

**PRESS RELEASE - PERFORMANCE FOR QUARTER ENDED JUNE 30, 2024**

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**HDFC Life achieves 18% VNB growth driven by 31% growth in individual APE, 22% increase in number of policies**

**Mumbai, July 15, 2024:** The Board of Directors of HDFC Life approved and adopted the reviewed standalone and consolidated financial results for the quarter ended June 30, 2024. The company has reported significant growth across several key metrics, setting a positive momentum for the fiscal year.

Commenting on the results, **Ms. Vibha Padalkar, MD & CEO, HDFC Life**, said, “We have started the year on a strong note, achieving 31% YoY growth in individual APE, which implies a two-year CAGR of 21%. This robust growth is driven by a comprehensive performance across all metrics.

We welcome the positive impact of IRDAI's progressive reforms that are expected to significantly strengthen the life insurance proposition in India, making it simpler, more transparent and ultimately more attractive to prospective customers”

**Key Highlights:**

- **Market Share Expansion:** Private market share expanded from 16.4% in Q1FY24 to 17.1% in Q1FY25, and the overall market share in Individual WRP increased to 11.4%
- **Retail Sum Assured Growth:** Achieved 46% growth, bolstered by higher sum assured multiples for savings products and strong rider attachment and aided by 28% growth in retail protection
- **Profit After Tax:** Grew by 15% to Rs 478 crore, with a growth in backbook surplus of 18%
- **Assets Under Management (AUM):** Surpassed Rs 3 lakh crore, with a growth of 22%
- **Geographic Growth:** Strong topline growth recorded across Tier 1, 2, and 3 geographies
- **Bonus Declaration:** Declared highest ever bonus of Rs 3,722 crore, to more than 22 lakh par policyholders

HDFC Life registered a strong increase in the number of policies and witnessed expansion in ticket size as well. The company's growth outpaced both the private sector and overall industry, both on a YoY and a two-year CAGR basis. Growth resurgence was experienced in Tier 1 markets whilst maintaining strong growth in Tier 2 and 3 geographies, which continue to account for a significant portion of the business.

**Product Mix:** ULIPs accounted for 38%, non-par savings for 35%, participating products for 16%, term for 6%, and annuities for 5%, based on individual APE. The ULIP mix was initially elevated, but moderated during the

quarter with the launch of products across other categories. Non-par products bounced back, clocking a 41% YoY increase. The latest Click2Achieve variant garnered Rs 100 crore of new business in merely 16 days.

**Value of New Business (VNB):** Q1 VNB was Rs. 718 crore, reflecting a healthy 18% growth both YoY and on a two-year CAGR basis.

The substantial gap in financial protection across India presents a compelling growth opportunity for the life insurance sector. HDFC Life is committed to securing India's future through innovative insurance solutions.

### Key Financial Summary

Rs Crore	Q1 FY25	Q1 FY24	YoY
<b>Key Financial and Actuarial Metrics</b>			
Individual APE	2,467	1,882	31%
Total APE	2,866	2,328	23%
New Business Premium (Indl + Group)	6,400	5,869	9%
Renewal Premium (Indl + Group)	6,411	5,804	10%
Total Premium	12,811	11,673	10%
Assets Under Management	3,10,244	2,53,301	22%
Profit After Tax	478	415	15%
Indian Embedded Value	49,611	41,843	19%
Value of new business	718	610	18%

	Q1 FY25	Q1 FY24
<b>Key Financial Ratios</b>		
New Business Margins	25.0%	26.2%
Operating Return on EV	15.5%	16.0%
Total Expenses / Total Premium	21.4%	19.8%
Solvency Ratio	186%	200%
13M / 61M Persistency	88%/56%	87%/53%
Individual WRP market share (Overall)	11.4%	10.6%
Product mix by Indl APE (UL / Non par savings / Annuity/ Protection / Par)	38/35/5/6/16	25/33/9/6/26
Distribution mix by Indl APE (Corp Agents/ Agency/ Broker/ Direct)	65/17/7/11	61/20/8/12

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](http://www.hdfclife.com). You may also connect with us on Facebook, Twitter, YouTube and LinkedIn.

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