

April 26, 2022

Ref. No.: HDFC Life/CA/2022-23/07

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

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

NSE Symbol: HDFCLIFE

BSE Security Code: 540777

Dear Sir/ Madam,

Sub: Outcome of the Board Meeting held on April 26, 2022

Pursuant to Regulation 30, 33, 52 and other applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), we wish to inform that the Board of Directors of the Company at their meeting held today i.e. Tuesday, April 26, 2022, has inter-alia approved the following:

1) Financial Results

The audited Standalone and Consolidated financial results for the quarter and year ended March 31, 2022. A copy of the same alongwith the reports of the Joint Statutory Auditors thereon, and copy of the press release is enclosed herewith.

We wish to mention that M/s Price Waterhouse Chartered Accountants LLP and M/s G. M. Kapadia & Co., Chartered Accountants, the Joint Statutory Auditors of the Company, have issued audit reports with unmodified opinion on the financial statements.

2) Final Dividend

Recommended final dividend of ₹ 1.70/- per equity share of face value ₹ 10 each for the financial year 2021-22, subject to approval of the Members at the ensuing Annual General Meeting.

3) In principle approval for raising of funds by issuance of Non-Convertible Debentures (NCDs)

Raising of funds through issuance of NCDs in the nature of subordinated debt instrument up to ₹ 350 crore (Rupees Three Hundred and Fifty crore only) in one or more tranches, on private placement basis subject to receipt of Regulatory approvals.

4) Re-appointment of Mr Ketan Dalal (DIN: 00003236) as an Independent Director

The current term of Mr Ketan Dalal as an Independent Director of the Company, ends on July 16, 2022. The Board of Directors, based on the recommendation of the Nomination & Remuneration Committee of the Board, has considered and approved the re-appointment of Mr Ketan Dalal as an Independent Director of the Company, not liable to retire by rotation, for a second term of five (5) years effective from July 17, 2022, subject to the approval of the Members at the ensuing Annual General Meeting.

Pursuant to the requirements of Listing Regulations, the relevant details alongwith the brief profile of Mr Ketan Dalal is enclosed herewith as Annexure 1.

Further, we affirm that Mr Ketan Dalal has not been debarred from holding the office of Director by virtue of any SEBI order or any other such authority.

The Indian Embedded Value (IEV) of the Company, excluding that of its wholly-owned subsidiary Exide Life Insurance Company Ltd. ("Exide Life") has been reviewed by Milliman Advisors LLP. The IEV of Exide Life has been reviewed by Willis Tower Watson. Both the reports are annexed to the financial results.

The Trading Window for dealing in securities of the Company will be opened from Friday, April 29, 2022, for all the Designated Persons (i.e. Identified Employees, Directors and KMPs) including their immediate relatives, and Promoters of the Company, in terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, and the Company's Code of Conduct for Prohibition of Insider Trading.

The meeting of the Board of Directors of the Company commenced at 12:00 Noon and concluded at 3.00 p.m.

This is for your information and appropriate dissemination.

Thanking you,

For HDFC Life Insurance Company Limited

**NARENDRA
GANGAN**

**Narendra Gangan
General Counsel, Chief Compliance Officer &
Company Secretary**

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serialNumber=477bf60273ae81dbb28910a48bc6ba74a7ae3b05d6
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Encl.: As above

ANNEXURE 1

Details of re-appointment of Mr Ketan Dalal (DIN: 00003236) as an Independent Director

Reason for change	Re-appointment of Mr Ketan Dalal as an Independent Director of the Company, for a second term of five (5) years w.e.f. July 17, 2022
Date for re-appointment	July 17, 2022
Brief Profile	Mr. Ketan Dalal is a fellow member of the Institute of Chartered Accountants of India, having qualified in 1981. In 1997, he (along with 3 other professionals) founded RSM, an Indian Tax practice, which merged into PwC in April 2007. Thereafter he founded a boutique structuring and tax firm, Katalyst Advisors. He was a member of the 'Working Group on Non-resident taxation' formed by Ministry of Finance in 2003. He is a member of the Managing Committee and a member of the Direct Tax Committee of IMC. He has been a member of several SEBI Committees, including SEBI's High Powered Advisory Committee on consent orders and compounding, and Group of experts to advise SEBI on matters relating to Financial Sector Legislative Reforms Commission
Disclosure of relationships between directors	Not related to any of the Directors of the Company

Price Waterhouse Chartered Accountants LLP

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

G. M. Kapadia & Co.

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

Auditors' Report on Standalone Financial Results for the quarter and year ended March 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 year ended March 31, 2022 which are included in the accompanying Statement of Standalone Audited Results for the quarter and year ended March 31, 2022, the Standalone Balance sheet as on that date and the receipts and payment account for the year ended on that date, 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 Regulation”) and IRDA Circular reference: IRDAI/ F&I/ REG/ CIR/ 208/ 10/2016 dated 25th October 2016 (“Standalone financial results”) which have been approved by the Board of Directors on April 26, 2022.

Management's Responsibility for the standalone financial results

2. These standalone financial results have been prepared on the basis of standalone 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. The management's responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation of the standalone financial results that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these quarterly and year ended March 31, 2022 standalone financial results based on our audit of such standalone financial statements, which have been prepared by the Company's Management in accordance with the recognition and measurement principles 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”) and other accounting principles generally accepted in India, to the extent considered relevant and appropriate for the purpose of these standalone 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 Insurance Regulatory and Development Authority of India (“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 standalone 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 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 year ended March 31, 2022 and also the standalone balance sheet and the receipts and payment account as at and for the year ended on that date.

Other Matters

6. The actuarial valuation of liabilities (including extra mortality reserve) for life policies in force in respect of which premium has been discontinued but liability exists as at March 31, 2022 is the responsibility of the Company’s Appointed Actuary (the “Appointed Actuary”). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 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 statements of the Company. Our opinion is not modified in respect of this matter.

7. The Standalone financial results dealt with by this report has been prepared for the purpose of filing with stock exchanges. These Standalone financial results is based on and should be read with the audited standalone financial statements of the company for the year ended March 31, 2022 on which we issued an unmodified audit opinion vide our report dated April 26, 2022.

For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016

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Russell I Parera

Partner

Membership No. 042190

UDIN: 22042190AHUERH5576

Place : Mumbai

Date : April 26, 2022

For G. M. Kapadia & Co.

Firm Registration No. 104767W
Chartered Accountants

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Rajen Ashar

Partner

Membership No. 048243

UDIN: 22048243AHUFRS4625

HDFC Life Insurance Company Limited
Statement of Standalone Audited Results for the Quarter and Year ended March 31, 2022

(₹ in Lakhs)

Sr. No.	Particulars	Three Months ended / As at			Year ended / As at	
		March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
POLICYHOLDERS' A/C						
1	Gross premium income					
	(a) First Year Premium	257,487	211,597	238,921	805,437	685,843
	(b) Renewal Premium	734,117	554,303	635,040	2,180,801	1,847,687
	(c) Single Premium	450,522	459,575	417,058	1,610,045	1,324,820
2	Net premium income ¹	1,428,966	1,212,436	1,286,801	4,539,646	3,812,230
3	Income from investments (Net) ²	139,721	198,178	601,542	1,921,594	3,267,757
4	Other income	6,306	4,671	6,661	17,654	18,339
5	Contribution of funds from Shareholders' A/c	30,501	6,937	24,128	56,943	25,856
6	Total (2 to 5)	1,605,494	1,422,222	1,919,132	6,535,837	7,124,182
7	Commission on					
	(a) First Year Premium	42,887	35,664	43,447	136,813	126,612
	(b) Renewal Premium	10,896	8,638	9,215	33,009	27,708
	(c) Single Premium	6,983	5,965	5,351	20,619	13,302
	Rewards	1,308	471	1,738	3,588	3,418
8	Net Commission¹	62,074	50,738	59,751	194,029	171,040
9	Operating Expenses related to insurance business (a+b)					
	(a) Employees remuneration and welfare expenses	57,158	51,023	53,103	202,903	167,558
	(b) Other operating expenses ⁴	123,737	99,218	97,908	358,345	291,039
10	Expenses of Management (8+9)	242,969	200,979	210,762	755,277	629,637
11	Provisions for doubtful debts (including bad debts written off)	-	-	-	-	-
12	Provisions for diminution in value of investments ⁵	493	(1,471)	(9,010)	(25,340)	(18,854)
13	Goods & Services Tax on linked charges	9,624	9,408	9,575	36,956	35,675
14	Provision for taxes	15,486	1,750	18,381	18,450	27,439
15	Benefits Paid ³ (Net) ¹	964,346	808,129	883,757	3,186,375	2,257,478
16	Change in actuarial liability	317,341	385,004	762,268	2,468,153	4,082,963
17	Total (10+11+12+13+14+15+16)	1,550,259	1,403,799	1,875,733	6,439,871	7,014,338
18	Surplus/Deficit (6-17)	55,235	18,423	43,399	95,966	109,844
19	Appropriations					
	(a) Transferred to Shareholders A/c	50,002	18,249	28,659	100,934	99,090
	(b) Funds for Future Appropriations	5,233	174	14,740	(4,968)	10,754
20	Details of Surplus / Deficit					
	(a) Interim bonus paid	26,859	19,959	11,715	71,241	20,182
	(b) Terminal bonus paid	42,050	23,501	22,280	107,271	59,228
	(c) Allocation of bonus to policyholders	66,188	-	74,153	66,188	74,153
	(d) Surplus shown in the Revenue Account	55,235	18,423	43,399	95,966	109,844
	Total Surplus	190,332	61,883	151,547	340,666	263,407
SHAREHOLDERS' A/C						
21	Transfer from Policyholders' Account	50,002	18,249	28,659	100,934	99,090
22	Total income under Shareholders' Account					
	(a) Investment Income ²	14,752	17,911	27,130	78,938	64,757
	(b) Other income	-	-	-	-	-
23	Expenses other than those related to insurance business ⁴	2,155	2,294	2,405	8,247	6,373
24	Transfer of funds to Policyholders' Account	30,501	6,937	24,128	56,943	25,856
25	Provisions for doubtful debts (including write off)	-	-	-	-	-
26	Provisions for diminution in value of investments ⁵	(58)	(661)	(1,652)	(3,332)	(3,731)
27	Profit before tax	32,156	27,590	30,908	118,014	135,349
28	Provisions for tax	(3,596)	225	(886)	(2,755)	(661)
29	Profit after tax and before Extraordinary items	35,752	27,365	31,794	120,769	136,010
30	Profit after tax and Extraordinary items	35,752	27,365	31,794	120,769	136,010
31	Dividend per share (₹) (Nominal value ₹ 10 per share)					
	(a) Interim Dividend	-	-	-	-	-
	(b) Final Dividend	-	-	-	2.02	-
32	Profit carried to Balance Sheet ⁶	672,861	637,109	592,940	672,861	592,940
33	Paid up equity share capital	211,262	202,479	202,094	211,262	202,094
34	Reserve & Surplus (excluding Revaluation Reserve)	1,328,517	701,621	640,737	1,328,517	640,737
35	Fair Value Change Account and Revaluation Reserve (Shareholders)	8,480	13,647	20,744	8,480	20,744
36	Total Assets:					
	(a) Investments:					
	- Shareholders'	1,523,790	897,778	854,211	1,523,790	854,211
	- Policyholders Fund excluding Linked Assets	10,831,097	10,382,834	9,053,783	10,831,097	9,053,783
	- Assets held to cover Linked Liabilities (Linked Assets)	8,062,154	8,193,168	7,475,950	8,062,154	7,475,950
	(b) Other Assets (Net of current liabilities and provisions)	(988)	26,601	(77,361)	(988)	(77,361)

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

Advertisement and publicity	62,293	52,127	44,315	188,386	141,011
Business development expenses	37,413	23,651	29,428	78,400	66,590

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

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 April 26, 2022.

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HDFC Life Insurance Company Limited
Standalone Balance Sheet as at March 31, 2022

(₹ in Lakhs)

Particulars	As at	
	March 31, 2022	March 31, 2021
	(Audited)	(Audited)
SOURCES OF FUNDS		
<i>SHAREHOLDERS' FUNDS:</i>		
Share Capital	211,262	202,094
Share application money received pending allotment of shares	332	197
Reserves and Surplus	1,328,517	640,737
Credit / (Debit) Fair Value Change Account	8,480	20,744
Sub-Total	1,548,591	863,772
<i>BORROWINGS</i>	60,000	60,000
<i>POLICYHOLDERS' FUNDS:</i>		
Credit / (Debit) Fair Value Change Account	216,968	255,501
Policy Liabilities	10,434,250	8,552,302
Insurance Reserve	-	-
Provision for Linked Liabilities	5,644,836	5,430,538
Add: Fair value change	2,007,062	1,665,814
Provision for Linked Liabilities	7,651,898	7,096,352
Funds for discontinued policies		
(i) Discontinued on account of non-payment of premium	408,536	377,616
(ii) Others	1,720	1,982
Total Provision for Linked & Discontinued Policyholders Liabilities	8,062,154	7,475,950
Sub-Total	18,713,372	16,283,753
Funds for Future Appropriations	94,090	99,058
Sub-Total		
TOTAL	20,416,053	17,306,583
APPLICATION OF FUNDS		
<i>INVESTMENTS:</i>		
Shareholders'	1,523,790	854,211
Policyholders'	10,831,097	9,053,783
Asset held to cover Linked Liabilities	8,062,154	7,475,950
LOANS	64,283	42,405
FIXED ASSETS	34,274	34,015
CURRENT ASSETS		
Cash and Bank Balances	108,656	103,556
Advances and Other Assets	414,670	394,253
Sub-Total (A)	523,326	497,809
CURRENT LIABILITIES	613,755	642,318
PROVISIONS	9,116	9,272
Sub-Total (B)	622,871	651,590
NET CURRENT ASSETS (C) = (A - B)	(99,545)	(153,781)
Miscellaneous Expenditure (to the extent not written off or adjusted)	-	-
Debit Balance in Profit and Loss Account (Shareholders' Account)	-	-
TOTAL	20,416,053	17,306,583
Contingent liabilities	108,234	185,391

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 April 26, 2022.

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HDFC Life Insurance Company Limited
Standalone Receipts and Payments Account for the year ended March 31, 2022

(₹ in Lakhs)

Sr. No.	Particulars	Year ended	
		March 31, 2022	March 31, 2021
		(Audited)	(Audited)
A.	Cash Flows from the operating activities:		
1	Premium received from policyholders, including advance receipts	4,737,196	3,961,064
2	Other receipts	17,133	16,774
3	Payments to the re-insurers, net of commissions and claims/ Benefits	90,060	(17,025)
4	Payments of claims/benefits	(3,384,281)	(2,268,819)
5	Payments of commission and brokerage	(198,408)	(165,203)
6	Payments of other operating expenses ¹	(601,965)	(470,558)
7	Preliminary and pre-operative expenses	-	-
8	Deposits, advances and staff loans	(1,912)	2,191
9	Income taxes paid (net)	(19,446)	(25,336)
10	Goods and Services Tax paid	(84,377)	(62,783)
11	Other payments	-	-
12	Cash flows before extraordinary items	554,000	970,305
13	Cash flow from extraordinary operations	-	-
	Net cash flow from operating activities	554,000	970,305
B	Cash flows from investing activities:		
1	Purchase of fixed assets	(5,525)	(6,023)
2	Proceeds from sale of fixed assets	108	94
3	Purchases of investments	(9,814,559)	(9,116,941)
4	Investment in subsidiary	(72,598)	-
5	Loans disbursed	-	-
6	Loan against policies	(21,878)	(12,500)
7	Sales of investments	9,274,115	7,694,130
8	Repayments received	-	-
9	Rents/Interests/ Dividends received	1,032,118	833,301
10	Investments in money market instruments and in liquid mutual funds (net)	(531,910)	(291,573)
11	Expenses related to investments	(37)	(17)
	Net cash flow from investing activities	(140,166)	(899,529)
C	Cash flows from financing activities:		
1	Proceeds from issuance of share capital	20,727	7,632
2	Proceeds from borrowing	-	60,000
3	Repayments of borrowing	-	-
4	Interest/dividends paid	(44,849)	-
5	Share application Money	332	197
	Net cash flow from financing activities	(23,790)	67,829
D	Effect of foreign exchange rates on cash and cash equivalents, (net)	-	-
E	Net increase in cash and cash equivalents:	390,044	138,605
1	Cash and cash equivalents at the beginning of the year	716,103	577,498
2	Cash and cash equivalents at the end of the year	1,106,147	716,103
	Note - Components of Cash and cash equivalents at end of the year:		
	Cash and cheques in hand	10,845	9,857
	Bank Balances *	97,774	93,663
	Fixed Deposit (less than 3 months)	37,000	12,500
	Money Market Instruments	960,528	600,083
	Total Cash and cash equivalents	1,106,147	716,103
	Reconciliation of Cash & Cash Equivalents with Cash & Bank Balance:		
	Cash & Cash Equivalents	1,106,147	716,103
	Add: Deposit Account - Others	37	36
	Less: Fixed Deposit (less than 3 months)	(37,000)	(12,500)
	Less: Money market instruments	(960,528)	(600,083)
	Cash & Bank Balances	108,656	103,556
	* Bank Balances includes Unclaimed Dividend of ₹ 27 lakhs (₹ 18 lakhs at March 31, 2021)		

The above Receipts and Payments Account has been prepared as prescribed by Insurance Regulatory and Development Authority (Preparation of financial statements and auditor's report of insurance companies) Regulations, 2002 under the Direct method in accordance with Accounting Standard 3 Cash Flow Statements.

Notes :

- Includes cash paid towards Corporate Social Responsibility expenditure ₹ 1157 lakhs (previous year ended March 31, 2021: ₹ 1,489 lakhs).

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 April 26, 2022.

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HDfC Life Insurance Company Limited
Statement of Standalone Audited Results for the Quarter and Year ended March 31, 2022

(₹ in Lakhs)

Particulars	Three Months ended / As at			Year ended / As at	
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Analytical Ratios:					
(i) Solvency Ratio	176%	190%	201%	176%	201%
(ii) Expenses of Management Ratio	16.8%	16.4%	16.3%	16.4%	16.3%
(iii) Policyholder's liabilities to shareholders' fund	1214.5%	2015.4%	1896.7%	1214.5%	1896.7%
(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)	1.75	1.35	1.57	5.91	6.73
b) Diluted EPS before and after extraordinary items (net of tax expense) for the period (not annualized for three months)	1.75	1.35	1.57	5.90	6.73
(v) NPA ratios: (for Policyholders' fund)					
a) Gross NPAs					
- Non Linked					
Par	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL
- Linked					
Non Par	5,375.0	5,375.0	5,250.0	5,375.0	5,250.0
Net NPAs					
- Non Linked					
Par	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL
- Linked					
Non Par	NIL	NIL	NIL	NIL	NIL
b) % of Gross NPAs					
- Non Linked					
Par	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL
- Linked					
Non Par	0.1%	0.1%	0.1%	0.1%	0.1%
% of Net NPA					
- Non Linked					
Par	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL
- Linked					
Non Par	NIL	NIL	NIL	NIL	NIL
(vi) Yield on Investments (on Policyholders' fund)					
A. Without unrealised gains					
- Non Linked					
Par	1.9%	2.1%	2.5%	8.7%	8.5%
Non Par	2.2%	2.2%	2.3%	9.1%	9.5%
- Linked					
Non Par	2.3%	2.1%	3.1%	11.5%	8.6%
B. With unrealised gains					
- Non Linked					
Par	-0.2%	0.3%	0.5%	6.1%	16.3%
Non Par	0.0%	0.3%	-1.0%	2.3%	7.2%
- Linked					
Non Par	-1.2%	-0.5%	5.3%	13.6%	47.2%
(vii) NPA ratios: (for Shareholders' fund)					
a) Gross NPAs	NIL	NIL	NIL	NIL	NIL
Net NPAs	NIL	NIL	NIL	NIL	NIL
b) % of Gross NPAs	NIL	NIL	NIL	NIL	NIL
% of Net NPAs	NIL	NIL	NIL	NIL	NIL
(viii) Yield on Investments (on Shareholders' fund)					
A. Without unrealised gains	1.0%	1.7%	3.3%	7.7%	8.9%
B. With unrealised gains	0.4%	0.6%	1.1%	5.8%	15.4%
(ix) Persistency Ratio (Regular Premium/Limited Premium Payment)					
13th month	86.8%	84.5%	83.7%	87.5%	84.9%
25th month	77.5%	74.2%	70.5%	78.8%	71.3%
37th month	67.0%	65.8%	64.9%	67.5%	65.1%
49th month	63.4%	60.3%	62.3%	63.2%	62.7%
61st month	54.4%	51.1%	51.6%	54.0%	48.9%
(x) Conservation Ratio					
Participating Life- Individual & group	84.4%	88.7%	89.3%	86.5%	87.6%
Participating Pension- Individual & group	81.0%	78.8%	92.2%	84.9%	90.0%
Non Participating Life - Individual & group	85.5%	91.2%	87.7%	89.0%	86.4%
Non Participating Pension - Individual & Group	54.3%	65.6%	70.7%	63.3%	77.1%
Non Participating - Life Group Variable	NA	NA	NA	NA	NA
Non Participating - Pension group variable	NA	NA	NA	NA	NA
Non Participating Fund - Annuity	NA	NA	NA	NA	NA
Non Participating Fund - Individual & Group Health	88.4%	86.8%	90.5%	85.3%	83.4%
Unit Linked - Individual Life	83.5%	84.8%	87.5%	84.7%	85.7%
Unit Linked - Individual Pension	75.5%	72.7%	74.3%	72.3%	71.9%
Unit Linked - Group Life	NA	NA	NA	NA	NA
Unit Linked - Group Pension	NA	NA	NA	NA	NA

Notes :

- Analytical ratios have been calculated as per definition given in IRDAI Analytical ratios disclosure.
- Yield on Investments (on Shareholders' fund) for the quarter and year ended March 31, 2022 includes figures in respect of Investment in Exide Life Insurance Company Limited 'Subsidiary', hence not comparable with corresponding previous period. The ratio excluding the investment in Exide Life Insurance Company Limited are as follows:

Particulars	Three months ended March 31, 2022	Year ended March 31, 2022
Yield on Investments (on Shareholders' fund)		
A. Without unrealised gains	1.7%	9.2%
B. With unrealised gains	0.7%	6.9%

- 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 March 31, 2022 have been calculated for the policies issued in the December to February period of the relevant years. E.g.: the 13th month persistency for the current quarter is calculated for the policies issued from December 2020 to February 2021. The persistency ratios for quarter ended March 31, 2021 have been calculated in a similar manner.
- The persistency ratios for the year ended March 31, 2022 have been calculated for the policies issued in the March to February period of the relevant years. For eg: the 13th month persistency for current year is calculated for the policies issued from March 2020 to February 2021. The persistency ratios for the year ended March 31, 2021 have been calculated in a similar manner.
- 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 (Standalone) for the Quarter and Year ended March 31, 2022

(₹ in Lakhs)

Sr. No.	Particulars	Three Months ended			Year ended / As at	
		March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1	Segment Income					
A)	Policyholders :					
	Segment A - Participating - Individual & Group Life :					
	Net Premium	307,068	239,684	273,045	889,256	746,872
	Income from Investments ²	66,623	73,274	90,556	299,860	267,499
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	4,347	2,830	4,841	10,539	12,207
	Segment B - Participating - Individual & Group Pension :					
	Net Premium	4,890	4,236	6,037	15,551	18,281
	Income from Investments ²	4,330	7,582	5,288	35,525	22,704
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	98	171	258	498	493
	Segment C - Non Participating - Individual & Group Life :					
	Net Premium	514,289	417,125	406,920	1,558,182	1,150,509
	Income from Investments ²	81,775	75,313	59,428	293,200	208,452
	Transfer of Funds from shareholders' account	30,500	7,867	24,544	56,943	24,544
	Other Income	1,023	829	810	3,462	2,535
	Segment D - Non Participating - Life Group Variable :					
	Net Premium	10,542	34,867	9,703	75,916	46,244
	Income from Investments ²	6,194	6,340	6,159	24,954	24,188
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	-	-	-	-	-
	Segment E - Non Participating - Individual & Group Pension :					
	Net Premium	33,547	43,561	36,498	156,711	174,408
	Income from Investments ²	11,698	12,356	9,957	47,245	38,867
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	7	7	10	26	29
	Segment F - Non Participating - Pension Group Variable :					
	Net Premium	34,099	45,885	40,830	152,613	155,676
	Income from Investments ²	7,397	7,648	7,375	30,940	28,928
	Transfer of Funds from shareholders' account	-	-	731	-	1,312
	Other Income	-	-	-	-	-
	Segment G - Non Participating - Individual & Group Annuity :					
	Net Premium	123,710	116,040	130,672	487,148	392,720
	Income from Investments ²	29,341	27,447	21,129	105,485	77,754
	Transfer of Funds from shareholders' account	-	(371)	(1,147)	-	-
	Other Income	26	21	19	87	68
	Segment H - Non Participating - Individual & Group Health :					
	Net Premium	1,656	693	1,549	2,845	5,291
	Income from Investments ²	127	127	124	497	573
	Transfer of Funds from shareholders' account	-	(559)	-	-	-
	Other Income	3	2	4	12	16
	Segment I - Unit Linked - Individual Life :					
	Net Premium	355,273	266,134	342,854	1,049,216	982,517
	Income from Investments ²	(73,229)	(10,575)	381,980	961,251	2,280,991
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	799	809	714	3,021	2,986
	Segment J - Unit Linked - Individual Pension :					
	Net Premium	12,851	9,249	16,881	40,344	51,797
	Income from Investments ²	1,741	(2,120)	24,284	89,537	226,325
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	3	2	3	9	7
	Segment K - Unit Linked - Group Life :					
	Net Premium	29,007	33,435	20,044	93,885	79,985
	Income from Investments ²	2,759	2,107	3,657	50,252	93,501
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	-	-	-	-	-
	Segment L - Unit Linked - Group Pension :					
	Net Premium	2,034	1,527	1,767	17,980	7,930
	Income from Investments ²	496	300	763	8,422	17,027
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	-	-	-	-	-
B)	Shareholders :					
	Income from Investments ²	14,810	18,573	28,781	82,270	68,488
	Other Income	-	-	-	-	-

HDFC Life Insurance Company Limited
Segment Reporting (Standalone) for the Quarter and Year ended March 31, 2022

(₹ in Lakhs)

Sr No.	Particulars	Three Months ended / As at			Year ended / As at	
		March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
2	Segment Surplus/ Deficit (net of transfer from Shareholders' A/c) :					
	Segment A - Participating - Individual & Group Life	17,551	1,571	26,550	10,727	27,374
	Segment B - Participating - Individual & Group Pension	2,694	3,431	205	11,495	443
	Segment C - Non Participating - Individual & Group Life	(30,501)	(7,868)	(32,379)	(56,943)	(24,544)
	Segment D - Non Participating - Life Group Variable	2,050	391	187	3,067	394
	Segment E - Non Participating - Individual & Group Pension	5,511	1,093	(327)	10,387	3,292
	Segment F - Non Participating - Pension Group Variable	323	207	(731)	826	(1,312)
	Segment G - Non Participating - Individual & Group Annuity	15,213	1,059	1,768	15,901	620
	Segment H - Non Participating - Individual & Group Health	3,005	962	721	3,407	3,082
	Segment I - Unit Linked - Individual Life	5,263	7,150	18,671	25,563	58,214
	Segment J - Unit Linked - Individual Pension	2,862	2,541	3,946	10,829	12,909
	Segment K - Unit Linked - Group Life	667	755	556	3,161	2,940
	Segment L - Unit Linked - Group Pension	102	194	103	603	576
	Total	24,740	11,486	19,270	39,023	83,988
	Shareholders	16,251	16,054	27,261	76,778	62,777
	Grand Total	40,991	27,540	46,531	115,801	146,765
3	Segment Assets:					
	Segment A - Participating - Individual & Group Life	3,733,577	3,734,771	3,426,979	3,733,577	3,426,979
	Segment B - Participating - Individual & Group Pension	262,991	262,920	296,853	262,991	296,853
	Segment C - Non Participating - Individual & Group Life	3,652,205	3,280,143	2,543,157	3,652,205	2,543,157
	Segment D - Non Participating - Life Group Variable	319,266	327,973	328,644	319,266	328,644
	Segment E - Non Participating - Individual & Group Pension	680,930	695,783	611,066	680,930	611,066
	Segment F - Non Participating - Pension Group Variable	383,196	426,217	459,898	383,196	459,898
	Segment G - Non Participating - Individual & Group Annuity	1,669,238	1,557,188	1,191,472	1,669,238	1,191,472
	Segment H - Non Participating - Individual & Group Health	3,514	5,554	6,074	3,514	6,074
	Segment I - Unit Linked - Individual Life	6,657,688	6,770,443	6,123,166	6,657,688	6,123,166
	Segment J - Unit Linked - Individual Pension	617,304	645,150	654,643	617,304	654,643
	Segment K - Unit Linked - Group Life	667,318	649,982	601,200	667,318	601,200
	Segment L - Unit Linked - Group Pension	117,944	117,338	101,239	117,944	101,239
	Total	18,765,171	18,473,462	16,344,391	18,765,171	16,344,391
	Shareholder	1,597,328	965,017	912,388	1,597,328	912,388
	Unallocated ³	53,554	61,902	49,804	53,554	49,804
	Grand Total	20,416,053	19,500,381	17,306,583	20,416,053	17,306,583
4	Segment Policy Liabilities⁴ :					
	Segment A - Participating - Individual & Group Life	3,548,264	3,518,866	3,233,440	3,548,264	3,233,440
	Segment B - Participating - Individual & Group Pension	247,139	246,861	272,455	247,139	272,455
	Segment C - Non Participating - Individual & Group Life	3,659,098	3,272,480	2,528,444	3,659,098	2,528,444
	Segment D - Non Participating - Life Group Variable	318,713	327,548	326,681	318,713	326,681
	Segment E - Non Participating - Individual & Group Pension	680,412	695,120	609,933	680,412	609,933
	Segment F - Non Participating - Pension Group Variable	382,561	425,321	458,224	382,561	458,224
	Segment G - Non Participating - Individual & Group Annuity	1,661,342	1,553,105	1,184,165	1,661,342	1,184,165
	Segment H - Non Participating - Individual & Group Health	3,777	5,923	6,234	3,777	6,234
	Segment I - Unit Linked - Individual Life	6,686,436	6,808,857	6,150,655	6,686,436	6,150,655
	Segment J - Unit Linked - Individual Pension	617,355	645,192	654,651	617,355	654,651
	Segment K - Unit Linked - Group Life	667,447	651,302	601,190	667,447	601,190
	Segment L - Unit Linked - Group Pension	117,952	117,346	101,240	117,952	101,240
	Total	18,590,496	18,267,921	16,127,312	18,590,496	16,127,312
	Shareholders	1,608,591	979,012	923,772	1,608,591	923,772
	Unallocated	-	-	-	-	-
	Grand Total	20,199,087	19,246,933	17,051,084	20,199,087	17,051,084

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.

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 April 26, 2022.

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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 quarter and year ended March 31, 2022

Particulars	Three Months ended / As at			Year ended / As at	
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
	(Audited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)
1 Asset cover available, in case of non-convertible debt securities ¹	2570%	1589%	1478%	2570%	1478%
2 Debt Equity Ratio ² (no of times)	0.04	0.07	0.07	0.04	0.07
3 Debt service coverage ratio ³ (no of times)	12.98	17.59	12.60	47.46	55.26
4 Interest service coverage ratio ⁴ (no of times)	12.98	17.59	12.60	47.46	55.26
5 Total Borrowings (₹ in Lakhs)	60,000	60,000	60,000	60,000	60,000
6 Outstanding redeemable preference shares (quantity and value)	NA	NA	NA	NA	NA
7 Capital redemption reserve / debenture redemption reserve	NA	NA	NA	NA	NA
8 Net Worth ⁵ (₹ in Lakhs)	1,548,591	919,011	863,772	1,548,591	863,772
9 Net profit/ loss after tax ⁶ (₹ in Lakhs)	35,752	27,365	31,794	120,769	136,010
10 Earnings per share					
a) Basic EPS before and after extraordinary items (net of tax expense) for the period (not annualized for three months)	1.75	1.35	1.57	5.91	6.73
b) Diluted EPS before and after extraordinary items (net of tax expense) for the period (not annualized for three months)	1.75	1.35	1.57	5.90	6.73
11 Current ratio ⁷	0.84	0.89	0.76	0.84	0.76
12 Long term debt to working capital ¹⁰	NA	NA	NA	NA	NA
13 Bad debts to Account receivable ratio ¹⁰	NA	NA	NA	NA	NA
14 Current liability ratio ⁸	0.03	0.03	0.04	0.03	0.04
15 Total debts to total assets ⁹	0.003	0.003	0.004	0.003	0.004
16 Debtors turnover ¹⁰	NA	NA	NA	NA	NA
17 Inventory turnover ¹⁰	NA	NA	NA	NA	NA
18 Operating margin (%) ¹⁰	NA	NA	NA	NA	NA
19 Net profit margin (%) ¹⁰	NA	NA	NA	NA	NA

Notes :

- The Asset Cover Ratio computation is in accordance with the SEBI Circular SEBI/ HO/MIRSD/ CRADT/ CIR/ P/2020/230 dated November 12, 2020 and net assets are excluding Policyholders funds and Funds for Future Appropriations. Assets Cover ratio is computed as net assets divided by total borrowings.
- 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.
- 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 along with Interest expense due on 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.

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 April 26, 2022.

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HDFC Life Insurance Company Limited

Other disclosures :

Status of Shareholders Complaints as on March 31, 2022

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

HDFC Life Insurance Company Limited

Other disclosures :

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

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

Notes:

1. The standalone financial results of the company for the quarter and year ended March 31, 2022 were reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on April 26, 2022.
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 quarter and year ended March 31, 2022, the Company has allotted 805,906 equity shares and 4,652,973 equity shares of face value of ₹10 each pursuant to exercise of employee stock options.
5. In light of the COVID-19 pandemic outbreak, its continuous effect and information available up to the date of approval of these financial statements, the Company has assessed the impact of pandemic on its assets, including valuation and impairment of investments, liabilities including policy liability and solvency position. Based on the evaluation, the Company carries:
(a) Adequate impairment provisions on the investments to an extent necessary and
(b) Excess Mortality Reserve (EMR) of ₹ 5,500 lakhs as at the Balance Sheet date for potential adverse mortality expected due to pandemic. This reserve is over and above the policy level liabilities calculated based on the applicable IRDAI regulations and based on our current expectation of extra claims to be received in the future, both of which are certified by the appointed actuary.
The Company has also assessed its solvency position as at the Balance sheet date and is at 176% which is above the prescribed regulatory limit of 150%. Further, based on the Company's current assessment of the business operations over next one year, it expects the solvency ratio to continue to remain above the minimum limit prescribed by the Insurance regulator.
The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes to future economic conditions
6. The Board of Directors have recommended a final dividend of ₹ 1.70 per equity share of face value of ₹10 each in its board meeting held on 26th April, 2022, subject to Shareholders approval in the Annual General Meeting.
7. 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 May 25, 2022.
8. 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. The Company is awaiting further developments on this to evaluate further.
9. Consequent to the announcement and shareholders' approval towards the acquisition of 100% of the share capital of and subsequent merger of Exide Life Insurance Company Limited (Exide Life) into the Company for a total consideration of Rs. 668,700 lakhs, the Company has received necessary approvals from the Competition Commission of India (CCI) on November 2, 2021 and IRDAI on December 31, 2021 for the phase I to acquire 100% stake in Exide Life.
Accordingly, the Company has issued 8,70,22,222 equity shares at an agreed issue price of Rs. 685 per share, on a preferential basis and balance payout through bank transfer of Rs. 72,598 lakhs to Exide Industries Limited towards the settlement of full purchase consideration of Rs. 668,700 lakhs on January 1, 2022, thereby making Exide Life, a wholly-owned subsidiary of the Company with effect from January 1, 2022.
As regards second phase of the transaction, the Company has obtained necessary approvals from National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on April 22, 2022 and is in the process of obtaining approval for the merger scheme from the National Company Law Tribunal (NCLT), post which final approval would be sought from Insurance Regulatory and Development Authority of India.
10. Figures of the previous period have been regrouped wherever necessary, in order to make them comparable.
11. The above standalone financial results have been audited by joint statutory auditors of the Company.

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Mumbai
April 26, 2022

For and on behalf of the Board of Directors

Vibha
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Managing Director & CEO
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Auditor’s Report on Consolidated Financial Results for the quarter and year ended March 31, 2022 of HDFC Life Insurance Company Limited (“hereinafter referred to as the Holding Company”), and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”)

To The Board of Directors of
HDFC Life Insurance Company Limited

1. We have audited the accompanying Statement of consolidated financial results of HDFC Life Insurance Company Limited (“hereinafter referred to as the Holding Company”), and its subsidiaries (Holding Company and its subsidiaries together referred to as “the Group”), for the year ended March 31, 2022 and the consolidated Balance sheet and the consolidated receipts and payment account as at and for the year ended on that date, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and IRDA Circular reference: IRDAI/F&I/ REG/ CIR/208/10/2016 dated 25th October 2016 (“Consolidated financial results”) which have been approved by the Board of Directors on April 26, 2022.

Management’s Responsibility for the Consolidated financial results

2. These consolidated financial results have been prepared on the basis of the consolidated financial statements prepared in accordance with the measurement and recognition principles specified in paragraph 3 below, which is the responsibility of the Holding Company’s management. The respective Board of Directors of the companies included in the Group are responsible for selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation of the consolidated financial results that give true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of consolidated financial statements by the Directors of the Holding Company.

Auditors’ Responsibility

3. Our responsibility is to express an opinion on the year ended Mach 31, 2022 consolidated financial results based on our audit of such consolidated financial statements, which have been prepared by the Holding Company’s Management in accordance with the recognition and measurement principles 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”) and other accounting principles generally accepted in India, 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 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 Insurance Regulatory and Development Authority of India (“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 consolidated financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as consolidated financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
5. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.
6. The consolidated financial results includes the results of the following subsidiaries
 - a) HDFC Pension Management Company Limited, and
 - b) HDFC International Life and Re Company Limited
 - c) Exide Life Insurance Company Limited (w.e.f. January 1, 2022)

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us these consolidated financial results:
 - I) are presented in accordance with the requirements of Regulation 33 of the SEBI 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 consolidated net profit and other financial information for quarter and year ended March 31, 2022 and also the consolidated balance sheet as at March 31, 2022 and the consolidated receipts and payment account for the year ended on that date.

Other Matters

8. The actuarial valuation of liabilities for life policies in force in respect of which premium has been discontinued but liability exists as at March 31, 2022 is the responsibility of the Holding Company’s and subsidiary company’s Appointed Actuary (the “Appointed Actuary”). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2022 has been duly certified by the Appointed Actuary and in their opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the 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 financial statements of the Group. Our opinion is not modified in respect of this matter.
9. We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs. 220,655,225 (in ‘000’) and net assets of Rs. 12,741,614 (in ‘000’) as at March 31, 2022, total revenue of Rs. 16,199,362(in ‘000’) and Rs.16,364,693 (in ‘000’), net profit of Rs. 1,460,740(in ‘000’) and Rs. 1,488,402 (in ‘000’) for the quarter and year ended March 31, 2022 and net cash flows amounting to Rs. 1,682,218 (in ‘000’) for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors. Our opinion on the Consolidated financial results is not modified in respect of the above matter.

10. We did not audit the financial statements of one subsidiary located outside India, whose financial statements reflect total assets of Rs. 2,716,587 (in '000') and net assets of Rs. 1,893,159 (in '000') as at March 31, 2022, total revenue of Rs. 349,063 (in '000') and Rs. 1,069,675 (in '000'), net profit/(loss) of Rs. 26,019 (in '000') and Rs. (295,941) (in '000') for the quarter and year ended March 31, 2022 and net cash out flows amounting to Rs. 414,413 (in '000') for the year ended on that date, have been prepared in accordance with accounting principles generally accepted in their respective country and have been audited by other auditors under generally accepted auditing standards applicable in their respective country. The Company's management has converted the financial statements of such subsidiary located outside India from the accounting principles generally accepted in their respective country to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion insofar as it relates to the balances and affairs of such subsidiary located outside India, including other information, is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us. Our opinion on the Consolidated financial results is not modified in respect of the above matter.
11. The consolidated financial results include the results for the quarter ended March 31, 2022 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year. Our opinion on the Consolidated financial results is not modified in respect of the above matter.
12. The consolidated financial results are dealt with by this report has been prepared for the purpose of filing with stock exchanges. These Consolidated financial results is based on and should be read with the audited consolidated financial statements of the Group for the year ended March 31, 2022 on which we issued an unmodified audit opinion vide our report dated April 26, 2022.

For Price Waterhouse Chartered Accountants LLP

Firm Registration No.012754N/N500016

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Russell I Parera

Partner

Membership No. 042190

UDIN: 22042190AHUERL8903

Place: Mumbai

Date: April 26, 2022

For G.M.Kapadia & Co.

Chartered Accountants

Firm Registration No.104767W

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Rajen Ashar

Partner

Membership No. 048243

UDIN: 22048243AHUFSU3828

HDFC Life Insurance Company Limited

Statement of Consolidated Audited Results for the Quarter and Year ended March 31, 2022

(₹ in Lakhs)

Sr. No.	Particulars	Three Months ended / As at			Year ended/As at	
		March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
		(Unaudited) Refer Note 10	(Unaudited)	(Unaudited)	(Audited)	(Audited)
POLICYHOLDERS' A/C						
1	Gross premium income					
	(a) First Year Premium	2,87,759	2,11,597	2,38,921	8,35,709	6,85,843
	(b) Renewal Premium	8,32,599	5,54,303	6,35,040	22,79,283	18,47,687
	(c) Single Premium	4,54,480	4,59,575	4,17,059	16,14,003	13,24,820
2	Net premium income ¹	15,62,490	12,14,732	12,89,701	46,80,095	38,19,420
3	Income from investments (Net) ²	1,68,858	1,98,328	6,01,678	19,51,180	32,68,386
4	Other income	7,881	4,673	6,661	19,231	18,339
5	Contribution of funds from Shareholders' A/c	29,002	6,937	24,128	55,444	25,856
6	Total (2 to 5)	17,68,231	14,24,670	19,22,168	67,05,950	71,32,001
7	Commission on					
	(a) First Year Premium	46,474	35,664	43,447	1,40,401	1,26,612
	(b) Renewal Premium	13,044	8,638	9,215	35,157	27,708
	(c) Single Premium	7,006	5,965	5,351	20,642	13,302
	Rewards	2,000	471	1,738	4,280	3,418
8	Net Commission¹	68,645	50,716	59,935	2,00,775	1,71,245
9	Operating Expenses related to insurance business (a+b)					
	(a) Employees remuneration and welfare expenses	66,026	51,164	53,233	2,12,193	1,68,005
	(b) Other operating expenses ³	1,38,264	99,292	97,973	3,73,105	2,91,328
10	Expenses of Management (8+9)	2,72,935	2,01,172	2,11,141	7,86,073	6,30,578
11	Provisions for doubtful debts (including bad debts written off)	-	-	-	-	-
12	Provisions for diminution in value of investments ³	493	(1,471)	(9,010)	(25,340)	(18,854)
13	Goods & Services Tax on fund charges	9,764	9,408	9,575	37,098	35,675
14	Provision for taxes	15,486	1,750	18,381	18,450	27,439
15	Benefits Paid ³ (Net) ¹	10,30,523	8,10,328	8,85,548	32,61,632	22,63,017
16	Change in actuarial liability	3,72,204	3,84,958	7,63,003	25,23,700	40,84,233
17	Total (10+11+12+13+14+15+16)	17,01,405	14,06,145	18,78,638	66,01,613	70,22,088
18	Surplus/Deficit (6-17)	66,827	18,525	43,530	1,04,337	1,09,913
19	Appropriations					
	(a) Transferred to Shareholders A/c	62,862	18,351	28,789	1,10,572	99,158
	(b) Funds for Future Appropriations	3,965	174	14,741	(6,235)	10,755
20	Details of Surplus / Deficit					
	(a) Interim bonus paid	27,060	19,959	11,715	71,442	20,182
	(b) Terminal bonus paid	43,183	23,501	22,280	1,08,404	59,228
	(c) Allocation of bonus to policyholders	1,05,054	-	74,153	1,05,054	74,153
	(d) Surplus shown in the Revenue Account	66,827	18,525	43,530	1,04,337	1,09,913
	Total Surplus	2,42,124	61,985	1,51,678	3,89,237	2,63,476
SHAREHOLDERS' A/C						
21	Transfer from Policyholders' Account	62,862	18,351	28,789	1,10,572	99,158
22	Total income under Shareholders' Account					
	(a) Investment Income ²	16,813	18,007	27,181	81,310	64,997
	(b) Other income	556	502	96	1,901	310
23	Expenses other than those related to insurance business ⁴	4,003	2,812	2,568	11,396	6,912
24	Transfer of funds to Policyholders' Account	29,002	6,937	24,128	55,444	25,856
25	Provisions for doubtful debts (including write off)	-	-	-	-	-
26	Provisions for diminution in value of investments ³	(58)	(661)	(1,652)	(3,332)	(3,731)
27	Profit before tax	47,284	27,770	31,021	1,30,275	1,35,428
28	Provisions for tax	(3,335)	242	(885)	(2,418)	(659)
29	Profit after tax and before Extraordinary items	50,619	27,528	31,906	1,32,693	1,36,087
30	Profit after tax and Extraordinary items	50,619	27,528	31,906	1,32,693	1,36,087
31	Dividend per share (₹) (Nominal value ₹ 10 per share)					
	(a) Interim Dividend	-	-	-	-	-
	(b) Final Dividend	-	-	-	2.02	-
32	Profit carried to Balance Sheet ⁵	6,84,276	6,33,657	5,92,430	6,84,276	5,92,430
33	Paid up equity share capital	2,11,262	2,02,479	2,02,094	2,11,262	2,02,094
34	Reserve & Surplus (excluding Revaluation Reserve)	13,41,260	6,99,090	6,40,944	13,41,260	6,40,944
35	Fair Value Change Account and Revaluation Reserve (Shareholders)	8,480	13,647	20,744	8,480	20,744
36	Total Assets:					
	(a) Investments:					
	- Shareholders'	9,76,457	9,01,615	8,52,364	9,76,457	8,52,364
	- Policyholders Fund excluding Linked Assets	1,24,49,339	1,03,82,834	90,53,783	1,24,49,339	90,53,783
	- Assets held to cover Linked Liabilities (Linked Assets)	82,93,358	81,93,168	74,75,950	82,93,358	74,75,950
	(b) Other Assets (Net of current liabilities and provisions)	6,59,515	26,305	(69,976)	6,59,515	(69,976)
*Details of Expenses contributing more than 10% of the expense of management are as below -						
	Advertisement and publicity	62,982	52,127	44,315	1,89,075	1,41,011
	Business development expenses	44,261	23,656	29,434	85,257	66,610

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
Consolidated Balance Sheet as at March 31, 2022

(₹ in Lakhs)

Particulars	As at	
	March 31,2022	March 31,2021
	(Audited)	(Audited)
SOURCES OF FUNDS		
SHAREHOLDERS' FUNDS:		
Share Capital	2,11,262	2,02,094
Share application money received pending allotment of shares	332	197
Reserves and Surplus	13,41,260	6,40,944
Credit / (Debit) Fair Value Change Account	8,480	20,744
Sub-Total	15,61,334	8,63,979
BORROWINGS	60,000	60,000
POLICYHOLDERS' FUNDS:		
Credit / (Debit) Fair Value Change Account	2,27,739	2,55,501
Policy Liabilities	1,21,01,691	85,57,633
Insurance Reserve	-	-
Provision for Linked Liabilities	58,28,447	54,30,538
Add: Fair value change	20,42,742	16,65,814
Provision for Linked Liabilities	78,71,189	70,96,352
Funds for discontinued policies		
(a) Discontinued on account of non-payment of premium	4,20,449	3,77,616
(b) Others	1,720	1,981
Total Provision for Linked & Discontinued Policyholders Liabilities	82,93,358	74,75,949
Sub-Total	2,06,22,788	1,62,89,083
Funds for Future Appropriations	1,34,548	99,058
TOTAL	2,23,78,670	1,73,12,120
APPLICATION OF FUNDS		
Goodwill	5,61,416	-
INVESTMENTS:		
Shareholders'	9,76,457	8,52,364
Policyholders'	1,24,49,339	90,53,783
Asset held to cover Linked Liabilities	82,93,358	74,75,949
LOANS	1,27,193	42,405
FIXED ASSETS	36,999	34,152
Deferred Tax Asset	-	-
CURRENT ASSETS		
Cash and Bank Balances	1,37,515	1,09,926
Advances and Other Assets	4,91,168	3,96,924
Sub-Total (A)	6,28,683	5,06,850
CURRENT LIABILITIES	6,83,599	6,44,004
PROVISIONS	11,176	9,379
Sub-Total (B)	6,94,775	6,53,383
NET CURRENT ASSETS (C) = (A - B)	(66,092)	(1,46,533)
Miscellaneous Expenditure (to the extent not written off or adjusted)	-	-
Debit Balance in Profit and Loss Account (Shareholders' Account)	-	-
TOTAL	2,23,78,670	1,73,12,120
Contingent liabilities	1,48,298	1,85,690

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HDFC Life Insurance Company Limited

Consolidated Receipts and Payments Account for the Year ended March 31, 2022

(₹ in Lakhs)

Sr. No.	Particulars	Year ended	
		March 31, 2022	March 31, 2021
		(Audited)	(Audited)
A.	Cash Flows from the operating activities:		
1	Premium received from policyholders, including advance receipts	48,78,805	39,68,308
2	Other receipts	25,425	17,067
3	Payments to the re-insurers, net of commissions and claims/ Benefits	78,361	(23,281)
4	Payments of claims/benefits	(34,51,951)	(22,68,819)
5	Payments of commission and brokerage	(2,03,594)	(1,65,408)
6	Payments of other operating expenses ¹	(6,11,611)	(4,71,676)
7	Preliminary and pre-operative expenses	-	-
8	Deposits, advances and staff loans	(2,359)	2,191
9	Income taxes paid (net)	(19,494)	(25,340)
10	Goods and Services Tax paid	(99,328)	(62,758)
11	Other payments	-	-
12	Cash flows before extraordinary items	5,94,254	9,70,284
13	Cash flow from extraordinary operations	-	-
	Net cash flow from operating activities	5,94,254	9,70,284
B	Cash flows from investing activities:		
1	Purchase of fixed assets	(5,664)	(6,121)
2	Proceeds from sale of fixed assets	108	94
3	Purchases of investments	(98,96,346)	(91,13,257)
4	Loans disbursed	-	-
5	Loan against policies	(24,258)	(12,500)
6	Sales of investments	93,38,156	76,94,656
7	Repayments received	-	-
8	Rents/Interests/ Dividends received	10,56,185	8,34,090
9	Investments in money market instruments and in liquid mutual funds (net)	(5,63,869)	(2,91,573)
10	Expenses related to investments	(37)	(17)
11	Consideration paid on acquisition of subsidiary	(72,598)	-
12	Cash and cash equivalents acquired pursuant to acquisition of subsidiaries	9,762	-
	Net cash flow from investing activities	(1,58,561)	(8,94,628)
C	Cash flows from financing activities:		
1	Proceeds from issuance of share capital	20,699	7,632
2	Proceeds from borrowing	-	60,000
3	Repayments of borrowing	-	-
4	Interest/dividends paid	(44,849)	-
5	Share application Money	332	197
	Net cash flow from financing activities	(23,818)	67,829
D	Effect of foreign exchange rates on cash and cash equivalents, (net)	611	(540)
E	Net increase in cash and cash equivalents:	4,12,485	1,42,945
1	Cash and cash equivalents at the beginning of the period	7,21,846	5,78,901
2	Cash and cash equivalents at the end of the period	11,34,331	7,21,846
	Note - Components of Cash and cash equivalents at end of the period:		
	Cash and cheques in hand	15,210	9,857
	Bank Balances *	1,21,001	99,080
	Fixed Deposit (less than 3 months)	37,059	12,702
	Money Market Instruments	9,61,061	6,00,207
	Total Cash and cash equivalents	11,34,331	7,21,846
	Reconciliation of Cash & Cash Equivalents with Cash & Bank Balance:		
	Cash & Cash Equivalents	11,34,331	7,21,846
	Add: Deposit Account - Others	58	56
	Less: Fixed Deposit (less than 3 months)	(37,059)	(12,702)
	Less: Money market instruments	(9,61,061)	(6,00,207)
	Add: Point of Presence Funds held in trust	1,246	933
	Cash & Bank Balances	1,37,515	1,09,926
	* Bank Balances includes Unclaimed Dividend of ₹ 27 lakhs (₹ 18 lakhs at March 31, 2021)		

The above Receipts and Payments Account has been prepared as prescribed by Insurance Regulatory and Development Authority (Preparation of financial statements and auditor's report of insurance companies) Regulations, 2002 under the Direct method in accordance with Accounting Standard 3 Cash Flow Statements.

Notes :

1 Includes cash paid towards Corporate Social Responsibility expenditure ₹ 1,157 lakhs (previous year ended March 31, 2021: ₹ 1,489 lakhs).

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HDFC Life Insurance Company Limited
Statement of Consolidated Audited Results for the Quarter and Year ended March 31, 2022

(₹ in Lakhs)

Particulars	Three Months ended / As at			Year ended/As at	
	March 31, 2022	December 31, 2021	March 31, 2021	March 31 2022	March 31 2021
	(Unaudited) Refer Note 10	(Unaudited)	(Unaudited)	(Audited)	
Analytical Ratios:					
(i) Solvency Ratio ¹	176%	190%	201%	176%	201%
(ii) Expenses of Management Ratio	17.3%	16.4%	16.3%	16.6%	16.3%
(iii) Policyholder's Liabilities to shareholders' fund	1329.5%	2021.6%	1896.8%	1329.5%	1896.8%
(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)	2.48	1.36	1.58	6.49	6.74
b) Diluted EPS before and after extraordinary items (net of tax expense) for the period (not annualized for three months)	2.47	1.36	1.58	6.48	6.73
(v) NPA ratios: (for Policyholders' fund) ²					
a) Gross NPAs					
- Non Linked					
Par	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL
- Linked					
Non Par	5375.00	5375.00	5250.00	5375.00	5250.00
Net NPAs					
- Non Linked					
Par	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL
- Linked					
Non Par	NIL	NIL	NIL	NIL	NIL
b) % of Gross NPAs					
- Non Linked					
Par	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL
- Linked					
Non Par	0.1%	0.1%	0.1%	0.1%	0.1%
% of Net NPA					
- Non Linked					
Par	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL
- Linked					
Non Par	NIL	NIL	NIL	NIL	NIL
(vi) Yield on Investments (on Policyholders' fund) ²					
A. Without unrealised gains					
- Non Linked					
Par	1.9%	2.1%	2.5%	8.7%	8.5%
Non Par	2.2%	2.2%	2.3%	9.1%	9.5%
- Linked					
Non Par	2.3%	2.1%	3.1%	11.5%	8.6%
B. With unrealised gains					
- Non Linked					
Par	-0.2%	0.3%	0.5%	6.1%	16.3%
Non Par	0.0%	0.3%	-1.0%	2.3%	7.2%
- Linked					
Non Par	-1.2%	-0.5%	5.3%	13.6%	47.2%
(vii) NPA ratios: (for Shareholders' fund) ²					
a) Gross NPAs	NIL	NIL	NIL	NIL	NIL
Net NPAs	NIL	NIL	NIL	NIL	NIL
b) % of Gross NPAs	NIL	NIL	NIL	NIL	NIL
% of Net NPAs	NIL	NIL	NIL	NIL	NIL
(viii) Yield on Investments (on Shareholders' fund) ²					
A. Without unrealised gains	1.0%	1.7%	3.3%	7.7%	8.9%
B. With unrealised gains	0.4%	0.6%	1.1%	5.8%	15.4%
(ix) Persistency Ratio ³					
Regular Premium/Limited Premium Payment					
13th month	86.8%	84.5%	83.7%	87.5%	84.9%
25th month	77.5%	74.2%	70.5%	78.8%	71.3%
37th month	67.0%	65.8%	64.9%	67.5%	65.1%
49th month	63.4%	60.3%	62.3%	63.2%	62.7%
61st month	54.4%	51.1%	51.6%	54.0%	48.9%
(x) Conservation Ratio ⁴					
Participating life- Individual & Group	84.4%	88.7%	89.3%	86.5%	87.6%
Participating pension- Individual & Group	81.0%	78.8%	92.2%	84.9%	90.0%
Non Participating life - Individual & Group	85.5%	91.2%	87.7%	89.0%	86.4%
Non Participating pension - Individual & Group	54.3%	65.6%	70.7%	63.3%	77.1%
Non Participating - Life Group Variable	NA	NA	NA	NA	NA
Non Participating - Pension group variable	NA	NA	NA	NA	NA
Non Participating fund - Individual & Group Annuity	NA	NA	NA	NA	NA
Non Participating fund - Individual & Group Health	88.4%	86.8%	90.5%	85.3%	83.4%
Unit Linked - Individual life	83.5%	84.8%	87.5%	84.7%	85.7%
Unit Linked - Individual pension	75.5%	72.7%	74.3%	72.3%	71.9%
Unit Linked - Group life	NA	NA	NA	NA	NA
Unit Linked - Group pension	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 March 31, 2022 have been calculated for the policies issued in the December to February period of the relevant years. E.g.: the 13th month persistency for the current quarter is calculated for the policies issued from December 2020 to February 2021. The persistency ratios for quarter ended March 31, 2021 have been calculated in a similar manner.
- The persistency ratios for the year ended March 31, 2022 have been calculated for the policies issued in the March to February period of the relevant years. For eg: the 13th month persistency for current year is calculated for the policies issued from March 2020 to February 2021. The persistency ratios for the year ended March 31, 2021 have been calculated in a similar manner.
- 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 Year ended March 31, 2022

(₹ in Lakhs)

Sr. No.		Three Months ended / As at			Year ended	
		March 31, 2022	December 31, 2021	March 31, 2021	March 31 2022	March 31 2021
		(Unaudited) Refer Note 10	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1	Segment Income					
A)	Policyholders :					
	Segment A - Participating - Individual & Group Life :					
	Net Premium	3,84,805	2,39,684	2,73,045	9,66,993	7,46,872
	Income from Investments ²	84,720	73,274	90,556	3,17,958	2,67,499
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	5,297	2,830	4,841	11,488	12,207
	Segment B - Participating - Individual & Group Pension :					
	Net Premium	5,110	4,236	6,037	15,771	18,281
	Income from Investments ²	4,400	7,582	5,288	35,595	22,704
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	98	171	258	498	493
	Segment C - Non Participating - Individual & Group Life :					
	Net Premium	5,52,436	4,17,281	4,07,075	15,96,798	11,53,160
	Income from Investments ²	89,790	75,313	59,428	3,01,217	2,08,452
	Transfer of Funds from shareholders' account	28,946	7,867	24,544	55,388	24,544
	Other Income	1,590	829	810	4,029	2,535
	Segment D - Non Participating - Life Group Variable :					
	Net Premium	11,438	34,867	9,703	76,812	46,244
	Income from Investments ²	8,369	6,340	6,159	27,131	24,188
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	0	-	-	0	-
	Segment E - Non Participating - Individual & Group Pension :					
	Net Premium	34,244	43,561	36,498	1,57,408	1,74,408
	Income from Investments ²	13,299	12,356	9,957	48,846	38,867
	Transfer of Funds from shareholders' account	(321)	-	-	(321)	-
	Other Income	7	7	11	26	29
	Segment F - Non Participating - Pension Group Variable :					
	Net Premium	34,099	45,885	40,830	1,52,613	1,55,676
	Income from Investments ²	7,399	7,648	7,376	30,940	28,928
	Transfer of Funds from shareholders' account	-	-	731	-	1,312
	Other Income	-	-	-	-	-
	Segment G - Non Participating - Individual & Group Annuity :					
	Net Premium	1,25,305	1,16,040	1,30,672	4,88,743	3,92,720
	Income from Investments ²	29,792	27,447	21,129	1,05,935	77,754
	Transfer of Funds from shareholders' account	149	(371)	(1,147)	149	-
	Other Income	26	21	19	87	68
	Segment H - Non Participating - Individual & Group Health :					
	Net Premium	1,676	693	1,549	2,865	5,291
	Income from Investments ²	128	127	124	497	573
	Transfer of Funds from shareholders' account	-	(559)	-	-	-
	Other Income	3	2	4	12	16
	Segment I - Unit Linked - Individual Life :					
	Net Premium	3,63,005	2,66,134	3,42,854	10,56,948	9,82,517
	Income from Investments ²	(74,758)	(10,575)	3,81,979	9,59,722	22,80,991
	Transfer of Funds from shareholders' account	58	-	-	58	-
	Other Income	854	809	715	3,076	2,986
	Segment J - Unit Linked - Individual Pension :					
	Net Premium	14,846	9,249	16,881	42,339	51,797
	Income from Investments ²	1,795	(2,120)	24,284	89,591	2,26,325
	Transfer of Funds from shareholders' account	171	-	-	171	-
	Other Income	3	2	4	9	7
	Segment K - Unit Linked - Group Life :					
	Net Premium	30,685	33,435	20,044	95,564	79,985
	Income from Investments ²	2,815	2,107	3,657	50,310	93,501
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	0	-	-	0	-
	Segment L - Unit Linked - Group Pension :					
	Net Premium	2,034	1,527	1,766	17,980	7,930
	Income from Investments ²	496	300	763	8,422	17,027
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	-	-	-	-	-
	Segment M - Reinsurance:					
	Net Premium	2,808	2,140	2,747	9,261	4,539
	Income from Investments ²	142	149	136	591	630
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	3	-	-	5	-
B)	Shareholders :					
	Income from Investments ²	16,871	18,669	28,833	84,642	68,728
	Other Income	556	502	96	1,901	310

HDFC Life Insurance Company Limited

Segment Reporting (Consolidated) for the Quarter and Year ended March 31, 2022

(₹ in Lakhs)

Sr No.	Particulars	Three Months ended / As at			Year ended	
		March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
		(Unaudited) Refer Note 10	(Unaudited)	(Unaudited)	(Audited)	(Audited)
2	Segment Surplus/ Deficit (net of transfer from shareholders' A/c) :					
	Segment A - Participating - Individual & Group Life	23,463	1,571	26,550	16,639	27,374
	Segment B - Participating - Individual & Group Pension	2,593	3,431	205	11,394	443
	Segment C - Non Participating - Individual & Group Life	(28,835)	(7,705)	(32,711)	(57,272)	(25,670)
	Segment D - Non Participating - Life Group Variable	4,491	391	187	5,509	394
	Segment E - Non Participating - Individual & Group Pension	9,226	1,093	(327)	14,103	3,292
	Segment F - Non Participating - Pension Group Variable	322	207	(731)	826	(1,312)
	Segment G - Non Participating - Individual & Group Annuity	15,065	1,059	1,768	15,753	620
	Segment H - Non Participating - Individual & Group Health	2,982	962	721	3,385	3,082
	Segment I - Unit Linked - Individual Life	4,875	7,150	18,671	25,175	58,214
	Segment J - Unit Linked - Individual Pension	2,690	2,541	3,946	10,658	12,909
	Segment K - Unit Linked - Group Life	680	755	556	3,175	2,940
	Segment L - Unit Linked - Group Pension	101	194	103	603	576
	Segment M - Reinsurance	172	(61)	462	(1,054)	1,194
	Total	37,825	11,588	19,400	48,894	84,056
	Shareholders	16,761	16,115	27,244	77,564	62,786
	Grant Total	54,586	27,703	46,644	1,26,458	1,46,842
3	Segment Assets:					
	Segment A - Participating - Individual & Group Life	47,83,105	37,34,771	34,26,979	47,83,105	34,26,979
	Segment B - Participating - Individual & Group Pension	2,66,966	2,62,920	2,96,853	2,66,966	2,96,853
	Segment C - Non Participating - Individual & Group Life	41,06,135	32,77,966	25,42,156	41,06,135	25,42,156
	Segment D - Non Participating - Life Group Variable	3,19,266	3,27,973	3,28,644	3,19,266	3,28,644
	Segment E - Non Participating - Individual & Group Pension	7,49,096	6,95,783	6,11,066	7,49,096	6,11,066
	Segment F - Non Participating - Pension Group Variable	4,91,720	4,26,217	4,59,898	4,91,720	4,59,898
	Segment G - Non Participating - Individual & Group Annuity	16,94,954	15,57,188	11,91,472	16,94,954	11,91,472
	Segment H - Non Participating - Individual & Group Health	3,514	5,554	6,074	3,514	6,074
	Segment I - Unit Linked - Individual Life	68,60,854	67,70,443	61,23,166	68,60,854	61,23,166
	Segment J - Unit Linked - Individual Pension	6,34,391	6,45,150	6,54,643	6,34,391	6,54,643
	Segment K - Unit Linked - Group Life	6,79,077	6,49,982	6,01,200	6,79,077	6,01,200
	Segment L - Unit Linked - Group Pension	1,17,944	1,17,338	1,01,239	1,17,944	1,01,239
	Segment M - Reinsurance	6,082	5,644	6,741	6,082	6,741
	Total	2,07,13,104	1,84,76,929	1,63,50,131	2,07,13,104	1,63,50,131
	Shareholders	16,12,012	9,65,091	9,12,185	16,12,012	9,12,185
	Unallocated ³	53,554	61,902	49,804	53,554	49,804
	Grant Total	2,23,78,670	1,95,03,922	1,73,12,120	2,23,78,670	1,73,12,120
4	Segment Policy Liabilities⁴:					
	Segment A - Participating - Individual & Group Life	45,88,347	35,18,866	32,33,440	45,88,347	32,33,440
	Segment B - Participating - Individual & Group Pension	2,51,114	2,46,861	2,72,455	2,51,114	2,72,455
	Segment C - Non Participating - Individual & Group Life	41,13,932	32,72,480	25,28,444	41,13,932	25,28,444
	Segment D - Non Participating - Life Group Variable	3,18,713	3,27,548	3,26,681	3,18,713	3,26,681
	Segment E - Non Participating - Individual & Group Pension	7,48,210	6,95,120	6,09,933	7,48,210	6,09,933
	Segment F - Non Participating - Pension Group Variable	4,90,679	4,25,321	4,58,224	4,90,679	4,58,224
	Segment G - Non Participating - Individual & Group Annuity	16,87,058	15,53,105	11,84,165	16,87,058	11,84,165
	Segment H - Non Participating - Individual & Group Health	3,777	5,923	6,234	3,777	6,234
	Segment I - Unit Linked - Individual Life	68,89,602	68,08,857	61,50,655	68,89,602	61,50,655
	Segment J - Unit Linked - Individual Pension	6,34,442	6,45,192	6,54,651	6,34,442	6,54,651
	Segment K - Unit Linked - Group Life	6,79,206	6,51,302	6,01,190	6,79,206	6,01,190
	Segment L - Unit Linked - Group Pension	1,17,952	1,17,346	1,01,240	1,17,952	1,01,240
	Segment M - Reinsurance	6,565	6,073	5,330	6,565	5,330
	Total	2,05,29,597	1,82,73,994	1,61,32,642	2,05,29,597	1,61,32,642
	Shareholders	16,21,333	9,76,481	9,23,979	16,21,333	9,23,979
	Unallocated	-	-	-	-	-
	Grand Total	2,21,50,930	1,92,50,475	1,70,56,621	2,21,50,930	1,70,56,621

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 April 26, 2022.

HDFC Life Insurance Company Limited

Other disclosures :

Status of Shareholders Complaints as on March 31, 2022

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

HDFC Life Insurance Company Limited

Other disclosures :

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

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

Notes:

1. The consolidated financial results of the group for the quarter and year ended March 31, 2022 were reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on April 26, 2022.
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 quarter ended March 31, 2022, the Holding Company has allotted 805,906 equity shares of face value of ₹10 each pursuant to exercise of employee stock options.
5. In light of the COVID-19' pandemic outbreak, its continuous effect and information available up to the date of approval of these financial statements, the Holding Company has assessed the impact of pandemic on its assets, including valuation and impairment of investments, liabilities including policy liability and solvency position. Based on the evaluation, the Group carries:
(a) Adequate impairment provisions on the investments to an extent necessary and
(b) Excess Mortality Reserve (EMR) of ₹ 5,500 lakhs as at the Balance Sheet date for potential adverse mortality expected due to pandemic. This reserve is over and above the policy level liabilities calculated based on the applicable IRDAI regulations and based on our current expectation of extra claims to be received in the future, both of which are certified by the appointed actuary.
The Holding Company has also assessed its solvency position as at the Balance sheet date and is at 176% which is above the prescribed regulatory limit of 150%. Further, based on the Holding Company's current assessment of the business operations over next one year, it expects the solvency ratio to continue to remain above the minimum limit prescribed by the Insurance regulator.
The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements. The Group will continue to closely monitor any material changes to future economic conditions.
6. The Board of Directors have recommended a final dividend of ₹ 1.70 per equity share of face value of ₹10 each in its board meeting held on 26th April, 2022, subject to Shareholders approval in the Annual General Meeting.
7. 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. The Holding Company is awaiting further developments on this to evaluate further.
8. Consequent to the announcement and shareholders' approval towards the acquisition of 100% of the share capital of and subsequent merger of Exide Life Insurance Company Limited (Exide Life) into the Holding Company for a total consideration of Rs. 6,687 crore, the Holding Company has received necessary approvals from the Competition Commission of India (CCI) on November 2, 2021 and IRDAI on December 31, 2021 for the phase I to acquire 100% stake in Exide Life.
Accordingly, the Holding Company has issued 8,70,22,222 equity shares at an agreed issue price of Rs. 685 per share, on a preferential basis and balance payout through bank transfer of Rs. 726 crore to Exide Industries Limited towards the settlement of full purchase consideration of Rs. 6,687 crores on January 1, 2022, thereby making Exide Life, a wholly-owned subsidiary of the Holding Company with effect from January 1, 2022.
As regards second phase of the transaction, the Holding Company has obtained necessary approvals from National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on April 22, 2022 and is in the process of obtaining approval for the merger scheme from the National Company Law Tribunal (NCLT), post which final approval would be sought from Insurance Regulatory and Development Authority of India.
9. 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 and for the previous years have been regrouped to align with current periods classification.
10. The amounts for the quarter ended March 31, 2022 are balancing amounts between the amounts as per audited accounts for the year ended March 31, 2022 and published unaudited year to date figures upto nine months ended December 31, 2021 which were subjected to review by the joint statutory auditors of the Company.
11. Figures of the previous period have been regrouped wherever necessary, in order to make them comparable.
12. The above consolidated financial results have been audited by joint statutory auditors of the Holding Company.

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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 April 26, 2022.

**Mumbai
April 26, 2022**

For and on behalf of the Board of Directors

**Vibha
Padalkar**

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**Vibha Padalkar
Managing Director & CEO
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25 April 2022

The Board of Directors
HDFC Life Insurance Company Limited
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Re: Milliman's opinion on the Embedded Value results as at 31 March 2022 ("Opinion")

Dear Members of the Board

Introduction

HDFC Life Insurance Company Limited ('HDFC Life', 'the Company') has prepared embedded value calculations as at 31 March 2022 following the methodology and principles set out in the Actuarial Practice Standard 10 (version 1.02) ("APS10") issued by the Institute of Actuaries of India. These calculations consist of the following (together referred to as the "Results"):

- Indian Embedded Value ("IEV") as at 31 March 2022;
- the value of one year of new business ("VNB") for new business sold during the year ending 31 March 2022;
- an analysis of the movement of IEV from 31 March 2021 to 31 March 2022; and
- various sensitivity results on the IEV as at 31 March 2022 and the VNB for [business sold during] the year ending 31 March 2022.

The Results have been prepared by the Company in respect of its covered business. The Results exclude all amounts in respect of the wholly owned subsidiary Exide Life Insurance Limited ('Exide Life').

The Results, along with the methodology and assumptions that have been used to prepare the Results, have been summarized by the Company in the report ("Report") that accompanies this Opinion.

Scope of services

Milliman Advisors LLP ('Milliman', 'we', 'us', 'our') has been engaged by HDFC Life to carry out a review of the Results, excluding the covered business in the wholly owned subsidiary of Exide Life Insurance Company Limited. Our scope of work includes the following:

- a review of the methodology and assumptions used by the Company in developing the Results for compliance with the relevant principles set out in APS10;
- a review of the Company's actuarial models (covering the calculation of IEV, VNB, analysis of movement and sensitivity results) used to develop the Results for a selection of model points

covering the more material products comprising the value of in-force business (“VIF”) and VNB; and

- a review of the reasonableness of the aggregation templates used by the Company to develop the Results, which also included a review of the process used to conduct the analysis of movement of IEV and various sensitivity analyses.

Opinion

Based on the work carried out and subject to the reliances and limitations mentioned below, I am of the opinion that the Results have been developed in all material respects in accordance with the methodology and principles set out in APS10. In particular:

- the methodology used to develop the Results is reasonable and is in line with APS10;
- the assumptions (economic and non-economic) used to develop the Results have been developed substantially in line with the requirements of APS10, using the Company’s operating experience (for non-economic assumptions), and are reasonable;
- the Results have been prepared materially in accordance with the methodology and assumptions described in the Report, and with the accounting information presented in the financial statements; and
- the Results have been prepared materially in accordance with the requirements of APS10.

Reliances and Limitations

This opinion has been prepared solely for use by HDFC Life for inclusion in the Report for the year ending 31 March 2022. It should not be relied upon for any other purpose. Milliman does not intend to create a legal duty to any third party recipient of its work.

We have relied on information supplied by the management and staff of HDFC Life. Reliance was placed on, but not limited to, the general accuracy of all the information provided to us.

We have obtained a management representation letter from HDFC Life, stating that, to the best of HDFC Life’s knowledge, the data and information provided to us is accurate and complete and that there are no material inaccuracies or omissions therein.

An actuarial assessment of the components of value of a life insurance company will not necessarily be consistent with the value of a life insurance company or a portfolio in the open market and should not be interpreted in that manner.

The Results are based on a series of assumptions as to future operating experience. It should be recognised that actual experience will differ from these assumptions on account of changes in the operating and economic environment and natural variations in experience. To the extent that actual experience is different from the assumptions, the future projected profits from which the Results are derived will also differ. The Report includes various sensitivity results to illustrate how vulnerable the IEV and VNB results are to changes in assumptions for the key risks. The Results shown are presented at the valuation dates stated and no warranty is given by Milliman that future experience after these valuation dates will be in line with the assumptions made.

Milliman is not a tax expert and is not able to provide tax or accounting advice. Accordingly, it is acknowledged that no reliance will be placed on Milliman, its Partners, or employees with respect to any tax or accounting issue. The allowance for taxation reflected in the Results is based on the Company’s interpretation of applicable tax regulations. The Results do not reflect any allowance for withholding or other taxes (if any) that may apply to the payment of future shareholder dividends or on remittances out of India.

The Results have been determined on a going concern basis, and assume a stable economic, legal and regulatory environment going forward. Any change in the general operating environment would add

a high degree of uncertainty to the Results. There is continuing uncertainty regarding the longer-term impact of COVID-19 on the economic, legal, and regulatory environment, and the level and nature of business activity, which could materially impact the Results.

Unless explicitly stated, the Results do not consider any external (including regulatory) developments after the valuation date of 31 March 2022.

Yours faithfully,

Heerak Basu FIAI
Partner

Embedded Value Results

This report on the Embedded Value Results (“Results”) as at 31 March 2022 has been prepared by the Company (HDFC Life Insurance Company Limited) in respect of its covered business. It excludes all amounts in respect of the covered business in the wholly owned subsidiary Exide Life Insurance Limited (‘Exide Life’). The Results presented in the report have been reviewed by Milliman Advisors LLP.

1. Basis of Preparation

Embedded Value is a measure of the consolidated value of shareholders’ interest in the covered life insurance business. The embedded value has been determined by following a market consistent methodology, as per the methodology and principles set by IAI in the Actuarial Practice Standard APS 10. The scope of APS10 is limited to disclosures made as part of an IPO and does not apply to any public disclosures of embedded value results made after the IPO. Therefore, the disclosures are not intended to be in full compliance with APS10.

2. Key Metrics

Amounts in Rs Crs	FY 2022
Annualised Premium Equivalent (APE)	9,758
Value of One Year’s New Business (VNB)	2,675
New Business Margin	27.4%
Indian Embedded Value (IEV) as at 31 March 2022	30,048

Notes:

- (1) APE is calculated as 100% of annualised premium for regular and limited premium plans, 100% of Premium for one year renewable group policies and 10% of single premium
- (2) IEV as at 31 March 2022 stated above excludes the covered business of Exide Life as stated earlier

2.1 Components of VNB for FY 2022

Components of VNB	Amounts in Rs Crs
Present Value of Future Profits	3,286
Cost of Residual Non-Hedgeable Risk	(373)
Frictional Cost of Required Capital	(216)
Time Value of Financial Options and Guarantees	(22)
Value of One Year’s New Business (VNB)	2,675

HDFC Life Insurance Company Limited

Corporate & Registered Office:

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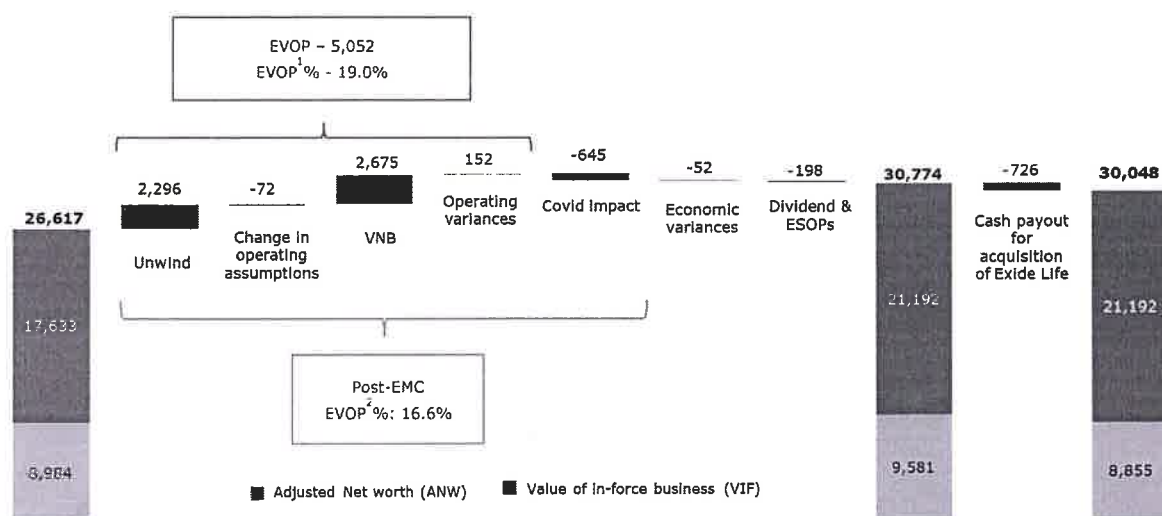


2.2 Components of IEV

Components of IEV	Amounts in Rs Crs
Free Surplus (FS)	348
Required Capital (RC)	8,508
Adjusted Net Worth (ANW)	8,855
Present Value of Future Profits (PVFP)	23,250
Cost of Residual Non-Hedgeable Risk (CRNHR)	(1,289)
Frictional Cost of Required Capital (FCoC)	(683)
Time Value of Financial Options and Guarantees (TVFOG)	(86)
Value of In-Force Business (VIF)	21,192
Indian Embedded Value (IEV)	30,048

Figures may not add up due to rounding

2.3 Analysis of Movement in IEV for FY2022



1. EVOP% calculated as annualised EVOP (Embedded Value Operating Profit) to Opening EV
2. EMC: Excess mortality claims

(in Rs. crores)

IEV Movement Analysis – Components	FY 2022
Opening IEV as at 31 March 2021 (A)	26,617
Expected Return on existing business	
At Reference Rate	1,168
At expected real-world return in excess of reference rate	1,128
VoNB added during the year	2,675
Change in Operating Assumptions	(72)
Variance in Operating Experience	
Covid Impact	(645)
Other Operating Variances	152
IEV Operating Earnings (B)	4,406
Economic Variances (C)	(52)
IEV Total Earnings (D = B + C)	4,354
ESOPs and Dividend Payout (E)	(198)
Cash Payout for acquisition of Exide Life (F)	(726)
Closing IEV as at 31 March 2022 (G = A + D + E + F)	30,048

Figures may not add up due to rounding

2.4 Sensitivities as at 31 March 2022

The results of sensitivity analysis are reported because actual experience can be different from that assumed:

Analysis based on key metrics	Scenario	Percentage point Change in VNB Margin	% Change in EV
Change in			
Reference rate	Increase by 1%	-1.4%	-2.0%
	Decrease by 1%	0.8%	1.6%
Equity Market movement	Decrease by 10%	-0.1%	-1.4%
Persistency (Lapse rates)	Increase by 10%	-0.6%	-0.6%
	Decrease by 10%	0.7%	0.6%
Maintenance expenses	Increase by 10%	-0.5%	-0.8%
	Decrease by 10%	0.5%	0.8%
Acquisition Expenses	Increase by 10%	-3.4%	NA
	Decrease by 10%	3.4%	NA
Mortality / Morbidity	Increase by 5%	-1.2%	-1.0%
	Decrease by 5%	1.2%	1.0%
Tax rate ¹	Increased to 25%	-4.8%	-9.1%

1. 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.

3. Methodology

The IEV represents the present value of shareholders' interests in the earnings distributable from the assets allocated to the business after sufficient allowance for the aggregate risks in the business. The value of future new business expected to be written after the applicable valuation date is excluded from the IEV.

The IEV set out in this Report consists of the following components:

- ▶ Adjusted net worth ("ANW")
- ▶ Value of in-force covered business ("VIF")

3.1 Adjusted Net Worth

Adjusted net worth is the value of the net assets of the shareholders as shown in the financial statements, adjusted to bring assets and borrowings in the shareholder fund to their market value.

ANW is further divided into the following two components:

- ▶ Free surplus (FS), representing the market value of any assets allocated to, but not required to support, the in-force business at the valuation date. Free Surplus is available for immediate distribution to the shareholders; and
- ▶ Required capital (RC), representing the amount of assets attributed to the covered business over and above that required to back liabilities for covered business, whose distribution to shareholders is restricted. Distribution of Required Capital to shareholders is restricted as it is used to support the solvency capital requirements of the business.

3.2 Value of in-force business (VIF)

The value of in-force covered business (VIF) is determined as:

- ▶ Present value of future profits from the in-force business
- ▶ *Less* Time value of financial options and guarantees
- ▶ *Less* Frictional costs of required capital
- ▶ *Less* Cost of residual non-hedgeable risks
- ▶ *Plus* Market value adjustment in respect of assets in policyholder funds

The VIF includes the value of anticipated renewals of the in-force business, including any foreseeable variations in the level of renewal premiums, but excludes any value relating to future new business. The VIF also includes an allowance for reinsurance ceded.

1.1 Present Value of future profits (PVFP)

Present value of future profits ("PVFP") represents the present value of projected post taxation shareholder attributable cash flows from the in-force covered business and the assets backing the associated liabilities.

The shareholder attributable cashflows also include transfers to shareholders from the funds for future appropriations ("FFA") in participating funds based on projected policyholder bonuses declared from the participating business FFA.

1.2 Frictional cost of capital (FCoC)

The VIF allows for a deduction in respect of the frictional costs of holding required capital ("FCoC"). FCoC is calculated as the present value of the taxation and investment costs on shareholder attributable assets backing the required capital, after allowing for the capital support provided by the participating business FFA and subordinated debt.

1.3 Time value of financial options and guarantees (TVFOG)

The TVFOG represents the allowance for time value of embedded financial options and guarantees within the covered business. PVFP allows for the intrinsic value of financial options and guarantees within the covered business. TVFOG has been calculated using relevant stochastic techniques.

1.4 Cost of residual non-hedgeable risk (CRNHR)

The CRNHR represents an allowance for the cost of residual non-hedgeable risk not already allowed for in the TVFOG or the PVFP. 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 (e.g. operational risk).

CRNHR also makes an allowance for uncertainty in the best estimate of shareholder cash flows as a result of the non-hedgeable risks.

4. Covered Business

All material lines of business (Individual and Group) are included in the calculation of EV.

5. Value of Subsidiaries

The ANW of the Company includes the value of the subsidiaries other than Exide Life at the value at which they are carried in the audited financial statements. As stated earlier, the IEV of Rs. 30,048 Crs. as at 31 March 2022 stated in the results does not include the value of the covered business of Exide Life.

6. Assumptions

The assumptions for projection of future shareholder cash flows expected to emerge from in-force and new business are Best Estimate assumptions. These assumptions (both economic and non-economic) are reviewed annually and updated.

6.1 Economic Assumptions

The reference rates are derived from the zero-coupon yield curve (ZCYC) published by the Clearing Corporation of India Ltd. (CCIL) on their website. They have been extrapolated beyond 40 years using suitable methodology and adjusted to allow for liquidity premium in case of annuities. The ZCYC published by CCIL is reproduced below-

Tenure	1 Year Forward Rates	
	31 March 21	31 March 22
1	3.95%	4.34%
2	5.31%	5.65%
3	6.27%	6.70%
4	6.95%	7.43%
5	7.42%	7.90%
10	7.97%	8.36%
15	7.52%	7.97%
20	7.06%	7.57%
25	6.76%	7.27%
30	6.59%	7.08%

6.2 Non-Economic Assumptions

Demographic

The persistency, mortality and morbidity assumptions have been derived based on the Company's own experience.

Expenses and Commissions

Initial expenses are based on the expenses actually incurred during the year. The renewal expense assumption is set based on the Company's past experience and are inflated in the future based on the best estimate inflation assumption.

Commissions are based on the actual commissions payable (if any) to the distributors.

22 April 2022

Exide Life Insurance Company Limited
3rd Floor, JP Techno Park,
No. 3/1, Millers Road,
Bangalore 560 001
India

Willis Towers Watson Opinion on Embedded Value as at 31 March 2022

Willis Towers Watson Actuarial Advisory LLP (“Willis Towers Watson”, “we”, “us” or “our”) has been engaged by Exide Life Insurance Company Limited (“Exide Life”, “the Company”, “you” or “your”) to review the embedded value prepared by Exide Life as at 31 March 2022 (“embedded value results”).

Scope of work

Our scope of work covered:

- A review of the methodology and assumptions used to determine the embedded value results; and
- A review of the results of Exide Life’s calculation of the embedded value results.

Opinion

Willis Towers Watson has concluded that the methodology and assumptions utilised by Exide Life to compute embedded value results and as reviewed by us comply with the standards issued by the Institute of Actuaries of India within the Actuarial Practice Standard 10 (“Indian Embedded Value Principles”) in all critical respects, and in particular that:

- the economic assumptions used are internally consistent and result in the projected cash-flows being valued in line with the prices of similar cash-flows that are traded on the capital markets;
- the operating assumptions have been set with appropriate regard to the past, current and expected future experience;
- the Required Capital has been determined and projected on the basis of minimum regulatory capital target of 150% of the Required Solvency Margin and has been assessed from a shareholder’s perspective;
- allowance has been made for the Cost of Residual Non-Hedgeable Risks; and
- for participating business, the assumed bonus rates and allocation of profit between policyholders and shareholders are consistent with projection assumptions, established Company practice and local market practice.

Willis Towers Watson has also performed high-level reasonableness checks on the results of the calculations by reviewing aggregate cashflows for each significant line of business, together with a number of further checks on the models, processes and results of the calculations performed by Exide Life. We have not, however, undertaken detailed checks of all models and actuarial processes involved. On the basis of this high-level review, Willis Towers Watson has confirmed that no material issues have been discovered that have a material impact on the aggregate embedded value as at 31 March 2022.

Willis Towers Watson Actuarial Advisory LLP

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Gurugram 122003
Haryana, India

T: +91 124 427 4047
E: WTW.India.ICTLLP@willistowerswatson.com
LLP Identification Number – AAL-3237

Results

Embedded Value is a measure of the consolidated value of shareholders’ interest in the life insurance business.

Exide Life has determined its embedded value based on a market consistent methodology. Under such an approach, embedded value is calculated as the present value of shareholders’ interests in the earnings distributable from the assets allocated to the business after allowance for the aggregate risks in the business.

Market consistent embedded value determined by Exide Life as at 31 March 2022 is set out in the table below:

Table 1: Embedded Value as at 31 March 2022

Components of EV	Amounts in INR millions	
	31 March 2022	
Adjusted net worth	12,768	
Required capital	2,090	
Free Surplus	10,678	
Value of in-force business	16,336	
Present value of future profits	17,230	
Frictional cost of capital	(3)	
Time value of financial options and guarantees	(22)	
Cost of residual non-hedgeable risks	(869)	
Embedded Value	29,104	

Figures may not be additive due to rounding

Disclaimers

In arriving at our conclusions above, Willis Towers Watson has relied on data and information, including estimated impacts of any issues identified, provided by Exide Life shared on or prior to 21 April 2022 and do not take into account any developments after this date. This Opinion is made solely to Exide Life in accordance with the terms of Willis Towers Watson’s engagement letter dated 19 July 2021, supplemented by an addendum to the engagement letter, dated 29 September 2021. To the fullest extent permitted by applicable law, Willis Towers Watson does not accept or assume any responsibility, duty of care or liability to anyone other than Exide Life for or in connection with its review work, the opinions it has formed or for any statements set forth in this opinion.

COVID-19 is an ongoing and continuously evolving issue which has and will continue to have significant effects on global economic activity and insurance claims experience. The actual effects of COVID-19 could have an unexpected material impact on our findings. The level of uncertainty affecting our conclusions and the underlying volatility of actual outcomes is increased because of the emergence and contingent evolution of COVID-19.



Vivek Jalan, FIAI
Partner




Kunj Behari Maheshwari, FIAI
Partner

ANNEXURE A

Initial Disclosure to be made by an entity identified as a Large Corporate

Sr. No.	Particulars	Details
1	Name of the Company	HDFC Life Insurance Company Limited
2	CIN	L65110MH2000PLC128245
3	Outstanding borrowing of Company as on March 31, 2022 (in ₹ cr)	₹ 600 crore
4	Highest Credit Rating during the previous FY along with name of the Credit Rating Agency	"[ICRA] AAA" with "stable" outlook, by ICRA Ltd. "CRISIL AAA/ Stable", by CRISIL Ltd.
5	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	National Stock Exchange of India Limited

We confirm that we are a Large Corporate as per the applicability criteria given under the SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018.

For HDFC Life Insurance Company Limited

**NARENDRA
GANGAN**

Digitally signed by NARENDRA GANGAN
DN: c=IN, o=Personal, title=9139,
pseudonym=49cedf407f9963bee3624ac0546c289bca826b5d2
f773caa1ec26522fa517bbf, postalCode=400016,
st=Maharashtra,
serialNumber=477bf60273ae81dbb28910a48bc6ba744a7ae3b
05d66f4fd94a6c99479307592, cn=NARENDRA GANGAN
Date: 2022.04.26 14:20:35 +05'30'

**Narendra Gangan
General Counsel, Chief Compliance Officer &
Company Secretary
Contact No. 022 – 6751 6666**

**Niraj Ashwin
Shah**

Digitally signed by Niraj Ashwin Shah
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2.5.4.20=0ba9421204ee97845ff28c19529e1dc7
3aa50581db08b70fda7d4be21c9c92fc,
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2458c86c0cb571124089c99ceefd9a17bf052d,
cn=Niraj Ashwin Shah
Date: 2022.04.26 14:04:10 +05'30'

**Niraj Shah
Chief Financial Officer
Contact No. 022 – 6751 6666**

Date : April 26, 2022

ANNEXURE B2

Annual Disclosure to be made by an entity identified as a Large Corporate

1. Name of the Company : HDFC Life Insurance Company Limited
2. CIN : L65110MH2000PLC128245
3. Report filed for FY : 2021 – 2022
4. Details of the current block (all figures in ₹ crore) :

Sr. No.	Particulars	Details
i.	2-year block period (Specify financial years)	2021-22 2022-23
ii.	Incremental borrowing done in FY (T) (a)	Nil
iii.	Mandatory borrowing to be done through debt securities in FY (T) (b) = (25% of a)	Nil
iv.	Actual borrowing done through debt securities in FY (T) (c)	Nil
v.	Shortfall in the borrowing through debt securities, if any, for FY (T-1) carried forward to FY (T) (d)	Nil
vi.	Quantum of (d), which has been met from (c) (e)	Nil
vii.	Shortfall, if any, in the mandatory borrowing through debt securities for FY (T) {after adjusting for any shortfall in borrowing for FY (T-1) which was carried forward to FY (T)} (f)= (b)-[(c)-(e)] {If the calculated value is zero or negative, write "nil"}	Nil

5. Details of penalty to be paid, if any, in respect to previous block (all figures in ₹ crore) :

Sr. No.	Particulars	Details
i.	2-year block period (Specify financial years)	Not Applicable
ii.	Amount of fine to be paid for the block, if applicable Fine = 0.2% of {(d)-(e)}	Nil

For HDFC Life Insurance Company Limited

**NARENDRA
GANGAN**

Digitally signed by NARENDRA GANGAN
DN: c=IN, o=Personal, title=9139,
pseudonym=49cedf407f9963bee3624ac0546c289bca82
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st=Maharashtra,
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GANGAN
Date: 2022.04.26 14:21:42 +05'30'

Narendra Gangan
General Counsel, Chief Compliance Officer &
Company Secretary
Contact No. 022 – 6751 6666

**Niraj Ashwin
Shah**

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Ashwin Shah
Date: 2022.04.26 14:03:12 +05'30'

Niraj Shah
Chief Financial Officer
Contact No. 022 – 6751 6666

Date : April 26, 2022

PRESS RELEASE - PERFORMANCE FOR THE FISCAL YEAR ENDED MARCH 31, 2022

BSE Code: 540777

NSE Code: HDFCLIFE

Sustained performance: 22% growth in VNB, NBM at 27.4%

Other Key Highlights:

- **Individual WRP growth of 16% resulting in industry market share expansion by 10 bps to 9.3%**
 - **47% growth in protection new business premium; 24% growth in annuity business**
 - **19.0% Operating RoEV (pre-EMR); Consolidated EV at Rs 32,958 crore**
 - **AUM crossed Rs 2 trillion mark, clocking 17% yoy growth**
 - **PAT at Rs 1,208 crore; Proposed Final Dividend of Rs 1.70 per share**
-

Mumbai, April 26, 2022: The Board of Directors of HDFC Life approved and adopted today the audited standalone and reviewed consolidated financial results for the year ended March 31, 2022. Below is the summary of our standalone results:

Commenting on the FY22 performance, Ms. Vibha Padalkar, MD & CEO said “We clocked a growth of 16% in individual WRP in FY22 with a market share of 14.8% and 9.3% in the private and overall sector respectively. We continue to deliver consistent all-round performance and be ranked amongst the top three life insurers in the industry. Despite very trying times during the 2 year pandemic, our 2 year CAGR of 17% was almost 2 times industry growth of 9%. Overall protection grew by 24% in terms of APE and 47% in terms of new business premium. This was largely led by a 55% growth in credit life new business premium, on the back of higher disbursements. On the retirement side, our annuity business recorded 24% growth vis-à-vis industry growth of 3%. Annuities now contribute over a fifth of our new business premiums, with us almost doubling our business in the last 3 years.

All channels continued to perform well, with bancassurance growing by 13% this year and 21% based on 2 year CAGR. Proprietary distribution, which includes our agency, direct and online channels, grew by 18% this year and 11% based on 2 year CAGR, based on individual APE. Our agency channel grew by 26%. The channel added more than 40,000 agents in FY22, which is the second highest amongst private players. Moreover, we are focusing on building a women Financial Consultant model which we believe would give us higher activation, retention and productivity.

We covered 54 million lives in FY22, registering an increase of 36% over FY21. We settled close to 3.9 lakh claims during FY22. Gross and net claims were at Rs 5,804 crore and Rs 4,328 crore respectively for FY22. As on 31st March 2022, we carry reserves of Rs 55 crore into FY23 as a prudent measure towards Covid.

New business margin for FY22 was 27.4%, vs 26.1% for FY21. Further, we delivered a value of new business for FY22 of Rs 2,675 crore, 22% higher than FY21. Our VNB has grown at a 24% CAGR over the past 5 years and has almost tripled in the last 5 years. Our Embedded Value, as on March 31, 2022, was Rs. 30,048 cr. We

have been able to almost double our EV in the last 4 years. Operating return on EV, after factoring excess mortality reserve or EMR created during FY22, was at 16.6% and without EMR at 19.0% as against 18.5% for FY21. PAT for FY22 was at Rs 1,208 crore, a decline of 11% vs FY21 due to higher mortality reserve created during the year. Post wave 2, our PAT in Q3 and Q4 improved steadily, with PAT for Q4 registering a 12% YoY growth. The Board has recommended a dividend of Rs. 1.70 per share, translating to a payout of about 30% of our PAT, in line with our dividend payout ratio of FY21 and earlier. Solvency as on March 31, 2022, stood at 176%, post the cash payout of Rs. 726 cr. to Exide Industries, as part-consideration for the acquisition of Exide Life. In order to further strengthen solvency to fuel growth, we will continue evaluating raising capital through a mix of equity and debt.

Our subsidiary, Exide Life recorded a healthy growth of 22% based on individual WRP in FY22, well-above the overall industry growth of 16%. Its Embedded value as on March 31, 2022, was Rs 2,910 cr. The merger process has been initiated with NCLT and is expected to be completed in the second half of this financial year. Our endeavour is to be able to remain margin neutral at the merged company level by the end of FY23 and resume margin expansion thereafter.

On the ESG front, we have signed up for the UN-supported Principles for Responsible Investment (PRI), joining a network of more than 4,800 organisations around the world that have publicly demonstrated their commitment to responsible investment.

On the regulatory front, our new IRDAI Chairman, Shri Debashish Panda, whilst unveiling his vision of Independent India being an Insured India, has constituted working groups of life insurers to help drive 7 important themes. With this first of its kind initiative gathering pace, we are very optimistic of the prospects for our sector.”

Key Financial Summary

Rs crore	FY22	FY21	YoY
Key Financial and Actuarial Metrics			
Individual APE	8,168	7,121	15%
Total APE	9,758	8,372	17%
New Business Premium (Indl + Group)	24,155	20,107	20%
Renewal Premium (Indl + Group)	21,808	18,477	18%
Total Premium	45,963	38,583	19%
Assets Under Management	2,04,170	1,73,839	17%
Networth (1)	15,401	8,430	83%
Profit After Tax	1,208	1,360	-11%
Indian Embedded Value (2)	30,048	26,617	13%
Value of new business	2,675	2,185	22%
Protection based on Total APE	1,325	1,070	24%

	FY22	FY21
Key Financial Ratios		
New Business Margins	27.4%	26.1%
Pre-EMR Operating Return on EV (3)	19.0%	18.5%
Post-EMR Operating Return on EV (3)	16.6%	
Operating Expenses / Total Premium	12.3%	12.0%
Solvency Ratio	176%	201%
13M / 61M Persistency (4)	92%/58%	90%/53%
13M / 61M Persistency (5)	87%/54%	85%/49%
Product mix by Indl APE (UL / Non par savings / Annuity/ Non par protection / Par) (6)	26/33/5/6/30	24/31/5/7/34
Distribution mix by Indl APE (Corp Agents/ Agency/ Broker/ Direct) (6)	60/14/6/19	61/13/7/19

Notes:

1. Networth comprises Share capital, Share premium and Accumulated profits, and includes Rs 5,961 crore of share capital issued to Exide Industries for acquisition of Exide Life
2. Including Rs 726 crore cash payout for Exide Life acquisition and excluding Exide Life's embedded value
3. EMR: Excess Mortality Reserve (additional reserve created for excess mortality during Covid)
4. Persistency ratios are calculated based on original premium, for Individual business, including single premium
5. Limited pay/regular premium persistency calculated based on IRDAI's recent circular, excluding single premium and fully paid policies
6. Percentages may not add up due to rounding off effect

Other key highlights for the year ending March 31, 2022:

- **Overall Market Share:** Amongst top 2 in terms of Overall New Business and individual new business segment in private sector with market share at 21.0% and 14.8% respectively; Ranked #1 within group new business segment in private sector with market share of 27.9%
- **Product Portfolio:** Continue to maintain a balanced product mix with share of participating savings, non participating savings, ULIPs, protection and annuity accounted for 30%, 33%, 26%, 6% and 5% of Individual APE respectively
- **Distribution Mix:** Diversified distribution mix is evidenced by wide access to our customers with nearly 300 partners and 1 lakh+ agents as on March 31, 2022, further supplemented by 372 branches spread across the country

- **Assets Under Management:** AUM of over Rs 2 lakh crore (Debt: Equity mix 63:37); over 98% of debt investments in G-Secs and AAA bonds

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 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. As on March 31, 2022, the Company had 39 individual and 13 group products in its portfolio, along with 7 optional rider benefits, 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 372 branches and additional distribution touch-points through several new tie-ups and partnerships. The count of our partnerships is nearly 300, comprising traditional partners such as NBFCs, MFIs and SFBs, and including new-ecosystem partners. The Company has a strong base of financial consultants.

For more information, please visit our website, www.hdfclife.com. You may also connect with us on Facebook, Twitter, YouTube and LinkedIn.

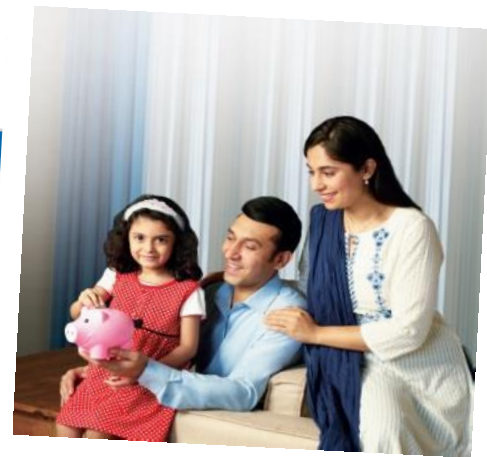
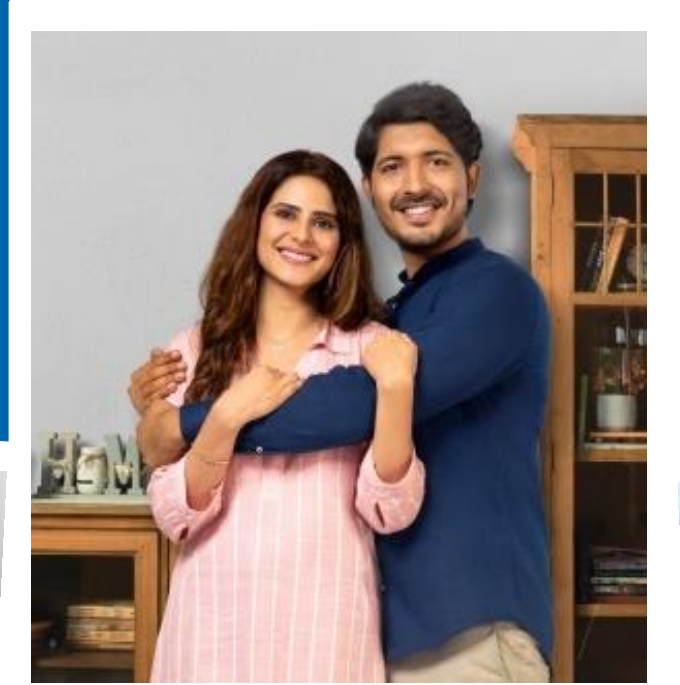
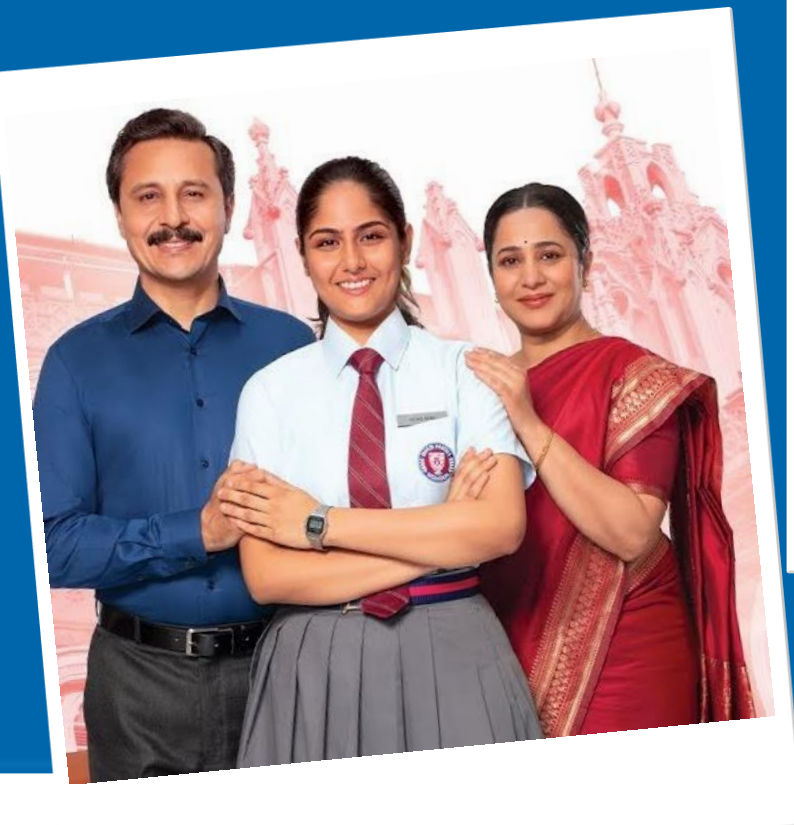
Disclaimer

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 – FY22



Executive summary: FY22

Revenue & Scale



Individual WRP	Growth	16%
	Market Share	14.8%



Renewal premium	Rs (Bn.)	218.1
	Growth	18%



AUM	Rs (Bn.)	2,041.7
	Growth	17%



IEV ¹	Rs (Bn.)	300.5
	EVOP ¹	16.6%

Profitability & Cost



New Business Margin (NBM)	FY22	27.4%
	FY21	26.1%



VNB	Rs (Bn.)	26.8
	Growth	22%



Profit After Tax (PAT)	Rs (Bn.)	12.1
	Growth	(11%)



Operating exp. ratio	CY	12.3%
	PY	12.0%

Customer & Capital



13 th month persistency ²	FY22	92%
	FY21	90%



Claim settlement ratio	Overall	99.6%
	Individual	98.7%



Complaints per 10K policies	CY	34
	PY	35



Solvency	Mar'22	176%
	Dec'21	190%

1. Indian Embedded Value: Includes impact of excess mortality reserve (EMR); Pre-EMR EVOP is 19.0%; Excludes Exide Life's EV of Rs 29.1 bn
2. Includes single premium

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Our Strategy

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Customer Insights

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Exide Life Transaction Update

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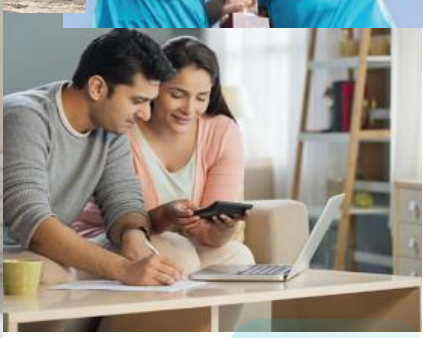
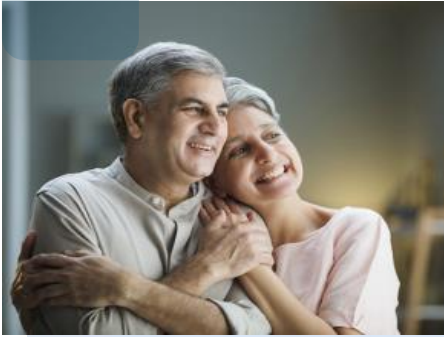
Our approach to ESG

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Life insurance in India



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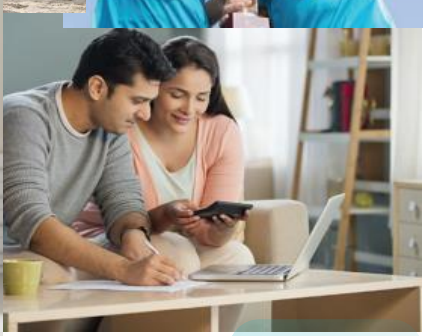
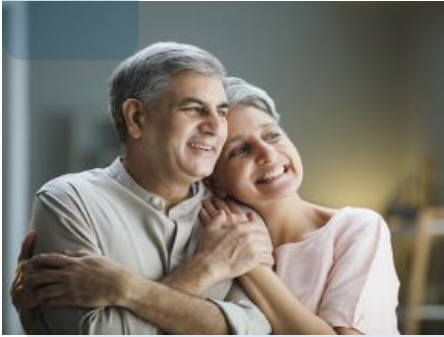
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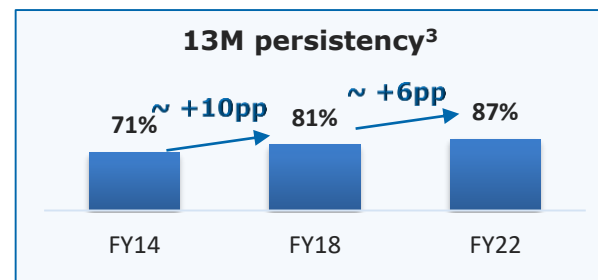
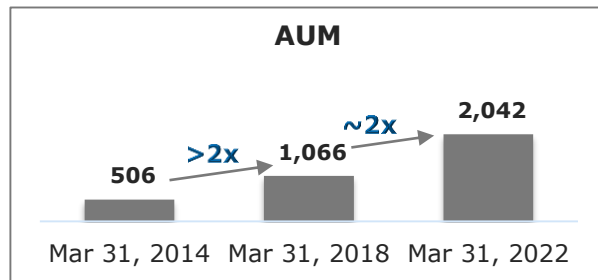
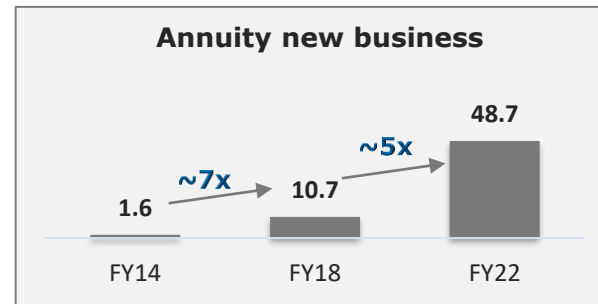
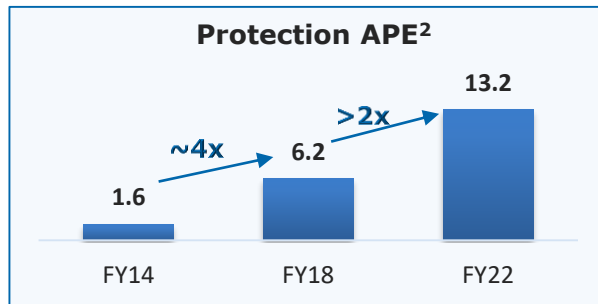
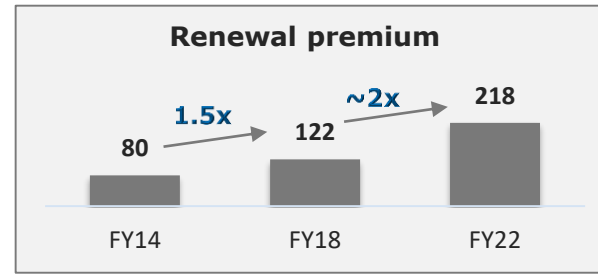
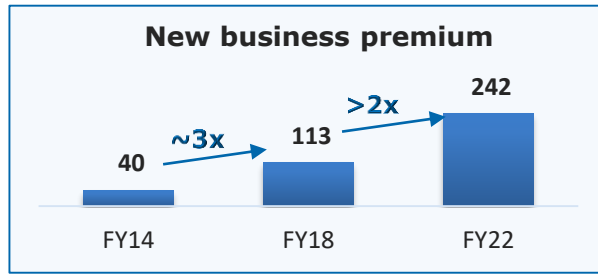
Life insurance in India



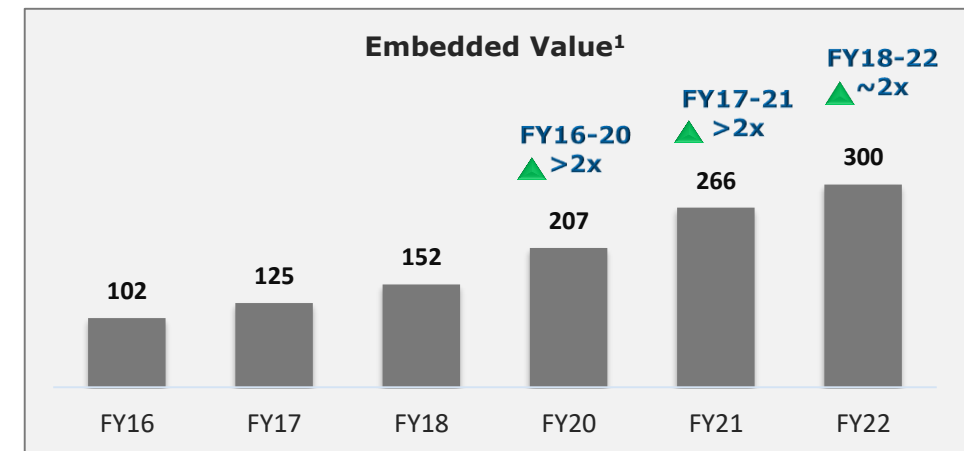
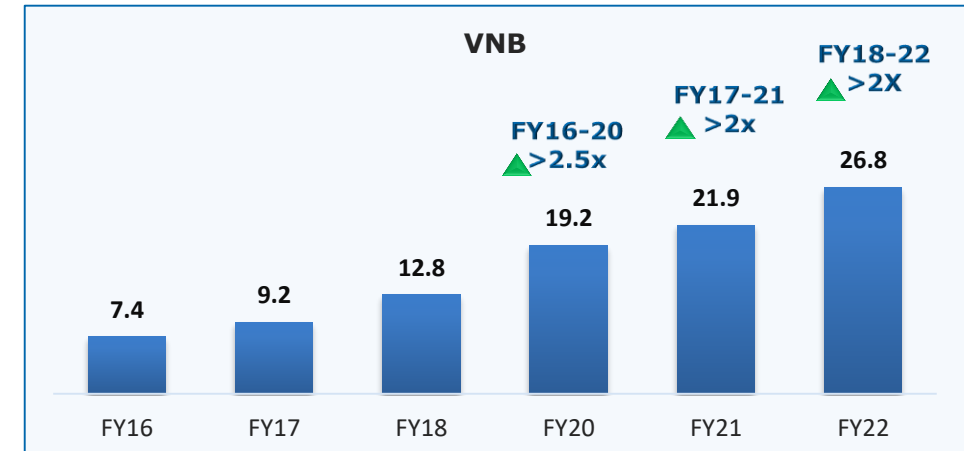
Consistent, predictable, sustained performance

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

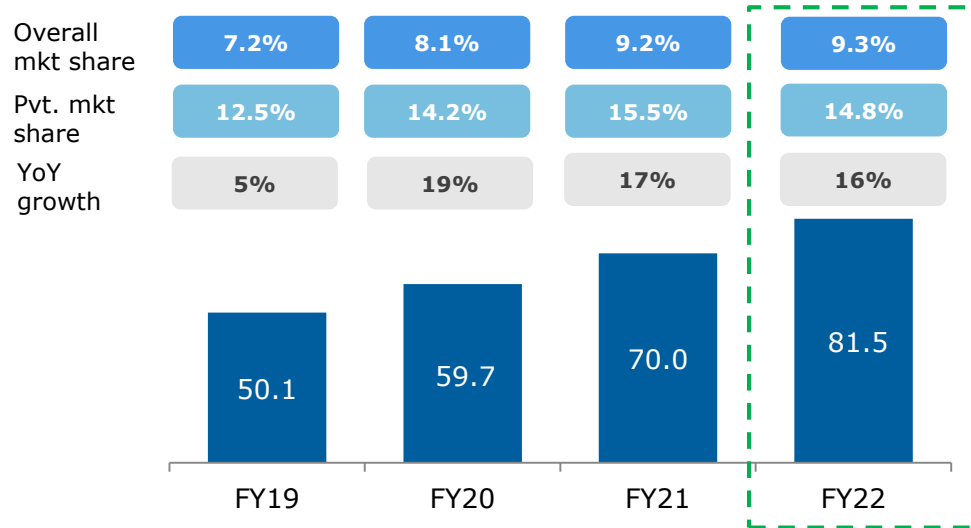
2. Based on Overall APE

3. Excluding single premium

Demonstrating resilience in the current environment (1/2)

Rs bn

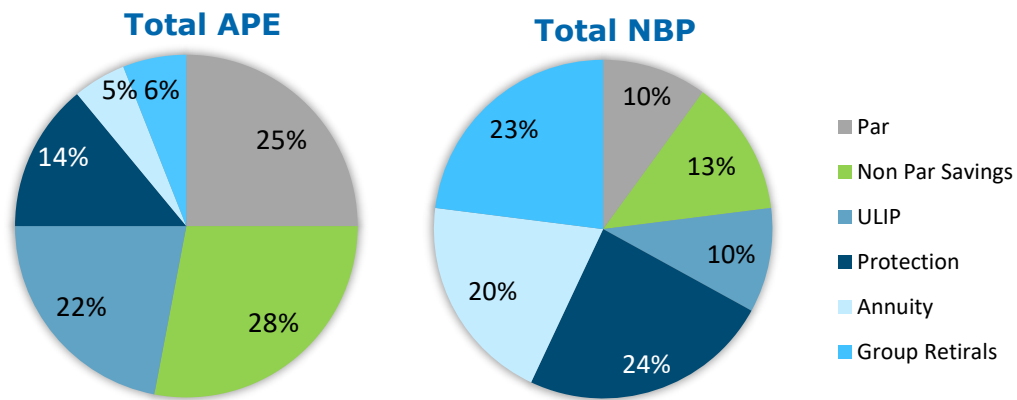
Steady Individual WRP trends



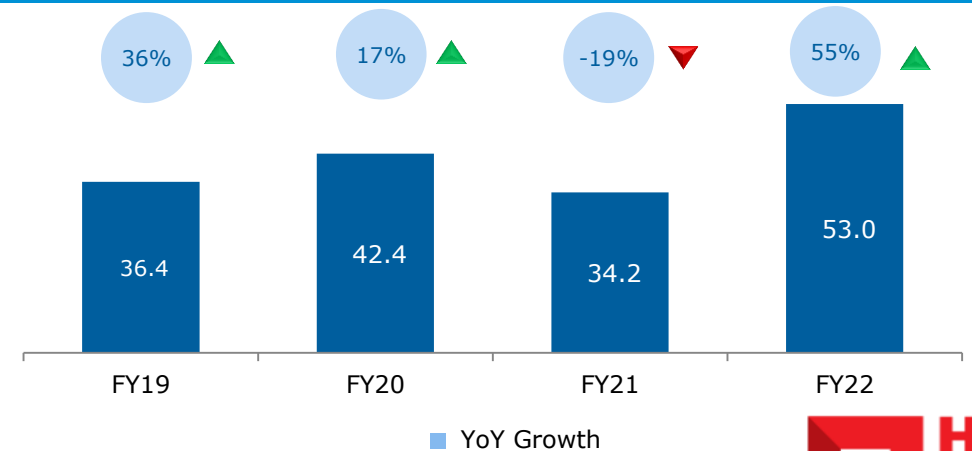
Strong, sustainable growth¹

	HDFC Life	Pvt sector	Industry
Growth			
FY22	16%	22%	16%
2 yr CAGR	17%	14%	9%
5 yr CAGR	18%	14%	10%

Balanced product mix



Bounce back in CP volumes on the back of higher disbursements²

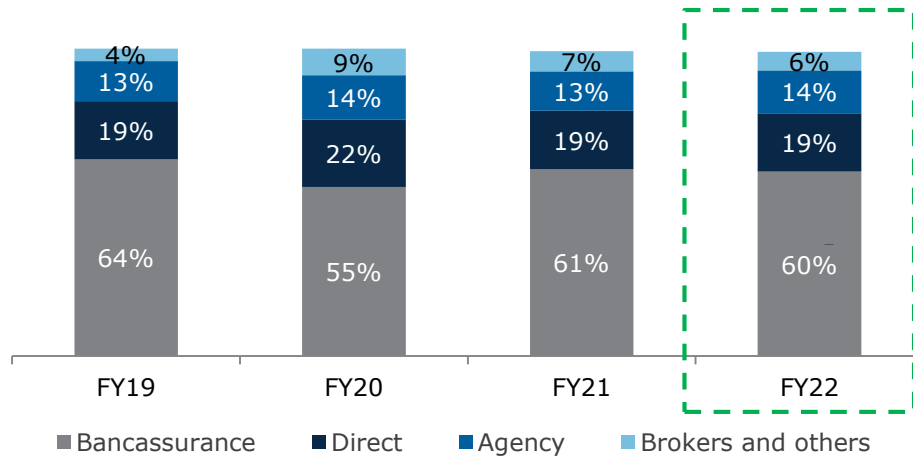


1. Based on Individual WRP; 2. Based on Credit Protect new business premium

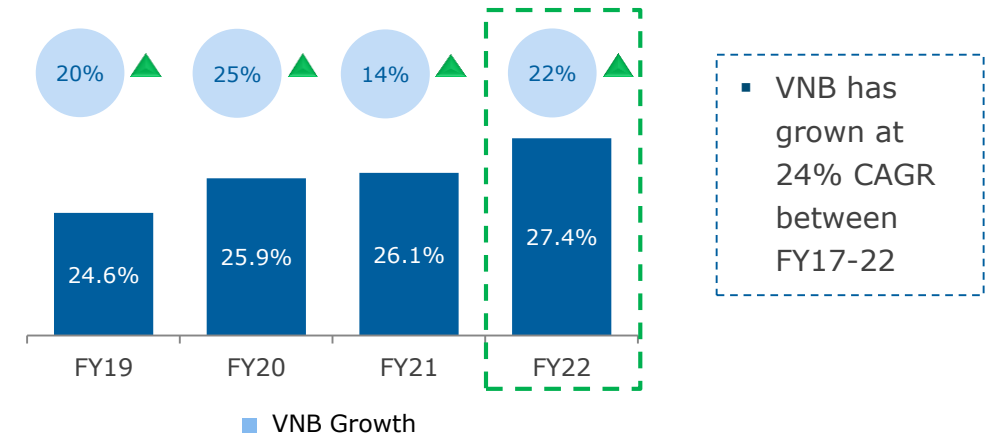
Demonstrating resilience in the current environment (2/2)

Rs bn

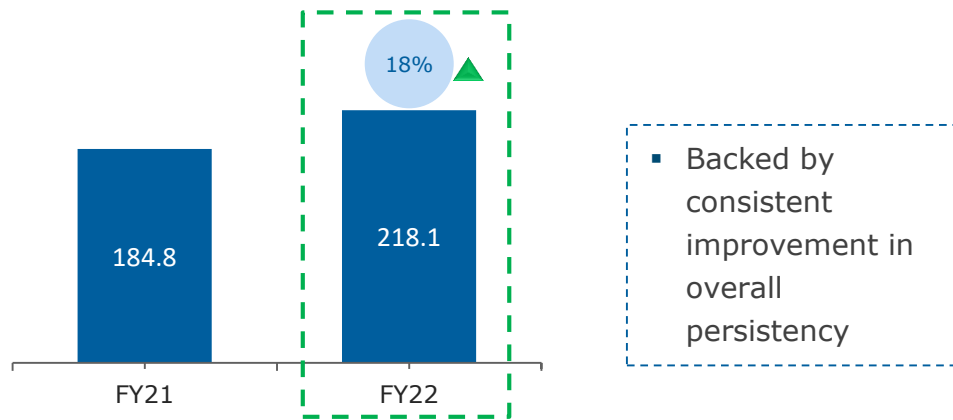
Focus on diversified channel mix¹



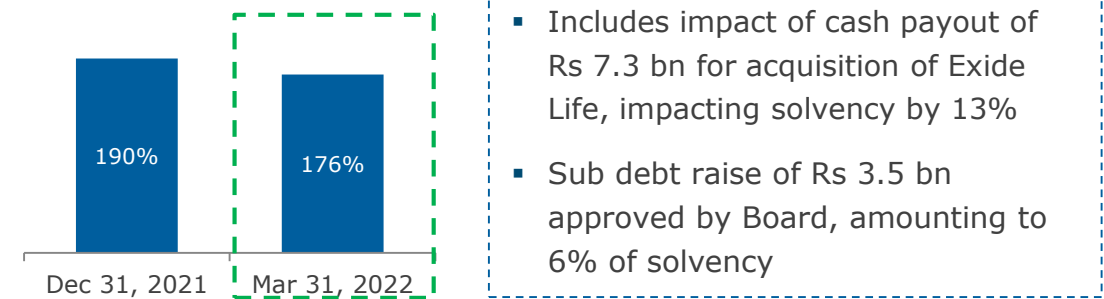
Steady expansion in New Business Margins



Strong growth in renewal premium



Solvency position



1. Based on Individual APE

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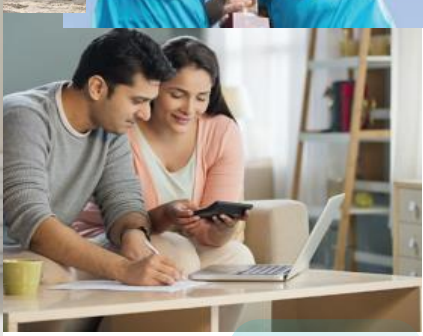
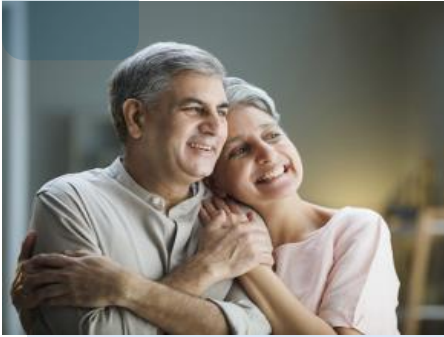
Our approach to ESG

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Life insurance in India



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

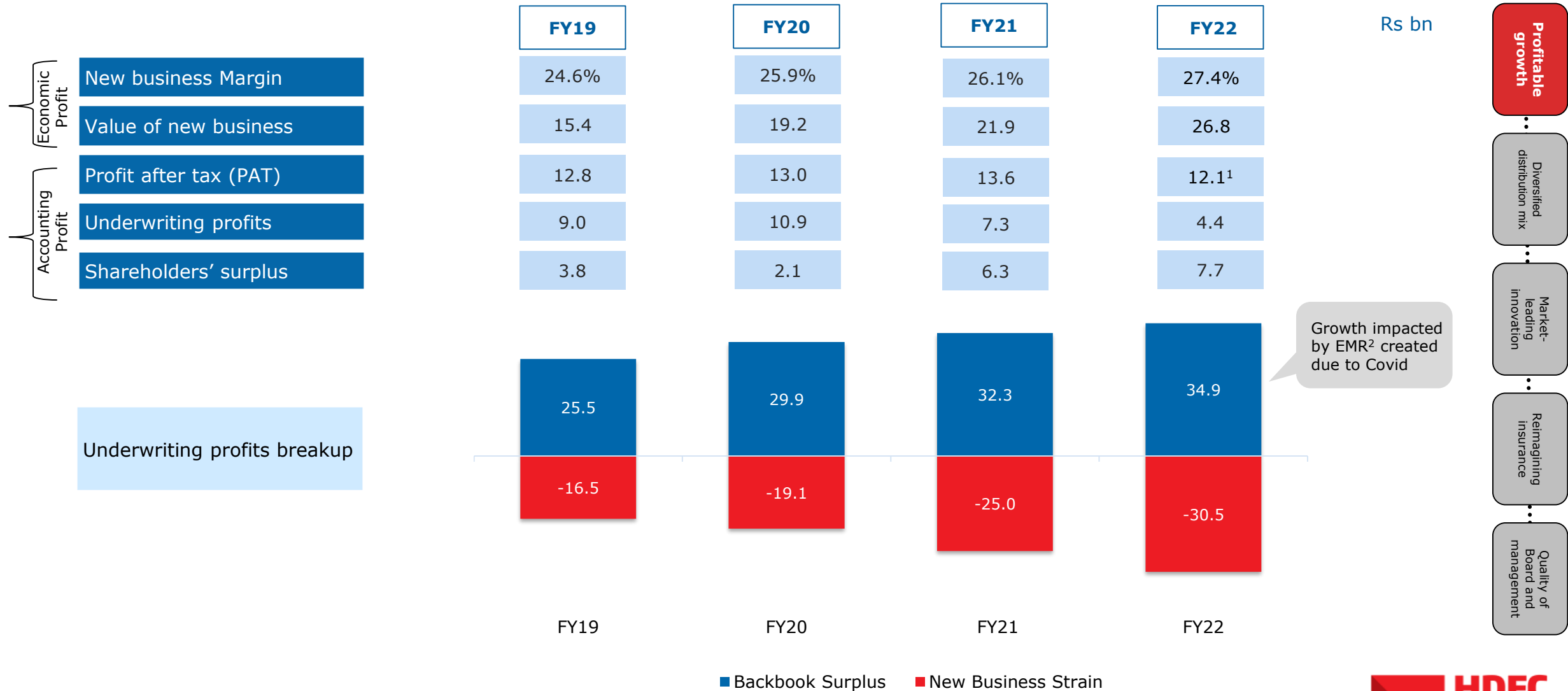


Quality of Board and management

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

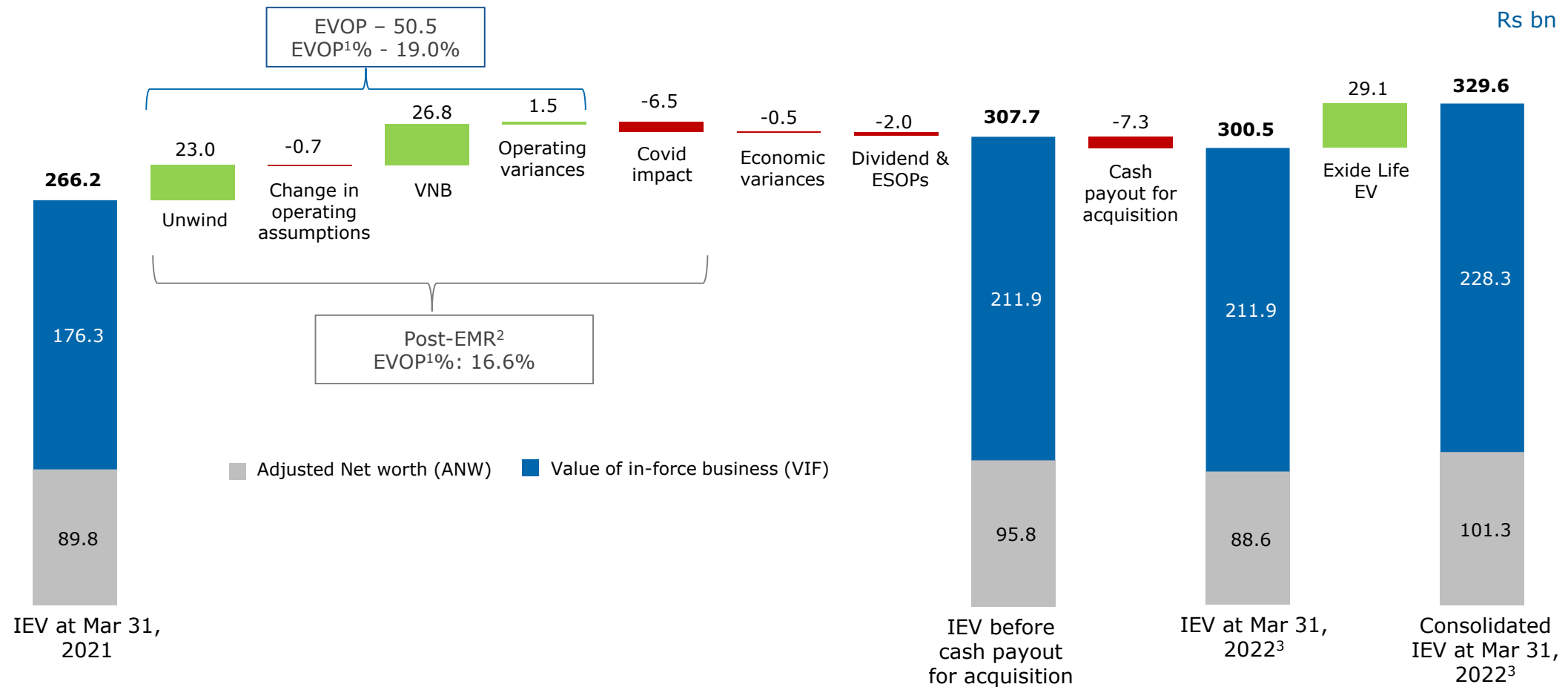
“Our continuous focus on technology and customer-centricity has enabled us to deliver consistent performance even in the most challenging times”

Focus on profitable growth



1. Impacted by excess mortality reserve (EMR) created due to Covid. Post wave 2, PAT in Q3 & Q4 improved steadily, with PAT for Q4 registering a 12% YoY growth
 2. EMR: Excess Mortality Reserve

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. EMR: Excess mortality reserve
 3. HDFC Life EV excluding Exide Life EV reviewed by Milliman Advisors LLP; Exide Life EV reviewed by Willis Towers Watson



Diversified distribution mix enabled by multiple levers

Proprietary¹



1.1L+ Agents



372 Branches
48 Digital Branches²



www.hdfclife.com
HDFC Life App



Group, Pension & International Business



NPS Corporates



Group Annuity (MPH/CA)
160+ Superannuation Funds



Rep Office - NRI

Banks, SFBs, Other CAs



NBFCs, MFIs



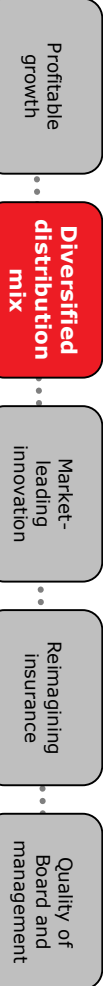
Brokers & Aggregators



Partnerships in emerging eco-systems across Health, E-commerce, Auto, Telecom, Mutual Fund, Fintech

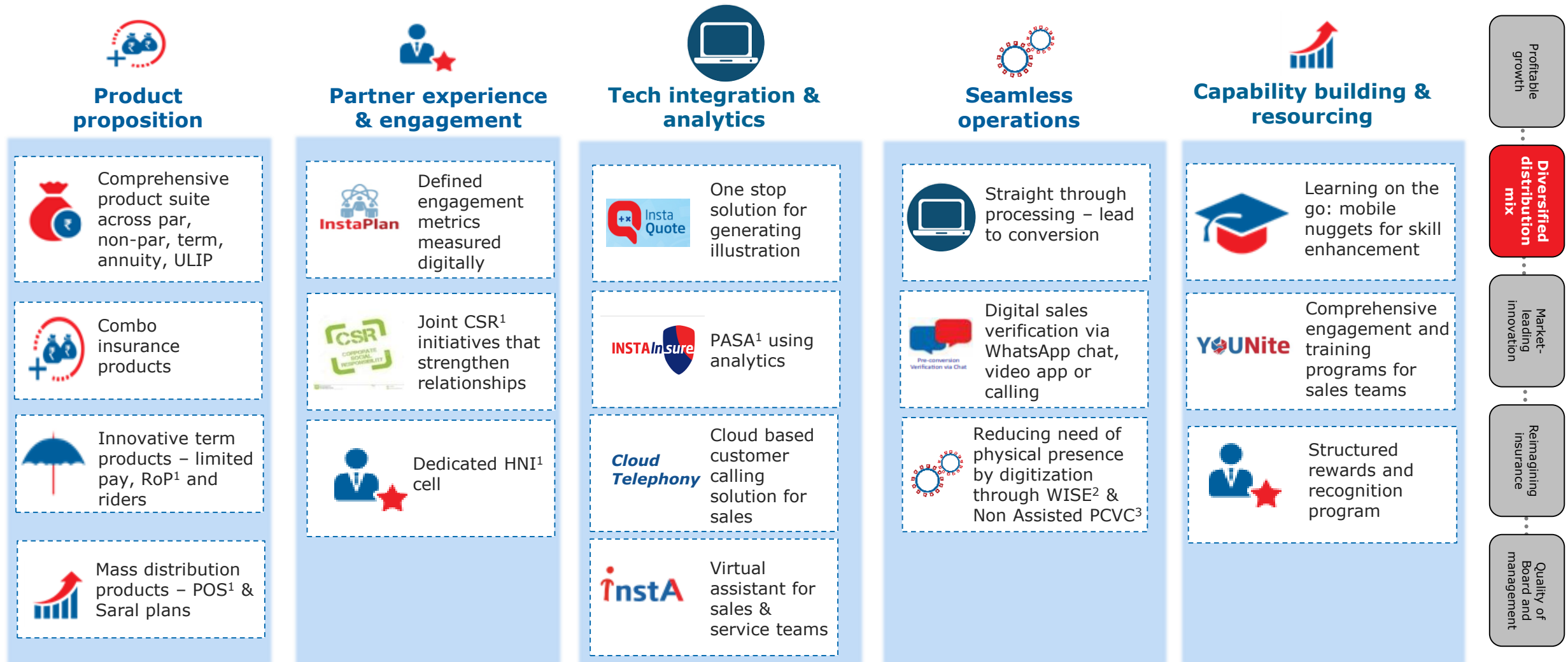


Equity Brokers & Wealth



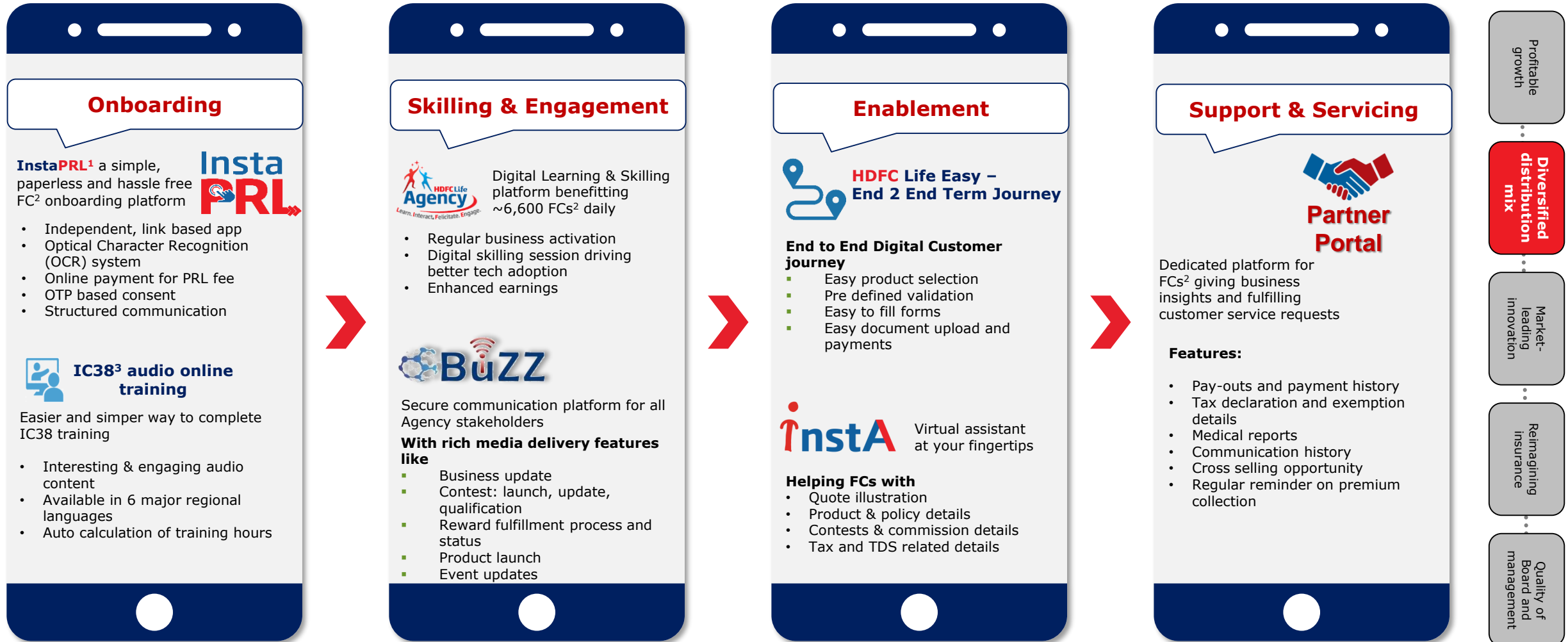
1. Proprietary channels include Agency, Direct and Online
2. Digital Branches: Virtual branch for servicing customer requests remotely through dedicated app and webpage

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

Technology driving agent productivity in Agency channel



1. PRL: Pre-recruitment licensing

2. FC: Financial Consultant

3. IC38: Qualifying exam for becoming an insurance advisor, conducted by Insurance Institute of India

Expanding market through consistent product innovation

Launched before 2015:



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

- Sanchay Plus (Non-par savings)**
- Sanchay Par Advantage (Participating)**
- Group Poorna Suraksha (Group term insurance)**

- Sanchay Fixed Maturity Plan (Non-par savings)**
Guaranteed return savings plan which offers complete flexibility in terms of age coverage, premium payment & policy terms with industry first liquidity features
- HDFC Life QuickProtect (Protection)**
A combination of Click2Protect Life plan and accidental death benefit, critical illness & income benefit on accidental disability riders, designed to give cover against 3Ds - Death, Disease and Disability
- Systematic Retirement Plan (Annuity)**
Regular pay deferred annuity plan which allows flexibility to choose deferment period and annuity payout date

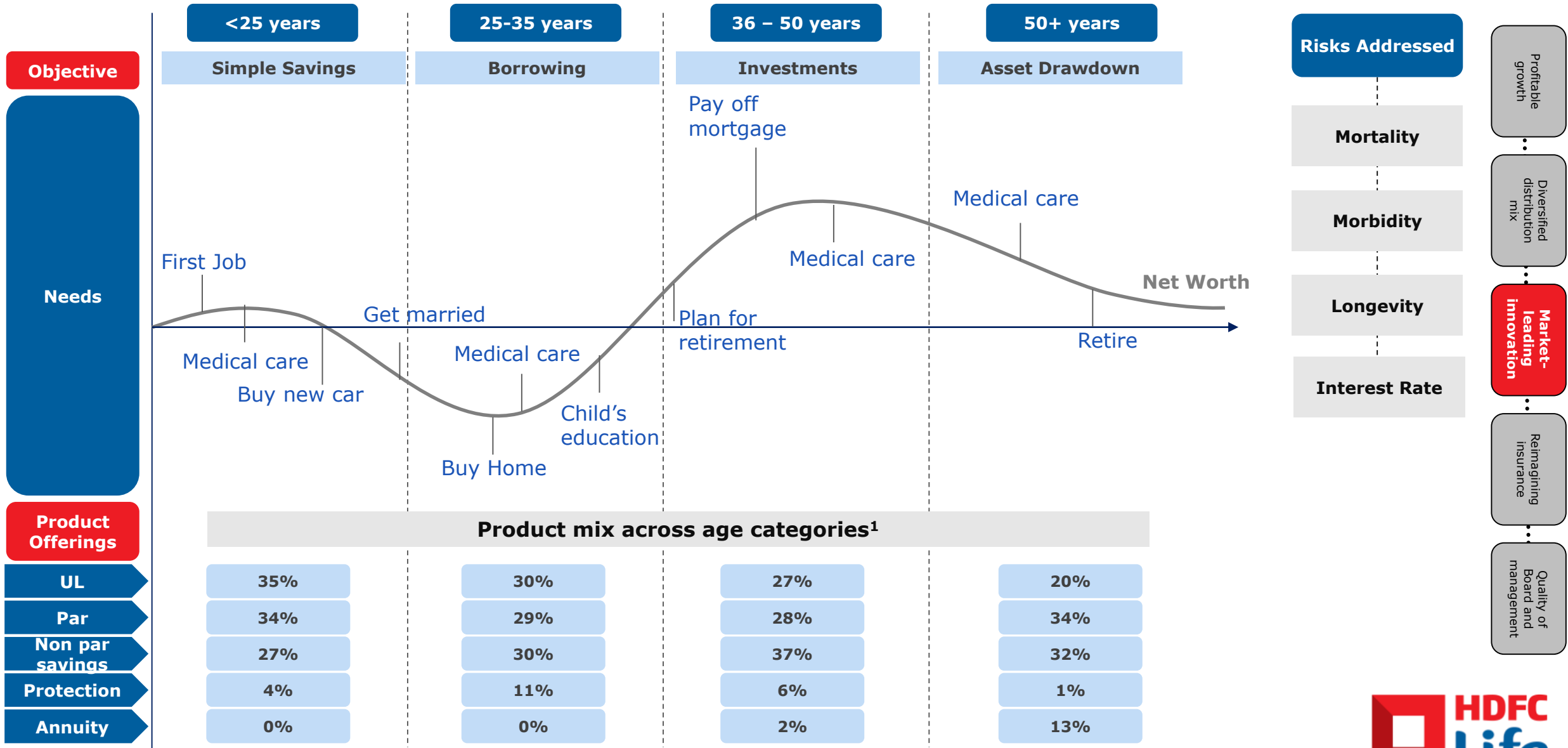


"PRODUCT INNOVATOR OF THE YEAR - LIFE INSURANCE", by Quantic India - 3rd Annual BFSI Technology Excellence Awards, 2022

- 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 WRP for 12M FY22; 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 284 bn¹
- Registered strong AUM growth of 73% yoy

- Market share grew from 34% in Mar'21 to 37% in Mar'22 amongst all PFMs
- Company has over 1.1 mn customers - ~0.8 mn in retail segment and ~0.4 mn in corporate segment
- #1 POP² in new Corporate and Corporate Subscriber business

2. Immediate / deferred annuity



- Largest player in the private sector
- Servicing 300+ corporates and >50,000 lives covered in FY22

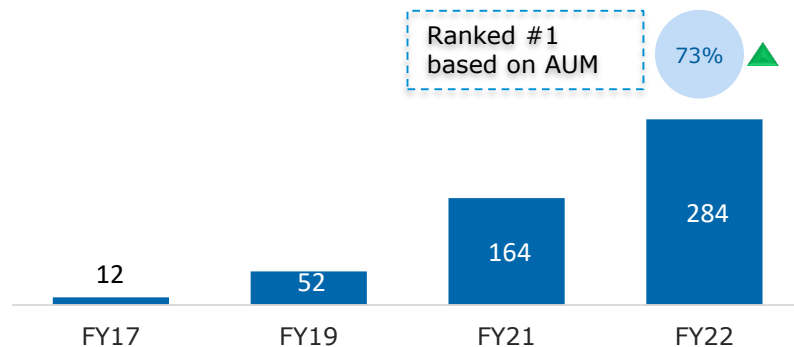
3. Group superannuation fund



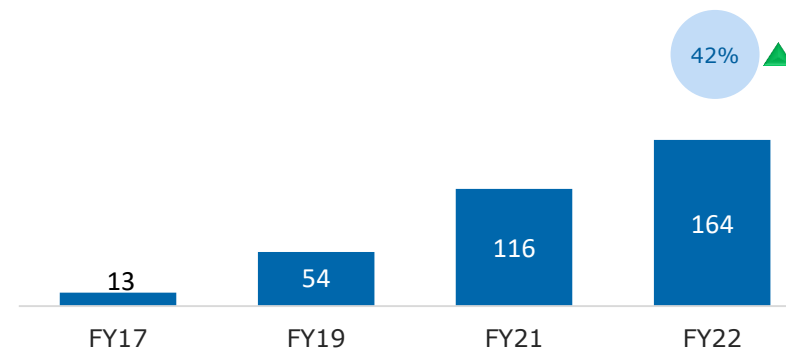
- Managing funds for 160+ corporates under superannuation scheme

Rs bn

NPS AUM



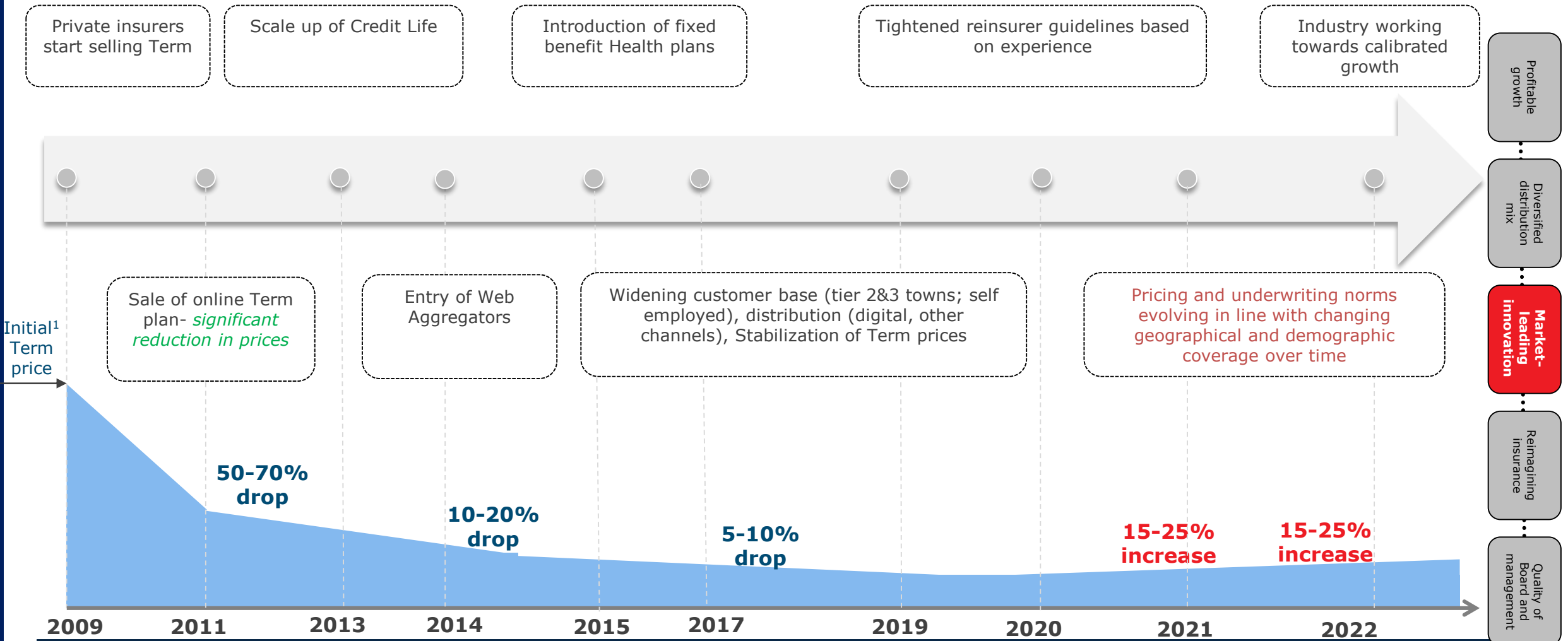
Annuity portfolio



1. As on Mar 31, 2022

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

Evolution of protection prices in India



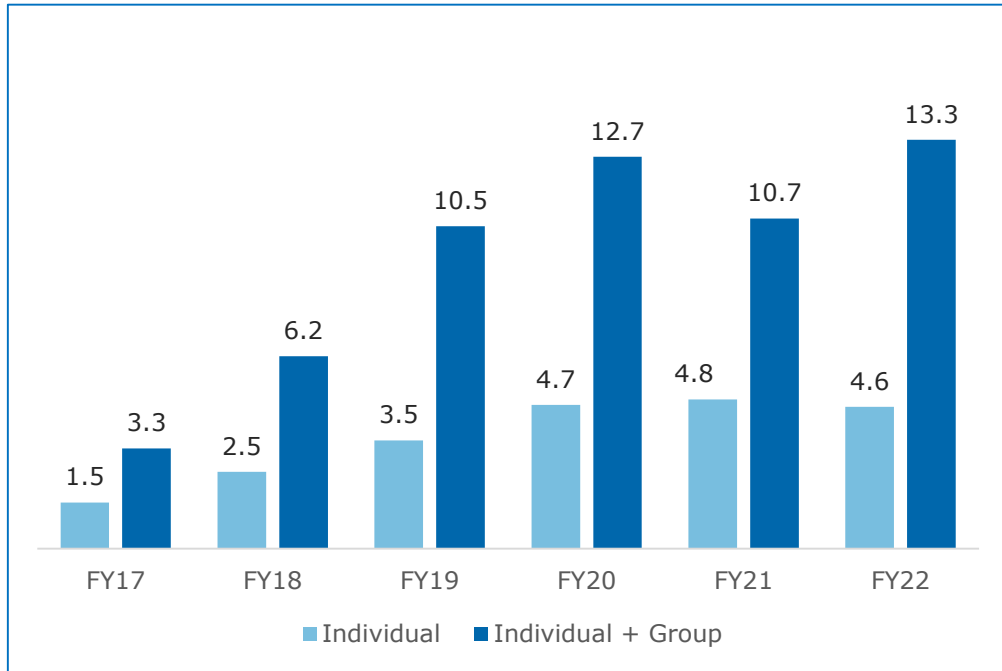
Despite recent increase in pricing, term rates on an average have seen a CAGR of only 1.4% over last 10 years, still lower than pre-2014

1. Indicative movement of Term premium rates for HDFC Life, for Male, 35 year old, Non Tobacco user for Term 30, exclusive of tax

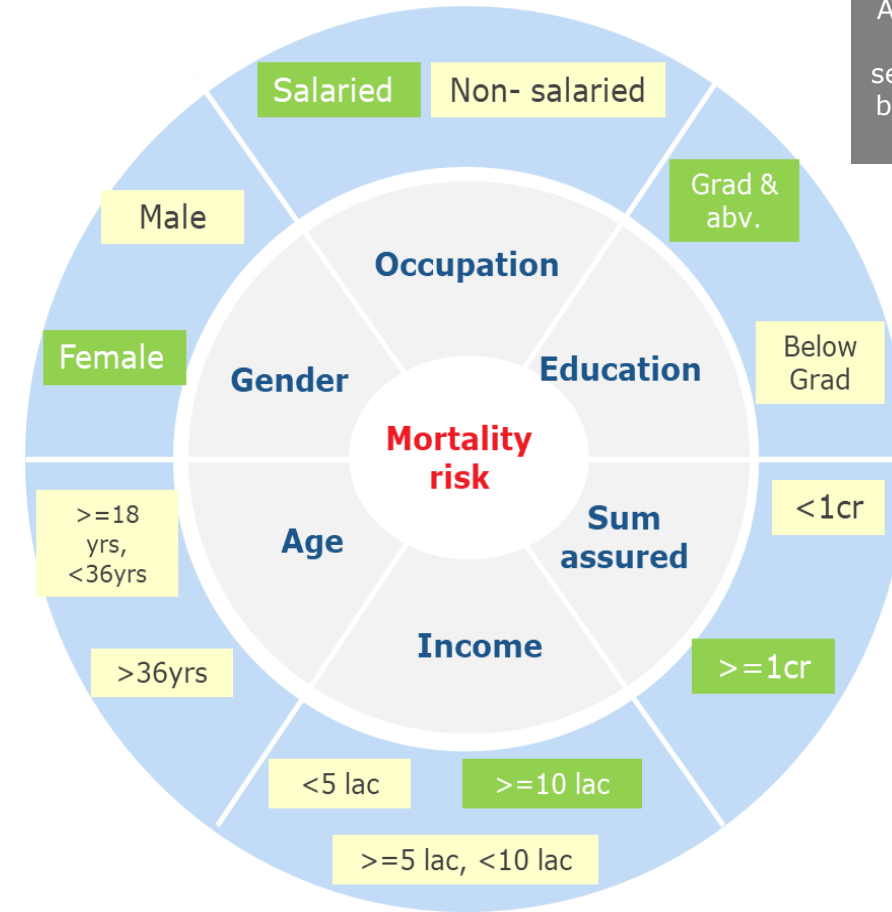


Our experience during the journey gave us multiple insights

Protection growth trajectory of HDFC Life¹



	FY17	FY18	FY19	FY20	FY21 ²	FY22
Total Protection APE growth	19%	92%	67%	22%	(16%)	24%
Protection mix based on NBP	7.8%	11.3%	16.7%	17.2%	12.8%	13.6%



An illustrative depiction of segmental risk based on past experience

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

Nuanced approach while evaluating risks across customer segments

1. Based on APE, in Rs bn
 2. Growth has been negative on account of supply side constraints during Covid and stricter underwriting norms

Our protection philosophy is based on our experience across cohorts

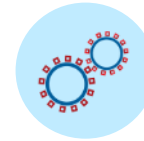
Supply side considerations

- ✓ Adverse mortality experience in pandemic
- ✓ Recalibration by reinsurers
- ✓ Need for calibrated underwriting
- ✓ Sustaining robust claim settlement ratio
- ✓ Insurers moving beyond top 10 cities and salaried segment

Demand side considerations

- ✓ Huge protection gap and under-penetration
- ✓ Customers valuing brand, onboarding experience and track record, apart from the price
- ✓ Younger customers are less hesitant about discussing mortality, morbidity

Our Focus Areas



Strengthening underwriting practices and use of deep learning underwriting models



Continue to address protection opportunity through group platform (Credit Life) apart from retail business



Product innovation catering to varying customer needs; Higher focus on riders



Leveraging available market & industry platforms e.g., central medical repository for faster turnaround and greater underwriting precision

Protection is a multi-decade opportunity that we plan to address prudently with continued innovation

Profitable growth

Diversified distribution mix

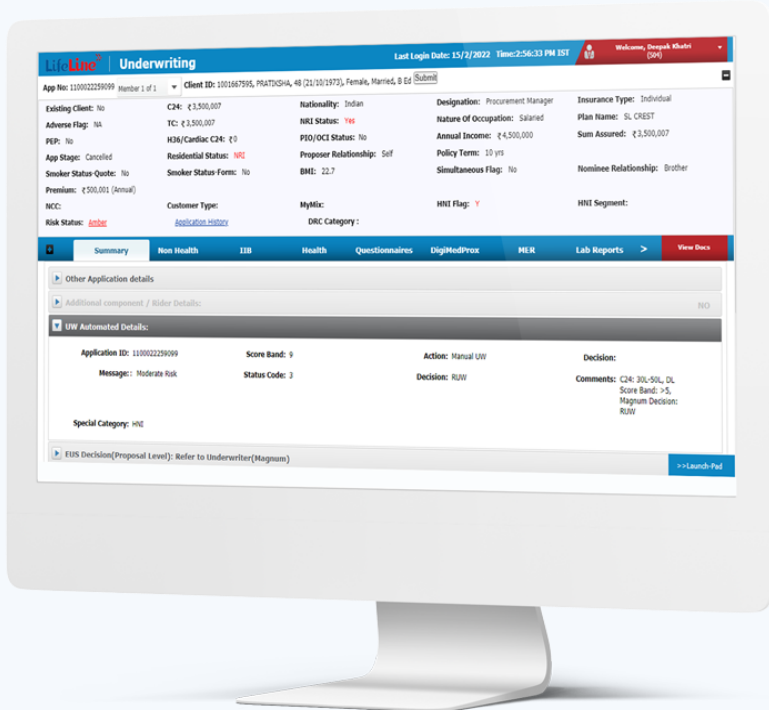
Market-leading innovation

Reimagining insurance

Quality of Board and management

Strengthening underwriting and simplifying customer journey

UW Engine¹



An in house model that provides ability to set dynamic parameters



Allows flexibility in deciding retention strategy without manual intervention



2-stage model developed using deep learning techniques. 1st stage predicts probability of future claim and 2nd stage proposes actual UW¹ decision

1. UW: Underwriting

MediEasy

Assisted real time requirement closure – for hassle free medicals



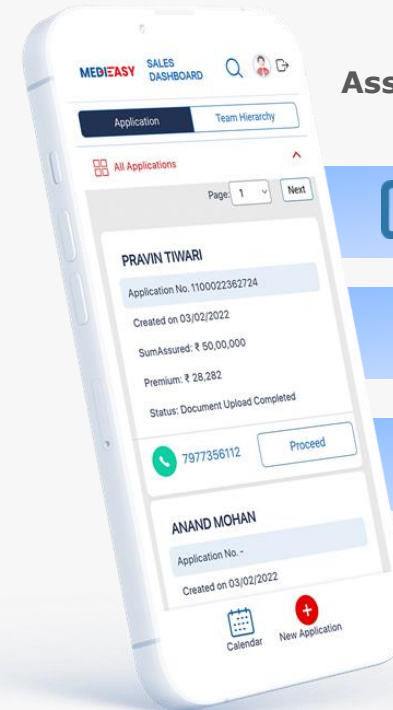
Real time assisted financial scrutiny and help from financial desk



Real time video medicals



Real time medical scheduling



Meditech initiatives



Non Invasive Heart Rate, BMI and other parameters using customer mobile video



Instant



Accessible



Accurate



Available 24X7 In customers pocket



Customer empowering

Profitable growth

Diversified distribution mix

Market-leading Innovation

Reimagining Insurance

Quality of Board and management



We leverage multi-pronged risk management approach for protection

1

Reducing incidence of fraud & early claims

Analytics and Data Enrichment

Risk+

AI-ML based risk models, rule engines, credit bureaus etc.

No 'one size fits all' underwriting



Dynamic classification depending on profile, detailed medical & financial underwriting

Regular portfolio review



To identify emerging trends, outliers and take corrective actions

2

Limiting impact on profitability & solvency

Reinsurance



Optimized reinsurance strategies for risk transfer

Catastrophe agreement



To protect from excess loss

Prudent reserving



Well provisioned to prevent sudden shocks from current pandemic

3

Balancing pricing & underwriting

Active re-pricing



Ongoing wherever required (mostly applies for Group schemes)

Product boundary conditions



Gate criteria depending upon sourcing channel

4

Strong governance & audits @Partners

TPAs & medical centers



Ensure process & quality adherence

Distribution partners



Adherence to best practices and continuous monitoring of risk

Profitable growth

Diversified distribution mix

Market-leading innovation

Reimagining insurance

Quality of Board and management

Product mix across key channels¹

Banca ²	Segment	FY19	FY20	FY21	FY22
	UL	64%	32%	27%	29%
	Par	13%	18%	37%	33%
	Non par savings	17%	44%	30%	33%
	Term	4%	4%	4%	4%
	Annuity	3%	2%	2%	2%

Direct	Segment	FY19	FY20	FY21	FY22
	UL	50%	33%	29%	28%
	Par	8%	14%	17%	14%
	Non par savings	12%	20%	16%	27%
	Term	6%	4%	3%	3%
	Annuity	24%	29%	35%	28%

Agency	Segment	FY19	FY20	FY21	FY22
	UL	26%	12%	10%	16%
	Par	40%	34%	37%	33%
	Non par savings	17%	40%	39%	39%
	Term	12%	12%	11%	10%
	Annuity	5%	3%	3%	3%

Online ³	Segment	FY19	FY20	FY21	FY22
	UL	62%	44%	39%	46%
	Par	2%	1%	1%	2%
	Non par savings	1%	18%	29%	30%
	Term	35%	37%	30%	20%
	Annuity	1%	1%	2%	2%

Company	Segment	FY19	FY20	FY21	FY22
	UL	55%	28%	24%	26%
	Par	18%	19%	34%	30%
	Non par savings	15%	41%	31%	33%
	Term	7%	8%	7%	6%
	Annuity	5%	4%	5%	5%

~40% of business with policy term <10 years; ~20% of received premium in single-pay policies since launch of Sanchay Fixed Maturity Plan

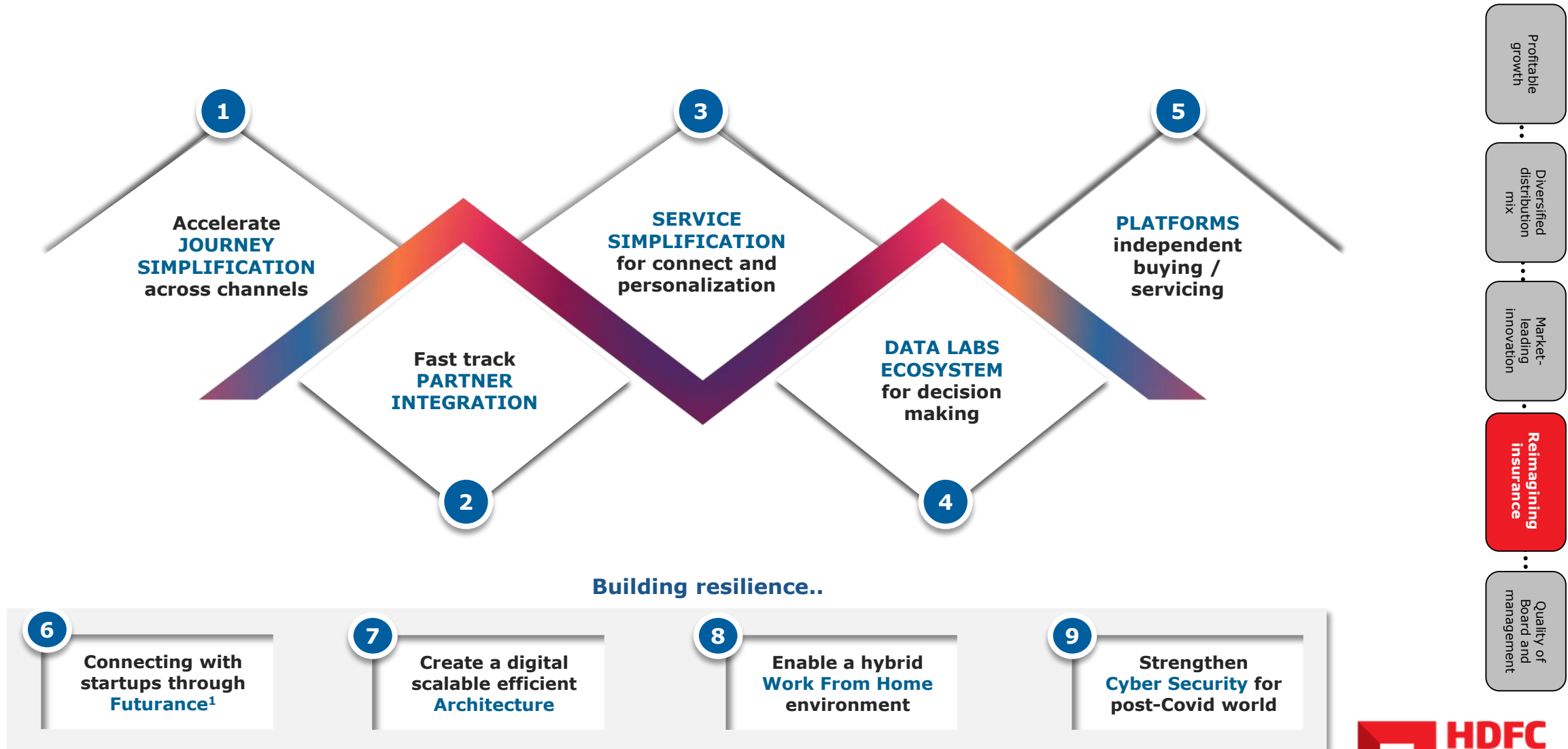
Protection		FY19	FY20	FY21	FY22
	Based on Total APE	17%	17%	13%	14%
	Based on NBP	27%	27%	20%	24%

Annuity		FY19	FY20	FY21	FY22
	Based on Total APE	4%	4%	5%	5%
	Based on NBP	17%	16%	20%	20%

1. Based on Individual APE, Term includes health business. Percentages are rounded off
2. Includes banks, other corporate agents and online business sourced through banks / corporate agents
3. Includes business sourced through own website and web aggregators

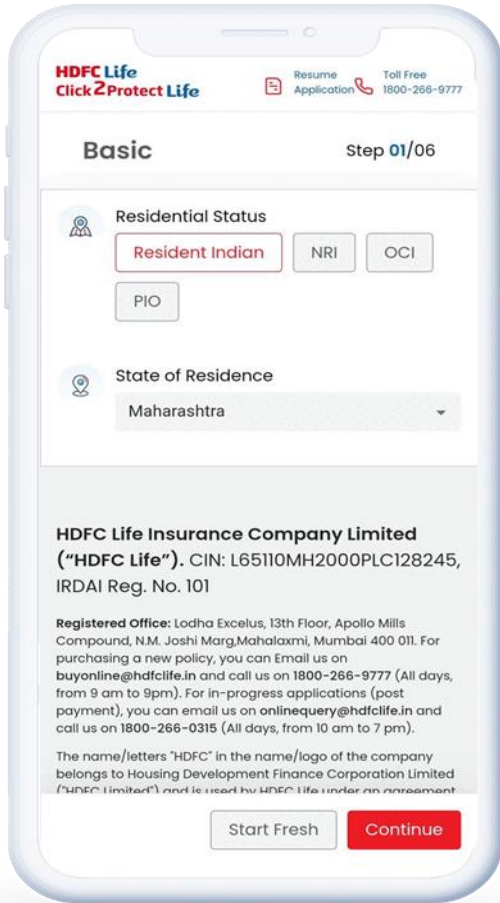


Aligned to make life simpler for customers



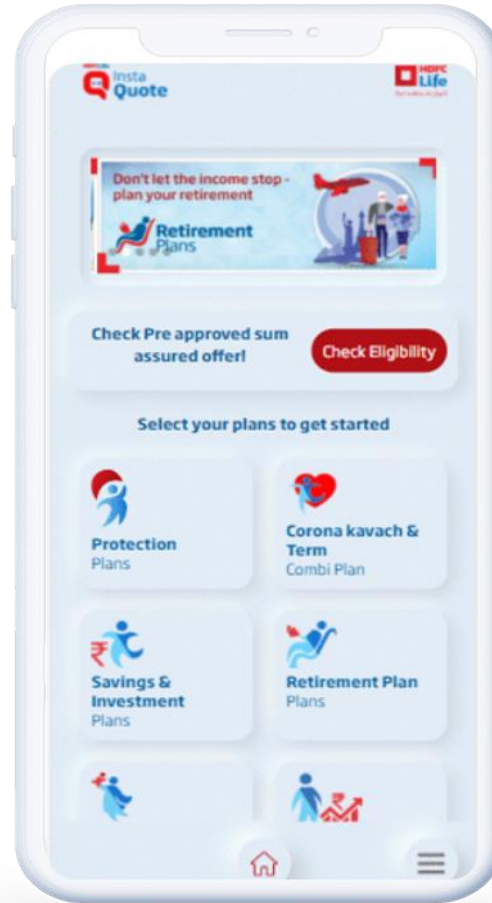
1. Futurance: A program to collaborate with startups for harnessing cutting-edge technology

Journey simplification



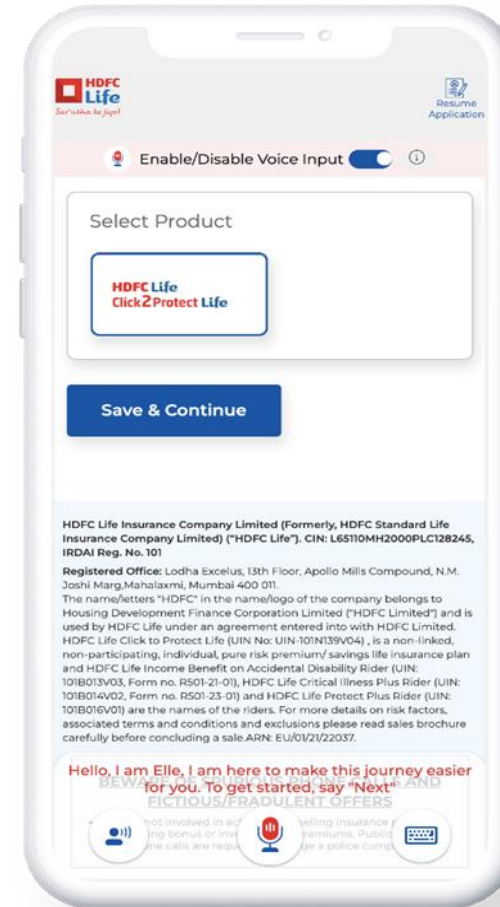
Life Easy

End to end Term buying journey
21K+ applications submitted



InstaQuote

Quote generation app
30K+ daily quote generation



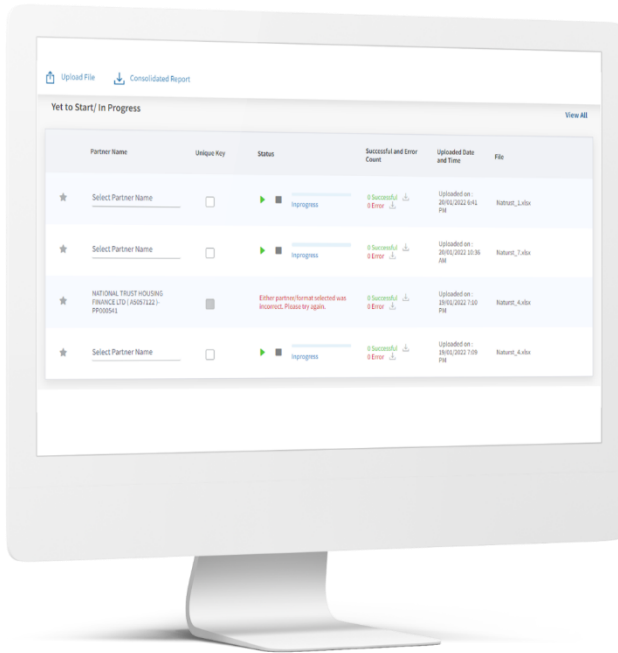
Voice

Voice enabled buying journey
1K+ user journeys for Life Easy

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



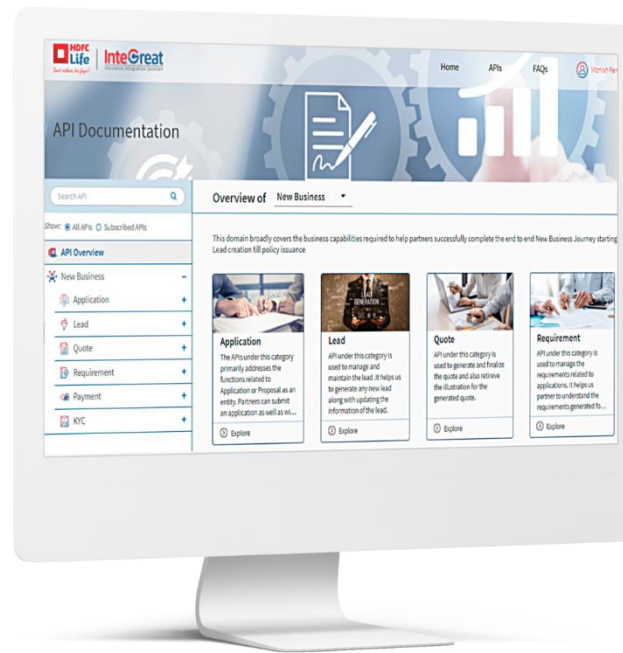
Partner integration



LifeNext

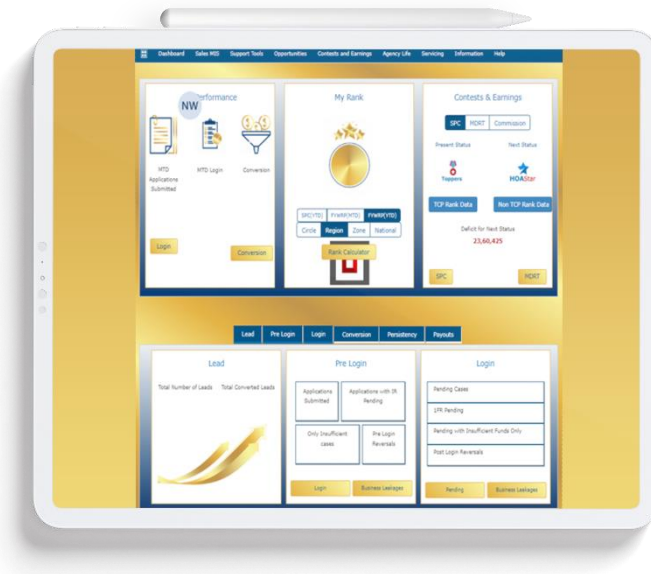
End-to-end portal for group partners creating a seamless journey with plug-n-play integration

More than 200 partners on-boarded



API Bank

A portal to publish & test APIs¹ for data and services offered to Partners, Aggregators & Fintechs



Partner Portal

One stop shop for all MIS², self and customer servicing needs of an individual Agent

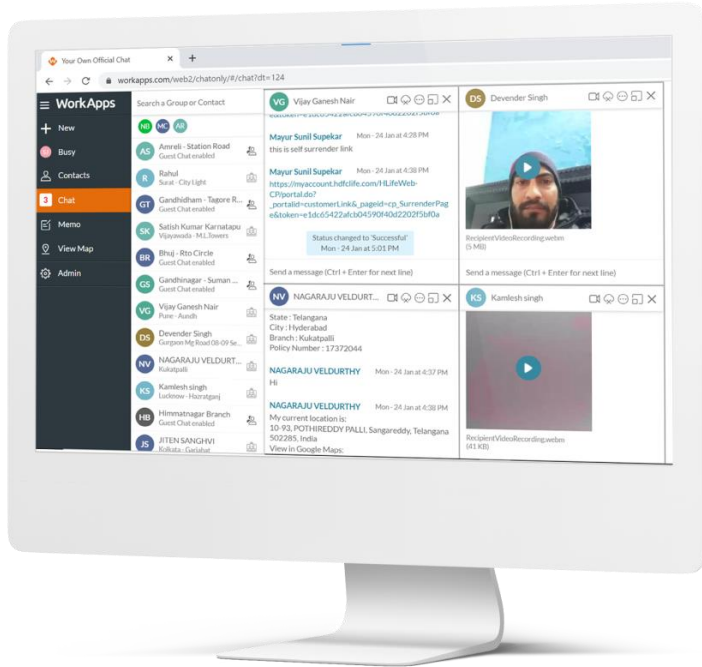
28K+ active FCs³ in Q4

1. API – Application Programming Interface
2. MIS – Management Information Systems
3. FCs- Financial Consultants

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



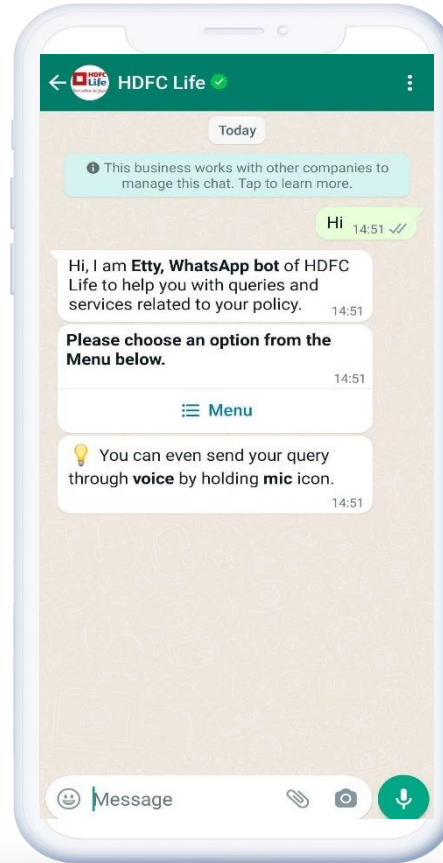
Service simplification



V Serv

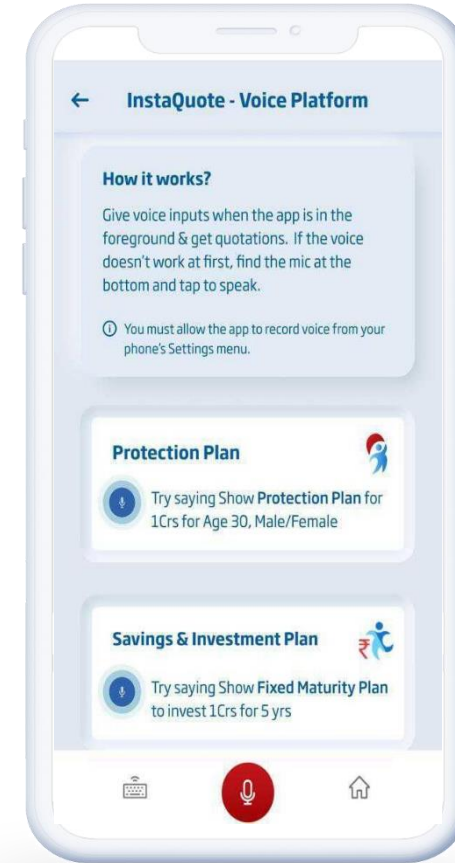
Industry first video based 'Phy-gital' mode of service
OTP¹ enabled customer authentication

1. OTP – One Time Password
2. NLP – Natural Language Processing



Life.AI

24X7 NLP² based WhatsApp bot
2.5mn+ unique users

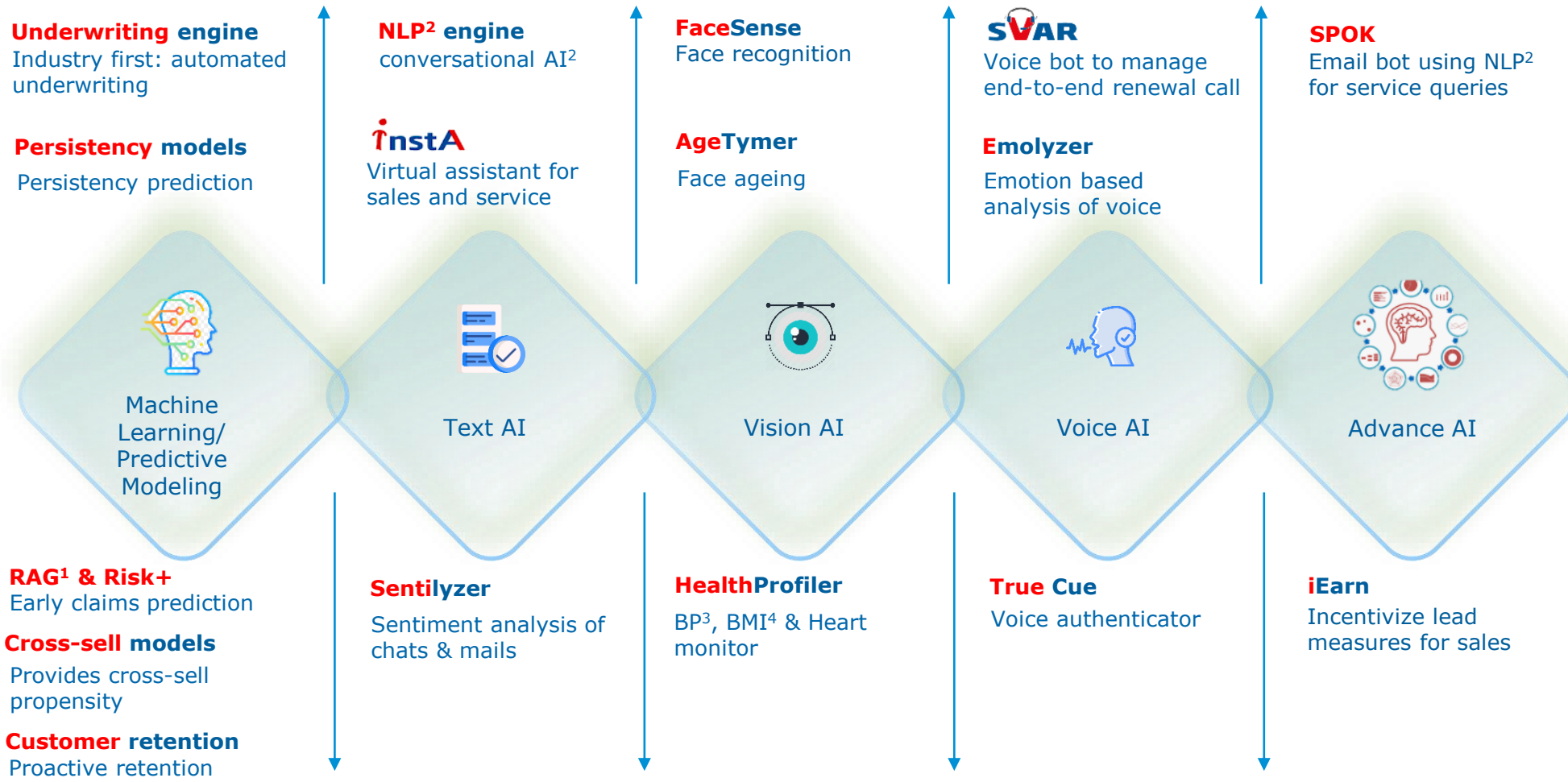


Voice.AI

Availability of servicing on Voice Channels– Alexa, Google Assistant



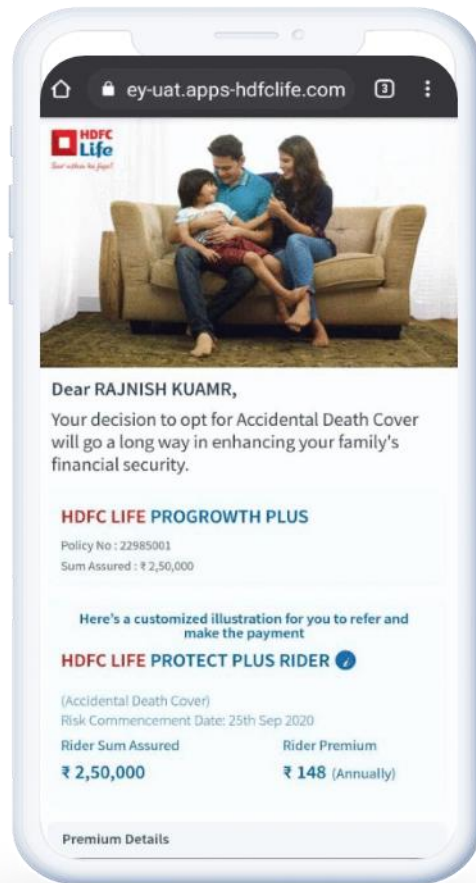
Data Labs



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

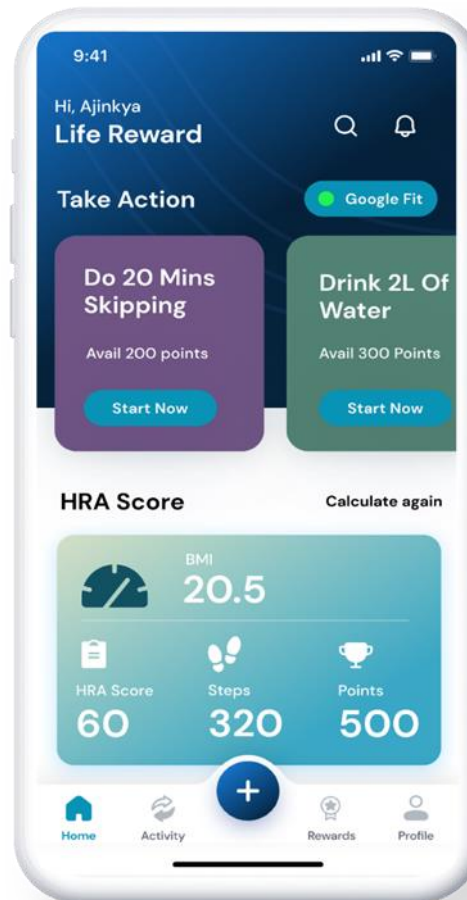
1. RAG – Red Amber Green model
2. NLP – Natural Language Processing; AI: Artificial Intelligence
3. BP – Blood Pressure
4. BMI – Body Mass Index

Platforms



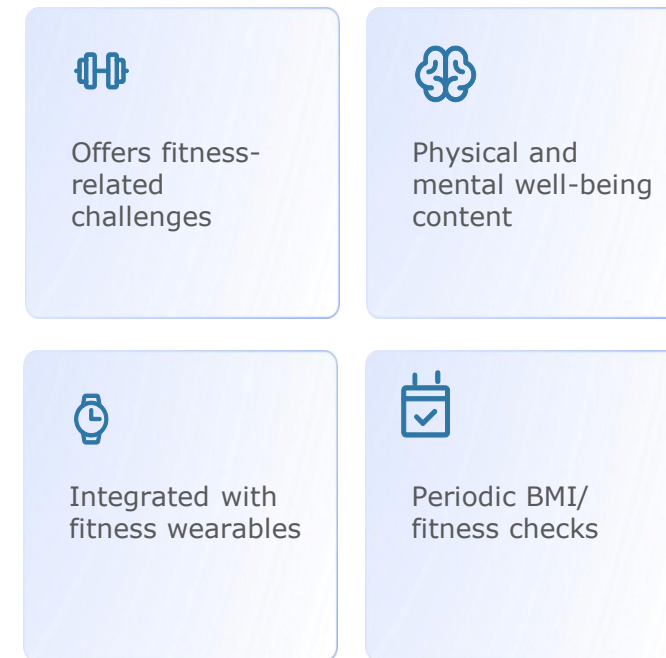
Rider Attachment

Attach riders at renewal seamless journey with 2 clicks

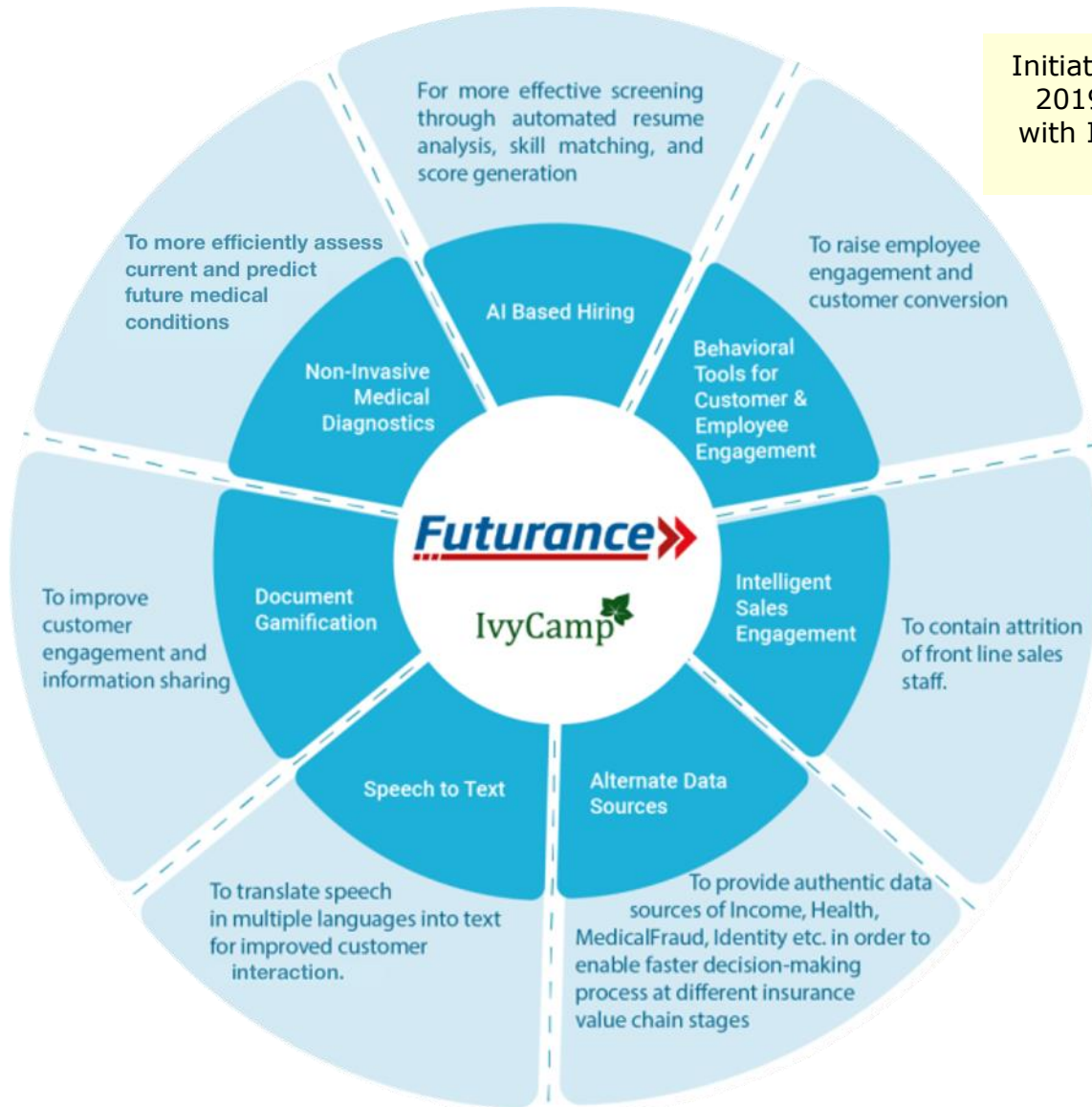


Life Rewards

Health and wellness app
User gets reward points for completing fitness challenges, taking risk assessment, and other activities (sandbox mode)



Futurance program – Start-up outreach for driving Innovation




Initiative started in June 2019 in collaboration with IvyCamp Ventures Advisors


380+ applications received

Collaboration with **85+** startups

Sample highlights of POC conducted



AI based video assessment for branch service staff



Quote calculator inbuilt in a video for lead generation



Sales Management application for POSP agents



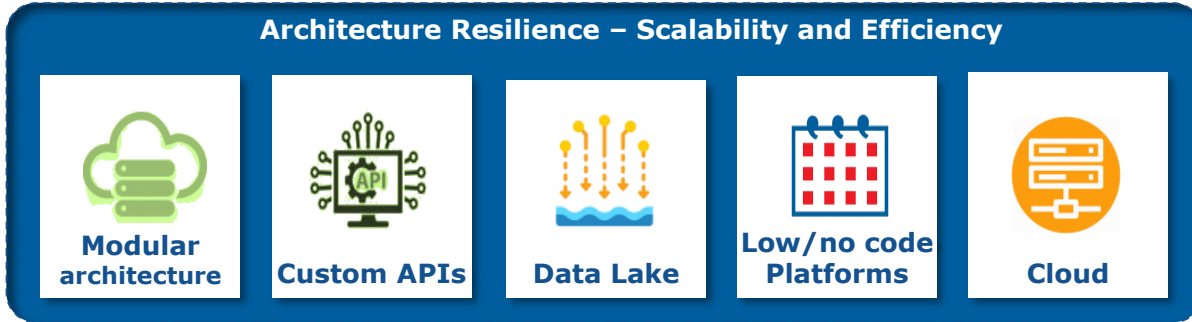
Automation of AML analysis and reporting

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

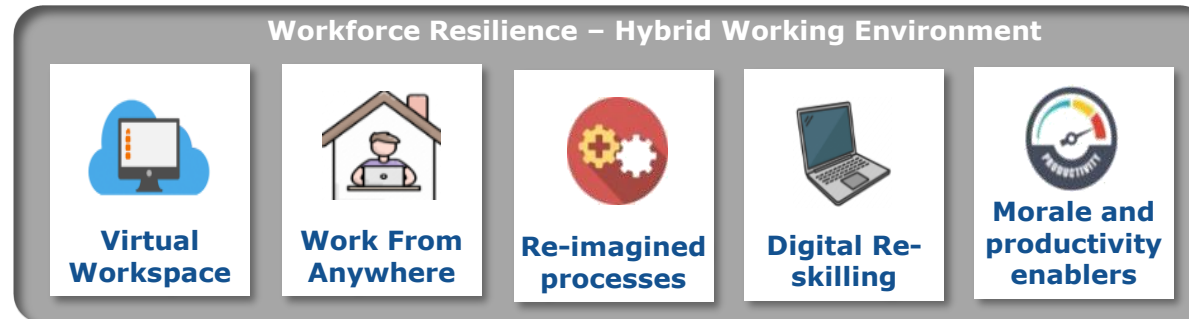


Leveraging technology to build resilience

Architecture Resilience – Scalability and Efficiency



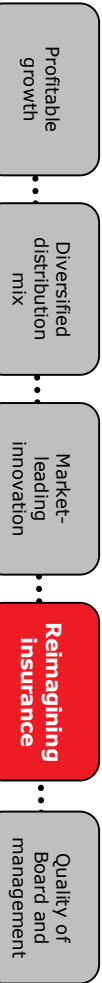
Workforce Resilience – Hybrid Working Environment



Cyber Resilience – Strengthen Cyber Security for post-covid world



1. SOC: Security Operations Center



Emphasis on digital across customer touch-points

New business / purchase



Digital sales journey - End-to-end digital sales, from prospecting till conversion, including customer interactions



Chat PCV¹ and eCCD¹ - No dependence on salesperson or call center. 50% digital pre-conversion verification (through chat and eCCD) in FY22



Telemedicals - 48% of the medicals done through tele-medicals in FY22



Uninterrupted customer assistance - Work from home enabled across the organization; Access to Microsoft Teams, Citrix



InstaInsure - Simplified insurance buying through a 3-click journey

Policy servicing



SVAR Digital Renewal collections - 87% based on renewal premiums and 96% based on no. of policies in FY22; SVAR (voice bot for renewal calling) and use of Cloud telephony



Maturity payouts - Email, WhatsApp and customer portal 'My Account' enabled to upload necessary docs



LifeEasy - Simple '3 click claim' process, 93%² eligible claims settled in 1 day. Claims initiation process also enabled through WhatsApp



RPA - Robotic Process automation handled 330+ processes remotely



Contact centres - Branch staff replacing call centre agents

Customer interactions



instA - **Seamless support experience** - ~30 mn queries handled by instA (virtual assistant) during FY22



Use of mobile app - 15% increase in mobile app usage



InstaServe - OTP based policy servicing tool to handle customer queries



24*7 self-service options - 95% of chats are self-serve via chat-bot



Branches - Daily tracking of employee and agent safety

Employee / Partner engagement



e-learning platform - 6,600+ agents attending training programs daily through Agency Life Platform



Gamified contests - Launched to drive adoption of digital engagement initiatives



Agent on-boarding - Insta PRL enabling digital on-boarding of agents - 91,000+ applications logged in FY22



Employee engagement - Video conference based skill building sessions with digital partners (Twitter, Google, Facebook)



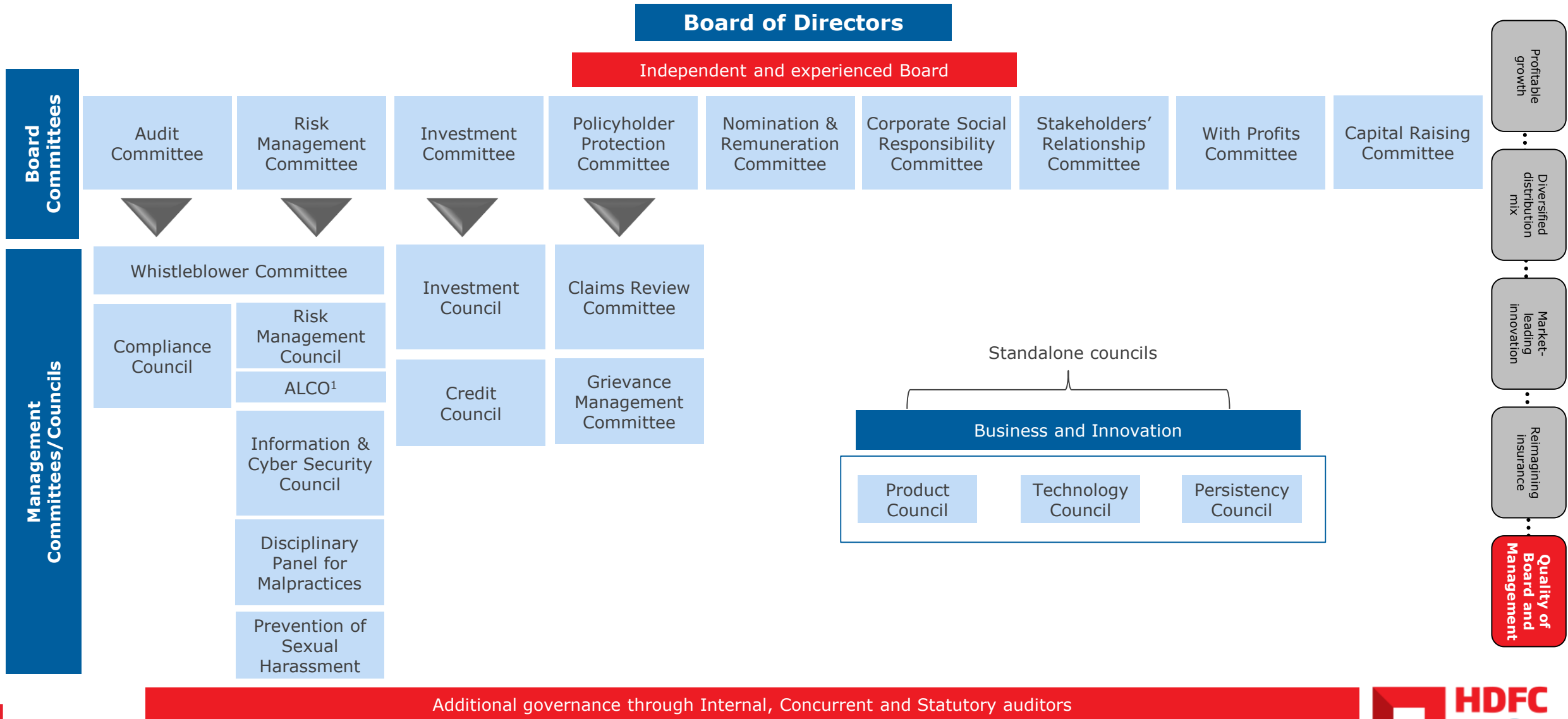
Partner trainings - Conducted via digital collaboration tools

★ New initiatives launched to manage volatile business environment due to the Covid-19 outbreak

1. PCV: Pre-conversion verification; eCCD: Electronic Customer Consent Document

2. Claim settlement ratio through LifeEasy (online) and WhatsApp platform, as on 31st March 2022

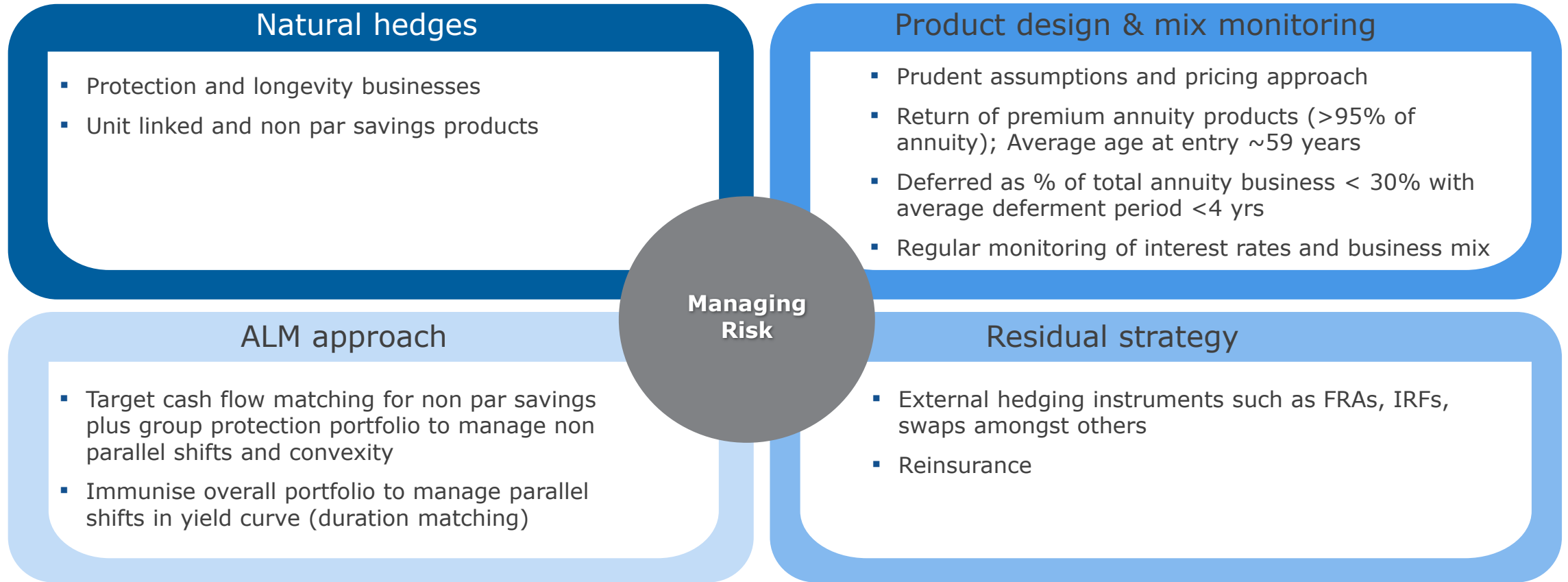
Governance framework



Note:

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

Financial risk management framework



Sensitivity	FY21				FY22			
	Overall		Non par ¹		Overall		Non par ¹	
Scenario	EV	VNB Margin	EV	VNB Margin	EV	VNB Margin	EV	VNB Margin
Interest Rate +1%	(2.2%)	(1.5%)	(2.3%)	(2.9%)	(2.0%)	(1.4%)	(2.1%)	(2.5%)
Interest Rate -1%	1.6%	0.9%	1.2%	1.8%	1.6%	0.8%	1.4%	1.5%

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

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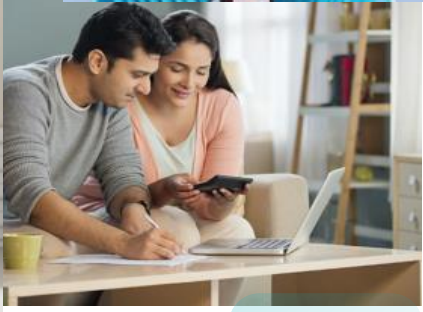
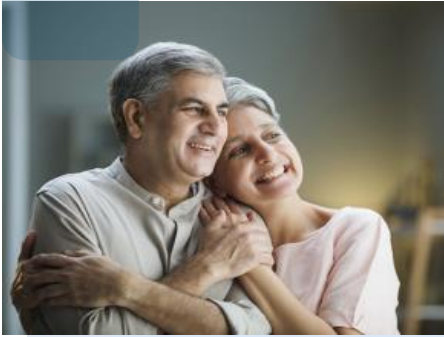
Our approach to ESG

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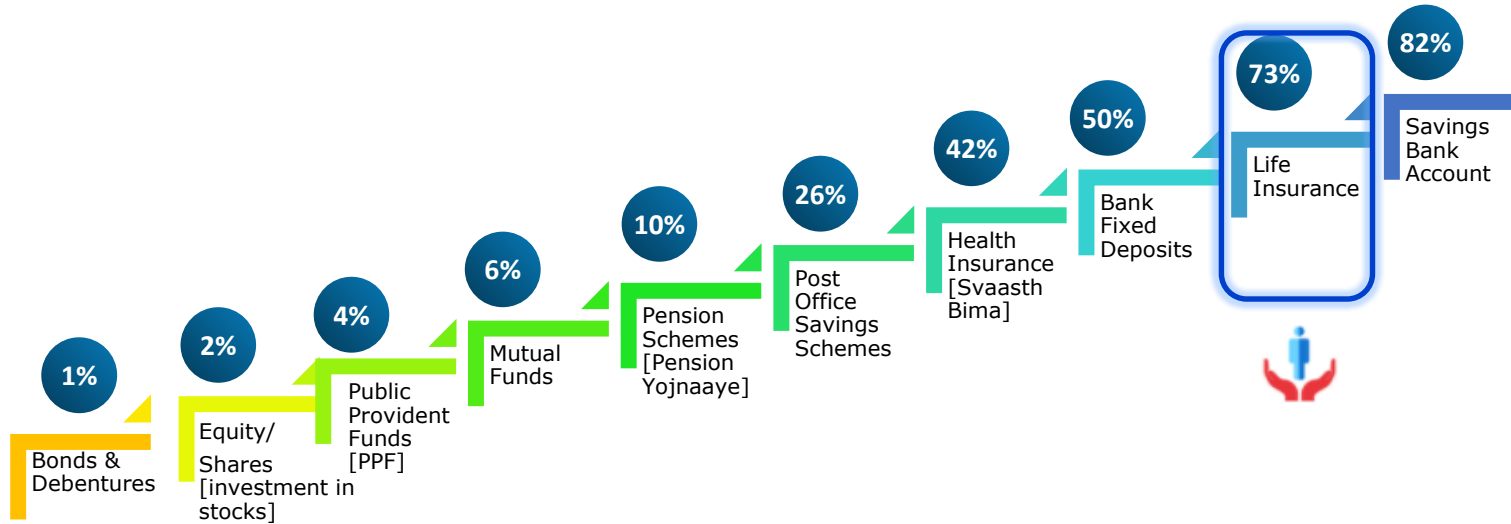
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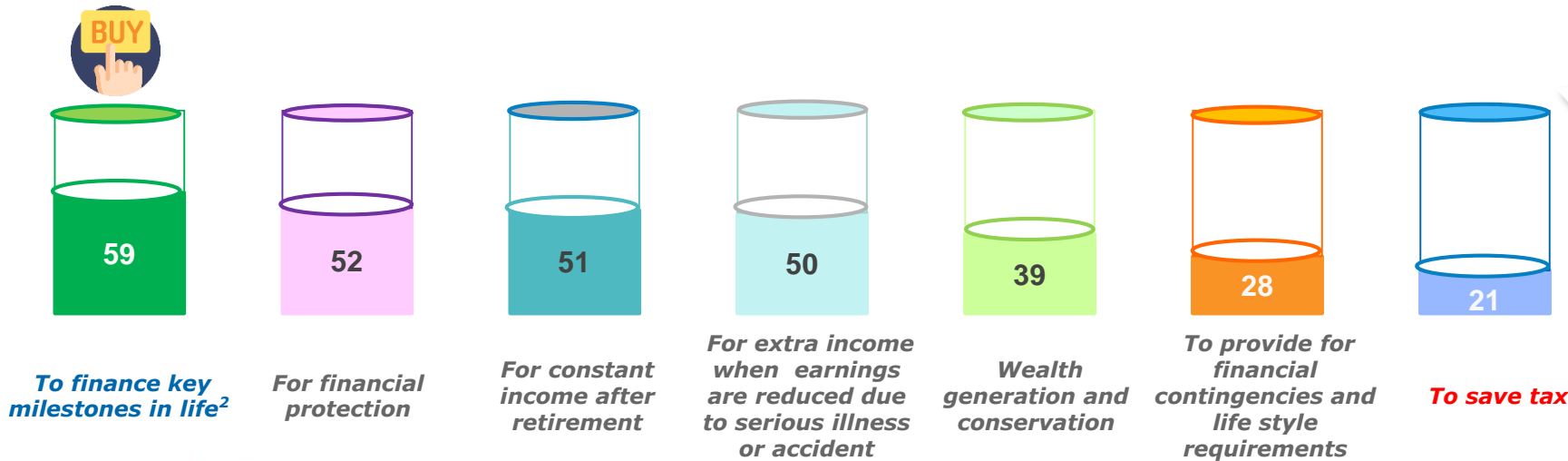
Life insurance in India



Importance of Financial Instruments and Triggers to buy LI¹



- Life insurance ranks amongst top 3 financial instruments
- Importance of life insurance as an instrument largely remains same across age groups and gender



- Across age-groups and regions, savings for key milestones in life like child's education, marriage, remains the top reason to buy insurance
- Tax savings features at bottom of the list of reasons to buy life insurance



1. Life Insurance Council IAC Study by Hansa Research, February 2022
 2. % of respondents



Customer Insights – Women Policyholders

HDFC Life Customer Insights



3-year APE CAGR growth for women customers: **23%**

Women constitute **>30%** of policyholders, an increase of 4 percentage points over past 3 years



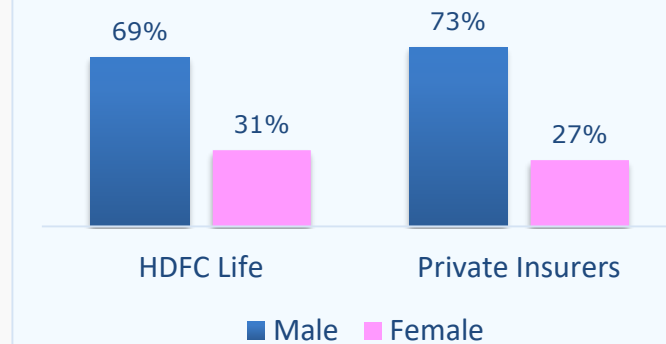
Women as a customer segment are gaining traction in Savings and Protection products

Increasingly, more women customers are opting for self assisted sales channels, indicating rise in awareness levels

Women Persistency across demographics & geographies ~4% higher than Organisation

Participation of Women in Life Insurance¹

Percentage of female policyholders



Top 5 states where % of female policyholders is higher than all-India average

State	Share(%)
Kerala	43
Sikkim	41
Andhra Pradesh	40
Lakshadweep	40
Puducherry	40
All-India average	33

- Women comprise roughly **49%** of the total population in India
- In 19 States/UTs², the share in no. of policies bought by women to the total policies sold is higher than the all-India average of **33%**

1. Insights based on IRDAI Annual Report 2020-21 and HDFC Life customer data
 2. UTs: Union Territories

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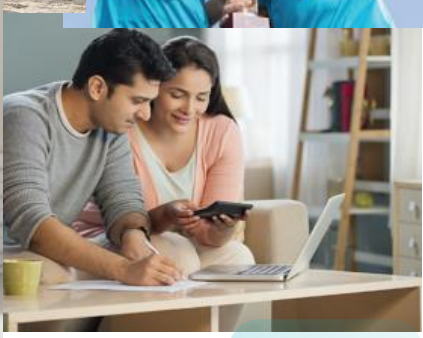
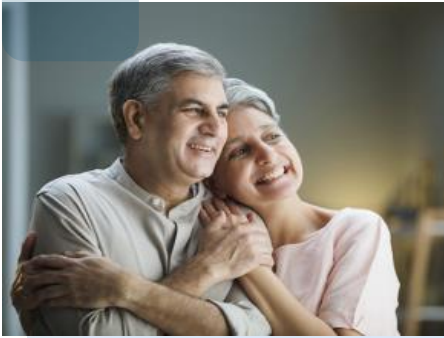
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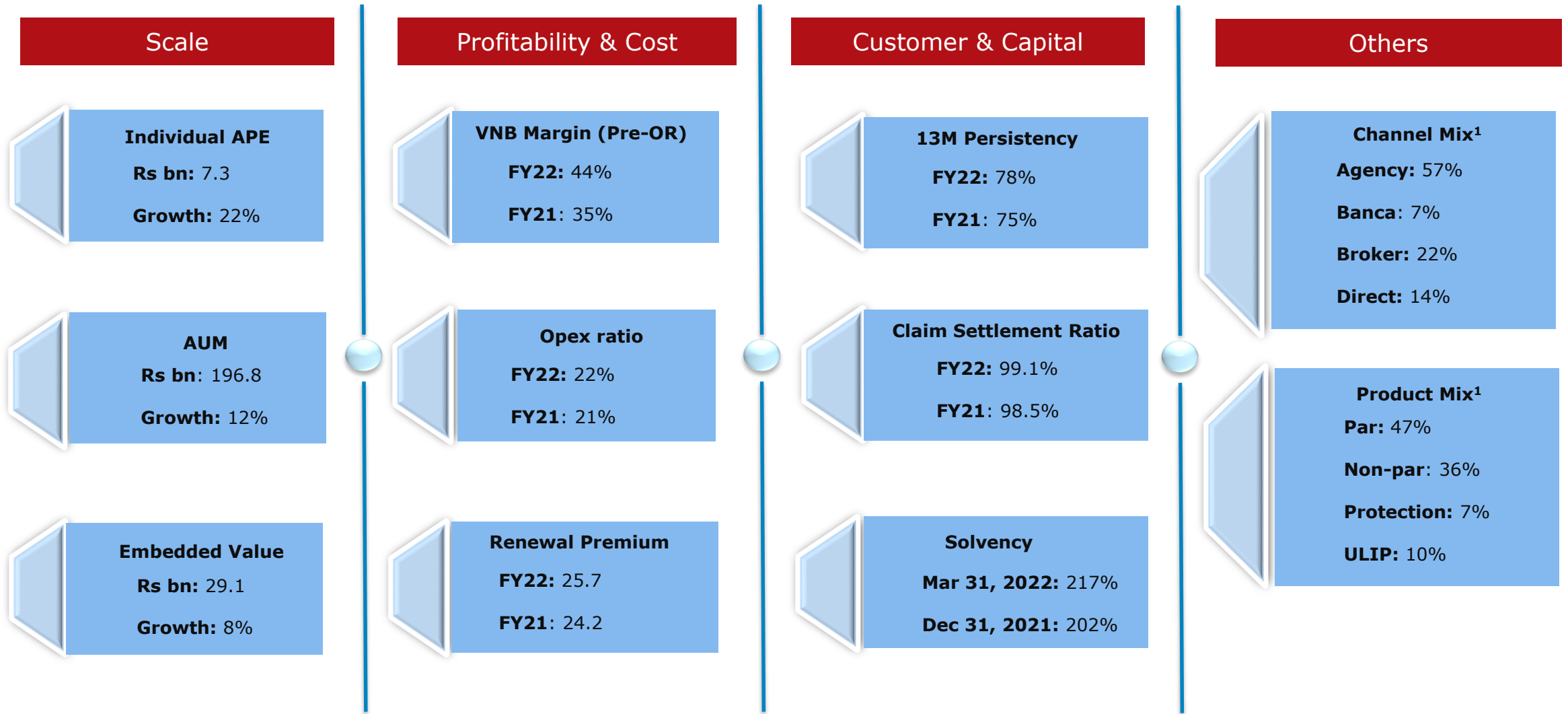
Annexures

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Life insurance in India



Exide Life Performance Snapshot: 12M FY22



1. Based on Individual APE

Integration – Focus areas

Accelerating revenues ...



Augmenting proprietary growth channels

- Scaling-up with cross-entity best practices and brand value



Access to wider distribution network with focus on priority micro markets



Access to wider product portfolio for sales force



Enhancing customer experience and sales productivity through digital tools

Realizing cost savings ...

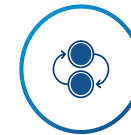


Optimizing nation-wide geographic presence (offices, branches, hubs)



Rationalizing overlapping/ redundant spends

- E.g. Brand spends, software maintenance, AMC



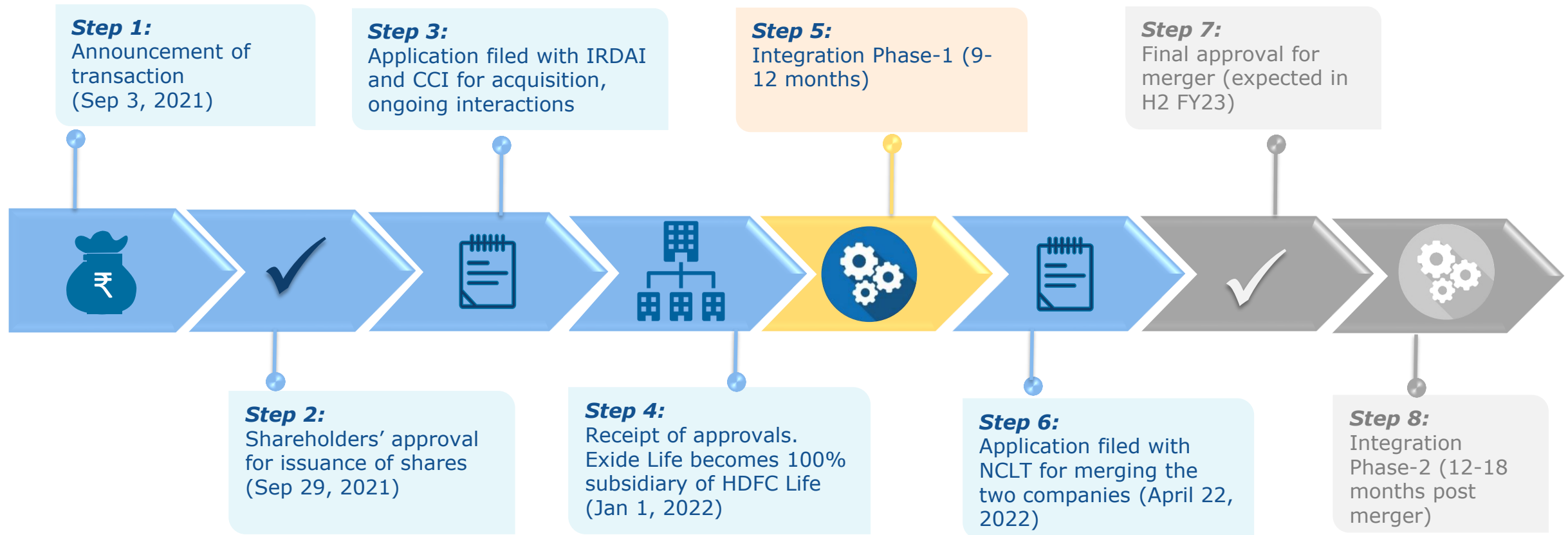
Driving scale benefits for integrated entity



Embedding digital operating model at scale

Aspiration to close NBM gap over 8-12 quarters

Exide Life transaction timeline



Completed WIP To be initiated



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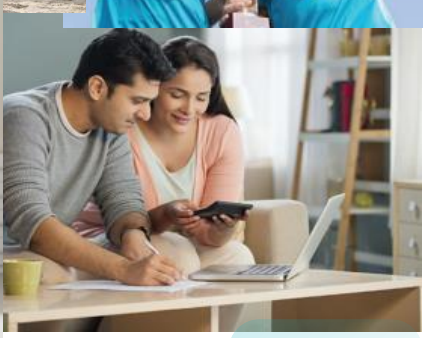
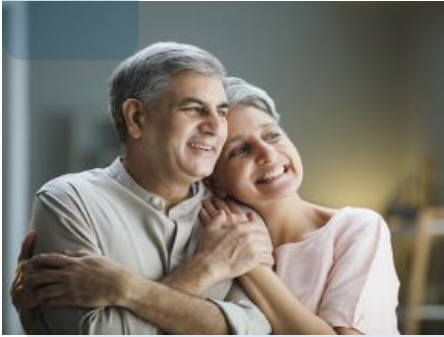
Our approach to ESG

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Life insurance in India



Our ESG Strategy

5 pillars of ESG Strategy



External Validation

Active engagement with external agencies including MSCI, S&P Global (DJSI)

- **MSCI** rating improved from 'BB' in October 2019 to 'BBB' in August 2020
- **S&P Global (DJSI)** percentile improved significantly from **1** in 2019 to **61** in 2021 despite increase in participation by 60%

Integrated report and ESG Report published in 2021

Actuarial

Financial

ESG

Ethical Conduct & Governance

Governance structure & Compensation Framework



Corporate governance policy

- Commitment to ethical business practices
- Includes Corporate structure and stakeholder management

Board evaluation & independence

- Five independent directors
- 'Fit and Proper' as per regulation

Board Diversity policy

30% women as on 31st March, 2022

Remuneration policy

- Seeks to balance the fixed and incentive pay
- Disclosed in the annual report

Performance Management System

based on the principles of balanced scorecard

Corporate Governance Award

Best Governed Company in listed segment: Large category at ICSI¹ National Awards for Excellence in Corporate Governance

Risk management and BCM



- Enterprise risk management (ERM) framework
 - 'Three Lines of Defense approach'
 - Reviewed and approved by the Board

- Risk oversight by Board of Directors
- Review in multiple management forums

- Modes of Risk awareness
 - Trainings, E-mailers, Seminars, Conferences, Quizzes and Special awareness Drives

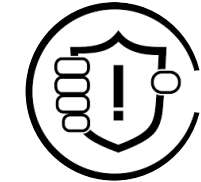
- Sensitivity analysis and stress testing

- Business Continuity Management (BCM)- Creation of a recovery plan for critical business activities

Information/Cyber Security



Information/cyber security
ISO 27001:2013 and ISMS assessment program;
Data Privacy Policy



Fraud risk management
 Values program;
 Disciplinary Panel for Malpractices; Fraud monitoring initiatives

Business ethics and compliances



Code of Conduct



Whistle blower Policy



PRSH²



BRR³ & Stewardship Code



Anti Bribery & Corruption Policy



Human Rights & DEI⁴



AML⁵



Privacy Policy

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1. ICSI: Institute of Companies Secretaries of India
 2. PRSH: Prevention and Redressal of Sexual Harassment
 3. BRR: Business Responsibility Report
 4. DEI: Diversity, Equity and Inclusion
 5. AML: Anti Money Laundering

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)**



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.

**Change begins with you.
And your investments.**



**Responsible Investing with
Sustainable Equity Fund.**

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Employee Engagement & Diversity, Equity and Inclusion (DEI)



Special Recognition

- **Great Places to Work** – Amongst top 100 Best Places
- **Great Places to Work for Women** – Amongst top 100 Best Places
- **Avtar top 100 Places**
- CHRO was conferred **Avtar Male Ally Legacy** award
- 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



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

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

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
- **Dialogue with prominent leaders** on DEI; Fireside chat with Parmesh Shahani, LGBTQ activist
- **Gender transition surgery** covered under mediclaim policy
- Launched official DEI page on our website



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

Our CSR Focus

HDFC Life Swabhimaan strives to build sustainability in everything we do, but not limited to:



Education & Livelihood



Health & Sanitation



Environmental Sustainability



Others

The Swabhimaan Impact

3.5 lakh+
Beneficiaries

25
Implementation Partners

20+
Projects

20+
States and UTs



“



Support **12** out of the 17 UN SDGs”

Rs 174 mn

Total CSR Spent in FY 2021-22

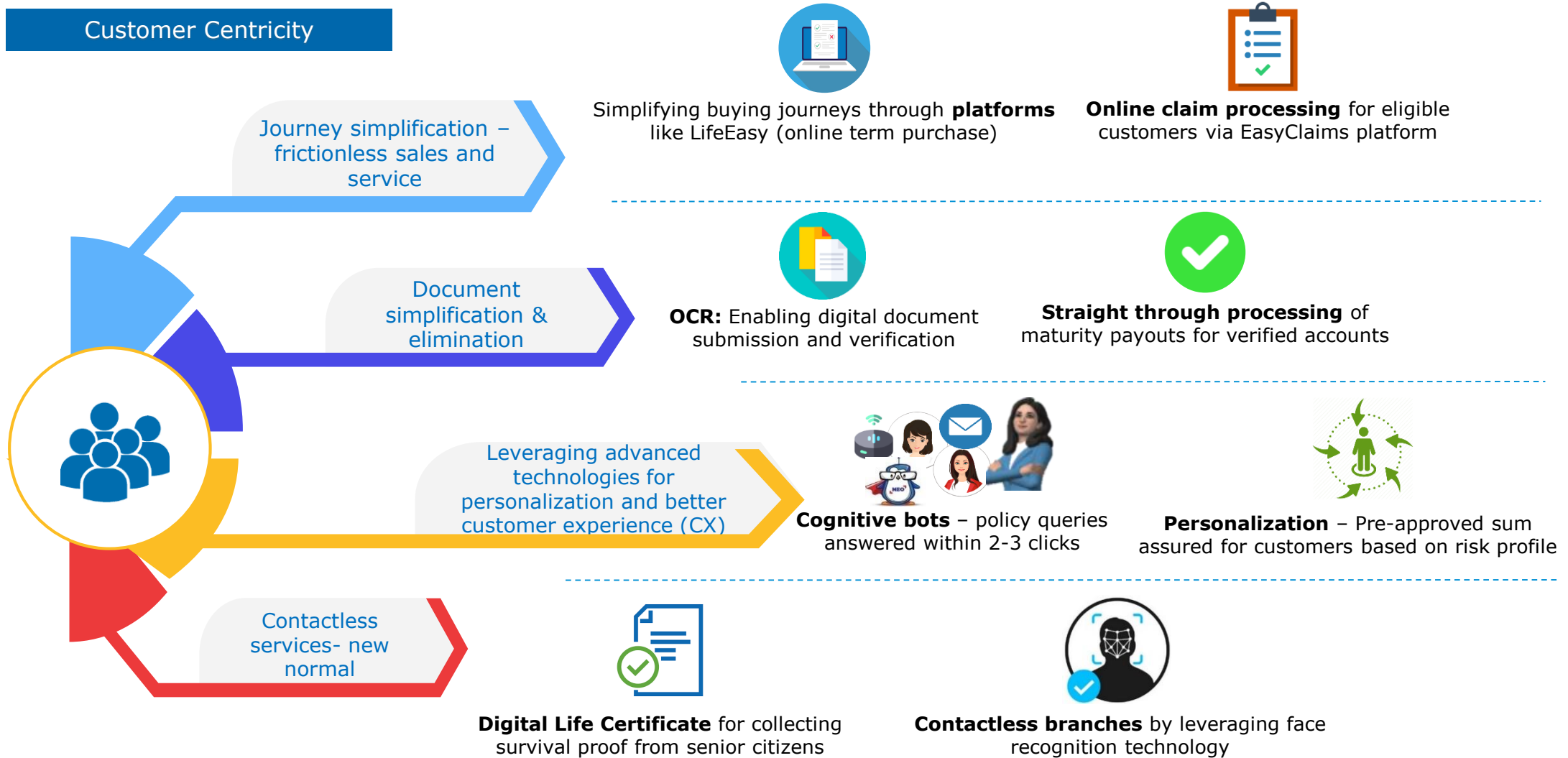
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ESG

Holistic Living: Delivering superior customer experience

Customer Centricity



Actuarial
Financial
ESG

1. OCR: Optical Character Recognition

Sustainable Operations

Energy and water



- 82% of air-conditioners with **3 or 5 star rating**
- 94% of branches use **LED based lighting** system
- Use of **sensor based** urinals and water taps
- Implementation of **switch rooms** across branches resulting in reduced air-conditioning usage
- Replacement of Uninterruptible Power Supply (UPS) with new **energy efficient devices**

De-carbonization roadmap and way forward

Key initiatives & action points for FY23:

- GHG (Greenhouse gas) inventorization
- TCFD (Task Force on Climate-Related Financial Disclosures)
- SBTi (Science Based Targets initiative)

Digitization - Reduction of Paper Usage

- Introduction of **E-business cards & ID cards**
- Online /**e-forms** for customers
- Annual report FY20 & FY21 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
- **Expansion to support solar** on schools and **water rejuvenation**

Business travel

- **40+ video conferencing rooms** setup to reduce travel



Waste management



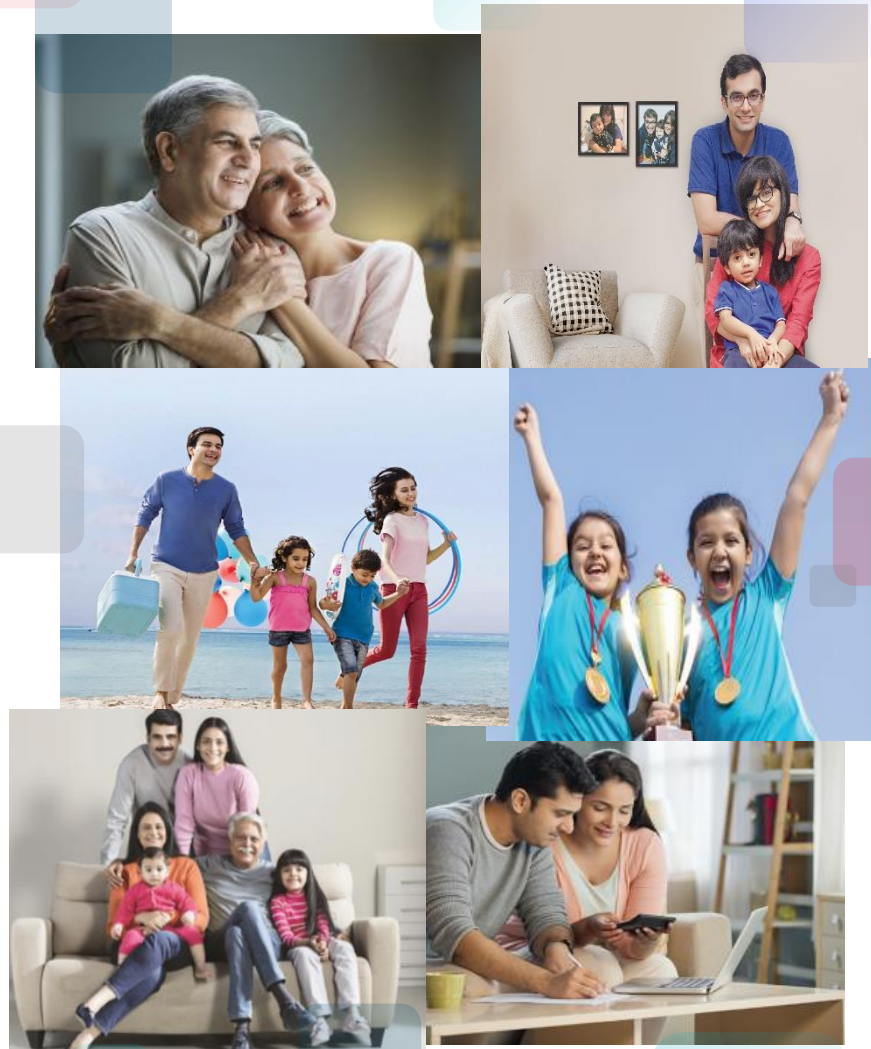
- **26 tonnes of e-waste** recycled/refurbished/disposed in FY22
- **Donated old IT assets** to help under-privileged sections of the society
- **No single-use plastics**
 - Bio-degradable garbage bags
 - Cafeteria with reusable plates, cutlery, wooden stirrers etc.
 - Procurement of plastic water bottles discontinued at Pan-India locations

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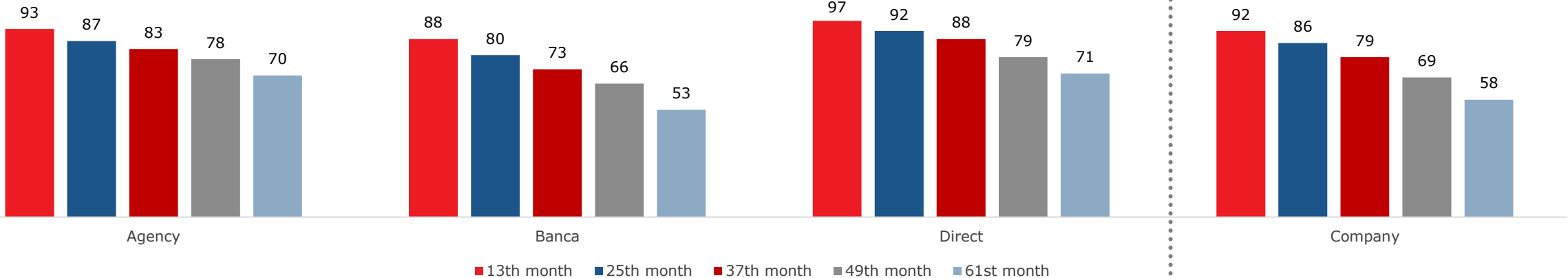
5 Our approach to ESG

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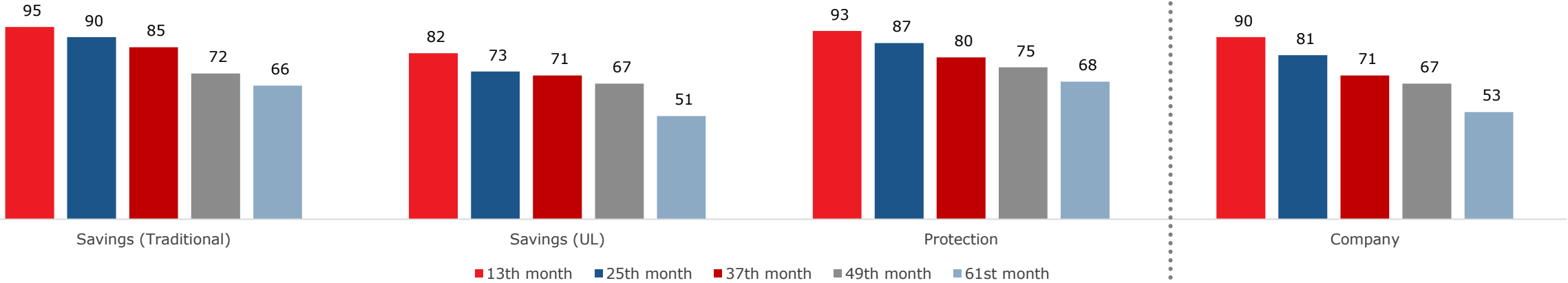
7 Life insurance in India

Improvement in overall persistency trends¹

Across key channels (%)



Across key segments (%)



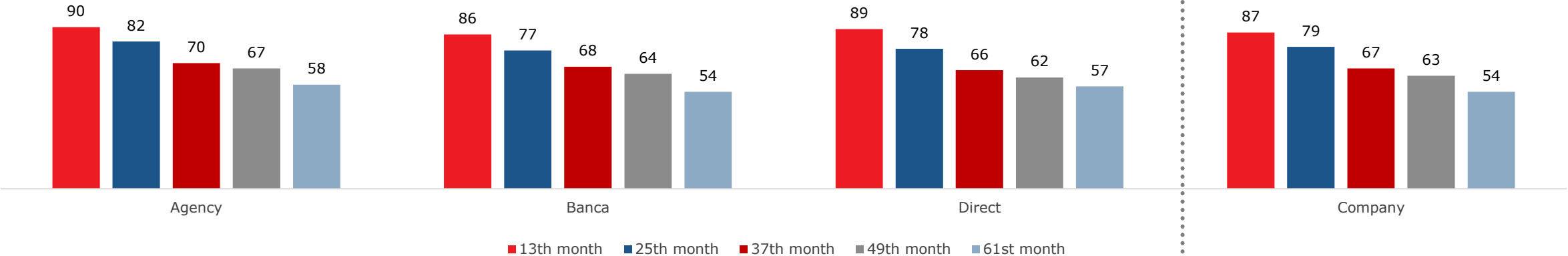
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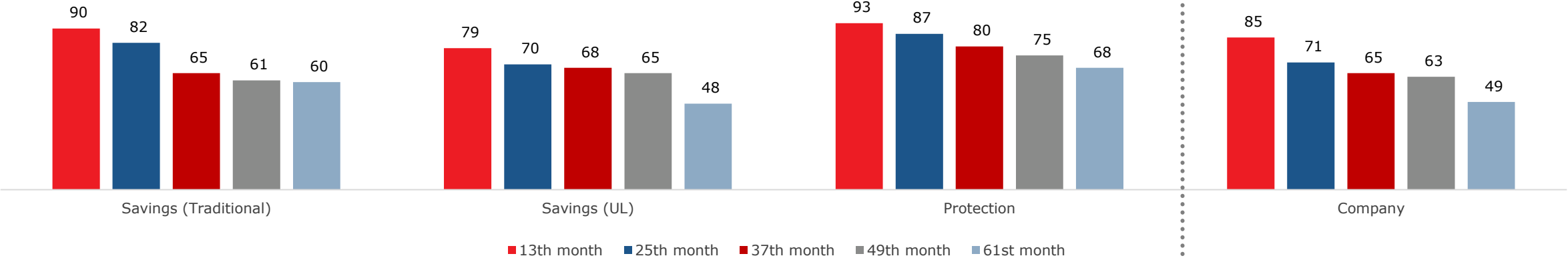
1. For individual business; Including single premium and fully paid up policies

Improvement in overall persistency trends¹

Across key channels (%)



Across key segments (%)

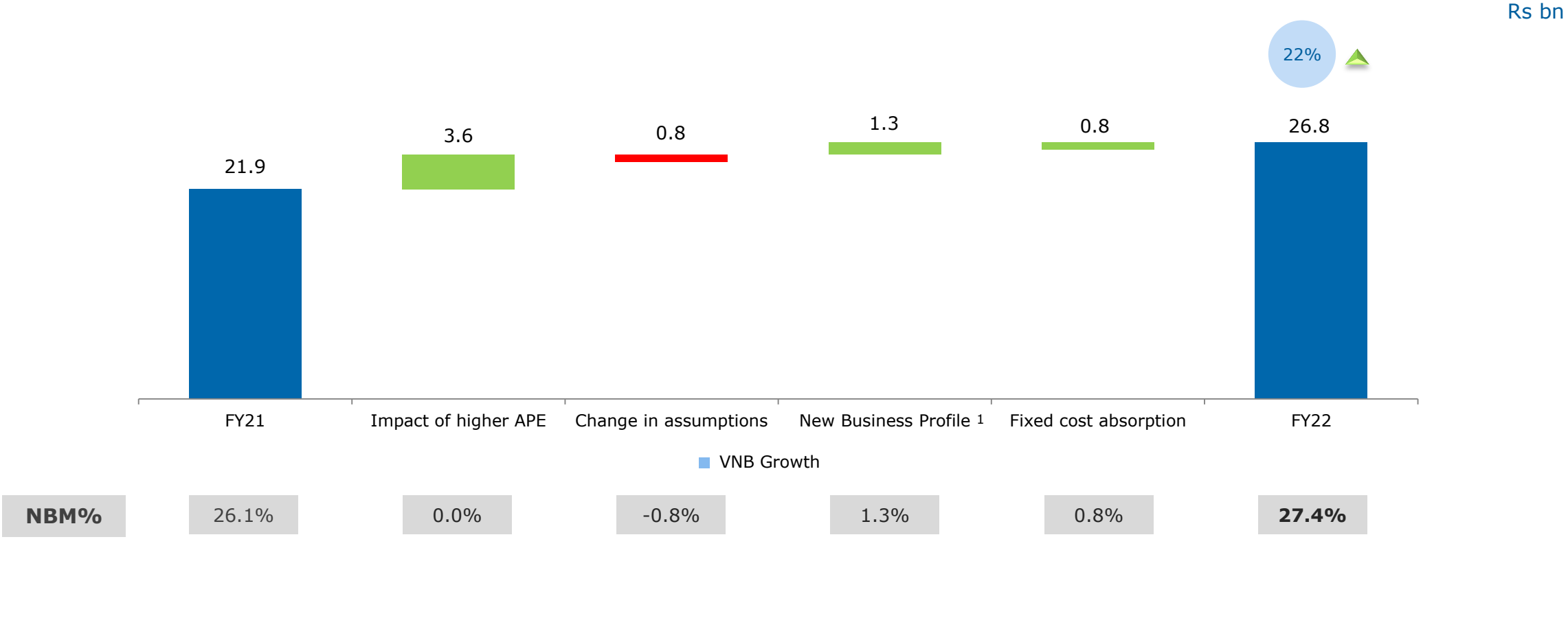


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1. For individual business; Excluding single premium and fully paid up policies

Improving VNB trajectory



1. Reflects the impact of difference in mix of segment/distribution channel/tenure/age/sum assured multiple etc

VNB – Value of New Business; NBM – New Business Margin



Sensitivity analysis – FY22

Analysis based on key metrics	Scenario	Change in VNB Margin ¹	% Change in EV
Change in			
Reference rate	Increase by 1%	-1.4%	-2.0%
	Decrease by 1%	0.8%	1.6%
Equity Market movement	Decrease by 10%	-0.1%	-1.4%
Persistency (Lapse rates)	Increase by 10%	-0.6%	-0.6%
	Decrease by 10%	0.7%	0.6%
Maintenance expenses	Increase by 10%	-0.5%	-0.8%
	Decrease by 10%	0.5%	0.8%
Acquisition Expenses	Increase by 10%	-3.4%	NA
	Decrease by 10%	3.4%	NA
Mortality / Morbidity	Increase by 5%	-1.2%	-1.0%
	Decrease by 5%	1.2%	1.0%
Tax rate²	Increased to 25%	-4.8%	-9.1%

- Actuarial
- Financial
- ESG

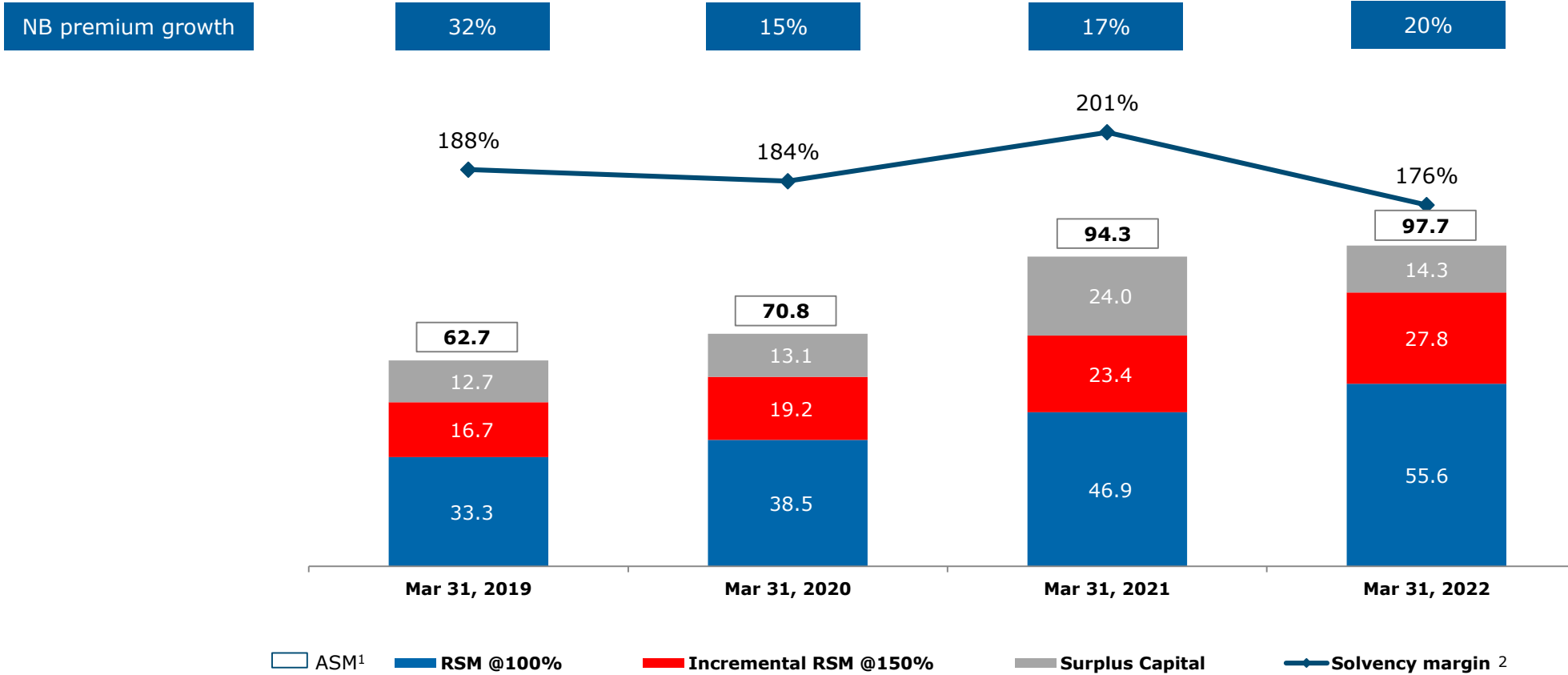
1. Post overrun total VNB for Individual and Group business

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



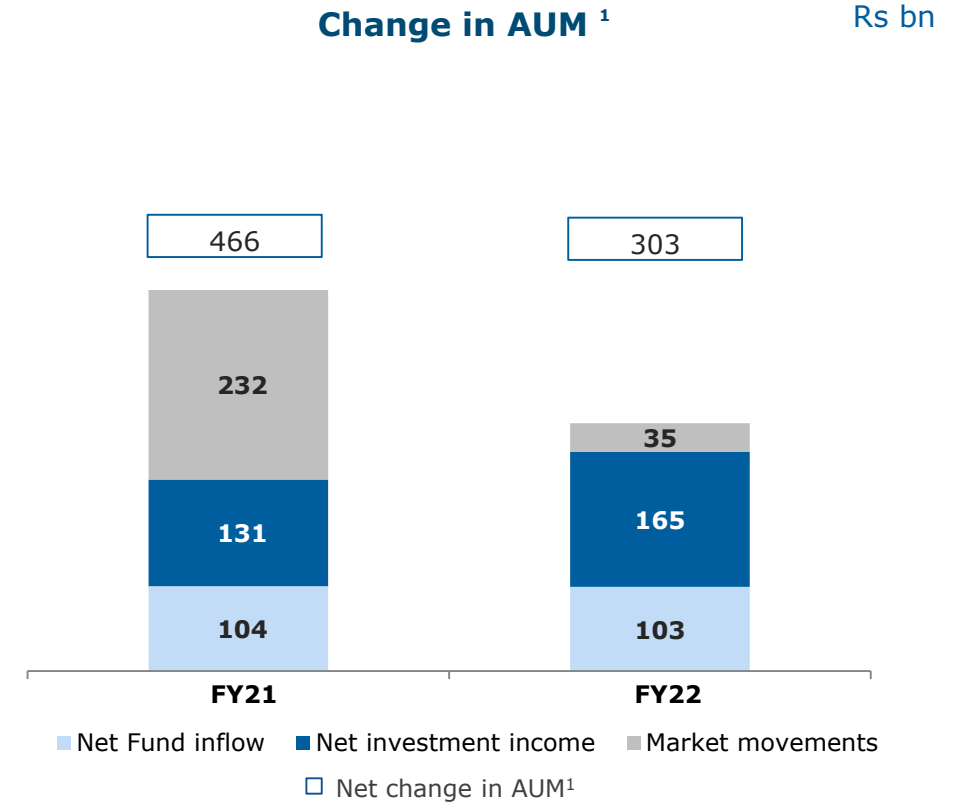
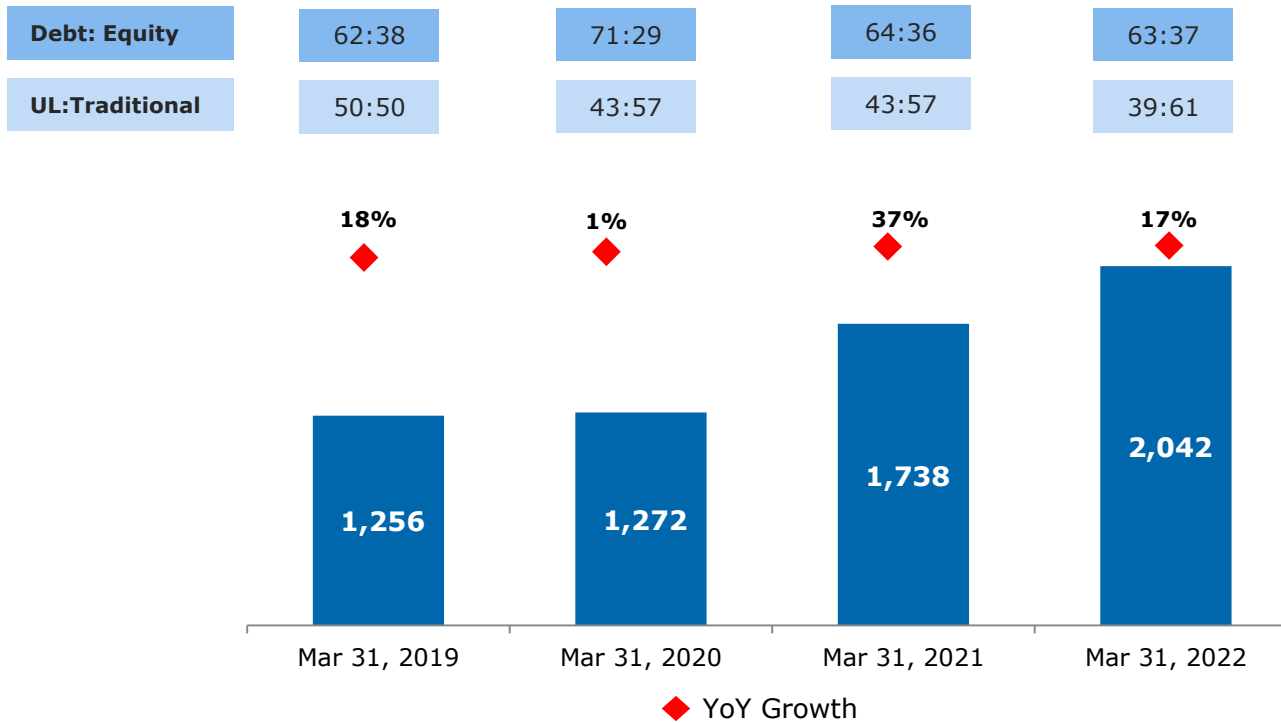
Actuarial
Financial
ESG

- Cash payout of Rs 7.3 bn for acquisition of Exide Life reduced solvency by 13%. Excluding impact of this cash payout, solvency ratio would have been 189%
- Sub debt raise of Rs 3.5 bn approved by Board, amounting to 6% of solvency

1. ASM represents Available solvency margin and RSM represents Required solvency margin
 2. Final dividend of Rs. 1.7 per share has been approved in the Board meeting on 26th April 2022; Final payout is subject to shareholders' approval in upcoming AGM and post payout, solvency ratio would be reduced to the extent of dividend paid



Assets under management



- Over 98% of debt investments in Government bonds and AAA rated securities as on March 31, 2022

Actuarial
Financial
ESG

1. Calculated as difference from April to March

Agenda

1

Performance Snapshot

2

Our Strategy

3

Customer Insights

4

Exide Life Transaction Update

5

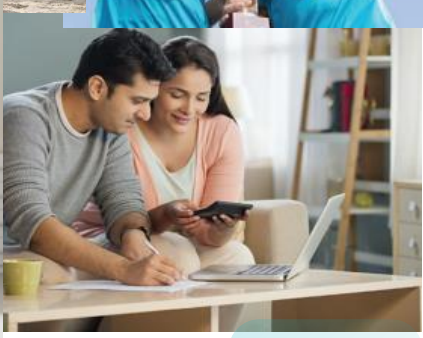
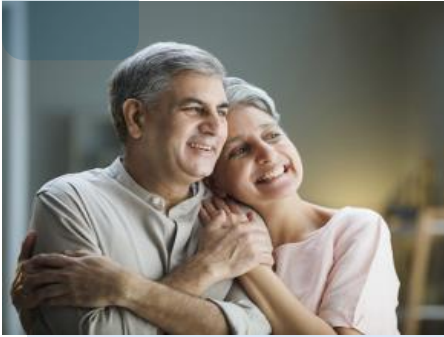
Our approach to ESG

6

Annexures

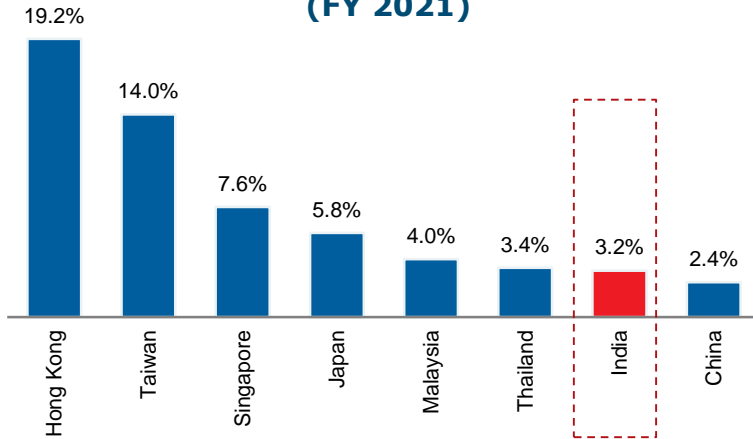
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Life insurance in India

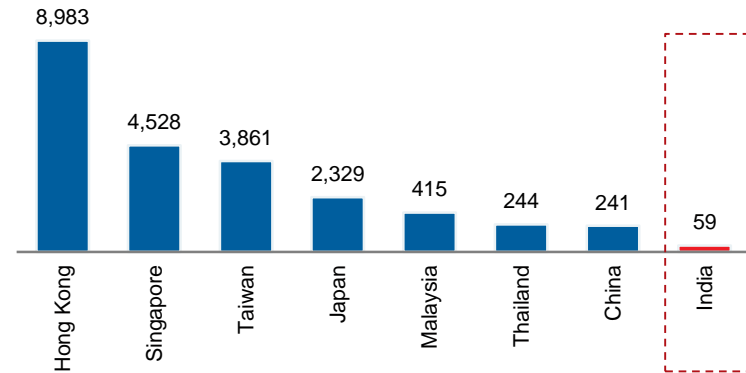


Growth opportunity: Under-penetration and favorable demographics

**Life Insurance penetration ¹
(FY 2021)**

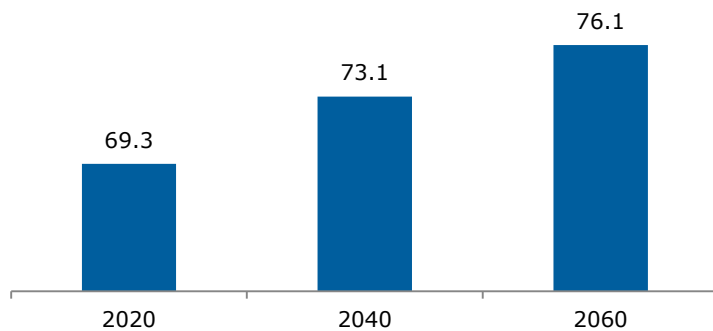


**Life Insurance density US\$ ²
(FY 2021)**

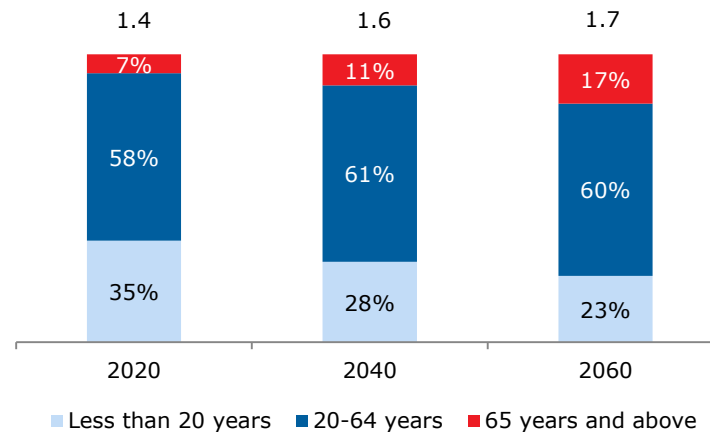


- India remains vastly under-insured, both in terms of penetration and density
- Huge opportunity to penetrate the underserved segments, with evolution of the life insurance distribution model

Life expectancy (Years)



Population composition (bn)



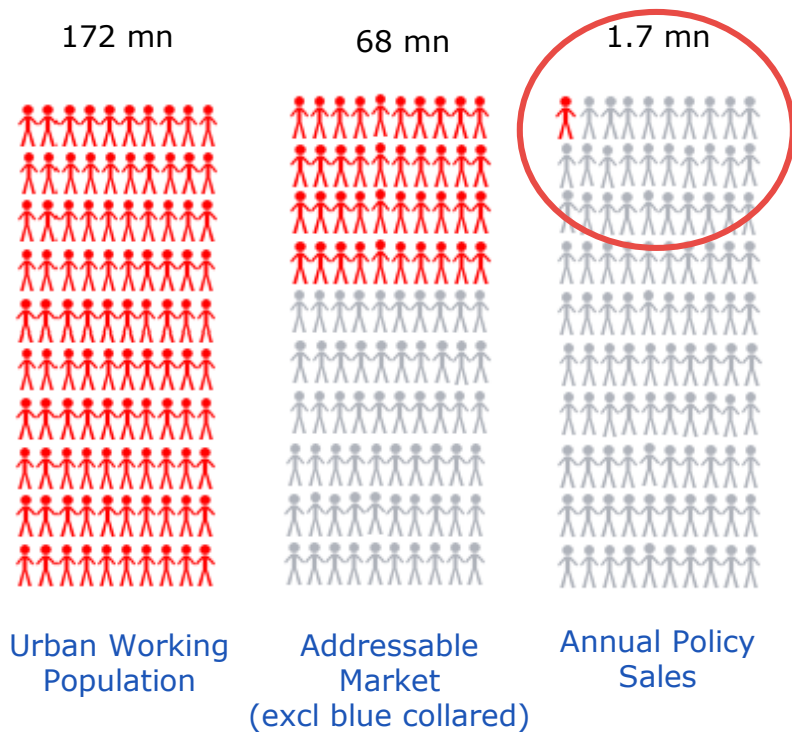
- India's insurable population estimated to be at ~1 bn by 2035
- Emergence of nuclear families and advancement in healthcare facilities lead to increase in life expectancy thus facilitating need for pension and protection based products

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

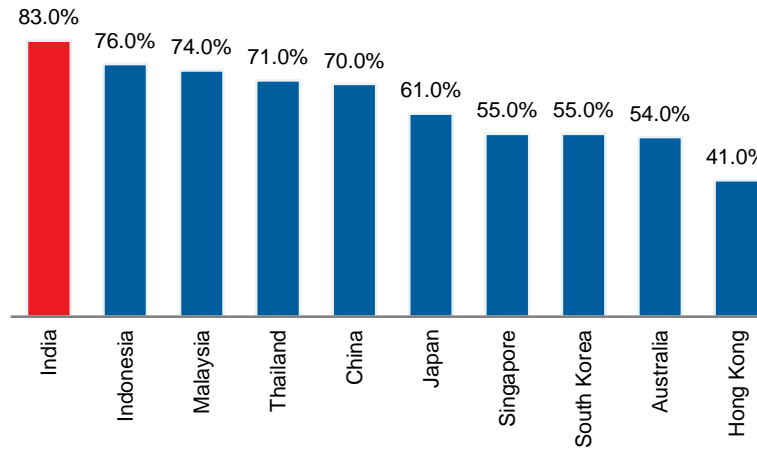
Source: Swiss Re (Based on respective financial year of the countries), MOSPI, United Nations World Populations Prospects Report (2017)

Low levels of penetration – Life protection



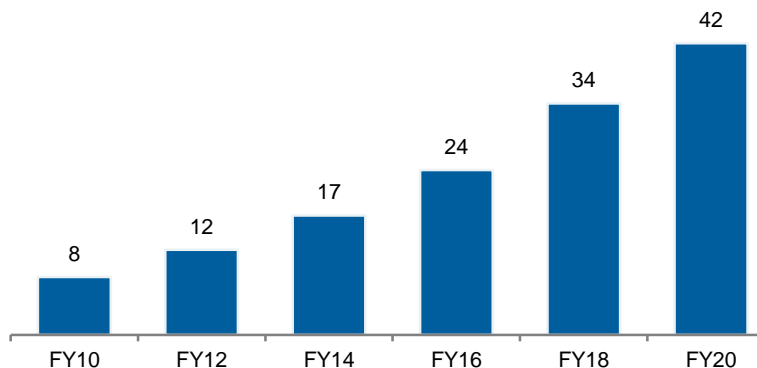
- Only 1 out of 40 people (2.5%) who can afford it, is buying a policy every year¹
- Even within the current set, Sum Assured as a multiple of Income is <1x

Protection gap ² (2019)



- 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

Trend of retail loans ³ (Rs Tn.)



- Retail credit has grown at a CAGR of 18% 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

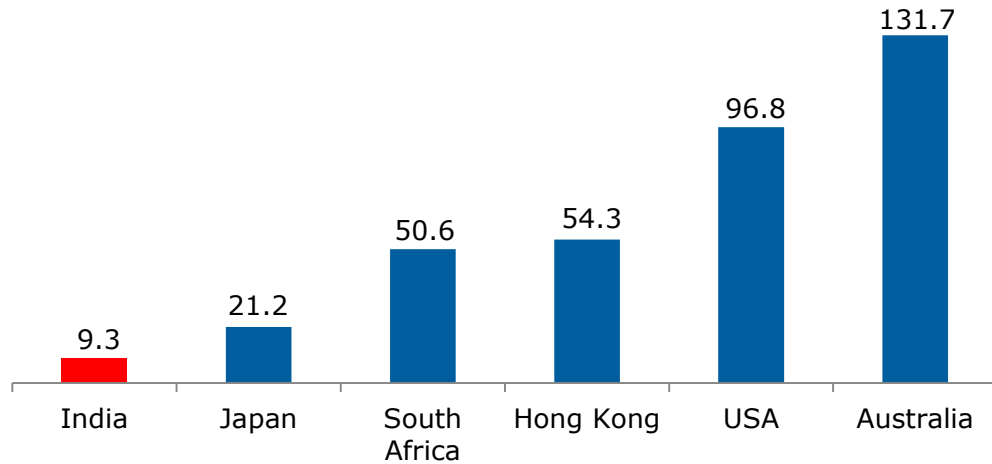
1. Goldman Sachs Report, March 2019

2. Swiss Re (Based on respective financial year of the countries)

3. Kotak institutional equities

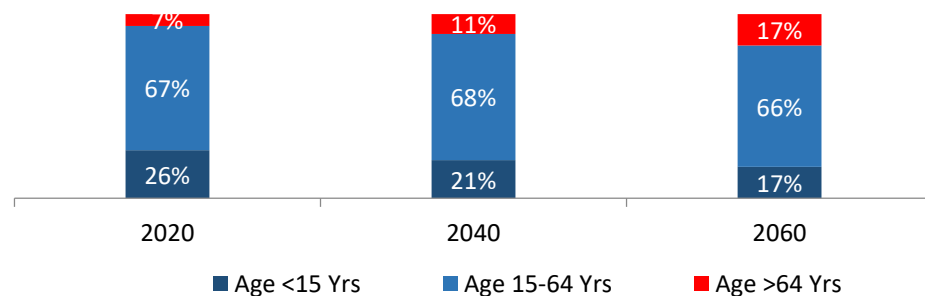
Macro opportunity – Retiral solutions

India's pension market is under-penetrated at 9.3% of GDP

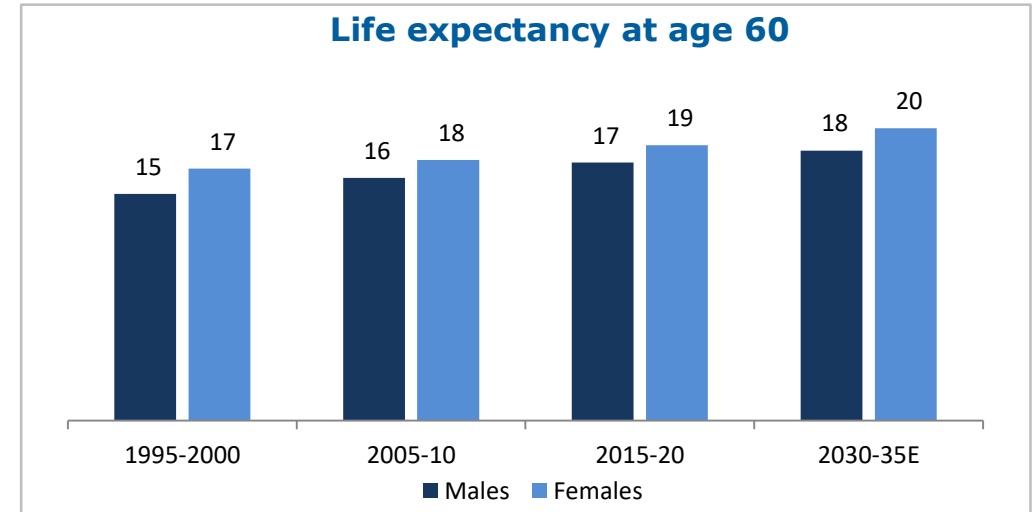


Elderly population is expected to almost triple by 2060

Ageing population



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

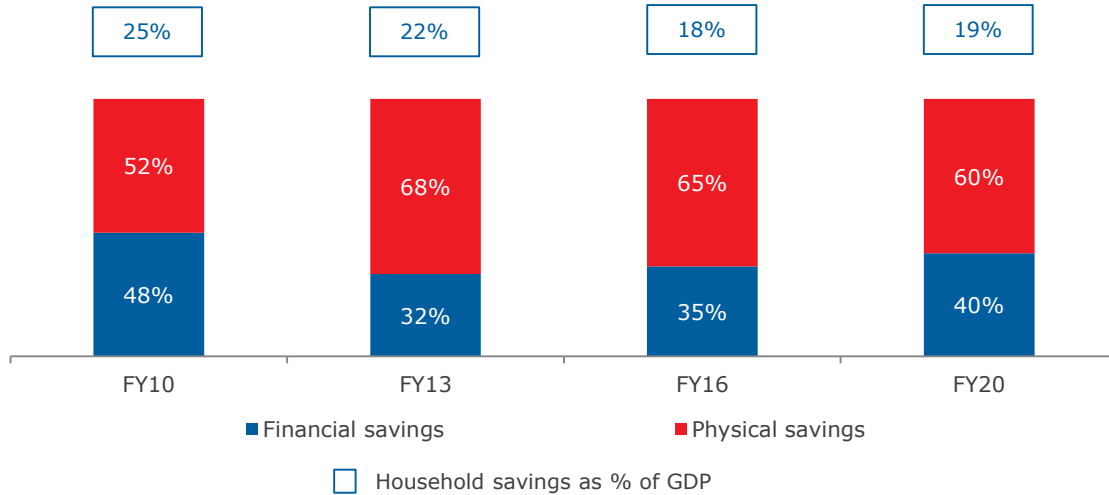


- Average household size has decreased from 4.6 in 2001 to 3.9 in 2018
- Total Pension AUM is expected to grow to Rs 118 Tn by 2030 (about 1/4th accounted by NPS)
- Mandatory schemes to increase coverage for both unorganized and organized sectors

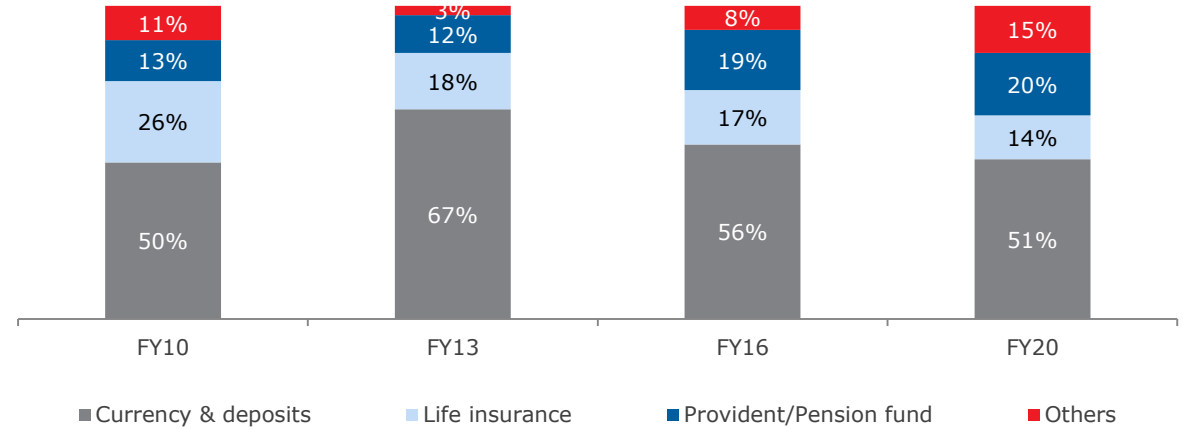


Life Insurance: A preferred savings instrument

Household savings composition

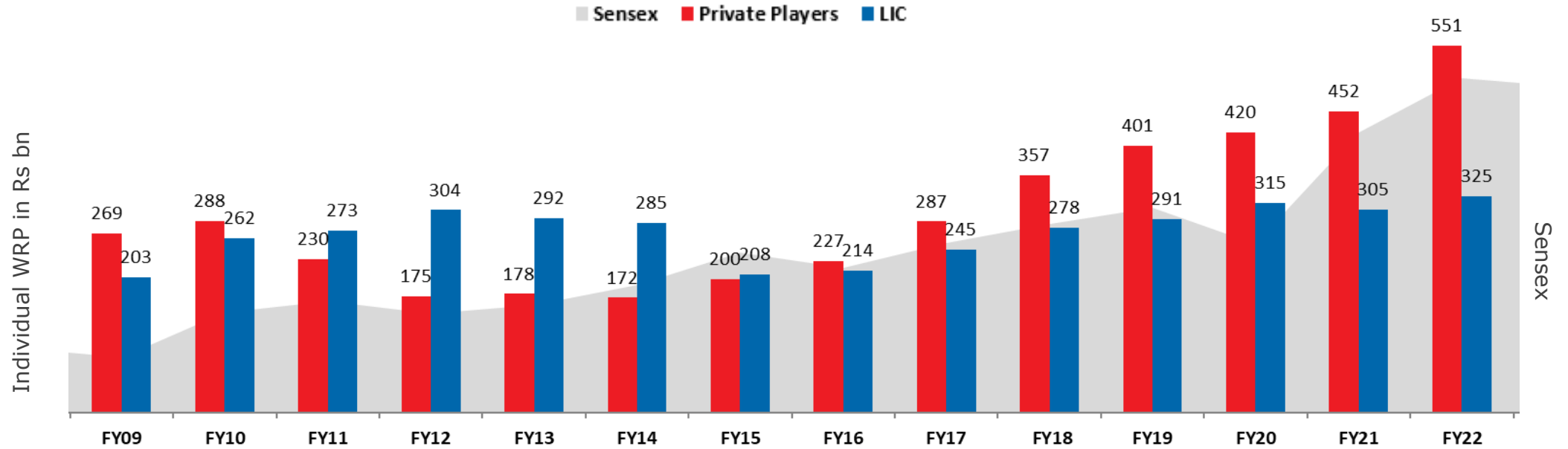


Financial savings mix



- 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 business¹ trends



Private players Market share

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Private	57%	52%	46%	37%	38%	38%	49%	52%	54%	56%	58%	57%	60%	63%
LIC	1%	7%	-20%	-24%	2%	-3%	16%	14%	26%	24%	12%	5%	8%	22%
Overall	-22%	29%	4%	11%	-4%	-2%	-27%	3%	15%	13%	5%	8%	-3%	7%
Overall	-10%	17%	-9%	-5%	-2%	-3%	-11%	8%	21%	19%	9%	6%	3%	16%

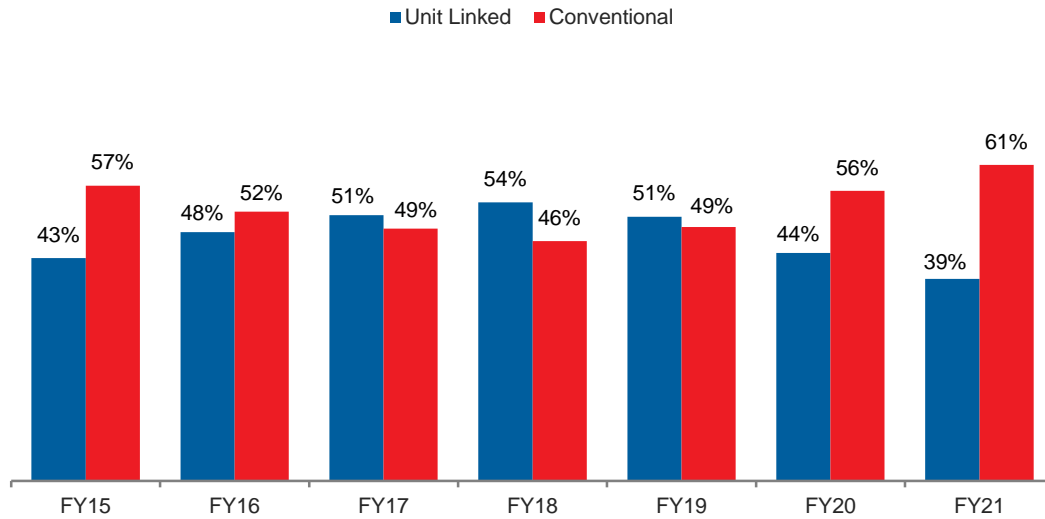
- Private sector remained at higher market share than LIC FY16 onwards
- Amongst private insurers, insurers with a strong bancassurance platform continue to gain market share

1. Based on Individual Weighted Received Premium (WRP)

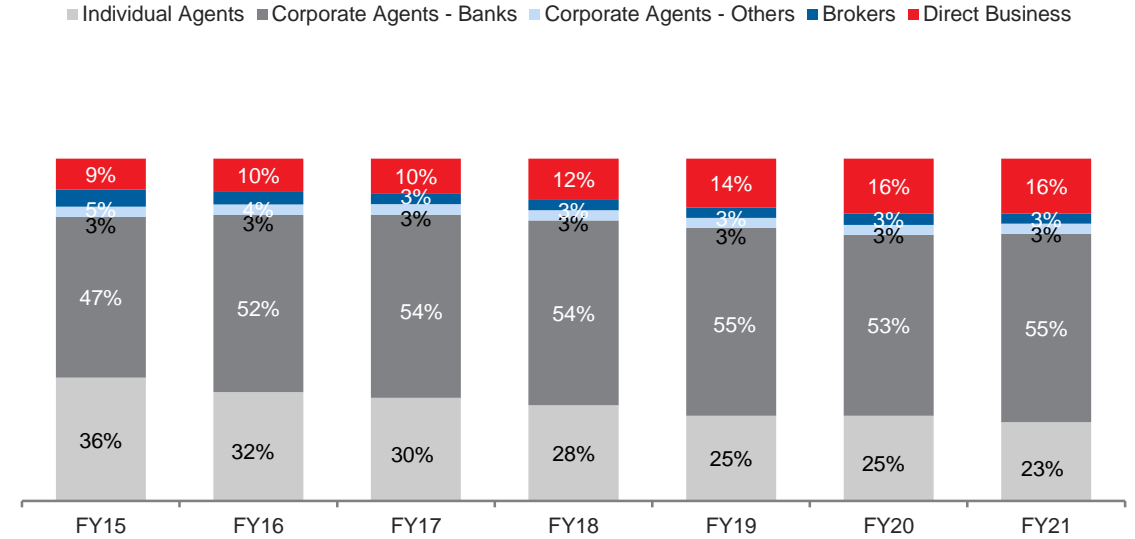
Source: IRDAI and Life Insurance Council

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);

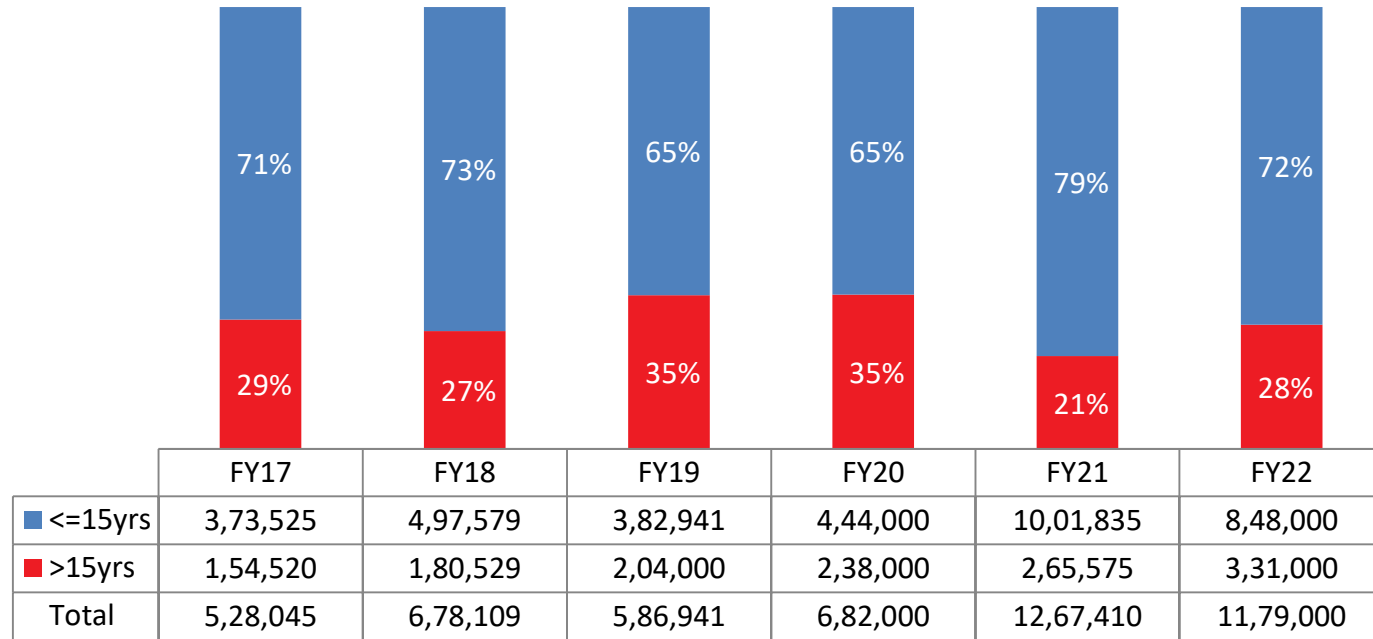
2. Based on Individual New business premia for all private players

Source: IRDAI and Life Insurance Council

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

Appendix



Financial and operational snapshot (1/2)

	FY22	FY21	Growth	FY20	FY19	CAGR	Rs bn.
<i>New Business Premium (Indl. + Group)</i>	241.5	201.1	20%	172.4	149.7	16%	
<i>Renewal Premium (Indl. +Group)</i>	218.1	184.8	18%	154.7	142.1	14%	
Total Premium	459.6	385.8	19%	327.1	291.9	15%	
Individual APE	81.7	71.2	15%	61.4	52.0	17%	
Overall APE	97.6	83.7	17%	74.1	62.6	16%	
Group Premium (NB)	125.1	100.3	25%	87.8	73.3	17%	
Profit after Tax	12.1	13.6	-11%	13.0	12.8	3%	
- <i>Policyholder Surplus</i>	4.4	7.3	-40%	10.9	9.0	-10%	
- <i>Shareholder Surplus</i>	7.7	6.3	22%	2.1	3.8	29%	
Dividend Paid	4.1	-	NA	-	4.0	NA	
Assets Under Management	2,041.7	1,738.4	17%	1,272.3	1,255.5	18%	
Indian Embedded Value ⁽¹⁾	300.5	266.2	13%	206.5	183.0	21%	
Net Worth ⁽²⁾	154.0	84.3	83%	69.9	56.6	22%	
NB (Individual and Group segment) lives insured (Mn.)	54.1	39.8	36%	61.3	51.4	-12%	
No. of Individual Policies (NB) sold (In 000s)	915.3	982.0	-7%	896.3	995.0	-1%	

1. EV before cash payout for acquisition grew by 16% in FY22

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



Financial and operational snapshot (2/2)

		FY22	FY21	FY20	FY19
Overall New Business Margins (post overrun)		27.4%	26.1%	25.9%	24.6%
Operating Return on EV	(1)	19.0%	18.5%	18.1%	20.1%
Operating Expenses / Total Premium		12.3%	12.0%	13.1%	13.1%
Total Expenses (OpEx + Commission) / Total Premium		16.5%	16.4%	17.7%	17.0%
Return on Equity	(2)	10.1%	17.6%	20.5%	24.6%
Solvency Ratio		176%	201%	184%	188%
Persistency (13M / 61M)	(3)	92%/58%	90%/53%	88%/54%	84%/51%
Market Share (%)					
- Individual WRP		14.8%	15.5%	14.2%	12.5%
- Group New Business		27.9%	27.6%	29.0%	28.4%
- Total New Business		21.0%	21.5%	21.5%	20.7%
Business Mix (%)					
- Product (UL/Non par savings/Annuity/Non par protection/Par)	(4)	26/33/5/6/30	24/31/5/7/34	28/41/4/8/19	55/15/5/7/18
- Indl Distribution (CA/Agency/Broker/Direct)	(4)	60/14/6/19	61/13/7/19	55/14/9/22	64/13/4/19
- Total Distribution (CA/Agency/Broker/Direct/Group)	(5)	24/6/2/16/52	25/6/2/17/50	23/7/3/17/51	26/7/2/16/49
- Share of protection business (Based on Indl APE)		5.6%	6.8%	7.6%	6.7%
- Share of protection business (Based on Overall APE)		13.6%	12.8%	17.2%	16.7%
- Share of protection business (Based on NBP)		24.0%	19.6%	27.6%	27.0%

1. Pre excess mortality reserve (EMR) EVOP% is 19.0%; Post accounting for EMR, EVOP% stands at 16.6%

2. Calculated using net profit and average net worth for the period (Net worth comprises of Share capital, Share premium and Accumulated profits)

3. Individual persistency ratios (based on original premium)

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

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

Revenue and Profit & Loss A/c

Revenue A/c ¹		
	FY22	FY21
Premium earned	459.6	385.8
Reinsurance ceded	(5.7)	(4.6)
Income from Investments	192.2	326.8
Other Income	1.5	1.6
Transfer from Shareholders' Account	5.7	2.6
Total Income	653.3	712.1
Commissions	19.4	17.1
Expenses	56.1	45.9
GST on UL charges	3.7	3.6
Provision for taxation	1.8	2.7
Provision for diminution in value of investments	(2.6)	(1.9)
Benefits paid	300.5	217.5
Change in valuation reserve	246.8	408.3
Bonuses Paid	17.9	7.9
Total Outgoings	643.7	701.2
Surplus	9.6	11.0
Transfer to Shareholders' Account	10.1	9.9
Funds for future appropriation - Par	(0.5)	1.1
Total Appropriations	9.6	11.0

Profit and Loss A/c ¹			Rs bn
	FY22	FY21	
Income			
Interest and dividend income	4.8	4.4	
Net profit/(loss) on sale	3.1	2.1	
Transfer from Policyholders' Account	10.1	9.9	
Other Income	-	-	
Total	18.0	16.4	
Outgoings			
Transfer to Policyholders' Account	5.7	2.6	
Expenses	0.4	0.4	
Interest on convertible debentures	0.4	0.3	
Provision for diminution in value of investments	(0.3)	(0.4)	
Provision for Taxation	(0.3)	(0.1)	
Total	5.9	2.8	
Profit for the year as per P&L Statement	12.1	13.6	

Balance sheet

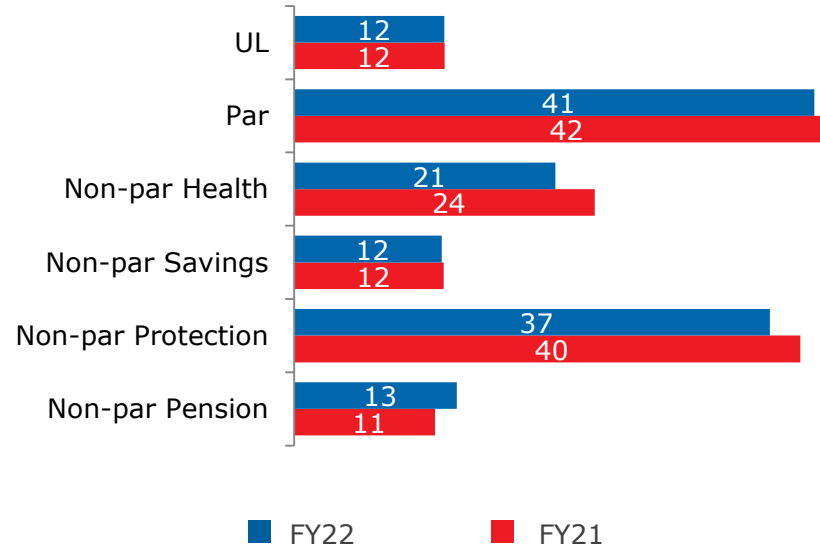
	March 31, 2022 ¹	Mar 31, 2021
Shareholders' funds		
Share capital (including Share premium)	86.7	25.0
Accumulated profits	67.3	59.3
Fair value change	0.8	2.1
Sub total	154.8	86.4
Borrowings	6.0	6.0
Policyholders' funds		
Fair value change	21.7	25.6
Policy Liabilities	1,043.4	855.2
Provision for Linked Liabilities	765.2	709.6
Funds for discontinued policies	41.0	38.0
Sub total	1,871.3	1,628.4
Funds for future appropriation (Par)	9.4	9.9
Total Source of funds	2,041.6	1,730.7
Shareholders' investment	152.4	85.4
Policyholders' investments: Non-linked	1,083.1	905.4
Policyholders' investments: Linked	806.2	747.6
Loans	6.4	4.2
Fixed assets	3.4	3.4
Net current assets	(10.0)	(15.4)
Total Application of funds	2,041.6	1,730.7

Rs bn

Segment wise average term and age¹

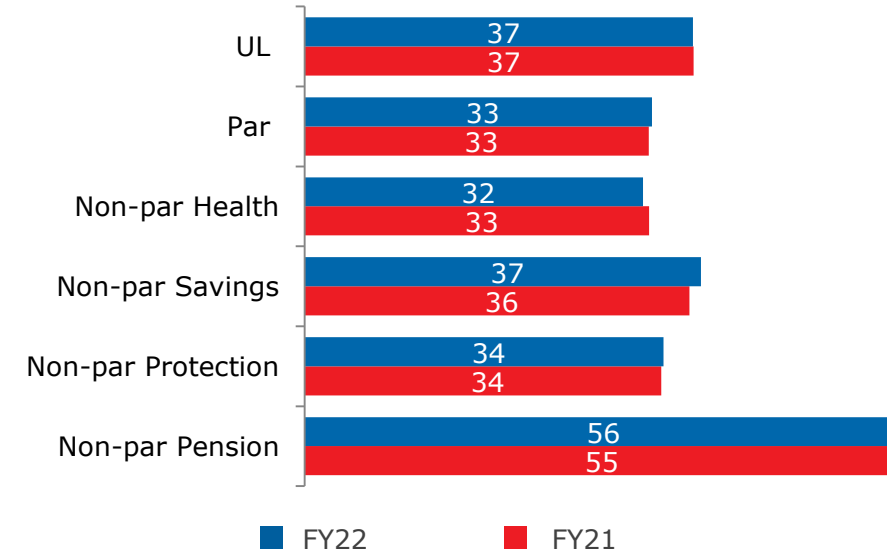
Average Policy Term excluding annuity (Yrs)

FY22: 22.6 (FY21: 24.7)



Average Customer Age excluding annuity (Yrs)

FY22: 36.4 (FY21: 35.8)



- Focus on long term insurance solutions, reflected in terms of long policy tenure
- 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 assumptions¹

Years	Forward rates %		Spot rates %	
	As at Mar 31, 2021	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2022
1	3.95	4.34	3.87	4.25
2	5.31	5.65	4.52	4.87
3	6.27	6.70	5.04	5.41
4	6.95	7.43	5.46	5.85
5	7.42	7.90	5.80	6.20
10	7.97	8.36	6.71	7.10
15	7.52	7.97	6.95	7.34
20	7.06	7.57	6.96	7.36
25	6.76	7.27	6.90	7.32
30	6.59	7.08	6.82	7.25

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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