

July 21, 2020

Ref. No. : HDFC Life/CA/2020-21/23

**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

Sir/ Madam,

**Subject: Outcome of the Board Meeting held on July 21, 2020**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that the Board of Directors of the Company at their meeting held today i.e. July 21, 2020, have approved the Audited Standalone and Un-audited Consolidated financial results for the quarter ended June 30, 2020.

In this regard, please find enclosed herewith the following:-

- (i) Copy of Audited Standalone financial results along with auditors report
- (ii) Copy of Un-audited Consolidated financial results with limited review report
- (iii) Note on Impact of COVID-19
- (iv) Press Release

The window for trading in equity shares of the Company by the Designated Persons (i.e. Identified Employees, Directors and Promoters of the Company and their immediate relatives) will be open from July 24, 2020.

The Meeting of the Board of Directors of the Company commenced at 12.00 noon (IST) and concluded at 2.00 pm. (IST).

This is for your information and appropriate dissemination.

Thanking you,

**For HDFC Life Insurance Company Limited**



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

Encl.: As above

**Price Waterhouse Chartered Accountants LLP**

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

**G. M. Kapadia & Co.**

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

**Auditor's Report on Standalone Financial Results for the quarter ended June 30, 2020 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) as at and for the quarter ended June 30, 2020 being submitted by the Company, which has been digitally signed by us for identification purposes, pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and IRDA Circular reference: IRDAI/F&I/ REG/ CIR/208/10/2016 dated 25th October 2016 (“Standalone financial results”) and which have been approved by the Board of Directors on July 21, 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 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”), 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 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 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

5. In our opinion and to the best of our information and according to the explanations given to us these quarterly 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 25<sup>th</sup> October 2016 in this regard; and
  - II) give a true and fair view of the net profit and other financial information for the quarter ended June 30, 2020.

### **Emphasis of Matter**

6. We draw your attention to Note 6 to the Standalone financial results which describe the management's assessment of the impact of the outbreak of Coronavirus (COVID-19) on the business operations of the Company. In view of the uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

### **Other Matter**

7. 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 June 30, 2020 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 interim condensed financial statements of the Company.

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

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

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**Alpa Kedia**  
*Partner*  
Membership No. 100681  
**UDIN:** 20100681AAAACD4353  
**Place:** Mumbai  
**Date:** July 21, 2020

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**Rajen Ashar**  
*Partner*  
Membership No. 048243  
**UDIN:** 20048243AAAFT6390

**HDFC Life Insurance Company Limited**  
(Formerly HDFC Standard Life Insurance Company Limited)  
**Statement of Standalone Audited Results for the Quarter ended June 30, 2020**

(₹ in Lakhs)

Sr. No.	Particulars	Three Months ended / As at			Year ended / As at
		June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
		(Audited)	(Audited)	(Audited)	(Audited)
<b>POLICYHOLDERS' A/C</b>					
1	Gross premium income				
	(a) First Year Premium	102,183	172,201	132,658	604,427
	(b) Renewal Premium	323,912	552,617	260,980	1,546,844
	(c) Single Premium	160,161	336,665	259,938	1,119,418
2	Net premium income <sup>1</sup>	572,184	1,046,446	645,116	3,222,360
3	Income from investments (Net) <sup>2</sup>	874,910	(1,022,992)	205,138	(331,087)
4	Other income	3,800	10,931	3,340	24,395
5	Contribution of funds from Shareholders' A/c <sup>3</sup>	-	7,479	-	10,475
6	<b>Total (2 to 5)</b>	<b>1,450,894</b>	<b>41,864</b>	<b>853,594</b>	<b>2,926,143</b>
7	Commission on				
	(a) First Year Premium	17,894	29,840	25,845	108,205
	(b) Renewal Premium	4,818	8,301	3,353	24,053
	(c) Single Premium	1,097	4,263	3,025	14,119
	Rewards	184	490	534	2,741
8	<b>Net Commission<sup>4</sup></b>	<b>23,993</b>	<b>42,894</b>	<b>32,757</b>	<b>149,118</b>
9	Operating Expenses related to insurance business (a+b)				
	(a) Employees remuneration and welfare expenses	31,197	43,668	39,398	167,696
	(b) Other operating expenses <sup>5</sup>	35,524	81,550	48,266	258,994
10	<b>Expenses of Management (8+9)</b>	<b>90,714</b>	<b>168,112</b>	<b>120,421</b>	<b>575,808</b>
11	Provisions for doubtful debts (including bad debts written off)	-	-	-	-
12	Provisions for diminution in value of investments <sup>6</sup>	(5,709)	37,585	8,408	56,742
13	Goods & Services Tax on linked charges	8,244	9,300	8,492	35,324
14	Provision for taxes	3,156	12,218	484	14,903
15	Benefits Paid <sup>7</sup> (Net)	279,885	532,691	366,176	1,902,148
16	Change in actuarial liability	1,049,429	(731,647)	311,966	244,076
17	<b>Total (10+11+12+13+14+15+16)</b>	<b>1,425,719</b>	<b>28,259</b>	<b>815,947</b>	<b>2,829,001</b>
18	<b>Surplus/Deficit (6-17)</b>	<b>25,175</b>	<b>13,605</b>	<b>37,647</b>	<b>97,142</b>
19	<b>Appropriations</b>				
	(a) Transferred to Shareholders A/c	34,688	45,166	35,033	119,139
	(b) Funds for Future Appropriations	(9,513)	(31,561)	2,614	(21,997)
20	<b>Details of Surplus / Deficit</b>				
	(a) Interim bonus paid	1,819	2,019	1,628	5,850
	(b) Terminal bonus paid	12,885	22,296	13,031	78,994
	(c) Allocation of bonus to policyholders	-	80,285	-	80,285
	(d) Surplus shown in the Revenue Account	25,175	13,605	37,647	97,142
	<b>Total Surplus</b>	<b>39,879</b>	<b>118,205</b>	<b>52,306</b>	<b>262,271</b>
<b>SHAREHOLDERS' A/C</b>					
21	Transfer from Policyholders' Account	34,688	45,166	35,033	119,139
22	Total income under Shareholders' Account				
	(a) Investment Income <sup>8</sup>	9,645	8,601	9,876	43,781
	(b) Other income	-	1,856	-	1,856
23	Expenses other than those related to insurance business <sup>5</sup>	682	1,794	202	3,342
24	Transfer of funds to Policyholders' Account	-	7,479	-	10,475
25	Provisions for doubtful debts (including write off)	-	-	-	-
26	Provisions for diminution in value of investments <sup>6</sup>	(1,469)	17,903	1,019	19,785
27	<b>Profit before tax</b>	<b>45,120</b>	<b>28,447</b>	<b>43,688</b>	<b>131,174</b>
28	Provisions for tax	11	(2,724)	1,226	1,647
29	<b>Profit after tax and before Extraordinary items</b>	<b>45,109</b>	<b>31,171</b>	<b>42,462</b>	<b>129,527</b>
30	<b>Profit after tax and Extraordinary items</b>	<b>45,109</b>	<b>31,171</b>	<b>42,462</b>	<b>129,527</b>
31	<b>Dividend per share (₹) (Nominal value ₹ 10 per share)</b>				
	(a) Interim Dividend	-	-	-	-
	(b) Final Dividend	-	-	-	-
32	Profit carried to Balance Sheet <sup>7</sup>	502,038	456,929	369,864	456,929
33	Paid up equity share capital	201,917	201,880	201,749	201,880
34	Reserve & Surplus (excluding Revaluation Reserve)	542,628	496,750	406,687	496,750
35	Fair Value Change Account and Revaluation Reserve (Shareholders)	(5,529)	(19,197)	(265)	(19,197)
36	Total Assets:				
	(a) Investments:				
	- Shareholders'	629,539	585,548	517,834	585,548
	- Policyholders Fund excluding Linked Assets	7,214,943	6,718,861	6,107,061	6,718,861
	- Assets held to cover Linked Liabilities (Linked Assets)	6,152,996	5,418,208	6,333,254	5,418,208
	(b) Other Assets (Net of current liabilities and provisions)	(103,618)	(4,072)	(120,924)	(4,072)

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

Advertisement and publicity	17,083	33,024	19,904	106,957
Business development expenses	1,326	23,464	8,693	61,209

**Foot notes :**

- 1 Net of reinsurance
- 2 Net of amortisation and losses (including capital gains)
- 3 Includes contribution of funds from shareholders accounts towards excess EOM
- 4 Inclusive of interim and terminal bonus
- 5 Includes Remuneration of MD/CEOs/WTDs over specified limits
- 6 Inclusive of provision for standard and non-standard assets
- 7 Represents accumulated surplus

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The joint statutory auditors have digitally signed this standalone financial results for identification purposes only and this standalone financial results should be read in conjunction with audit report dated July 21, 2020.

**HDFC Life Insurance Company Limited**  
(Formerly HDFC Standard Life Insurance Company Limited)  
**Statement of Standalone Audited Results for the Quarter ended June 30, 2020**

(₹ in Lakhs)

Particulars	Three Months ended / As at			Year ended / As at
	June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
	(Audited)	(Audited)	(Audited)	(Audited)
<b>Analytical Ratios:</b>				
(i) Solvency Ratio	190%	184%	193%	184%
(ii) Expenses of Management Ratio	15.5%	15.8%	18.4%	17.6%
(iii) Policyholder's liabilities to shareholders' fund	1779.3%	1770.4%	1993.8%	1770.4%
(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)	2.23	1.54	2.10	6.42
b) Diluted EPS before and after extraordinary items (net of tax expense) for the period (not annualized for three months)	2.23	1.54	2.10	6.41
(v) NPA ratios: (for Policyholders' fund)				
a) Gross NPAs				
- Non Linked				
Par	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL
- Linked				
Non Par	5,125.0	5,125.0	4,875.0	5,125.0
Net NPAs				
- Non Linked				
Par	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL
- Linked				
Non Par	NIL	NIL	1,625.0	NIL
b) % of Gross NPAs				
- Non Linked				
Par	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL
- Linked				
Non Par	0.1%	0.1%	0.1%	0.1%
% of Net NPA				
- Non Linked				
Par	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL
- Linked				
Non Par	NIL	NIL	0.0%	NIL
(vi) Yield on Investments (on Policyholders' fund)				
A. Without unrealised gains				
- Non Linked				
Par	1.6%	-0.2%	2.5%	7.0%
Non Par	2.2%	2.4%	2.2%	9.6%
- Linked				
Non Par	0.6%	1.2%	1.7%	6.3%
B. With unrealised gains				
- Non Linked				
Par	6.2%	-2.8%	4.2%	5.4%
Non Par	4.9%	4.8%	4.8%	15.0%
- Linked				
Non Par	13.3%	-17.3%	0.7%	-14.6%
(vii) NPA ratios: (for Shareholders' fund)				
a) Gross NPAs	NIL	NIL	NIL	NIL
Net NPAs	NIL	NIL	NIL	NIL
b) % of Gross NPAs	NIL	NIL	NIL	NIL
% of Net NPAs	NIL	NIL	NIL	NIL
(viii) Yield on Investments (on Shareholders' fund)				
A. Without unrealised gains	1.5%	0.1%	1.8%	6.5%
B. With unrealised gains	5.9%	-3.7%	2.8%	2.9%
(ix) Persistency Ratio				
13th month	87.0%	88.4%	88.8%	90.1%
25th month	80.8%	80.5%	77.6%	80.2%
37th month	69.5%	71.8%	71.4%	73.8%
49th month	64.9%	65.9%	67.3%	67.2%
61st month	54.4%	54.6%	55.5%	55.0%
(x) Conservation Ratio				
Participating Life- Individual & group	79.5%	82.1%	81.7%	83.7%
Participating Pension- Individual & group	78.2%	84.1%	100.7%	90.8%
Non Participating Life - Individual & group	83.9%	69.9%	70.7%	70.0%
Non Participating Pension - Individual & Group	74.0%	77.1%	78.7%	79.5%
Non Participating - Life Group Variable	NA	NA	NA	NA
Non Participating - Pension group variable	NA	NA	NA	NA
Non Participating Fund - Annuity	NA	NA	NA	NA
Non Participating Fund - Individual & Group Health	77.1%	59.7%	62.2%	62.7%
Unit Linked - Individual Life	84.0%	79.2%	84.6%	81.6%
Unit Linked - Individual Pension	71.0%	69.7%	79.2%	74.6%
Unit Linked - Group Life	NA	NA	NA	NA
Unit Linked - Group Pension	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 June 30, 2020 have been calculated for the policies issued in the March to May period of the relevant years. E.g.: the 13th month persistency for the current quarter is calculated for the policies issued from March 2019 to May 2019. The persistency ratios for quarter ended March 31, 2020 and June 30, 2019 have been calculated in a similar manner.
- The persistency ratios for the year ended March 31, 2020 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 2018 to February 2019.

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The joint statutory auditors have digitally signed this standalone financial results for identification purposes only and this standalone financial results should be read in conjunction with audit report dated July 21, 2020.

**HDFC Life Insurance Company Limited**  
(Formerly HDFC Standard Life Insurance Company Limited)  
**Segment Reporting (Standalone) for the Quarter ended June 30, 2020**

(₹ in Lakhs)

Sr. No.	Particulars	Three Months ended			Year ended
		June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
		(Audited)	(Audited)	(Audited)	(Audited)
1	<b>Segment Income</b>				
A)	<b>Policyholders :</b>				
	<b>Segment A - Participating - Individual &amp; Group Life :</b>				
	Net Premium	105,133	219,239	92,776	583,500
	Income from Investments <sup>2</sup>	50,839	(41,122)	60,705	136,368
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	2,599	5,265	1,612	13,610
	<b>Segment B - Participating - Individual &amp; Group Pension :</b>				
	Net Premium	2,805	6,550	3,576	20,260
	Income from Investments <sup>2</sup>	5,372	1,245	6,815	22,311
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	42	155	46	304
	<b>Segment C - Non Participating - Individual &amp; Group Life :</b>				
	Net Premium	152,266	262,771	200,061	899,868
	Income from Investments <sup>2</sup>	41,102	40,645	27,094	134,045
	Transfer of Funds from shareholders' account	-	7,158	-	9,536
	Other Income	338	541	627	2,293
	<b>Segment D - Non Participating - Life Group Variable :</b>				
	Net Premium	3,224	10,349	12,832	84,514
	Income from Investments <sup>2</sup>	5,812	5,728	5,262	21,963
	Transfer of Funds from shareholders' account	-	238	-	626
	Other Income	-	-	-	-
	<b>Segment E - Non Participating - Individual &amp; Group Pension :</b>				
	Net Premium	20,788	32,625	9,672	73,302
	Income from Investments <sup>2</sup>	8,874	7,521	6,918	28,587
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	8	1	9	24
	<b>Segment F - Non Participating - Pension Group Variable :</b>				
	Net Premium	39,444	46,272	66,020	164,664
	Income from Investments <sup>2</sup>	7,081	6,919	6,604	27,485
	Transfer of Funds from shareholders' account	-	83	-	313
	Other Income	-	-	-	-
	<b>Segment G - Non Participating - Individual &amp; Group Annuity :</b>				
	Net Premium	61,440	85,469	69,498	269,358
	Income from Investments <sup>2</sup>	17,388	13,424	13,992	60,045
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	12	(13)	30	57
	<b>Segment H - Non Participating - Individual &amp; Group Health :</b>				
	Net Premium	1,018	2,311	1,473	9,478
	Income from Investments <sup>2</sup>	210	153	147	623
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	(1)	(35)	7	(18)
	<b>Segment I - Unit Linked - Individual Life :</b>				
	Net Premium	166,869	328,112	165,425	959,915
	Income from Investments <sup>2</sup>	628,756	(955,921)	38,521	(765,401)
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	801	5,021	1,006	8,116
	<b>Segment J - Unit Linked - Individual Pension :</b>				
	Net Premium	9,990	21,017	13,653	68,971
	Income from Investments <sup>2</sup>	71,663	(122,098)	15,056	(74,855)
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	1	(5)	5	8
	<b>Segment K - Unit Linked - Group Life :</b>				
	Net Premium	7,616	29,733	7,964	80,662
	Income from Investments <sup>2</sup>	36,860	(13,759)	14,523	21,399
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	-	-	-	-
	<b>Segment L - Unit Linked - Group Pension :</b>				
	Net Premium	1,590	1,996	2,167	7,869
	Income from Investments <sup>2</sup>	6,655	(3,267)	2,727	3,259
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	-	-	-	-
B)	<b>Shareholders :</b>				
	Income from Investments <sup>2</sup>	11,114	(9,301)	8,858	23,997
	Other Income	-	1,856	-	1,856

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The joint statutory auditors have digitally signed this standalone financial results for identification purposes only and this standalone financial results should be read in conjunction with audit report dated July 21, 2020.

**HDFC Life Insurance Company Limited**  
(Formerly HDFC Standard Life Insurance Company Limited)  
**Segment Reporting (Standalone) for the Quarter ended June 30, 2020**

(₹ in Lakhs)

Sr No.	Particulars	Three Months ended / As at			Year ended / As at
		June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
		(Audited)	(Audited)	(Audited)	(Audited)
<b>2</b>	<b>Segment Surplus/ Deficit (net of transfer from Shareholders' A/c) :</b>				
	Segment A - Participating - Individual & Group Life	(7,791)	(19,832)	3,249	(8,541)
	Segment B - Participating - Individual & Group Pension	(88)	(109)	995	4,891
	Segment C - Non Participating - Individual & Group Life	7,240	15,502	6,818	13,124
	Segment D - Non Participating - Life Group Variable	116	(238)	55	(626)
	Segment E - Non Participating - Individual & Group Pension	2,775	206	4,970	7,522
	Segment F - Non Participating - Pension Group Variable	227	(84)	239	(313)
	Segment G - Non Participating - Annuity	653	(751)	416	3,319
	Segment H - Non Participating - Individual & Group Health	847	271	458	4,891
	Segment I - Unit Linked - Individual Life	17,260	8,109	15,840	46,930
	Segment J - Unit Linked - Individual Pension	2,975	2,779	3,490	12,394
	Segment K - Unit Linked - Group Life	845	179	990	2,599
	Segment L - Unit Linked - Group Pension	116	91	128	476
	<b>Total</b>	<b>25,175</b>	<b>6,123</b>	<b>37,648</b>	<b>86,666</b>
	Shareholders	10,421	(6,515)	7,429	20,862
	<b>Grand Total</b>	<b>35,596</b>	<b>(392)</b>	<b>45,077</b>	<b>107,528</b>
<b>3</b>	<b>Segment Assets:</b>				
	Segment A - Participating - Individual & Group Life	2,925,454	2,812,223	2,856,130	2,812,223
	Segment B - Participating - Individual & Group Pension	277,942	266,423	263,733	266,423
	Segment C - Non Participating - Individual & Group Life	1,788,766	1,650,757	1,229,701	1,650,757
	Segment D - Non Participating - Life Group Variable	294,395	295,331	259,617	295,331
	Segment E - Non Participating - Individual & Group Pension	435,615	409,096	339,838	409,096
	Segment F - Non Participating - Pension Group Variable	377,781	354,510	328,201	354,510
	Segment G - Non Participating - Annuity	846,168	777,715	570,700	777,715
	Segment H - Non Participating - Individual & Group Health	5,617	5,693	5,908	5,693
	Segment I - Unit Linked - Individual Life	4,884,844	4,228,828	4,948,679	4,228,828
	Segment J - Unit Linked - Individual Pension	657,209	614,863	827,959	614,863
	Segment K - Unit Linked - Group Life	528,933	498,895	476,223	498,895
	Segment L - Unit Linked - Group Pension	93,744	86,860	93,337	86,860
	<b>Total</b>	<b>13,116,468</b>	<b>12,001,194</b>	<b>12,200,026</b>	<b>12,001,194</b>
	Shareholder	726,754	667,483	597,068	667,483
	Unallocated <sup>3</sup>	50,637	49,868	40,132	49,868
	<b>Grand Total</b>	<b>13,893,859</b>	<b>12,718,545</b>	<b>12,837,226</b>	<b>12,718,545</b>
<b>4</b>	<b>Segment Policy Liabilities<sup>4</sup> :</b>				
	Segment A - Participating - Individual & Group Life	2,885,311	2,832,635	2,779,079	2,832,635
	Segment B - Participating - Individual & Group Pension	269,349	263,729	247,966	263,729
	Segment C - Non Participating - Individual & Group Life	1,774,194	1,643,115	1,228,034	1,643,115
	Segment D - Non Participating - Life Group Variable	291,795	293,364	258,780	293,364
	Segment E - Non Participating - Individual & Group Pension	434,193	408,081	339,594	408,081
	Segment F - Non Participating - Pension Group Variable	375,593	352,854	327,471	352,854
	Segment G - Non Participating - Annuity	845,374	778,089	571,794	778,089
	Segment H - Non Participating - Individual & Group Health	5,811	5,853	5,942	5,853
	Segment I - Unit Linked - Individual Life	4,911,985	4,255,269	4,970,052	4,255,269
	Segment J - Unit Linked - Individual Pension	657,208	614,865	827,959	614,865
	Segment K - Unit Linked - Group Life	528,951	498,879	476,086	498,879
	Segment L - Unit Linked - Group Pension	93,744	86,860	93,337	86,860
	<b>Total</b>	<b>13,073,508</b>	<b>12,033,593</b>	<b>12,126,094</b>	<b>12,033,593</b>
	Shareholders	739,302	679,992	608,175	679,992
	Unallocated	-	-	-	-
	<b>Grand Total</b>	<b>13,812,810</b>	<b>12,713,585</b>	<b>12,734,269</b>	<b>12,713,585</b>

**Note:**

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

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The joint statutory auditors have digitally signed this standalone financial results for identification purposes only and this standalone financial results should be read in conjunction with audit report dated July 21, 2020.

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

**Other disclosures :**

**Status of Shareholders Complaints for the quarter ended June 30, 2020**

<b>Sr No.</b>	<b>Particulars</b>	<b>Number of Complaints</b>
1	Investor complaints pending at the beginning of the quarter	NIL
2	Investor complaints received during the quarter ended June 30, 2020	2
3	Investor complaints disposed of during the quarter ended June 30, 2020	1
4	Investor complaints remaining unresolved as on June 30, 2020	1



## Notes:

1. The above standalone financial results of the company for the quarter ended June 30, 2020 were reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on July 21, 2020.
2. These standalone 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. The figures for the quarter ended March 31, 2020 are the balancing figures between audited figures in respect of the year ended March 31, 2020 and the published year-to-date figures for the nine months ended December 31, 2019.
4. 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.
5. During the quarter ended June 30, 2020, the Company has allotted 374,625 equity shares of face value of ₹10 each pursuant to exercise of employee stock options.
6. In light of the COVID-19 'outbreak and based on the information available upto the date of the approval of the quarterly standalone financial results, the Company has assessed the impact on its business including valuation and impairment of investments, liabilities including policy liability and solvency positions. Based on its current evaluation, the Company has:  
(a) made adequate impairment provisions on the investments to the extent necessary and  
(b) carried the un-utilised provision of Rs 4,100 lakhs made as at March 31, 2020, for potential adverse mortality experience due to COVID, this provision was in excess of the IRDAI prescribed norms. The Company has also assessed its solvency position as at the Balance sheet date and is at 190%, which is above the prescribed regulatory limit of 150%. Based on the Company's current assessment of the business operations over next one year, it expects the solvency ratio to continue to remain above the minimum limit prescribed by the Insurance regulator.  
While, the Company does not expect any material impact to arise due to pandemic, the actual impact may differ from that estimated as at the date of approval of these standalone financial results. The Company will continue to closely monitor any material change in future economic conditions due to COVID-19.
7. Figures of the previous period have been regrouped wherever necessary, in order to make them comparable.
8. 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 August 14, 2020.
9. The above standalone financial results have been audited by joint statutory auditors of the Company.

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The joint statutory auditors have digitally signed this standalone financial results for identification purposes only and this standalone financial results should be read in conjunction with audit report dated July 21, 2020.

**Mumbai**  
**July 21, 2020**

**For and on behalf of the Board of Directors**

Vibha  
Padalkar

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

**Price Waterhouse Chartered Accountants LLP**

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

**G. M. Kapadia & Co.**

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

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 (formerly known as HDFC Standard Life Insurance Company Limited) (the “Parent”), and its subsidiaries (the parent and its subsidiaries hereinafter referred to as the “Group”), for the quarter ended June 30, 2020 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 digitally signed by us for identification purposes.
2. This Statement, which is the responsibility of the Parent’s Management and approved by the Parent’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (‘AS’) 25, “Interim Financial Reporting”, specified under Section 133 of the Companies Act, 2013 (“the Act”), including the relevant provisions of the Insurance Act, 1938 (the “Insurance Act”), the Insurance Regulatory and Development Authority Act, 1999 (the “IRDA Act”) and other accounting principles generally accepted in India, to the extent considered relevant and appropriate for the purpose of quarterly financial results and which are not inconsistent with the accounting principles as prescribed in the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors’ Report of Insurance Companies) Regulations, 2002 (the “Regulations”) and orders/directions/circulars issued by the 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. We draw your attention to Note 5 to the consolidated financial results which describe the management's assessment of the impact of the outbreak of Coronavirus (COVID-19) on the business operations of the Company. In view of the uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.
7. 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 June 30, 2020 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.
8. 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. 1,51,997('000) and total net loss of Rs. 5,536 ('000) for the quarter ended June 30, 2020 as considered in the consolidated unaudited financial results. According to the information and explanations given to us by the Management, financial results are not material to the Group. Our conclusion on the Statement is not modified in respect of the above matter.

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

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**Alpa Kedia**  
*Partner*  
Membership No. 100681  
**UDIN:** 20100681AAAACF7038  
**Place:** Mumbai  
**Date:** July 21, 2020

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

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**Rajen Ashar**  
*Partner*  
Membership No. 048243  
**UDIN:** 20048243AAAAFU9971

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

**Statement of Consolidated Unaudited Results for the Quarter ended June 30, 2020**

(₹ in Lakhs)

Sr. No.	Particulars	Three Months ended / As at			Year ended/As at
		June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
		(Unaudited)	(Unaudited) Refer Note 6	(Unaudited)	(Audited)
<b>POLICYHOLDERS' A/C</b>					
1	Gross premium income				
	(a) First Year Premium	102,183	172,201	132,658	604,427
	(b) Renewal Premium	323,912	552,617	260,980	1,546,844
	(c) Single Premium	160,161	336,665	259,938	1,119,418
2	Net premium income <sup>1</sup>	573,373	1,047,595	645,718	3,224,498
3	Income from investments (Net) <sup>2</sup>	874,910	(1,022,992)	205,138	(331,087)
4	Other income	3,800	10,931	3,340	24,395
5	Contribution of funds from Shareholders' A/c <sup>3</sup>	-	7,479	-	10,475
6	<b>Total (2 to 5)</b>	<b>1,452,083</b>	<b>43,013</b>	<b>854,196</b>	<b>2,928,281</b>
7	Commission on				
	(a) First Year Premium	17,894	29,840	25,845	108,205
	(b) Renewal Premium	4,818	8,301	3,353	24,053
	(c) Single Premium	1,097	4,263	3,025	14,119
	Rewards	184	490	534	2,741
8	<b>Net Commission<sup>4</sup></b>	<b>23,993</b>	<b>42,894</b>	<b>32,757</b>	<b>149,118</b>
9	Operating Expenses related to insurance business (a+b)				
	(a) Employees remuneration and welfare expenses	31,197	43,668	39,398	167,696
	(b) Other operating expenses <sup>5</sup>	35,524	81,550	48,266	258,994
10	<b>Expenses of Management (8+9)</b>	<b>90,714</b>	<b>168,112</b>	<b>120,421</b>	<b>575,808</b>
11	Provisions for doubtful debts (including bad debts written off)	-	-	-	-
12	Provisions for diminution in value of investments <sup>6</sup>	(5,709)	37,585	8,408	56,742
13	Goods & Services Tax charge on linked charges	8,244	9,300	8,492	35,324
14	Provision for taxes	3,156	12,218	484	14,903
15	Benefits Paid <sup>4</sup> (Net)	280,499	533,256	366,342	1,903,504
16	Change in actuarial liability	1,049,429	(731,647)	311,966	244,076
17	<b>Total (10+11+12+13+14+15+16)</b>	<b>1,426,333</b>	<b>28,824</b>	<b>816,113</b>	<b>2,830,357</b>
18	<b>Surplus/Deficit (6-17)</b>	<b>25,750</b>	<b>14,189</b>	<b>38,083</b>	<b>97,924</b>
19	<b>Appropriations</b>				
	(a) Transferred to Shareholders A/c	35,263	45,750	35,469	119,921
	(b) Funds for Future Appropriations	(9,513)	(31,561)	2,614	(21,997)
20	<b>Details of Surplus / Deficit</b>				
	(a) Interim bonus paid	1,819	2,019	1,628	5,850
	(b) Terminal bonus paid	12,885	22,296	13,031	78,994
	(c) Allocation of bonus to policyholders	-	80,285	-	80,285
	(d) Surplus shown in the Revenue Account	25,750	14,189	38,083	97,924
	<b>Total Surplus</b>	<b>40,454</b>	<b>118,789</b>	<b>52,742</b>	<b>263,053</b>
<b>SHAREHOLDERS' A/C</b>					
21	Transfer from Policyholders' Account	35,263	45,750	35,469	119,921
22	Net Reinsurance Premium	29	675	557	2,234
23	Total income under Shareholders' Account				
	(a) Investment Income <sup>7</sup>	9,901	8,820	10,081	44,629
	(b) Other income	57	1,911	18	1,986
24	Reinsurance Claims incurred	230	353	176	1,511
25	Expenses relating to reinsurance business & Change in reinsurance contract liabilities (net of reinsurance assets)	628	1,065	821	1,834
26	Expenses other than those related to insurance business <sup>5</sup>	796	1,915	312	3,773
27	Transfer of funds to Policyholders' Account	-	7,479	-	10,475
28	Provisions for doubtful debts (including write off)	-	-	-	-
29	Provisions for diminution in value of investments <sup>6</sup>	(1,469)	17,903	1,019	19,785
30	<b>Profit before tax</b>	<b>45,065</b>	<b>28,441</b>	<b>43,797</b>	<b>131,392</b>
31	Provisions for tax	11	(2,724)	1,226	1,647
32	<b>Profit after tax and before Extraordinary items</b>	<b>45,054</b>	<b>31,165</b>	<b>42,571</b>	<b>129,745</b>
33	<b>Profit after tax and Extraordinary items</b>	<b>45,054</b>	<b>31,165</b>	<b>42,571</b>	<b>129,745</b>
34	<b>Dividend per share (₹) (Nominal value ₹ 10 per share)</b>				
	(a) Interim Dividend	-	-	-	-
	(b) Final Dividend	-	-	-	-
35	Profit carried to Balance Sheet <sup>7</sup>	501,397	456,343	369,169	456,343
36	Paid up equity share capital	201,917	201,880	201,749	201,880
37	Reserve & Surplus (excluding Revaluation Reserve)	543,288	497,420	405,433	497,420
38	Fair Value Change Account and Revaluation Reserve (Shareholders)	(5,529)	(19,197)	(265)	(19,197)
39	Total Assets:				
	(a) Investments:				
	- Shareholders'	632,629	588,503	517,172	588,503
	- Policyholders Fund excluding Linked Assets	7,214,943	6,718,861	6,107,061	6,718,861
	- Assets held to cover Linked Liabilities (Linked Assets)	6,152,996	5,418,208	6,333,254	5,418,208
	(b) Other Assets (Net of current liabilities and provisions)	(101,424)	(2,180)	(118,103)	(2,180)

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

Advertisement and publicity	17,083	33,024	19,904	106,957
Business development expenses	1,326	23,464	8,693	61,209

**Foot notes :**

- 1 Net of reinsurance
- 2 Net of amortisation and losses (including capital gains)
- 3 Includes contribution of funds from shareholders accounts towards excess EOM
- 4 Inclusive of interim and terminal bonus
- 5 Includes Remuneration of MD/CEOs/WTDs over specified limits
- 6 Inclusive of provision for standard and non-standard assets
- 7 Represents accumulated surplus

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**HDFC Life Insurance Company Limited**  
(Formerly HDFC Standard Life Insurance Company Limited)  
**Statement of Consolidated Analytical Ratios for the Quarter ended June 30, 2020**

Particulars	Three Months ended / As at			Year ended / As at
	June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
	(Unaudited)	(Unaudited) Refer Note 6	(Unaudited)	(Audited)
<b>Analytical Ratios:</b>				
(i) Solvency Ratio	190%	184%	193%	184%
(ii) Expenses of Management Ratio	15.5%	15.9%	18.4%	17.6%
(iii) Policyholder's liabilities to shareholders' fund	1778.4%	1769.3%	1998.5%	1769.3%
(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)	2.23	1.54	2.11	6.43
b) Diluted EPS before and after extraordinary items (net of tax expense) for the period (not annualized for three months)	2.23	1.54	2.11	6.42
(v) NPA ratios: (for Policyholders' fund)				
a) Gross NPAs				
- Non Linked				
Par	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL
- Linked				
Non Par	5125.00	5125.00	4875.00	5125.00
Net NPAs				
- Non Linked				
Par	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL
- Linked				
Non Par	NIL	NIL	1625.00	NIL
b) % of Gross NPAs				
- Non Linked				
Par	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL
- Linked				
Non Par	0.1%	0.1%	0.1%	0.1%
% of Net NPA				
- Non Linked				
Par	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL
- Linked				
Non Par	NIL	NIL	0.0%	NIL
(vi) Yield on Investments (on Policyholders' fund)				
A. Without unrealised gains				
- Non Linked				
Par	1.6%	-0.2%	2.5%	7.0%
Non Par	2.2%	2.4%	2.2%	9.6%
- Linked				
Non Par	0.6%	1.2%	1.7%	6.3%
B. With unrealised gains				
- Non Linked				
Par	6.2%	-2.8%	4.2%	5.4%
Non Par	4.9%	4.8%	4.8%	15.0%
- Linked				
Non Par	13.3%	-17.3%	0.7%	-14.6%
(vii) NPA ratios: (for Shareholders' fund)				
a) Gross NPAs	NIL	NIL	NIL	NIL
Net NPAs	NIL	NIL	NIL	NIL
b) % of Gross NPAs	NIL	NIL	NIL	NIL
% of Net NPAs	NIL	NIL	NIL	NIL
(viii) Yield on Investments (on Shareholders' fund)				
A. Without unrealised gains	1.5%	0.1%	1.8%	6.5%
B. With unrealised gains	5.9%	-3.7%	2.8%	2.9%
(ix) Persistency Ratio				
13th month	87.0%	88.4%	88.8%	90.1%
25th month	80.8%	80.5%	77.6%	80.2%
37th month	69.5%	71.8%	71.4%	73.8%
49th month	64.9%	65.9%	67.3%	67.2%
61st month	54.4%	54.6%	55.5%	55.0%

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Particulars	Three Months ended / As at			Year ended / As at
	June 30, 2020	March 31,2020	June 30, 2019	March 31, 2020
	(Unaudited)	(Unaudited) Refer Note 6	(Unaudited)	(Audited)
(x) Conservation Ratio				
Participating life- Individual & group	79.5%	82.1%	81.7%	83.7%
Participating pension- Individual & group	78.2%	84.1%	100.7%	90.8%
Non Participating life - Individual & group	83.9%	69.9%	70.7%	70.0%
Non Participating pension - Individual & Group	74.0%	77.1%	78.7%	79.5%
Non Participating - Life Group Variable	NA	NA	NA	NA
Non Participating - Pension group variable	NA	NA	NA	NA
Non Participating fund - Annuity	NA	NA	NA	NA
Non Participating fund - Individual & Group Health	77.1%	59.7%	62.2%	62.7%
Unit Linked - Individual life	84.0%	79.2%	84.6%	81.6%
Unit Linked - Individual pension	71.0%	69.7%	79.2%	74.6%
Unit Linked - Group life	NA	NA	NA	NA
Unit Linked - Group pension	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 June 30, 2020 have been calculated for the policies issued in the March to May period of the relevant years. E.g.: the 13th month persistency for the current quarter is calculated for the policies issued from March 2019 to May 2019. The persistency ratios for quarter ended March 31, 2020 and June 30, 2019 have been calculated in a similar manner.
- The persistency ratios for the year ended March 31, 2020 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 2018 to February 2019.

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**HDFC Life Insurance Company Limited**  
(Formerly HDFC Standard Life Insurance Company Limited)  
**Consolidated Segment Reporting for the Quarter ended June 30, 2020**

(₹ in Lakhs)

Sr. No.		Three Months ended / As at			Year ended / As at
		June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
		(Unaudited)	(Unaudited) Refer Note 6	(Unaudited)	(Audited)
1	<b>Segment Income</b>				
	<b>A) Policyholders :</b>				
	<b>Segment A - Participating - Individual &amp; Group Life :</b>				
	Net Premium	105,133	219,239	92,776	583,500
	Income from Investments <sup>2</sup>	50,839	(41,122)	60,705	136,368
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	2,599	5,265	1,612	13,610
	<b>Segment B - Participating - Individual &amp; Group Pension :</b>				
	Net Premium	2,805	6,550	3,576	20,260
	Income from Investments <sup>2</sup>	5,372	1,245	6,815	22,311
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	42	155	46	304
	<b>Segment C - Non Participating - Individual &amp; Group Life :</b>				
	Net Premium	153,456	263,920	200,663	902,006
	Income from Investments <sup>2</sup>	41,102	40,645	27,094	134,045
	Transfer of Funds from shareholders' account	-	7,158	-	9,536
	Other Income	338	541	627	2,293
	<b>Segment D - Non Participating - Life Group Variable :</b>				
	Net Premium	3,224	10,349	12,832	84,514
	Income from Investments <sup>2</sup>	5,812	5,728	5,262	21,963
	Transfer of Funds from shareholders' account	-	238	-	626
	Other Income	-	-	-	-
	<b>Segment E - Non Participating - Individual &amp; Group Pension :</b>				
	Net Premium	20,788	32,625	9,672	73,302
	Income from Investments <sup>2</sup>	8,874	7,521	6,918	28,587
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	8	1	9	24
	<b>Segment F - Non Participating - Pension Group Variable :</b>				
	Net Premium	39,444	46,272	66,020	164,664
	Income from Investments <sup>2</sup>	7,081	6,919	6,604	27,485
	Transfer of Funds from shareholders' account	-	83	-	313
	Other Income	-	-	-	-
	<b>Segment G - Non Participating - Annuity :</b>				
	Net Premium	61,440	85,469	69,498	269,358
	Income from Investments <sup>2</sup>	17,388	13,424	13,992	60,045
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	12	(13)	30	57
	<b>Segment H - Non Participating - Individual &amp; Group Health :</b>				
	Net Premium	1,018	2,311	1,473	9,478
	Income from Investments <sup>2</sup>	210	153	147	623
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	(1)	(35)	7	(18)
	<b>Segment I - Unit Linked - Individual Life :</b>				
	Net Premium	166,869	328,112	165,425	959,915
	Income from Investments <sup>2</sup>	628,756	(955,921)	38,521	(765,401)
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	801	5,021	1,006	8,116
	<b>Segment J - Unit Linked - Individual Pension :</b>				
	Net Premium	9,990	21,017	13,653	68,971
	Income from Investments <sup>2</sup>	71,663	(122,098)	15,056	(74,855)
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	1	(5)	5	8
	<b>Segment K - Unit Linked - Group Life :</b>				
	Net Premium	7,616	29,733	7,964	80,662
	Income from Investments <sup>2</sup>	36,860	(13,759)	14,523	21,399
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	-	-	-	-
	<b>Segment L - Unit Linked - Group Pension :</b>				
	Net Premium	1,590	1,996	2,167	7,869
	Income from Investments <sup>2</sup>	6,655	(3,267)	2,727	3,259
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	-	-	-	-
	<b>B) Shareholders :</b>				
	Income from Investments <sup>2</sup>	11,371	(9,082)	9,062	24,844
	Other Income	57	1,911	18	1,986

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**HDFC Life Insurance Company Limited**  
(Formerly HDFC Standard Life Insurance Company Limited)  
**Consolidated Segment Reporting for the Quarter ended June 30, 2020**

(₹ in Lakhs)

Sr No.	Particulars	Three Months ended / As at			Year ended / As at
		June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
		(Unaudited)	(Unaudited) Refer Note 6	(Unaudited)	(Audited)
<b>2</b>	<b>Segment Surplus/ Deficit (net of transfer from shareholders' A/c) :</b>				
	Segment A - Participating - Individual & Group Life	(7,791)	(19,832)	3,249	(8,541)
	Segment B - Participating - Individual & Group Pension	(88)	(109)	995	4,891
	Segment C - Non Participating - Individual & Group Life	7,815	16,085	7,253	13,905
	Segment D - Non Participating - Life Group Variable	116	(238)	55	(626)
	Segment E - Non Participating - Individual & Group Pension	2,775	206	4,970	7,522
	Segment F - Non Participating - Pension Group Variable	227	(84)	239	(313)
	Segment G - Non Participating - Annuity	653	(751)	416	3,319
	Segment H - Non Participating - Individual & Group Health	847	271	458	4,891
	Segment I - Unit Linked - Individual Life	17,260	8,109	15,840	46,930
	Segment J - Unit Linked - Individual Pension	2,975	2,779	3,490	12,394
	Segment K - Unit Linked - Group Life	845	179	990	2,599
	Segment L - Unit Linked - Group Pension	116	91	128	476
	<b>Total</b>	<b>25,750</b>	<b>6,706</b>	<b>38,083</b>	<b>87,447</b>
	Shareholders	9,791	(7,104)	7,102	20,299
	<b>Grant Total</b>	<b>35,541</b>	<b>(398)</b>	<b>45,185</b>	<b>107,746</b>
<b>3</b>	<b>Segment Assets:</b>				
	Segment A - Participating - Individual & Group Life	2,925,454	2,812,223	2,856,130	2,812,223
	Segment B - Participating - Individual & Group Pension	277,942	266,423	263,733	266,423
	Segment C - Non Participating - Individual & Group Life	1,787,744	1,650,373	1,230,716	1,650,373
	Segment D - Non Participating - Life Group Variable	294,395	295,331	259,617	295,331
	Segment E - Non Participating - Individual & Group Pension	435,615	409,096	339,838	409,096
	Segment F - Non Participating - Pension Group Variable	377,781	354,510	328,201	354,510
	Segment G - Non Participating - Annuity	846,168	777,715	570,700	777,715
	Segment H - Non Participating - Individual & Group Health	5,617	5,693	5,908	5,693
	Segment I - Unit Linked - Individual Life	4,884,844	4,228,828	4,948,679	4,228,828
	Segment J - Unit Linked - Individual Pension	657,209	614,863	827,959	614,863
	Segment K - Unit Linked - Group Life	528,933	498,895	476,223	498,895
	Segment L - Unit Linked - Group Pension	93,744	86,860	93,337	86,860
	<b>Total</b>	<b>13,115,446</b>	<b>12,000,810</b>	<b>12,201,041</b>	<b>12,000,810</b>
	Shareholders	733,061	672,813	598,211	672,813
	Unallocated <sup>3</sup>	50,637	49,868	40,132	49,868
	<b>Grant Total</b>	<b>13,899,144</b>	<b>12,723,491</b>	<b>12,839,384</b>	<b>12,723,491</b>
<b>4</b>	<b>Segment Policy Liabilities<sup>4</sup>:</b>				
	Segment A - Participating - Individual & Group Life	2,885,311	2,832,635	2,779,079	2,832,635
	Segment B - Participating - Individual & Group Pension	269,349	263,729	247,966	263,729
	Segment C - Non Participating - Individual & Group Life	1,774,194	1,643,115	1,229,049	1,643,115
	Segment D - Non Participating - Life Group Variable	291,795	293,364	258,780	293,364
	Segment E - Non Participating - Individual & Group Pension	434,193	408,081	339,594	408,081
	Segment F - Non Participating - Pension Group Variable	375,593	352,854	327,471	352,854
	Segment G - Non Participating - Annuity	845,374	778,089	571,794	778,089
	Segment H - Non Participating - Individual & Group Health	5,811	5,853	5,942	5,853
	Segment I - Unit Linked - Individual Life	4,911,985	4,255,269	4,970,052	4,255,269
	Segment J - Unit Linked - Individual Pension	657,208	614,865	827,959	614,865
	Segment K - Unit Linked - Group Life	528,951	498,879	476,086	498,879
	Segment L - Unit Linked - Group Pension	93,744	86,860	93,337	86,860
	<b>Total</b>	<b>13,073,508</b>	<b>12,033,593</b>	<b>12,127,109</b>	<b>12,033,593</b>
	Shareholders	744,586	684,839	609,318	684,839
	Unallocated	-	-	-	-
	<b>Grand Total</b>	<b>13,818,094</b>	<b>12,718,432</b>	<b>12,736,427</b>	<b>12,718,432</b>

**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 for the quarter ended June 30, 2020**

<b>Sr No.</b>	<b>Particulars</b>	<b>Number of Complaints</b>
1	Investor complaints pending at the begining of the quarter	Nil
2	Investor complaints received during the quarter ended June 30, 2020	2
3	Investor complaints disposed of during the quarter ended June 30, 2020	1
4	Investor complaints remaining unresolved as on June 30, 2020	1

**Notes:**

1. The above consolidated financial results of the group for the quarter ended June 30, 2020 were reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on July 21, 2020.
2. These consolidated financial results have been prepared in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable, and IRDAI Circular IRDA/F&I/REG/CIR/208/10/2016 dated October 25, 2016 on publication of financial results for Life Insurance companies.
3. In view of seasonality of industry, the results of interim period are not necessarily indicative of the results that may be expected of any other interim periods or for the full year.
4. During the quarter ended June 30, 2020, the Company has allotted 374,625 equity shares of face value of ₹10 each pursuant to exercise of employee stock options.
5. In light of the COVID-19 outbreak and based on the information available upto the date of the approval of the quarterly financial results, the group has assessed the impact on its business including valuation and impairment of investments, liabilities including policy liability and solvency positions. Based on its current evaluation, the group has:  
(a) made adequate impairment provisions on the investments to the extent necessary and  
(b) carried the un-utilised provision of Rs 4,100 lakhs made as at March 31, 2020, for potential adverse mortality experience due to COVID, this provision was in excess of the IRDAI prescribed norms. The Parent Company has also assessed its solvency position as at the Balance sheet date and is at 190%, which is above the prescribed regulatory limit of 150%. Based on the Parent Company's current assessment of the business operations over next one year, it expects the solvency ratio to continue to remain above the minimum limit prescribed by the Insurance regulator.  
While, the group does not expect any material impact to arise due to pandemic, the actual impact may differ from that estimated as at the date of approval of these financial results. The group will continue to closely monitor any material change in future economic conditions due to COVID-19.
6. The figures for the quarter ended March 31, 2020 are the balancing amounts between the figures as per the audited accounts for the year ended March 31, 2020 and published unaudited year-to-date figures upto nine months ended December 31, 2019 which were subjected to review by the joint statutory auditors of the company.
7. Figures of the previous period have been regrouped wherever necessary, in order to make them comparable.
8. The above consolidated financial results have been reviewed by joint statutory auditors of the Company.

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For and on behalf of the Board of Directors

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Padalkar

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Managing Director & CEO  
(DIN: 01682810)

## Note on Impact of COVID-19 (Q1FY21 update)

(Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020)

### 1) Impact of the COVID-19 pandemic on the business

As the economy is coming to terms with the effects of the pandemic, we are increasingly witnessing encouraging on-ground trends. Business has started to pick up on a month-on-month basis and we are seeing higher traction, especially in the individual protection business. As the situation begins to normalise, we expect life insurance to emerge as an important avenue for both protection as well as long term savings, and consequently help attract a higher quantum of inflows from Indian households. Given our wide bouquet of product offerings across segments and continued focus on a balanced product mix, we believe that we are well positioned to serve the anticipated demand uptick.

Our Individual WRP market share increased by 100 basis points from 17.5% in Q1 FY20 to 18.5% in Q1 FY21. We de-grew by 19% during Q1 FY21 on a high base of 63% growth same quarter last year and delivered better than the private industry which de-grew by 23% on a base of 24% growth same quarter last year. In the month of June, our de-growth was 3% on a base of 87% growth in the same month last year, thereby showing improving business momentum.

Our existing suite of digital assets, which have been detailed in our investor presentations, is available across channels, partners and employees. This has enabled us to continue providing a seamless experience to the end customer from a new business and servicing perspective.

### 2) Ability to maintain operations including the factories/units/office spaces functioning and closed down

Our digital footprint allows us to service our customers remotely. More than 75% of our branches are operational across the country. Measures are in place to track employee, partner and customer safety.

### 3) Schedule, if any, for restarting the operations

We will continue to follow guidelines issued by the Government and regulatory authorities when it comes to increasing operations at our physical locations. In the meanwhile, all our operations are functional within the limitations provided and we continue to provide end to end digital servicing to all our customers.

### 4) Steps taken to ensure smooth functioning of operations

We have adopted a multi dimensional approach to manage the smooth functioning of operations in the current scenario. Accelerated digital selling and servicing, effective employee engagement, cost control measures and responsive strategy are the key

elements of our approach. We have seen an increase in the adoption of assets such as our chat based identification tool and pre conversion verification chat, which allows customers to self authenticate their details. Our virtual front line sales model, VVISE enables our sales representatives to connect with customers via video calling and complete the sales process. Almost 50% of the medicals are being done through tele-medicals. On the servicing front, query resolution through our bots across Whatsapp, webchat and email have seen an increase of 90%, 36% and 110% respectively. Almost 89% of renewal collections are done online now. We also conduct regular training sessions for our partners via digital collaboration tools in addition to VC based skill building sessions with our digital partners. We have equipped our employees with work from home capability, to be able to provide uninterrupted customer assistance.

## 5) Estimation of the future impact of CoVID-19 on its operations

We will be keeping a close eye on the evolving situation and proceed as necessary. As outlined earlier, the strength of our digital assets has enabled us to minimize the impact of the pandemic on our business operations

## 6) Details of impact of CoVID-19 on listed entity's (capital and financial resources, profitability, liquidity position, ability to service debt and other financing arrangements, assets, internal financial reporting and controls, supply chains and demand for its products/services)

The company has carried out assessment of COVID-19 impact on its financial position as at June 30, 2020, relating to profitability, investments, policy liability and solvency.

- a. Profit after tax grew by 6% to Rs 451 Cr.
- b. Despite the expected drop in business volumes, we delivered a healthy new business margin of 24.3% on the back of a favourable product mix and cost control measures.
- c. The Company has assessed the investment position as at June 30, 2020 and made adequate impairment provisions to the extent necessary.
- d. The Company had made a provision approx Rs. 41 cr as at March 31, 2020, for potential adverse mortality experience due to COVID. The provision held is in excess of the IRDAI prescribed norms. While this COVID reserve was not utilised in the previous quarter, we believe that it is prudent for us to continue to carry it forward.
- e. The Company has assessed its solvency position as at the quarter ended June 30, 2020. Our solvency position remains healthy at 190% compared to 184% as on March 31, 2020 and the regulatory requirement of 150%.

While the situation, including the government and public response to the challenges, continue to progress and rapidly evolve, the Company will continue to closely monitor any material changes in future economic conditions.

**7) Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business**

There has been no material impact on business due to non-fulfilment of any obligations by any party to existing contracts/ agreements. Further, at this juncture, the Company does not anticipate any material impact on the business of the Company due to this factor. The Management will attempt to take all steps in its control to monitor the situation and mitigate any potential impact on its business as may be needed.

**8) Other relevant material updates about the listed entity's business**

All relevant updates about the same can be found in our latest investor presentation (Q1FY21) and the FY20 annual report uploaded on our website. The Company will keep all its stakeholders, including its shareholders updated on any material updates pertaining to the impact of COVID-19 on business

**Our Initiatives**

HDFC Life understands the criticality to support the nation amidst the COVID 19 pandemic that has had distressing impacts on its citizens, health infrastructure as well as the economy at large. As part of the HDFC Group, we collectively contributed Rs 150 crore towards this cause to the PM CARES fund and the Company's contribution was Rs 7.5 crore.

The Company also encouraged employees, as part of the 'ready to bounce back' campaign to contribute in their individual capacities and do their part.

In this hour of need with the support of an NGO, 5 hospitals in Maharashtra are provided with medical equipment/ supplies to assist COVID 19 patients and nutritional meals to support front-line health care workers.

**PRESS RELEASE - PERFORMANCE FOR THE YEAR ENDED JUN 30, 2020**

**BSE Code: 540777**

**NSE Code: HDFCLIFE**

## **Market share grows by 100 bps to 18.5%; Strong NBM of 24.3%**

### **Other Key Highlights:**

- **50% growth in Individual Protection APE**
- **24% growth in renewal premium**
- **24.3% New Business Margin on the back of balanced product mix**
- **PAT of Rs 451 Crs, with growth of 6%**
- **Healthy Solvency at 190%**

**Mumbai, July 21, 2020:** The Board of Directors of HDFC Life approved and adopted today the audited standalone and reviewed consolidated financial results for the quarter ended June 30, 2020. Below is the summary of our standalone results:

Commenting on the current situation, Ms. Vibha Padalkar, MD & CEO said “As the economy is coming to terms with the effects of the pandemic, we are increasingly witnessing encouraging on-ground trends. Business has started to pick up on a month-on-month basis and we are seeing higher traction, especially in the individual protection business. As the situation begins to normalise, we expect life insurance to emerge as an important avenue for both protection as well as long term savings, and consequently help attract a higher quantum of inflows from Indian households.”

Commenting on the Q1 FY21 performance, Ms. Vibha Padalkar, MD & CEO said “We continue to exhibit resilient performance even in the current scenario. Our market share in terms of Individual WRP has increased by 100 basis points from 17.5% to 18.5%. Our calibrated approach of maintaining a balanced product mix has again enabled us to manoeuvre through a turbulent environment and adapt faster than the overall market. We remain well positioned to provide a sustainable value proposition to our customers, partners and shareholders in these challenging times.”

### **Key Financial Summary**

<b>Rs Cr</b>	<b>Q1 FY21</b>	<b>Q1 FY20</b>	<b>YoY</b>	<b>FY20</b>	<b>FY19</b>
<b>Key Financial and Actuarial Metrics</b>					
Individual APE	1,072	1,378	-22%	6,145	5,204
Total APE	1,198	1,710	-30%	7,407	6,260
New Business Premium (Incl + Group)	2,623	3,926	-33%	17,239	14,971
Renewal Premium (Incl + Group)	3,239	2,610	24%	15,468	14,215
Total Premium	5,863	6,536	-10%	32,707	29,186
Assets Under Management	139,975	1,29,581	8%	1,27,226	1,25,552
Networth (1)	7,448	6,084	22%	6,992	5,659

Profit After Tax	451	425	6%	1,295	1,277
Indian Embedded Value	22,580	19,230	17%	20,650	18,301
Value of new business	291	509	-43%	1,919	1,537
Protection based on Individual APE	113	75	50%	466	351
Protection based on APE	157	304	-48%	1,270	1,045

	Q1 FY21	Q1 FY20	FY20	FY19
<b>Key Financial Ratios</b>				
New Business Margins	24.3%	29.8%	25.9%	24.6%
Operating Return on EV	15.8%	19.9%	18.1%	20.1%
Operating Expenses / Total Premium	11.5%	13.4%	13.1%	13.1%
Solvency Ratio	190%	193%	184%	188%
13M / 61M Persistency (2)	87%/53%	85%/53%	88%/54%	87%/52%
Product mix by Indl APE (UL / Non par savings / Non par protection / Par)	27/33/11/30	26/63/5/6	28/45/8/19	55/20/7/18
Distribution mix by Indl APE (Corp Agents/ Agency/ Broker/ Direct)	59/12/5/24	56/15/9/20	55/14/9/22	64/13/4/19

Notes:

1. Networth comprises Share capital, Share premium and Accumulated profits
2. Persistency ratios are calculated basis original premium, for Individual business

**Other key highlights for the year ending Jun 30, 2020:**

- **Private Market Share:** Ranked #1 in terms of Individual WRP with market share expanding by 100 bps from 17.5% to 18.5%. Our share within the group and overall new business segment stood at 20.7% each
- **Product Portfolio:** We continue to maintain a balanced product mix with share of participating savings, non participating savings, ULIPs, protection and annuity accounted for 30%, 28%, 27%, 11% and 5% of Individual APE respectively. Our focus on the protection segment resulted in 50% growth in the individual protection segment
- **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 June 30, 2020. This is further supplemented by our 421 branches spread across the country
- **Assets Under Management:** As on June 30, 2020, our AUM was Rs. 1.4 lakh Cr. (Debt:Equity mix – 68:32); about 97% of debt investments were in G-Secs and AAA bonds as on June 30, 2020

**Definitions and abbreviations**

- **Annualized Premium Equivalent (APE)** - The sum of annualized first year regular premiums and 10% weighted single premiums and single premium top-ups
- **Assets under Management (AUM)** - The total value of Shareholders' & Policyholders' investments managed by the insurance company
- **Embedded Value Operating Profit (EVOP)** - Embedded Value Operating Profit ("EVOP") is a measure of the increase in the EV during any given period, excluding the impact on EV due to external factors like changes in economic variables and shareholder-related actions like capital injection or dividend pay-outs
- **First year premium** - Premiums due in the first policy year of regular premiums received during the financial year. For example, for a monthly mode policy sold in March 2021, the first monthly instalment received would be reflected as First year premiums for 2020-21 and the remaining 11 instalments due in the first policy year would be reflected as first year premiums in 2021-22, when received
- **New business received premium** - The sum of first year premium and single premium, reflecting the total premiums received from the new business written
- **Operating expense** - It includes all expenses that are incurred for the purposes of sourcing new business and expenses incurred for policy servicing (which are known as maintenance costs) including shareholders' expenses. It does not include commission
- **Operating expense ratio** - Ratio of operating expense (including shareholders' expenses) to total premium
- **Operating return on EV** - Operating Return on EV is the ratio of EVOP (Embedded Value Operating Profit) for any given period to the EV at the beginning of that period
- **Persistency** - The proportion of business renewed from the business underwritten. The ratio is measured in terms of number of policies and premiums underwritten
- **Premium less benefits payouts** - The difference between total premium received and benefits paid (gross of reinsurance)
- **Renewal premium** - Regular recurring premiums received after the first policy year
- **Solvency ratio** - Ratio of available solvency margin to required solvency margin
- **Total premium** - Total received premiums during the year including first year, single and renewal premiums for individual and group business
- **Weighted received premium (WRP)** - The sum of first year premium received during the year and 10% of single premiums including top-up premiums



## **About HDFC Life**

HDFC Life Insurance Company Limited (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 June 30, 2020, the Company had 36 individual and 12 group products in its portfolio, along with 6 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](http://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*

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*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 – Q1 FY21





# Agenda

**1 Performance Snapshot**

**2 Our Strategy**

**3 Managing Covid-19**

**4 Customer Insights**

**5 Annexures**

**6 India Life Insurance**

Performance Snapshot

Our Strategy

Managing Covid-19

Customer Insights

Annexures

India Life Insurance

1

# Performance Snapshot



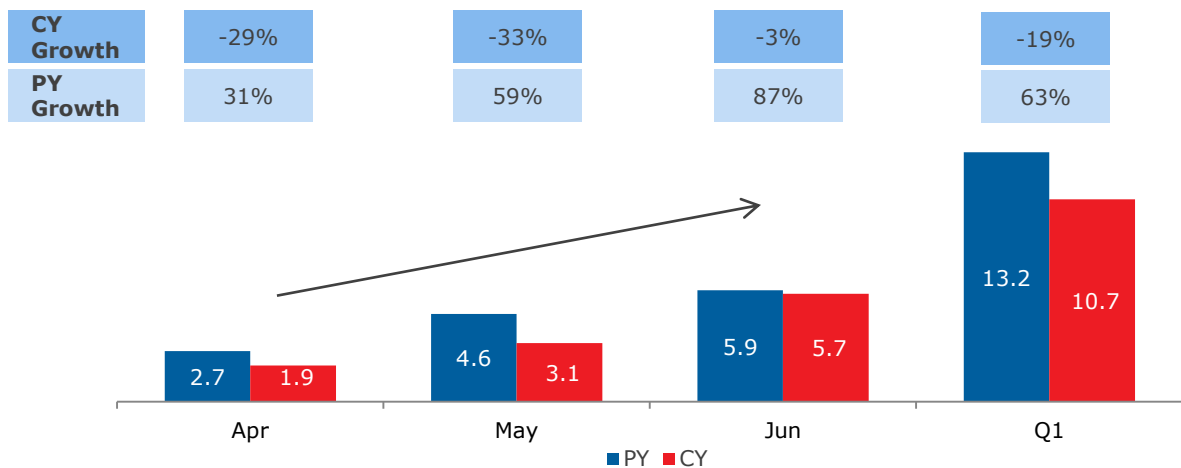
# Executive summary: Q1 FY21

<b>Revenue growth and Market share</b>	<ul style="list-style-type: none"><li>Expansion in market share<sup>1</sup> by 100 bps from 17.5% to 18.5%</li><li>Individual WRP de-growth of 19% v/s private industry de-growth of 23%, despite our base effect of 63% growth in Q1 FY20</li></ul>
<b>Product mix</b>	<ul style="list-style-type: none"><li>Balanced product mix<sup>2</sup> (UL: 27%, Par: 30%, Non-par savings: 28%, Protection: 11%, Annuity: 5%)</li><li>50% growth in retail protection</li></ul>
<b>Renewal collection</b>	<ul style="list-style-type: none"><li>Strong renewal premium growth of 24%</li></ul>
<b>Cost management</b>	<ul style="list-style-type: none"><li>Opex ratio at 11.5% for Q1 FY21 compared to 13.4% in Q1 FY20</li></ul>
<b>New business margins</b>	<ul style="list-style-type: none"><li>Healthy NBM of 24.3%, similar to Q1 FY19/Q4 FY20 margins on the back of balanced and profitable product mix</li></ul>
<b>Profit after tax</b>	<ul style="list-style-type: none"><li>PAT of Rs 4.5 bn, with growth of 6%</li></ul>
<b>Capital position</b>	<ul style="list-style-type: none"><li>Solvency stable at 190% compared to 184% as on Mar 31, 2020</li></ul>
<b>Other developments</b>	<ul style="list-style-type: none"><li>Inclusion in NIFTY50 index with effect from Jul 31, 2020</li><li>Proposed Sub-debt instrument rated by ICRA/CRISIL as [ICRA]AAA(Stable) and CRISIL AAA/Stable respectively</li></ul>

1. Based on Individual WRP; 2. Based on Indl APE  
The numbers throughout the presentation are based on standalone financial results of the Company

# Demonstrating resilience in the current environment (1/2)

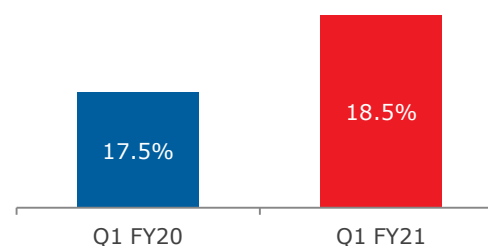
## Improving MoM business trends<sup>1</sup>



## Expanding market share<sup>1</sup>

Rs Bn.

### Market share

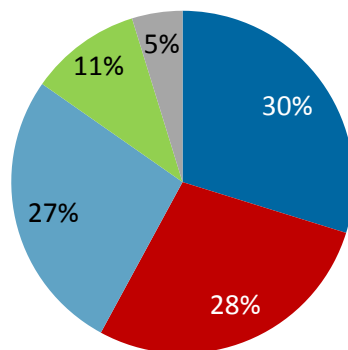


### Growth vs Industry

Growth	HDFC Life	Pvt sector	Industry
Q1 FY21	-19%	-23%	-18%
Q1 FY20	63%	24%	14%
2 year CAGR	15%	-3%	-3%

## Balanced product mix

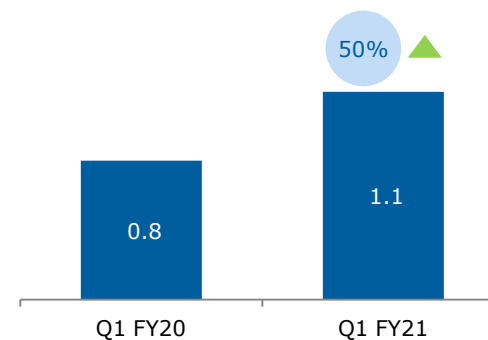
### Individual APE



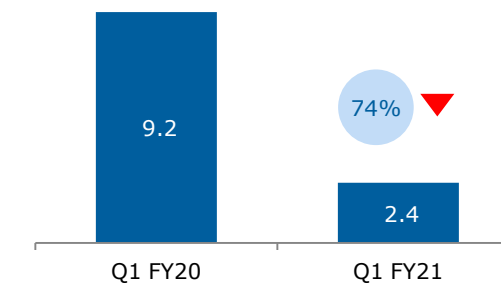
■ Par ■ Non Par Savings ■ ULIP ■ Non Par Protection ■ Annuity

## Strong growth in retail protection Slowdown in CP volumes due to tepid disbursements

### Retail protection<sup>2</sup>



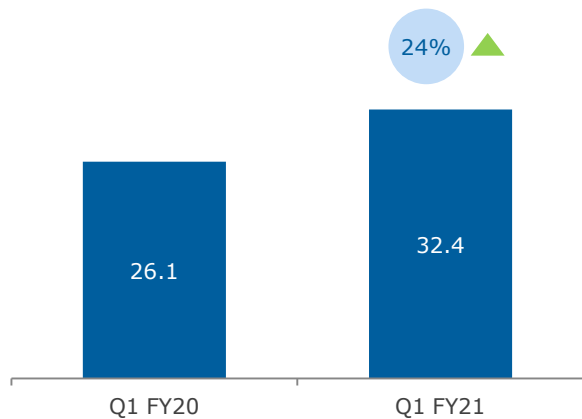
### Credit protect<sup>3</sup>



1. Based on Individual WRP; 2. Based on Individual APE; 3. Based on NBP

# Demonstrating resilience in the current environment (2/2)

## Strong growth in renewal premium

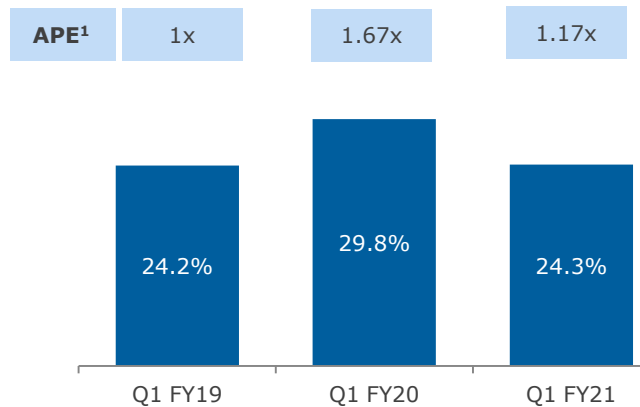


- Continue to witness delay in collections
- Improving MOM collection trends

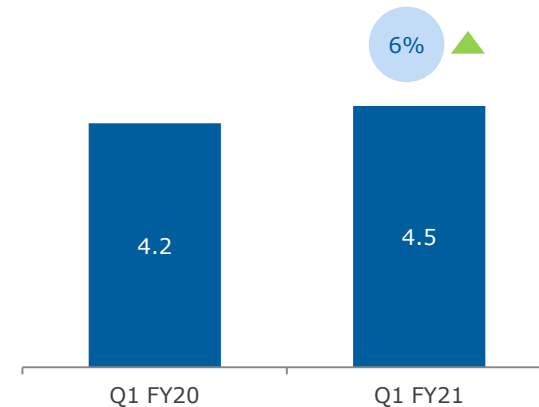
## Robust profitability

Rs Bn.

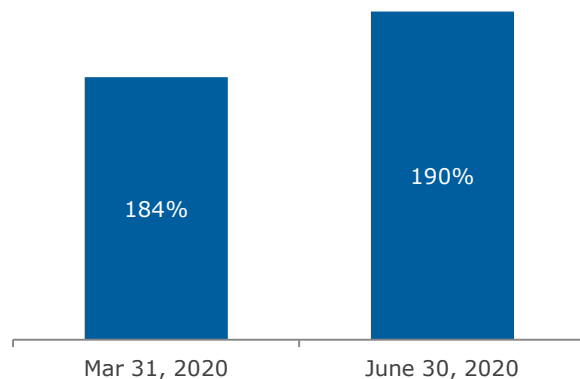
### New Business Margins (NBM)



### Profit after tax (PAT)

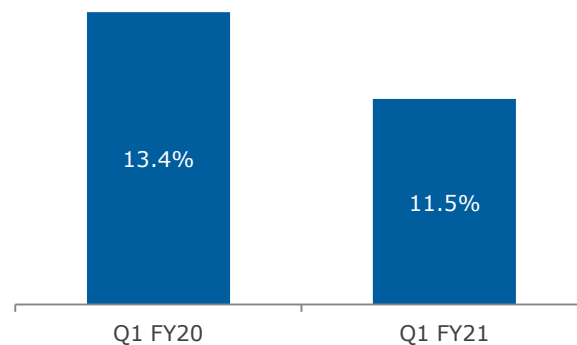


## Healthy solvency position



- Strong PAT accretion
- Favourable market movement

## Heightened focus on cost management



- Lower volume related costs
- Spend management
- Continued investment in technology



Performance  
Snapshot

**Our Strategy**

Managing Covid-19

Customer Insights

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



## Diversified distribution mix

Developing multiple channels of growth to drive need-based selling

3



## Market-leading innovation

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

4



## Reimagining insurance

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

5

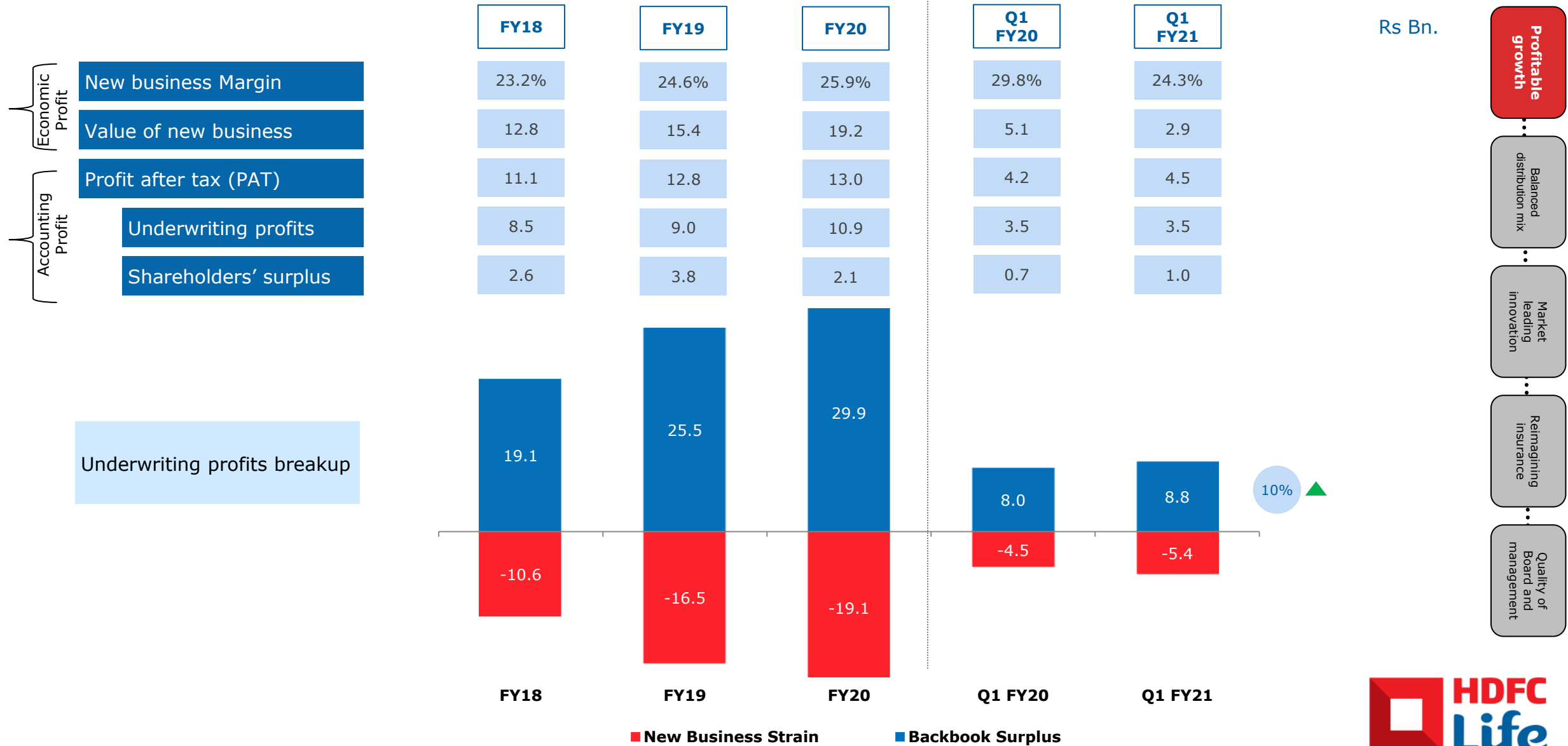


## Quality of Board and management

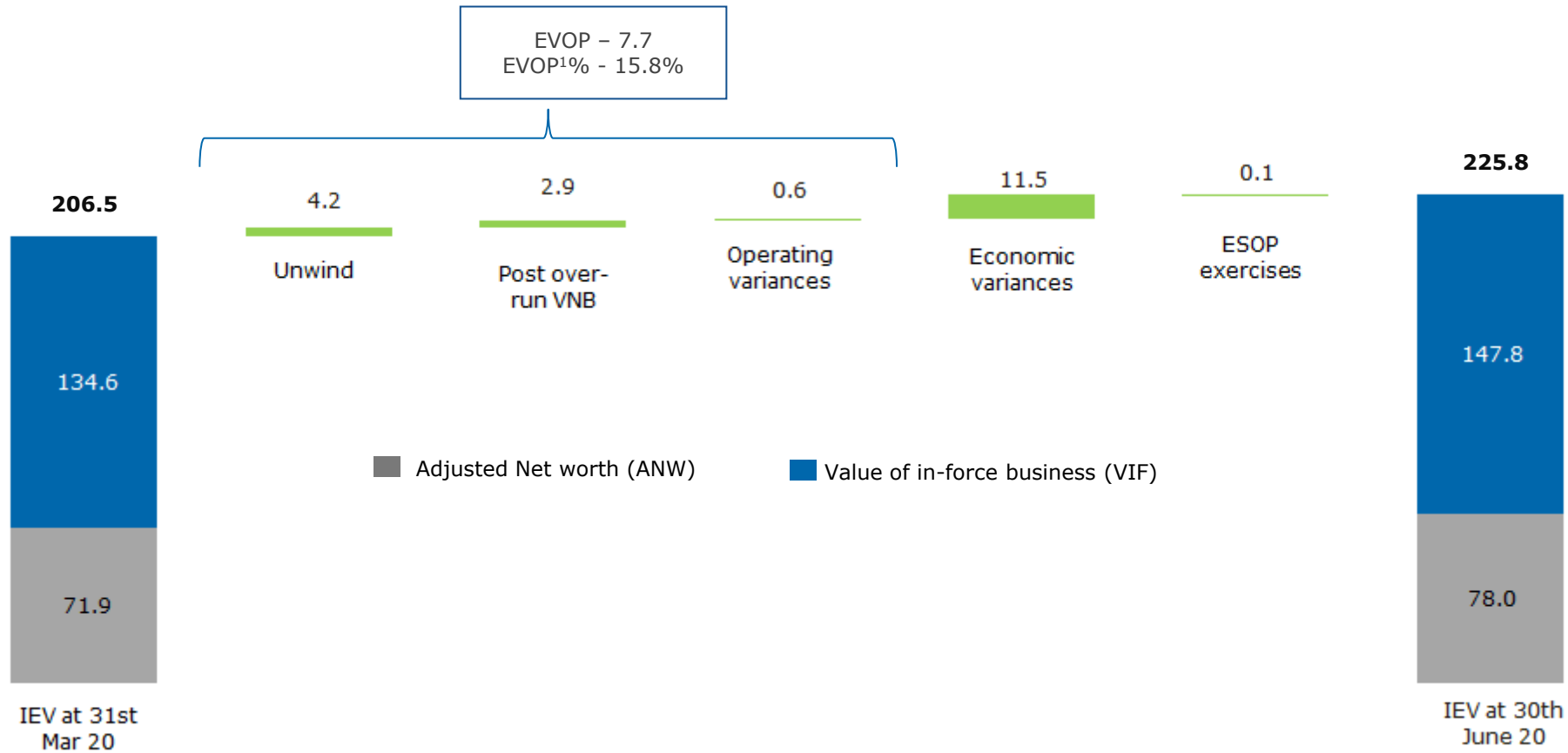
Seasoned leadership guided by an independent and competent Board; No secondees from group companies

**Our continuous focus on technology and customer-centricity has enabled us to maintain business continuity during the COVID-19 outbreak**

# Focus on profitable growth



# Analysis of change in IEV<sup>1</sup>



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

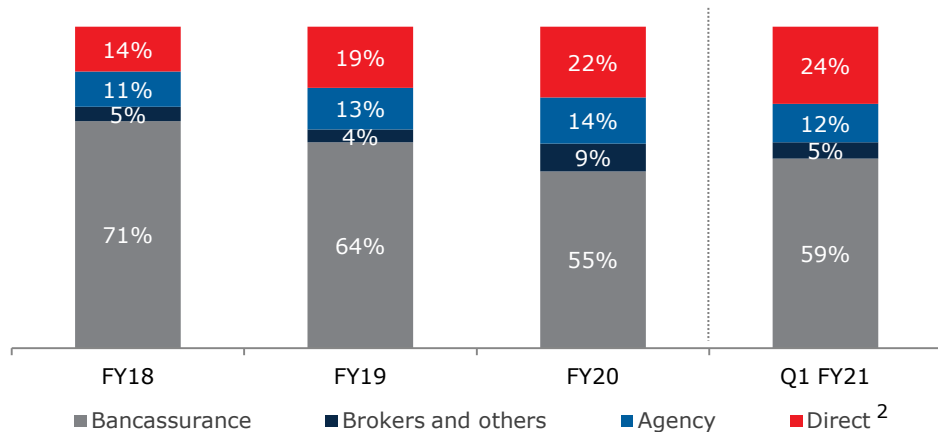
- Operating variances continue to be in line with our assumptions
- Covid reserve is adequate basis actual mortality trends observed



1. EVOP% calculated as annualised EVOP (Embedded Value Operating Profit) to Opening EV

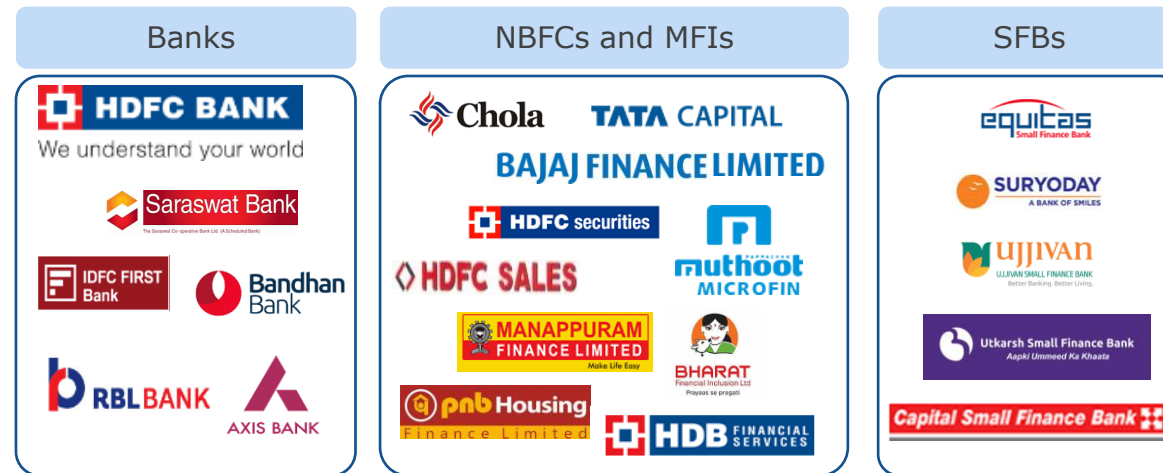
# Diversified distribution mix

## Focus on diversified mix <sup>1</sup>



- Seamless non face-to-face new business and servicing transactions across digital assets / partner platforms
- Expanding share of business from customers < 30 yrs indicating increasing awareness and early adoption of life insurance
- Maintained the leadership position in Broker channel

## Strong and diversified network of 230+ traditional partners



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



Profitable growth

Balanced distribution mix

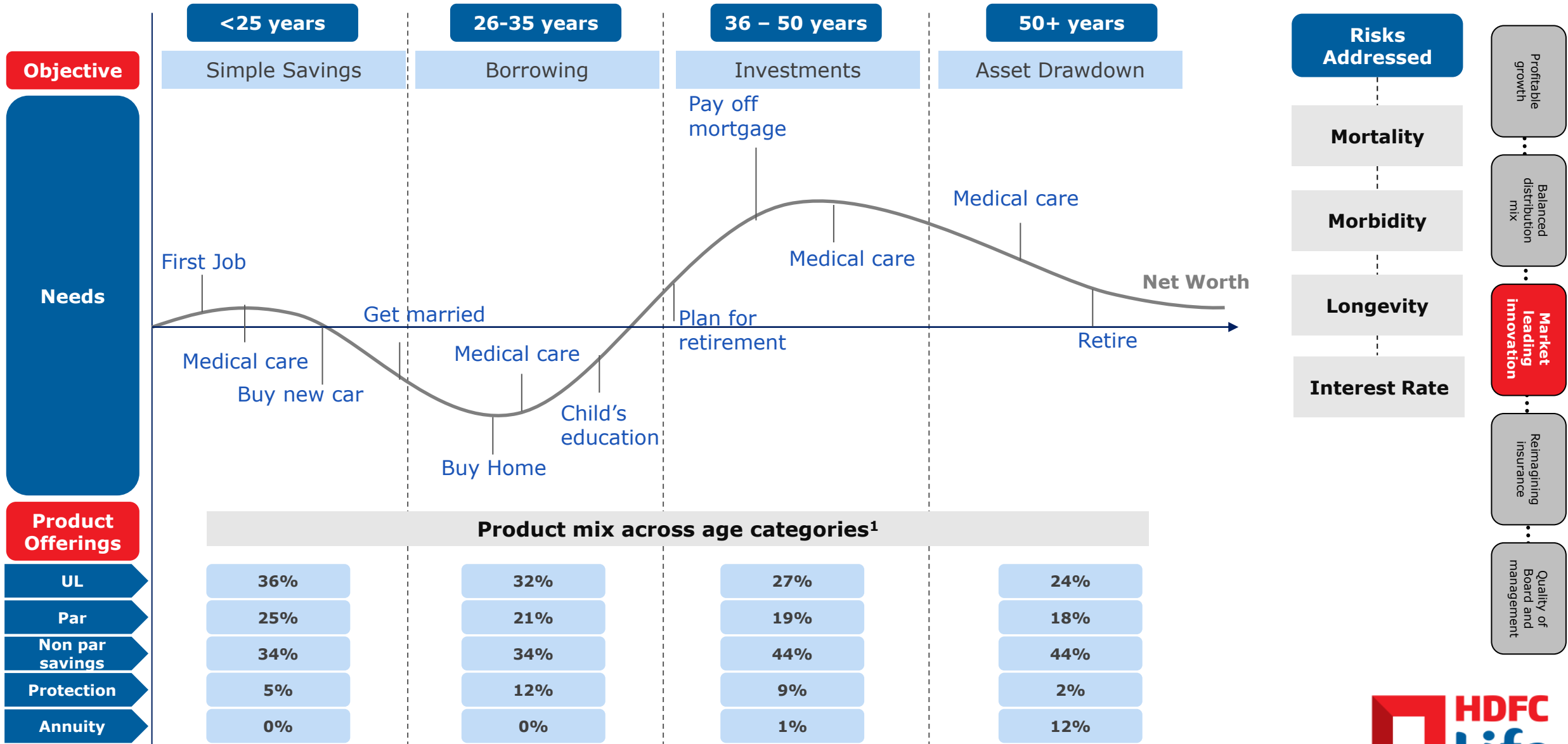
Market leading innovation

Reimagining insurance

Quality of Board and management

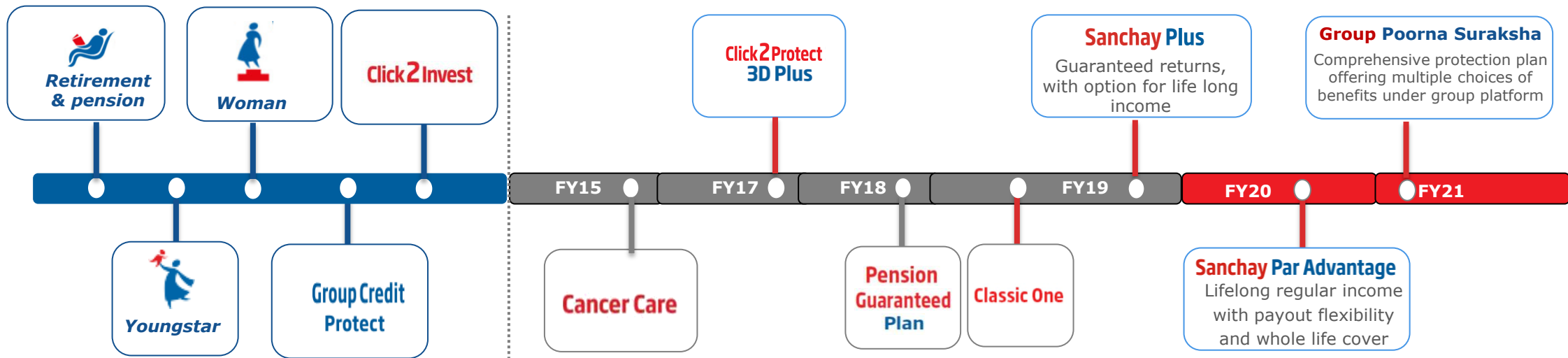
1. Basis Individual APE  
2. Direct includes online channel

# Addressing customer needs at every stage of life

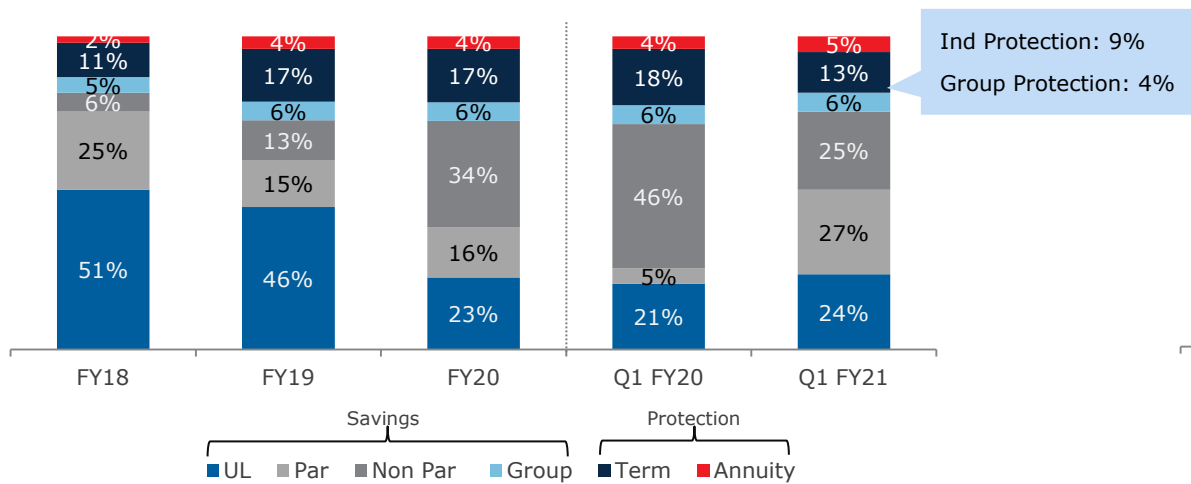


1. Based on Individual WRP for FY20

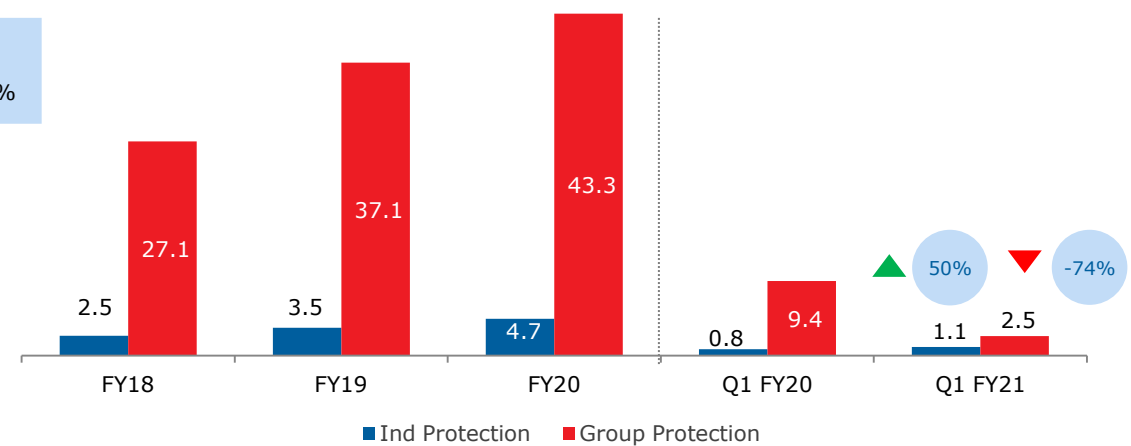
# Expanding market through consistent product innovation



Balanced product suite helps in managing business cycles <sup>1</sup>



Strong growth in individual protection <sup>2</sup> (Rs Bn.)



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

1. As a % of Total APE

2. Individual protection numbers are based on APE and group protection numbers based on NBP

# Our approach to retiral solutions

**Opportunity to grow the current retiral corpus<sup>1</sup> of ~Rs 360 bn to 3x in the next 5 years**

## 1. NPS



- Ranked #1 amongst private owned Pension Fund Managers in terms of AUM
- Registered strong AUM growth of 60% in FY20

## 3. Immediate / deferred annuity



- Largest player in the private sector
- Servicing 100+ corporates and >11,000 individual lives covered till date

## 2. Individual income plans <sup>2</sup>



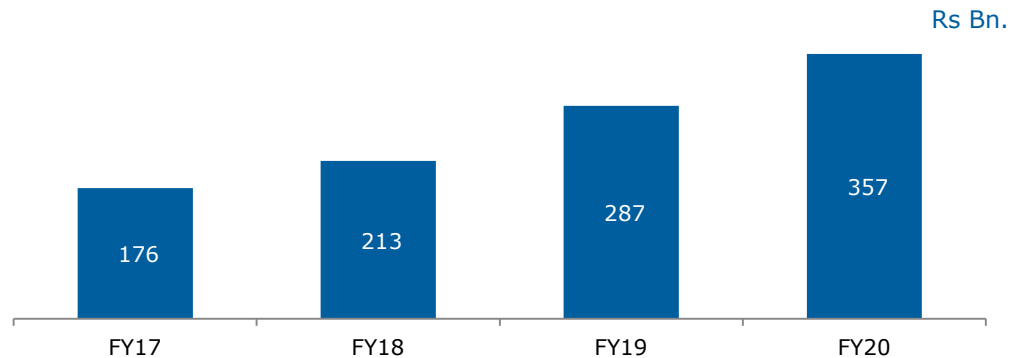
- Providing long term retiral solutions
- Catering across age brackets & premium frequencies

## 4. Group superannuation fund



- Managing funds for over 150+ corporates under superannuation scheme

## Increasing retiral corpus<sup>2</sup>



## Preferred long-term retiral service providers across corporates



1. Includes NPS, Annuity, Group superannuation fund and long term variants of Sanchay Plus and Sanchay Par Advantage  
 2. Comprises long term income and life long tenure options offered in Sanchay Plus and Sanchay Par Advantage



# Product mix across key channels<sup>1</sup>

Banca <sup>2</sup>	Segment	FY18	FY19	FY20	Q1 FY21
	UL	64%	64%	32%	31%
	Par	25%	13%	18%	32%
	Non par savings	8%	17%	44%	30%
	Term	3%	4%	4%	6%
	Annuity	1%	3%	2%	2%

Direct	Segment	FY18	FY19	FY20	Q1 FY21
	UL	58%	50%	33%	25%
	Par	17%	8%	14%	15%
	Non par savings	9%	12%	20%	14%
	Term	5%	6%	4%	6%
	Annuity	11%	24%	29%	41%

Agency	Segment	FY18	FY19	FY20	Q1 FY21
	UL	33%	26%	12%	13%
	Par	48%	40%	34%	43%
	Non par savings	5%	17%	40%	23%
	Term	11%	12%	12%	19%
	Annuity	3%	5%	3%	3%

Online <sup>3</sup>	Segment	FY18	FY19	FY20	Q1 FY21
	UL	57%	62%	44%	33%
	Par	1%	2%	1%	1%
	Non par savings	0%	1%	18%	25%
	Term	42%	35%	37%	40%
	Annuity	0%	1%	1%	1%

Company	Segment	FY18	FY19	FY20	Q1 FY21
	UL	57%	55%	28%	27%
	Par	28%	18%	19%	30%
	Non par savings	7%	15%	41%	28%
	Term	5%	7%	8%	11%
	Annuity	2%	5%	4%	5%

Protection	Total APE	FY18	FY19	FY20	Q1 FY21
	Term	11%	17%	17%	13%
	Annuity	2%	4%	4%	5%
	<b>Total</b>	<b>13%</b>	<b>21%</b>	<b>21%</b>	<b>18%</b>

Total NBP	Total NBP	FY18	FY19	FY20	Q1 FY21
	Term	26%	27%	27%	14%
	Annuity	9%	17%	16%	23%
	<b>Total</b>	<b>35%</b>	<b>44%</b>	<b>43%</b>	<b>37%</b>

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 banks, other corporate agents and online business sourced through banks / corporate agents. Nos for previous years have been restated in line with revised classification

3. Includes business sourced through own website and web aggregators. Nos for previous years have been restated in line with revised classification

# 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*

### InstaInsure

- 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



- Mobile app for on-boarding of prospective agents



## 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:** ~89% of renewal via online / debit mode



Chat bot ELLE



WhatsApp bot ETTY

~91% of chats are self-served via chat-bot

- Robotic Process Automation:** ~227+ bots deployed



Virtual Assist for Sales & Service, current usage at ~1.5 million+ queries p.m.



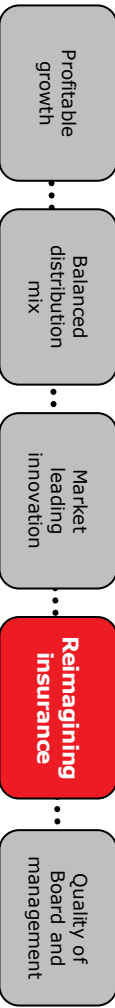
An omni-channel conversational AI engine



## 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)



# VVISE: Industry first video based sales enablement tool



**Zero setup** for customer



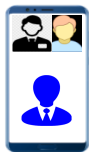
**Voice & Video** with multiple modes



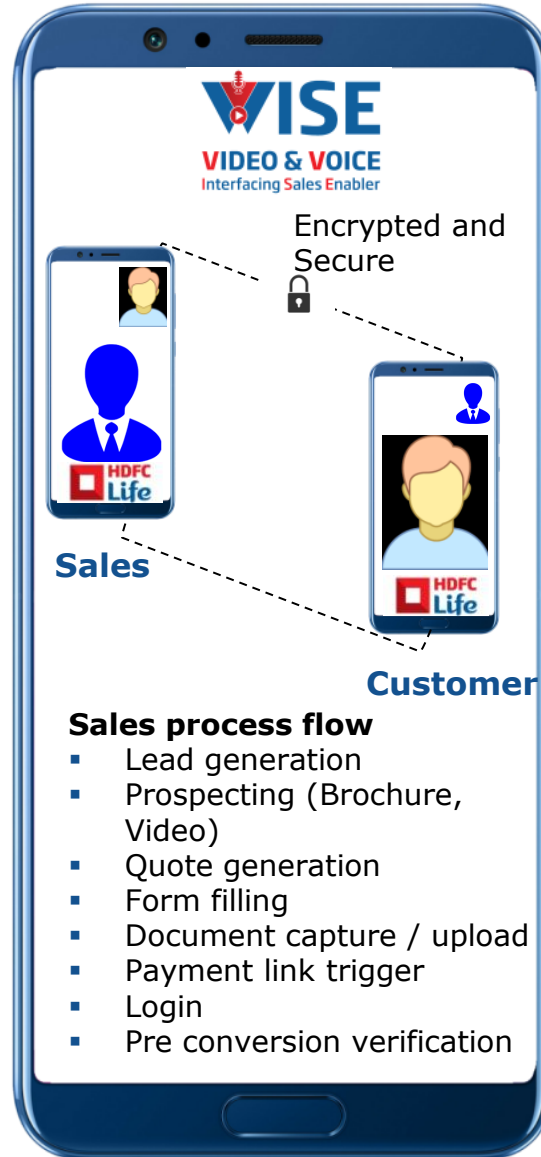
**Screen share** to display content



**Device agnostic** (Mobile / Tablet / Desktop / Laptop)



Enables **Tri-Party** connect



**Lead tracking** and functional dashboard



Storage on **Cloud**



Options for **masking** sections of the form



**Document upload** / Capture **photo**



Encrypted **recording**

Profitable growth

Balanced distribution mix

Market leading innovation

**Reimagining insurance**

Quality of Board and management



# Service simplification – Enabling digital servicing<sup>1</sup>

## Alexa bot

Equipped to resolve **200+** types of generic & policy related queries

## Customer 360

Offers 'one-stop solution' for viewing all details of customer from service interactions at different touch-points

## Web portal

**29%** increase in MyAccount usage

## Mobile app

**10x** increase in mobile app usage;  
Improved customer service

## Online collection

**52%** growth in online renewal collection

## Whatsapp bot Etty

About **1.2 million** queries resolved through Whatsapp bot, an increase of **90%** over last quarter

## Chatbot Elle

**40%** increase in volume of unique users and **36%** increase in volume of queries resolved

## Email bot SPOK

**110%** increase in volume of emails auto-resolved



Profitable growth

Balanced distribution mix

Market leading innovation

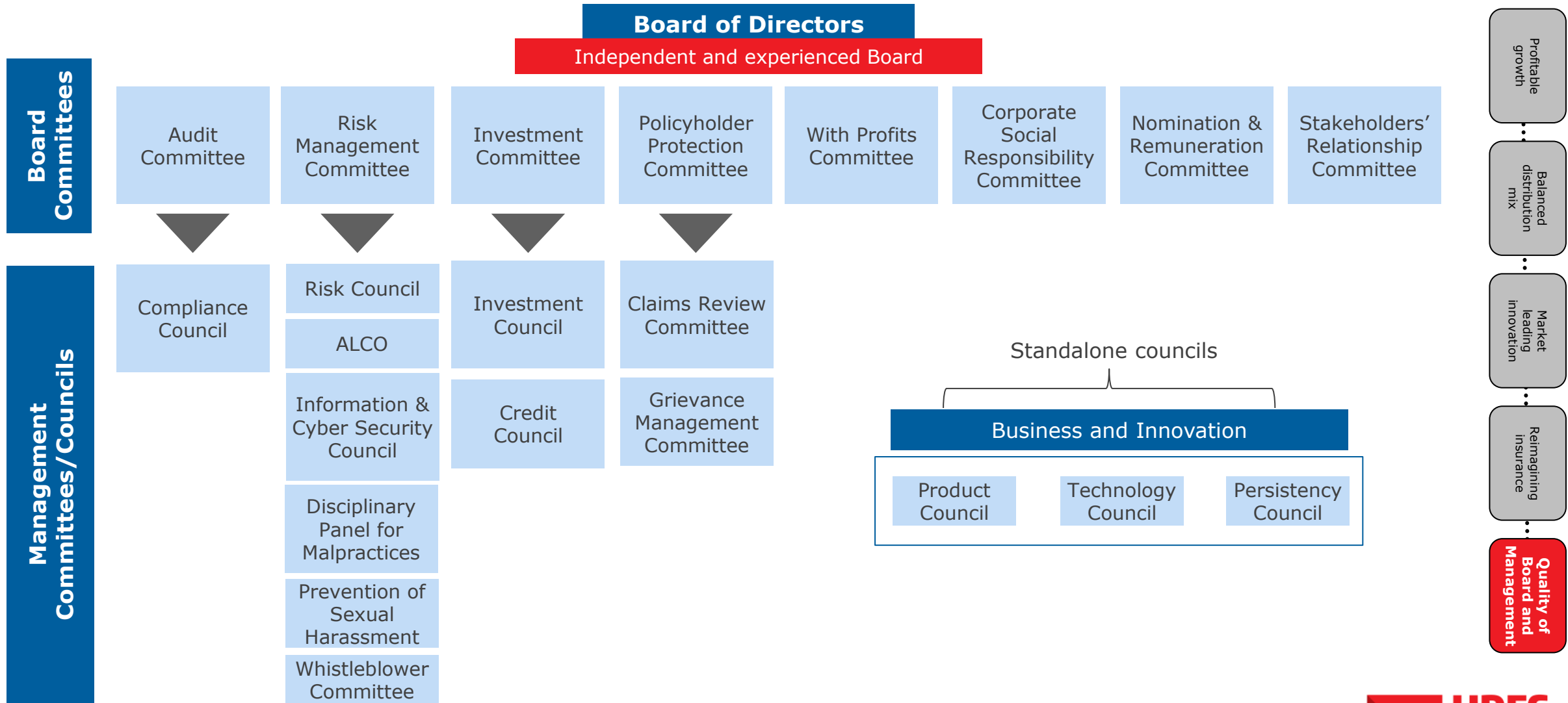
Reimagining insurance

Quality of Board and management



1. Above values pertain to Q1 FY21

# 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 14% 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 deferment period (<4 yrs)
- Regular monitoring of interest rates and business mix

Managing Risk

## ALM approach

- 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 in the Non Par segment

EV and VNB Sensitivity	Overall (Q1 FY21)		Non par <sup>1</sup> (Q1 FY21)	
Scenario	EV	VNB Margin	EV	VNB Margin
Interest Rate +1%	(1.4%)	(0.8%)	(1.3%)	(2.3%)
Interest Rate -1%	0.8%	0.1%	0.2%	1.2%

<sup>1</sup> Portfolio 1 and 2 as described in Slide 21

# Summary of Milliman report on our ALM approach<sup>1</sup>

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

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

## Opinion and conclusion

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

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



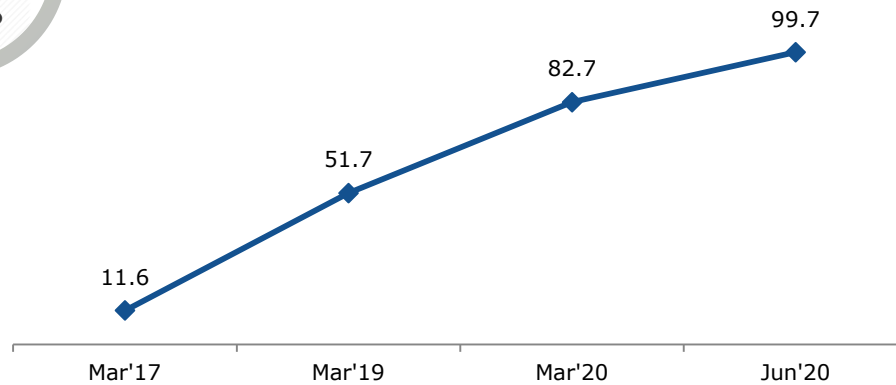
<sup>1</sup>. Opinion issued by Milliman Advisors LLP on ALM strategy (for non par business) basis FY20 disclosures

# Performance of wholly-owned subsidiary<sup>1</sup> companies



## HDFC Pension

AUM, Rs Bn.



- Fastest growing PFM (Pension Fund Manager) under the NPS architecture (YoY growth of 69% in AUM)
- Market share grew from 28% in Jun'19 to 32% in Jun'20 amongst all PFMs
- Company has over 5.7 lakh customers - ~3.7 lakh in retail segment and ~ 2 lakh in corporate segment
- POP operations commenced in FY20 with enrolling of both retail and corporate subscribers; 50,000+ registrations till date



## HDFC International Life and Re



- Registered growth of 35% in gross reinsurance premium in Q1 FY21
- Navigating the new normal with strategic interventions and seeding new opportunities for future growth
- S&P Global Ratings continues to reaffirm its long-term public insurer financial strength rating of "BBB" while maintaining the outlook as "Stable"



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# **3** Managing Covid-19

# Dynamic approach to manage impact of the COVID-19 outbreak



## Accelerated Digital selling

Focus on selling products with end to end digital customer journeys



## Digital servicing

Communication to customers about digital touch-points for claims, renewal collection and customer queries



## Employee engagement/ facilitation

Initiatives to keep employee morale high; infrastructure enablement and collaboration tools for WFH option



## Prioritizing areas of focus

Dynamic review and assessment, strengthening operating assumptions, heightened focus on cost



## Responsive operating measures

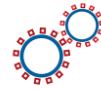
Regular branch operations in green and orange zones (>80% branches operational), daily tracking of employee and agent safety

# Emerging opportunities and risks

## Opportunities

### ▪ Reinvent operating model

- Enhanced focus on digital
- Work from home



### ▪ Higher demand for insurance

- Increasing awareness levels across mortality, morbidity, longevity and interest rate products



### ▪ Consolidation of market share

- Product innovation
- M&A



## Risks: Mitigants

### ▪ Fall in growth: End-to-end digital journey



### ▪ Adverse mortality experience: Stringent underwriting on the back of data analytics; increased pricing



### ▪ Credit risk: Conservative investment strategy; ongoing portfolio review



### ▪ Weak equity markets impacting solvency:

Balanced product mix; healthy backbook surplus



### ▪ Fall in persistency: Improved customer engagement & communication around need to retain cover



### ▪ Expense over-run: Focus on cost control measures, higher proportion of variable costs



# Managing impact of COVID-19 on business

## New business / purchase



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



**Chat PCV** - No dependence on salesperson or call center. >65% verifications completed post Covid ★



**Telemedicals** - 46% of the medicals done through tele-medicals, with number of cases increasing by over 2 times



**Uninterrupted customer assistance** - Work from home enabled across the organization, Microsoft Meet, Citrix ★



**InstaInsure** - Simplified insurance buying through a 3-click journey

## Policy servicing



**Renewal collections** - ~89% of renewal payments made digitally. SVAR (voice bot for renewal calling) and use of Cloud telephony



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



**Easy Claim** - Simple '3 click claim' process for some policies (~99% claims settled in 1 day)



**RPA** - Robotic Process automation handled more than 200 processes remotely



**Contact centres** - Branch staff replacing Call centre agents servicing customers

## Customer interactions



**Seamless support experience** - 1.58 mn+ Monthly queries handled by Insta (virtual assistant)



**Use of mobile app** - Over 10x increase in mobile app usage



**InstaServe** - OTP based policy servicing tool to handle customer queries ★



**24\*7 self-service options** - ~91% of chats are self-serve via chat-bot (resolving ~1.5 million queries)



**Branches** - Daily tracking of employee and agent safety (>80% branches operational)

## Employee / Partner engagement



**e-learning platform** - 7,500+ agents attending training programs daily through mLearn / VC Platform ★



**Gamified contests** - Launched to drive adoption of digital engagement initiatives ★



**Agent on-boarding** - Insta PRL enabling digital on-boarding of agents



**Employee engagement** - VC based skill building sessions with digital partners (Twitter, Google, Facebook) ★



**Partner trainings** - Conducted via digital collaboration tools

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

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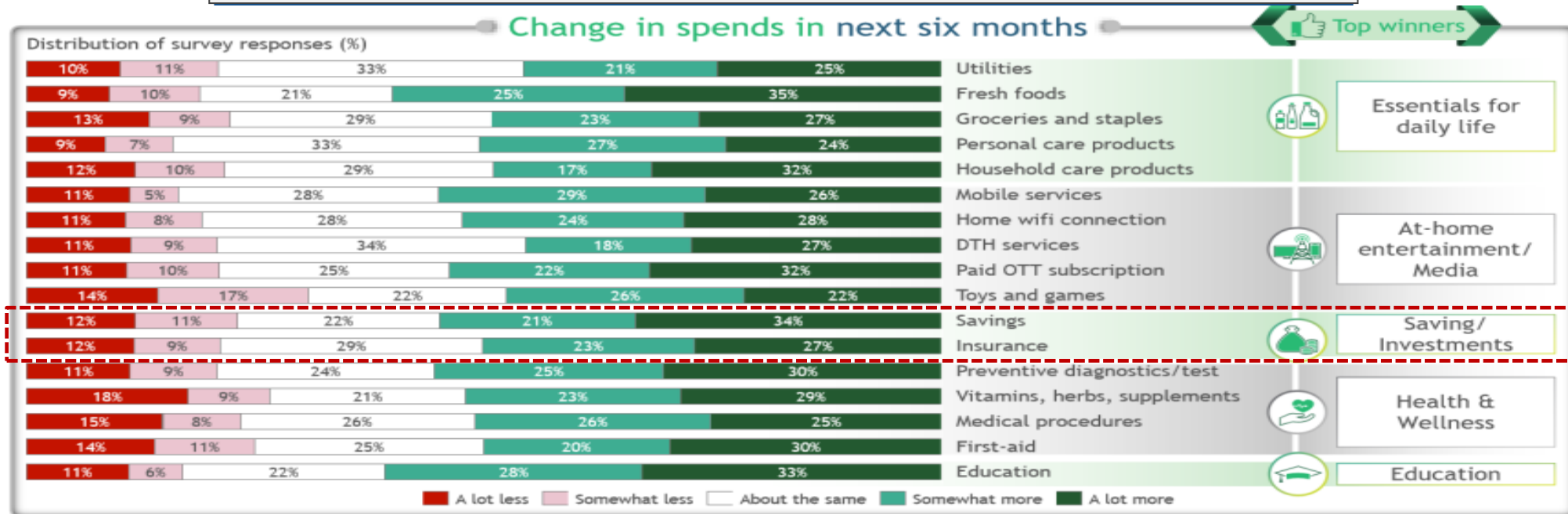
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# Customer Insights

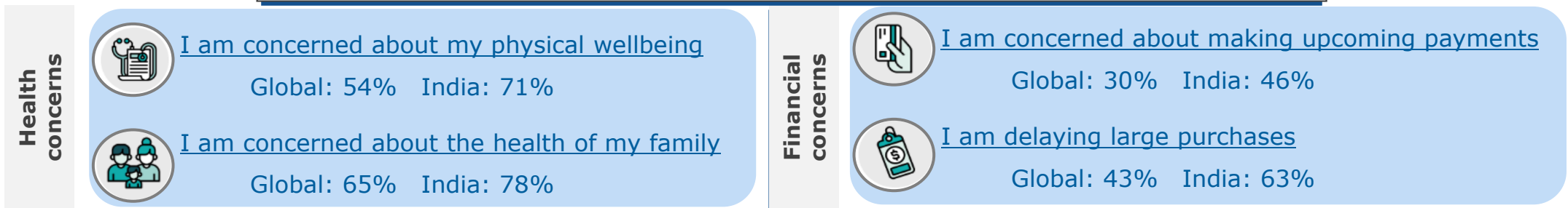


# Customer insights – Customer behaviour/preferences

## Savings and Insurance preferred by Indian consumer<sup>1</sup>



## More concerned about health & finances<sup>2</sup>



Source:

1. BCG Covid-19 Consumer Sentiment Survey, India
2. Deloitte Consumer Tracker, Survey Fieldwork May20 across 15 Countries, Covid-19 Impact on Consumer Sentiment

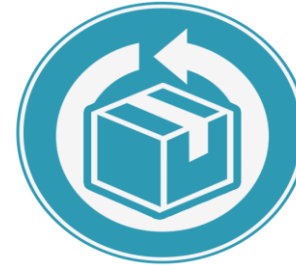
# Customer Insights – Customer Behaviour/Preferences

## Top reasons to buy Life insurance

	2019 rank	2013 rank
Protect family in case of death	1	1
To secure child's education/marriage	2	2
Old age security/retirement	3	3
For disciplined saving	4	8
Good returns	5	4
Safe investment option	6	7
Additional investment option	7	4
Dual benefit of investment and insurance	8	9
Tax Saving	9	4
To meet additional life cover	10	10

- Major reasons to buy Life Insurance continue to be protection for family, securing child's needs and retirement planning over last 6 years
- Tax saving is the 9<sup>th</sup> reason to buy Life Insurance, compared to 4<sup>th</sup> in 2013

## Customer behaviour / trend



- The future intent to buy Life Insurance is the highest amongst financial products driven primarily by 21-40 year olds
- Within LI, the intent to buy **traditional policies** was highest, particularly by people in the ages of **41-50**



- The intent to buy **term insurance** was driven primarily by people in the age group of **22-30**
- The key differentiating factors for consumers were **safety of investment** and **maturity value**



- There has been significant pickup in intention to buy **term products** in metros
- Online mode** for premium collection shows an increasing trend across geographies

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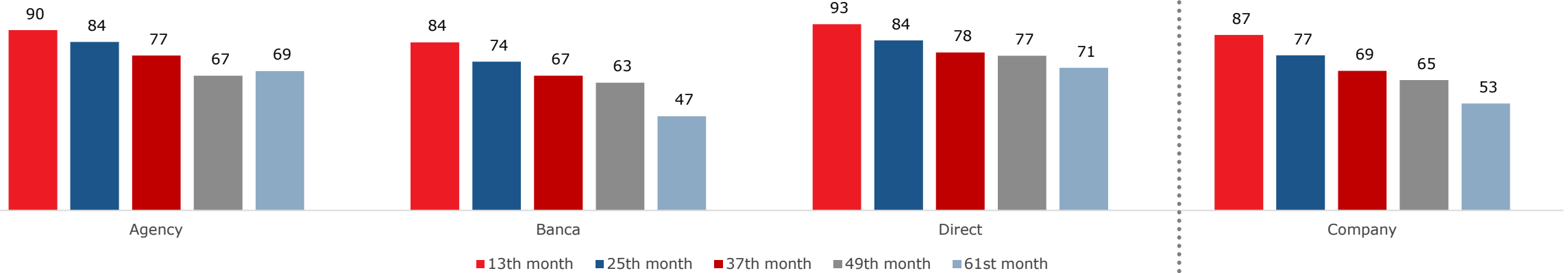
**Annexures**



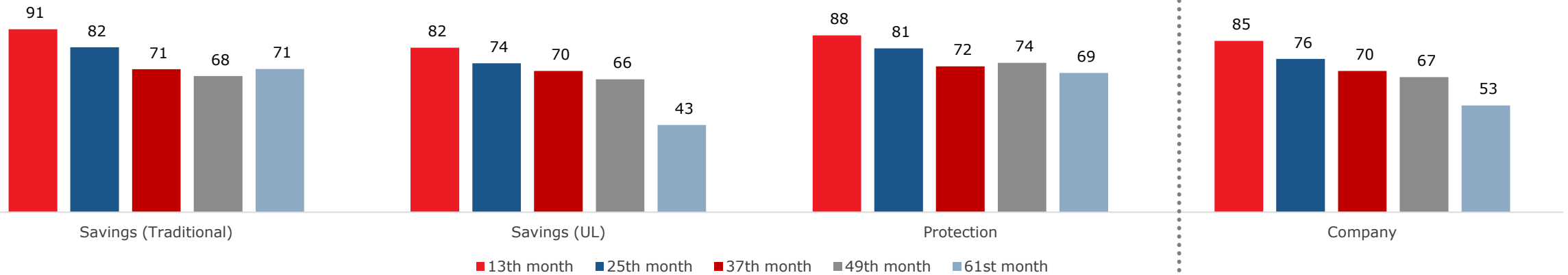


# Individual persistency for key channels and segments<sup>1</sup>

## Across key channels (%)



## Across key segments (%)



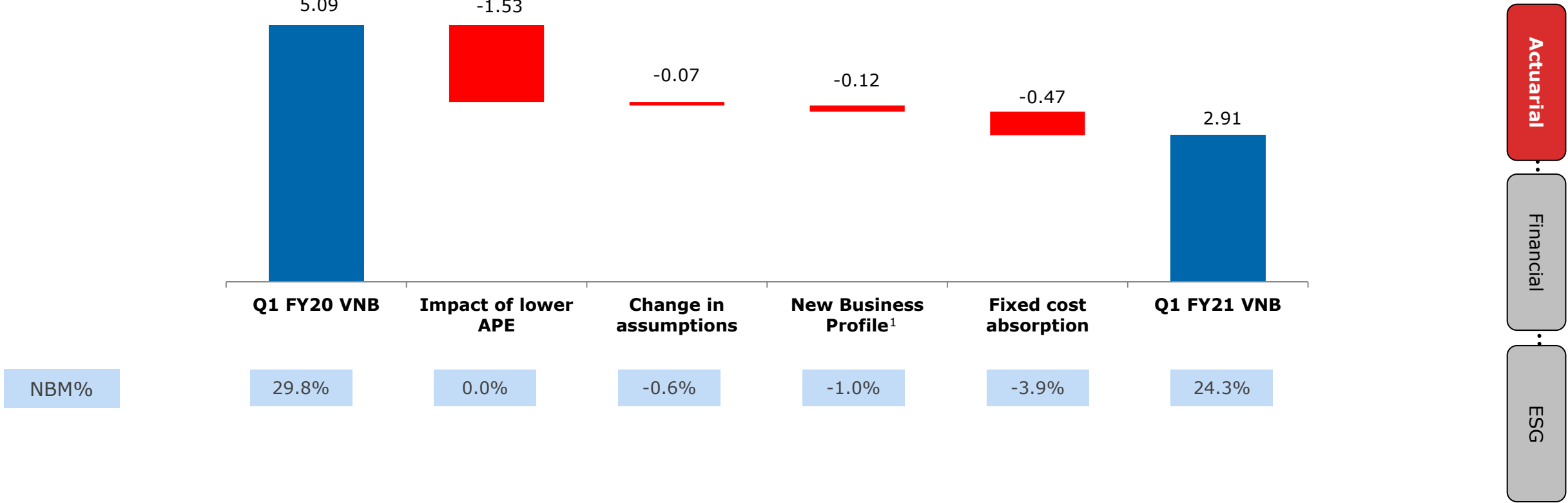
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1. Calculated as per IRDAI circular (based on original premium) for individual business

# VNB and NBM walkthrough

Rs Bn.



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: FY20

Analysis based on key metrics	Scenario	% Change in VNB <sup>1</sup>	Change in VNB Margin <sup>1</sup>	% Change in EV
<b>Change in</b>				
<b>Reference rate</b>	Increase by 1%	-2.8%	-0.7%	-1.2%
	Decrease by 1%	0.9%	0.2%	0.6%
<b>Equity Market movement</b>	Decrease by 10%	-0.3%	-0.1%	-1.1%
<b>Persistency (Lapse rates)</b>	Increase by 10%	-2.1%	-0.5%	-0.7%
	Decrease by 10%	2.1%	0.6%	0.8%
<b>Maintenance expenses</b>	Increase by 10%	-2.4%	-0.6%	-0.8%
	Decrease by 10%	2.4%	0.6%	0.8%
<b>Acquisition Expenses</b>	Increase by 10%	-14.9%	-3.9%	NA
	Decrease by 10%	14.9%	3.9%	NA
<b>Mortality / Morbidity</b>	Increase by 5%	-2.4%	-0.6%	-0.9%
	Decrease by 5%	2.4%	0.6%	0.9%
<b>Tax rate<sup>2</sup></b>	Increased to 25%	-20.0%	-5.2%	-7.7%

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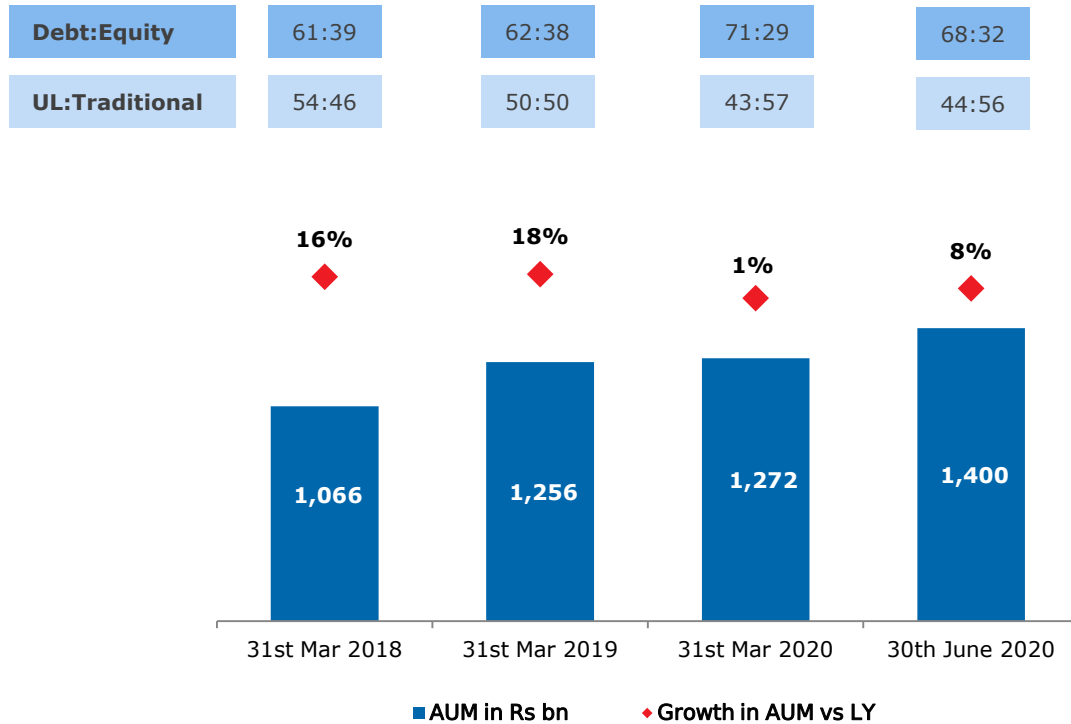
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1. Post overrun total VNB for Individual and Group business

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.

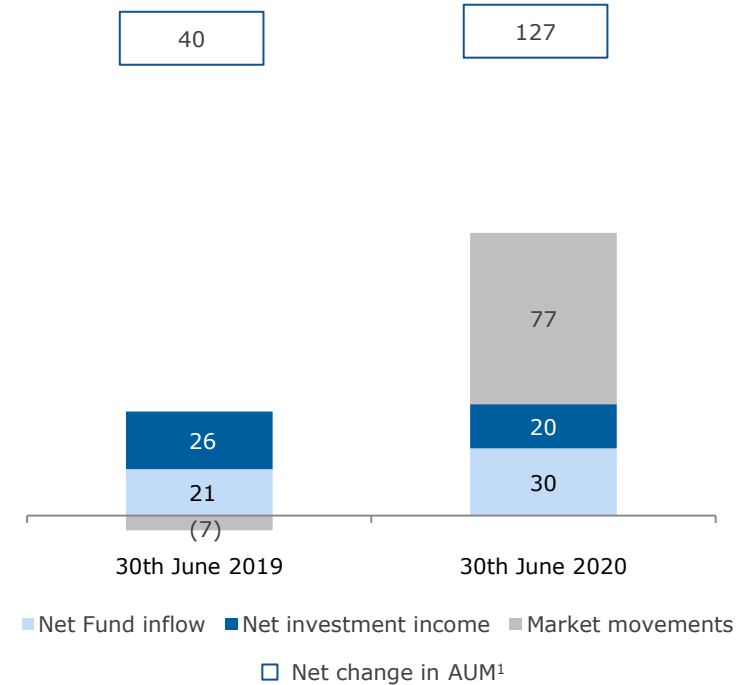
# Assets under management

## Assets Under Management



## Change in AUM<sup>1</sup>

Rs Bn.

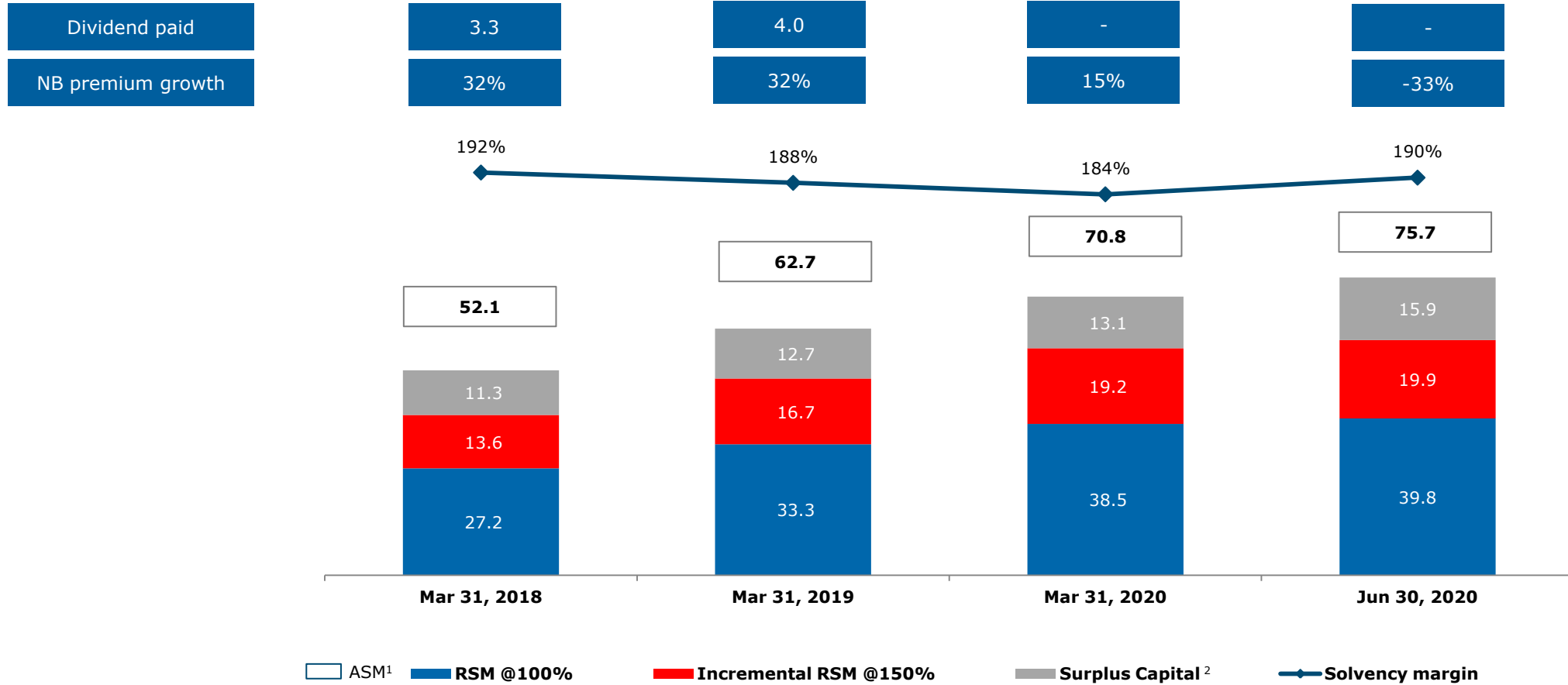


- Continue to rank amongst top 3 private players, in terms of assets under management<sup>2</sup>
- About 97% of debt investments in Government bonds and AAA rated securities as on Jun 30, 2020

1. Calculated as difference from April to June  
2. Based on Assets under Management as on Mar 30, 2020

# Stable capital position

Rs Bn.



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- Internal accruals have supported new business growth with no capital infused in last nine years (except through issuance of ESOPs)
- Improvement in solvency on account of accretion to backbook and favourable market movements

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



## Promoting responsible behavior

### Governance Structure

- Corporate Governance Policy
- Board diversity policy
  - 30% women occupancy in the Board
- Board Evaluation and Independence
  - Self-assessment of Board Performance
  - 50% of the Board consists of Independent Directors
  - Regulatory norm as per 'Fit and Proper'
  - Average Board experience is >30 yrs

### Compensation Framework

- Remuneration Policy recommended by Nomination and Remuneration Committee
- Performance management system is deeply entrenched in the principles of balanced scorecard

### Information / Cyber Security

- ISO 27001:2013 and ISMS assessment program;
  - Independent auditors and IRDAI auditors validated and certified the controls implemented
- Data Privacy Policy
  - Applicable to customers, employees and service providers
  - Any disciplinary action is in line with the malpractice matrix

### Compliances/ Policies

- Code of Conduct Policy
- Vigil Mechanism/ Whistle Blower Policy
- Prevention of sexual harassment to women at workplace policy
- Business Responsibility Reporting(BRR)
- Stewardship Code

### Risk Management and BCM

- Risk management policy
- Enterprise risk management (ERM) framework
  - Designed and approved by the board
  - Based on 'Three Lines of Defense approach'
- Risk awareness
  - Throughout the year by way of Trainings, Workshops, E-mailers, Seminars, Conferences, Quizzes and Special awareness drives
- Sensitivity analysis and stress testing
  - Conducted periodically
- Business Continuity Management(BCM)
  - Creation of a recovery plan for critical business activities of a function or process

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# Social initiatives

## Culture of care and giving/reimagining insurance

### Inclusive Growth

- CSR Programs – Swabhimaan are aligned with the UN SDGs
  - 22 CSR projects in Education, Health, Environment, Livelihood and Disaster Relief implemented across 25 states and 3 UTs impacting >280K beneficiaries in India
- Financial Inclusion: Insurance products especially designed for economically weaker sections
  - Insured >40 million lives in microfinance in FY20
- COVID 19: Contribution to PM Cares Fund and support to hospitals with medical supplies, nutritional meals for frontline healthcare workers

### Customer Centricity

- Improve Lives with products designed to suit the different life stage needs
- Focus on leveraging technology to simplify life insurance for customers – be it issuance, claims, servicing, or any other engagement
  - Artificial Intelligence (AI) for text and speech recognition;
  - Machine Learning (ML) to improve persistency;
  - Cognitive bots (software robots) for 24x7 customer service; and
  - Alternate data to enhance underwriting
- Grievance Redressal Policy
- Voice of Customers (VOC) study: The FY 2020 exit score was overachieved

### Employee Diversity and Engagement

- Focus on Diversity and Inclusion; 24% of employees are women
- Talent Management Process such as Potential Review Process, Stride and Zenith
- Contemporary Employee Development Programs such as M-Learn and M-Connect
- Performance management system on the principles of Balanced Scorecard
- Employee health and wellbeing
  - Flexi working hours, childcare facility, paid paternity / maternity leave
  - Health and fitness – Fit by Bit
- 95% participated in E-Sat Study

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# Environmental initiatives

## Creating a better environment

### Energy and Water

- Energy efficiency and water conservation initiatives in HO & branches
  - Use of 3/5 star rated appliances with regular maintenance
  - Use of LED based lighting system
  - Use of sensor based urinals

### CSR initiatives

- Reducing operational footprint through CSR activities
  - 12 water ATMs installed in villages to provide clean drinking water
  - 10 city forest consisting of 13,574 trees across 22,900 sq.ft. created using Miyawaki method

### Digitization

- Paper reduction
  - Online /e-forms for customers
  - Annual report FY'20 was digitally communicated to all stakeholders
  - Printers configured with default double side printing

### Business Travel

- 40+ video conferencing rooms setup to reduce travel

### Waste Management

- Segregation and proper disposal of waste- dry and wet
- No single-use plastics
  - Use of bio-degradable garbage bags
  - Cafeteria's with reusable plates, cutlery, wooden stirrers etc
  - Conference / meetings rooms with glass bottles and cups
  - Employees encouraged to bring their own mugs/ glass
- Compliant under the Hazardous and Other Wastes (Management and Trans-boundary Movement) Rules, 2016 and E-waste (Management), Rules, 2016

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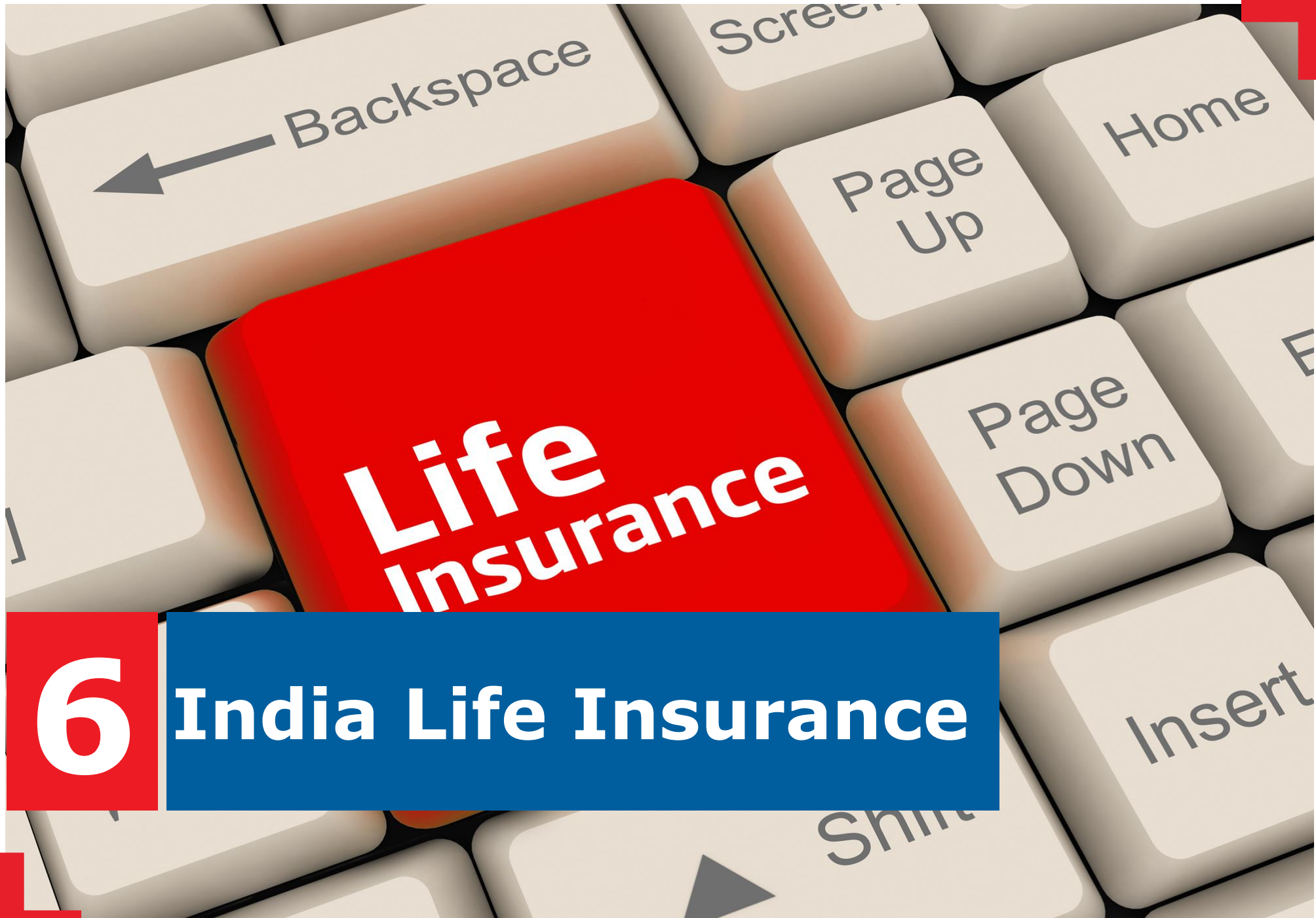
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India Life Insurance

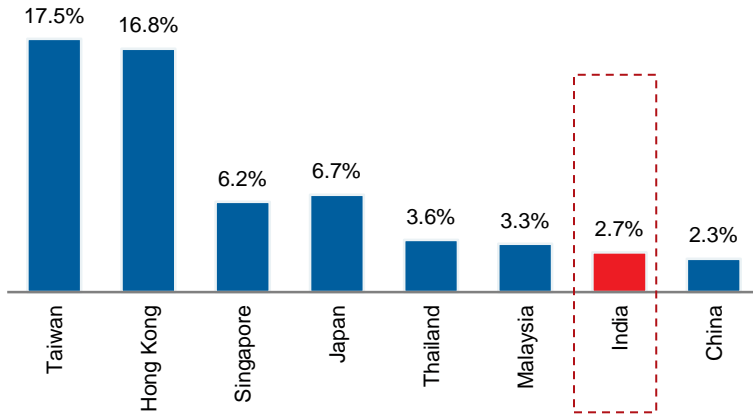
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**India Life Insurance**

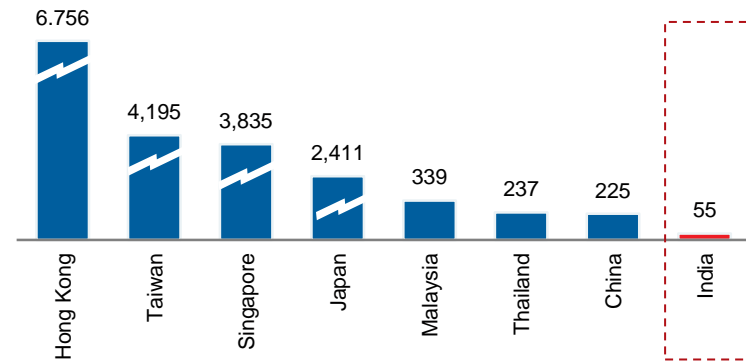


# Growth opportunity: Under-penetration and favourable demographics

**Life Insurance penetration<sup>1</sup>  
(2018)**

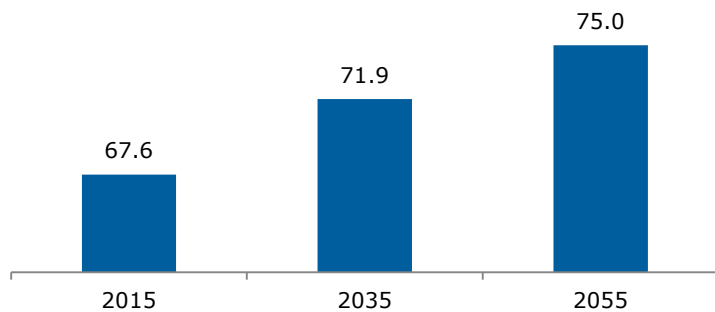


**Life Insurance density US\$<sup>2</sup>  
(2018)**

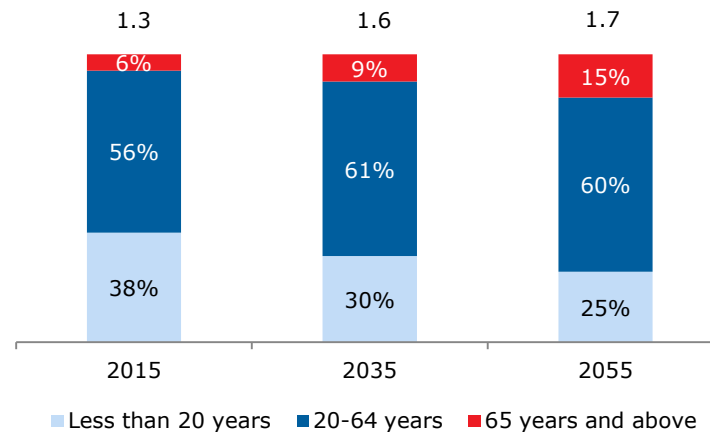


- India remains vastly under-insured, both in terms of penetration and density
- Huge opportunity to penetrate the underserved segments, with evolution of the life insurance distribution model

**Life expectancy (Years)**



**Population composition (Bn.)**



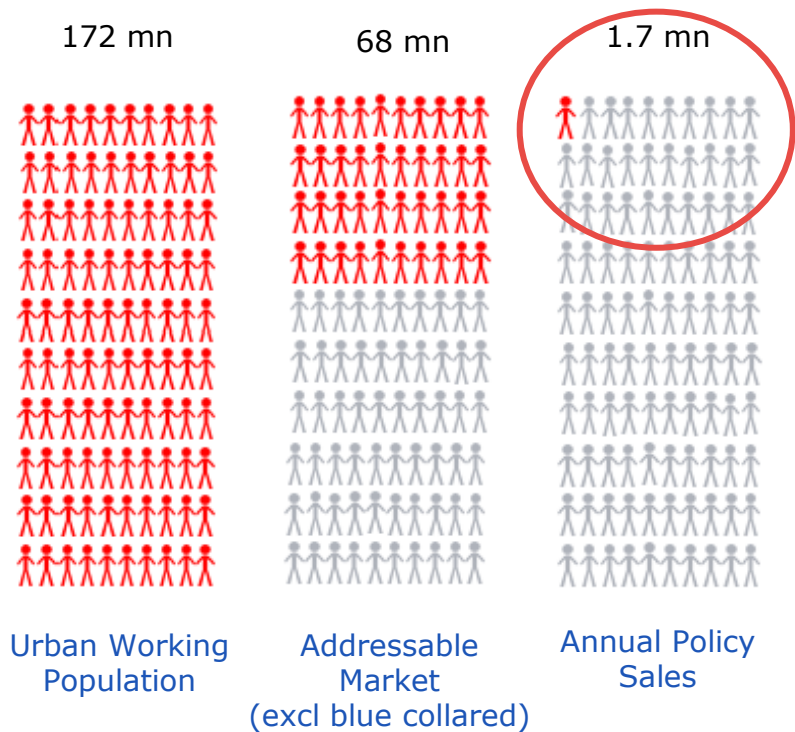
- India's insurable population is expected to touch 750 million by 2020
- India's elderly population is expected to double by 2035 (as compared to 2015)
- Emergence of nuclear families and advancement in healthcare facilities lead to increase in life expectancy thus facilitating need for pension and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

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

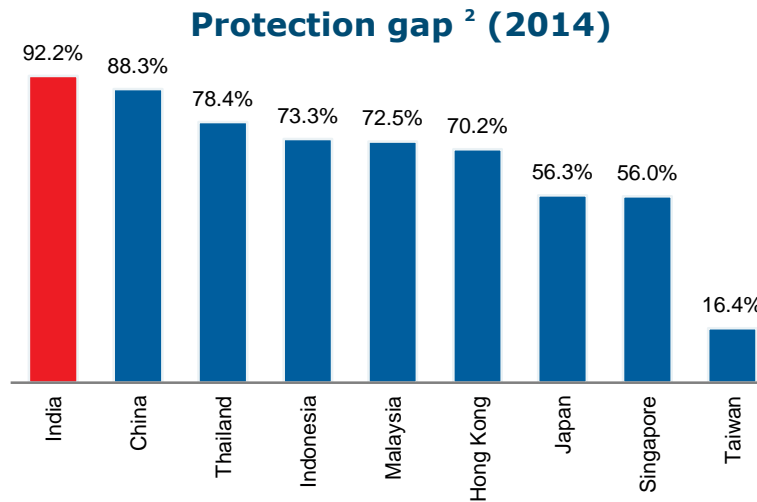
2. Density defined as the ratio of premium underwritten in a given year to the total population

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

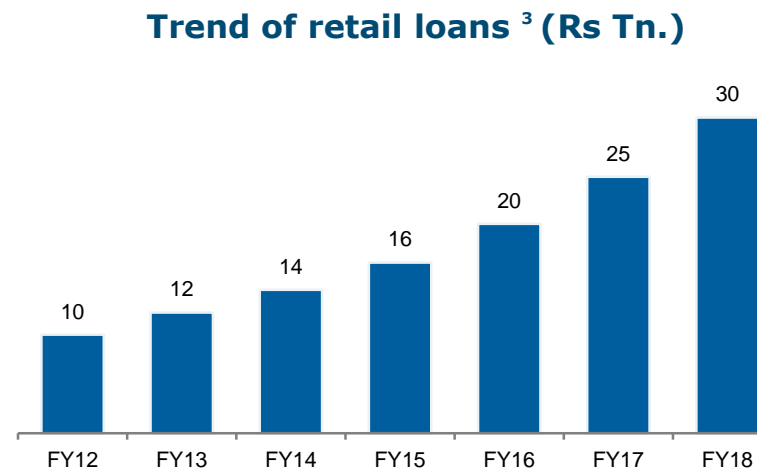
# Low levels of penetration – Life protection



- 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

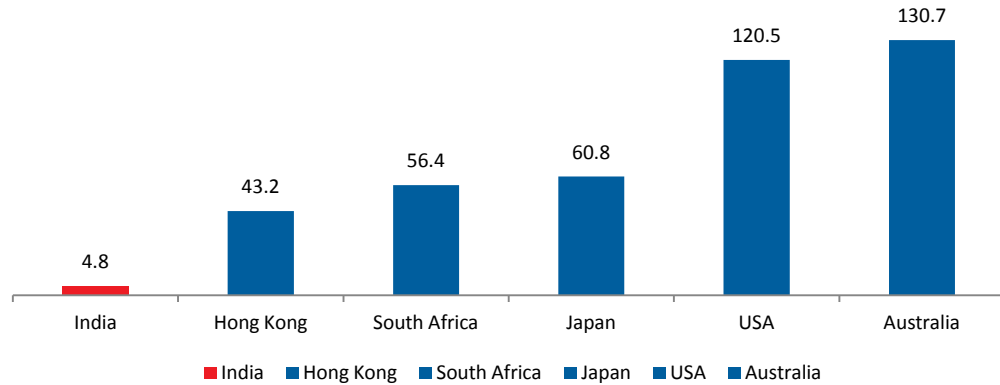
2. Swiss Re (Based on respective financial year of the countries)

3. Kotak institutional equities

# Macro opportunity – Retirement solutions

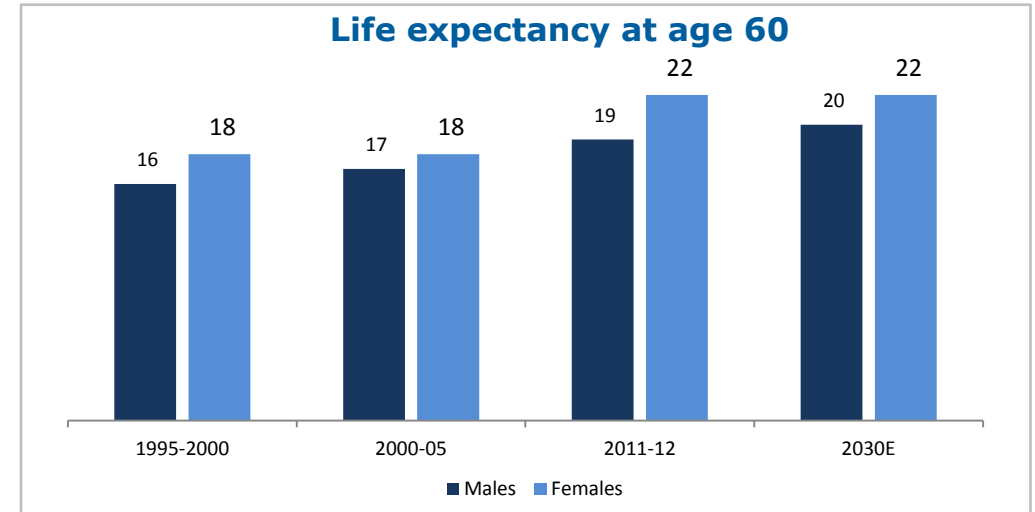
India's pension market is under-penetrated at 4.8% of GDP

**Pension Assets / GDP Ratio**



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

**Life expectancy at age 60**



60+ population is expected to almost triple by 2050

**Ageing population**



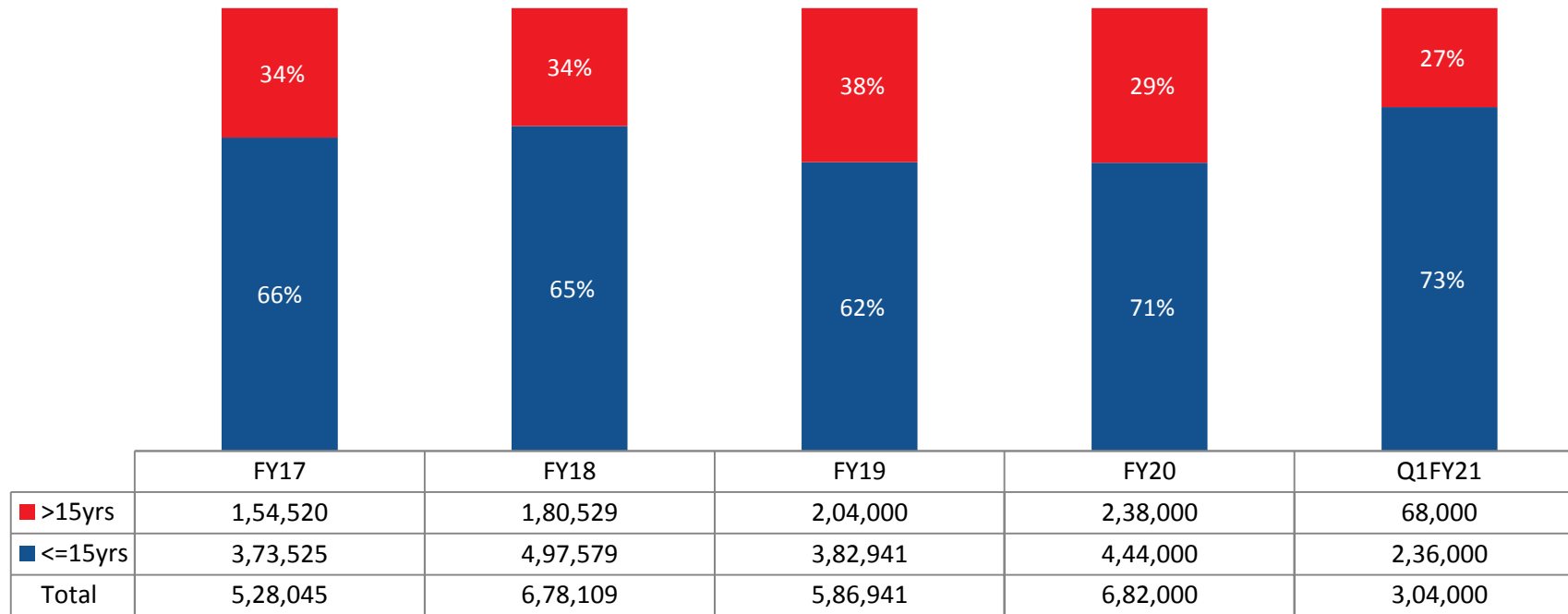
- Average household size has decreased from 4.6 in 2001 to 3.9 in 2018
- Total Pension AUM is expected to grow to Rs 47 Tn by 2025 (more than 1/3<sup>rd</sup> accounted for by NPS)
- Mandatory schemes to increase coverage for both unorganized and organized sectors



# Government bond auctions

## Government Bonds – Tenorwise Issuance

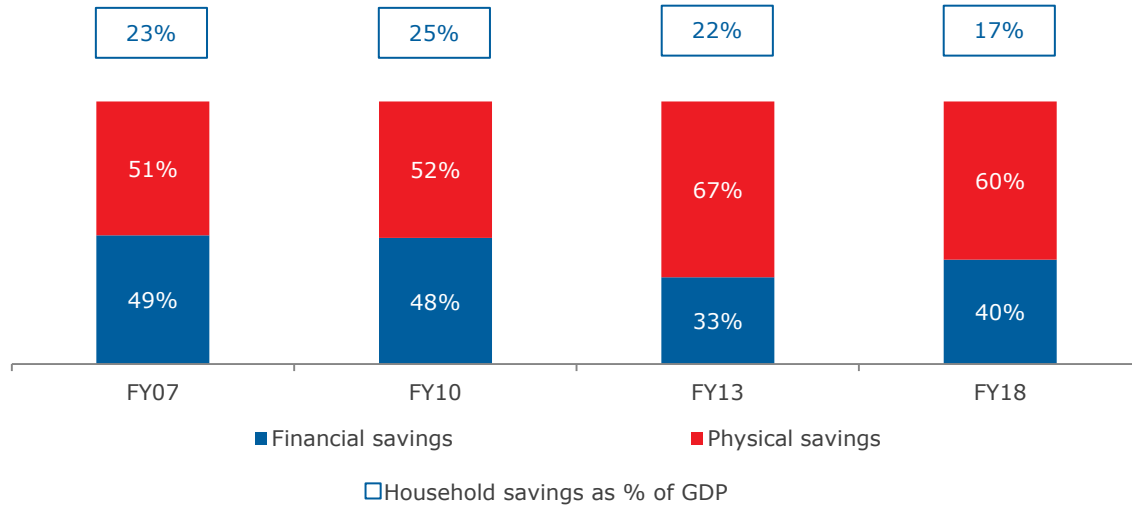
Rs Cr



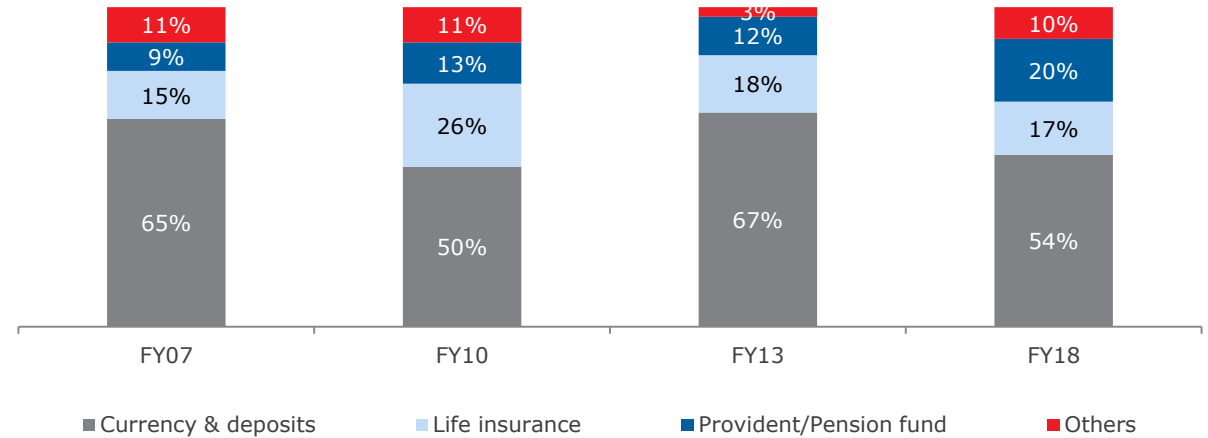
- Auction of >15 year maturity bonds has been ~30% on an average facilitates writing annuity business at scale
- Budget estimate plan for government borrowing for FY21 at Rs. 12 trillion on gross basis
- The actual borrowing till Q1 is 25% of the budget

# Life Insurance: A preferred savings instrument

## Household savings composition

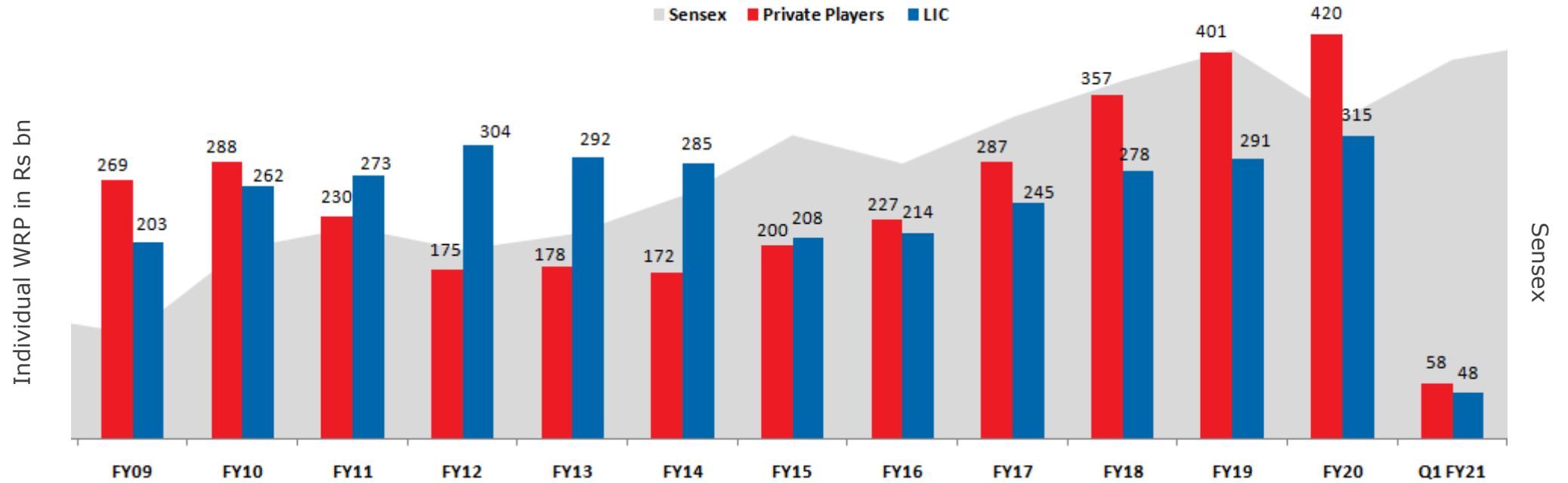


## Financial savings mix



- Increasing preference towards financial savings with increasing financial literacy within the population
- Various government initiatives to promote financial inclusion:
  - Implementation of JAM trinity – around 398 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 business<sup>1</sup> trends



## Private players Market share

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Q1 FY21
<b>Market share</b>	57%	52%	46%	37%	38%	38%	49%	52%	54%	56%	58%	57%	55%
<b>Growth %</b>													
<b>Private</b>	1%	7%	-20%	-24%	2%	-3%	16%	14%	26%	24%	12%	5%	-23%
<b>LIC</b>	-22%	29%	4%	11%	-4%	-2%	-27%	3%	15%	13%	5%	8%	-11%
<b>Overall</b>	-10%	17%	-9%	-5%	-2%	-3%	-11%	8%	21%	19%	9%	6%	-18%

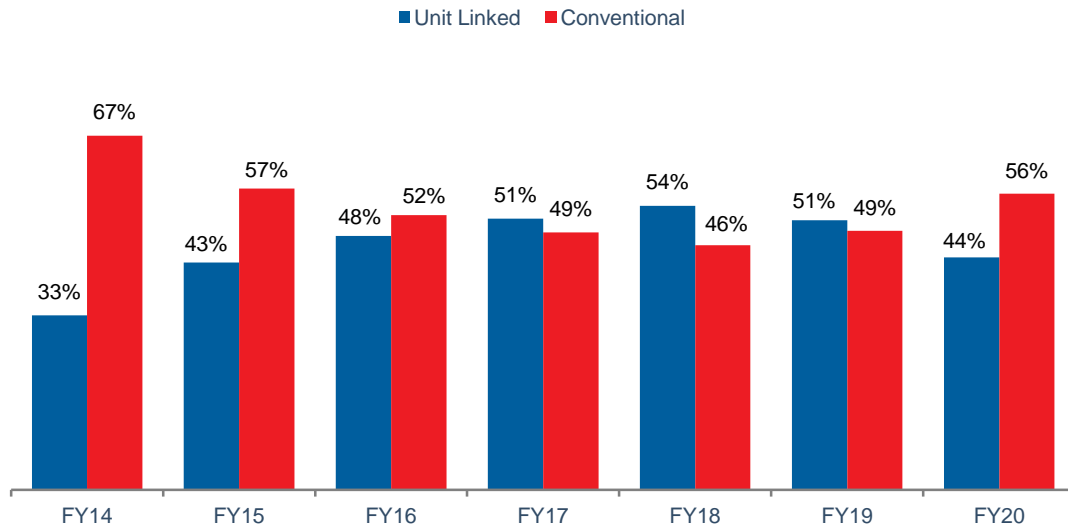
- Private sector gained higher Market share than LIC for the first time in FY16, post FY11 regulatory changes
- Amongst private insurers, insurers with a strong bancassurance platform continue to dominate with increasing market share of the total private individual new business

1. Basis Individual Weighted Received Premium (WRP)

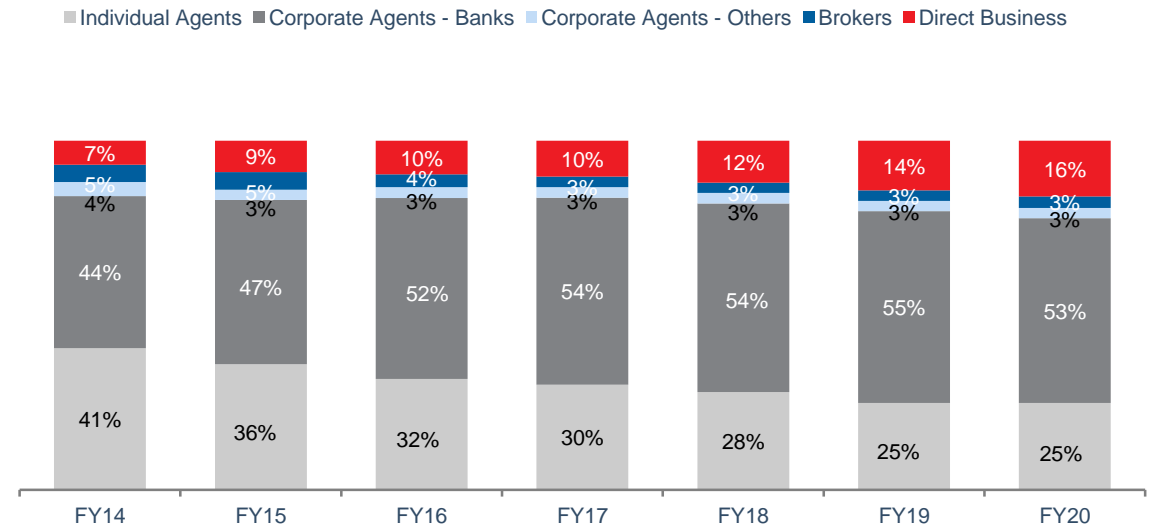
Source: IRDAI and Life Insurance Council

# Private industry: Product and distribution mix

## Product mix <sup>1</sup>



## Distribution mix <sup>2</sup>



- 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 for all private players (except Aviva Life in FY20)

Source: IRDAI and Life Insurance Council



# Appendix

# Financial and operational snapshot (1/2)

	Q1 FY21	Q1 FY20	Growth	FY20	FY19	FY18	CAGR	Rs Bn.
<i>New Business Premium (Indl. + Group)</i>	26.2	39.3	-33%	172.4	149.7	113.5	23%	
<i>Renewal Premium (Indl. +Group)</i>	32.4	26.1	24%	154.7	142.1	122.1	13%	
Total Premium	58.6	65.4	-10%	327.1	291.9	235.6	18%	
Individual APE	10.7	13.8	-22%	61.4	52.0	48.9	12%	
Overall APE	12.0	17.1	-30%	74.1	62.6	55.3	16%	
Group Premium (NB)	10.6	19.7	-46%	87.8	73.3	54.1	27%	
Profit after Tax	4.5	4.2	6%	13.0	12.8	11.1	8%	
- <i>Policyholder Surplus</i>	3.5	3.5	-1%	10.9	9.0	8.5	13%	
- <i>Shareholder Surplus</i>	1.0	0.7	40%	2.1	3.8	2.6	-11%	
Dividend Paid	(1) -	-	NA	-	4.0	3.3	NA	
Assets Under Management	1,399.7	1,295.8	8%	1,272.3	1,255.5	1,066.0	9%	
Indian Embedded Value	225.8	192.3	17%	206.5	183.0	152.2	16%	
Net Worth	(2) 74.5	60.8	22%	69.9	56.6	47.2	22%	
NB (Individual and Group segment) lives insured (Mn.)	2.7	13.0	-79%	61.3	51.4	33.2	36%	
No. of Individual Policies (NB) sold (In 000s)	194.5	203.3	-4%	896.3	995.0	1,049.6	-7%	

1. Including dividend distribution tax (DDT)

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



# Financial and operational snapshot (2/2)

	Q1 FY21	Q1 FY20	FY20	FY19	FY18
Overall New Business Margins (post overrun)	24.3%	29.8%	25.9%	24.6%	23.2%
Operating Return on EV <sup>(1)</sup>	15.8%	19.9%	18.1%	20.1%	21.5%
Operating Expenses / Total Premium	11.5%	13.4%	13.1%	13.1%	13.5%
Total Expenses (OpEx + Commission) / Total Premium	15.6%	18.5%	17.7%	17.0%	18.0%
Return on Equity <sup>(2)</sup>	25.0%	28.9%	20.5%	24.6%	26.0%
Solvency Ratio	190%	193%	184%	188%	192%
Persistency (13M / 61M) <sup>(3)</sup>	87%/53%	85%/53%	88%/54%	84%/51%	83%/50%
Market Share (%)					
- Individual WRP	18.5%	17.5%	14.2%	12.5%	13.3%
- Group New Business	20.7%	30.0%	29.0%	28.4%	28.5%
- Total New Business	20.7%	25.1%	21.5%	20.7%	19.1%
Business Mix (%)					
- Product (UL/Non par savings/Non par protection/Par) <sup>(4)</sup>	27/33/11/30	26/63/5/6	28/45/8/19	55/20/7/18	57/9/5/28
- Indl Distribution (CA/Agency/Broker/Direct) <sup>(4)</sup>	59/12/5/24	56/15/9/20	55/14/9/22	64/13/4/19	71/11/5/14
- Total Distribution (CA/Agency/Broker/Direct/Group) <sup>(5)</sup>	27/7/2/23/41	24/7/3/17/50	23/7/3/17/51	26/7/2/16/49	33/7/2/10/48
- Share of protection business (Basis Indl APE)	10.5%	5.5%	7.6%	6.7%	5.1%
- Share of protection business (Basis Overall APE)	13.1%	17.8%	17.2%	16.7%	11.3%
- Share of protection business (Basis NBP)	13.6%	25.8%	27.6%	27.0%	25.9%

1. During FY18, there was a one time positive operating assumption change of 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

	Q1 FY21	Q1 FY20
Premium earned	58.6	65.4
Reinsurance ceded	(1.4)	(0.8)
Income from Investments	(87.5)	20.5
Other Income	0.3	0.2
Transfer from Shareholders' Account	-	-
<b>Total Income</b>	<b>145.0</b>	<b>85.3</b>
Commissions	2.4	3.3
Expenses	6.7	8.8
GST on UL charges	0.8	0.8
Provision for taxation	0.3	0.0
Provision for diminution in value of investments	(0.6)	0.8
Benefits paid	26.4	35.1
Change in valuation reserve	104.9	31.2
Bonuses Paid	1.5	1.5
<b>Total Outgoings</b>	<b>142.5</b>	<b>81.5</b>
<b>Surplus</b>	<b>2.5</b>	<b>3.8</b>
Transfer to Shareholders' Account	3.5	3.5
Funds for future appropriation - Par	(1.0)	0.3
<b>Total Appropriations</b>	<b>2.5</b>	<b>3.8</b>

## Profit and Loss A/c

Rs Bn.

	Q1 FY21	Q1 FY20
<b>Income</b>		
Interest and dividend income	0.9	0.8
Net profit/(loss) on sale	0.0	0.2
Transfer from Policyholders' Account	3.5	3.5
Other Income	0.0	0.0
<b>Total</b>	<b>4.4</b>	<b>4.5</b>
<b>Outgoings</b>		
Transfer to Policyholders' Account	-	-
Expenses	0.1	0.0
Provision for diminution in value of investments	(0.1)	0.1
Provision for Taxation	0.0	0.1
<b>Total</b>	<b>(0.1)</b>	<b>0.2</b>
<b>Profit for the year as per P&amp;L Statement</b>	<b>4.5</b>	<b>4.2</b>
Interim Dividend paid (including tax)	0.0	0.0
<b>Profit carried forward to Balance Sheet</b>	<b>4.5</b>	<b>4.2</b>

# Balance sheet

	June 30, 2020	June 30, 2019	Mar 31, 2020
<b>Shareholders' funds</b>			
Share capital (including Share premium)	24.3	23.9	24.2
Accumulated profits	50.2	37.0	45.7
Fair value change	(0.6)	(0.0)	(1.9)
<b>Sub total</b>	<b>74.0</b>	<b>60.8</b>	<b>68.0</b>
<b>Policyholders' funds</b>		-	
Fair value change	8.1	10.3	0.5
Policy Liabilities	684.2	568.0	652.7
Provision for Linked Liabilities	581.1	600.4	508.4
Funds for discontinued policies	34.2	33.0	33.4
<b>Sub total</b>	<b>1,307.6</b>	<b>1,211.6</b>	<b>1,195.0</b>
Funds for future appropriation (Par)	7.9	11.3	8.8
<b>Total Source of funds</b>	<b>1,389.4</b>	<b>1,283.7</b>	<b>1,271.9</b>
		-	
Shareholders' investment	63.0	51.8	58.6
Policyholders' investments: Non-linked	721.5	610.7	671.9
Policyholders' investments: Linked	615.3	633.3	541.8
Loans	3.0	1.2	3.0
Fixed assets	3.3	3.4	3.3
Net current assets	(16.7)	(16.7)	(6.7)
<b>Total Application of funds</b>	<b>1,389.4</b>	<b>1,283.7</b>	<b>1,271.9</b>

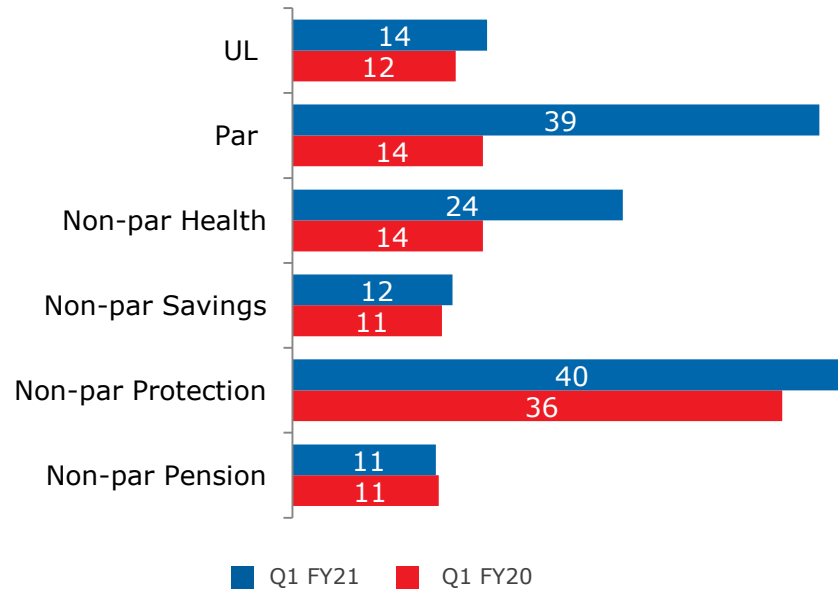
Rs Bn.



# Segment wise average term and age<sup>1</sup>

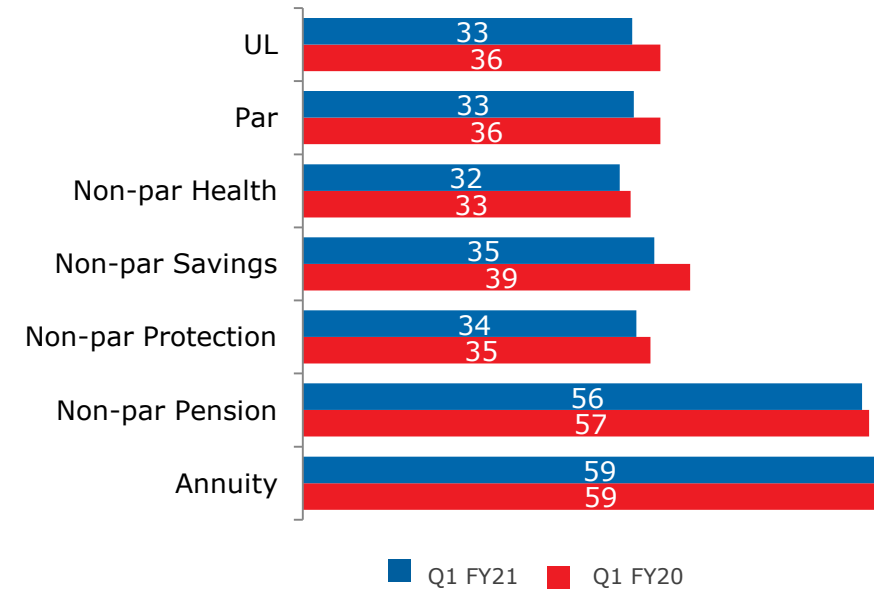
## Average Policy Term excluding annuity (Yrs)

Q1 FY21: 25.7 (Q1 FY20: 14.8)



## Average Customer Age excluding annuity (Yrs)

Q1 FY21: 34.2 (Q1 FY20: 37.9)



- 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 assumptions<sup>1</sup>

Years	Forward rates %		Spot rates %	
	As at Jun 30, 2020	As at Jun 30, 2019	As at Jun 30, 2020	As at Jun 30, 2019
<b>1</b>	3.57	6.31	3.51	6.12
<b>2</b>	4.74	6.70	4.07	6.30
<b>3</b>	5.78	6.98	4.59	6.45
<b>4</b>	6.50	7.19	5.01	6.58
<b>5</b>	6.98	7.35	5.36	6.68
<b>10</b>	7.60	7.64	6.30	6.99
<b>15</b>	7.33	7.67	6.59	7.12
<b>20</b>	7.07	7.65	6.68	7.18
<b>25</b>	6.92	7.64	6.69	7.22
<b>30+</b>	6.85	7.63	6.68	7.24

# Glossary (Part 1)

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

## Glossary (Part 2)

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- **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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