

**PRESS RELEASE - PERFORMANCE FOR THE QUARTER ENDED JUNE 30, 2023**

**BSE Code: 540777**

**NSE Code: HDFCLIFE**

**Value of new business grew by 18% aided by robust premium (APE) growth of 13%; Overall market share (Individual WRP) expansion to 10.6%**

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- **Private market share of 16.4% compared to 15.8% last year**
  - **Retail protection APE up by 45%**
  - **Strong PAT growth of 15% to Rs 415 crore**
  - **34% growth in number of lives covered; 73% growth in sum assured**
  - **Indian Embedded Value at Rs 41,843 crore**
  - **AUM crossed Rs 2.5 lakh crore in Q1 FY24**
  - **Declared highest ever bonus of Rs 3,660 crore to more than 23 lakh policyholders**
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**Mumbai, July 21, 2023:** The Board of Directors of HDFC Life approved and adopted today the audited standalone and reviewed consolidated financial results for the quarter ended June 30, 2023. Below is the summary of our standalone results:

Commenting on the performance for the quarter ended June 30, 2023, Ms. Vibha Padalkar, MD & CEO said

“We are happy to report that the merger of HDFC Limited with HDFC Bank has been successfully completed and that we are now a subsidiary of HDFC Bank. HDFC Bank now holds 50.4% in HDFC Life. Our focus is on strengthening our partnership with HDFC Bank, enhancing collaboration, and maximizing customer engagement within our group.

We closed the quarter with a robust growth of 12% in individual WRP, which was 1.5x of private industry, despite coming off a strong March. Over the last 4 years, despite facing open architecture and intense competition from unlisted insurers, our market share has steadily increased from 12.5% in FY19 to 16.5% in FY23 in the private sector and 7.2% to 10.8% at an overall industry level.

We covered more than 2 lakh lives in retail policies and 1.6 cr lives overall in Q1FY24, a growth of 8% and 34% respectively, over Q1FY23. Retail sum assured recorded an increase of 55% and overall sum assured 73%, and our overall market share in Q1FY24 was 16.9%. We feel privileged to have led the way in helping bridge the protection gap in the country by being the market leader in terms of total sum assured.

Retail protection trends remain encouraging with YoY growth of 45% in Q1FY24. While the growth is accentuated by a favourable base, we do believe that the pickup in protection is sustainable and the growth is likely to be healthy for the year.

The board has recommended a dividend of Rs 1.90 per share aggregating to a pay-out of Rs. 408 crores subject to approval by our shareholders.

We are proud to be recognized as one of India's top 10 best companies to work for by Great Place to Work. We are the only insurance company to receive this recognition, which is a testament to our unwavering commitment to creating a people-centric workplace.

While we remain optimistic about growth opportunities in the life insurance sector, our vision extends beyond just business growth. Following a customer centric approach, we remain steadfast in our mission to insure India and ensure financial security for families and individuals across the nation. We believe that widespread financial protection is a crucial aspect of economic growth, and we are enthusiastic about collaborating with our regulator to contribute meaningfully to this collective effort.”

### Key Financial Summary

Rs Crore	Q1 FY24	Q1 FY23*	YoY	FY23*	FY22
<b>Key Financial and Actuarial Metrics</b>					
Individual APE	1,882	1,685	12%	11,401	8,168
Total APE	2,328	2,064	13%	13,336	9,758
New Business Premium (Indl + Group)	5,869	4,949	19%	29,085	24,155
Renewal Premium (Indl + Group)	5,804	5,100	14%	28,448	21,808
Total Premium	11,673	10,050	16%	57,533	45,963
Assets Under Management	2,53,301	2,13,405	19%	2,38,782	2,04,170
Profit After Tax	415	361	15%	1,360	1,208
Indian Embedded Value	41,843	32,471	29%	39,527	32,958
Value of new business	610	518 <sup>1</sup>	18%	3,674	2,675
Total Protection based on Total APE	427	353	21%	1,776	1,325

	Q1 FY24	Q1 FY23*	FY23*	FY22
<b>Key Financial Ratios</b>				
New Business Margins	26.2%	25.1% <sup>1</sup>	27.6%	27.4%
Operating Return on EV	16.0%	15.7%	19.7%	16.6%
Total Expenses / Total Premium	19.8%	19.6%	14.8%	12.3%
Solvency Ratio	200%	183%	203%	176%
13M / 61M Persistency	87%/53%	87%/52%	87%/52%	87%/54%
<b>Market share</b>				
Individual WRP	16.4%	15.8%	16.5%	14.8%
Overall new business premium	21.3%	19.7%	21.1%	21.0%
Product mix by Indl APE (UL / Non par savings / Annuity/ Protection / Par)	25/33/9/6/26	23/34/6/5/33	19/45/5/4/27	26/33/5/6/30

Distribution mix by Indl APE (Corp Agents/ Agency/ Broker/ Direct)	61/20/8/12	52/19/8/21	56/20/11/13	60/14/6/19
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Notes: Percentages may not add up due to rounding off effect

1. VNB and NBM for the pre-merger entity (excl. Exide Life) in Q1 FY23 was Rs 510 Cr and 26.8% respectively

\*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 60 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](http://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 as well as other risks detailed in the reports filed by HDFC Bank Ltd, our holding company, with the United States Securities and Exchange Commission. HDFC Life undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.*

*None of Company or any of its directors, officers, employees, agents or advisers, or any of their respective affiliates, advisers or representatives, undertake to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise and none of them shall have any liability (in negligence or otherwise) for any loss howsoever arising from any use of this press release or its contents or otherwise arising in connection. Further, nothing in this press release should be construed as constituting legal, business, tax or financial advice or a recommendation regarding the securities. Although Company believes that such forward-looking statements are based on reasonable assumptions, it can give no assurance that such expectations will be met. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of Company's management on future events. Forecasts and hypothetical examples are subject to uncertainty and contingencies outside Company's control. Past performance is not a reliable indication of future performance.*

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