CANARA HSBC LIFE INSURANCE COMPANY LIMITED

October 09, 2025

SMC Ranking

★★½☆☆ (2.5/5)

Issue Highlights

Industry	Insurance
Offer for sale (Shares)	237,500,000
Net Offer to the Public	**237,500,000**
Issue Size (Rs. Cr.)	2375-2518
Price Band (Rs.)	100-106
Offer Date	10-Oct-25
Close Date	14-Oct-25
Face Value	10
Lot Size	140 Shares

Issue Composition

	In shares
Total Issue for Sale	237,500,000
QIB	118,750,000
NIB	35,625,000
Retail	83,125,000

Shareholding Pattern (%)

Particulars	Pre-issue	Post -issue
Promoters & promoters group	77.00%	52.00%
QIB	23.00%	35.50%
NIB	0.00%	3.75%
Retail	0.00%	8.75%
Total	**100.00%**	**100.00%**

*calculated on the upper price band

Objects of the Issue

The Company Canara HSBC Life IPO proposes to utilise the Net Proceeds from the Issue towards the following objects:

1. To carry out the Offer for Sale of up to 237,500,000 Equity Shares of face value of ₹10 each by the Selling Shareholders .
2. Achieve the benefits of listing the Equity Shares on the Stock Exchanges

Book Running Lead Manager

- SBI Capital Markets Limited
- BNP Paribas
- HSBC Securities and Capital Markets
- JM Financial Limited
- Motilal Oswal Investment Advisors Limited

Name of the registrar

- Kfin Technologies Limited

About the company

Incorporated in 2007, Canara HSBC Life Insurance Company Limited is a private life insurer in India jointly promoted by Canara Bank and HSBC Insurance (Asia-Pacific) Holdings Limited. The company operates across key business verticals, including Individual Life Insurance (Savings, Endowment, and Term Plans), Group Insurance Solutions (Credit Life and Protection Plans), Retirement and Pension Products, Government Schemes such as PMJJBY, and Digital and Embedded Insurance Partnerships. Its product portfolio comprises 20 individual products, 7 group products, and 2 optional riders, alongside government-backed policies under PMJJBY. Between Fiscal 2021 and 2025, the company recorded the third-highest individual weighted premium income (WPI) among bank-led insurers. Canara HSBC Life Insurance follows a diversified distribution model encompassing Bancassurance, Brokers, Corporate Agents, Direct Sales, and Digital Platforms, with Bancassurance serving as the core channel. The company leverages access to over 15,700 branches across India through partnerships with Canara Bank, HSBC, eight Regional Rural Banks, and Dhanlaxmi Bank, with Canara Bank alone offering access to 11.7 crore customers through 9,849 branches as of March 31, 2025.

Strength

Established parentage and a trusted brand amplifying customer attraction: Canara HSBC Life Insurance Company Limited, incorporated in 2007, is jointly promoted by Canara Bank (51%) and HSBC Insurance (Asia-Pacific) Holdings Limited (26%). Leveraging the strong legacy of Canara Bank—India's fourth-largest public sector bank by total assets as of March 31, 2025—and HSBC's global reputation, the company has built a trusted brand that drives customer confidence. Over 82% of its new business premium is sourced through these partners. Enhanced service standards have improved its NPS from 50 in FY23 to 75 in June 2025, while persistency ratios rose from 75.33% to 84.25%, reflecting superior customer retention and service quality.

Strong and diversified multi-channel distribution network: Canara HSBC Life Insurance Company Limited operates a robust multi-channel distribution network anchored by bancassurance, which remains its core channel. Through partnerships with Canara Bank, HSBC, Dhanlaxmi Bank, and eight Regional Rural Banks, the company accesses over 15,700 branches nationwide. Canara Bank alone provides access to 11.7 crore customers through 9,849 branches as of March 31, 2025. Supplemented by brokers, corporate agents, direct sales, and digital platforms, this extensive reach ensures broad customer coverage. Its market share, based on individual weighted premium income (WPI), improved from 1.56% in FY24 to 1.81% in FY25, reinforcing its expanding national footprint.

The following table sets forth certain information relating to the contribution of each of our distribution channels to our individual WPI for the periods indicated:

Particulars	Three months period ended June 30,				Fiscal						CAGR of Total Individual WPI between Fiscal 2023 – 2025
	2025		2024		2025		2024		2023		
	Individual WPI	Percentage of Total Individual WPI	Individual WPI	Percentage of Total Individual WPI	Individual WPI	Percentage of Total Individual WPI	Individual WPI	Percentage of Total Individual WPI	Individual WPI	Percentage of Total Individual WPI	
	(₹ in million)	(%)	(₹ in million)	(%)	(₹ in million)	(%)	(₹ in million)	(%)	(₹ in million)	(₹ in million)	(%)
Canara Bank	2,732.28	68.49%	2,342.44	67.00%	15,799.37	72.52%	11,909.07	69.94%	11,092.68	66.92%	19.34%
HSBC India	695.98	17.45%	580.90	16.61%	2,818.97	12.94%	2,656.38	15.60%	2,596.19	15.66%	4.20%
Regional rural bank	174.63	4.38%	180.00	5.15%	1,373.06	6.30%	1,242.26	7.30%	1,165.84	7.03%	8.52%
Other Bancassurance relationships[1]	19.15	0.48%	25.76	0.74%	194.02	0.89%	162.57	0.95%	72.23	0.44%	63.89%
Brokers and other corporate agents	209.80	5.26%	203.12	5.81%	811.95	3.73%	138.92	0.82%	556.80	3.36%	20.76%
Direct sales (including sales on our digital platforms)	157.50	3.95%	164.07	4.69%	789.46	3.62%	917.30	5.39%	1,091.94	6.59%	(14.97)%
Total	3,989.33	100.00%	3,496.29	100.00%	21,786.83	100.00%	17,026.49	100.00%	16,575.69	100.00%	14.65%

Consistent financial performance with improving profitability : Canara HSBC Life Insurance Company Limited has demonstrated steady financial growth supported by disciplined underwriting and prudent risk management. Its total premium increased from Rs. 5,063.58 crore in FY23 to Rs. 5,483.84 crore in FY24 and further to Rs. 6,051.22 crore in FY25. Profit after tax rose from Rs. 126.72 crore in FY23 to Rs. 247.35 crore in FY25, reflecting improved efficiency and balanced product mix. The company's Embedded Value grew 17% year-on-year to Rs. 3,229.80 crore as of March 31, 2025. These consistent results underscore its sustainable growth strategy, efficient capital utilization, and strong focus on profitability across both protection and savings segments.

Balanced and customer-focused product portfolio: Canara HSBC Life Insurance Company Limited offers 20 individual products, 7 group products, and 2 optional riders catering to diverse financial needs—ranging from savings and protection to retirement and group solutions. The portfolio includes offerings under the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), reinforcing its commitment to financial inclusion. Recent launches, such as new unit-linked and term protection plans with riders for critical illness and disability, expand customer choice. By maintaining a balanced mix between non-participating, participating, unit-linked, and pension products, the company ensures long-term growth, optimized margins, and strong alignment with customer life-stage requirements.

Technology-driven innovation and operational excellence: Canara HSBC Life Insurance Company Limited continues to strengthen its digital ecosystem through automation, analytics, and AI-driven customer engagement tools. The company has implemented advanced systems such as real-time policy issuance, digital onboarding, and multilingual sales training modules. Integrations with Canara Bank's "SuperApp" and Loan Application Platform (LAPS) enable seamless distribution of retail and group products. Its Insurance Self-Network Platform (ISNP) allows customers to compare and purchase products online through a Do-It-Yourself interface. These initiatives enhance productivity, operational efficiency, and risk management while delivering a superior, technology-enabled customer experience across touchpoints.

Experienced leadership and governance framework: Canara HSBC Life Insurance Company Limited benefits from an experienced management team and a strong governance structure supported by its joint promoters. The leadership team brings extensive experience across life insurance, banking, and financial services, ensuring disciplined execution of strategic initiatives. The Board of Directors includes representatives from both promoters, combining domestic market understanding with global best practices. The company's governance framework emphasizes transparency, compliance, and ethical conduct, contributing to its long-term credibility. This strategic leadership and sound governance continue to strengthen its position as one of India's most trusted life insurance providers.

Strategy

Enhance penetration in existing distribution network to facilitate growth: Canara HSBC Life Insurance Co. Ltd. aims to deepen insurance penetration within its bancassurance network by leveraging synergies with partners, particularly Canara Bank, which provides access to 11.7 crore customers through 9,849 branches (as of March 31, 2025). The company uses analytics to segment customers by demographics, income, and life stages to design tailored solutions across protection, savings, and retirement needs. It is enhancing staff capabilities through multilingual training, improving onboarding with digital automation and real-time issuance, and collaborating with NGOs to promote rural inclusion. Additionally, partnerships with HSBC target personal and private banking to drive cross-selling growth.

Strengthening multi-channel distribution network to diversify revenue streams: Canara HSBC Life Insurance Co. Ltd. focuses on strengthening its multi-channel distribution to reduce concentration risk and enhance revenue diversification. The company is exploring alliances with additional bancassurance partners, especially regional rural banks, and new-age channels such as small finance banks, digital platforms, brokers, NBFCs, and Fintech/InsurTech firms. It also plans to establish an agency distribution network to improve penetration in underpenetrated markets.

According to CRISIL, its individual WPI market share increased from 1.56% in FY24 to 1.81% in FY25. The company aims to further expand market share through a diversified channel mix, economies of scale, and cost efficiencies.

Continued focus on customer centricity to improve satisfaction and retention: Canara HSBC Life Insurance Co. Ltd. remains focused on enhancing customer satisfaction through need-based sales, regular engagement, and sustainable profitability. It is extending CRM systems to call centres to improve retention and integrating fintech solutions for policy loans, assignments, and renewal collections. The company plans to link directly with banking systems for real-time payments and introduce a regulatory-compliant loyalty program. By optimizing acquisition costs, Canara HSBC Life Insurance Co. Ltd. aims to pass on savings to customers. Its strategy emphasizes responsible, customer-first operations, ensuring long-term value creation and stronger client relationships through seamless service and technology-driven efficiency.

Leveraging technology and analytics to enhance productivity and risk management: Canara HSBC Life Insurance Co. Ltd. continues to leverage technology and analytics to boost efficiency, manage risks, and improve customer experience. Through AI-driven models, predictive analytics, and digital transformation, it aims to shorten turnaround times and enhance service quality. Initiatives include expanding digital touchpoints, partnerships with fintechs for health and wellness apps, and AI-powered tools for customer engagement. The company's ISNP on Canara Bank's website and integration with the SuperApp enable DIY journeys, while LAPS simplifies group policy onboarding. These innovations strengthen risk control, operational efficiency, and digital engagement, reinforcing the company's leadership in technology-driven insurance services.

Ensuring profitable growth through a balanced product portfolio: Canara HSBC Life Insurance Co. Ltd. focuses on maintaining a balanced product portfolio across non-participating, participating, unit-linked, and pension segments to ensure sustainable growth. In 2025, it expanded its protection portfolio with an offline term plan featuring riders for accidental death, disability, and critical illness, along with comprehensive credit life coverage. The company also launched two new unit-linked products in Q1 FY26. Regular pricing reviews guided by customer feedback ensure profitability and competitiveness. By enhancing its product mix, Canara HSBC Life Insurance Co. Ltd. aims to strengthen margins, improve embedded value, and drive long-term, profitable growth.

Enhancing brand awareness and capturing growth through diversified marketing channels: Canara HSBC Life Insurance Co. Ltd. is strengthening its digital presence through social media, multilingual content, and analytics-driven campaigns. With over 1 million followers, it focuses on cross-selling and online customer engagement. Its rebranding in 2022 and campaigns like Promises Ka Partner (2024) enhanced brand recall. The company uses digital media, ATM kiosks, and in-branch marketing for broader outreach. It engages audiences through expert-led content and podcasts like Depend on Insurance, earning accolades such as 'Video Campaign of the Year' (2023) and ET Edge's 'Best Brands' (2024), reinforcing its position as a trusted, digitally driven insurer.

Risk Factor

- Adverse trends in persistency metrics or concentrated policy surrenders could materially impact the company's financial performance and cash flows.
- Operating in a complex regulatory environment, any adverse regulatory changes or non-compliance may disrupt business operations or result in significant penalties.
- Failure to execute growth strategies, design suitable products, or effectively utilize distribution channels could hinder future expansion, while past growth rates may not reflect future performance.
- The company has reported negative operating cash flows in the past, and continued negative cash flows may strain liquidity, affect operations, and impede growth plans.

Peer Comparison

Co_Name	Total Income	PAT	EPS	P/E	P/BV	BV	FV	Price	Mcap
SBI Life Insuran	118234.55	2413.30	24.82	71.91	10.03	177.93	10	1784.70	178928.31
HDFC Life Insur.	97385.10	1810.82	8.72	86.70	9.56	79.05	10	756.00	163000.13
ICICI Pru Life	71350.32	1185.52	8.72	69.20	6.98	86.43	10	603.40	87297.90
CANARA HSBC LIFE INSURANCE COMPANY LTD	11172.55	153.93	1.62	65.42	5.96	17.79	10	106.00	10070.00

***Peer Companies financials are based on TTM**
****CANARA HSBC LIFE INSURANCE COMPANY LIMITED Financials are based on TTM**

Valuation

Considering the P/E valuation on the upper price band of Rs.106, TTM EPS and P/E are Rs.1.62 and 65.42 multiple respectively and at a lower price band of Rs. 100, P/E multiple is 61.72. Looking at the P/B ratio on the upper price band of Rs.106, book value and P/B are Rs. 17.79 and 5.96 multiple respectively and at a lower price band of Rs. 100 P/B multiple is 5.62. No change in pre and post issue EPS and Book Value as the company is not making fresh issue of capital.

Industry Outlook

According to the CRISIL Report, the total premium growth for bank led life insurers in Fiscal 2023 and 2024 was 16.4% and 13.9%, respectively year-on-year basis whereas the same for non-bank led players was higher at 16.2% and 18.9% in Fiscal 2023 and 2024, respectively. The increasing adoption of digital technologies, such as online platforms and mobile apps, have improved the customer experiences, improved underwriting and increased efficiency in the life insurance industry. The new business premium also witnessed growth of 18.3% CAGR and 14.7% CAGR for bank led and non-bank led players, respectively during Fiscal 2014 to 2025.

Outlook

Canara HSBC Life Insurance Company Limited is well-positioned for sustained growth, leveraging its strong parentage, trusted brand, and diversified multi-channel distribution, including 11.7 crore Canara Bank customers. Focused on technology-driven customer engagement, analytics, and a balanced product portfolio, the company aims to enhance penetration, retention, and profitability. While regulatory changes, persistency trends, and past negative cash flows pose risks, its disciplined underwriting, digital initiatives, and robust governance provide resilience, supporting long-term value creation and consistent financial performance in India's life insurance market.

An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
BID/ISSUE OPENS ON	10-October-25
BID/ISSUE CLOSES ON	14-October-25
Finalisation of Basis of Allotment with the Designated Stock Exchange	15-October-25
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	16-October-25
Credit of Equity Shares to Demat Accounts of Allottees	16-October-25
Commencement of trading of the Equity Shares on the Stock Exchanges	17-October-25

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 30-Jun-25 (3 Months)	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)
Premiums earned - net	1653.43	7850.24	6932.64
Income from Investments	1959.37	2776.16	4823.08
Total Income	**3612.81**	**10626.40**	**11755.72**
Operating Expenses	3621.53	10545.25	11680.06
Net Total Income	**-8.73**	**81.16**	**75.65**
Contribution from Shareholders' A/c	12.63	96.57	106.28
Profit before tax	**3.90**	**177.73**	**181.93**
Tax	0	0	0
Amouts available for appropriation	**3.90**	**177.73**	**181.93**

Balance Sheet

Rs. in Cr.

Particulars	As on 30-Jun-25	As on 31-Mar-25	As on 31-Mar-24
Assets			
Fair Value Change Account			
Investment			
Shareholders Fund	1560.19	1374.67	1570.33
Policyholders Fund	23442.53	22643.51	19892.51
Assets held to cover linked liabilities	18636.78	17148.23	15917.60
Loans	116.93	100.81	49.04
Fixed assets	41.33	46.30	56.25
Total Non Current Assets	**43797.76**	**41313.51**	**37485.73**
Current assets			
Cash and Bank Balance	**177.30**	**610.96**	**421.98**
Advances and other assets	895.80	989.81	843.11
Total current assets	**1073.11**	**1600.78**	**1265.10**
Total Assets	**44870.87**	**42914.29**	**38750.83**
Non-current liabilities			
Financial liabilities			
Policy liabilites	23029.01	22366.82	19725.94
Fair value change account	166.38	132.08	110.96
Funds of discontinued policies	0.00	0.00	0.00
-Discountinued on account of non-payment of premiums	980.59	829.35	786.66
-Others	15.83	16.03	9.12
Provisions for linked Liabilities	0.00	0.00	0.00
-linked liabilites	13176.20	13073.09	11395.93
-fair value change account	4464.17	3229.75	3725.89
Funds for future appreciation	675.53	688.09	642.42
Total non-current liabilities	**42507.71**	**40335.23**	**36396.92**
Current liabilities			
Current liabilities	794.02	1030.27	908.87
Provisions	28.87	31.93	26.16
Total current liabilities	**822.88**	**1062.20**	**935.03**
Total	**43330.59**	**41397.43**	**37331.95**
Net worth represented by:			
Equity Share Capital	950.00	950.00	950.00
Reserve and Surplus	590.28	566.86	468.88
Net Worth	**1540.28**	**1516.86**	**1418.88**

RANKING METHODOLOGY

WEAK	★
NEUTRAL	★★
FAIR	★★★
GOOD	★★★★
EXCELLENT	★★★★★

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