ADROIT
WISDOM TO PROSPERITY

Canara HSBC LIFE INSURANCE

Canara HSBC Life Insurance Company Limited

8th October, 2025

IPO Details

IPO Date	October 10, 2025 to October 14, 2025
Face Value	₹10 per share
Price Band	₹100 to ₹106 per share
Lot Size	140 Shares
Sale Type	Offer For Sale
Total Issue Size	23,75,00,000 shares (aggregating up to ₹2,517.50 Cr)
Employee Discount	₹10.00
Issue Type	Book building IPO
Listing At	BSE, NSE
Shareholding pre issue	9,07,06,51,260 shares
Share Holding Post Issue	9,07,06,51,260 shares
QIB Shares Offered	Not more than 50% of the Net Offer
Retail Shares Offered	Not less than 35% of the Net Offer
NII (HNI) Shares Offered	Not less than 15% of the Offer
Retail (Min & Max) shares	140 Shares & 1,820 shares
Retail (Min & Max) application amount	₹14,840 & ₹1,92,920
S-HNI (Min shares & application amount)	1,960 shares & ₹2,07,760
S-HNI (Max shares & application amount)	9,380 shares & ₹9,94,280
B-HNI (Min shares & application amount)	9,520 shares & ₹10,09,120
Basis of Allotment	Wed, Oct 15, 2025
Initiation of Refunds	Thu, Oct 16, 2025
Credit of Shares to Demat	Thu, Oct 16, 2025
Listing Date	Fri, Oct 17, 2025
Cut-off time for UPI mandate confirmation	5 PM on Tue, Oct 14, 2025
Promoters	Canara Bank and HSBC Insurance (Asia-Pacific) Holdings Limited
Registrar	Kfin Technologies Ltd.

Note 1: Application made using third party UPI or ASBA A/C is liable to be rejected. For apply please click on the Link https://ipo.adroitfinancial.com/ for any kind of assistance please contact to their helpdesk team at 0120-6826800 or mail us on ipo@adroitfinancial.com

Company Profile

Canara HSBC Life Insurance Company Limited is a private life insurer in India and promoted by Canara Bank and HSBC Insurance (Asia-Pacific) Holdings Limited, a member of The Hong Kong and Shanghai Banking Corporation Limited ("HSBC") group, whose global reputation as a financial institution adds credibility and brand value to them. The company had the third highest assets under management ("AUM") amongst public sector bank promoted led life insurers, as at March 31, 2025.

The company was incorporated in 2007, they have grown into a prominent bank led private player in the Indian life insurance sector as they rank third amongst public sector bank led life insurers in India. They also actively engage with customers through digital channels, such as website and mobile app, complemented by strategic alliances with brokers and corporate agents that enhance customer choices and extend their reach across India. Additionally, they have established a direct sales model, supported by a dedicated field force, ensuring personalized service and customer engagement.

The Revenue of the Company reduced by 2.86% and Profit after Tax rose by 3.3% from FY24 to FY25.

Objects of the Issue

- Offer for sale - Rs. 2517.5 Crore

Financial Details

Particulars (Amount in Crores)	31-Mar-25	31-Mar-24	31-Mar-23
Amount transferred from Policyholders Account	132.0	144.4	169.5
Income from Investments			
(a) Interest, Dividend and Rent - Gross	91.8	88.4	85.4
(b) Profit from sale/redemption of investment	3.8	1.0	0.6
(c) (Loss on sale/redemption of investment)	-1.2	-0.7	-0.2
(d) Amortization of Premium/ Discount on Investment	7.6	7.8	6.1
Other income	0.0	0.0	0.0
Total	**234.0**	**240.9**	**261.4**
Expense other than those directly related to the insurance business	5.7	6.2	8.5
Contribution to Policyholders' A/c			
(a) Towards excess Expenses of Management	0.0	0.0	6.4
(b) Towards remuneration of MD/ CEO/ WTD/ Other KMPs	2.4	3.4	2.9
Expenses towards CSR Activities	1.6	1.5	1.8
Bad Debts Written off	0.0	0.0	0.2
Amount transferred to Policyholders Account	96.5	106.3	143.1
Provision other than taxation			
(a) Provision for doubtful debts	1.8	0.0	0.1
(b) Other Provision for non-standard assets/ non-performing assets	-2.2	-0.3	-1.3
Total	**105.8**	**117.0**	**161.7**
Profit Before Tax	**128.2**	**123.9**	**99.7**
Provision for Taxation	11.2	10.6	8.6
Profit/(Loss) After Tax	**117.1**	**113.3**	**91.1**
PAT Margin (%)	**50.03%**	**47.04%**	**34.86%**
Basic EPS (in Rs.)	**1.23**	**1.19**	**0.96**

Key Metrics	Mar-25	Mar-24	Mar-23
Annualized Premium Equivalent (in ₹ Crore)	2339.38	1887.79	1883.71
Claim Settlement Ratio (in %)	99.38	99.31	99.11
Solvency Ratio (in %)	205.8	212.8	251.81
Embedded Value (in ₹ Crore)	6110.74	5179.86	4271.93

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Competitive Strengths

- **Trusted Brand, Strong Legacy –** The company was incorporated in 2007 and is promoted by Canara Bank, which holds a 51.00% stake, and HSBC Insurance (Asia-Pacific) Holdings Limited, which holds a 26.00% stake as of the date of this Red Herring Prospectus. They benefit significantly from the strong and well-established brand equity of Canara Bank and the HSBC group, recognized globally for its comprehensive financial services and reputation.

- **Strong Distribution Network –** The company's suite of products is accessible to both individual and group customers through a diversified distribution network consisting primarily of (i) bancassurance; (ii) brokers and other corporate agents; and (iii) direct sales. Their distribution agreement with Canara Bank provides them access to an aggregate of 117 million of their customers through 9,849 branches across India, as at March 31, 2025. Further, they have effectively established a fast-expanding network of emerging channels

- **Long-Term Value through Steady Growth** – The company is committed to long-term value creation, driven by a consistent track record of profitable financial performance. They were one of the life insurers to report fastest three consecutive years of profit from the first year of operation amongst their peers and were amongst one of the fastest life insurers to generate profits in fifth year of operations.

- **Diversified Product Portfolio –** The company's portfolio encompassed 20 individual products, seven group products and two optional rider benefits, along with policies under the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) scheme, designed to address protection, savings and retirement needs. They also had the third highest share of premium from non-linked non-participating business amongst bank led insurance players in Fiscal 2025. They had the second highest average premium ticket size for individual insurance among public sector bank led life insurers for Fiscal 2025.

- **Tech-Driven Platform with Robust Risk Management** – The company has leveraged advanced AI, data and analytics to drive both revenue and service improvements, capitalizing on advanced technologies to enhance its business operations. Through the strategic initiatives, they continually seek to enhance their operational efficiency, customer satisfaction and financial performance to ensure customer complaints remain at minimal levels.

Key Risk Factors

- **Reliance on Key Bancassurance Partners –** Bancassurance represents the company's largest distribution channel. Any termination of, or adverse change in, their bancassurance arrangements, and in particular their distribution agreement, as amended, with the Promoter, Canara Bank, or one of their group companies, HSBC India, or decline in performance standards of their bancassurance partners, may have a material adverse effect on the business, results of operations and financial condition.

- **Regulatory Compliance Risks** – The company is subject to periodic inspections by the Insurance Regulatory and Development Authority (IRDAI). Inspection by the IRDAI is a regular exercise for all insurance companies and they may be subject to inspections from the IRDAI in the future. Non-compliance with the IRDAI's observations could subject them to penal action, which could adversely affect their business, financial condition, results of operations, cash flows and reputation.

- **High Solvency Ratio –** The company's solvency ratio for the Fiscals 2025, 2024 and 2023 was 205.82%, 212.83% and 251.81%, respectively against the regulatory requirement of at least 150.00%. Their solvency ratio have decreased in the last three fiscal years primarily due to an increase in new business volumes and change in product mix. If they do not meet solvency ratio requirements, they may be subject to regulatory actions and could be forced to raise additional capital. They may also need additional capital in the future, and cannot assure investors that they will be able to obtain such capital on acceptable terms or at all.

- **Interest Rate and Investment Risks** – The nature of the company's asset and liability portfolio can lead to significant negative impacts on their operational results due to fluctuations in interest rates, whether increasing or decreasing. Fluctuations in interest rates could significantly and negatively impact their profitability. Furthermore, the Indian capital markets offer a limited variety and quantity of long-term fixed income products. Legal and regulatory restrictions on the types and amounts of investments allowed for insurance entities may constrain their ability to closely align the tenure of their assets with their liabilities.

Comparison with Listed Peers

Name of the Companies	Market Price	Face Value (per Share)	P/E Ratio	EPS (Basic)	EPS (Diluted)	RoNW (%)	NAV (per Share)
Canara HSBC Life Insurance Company	NA	10.00	18.09*	5.86**	5.86**	7.91%	30.09
Peers:							
SBI Life Insurance Company	1763	10.00	73.18	24.09	24.07	15.13%	169.49
HDFC Life Insurance Company Limited	745	10.00	88.59	8.41	8.41	11.75%	75.03
ICICI Prudential Life Insurance Company Limited	597	10.00	72.72	8.21	8.16	10.34%	82.57

*P/E calculated based on upper band price.
**EPS calculated including fresh issue shares.

Summary

India’s Insurance industry is one of the premium sectors experiencing upward growth. This upward growth of the insurance industry can be attributed to growing incomes and increasing awareness in the industry. India is the fifth largest life insurance market in the world's emerging insurance markets, growing at a rate of 32-34% each year. In recent years, the industry has been experiencing fierce competition among its peers which has led to new and innovative products within the industry. India's insurance sector has witnessed significant growth, with the domestic market expanding at CAGR of 17% over the past two decades. It is projected to reach Rs. 19,30,290 crore (US$ 222 billion) by FY26.

Canara HSBC Life Insurance Company Limited is a private life insurance company in India, jointly promoted by Canara Bank and HSBC Insurance (Asia-Pacific) Holdings Limited. Canara HSBC Life Insurance offers a portfolio comprising 20 individual products, 7 group products, and 2 optional riders, along with policies under the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY). They recorded the third-highest individual weighted premium income (WPI) among bank-led insurers between Fiscal 2021 and 2025. The company’s distribution channels are i) Bancassurance ii) Brokers and Corporate Agents iii) Direct Sales and Digital Platforms

The company mainly focuses on traditional products. Last year, Unit Link Insurance Plans (ULIPs) gained popularity, temporarily increasing the company’s ULIP share above 50%, but traditionally, 55–60% of business comes from traditional products. Going forward, the company expects strong growth from pure protection—supported by GST reforms—and from retirement products, which are also traditional offerings. The company has grown at around 17% CAGR in Weighted Premium Income (WPI) over the past three years, outperforming the industry (10–12%), with margins of 20% in FY24 and 19% in FY25, slightly impacted by the higher ULIP mix.

Therefore, it is recommended to **“Subscribe”** to the IPO for long-term investment, considering its growth potential.

DISCLAIMER

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