

April 27, 2023



Current Price: ₹ 1116.95

STOCK DATA

BSE Code	540719
NSE Symbol	SBILIFE
Reuters	SBIL BO
Bloomberg	SBILIFE IN

VALUE PARAMETERS

52 W H/L(Rs)	1339.55/1034.95
Mkt. Cap.(Rs Cr)	111794.94
Latest Equity(Subscribed)	1000.89
Latest Reserve (cons.)	11578.51
Latest EPS (cons.) -Unit Curr.	16.14
Latest P/E Ratio -cons	69.2
Latest Bookvalue (cons.)-Unit Curr.	125.68
Latest P/BV - cons	8.89
Dividend Yield -%	0.18
Face Value	10.00

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 31/03/2023
Foreign	26.78
Institutions	15.08
Non Promoter Corp. Hold.	0.46
Promoters	55.45
Public & Others	2.22

Financial Results

SBI Life Insurance Company: Results Shareholders Account

Particulars	In Cr.		VAR %
	Qtr Ending Mar. 23	Qtr Ending Mar. 22	
Amounts transferred from Policyholders` account	2302.77	1471.15	57
Income from investments	212.83	238.27	-11
Total Income	2515.6	1709.42	47
Expenses (apart from Insurance)	11.82	12.25	-4
Contribution to policyholders account	1707.49	982.15	74
Others	2.7	20.96	-87
Total Expenses	1722.01	1015.36	70
PBT	793.59	694.06	14
Tax	16.74	21.91	-24
PAT	776.85	672.15	16
EPS	7.76	6.72	

Q4FY23, Healthy growth in VNB, Beats Estimates

SBI Life Insurance Company has posted 16% increase in the net profit of Rs 776.85 crore in the quarter ended March 2023 (Q4FY2023). The company has posted 14% increase in net premium collection to Rs 19896.92 crore in Q4FY2023, aided by 10% growth in the renewal business to Rs 11940 crore, while new business premium jumped 21% to Rs 8080 crore in Q4FY2023. The Company has maintained its leadership position in Individual Rated Premium of Rs 15220 crore with 22.3% private market share in FY23. There is strong growth in Individual New Business Premium by 16% to Rs 5670 crore in Q4FY23. New Business Premium (NBP) increased 21% to Rs 8080 crore in Q4FY23.

Gross Written Premium (GWP) increased 14% to Rs 20020 crore in Q4FY23 mainly due to 21% jump in First Year Premium (FYP), while Renewal Premium (RP) increased 10% in Q4FY23. Strong growth in 37th month and 61st month persistency (based on premium considering Regular Premium/Limited Premium payment under individual category) in FY23 by 236 bps and 612 bps respectively due to our focus on improving the quality of business and customer retention.

13th month persistency (based on premium considering Single Premium and Fully Paid-up policies & group business where persistency is measurable) is 88.91% in FY23 vs 88.35% in FY22. Persistency ratio has improved in FY23 in majority of cohorts.

VoNB increased by 23% to Rs 1440 crore for Q4FY23.

AuM grew by 15% from Rs 267410 crore end March 2022 to Rs 307340 crore end March 2023 with debt-equity mix of 71:29. Over 94% of the debt investments are in AAA and Sovereign instruments. The Company's net worth increased by 12% from Rs 11620 crore end March 2022 to Rs 13020 crore end March 2023.

Robust solvency ratio of 2.15x end March 2023 as against the regulatory requirement of 1.50x indicating strong financial position of the Company. The Company has strong distribution network of 275,374 trained insurance professionals consisting of agents, CIFs and SPs along with widespread operations with 992 offices across country. The Company has diversified distribution network comprising of strong bancassurance channel, agency channel and others comprising of corporate agents, brokers, micro agents, common service centers, insurance marketing firms, web aggregators and direct business.

SBI Life Insurance: Results Policyholders Account

	Qtr Ending Mar. 23	Qtr Ending Mar. 22	In Cr. Var %
Premium earned (net)	19896.92	17433.77	14
Income from Investments	1186.13	2999.49	-60
Other income	14.86	12.47	19
Contribution from the Shareholders` account	1707.49	982.15	74
Total Income	22805.40	21427.88	6
Commission	871.40	677.86	29
Op. expenses related to Insurance business	1001.78	899.88	11
Others	234.52	275.28	-15
Benefits paid (Net)	9123.16	7373.36	24
Change in valuation of policy liabilities	9604.33	10892.07	-12
Provision for taxation	27.96	31.07	-10
Total Expense	20863.15	20149.52	4
PAT	1942.25	1278.36	52
Transfer to Shareholders` account	2302.77	1471.15	57

Financial Performance Fy2023

- Profit after Tax (PAT) increased 14% to Rs 1720.57 crore for FY23. The company has posted strong growth in Individual New Business Premium by 27% to Rs 20910 crore in FY23. New Business Premium (NBP) has grown by 16% to Rs 29590 crore in FY23 aided by growth in Regular premium business by 17%.
- Protection New Business Premium has increased by 19% from Rs 3050 crore in FY22 to Rs 3640 crore in FY23 due to growth in individual protection business by 6% to Rs 1000 crore and growth in group protection business by 25% to Rs 2640 crore in FY23.
- Gross Written Premium (GWP) has grown by 15% to Rs 67320 crore in FY23 mainly due to 17% growth in Regular Premium (FYP) and 13% growth in Renewal Premium (RP) in FY23.
- APE channel mix for FY23 is bancassurance channel 64%, agency channel 26% & other channels 10%.
- NBP of Agency channel has increased by 19% to Rs 5490 crore in FY23 and NBP of Banca channel has increased by 33% to Rs 17830 crore in FY23 as compared to same period last year.
- Total Cost ratio for FY23 is 9.6% against 8.8% for FY22. Commission ratio for FY23 is 4.5% against 3.7% for FY22. Operating Expense ratio for FY23 is 5.1% against 5.1% in FY22.
- VoNB increased by 37% to Rs 5070 crore for FY23. VoNB margin increased by 420 bps to 30.1% in FY23.

In Q4 FY23, mini+ compact sales contributed 63% of total sales, mid size sales 0.5%, UVs sales 24%, Vans 8%, LCV 3% and sales to other OEMs 2%.

In FY23, mini+ compact sales volume increased by 19.6%, mid size sales volume fell 14.2%, UVs sales volume grew 25.9, Vans sales volume up by 21.1%, LCV sales volume up 12.4% and sales to other OEMs increased 26.7% on YoY basis.

In FY23, mini+ compact sales contributed 64% of total sales, mid size sales 0.8%, UVs sales 21%, Vans 8%, LCV 2% and sales to other OEMs 4%.

E-mail: researchfeedback@smcindiaonline.com



Corporate Office:
11/6B, Shanti Chamber,
Pusa Road, New Delhi - 110005
Tel: +91-11-30111000
www.smcindiaonline.com

Mumbai Office:
Lotus Corporate Park , A Wing 401 / 402 ,
4th Floor, Graham Firth Steel Compound,
Off Western Express Highway, Jay Coach Signal,
Goreagon (East) Mumbai - 400063
Tel: 91-22-67341600, Fax: 91-22-28805606

Kolkata Office:
18, Rabindra Sarani,
Poddar Court, Gate No.- 4, 5th Floor, Kolkata-700001
Tel: 91-33-39847000, Fax: 91-33-39847004

Investments in securities market are subject to market risks, read all the related documents carefully before investing. Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. The securities quoted are for illustration only and are not recommendatory. SMC is a SEBI registered Research Analyst having registration number INH100001849. CIN : L74899DL1994PLC063609.

SMC Global Securities Ltd. (hereinafter referred to as "SMC") is regulated by the Securities and Exchange Board of India ("SEBI") and is licensed to carry on the business of broking, depository services and related activities. SMC is a registered member of National Stock Exchange of India Limited, Bombay Stock Exchange Limited, MSEI (Metropolitan Stock Exchange of India Ltd) and M/s SMC Comtrade Ltd is a registered member of National Commodity and Derivative Exchange Limited and Multi Commodity Exchanges of India and other commodity exchanges in India. SMC is also registered as a Depository Participant with CDSL and NSDL. SMC's other associates are registered as Merchant Bankers, Portfolio Managers, NBFC with SEBI and Reserve Bank of India. It also has registration with AMFI as a Mutual Fund Distributor.

SMC is a SEBI registered Research Analyst having registration number INH100001849. SMC or its associates has not been debarred/ suspended by SEBI or any other regulatory authority for accessing /dealing in securities market. SMC or its associates or its Research Analyst or his relatives do not hold any financial interest in the subject company interest at the time of publication of this Report. SMC or its associates or its Research Analyst or his relatives do not hold any actual/beneficial ownership of more than 1% (one percent) in the subject company, at the end of the month immediately preceding the date of publication of this Report. SMC or its associates its Research Analyst or his relatives does not have any material conflict of interest at the time of publication of this Report.

SMC or its associates/analyst has not received any compensation from the subject company covered by the Research Analyst during the past twelve months. The subject company has not been a client of SMC during the past twelve months. SMC or its associates has not received any compensation or other benefits from the subject company covered by analyst or third party in connection with the present Research Report. The Research Analyst has not served as an officer, director or employee of the subject company covered by him/her and SMC has not been engaged in the market making activity for the subject company covered by the Research Analyst in this report.

The views expressed by the Research Analyst in this Report are based solely on information available publicly available/internal data/ other reliable sources believed to be true. SMC does not represent/ provide any warranty expressly or impliedly to the accuracy, contents or views expressed herein and investors are advised to independently evaluate the market conditions/risks involved before making any investment decision. The research analysts who have prepared this Report hereby certify that the views /opinions expressed in this Report are their personal independent views/opinions in respect of the subject company.

Disclaimer: This Research Report is for the personal information of the authorized recipient and doesn't construe to be any investment, legal or taxation advice to the investor. It is only for private circulation and use. The Research Report is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. No action is solicited on the basis of the contents of this Research Report. The Research Report should not be reproduced or redistributed to any other person(s) in any form without prior written permission of the SMC. The contents of this material are general and are neither comprehensive nor inclusive. Neither SMC nor any of its affiliates, associates, representatives, directors or employees shall be responsible for any loss or damage that may arise to any person due to any action taken on the basis of this Research Report. It does not constitute personal recommendations or take into account the particular investment objectives, financial situations or needs of an individual client or a corporate/s or any entity/s. All investments involve risk and past performance doesn't guarantee future results. The value of, and income from investments may vary because of the changes in the macro and micro factors given at a certain period of time. The person should use his/her own judgment while taking investment decisions. Please note that SMC its affiliates, Research Analyst, officers, directors, and employees, including persons involved in the preparation or issuance of this Research Report: (a) from time to time, may have long or short positions in, and buy or sell the securities thereof, of the subject company(ies) mentioned here in; or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company(ies) discussed herein or may perform or seek to perform investment banking services for such company(ies) or act as advisor or lender/borrower to such subject company(ies); or (c) may have any other potential conflict of interest with respect to any recommendation and related information and opinions. All disputes shall be subject to the exclusive jurisdiction of Delhi High court.