In VNB margins, we expect steady or improving trends QoQ on account of the rising share of protection and annuity in the mix along with scale benefits.
- Excluding crop, the general insurance sector witnessed single-digit GWP growth of 6% in Jul'24 and Aug'24. Growth in the health segment was tepid at 2%/10% YoY in Jul'24/Aug'24. Further, the motor segment experienced a modest growth of 10%/6% YoY in Jul'24/Aug'24. NATCAT claims during the quarter are expected to keep the loss ratios elevated. We expect STARHEAL and ICICIGI to report improvement in profitability on account of operational efficiency.
- We remain positive on the long-term growth potential of non-lending financials, given their broader themes of financialization and digitization of savings. Our top picks in this space are ANGELONE, SBILIFE, and STARHEAL. While we maintain a positive view on the capital market sector, the impact of F&O regulations will keep stock performances in check in the short term.

### 4m+ demat additions MoM; cash ADTO declines from peak and F&O volumes continue to inch up

- Cash ADTO has witnessed a declining MoM trajectory during the quarter with a decline of 9%/10%/4% MoM in Jul'24/Aug'24/Sep'24. While futures volumes declined from Jul'24 levels, options experienced growth during the second half of 2QFY25, resulting in F&O ADTO growth of -0.1%/1%/7% in Jul'24/Aug'24/Sep'24.
- BSE's market share in the options segment continues to scale up, reaching 27%/13.3% in notional/premium turnover vs. 22%/8.7% in Jun'24.
- Incremental demat account additions have been above 4m throughout the quarter, recording 4.2m in Jul'24, 4.5m in Aug'24, and 4.2m in Sep'24 (average 3.3m per month in 1QFY25).
- MCX has maintained strong growth momentum, especially in options volumes, during 2QFY25. Futures ADTO increased from INR259b in 1QFY25 to INR270b in 2QFY25 (up 4% QoQ). Options ADTO increased from INR1.47t in 1QFY25 to INR1.94t in 2QFY25 (up 32% QoQ).

- SEBI issued a circular on 1st Oct'24 announcing the much anticipated regulations to curb F&O volumes. Most of the measures are similar to the ones announced in the Jul'24 consultation paper. The regulations will be partially implemented from Nov'24, leading to a visible impact on volumes from Dec'24.
- Angel One has introduced brokerage for equity delivery (Lower of INR20 per order or 0.1%), along with various other price revisions, effective from 1 Oct'24. This will likely offset the impact of True to Label regulations, which took effect on 1st Oct'24.
- Adhering to the True to Label regulations, BSE has revised its pricing structure from slab-based to uniform fee for F&O transactions with effect from 1 Oct'24. The transaction charges would be INR3,250 per crore of premium turnover for Sensex and Bankex option contracts, INR500 per crore of premium turnover for other options, and INR0 for futures.

#### **Life Insurance: Mixed performance across players; VNB margins to expand**

- Private life insurance companies experienced 18%/9% growth in APE in Jul'24/Aug'24. For Sep'24, we expect industry to report stable growth momentum. SBILIFE/HDFCLIFE/IPRU/MAXLIFE registered APE growth of 3%/25%/10%/26% in Jul'24-Sep'24.
- In VNB margins, we expect improving QoQ trends. While the share of ULIPs has been increasing, the demand for annuity, non-par (QoQ), and protection remains strong, especially with the launch of a range of new products. This can increase the share of non-par products in the mix, offsetting the ULIP share and leading to the expansion of VNB margins.
- For FY25, the impact of changes in product and commission constructs from Oct'24 (following the implementation of new surrender regulations) remains a key monitorable.

#### **General insurance: Modest growth; NATCAT claims to impact profitability**

- Excluding crop, the general insurance sector witnessed modest GWP growth of 6% in Jul'24 and Aug'24. Growth in the health segment slowed down at 2%/10% YoY in Aug/Sep'24 (16% in 1QFY25). The motor segment was impacted by low automobile sales and grew 10%/6% YoY in Jul'24/Aug'24 (12% in 1QFY25).
- For ICICIGI, premium growth in Jul'24/Aug'24 outpaced the industry at 16%/10% YoY. This was driven by a stable market share in the motor segment and expanding market share in the health segment.
- For Jul'24/Aug'24, STARHEAL experienced consistent premium growth of 15% YoY, driven by stable retail growth of 14% and strong group health growth of 31%/41% (on a lower base).
- Opex ratios are projected to benefit from the operating leverage. However, NATCAT claims are likely to keep loss ratios elevated.

#### **SIP flows at an all-time high; strong equity inflows driving mutual fund AUM growth**

- Mutual fund AUM grew 40%/41% YoY, led by strong 59% growth in equity AUM for Jul'24/Aug'24. The strong growth was driven by buoyant net equity inflows in Jul'24 and Aug'24, with an all-time high inflow of INR1.3t in Jul'24. SIP flows reached new highs and crossed INR233b during 2QFY25.
- The share of equity AUM improved ~20bp in Jul'24 and ~10bp in Aug'24, reaching 57.7%.
- This is expected to translate into a healthy operating performance for CAMS and 360 ONE in 2QFY25.

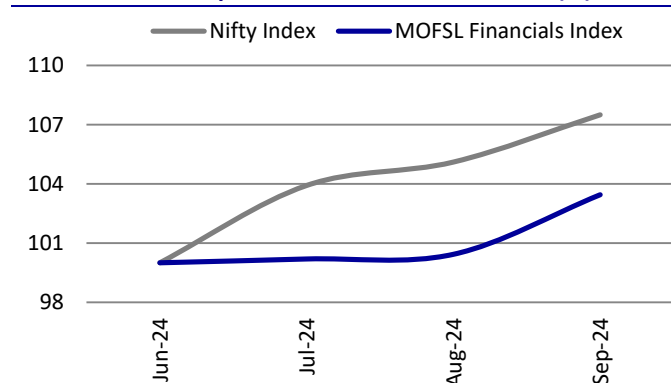
## Exhibit 1: Quarterly Performance

Sector	CMP (INR)	Rating	Revenue/APE/Gross Prem (INR m)			EBITDA/UP/PBT/VNB (INR m)			Net Profit (INR m)		
			Sept'24	Variance YoY (%)	Variance QoQ (%)	Sept'24	Variance YoY (%)	Variance QoQ (%)	Sept'24	Variance YoY (%)	Variance QoQ (%)
Angel One	2,600	BUY	9,996	48.2	9.2	5,446	33.7	37.3	4,017	31.9	37.3
360 One	1,014	BUY	6,311	47.8	5.1	3,592	68.6	7.1	2,962	59.1	21.5
CAMS	4,576	BUY	3,447	25.3	4.0	1,601	31.1	6.9	1,145	36.7	7.1
BSE	3,859	Neutral	7,104	125.9	16.9	3,214	127.1	13.2	2,886	146.8	9.2
MCX	5,825	BUY	2,729	65.3	16.5	1,724	NA	30.1	1,430	NA	28.9
Star Health	605	BUY	43,288	16.0	24.5	-892	NA	NA	1,566	25.0	-50.9
ICICI Lombard	2,157	BUY	71,504	14.0	-9.8	-1,216	NA	NA	7,098	23.0	22.3
HDFC Life	711	BUY	38,335	25.9	33.8	9,776	22.0	36.1	4,197	11.4	-12.1
ICICI Prudential	768	BUY	25,814	25.2	31.5	6,454	11.8	36.7	2,701	10.6	19.8
SBI Life	1,834	BUY	60,286	15.3	65.6	16,880	13.3	74.0	5,144	35.3	-1.0
Max Financial	1,186	Neutral	20,995	27.0	44.5	5,039	21.1	98.4	1,146	-27.0	-26.5
<b>Non-Lending</b>			<b>2,89,808</b>	<b>21.5</b>	<b>20.7</b>	<b>51,617</b>	<b>31.9</b>	<b>47.2</b>	<b>34,291</b>	<b>34.4</b>	<b>3.7</b>

## Exhibit 2: Changes to our EPS estimates (\*For life insurance companies - absolute VNB in INR b)

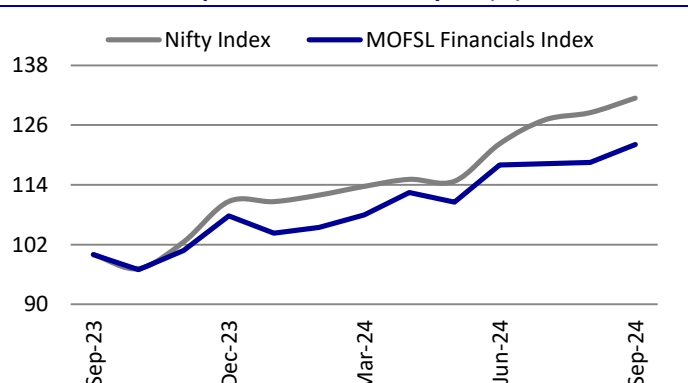
Company	Old estimates (INR )		New estimates (INR )		Change (%)	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Angel One	179.9	205.8	185.2	214.8	2.9%	4.4%
360 One	26.7	32.4	29.2	34.6	9.5%	6.9%
CAMS	89.3	108.3	94.5	114.0	5.8%	5.2%
BSE	85.6	97.3	85.2	96.2	-0.5%	-1.1%
MCX	102.2	137.7	109.3	142.2	6.9%	3.2%
Star Health	18.4	24.3	18.4	24.3	-0.3%	0.0%
ICICI Lombard	50.6	60.4	50.8	60.6	0.6%	0.4%
HDFC Life*	40.6	48.5	41.5	49.3	2.3%	1.7%
ICICI Pru*	27.5	32.8	27.5	32.8	0.0%	-0.1%
SBI Life*	63.5	76.1	64.0	76.6	0.8%	0.7%
Max Fin*	21.2	26.1	21.0	25.7	-1.0%	-1.6%

## Exhibit 3: Relative performance — three-months (%)

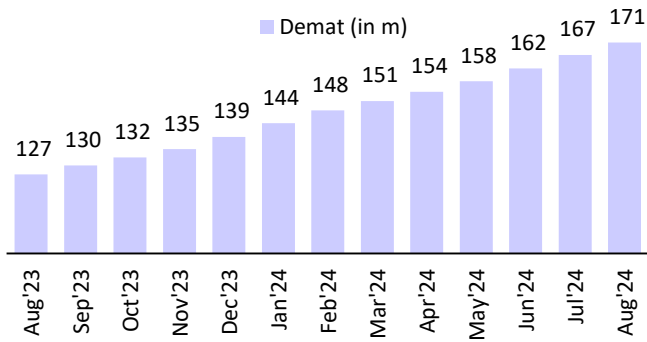


Source: Bloomberg, MOFSL

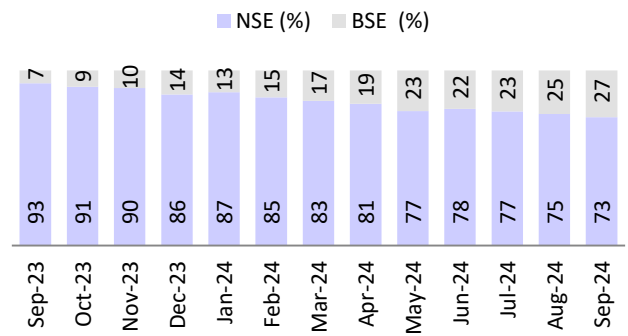
## Exhibit 4: Relative performance — one-year (%)



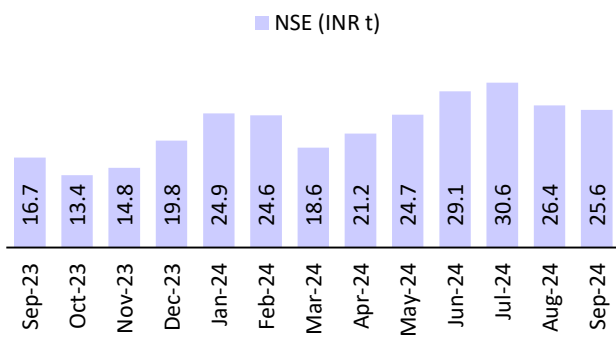
Source: Bloomberg, MOFSL

**Exhibit 5: Total demat accounts surpassed 171m**

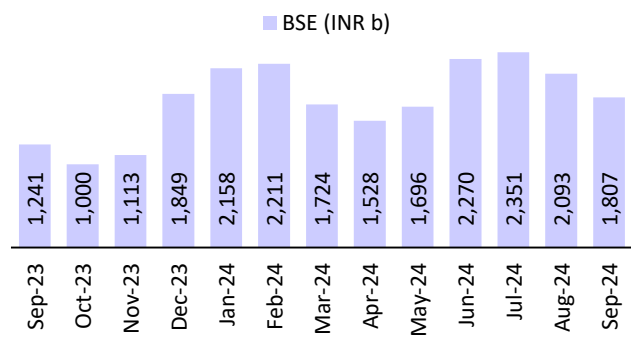
Source: NSDL, CDSL MOFSL

**Exhibit 6: BSE's market share rose in notional turnover**

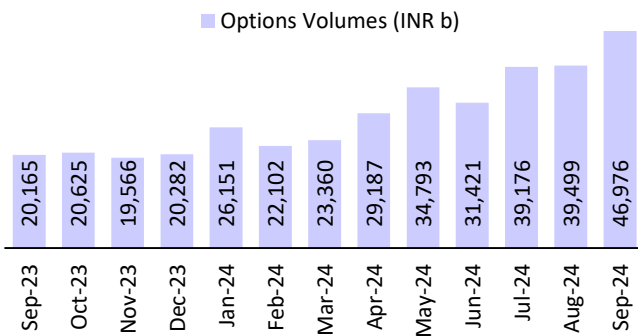
Source: NSE, MOFSL

**Exhibit 7: Momentum in NSE cash volumes declined in Sept'24**

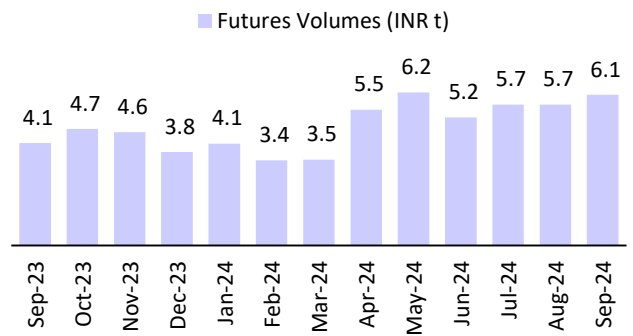
Source: NSE, MOFSL

**Exhibit 8: BSE witnessed a decline in cash volumes in Sept'24**

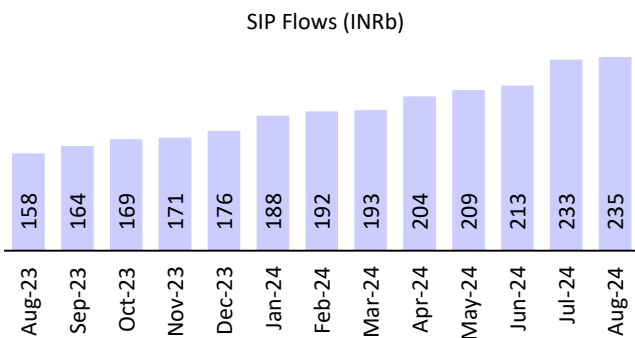
Source: BSE, MOFSL

**Exhibit 9: Increase in MCX options volumes**

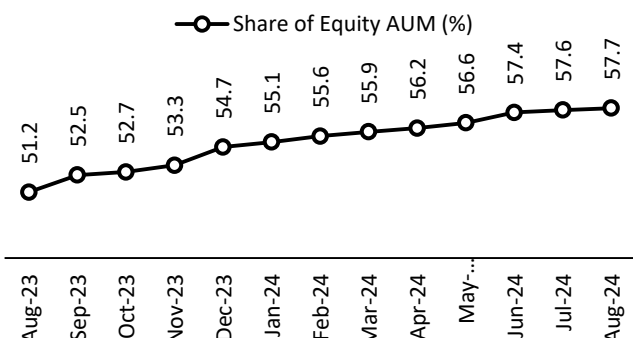
Source: MCX, MOFSL

**Exhibit 10: Surge in MCX futures volumes**

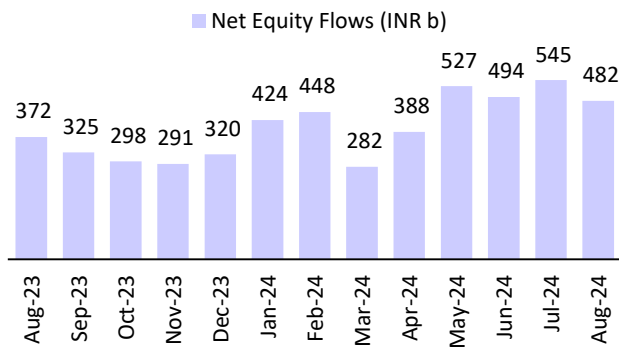
Source: MCX, MOFSL

**Exhibit 11: SIP flows remained strong (INR b)**

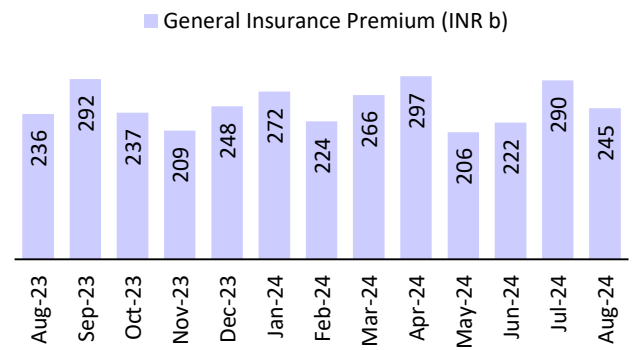
Source: AMFI, MOFSL

**Exhibit 12: Share of equity AUM improved**

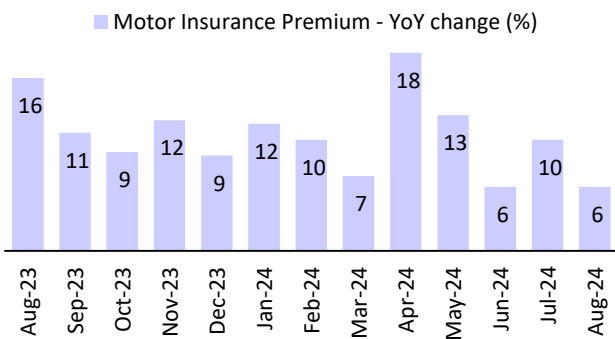
Source: AMFI, MOFSL

**Exhibit 13: Net equity flows declined in Aug'24**

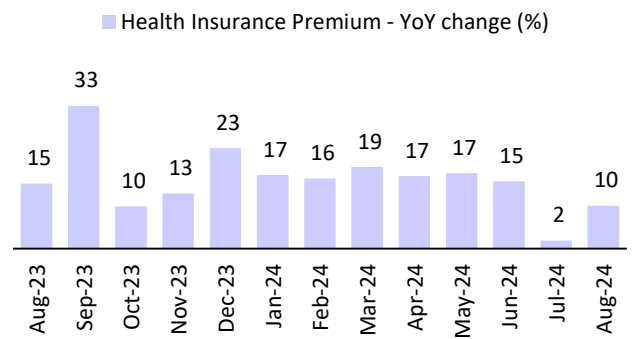
Source: AMFI, MOFSL

**Exhibit 14: Steady trend in general insurance premium**

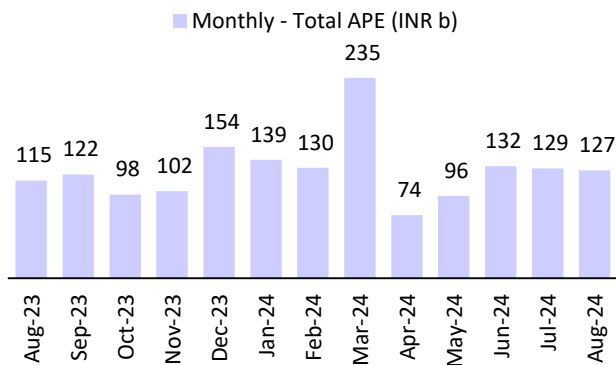
Source: GIC, MOFSL

**Exhibit 15: Motor premium growth trend**

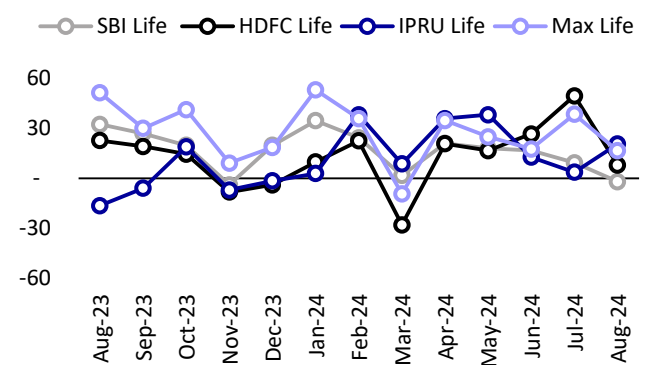
Source: GIC, MOFSL

**Exhibit 16: Health segment growth trend**

Source: GIC, MOFSL

**Exhibit 17: Monthly APE for the life insurance industry (INR b)**

Source: Life Insurance Council, MOFSL

**Exhibit 18: Total APE YoY growth for private listed players**

Source: Life Insurance Council, MOFSL

The tables below provide a snapshot of the actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

## Angel One

**Buy**

**CMP INR2,600 | TP: INR3,500 (+35%)**

**EPS CHANGE (%): FY25 |26: +2.9| +4.4**

- Jul'24 experienced the best-ever client additions, while client additions in Aug'24 remained stable.
- The number of orders per day was strong during the quarter but below Jun'24 peak; F&O volumes growth continues.
- MTF book is expanding at a strong pace, reaching new highs every month.
- Strong client acquisitions and increased hiring costs are expected to keep the cost-to-income ratio elevated.

### Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Revenue from Operations	5,198	6,747	6,874	8,742	9,150	9,996	10,323	10,981	27,562	40,450
Other Income	1,088	1,411	1,401	1,869	1,983	2,004	2,031	2,064	5,769	8,082
<b>Total Income</b>	<b>6,286</b>	<b>8,158</b>	<b>8,275</b>	<b>10,611</b>	<b>11,133</b>	<b>11,999</b>	<b>12,354</b>	<b>13,044</b>	<b>33,331</b>	<b>48,531</b>
Change YoY (%)	22.0	46.0	43.9	64.7	77.1	47.1	49.3	22.9	45.3	45.6
Operating Expenses	3,230	3,974	4,635	5,856	6,940	6,297	6,549	6,857	17,695	26,643
Change YoY (%)	21.4	49.3	75.1	114.0	114.8	58.5	41.3	17.1	65.3	50.6
Depreciation	89	112	131	167	226	256	286	316	498	1,085
<b>PBT</b>	<b>2,967</b>	<b>4,072</b>	<b>3,509</b>	<b>4,588</b>	<b>3,968</b>	<b>5,446</b>	<b>5,519</b>	<b>5,871</b>	<b>15,137</b>	<b>20,804</b>
Change YoY (%)	22.3	42.5	16.1	26.9	33.7	33.7	57.3	28.0	26.9	37.4
Tax Provisions	759	1,027	907	1,188	1,041	1,429	1,448	1,540	3,881	5,458
<b>Net Profit</b>	<b>2,208</b>	<b>3,045</b>	<b>2,602</b>	<b>3,400</b>	<b>2,927</b>	<b>4,017</b>	<b>4,071</b>	<b>4,331</b>	<b>11,255</b>	<b>15,346</b>
Change YoY (%)	21.6	42.5	13.9	27.3	32.5	31.9	56.5	27.4	26.4	36.3

## CAMS

**Buy**

**CMP INR4,576 | TP: INR5,300 (+16%)**

**EPS CHANGE (%): FY25 |26: +5.8| +5.2**

- Strong equity flows during the quarter will drive revenue growth.
- Operational efficiency is expected to improve profitability.
- The share of equities continued to improve, which is expected to be favorable for yields.
- The contribution from non-MF businesses will be closely tracked, especially AIF/PMS RTA and Insurance Repository.

### Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Revenue from Operations	2,613	2,751	2,897	3,105	3,314	3,447	3,516	3,647	11,365	13,923
Change YoY (%)	10.4	13.5	18.9	24.6	26.8	25.3	21.4	17.5	16.9	22.5
Employee Expenses	950	977	997	1,048	1,130	1,152	1,164	1,200	3,972	4,647
Total Operating Expenses	1,512	1,530	1,603	1,671	1,816	1,845	1,864	1,935	6,316	7,460
Change YoY (%)	9.0	12.2	18.4	19.2	20.1	20.6	16.3	15.8	14.7	18.1
<b>EBITDA</b>	<b>1,101</b>	<b>1,221</b>	<b>1,294</b>	<b>1,433</b>	<b>1,498</b>	<b>1,601</b>	<b>1,652</b>	<b>1,711</b>	<b>5,049</b>	<b>6,462</b>
Other Income	97	96	99	114	117	117	117	122	406	473
Depreciation	165	174	185	181	170	170	170	173	705	682
Finance Cost	20	20	21	21	21	21	21	18	82	82
<b>PBT</b>	<b>1,012</b>	<b>1,124</b>	<b>1,187</b>	<b>1,346</b>	<b>1,424</b>	<b>1,527</b>	<b>1,578</b>	<b>1,642</b>	<b>4,668</b>	<b>6,171</b>
Change YoY (%)	16.4	15.9	21.4	36.6	40.7	35.9	32.9	22.0	22.8	32.2
Tax Provisions	255	286	302	316	354	382	394	412	1,159	1,543
<b>Net Profit</b>	<b>757</b>	<b>838</b>	<b>885</b>	<b>1,030</b>	<b>1,070</b>	<b>1,145</b>	<b>1,183</b>	<b>1,230</b>	<b>3,510</b>	<b>4,628</b>
Change YoY (%)	17.1	16.2	20.3	38.5	41.3	36.7	33.6	19.5	23.3	31.9

**360ONE WAM****Buy****CMP INR1014 | TP: INR1300 (+28%)****EPS CHANGE (%): FY25 | 26: +9.5 | +6.9**

- Revenue growth is expected to continue in both ARR and TBR segments.
- ARR yields will remain stable but overall yields are likely to decline due to TBR.
- Cost-to-income ratio is likely to improve due to economies of scale.
- Outlook and costs of new business ventures and entry into new geographies will be closely monitored.

**Quarterly Performance****(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
<b>Net Revenues</b>	<b>4,060</b>	<b>4,270</b>	<b>4,400</b>	<b>5,740</b>	<b>6,002</b>	<b>6,311</b>	<b>5,887</b>	<b>5,816</b>	<b>18,460</b>	<b>24,016</b>
Change (%)	8.4	11.6	6.0	46.1	47.8	47.8	33.8	1.5	18.0	30.1
ARR Assets Income	3,240	3,110	3,390	3,580	3,756	4,027	4,129	4,151	13,310	16,063
TBR Assets Income	820	1,160	1,010	2,160	2,247	2,283	1,758	1,665	5,150	7,953
<b>Operating Expenses</b>	<b>2,090</b>	<b>2,140</b>	<b>2,310</b>	<b>3,000</b>	<b>2,649</b>	<b>2,719</b>	<b>2,767</b>	<b>2,822</b>	<b>9,540</b>	<b>10,957</b>
Change (%)	25.1	19.3	24.0	62.1	26.7	27.1	19.8	-5.9	32.9	14.9
Cost to Income Ratio (%)	51.5	50.1	52.5	52.3	44.1	43.1	47.0	48.5	51.7	45.6
<b>Operating Profits</b>	<b>1,970</b>	<b>2,130</b>	<b>2,090</b>	<b>2,740</b>	<b>3,354</b>	<b>3,592</b>	<b>3,120</b>	<b>2,994</b>	<b>8,920</b>	<b>13,059</b>
Change (%)	-5.1	4.9	-8.6	31.8	70.2	68.6	49.3	9.7	5.3	46.4
Other Income	290	140	270	500	969	260	260	261	1,200	1,750
<b>Profit Before Tax</b>	<b>2,260</b>	<b>2,270</b>	<b>2,360</b>	<b>3,240</b>	<b>4,323</b>	<b>3,852</b>	<b>3,380</b>	<b>3,255</b>	<b>10,120</b>	<b>14,809</b>
Change (%)	12.1	0.7	5.7	61.9	91.3	69.7	43.2	0.8	19.0	46.3
Tax	403	408	429	803	1,009	890	781	756	2,043	3,436
Tax Rate (%)	17.8	18.0	18.2	24.8	23.3	23.1	23.1	23.2	20.2	23.2
<b>PAT</b>	<b>1,857</b>	<b>1,862</b>	<b>1,931</b>	<b>2,437</b>	<b>2,437</b>	<b>2,962</b>	<b>2,599</b>	<b>2,499</b>	<b>8,077</b>	<b>10,497</b>
Change (%)	18.4	6.8	12.6	56.8	31.2	59.1	34.6	3.0	22.7	30.0
PAT Margins (%)	45.7	43.6	43.9	42.5	40.6	46.9	44.1	43.0	43.8	43.7

**ICICI Lombard****Buy****CMP INR2,157 | TP: INR2,650 (+23%)****EPS CHANGE (%) FY25 | 26: +0.6 | +0.4**

- Market share accretion is leading to strong premium growth in the motor and health segments.
- NATCAT claims are expected to impact profitability ratios.
- Operational efficiency is expected to drive improvements in the opex and combined ratio.

**Quarterly Performance (INR m)****(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Earned Premium	38,873	43,061	43,048	43,683	45,039	48,623	51,127	57,746	1,68,665	2,02,535
<b>Total Income</b>	<b>45,380</b>	<b>50,492</b>	<b>50,031</b>	<b>51,617</b>	<b>53,520</b>	<b>57,189</b>	<b>59,743</b>	<b>65,767</b>	<b>1,97,521</b>	<b>2,36,219</b>
Change YoY (%)	14.1	12.2	14.7	-1.8	17.9	13.3	19.4	27.4	9.2	19.6
Incurred Claims	28,815	30,451	30,141	29,987	33,344	34,765	36,300	39,735	1,19,395	1,44,144
Total Operating Expenses	42,068	44,521	45,871	46,002	48,505	49,839	53,672	59,565	1,78,462	2,11,581
Change YoY (%)	14.9	11.6	12.3	15.7	15.3	11.9	17.0	29.5	13.6	18.6
<b>Underwriting Profit</b>	<b>-3,195</b>	<b>-1,460</b>	<b>-2,823</b>	<b>-2,319</b>	<b>-3,466</b>	<b>-1,216</b>	<b>-2,545</b>	<b>-1,819</b>	<b>-9,797</b>	<b>-9,047</b>
<b>Rep Net Profit</b>	<b>3,904</b>	<b>5,773</b>	<b>4,315</b>	<b>5,195</b>	<b>5,804</b>	<b>7,098</b>	<b>6,213</b>	<b>5,931</b>	<b>20,466</b>	<b>25,045</b>
Claims Ratio	74.1	70.7	70.0	68.6	74.0	71.5	71.0	68.8	70.8	71.2
Commission Ratio	12.5	17.4	18.0	19.9	15.0	17.0	17.4	18.2	17.0	17.0
Expense Ratio	17.2	15.8	15.5	13.7	13.3	14.0	14.2	14.2	15.5	13.9
Combined Ratio	103.8	103.9	103.6	102.2	102.3	102.5	102.6	101.3	103.3	102.1



## Star Health

Buy

CMP INR605 | TP: INR720 (19%)

EPS CHANGE (%): FY25|26: -0.3|+0.0

- Retail health premium growth is likely to be in the mid-teens.
- Expense ratio is expected to improve on account of operational efficiencies.
- The combined ratio is expected to increase owing to higher claims.

## Quarterly Performance

(INR m)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Earned Premium	30,438	32,056	32,936	33,953	35,203	36,320	40,744	37,457	1,29,383	1,49,725
<b>Total Income</b>	<b>31,898</b>	<b>33,566</b>	<b>34,563</b>	<b>35,764</b>	<b>36,916</b>	<b>38,120</b>	<b>42,644</b>	<b>39,400</b>	<b>1,35,790</b>	<b>1,57,081</b>
Change YoY (%)	13.6	15.0	15.9	17.1	15.7	13.6	23.4	10.2	15.4	15.7
Incurred Claims	19,909	22,022	22,295	21,774	23,789	25,606	27,095	23,657	85,999	1,00,147
Total Operating Expenses	28,983	32,839	31,794	34,864	33,800	37,212	38,387	38,204	1,28,480	1,47,603
Change YoY (%)	14.5	17.0	16.0	17.1	16.6	13.3	20.7	9.6	16.2	14.9
<b>Underwriting Profit</b>	<b>1,454</b>	<b>-784</b>	<b>1,142</b>	<b>-911</b>	<b>1,404</b>	<b>-892</b>	<b>2,357</b>	<b>-748</b>	<b>903</b>	<b>2,121</b>
<b>Net Profit</b>	<b>2,879</b>	<b>1,253</b>	<b>2,896</b>	<b>1,423</b>	<b>3,189</b>	<b>1,566</b>	<b>4,134</b>	<b>1,882</b>	<b>8,450</b>	<b>10,771</b>
Claims Ratio	65.4	68.7	67.7	64.1	67.6	70.5	66.5	63.2	66.5	66.9
Commission Ratio	13.1	13.7	11.1	14.3	13.5	13.2	13.0	13.0	13.2	13.2
Expense Ratio	19.3	16.8	19.0	14.4	18.1	16.2	16.1	14.1	17.0	15.8
Combined Ratio	97.8	99.2	97.8	92.8	99.2	99.9	95.6	90.3	96.7	95.9

## BSE

Neutral

CMP INR3,859 | TP: INR4,000 (4%)

EPS CHANGE (%) FY25|26: -0.5|-1.1

- Transaction revenue is expected to witness strong growth, backed by strong volumes across segments.
- Stringent regulations are expected to impact volumes but improve the premium/turnover ratio.
- The MF transaction income is likely to improve, driven by a spike in BSE STAR MF transactions.
- An increase in contribution to core SGF is expected to impact profitability.

## Cons. Quarterly Perf.

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue from Operations	2,153	3,144	3,717	4,885	6,078	7,104	7,302	7,333	13,902	27,818
YoY Change (%)	15.2	59.0	82.2	115.2	181.9	125.9	96.5	50.1	70.5	100.1
Total Expenditure	1,595	1,729	2,796	3,923	3,239	3,890	3,826	4,114	9,904	15,069
<b>EBITDA</b>	<b>558</b>	<b>1,415</b>	<b>921</b>	<b>962</b>	<b>2,839</b>	<b>3,214</b>	<b>3,476</b>	<b>3,220</b>	<b>3,999</b>	<b>12,749</b>
Margins (%)	25.9	45.0	24.8	19.7	46.7	45.2	47.6	43.9	28.8	45.8
Depreciation	214	227	249	265	240	275	285	323	954	1,122
Interest	65	85	0	0	0	38	38	37	151	113
Investment Income	556	525	598	600	666	650	675	677	2,279	2,668
<b>PBT before EO Expense</b>	<b>835</b>	<b>1,628</b>	<b>1,271</b>	<b>1,297</b>	<b>3,266</b>	<b>3,551</b>	<b>3,828</b>	<b>3,537</b>	<b>5,173</b>	<b>14,182</b>
Exceptional items	4,048	-13	-16	-17	0	-16	-16	-16	3,611	-48
<b>PBT</b>	<b>4,883</b>	<b>1,615</b>	<b>1,255</b>	<b>1,280</b>	<b>3,266</b>	<b>3,535</b>	<b>3,812</b>	<b>3,521</b>	<b>8,783</b>	<b>14,134</b>
Tax	762	636	371	470	851	884	953	880	1,848	3,568
Rate (%)	16	39	30	37	26	25	25	25	21	25
P/L of Asso. Cos.	119	190	165	244	227	235	245	262	719	970
<b>Reported PAT</b>	<b>4,240</b>	<b>1,170</b>	<b>1,049</b>	<b>1,054</b>	<b>2,643</b>	<b>2,886</b>	<b>3,104</b>	<b>2,903</b>	<b>7,654</b>	<b>11,536</b>
<b>Adj PAT</b>	<b>823</b>	<b>1,177</b>	<b>1,060</b>	<b>1,064</b>	<b>2,643</b>	<b>2,898</b>	<b>3,116</b>	<b>2,915</b>	<b>4,320</b>	<b>11,572</b>
YoY Change (%)	960	298	379	19	-40	147	196	176	272	51
Margins (%)	38.2	37.4	28.5	21.8	43.5	40.8	42.7	39.7	55.1	41.5



**MCX****Buy****CMP INR5,825 | TP: INR 6,700(+15%)****EPS CHANGE (%): FY25 |26: +6.9|+3.2**

- Strong volume growth recorded, with new highs achieved every month.
- Options volumes witnessed a significant spike, led by high volatility in commodity prices.
- Costs are expected to remain stable while revenue growth will drive margin improvement and profitability.

**Quarterly Performance****(INR m)**

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
<b>Sales</b>	<b>1,458</b>	<b>1,651</b>	<b>1,915</b>	<b>1,811</b>	<b>2,344</b>	<b>2,729</b>	<b>2,821</b>	<b>2,872</b>	6,835	10,766
Y-o-Y Gr. (%)	34.0	29.6	33.4	35.4	60.8	65.3	47.3	58.6	33.1	57.5
<b>EBITDA</b>	<b>107</b>	<b>-287</b>	<b>-197</b>	<b>1,020</b>	<b>1,326</b>	<b>1,724</b>	<b>1,794</b>	<b>1,818</b>	643	6,661
Tax	58	16	-91	205	273	357	373	384	189	1,388
Rate (%)	21.6	-9.9	68.3	19.3	19.8	20.0	20.0	20.1	18.2	20.0
Profit from Associate	-13	-10	-11	19	4	0	0	0	-15	4
<b>PAT</b>	<b>197</b>	<b>-191</b>	<b>-54</b>	<b>878</b>	<b>1,109</b>	<b>1,430</b>	<b>1,493</b>	<b>1,524</b>	<b>831</b>	<b>5,556</b>
Y-o-Y Gr. (%)	-53	-130	-114	1,512	464	-850	-2,891	74	-44	569
<b>EPS (INR)</b>	<b>3.9</b>	<b>-3.7</b>	<b>-1.1</b>	<b>17.3</b>	<b>21.8</b>	<b>28.1</b>	<b>29.3</b>	<b>30.0</b>	<b>16.3</b>	<b>108.9</b>
<b>Total Volumes (INR t)</b>	<b>51.8</b>	<b>67.0</b>	<b>73.6</b>	<b>82.7</b>	<b>112.3</b>	<b>143.2</b>	<b>146.0</b>	<b>149.5</b>	<b>275.0</b>	<b>551.0</b>
Y-o-Y Gr. (%)	80.7	86.3	80.6	97.1	116.8	113.8	98.5	80.9	86.7	100.4

**HDFC Life****Buy****CMP: INR711 | TP: INR900(27%)****VNB CHANGE (%): FY25 |26: +2.3|+1.7**

- New business premium is expected to experience strong growth, driven by the Annuity and Par segments.
- VNB margins are expected to expand QoQ with robust VNB growth.
- Improvement in persistency ratio and commentary on growth outlook are key monitorables.
- The share of HDFC Bank in the distribution mix and the outlook ahead will be critical.

**Quarterly Performance (INR b)****Policy Holder's A/c (INR b)**

	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
First Year Premium	18.5	25.7	26.8	40.1	23.6	32.2	33.5	44.8	111.1	134.1
Growth (%)	8.4%	5.9%	-1.7%	-10.1%	27.4%	25.5%	25.2%	11.7%	-1.9%	20.7%
Renewal Premium	58.0	78.4	84.0	114.1	64.1	103.1	103.1	142.1	334.5	412.4
Growth (%)	13.8%	13.5%	16.8%	23.3%	10.5%	31.5%	22.8%	24.6%	17.6%	23.3%
Single Premium	40.2	45.4	44.5	55.2	40.4	52.0	54.1	70.0	185.2	216.5
Growth (%)	24.0%	14.7%	-4.6%	-6.6%	0.6%	14.6%	21.6%	26.9%	4.3%	16.9%
<b>Gross Premium Inc.</b>	<b>116.7</b>	<b>149.4</b>	<b>155.3</b>	<b>209.4</b>	<b>128.1</b>	<b>187.3</b>	<b>190.8</b>	<b>256.9</b>	<b>630.8</b>	<b>763.0</b>
Growth (%)	16.2%	12.5%	6.5%	6.7%	9.7%	25.3%	22.9%	22.7%	9.6%	21.0%
<b>Surplus/(Deficit)</b>	<b>4.2</b>	<b>3.8</b>	<b>3.7</b>	<b>4.1</b>	<b>4.8</b>	<b>4.2</b>	<b>4.2</b>	<b>3.7</b>	<b>15.7</b>	<b>17.0</b>
Growth (%)	15.4%	15.5%	15.8%	14.6%	15.0%	12.6%	16.2%	-9.9%	15%	8.2%
<b>PAT</b>	<b>4.2</b>	<b>3.8</b>	<b>3.7</b>	<b>4.1</b>	<b>4.8</b>	<b>4.2</b>	<b>4.6</b>	<b>4.7</b>	<b>15.7</b>	<b>18.2</b>
Growth (%)	15.4%	15.5%	15.8%	14.6%	15.0%	11.4%	25.0%	14.6%	15.3%	16.3%
<b>Key Metrics (INRb)</b>										
New Business APE	23.3	30.5	31.9	47.3	28.7	38.3	39.9	52.8	129.6	159.7
Growth (%)	12.8	6.8	-2.1	-8.4	23.1	25.9	25.1	11.7	-1.0%	23.2%
VNB	6.1	8.0	8.6	12.3	7.2	9.8	10.4	14.2	35.0	41.5
Growth (%)	17.8	4.0	-2.2	-18.3	17.7	22.0	21.3	15.0	-4.7%	18.6%
AUM (INR b)	2,533	2,649	2,797	2,922	3,102	3,242	3,388	3,631	2,922	3,631
Growth (%)	18.7	17.8	19.6	22.4	22.5	22.4	21.1	24.2	22.4%	24.2%
<b>Key Ratios (%)</b>										
VNB Margins (%)	26.2	26.2	26.8	26.1	25.0	25.5	26.0	26.9	26.3	26.0

**ICICI Prudential Life****Buy****CMP: INR768 | TP: INR930 (21%)****VNB CHANGE (%): FY25 |26: 0|-0.1**

- new business premium is expected to experience healthy growth.
- VNB growth is likely to remain healthy, with margins expanding QoQ.
- Expense ratio outlook will be the key monitorable.
- Growth in the Non-Linked Savings business is expected to remain healthy and recovery is projected in the Protection business.

**Quarterly Performance (INR b)**

Policy Holder's A/c (INR b)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4Q		
First Year Premium	10.2	15.3	15.3	29.5	15.2	19.5	19.5	34.5	70.3	88.7
Growth (%)	-1.5%	5.9%	11.3%	11.9%	48.8%	27.7%	27.3%	17.0%	8.3%	26.2%
Renewal Premium	41.6	58.9	60.8	84.3	43.3	65.5	68.2	95.9	245.6	273.0
Growth (%)	6.8%	4.4%	5.7%	16.6%	4.3%	11.2%	12.3%	13.7%	9.0%	11.2%
Single Premium	21.9	30.1	26.7	37.8	24.3	32.4	32.4	40.5	116.5	129.6
Growth (%)	-5.9%	7.0%	0.9%	20.7%	10.6%	7.8%	21.2%	7.3%	6.7%	11.3%
<b>Gross Premium Income</b>	<b>73.7</b>	<b>104.3</b>	<b>102.8</b>	<b>151.5</b>	<b>82.8</b>	<b>117.4</b>	<b>120.2</b>	<b>170.9</b>	<b>432.4</b>	<b>491.3</b>
Growth (%)	1.5%	5.4%	5.2%	16.6%	12.3%	12.6%	16.8%	12.8%	8.3%	13.6%
<b>PAT</b>	<b>2.1</b>	<b>2.4</b>	<b>2.3</b>	<b>1.7</b>	<b>2.3</b>	<b>2.7</b>	<b>2.7</b>	<b>2.3</b>	<b>8.5</b>	<b>10.0</b>
Growth (%)	32.9%	22.4%	3.1%	-26.0%	8.9%	10.6%	18.7%	35.1%	5.1%	17.3%
<b>Key Metrics (INRb)</b>										
New Business APE	14.6	20.6	19.1	36.2	19.6	25.8	25.8	41.0	90.5	112.2
Growth (%)	-3.9%	3.2%	4.7%	9.6%	34.4%	25.2%	35.4%	13.3%	4.7%	24.1%
VNB	4.4	5.8	4.4	7.8	4.7	6.5	6.3	10.0	22.3	27.5
Growth (%)	-7.0%	-7.1%	-29.4%	-26.4%	7.8%	11.8%	45.1%	28.9%	-19.5%	23.5%
AUM	2,664	2,719	2,867	2,942	3,089	3,228	3,373	3,512	2,942	3,512
Growth (%)	15.8%	11.3%	13.8%	17.1%	15.9%	18.7%	17.7%	19.4%	17.1%	19.4%
<b>Key Ratios (%)</b>										
VNB Margins (%)	30.0	28.0	22.9	21.5	24.0	25.0	24.5	24.4	24.6	24.5

**SBI Life****Buy****CMP: INR1,834 | TP: INR2,200 (+20%)****VNB CHANGE (%): FY25 |26: +0.8|+0.7**

- Growth in the new business premium is expected to remain stable.
- Consistent VNB growth is expected while margins are likely to expand QoQ.
- Cost leadership is expected to continue.
- Sluggish growth in the SBI channel has been an area of concern, making the outlook in this area crucial.

**Quarterly Performance (INR b)**

Policy Holder's A/c (INRb)	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
First Year Premium	26.4	46.3	56.8	45.3	31.5	50.2	73.2	54.2	174.8	209.0
Growth (%)	3%	33%	12%	11%	19%	8%	29%	20%	15%	20%
Renewal Premium	73.5	101.2	127.2	130.0	85.4	112.0	141.3	148.4	431.9	487.1
Growth (%)	28%	11%	17%	9%	16%	11%	11%	14%	14%	13%
Single Premium	35.7	54.2	40.6	77.1	38.9	59.3	50.2	79.8	207.6	228.2
Growth (%)	18%	35%	21%	93%	9%	9%	24%	3%	44%	10%
<b>Gross Premium Income</b>	<b>135.6</b>	<b>201.8</b>	<b>224.6</b>	<b>252.4</b>	<b>155.7</b>	<b>221.5</b>	<b>264.6</b>	<b>282.4</b>	<b>814.3</b>	<b>924.3</b>
Growth (%)	19%	21%	16%	26%	15%	10%	18%	12%	21%	14%
<b>PAT</b>	<b>3.8</b>	<b>3.8</b>	<b>3.2</b>	<b>8.1</b>	<b>5.2</b>	<b>5.1</b>	<b>4.9</b>	<b>9.3</b>	<b>18.9</b>	<b>24.5</b>
Growth (%)	45%	1%	6%	4%	36%	35%	52%	14%	10%	29%
<b>Key Metrics (INRb)</b>										
New Business APE	30.3	52.3	61.3	53.3	36.4	60.3	69.6	65.6	197.5	231.9
Growth (%)	4%	33%	13%	17%	20%	15%	13%	23%	17%	17%
VNB	8.7	14.9	16.8	15.1	9.7	16.9	19.5	18.6	55.5	64.0
Growth (%)	-1%	20%	11%	5%	11%	13%	16%	23%	9%	15%
AUM	3,283	3,452	3,714	3,889	4,148	4,314	4,486	4,603	3,889	4,603
Growth (%)	25%	22%	24%	27%	26%	25%	21%	18%	27%	18%
<b>Key Ratios (%)</b>										
VNB Margins (%)	28.8	28.5	27.4	28.3	26.8	28.0	28.0	28.3	28.1	27.6

**Max Financial****Neutral****CMP: INR1186 | TP: INR1250 (+5%)****VNB CHANGE (%): FY25|26: -1.0|-1.6**

- Premium growth continues to outpace the industry.
- VNB growth is expected to remain healthy and margins will expand QoQ.
- The proprietary channel is expected to exhibit healthy trends.
- Wallet share with Axis Bank and other bank partners is a key monitorable.

**Quarterly Performance (INR b)**

Policy Holder's A/c (INR b)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
First Year Premium	9.9	15.3	17.6	25.4	12.6	19.7	18.9	30.9	68.9	82.1
Growth (%)	8.0%	37.7%	20.7%	5.3%	27.1%	28.6%	7.3%	21.9%	16.8%	19.2%
Renewal Premium	30.1	42.0	46.1	66.8	33.2	54.2	56.4	81.9	185.1	225.7
Growth (%)	15.1%	7.5%	14.6%	14.6%	10.3%	28.9%	22.4%	22.5%	13.0%	22.0%
Single Premium	8.7	8.9	9.3	15.2	8.2	12.8	13.3	19.1	41.3	53.4
Growth (%)	52.8%	14.2%	15.5%	66.5%	-5.7%	43.9%	43.7%	25.9%	35.1%	29.2%
<b>Gross Premium Income</b>	<b>48.7</b>	<b>66.3</b>	<b>73.0</b>	<b>107.4</b>	<b>54.0</b>	<b>86.7</b>	<b>88.7</b>	<b>131.9</b>	295.3	361.2
Growth (%)	18.7%	14.2%	16.1%	17.3%	10.8%	30.9%	21.5%	22.8%	16.5%	22.3%
<b>PAT</b>	<b>1.0</b>	<b>1.6</b>	<b>1.5</b>	<b>-0.5</b>	<b>1.6</b>	<b>1.1</b>	<b>1.2</b>	<b>0.9</b>	3.6	4.8
Growth (%)	13.2%	196.2%	-34.9%	-186.4%	51.4%	-27.0%	-20.9%	-271.7%	-17.8%	32.8%
<b>Key Metrics (INRb)</b>										
New Business APE	11.1	16.5	18.0	28.7	14.5	21.0	20.1	31.8	73.0	87.5
Growth (%)	10.3%	38.8%	18.9%	13.2%	30.5%	27.0%	12.1%	10.8%	17.7%	19.8%
VNB	2.5	4.2	4.9	8.2	2.5	5.0	5.0	8.4	19.7	21.0
Growth (%)	16.0%	11.5%	-17.5%	6.6%	2.8%	21.1%	2.9%	2.1%	1.2%	6.4%
AUM	1,291.3	1,341.6	1,426.2	1,508.4	1,611.5	1,676.0	1,743.0	1,828.4	1,508.4	1,828.4
Growth (%)	20.5%	18.4%	20.5%	22.8%	24.8%	24.9%	22.2%	21.2%	22.8%	21.2%
<b>Key Ratios (%)</b>										
VNB Margins (%)	22.2	25.2	27.2	28.6	17.5	24.0	25.0	26.3	27.6	24.0

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## NOTES

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Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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