

PRESS RELEASE - PERFORMANCE FOR NINE MONTHS ENDED DECEMBER 31, 2024

BSE Code: 540777

NSE Code: HDFCLIFE

HDFC Life records strong individual APE growth of 24%; New Business Margin of 25.1%, delivers value of new business growth of 14%

Mumbai, 15th Jan, 2025: The Board of Directors of HDFC Life approved and adopted the reviewed standalone and consolidated financial results for nine months ended December 31, 2024. The Company continued its positive trajectory, delivering healthy and consistent performance across all metrics.

Performance Highlights:

- **Topline Growth:** Delivered strong individual APE growth of 24%, supported by a 15% increase in number of policies sold and a balanced product mix
- **Market Share:** Overall market share (individual WRP) increased by 70 bps to 10.8%. Private sector market share stood at 15.3%
- **Value of New Business (VNB)** grew by 14% to ₹2,586 crore, reflecting strong growth in profitable business
- **Assets under Management (AUM):** AUM stood at ₹3.3 lakh crore as on 31st December 2024, an increase of 18% YoY
- **Persistency:** 13th and 61st month persistency stood at 87% and 61%, an increase of 110 and 780 bps respectively, demonstrating the company's strong customer engagement and retention
- **Embedded Value (EV)** grew by 18% and stood at ₹ 53,246 crore, with 16.0% operating return on EV, showcasing sustained long-term value creation for both policyholders and shareholders
- **Profit After Tax (PAT)** of ₹ 1,326 crore was achieved in 9M FY25, clocking a steady growth of 15% year-on-year, helped by an 18% increase in profit emergence from our back book.
- **Solvency Ratio** stood at 188%, comfortably above the regulatory threshold of 150%
- **Employee Focus:** Recognised as India's Top 50 Best Workplaces for Women by Great Place to Work. Also featured in Business Today's BT500 list of India's Most Valuable Companies

CEO's Statement:

Vibha Padalkar, Managing Director and CEO of HDFC Life, commented: "We have registered a healthy growth of 22%, based on individual WRP for 9MFY25, outpacing overall industry growth of 14%. We have witnessed both ticket size and volume expansion during this period. The number of policies has

grown by 15%, outperforming the private sector's growth of 9%. Retail protection continues to grow well. Retail protection APE for nine months saw a growth of 28%.

We are committed to adapting to the evolving market landscape with agility and resilience. This includes continued investment in distribution, tech and customer-centric product innovations to deliver long-term value for our stakeholders."

Key Financial Summary

Rs Crore	9M FY25	9M FY24	YoY
Key Financial and Actuarial Metrics			
Individual APE	8,986	7,271	24%
Total APE	10,293	8,564	20%
New Business Premium (Indl + Group)	22,396	20,100	11%
Renewal Premium (Indl + Group)	24,617	22,039	12%
Total Premium	47,013	42,139	12%
Assets Under Management	3,28,684	2,79,707	18%
Profit After Tax	1,326	1,157	15%
Indian Embedded Value	53,246	45,173	18%
Value of new business	2,586	2,267	14%

	9M FY25	9M FY24
Key Financial Ratios		
New Business Margins	25.1%	26.5%
Operating Return on EV	16.0%	16.5%
Total Expenses / Total Premium	20.8%	19.6%
Solvency Ratio	188%	190%
13M / 61M Persistency	87%/61%	86%/54%
Individual WRP market share (Overall)	10.8%	10.1%
Product mix by Indl APE (UL / Non par savings / Annuity/ Protection / Par)	37/35/5/6/18	32/28/7/6/28
Distribution mix by Indl APE (Corp Agents/ Agency/ Broker/ Direct)	64/17/7/11	64/18/6/11

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
- **Persistence** - 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 70 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.



Sar utha ke jiyo!

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.

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.

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.