

## HDFC Life Insurance (HDFCLIFE) - BUY

### Result Update

Current Market Price (CMP) <b>Rs. 782</b>	Target Price <b>Rs. 925</b>
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### Rationale:

- HDFC Life's business performance remains steady, with 13% Annualized Premium Equivalent (APE) growth and stable margins in Q1FY26.
- An interplay of a low 2H base, savings product mix, upside from ULIPs (if any), increasing rider penetration/protection growth and investments in new business will drive overall VNB for the year.
- Competition in partnership channels and pickup of momentum in agency remain monitorable.
- HDFC Life remains our preferred pick in the private life insurance sector.
- Retain BUY with an FV of Rs925.

### Q1FY26 Earnings Update:

#### **Positives:**

- The protection business was steady at 14% of APE
- Product-level margins expanded 100 bps.
- HDFC Life reported PAT growth of 14.5% yoy in Q1FY26.

#### **Negatives:**

- Moderate growth in agency and bancassurance.
- Persistency trends were weak in early bucket but were expected.

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For detailed report dated 15th Jul 2025. Note: CMP &amp; valuation may differ due to difference in dates



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