

SBI Life eyes public offer next fiscal

A STAFF REPORTER

Calcutta, Dec. 2: SBI Life Insurance, a 74:26 joint venture between the country's largest bank SBI and BNP Paribas Cardif, expects to float its initial public offering in the 2017-18 financial year.

In a filing to the Bombay Stock Exchange, the SBI announced that the executive committee of the bank's board had approved to offload a 5 per cent stake in SBI Life Insurance to a non-promoter entity.

The SBI has also offered to sell a 10 per cent stake to BNP Paribas at a right price.

"There is no definitive decision yet, but the IPO may be considered next year," Arijit Basu, managing director and CEO of SBI Life Insurance, said yesterday on the sidelines of Infocom 2016, an ABP initiative.

ICICI Prudential Life Insurance had recently raised around Rs 6,000 crore from its initial public offer.

The SBI has estimated the embedded value of its life insurance venture at Rs 13,000 crore as on March 31, 2016.

Embedded value is a measure of the market value of a company's assets and takes into consideration the present value of the company's future expected profit.

SBI Life Insurance has recorded a 5 per cent growth in net profit at the end of the second quarter at Rs 428 crore over the year-ago period. Its



Basu: Planning time

market share among private players has increased to 22 per cent from 15.3 per cent.

SBI Life's assets under management as on September 30, 2016, stood at Rs 87,784 crore, a growth of 18 per cent over the year-ago period.

Gross written premium at Rs 8,358 crore at the end of the July-September quarter recorded a 50 per cent year-on-year growth.

INFOC
An **ABP** i
December 1-3, 2
Theme: Transform |

Demonetisation

Basu said the collection of renewal premium might be lower after demonetisation, but app-based sales would rise.

"At present, around 20 per cent of the sales are coming through app-based sales. We want to increase it to over 50 per cent by the end of the year," said Basu.

Insurance regulator IRDA in a special one-off dispensation has extended the grace period of premium payment by an additional 30 days for all policies where premium payment was due on or after November 8 till December 31, 2016.