July 15, 2025

Ref. No: HDFC Life/CA/2025-26/25

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Plot No C/1, Block G,
Bandra-Kurla Complex,
Bandra (East),
Mumbai- 400 051

Listing Department
BSE Limited
Sir PJ Towers,
Dalal Street,
Fort,
Mumbai – 400 001

NSE Symbol: HDFCLIFE

BSE Security Code: 540777

Dear Sir/ Madam,

Sub: Press Release and Investor Presentation – Financial Results Q1 FY26

Please find enclosed herewith a copy of press release along with investor presentation on financial results for the quarter ended June 30, 2025.

This is for your information and appropriate dissemination.

Thanking you,

For HDFC Life Insurance Company Limited

Narendra Gangan

Digitally signed by Narendra Gangan
Date: 2025.07.15 15:43:03 +05'30'

Narendra Gangan
General Counsel, Chief Compliance Officer & Company Secretary

Encl.: As above

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

BSE Code: 540777 **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, 15th 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 30th 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**
Key Financial and Actuarial Metrics			
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**
Key Financial Ratios		
New Business Margins	25.1%	25.0%
Operating Return on EV[1]	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)[2]	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. You may also connect with us on Facebook, Twitter, YouTube and LinkedIn.

Investor Presentation – Q1 FY26

Executive summary: Q1 FY26

Revenue & Scale

Individual APE	Rs (Bn.)	27.8
	Growth	12.5%
Renewal premium	Rs (Bn.)	76.0
	Growth	19%
AUM	Rs (Bn.)	3,559
	Growth	15%
IEV	Rs (Bn.)	584
	EVOP[1]	16.3%

Profitability & Cost

Value of New Business (VNB)	Rs (Bn.)	8.1
	Growth	12.7%
New Business Margin (NBM)	CY	25.1%
	PY	25.0%
Profit After Tax (PAT)	Rs (Bn.)	5.5
	Growth	14%
Total exp. ratio[2]	CY	21.9%
	PY	21.4%

Customer & Capital

13th month persistency	CY	86%
	PY	88%
Claim settlement ratio (FY25)	Overall	99.8%
	Individual	99.7%
Complaints per 10K policies[3]	FY25	31
	FY24	29
Solvency	Jun'25	192%
	Mar'25	194%

1. *EVOP is calculated on a 12 month rolling period*
2. *Total Expense Ratio is calculated as total expenses (including commission) divided by total premium*
3. *Complaints data (excluding survival and death claims)*

Agenda

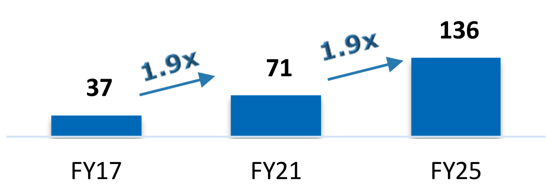
1. Performance Snapshot
2. Business Overview
3. Other Business Highlights
4. Life insurance in India

HDFC Life

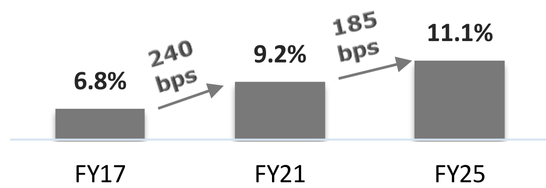
Consistent, predictable, sustained performance

Holistic growth

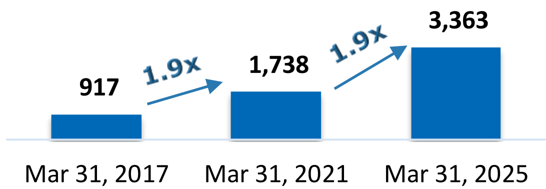
Individual APE



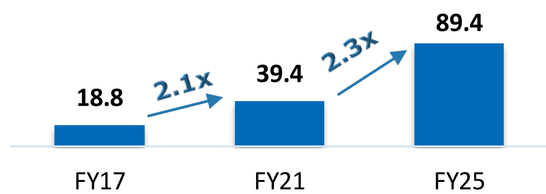
Overall market share



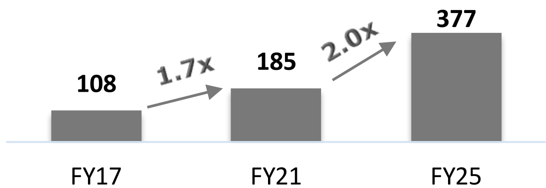
Assets under management



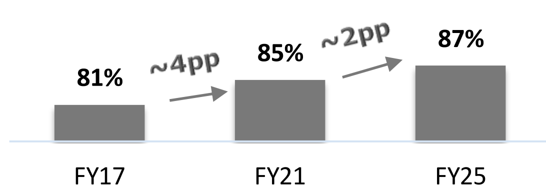
Protection new business[1]



Renewal premium



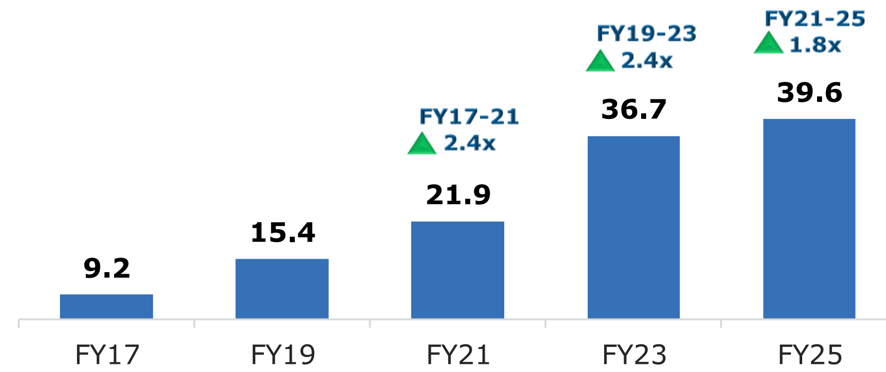
13th month persistency[2]



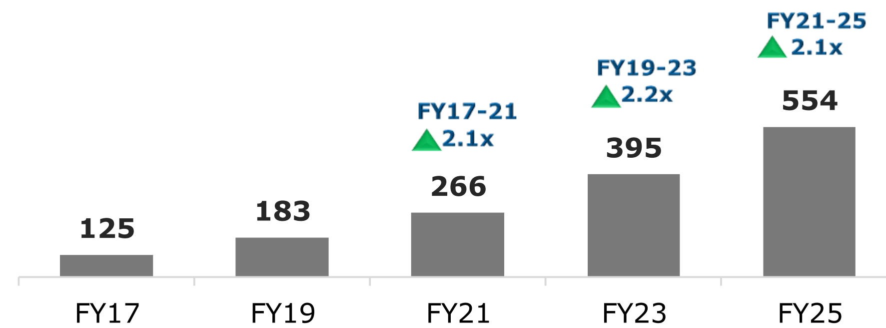
Rs bn

Consistent track record over multiple periods

Value of new business



Embedded value



1. *Based on Overall NBP*
2. *Excluding single premium*

Steady performance across business cycles

Open architecture
- Banks allowed to tie up with 3 insurers
- Loss of exclusivity at HDFC Bank

Covid-19 pandemic
- Lockdown – Face to face communication disrupted
- Rise in claims

Change in ULIP tax exemption limit
Tax exemption removed for policies > Rs 2.5 lakh

Change in traditional savings tax exemption limit
Tax exemption removed for policies > Rs 5 lakh

Surrender value (SV) regulation
- Increase in SV after completion of 1st policy year

- **Diversified distribution** – Increase in new tie-ups
- **Growing proprietary** – Agency/Direct

- **Tech enablement** – faster claim settlement & policy issuance
- Prudent **risk management**
- **Distribution expansion** for tapping new markets – Exide Life M&A, increasing market share in new partnerships

- Focus on **broadening customer base**
- **Upfront investments** in distribution infrastructure, technology and manpower **to capitalize on the long-term opportunity**

- Restructuring of **distributor commercials**
- **Lower impact** on relative basis

Consistent product innovation

	FY16	FY18	FY20	FY22	FY24	FY25
NBM[1]	19.9%	23.2%	25.9%	27.4%	26.3%	25.6%
Indl WRP[2] growth	12%	31%	19%	16%	1%[3]	17%
Overall industry growth	8%	19%	6%	16%	5%	10%

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%

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[1]	39.6	16%	20%
Operating variances	3.1	2.1	2.0	1.4	1.5	0.8	-4.9[2]	1.6	1.5	1.0		
Embedded Value[3]	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[4]	20.7%	21.7%	21.5%	20.1%	18.1%	18.5%	16.6%[2]	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

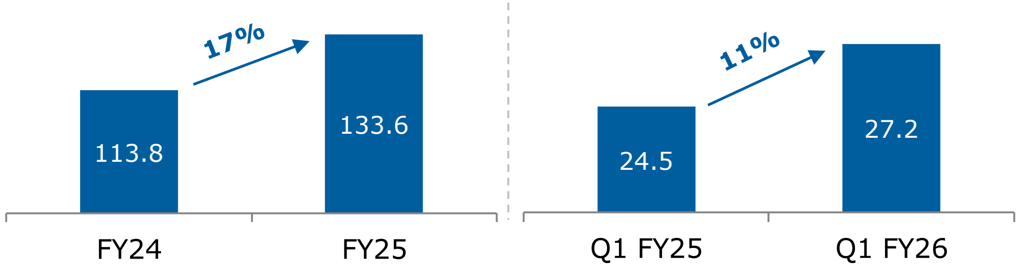
Strong focus on **balancing profitability and risk management**

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*

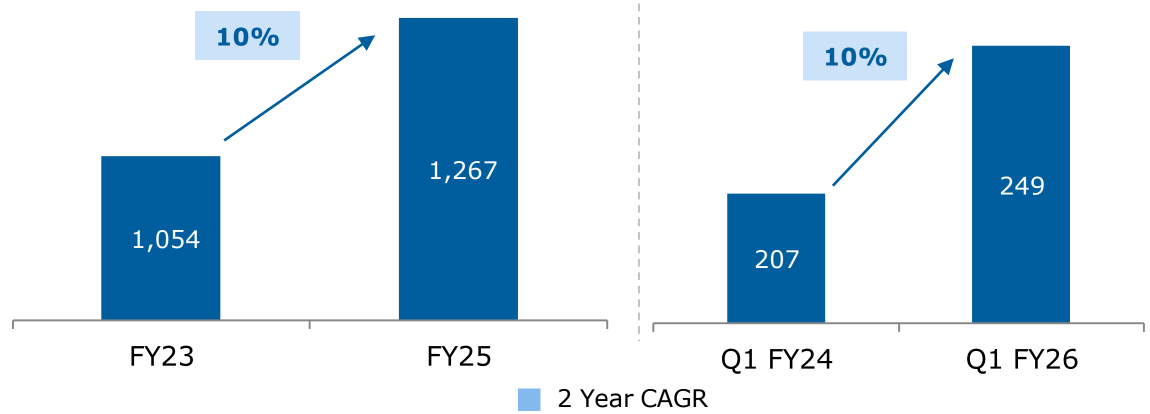
Robust delivery across key metrics (1/2)

Steady market share gains in individual WRP

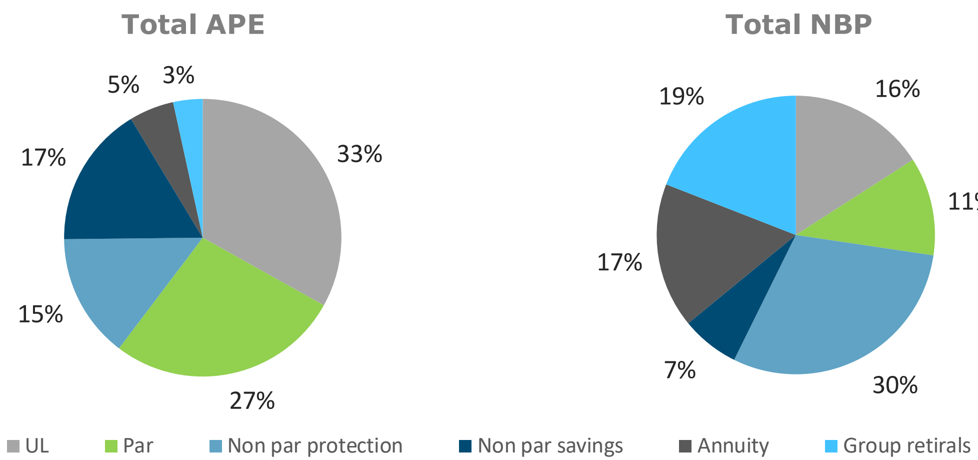
	FY24	FY25	Q1 FY25	Q1 FY26
Pvt. mkt share	15.4%	15.7%	17.1%	17.5%
Pvt. mkt rank	#2	#2	#2	#2
Overall mkt share	10.4%	11.1%	11.4%	12.1%



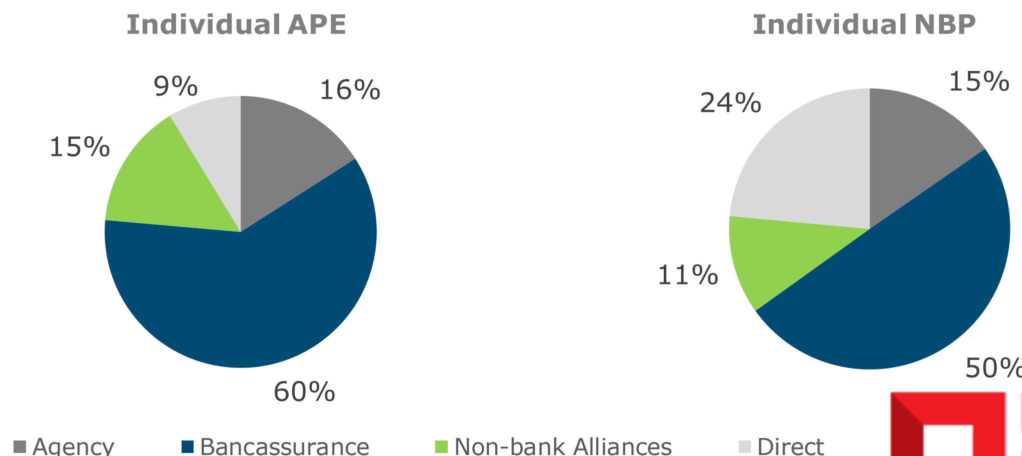
Sustained focus on expansion of customer base (NOPs in 000's)



Balanced product mix



Focus on diversified channel mix

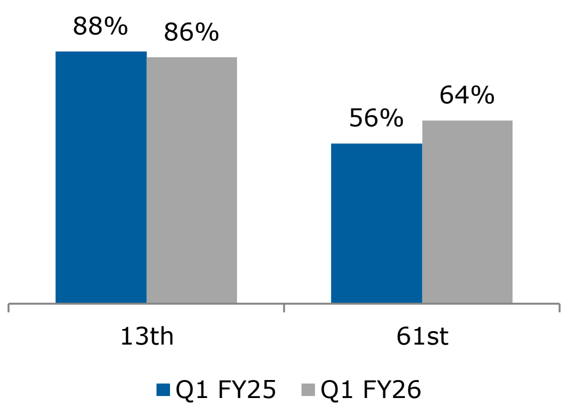


Note: Non-bank Alliances include brokers and other non-bank corporate agents
Select Online/Direct business has been reclassified under Non-bank Alliances. On a like-to-like basis, Direct business grew 11% over the comparable period

Robust delivery across key metrics (2/2)

Rs bn

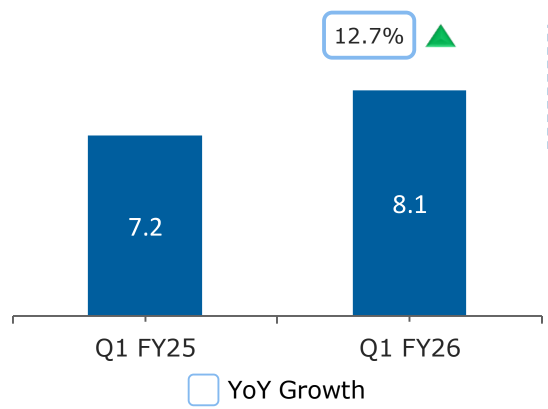
Significant improvement in 61st month persistency



- Focus on quality of business and providing superior customer experience

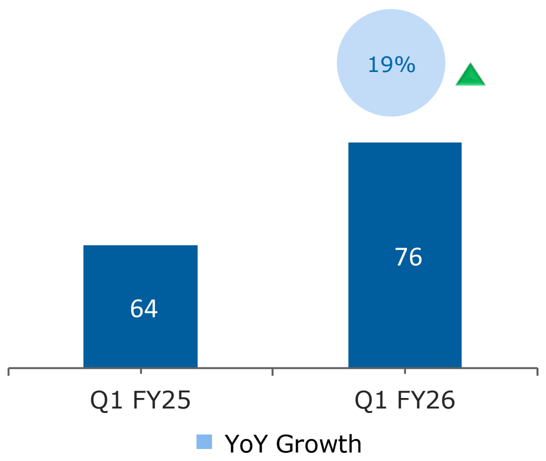
Healthy VNB growth

NBM: 25.0% 25.1%



- Multiple pools of profitability contributing to VNB accretion

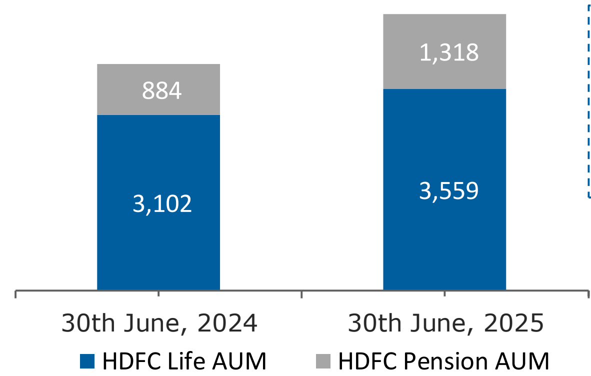
Strong growth in renewal premium



- Backed by strong persistency and growing backbook

Group assets under management > Rs 4.8 tn[1]

Total AUM: 3,987 4,877



- HDFC Life Debt:Equity mix (Q1 FY26): 68:32
- HDFC Pension's AUM crossed Rs 1.3 Tn

1. Group assets under management (AUM) includes AUM of HDFC Life and HDFC Pension (wholly owned subsidiary)

Agenda

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

Key elements of our strategy

Profitable growth

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

Diversified distribution mix

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

Customer first

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

Risk management & board governance

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

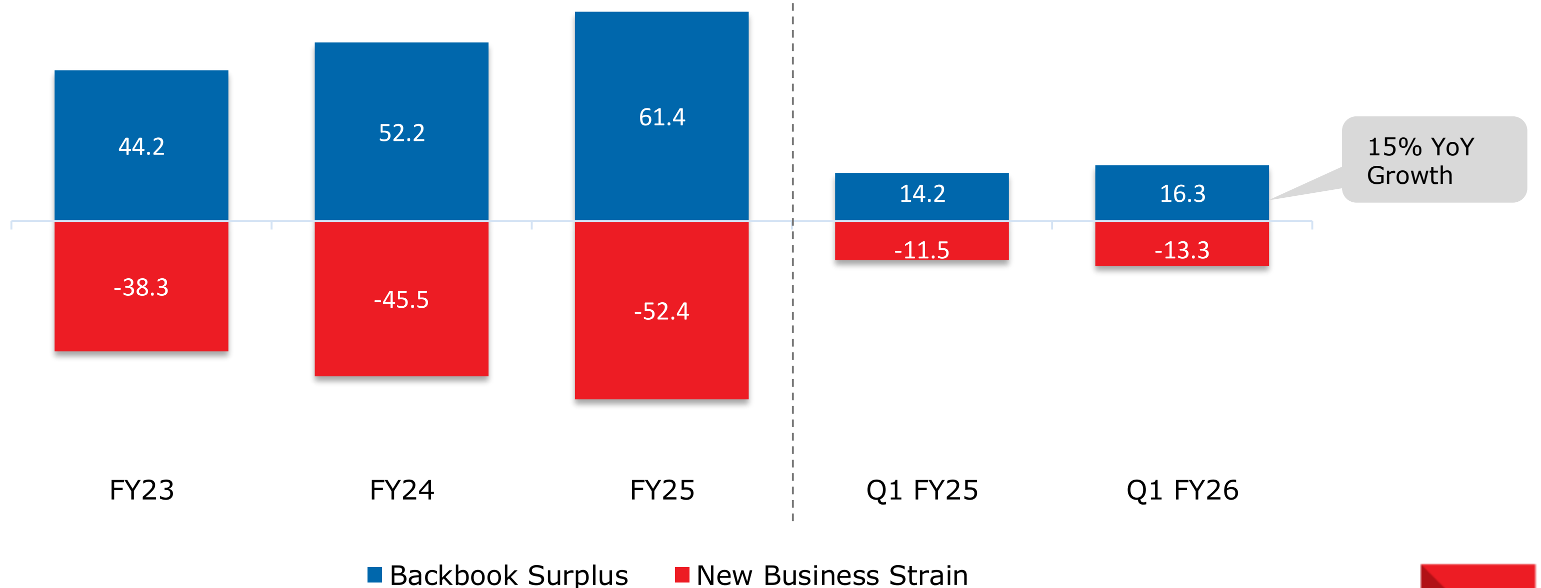
Future ready organisation: Leveraging **technology**, **digital** and **analytics**

Focus on profitable growth

Rs bn

		FY23	FY24	FY25	Q1 FY25	Q1 FY26
Economic Profit	New business Margin	27.6%	26.3%	25.6%	25.0%	25.1%
	Value of new business	36.7	35.0	39.6	7.2	8.1
Accounting Profit	Profit after tax (PAT)	13.6	15.7	18.0	4.8	5.5
	Underwriting profits	5.9	6.7	9.1	2.6	3.0
	Shareholders' surplus	7.7	8.9	9.0	2.2	2.4

Underwriting profits breakup



Profitable growth

Diversified distribution mix

Customer first

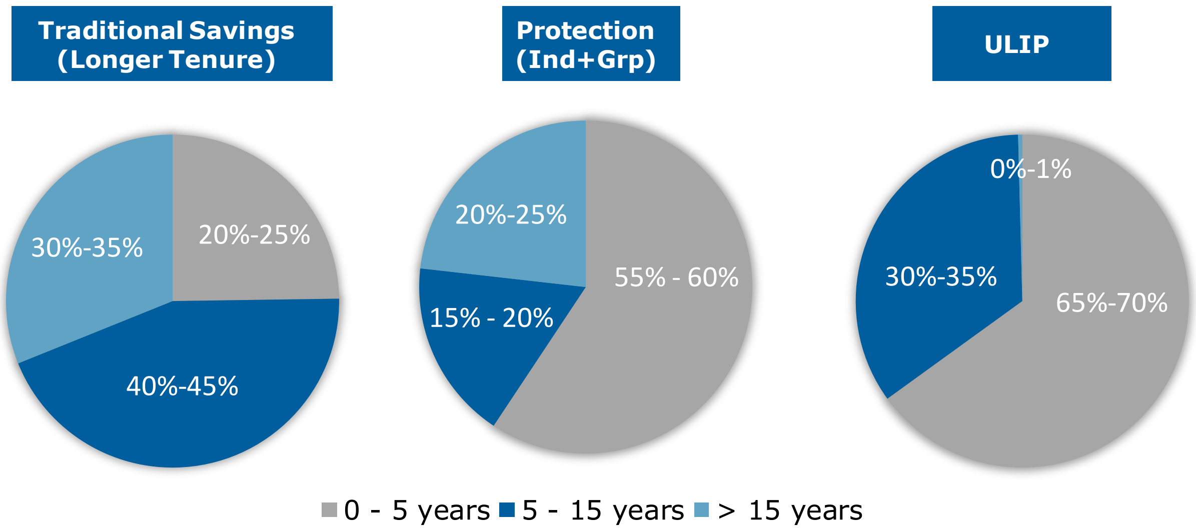
Risk management & governance

Technology, digital & Analytics

Note: Numbers may not add up due to rounding off

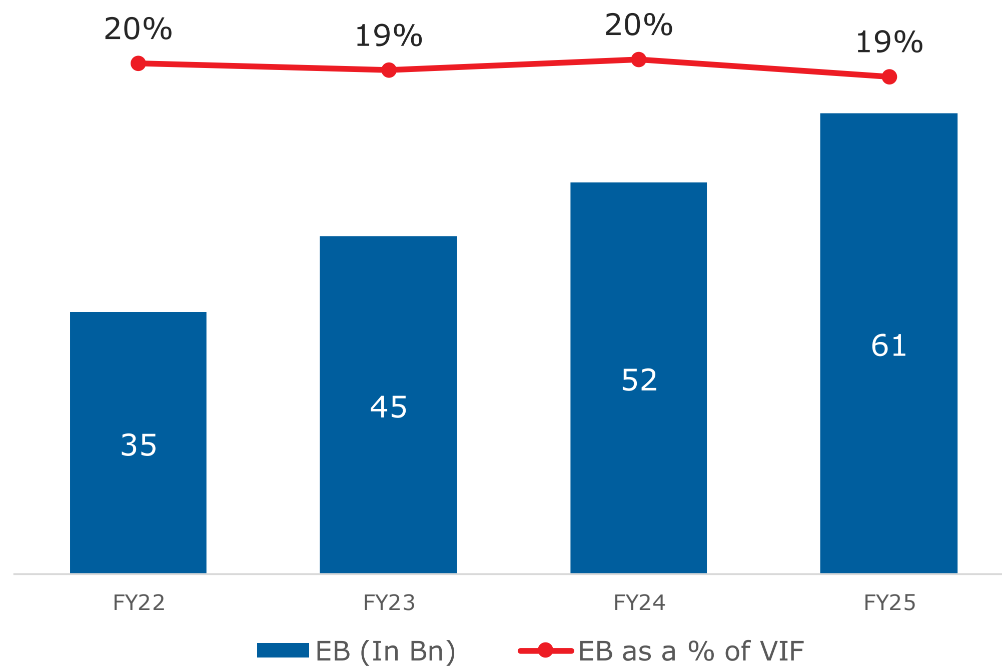
Emergence of Existing Business (EB) Surplus

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
  - ~ 3/4th of profits emerge after 5 years

EB Surplus emergence as a % of VIF



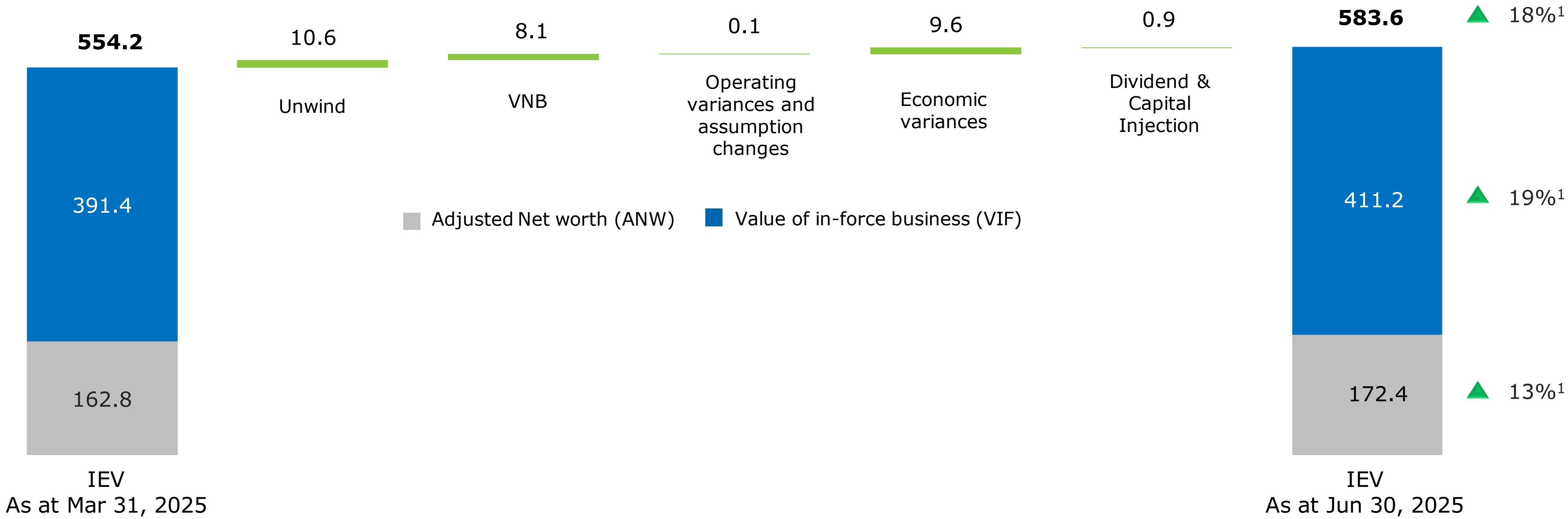
- Higher mix of long term profitable products to result in profit emergence over longer time horizon
- Track record of positive operating variance indicates high likelihood of profit emergence as per assumptions

Profitable growth
Diversified distribution mix
Customer first
Risk management & governance
Technology, digital & Analytics

HDFC Life

Analysis of change in IEV

Rs bn



Profitable growth

Diversified distribution mix

Customer first

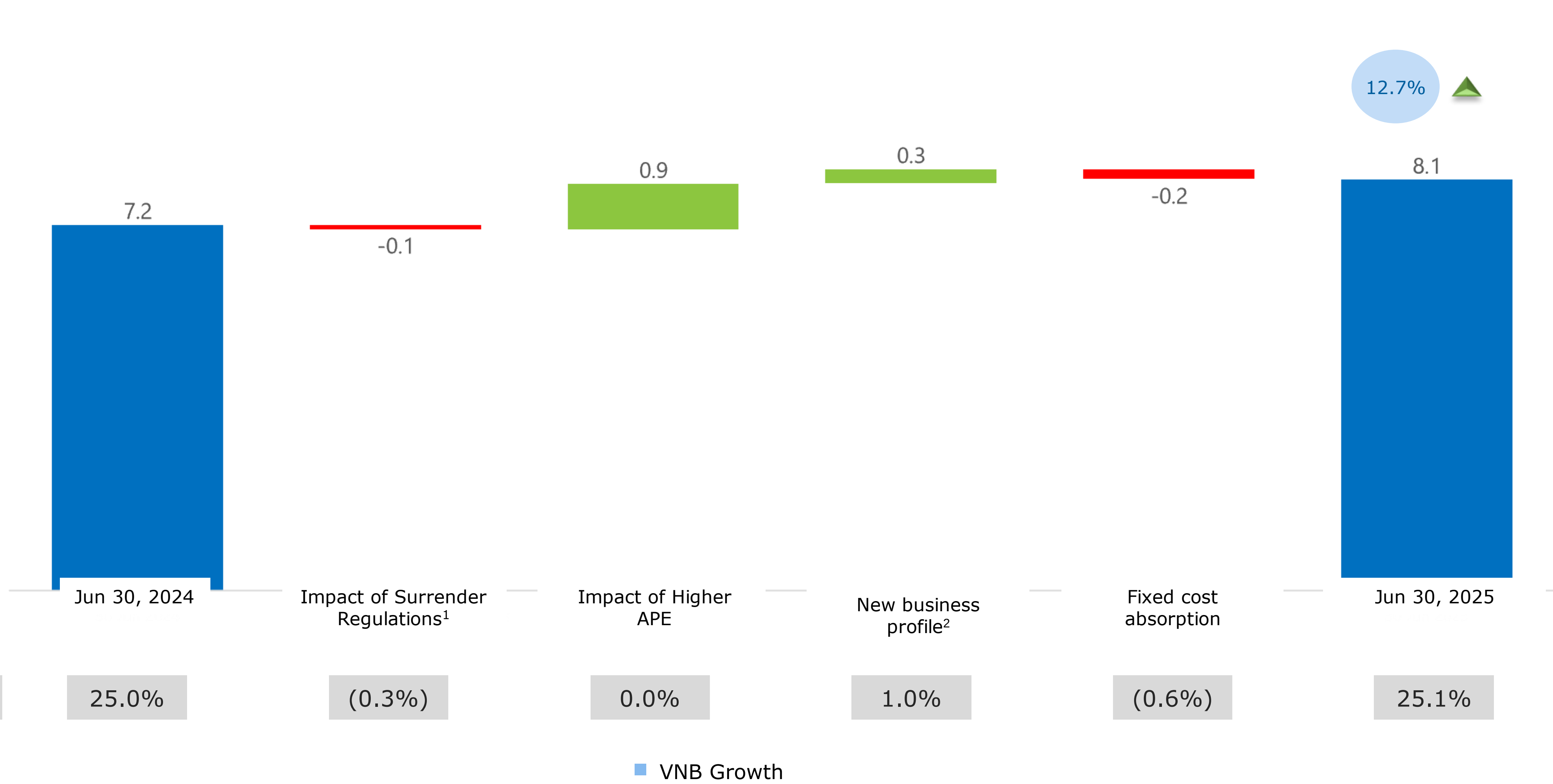
Risk management & governance

Technology, digital & Analytics

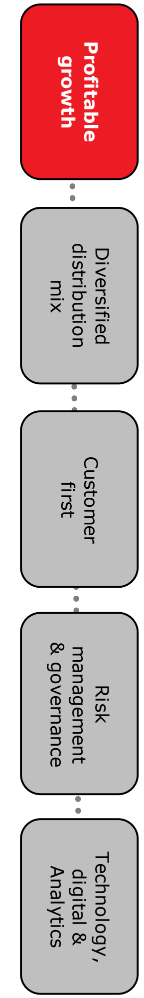
- Operating variances continue to be positive and in line with our assumptions
- Healthy Op RoEV of 16.3%[2] on a rolling 12- month basis, a more representative view that smoothens out quarterly seasonality

1. *YoY growth over metrics as on June 30, 2024*
2. *Q1 FY25 rolling EVOP: 17.1%*

Steady VNB trajectory



NBM%	25.0%	(0.3%)	0.0%	1.0%	(0.6%)	25.1%



Note: Numbers may not add up due to rounding off

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

Diversified distribution – Partnerships

Bancassurance

Non-bank alliances

- 500+ partners across Banks and Non-Bank alliances with ~41K partner branches
- Partnerships with Banks, NBFCs, SFBs, brokers, aggregators & digital ecosystems allow entry into new market segments
    - Focus on catering solutions addressing relevant customer segments
- Distribution architecture balances scale, diversification and differentiated customer access

Diversified distribution – Proprietary

Agency: segmented growth

- Gross agent addition of over 23K in Q1 FY26, reaching **~2.55 lakh**
- Underscoring strong **advisory-led sales**
- Distribution architecture built on a blend of established relationships and new-age partnerships
- AI-powered tools and data-led insights are boosting agent efficiency and enhancing customer experience

Direct/Digital: leveraging analytics

- **Leveraging AI** and business analytics for cross-sell and up-sell
- Simplifying and **personalizing journeys** to offer better customer experience to attract younger customers
- Hybrid model launched to ensure opportunity conversion via dedicated tele-sales support with 80% branch coverage

Levers for future growth

- On-boarding **high performing profiles:** home-makers, retired govt servants & financial distributors
- Higher proportion of **protection and retirals business**
- Revamped agent Lifecycle with **segmented value propositions** for **Retail and top performers**
- **Deep mining** in white spaces through new market expansion and penetration
- **Hyper-personalized** customer engagement at every life stage need

Profitable growth

Diversified distribution mix

Customer first

Risk management & governance

Technology, digital & Analytics

Product mix across key channels[1]

Banca

Segment	FY24	FY25	Q1FY25	Q1FY26
UL	40%	43%	43%	43%
Par	23%	19%	13%	36%
Non par savings	30%	33%	39%	17%
Term	2%	2%	2%	3%
Annuity	5%	3%	3%	2%

Direct[2]

Segment	FY24	FY25	Q1FY25	Q1FY26
UL	43%	37%	30%	35%
Par	10%	14%	14%	18%
Non par savings	22%	19%	22%	13%
Term	6%	8%	9%	8%
Annuity	20%	22%	25%	26%

Agency

Segment	FY24	FY25	Q1 FY25	Q1FY26
UL	26%	26%	28%	20%
Par	29%	26%	23%	40%
Non par savings	33%	33%	36%	25%
Term	7%	10%	9%	11%
Annuity	4%	5%	4%	4%

Non-bank alliances

Segment	FY24	FY25	Q1 FY25	Q1FY26
UL	18%	37%	33%	42%
Par	27%	15%	20%	15%
Non par savings	35%	35%	29%	27%
Term	15%	11%	16%	14%
Annuity	3%	2%	2%	2%

Company

Segment	FY24	FY25	Q1FY25	Q1FY26
UL	35%	39%	38%	38%
Par	23%	19%	16%	32%
Non par savings	30%	32%	35%	19%
Term	5%	5%	6%	6%
Annuity	6%	5%	5%	5%

Protection

	FY24	FY25	Q1FY25	Q1FY26
Based on Total APE	13%	11%	14%	14%
Based on NBP	32%	27%	32%	30%

Annuity

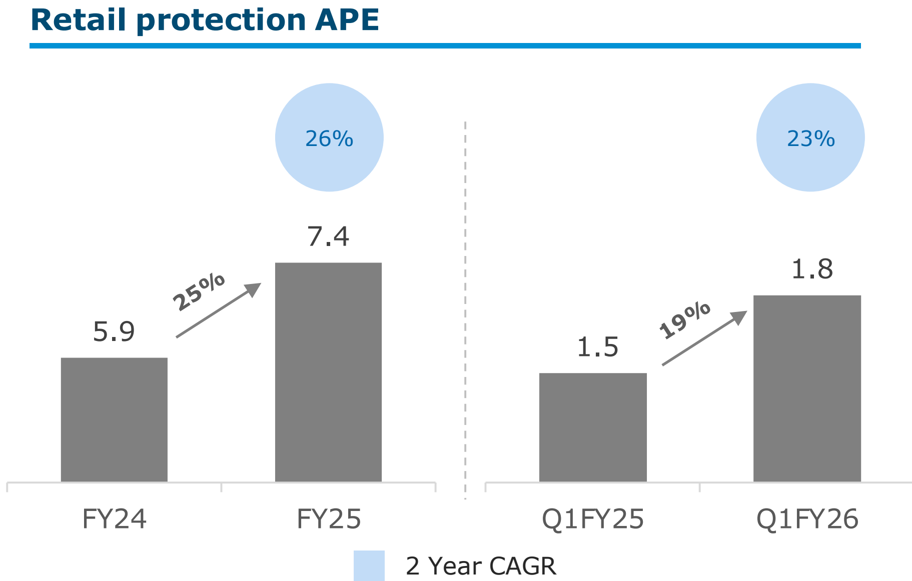
	FY24	FY25	Q1FY25	Q1FY26
Based on Total APE	6%	5%	5%	5%
Based on NBP	16%	14%	15%	17%

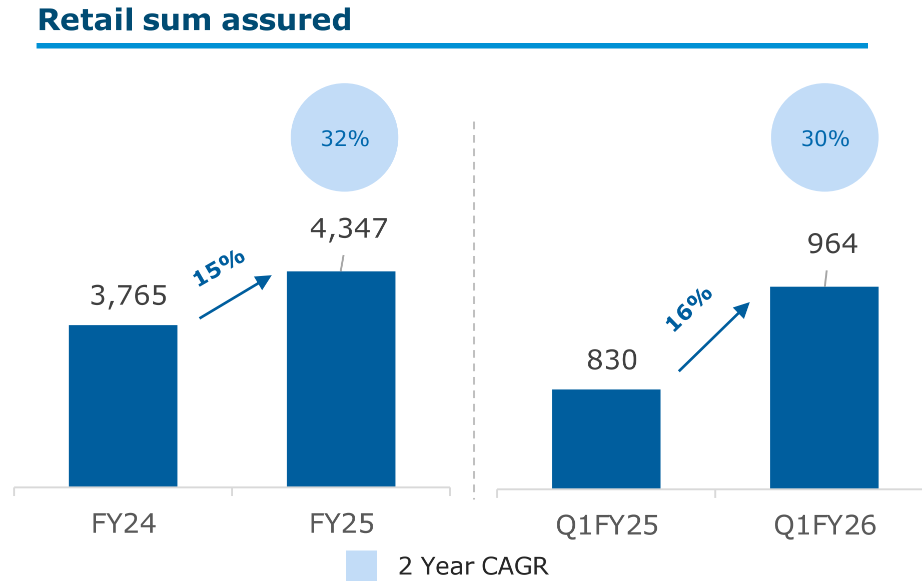
1. Based on Individual APE, Term includes health business. Percentages are rounded off
2. Includes business sourced through web aggregators for previous years

HDFC Life

Healthy growth in protection

Rs Bn.





Profitable growth

Diversified distribution mix

Customer first

Risk management & governance

Technology, digital & Analytics

- Ranked #2 in individual sum assured and #1 in overall sum assured
- Secular growth in retail protection across Tier I, II and III geographies
- 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

Key product innovations over the years

FY15-18

- **Click 2 Protect 3D Plus** *Protection*
- **Pension Guaranteed Plan** *Annuity*
- **Classic One** *ULIP*
- **Cancer Care** *Health*

FY19-22

- **Sanchay Plus** *Non-par savings*
- **Sanchay Par Advantage** *Participating*
- **Sanchay Fixed Maturity Plan** *Non-par savings*
- **Systematic Retirement Plan** *Annuity*
- **HDFC Life QuickProtect** *Protection*
- **Group Poorna Suraksha** *Group term insurance*

FY23-FY26

- **HDFC Life Click 2 Protect Super** *Protection*
- **HDFC Life Sanchay Legacy** *Protection*
- **Click to Protect Ultimate** *Protection* NEW
- **Click to Protect Elite Plus** *Protection* NEW
- **Smart Protect** *ULIP*
- **Sampoorna Jeevan** *Par Savings*
- **Click 2 Achieve** *Non-par savings*
- **Click to Achieve Par Advantage** *Par Savings* NEW
- **Sanchay Aajeevan Guaranteed Advantage** *Non-participating Pension* NEW
- **Systematic Pension Plan** *Participating Pension*

Launched before 2015: Retirement & pension | Woman | Group Credit Protect | Click2Invest | Youngstar

Profitable growth | Diversified distribution mix | **Customer first** | Risk management & governance | Technology, digital & Analytics

Recent product innovations across categories

ULIP	Non-par savings	Non-par pension	Participating	Protection

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

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

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

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

With HDFC Life LiveWell Rider - Non Linked
A Non-Linked, Non-Participating/Participating Individual Pure Risk Premium/Savings, Life/Health Insurance Rider

A **market linked plan** which helps secure your family's future with **enhanced protection**	A **savings plan** with **guaranteed returns** and **life cover** to meet your goals	An innovative plan that offers **Double Guarantee** allowing consumers to **lock-in a lifelong income** today	A game changing product that combines **joint life coverage with flexibility in lump sum**	A **wellness rider for** financial well-being, providing dual Benefits of **Wellness & Protection**

Learn more about HDFC Life products

- Profitable growth
- Diversified distribution mix
- Customer first
- Risk management & governance
- Technology, digital & Analytics

Risk management & board governance

Board of Directors

Independent and experienced Board

Board Committees

- Audit Committee
- Risk Management Committee
- Investment Committee
- Policyholder Protection, Grievance Redressal & Claims Monitoring Committee
- Nomination & Remuneration Committee
- Corporate Social Responsibility & ESG Committee
- Stakeholder's Relationship Committee
- With Profits Committee
- Capital Raising Committee

Management Committees/Councils

Audit Committee	Risk Management Committee	Investment Committee	Policyholder Protection, Grievance Redressal & Claims Monitoring Committee
Whistleblower Committee	Risk Management Council	Investment Council	Claims Review Committee
Compliance Council	ALCO[1]	Credit Council	
	Information & Cyber Security Council		
	Fraud Monitoring Committee		
	Prevention of Sexual Harassment		

Standalone committees

- Product Management Committee
- Outsourcing committee
- Technology Council

Additional governance through internal, concurrent and statutory auditors

1. *Asset Liability Management Council*

Note: The above list of committees is illustrative and not exhaustive

HDFC Life

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 entry age for annuity segment is ~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

	FY25				Q1 FY26			
Sensitivity	**Overall**		**Non par [1]**		**Overall**		**Non par [1]**	
Scenario	**EV**	**VNB Margin**	**EV**	**VNB Margin**	**EV**	**VNB Margin**	**EV**	**VNB Margin**
Interest Rate +1%	(2.7%)	(1.4%)	(3.1%)	(2.2%)	(2.6%)	(1.3%)	(3.0%)	(2.0%)
Interest Rate -1%	2.6%	0.9%	2.9%	1.5%	2.5%	1.0%	2.6%	1.6%

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

- ~98% of debt investments in Government bonds and AAA rated securities as on June 30, 2025

Profitable growth

Diversified distribution mix

Customer first

Risk management & governance

Technology, digital & Analytics

HDFC Life

1. Comprises Non par savings (incl annuity) plus protection

Future ready organisation: Leveraging technology, digital and analytics

1 **HYPER-PERSONALISATION** for customers

2 In-sync with **PARTNER INTEGRATION** digitally

3 **OMNI-CHANNEL SERVICE** to customers

4 **DATA-DRIVEN ECOSYSTEM** for decision making

5 **PLATFORMISATION** approach to tech architecture

Building resilience..

6 Connecting with startups through **Futurance**[1]

7 Unified and intelligent customer **Communication**

8 Employee facing **Virtual Office**

9 Strengthen **Cyber Security** and **Data Compliance**

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

- Product configurator
- Centralized communication
- CRM
- Testing CoE
- Data Platforms
- Hierarchy Management
- Business Process Management
- Incentive & Commission Management
- Integration & Virtual Office

Key foundational milestones achieved

- Multi-cloud architecture established
- Dev ops upgraded for automated deployment
- Unified data platform for Credit Protect

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 Customer Engagement

Product GPT for front-line

- **Instant, interactive** product understanding for all brochure-based customer queries
- **Deeper product exploration** leading to more informed and engaged prospects

Marketing Content Generator

- **Higher engagement rates** by better targeted reach
- **Faster campaign execution by** personalizing content and optimizing communication channels

Advanced transformer-based Chat bot

- Understanding intent, tone, and context creates **natural and engaging interactions**
- First-time resolution to **reduce repeated questions**

Digital Life Certificate for annuity holders

- Facial recognition in app **eliminates in-person visits**
- **Faster turnaround times** for payouts

Personalized Pitch Generator

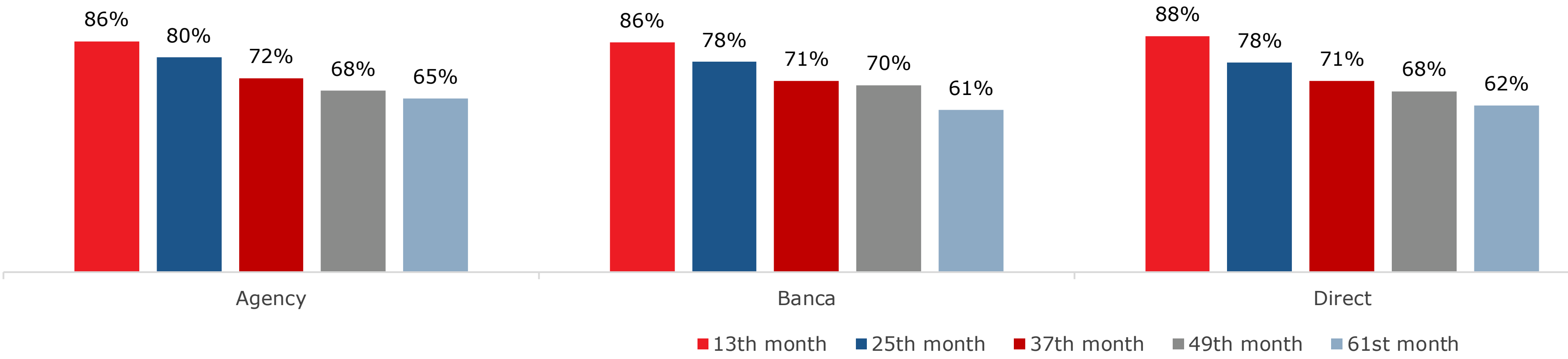
- **Craft tailored, compelling pitches**, ensuring stronger engagement with prospects
- **Prepares sales representatives** with scenario-based sales pitches and objection handling

Agenda

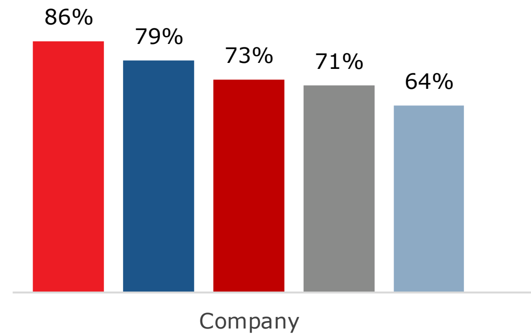
1. Performance Snapshot
2. Business Overview
3. **Other Business Highlights**
4. Life insurance in India

Persistency trends for HDFC Life

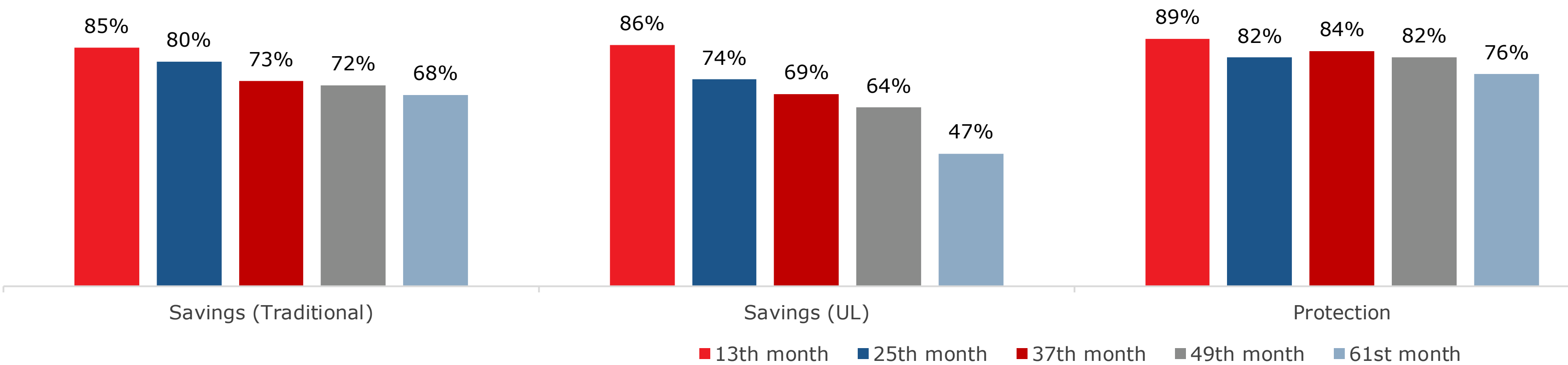
Across key channels



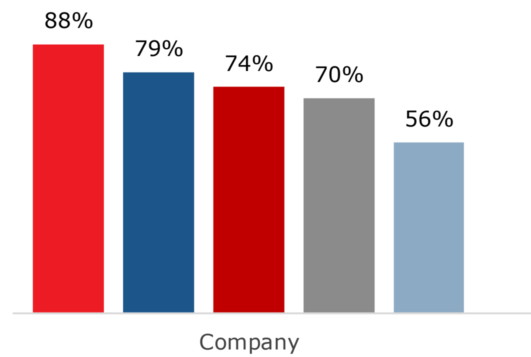
CY (Q1FY26)



Across key segments



PY (Q1FY25)



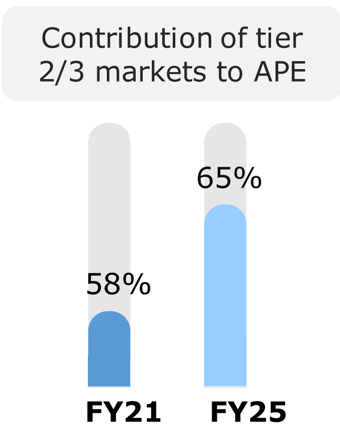
Sensitivity analysis: FY25

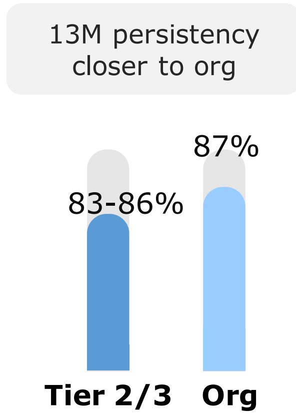
Analysis based on key metrics	Scenario	Change in VNB Margin [1]	% Change in EV
Change in			
Reference rate	Increase by 1%	(1.4%)	(2.7%)
	Decrease by 1%	0.9%	2.6%
Equity Market movement	Decrease by 10%	(0.2%)	(1.4%)
Persistency (Lapse rates)	Increase by 10%	(0.9%)	(0.1%)
	Decrease by 10%	0.9%	0.1%
Maintenance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

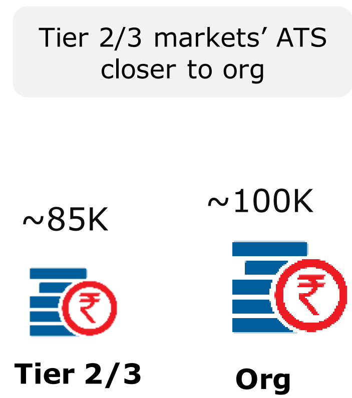
1. Post overrun total VNB for Individual and Group business
2. The tax rate is assumed to increase from 14.56% to 25% and hence all the currently taxed profits in policyholder/shareholder segments are taxed at a higher rate. It does not allow for the benefit of policyholder surplus being tax-exempt as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

The tier 2/3 growth opportunity

Tier 2/3 markets: Grow presence, maintain quality, build future capacity







- Amongst top 2 brands[1] for tier 2/3 customers
- Continue to innovate products, refine internal processes, localise communication to better serve this market
- Higher focus on micro markets and increasing penetration in tier 2/3 markets
- Expansion strategy complementary to banca partners' SURU expansion

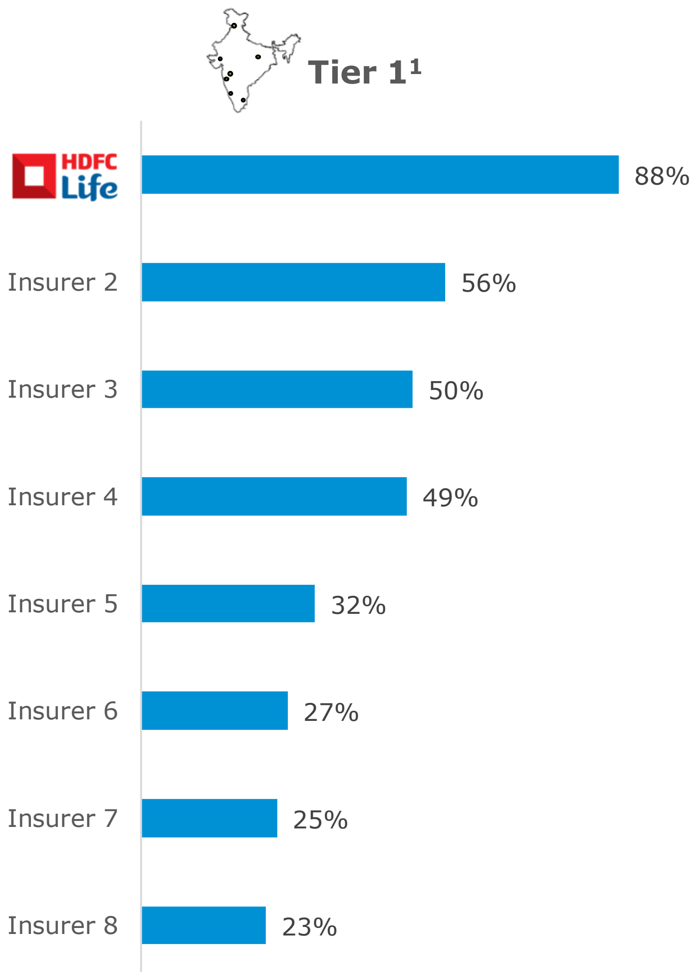
Expanding deeper, growing stronger

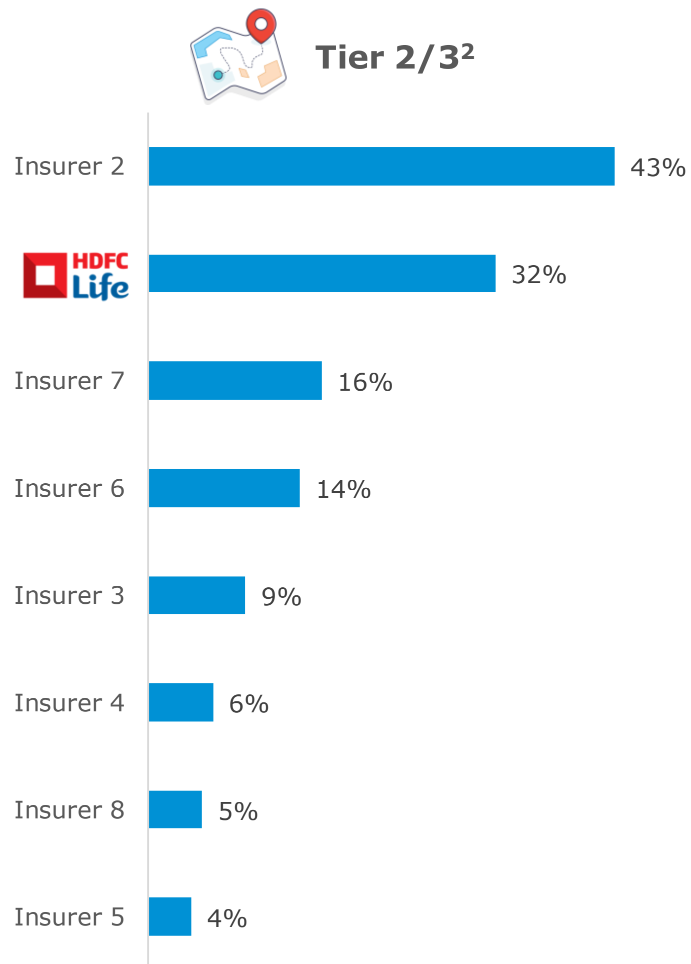
- Faster than company level APE growth
- On NOP basis, tier 2/3 markets contributed to 3/4th of the business
- Higher proportion of new to HDFC Life customers from Tier 2/3
- Attracting younger customers
- Higher branch and agent additions
- Sum assured growth higher than company growth

1. *Study by Ipsos*

Increased awareness across tier 2/3 markets

Spontaneous awareness (Private insurers)





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

New branch launch - Modular approach

- Announcements, hoardings, regional PR, vernacular collaterals

Hyper-localization

- Regional and local festivals, PR
- Promotion through: schools, RWAs[3], traffic barricades

Educating the audience on category/product/ brand

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

Content amplified through local influencers

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

1. Tier 1: Kantar Syndicated Brand Track
2. Tier 2/3: Ipsos Customised Brand Track
3. Resident Welfare Association

ESG at a Glance

MSCI has upgraded our ESG rating to 'AA' from 'A'

Environment

- Board approved **Environment & Climate Change** Policy
- **Climate disclosures** aligned with TCFD
- Conducted **Climate Risk Assessment** and scenario analysis
- **Optimized energy use** with high-efficiency systems and increased green energy
- **Renewable energy** consumption rose 13.2% to 534.2 MWh
- **Sustainably managed** waste: Recycled 6 T e-waste, 10 T paper, 0.1 T plastic.

Social

- **Women now represent 28.2%** of our workforce, a 10% increase in gender diversity over the last decade
- **Strong DE&I engagement** during Pride Month included parade participation, activist-led fireside chats, and company-wide micro-aggression training
- Our 'Swabhimaan' **CSR program delivered 24 initiatives** in 19 aspirational districts, reaching over ~9.1 L beneficiaries and advancing 14 UN SDGs
- Micro-insurance products for financial inclusion **covered over 6.7 million lives** under social sector obligations
- **Localized insurance awareness** initiatives drove engagement through culturally relevant, vernacular campaigns to expand reach and build trust.

Governance

- **Robust ESG Governance** structure led by Board CSR & ESG Committee and executive ESG Management Committee
- ESG Governance Committee ensures **integration of ESG factors** into fund management and investee engagement, guided by the Responsible Investment & Stewardship Policy
- As part of our Responsible Investing approach, overseen by the ESG Governance Committee:
    - **Sustainable Equity** Fund grew over 30% in FY 2024-25
    - Assigned **ESG ratings** to 96.27% active listed equity AUM and 69% of corporate fixed income AUM
    - Submitted second **UN-PRI Report**, building on voluntary reporting initiated in FY 2022-23.

Financial and operational snapshot (1/2)

Rs bn.

	Q1FY26	Q1FY25	FY25	FY24	FY23
New Business Premium (Indl. + Group)	72.7	64.0	333.7	296.3	290.9
Renewal Premium (Indl. + Group)	76.0	64.1	376.8	334.5	284.5
Total Premium	148.8	128.1	710.5	630.8	575.3
Individual APE	27.8	24.7	136.2	115.1	114.0
Overall APE	32.3	28.7	154.8	132.9	133.4
Profit after Tax	5.5	4.8	18.0	15.7	13.6
- Policyholder Surplus	3.0	2.6	9.1	6.7	5.9
- Shareholder Surplus	2.4	2.2	9.0	8.9	7.7
Dividend Paid	-	-	4.3	4.1	3.6
Assets Under Management	3,559	3,102	3,363	2,922	2,388
Indian Embedded Value	583.6	496.1	554.2	474.7	395.3
Net Worth (1)	163.2	146.8	156.8	142.0	129.7
NB (Individual and Group segment) lives insured (Mn.)	11.6	13.9	49.7	66.0	68.5
No. of Individual Policies (NB) sold (In ‘000s)	249	253	1,267	1,166	1,054

1. Comprises share capital, share premium and accumulated profits/(losses)
Note: Numbers may not add up due to rounding off

HDFC Life

Financial and operational snapshot (2/2)

Rs bn.

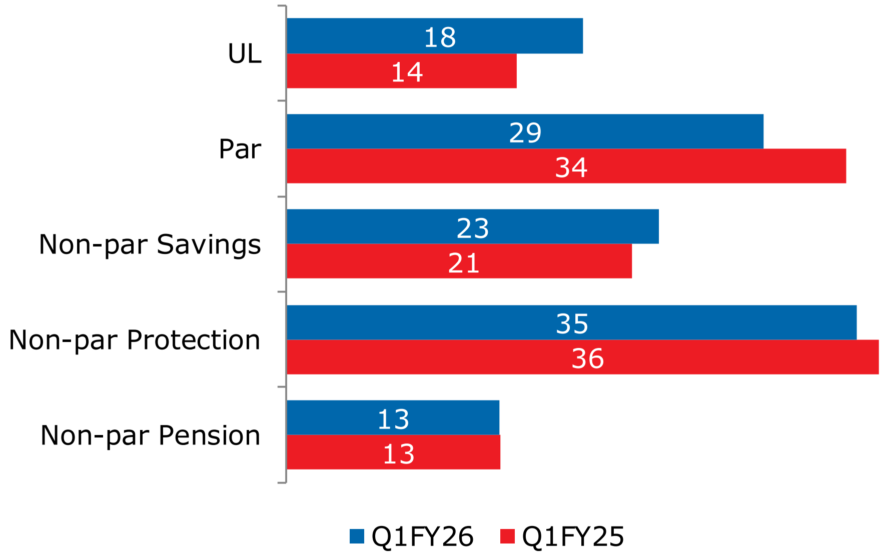
		Q1FY26	Q1FY25	FY25	FY24	FY23
Overall New Business Margins (post overrun)		25.1%	25.0%	25.6%	26.3%	27.6%
Operating Return on EV	(1)	16.3%	17.1%	16.7%	17.5%	19.7%
Total Expenses (OpEx + Commission) / Total Premium		21.9%	21.4%	19.8%	19.4%	19.8%
Return on Equity	(2)	13.7%	13.2%	12.1%	11.5%	11.9%
Solvency Ratio		192%	186%	194%	187%	203%
Persistency (13M / 61M)		86%/64%	88%/56%	87%/63%	87%/53%	87%/52%
Individual WRP Market share		17.5%	17.1%	15.7%	15.4%	16.5%
Business Mix (%)						
- Product (UL/Non par savings/Annuity/Non par protection/Par)	(3)	38/19/5/6/32	38/35/5/6/16	39/32/5/5/19	35/30/6/5/23	19/45/5/4/27
- Indl Distribution (Banca/Agency/Non-Bank Alliances/Direct)	(3)	60/16/15/9	61/17/13/9	59/18/15/8	59/18/12/11	50/20/17/13
- Total Distribution (Banca/Agency/Non-Bank Alliances/Direct/Group)	(4)	23/7/5/11/54	24/8/5/12/51	25/9/6/11/49	24/8/5/12/51	22/9/7/13/49
- Share of protection business (Based on Indl APE)		6.3%	6.0%	5.4%	5.1%	4.1%
- Share of protection business (Based on Overall APE)		14.5%	14.4%	11.4%	13.3%	13.3%
- Share of protection business (Based on NBP)		30.0%	31.9%	26.8%	32.1%	29.0%

1. *EVOP calculated on a 12 month rolling period*
2. *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*
3. *Based on individual APE. UL: Unit Linked, Trad: Traditional, Par: Participating; Percentages are rounded off*
4. *Based on total new business premium including group; Non-bank Alliances include brokers and other non-bank corporate agents; Select Online/Direct business has been reclassified under Non-bank Alliances. On a like-to-like basis, Direct business grew 11% over the comparable period.*

Segment wise average term and age[1]

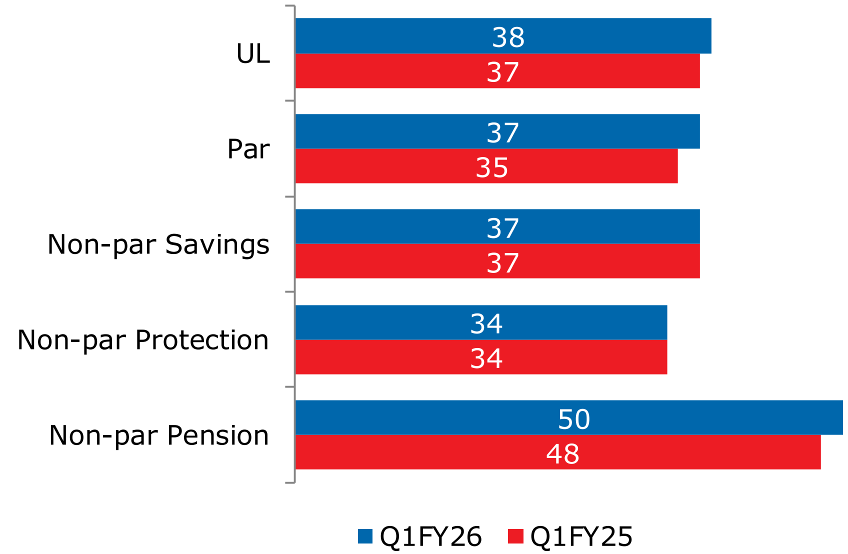
Average Policy Term (Yrs)

Q1 FY26: 25.0 (Q1 FY25: 23.5)



Average Customer Age (Yrs)

Q1 FY26: 36.7 (Q1 FY25: 36.4)



- 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

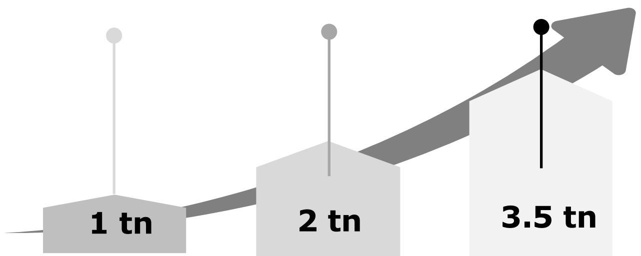
Fifth largest and fastest growing economy

India's GDP (in USD)[1]

Took 67 years to reach first trillion

8 years to add another trillion

And just 5 years to add third trillion!



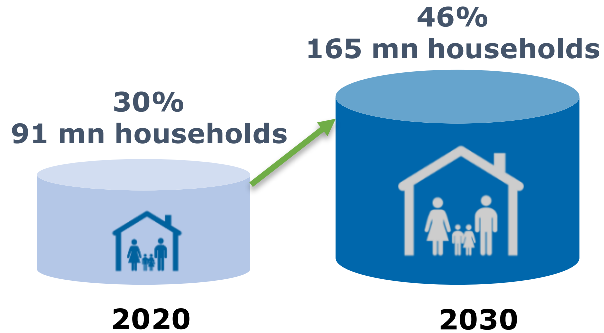
Demographic dividend- youngest economy[1]

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

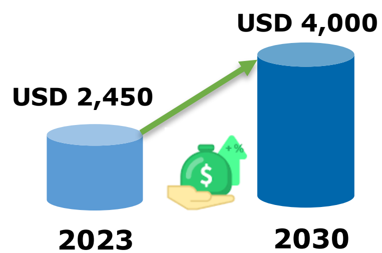
India's per capita GDP is projected to nearly double from USD 2.4K in 2022 to USD 4.3K by 2032[2]

Rising affluence

India's middle income segment as % of all households[3]



India's per capita income



India's per capita income is likely to grow by nearly 70% by 2030[4]

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[4]
- 2nd largest road network after USA

UPI UNIFIED PAYMENTS INTERFACE

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[5]

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

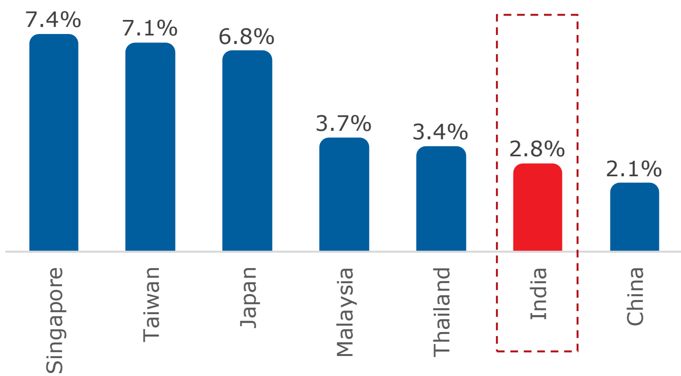
Capex target up by 10% to record Rs 11.21 lakh crore in FY26 budget[7]

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*

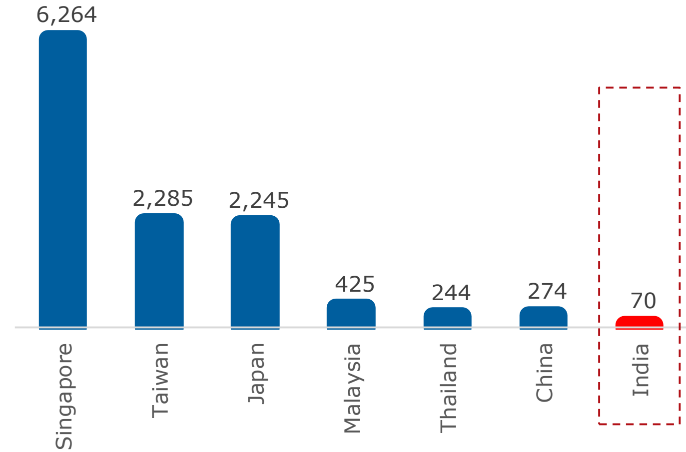
HDFC Life

Growth opportunity: Under-penetration and favorable demographics

Life Insurance penetration[1] (FY24)

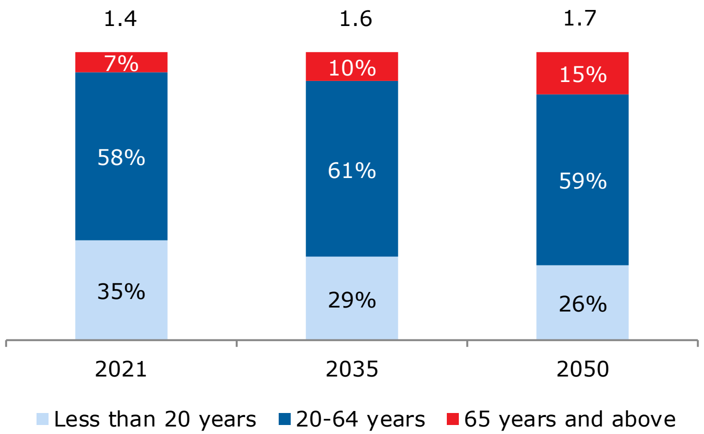


Life Insurance density US$[2] (FY24)

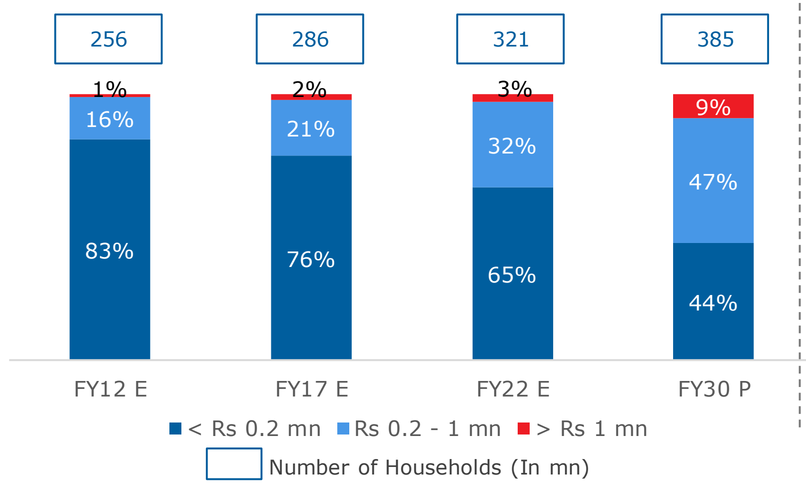


- India remains vastly under-insured, both in terms of penetration and density
- Bima Trinity initiative to catalyse growth:
  - Bima Sugam: Unified digital insurance platform
  - Bima Vistaar: Affordable bundled insurance product
  - Bima Vahak: Women led rural distribution system

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

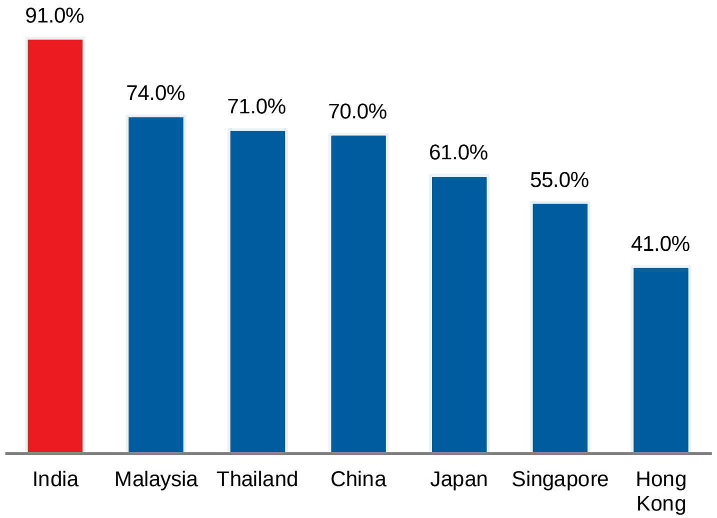
1. Penetration as measured by premiums as % of GDP,

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

Source: Swiss Re, MOSPI, United Nations World Populations Prospects Report 2022 & 2024, CRISIL "The big shift in financialisation" report 2022

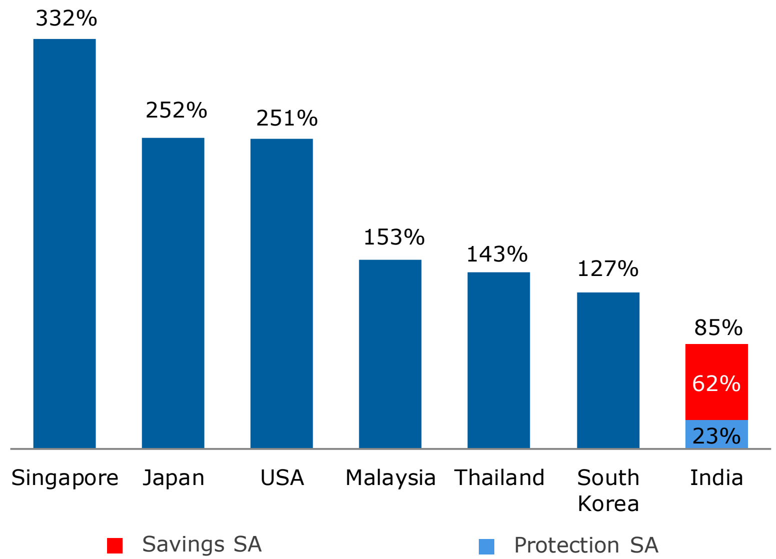
Life protection: low levels of penetration

Protection gap (2019)[1]



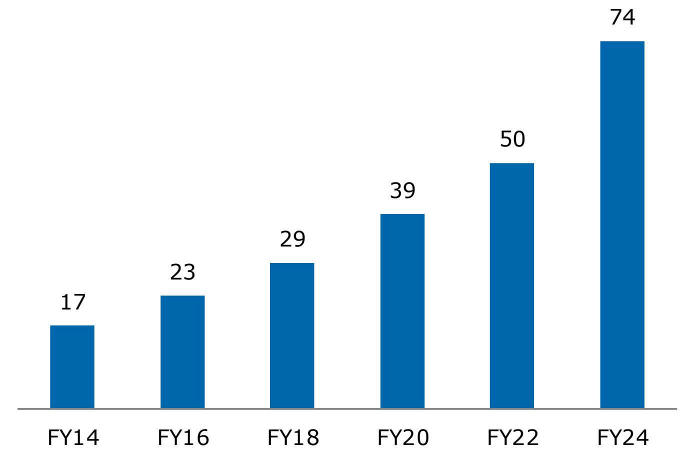
- India has the highest protection gap in the region
- Savings and life insurance coverage growth lagged economic and wage growth
- Protection gap growth rate to grow at ~4% per annum

Sum Assured as a % of GDP [2]



- 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 [3] (Rs Tn.)

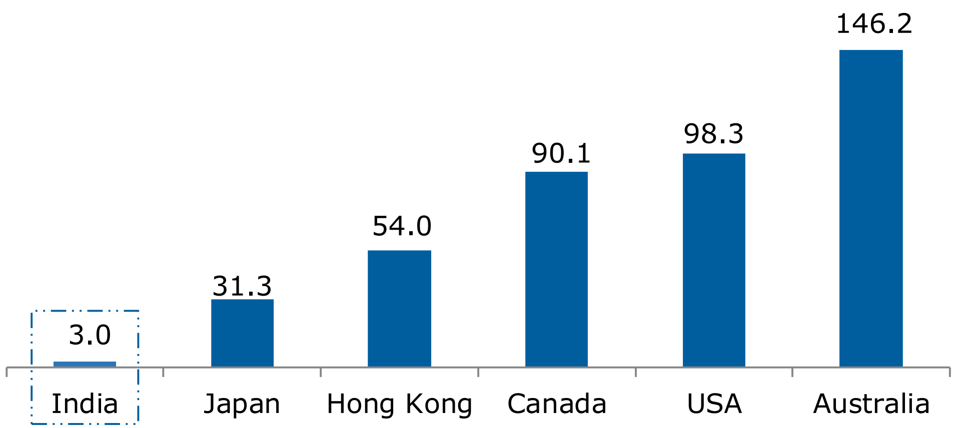


- Retail credit has grown at a CAGR of 16% over last 10 years
- Credit life need would be spurred by:
  - Increasing retail indebtedness
  - Increasing attachment rates
  - Increasing value penetration
  - Growing lines of business

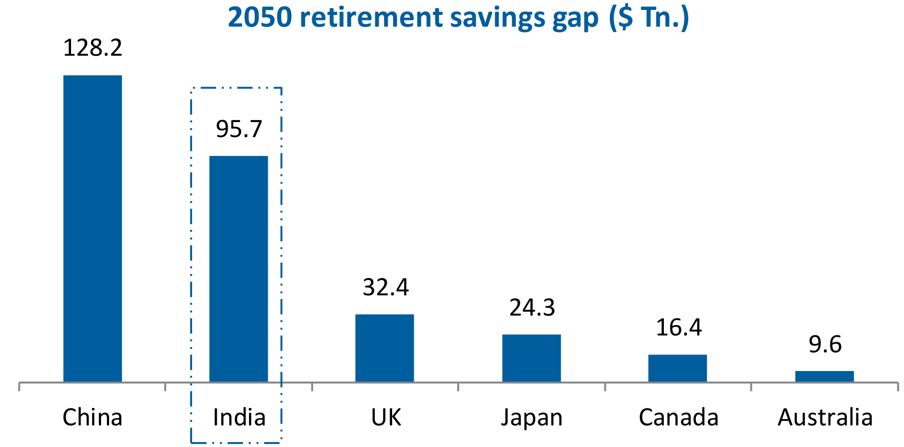
1. Swiss Re. India's protection gap is as of CY22
2. Jefferies "Composite Insurance License in India: Taking a Leaf from Global Experience" report 2022
3. Kotak Institutional Equities

Macro opportunity: Retiral solutions

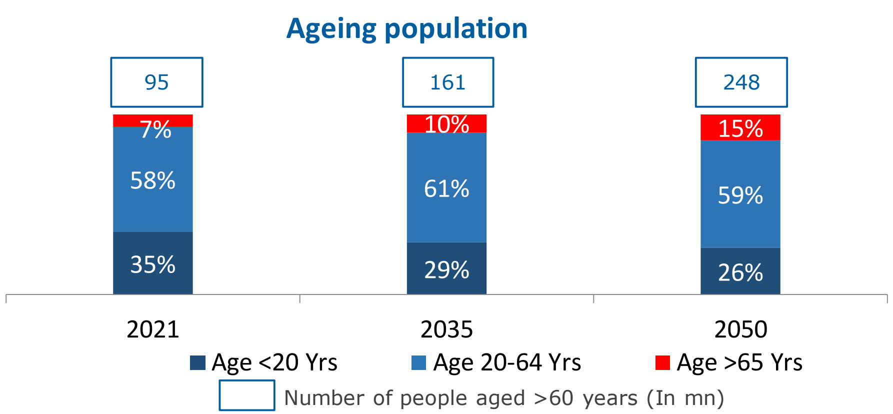
India's pension market is under-penetrated at 3%[1] of GDP



India's retirement savings gap[2] to grow annually by 10% to reach ~$96Tn in 2050



Elderly population is expected to increase 2.5x by 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 1/4th 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

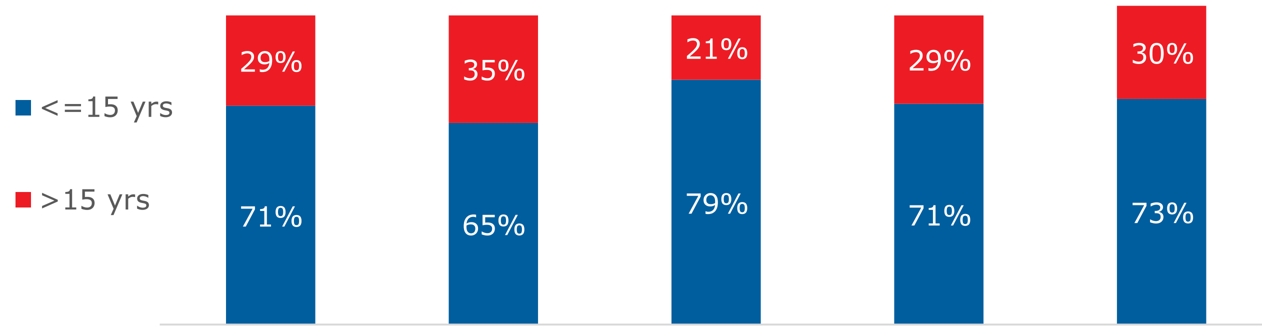
- Life insurers channel household savings into long-term investments
- Strong exposure to infra and corporate bonds aid economic growth

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

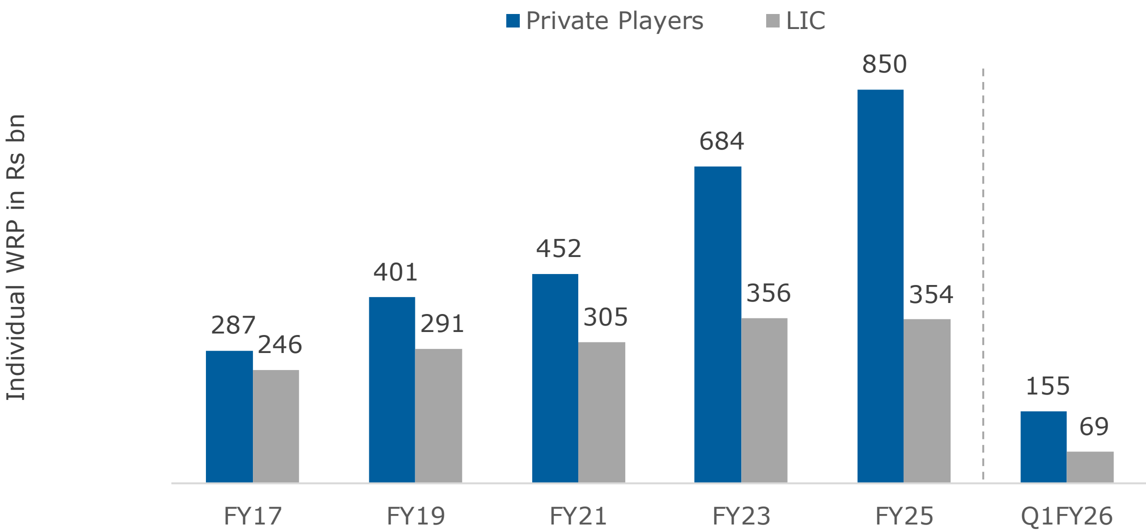


	FY17	FY19	FY21	FY23	FY25
<=15 yrs	*3,735*	*3,829*	*10,018*	*10,040*	*8,760*
>15 yrs	*1,545*	*2,040*	*2,656*	*4,010*	*5,350*
Total	*5,280*	*5,869*	*12,674*	*14,050*	*14,110*

- 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

Source: CCIL & National Statistics Office, Union Budget, RBI, IRDAI

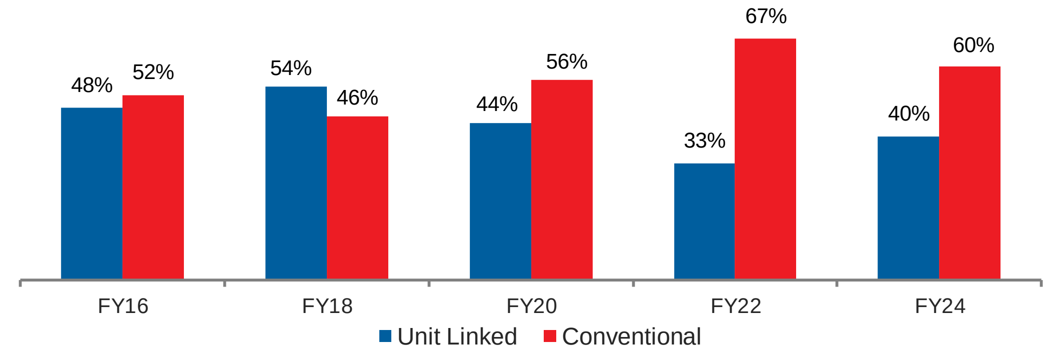
Industry new business trends



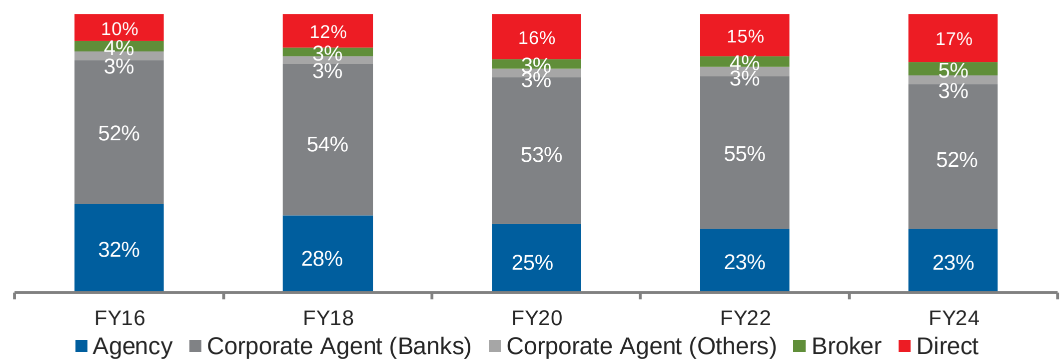
		FY17	FY19	FY21	FY23	FY25	Q1FY26
Private players Market share		54%	58%	60%	66%	71%	69%
Growth %	**Private**	*26%*	*12%*	*8%*	*24%*	*15%*	*8%*
	LIC	*15%*	*5%*	*-3%*	*7%*	*1%*	*-2%*
	Overall	*21%*	*9%*	*3%*	*19%*	*10%*	*5%*

- 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

Product mix [1]



Distribution mix [2]

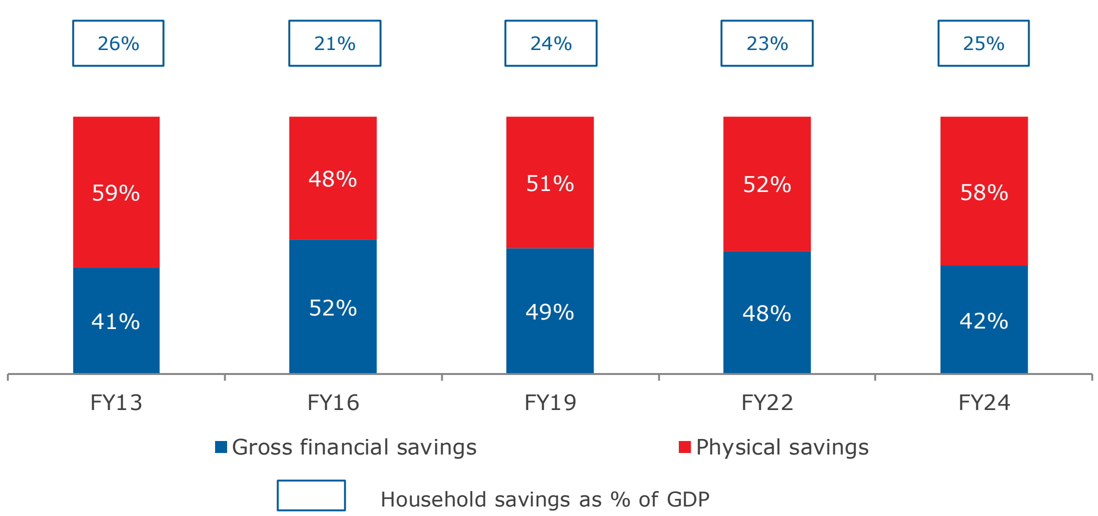


- Private players are shifting towards ULIPs with a strong focus towards protection
- Banca remains the dominant channel, supported by expanding bank reach and growing direct channel contribution

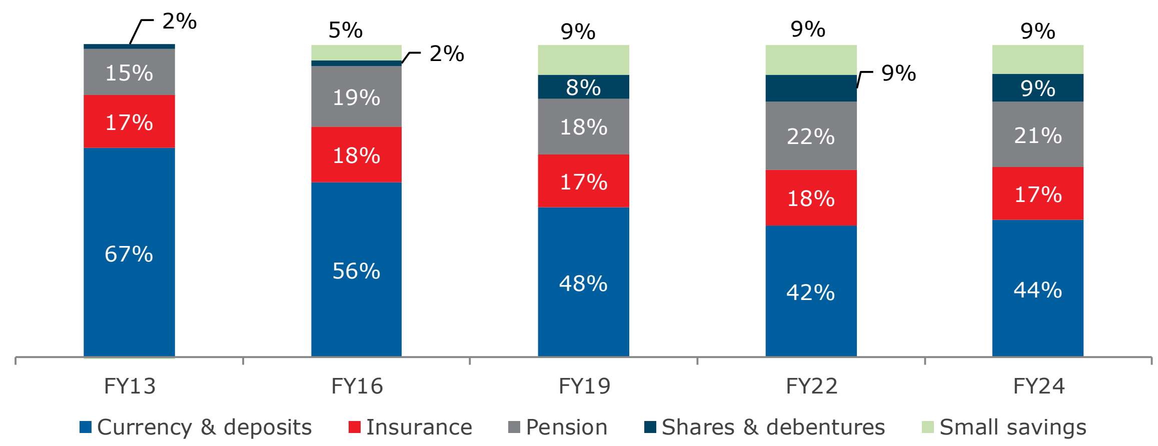
Source: IRDAI and Life Insurance Council;
1. Based on Overall WRP (Individual and Group) for all private players
2. Based on Individual New business premia for all private players

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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FY25 Annual Report

ESG Report

FY25 ESG summary

Sustainability Factsheet