



**Interview Feature- Anuj Mathur is the Managing Director and Chief Executive Officer (MD & CEO) of Canara HSBC Life Insurance**

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# Business Standard

## ‘Canara HSBC Life to expand tieups’

**Q&A** Canara HSBC Life Insurance reported 20 per cent growth in annualised premium equivalent (APE) in 2025-26 (FY26), driven largely by the success of its bancassurance partnerships, particularly with Canara Bank and HSBC, said **Anuj Mathur**, managing director and chief executive officer, in a video interview with **Aathira Varier**. Edited excerpts:

### What are the drivers of 20 per cent APE growth in FY26?

■ Our bancassurance model has performed well. Within Canara Bank — the fourth-largest public-sector bank — our penetration remains below 2 per cent, despite its customer base of over 100 million. This presents a strong growth opportunity, and our collaboration with the bank has enabled us to steadily capitalise on this potential.

Beyond Canara Bank, our partnership with HSBC also recorded strong momentum, with growth of 29 per cent, reaffirming that the model works effectively across institutions. On the product front, we increased our focus on protection products, benefiting from goods and services tax (GST) exemptions, which helped optimise margins. We remain confident of sustaining this trajectory. Over the past decade, we have consistently outperformed the industry, with APE growth of around 20 per cent compared with industry growth of roughly 10 per cent.

### What is your margin guidance for FY27?

■ The improvement in value of new business (VNB) margins has largely been driven by a higher share of protection business, which has increased to around 7 per cent from about 4 per cent in 2024-25. Our credit life business has grown by nearly 40 per cent. We have also been focusing on offering protec-



tion riders within our Ulip portfolio. Riders typically carry higher margins, contributing positively to overall VNB expansion. From a macroeconomic standpoint, movements in the yield curve have been favourable, with interest rates trending upwards, which has aided margins. We are targeting a range of 22-23 per cent for FY27.

### How have you mitigated the impact of input tax credit removal on the balance sheet?

■ We undertook a comprehensive review of our operating expenses to mitigate the impact. On renewal commissions as well, we worked closely with distributors, which provided some relief. Overall, these factors have partly offset the adverse effects. The GST-related impact on VNB was around 1.9 per cent. In terms of operating expenses, the impact in FY26 was upwards of ₹100 crore, although this reflects only a half-year effect. Consequently, the full-year impact in FY27 is expected to be higher. While there will be some near-term

pressure, the increasing share of protection business and other GST-efficient products is expected to offset a big part of this impact. Also, we are continuing to drive efficiencies across the organisation.

### What was the impact of choppy markets on your Ulip business?

■ There has been a slight shift towards traditional products. If the geopolitical situation stabilises, customers may turn back to Ulips. It depends on risk appetite and customer segmentation. Some customers still prefer Ulips, as they see current conditions as an opportunity to enter the market. Our overall guidance for the product mix remains 50:50 — roughly 50 per cent Ulips and 50 per cent traditional products. HSBC customers have a higher risk appetite and prefer market-linked products, so the Ulip component is higher there. In contrast, within Canara Bank, many customers lean towards traditional, guaranteed products.

### Canara Bank contributes nearly 70 per cent of your business. How do you plan to reduce dependence on a single partner?

■ Over 70 per cent of our business comes from Canara Bank, but we are now diversifying. In FY26, we secured new distribution tieups, and this remains a key focus area. The agency channel is a more sustainable and scalable option, which we started building last year. We will scale this up in a phased manner. We intend to increase the share of alternative channels from about 9 per cent currently to 15 per cent over the next three years.

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