

SBI Life Insurance Company Ltd.

BUY

Sector: Life Insurance

30th April, 2026

| | | | | | |
|--------------------|-----------------|-----------------|-------------------|---------------|------------------|
| Key Changes | Target ▼ | Rating ● | Earnings ▼ | Target | Rs. 2,112 |
| Stock Type | Bloomberg Code | Sensex | NSE Code | BSE Code | Time Frame |
| Large Cap | SBILIFE:IN | 76,914 | SBILIFE | 540719 | 12 Months |
| | | | | CMP | Rs. 1,820 |
| | | | | Return | +16% |

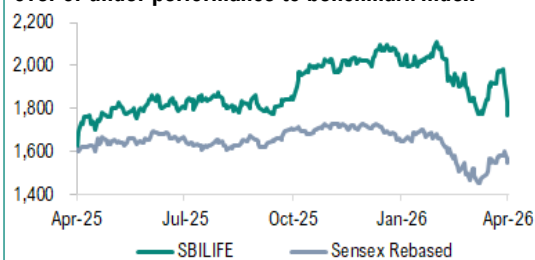
Data as of: 30-Apr-2026, 17:00 hrs

| Company Data | |
|--------------------------|---------------|
| Market Cap (Rs. Cr) | 182,422 |
| 52 Week High — Low (Rs.) | 2,133 - 1,663 |
| 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 (%) | Q2FY26 | Q3FY26 | Q4FY26 |
|------------------|--------|--------|--------|
| Promoters | 55.4 | 55.3 | 55.3 |
| FII's | 21.9 | 21.9 | 21.5 |
| MFs/Institutions | 18.7 | 18.7 | 19.1 |
| Public | 2.2 | 2.2 | 2.1 |
| Others | 1.8 | 1.9 | 2.0 |
| Total | 100.0 | 100.0 | 100.0 |
| Promoter Pledge | Nil | Nil | Nil |

| Price Performance | 3 Month | 6 Month | 1 Year |
|-------------------|---------|---------|--------|
| Absolute Return | -11.8% | -4.0% | 9.8% |
| Absolute Sensex | -6.0% | -9.0% | -3.9% |
| Relative Return | -5.8% | 5.0% | 13.8% |

*over or under performance to benchmark index



| Y.E March (Rs.cr) | FY26A | FY27E | FY28E |
|-------------------|--------|---------|---------|
| Net Premium | 99,956 | 113,076 | 128,619 |
| Growth (%) | 18.9 | 13.1 | 13.7 |
| New Business (%) | 27.8 | 27.9 | 28.1 |
| Net Profit | 2,470 | 3,178 | 3,509 |
| Growth (%) | 2.4 | 28.6 | 10.4 |
| EPS (Rs.) | 24.6 | 31.7 | 35.0 |
| Growth (%) | 2.4 | 28.6 | 10.4 |
| BVPS (Rs.) | 190.3 | 194.3 | 197.6 |
| EVPS (Rs.) | 805.4 | 974.3 | 1,179.1 |
| RoE | 12.9 | 16.3 | 17.7 |
| RoEV | 20.2 | 21.3 | 21.4 |
| P/E | 71.8 | 55.8 | 50.5 |
| P/EV | 2.2 | 1.8 | 1.5 |
| Solvency (%) | 190.0 | 193.1 | 196.3 |

Upbeat performance, promising outlook

SBI Life Insurance Company Ltd., a leading life insurance company in India, offers individual and group insurance, covering life and health, annuity and pension, as well as unit-linked plans.

- In Q4FY26, net premium income rose 16% YoY to Rs. 27,684cr, led by 37.4% YoY growth in single premium and 13.9% YoY growth in renewal premium.
- For FY26, gross written premium rose 19% YoY to Rs. 1,01,290cr, supported by 20% YoY growth in new business and 19% YoY increase in renewals, underscoring the insurer's sustained operational strength.
- Value of new business (VoNB) rose 12% YoY in FY26 to Rs. 6,670cr and VoNB margin was 27.5% vs 27.8% in FY25, driven by consistent growth of the protection business, positive shift in product mix and stronger 13th-month persistency at 87.9% vs 87.4%, reflecting improved policy retention and operational discipline.
- AUM increased 9% to Rs. 4,87,160cr from Rs. 4,48,040cr in FY25. Also, the portfolio maintained a debt-equity mix of 62:38, with 94% of the debt rated AAA and sovereign instruments.

Outlook and Valuation

SBI Life delivered a strong performance, owing to a balanced product mix, diversified distribution strategy, improved persistency and strong digital execution. In contrast, growth of the insurance sector was sluggish in the quarter, which the management linked to geopolitical events and their impact on market sentiment. The management mentioned that it remained focused on expanding the agency channel through the opening of new branches and providing better training, scaling up of direct and online channels, and improving the mix toward protection and non-ULIP products. Upcoming retirement and annuity product launches, and increased automation and simpler processes, are expected to support better customer experience and efficiency. Overall, the insurer's growth plan remains well-defined, positioning the company to capitalize on opportunities as the external environment stabilizes. Hence, **we maintain our BUY rating on the stock with a revised target price of Rs. 2,112, based on 1.8x rolled forward FY28E EVPS.**

Quarterly Financials Standalone

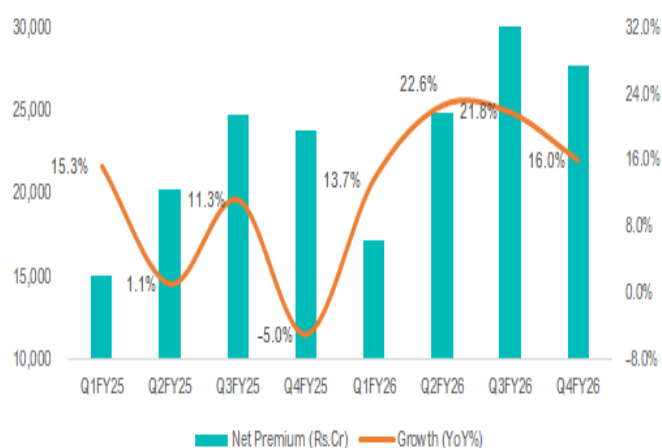
| Rs.cr | Q4FY26 | Q4FY25 | YoY (%) | Q3FY26 | QoQ (%) | FY26 | FY25 | YoY (%) |
|--------------------|--------|--------|---------|--------|---------|---------|---------|---------|
| Premium earned | 27,684 | 23,861 | 16.0 | 30,245 | -8.5 | 99,956 | 84,060 | 18.9 |
| Total income | 5,658 | 24,169 | -76.6 | 45,803 | -87.6 | 112,966 | 117,119 | -3.5 |
| Total expenses | 3,413 | 22,546 | -84.9 | 45,332 | -92.5 | 109,517 | 122,232 | -10.4 |
| Surplus (Post tax) | 2,194 | 1,563 | 40.3 | 427 | 413.8 | 3,289 | 2,994 | 9.9 |
| PBT | 816 | 841 | -3 | 598 | 36.5 | 2,537 | 2,495 | 1.7 |
| Reported PAT | 805 | 814 | -1.1 | 577 | 39.5 | 2,470 | 2,413 | 2.4 |
| EPS (Rs) | 8 | 8.1 | -1.1 | 5.8 | 39.5 | 24.6 | 24.1 | 2.1 |



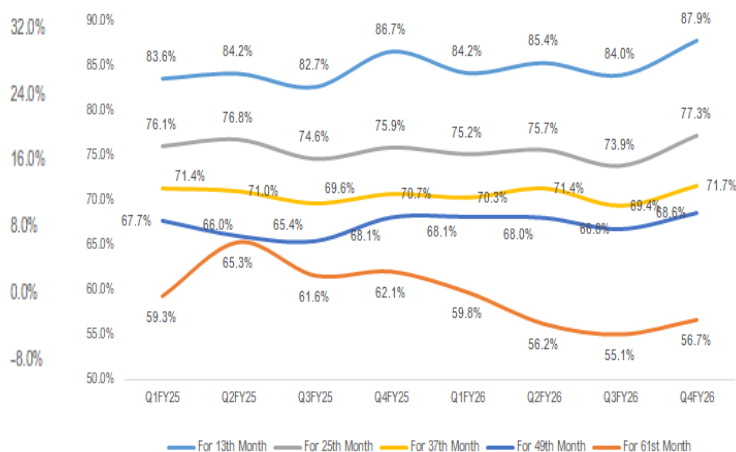
Key Highlights

- Embedded value expanded a significant 15% YoY to Rs. 80,790cr, underscoring the insurer's value creation capabilities and market positioning.
- Annualised premium equivalent (APE) surged to Rs. 24,270cr, demonstrating steady momentum, with 13% annual expansion, reflecting robust new business generation and distribution strength.
- The management has targeted maintaining APE growth of ~14%, consistent with the past 3-5 year CAGR of 12.9% and past year's 13.2% rise.
- The management also expects VoNB margins to range 26-28%, with a target of above 27% through enhanced product mix and operational efficiency.
- SBI Life sold 2.22mn policies in FY26, covering 22.7mn lives.

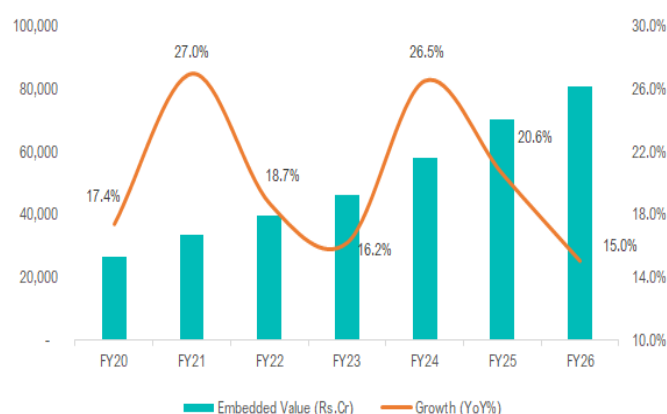
Net Premium



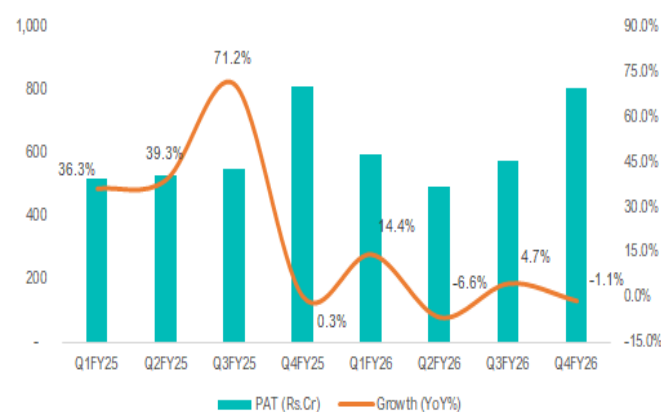
Persistency Ratio



Embedded Value (EV)



PAT



Change in Estimates

| Year / Rs.cr | Old estimates | | New estimates | | Change (%) | |
|----------------------|---------------|-------|---------------|---------|------------|-------|
| | FY27E | FY28E | FY27E | FY28E | FY27E | FY28E |
| Premium earned (net) | 114,398 | - | 113,076 | 128,619 | -1.2 | - |
| Profit before tax | 3,630 | - | 3,276 | 3,617 | -9.8 | - |
| Net Profit | 3,522 | - | 3,178 | 3,509 | -9.8 | - |
| EPS | 35.1 | - | 31.7 | 35.0 | -9.8 | - |



Standalone Financials

Policyholder's Profit & Loss Account

| Y.E March (Rs.cr) | FY24A | FY25A | FY26A | FY27E | FY28E |
|--|----------------|----------------|----------------|----------------|----------------|
| Net Premium | 80,587 | 84,060 | 99,956 | 113,076 | 128,619 |
| % change | 21.0 | 4.3 | 18.9 | 13.1 | 13.7 |
| Income from Inv. | 50,367 | 31,714 | 11,062 | 11,284 | 11,511 |
| Transfer of funds from shareholder's account | 1,628 | 1,346 | 1,874 | 1,949 | 2,028 |
| Other income | 50 | -1 | -1 | 37 | 38 |
| Total Income | 132,631 | 117,119 | 112,891 | 126,309 | 142,157 |
| Commission | 3,105 | 3,418 | 4,496 | 4,547 | 5,189 |
| Operating Expenses | 3,982 | 4,491 | 6,225 | 6,315 | 6,397 |
| Other Expenses | 1,079 | 1,415 | 534 | 849 | 955 |
| Operating Profit | 124,466 | 107,794 | 101,635 | 114,598 | 129,616 |
| % change | 67.5 | -13.4 | -6.0 | 12.8 | 13.1 |
| Benefits Paid (Net) | 43,107 | 48,902 | 54,323 | 41,303 | 47,525 |
| Change in Reserves | 78,431 | 55,700 | 43,938 | 69,217 | 77,760 |
| Tax | 136 | 198 | 159 | 192 | 204 |
| Tax Rate (%) | 4.6 | 6.2 | 4.7 | 4.7 | 4.7 |
| Surplus/Deficit | 2,791 | 2,994 | 3,214 | 3,886 | 4,128 |
| % change | -2.3 | 18.8 | -3.0 | 20.9 | 6.2 |

Shareholder's Profit & Loss Account

| Y.E March (Rs.cr) | FY24A | FY25A | FY26A | FY27E | FY28E |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|
| Transfer from Technical A/c | 2,598 | 2,740 | 3,160 | 3,847 | 4,086 |
| Investment Inc. | 1,034 | 1,116 | 1,297 | 1,453 | 1,642 |
| Total Income | 3,632 | 3,856 | 4,458 | 5,300 | 5,728 |
| % change | 3.7 | 6.2 | 15.6 | 18.9 | 8.1 |
| Other Expenses | 62 | 15 | 46 | 74 | 83 |
| Contri to Technical A/c | 1,628 | 1,346 | 1,874 | 1,949 | 2,028 |
| Total Expenses | 1,690 | 1,361 | 1,920 | 2,024 | 2,111 |
| PBT | 1,942 | 2,495 | 2,537 | 3,276 | 3,617 |
| % change | 10.4 | 28.5 | 1.7 | 29.1 | 10.4 |
| Tax | 48 | 81 | 67 | 98 | 109 |
| Tax Rate (%) | 2.5 | 3.3 | 2.6 | 3.0 | 3.0 |
| Reported PAT | 1,894 | 2,413 | 2,470 | 3,178 | 3,509 |
| Adj* | 0 | 0 | 0 | 0 | 0 |
| Adj. PAT | 1,894 | 2,413 | 2,470 | 3,178 | 3,509 |
| % change | 10.1 | 27.4 | 2.4 | 28.6 | 10.4 |
| No. of shares (cr) | 100 | 100.2 | 100 | 100 | 100 |
| Adj. EPS (Rs.) | 18.9 | 24.1 | 24.6 | 31.7 | 35.0 |
| % change | 10.0 | 27.3 | 2.3 | 28.6 | 10.4 |
| DPS (Rs.) | 2.7 | 2.7 | 2.7 | 3.2 | 3.5 |

Balance Sheet

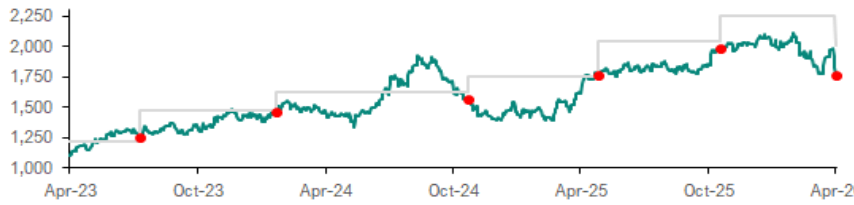
| Y.E March (Rs.cr) | FY24A | FY25A | FY26A | FY27E | FY28E |
|---|----------------|----------------|----------------|----------------|----------------|
| Source of Funds | | | | | |
| Share Capital | 1,001 | 1,002 | 1,003 | 1,003 | 1,003 |
| Reserves & Surplus | 13,590 | 15,791 | 18,083 | 18,483 | 18,814 |
| Fair Value Change | 317 | 193 | (0) | (1) | (1) |
| Shareholders' Fund | 14,908 | 16,985 | 19,086 | 19,486 | 19,817 |
| Policy Liabilities | 155,809 | 179,883 | 212,513 | 247,258 | 287,685 |
| Others | 220,729 | 252,463 | 258,734 | 313,657 | 383,460 |
| Policyholders' Fund | 376,538 | 432,346 | 471,247 | 560,916 | 671,145 |
| Funds for Future appropriations | 1,337 | 1,591 | 1,721 | 1,613 | 1,654 |
| Total | 392,783 | 450,923 | 492,053 | 582,015 | 692,616 |
| Application of Funds | | | | | |
| Shareholders' | 13,036 | 14,604 | 16,710 | 18,719 | 20,969 |
| Policyholders' | 156,544 | 185,227 | 210,713 | 248,641 | 293,397 |
| Assets held to cover linked liabilities | 216,010 | 247,636 | 258,944 | 309,120 | 372,893 |
| Loans | 389 | 482 | 605 | 620 | 636 |
| Fixed assets | 557 | 590 | 688 | 734 | 784 |
| Net Current assets | 6,247 | 2,384 | 4,393 | 4,180 | 3,937 |
| Total | 392,783 | 450,923 | 492,053 | 582,015 | 692,616 |
| BVPS (Rs.) | 145.7 | 167.6 | 190.3 | 194.3 | 197.6 |
| % change | 12.8 | 15.0 | 13.5 | 2.1 | 1.7 |

Ratios

| Y.E March | FY24A | FY25A | FY26A | FY27E | FY28E |
|-----------------------------|-------|-------|-------|-------|--------|
| Per Share (Rs.) | | | | | |
| EPS | 18.9 | 24.1 | 24.6 | 31.7 | 35.0 |
| DPS | 2.7 | 2.7 | 2.7 | 3.2 | 3.5 |
| EVPS | 581.7 | 701.0 | 805.4 | 974.3 | 1179.1 |
| Earnings (%) | | | | | |
| RoE | 13.0 | 14.4 | 12.9 | 16.3 | 17.7 |
| RoEV | 21.8 | 20.2 | 20.2 | 21.3 | 21.4 |
| Valuation (x) | | | | | |
| P/E (x) | 79.2 | 73.4 | 71.8 | 55.8 | 50.5 |
| P/EV (x) | 2.6 | 2.5 | 2.2 | 1.8 | 1.5 |
| Div. Yield (%) | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Exps. (% of premium) | | | | | |
| Commission | 3.8 | 4.0 | 4.4 | 4.0 | 4.0 |
| Operating Expenses | 4.9 | 5.3 | 6.1 | 5.5 | 4.9 |
| Total Expenses | 10.0 | 10.6 | 11.1 | 10.3 | 9.7 |
| Margin (%) | | | | | |
| New Business | 28.1 | 27.8 | 27.8 | 27.9 | 28.1 |
| Solvency (%) | | | | | |
| Solvency | 196.0 | 196.0 | 190.0 | 193.1 | 196.3 |



Recommendation Summary (last 3 years)



| Dates | Rating | Target |
|-----------|--------|--------|
| 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 |
| 30-Apr-26 | BUY | 2,112 |

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.

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

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