


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 rollover 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

	Rs cr				
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

Results

Particulars	Rs cr				
	Q3FY26	Q3FY25	Y-o-Y %	Q2FY26	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

Mirae Asset Sharekhan Limited, its analyst or dependant(s) of the analyst might be holding or having a position in the companies mentioned in the article.

DISCLAIMER

This information/document has been prepared by Sharekhan Ltd. and is intended for use only by the person or entity to which it is addressed to. This Document may contain confidential and/or privileged material and is not for any type of circulation, and any review, retransmission, or any other use is strictly prohibited. This information/ document is subject to change without prior notice.

Recommendation in reports based on technical and derivatives analysis is based on studying charts of a stock's price movement, trading volume, and outstanding positions, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals. However, this would only apply to information/documents focused on technical and derivatives research and shall not apply to reports/documents/information focused on fundamental research.

This information/document does not constitute an offer to sell or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. Though disseminated to all customers who are due to receive the same, not all customers may receive this report at the same time. Mirae Asset Sharekhan will not treat recipients as customers by virtue of their receiving this information/report.

The information contained herein is obtained from publicly available data or other sources believed to be reliable, and Mirae Asset Sharekhan has not independently verified the accuracy and completeness of the said data and hence it should not be relied upon as such. While we would endeavour to update the information herein on a reasonable basis, Mirae Asset Sharekhan, its subsidiaries and associated companies, their directors, and employees ("Mirae Asset Sharekhan and affiliates") are under no obligation to update or keep the information current. Also, there may be regulatory, compliance, or other reasons that may prevent Mirae Asset Sharekhan and its affiliates from doing so. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. Recipients of this report should also be aware that past performance is not necessarily a guide to future performance, and the value of investments can go down as well. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved) and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. We do not undertake to advise you as to any change of our views. Affiliates of Mirae Asset Sharekhan may have issued other recommendations/ reports that are inconsistent with and reach different conclusions from the information presented in this recommendations/report.

This information/recommendation/report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject Mirae Asset Sharekhan and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restrictions.

The analyst certifies that the analyst might have dealt or traded directly or indirectly in the securities of the company and that all the views expressed in this document accurately reflect his or her personal views about the subject company or companies and its or their securities and do not necessarily reflect those of Mirae Asset Sharekhan. The analyst and Mirae Asset Sharekhan further certifies that either he or his relatives or Mirae Asset Sharekhan associates might have direct or indirect financial interest or might have actual or beneficial ownership of 1% or more in the securities of the company at the end of the month immediately preceding the date of publication of the research report. The analyst and Mirae Asset Sharekhan encourage independence in research report/ material preparation and strive to minimize conflict in the preparation of the research report. The analyst and Mirae Asset Sharekhan do not have any material conflict of interest or have not served as officers, directors or employees or engaged in market-making activity of the company. The analyst and Mirae Asset Sharekhan have not been a part of the team which has managed or co-managed the public offerings of the company, and no part of the analyst's compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this document. Sharekhan Ltd, or its associates, or analysts have not received any compensation for investment banking, merchant banking, brokerage services or any compensation or other benefits from the subject company or from a third party in the past twelve months in connection with the research report.

Either Mirae Asset Sharekhan or its affiliates or its directors or employees/representatives/clients or their relatives may have position(s), make market, act as principal or engage in transactions of purchase or sell of securities, from time to time or may be materially interested in any of the securities or related securities referred to in this report and they may have used the information set forth herein before publication. Mirae Asset Sharekhan may from time to time solicit from, or perform investment banking or other services for, any company mentioned herein. Without limiting any of the foregoing, in no event shall Mirae Asset Sharekhan, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind.

Forward-looking statements (if any) are provided to allow potential investors the opportunity to understand management's beliefs and opinions in respect of the future so that they may use such beliefs and opinions as one factor in evaluating an investment. These statements are not a guarantee of future performance, and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Sharekhan Ltd and its affiliates undertake no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change, except as required by applicable securities laws. The reader/investors are cautioned not to place undue reliance on forward-looking statements and use their independent judgment before taking any investment decision.

Investment in securities market are subject to market risks, read all the related documents carefully before investing. The securities quoted are for illustration only and are not recommendatory. Registration granted by SEBI, and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Mirae Asset Sharekhan has been ranked as India's No.1 Retail Broker by Asiamoney Brokers Poll 2023. For more details, visit bit.ly/AsiamoneyPoll

Client should read the Risk Disclosure Document issued by SEBI & relevant exchanges and the T&C on www.sharekhan.com

Registered Office: 1st Floor, Tower No. 3, Equinox Business Park, LBS Marg, Off BKC, Kurla (West), Mumbai 400 070, Maharashtra, India. Tel: 022-67502000.

Correspondence/Administrative Office Address - Gigaplex IT Park, Unit No 1001, 10th floor, Building No.9, TTC Industrial Area, Digha, Airoli-West, Navi Mumbai - 400708. Tel: 022 61169000 / 61150000.

Registration and Contact Details: Name of Research Analyst - Sharekhan Limited - (AMFI-registered Mutual Fund Distributor), Research Analyst Regn No.: INH000006183. CIN: U99999MH1995PLC087498.

SEBI Regn. Nos.: BSE / NSE (CASH / F&O / CD) / MCX - Commodity: INZ000171337; BSE - 748, NSE - 10733, MCX - 56125, DP: NSDL/CDSL-IN-DP-365-2018; PMS: INP000005786; Mutual Fund: ARN 20669 (date of initial registration: 03/07/2004, and valid till 02/07/2026); IRDAI Registered Corporate Agent (Composite) License No. CA0950, valid till June 13, 2027.

Compliance Officer: Mr. Joby John Meledan; Tel: 022-4657 3809; email id: complianceofficer@sharekhan.com

For any complaints/ grievances, email us at igc@sharekhan.com, or you may even call the Customer Service desk on 022-41523200/ 022-61151111.