

**PRESS RELEASE - PERFORMANCE FOR THE FULL YEAR ENDED MARCH 31, 2023**

**BSE Code: 540777**

**NSE Code: HDFCLIFE**

**Strong delivery across all key metrics – Private market share: 16.5%, VNB growth: 37%, Individual WRP growth: 27%**

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- **Higher than industry growth enables market share expansion by 70 bps**
- **Robust YoY growth: Protection APE up by about 20%, Annuity APE grew by 59%**
- **VNB margin of 27.6%, achieved margin neutrality post-merger, well ahead of target**
- **Operating ROEV at 19.7%; Indian Embedded value at Rs 39,527 crore**
- **13% growth in PAT to Rs 1,360 crore; with back book growing by a robust 27% offset by new business strain**
- **Proposed final dividend of Rs 1.90 per share; maintained 30% payout ratio since FY17\***

*\* except in FY20 where no dividend was declared due to the pandemic, as directed by the regulator*

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**Mumbai, April 26, 2023: The Board of Directors of HDFC Life approved and adopted today the audited standalone and reviewed consolidated financial results for the full year ended March 31, 2023. Below is the summary of our standalone results:**

Commenting on the full year performance for FY23, Ms. Vibha Padalkar, MD & CEO said “As you may be aware, the RBI has permitted HDFC Bank or HDFC Ltd to increase their shareholding in HDFC Life to more than 50% prior to the effective date, thus clearing any uncertainty around HDFC Bank’s eventual shareholding in us. We look forward to collaborating with our parent to be, towards creating value for all stakeholders.

We closed the year with a strong growth of 27% in individual WRP with a market share of 16.5% and 10.8% in the private and overall sector respectively, clocking expansion of 40 and 70 basis points respectively. We continue to grow faster than the private industry and be ranked amongst the top 3 life insurers across individual and group businesses. In terms of Individual WRP, we have outpaced the private industry over multiple timeframes including, in the past 3, 5 and 7 years, thereby consistently demonstrating growth leadership.

There has been an increase in protection share in total NBP from 24% in FY22 to 29% in FY23. Our overall protection APE grew by about 20% in FY23. Retail protection trends remain encouraging with sequential growth being over 50% and YoY growth being over 40% in Q4. Our annuity business in FY23 grew by 18% on received premium basis compared to a 2% growth for the industry. APE growth is much higher at 59% due to a pickup in our regular premium annuity product - Systematic Retirement Plan during the year.

Our new business margin for the year was 27.6% thereby delivering value of new business of Rs. 3,674 cr. which is a growth of 37%. Margin neutrality, after considering the acquired business, was achieved well ahead of target.

Our embedded value stood at Rs. 39,527 Crore as on March 31st, 2023, with an operating return on embedded value of 19.7% for FY23. Profit after tax for FY23 stood at Rs. 1,360 Crore, a robust YoY increase

of 13%. This is despite the increased new business strain arising from higher growth in Q4. The profit emergence continues to be aided by strong growth of 27% in back book surplus.

We are optimistic about the growth prospects of the industry and are committed to driving a significant increase in insurance penetration in line with the regulator's vision."

### Key Financial Summary

Rs Crore	FY23*	FY22
<b>Key Financial and Actuarial Metrics</b>		
Individual APE	11,401	8,168
Total APE	13,336	9,758
New Business Premium (Indl + Group)	29,085	24,155
Renewal Premium (Indl + Group)	28,448	21,808
Total Premium	57,533	45,963
Assets Under Management	2,38,782	2,04,170
Profit After Tax	1,360	1,208
Indian Embedded Value	39,527	32,958
Value of new business	3,674	2,675
Protection based on Total APE	1,776	1,325

	FY23*	FY22
<b>Key Financial Ratios</b>		
New Business Margins	27.6%	27.4%
Operating Return on EV	19.7%	16.6%
Operating Expenses / Total Premium	14.8%	12.3%
Solvency Ratio	203%	176%
13M / 61M Persistency	87%/52%	87%/54%
<b>Market share</b>		
Individual WRP	16.5%	14.8%
Overall new business premium	21.1%	21.0%
Product mix by Indl APE (UL / Non par savings / Annuity/ Protection / Par)	19/45/5/4/27	26/33/5/6/30
Distribution mix by Indl APE (Corp Agents/ Agency/ Broker/ Direct)	56/20/11/13	60/14/6/19

Notes:

1. Limited pay/regular premium persistency
  2. Percentages may not add up due to rounding off effect
- \* Current year numbers are on a merged basis, hence prior years are not comparable

### 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 2023, the first monthly instalment received would be reflected as First year premiums for 2022-23 and the remaining 11 instalments due in the first policy year would be reflected as first year premiums in 2023-24, 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

HDFC Life Insurance Company Limited ('HDFC Life' / 'Company') is a joint venture between HDFC Ltd., India's leading housing finance institution and abrdn (Mauritius Holdings) 2006 Limited, a global investment company.

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 60 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.

## 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 as well as other risks detailed in the reports filed by HDFC Limited, our holding company, with the United States Securities and Exchange Commission. 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*

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