

SBI Life on course to profit target this fiscal: MD

Says valuation exercise for 10% stake hike by BNP Paribas Cardif still going on

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SBI Life Insurance has recorded a 35 per cent growth in new business premium and 20 per cent growth in premium renewals in the first 10 months of this fiscal. Arijit Basu, Managing Director and CEO of SBI Life, told newsmen here on Wednesday that till January 31 new business income had risen 35 per cent over the corresponding year-ago period to ₹5,270 crore. Income from renewal premiums during the period was up 20 per cent to ₹5,537 crore.

Basu said the insurance company was on its way to achieving its 2015-16 net profit target of ₹810 crore. In the last three quarters (April-December) of the current fiscal, SBI Life recorded a net profit of ₹605 crore.

“In ULIP schemes, investors this financial year have expressed their preference more for debt instruments than equities. As a result, the assets under management for equities declined from ₹18,000 crore to ₹16,000 crore, while the AUM for debt grew to ₹20,000 crore,” the SBI Life MD said.

BNP Paribas stake

He said the valuation exercise for the proposed 10 per cent stake hike by BNP Paribas Cardif in SBI Life was still on. SBI Life is a joint venture between State Bank of India and BNP Paribas Cardif, which currently holds 26 per cent.

The valuation exercise by both the joint venture partners began in the middle of last year. “There has been some delay,” he said. He expected that the “consensus on valuation” could be reached by March this year.

Regarding a proposal for an initial public offer, Basu said it might not happen in the next couple of years as SBI Life would not need additional capital for now.



Arijit Basu