

**Jul-Sep'26
Earnings
Preview**

Insurance

October 06, 2026

Coverage Universe

Name of the Company	Rating	CMP (INR)	TP (INR)
HDFC Life Insurance Company	BUY	531	765
ICICI Prudential Life Insurance Company	BUY	455	715
Max Financial Services	BUY	1,348	2,025
SBI Life Insurance Company	BUY	1,710	2,200

Healthy growth outlook; slight pressure on margin

Quick Pointers

- Growth momentum led by protection, NPAR and ULIP
- VNB margin to improve; expect a small drag from GST exemption
- FY27 growth and margin outlook to be a key monitorable; clarity on commission guidelines expected

Private life insurers have seen healthy growth in July/ Aug'26 (+13% YoY), supported by a pick-up in ULIP/ NPAR, strong annuity and sustained momentum in protection, albeit at a moderated pace. We expect 2QFY27E margins to improve QoQ with growth in margin-accretive segments (protection and NPAR); however, impact of GST exemption is likely to be a drag. Valuations have seen a significant correction due to regulatory overhang. We reiterate 'BUY' on Max FS (TP of INR2,025 at 1.9x FY28E P/EV), as our top pick, backed by a strong proprietary channel. Key monitorables are: (1) growth trajectory, (2) margin outlook, and (3) decision on the proposed commission guidelines.

HDFC Life: The company has seen a subdued APE growth of 7% YoY in July/ Aug'26; we build ~8% for Q2. We expect NPAR to see a pick-up as the company passes on the yield curve benefit to customers. Expect healthy uptick in ULIP/ annuity and continued momentum in protection. Growth in banca and broker channel to accelerate in Q2, led by a savings-heavy mix. Despite a rise in the share of NPAR/ annuity, we expect a stable margin profile YoY at 24.2%, factoring a small drag from GST exemption.

IPRU Life: The company has reported 12% YoY APE growth in July/ Aug'26; we expect a similar run-rate in September, implying 11% growth for Q2. Growth to be led by protection and annuity. Partnership distribution remains a key growth driver; expect the agency channel to contribute more. We build a VNB margin of 25% for Q2FY27E, supported by protection and annuity.

SBI Life: The company has reported 15% YoY APE growth in July/ Aug'26, indicating healthy underlying momentum despite normalization expected in group protection volumes. Banca remains a key growth driver with SBI continuing to contribute strongly while agency continues to benefit from investments in branches and agents. We expect 12% APE growth in Q2, with a resilient VNB margin of 26%.

Axis Max Life: The company has seen 13% YoY APE growth in July/ Aug'26, broadly in line with private players; we build 15% for Q2FY27E. ULIP volume continues to be resilient with the launch of SMART GIFT plan. It is seeing strong traction in annuity, while a pick-up in NPAR is likely to provide an additional growth lever as protection growth moderates. We build a VNB margin of 24% for Q2FY27E.

Exhibit 1: Q2FY27E Result Preview (INR mn)

Companies		Q2FY27E	Q2FY26	YoY gr. (%)	Q1FY27	QoQ gr. (%)	Remarks
HDFC Life Insurance Company	APE	45,055	41,880	7.6	35,150	28.2	We expect APE growth of ~8% YoY in Q2, supported by a pick-up in NPAR, healthy traction in ULIP/annuity and continued momentum in protection. Banca and broker channels are likely to accelerate, led by a savings-heavy product mix.
	VNB	10,903	10,090	8.1	8,790	24.0	
	VNB Margin (%)	24.2	24.1	11 bps	25.0	-81 bps	VNB Margin to be stable at 24.2% factoring a modest drag from GST exemption.
ICICI Prudential Life Insurance Company	APE	26,825	24,220	10.8	21,360	25.6	We expect 11% YoY growth in Q2 with partnership distribution remaining a key growth driver and agency contribution improving.
	VNB	6,706	5,920	13.3	5,710	17.4	
	VNB Margin (%)	25.0	24.4	56 bps	26.7	-173 bps	VNB margin to be at 25% in Q2 with aided by growth in protection and annuity.
Max Financial Services	APE	28,915	25,070	15.3	19,220	50.4	Expect 15% YoY growth in APE driven by strong traction in annuity and pick-up in NPAR.
	VNB	6,940	6,390	8.6	4,460	55.6	
	VNB Margin (%)	24.0	25.5	-149 bps	23.2	80 bps	We build VNB margin of 24% for Q2FY27E.
SBI Life Insurance Company	APE	66,269	59,400	11.6	53,700	23.4	We expect an APE growth of ~12% YoY in Q2 with healthy momentum despite normalization expected in group protection volumes.
	VNB	17,230	16,600	3.8	14,100	22.2	
	VNB Margin (%)	26.0	27.9	-195 bps	26.3	-26 bps	VNB margin to be at 26% for Q2FY27E.

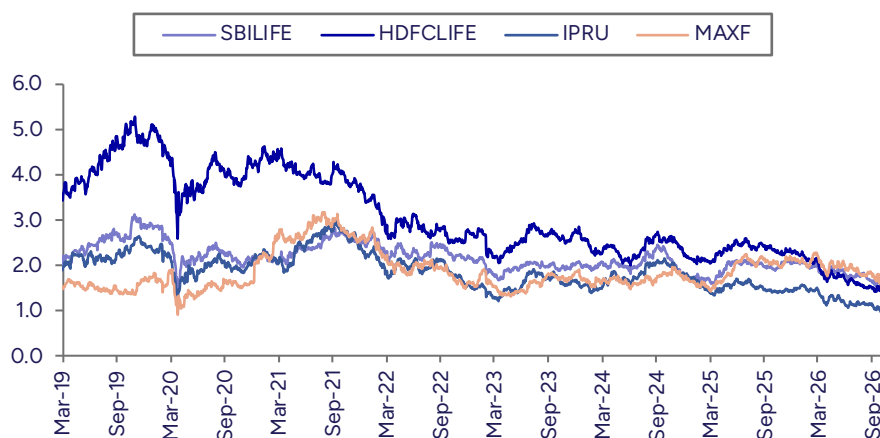
Source: Company, PL

Exhibit 2: Valuation Summary

Company	CMP (INR)	TP (INR)	Rating	MCap (INR bn)	Upside / Downside	P/EV (x)				APE (INR bn)				VNB (INR bn)			
						FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E
HDFCLIFE IN	531	765	BUY	1,146	44%	1.8	1.6	1.4	1.2	161.0	180.7	205.3	233.3	40.3	44.3	50.9	57.9
IPRU IN	455	715	BUY	659	57%	1.2	1.1	1.0	0.9	106.4	117.1	131.4	147.4	26.3	29.3	32.8	36.8
MAXF IN	1,348	2,025	BUY	465	50%	2.0	1.7	1.4	1.2	105.0	122.0	142.2	165.7	26.5	30.5	35.7	41.6
SBILIFE IN	1,710	2,200	BUY	1,715	29%	2.1	1.8	1.5	1.3	242.6	275.5	312.1	353.5	66.7	74.9	85.5	96.8
Company	CMP (INR)	TP (INR)	Rating	MCap (INR bn)	Upside / Downside	VNB Margin (%)				Embedded Value (INR bn)				RoEV (%)			
						FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E
HDFCLIFE IN	531	765	BUY	1,146	44%	24.2	24.5	24.8	24.8	621.4	719.7	835.3	967.2	15.0	15.3	15.4	15.2
IPRU IN	455	715	BUY	659	57%	24.7	25.0	25.0	25.0	529.9	591.6	668.8	755.8	11.9	12.7	13.4	13.3
MAXF IN	1,348	2,025	BUY	465	50%	25.2	25.0	25.1	25.1	233.9	275.4	324.0	381.4	18.7	18.9	18.6	18.5
SBILIFE IN	1,710	2,200	BUY	1,715	29%	27.5	27.2	27.4	27.4	808.0	954.7	1,125.3	1,321.3	19.7	18.0	17.7	17.3

Source: Company, PL

Exhibit 3: Insurance companies under coverage are trading at one year forward P/EV range of 1.0-1.6x



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	765	765	0.0%	180.7	180.7	0.0%	205.3	205.3	0.0%	44.3	44.3	0.0%	50.9	50.9	0.0%	719.7	719.7	0.0%	835.3	835.3	0.0%
ICICI Prudential Life Insurance Company	BUY	BUY	715	715	0.0%	117.1	117.1	0.0%	131.4	131.4	0.0%	29.3	29.3	0.0%	32.8	32.8	0.0%	591.6	591.6	0.0%	668.8	668.8	0.0%
Max Financial Services	BUY	BUY	2,025	2,025	0.0%	122.0	122.0	0.0%	142.2	142.2	0.0%	30.5	30.5	0.0%	35.7	35.7	0.0%	340.0	340.0	0.0%	400.1	400.1	0.0%
SBI Life Insurance Company	BUY	BUY	2,200	2,200	0.0%	275.5	275.5	0.0%	312.1	312.1	0.0%	74.9	74.9	0.0%	85.5	85.5	0.0%	954.7	954.7	0.0%	1,125.3	1,125.3	0.0%

Source: Company, PL

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	National Stock Exchange of India	Accumulate	1950	1785
2	AAVAS Financiers	BUY	1685	1278
3	Bajaj Finance	Accumulate	1125	1054
4	BSE	Buy	4025	3241
5	Can Fin Homes	BUY	1075	857
6	Cholamandalam Investment and Finance Company	Accumulate	1950	1753
7	HDFC Life Insurance Company	BUY	765	569
8	Home First Finance Company India	BUY	1385	1181
9	ICICI Prudential Life Insurance Company	BUY	715	525
10	LIC Housing Finance	HOLD	550	523
11	Mahindra & Mahindra Financial Services	Accumulate	350	333
12	Max Financial Services	BUY	2025	1512
13	SBI Life Insurance Company	BUY	2200	1859
14	Shriram Finance	BUY	1250	1005
15	Sundaram Finance	Accumulate	5070	4829

PL's Recommendation Nomenclature (Absolute Performance)

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

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