

PRESS RELEASE - PERFORMANCE FOR HALF YEAR ENDED SEPTEMBER 30, 2024

BSE Code: 540777

NSE Code: HDFCLIFE

HDFC Life achieves overall market share of 11.0%; Value of new business grows by 17.4% aided by robust new business premium (individual APE) growth of 31%

Mumbai, 15th October, 2024 –The Board of Directors of HDFC Life approved and adopted the reviewed standalone and consolidated financial results for half year ended September 30, 2024. The Company delivered healthy performance across all metrics, maintaining positive momentum.

Performance Highlights:

- **Topline Growth:** Delivered strong new business premium (individual APE) growth of 31%, supported by a 22% increase in number of policies sold and a balanced product mix
- **Market Share:** Private sector market share (individual WRP) expanded by 60 bps to 16.3%. Overall market share touched a new peak of 11%
- **Value of New Business (VNB)** grew by 17.4% to ₹ 1,656 crore, reflecting focus on writing profitable business
- **Assets under Management (AUM):** AUM stood at ₹3.25 lakh crore as on 30th September 2024, an increase of 23% in H1 FY25
- **Persistency:** 13th and 61st month persistency ratios improved to 88% and 60% respectively, marking a material increase of 120 basis points and 730 basis points respectively versus the previous year, underscoring the company's ability to engage with and retain customers
- **Embedded Value (EV)** crossed the ₹ 50,000 crore milestone during the quarter, with 16.0% operating return on EV, showcasing sustained long-term value creation for both policyholders and shareholders
- **Profit After Tax (PAT)** of ₹ 911 crore was achieved in H1 FY25, clocking a steady growth of 15% year-on-year
- **Solvency Ratio** stood at 181%, comfortably above the regulatory threshold of 150%. Post the subordinated debt raise of Rs 1,000 crore on 9th October 2024, solvency stood at 192%.
- **HDFC Pension Fund Management** is HDFC Life's wholly-owned subsidiary and India's largest private pension fund manager. It achieved a significant milestone in H1 FY25, by crossing ₹1 lakh crore in Assets under Management
- **Employee Focus:** We were recognised for our inclusivity and employee-friendly policies, being awarded the Best Companies for Women in India 2024 in the BFSI sector and Exemplar of Inclusion (Most Inclusive Companies India 2024) by Avtar & Seramount

CEO's Statement:

Vibha Padalkar, Managing Director and CEO of HDFC Life, commented: "The private sector and overall industry continued its strong momentum in Q2, growing in H1FY25 by 24% and 21% respectively on an individual weighted received premium basis. We have outperformed the private sector by growing at 28% during this period and 19% on a 2 year CAGR basis. We registered an increase of 22% in the number of policies, which was significantly ahead of the private sector growth of 13%. We experienced secular growth trends across Tier 1, Tier 2 and Tier 3 geographies.

On the regulatory front, we have successfully relaunched more than 40 top products contributing to about 95% of the business, in alignment with revised regulations as on October 1, 2024 and we plan to relaunch other products during the course of the quarter. We are thankful to the regulator in allowing us an additional time of three months for transitioning to the new product regulations.

Furthermore, we are happy to inform that HDFC Life continues to be recognised for its commitment to sustainability and responsible governance. HDFC Life's S&P Global ESG score saw an improvement of over 20% versus last year and we continue to be rated well amongst regional insurers. Our MSCI ESG Rating has also been upgraded to 'A'.

We remain focused on driving sustainable growth and strengthening our leadership across key segments. We will continue to invest in customer-centric innovations to ensure we meet evolving needs and remain resilient in a dynamic market. We are confident in our ability to deliver long-term value for our stakeholders, whilst adapting to the evolving market landscape with agility and resilience."

Key Financial Summary

Rs Crore	H1 FY25	H1 FY24	YoY
Key Financial and Actuarial Metrics			
Individual APE	5,864	4,478	31%
Total APE	6,724	5,373	25%
New Business Premium (Indl + Group)	14,497	12,970	12%
Renewal Premium (Indl + Group)	15,242	13,643	12%
Total Premium	29,738	26,613	12%
Assets Under Management	3,24,942	2,64,870	23%
Profit After Tax	911	792	15%
Indian Embedded Value	52,114	42,908	21%
Value of new business	1,656	1,411	17%

	H1 FY25	H1 FY24
Key Financial Ratios		
New Business Margins	24.6%	26.2%
Operating Return on EV	16.0%	16.4%

Total Expenses / Total Premium	21.1%	19.7%
Solvency Ratio	181%	194%
13M / 61M Persistency	88%/60%	86%/53%
Individual WRP market share (Overall)	11.0%	10.3%
Product mix by Indl APE (UL / Non par savings / Annuity/ Protection / Par)	36/38/5/6/15	28/28/8/6/30
Distribution mix by Indl APE (Corp Agents/ Agency/ Broker/ Direct)	65/17/7/11	65/18/7/11

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

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 2024, the first monthly instalment received would be reflected as First year premiums for 2023-24 and the remaining 11 instalments due in the first policy year would be reflected as first year premiums in 2024-25, 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.

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