

INSURANCE

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Resilient and rising: Reforms spur growth

- India’s life insurance industry (premium) is expected to grow at 6.8% CAGR over 2025-30; private life insurers to lead
- GST rationalisation, 100% foreign ownership and other initiatives to boost growth
- We initiate coverage on CANHLIFE with a BUY. Maintain BUY on HDFC Life, ICICI Pru Life, SBI Life and LICI

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Strong growth momentum ahead: India’s life insurance industry (premium) is expected to grow at a CAGR of 6.8% over 2025-30. Within this, private life insurers were initially expected to deliver ~12% growth in FY26 vs ~9% in FY25. However, stronger-than-anticipated momentum is evident, with YTD APE growth at ~13%, indicating that private players are likely to outperform the earlier growth forecasts.

Stronger footing on policy support and awareness: The industry appears to be on a stronger footing marked by greater maturity, sharper strategic focus, and stronger structural depth. Policy support, regulatory clarity, and evolving consumer preferences are repositioning life insurance as a core pillar of household financial resilience rather than a discretionary savings product.

GST cuts and FDI boost growth: GST rationalisation has supported disposable incomes, while the move to allow 100% foreign ownership signals a clear policy intent to deepen insurance penetration and attract global capital.

Way forward: Heading into FY27, growth drivers are becoming more balanced and sustainable, with rising protection demand supported by the awareness of financial vulnerabilities and improving affordability. Large rural and semi-urban segments remain underinsured, while annuity and retirement solutions gain traction as households plan earlier, signaling sustained acceleration and structural transformation in the life insurance sector. **We initiate coverage on Canara HSBC Life (CANHLIFE) with a BUY and maintain BUY on HDFC Life, ICICI Pru Life, SBI Life and LICI.**

BUY: CANHLIFE has consistently outperformed the industry, with an APE CAGR of 18.7% vs industry growth of 10.6% over FY17-FY25 and is expected to maintain industry-leading APE CAGR of 19% over FY25-28E. Over 90% of its individual WPI business comes from bancassurance (a key growth driver), while a gradual shift toward higher-margin products is likely to support VNB margin expansion. We initiate BUY on CANHLIFE with TP of Rs 185, implying 1.8x FY28E P/EV.

Recommendation snapshot

Ticker	Price	Target	Rating
CANHLIFE IN	141	185	BUY
HDFCLIFE IN	613	907	BUY
IPRU IN	541	800	BUY
LICI IN	781	1,102	BUY
SBILIFE IN	1,852	2,503	BUY

Price & Target in Rupees | Price as of 25 Mar 2026



Strong Growth Outlook

As the life insurance industry steps into FY27, the industry is seen on a firmer footing, entering a phase marked by greater maturity, strategic intent, and structural depth. Policy momentum, regulatory clarity and evolving consumer behaviour are repositioning life insurance as a critical pillar of household financial resilience rather than a discretionary savings product.

APE for the industry grew in double digits after GST exemption effective Sep 22, 2025. APE grew 18.7% YoY, 16.1% YoY, 28.3% YoY, 13.0% YoY and 20.2% YoY in Oct'25, Nov'25, Dec'25, Jan'26 and Feb'26 respectively.

In Q3FY26, overall life insurance industry saw APE growth of 21.7% YoY. LICI grew 40.7%, while APE growth for private players was at 14.2% YoY. This was primarily driven by GST exemption implemented from Sep 22, 2025, a recovery in ULIP momentum, and launch of new products by several players.

Fig 1 – APE shows strong growth momentum; GST rationalisation improves affordability

(Rs bn)	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26
Aditya Birla Sun Life	4.3	8.6	1.7	3.3	4.1	3.9	3.5	5.5	3.7	4.6	6.1	4.8	4.5
Ageas Federal Life	0.9	1.1	0.2	0.5	0.9	1.1	0.8	0.9	0.7	0.8	1.4	0.8	0.8
Aviva Life	0.2	0.4	0.2	0.2	0.3	0.3	0.3	0.2	0.2	0.2	0.3	0.2	0.2
Bajaj Allianz Life	6.7	12.1	4.7	5.1	5.5	6.8	7.2	7.8	6.0	6.4	8.4	7.3	7.7
Bandhan Life	0.4	0.4	0.1	0.2	0.2	0.3	0.3	0.4	0.2	0.3	0.4	0.4	0.7
Bharti Axa Life	0.4	1.1	0.3	0.4	0.4	0.5	0.5	1.0	0.6	0.7	1.2	0.7	0.8
Canara HSBC Life	1.5	3.2	1.1	1.2	5.0	1.9	2.2	2.5	2.0	6.3	1.6	1.8	2.2
Edelweiss Tokio Life	0.6	1.4	0.1	0.2	0.4	0.4	0.4	0.4	0.3	0.4	0.8	0.5	0.5
Future Generali India Life	5.6	2.3	0.8	0.2	0.7	0.5	0.7	0.8	0.7	1.4	1.3	0.9	1.9
Godigit Life	0.3	0.4	0.7	0.5	0.5	1.0	0.5	0.5	0.5	0.3	0.4	0.5	0.5
HDFC Life	13.8	22.2	7.7	11.3	12.8	15.0	12.9	13.9	11.0	12.0	15.9	14.2	15.0
ICICI Prudential Life	12.6	30.5	5.7	8.2	10.3	13.4	12.4	11.7	11.8	13.0	13.0	13.3	14.6
IndiaFirst Life	1.7	2.1	0.7	0.9	1.5	1.5	1.6	1.5	1.1	1.4	1.9	2.2	1.7
Kotak Mahindra Life	4.9	10.0	2.0	2.4	3.1	3.9	3.7	5.0	3.5	3.8	6.9	5.8	6.2
Max Life	7.4	15.9	3.8	5.6	7.3	7.3	7.7	9.1	6.7	8.0	11.4	9.0	9.4
PNB MetLife	2.3	3.8	1.3	1.4	1.8	2.4	2.5	2.4	2.0	1.8	2.7	2.8	2.2
Pramerica Life	0.4	0.7	0.5	0.4	0.5	0.4	0.4	0.4	0.4	0.4	0.6	0.8	0.5
Reliance Nippon Life	0.9	2.5	0.8	0.6	0.9	0.9	0.8	2.0	0.8	1.0	1.6	1.4	1.2
SBI Life	12.7	19.8	9.5	13.7	15.8	20.5	17.3	20.8	18.4	21.4	44.6	21.2	14.8
Shriram Life	1.1	3.0	0.7	1.0	1.1	1.1	1.3	1.3	1.2	1.3	1.8	1.5	1.3
Star Union Dai-ichi Life	1.6	2.0	0.6	0.9	2.0	2.1	1.5	2.6	1.7	3.0	2.4	2.3	2.8
Tata Aia Life	8.0	15.2	4.3	5.9	8.5	8.4	7.3	10.3	6.4	7.1	12.3	9.3	10.9
Private Total	87.9	158.7	47.5	64.2	83.6	96.0	85.7	101.0	80.1	95.5	137.0	101.9	100.5
LIC	37.1	87.0	29.7	46.1	51.3	52.5	49.3	57.3	48.8	47.1	55.9	53.7	49.7
Grand Total	125.0	245.7	77.2	110.3	134.9	148.5	135.0	158.3	128.9	142.6	192.9	155.5	150.2

Source: Life Insurance Council, BOBCAPS Research

Fig 2 – GST relief: improves affordability, aids growth potential

Growth YoY (%)	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26
Aditya Birla Sun Life	17.4	31.3	(4.1)	25.4	2.0	17.4	1.3	21.7	7.8	40.5	21.9	11.8	4.7
Ageas Federal Life	28.4	7.4	(21.0)	1.9	22.9	50.5	3.0	(0.2)	17.7	58.3	107.2	30.9	(6.7)
Aviva Life	(34.0)	(34.6)	17.3	(26.1)	16.3	22.1	28.7	11.1	66.5	54.1	87.6	(55.7)	19.2
Bajaj Allianz Life	(0.8)	(4.0)	(0.3)	(0.2)	(13.7)	(6.5)	7.5	8.1	8.5	39.4	13.9	14.1	14.9
Bandhan Life	-	-	-	-	-	-	-	-	-	-	84.7	72.3	72.2
Bharti Axa Life	(16.9)	(0.2)	35.4	10.4	(13.0)	2.0	15.9	28.1	53.3	71.4	79.4	62.2	84.2
Canara HSBC Life	(11.2)	(8.3)	10.7	(1.4)	19.9	20.0	44.9	12.8	36.4	26.5	38.3	11.7	50.9
Edelweiss Tokio Life	12.7	6.2	(20.3)	(14.9)	16.6	29.1	19.2	(26.3)	16.1	40.2	48.6	1.0	(13.9)
Future Generali India Life	401.3	46.5	309.2	3.2	53.8	49.3	185.9	93.6	76.6	239.6	140.0	139.0	(66.9)
Godigit Life	87.8	134.2	108.7	(10.8)	6.9	44.7	112.7	37.4	86.0	44.9	101.8	52.8	54.6
HDFC Life	3.9	5.6	9.9	18.9	7.6	23.0	3.1	6.3	7.3	15.9	10.7	(5.7)	8.6
ICICI Prudential Life	13.3	32.3	4.8	1.1	10.5	16.2	34.9	9.0	8.6	(51.8)	31.8	10.8	15.7
IndiaFirst Life	110.9	72.4	19.4	38.6	47.2	29.7	33.2	(0.8)	(12.7)	3.8	21.0	30.7	(2.5)
Kotak Mahindra Life	(28.9)	(11.2)	18.8	6.9	(16.3)	38.1	42.5	10.1	(19.6)	56.3	27.5	10.7	25.6
Max Life	8.2	10.8	23.1	28.1	24.6	13.4	16.9	12.8	16.5	25.4	25.6	28.2	27.5
PNB MetLife	(6.3)	(7.6)	(2.5)	(6.9)	4.9	29.0	(18.3)	23.8	23.1	(12.0)	2.8	25.4	(1.5)
Pramerica Life	6.3	46.6	(46.2)	30.4	28.3	22.7	27.7	(3.6)	15.2	17.9	51.0	24.7	29.5
Reliance Nippon Life	(7.7)	11.2	(4.9)	(3.8)	(6.4)	9.6	2.3	48.1	38.4	29.8	44.9	49.9	38.3
SBI Life	(5.8)	1.6	7.6	13.2	10.3	14.7	1.0	16.3	19.2	29.8	21.3	3.0	17.1
Shriram Life	25.1	42.4	35.5	(24.1)	12.6	11.0	22.9	(2.0)	5.7	(39.7)	1.6	13.6	11.6
Star Union Dai-ichi Life	(23.8)	3.8	(2.0)	(9.2)	37.0	30.4	(40.1)	21.6	90.0	107.4	53.2	(29.4)	75.4
Tata Aia Life	20.4	5.2	2.1	10.8	36.3	35.0	13.9	(4.9)	9.4	25.9	16.7	20.4	36.3
Private Total	8.2	10.0	8.3	10.2	11.2	21.7	11.0	11.1	12.8	4.7	22.8	8.9	14.3
LIC	(23.2)	(4.3)	(1.3)	20.8	(9.0)	5.1	(0.2)	(3.8)	30.0	49.3	44.1	21.5	34.1
Grand Total	(3.5)	4.5	4.4	14.4	2.5	15.3	6.6	5.2	18.7	16.1	28.3	13.0	20.2

Source: Life Insurance Council, BOBCAPS Research

Fig 3 – Strong quarterly show

(Rs bn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Aditya Birla Sun Life	7.1	7.8	9.4	13.3	8.4	11.3	11.7	17.2	9.1	12.8	14.4
Ageas Federal Life	0.9	1.7	1.5	2.2	1.5	2.5	1.8	2.6	1.6	2.9	2.9
Aviva Life	0.9	0.8	0.7	1.1	0.7	0.6	0.4	1.1	0.7	0.8	0.7
Bajaj Allianz Life	14.0	16.0	17.8	25.6	16.3	21.2	17.5	25.3	15.4	21.9	20.8
Bandhan Life	-	-	-	-	0.1	0.1	0.5	1.1	0.5	0.9	1.0
Bharti Axa Life	1.2	1.7	1.5	2.0	1.1	1.7	1.5	2.0	1.2	2.0	2.5
Canara HSBC Life	4.2	5.4	4.7	6.9	6.4	5.3	7.6	6.3	7.3	6.6	9.9
Edelweiss Tokio Life	0.7	1.1	1.1	2.2	0.8	1.3	1.2	2.5	0.8	1.3	1.6
Future Generali India Life	0.7	1.0	1.2	3.0	0.8	1.0	1.3	8.3	1.7	2.0	3.4
Godigit Life	0.0	0.3	0.4	0.6	1.3	1.3	0.7	1.0	1.6	2.0	1.3
HDFC Life	23.4	30.4	31.5	46.2	28.5	37.7	34.9	51.1	31.9	41.8	38.8
ICICI Prudential Life	18.1	26.7	24.0	43.8	22.9	31.4	47.7	55.0	24.2	37.4	37.8
IndiaFirst Life	3.3	4.5	4.0	3.1	2.2	3.8	4.2	5.5	3.0	4.6	4.4
Kotak Mahindra Life	6.7	9.4	9.8	22.0	7.6	9.9	12.2	20.2	7.5	12.5	14.2
Max Life	10.7	16.2	18.6	27.5	13.3	21.1	21.2	30.4	16.7	24.1	26.1
PNB MetLife	4.2	5.8	6.2	8.9	4.5	6.9	6.4	8.3	4.5	7.3	6.6

(Rs bn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Pramerica Life	1.2	0.7	0.9	1.1	1.5	1.0	1.0	1.7	1.3	1.2	1.3
Reliance Nippon Life	2.6	2.6	2.8	4.0	2.5	2.9	2.4	4.2	2.4	3.7	3.4
SBI Life	29.9	51.7	60.9	53.0	35.3	52.9	68.6	53.0	39.1	58.6	84.3
Shriram Life	3.8	2.4	2.6	4.0	2.8	3.4	5.1	5.5	2.8	3.7	4.3
Star Union Dai-Ichi Life	3.1	5.2	4.6	5.5	3.0	6.2	3.9	6.9	3.5	6.1	7.2
Tata Aia Life	13.3	17.4	19.6	28.0	15.8	23.4	22.0	30.9	18.7	26.0	25.8
Private Total	150.1	209.3	224.0	304.3	177.3	247.1	273.9	340.1	195.3	282.7	312.7
LIC	106.1	137.6	130.6	199.3	124.6	158.8	107.9	168.3	127.1	159.0	151.8
Grand Total	256.2	346.9	354.5	503.5	301.9	405.9	381.8	508.4	322.4	441.8	464.4

Source: Life Insurance Council, BOBCAPS Research

Fig 4 – Robust quarterly APE growth

Growth YoY (%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Aditya Birla Sun Life	31.2	(5.1)	1.7	(4.5)	17.8	45.0	24.6	29.1	8.1	14.2	23.0
Ageas Federal Life	96.7	78.6	14.1	29.7	58.7	45.1	15.9	17.4	7.1	16.6	62.7
Aviva Life	82.3	27.2	1.8	(12.7)	(27.5)	(18.3)	(43.0)	(0.1)	2.1	21.0	70.3
Bajaj Allianz Life	9.6	58.1	18.8	17.4	16.2	33.1	(1.7)	(1.1)	(5.5)	2.9	18.9
Bandhan Life	-	-	-	-	-	-	-	-	549.8	637.2	103.2
Bharti Axa Life	(18.5)	(9.7)	(21.6)	(29.8)	(8.9)	1.3	0.8	(3.2)	5.4	17.8	70.2
Canara HSBC Life	5.8	17.5	(3.0)	(6.8)	50.3	(1.2)	62.5	(8.5)	14.4	24.1	30.2
Edelweiss Tokio Life	(5.3)	11.9	12.4	(3.9)	22.5	14.0	1.5	11.7	(2.7)	0.4	38.0
Future Generali India Life	(55.2)	(33.5)	9.6	19.1	18.0	(3.8)	10.1	176.2	98.9	104.0	151.5
Godigit Life	-	-	-	-	-	346.5	79.2	84.3	24.5	54.6	78.1
HDFC Life	21.6	15.5	(1.3)	(9.1)	21.6	24.2	10.7	10.5	12.0	10.6	11.3
ICICI Prudential Life	(4.5)	1.3	2.3	13.4	26.0	17.5	98.9	25.7	5.8	19.2	(20.8)
IndiaFirst Life	4.1	1.1	(20.2)	(42.5)	(33.4)	(15.5)	4.1	77.9	37.8	18.8	5.0
Kotak Mahindra Life	17.9	15.4	8.3	20.3	13.6	5.7	24.5	(8.5)	(1.8)	26.4	16.3
Max Life	10.3	35.6	20.9	10.0	23.6	30.7	14.0	10.5	25.4	14.3	23.1
PNB MetLife	22.1	(2.1)	2.6	3.4	7.2	19.0	2.4	(6.7)	(1.2)	6.4	3.1
Pramerica Life	145.7	30.5	44.2	33.0	24.1	49.3	15.8	46.5	(13.0)	13.9	29.8
Reliance Nippon Life	6.4	10.5	5.6	12.1	(2.7)	13.6	(13.2)	5.6	(5.2)	25.1	38.6
SBI Life	4.2	33.2	12.9	18.1	18.1	2.3	12.7	0.1	10.6	10.8	22.9
Shriram Life	178.9	47.9	46.1	52.7	(28.1)	41.4	93.0	38.6	(0.0)	9.5	(15.5)
Star Union Dai-Ichi Life	(43.6)	(30.6)	(2.3)	6.9	(1.6)	17.4	(14.2)	24.2	14.1	(0.7)	81.5
Tata Aia Life	21.1	16.3	8.4	(8.1)	18.9	34.5	12.3	10.6	18.5	10.9	17.1
Private Total	8.4	14.3	7.7	5.6	18.1	18.1	22.3	11.8	10.2	14.4	14.2
LIC	(7.8)	(12.9)	(6.3)	16.6	17.5	15.4	(17.4)	(15.6)	2.0	0.1	40.7
Grand Total	1.0	1.7	2.1	9.7	17.9	17.0	7.7	1.0	6.8	8.8	21.7

Source: Life Insurance Council, BOBCAPS Research

Fig 5 – Policy volumes saw strong growth

Growth YoY (%)	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26
Acko Life	506.9	38.2	71.3	3.6	(54.0)	(0.6)	1.2	2.8	3.0	2.5	(19.6)	1.5	68.2
Aditya Birla Sun Life	14.2	12.2	0.6	19.8	(16.1)	9.4	3.9	12.2	(28.6)	13.8	13.4	6.9	18.7
Ageas Federal Life	(4.5)	0.1	(20.2)	(4.4)	11.8	21.4	(5.5)	(0.5)	14.8	28.8	13.9	7.6	(11.9)
Aviva Life	(30.4)	(47.2)	(8.3)	11.6	20.7	43.7	29.9	15.7	(0.1)	31.3	32.5	29.5	51.8
Bajaj Allianz Life	2.7	(22.6)	(11.7)	(8.7)	(20.0)	(18.6)	(18.3)	(15.6)	1.1	25.3	10.7	14.4	22.4
Bandhan Life	257.9	(23.6)	131.5	157.5	137.5	104.5	57.9	50.6	2.9	9.4	6.1	3.6	27.2
Bharti Axa Life	(31.6)	(28.8)	(12.2)	(34.6)	(8.8)	(25.7)	(26.6)	(33.3)	40.7	(64.8)	(3.1)	63.3	14.6
Canara HSBC Life	(13.6)	(2.5)	(8.7)	(39.9)	6.7	(8.8)	9.2	(7.9)	99.7	25.2	11.2	8.4	36.9
Credit Access Life	136.4	59.1	412.5	20.0	(28.6)	(66.3)	(64.8)	(66.7)	(56.8)	(38.5)	(62.5)	47.8	(42.3)
Edelweiss Tokio Life	(40.6)	(6.4)	(29.1)	(20.2)	49.2	4.6	31.1	22.5	77.0	92.1	96.8	(8.2)	(15.6)
Future Generali India Life	11.0	10.0	28.6	34.2	42.3	49.7	199.1	146.2	172.9	158.3	180.9	165.0	130.7
Godigit Life	-	-	-	-	-	-	-	-	-	-	272.5	232.1	164.9
HDFC Life	(9.7)	(5.2)	(11.3)	(3.4)	6.6	3.3	(14.5)	4.7	3.4	14.1	15.4	0.5	14.5
ICICI Prudential Life	(18.4)	(12.0)	8.4	(2.6)	4.3	0.6	(15.6)	3.0	9.0	36.9	(3.9)	1.4	17.3
IndiaFirst Life	64.1	41.0	3.9	18.9	29.2	31.0	(11.8)	(30.7)	(26.2)	(6.7)	12.8	(41.5)	(14.1)
Kotak Mahindra Life	(24.0)	(23.8)	(44.9)	52.6	5.0	13.3	32.6	7.4	49.1	109.8	6.5	25.5	28.4
Max Life	(8.1)	3.7	8.5	(7.1)	26.3	13.3	32.3	(11.5)	56.1	20.5	33.3	30.4	24.7
Pnb MetLife	(1.1)	(25.2)	(27.6)	(33.3)	5.7	28.5	(48.1)	(10.2)	2.5	(26.5)	1.0	49.3	(4.4)
Pramerica Life	(1.1)	16.5	13.5	29.4	16.3	39.1	50.0	23.3	21.6	18.3	20.1	25.7	59.0
Reliance Nippon Life	(13.6)	(24.8)	0.9	(14.4)	(30.5)	(32.2)	(27.8)	(21.5)	21.3	9.8	7.2	1.7	(12.4)
SBI Life	(10.4)	4.5	(13.4)	(9.4)	6.8	8.4	(9.1)	(4.1)	4.5	18.9	17.6	(1.2)	4.3
Shriram Life	(22.4)	(8.3)	(46.5)	(32.3)	(22.9)	(29.1)	(25.1)	(15.7)	22.1	23.4	19.7	27.4	25.1
Star Union Dai-ichi Life	(30.6)	(19.3)	(16.2)	(21.6)	(7.6)	1.9	(12.1)	32.0	51.3	48.9	35.0	(35.7)	97.2
Tata Aia Life	41.4	5.4	10.3	61.1	41.0	67.7	65.7	7.4	(12.5)	30.8	6.6	11.3	18.8
Private	(5.2)	(5.0)	(9.5)	(2.0)	5.9	7.2	(2.0)	(2.1)	10.5	22.8	15.1	8.3	16.7
LIC	(29.9)	(23.4)	(15.3)	(14.6)	(14.7)	(10.2)	(14.2)	(42.3)	119.9	69.8	52.3	9.6	26.9
Grand Total	(22.2)	(18.9)	(13.2)	(10.4)	(7.9)	(4.6)	(10.3)	(31.4)	62.7	48.4	35.4	9.1	23.0

Source: Life Insurance Council, BOBCAPS Research

Fig 6 – Sum assured trends highlight the growing Insurance depth

(Rs bn)	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26
Acko Life	6	9	5	5	6	7	7	16	21	20	19	24	24
Aditya Birla Sun Life	330	484	216	288	320	299	293	485	277	315	353	361	264
Ageas Federal Life	29	33	14	23	31	35	27	30	59	41	284	41	35
Aviva Life	67	123	189	117	136	121	168	67	94	85	105	47	70
Bajaj Allianz Life	451	653	459	437	415	597	480	532	562	521	592	779	614
Bandhan Life	13	17	7	9	6	10	10	24	11	12	19	23	36
Bharti Axa Life	9	17	168	87	10	12	39	79	99	18	16	80	34
Canara HSBC Life	128	188	66	62	1,654	189	221	145	163	220	126	102	106
Credit Access Life	(241)	28	13	12	12	306	13	27	74	16	19	26	21
Edelweiss Tokio Life	8	18	2	4	6	5	5	6	4	5	9	7	25
Future Generali India Life	118	37	18	34	34	53	37	104	97	43	53	47	61
Godigit Life	299	197	1,375	443	361	1,321	502	583	314	200	314	540	391
HDFC Life	1,145	1,548	1,403	1,290	1,174	1,508	1,284	1,304	1,330	1,390	1,601	1,483	1,396
ICICI Prudential Life	834	1,094	1,727	980	1,007	1,086	872	1,099	1,120	1,087	1,182	1,657	1,096
IndiaFirst Life	135	238	102	77	2,010	131	140	161	151	96	158	216	157

(Rs bn)	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26
Kotak Mahindra Life	206	329	156	341	225	267	253	272	326	308	342	331	359
Max Life	458	761	507	598	754	576	576	597	643	607	721	671	568
PNB MetLife	68	235	(365)	95	127	142	227	123	112	95	129	189	161
Pramerica Life	124	115	137	97	112	123	77	68	96	81	64	125	163
Reliance Nippon Life	13	31	15	13	15	16	17	45	40	21	25	22	16
SBI Life	604	1,787	804	924	1,003	1,904	1,360	1,123	876	974	1,867	1,256	627
Shriram Life	94	143	139	116	78	126	158	100	148	180	103	150	107
Star Union Dai-Ichi Life	378	117	65	69	296	81	166	138	84	97	113	99	112
Tata Aia Life	962	915	460	922	920	938	851	1,014	769	895	1,251	985	920
Private Total	6,237	9,115	7,681	7,040	10,709	9,851	7,784	8,142	7,471	7,328	9,466	9,259	7,363
LIC	876	2,615	754	1,130	1,036	2,139	3,687	2,583	2,231	1,319	1,340	1,560	1,889
Grand Total	7,113	11,730	8,434	8,170	11,744	11,990	11,471	10,725	9,702	8,647	10,805	10,820	9,252

Source: IRDAI, BOBCAPS Research

Fig 7 – Positive sum assured growth over past months

Growth YoY (%)	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26
Acko Life	8.7	22.0	(27.3)	(2.1)	17.8	12.5	29.8	238.8	336.9	222.0	231.3	324.2	294.0
Aditya Birla Sun Life	(41.5)	1.4	(4.7)	(13.5)	(28.4)	(44.1)	(39.9)	37.7	(36.7)	90.6	5.8	12.2	(19.9)
Ageas Federal Life	25.4	3.0	(18.4)	29.2	35.1	49.0	9.8	17.0	189.0	134.1	-	92.8	19.5
Aviva Life	20.6	5.0	100.5	35.8	239.9	165.2	97.3	45.3	419.0	144.8	288.5	(86.8)	5.3
Bajaj Allianz Life	(13.4)	19.0	2.6	(7.1)	(26.8)	(8.4)	19.9	(30.0)	24.2	(13.9)	5.7	66.4	36.0
Bandhan Life	9.7	-	(35.1)	(19.0)	(42.7)	(5.3)	0.7	54.9	(21.6)	(14.7)	16.5	54.0	172.8
Bharti Axa Life	(0.7)	(4.2)	-	-	21.9	24.3	310.4	461.8	975.1	95.9	16.1	658.8	269.7
Canara HSBC Life	101.5	58.1	20.3	54.9	26.5	-	-	136.6	182.0	134.1	54.6	14.8	(17.1)
Credit Access Life	-	72.6	239.4	137.9	78.1	-	97.5	386.6	28.9	168.2	68.9	(90.6)	(108.8)
Edelweiss Tokio Life	(20.7)	(4.6)	(42.6)	(18.6)	(9.2)	0.6	(15.9)	(35.0)	39.5	11.3	(22.2)	4.5	225.7
Future Generali India Life	464.6	(29.0)	(41.0)	88.1	80.0	77.5	(15.6)	183.2	392.6	131.7	137.5	41.5	(48.4)
Godigit Life	276.1	47.6	164.3	(56.5)	(34.9)	98.3	44.7	6.9	49.9	(5.2)	87.7	86.4	30.8
HDFC Life	2.4	11.1	58.0	(6.4)	6.9	29.3	13.0	17.3	35.1	39.3	41.1	25.2	21.9
ICICI Prudential Life	3.2	(1.3)	75.9	10.2	18.0	8.7	(10.5)	12.5	23.1	13.8	10.7	17.5	31.5
IndiaFirst Life	(3.2)	85.1	(77.9)	(34.9)	46.3	(48.2)	20.5	(3.3)	(0.9)	(2.2)	24.1	(20.2)	16.6
Kotak Mahindra Life	(25.1)	(15.6)	(11.6)	75.7	2.5	(14.1)	16.9	18.0	130.8	0.7	50.6	28.7	74.6
Max Life	(0.3)	30.7	19.7	53.1	64.4	20.2	20.2	23.4	73.3	40.7	56.3	49.8	24.1
PNB MetLife	(64.1)	32.4	(648.2)	(10.0)	11.8	(2.6)	102.3	2.0	50.3	(34.6)	13.8	90.3	135.0
Pramerica Life	4.1	16.2	36.4	19.7	10.6	3.7	(20.7)	12.0	31.0	27.6	45.2	(22.7)	31.5
Reliance Nippon Life	(6.5)	9.7	34.5	(3.9)	8.0	(1.0)	31.2	(26.0)	11.0	(51.8)	33.5	30.6	30.9
SBI Life	(12.0)	51.3	98.4	133.4	87.7	193.5	84.2	30.3	17.6	10.0	55.2	34.5	3.7
Shriram Life	21.1	12.9	42.3	(66.8)	(9.3)	17.9	75.5	16.9	(47.2)	(23.6)	(23.7)	36.9	13.9
Star Union Dai-Ichi Life	148.0	24.3	3.8	58.8	517.7	16.1	39.4	98.2	61.1	49.1	(3.3)	(37.7)	(70.2)
Tata Aia Life	38.3	(25.7)	(18.7)	40.4	14.6	0.8	(2.6)	4.4	(7.2)	33.1	9.9	13.2	(4.4)
Private Total	2.1	31.9	46.2	12.9	31.2	36.5	21.1	15.1	25.5	20.4	34.1	18.5	18.1
LIC	(7.1)	25.2	(34.5)	18.8	21.6	(18.0)	167.3	12.1	(11.0)	18.7	33.7	9.7	115.6
Grand Total	0.9	30.3	31.7	13.7	30.3	22.1	46.9	14.3	14.7	20.1	34.0	17.1	30.1

Source: IRDAI, BOBCAPS Research

Further, Sabka Bima Sabki Raksha Act 2025, which came into force on Feb 5, 2026, is expected to act as a catalyst for the Insurance sector; thereby marking the transition from a phase of protection to a period of accelerated growth for the players. By permitting 100% FDI in the Insurance sector, legislation has opened the door to a global pool of capital while enabling access to advanced technologies and innovation.

Life Insurance industry remains highly concentrated, with top 7 players, together, accounting for ~83% of total APE in FY25.

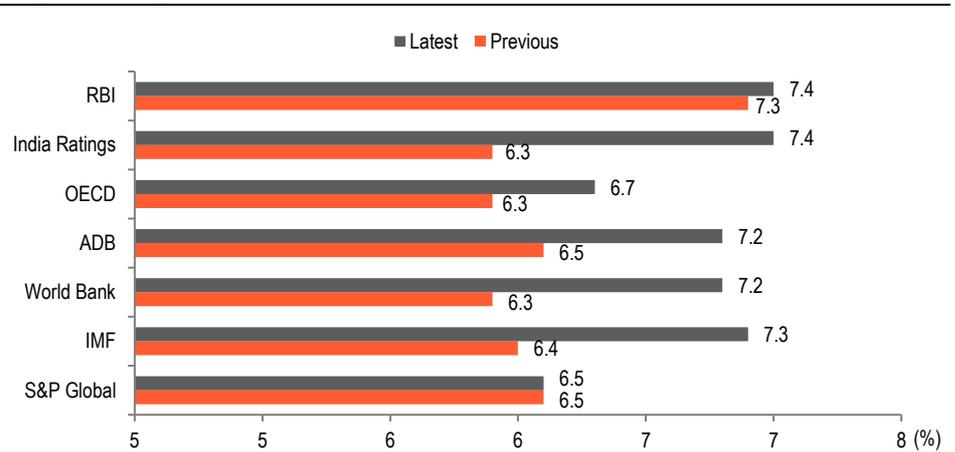
Going ahead, we believe that the period would be characterised by industry consolidation and the emergence of highly personalised, digitally driven insurance solutions. Beyond lowering entry barriers, the regulatory shift also places greater emphasis on transparency, operational discipline, and data-driven efficiency across the industry.

Supportive macro backdrop

The broader macroeconomic environment has remained supportive. Despite geopolitical tensions, currency volatility, and heightened global uncertainty through 2025, India’s domestic economy demonstrated resilience, supported by strong consumption trends, moderating inflation, and a cumulative 125bps policy rate cut by the RBI.

GST rationalisation boosted disposable incomes, while allowing 100% foreign ownership in the sector- signaled a policy push to deepen insurance penetration and attract overseas investment.

Fig 8 – GDP growth forecasted at 6.5%-7.4%



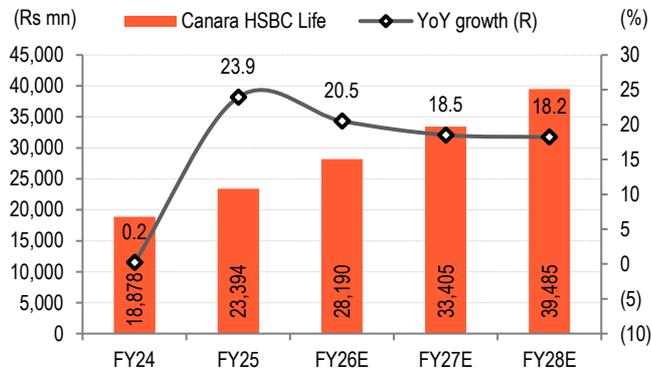
Source: Industry, BOBCAPS Research

Amidst this backdrop, the Life Insurance industry continued to witness healthy growth in terms of APE and VNB while recalibrating its strategic priorities. Greater customer awareness, regulatory emphasis on product suitability and policy persistence, and the steady expansion of distribution networks — all supported sector growth without undermining balance-sheet discipline. At the same time, protection and non-participating products gained traction as households increasingly prioritised long-term financial security over short-term returns.

Growth drivers heading into FY27 are becoming more balanced and sustainable. Protection demand continues to strengthen, witnessed by robust growth in Q3FY26/9MFY26, as households increasingly recognise financial vulnerabilities, even as large sections — especially in rural and semi-urban areas—remain underinsured. Rising awareness and improving affordability are gradually converting intent into purchases. At the same time, annuity and retirement solutions are gaining traction as more households begin planning earlier for retirement, creating a structural opportunity. We believe the outlook for Life Insurance sector in FY27 and ahead is one of the most sustained acceleration and structural transformation.

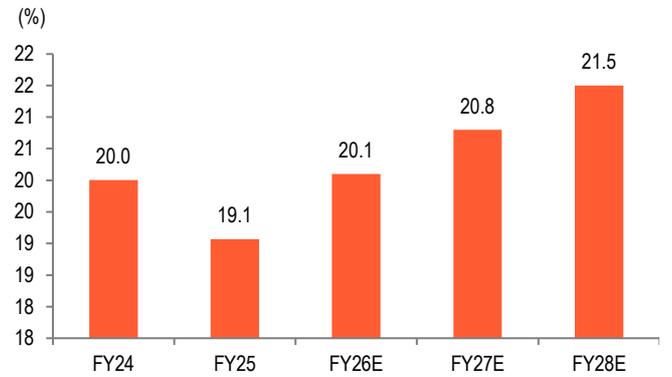
Swiss Re expects the life insurance premiums to increase by 3.4% in CY25 and then 3.5% in CY26. Over a longer period (between 2026 and 2030), it expects the premiums to grow by 6.8%.

Fig 9 – CANHLIFE APE at 19% CAGR over FY25-FY28E



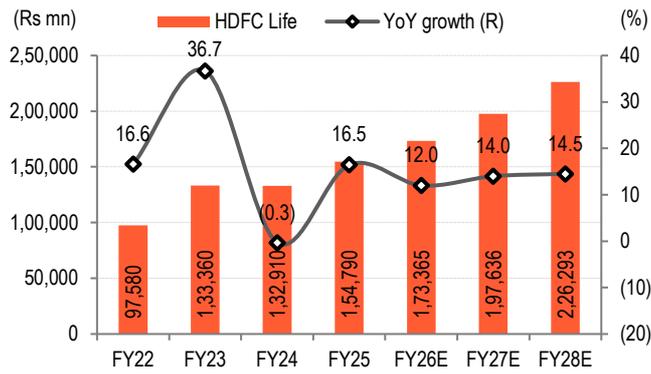
Source: Company, BOBCAPS Research

Fig 10 – CANHLIFE margins poised to exceed FY24 peak



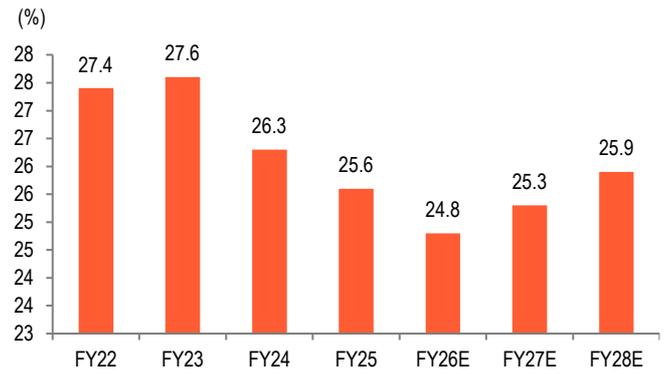
Source: Company, BOBCAPS Research

Fig 11 – HDFC Life APE at 14% CAGR over FY25-FY28E



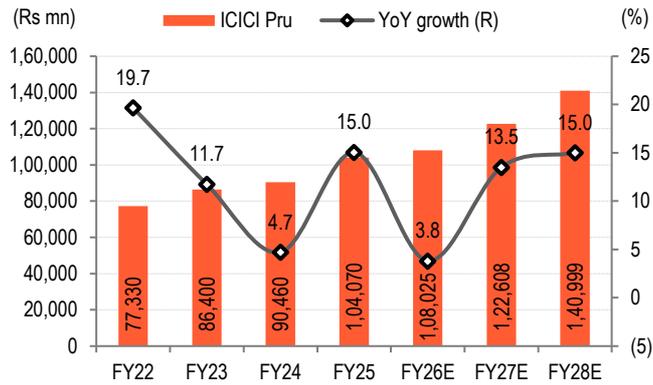
Source: Company, BOBCAPS Research

Fig 12 – HDFC Life set to recover after recent softness



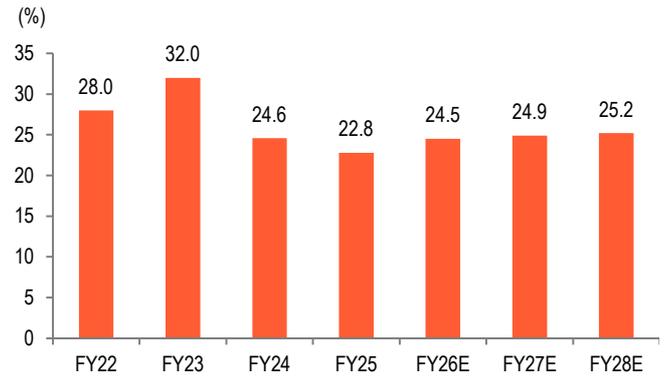
Source: Company, BOBCAPS Research

Fig 13 – ICICI Pru APE at 11% CAGR over FY25-FY28E



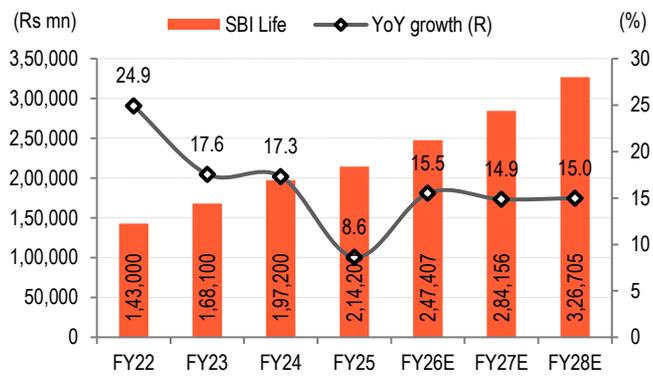
Source: Company, BOBCAPS Research

Fig 14 – ICICI Pru Life margins to improve



Source: Company, BOBCAPS Research

Fig 15 – SBI Life APE at 15% CAGR over FY25-FY28E



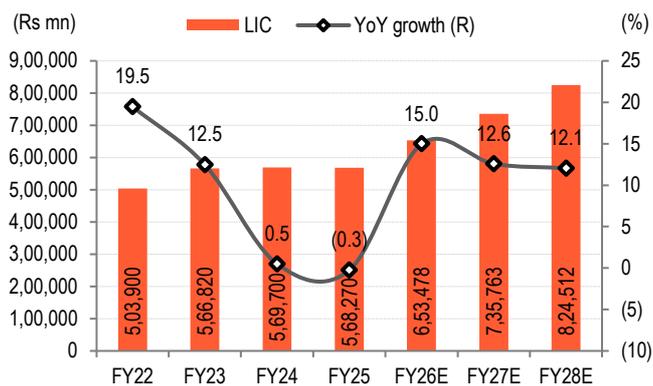
Source: Company, BOBCAPS Research

Fig 16 – SBI Life steady margin trajectory ahead



Source: Company, BOBCAPS Research

Fig 17 – LIC APE at 13% CAGR over FY25-FY28E



Source: Company, BOBCAPS Research

Fig 18 – LIC VNB margins on a gradual uptrend



Source: Company, BOBCAPS Research

Looking into FY27, demand for return-guarantee insurance products is expected to strengthen, supported by a widening spread between government bond yields and bank deposit rates. A differential of 70-100bps between G-sec yields and fresh deposit rates is likely to enhance the relative attractiveness of such products.

However, future growth will also depend on the demand for unit-linked insurance plans (ULIPs) and broader optimism on equity market returns, which tend to influence retail insurance sales off take.

Further, private life insurers were initially expected to grow at ~12% in FY26, vs 9% growth in FY25. However, the year-to-date APE growth stood at 13%, hence, private life insurers are now on track to outperform the earlier forecasts.

At the current market valuations, we prefer insurers with strong distribution capabilities and profitability metrics, particularly HDFC Life Insurance and LIC.

Protection segment likely to outpace overall life insurance sector

Almost all the life insurers witnessed a significant improvement in volumes, following GST exemption on life insurance premiums, with the rate being reduced from 18% to 0%. This structural change has significantly enhanced product affordability, particularly in protection-oriented offerings where price sensitivity is typically higher. Previously, higher upfront premium often discouraged first-time buyers and mass-market customers, limiting penetration in the core protection segment. The impact of this policy change is visible in the continued strong protection growth of 13-91% YoY in Q3FY26. Further, a high-ticket protection policy gained traction, and improved persistency suggests a move towards suitability-led selling. Consequently, the protection segment's share for private players increased from 7-16% in Q3FY25 to 6-18% in Q3FY26; indicating continued steady traction.

This translated into private life insurers delivering VNB expansion of ~30-200 bps, except for HDFC Life, which reported a 75bps decline in 9MFY26. The improvement across peers was primarily driven by a favourable product-mix shift towards higher-margin protection products, along with better rider attachment ratios. Consequently, VNB margins for private players stood in the 20-27% range in 9MFY26 (20-27% in Q3FY26). For LIC, the VNB margin expanded by 186 bps to 21.2% in Q3FY26.

Fig 19 – Protection growth (on APE basis) outperforms the overall APE growth for most players

Growth YoY (%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Canara HSBC	-	-	-	-	-	-	-	-	33.4	-	-
HDFC Life	19.4	13.6	(15.6)	(12.7)	(4.2)	(4.3)	25.0	(3.8)	20.6	17.2	19.9
ICICI Pru Life	4.2	2.6	5.3	(4.6)	3.2	7.9	8.9	9.0	15.2	(0.5)	19.0
Max Fin	17.6	72.9	70.4	(78.9)	(12.5)	3.3	(11.8)	672.4	31.0	35.5	90.8
SBI Life	15.6	55.6	(2.2)	5.5	(18.9)	(28.6)	20.0	22.4	53.3	18.0	13.0
LICI	-	-	-	(60.9)	15.2	24.5	11.1	(24.8)	2.6	(1.6)	54.0

Source: Company, BOBCAPS Research

Fig 20 – APE growth trend of listed players

Growth YoY (%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Canara HSBC	-	-	-	-	-	-	-	-	4.4	17.1	37.5
HDFC Life	12.8	6.7	(2.1)	(8.4)	23.1	26.8	11.9	9.6	12.5	8.6	11.3
ICICI Pru Life	(3.9)	3.2	4.7	9.6	34.4	21.4	27.8	(3.1)	(5.0)	(3.2)	3.6
Max Fin	10.3	38.8	18.9	13.1	30.5	31.3	17.4	5.8	14.8	15.5	29.6
SBI Life	4.5	33.1	12.9	17.1	20.1	3.1	13.2	2.3	9.1	10.4	23.9
LICI	(7.2)	(12.5)	6.9	10.7	21.3	25.7	(24.4)	(11.0)	9.4	(0.5)	50.5

Source: Company, BOBCAPS Research

Fig 21 – Protection mix on APE basis for private players stood at 6%-18% in Q3FY26

Mix (%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Canara HSBC	-	-	-	-	8.3	-	-	-	10.6	6.2	5.7
HDFC Life	18.0	16.2	11.6	9.4	14.0	12.3	13.0	8.2	15.0	13.2	14.0
ICICI Pru Life	23.5	18.9	18.8	12.0	18.1	16.8	16.0	13.5	21.9	17.3	18.4
Max Fin	19.0	15.5	14.5	1.5	20.0	12.2	10.9	11.0	23.0	14.3	16.0
SBI Life	12.2	13.4	7.3	10.9	8.2	9.3	7.8	13.1	11.6	9.9	7.1
LICI	0.3	0.4	0.3	0.5	0.3	0.4	0.5	0.4	0.3	0.4	0.5

Source: Company, BOBCAPS Research

Protection-related commentaries

Fig 22 – Management commentaries and expectations

Protection related commentaries	
Q3FY26	
Canara HSBC Life	<ul style="list-style-type: none"> Share of protection in the mix improved from 4% in 9MFY25 to 7% in 9MFY26, with individual protection rising 3x sequentially in 3QFY26, aided by GST-led demand and credit life growth of 53% YoY for 3QFY26. Management targets a double-digit contribution from the protection segment on the back of GST exemption, boosting individual protection and the company's continued focus on credit life protection.
HDFC Life	<ul style="list-style-type: none"> Retail protection delivered strong 42% YoY growth for 9MFY26 and 70% YoY in Q3FY26, significantly outpacing the overall company growth. Protection share increased to 14% in Q3FY26 vs. 13% in Q3FY25. Rider attachment remained strong, and including riders, protection contribution to retail business now stands in double digits at 11% in Q3. GST reduction has been the key catalyst, driving strong growth in the protection segment during Q3 — a trend that is expected to sustain.
ICICI Pru Life	<ul style="list-style-type: none"> Retail protection segment recorded 40.8% YoY growth in 3QFY26. Protection segment remains a core focus area for the company and is viewed as a multi-decade growth opportunity. Once GST waiver was announced, demand from consumers picked as the product got cheaper by 18%. Bulk of retail protection is pure term, and the share of ROP has remained broadly stable, inching lower to around 10%, having stayed in the 10- 15% range. Management expects a sustained growth momentum in retail protection.
Max Fin	<ul style="list-style-type: none"> In Q3FY26, protection segment delivered strong growth, supported by GST-related tailwinds and a targeted execution approach. Retail protection grew by 99% YoY, with pure protection growing by 95% YoY and riders by over 100%. Group credit protection business continued scaling steadily; was up 45% YoY, ahead of the industry average — resulting in increasing penetration and robust partner engagement.
SBI Life	<ul style="list-style-type: none"> Protection segment contributed ~9% to the APE, to Rs 16.6 bn in 9MFY26. The segment delivered a strong performance, registering 13% YoY growth in Q3FY26 on an APE basis. Individual protection APE was at Rs 6.4 bn, which grew 21% YoY in 9MFY26. Notably, the pure protection segment witnessed significant traction, with individual APE surging 98% YoY, driven by rising awareness and increasing demand for comprehensive financial protection. Consequently, individual sum assured in the protection segment grew by 87% YoY. Group protection APE grew 26% YoY in 9MFY26 to Rs 10.2bn. Credit life APE grew by 20% YoY and was at Rs 2.1 bn. Hence, protection segment outpaced the company's overall (APE) growth. The company maintains strong focus on the protection business that remains a key pillar of growth strategy.
Q2FY26	
Canara HSBC Life	<ul style="list-style-type: none"> Share of protection has increased to ~8% in H1FY26 from 4% in FY25, with growth being evident across both individual and group credit life segments. Within protection, group credit life continues to contribute to the majority of business. However, individual protection segment is gaining traction, with demand steadily picking up. The company plans to maintain a balanced focus on both individual and group protection segments, going forward.
HDFC Life	<ul style="list-style-type: none"> Retail protection grew 27% YoY in H1FY26, outpacing overall company growth. Protection business constituted 7% of individual APE mix in 1HFY26 vs. 6% in 1HFY25. In terms of overall APE, it grew from 13% YoY to 14% YoY.

Protection related commentaries	
	<ul style="list-style-type: none"> The segment witnessed ~3x growth compared to overall company growth, contributing positively to VNB margin. Going forward, the company expects strong momentum in the protection segment to sustain, thereby contributing meaningfully to overall business growth.
ICICI Pru Life	<ul style="list-style-type: none"> Overall protection business witnessed a flat performance YoY in Q2FY26. Total protection APE grew 6.7% YoY in H1FY26 and contributed 19.3% to APE. Within this, retail protection APE grew 10.8% YoY in H1FY26 and contributed 7.2% to APE. Volume of protection is expected to rise in the coming quarters.
Max Fin	<ul style="list-style-type: none"> For the company, protection remains a preferred segment and a key growth driver. Retail protection segment registered a strong 34% YoY growth, enabling the company to achieve the highest market share in 1HFY26, supported by robust traction in the pure protection category. As a result, retail protection and health segments contributed ~13% of overall APE, growing 36% YoY growth, aided by a healthy rider attachment rate of 37%. Additionally, group credit protection business continues to scale steadily, witnessing 24% growth in 2Q, significantly outpacing the industry average.
SBI Life	<ul style="list-style-type: none"> Q2 saw a shift in the product mix with individual and group protection segments witnessing robust growth. Overall, protection segment grew 31% YoY on APE basis in H1FY26. Individual protection APE is up 16% YoY to Rs 3.7 bn in H1FY26 The company continues to maintain a strong focus on the protection business, which remains a key pillar of our growth strategy The company expects to increase its protection share to above 10% of APE, and it is in line with 1H growth.
Q1FY26	
HDFC Life	<ul style="list-style-type: none"> Retail protection continued to grow faster than the company average, delivering robust growth of 19% on a YoY basis and a strong 2-year CAGR of 23%. Credit protect saw a recovery, aided by higher disbursements, improved attachment rates and expansion into new lending segments. The company maintained its leadership position in overall sum assured, reinforcing its market leadership in protection.
ICICI Pru	<ul style="list-style-type: none"> Retail protection segment continues witnessing strong momentum, given its inherently low dependence on market conditions. This strength is reflected in a robust 24% YoY growth in the retail protection business.
Max Fin	<ul style="list-style-type: none"> Pure protection portfolio reported a healthy growth of 26% YoY. Retail protection jumped 60% YoY, whereas Group protection declined 42% YoY.
SBI Life	<ul style="list-style-type: none"> Protection plans have gained strong traction, with the segment delivering robust 53% YoY growth on an APE basis and contributing ~11.6% to total APE at Rs 4.6 bn. Group protection new business stood at Rs 8.1 bn on NBP basis, registering a strong growth of 42% YoY, while credit life new business grew 25% YoY to Rs5.9 bn. As the insurance landscape evolves, the need for comprehensive protection solutions is becoming increasingly critical.

Source: Company, BOBCAPS Research

Life insurers intensify focus on annuity and pension products

Life insurers are sharpening focus on annuity and pension products, positioning to capitalise on the ageing population and drive long-term growth.

Pension and annuity segments, together, form 18.87% of the total industry premium in FY25. This segment is growing faster than the industry for most insurance companies. In FY25, industry gross premium increased to 6.7% YoY.

SBI Life Insurance reported robust growth of 42.9% YoY, on APE basis in Q3FY26, contributing to 2.3% of the mix (on APE basis) and 16% (on NBP basis).

Fig 23 – Annuity growth momentum on APE basis reflects focused expansion

Growth YoY (%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Canara HSBC	-	-	-	-	-	-	-	-	51.9	-	-
HDFC Life	45.0	10.4	(45.3)	35.4	(31.6)	(12.4)	5.2	31.0	12.5	8.6	11.3
ICICI Pru Life	(7.1)	(6.7)	17.3	261.2	135.2	73.0	50.0	(57.8)	(53.3)	(46.8)	(16.4)
Max Fin	290.0	266.3	(23.9)	32.2	(6.8)	25.6	(3.8)	(9.5)	35.0	117.4	168.6
SBI Life	85.7	23.1	14.3	-	(7.7)	(25.0)	(12.5)	(6.3)	8.3	50.0	42.9
LICI	-	-	-	(60.1)	24.2	55.0	(9.1)	(3.7)	1.4	(30.6)	23.8

Source: Company, BOBCAPS Research

Fig 24 – Evolving product mix with rising annuity share on APE basis

Growth YoY (%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Canara HSBC	-	-	-	-	10.3	-	-	-	15.0	16.5	7.9
HDFC Life	9.0	7.2	5.3	4.2	5.0	5.0	5.0	5.0	5.0	5.0	5.0
ICICI Pru Life	6.2	6.1	6.4	17.0	10.9	8.7	7.5	7.4	5.4	4.8	6.1
Max Fin	7.0	5.3	6.0	5.8	5.0	5.1	4.9	5.0	6.0	9.5	10.2
SBI Life	4.3	3.1	2.6	3.0	3.3	2.2	2.0	2.8	3.3	3.0	2.3
LICI	3.0	2.7	2.6	2.8	3.1	3.4	3.1	3.0	2.9	2.4	2.6

Source: Company, BOBCAPS Research

Growth momentum remains resilient, amid regulatory headwinds

Indian life insurance industry has successfully navigated significant regulatory changes, thereby demonstrating resilience while sustaining growth. Key reforms included:

1. The Finance Act 2021 capping tax-exempt ULIP premiums at Rs 0.25 mn annually (post-February 2021), treating excess maturity proceeds as capital gains.
2. The Union Budget 2023-24 extended similar taxation to high-premium traditional policies (premiums > Rs 0.5 mn post-April 2023), impacting non-participating segments temporarily.
3. IRDAI's 2023 EoM rules provided greater expense flexibility.
4. Effective Oct 2024, new surrender value guidelines mandated higher special surrender values from the first year, enhancing policyholder protection and aiming to

curb the mis-selling, though raising premiums marginally. The increase in the surrender payouts had put pressure on profitability, causing near-term compression in VNB margins and some stress on EV sensitivities. VNB margins for private players fell by 168 bps to 24.9% in Q3FY25, while LIC's margin declined by 66 bps to 19.4%. Management commentaries across insurers indicated that the impact is largely front-loaded and is expected to moderate once the product repricing is fully executed.

5. Effective Sep 22, 2025, Gol India announced a reduction in GST on individual life insurance and health insurance premiums from 18% to 0% and withdrawing input tax credit (ITC). Insurance companies have responded proactively to offset the impact of unavailability of ITC. Key steps include renegotiating commission structures with distribution partners and agencies. In addition, insurers are strengthening operational efficiency through digitisation and process automation. Some companies are also recalibrating product pricing and features, where feasible, to absorb incremental costs without compromising competitiveness.

GST exemption, a key catalyst for business growth

In Q3, the life insurers witnessed a mixed quarter, impacted by GST cut and unavailability of ITC with protection-focused players emerging relatively better placed, as the companies' recalibrated commissions and costs to offset the loss of input tax credit.

Overall individual APE for the industry grew 22.5% YoY in Q3FY26, with private players and LIC clocking individual APE growth of 21.2% YoY and 26.3% YoY respectively. Notably, LIC appears to be clearest beneficiary of the GST exemption, as reflected in sustained double-digit growth in individual APE over the past five months since Oct'25, including a 22.8% YoY increase in Feb'26.

The exemption led to the improvement in the product mix towards protection and non-par segments, while higher rider attachments and sum assured aided the VNB margin expansion. However, the withdrawal of input tax credit (ITC) introduced a parallel headwind which the companies are now working to neutralize going forward.

While the GST exemption has accelerated protection sales and supported near term margin expansion, the structural impact ITC withdrawal will depend on how effectively insurers reprice products, manage commissions and optimize expenses. The sector appears to be entering a phase of recalibration rather than disruption, with protection-led players currently best positioned.

Fig 25 – Management commentaries GST and ITC withdrawal

Companies	Impact	Mitigation measures taken
Canara HSBC	<ul style="list-style-type: none"> Expects approximately 30 bps impact on EV and 225 bps impact on margins in the absence of any management action. GST impact is estimated at ~185bps for FY26, which has been partially offset through renegotiations and expense rationalisation. Impact due to GST in Q4FY26 is likely to be much lower than Q3FY26. Retail protection increased threefold due to removal of GST. 	<ul style="list-style-type: none"> The company has completed its negotiation with the distributors.
HDFC Life	<ul style="list-style-type: none"> Management expects to neutralise the impact within 3–6 months and return to FY25 margin levels by FY27. GST exemption boosted affordability, particularly in the protection segment, supporting demand recovery. Retail protection grew 42% YoY post-exemption and overall protection grew 19% YoY in 9MFY26. 3QFY26 margin impact was limited to <200 bps versus the initial 300 bps estimate. 	<ul style="list-style-type: none"> GST-related negotiations with distributors have been completed and the company has moved to revised terms and conditions with distributors.
ICICI Pru Life	<ul style="list-style-type: none"> Expect approximately 1% impact on EV in FY26. Retail protection grew robust, primarily on account of recent GST rate cut. Retail protection contribution increased to 8.2% in Q3FY26 vs. 6% in Q3FY25. 	<ul style="list-style-type: none"> The company highlighted the ongoing efforts to renegotiate commissions with distributors and optimising operating expenses.
Max Life	<ul style="list-style-type: none"> Management had earlier guided a 300–350bps GST impact on VNB margin. However, about one-third of the impact is mitigated in 3QFY26 and 70–80% mitigated on a run-rate basis, with full mitigation expected over the next few quarters. Protection segment delivered strong growth supported by GST-related tailwinds and a targeted execution approach. 	<ul style="list-style-type: none"> Negotiations with the distributors have largely been completed. The company undertook various initiatives like cost actions, negotiations with distributors and product mix shift.
SBI Life	<ul style="list-style-type: none"> GST impact and unavailability of ITC is expected at ~150 bps on an annualised basis. However favourable shift in the product mix is expected to offset a significant portion, limiting the net impact on VNB margins in FY26 to ~30–40 bps. GST exemption on individual policies improved affordability and boosted demand in Q3FY26. 	<ul style="list-style-type: none"> Management focused on optimising its product and distribution mix along with rationalisation of operating expenses and pricing discipline.
LICI	<ul style="list-style-type: none"> Expects nominal impact of <0.5% on EV. Management expects higher ticket sizes, improved affordability, and cost rationalisation will help offset GST-related margin pressures over time. 	<ul style="list-style-type: none"> Management is working towards rationalisation of expenses to offset the GST-ITC impact. Near-term focus remains on improving new business growth and topline growth to offset cost pressures such as GST-related impacts.

Source: Company, BOBCAPS Research

Fig 26 – APE growth accelerates post GST removal in Sept'25

(%)	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26
Aditya Birla Sun Life	(4.1)	25.4	2.0	17.4	1.3	21.7	7.8	40.5	21.9	11.8	4.7
Ageas Federal Life	(21.0)	1.9	22.9	50.5	3.0	(0.2)	17.7	58.3	107.2	30.9	(6.7)
Aviva Life	17.3	(26.1)	16.3	22.1	28.7	11.1	66.5	54.1	87.6	(55.7)	19.2
Bajaj Allianz Life	(0.3)	(0.2)	(13.7)	(6.5)	7.5	8.1	8.5	39.4	13.9	14.1	14.9
Bandhan Life	-	-	-	-	-	-	-	-	84.7	72.3	72.2
Bharti Axa Life	35.4	10.4	(13.0)	2.0	15.9	28.1	53.3	71.4	79.4	62.2	84.2
Canara HSBC Life	10.7	(1.4)	19.9	20.0	44.9	12.8	36.4	26.5	38.3	11.7	50.9
Edelweiss Tokio Life	(20.3)	(14.9)	16.6	29.1	19.2	(26.3)	16.1	40.2	48.6	1.0	(13.9)
Future Generali India Life	309.2	3.2	53.8	49.3	185.9	93.6	76.6	239.6	140.0	139.0	(66.9)
Godigit Life	108.7	(10.8)	6.9	44.7	112.7	37.4	86.0	44.9	101.8	52.8	54.6
HDFC Life	9.9	18.9	7.6	23.0	3.1	6.3	7.3	15.9	10.7	(5.7)	8.6
ICICI Prudential Life	4.8	1.1	10.5	16.2	34.9	9.0	8.6	(51.8)	31.8	10.8	15.7
Indiafirst Life	19.4	38.6	47.2	29.7	33.2	(0.8)	(12.7)	3.8	21.0	30.7	(2.5)
Kotak Mahindra Life	18.8	6.9	(16.3)	38.1	42.5	10.1	(19.6)	56.3	27.5	10.7	25.6
Max Life	23.1	28.1	24.6	13.4	16.9	12.8	16.5	25.4	25.6	28.2	27.5
PNB Metlife Life	(2.5)	(6.9)	4.9	29.0	(18.3)	23.8	23.1	(12.0)	2.8	25.4	(1.5)
Pramerica Life	(46.2)	30.4	28.3	22.7	27.7	(3.6)	15.2	17.9	51.0	24.7	29.5
Reliance Nippon Life	(4.9)	(3.8)	(6.4)	9.6	2.3	48.1	38.4	29.8	44.9	49.9	38.3
SBI Life	7.6	13.2	10.3	14.7	1.0	16.3	19.2	29.8	21.3	3.0	17.1
Shriram Life	35.5	(24.1)	12.6	11.0	22.9	(2.0)	5.7	(39.7)	1.6	13.6	11.6
Star Union Dai-Ichi Life	(2.0)	(9.2)	37.0	30.4	(40.1)	21.6	90.0	107.4	53.2	(29.4)	75.4
Tata Aia Life	2.1	10.8	36.3	35.0	13.9	(4.9)	9.4	25.9	16.7	20.4	36.3
Private Total	8.3	10.2	11.2	21.7	11.0	11.1	12.8	4.7	22.8	8.9	14.3
LIC	(1.3)	20.8	(9.0)	5.1	(0.2)	(3.8)	30.0	49.3	44.1	21.5	34.1
Grand Total	4.4	14.4	2.5	15.3	6.6	5.2	18.7	16.1	28.3	13.0	20.2

Source: Life Insurance Council, BOBCAPS Research

Fig 27 – APE growth remained resilient post surrender value regulations effective Oct'24

(%)	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25
Aditya Birla Sun Life	(7.2)	12.7	38.1	44.4	23.5	67.8	29.9	23.6	21.8	38.5	17.4	31.3
Ageas Federal Life	52.9	69.9	54.4	43.8	24.6	72.1	27.5	13.7	8.5	22.5	28.4	7.4
Aviva Life	4.5	(17.9)	(47.2)	(19.9)	(1.9)	(29.9)	(41.3)	(46.8)	(41.2)	139.0	(34.0)	(34.6)
Bajaj Allianz Life	17.4	4.0	27.3	53.1	23.4	25.5	9.8	(15.2)	0.2	4.5	(0.8)	(4.0)
Bharti Axa Life	(30.6)	(4.2)	3.4	7.2	(7.7)	3.6	(7.5)	(1.3)	7.9	5.1	(16.9)	(0.2)
Canara HSBC Life	126.2	65.1	36.3	(19.1)	0.1	16.4	9.6	254.4	(40.1)	(6.2)	(11.2)	(8.3)
Edelweiss Tokio Life	30.9	35.6	9.9	1.6	(6.0)	41.9	(2.5)	3.4	2.8	29.6	12.7	6.2
Future Generali India Life	152.3	(39.2)	60.0	2.8	(25.1)	10.3	56.0	(17.1)	13.5	14.5	401.3	46.5
Godigit Life	-	-	-	-	-	-	-	-	-	-	87.8	134.2
HDFC Life	20.8	16.6	26.6	49.4	8.0	22.5	23.1	3.4	8.3	26.6	3.9	5.6
ICICI Prudential Life	35.8	38.1	12.7	3.6	20.5	34.1	38.5	271.1	11.2	24.3	13.3	32.3
Indiafirst Life	(42.1)	(32.7)	(28.1)	(21.2)	(20.9)	(5.1)	5.3	(13.9)	25.4	58.8	110.9	72.4
Kotak Mahindra Life	2.2	(13.2)	48.5	2.5	(34.5)	67.0	68.9	(15.3)	24.0	36.8	(28.9)	(11.2)
Max Life	34.6	24.9	17.6	38.4	16.5	38.2	15.7	24.5	6.7	12.2	8.2	10.8
PNB Metlife Life	9.3	14.5	0.0	8.1	62.6	(10.6)	(8.7)	24.5	(4.0)	(5.4)	(6.3)	(7.6)
Pramerica Life	269.0	39.4	(50.7)	39.8	29.7	79.7	11.1	29.8	9.9	88.8	6.3	46.6
Reliance Nippon Life	(20.1)	2.2	15.9	(5.4)	3.8	38.4	(24.8)	4.5	(15.8)	5.8	(7.7)	11.2
SBI Life	20.9	17.9	16.6	9.3	(2.0)	0.2	8.0	9.5	16.4	2.5	(5.8)	1.6
Shriram Life	(73.9)	40.8	(5.0)	24.7	29.8	70.5	53.0	207.6	47.9	42.8	25.1	42.4
Star Union Dai-Ichi Life	(29.5)	13.2	7.4	(14.9)	60.1	14.5	(16.3)	(3.1)	(21.3)	118.3	(23.8)	3.8
Tata Aia Life	33.2	14.0	14.8	14.7	11.0	73.7	10.0	7.7	16.2	12.4	20.4	5.2
Private Total	16.2	17.5	19.7	18.0	9.1	26.9	18.2	44.2	11.0	18.7	8.2	10.0
LIC	31.4	4.5	20.8	13.6	12.8	19.3	(1.3)	(19.4)	(27.3)	(26.5)	(23.2)	(4.3)
Grand Total	22.0	12.0	20.2	16.3	10.5	23.8	10.6	19.9	(2.3)	(0.9)	(3.5)	4.5

Source: Life Insurance Council, BOBCAPS Research

Management Commentaries

Fig 28 – Management guidance and expectations for FY26 and way forward

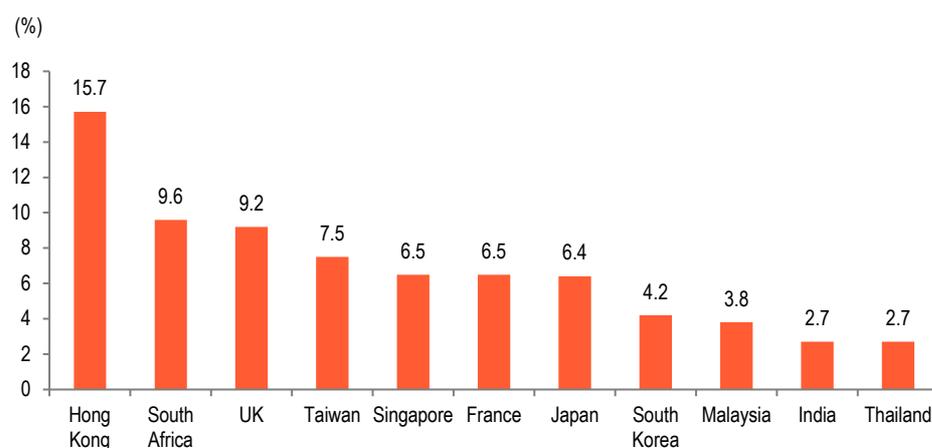
FY26E and forward	
APE	
ICICI Pru Life	<ul style="list-style-type: none"> The company recorded positive APE growth for the first time in FY26 and expects this momentum to continue and strengthen in Q4FY26.
Max Fin	<ul style="list-style-type: none"> The company reiterated its guidance to grow 300-500 bps faster than the industry.
SBI Life	<ul style="list-style-type: none"> The company expects a similar APE growth trend with growth guidance of 13%-14% in FY26E.
VNB and VNB Margins	
HDFC Life	<ul style="list-style-type: none"> The company maintains guidance of doubling VNB every 4-4.5 years.
ICICI Pru Life	<ul style="list-style-type: none"> The company continues to focus on growing absolute VNB.
Max Fin	<ul style="list-style-type: none"> It reaffirmed guidance of maintaining 24%-25% margins, led by expansion of distribution channels.
SBI Life	<ul style="list-style-type: none"> VNB margin to be in the 26%– 28% range for FY26E.
Persistency Ratio	
Canara HSBC	<ul style="list-style-type: none"> Persistency is expected to improve gradually, driven by sustained focus on sales quality. However, pace of improvement is likely to moderate compared to the recent gains.
HDFC Life	<ul style="list-style-type: none"> The company expects persistency stress to ease, going forward.
ICICI Pru Life	<ul style="list-style-type: none"> The company remains confident of achieving 13-month persistency above 85% in H2FY27.
SBI Life	<ul style="list-style-type: none"> Except for the 13-month cohort, which improved by 101 bps for 9MFY26, other cohorts saw minor declines. But, the company remains confident of year-end improvement in persistency.
LICI	<ul style="list-style-type: none"> Persistency was impacted due to lower ticket sizes and higher payment frequencies. However, interventions implemented last year are expected to drive improvement in persistency ratios.
Product Mix	
Canara HSBC	<ul style="list-style-type: none"> Foresees protection segment to contribute a double-digit share to overall sales, with balanced growth from both individual and group segments. Traditional mix is expected to improve by end of FY26, driven by seasonal strength in the Jan/Feb/Mar period Credit Life business is witnessing strong momentum with ~50% quarterly growth, reflecting a structural uptick in the segment, and management expects demand to increase going forward.
HDFC Life	<ul style="list-style-type: none"> The company expects momentum to continue in Q4FY26 and FY27, underpinned by continued strength in protection and sustained demand across savings segments. Non-par share rose in Q3FY26 vs H1FY26, with the company expecting further growth in the coming quarters. Will launch variable annuity product in coming months.
ICICI Pru Life	<ul style="list-style-type: none"> Annuity business declined 16.4%YoY in Q3FY26 on a high base of last year (50% YoY in Q3FY25). The company expects the segment to resume growth once the business stabilises. Retail Protection grew 40.8% YoY in Q3FY26, with the company anticipating further growth, given its multi-decade potential. MFI segment demonstrated recovery in Q3FY26, and the company expects a positive momentum to persist as the industry stabilises. Group term business has grown strong in Q3FY26, and the company anticipates sustained long-term growth by focusing on opportunities aligned with its risk-reward framework.
Max Fin	<ul style="list-style-type: none"> Protection segment is likely to sustain strong momentum, with growth expected to continue, supported by the ongoing marketing initiatives and robust traction observed since late September.
SBI Life	<ul style="list-style-type: none"> Management remains focused on the protection business, which continues to be a key pillar of its growth strategy. The company is working towards launching new products in Q4FY26 or early FY27.
Channel Mix	
Canara HSBC	<ul style="list-style-type: none"> The company foresees cautious agency channel expansion, accompanied by short-term margin pressure.
HDFC Life	<ul style="list-style-type: none"> The company expects strong growth in Banca channel, going ahead. All channels are expected to grow strongly in FY27, with the agency channel anticipated to outperform the overall company growth.

FY26E and forward	
Max Fin	<ul style="list-style-type: none"> The company remains bullish on the partnership channel, driven by strong ongoing growth and active engagement with new players.
SBI Life	<ul style="list-style-type: none"> Focus is on improving the agency channel contribution in channel mix Expect Banca channel to grow in line with the company level growth.
LICI	<ul style="list-style-type: none"> The company aims to focus on growing bancassurance and alternate channels to drive cost-effective growth, while also focusing on expanding its digital footprint.
GST Impact	
Canara HSBC	<ul style="list-style-type: none"> VNB margin is expected to be impacted by ~185 bps in FY26, lower than the earlier estimate of 225 bps, and anticipates FY27 to begin on a fresh footing.
HDFC Life	<ul style="list-style-type: none"> The company aims to neutralise GST impact to approximately 100 bps in Q4FY26 and begin FY27 on a strong foundation.
Max Fin	<ul style="list-style-type: none"> Management remains confident of fully mitigating ~350 bps GST impact on margins over the coming quarters, having already reduced 1/3rd through cost actions, commercial initiatives, and product mix adjustments.
SBI Life	<ul style="list-style-type: none"> Net impact on VNB margins is expected to moderate in the 30-40bps range in FY26.
LICI	<ul style="list-style-type: none"> Management expects that higher ticket sizes, improved affordability, and cost rationalisation will help offset GST-related margin pressures over time.
Others	
Canara HSBC	<ul style="list-style-type: none"> Plans to open 3-4 branches in coming 3-4 months
HDFC Life	<ul style="list-style-type: none"> Individual WRP grew 11%, reflecting faster growth, with momentum expected to continue into Q4FY26 and contribute to a strong full-year outcome.
SBI Life	<ul style="list-style-type: none"> Cost ratio came in at 11.2% for 9MFY26, impacted by GST and labor codes. Management expects it to remain in a similar range, going forward.
LICI	<ul style="list-style-type: none"> The company is open to enhancing stake in health insurance companies and are currently evaluating various options available in the market. The company will continue focusing on enhancing new business performance and topline growth, ensuring that expenses, such as GST input tax credits, are effectively absorbed within the company's efficiency framework.

Source: Company, BOBCAPS Research

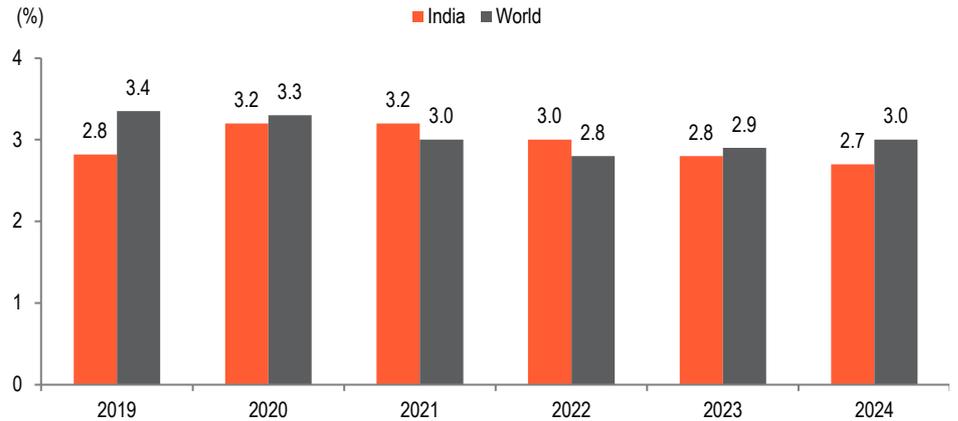
Catalyst for life insurance industry growth

Fig 29 – India is well positioned to ride growth in a highly underinsured market – Insurance penetration stands at 2.7%...



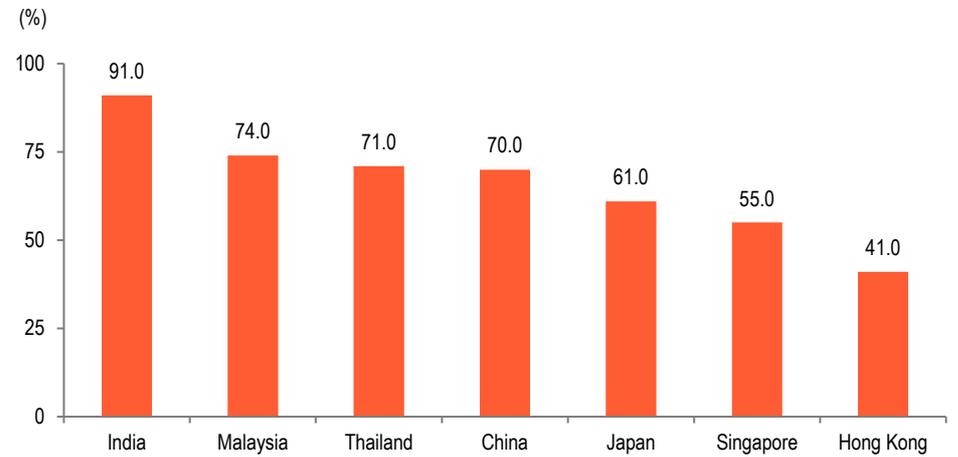
Source: LICI, BOBCAPS Research

Fig 30 – India’s insurance penetration remains below the world average...



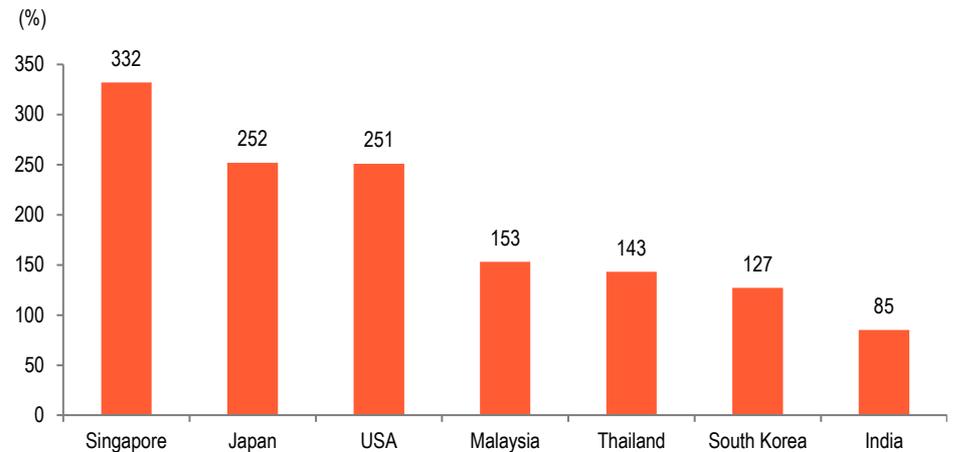
Source: IRDAI, BOBCAPS Research, Data for India is for 12 months FY20-FY25, whereas it is for 12 months of CY19-CY24 for the rest of the world.

Fig 31 – India has the highest protection gap in the region...



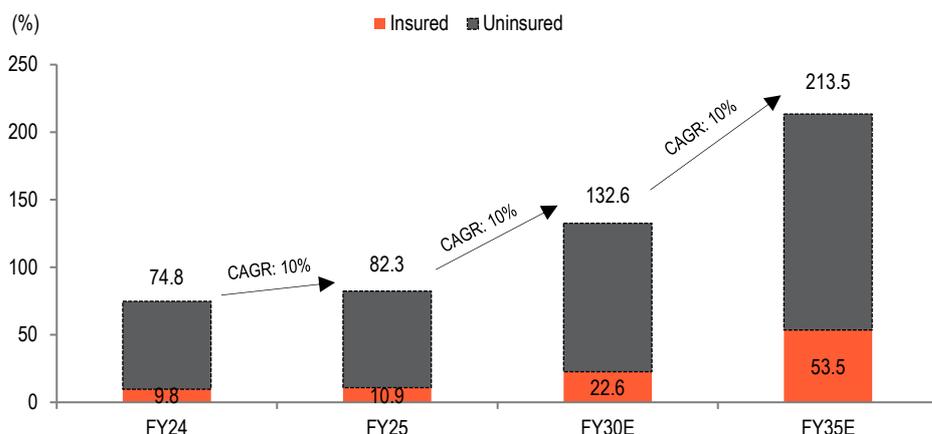
Source: HDFC Life, BOBCAPS Research

Fig 32 – India has the lowest sum assured as % of GDP amongst peers...



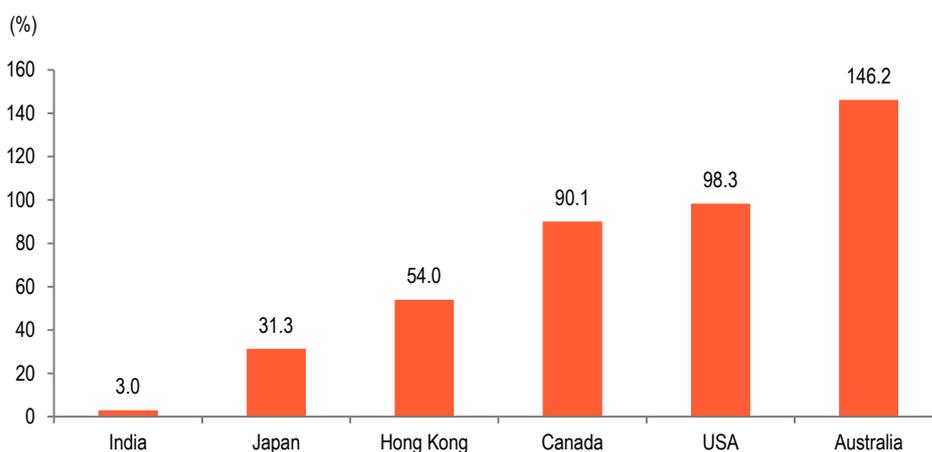
Source: HDFC Life, BOBCAPS Research

Fig 33 – 25% of India’s addressable population expected to be covered by FY35 (Policy count) ...



Source: ICICI Pru, BOBCAPS Research

Fig 34 – India’s pension market is under penetrated at 3% of GDP...



Source: HDFC Life, BOBCAPS Research

Fig 35 – Annual inflows of life insurance investments in financial assets

(Rs bn)	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Deposits	8,104	9,234	12,677	8,351	11,089	13,783	12,547
Life Insurance Funds	3,921	3,723	5,201	4,869	5,489	6,471	5,348
Provident and Pension Funds	4,001	4,551	5,008	5,520	6,178	7,194	7,925
Currency	2,779	2,827	3,820	2,697	2,376	1,180	2,097
Small Savings (excluding PPF)	2,050	2,637	3,095	2,412	2,001	3,098	2,329
Total Investments	1,739	977	1,246	2,278	2,140	3,013	5,363
Mutual Funds	1,516	617	641	1,606	1,791	2,390	4,659
Equity	64	267	385	486	230	291	736
Others	160	92	220	186	118	332	(32)
Financial Assets	22,637	23,991	31,090	26,127	29,273	34,737	35,608

Source: RBI, BOBCAPS Research

Valuations

CANHLIFE

CANHLIFE has consistently outperformed the industry in APE growth. It emerged as one of the fastest growing life insurers with APE CAGR growth of 18.7% vs industry growth at 10.6% over FY17-FY25. In 9MFY26 and FY25, the company reported APE growth of 22.3% YoY and 23.9% YoY respectively vs industry growth of 12.8% in 9MFY26. In 9MFY26, private players clocked APE growth of 13.2% YoY. Further, its individual WPI grew 20.5% vs the overall industry's individual APE growth of 9.5% vs 13.0% private players growth in 9MFY26. Additionally, CANHLIFE market share rose to 1.9% in 9MFY26 — an increase of 17bps on a total APE basis. In FY25, its market share was at 1.6% vs. 1.4% in FY22. The company remains confident about its growth outlook, supported by robust 9MFY26, coupled with improving demand conditions across the life insurance industry particularly following GST exemption introduced in Sep'25. Additionally, CANHLIFE derives over 90% of business (of the individual WPI) bancassurance via Canara Bank (36.5% stake) and HSBC (25.5%), offering cost-efficient scale compared to diversified peers. While bank assurance remains a key driver of company's growth, it is also investing in alternate distribution channels to ensure more diversified and sustainable growth trajectory. Further, the company aims to focus on sustaining profitability, with VNB margins supported by a favourable product mix and tighter control on costs. We expect VNB margin to be in the range of 20-22% in FY26E-FY28E. We expect CANHLIFE to continue reporting industry-leading APE CAGR growth of 19% over FY25-28E in the medium term. We initiate coverage on Canara HSBC Life (CANHLIFE) with a BUY and TP of Rs 185, implying 1.8x FY28E P/EV.

HDFC Life

HDFCLIFE has maintained a balanced product mix across par, non-par, ULIPs and robust annuity and protection segments. A well-balanced product-mix inturn ensures strong VNB margin in the 24-25% range. Market share stood at 18.6%, in terms of new business premium in FY26YTD among private players and at 8.1% among the entire industry. The company excels with a well-balanced, multichannel distribution strategy. HDFC Bank remains a dominant partner with ~9,500 branches, while agency also gaining share. Agency channel continues to gain traction (up 18% YoY in 9MFY26) and is expected to grow faster than the company. Management expects accelerating growth momentum in FY27 with better performance in banca channel, while improved product mix may drive the margin at par/ higher than FY25 levels of 25.6%. We expect APE growth to be in the 12-15% range in FY26E-FY28E. We maintain BUY on HDFC Life with a TP of Rs 907 (earlier Rs 918), implying 2.3x FY28E P/EV. We continue to prefer HDFCLIFE as our top pick.

ICICI Pru Life

ICICI Pru stands out as one of the strongest franchises operating with one of the lowest cost structures, with total expense ratio of 18% in FY25 — leaner than its nearest peers. The company continued efforts for shifting to a more favourable product mix, thereby driving continued YoY VNB margin expansion. Further, the company has successfully diversified distribution mix, thus minimising concentration risk of the bank channel, which currently constitutes only ~29% of the total APE. In the longer term, the company

is well positioned to benefit from structural tailwinds and well-structured business model. We maintain BUY on ICICI Pru Life with TP of Rs 800 (earlier Rs 805), implying 1.7x FY28E P/EV.

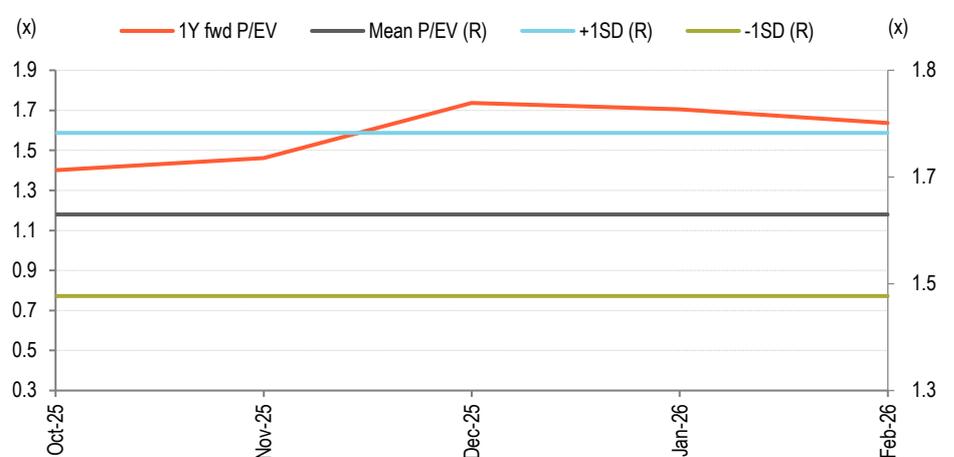
SBI Life

SBILIFE remains a market leader amongst private players with market share of 17.7% and 14.2%, in terms of individual and total APE FY26YTD respectively. The company has delivered robust total APE growth of 15% CAGR from FY20 to FY25. Further, its strong distribution network with SBI bancassurance partnership continues to drive growth, with the bancassurance and agency channels currently contributing 63% of total APE as of 9MFY26. The company is gradually shifting towards high-margin traditional product mix and aims to achieve a 55:45 ULIP-to-traditional product mix in its individual business. SBI Life is also focusing on growing its protection business and enhancing its distribution network with agent additions, improving productivity, and expanding branch coverage. Going forward, we believe its strong distribution network and evolving product mix will continue to support market share gains and help the company sustain its leadership position. We believe the VNB margin will expand 27-28% in FY26E-FY28E. We maintain BUY on SBILIFE with TP of Rs 2,503 (earlier Rs 2,500), assigning a multiple of 2.2x to its FY28E P/EV.

LICI

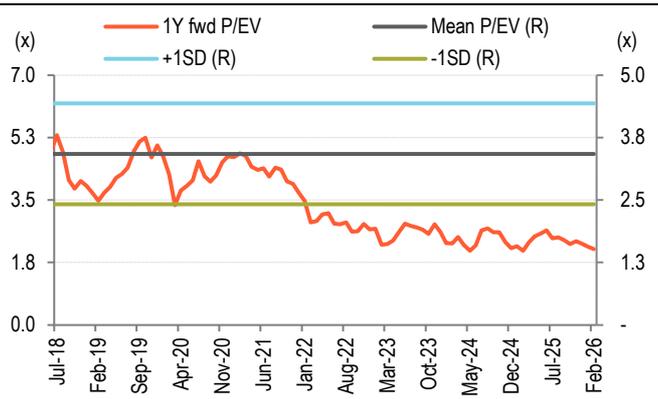
LICI being the dominant player in the, has consistently demonstrated effective execution of its stated objectives since its listing despite its mammoth size which makes execution a challenging task. It has the daunting task of diversifying its product range to more profitable non-par products and expanding its VNB margins at a steady pace. Being one of the strongest brands in India, we believe LICI is well positioned to deliver robust APE growth with margin expansion. We expect VNB margins to range between 19% and 20% in FY26E-FY28E. We expect focus to be on higher-yielding non-par products to aid VNB margin. We remain positive on LICI, given its entrenched brand equity and market leadership. We maintain BUY on LICI with TP of Rs 1,102 (earlier Rs 1,058), assigning a multiple of 0.7x to its FY28E P/EV.

Fig 36 – Valuation- CANLIFE



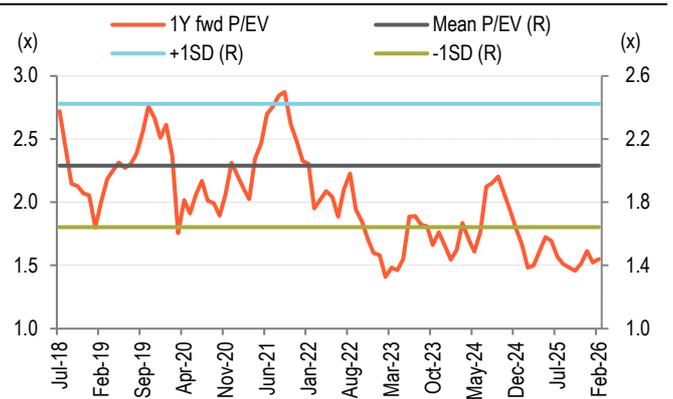
Source: Company, BOBCAPS Research

Fig 37 – Valuation- HDFC Life



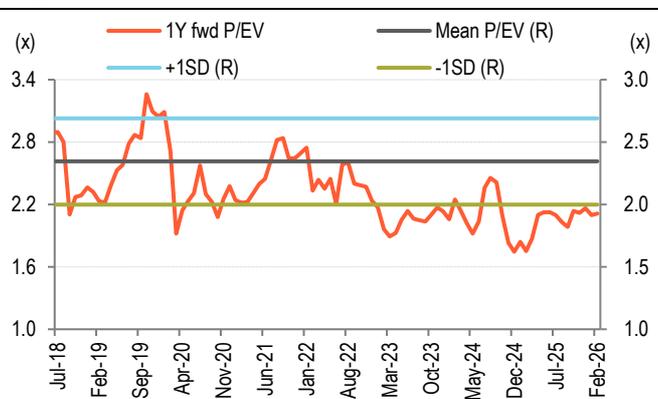
Source: Company, BOBCAPS Research

Fig 38 – Valuation- ICICI Pru Life



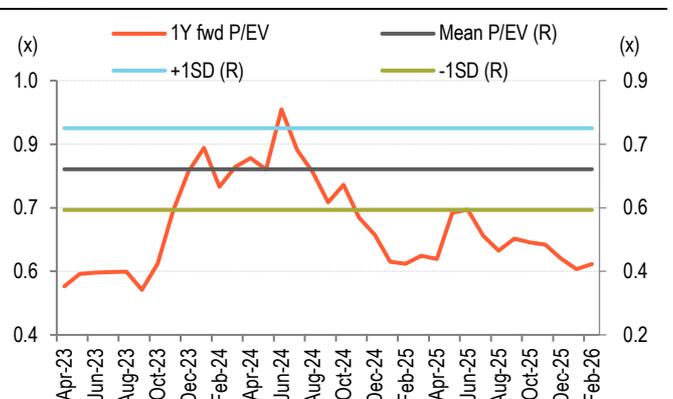
Source: Company, BOBCAPS Research

Fig 39 – Valuation- SBI Life



Source: Company, BOBCAPS Research

Fig 40 – Valuation- LIC



Source: Company, BOBCAPS Research

Fig 41 – Coverage universe valuations

	Rating	CMP (Rs)	TP (Rs)	Upside (%)	Target Multiple (x)	M Cap (Rs bn)	Embedded Value (Rs bn)				P/EV (x)				RoEV (%)			
							FY25A	FY26E	FY27E	FY28E	FY25A	FY26E	FY27E	FY28E	FY25A	FY26E	FY27E	FY28E
Canara HSBC	BUY	141	185	31	1.8	138	61	72	84	99	2.2	1.9	1.6	1.4	18.3	17.9	18.2	18.5
HDFC Life	BUY	613	907	48	2.3	1,327	554	638	734	847	2.3	2.0	1.8	1.6	16.7	15.8	15.9	16.0
ICICI Pru	BUY	541	800	48	1.7	795	480	543	617	701	1.6	1.4	1.3	1.1	13.0	13.5	13.6	13.8
SBI Life	BUY	1,852	2,503	35	2.2	1,872	703	830	980	1,155	2.6	2.2	1.9	1.6	20.2	18.0	17.8	17.6
LIC	BUY	781	1,102	41	0.7	4,935	7,769	8,614	9,542	10,559	0.6	0.6	0.5	0.5	7.3	11.3	11.1	11.0

Source: Company, BOBCAPS Research | CMP as of 25th Mar 2026

Key Risks:

- Any further regulatory interventions could cap the upside to the APE and VNB margin growth
- Risk of capping commission rates by IRDAI
- Economic volatility and interest rate fluctuations

Investment Rationale

Strong APE growth with sustained momentum ahead

Canara HSBC Life Insurance (CANHLIFE) has consistently outperformed the industry in APE growth. In FY26YTD and FY25, the company reported APE growth of 24.3% YoY and 20.8% YoY respectively vs industry growth of 13.5% in FY26YTD. In FY26YTD, private players clocked APE growth of 12.9% YoY. CANHLIFE emerged as one of the fastest growing life insurers with APE CAGR growth of 18.7% vs industry growth at 10.6% over FY17-FY25.

Further, individual APE grew 22.7% vs the overall industry's growth of 10.5% vs 13.1% private players growth in FY26YTD. Additionally, CANHLIFE market share too increased to 1.8% in 9MFY26 — an increase of 16bps on a total APE basis. In FY25, its market share was 1.6% vs 1.4% in FY22.

The company remains confident in its growth outlook, supported by robust 9MFY26, coupled with improving demand conditions across the life insurance industry particularly following the GST exemption introduced in Sep'25.

For FY26, the company guided APE growth of ~18-19% above the industry average. Although the growth in 9MFY26 has already surpassed this level, the management chose to maintain a conservative approach on guidance. We expect CANHLIFE to continue reporting industry leading APE CAGR growth of 19% over FY25-28E in the medium term.

Further, the company aims to focus on sustaining profitability, with value of new business (VNB) margins supported by a favourable product mix and tighter control on costs.

While strong customer demand for ULIPs over the past nine months has kept the ULIP share relatively high, the company plans to increase the share of traditional products over the next three months, targeting a year-end mix of ~55% ULIPs and ~45% traditional products.

Additionally, the company has intensified its focus on the protection segment with increased rider attachment in ULIPs and witnessing good customer off take.

Fig 42 – Sustained total APE outperformance

Growth YoY (%)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	FY22	FY23	FY24	FY25	FY26YTD
Canara HSBC	50.3	(1.2)	62.5	(8.5)	14.4	24.1	30.2	24.7	28.4	1.8	20.8	24.3
HDFC Life	21.6	24.2	10.7	10.5	12.0	10.6	11.3	19.3	30.5	2.5	15.7	9.0
ICICI Pru Life	26.0	17.5	98.9	25.7	5.8	19.2	(20.8)	8.6	15.6	4.8	39.4	0.6
Max Fin	23.6	30.7	14.0	10.5	25.4	14.3	23.1	10.8	11.3	17.6	17.8	21.8
SBI Life	18.1	2.3	12.7	0.1	10.6	10.8	22.9	24.9	17.2	17.5	7.4	14.7
Private players	18.1	18.1	22.3	11.8	10.2	14.4	14.2	21.4	23.4	8.5	17.0	12.9
LIC	17.5	15.4	(17.4)	(15.6)	2.0	0.1	40.7	8.2	10.4	(1.7)	(2.4)	14.5
Total	17.9	17.0	7.7	1.0	6.8	8.8	21.7	15.2	17.6	4.3	9.4	13.5

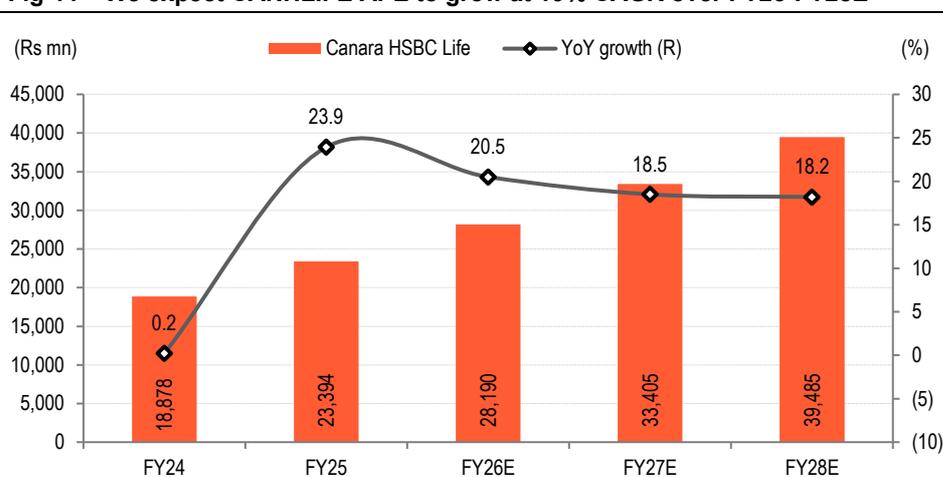
Source: Life Insurance Council, BOBCAPS Research

Fig 43 – Leads individual APE growth

(%)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	FY22	FY23	FY24	FY25	FY26YTD
Canara HSBC	72.8	26.4	68.7	(11.2)	14.3	13.4	28.3	31.6	20.6	2.7	28.0	22.7
HDFC Life	29.2	27.8	11.5	9.5	10.8	10.2	12.3	17.3	33.0	4.2	17.5	9.0
ICICI Pru Life	46.9	33.9	18.5	(7.7)	(13.0)	(8.5)	9.3	15.5	7.0	7.1	15.2	(1.3)
Max Fin	27.0	33.6	16.1	11.3	23.2	14.2	22.6	11.7	10.7	15.5	19.7	21.4
SBI Life	20.9	10.9	12.8	7.9	7.6	6.8	24.0	25.9	18.2	13.3	12.3	13.6
Private players	23.8	23.9	12.7	7.1	8.3	7.8	21.2	21.9	24.2	8.0	15.1	13.1
LIC	12.1	16.1	(13.4)	(6.6)	(2.5)	(14.6)	26.3	6.7	9.5	(1.3)	0.7	4.3
Total	19.7	21.3	4.8	2.8	4.7	0.6	22.5	15.7	18.7	4.8	10.5	10.5

Source: Life Insurance Council, BOBCAPS Research

Fig 44 – We expect CANHLIFE APE to grow at 19% CAGR over FY25-FY28E



Source: Company, BOBCAPS Research

Fig 45 – Market share on total APE basis improved from 1.4% in FY22 to 1.8% in FY26YTD

(%)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	FY22	FY23	FY24	FY25	FY26YTD
Canara HSBC	2.1	1.3	2.0	1.2	2.3	1.5	2.1	1.4	1.5	1.4	1.6	1.8
HDFC Life	9.4	9.3	9.1	10.0	9.9	9.5	8.4	8.3	9.2	9.0	9.5	9.2
ICICI Pru Life	7.6	7.7	12.5	10.8	7.5	8.5	8.1	7.8	7.7	7.7	9.8	8.3
Max Fin	4.4	5.2	5.6	6.0	5.2	5.5	5.6	4.7	4.4	5.0	5.4	5.6
SBI Life	11.7	13.0	18.0	10.4	12.1	13.3	18.2	11.9	11.9	13.4	13.1	14.2
LIC	41.3	39.1	28.3	33.1	39.4	36.0	32.7	44.3	41.6	39.3	35.0	35.3

Source: Life Insurance Council, BOBCAPS Research

Fig 46 – Market share on NBP basis remained stable over the years

(%)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	FY22	FY23	FY24	FY25	FY26YTD
Canara HSBC	0.8	0.7	1.0	0.6	0.9	0.8	1.1	0.9	1.0	0.8	0.8	0.9
HDFC Life	7.3	8.2	9.3	9.1	8.0	8.2	7.9	7.8	7.8	7.9	8.5	8.1
ICICI Pru Life	4.2	5.0	7.5	6.1	4.3	4.9	5.3	4.8	4.6	4.8	5.7	5.0
Max Fin	2.3	3.0	3.5	3.3	2.7	3.1	3.4	2.5	2.4	2.9	3.1	3.2
SBI Life	7.8	8.7	12.3	7.6	7.8	10.1	12.1	8.1	8.0	10.1	9.0	9.8
LIC	64.0	58.4	49.4	56.2	63.5	55.9	52.6	63.2	62.6	58.9	57.0	56.6

Source: Life Insurance Council, BOBCAPS Research

Distribution channel edge

CANHLIFE derives over 90% of business (of the individual WPI) bancassurance via Canara Bank (36.5% stake) and HSBC (25.5% stake), offering cost-efficient scale compared to diversified peers.

CANHLIFE can leverage Canara Bank's large network of 9,800+ branches spread across tier 2 & 3 cities. On the other hand, HSBC provides CANHLIFE access to its NRI and HNI customers focused on large ticket-sized saving products. The company launched its agency channel in October 2025 as part of its strategy to diversify beyond the banca-dominated model. While bank assurance remains a key driver of the company's growth, it is also investing in alternate distribution channels to ensure a more diversified and sustainable growth trajectory.

Agency channel remains at a nascent stage, with contribution expected to remain limited at low single digits (~2-3%) through FY28E. CANHLIFE plans to gradually scale the agency channel to preserve capital efficiency and protect margins. Currently, the company operates 104 branches and does not plan aggressive branch expansion; instead, it aims to leverage existing infrastructure to enhance agent productivity before increasing the channel scale.

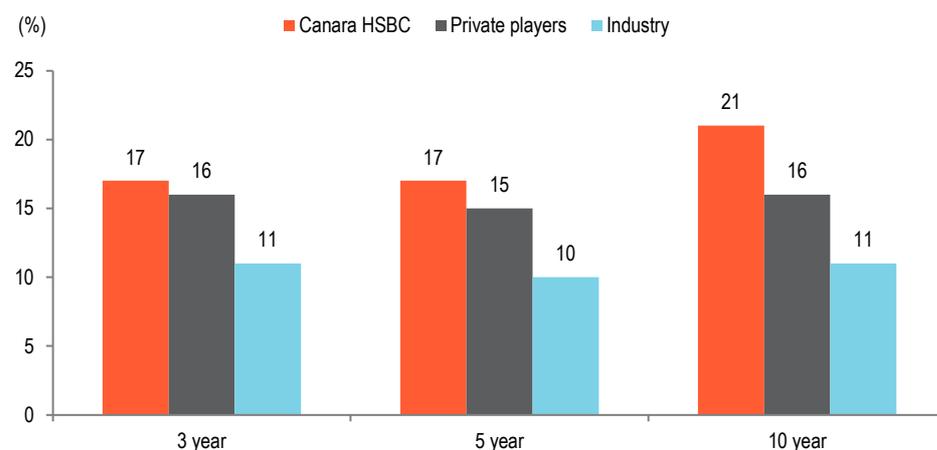
SBI Life gets ~60% from SBI bancassurance, HDFC Life leans heavily on HDFC Bank, while ICICI Pru and Max Life balance with stronger agency channels (agency 18-26% for most). This bank-led model drives lower acquisition costs and higher persistency potential.

To broaden reach, the insurer is pushing deeper into Tier-3 and Tier-4 cities, where it operates through over 6,000 touchpoints. It also launched a hybrid agency channel in Oct 2025, aimed at diversifying distribution beyond bancassurance.

Collectively, these distribution strengths have driven a 10Y individual APE CAGR of 21% - outpacing the private sector average of 16% and supported a rapid expansion in market share to 2.6% in private segment (1.8% overall).

The productivity of Canara Bank's 9,849 branches underpins the core unit economics of growth thesis, with each branch acting as a low-cost acquisition channel with significant untapped potential. Currently, the group generates ~Rs 2.1mn of individual new business per branch, materially lower than peers such as SBI Life (Rs 6.8mn), HDFC Life (Rs 9.0mn), ICICI Pru (Rs 4.4mn), and Axis Max Life (Rs 9.2mn), highlighting a substantial headroom for productivity-led growth.

With a robust banca channel and a gradually expanding agency network, CANHLIFE is well-positioned to sustain above-industry APE growth.

Fig 47 – Strong individual APE growth momentum

Source: Industry, BOBCAPS Research

Fig 48 – Banca channel dominance strengthens in NBP mix

(%)	Q1FY25	Q1FY26	FY23	FY24	FY25
Canara Bank	74.8	73.2	43.9	61.3	70.6
HSBC India	8.9	9.0	9.2	11.1	9.8
Regional rural banks	7.6	9.9	3.9	5.7	6.1
Other Banca relationships	0.4	0.2	0.2	0.5	0.6
Total Banca	91.7	92.3	57.2	78.7	87.1
Brokers and other corporate agents	3.8	4.7	3.9	3.5	5.0
Direct sales	4.4	3.0	38.9	17.8	7.9
Non-Banca	8.3	7.7	42.8	21.3	12.9
Total	100	100	100	100	100

Source: Company, BOBCAPS Research

Fig 49 – Peer comparison of distribution mix across channels

(%)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	FY23	FY24	FY25
HDFC Life (On Ind. APE basis)										
Corp Agents	65.0	65.0	65.0	65.0	60.0	58.2	59.0	56.0	65.0	65.0
Agency	17.0	17.0	17.0	19.9	16.0	19.5	18.0	20.0	18.0	18.0
Broker	7.0	7.0	7.0	7.0	15.0	13.2	16.8	11.0	6.0	7.0
Direct	11.0	11.0	11.0	8.1	9.0	9.0	9.0	13.0	11.0	10.0
ICICI Pru Life (On APE basis)										
Agency	29.4	31.2	29.9	26.5	24.9	24.8	29.0	26.4	29.2	28.9
Direct	15.2	15.8	14.9	12.5	13.5	14.9	14.7	12.3	14.1	14.4
Bancassurance	28.8	29.4	25.0	32.9	29.7	30.6	26.7	29.3	28.7	29.4
Partnership Distribution	11.5	9.9	9.2	12.4	12.9	12.6	13.5	14.8	13.0	10.9
Retail	84.9	86.3	79.0	84.3	81.1	82.9	83.8	82.8	84.9	83.6
Group	15.1	13.7	21.0	15.7	18.9	17.1	16.2	17.2	15.1	16.4
Max Fin (On APE basis)										
Proprietary	49.0	43.3	42.2	38.7	48.0	45.9	49.4	37.0	40.0	42.0
Bancassurance	48.0	54.4	55.8	58.8	49.0	54.1	50.6	62.0	58.0	55.0
Others	2.0	2.3	2.0	2.5	3.0	-	-	1.0	2.0	2.0

(%)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	FY23	FY24	FY25
SBI Life (On APE basis)										
Bancassurance	59.3	57.7	68.2	57.5	58.2	56.8	68.4	64.4	61.8	61.3
Agency	29.9	32.1	23.3	28.7	27.5	30.3	23.6	25.7	25.2	28.0
Others	10.7	10.2	8.5	13.8	14.4	12.9	8.0	9.9	13.0	10.6
LICI (On Ind. NBP basis)										
Agency	95.8	95.0	90.7	94.7	92.3	92.1	91.7	96.2	96.0	93.9
Banca	3.5	2.5	8.7	2.9	4.2	4.5	4.5	3.4	2.9	4.1
Others	0.8	2.5	0.6	2.4	3.4	3.4	3.7	0.4	1.1	2.0

Source: Company, BOBCAPS Research

Favourable product mix leading to VNB margin improvement

ULIPs continued to account for a significant share of the product mix at 61% (on APE basis) in 9MFY26; thereby driving growth. Share for ULIPs stood at 36.6% in FY24 and 53.7% in FY25.

Additionally, the company's increased focus on protection products and higher riders attachment is resulting in a good off take. Overall protection is expected to see healthy growth in the ensuing months. This has resulted in an increase in the protection mix to 7% in 9MFY26 from 4% in Q3FY25, in the overall mix.

In the protection segment, ~85% of credit life portfolio is concentrated in the non-microfinance business, mainly retail home and auto loans, supporting strong persistency and predictable claims experience. Credit life grew 40% YoY in 1HFY26, surpassing Canara Bank's housing loan growth of 15%, reflecting higher attachment rates.

This is supported by a strategic focus on the annuity and retirement segment, primarily distributed through the HSBC Bank channel, which accounted for 12% of the product mix in 9MFY26 and 13.1% in FY25 — nearly double the listed peer average. Notably, 80–90% of the annuity business consists of deferred annuity products with average deferment periods of 4–5 years. This structure is economically safer than immediate annuities, allowing the company to earn investment income during the deferment period while postponing mortality and longevity risks.

Looking ahead, a key driver of the outlook remains continued focus on protection products. While a robust demand for ULIPs over the past nine months has kept the ULIP mix elevated, the company intends to gradually rebalance its portfolio by increasing the share of traditional products over the next three months, targeting a year-end mix of ~55% ULIPs and ~45% traditional products.

In comparison, SBILIFE had the highest ULIP mix at 62%, while HDFCLIFE and MAXF maintained a more balanced portfolio with 35%–38% ULIPs and 16%–23% non-par savings.

This gradual shift in product mix towards higher-margin segments is likely to support VNB margin expansion going ahead. VNB margins remained relatively flat overall, starting around 20% in FY23, holding at 20% in FY24 and edged down to 19.1% in FY25, primarily due to a higher proportion of low-margin ULIPs amid buoyant equity

markets. This offset the gains from volume growth and some protection mix improvements, with early signs of recovery in the margins in 3QFY26 to 19.8% via repricing and rider attachments.

VNB margin (19-20%) has lagged significantly behind HDFC Life (24-26%) and SBI Life (27-28%). While peers have maintained, or slightly improved margins through better product mixes, Canara's dipped modestly due to higher ULIP exposure but continued to show recovery in Q3FY26. This gap reflects Canara's growth focus over profitability optimization.

Post-FY25, steps like product repricing, new launches, and higher protection/rider penetration lifted margins to 19.7% in 9MFY26. ULIP mix is expected to be at 40-55% by FY26 end, balancing growth and profitability amid customer demand.

Fig 50 – Targets ULIP share reduction to 55% by FY26

(%)	Q1FY25	Q1FY26	Q2FY26	Q3FY26	FY23	FY24	FY25
ULIP	56.1	49.2	50.9	72.8	34.6	36.6	53.7
Savings	19.9	18.1	16.7	8.3	45.0	33.8	20.0
Protection	8.3	10.6	6.2	5.7	3.6	5.1	4.1
Par	5.2	7.0	8.1	2.2	9.1	10.3	8.7
Annuity	10.3	15.0	16.5	7.9	0.9	12.2	13.1
Group savings/ fund-based business	0.1	0.1	1.7	3.1	6.8	1.9	0.4
Total	100						

Source: Company, BOBCAPS Research

Fig 51 – Product mix comparison on APE across listed peers

(%)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	FY23	FY24	FY25
HDFC Life										
Par	14.0	14.0	19.8	19.0	27.0	23.5	19.3	23.0	20.0	17.0
Non Par Savings	30.0	35.2	27.2	22.0	17.0	15.2	16.0	38.0	26.0	28.0
ULIP	32.0	30.3	31.0	40.0	33.0	40.1	39.9	16.0	31.0	34.0
Protection	14.0	12.3	13.0	8.2	15.0	13.2	14.0	13.0	13.0	11.0
Annuity	5.0	5.0	5.0	5.0	5.0	5.0	5.0	6.0	6.0	5.0
Group Retirals	4.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0	4.0	4.0
ICICI Pru Life										
Linked	51.4	51.9	49.2	43.4	46.8	49.0	51.5	35.9	43.2	48.3
Non-Linked	16.9	19.1	16.2	28.6	21.4	22.1	18.1	37.3	25.8	21.2
Annuity	10.9	8.7	7.5	7.4	5.4	4.8	6.1	5.9	10.5	8.4
Group Funds	2.8	3.5	11.0	7.2	4.5	6.8	6.0	3.5	3.5	6.4
Protection	18.1	16.8	16.0	13.5	21.9	17.3	18.4	17.4	16.9	15.7
Max Life										
Par	13.0	10.4	16.7	18.8	12.0	12.7	19.1	13.00	18.00	15.00
Annuity	5.0	4.7	5.6	6.2	6.0	9.1	10.5	5.00	6.00	5.00
NPAR Savings	22.0	26.2	22.5	22.4	27.0	26.6	17.6	44.00	28.00	23.00
Protection & Health	10.0	10.8	9.4	9.9	12.0	12.8	14.4	6.00	9.00	10.00
Group Protection	10.0	1.4	1.5	1.1	11.0	1.5	1.6	5.00	5.00	5.00
ULIP	39.0	46.5	44.3	41.7	33.0	37.3	36.8	27.00	35.00	42.00

(%)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	FY23	FY24	FY25
SBI Life										
Par	3.8	5.9	1.6	3.1	4.5	4.7	8.9	5.6	4.0	3.5
Non Par	19.2	15.6	15.7	23.5	19.4	19.9	13.5	22.3	16.4	18.3
ULIP	61.0	64.9	71.2	54.4	57.4	57.9	66.3	55.2	60.5	63.6
Individual Protection	4.1	3.2	3.0	5.5	4.0	3.5	3.1	5.8	4.8	3.9
Group Protection	4.1	6.1	4.8	7.5	7.6	6.4	3.9	4.8	5.9	5.7
Annuity	3.3	2.2	2.0	2.8	3.3	3.0	2.3	3.0	3.1	2.5
Group	4.4	2.0	1.7	3.1	3.8	4.5	1.9	3.3	5.4	2.6
LICI										
Individual Par	44.4	50.1	44.4	52.2	38.9	36.7	43.9	62.2	55.1	48.6
Individual Non-par	14.0	19.2	20.5	20.0	16.9	25.0	25.5	6.1	12.4	18.6
Individual Saving	6.8	9.1	8.8	8.7	6.4	8.8	12.5	0.9	6.7	8.4
Protection	0.3	0.4	0.5	0.4	0.3	0.4	0.5	0.5	0.4	0.4
Annuity	3.1	3.4	3.1	3.0	2.9	2.4	2.6	2.6	2.8	3.2
ULIP	3.7	6.3	8.1	7.9	7.3	13.5	9.8	2.0	2.5	6.6
Group	41.6	30.7	35.2	27.8	44.2	38.3	30.7	31.8	32.5	32.7

Source: Company, BOBCAPS Research

Fig 52 – VNB margins of listed players

(%)	FY22	FY23	FY24	FY25	9MFY26
Canara HSBC	-	-	20.0	19.1	19.7
HDFC Life	27.4	27.6	26.3	25.6	24.4
ICICI Pru Life	28.0	32.0	24.6	22.8	24.4
Max Fin	27.4	31.2	26.5	24.0	23.6
SBI Life	25.9	30.1	28.1	27.8	27.2
LIC	15.1	16.2	16.8	17.6	18.8

Source: Company, BOBCAPS Research

Diversified product suite

CANHLIFE offers a comprehensive suite of 22 individual and 8 group products, along with 3 optional riders, and distributes policies under PMJJBY, enabling it to cater to protection, savings, and retirement needs across a broad customer base. NBP from PMJJBY grew to Rs 3.2 bn in FY25 from Rs 1.1 bn in FY22. Going forward, the company remains focused on improving profitability by increasing the share of higher-margin segments such as protection and non-participating savings products, supported by new launches including the Promise2Protect term plan in FY25 and additional ULIP and other offerings in YTD FY26.

Fig 53 – Product offerings

Category	Product Name
Participating plans	Canara HSBC Life Insurance Promise4
	Future Canara HSBC Life Insurance Promise4Life
	Canara HSBC Life Insurance IncomeNow
Non-par plans	Canara HSBC Life Insurance Guaranteed Assured Income
	Canara HSBC Life Insurance iSelect Guaranteed Future
	Canara HSBC Life Insurance iSelect Guaranteed Future Plus
	Canara HSBC Life Insurance Guaranteed Fortune Plan
	Canara HSBC Life Insurance Guaranteed Suraksha Kavach
Protection/term plans	Canara HSBC Life Insurance Young Term Plan
	Canara HSBC Life Insurance iSelect Smart360 Plan
	Canara HSBC Life Insurance Saral Jeevan Bima
	Canara HSBC Life Insurance Promise2Protect
ULIP	Canara HSBC Life Insurance Wealth Edge
	Canara HSBC Life Insurance Alpha Wealth
	Canara HSBC Life Insurance Promise4Growth
	Canara HSBC Life Insurance Promise4Growth Plus
	Canara HSBC Life Insurance SecureInvest
	Canara HSBC Life Insurance EZ Pension
	Canara HSBC Life Insurance Legacy Builder
Annuity	Canara HSBC Life Insurance Smart Guaranteed Pension
	Canara HSBC Life Insurance Pension4Life
	Canara HSBC Life Insurance Saral Pension
Riders	Canara HSBC Life Insurance Accidental Benefit Rider
	Canara HSBC Life Insurance Linked Critical Illness Benefit Rider
	Canara HSBC Life Insurance Group Critical Illness Rider
Group protection plan including credit life	Canara HSBC Life Insurance Group Term Edge Plan
	Canara HSBC Life Insurance Group Advantage Term Plus
	Canara HSBC Life Insurance Sampoorna Kavach Plan
	Canara HSBC Life Insurance Group Secure
	Canara HSBC Life Insurance Group Asset Secure
	Canara HSBC Life Insurance Group Secure Plus
	Canara HSBC Life Insurance Pradhan Mantri Jeevan Jyoti Bima Yojana
Group NL fund-based product	Canara HSBC Life Insurance Group Traditional Plan

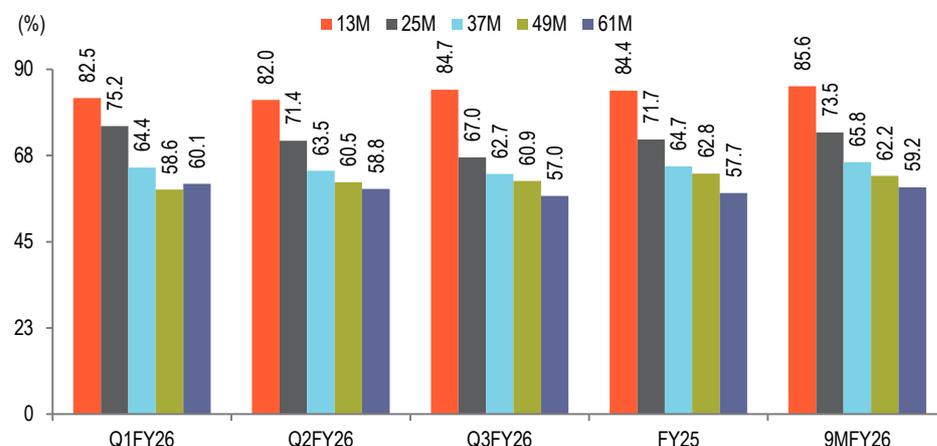
Source: Company, BOBCAPS Research

Persistency improvement signals better business retention

Persistency metrics have improved meaningfully and consistently, reflecting enhanced business quality and stronger customer engagement. The 13th month persistency ratio rose from 74.5% in FY22 to 85.6% in 9MFY26, while 61st month persistency improved from 47% to 59% over the same period. This broad-based improvement across cohorts and products has been driven by a sharper focus on tailor-made customised product portfolio, stronger underwriting discipline, improved onboarding, and greater use of digital tools such as automated renewal reminders and CRM-led servicing.

CANHLIFE delivers a superior operating RoEV of 18%, ahead of peers at 13–20%, with a healthy solvency ratio of 1.9x. Embedded value (EV) has shown strong momentum, growing 21% YoY in FY24, 18% in FY25, and 16% YoY to INR 68.7bn in 9MFY26.

Fig 54 – Persistency ratio trend for CANHLIFE



Source: Company, BOBCAPS Research

Fig 55 – Expects continued gradual increase in 13th M persistency

(%)	FY22	FY23	FY24	FY25	9MFY26
Canara HSBC	-	75.3	80.7	84.4	85.6
HDFC Life	87.5	87.5	87.1	86.9	79.5
ICICI Pru Life	84.6	85.4	88.7	85.1	84.4
Max Fin	85.0	84.0	87.0	88.0	85.0
SBI Life	85.2	85.5	86.8	87.4	87.1
LIC	75.6	77.1	77.7	74.8	75.8

Source: Company, BOBCAPS Research

Fig 56 – Steady 37th M persistency for CANHLIFE

(%)	FY22	FY23	FY24	FY25	9MFY26
Canara HSBC	-	65.1	63.0	64.7	65.8
HDFC Life	67.5	72.4	73.2	73.6	70.2
ICICI Pru Life	66.9	71.5	72.0	74.5	75.5
Max Fin	61.0	62.0	61.0	63.0	64.0
SBI Life	72.2	74.5	71.0	72.1	72.0
LIC	66.6	70.1	65.5	66.1	67.4

Source: Company, BOBCAPS Research

Fig 57 – Shows steady improvement in 61st M persistency

(%)	FY22	FY23	FY24	FY25	9MFY26
Canara HSBC	-	52.0	55.4	57.7	59.2
HDFC Life	54.0	52.3	53.5	63.5	62.4
ICICI Pru Life	54.7	65.8	65.6	63.9	61.8
Max Fin	50.0	58.0	52.0	53.0	56.0
SBI Life	49.5	55.6	57.4	62.7	58.8
LIC	61.0	61.8	60.9	63.1	61.1

Source: Company, BOBCAPS Research

Structural cost advantage

CANHLIFE continues to operate with one of the leanest cost structures among bank-led private life insurers, with the total expense ratio declining ~130 bps YoY to ~18.7% in 9MFY26 — second only to SBI Life among large peers. This is notable, given its relatively smaller scale and ongoing investments in technology and agency expansion. This can be attributed to its banca-led model, which benefits from structurally lower acquisition and commission costs. While agency channel expansion may exert near-term cost pressures, those are expected to be offset by productivity gains, overhead rationalisation, and operating leverage. The company's track record underscores a strong focus on maintaining cost efficiency even during growth phases.

Fig 58 – Canara HSBC maintains moderate commission ratio

(%)	FY22	FY23	FY24	FY25	9MFY26
Canara HSBC	6.1	5.7	5.8	6.3	6.3
HDFC Life	4.2	5.0	8.3	11.0	12.0
ICICI Pru Life	4.5	4.7	8.6	9.9	10.1
Max Fin	6.3	6.4	8.1	9.5	-
SBI Life	3.7	4.5	4.0	4.4	5.0
LIC	5.5	5.4	5.5	5.2	4.5

Source: Company, BOBCAPS Research

Fig 59 – Opex ratio stands at 12.8%

(%)	FY22	FY23	FY24	FY25	9MFY26
Canara HSBC	11.8	11.6	13.1	12.4	12.8
HDFC Life	12.2	14.7	10.9	8.8	10.5
ICICI Pru Life	9.8	11.5	9.5	8.1	9.0
Max Fin	13.5	14.1	13.8	13.6	15.8
SBI Life	5.1	5.1	4.9	5.3	6.2
LIC	9.1	10.1	10.1	7.2	7.2

Source: Company, BOBCAPS Research

Fig 60 – Structural improvement in expense ratio driven by the ongoing cost rationalisation

(%)	FY22	FY23	FY24	FY25	9MFY26
Canara HSBC	17.9	17.4	18.9	18.7	19.1
HDFC Life	16.4	19.7	19.3	19.8	22.5
ICICI Pru Life	14.3	16.1	18.1	18.0	19.1
Max Fin	19.7	20.5	22.0	23.1	-
SBI Life	8.7	9.6	8.9	9.7	11.2
LIC	14.5	15.5	15.6	12.4	11.7

Source: Company, BOBCAPS Research

Company Background

Established in 2007, Canara HSBC Life Insurance Company Ltd is a private life insurer formed as a joint venture between Canara Bank and HSBC Insurance (Asia Pacific) Holdings Ltd. Headquartered in Gurugram, Haryana, the company has a nationwide presence and follows a bancassurance-led distribution strategy, primarily leveraging the extensive branch networks of Canara Bank and HSBC. The company offers various products across individual and group spaces comprising of life, term plans, retirement solutions, credit life and employee benefit segments through partner banks, digital and agency channels.

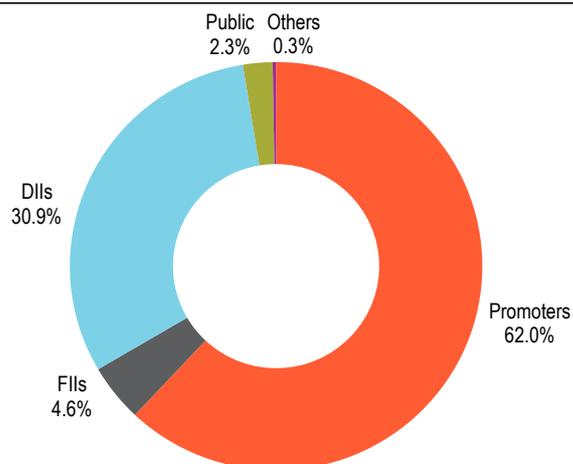
In recent years, the company has reported steady growth in APE, which increased from Rs 18,878 mn in FY23 to Rs 23,394 mn in FY25, registering a 11.4% CAGR. This growth reflects an expansion in regular premium business and greater product diversification. Its VNB rose from around Rs 3,776 mn in FY24 to Rs 4,461 mn in FY25, although VNB margins remain relatively modest compared with larger peers. The company's embedded value has also shown consistent improvement, rising from Rs 42,719 mn in FY23 to Rs 61,107 mn in FY25, and further to Rs 68,678 mn in 9MFY26, underscoring a strong and profitable in-force business base. Backed by strong parentage, an expanding product mix, and a focus on disciplined growth, Canara HSBC Life continues to reinforce its position in India's competitive life insurance market. The company has access to 9,800+ Canara Bank branches and access to affluent retail and NRI through HSBC's premium banking base.

Key Management Personnel

Fig 61 – Key Management

Name	Designation	Background & Experience
Mr. Anuj Dayal Mathur	MD & CEO	Mr. Mathur joined the company in 2008. Prior to joining the company, he was associated with CGU Project Services Ltd, Aviva Life Insurance Company India Ltd, Maruti Udyog Ltd, HCL Perot Systems and Bharti Tele-Ventures Ltd. He holds a B.Com from Shri Ram College of Commerce, University of Delhi. He is also a fellow of ICSI and an associate of ICAI and ICMAI. He has 30+ years of experience in diverse industries, including Insurance, Automobiles, IT, and telecom.
Mr. Tarun Rustagi	CFO	Mr. Rustagi has 24+ years of experience in Finance and has worked with SBC Electronic Data Processing India Pvt Ltd, PNB MetLife India Insurance Company Ltd, Axis Max Life Insurance Ltd, AXA Business Services Pvt Ltd, Lovelock & Lewes and S.R. Batliboi & Co, before joining Canara HSBC in 2019. He holds B.Com (Honors) from the University of Delhi and a PG diploma in Management from Management Development Institute, Gurgaon. He is a CA and holds a certificate of membership from ICAI.
Ms. Jyoti Kartarsingh Vaswani	CIO	Ms. Vaswani joined the company in 2022 and is responsible for overseeing investments at Canara HSBC. Previously, she was associated with Reliance Nippon Life Insurance Company Ltd, Future Generali India Life Insurance Company Ltd, Aviva Life Insurance Company India Ltd, J.M. Share & Stockbrokers Ltd, Prabhudas Lilladher Pvt Ltd and with JM Capital Management. She holds a B.Com from the University of Bombay, Maharashtra and is a qualified CFA.
Ms. Vatsala Sameer	Company Secretary and Compliance Office	Ms. Vatsala has been with the company since 2011. She was associated with Axis Max Life Insurance Ltd, Ballarpur Industries Ltd and Escorts Finance Ltd. She holds a Bachelor's degree in Economics (Honours) from the University of Delhi and is a qualified Company Secretary. She also holds a Bachelor's in Law from Ch. Charan Singh University, Meerut and Master's diploma in Business Administration from Symbiosis Institute of Management Studies, Pune. She has been admitted as an associate of ICSI.
Mr. Nitin Agarwal	Appointed Actuary	Mr. Agarwal has been associated with the company since Jan 2012 as Senior Manager- Actuarial. Since Oct 2025, he became the appointed actuary of the company. With 18+ years of experience, he has also worked with HDFC Life Insurance Company Ltd and Willis Towers Watson India Pvt Ltd. He is a fellow member of the IAI and IFoA. He holds a Bachelor's in Mathematics (Honours) from Hindu College, University of Delhi.

Source: Company, BOBCAPS Research

Fig 62 – Shareholding pattern

Source: Company, BOBCAPS Research

Fig 63 – Top 10 shareholders

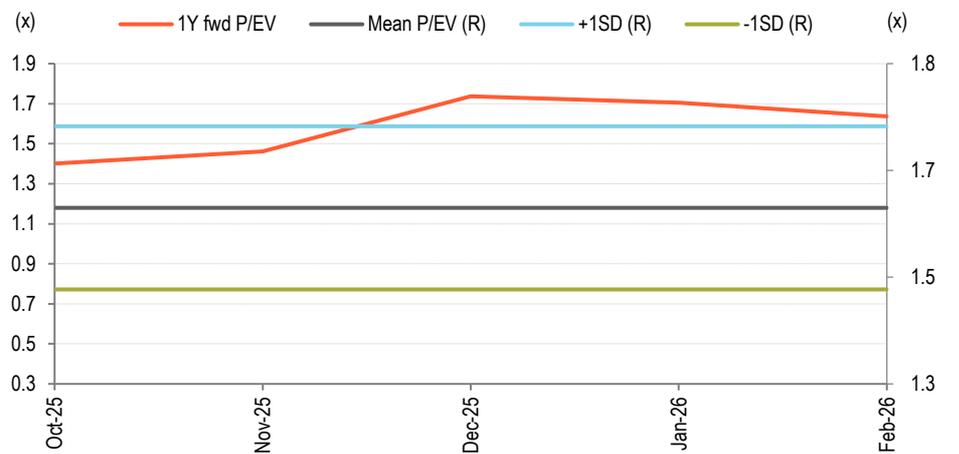
Companies	% holding
Punjab National Bank	13.0
HDFC AMC	4.3
Mirae Asset Financial Group	3.8
ICICI Prudential AMC	2.9
Dsp Asset Managers	1.9
Dsp Finance	1.5
Franklin Templeton	0.7
Pictet & Cie Group	0.6
Tata Asset Management	0.6
Came Global Fund Managers Ireland	0.5

Source: Company, BOBCAPS Research, *Data as of 23rd March 2026

Valuation Methodology

CANHLIFE has consistently outperformed the industry in APE growth. It emerged as one of the fastest growing life insurers with APE CAGR growth of 18.7% vs industry growth at 10.6% over FY17-FY25. In 9MFY26 and FY25, the company reported APE growth of 22.3% YoY and 23.9% YoY respectively vs industry growth of 12.8% in 9MFY26. In 9MFY26, private players clocked APE growth of 13.2% YoY. Further, its individual WPI grew 20.5% vs the overall industry’s individual APE growth of 9.5% vs 13.0% private players growth in 9MFY26. Additionally, CANHLIFE market share rose to 1.9% in 9MFY26 — an increase of 17bps on a total APE basis. In FY25, its market share was at 1.6% vs. 1.4% in FY22. The company remains confident about its growth outlook, supported by robust 9MFY26, coupled with improving demand conditions across the life insurance industry particularly following GST exemption introduced in Sep’25. Additionally, CANHLIFE derives over 90% of business (of the individual WPI) bancassurance via Canara Bank (36.5% stake) and HSBC (25.5%), offering cost-efficient scale compared to diversified peers. While bank assurance remains a key driver of company’s growth, it is also investing in alternate distribution channels to ensure more diversified and sustainable growth trajectory. Further, the company aims to focus on sustaining profitability, with VNB margins supported by a favourable product mix and tighter control on costs. We expect VNB margin to be in the range of 20-22% in FY26E-FY28E. We expect CANHLIFE to continue reporting industry-leading APE CAGR growth of 19% over FY25-28E in the medium term. We initiate coverage on Canara HSBC Life (CANHLIFE) with a BUY and TP of Rs 185, implying 1.8x FY28E P/EV.

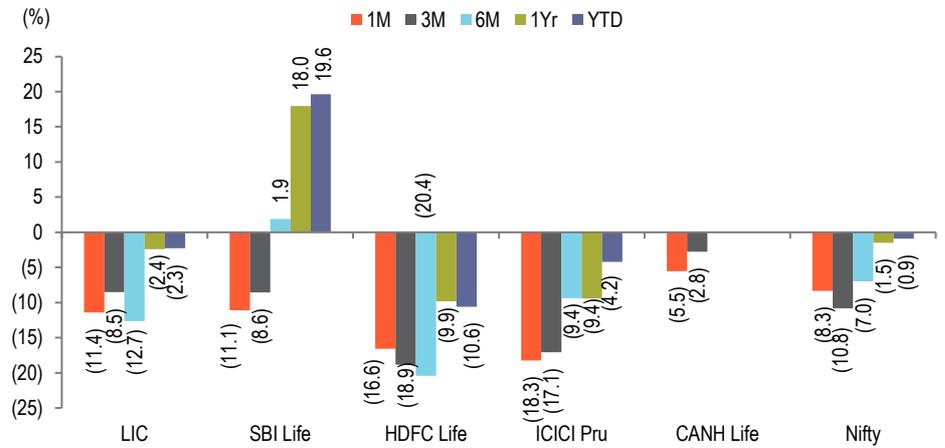
Fig 64 – Valuation- Canara HSBC



Source: Company, BOBCAPS Research

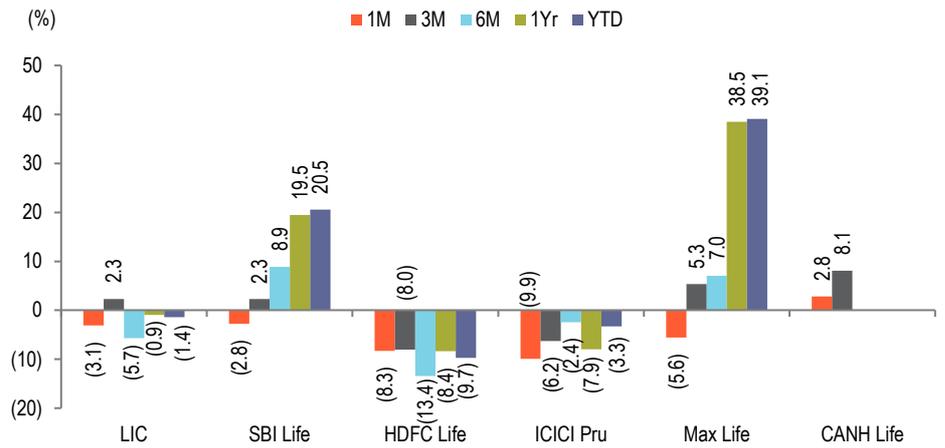
Price performance

Fig 65 – Absolute performance



Source: Company, BOBCAPS Research, Price taken as of 25th Mar 2026

Fig 66 – Relative performance



Source: Company, BOBCAPS Research, Price taken as of 25th Mar 2026

Stock performance

Fig 67 – CANHLIFE

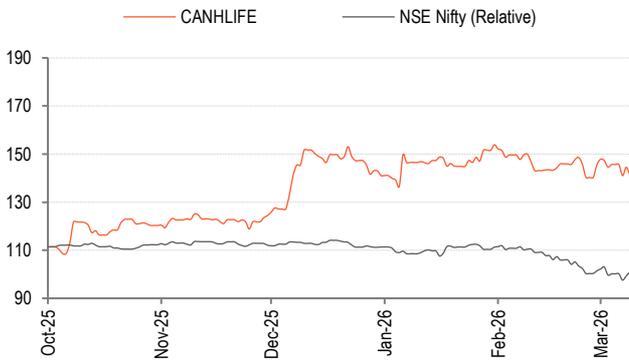


Fig 68 – HDFCLIFE

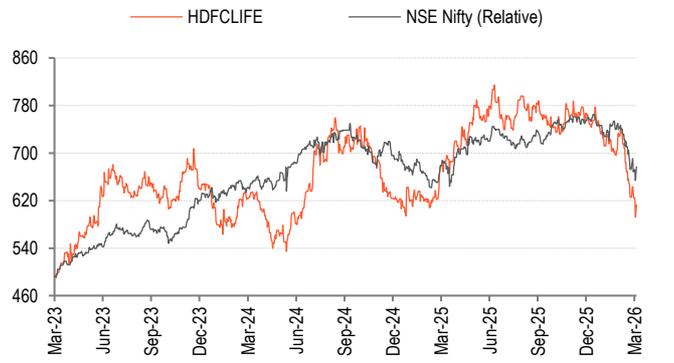


Fig 69 – IPRU

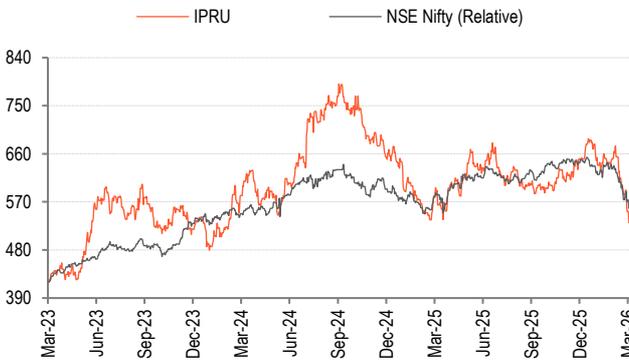
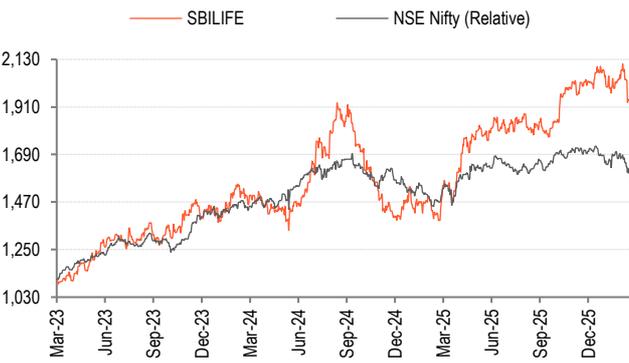


Fig 70 – LIC



Fig 71 – SBILIFE



Source: NSE

Financials – CANHLIFE

Revenue Account (Technical)

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Gross premium income	71,287	80,275	97,132	1,16,559	1,40,453
First year premium	16,939	21,737	26,226	31,471	37,922
Renewal premium	42,276	49,059	59,251	71,101	85,676
Single premium	12,072	9,478	11,656	13,987	16,854
Net written premium	69,326	78,502	94,995	1,13,994	1,37,363
Income from investments	48,124	27,574	31,710	36,466	41,936
Other income	1,169	1,178	207	227	250
Total income	1,18,620	1,07,254	1,26,912	1,50,688	1,79,550
Commissions	4,111	5,071	6,114	7,431	8,954
Operating expenses	9,354	9,942	10,460	10,942	11,450
Benefits and bonuses paid	31,664	50,837	58,463	67,232	77,317
Change in liabilities (net)	70,948	38,715	48,394	61,460	78,054
Others	724	887	432	477	(22)
Total expenses	1,16,801	1,05,452	1,23,862	1,47,542	1,75,753
Surplus before tax	757	812	3,049	3,146	3,796
Provision for tax	0	0	0	0	0
Surplus after tax	757	812	3,049	3,146	3,796
Trf to shareholders' a/c	1,444	1,321	2,175	2,214	2,673
Balance being FFA	(687)	(509)	874	932	1,124

Income Statement (Non-technical)

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Trf from policyholders' a/c	1,444	1,321	2,175	2,214	2,673
Income from investments	965	1,020	1,076	1,377	1,680
Contr. to policyholders' fund	1,097	990	1,257	1,483	1,750
Others	77	73	81	89	98
PBT	1,239	1,282	1,913	2,019	2,504
Provision for taxation	106	112	96	101	125
PAT	1,133	1,170	1,817	1,918	2,379
Dividend+Interim div.+DDT	-	-	-	-	-

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Equity	14,189	15,169	16,511	17,954	19,858
Policyholders' funds	3,48,478	3,86,697	4,41,387	5,15,023	6,01,913
FFA	6,424	6,881	7,755	8,688	9,811
Others	9,067	9,775	9,299	10,229	11,252
Total liabilities	3,78,158	4,18,521	4,74,952	5,51,893	6,42,834
Shareholders' funds	15,703	13,747	2,790	60	(3,019)
Policyholders' funds	1,98,925	2,26,435	2,66,603	3,09,360	3,59,812
Assets to cover linked liab.	1,59,176	1,71,482	1,97,946	2,33,577	2,75,621
Others	4,354	6,857	7,612	8,897	10,421
Total assets	3,78,158	4,18,521	4,74,952	5,51,893	6,42,834

Key Metrics

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
AUM (Rs mn)	3,73,804	5,45,22,970	6,27,01,416	7,21,06,628	8,29,22,622
NBP (Rs mn)	29,011	31,215	37,882	45,458	54,777
APE (Rs mn)	18,878	23,394	28,190	33,405	39,485
VNB (Rs mn)	3,776	4,461	5,666	6,948	8,489
VNB margin (%)	20.0	19.1	20.1	20.8	21.5
Embedded value (Rs mn)	51,799	61,107	71,582	84,142	99,210
ROEV (%)	0.0	18.3	17.9	18.2	18.5
ROE (%)	-	-	-	-	-
Opex ratio (%)	18.9	18.7	17.1	15.8	14.5
Cost ratio (%)	5.8	6.3	6.3	6.4	6.4
Solvency ratio (%)	-	-	-	-	-
EPS (Rs)	1.2	1.2	1.9	2.0	2.5
BVPS (Rs)	14.9	16.0	17.4	18.9	20.9
EVPS (Rs)	54.5	64.3	75.3	88.6	104.4

Source: Company, BOBCAPS Research

Financials – HDFCLIFE

Revenue Account (Technical)

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Gross premium income	6,30,765	7,10,449	8,06,360	9,20,863	10,55,309
First year premium	1,11,108	1,29,761	1,50,260	1,71,597	1,96,650
Renewal premium	3,34,451	3,76,796	4,35,434	4,97,266	5,69,867
Single premium	1,85,205	2,03,892	2,20,665	2,52,000	2,88,792
Net written premium	6,19,592	6,96,161	7,88,620	9,00,604	10,32,092
Income from investments	3,83,543	2,59,453	3,31,485	3,59,315	3,87,653
Other income	4,608	3,834	4,147	4,490	4,864
Total income	10,07,743	9,59,448	11,24,252	12,64,408	14,24,609
Commissions	52,563	78,353	89,714	1,04,068	1,21,968
Operating expenses	69,011	62,218	69,684	79,440	90,958
Benefits and bonuses paid	3,96,965	3,93,459	4,32,805	4,84,742	5,42,911
Change in liabilities (net)	4,84,194	4,15,156	5,14,793	5,76,568	6,45,756
Others	-	-	-	-	-
Total expenses	10,02,732	9,49,186	11,06,996	12,44,818	14,01,594
Surplus before tax	5,011	10,263	17,256	19,590	23,015
Provision for tax	(5,924)	(5,882)	1,930	2,057	2,255
Surplus after tax	7,751	10,430	15,326	17,533	20,760
Trf to shareholders' a/c	7,991	9,968	12,568	14,377	17,023
Balance being FFA	(240)	462	-	-	-

Income Statement (Non-technical)

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Trf from policyholders' a/c	7,991	9,968	12,568	14,377	17,023
Income from investments	10,022	11,251	12,085	13,570	14,725
Contr. to policyholders' fund	1,251	1,004	1,034	1,065	1,097
Others	(1,123)	(1,554)	(1,768)	(2,048)	(2,375)
PBT	15,638	18,661	21,850	24,834	28,276
Provision for taxation	(50)	640	874	993	1,131
PAT	15,689	18,021	20,976	23,841	27,145
Dividend+Interim div.+DDT	4,304	4,521	4,521	4,521	4,521

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Equity	1,46,517	1,61,256	1,77,704	1,97,024	2,19,647
Policyholders' funds	27,34,890	31,53,161	37,28,737	44,20,792	52,53,512
FFA	12,115	12,576	13,583	14,669	15,843
Others	43,771	68,348	73,536	79,417	86,083
Total liabilities	29,37,293	33,95,342	39,93,560	47,11,901	55,75,085
Shareholders' funds	1,48,819	1,83,863	2,12,362	2,39,969	2,59,167
Policyholders' funds	18,17,966	21,62,671	25,73,578	30,62,558	36,44,444
Assets to cover linked liab.	9,55,416	10,16,282	11,68,724	13,44,032	15,32,197
Others	-	-	-	-	-
Total assets	29,37,293	33,95,342	39,93,560	47,11,901	55,75,085

Key Metrics

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
AUM (Rs mn)	29,22,201	33,62,815	39,54,664	46,46,559	54,35,807
NBP (Rs mn)	2,96,314	3,33,653	3,70,925	4,23,597	4,85,442
APE (Rs mn)	1,32,910	1,54,790	1,73,365	1,97,636	2,26,293
VNB (Rs mn)	34,955	39,626	41,463	48,221	56,523
VNB margin (%)	26.3	25.6	24.8	25.3	25.9
Embedded value (Rs mn)	4,74,680	5,54,230	6,37,510	7,34,211	8,46,949
ROEV (%)	17.5	16.7	15.8	15.9	16.0
ROE (%)	11.4	11.7	12.4	12.7	13.0
Opex ratio (%)	10.9	8.8	8.6	8.6	8.6
Cost ratio (%)	19.3	19.8	19.8	19.9	20.2
Solvency ratio (%)	-	-	-	-	-
EPS (Rs)	7.3	8.4	9.7	11.1	12.6
BVPS (Rs)	68.5	75.0	82.5	91.5	102.0
EVPS (Rs)	220.6	257.4	296.1	341.0	393.4

Source: Company, BOBCAPS Research

Financials – IPRU

Revenue Account (Technical)

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Gross premium income	4,32,356	4,89,507	5,33,563	5,87,986	6,55,605
First year premium	70,315	81,146	82,702	95,626	1,06,623
Renewal premium	2,45,568	2,57,202	2,93,460	3,33,963	3,72,368
Single premium	1,16,473	1,51,160	1,57,401	1,58,398	1,76,613
Net written premium	4,17,597	4,72,594	5,15,422	5,67,995	6,33,314
Income from investments	4,65,503	2,28,195	2,48,452	2,90,798	3,07,646
Other income	20,069	5,410	5,563	5,698	5,836
Total income	9,03,169	7,06,199	7,69,437	8,64,491	9,46,795
Commissions	37,220	48,594	53,356	62,327	69,494
Operating expenses	40,926	39,746	43,752	44,099	49,170
Benefits and bonuses paid	4,00,060	4,61,825	4,74,188	5,05,515	5,25,651
Change in liabilities (net)	4,06,391	1,35,714	1,76,429	2,27,593	2,73,112
Others	-	-	-	-	-
Total expenses	8,84,596	6,85,879	7,47,725	8,39,534	9,17,427
Surplus before tax	18,573	20,321	21,712	24,957	29,368
Provision for tax	7,681	9,424	10,255	11,563	12,631
Surplus after tax	10,892	10,897	11,458	13,394	16,737
Trf to shareholders' a/c	14,719	10,931	10,885	11,787	14,729
Balance being FFA	(3,827)	(34)	-	-	-

Income Statement (Non-technical)

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Trf from policyholders' a/c	14,719	10,931	10,885	11,787	14,729
Income from investments	13,692	6,960	7,601	8,402	8,822
Contr. to policyholders' fund	18,022	3,178	3,242	3,306	3,373
Others	(1,156)	(1,348)	(1,486)	(1,605)	(1,733)
PBT	9,232	13,364	13,758	15,278	18,445
Provision for taxation	708	1,474	1,376	1,528	1,844
PAT	8,524	11,891	12,382	13,750	16,600
Dividend+Interim div.+DDT	867	1,236	2,108	2,109	2,109

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Equity	1,10,086	1,19,413	1,31,795	1,45,545	1,62,146
Policyholders' funds	27,31,066	28,74,403	33,11,627	38,28,552	44,27,446
FFA	12,866	12,832	12,798	12,764	12,730
Others	81,251	81,822	70,998	76,847	83,457
Total liabilities	29,35,269	30,88,470	35,27,217	40,63,708	46,85,779
Shareholders' funds	1,05,755	1,40,550	1,51,794	1,59,383	1,67,352
Policyholders' funds	11,43,182	12,86,988	13,38,467	15,25,852	17,39,472
Assets to cover linked liab.	16,48,424	16,12,399	19,83,251	24,39,398	30,00,460
Others	-	-	-	-	-
Total assets	29,35,269	30,88,470	35,27,217	40,63,708	46,85,779

Key Metrics

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
AUM (Rs mn)	28,97,361	30,39,936	34,73,511	41,24,634	49,07,284
NBP (Rs mn)	1,86,788	2,32,306	2,40,103	2,54,024	2,83,236
APE (Rs mn)	90,460	1,04,070	1,08,025	1,22,608	1,40,999
VNB (Rs mn)	22,253	23,700	26,466	30,529	35,532
VNB margin (%)	24.6	22.8	24.5	24.9	25.2
Embedded value (Rs mn)	4,23,370	4,79,510	5,43,465	6,16,598	7,00,585
ROEV (%)	14.1	13.0	13.5	13.6	13.8
ROE (%)	8.1	10.4	9.9	9.9	10.8
Opex ratio (%)	9.5	8.1	8.2	7.5	7.5
Cost ratio (%)	18.1	18.0	18.2	18.1	18.1
Solvency ratio (%)	-	-	-	-	-
EPS (Rs)	5.9	8.2	8.6	9.5	11.5
BVPS (Rs)	76.5	82.8	91.2	100.7	112.2
EVPS (Rs)	294.1	331.8	376.0	426.6	484.7

Source: Company, BOBCAPS Research

Financials – LIC1

Revenue Account (Technical)

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Gross premium income	47,57,519	48,88,489	53,28,453	57,01,445	61,00,546
First year premium	3,90,380	3,70,254	4,26,276	4,56,116	4,88,044
Renewal premium	25,30,805	26,20,634	28,24,080	30,21,766	32,33,289
Single premium	18,36,335	18,97,601	20,78,097	22,23,564	23,79,213
Net written premium	47,50,696	48,81,482	53,20,461	56,90,042	60,82,244
Income from investments	36,39,439	39,26,234	42,48,185	45,88,040	49,09,203
Other income	1,46,933	33,767	6,989	7,409	7,853
Total income	85,37,068	88,41,482	95,75,635	1,02,85,491	1,09,99,300
Commissions	2,59,591	2,53,088	2,58,910	2,70,990	3,00,452
Operating expenses	4,81,217	3,54,152	3,69,304	3,87,986	4,07,720
Benefits and bonuses paid	38,88,093	41,63,547	45,17,448	49,01,431	52,93,546
Change in liabilities (net)	35,30,361	35,33,343	38,16,010	40,64,051	42,75,382
Others	(27,851)	(19,492)	(21,804)	(22,953)	(24,181)
Total expenses	81,31,411	82,84,637	89,39,868	96,01,506	1,02,52,918
Surplus before tax	4,05,656	5,56,845	6,35,767	6,83,985	7,46,382
Provision for tax	58,252	77,725	95,365	1,02,598	1,11,957
Surplus after tax	3,47,405	4,79,120	5,40,402	5,81,387	6,34,425
Trf to shareholders' a/c	3,74,554	4,73,234	5,33,986	5,64,283	6,16,123
Balance being FFA	(27,150)	5,887	6,416	17,104	18,302

Income Statement (Non-technical)

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Trf from policyholders' a/c	3,74,554	4,73,234	5,33,986	5,64,283	6,16,123
Income from investments	36,946	59,917	83,884	1,44,280	1,76,022
Contr. to policyholders' fund	449	45,399	49,938	54,932	60,426
Others	2,463	6,422	7,065	7,771	8,548
PBT	4,07,872	4,81,512	5,60,866	6,45,860	7,23,171
Provision for taxation	1,114	0	1,683	1,938	2,170
PAT	4,06,758	4,81,512	5,59,184	6,43,922	7,21,002
Dividend+Interim div.+DDT	0	0	0	0	0

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Equity	8,19,382	12,61,877	17,89,436	24,01,734	30,91,110
Policyholders' funds	5,13,84,775	5,44,63,230	5,81,65,979	6,21,55,369	6,64,53,589
FFA	12,147	18,284	24,700	41,805	60,106
Others	4,079	8,154	16,418	32,835	65,670
Total liabilities	5,22,20,383	5,57,51,546	5,99,96,533	6,46,31,742	6,96,70,476
Shareholders' funds	6,37,440	10,40,258	18,08,021	24,50,157	31,57,644
Policyholders' funds	4,87,65,124	5,13,62,788	5,46,22,297	5,83,74,554	6,24,17,285
Assets to cover linked liab.	3,52,578	4,83,120	4,94,911	5,05,738	5,44,888
Others	24,65,241	28,65,380	30,71,304	33,01,294	35,50,659
Total assets	5,22,20,383	5,57,51,546	5,99,96,533	6,46,31,742	6,96,70,476

Key Metrics

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
AUM (Rs mn)	5,12,18,870	5,45,22,970	6,43,37,105	7,27,00,928	8,36,06,067
NBP (Rs mn)	22,26,714	22,67,855	25,04,373	26,79,679	28,67,257
APE (Rs mn)	5,69,700	5,68,270	6,53,478	7,35,763	8,24,512
VNB (Rs mn)	95,830	1,00,110	1,26,121	1,45,681	1,66,551
VNB margin (%)	16.8	17.6	19.3	19.8	20.2
Embedded value (Rs mn)	72,73,440	77,68,750	86,13,939	95,41,874	1,05,58,905
ROEV (%)	27.9	7.3	11.3	11.1	11.0
ROE (%)	0.0	0.0	0.0	0.0	0.0
Opex ratio (%)	15.6	12.4	11.8	11.6	11.6
Cost ratio (%)	5.5	5.2	4.9	4.8	4.9
Solvency ratio (%)	-	-	-	-	-
EPS (Rs)	64.3	76.1	88.4	101.8	114.0
BVPS (Rs)	129.5	199.5	282.9	379.7	488.7
EVPS (Rs)	1,150.0	1,228.3	1,361.9	1,508.6	1,669.4

Source: Company, BOBCAPS Research

Financials – SBILIFE

Revenue Account (Technical)

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Gross premium income	8,14,306	8,49,846	9,81,572	11,28,808	12,92,486
First year premium	1,74,757	1,93,716	2,10,654	2,25,762	2,58,497
Renewal premium	4,31,923	4,94,078	5,39,865	6,20,845	7,10,867
Single premium	2,07,626	1,62,052	2,31,053	2,82,202	3,23,121
Net written premium	8,05,871	8,40,598	9,70,873	11,16,504	12,78,397
Income from investments	5,03,666	3,17,141	3,23,937	3,33,243	3,99,203
Other income	16,777	13,448	15,501	18,137	21,217
Total income	13,26,314	11,71,187	13,10,311	14,67,885	16,98,817
Commissions	32,553	37,388	44,117	54,705	67,835
Operating expenses	39,819	44,908	51,644	59,391	68,299
Benefits and bonuses paid	4,31,074	4,89,018	5,33,980	5,90,631	6,64,971
Change in liabilities (net)	7,84,313	5,57,001	6,34,981	7,11,179	8,39,192
Others	0	0	0	0	1
Total expenses	12,87,760	11,28,315	12,64,723	14,15,906	16,40,298
Surplus before tax	38,554	42,872	45,588	51,979	58,519
Provision for tax	10,833	13,038	14,542	16,209	18,711
Surplus after tax	27,915	29,945	31,173	35,916	39,978
Trf to shareholders' a/c	25,977	27,397	29,009	33,422	37,202
Balance being FFA	1,938	2,548	-	-	-

Income Statement (Non-technical)

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Trf from policyholders' a/c	25,977	27,397	29,009	33,422	37,202
Income from investments	10,341	11,145	12,953	15,641	18,733
Contr. to policyholders' fund	(16,276)	(13,459)	(15,478)	(18,109)	(21,188)
Others	(620)	(136)	(170)	(207)	(207)
PBT	19,421	24,947	26,314	30,746	34,540
Provision for taxation	(483)	(814)	(658)	(769)	(863)
PAT	18,938	24,133	25,657	29,977	33,676
Dividend+Interim div.+DDT	2,705	2,707	2,707	2,707	2,707

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Equity	1,49,086	1,69,854	1,90,878	2,18,148	2,49,117
Policyholders' funds	36,51,022	41,80,690	48,13,186	55,54,227	64,22,693
FFA	13,366	15,914	16,232	16,557	16,888
Others	1,14,357	1,42,775	1,45,630	1,48,543	1,51,514
Total liabilities	39,27,830	45,09,232	51,65,926	59,37,474	68,40,211
Shareholders' funds	1,30,364	1,46,045	1,73,793	2,07,683	2,49,219
Policyholders' funds	15,65,436	18,52,268	22,00,494	26,14,187	31,05,654
Assets to cover linked liab.	21,60,103	24,76,357	28,20,570	32,26,732	37,02,675
Others	0	0	0	0	0
Total assets	39,27,830	45,09,232	51,65,926	59,37,474	68,40,211

Key Metrics

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
AUM (Rs mn)	38,89,200	44,80,400	53,85,739	64,82,029	77,13,614
NBP (Rs mn)	3,82,383	3,55,768	4,41,708	5,07,964	5,81,619
APE (Rs mn)	1,97,200	2,14,200	2,47,407	2,84,156	3,26,705
VNB (Rs mn)	55,500	59,500	68,037	79,564	92,458
VNB margin (%)	28.1	27.8	27.5	28.0	28.3
Embedded value (Rs mn)	5,82,600	7,02,500	8,30,137	9,79,772	11,54,571
ROEV (%)	21.8	20.2	18.0	17.8	17.6
ROE (%)	13.6	15.1	14.2	14.7	14.4
Opex ratio (%)	4.9	5.3	5.3	5.3	5.3
Cost ratio (%)	8.9	9.7	9.8	10.1	10.5
Solvency ratio (%)	-	-	-	-	-
EPS (Rs)	18.9	24.1	25.6	29.9	33.6
BVPS (Rs)	148.9	169.6	190.5	217.8	248.7
EVPS (Rs)	581.7	701.2	828.0	977.2	1,151.6

Source: Company, BOBCAPS Research

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Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

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