

INSURANCE

Q4FY26 Preview

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Moderate 4Q growth

- For our coverage companies including LIC, APE growth for the quarter is likely to moderate at 10.5% YoY vs (3.6%) in Q4FY25
- VNB margin for the companies is likely to be in the range of 20.6- 28.4% in Q4FY26
- Our top picks are HDFC Life and LIC

Growth moderates: Overall, life insurers under our coverage, including LIC, are expected to report moderate gross premium growth of 9.8% YoY in Q4FY26. APE and VNB are likely to grow 10.5% YoY and 12.5% respectively. This is primarily on account of Iran war, and the expected regulatory changes. Further, private players will likely deliver APE growth of 7.2% YoY, while LIC is expected to outperform with APE growth of 13.2% YoY.

VNB growth is estimated at 2% for private insurers and 24.2% for LIC. While yield curve movements and a favourable shift in the product mix are expected to support VNB margins, relatively weak growth could exert pressure along with the impact of GST input tax credit disallowance. Within our coverage universe, CANHLIFE and LIC are likely to post strong APE growth of 17.5% YoY and 13.2% YoY, respectively, on a low base. SBI Life and ICICI Prudential Life are expected to report moderate APE growth of 9.7% YoY and 5.6% YoY, respectively, in Q4FY26, on a low base.

Attractive valuations: Insurance stocks have corrected sharply relative to the Nifty 50 by ~12% — making valuations more attractive and offering an opportunity to accumulate fundamentally strong names. Factoring in a likely weak Q4, we have tweaked our FY26–28E APE and VNB estimates lower by 1-2%, for the companies under our coverage. We expect the impact of ITC loss/unavailability on VNB margins to be partly offset by a shift towards non-linked products, increasing demand for term protection, and higher rider attachment rates.

YTD APE growth strengthens: On a YTD basis, total industry APE growth remained strong at 13.5% YoY, improving from 10.3% in FY25YTD, largely driven by strong LIC growth. LIC reported APE growth of 14.5% in FY26YTD vs -2% in FY25YTD. Private players reported APE growth of 12.9% in FY26YTD vs 18.3% in FY25YTD. Additionally, individual APE for the industry grew at 10.5% in FY26YTD vs 12.1% in FY25YTD. Within this, private players saw improvement in the individual APE growth to 4.3% in FY26YTD from 0.9% in FY25YTD, while LIC reported relatively slower growth at 13.1% in FY26YTD vs 17.4% in FY25YTD.

Recommendation snapshot

Ticker	Price	Target	Rating
CANHLIFE IN	146	185	BUY
HDFCLIFE IN	591	907	BUY
IPRU IN	542	800	BUY
LICI IN	793	1,102	BUY
SBILIFE IN	1,904	2,503	BUY

Price & Target in Rupees | Price as of 9 Apr 2026



CANHLIFE: The company is likely to report APE growth of 17.5% YoY in Q4FY26, on a lower base. For FY26, APE growth is expected at 21% YoY. VNB margins will likely be at 21.2% in Q4FY26 vs 19.8% in Q3FY26.

HDFC Life: HDFC Life is likely to see moderate APE growth of 4.3% YoY in Q4FY26 and 12.5% YoY in FY26. The company witnessed APE growth of -5.7% YoY and 8.6% YoY in Jan'26 and Feb'26, respectively. VNB margin will likely be at 24.2% in Q4FY26 vs 26.5% in Q4FY25 vs 24.0% in Q3FY26, largely impacted by the GST ITC unavailability and moderate business growth. The product mix is likely to be skewed towards traditional products. Gross premium income would grow by 15.1% YoY in Q4FY26.

ICICI Pru Life: The company may witness APE growth of 5.6% YoY in Q4FY26 and 1% YoY in FY26. VNB margin is likely to be stable at 24.1% in Q4FY26 vs 24.4% in Q3FY26. The company saw APE growth of 10.8% YoY and 15.7% YoY in Jan'26 and Feb'26, respectively. Gross premium is likely to grow at 18.1% YoY in Q4FY26.

SBI Life: SBI Life is expected to report APE growth of 9.7% YoY in Q4FY26, aided by higher-margin products and 14.4% YoY in FY26. For the company, while Jan'26 APE growth was moderate at 3% YoY, Feb'26 witnessed strong APE growth of 17.1% YoY. SBI Life is expected to report strong VNB margins at 28.4% in Q4FY26, as compared to other listed players. Gross premium income will probably grow by 4.4% YoY in Q4FY26.

LICI: APE for LICI to grow strong at 13.2% YoY in Q4FY26 and 15% YoY in FY26. For the company, APE growth in Jan'26 and Feb'26 was robust with 21.5% YoY and 34.1% YoY respectively. VNB margin is likely to be 20.6% in Q4FY26.

Top picks: We remain constructive on HDFC Life and LICI, which continue to be our top picks. We believe that favourable GST changes will continue to drive volumes; thereby aiding premium growth momentum.

Fig 1 – Canara HSBC Q4FY26 estimates

(Rs mn)	Q4FY26E	Q4FY25	Q3FY26	YoY (%)	QOQ (%)
Gross Premium	28,782	27,619	28,893	4.2	(0.4)
Growth (YoY %)	4.2	-	42.5		
APE	7,357	6,261	10,027	17.5	(26.6)
Growth (YoY %)	17.5	-	37.5		
VNB	1,561	1,400	1,986	11.5	(21.4)
Growth (YoY %)	11.5	-	0.0		
VNB Margins (%)	21.2	22.4	19.8		
Change in Margins (bps)	(115)	-	-		

Source: Company, BOBCAPS Research

Fig 2 – HDFC Life Q4FY26 estimates

(Rs mn)	Q4FY26E	Q4FY25	Q3FY26	YoY (%)	QOQ (%)
Gross Premium	2,76,710	2,40,316	1,88,034	15.1	47.2
Growth (YoY %)	15.1	14.8	8.8		
APE	54,068	51,860	39,740	4.3	36.1
Growth (YoY %)	4.3	9.7	11.3		
VNB	13,079	13,760	9,550	(5.0)	37.0
Growth (YoY %)	(5.0)	11.5	2.7		
VNB Margins (%)	24.2	26.5	24.0		
Change in Margins (bps)	(234)	43	(22)		

Source: Company, BOBCAPS Research

Fig 3 – ICICI Pru Life Q4FY26 estimates

(Rs mn)	Q4FY26E	Q4FY25	Q3FY26	YoY (%)	QOQ (%)
Gross Premium	1,98,792	1,68,316	1,22,260	18.1	62.6
Growth (YoY %)	18.1	11.1	(3.4)		
APE	37,001	35,030	25,250	5.6	46.5
Growth (YoY %)	5.6	(3.2)	3.6		
VNB	8,902	7,950	6,150	12.0	44.7
Growth (YoY %)	12.0	2.4	19.0		
VNB Margins (%)	24.1	22.7	24.4		
Change in Margins (bps)	136	123	315		

Source: Company, BOBCAPS Research

Fig 4 – SBI Life Q4FY26 estimates

(Rs mn)	Q4FY26E	Q4FY25	Q3FY26	YoY (%)	QOQ (%)
Gross Premium	2,50,650	2,40,016	3,04,495	4.4	(17.7)
Growth (YoY %)	4.4	(4.9)	21.8		
APE	59,794	54,500	86,000	9.7	(30.5)
Growth (YoY %)	9.7	2.3	23.9		
VNB	16,973	16,600	22,900	2.2	(25.9)
Growth (YoY %)	2.2	9.9	22.5		
VNB Margins (%)	28.4	30.5	26.6		
Change in Margins (bps)	(207)	213	(32)		

Source: Company, BOBCAPS Research

Fig 5 – LIC Q4FY26 estimates

(Rs mn)	Q4FY26E	Q4FY25	Q3FY26	YoY (%)	QOQ (%)
Gross Premium	16,10,785	14,78,860	12,57,996	8.9	28.0
Growth (YoY %)	8.9	(3.1)	17.6		
APE	2,13,408	1,88,530	1,49,730	13.2	42.5
Growth (YoY %)	13.2	(11.0)	50.5		
VNB	43,895	35,340	31,770	24.2	38.2
Growth (YoY %)	24.2	(3.0)	65.0		
VNB Margins (%)	20.6	18.7	21.2		
Change in Margins (bps)	182	154	186		

Source: Company, BOBCAPS Research

Fig 6 – Coverage universe

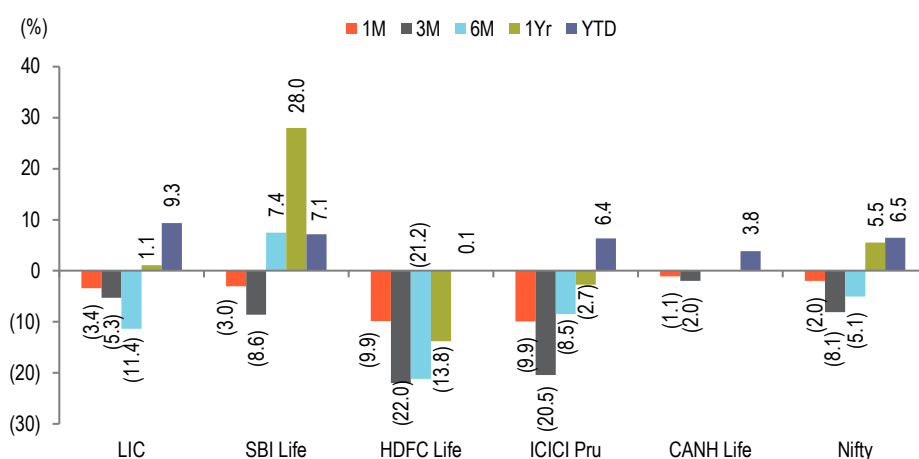
	Rating	CMP (Rs)	TP (Rs)	M Cap (Rs bn)	52 Week High (Rs)	52 Week Low (Rs)	Embedded Value (Rs bn)			P/EV (x)			RoEV (%)		
							FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Canara HSBC	BUY	146	185	139	159	106	72	84	99	1.9	1.6	1.4	18.0	18.2	18.4
HDFC Life	BUY	591	907	1,280	821	555	637	734	847	2.0	1.7	1.5	15.7	15.9	16.0
ICICI Pru	BUY	542	800	787	707	491	543	615	698	1.4	1.3	1.1	13.3	13.5	13.6
SBI Life	BUY	1,904	2,503	1,917	2,132	1,458	829	978	1,152	2.3	2.0	1.7	17.9	17.7	17.6
LIC	BUY	793	1,102	5,022	980	722	8,615	9,543	10,560	0.6	0.5	0.5	11.3	11.1	11.0

Source: Company, BOBCAPS Research | CMP as of 9th Apr 2026

Healthy Price Movement

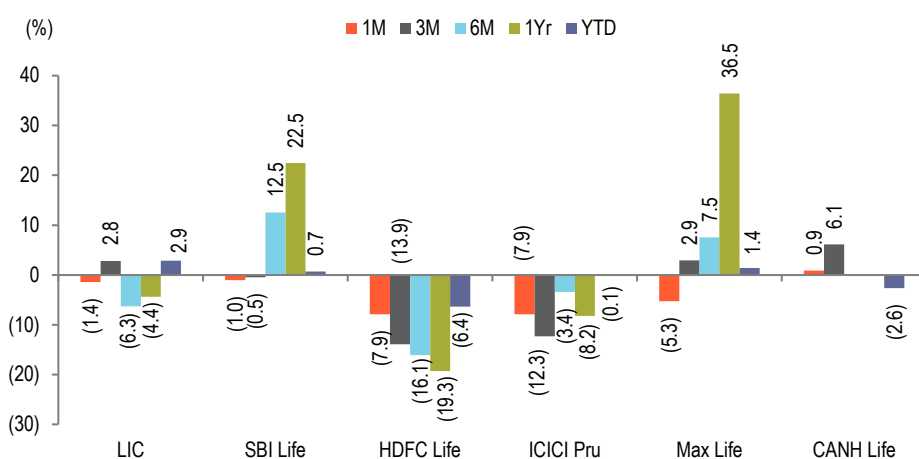
Life insurance stocks witnessed healthy absolute performance in the 0-9% range on YTD basis, reflecting an optimistic outlook.

Fig 7 – Absolute performance



Source: Company, BOBCAPS Research, CMP as of 9th Apr 2026

Fig 8 – Relative performance



Source: Company, BOBCAPS Research, CMP as of 9th Apr 2026

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Note: Recommendation structure changed with effect from 21 June 2021

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