

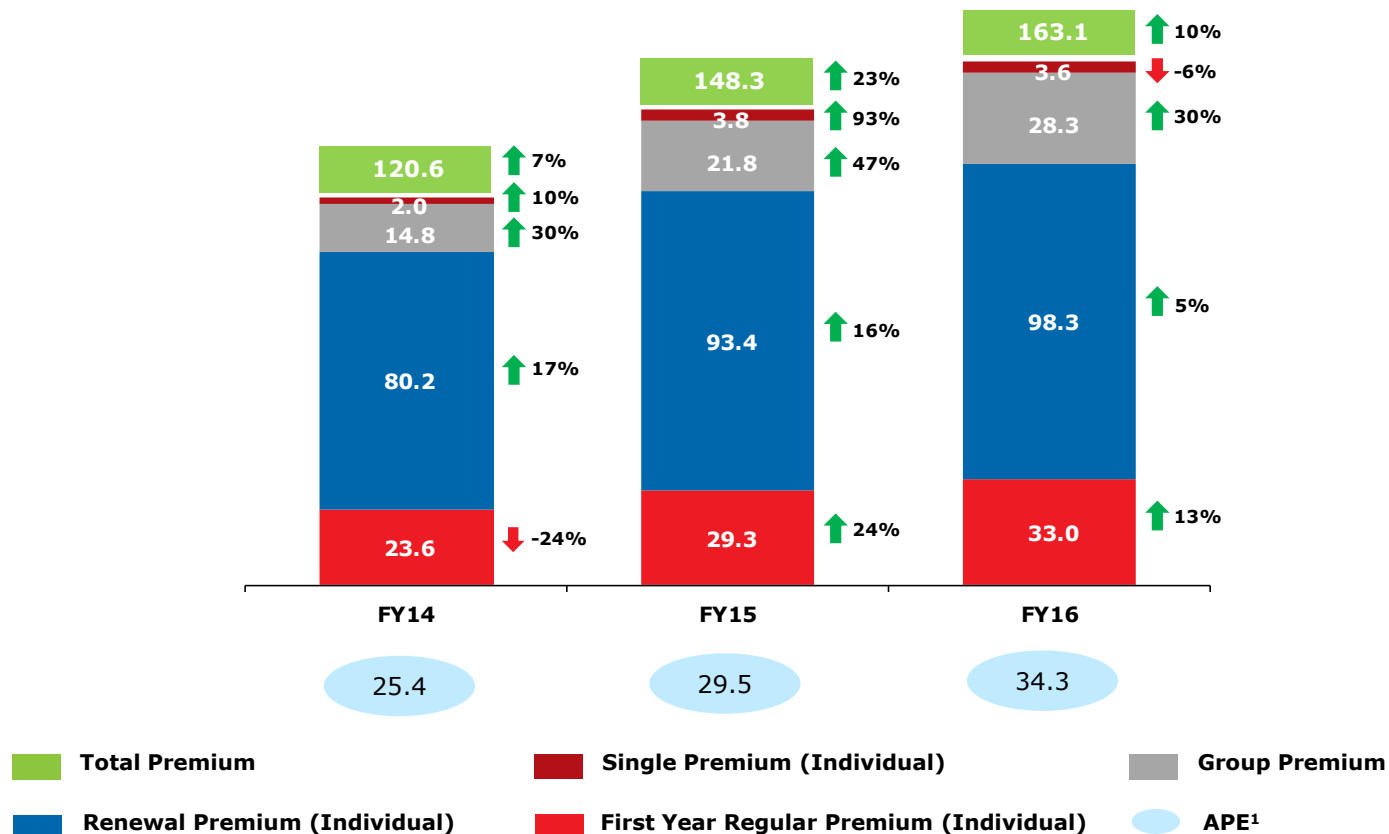
HDFC Standard Life Insurance Company Limited

Financial Year ending March 2016



Premium trends

₹ Bn

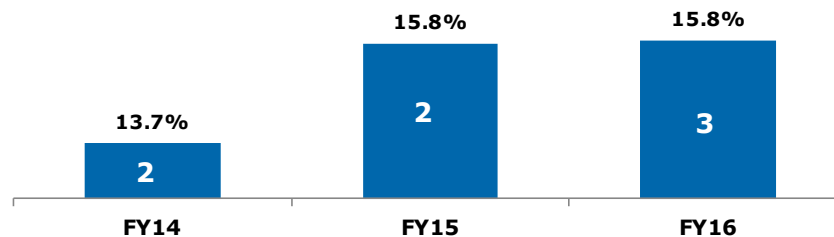


Notes:

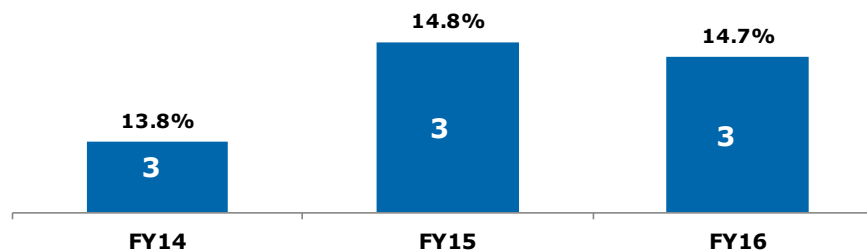
1. APE refers to Annual Premium Equivalent for individual business including service tax

Market ranking

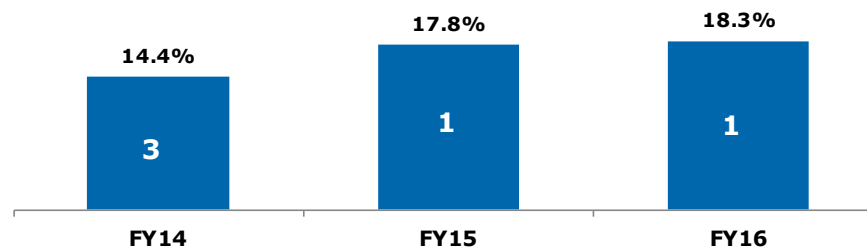
New Business Received Premium



Individual WRP



Group Received Premium

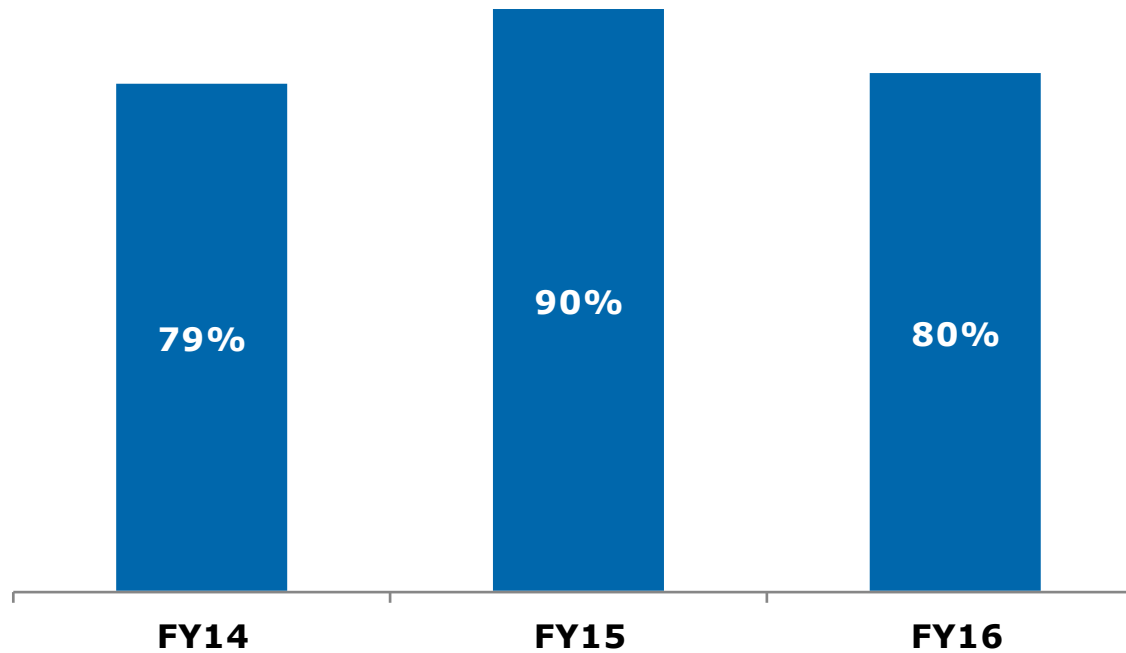


Source: Life Insurance Council

Notes:

1. Numbers inside the bars represent ranking amongst the private companies

Conservation ratio¹

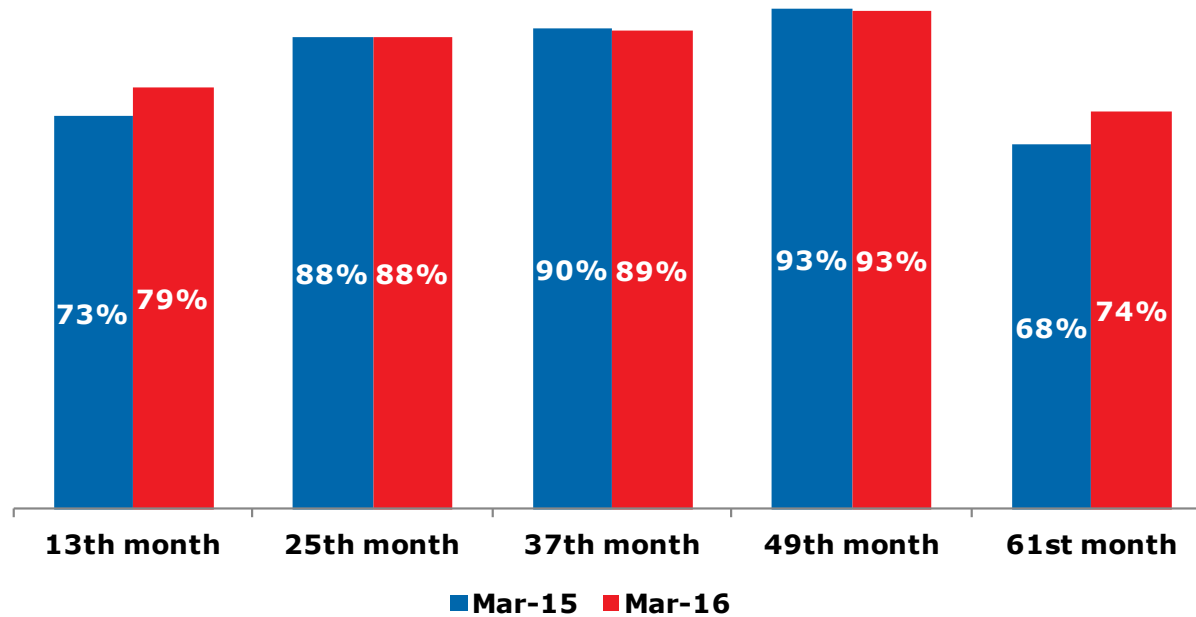


Notes:

1. For individual business

Persistency ratio

Reducing Balance Method



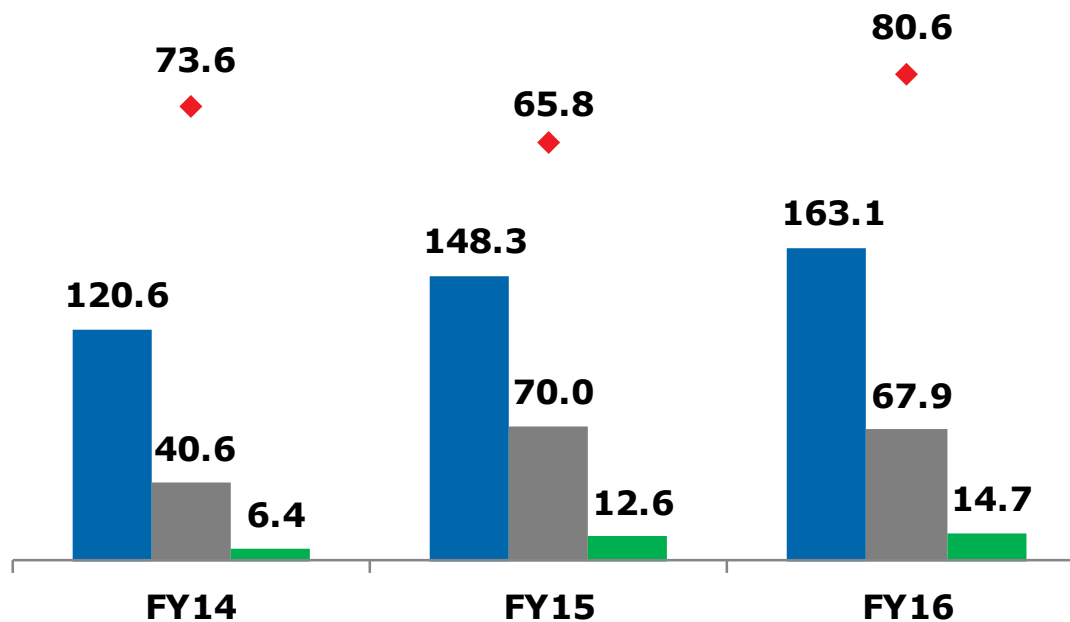
Basis Original Premium	73%	79%	64%	67%	65%	60%	64%	63%	37%	47%
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Notes:

1. Persistency ratios are calculated based on policies issued in the period of Apr-Mar for respective years as per the latest IRDA circular, based on individual business and excluding rural business which is insignificant

Premium less benefit payouts

₹ Bn



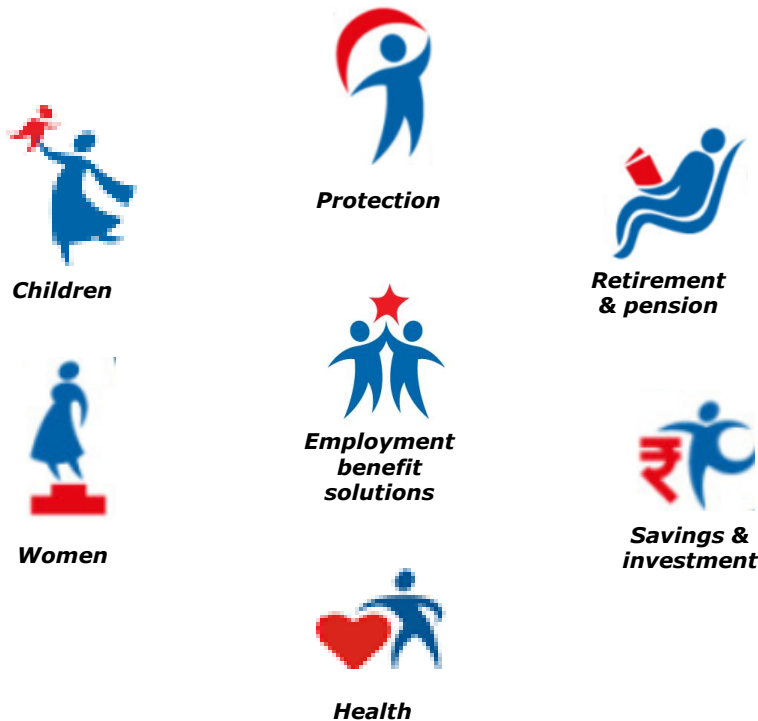
■ Total Premium¹ ■ Surrenders & Withdrawals ■ Claims by Death, Maturity & Others¹ ◆ Premium less Policyholder Payouts

Note:

1. Gross of reinsurance for overall (individual and group) business

Comprehensive product portfolio

Offering for every customer need...

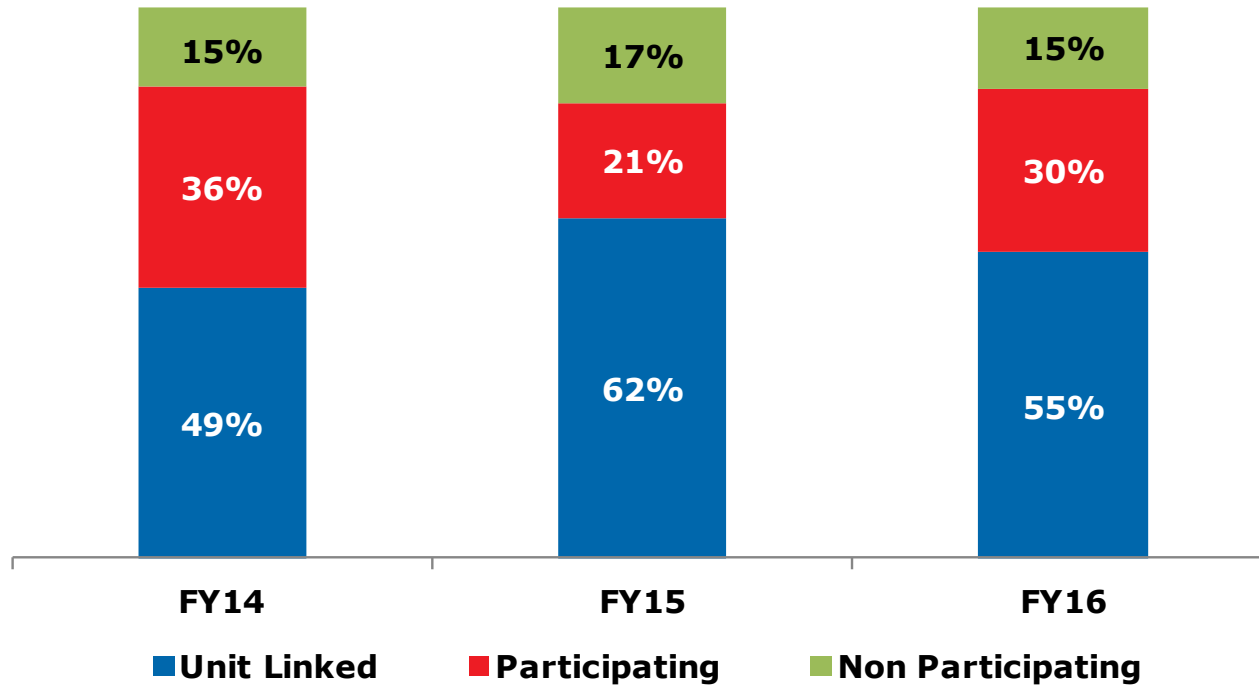


Consistently awarded 'Best Product of the Year' over last five years

Finnoviti 2016 to recognize and reward innovations in BFSI	Cancer care
Golden Peacock Innovative Product/Service Award – 2015	Click 2 Invest
Indian Insurance Awards 2014- Best Product Innovation	Super Income Plan
Product of the Year 2013 under Life Insurance category	Smart Woman Plan
Winners of the Indian Insurance award for Best Product Innovation 2012	Sampoorn Samriddhi
Awarded at Indian Insurance Award 2012	Sampoorn Samriddhi
Winner at Indian Insurance Awards 2011	Crest

7 new products launched during FY16

Product mix

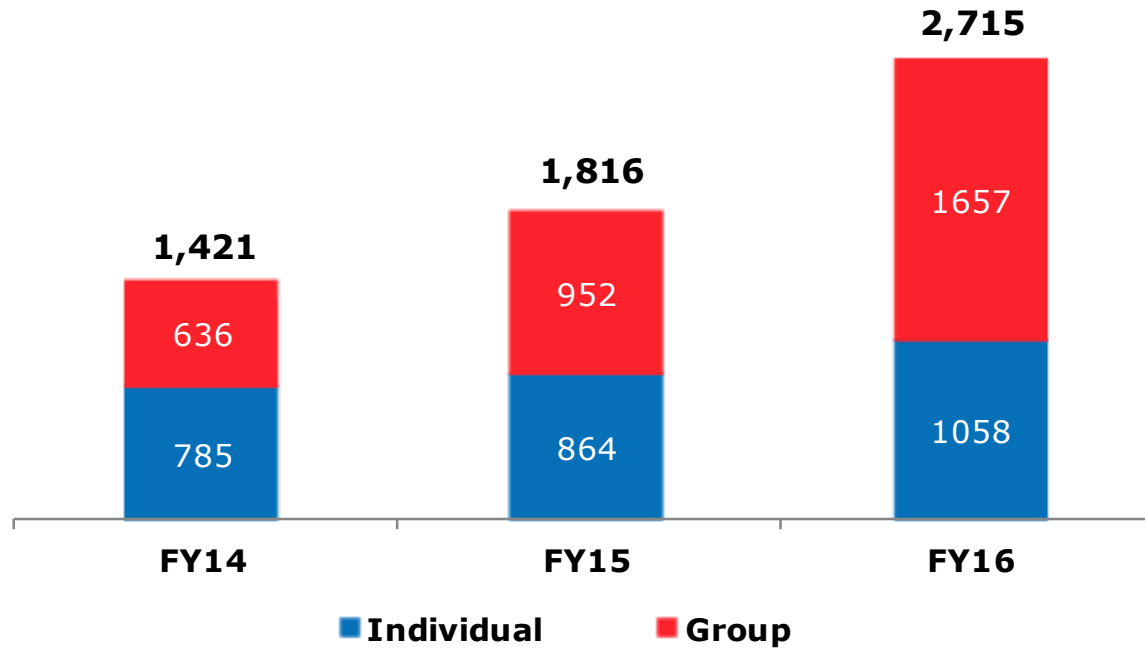


Notes:

1. The percentages are with reference to APE for individual business including service tax

New business sum assured¹

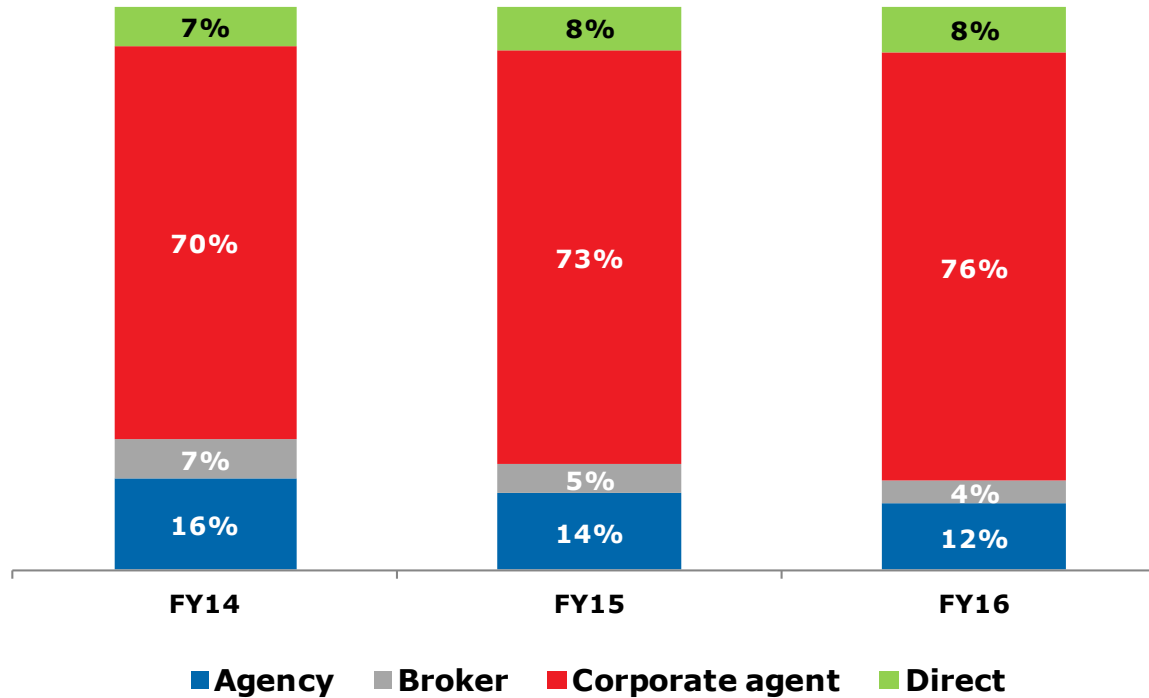
₹ Bn



Note:

1. New business sum assured for respective periods is based on new business written

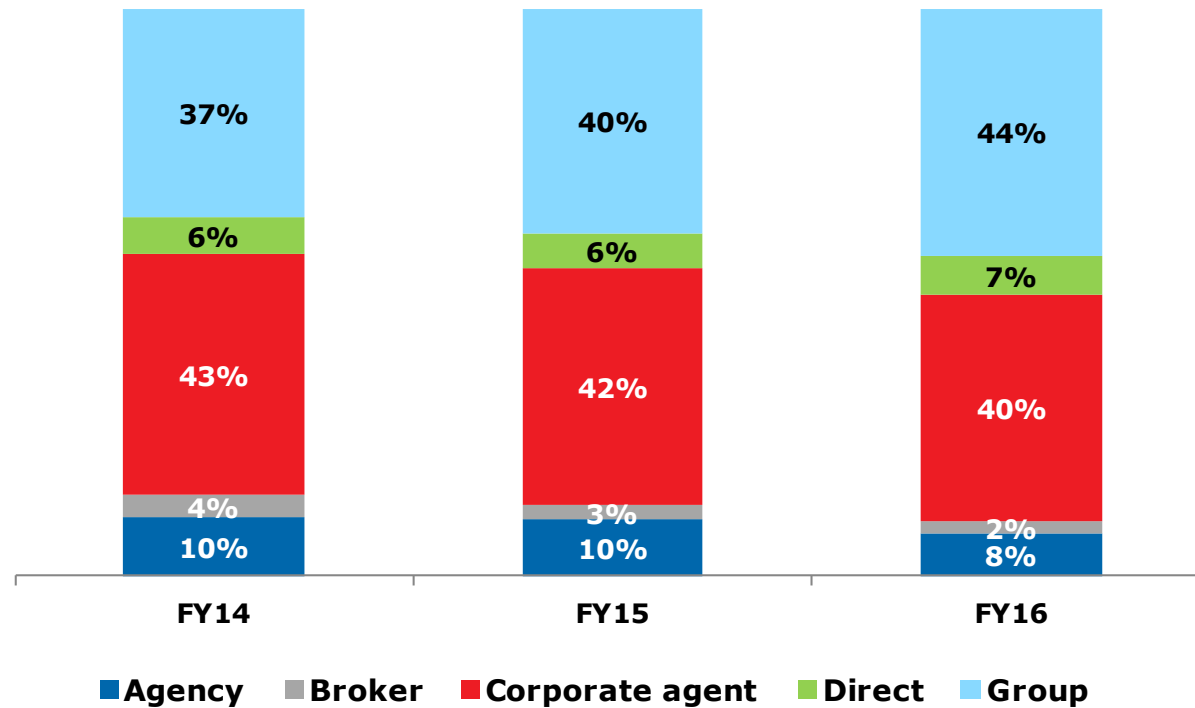
Individual distribution mix¹



Notes:

1. The percentages are with reference to APE for individual business including service tax

Overall distribution mix¹

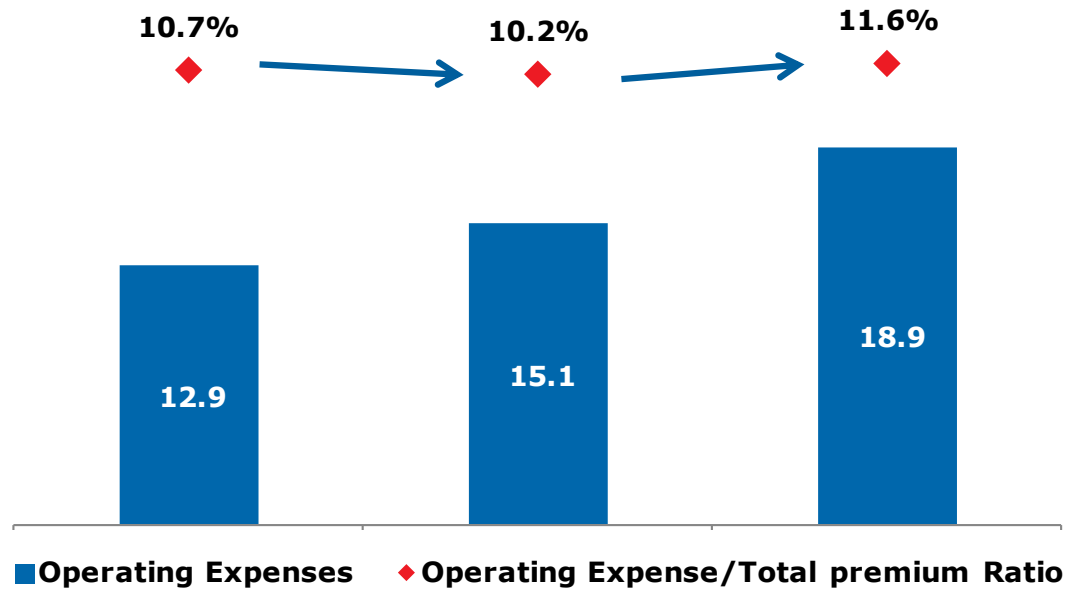


Notes:

1. The percentages are with reference to total new business premium (individual + group)
2. NBFC - Non-Banking Financial Corporation, MFI - Micro-finance Institutions

Cost trends

₹ Bn



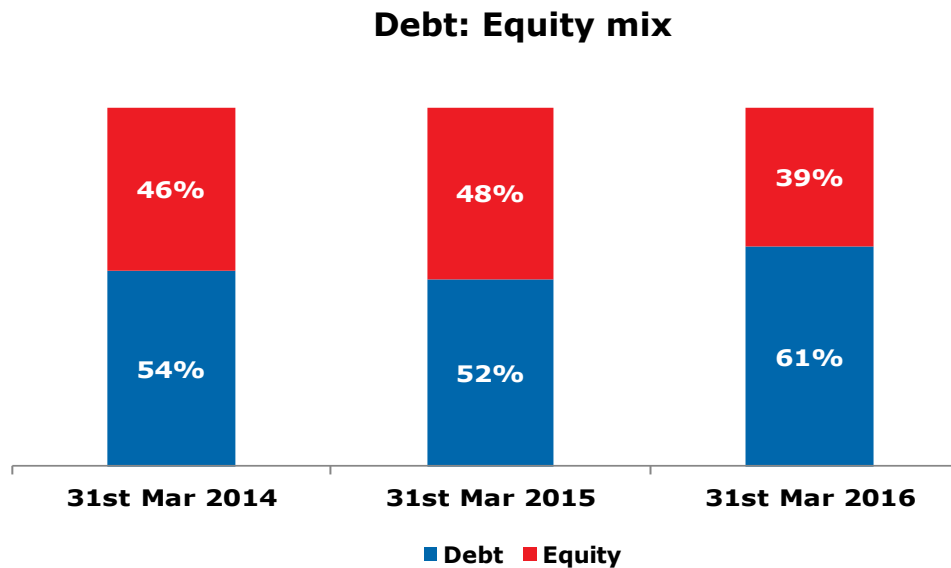
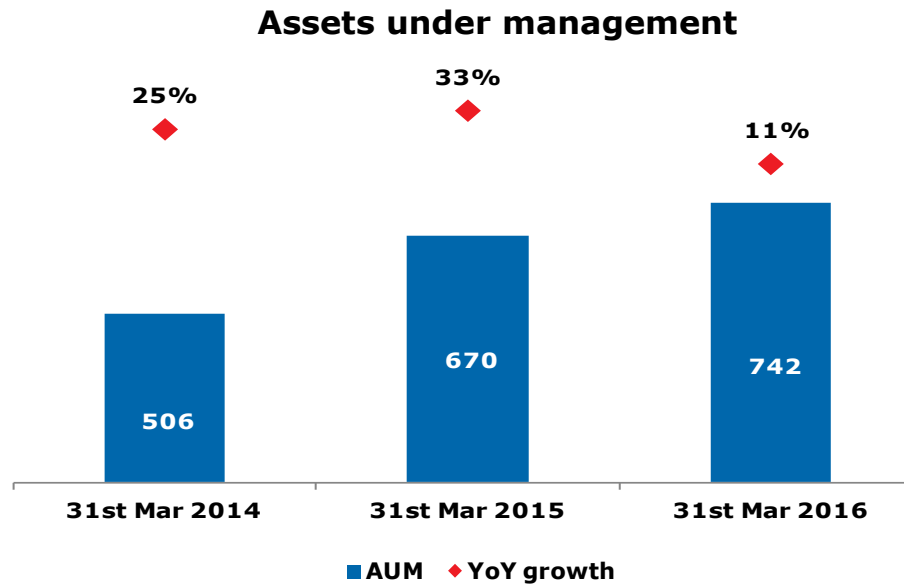
Commission Ratio	4.3%	4.2%	4.3%
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Notes:

1. Commission Ratio is calculated as a factor of Total Commission paid to Total premium

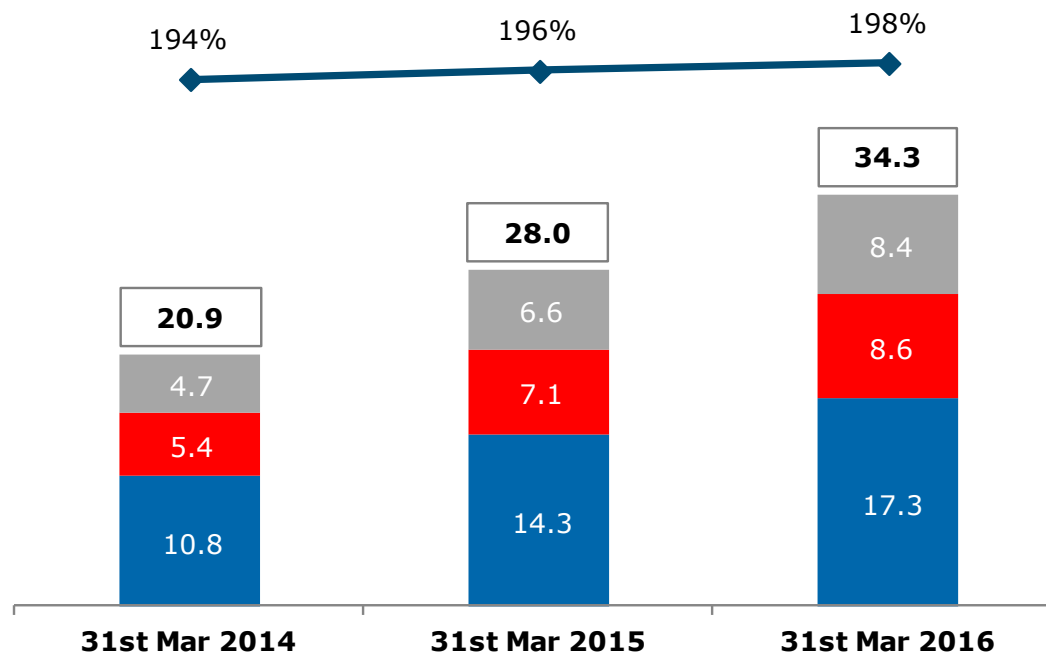
Assets under management

₹ Bn



Capital position

₹ Bn



■ RSM @ 100%
 ■ Incremental RSM @ 150%
 ■ Surplus Capital
 ◆ Solvency margin
 Available Solvency Margin (ASM)

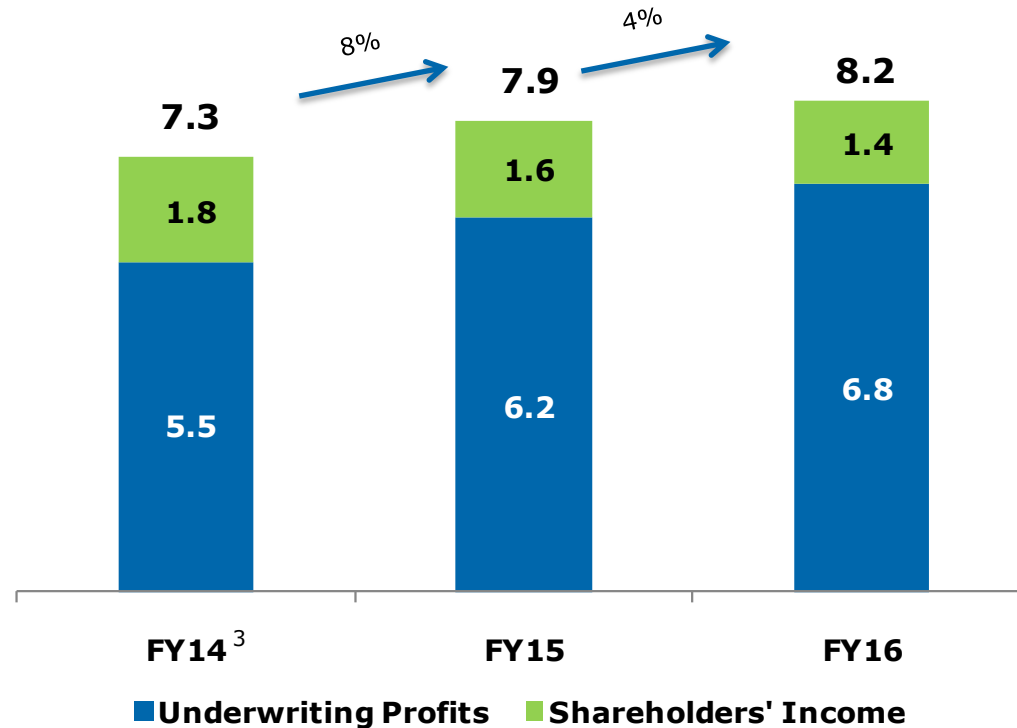
Dividend Paid ¹	31st Mar 2014	31st Mar 2015	31st Mar 2016
	1.2	1.7	2.2

Note:

1. Dividend Paid including Dividend distribution tax (DDT)
2. RSM: Required solvency margin
3. Solvency margin is the ratio of the amount of ASM to that of RSM @ 100%

Profitability trends

₹ Bn



RoE¹	44.7%	35.1%	28.7%
RoIC²	33.6%	36.4%	37.8%

Notes:

1. Return on equity calculated using annualised profit after tax and average net worth (Net worth comprises of Share capital, Share premium and Accumulated profits/(losses))
2. Return on invested capital calculated using annualised profit after tax and share capital including share premium
3. The shareholders' income for FY14 includes surplus of ₹ 0.8 Bn due to one time tax adjustment

Performance summary

	FY15	FY16		FY15	FY16		
Orientation	Total premium (₹ Bn)	148.3	163.1	Customer	New Business No. of policies (NOP) ² (in MM)	0.88	1.15
	Market share / Rank ¹	14.8% / 3	14.7% / 3		Renewal premium by online / direct debit	54%	60%
	Conservation ratio ²	90%	80%		Sales related complaints (Per 10,000 NOP) ³	390	118
	Premium less Benefit Payouts (₹ Bn)	65.8	80.6		Other complaints (Per 10,000 NOP) ³	101	28
Distribution	# of own branches	414	398	Segments	Linked : Traditional mix ⁴	62:38	55:45
	# of employees	14,348	15,254		New business sum assured ⁵ (Bn)	1,816	2,715

AUM (₹ Bn)	670	742	Profit after tax (₹ Bn)	7.9	8.2
13 th month persistency	73%	79%	Return on Invested Capital (RoIC) ⁶	36.4%	37.8%

Notes:

1. Based on Individual Weighted Received Premium amongst private sector as per Life Insurance Council Report
2. For individual business
3. Based on individual new business policies excluding rural business
4. Basis Individual APE including service tax
5. For individual and group business
6. Calculated as annualised profit after tax and share capital including share premium

Agenda

Economic Overview

Overview of Indian Life Insurance Industry

HDFC Life's Strategy and Performance Snapshot

Financial Overview

E

Awards and Accolades

Awards and accolades



Award to recognize and reward innovations in BFSI



Change Awards for Enterprise wide Digital Transformation - TEBT



ABP News stars of the industry Awards for best use of mobile technology in financial services and best customer service organization



ICAI Silver Shield Award for Excellence in Financial Reporting for second consecutive year



Data Quest Business Technology Awards – 2016 for excellence in implementation & use of technology for business benefits by Indian Companies



Prime Time Awards for best creative advertising campaign



Awarded Bronze award for implementing service recovery at HDFC Life



Asian Customer Engagement Awards for most innovative loyalty program

Awards and accolades



Ranked within Top 50 companies to work for. Won this award for 6th consecutive year



Prestigious Golden Peacock Award 2015 for the most Innovative Product for Click2Invest



Elets 3rd Annual FIPS Awards 2015 for 'Customer Value Management'



Silver Indian Digital Media Awards (IDMA) 2015 award for the "Best PPC campaign - Performance Marketing"



GOLD Award during the 10th National Quality Conclave



Awarded the Mint Strategy Awards in Finance, Banking & Insurance sector



Most valuable Life Insurance Brand by Brand Z 'India Top 50'



Won in 5 categories at the Indian Insurance Awards 2015 - Life Insurance Company of the Year, Agency Efficiency (LI), Marketing Initiative (LI), E-business Leader (LI) and Innovative Social Media Campaign (LI)

Awards and accolades



CeBIT

Award for superior design and good usability of digital solutions



FROST & SULLIVAN

For creating a culture of continuous improvement in HDFC Life on our Project Management journey of 'QuEST'



Recognising India's Most Forward Thinking & Innovative CIOs

Innovative CIO Awards – 2015 for excellence in terms of incorporating innovation in projects and embedding a true IT culture in the organization



Data Security Council of India Excellence Awards for undertaking strategic, proactive and innovative security and privacy measures



CIO 100 International - Often described as the 'Oscars of the Indian IT Industry' honoured 100 of the most Versatile CIOs in the country for their ingenuity and extraordinary ideas

CISO Platform

CISO Platform – Top 100 - using information security technology in innovative ways and deliver business value



CIO 100 Asia – For having achieved excellence in strategic enterprise IT deployment

Annexure

Annexure 1: Revenue and Profit & Loss A/c

₹ Bn

Particulars	FY14	FY15	FY16
Gross Premium Income	120.6	148.3	163.1
Reinsurance (net)	(0.9)	(0.7)	(1.3)
Net Premium Income (A)	119.7	147.6	161.8
Income from Investments			
Policyholders	50.8	122.5	17.9
Shareholders	1.1	2.0	1.7
Total Income from Investments (B)	51.9	124.5	19.6
Other Income (C)	0.3	0.3	0.7
Total Income (D=A+B+C)	171.9	272.4	182.1
Expenses and Outflow			
Commission	5.1	6.2	7.0
Operating expenses	12.9	15.1	18.9
Service tax expense	1.4	1.5	1.9
Benefits Paid ¹	46.9	82.3	82.4
Provision for diminution in value of investments	0.3	(0.0)	0.1
Change in Valuation Reserves (net)	100.6	156.5	59.3
Change in funds for future appropriations	(3.3)	1.5	2.4
Total Expenses and Outflow (E)	163.9	263.1	172.0
Profit before tax² (F=D-E)	8.0	9.3	10.1
Provision for tax ² (G)	0.7	1.4	1.9
Profit after tax (F-G)	7.3	7.9	8.2

Notes:

1. Benefits paid comprises of benefits paid (net), interim bonus and terminal bonuses paid
2. Represents Policyholders' and Shareholders' account

Annexure 2: Balance Sheet

Particulars	31st Mar 2014	31st Mar 2015	31st Mar 2016
SOURCES OF FUNDS			
Capital invested (Share capital + Premium)	21.6	21.6	21.6
Reserves and Surplus	0.5	4.3	10.4
Credit / (Debit) Fair Value Change Account	0.0	(0.0)	(0.4)
Sub-Total	22.1	25.9	31.6
Policy Liabilities	143.4	192.8	244.0
Provision for Linked Liabilities	327.4	421.4	427.5
Change in fair value account	0.3	0.6	0.5
Funds for discontinued policies	14.7	27.8	29.7
Funds for Future Appropriations	3.1	4.6	7.1
Current Liabilities & Provisions	14.6	20.7	26.0
Total Liabilities	525.6	693.8	766.5
APPLICATION OF FUNDS			
Investments			
Shareholders	16.1	22.0	26.4
Policyholders' assets	147.1	199.1	258.6
Assets held to cover linked liabilities	342.1	449.2	457.3
Loans	0.5	1.2	0.9
Fixed Assets	3.4	4.0	4.0
Cash & Bank Balances	4.4	5.7	6.5
Advances & Other Assets	9.7	12.6	12.8
Debit Balance in Profit and Loss Account	2.3	-	-
Total Assets	525.6	693.8	766.5

₹ Bn

APE (Annualized Premium Equivalent) – The sum of annualized first year regular premiums and 10% weighted single premiums and single premium top-ups including service tax.

Conservation ratio – Ratio of current year renewal premiums to previous year's renewal premium and first year premium.

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 2015, the first installment would fall into first year premiums for 2014-15 and the remaining 11 installments in the first year would be first year premiums in 2015-16.

Single premium – Lump sum amount paid at the beginning of the term.

New business received premium – The sum of first year premium and single premium.

Renewal premiums – Regular recurring premiums received after the first year.

Operating expense – All expenses of management excluding service tax. It does not include commission.

Operating expense ratio – Ratio of operating expenses (excluding service tax) to total premiums.

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.

13th month persistency – Percentage of contracts measured by premium, still in force, 13 months after they have been issued.

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