

PRESS RELEASE

Financial results for the full year ended March 31, 2016

Mumbai, April 18, 2016: The Board of Directors of HDFC Life today approved and adopted its Audited Financial Results for the fourth quarter and full year ended March 31, 2016.

Results Snapshot:

- Continue to rank amongst top 3 private players in individual and group business
- Total premium collection of ₹163.13 Bn, growth of 10.0%
- Profit after tax of ₹8.18 Bn for the year ended March 31, 2016, growth of 4.2%. During the quarter Profit after tax increased from ₹2.11 Bn to ₹2.29 Bn, growth of 8.7%.
- AUM of ₹742.47 Bn as on March 31, 2016, growth of 10.7%
- Embedded Value (MCEV methodology) at ₹102.05 Bn as on March 31, 2016. Operating return on Embedded Value (EVOP/Opening Embedded value) at 21.4%
- Company level new business margin for year ended March 31, 2016 at 23.6% (based on pre overrun) and post overrun margin of 19.8%
- Dividend of ₹2.16 Bn paid in FY16 (PY ₹1.68 Bn)

Key Financial Summary

₹ Bn	Q4 FY16	Q4 FY15	YoY	12M FY16	12M FY15	YoY
New business premium	25.98	20.54	26.5%	64.87	54.92	18.1%
Renewal premium	35.44	32.89	7.8%	98.26	93.38	5.2%
Total premium	61.42	53.43	15.0%	163.13	148.30	10.0%
Operating expenses	7.02	4.96	41.7%	18.93	15.09	25.4%
IGAAP profit after taxes	2.29	2.11	8.7%	8.18	7.86	4.2%
Assets under management (AUM)	742.47	670.47	10.7%	742.47	670.47	10.7%
Net worth (1)	31.50	25.44	23.8%	31.50	25.44	23.8%
13 month persistency (2)	79%	72%		79%	73%	
Solvency ratio	198%	196%		198%	196%	
Product mix (ULIP/Traditional Non-Participating /Traditional Participating) (3)	50/13/37	68/14/18		55/15/30	62/17/21	
Individual distribution (CA/Agency/Broker/Direct) (4)	76/12/4/8	73/14/5/8		76/12/4/8	73/14/5/8	
HDFC Life branches (No.)	398	414		398	414	

Notes:

1. Net worth comprises of Share capital, Share premium and Accumulated profits/(losses)
2. Persistency ratios are calculated with a 1 month lag for the period for respective years (*period ended Feb 16 for FY16 reporting*), based on individual business as per the latest IRDA circular
3. Based on individual APE, ULIP: Unit Linked Investment Policies
4. Based on individual APE, CA: Corporate agents

Summary results for the full year ending March 31, 2016:

- **Market share:** Consistently ranked amongst the top 3 private players in individual and group business category. Registered market share of 14.7% for Individual business (amongst private industry) in terms of Weighted Received Premium (WRP). Ranked #1 within Group business amongst private players, with market share of 18.3% (on received premium);
- **Total premium:** Healthy growth of 10.0% to ₹ 163.13 Bn, aided by strong growth in new business premium of 18.1% and renewal business growth of 5.2%;
- **Persistency ratio:** Continued uptrend in Persistency (till Feb'16) with 13 month persistency at 79% (PY 73%) and 61 month persistency at 44% (PY 37%), reflecting impact of quality measures introduced over last few years and increased use of technology to enhance customer service experience. Net premium (Gross premium less Benefits paid) increased by 23% to ₹ 80.57 Bn;
- **Operating expenses ratio:** Expense ratio increased to 11.6% (PY 10.2%), mainly on account of incremental investments in development of new distribution channels, technology and products;
- **New business margins:** Company level pre overrun new business margins at 23.6% for full year ended March 31, 2016. Comparable new business margins based on actual expenses (post overruns) stood at 19.8%;
- **Assets Under Management:** Registered growth of 10.7% to ₹ 742.47 Bn, with underlying Equity: Debt mix of 39:61 (PY 48:52);
- **Balanced product portfolio:** Maintained a balanced product mix with ULIPs contributing 55% and Conventional products forming 45% of the APE (Annual Premium Equivalent) in the Individual business. Overall Non-Participating products contributed 15% based on the individual APE (PY 17%), with Participating products contributing 30% (PY 21%). Continued focus on protection across individual and group segments;
- **Diversified distribution mix:** Strong presence across the country with 398 HDFC Life offices catering to 751 cities in India. New channels continue to be the focus area, with online business contributing 3.3% of the individual APE (PY 2.7%). Signed up with over 40 partners in last twelve months, for distribution of products across individual and group segments.

Announcing the Company's financial results, Mr. Amitabh Chaudhry, MD & CEO, HDFC Life, said, "The results are in line with our expectations as we strive to drive both growth and profitability. Identification of new market niches and innovation in the way our products are sold to customers continue to be the key strategic drivers for us. Our investments in technology continue as we work to constantly improve customer experience and improve organizational efficiencies. The launch of Cancer Care product and adoption of Mobility solutions by our workforce are two among the many successful initiatives undertaken by HDFC Life in FY16."



HDFC Life recently completed incorporation of its wholly-owned subsidiary in the Dubai International Financial Centre (DIFC) called the 'HDFC International Life and Re Company Limited' (HILRCL). HILRCL would initially offer reinsurance capacity to ceding insurers and may also foray into directly underwriting insurance contracts subject to receipt of necessary approvals.

The Company has won over 40 awards during the year, across customer service, products, technology, strategy, digital solutions, financial reporting, brand value etc.

About HDFC Life

HDFC Standard Life Insurance Company Limited ('HDFC Life') is a partnership between HDFC Ltd., India's leading housing finance institution and Standard Life, a global long term investment savings player.

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, and Health. Customers have the added advantage of customizing plans, by adding optional benefits called riders, at a nominal price. As on March 31, 2016, the Company had 28 individual and 8 group products in its portfolio, along with 7 optional rider benefits catering to a diverse range of customer needs.

HDFC Life continues to benefit from having a wide reach with 398 HDFC Life offices in India and 9,000+ distributor touch-points. The Company has a strong base of Financial Consultants. The Company has also recently completed incorporation of its wholly owned subsidiary in Dubai to offer reinsurance services.

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