

LIC continues to outperform the private rivals in Q1FY20

Exhibit: Market share trend

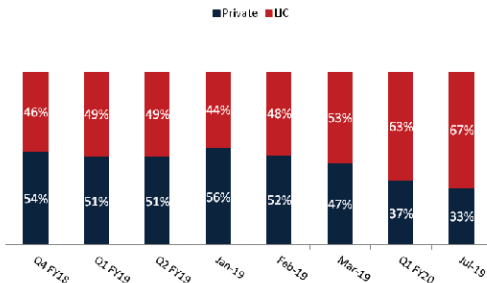
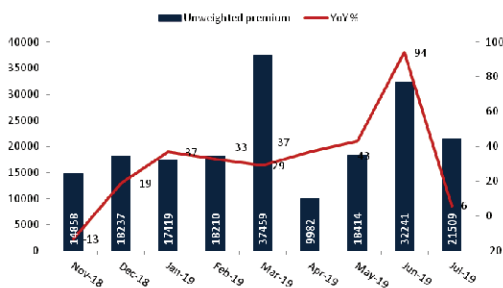


Exhibit: Trend in industry



The highest YoY growth in the weighted received premium was seen Future Generali and LIC which grew at robust rates in the month of July, while DHFL continued to show negative growth rates.

- The Individual Weighted received Premium of the Life Insurance industry grew at 17% YoY for the month of July 2019. The growth was predominantly led by the private players who witnessed a 22% growth for the month while LIC saw a 10% growth.
- The new business growth rose 6% in the month of July from 20219 crores to 21509 crores.
- **Total weighted received premium grew at 77% on the back of high growth in group non-single premium received by the Life Insurance Corporation of India.**
- **In the total weighted received premium the LIC witnessed a 134% while the Private players witnessed 22% growth on a yearly basis.**
- New business premium segment on the total weighted basis witnessed SBI life to continue as the largest private insurer with market share of 7.5%. ICICI Prudential Life and HDFC Standard Life follow with market share of 5.7 and 5.5 percent respectively.
- In the first quarter the listed companies have recorded double digit growth in the new premium category. HDFC Life (41.98%), ICICI Prudential Life (25%) and SBI Life(35.5%) recorded premium collections of 5384 crore, 3170 crore and 4496 crore.
- The average ticket size has increased by 13% YoY in the industry. Kotak Life and ICICI Life witnessed highest increase in average ticket prices by 54 and 42 %, whereas the degrowth in average ticket price could be witnessed in Bharti Axa and Edelweiss Tokio at 35 and 15% respectively.
- The growth in business premium has been very high in the industry in the 1st quarter of FY 20, but the same has not been seen well in growth in number of policies which grew by just 1% in this quarter compared to a year ago.

Exhibit: New business premium on total weighted basis

Insurer	Jul-19	Jul-18	YoY %	MoM %	% of Share
Bajaj Allianz	180	134	34	-1	1.5
Bharti Axa	53	50	6	4	0.4
Birla Sun Life	154	120	29	1	1.3
Canara HSBC Life	74	63	17	-51	0.6
DHFL Pramerchia	29	81	-64	14	0.2
Edelweiss Tokio	25	22	14	5	0.2
Exide Life	57	56	3	10	0.5
Future Generali	63	34	88	19	0.5
HDFC Standard Life	627	407	54	-8	5.3
ICICI Prudential Life	681	659	3	2	5.7
IDBI Federal Life	29	40	-27	5	0.2
Kotak Mahindra Life	235	208	13	29	2.0
Max Life	357	242	48	11	3.0
PNB Metlife	105	101	4	-4	0.9
Reliance Nippon Life	69	59	18	6	0.6
SBI Life	888	744	19	19	7.5
Shriram Life	35	46	-25	-25	0.3
Tata AIA	194	137	42	-9	1.6
Private Total	3971	3320	20	2	33.4
LIC	7921	3389	134	-45	66.6
Grand Total	11892	6709	77	-35	

RESEARCH ANALYST

DEEPAK KUMAR

Deepak.kumar@narnolia.com

DHWANIK SHAH

Dhwanik.Shah@narnolia.com

The views expressed above accurately reflect the personal views of the authors about the subject companies and its(their) securities. The authors have not and will not receive any compensation for providing a specific recommendation or view. Narnolia Financial Advisors Ltd. does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

Exhibit: Unweighted Premium of private players

As per the unweighted premium growth Tata AIA grew at 106% with Birla Sun Life and Shriram Life witnessing negative growth rates at 9 and 8% respectively.

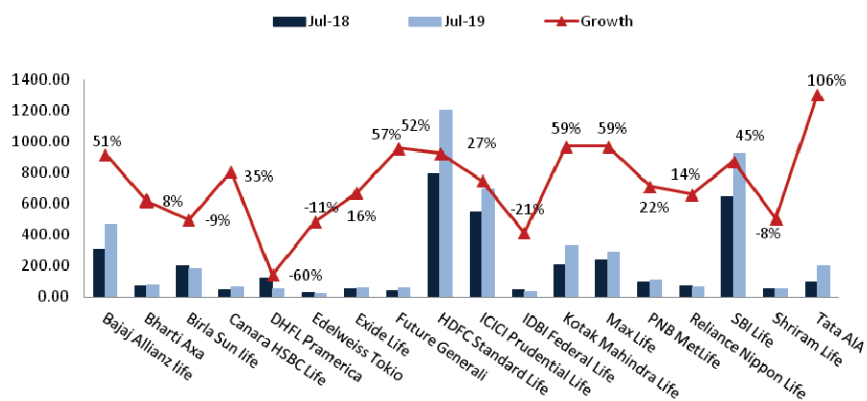


Exhibit: New business premium on individual weighted basis

Insurer	Jul-19	Jul-18	YoY growth	MoM growth %
Bajaj Allianz	139	99	40%	-2
Bharti Axa	50	47	7%	5
Birla Sun Life	137	98	40%	-2
Canara HSBC Life	72	57	27%	-9
DHFL Pramerica	14	30	-53%	-7
Edelweiss Tokio	24	20	18%	7
Exide Life	47	42	12%	-1
Future Generali	28	20	38%	11
HDFC Standard Life	522	331	58%	-11
ICICI Prudential Life	599	607	-1%	10
IDBI Federal Life	28	39	-27%	6
Kotak Mahindra Life	115	97	18%	23
Max Life	347	234	48%	11
PNB Metlife	99	97	2%	-2
Reliance Nippon Life	65	55	18%	5
SBI Life	841	680	24%	25
Shriram Life	32	41	-22%	-26
Tata AIA	188	135	40%	-9
Private Total	3,454	2,836	22%	5
LIC	2,375	2,152	10%	14
Grand Total	5,829	4,988	17%	9

Exhibit: Persistency Ratio of 13th month

New business premiums give only half a picture about the business of a company, persistency ratio shows the full picture and shows if the premium payers continue the paying pattern till the maturity is reached. Generally 13th, 25th, 37th, 49th and 61st month's persistency ratios are calculated.

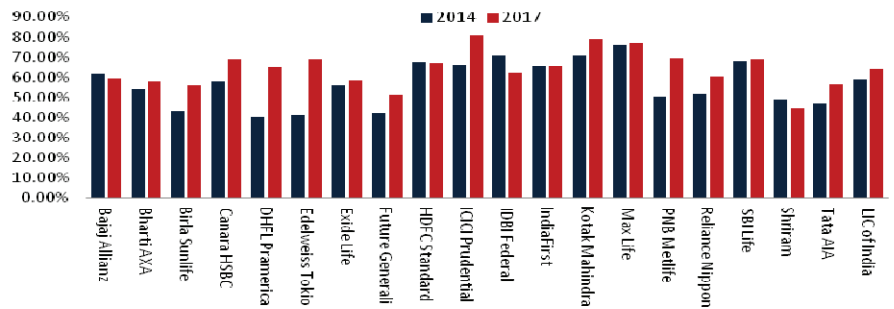


Exhibit: Persistency Ratio of 61st month

The persistency ratios of all the private players have increased significantly notifying that the quality of customers and service both have improved while LIC still has the same ratio it had in 2014.

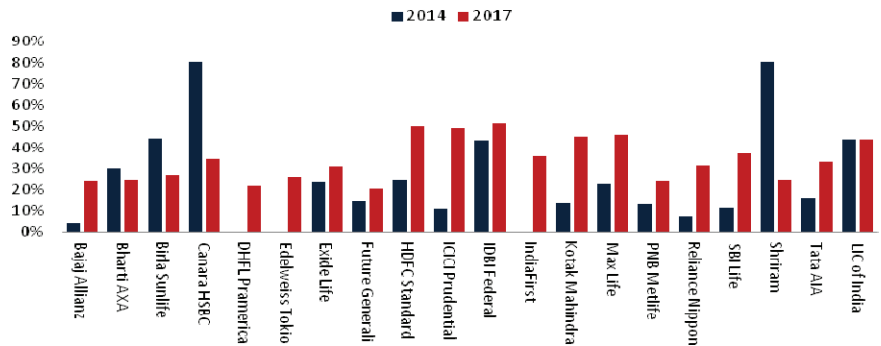


Exhibit: Average ticket size in individual regular premium

Insurer	Jul-19	Jul-18	YoY %
Bajaj Allianz	53924	61729	14%
Bharti Axa	39969	26036	-35%
Birla Sun Life	55105	65648	19%
Canara HSBC Life	72714	72928	0%
DHFL Pramerica	44450	37976	-15%
Edelweiss Tokio	47182	37895	-20%
Exide Life	32298	38036	18%
HDFC Standard Life	40792	46219	13%
ICICI Prudential Life	68011	96304	42%
IDBI Federal Life	87741	104123	19%
Kotak Mahindra Life	51621	79544	54%
Max Life	52926	69259	31%
PNB Metlife	67787	82424	22%
Reliance Nippon Life	62392	59963	-4%
SBI Life	39601	40775	3%
Shriram Life	57209	73479	28%
Tata AIA	17719	17410	-2%
LIC	61904	69341	12%

Narnolia Financial Advisors Ltd. is a SEBI registered Research Analyst having SEBI Registration No. INH300006500. The Company/Analyst (s) does/do not have any holding in the stocks discussed but these stocks may have been recommended to clients in the past. Clients of Narnolia Financial Advisors Ltd. may be holding aforesaid stocks.

The stocks recommended are based on our analysis which is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed.

Disclosures: Narnolia Financial Advisors Ltd. (NFAL) (Formerly Microsec Capital Ltd.) is a SEBI Registered Research Analyst having registration no. INH300006500. NFAL is engaged in the business of providing Stock Broking, Depository Participant, Merchant Banking, Portfolio Management & distribution of various financial products. Details of associate entities of NFAL is available on the website at www.narnolia.com

No penalties have been levied on NFAL by any Regulatory/Statutory authority. NFAL, its associates, Research Analyst or their relative may have financial interest in the subject company. NFAL and/or its associates and/or Research Analyst may have beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report. NFAL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of NFAL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report. Research Analyst may have served as director/officer, etc. in the subject company in the last 12 month period. NFAL and/or its associates may have received compensation from the subject company in the past 12 months. In the last 12 months period ending on the last day of the month immediately preceding the date of publication of this research report, NFAL or any of its associates may have: a) managed or co-managed public offering of securities from subject company of this research report, b) received compensation for investment banking or merchant banking or brokerage services from subject company of this research report, c) received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report. d) Subject Company may have been a client of NFAL or its associates during 12 months preceding the date of distribution of the research report. NFAL and its associates have not received any compensation or other benefits from the Subject Company or third party in connection with the research report. NFAL and / or its affiliates may do and seek to do business including Investment Banking with companies covered in the research reports. As a result, the recipients of this report should be aware that NFAL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific Merchant Banking, Investment Banking or Brokerage service transactions. Research Analyst's views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of NFAL or its associates maintains arm's length distance with Research Team as all the activities are segregated from NFAL research activity and therefore it can have an independent view with regards to subject company for which Research Team have expressed their views.

Analyst Certification The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Disclosure of Interest Statement-

Analyst's ownership of the stocks mentioned in the Report	NIL
---	-----

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com.

Correspondence Office Address: Arch Waterfront, 5th Floor, Block GP, Saltlake, Sector 5, Kolkata 700 091; Tel No.: 033-40541700; www.narnolia.com.

Registered Office Address: Marble Arch, Office 201, 2nd Floor, 236B, AJC Bose Road, Kolkata 700 020; Tel No.: 033-4050 1500; www.narnolia.com

Compliance Officer: Manish Kr Agarwal, Email Id: mkagarwal@narnolia.com, Contact No.:033-40541700.

Registration details of Company: Narnolia Financial Advisors Ltd. (NFAL): SEBI Stock Broker Registration: INZ000166737 (NSE/BSE/MSEI); NSDL/CDSL: IN-DP-380-2018; Research Analyst: INH300006500, Merchant Banking: (Registration No.: INM000010791), PMS: (Registration No.: INP000002304), AMFI Registered Mutual Fund distributor: ARN 3087

Registration Details of Group entities: G. Raj & Company Consultants Ltd (G RAJ)-BSE Broker INZ260010731; NSDL DP: IN-DP-NSDL-371-2014 || Narnolia Commerze Limited (Formerly Microsec Commerze Ltd.)-MCX/NCDEX Commodities Broker: INZ000051636 || NarnoliaVeloX Advisory Ltd.- SEBI Registered PMS: INP000005109 || Eastwind Capital Advisors Pvt Ltd. (EASTWIND)-SEBI Registered Investment Adviser: INA300005439 || Narnolia Insurance Brokers Limited (Formerly Microsec Insurance Brokers Ltd.)-IRDA Licensed Direct Insurance Broker (Life & Non-Life) Certificate No. 134, License No. DB046/02 || Narnolia Securities Ltd. (NSL)-AMFI Registered Mutual Fund distributor: ARN 20558, PFRDA NPS POP: 27092018 || Narnolia Capital Advisors Pvt. Ltd. - RBI Registered NBFC:B.05.02568.

Disclaimer:

This report has been prepared by Narnolia Financial Advisors Ltd. (NFAL) and is meant for sole use by the recipient and not for public circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of NFAL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. Certain transactions - including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. 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 his/her/its own advisors to determine the merits and risks of such an investment. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. NFAL will not treat recipients as customers by virtue of their receiving this report. Neither the Company, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits or lost opportunities that may arise from or in connection with the use of the information/report. The person accessing this information specifically agrees to exempt NFAL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold NFAL or any of its affiliates or employees responsible for any such misuse and further agrees to hold NFAL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject NFAL & its group companies to registration or licensing requirements within such jurisdictions.