

Canara HSBC Life Insurance

Franchise Strengthens; Banca Engine Firing Strong

Canara HSBC Life Insurance has built a strong growth franchise anchored on its bancassurance partnerships with promoters Canara Bank and HSBC, with the banca channel contributing ~93% of individual WPI and offering significant headroom given insurance penetration of <2% in the captive banking base. Partner productivity has improved meaningfully, with Canara Bank branch productivity rising from Rs0.9mn in FY22 to Rs1.6mn in FY25 and HSBC productivity increasing from Rs64mn to Rs108mn, supporting steady market share gains in individual APE (2.3% in FY21 to 2.9% in 9MFY26). While growth has been led by ULIPs (61% mix in 9MFY26), the company is gradually increasing its focus on margin-accretive traditional products, with protection share rising from 3.7% in FY22 to 7% in 9MFY26 and annuities increasing from 2.3% to ~12-13%. Consequently, VNB margins, which declined from 21.4% in FY22 to 19.1% in FY25 due to the ULIP tilt, are expected to improve to 20.4% in FY26E, 21.2% in FY27E, and 21.9% in FY28E. Growth momentum remains strong, with APE expected to grow at ~20% CAGR to ~Rs40bn by FY28E and VNB projected to grow at ~25% CAGR to ~Rs8.8bn, supported by improving product mix and distribution expansion. Persistency metrics have strengthened significantly (13th month: 74.5% in FY22 to 85.6% in 9MFY26; 61st month: 47.3% to 59.2%), while solvency remains comfortable. Embedded Value has grown at 17% CAGR over FY22-FY25 to Rs61bn and is projected to reach ~Rs98bn by FY28E, with operating ROEV sustained at 17-18%. Given the company's strong distribution advantage, improving product mix, and robust growth outlook, the stock is valued at 1.7x FY28E P/EV, implying a target price of Rs176. We initiate coverage on the stock with a BUY rating.

Banca led growth story: Canara HSBC Life Insurance (CHL) has developed a strong position in the life insurance industry largely through its bancassurance-led distribution model. Its key bancassurance partners—Canara Bank and HSBC—are also its promoters, which ensures strong distribution alignment and long-term strategic support. The banca channel remains the primary driver of business, contributing about 93% of individual WPI as of 9MFY26, similar to its contribution in FY25. Within this channel, Canara Bank accounted for approximately 73% of the individual WPI, HSBC contributed about 13%, and Regional Rural Banks (RRBs) contributed around 6% in FY25. Despite this strong distribution base, the company sees significant growth potential because insurance penetration within the captive banking customer base is still below 2%. Productivity has also improved across partners: in Canara Bank branches, individual WPI productivity increased from Rs0.9mn in FY22 to Rs1.6mn in FY25, while HSBC, which focuses on premiumisation, saw productivity rise from Rs64mn to Rs108mn. To further expand growth, CHL is focusing on Tier-2 and Tier-3 cities, where it already operates through over 6,000 touchpoints. Additionally, the company launched a hybrid agency channel in October 2025 to diversify its distribution beyond bancassurance. As a result of these strategies, its market share in private sector individual APE increased from 2.3% in FY21 to 2.6% in FY25 and further to 2.9% by 9MFY26.

Focus on traditional products; ULIP still dominant: The company has been focusing on the traditional profitable product segments, though growth has largely been driven by ULIPs. The share of ULIPs in the product mix increased from 36.4% in FY22 to 53.7% in FY25 and further to 61% at end-9MFY26. However, the company has indicated that it intends to gradually increase its focus on traditional products, particularly those that are margin-accretive. Within protection, the share has improved from 3.7% in FY22 to 4.1% in FY25 and further to 7% at end-9MFY26. While group protection continues to account for a larger portion of the protection mix, the company is also focusing on expanding retail protection, aided by the reduction in GST rates on such products. The annuity segment has also witnessed strong growth, with its share increasing from 2.3% in FY22 to 13.1% in FY25 (12% in 9MFY26). This growth has been supported by decent IRRs for customers and strong distribution support from Canara Bank, particularly through customer identification and cross-selling at the branch level.

Contd...

Initiating Coverage

India I Insurance

11 March, 2026

BUY

Price: Rs147

Target Price: Rs176

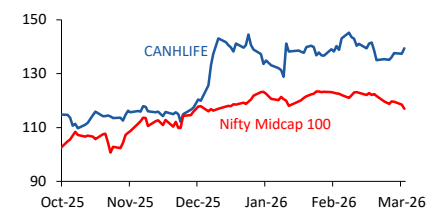
Forecast return: 20%

Institutional Research

Market Data

Bloomberg:	CANHLIFE IN
52 week H/L:	Rs159/106
Market cap:	Rs140bn
Shares Outstanding:	950mn
Free float:	61.5%
Avg. daily vol. 3mth:	22,61,391
Source: Bloomberg	

CANHLIFE relative to Nifty Midcap 100



Source: Bloomberg

Shareholding pattern

	Dec'25
Promoter	62.0
FIIs	4.6
DIIs	30.9
Public/Other	2.6

Source: BSE. Note: Of the 62% promoter stake, 36.5% is held by Canara Bank and the remaining 25.5% is held by HSBC.



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Insurance

VNB margins to improve further; VNB growth solid: The VNB margin declined from 21.4% in FY22 to 19.1% in FY25, primarily due to a higher tilt towards ULIPs. However, the margin expanded by ~210 bps in 9MFY26, driven by (i) improved profitability in the ULIP segment following the introduction of rider attachments, and (ii) strong growth in margin-accretive protection and annuity products. Despite certain structural constraints such as the non-availability of GST input tax credit (ITC) and surrender-related norms, the company's VNB margin is expected to improve going forward. We build in a gradual margin expansion and expect VNB margins to reach 20.4% in FY26E, 21.2% in FY27E, and 21.9% in FY28E. The GST impact on VNB margin for FY26E is expected to be 185bps (per mgmt.) lower than 225bps envisaged earlier due to actions taken to mitigate it. VNB grew at a CAGR of 11% over FY22-FY25, but growth accelerated sharply to 37% YoY in 9MFY26. Factoring in the improving product mix and continued momentum, we expect VNB to register a CAGR of ~25% over FY25-FY28E, reaching Rs8.8bn by FY28E. We expect improvement in operational efficiencies to reflect in the total expense ratio, though the impact is likely to be marginal.

APE to clock 20% CAGR: APE clocked a 15% CAGR over FY22-FY25 to Rs23bn, compared with ~10-17% growth for private listed peers. In 9MFY26, APE growth accelerated to 22% YoY versus ~1-21% for private listed players. We expect growth to continue to be led by the banca channel, while the agency channel could gradually support incremental growth. The company has also witnessed steady market share gains, which we expect to sustain. Overall, we estimate APE to deliver a ~20% CAGR over FY25-FY28E, reaching ~Rs40bn.

Persistency improving; solvency strong: Persistency ratios have improved across most cohorts, reflecting better policy retention. The 13th month persistency increased from 74.5% in FY22 to 82.5% in FY25 and further to 85.6% in 9MFY26, while the 61st month persistency improved from 47.3% in FY22 to 57.7% in FY25 and 59.2% in 9MFY26. Management attributes this improvement to a stronger focus on sales quality, need-based selling, and continuous customer engagement. Persistency has also been supported by higher rider attachment to ULIPs and a growing focus on protection and annuity products. The company maintains a strong solvency position, with a solvency ratio of 191% in 9MFY26, and the recently announced Rs2.5bn fund raise through NCDs is expected to increase the solvency ratio to above 200% in FY26E. Despite the company's increasing focus on protection products—that typically consume more solvency capital—the solvency position is expected to remain strong.

EV to clock in mid-teens; operating ROEV strong: EV has clocked 17% CAGR over FY22-FY25 to Rs61bn. In 9MFY26, EV grew 16% YoY. Strong EV is underpinned by strong new business generation and improvement in operating performance. The increase in EV is driven by higher value of new business (VNB), improved persistency, and growth in protection and annuity products, which are more margin accretive. The GST impact was less than 1% of opening EV and is not expected to deter the EV growth. We have modelled in a 17% CAGR in EV over FY25-FY28E to Rs98bn. Operating ROEV stood at 18.2% at end 9MFY26 and we expect it to be range-bound between 17-18% for our forecasted period.

Initiate with BUY: CHL is strengthening its presence in the life insurance industry, as reflected in its rising market share, a meaningful shift towards a balanced product mix, and a well-diversified distribution strategy. The company's APE is expected to clock a CAGR of 20% over FY25-FY28E, reaching Rs40.2bn, while VNB is projected to grow at a CAGR of 25% over the same period. Embedded Value (EV) is also expected to register a 17% CAGR during FY25-FY28E, with operating ROEV remaining range-bound at 17-18%. At the current price, the stock trades at 1.4x FY28E P/EV. We initiate coverage with a BUY rating, valuing the company at 1.7x FY28E P/EV, which implies a target price of Rs176. **Key risks:** Regulatory changes, adverse economic developments, and variations in persistency.

Financial and valuation summary

YE Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
NBP	29,011	31,215	38,989	47,426	55,963
Renewal	42,276	49,059	59,305	71,517	86,029
Net Premium	69,326	78,502	96,328	1,16,564	1,39,152
APE	18,878	23,394	28,331	34,064	40,195
VNB	3,776	4,461	5,770	7,208	8,804
VNB Margin (%)	20.0	19.1	20.4	21.2	21.9
Opex ratio (%)	13.1	12.4	12.2	11.9	11.8
Commission ratio (%)	5.8	6.3	6.3	6.3	6.3
Expense ratio (%)	18.9	18.7	18.4	18.2	18.1
P/EV				1.7	1.4
P/VNB				7.8	4.7

Source: Company, Centrum Broking

Thesis Snapshot

Key assumptions

YE Mar (Rs mn)	FY26E	FY27E	FY28E
APE	28,331	34,064	40,195
VNB	5,770	7,208	8,804
VNB margin (%)	20.4	21.2	21.9
EV	71,398	83,706	98,368

Source: Centrum Broking

Canara HSBC Life versus NIFTY Mid Cap 100

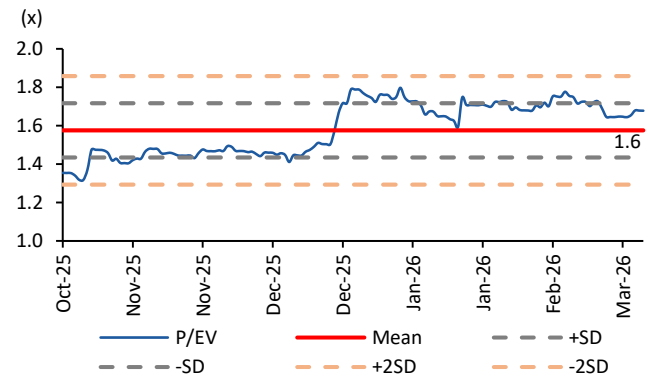
	1m	6m	1 year
CANHLIFE IN	(0.6)	-	-
NIFTY Mid Cap 100	(5.9)	(1.5)	17.3

Source: Bloomberg, NSE

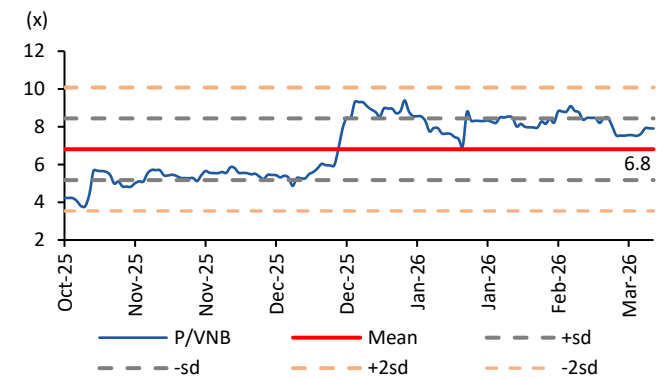
Valuations

The stock is currently trading at 1.4x FY28E P/EV. Assigning a target multiple of 1.7x, we arrive at a revised target price of Rs176. Initiate with a BUY rating.

P/EV (1yr fwd.) – trading above the mean



P/VNB Adj. (1yr fwd.) – trading above the mean



Source: Centrum Broking

Valuation summary

Companies	Rating	CMP (Rs)	Target Price (Rs)	Upside (%)	P/EV		Implied P/EV		P/VNB		Implied P/VNB	
					FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
CANHLIFE IN	BUY	147	176	19.7	1.7	1.4	2.0	1.7	7.8	4.7	11.6	7.8
SBILIFE IN	BUY	1,964	2,468	25.7	2.0	1.8	2.6	2.2	13.1	9.6	19.7	15.4
HDFCLIFE IN	BUY	656	972	48.2	1.9	1.7	2.9	2.5	14.1	10.1	28.0	22.0
IPRU IN	BUY	602	763	26.7	1.4	1.3	1.8	1.6	8.7	5.1	16.3	11.6
MAXF IN	BUY	1,733	1,970	13.7	2.1	1.8	2.4	2.0	10.2	7.2	12.9	9.5
LICI IN	BUY	821	1,252	52.5	0.6	0.5	0.9	0.8	37.8	33.5	57.7	51.1

Source: Centrum Broking. Note: (1) CMP as on 10 Mar, 2026. (2) LIC P/VNB not adjusted for EVPS.

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Comparative snapshot

Exhibit 1: Comparison (Annual)

	Canara HSBC Life			SBI Life			HDFC Life			IPru			Axis Max Life			LIC		
	FY23	FY24	FY25	FY23	FY24	FY25	FY23	FY24	FY25	FY23	FY24	FY25	FY23	FY24	FY25	FY23	FY24	FY25
New business premiums (NBP) - Rs bn	37	29	31	296	382	356	291	296	334	174	187	232	90	110	122	2,321	2,227	2,268
Gross premiums - Rs bn	72	71	80	673	814	850	575	631	710	399	432	490	253	295	332	4,747	4,758	4,888
APE - Rs bn	19	19	23	168	197	214	133	133	155	86	90	104	63	74	88	567	570	568
Individual APE - Rs bn	18	19	23	155	175	196	129	129	149	72	80	87	59	71	83	387	384	382
Embedded value- Rs bn	44	52	61	460	582	702	395	475	554	356	423	479	163	195	252	5,822	7,273	7,769
VNB - Rs bn	4	4	4	51	56	60	37	35	40	28	22	24	20	20	21	92	96	100
Market share – Individual APE (private) %	2.4	2.3	2.6	22.3	23.3	22.8	16.0	15.4	15.7	9.9	9.8	9.8	8.8	9.4	9.8	NA	NA	NA
Market share – Individual APE (sector) %	1.6	1.6	1.8	14.6	15.8	16.1	10.5	10.4	11.1	6.5	6.6	6.9	5.8	6.4	6.9	34.2	32.2	29.4
Market share – NBP (private) %	2.7	1.8	1.8	21.3	24.6	20.8	20.8	19.3	19.8	12.2	11.6	13.2	6.5	7.1	7.1	NA	NA	NA
Market share – NBP (sector) %	1.0	0.8	0.8	8.0	10.1	9.0	7.8	7.9	8.5	4.6	4.8	5.7	2.4	2.9	3.1	62.6	58.9	57.0
Product-mix * %																		
Par	9.1	10.3	8.7	5.6	4.0	3.5	23.0	20.0	17.0	37.3	25.8	21.2	13.0	18.0	15.0	62.2	55.1	48.6
Non par	45.0	33.8	20.0	22.3	16.4	18.3	38.0	26.0	28.0	44.0	28.0	23.0	0.9	6.7	8.4			
Protection	3.6	5.1	4.1	10.6	10.6	9.6	13.0	13.0	11.0	17.4	16.9	15.7	11.0	14.0	15.0	0.5	0.4	0.4
Annuity	0.9	12.2	13.1	3.0	3.1	2.5	6.0	6.0	5.0	5.9	10.5	8.4	5.0	6.0	5.0	2.6	2.8	3.2
Group	6.8	1.9	0.4	3.3	5.4	2.6	3.0	3.0	4.0	3.5	3.5	6.4	NA	NA	NA	31.8	32.5	32.7
ULIP	34.6	36.6	53.7	55.2	60.5	63.6	16.0	31.0	34.0	35.9	43.2	48.3	27.0	35.0	42.0	2.0	2.5	6.6
Persistency ratios %																		
13th-month	75.3	80.7	82.5	85.5	86.8	87.4	87.5	87.1	86.9	86.6	89.0	89.1	83.0	87.0	85.0	77.1	77.7	74.8
25th-month	66.0	68.5	71.5	75.6	77.3	77.7	78.7	79.2	78.1	77.8	80.5	82.6	68.0	69.0	74.0	69.9	71.0	71.0
37th-month	65.1	63.0	64.1	74.5	71.0	72.1	72.4	73.2	73.6	72.8	72.3	75.2	60.0	62.0	62.0	70.1	65.5	66.1
49th-month	63.3	64.2	61.0	70.3	72.4	68.0	64.0	69.7	70.2	65.9	70.5	69.5	57.0	57.0	57.0	63.5	66.3	61.5
61st-month	52.0	55.4	57.7	55.6	57.4	62.7	52.3	53.5	63.5	67.4	66.0	64.1	51.0	52.0	53.0	61.8	60.9	63.1
Distribution-mix %																		
Bancassurance	90.1	93.8	92.7	64.4	61.8	61.3	56.0	65.0	65.0	29.3	28.7	29.4	61.9	58.4	55.3	3.4	2.9	4.1
Direct	6.6	5.4	3.6	-	-	-	13.0	11.0	10.0	12.3	14.1	14.4				0.1	0.2	0.5
Agency	-	-	-	25.7	25.2	28.0	20.0	18.0	18.0	26.4	29.2	28.9	38.1	41.6	44.7	96.2	96.0	93.9
Brokers / Others	3.4	0.8	3.7	9.9	13.0	10.6	11.0	6.0	7.0	32.0	28.1	27.3				0.3	1.0	1.5
Ratios %																		
VNB margin	20.1	20.0	19.1	30.2	28.1	27.8	27.4	26.3	25.6	32.0	24.6	22.8	31.2	27.1	24.0	16.2	16.8	17.6
Commission	5.7	5.8	6.3	4.5	4.0	4.4	5.0	8.3	11.0	4.7	8.6	9.9	6.4	8.1	9.5	5.4	5.5	5.2
Opex	11.6	13.1	12.4	5.1	4.9	5.3	14.7	11.0	8.8	11.5	9.6	8.1	14.1	13.8	13.6	10.1	10.1	7.2
Total expense	17.4	18.9	18.7	9.6	8.9	9.7	19.7	19.3	19.8	16.1	18.2	18.0	20.5	22.0	23.1	15.5	15.6	12.4
Solvency margin	252	213	206	215	197	196	203	187	194	209	192	212	190	172	201	187	198	211
RoEV	NA	18.5	19.5	22.9	21.8	20.2	19.5	17.5	16.7	17.4	14.1	13.1	22.1	20.2	19.1	10.9	11.5	11.4

Source: Company Data, Centrum Broking. Note: (1) Persistency ratios for Axis Max Life are from the company's public disclosures. (2) Distribution mix: For Canara HSBC Life the data is on individual WPI basis, for HDFC Life the data is on individual APE basis and for LIC the data is on individual NBP basis. (3) Axis Max Life distribution mix is of banca and non-banca with non-banca segments not classified separately. (4) For IPru, the data for par and non-par are combined as they are not provided separately.

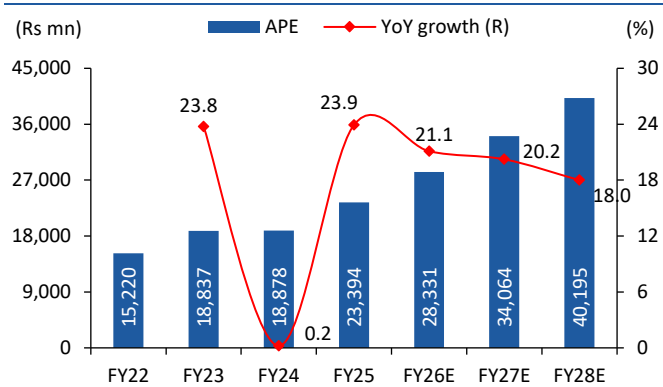
Exhibit 2: Comparison (9M)

	Canara HSBC Life		SBI Life		HDFC Life		IPru		Axis Max Life		LIC	
	9MFY25	9MFY26	9MFY25	9MFY26	9MFY25	9MFY26	9MFY25	9MFY26	9MFY25	9MFY26	9MFY25	9MFY26
New business premiums (NBP) - Rs bn	23	29	263	313	224	246	155	151	81	96	1,580	1,776
Gross premiums - Rs bn	53	69	610	733	470	530	321	335	214	252	3,410	3,718
APE - Rs bn	17	21	160	185	103	114	69	68	57	69	380	440
Individual APE - Rs bn	17	21	146	167	90	100	58	56	56	68	246	276
Embedded value- Rs bn	59	69	681	801	532	616	NA	NA	241	281	NA	NA
VNB - Rs bn	3	4	43	50	26	28	16	17	13	16	65	83
Market share – Individual APE (private) %	2.8	2.9	25.3	25.6	15.3	15.1	9.6	8.2	9.3	9.8	NA	NA
Market share – Individual APE (sector) %	1.9	2.1	17.8	18.6	10.8	10.9	6.8	5.9	6.5	7.1	29.7	27.4
Market share – NBP (private) %	2.0	2.2	22.4	23.5	19.3	18.7	12.9	11.3	6.9	7.2	NA	NA
Market share – NBP % (sector) %	0.8	0.9	9.5	10.1	8.2	8.0	5.5	4.9	2.9	3.1	57.4	57.1
Product-mix * %												
Par	6.0	5.0	3.6	6.6	16.0	23.0	17.5	20.4	13.0	15.0	46.9	39.8
Non par	17.0	13.0	16.5	16.8	31.0	16.0			23.0	23.0	8.3	9.4
Protection	4.0	7.0	8.4	9.0	13.0	14.0	16.9	19.0	16.0	19.0	0.4	0.4
Annuity	11.0	12.0	2.4	2.8	5.0	5.0	8.9	5.4	5.0	9.0	3.2	2.6
Group	1.0	2.0	2.4	3.1	4.0	3.0	6.0	5.9	NA	NA	35.2	37.4
ULIP	61.0	61.0	66.8	61.7	31.0	38.0	50.8	49.3	43.0	35.0	6.0	10.5
Persistency ratios %												
13th-month	83.4	85.6	86.1	87.1	87.0	85.0	89.8	84.4	86.7	84.5	76.7	75.8
25th-month	70.9	73.5	77.7	77.1	78.0	78.0	81.6	82.8	72.6	75.6	71.7	70.8
37th-month	64.2	65.8	72.4	72.0	74.0	72.0	74.5	75.5	61.7	64.0	67.1	67.4
49th-month	63.0	62.2	70.2	69.1	70.0	71.0	69.2	71.3	56.9	57.8	63.4	63.8
61st-month	57.5	59.2	63.3	58.8	61.0	63.0	65.3	61.8	52.6	56.6	61.8	61.1
Ratios %												
VNB margin	17.6	19.7	26.9	27.2	25.1	24.4	22.8	24.4	21.9	23.6	17.1	18.8
Commission	6.4	6.2	4.9	5.0	11.2	12.0	10.1	10.2	9.4	10.9	5.2	4.5
Opex	13.6	12.5	5.3	6.2	9.6	10.5	9.6	8.9	15.8	16.5	7.8	7.1
Total expense	20.0	18.7	10.2	11.2	20.8	22.5	19.8	19.1	25.3	27.4	13.0	11.6
Solvency margin	209	191	204	191	188	180	212	215	196	201	202	219

Source: Company Data, Centrum Broking. Note: (1) Persistency ratios for Axis Max Life are from the company's public disclosures. (2) For IPru, the data for par and non-par are combined as they are not provided separately.

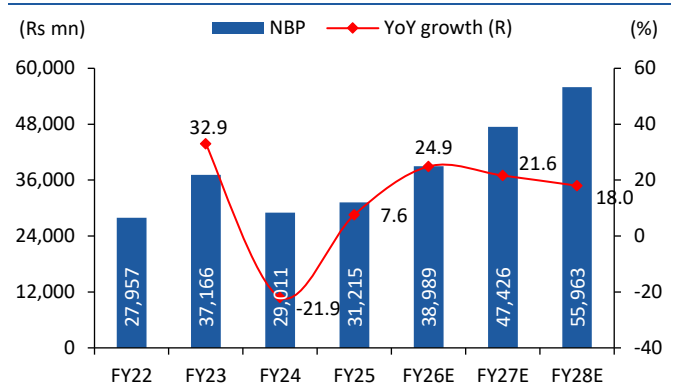
Story in Charts

Exhibit 3: APE is expected to clock 20% CAGR over FY25-28E...



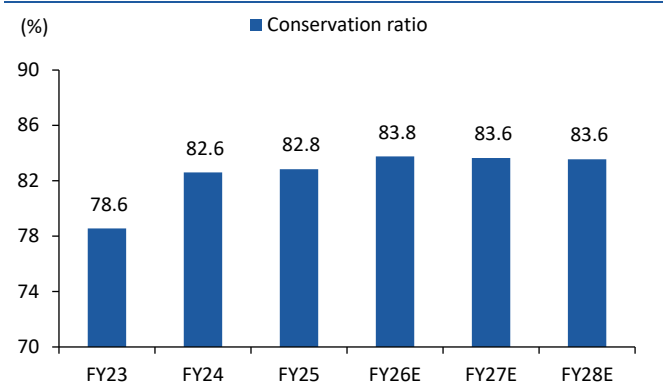
Source: Company Data, Centrum Broking

Exhibit 4: ...whereas NBP will grow at 21% CAGR over the same period



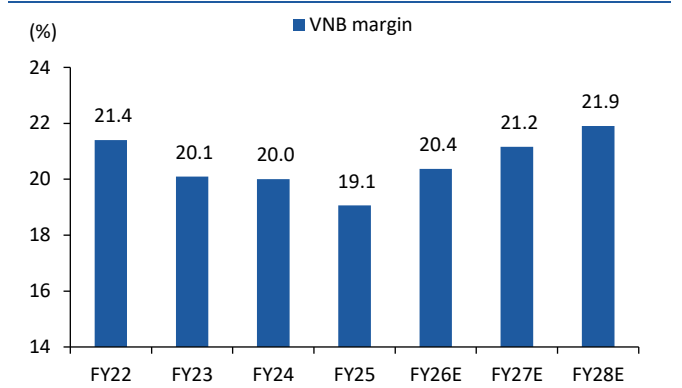
Source: Company Data, Centrum Broking

Exhibit 5: Conservation ratio expected to remain above 80%



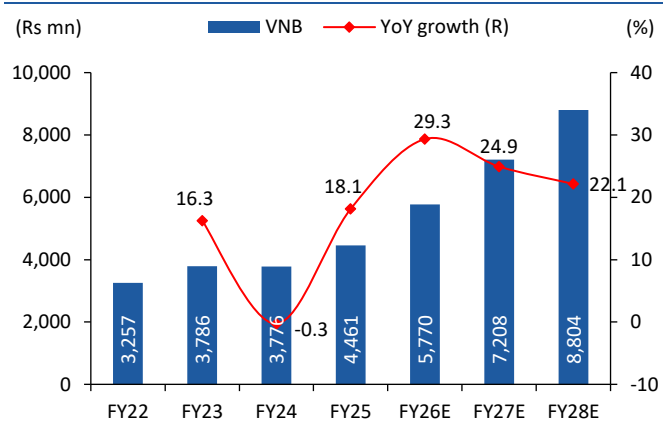
Source: Company Data, Centrum Broking

Exhibit 6: VNB margin to expand gradually



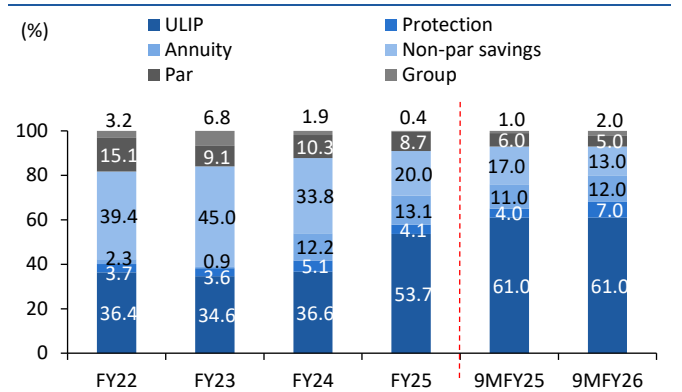
Source: Company Data, Centrum Broking

Exhibit 7: VNB will grow at 25% CAGR over FY25-FY28E



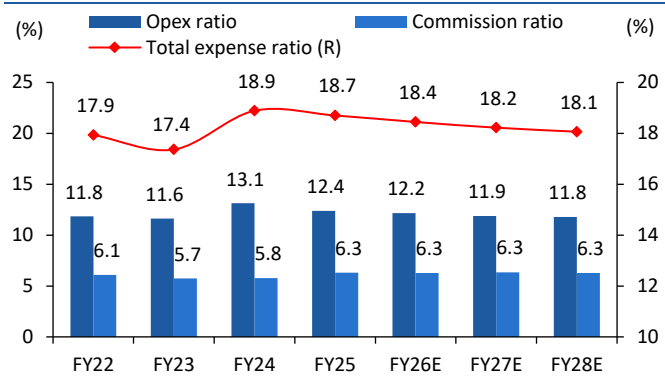
Source: Company Data, Centrum Broking

Exhibit 8: Product mix ULIP dominated; protection and annuity inches up



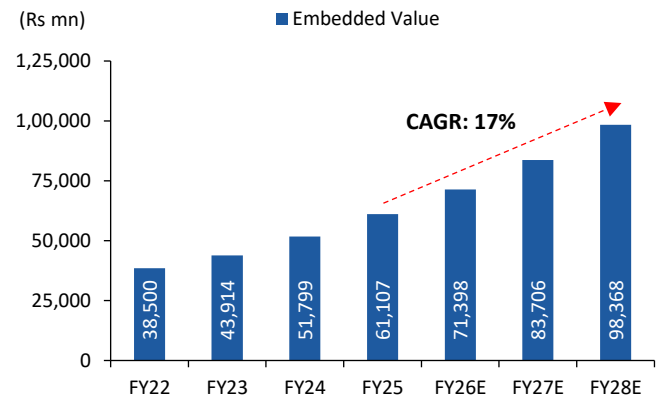
Source: Company Data, Centrum Broking. Note: The above data is based on APE.

Exhibit 9: Total expense ratio expected to decline to 18.1% by FY28E



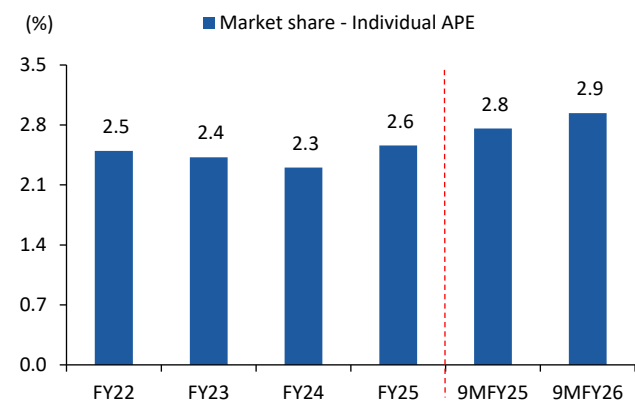
Source: Company Data, Centrum Broking

Exhibit 10: EV will grow at 17% CAGR over FY25-FY28E



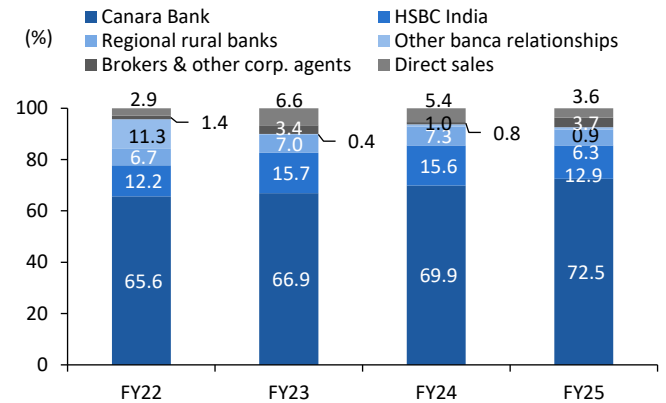
Source: Company Data, Centrum Broking

Exhibit 11: CHL's market share inches up



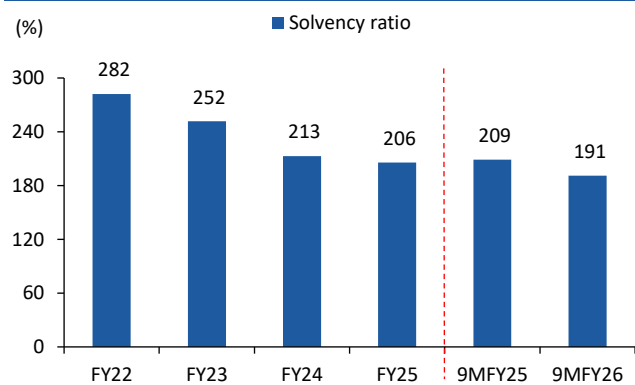
Source: Company Data, Centrum Broking.

Exhibit 12: Distribution mix – Canara Bank led



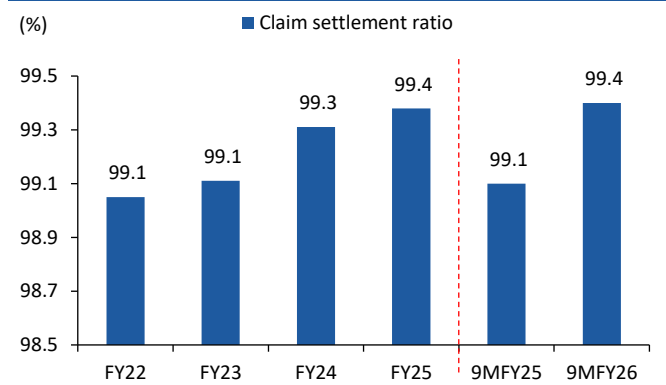
Source: Company Data, Centrum Broking. Note: The above data is based on Individual WPI.

Exhibit 13: Solvency ratio adequate



Source: Company Data, Centrum Broking

Exhibit 14: Claims ratio strong



Source: Company Data, Centrum Broking

Investment thesis

Bancassurance drives growth; remains core focus area

Bancassurance remains a key distribution pillar for Canara HSBC Life, supported by tie-ups with Canara Bank, HSBC, and seven regional rural banks (RRBs). These partnerships provide access to ~16,000 branches nationwide, significantly enhancing distribution reach. As the branch infrastructure is owned and operated by partner banks, the model remains cost-efficient and results in a relatively lower expense base. Apart from these, the company has tie-ups with insurance brokers and corporate agents.

Bancassurance contributed 93% of individual WPI in FY25, a level that was maintained as of 9MFY26. Within this channel, Canara Bank accounted for ~73% of individual WPI in FY25, while HSBC contributed ~13%. Additionally, seven regional rural banks together contributed ~6%, underscoring the concentration of business within the core bancassurance partnerships. We believe the sustainability of growth will remain closely tied to the strength of these banking relationships. However, several leading private life insurers also exhibit significant reliance on bancassurance, indicating that such concentration is structural to the industry rather than company-specific.

Canara Bank leads from the front

Canara HSBC Life (CHL) benefits significantly from its strong distribution synergies with Canara Bank, which serves as its anchor bancassurance partner. Canara Bank, the fourth-largest public sector bank by assets as of Dec'25, provides access to a customer base of more than 117mn customers through a nationwide network of over 10,000 branches. This extensive branch footprint provides a strong platform for cross-selling life insurance products to an already established banking customer base. The current insurance penetration within Canara Bank's captive customer base remains below 2%, indicating significant headroom for growth. Branch productivity, measured as the number of individual policies sourced through corporate agents (banks) divided by the number of partner bank branches, stood at ~16.8 policies per branch in FY25, compared with a peer average of ~38.2 policies. While this indicates that productivity remains lower than industry peers, it also highlights meaningful room for improvement and suggests relatively low insurance penetration within the existing customer base of the partner bank. To further enhance productivity, there is increasingly focus on Tier-2 and Tier-3 cities, where it already has a network of more than 6,000 touchpoints. Over the medium term, improving data analytics and digital lead generation across the bancassurance network are expected to support higher policy conversion and cross-sell opportunities.

Productivity (Individual WPI) in the Canara Bank channel has already begun to improve, reaching ~Rs1.6mn per branch in FY25 compared with Rs0.9mn in FY22. Although still below larger peers such as SBI Life, the trend indicates gradual improvement and significant headroom for growth. The company has also deployed dedicated sales personnel in each branch, depending on branch size and regional potential, underscoring the strategic importance of this distribution channel. Management has indicated that it intends to further strengthen productivity by analysing branch-level performance data, identifying high-performing branches and agents, and replicating successful sales practices across the broader bancassurance network. From the bank's perspective, the partnership has also become an increasingly meaningful contributor to fee income, which has risen from Rs1.9bn in FY21 to Rs3.7bn in FY25 through the sale of life insurance products. Importantly, Canara Bank follows a closed architecture model and distributes only CHL products, which strengthens the exclusivity and alignment of the partnership.

HSBC provides access to premium customer base, global capabilities

In addition to Canara Bank, the company benefits from an exclusive bancassurance arrangement with HSBC, which provides access to a more affluent and globally connected customer segment. Beyond distribution, the partnership also allows the insurer to leverage HSBC's global expertise in actuarial science, risk management, and product design. HSBC operated 26 branches in India and has received regulatory approval to expand its network by an additional 20 branches as part of its growth strategy. In FY25, the HSBC channel contributed ~Rs2.8bn, accounting for ~13% of individual WPI. Assuming current

productivity levels remain unchanged, the addition of new branches alone could potentially increase individual WPI by ~Rs2.2bn. The expansion of HSBC’s branch network is expected to further strengthen CHL’s access to affluent, HNI, and NRI customer segments. These segments typically generate higher-ticket policies and stronger persistency ratios, which could support both premium growth and overall business quality going forward.

Agency starts but is not in a hurry to excessively expand

The company launched its agency channel in Oct’25, marking a strategic shift from its historically bancassurance-led distribution model toward building a proprietary agency network. Over the medium term, management intends to scale this channel as a complementary distribution arm alongside its established bancassurance and digital platforms. To lead this initiative, the company appointed Dinesh Tak as Chief Agency Officer in Nov’25. He brings more than two decades of experience in insurance sales and distribution, having previously worked with companies such as ICICI Prudential Life and Axis Max Life Insurance.

Exhibit 15: Branch strength of major banca partner

Branches	Mar’20	Mar’21	Mar’22	Mar’23	Mar’24	Mar’25	Dec’25
Canara HSBC Life (Canara Bank)	6,329	10,416	9,734	9,706	9,604	9,849	10,066
SBI Life (State Bank of India)	22,141	22,219	22,266	22,405	22,783	22,937	23,996
HDFC Life (HDFC Bank)	5,416	5,608	6,342	7,821	8,738	9,455	9,616
IPru (ICICI Bank)	5,324	5,266	5,418	5,900	6,523	6,983	7,385
Axis Max Life (Axis Bank)	4,528	4,594	4,758	4,903	5,377	5,879	6,110

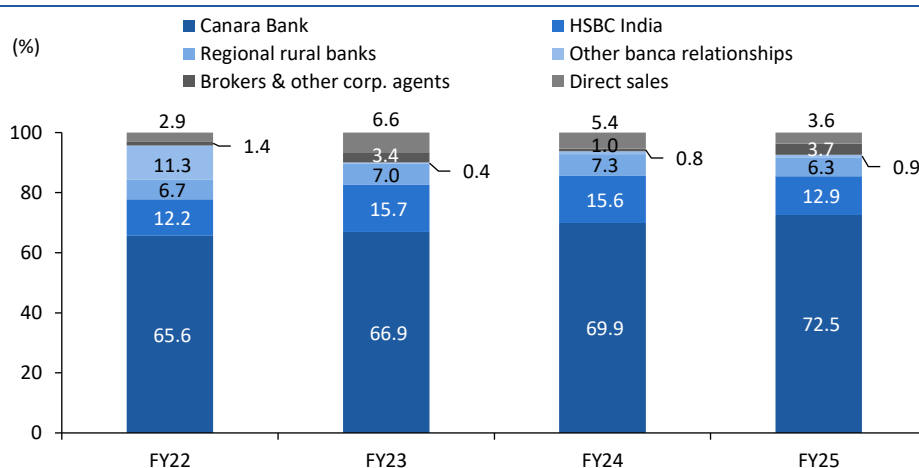
Source: Company Data, Centrum Broking

Exhibit 16: Overall branch network

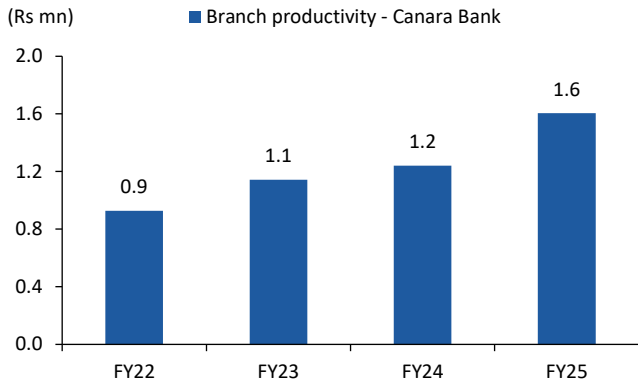
Companies	Banca partners	Dec’25 (Overall banca channel branches)
Canara HSBC Life	Canara Bank, HSBC India, RRBs	~16,000
SBI Life	State Bank of India, Indian Bank, AU Small Finance Bank, RRBs	~40,500
HDFC Life	HDFC Bank, YES Bank, IDFC First Bank, RBL Bank	~41,000
IPru	ICICI Bank, Standard Chartered Bank, NSDL Payments Bank	~25,000

Source: Company Data, Centrum Broking

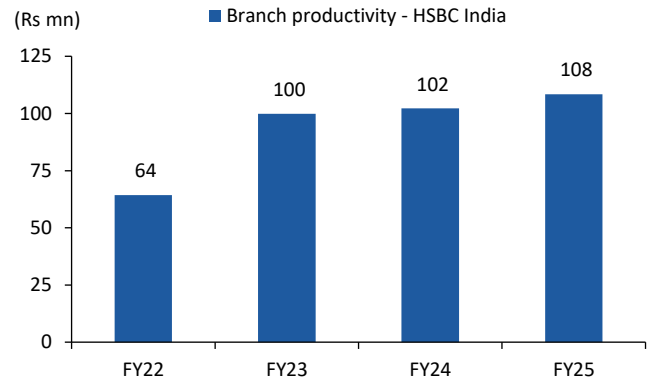
Exhibit 17: Distribution channel mix



Source: Company Data, Centrum Broking. Note: The above data is on Individual WPI basis.

Exhibit 18: Branch productivity – Canara Bank

Source: Company Data, Centrum Broking. Note: The above data is on Individual WPI basis.

Exhibit 19: Branch productivity – HSBC India

Source: Company Data, Centrum Broking. Note: The above data is on Individual WPI basis.

Exhibit 20: Productivity lower compared to peers; scope for further growth

FY25	Branch productivity in terms of individual NBP (Rs mn)	Branch network of parent bank
Canara HSBC Life	2.1	9,849
SBI Life	6.8	22,937
HDFC Life	9.0	9,455
IPru	4.4	6,983
Axis Max Life	9.2	5,879

Source: Company Data, Centrum Broking. Note: Branch productivity calculated as individual premium through corporate agents (banks) divided by number of branches of parent bank.

Exhibit 21: Distribution channel mix – individual WPI

(Rs mn)	FY22		FY23		FY24		FY25	
	Individual WPI	% of total Individual WPI	Individual WPI	% of total Individual WPI	Individual WPI	% of total Individual WPI	Individual WPI	% of total Individual WPI
Canara Bank	9,022	65.6%	11,093	66.9%	11,909	69.9%	15,799	72.5%
HSBC India	1,670	12.2%	2,596	15.7%	2,656	15.6%	2,819	12.9%
Regional rural banks	916	6.7%	1,166	7.0%	1,242	7.3%	1,373	6.3%
Other bancassurance relationships	1,548	11.3%	72	0.4%	163	1.0%	194	0.9%
Brokers and other corporate agents	195	1.4%	557	3.4%	139	0.8%	812	3.7%
Direct sales (including sales on our digital platforms)	396	2.9%	1,092	6.6%	917	5.4%	789	3.6%
Total	13,747	100.0%	16,576	100.0%	17,026	100.0%	21,787	100.0%

Source: Company Data, Centrum Broking

Exhibit 22: Channel mix (Total New Business Premium) – FY25

(%)	Corporate Agents - Banks	Agency	Direct	Brokers	Others
Canara HSBC Life	87.1	0.0	7.9	3.3	1.7
SBI Life	54.4	21.3	22.1	0.7	1.6
HDFC Life	34.7	8.7	37.1	5.0	14.5
IPru	23.1	15.2	40.0	9.1	12.6
Axis Max Life	49.9	16.3	21.3	7.7	4.8
LIC	4.1	93.9	0.5	0.2	1.2

Source: Company Data, Centrum Broking

Exhibit 23: Bank's fees from selling life insurance policies

(Rs mn)	FY21	FY22	FY23	FY24	FY25	CAGR FY21-25 (%)
Canara Bank	1,879	2,493	3,001	3,100	3,733	19%
SBI	12,398	15,675	20,400	22,322	23,559	17%
HDFC Bank	14,814	15,565	18,993	30,593	50,270	36%
ICICI Bank	6,364	5,776	3,821	3,161	3,275	-15%
Axis Bank	9,635	11,873	13,594	19,793	27,469	30%

Source: Company Data, Centrum Broking. Note: Fees earned include life insurance policies sold by the bank for all life insurance companies partnered with.

Product mix – ULIP dominates but focus on balanced mix

CHL has historically maintained a diversified product portfolio spanning protection, savings, ULIPs, annuities and group insurance products. However, the product mix has increasingly tilted toward ULIPs in recent years, reflecting strong customer preference for market-linked products as well as relatively slower growth in other segments.

The share of ULIPs in the product mix increased from 36.4% in FY22 to 53.7% in FY25 and further to 61% at end-9MFY26. Rider attachment rates remain strong at ~65-70% in recent cohorts, with the company aiming to improve them further. Higher rider penetration enhances policy coverage while also increasing ticket size and profitability per policy. Despite the current dominance of ULIPs, we expect their contribution to gradually moderate over the medium term and trend below 50% as the company continues to diversify its product mix and focus on traditional products.

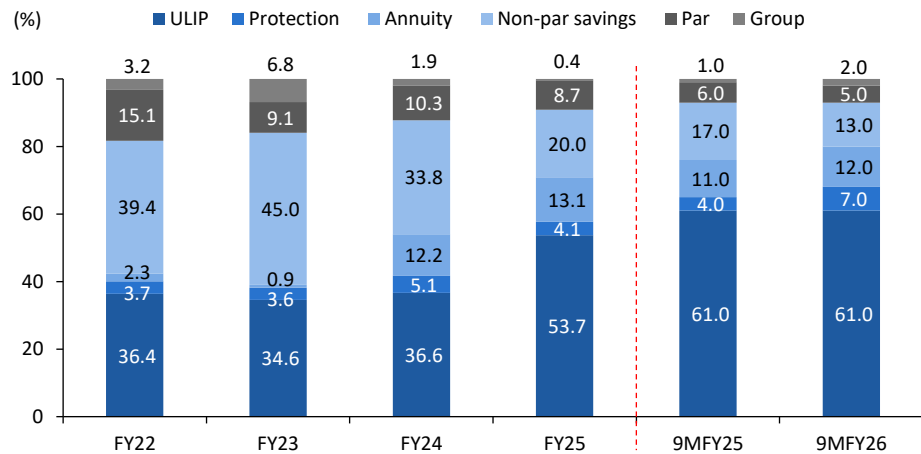
Alongside this, CHL has been steadily increasing its focus on protection products. The protection portfolio remains skewed toward group business, although management has indicated a strategic focus on expanding the individual protection segment. The overall protection share in APE has improved from ~3.7% in FY22 to ~4.1% in FY25 and further to ~7% in 9MFY26, reflecting a clear strategic shift toward higher-margin protection offerings. Growth accelerated following GST-related changes, with individual protection business witnessing a sharp pickup, including a ~3x QoQ increase in Q3FY26. The company has also leveraged its bancassurance partnerships to drive growth in credit protection products linked to bank lending. Consequently, credit life has gained strong traction, growing ~53% YoY in Q3FY26 and ~48% during 9MFY26. Loan attachment rates are currently in the range of ~45-50%, with management targeting to increase it further. The company's protection push is even more pronounced in the NBP mix, where protection products accounted for ~30% as of 9MFY26.

CHL is also witnessing steady traction in annuity products. It is witnessing healthy traction in deferred annuities, with an average deferral period of ~4-5 years (extendable up to 10-11 years). The annuity book is hedged using derivatives, primarily through forward rates, to manage interest rate risk. The annuity share increased from ~2.3% in FY22 to ~13.1% in FY25 (12% in 9MFY26). This growth has been aided by healthy IRRs and strong distribution support from Canara Bank, particularly through customer identification and cross selling at the branch level.

From a product suite perspective, CHL offers a comprehensive portfolio consisting of around nineteen individual products and eight group products, along with three optional rider benefits (Dec'25). The company also distributes policies under the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), enabling it to address protection, savings and retirement needs across a broad customer base. The company earned NBP of Rs3.2bn from PMJJBY plans at end FY25 as compared to Rs1.1bn in FY22.

Going forward, the company's product strategy remains focused on improving profitability by gradually increasing the share of higher-margin segments such as protection and non-participating savings products. In line with this strategy, CHL launched a new term insurance product, Promise2Protect, in FY25. In YTFY26, the insurer further expanded its product portfolio with the launch of additional offerings in the ULIP segment along with select products across other categories.

Exhibit 24: APE product mix skewed towards ULIP though focus remains on protection and annuity



Source: Company Data, Centrum Broking

Exhibit 25: New business and renewal premium – product wise

Products		FY22		FY23		FY24		FY25	
		(Rs mn)	% of total	(Rs mn)	% of total	(Rs mn)	% of total	(Rs mn)	% of total
Participating Products	New Business Premium	2,239	12.9	1,672	9.1	1,917	10.7	2,014	9.0
	Renewal Premium	9,227	30.0	9,439	27.2	9,352	22.2	9,486	19.4
Non-participating savings products	New Business Premium	5,921	34.1	8,368	45.4	6,250	35.0	4,443	19.9
	Renewal Premium	7,962	25.9	11,599	33.4	16,979	40.3	19,879	40.6
Non-participating protection products	New Business Premium	146	0.8	73	0.4	131	0.7	151	0.7
	Renewal Premium	541	1.8	649	1.9	704	1.7	819	1.7
ULIPs	New Business Premium	5,704	32.8	6,755	36.7	6,678	37.4	12,289	55.2
	Renewal Premium	13,075	42.5	13,011	37.5	15,153	35.9	16,882	34.5
Annuity Products	New Business Premium	3,363	19.4	1,564	8.5	2,887	16.2	3,382	15.2
	Renewal Premium	-	-	-	-	-	-	1,930	3.9
Total	New Business Premium	17,373	100.0	18,433	100.0	17,863	100.0	22,279	100.0
	Renewal Premium	30,805	100.0	34,697	100.0	42,189	100.0	48,995	100.0

Source: Company Data, Centrum Broking

Exhibit 26: Overall protection % of total APE

(%)	FY22	FY23	FY24	FY25	9MFY26
Canara HSBC Life	3.7	3.6	5.1	4.1	7.0
SBI Life	10.8	10.6	10.6	9.6	9.0
HDFC Life	14.0	13.0	13.0	11.0	14.0
IPru	17.0	17.4	16.9	15.7	19.0
Axis Max Life	13.0	11.0	14.0	15.0	19.0

Source: Company Data, Centrum Broking. Note: For Axis Max Life, protection includes group term life and group credit life.

Exhibit 27: Group business tilted towards protection business

(Rs mn)	FY22		FY23		FY24		FY25	
	Group new business premium	% of Group new business premium	Group new business premium	% of Group new business premium	Group new business premium	% of Group new business premium	Group new business premium	% of Group new business premium
Group Protection Plans	2,892	30.3	3,681	22.3	4,296	54.2	4,772	83.3
Group savings/fund based business	6,642	69.7	12,821	77.7	3,630	45.8	959	16.7
Total	9,535	100.0	16,502	100.0	7,925	100.0	5,731	100.0

Source: Company Data, Centrum Broking

IRR comparison of annuity policy- Canara HSBC Life fares decent

We attempt to analyse the returns offered by non-par policies of listed life insurance players. For illustration, we assume a 35-year-old male (non-smoker, non-drinker) with no riders. The premium-paying term (PPT) is assumed at 10 years with annual premium payment of ~Rs0.1mn, while the policy term is assumed at 15 years for all policies except SBI Life's Smart Platina Plus. Based on our calculations, the IRRs for non-par plans of most insurers range between ~5.1-6.8%, with the sum assured typically ranging between Rs0.95-1.15mn. SBI Life's Smart Platina Plus differs in structure, offering regular income for 15 years starting from the 12th year, along with a lump-sum payout at the end of the 26th year. For this policy, the calculated IRR stands at ~5.7% with a sum assured of ~Rs1.1mn.

CHL provided a decent IRR of 6.13% on its non-par guaranteed product, which is on similar trajectory to some of the bigger players in the industry.

Exhibit 28: Comparison – IRRs

Companies	IRRs (%)	Sum Assured (Rs)
Canara HSBC Life	6.13%	10,00,000
SBI Life	5.72%	11,00,000
HDFC Life	6.14%	10,30,000
IPru	6.13%	10,00,000
Axis Max Life	6.84%	11,50,000
LIC	5.11%	9,50,000

Source: Company Data, Centrum Broking. Note: The above data is as on 10th March, 2026.

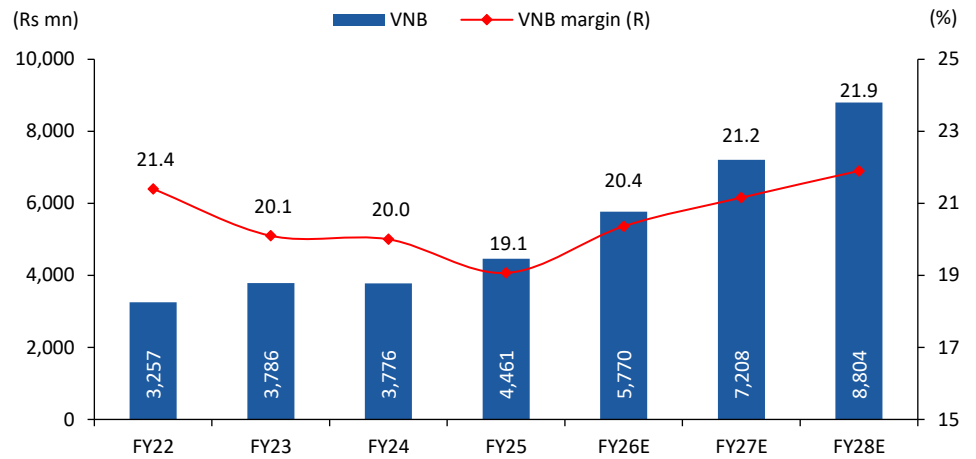
VNB Margin set for gradual expansion despite headwinds

The VNB margin declined from 21.4% in FY22 to 19.1% in FY25, primarily due to a higher tilt towards ULIPs. However, the margin trajectory has started to improve in FY26, supported by gradual improvement in product mix and better product economics. VNB margin expanded to 19.7% in 9MFY26, reflecting a ~210bps YoY improvement. The improvement has been driven by higher rider attachment rates in ULIPs, stronger traction in protection products, and improving operating leverage as business volumes scale. Management has also indicated that the GST impact for FY26E is expected to be ~185bps, lower than the earlier estimate of ~225bps, reflecting actions taken to mitigate the impact.

Despite certain structural constraints such as the non-availability of GST input tax credit (ITC) and surrender-related norms, the company's VNB margin is expected to improve going forward. We expect VNB margins to expand gradually over the medium term, reaching ~21.2% in FY27E and ~21.9% in FY28E. The expected improvement is likely to be supported by multiple factors. First, sustained traction in the protection segment following GST-related revisions should support margin accretion. Second, continued growth in credit life through the bancassurance channel is expected to improve business profitability. Third, consistently high rider attachment rates in ULIPs should enhance ticket sizes and improve margins within the linked product segment. Moreover, we expect the ULIP's share in the product mix to decline to below 50% in the medium term. Finally, increasing scale is likely to drive operating cost efficiencies, while a favourable yield curve could provide additional support to product profitability.

VNB grew at a ~11% CAGR over FY22-FY25 to reach Rs4.5bn. Growth has accelerated in FY26, with VNB increasing ~37% YoY in 9MFY26. We bake in VNB to clock 25% CAGR over FY25-FY28E to Rs8.8bn.

Exhibit 29: VNB margin expansion expected to be gradual



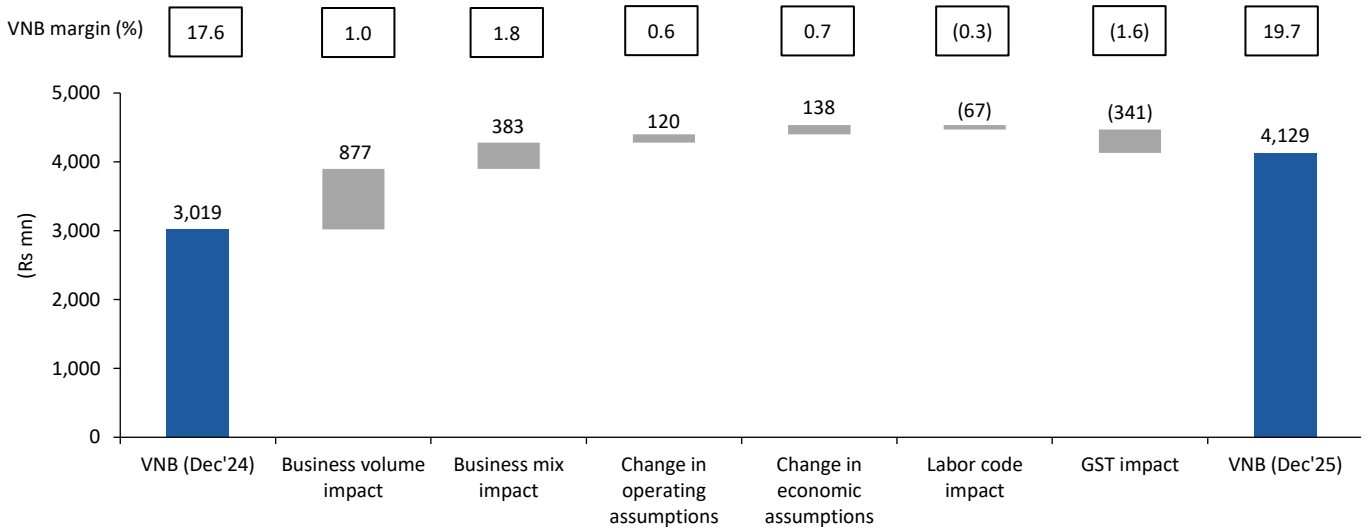
Source: Company Data, Centrum Broking

Exhibit 30: VNB comparison

VNB margin (%)	FY22	FY23	FY24	FY25	9MFY25	9MFY26
Canara HSBC Life	21.4	20.1	20.0	19.1	17.6	19.7
SBI Life	25.9	30.2	28.1	27.8	26.9	27.2
HDFC Life	27.4	27.4	26.3	25.6	25.1	24.4
IPru	28.0	32.0	24.6	22.8	22.8	24.4
Axis Max Life	27.3	31.2	27.1	24.0	21.9	23.6
LIC	15.1	16.2	16.8	17.6	17.1	18.8

Source: Company Data, Centrum Broking

Exhibit 31: VNB margin positively impacted by change in business mix and volume



Source: Company Data, Centrum Broking

APE growth better than sector – market share growth visible

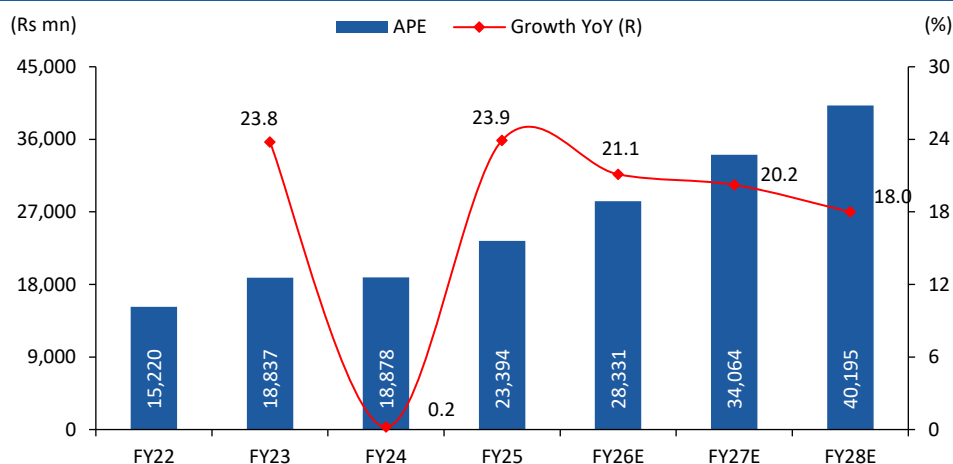
APE grew at a CAGR of ~15% over FY22-FY25 to reach ~Rs23bn as compared to ~10-17% growth recorded by listed private life insurers over the same period. Growth momentum strengthened further in FY26, with APE expanding ~22% YoY in 9MFY26 compared with a range of ~(-1%) to ~21% for private listed peers.

The company has also recorded steady gains in market share, albeit from a relatively low base. On an individual APE basis, market share increased from ~2.1% in FY17 to ~2.6% in FY25 and further to ~2.9% in 9MFY26. This improvement has been supported by sustained business growth, aided by consistent product launches and continued expansion of the distribution network.

The company’s growth trajectory also benefits from relatively low insurance penetration within partner bank customer bases, which provides meaningful headroom for cross-selling life insurance products. As the business continues to scale while maintaining disciplined product selection, operating leverage is also expected to support overall profitability.

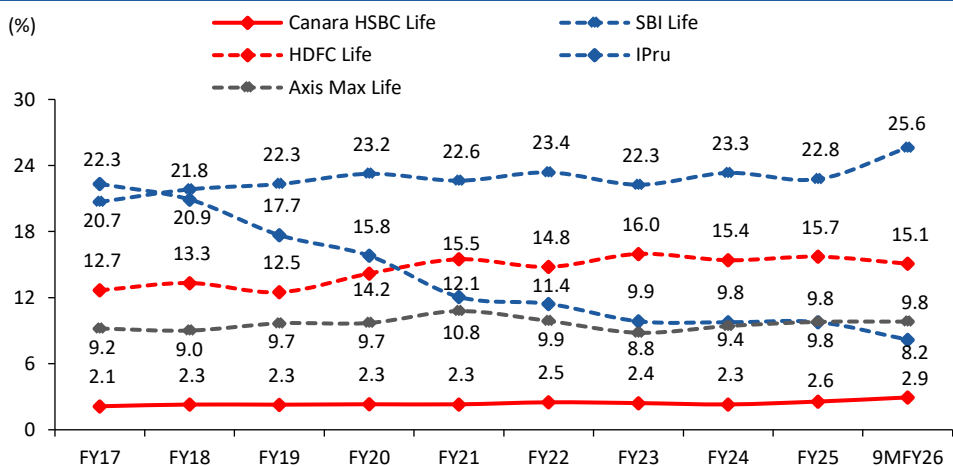
Overall, we estimate APE to grow at a CAGR of ~20% over FY25-FY28E, reaching ~Rs40bn by FY28E.

Exhibit 32: APE to clock 20% CAGR over FY25-FY28E



Source: Company Data, Centrum Broking

Exhibit 33: CHL has been increasing its market share on a consistent basis



Source: Company Data, Centrum Broking. Note: The market share data is based on individual APE.

Persistency ratios trending upward, signalling improved business quality

CHL's persistency ratios have improved significantly over the past few years. The 13th-month persistency ratio (by premium, excluding single premium) increased from 74.5% in FY22 to 82.5% in FY25, and further to 85.6% as of 9MFY26, representing an improvement of ~1,100 bps over FY22. Similarly, the 61st-month persistency ratio rose from 47.3% in FY22 to 57.7% in FY25 and further to 59.2% as of 9MFY26, implying a ~1,200 bps expansion during the same period. As of 9MFY26, the 13th-month persistency ratio for listed private peers ranged between 84-87%, while the 61st-month persistency stood in the 56-63% range, indicating that CHL's persistency metrics are broadly in line with industry peers. The company attributes the improvement to enhanced customer service quality, a simplified customer onboarding process, and a more stringent underwriting framework.

The company has taken various measures to improve persistency. Some of the measures include:

- URN-based surrender request form: Introduction of a Unique Reference Number (URN) mechanism for surrender requests ensures structured customer engagement before policy discontinuation, helping control avoidable surrenders.
- Robust CRM framework: A centralised customer relationship management system provides a unified customer view, enabling better tracking, proactive follow-ups, and monitoring across sales and service teams.
- Interactive voice bot enabled offers regional language options to enhance reach based on customer's language preference.
- AI-based quality tool with speech to text option: Launched a quality tool using sentiment analysis for improved quality, focusing on areas needing enhancement.
- Service camps: To provide instant service and engage with customers at various locations.

Exhibit 34: Persistency ratios improve for CHL

(%)	FY22	FY23	FY24	FY25	9MFY25	9MFY26
13th month						
Canara HSBC Life	74.5	75.3	80.7	82.5	83.4	85.6
SBI Life	85.2	85.5	86.8	87.4	86.1	87.1
HDFC Life	87.5	87.5	87.1	86.9	87.0	85.0
IPru	85.7*	86.6	89.0	89.1	89.8	84.4
Axis Max Life	84.0	83.0	87.0	85.0	86.7	84.5
LIC	75.6	77.1	77.7	74.8	76.7	75.8
25th month						
Canara HSBC Life	69.8	66.0	68.5	71.5	70.9	73.5
SBI Life	78.1	75.6	77.3	77.7	77.7	77.1
HDFC Life	78.8	78.7	79.2	78.1	78.0	78.0
IPru	77.2*	77.8	80.5	82.6	81.6	82.8
Axis Max Life	67.0	68.0	69.0	74.0	72.6	75.6
LIC	73.5	69.9	71.0	71.0	71.7	70.8
37th month						
Canara HSBC Life	64.7	65.1	63.0	64.1	64.2	65.8
SBI Life	72.1	74.5	71.0	72.1	72.4	72.0
HDFC Life	67.5	72.4	73.2	73.6	74.0	72.0
IPru	67.1*	72.8	72.3	75.2	74.5	75.5
Axis Max Life	60.0	60.0	62.0	62.0	61.7	64.0
LIC	66.6	70.1	65.5	66.1	67.1	67.4
49th month						
Canara HSBC Life	63.2	63.3	64.2	61.0	63.0	62.2
SBI Life	69.9	70.3	72.4	68.0	70.2	69.1
HDFC Life	63.2	64.0	69.7	70.2	70.0	71.0
IPru	63.7*	65.9	70.5	69.5	69.2	71.3
Axis Max Life	55.0	57.0	57.0	57.0	56.9	57.8
LIC	63.9	63.5	66.3	61.5	63.4	63.8
61st month						
Canara HSBC Life	47.3	52.0	55.4	57.7	57.5	59.2
SBI Life	49.5	55.6	57.4	62.7	63.3	58.8
HDFC Life	54.0	52.3	53.5	63.5	61.0	63.0
IPru	54.4*	67.4	66.0	64.1	65.3	61.8
Axis Max Life	49.0	51.0	52.0	53.0	52.6	56.6
LIC	61.0	61.8	60.9	63.1	61.8	61.1

Source: Company Data, Centrum Broking. Note: (1) * For IPru, FY22 data is for the period 11MFY22. (2) Persistency ratios for Axis Max Life are from the company's public disclosures.

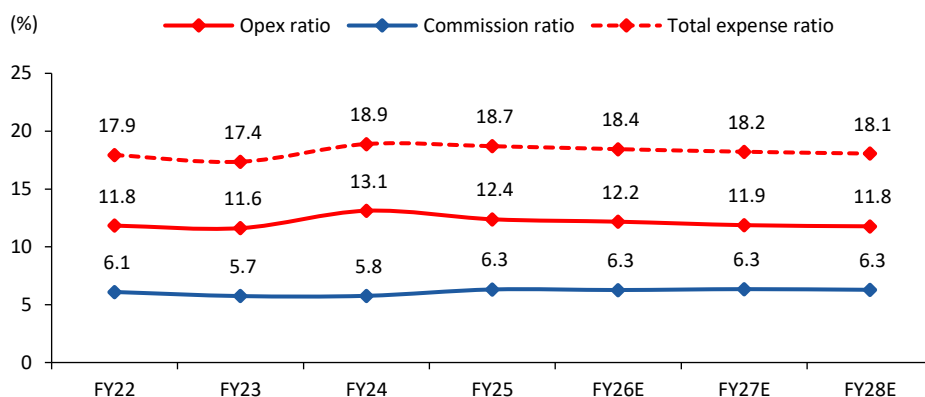
Expense ratio to improve marginally

CHL’s operating cost structure has remained relatively efficient, supported by its bancassurance-led distribution model. By leveraging partner banks’ distribution networks to sell insurance products, the company reduces reliance on traditional agency channels, resulting in lower commission payouts and customer acquisition costs. Management also highlighted that the company’s commission ratio remains below the industry average. Among private sector peers, CHL ranks as the second-best performer in terms of a lower commission ratio, with SBI Life being the most efficient.

Despite ongoing business expansion, cost discipline has remained broadly stable, which is notable given the company’s relatively smaller scale. Between FY22 and 9MFY26, the commission ratio remained range-bound at ~5.7-6.3%, while the opex ratio fluctuated between ~11.5% and ~13%, indicating controlled operating costs as the business scaled up. Historically, the total expense ratio increased from 17.9% in FY22 to 18.7% in FY25, although FY25 itself saw a ~20 bps YoY moderation. The trend has turned more favourable in FY26, with sequential improvements in recent quarters. The expense ratio declined by ~100 bps QoQ in Q2FY26 and a further ~35 bps QoQ in Q3FY26, moderating to ~18.3% in Q3FY26 (~18.7% at end-9MFY26).

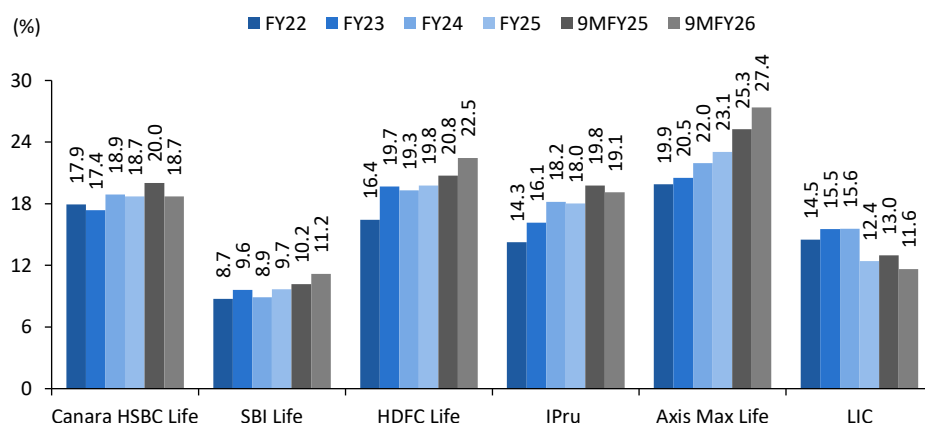
Going forward, the expense ratio may face some pressure due to expansion of the agency channel. However, operating leverage from higher premium volumes, improving branch-level productivity, and greater use of technology and analytics to enhance cross-selling and customer engagement should support further efficiency gains. We estimate the total expense ratio to gradually decline to ~18.1% by FY28E, supporting margin expansion over the medium term.

Exhibit 35: Total expense ratio to decrease marginally



Source: Company Data, Centrum Broking

Exhibit 36: Total expense ratios – comparison



Source: Company Data, Centrum Broking

EV growth in late teens; ROEV healthy

Canara HSBC Life’s EV stood at Rs61bn at end Mar’25 (+18% YoY) and has grown to Rs69bn at end Dec’25 (+16% YoY). We expect it to clock 17% CAGR over FY25-FY28E to Rs98bn.

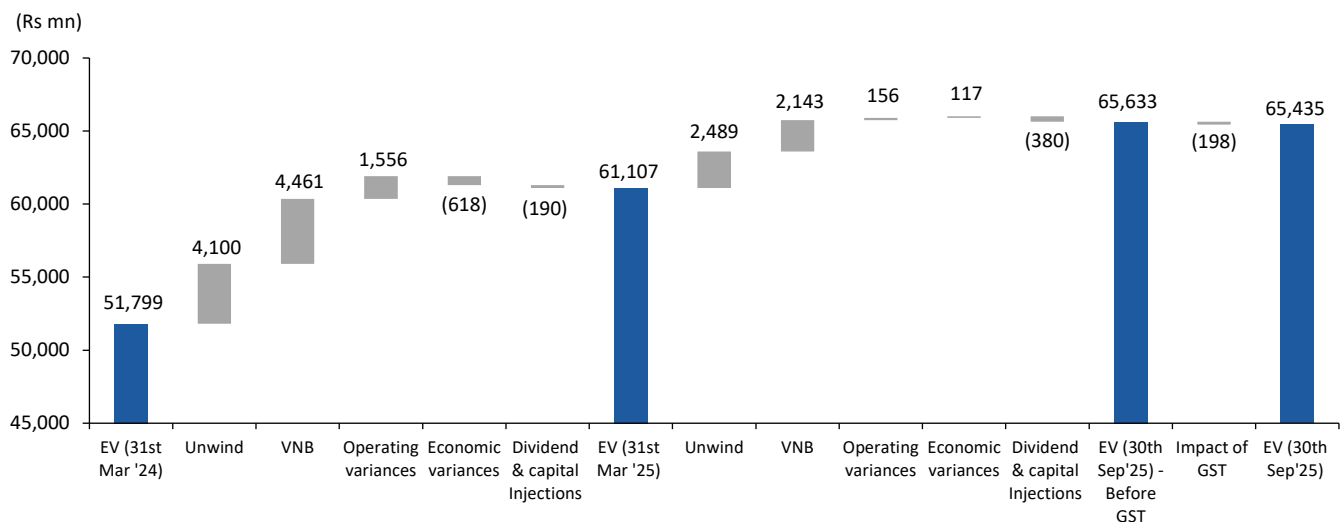
The company uses the Forward Rate Agreements (FRA) to hedge the tenure of annuity products, thereby reducing the interest rate sensitivity on Embedded Value (EV). The cost of hedging remains low. At end Q2, 70% of non-par book was hedged which the company intends to increase to 85-90% over a period of time.

Exhibit 37: Embedded Value as on 31st Mar’25

Components of Embedded Value (EV) – Rs mn	31st Mar’25
Adjusted Net Worth (ANW)	18,504
Required Capital	8,647
Free Surplus	9,857
Value of In-Force (VIF)	42,604
Present Value of Future Profits (PVFP)	45,805
Frictional Cost of Capital (FCoC)	-498
Time Value of Financial Options and Guarantees (TVFOG)	-
Cost of Residual Non-Hedgeable Risks (CRNHR)	-2,703
Embedded Value (EV)	61,107

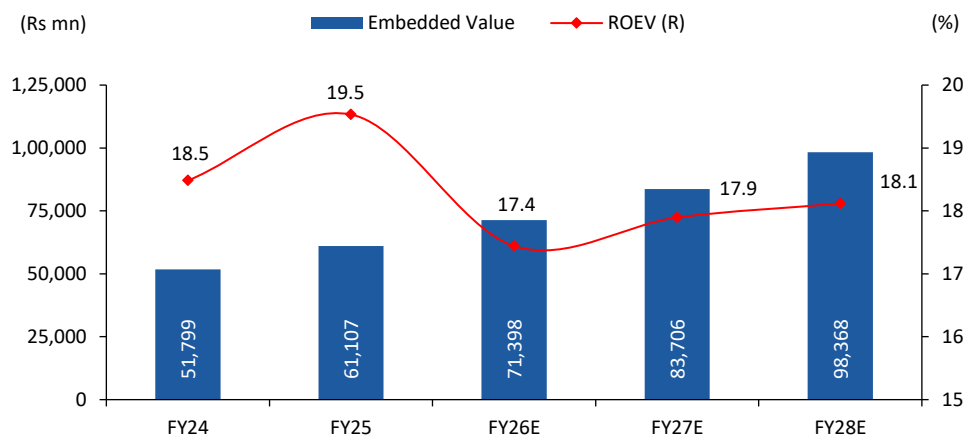
Source: Company Data, Centrum Broking

Exhibit 38: EV walk



Source: Company Data, Centrum Broking

Exhibit 39: EV is expected clock 17% CAGR over FY25-FY28E



Source: Company Data, Centrum Broking

Exhibit 40: Sum assured/ EV (individual new business sum assured)

	Sum assured (Rs bn)		EV (Rs bn)		Sum assured/ EV (x)	
	FY24	FY25	FY24	FY25	FY24	FY25
Canara HSBC Life	221	232	52	61	4.3	3.8
SBI Life	1,940	2,769	582	702	3.3	3.9
HDFC Life	3,765	4,347	475	554	7.9	7.8
IPru	2,428	3,324	423	479	5.7	6.9
Axis Max Life	2,923	3,837	195	252	15.0	15.2
LIC	6,301	5,886	7,273	7,769	0.9	0.8

Source: Life Insurance Council, Company Data, Centrum Broking

Exhibit 41: Sum assured/ EV (overall new business sum assured)

	Sum assured (Rs bn)		EV (Rs bn)		Sum assured/ EV (x)	
	FY24	FY25	FY24	FY25	FY24	FY25
Canara HSBC Life	2,202	2,118	52	61	42.3	34.7
SBI Life	8,226	9,741	582	702	14.1	13.9
HDFC Life	13,412	13,772	475	554	28.2	24.9
IPru	10,221	11,944	423	479	24.2	24.9
Axis Max Life	4,986	5,646	195	252	25.6	22.4
LIC	16,513	18,778	7,273	7,769	2.3	2.4

Source: Life Insurance Council, Company Data, Centrum Broking

Policies sold growth in early single digits; sum assured growth healthy

Industry policy sales declined at a 2% CAGR over FY22-FY25, although the private sector recorded a positive 8% CAGR during the same period. In comparison, CHL reported a 3% CAGR in total policies sold over FY22-FY25. As of 9MFY26, the company's policy sales grew 7% YoY, outperforming both the private sector growth of 6% and the overall industry growth of 2%. Consequently, CHL held a 0.8% share of total industry policies sold and a 2.2% share within the private sector as of end-9MFY26.

In terms of risk coverage, the total sum assured for the industry stood at Rs103tn at end-FY25 and Rs92tn at end-9MFY26. Over FY22-FY25, the industry reported a 21% CAGR in total sum assured, with the private sector also recording a similar 21% CAGR during the same period. CHL registered a comparatively lower but still healthy 15% CAGR in sum assured over FY22-FY25. However, the momentum strengthened in the current year, with the company reporting a strong 66% YoY growth in sum assured as of end-9MFY26.

Exhibit 42: Total policies sold growth in single digits; inching up

(No. of policies)	FY22	FY23	FY24	FY25	FY22-25 CAGR (%)	9MFY25	9MFY26	YoY (%)
Canara HSBC Life	1,78,210	1,86,714	1,84,746	1,94,143	2.9	1,42,349	1,52,446	7.1
SBI Life	19,23,243	21,97,656	22,61,679	22,03,212	4.6	15,87,717	16,45,946	3.7
HDFC Life	9,15,336	9,93,398	11,66,541	12,67,808	11.5	8,76,965	8,98,483	2.5
IPru	6,53,547	6,03,648	6,21,386	6,62,482	0.5	4,58,423	4,73,531	3.3
Axis Max Life	6,14,081	5,97,338	7,17,122	7,95,791	9.0	5,41,712	6,38,020	17.8
Private	74,00,213	80,52,126	87,92,231	92,48,157	7.7	64,49,173	68,19,041	5.7
LIC	2,17,54,965	2,04,65,055	2,04,30,305	1,78,15,243	-6.4	1,17,35,012	1,16,76,017	-0.5
Industry	2,91,55,178	2,85,17,181	2,92,22,536	2,70,63,400	-2.5	1,81,84,185	1,84,95,058	1.7

Source: Company Data, Centrum Broking

Exhibit 43: Sum assured growth healthy, 9MFY26 growth strong

(Rs bn)	FY22	FY23	FY24	FY25	FY22-25 CAGR (%)	9MFY25	9MFY26	YoY (%)
Canara HSBC Life	1,404	1,718	2,202	2,118	14.7	1,714	2,844	66.0
SBI Life	5,789	6,588	8,226	9,741	18.9	6,417	10,834	68.8
HDFC Life	7,178	10,520	13,412	13,772	24.3	9,895	12,279	24.1
IPru	7,731	10,414	10,221	11,944	15.6	8,606	10,160	18.1
Axis Max Life	2,917	3,135	4,986	5,646	24.6	3,980	5,580	40.2
Private	47,308	60,426	71,973	83,864	21.0	60,797	75,468	24.1
LIC	10,405	12,375	16,513	18,778	21.8	13,864	16,217	17.0
Industry	57,713	72,801	88,486	1,02,642	21.2	74,662	91,685	22.8

Source: Company Data, Centrum Broking

GST impact – visible but manageable

The GST reform – particularly the removal of input tax credit (ITC) – has exerted downward pressure on VNB and VNB margins. For Canara HSBC Life, the GST revision had an estimated annualised VNB margin impact of ~225 bps at the time of implementation. Post management actions – primarily renewal commission renegotiation and operating cost rationalisation – the FY26 impact is now expected to be ~185 bps. For 9MFY26, the cumulative impact on absolute VNB was ~Rs400mn (including labor code impact), with an EV impact of ~Rs200mn relating to the in-force book adjustment. Reported VNB margin stood at 19.7%, which would have been ~21.5-22% adjusted for GST and labour code impact. From FY27 onwards, this GST impact effectively resets the base.

Exhibit 44: GST impact on VNB contained at end 9MFY26

9MFY26	VNB impact due to GST (Rs bn)	As a % of opening VNB
Canara HSBC Life	0.3	11.3
SBI Life	2.1	4.9
HDFC life	3.6	5.0

Source: Company Data, Centrum Broking. Note: The GST impact on VNB is calculated using the baseline number.

Exhibit 45: GST impact on VNB margin looks manageable

9MFY26	VNB margin (%) – Pre GST *	Net VNB margin (%) – Post GST	Impact on VNB margin due to GST (%)
Canara HSBC Life	21.3	19.7	1.6
SBI Life	28.3	27.2	1.1
HDFC life	25.5	24.4	1.1
Axis Max Life ^	25.6	23.6	2.0

Source: Company Data, Centrum Broking. Note: * Pre-GST VNB margin is calculated. ^ Impact of GST (-200bps) was highlighted in the Q3FY26 earnings conference call.

Exhibit 46: GST had little effect on Embedded Value (EV)

9MFY26	EV impact due to GST (Rs bn)	% of opening EV
Canara HSBC Life	0.2	0.3
HDFC Life	3.6	0.6

Source: Company Data, Centrum Broking

FY28 – Our forecast comparison

Exhibit 47: How our coverage companies stack in our assumptions for FY28E

(Rs mn)	FY25	FY26E	FY27E	FY28E	CAGR (%) FY25-28E
NBP					
Canara HSBC Life	31,215	38,989	47,426	55,963	21.5
SBI Life	3,55,768	4,24,401	5,02,469	5,91,119	18.4
HDFC Life	3,33,653	3,68,390	4,20,242	4,87,117	13.4
IPru	2,32,306	2,35,221	2,65,505	3,05,331	9.5
Axis Max Life	1,21,736	1,45,050	1,69,456	1,95,020	17.0
LIC	22,67,855	26,08,033	28,25,192	31,07,711	11.1
Gross Premium					
Canara HSBC Life	80,275	98,293	1,18,943	1,41,992	20.9
SBI Life	8,49,846	10,12,400	11,96,281	14,01,029	18.1
HDFC Life	7,10,449	7,98,046	9,07,208	10,40,810	13.6
IPru	4,89,507	5,16,764	5,72,501	6,44,014	9.6
Axis Max Life	3,32,226	3,89,868	4,62,738	5,46,959	18.1
LIC	48,88,489	53,44,696	57,03,025	61,52,757	8.0
APE					
Canara HSBC Life	23,394	28,331	34,064	40,195	19.8
SBI Life	2,14,100	2,48,399	2,83,753	3,23,849	14.8
HDFC Life	1,54,790	1,72,360	1,97,863	2,29,693	14.1
IPru	1,04,070	1,07,922	1,23,097	1,41,561	10.8
Axis Max Life	87,700	1,05,705	1,27,221	1,49,648	19.5
LIC	5,68,280	6,44,016	7,04,053	7,74,458	10.9
Opex ratio (%) *					
Canara HSBC Life	12.4	12.2	11.9	11.8	-61bps
SBI Life	5.3	5.9	5.8	5.7	45bps
HDFC Life	8.8	10.5	10.6	10.7	192bps
IPru	8.1	8.7	8.9	9.0	87bps
Axis Max Life	13.6	13.3	13.1	12.9	-64bps
LIC	7.2	7.3	7.3	7.3	10bps
Commission ratio (%) *					
Canara HSBC Life	6.3	6.3	6.3	6.3	-3bps
SBI Life	4.4	4.9	4.8	4.8	40bps
HDFC Life	11.0	11.9	11.7	11.6	54bps
IPru	9.9	10.6	11.0	11.1	115bps
Axis Max Life	9.5	10.5	10.2	9.9	41bps
LIC	5.2	4.6	4.8	4.9	-28bps
Total expense ratio (%) *					
Canara HSBC Life	18.7	18.4	18.2	18.1	-64bps
SBI Life	9.7	10.8	10.6	10.5	85bps
HDFC Life	19.8	22.4	22.3	22.2	245bps
IPru	18.0	19.3	19.9	20.1	201bps
Axis Max Life	23.1	23.8	23.3	22.8	-23bps
LIC	12.4	11.8	12.1	12.2	-27bps
VNB					
Canara HSBC Life	4,461	5,770	7,208	8,804	25.4
SBI Life	59,500	67,316	76,925	87,885	13.9
HDFC Life	39,620	42,194	48,912	57,331	13.1
IPru	23,700	26,174	30,626	35,815	14.8
Axis Max Life	21,079	25,285	30,915	36,638	20.2
LIC	1,00,110	1,22,363	1,37,290	1,54,892	15.7

	FY25	FY26E	FY27E	FY28E	CAGR (%) FY25-28E
VNB margin (%) *					
Canara HSBC Life	19.1	20.4	21.2	21.9	283bps
SBI Life	27.8	27.1	27.1	27.1	-65bps
HDFC Life	25.6	24.5	24.7	25.0	-64bps
IPru	22.8	24.3	24.9	25.3	253bps
Axis Max Life	24.0	23.9	24.3	24.5	45bps
LIC	17.6	19.0	19.5	20.0	240bps
EV					
Canara HSBC Life	61,107	71,398	83,706	98,368	17.2
SBI Life	7,01,895	8,22,056	9,62,310	11,24,632	17.0
HDFC Life	5,54,230	6,32,290	7,27,470	8,38,684	14.8
IPru	4,79,488	5,37,772	6,09,967	6,93,126	13.1
Axis Max Life	2,51,900	2,97,337	3,52,038	4,16,839	18.3
LIC	77,68,750	82,64,411	90,69,608	98,99,475	8.4

Source: Company Data, Centrum Broking. Note: * denotes the difference between FY28E and FY25.

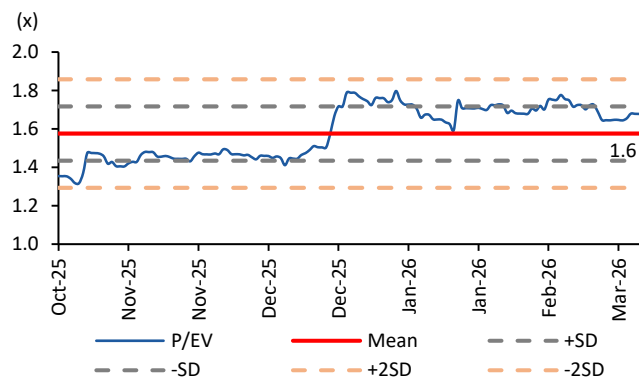
Valuation

CHL has been able to increase its market share from 2.3% in FY21 to 2.9% in 9MFY26 and is poised to grow faster than the industry. The company has a clear strategy to increase the sale of profitable products especially non-par and protection. Their banca dominance is the biggest moat as the promoter is increasing branches and improving productivity. The total APE has grown strongly at 15% over FY22-FY25. At end 9MFY26, the APE grew 22% YoY; it is expected to clock 20% CAGR over FY25-FY28E. The persistency is also improving. The solvency is strong at 191% (Dec'25).

The cost optimisation strategy bodes well and is seen in the total expense ratio at 18.3% at end Q3FY26 (18.7% at end 9MFY26). Despite being heavy ULIP, the VNB margin which stood at 19.7% at end 9MFY26 is expected to grow to 21.2% at end FY27E and 21.9% at end FY28E. This is owing to higher rider attachments and focus on profitable segments like non-par and protection. We have baked in the total expense ratio to decelerate to 18.1% by FY28E.

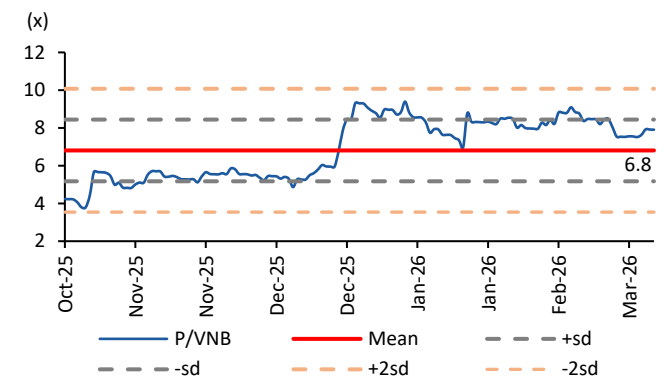
EV is expected to clock 17% CAGR over FY25-FY28E. The stock is currently trading at 1.4x FY28E P/EV. The stock was listed about six months ago and the average is 1.6x on a 1 year forward P/EV. We value it at 1.7x while baking in the positives but also looking at the competitive pressures. Initiate with BUY. **Key risks:** High dependence on bancassurance partnerships, loss of market share, regulatory risks.

Exhibit 48: P/EV (1yr fwd.) – trading above the mean



Source: Centrum Broking

Exhibit 49: P/VNB Adj. (1yr fwd.) – trading above the mean



Source: Centrum Broking

Key risks

High dependence on bancassurance partners: Canara HSBC Life derives a substantial portion of its business through bancassurance channels, primarily from its promoter banks such as Canara Bank and HSBC Bank. Approximately 93% of individual Weighted Premium Income (WPI) in FY25 and 9MFY26 came from these channels. Any changes in distribution agreements, reduced focus by partner banks on insurance cross-selling, or regulatory changes impacting bancassurance models could materially affect the company's premium inflows and growth prospects.

Intense industry competition and market share risk: The Indian life insurance industry has become increasingly competitive, with both private insurers and public sector players expanding their distribution reach and product offerings. Competitors may gain market share through aggressive pricing, broader distribution networks, or innovative product offerings, which could lead to slower premium growth or erosion of market share for the company.

Exposure to capital market and bond market volatility: Life insurers rely significantly on capital market performance for investment income. Declines in equity markets can reduce Assets Under Management (AUM) and lower fund management fees, especially from unit-linked insurance plans (ULIPs), which are marked to market. Additionally, adverse economic conditions could lead to credit defaults or financial distress of bond issuers in the investment portfolio. Changes in benchmark interest rates or widening credit spreads may reduce the fair value of bonds, potentially resulting in impairment losses and pressure on earnings and policyholder funds.

Risk of policy surrenders: Life insurers face risks from policyholders surrendering their policies before maturity. Recent regulatory changes have increased surrender values, which may lead to a higher incidence of early withdrawals. This risk is particularly prominent in ULIPs, where surrender value is linked to the Net Asset Value (NAV) of the underlying funds. Policyholders can typically withdraw after five years, even if the policy term is longer, potentially affecting persistency ratios and profitability.

Regulatory and compliance risk: Life insurance companies operate in a highly regulated context. Any changes in regulations, capital requirements, product structures, commission limits, or surrender norms could significantly impact business operations, product economics, and overall profitability.

Product mix risk: CHL has a significant portion of its business coming from Unit Linked Insurance Plans (ULIPs). Although the company expects the share of ULIPs in its product mix to decline over time by increasing the contribution from traditional products, there is a risk that traditional product sales may not grow at the expected pace. If this transition does not materialize, the company could remain highly dependent on ULIPs, which are sensitive to capital market performance and investor sentiment. This may adversely affect premium growth, profitability, and earnings stability.

Key regulation changes

Feb '21

FDI (Foreign direct investment): Union Budget increased the permissible FDI limit from 49% to 74% and allowed foreign ownership and control with safeguards. Earlier, FDI in the insurance sector was increased from 26% to 49% in 2015. ULIPs: The Union Budget brought in a new rule for the returns on unit-linked insurance policies (ULIPs), i.e. the maturity amount received (including bonus), would be taxable if the ULIP premium exceeded Rs0.25mn for a policy purchased on or after 1st February 2021. If the annual premium is below Rs0.25mn and premium not exceeding 10% of the sum assured, it will continue to remain tax free.

Nov '22

IRDAI increased the maximum number of tie-ups for Corporate Agents and Insurance Marketing Firms (IMF) to enable policyholders to have wider choices and access to insurance plans through various distribution channels. Corporate agents were allowed to tie up with 9 insurers (3 earlier) and Insurance Marketing firms could tie up with 6 insurers (2 earlier) in each line of business life, general and health for distribution of their insurance products.

Feb '23

Union Budget announced that the life insurance maturity amount was made taxable if the premium paid in a financial year exceeded Rs0.5mn. These guidelines were applicable to all products except for ULIPs. This change however did not affect the tax exemption available to nominees, in the case of death of the insured person. Moreover, the life insurance plans issued till 31st March 2023 continued to remain tax-free.

Jun '24

In June 2024, IRDA introduced measures that would ensure a greater exit payout for life insurance policy holders who are unable to continue paying their premiums, effective from 01st October 2024.

Nov '24

The finance ministry proposed to further increase FDI in the insurance sector from 74% to 100%, reducing the paid-up capital requirement for insurance companies and introducing a composite licence for insurance companies, allowing them to offer both life and non-life insurance products.

Sep'25

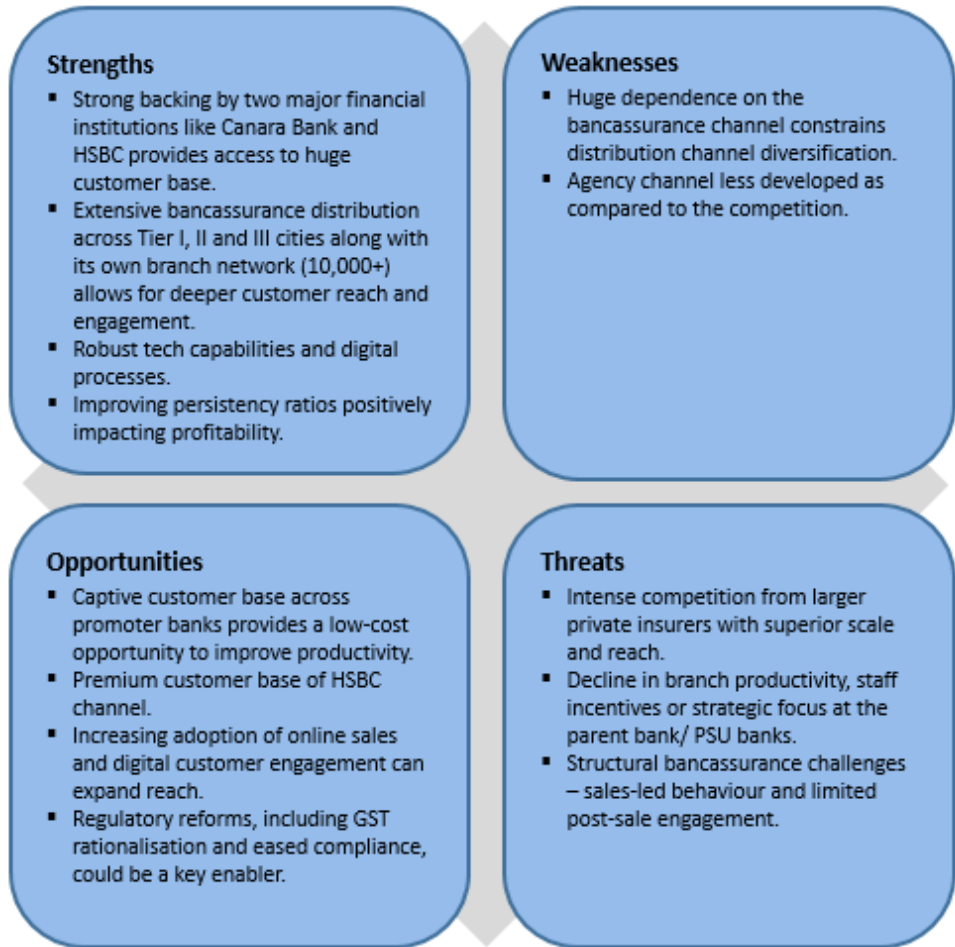
IRDAI launched Bima Sugam, a unified digital insurance marketplace, aimed at standardising and digitising policy discovery, onboarding, servicing and claims across life, general and health insurance. This initiative is expected to improve transparency and efficiency across the value chain, lower distribution and servicing costs and support higher insurance penetration by enhancing customer access and experience.

Dec'25

The Insurance Amendment Bill ratified in Dec'25, permitted 100% FDI in the insurance sector (up from 74%), aimed at attracting long-term foreign capital and global best practices. It also introduced wide-ranging structural and regulatory reforms, including enhanced enforcement and supervisory powers for IRDAI (with higher penalties and disgorgement provisions), simplification of intermediary norms through perpetual registrations, liberalisation of reinsurance capital norms, tighter oversight on non-insurance business of insurers, higher thresholds for SEBI for share transfer approvals (from 1% to 5%), and strengthened policyholder protection and transparency via mandatory electronic records and education and protection mechanisms.

SWOT analysis

Exhibit 50: SWOT



Source: Centrum Broking

Company profile and management

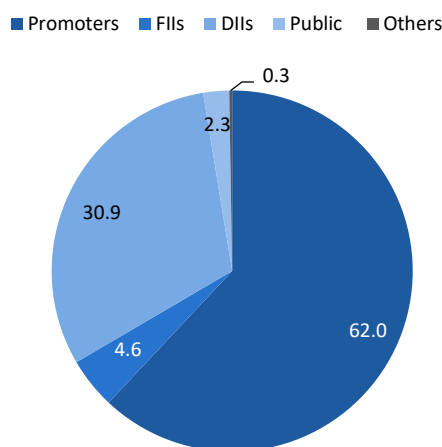
Headquartered in Gurugram, Canara HSBC Life was established in 2007 as a joint venture between Canara Bank, HSBC Insurance (Asia-Pacific) Holdings and Punjab National Bank. The company offers a comprehensive suite of life insurance solutions across protection, savings, retirement, annuity and unit-linked products, catering to both individual and group customers. The insurer operates a diversified, multi-channel distribution model anchored in bancassurance through its promoter banks, complemented by direct and digital channels, enabling penetration across urban, semi-urban and rural markets. As of Dec’25, Canara HSBC Life’s AUM stood at Rs469bn and delivered steady growth with improving profitability. The company was listed on the stock exchanges in Oct’25.

Exhibit 51: Key personnel

Name	Designation	Qualification	Experience
Mr. Anuj Mathur	MD & CEO	CA, CS, CMA	Aviva India, Bharti Airtel, Maruti Suzuki
Mr. Soly Thomas	Deputy CEO & Chief Distribution Officer - Bancassurance	MBA	HDFC Life Insurance, Reliance Nippon Life Insurance
Mr. Tarun Rustagi	CFO	CA, PGDM	HSBC, PNB MetLife India Insurance, Axis Max Life Insurance Company, AXA Business Services
Mr. Sachin Dutta	COO	Master’s Diploma - Computer Application	Fidelity, EXL Services
Ms. Jyoti Kartarsingh Vaswani	CIO	CFA	Reliance Nippon Life Insurance, Future Generali Life Insurance, Aviva Life Insurance, JM Financial
Mr. Vikas Gupta	Chief Risk Officer	CPA	ICICI Prudential Life Insurance Company, EY, KPMG, ICICI Bank Limited
Mr. Ritesh Kumar Rathod	Chief Strategy & Data Officer	MBA	Birla Sunlife Insurance Company Limited, Reliance Life Insurance Company Limited
Ms. Vatsala Sameer	Company Secretary	CS, MBA	Max Life Insurance Company Limited, Ballarpur Industries Limited and Escorts Finance Limited
Mr. Rishi Mathur	Chief Distribution Officer - Alternate Channels & Chief Marketing Officer	PGDM	Bharti AXA Life Insurance, Stern Stewart India Private Limited, Arthur Andersen & Co
Mr. Nitin Agarwal	Appointed Actuary	Fellow - Institute of Actuaries of India	HDFC Life Insurance Company, Watson Wyatt Worldwide Company
Mr. Manoj Jain	Chief Compliance Officer	CA, CPA	Aviva Life Insurance Company India Limited, Bhandari Gupta and Associates, IBM Daksh Business Process, Bundy India Limited
Mr. Dinesh Tak	Chief Agency Officer	MBA	ICICI Prudential Life Insurance
Ms. Kiran Yadav	Chief People Officer	PGDM	PNB MetLife India Insurance Company Limited, Aviva Life Insurance Company India Limited, GE Capital International Services, TMI Network

Source: Company Data, Centrum Broking

Exhibit 52: Shareholding pattern (%)



Source: BSE, Centrum Broking. Note: The data is as of Dec’25.

Annexure

Comparison – Canara HSBC Life is a decent performer

Exhibit 53: Surrender ratio

(%)	FY22	FY23	FY24	FY25
Canara HSBC Life	24.8	20.5	22.0	18.7
SBI Life	12.1	13.5	16.9	19.2
HDFC Life	19.5	16.1	23.0	19.8
IPru	54.5	59.0	69.3	62.8
Axis Max Life	21.3	23.8	20.0	20.9
LIC	8.9	8.1	9.5	10.0

Source: Company Data, Centrum Broking. Note: Surrender ratio calculated as insurance claims paid by surrender divided by total premium during the relevant period.

Exhibit 54: Claim settlement ratio

(%)	FY22	FY23	FY24	FY25
Canara HSBC Life	99.1	99.1	99.3	99.4
SBI Life	97.2	98.4	99.2	99.4
HDFC Life	99.6	99.7	99.7	99.8
IPru	97.8	98.7	99.8	99.8
Axis Max Life	NA	99.5	99.7	99.4
LIC	98.7	98.5	98.2	97.9

Source: Company Data, Centrum Broking

Exhibit 55: Avg. premium ticket size – Individual NBP

(Rs)	FY22	FY23	FY24	FY25
Canara HSBC Life	97,529	98,744	96,698	1,14,771
SBI Life	85,805	95,151	1,05,400	1,19,675
HDFC Life	1,27,197	1,45,529	1,25,933	1,34,485
IPru	1,42,509	1,48,584	1,42,991	1,52,081
Axis Max Life	1,15,611	1,35,366	1,29,169	1,33,393
LIC	25,254	28,715	28,244	35,092

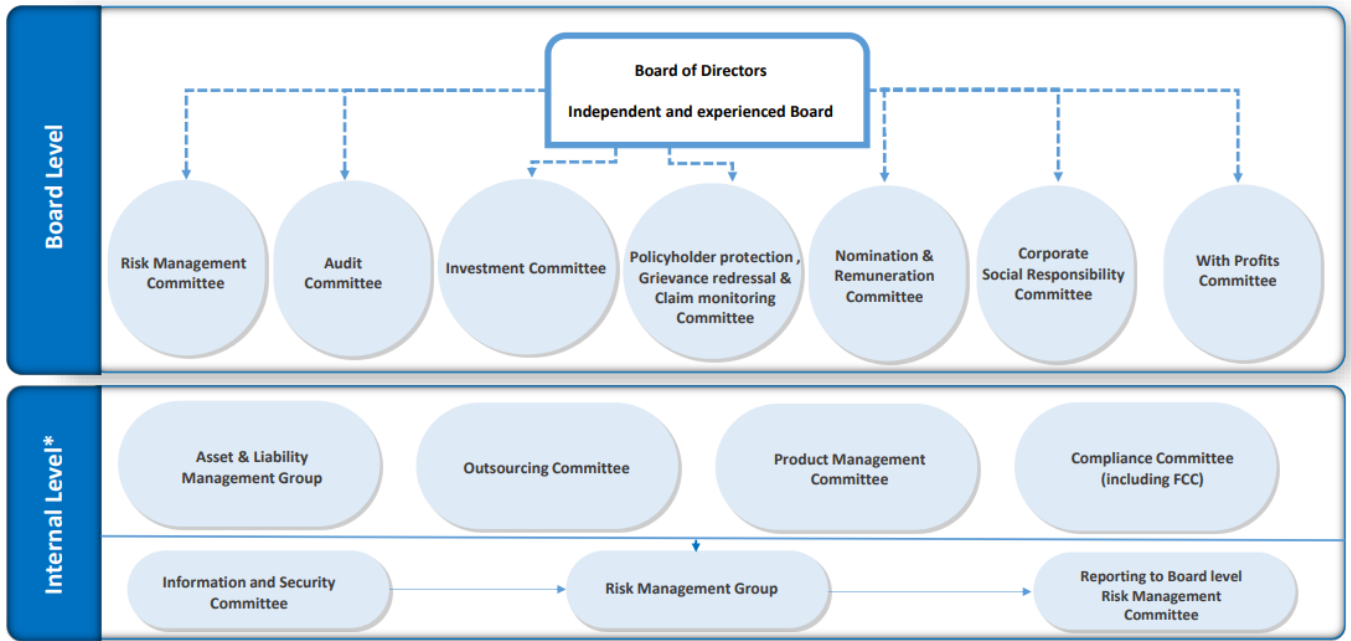
Source: Company Data, Centrum Broking

Exhibit 56: Assets Under Management (AUM)

(Rs bn)	FY22	FY23	FY24	FY25
Canara HSBC Life	263	302	374	412
SBI Life	2,674	3,073	3,889	4,480
HDFC Life	2,042	2,388	2,922	3,363
IPru	2,405	2,512	2,941	3,094
Axis Max Life	1,075	1,229	1,508	1,751
LIC	40,846	43,972	51,219	54,523

Source: Company Data, Centrum Broking

Exhibit 57: Governance Framework – Board & Partner Bank Level



Source: Company Data, Centrum Broking

Exhibit 58: Employees on payroll

Department	No. of Employees
Sales, sales strategy, sales training and business development, marketing and corporate communication	7,088
Operations including customer servicing	426
Finance	40
Actuarial and product developments	43
Human resources	51
Legal and compliance	27
Audit and risk management	33
Investments	16
Technology	118
Admin and infrastructure	4
Strategy	4
Process excellence and project management office	8
Data analytics and management reporting	38
MD and CEO Office	2
Total	7,898

Source: Company Data, Centrum Broking. Note: The above data is as of Jun'25.

Exhibit 59: Tech integration

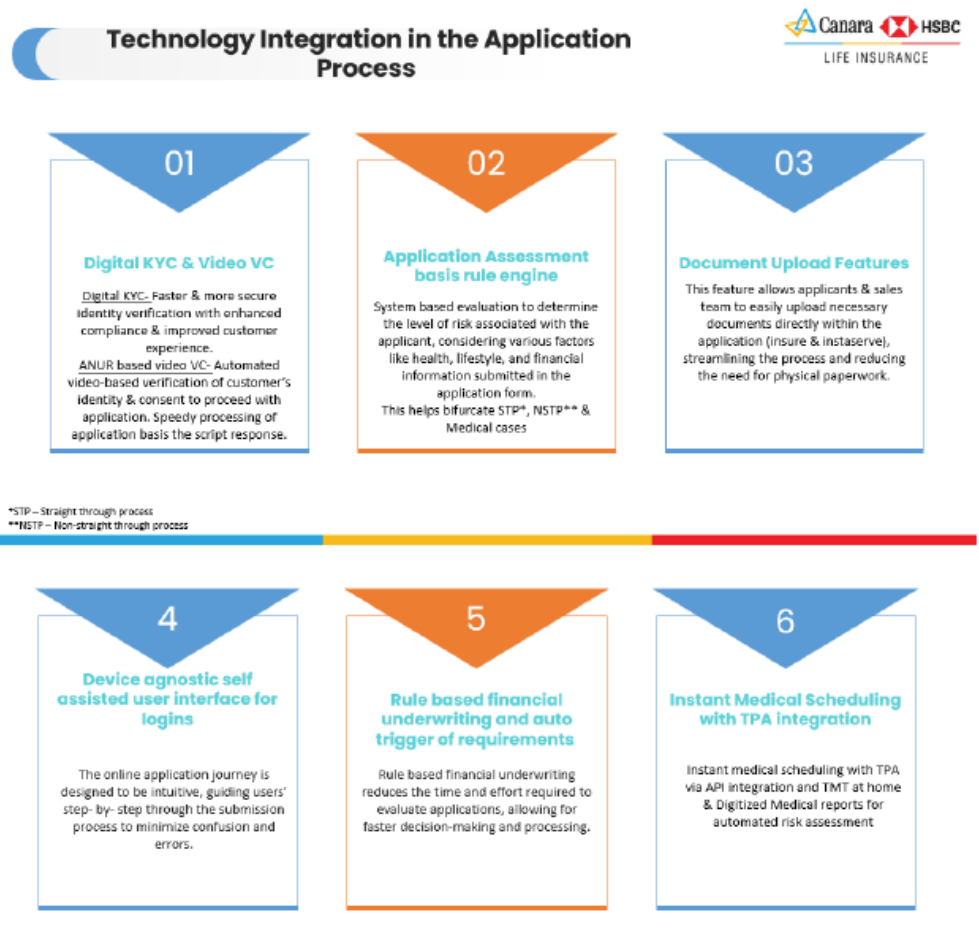


Exhibit 60: Diverse product suite

Category	Product
Participating plans	Canara HSBC Life Insurance Promise4Future
	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 plans	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
	Canara HSBC Life Insurance Group Traditional Plan
Group NL fund based product	Canara HSBC Life Insurance Group Traditional Plan

Source: Company Data, Centrum Broking

Exhibit 61: No. of policies issued and no. of lives covered

Products	FY22		FY23		FY24		FY25	
	No. of Policies	No. of Lives	No. of Policies	No. of Lives	No. of Policies	No. of Lives	No. of Policies	No. of Lives
Individual Products	1,78,126	1,74,535	1,86,679	1,81,973	1,84,726	1,81,304	1,94,121	1,86,083
Group Products	84	40,37,900	35	59,60,059	20	86,79,821	22	80,26,161
Total	1,78,210	42,12,435	1,86,714	61,42,032	1,84,746	88,61,125	1,94,143	82,12,244

Source: Company Data, Centrum Broking

Exhibit 62: Sensitivity table (H1FY26)

Change in	Scenario	Change in VNB Margin (%) *	% Change in EV
Reference rate	Increase by 1%	0.6%	1.9%
	Decrease by 1%	-0.7%	-2.5%
Equity Market Movement	Increase by 10%	0.2%	1.1%
	Decrease by 10%	-0.2%	-1.1%
Persistency (Lapse rates)	Increase by 10%	-1.0%	-0.2%
	Decrease by 10%	1.1%	0.2%
Maintenance expenses	Increase by 10%	-0.5%	-0.9%
	Decrease by 10%	0.5%	0.9%
Acquisition expenses	Increase by 10%	-3.2%	NA
	Decrease by 10%	3.2%	NA
Mortality / Morbidity	Increase by 5%	-1.2%	-1.2%
	Decrease by 5%	1.2%	1.2%
Tax Rate Change to 25% on Normal Tax basis	Increase by 25%	-2.3%	-7.8%

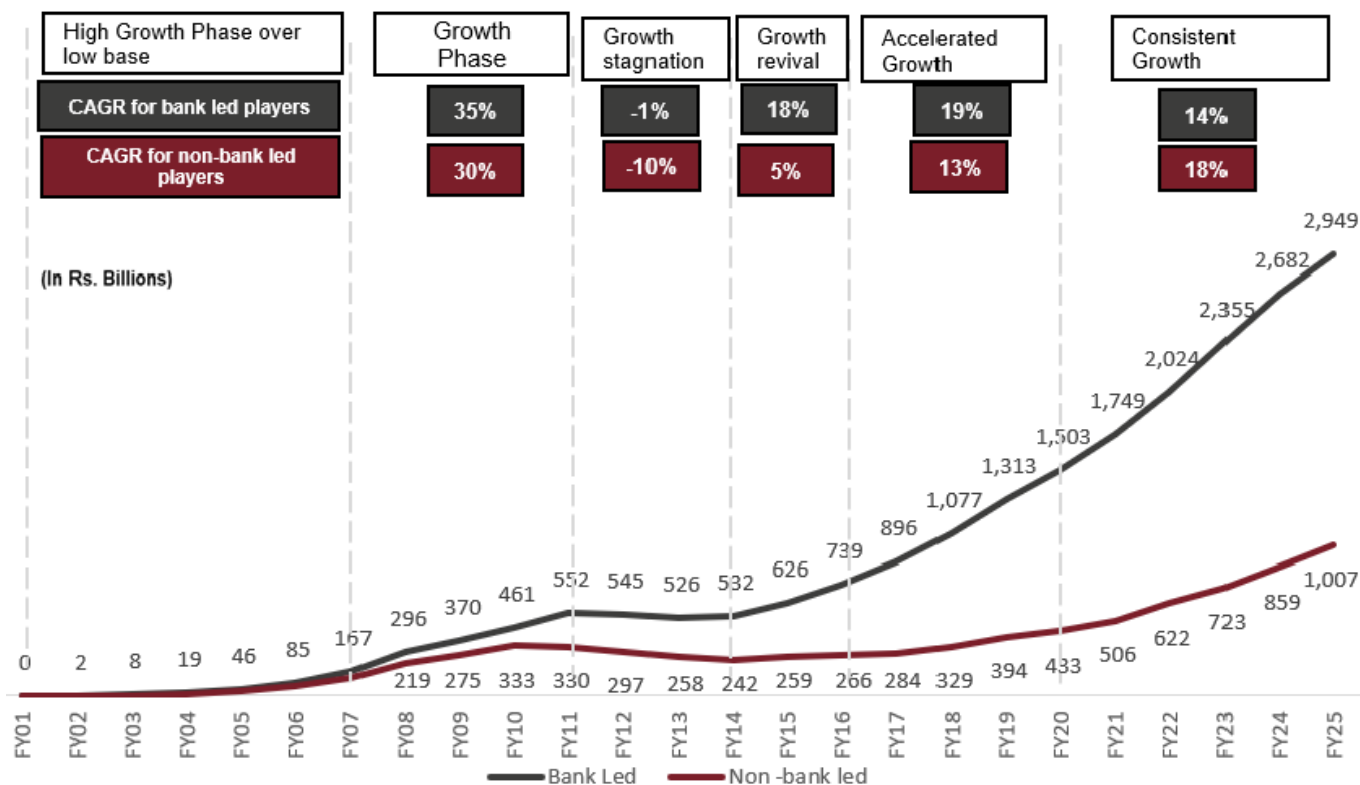
Source: Company Data, Centrum Broking. Note: * Post overrun total VNB for Individual and Group business.

Exhibit 63: Timeline of private players' entry into life insurance industry

2000-2005	2005-2015	Post 2015
Entry of private players	Entry of private players	Entry of private players
Bank led:	Bank led:	Non-bank led:
HDFC Life Insurance Company Ltd.	Canara HSBC Life Insurance Company Ltd.	Acko Life Insurance Ltd.
ICICI Prudential Life Insurance Company Ltd.	Star Union Dai-ichi Life Insurance Company Ltd.	CrediAccess Life Insurance Ltd.
Kotak Mahindra Life Insurance Company Ltd.	IndiaFirst Life Insurance Company Ltd.	Go Digit Life Insurance Ltd.
PNB MetLife India Insurance Company Ltd.	Ageas Federal Life Insurance Company Ltd.	
SBI Life Insurance Company Ltd.		
Non-bank led:	Non-bank led:	
Max Life Insurance Company Ltd.	Shriram Life Insurance Company Ltd.	
Aditya Birla Sunlife Insurance Company Ltd.	Bharti AXA Life Insurance Company Ltd.	
Bajaj Allianz Life Insurance Company Ltd.	Future Generali India Life Insurance Company Ltd.	
Reliance Nippon Life Insurance Company Ltd.	Pramerica Life Insurance Company Ltd.	
TATA AIA Life Insurance Company Ltd.	Edelweiss Tokio Life Insurance Company Ltd.	
Aviva Life Insurance Company India Ltd.	Bandhan Life Insurance Company Ltd. (previously Aegon Life Insurance Company Limited)	
Sahara India Life Insurance Company Ltd.		

Source: Company Data, Centrum Broking. Note: Max Life Insurance was founded in 2000 as a joint venture between Max Financial Services Limited and New York Life. After New York Life exited the joint venture in 2012, the company was renamed Max Life Insurance Co. Ltd. and Mitsui Sumitomo Insurance took over New York Life's stake. In 2021, Axis Bank became a promoter of Max Life Insurance thereby making it a bank led insurance player. Bandhan Life Insurance Company Ltd. is categorised as a non-bank led life insurer due to its recent acquisition and the prior entity "Aegon Life" being a non-bank led life insurer.

Exhibit 64: Trend in total premium generated for bank led and non-bank led life insurers (excluding LIC)



Source: Company Data, Centrum Broking. Note: The above numbers exclude LIC. Bank Led players include Aegae Federal Life Insurance Company Ltd., Canara HSBC Life Insurance Company Ltd., HDFC Life Insurance Company Ltd., ICICI Prudential Life Insurance Company Ltd., IndiaFirst Life Insurance Company Ltd., Kotak Mahindra Life Insurance Ltd., Axis Max Life Insurance Company Ltd., PNB MetLife India Insurance Company Ltd., SBI Life Insurance Company Ltd., Star Union Dai-ichi Life Insurance Company Ltd. Axis Bank acquired stake in Max Life Insurance in 2021 as a co-promoter. The company is categorized as a bank led insurance company to make the industry numbers consistent across years. PNB Bank acquired stake in Met Life India in 2013. The company is categorized as a bank led insurance company to make the industry numbers consistent across years. Non-bank led players include the remaining life insurance companies for the Fiscal year. Bandhan Life Insurance Company Ltd. is categorised as a non-bank led life insurer due to its recent acquisition and the prior entity "Aegon Life" being a non-bank led life insurer.

Revenue Account (Technical)

YE Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Gross premium income	71,287	80,275	98,293	1,18,943	1,41,992
-First year premium	16,939	21,737	26,193	31,432	37,090
-Renewal premium	42,276	49,059	59,305	71,517	86,029
-Single premium	12,072	9,478	12,795	15,994	18,873
Net written premium	69,326	78,502	96,328	1,16,564	1,39,152
Income from investments	48,124	27,574	39,632	44,262	48,833
Other Income	107	188	213	277	360
Total income	1,17,557	1,06,264	1,36,173	1,61,103	1,88,345
Commissions	4,111	5,071	6,163	7,548	8,927
Operating expenses	9,354	9,942	11,969	14,126	16,721
Bonus paid	31,664	50,837	48,640	58,374	67,562
Change in liabilities (net)	70,948	38,715	65,986	77,184	91,117
Total Expenses	13,465	15,013	18,131	21,674	25,648
Provisions for doubtful debts & Investments	4	(20)	0	0	0
Service tax/ GST for linked charges	720	907	972	1,035	1,152
Surplus before tax	756	812	2,443	2,835	2,867
Provision for tax	0	0	122	142	143
Surplus after tax	756	812	2,321	2,693	2,723
Transfer to Shareholders' account	1,444	1,321	1,633	1,861	1,730
Balance being FFA	375	457	688	833	994

P&L Account (Non-Technical Account)

YE Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Transfer from policyholders account	1,444	1,321	1,633	1,861	1,730
Income from investments	965	1,020	1,031	1,362	1,642
Contribution to the policyholders fund	1,097	990	1,287	1,480	1,495
PBT	1,239	1,282	1,318	1,678	1,807
Provision for taxation	106	112	92	117	126
PAT	1,133	1,170	1,226	1,561	1,680

Key Metrics

YE Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
AUM	3,73,804	4,11,664	4,40,481	4,71,314	5,04,306
New Business Premium	29,011	31,215	38,989	47,426	55,963
APE	18,878	23,394	28,331	34,064	40,195
Value of new business	3,776	4,461	5,770	7,208	8,804
Embedded Value	51,799	61,107	71,398	83,706	98,368
EVOP	8,117	10,117	10,658	12,777	15,165

Source: Company Data, Centrum Broking

Balance sheet

YE Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Share Capital	9,500	9,500	9,500	9,500	9,500
Reserves & Surplus	4,689	5,669	6,527	7,619	8,796
Policy liabilities	3,48,478	3,86,697	4,52,134	5,28,307	6,17,913
Borrowings	0	0	0	0	0
FFA	6,424	6,881	6,881	6,881	6,881
Others	9,067	9,775	10,543	11,811	13,626
Total Sources of Funds	3,78,158	4,18,521	4,85,365	5,63,642	6,55,936
Shareholders' funds	15,703	13,747	15,835	16,753	17,992
Policyholders' funds	1,98,925	2,26,435	2,78,664	3,33,630	3,91,799
Assets held to cover Linked Liabilities	1,59,176	1,71,482	1,82,613	2,03,119	2,33,774
Others	4,354	6,857	8,253	10,140	12,370
Total application of funds	3,78,158	4,18,521	4,85,365	5,63,642	6,55,936

Per Share Data

YE Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Reported EPS	1.2	1.2	1.3	1.6	1.8
EVPS (Rs)	54.5	64.3	75.2	88.1	103.5
VNB/ share (Rs)	4.0	4.7	6.1	7.6	9.3
Dividend per share	0.2	0.4	0.4	0.5	0.5

Ratios

YE Mar	FY24A	FY25A	FY26E	FY27E	FY28E
VNB margin (%)	20.0	19.1	20.4	21.2	21.9
RoEV (%)	18.5	19.5	17.4	17.9	18.1
Opex ratio (%)	13.1	12.4	12.2	11.9	11.8
Commission ratio (%)	5.8	6.3	6.3	6.3	6.3
Expense ratio (%)	18.9	18.7	18.4	18.2	18.1
Solvency ratio (%)	212.8	205.8	203.6	197.1	193.8
ROAE (%)	8.2	8.0	7.9	9.4	9.5

Valuations

YE Mar	FY27E	FY28E
P/EV	1.7	1.4
P/VNB	7.8	4.7
Dividend Yield	0.3	0.3

Source: Company Data, Centrum Broking

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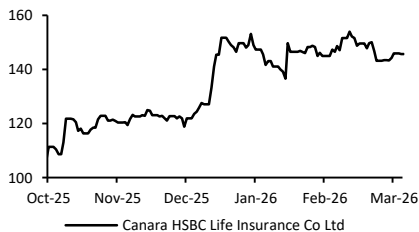
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Neutral – The stock is expected to deliver -10% to +10% returns

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Source: Bloomberg

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5	Whether Research analyst or relatives have actual / beneficial ownership of 1% or more in securities of the subject company at the end of the month immediately preceding the date of publication of the document.		No
6	Whether the research analyst or his relatives has any other material conflict of interest		No
7	Whether research analyst has received any compensation from the subject company in the past 12 months and nature of products / services for which such compensation is received		No
8	Whether the Research Analyst has received any compensation or any other benefits from the subject company or third party in connection with the research report		No
9	Whether Research Analysts has served as an officer, director or employee of the subject company		No
10	Whether the Research Analyst has been engaged in market making activity of the subject company.		No
11	Whether it or its associates have managed or co-managed public offering of securities for the subject company in the past twelve months;		No
12	Whether it or its associates have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months;		No
13	Whether it or its associates have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months;		No

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