

PRESS RELEASE - PERFORMANCE FOR HALF YEAR ENDED SEPTEMBER 30, 2023

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Overall market share (Individual WRP) expansion to 10.3%; Continued leadership in sum assured on the back of 28% protection growth

- **Outpaced private industry based on total new business premium growth**
 - **45% growth in sum assured; Retail protection APE up by 46%**
 - **Over 3 crore lives covered in H1 FY24; Healthy growth of 10% in number of policies**
 - **Annuity APE grows by 17%.**
 - **VNB margins sustained at 26.2% for H1 FY24**
 - **Profit after Tax grows by 15%**
 - **Recognized amongst Asia's Best Places to Work 2023 by Great Place to Work**
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Mumbai, October 13, 2023: The Board of Directors of HDFC Life approved and adopted today the audited standalone and reviewed consolidated financial results for half year ended September 30, 2023. Below is the summary of our standalone results:

Commenting on results for half year ended September 30, 2023, Ms. Vibha Padalkar, MD & CEO said

“Despite the recent budget changes that were perceived to be unfavourable for the sector, the life insurance industry has demonstrated remarkable resilience. We recorded a healthy growth of 10% in individual WRP vs 8% for overall industry, for the half year ended September 30th, 2023. Our H1FY24 market share was 15.7% and 10.3% in the private and overall sector respectively. We continued to grow faster than the overall industry and be ranked amongst the top 3 life insurers across individual and group businesses.

We saw an uptick of 10% in the number of individual policies sold, beating industry growth. This healthy volume growth is in line with our stated objective of broadening our customer base. We have insured more than 3 crore lives across our individual and group businesses, which represents a YoY growth of 16%.

Growth in protection was robust at 28% on new business premium basis. Retail protection registered YoY growth of 46% in H1FY24. Sum assured recorded healthy growth, with retail and overall sum assured growing by 61% and 45% respectively. We continue to lead in terms of sum assured and our private market share based on overall sum assured stood at 18% for H1FY24. Annuity APE grew by 17% and the segment contributed to 18% of new business premium. Annuity and Protection put together contributed to about 55% of new business premium in H1FY24.

We introduced 2 new products in the protection category viz. HDFC Life Sanchay Legacy and Click 2 Protect Elite. HDFC Life Sanchay Legacy is an industry-first whole life, return of premium protection plan with increasing life cover and is designed to cater to a middle-aged and beyond customer segment. Our other term product, C2P Elite, caters to a more affluent customer category.

Amongst other highlights, we are proud to feature amongst India's Best Workplaces for Millennials 2023 by Great Place to Work and to be recognized amongst 100 Best Companies for Women in India 2023 by Avtar. We also ranked amongst Asia's Best Workplaces 2023 by Great Place to Work. This is a testimony of our endeavour to create an inclusive culture, be the employer of choice and invest for the betterment of our workforce.”

Key Financial Summary

Rs Crore	H1 FY24	H1 FY23*	YoY	FY23*	FY22
Key Financial and Actuarial Metrics					
Individual APE	4,478	4,111	9%	11,401	8,168
Total APE	5,373	4,914	9%	13,336	9,758
New Business Premium (Indl + Group)	12,970	11,325	15%	29,085	24,155
Renewal Premium (Indl + Group)	13,643	12,007	14%	28,448	21,808
Total Premium	26,613	23,332	14%	57,533	45,963
Assets Under Management	2,64,870	2,24,901	18%	2,38,782	2,04,170
Profit After Tax	792	686	15%	1,360	1,208
Indian Embedded Value	42,908	36,016	19%	39,527	32,958
Value of new business	1,411	1,288	10%	3,674	2,675
Total Protection based on Total APE	893	768	16%	1,776	1,325

	H1 FY24	H1 FY23	FY23*	FY22
Key Financial Ratios				
New Business Margins	26.2%	26.2%	27.6%	27.4%
Operating Return on EV	16.4%	16.9%	19.7%	16.6%
Total Expenses / Total Premium	19.7%	19.3%	14.8%	12.3%
Solvency Ratio	194%	210%	203%	176%
13M / 61M Persistency	86%/53%	87%/51%	87%/52%	87%/54%
Market share				
Individual WRP	15.7%	16.1%	16.5%	14.8%
Overall new business premium	20.0%	19.8%	21.1%	21.0%
Product mix by Indl APE (UL / Non par savings / Annuity/ Protection / Par)	28/28/8/6/30	21/37/6/4/31	19/45/5/4/27	26/33/5/6/30
Distribution mix by Indl APE (Corp Agents/ Agency/ Broker/ Direct)	65/18/7/11	57/18/8/17	56/20/11/13	60/14/6/19

Notes: Percentages may not add up due to rounding off effect

*Numbers are on a merged basis

Definitions and abbreviations

- **Annualized Premium Equivalent (APE)** - The sum of annualized first year regular premiums and 10% weighted single premiums and single premium top-ups
- **Assets under Management (AUM)** - The total value of Shareholders' & Policyholders' investments managed by the insurance company
- **Embedded Value Operating Profit (EVOP)** - Embedded Value Operating Profit ("EVOP") is a measure of the increase in the EV during any given period, excluding the impact on EV due to external factors like changes in economic variables and shareholder-related actions like capital injection or dividend pay-outs
- **First year premium** - Premiums due in the first policy year of regular premiums received during the financial year. For example, for a monthly mode policy sold in March 2023, the first monthly instalment received would be reflected as First year premiums for 2022-23 and the remaining 11 instalments due in the first policy year would be reflected as first year premiums in 2023-24, when received
- **New business received premium** - The sum of first year premium and single premium, reflecting the total premiums received from the new business written
- **Operating expense** - It includes all expenses that are incurred for the purposes of sourcing new business and expenses incurred for policy servicing (which are known as maintenance costs) including shareholders' expenses. It does not include commission
- **Operating expense ratio** - Ratio of operating expense (including shareholders' expenses) to total premium
- **Operating return on EV** - Operating Return on EV is the ratio of EVOP (Embedded Value Operating Profit) for any given period to the EV at the beginning of that period
- **Persistency** - The proportion of business renewed from the business underwritten. The ratio is measured in terms of number of policies and premiums underwritten
- **Premium less benefits payouts** - The difference between total premium received and benefits paid (gross of reinsurance)
- **Renewal premium** - Regular recurring premiums received after the first policy year
- **Solvency ratio** - Ratio of available solvency margin to required solvency margin
- **Total premium** - Total received premiums during the year including first year, single and renewal premiums for individual and group business
- **Weighted received premium (WRP)** - The sum of first year premium received during the year and 10% of single premiums including top-up premiums

About HDFC Life

Established in 2000, HDFC Life is a leading, listed, long-term life insurance solutions provider in India, offering a range of individual and group insurance solutions that meet various customer needs such as Protection, Pension, Savings, Investment, Annuity and Health. The Company has more than 80 products (including individual and group products) and optional riders in its portfolio, catering to a diverse range of customer needs.

HDFC Life continues to benefit from its increased presence across the country, having a wide reach with branches and additional distribution touch-points through several new tie-ups and partnerships. The count of distribution partnerships is over 300, comprising banks, NBFCs, MFIs, SFBs, brokers, new ecosystem partners amongst others. The Company has a strong base of financial consultants.

For more information, please visit www.hdfclife.com. You may also connect with us on Facebook, Twitter, YouTube and LinkedIn.

Disclaimer

Except for the historical information contained herein, statements in this release which contain words or phrases such as 'will', 'would', 'indicating', 'expected to' etc., and similar expressions or variations of such expressions may constitute 'forward-looking statements'. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion in business, the impact of any acquisitions, technological implementation and changes, the actual growth in demand for insurance products and services, investment income, cashflow projections, our exposure to market risks, policies and actions of regulatory authorities; impact of competition; experience with regard to mortality and morbidity trends, lapse rates and policy renewal rates; the impact of changes in capital, solvency or accounting standards, tax and other legislations and regulations in the jurisdictions. HDFC Life undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

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Before acting on any information you should consider the appropriateness of the information having regard to these matters, and in particular, you should seek independent financial advice.