

**PRESS RELEASE - PERFORMANCE FOR THREE MONTHS ENDED JUNE 30, 2025**

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**NSE Code: HDFCLIFE**

**Strong All-Round Performance: Market Share Up 70 bps, 12.5% APE Growth with VNB growth in line, PAT growth of 14%**

**Mumbai, 15<sup>th</sup> July, 2025:** The Board of Directors of HDFC Life approved and adopted the reviewed standalone and consolidated financial results for the quarter ended June 30, 2025. The Company outpaced sector growth while maintaining strong performance across all key metrics.

**Performance Highlights:**

- **Topline Growth:** Individual Annualized Premium Equivalent (APE) grew by 12.5% year-on-year, translating into a robust 2-year CAGR of 21%
- **Market Share:** Outperformed the overall industry and private sector, resulting in a 70 bps increase in our market share at the overall level to 12.1%, a new milestone for us, and a 40 bps gain within the private sector, taking our share to 17.5%
- **Value of New Business (VNB)** for Q1 FY26 stood at ₹ 809 crore, a growth of 12.7% YoY and a 2-year CAGR of 15% with new business margins improving to 25.1%
- **Assets under Management (AUM)** stood at ₹ 3,55,897 lakh crore as on 30<sup>th</sup> June 2025, an increase of 15% YoY
- **Persistency:** Persistency metrics remained healthy, with 13th and 61st month persistency at 86% and 64% respectively. 61st month persistency improved across cohorts, supported by stronger retention in long-term savings products
- **Embedded Value (EV)** increased to ₹ 58,355 crore, with an operating RoEV of 16.3% on a rolling 12-month basis
- **Profit After Tax (PAT)** grew 14% to ₹ 546 crore, driven by a 15% growth in backbook profits
- **Solvency Ratio** stood at 192%, comfortably above the regulatory threshold of 150%
- **Employee Focus:** certified as India's Best Workplaces in BFSI 2025 by Great Place to Work and featured amongst top 25 companies

**CEO's Statement:**

**Vibha Padalkar, Managing Director and CEO** of HDFC Life, commented: "Q1 FY26 began on a strong note, with healthy growth across topline, value of new business and steady margins. Individual Annualized Premium Equivalent (APE) grew by 12.5% year-on-year, translating into a robust 2-year CAGR of 21%. We outperformed both the overall industry and the private sector, resulting in a 70 bps increase in our market share at the overall level to 12.1%, a new milestone for us, and a 40 bps gain

within the private sector, taking our share to 17.5%. Moreover, over 70% of new customers acquired in Q1 were first-time buyers with HDFC Life, underscoring our customer acquisition strength and deepening presence across Tier 1, 2, and 3 markets.

Contrary to initial expectations, demand for ULIPs remained strong, supported by sustained strength in equity markets. However, our ULIP mix remains lower than the industry and broadly range-bound. We anticipate a gradual shift, rather than a sharp swing in favour of traditional products over the course of the year. Retail protection continued to grow faster than the company average, delivering a robust growth of 19% on a YoY basis and a strong 2-year CAGR of 23%. Retail sum assured grew in double digits and registered a 30% CAGR over two years. We maintained our leadership position in overall sum assured, reinforcing our position as a market leader in protection.

We are also pleased to share that MSCI has upgraded our ESG rating from 'A' to 'AA', placing us amongst the highest rated insurers in India and the region.

While the external environment remains dynamic, our fundamentals have held strong; anchored in a balanced product mix, a diversified distribution footprint and a consistent focus on innovation, customer centricity and disciplined execution. Our aspiration is to continue to outpace industry growth whilst sustaining our position as a market leader amongst the top 3 in India."

#### Key Financial Summary

₹ Crore	Q1 FY26	Q1 FY25	YoY
<b>Key Financial and Actuarial Metrics</b>			
Individual APE	2,777	2,467	12.5%
Total APE	3,225	2,866	12.5%
New Business Premium (Indl + Group)	7,272	6,400	13.6%
Renewal Premium (Indl + Group)	7,603	6,411	18.6%
Total Premium	14,875	12,811	16.1%
Assets Under Management	3,55,897	3,10,244	14.7%
Profit After Tax	546	478	14.4%
Indian Embedded Value	58,355	49,611	17.6%
Value of new business	809	718	12.7%

	Q1 FY26	Q1 FY25
<b>Key Financial Ratios</b>		
New Business Margins	25.1%	25.0%
Operating Return on EV <sup>1</sup>	16.3%	17.1%
Total Expenses / Total Premium	21.9%	21.4%
Solvency Ratio	192%	186%
13M / 61M Persistency	86%/64%	88%/56%
Individual WRP market share (Overall)	12.1%	11.4%

Product mix by Indl APE (UL / Non par savings / Annuity/ Protection / Par)	38/19/5/6/32	38/35/5/6/16
Distribution mix by Indl APE (Banca/ Agency/ Non-bank alliances/ Direct) <sup>2</sup>	60/16/15/9	61/17/13/9

*Percentages may not add up due to rounding off effect*

1. *ROEV on a rolling 12-month basis, reflecting normalized performance beyond Q1 seasonality*
2. *Non-bank Alliances include brokers and other non-bank corporate agents; Select Online/Direct business has been reclassified under Non-bank Alliances*

## 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 2025, the first monthly instalment received would be reflected as First year premiums for 2024-25 and the remaining 11 instalments due in the first policy year would be reflected as first year premiums in 2025-26, 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 over 70 products (individual and group products) including 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 500, 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.

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