

# Investor Presentation – FY25



# Executive summary: FY25

## Revenue & Scale



Individual APE	Rs (Bn.)	<b>136.2</b>
	Growth	<b>18%</b>



Renewal premium	Rs (Bn.)	<b>376.8</b>
	Growth	<b>13%</b>



AUM	Rs (Bn.)	<b>3,362.8</b>
	Growth	<b>15%</b>



IEV	Rs (Bn.)	<b>554</b>
	EVOP	<b>16.7%</b>

## Profitability & Cost



Value of New Business (VNB)	Rs (Bn.)	<b>39.6</b>
	Growth	<b>13%</b>



New Business Margin (NBM)	CY	<b>25.6%</b>
	PY	<b>26.3%</b>



Profit After Tax (PAT)	Rs (Bn.)	<b>18.0</b>
	Growth	<b>15%</b>



Total exp. ratio <sup>1</sup>	CY	<b>19.8%</b>
	PY	<b>19.4%</b>

## Customer & Capital



13 <sup>th</sup> month persistency	CY	<b>87%</b>
	PY	<b>87%</b>



Claim settlement ratio (FY25)	Overall	<b>99.8%</b>
	Individual	<b>99.7%</b>



Complaints per 10K policies <sup>2</sup>	FY25	<b>31</b>
	FY24	<b>29</b>



Solvency	Mar'25	<b>194%</b>
	Dec'24	<b>188%</b>



# Agenda

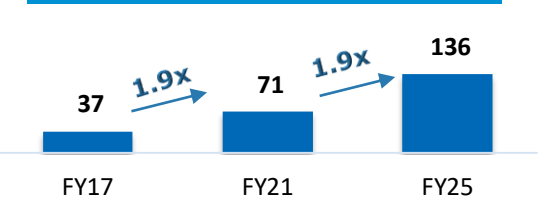
- 1 Performance Snapshot
- 2 Business Overview
- 3 Other Business Highlights
- 4 Life insurance in India

# Consistent, predictable, sustained performance

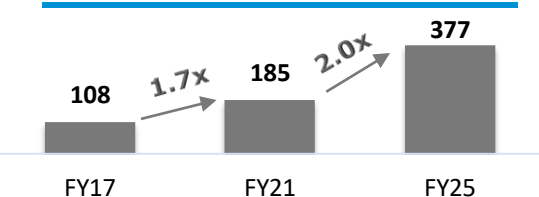
Rs bn

## Holistic growth

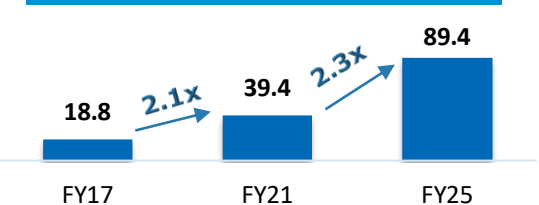
### Individual APE



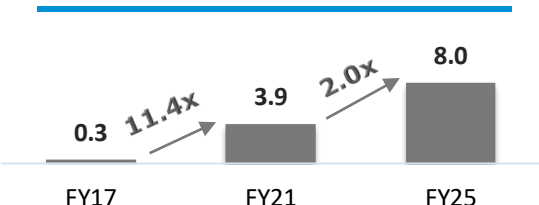
### Renewal premium



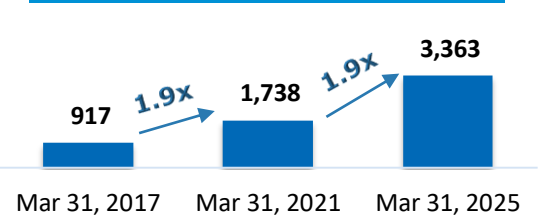
### Protection new business<sup>1</sup>



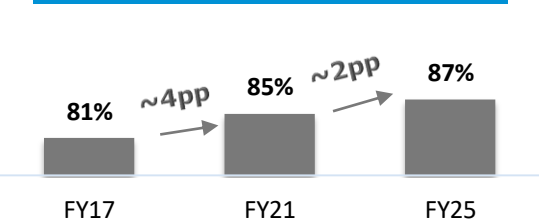
### Annuity new business<sup>2</sup>



### Assets under management<sup>3</sup>

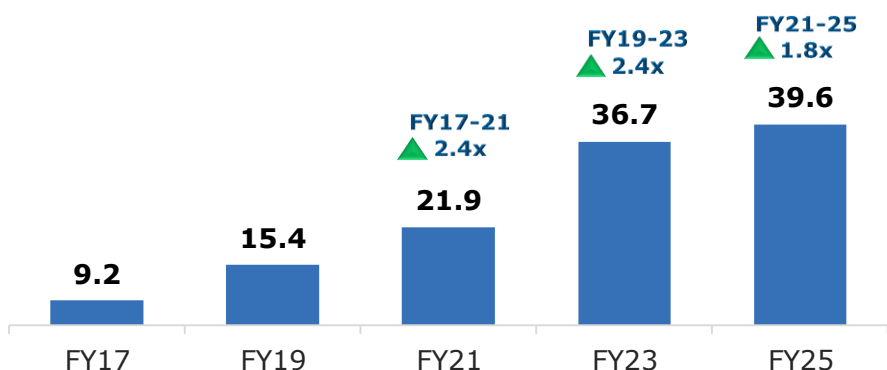


### 13<sup>th</sup> month persistency<sup>3</sup>

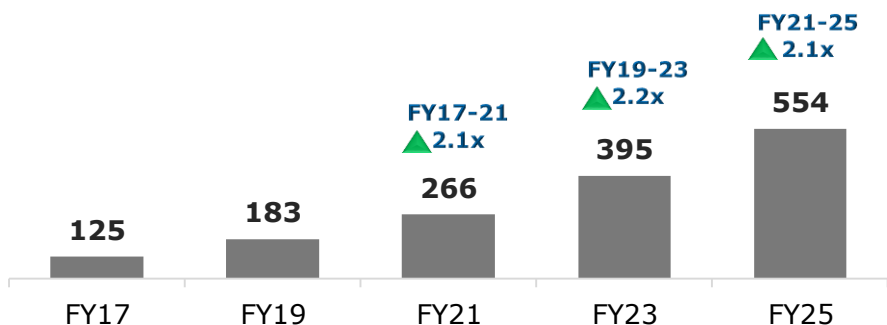


## Consistent track record over multiple periods

### Value of new business

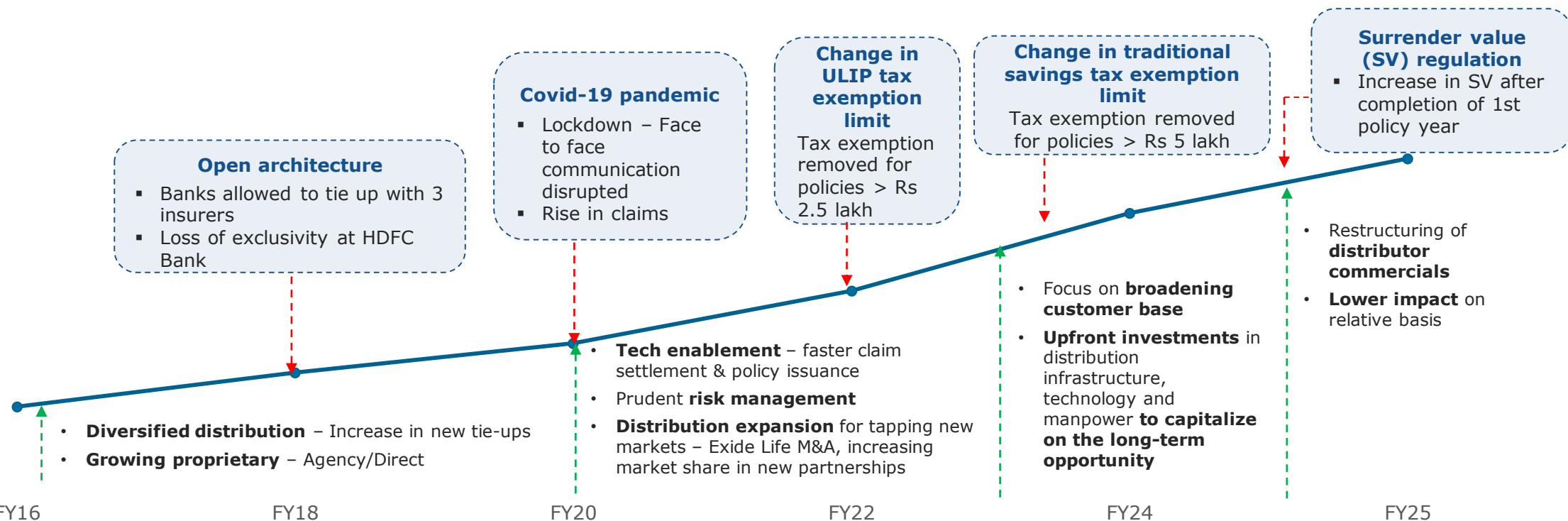


### Embedded value



1. Based on Overall NBP  
2. Based on Overall APE  
3. Excluding single premium

# Steady performance across business cycles



## Consistent product innovation

<b>NBM<sup>1</sup></b>	19.9%	23.2%	25.9%	27.4%	26.3%	25.6%
<b>Indl WRP<sup>2</sup> growth</b>	12%	31%	19%	16%	1% <sup>3</sup>	20% <sup>4</sup>
<b>Overall industry growth</b>	8%	19%	6%	16%	5%	12% <sup>4</sup>

**Grew ~1.5x industry during last decade while sustaining profitability**

1. New Business Margin

2. WRP: Weighted Received Premium

3. Adjusting for one-off business due to budget changes in FY23, normalized growth was 11% in FY24. FY24 2-year CAGR stands at 13%

4. Basis 11M Life Insurance Council data

# Consistent track record of maximising shareholder value

Rs bn

Metrics	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	5 year CAGR (FY20-25)	9 year CAGR (FY16-25)
Value of new business (VNB)	7.4	9.2	12.8	15.4	19.2	21.9	26.8	36.7	35.0 <sup>1</sup>	39.6	16%	20%
Operating variances	3.1	2.1	2.0	1.4	1.5	0.8	-4.9 <sup>2</sup>	1.6	1.5	1.0		
Embedded Value <sup>3</sup>	102	125	152	183	207	266	300	395	475	554	22%	21%
EVOP	18	22	27	31	33	38	51	65	69	79	19%	18%
Value in-force (VIF)	70	83	104	124	135	176	212	268	329	391	24%	21%
Operating ROEV <sup>4</sup>	20.7%	21.7%	21.5%	20.1%	18.1%	18.5%	16.6% <sup>2</sup>	19.7%	17.5%	16.7%		



**Healthy VNB accretion** driven by strong top-line growth and margin expansion



**Predictable outcomes** over longer time frames



**Steady ROEV** across multiple time periods, reflecting sustainable performance



**Significant value creation** through consistent compounding of EV and VIF across multiple time periods



**Experience in-line with assumptions**, resulting in negligible operating variances

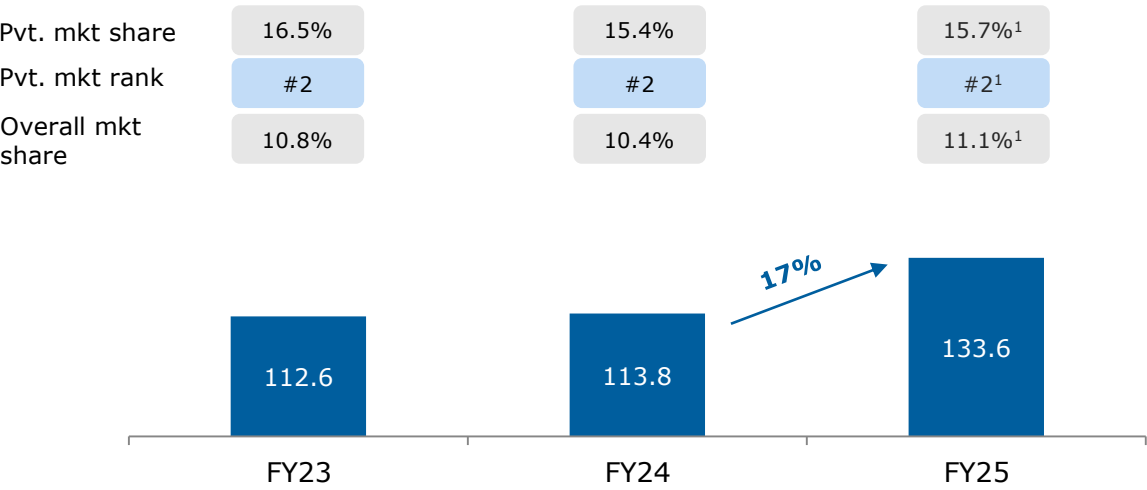


Strong focus on **balancing profitability and risk management**

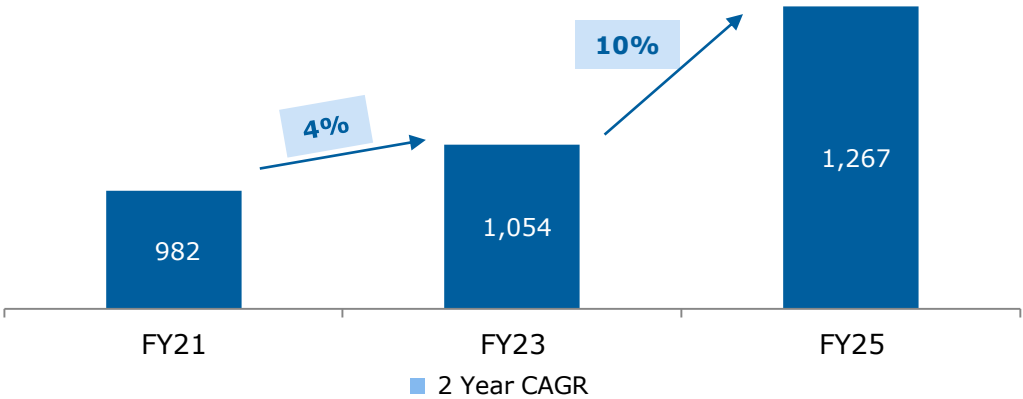
1. FY23 VNB was elevated due to budget changes in FY23, 2 year CAGR for FY24 VNB stands at 13%
2. FY22 operating variance includes excess mortality impact due to Covid-19
3. Closing EV for the respective fiscal year
4. Operating ROEV is calculated as annual EVOP (Embedded Value Operating Profit) to Opening EV

# Robust delivery across key metrics (1/2)

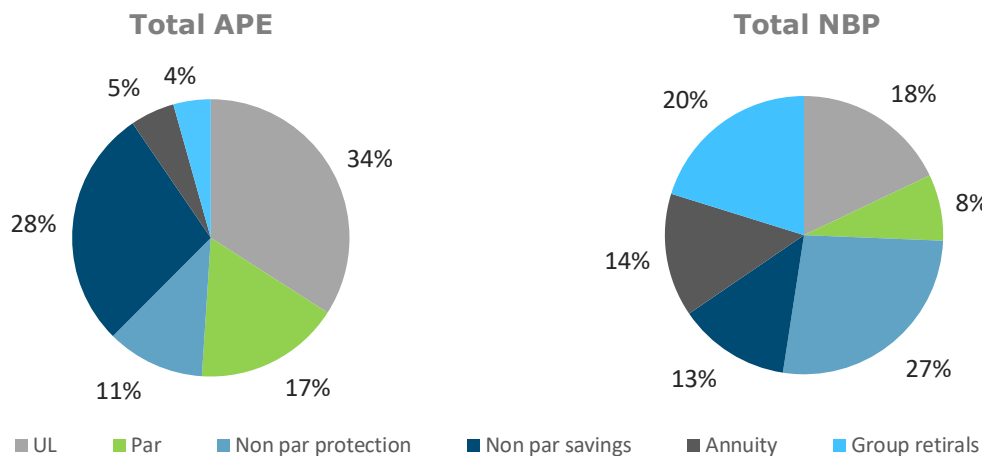
## Steady individual WRP growth



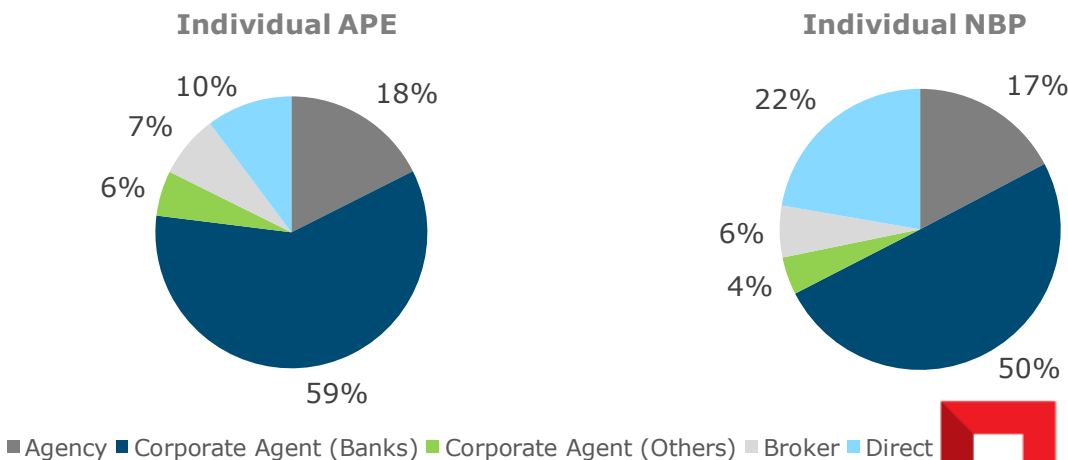
## Elevated focus on expansion of customer base (NOPs in 000's)



## Balanced product mix



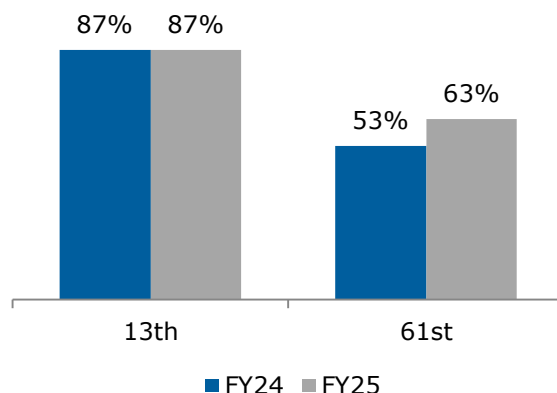
## Focus on diversified channel mix



1. Basis 11M Life Insurance Council data

# Robust delivery across key metrics (2/2)

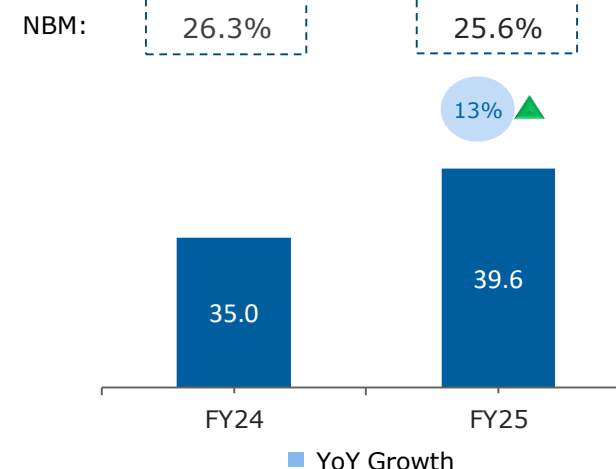
## Significant improvement in 61<sup>st</sup> month persistency



- Focus on quality of business and providing superior customer experience

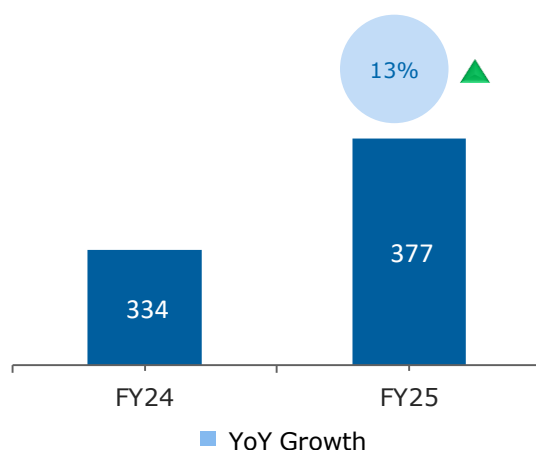
## Healthy VNB growth

Rs bn



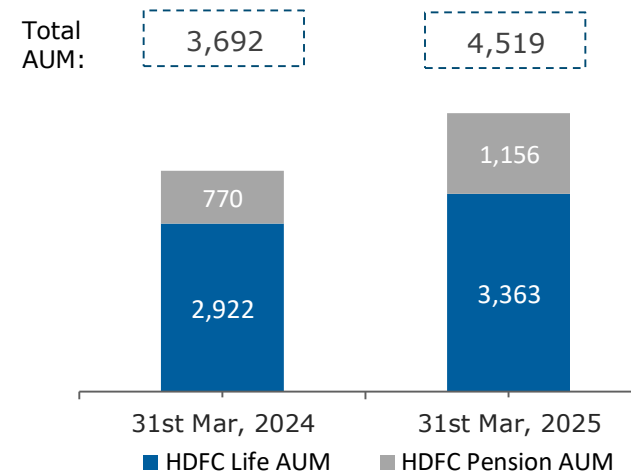
- Multiple pools of profitability contributing to VNB accretion

## Strong growth in renewal premium



- Backed by strong persistency and growing backbook

## Group assets under management > Rs 4.5 tn<sup>1</sup>



- HDFC Life Debt:Equity mix (FY25): 69:31
- HDFC Pension's AUM crossed Rs 1.15 tn



# Agenda

1

**Performance Snapshot**

2

**Business Overview**

3

**Other Business Highlights**

4

**Life insurance in India**

# Key elements of our strategy

1



## Profitable growth

Ensuring **sustainable and profitable growth** by identifying and tapping new profit pools

2



## Diversified distribution mix

Developing **multiple channels** of growth to drive need-based selling & **deepening penetration**

3



## Customer first

Creating superior **product** propositions and **customer journeys**, through consistent **innovation**

4



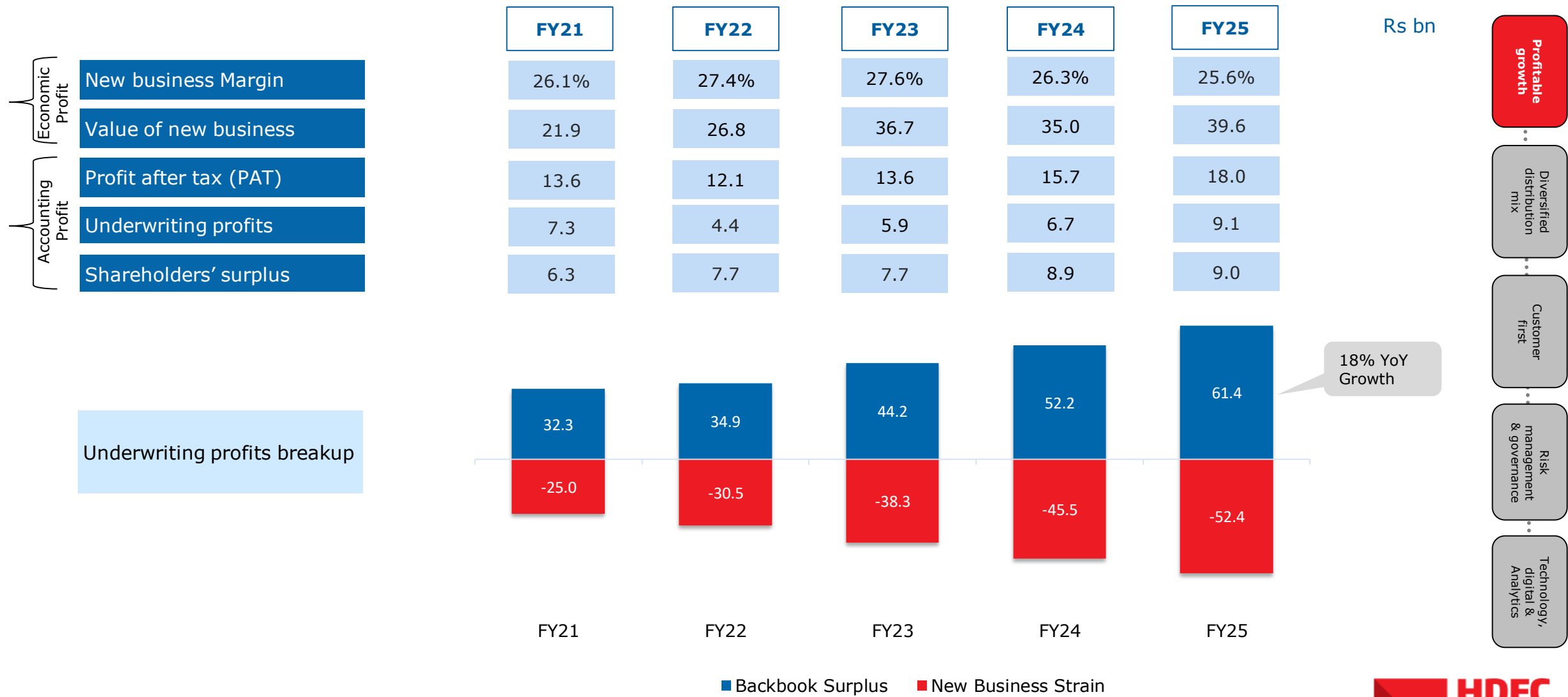
## Risk management & board governance

Maintaining focus on **risk management** guided by an **independent and competent Board**

5

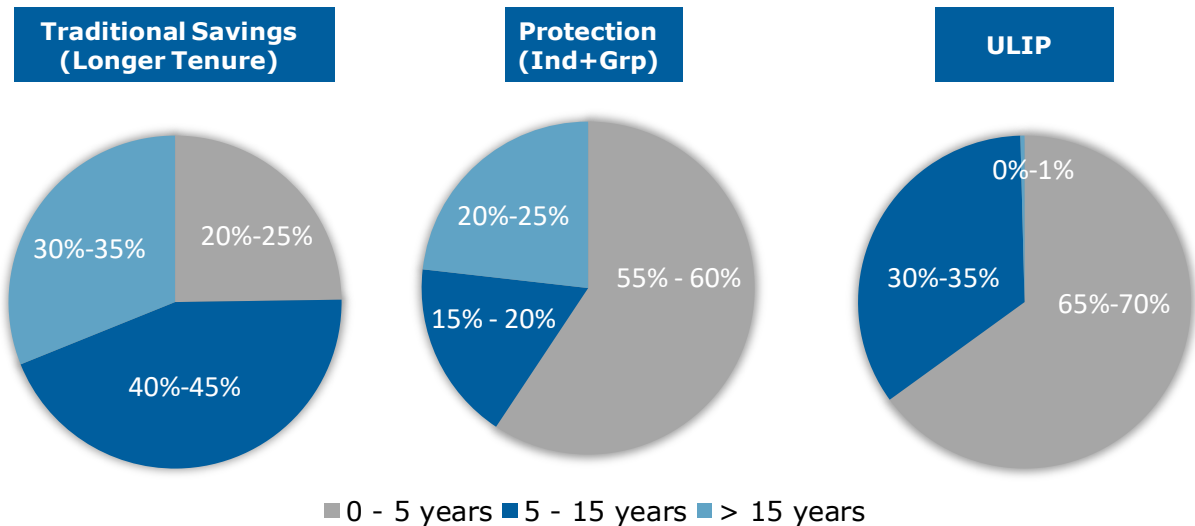
**Future ready** organisation: Leveraging **technology, digital** and **analytics**

# Focus on profitable growth



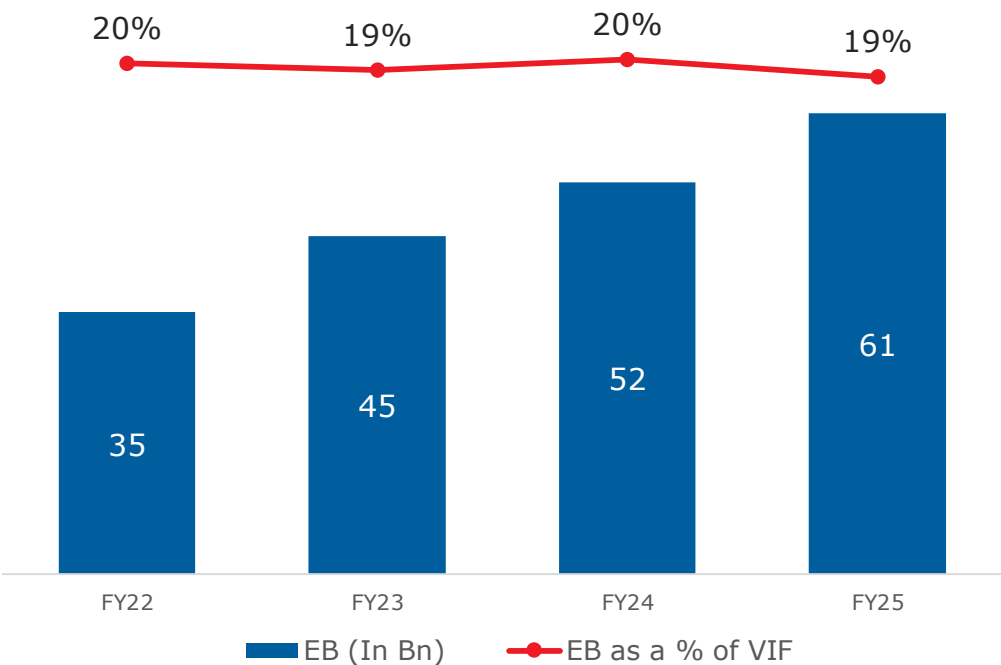
# Emergence of Existing Business (EB) Surplus

## Profit Emergence



- Shift in product profile to longer term savings over last 3-4 years
- Profit emergence is higher for longer tenure products, albeit over a longer time frame
  - ~ 3/4<sup>th</sup> of profits emerge after 5 years

## EB Surplus emergence as a % of VIF

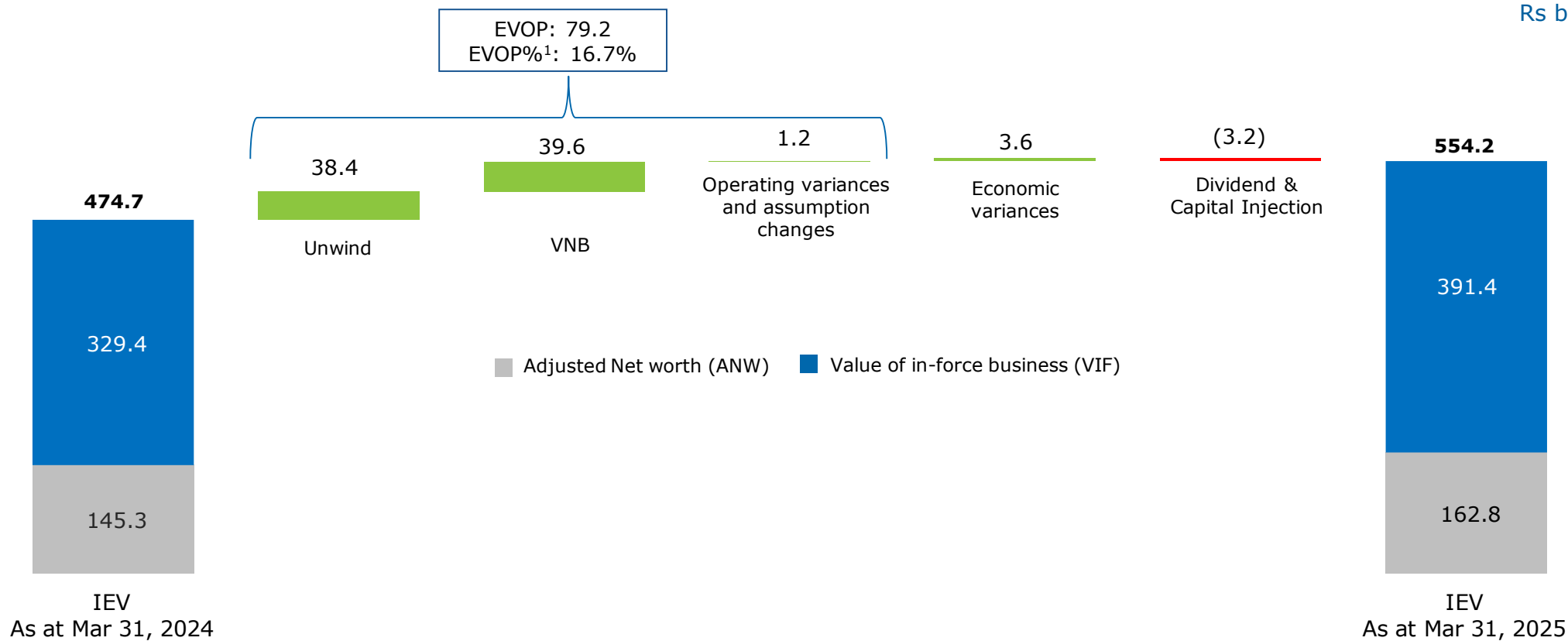


- Higher mix of long term profitable products to result in profit emergence over longer time horizon
- Track record of positive operating variance indicates high likelihood of profit emergence as per assumptions



# Analysis of change in IEV

Rs bn



Operating variances continue to be positive and in line with our assumptions





# Diversified distribution



- 40+ new banca partnerships added in FY25: catering solutions for all customer segments
- Partnerships with Banks, NBFCs, SFBs, brokers, aggregators & digital ecosystems allow entry into new market segments



## Proprietary channels



## Agency: segmented growth

- ~2.4 lakh agents: Top two agency force amongst private life insurers
- Segregating Focus (tier 1) and Growth (tier 2,3) markets with a micro market strategy
- 2x company level growth in protection



## Direct/Digital: leveraging analytics

- 650+ physical branches
- Leveraging analytics for cross-sell and up-sell
- Simplifying and personalizing journeys to offer better customer experience to attract younger customers

Profitable growth

Diversified distribution mix

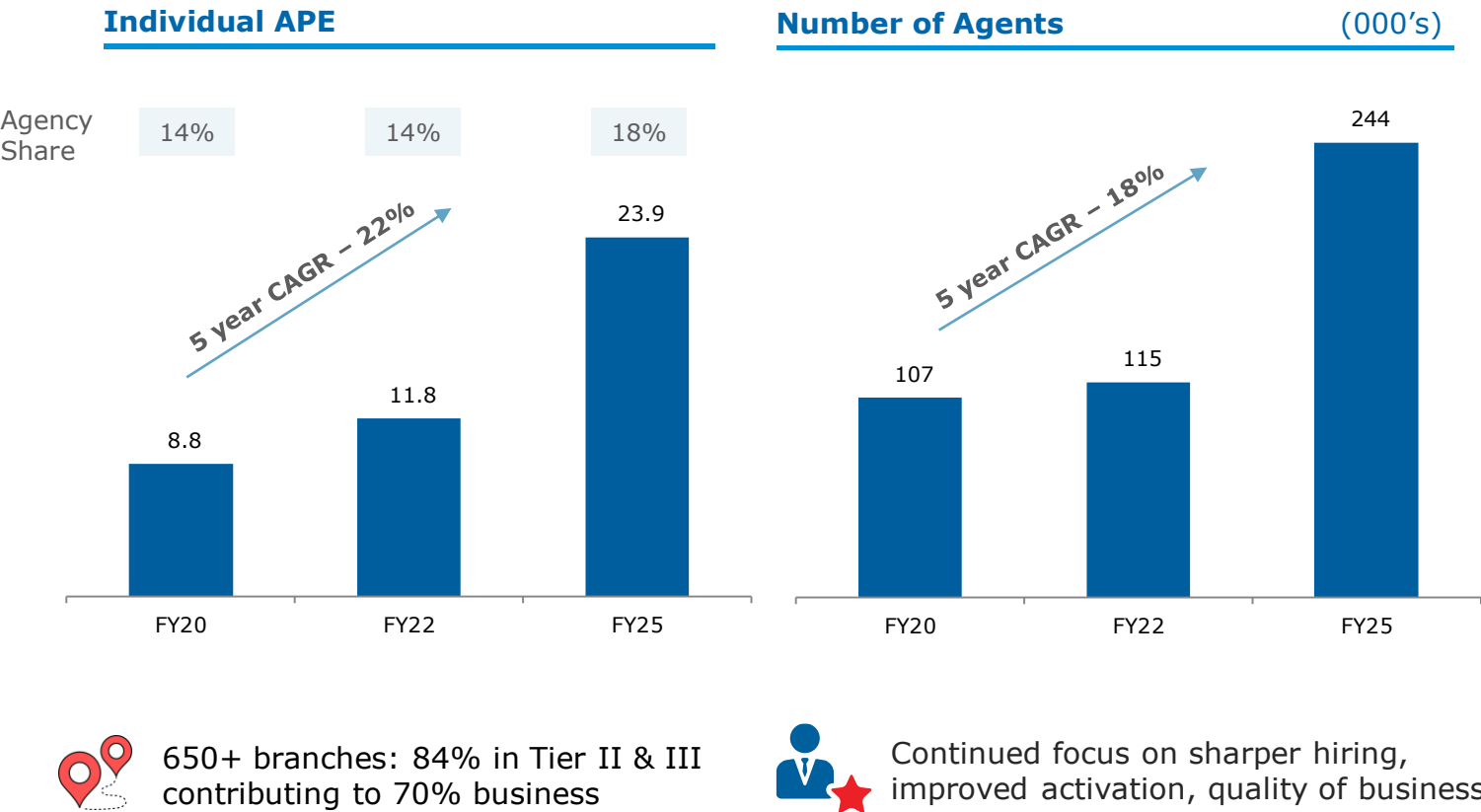
Customer first

Risk management & governance

Technology, digital & Analytics

# Agency: Building momentum for long-term

## Driving sustainable growth through strategic investments



## Levers for future growth

- On-boarding **high performing profiles:** home-makers, retired govt servants & financial distributors
- Higher proportion of **protection and annuity**
- Conscious market segmentation **into focus & growth markets**
- Deepening penetration** in Tier I cities through **dedicated leadership** in high potential pin codes
- Use **AI** to hyper **personalize** product offerings

Rs Bn.



# Product mix across key channels<sup>1</sup>

Banca	Segment	FY23	FY24	FY25
	UL	24%	40%	42%
	Par	27%	22%	18%
	Non par savings	42%	30%	33%
	Term	3%	4%	4%
	Annuity	4%	5%	3%

Direct <sup>2</sup>	Segment	FY23	FY24	FY25
	UL	27%	42%	32%
	Par	13%	10%	16%
	Non par savings	35%	22%	20%
	Term	5%	5%	5%
	Annuity	20%	20%	27%

Company	Segment	FY23	FY24	FY25
	UL	19%	35%	39%
	Par	27%	23%	19%
	Non par savings	45%	30%	32%
	Term	4%	5%	5%
	Annuity	5%	6%	5%

Agency	Segment	FY23	FY24	FY25
	UL	10%	26%	26%
	Par	33%	29%	26%
	Non par savings	49%	33%	33%
	Term	6%	7%	10%
	Annuity	3%	4%	5%

Brokers	Segment	FY23	FY24	FY25
	UL	1%	6%	24%
	Par	31%	41%	24%
	Non par savings	62%	35%	37%
	Term	5%	14%	12%
	Annuity	2%	3%	3%

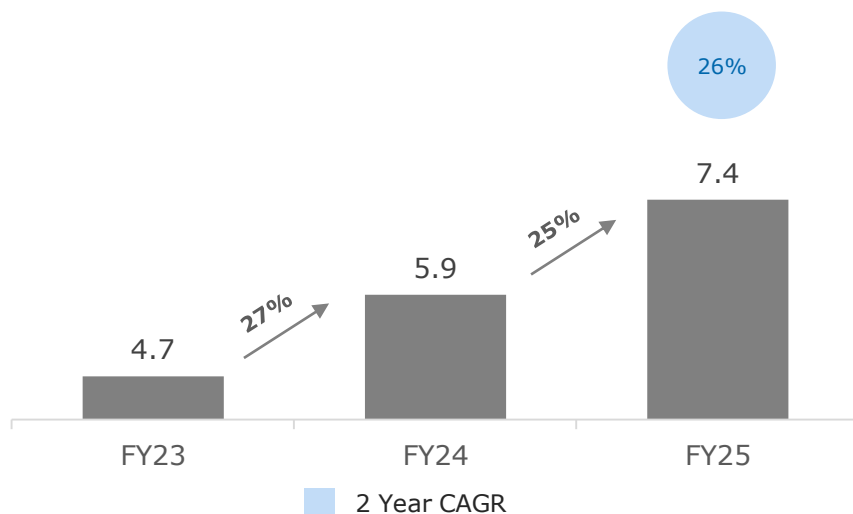
Protection		FY23	FY24	FY25
	Based on Total APE	13%	13%	11%
	Based on NBP	29%	32%	27%

Annuity		FY23	FY24	FY25
	Based on Total APE	6%	6%	5%
	Based on NBP	20%	16%	14%

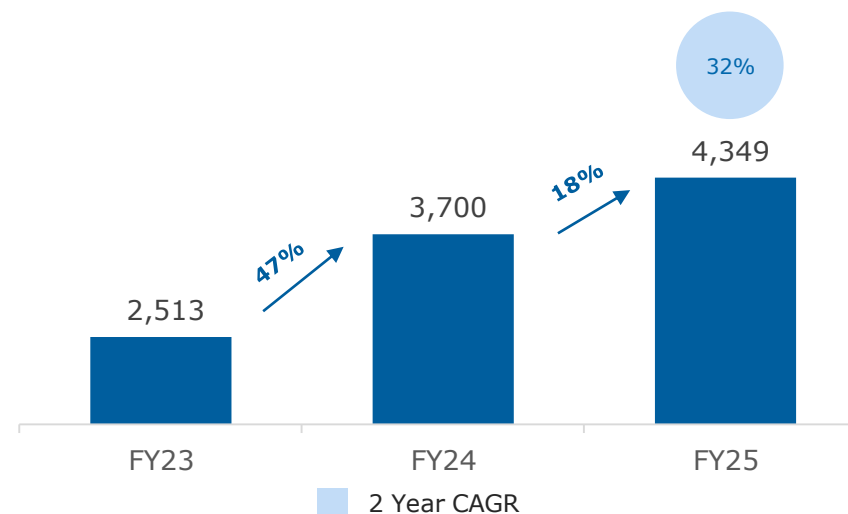


# Healthy growth in protection

Retail protection APE



Retail sum assured

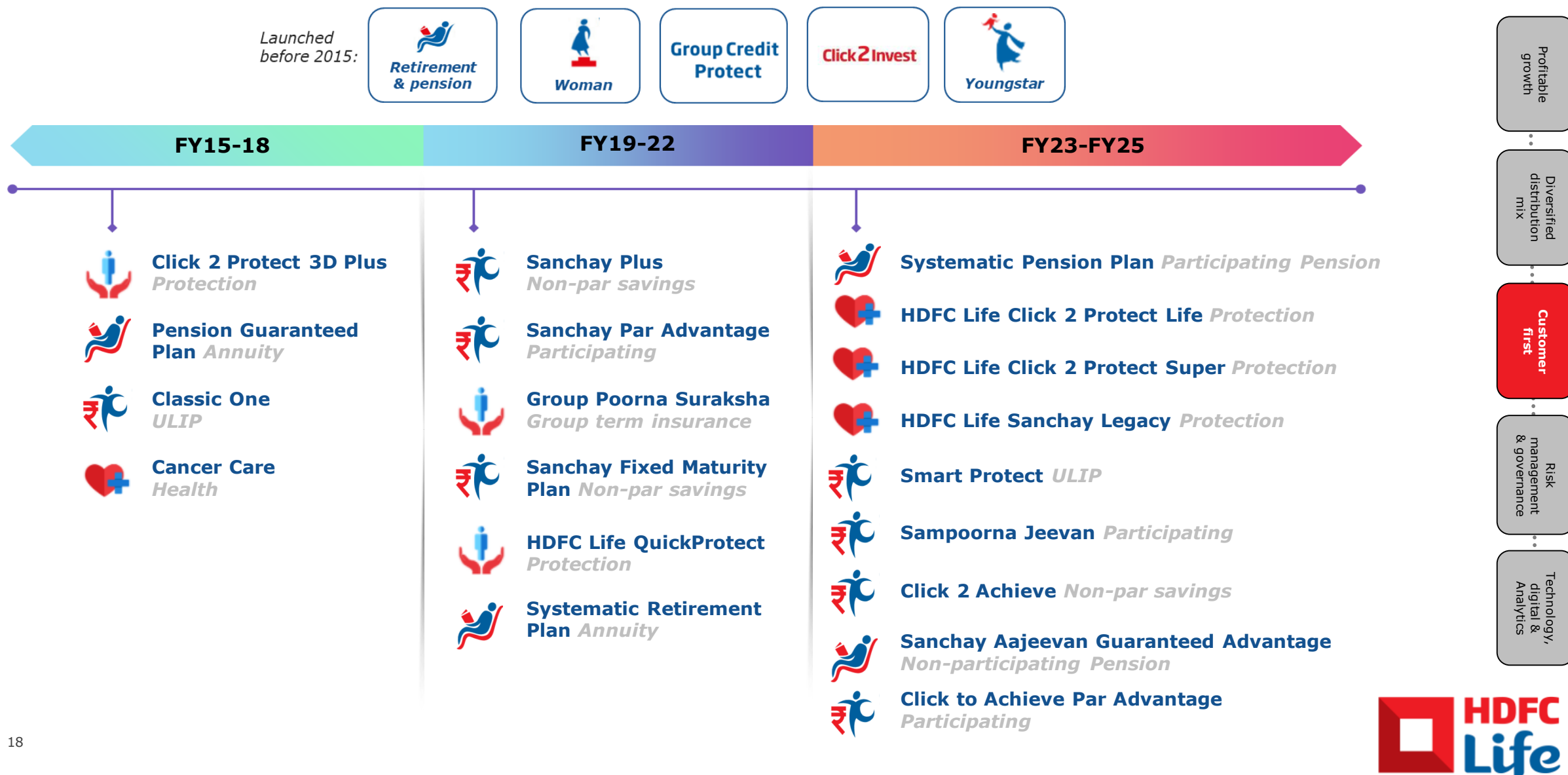


- Ranked #2<sup>1</sup> in individual sum assured and #1<sup>1</sup> in overall sum assured
- Retail protection APE from Tier II/III geographies grew 1.5x compared to Tier I markets
- Offering embedded protection based on customer needs; focused on increasing rider attachment across segments
- We continue to innovate in product offerings, introduced three new protection products in past year:
  - Click2Protect Ultimate, Click2Protect Super, Click2Protect Elite Plus

Rs Bn.



## Key product innovations over the years





# Recent product innovations across categories

## ULIP

## Non-par savings

## Protection

## Participating

## Non-par pension

Secure your family's future with the power of enhanced<sup>1</sup> protection and market-linked returns

**NEW**  
**HDFC Life Smart Protect Plan**  
A Unit Linked Non-Participating Individual Life Insurance Savings Plan

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**HDFC Life Smart Protect Plan**  
A Unit Linked Non-Participating Individual Life Insurance Savings Plan

A **market linked plan** which helps secure your family's future with **enhanced protection**

Achieve your dreams with guaranteed returns.

**NEW**  
**HDFC Life Click 2 Achieve**  
An individual non-participating, non-linked savings life insurance plan

**NEW**  
**HDFC Life Click 2 Achieve**  
An individual non-participating, non-linked savings life insurance plan

A **savings plan** with **guaranteed returns** and **life cover** to meet your goals

Make your parents' financial security a priority

**NEW**  
**Parent Secure Option**

**HDFC Life Click2Protect Super**  
A Non-Linked, Non-Participating, Individual, Pure Risk Premium/ Savings Life Insurance Plan

A plan designed to **secure your parents'** financial future amidst unforeseen circumstances

Achieve your dreams like a champion.

Assurance Flexibility Performance

#TheRealAdvantage

**NEW**  
**HDFC Life Click 2 Achieve Par Advantage**  
An Individual Non-Linked, Participating, Savings Life Insurance Plan

A game changing product that combines **joint life coverage** with **flexibility in lump sum**

Double your security with guaranteed<sup>2</sup> benefits & flexibility.

**NEW**  
**HDFC Life Sanchay Aajeevan Guaranteed Advantage**  
A Non-Linked, Non-Participating Individual Savings Pension Plan

Lock-in Lifelong Income

**NEW**  
**HDFC Life Sanchay Aajeevan Guaranteed Advantage**  
A Non-Linked, Non-Participating Individual Savings Pension Plan

An innovative plan that offers **Double Guarantee** allowing consumers to **lock-in a lifelong income** today

Profitable growth

Diversified distribution mix

Customer first

Risk management & governance

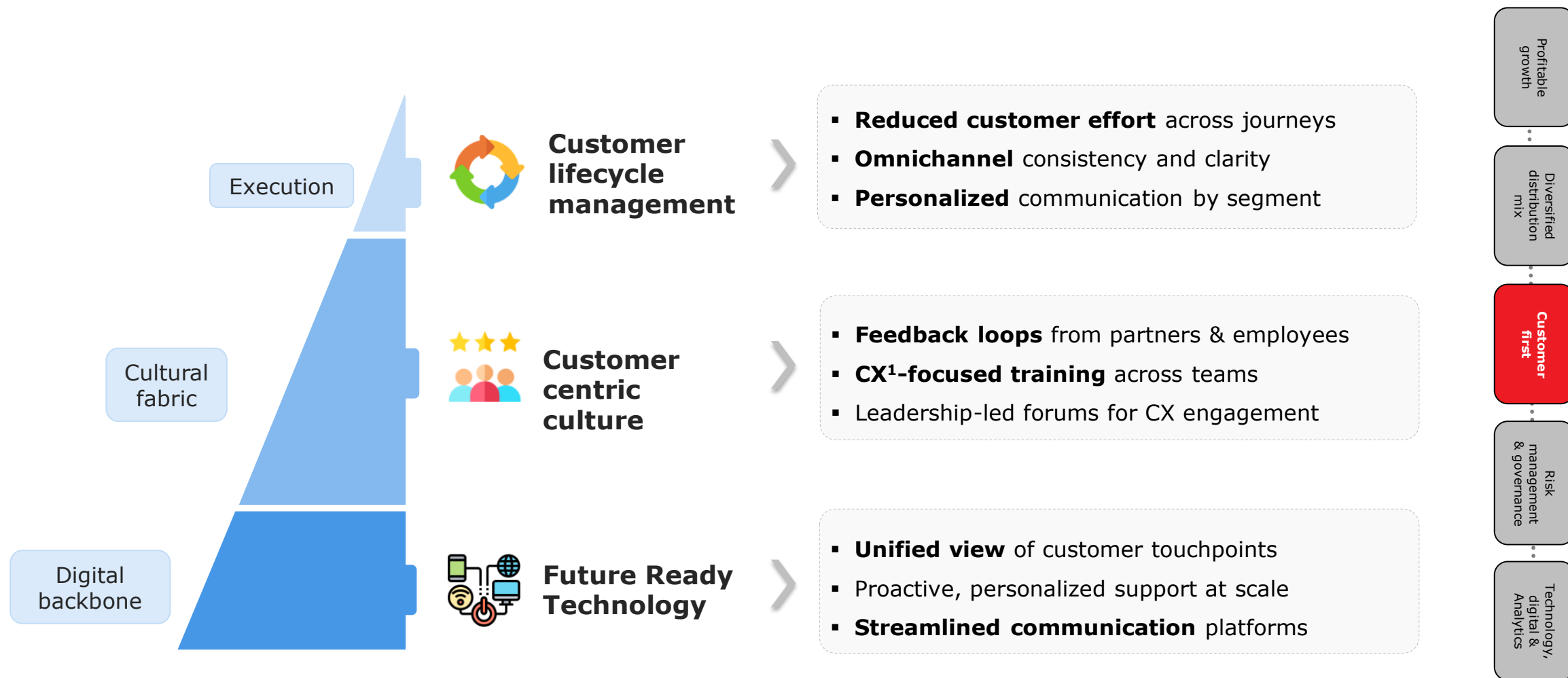
Technology, digital & Analytics



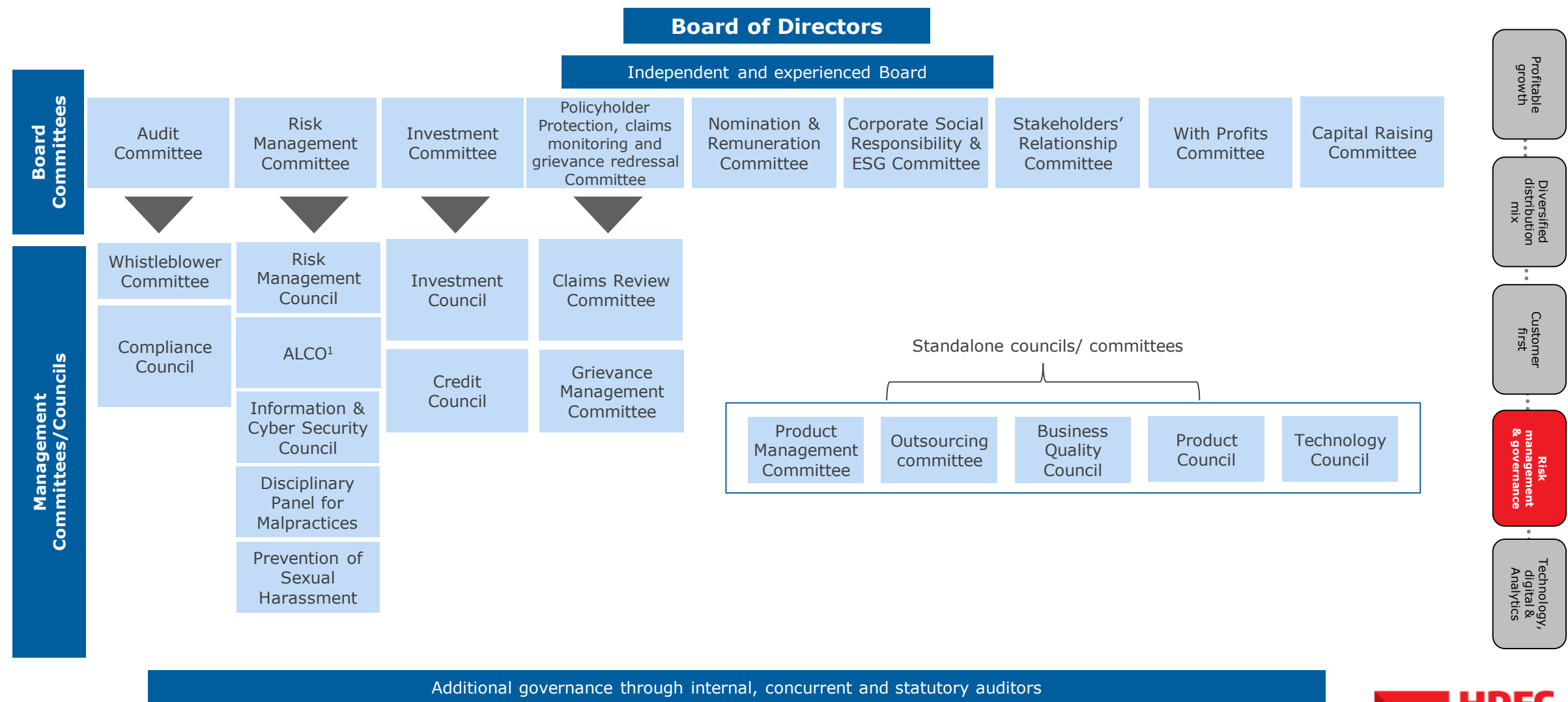
Learn more about HDFC Life products



# Reimagining customer experience



# Risk management & board governance



1. Asset Liability Management Council  
 2. The above list of committees is illustrative and not exhaustive

# Financial risk management framework

## Natural hedges

- Protection and longevity businesses
- Unit linked and non par savings products
- Broad-basing of counter-parties for FRAs

## ALM approach

- Target cash flow matching for non par savings plus group protection portfolio to manage non parallel shifts and convexity
- Immunise overall portfolio to manage parallel shifts in yield curve (duration matching)

## Product design & mix monitoring

- Prudent assumptions and pricing approach
- Average age at entry ~60 years
- Deferred as % of total annuity business < 30% with average deferment period <4 yrs
- Regular monitoring of interest rates and business mix

## Partnership approach

- External hedging instruments such as FRAs, IRFs, swaps amongst others
- Reinsurance

	FY24				FY25			
Sensitivity	Overall		Non par <sup>1</sup>		Overall		Non par <sup>1</sup>	
Scenario	EV	VNB Margin	EV	VNB Margin	EV	VNB Margin	EV	VNB Margin
Interest Rate +1%	(2.7%)	(1.2%)	(2.9%)	(2.2%)	(2.7%)	(1.4%)	(3.1%)	(2.2%)
Interest Rate -1%	2.6%	0.8%	2.6%	1.1%	2.6%	0.9%	2.9%	1.5%

Sensitivity remains range-bound on the back of calibrated risk management

- >98% of debt investments in Government bonds and AAA rated securities as on Mar 31, 2025

Profitable growth

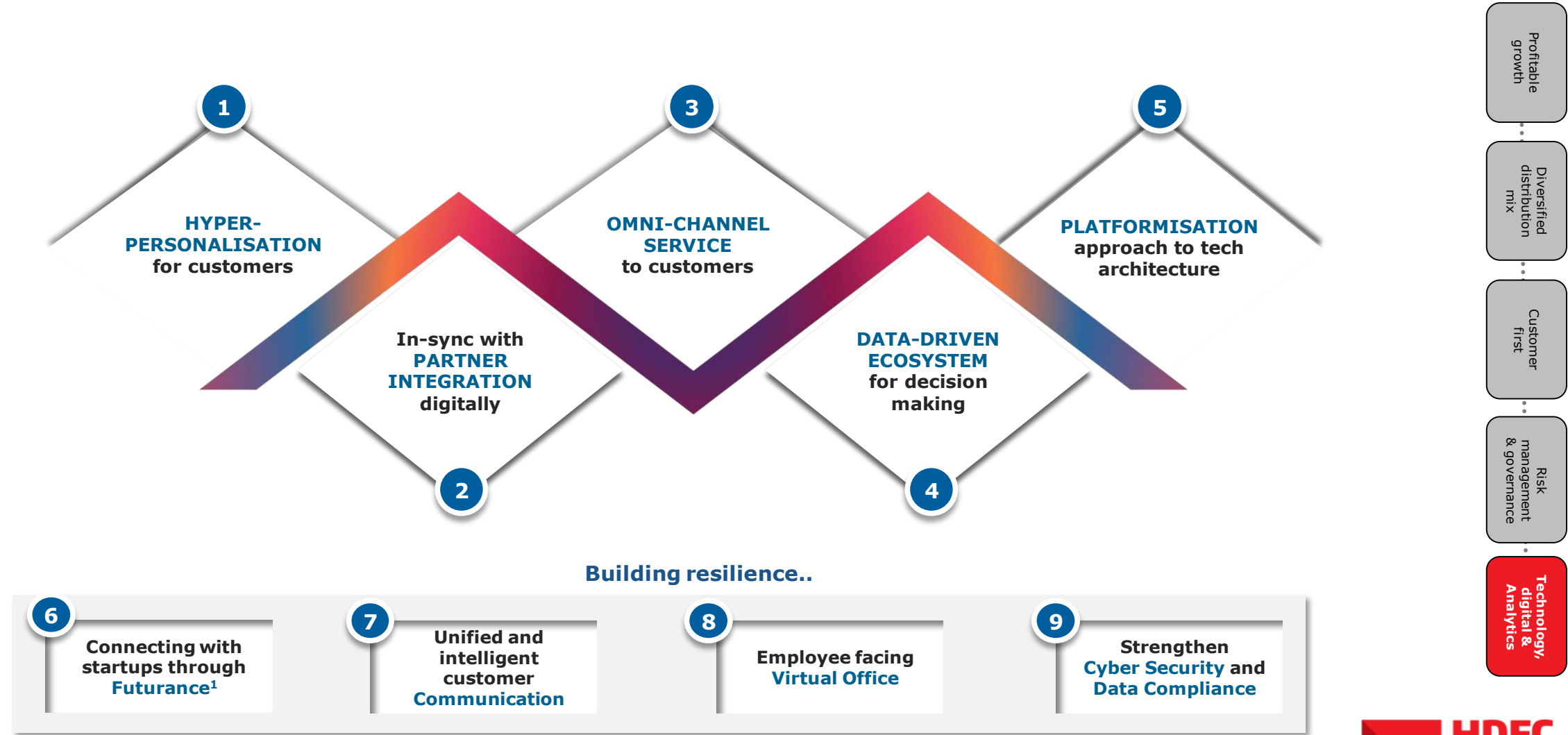
Diversified distribution mix

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# Future ready organisation: Leveraging technology, digital and analytics



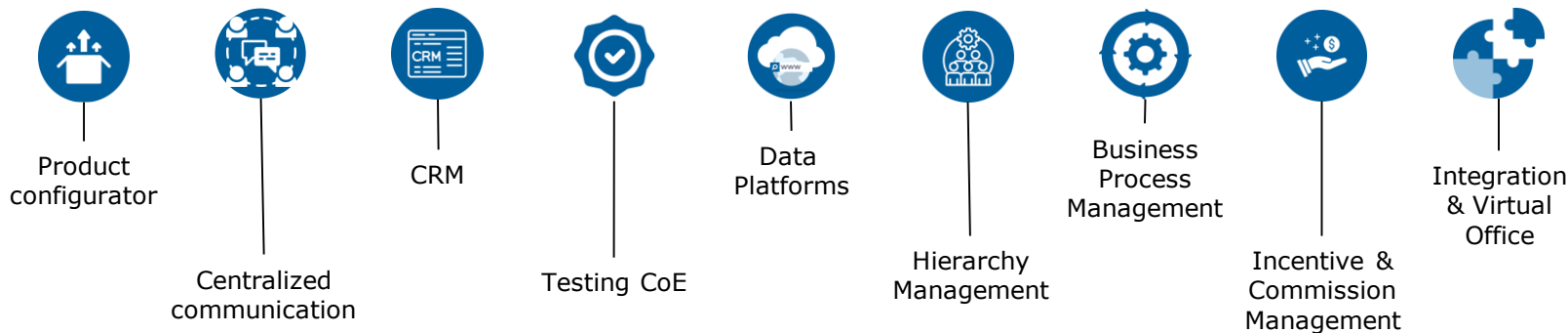
1. Futurance: A program to collaborate with startups for harnessing cutting-edge technology



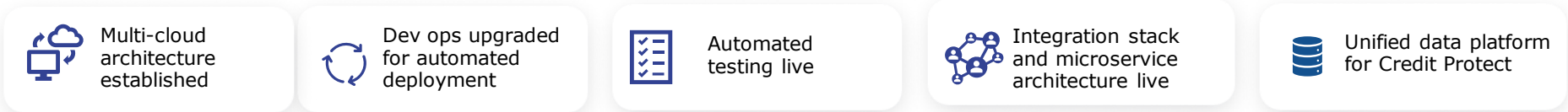
# Building next-gen of insurance platform: Project Inspire

Reimagining our systems and processes by investing in new technologies and capabilities


## Envisioned tracks for transformation- moving towards execution




## Key foundational milestones achieved

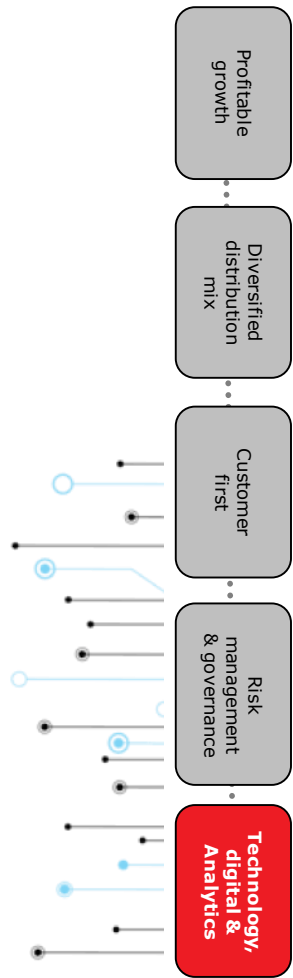


## Credit Protect processing capabilities live in production

- 
- Zero-touch straight through processing and instant issuance
  - Same day claims processing and payout

## Newly launched incentive and commission management system

- 
- Real-time payouts, personalized nudges, integrated reporting, improved analytics for smarter, faster and more effective sales compensation



# Gen AI initiatives for process efficiency



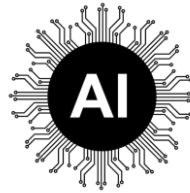
## Complaint Predictor

- **Pre-empting prospective complaints** and addressing issues proactively
- **AI used to transfer** to SME<sup>1</sup> for faster resolution



## Customer feedback Analysis

- **Instant chokepoints identification** in service, faster improvement
- Improved compliance and **instant insight** for better oversight



## Calls Analyser

- **Accelerated resolution** of service bottlenecks, driving faster process optimization
- **Real-time visibility**, enabling stronger governance and control



## Pre-Claims Assistant

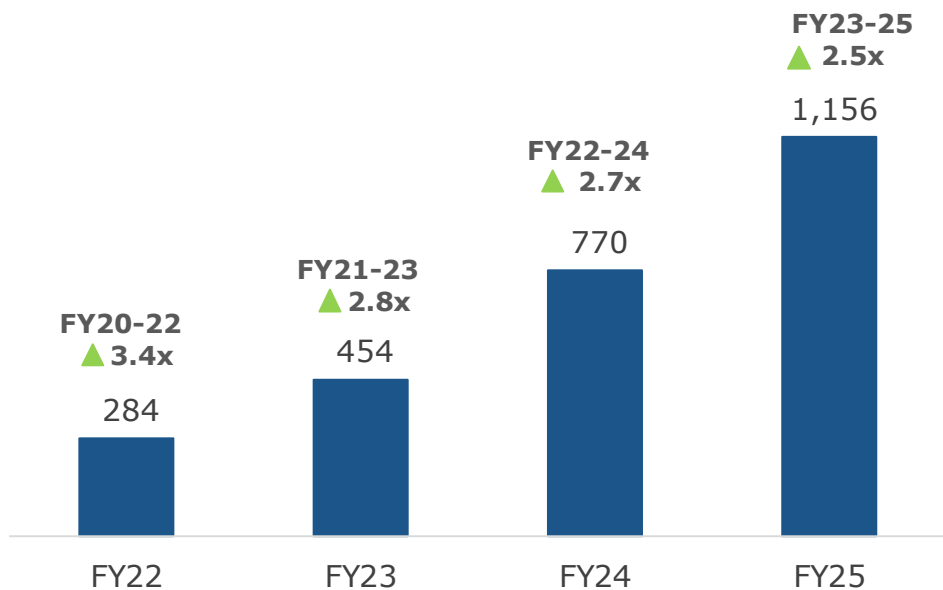
- **Boost in claims productivity** by 35% through automated data capture across systems
- **Minimisation of claim risk** via early detection and auto-cancellation of high-risk policies

# HDFC Pension Fund Management

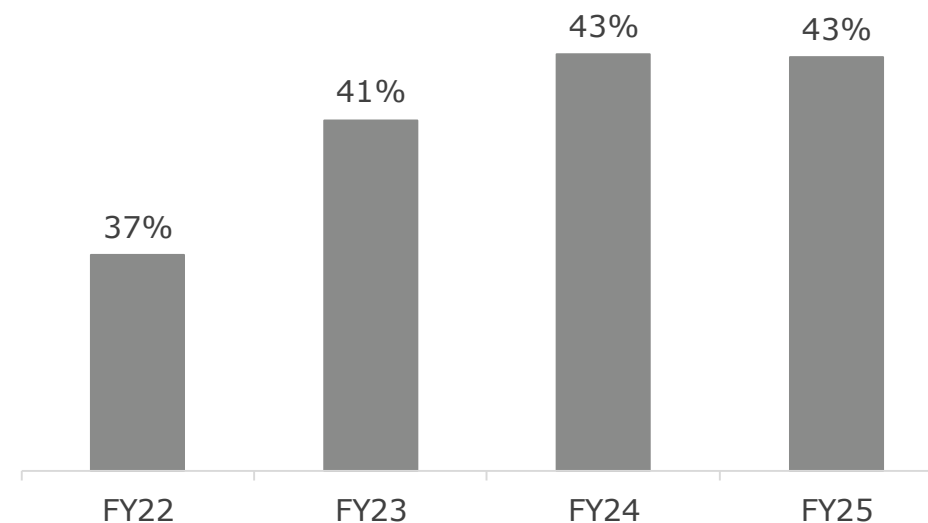


## AUM

Rs Bn.



## Private market share



**Open an account  
with us using this QR**

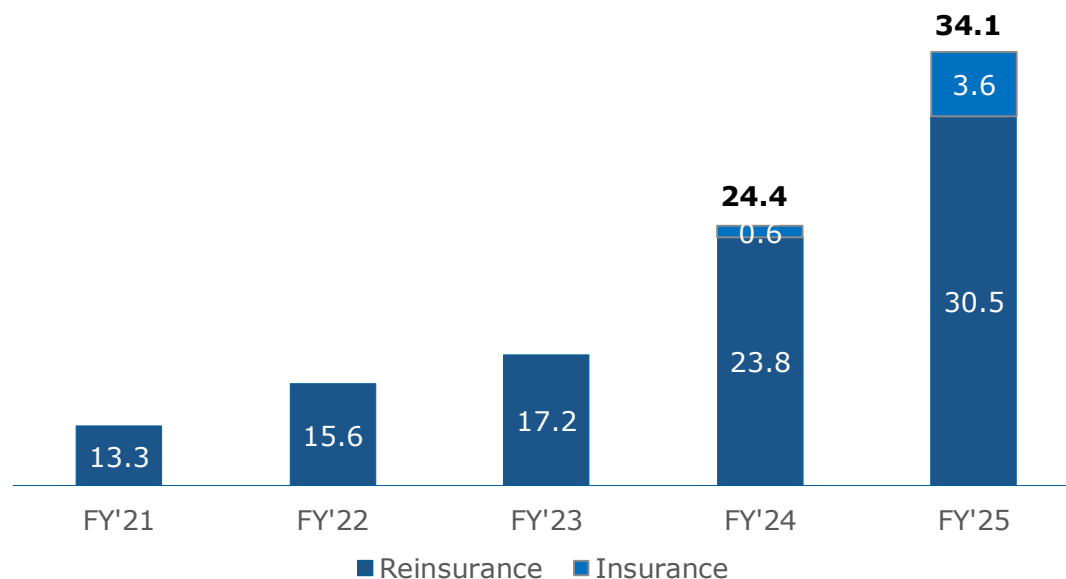
- HDFC Pension PFM<sup>1</sup> continues to be the largest private PFM<sup>1</sup> growing in line with industry in Retail and Corporate NPS AUM segment
- HDFC Pension PoP<sup>2</sup> has become the largest PoP<sup>2</sup> in terms of corporate subscribers<sup>3</sup> and corporate relationships
- In FY25, we have added more than 136K PoP<sup>2</sup> subscribers clocking a growth of more than 66%

# HDFC International Life and Re



## Gross Written Premium (Revenues)

USD Mn.



**Learn more about our multi-currency life and health insurance solutions**



## Positive operating performance

- Reinsurance business' GWP grew by 28% in FY25 and Net Profit grew by 51% in FY25
- 8 products available through GIFT City across UL, Term Life, Health, Group Term and Group Credit



## Robust financial position

- Capital adequacy ratio remains well above risk limits
- S&P Global Ratings – “BBB”; Outlook – Stable
- AM Best Ratings – “B++” (Good); Outlook – Stable



## Opportunity

- Insurance business operated from GIFT City is poised to benefit from favorable tax provisions introduced in the Union Budget for FY 2025-26

# Agenda

1

**Performance Snapshot**

2

**Business Overview**

3

**Other Business Highlights**

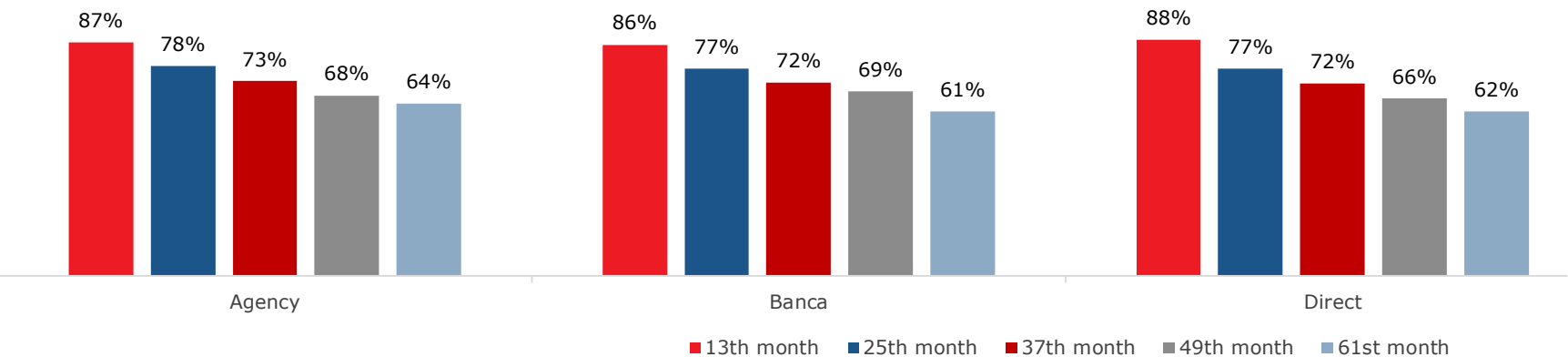
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**Life insurance in India**

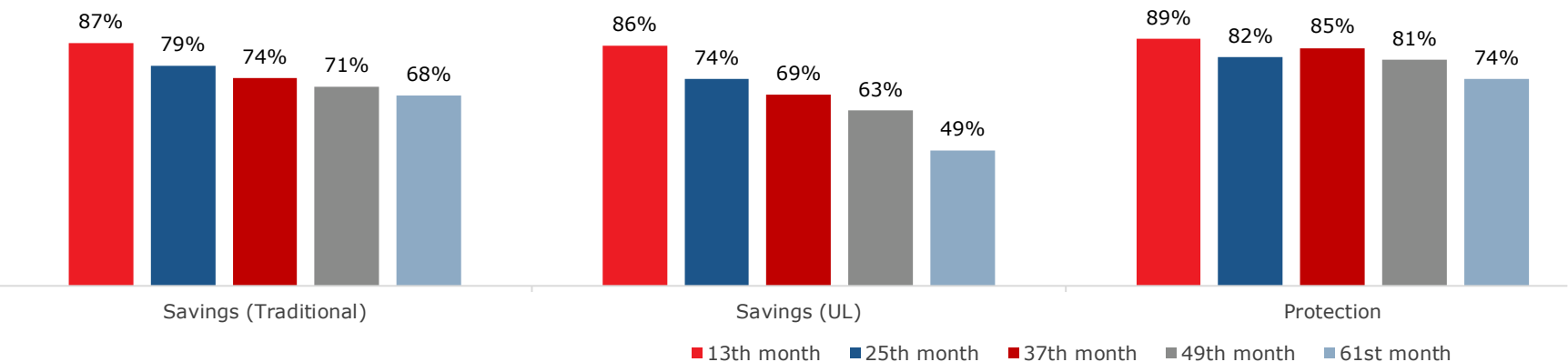


# Persistency trends for HDFC Life

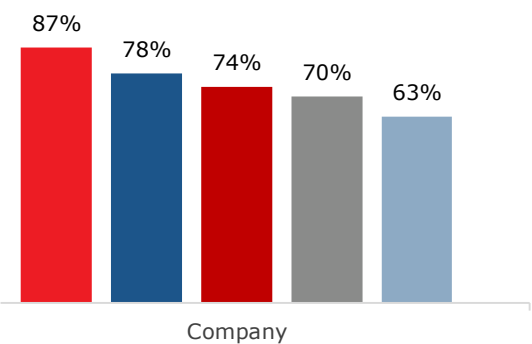
## Across key channels



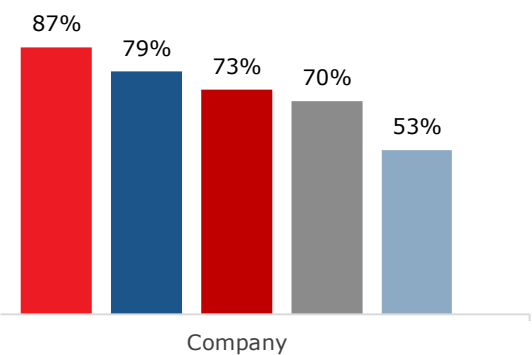
## Across key segments



## CY (FY25)

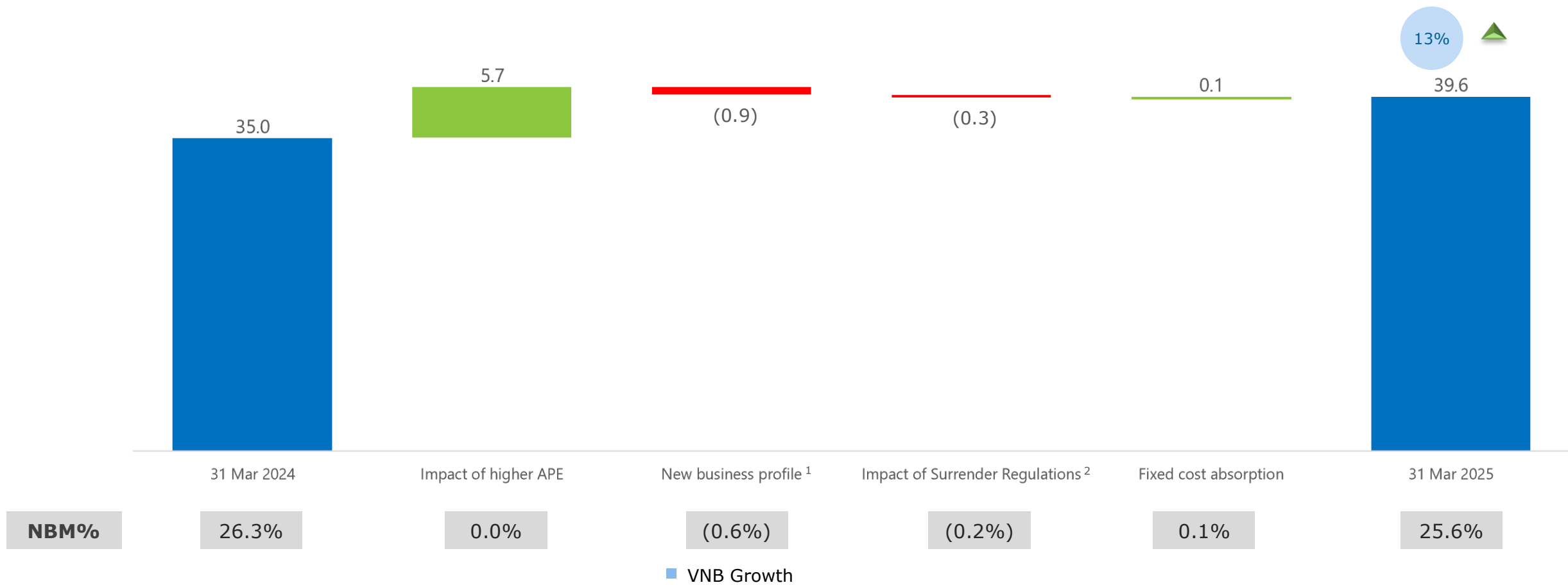


## PY (FY24)



# Steady VNB trajectory

Rs bn



Note: Numbers may not add up due to rounding off

- 1. Reflects the impact of difference in mix of segment/distribution channel/tenure/age/sum assured multiple, amongst others
- 2. Effective October 1, 2024



# Sensitivity analysis: FY25

Analysis based on key metrics	Scenario	Change in VNB Margin <sup>1</sup>	% Change in EV
<b>Change in</b>			
<b>Reference rate</b>	Increase by 1%	(1.4%)	(2.7%)
	Decrease by 1%	0.9%	2.6%
<b>Equity Market movement</b>	Decrease by 10%	(0.2%)	(1.4%)
<b>Persistency (Lapse rates)</b>	Increase by 10%	(0.9%)	(0.1%)
	Decrease by 10%	0.9%	0.1%
<b>Maintenance expenses</b>	Increase by 10%	(0.8%)	(0.9%)
	Decrease by 10%	0.8%	0.9%
<b>Acquisition Expenses</b>	Increase by 10%	(2.5%)	NA
	Decrease by 10%	2.5%	NA
<b>Mortality / Morbidity</b>	Increase by 5%	(1.6%)	(1.2%)
	Decrease by 5%	1.6%	1.2%
<b>Tax rate<sup>2</sup></b>	Increased to 25%	(4.5%)	(9.5%)

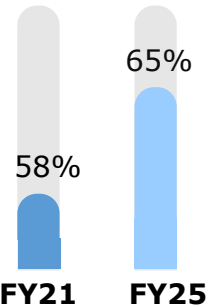
1. Post overrun total VNB for Individual and Group business

2. The tax rate is assumed to increase from 14.56% to 25% and hence all the currently taxed profits in policyholder/shareholder segments are taxed at a higher rate. It does not allow for the benefit of policyholder surplus being tax-exempt as was envisaged in the DTC Bill

# The tier 2/3 growth opportunity

## Our focus is to deepen our presence in tier 2/3 markets

Contribution of tier 2/3 markets in HDFC Life's APE



On NOP basis, tier 2/3 markets contributed to 3/4<sup>th</sup> of the business in FY25



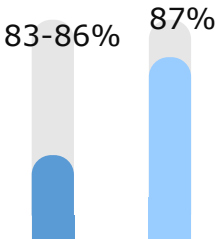
Amongst top 3 brands<sup>1</sup> for tier 2/3 customers



Higher focus on micro markets and increase penetration in tier 2/3 markets

## While ensuring that quality of business is maintained

13M persistency closer to org



Tier 2/3 Org

Tier 2/3 markets' ATS closer to org ATS



Tier 2/3 Org



APE growth in tier 2/3 markets has outpaced company level growth



NOP growth at par with company growth in FY25

## And building capacity for future growth



**41K+**

Partner branches

**650+**

HDFC Life branches

**300+**

Partners comprising banks, NBFCs, MFIs, SFBs, new ecosystem partners



78% of new agent addition in tier 2/3 markets



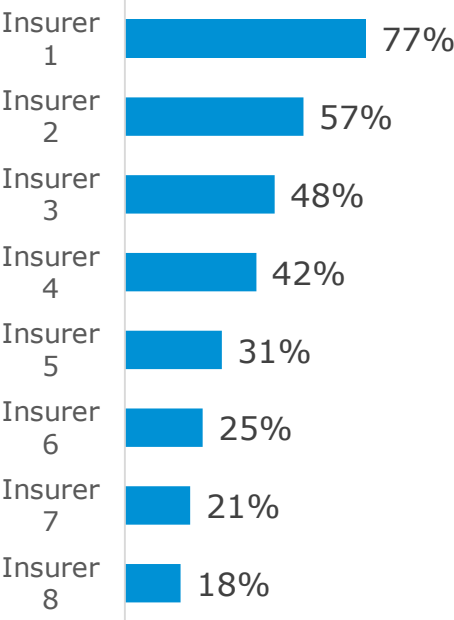
Expansion strategy complementary to banca partners' SURU expansion

# Focus on increasing awareness across tier 2/3 markets

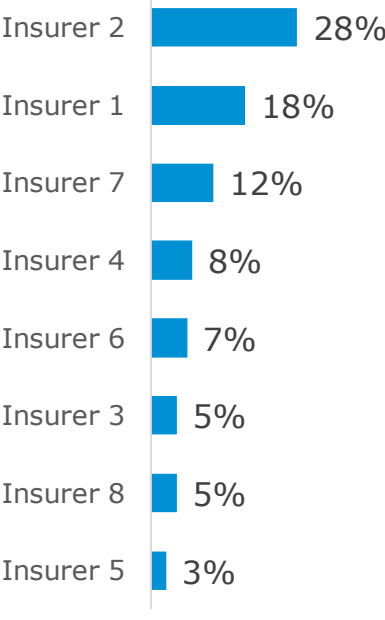
## Spontaneous awareness (Private insurers)



Tier 1



Tier 2/3



Focus on category creation and deeper regional connect, supported by large campaigns:

*Evident that insurance awareness is far lower in tier 2/3 markets*



**New branch launch - Modular approach**

- Announcements, hoardings, regional PR, vernacular collaterals



**Educating the audience on category/product/brand**

- Customer/Investor connect programs through training institutes, local media



**Hyper-localization**

- Regional and local festivals, PR
- Promotion through: schools, RWAs<sup>1</sup>, traffic barricades



**Content amplified through local influencers**

- Tapping the potential of 'social media influencers', to micro-target the audience

# ESG at a Glance

## 5 Pillars of ESG





# Ethical Conduct & Governance

## Leadership Oversight on ESG

- ESG governed by the Board **CSR & ESG Committee** and driven by the **ESG Management Committee** and cross functional teams
- Performance Management based on the principles of **Balanced Scorecard**; covers the organisation's performance on financial, market / customer, people, **sustainability** and operational aspects

## Corporate Governance

### Board Composition

- Six** Independent Directors
- Two** Non-Executive Non-Independent Directors

### Board Diversity

- Two** women Directors on Board

### Remuneration Policy

- Seeks to balance the fixed and incentive pay
- ESOPs** based on the recommendations of NRC
- Clawback & Malus provision**

## Risk Management

- Risk oversight by Senior Management & Board of Directors vide **Risk Management Council** and **Risk Management Committee** respectively
- Modes of Risk Awareness: Trainings, E-mailers, Seminars, Conferences, Quizzes and Special awareness Drives
- Business Continuity Management (**BCM**): Recovery plan for critical business activities in place
- Enterprise Risk Management (**ERM**) framework:
  - 'Three Lines of Defence approach'
  - Reviewed and approved by the Board
- ESG risks including Climate change, etc. included under **Emerging risks** category of the ERM Framework
- Materiality Assessment** conducted as per GRI Universal Standards 2021

## Information / Cybersecurity

- Risk oversight by Board **Risk Management Committee** and risks reporting done on a quarterly basis
- Modes of Risk Awareness:
  - Annual mandatory training for all employees
  - Security workshops and case study discussions
  - Specially curated programs and sessions for senior leadership
  - Monthly awareness mailers
  - Security posters and leaflets
  - Phishing Simulation Campaigns
- Dedicated helpdesk and email id's for reporting on the breaches
- Information security controls modelled in line with:
  - ISO 27001** standards
  - IRDAI mandated cyber security guidelines

## Policies & Frameworks

- Anti-bribery & Anti-corruption Policy
- Anti Money Laundering (AML) Policy
- Board Diversity Policy
- Code of Conduct
- Corporate Governance Policy
- Data Privacy Policy
- Investor Grievance Policy
- Responsible Investment (RI) Policy
- Stewardship Policy
- Tax Policy
- Whistleblower Policy
- Corporate Social Responsibility (CSR) Policy
- Diversity, Equity and Inclusion (DEI) Policy
- Human Rights Policy
- Policy for Prevention and Redressal of Sexual Harassment (PRSH)
- Supplier Code of Conduct
- Health & Safety Policy
- Environment and Climate Change Policy

# Responsible Investment

## RI – Policy, Framework & Governance structure

### Policy objective

To generate optimal risk adjusted returns over the long term through consideration of environmental, social and governance factors in investment decisions

### Framework

- **RI and Stewardship policy** in place
- Major asset classes covered by RI Policy:
  - **Equity and equity related securities**
  - **Alternate Investment Funds (AIFs)**
  - **Investment Trusts**
  - **Corporate Bonds**
  - **Government Securities**
- Subscribed to **external ESG rating provider** for top 250 companies by AUM
- **Head of Research** ensures that ESG is incorporated into overall Research and Investment process
- ESG issues covered **in voting process**

### Governance structure

A **ESG Governance Committee** at the investment team level comprises of Chief Investment Officer, Head of Fixed Income, Head of Research, Fund Manager of ESG Fund and dedicated ESG research analyst

## Responsible Investing Products

### Sustainable Equity Fund

The fund seeks to generate returns from investing in companies with high ESG standards and commensurate score, create value for all stakeholders with lower risks & generate sustainable long-term returns

### Exclusion criteria

- Companies engaged in the business of tobacco, alcohol, controversial weapons and gambling are excluded from the Sustainable Equity Fund
- Exclusion criteria aligned with the exclusion policy followed by Nifty 100 ESG Index

## Responsible Investment Stewardship

- Became signatory to **United Nations – supported Principles for Responsible Investment (UN-PRI)**
- Prepared and Submitted 1st UN-PRI report (voluntary) for FY 2022-23



# Diversity, Equity & Inclusion and Employee Engagement

## DEI – Policies & Programs

- **'Celebrate You'** programme ingrains DEI philosophy across policies, communication, leadership development and workforce culture
- **Employee Resource Groups (ERGs)** to create a more inclusive workplace
  - Women in Insurance
  - Life of Pride
  - Happiness at work
  - Wellness & Wellbeing
- **Promoting diverse talent pool** (work profiles for second career women, specially - abled)
  - Punarāgaman
  - #MyJobMyRules
  - Shakti – Acid attack survivors hiring initiative
- Official **DEI page** on our website highlighting various initiatives
- **Gender transition surgery** covered under mediclaim policy
- Launched **Emotional and Mental Well-being** Policy
- **Gender neutral** dress code and mediclaim policy
- **Adoption policy:** Use of terms like primary and secondary caregiver instead of using terms like parents, mother/father, man/woman

## Employee Engagement

- **Emotional and well being assistance** program for employees and their families
- **Doctor on Call:** Unlimited free consultation
- **E-Sparsh:** Online query & grievance platform
- **Family integration programs:** Launched 'Bring your parents to work' initiative
- **Platform for employee engagement:**
  - CEO Speaks
  - HDFC Life Got Talent
  - E-appreciation cards
- **Leadership and expert sessions** to create awareness on various topics of inclusion

## Training & Development

- **Career coaching** and development interventions; woman mentoring
- **Mobile learning** app for self-paced learning
- Training for all including employees, contractors, channel partners / Virtual product training
- **Skill Up:** A curated online training programs from reputed universities
- Launched Skillshots – AI based learning

## Talent Management / Retention

- Launched **Leadership Edge** for mid-management
- Special programs for campus hires
- **Career microsite** & job portal
- **Leadership pathways** for senior management
- **STRIDE** program for HI-PO employees
- **Managers Transformation League:** Leadership development program for middle management
- **New Manager Boot Camp:** Leadership development program for First Time Managers
- **Long term incentive plans** in the form of ESOPs and cash to attract, retain and motivate good talent
- **Elaborate succession planning** for Key Managerial Personnel and critical senior roles

## Attracting Talent

- **Hybrid work model** and flexi hours to attract gig workers
- Robust **employee referral** schemes
- **Hire-train-deploy** model through tie-up with reputed learning institutions
- **HR tech:** in-house application tracking system

## Awards & Recognition

- **Great Place to Work recognition** - India's Best Workplaces for Building a Culture of Innovation by All 2024
- **ET Best organisation for Women 2024**
- **Top 100 Best Companies for Women 2023 & Exemplar of Inclusion 2023** by Avtar & Seramount
- **Brandon Hall Excellence Awards 2023** – Gold award for 'Best Blended Learning Program'

## Key Performance Indicators

- **Employee Satisfaction Score:** 85%
- **Women Representation:** 26.9%
- **Average hours of training per hour per employee:** 71.35

# Holistic Living: Delivering superior customer experience

## Customer Centricity

Journey simplification – frictionless sales and service

Document simplification & elimination

Leveraging advanced technologies for personalization and better customer experience (CX)

Contactless services- new normal



Simplifying buying journeys through **platforms** like LifeEasy (online term purchase)



**Online claim processing** for eligible customers via EasyClaims platform



**OCR:** Enabling digital document submission and verification



**Straight through processing** of maturity payouts for verified accounts



**Cognitive bots** – policy queries answered within 2-3 clicks



**Personalization** – Pre-approved sum assured for customers based on risk profile



**Digital Life Certificate** for collecting survival proof from senior citizens



**Contactless branches** by leveraging face recognition technology

## Enhancing Customer Experience through our CX Program, based on 5 focus areas:

1. Enabling a customer centric culture within the Organisation
2. Creating new and simple Product propositions
3. Seamless Customer Journeys
4. Simplified Communication
5. Use of Technology and Analytics

**Customer Satisfaction Score**  
(weighted average of FY 23-24)  
– **91%**

**Ranked no. 1** in the industry  
wide Customer Experience NPS  
study by Kantar

1. OCR: Optical Character Recognition

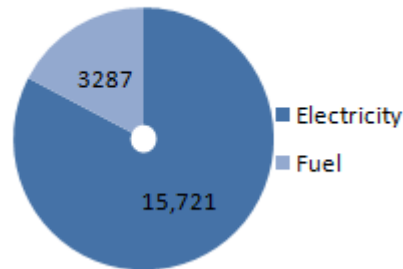
# Sustainable Operations & Climate Strategy

## Policies & Frameworks

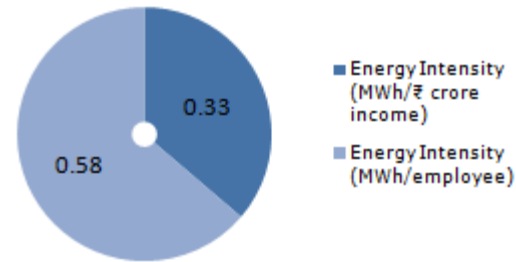
- Boar approved Environment & Climate Change Policy, serving as a guideline for understanding and managing our environmental and climate risks, impacts and opportunities
- Climate-related performance disclosed in accordance with the **TCFD** (Taskforce on Climate-related Financial Disclosures) framework
- GHG inventorization conducted as per **Greenhouse Gas Protocol, Corporate Accounting and Reporting Standard** (revised edition)

## Climate Impact

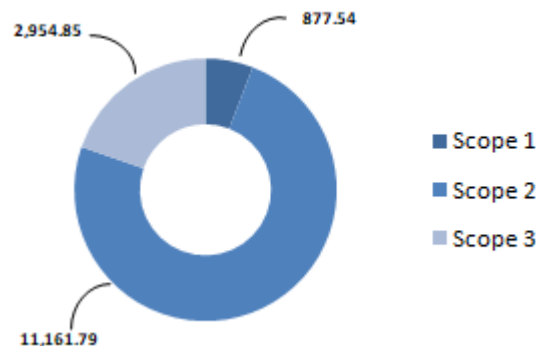
### Total Energy Consumption (MWh)



### Energy Intensity Ratios



### GHG emissions (t CO<sub>2</sub> e)



## Performance Overview

### • Reducing Carbon Footprint

- Planted **81,700** saplings and developed **6** Miyawaki city forests (home to over 52 species) under various CSR initiatives
- Installed **80.9 kWp** solar panels in 2 schools and 11 government hospitals, capable of generating over **one lakh** units annually and off-setting **89.9 MTCO<sub>2</sub>e** as part of CSR initiative
- Procured **FSC** (Forest Stewardship Council) certified eco-friendly paper made from wheat straw (agro waste) to reduce consumption of virgin paper

### • Waste Management & Circularity

- Recycled / Disposed **5.7** tonnes of E-waste, **6.5** tonnes of Paper waste and **0.1** tonnes of Plastic waste

### • Energy and Water

- Purchased **~437.1 MWh** of electricity produced from renewable sources (wind energy) <sup>1</sup>
- Installed **28** new water purifiers till date (31<sup>st</sup> Mar'23) to replace bottled drinking water
- **Water Body Rejuvenation:** Restored 4 water bodies in Maharashtra and Delhi-NCR covering 34 acres of area as part of CSR initiative, which will increase in water holding capacity, groundwater recharge and improvement in the ecology

### • Digitisation

- Issued policies in Demat format - Demat accounts for **30%** new insurance policies; encouraging policyholders to opt for Demat or online copies of their policy documents<sup>1</sup>

# Financial and operational snapshot (1/2)

Rs bn.

	FY25	FY24	FY23
<i>New Business Premium (Indl. + Group)</i>	333.7	296.3	290.9
<i>Renewal Premium (Indl. + Group)</i>	376.8	334.5	284.5
Total Premium	710.5	630.8	575.3
Individual APE	136.2	115.1	114.0
Overall APE	154.8	132.9	133.4
Profit after Tax	18.0	15.7	13.6
- <i>Policyholder Surplus</i>	9.1	6.7	5.9
- <i>Shareholder Surplus</i>	9.0	8.9	7.7
Dividend Paid	4.3	4.1	3.6
Assets Under Management	3,363	2,922	2,388
Indian Embedded Value	554.2	474.7	395.3
Net Worth <sup>(1)</sup>	156.8	142.0	129.7
NB (Individual and Group segment) lives insured (Mn.)	49.7	66.0	68.5
No. of Individual Policies (NB) sold (In '000s)	1,267	1,166	1,054



# Financial and operational snapshot (2/2)

Rs bn.

		FY25	FY24	FY23
Overall New Business Margins (post overrun)		25.6%	26.3%	27.6%
Operating Return on EV		16.7%	17.5%	19.7%
Total Expenses (OpEx + Commission) / Total Premium		19.8%	19.4%	19.8%
Return on Equity	(1)	12.1%	11.5%	11.9%
Solvency Ratio		194%	187%	203%
Persistency (13M / 61M)		87%/63%	87%/53%	87%/52%
Individual WRP Market share	(2)	15.7%	15.4%	16.5%
<b>Business Mix (%)</b>				
- Product (UL/Non par savings/Annuity/Non par protection/Par)	(3)	39/32/5/5/19	35/30/6/5/23	19/45/5/4/27
- Indl Distribution (CA/Agency/Broker/Direct)	(3)	65/18/7/10	65/18/6/11	56/20/11/13
- Total Distribution (CA/Agency/Broker/Direct/Group)	(4)	28/9/3/11/49	27/8/3/12/50	25/9/4/13/49
- Share of protection business (Based on Indl APE)		5.4%	5.1%	4.1%
- Share of protection business (Based on Overall APE)		11.4%	13.3%	13.3%
- Share of protection business (Based on NBP)		26.8%	32.1%	29.0%

1. Calculated using net profit and average net worth for the period (Net worth comprises Share capital, Share premium and Accumulated profits). Opening net worth for FY23 has been adjusted in line with the scheme of merger approved by the court

2. Market share for FY25 pertains to 11M FY25

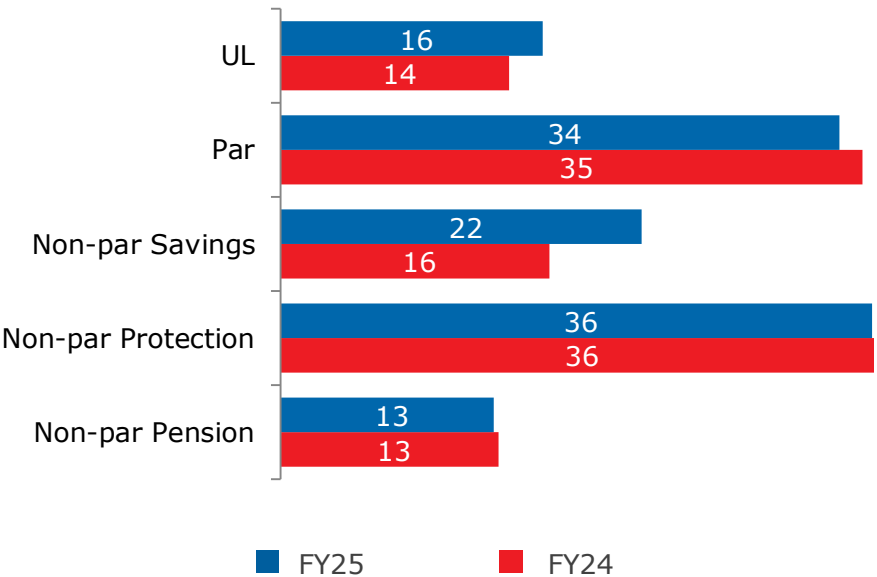
3. Based on individual APE. UL: Unit Linked, Trad: Traditional, Par: Participating & CA: Corporate Agents. Percentages are rounded off

4. Based on total new business premium including group

# Segment wise average term and age<sup>1</sup>

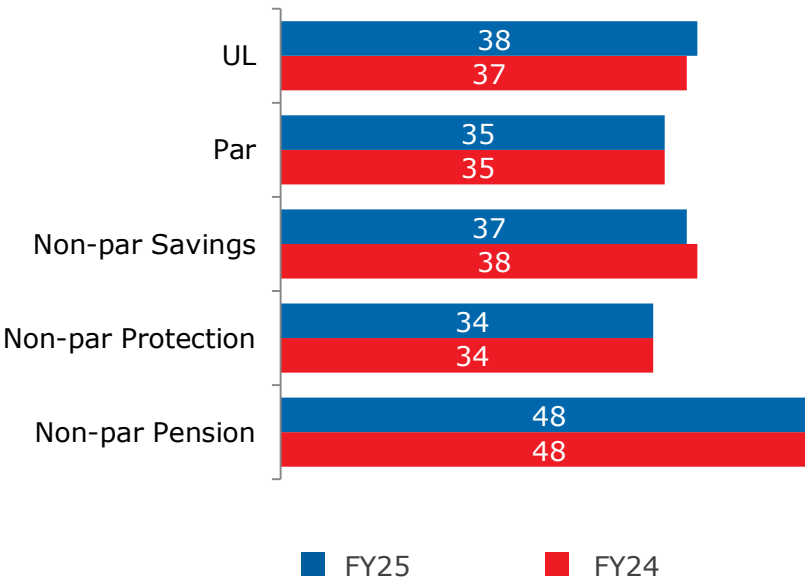
## Average Policy Term (Yrs)

FY25: 24.4 (FY24: 22.9)



## Average Customer Age (Yrs)

FY25: 36.6 (FY23: 36.2)



- Focus on long term insurance solutions, reflected in longer policy tenures
- Extensive product solutions catering customer needs across life cycles from young age to relatively older population

1. Based on individual new business policies (excluding annuity)

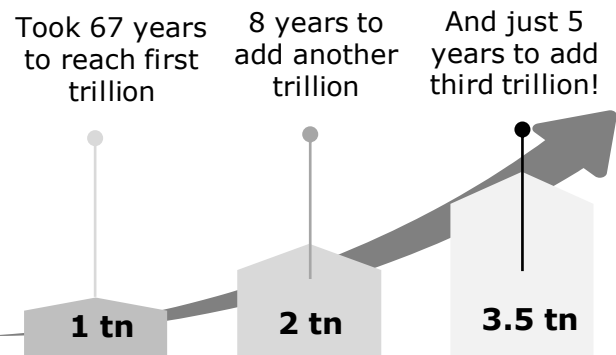
# Agenda

- 1 Performance Snapshot
- 2 Business Overview
- 3 Other Business Highlights
- 4 Life insurance in India

# India: poised for sustainable growth

## Fifth largest and fastest growing economy

### India's GDP (in USD)<sup>1</sup>



## Demographic dividend- youngest economy<sup>1</sup>

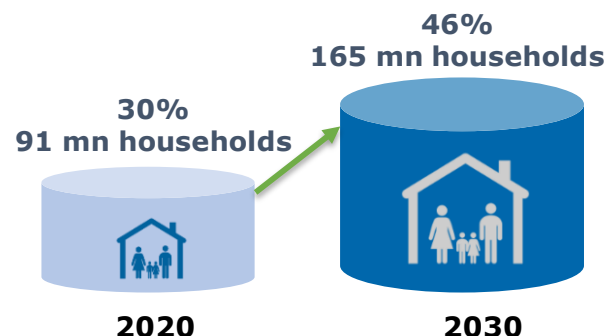


"At average age of 29 years, India to remain the youngest economy till 2070"

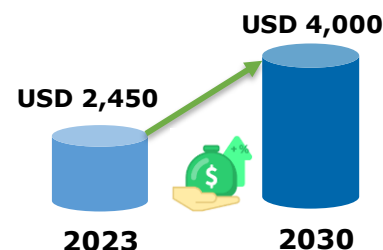
**India's per capita GDP is projected to nearly double from USD 2.4K in 2022 to USD 4.3K by 2032<sup>2</sup>**

## Rising affluence

### India's middle income segment as % of all households<sup>3</sup>



### India's per capita income



**India's per capita income is likely to grow by nearly 70% by 2030<sup>4</sup>**

## Investment in physical and digital building blocks to further drive growth



**1.45 lakh kms**

- Total length of National Highways, an increase of 59% in past 9 years<sup>4</sup>
- 2nd largest road network after USA



**134 bn**

- Transactions worth Rs ~2 trillion processed via UPI in FY24, relatively growth in tier 2 and 3



- Total PLI outlay of >\$26bn
- Capex distributed evenly across sectors and geographies<sup>5</sup>



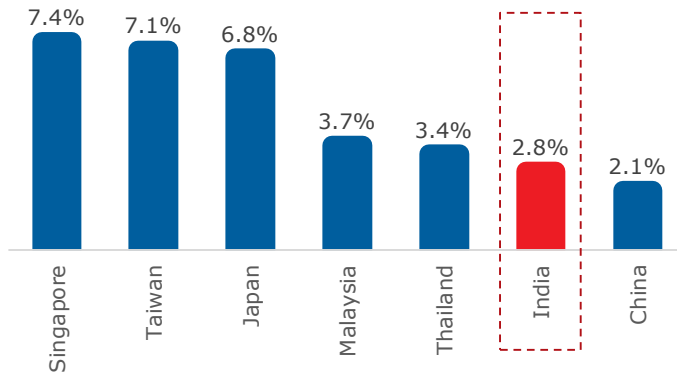
- GFCF<sup>6</sup> to be >30% over the next 5 years<sup>5</sup>
- Bank credit to be 60% of GDP by FY30 from 50% currently<sup>5</sup>

**Capex target up by 10% to record Rs 11.21 lakh crore in FY26 budget<sup>7</sup>**

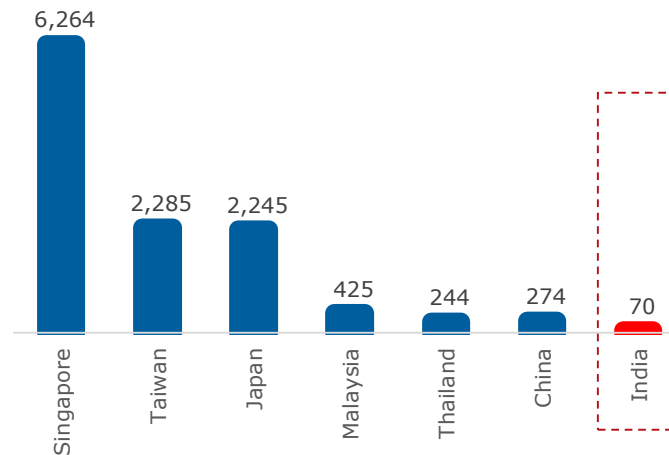
1. Invest India  
2. Swiss Re  
3. People Research on India's Consumer Economy (PRICE); average size of an household is 4.4 as in 2021  
4. Standard Chartered Bank  
5. CLSA, NDTV Profit  
6. Gross Fixed Capital Formation  
7. Economic Times

# Growth opportunity: Under-penetration and favorable demographics

**Life Insurance penetration<sup>1</sup> (FY24)**

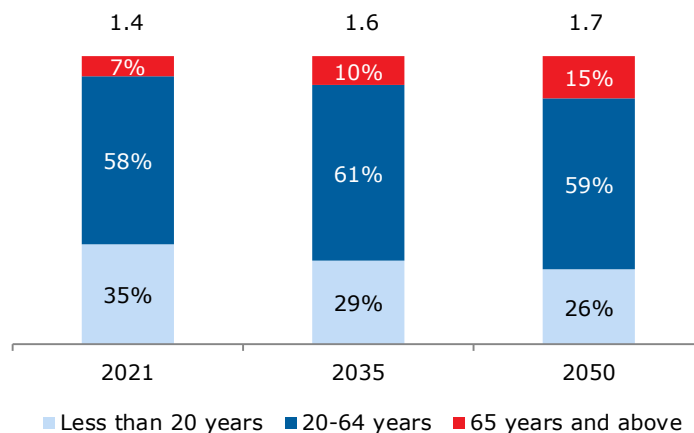


**Life Insurance density US\$<sup>2</sup> (FY24)**

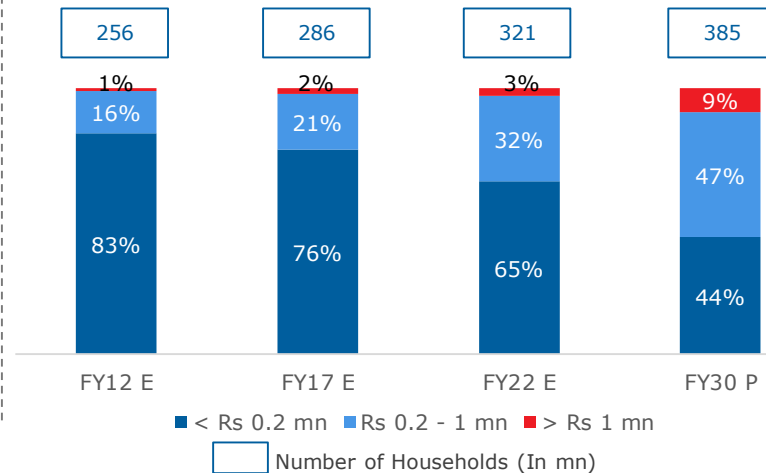


- India remains vastly under-insured, both in terms of penetration and density
- Bima Trinity initiative to catalyse growth:
  - Bima Sugam: Unified digital insurance platform
  - Bima Vistaar: Affordable bundled insurance product
  - Bima Vahak: Women led rural distribution system

**Population composition (bn)**



**Household distribution by income**



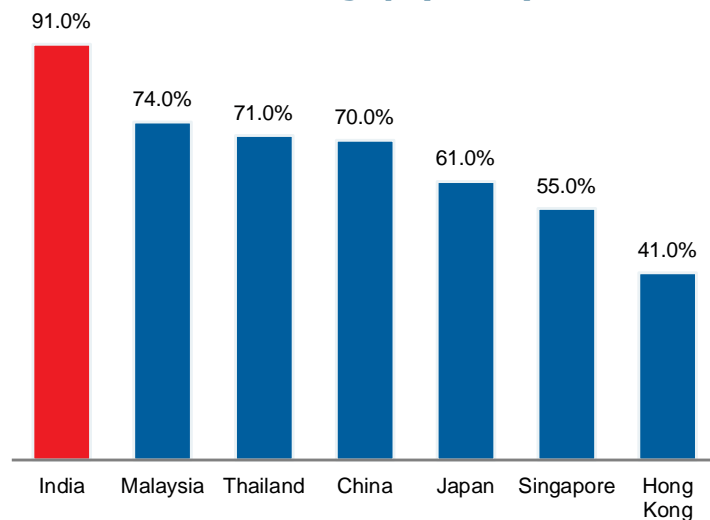
- Over the next decade, life insurance premiums are projected to grow at 9% annually (real terms), making India the 5th largest LI market globally
- India's insurable population estimated to be at ~1 bn by 2035
- Number of middle income households is expected to almost double to 181 mn between FY22 and FY30
- High proportion of this increase is expected to come from semi-urban and rural areas

1. Penetration as measured by premiums as % of GDP,

2. Density defined as the ratio of premium underwritten in a given year to the total population

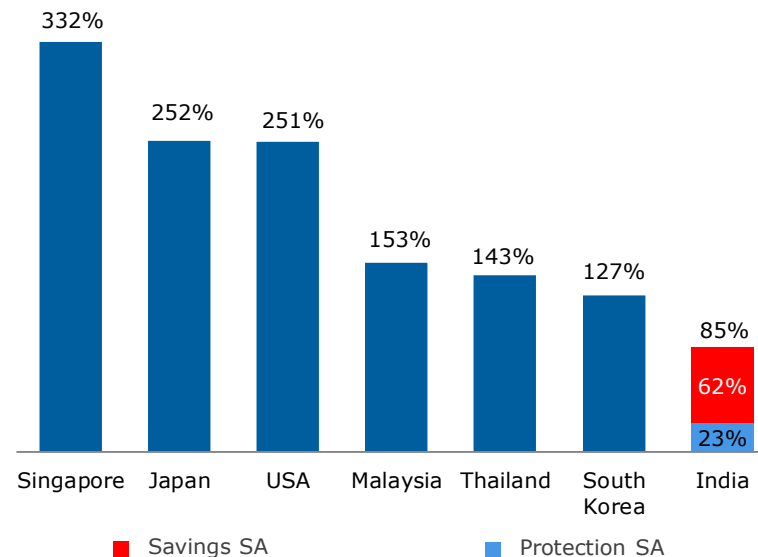
# Life protection: low levels of penetration

**Protection gap (2019)<sup>1</sup>**



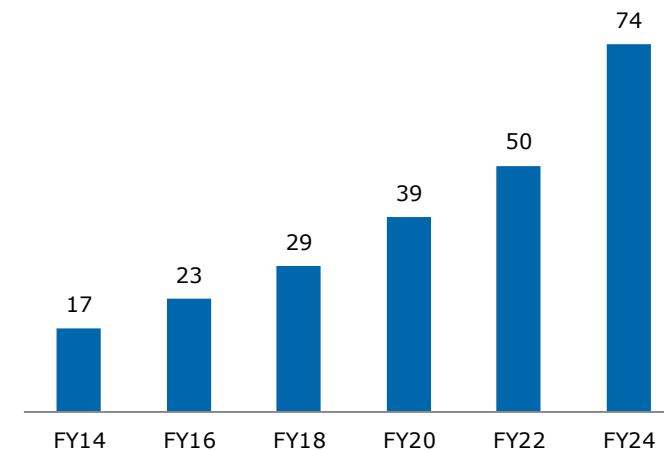
- India has the highest protection gap in the region
- Savings and life insurance coverage growth lagged economic and wage growth
- Protection gap growth rate to grow at ~4% per annum

**Sum Assured as a % of GDP<sup>2</sup>**



- India has the lowest sum assured (SA) as a % of GDP amongst its peers
- Opportunity for protection growth in life insurance due to:
  - Rising middle income
  - Increasing financial literacy
  - Limited life cover represents

**Trend of retail loans<sup>3</sup> (Rs Tn.)**



- Retail credit has grown at a CAGR of 16% over last 10 years
- Credit life need would be spurred by:
  - Increasing retail indebtedness
  - Increasing attachment rates
  - Increasing value penetration
  - Growing lines of business

1. Swiss Re. India's protection gap is as of CY22

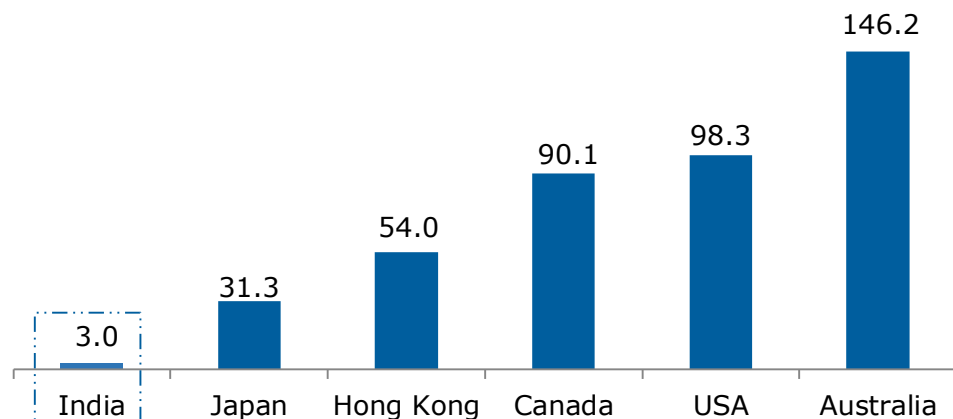
2. Jefferies "Composite Insurance License in India: Taking a Leaf from Global Experience" report 2022

3. Kotak Institutional Equities



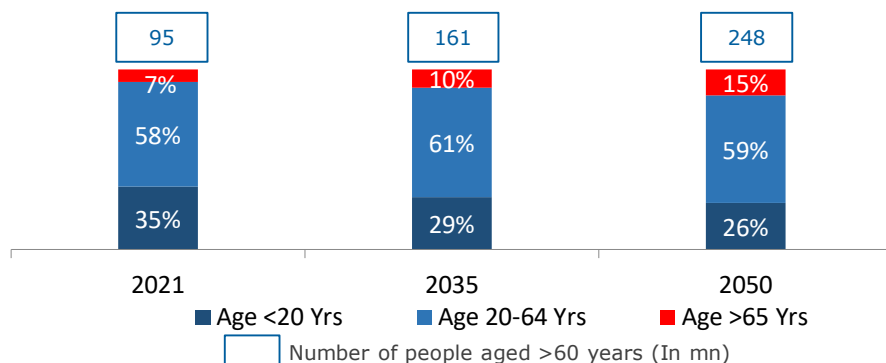
# Macro opportunity: Retiral solutions

India's pension market is under-penetrated at 3%<sup>1</sup> of GDP

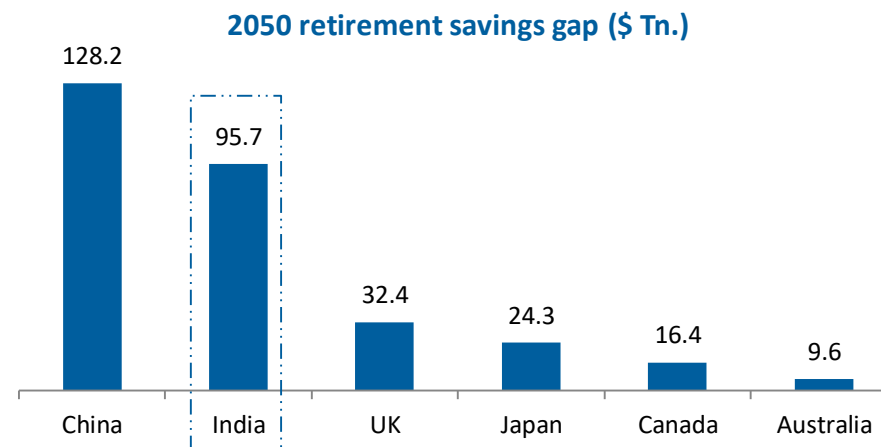


Elderly population is expected to increase 2.5x by 2050

Ageing population



India's retirement savings gap<sup>2</sup> to grow annually by 10% to reach ~\$96Tn in 2050



- Improvements in life expectancy will lead to an average post-retirement period of 20 years
- Average household size has decreased from 4.6 in 2001 to 3.9 in 2018
- Total Pension AUM is expected to grow to Rs 118 Tn by 2030 (about 1/4<sup>th</sup> accounted by NPS)
- Mandatory schemes to increase coverage for both unorganised and organised sectors

Source: Swiss Re: A Retirement lifeline (2023), OECD (2021), Milliman Asia Retirement Report 2017, Survey by NSSO, MoSPI, United Nations World Populations Prospects Report (2022)

1. Comprising pension assets / funds

2. Retirement savings gap = Desired retirement income (i.e. 70% of pre-retirement annual income) - Actual income (i.e. social security benefits + employer benefits + personal savings)

# Life Insurance: Contributing to nation-building



## Insuring India

- Policies issued annually (last 5 years): ~30 Mn
- Death claims settled in FY24: ₹500 Bn
- In-force sum assured (Mar 31, 2024): ₹222 Tn



## Mobilising Long-Term Capital

- Life insurers channel household savings into long-term investments
- Strong exposure to infra and corporate bonds aid economic growth

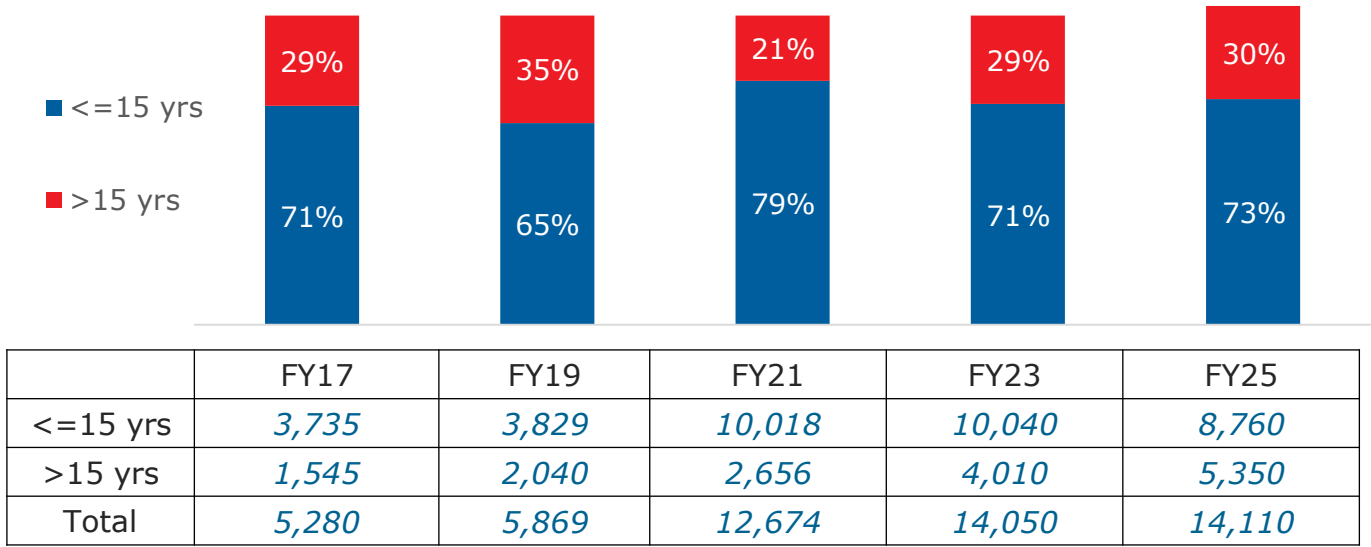


## Supporting national growth

- 15%+ of traditional fund AUM invested in infra & social sectors
- Lives covered via micro-insurance: 180 Mn
- ~20% of G-Secs issued are subscribed by life insurers

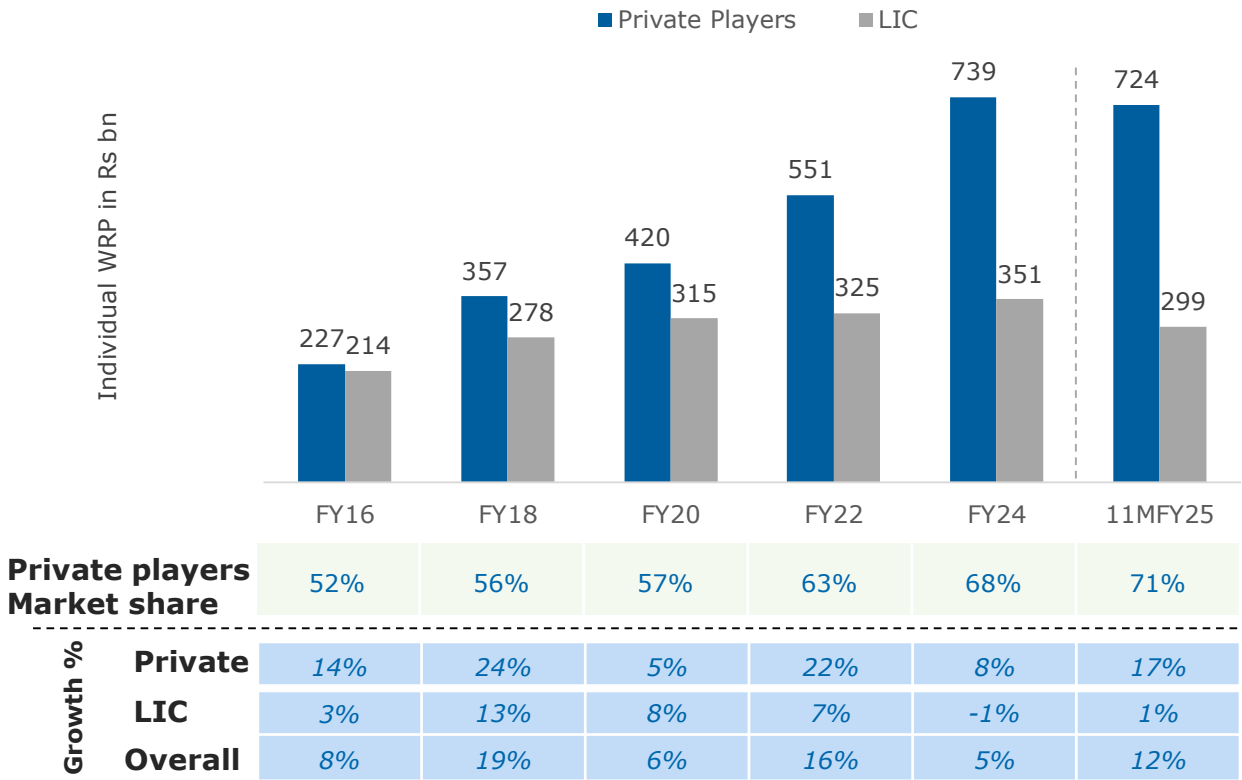
Rs Bn

## Government bonds - Tenorwise Issuance

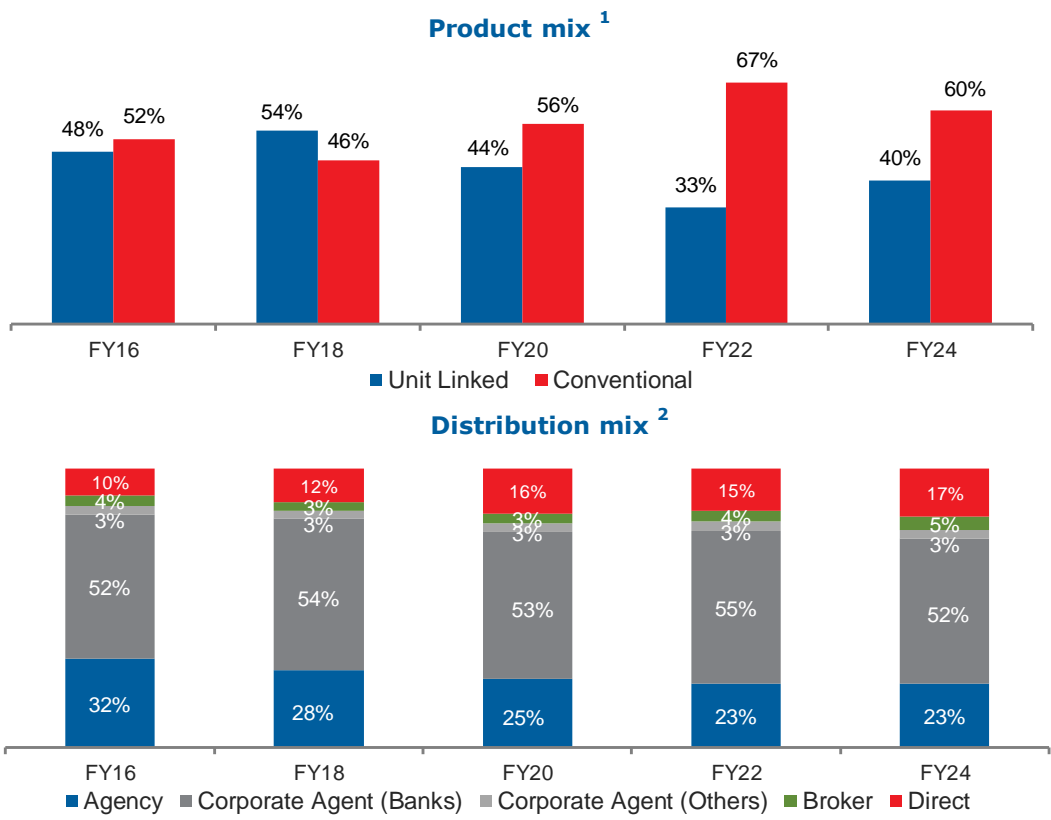


- Auction of >15 year maturity bonds has been ~25-30% on an average which facilitates writing annuity business at scale
- Budget estimate of gross government borrowing for FY26 is at Rs 14.8 trillion

# Industry new business trends



- Private sector remained at higher market share than LIC FY16 onwards
- Amongst private insurers, insurers with a strong bancassurance platform continue to gain market share



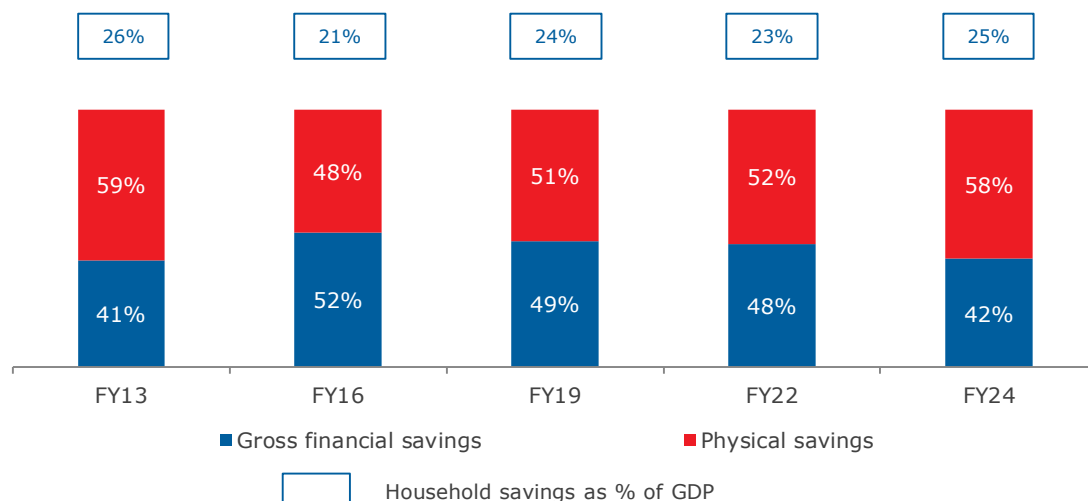
- Private players are shifting towards ULIPs with a strong focus towards protection
- Banca remains the dominant channel, supported by expanding bank reach and growing direct channel contribution

Source: IRDAI and Life Insurance Council;  
1. Based on Overall WRP (Individual and Group) for all private players  
2. Based on Individual New business premia for all private players

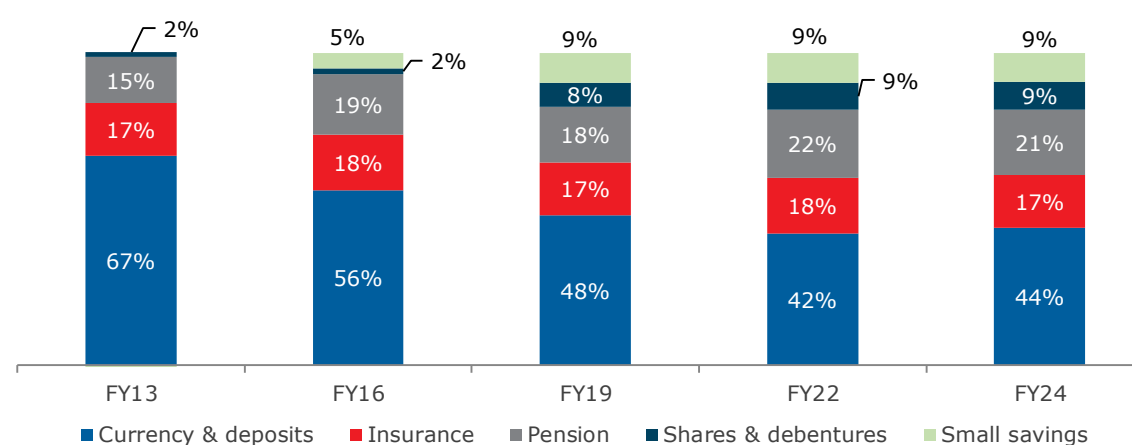


# Life Insurance: A preferred savings instrument

## Household savings composition



## Financial savings mix



- Increasing preference towards financial savings with increasing financial literacy within the population
- Implementation of JAM trinity. Deposits in PMJDY accounts grew 14x in a decade to 2.23 Lakh Crores by March 2024
  - Nearly 90% of people in the country have a bank account, without any sharp urban-rural divide
- Launch of affordable PMJJBY and PMSBY social insurance schemes
- Atal Pension Yojana promoting pension in unorganised sector

Source: RBI Annual Report, Invest India, Morgan Stanley: India Equity Strategy Playbook, Motilal Oswal Financial Savings Update Sep '23 & The Economy Observer He125, Swiss Re

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FY24 ESG Report



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