

Pick of the week

SBI Life Insurance

Recommendation: **ADD**

Target Price: **₹1,900**

Current Price: **₹1,436**

Time Period: **12 Months**

Date: **02nd December 2024**



- Agency business is growing nicely—agency was up 24% in Q2FY25 (33% in H1FY25).
- Par Annualized Premium Equivalent (APE) growth was strong at 39% yoy on a low base.
- Persistency ratios improved in most buckets.
- According to management, the non-par business margins improved sequentially.
- We expect APE growth to pick up to 16% in H2FY25E
- We bake in Value of New business (VNB) margin of 27% in H2FY25E, as higher growth in retail protection offsets the impact lower volumes.
- ADD rating with a FV of Rs1,900 (unchanged).

Note: The above is a brief note on the company, based on the inputs of KIE research report dated 23th Oct, 2024, which is available on our website at: <https://www.kotaksecurities.com/ksweb/ResearchCall/Fundamental>.

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