kotak neo

Pick of the Week

BUY – HDFC Life Insurance (HDFCLIFE)

CMP: ₹ **553** as on 24 August 2026

Fair Value (FV): ₹ 820 | Time Period: **12 months**

Why Invest?

- HDFC Life reported 9% VNB growth in Q1FY27 on the back of similar APE growth, while the protection rally supports margins amid the lack of clarity in savings product strategy.
- The protection business was up 25% yoy, with 43% growth in individual protection.
- PAT grew 11% yoy (17% ex-GST) to Rs 610 cr, aided by 15% yoy growth in underwriting profits.
- HDFC Life's agency and broker channels grew 20% and 78% yoy, respectively, partly offsetting a 5% decline in bancassurance due to subdued business at HDFC Bank; ex-HDFC Bank, other channels were up 17% yoy.
- HDFC Life has guided for industry-level growth for the year, implying market share gains over the next few months.
- We expect HDFC Life to deliver moderate 14-15% APE growth over FY2027-29E. VNB margins will likely continue to inch up to 26% from 24% in FY2026, leading to 15.8% operating RoEV over the medium term.
- Prolonged weakness in HDFC Bank and any management changes at the bank remain a risk.

Maintain BUY with **FV Rs-820**

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
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NA	–	**Not Available or Not Applicable.** The information is not available for display or is not applicable
NM	–	**Not Meaningful.** The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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