

January 20, 2023

Ref. No.: HDFC Life/CA/2022-23/84

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

NSE Symbol: HDFCLIFE

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

BSE Security Code: 540777

Dear Sir/ Madam,

Subject: Outcome of the Board Meeting held on January 20, 2023

We wish to inform that the Board of Directors of the Company at its meeting held today i.e. Friday, January 20, 2023, has inter-alia approved the financial results for the quarter and nine months ended December 31, 2022. In terms of Regulation 33 and 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), please find enclosed herewith audited standalone financial results along with Auditor’s report, unaudited consolidated financial results along with limited review report, and the Press Release.

The trading window for dealing in securities of the Company will be re-opened from Monday, January 23, 2023, for all the Designated Persons (i.e. Identified Employees, Directors and KMPs) including their Immediate Relatives and Promoters of the Company.

The meeting of the Board of Directors of the Company commenced at 12.00 noon and concluded at 1.40 p.m.

This is for your information and appropriate dissemination.

Thanking you,

For HDFC Life Insurance Company Limited

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Narendra Gangan
General Counsel, Chief Compliance Officer &
Company Secretary

Encl.: As above

Price Waterhouse Chartered Accountants LLP
Chartered Accountants
252, Veer Savarkar Marg,
Opp Shivaji Park,
Dadar (W), Mumbai 400028

G. M. Kapadia & Co.
Chartered Accountants
1007, Raheja Chambers,
213 Nariman Point,
Mumbai – 400021

Auditor’s Report on Standalone Financial Results for the quarter and nine months ended December 31, 2022 of HDFC Life Insurance Company Limited

To, The Board of Directors of
HDFC Life Insurance Company Limited

1. We have audited the accompanying standalone financial results of HDFC Life Insurance Company Limited (the “Company”) for the quarter and nine months ended December 31, 2022 (the “Standalone Financial Results”) which are included in the accompanying Statement of Standalone Audited Results for the quarter and nine months ended December 31, 2022, being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “Listing Regulations”) and IRDA Circular reference: IRDAI/F&I/ REG/ CIR/208/10/2016 dated October 25, 2016 (“Standalone financial results”) and which has been digitally signed by us for identification purposes.
2. These Standalone financial results have been prepared on the basis of the interim condensed financial statements prepared in accordance with the measurement and recognition principles specified in paragraph 3 below, which is the responsibility of the Company’s management and have been approved by the Board of Directors on January 20, 2023. The management’s responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation of the standalone financial results that is free from material misstatement, whether due to fraud or error.
3. Our responsibility is to express an opinion on these quarter and nine months ended December 31, 2022 Standalone financial results based on our audit of such interim condensed financial statements, which have been prepared by the Company’s Management in accordance with the recognition and measurement principles laid down in Accounting Standard (“AS”) 25, “Interim Financial Reporting”, specified under Section 133 of the Companies Act, 2013 (“the Act”) read with the Companies (Accounting Standards) Rules, 2021, including the relevant provisions of the Insurance Act, 1938 (the “Insurance Act”), the Insurance Regulatory and Development Authority Act, 1999 (the “IRDA Act”), orders/directions issued by the Insurance Regulatory and Development Authority of India (“IRDAI”) and other accounting principles generally accepted in India, to the extent considered relevant and appropriate for the purpose of quarterly and nine months ended financial results and which are not inconsistent with the accounting principles as prescribed in the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors’ Report of Insurance Companies) Regulations, 2002 (the “Regulations”) and orders/directions/circulars issued by the IRDAI to the extent applicable.

4. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us these Standalone financial results:
 - I) are presented in accordance with the requirements of Regulation 33 and Regulation 52 of the Listing Regulations and IRDA Circular reference: IRDAI/F&I /REG/CIR/208/10/2016 dated 25th October 2016 in this regard; and
 - II) give a true and fair view of the net profit and other financial information for the quarter and nine months ended December 31, 2022.

Emphasis of Matter

6. We draw your attention to Note 7 to the standalone financial results in respect of Scheme of Amalgamation between the Company and its wholly owned subsidiary namely Exide Life Insurance Company Limited (the “Transferor”), from the appointed date of April 1, 2022, as approved by National Company Law Tribunal (NCLT) vide its order dated September 16, 2022 and subsequently approved by IRDAI on October 13, 2022, which has been given effect to in the accompanying financial results as set out in the aforesaid note.

Our opinion is not modified in respect of this matter.

Other Matter

7. The standalone financial results includes the special purpose financial information of the Transferor Company consequent to its amalgamation into the Company (referred to in Note 7 to the Standalone financial results). We did not audit the special purpose financial information of the Transferor Company for the quarter ended September 30, 2022, included in the Standalone financial results whose special purpose financial statements reflect total revenue of Rs. 14,165,264 (in ‘000’), net profit of Rs. 3,89,971 (in ‘000’) for the quarter ended September 30, 2022, as considered in the standalone financial results. This special purpose financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the standalone financial results in so far as it relates to the amounts and disclosures included in respect of the Transferor Company is solely on the reports of the other auditors.

Our opinion is not modified in respect of this matter.

8. The actuarial valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities as at December 31, 2022 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon the Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists, as contained in the standalone financial results of the Company.

For Price Waterhouse Chartered Accountants LLP
Chartered Accountants
Firm Registration No.012754N/N500016

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Russell I Parera
Partner
Membership No. 042190
UDIN: 23042190BGTAKQ8135

Place: Mumbai
Date: January 20, 2023

For G.M.Kapadia & Co.
Chartered Accountants
Firm Registration No.104767W

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Atul Shah
Partner
Membership No. 039569
UDIN: 23039569BGUQBB8225

Place: Mumbai
Date: January 20, 2023

HDFC Life Insurance Company Limited
Statement of Standalone Audited Results for the Quarter and Nine months ended December 31, 2022

(₹ in Lakhs)

Sr. No.	Particulars	Three Months ended / As at			Nine Months ended/ As at		Year ended / As at
		December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
POLICYHOLDERS' A/C							
1	Gross premium income						
	(a) First Year Premium	272,487	242,313	211,597	685,667	547,950	805,437
	(b) Renewal Premium	718,700	690,663	554,303	1,919,410	1,446,684	2,180,801
	(c) Single Premium	466,317	395,284	459,575	1,185,653	1,159,523	1,610,045
2	Net premium income ¹	1,437,938	1,311,091	1,212,436	3,733,744	3,110,681	4,539,646
3	Income from investments (Net) ²	492,797	978,262	198,178	1,140,802	1,781,873	1,921,594
4	Other income	7,219	6,503	4,671	19,672	11,348	17,654
5	Contribution of funds from Shareholders' A/c	31,373	1,491	6,937	33,688	26,442	56,943
6	Total (2 to 5)	1,969,327	2,297,347	1,422,222	4,927,906	4,930,344	6,535,837
7	Commission on						
	(a) First Year Premium	48,871	40,884	35,664	116,087	93,926	136,813
	(b) Renewal Premium	11,774	19,392	8,638	38,616	22,113	33,009
	(c) Single Premium	6,988	6,849	5,965	19,169	13,636	20,619
	Rewards	1,650	1,091	471	3,670	2,280	3,588
8	Net Commission¹	69,283	68,216	50,738	177,542	131,955	194,029
9	Operating Expenses related to insurance business (a+b)						
	(a) Employees remuneration and welfare expenses	79,754	69,065	51,023	215,169	145,745	202,903
	(b) Other operating expenses*	132,284	114,872	99,218	336,574	234,607	358,345
10	Expenses of Management (8+9)	281,321	252,153	200,979	729,285	512,307	755,277
11	Provisions for doubtful debts (including bad debts written off)	-	-	-	-	-	-
12	Provisions for diminution in value of investments ⁵	(93)	707	(1,471)	2,958	(25,832)	(25,340)
13	Goods & Services Tax on linked charges	9,983	9,198	9,408	27,915	27,333	36,956
14	Provision for taxes	(13,129)	2,437	1,750	(9,208)	2,964	18,450
15	Benefits Paid ³ (Net) ¹	866,229	1,173,079	808,129	2,766,718	2,222,029	3,186,375
16	Change in actuarial liability	792,012	835,072	385,004	1,331,532	2,150,812	2,468,153
17	Total (10+11+12+13+14+15+16)	1,936,323	2,272,646	1,403,799	4,849,200	4,889,613	6,439,871
18	Surplus/Deficit (6-17)	33,004	24,701	18,423	78,706	40,731	95,966
19	Appropriations						
	(a) Transferred to Shareholders A/c	41,611	21,815	18,249	88,508	50,932	100,934
	(b) Funds for Future Appropriations	(8,607)	2,966	174	(9,804)	(10,201)	(4,968)
	(c) Surplus in Revenue Account pending recommendation for allocation from Appointed Actuary	-	(79)	-	-	-	-
20	Details of Surplus / Deficit						
	(a) Interim bonus paid	32,726	29,319	19,959	81,579	44,382	71,241
	(b) Terminal bonus paid	20,277	19,059	23,501	52,829	65,221	107,271
	(c) Allocation of bonus to policyholders	-	-	-	-	-	66,188
	(d) Surplus shown in the Revenue Account	33,004	24,701	18,423	78,705	40,731	95,966
	Total Surplus	86,007	73,079	61,883	213,113	150,334	340,666
SHAREHOLDERS' A/C							
21	Transfer from Policyholders' Account	41,611	21,815	18,249	88,508	50,932	100,934
22	Total income under Shareholders' Account						
	(a) Investment Income ²	24,366	15,987	17,911	52,370	64,186	78,938
	(b) Other income	-	-	-	-	-	-
23	Expenses other than those related to insurance business ⁴	3,180	3,699	2,294	9,316	6,092	8,247
24	Transfer of funds to Policyholders' Account	31,373	1,491	6,937	33,688	26,442	56,943
25	Provisions for doubtful debts (including write off)	-	-	-	-	-	-
26	Provisions for diminution in value of investments ⁵	-	(119)	(661)	(2,390)	(3,275)	(3,332)
27	Profit before tax	31,424	32,731	27,590	100,264	85,859	118,014
28	Provisions for tax	(98)	107	225	117	842	(2,755)
29	Profit after tax and before Extraordinary items	31,522	32,624	27,365	100,147	85,017	120,769
30	Profit after tax and Extraordinary items	31,522	32,624	27,365	100,147	85,017	120,769
31	Dividend per share (₹) (Nominal value ₹ 10 per share)						
	(a) Interim Dividend	-	-	-	-	-	-
	(b) Final Dividend	-	-	-	1.70	2.02	2.02
32	Profit carried to Balance Sheet ⁶	673,950	642,428	637,109	673,950	637,109	672,861
33	Paid up equity share capital	214,918	214,910	202,479	214,918	202,479	211,262
34	Reserve & Surplus (excluding Revaluation Reserve)	1,044,904	1,013,289	701,621	1,044,904	701,621	1,328,517
35	Fair Value Change Account and Revaluation Reserve (Shareholders)	9,587	6,483	13,647	9,587	13,647	8,480
36	Total Assets:						
	(a) Investments:						
	- Shareholders'	1,293,250	1,247,526	897,778	1,293,250	897,778	1,523,790
	- Policyholders Fund excluding Linked Assets	13,882,887	13,088,848	10,382,834	13,882,887	10,382,834	10,831,097
	- Assets held to cover Linked Liabilities (Linked Assets)	8,207,809	8,153,759	8,193,168	8,207,809	8,193,168	8,062,154
	(b) Other Assets (Net of current liabilities and provisions)	75,627	99,655	26,601	75,627	26,601	(988)
*Details of Expenses contributing more than 10% of the expense of management are as below -							
	Advertisement and publicity	58,828	57,484	52,127	163,683	126,093	188,386
	Business development expenses	40,620	25,395	23,651	80,943	40,987	78,400

Foot notes :

- 1 Net of reinsurance
- 2 Net of amortisation and losses (including capital gains)
- 3 Inclusive of interim and terminal bonus
- 4 Includes Remuneration of MD/CEOs/WTDs over specified limits and Interest on subordinated debt
- 5 Inclusive of provision for standard and non-standard assets
- 6 Represents accumulated surplus

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The joint statutory auditors have digitally signed this statement for identification purposes only and this Statement should be read in conjunction with their report dated January 20, 2023.

HDFC Life Insurance Company Limited
Statement of Standalone Audited Results for the Quarter and Nine months ended December 31, 2022

(₹ in Lakhs)

Particulars	Three Months ended / As at			Nine Months ended/ As at		Year ended / As at
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Analytical Ratios:						
(i) Solvency Ratio	209.0%	210.0%	190.0%	209.0%	190.0%	176.0%
(ii) Expenses of Management Ratio	19.3%	19.0%	16.4%	19.2%	16.2%	16.4%
(iii) Policyholder's liabilities to shareholders' fund	1739.8%	1721.9%	2015.4%	1739.8%	2015.4%	1214.5%
(iv) Earnings per share (in ₹):						
a) Basic EPS before and after extraordinary items (net of tax expense) for the period (not annualized for three months)	1.48	1.54	1.35	4.71	4.20	5.91
b) Diluted EPS before and after extraordinary items (net of tax expense) for the period (not annualized for three months)	1.48	1.54	1.35	4.70	4.20	5.90
(v) NPA ratios: (for Policyholders' fund)						
a) Gross NPAs						
- Non Linked						
Par	1,230.0	1,230.0	NIL	1,230.0	NIL	NIL
Non Par	1,000.0	1,000.0	NIL	1,000.0	NIL	NIL
- Linked						
Non Par	7,125.0	6,750.0	5,375.0	7,125.0	5,375.0	5,375.0
Net NPAs						
- Non Linked						
Par	NIL	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL	NIL
- Linked						
Non Par	NIL	NIL	NIL	NIL	NIL	NIL
b) % of Gross NPAs						
- Non Linked						
Par	0.02%	0.02%	NIL	0.02%	NIL	NIL
Non Par	0.01%	0.01%	NIL	0.01%	NIL	NIL
- Linked						
Non Par	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
% of Net NPA						
- Non Linked						
Par	NIL	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL	NIL
- Linked						
Non Par	NIL	NIL	NIL	NIL	NIL	NIL
(vi) Yield on Investments (on Policyholders' fund)						
A. Without unrealised gains						
- Non Linked						
Par	1.1%	1.9%	2.1%	5.0%	6.7%	8.7%
Non Par	1.9%	2.2%	2.2%	6.4%	6.8%	9.1%
- Linked						
Non Par	1.7%	2.8%	2.1%	6.1%	9.1%	11.5%
B. With unrealised gains						
- Non Linked						
Par	2.3%	3.9%	0.3%	2.8%	6.2%	6.1%
Non Par	2.2%	4.1%	0.3%	2.6%	2.4%	2.3%
- Linked						
Non Par	2.3%	9.1%	-0.5%	3.1%	14.9%	13.6%

HDFC Life Insurance Company Limited

Statement of Standalone Audited Results for the Quarter and Nine months ended December 31, 2022

(₹ in Lakhs)

Particulars	Three Months ended / As at			Nine Months ended/ As at		Year ended / As at
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
(vii) NPA ratios: (for Shareholders' fund)						
a) Gross NPAs	1770.00	1770.00	NIL	1770.00	NIL	NIL
Net NPAs	NIL	NIL	NIL	NIL	NIL	NIL
b) % of Gross NPAs	0.14%	0.14%	NIL	0.14%	NIL	NIL
% of Net NPAs	NIL	NIL	NIL	NIL	NIL	NIL
(viii) Yield on Investments (on Shareholders' fund)						
A. Without unrealised gains	1.9%	1.5%	1.7%	4.7%	7.3%	7.7%
B. With unrealised gains	2.5%	2.6%	0.6%	2.9%	6.1%	5.8%
(ix) Persistency Ratio (Regular Premium/Limited Premium Payment)						
13th month	84.1%	85.0%	84.5%	87.2%	86.6%	87.5%
25th month	76.2%	76.4%	74.2%	78.0%	76.9%	78.8%
37th month	67.9%	74.0%	65.8%	70.9%	66.9%	67.5%
49th month	63.0%	60.5%	60.3%	63.6%	62.8%	63.2%
61st month	49.1%	49.6%	51.1%	52.2%	53.2%	54.0%
(x) Conservation Ratio						
Participating Life- Individual & group	104.7%	109.5%	88.7%	108.0%	87.7%	86.5%
Participating Pension- Individual & group	83.7%	92.6%	78.8%	89.8%	86.9%	84.9%
Non Participating Life - Individual & group	97.0%	101.9%	91.2%	100.4%	90.6%	89.0%
Non Participating Pension - Individual & Group	41.1%	49.1%	65.6%	47.7%	66.6%	63.3%
Non Participating - Life Group Variable	NA	NA	NA	NA	NA	NA
Non Participating - Pension group variable	NA	NA	NA	NA	NA	NA
Non Participating Fund - Annuity	NA	NA	NA	NA	NA	NA
Non Participating Fund - Individual & Group Health	88.6%	86.1%	86.8%	84.7%	84.0%	85.3%
Unit Linked - Individual Life	82.5%	82.7%	84.8%	83.3%	85.4%	84.7%
Unit Linked - Individual Pension	69.3%	77.4%	72.7%	75.0%	70.8%	72.3%
Unit Linked - Group Life	NA	NA	NA	NA	NA	NA
Unit Linked - Group Pension	NA	NA	NA	NA	NA	NA

Notes :

- Analytical ratios have been calculated as per definition given in IRDAI Analytical ratios disclosure.
- The persistency ratios are calculated in accordance with the IRDAI circular no. IRDAI/F&A/CIR/MISC/256/09/2021 dated September 30, 2021 and hence are with a lag of one month.
- The persistency ratios for the quarter ended December 31, 2022 have been calculated for the policies issued in the September to November period of the relevant years. E.g.: the 13th month persistency for the current quarter is calculated for the policies issued from September 2021 to November 2021. The persistency ratios for quarter ended September 30, 2022 and December 31, 2021 have been calculated in a similar manner.
- The persistency ratios for the period ended December 31, 2021 have been calculated for the policies issued in the December to November period of the relevant years. E.g.: the 13th month persistency for the current year is calculated for the policies issued from December 2019 to November 2020.
- Definition revised in accordance with IRDAI circular on 'Public Disclosures by Insurers' dated September 30, 2021; persistency for individual policies; comparative period figures restated for revised definition.
- Definition revised in accordance with IRDAI circular on 'Public Disclosures by Insurers' dated September 30, 2021; persistency for individual policies; comparative period figures restated for revised definition.

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The joint statutory auditors have digitally signed this statement for identification purposes only and this Statement should be read in conjunction with their report dated January 20, 2023.

HDFC Life Insurance Company Limited
Segment Reporting (Standalone) for the Quarter and Nine months ended December 31, 2022

(₹ in Lakhs)

Sr. No.	Particulars	Three Months ended			Nine Months ended		Year ended
		December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1	Segment Income						
A)	Policyholders :						
	Segment A - Participating - Individual & Group Life :						
	Net Premium	324,045	306,681	239,685	826,264	582,187	889,255
	Income from Investments ²	92,109	90,929	73,276	270,068	233,239	299,863
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	4,031	3,899	2,830	11,453	6,190	10,539
	Segment B - Participating - Individual & Group Pension :						
	Net Premium	3,930	4,143	4,236	10,429	10,661	15,551
	Income from Investments ²	4,379	4,631	7,582	13,802	31,195	35,525
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	93	56	171	186	400	498
	Segment C - Non Participating - Individual & Group Life :						
	Net Premium	567,285	539,624	417,125	1,522,180	1,043,893	1,558,182
	Income from Investments ²	123,800	113,939	75,312	335,315	211,426	293,200
	Transfer of Funds from shareholders' account	31,373	1,491	7,867	33,688	26,442	56,943
	Other Income	2,012	1,644	829	5,146	2,440	3,462
	Segment D - Non Participating - Life Group Variable :						
	Net Premium	9,547	7,041	34,867	34,286	65,374	75,916
	Income from Investments ²	5,672	5,528	6,339	17,129	18,762	24,954
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	1	-	-	1	-	-
	Segment E - Non Participating - Individual & Group Pension :						
	Net Premium	8,810	9,590	43,561	38,179	123,164	156,711
	Income from Investments ²	5,281	4,493	12,356	22,169	35,547	47,245
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	9	4	7	17	19	26
	Segment F - Non Participating - Individual & Group Pension Variable :						
	Net Premium	10,486	13,234	45,885	35,152	118,514	152,613
	Income from Investments ²	6,644	7,370	7,647	22,385	23,541	30,940
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	1	-	-	1	-	-
	Segment G - Non Participating - Individual & Group Annuity :						
	Net Premium	185,515	148,593	116,040	444,382	363,438	487,148
	Income from Investments ²	36,921	34,382	27,447	102,650	76,143	105,484
	Transfer of Funds from shareholders' account	-	-	(371)	-	-	-
	Other Income	76	32	21	131	62	87
	Segment H - Non Participating - Individual & Group Health :						
	Net Premium	751	1,097	693	2,443	1,189	2,845
	Income from Investments ²	86	157	127	370	369	497
	Transfer of Funds from shareholders' account	-	-	(559)	-	-	-
	Other Income	3	3	2	8	9	12
	Segment I - Unit Linked - Individual Life :						
	Net Premium	276,366	250,504	266,134	720,562	693,943	1,049,216
	Income from Investments ²	170,884	648,194	(10,575)	299,909	1,034,479	961,251
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	984	864	809	2,719	2,222	3,021
	Segment J - Unit Linked - Individual Pension :						
	Net Premium	7,346	8,075	9,249	21,998	27,493	40,344
	Income from Investments ²	25,571	40,632	(2,120)	28,981	87,796	89,537
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	7	1	2	8	6	9
	Segment K - Unit Linked - Group Life :						
	Net Premium	42,122	20,593	33,434	71,489	64,879	93,885
	Income from Investments ²	18,739	23,679	2,106	22,312	47,495	50,252
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	2	-	-	2	-	-
	Segment L - Unit Linked - Group Pension :						
	Net Premium	1,735	1,916	1,527	6,380	15,946	17,980
	Income from Investments ²	3,211	3,931	300	3,875	7,926	8,422
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	-	-	-	-	-	-
	Total	1,969,827	2,296,950	1,423,841	4,926,069	4,956,389	6,561,413
B)	Shareholders :						
	Income from Investments ²	24,366	16,105	18,573	54,760	67,460	82,270
	Other Income	-	-	-	-	-	-
	Total	24,366	16,105	18,573	54,760	67,460	82,270
	Grand Total	1,994,193	2,313,055	1,442,414	4,980,829	5,023,849	6,643,683

HDFC Life Insurance Company Limited
Segment Reporting (Standalone) for the Quarter and Nine months ended December 31, 2022

(₹ in Lakhs)

Sr No.	Particulars	Three Months ended / As at			Nine Months ended/ As at		Year ended / As at
		December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
2	Segment Surplus/ Deficit (net of transfer from Shareholders' A/c) :						
	Segment A - Participating - Individual & Group Life	(4,463)	6,089	1,571	(698)	(6,824)	10,727
	Segment B - Participating - Individual & Group Pension	1,770	2,064	3,431	5,571	8,801	11,495
	Segment C - Non Participating - Individual & Group Life	(31,373)	(1,491)	(7,868)	(33,688)	(26,442)	(56,943)
	Segment D - Non Participating - Life Group Variable	730	852	391	2,954	1,018	3,067
	Segment E - Non Participating - Individual & Group Pension	4,632	548	1,092	7,075	4,877	10,387
	Segment F - Non Participating - Individual & Group Pension Variable	1,977	1,231	206	3,801	504	826
	Segment G - Non Participating - Individual & Group Annuity	1,631	3,647	1,059	11,254	688	15,901
	Segment H - Non Participating - Individual & Group Health	34	908	962	1,342	403	3,407
	Segment I - Unit Linked - Individual Life	22,875	5,441	7,150	36,597	20,300	25,563
	Segment J - Unit Linked - Individual Pension	2,481	2,662	2,541	7,107	7,968	10,829
	Segment K - Unit Linked - Group Life	1,114	1,011	755	3,106	2,495	3,161
	Segment L - Unit Linked - Group Pension	222	248	194	596	502	603
	Total	1,630	23,210	11,484	45,017	14,290	39,023
	Shareholders	12,285	12,299	16,054	45,327	60,527	76,778
	Grand Total	22,915	35,509	27,538	90,344	74,817	115,801
3	Segment Assets:						
	Segment A - Participating - Individual & Group Life	5,221,439	5,014,159	3,734,771	5,221,439	3,734,771	3,733,577
	Segment B - Participating - Individual & Group Pension	270,832	271,927	262,920	270,832	262,920	262,991
	Segment C - Non Participating - Individual & Group Life	5,216,201	4,756,511	3,280,143	5,216,201	3,280,143	3,652,205
	Segment D - Non Participating - Life Group Variable	289,926	301,981	327,973	289,926	327,973	319,266
	Segment E - Non Participating - Individual & Group Pension	323,604	295,685	695,783	323,604	695,783	680,930
	Segment F - Non Participating - Individual & Group Pension Variable	377,208	468,967	426,217	377,208	426,217	383,196
	Segment G - Non Participating - Individual & Group Annuity	2,131,220	1,947,961	1,557,188	2,131,220	1,557,188	1,669,238
	Segment H - Non Participating - Individual & Group Health	3,022	3,080	5,554	3,022	5,554	3,514
	Segment I - Unit Linked - Individual Life	6,755,415	6,759,307	6,770,443	6,755,415	6,770,443	6,657,688
	Segment J - Unit Linked - Individual Pension	588,946	593,682	645,150	588,946	645,150	617,304
	Segment K - Unit Linked - Group Life	729,051	682,640	649,982	729,051	649,982	667,318
	Segment L - Unit Linked - Group Pension	120,418	118,177	117,338	120,418	117,338	117,944
	Total	22,027,282	21,214,077	18,473,462	22,027,282	18,473,462	18,765,171
	Shareholder	1,353,105	1,317,964	965,017	1,353,105	965,017	1,597,328
	Unallocated ³	79,184	57,747	61,902	79,184	61,902	53,555
	Grand Total	23,459,571	22,589,788	19,500,381	23,459,571	19,500,381	20,416,054
4	Segment Policy Liabilities⁴ :						
	Segment A - Participating - Individual & Group Life	4,999,037	4,841,887	3,518,866	4,999,037	3,518,866	3,548,264
	Segment B - Participating - Individual & Group Pension	253,583	256,613	246,861	253,583	246,861	247,139
	Segment C - Non Participating - Individual & Group Life	5,225,271	4,769,015	3,272,480	5,225,271	3,272,480	3,659,098
	Segment D - Non Participating - Life Group Variable	290,631	302,417	327,548	290,631	327,548	318,713
	Segment E - Non Participating - Individual & Group Pension	323,195	295,628	695,120	323,195	695,120	680,412
	Segment F - Non Participating - Individual & Group Pension Variable	376,642	468,151	425,321	376,642	425,321	382,561
	Segment G - Non Participating - Individual & Group Annuity	2,123,502	1,938,355	1,553,105	2,123,502	1,553,105	1,661,342
	Segment H - Non Participating - Individual & Group Health	3,602	3,491	5,923	3,602	5,923	3,777
	Segment I - Unit Linked - Individual Life	6,809,824	6,790,776	6,808,857	6,809,824	6,808,857	6,686,436
	Segment J - Unit Linked - Individual Pension	589,051	593,752	645,192	589,051	645,192	617,355
	Segment K - Unit Linked - Group Life	729,984	683,080	651,302	729,984	651,302	667,447
	Segment L - Unit Linked - Group Pension	120,440	118,191	117,345	120,440	117,345	117,952
	Total	21,844,762	21,061,356	18,267,920	21,844,762	18,267,920	18,590,496
	Shareholders	1,364,970	1,329,688	979,011	1,364,970	979,011	1,608,591
	Unallocated	-	-	-	-	-	-
	Grand Total	23,209,732	22,391,044	19,246,931	23,209,732	19,246,931	20,199,087
Note:							
1. Segments include:							
a. Linked Policies: (i) Life (ii) General Annuity and Pension (iii) Health (iv) Variable							
b. Non-Linked:							
1. Non-Participating Policies: (i) Life (ii) General Annuity and Pension (iii) Health (iv) Variable							
2. Participating Policies: (i) Life (ii) General Annuity and Pension (iii) Health (iv) Variable							
c. Variable insurance shall be further segregated into Life and Pension.							
2. Net of provisions for diminution in value of investment.							
3. Unallocated row in the segmental assets above includes income tax deposited with tax authorities which is contested by the company and Advance Tax (net of provision for taxation). As per Accounting Standard 17, tax asset cannot be allocated across reporting segments.							
4. Segment policy liabilities includes fund for future appropriations and excludes Credit / (Debit) Fair Value Change Account on Policyholders' funds.							
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HDFC Life Insurance Company Limited

Statement of Standalone quarterly disclosures as per Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Three and Nine months ended December 31, 2022

Particulars	Three Months ended / As at			Nine Months ended/ As at		Year ended / As at
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1 Debt Equity Ratio ¹ (no of times)	0.07	0.08	0.07	0.07	0.07	0.04
2 Debt service coverage ratio ² (no of times) (not annualised for three/six months)	5.52	24.10	17.59	28.78	54.37	47.46
3 Interest service coverage ratio ³ (no of times) (not annualised for three/six months)	5.52	24.10	17.59	28.78	54.37	47.46
4 Total Borrowings (₹ in Lakhs)	95,000	95,000	60,000	95,000	60,000	60,000
5 Outstanding redeemable preference shares (quantity and value)	NA	NA	NA	NA	NA	NA
6 Capital redemption reserve / debenture redemption reserve ⁴	NA	NA	NA	NA	NA	NA
7 Net Worth ⁵ (₹ in Lakhs)	1,269,970	1,234,688	919,011	1,269,970	919,011	1,548,591
8 Net profit/ loss after tax ⁶ (₹ in Lakhs)	31,522	32,624	27,365	100,147	85,017	120,769
9 Earnings per share						
a) Basic EPS before and after extraordinary items (net of tax expense) for the period (not annualised for three/six months)	1.48	1.54	1.35	4.71	4.20	5.91
b) Diluted EPS before and after extraordinary items (net of tax expense) for the period (not annualised for three/six months)	1.48	1.54	1.35	4.70	4.20	5.90
10 Current ratio ⁷	0.83	0.87	0.89	0.83	0.89	0.84
11 Long term debt to working capital ¹¹	NA	NA	NA	NA	NA	NA
12 Bad debts to Account receivable ratio ¹¹	NA	NA	NA	NA	NA	NA
11 Current liability ratio ⁸	0.03	0.03	0.03	0.03	0.03	0.03
12 Total debts to total assets ⁹	0.004	0.004	0.003	0.004	0.003	0.003
13 Debtors turnover ¹⁰	NA	NA	NA	NA	NA	NA
12 Inventory turnover ¹⁰	NA	NA	NA	NA	NA	NA
13 Operating margin (%) ¹⁰	NA	NA	NA	NA	NA	NA
14 Net profit margin (%) ¹⁰	NA	NA	NA	NA	NA	NA

Notes :

- Debt-Equity Ratio is computed as Total borrowings divided by Equity. Equity is calculated as shareholder's funds excluding redeemable preference shares, if any.
- DSCR is computed as Profit before interest and tax divided by interest expense due together with principal repayments of long-term debt during the period. Tax for the purpose of this ratio includes tax of the company reduced by tax pertaining to par segment.
- ISCR is computed as Profit before interest and tax divided by interest expense due. Tax for the purpose of this ratio includes tax of the company reduced by tax pertaining to par segment.
- Capital redemption reserve / debenture redemption reserve is not required to be created as per Companies (Share Capital & Debenture) Amendment Rules, 2019 dated August 16, 2019
- Net worth represents shareholder's funds excluding redeemable preference shares, if any.
- Net profit/ loss after tax is the profit after tax as per shareholders account.
- Current ratio is computed as Current assets divided by Current Liabilities. Current Liabilities includes provisions.
- Current liability ratio is computed as Current Liabilities divided by Total Liabilities. Total Liabilities for the purpose of this ratio includes Borrowings, Policyholder's liabilities, Funds for future appropriation and Current liabilities. Current Liabilities includes provisions.
- Total debt to total assets is computed as Borrowings divided by Total Assets.
- Not applicable to insurance companies.
- Sector specific equivalent ratios are as disclosed in Analytical ratios forming part of Standalone audited financial SEBI results.

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HDFC Life Insurance Company Limited**Other disclosures :****Status of Shareholders Complaints as on December 31, 2022**

Sr No.	Particulars	Number of Complaints
1	Investor complaints pending at the beginning of the quarter	0
2	Investor complaints received during the quarter ended December 31, 2022	3
3	Investor complaints disposed of during the quarter ended December 31, 2022	2
4	Investor complaints remaining unresolved as on December 31, 2022	1

HDFC Life Insurance Company Limited

Other disclosures :

Status of Investor Complaints for the quarter ended December 31, 2022

Sr No.	Particulars	Number of Complaints
1	Investor complaints pending at the beginning of the quarter	0
2	Investor complaints received during the quarter ended December 31, 2022	0
3	Investor complaints disposed of during the quarter ended December 31, 2022	0
4	Investor complaints remaining unresolved as on December 31, 2022	0

Notes:

1. The standalone financial results of the company for the quarter and nine months ended December 31, 2022 were reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on January 20, 2023.
2. The standalone financial results have been prepared in accordance with the requirements of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable, and IRDAI Circular IRDA/F&I/REG/CIR/208/10/2016 dated October 25, 2016 on publication of financial results for Life Insurance companies.
3. In view of seasonality of industry, the results of interim period are not necessarily indicative of the results that may be expected of any other interim periods or for the full year.
4. During the period ended December 31, 2022, the Company has issued 3,57,94,824 equity shares of face value of Rs. 10 each on a preferential basis to HDFC Limited. Further, the Company has allotted 70,445 equity shares of face value of Rs. 10 each pursuant to exercise of employee stock options.
5. In accordance with the requirements of IRDAI circular on 'Public Disclosures by Insurers' dated September 30, 2021, the Company will publish the financials on the company's website not later than February 14, 2023.
6. The Code on Social Security, 2020 ('Code') has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified.
7. On January 1, 2022, the Company had acquired 100% stake of Exide Life Insurance Company Limited (Exide Life or Subsidiary). Subsequent to the acquisition the Company has filed a Scheme of amalgamation (Scheme) with National Company Law Tribunal (NCLT).
NCLT vide its order dated September 16, 2022 and the Insurance Regulatory Development Authority of India (IRDAI) vide its approval dated October 13, 2022 (effective from end of day of October 14, 2022) have approved the Scheme. On October 14, 2022 the Scheme has been filed with the Registrar of Companies (RoC).
In accordance with the Scheme,
a) the appointed date for the merger is April 1, 2022.
b) As per the Scheme, the Company in its financial results for the quarter ended September 30, 2022, had accounted the merger with effect from April 1, 2022 (the appointed date) using the Pooling of Interest method as prescribed under the Accounting Standard 14 (AS 14).
c) The amalgamation reserve created on merger has been adjusted against the Share premium Account.
Consequently, the comparative previous periods are not comparable.
8. The above standalone financial results have been audited by the joint statutory auditors of the Company.
9. Figures of the previous period have been regrouped wherever necessary, in order to make them comparable.

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For and on behalf of the Board of Directors

The joint statutory auditors have digitally signed this statement for identification purposes only and this Statement should be read in conjunction with their report dated January 20, 2023.

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**Mumbai
January 20, 2023**

**Vibha Padalkar
Managing Director & CEO
(DIN: 01682810)**

Price Waterhouse Chartered Accountants LLP

Chartered Accountants
252, Veer Savarkar Marg,
Opp Shivaji Park,
Dadar (W), Mumbai 400028

G. M. Kapadia & Co.

Chartered Accountants
1007, Raheja Chambers,
213 Nariman Point,
Mumbai – 400021

Auditor's Report on Consolidated Financial Results for the quarter and nine months ended December 31, 2022 of HDFC Life Insurance Company Limited.

To,
The Board of Directors
HDFC Life Insurance Company Limited

1. We have reviewed the unaudited consolidated financial results of HDFC Life Insurance Company Limited (the "Parent"), and its subsidiaries (the parent and its subsidiaries hereinafter referred to as the "Group"), for the quarter and nine months ended December 31, 2022 which are included in the accompanying Consolidated unaudited Financial Results (the "Statement"). The Statement is being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, which have been digitally signed by us for identification purposes.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard ('AS') 25, "Interim Financial Reporting", specified under Section 133 of the Companies Act, 2013 ("the Act"), including the relevant provisions of the Insurance Act, 1938 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), orders/directions issued by the Insurance Regulatory and Development Authority of India ("IRDAI") and other accounting principles generally accepted in India, to the extent considered relevant and appropriate for the purpose of quarterly financial results and which are not inconsistent with the accounting principles as prescribed in the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 (the "Regulations") and orders/directions/circulars issued by the IRDAI. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.
4. The Statement includes the financial information of the following entities:
 - a) HDFC Pension Management Company Limited and
 - b) HDFC International Life and Re Company Limited

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Insurance Act, IRDA Act, and other accounting principles generally accepted in India and to the extent considered relevant and appropriate for the purpose of these consolidated financial results and which are not inconsistent with the accounting principles as prescribed in the Regulations and orders/directions/circulars issued by IRDAI to the extent applicable and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw your attention to Note 6 to the consolidated financial results in respect of Scheme of Amalgamation between the Company and its wholly owned subsidiary namely Exide Life Insurance Company Limited (the “Transferor”), from the appointed date of April 1, 2022, as approved by National Company Law Tribunal (NCLT) vide its order dated September 16, 2022 and subsequently approved by IRDAI on October 13, 2022, which has been given effect to in the accompanying financial results as set out in the aforesaid note.
7. The actuarial valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists is the responsibility of the Parent Company’s Appointed Actuary (the “Appointed Actuary”). The actuarial valuation of these liabilities as at December 31, 2022 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon the Appointed Actuary’s certificate in this regard for forming our opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists, as contained in the consolidated unaudited financial results of the Group.
8. The consolidated unaudited financial results includes the financial information of two subsidiaries which has not been reviewed by their auditor or by us, whose interim financial information reflect total revenue of Rs. 339,044 (‘000) and Rs. 1,021,212 (‘000) and total net profit after tax of Rs. 6,870 (‘000) and Rs. 48,549 (‘000) for the quarter and nine months ended December 31, 2022 respectively (‘000) as considered in the consolidated unaudited financial results. According to the information and explanations given to us by the Management, financial information are not material to the Group. Our conclusion is not modified in respect of this matter.

For Price Waterhouse Chartered Accountants LLP

Chartered Accountants

Registration No.012754N/N500016

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Russell I Parera

Partner

Membership No. 042190

UDIN: 23042190BGTAKR5626

Place: Mumbai

Date: January 20, 2023

For G.M.Kapadia & Co.

Chartered Accountant Firm

Firm Registration No.104767W

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Atul Shah

Partner

Membership No. 039569

UDIN: 23039569BGUQBC2602

Place: Mumbai

Date: January 20, 2023

HDFC Life Insurance Company Limited

Statement of Consolidated Unaudited Results for the Quarter and Nine Months ended December 31, 2022

(₹ in Lakhs)

Sr. No.	Particulars	Three Months ended /			Nine Months ended /		Year ended/ As at March 31, 2022
		As at			As at		
		December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)	
POLICYHOLDERS' A/C							
1	Gross premium income						
	(a) First Year Premium	272,487	242,313	211,597	685,667	547,950	835,709
	(b) Renewal Premium	718,700	690,663	554,303	1,919,410	1,446,684	2,279,283
	(c) Single Premium	466,317	395,284	459,575	1,185,653	1,159,523	1,614,003
2	Net premium income ¹	1,440,222	1,313,789	1,214,733	3,741,018	3,117,605	4,680,095
3	Income from investments (Net) ²	492,979	978,422	198,329	1,141,289	1,782,322	1,951,180
4	Other income	7,250	6,516	4,673	19,725	11,351	19,231
5	Contribution of funds from Shareholders' A/c	31,373	1,491	6,937	33,688	26,442	55,444
6	Total (2 to 5)	1,971,824	2,300,218	1,424,672	4,935,720	4,937,720	6,705,950
7	Commission on						
	(a) First Year Premium	48,871	40,884	35,665	116,087	93,926	140,401
	(b) Renewal Premium	11,774	19,392	8,638	38,616	22,113	35,157
	(c) Single Premium	6,988	6,849	5,966	19,169	13,636	20,642
	Rewards	1,650	1,090	471	3,670	2,280	4,280
8	Net Commission¹	69,345	68,296	50,715	177,708	132,129	200,775
9	Operating Expenses related to insurance business (a+b)						
	(a) Employees remuneration and welfare expenses	79,940	69,239	51,164	215,700	146,168	212,193
	(b) Other operating expenses ⁵	132,398	114,981	99,293	336,898	234,841	373,105
10	Expenses of Management (8+9)	281,683	252,516	201,172	730,306	513,138	786,073
11	Provisions for doubtful debts (including bad debts written off)	-	-	-	-	-	-
12	Provisions for diminution in value of investments ⁵	(93)	707	(1,470)	2,958	(25,832)	(25,340)
13	Goods & Services Tax on fund charges	9,983	9,199	9,408	27,915	27,333	37,098
14	Provision for taxes	(13,129)	2,437	1,750	(9,208)	2,964	18,450
15	Benefits Paid ³ (Net) ¹	869,180	1,175,676	810,328	2,774,540	2,231,109	3,261,632
16	Change in actuarial liability	791,231	834,836	384,958	1,330,418	2,151,496	2,523,700
17	Total (10+11+12+13+14+15+16)	1,938,855	2,275,371	1,406,146	4,856,929	4,900,208	6,601,613
18	Surplus/Deficit (6-17)	32,969	24,847	18,526	78,791	37,512	104,337
19	Appropriations						
	(a) Transferred to Shareholders A/c	41,576	21,960	18,351	88,595	47,712	110,572
	(b) Funds for Future Appropriations	(8,607)	2,966	174	(9,804)	(10,201)	(6,235)
	(c) Surplus in Revenue Account pending recommendation for allocation from Appointed Actuary	-	(79)	-	-	-	-
20	Details of Surplus / Deficit						
	(a) Interim bonus paid	32,726	29,319	19,959	81,579	44,382	71,442
	(b) Terminal bonus paid	20,277	19,059	23,501	52,829	65,221	108,404
	(c) Allocation of bonus to policyholders	-	-	-	-	-	105,054
	(d) Surplus shown in the Revenue Account	32,969	24,847	18,526	78,791	37,512	104,337
	Total Surplus	85,972	73,225	61,986	213,199	147,115	389,237
SHAREHOLDERS' A/C							
21	Transfer from Policyholders' Account	41,576	21,960	18,351	88,595	47,712	110,572
22	Total income under Shareholders' Account						
	(a) Investment Income ²	24,475	16,088	18,007	52,680	64,497	81,310
	(b) Other income	784	697	499	2,088	1,342	1,901
23	Expenses other than those related to insurance business ⁴	3,934	4,318	2,811	11,182	7,391	11,396
24	Transfer of funds to Policyholders' Account	31,373	1,491	6,938	33,688	26,442	55,444
25	Provisions for doubtful debts (including write off)	-	-	-	-	-	-
26	Provisions for diminution in value of investments ⁵	-	(118)	(662)	(2,390)	(3,274)	(3,332)
27	Profit before tax	31,528	33,054	27,770	100,883	82,992	130,275
28	Provisions for tax	(63)	152	242	251	918	(2,418)
29	Profit after tax and before Extraordinary items	31,591	32,902	27,528	100,632	82,074	132,693
30	Profit after tax and Extraordinary items	31,591	32,902	27,528	100,632	82,074	132,693
31	Dividend per share (₹) (Nominal value ₹ 10 per share)						
	(a) Interim Dividend	-	-	-	-	-	-
	(b) Final Dividend	-	-	-	1.70	2.02	2.02
32	Profit carried to Balance Sheet ⁵	671,321	639,730	633,657	671,321	633,657	684,276
33	Paid up equity share capital	214,918	214,910	202,479	214,918	202,479	211,262
34	Reserve & Surplus (excluding Revaluation Reserve)	1,045,355	1,013,345	699,090	1,045,355	699,090	1,341,260
35	Fair Value Change Account and Revaluation Reserve (Shareholders)	9,587	6,483	13,647	9,587	13,647	8,480
36	Total Assets:						
	(a) Investments:						
	- Shareholders'	1,300,172	1,253,318	901,615	1,300,172	901,615	976,457
	- Policyholders Fund excluding Linked Assets	13,882,887	13,088,848	10,382,834	13,882,887	10,382,834	12,449,339
	- Assets held to cover Linked Liabilities (Linked Assets)	8,207,809	8,153,759	8,193,168	8,207,809	8,193,168	8,293,358
	(b) Other Assets (Net of current liabilities and provisions)	75,167	100,636	26,305	75,167	26,305	659,515

*Details of Expenses contributing more than 10% of the expense of management are as below -

Advertisement and publicity	58,828	57,484	52,127	163,683	126,093	189,075
Business development expenses	40,627	25,405	23,656	80,966	40,996	85,257

Foot notes :

- 1 Net of reinsurance ceded and accepted including HDFC Re (wholly owned subsidiary)
- 2 Net of amortisation and losses (including capital gains)
- 3 Inclusive of interim and terminal bonus
- 4 Includes Remuneration of MD/CEOs/WTDs over specified limits and Interest on subordinated debt
- 5 Inclusive of provision for standard and non-standard assets
- 6 Represents accumulated surplus

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HDFC Life Insurance Company Limited
Statement of Consolidated Unaudited Results for the Quarter and Nine Months ended December 31, 2022

(₹ in Lakhs)

Particulars	Three Months ended / As at		Nine Months ended / As at			Year ended/ As at
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)
Analytical Ratios:						
(i) Solvency Ratio ²	209.0%	210.0%	190.0%	209.0%	190.0%	176.0%
(ii) Expenses of Management Ratio	19.3%	19.0%	16.4%	19.3%	16.3%	16.6%
(iii) Policyholder's Liabilities to shareholders' fund	1739.6%	1722.4%	2021.6%	1739.6%	2021.6%	1329.5%
(iv) Earnings per share (in ₹):						
a) Basic EPS before and after extraordinary items (net of tax expense) for the period (not annualized for three months)	1.48	1.55	1.36	4.73	4.06	6.49
b) Diluted EPS before and after extraordinary items (net of tax expense) for the period (not annualized for three months)	1.48	1.55	1.36	4.73	4.05	6.48
(v) NPA ratios: (for Policyholders' fund) ²						
a) Gross NPAs						
- Non Linked						
Par	1,230	1,230	NIL	1,230	NIL	NIL
Non Par	1,000	1,000	NIL	1,000	NIL	NIL
- Linked						
Non Par	7,125	6,750	5,375	7,125	5,375	5,375
Net NPAs						
- Non Linked						
Par	NIL	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL	NIL
- Linked						
Non Par	NIL	NIL	NIL	NIL	NIL	NIL
b) % of Gross NPAs						
- Non Linked						
Par	0.02%	0.02%	NIL	0.02%	NIL	NIL
Non Par	0.01%	0.01%	NIL	0.01%	NIL	NIL
- Linked						
Non Par	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
% of Net NPA						
- Non Linked						
Par	NIL	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL	NIL
- Linked						
Non Par	NIL	NIL	NIL	NIL	NIL	NIL
(vi) Yield on Investments (on Policyholders' fund) ²						
A. Without unrealised gains						
- Non Linked						
Par	1.1%	1.9%	2.1%	5.0%	6.7%	8.7%
Non Par	1.9%	2.2%	2.2%	6.4%	6.8%	9.1%
- Linked						
Non Par	1.7%	2.8%	2.1%	6.1%	9.1%	11.5%
B. With unrealised gains						
- Non Linked						
Par	2.3%	3.9%	0.3%	2.8%	6.2%	6.1%
Non Par	2.2%	4.1%	0.3%	2.6%	2.4%	2.3%
- Linked						
Non Par	2.3%	9.1%	-0.5%	3.1%	14.9%	13.6%
(vii) NPA ratios: (for Shareholders' fund) ²						
a) Gross NPAs	1,770	1,770	NIL	1,770	NIL	NIL
Net NPAs	NIL	NIL	NIL	NIL	NIL	NIL
b) % of Gross NPAs	0.1%	0.1%	NIL	0.1%	NIL	NIL
% of Net NPAs	NIL	NIL	NIL	NIL	NIL	NIL
(viii) Yield on Investments (on Shareholders' fund) ²						
A. Without unrealised gains	1.9%	1.5%	1.7%	4.7%	7.3%	7.7%
B. With unrealised gains	2.5%	2.6%	0.6%	2.9%	6.1%	5.8%
(ix) Persistency Ratio ²						
Regular Premium/Limited Premium Payment						
13th month	84.1%	85.0%	84.5%	87.2%	86.6%	87.5%
25th month	76.2%	76.4%	74.2%	78.0%	76.9%	78.8%
37th month	67.9%	74.0%	65.8%	70.9%	66.9%	67.5%
49th month	63.0%	60.5%	60.3%	63.6%	62.8%	63.2%
61st month	49.1%	49.6%	51.1%	52.2%	53.2%	54.0%
(x) Conservation Ratio ²						
Participating life- Individual & Group	104.7%	109.5%	88.7%	108.0%	87.7%	86.5%
Participating pension- Individual & Group	83.7%	92.6%	78.8%	89.8%	86.9%	84.9%
Non Participating life - Individual & Group	97.0%	101.9%	91.2%	100.4%	90.6%	89.0%
Non Participating pension - Individual & Group	41.1%	49.1%	65.6%	47.7%	66.6%	63.3%
Non Participating - Life Group Variable	NA	NA	NA	NA	NA	NA
Non Participating - Pension group variable	NA	NA	NA	NA	NA	NA
Non Participating fund - Individual & Group Annuity	NA	NA	NA	NA	NA	NA
Non Participating fund - Individual & Group Health	88.6%	86.1%	86.8%	84.7%	84.0%	85.3%
Unit Linked - Individual life	82.5%	82.7%	84.8%	83.3%	85.4%	84.7%
Unit Linked - Individual pension	69.3%	77.4%	72.7%	75.0%	70.8%	72.3%
Unit Linked - Group life	NA	NA	NA	NA	NA	NA
Unit Linked - Group pension	NA	NA	NA	NA	NA	NA

Notes :

- Analytical ratios have been calculated as per definition given in IRDAI Analytical ratios disclosure.
- The ratios are calculated on the basis of the Standalone Financial Statements
- The persistency ratios are calculated in accordance with the IRDAI circular no. IRDAI/F&A/CIR/MISC/256/09/2021 dated September 30, 2021 and hence are with a lag of one month.
- The persistency ratios for the quarter ended December 31, 2022 have been calculated for the policies issued in the September to November period of the relevant years. E.g.: the 13th month persistency for the current quarter is calculated for the policies issued from September 2021 to November 2021. The persistency ratios for quarter ended September 30, 2022 and December 31, 2021 have been calculated in a similar manner.
- The persistency ratios for the year ended December 31, 2021 have been calculated for the policies issued in the December to November period of the relevant years. E.g.: the 13th month persistency for the current year is calculated for the policies issued from December 2019 to November 2020.
- Definition for persistency ratio revised in accordance with IRDAI circular on 'Public Disclosures by Insurers' dated September 30, 2021; persistency for individual policies; figures for previous period have been restated as per revised definition.

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HDFC Life Insurance Company Limited

Segment Reporting (Consolidated) for the Quarter and Nine Months ended December 31, 2022

(₹ in Lakhs)

Sr. No		Three Months ended			Nine Months ended		Year ended
		December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)
1	Segment Income						
	A) Policyholders :						
	Segment A - Participating - Individual & Group Life :						
	Net Premium	324,045	306,681	239,685	826,264	582,187	966,993
	Income from Investments ²	92,109	90,929	73,276	270,068	233,239	317,958
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	4,031	3,899	2,830	11,453	6,190	11,488
	Segment B - Participating - Individual & Group Pension :						
	Net Premium	3,930	4,143	4,236	10,429	10,661	15,771
	Income from Investments ²	4,379	4,631	7,582	13,802	31,195	35,595
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	93	56	171	186	400	498
	Segment C - Non Participating - Individual & Group Life :						
	Net Premium	567,449	539,794	417,281	1,522,666	1,044,362	1,596,798
	Income from Investments ²	123,800	113,939	75,312	335,315	211,426	301,217
	Transfer of Funds from shareholders' account	31,373	1,491	7,867	33,688	26,442	55,388
	Other Income	2,012	1,644	829	5,146	2,440	4,029
	Segment D - Non Participating - Life Group Variable :						
	Net Premium	9,547	7,041	34,867	34,286	65,374	76,812
	Income from Investments ²	5,672	5,528	6,339	17,129	18,762	27,131
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	1	-	-	1	-	0
	Segment E - Non Participating - Individual & Group Pension :						
	Net Premium	8,810	9,590	43,561	38,179	123,164	157,408
	Income from Investments ²	5,281	4,493	12,356	22,169	35,547	48,846
	Transfer of Funds from shareholders' account	-	-	-	-	-	(321)
	Other Income	9	4	7	17	19	26
	Segment F - Non Participating - Individual & Group Pension Variable :						
	Net Premium	10,486	13,234	45,885	35,152	118,514	152,613
	Income from Investments ²	6,644	7,370	7,647	22,385	23,541	30,940
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	1	-	-	1	-	-
	Segment G - Non Participating - Individual & Group Annuity :						
	Net Premium	185,515	148,593	116,040	444,382	363,438	488,743
	Income from Investments ²	36,921	34,382	27,447	102,650	76,143	105,935
	Transfer of Funds from shareholders' account	-	-	(371)	-	-	149
	Other Income	76	32	21	131	62	87
	Segment H - Non Participating - Individual & Group Health :						
	Net Premium	751	1,097	693	2,443	1,189	2,865
	Income from Investments ²	86	157	127	370	369	497
	Transfer of Funds from shareholders' account	-	-	(559)	-	-	-
	Other Income	3	3	2	8	9	12
	Segment I - Unit Linked - Individual Life :						
	Net Premium	276,366	250,504	266,134	720,562	693,943	1,056,948
	Income from Investments ²	170,884	648,194	(10,575)	299,909	1,034,479	959,722
	Transfer of Funds from shareholders' account	-	-	-	-	-	58
	Other Income	984	864	809	2,719	2,222	3,076
	Segment J - Unit Linked - Individual Pension :						
	Net Premium	7,346	8,075	9,249	21,998	27,493	42,339
	Income from Investments ²	25,571	40,632	(2,120)	28,981	87,796	89,591
	Transfer of Funds from shareholders' account	-	-	-	-	-	171
	Other Income	7	1	2	8	6	9
	Segment K - Unit Linked - Group Life :						
	Net Premium	42,122	20,593	33,434	71,489	64,879	95,564
	Income from Investments ²	18,739	23,679	2,106	22,312	47,495	50,310
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	2	-	-	2	-	0
	Segment L - Unit Linked - Group Pension :						
	Net Premium	1,735	1,916	1,527	6,380	15,946	17,980
	Income from Investments ²	3,211	3,931	300	3,875	7,926	8,422
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	-	-	-	-	-	-
	Segment M - Reinsurance:						
	Net Premium	2,120	2,528	2,141	6,788	6,455	9,261
	Income from Investments ²	182	161	149	487	449	591
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	31	13	3	53	3	5
	B) Shareholders :						
	Income from Investments ²	24,475	16,205	18,671	55,070	67,773	84,642
	Other Income	784	697	498	2,088	1,342	1,901

HDFC Life Insurance Company Limited

Segment Reporting (Consolidated) for the Quarter and Nine Months ended December 31, 2022

(₹ in Lakhs)

Sr No.	Particulars	Three Months ended / As at			Nine Months ended/ As at		Year ended / As at
		December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)
2	Segment Surplus/ Deficit (net of transfer from shareholders' A/c) :						
	Segment A - Participating - Individual & Group Life	(4,463)	6,089	1,571	(698)	(6,824)	16,639
	Segment B - Participating - Individual & Group Pension	1,770	2,064	3,431	5,571	8,801	11,394
	Segment C - Non Participating - Individual & Group Life	(32,040)	(1,476)	(7,705)	(34,673)	(28,436)	(57,272)
	Segment D - Non Participating - Life Group Variable	730	852	391	2,954	1,018	5,509
	Segment E - Non Participating - Individual & Group Pension	4,632	548	1,092	7,075	4,877	14,103
	Segment F - Non Participating - Individual & Group Pension Variable	1,977	1,231	206	3,801	504	826
	Segment G - Non Participating - Individual & Group Annuity	1,631	3,647	1,059	11,254	688	15,753
	Segment H - Non Participating - Individual & Group Health	34	908	962	1,342	403	3,385
	Segment I - Unit Linked - Individual Life	22,875	5,441	7,150	36,597	20,300	25,175
	Segment J - Unit Linked - Individual Pension	2,481	2,662	2,541	7,107	7,968	10,658
	Segment K - Unit Linked - Group Life	1,114	1,011	755	3,106	2,495	3,175
	Segment L - Unit Linked - Group Pension	222	248	194	596	502	603
	Segment M - Reinsurance	633	130	(61)	1,072	(1,226)	(1,054)
	Total	1,596	23,355	11,586	45,104	11,070	48,894
	Shareholders	21,388	12,434	16,117	45,724	60,804	77,564
	Grand Total	22,984	35,789	27,703	90,828	71,874	126,458
3	Segment Assets:						
	Segment A - Participating - Individual & Group Life	5,221,439	5,014,159	3,734,771	5,221,439	3,734,771	4,783,105
	Segment B - Participating - Individual & Group Pension	270,832	271,927	262,920	270,832	262,920	266,966
	Segment C - Non Participating - Individual & Group Life	5,215,584	4,756,564	3,277,966	5,215,584	3,277,966	4,106,135
	Segment D - Non Participating - Life Group Variable	289,926	301,981	327,973	289,926	327,973	319,266
	Segment E - Non Participating - Individual & Group Pension	323,604	295,685	695,783	323,604	695,783	749,096
	Segment F - Non Participating - Individual & Group Pension Variable	377,208	468,967	426,217	377,208	426,217	491,720
	Segment G - Non Participating - Individual & Group Annuity	2,131,220	1,947,961	1,557,188	2,131,220	1,557,188	1,694,954
	Segment H - Non Participating - Individual & Group Health	3,022	3,080	5,554	3,022	5,554	3,514
	Segment I - Unit Linked - Individual Life	6,755,415	6,759,307	6,770,443	6,755,415	6,770,443	6,860,854
	Segment J - Unit Linked - Individual Pension	588,946	593,682	645,150	588,946	645,150	634,391
	Segment K - Unit Linked - Group Life	729,051	682,640	649,982	729,051	649,982	679,077
	Segment L - Unit Linked - Group Pension	120,418	118,177	117,338	120,418	117,338	117,944
	Segment M - Reinsurance	6,530	6,272	5,644	6,530	5,644	6,082
	Total	22,033,195	21,220,402	18,476,929	22,033,195	18,476,929	20,713,105
	Shareholders	1,353,656	1,318,412	965,091	1,353,656	965,091	1,612,010
	Unallocated ³	79,184	57,747	61,902	79,184	61,902	53,554
	Grand Total	23,466,035	22,596,561	19,503,922	23,466,035	19,503,922	22,378,669
4	Segment Policy Liabilities⁴ :						
	Segment A - Participating - Individual & Group Life	4,999,037	4,841,887	3,518,866	4,999,037	3,518,866	4,588,347
	Segment B - Participating - Individual & Group Pension	253,583	256,613	246,861	253,583	246,861	251,114
	Segment C - Non Participating - Individual & Group Life	5,225,271	4,769,015	3,272,480	5,225,271	3,272,480	4,113,932
	Segment D - Non Participating - Life Group Variable	290,631	302,417	327,548	290,631	327,548	318,713
	Segment E - Non Participating - Individual & Group Pension	323,195	295,628	695,120	323,195	695,120	748,210
	Segment F - Non Participating - Individual & Group Pension Variable	376,642	468,151	425,321	376,642	425,321	490,679
	Segment G - Non Participating - Individual & Group Annuity	2,123,502	1,938,355	1,553,105	2,123,502	1,553,105	1,687,058
	Segment H - Non Participating - Individual & Group Health	3,602	3,491	5,923	3,602	5,923	3,777
	Segment I - Unit Linked - Individual Life	6,809,824	6,790,776	6,808,857	6,809,824	6,808,857	6,889,602
	Segment J - Unit Linked - Individual Pension	589,051	593,752	645,192	589,051	645,192	634,442
	Segment K - Unit Linked - Group Life	729,984	683,080	651,302	729,984	651,302	679,206
	Segment L - Unit Linked - Group Pension	120,440	118,191	117,345	120,440	117,345	117,952
	Segment M - Reinsurance	6,013	6,716	6,073	6,013	6,073	6,565
	Total	21,850,775	21,068,072	18,273,993	21,850,775	18,273,993	20,529,597
	Shareholders	1,365,420	1,329,744	976,480	1,365,420	976,480	1,621,333
	Unallocated	-	-	-	-	-	-
	Grand Total	23,216,195	22,397,816	19,250,473	23,216,195	19,250,473	22,150,930

Note:

- Segments include:
 - Linked Policies: (i) Life (ii) General Annuity and Pension (iii) Health (iv) Variable
 - Non-Linked:
 - Non-Participating Policies: (i) Life (ii) General Annuity and Pension (iii) Health (iv) Variable
 - Participating Policies: (i) Life (ii) General Annuity and Pension (iii) Health (iv) Variable
 - Variable insurance shall be further segregated into Life and Pension.
- Net of provisions for diminution in value of investment.
- Unallocated row in the segmental assets above includes income tax deposited with tax authorities which is contested by the company and Advance Tax (net of provision for taxation). As per Accounting Standard 17, tax asset cannot be allocated across reporting segments.
- Segment policy liabilities includes fund for future appropriations and excludes Credit / (Debit) Fair Value Change Account on Policyholders' funds.

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The joint statutory auditors have digitally signed this statement for identification purposes only and this Statement should be read in conjunction with review report dated January 20, 2023.

HDFC Life Insurance Company Limited

Other disclosures :

Status of Shareholders Complaints as on December 31, 2022

Sr No.	Particulars	Number of Complaints
1	Investor complaints pending at the beginning of the quarter	0
2	Investor complaints received during the quarter ended December 31, 2022	3
3	Investor complaints disposed of during the quarter ended December 31, 2022	2
4	Investor complaints remaining unresolved as on December 31, 2022	1

HDFC Life Insurance Company Limited

Other disclosures :

Status of Investor Complaints for the quarter ended December 31, 2022

Sr No.	Particulars	Number of Complaints
1	Investor complaints pending at the beginning of the quarter	0
2	Investor complaints received during the quarter ended December 31, 2022	0
3	Investor complaints disposed of during the quarter ended December 31, 2022	0
4	Investor complaints remaining unresolved as on December 31, 2022	0

Notes:

1. The consolidated financial results of the company for the quarter and nine months ended December 31, 2022 were reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on January 20, 2023.
2. The consolidated financial results have been prepared in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable, and IRDAI Circular IRDA/F&I/REG/CIR/208/10/2016 dated October 25, 2016 on publication of financial results for Life Insurance companies.
3. In view of seasonality of industry, the results of interim period are not necessarily indicative of the results that may be expected of any other interim periods or for the full year.
4. During the period ended December 31, 2022, the holding company has issued 3,57,94,824 equity shares of face value of Rs. 10 each on a preferential basis to HDFC Limited. Further, the holding company has allotted 70,445 equity shares of face value of Rs. 10 each pursuant to exercise of employee stock options.
5. The Code on Social Security, 2020 ('Code') has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified.
6. On January 1, 2022, the holding company had acquired 100% stake of Exide Life Insurance Company Limited (Exide Life or Subsidiary). Subsequent to the acquisition the holding company has filed a Scheme of amalgamation (Scheme) with National Company Law Tribunal (NCLT).
NCLT vide its order dated September 16, 2022 and the Insurance Regulatory Development Authority of India (IRDAI) vide its approval dated October 13, 2022 (effective from end of day of October 14, 2022) have approved the Scheme. On October 14, 2022 the Scheme has been filed with the Registrar of Companies (RoC).
In accordance with the Scheme,
a) the appointed date for the merger is April 1, 2022.
b) As per the Scheme, the Company in its financial results for the quarter ended September 30, 2022, had accounted the merger with effect from April 1, 2022 (the appointed date) using the Pooling of Interest method as prescribed under the Accounting Standard 14 (AS 14).
c) The amalgamation reserve created on merger in standalone financial statements has been adjusted against the Share premium Account.
Consequently, the comparative previous periods are not comparable.
7. The Group has been consistently consolidating operations of its wholly owned foreign subsidiary (HDFC Re) in its consolidated shareholders' profit and loss account in compliance with the requirements of relevant regulations / accounting standards. However, based on the specific direction from Insurance Regulatory and Development Authority of India (IRDAI) vide letter dated March 17, 2022, the operations of HDFC Re are consolidated under consolidated policyholders' revenue account as on March 31, 2022. Consequently, the numbers for the previous quarter have been regrouped to align with current periods classification.
8. Figures of the previous period have been regrouped wherever necessary, in order to make them comparable.
9. The above consolidated financial results have been reviewed by joint statutory auditors of the Holding Company.

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For and on behalf of the Board of Directors

The joint statutory auditors have digitally signed this statement for identification purposes only and this Statement should be read in conjunction with review report dated January 20, 2023

VIBHA
PADALKAR

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Mumbai
January 20, 2023

Vibha Padalkar
Managing Director & CEO
(DIN: 01682810)

PRESS RELEASE - PERFORMANCE FOR THE NINE MONTHS ENDED DECEMBER 31, 2022

BSE Code: 540777

NSE Code: HDFCLIFE

Consistent delivery across all key metrics – Private market share: 15.8%, VNB growth: 22%, PAT growth: 18%

- **Faster than industry growth in Q3**
 - **Strong growth in protection on the back of 52% growth in credit protect business**
 - **68% growth in Annuity APE**
 - **Operating ROEV at 17.5%**
 - **18% growth in PAT to Rs. 1,001 crore**
-

Mumbai, January 20, 2023: The Board of Directors of HDFC Life approved and adopted today the audited standalone and reviewed consolidated financial results for the nine month ended December 31, 2022. Below is the summary of our standalone results:

Commenting on the 9M FY23 performance, Ms. 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 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.

We are happy to share that the post-merger integration and synergy realisation from the combined business is progressing as per plan. This has been demonstrated by achievement of margin neutrality during this period. The newly added distribution partners now have access to HDFC Life’s products and digital capabilities.

Our subsidiary HDFC Pension Management Company's AUM doubled in less than 17 months to reach the Rs 40,000 Cr milestone on 2nd January, 2023. For 9MFY23, HDFC Pension has a market share of 40%, up from 37% last year, with AUM growing by 63%.

We are pleased to announce that our subsidiary HDFC International has been granted the Certificate of Registration to set up a branch in GIFT City by the relevant regulator. The branch will commence business and operations on receiving other statutory licenses and approvals.

We remain enthused with the growth potential of the sector and are committed to increasing insurance penetration in a meaningful way."

Key Financial Summary

Rs Crore	9M FY23*	9M FY22	FY22	FY21
Key Financial and Actuarial Metrics				
Individual APE	6,874	5,577	8,168	7,121
Total APE	8,174	6,709	9,758	8,372
New Business Premium (Indl + Group)	18,713	17,075	24,155	20,107
Renewal Premium (Indl + Group)	19,194	14,467	21,808	18,477
Total Premium	37,907	31,542	45,963	38,583
Assets Under Management	2,33,839	1,94,738	2,04,170	1,73,839
Profit After Tax	1,001	850	1,208	1,360
Indian Embedded Value	37,702	29,543	30,048	26,617
Value of new business	2,163	1,780	2,675	2,185
Protection based on Total APE	1,207	923	1,325	1,070

	9M FY23*	9M FY22	FY22	FY21
Key Financial Ratios				
New Business Margins	26.5%	26.5%	27.4%	26.1%
Operating Return on EV	17.5%	16.2%	16.6%	18.5%
Operating Expenses / Total Premium	14.7%	12.2%	12.3%	12.0%
Solvency Ratio	209%	190%	176%	201%
13M / 61M Persistency	87%/52%	87%/53%	87%/54%	85%/49%
Market share				
Individual WRP	15.8%	15.2%	14.8%	15.5%
Overall new business premium	20.3%	21.7%	21.0%	21.5%
Product mix by Indl APE (UL / Non par savings / Annuity/ Protection / Par)	21/39/6/4/29	26/33/5/6/30	26/33/5/6/30	24/31/5/7/34
Distribution mix by Indl APE (Corp Agents/ Agency/ Broker/ Direct)	59/18/9/15	61/14/6/19	60/14/6/19	61/13/7/19

Notes:

- Limited pay/regular premium persistency
 - 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 2021, the first monthly instalment received would be reflected as First year premiums for 2020-21 and the remaining 11 instalments due in the first policy year would be reflected as first year premiums in 2021-22, 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 abrdrn (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. 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 as constituting legal, business, tax or financial advice or a recommendation regarding the securities. Although Company believes that such forward-looking statements are based on reasonable assumptions, it can give no assurance that such expectations will be met. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of Company's management on future events. Forecasts and hypothetical examples are subject to uncertainty and contingencies outside Company's control. Past performance is not a reliable indication of future performance.

Before acting on any information you should consider the appropriateness of the information having regard to these matters, and in particular, you should seek independent financial advice.

Investor Presentation – 9M FY23



Executive summary: 9M FY23*

Revenue & Scale



Individual WRP	Rs.Bn	68.3
	Market Share	15.8%



Renewal Premium (Rs Bn.)	CY	191.9
	PY	144.7



AUM (Rs Bn.)	CY	2,338
	PY	1,947



IEV	Rs (Bn.)	377.0
	EVOP	17.5%

Profitability & Cost



New Business Margin (NBM)	CY	26.5%
	PY	26.5%



VNB (Rs Bn.)	CY	21.6
	PY	17.8



Profit After Tax (PAT) (Rs Bn.)	CY	10.0
	PY	8.5



Operating exp. ratio	CY	14.7%
	PY	12.2%

Customer & Capital



13 th month persistency	CY	87%
	PY	87%



Claim settlement ratio (FY22)	Overall	99.6%
	Individual	98.7%



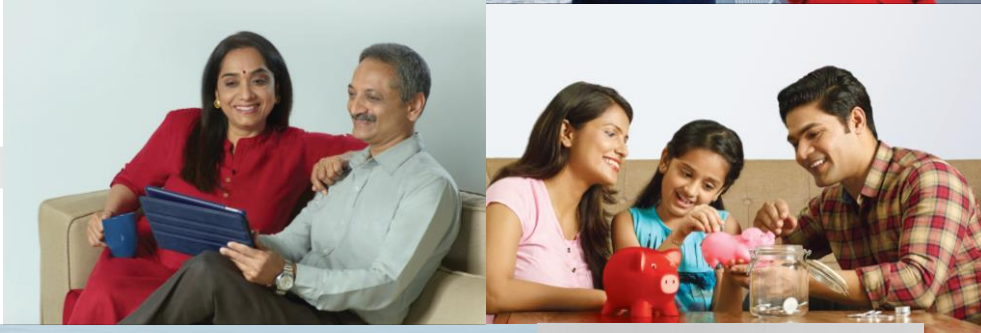
Complaints per 10K policies	FY22	25
	FY21	29



Solvency	Dec'22	209%
	Mar'22	176%

1. Complaints data (excluding survival and death claims)
 * Current year numbers are on a merged basis, hence prior years are not comparable

Agenda



1 Performance Snapshot

2 Our Strategy

3 Our approach to ESG

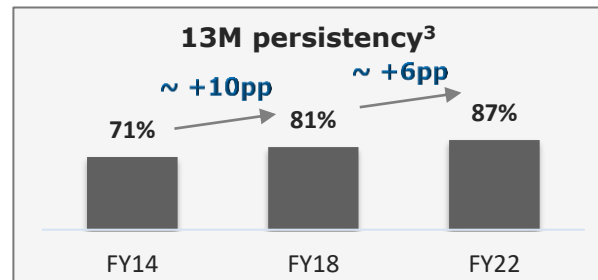
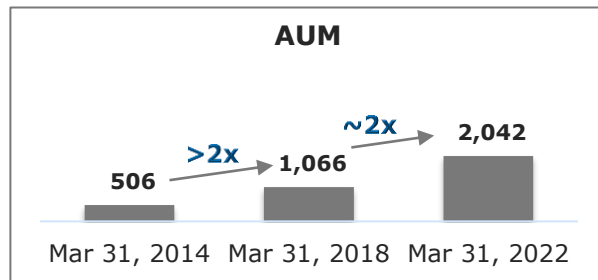
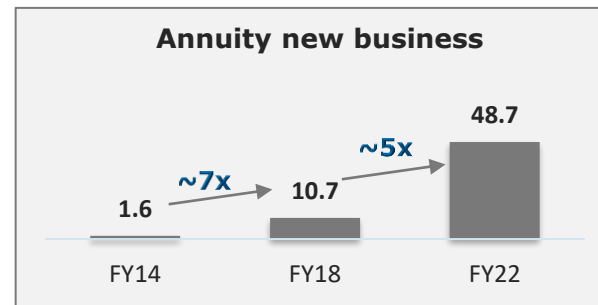
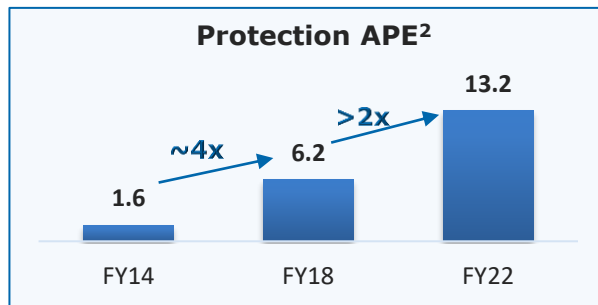
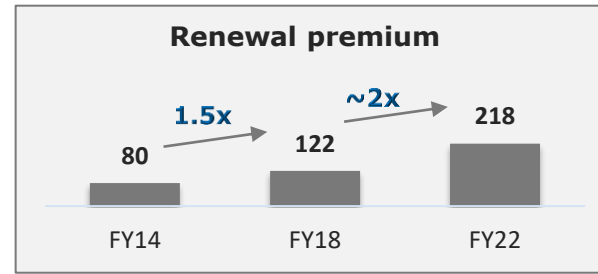
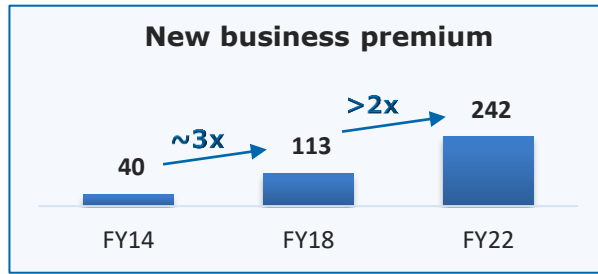
4 Annexures

5 Life insurance in India

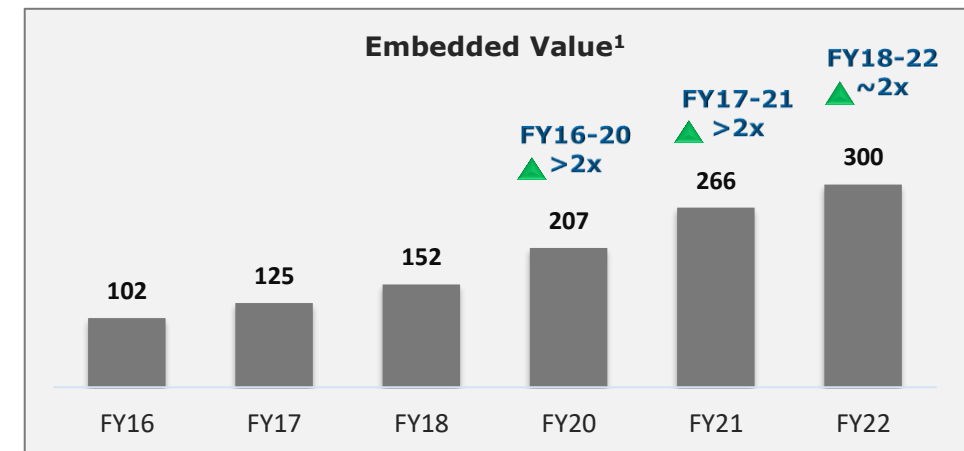
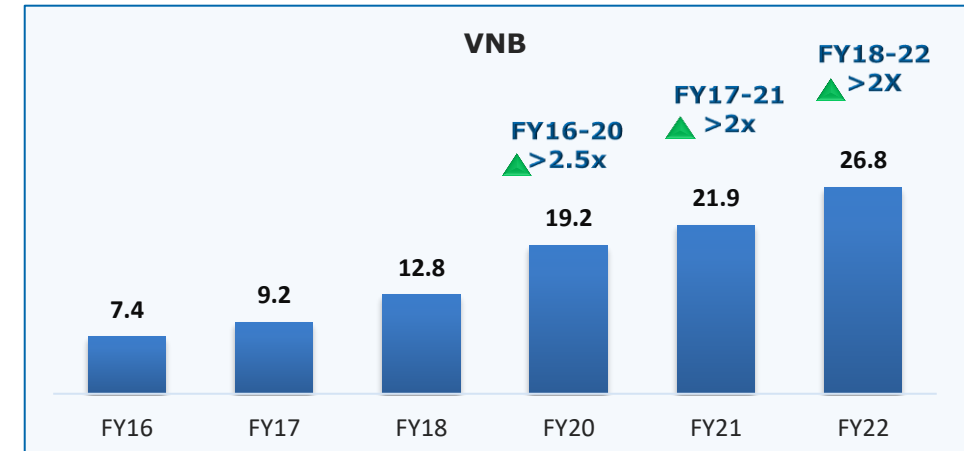
Consistent, predictable, sustained performance

Rs bn

Holistic growth



Consistent track record over multiple periods



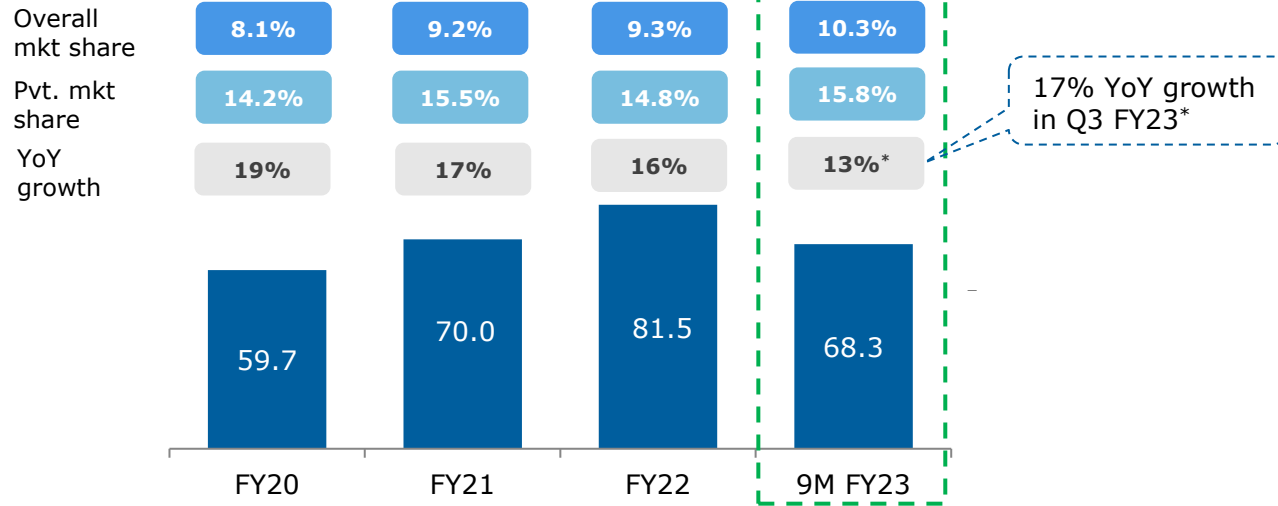
1. Including cash payout of Rs 7.3 bn for acquisition of Exide Life, but excluding Exide Life's EV of Rs 29.1 bn

2. Based on Overall APE

3. Excluding single premium

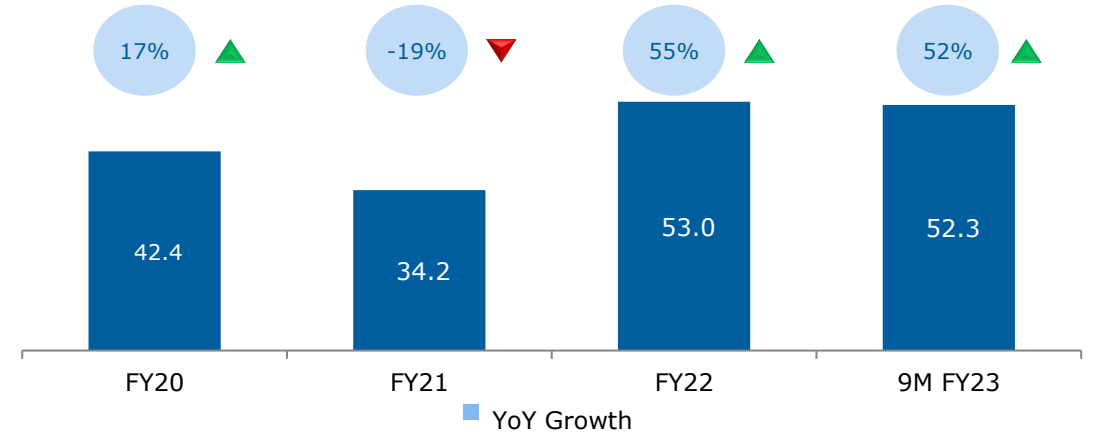
Demonstrating resilience in the current environment (1/2)

Strong, sustainable growth

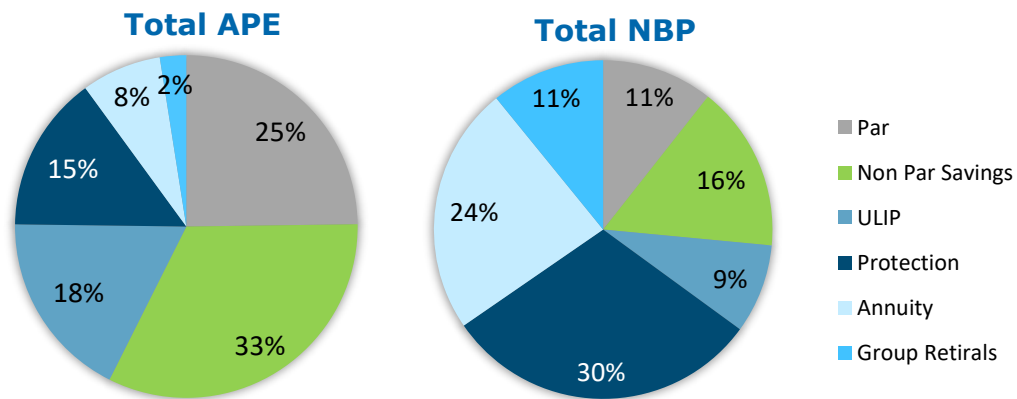


Strong CP volumes on the back of higher disbursements¹

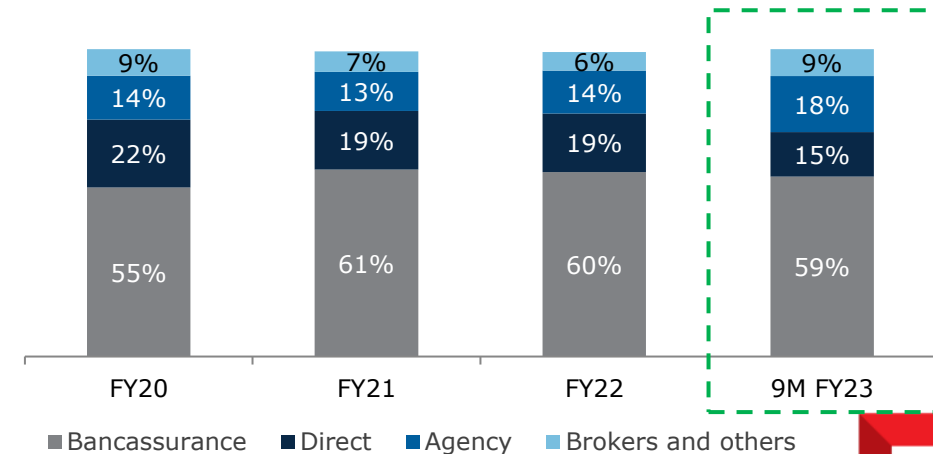
Rs bn



Balanced product mix



Focus on diversified channel mix²



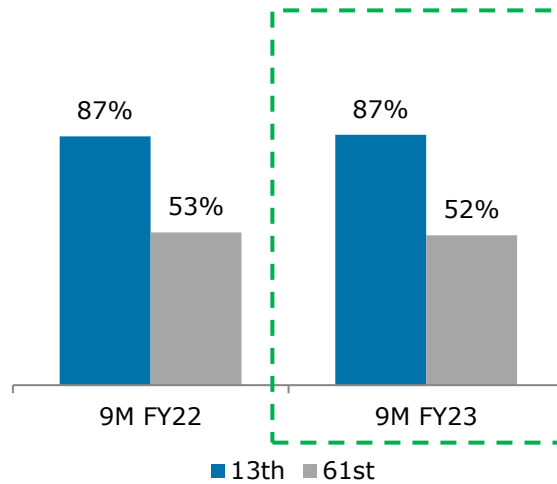
1. Based on Credit Protect new business premium 2. Based on Individual APE

* Current year growth numbers have been computed after factoring in Exide Life WRP in previous year - 9M and Q3

Demonstrating resilience in the current environment (2/2)

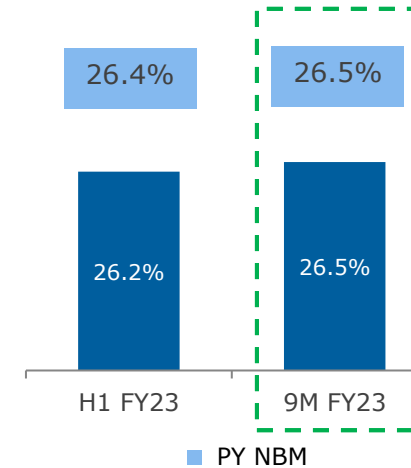
Rs bn

Stable Persistency¹



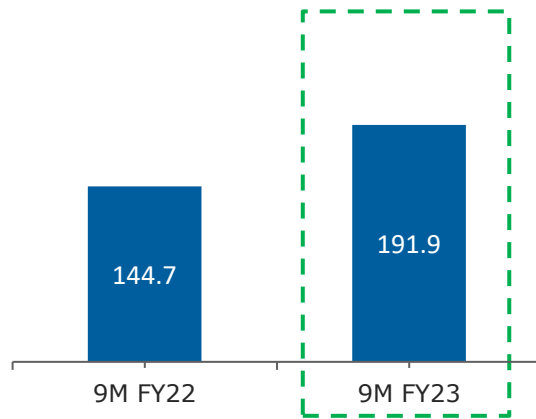
- Focus on quality of business and providing superior customer experience

On track to achieving margin neutrality for FY23²



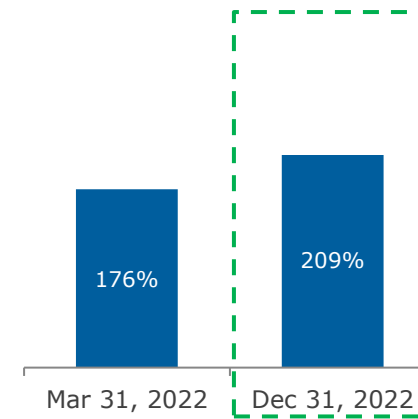
- Multiple pools of profitability contributing to VNB accretion
- VNB has grown at 24% CAGR between FY17-22

Strong growth in renewal premium²



- Backed by consistent improvement in overall persistency

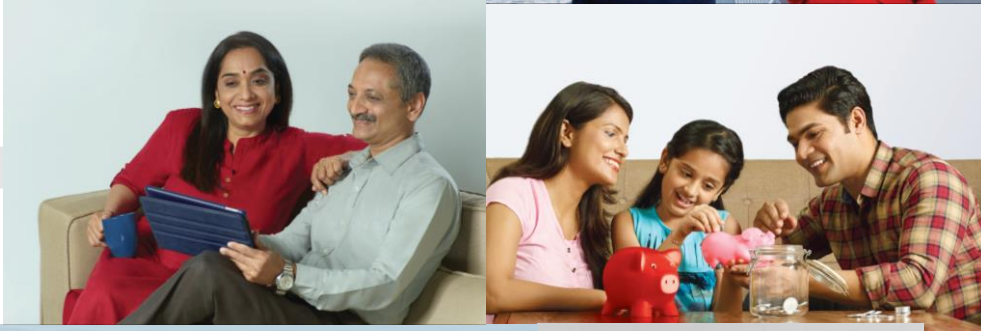
Steady solvency position²



- Healthy solvency margin of 209% - well above regulatory requirement

1. For individual business; Excluding single premium and fully paid up policies. Current year numbers are on a merged basis, hence prior year is not comparable
 2. Current year numbers are on a merged basis, hence prior year is not comparable

Agenda



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Key elements of our strategy

1



Focus on profitable growth

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

2



Diversified distribution mix

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

3



Market-leading innovation

Creating **new product propositions** to cater to the **changing customer behaviour** and needs

4



Reimagining insurance

Market-leading **digital capabilities** that put the customer first, shaping the insurance operating model of tomorrow

5

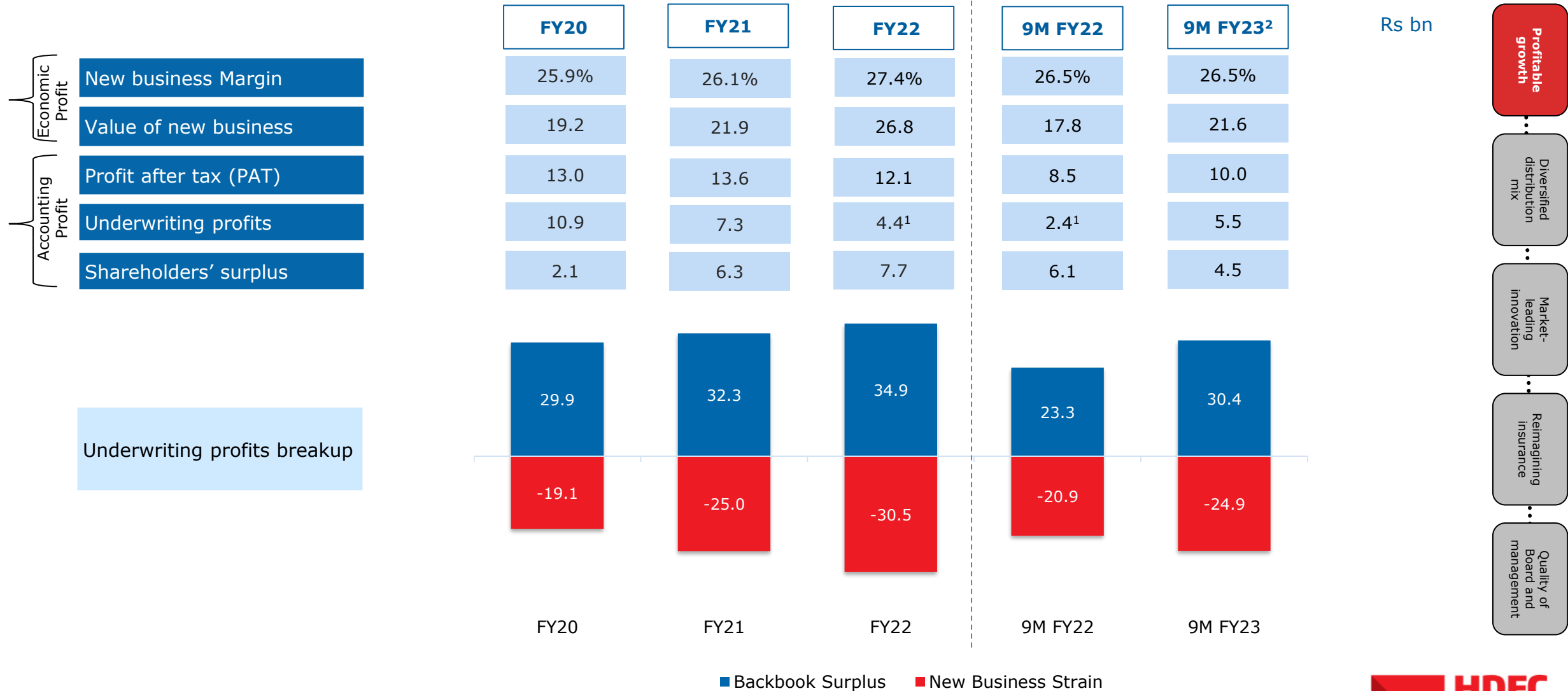


Quality of Board and management

Seasoned leadership guided by an **independent and competent Board**; No secondees from group companies

“Our continuous focus on technology, diversification and customer-centricity has enabled us to deliver consistent performance even in the most challenging times”

Focus on profitable growth



1. Post accounting for impact of excess mortality reserve (EMR)
 2. Current year numbers are on a merged basis, hence prior years are not comparable



Analysis of change in IEV



- Profitable growth
- Diversified distribution mix
- Market-leading innovation
- Reimagining insurance
- Quality of Board and management

Operating variance continues to be positive and in line with our assumptions

1. EVOP% calculated as annualised EVOP (Embedded Value Operating Profit) to Opening EV
 2. Opening IEV as at Mar 31, 2022 includes Exide Life EV, hence it is comparable to IEV as at Dec 31, 2022

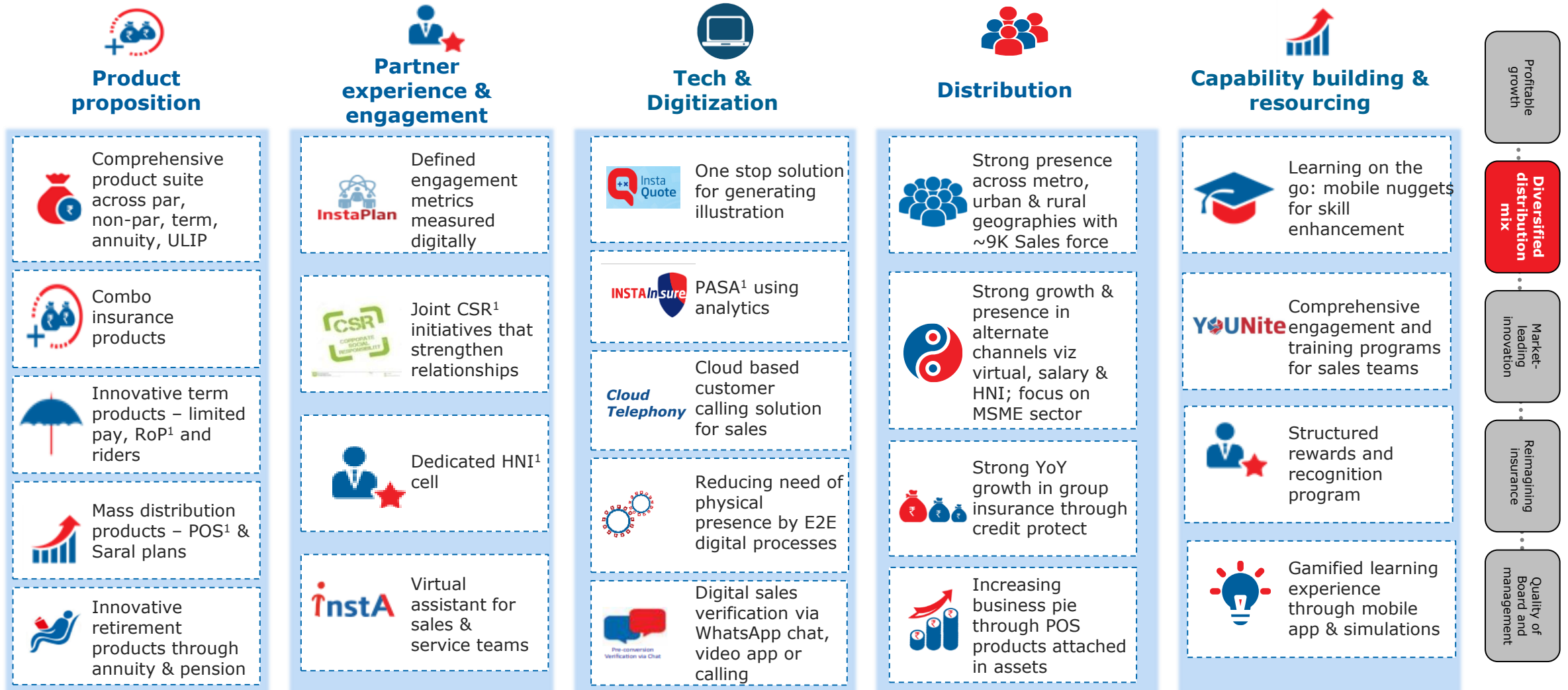


Diversified distribution mix enabled by multiple levers



1. Proprietary channels include Agency, Direct and Online (Post-Merger basis)
 2. Digital Branches: Virtual branch for servicing customer requests remotely through dedicated app and webpage

Bancassurance powered by innovation, technology and people



1. POS: Point of Sales; PASA: Pre-approved Sum Assured; RoP: Return of Premium; HNI: High Networth Individual; CSR: Corporate Social Responsibility
 2. WISE: Frontline digital tool, enables virtual onboarding of customers in the presence of a HDFC Life representative
 3. PCVC: Pre Conversion Verification Call

Balanced product mix in Agency enabled by technology and training



Secure communication platform for all agency stakeholders

Contest launch, updates, qualification, reward fulfillment process and status

Technology



Digital tool for smooth on-boarding of term customers

Easy to fill forms and pay premiums

FAME

AI & ML based customer interactions and opportunities

Theme based dossier focused on giving consumer insights

Receive nudges to improve customer reach out



Partner Portal

Check performance reports & commissions

Trigger customer communication and reminders

MIS, ranking, contest earnings, opportunities and much more

Training

The Selling Skills Program

In-depth program to train and groom our FLS on essential selling skills

Agency Life

Skilling and engagement platform to drive higher productivity

Analytics based distribution & activation drives & enablers

IC38 Audio Online Training

Easier and simpler way to complete IC38 training

- ✓ Available in vernacular language
- ✓ Interesting & engaging audio content

Sales Planning Simulation

First of its kind, unique sales planning simulation for branch heads enabling them to learn and practice effective sales planning in a simulated environment

Profitable growth

Diversified distribution mix

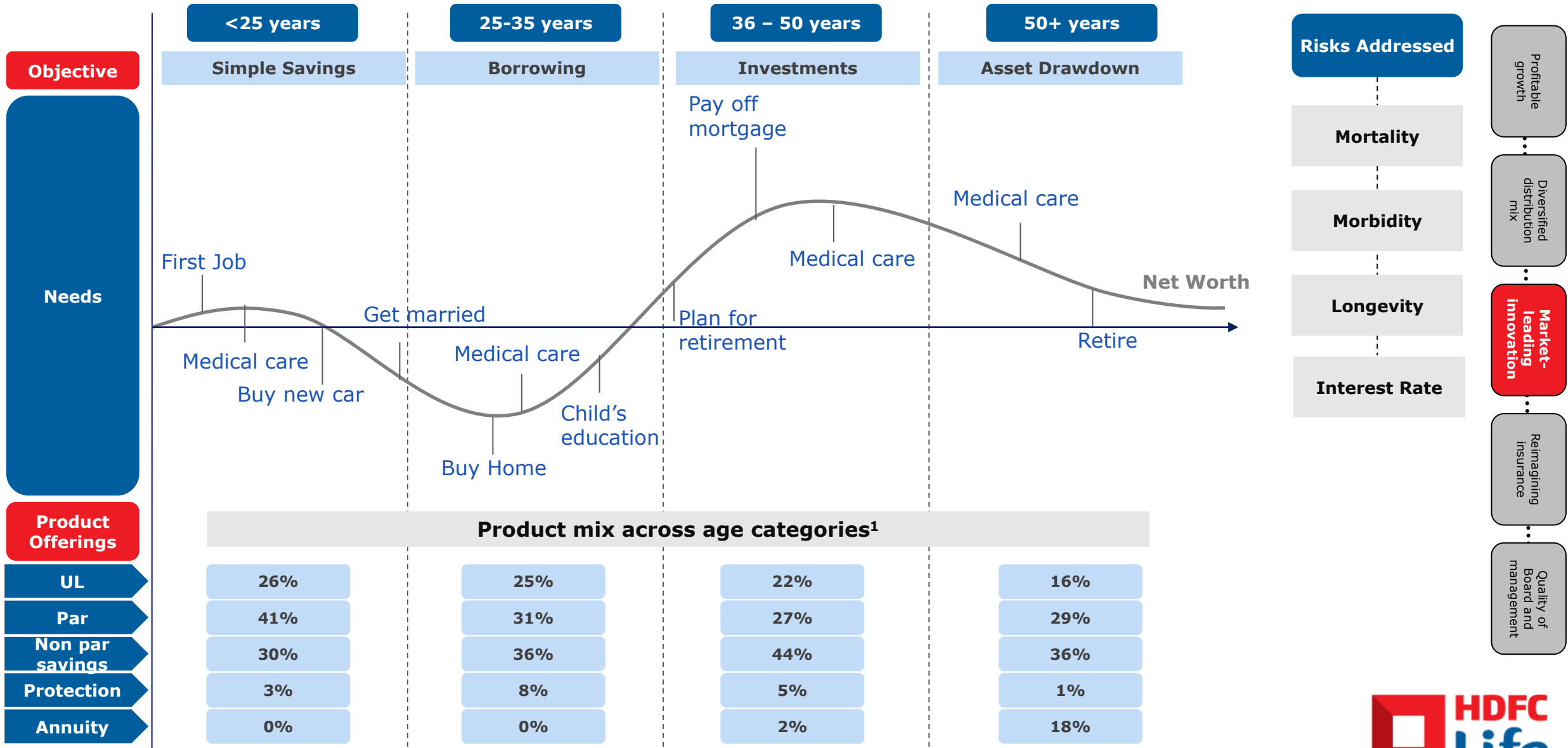
Market-leading innovation

Reimagining insurance

Quality of Board and management



Addressing customer needs at every stage of life



1. Based on Individual APE for 9M FY23; Percentages may not add up due to rounding off effect.

Our approach to retiral solutions

1. NPS



- Largest Pension Fund Manager (PFM) in Retail and Corporate NPS segment, with AUM of Rs 399 bn¹
- Registered strong YoY growth of 63% in AUM

- Market share grew from 36.5% in Dec'21 to 40.2% in Dec'22 amongst all PFMs
- Company has ~1.4 mn PFM customers
- #2 POP² in Corporate Subscriber business

2. Immediate / deferred annuity



- Largest player in the private sector

3. Group superannuation fund



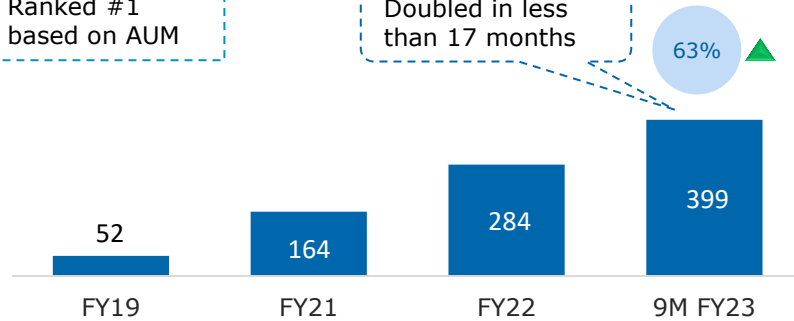
- Managing funds for 160+ corporates under superannuation scheme

Rs bn

NPS AUM

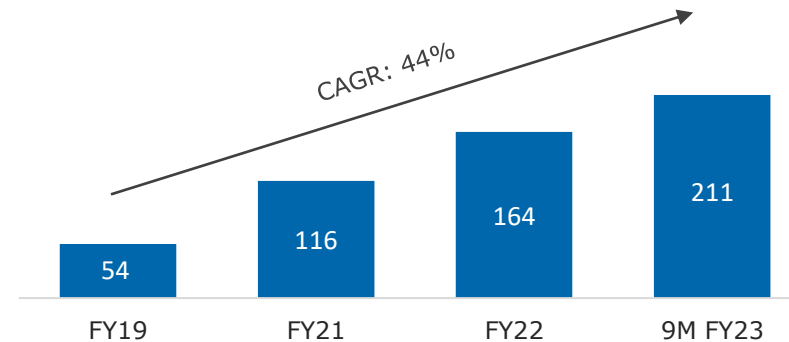
Ranked #1 based on AUM

Doubled in less than 17 months



● YoY growth

Annuity portfolio



Profitable growth

Diversified distribution mix

Market-leading innovation

Reimagining insurance

Quality of Board and management

1. As on Dec 31, 2022

2. POP: Point of presence for enabling opening of accounts on a platform

Product mix across key channels¹

Banca ²	Segment	FY20	FY21	FY22	9M FY23
	UL	32%	27%	29%	26%
	Par	18%	37%	33%	28%
	Non par savings	44%	30%	33%	38%
	Term	4%	4%	4%	3%
	Annuity	2%	2%	2%	4%

Direct	Segment	FY20	FY21	FY22	9M FY23
	UL	33%	29%	28%	20%
	Par	14%	17%	14%	17%
	Non par savings	20%	16%	27%	32%
	Term	4%	3%	3%	3%
	Annuity	29%	35%	28%	28%

Agency	Segment	FY20	FY21	FY22	9M FY23
	UL	12%	10%	16%	11%
	Par	34%	37%	33%	37%
	Non par savings	40%	39%	39%	42%
	Term	12%	11%	10%	7%
	Annuity	3%	3%	3%	3%

Online ³	Segment	FY20	FY21	FY22	9M FY23
	UL	44%	39%	46%	55%
	Par	1%	1%	2%	2%
	Non par savings	18%	29%	30%	30%
	Term	37%	30%	20%	10%
	Annuity	1%	2%	2%	3%

Company	Segment	FY20	FY21	FY22	9M FY23
	UL	28%	24%	26%	21%
	Par	19%	34%	30%	29%
	Non par savings	41%	31%	33%	39%
	Term	8%	7%	6%	4%
	Annuity	4%	5%	5%	6%

38% of business with policy term <=10 years; 14% of received premium in single-pay policies for 9M FY23

Protection		FY20	FY21	FY22	9M FY23
	Based on Total APE	17%	13%	14%	15%
	Based on NBP	27%	20%	24%	30%

Annuity		FY20	FY21	FY22	9M FY23
	Based on Total APE	4%	5%	5%	8%
	Based on NBP	16%	20%	20%	24%

1. Based on Individual APE, Term includes health business. Percentages are rounded off. Current year numbers are on a merged basis, hence prior years are not comparable
2. Includes banks, other corporate agents and online business sourced through banks / corporate agents
3. Includes business sourced through own website and web aggregators

Profitable growth

Diversified distribution mix

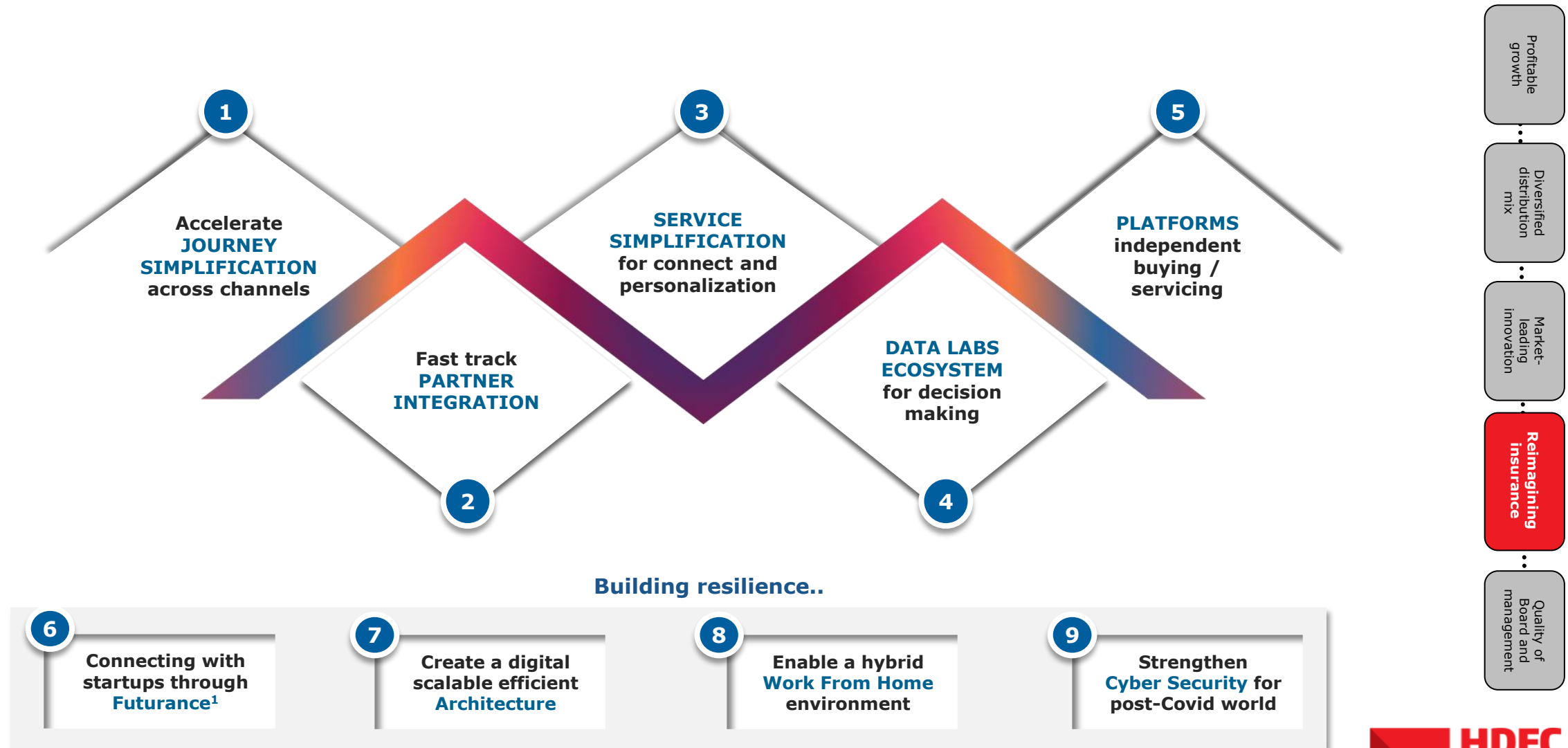
Market-leading innovation

Reimagining insurance

Quality of Board and management



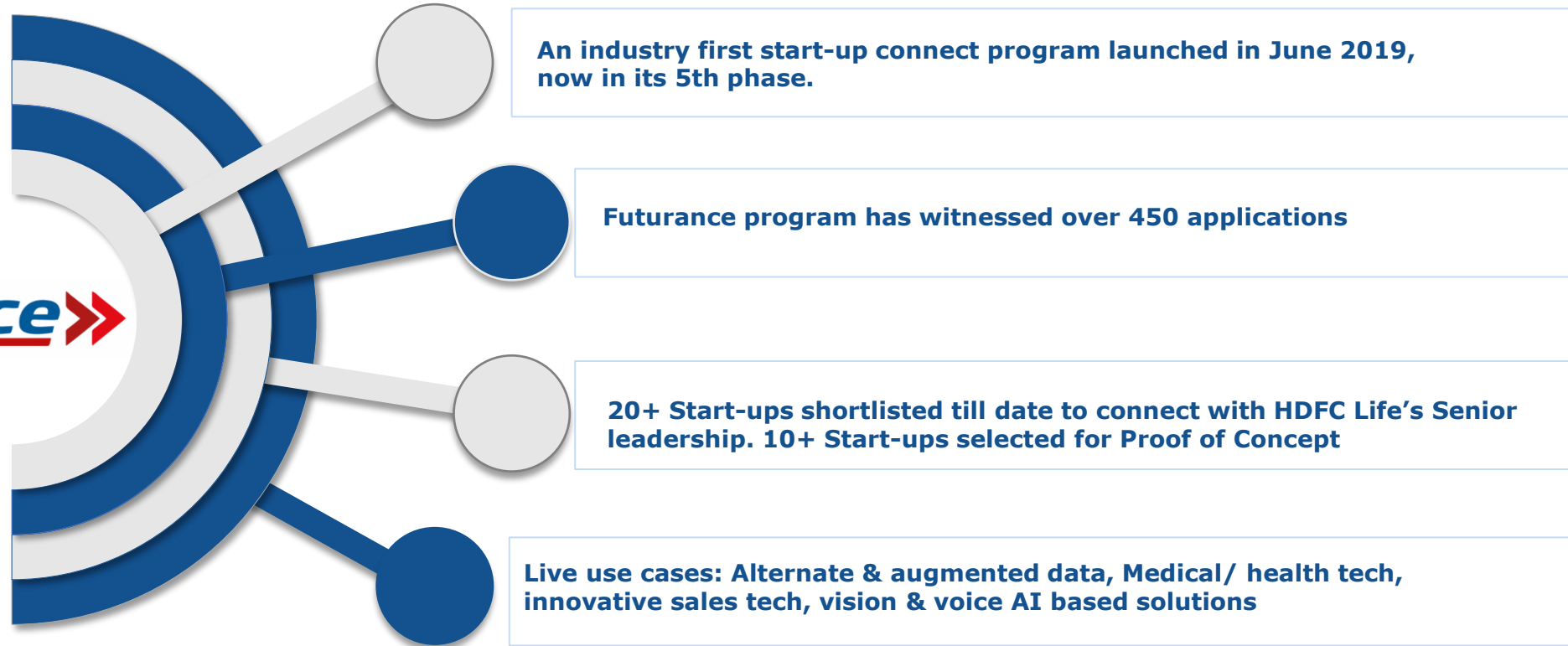
Aligned to make life simpler for customers



1. Futurance: A program to collaborate with startups for harnessing cutting-edge technology

Partnering with Start-ups to innovate

Futurance >>



- Profitable growth
- Diversified distribution mix
- Market-leading innovation
- Reimagining Insurance**
- Quality of Board and management

New in-house automated underwriting rule engine

Developed in-house automated rule engine to replace existing externally sourced rule engine

Benefits



DEPENDENCY

Complete control - No dependencies on external rule engine service provider



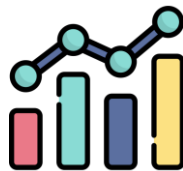
Highly efficient, scalable & reliable



Integration of APIs and third party services to improve decision making



Substantial cost saving: License fee, amendment fee and maintenance fee



~70% customer applications auto underwritten leading to improvement in STP* rate and additional risk identification

* STP: Straight throughput

Profitable growth

Diversified distribution mix

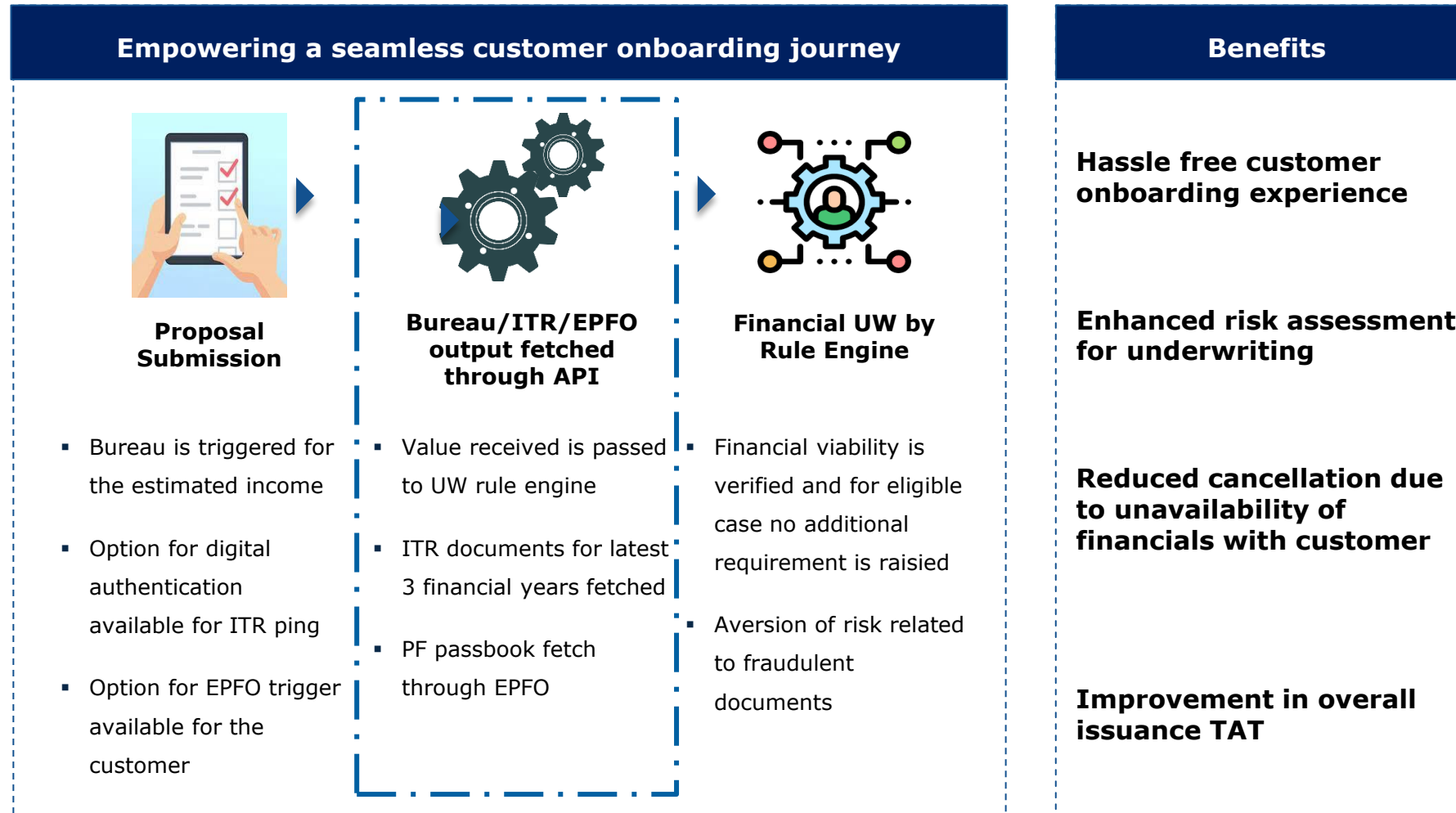
Market-leading innovation

Reimagining Insurance

Quality of Board and management

Journey Simplification

Credit Bureau, ITR & EPFO Integration aiding better throughput



Continued improvement in throughput and issuance TATs

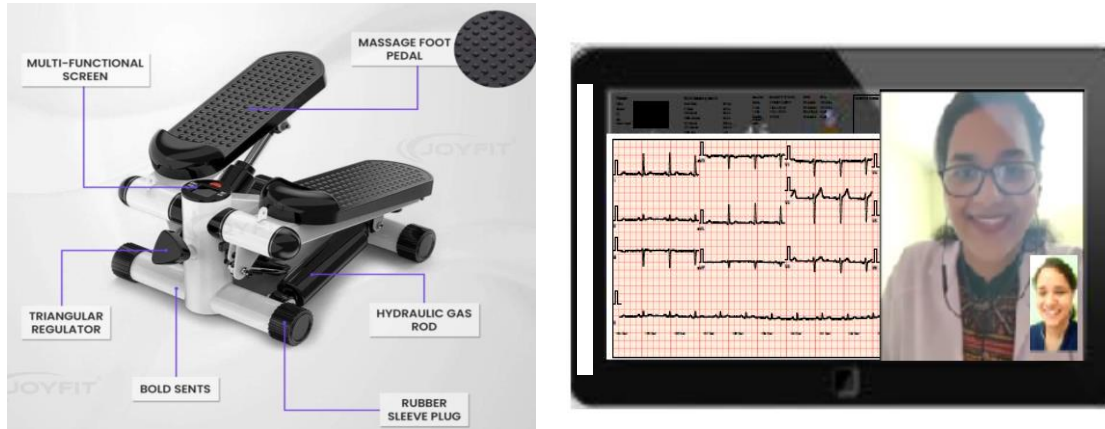
- Profitable growth
- Diversified distribution mix
- Market-leading innovation
- Reimagining Insurance**
- Quality of Board and management



Strengthening underwriting and simplifying customer journey

Cardiac risk assessment (CRA) at home for medical underwriting

Convenience to individuals who have to undergo medicals while applying for an HDFC Life insurance policy



- Applicants / users step on a stepper with speed & resistance adjustments
- Conventional print based ECG equipment is replaced with a portable, bluetooth and mobile connected ECG equipment for real time data recording and analysis
- Recording is transmitted to the remote physician for review and interpretation
- Instead of an onsite physician, an online consultant physician is available to monitor the progress of the stress test (incl. real-time ECG) over a video call
- The physician can talk to the site technician and the applicant / user for any instructions
- This service is currently live in 22 locations

Home medicals for NRI customers



- In an industry first initiative, we have now launched home medicals for our customers overseas in 21 countries

Profitable growth

Diversified distribution mix

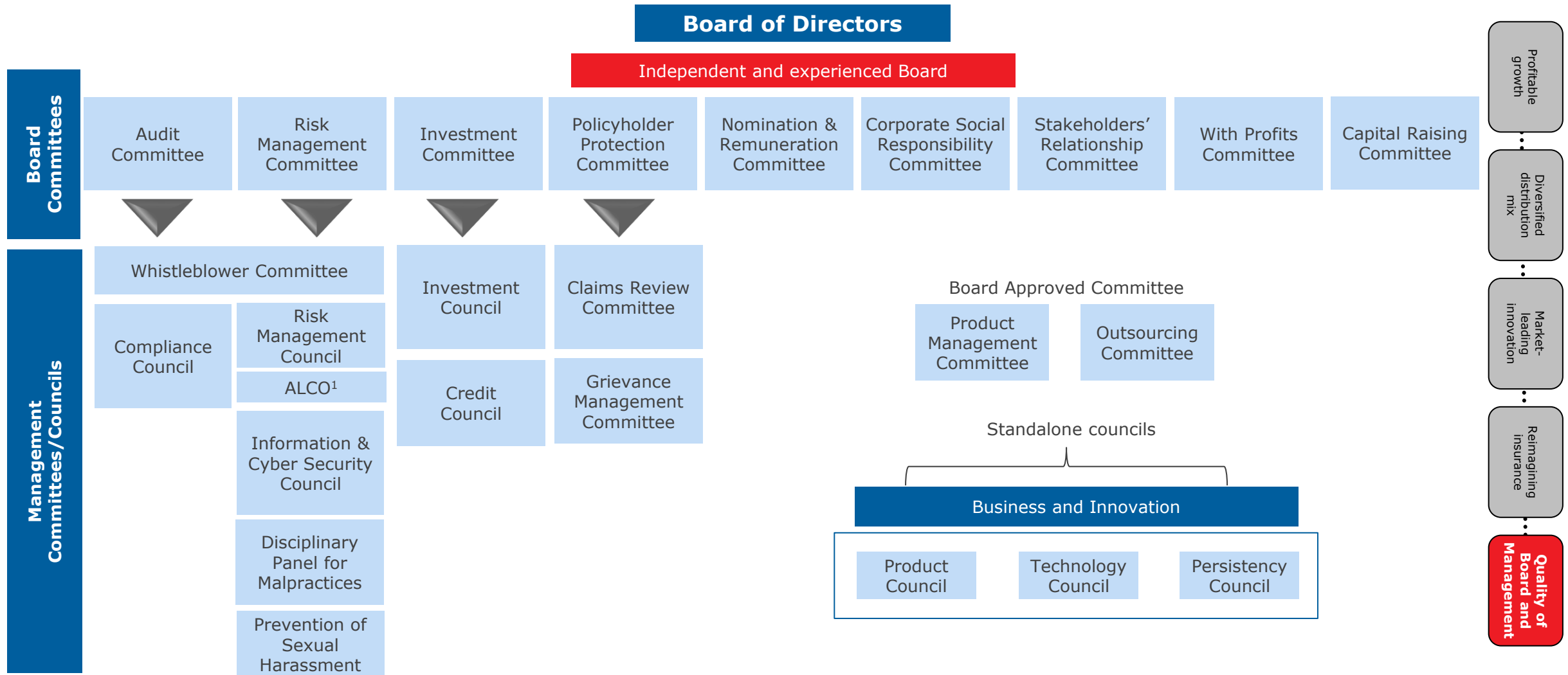
Market-leading innovation

Reimagining Insurance

Quality of Board and management



Governance framework

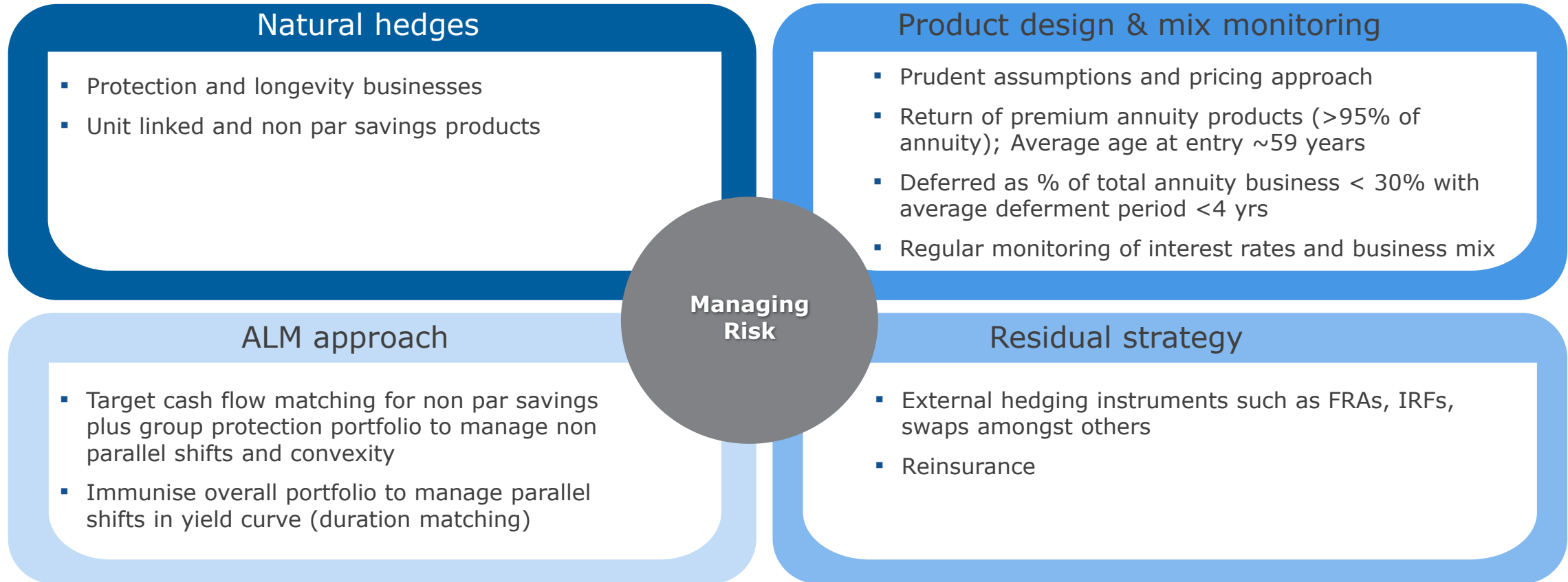


Additional governance through Internal, Concurrent and Statutory auditors

Note:

1. Asset Liability Management Council
2. The above list of committees is illustrative and not exhaustive

Financial risk management framework

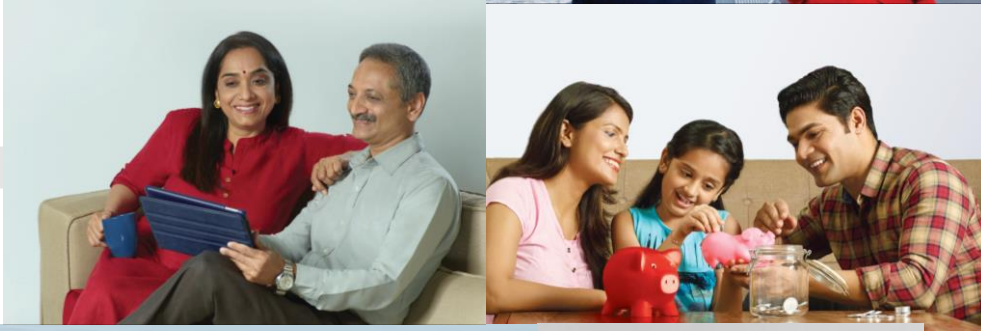


Sensitivity	FY22				9M FY23*			
	Overall		Non par ¹		Overall		Non par ¹	
Scenario	EV	VNB Margin	EV	VNB Margin	EV	VNB Margin	EV	VNB Margin
Interest Rate +1%	(2.0%)	(1.4%)	(2.1%)	(2.5%)	(2.4%)	(1.5%)	(2.1%)	(2.3%)
Interest Rate -1%	1.6%	0.8%	1.4%	1.5%	2.0%	0.7%	1.3%	0.9%

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

1. Comprises Non par savings (incl Annuity) plus Protection
 * Current year numbers are on a merged basis, hence prior year is not comparable

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2 Our Strategy

3 Our approach to ESG

4 Annexures

5 Life insurance in India

ESG at a Glance

ESG Focus Areas



ESG Score Highlight: Highest rated Indian insurance company in the ESG assessment by S&P Global

Ethical Conduct & Governance

- **ESG Management Committee**, led by the Chief Financial Officer oversees the policy implementation and operational controls for environmental risks including Climate change
- The overall accountability for the ESG issues lies with the **CSR Committee of the Board**
- Performance Management based on the principles of **Balanced Scorecard**; covers the Organization's performance on financial, market / customer, people, **sustainability** and operational aspects.

Governance Structure

Board Composition

- **Five** Independent Directors
- **Three** Non-Executive Non-Independent Directors

Board Diversity

- **30%** women as on 31st December, 2022

Remuneration Policy

- Seeks to balance the fixed and incentive pay
- **ESOPs** based on the recommendations of NRC
- **Clawback & Malus provision**



Risk Management

- Risk oversight by Senior Management & Board of Directors vide **Risk Management Council** and **Risk Management Committee** respectively
- Modes of Risk Awareness - Trainings, E-mailers, Seminars, Conferences, Quizzes and Special awareness Drives
- Business Continuity Management (**BCM**)-Recovery plan for critical business activities in place
- Enterprise Risk Management (**ERM**) framework
 - 'Three Lines of Defence approach'
 - Reviewed and approved by the Board
- ESG risks including Climate change, etc. included under **Emerging risks** category of the ERM Framework

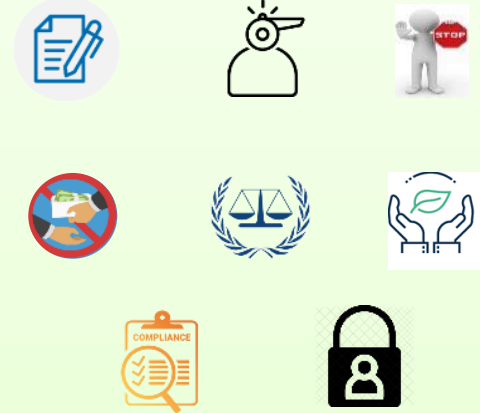
Ethical Conduct & Governance (contd.)

Information / Cybersecurity

- Risk oversight by Board **Risk Management Committee** and risks reporting done on a quarterly basis
- Modes of Risk Awareness –
 - Annual mandatory training for all employees
 - Security workshops and case study discussions
 - Specially curated programs and sessions for senior leadership
 - Monthly awareness mailers
 - Security posters and leaflets
 - Phishing Simulation Campaigns
- Dedicated helpdesk and email id's for reporting on the breaches
- Certifications & Frameworks –
 - **ISO 27001** standards
 - National Institute of Standards and Technology (**NIST**)
 - Federal Financial Institutions Examination Council (**FFIEC**) based Cyber Security Framework for Risk Assessment

Policies and Frameworks

- Anti-bribery & Anti-corruption Policy
- Anti Money Laundering (AML) Policy
- Board Diversity Policy
- Code of Conduct
- Corporate Governance Policy
- Data Privacy Policy
- Investor Grievance Policy
- Responsible Investment (RI) Policy
- Stewardship Policy
- Tax Policy
- Whistleblower Policy
- Corporate Social Responsibility (CSR) Policy
- Diversity, Equity and Inclusion (DEI) Policy
- Human Rights Policy
- Policy for Prevention and Redressal of Sexual Harassment (PRSH)
- Supplier Code of Conduct
- Environment and Climate Change Policy*



* Environment and Climate Change Policy to be uploaded on company web-page post approval by the Board CSR Committee

Responsible Investment

Responsible Investment Policy



Objective

To generate optimal risk adjusted returns over the long term



RI framework

- **RI and stewardship policy** in place
- Applicable to all **major asset classes**
- **Head of Research** ensures that ESG is incorporated into overall Research and Investment process
- ESG issues covered **in voting process**

Bolstering commitment towards Responsible Investment

Became signatory to **United Nations – supported Principles for Responsible Investment (UN-PRI)**



Responsible Investment Governance

A **ESG Governance Committee** at the investment team level comprises of Chief Investment Officer, Head of Fixed Income, Head of Research, Fund Manager of ESG Fund and dedicated ESG research analyst

Sustainable Equity Fund

What is Sustainable Equity fund & why invest in it?

This fund shall seek to generate returns from investing in companies with high ESG standards and commensurate score, create value for all stakeholders with lower risks & generate sustainable long-term returns.

Exclusion criteria included in the RI Policy

Companies engaged in the business of tobacco, alcohol, controversial weapons and gambling shall be excluded from the Sustainable Equity Fund

Exclusion criteria aligned with the exclusion policy followed by Nifty 100 ESG Index

Actuarial

Financial

ESG

Employee Engagement & Diversity, Equity and Inclusion (DEI)



Special Recognition

- **Great Places to Work** – 39th amongst top 100 Best Places
- **Best workplaces for Women 2021** – Great Place to Work Institute
- **Avtar top 100 Places**
- **Best Workplaces for Women 2021 – Economic Times**
- Brandon Hall awards - Learning Strategy, Simulation training, & Social Talent Acquisition

Attracting talent

- **Hybrid work model** and flexi hours to attract gig workers
- Robust **employee referral schemes** (>50%)
- **Hire–train–deploy** model through tie-up with reputed learning institutions
- **HR tech:** in-house application tracking system

Training & development

- **Career coaching** and development interventions; woman mentoring
- **Mobile learning** app for self-paced learning
- **Training for all** including employees, contractors, channel partners / **Virtual product training**
- **Skill Up: Curated online training** programs from reputed universities
- Average hours per FTE of training and development: **86 hours**



Employee engagement

- **Emotional and well being assistance** program for employees and their families
- **Doctor on Call:** Unlimited free consultation
- **E-Sparsh:** Online query & grievance platform
- Family integration programs
- Platform for employee engagement: CEO Speaks, HDFC Life Got Talent, e-appreciation cards
- **In-house fitness and wellness app** - Click2Wellness
- Leaders and expert sessions to create awareness on various topics of inclusion

Talent management/retention

- **Special programs for campus hires; Talent development** interventions for leadership
- **Career microsite, job portal**
- **Internal Career Fair** for employees
- Long term incentive plans in the form of **ESOPs¹** and cash to attract, retain and motivate good talent
- Elaborate **succession planning** for Key Managerial Personnel, critical senior roles
- Managers Transformation League – Leadership development program for middle management
- New Manager Boot Camp – Development program for First Time Managers

Employee diversity, equity & inclusion

- Promoting **DEI ally ship:** leadership development, communication, strengthening policies, aligning workforce through **Celebrate YOU** program of the Company
- 26% **women** employees
- Promoting **diverse talent pool** (work profiles for second career women, specially-abled) - #MyJobMyRules
- Launched official DEI page on our website highlighting various initiatives
- **Gender transition surgery** covered under mediclaim policy



Gender neutral

- **Dress code policy**
- **Maternity policy** – Use of terms like primary and secondary caregiver instead of using terms like parents, mother/father, man/woman



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1. ESOPs: Employee Stock Options

Holistic Living: Inclusive Growth

FY22

Customer Highlights

Claim settlement ratio
(individual & group)
99.6%

Customer Satisfaction
Score for March'22
88.9 %

Persistency ratio
(13th month) **87%**
(excluding single premium
and fully paid up policies)

COVID claims (net)
Rs. 818 crore,
Count 15,293

CSR Numbers

Number of lives covered
5.4 crore

Rural sector
1,89,147

Social sector
1,00,87,909

MFI lives covered under CP
3,14,55,858

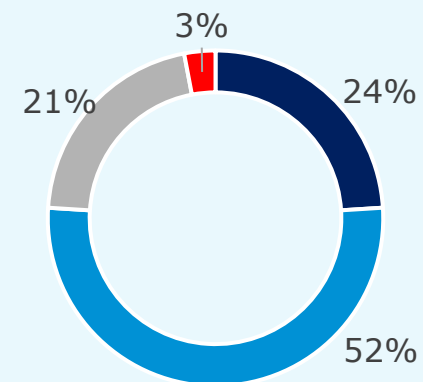
States and UT's covered
23

Sustainable Development
Goals covered **12**

CSR Spends
Rs. 17.4 crore

CSR beneficiaries*
4.6 lakh

Sector-wise budget break-up

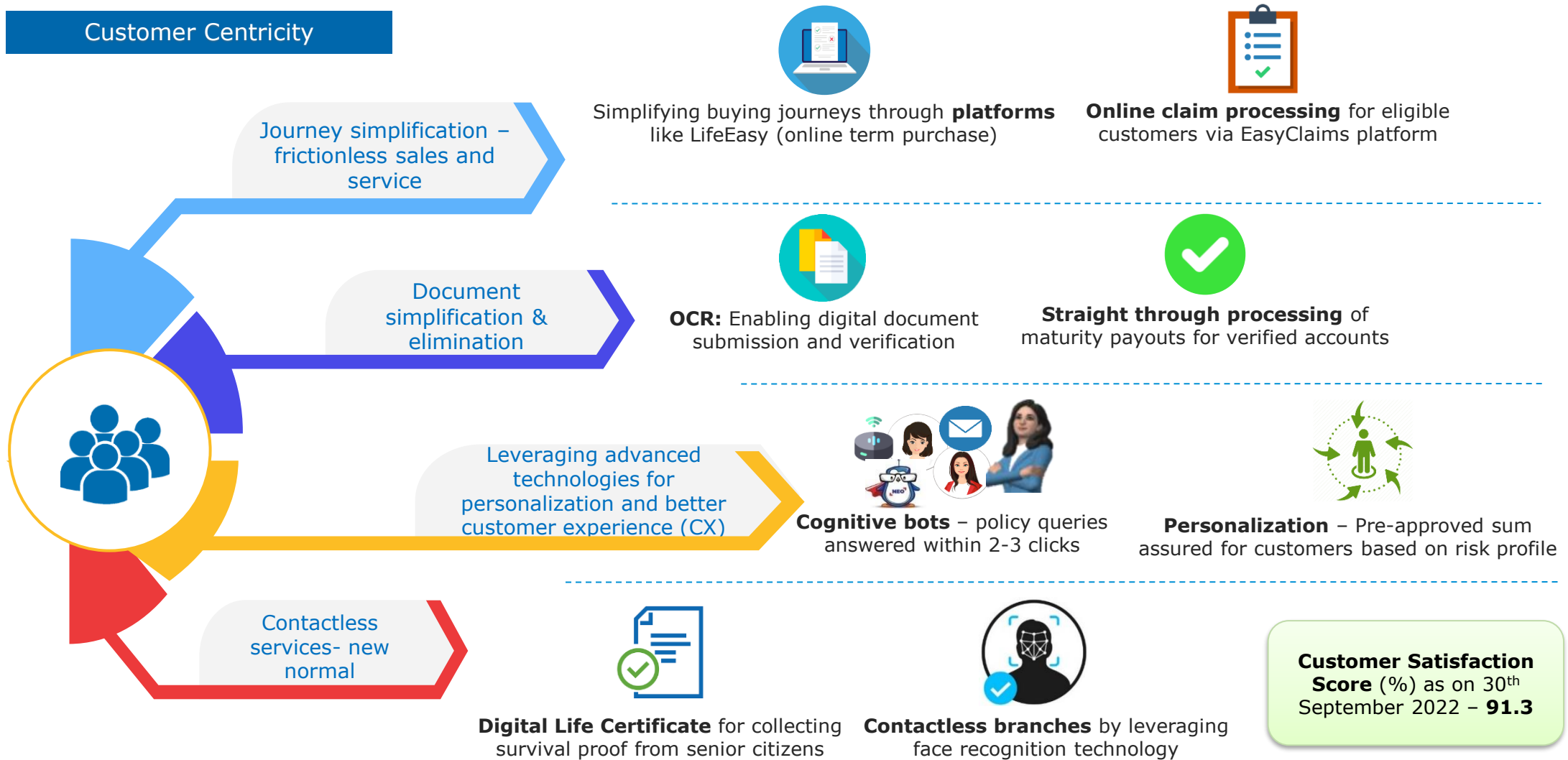


- Education and Livelihood
- Health care and Sanitation
- Environmental Sustainability
- Others

*CSR beneficiaries include 1.60 lakh beneficiaries impacted in completed projects and 3.07 lakh beneficiaries from on-going projects

Holistic Living: Delivering superior customer experience

Customer Centricity



Customer Satisfaction Score (%) as on 30th September 2022 – 91.3

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1. OCR: Optical Character Recognition

Sustainable Operations

Energy and water



- Since 2014 only **3 or 5 star rating** air – conditioners used
- 94% of branches use **LED based lighting** system
- Use of **sensor based** urinals and water taps
- Total purchase of energy from **renewable** sources: **2,39,788 kWh** during FY 2021-22
- **25** new **water purifiers** installed in FY 2021-22 to replace bottled drinking water

De-carbonization roadmap and way forward

Key initiatives & action points for FY23:

- **TCFD** (Task Force on Climate-Related Financial Disclosures)
- **SBTi** (Science Based Targets initiative)
- **Carbon neutrality** strategy & roadmap

Digitization - Reduction of Paper Usage

- Introduction of **E-business cards & ID cards**
- Online / **e-forms** for customers
- Annual report FY20, FY21 and FY22 digitally communicated
- **Demat** i.e. digital policy accounts for 38% of our new business

Bio-diversity



- **11 city forests** created using **Miyawaki method**; **69,603** trees planted in total (**27** city forests in total till date)

GHG inventory

- Scope 1 emissions – **63** met. ton. CO₂e
- Scope 2 emissions – **10,135** met. ton. CO₂e
- Scope 3 emissions – **746** met. ton. CO₂e

Waste management



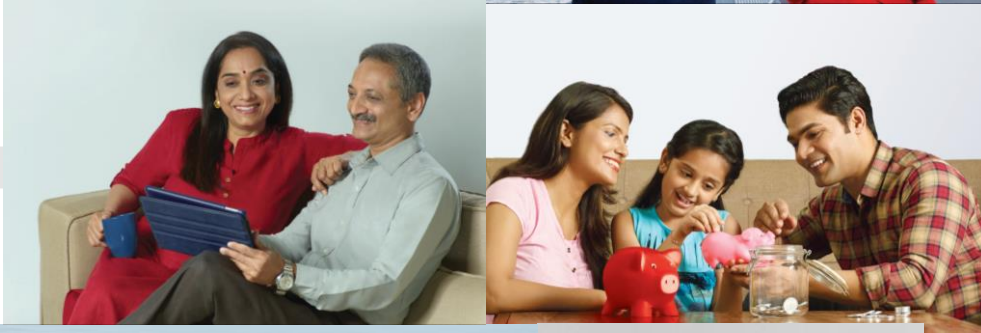
- **25,850 Kgs of e-waste** recycled/ refurbished/disposed in FY22
- **301.5 Kg** of paper cups & paper disposed for recycling FY 2021-22
- **No single-use plastics**
 - Bio-degradable garbage bags
 - Cafeteria with reusable plates, cutlery, wooden stirrers etc.
 - Procurement of plastic water bottles discontinued at Pan-India locations

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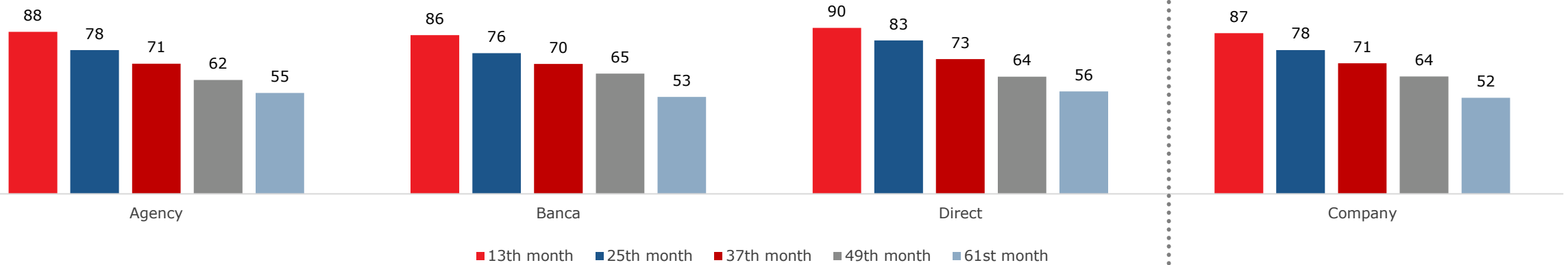
3 Our approach to ESG

4 Annexures

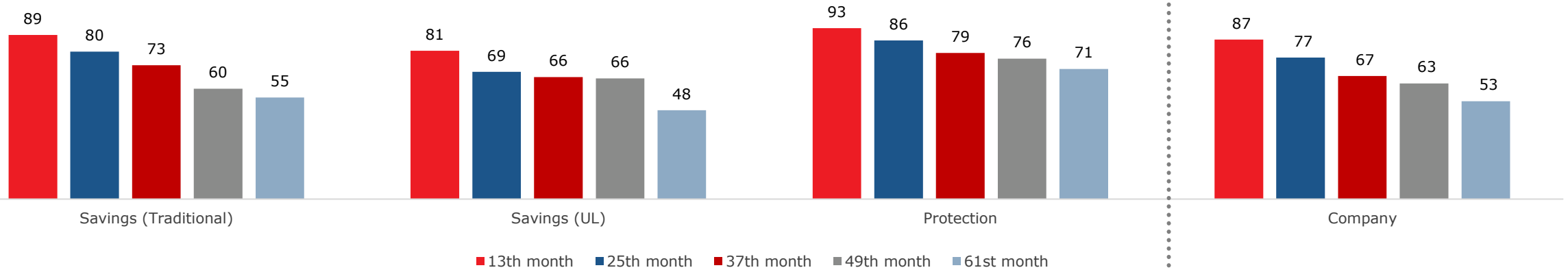
5 Life insurance in India

Persistency trends for HDFC Life¹

Across key channels (%)



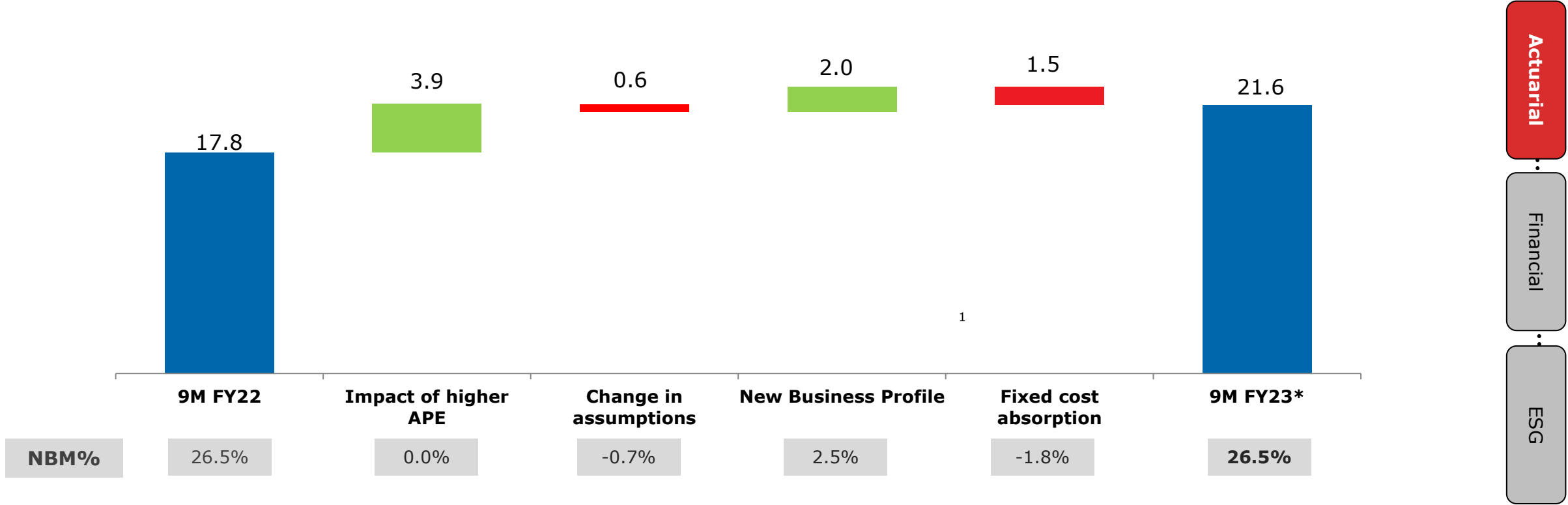
Across key segments (%)



1. For individual business; Excluding single premium and fully paid up policies. Current year numbers are on a merged basis, hence prior year is not comparable

Improving VNB trajectory for both existing and acquired businesses

Rs bn



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1. Reflects the impact of difference in mix of segment/distribution channel/tenure/age/sum assured multiple etc
 * Current year numbers are on a merged basis, hence prior year is not comparable



Sensitivity analysis – H1 FY23 (Pre-Merger basis)

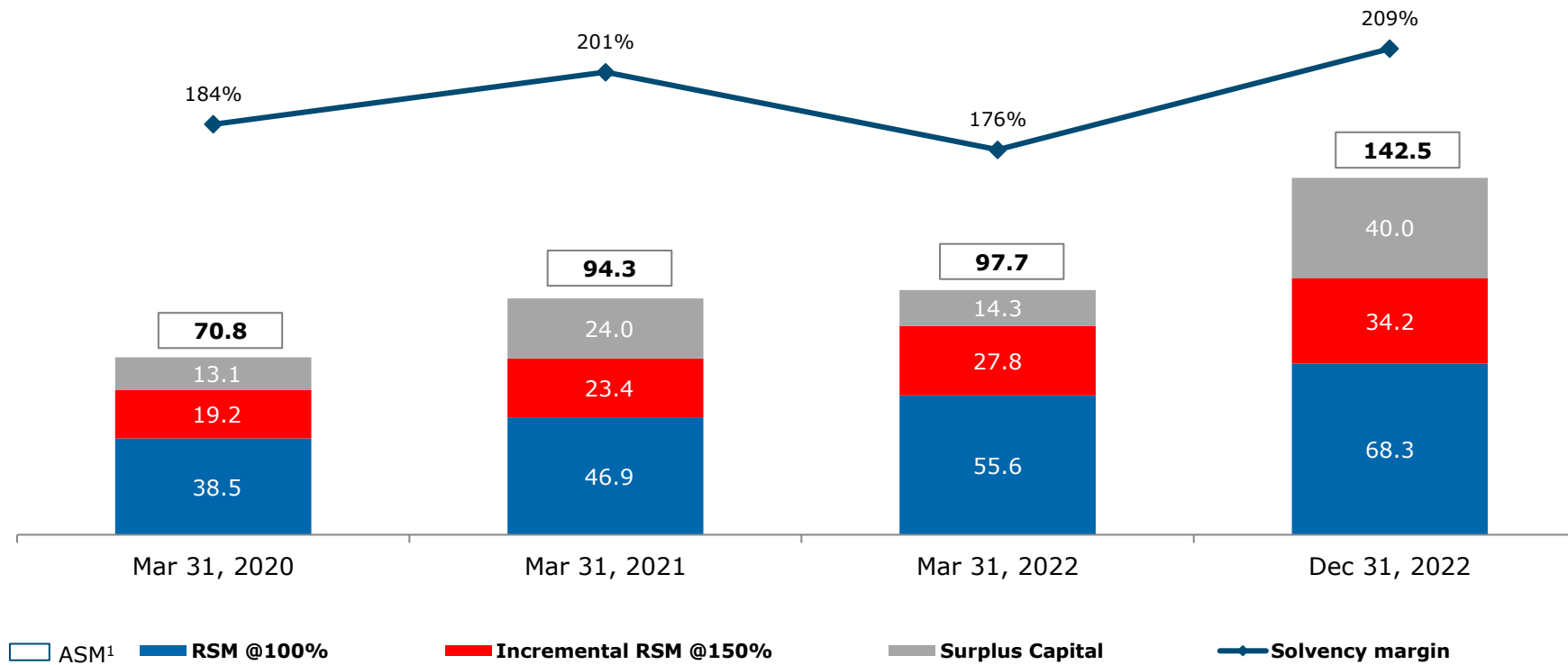
Analysis based on key metrics	Scenario	Change in VNB Margin ¹	% Change in EV
Change in			
Reference rate	Increase by 1%	-1.4%	-2.3%
	Decrease by 1%	0.7%	1.9%
Equity Market movement	Decrease by 10%	-0.2%	-1.4%
Persistency (Lapse rates)	Increase by 10%	-0.5%	-0.4%
	Decrease by 10%	0.5%	0.4%
Maintenance expenses	Increase by 10%	-0.5%	-0.8%
	Decrease by 10%	0.5%	0.8%
Acquisition Expenses	Increase by 10%	-4.2%	NA
	Decrease by 10%	4.2%	NA
Mortality / Morbidity	Increase by 5%	-1.5%	-1.0%
	Decrease by 5%	1.5%	1.0%
Tax rate²	Increased to 25%	-5.0%	-8.4%

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.

Capital position

Rs bn

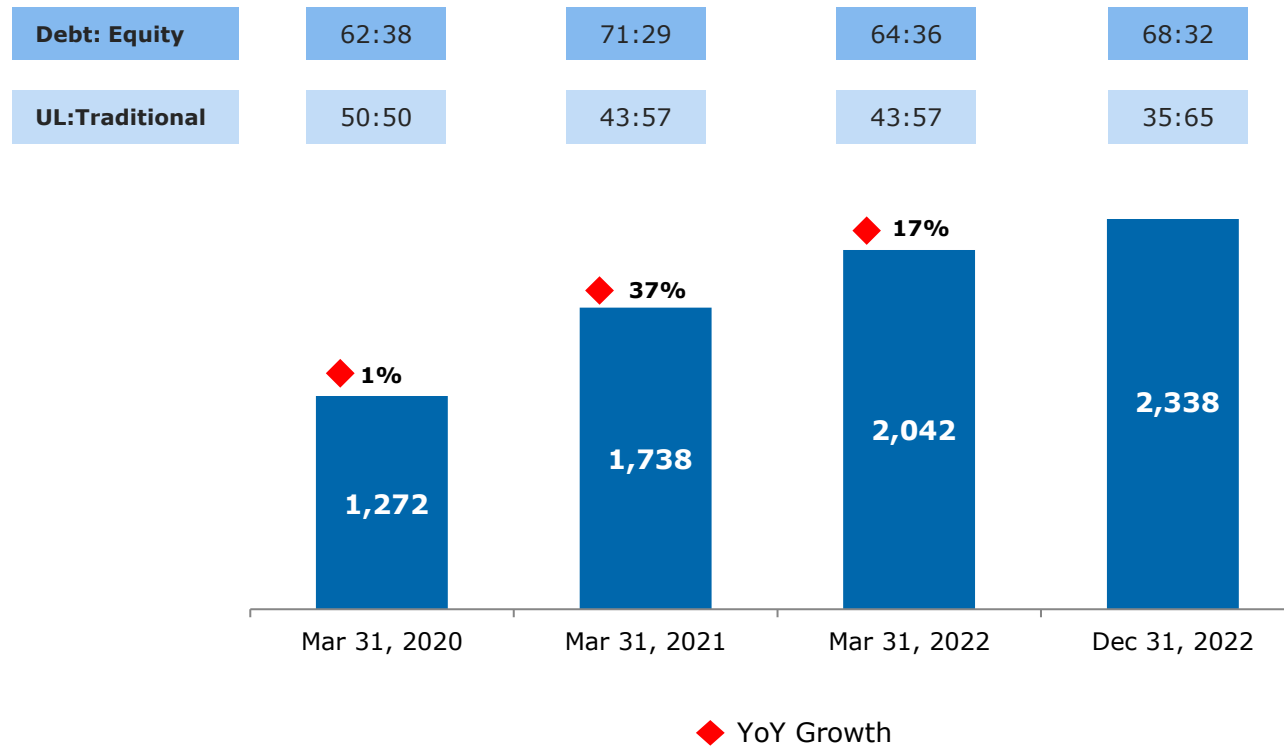


▪ Successfully raised Rs 20 billion of equity share capital in current year

1. ASM represents Available solvency margin and RSM represents Required solvency margin

Assets under management*

Rs bn



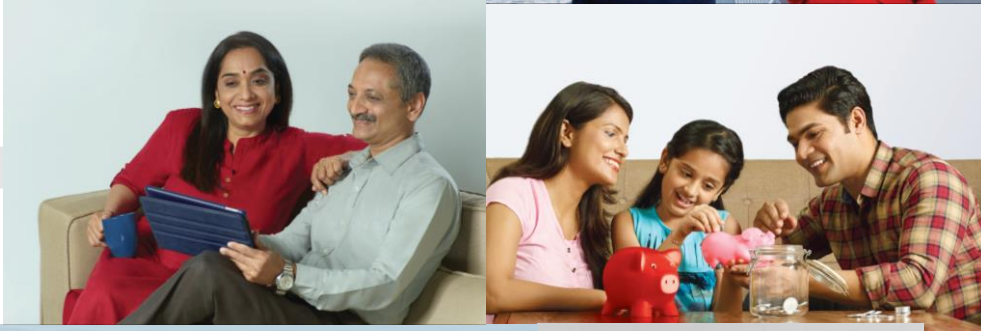
- ~99% of debt investments in Government bonds and AAA rated securities as on December 31, 2022

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* Current year numbers are on a merged basis, hence prior years are not comparable

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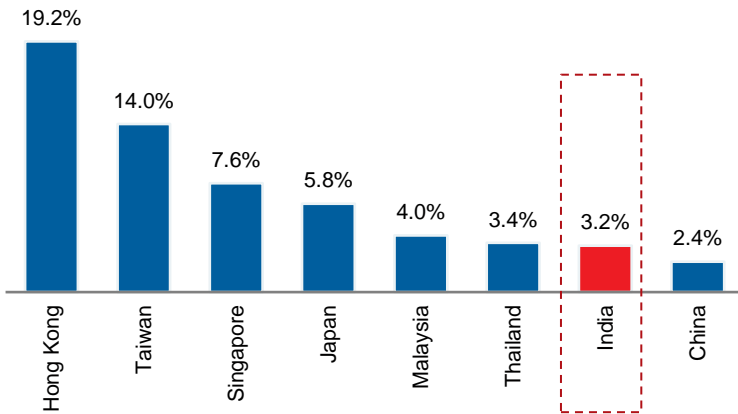
3 Our approach to ESG

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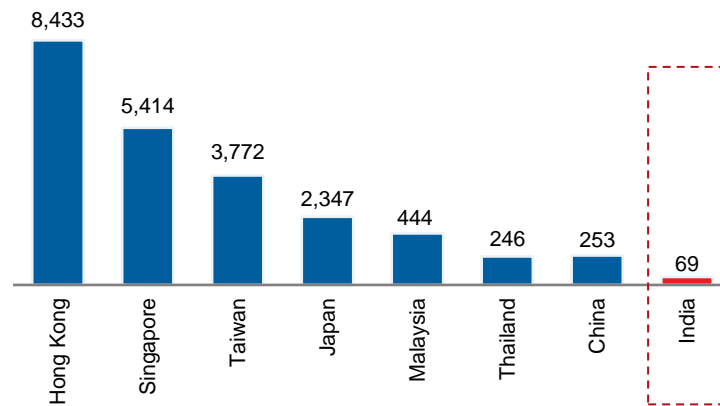
5 Life insurance in India

Growth opportunity: Under-penetration and favorable demographics

Life Insurance penetration ¹
(FY 2022)

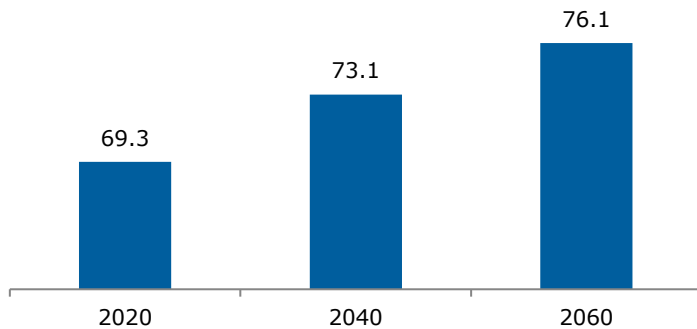


Life Insurance density US\$ ²
(FY 2022)

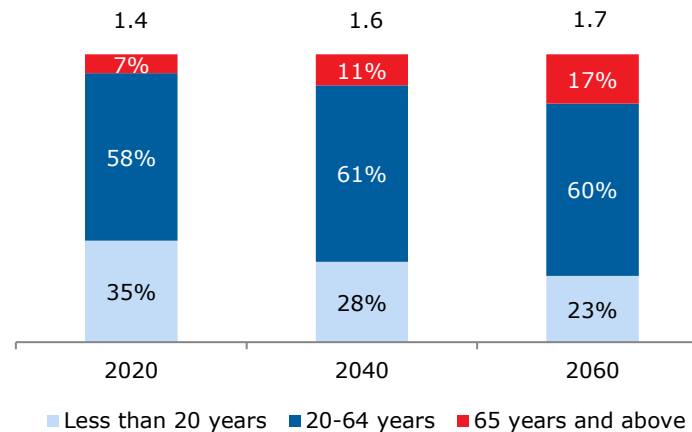


- India remains vastly under-insured, both in terms of penetration and density
- Huge opportunity to penetrate the underserved segments, with evolution of the life insurance distribution model

Life expectancy (Years)



Population composition (bn)



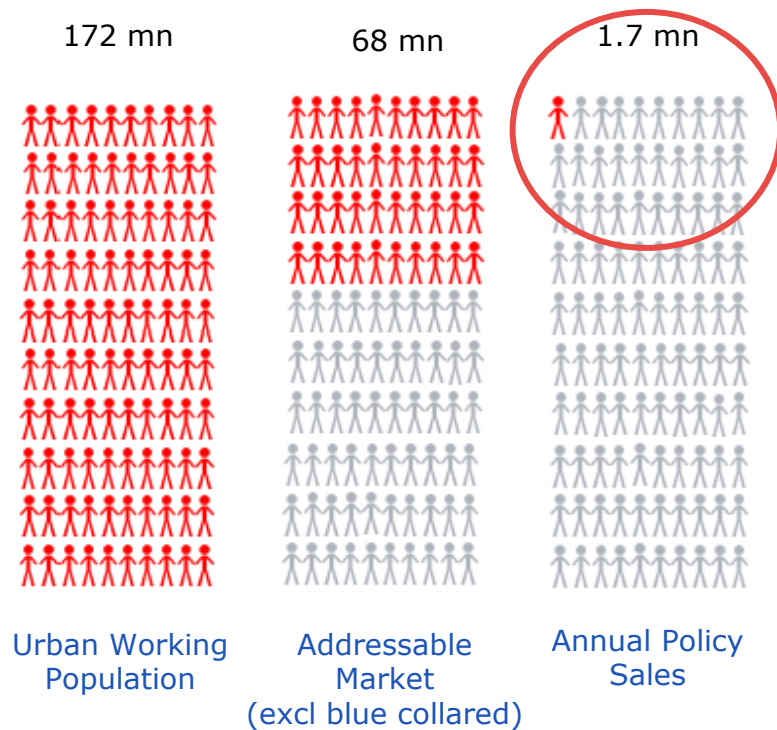
- India's insurable population estimated to be at ~1 bn by 2035
- Emergence of nuclear families and advancement in healthcare facilities lead to increase in life expectancy thus facilitating need for pension and protection based products

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

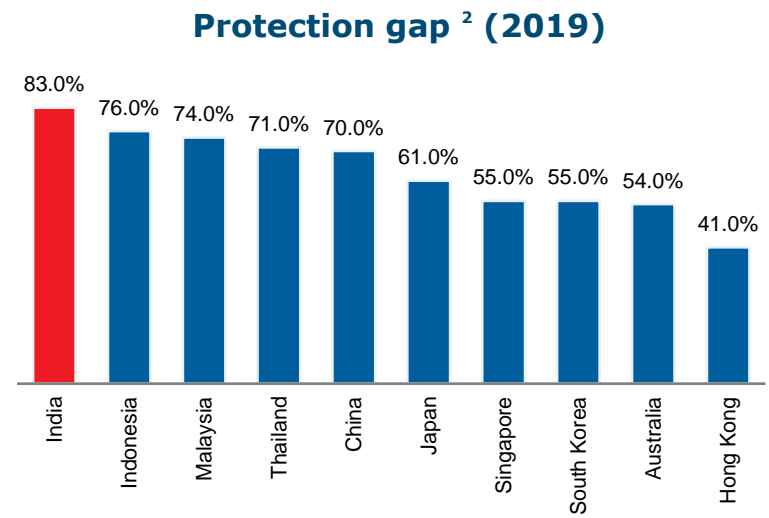
2. Density defined as the ratio of premium underwritten in a given year to the total population

Source: Swiss Re (Based on respective financial year of the countries), MOSPI, United Nations World Populations Prospects Report (2017)

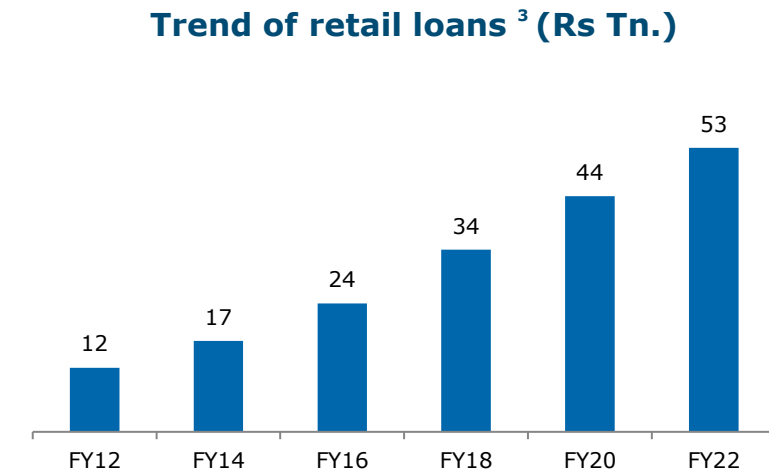
Low levels of penetration – Life protection



- Only 1 out of 40 people (2.5%) who can afford it, is buying a policy every year¹
- Even within the current set, Sum Assured as a multiple of Income is <1x



- India has the highest protection gap in the region, as growth in savings and life insurance coverage has lagged behind economic and wage growth
- Protection gap growth rate is predicted to grow at 4% per annum

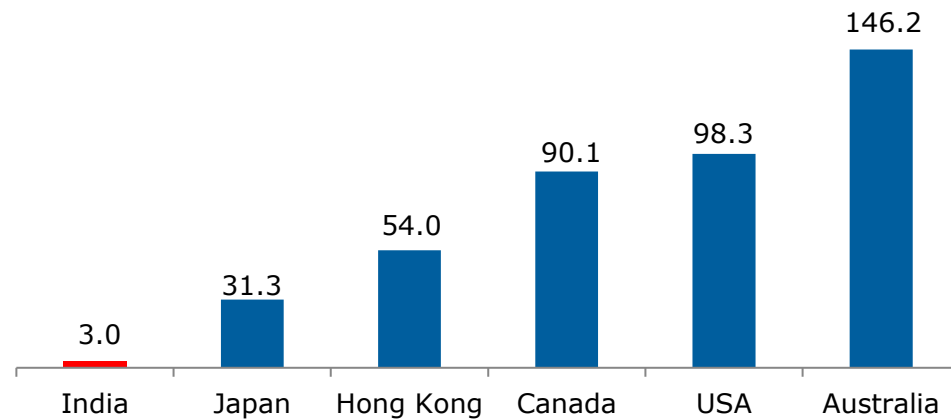


- Retail credit has grown at a CAGR of 16% over last 10 years
- Increasing retail indebtedness to spur need for credit life products
- Immense opportunity given:
 - Increasing adoption of credit
 - Enhancement of attachment rates
 - Improvement in value penetration
 - Widening lines of businesses

1. Goldman Sachs Report, March 2019
 2. Swiss Re (Based on respective financial year of the countries)
 3. Kotak institutional equities

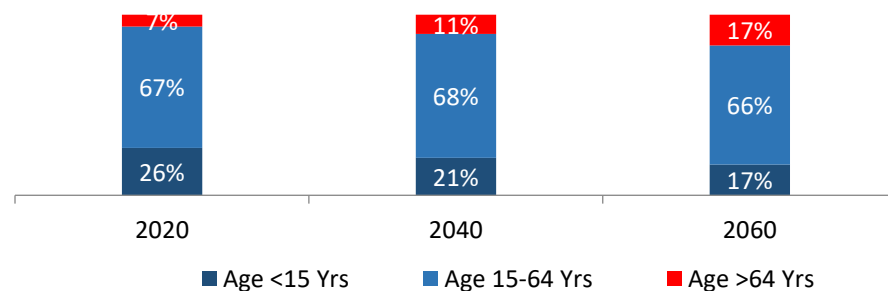
Macro opportunity – Retirement solutions

India's pension market is under-penetrated at 3%* of GDP

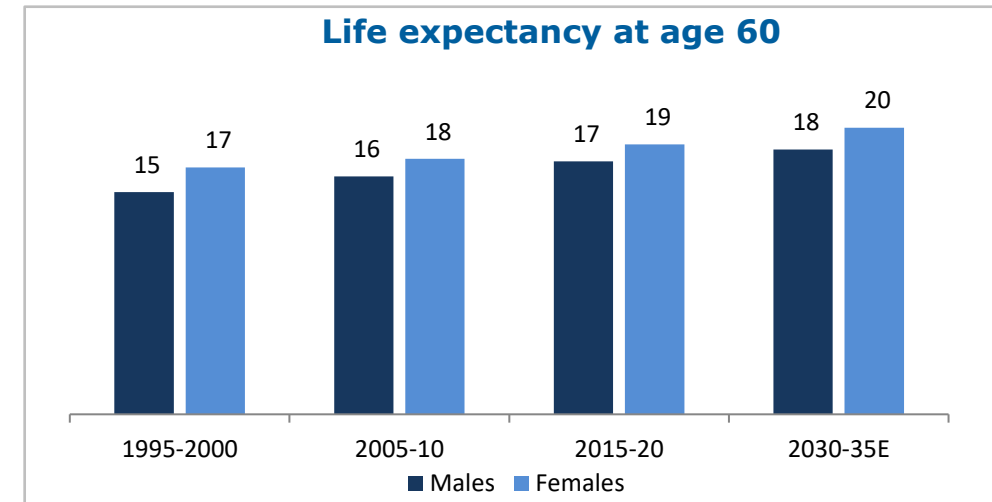


Elderly population is expected to almost triple by 2060

Ageing population



Improvements in life expectancy will lead to an average post retirement period of 20 years



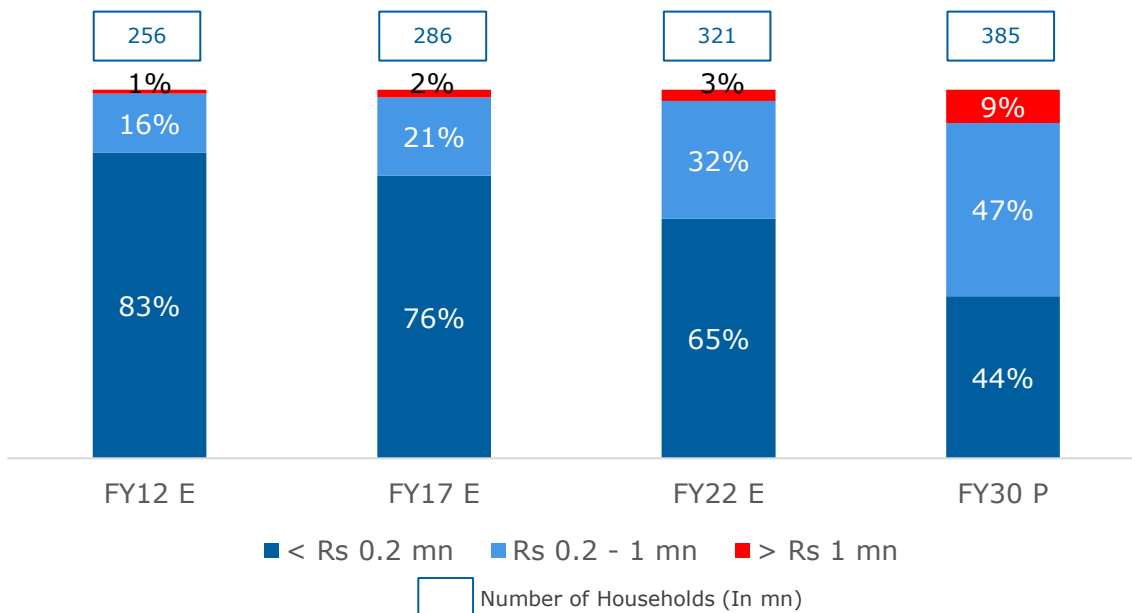
- Average household size has decreased from 4.6 in 2001 to 3.9 in 2018
- Total Pension AUM is expected to grow to Rs 118 Tn by 2030 (about 1/4th accounted by NPS)
- Mandatory schemes to increase coverage for both unorganized and organized sectors

Source: OECD 2021, Milliman Asia Retirement Report 2017; Survey by NSSO, Ministry of statistics and Programme implementation Crisil PFRDA, Census of India, UN Population Estimates
* Comprising pension assets / funds

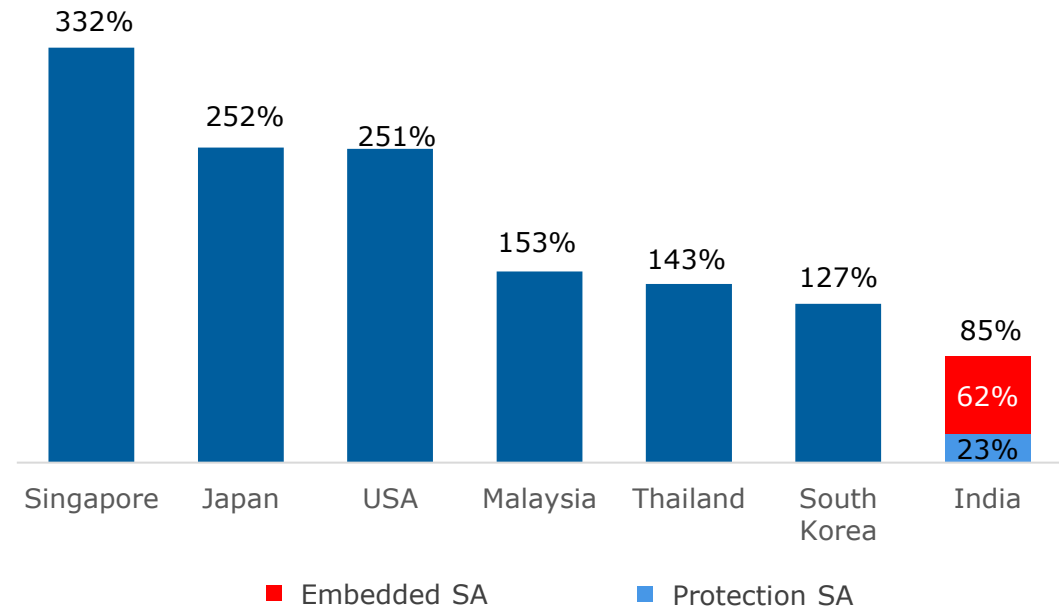


Macro opportunity – Rising Middle Income Population

Household Distribution by Income in India



Sum Assured as a % of GDP



- 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 India
 - This is evidenced by increase in bank deposits from outside "top 200 districts" from 25% in March'15 to 30% in March'21

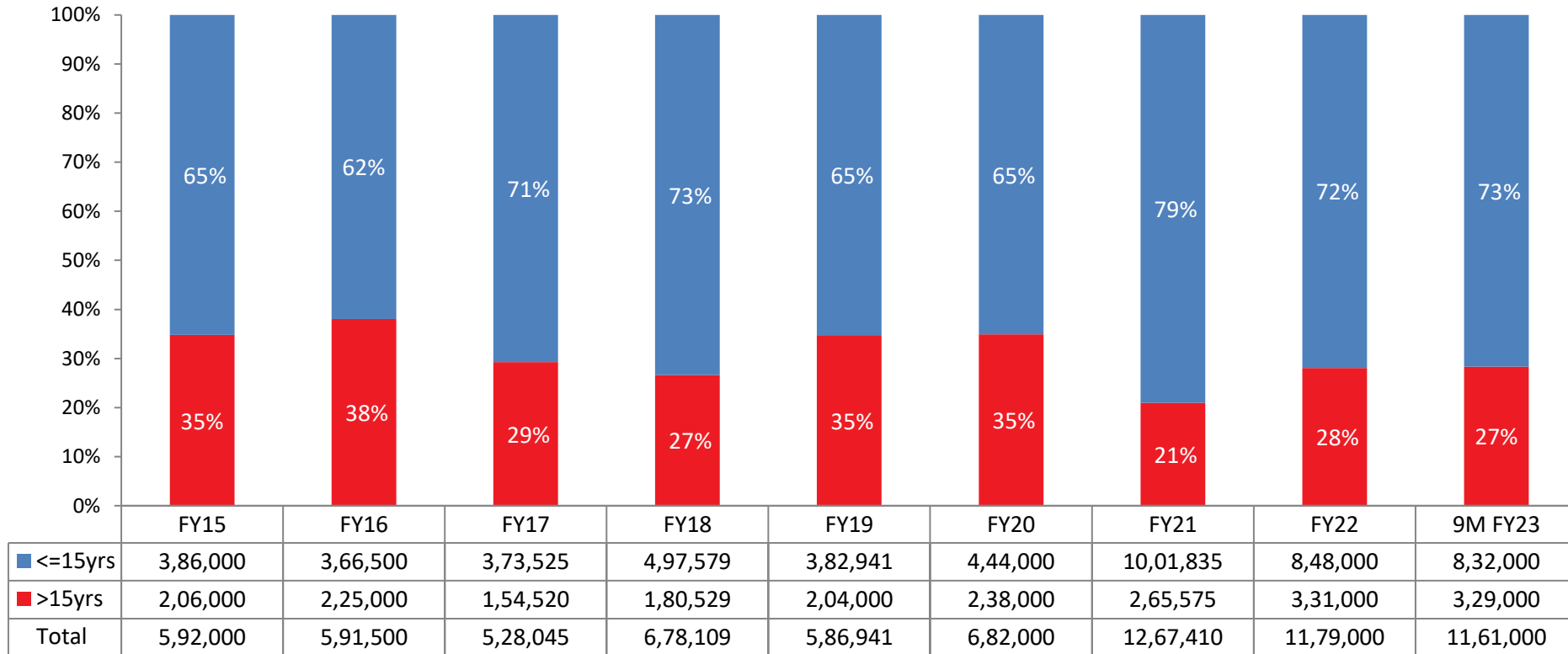
- India has the lowest sum assured (SA) as a % of GDP amongst its peers
- Rising middle income, increasing financial literacy and limited life cover represents an opportunity for protection growth in life insurance

Source: CRISIL "The big shift in financialisation" report 2022; Jefferies "Composite Insurance License in India: Taking a Leaf from Global Experience" report 2022
Note: E - Estimated, P - Projected,

Government bond auctions

Government Bonds – Tenorwise Issuance

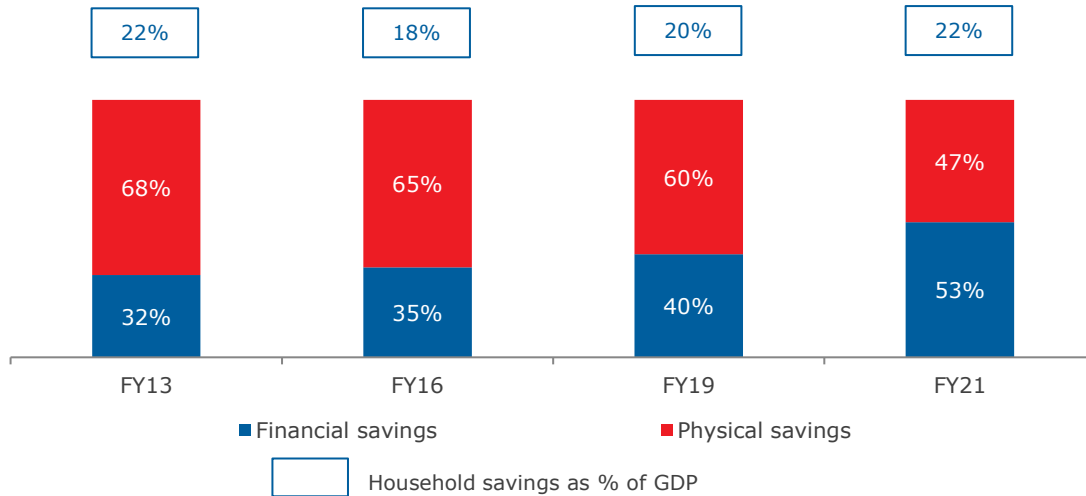
Rs cr



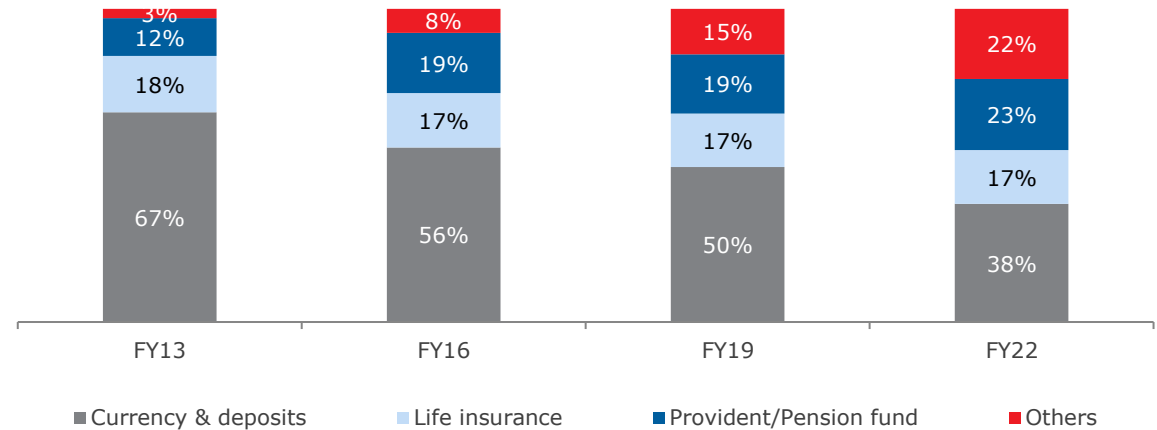
- Auction of >15 year maturity bonds has been ~25-30% on an average facilitates writing annuity business at scale

Life Insurance: A preferred savings instrument

Household savings composition

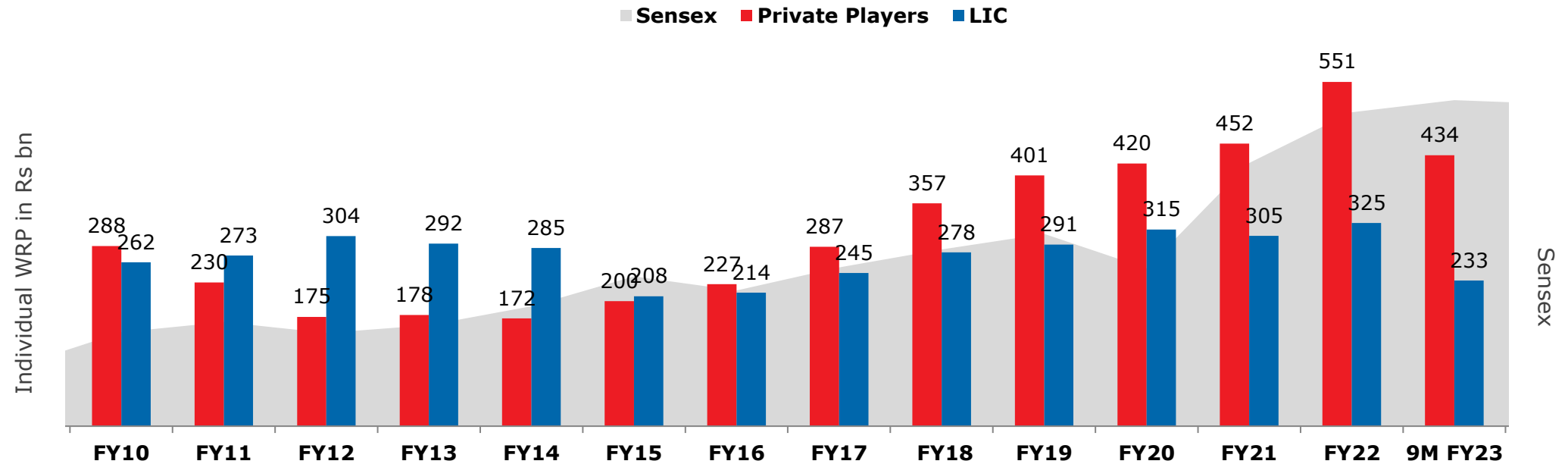


Financial savings mix



- Increasing preference towards financial savings with increasing financial literacy within the population
- Various government initiatives to promote financial inclusion:
 - Implementation of JAM trinity
 - Launch of affordable PMJJBY and PMSBY social insurance schemes
 - Atal Pension Yojana promoting pension in unorganized sector

Industry new business trends¹



Private players Market share

	52%	46%	37%	38%	38%	49%	52%	54%	56%	58%	57%	60%	63%	65%	
Growth %	Private	7%	-20%	-24%	2%	-3%	16%	14%	26%	24%	12%	5%	8%	22%	19%
	LIC	29%	4%	11%	-4%	-2%	-27%	3%	15%	13%	5%	8%	-3%	7%	12%
	Overall	17%	-9%	-5%	-2%	-3%	-11%	8%	21%	19%	9%	6%	3%	16%	16%

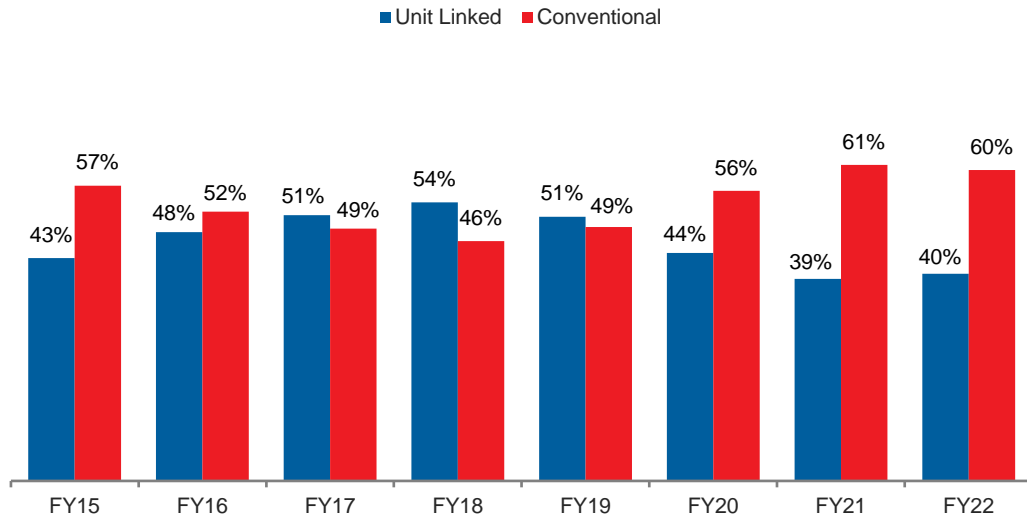
- Private sector remained at higher market share than LIC FY16 onwards
- Amongst private insurers, insurers with a strong bancassurance platform continue to gain market share

1. Based on Individual Weighted Received Premium (WRP)

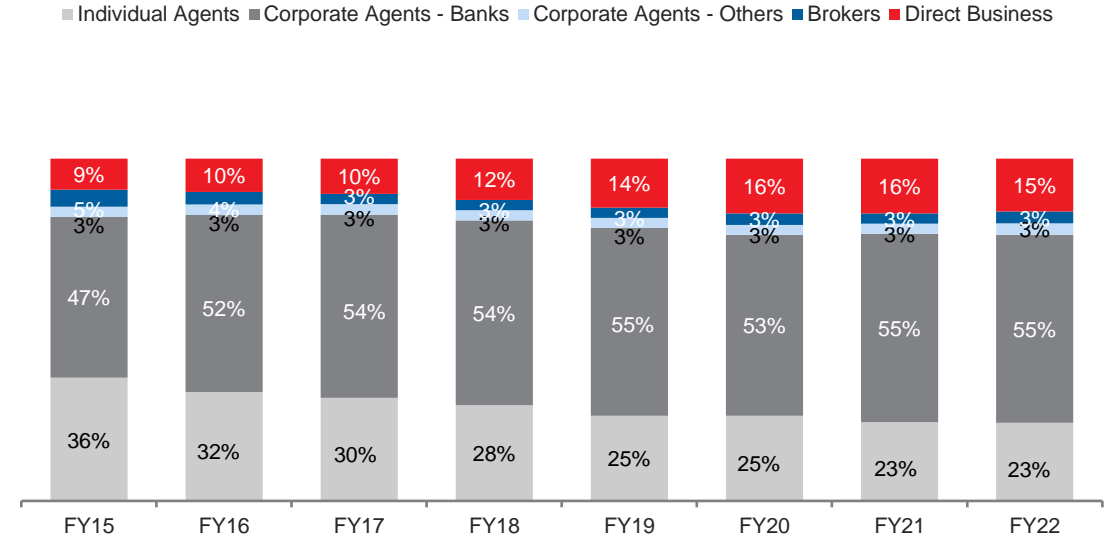
Source: IRDAI and Life Insurance Council

Private industry: Product and distribution mix

Product mix ¹



Distribution mix ²



- Product mix has recently moved towards conventional business for the private players with high focus on non-par savings, protection
- Banca sourced business continues to dominate the channel mix on the back of increasing reach of banks along with increase in share of direct channel

1. Based on Overall WRP (Individual and Group);

2. Based on Individual New business premia for all private players

Source: IRDAI and Life Insurance Council

Appendix

Financial and operational snapshot (1/2)

	9M FY23*	9M FY22	FY22	FY21	FY20	CAGR
<i>New Business Premium (Incl. + Group)</i>	187.1	170.7	241.5	201.1	172.4	18%
<i>Renewal Premium (Incl. +Group)</i>	191.9	144.7	218.1	184.8	154.7	19%
Total Premium	379.1	315.4	459.6	385.8	327.1	19%
Individual APE	68.7	55.8	81.7	71.2	61.4	15%
Overall APE	81.7	67.1	97.6	83.7	74.1	15%
Group Premium (NB)	92.6	90.1	125.1	100.3	87.8	19%
Profit after Tax	10.0	8.5	12.1	13.6	13.0	-4%
- <i>Policyholder Surplus</i>	5.5	2.4	4.4	7.3	10.9	-36%
- <i>Shareholder Surplus</i>	4.5	6.1	7.7	6.3	2.1	91%
Dividend Paid	3.6	4.1	4.1	-	-	NA
Assets Under Management	2,338	1,947	2,041.7	1,738.4	1,272.3	27%
Indian Embedded Value	377.0	295.4	300.5	266.2	206.5	21%
Net Worth	(2) 126.0	90.5	154.0	84.3	69.9	48%
NB (Individual and Group segment) lives insured (Mn.)	45.5	34.8	54.1	39.8	61.3	-6%
No. of Individual Policies (NB) sold (In 000s)	701.3	639.3	915.3	982.0	896.3	1%

Rs bn.

1. Comprises share capital, share premium and accumulated profits/(losses)

* Current year numbers are on a merged basis, hence prior years are not comparable



Financial and operational snapshot (2/2)

	9M FY23*	9M FY22	FY22	FY21	FY20
Overall New Business Margins (post overrun)	26.5%	26.5%	27.4%	26.1%	25.9%
Operating Return on EV	17.5%	16.2%	16.6%	18.5%	18.1%
Operating Expenses / Total Premium	14.7%	12.2%	12.3%	12.0%	13.1%
Total Expenses (Opex + Commission) / Total Premium	19.4%	16.3%	16.5%	16.4%	17.7%
Return on Equity	(1) 11.9%	13.0%	10.1%	17.6%	20.5%
Solvency Ratio	209%	190%	176%	201%	184%
Persistency (13M / 61M)	(2) 87%/52%	87%/53%	87%/54%	85%/49%	NA [#]
Market Share (%)					
- Individual WRP	15.8%	15.2%	14.8%	15.5%	14.2%
- Group New Business	25.1%	28.3%	27.9%	27.6%	29.0%
- Total New Business	20.3%	21.7%	21.0%	21.5%	21.5%
Business Mix (%)					
- Product (UL/Non par savings/Annuity/Non par protection/Par)	(3) 21/39/6/4/29	26/33/5/6/30	26/33/5/6/30	24/31/5/7/34	28/41/4/8/19
- Indl Distribution (CA/Agency/Broker/Direct)	(4) 59/18/9/15	61/14/6/19	60/14/6/19	61/13/7/19	55/14/9/22
- Total Distribution (CA/Agency/Broker/Direct/Group)	(5) 25/8/3/14/49	23/6/2/16/53	24/6/2/16/52	25/6/2/17/50	23/7/3/17/51
- Share of protection business (Basis Indl APE)	4.3%	6.3%	5.6%	6.8%	7.6%
- Share of protection business (Basis Overall APE)	14.8%	13.8%	13.6%	12.8%	17.2%
- Share of protection business (Basis NBP)	30.4%	22.4%	24.0%	19.6%	27.6%

1. Calculated using net profit and average net worth for the period (Net worth comprises Share capital, Share premium and Accumulated profits). Opening network for FY23 has been adjusted in line with the scheme of merger approved by the court

2. Individual persistency ratios (based on original premium)

3. Based on individual APE. UL: Unit Linked, Trad: Traditional, Par: Participating & CA: Corporate Agents. Percentages are rounded off

4. Based on total new business premium including group. Percentages are rounded off

* Current year numbers are on a merged basis, hence prior years are not comparable

Disclosures excluding single premium policies commenced from FY21



Revenue and Profit & Loss A/c

Revenue A/c ¹		
	9M FY23*	9M FY22
Premium earned	379.1	315.4
Reinsurance ceded	(5.7)	(4.4)
Income from Investments	114.1	178.2
Other Income	1.7	0.9
Transfer from Shareholders' Account	3.4	2.6
Total Income	492.5	492.8
Commissions	17.8	13.2
Expenses	55.2	38.0
GST on UL charges	2.8	2.7
Provision for taxation	(0.9)	0.3
Provision for diminution in value of investments	0.2	(2.6)
Benefits paid	263.0	211.0
Change in valuation reserve	133.2	215.1
Bonuses Paid	13.4	11.0
Total Outgoings	484.7	488.9
Surplus	7.9	4.1
Transfer to Shareholders' Account	8.9	5.1
Funds for future appropriation - Par	(1.0)	(1.0)
Total Appropriations	7.9	4.1

Profit and Loss A/c ¹			Rs bn
	9M FY23	9M FY22	
Income			
Interest and dividend income	4.8	3.7	
Net profit/(loss) on sale	0.4	2.7	
Transfer from Policyholders' Account	8.9	5.1	
Other Income	-	-	
Total	14.1	11.5	
Outgoings			
Transfer to Policyholders' Account	3.4	2.6	
Expenses	0.5	0.3	
Interest on convertible debentures	0.5	0.3	
Provision for diminution in value of investments	(0.2)	(0.3)	
Provision for Taxation	0.0	0.1	
Total	4.1	3.0	
Profit for the year as per P&L Statement	10.0	8.5	

1. Numbers may not add up due to rounding off effect

51 * Current year numbers are on a merged basis, hence prior years are not comparable



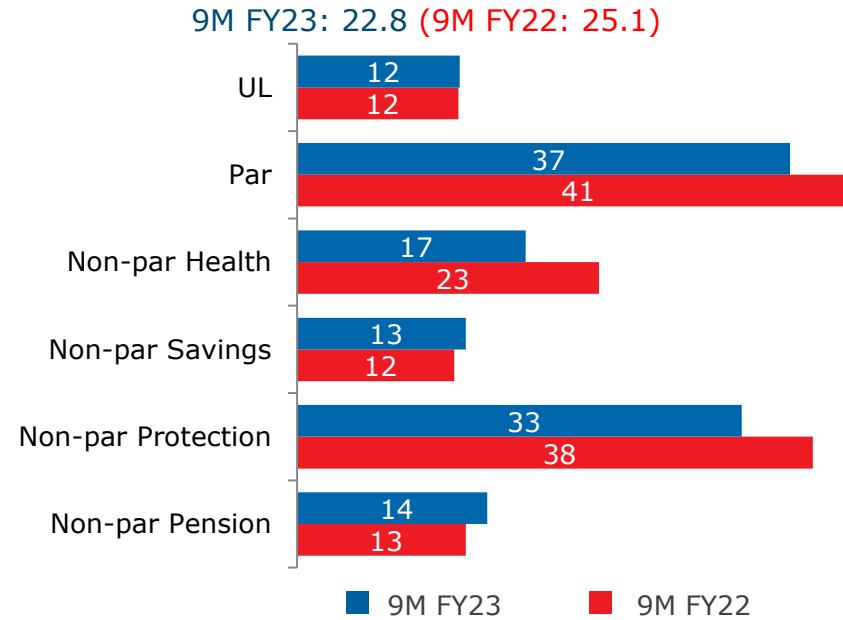
Balance sheet

	Dec 31, 2022 ¹	Dec 31, 2021	March 31, 2022	Rs bn
Shareholders' funds				
Share capital (including Share premium)	58.6	26.8	86.7	
Accumulated profits	67.4	63.7	67.3	
Fair value change	1.0	1.4	0.8	
Sub total	127.0	91.9	154.8	
Borrowings	9.5	6.0	6.0	
Policyholders' funds				
Fair value change	25.0	25.3	21.7	
Policy Liabilities	1,351.2	998.6	1,043.4	
Provision for Linked Liabilities	780.3	776.3	765.2	
Funds for discontinued policies	40.5	43.0	41.0	
Sub total	2197.0	1,843.2	1,871.3	
Funds for future appropriation (Par)	12.5	8.9	9.4	
Total Source of funds	2,346.0	1,950.0	2,041.6	
Shareholders' investment	129.3	89.8	152.4	
Policyholders' investments: Non-linked	1,388.3	1,038.3	1,083.1	
Policyholders' investments: Linked	820.8	819.3	806.2	
Loans	15.1	5.9	6.4	
Fixed assets	3.7	3.4	3.4	
Net current assets	(11.2)	(6.7)	(10.0)	
Total Application of funds	2,346.0	1,950.0	2,041.6	

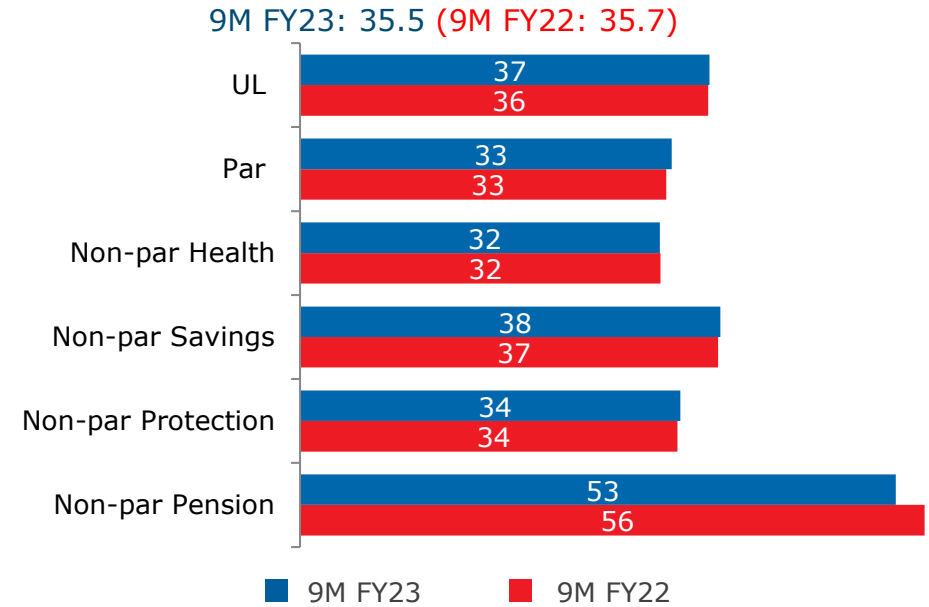
52 1. Numbers may not add up due to rounding off effect. Current year numbers are on a merged basis, hence prior years are not comparable

Segment wise average term and age¹

Average Policy Term excluding annuity (Yrs)



Average Customer Age excluding annuity (Yrs)



- Extensive product solutions catering customer needs across life cycles from young age to relatively older population

Summary of Milliman report on our ALM approach – FY20

Scope of review	Portfolios reviewed
<ul style="list-style-type: none"> Assess appropriateness of ALM strategy to manage interest rate risk in non-par savings business Review sensitivity of value of assets and liabilities to changes in assumptions 	<ul style="list-style-type: none"> Portfolio 1: Savings and Protection – All non-single premium non-par savings contracts and group protection products Portfolio 2: All immediate and deferred annuities

Description	Stress scenarios tested	Net asset liability position
Interest rate scenarios	Parallel shifts/ shape changes in yield curve within +- 150 bps of March 31 st 2020 Gsec yield curve	Changes by < 4.5%
Interest rate + Demographic scenarios	Interest rate variation + changes in future persistency/ mortality experience	Changes by < 7%
100% persistency and low interest rates	100% persistency with interest rates falling to 4% p.a. for next 5 years, 2% p.a for years 6 -10 and 0% thereafter	Still remains positive

Opinion and conclusion

ALM strategy adopted for Portfolios 1 and 2 is appropriate to:

- meet policyholder liability cash flows
- protect net asset-liability position thereby limiting impact on shareholder value



Indian Embedded value: Methodology and Approach (1/2)

Overview

Indian Embedded Value (IEV) consists of:

- **Adjusted Net Worth (ANW)**, consisting of:
 - Free surplus (FS);
 - Required capital (RC); and
- **Value of in-force covered business (VIF)**: Present value of the shareholders' interest in the earnings distributable from assets allocated to the covered business, after making sufficient allowance for the aggregate risks in the covered business.

Components of Adjusted Net Worth (ANW)

- **Free surplus (FS)**: FS is the Market value of any assets allocated to, but not required to support, the in-force covered business as at the valuation date. The FS has been determined as the adjusted net worth of the Company (being the net shareholders' funds adjusted to revalue assets to Market value), less the RC as defined below.
- **Required capital (RC)**: RC is the amount of assets attributed to the covered business over and above that required to back liabilities for the covered business. The distribution of this to shareholders is restricted. RC is set equal to the internal target level of capital equal to 170% of the factor-based regulatory solvency requirements, less the funds for future appropriations ("FFA") in the participating funds.

Indian Embedded value: Methodology and Approach (2/2)

Components of Value in-force covered business (VIF)

- **Present value of future profits (PVFP):** PVFP is the present value of projected distributable profits to shareholders arising from the in-force covered business determined by projecting the shareholder cash flows from the in-force covered business and the assets backing the associated liabilities.
- **Time Value of Financial Options and Guarantees (TVFOG):** TVFOG reflects the value of the additional cost to shareholders that may arise from the embedded financial options and guarantees attaching to the covered business in the event of future adverse market movements. Intrinsic value of such options and guarantees is reflected in PVFP.
- **Frictional costs of required capital (FC):** FC represents the investment management expenses and taxation costs associated with holding the RC. VIF includes an allowance for FC of holding RC for the covered business. VIF also includes an allowance for FC in respect of the encumbered capital in the Company's holdings in its subsidiaries.
- **Cost of residual non-hedgeable risks (CRNHR):** CRNHR is an allowance for risks to shareholder value to the extent that these are not already allowed for in the TVFOG or the PVFP. In particular, the CRNHR makes allowance for:
 - asymmetries in the impact of the risks on shareholder value; and
 - risks that are not allowed for in the TVFOG or the PVFP.

CRNHR has been determined using a cost of capital approach. CRNHR is the present value of the cost of capital charge levied on the projected capital in respect of the material risks identified.

Embedded Value: Economic assumptions

Years	Forward rates %		Spot rates %	
	As at Dec 31, 2021	As at Dec 31, 2022	As at Dec 31, 2021	As at Dec 31, 2022
1	4.04	6.80	3.96	6.58
2	5.42	7.40	4.62	6.86
3	6.29	7.70	5.11	7.05
4	6.94	7.81	5.51	7.17
5	7.41	7.83	5.84	7.24
10	8.26	7.55	6.80	7.32
15	8.03	7.45	7.15	7.28
20	7.62	7.57	7.24	7.27
25	7.28	7.80	7.22	7.30
30	7.05	8.06	7.16	7.36

Glossary (Part 1)

- **APE (Annualized Premium Equivalent)** - The sum of annualized first year regular premiums and 10% weighted single premiums and single premium top-ups
- **Backbook surplus** – Surplus accumulated from historical business written
- **Conservation ratio** - Ratio of current year renewal premiums to previous year's renewal premium and first year premium
- **Embedded Value Operating Profit (“EVOP”)** – 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 premiums** - Regular premiums received during the year for all modes of payments chosen by the customer which are still in the first year. For example, for a monthly mode policy sold in March 2021, the first instalment would fall into first year premiums for 2020-21 and the remaining 11 instalments in the first year would be first year premiums in 2021-22
- **New business received premium** - The sum of first year premium and single premium.
- **New business strain** – Strain on the business created due to revenues received in the first policy year not being able to cover for expenses incurred

Glossary (Part 2)

- **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
- **Proprietary channels** - Proprietary channels include agency and direct
- **Protection Share** - Share of protection includes annuity and health
- **Persistency** - The proportion of business retained from the business underwritten. The ratio is measured in terms of number of policies and premiums underwritten.
- **Renewal premiums** - Regular recurring premiums received after the first year
- **Solvency ratio** - Ratio of available solvency Margin to required solvency Margins
- **Total premiums** - 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 and 10% weighted single premiums and single premium top-ups

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