

Apr-Jun'26  
Earnings  
Preview

# Insurance

July 06, 2026

Coverage Universe

Name of the Company	Rating	CMP (INR)	TP (INR)
HDFC Life Insurance Company	Buy	568	755
ICICI Prudential Life Insurance Company	Buy	485	705
Max Financial Services	Buy	1,597	2,035
SBI Life Insurance Company	Buy	1,789	2,200

## Mixed growth trends; slight impact on margin

### Quick Pointers

- Growth momentum sustains, driven by strong protection and PAR; ULIP resilient
- VNB margin to see a drag from non-availability of ITC
- FY27 growth and margin outlook to be key monitorable; clarity on commission guidelines expected

Private life insurers reported strong growth in 2MFY27 (+16% YoY) driven by sustained growth in retail protection, pickup in PAR and stable ULIP. We expect the momentum to continue in Q1; weakness in NPAR volume continues to be a challenge for some players (HDFC Life). We expect 1QFY27E VNB margin to see a drag from non-availability of ITC. Valuations continue to remain undemanding. We reiterate 'BUY' on Max FS (TP of INR2,035 at 1.9x FY28E P/EV), as our top pick. Key monitorables are: (1) growth guidance for FY27E, (2) margin recovery trajectory, and (3) clarity on draft commission guidelines.

Private life insurers have seen healthy growth in 2MFY27 (+16% YoY) led by strong growth in PAR, resilient ULIP volumes and sustained growth in protection. We expect the momentum to continue in Jun'26; however, high competitive intensity in NPAR continues to be a challenge. On the margin front, we expect a drag from non-availability of ITC and low operating leverage.

- **HDFC Life:** The company has seen 11% YoY growth in 2MFY27; we build a similar run-rate in Q1FY27 (APE growth of ~11% YoY). Despite sustained growth in retail protection, high competitive intensity in NPAR and weak banca volume are likely to weigh on growth. The company has taken corrective action by increasing the IRR of some products in NPAR savings and expects an improvement in Q2. While product mix is likely to be favorable, we expect Q1 VNB margin to be subdued at 23.5% due to drag from GST exemption.
- **IPRU Life:** Despite sustained demand in retail protection, we expect 9% YoY de-growth in Q1, factoring in a high base. Higher sum assured/ rider attachment and longer tenure products are likely to offset the drag on profitability from non-availability of ITC. We expect VNB margin to remain flattish YoY at 24.5% in Q1.
- **SBI Life:** The company has grown 10% YoY in 2MFY27; we expect some pick-up in Jun'26 at 16%, implying ~10% YoY growth in Q1. Our channel checks suggest strong traction in ULIP (Fortune Builder) and NPAR (Smart Platina). We build a stable VNB margin of 27.5% for Q1, with growth in protection compensating for the drag from GST exemption.
- **Axis Max Life:** The company has outperformed peers with APE growth of 19% YoY in 2MFY27. We expect the momentum to continue (+17% YoY in Q1) with strong growth in retail protection and traction in new launches – Smart VIBE (NPAR), and Fast Track Super (ULIP). We expect positive movement in VNB margin due to yield curve changes and product mix; however, lower operating leverage along with some impact from GST exemption will be a drag. We build a margin of 23% for Q1.

Exhibit 1: Q1FY27E Result Preview (INR mn)

Companies		Q1FY27	Q1FY26	YoY gr. (%)	Q4FY26	QoQ gr. (%)	Remarks
HDFC Life Insurance Company	APE	35,706	32,250	10.7	52,540	-32.0	We expect APE growth of ~11% YoY in Q1. High competitive intensity in NPAR and weak banca volume likely to weigh on growth.
	VNB	8,391	8,090	3.7	12,610	-33.5	
	VNB Margin (%)	23.5	25.1	-159 bps	24.0	-50 bps	VNB Margin to be subdued at 23.5% due to drag from ITC unavailability.
ICICI Prudential Life Insurance Company	APE	17,012	18,640	-8.7	38,320	-55.6	We expect 9% YoY de-growth in Q1 factoring in a high base.
	VNB	4,168	4,570	-8.8	9,650	-56.8	VNB margin to remain flattish at 24.5% in Q1 with higher sum assured/ rider attachment and longer tenure products likely to offset the drag from GST exemption.
	VNB Margin (%)	24.5	24.5	-2 bps	25.2	-68 bps	
Max Financial Services	APE	19,511	16,680	17.0	35,940	-45.7	Expect 17% YoY growth in APE due to strong growth in retail protection volume and traction in new launches.
	VNB	4,488	3,350	34.0	10,140	-55.7	VNB margin to be at 23.0% factoring positive yield curve changes and product mix, however, lower operating leverage and GST exemption impact will be a drag.
	VNB Margin (%)	23.0	20.1	292 bps	28.2	-521 bps	
SBI Life Insurance Company	APE	43,486	39,700	9.5	57,400	-24.2	We expect an APE growth of ~10% YoY in Q1. Our channel checks suggest strong traction in ULIP (Fortune Builder) and NPAR (Smart Platina).
	VNB	11,959	10,900	9.7	16,300	-26.6	VNB margin to be at 27.5% supported by growth in protection compensating drag from GST exemption.
	VNB Margin (%)	27.5	27.5	4 bps	28.4	-90 bps	

Source: Company, PL

Exhibit 2: Valuation Summary

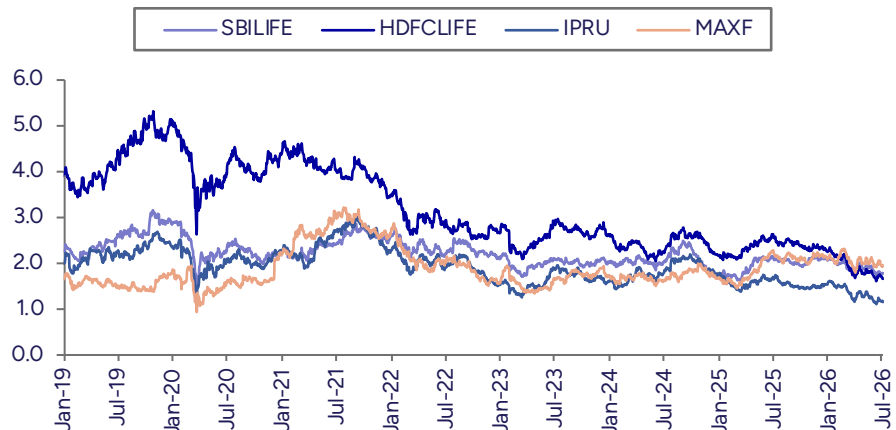
Company	CMP (INR)	TP (INR)	Rating	MCap (INR bn)	Upside / Downside	P/EV (x)				APE (INR bn)				VNB (INR bn)			
						FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
HDFCLIFE IN	568	755	BUY	1,225	33%	2.2	2.0	1.7	1.5	150.1	161.0	178.6	201.3	39.6	40.3	43.8	49.9
IPRU IN	485	705	BUY	703	45%	1.5	1.3	1.2	1.0	104.1	106.4	114.8	126.7	23.7	26.3	28.5	31.7
MAXF IN	1,597	2,035	BUY	551	27%	2.7	2.4	2.0	1.7	87.7	105.0	123.1	143.3	21.1	26.5	30.8	36.0
SBILIFE IN	1,789	2,200	BUY	1,794	23%	2.6	2.2	1.9	1.6	214.1	242.6	274.5	310.9	59.5	66.7	75.8	86.1

Company	CMP (INR)	TP (INR)	Rating	MCap (INR bn)	Upside / Downside	VNB Margin (%)				Embedded Value (INR bn)				RoEV (%)			
						FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
HDFCLIFE IN	568	755	BUY	1,225	33%	25.6	24.2	24.5	24.8	554.3	621.4	719.3	833.5	16.7	15.0	15.3	15.2
IPRU IN	485	705	BUY	703	45%	22.8	24.7	24.9	25.0	479.5	529.9	594.4	674.5	13.1	11.9	13.1	13.7
MAXF IN	1,597	2,035	BUY	551	27%	24.0	25.2	25.0	25.1	204.1	233.9	275.6	324.8	19.1	18.7	19.0	18.8
SBILIFE IN	1,789	2,200	BUY	1,794	23%	27.8	27.5	27.6	27.7	702.5	808.0	954.6	1,123.0	20.2	19.7	18.2	17.8

Source: Company, PL

Exhibit 3: Insurance companies under coverage are trading at one year forward P/EV range of 1.1-1.9x



Source: Company, PL

**Exhibit 4: Change in Estimates**

	Rating		Target Price (INR)			APE (INR bn)						VNB (INR bn)						EV (INR bn)					
						FY27E			FY28E			FY27E			FY28E			FY27E			FY28E		
	C	P	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.
HDFC Life Insurance Company	BUY	BUY	755	835	-9.6%	178.6	178.6	0.0%	201.3	201.3	0.0%	43.8	44.1	-0.8%	49.9	50.7	-1.6%	719.3	719.7	-0.1%	833.5	834.9	-0.2%
ICICI Prudential Life Insurance Company	BUY	BUY	705	700	0.8%	114.8	114.8	0.0%	126.7	126.7	0.0%	28.5	28.5	0.0%	31.7	31.7	0.0%	594.4	594.4	0.0%	674.5	674.5	0.0%
Max Financial Services	BUY	BUY	2,035	2,075	-1.9%	123.1	123.1	0.0%	143.3	143.3	0.0%	30.8	30.8	0.0%	36.0	36.0	0.0%	340.2	340.2	0.0%	401.0	401.0	0.0%
SBI Life Insurance Company	BUY	BUY	2,200	2,200	0.0%	274.5	274.5	0.0%	310.9	310.9	0.0%	75.8	75.8	0.0%	86.1	86.1	0.0%	954.6	954.6	0.0%	1,123.0	1,123.0	0.0%

Source: Company, PL

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	AAVAS Financiers	Accumulate	1585	1446
2	Bajaj Finance	BUY	1100	930
3	BSE	BUY	4850	3999
4	Can Fin Homes	BUY	1075	915
5	Cholamandalam Investment and Finance Company	Buy	1950	1640
6	HDFC Life Insurance Company	Buy	835	632
7	Home First Finance Company India	Accumulate	1350	1215
8	ICICI Prudential Life Insurance Company	Buy	700	547
9	LIC Housing Finance	Hold	575	560
10	Mahindra & Mahindra Financial Services	Accumulate	325	294
11	Max Financial Services	Buy	2075	1654
12	SBI Life Insurance Company	Buy	2200	1885
13	Shriram Finance	BUY	1200	1011
14	Sundaram Finance	Accumulate	4900	4385

**PL's Recommendation Nomenclature (Absolute Performance)**

<b>BUY</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly

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