

January 29, 2026

Q3FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

Rating	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	HOLD	HOLD		
Target Price	2,125		1,950	
NBP-APE (Rs mn)	2,44,802	2,79,265	2,40,846	2,72,537
% Chng.	1.6	2.5		
VNB (Rs mn)	67,076	76,798	65,028	74,130
% Chng.	3.1	3.6		
EV (Rs mn)	8,35,735	9,85,535	8,25,173	9,66,717
% Chng.	1.3	1.9		

Key Financials - Standalone

Y/e Mar	FY25	FY26E	FY27E	FY28E
NBP (Rs mn)	355,768	416,901	477,179	544,897
APE (Rs mn)	214,100	244,802	279,265	317,296
VNB (Rs mn)	59,500	67,076	76,798	87,574
Margin (%)	27.8	27.4	27.5	27.6
Embedded Value (Rs mn)	704,483	835,735	985,535	1,156,949
EVOP (Rs mn)	117,800	132,982	150,996	173,687
RoEV (%)	20.2	18.9	18.1	17.6
P/EV (x)	2.9	2.5	2.1	1.8

Key Data

	SBIL.BO SBILIFE IN
52-W High / Low	Rs.2,116 / Rs.1,373
Sensex / Nifty	82,345 / 25,343
Market Cap	Rs.2,058.4bn / \$ 22,426.4m
Shares Outstanding	1,002.8m
3M Avg. Daily Value	Rs.1,869.0m

Shareholding Pattern (%)

Promoter's	55.34
Foreign	21.88
Domestic Institution	18.72
Public & Others	4.05
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	2.2	12.0	40.4
Relative	4.5	9.9	31.0

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Growth accelerates; margin holding on

Quick Pointers:

- Q3 APE grew 24% YoY; expect growth of ~14% in FY26
- Drag from GST exemption to be absorbed by a favorable product mix

Q3FY26 APE grew 24% YoY led by a pick-up in the ULIP and PAR portfolios. We expect APE to grow ~14% YoY in FY26 (vs. 16% for 9MFY26), in line with the guidance. VNB margin declined by 35bps YoY to 26.6%, impacted by GST exemption. 9MFY26 VNB margin stood at 27.2%. We build in 27.4% / 27.5% VNB margin for FY26/FY27E with an increase in the share of protection, PAR and NPAR. We slightly tweak our estimates on strong Q3 growth and value SBILIFEIN using the appraisal value framework (multiple of 2.5x FY27E P/EV vs. 2.4x earlier). Maintain 'HOLD' at a TP of Rs2,125 as stock price captures all the positives.

- **Strong Q3 growth due to GST tailwinds:** Q3 Annualized Premium Equivalent (APE) grew 24% YoY to Rs86.1bn led by a strong pick-up in the ULIP and PAR portfolios (+16% / +600% YoY). Protection grew 13% YoY supported by robust growth in retail protection (+29% YoY) on account of the GST reforms and a shift toward higher sum assured/ pure term products. While NPAR growth was slow (+6% YoY), commentary expects it to improve in subsequent quarters. ULIP/ PAR/ NPAR/ Protection/ Annuity/ Group Savings comprised 66.3% / 8.9% / 13.5% / 7.1% / 2.3% / 1.9% of APE mix in Q3FY26. 9MFY26 APE has grown 16% YoY, and the company has reiterated its guidance of 13-14% APE growth for FY26. We expect FY26 APE to grow ~14% YoY, driven by a surge in protection/ PAR and a pick-up in NPAR. We build in a similar APE CAGR of 14% for FY25-28E, driven by growth in banca and agency.
- **Q3 VNB impacted by GST exemption:** VNB grew 22.5% YoY to Rs22.9bn, while VNB margin stood at 26.6%. Commentary indicated a gross impact of 175bps on FY26 VNB margin due to GST exemption (~110bps already taken for 9MFY26). However, an uptick in the share of pure protection and attachment of riders to the ULIP portfolio are likely to absorb a large part of it, resulting in a net impact of 30-40bps. 9MFY26 VNB margin stood at 27.2%, and the company expects it to range between 26%-28%. We build in 27.4% / 27.5% VNB margin for FY26/ FY27E with an increase in the share of pure protection compensating for the drag of GST exemption.
- **Banca picks up, agency remains a focus area:** Banca/ Agency/ Others contributed to 68.4% / 23.6% / 8.0% of Q3FY26 APE. Banca channel saw strong growth (+24% YoY), driven by higher volumes due to GST exemption. Agency channel grew 25% YoY, and the company is making efforts to accelerate growth in the channel by adding new agents (+25% YoY in 9MFY26) and boosting productivity. It also added 66 new branches in 9MFY26 and is seeing strong growth in non-SBI / other channels (+17% YoY).

- **EV grows 18% YoY; cost ratio elevated:** Total cost ratio increased to 11.2% in 9MFY26 (vs. 10.2% in 9MFY25) due to (1) the impact of the new labor codes of Rs1.35bn, and (2) higher commission rates. Consequently, embedded value grew 18% YoY to Rs801bn. 61M persistency dropped to 58.8% (vs. 62.7% in 9MFY25) as it was largely a Covid cohort, while others were largely stable (13M/25M/37M/49M at 87.1%/77.1%/72.0%/69.1%). AUM grew 16% YoY to Rs5,117.1bn. Solvency ratio was lower at 191% (vs. 194% in Q2) due to higher share of protection being written. However, the company expects it to remain in a similar range and does not foresee any need for additional capital.

Exhibit 1: Q3FY26 Result Overview

Financials (Rs mn)	3QFY26	3QFY25	YoY gr. (%)	2QFY26	QoQ gr. (%)	9MFY26	9MFY25	YoY gr. (%)
NBP	129,778	105,303	23.2	110,811	17.1	313,264	262,556	19.3
Net premium	302,453	248,275	21.8	248,483	21.7	722,721	601,991	20.1
Investment & other income	155,577	(62,854)	(347.5)	(20,391)	(863.0)	350,360	327,501	7.0
Total income	458,030	185,422	147.0	228,092	100.8	1,073,081	929,493	15.4
Net commission	16,102	10,143	58.7	12,403	29.8	35,166	24,204	45.3
Opex	19,092	11,587	64.8	15,189	25.7	45,572	32,525	40.1
Total mgmt expenses	35,195	21,731	62.0	27,592	27.6	80,738	56,729	42.3
GST	(34)	3,122	(101.1)	2,677	(101.3)	5,254	8,157	(35.6)
Provision for taxes	444	219	102.6	186	139.0	1,082	1,379	(21.5)
Claims	144,684	125,341	15.4	134,821	7.3	380,689	363,735	4.7
Change in actuarial liability	273,474	29,084	840.3	60,392	352.8	592,865	479,941	23.5
Total cost	453,757	181,951	149.4	226,091	100.7	1,062,125	915,181	16.1
Surplus/(deficit)	4,273	3,470	23.1	2,002	113.5	10,956	14,312	(23.4)
T/f to s/hs' account	2,692	2,623	2.6	2,057	30.9	7,965	7,920	0.6
Investment & other income	3,563	3,171	12.4	3,223	10.5	9,715	8,645	12.4
Total income	6,255	5,794	8.0	5,281	18.5	17,680	16,565	6.7
Non-insurance expenses	49	69	(29.5)	146	(66.8)	271	238	13.7
PBT	5,975	5,716	4.5	5,132	16.4	17,217	16,540	4.1
Taxes	208	208	0.0	186	11.8	560	543	3.1
PAT	5,767	5,508	4.7	4,946	16.6	16,657	15,998	4.1
AUM (Rs bn, Reported)	5,117	4,417	15.9	4,815	6.3	5,117	4,417	15.9
APE	86,100	69,400	24.1	59,400	44.9	185,200	159,700	16.0
Value of New Business	22,900	18,700	22.5	16,600	38.0	50,400	42,900	17.5

Source: Company, PL

Exhibit 2: Actual performance vs. our estimates

(Rs mn)	3Q FY26	3Q FY25	YoY gr. (%)	2Q FY26	QoQ gr. (%)	3Q FY26E	% Var.
APE	86,100	69,400	24.1	59,400	44.9	72,850	18.2
VNB	22,900	18,700	22.5	16,600	38.0	19,524	17.3
VNB Margin (%)	26.6	26.9	-30 bps	27.9	-130 bps	26.8	-20 bps

Source: Company, PL

Exhibit 3: Change in estimates

(Rs mn)	Revised estimate			Earlier estimate			% Revision		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
APE	244,802	279,265	317,296	240,846	272,537	307,042	1.6	2.5	3.3
VNB	67,076	76,798	87,574	65,028	74,130	84,130	3.1	3.6	4.1
VNB margin (%)	27.4	27.5	27.6	27.0	27.2	27.4	40bps	30bps	20bps
EV	835,735	985,535	1,156,949	825,173	966,717	1,131,403	1.3	1.9	2.3

Source: PL

Exhibit 4: Appraisal value framework

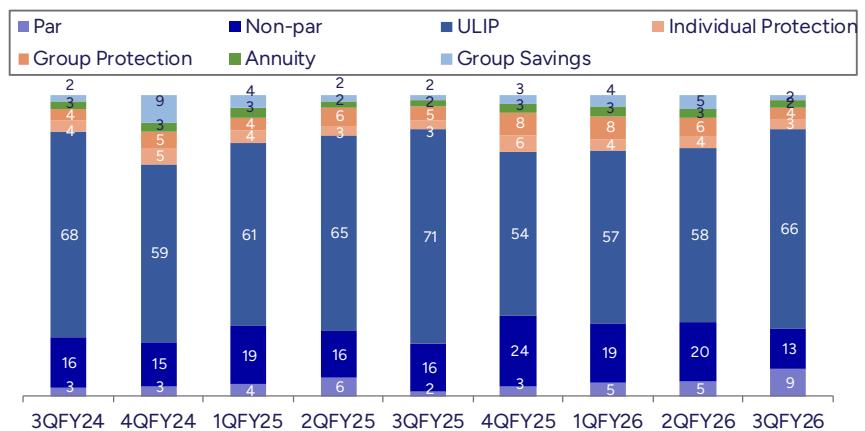
	Value (Rs mn)
FY27 VNB	76,798
VNB Multiple	16.8x
Structural Value - (A)	1,291,792
Embedded Value, F26E - (B)	835,735
Appraisal Value- (A) + (B)	2,127,527
No. of shares o/s (#)	1,001.0
Value per share (Rs)	2.125
Implied P/EV, F27E	2.5x

Source: PL

Q3FY26 Concall Highlights

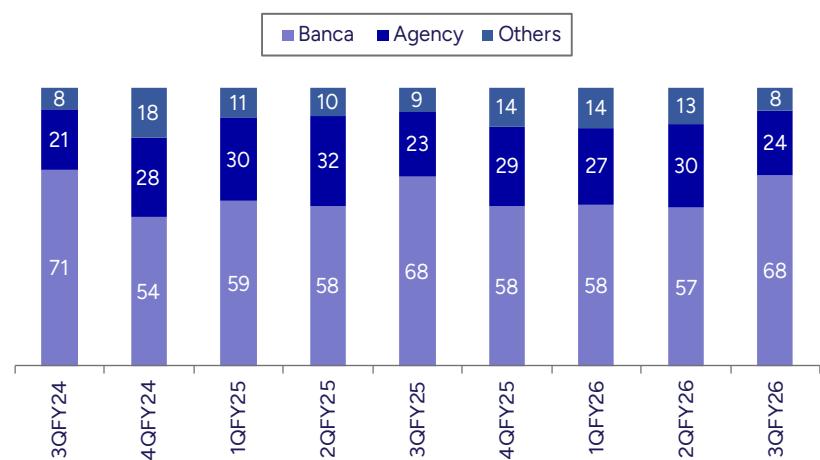
- The company witnessed significant growth post GST cut, particularly in the PAR segment, and 16.5mn policies were underwritten during the quarter.
- New PAR product – Smart Money Back Plus – earned total premium of Rs5.6bn YTD.
- The management has guided for 13–14% APE growth and VNB margin to range between 26%-28% in FY26.
- The management is looking to maintain PAR mix in the range of 15-20% in the medium term.
- The new labor codes had a one-time impact of Rs1.35 bn during the quarter.
- Commentary highlighted that an impact of 110 bps on 9MFY26 VNB margin due to GST exemption.
- The company has a rider attachment proportion of 35-40% on its ULIP segment, while 52% of credit life products are attached to housing loans.
- The moderation in 61M persistency can be attributed to the Covid cohort and is anticipated to be the final cohort impacting persistency this year.
- The company opened 66 new branches and added ~94,000 agents in 9MFY26, leading to higher operating expenses.
- Solvency ratio in Q3FY26 stood at 191%, and the management does not foresee any need for additional capital.
- The company has a network of 27,150+ SBI and RRB branches, 13,400+ partner branches, and 151 brokers supported by 2,78,000+ agents.
- Product mix by total APE for ULIP/ PAR/ NPAR/ Protection/ Annuity/ Group Savings stood at around 66%/ 9%/ 13%/ 7%/ 2%/ 2%, while the distribution mix by total APE for Banca/ Agency/ Others stood at 68%/ 24%/ 8%.

Exhibit 5: APE mix trend by product segment (%)



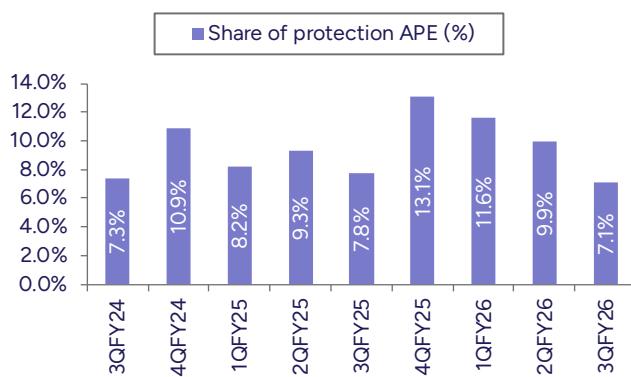
Source: Company, PL

Exhibit 6: Channel-wise APE mix (%) – Banca continues to dominate



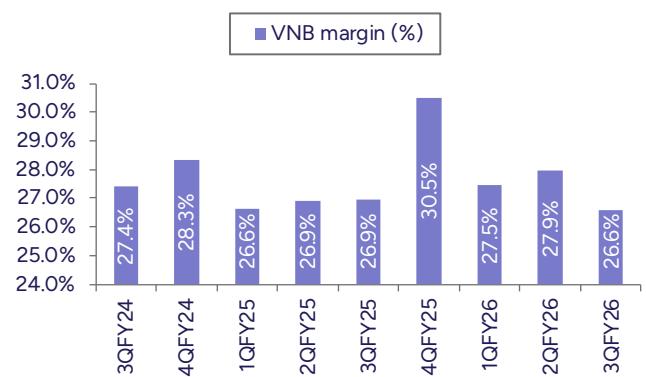
Source: Company, PL

Exhibit 7: Share of protection APE at 7.1% in Q3FY26



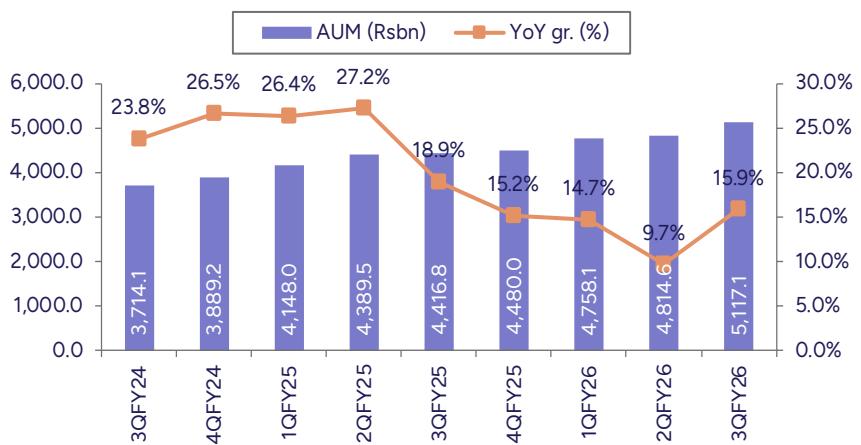
Source: Company, PL

Exhibit 8: VNB margin declines ~35bps YoY due to GST drag



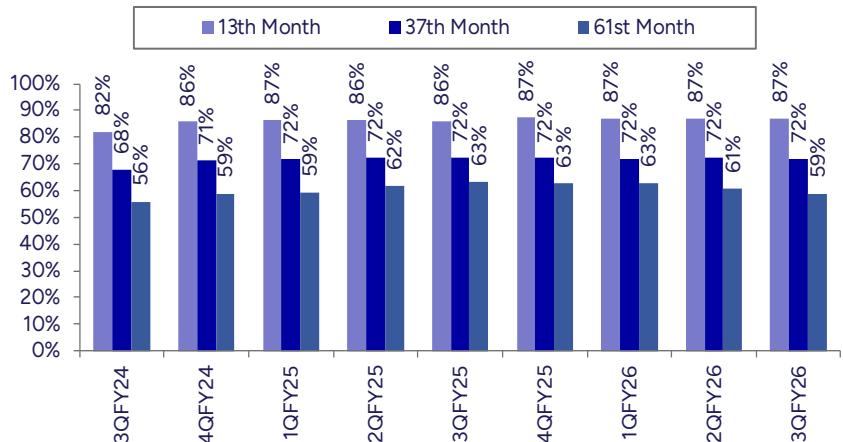
Source: Company, PL

Exhibit 9: AUM sees strong growth of ~16% YoY



Source: Company, PL

Exhibit 10: Persistency trends of regular premium (%)



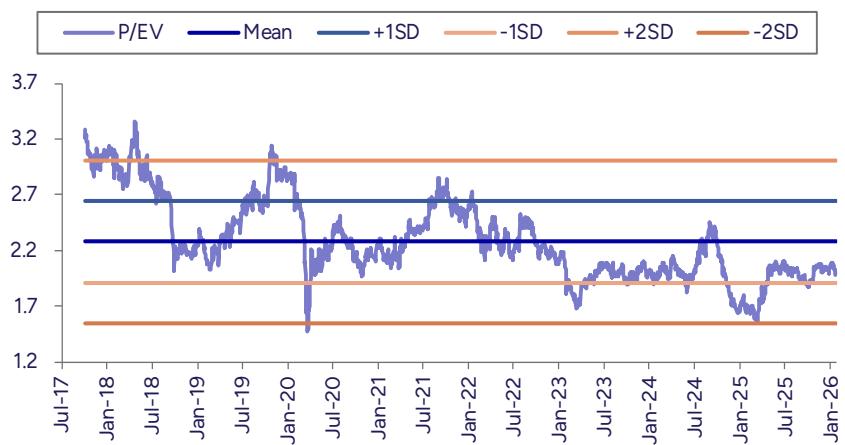
Source: Company, PL

Exhibit 11: Key metrics

	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
Commission ratio (%)	4.1	4.2	3.9	5.0	5.3
Opex ratio (%)	4.7	5.2	6.6	6.1	6.3
Mgmt expense ratio (%)	8.8	9.4	10.4	11.1	11.6
Claims ratio (%)	50.5	51.7	58.9	54.3	47.8
Solvency ratio (%)	204.0	196.0	196.0	194.0	191.0
Yield on s/hs' funds					
with unrealized gains (%)	(0.1)	6.1	14.9	2.0	9.2
without unrealized gains (%)	8.8	7.0	8.2	8.0	8.7
Persistency (%)					
13th month	86.1	87.4	87.1	87.1	87.1
37th month	72.4	72.1	72.0	72.2	72.0
61st month	63.3	62.7	62.8	60.6	58.8
Conservation ratio (%)	78.6	83.7	90.3	84.2	83.5

Source: Company, PL

Exhibit 12: One-year forward P/EV of SBILIFEIN trades at 2.0x



Source: Company, PL

Financials

Exhibit 13: Revenue Account

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
FYP (first year premium)	174,758	193,716	225,679	257,274	292,007
SP (single premium)	207,626	162,052	191,221	219,905	252,890
NBP (new business premium)	382,383	355,768	416,901	477,179	544,897
RP (renewal premium)	431,923	494,078	567,430	650,350	744,252
Gross premium	814,306	849,846	984,331	1,127,529	1,289,149
(-) Reinsurance ceded	8,435	9,248	10,711	12,270	14,028
Net premiums	805,871	840,598	973,620	1,115,259	1,275,121
Investment & other income	520,443	330,589	337,688	352,924	405,972
Total income	1,326,314	1,171,187	1,311,307	1,468,184	1,681,093
- Commission expenses	32,553	37,388	44,295	54,121	64,457
- Operating expenses	39,819	44,908	52,170	60,887	70,903
- Provision for doubtful debts and taxes	9,283	10,926	13,818	15,682	17,785
Operating surplus	1,244,659	1,077,966	1,201,025	1,337,494	1,527,947
- Benefits paid (net)	431,074	483,295	541,382	591,953	641,996
- Interim & terminal bonuses paid	0	5,723	650	650	650
- Change in reserves	784,313	557,001	626,066	708,678	845,426
Pre-tax surplus / (deficit)	29,272	31,946	32,927	36,213	39,876
Provisions for tax	1,357	1,979	2,041	2,245	2,472
Post-tax surplus / (deficit)	27,915	29,967	30,885	33,968	37,403

Source: Company, PL

Exhibit 14: P&L Account

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
T/f from technical a/c	25,977	27,397	29,341	32,269	35,533
Investment and other income	10,341	11,159	10,064	11,698	14,038
Total income	36,317	38,555	39,405	43,968	49,571
Total expenses	16,896	13,609	14,228	14,503	14,783
PBT	19,421	24,947	25,177	29,465	34,788
Provision for tax	483	814	821	961	1,135
PAT	18,938	24,133	24,355	28,504	33,653

Source: Company, PL

Exhibit 15: Balance Sheet

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Sources of Funds					
Shareholders' fund	149,086	169,854	189,865	215,172	245,053
Policy liabilities	3,765,379	4,323,465	4,696,175	5,404,854	6,250,279
Funds for future appropriations	13,366	15,914	1,544	1,698	1,870
Total	3,927,830	4,509,232	4,887,585	5,621,725	6,497,203
Application of Funds					
Shareholders' investments	130,364	146,045	163,612	196,334	235,601
Policyholders' investments	1,565,436	1,852,268	2,170,361	2,566,952	3,044,477
Asset held to cover linked liabilities	2,160,103	2,476,357	2,522,005	2,824,645	3,163,603
Net other and current assets	71,927	34,563	31,607	33,794	53,522
Total	3,927,830	4,509,232	4,887,585	5,621,725	6,497,203

Source: Company, PL

Exhibit 16: Embedded Value (EV)

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Opening EV	460,440	582,583	702,483	835,735	985,535
Unwind	38,080	48,800	58,306	68,948	80,814
VNB	55,476	59,500	67,076	76,798	87,574
Operating variance	6,954	9,500	7,600	5,250	5,300
EV Operating Profit (EVOP)	100,511	117,800	132,982	150,996	173,687
Non-operating variance	23,900	4,200	3,000	2,000	1,500
EV Profit	124,410	122,000	135,982	152,996	175,187
Net capital injection	-2,267	-2,100	-2,731	-3,196	-3,773
Closing EV	582,583	702,483	835,735	985,535	1,156,949

Source: Company, PL

Exhibit 17: Key Ratios

Y/E March	FY24	FY25	FY26E	FY27E	FY28E
Growth (%)					
APE	17.2	8.6	14.3	14.1	13.6
Renewal premium	14.5	14.4	14.8	14.6	14.4
Net premium	21.0	4.3	15.8	14.5	14.3
PAT	10.1	27.4	0.9	17.0	18.1
Total AUM	26.7	16.0	8.5	15.1	15.3
Total Assets	26.9	14.8	8.4	15.0	15.6
Expense analysis (%)					
Commission ratio	3.8	4.0	4.5	4.8	5.0
Opex ratio	4.9	5.3	5.3	5.4	5.5
Claims ratio	53.5	57.5	55.0	52.5	49.8
P/hs' opex / Avg P/hs' AUM	1.2	1.1	1.2	1.2	1.2
Profitability analysis (%)					
RoA	0.5	0.6	0.5	0.5	0.6
RoE	13.8	15.4	13.7	14.2	14.7
RoEV	21.8	20.2	18.9	18.1	17.6
VNB margin	28.1	27.8	27.4	27.5	27.6
S/hs' AUM yield	8.5	8.1	6.5	6.5	6.5
P/hs' AUM yield	15.1	7.9	7.5	7.0	7.0
Balance sheet analysis					
P/hs' funds / P/hs' AUM (x)	1.0	1.0	1.0	1.0	1.0
P/hs' liabilities / Net worth (x)	24.4	25.8	25.3	25.2	25.5
Per share data (Rs)					
EPS	19	24	24	28	34
BVPS	146	168	188	213	243
EVPS	582	702	835	985	1,156
Valuation data (x)					
P/E	108.5	85.1	84.4	72.1	61.1
P/BV	14.1	12.2	10.9	9.6	8.5
P/EV	3.5	2.9	2.5	2.1	1.8

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	05-Jan-26	HOLD	1,950	2,067
2	27-Oct-25	HOLD	1,950	1,903
2	06-Oct-25	HOLD	1,925	1,758
4	10-Sep-25	HOLD	1,925	1,806

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	AAVAS Financiers	BUY	1,700	1,470
2	Bajaj Finance	BUY	1,125	969
3	Can Fin Homes	Accumulate	1,015	938
4	Cholamandalam Investment and Finance Company	Accumulate	1,850	1,787
5	HDFC Life Insurance Company	BUY	900	761
6	ICICI Prudential Life Insurance Company	Accumulate	725	684
7	LIC Housing Finance	BUY	645	538
8	Mahindra & Mahindra Financial Services	Accumulate	375	360
9	Max Financial Services	BUY	1,925	1,672
10	SBI Life Insurance Company	Hold	1,950	2,067
11	Shriram Finance	BUY	1,175	1,004
12	Sundaram Finance	Hold	5,000	5,288

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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