



STOCK UPDATE

Result Update - Q3FY2026

SECTOR

Insurance

COMPANY DETAILS

Market cap:	Rs. 98,656 cr
52-week high/low:	Rs. 707/517
NSE volume: (No of shares)	12.0 lakh
BSE code:	540133
NSE code:	ICICIPRULI
Free float: (No of shares)	39.16 cr

Source: NSE, BSE, Mirae Asset Sharekhan Research

SHAREHOLDING (%)

Promoters	72.9
FII	13.2
DII	8.7
Others	5.3

Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE CHART



Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	5.1	14.6	3.0	7.1
Relative to Sensex	7.0	13.1	1.7	-2.5

Source: Mirae Asset Sharekhan Research, Bloomberg

Reco/View: **BUY**

CMP: **Rs. 681**

Price Target: **Rs. 780**

Quick Snapshot

- APE grew 3.6% y-o-y - within which protection APE rose 19% y-o-y, while non-linked APE was up 15.2% y-o-y.
- VNB margins rose ~320 bps y-o-y to 24.4%, beating our estimates of 23.4%. Nine-month cost ratios fell 50 bps led by various cost optimisation initiatives.
- Net profit rose 20% y-o-y to Rs 390 crore; the nine-month number beat estimates, rising 23.5% y-o-y led by higher investment income.
- We roll over valuations to FY28E and maintain a Buy rating with a revised PT of Rs. 780.

Result overview

- APE (annualised premium equivalent) growth of 3.6% y-o-y in Q3FY26 to Rs. 2,525 crore - of which protection business' APE rose 19% y-o-y, forming 18.4% of total business. Because of benefit of GST reforms, the individual retail protection segment grew 40.8% y-o-y and thus new business retail sum assured jumped by 51.6% y-o-y.
- Product mix was well-diversified with 9MFY26 APE contribution from linked, non-linked, protection, group funds and annuity at 49.3%, 20.4%, 19.0%, 5.9% and 5.4%, respectively.
- VNB margins rose to 24.4% y-o-y and were stable on q-o-q basis. Improvement in margins was owing to higher contribution from retail protection and non-PAR segments, while a higher rider attachment also helped. Non-par segment saw strong growth as customers locked in on low-interest rate guaranteed products.
- Removal of GST input tax credit drove cost/premium ratio q-o-q, but on a 9-month basis, the ratio declined 50 bps to 19.3%. The savings business' cost ratio declined 90 bps y-o-y.
- Persistency declined across various cohorts, some channels and products, with the 13th month persistency falling 540 bps y-o-y to 84.4%. The management has taken corrective action aimed at improving persistency.

Our Call

ICICI Prudential life is amongst the largest private players with a focus on cost optimization and VNB growth should keep operating metrics strong. Going ahead, we expect margins to show stable to improving trends. Overall growth to show improving trajectory. We roll over on FY28E valuations and arrive at a revised PT of Rs. 780 and maintain a Buy rating.

Valuation

Particulars	FY24	FY25	FY26E	FY27E	FY28E
APE (Rs cr)	9,046	10,407	9,635	10,888	12,303
VNB (Rs cr)	2,227	2,370	2,357	2,675	3,028
VNB Margin (%)	24.6	22.8	24.5	24.6	24.6
EV (Rs cr)	42,335	47,951	52,986	59,344	66,169
PAT (Rs cr)	851	1,186	1,389	1,583	1,805
EPS (Rs)	5.9	8.2	9.6	10.9	12.5
ROEV (%)	14.1	13.1	13.3	13.5	13.6
P/EV (x)	2.3	2.1	1.9	1.7	1.5
P/VNB (x)	44.1	41.5	41.8	36.9	32.6

Source: Company; Mirae Asset Sharekhan estimates

Concall highlights:

- Demand for individual policies rose due to the GST rate cut and retail protection growth was aided by the same. Non-PAR product saw good growth as customers locked, lower-rate guaranteed products. Retail protection business to remain as core focus area. Within group protection – credit life in Micro finance business has shown some revival in Q3 and is expected to improve going ahead. Overall, the company is fairly placed to continue the momentum in Q4FY26.
- Annuity business is expected to return to growth as its baseline normalizes in the coming quarters.
- The management is confident in building up APE growth from the positive Q3 momentum, aiming for a 13-14% growth rate going forward.
- The insurer has launched three new wealth products.
- Assets under management (AUM) was up 6.5% y-o-y to Rs 3.1 lakh crore.
- Higher retail protection, non-participating and higher rider attachment helped VNB margins.
- Solvency remained healthy at 214.8% and was above regulatory requirement of 150%.
- Agency and direct channel contributed 52% to retail APE
- Bancassurance channel saw a 10.5% y-o-y rise in business and had 26.5% contribution to APE. ICICI Bank is largest single distributor with ~15% share in bancassurance business while rest of them are below 5% mark, so there is low concentration risk. Most bancassurance partnerships beyond ICICI are multi-insurance partners where competition is higher.
- Negotiations/ with distributors are going on pertaining to commission payout and if there is scope for reduction then that would be positive on cost front.
- Assumption updates pertaining to mortality, variance etc. will be taken in Q4

Particulars	Q3FY26	Q3FY25	Y-o-Y %	Q2FY26	Rs cr Q-o-Q %
New Business Premium	5,632	6,439	-13%	5,445	3%
Net Premium	11,809	12,261	-4%	11,843	0%
APE	2,525	2,438	4%	2,422	4%
VNB	615	517	19%	592	4%
VNB margin (%)	24.4	21.2		24.4	
Income from investments	11,024	-7,722		92	
Other income	58	60	-3%	58	0%
Net Commission	1,238	1,074	15%	1,204	3%
Expense of management	2,354	2,078	13%	2,152	9%
Benefits Paid	12,402	12,311	1%	11,277	10%
PAT	390	326	20%	299	30%

Source: Company; Mirae Asset Sharekhan Research

Actual Vs. Estimates

Particulars	Q3FY26 (Actual)	Q3FY26 (Estimates)	Variance
APE (Rs. cr)	2,525	2,517	0.3%
VNB (Rs. cr)	615	589	4.4%
VNB margin (%)	24.4	23.4	100 bps
PAT (Rs. cr)	390	310	25.8%

Source: Company; Mirae Asset Sharekhan Research

Additional Data

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	ICICI Prudential AMC Co.	3.43%
2	SBI Fund Manag	2.65%
3	Norges Bank	2.10%
4	Government Pension Fund	2.08%
5	Compasavale investment	1.98%
6	Republic of Singapore	1.96%
7	CAMAS	1.76%
8	Blackrock INC	1.13%
9	Vangaurd Group INC	1.08%
10	Baillie Gifford & Company	0.48%

Source: Bloomberg

Key management personnel

Name	Designation
Anup Bagchi	MD & CEO
Dhiren Salian	CFO

Source: Company Website

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