

January 23, 2023



Sar utha ke jyo!
Current Price: ₹ 590.55

STOCK DATA

BSE Code	540777
NSE Symbol	HDFCLIFE
Reuters	HDFL BO
Bloomberg	HDFCLIFE IN

VALUE PARAMETERS

52 W H/L(Rs)	660.00/497.30
Mkt. Cap.(Rs Cr)	126919.53
Latest Equity(Subscribed)	2149.18
Latest Reserve (cons.)	10198.29
Latest EPS (cons.) -Unit Curr.	6.85
Latest P/E Ratio -cons	86.21
Latest Bookvalue (cons.) -Unit Curr.	57.45
Latest P/BV - cons	10.28
Dividend Yield -%	0.28
Face Value	10.00

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 31/12/2022
Foreign	30.53
Institutions	6.23
Non Promoter Corp. Hold.	4.80
Promoters	50.32
Public & Others	8.13

Results Consolidated Shareholders Account

In Cr.

Particulars	Qtr Ended	Qtr Ended	Var %
	Dec. 22	Dec. 21	
Amounts transferred from Policyholders` account	415.76	183.51	127
Income from investments	244.75	180.07	36
Others	7.84	4.99	57
Total income	668.35	368.57	81
Expenses (apart from Insurance)	39.34	28.11	40
Contribution to policyholders account	313.73	69.38	352
Others	0	-6.62	-100
Total Expenses	353.07	90.87	289
PBT	315.28	277.68	14
Tax	-0.63	2.42	-126
PAT	315.91	275.26	15
EPS (Rs)*	1.47	1.36	

Q3FY23, Sustains steady performance, beats estimates

HDFC Life Insurance Company, on consolidated basis, has posted 15% growth net profit to Rs 315.91 crore in the quarter ended December 2022. The figure includes number for recently acquired Exide life insurance Company effective from 01 January 2022. The company has continued to maintain a steady growth trajectory, growing by 22% in terms of total APE in 9MFY23 on a post-merger basis i.e. including Exide Life.

The company has maintained market leadership position as a top three life insurer across individual and group businesses. Market share in terms of individual WRP for the merged entity i.e. including Exide Life stands at 15.8% amongst private players.

New business margin for 9MFY2023 was 26.5% post merger, which is stable from 26.5% pre-merger in H1FY22. The company has achieved aspiration of maintaining FY22-margin neutrality for the combined entity, having delivered steady 26.5% NBM, compared to 26.5% in 9MFY22. The value of new business has grown by 22% on a post-merger basis to Rs 2163 crore for 9MFY2023.

The post-merger embedded value is Rs 37702 crore, with an operating return on embedded value of 17.5% for 9MFY23 up from 16.2% in 9MFY2022. Profit after tax on post-merger basis stood at Rs 1001 crore, a YoY increase of 18% during 9MFY23. This was aided by strong growth of 30% in existing business surplus. AUM of the company increased to Rs 233839 crore end December 2022 on merged entity basis from Rs 204170 crore end March 2022 and Rs 194738 crore end December 2021. The consolidated Networth stood at Rs 12699 crore end December 2022, while the solvency ratio of the company was at 209% end December 2022.

Embedded Value per share stood at Rs 175.4 per share at end December 2022.

Management Comment

Vibha Padalkar, MD & CEO said "While globally, headwinds persist from an economic perspective, India appears to be relatively better positioned. Insurance as a sector continues to

Results Consolidated Policyholders Account

In Cr.

Particulars	Qtr Ending Dec.22	Qtr Ending Dec.21	Var.(%)
Premium earned (net)	14402.22	12147.33	19
Income from Investments	4929.79	1983.29	149
Other income	72.50	46.73	55
Contribution from the Shareholders` account	313.73	69.37	352
Total Income	19718.24	14246.72	38
Commission	693.45	507.15	37
Op. expenses related to Insurance business	2123.38	1504.57	41
Others	98.90	79.38	25
Benefits paid (Net)	8691.80	8103.28	7
Change in valuation of policy liabilities	7912.31	3849.58	106
Provision for taxation	-131.29	17.50	
Total Expense	19388.55	14061.46	38
PAT	329.69	185.26	78
Transfer to Shareholders` account	415.76	183.51	127

be a beneficiary of a relatively robust economy, stable savings trends and favourable regulatory regime. Against this backdrop, we continue to maintain a steady growth trajectory. In Q3, we grew by 17% in terms of Individual WRP, which is ahead of industry growth. On a YTD basis, we grew by 13% leading to a market share of 15.8% amongst private insurers. Despite intense competition, we have consistently been ranked amongst the top 3 life insurers across individual and group businesses.

We maintained market leadership in credit life by delivering strong growth of 52%, across nearly 300 partnerships. Whilst growth in retail protection remained tepid on a YoY basis, we saw sequential growth of 13% in Q3. With a combination of data analytics, insights into customer profiles and calibrated risk retention, overall protection APE grew by over 20% in 9M FY23 and we expect individual protection to continue picking up in the coming quarters.

On the retirement front, we have steadily gained market share in the annuity business. Our annuity business in 9M FY23 grew by 22% on received premium basis compared to a 1% growth for the industry. Our distribution network has been growing with time, as we build newer, long-lasting partnerships. This quarter, we are pleased to announce our corporate agency partnership with AU Small Finance Bank. Our agency channel continued to grow faster clocking more than 2x company level growth in individual APE in 9M FY23. The share of the channel has increased from 14% to almost 18% in the merged entity

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