

HSIE Results Daily

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Results Reviews

- **ICICI Prudential Life Insurance Company:** ICICI Prudential Life's (IPRU) FY26 APE grew 2% YoY, below estimates, while 11% VNB growth beat expectations. VNB margin at 24.7% surprised positively, as headwinds from GST input tax credit and softer retail business growth, amid a volatile geopolitical environment, were more than offset by a higher share of protection, a favorable yield curve movement, and improved rider attachment. Operating RoEV, however, weakened to 11.9% (FY25: 13.1%), weighed down by persistently adverse experience on operating assumptions and expenses. Given the uncertain macro backdrop, we trim our APE estimates for FY27E/FY28E by 6%/8% and reduce VNB estimates by 3%/5%. We maintain ADD with a TP of INR595 (1.3x Mar-28E EV), implying a ~45% discount to SBILIFE.

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ICICI Prudential Life Insurance Company

Weakness in topline growth; strength in margins

ICICI Prudential Life's (IPRU) FY26 APE grew 2% YoY, below estimates, while 11% VNB growth beat expectations. VNB margin at 24.7% surprised positively, as headwinds from GST input tax credit and softer retail business growth, amid a volatile geopolitical environment, were more than offset by a higher share of protection, a favorable yield curve movement, and improved rider attachment. Operating RoEV, however, weakened to 11.9% (FY25: 13.1%), weighed down by persistently adverse experience on operating assumptions and expenses. Given the uncertain macro backdrop, we trim our APE estimates for FY27E/FY28E by 6%/8% and reduce VNB estimates by 3%/5%. We maintain ADD with a TP of INR595 (1.3x Mar-28E EV), implying a ~45% discount to SBILIFE.

- Retail APE growth continues to lag peers:** Retail APE grew ~4% YoY during Q4FY26, aided by a favorable base, but IPRU remained a laggard among listed players. On a three-year CAGR basis, IPRU's IRNB growth has been a modest ~7% versus ~10% for private peers. ULIPs remain the core offering, with new product launches periodically re-shaping the product mix. Retail protection was a bright spot (+60% YoY) during Q4FY26 (Q3FY26: 40%), driven by GST rate rationalization tailwinds. We expect IPRU to continue underperforming peers on IRNB growth, given its ULIP-heavy focus, which is likely to be a drag in the current volatile equity market environment.
- Protection mix remains best-in-class:** IPRU's SA-to-premium multiple of ~61x during Q4FY26 exceeded AMLI's ~57x and was the highest among listed peers. The average sum assured per individual policy stood at ~INR7.5mn (highest among peers), up 38% YoY and 4% QoQ, attributable to IPRU's focus on high-SA ULIPs, retail protection, and sustained rider attachment.
- Stability remains the key re-rating trigger:** IPRU has witnessed significant shifts in business strategy, product mix, and financial reporting over the past three years - revising expense assumptions in FY24, launching nil-surrender-charge annuity products and pivoting to low-cost ULIPs during FY25, and pursuing cost optimization through FY25-26. While these moves reflect an evolving strategic intent, the cumulative effect has weighed on topline growth, VNB margins, and embedded value, with RoEV stuck in low double-digits due to negative variances and assumption changes. Sustained stability across key operating parameters is a prerequisite for meaningful re-rating.

Financial summary

INR bn	FY26	FY25	% YoY	9MFY26	FY27E	FY28E
NB	248.1	232.3	6.8	150.9	271.2	300.2
APE	106.4	104.1	2.2	68.1	112.7	125.9
VNB	26.3	23.7	10.9	16.6	28.1	31.7
VNB %	24.7%	22.8%	193bps	24.4%	25.0%	25.1%
EV	529.8	479.5	10.5		604.1	679.6
P/EV(X)	1.5	1.7			1.3	1.2
P/VNB(X)	30.2	33.4			28.2	25.0
ROEV%	11.9	13.1			12.7	12.6

Change in estimates

(INR bn)	FY27E			FY28E		
	New	Old	% Δ	New	Old	% Δ
APE	112.7	120.2	-6.2	125.9	136.3	-7.6
VNB	28.1	28.9	-2.5	31.7	33.2	-4.5
VNB %	25.0%	24.0%	95bps	25.1%	24.3%	82bps
EV	604.1	605.5	-0.2	679.6	679.7	-0.0

Source: Company, HSIE Research

ADD

CMP (as on 13 Apr 2026)	INR 549
Target Price	INR 595
NIFTY	23,843

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR670	INR595
	FY27E	FY28E
VNB	-3%	-5%

KEY STOCK DATA

Bloomberg code	IPRU IN
No. of Shares (mn)	1,449
MCap (INR bn) / (\$ mn)	792/8,482
6m avg traded value (INR mn)	895
52 Week high / low	INR 707/491

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(19.8)	(7.9)	(1.2)
Relative (%)	(11.7)	(1.3)	(3.4)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	72.9	72.9
FIs & Local MFs	8.7	10.4
FPIs	13.2	11.5
Public & Others	5.3	5.2
Pledged Shares	Nil	Nil

Source : BSE

Pledged shares as % of total shares

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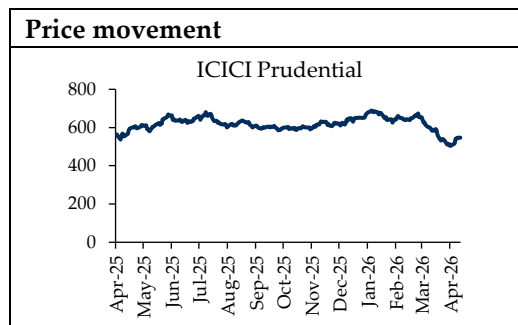
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Rating Criteria

BUY: >+15% return potential
 ADD: +5% to +15% return potential
 REDUCE: -10% to +5% return potential
 SELL: > 10% Downside return potential

Disclosure:

Analyst	Company Covered	Qualification	Any holding in the stock
Krishnan ASV	ICICI Prudential Life Insurance Company	PGDM	NO
Shobhit Sharma	ICICI Prudential Life Insurance Company	CA	NO



Disclosure:

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