




**SBI Life Insurance Company Ltd.**

Sector: Life Insurance

10<sup>th</sup> November, 2025

# BUY

Key Changes		Target 	Rating 	Earnings 		Target	Rs. 2,254
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	<b>CMP</b>	<b>Rs. 1,999</b>
Large Cap	SBILIFE:IN	83,216	SBILIFE	540719	12 Months	<b>Return</b>	<b>+13%</b>

Data as of: 07-Nov-2025, 18:00 hrs

## GST reform boosts protection demand

**SBI Life Insurance Company Ltd**, a leading life insurance company in India, was incorporated in October 2000. It offers individual and group insurance plans, covering life and health, annuity, pension and variable products. It also has unit-linked plans.

- In Q2FY26, net premium income grew 22.6% YoY to Rs. 24,848cr, led by higher renewal and single premium.
- Gross written premium (GWP) grew 22.9% YoY to Rs. 25,080cr, driven by 27.4% YoY growth in new business premiums and 19.5% YoY growth in renewal premiums, reflecting strong customer retention and continued momentum in protection and non-par segment.
- In H1FY26, VNB rose 14% YoY to Rs. 2,750cr, with VNB margin at 27.8% (vs 26.8% in H1FY25), led by steady protection growth, favourable product mix and stronger 13th-month persistency at 87.1% vs 86.4%, reflecting improved policy retention and operational discipline.
- In H1FY26 AUM expanded 10% YoY to Rs. 481,460cr vs Rs. 438,950cr in H1FY25, supported by healthy renewal inflows, strong investment returns and a prudent 60:40 debt-equity mix with 95% of debt holding in AAA and sovereign securities.

## Outlook & Valuation

The company reported a healthy double-digit premium growth led by balanced product mix, rising protection share and deeper digital integration across channels. New products, such as Smart Shield and Smart Money Back, are expected to accelerate protection and savings momentum. The management expects the GST rationalisation to support long-term growth by improving affordability and expanding the protection market. Strong persistency, agency productivity and automation efficiency further reinforce the growth outlook. With continued innovation and rural expansion focus, the company remains well positioned for sustained value creation. Therefore, **we maintain our BUY rating on the stock, based on 2.2x FY27E EV, with a revised target price of Rs. 2,254.**

## Quarterly Financials Standalone

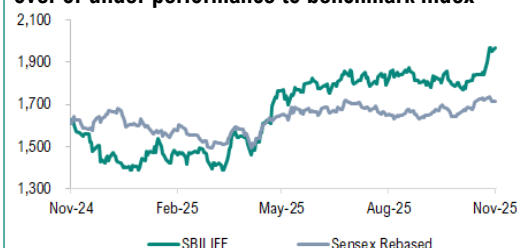
Rs.cr	Q2FY25	Q2FY24	YoY (%)	Q1FY25	QoQ (%)	H1FY25	H1FY24	YoY (%)
Premium earned (Net)	24,848	20,266	22.6	17,179	44.6	42,027	35,372	18.8
Total income	22,809	40,015	-43.0	38,696	-41.1	61,505	74,407	-17.3
Total expenses	22,609	39,549	-42.8	38,228	-40.8	60,837	73,323	-17.0
Surplus (Post	200	466	-57.0	468	-57.2	668	1,084	-38.4
PBT	513	547	-6.2	611	-16.0	1,124	1,082	3.9
Reported PAT	495	529	-6.6	594	-16.8	1,089	1,049	3.8
EPS (Rs.)	4.9	5.3	-6.6	5.9	-16.9	10.9	10.5	3.8

Company Data	
Market Cap (Rs. Cr)	200418
52 Week High — Low (Rs.)	2,019 - 1,373
Outstanding Shares (cr)	100.3
Free Float (%)	44.6
Dividend Yield (%)	0.1
6m average volume (cr)	0.1
Beta	0.9
Face value (Rs.)	10.0

Shareholding (%)	Q4FY25	Q1FY26	Q2FY26
Promoters	55.4	55.4	55.4
FII's	21.9	22.3	21.9
MFs/Institutions	18.7	18.2	18.7
Public	2.2	2.2	2.2
Others	1.9	1.9	1.8
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil

Price Performance	3 Month	6 Month	1 Year
Absolute Return	7.5%	14.0%	18.8%
Absolute Sensex	4.5%	5.9%	5.8%
Relative Return	3.0%	8.1%	13.0%

\*over or under performance to benchmark index

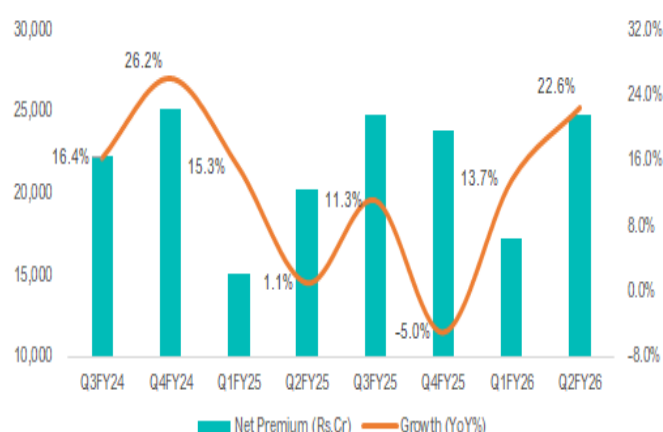


Y.E March (Rs. cr)	FY25A	FY26E	FY27E
Net Premium	84,060	99,213	114,398
<i>Growth (%)</i>	<i>4.3</i>	<i>18.0</i>	<i>15.3</i>
New Business (%)	27.8	27.9	28.0
Net Profit	2,413	2,965	3,522
<i>Growth (%)</i>	<i>27.4</i>	<i>22.9</i>	<i>18.8</i>
EPS (Rs.)	24.1	29.6	35.1
<i>Growth (%)</i>	<i>27.4</i>	<i>22.9</i>	<i>18.8</i>
BVPS (Rs.)	167.6	170.9	176.5
EVPS (Rs.)	701.0	848.0	1,024.6
RoE	14.4	17.3	19.9
RoEV	20.2	21.4	21.4
P/E	81.8	66.6	56.1
P/EV	2.8	2.3	1.9
<i>Solvency (%)</i>	<i>196.0</i>	<i>199.1</i>	<i>202.4</i>

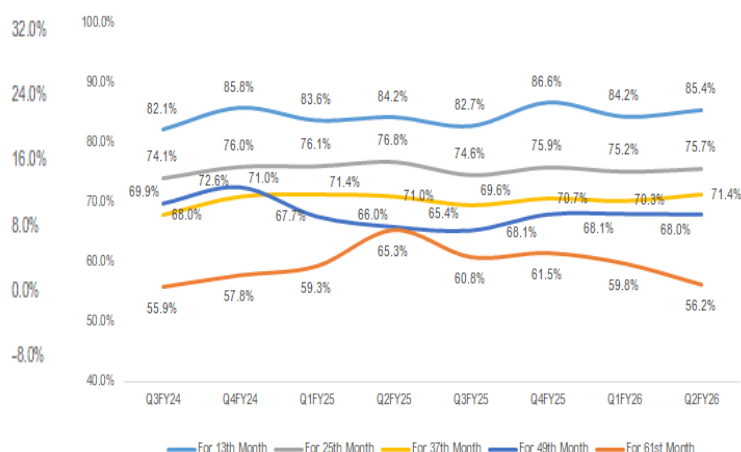
## Key Highlights

- SBI Life's Indian embedded value rose 15% YoY to Rs. 76,000cr in H1FY26 from Rs. 66,100cr, with strong growth in new business profitability, steady operating return of 17.6% and sustained expansion in protection and non-par portfolio.
- Annualised premium equivalent (APE) grew 10% YoY to Rs. 9,920cr in H1FY26 from Rs. 9,030cr, supported by balanced product mix and diversified distribution. The company issued ~1.0mn policies, covering 11.mn lives.
- The management expects a strategic shift that focuses on increasing the share of high-margin pure protection products in the overall APE to above 10% to improve business quality and long-term margins.
- SBI Life launched 2 new products, Smart Shield (Protection) and Smart Moneyback + (participating), with rapid early traction, demonstrating product innovation and faster go to market capability across channels.
- In a sign of accelerating digital transformation, the company saw digital submission of ~99% individual proposals, 59% automated underwriting and extensive self services in (WhatsApp renewals), reducing issuance TAT and improving customer experience and cost efficiency.

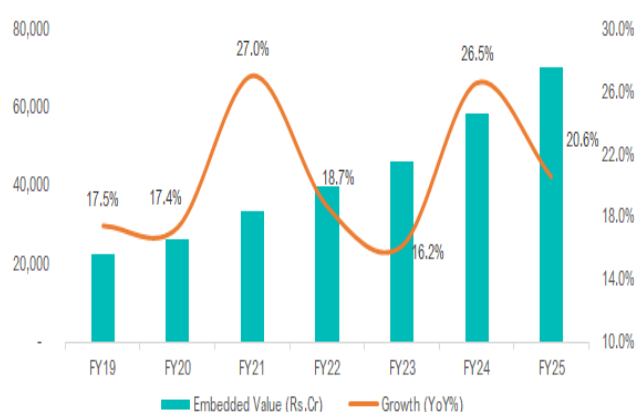
## Net Premium



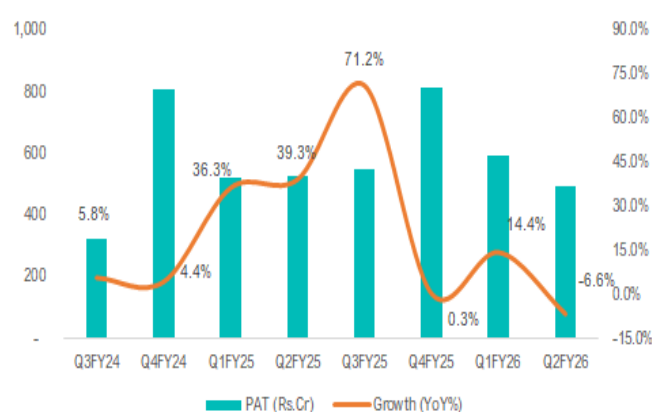
## Persistency Ratio



## Embedded value (EV)



## PAT



## Change in Estimates

Year / Rs. cr	Old estimates		New estimates		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Net Premium	97,847	112,308	99,213	114,398	1.4	1.9
Profit before tax	2,982	3,516	3,057	3,630	2.5	3.3
Net Profit	2,908	3,429	2,965	3,522	2.0	2.7
EPS	29.0	34.2	29.6	35.1	2.0	2.7



## Standalone Financials

### Policyholder's Profit & Loss Account

Y.E March (Rs. cr)	FY23A	FY24A	FY25A	FY26E	FY27E
<b>Net Premium</b>	<b>66,581</b>	<b>80,587</b>	<b>84,060</b>	<b>99,213</b>	<b>114,398</b>
% change	13.9	21.0	4.3	18.0	15.3
Income from Inv.	13,260	50,367	31,714	32,355	33,005
Transfer of funds from shareholder's account	1,707	1,628	1,346	1,400	1,457
Other income	50	50	(1)	37	38
<b>Total Income</b>	<b>81,598</b>	<b>132,631</b>	<b>117,119</b>	<b>132,967</b>	<b>148,858</b>
Commission	2,936	3,105	3,418	3,989	4,466
Operating Expenses	3,409	3,982	4,491	5,053	5,805
Other Expenses	959	1,079	1,415	943	1,000
<b>Operating Profit</b>	<b>74,294</b>	<b>124,466</b>	<b>107,794</b>	<b>122,982</b>	<b>137,587</b>
% change	(3.7)	67.5	(13.4)	14.1	11.9
Benefits Paid (Net)	30,287	43,107	48,902	46,113	51,460
<b>Change in Reserves</b>	<b>41,003</b>	<b>78,431</b>	<b>55,700</b>	<b>73,185</b>	<b>81,872</b>
Tax	147	136	198	171	197
Tax Rate (%)	4.9	4.6	6.2	4.6	4.6
<b>Surplus/Deficit</b>	<b>2,856</b>	<b>2,791</b>	<b>2,994</b>	<b>3,513</b>	<b>4,057</b>
% change	51.6	(2.3)	7.3	17.3	15.5

### Shareholder's Profit & Loss Account

Y.E March (Rs. cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Transfer from Technical A/c	2,707	2,598	2,740	3,302	3,814
Investment Inc.	795	1,034	1,116	1,228	1,351
<b>Total Income</b>	<b>3,502</b>	<b>3,632</b>	<b>3,856</b>	<b>4,530</b>	<b>5,165</b>
% change	28.7	3.7	6.2	17.5	14.0
Other Expenses	36	62	15	72	77
Contri to Technical A/c	1,707	1,628	1,346	1,400	1,457
Total Expenses	<b>1,744</b>	<b>1,690</b>	<b>1,361</b>	<b>1,473</b>	<b>1,534</b>
<b>PBT</b>	<b>1,758</b>	<b>1,942</b>	<b>2,495</b>	<b>3,057</b>	<b>3,630</b>
% change	12.7	10.4	28.5	22.5	18.8
Tax	38	48	81	92	109
Tax Rate (%)	2.2	2.5	3.3	3.0	3.0
<b>Reported PAT</b>	<b>1,721</b>	<b>1,894</b>	<b>2,413</b>	<b>2,965</b>	<b>3,522</b>
Adj*	0	0	0	0	0
<b>Adj. PAT</b>	<b>1,721</b>	<b>1,894</b>	<b>2,413</b>	<b>2,965</b>	<b>3,522</b>
% change	14.2	10.1	27.4	22.9	18.8
No. of shares (cr)	100	100	100.3	100.3	100.3
<b>Adj. EPS (Rs.)</b>	<b>17.2</b>	<b>18.9</b>	<b>24.1</b>	<b>29.6</b>	<b>35.1</b>
% change	14.2	10.0	27.3	22.9	18.8
DPS (Rs.)	2.5	2.7	2.7	4.4	5.3

### Balance Sheet

Y.E March (Rs. cr)	FY23A	FY24A	FY25A	FY26E	FY27E
<b>Source of Funds</b>					
Share Capital	1,001	1,001	1,002	1,003	1,003
Reserves & Surplus	11,924	13,590	15,791	16,129	16,685
Fair Value Change	93	317	192	214	237
<b>Shareholders' Fund</b>	<b>13,017</b>	<b>14,908</b>	<b>16,985</b>	<b>17,345</b>	<b>17,925</b>
Policy Liabilities	130,132	155,809	179,883	209,384	243,618
Others	165,294	220,729	252,463	315,098	399,106
Policyholders' Fund	<b>295,426</b>	<b>376,538</b>	<b>432,346</b>	<b>524,483</b>	<b>642,724</b>
Funds for Future appropriations	1,143	1,337	1,591	1,659	1,902
<b>Total</b>	<b>309,587</b>	<b>392,783</b>	<b>450,923</b>	<b>543,486</b>	<b>662,551</b>
<b>Application of Funds</b>					
Shareholders'	11,209	13,036	14,604	16,361	18,328
Policyholders'	129,870	156,544	185,227	217,641	256,817
Assets held to cover linked liabilities	163,256	216,010	247,636	306,579	384,734
Loans	389	389	482	494	506
Fixed assets	522	557	590	630	673
Net Current assets	4,342	6,247	2,384	1,780	1,492
<b>Total</b>	<b>309,587</b>	<b>392,783</b>	<b>450,923</b>	<b>543,486</b>	<b>662,551</b>
<b>BVPS (Rs.)</b>	<b>129.1</b>	<b>145.7</b>	<b>167.6</b>	<b>170.9</b>	<b>176.5</b>
% change	13.1	12.8	15.0	2.0	3.2

### Ratios

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
<b>Per Share (Rs.)</b>					
EPS	17.2	18.9	24.1	29.6	35.1
DPS	2.5	2.7	2.7	4.4	5.3
EVPS	460.0	581.7	701.0	848.0	1,024.6
<b>Earnings (%)</b>					
RoE	13.3	13.0	14.4	17.3	19.9
RoEV	22.8	21.8	20.2	21.4	21.4
<b>Valuation (x)</b>					
P/E (x)	64.0	79.2	81.8	66.6	56.1
P/EV (x)	2.4	2.6	2.8	2.3	1.9
P/B (x)	8.5	10.3	9.2	11.7	11.3
Div. Yield (%)	0.2	0.2	0.1	0.2	0.3
<b>Exps. (% of premium)</b>					
Commission	4.4	3.8	4.0	4.0	3.9
Operating Ex-penses	5.1	4.9	5.3	5.0	5.0
Total Expenses	10.9	10.0	11.0	10.0	9.8
<b>Margin (%)</b>					
New Business	30.1	28.1	27.8	27.9	28.0
<b>Solvency (%)</b>					
Solvency	215.0	196.0	196.0	199.1	202.4



## Recommendation Summary (last 3 years)



Dates	Rating	Target
7-Feb-23	HOLD	1,218
3-Aug-23	BUY	1471
13-Feb-24	BUY	1,625
14-Nov-24	BUY	1,748
19-May-25	BUY	2,048
10-Nov-25	BUY	2,254

## Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

### Not rated/Neutral

#### Definition:

**Buy:** Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

#### Symbols definition:

▲ Upgrade

● No Change

▼ Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

The recommendations are based on 12 month horizon, unless otherwise specified. The investment ratings are on absolute positive/negative return basis. It is possible that due to volatile price fluctuation in the near to medium term, there could be a temporary mismatch to rating. For reasons of valuations/ return/lack of clarity/event we may revisit rating at appropriate time. Please note that the stock always carries the risk of being upgraded to BUY or downgraded to a HOLD, REDUCE or SELL.

Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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