

January 23, 2020

Ref. No. : HDFC Life/CA/2019-20/49

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

NSE Symbol: HDFCLIFE

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

BSE Security Code: 540777

Dear Sir / Madam,

Sub: Outcome of Board Meeting held on January 23, 2020

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors of HDFC Life Insurance Co. Ltd. at their meeting held today i.e. January 23, 2020, have approved the Audited Standalone and Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2019.

We are enclosing herewith the copies of:-

- (i) Audited Standalone Financial Results alongwith Auditors Report for the aforesaid period;
- (ii) Unaudited Consolidated Financial Results alongwith Limited Review Report for the aforesaid period; and
- (iii) Press Release on the financial results (including Investor Presentation)

Financial Results as stated above are also hosted on the website of the Company viz., www.hdfclife.com

The meeting of the Board of Directors of the Company commenced at 1.45 p.m. (IST) and concluded at 3.45. p.m. (IST).

Request you to take note of the above and bring this to the notice of all concerned.

Thanking you,

For HDFC Life Insurance Company Limited


Narendra Gangan
EVP, Company Secretary &
Head- Compliance & Legal

Encl.: As above

HDFC Life Insurance Company Limited (Formerly HDFC Standard Life Insurance Company Limited)

Corporate & Registered Office:

13th Floor, Lodha Excelus, Apollo Mills Compound,

N. M. Joshi Marg, Mahalaxmi, Mumbai - 400011

CIN: L65110MH2000PLC128245

+91 22 6751 6666

1860-267-9999

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DO NOT prefix any country code e.g. +91 or 00.

www.hdfclife.com



Price Waterhouse Chartered Accountants LLP

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

G. M. Kapadia & Co.

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

Auditors' Report on Standalone Financial Results for the quarter and nine months ended December 31, 2019 of HDFC Life Insurance Company Limited (formerly known as HDFC Standard Life Insurance Company Limited)

To The Board of Directors of
HDFC Life Insurance Company Limited
(formerly known as HDFC Standard Life Insurance Company Limited)

1. We have audited the accompanying standalone financial results of HDFC Life Insurance Company Limited (formerly known as HDFC Standard Life Insurance Company Limited) (the "Company") for the quarter and nine months ended December 31, 2019, being submitted by the 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 ("Standalone financial results") which have been approved by the Board of Directors on January 23, 2020.
2. These standalone financial results have been prepared on the basis of the interim condensed financial statements prepared in accordance with the measurement and recognition principles specified in paragraph 3 below, which is the responsibility of the Company's management. The management's responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation of the standalone financial results that is free from material misstatement, whether due to fraud or error.
3. Our responsibility is to express an opinion on these quarterly and nine months ended standalone financial results based on our audit of such interim condensed financial statements, which have been prepared by the Company's Management in accordance with the recognition and measurement principles laid down in Accounting Standard ("AS") 25, "Interim Financial Reporting", specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 issued thereunder, 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 quarter and nine months ended 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 Companies Act, 2013 (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.
5. In our opinion and to the best of our information and according to the explanations given to us these quarterly and nine months ended standalone financial results:
 - I) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and IRDAI IRDA Circular reference: IRDAI/F&I/REG/CIR/208/10/2016 dated 25th October 2016 in this regard; and
 - II) give a true and fair view of the net profit and other financial information for the quarter and nine months ended December 31, 2019.

Other Matter


6. The actuarial valuation of liabilities for life policies in force 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 December 31, 2019 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 interim condensed financial statements of the Company.

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


Alpa Kedia
Partner
Membership No. 100681
UDIN: 20100681AAAAAC2666

Place: Mumbai
Date: January 23, 2020

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


Rajen Ashar
Partner
Membership No. 048243
UDIN: 20048243AAAAA01126



HDFC Life Insurance Company Limited
(Formerly HDFC Standard Life Insurance Company Limited)
Statement of Standalone Audited Results for the Quarter and Nine months ended December 31, 2019

(₹ in Lakhs)

| Sr. No. | Particulars | Three Months ended / As at | | | Nine Months ended/ As at | | Year ended / As at |
|---------------------------|--|----------------------------|--------------------|-------------------|--------------------------|-------------------|--------------------|
| | | December 31, 2019 | September 30, 2019 | December 31, 2018 | December 31, 2019 | December 31, 2018 | March 31, 2019 |
| | | (Audited) | (Audited) | (Audited) | (Audited) | (Audited) | (Audited) |
| POLICYHOLDERS' A/C | | | | | | | |
| 1 | Gross premium income | | | | | | |
| | (a) First Year Premium | 154,296 | 145,272 | 125,234 | 432,227 | 327,120 | 505,811 |
| | (b) Renewal Premium | 376,563 | 356,684 | 330,898 | 994,227 | 891,987 | 1,421,457 |
| | (c) Single Premium | 269,249 | 253,567 | 240,003 | 782,753 | 666,849 | 991,334 |
| 2 | Net premium income ¹ | 785,430 | 745,368 | 689,768 | 2,175,914 | 1,867,651 | 2,892,401 |
| 3 | Income from investments (Net) ² | 373,255 | 113,512 | 238,485 | 691,905 | 527,184 | 902,749 |
| 4 | Other income | 5,304 | 4,820 | 2,775 | 13,464 | 10,231 | 17,611 |
| 5 | Transfer of funds from Shareholders' A/c | 883 | 2,113 | (678) | 2,996 | 1,084 | 30,895 |
| 6 | Total (2 to 5) | 1,164,872 | 865,813 | 930,350 | 2,884,279 | 2,406,150 | 3,843,656 |
| 7 | Commission on | | | | | | |
| | (a) First Year Premium | 25,726 | 26,793 | 17,784 | 78,364 | 50,702 | 78,394 |
| | (b) Renewal Premium | 6,048 | 6,351 | 5,553 | 15,752 | 13,392 | 21,372 |
| | (c) Single Premium | 3,421 | 3,410 | 2,892 | 9,856 | 8,320 | 12,003 |
| 8 | Net Commission³ | 35,195 | 36,554 | 26,229 | 103,972 | 72,414 | 111,769 |
| 9 | Operating Expenses related to insurance business (a+b) | | | | | | |
| | (a) Employees remuneration and welfare expenses | 41,540 | 43,090 | 33,950 | 124,028 | 103,058 | 140,822 |
| | (b) Other operating expenses ⁴ | 64,457 | 66,437 | 58,525 | 179,694 | 156,465 | 240,640 |
| 10 | Expenses of Management (8+9) | 141,192 | 146,081 | 118,704 | 407,694 | 331,937 | 493,231 |
| 11 | Provisions for doubtful debts (including bad debts written off) | - | - | - | - | - | - |
| 12 | Provisions for diminution in value of investments ⁵ | 4,957 | 5,792 | (26) | 19,158 | 7,324 | 9,056 |
| 13 | Goods & Services Tax/Service Tax charge on linked charges | 8,905 | 8,626 | 8,432 | 26,023 | 24,655 | 33,982 |
| 14 | Provision for taxes | 4,639 | (2,437) | 1,725 | 2,686 | 3,709 | 22,679 |
| 15 | Benefits Paid ³ (Net) ¹ | 580,933 | 422,347 | 299,398 | 1,369,457 | 929,898 | 1,398,891 |
| 16 | Change in actuarial liability | 399,649 | 264,108 | 479,951 | 975,723 | 1,033,118 | 1,750,746 |
| 17 | Total (10+11+12+13+14+15+16) | 1,140,275 | 844,517 | 908,184 | 2,800,741 | 2,330,641 | 3,708,585 |
| 18 | Surplus/Deficit (6-17) | 24,597 | 21,296 | 22,166 | 83,538 | 75,509 | 135,071 |
| 19 | Appropriations | | | | | | |
| | (a) Transferred to Shareholders A/c | 16,910 | 22,030 | 17,692 | 73,973 | 73,096 | 120,690 |
| | (b) Funds for Future Appropriations | 7,687 | (734) | 4,474 | 9,565 | 2,413 | 14,381 |
| 20 | Details of Surplus / Deficit | | | | | | |
| | (a) Interim bonus paid | 1,397 | 806 | 1,018 | 3,831 | 2,312 | 6,137 |
| | (b) Terminal bonus paid | 22,907 | 20,760 | 13,402 | 56,697 | 28,290 | 51,290 |
| | (c) Allocation of bonus to policyholders | - | - | - | - | - | 77,681 |
| | (d) Surplus shown in the Revenue Account | 24,597 | 21,296 | 22,166 | 83,538 | 75,509 | 135,071 |
| | Total Surplus | 48,901 | 42,862 | 36,586 | 144,066 | 106,111 | 270,179 |
| SHAREHOLDERS' A/C | | | | | | | |
| 21 | Transfer from Policyholders' Account | 16,910 | 22,030 | 17,692 | 73,973 | 73,096 | 120,690 |
| 22 | Total income under Shareholders' Account | | | | | | |
| | (a) Investment Income | 11,302 | 14,001 | 8,348 | 35,180 | 23,559 | 40,839 |
| | (b) Other income | - | - | - | - | 932 | 2,108 |
| 23 | Expenses other than those related to insurance business | 664 | 683 | 202 | 1,549 | 980 | 2,781 |
| 24 | Transfer of funds to Policyholders' Account | 883 | 2,113 | (678) | 2,996 | 1,084 | 30,895 |
| 25 | Provisions for doubtful debts (including write off) | - | - | - | - | - | - |
| 26 | Provisions for diminution in value of investments ⁴ | 304 | 558 | 868 | 1,881 | 1,062 | 973 |
| 27 | Profit before tax | 26,361 | 32,677 | 25,648 | 102,727 | 94,461 | 128,988 |
| 28 | Provision for tax | 1,337 | 1,808 | 1,085 | 4,372 | 3,183 | 1,309 |
| 29 | Profit after tax and before Extraordinary items | 25,024 | 30,869 | 24,563 | 98,355 | 91,278 | 127,679 |
| 30 | Profit after tax and Extraordinary items | 25,024 | 30,869 | 24,563 | 98,355 | 91,278 | 127,679 |
| 31 | Dividend per share (₹) (Nominal value ₹ 10 per share) | | | | | | |
| | (a) Interim Dividend | - | - | - | - | - | 1.63 |
| | (b) Final Dividend | - | - | - | - | - | - |
| 32 | Profit carried to Balance Sheet ⁵ | 425,757 | 400,733 | 330,644 | 425,757 | 330,644 | 327,403 |
| 33 | Paid up equity share capital | 201,861 | 201,767 | 201,726 | 201,861 | 201,726 | 201,738 |
| 34 | Reserve & Surplus (excluding Revaluation Reserve) | 465,008 | 437,834 | 367,207 | 465,008 | 367,207 | 364,088 |
| 35 | Fair Value Change Account and Revaluation Reserve (Shareholders) | (1,066) | (4,125) | 176 | (1,066) | 176 | (301) |
| 36 | Total Assets: | | | | | | |
| | (a) Investments: | | | | | | |
| | - Shareholders' | 604,405 | 530,350 | 480,194 | 604,405 | 480,194 | 504,979 |
| | - Policyholders Fund excluding Linked Assets | 6,559,485 | 6,264,371 | 5,319,398 | 6,559,485 | 5,319,398 | 5,712,446 |
| | - Assets held to cover Linked Liabilities (Linked Assets) | 6,481,170 | 6,306,432 | 5,970,496 | 6,481,170 | 5,970,496 | 6,337,741 |
| | (b) Other Assets (Net of current liabilities and provisions) | (85,613) | 4,143 | (34,810) | (85,613) | (34,810) | (66,876) |

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

| | | | | | | |
|-------------------------------|--------|--------|--------|--------|--------|--------|
| Advertisement and publicity | 26,562 | 27,457 | 23,243 | 73,933 | 62,834 | 98,365 |
| Business development expenses | 16,903 | 13,964 | 15,692 | 39,986 | 37,706 | 63,655 |

Foot notes :

- 1 Net of reinsurance
- 2 Net of amortisation and losses (including capital gains)
- 3 Inclusive of interim and terminal bonus
- 4 Inclusive of provision for standard and non-standard assets
- 5 Represents accumulated surplus



NMS

HDFC Life Insurance Company Limited
(Formerly HDFC Standard Life Insurance Company Limited)
Statement of Standalone Audited Results for the Quarter and Nine months ended December 31, 2019

(₹ in Lakhs)

| Particulars | Three Months ended / As at | | | Nine Months ended/ As at | | Year ended / As at |
|---|----------------------------|--------------------|-------------------|--------------------------|-------------------|--------------------|
| | December 31, 2019 | September 30, 2019 | December 31, 2018 | December 31, 2019 | December 31, 2018 | March 31, 2019 |
| | (Audited) | (Audited) | (Audited) | (Audited) | (Audited) | (Audited) |
| Analytical Ratios: | | | | | | |
| (i) Solvency Ratio | 195% | 192% | 191% | 195% | 191% | 188% |
| (ii) Expenses of Management Ratio | 17.7% | 19.3% | 17.0% | 18.5% | 17.6% | 16.9% |
| (iii) Policyholder's liabilities to shareholders' fund | 1936.2% | 1962.1% | 1947.1% | 1936.2% | 1947.1% | 2088.4% |
| (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) | 1.24 | 1.53 | 1.22 | 4.87 | 4.53 | 6.34 |
| b) Diluted EPS before and after extraordinary items (net of tax expense) for the period (not annualized for three months) | 1.24 | 1.53 | 1.22 | 4.87 | 4.52 | 6.32 |
| (v) NPA ratios: (for Policyholders' fund) | | | | | | |
| a) Gross NPAs | | | | | | |
| - Non Linked | | | | | | |
| Par | NIL | NIL | NIL | NIL | NIL | NIL |
| Non Par | NIL | NIL | NIL | NIL | NIL | NIL |
| - Linked | | | | | | |
| Non Par | 5,125.0 | 5,125.0 | NIL | 5,125.0 | NIL | 4,875.0 |
| Net NPAs | | | | | | |
| - Non Linked | | | | | | |
| Par | NIL | NIL | NIL | NIL | NIL | NIL |
| Non Par | NIL | NIL | NIL | NIL | NIL | NIL |
| - Linked | | | | | | |
| Non Par | NIL | NIL | NIL | NIL | NIL | 3,250.0 |
| b) % of Gross NPAs | | | | | | |
| - Non Linked | | | | | | |
| Par | NIL | NIL | NIL | NIL | NIL | NIL |
| Non Par | NIL | NIL | NIL | NIL | NIL | NIL |
| - Linked | | | | | | |
| Non Par | 0.1% | 0.1% | NIL | 0.1% | NIL | 0.1% |
| % of Net NPA | | | | | | |
| - Non Linked | | | | | | |
| Par | NIL | NIL | NIL | NIL | NIL | NIL |
| Non Par | NIL | NIL | NIL | NIL | NIL | NIL |
| - Linked | | | | | | |
| Non Par | NIL | NIL | NIL | NIL | NIL | 0.1% |
| (vi) Yield on Investments (on Policyholders' fund) | | | | | | |
| A. Without unrealised gains | | | | | | |
| - Non Linked | | | | | | |
| Par | 2.3% | 2.3% | 1.9% | 7.2% | 5.3% | 7.4% |
| Non Par | 2.4% | 2.2% | 2.1% | 7.0% | 6.2% | 8.4% |
| - Linked | | | | | | |
| Non Par | 1.6% | 1.6% | 1.4% | 5.0% | 5.4% | 6.6% |
| B. With unroalised gains | | | | | | |
| - Non Linked | | | | | | |
| Par | 2.7% | 1.4% | 5.4% | 8.5% | 6.3% | 9.5% |
| Non Par | 2.7% | 2.0% | 6.3% | 9.6% | 6.6% | 9.6% |
| - Linked | | | | | | |
| Non Par | 3.2% | -0.8% | 2.0% | 3.2% | 3.3% | 7.5% |
| (vii) NPA ratios: (for Shareholders' fund) | | | | | | |
| a) Gross NPAs | NIL | NIL | NIL | NIL | NIL | NIL |
| Net NPAs | NIL | NIL | NIL | NIL | NIL | NIL |
| b) % of Gross NPAs | NIL | NIL | NIL | NIL | NIL | NIL |
| % of Net NPAs | NIL | NIL | NIL | NIL | NIL | NIL |
| (viii) Yield on Investments (on Shareholders' fund) | | | | | | |
| A. Without unrealised gains | 1.9% | 2.6% | 1.7% | 6.6% | 5.4% | 9.1% |
| B. With unrealised gains | 2.3% | 1.9% | 4.1% | 7.3% | 4.5% | 7.5% |
| (ix) Persistency Ratio | | | | | | |
| 13th month | 88.8% | 89.3% | 84.2% | 89.7% | 86.4% | 87.2% |
| 25th month | 80.2% | 77.7% | 78.6% | 80.0% | 79.6% | 80.5% |
| 37th month | 71.5% | 74.5% | 68.5% | 73.4% | 71.9% | 72.0% |
| 49th month | 63.6% | 65.2% | 65.2% | 67.7% | 65.7% | 67.7% |
| 61st month | 52.6% | 54.6% | 49.1% | 54.7% | 50.1% | 52.3% |
| (x) Conservation Ratio | | | | | | |
| Participating Life- Individual & group | 87.6% | 84.2% | 82.9% | 84.6% | 86.6% | 84.4% |
| Participating Pension- Individual & group | 86.6% | 99.3% | 96.2% | 94.5% | 88.5% | 89.6% |
| Non Participating Life - Individual & group | 72.1% | 67.1% | 85.5% | 70.0% | 87.7% | 83.7% |
| Non Participating Pension - Individual & Group | 86.1% | 76.5% | 75.4% | 80.6% | 82.3% | 77.4% |
| Non Participating - Life Group Variable | NA | NA | NA | NA | NA | NA |
| Non Participating - Pension group variable | NA | NA | NA | NA | NA | NA |
| Non Participating Fund - Annuity | NA | NA | NA | NA | NA | NA |
| Non Participating Fund - Individual & Group Health | 56.7% | 73.7% | 70.4% | 64.0% | 56.9% | 57.6% |
| Unit Linked - Individual Life | 83.5% | 81.2% | 82.1% | 82.9% | 83.2% | 84.3% |
| Unit Linked - Individual Pension | 73.9% | 78.1% | 80.7% | 77.0% | 82.3% | 80.8% |
| Unit Linked - Group Life | NA | NA | NA | NA | NA | NA |
| Unit Linked - Group Pension | NA | NA | NA | NA | NA | NA |

Notes :

- Analytical ratios have been calculated as per definition given in IRDAI Analytical ratios disclosure.
- The persistency ratios are calculated in accordance with the IRDAI circular no. IRDA/ACT/CIR/MISC/035/01/2014 dated January 23, 2014 and hence are with a lag of one month.
- Group business, where persistency is measurable, has been included in the calculations. Rural business policies issued from FY 2018-19 onwards are included in persistency ratio.
- The persistency ratios for the quarter ended December 31, 2019 have been calculated for the policies issued in the September to November period of the relevant years. E.g.: the 13th month persistency for the current quarter is calculated for the policies issued from September 2018 to November 2018. The persistency ratios for quarter ended September 30, 2019 and December 31, 2018 have been calculated in a similar manner.
- The persistency ratios for the nine months ended December 31, 2019 have been calculated for the policies issued in the December to November period of the relevant years. E.g.: the 13th month persistency for the current year is calculated for the policies issued from December 2017 to November 2018. The persistency ratios for nine months ended December 31, 2018 have been calculated in a similar manner.
- The persistency ratios for the year ended March 31, 2019 have been calculated for the policies issued in the March to February period of the relevant years. E.g.: the 13th month persistency for the current year is calculated for the policies issued from March 2017 to February 2018.



4198

HDFC Life Insurance Company Limited
(Formerly HDFC Standard Life Insurance Company Limited)
Segment Reporting (Standalone) for the Quarter and Nine months ended December 31, 2019

(₹ in Lakhs)

| Sr. No. | Particulars | Three Months ended | | | Nine Months ended | | Year ended |
|---------|---|--------------------|--------------------|-------------------|-------------------|-------------------|----------------|
| | | December 31, 2019 | September 30, 2019 | December 31, 2018 | December 31, 2019 | December 31, 2018 | March 31, 2019 |
| | | (Audited) | (Audited) | (Audited) | (Audited) | (Audited) | (Audited) |
| 1 | Segment Income | | | | | | |
| A) | Policyholders : | | | | | | |
| | Segment A - Participating - Individual & Group Life : | | | | | | |
| | Net Premium | 140,673 | 130,812 | 125,635 | 364,261 | 363,378 | 561,015 |
| | Income from Investments ² | 56,908 | 59,877 | 50,607 | 177,490 | 128,524 | 182,271 |
| | Transfer of Funds from shareholders' account | - | - | - | - | - | 544 |
| | Other Income | 3,747 | 2,987 | 893 | 8,345 | 3,419 | 6,374 |
| | Segment B - Participating - Individual & Group Pension : | | | | | | |
| | Net Premium | 5,089 | 5,045 | 5,730 | 13,710 | 14,191 | 21,888 |
| | Income from Investments ² | 9,356 | 4,895 | 4,066 | 21,066 | 11,511 | 16,550 |
| | Transfer of Funds from shareholders' account | - | - | - | - | - | 3 |
| | Other Income | 59 | 44 | 36 | 149 | 90 | 190 |
| | Segment C - Non Participating - Individual & Group Life : | | | | | | |
| | Net Premium | 213,604 | 223,432 | 144,821 | 637,097 | 406,247 | 639,475 |
| | Income from Investments ² | 34,057 | 32,249 | 20,193 | 93,400 | 54,426 | 76,910 |
| | Transfer of Funds from shareholders' account | 532 | 1,846 | - | 2,378 | - | 20,013 |
| | Other Income | 394 | 725 | 156 | 1,752 | 403 | 640 |
| | Segment D - Non Participating - Life Group Variable : | | | | | | |
| | Net Premium | 26,307 | 35,026 | 22,021 | 74,165 | 73,115 | 98,642 |
| | Income from Investments ² | 5,492 | 5,481 | 4,353 | 16,235 | 11,486 | 16,124 |
| | Transfer of Funds from shareholders' account | 121 | 267 | (370) | 388 | - | - |
| | Other Income | - | - | - | - | - | - |
| | Segment E - Non Participating - Individual & Group Pension : | | | | | | |
| | Net Premium | 24,013 | 6,992 | 15,575 | 40,676 | 51,662 | 69,946 |
| | Income from Investments ² | 7,263 | 6,885 | 6,231 | 21,066 | 16,542 | 23,444 |
| | Transfer of Funds from shareholders' account | - | - | - | - | - | - |
| | Other Income | 7 | 8 | 6 | 23 | 25 | 31 |
| | Segment F - Non Participating - Pension Group Variable : | | | | | | |
| | Net Premium | 24,127 | 28,245 | 30,919 | 118,392 | 60,088 | 99,258 |
| | Income from Investments ² | 7,101 | 6,864 | 4,143 | 20,566 | 11,791 | 16,631 |
| | Transfer of Funds from shareholders' account | 230 | - | (308) | 230 | 1,084 | 1,476 |
| | Other Income | - | - | - | - | - | - |
| | Segment G - Non Participating - Annuity : | | | | | | |
| | Net Premium | 61,608 | 52,783 | 63,933 | 183,889 | 167,496 | 259,204 |
| | Income from Investments ² | 18,007 | 14,622 | 9,444 | 46,622 | 21,817 | 33,106 |
| | Transfer of Funds from shareholders' account | - | - | - | - | - | - |
| | Other Income | 24 | 19 | 24 | 70 | 79 | 121 |
| | Segment H - Non Participating - Individual & Group Health : | | | | | | |
| | Net Premium | 2,755 | 2,939 | 3,103 | 7,166 | 8,423 | 12,469 |
| | Income from Investments ² | 153 | 170 | 137 | 470 | 353 | 542 |
| | Transfer of Funds from shareholders' account | - | - | - | - | - | 1,580 |
| | Other Income | 5 | 5 | 8 | 17 | 26 | 35 |
| | Segment I - Unit Linked - Individual Life : | | | | | | |
| | Net Premium | 246,112 | 220,266 | 240,002 | 631,802 | 626,154 | 978,698 |
| | Income from Investments ² | 185,593 | (33,594) | 107,194 | 190,520 | 182,451 | 387,780 |
| | Transfer of Funds from shareholders' account | - | - | - | - | - | 7,278 |
| | Other Income | 1,063 | 1,030 | 1,649 | 3,095 | 6,176 | 10,197 |
| | Segment J - Unit Linked - Individual Pension : | | | | | | |
| | Net Premium | 15,897 | 18,404 | 21,143 | 47,954 | 61,182 | 90,938 |
| | Income from Investments ² | 29,533 | 2,654 | 11,270 | 47,243 | 52,570 | 96,176 |
| | Transfer of Funds from shareholders' account | - | - | - | - | - | - |
| | Other Income | 5 | 5 | 4 | 13 | 14 | 23 |
| | Segment K - Unit Linked - Group Life : | | | | | | |
| | Net Premium | 23,185 | 19,780 | 15,151 | 50,929 | 29,788 | 53,189 |
| | Income from Investments ² | 12,570 | 8,065 | 17,599 | 35,159 | 23,615 | 38,020 |
| | Transfer of Funds from shareholders' account | - | - | - | - | - | - |
| | Other Income | - | - | - | - | - | - |
| | Segment L - Unit Linked - Group Pension : | | | | | | |
| | Net Premium | 2,060 | 1,646 | 1,734 | 5,873 | 5,928 | 7,678 |
| | Income from Investments ² | 2,341 | 1,458 | 3,283 | 6,527 | 4,781 | 7,788 |
| | Transfer of Funds from shareholders' account | - | - | - | - | - | - |
| | Other Income | - | - | - | - | - | - |
| B) | Shareholders : | | | | | | |
| | Income from Investments ² | 10,999 | 13,442 | 7,479 | 33,299 | 22,497 | 39,866 |
| | Other Income | - | - | - | - | 932 | 2,108 |



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HDFC Life Insurance Company Limited
(Formerly HDFC Standard Life Insurance Company Limited)
Segment Reporting (Standalone) for the Quarter and Nine months ended December 31, 2019

(₹ in Lakhs)

| Sr No. | Particulars | Three Months ended / As at | | | Nine Months ended/ As at | | Year ended / As at |
|----------|--|----------------------------|--------------------|-------------------|--------------------------|-------------------|--------------------|
| | | December 31, 2019 | September 30, 2019 | December 31, 2018 | December 31, 2019 | December 31, 2018 | March 31, 2019 |
| | | (Audited) | (Audited) | (Audited) | (Audited) | (Audited) | (Audited) |
| 2 | Segment Surplus/ Deficit (net of transfer from Shareholders' A/c) : | | | | | | |
| | Segment A - Participating - Individual & Group Life | 7,928 | 113 | 3,235 | 11,291 | (1,758) | 20,971 |
| | Segment B - Participating - Individual & Group Pension | 2,459 | 1,546 | 1,239 | 5,000 | 4,171 | 7,874 |
| | Segment C - Non Participating - Individual & Group Life | (532) | (8,664) | 14,059 | (2,378) | 46,014 | 53,557 |
| | Segment D - Non Participating - Life Group Variable | (121) | (322) | 586 | (388) | 215 | 219 |
| | Segment E - Non Participating - Individual & Group Pension | 1,519 | 827 | 669 | 7,316 | 1,832 | 6,139 |
| | Segment F - Non Participating - Pension Group Variable | (628) | 160 | 308 | (229) | (1,084) | (1,476) |
| | Segment G - Non Participating - Annuity | (560) | 4,214 | (191) | 4,070 | 2,838 | 608 |
| | Segment H - Non Participating - Individual & Group Health | 2,331 | 1,830 | 1,028 | 4,620 | 1,590 | 4,283 |
| | Segment I - Unit Linked - Individual Life | 7,443 | 15,538 | (2,417) | 38,821 | 6,739 | (7,278) |
| | Segment J - Unit Linked - Individual Pension | 3,056 | 3,068 | 3,542 | 9,615 | 11,331 | 16,388 |
| | Segment K - Unit Linked - Group Life | 686 | 743 | 638 | 2,420 | 2,103 | 2,369 |
| | Segment L - Unit Linked - Group Pension | 131 | 126 | 148 | 385 | 435 | 522 |
| | Total | 23,712 | 19,179 | 22,844 | 80,543 | 74,426 | 104,176 |
| | Shareholders | 8,997 | 10,951 | 6,193 | 27,377 | 19,266 | 37,884 |
| | Grand Total | 32,709 | 30,130 | 29,037 | 107,920 | 93,692 | 142,060 |
| 3 | Segment Assets: | | | | | | |
| | Segment A - Participating - Individual & Group Life | 2,926,480 | 2,870,562 | 2,741,605 | 2,926,480 | 2,741,605 | 2,812,121 |
| | Segment B - Participating - Individual & Group Pension | 278,249 | 270,624 | 252,642 | 278,249 | 252,642 | 259,814 |
| | Segment C - Non Participating - Individual & Group Life | 1,473,731 | 1,364,986 | 979,120 | 1,473,731 | 979,120 | 1,126,013 |
| | Segment D - Non Participating - Life Group Variable | 290,462 | 283,410 | 223,538 | 290,462 | 223,538 | 244,931 |
| | Segment E - Non Participating - Individual & Group Pension | 372,911 | 346,569 | 314,455 | 372,911 | 314,455 | 334,165 |
| | Segment F - Non Participating - Pension Group Variable | 332,024 | 355,432 | 224,881 | 332,024 | 224,881 | 266,948 |
| | Segment G - Non Participating - Annuity | 690,964 | 623,450 | 402,637 | 690,964 | 402,637 | 496,723 |
| | Segment H - Non Participating - Individual & Group Health | 4,575 | 2,441 | 4,831 | 4,575 | 4,831 | 5,490 |
| | Segment I - Unit Linked - Individual Life | 5,122,255 | 4,960,873 | 4,605,739 | 5,122,255 | 4,605,739 | 4,940,365 |
| | Segment J - Unit Linked - Individual Pension | 781,018 | 801,594 | 845,050 | 781,018 | 845,050 | 847,255 |
| | Segment K - Unit Linked - Group Life | 497,996 | 487,614 | 450,700 | 497,996 | 450,700 | 466,266 |
| | Segment L - Unit Linked - Group Pension | 91,084 | 89,540 | 92,543 | 91,084 | 92,543 | 94,036 |
| | Total | 12,861,749 | 12,457,095 | 11,137,741 | 12,861,749 | 11,137,741 | 11,894,127 |
| | Shareholder | 650,617 | 600,678 | 553,940 | 650,617 | 553,940 | 555,592 |
| | Unallocated ³ | 47,080 | 47,525 | 43,597 | 47,080 | 43,597 | 38,572 |
| | Grand Total | 13,559,446 | 13,105,298 | 11,735,278 | 13,559,446 | 11,735,278 | 12,488,291 |
| 4 | Segment Policy Liabilities⁴ : | | | | | | |
| | Segment A - Participating - Individual & Group Life | 2,859,513 | 2,821,263 | 2,672,445 | 2,859,513 | 2,672,445 | 2,729,353 |
| | Segment B - Participating - Individual & Group Pension | 264,197 | 254,477 | 238,099 | 264,197 | 238,099 | 241,566 |
| | Segment C - Non Participating - Individual & Group Life | 1,467,602 | 1,359,685 | 992,933 | 1,467,602 | 992,933 | 1,123,246 |
| | Segment D - Non Participating - Life Group Variable | 288,765 | 281,845 | 223,203 | 288,765 | 223,203 | 243,562 |
| | Segment E - Non Participating - Individual & Group Pension | 372,334 | 346,248 | 314,441 | 372,334 | 314,441 | 333,887 |
| | Segment F - Non Participating - Pension Group Variable | 330,828 | 354,457 | 224,844 | 330,828 | 224,844 | 265,681 |
| | Segment G - Non Participating - Annuity | 692,702 | 624,413 | 404,524 | 692,702 | 404,524 | 498,487 |
| | Segment H - Non Participating - Individual & Group Health | 5,471 | 5,587 | 5,300 | 5,471 | 5,300 | 5,456 |
| | Segment I - Unit Linked - Individual Life | 5,144,819 | 4,963,886 | 4,617,503 | 5,144,819 | 4,617,503 | 4,962,786 |
| | Segment J - Unit Linked - Individual Pension | 781,477 | 801,594 | 845,050 | 781,477 | 845,050 | 847,255 |
| | Segment K - Unit Linked - Group Life | 498,011 | 486,471 | 451,033 | 498,011 | 451,033 | 466,196 |
| | Segment L - Unit Linked - Group Pension | 91,083 | 89,540 | 92,543 | 91,083 | 92,543 | 94,036 |
| | Total | 12,796,802 | 12,389,466 | 11,081,918 | 12,796,802 | 11,081,918 | 11,811,511 |
| | Shareholders | 665,915 | 635,524 | 569,137 | 665,915 | 569,137 | 565,564 |
| | Unallocated | - | - | - | - | - | - |
| | Grand Total | 13,462,717 | 13,024,990 | 11,651,055 | 13,462,717 | 11,651,055 | 12,377,075 |

Note:

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



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HDFC Life Insurance Company Limited
(Formerly HDFC Standard Life Insurance Company Limited)

Other disclosures :

Status of Shareholders Complaints as on December 31, 2019

| 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 December 31, 2019 | 1 |
| 3 | Investor complaints disposed of during the quarter ended December 31, 2019 | 1 |
| 4 | Investor complaints remaining unresolved as on December 31, 2019 | NIL |



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Notes:

1. The above results of the company for the quarter and period ended December 31, 2019 were reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on January 23, 2020.
2. These 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 December 31, 2019, the Company has allotted 9,34,813 equity shares of face value of ₹10 each pursuant to exercise of employee stock options.
5. Figures of the previous period have been regrouped wherever necessary, in order to make them comparable.
6. In accordance with the requirements of IRDAI Master Circular on "Preparation of Financial Statements and Filing Returns of Life Insurance Business" dated December 11, 2013, the Company will publish the financials on the company's website not later than February 14, 2020.
7. The above standalone financial results have been audited by joint statutory auditors of the Company.

For and on behalf of the Board of Directors

Vibha Padalkar

Vibha Padalkar
Managing Director & CEO
(DIN: 01682810)

Mumbai
January 23, 2020



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

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

Review Report on Consolidated Financial Results for the quarter and nine months ended month December 31, 2019 of HDFC Life Insurance Company Limited (formerly known as HDFC Standard Life Insurance Company Limited)

To The Board of Directors
HDFC Life Insurance Company Limited (formerly known as HDFC Standard Life Insurance Company Limited)

1. We have reviewed the unaudited consolidated financial results of HDFC Life Insurance Company Limited (the "Parent"), its subsidiaries (the parent and its subsidiaries hereinafter referred to as the "Group"), for the quarter and nine months ended December 31, 2019 which are included in the accompanying Consolidated Financial Results (the "Statement"). The Statement is being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, which has been initialed by us for identification purposes.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard ('AS') 25, "Interim Financial Reporting", specified under Section 133 of the Companies Act, 2013 ("the Act"), including the relevant provisions of the Insurance Act, 1938 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act") and other accounting principles generally accepted in India, to the extent considered relevant and appropriate for the purpose of quarterly and nine monthly 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"). Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:
 - a) HDFC Pension Management Company Limited, and
 - b) HDFC International Life and Re Company Limited
5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Insurance Act, IRDA Act, and other accounting principles generally accepted in India and to the extent considered relevant and appropriate for the purpose of these consolidated financial results and which are not inconsistent with the accounting principles as prescribed in the Regulations and orders/directions/circulars issued by IRDAI to the extent applicable and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. The actuarial valuation of liabilities for life policies in force is the responsibility of the Parent 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 December 31, 2019 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 Insurance Regulatory and Development Authority of India ("IRDAI") and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon the Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists, as contained in the consolidated unaudited financial results of the Group. Our conclusion is not modified in respect of this matter.
7. The consolidated unaudited financial results includes the financial results of two subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total revenue of Rs. 71,251 ('000) and Rs. 324,557 ('000) and total net profit after tax of Rs. 9,112 ('000) and Rs. 23,031 ('000) for the quarter and nine months ended December 31, 2019 respectively, as considered in the consolidated unaudited financial results. According to the information and explanations given to us by the Management, these financial results are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matter.



8. We were neither engaged to review, nor have we reviewed the comparative figures for the quarter and nine months ended December 31, 2018. Accordingly, we do not express any conclusion on the consolidated results in the Statement for the quarter and nine months ended December 31, 2018. As set out in note 7 to the Statement, these figures have been furnished by the Management.

Our conclusion on the Statement is not modified in respect of the above matter.

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

Alp Kedia

Alpa Kedia
Partner
Membership No. 100681
UDIN: 20100681AAAAAD4764

Place: Mumbai
Date: January 23, 2020

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

Rajen Ashar

Rajen Ashar
Partner
Membership No. 048243
UDIN: 20048243AAAAAR1717



HDFC Life Insurance Company Limited
(Formerly HDFC Standard Life Insurance Company Limited)

Statement of Consolidated Unaudited Results for the Quarter and nine months ended December 31, 2019

(₹ in Lakh)

| Sr. No. | Particulars | Three months ended | | | Nine Months ended | | Year ended |
|---|--|--------------------|--------------------|-------------------------------|-------------------|-------------------------------|------------------|
| | | December 31, 2019 | September 30, 2019 | December 31, 2018 | December 31, 2019 | December 31, 2018 | March 31, 2019 |
| | | (Unaudited) | (Unaudited) | (Unaudited) (refer note 7) | (Unaudited) | (Unaudited) (refer note 7) | (Audited) |
| POLICYHOLDERS' A/C | | | | | | | |
| 1 | Gross premium income | | | | | | |
| | (a) First Year Premium | 154,276 | 145,272 | 125,234 | 432,227 | 327,120 | 505,811 |
| | (b) Renewal Premium | 376,563 | 356,684 | 330,898 | 994,227 | 891,987 | 1,421,457 |
| | (c) Single Premium | 269,249 | 253,567 | 240,003 | 782,753 | 666,849 | 991,334 |
| 2 | Net premium income ¹ | 785,498 | 745,687 | 689,887 | 2,176,903 | 1,867,942 | 2,893,067 |
| 3 | Income from investments (Net) ² | 373,255 | 113,512 | 238,485 | 691,905 | 527,184 | 902,749 |
| 4 | Other income | 5,304 | 4,820 | 2,775 | 13,464 | 10,231 | 17,611 |
| 5 | Transfer of funds from Shareholders' A/c | 883 | 2,113 | (678) | 2,996 | 1,084 | 30,895 |
| 6 | Total (2 to 5) | 1,164,940 | 866,132 | 930,469 | 2,885,268 | 2,406,441 | 3,844,322 |
| 7 | Commission on | | | | | | |
| | (a) First Year Premium | 25,726 | 26,793 | 17,784 | 78,364 | 50,702 | 78,394 |
| | (b) Renewal Premium | 6,048 | 6,351 | 5,553 | 15,752 | 13,392 | 21,372 |
| | (c) Single Premium | 3,421 | 3,410 | 2,892 | 9,856 | 8,320 | 12,003 |
| 8 | Net Commission³ | 35,195 | 36,554 | 26,229 | 103,972 | 72,414 | 111,769 |
| 9 | Operating Expenses related to insurance business (a+b) | | | | | | |
| | (a) Employees remuneration and welfare expenses | 41,540 | 43,090 | 33,950 | 124,028 | 103,058 | 140,822 |
| | (b) Other operating expenses ⁴ | 64,457 | 66,437 | 58,525 | 179,694 | 156,465 | 240,640 |
| 10 | Expenses of Management (8+9) | 141,192 | 146,081 | 118,704 | 407,694 | 331,937 | 493,231 |
| 11 | Provisions for doubtful debts (including bad debts written off) | - | - | - | - | - | - |
| 12 | Provisions for diminution in value of investments ⁵ | 4,957 | 5,792 | (26) | 19,158 | 7,324 | 9,056 |
| 13 | Goods & Services Tax/Service Tax charge on linked charges | 8,905 | 8,626 | 8,432 | 26,023 | 24,655 | 33,982 |
| 14 | Provision for taxes | 4,639 | (2,437) | 1,725 | 2,686 | 3,709 | 22,679 |
| 15 | Benefits Paid ¹ (Net) | 581,119 | 422,787 | 299,406 | 1,370,248 | 929,906 | 1,398,977 |
| 16 | Change in actuarial liability | 399,649 | 264,108 | 479,951 | 975,723 | 1,033,118 | 1,750,746 |
| 17 | Total (10+11+12+13+14+15+16) | 1,140,461 | 844,957 | 908,192 | 2,801,532 | 2,330,649 | 3,708,671 |
| 18 | Surplus/Deficit (6-17) | 24,479 | 21,175 | 22,277 | 83,736 | 75,792 | 135,651 |
| 19 | Appropriations | | | | | | |
| | (a) Transferred to Shareholders A/c | 16,792 | 21,910 | 17,803 | 74,171 | 73,379 | 121,270 |
| | (b) Funds for Future Appropriations | 7,687 | (734) | 4,474 | 9,565 | 2,413 | 14,381 |
| 20 | Details of Surplus / Deficit | | | | | | |
| | (a) Interim bonus paid | 1,397 | 806 | 1,018 | 3,831 | 2,312 | 6,137 |
| | (b) Terminal bonus paid | 22,907 | 20,760 | 13,402 | 58,697 | 28,290 | 51,290 |
| | (c) Allocation of bonus to policyholders | - | - | - | - | - | 77,881 |
| | (d) Surplus shown in the Revenue Account | 24,479 | 21,175 | 22,277 | 83,736 | 75,792 | 135,651 |
| | Total Surplus | 48,783 | 42,741 | 36,697 | 144,264 | 106,394 | 270,769 |
| SHAREHOLDERS' A/C | | | | | | | |
| 21 | Transfer from Policyholders' Account | 16,792 | 21,910 | 17,803 | 74,171 | 73,379 | 121,270 |
| 22 | Net Reinsurance Premium | 401 | 600 | 361 | 1,559 | 951 | 1,853 |
| 23 | Total income under Shareholders' Account | | | | | | |
| | (a) Investment Income | 11,516 | 14,211 | 8,503 | 35,808 | 23,541 | 41,427 |
| | (b) Other income | 33 | 25 | 9 | 76 | 956 | 2,144 |
| 24 | Reinsurance Claims incurred | 281 | 701 | 222 | 1,157 | 251 | 603 |
| 25 | Expenses relating to reinsurance business & Change in reinsurance contract liabilities (net of reinsurance assets) | 67 | (117) | 441 | 771 | 1,121 | 2,032 |
| 26 | Expenses other than those related to insurance business | 761 | 785 | 280 | 1,859 | 1,201 | 3,089 |
| 27 | Transfer of funds to Policyholders' Account | 883 | 2,113 | (678) | 2,996 | 1,084 | 30,895 |
| 28 | Provisions for doubtful debts (including write off) | - | - | - | - | - | - |
| 29 | Provisions for diminution in value of investments ⁴ | 304 | 558 | 868 | 1,881 | 1,062 | 973 |
| 30 | Profit before tax | 26,446 | 32,706 | 25,543 | 102,950 | 94,508 | 129,102 |
| 31 | Provisions for tax | 1,337 | 1,808 | 1,085 | 4,372 | 3,183 | 1,309 |
| 32 | Profit after tax and before Extraordinary items | 25,109 | 30,898 | 24,458 | 98,578 | 91,325 | 127,793 |
| 33 | Profit after tax and Extraordinary items | 25,109 | 30,898 | 24,458 | 98,578 | 91,325 | 127,793 |
| 34 | Dividend per share (₹) (Nominal value ₹ 10 per share) | | | | | | |
| | (a) Interim Dividend | - | - | - | - | - | 1.63 |
| | (b) Final Dividend | - | - | - | - | - | - |
| 35 | Profit carried to Balance Sheet ⁵ | 425,177 | 400,068 | 329,773 | 425,177 | 329,773 | 326,598 |
| 36 | Paid up equity share capital | 201,861 | 201,767 | 201,726 | 201,861 | 201,726 | 201,738 |
| 37 | Reserve & Surplus (excluding Revaluation Reserve) | 464,541 | 437,095 | 366,014 | 464,541 | 366,014 | 367,784 |
| 38 | Fair Value Change Account and Revaluation Reserve (Shareholders) | (1,066) | (4,125) | 176 | (1,066) | 176 | (501) |
| 39 | Total Assets: | | | | | | |
| | (a) Investments: | | | | | | |
| | - Shareholders' | 606,159 | 530,219 | 478,797 | 606,159 | 478,797 | 503,600 |
| | - Policyholders Fund excluding Linked Assets | 6,559,485 | 6,264,371 | 5,319,398 | 6,559,485 | 5,319,398 | 5,712,446 |
| | - Assets held to cover Linked Liabilities (Linked Assets) | 6,481,170 | 6,306,432 | 5,970,496 | 6,481,170 | 5,970,496 | 6,337,741 |
| | (b) Other Assets (Net of current liabilities and provisions) | (84,667) | 6,761 | (32,659) | (84,667) | (32,659) | (64,087) |
| *Details of Expenses contributing more than 10% of the expense of management are as below - | | | | | | | |
| | Advertisement and publicity | 26,562 | 27,467 | 23,243 | 73,933 | 62,834 | 98,365 |
| | Business development expenses | 16,903 | 13,964 | 15,692 | 39,996 | 37,706 | 63,655 |

Foot notes :

- 1 Net of reinsurance
- 2 Net of amortisation and losses (including capital gains)
- 3 Inclusive of interim and terminal bonus
- 4 Inclusive of provision for standard and non-standard assets
- 5 Represents accumulated surplus



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HDFC Life Insurance Company Limited
(Formerly HDFC Standard Life Insurance Company Limited)
Statement of Analytical Ratios (Consolidated) for the Quarter and nine months ended December 31, 2019

(₹ In Lakhs)

| Particulars | Three Months ended | | | Nine Months ended | | Year ended |
|---|--------------------|--------------------|-------------------------------|-------------------|-------------------------------|----------------|
| | December 31, 2019 | September 30, 2019 | December 31, 2018 | December 31, 2019 | December 31, 2018 | March 31, 2019 |
| | (Unaudited) | (Unaudited) | (Unaudited) (refer note 7) | (Unaudited) | (Unaudited) (refer note 7) | (Audited) |
| Analytical Ratios: | | | | | | |
| (i) Solvency Ratio | 195% | 192% | 191% | 195% | 191% | 188% |
| (ii) Expenses of Management Ratio | 17.7% | 19.3% | 17.1% | 18.5% | 17.6% | 16.9% |
| (iii) Policyholder's liabilities to shareholders' fund | 1938.0% | 1964.9% | 1951.6% | 1938.0% | 1951.6% | 2093.3% |
| (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) | 1.24 | 1.53 | 1.21 | 4.89 | 4.54 | 6.34 |
| b) Diluted EPS before and after extraordinary items (net of tax expense) for the period (not annualized for three months) | 1.24 | 1.53 | 1.21 | 4.88 | 4.52 | 6.33 |
| (v) NPA ratios: (for Policyholders' fund) | | | | | | |
| a) Gross NPAs | | | | | | |
| - Non Linked | | | | | | |
| Par | NIL | NIL | NIL | NIL | NIL | NIL |
| Non Par | NIL | NIL | NIL | NIL | NIL | NIL |
| - Linked | | | | | | |
| Non Par | 5125.0 | 5125.0 | NIL | 5125.0 | 0.0 | 4875.0 |
| Net NPAs | | | | | | |
| - Non Linked | | | | | | |
| Par | NIL | NIL | NIL | NIL | NIL | NIL |
| Non Par | NIL | NIL | NIL | NIL | NIL | NIL |
| - Linked | | | | | | |
| Non Par | NIL | NIL | NIL | NIL | NIL | 3250.0 |
| b) % of Gross NPAs | | | | | | |
| - Non Linked | | | | | | |
| Par | NIL | NIL | NIL | NIL | NIL | NIL |
| Non Par | NIL | NIL | NIL | NIL | NIL | NIL |
| - Linked | | | | | | |
| Non Par | 0.1% | 0.1% | NIL | 0.1% | NIL | 0.1% |
| % of Net NPA | | | | | | |
| - Non Linked | | | | | | |
| Par | NIL | NIL | NIL | NIL | NIL | NIL |
| Non Par | NIL | NIL | NIL | NIL | NIL | NIL |
| - Linked | | | | | | |
| Non Par | NIL | NIL | NIL | NIL | NIL | 0.1% |
| (vi) Yield on Investments (on Policyholders' fund) | | | | | | |
| A. Without unrealised gains | | | | | | |
| - Non Linked | | | | | | |
| Par | 2.3% | 2.3% | 1.9% | 7.2% | 5.3% | 7.4% |
| Non Par | 2.4% | 2.2% | 2.1% | 7.0% | 6.2% | 8.4% |
| - Linked | | | | | | |
| Non Par | 1.6% | 1.6% | 1.4% | 5.0% | 5.4% | 6.6% |
| B. With unrealised gains | | | | | | |
| - Non Linked | | | | | | |
| Par | 2.7% | 1.4% | 5.4% | 8.5% | 6.3% | 9.5% |
| Non Par | 2.7% | 2.0% | 6.3% | 9.6% | 6.6% | 9.6% |
| - Linked | | | | | | |
| Non Par | 3.2% | -0.8% | 2.0% | 3.2% | 3.3% | 7.5% |
| (vii) NPA ratios: (for Shareholders' fund) | | | | | | |
| a) Gross NPAs | NIL | NIL | NIL | NIL | NIL | NIL |
| Net NPAs | NIL | NIL | NIL | NIL | NIL | NIL |
| b) % of Gross NPAs | NIL | NIL | NIL | NIL | NIL | NIL |
| % of Net NPAs | NIL | NIL | NIL | NIL | NIL | NIL |
| (viii) Yield on Investments (on Shareholders' fund) | | | | | | |
| A. Without unrealised gains | 1.9% | 2.6% | 1.7% | 6.6% | 5.4% | 9.1% |
| B. With unrealised gains | 2.3% | 1.9% | 4.1% | 7.3% | 4.5% | 7.5% |
| (ix) Persistency Ratio | | | | | | |
| 13th month | 88.8% | 89.3% | 84.2% | 89.7% | 86.4% | 87.2% |
| 25th month | 80.2% | 77.7% | 78.6% | 80.0% | 79.8% | 80.5% |
| 37th month | 71.5% | 74.5% | 68.5% | 73.4% | 71.9% | 72.0% |
| 49th month | 63.6% | 65.2% | 65.2% | 67.7% | 65.7% | 67.7% |
| 61st month | 52.6% | 54.6% | 49.1% | 54.7% | 50.1% | 52.3% |
| (x) Conservation Ratio | | | | | | |
| Participating life- Individual & group | 87.6% | 84.2% | 82.9% | 84.6% | 86.6% | 84.4% |
| Participating pension- Individual & group | 86.6% | 99.3% | 96.2% | 94.5% | 88.5% | 89.6% |
| Non Participating life - Individual & group | 72.1% | 67.1% | 85.5% | 70.0% | 87.7% | 83.7% |
| Non Participating pension - Individual & Group | 86.1% | 76.5% | 75.4% | 80.6% | 82.3% | 77.4% |
| Non Participating - Life Group Variable | NA | NA | NA | NA | NA | NA |
| Non Participating - Pension group variable | NA | NA | NA | NA | NA | NA |
| Non Participating fund - Annuity | NA | NA | NA | NA | NA | NA |
| Non Participating fund - Individual & Group Health | 56.7% | 73.7% | 70.4% | 64.0% | 56.9% | 57.6% |
| Unit Linked - Individual life | 83.5% | 81.2% | 82.1% | 82.9% | 83.2% | 84.3% |
| Unit Linked - Individual pension | 73.9% | 78.1% | 80.7% | 77.0% | 82.3% | 80.8% |
| Unit Linked - Group life | NA | NA | NA | NA | NA | NA |
| Unit Linked - Group pension | NA | NA | NA | NA | NA | NA |

Notes:

- Analytical ratios have been calculated as per definition given in IRDAI Analytical ratios disclosure.
- The persistency ratios are calculated in accordance with the IRDAI circular no. IRDA/ACT/CIR/MISC/035/01/2014 dated January 23, 2014 and hence are with a lag of one month.
- Group business, where persistency is measurable, has been included in the calculations. Rural business policies issued from FY 2018-19 onwards are included in persistency ratio calculations.
- The persistency ratios for the quarter ended December 31, 2019 have been calculated for the policies issued in the September to November period of the relevant years. E.g.: the 13th month persistency for the current quarter is calculated for the policies issued from September 2018 to November 2018. The persistency ratios for quarter ended September 30, 2019 and December 31, 2018 have been calculated in a similar manner.
- The persistency ratios for the nine months ended December 31, 2019 have been calculated for the policies issued in the December to November period of the relevant years. E.g.: the 13th month persistency for the current year is calculated for the policies issued from December 2017 to November 2018. The persistency ratios for nine months ended December 31, 2018 have been calculated in a similar manner.
- The persistency ratios for the year ended March 31, 2019 have been calculated for the policies issued in the March to February period of the relevant years. E.g.: the 13th month persistency for the current year is calculated for the policies issued from March 2017 to February 2018.



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HDFC Life Insurance Company Limited
(Formerly HDFC Standard Life Insurance Company Limited)
Segment Reporting (Consolidated) for the Quarter and nine months ended December 31, 2019

(₹ in Lakhs)

| Sr. No. | Particulars | Three Months ended | | | Nine Months ended | | Year ended |
|---------|---|--------------------|--------------------|----------------------------|-------------------|----------------------------|----------------|
| | | December 31, 2019 | September 30, 2019 | December 31, 2018 | December 31, 2019 | December 31, 2018 | March 31, 2019 |
| | | (Unaudited) | (Unaudited) | (Unaudited) (refer note 7) | (Unaudited) | (Unaudited) (refer note 7) | (Audited) |
| 1 | Segment Income | | | | | | |
| A) | Policyholders : | | | | | | |
| | Segment A - Participating - Individual & Group Life : | | | | | | |
| | Net Premium | 140,673 | 130,812 | 125,635 | 364,261 | 363,378 | 561,015 |
| | Income from Investments ² | 56,908 | 59,877 | 50,607 | 177,490 | 128,524 | 182,271 |
| | Transfer of Funds from shareholders' account | - | - | - | - | - | 544 |
| | Other Income | 3,747 | 2,987 | 893 | 8,345 | 3,419 | 6,374 |
| | Segment B - Participating - Individual & Group Pension : | | | | | | |
| | Net Premium | 5,089 | 5,045 | 5,730 | 13,710 | 14,191 | 21,888 |
| | Income from Investments ² | 9,356 | 4,895 | 4,066 | 21,066 | 11,511 | 16,550 |
| | Transfer of Funds from shareholders' account | - | - | - | - | - | 3 |
| | Other Income | 59 | 44 | 36 | 149 | 90 | 190 |
| | Segment C - Non Participating - Individual & Group Life : | | | | | | |
| | Net Premium | 213,671 | 223,752 | 144,940 | 638,087 | 406,537 | 640,141 |
| | Income from Investments ² | 34,057 | 32,249 | 20,193 | 93,400 | 54,426 | 76,910 |
| | Transfer of Funds from shareholders' account | 532 | 1,846 | - | 2,378 | - | 20,013 |
| | Other Income | 394 | 725 | 156 | 1,752 | 403 | 640 |
| | Segment D - Non Participating - Life Group Variable : | | | | | | |
| | Net Premium | 26,307 | 35,027 | 22,021 | 74,165 | 73,115 | 98,642 |
| | Income from Investments ² | 5,492 | 5,481 | 4,353 | 16,235 | 11,486 | 16,124 |
| | Transfer of Funds from shareholders' account | 121 | 267 | (370) | 388 | - | - |
| | Other Income | - | - | - | - | - | - |
| | Segment E - Non Participating - Individual & Group Pension : | | | | | | |
| | Net Premium | 24,013 | 6,992 | 15,575 | 40,676 | 51,662 | 69,946 |
| | Income from Investments ² | 7,263 | 6,885 | 6,231 | 21,066 | 16,542 | 23,444 |
| | Transfer of Funds from shareholders' account | - | - | - | - | - | - |
| | Other Income | 7 | 8 | 6 | 23 | 25 | 31 |
| | Segment F - Non Participating - Pension Group Variable : | | | | | | |
| | Net Premium | 24,127 | 28,245 | 30,919 | 118,392 | 60,088 | 99,258 |
| | Income from Investments ² | 7,101 | 6,864 | 4,143 | 20,566 | 11,791 | 16,631 |
| | Transfer of Funds from shareholders' account | 230 | - | (308) | 230 | 1,084 | 1,476 |
| | Other Income | - | - | - | - | - | - |
| | Segment G - Non Participating - Annuity : | | | | | | |
| | Net Premium | 61,608 | 52,783 | 63,933 | 183,889 | 167,496 | 259,204 |
| | Income from Investments ² | 18,007 | 14,622 | 9,444 | 46,622 | 21,817 | 33,106 |
| | Transfer of Funds from shareholders' account | - | - | - | - | - | - |
| | Other Income | 24 | 19 | 24 | 70 | 79 | 121 |
| | Segment H - Non Participating - Individual & Group Health : | | | | | | |
| | Net Premium | 2,755 | 2,939 | 3,103 | 7,166 | 8,423 | 12,469 |
| | Income from Investments ² | 153 | 170 | 137 | 470 | 353 | 542 |
| | Transfer of Funds from shareholders' account | - | - | - | - | - | 1,580 |
| | Other Income | 5 | 5 | 8 | 17 | 26 | 35 |
| | Segment I - Unit Linked - Individual Life : | | | | | | |
| | Net Premium | 246,112 | 220,266 | 240,002 | 631,802 | 626,154 | 978,698 |
| | Income from Investments ² | 185,593 | (33,594) | 107,194 | 190,520 | 182,451 | 387,780 |
| | Transfer of Funds from shareholders' account | - | - | - | - | - | 7,278 |
| | Other Income | 1,063 | 1,030 | 1,649 | 3,095 | 6,176 | 10,197 |
| | Segment J - Unit Linked - Individual Pension : | | | | | | |
| | Net Premium | 15,897 | 18,404 | 21,143 | 47,954 | 61,182 | 90,938 |
| | Income from Investments ² | 29,533 | 2,654 | 11,270 | 47,243 | 52,570 | 96,176 |
| | Transfer of Funds from shareholders' account | - | - | - | - | - | - |
| | Other Income | 5 | 5 | 4 | 13 | 14 | 23 |
| | Segment K - Unit Linked - Group Life : | | | | | | |
| | Net Premium | 23,185 | 19,780 | 15,151 | 50,929 | 29,788 | 53,189 |
| | Income from Investments ² | 12,570 | 8,065 | 17,599 | 35,159 | 23,615 | 38,020 |
| | Transfer of Funds from shareholders' account | - | - | - | - | - | - |
| | Other Income | - | - | - | - | - | - |
| | Segment L - Unit Linked - Group Pension : | | | | | | |
| | Net Premium | 2,060 | 1,646 | 1,734 | 5,873 | 5,928 | 7,678 |
| | Income from Investments ² | 2,341 | 1,458 | 3,283 | 6,527 | 4,781 | 7,788 |
| | Transfer of Funds from shareholders' account | - | - | - | - | - | - |
| | Other Income | - | - | - | - | - | - |
| B) | Shareholders : | | | | | | |
| | Income from Investments ² | 11,212 | 13,653 | 7,635 | 33,926 | 22,879 | 40,454 |
| | Other Income | 33 | 25 | 9 | 76 | 956 | 2,144 |



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HDFC Life Insurance Company Limited
(Formerly HDFC Standard Life Insurance Company Limited)
Segment Reporting (Consolidated) for the Quarter and nine months ended December 31, 2019

(₹ in Lakhs)

| Sr No. | Particulars | Three Months ended / As at | | | Six Months ended / As at | | Year ended / |
|----------|--|----------------------------|--------------------|----------------------------|--------------------------|----------------------------|-------------------|
| | | December 31, 2019 | September 30, 2019 | December 31, 2018 | December 31, 2019 | December 31, 2018 | March 31, 2019 |
| | | (Unaudited) | (Unaudited) | (Unaudited) (refer note 7) | (Unaudited) | (Unaudited) (refer note 7) | (Audited) |
| 2 | Segment Surplus/ Deficit (net of transfer from shareholders' A/c) : | | | | | | |
| | Segment A - Participating - Individual & Group Life | 7,928 | 113 | 3,235 | 11,291 | (1,758) | 20,971 |
| | Segment B - Participating - Individual & Group Pension | 2,459 | 1,546 | 1,239 | 5,000 | 4,171 | 7,874 |
| | Segment C - Non Participating - Individual & Group Life | (650) | (8,784) | 14,170 | (2,180) | 46,297 | 54,137 |
| | Segment D - Non Participating - Life Group Variable | (121) | (322) | 586 | (388) | 215 | 219 |
| | Segment E - Non Participating - Individual & Group Pension | 1,519 | 827 | 669 | 7,316 | 1,832 | 6,139 |
| | Segment F - Non Participating - Pension Group Variable | (628) | 160 | 308 | (229) | (1,084) | (1,476) |
| | Segment G - Non Participating - Annuity | (560) | 4,214 | (191) | 4,070 | 2,838 | 608 |
| | Segment H - Non Participating - Individual & Group Health | 2,331 | 1,830 | 1,028 | 4,620 | 1,590 | 4,283 |
| | Segment I - Unit Linked - Individual Life | 7,443 | 15,538 | (2,417) | 38,821 | 6,739 | (7,278) |
| | Segment J - Unit Linked - Individual Pension | 3,056 | 3,068 | 3,542 | 9,615 | 11,331 | 16,388 |
| | Segment K - Unit Linked - Group Life | 686 | 743 | 638 | 2,420 | 2,103 | 2,369 |
| | Segment L - Unit Linked - Group Pension | 131 | 126 | 148 | 385 | 435 | 522 |
| | Total | 23,594 | 19,059 | 22,955 | 80,741 | 74,709 | 104,756 |
| | Shareholders | 9,199 | 11,101 | 5,977 | 27,403 | 19,030 | 37,418 |
| | Grand Total | 32,793 | 30,160 | 28,932 | 108,144 | 93,739 | 142,174 |
| 3 | Segment Assets: | | | | | | |
| | Segment A - Participating - Individual & Group Life | 2,926,480 | 2,870,562 | 2,741,605 | 2,926,480 | 2,741,605 | 2,812,121 |
| | Segment B - Participating - Individual & Group Pension | 278,249 | 270,624 | 252,642 | 278,249 | 252,642 | 259,814 |
| | Segment C - Non Participating - Individual & Group Life | 1,473,552 | 1,385,920 | 979,403 | 1,473,552 | 979,403 | 1,126,593 |
| | Segment D - Non Participating - Life Group Variable | 290,462 | 283,410 | 223,538 | 290,462 | 223,538 | 244,931 |
| | Segment E - Non Participating - Individual & Group Pension | 372,911 | 346,569 | 314,455 | 372,911 | 314,455 | 334,165 |
| | Segment F - Non Participating - Pension Group Variable | 332,024 | 355,432 | 224,881 | 332,024 | 224,881 | 266,948 |
| | Segment G - Non Participating - Annuity | 690,964 | 623,450 | 402,637 | 690,964 | 402,637 | 496,723 |
| | Segment H - Non Participating - Individual & Group Health | 4,575 | 2,441 | 4,831 | 4,575 | 4,831 | 5,490 |
| | Segment I - Unit Linked - Individual Life | 5,122,255 | 4,960,873 | 4,605,739 | 5,122,255 | 4,605,739 | 4,940,365 |
| | Segment J - Unit Linked - Individual Pension | 781,018 | 801,594 | 845,050 | 781,018 | 845,050 | 847,255 |
| | Segment K - Unit Linked - Group Life | 497,996 | 487,614 | 450,700 | 497,996 | 450,700 | 466,266 |
| | Segment L - Unit Linked - Group Pension | 91,084 | 89,540 | 92,543 | 91,084 | 92,543 | 94,036 |
| | Total | 12,861,570 | 12,458,029 | 11,138,024 | 12,861,570 | 11,138,024 | 11,894,707 |
| | Shareholders | 653,496 | 602,229 | 554,410 | 653,496 | 554,410 | 556,421 |
| | Unallocated ³ | 47,080 | 47,525 | 43,597 | 47,080 | 43,597 | 38,572 |
| | Grand Total | 13,562,146 | 13,107,783 | 11,736,031 | 13,562,146 | 11,736,031 | 12,489,700 |
| 4 | Segment Policy Liabilities⁴: | | | | | | |
| | Segment A - Participating - Individual & Group Life | 2,859,513 | 2,821,263 | 2,672,445 | 2,859,513 | 2,672,445 | 2,729,353 |
| | Segment B - Participating - Individual & Group Pension | 264,197 | 254,477 | 238,099 | 264,197 | 238,099 | 241,566 |
| | Segment C - Non Participating - Individual & Group Life | 1,467,602 | 1,360,619 | 992,933 | 1,467,602 | 992,933 | 1,123,826 |
| | Segment D - Non Participating - Life Group Variable | 288,765 | 281,845 | 223,203 | 288,765 | 223,203 | 243,562 |
| | Segment E - Non Participating - Individual & Group Pension | 372,334 | 346,248 | 314,441 | 372,334 | 314,441 | 333,887 |
| | Segment F - Non Participating - Pension Group Variable | 330,828 | 354,457 | 224,844 | 330,828 | 224,844 | 265,681 |
| | Segment G - Non Participating - Annuity | 692,702 | 624,413 | 404,524 | 692,702 | 404,524 | 498,487 |
| | Segment H - Non Participating - Individual & Group Health | 5,471 | 5,587 | 5,300 | 5,471 | 5,300 | 5,456 |
| | Segment I - Unit Linked - Individual Life | 5,144,819 | 4,963,886 | 4,617,503 | 5,144,819 | 4,617,503 | 4,962,786 |
| | Segment J - Unit Linked - Individual Pension | 781,477 | 801,594 | 845,050 | 781,477 | 845,050 | 847,255 |
| | Segment K - Unit Linked - Group Life | 498,011 | 486,471 | 451,033 | 498,011 | 451,033 | 466,196 |
| | Segment L - Unit Linked - Group Pension | 91,083 | 89,540 | 92,543 | 91,083 | 92,543 | 94,036 |
| | Total | 12,796,802 | 12,390,400 | 11,081,918 | 12,796,802 | 11,081,918 | 11,812,091 |
| | Shareholders | 668,614 | 637,077 | 569,894 | 668,614 | 569,894 | 566,394 |
| | Unallocated | - | - | - | - | - | - |
| | Grand Total | 13,465,416 | 13,027,477 | 11,651,812 | 13,465,416 | 11,651,812 | 12,378,485 |

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



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N/S

HDFC Life Insurance Company Limited
(Formerly HDFC Standard Life Insurance Company Limited)

Other disclosures :

Status of Shareholders Complaints as on December 31, 2019

| 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 December 31, 2019 | 1 |
| 3 | Investor complaints disposed of during the quarter ended December 31, 2019 | 1 |
| 4 | Investor complaints remaining unresolved as on December 31, 2019 | Nil |



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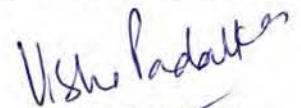
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Notes:

1. The above results of the Group for the quarter and nine months ended December 31, 2019 were reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on January 23, 2020.
2. These 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 December 31, 2019, the Parent company has allotted 9,34,813 equity shares of face value of ₹10 each pursuant to exercise of employee stock options.
5. Figures of the previous period have been regrouped wherever necessary, in order to make them comparable.
6. The above consolidated financial results for the quarter and nine months ended December 31, 2019 have been reviewed by joint statutory auditors of the Company.
7. The consolidated figures for the quarter and nine months ended December 31, 2018 have been approved by the Board of Directors, but have not been subjected to review since the requirement of submission of quarterly consolidated financial results has become mandatory only from April 01, 2019.

For and on behalf of the Board of Directors



Vibha Padalkar
Managing Director & CEO
(DIN: 01682810)

Mumbai
January 23, 2020



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NAS

PRESS RELEASE - PERFORMANCE FOR THE NINE MONTHS ENDED DEC 31, 2019

BSE Code: 540777

NSE Code: HDFCLIFE

45% growth in Value of New Business, 31% in APE

Other Key Highlights:

- **31% growth in Individual WRP**
- **26.6% New Business Margin**
- **19.0% Operating return on Embedded Value**
- **32% growth in Protection APE**
- **8% growth in PAT with 27% growth in backbook surplus**

Mumbai, January 23, 2020: The Board of Directors of HDFC Life approved and adopted today the consolidated and standalone audited financial results for the nine months ended December 31, 2019. Below is the summary of our standalone results:

Commenting on the 9M FY20 performance, Ms. Vibha Padalkar, MD & CEO said “We continue to deliver consistently across all key metrics, whilst maintaining our focus on profitable growth. Product innovation remains a key focus area for us, with our newly launched product Sanchay Par Advantage being received well. Expanding and diversifying our distribution mix continues to be a vital component of our strategy. We have sustained growth momentum across our proprietary channels, coupled with steady performance across our corporate partners. Our market share basis Individual WRP has increased by 160 basis points to 14.3%. These factors have positioned us to harness the long term growth potential of the life insurance industry and provide a sustainable value proposition to our customers, partners and shareholders.”

Key Financial Summary

| Rs Cr | 9M FY20 | 9M FY19 | YoY | FY19 | FY18 |
|--|----------------|----------------|------------|---------------|---------------|
| Key Financial and Actuarial Metrics | | | | | |
| Individual APE | 4,394 | 3,363 | 31% | 5,204 | 4,887 |
| Total APE | 5,296 | 4,050 | 31% | 6,260 | 5,532 |
| New Business Premium (Indl + Group) | 12,150 | 9,940 | 22% | 14,971 | 11,350 |
| Renewal Premium (Indl + Group) | 9,942 | 8,920 | 11% | 14,215 | 12,215 |
| Total Premium | 22,092 | 18,860 | 17% | 29,186 | 23,564 |
| Assets Under Management | 1,36,451 | 1,17,701 | 16% | 1,25,552 | 1,06,603 |
| Networth (1) | 6,670 | 5,690 | 17% | 5,659 | 4,719 |
| Profit After Tax | 984 | 913 | 8% | 1,277 | 1,109 |
| Indian Embedded Value | 20,841 | 17,397 | 20% | 18,301 | 15,216 |
| Value of new business | 1,407 | 971 | 45% | 1,537 | 1,282 |

| Rs Cr | 9M FY20 | 9M FY19 | YoY | FY19 | FY18 |
|-------------------------|---------|---------|-----|-------|-------|
| Protection based on APE | 886 | 673 | 32% | 1,045 | 624 |
| Protection based on NBP | 3,413 | 2,792 | 22% | 4,042 | 2,942 |
| Annuity based on NBP | 1,839 | 1,675 | 10% | 2,592 | 1,066 |

| | 9M FY20 | 9M FY19 | FY19 | FY18 |
|---|------------|------------|------------|------------|
| Key Financial Ratios | | | | |
| New Business Margins | 26.6% | 24.0% | 24.6% | 23.2% |
| Operating Return on EV (2) | 19.0% | 19.7% | 20.1% | 21.5% |
| Operating Expenses / Total Premium | 13.8% | 13.8% | 13.2% | 13.5% |
| Solvency Ratio | 195% | 191% | 188% | 192% |
| 13M / 61M Persistency (3) | 90%/55% | 86%/50% | 87%/52% | 87%/51% |
| Product mix by Indl APE (UL / Non par savings / Non par protection / Par) | 28/52/7/13 | 59/14/7/20 | 55/20/7/18 | 57/9/5/28 |
| Distribution mix by Indl APE (Corp Agents/ Agency/ Broker/ Direct) | 55/14/9/21 | 67/11/4/18 | 64/13/4/19 | 71/11/5/14 |

Notes:

1. Networth comprises Share capital, Share premium and Accumulated profits
2. During FY18, there was a one-time positive operating assumption change of positive Rs 1.4 bn based on review by an external actuary as part of the IPO process. Excluding this one-time adjustment, Operating return on EV would have been 20.4% for FY18
3. Persistency ratios (based on original premium). Group business, where persistency is measurable, has been included in the calculations

Other key highlights for the nine months ending December 31, 2019:

- **Private Market Share:** 31% growth in Individual WRP, enabling us to increase our market share by 160 basis points to 14.3%. We have maintained our leadership position within the group segment, growing by 25%, resulting in a market share of 28.6%.
- **New Business Lives:** Total number of lives insured grew by 29% to 4.5 Cr during 9M FY20.
- **Product Portfolio:** We have recorded growth across all product segments, whilst maintaining a balanced product mix. Our savings business which includes unit linked, par and non-par segments, grew by 32%. With an eye to tap the protection space further, our Protection APE has grown by 32% in 9M FY20 over the corresponding period last year, to Rs 886 Cr. Our protection share basis APE is 16.7% in 9M FY20.

- **Distribution Mix:** Our diversified distribution mix is evidenced by the wide access to our customers with 270 plus partners, including more than 40 new-ecosystem partners as on December 31, 2019. This is further supplemented by our 421 branches spread across the country.
- **Assets Under Management:** As on December 31, 2019, our AUM is Rs. 1.4 lakh Cr. (Debt:Equity mix - 63:37; 96% debt investments are in G-Secs and AAA bonds as on December 31, 2019).

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 2019, the first monthly instalment received would be reflected as First year premiums for 2018-19 and the remaining 11 instalments due in the first policy year would be reflected as first year premiums in 2019-20, 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 (formerly HDFC Standard Life Insurance Company Limited) ('HDFC Life' / 'Company') is a joint venture between HDFC Ltd., India's leading housing finance institution and Standard Life Aberdeen, 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 December 31, 2019, the Company had 42 individual and 11 group products in its portfolio, along with 8 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 421 branches and additional distribution touch-points through several new tie-ups and partnerships. The count of our partnerships is in excess of 270, comprising traditional partners such as NBFCs, MFIs and SFBs, and includes more than 40 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, cash flow 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.

HDFC Life Insurance

Investor Presentation – 9M FY20





Agenda

1 Performance Snapshot

2 Our Strategy

3 Annexures

4 India Life Insurance

**Performance
Snapshot**

Our Strategy

Annexures

India Life
Insurance

1

Performance Snapshot



Executive summary: 9M FY20

Scale



| | | |
|-------------|----------|-------------|
| Company APE | Rs (Bn.) | 53.0 |
| | Growth | 31% |



Mkt. Share

| | | |
|------------|--------|-------------|
| Overall | CY (%) | 21.4 |
| | PY (%) | 21.0 |
| Individual | CY (%) | 14.3 |
| | PY (%) | 12.6 |



| | | |
|-----|----------|------------|
| AUM | Rs (Tn.) | 1.4 |
| | Growth | 16% |



| | | |
|------------------|--------|-------------|
| NB Lives Insured | Mn | 44.8 |
| | Growth | 29% |

Profitability



| | | |
|---------------------|----|--------------|
| New Business Margin | CY | 26.6% |
| | PY | 24.0% |



| | | |
|------|----------|--------------|
| IEV | Rs (Bn.) | 208.4 |
| EVOP | Growth | 19.0% |



| | | |
|------------------|----------|------------|
| Profit After Tax | Rs (Bn.) | 9.8 |
| | Growth | 8% |



| | | |
|----------------------|----|--------------|
| Operating Exp. Ratio | CY | 13.8% |
| | PY | 13.8% |

Customer centricity



| | | |
|---|----|----------------|
| 13 th month persistency ¹ | CY | 90%/87% |
| | PY | 86%/82% |



Protection

| | | |
|-----|----------|-------------|
| NBP | Rs (Bn.) | 34.1 |
| | Growth | 22% |
| APE | Rs (Bn.) | 8.9 |
| | Growth | 32% |



| | | |
|-------------------------------------|------|--------------|
| Claim settlement ratio ² | FY19 | 99.0% |
| | FY18 | 97.8% |



| | | |
|-----------------------------|------|-----------|
| Complaints per 10k policies | FY19 | 61 |
| | FY18 | 70 |

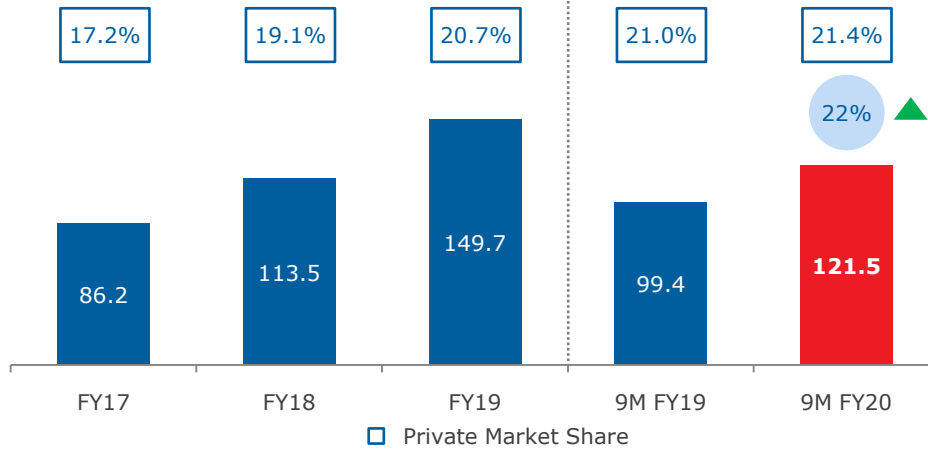
1. Persistency including group business/ Persistency for Individual business

2. Computed basis NOPs for Individual Business

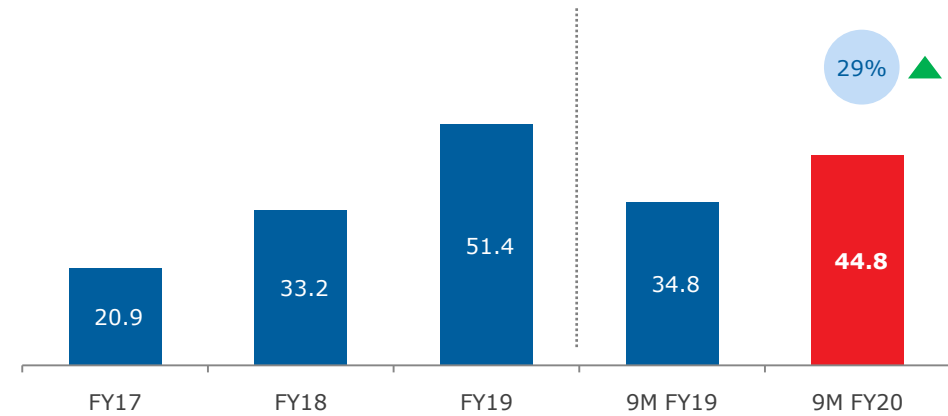
The numbers throughout the presentation are based on standalone financial results of the Company

Consistent performance across key metrics (1/2)

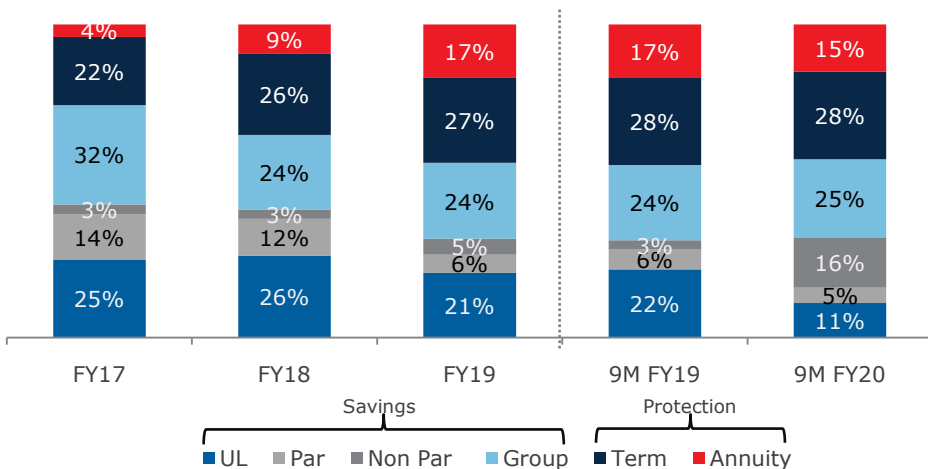
Leadership in new business premium (Rs Bn.)



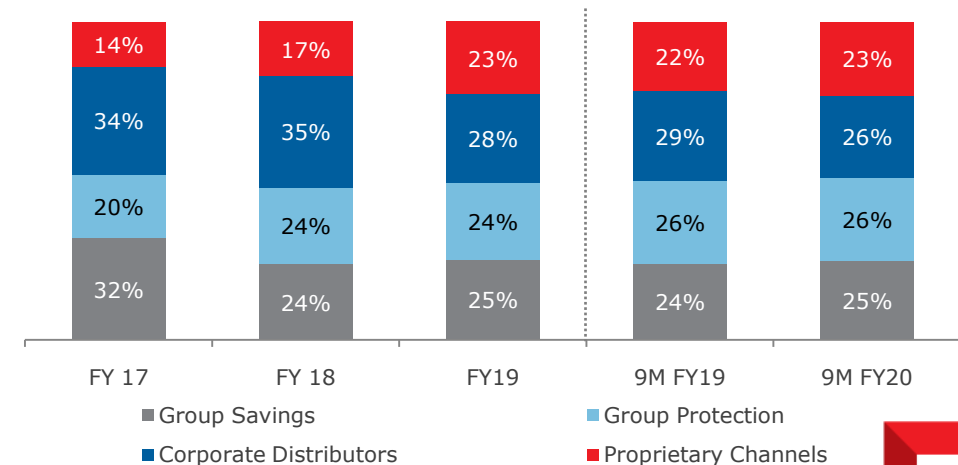
Increasing number of lives insured (Mn.)



Maintaining balanced product mix across cycles ¹

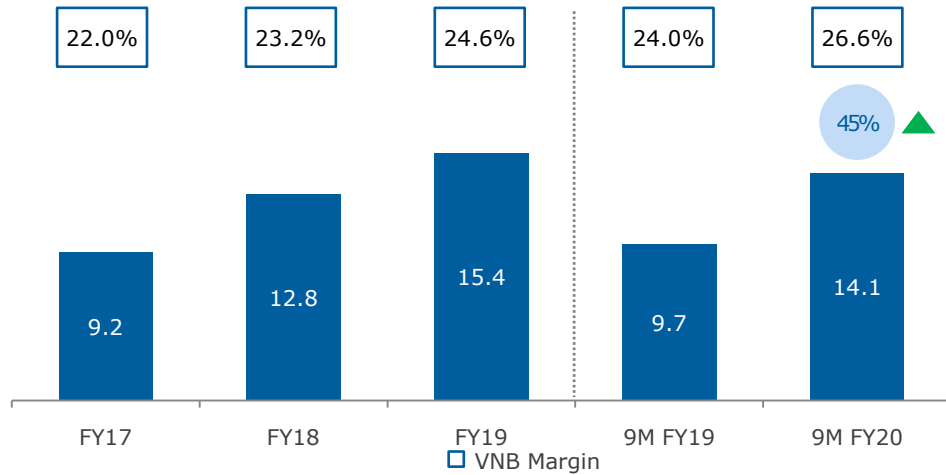


Focus on scaling proprietary channels ¹

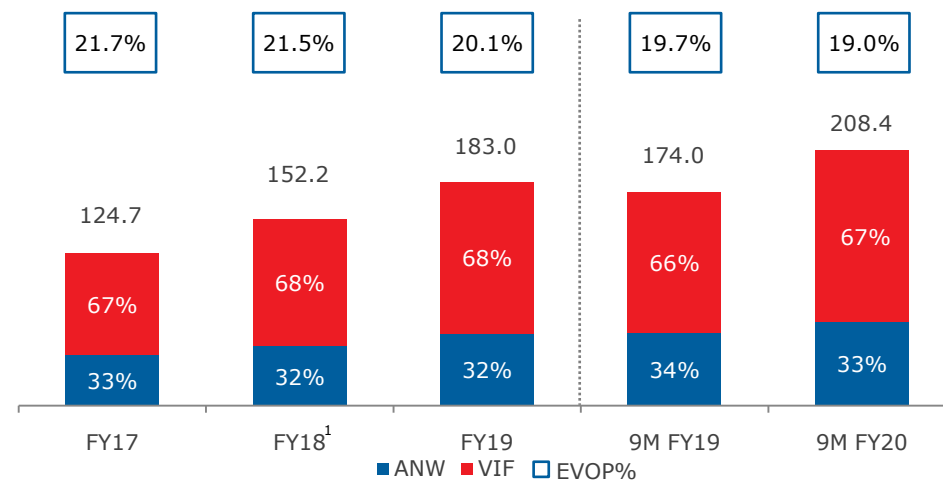


Consistent performance across key metrics (2/2)

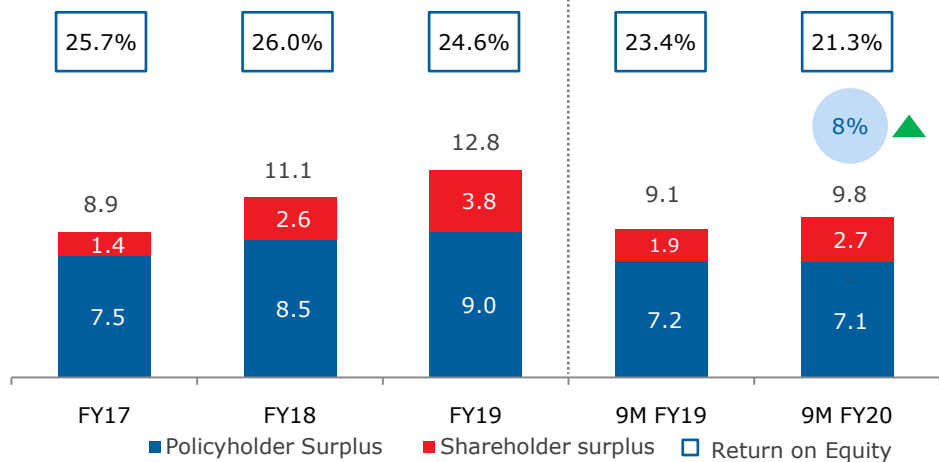
Strong growth in VNB, steady expansion in VNB margins (Rs Bn.)



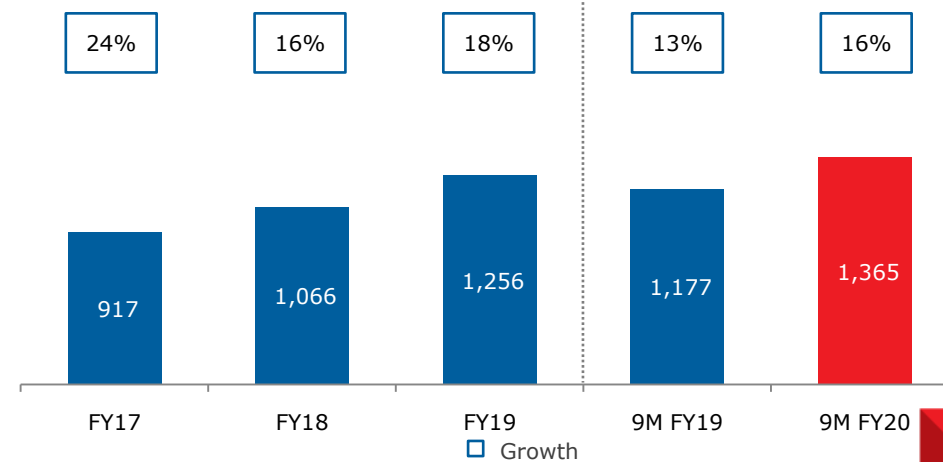
Healthy growth in Embedded Value (Rs Bn.)



Consistent growth in PAT (Rs Bn.)



Stable growth in AUM (Rs Bn.)



1. During FY18, there was a one time positive operating assumption change off Rs 1.4 bn based on review by an external actuary as part of the IPO process. Excluding this one time adjustment, Operating return on EV would have been 20.4% for FY18



Performance
Snapshot

Our Strategy

Annexures

India Life
Insurance

2

Our Strategy



Key elements of our strategy

1



Focus on profitable growth

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

2



Balanced distribution mix

Developing multiple channels of growth to drive need-based selling

3



Market-leading innovation

Identifying latent customer needs to create new product propositions

4



Reimagining insurance

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

5

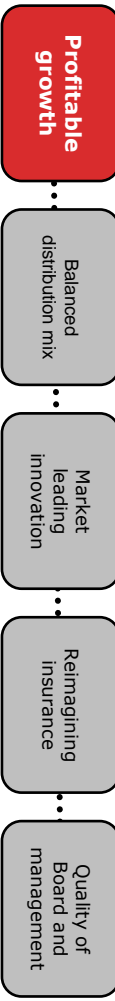
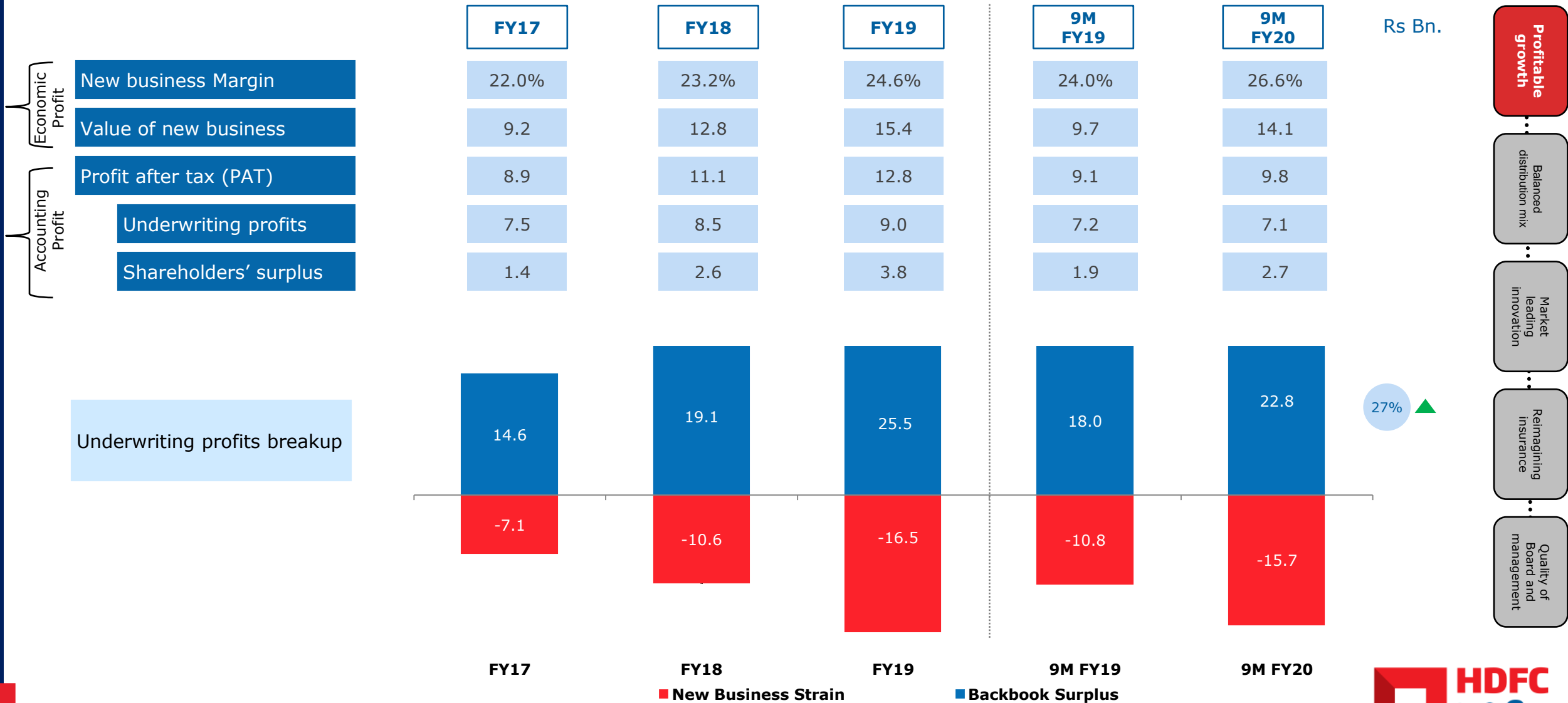


Quality of Board and management

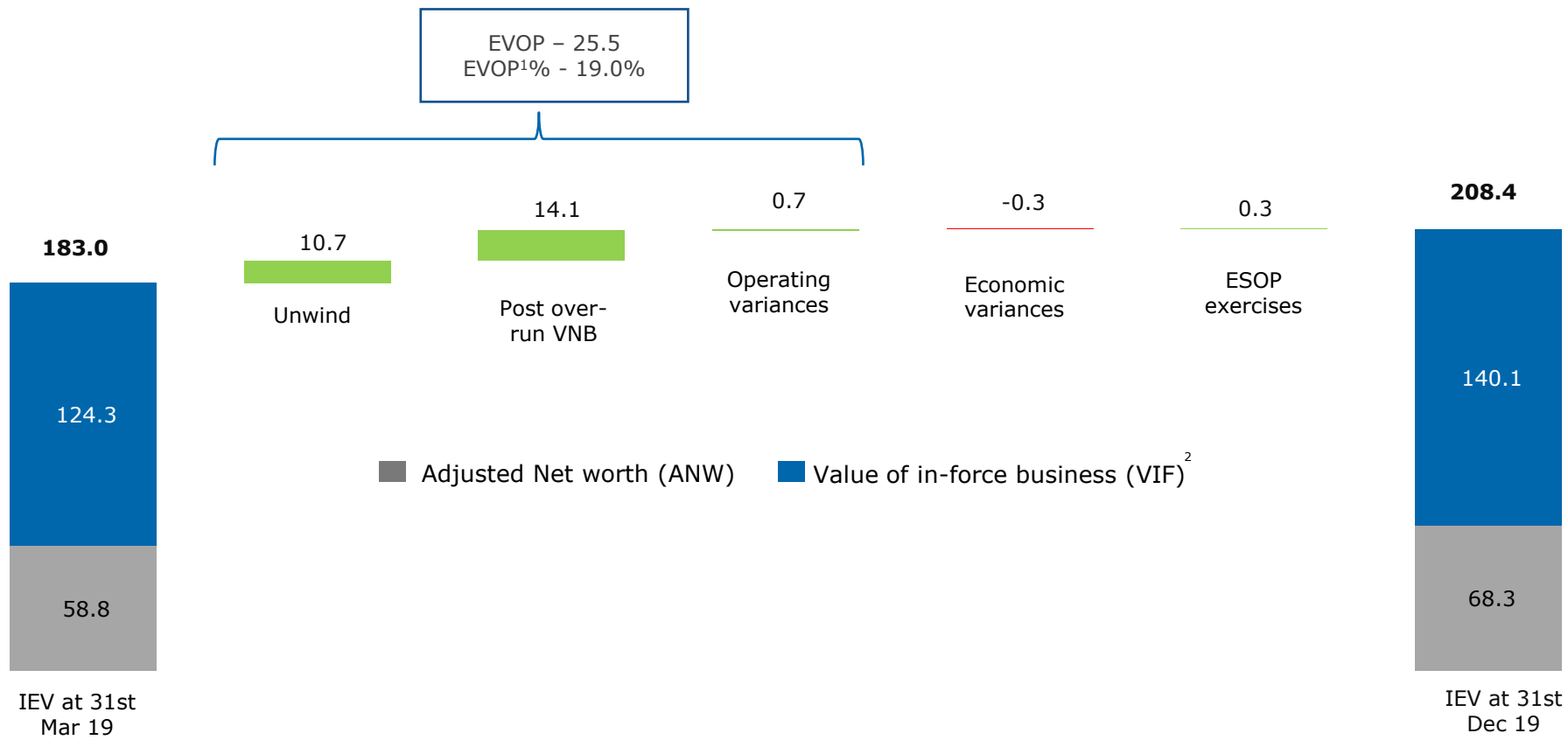
Seasoned leadership guided by an independent and competent Board; No secondees from group companies

Maintaining a diversified distribution mix and profitable product suite powered by technology and backed by a customer-centric approach

Focus on profitable growth



Analysis of change in IEV



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

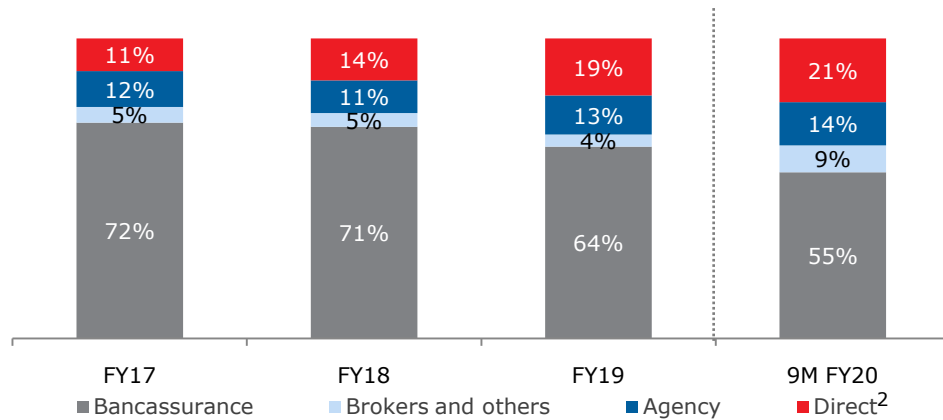
- Consistently delivered healthy operating returns on EV
- Positive operating variances in the last 10 years
- Operating experience for the period closely tracking our assumptions

1. EVOP% calculated as annualised EVOP (Embedded Value Operating Profit) to Opening EV
 2. Market value changes in policyholder assets are reflected in VIF in Dec'19, as against Network in Mar'19. Basis the revised methodology, the VIF proportion would have been higher in Mar'19 by 1%.

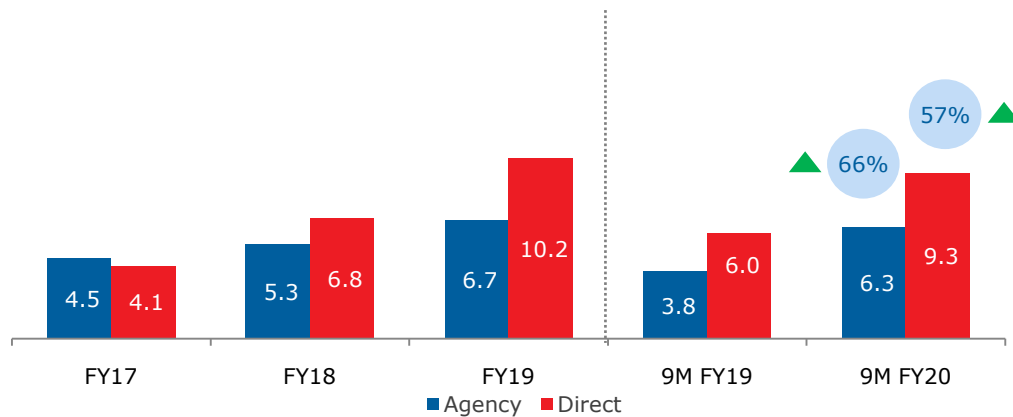


Balanced distribution mix

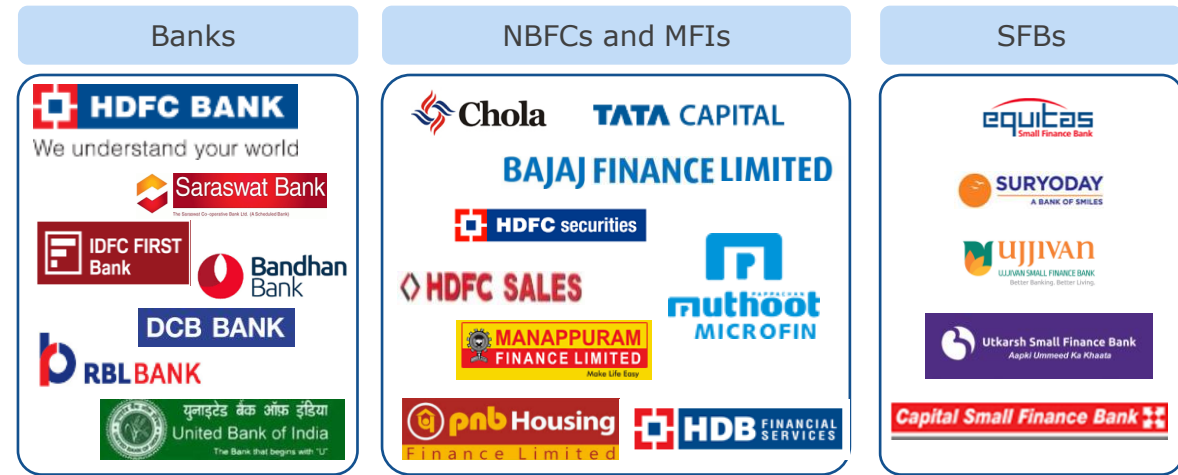
Increasing share of proprietary channels ¹



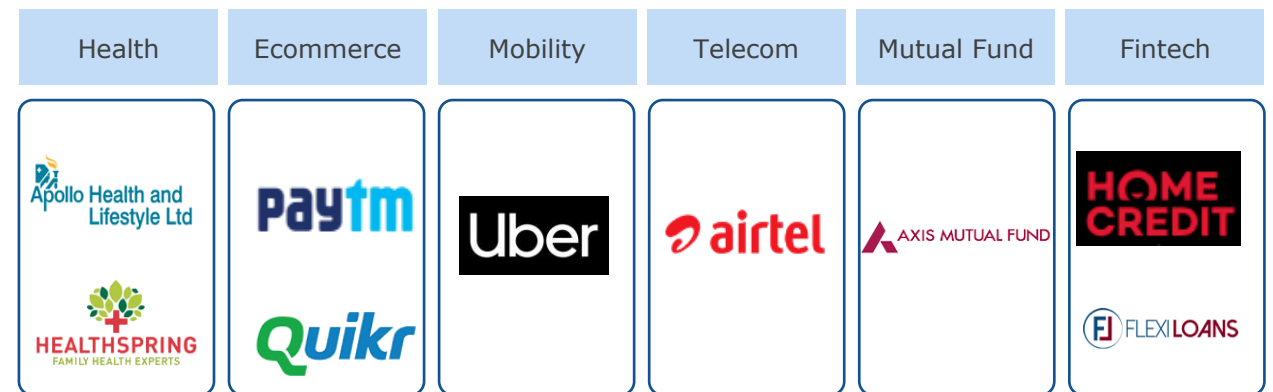
Consistent growth in proprietary channels ² (Rs Bn.)



Strong and diversified network of 230+ traditional partners



Developing alternative channels of distribution: 40+ Partnerships in emerging eco-systems



Profitable growth

Balanced distribution mix

Market leading innovation

Reimagining insurance

Quality of Board and management

1. Basis Individual APE

2. Direct includes Online channel

Progress by proprietary channels

Agency



57% - Increase in **FC (Financial Consultant) productivity** due to greater engagement and ease of doing business



91% - Robust **13th month persistency** due to sustained focus on quality of business



35% - Increase in recruitment of **high productivity FC profiles** (Housewives, Retirees, Financial Distributors)



Better profiling and re-skilling - of FLS resulted in higher productivity

Direct



77% - Adoption of **i-earn**, a hyper personalization app



137% - Growth in usage of **InstaGo**, a geo-tagging based **lead management tool**, during Q3



New growth engines - Greater investments in select affinity channels (e.g. defence, paramilitary etc.)



Expansion - Geographic presence expansion to additional branches for a sub-channel yielded positive results



Online



31- Average age of customers; significantly **younger** compared to other channels' average



Single journey - launched for Term + Savings **combination product** for online partners



2/3rd - Share of Savings in the **diversified product mix**; focus shifted from simple Term products



ML capability - used successfully for Term and now **extended** to other product categories to increase leads and reduce cost per lead

Profitable growth

Balanced distribution mix

Market leading innovation

Reimagining insurance

Quality of Board and management

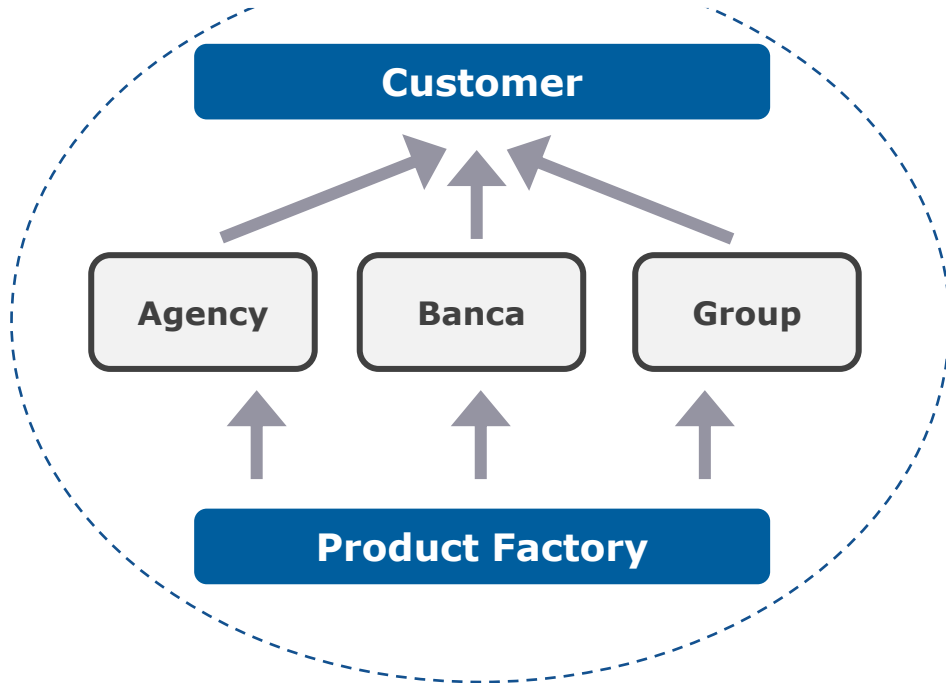
With key building blocks in place, proprietary channels well poised for next phase of growth



Operating model moved from product centric to being customer centric

From the Traditional Insurer...

(Top Line Marketing / Product Driven)

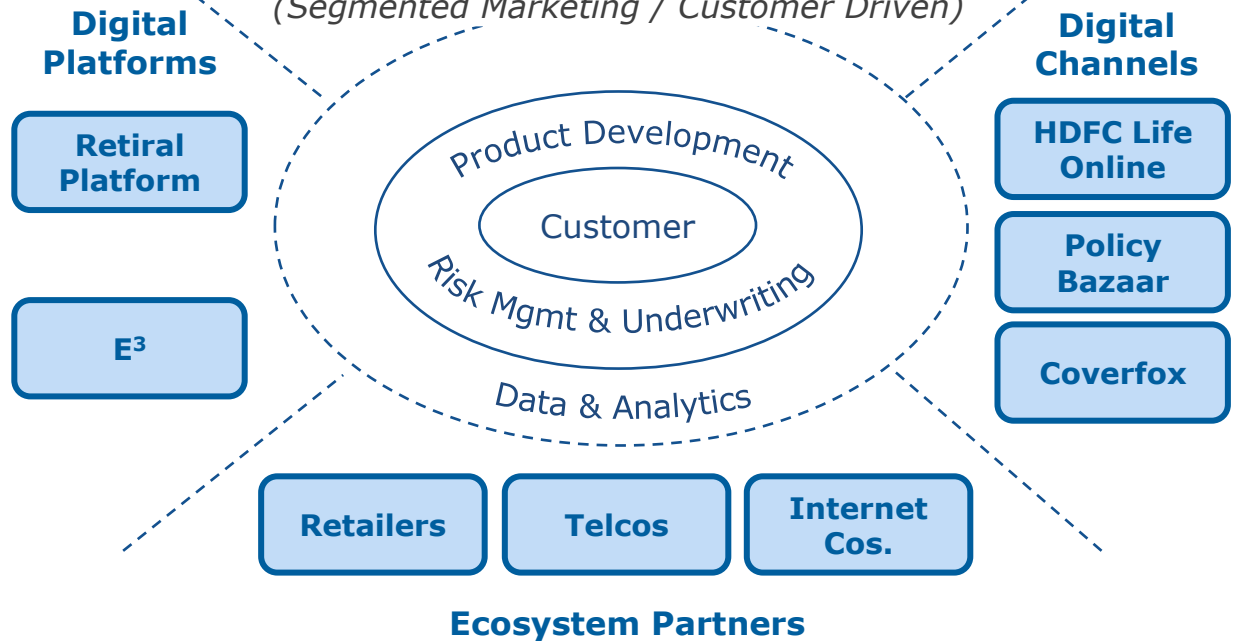


... to the Insurer of the Future

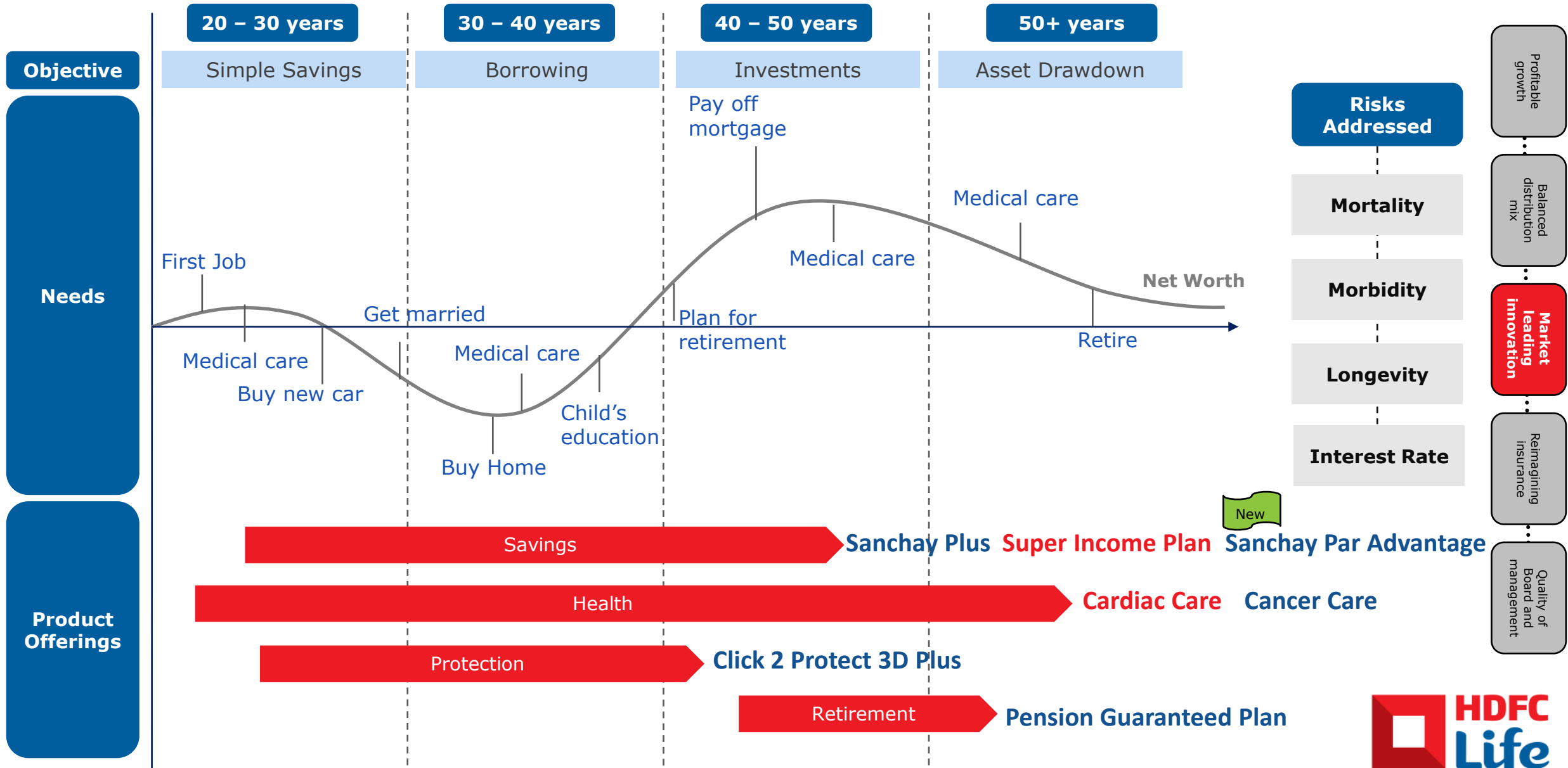
Traditional Channels



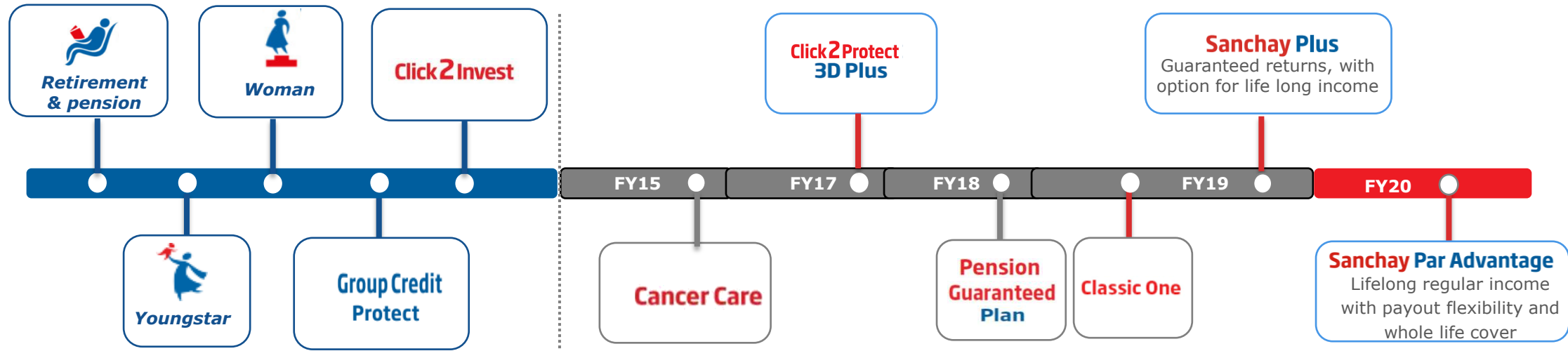
(Segmented Marketing / Customer Driven)



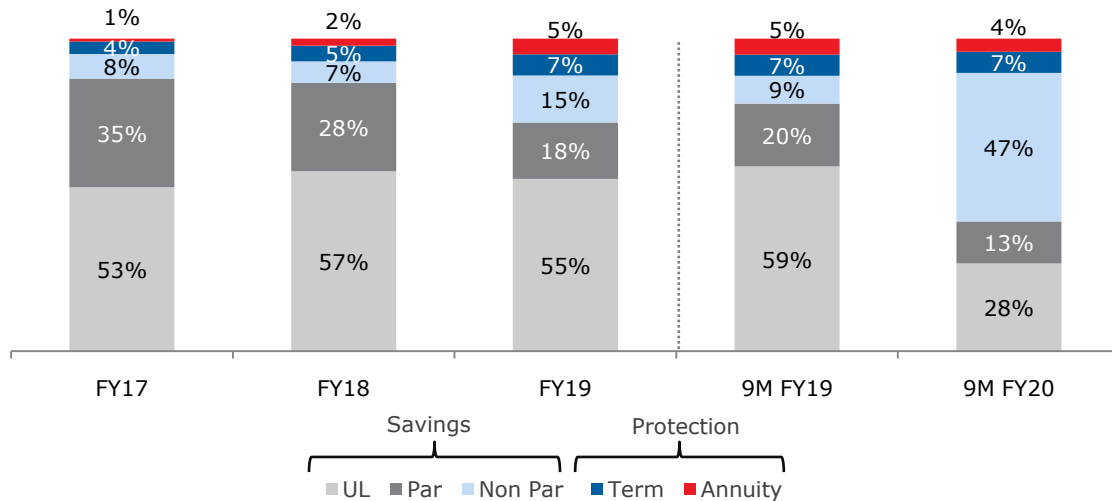
Addressing customer needs at every stage of life



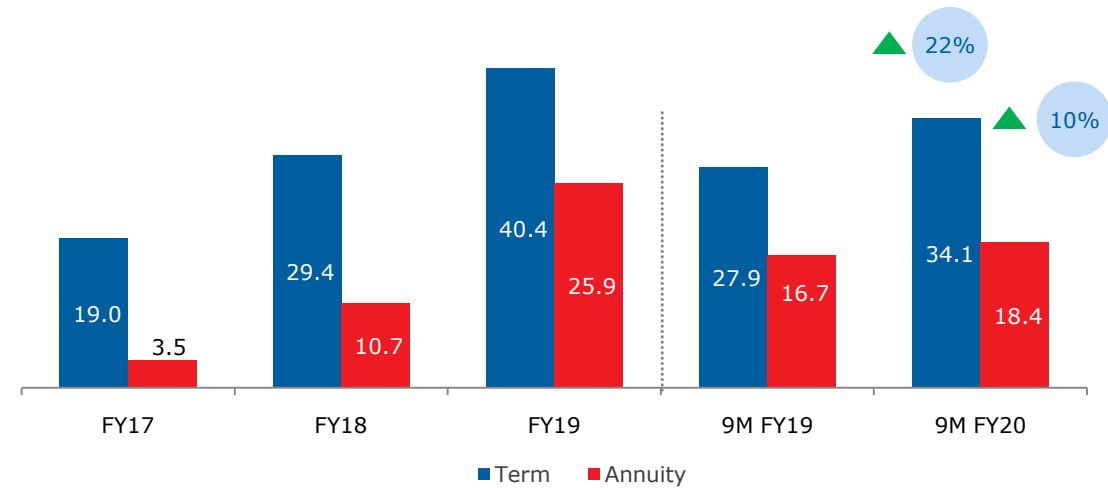
Expanding market through consistent product innovation



Diversified product suite helps in managing business cycles ¹



Continued focus on protection ² (Rs Bn.)



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

1. As a % of individual APE
2. Based on new business premium

Product mix across key channels¹

| Banca ² | Segment | FY17 | FY18 | FY19 | 9M FY20 |
|--------------------|-----------------|------|------|------|---------|
| | UL | 61% | 64% | 67% | 36% |
| | Par | 30% | 26% | 14% | 11% |
| | Non par savings | 8% | 8% | 15% | 50% |
| | Term | 1% | 1% | 2% | 2% |
| | Annuity | 0% | 1% | 2% | 2% |

| Direct | Segment | FY17 | FY18 | FY19 | 9M FY20 |
|--------|-----------------|------|------|------|---------|
| | UL | 47% | 58% | 50% | 33% |
| | Par | 29% | 17% | 8% | 10% |
| | Non par savings | 11% | 9% | 12% | 24% |
| | Term | 6% | 5% | 6% | 4% |
| | Annuity | 7% | 11% | 24% | 28% |

| Agency | Segment | FY17 | FY18 | FY19 | 9M FY20 |
|--------|-----------------|------|------|------|---------|
| | UL | 26% | 33% | 26% | 12% |
| | Par | 57% | 48% | 40% | 26% |
| | Non par savings | 6% | 5% | 17% | 50% |
| | Term | 11% | 11% | 12% | 10% |
| | Annuity | 2% | 3% | 5% | 3% |

| Online | Segment | FY17 | FY18 | FY19 | 9M FY20 |
|--------|-----------------|------|------|------|---------|
| | UL | 51% | 47% | 43% | 30% |
| | Par | 3% | 1% | 1% | 11% |
| | Non par savings | 1% | 0% | 15% | 26% |
| | Term | 45% | 52% | 34% | 29% |
| | Annuity | 0% | 0% | 6% | 3% |

| Company | Segment | FY17 | FY18 | FY19 | 9M FY20 | Q3 FY20 |
|---------|-----------------|------|------|------|---------|---------|
| | UL | 53% | 57% | 55% | 28% | 33% |
| | Par | 35% | 28% | 18% | 13% | 21% |
| | Non par savings | 8% | 7% | 15% | 47% | 35% |
| | Term | 4% | 5% | 7% | 7% | 8% |
| | Annuity | 1% | 2% | 5% | 4% | 4% |

| Protection | Total APE | FY17 | FY18 | FY19 | 9M FY20 |
|------------|--------------|-----------|------------|------------|------------|
| | Term | 8% | 11% | 17% | 17% |
| | Annuity | 1% | 2% | 4% | 3% |
| | Total | 9% | 13% | 21% | 20% |

| Total NBP | Total NBP | FY17 | FY18 | FY19 | 9M FY20 |
|-----------|--------------|------------|------------|------------|------------|
| | Term | 22% | 26% | 27% | 28% |
| | Annuity | 4% | 9% | 17% | 15% |
| | Total | 26% | 35% | 44% | 43% |

Profitable growth

Balanced distribution mix

Market leading innovation

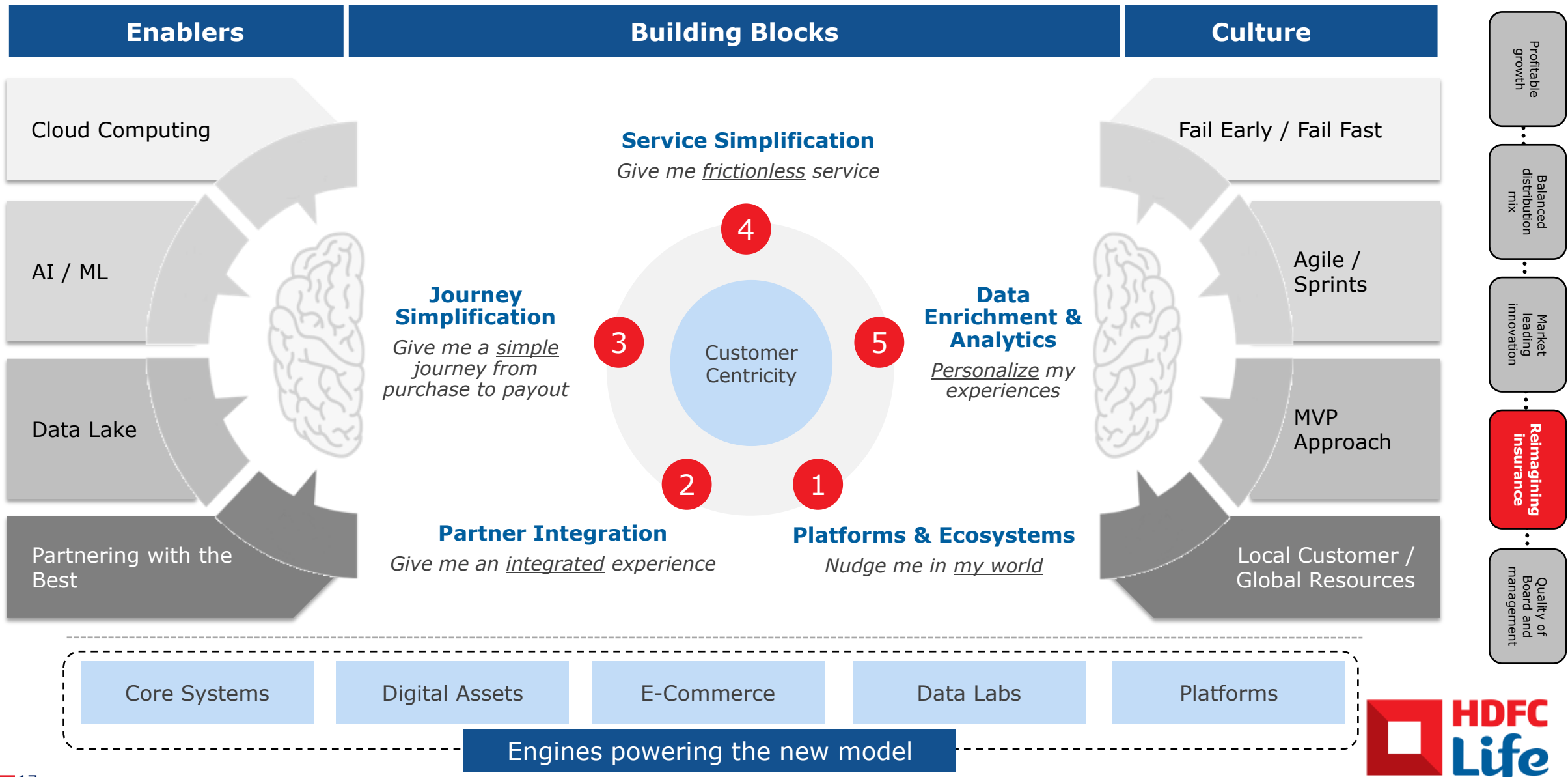
Reimagining insurance

Quality of Board and management

1. Basis Individual APE, Term includes health business

2. Includes Banca and other corporate agents

Created a new operating model to reimagine insurance



Simplifying the customer journey using 5 building blocks



Platforms and Ecosystems

Insurance beyond digital: allow multiple participants to connect, create & exchange value



- One stop shop for retirement planning



Partner Integration

Products and services built on API for ease of partner integration

Instalnsure

- **Pre-approved sum assured** – Partner integrated KYC and income verification
- **Quick easy to understand form filling** – Seamless and customer friendly user interface
- **3-step buying journey** – End-to-end digital journey enabling partner's customers to buy the policy



Journey Simplification

Customer sales journeys simplified via mobility applications for sales force

Insta Suite

- Bringing our technological capabilities on the mobile platform in order to empower sales force



InstaQuote!



Service Simplification

Simplified solutions for customers across the value chain

- **Online payments & services:** >80% of renewal via online / debit mode



Chat bot ELLE

~90% of chats are self-serve via chat-bot



Twitter bot NEO

- **Insta Virtual Assist** for Sales & Service, current usages at ~17 million+ queries per month

- **Robotic Process Automation:** ~185+ bots deployed



Data Enrichment and Analytics

Continuous improvement in raw data by gaining deeper insight into our customers' lives

- **Artificial Intelligence:** Use of predictive analysis for persistency, underwriting and claims (fraud prevention)

- **Big Data / Customer 360:** Brings all customer data – interactions, transactions & relationships in one place, in real time

- **Cloud Storage:** Data Lake (repository for entire enterprise data management)

Lead Lake (For effective lead storage & enrichment)



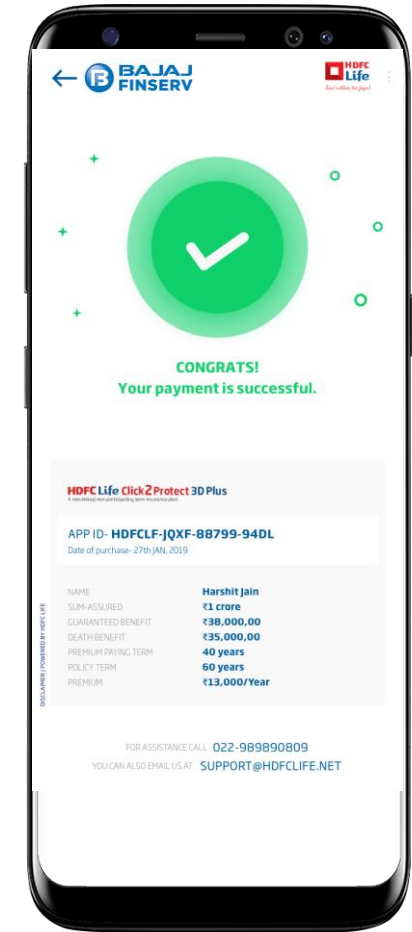
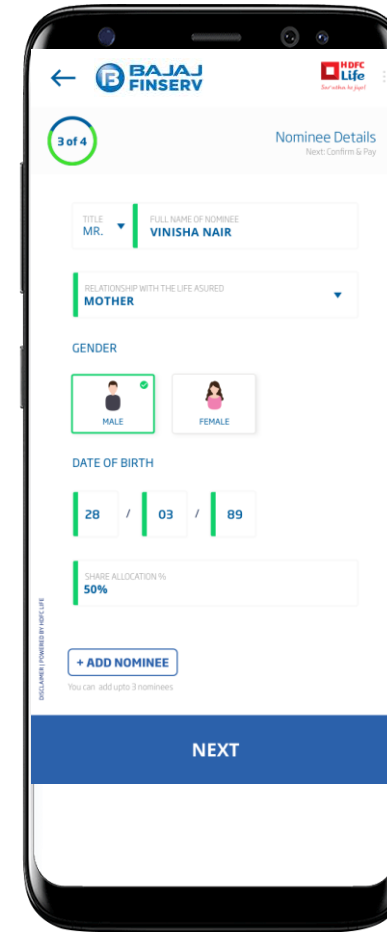
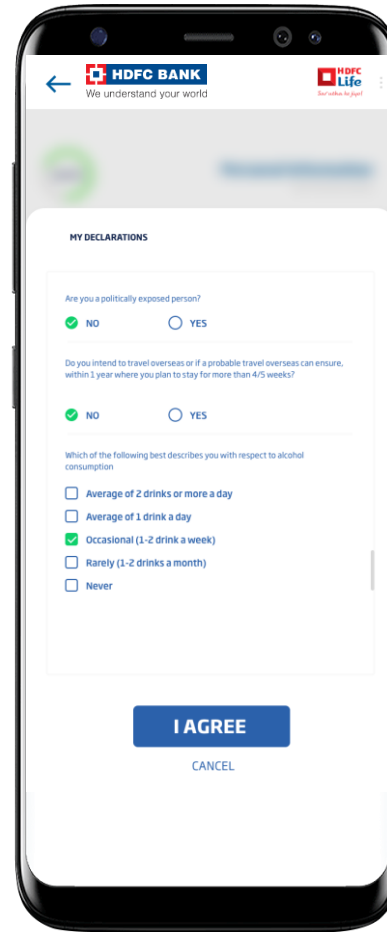
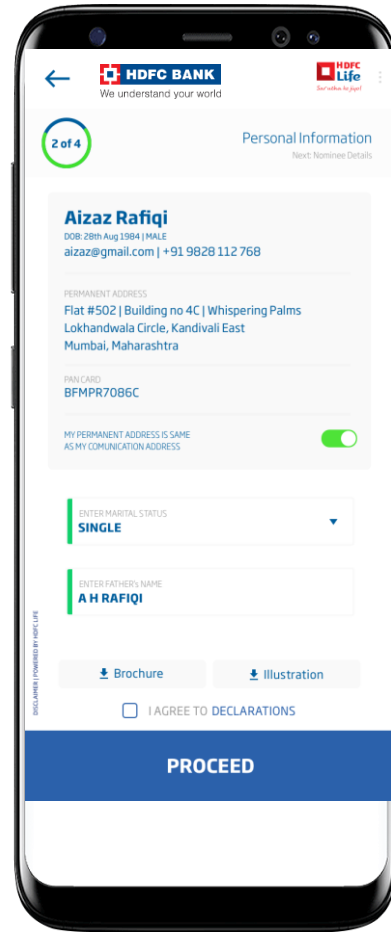
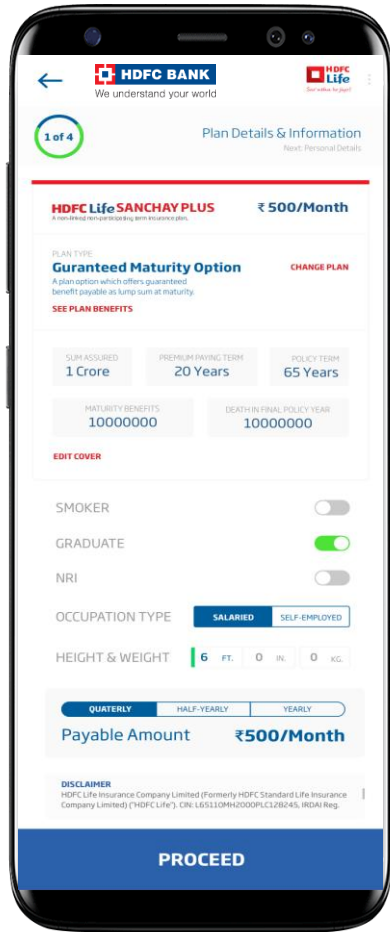
Partner Integration: InstaInsure

Intuitive user interface integrated in web and mobile

Quick customer journey

Relevant questions asked

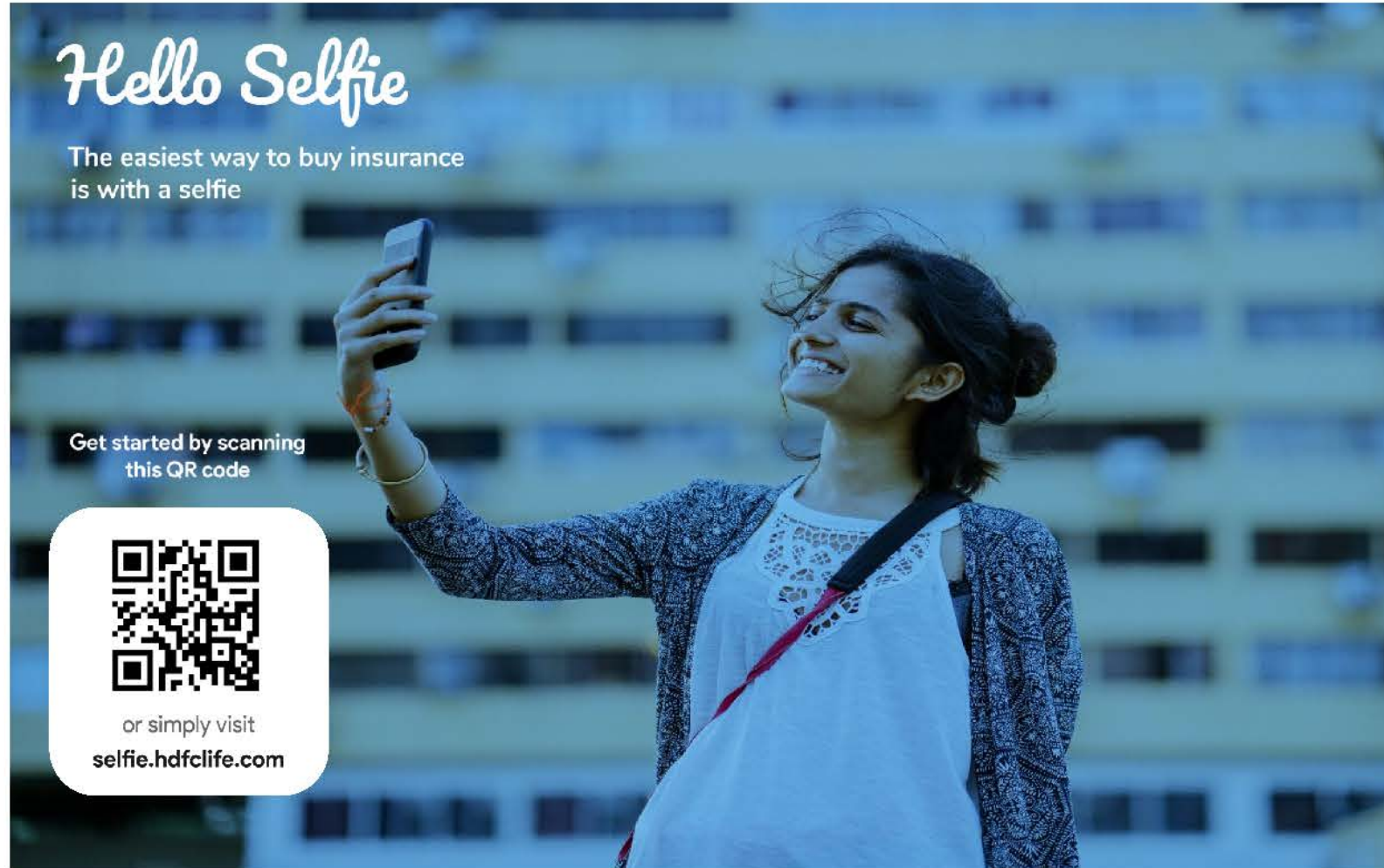
Faster policy issuance



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



Journey Simplification: Hello Selfie, Buy Insurance with a Selfie



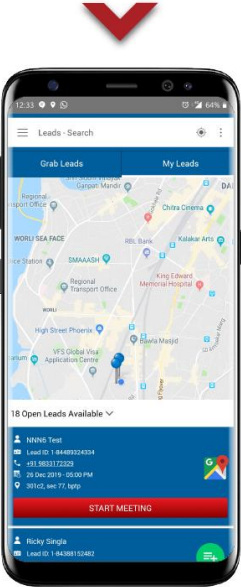
- Profitable growth
- Balanced distribution mix
- Market leading innovation
- Reimagining insurance**
- Quality of Board and management



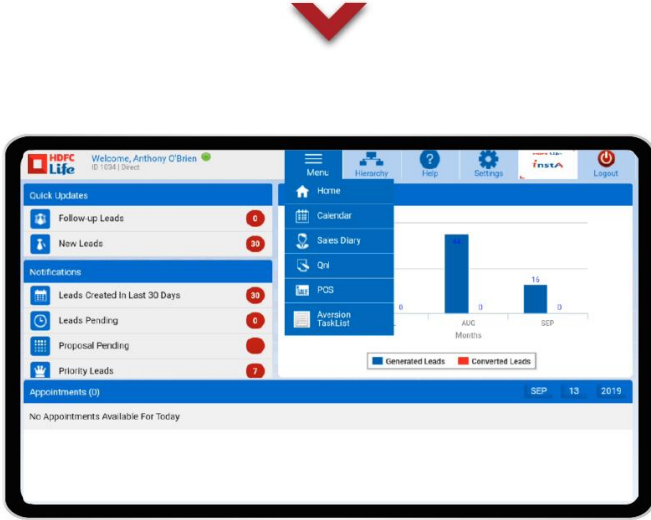
Journey Simplification: Mobility Application Suite



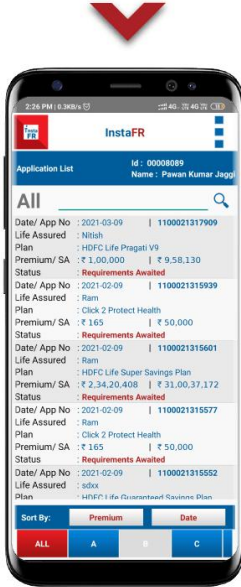
Insta Mix
(Prospect pitching tool)



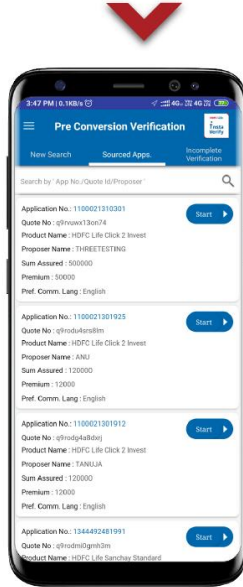
Insta Go
(Geo based lead management)



mSD
(Customer onboarding)



Insta FR
(Document upload manager)



Insta Verify
(Digital verification)



m-HelpLine
(App helpdesk)

Profitable growth

Balanced distribution mix

Market leading innovation

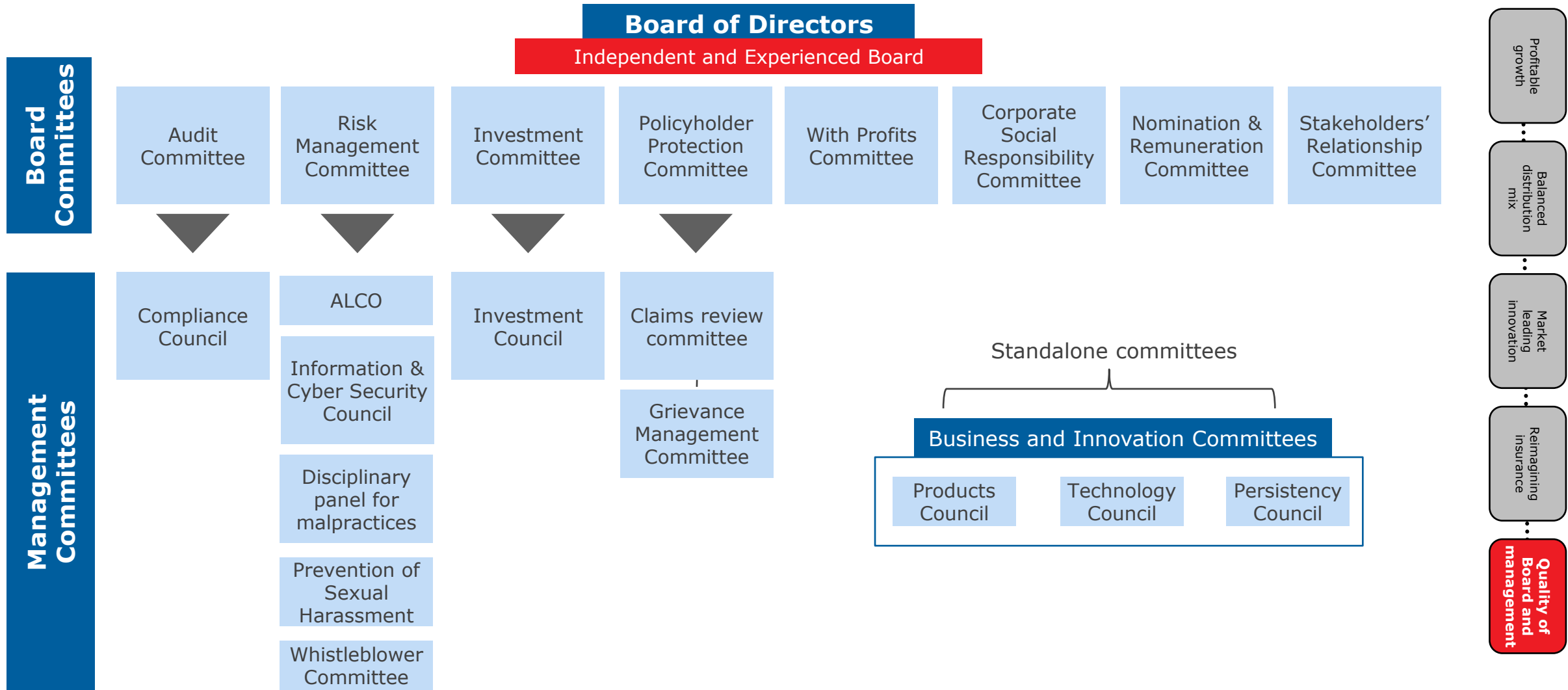
Reimagining insurance

Quality of Board and management

InstA - Enablement tool for FLS throughout the customer journey



Governance Framework



Additional governance through Internal, Concurrent and Statutory auditors



Financial risk management framework



Natural Hedges

- Protection and longevity businesses
- Unit linked and non par savings products
- Quantum of retail guaranteed products <11% of AUM

Product design & mix monitoring

- Prudent assumptions and pricing approach
- Return of premium annuity products (>95% of annuity); Average age at entry ~59 years
- Deferred as % of total annuity business < 30%, with limited deferral period (<4 yrs)
- Regular monitoring of interest rates and business mix

ALM approach¹

- Target cash flow matching for non par savings plus group protection portfolio to manage non parallel shifts and convexity
- Immunise overall portfolio to manage parallel shifts in yield curve (duration matching)

Residual strategy

- External hedging instruments such as FRAs, IRFs, Swaps amongst others
- Reinsurance

Calibrated risk management has resulted in low EV and VNB sensitivity

¹ Our approach has been validated by a leading actuarial firm

| EV and VNB Sensitivity | FY19 | | 9M FY20 | |
|------------------------|--------|------------|---------|------------|
| | EV | VNB Margin | EV | VNB Margin |
| Interest Rate +1% | (1.7%) | (0.1%) | (1.4%) | (0.2%) |
| Interest Rate -1% | 1.6% | 0.1% | 1.2% | 0.1% |



Risk Management for Non Par products

| | Key risks | Quantum of risk | Mitigation |
|----------------------|--------------------|---------------------------------------|---|
| Annuity | Interest rate risk | ROPP ¹ : Low Life: Low | <ul style="list-style-type: none"> Duration matching No supply side constraints on the long dated Govt bonds² Dynamic re-pricing in line with change in market yield |
| | Reinvestment risk | ROPP: Low Life: Low | <ul style="list-style-type: none"> Coupons used to meet annuity payouts |
| | Longevity risk | ROPP: Low Life: High | <ul style="list-style-type: none"> Life Annuity less than 2% |
| Non - Annuity | Interest rate risk | Savings: High Protection: Moderate | <ul style="list-style-type: none"> Target cash-flow matching at portfolio level |
| | Reinvestment risk | Savings: High Protection: Low | <ul style="list-style-type: none"> Well diversified portfolio over future time periods Internal STRIPS, Partly paid bonds, FRA Assessment of slope change stress testing on cash flows |
| | Mortality risk | Savings: Low Protection: High | <ul style="list-style-type: none"> Adequate reinsurance |

1. ROPP: Return of Purchase Price

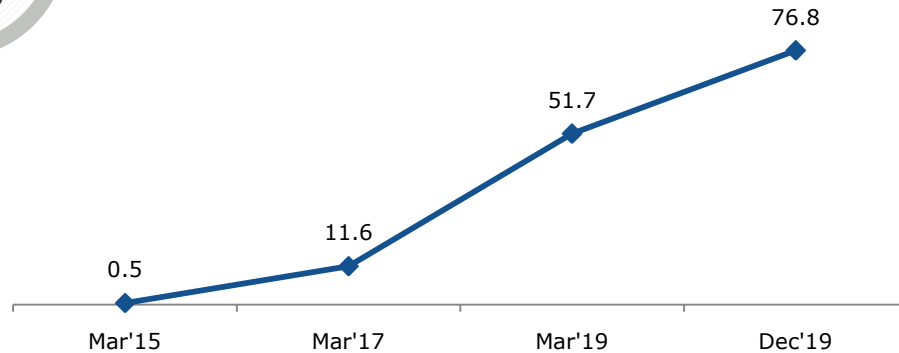
2. Refer appendix on slide 37

Performance of wholly-owned subsidiary ¹ companies



HDFC Pension

AUM, Rs Bn.



- Fastest growing PFM (Pension Fund Manager) under the NPS architecture (YoY growth of 93% in AUM)
- Market share grew from 25% in Dec'18 to 30% in Dec'19 amongst all private PFMs
- Ranks #1 in corporate subscribers base, #2 amongst all PFMs in net fund flow, retail subscriber base and AUM
- POP operations commenced with enrolling of both retail and corporate subscribers; 400+ corporate registrations till Dec'19



HDFC International Life and Re



- Registered growth of 79% in revenue to USD 3.9 Mn in 9M FY20
- Continues to trend positively on both technical & net profit
- In December, 2019, S&P Global Ratings affirmed its long-term public financial strength of "BBB" while maintaining the outlook as "Stable"

Performance
Snapshot

Our Strategy

Annexures

India Life
Insurance

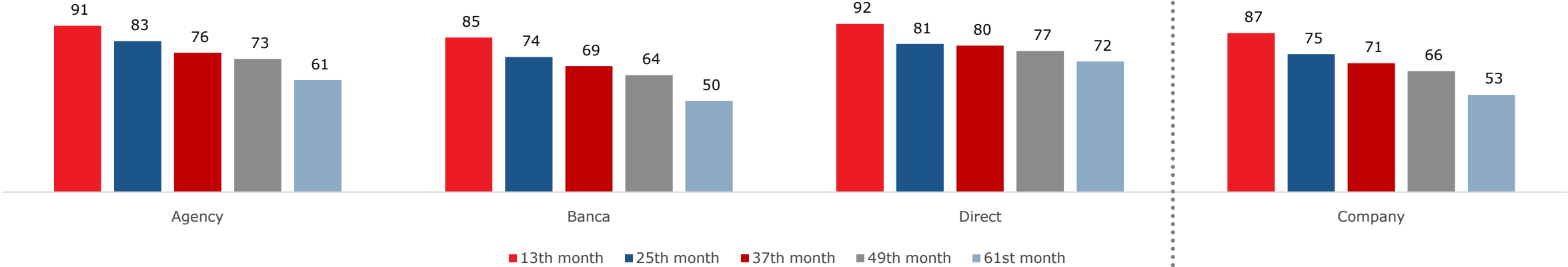
3

Annexures

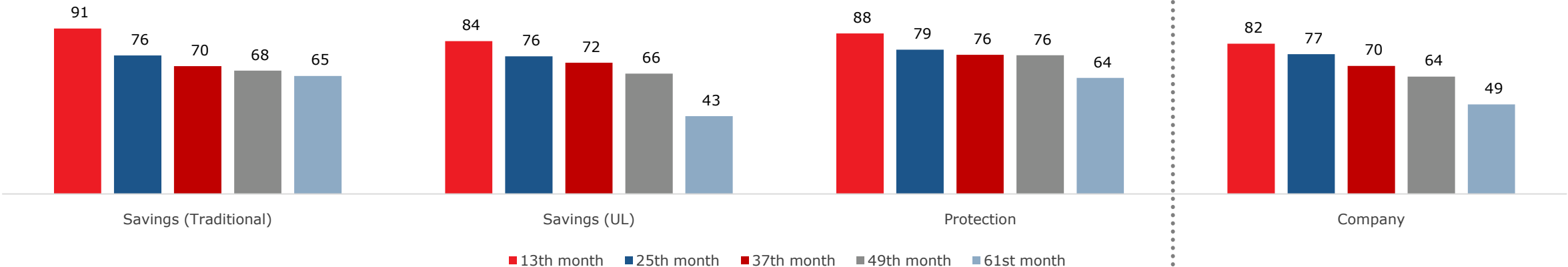


Individual persistency for key channels and segments¹

Across key channels (%)

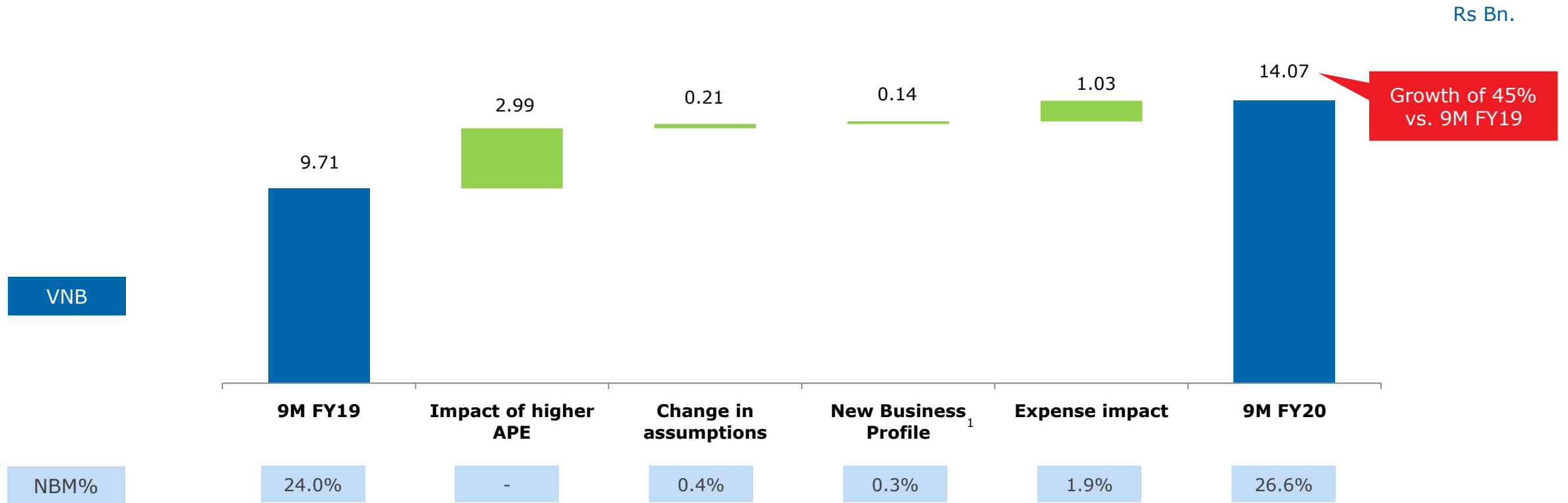


Across key segments (%)



1. Calculated as per IRDAI circular (based on original premium) for period ended Dec 31, 2019 for individual business

VNB and NBM walkthrough



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: H1 FY20

| Analysis based on key metrics | Scenario | % Change in VNB ¹ | Change in VNB Margin ¹ | % Change in EV |
|----------------------------------|------------------|------------------------------|-----------------------------------|----------------|
| Change in | | | | |
| Reference rate | Increase by 1% | -0.3% | -0.1% | -1.4% |
| | Decrease by 1% | 0.3% | 0.1% | 1.2% |
| Equity Market movement | Decrease by 10% | -0.9% | -0.3% | -1.3% |
| Persistency (Lapse rates) | Increase by 10% | -0.8% | -0.3% | -1.0% |
| | Decrease by 10% | 0.6% | 0.2% | 1.2% |
| Maintenance expenses | Increase by 10% | -2.2% | -0.7% | -0.8% |
| | Decrease by 10% | 2.2% | 0.7% | 0.8% |
| Acquisition Expenses | Increase by 10% | -13.1% | -4.3% | NA |
| | Decrease by 10% | 13.2% | 4.4% | NA |
| Mortality / Morbidity | Increase by 5% | -3.8% | -1.1% | -0.8% |
| | Decrease by 5% | 3.6% | 1.0% | 0.9% |
| Tax rate² | Increased to 25% | -17.4% | -5.8% | -7.3% |

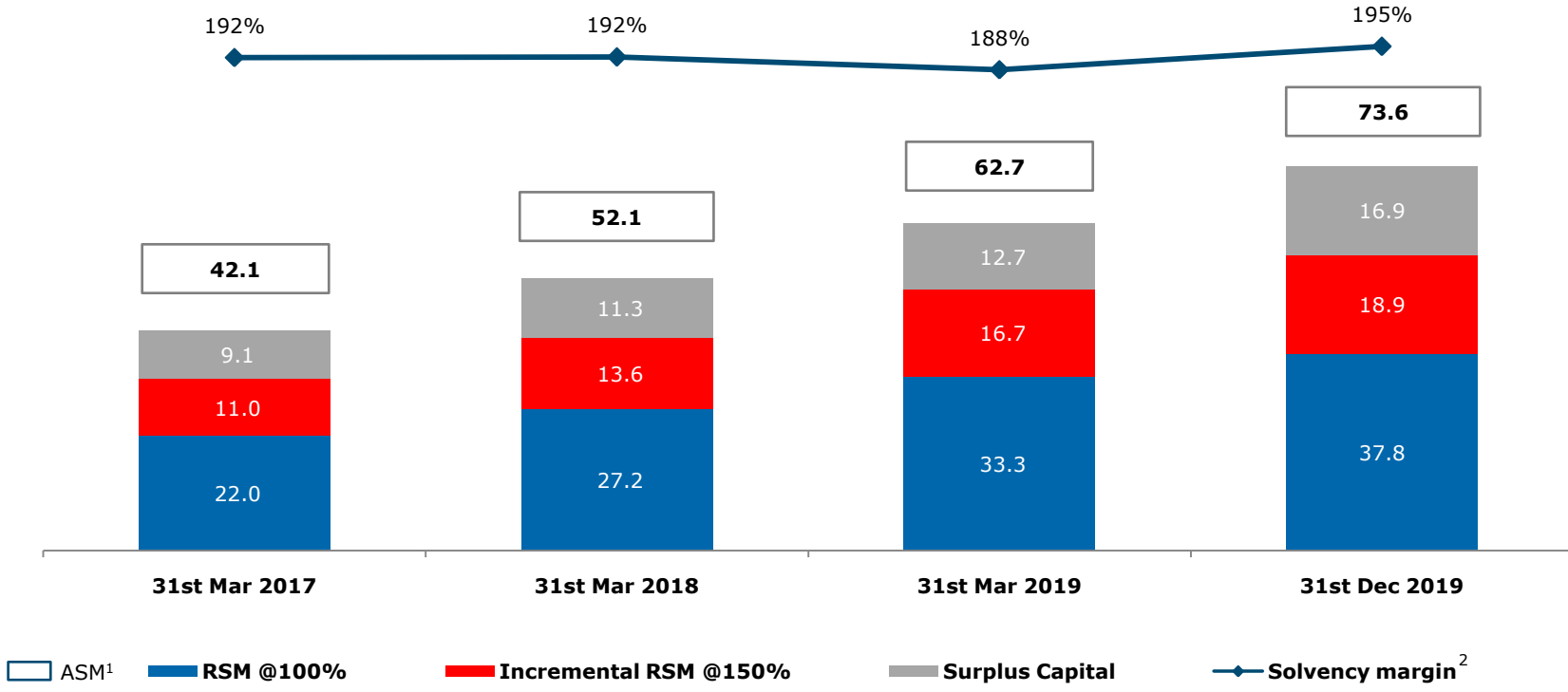
1. Post overrun total VNB for Individual and Group business

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.

Stable capital position

Rs Bn.

| | | | | |
|-----------------------------|-----|-----|-----|-----|
| Dividend paid | 2.6 | 3.3 | 4.0 | |
| New business premium growth | 33% | 32% | 32% | 22% |



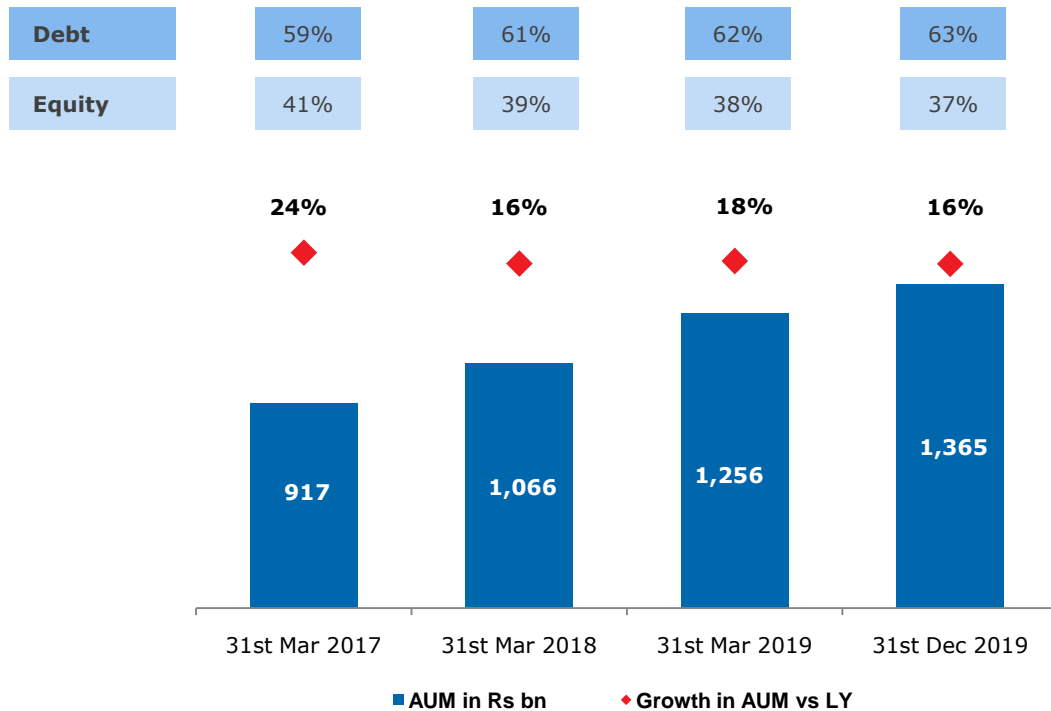
Internal accruals have supported new business growth with no capital infused in last eight years (except through issuance of ESOPs)

1. ASM represents Available solvency margin and RSM represents Required solvency margin
 2. Investment in subsidiaries not considered in solvency margin



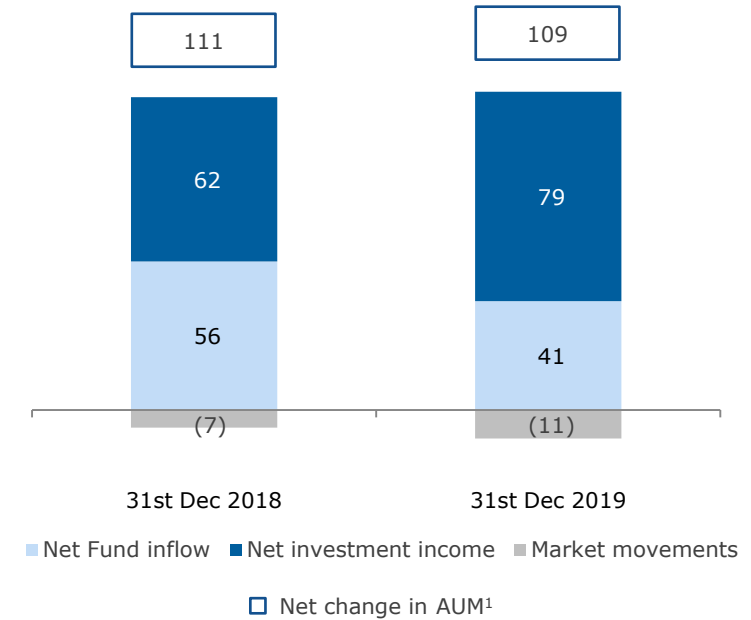
Assets under management

Assets Under Management



Change in AUM¹

Rs Bn.



- Continue to rank amongst top 3 private players, in terms of assets under management²
- Almost 96% of debt investments in Government bonds and AAA rated securities as on Dec 31, 2019

1. Calculated as difference from April to December

2. Based on Assets under Management as on Sep 30, 2019

Environmental, Social, Governance (ESG): Committed to Sustainability

Focus on building a sustainable business with a culture that fosters inclusive growth for all stakeholders, today and tomorrow

Environmental

- Adoption of Initiatives across water conservation and energy efficiency
- Waste management initiatives like ban on use of plastic garbage bags and use of biodegradable garbage bags
- Created nine city forests using the Japanese Miyawaki method in Mumbai and Nasik
- Access to clean drinking water by setting up Water ATMs in 12 villages and 7 schools

Social

- Insured over 40 million lives in the microfinance segment
- 19 projects in Education, Health, Environment, Livelihood and Disaster Relief in 20 states and 3 UTs, impacting >200,000 beneficiaries
- Conducting financial literacy classroom trainings and mass awareness campaigns
- Education interventions include scholarships, digital classrooms, providing cycles to girl children, mid-day meals , youth career guidance
- Health interventions include care for children with congenital heart defects, paediatric cancer, club foot and malnutrition

Governance

- Corporate Governance Policy ensures strong governance framework at the Board level and periodic assessment of the progress
- Code of Conduct sets forth the principles with focus on delivering value for customers, employees and shareholders



**HDFC LIFE
VALUES**

Performance
Snapshot

Our Strategy

Annexures

India Life
Insurance

4

India Life Insurance

Backspace

Screen

Page
Up

Home

Page
Down

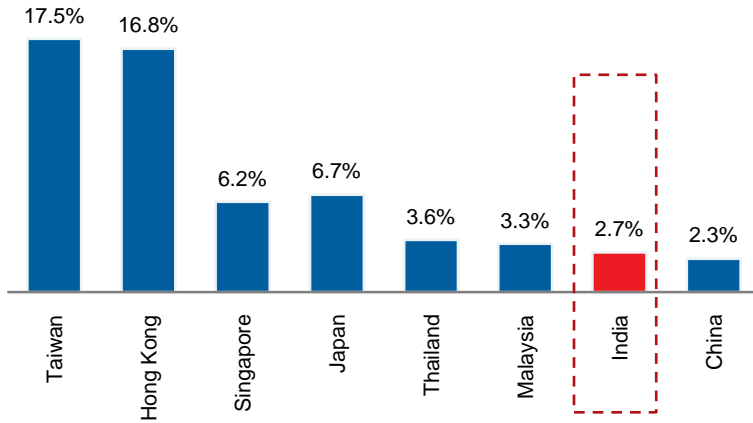
**Life
Insurance**

Insert

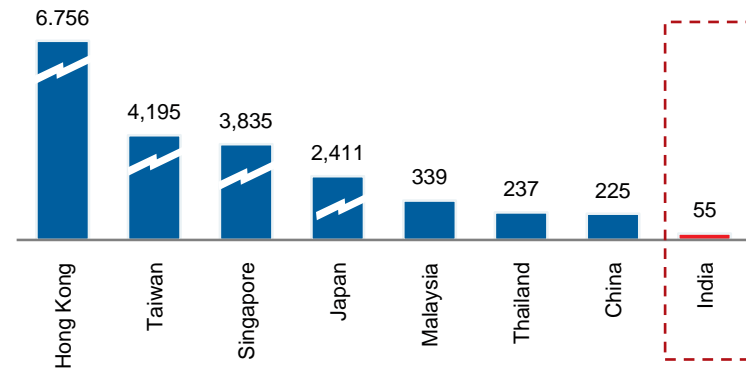
Shift

Growth opportunity: Under-penetration and favourable demographics

Life Insurance penetration ¹ (2018)

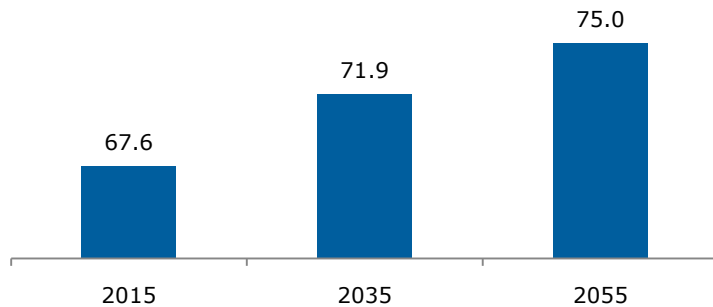


Life Insurance density US\$ ² (2018)

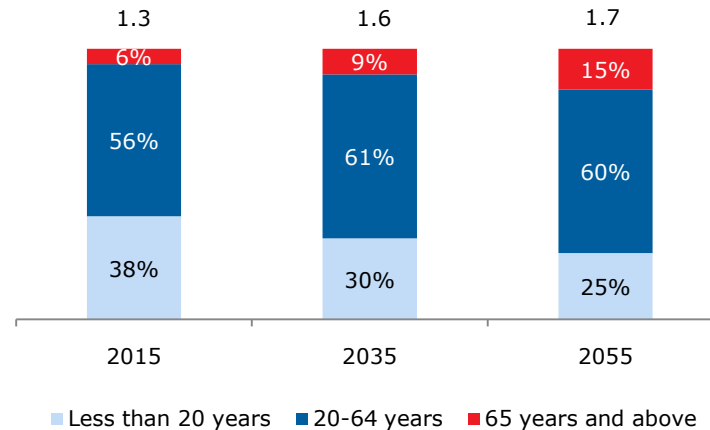


- India remains vastly under-insured, both in terms of penetration and density
- Huge opportunity to penetrate the underserved segments, with evolution of the life insurance distribution model

Life expectancy (Years)



Population composition (Bn.)



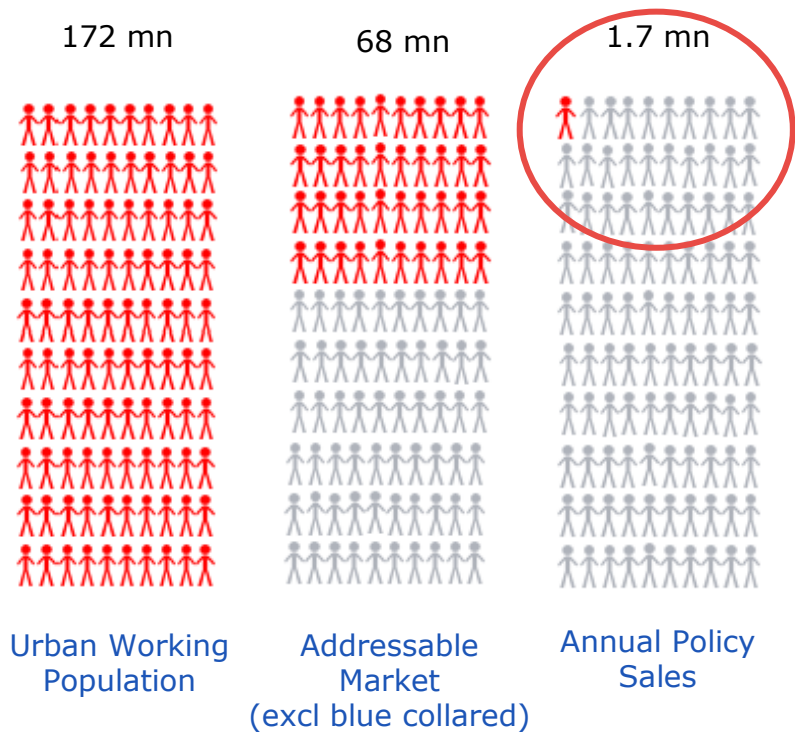
- India's insurable population is expected to touch 750 million by 2020
- India's elderly population is expected to double by 2035 (as compared to 2015)
- Emergence of nuclear families and advancement in healthcare facilities lead to increase in life expectancy thus facilitating need for pension and protection based products

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

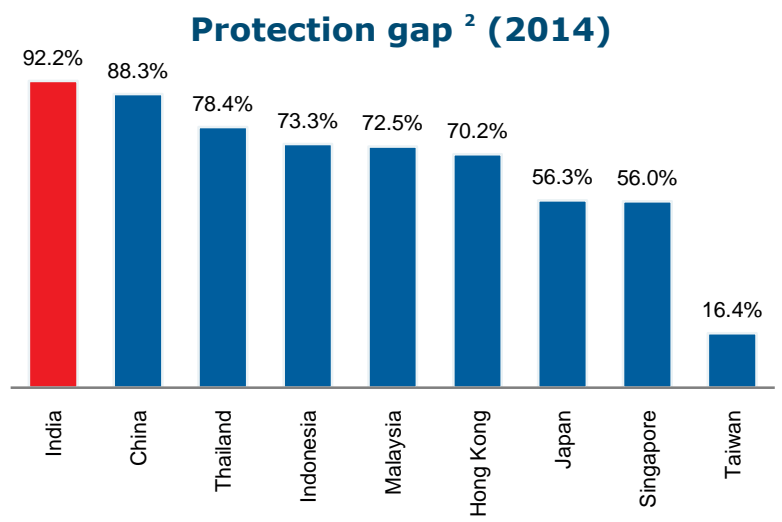
2. Density defined as the ratio of premium underwritten in a given year to the total population

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

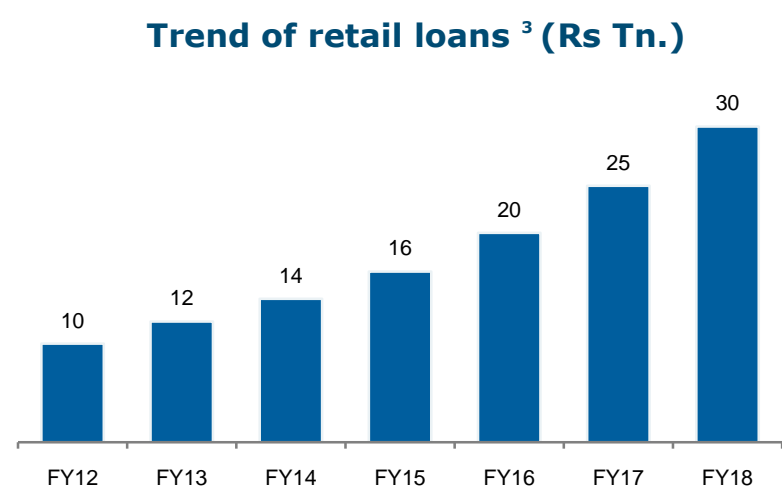
Low levels of penetration – Life Protection



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



- India has the highest protection gap in the region, as growth in savings and life insurance coverage has lagged behind economic and wage growth
- Protection gap has increased over 4x in last 15 years with significantly low insurance penetration and density



- Retail credit has grown at a CAGR of 21% over last 6 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



India has a rapidly increasing ageing population with lack of awareness regarding systematic retirement planning



By 2050, **1 in 6 people** in India will be over the age of 60, bringing the future market to **200 million** people

41.5% of elderly male (65+) are working to meet their retirement needs

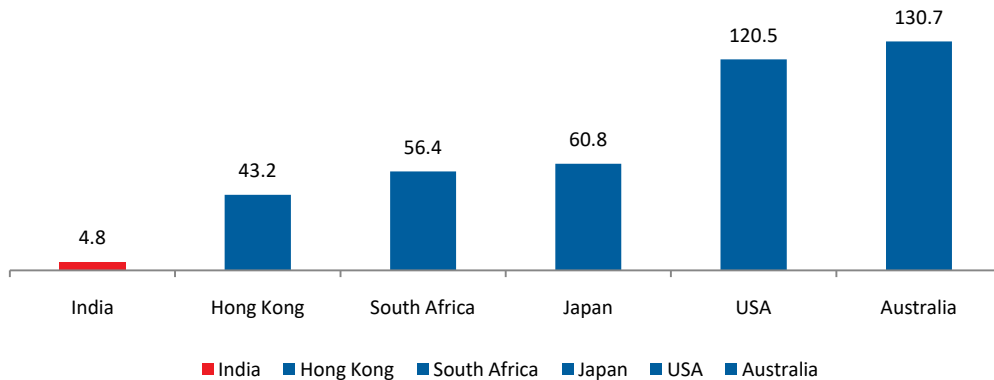
Unorganized workforce not under any formal pension scheme is **82.7%**

52% of elderly population in both urban and rural areas are fully dependent on others

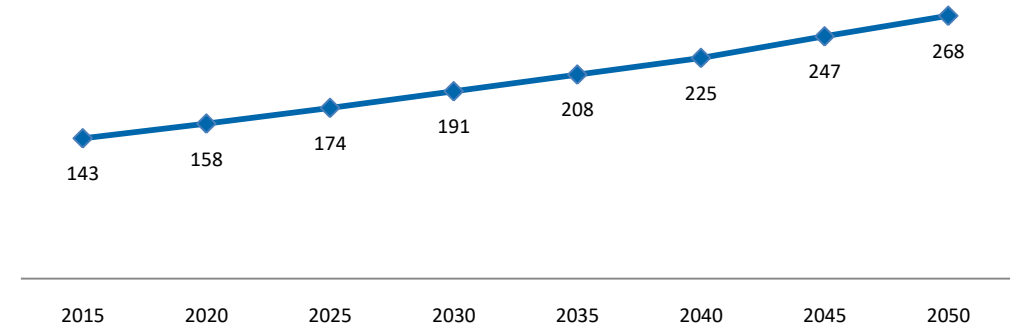
India's pension market is under-penetrated at 4.8% of GDP

Rising old age dependency along with emergence of nuclear families to drive demand for retirement saving products

Pension Assets / GDP Ratio



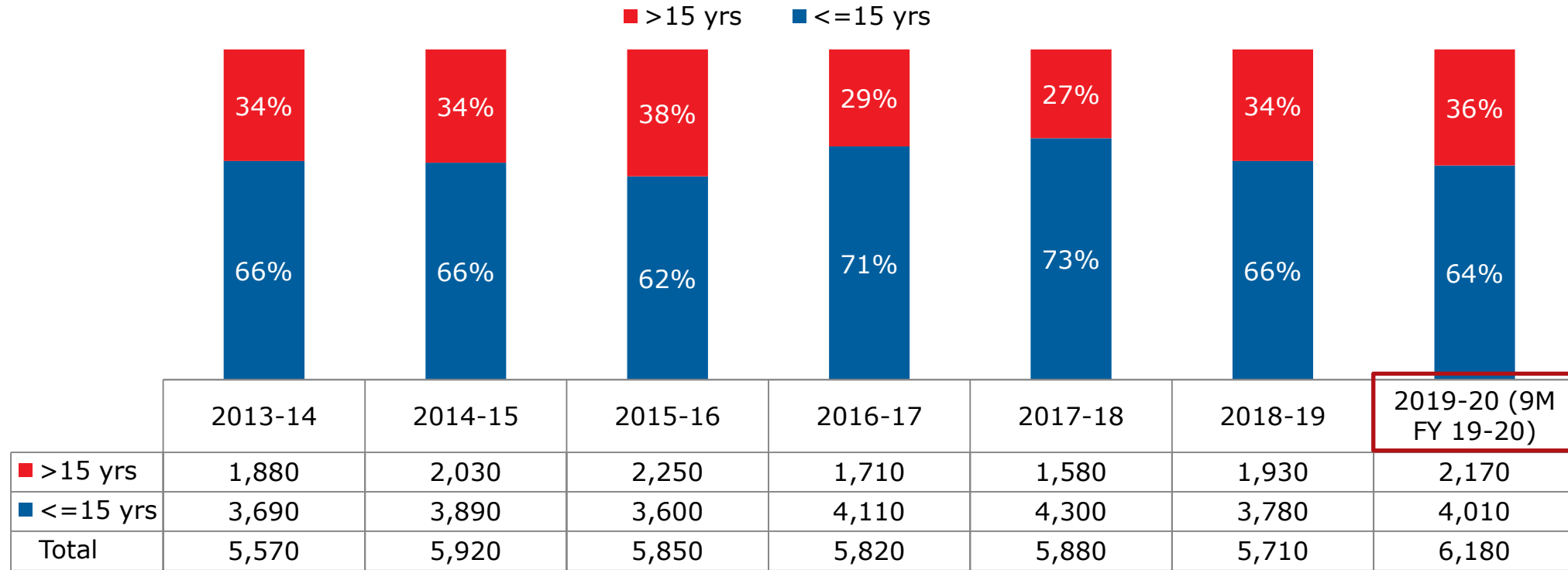
Old age dependency ratio per thousand



Government Bond Auctions

Government Bonds – Tenorwise Issuance

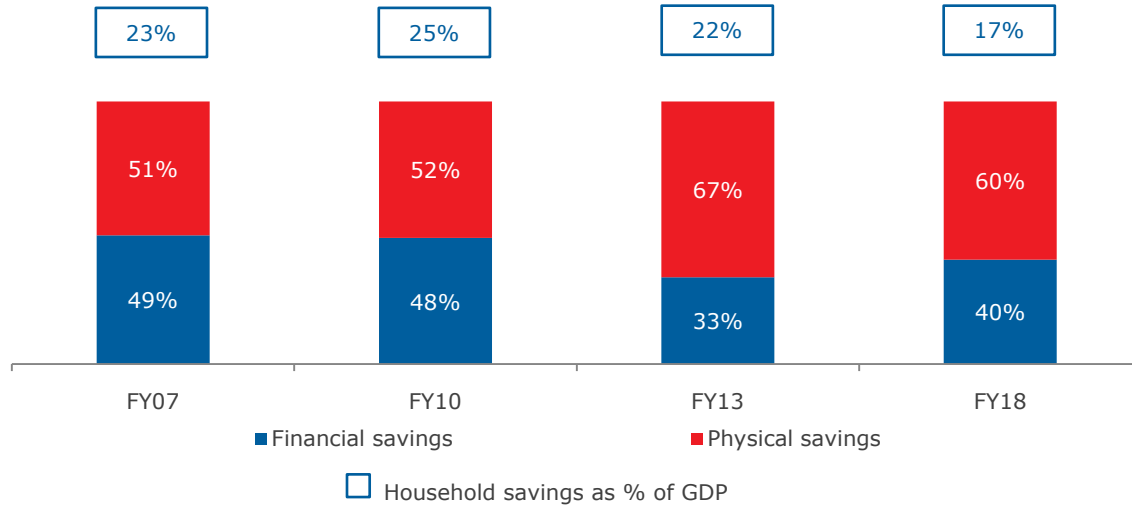
Rs Bn.



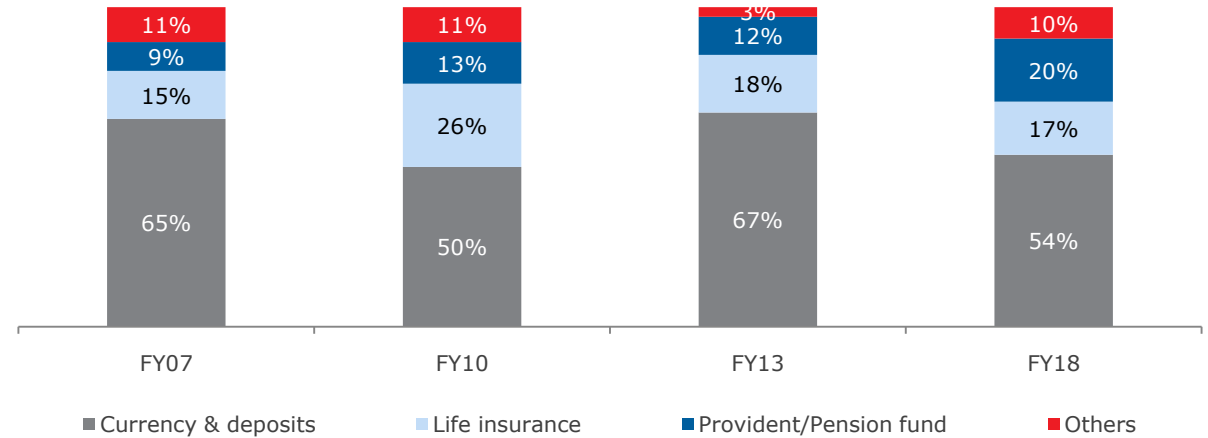
- Auction of >15 year maturity bonds has been ~33% on an average facilitates writing annuity business at scale
- Budget estimate plan for government borrowing for FY20 at Rs. 7.1 trillion on gross basis.
- The actual borrowing till Q3 is 87% of the budget

Life Insurance: A preferred savings instrument

Household savings composition

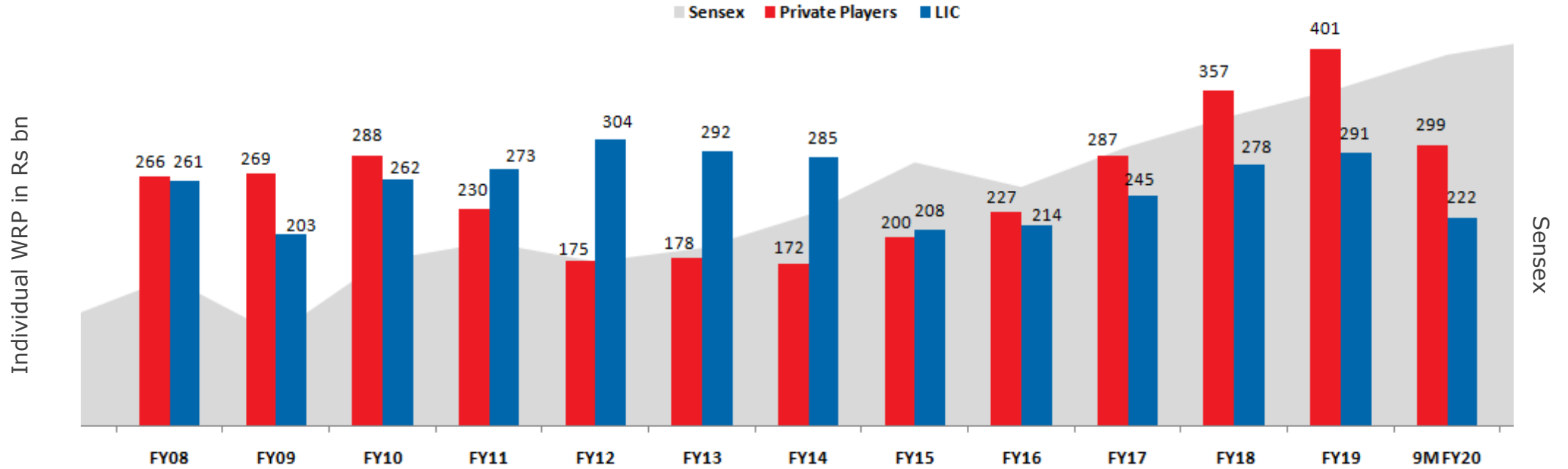


Financial savings mix



- Increasing preference towards financial savings with increasing financial literacy within the population
- Various government initiatives to promote financial inclusion:
 - Implementation of JAM trinity – around 378 mn new savings bank accounts opened till date
 - 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

| | | | | | | | | | | | | | |
|--|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| | 50% | 57% | 52% | 46% | 37% | 38% | 38% | 49% | 52% | 54% | 56% | 58% | 57% |
|--|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|

Growth %

| | | | | | | | | | | | | | |
|---------|-----|------|-----|------|------|-----|-----|------|-----|-----|-----|-----|-----|
| Private | 86% | 1% | 7% | -20% | -24% | 2% | -3% | 16% | 14% | 26% | 24% | 12% | 16% |
| LIC | 0% | -22% | 29% | 4% | 11% | -4% | -2% | -27% | 3% | 15% | 13% | 5% | 17% |
| Overall | 31% | -10% | 17% | -9% | -5% | -2% | -3% | -11% | 8% | 21% | 19% | 9% | 17% |

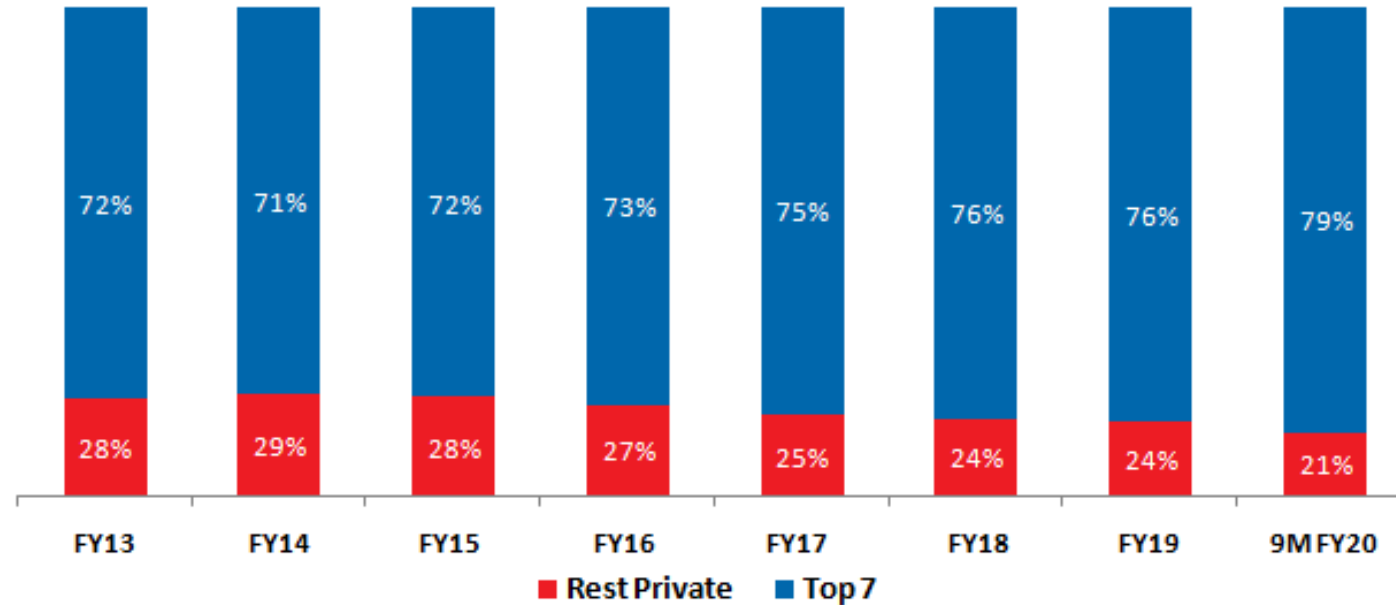
Private sector gained higher Market share than LIC for the first time in FY16, post FY11 regulatory changes

1. Basis Individual Weighted Received Premium (WRP)

Source: IRDAI and Life Insurance Council

Private industry: Market share trends

Top 7 private players vs other players



- Amongst private insurers, insurers with a strong bancassurance platform continue to dominate with increasing market share of the total private individual new business

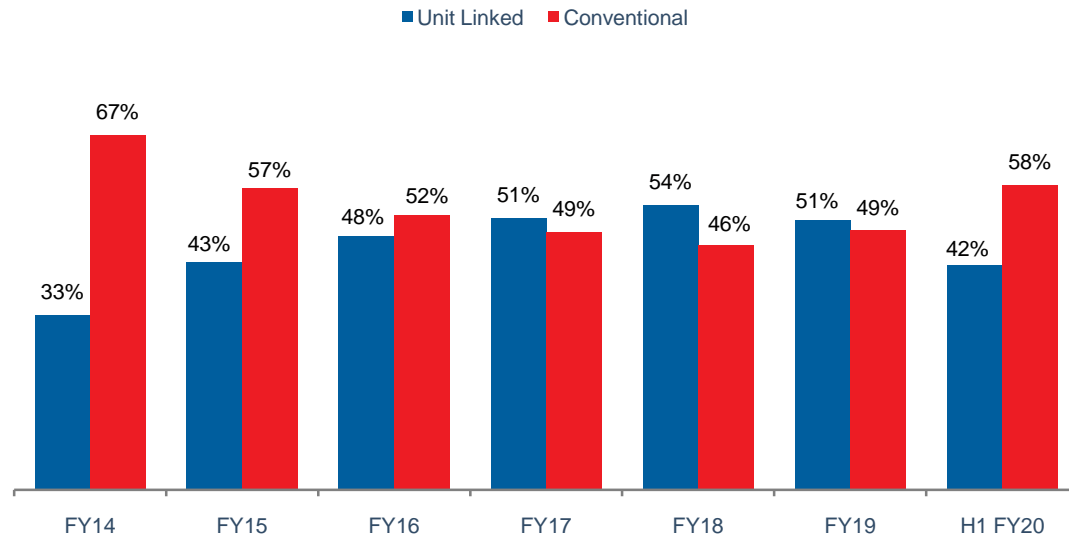
Notes :

Basis Individual Weighted Received Premium (WRP) as disclosed by IRDAI, Life Insurance Council

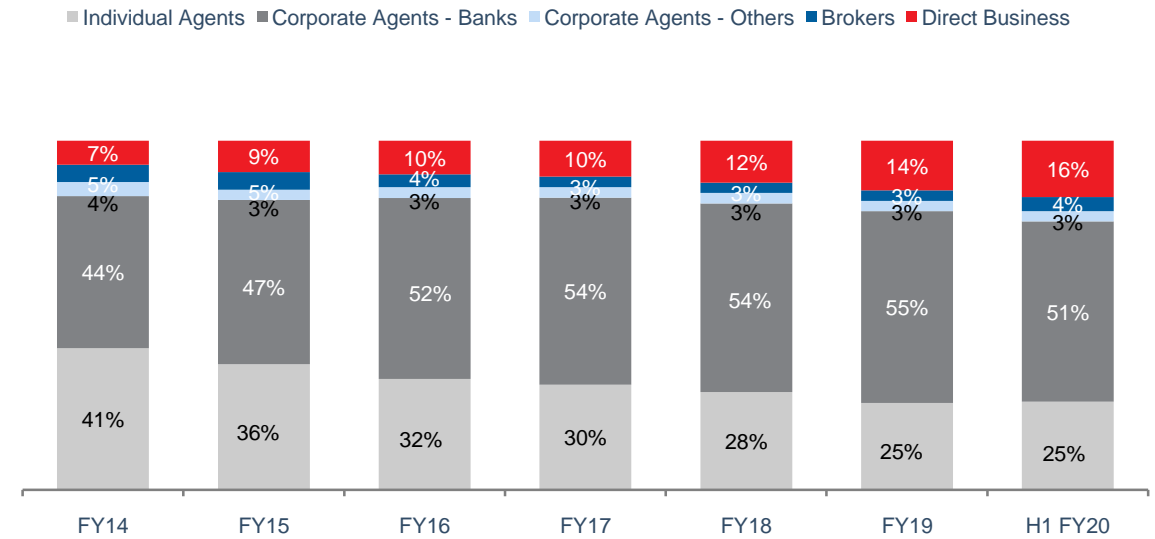
Top 7 players based on 9M FY20 business numbers, comprising of, SBI Life, ICICI Pru HDFC Life, Max Life, Tata AIA, Bajaj Allianz and Birla Sun Life

Private industry: Product and distribution mix

Product mix ¹



Distribution mix ²



- Product mix has moved towards balanced mix between UL and Conventional business for the private players
- Increasing thrust on protection business in recent times by top players has helped improve the new business margins
- Banca sourced business has consistently increased on the back of increasing reach of banks while share of Agency has declined post regulatory changes in FY11

1. Basis Overall WRP (Individual and Group);

2. Basis Individual New business premia

Source: IRDAI and Life Insurance Council

Appendix

Financial and operational snapshot (1/2)

| | 9M FY20 | 9M FY19 | Growth | FY19 | FY18 | FY17 | CAGR |
|---|-----------|---------|--------|---------|---------|---------|------|
| <i>New Business Premium (Indl. + Group)</i> | 121.5 | 99.4 | 22% | 149.7 | 113.5 | 86.2 | 32% |
| <i>Renewal Premium (Indl. +Group)</i> | 99.4 | 89.2 | 11% | 142.1 | 122.1 | 108.2 | 15% |
| Total Premium | 220.9 | 188.6 | 17% | 291.9 | 235.6 | 194.5 | 23% |
| Individual APE | 43.9 | 33.6 | 31% | 52.0 | 48.9 | 37.4 | 18% |
| Overall APE | 53.0 | 40.5 | 31% | 62.6 | 55.3 | 41.9 | 22% |
| Group Premium (NB) | 61.5 | 49.6 | 24% | 73.3 | 54.1 | 44.2 | 29% |
| Profit after Tax | 9.8 | 9.1 | 8% | 12.8 | 11.1 | 8.9 | 20% |
| - <i>Policyholder Surplus</i> | 7.1 | 7.2 | -1% | 9.0 | 8.5 | 7.5 | 9% |
| - <i>Shareholder Surplus</i> | 2.7 | 1.9 | 42% | 3.8 | 2.6 | 1.4 | 64% |
| Dividend Paid | (1) - | - | NA | 4.0 | 3.3 | 2.6 | 22% |
| Assets Under Management | 1,364.5 | 1,177.0 | 16% | 1,255.5 | 1,066.0 | 917.4 | 17% |
| Indian Embedded Value | 208.4 | 174.0 | 20% | 183.0 | 152.2 | 124.7 | 21% |
| Net Worth | (2) 66.7 | 56.9 | 17% | 56.6 | 47.2 | 38.1 | 22% |
| NB (Individual and Group segment) lives insured (Mn.) | 44.8 | 34.8 | 29% | 51.4 | 33.2 | 20.9 | 57% |
| No. of Individual Policies (NB) sold (In 000s) | (3) 639.5 | 664.6 | -4% | 995.0 | 1,049.6 | 1,082.3 | -4% |

1. Including dividend distribution tax (DDT)

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

3. Including rural policies. Excluding rural policies, NOPs grew by CAGR of 8% between FY17-19



Financial and operational snapshot (2/2)

| | | 9M FY20 | 9M FY19 | FY19 | FY18 | FY17 |
|---|-----|--------------|--------------|--------------|--------------|-------------|
| Overall New Business Margins (post overrun) | | 26.6% | 24.0% | 24.6% | 23.2% | 22.0% |
| Operating Return on EV | (1) | 19.0% | 19.7% | 20.1% | 21.5% | 21.7% |
| Operating Expenses / Total Premium | | 13.8% | 13.8% | 13.2% | 13.5% | 12.6% |
| Total Expenses (OpEx + Commission) / Total Premium | | 18.5% | 17.7% | 17.0% | 18.0% | 16.7% |
| Return on Equity | (2) | 21.3% | 23.4% | 24.6% | 26.0% | 25.7% |
| Solvency Ratio | | 195% | 191% | 188% | 192% | 192% |
| Persistency (13M / 61M) | (3) | 90%/55% | 86%/50% | 87%/52% | 87%/51% | 84%/59% |
| Market Share (%) | | | | | | |
| - Individual WRP | | 14.3% | 12.6% | 12.5% | 13.3% | 12.7% |
| - Group New Business | | 28.6% | 28.2% | 28.4% | 28.5% | 24.3% |
| - Total New Business | | 21.4% | 21.0% | 20.7% | 19.1% | 17.2% |
| Business Mix (%) | | | | | | |
| - Product (UL/Non par savings/Non par protection/Par) | (4) | 28/52/7/13 | 59/14/7/20 | 55/20/7/18 | 57/9/5/28 | 52/9/4/35 |
| - Indl Distribution (CA/Agency/Broker/Direct) | (4) | 55/14/9/21 | 67/11/4/17 | 64/13/4/19 | 71/11/5/14 | 72/12/5/11 |
| - Total Distribution (CA/Agency/Broker/Direct/Group) | (5) | 23/7/3/16/51 | 27/6/2/15/50 | 26/7/2/16/49 | 33/7/2/10/48 | 32/7/2/7/52 |
| - Share of protection business (Basis Indl APE) | | 6.7% | 6.7% | 6.7% | 5.1% | 4.0% |
| - Share of protection business (Basis Overall APE) | | 16.7% | 16.6% | 16.7% | 11.3% | 7.8% |
| - Share of protection business (Basis NBP) | | 28.1% | 28.1% | 27.0% | 25.9% | 21.8% |

1. During FY18, there was a one time positive operating assumption change off Rs 1.4 bn based on review by an external actuary as part of the IPO process. Excluding this one time adjustment, Operating return on EV would have been 20.4% for FY18

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

3. Persistency ratios (based on original premium). Group business, where persistency is measurable, has been included in the calculations.

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

| | 9M FY20 | 9M FY19 |
|--|--------------|--------------|
| Premium earned | 220.9 | 188.6 |
| Reinsurance ceded | (3.3) | (1.8) |
| Income from Investments | 69.2 | 52.7 |
| Other Income | 1.1 | 0.6 |
| Transfer from Shareholders' Account | 0.3 | 0.1 |
| Total Income | 288.1 | 240.2 |
| Commissions | 10.4 | 7.2 |
| Expenses | 30.4 | 26.0 |
| GST on UL charges | 2.6 | 2.5 |
| Provision for taxation | 0.3 | 0.4 |
| Provision for diminution in value of investments | 1.9 | 0.7 |
| Benefits paid | 130.6 | 89.5 |
| Change in valuation reserve | 97.6 | 103.3 |
| Bonuses Paid | 6.1 | 3.1 |
| Total Outgoings | 279.8 | 232.7 |
| Surplus | 8.4 | 7.6 |
| Transfer to Shareholders' Account | 7.4 | 7.3 |
| Funds for future appropriation - Par | 1.0 | 0.2 |
| Total Appropriations | 8.4 | 7.6 |

Profit and Loss A/c

Rs Bn.

| | 9M FY20 | 9M FY19 |
|---|-------------|------------|
| Income | | |
| - Interest and dividend income | 2.7 | 2.1 |
| - Net profit/(loss) on sale | 0.9 | 0.2 |
| Transfer from Policyholders' Account | 7.4 | 7.3 |
| Other Income | 0.0 | 0.1 |
| Total | 10.9 | 9.7 |
| Outgoings | | |
| Transfer to Policyholders' Account | 0.3 | 0.1 |
| Expenses | 0.2 | 0.1 |
| Provision for diminution in value of investments | 0.2 | 0.1 |
| Provision for Taxation | 0.4 | 0.3 |
| Total | 1.1 | 0.6 |
| Profit for the year as per P&L Statement | 9.8 | 9.1 |
| Interim Dividend paid (including tax) | 0.0 | 0.0 |
| Profit carried forward to Balance Sheet | 9.8 | 9.1 |

Balance Sheet

Rs Bn.

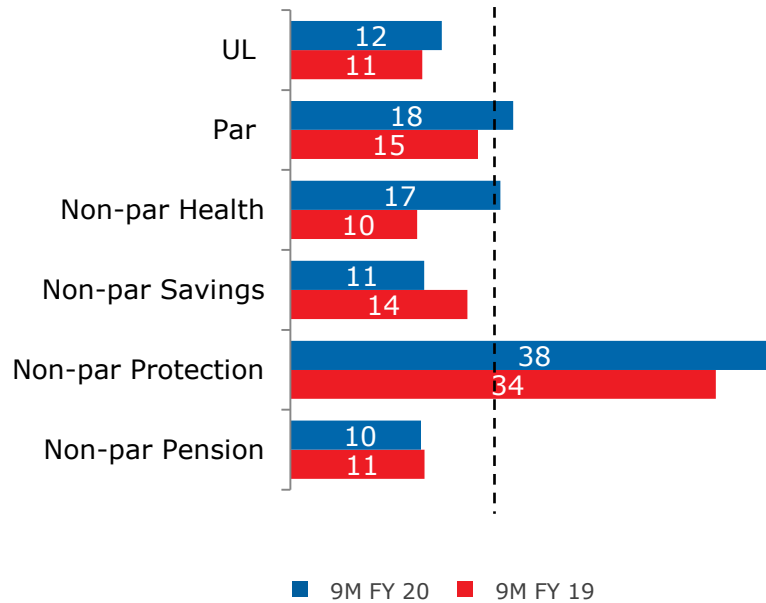
| | Dec 31, 2019 | Dec 31, 2018 | Mar 31, 2019 |
|---|----------------|----------------|----------------|
| Shareholders' funds | | | |
| Share capital (including Share premium) | 24.1 | 23.8 | 23.8 |
| Accumulated profits | 42.6 | 33.1 | 32.7 |
| Fair value change | (0.1) | 0.0 | (0.0) |
| Sub total | 66.6 | 56.9 | 56.6 |
| Policyholders' funds | | | |
| Fair value change | 9.7 | 8.4 | 11.1 |
| Policy Liabilities | 619.6 | 501.3 | 536.3 |
| Provision for Linked Liabilities | 613.5 | 568.0 | 605.2 |
| Funds for discontinued policies | 34.6 | 29.0 | 28.6 |
| Sub total | 1,277.4 | 1,106.8 | 1,181.2 |
| Funds for future appropriation (Par) | 12.0 | 9.8 | 11.0 |
| Total Source of funds | 1,355.9 | 1,173.5 | 1,248.8 |
| Shareholders' investment | 60.4 | 48.0 | 50.5 |
| Policyholders' investments: Non-linked | 655.9 | 531.9 | 571.2 |
| Policyholders' investments: Linked | 648.1 | 597.0 | 633.8 |
| Loans | 2.6 | 0.5 | 0.8 |
| Fixed assets | 3.4 | 3.4 | 3.3 |
| Net current assets | (14.5) | (7.3) | (10.8) |
| Total Application of funds | 1,355.9 | 1,173.5 | 1,248.8 |



Segment wise average term and age¹

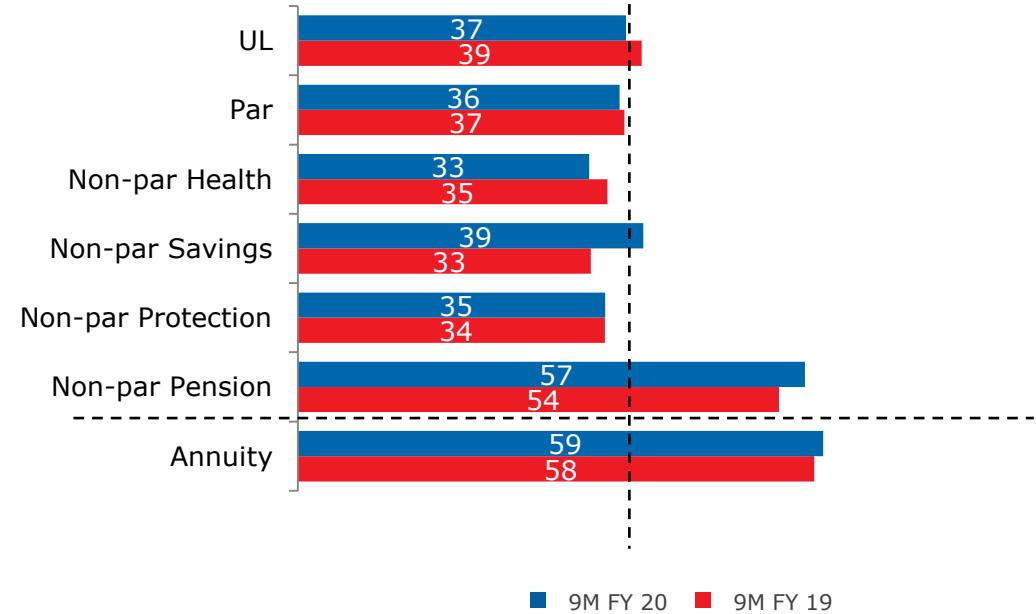
Average Policy Term excluding annuity (Yrs)

9M FY20: 17.0 (9M FY19 : 15.0)



Average Customer Age excluding annuity (Yrs)

9M FY20: 37.5 (9M FY19: 36.7)



- Focus on long term insurance solutions, reflected in longer policy tenure
- Extensive product solutions catering customer needs across life cycles from young age to relatively older population

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 Dec 31, 2019 | As at Dec 31, 2018 | As at Dec 31, 2019 | As at Dec 31, 2018 |
| 1 | 5.55 | 7.00 | 5.40 | 6.77 |
| 2 | 6.30 | 7.39 | 5.75 | 6.95 |
| 3 | 6.87 | 7.65 | 6.05 | 7.09 |
| 4 | 7.23 | 7.82 | 6.28 | 7.20 |
| 5 | 7.43 | 7.93 | 6.46 | 7.28 |
| 10 | 7.52 | 8.02 | 6.86 | 7.50 |
| 15 | 7.47 | 7.95 | 6.98 | 7.56 |
| 20 | 7.45 | 7.94 | 7.03 | 7.58 |
| 25 | 7.45 | 7.98 | 7.06 | 7.60 |
| 30+ | 7.45 | 8.04 | 7.08 | 7.62 |

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 2019, the first instalment would fall into first year premiums for 2018-19 and the remaining 11 instalments in the first year would be first year premiums in 2019-20
- **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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