



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

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THE ECONOMIC TIMES

EXTENDING THE COVER Value of new biz margins rose to 19.5% in June after changes in product mix and pricing, says CEO Anuj Mathur

Canara HSBC Life to Launch New Products, Widen Reach Post-IPO

Shilpy Sinha

Mumbai: IPO-bound Canara HSBC Life Insurance plans to improve its value of new business (VNB) margins by diversifying its product mix and expanding distribution following its stock market debut, managing director and chief executive officer Anuj Mathur told ET.

The VNB margins stood at 20% in FY24, fell to 19% in FY25 amid a higher share of unit-linked products, and improved to 19.5% by June FY25 after changes in product mix, repricing, and other measures, Mathur said. “The industry has returned to a new normal after last year’s surge in unit linked products. We are focused on gradually raising margins,” he said.

The insurer’s assets under management (AUM) have crossed ₹43,000 crore, while its three-year weighted premium income has grown 17%, compared with the industry’s 10–11% rate.

In what is the first life-insurance IPO in eight years, the company is raising ₹2,517 crore through an offer-for-sale of 237.5 million shares by promoters Canara Bank, HSBC Insurance Asia-Pacific Holdings, and Punjab National Bank.

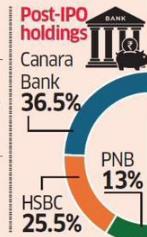
After the IPO, Canara Bank’s sta-

Issue Details

First life insurance IPO in eight years

₹2,517 cr issue, fully offer-for-sale of ₹23.75 cr shares

Promoters Canara Bank, HSBC, and PNB to sell stakes



Valued at 1.3–1.4x FY25 embedded value (₹6,200 cr), at a discount to peers

Subscription Dates: October 10–14

Price Band: ₹100–106

Minimum Bid: 140 shares, in multiples thereafter



ke will fall from 51% to 36.5%, HSBC from 26% to 25.5%, and PNB from 23% to 13%. The IPO opens Oc-

tober 10, closes October 14, and will list on October 17, with a price band of ₹100–106.

“This is a point of inflection for us,” Mathur said. “Listing allows wider investor participation, more disclosures, and visibility.” Proceeds from IPO will go entirely to the selling shareholders.

The pricing of 1.3–1.4 times FY25 embedded value of around ₹6,200 crore implies a discount to listed insurers such as HDFC Life, which trades near two times embedded value, leaving “money on the table” for investors.

About 70% of the business comes from Canara Bank and up to 15% from HSBC, with regional rural banks contributing 6–7% and digital and other channels adding around 8%. “The bancassurance model remains highly cost-efficient and is supported by long-term agreements through 2033,” Mathur said.

Canara HSBC Life plans to scale alternate distribution to rebalance its business mix. The insurer operates across 15,700 branches nationwide, including semi-urban and rural markets.

Canara HSBC Life has been profitable for 13 years and achieved break-even in its fifth year. Solvency stands around 2.0, which, Mathur says is adequate to support growth including its new agency channel.