

October 19, 2020

Ref. No.: HDFC Life/CA/2020-21/41

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

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

NSE Symbol: HDFCLIFE

BSE Security Code: 540777

Dear Sir/ Madam,

**Subject: Outcome of the Board Meeting held on October 19, 2020**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), we wish to inform that the Board of Directors of the Company at their meeting held today i.e. Monday, October 19, 2020, have approved the Audited Standalone and Un-audited Consolidated financial results of the Company for the quarter and half year ended September 30, 2020.

In view of the above, please find enclosed herewith the following:-

- (i) Copy of the audited Standalone financial results along with Auditors report
- (ii) Copy of the un-audited Consolidated financial results along with Limited Review report
- (iii) Press Release

We also enclose to the financial results the disclosure(s) in accordance with Regulation 52(4) of the SEBI Listing Regulations.

The trading window for dealing in securities of the Company will be open from Thursday, October 22, 2020, for the Designated Persons (i.e. Identified Employees, Directors and KMPs) including their Immediate Relatives and Promoters of the Company.

The meeting of the Board of Directors of the Company commenced at 1.30 p.m. (IST) and concluded at 3.30 p.m. (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 and half year ended September 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) for the quarter and half year ended September 30, 2020 which are included in the accompanying Statement of Standalone Audited Results for the quarter and half year ended September 30, 2020, the statement of standalone assets and liabilities as on that date and the standalone receipts and payment accounts for the half-year ended on that date 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 October 19, 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 quarter and half year ended Standalone financial results based on our audit of such interim condensed financial statements, which have been prepared by the Company's Management in accordance with the recognition and measurement principles laid down in Accounting Standard ("AS") 25, "Interim Financial Reporting", specified under Section 133 of the Companies Act, 2013 ("the Act"), including the relevant provisions of the Insurance Act, 1938 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act") and other accounting principles generally accepted in India, to the extent considered relevant and appropriate for the purpose of quarter and half year ended to date Standalone financial results and which are not inconsistent with the accounting principles as prescribed in the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 (the "Regulations") as amended by Insurance Laws (Amendment) Act, 2015 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 quarter and half year ended to date 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 and half year ended September 30, 2020 and also the standalone statement of assets and liabilities as at September 30, 2020 and the standalone receipts and payment accounts for the half-year ended on that date.

#### **Emphasis of Matter**

6. We draw your attention to Note 5 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 and policies in respect of which premium has been discontinued but liability exists 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 September 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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**Alpa Kedia**

*Partner*

Membership No. 100681

**UDIN:** 20100681AAAAFH7545

**Place:** Mumbai

**Date:** October 19, 2020

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

**Rajen  
Ratansi  
Ashar**

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**Rajen Ashar**

*Partner*

Membership No. 048243

**UDIN:** 20048243AAAAJE2073

| HDFC Life Insurance Company Limited<br>(Formerly HDFC Standard Life Insurance Company Limited)  |                                                                                |                               |                  |                                                                                                                                                                                              |                             |                                                                           |                       |
|-------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|-------------------------------|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|---------------------------------------------------------------------------|-----------------------|
| Statement of Standalone Audited Results for the Quarter and Six Months ended September 30, 2020 |                                                                                |                               |                  |                                                                                                                                                                                              |                             |                                                                           |                       |
| (₹ in Lakhs)                                                                                    |                                                                                |                               |                  |                                                                                                                                                                                              |                             |                                                                           |                       |
| Sr. No.                                                                                         | Particulars                                                                    | Three Months ended /<br>As at |                  |                                                                                                                                                                                              | Six Months ended /<br>As at |                                                                           | Year ended /<br>As at |
|                                                                                                 |                                                                                | September 30,<br>2020         | June 30,<br>2020 | September 30,<br>2019                                                                                                                                                                        | September 30,<br>2020       | September 30,<br>2019                                                     | March 31,<br>2020     |
|                                                                                                 |                                                                                | (Audited)                     | (Audited)        | (Audited)                                                                                                                                                                                    | (Audited)                   | (Audited)                                                                 | (Audited)             |
| <b>POLICYHOLDERS' A/C</b>                                                                       |                                                                                |                               |                  |                                                                                                                                                                                              |                             |                                                                           |                       |
| 1                                                                                               | Gross premium income                                                           |                               |                  |                                                                                                                                                                                              |                             |                                                                           |                       |
|                                                                                                 | (a) First Year Premium                                                         | 167,515                       | 102,183          | 145,272                                                                                                                                                                                      | 269,698                     | 277,930                                                                   | 604,427               |
|                                                                                                 | (b) Renewal Premium                                                            | 431,037                       | 323,912          | 356,684                                                                                                                                                                                      | 754,949                     | 617,664                                                                   | 1,546,844             |
|                                                                                                 | (c) Single Premium                                                             | 419,702                       | 160,161          | 253,566                                                                                                                                                                                      | 579,863                     | 513,505                                                                   | 1,119,418             |
| 2                                                                                               | Net premium income <sup>1</sup>                                                | 1,004,544                     | 572,184          | 745,368                                                                                                                                                                                      | 1,576,728                   | 1,390,484                                                                 | 3,222,360             |
| 3                                                                                               | Income from investments (Net) <sup>2</sup>                                     | 631,881                       | 874,910          | 113,512                                                                                                                                                                                      | 1,506,791                   | 318,650                                                                   | (331,087)             |
| 4                                                                                               | Other income                                                                   | 4,311                         | 3,800            | 4,820                                                                                                                                                                                        | 8,111                       | 8,160                                                                     | 24,395                |
| 5                                                                                               | Contribution of funds from Shareholders' A/c <sup>3</sup>                      | 740                           | -                | 2,113                                                                                                                                                                                        | 740                         | 2,113                                                                     | 10,475                |
| 6                                                                                               | <b>Total (2 to 5)</b>                                                          | <b>1,641,476</b>              | <b>1,450,894</b> | <b>865,813</b>                                                                                                                                                                               | <b>3,092,370</b>            | <b>1,719,407</b>                                                          | <b>2,926,143</b>      |
| 7                                                                                               | Commission on                                                                  |                               |                  |                                                                                                                                                                                              |                             |                                                                           |                       |
|                                                                                                 | (a) First Year Premium                                                         | 32,064                        | 17,894           | 26,793                                                                                                                                                                                       | 49,958                      | 52,638                                                                    | 108,205               |
|                                                                                                 | (b) Renewal Premium                                                            | 6,859                         | 4,818            | 6,351                                                                                                                                                                                        | 11,677                      | 9,704                                                                     | 24,053                |
|                                                                                                 | (c) Single Premium                                                             | 2,739                         | 1,097            | 3,410                                                                                                                                                                                        | 3,836                       | 6,435                                                                     | 14,119                |
|                                                                                                 | Rewards                                                                        | 812                           | 184              | 840                                                                                                                                                                                          | 996                         | 1,374                                                                     | 2,741                 |
| 8                                                                                               | <b>Net Commission<sup>4</sup></b>                                              | <b>42,474</b>                 | <b>23,993</b>    | <b>37,394</b>                                                                                                                                                                                | <b>66,467</b>               | <b>70,151</b>                                                             | <b>149,118</b>        |
| 9                                                                                               | Operating Expenses related to insurance business (a+b)                         |                               |                  |                                                                                                                                                                                              |                             |                                                                           |                       |
|                                                                                                 | (a) Employees remuneration and welfare expenses                                | 39,524                        | 31,197           | 43,090                                                                                                                                                                                       | 70,721                      | 82,488                                                                    | 167,696               |
|                                                                                                 | (b) Other operating expenses <sup>5</sup>                                      | 70,612                        | 35,524           | 65,597                                                                                                                                                                                       | 106,136                     | 113,863                                                                   | 258,994               |
| 10                                                                                              | <b>Expenses of Management (8+9)</b>                                            | <b>152,610</b>                | <b>90,714</b>    | <b>146,081</b>                                                                                                                                                                               | <b>243,324</b>              | <b>266,502</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>                 | 318                           | (5,709)          | 5,792                                                                                                                                                                                        | (5,391)                     | 14,200                                                                    | 56,742                |
| 13                                                                                              | Goods & Services Tax on linked charges                                         | 8,860                         | 8,244            | 8,626                                                                                                                                                                                        | 17,104                      | 17,118                                                                    | 35,324                |
| 14                                                                                              | Provision for taxes                                                            | 1,768                         | 3,156            | (2,437)                                                                                                                                                                                      | 4,924                       | (1,953)                                                                   | 14,903                |
| 15                                                                                              | Benefits Paid <sup>4</sup> (Net) <sup>1</sup>                                  | 475,582                       | 279,885          | 422,348                                                                                                                                                                                      | 755,467                     | 788,523                                                                   | 1,902,148             |
| 16                                                                                              | Change in actuarial liability                                                  | 988,488                       | 1,049,429        | 264,109                                                                                                                                                                                      | 2,037,917                   | 576,074                                                                   | 244,076               |
| 17                                                                                              | <b>Total (10+11+12+13+14+15+16)</b>                                            | <b>1,627,626</b>              | <b>1,425,719</b> | <b>844,519</b>                                                                                                                                                                               | <b>3,053,345</b>            | <b>1,660,464</b>                                                          | <b>2,829,001</b>      |
| 18                                                                                              | <b>Surplus/Deficit (6-17)</b>                                                  | <b>13,850</b>                 | <b>25,175</b>    | <b>21,294</b>                                                                                                                                                                                | <b>39,025</b>               | <b>58,943</b>                                                             | <b>97,142</b>         |
| 19                                                                                              | <b>Appropriations</b>                                                          |                               |                  |                                                                                                                                                                                              |                             |                                                                           |                       |
|                                                                                                 | (a) Transferred to Shareholders A/c                                            | 21,766                        | 34,688           | 22,030                                                                                                                                                                                       | 56,454                      | 57,063                                                                    | 119,139               |
|                                                                                                 | (b) Funds for Future Appropriations                                            | (7,916)                       | (9,513)          | (736)                                                                                                                                                                                        | (17,429)                    | 1,880                                                                     | (21,997)              |
| 20                                                                                              | <b>Details of Surplus / Deficit</b>                                            |                               |                  |                                                                                                                                                                                              |                             |                                                                           |                       |
|                                                                                                 | (a) Interim bonus paid                                                         | 1,679                         | 1,819            | 806                                                                                                                                                                                          | 3,498                       | 2,434                                                                     | 5,850                 |
|                                                                                                 | (b) Terminal bonus paid                                                        | 12,383                        | 12,885           | 20,760                                                                                                                                                                                       | 25,268                      | 33,791                                                                    | 78,994                |
|                                                                                                 | (c) Allocation of bonus to policyholders                                       | -                             | -                | -                                                                                                                                                                                            | -                           | -                                                                         | 80,285                |
|                                                                                                 | (d) Surplus shown in the Revenue Account                                       | 13,850                        | 25,175           | 21,294                                                                                                                                                                                       | 39,025                      | 58,943                                                                    | 97,142                |
|                                                                                                 | <b>Total Surplus</b>                                                           | <b>27,912</b>                 | <b>39,879</b>    | <b>42,860</b>                                                                                                                                                                                | <b>67,791</b>               | <b>95,168</b>                                                             | <b>262,271</b>        |
| <b>SHAREHOLDERS' A/C</b>                                                                        |                                                                                |                               |                  |                                                                                                                                                                                              |                             |                                                                           |                       |
| 21                                                                                              | Transfer from Policyholders' Account                                           | 21,766                        | 34,688           | 22,030                                                                                                                                                                                       | 56,454                      | 57,063                                                                    | 119,139               |
| 22                                                                                              | Total income under Shareholders' Account                                       |                               |                  |                                                                                                                                                                                              |                             |                                                                           |                       |
|                                                                                                 | (a) Investment Income <sup>2</sup>                                             | 13,709                        | 9,645            | 14,000                                                                                                                                                                                       | 23,354                      | 23,877                                                                    | 43,781                |
|                                                                                                 | (b) Other income                                                               | -                             | -                | -                                                                                                                                                                                            | -                           | -                                                                         | 1,856                 |
| 23                                                                                              | Expenses other than those related to insurance business <sup>5</sup>           | 1,444                         | 682              | 682                                                                                                                                                                                          | 2,126                       | 885                                                                       | 3,342                 |
| 24                                                                                              | Transfer of funds to Policyholders' Account                                    | 740                           | -                | 2,113                                                                                                                                                                                        | 740                         | 2,113                                                                     | 10,475                |
| 25                                                                                              | Provisions for doubtful debts (including write off)                            | -                             | -                | -                                                                                                                                                                                            | -                           | -                                                                         | -                     |
| 26                                                                                              | Provisions for diminution in value of investments <sup>6</sup>                 | 670                           | (1,469)          | 558                                                                                                                                                                                          | (799)                       | 1,577                                                                     | 19,785                |
| 27                                                                                              | <b>Profit before tax</b>                                                       | <b>32,621</b>                 | <b>45,120</b>    | <b>32,677</b>                                                                                                                                                                                | <b>77,741</b>               | <b>76,365</b>                                                             | <b>131,174</b>        |
| 28                                                                                              | Provisions for tax                                                             | 12                            | 11               | 1,808                                                                                                                                                                                        | 23                          | 3,034                                                                     | 1,647                 |
| 29                                                                                              | <b>Profit after tax and before Extraordinary items</b>                         | <b>32,609</b>                 | <b>45,109</b>    | <b>30,869</b>                                                                                                                                                                                | <b>77,718</b>               | <b>73,331</b>                                                             | <b>129,527</b>        |
| 30                                                                                              | <b>Profit after tax and Extraordinary items</b>                                | <b>32,609</b>                 | <b>45,109</b>    | <b>30,869</b>                                                                                                                                                                                | <b>77,718</b>               | <b>73,331</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>                                   | 534,647                       | 502,038          | 400,733                                                                                                                                                                                      | 534,647                     | 400,733                                                                   | 456,929               |
| 33                                                                                              | Paid up equity share capital                                                   | 201,946                       | 201,917          | 201,767                                                                                                                                                                                      | 201,946                     | 201,767                                                                   | 201,880               |
| 34                                                                                              | Reserve & Surplus (excluding Revaluation Reserve)                              | 576,089                       | 542,628          | 437,834                                                                                                                                                                                      | 576,089                     | 437,834                                                                   | 496,750               |
| 35                                                                                              | Fair Value Change Account and Revaluation Reserve (Shareholders)               | 3,819                         | (5,529)          | (4,125)                                                                                                                                                                                      | 3,819                       | (4,125)                                                                   | (19,197)              |
| 36                                                                                              | <b>Total Assets:</b>                                                           |                               |                  |                                                                                                                                                                                              |                             |                                                                           |                       |
|                                                                                                 | (a) Investments:                                                               |                               |                  |                                                                                                                                                                                              |                             |                                                                           |                       |
|                                                                                                 | - Shareholders'                                                                | 743,999                       | 629,539          | 530,350                                                                                                                                                                                      | 743,999                     | 530,350                                                                   | 585,548               |
|                                                                                                 | - Policyholders' Fund excluding Linked Assets                                  | 7,792,993                     | 7,214,943        | 6,264,371                                                                                                                                                                                    | 7,792,993                   | 6,264,371                                                                 | 6,718,861             |
|                                                                                                 | - Assets held to cover Linked Liabilities (Linked Assets)                      | 6,525,210                     | 6,152,996        | 6,306,432                                                                                                                                                                                    | 6,525,210                   | 6,306,432                                                                 | 5,418,208             |
|                                                                                                 | (b) Other Assets (Net of current liabilities and provisions)                   | (53,692)                      | (103,618)        | 4,143                                                                                                                                                                                        | (53,692)                    | 4,143                                                                     | (4,072)               |
| *Details of Expenses contributing more than 10% of the expense of management are as below -     |                                                                                |                               |                  |                                                                                                                                                                                              |                             |                                                                           |                       |
|                                                                                                 | Advertisement and publicity                                                    | 43,286                        | 17,083           | 27,467                                                                                                                                                                                       | 60,369                      | 47,371                                                                    | 106,957               |
|                                                                                                 | Business development expenses                                                  | 8,008                         | 1,326            | 13,078                                                                                                                                                                                       | 9,334                       | 21,771                                                                    | 61,209                |
| <b>Foot notes :</b>                                                                             |                                                                                |                               |                  |                                                                                                                                                                                              |                             |                                                                           |                       |
| 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/WTs over specified limits and Interest on NCD |                               |                  |                                                                                                                                                                                              |                             |                                                                           |                       |
| 6                                                                                               | Inclusive of provision for standard and non-standard assets                    |                               |                  |                                                                                                                                                                                              |                             |                                                                           |                       |
| 7                                                                                               | Represents accumulated surplus                                                 |                               |                  |                                                                                                                                                                                              |                             |                                                                           |                       |
|                                                                                                 |                                                                                |                               |                  |                                                                                                          |                             | Digitally signed<br>by ALPA KEDIA<br>Date: 2020.10.19<br>14:31:50 +05'30' |                       |
|                                                                                                 |                                                                                |                               |                  | The joint statutory auditors have digitally signed this statement for identification purposes only and this Statement should be read in conjunction with their report dated October 19,2020. |                             |                                                                           |                       |

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The joint statutory auditors have  
digitally signed this statement for  
identification purposes only and  
this Statement should be read in  
conjunction with their report  
dated October 19, 2020.

Rajen  
Ratansi  
Ashar

Digitally signed by  
Rajen Ratansi Ashar  
Date: 2020.10.19  
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**HDFC Life Insurance Company Limited**  
(Formerly HDFC Standard Life Insurance Company Limited)  
**Standalone Balance Sheet as at September 30, 2020**

(₹ in Lakhs)

| Particulars                                                           | As at                 |                       |                   |
|-----------------------------------------------------------------------|-----------------------|-----------------------|-------------------|
|                                                                       | September 30,<br>2020 | September 30,<br>2019 | March 31,<br>2020 |
|                                                                       | ( Audited)            | ( Audited)            | ( Audited)        |
| <b>SOURCES OF FUNDS</b>                                               |                       |                       |                   |
| <b>SHAREHOLDERS' FUNDS:</b>                                           |                       |                       |                   |
| Share Capital                                                         | 201,946               | 201,767               | 201,880           |
| Share application money received pending allotment of shares          | 632                   | 48                    | 559               |
| Reserves and Surplus                                                  | 576,089               | 437,834               | 496,750           |
| Credit / (Debit) Fair Value Change Account                            | 3,819                 | (4,125)               | (19,197)          |
| <b>Sub-Total</b>                                                      | <b>782,486</b>        | <b>635,524</b>        | <b>679,992</b>    |
| <b>BORROWINGS</b>                                                     | <b>60,000</b>         | <b>-</b>              | <b>-</b>          |
| <b>POLICYHOLDERS' FUNDS:</b>                                          |                       |                       |                   |
| Credit / (Debit) Fair Value Change Account                            | 111,944               | 80,306                | 4,960             |
| Policy Liabilities                                                    | 7,457,996             | 5,970,855             | 6,527,082         |
| Insurance Reserve                                                     | -                     | -                     | -                 |
| <b>Provision for Linked Liabilities</b>                               | <b>5,526,487</b>      | <b>5,254,859</b>      | <b>5,437,675</b>  |
| Add: Fair value change                                                | 629,286               | 719,777               | (353,256)         |
| Provision for Linked Liabilities                                      | <b>6,155,773</b>      | <b>5,974,636</b>      | <b>5,084,419</b>  |
| Funds for discontinued policies                                       |                       |                       |                   |
| (i) Discontinued on account of non-payment of premium                 | 368,400               | 330,609               | 332,790           |
| (ii) Others                                                           | 1,037                 | 1,187                 | 999               |
| Total Provision for Linked & Discontinued Policyholders Liabilities   | 6,525,210             | 6,306,432             | 5,418,208         |
| <b>Sub-Total</b>                                                      | <b>14,095,150</b>     | <b>12,357,593</b>     | <b>11,950,250</b> |
| Funds for Future Appropriations                                       | 70,874                | 112,179               | 88,303            |
| <b>TOTAL</b>                                                          | <b>15,008,510</b>     | <b>13,105,296</b>     | <b>12,718,545</b> |
| <b>APPLICATION OF FUNDS</b>                                           |                       |                       |                   |
| <b>INVESTMENTS:</b>                                                   |                       |                       |                   |
| Shareholders'                                                         | 743,999               | 530,350               | 585,548           |
| Policyholders'                                                        | 7,792,993             | 6,264,371             | 6,718,861         |
| Asset held to cover Linked Liabilities                                | 6,525,210             | 6,306,432             | 5,418,208         |
| <b>LOANS</b>                                                          | <b>32,466</b>         | <b>19,162</b>         | <b>29,905</b>     |
| <b>FIXED ASSETS</b>                                                   | <b>32,719</b>         | <b>33,988</b>         | <b>33,013</b>     |
| <b>CURRENT ASSETS</b>                                                 |                       |                       |                   |
| Cash and Bank Balances                                                | 32,234                | 52,111                | 67,987            |
| Advances and Other Assets                                             | 385,444               | 398,530               | 362,717           |
| <b>Sub-Total (A)</b>                                                  | <b>417,678</b>        | <b>450,641</b>        | <b>430,704</b>    |
| <b>CURRENT LIABILITIES</b>                                            | <b>530,115</b>        | <b>493,703</b>        | <b>490,192</b>    |
| <b>PROVISIONS</b>                                                     | <b>6,440</b>          | <b>5,945</b>          | <b>7,502</b>      |
| <b>Sub-Total (B)</b>                                                  | <b>536,555</b>        | <b>499,648</b>        | <b>497,694</b>    |
| <b>NET CURRENT ASSETS (C) = (A - B)</b>                               | <b>(118,877)</b>      | <b>(49,007)</b>       | <b>(66,990)</b>   |
| Miscellaneous Expenditure (to the extent not written off or adjusted) | -                     | -                     | -                 |
| Debit Balance in Profit and Loss Account (Shareholders' Account)      | -                     | -                     | -                 |
| <b>TOTAL</b>                                                          | <b>15,008,510</b>     | <b>13,105,296</b>     | <b>12,718,545</b> |
| Contingent liabilities                                                | 210,938               | 240,819               | 218,849           |

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

**Standalone Receipts and Payments Account for the six months ended September 30, 2020**

(₹ in Lakhs)

| Sr. No.   | Particulars                                                                                                                    | Six months ended   |                    |                  |
|-----------|--------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|------------------|
|           |                                                                                                                                | September 30, 2020 | September 30, 2019 | March 31, 2020   |
|           |                                                                                                                                | ( Audited)         | ( Audited)         | ( Audited)       |
| <b>A.</b> | <b>Cash Flows from the operating activities:</b>                                                                               |                    |                    |                  |
| 1         | Premium received from policyholders, including advance receipts                                                                | 1,667,650          | 1,442,850          | 3,357,458        |
| 2         | Other receipts                                                                                                                 | 6,737              | 7,304              | 24,648           |
| 3         | Payments to the re-insurers, net of commissions and claims/ Benefits                                                           | (13,722)           | 1,996              | 1,246            |
| 4         | Payments of claims/benefits                                                                                                    | (737,540)          | (798,686)          | (1,908,225)      |
| 5         | Payments of commission and brokerage                                                                                           | (65,351)           | (79,221)           | (158,967)        |
| 6         | Payments of other operating expenses <sup>1</sup>                                                                              | (208,370)          | (239,484)          | (487,434)        |
| 7         | Preliminary and pre-operative expenses                                                                                         | -                  | -                  | -                |
| 8         | Deposits, advances and staff loans                                                                                             | 3,362              | (105)              | 110              |
| 9         | Income taxes paid (net)                                                                                                        | (11,555)           | (10,034)           | (27,846)         |
| 10        | Goods and Services Tax paid                                                                                                    | (28,482)           | (29,820)           | (63,959)         |
| 11        | Other payments                                                                                                                 | -                  | -                  | -                |
| 12        | Cash flows before extraordinary items                                                                                          | 612,729            | 294,800            | 737,031          |
| 13        | Cash flow from extraordinary operations                                                                                        | -                  | -                  | -                |
|           | <b>Net cash flow from operating activities</b>                                                                                 | <b>612,729</b>     | <b>294,800</b>     | <b>737,031</b>   |
| <b>B</b>  | <b>Cash flows from investing activities:</b>                                                                                   |                    |                    |                  |
| 1         | Purchase of fixed assets                                                                                                       | (2,134)            | (2,409)            | (3,833)          |
| 2         | Proceeds from sale of fixed assets                                                                                             | 3                  | 147                | 172              |
| 3         | Purchases of investments                                                                                                       | (4,478,582)        | (4,980,858)        | (10,669,379)     |
| 4         | Loans disbursed                                                                                                                | -                  | -                  | -                |
| 5         | Loan against policies                                                                                                          | (2,560)            | (11,203)           | (21,946)         |
| 6         | Sales of investments                                                                                                           | 3,626,491          | 4,391,223          | 9,200,495        |
| 7         | Repayments received                                                                                                            | -                  | 0                  | 0                |
| 8         | Rents/Interests/ Dividends received                                                                                            | 389,822            | 323,263            | 630,131          |
| 9         | Investments in money market instruments and in liquid mutual funds (net)                                                       | (233,307)          | (35,484)           | 86,191           |
| 10        | Expenses related to investments                                                                                                | (12)               | (22)               | (33)             |
|           | <b>Net cash flow from investing activities</b>                                                                                 | <b>(700,279)</b>   | <b>(315,343)</b>   | <b>(778,202)</b> |
| <b>C</b>  | <b>Cash flows from financing activities:</b>                                                                                   |                    |                    |                  |
| 1         | Proceeds from issuance of share capital                                                                                        | 1,687              | 444                | 3,277            |
| 2         | Proceeds from borrowing                                                                                                        | 60,000             | -                  | -                |
| 3         | Repayments of borrowing                                                                                                        | -                  | -                  | -                |
| 4         | Interest/dividends paid                                                                                                        | -                  | -                  | -                |
| 5         | Share application Money                                                                                                        | 72                 | 9                  | 520              |
|           | <b>Net cash flow from financing activities</b>                                                                                 | <b>61,759</b>      | <b>453</b>         | <b>3,797</b>     |
| <b>D</b>  | <b>Effect of foreign exchange rates on cash and cash equivalents, (net)</b>                                                    | <b>-</b>           | <b>-</b>           | <b>-</b>         |
| <b>E</b>  | <b>Net increase in cash and cash equivalents:</b>                                                                              | <b>(25,791)</b>    | <b>(20,090)</b>    | <b>(37,374)</b>  |
| 1         | Cash and cash equivalents at the beginning of the year                                                                         | 577,498            | 614,873            | 614,873          |
| 2         | <b>Cash and cash equivalents at the end of the year</b>                                                                        | <b>551,707</b>     | <b>594,783</b>     | <b>577,498</b>   |
|           | <b>Note - Components of Cash and cash equivalents at end of the year:</b>                                                      |                    |                    |                  |
|           |                                                                                                                                |                    |                    |                  |
|           | Cash and cheques in hand                                                                                                       | 1,660              | 5,406              | 141              |
|           | Bank Balances *                                                                                                                | 30,538             | 46,670             | 67,809           |
|           | Fixed Deposit (less than 3 months)                                                                                             | -                  | -                  | 23,500           |
|           | Money Market Instruments                                                                                                       | 519,509            | 542,707            | 486,048          |
|           | <b>Total Cash and cash equivalents</b>                                                                                         | <b>551,707</b>     | <b>594,783</b>     | <b>577,498</b>   |
|           | <b>Reconciliation of Cash &amp; Cash Equivalents with Cash &amp; Bank Balance:</b>                                             |                    |                    |                  |
|           | Cash & Cash Equivalents                                                                                                        | 551,707            | 594,783            | 577,498          |
|           | Add: Deposit Account - Others                                                                                                  | 36                 | 35                 | 37               |
|           | Less: Fixed Deposit (less than 3 months)                                                                                       | -                  | -                  | (23,500)         |
|           | Less: Money market instruments                                                                                                 | (519,509)          | (542,708)          | (486,048)        |
|           | <b>Cash &amp; Bank Balances</b>                                                                                                | <b>32,234</b>      | <b>52,111</b>      | <b>67,987</b>    |
|           | * Bank Balances includes Unclaimed Dividend of ₹ 18 lakhs (₹ 19 lakhs at September 30, 2019 and ₹ 18 lakhs at March 31, 2020 ) |                    |                    |                  |

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

**Notes :**

- Includes cash paid towards Corporate Social Responsibility expenditure ₹ 755 lakhs (previous six months ended September 30, 2019: ₹ 421 lakhs and previous year ended March 31, 2020: ₹ 1993 lakhs).

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

**Statement of Standalone Audited Results for the Quarter and Six Months ended September 30, 2020**

(₹ in Lakhs)

| Particulars                                                                                                                       | Three Months ended /<br>As at |                  |                       | Six Months ended /<br>As at |                       | Year ended /<br>As at |
|-----------------------------------------------------------------------------------------------------------------------------------|-------------------------------|------------------|-----------------------|-----------------------------|-----------------------|-----------------------|
|                                                                                                                                   | September 30,<br>2020         | June 30,<br>2020 | September 30,<br>2019 | September 30,<br>2020       | September 30,<br>2019 | March 31,<br>2020     |
|                                                                                                                                   | (Audited)                     | (Audited)        | (Audited)             | (Audited)                   | (Audited)             | (Audited)             |
| <b>Analytical Ratios:</b>                                                                                                         |                               |                  |                       |                             |                       |                       |
| (i) Solvency Ratio                                                                                                                | 203%                          | 190%             | 192%                  | 203%                        | 192%                  | 184%                  |
| (ii) Expenses of Management Ratio                                                                                                 | 15.0%                         | 15.5%            | 19.3%                 | 15.2%                       | 18.9%                 | 17.6%                 |
| (iii) Policyholder's liabilities to shareholders' fund                                                                            | 1810.4%                       | 1779.3%          | 1962.1%               | 1810.4%                     | 1962.1%               | 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 and six months)   | 1.61                          | 2.23             | 1.53                  | 3.85                        | 3.63                  | 6.42                  |
| b) Diluted EPS before and after extraordinary items (net of tax expense) for the period (not annualized for three and six months) | 1.61                          | 2.23             | 1.53                  | 3.85                        | 3.63                  | 6.41                  |
| (v) NPA ratios: (for Policyholders' fund)                                                                                         |                               |                  |                       |                             |                       |                       |
| a) Gross NPAs                                                                                                                     |                               |                  |                       |                             |                       |                       |
| - Non Linked                                                                                                                      |                               |                  |                       |                             |                       |                       |
| Par                                                                                                                               | NIL                           | NIL              | NIL                   | NIL                         | NIL                   | NIL                   |
| Non Par                                                                                                                           | NIL                           | NIL              | NIL                   | NIL                         | NIL                   | NIL                   |
| - Linked                                                                                                                          |                               |                  |                       |                             |                       |                       |
| Non Par                                                                                                                           | 5,125.0                       | 5,125.0          | 5,125.0               | 5,125.0                     | 5,125.0               | 5,125.0               |
| Net NPAs                                                                                                                          |                               |                  |                       |                             |                       |                       |
| - Non Linked                                                                                                                      |                               |                  |                       |                             |                       |                       |
| Par                                                                                                                               | NIL                           | NIL              | NIL                   | NIL                         | NIL                   | NIL                   |
| Non Par                                                                                                                           | NIL                           | NIL              | NIL                   | NIL                         | NIL                   | NIL                   |
| - Linked                                                                                                                          |                               |                  |                       |                             |                       |                       |
| Non Par                                                                                                                           | NIL                           | NIL              | NIL                   | NIL                         | NIL                   | NIL                   |
| b) % of Gross NPAs                                                                                                                |                               |                  |                       |                             |                       |                       |
| - Non Linked                                                                                                                      |                               |                  |                       |                             |                       |                       |
| Par                                                                                                                               | NIL                           | NIL              | NIL                   | NIL                         | NIL                   | NIL                   |
| Non Par                                                                                                                           | NIL                           | NIL              | NIL                   | NIL                         | NIL                   | NIL                   |
| - Linked                                                                                                                          |                               |                  |                       |                             |                       |                       |
| Non Par                                                                                                                           | 0.1%                          | 0.1%             | 0.1%                  | 0.1%                        | 0.1%                  | 0.1%                  |
| % of Net NPA                                                                                                                      |                               |                  |                       |                             |                       |                       |
| - Non Linked                                                                                                                      |                               |                  |                       |                             |                       |                       |
| Par                                                                                                                               | NIL                           | NIL              | NIL                   | NIL                         | NIL                   | NIL                   |
| Non Par                                                                                                                           | NIL                           | NIL              | NIL                   | NIL                         | NIL                   | NIL                   |
| - Linked                                                                                                                          |                               |                  |                       |                             |                       |                       |
| Non Par                                                                                                                           | NIL                           | NIL              | NIL                   | NIL                         | NIL                   | NIL                   |
| (vi) Yield on Investments (on Policyholders' fund)                                                                                |                               |                  |                       |                             |                       |                       |
| A. Without unrealised gains                                                                                                       |                               |                  |                       |                             |                       |                       |
| - Non Linked                                                                                                                      |                               |                  |                       |                             |                       |                       |
| Par                                                                                                                               | 2.2%                          | 1.6%             | 2.3%                  | 3.8%                        | 4.8%                  | 7.0%                  |
| Non Par                                                                                                                           | 2.4%                          | 2.2%             | 2.2%                  | 4.6%                        | 4.5%                  | 9.6%                  |
| - Linked                                                                                                                          |                               |                  |                       |                             |                       |                       |
| Non Par                                                                                                                           | 2.5%                          | 0.6%             | 1.6%                  | 3.1%                        | 3.4%                  | 6.3%                  |
| B. With unrealised gains                                                                                                          |                               |                  |                       |                             |                       |                       |
| - Non Linked                                                                                                                      |                               |                  |                       |                             |                       |                       |
| Par                                                                                                                               | 1.9%                          | 6.2%             | 1.4%                  | 8.2%                        | 5.6%                  | 5.4%                  |
| Non Par                                                                                                                           | -0.5%                         | 4.9%             | 2.0%                  | 4.2%                        | 6.8%                  | 15.0%                 |
| - Linked                                                                                                                          |                               |                  |                       |                             |                       |                       |
| Non Par                                                                                                                           | 7.2%                          | 13.3%            | -0.8%                 | 21.5%                       | -0.1%                 | -14.6%                |

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

**Statement of Standalone Audited Results for the Quarter and Six Months ended September 30, 2020**

(₹ in Lakhs)

| Particulars                                         | Three Months ended /<br>As at |                  |                       | Six Months ended /<br>As at |                       | Year ended /<br>As at |
|-----------------------------------------------------|-------------------------------|------------------|-----------------------|-----------------------------|-----------------------|-----------------------|
|                                                     | September 30,<br>2020         | June 30,<br>2020 | September 30,<br>2019 | September 30,<br>2020       | September 30,<br>2019 | March 31,<br>2020     |
|                                                     | (Audited)                     | (Audited)        | (Audited)             | (Audited)                   | (Audited)             | (Audited)             |
| (vii) NPA ratios: (for Shareholders' fund)          |                               |                  |                       |                             |                       |                       |
| a) Gross NPAs                                       | NIL                           | NIL              | NIL                   | NIL                         | NIL                   | NIL                   |
| Net NPAs                                            | NIL                           | NIL              | NIL                   | NIL                         | NIL                   | NIL                   |
| b) % of Gross NPAs                                  | NIL                           | NIL              | NIL                   | NIL                         | NIL                   | NIL                   |
| % of Net NPAs                                       | NIL                           | NIL              | NIL                   | NIL                         | NIL                   | NIL                   |
| (viii) Yield on Investments (on Shareholders' fund) |                               |                  |                       |                             |                       |                       |
| A. Without unrealised gains                         | 1.9%                          | 1.5%             | 2.6%                  | 3.4%                        | 4.6%                  | 6.5%                  |
| B. With unrealised gains                            | 2.3%                          | 5.9%             | 1.9%                  | 8.2%                        | 4.9%                  | 2.9%                  |
| (ix) Persistency Ratio                              |                               |                  |                       |                             |                       |                       |
| 13th month                                          | 90.8%                         | 87.0%            | 89.3%                 | 90.5%                       | 89.1%                 | 90.1%                 |
| 25th month                                          | 83.4%                         | 80.8%            | 77.7%                 | 82.4%                       | 79.5%                 | 80.2%                 |
| 37th month                                          | 71.8%                         | 69.5%            | 74.5%                 | 72.9%                       | 72.9%                 | 73.8%                 |
| 49th month                                          | 70.1%                         | 64.9%            | 65.2%                 | 68.1%                       | 68.2%                 | 67.2%                 |
| 61st month                                          | 52.4%                         | 54.4%            | 54.6%                 | 54.4%                       | 54.2%                 | 55.0%                 |
| (x) Conservation Ratio                              |                               |                  |                       |                             |                       |                       |
| Participating Life- Individual & group              | 86.0%                         | 79.5%            | 84.2%                 | 83.3%                       | 83.1%                 | 83.7%                 |
| Participating Pension- Individual & group           | 80.7%                         | 78.2%            | 99.3%                 | 79.7%                       | 99.9%                 | 90.8%                 |
| Non Participating Life - Individual & group         | 87.2%                         | 83.9%            | 67.1%                 | 85.6%                       | 68.6%                 | 70.0%                 |
| Non Participating Pension - Individual & Group      | 74.7%                         | 74.0%            | 76.5%                 | 74.5%                       | 77.3%                 | 79.5%                 |
| Non Participating - Life Group Variable             | NA                            | NA               | NA                    | NA                          | NA                    | NA                    |
| Non Participating - Pension group variable          | NA                            | NA               | NA                    | NA                          | NA                    | NA                    |
| Non Participating Fund - Annuity                    | NA                            | NA               | NA                    | NA                          | NA                    | NA                    |
| Non Participating Fund - Individual & Group Health  | 84.4%                         | 77.1%            | 73.7%                 | 81.7%                       | 68.2%                 | 62.7%                 |
| Unit Linked - Individual Life                       | 86.7%                         | 84.0%            | 81.2%                 | 85.5%                       | 82.6%                 | 81.6%                 |
| Unit Linked - Individual Pension                    | 71.6%                         | 71.0%            | 78.1%                 | 71.3%                       | 78.6%                 | 74.6%                 |
| Unit Linked - Group Life                            | NA                            | NA               | NA                    | NA                          | NA                    | NA                    |
| Unit Linked - Group Pension                         | NA                            | NA               | NA                    | NA                          | NA                    | NA                    |

**Notes :**

- Analytical ratios have been calculated as per definition given in IRDAI Analytical ratios disclosure.
- The persistency ratios are calculated in accordance with the IRDAI circular no. IRDA/ACT/CIR/MISC/035/01/2014 dated January 23, 2014 and hence are with a lag of one month.
- Group business, where persistency is measurable, has been included in the calculations. Rural business policies issued from FY 2018-19 onwards are included in persistency ratio calculations.
- The persistency ratios for the quarter ended September 30, 2020 have been calculated for the policies issued in the June to August period of the relevant years. E.g.: the 13th month persistency for the current quarter is calculated for the policies issued from June 2019 to August 2019. The persistency ratios for quarter ended June 30, 2020 and September 30, 2019 have been calculated in a similar manner.
- The persistency ratios for the six months ended September 30, 2020 have been calculated for the policies issued in the September to August period of the relevant years. E.g.: the 13th month persistency for the current year is calculated for the policies issued from September 2018 to August 2019. The persistency ratios for the September 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<br>(Formerly HDFC Standard Life Insurance Company Limited) |                                                                         |                    |               |                    |                    |                    |                |
|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|--------------------|---------------|--------------------|--------------------|--------------------|----------------|
| Segment Reporting (Standalone) for the Quarter and Six Months ended September 30, 2020         |                                                                         |                    |               |                    |                    |                    |                |
| (₹ in Lakhs)                                                                                   |                                                                         |                    |               |                    |                    |                    |                |
| Sr. No.                                                                                        | Particulars                                                             | Three Months ended |               |                    | Six Months ended   |                    | Year ended     |
|                                                                                                |                                                                         | September 30, 2020 | June 30, 2020 | September 30, 2019 | September 30, 2020 | September 30, 2019 | March 31, 2020 |
|                                                                                                |                                                                         | (Audited)          | (Audited)     | (Audited)          | (Audited)          | (Audited)          | (Audited)      |
| 1                                                                                              | <b>Segment Income</b>                                                   |                    |               |                    |                    |                    |                |
| A)                                                                                             | <b>Policyholders :</b>                                                  |                    |               |                    |                    |                    |                |
|                                                                                                | <b>Segment A - Participating - Individual &amp; Group Life :</b>        |                    |               |                    |                    |                    |                |
|                                                                                                | Net Premium                                                             | 172,355            | 105,133       | 130,812            | 277,488            | 223,588            | 583,500        |
|                                                                                                | Income from Investments <sup>2</sup>                                    | 64,513             | 50,839        | 59,877             | 115,352            | 120,582            | 136,368        |
|                                                                                                | Transfer of Funds from shareholders' account                            | -                  | -             | -                  | -                  | -                  | -              |
|                                                                                                | Other Income                                                            | 2,723              | 2,599         | 2,986              | 5,322              | 4,598              | 13,610         |
|                                                                                                | <b>Segment B - Participating - Individual &amp; Group Pension :</b>     |                    |               |                    |                    |                    |                |
|                                                                                                | Net Premium                                                             | 4,082              | 2,805         | 5,045              | 6,887              | 8,621              | 20,260         |
|                                                                                                | Income from Investments <sup>2</sup>                                    | 6,001              | 5,372         | 4,895              | 11,373             | 11,710             | 22,311         |
|                                                                                                | Transfer of Funds from shareholders' account                            | -                  | -             | -                  | -                  | -                  | -              |
|                                                                                                | Other Income                                                            | 47                 | 42            | 44                 | 89                 | 90                 | 304            |
|                                                                                                | <b>Segment C - Non Participating - Individual &amp; Group Life :</b>    |                    |               |                    |                    |                    |                |
|                                                                                                | Net Premium                                                             | 297,537            | 152,266       | 223,432            | 449,803            | 423,493            | 899,868        |
|                                                                                                | Income from Investments <sup>2</sup>                                    | 49,372             | 41,102        | 32,249             | 90,474             | 59,343             | 134,045        |
|                                                                                                | Transfer of Funds from shareholders' account                            | -                  | -             | 1,846              | -                  | 1,846              | 9,536          |
|                                                                                                | Other Income                                                            | 774                | 338           | 732                | 1,112              | 1,359              | 2,293          |
|                                                                                                | <b>Segment D - Non Participating - Life Group Variable :</b>            |                    |               |                    |                    |                    |                |
|                                                                                                | Net Premium                                                             | 26,609             | 3,224         | 35,026             | 29,833             | 47,858             | 84,514         |
|                                                                                                | Income from Investments <sup>2</sup>                                    | 6,016              | 5,812         | 5,481              | 11,828             | 10,743             | 21,963         |
|                                                                                                | Transfer of Funds from shareholders' account                            | -                  | -             | 267                | -                  | 267                | 626            |
|                                                                                                | Other Income                                                            | -                  | -             | -                  | -                  | -                  | -              |
|                                                                                                | <b>Segment E - Non Participating - Individual &amp; Group Pension :</b> |                    |               |                    |                    |                    |                |
|                                                                                                | Net Premium                                                             | 105,399            | 20,788        | 6,992              | 126,187            | 16,664             | 73,302         |
|                                                                                                | Income from Investments <sup>2</sup>                                    | 9,238              | 8,874         | 6,885              | 18,112             | 13,803             | 28,587         |
|                                                                                                | Transfer of Funds from shareholders' account                            | -                  | -             | -                  | -                  | -                  | -              |
|                                                                                                | Other Income                                                            | 4                  | 8             | 7                  | 12                 | 16                 | 24             |
|                                                                                                | <b>Segment F - Non Participating - Pension Group Variable :</b>         |                    |               |                    |                    |                    |                |
|                                                                                                | Net Premium                                                             | 32,666             | 39,444        | 28,245             | 72,110             | 94,265             | 164,664        |
|                                                                                                | Income from Investments <sup>2</sup>                                    | 7,163              | 7,081         | 6,864              | 14,244             | 13,468             | 27,485         |
|                                                                                                | Transfer of Funds from shareholders' account                            | 218                | -             | -                  | 218                | -                  | 313            |
|                                                                                                | Other Income                                                            | -                  | -             | -                  | -                  | -                  | -              |
|                                                                                                | <b>Segment G - Non Participating - Individual &amp; Group Annuity :</b> |                    |               |                    |                    |                    |                |
|                                                                                                | Net Premium                                                             | 107,044            | 61,440        | 52,783             | 168,484            | 122,281            | 269,358        |
|                                                                                                | Income from Investments <sup>2</sup>                                    | 18,848             | 17,388        | 14,622             | 36,236             | 28,614             | 60,045         |
|                                                                                                | Transfer of Funds from shareholders' account                            | 522                | -             | -                  | 522                | -                  | -              |
|                                                                                                | Other Income                                                            | 18                 | 12            | 16                 | 30                 | 46                 | 57             |
|                                                                                                | <b>Segment H - Non Participating - Individual &amp; Group Health :</b>  |                    |               |                    |                    |                    |                |
|                                                                                                | Net Premium                                                             | 1,672              | 1,018         | 2,939              | 2,690              | 4,412              | 9,478          |
|                                                                                                | Income from Investments <sup>2</sup>                                    | 121                | 210           | 170                | 331                | 317                | 623            |
|                                                                                                | Transfer of Funds from shareholders' account                            | -                  | -             | -                  | -                  | -                  | -              |
|                                                                                                | Other Income                                                            | 10                 | (1)           | 5                  | 9                  | 12                 | (18)           |
|                                                                                                | <b>Segment I - Unit Linked - Individual Life :</b>                      |                    |               |                    |                    |                    |                |
|                                                                                                | Net Premium                                                             | 227,101            | 166,869       | 220,266            | 393,970            | 385,691            | 959,915        |
|                                                                                                | Income from Investments <sup>2</sup>                                    | 417,374            | 628,756       | (33,594)           | 1,046,130          | 4,927              | (765,401)      |
|                                                                                                | Transfer of Funds from shareholders' account                            | -                  | -             | -                  | -                  | -                  | -              |
|                                                                                                | Other Income                                                            | 734                | 801           | 1,026              | 1,535              | 2,032              | 8,116          |
|                                                                                                | <b>Segment J - Unit Linked - Individual Pension :</b>                   |                    |               |                    |                    |                    |                |
|                                                                                                | Net Premium                                                             | 13,234             | 9,990         | 18,404             | 23,224             | 32,057             | 68,971         |
|                                                                                                | Income from Investments <sup>2</sup>                                    | 36,439             | 71,663        | 2,654              | 108,102            | 17,710             | (74,855)       |
|                                                                                                | Transfer of Funds from shareholders' account                            | -                  | -             | -                  | -                  | -                  | -              |
|                                                                                                | Other Income                                                            | 1                  | 1             | 4                  | 2                  | 8                  | 8              |
|                                                                                                | <b>Segment K - Unit Linked - Group Life :</b>                           |                    |               |                    |                    |                    |                |
|                                                                                                | Net Premium                                                             | 14,931             | 7,616         | 19,780             | 22,547             | 27,744             | 80,662         |
|                                                                                                | Income from Investments <sup>2</sup>                                    | 13,891             | 36,860        | 8,065              | 50,751             | 22,588             | 21,399         |
|                                                                                                | Transfer of Funds from shareholders' account                            | -                  | -             | -                  | -                  | -                  | -              |
|                                                                                                | Other Income                                                            | -                  | -             | -                  | -                  | -                  | -              |
|                                                                                                | <b>Segment L - Unit Linked - Group Pension :</b>                        |                    |               |                    |                    |                    |                |
|                                                                                                | Net Premium                                                             | 1,914              | 1,590         | 1,646              | 3,504              | 3,813              | 7,869          |
|                                                                                                | Income from Investments <sup>2</sup>                                    | 2,621              | 6,655         | 1,458              | 9,276              | 4,185              | 3,259          |
|                                                                                                | Transfer of Funds from shareholders' account                            | -                  | -             | -                  | -                  | -                  | -              |
|                                                                                                | Other Income                                                            | -                  | -             | -                  | -                  | -                  | -              |
| B)                                                                                             | <b>Shareholders :</b>                                                   |                    |               |                    |                    |                    |                |
|                                                                                                | Income from Investments <sup>2</sup>                                    | 13,038             | 11,114        | 13,442             | 24,153             | 22,300             | 23,997         |
|                                                                                                | Other Income                                                            | -                  | -             | -                  | -                  | -                  | 1,856          |



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

**Statement of Standalone half yearly disclosures as per Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

(₹ in Lakhs)

| Particulars                                                                                                                             | Six months ended / As at           |                    | Year ended / As at |
|-----------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|--------------------|--------------------|
|                                                                                                                                         | September 30, 2020                 | September 30, 2019 | March 31, 2020     |
| 1 Credit Rating and change in credit rating                                                                                             | CRISIL AAA/Stable' and [ICRA] AAA' | NA                 | NA                 |
| 2 Asset cover available, in case of nonconvertible debt securities                                                                      | NA                                 | NA                 | NA                 |
| 3 Debt Equity Ratio <sup>1</sup> (no of times)                                                                                          | 0.1                                | -                  | -                  |
| 4 i) Previous due date for the payment of interest of non-convertible debentures (a) 6.67% NCDs (issued on 29th July 2020)              | NA                                 | NA                 | NA                 |
| ii) Whether Interest has been paid or not for the above due dates (a) 6.67% NCDs (issued on 29th July 2020)                             | NA                                 | NA                 | NA                 |
| 5 i) Next due date for the payment of Interest of non-convertible debentures (a) 6.67% NCDs (issued on 29th July 2020)                  | 29th July 2021                     | NA                 | NA                 |
| ii) Amount for the payment of Interest of non-convertible debentures (a) 6.67% NCDs (issued on 29th July 2020)                          | 4,002                              | NA                 | NA                 |
| iii) Next due date for the re-payment of principal of non-convertible debentures <sup>2</sup> (a) 6.67% NCDs (issued on 29th July 2020) | 29th July, 2030                    | NA                 | NA                 |
| iv) Amount for the re-payment of principal of non-convertible debentures (a) 6.67% NCDs (issued on 29th July 2020)                      | 60,000                             | NA                 | NA                 |
| 6 Debt service coverage ratio <sup>3</sup> (no of times)                                                                                | 126.2                              | NA                 | NA                 |
| 7 Interest service coverage ratio <sup>4</sup> (no of times)                                                                            | 126.2                              | NA                 | NA                 |
| 8 Outstanding redeemable preference shares (quantity and value)                                                                         | NA                                 | NA                 | NA                 |
| 9 Capital redemption reserve / debenture redemption reserve                                                                             | NA                                 | NA                 | NA                 |
| 10 Net Worth <sup>5</sup>                                                                                                               | 778,667                            | 639,649            | 699,189            |
| 11 Net profit/ loss after tax <sup>6</sup>                                                                                              | 77,718                             | 73,331             | 129,527            |
| 12 Earnings per share                                                                                                                   |                                    |                    |                    |
| a) Basic EPS before and after extraordinary items (net of tax expense) for the period (not annualized for six months)                   | 3.85                               | 3.63               | 6.42               |
| b) Diluted EPS before and after extraordinary items (net of tax expense) for the period (not annualized for six months)                 | 3.85                               | 3.63               | 6.41               |

**Notes :**

- Debt-Equity Ratio is calculated as Total Borrowings divided by Networth. Net worth is shareholders funds excluding Credit / (Debit) Fair Value Change Account.
- The redemption/maturity date is ten years from the deemed date of allotment, however the company shall have the right to exercise the call option at the end of five years from deemed date of allotment and annually thereafter with prior approval of IRDAI.
- DSCR is calculated as Profit before interest, depreciation and tax divided by interest expense together with principal repayments of long-term debt during the period. Tax for this purpose includes tax of the company reduced by tax pertaining to par segment.
- ISCR is calculated as Profit before interest, depreciation and tax divided by interest expense. Tax for this purpose includes tax of the company reduced by tax pertaining to par segment.
- Net worth is shareholders funds excluding Credit / (Debit) Fair Value Change Account.
- Net profit/ loss after tax is the profit after tax as per shareholders account.
- Disclosures for previous period comparables are not available since the company has raised the debt during the current half year (29th July, 2020).

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

**Other disclosures :**

**Status of Shareholders Complaints as on September 30, 2020**

| <b>Sr No.</b> | <b>Particulars</b>                                                          | <b>Number of Complaints</b> |
|---------------|-----------------------------------------------------------------------------|-----------------------------|
| 1             | Investor complaints pending at the begining of the quarter                  | 1                           |
| 2             | Investor complaints received during the quarter ended September 30, 2020    | 0                           |
| 3             | Investor complaints disposed of during the quarter ended September 30, 2020 | 1                           |
| 4             | Investor complaints remaining unresolved as on September 30, 2020           | 0                           |

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

**Other disclosures :**

**Status of Investor Complaints for the quarter ended September 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 September 30, 2020    | NIL                         |
| 3             | Investor complaints disposed of during the quarter ended September 30, 2020 | NIL                         |
| 4             | Investor complaints remaining unresolved as on September 30, 2020           | NIL                         |

## Notes:

1. The standalone results of the company for the quarter and six months ended September 30, 2020 were reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on October 19, 2020.
2. The 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. 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 September 30, 2020, the Company has allotted 287,708 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 half yearly 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 203%, 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 financial results. The Company will continue to closely monitor any material change in future economic conditions due to COVID-19.
6. During the quarter, the Company has issued unsecured, subordinated, fully-paid, rated, redeemable non-convertible debentures (NCDs) amounting to Rs. 60,000 lakhs, which are listed on the Wholesale Debt Market (WDM) segment of NSE w.e.f. 29th July, 2020. The NCDs are rated by CRISIL and ICRA and have been assigned rating of "CRISIL AAA/Stable" and "ICRA AAA" respectively as at September 30, 2020.
7. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company is in process of evaluating the financial impact, if any.
8. Figures of the previous period have been regrouped wherever necessary, in order to make them comparable.
9. 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 November 3, 2020.
10. The above standalone financial results have been audited by joint statutory auditors of the Company.

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Ratansi  
Ashar**

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The joint statutory auditors have digitally signed this statement for identification purposes only and this Statement should be read in conjunction with their report dated October 19, 2020.

**Mumbai  
October 19, 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 and half year ended September 30, 2020 which are included in the accompanying Consolidated Financial Results, the unaudited consolidated statement of assets and liabilities as on that date and the consolidated receipts and payments account for the half year ended on that date (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 and half yearly 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”) as amended by Insurance Laws (Amendment) Act, 2015 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 and for policies in respect of which premium has been discontinued but liability exists 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 September 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 assets of Rs.30,75,148 ('000) and net assets of Rs.24,02,258 ('000) as at September 30, 2020 and total revenue of Rs. 1,73,349 ('000) and Rs.3,25,346 ('000) and total net profit after tax of Rs. 17,393 ('000) and Rs.11,857 ('000) for the quarter and half year ended September 30, 2020 respectively and cash flows (net) of Rs.71,241 ('000) for the six month ended September 30, 2020, as considered in the consolidated unaudited financial results. According to the information and explanations given to us by the Management, these financial results are not material to the Group. Our conclusion on the Statement is not modified in respect of the above matter.

**For Price Waterhouse Chartered Accountants LLP**

Chartered Accountants

Registration No.012754N/N500016

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**Alpa Kedia**

Partner

Membership No. 100681

**UDIN:** 20100681AAAAFI7307

**Place:** Mumbai

**Date:** October 19, 2020

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

Chartered Accountant Firm

Firm Registration No.104767W

**Rajen  
Ratansi  
Ashar**

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**Rajen Ashar**

Partner

Membership No. 048243

**UDIN:** 20048243AAAAJF9112

**Statement of Consolidated Unaudited Results for the Quarter and Six months ended September 30, 2020**

(₹ in Lakhs)

|                    |                                                                                                                    | Three Months ended / As at |              |                    | Six months ended/As at |                    | Year ended/As at |
|--------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------|--------------|--------------------|------------------------|--------------------|------------------|
| Sr. No.            | Particulars                                                                                                        | September 30, 2020         | June 30,2020 | September 30, 2019 | September 30, 2020     | September 30, 2019 | March 31,2020    |
|                    |                                                                                                                    | (Unaudited)                | (Unaudited)  | (Unaudited)        | (Unaudited)            | (Unaudited)        | (Audited)        |
| POLICYHOLDERS' A/C |                                                                                                                    |                            |              |                    |                        |                    |                  |
| 1                  | Gross premium income                                                                                               |                            |              |                    |                        |                    |                  |
|                    | (a) First Year Premium                                                                                             | 167,515                    | 102,183      | 145,272            | 269,698                | 277,930            | 604,427          |
|                    | (b) Renewal Premium                                                                                                | 431,037                    | 323,912      | 356,684            | 754,949                | 617,664            | 1,546,844        |
|                    | (c) Single Premium                                                                                                 | 419,702                    | 160,161      | 253,566            | 579,863                | 513,505            | 1,119,418        |
| 2                  | Net premium income <sup>1</sup>                                                                                    | 1,005,671                  | 573,373      | 745,687            | 1,579,044              | 1,391,405          | 3,224,498        |
| 3                  | Income from investments (Net) <sup>2</sup>                                                                         | 631,881                    | 874,910      | 113,512            | 1,506,791              | 318,650            | (331,087)        |
| 4                  | Other income                                                                                                       | 4,311                      | 3,800        | 4,821              | 8,111                  | 8,160              | 24,395           |
| 5                  | Contribution of funds from Shareholders' A/c <sup>3</sup>                                                          | 740                        | -            | 2,113              | 740                    | 2,113              | 10,475           |
| 6                  | Total (2 to 5)                                                                                                     | 1,642,603                  | 1,452,083    | 866,133            | 3,094,686              | 1,720,328          | 2,928,281        |
| 7                  | Commission on                                                                                                      |                            |              |                    |                        |                    |                  |
|                    | (a) First Year Premium                                                                                             | 32,064                     | 17,894       | 26,793             | 49,958                 | 52,638             | 108,205          |
|                    | (b) Renewal Premium                                                                                                | 6,859                      | 4,818        | 6,351              | 11,677                 | 9,704              | 24,053           |
|                    | (c) Single Premium                                                                                                 | 2,739                      | 1,097        | 3,410              | 3,836                  | 6,435              | 14,119           |
|                    | Rewards                                                                                                            | 812                        | 184          | 840                | 996                    | 1,374              | 2,741            |
| 8                  | Net Commission <sup>4</sup>                                                                                        | 42,474                     | 23,993       | 37,394             | 66,467                 | 70,151             | 149,118          |
| 9                  | Operating Expenses related to insurance business (a+b)                                                             |                            |              |                    |                        |                    |                  |
|                    | (a) Employees remuneration and welfare expenses                                                                    | 39,524                     | 31,197       | 43,090             | 70,721                 | 82,488             | 167,696          |
|                    | (b) Other operating expenses <sup>5</sup>                                                                          | 70,612                     | 35,524       | 65,597             | 106,136                | 113,863            | 258,994          |
| 10                 | Expenses of Management (8+9)                                                                                       | 152,610                    | 90,714       | 146,081            | 243,324                | 266,502            | 575,808          |
| 11                 | Provisions for doubtful debts (including bad debts written off)                                                    | -                          | -            | -                  | -                      | -                  | -                |
| 12                 | Provisions for diminution in value of investments <sup>6</sup>                                                     | 318                        | (5,709)      | 5,792              | (5,391)                | 14,200             | 56,742           |
| 13                 | Goods & Services Tax on linked charges                                                                             | 8,860                      | 8,244        | 8,626              | 17,104                 | 17,118             | 35,324           |
| 14                 | Provision for taxes                                                                                                | 1,768                      | 3,156        | (2,437)            | 4,924                  | (1,953)            | 14,903           |
| 15                 | Benefits Paid <sup>7</sup> (Net) <sup>1</sup>                                                                      | 476,874                    | 280,499      | 422,787            | 757,373                | 789,130            | 1,903,504        |
| 16                 | Change in actuarial liability                                                                                      | 988,488                    | 1,049,429    | 264,109            | 2,037,917              | 576,074            | 244,076          |
| 17                 | Total (10+11+12+13+14+15+16)                                                                                       | 1,628,918                  | 1,426,333    | 844,958            | 3,055,251              | 1,661,071          | 2,830,357        |
| 18                 | Surplus/Deficit (6-17)                                                                                             | 13,685                     | 25,750       | 21,175             | 39,435                 | 59,257             | 97,924           |
| 19                 | Appropriations                                                                                                     |                            |              |                    |                        |                    |                  |
|                    | (a) Transferred to Shareholders A/c                                                                                | 21,602                     | 35,263       | 21,910             | 56,865                 | 57,379             | 119,921          |
|                    | (b) Funds for Future Appropriations                                                                                | (7,916)                    | (9,513)      | (736)              | (17,429)               | 1,880              | (21,997)         |
| 20                 | Details of Surplus / Deficit                                                                                       |                            |              |                    |                        |                    |                  |
|                    | (a) Interim bonus paid                                                                                             | 1,679                      | 1,819        | 806                | 3,498                  | 2,434              | 5,850            |
|                    | (b) Terminal bonus paid                                                                                            | 12,383                     | 12,885       | 20,760             | 25,268                 | 33,791             | 78,994           |
|                    | (c) Allocation of bonus to policyholders                                                                           | -                          | -            | -                  | -                      | -                  | 80,285           |
|                    | (d) Surplus shown in the Revenue Account                                                                           | 13,685                     | 25,750       | 21,175             | 39,435                 | 59,257             | 97,924           |
|                    | Total Surplus                                                                                                      | 27,747                     | 40,454       | 42,741             | 68,201                 | 95,482             | 263,053          |
| SHAREHOLDERS' A/C  |                                                                                                                    |                            |              |                    |                        |                    |                  |
| 21                 | Transfer from Policyholders' Account                                                                               | 21,602                     | 35,263       | 21,910             | 56,865                 | 57,379             | 119,921          |
| 22                 | Net Reinsurance Premium                                                                                            | 335                        | 29           | 600                | 364                    | 1,158              | 2,234            |
| 23                 | Total income under Shareholders' Account                                                                           |                            |              |                    |                        |                    |                  |
|                    | (a) Investment Income <sup>2</sup>                                                                                 | 13,932                     | 9,901        | 14,211             | 23,833                 | 24,291             | 44,629           |
|                    | (b) Other income                                                                                                   | 72                         | 57           | 25                 | 129                    | 43                 | 1,986            |
| 24                 | Reinsurance Claims incurred                                                                                        | (203)                      | 230          | 701                | 27                     | 877                | 1,511            |
| 25                 | Expenses relating to reinsurance business & Change in reinsurance contract liabilities (net of reinsurance assets) | 381                        | 628          | (117)              | 1,009                  | 703                | 1,834            |
| 26                 | Expenses other than those related to insurance business <sup>3</sup>                                               | 1,558                      | 796          | 785                | 2,354                  | 1,097              | 3,773            |
| 27                 | Transfer of funds to Policyholders' Account                                                                        | 740                        | -            | 2,113              | 740                    | 2,113              | 10,475           |
| 28                 | Provisions for doubtful debts (including write off)                                                                | -                          | -            | -                  | -                      | -                  | -                |
| 29                 | Provisions for diminution in value of investments <sup>6</sup>                                                     | 670                        | (1,469)      | 558                | (799)                  | 1,577              | 19,785           |
| 30                 | Profit before tax                                                                                                  | 32,795                     | 45,065       | 32,706             | 77,860                 | 76,504             | 131,392          |
| 31                 | Provisions for tax                                                                                                 | 12                         | 11           | 1,808              | 23                     | 3,034              | 1,647            |
| 32                 | Profit after tax and before Extraordinary items                                                                    | 32,783                     | 45,054       | 30,898             | 77,837                 | 73,470             | 129,745          |
| 33                 | Profit after tax and Extraordinary items                                                                           | 32,783                     | 45,054       | 30,898             | 77,837                 | 73,470             | 129,745          |
| 34                 | Dividend per share (₹) (Nominal value ₹ 10 per share)                                                              |                            |              |                    |                        |                    |                  |
|                    | (a) Interim Dividend                                                                                               | -                          | -            | -                  | -                      | -                  | -                |
|                    | (b) Final Dividend                                                                                                 | -                          | -            | -                  | -                      | -                  | -                |
| 35                 | Profit carried to Balance Sheet <sup>7</sup>                                                                       | 534,179                    | 501,397      | 400,068            | 534,179                | 400,068            | 456,343          |
| 36                 | Paid up equity share capital                                                                                       | 201,946                    | 201,917      | 201,767            | 201,946                | 201,767            | 201,880          |
| 37                 | Reserve & Surplus (excluding Revaluation Reserve)                                                                  | 576,441                    | 543,288      | 437,095            | 576,441                | 437,095            | 497,420          |
| 38                 | Fair Value Change Account and Revaluation Reserve (Shareholders)                                                   | 3,819                      | (5,529)      | (4,125)            | 3,819                  | (4,125)            | (19,197)         |
| 39                 | Total Assets:                                                                                                      |                            |              |                    |                        |                    |                  |
|                    | (a) Investments:                                                                                                   |                            |              |                    |                        |                    |                  |
|                    | - Shareholders'                                                                                                    | 746,749                    | 632,629      | 530,219            | 746,749                | 530,219            | 588,503          |
|                    | - Policyholders Fund excluding Linked Assets                                                                       | 7,792,993                  | 7,214,943    | 6,264,371          | 7,792,993              | 6,264,371          | 6,718,861        |
|                    | - Assets held to cover Linked Liabilities (Linked Assets)                                                          | 6,525,210                  | 6,152,996    | 6,306,432          | 6,525,210              | 6,306,432          | 5,418,208        |
|                    | (b) Other Assets (Net of current liabilities and provisions)                                                       | (51,385)                   | (101,424)    | 6,761              | (51,385)               | 6,761              | (2,180)          |

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

|                               |        |        |        |        |        |         |
|-------------------------------|--------|--------|--------|--------|--------|---------|
| Advertisement and publicity   | 43,286 | 17,083 | 27,467 | 60,369 | 47,371 | 106,957 |
| Business development expenses | 8,008  | 1,326  | 13,078 | 9,334  | 21,771 | 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)  
**Consolidated Balance Sheet as at September 30, 2020**

(₹ in Lakhs)

| Particulars                                                           | As at             |                   |                   |
|-----------------------------------------------------------------------|-------------------|-------------------|-------------------|
|                                                                       | September 30,2020 | September 30,2019 | March 31,2020     |
|                                                                       | ( Unaudited)      | (Unaudited)       | ( Audited)        |
| <b>SOURCES OF FUNDS</b>                                               |                   |                   |                   |
| <b>SHAREHOLDERS' FUNDS:</b>                                           |                   |                   |                   |
| Share Capital                                                         | 201,946           | 201,767           | 201,880           |
| Share application money received pending allotment of shares          | 632               | 48                | 559               |
| Reserves and Surplus                                                  | 576,440           | 437,095           | 497,420           |
| Credit / (Debit) Fair Value Change Account                            | 3,819             | (4,125)           | (19,197)          |
| <b>Sub-Total</b>                                                      | <b>782,837</b>    | <b>634,785</b>    | <b>680,662</b>    |
| <b>BORROWINGS</b>                                                     | 60,000            | -                 | -                 |
| <b>POLICYHOLDERS' FUNDS:</b>                                          | -                 | -                 | -                 |
| Credit / (Debit) Fair Value Change Account                            | 111,944           | 80,306            | 4,960             |
| Policy Liabilities                                                    |                   |                   |                   |
| i) relating to Life insurance business                                | 7,457,996         | 5,970,855         | 6,527,082         |
| ii) relating to Reinsurance business                                  | 4,705             | 3,226             | 4,177             |
| Insurance Reserve                                                     | -                 | -                 | -                 |
| Provision for Linked Liabilities                                      | 5,526,487         | 5,254,859         | 5,437,675         |
| Add: Fair value change                                                | 629,286           | 719,777           | (353,256)         |
| <b>Provision for Linked Liabilities</b>                               | <b>6,155,773</b>  | <b>5,974,636</b>  | <b>5,084,419</b>  |
| Funds for discontinued policies                                       |                   |                   |                   |
| (a) Discontinued on account of non-payment of premium                 | 368,400           | 330,609           | 332,790           |
| (b) Others                                                            | 1,037             | 1,187             | 999               |
| Total Provision for Linked & Discontinued Policyholders Liabilities   | 6,525,210         | 6,306,432         | 5,418,208         |
| <b>Sub-Total</b>                                                      | <b>14,099,855</b> | <b>12,360,819</b> | <b>11,954,427</b> |
| Funds for Future Appropriations                                       | 70,874            | 112,179           | 88,303            |
| <b>TOTAL</b>                                                          | <b>15,013,566</b> | <b>13,107,783</b> | <b>12,723,392</b> |
| <b>APPLICATION OF FUNDS</b>                                           |                   |                   |                   |
| <b>INVESTMENTS:</b>                                                   |                   |                   |                   |
| Shareholders'                                                         | 746,749           | 530,219           | 588,503           |
| Policyholders'                                                        | 7,792,993         | 6,264,371         | 6,718,861         |
| Asset held to cover Linked Liabilities                                | 6,525,210         | 6,306,432         | 5,418,208         |
| <b>LOANS</b>                                                          | 32,466            | 19,162            | 29,905            |
| <b>FIXED ASSETS</b>                                                   | 32,812            | 34,153            | 33,071            |
| <b>CURRENT ASSETS</b>                                                 |                   |                   |                   |
| Cash and Bank Balances                                                | 33,995            | 52,518            | 69,075            |
| Advances and Other Assets                                             | 387,478           | 400,458           | 364,763           |
| <b>Sub-Total (A)</b>                                                  | <b>421,473</b>    | <b>452,976</b>    | <b>433,838</b>    |
| <b>CURRENT LIABILITIES</b>                                            | 531,592           | 493,510           | 491,389           |
| <b>PROVISIONS</b>                                                     | 6,545             | 6,020             | 7,605             |
| <b>Sub-Total (B)</b>                                                  | <b>538,137</b>    | <b>499,530</b>    | <b>498,994</b>    |
| <b>NET CURRENT ASSETS (C) = (A - B)</b>                               | <b>(116,664)</b>  | <b>(46,554)</b>   | <b>(65,156)</b>   |
| Miscellaneous Expenditure (to the extent not written off or adjusted) | -                 | -                 | -                 |
| Debit Balance in Profit and Loss Account (Shareholders' Account)      | -                 | -                 | -                 |
| <b>TOTAL</b>                                                          | <b>15,013,566</b> | <b>13,107,783</b> | <b>12,723,392</b> |
| <b>Contingent liabilities</b>                                         | 211,085           | 240,915           | 218,966           |

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| <b>HDFC Life Insurance Company Limited</b><br>(Formerly HDFC Standard Life Insurance Company Limited)<br><b>Consolidated Receipts and Payments Account for the six months ended September 30, 2020</b> |                                                                                                                                |                        |                    |                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|------------------------|--------------------|------------------|
| (₹ in Lakhs)                                                                                                                                                                                           |                                                                                                                                |                        |                    |                  |
| Sr. No.                                                                                                                                                                                                | Particulars                                                                                                                    | Six months ended/As at |                    | Year ended/As at |
|                                                                                                                                                                                                        |                                                                                                                                | September 30, 2020     | September 30, 2019 | March 31, 2020   |
|                                                                                                                                                                                                        |                                                                                                                                | (Unaudited)            | (Unaudited)        | (Audited)        |
| <b>A.</b>                                                                                                                                                                                              | <b>Cash Flows from the operating activities:</b>                                                                               |                        |                    |                  |
| 1                                                                                                                                                                                                      | Premium received from policyholders, including advance receipts                                                                | 1,671,483              | 1,445,035          | 3,362,723        |
| 2                                                                                                                                                                                                      | Other receipts                                                                                                                 | 6,860                  | 7,342              | 24,770           |
|                                                                                                                                                                                                        | (a) GST / Service tax recovery                                                                                                 | 1,655                  | 1,655              | 1,655            |
|                                                                                                                                                                                                        | (b) Fees & Charges                                                                                                             | 3,756                  | 3,756              | 3,756            |
|                                                                                                                                                                                                        | (c) Miscellaneous income                                                                                                       | 1,893                  | 1,893              | 1,893            |
| 3                                                                                                                                                                                                      | Payments to the re-insurers, net of commissions and claims/ Benefits                                                           | (17,556)               | 310                | (2,848)          |
| 4                                                                                                                                                                                                      | Payments of claims/benefits                                                                                                    | (737,540)              | (798,686)          | (1,908,226)      |
| 5                                                                                                                                                                                                      | Payments of commission and brokerage                                                                                           | (65,384)               | (79,225)           | (159,075)        |
| 6                                                                                                                                                                                                      | Payments of other operating expenses <sup>1</sup>                                                                              | (207,882)              | (239,706)          | (487,853)        |
| 7                                                                                                                                                                                                      | Preliminary and pre-operative expenses                                                                                         | -                      | -                  | -                |
| 8                                                                                                                                                                                                      | Deposits, advances and staff loans                                                                                             | 3,364                  | (100)              | 114              |
| 9                                                                                                                                                                                                      | Income taxes paid (net)                                                                                                        | (11,559)               | (10,035)           | (27,847)         |
| 10                                                                                                                                                                                                     | Goods and Services Tax/ Service tax paid                                                                                       | (28,465)               | (29,819)           | (63,949)         |
| 11                                                                                                                                                                                                     | Other payments                                                                                                                 | 11                     | (32)               | 24               |
| 12                                                                                                                                                                                                     | Cash flows before extraordinary items                                                                                          | 613,332                | 295,084            | 737,833          |
| 13                                                                                                                                                                                                     | Cash flow from extraordinary operations                                                                                        | -                      | -                  | -                |
|                                                                                                                                                                                                        | <b>Net cash flow from operating activities</b>                                                                                 | <b>613,332</b>         | <b>295,084</b>     | <b>737,833</b>   |
| <b>B</b>                                                                                                                                                                                               | <b>Cash flows from investing activities:</b>                                                                                   |                        |                    |                  |
| 1                                                                                                                                                                                                      | Purchase of fixed assets                                                                                                       | (2,189)                | (2,427)            | (3,858)          |
| 2                                                                                                                                                                                                      | Proceeds from sale of fixed assets                                                                                             | 3                      | 147                | 173              |
| 3                                                                                                                                                                                                      | Purchases of investments                                                                                                       | (4,478,579)            | (4,981,803)        | (10,672,602)     |
| 4                                                                                                                                                                                                      | Loans disbursed                                                                                                                | -                      | -                  | -                |
| 5                                                                                                                                                                                                      | Loan against policies                                                                                                          | (2,560)                | (11,203)           | (21,946)         |
| 6                                                                                                                                                                                                      | Sales of investments                                                                                                           | 3,627,016              | 4,391,279          | 9,201,045        |
| 7                                                                                                                                                                                                      | Repayments received                                                                                                            | -                      | -                  | -                |
| 8                                                                                                                                                                                                      | Rents/Interests/ Dividends received                                                                                            | 389,895                | 323,386            | 630,374          |
| 9                                                                                                                                                                                                      | Investments in money market instruments and in liquid mutual funds (net)                                                       | (233,307)              | (35,440)           | 86,191           |
| 10                                                                                                                                                                                                     | Expenses related to investments                                                                                                | (11)                   | (22)               | (33)             |
|                                                                                                                                                                                                        | <b>Net cash flow from investing activities</b>                                                                                 | <b>(699,732)</b>       | <b>(316,083)</b>   | <b>(780,656)</b> |
| <b>C</b>                                                                                                                                                                                               | <b>Cash flows from financing activities:</b>                                                                                   |                        |                    |                  |
| 1                                                                                                                                                                                                      | Proceeds from issuance of share capital                                                                                        | 1,687                  | 445                | 3,277            |
| 2                                                                                                                                                                                                      | Proceeds from borrowing                                                                                                        | 60,000                 | -                  | -                |
| 3                                                                                                                                                                                                      | Repayments of borrowing                                                                                                        | -                      | -                  | -                |
| 4                                                                                                                                                                                                      | Interest/dividends paid                                                                                                        | -                      | -                  | -                |
| 5                                                                                                                                                                                                      | Share application Money                                                                                                        | 72                     | 9                  | 520              |
|                                                                                                                                                                                                        | <b>Net cash flow from financing activities</b>                                                                                 | <b>61,759</b>          | <b>454</b>         | <b>3,797</b>     |
| <b>D</b>                                                                                                                                                                                               | <b>Effect of foreign exchange rates on cash and cash equivalents, (net)</b>                                                    | <b>(437)</b>           | <b>425</b>         | <b>1,755</b>     |
| <b>E</b>                                                                                                                                                                                               | <b>Net increase in cash and cash equivalents:</b>                                                                              | <b>(25,078)</b>        | <b>(20,120)</b>    | <b>(37,271)</b>  |
| 1                                                                                                                                                                                                      | Cash and cash equivalents at the beginning of the period                                                                       | 577,996                | 615,267            | 615,267          |
| 2                                                                                                                                                                                                      | <b>Cash and cash equivalents at the end of the period</b>                                                                      | <b>552,918</b>         | <b>595,147</b>     | <b>577,996</b>   |
|                                                                                                                                                                                                        | <b>Note - Components of Cash and cash equivalents at end of the period:</b>                                                    |                        |                    |                  |
|                                                                                                                                                                                                        | Cash and cheques in hand                                                                                                       | 1,660                  | 5,406              | 141              |
|                                                                                                                                                                                                        | Bank Balances *                                                                                                                | 32,279                 | 47,057             | 68,877           |
|                                                                                                                                                                                                        | Fixed Deposit (less than 3 months)                                                                                             | -                      | -                  | 23,500           |
|                                                                                                                                                                                                        | Money Market Instruments                                                                                                       | 519,562                | 542,753            | 486,124          |
|                                                                                                                                                                                                        | Trustee bank account balance (Payable to NPS trust)                                                                            | (583)                  | (69)               | (646)            |
|                                                                                                                                                                                                        | <b>Total Cash and cash equivalents</b>                                                                                         | <b>552,918</b>         | <b>595,147</b>     | <b>577,996</b>   |
|                                                                                                                                                                                                        | <b>Reconciliation of Cash &amp; Cash Equivalents with Cash &amp; Bank Balance:</b>                                             |                        |                    |                  |
|                                                                                                                                                                                                        | Cash & Cash Equivalents                                                                                                        | 552,918                | 595,147            | 577,996          |
|                                                                                                                                                                                                        | Add: Deposit Account - Others                                                                                                  | 56                     | 55                 | 56               |
|                                                                                                                                                                                                        | Less: Fixed Deposit (less than 3 months)                                                                                       | -                      | -                  | (23,500)         |
|                                                                                                                                                                                                        | Less: Money market instruments                                                                                                 | (519,562)              | (542,753)          | (486,124)        |
|                                                                                                                                                                                                        | Add: Point of Presence Funds held in trust                                                                                     | 583                    | 69                 | 646              |
|                                                                                                                                                                                                        | <b>Cash &amp; Bank Balances</b>                                                                                                | <b>33,995</b>          | <b>52,518</b>      | <b>69,075</b>    |
|                                                                                                                                                                                                        | * Bank Balances includes Unclaimed Dividend of ₹ 18 lakhs (₹ 19 lakhs at September 30, 2019 and ₹ 18 lakhs at March 31, 2020 ) |                        |                    |                  |

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

**Notes :**

- 1 Includes cash paid towards Corporate Social Responsibility expenditure ₹ 755 lakhs (previous six months ended September 30, 2019: ₹ 421 lakhs and previous year ended March 31, 2020: ₹ 1993 lakhs).

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

(₹ in Lakhs)

| Particulars                                                                                                               | Three Months ended / As at |              |                    | Six months ended/As at |                    | Year ended/As at |
|---------------------------------------------------------------------------------------------------------------------------|----------------------------|--------------|--------------------|------------------------|--------------------|------------------|
|                                                                                                                           | September 30, 2020         | June 30,2020 | September 30, 2019 | September 30, 2020     | September 30, 2019 | March 31,2020    |
|                                                                                                                           | (Unaudited)                | (Unaudited)  | (Unaudited)        | (Unaudited)            | (Unaudited)        | (Audited)        |
| <b>Analytical Ratios:</b>                                                                                                 |                            |              |                    |                        |                    |                  |
| (i) Solvency Ratio                                                                                                        | 203%                       | 190%         | 192%               | 203%                   | 192%               | 184%             |
| (ii) Expenses of Management Ratio                                                                                         | 15.0%                      | 15.5%        | 19.3%              | 15.2%                  | 18.9%              | 17.6%            |
| (iii) Policyholder's liabilities to shareholders' fund                                                                    | 1810.2%                    | 1778.4%      | 1964.9%            | 1810.2%                | 1964.9%            | 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)   | 1.62                       | 2.23         | 1.53               | 3.85                   | 3.64               | 6.43             |
| b) Diluted EPS before and after extraordinary items (net of tax expense) for the period (not annualized for three months) | 1.62                       | 2.23         | 1.53               | 3.85                   | 3.64               | 6.42             |
| (v) NPA ratios: (for Policyholders' fund)                                                                                 |                            |              |                    |                        |                    |                  |
| a) Gross NPAs                                                                                                             |                            |              |                    |                        |                    |                  |
| - Non Linked                                                                                                              |                            |              |                    |                        |                    |                  |
| Par                                                                                                                       | NIL                        | NIL          | NIL                | NIL                    | NIL                | NIL              |
| Non Par                                                                                                                   | NIL                        | NIL          | NIL                | NIL                    | NIL                | NIL              |
| - Linked                                                                                                                  |                            |              |                    |                        |                    |                  |
| Non Par                                                                                                                   | 5125.00                    | 5125.00      | 5125.00            | 5125.00                | 5125.00            | 5125.00          |
| Net NPAs                                                                                                                  |                            |              |                    |                        |                    |                  |
| - Non Linked                                                                                                              |                            |              |                    |                        |                    |                  |
| Par                                                                                                                       | NIL                        | NIL          | NIL                | NIL                    | NIL                | NIL              |
| Non Par                                                                                                                   | NIL                        | NIL          | NIL                | NIL                    | NIL                | NIL              |
| - Linked                                                                                                                  |                            |              |                    |                        |                    |                  |
| Non Par                                                                                                                   | NIL                        | NIL          | NIL                | NIL                    | NIL                | NIL              |
| b) % of Gross NPAs                                                                                                        |                            |              |                    |                        |                    |                  |
| - Non Linked                                                                                                              |                            |              |                    |                        |                    |                  |
| Par                                                                                                                       | NIL                        | NIL          | NIL                | NIL                    | NIL                | NIL              |
| Non Par                                                                                                                   | NIL                        | NIL          | NIL                | NIL                    | NIL                | NIL              |
| - Linked                                                                                                                  |                            |              |                    |                        |                    |                  |
| Non Par                                                                                                                   | 0.1%                       | 0.1%         | 0.1%               | 0.1%                   | 0.1%               | 0.1%             |
| % of Net NPA                                                                                                              |                            |              |                    |                        |                    |                  |
| - Non Linked                                                                                                              |                            |              |                    |                        |                    |                  |
| Par                                                                                                                       | NIL                        | NIL          | NIL                | NIL                    | NIL                | NIL              |
| Non Par                                                                                                                   | NIL                        | NIL          | NIL                | NIL                    | NIL                | NIL              |
| - Linked                                                                                                                  |                            |              |                    |                        |                    |                  |
| Non Par                                                                                                                   | NIL                        | NIL          | NIL                | NIL                    | NIL                | NIL              |
| (vi) Yield on Investments (on Policyholders' fund)                                                                        |                            |              |                    |                        |                    |                  |
| A. Without unrealised gains                                                                                               |                            |              |                    |                        |                    |                  |
| - Non Linked                                                                                                              |                            |              |                    |                        |                    |                  |
| Par                                                                                                                       | 2.2%                       | 1.6%         | 2.3%               | 3.8%                   | 4.8%               | 7.0%             |
| Non Par                                                                                                                   | 2.4%                       | 2.2%         | 2.2%               | 4.6%                   | 4.5%               | 9.6%             |
| - Linked                                                                                                                  |                            |              |                    |                        |                    |                  |
| Non Par                                                                                                                   | 2.5%                       | 0.6%         | 1.6%               | 3.1%                   | 3.4%               | 6.3%             |
| B. With unrealised gains                                                                                                  |                            |              |                    |                        |                    |                  |
| - Non Linked                                                                                                              |                            |              |                    |                        |                    |                  |
| Par                                                                                                                       | 1.9%                       | 6.2%         | 1.4%               | 8.2%                   | 5.6%               | 5.4%             |
| Non Par                                                                                                                   | -0.5%                      | 4.9%         | 2.0%               | 4.2%                   | 6.8%               | 15.0%            |
| - Linked                                                                                                                  |                            |              |                    |                        |                    |                  |
| Non Par                                                                                                                   | 7.2%                       | 13.3%        | -0.8%              | 21.5%                  | -0.1%              | -14.6%           |
| (vii) NPA ratios: (for Shareholders' fund)                                                                                |                            |              |                    |                        |                    |                  |
| a) Gross NPAs                                                                                                             | NIL                        | NIL          | NIL                | NIL                    | NIL                | NIL              |
| Net NPAs                                                                                                                  | NIL                        | NIL          | NIL                | NIL                    | NIL                | NIL              |
| b) % of Gross NPAs                                                                                                        | NIL                        | NIL          | NIL                | NIL                    | NIL                | NIL              |
| % of Net NPAs                                                                                                             | NIL                        | NIL          | NIL                | NIL                    | NIL                | NIL              |
| (viii) Yield on Investments (on Shareholders' fund)                                                                       |                            |              |                    |                        |                    |                  |
| A. Without unrealised gains                                                                                               | 1.9%                       | 1.5%         | 2.6%               | 3.4%                   | 4.6%               | 6.5%             |
| B. With unrealised gains                                                                                                  | 2.3%                       | 5.9%         | 1.9%               | 8.2%                   | 4.9%               | 2.9%             |

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Ratansi  
Ashar**

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| Particulars                                         | Three Months ended / As at |              |                    | Six months ended/As at |                    | Year ended/As at |
|-----------------------------------------------------|----------------------------|--------------|--------------------|------------------------|--------------------|------------------|
|                                                     | September 30, 2020         | June 30,2020 | September 30, 2019 | September 30, 2020     | September 30, 2019 | March 31,2020    |
|                                                     | (Unaudited)                | (Unaudited)  | (Unaudited)        | (Unaudited)            | (Unaudited)        | (Audited)        |
| (ix) Persistency Ratio                              |                            |              |                    |                        |                    |                  |
| 13th month                                          | 90.8%                      | 87.0%        | 89.3%              | 90.5%                  | 89.1%              | 90.1%            |
| 25th month                                          | 83.4%                      | 80.8%        | 77.7%              | 82.4%                  | 79.5%              | 80.2%            |
| 37th month                                          | 71.8%                      | 69.5%        | 74.5%              | 72.9%                  | 72.9%              | 73.8%            |
| 49th month                                          | 70.1%                      | 64.9%        | 65.2%              | 68.1%                  | 68.2%              | 67.2%            |
| 61st month                                          | 52.4%                      | 54.4%        | 54.6%              | 54.4%                  | 54.2%              | 55.0%            |
| (x) Conservation Ratio                              |                            |              |                    |                        |                    |                  |
| Participating life- Individual & group              | 86.0%                      | 79.5%        | 84.2%              | 83.3%                  | 83.1%              | 83.7%            |
| Participating pension- Individual & group           | 80.7%                      | 78.2%        | 99.3%              | 79.7%                  | 99.9%              | 90.8%            |
| Non Participating life - Individual & group         | 87.2%                      | 83.9%        | 67.1%              | 85.6%                  | 68.6%              | 70.0%            |
| Non Participating pension - Individual & Group      | 74.7%                      | 74.0%        | 76.5%              | 74.5%                  | 77.3%              | 79.5%            |
| Non Participating - Life Group Variable             | NA                         | NA           | NA                 | NA                     | NA                 | NA               |
| Non Participating - Pension group variable          | NA                         | NA           | NA                 | NA                     | NA                 | NA               |
| Non Participating fund - Individual & Group Annuity | NA                         | NA           | NA                 | NA                     | NA                 | NA               |
| Non Participating fund - Individual & Group Health  | 84.4%                      | 77.1%        | 73.7%              | 81.7%                  | 68.2%              | 62.7%            |
| Unit Linked - Individual life                       | 86.7%                      | 84.0%        | 81.2%              | 85.5%                  | 82.6%              | 81.6%            |
| Unit Linked - Individual pension                    | 71.6%                      | 71.0%        | 78.1%              | 71.3%                  | 78.6%              | 74.6%            |
| Unit Linked - Group life                            | NA                         | NA           | NA                 | NA                     | NA                 | NA               |
| Unit Linked - Group pension                         | NA                         | NA           | NA                 | NA                     | NA                 | NA               |

**Notes :**

- Analytical ratios have been calculated as per definition given in IRDAI Analytical ratios disclosure.
- The persistency ratios are calculated in accordance with the IRDAI circular no. IRDA/ACT/CIR/MISC/035/01/2014 dated January 23, 2014 and hence are with a lag of one month.
- Group business, where persistency is measurable, has been included in the calculations. Rural business policies issued from FY 2018-19 onwards are included in persistency ratio calculations.
- The persistency ratios for the quarter ended September 30, 2020 have been calculated for the policies issued in the June to August period of the relevant years. E.g.: the 13th month persistency for the current quarter is calculated for the policies issued from June 2019 to August 2019. The persistency ratios for quarter ended June 30, 2020 and September 30, 2019 have been calculated in a similar manner.
- The persistency ratios for the six months ended September 30, 2020 have been calculated for the policies issued in the September to August period of the relevant years. E.g.: the 13th month persistency for the current year is calculated for the policies issued from September 2018 to August 2019. The persistency ratios for the six months ended September 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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**Rajen  
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Ashar**

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

(₹ in Lakhs)

| Sr. No. |                                                                         | Three Months ended / As at |               |                    | Year ended / As at |                    | Year ended     |
|---------|-------------------------------------------------------------------------|----------------------------|---------------|--------------------|--------------------|--------------------|----------------|
|         |                                                                         | September 30, 2020         | June 30, 2020 | September 30, 2019 | September 30, 2020 | September 30, 2019 | March 31, 2020 |
|         |                                                                         | (Unaudited)                | (Unaudited)   | (Unaudited)        | (Unaudited)        | (Unaudited)        | (Audited)      |
| 1       | <b>Segment Income</b>                                                   |                            |               |                    |                    |                    |                |
|         | <b>A) Policyholders :</b>                                               |                            |               |                    |                    |                    |                |
|         | <b>Segment A - Participating - Individual &amp; Group Life :</b>        |                            |               |                    |                    |                    |                |
|         | Net Premium                                                             | 172,355                    | 105,133       | 130,812            | 277,488            | 223,588            | 583,500        |
|         | Income from Investments <sup>2</sup>                                    | 64,513                     | 50,839        | 59,877             | 115,352            | 120,582            | 136,368        |
|         | Transfer of Funds from shareholders' account                            | -                          | -             | -                  | -                  | -                  | -              |
|         | Other Income                                                            | 2,723                      | 2,599         | 2,986              | 5,322              | 4,598              | 13,610         |
|         | <b>Segment B - Participating - Individual &amp; Group Pension :</b>     |                            |               |                    |                    |                    |                |
|         | Net Premium                                                             | 4,082                      | 2,805         | 5,045              | 6,887              | 8,621              | 20,260         |
|         | Income from Investments <sup>2</sup>                                    | 6,001                      | 5,372         | 4,895              | 11,373             | 11,710             | 22,311         |
|         | Transfer of Funds from shareholders' account                            | -                          | -             | -                  | -                  | -                  | -              |
|         | Other Income                                                            | 47                         | 42            | 44                 | 89                 | 90                 | 304            |
|         | <b>Segment C - Non Participating - Individual &amp; Group Life :</b>    |                            |               |                    |                    |                    |                |
|         | Net Premium                                                             | 298,663                    | 153,456       | 223,752            | 452,118            | 424,415            | 902,006        |
|         | Income from Investments <sup>2</sup>                                    | 49,372                     | 41,102        | 32,249             | 90,474             | 59,343             | 134,045        |
|         | Transfer of Funds from shareholders' account                            | -                          | -             | 1,846              | -                  | 1,846              | 9,536          |
|         | Other Income                                                            | 774                        | 338           | 732                | 1,112              | 1,359              | 2,293          |
|         | <b>Segment D - Non Participating - Life Group Variable :</b>            |                            |               |                    |                    |                    |                |
|         | Net Premium                                                             | 26,609                     | 3,224         | 35,026             | 29,833             | 47,858             | 84,514         |
|         | Income from Investments <sup>2</sup>                                    | 6,016                      | 5,812         | 5,481              | 11,828             | 10,743             | 21,963         |
|         | Transfer of Funds from shareholders' account                            | -                          | -             | 267                | -                  | 267                | 626            |
|         | Other Income                                                            | -                          | -             | -                  | -                  | -                  | -              |
|         | <b>Segment E - Non Participating - Individual &amp; Group Pension :</b> |                            |               |                    |                    |                    |                |
|         | Net Premium                                                             | 105,399                    | 20,788        | 6,992              | 126,187            | 16,664             | 73,302         |
|         | Income from Investments <sup>2</sup>                                    | 9,238                      | 8,874         | 6,885              | 18,112             | 13,803             | 28,587         |
|         | Transfer of Funds from shareholders' account                            | -                          | -             | -                  | -                  | -                  | -              |
|         | Other Income                                                            | 4                          | 8             | 7                  | 12                 | 16                 | 24             |
|         | <b>Segment F - Non Participating - Pension Group Variable :</b>         |                            |               |                    |                    |                    |                |
|         | Net Premium                                                             | 32,666                     | 39,444        | 28,245             | 72,110             | 94,265             | 164,664        |
|         | Income from Investments <sup>2</sup>                                    | 7,163                      | 7,081         | 6,864              | 14,244             | 13,468             | 27,485         |
|         | Transfer of Funds from shareholders' account                            | 218                        | -             | -                  | 218                | -                  | 313            |
|         | Other Income                                                            | -                          | -             | -                  | -                  | -                  | -              |
|         | <b>Segment G - Non Participating - Annuity :</b>                        |                            |               |                    |                    |                    |                |
|         | Net Premium                                                             | 107,044                    | 61,440        | 52,783             | 168,484            | 122,281            | 269,358        |
|         | Income from Investments <sup>2</sup>                                    | 18,848                     | 17,388        | 14,622             | 36,236             | 28,614             | 60,045         |
|         | Transfer of Funds from shareholders' account                            | 522                        | -             | -                  | 522                | -                  | -              |
|         | Other Income                                                            | 18                         | 12            | 16                 | 30                 | 46                 | 57             |
|         | <b>Segment H - Non Participating - Individual &amp; Group Health :</b>  |                            |               |                    |                    |                    |                |
|         | Net Premium                                                             | 1,672                      | 1,018         | 2,939              | 2,690              | 4,412              | 9,478          |
|         | Income from Investments <sup>2</sup>                                    | 121                        | 210           | 170                | 331                | 317                | 623            |
|         | Transfer of Funds from shareholders' account                            | -                          | -             | -                  | -                  | -                  | -              |
|         | Other Income                                                            | 10                         | (1)           | 5                  | 9                  | 12                 | (18)           |
|         | <b>Segment I - Unit Linked - Individual Life :</b>                      |                            |               |                    |                    |                    |                |
|         | Net Premium                                                             | 227,101                    | 166,869       | 220,266            | 393,970            | 385,691            | 959,915        |
|         | Income from Investments <sup>2</sup>                                    | 417,374                    | 628,756       | (33,594)           | 1,046,130          | 4,927              | (765,401)      |
|         | Transfer of Funds from shareholders' account                            | -                          | -             | -                  | -                  | -                  | -              |
|         | Other Income                                                            | 734                        | 801           | 1,026              | 1,535              | 2,032              | 8,116          |
|         | <b>Segment J - Unit Linked - Individual Pension :</b>                   |                            |               |                    |                    |                    |                |
|         | Net Premium                                                             | 13,234                     | 9,990         | 18,404             | 23,224             | 32,057             | 68,971         |
|         | Income from Investments <sup>2</sup>                                    | 36,439                     | 71,663        | 2,654              | 108,102            | 17,710             | (74,855)       |
|         | Transfer of Funds from shareholders' account                            | -                          | -             | -                  | -                  | -                  | -              |
|         | Other Income                                                            | 1                          | 1             | 4                  | 2                  | 8                  | 8              |
|         | <b>Segment K - Unit Linked - Group Life :</b>                           |                            |               |                    |                    |                    |                |
|         | Net Premium                                                             | 14,931                     | 7,616         | 19,780             | 22,547             | 27,744             | 80,662         |
|         | Income from Investments <sup>2</sup>                                    | 13,891                     | 36,860        | 8,065              | 50,751             | 22,588             | 21,399         |
|         | Transfer of Funds from shareholders' account                            | -                          | -             | -                  | -                  | -                  | -              |
|         | Other Income                                                            | -                          | -             | -                  | -                  | -                  | -              |
|         | <b>Segment L - Unit Linked - Group Pension :</b>                        |                            |               |                    |                    |                    |                |
|         | Net Premium                                                             | 1,914                      | 1,590         | 1,646              | 3,504              | 3,813              | 7,869          |
|         | Income from Investments <sup>2</sup>                                    | 2,621                      | 6,655         | 1,458              | 9,276              | 4,185              | 3,259          |
|         | Transfer of Funds from shareholders' account                            | -                          | -             | -                  | -                  | -                  | -              |
|         | Other Income                                                            | -                          | -             | -                  | -                  | -                  | -              |
|         | <b>B) Shareholders :</b>                                                |                            |               |                    |                    |                    |                |
|         | Income from Investments <sup>2</sup>                                    | 13,262                     | 11,371        | 13,653             | 24,632             | 22,714             | 24,844         |
|         | Other Income                                                            | 72                         | 57            | 25                 | 129                | 43                 | 1,986          |

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**Rajen Ratansi Ashar**

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

(₹ in Lakhs)

| Sr No.   | Particulars                                                                | Three Months ended / As at |                   |                    | Year ended         |                    | Year ended / As at |
|----------|----------------------------------------------------------------------------|----------------------------|-------------------|--------------------|--------------------|--------------------|--------------------|
|          |                                                                            | September 30, 2020         | June 30,2020      | September 30, 2019 | September 30, 2020 | September 30, 2019 | March 31, 2020     |
|          |                                                                            | (Unaudited)                | (Unaudited)       | (Unaudited)        | (Unaudited)        | (Unaudited)        | (Audited)          |
| <b>2</b> | <b>Segment Surplus/ Deficit (net of transfer from shareholders' A/c) :</b> |                            |                   |                    |                    |                    |                    |
|          | Segment A - Participating - Individual & Group Life                        | (7,810)                    | (7,791)           | 113                | (15,601)           | 3,362              | (8,541)            |
|          | Segment B - Participating - Individual & Group Pension                     | 1,455                      | (88)              | 1,546              | 1,367              | 2,541              | 4,891              |
|          | Segment C - Non Participating - Individual & Group Life                    | 2,716                      | 7,815             | (8,784)            | 10,531             | (1,530)            | 13,905             |
|          | Segment D - Non Participating - Life Group Variable                        | (65)                       | 116               | (322)              | 51                 | (267)              | (626)              |
|          | Segment E - Non Participating - Individual & Group Pension                 | (308)                      | 2,775             | 827                | 2,467              | 5,797              | 7,522              |
|          | Segment F - Non Participating - Pension Group Variable                     | (445)                      | 227               | 160                | (218)              | 399                | (313)              |
|          | Segment G - Non Participating - Annuity                                    | (1,175)                    | 653               | 4,214              | (522)              | 4,630              | 3,319              |
|          | Segment H - Non Participating - Individual & Group Health                  | 1,277                      | 847               | 1,830              | 2,124              | 2,288              | 4,891              |
|          | Segment I - Unit Linked - Individual Life                                  | 13,337                     | 17,260            | 15,538             | 30,597             | 31,378             | 46,930             |
|          | Segment J - Unit Linked - Individual Pension                               | 3,017                      | 2,975             | 3,068              | 5,992              | 6,558              | 12,394             |
|          | Segment K - Unit Linked - Group Life                                       | 755                        | 845               | 743                | 1,600              | 1,733              | 2,599              |
|          | Segment L - Unit Linked - Group Pension                                    | 191                        | 116               | 126                | 307                | 254                | 476                |
|          | <b>Total</b>                                                               | <b>12,945</b>              | <b>25,750</b>     | <b>19,059</b>      | <b>38,695</b>      | <b>57,143</b>      | <b>87,447</b>      |
|          | Shareholders                                                               | 11,921                     | 9,791             | 11,101             | 21,712             | 18,204             | 20,299             |
|          | <b>Grant Total</b>                                                         | <b>24,866</b>              | <b>35,541</b>     | <b>30,160</b>      | <b>60,407</b>      | <b>75,347</b>      | <b>107,746</b>     |
| <b>3</b> | <b>Segment Assets:</b>                                                     |                            |                   |                    |                    |                    |                    |
|          | Segment A - Participating - Individual & Group Life                        | 3,068,178                  | 2,925,454         | 2,870,562          | 3,068,178          | 2,870,562          | 2,812,223          |
|          | Segment B - Participating - Individual & Group Pension                     | 283,237                    | 277,942           | 270,624            | 283,237            | 270,624            | 266,423            |
|          | Segment C - Non Participating - Individual & Group Life                    | 2,014,634                  | 1,787,744         | 1,365,920          | 2,014,634          | 1,365,920          | 1,650,373          |
|          | Segment D - Non Participating - Life Group Variable                        | 320,421                    | 294,395           | 283,410            | 320,421            | 283,410            | 295,331            |
|          | Segment E - Non Participating - Individual & Group Pension                 | 547,693                    | 435,615           | 346,569            | 547,693            | 346,569            | 409,096            |
|          | Segment F - Non Participating - Pension Group Variable                     | 396,660                    | 377,781           | 355,432            | 396,660            | 355,432            | 354,510            |
|          | Segment G - Non Participating - Annuity                                    | 956,863                    | 846,168           | 623,450            | 956,863            | 623,450            | 777,715            |
|          | Segment H - Non Participating - Individual & Group Health                  | 4,834                      | 5,617             | 2,441              | 4,834              | 2,441              | 5,693              |
|          | Segment I - Unit Linked - Individual Life                                  | 5,253,456                  | 4,884,844         | 4,960,873          | 5,253,456          | 4,960,873          | 4,228,828          |
|          | Segment J - Unit Linked - Individual Pension                               | 635,232                    | 657,209           | 801,594            | 635,232            | 801,594            | 614,863            |
|          | Segment K - Unit Linked - Group Life                                       | 545,532                    | 528,933           | 487,614            | 545,532            | 487,614            | 498,895            |
|          | Segment L - Unit Linked - Group Pension                                    | 95,019                     | 93,744            | 89,540             | 95,019             | 89,540             | 86,860             |
|          | <b>Total</b>                                                               | <b>14,121,759</b>          | <b>13,115,446</b> | <b>12,458,029</b>  | <b>14,121,759</b>  | <b>12,458,029</b>  | <b>12,000,810</b>  |
|          | Shareholders                                                               | 835,332                    | 733,061           | 602,229            | 835,332            | 602,229            | 672,813            |
|          | Unallocated <sup>3</sup>                                                   | 56,475                     | 50,637            | 47,525             | 56,475             | 47,525             | 49,868             |
|          | <b>Grant Total</b>                                                         | <b>15,013,566</b>          | <b>13,899,144</b> | <b>13,107,783</b>  | <b>15,013,566</b>  | <b>13,107,783</b>  | <b>12,723,491</b>  |
| <b>4</b> | <b>Segment Policy Liabilities<sup>4</sup>:</b>                             |                            |                   |                    |                    |                    |                    |
|          | Segment A - Participating - Individual & Group Life                        | 2,992,858                  | 2,885,311         | 2,821,263          | 2,992,858          | 2,821,263          | 2,832,635          |
|          | Segment B - Participating - Individual & Group Pension                     | 272,051                    | 269,349           | 254,477            | 272,051            | 254,477            | 263,729            |
|          | Segment C - Non Participating - Individual & Group Life                    | 2,005,244                  | 1,774,194         | 1,360,619          | 2,005,244          | 1,360,619          | 1,643,115          |
|          | Segment D - Non Participating - Life Group Variable                        | 318,090                    | 291,795           | 281,845            | 318,090            | 281,845            | 293,364            |
|          | Segment E - Non Participating - Individual & Group Pension                 | 546,387                    | 434,193           | 346,248            | 546,387            | 346,248            | 408,081            |
|          | Segment F - Non Participating - Pension Group Variable                     | 394,628                    | 375,593           | 354,457            | 394,628            | 354,457            | 352,854            |
|          | Segment G - Non Participating - Annuity                                    | 956,414                    | 845,374           | 624,413            | 956,414            | 624,413            | 778,089            |
|          | Segment H - Non Participating - Individual & Group Health                  | 5,474                      | 5,811             | 5,587              | 5,474              | 5,587              | 5,853              |
|          | Segment I - Unit Linked - Individual Life                                  | 5,286,806                  | 4,911,985         | 4,963,886          | 5,286,806          | 4,963,886          | 4,255,269          |
|          | Segment J - Unit Linked - Individual Pension                               | 635,232                    | 657,208           | 801,594            | 635,232            | 801,594            | 614,865            |
|          | Segment K - Unit Linked - Group Life                                       | 545,877                    | 528,951           | 486,471            | 545,877            | 486,471            | 498,879            |
|          | Segment L - Unit Linked - Group Pension                                    | 95,019                     | 93,744            | 89,540             | 95,019             | 89,540             | 86,860             |
|          | <b>Total</b>                                                               | <b>14,054,080</b>          | <b>13,073,508</b> | <b>12,390,400</b>  | <b>14,054,080</b>  | <b>12,390,400</b>  | <b>12,033,593</b>  |
|          | Shareholders                                                               | 847,542                    | 744,586           | 637,077            | 847,542            | 637,077            | 684,839            |
|          | Unallocated                                                                | -                          | -                 | -                  | -                  | -                  | -                  |
|          | <b>Grand Total</b>                                                         | <b>14,901,622</b>          | <b>13,818,094</b> | <b>13,027,477</b>  | <b>14,901,622</b>  | <b>13,027,477</b>  | <b>12,718,432</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 statement for identification purposes only and this Statement should be read in conjunction with their review report dated October 19,2020.

**Rajen Ratansi  
Ashar**

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

**Other disclosures :**

**Status of Shareholders Complaints as on September 30, 2020**

| <b>Sr No.</b> | <b>Particulars</b>                                                          | <b>Number of Complaints</b> |
|---------------|-----------------------------------------------------------------------------|-----------------------------|
| 1             | Investor complaints pending at the beginning of the quarter                 | 1                           |
| 2             | Investor complaints received during the quarter ended September 30, 2020    | 0                           |
| 3             | Investor complaints disposed of during the quarter ended September 30, 2020 | 1                           |
| 4             | Investor complaints remaining unresolved as on September 30, 2020           | 0                           |

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

**Other disclosures :**

**Status of Investor Complaints for the quarter ended September 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 September 30, 2020    | NIL                         |
| 3             | Investor complaints disposed of during the quarter ended September 30, 2020 | NIL                         |
| 4             | Investor complaints remaining unresolved as on September 30, 2020           | NIL                         |

## Notes:

1. The above consolidated financial results of the group for the quarter and six months ended September 30, 2020 were reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on October 19, 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 September 30, 2020, the Holding company has allotted 287,708 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 half yearly 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 203%, 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. During, the quarter, the Holding company has issued unsecured, subordinated, fully-paid, rated, redeemable non-convertible debentures (NCDs) amounting to Rs. 60,000 lakhs, which are listed on the Wholesale Debt Market (WDM) segment of NSE w.e.f. July 29, 2020. The NCDs are rated by CRISIL and ICRA and have been assigned rating of "CRISIL AAA/Stable" and "ICRA AAA" respectively as at September 30, 2020.
7. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group is in process of evaluating the financial impact, if any.
8. Figures of the previous period have been regrouped wherever necessary, in order to make them comparable.
9. The above consolidated financial results have been reviewed by joint statutory auditors of the Company.

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Ratansi  
Ashar**

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Ashar  
Date: 2020.10.19  
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The joint statutory auditors have digitally signed this statement for identification purposes only and this Statement should be read in conjunction with their review report dated October 19, 2020.

**Mumbai  
October 19, 2020**

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

**Vibha  
Padalkar**

Digitally signed by Vibha Padalkar  
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serialNumber=4d5f13e172c05171a7  
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1eb27190065dfc, cn=Vibha Padalkar  
Date: 2020.10.19 14:14:43 +05'30'

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

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

BSE Code: 540777

NSE Code: HDFCLIFE

## **Market share grows by 235 bps to 17.5%; NBM strong at 25.1%**

### **Other Key Highlights:**

- **38% growth in Individual Protection APE, with share improving from 6% to 9%**
- **22% growth in renewal premium**
- **25.1% New Business Margin on the back of growth and balanced product mix**
- **PAT of Rs 777 Cr, with growth of 6%**
- **Solvency healthy at 203%**

**Mumbai, Oct 19, 2020:** The Board of Directors of HDFC Life approved and adopted today the audited standalone and reviewed consolidated financial results for the half year ended September 30, 2020. Below is the summary of our standalone results:

Commenting on the current situation, Ms. Vibha Padalkar, MD & CEO said “While we remain sensitive about the health impact and loss of lives due to the pandemic and continue to focus on employee, customer and partner safety norms, opening up of the economy has led to a pickup in activity levels on the ground. This has also resulted in a marginal uplift in household income and spends. Insurance as a category has emerged stronger as a vehicle to protect one’s family and realise their long term financial goals. Customers are more active in decision making resulting in traction in the individual business.”

Commenting on the H1FY21 performance, Ms. Vibha Padalkar, MD & CEO said “Our market share in terms of Individual WRP has increased by 235 basis points from 15.2% to 17.5%. Our focus remains on our long term strategy of building a sustainable and profitable business and adding value to all key stakeholders. On the back of the improved economic momentum, we are optimistic about being able to sustain our performance across key metrics for the year.”

### **Key Financial Summary**

| Rs Cr                                      | H1 FY21  | H1 FY20  | YoY | FY20     | FY19     |
|--------------------------------------------|----------|----------|-----|----------|----------|
| <b>Key Financial and Actuarial Metrics</b> |          |          |     |          |          |
| Individual APE                             | 2,834    | 2,865    | -1% | 6,145    | 5,204    |
| Total APE                                  | 3,334    | 3,473    | -4% | 7,407    | 6,260    |
| New Business Premium (Indl + Group)        | 8,496    | 7,914    | 7%  | 17,239   | 14,971   |
| Renewal Premium (Indl + Group)             | 7,549    | 6,177    | 22% | 15,468   | 14,215   |
| Total Premium                              | 16,045   | 14,091   | 14% | 32,707   | 29,186   |
| Assets Under Management                    | 1,50,622 | 1,31,012 | 15% | 1,27,226 | 1,25,552 |
| Networth (1)                               | 7,787    | 6,396    | 22% | 6,992    | 5,659    |
| Profit After Tax                           | 777      | 733      | 6%  | 1,295    | 1,277    |

|                                    |        |        |      |        |        |
|------------------------------------|--------|--------|------|--------|--------|
| Indian Embedded Value              | 23,332 | 20,124 | 16%  | 20,650 | 18,301 |
| Value of new business              | 838    | 957    | -12% | 1,919  | 1,537  |
| Protection based on Individual APE | 241    | 175    | 38%  | 466    | 351    |
| Protection based on APE            | 404    | 580    | -30% | 1,270  | 1,045  |

|                                                                                | H1 FY21      | H1 FY20     | FY20         | FY19         |
|--------------------------------------------------------------------------------|--------------|-------------|--------------|--------------|
| <b>Key Financial Ratios</b>                                                    |              |             |              |              |
| New Business Margins                                                           | 25.1%        | 27.5%       | 25.9%        | 24.6%        |
| Operating Return on EV                                                         | 17.6%        | 19.6%       | 18.1%        | 20.1%        |
| Operating Expenses / Total Premium                                             | 11.1%        | 14.0%       | 13.1%        | 13.1%        |
| Solvency Ratio                                                                 | 203%         | 192%        | 184%         | 188%         |
| 13M / 61M Persistency (2)                                                      | 88%/53%      | 86%/53%     | 88%/54%      | 84%/51%      |
| Product mix by Indl APE (UL / Par / Non par savings / Term & Health / Annuity) | 23/33/30/9/5 | 26/9/54/6/4 | 28/19/41/8/4 | 55/18/15/7/5 |
| Distribution mix by Indl APE (Corp Agents/ Agency/ Broker/ Direct)             | 60/13/6/21   | 54/15/10/21 | 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 half year ending September 30, 2020:**

- **Private Market Share:** Ranked #2 in terms of Individual WRP with market share expanding by 235 bps from 15.2% to 17.5%. Our private market share within the group and overall new business segment stood at 27.4% and 23.3% respectively
- **Product Portfolio:** We continue to maintain a balanced product mix with share of participating savings, non participating savings, ULIPs, protection and annuity accounting for 33%, 30%, 23%, 9% and 5% of Individual APE respectively. Our focus on the protection segment resulted in 38% growth in the individual segment
- **Distribution Mix:** Our diversified distribution mix is evidenced by the wide spectrum of 300+ partners, including more than 50 new-ecosystem partners. This is supplemented by 420 branches across the country
- **Assets Under Management:** As on September 30, 2020, our AUM was Rs. 1.5 lakh Cr. (Debt:Equity mix – 67:33); about 97% of debt investments were in G-Secs and AAA bonds as on September 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
- **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 September 30, 2020, the Company had 36 individual and 13 group products in its portfolio, along with 7 optional rider benefits, catering to a diverse range of customer needs.

HDFC Life continues to benefit from its increased presence across the country having a wide reach with 420 branches and additional distribution touch-points through several new tie-ups and partnerships. The count of our partnerships is in excess of 300, comprising traditional partners such as NBFCs, MFIs and SFBs, and includes more than 50 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 have any liability (in negligence or otherwise) for any loss howsoever arising from any use of this press release or its contents or otherwise arising in connection. Further, nothing in this press release should be construed as constituting legal, business, tax or financial advice or a recommendation regarding the securities. Although Company believes that such forward-looking statements are based on reasonable assumptions, it can give no assurance that such expectations will be met. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of Company's management on*

*future events. Forecasts and hypothetical examples are subject to uncertainty and contingencies outside Company's control. Past performance is not a reliable indication of future performance.*

*Before acting on any information you should consider the appropriateness of the information having regard to these matters, and in particular, you should seek independent financial advice.*

# HDFC Life Insurance

Investor Presentation – H1 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

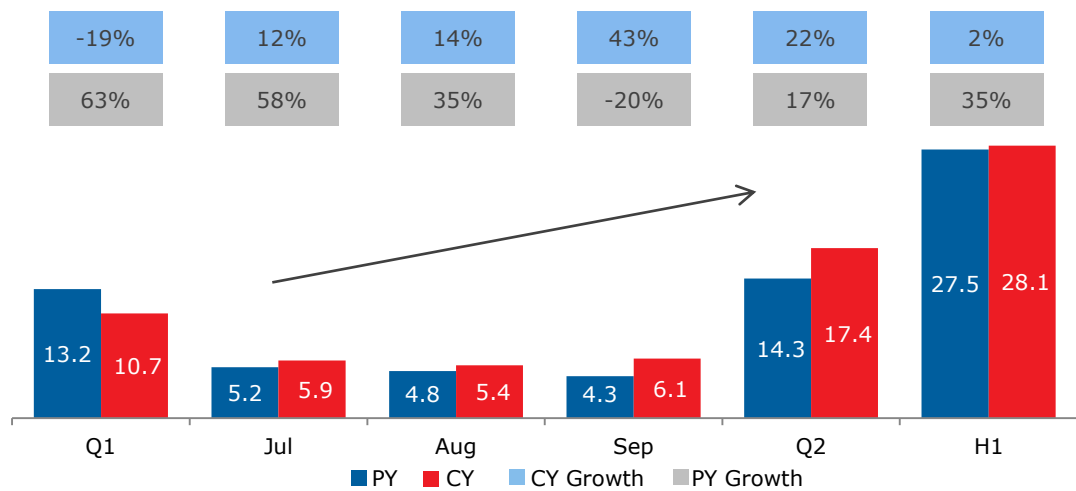
# Executive summary: H1 FY21

|                                        |                                                                                                                                                                                                                                                                    |
|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Revenue growth and Market share</b> | <ul style="list-style-type: none"><li>▪ Expansion in market share<sup>1</sup> by 235 bps from 15.2% to 17.5%</li><li>▪ Individual WRP growth of 22% in Q2 helped neutralize the Q1 de-growth. 2% growth in H1 FY21 v/s private industry de-growth of 11%</li></ul> |
| <b>Product mix</b>                     | <ul style="list-style-type: none"><li>▪ Balanced product mix<sup>2</sup> (UL: 23%, Par: 33%, Non-par savings: 30%, Protection: 9%, Annuity: 5%)</li><li>▪ 38% growth in retail protection and annuity as well</li></ul>                                            |
| <b>Renewal collection</b>              | <ul style="list-style-type: none"><li>▪ Renewal premium growth of 22% with stable 13<sup>th</sup> month persistency</li></ul>                                                                                                                                      |
| <b>Cost management</b>                 | <ul style="list-style-type: none"><li>▪ Opex ratio at 11.1% for H1 FY21 compared to 14.0% in H1 FY20</li></ul>                                                                                                                                                     |
| <b>New business margins</b>            | <ul style="list-style-type: none"><li>▪ Improvement in sequential new business margins</li><li>▪ H1 NBM of 25.1%, on the back of higher growth and favourable product mix</li></ul>                                                                                |
| <b>Profit after tax</b>                | <ul style="list-style-type: none"><li>▪ PAT of Rs 7.8 bn, with growth of 6%</li></ul>                                                                                                                                                                              |
| <b>Capital position</b>                | <ul style="list-style-type: none"><li>▪ Solvency ratio healthy at 203% aided by a sub-debt raise of Rs 6 bn during the quarter</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

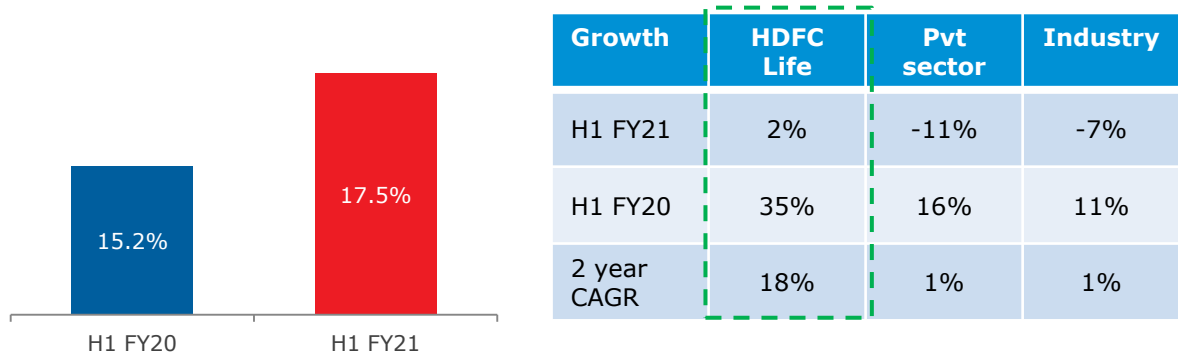
# Demonstrating resilience in the current environment (1/2)

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



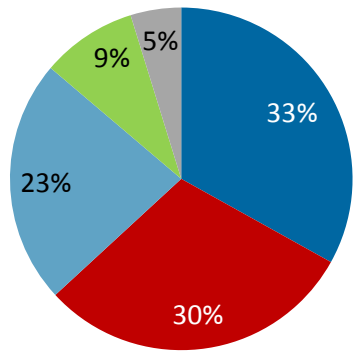
## Expanding market share<sup>1</sup>

Rs Bn.



## Balanced product mix

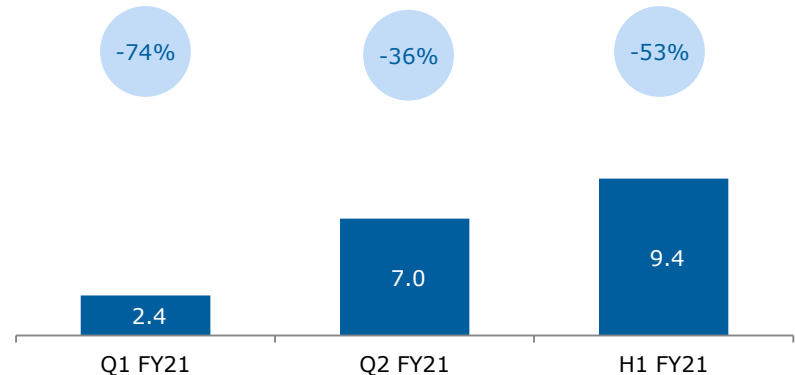
### Individual APE



- 38% growth in retail protection
- 38% growth in annuity (incl. group annuity)

## Improvement in CP volumes with pickup in disbursements

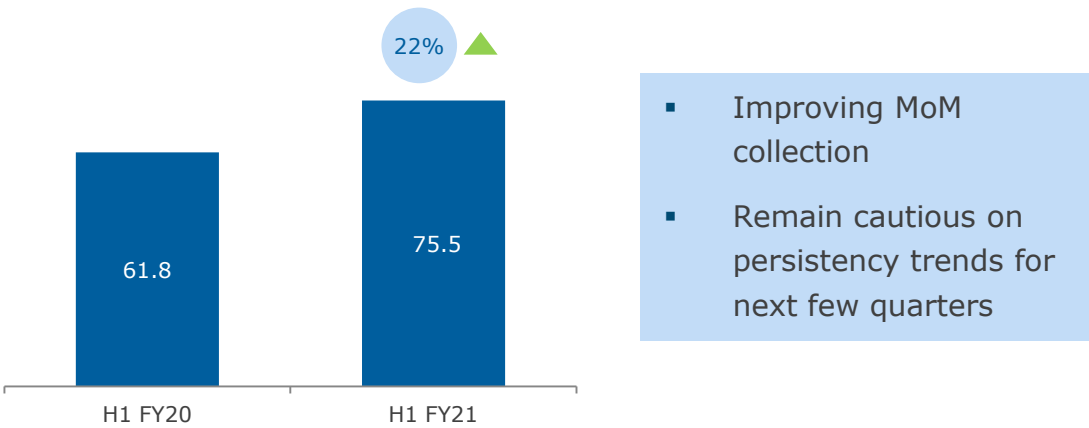
### Credit Protect<sup>2</sup>



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

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

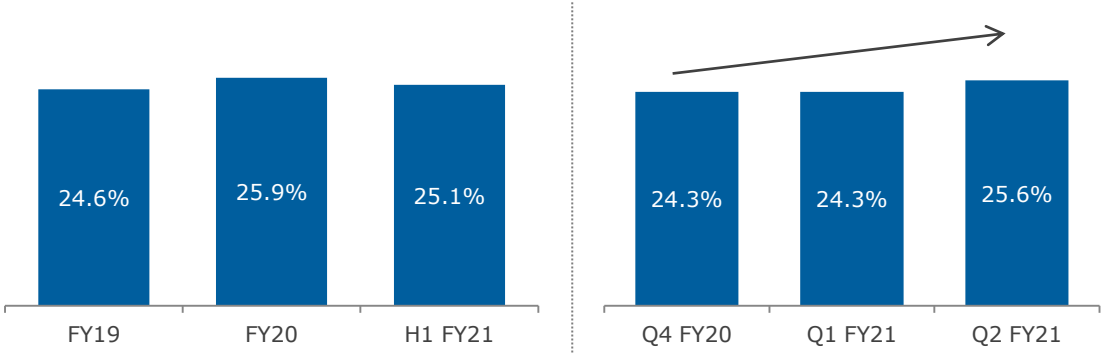
## Strong growth in renewal premium



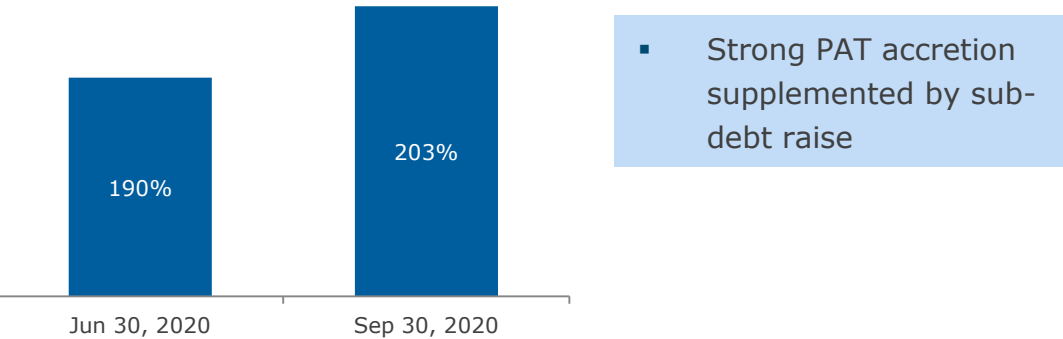
## Stable profitable growth

Rs Bn.

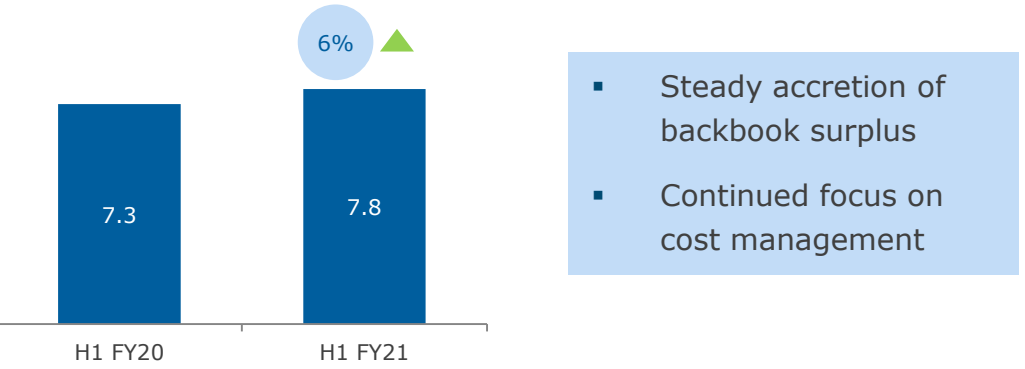
### New Business Margins (NBM)



## Healthy solvency position



### Profit after tax(PAT)



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

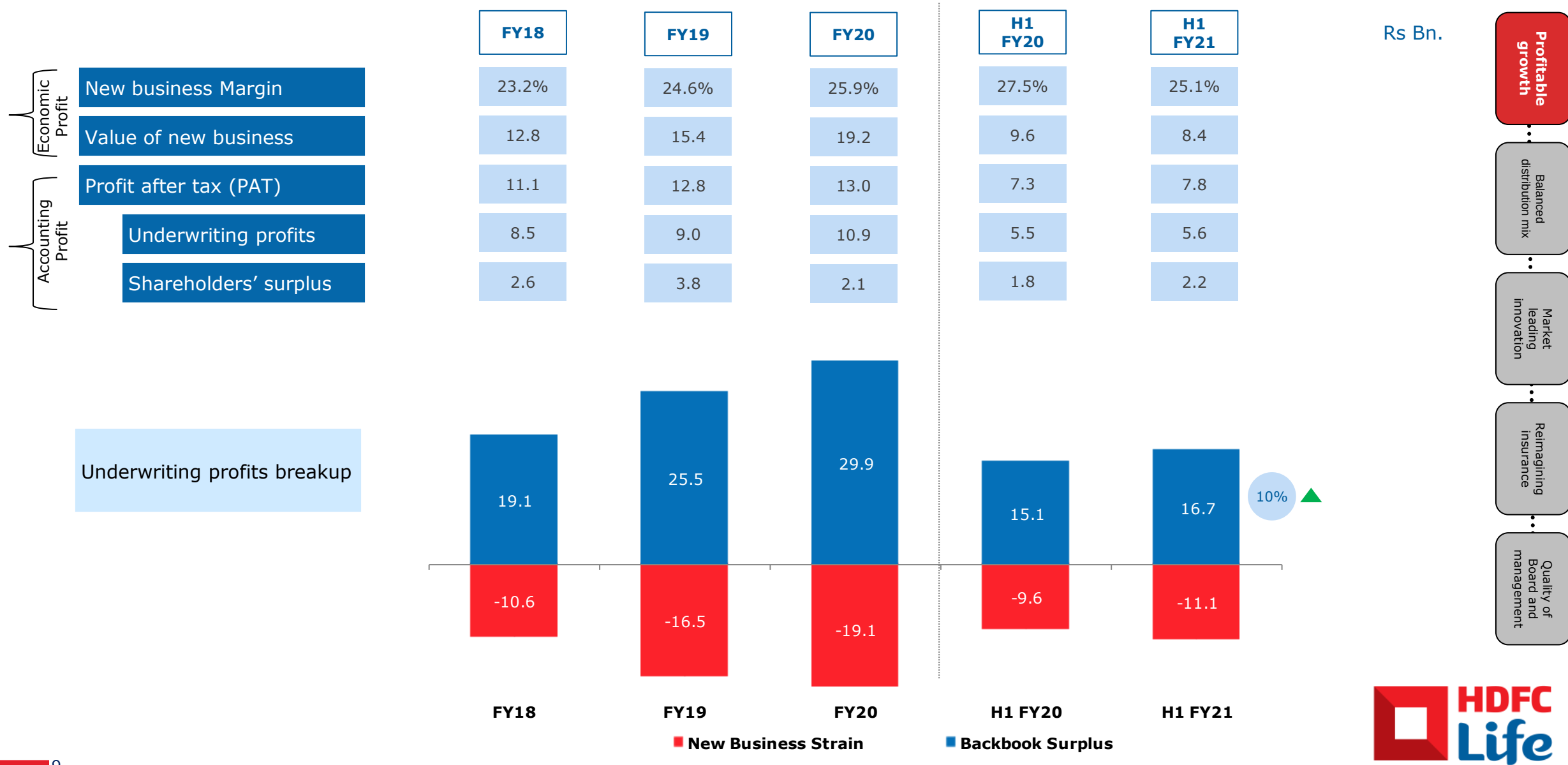


## Quality of Board and management

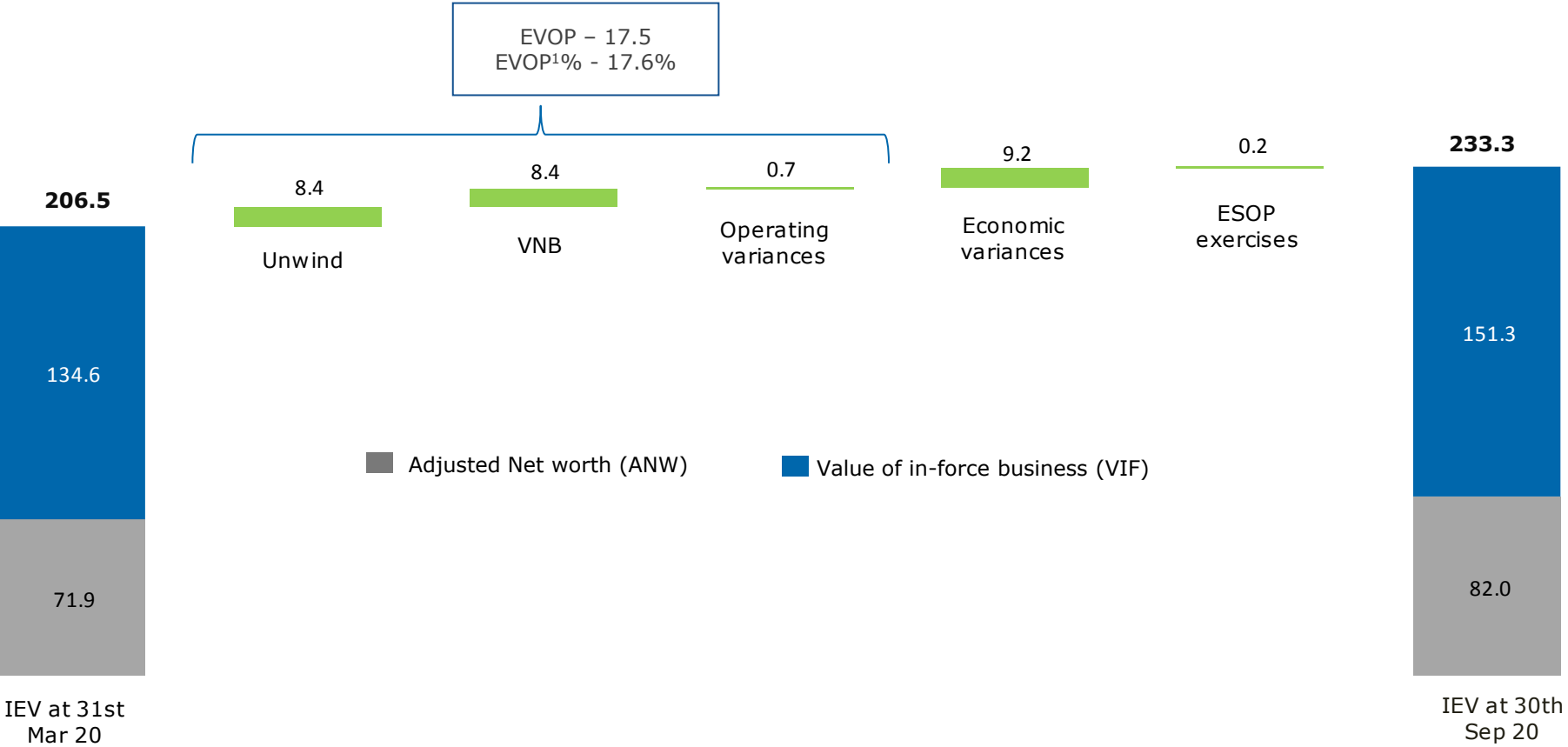
Seasoned leadership guided by an independent and competent Board; No secondees from group companies

**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>

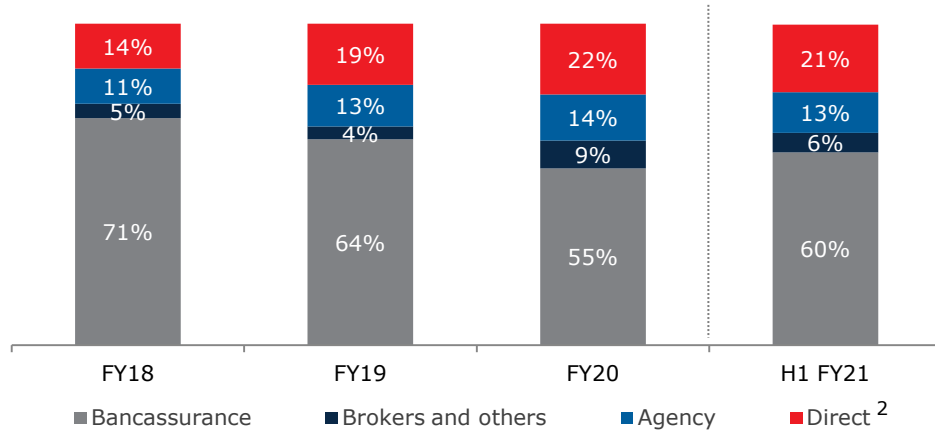


- Operating experience continue to be positive and in line with our assumptions
- Covid reserve seems adequate considering mortality trends observed till date; to be reviewed from time to time

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

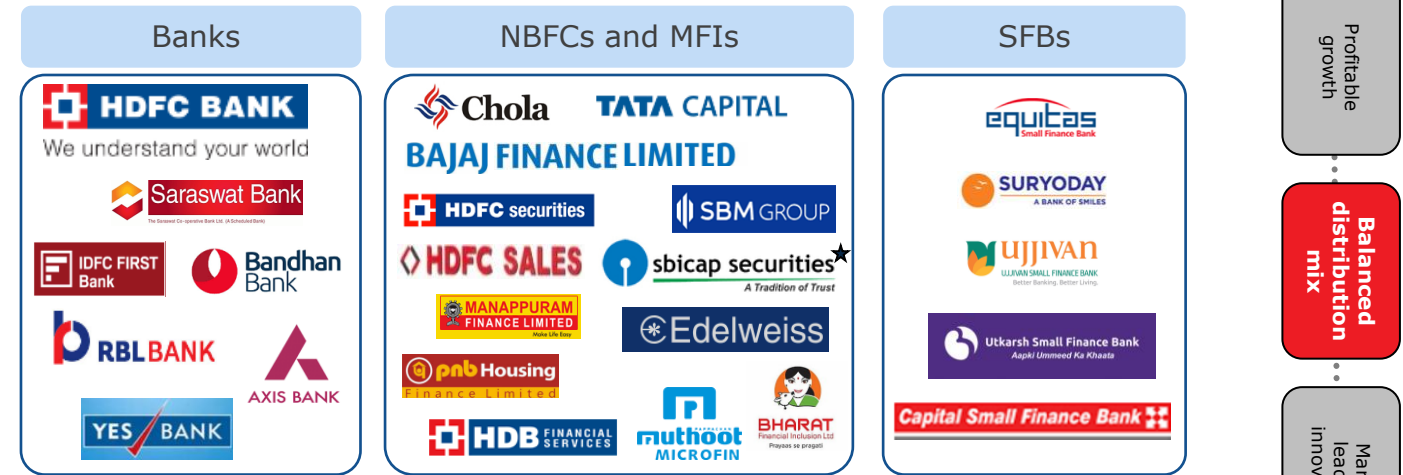
# Diversified distribution mix

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

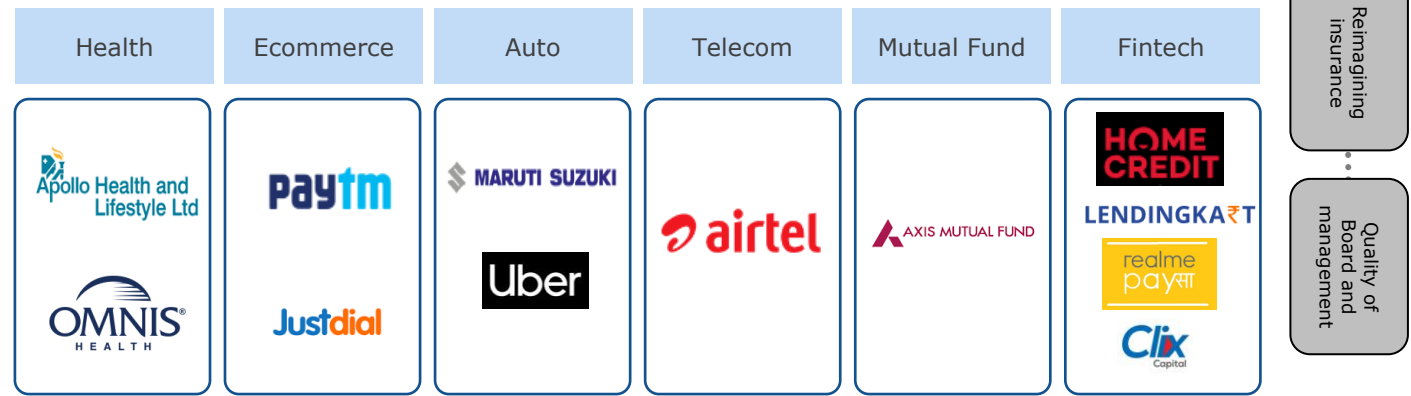


- Strong growth in the bancassurance and online channels, pickup in agency channel in Q2
- Expanding share of business from customers < 30 yrs indicating increasing awareness and early adoption of life insurance
- Maintained leadership position in Broker channel

## Strong and diversified network of 250+ traditional partners



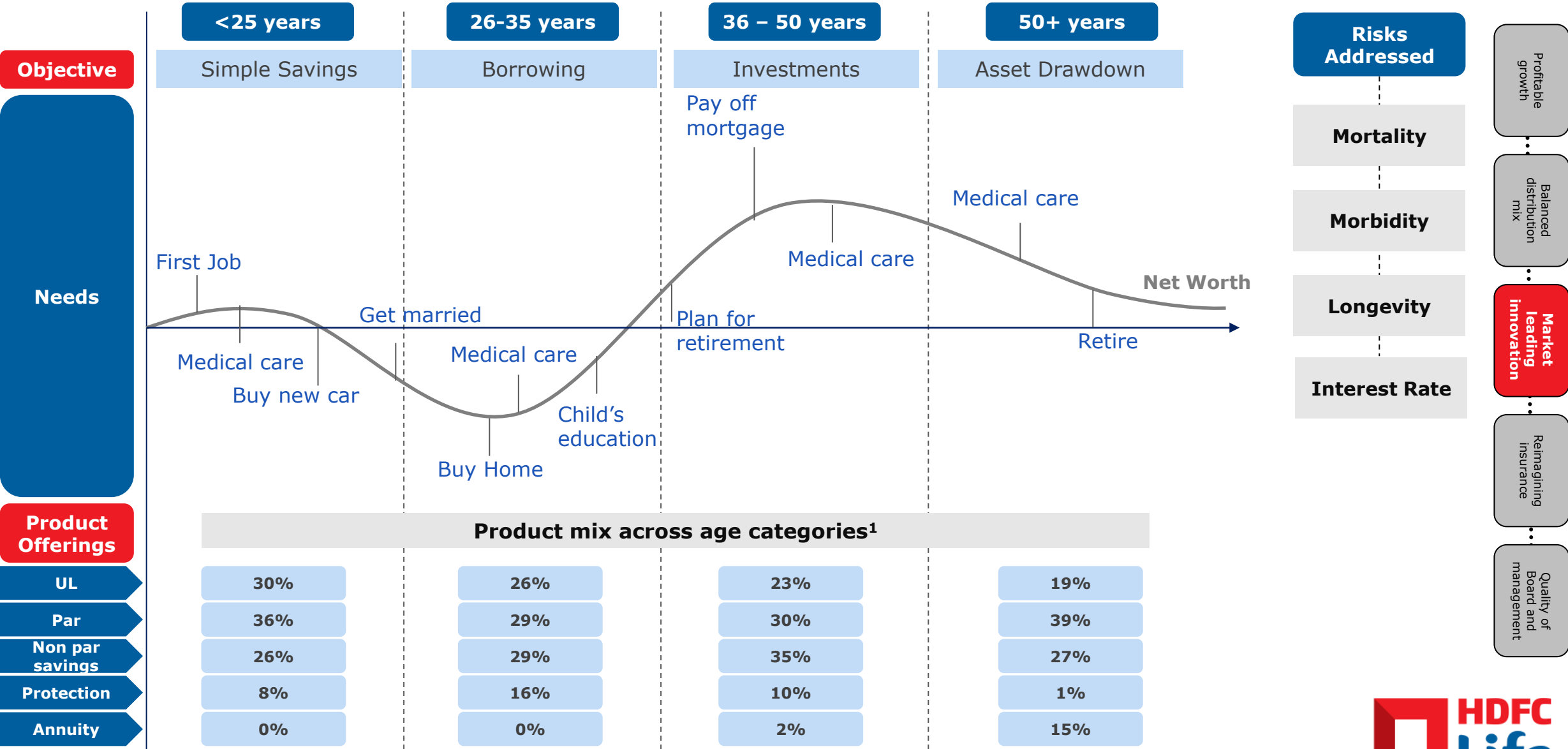
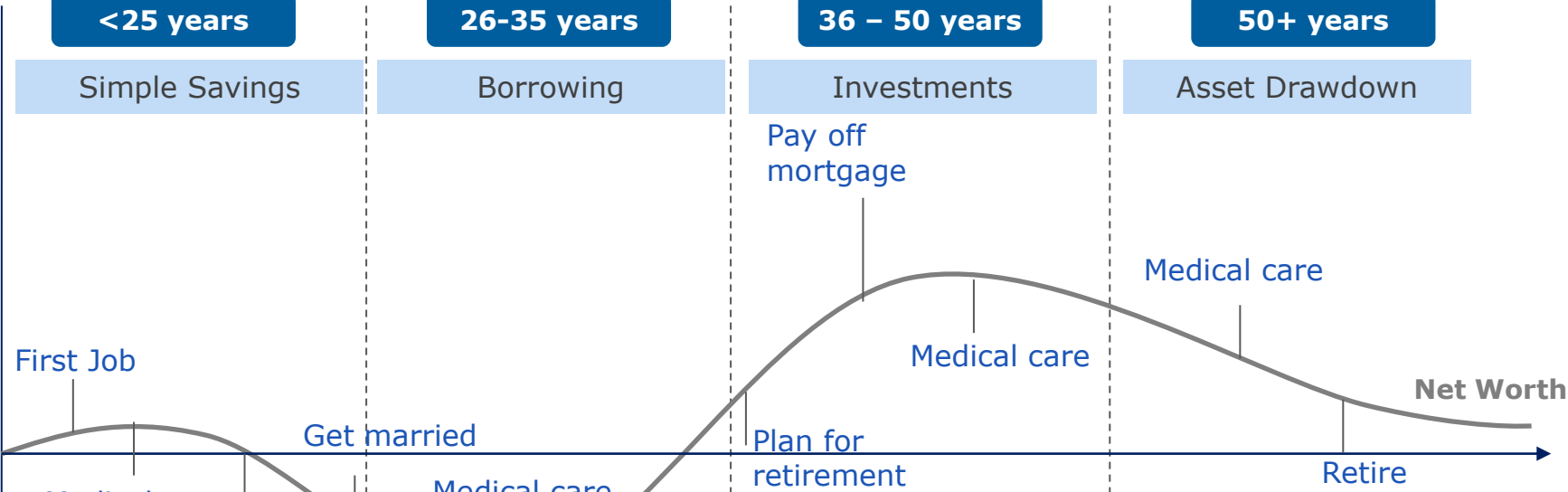
## Developing alternative channels of distribution: 50+ partnerships in emerging eco-systems



1. Basis Individual APE; 2. Direct includes online channel

★ Tie-up in Q3 (Oct'20)

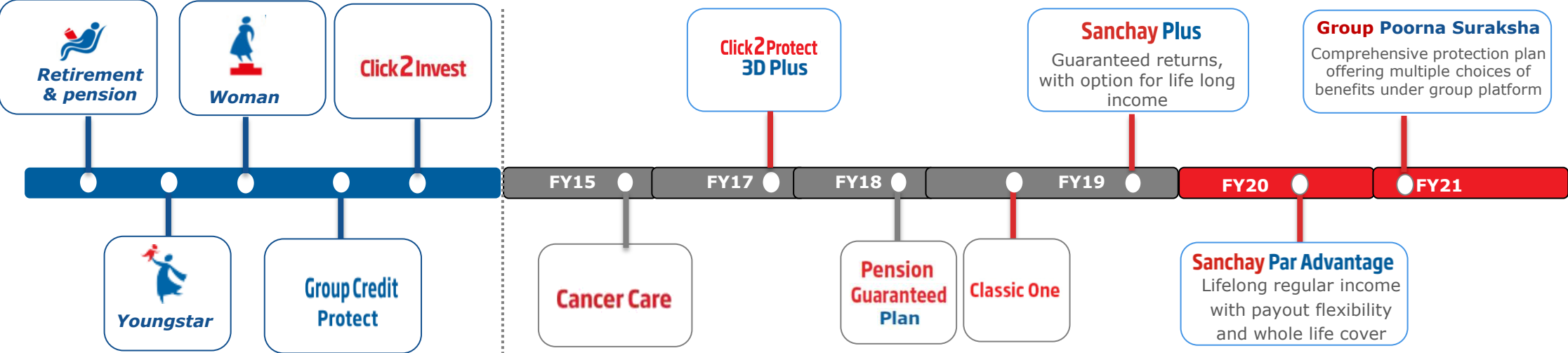
# Addressing customer needs at every stage of life



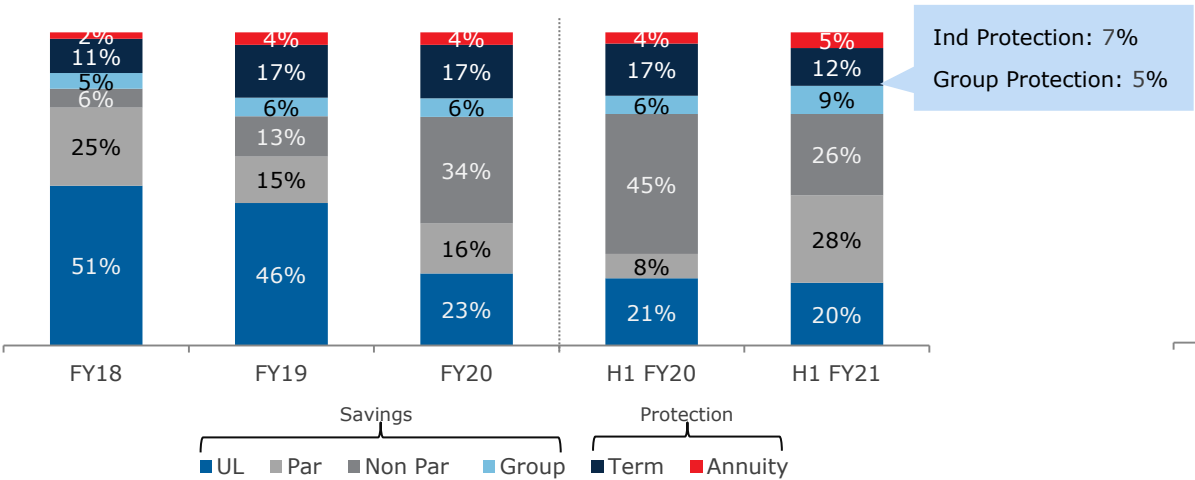
| Product mix across age categories <sup>1</sup> |     |     |     |
|------------------------------------------------|-----|-----|-----|
| 30%                                            | 26% | 23% | 19% |
| 36%                                            | 29% | 30% | 39% |
| 26%                                            | 29% | 35% | 27% |
| 8%                                             | 16% | 10% | 1%  |
| 0%                                             | 0%  | 2%  | 15% |

1. Based on Individual WRP for H1 FY21

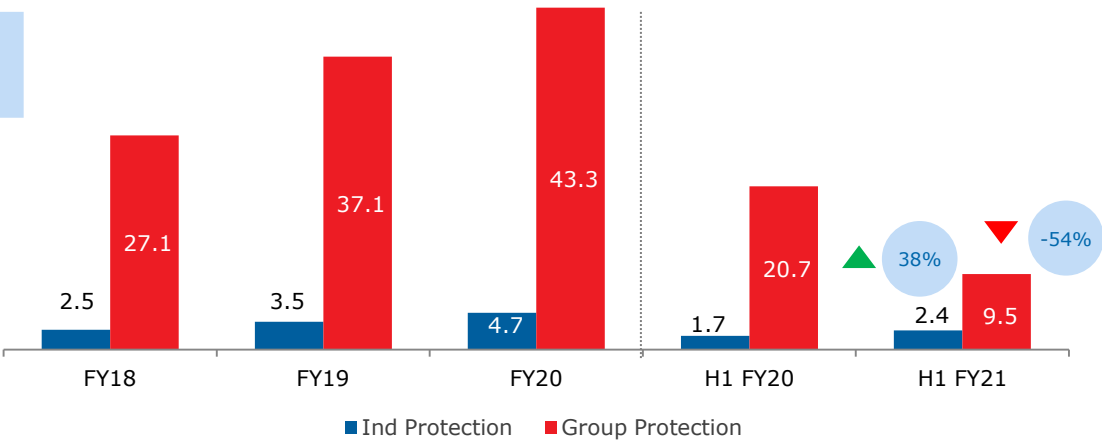
# Expanding market through consistent product innovation



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. Group protection includes Credit protect, GTI and Group Health

# Our approach to retiral solutions

## Opportunity to grow the retiral corpus<sup>1</sup> by 3x between FY20-25

### 1. NPS



- Ranked #1 amongst private owned Pension Fund Managers in terms of AUM
- Registered strong AUM growth of 70% in H1 FY21

### 3. Immediate / deferred annuity



- Largest player in the private sector
- Servicing 100+ corporates and >16,000 lives covered in H1 FY21

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



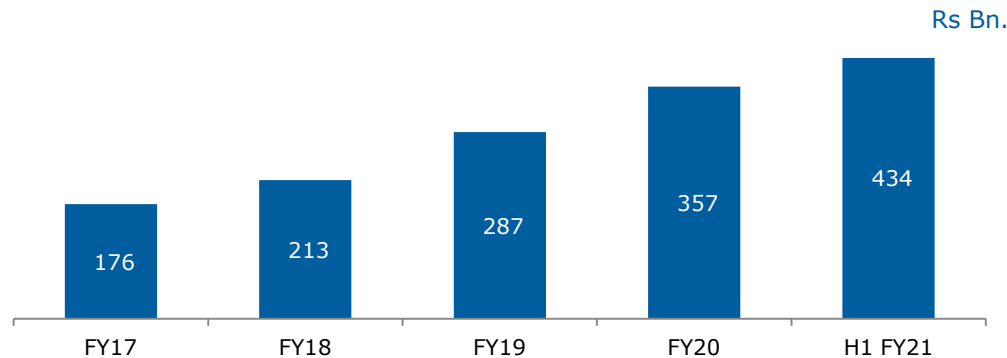
- Providing long term retiral solutions
- Catering across age brackets & premium frequencies

### 4. Group superannuation fund



- Managing funds for about 150+ corporates under superannuation scheme

## Increasing retiral corpus<sup>1</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

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

| Banca <sup>2</sup> | Segment         | FY18 | FY19 | FY20 | H1 FY21 |
|--------------------|-----------------|------|------|------|---------|
|                    | UL              | 64%  | 64%  | 32%  | 27%     |
|                    | Par             | 25%  | 13%  | 18%  | 36%     |
|                    | Non par savings | 8%   | 17%  | 44%  | 30%     |
|                    | Term            | 3%   | 4%   | 4%   | 5%      |
|                    | Annuity         | 1%   | 3%   | 2%   | 2%      |

| Direct | Segment         | FY18 | FY19 | FY20 | H1 FY21 |
|--------|-----------------|------|------|------|---------|
|        | UL              | 58%  | 50%  | 33%  | 23%     |
|        | Par             | 17%  | 8%   | 14%  | 15%     |
|        | Non par savings | 9%   | 12%  | 20%  | 13%     |
|        | Term            | 5%   | 6%   | 4%   | 4%      |
|        | Annuity         | 11%  | 24%  | 29%  | 44%     |

| Agency | Segment         | FY18 | FY19 | FY20 | H1 FY21 |
|--------|-----------------|------|------|------|---------|
|        | UL              | 33%  | 26%  | 12%  | 9%      |
|        | Par             | 48%  | 40%  | 34%  | 37%     |
|        | Non par savings | 5%   | 17%  | 40%  | 35%     |
|        | Term            | 11%  | 12%  | 12%  | 15%     |
|        | Annuity         | 3%   | 5%   | 3%   | 3%      |

| Online <sup>3</sup> | Segment         | FY18 | FY19 | FY20 | H1 FY21 |
|---------------------|-----------------|------|------|------|---------|
|                     | UL              | 57%  | 62%  | 44%  | 35%     |
|                     | Par             | 1%   | 2%   | 1%   | 1%      |
|                     | Non par savings | 0%   | 1%   | 18%  | 27%     |
|                     | Term            | 42%  | 35%  | 37%  | 36%     |
|                     | Annuity         | 0%   | 1%   | 1%   | 1%      |

| Company | Segment         | FY18 | FY19 | FY20 | H1 FY21 |
|---------|-----------------|------|------|------|---------|
|         | UL              | 57%  | 55%  | 28%  | 23%     |
|         | Par             | 28%  | 18%  | 19%  | 33%     |
|         | Non par savings | 7%   | 15%  | 41%  | 30%     |
|         | Term            | 5%   | 7%   | 8%   | 9%      |
|         | Annuity         | 2%   | 5%   | 4%   | 5%      |

| Protection | Total APE    | FY18       | FY19       | FY20       | H1 FY21    |
|------------|--------------|------------|------------|------------|------------|
|            | Term         | 11%        | 17%        | 17%        | 12%        |
|            | Annuity      | 2%         | 4%         | 4%         | 5%         |
|            | <b>Total</b> | <b>13%</b> | <b>21%</b> | <b>21%</b> | <b>17%</b> |

| Total NBP    | FY18       | FY19       | FY20       | H1 FY21    |
|--------------|------------|------------|------------|------------|
| Term         | 26%        | 27%        | 27%        | 14%        |
| Annuity      | 9%         | 17%        | 16%        | 20%        |
| <b>Total</b> | <b>35%</b> | <b>44%</b> | <b>43%</b> | <b>34%</b> |

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:** ~88% of renewal via online / debit mode



Chat bot  
ELLE



WhatsApp bot  
ETTY

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

- **Robotic Process Automation:** ~250+ bots deployed



Virtual Assist for Sales & Service, current usage at ~1.6 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)

Profitable growth

Balanced distribution mix

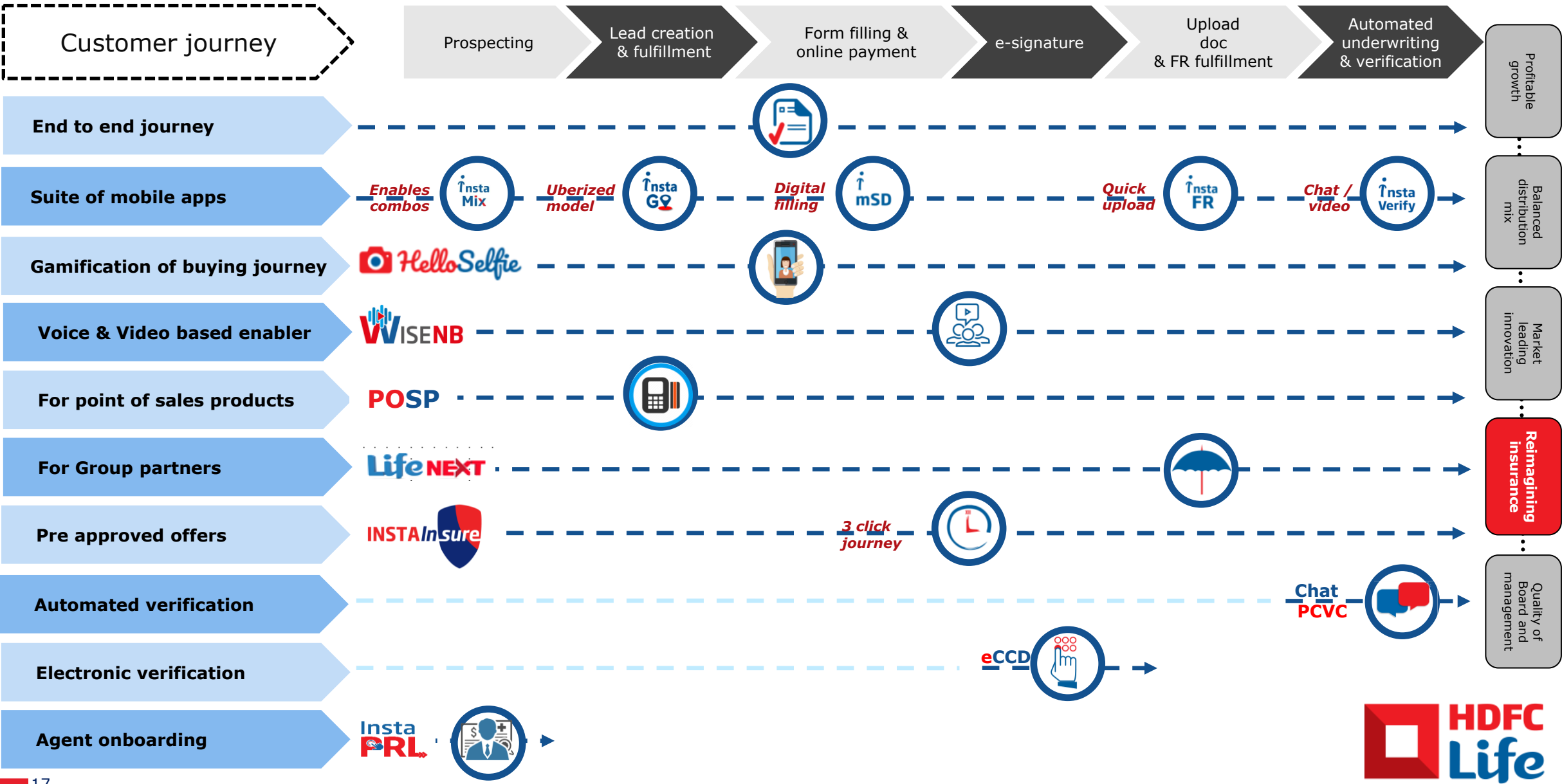
Market leading innovation

Reimagining insurance

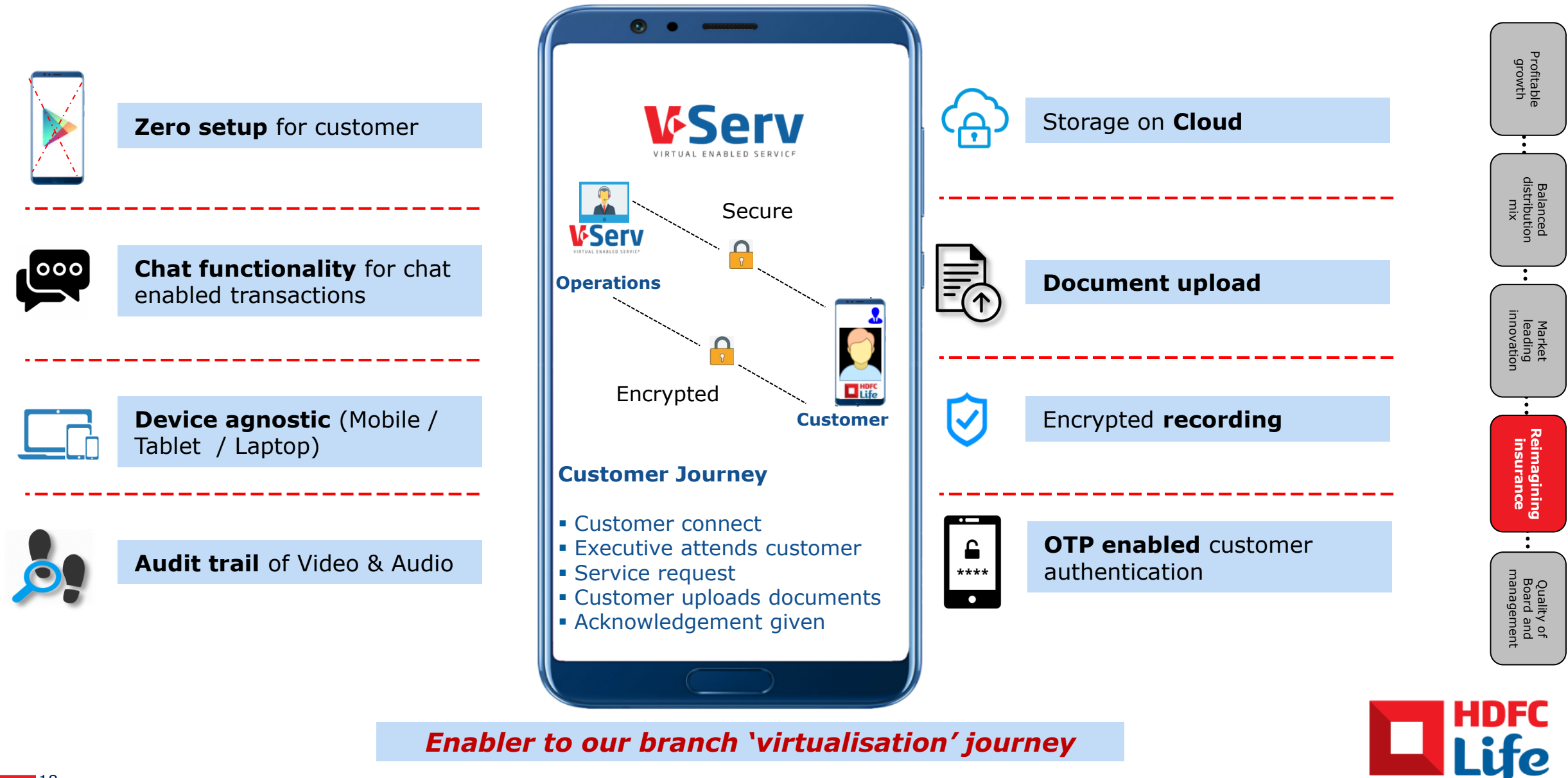
Quality of Board and management



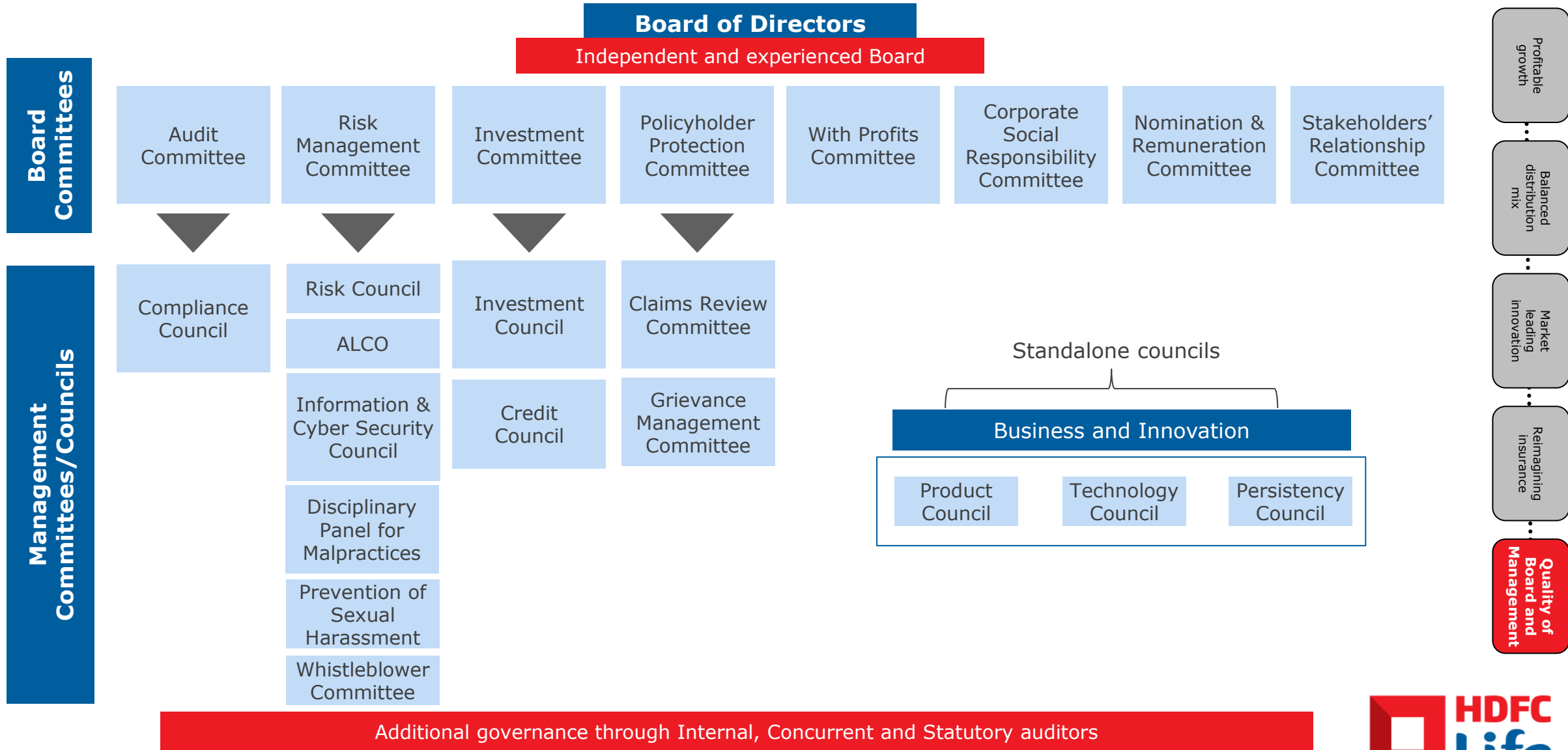
# Journey simplification - enabling digital journeys



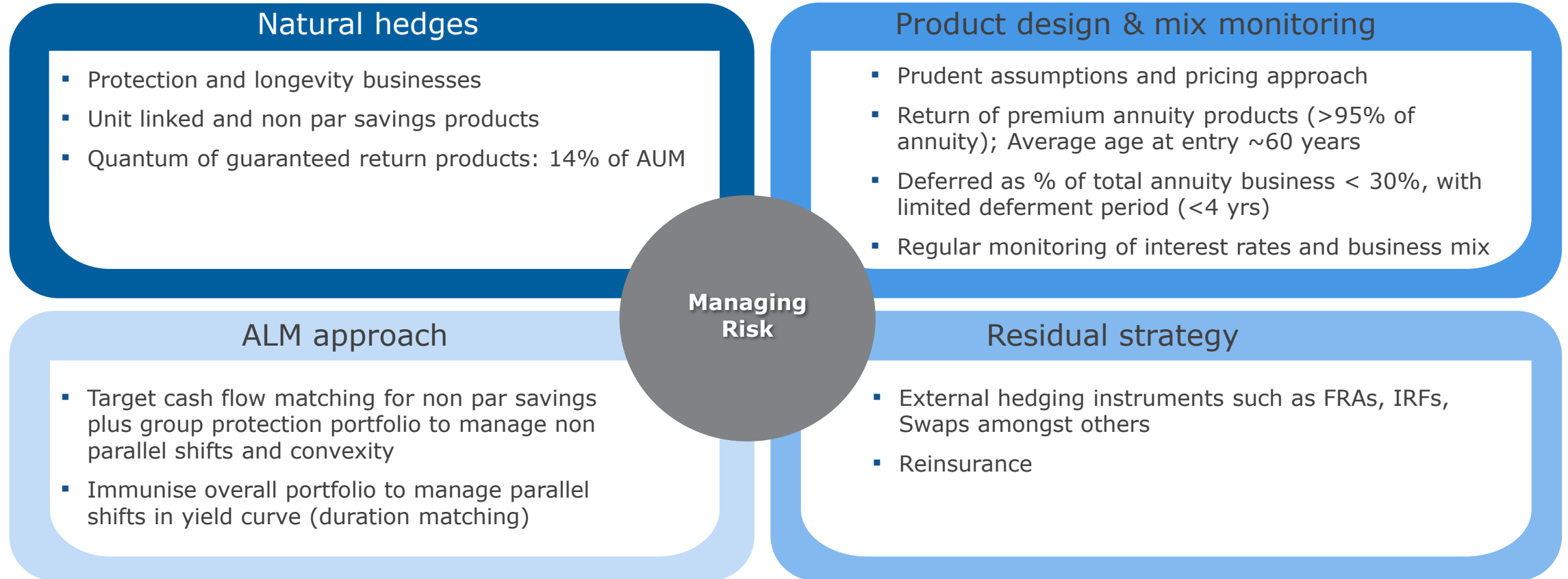
# VServ: Industry first video based 'Phy-gital' mode of service



# Governance framework



# Financial risk management framework



| FY20              |         |            |                      |            | H1 FY21 |            |                      |            |
|-------------------|---------|------------|----------------------|------------|---------|------------|----------------------|------------|
| Sensitivity       | Overall |            | Non par <sup>1</sup> |            | Overall |            | Non par <sup>1</sup> |            |
| Scenario          | EV      | VNB Margin | EV                   | VNB Margin | EV      | VNB Margin | EV                   | VNB Margin |
| Interest Rate +1% | (1.2%)  | (0.7%)     | (1.3%)               | (2.0%)     | (1.5%)  | (0.9%)     | (1.4%)               | (2.4%)     |
| Interest Rate -1% | 0.6%    | 0.2%       | 0.0%                 | 1.7%       | 0.7%    | 0.2%       | 0.2%                 | 1.3%       |

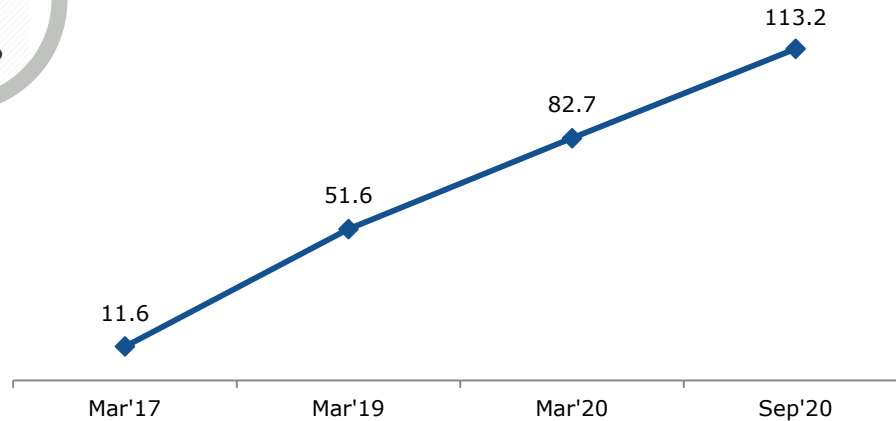
Calibrated risk management has resulted in low EV and VNB sensitivity in the Non Par segment

# 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 70% in AUM)
- Market share grew from 29% in Sep'19 to 33% in Sep'20 amongst all PFMs
- Company has over 6 lakh customers - ~3.95 lakh in retail segment and ~ 2.19 lakh in corporate segment
- POP operations commenced in FY20 with enrolling of both retail and corporate subscribers; #2 POP in Corporate NPS business



## HDFC International Life and Re



- Registered growth of 63% in gross reinsurance premium in H1 FY21
- Forayed into Kingdom of Saudi Arabia (KSA) and Qatar, both being strategically important (re)insurance markets
- Despite challenging external environment, momentum of growth trends and new opportunities remains positive
- S&P Global Ratings continues to reaffirm its long-term public insurer financial strength rating of "BBB" with "Stable" outlook

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**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 (>90% 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



### ▪ Volatility in equity markets impacting solvency: Sub-debt; balanced product mix; healthy backbook surplus



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



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



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



### ▪ Fall in interest rates: Diversified product mix, discipline in repricing new business, appropriate hedging of back book



# 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** - 43% 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



**SVAR Renewal collections** - ~88% of renewal payments (95% of policies) 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



**LifeEasy** - Simple '3 click claim' process (~99% claims settled in 1 day). Claims initiation process also enabled through Whatsapp



**RPA** - Robotic Process automation handled more than 250 processes remotely



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



## Customer interactions



**Seamless support experience** - 1.6 mn+ monthly queries handled by InstA (virtual assistant)



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



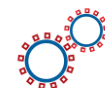
**InstaServe** - OTP based policy servicing tool to handle customer queries ★



**24\*7 self-service options** - ~90% of chats are self-serve via chat-bot



**Branches** - Daily tracking of employee and agent safety (>90% branches operational)



## Employee / Partner engagement



**e-learning platform** - 7,900+ 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 - 35,000+ applicants since launch in mid March



**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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# Customer Insights



# Customer insights – Impact of Covid-19

## Impact on LI category<sup>1,2</sup>



Insurance sees a higher pickup post unlock with customers showing a higher disposition towards the category



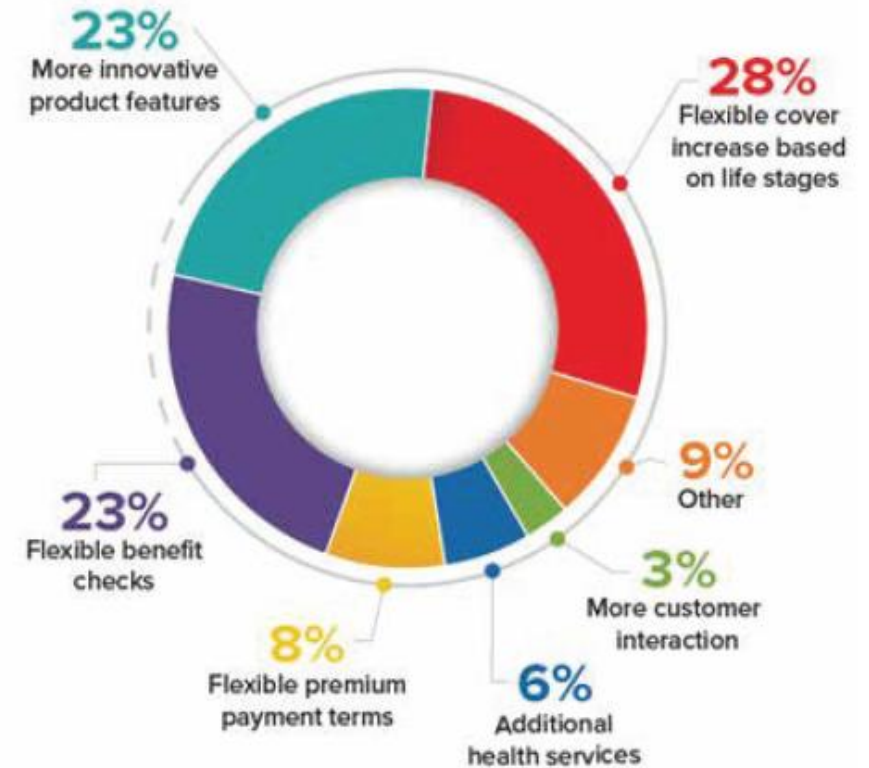
Majority of customers were more positive about the industry, driven by:

- 35% Realization of the importance of life and health insurance
- 34% Insurers' response to COVID-19 crisis
- 28% Increased awareness of personal needs and protection gaps



Digital modes of payment also continue with their increasing trend and are slated to grow further

## Evolved expectation due to Covid-19<sup>2</sup>



Innovative and flexible product features remain the most important factors in prompting a purchase

Source:

1. BCG report, Aug'20, across Indian markets
2. RGare knowledge centre, Aug'20, across Asian markets

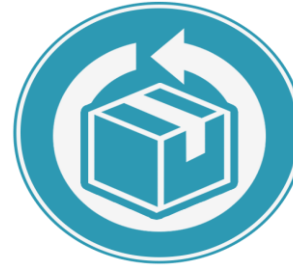
# Customer Insights – Customer Behaviour/Preferences

## 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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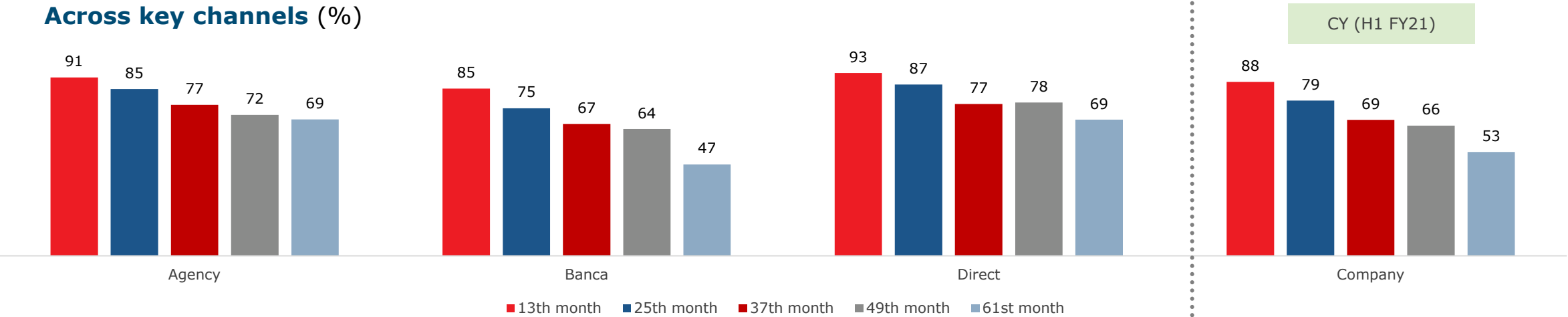
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**Annexures**

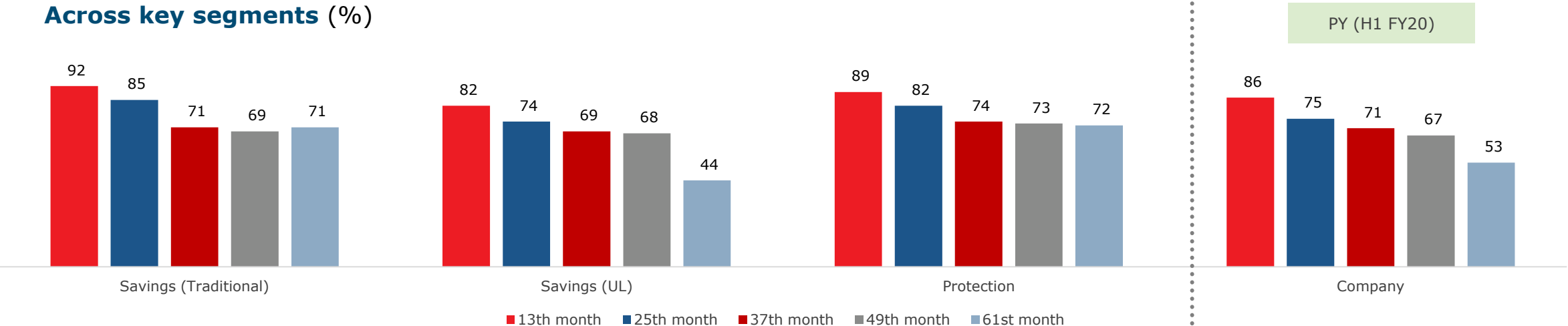


# Individual persistency for key channels and segments<sup>1</sup>

## Across key channels (%)



## Across key segments (%)



Actuarial

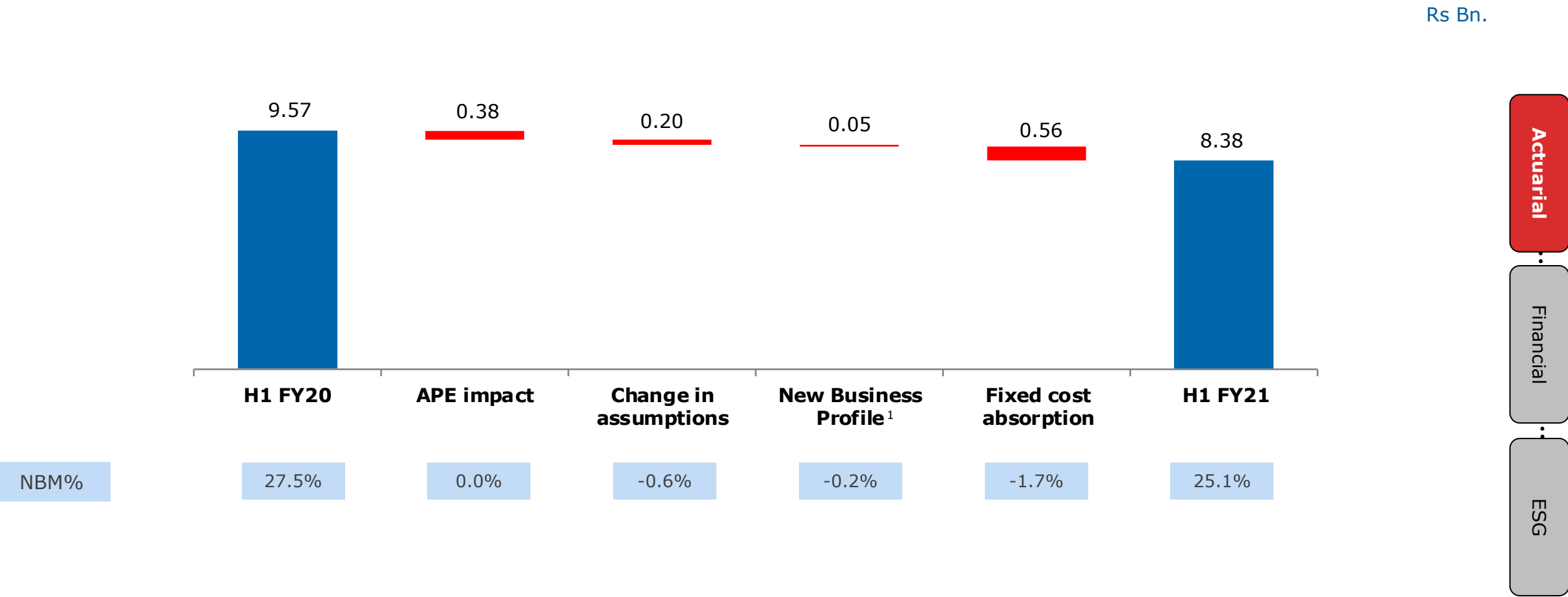
Financial

ESG



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

# VNB and NBM walkthrough



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

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

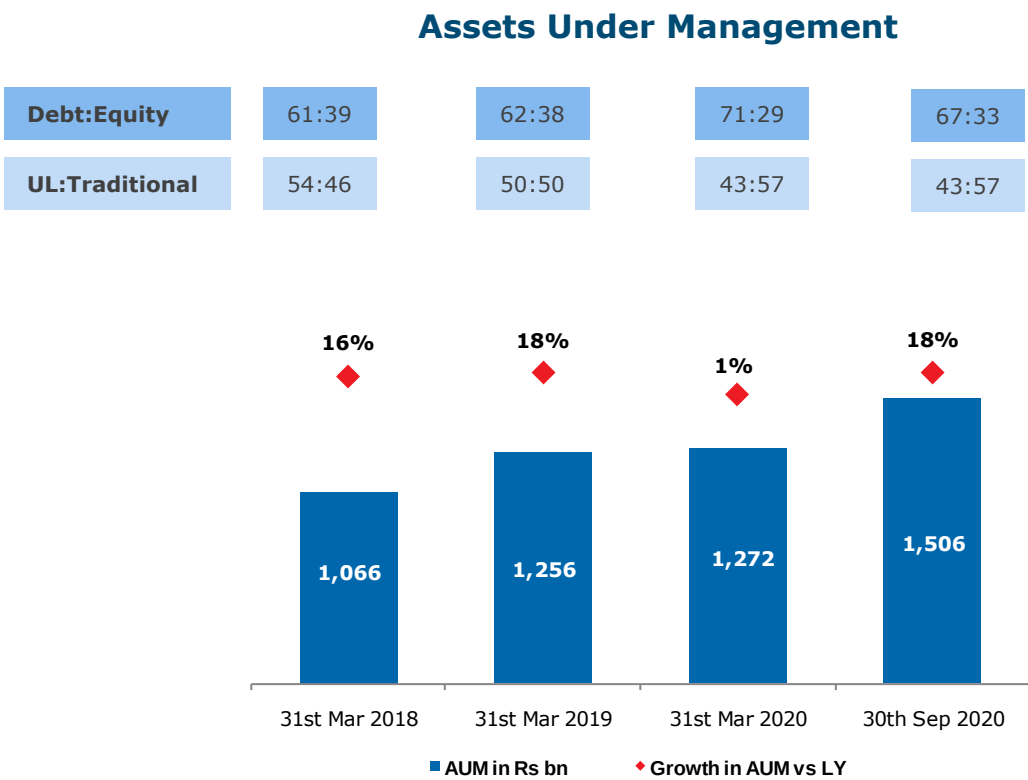
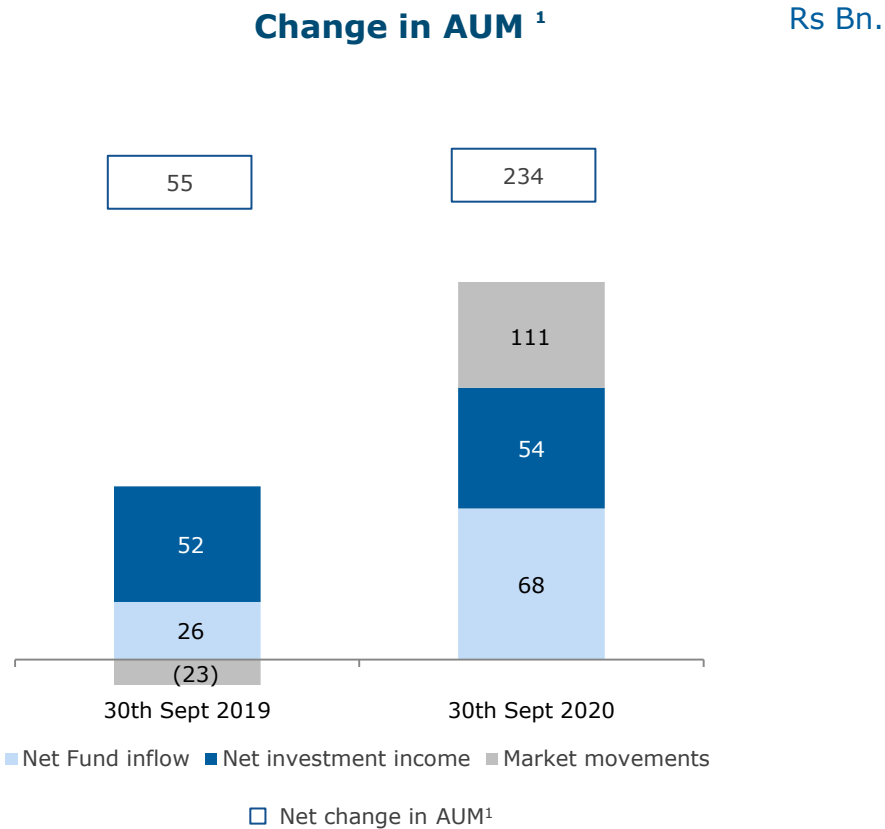
# Sensitivity analysis

| Analysis based on key metrics    | Scenario         | Change in VNB Margin <sup>1</sup> | % Change in EV |
|----------------------------------|------------------|-----------------------------------|----------------|
| <b>Change in</b>                 |                  |                                   |                |
| <b>Reference rate</b>            | Increase by 1%   | -0.9%                             | -1.5%          |
|                                  | Decrease by 1%   | 0.2%                              | 0.7%           |
| <b>Equity Market movement</b>    | Decrease by 10%  | -0.1%                             | -1.3%          |
| <b>Persistency (Lapse rates)</b> | Increase by 10%  | -0.3%                             | -0.7%          |
|                                  | Decrease by 10%  | 0.2%                              | 0.7%           |
| <b>Maintenance expenses</b>      | Increase by 10%  | -0.6%                             | -0.8%          |
|                                  | Decrease by 10%  | 0.6%                              | 0.8%           |
| <b>Acquisition Expenses</b>      | Increase by 10%  | -2.9%                             | NA             |
|                                  | Decrease by 10%  | 2.9%                              | NA             |
| <b>Mortality / Morbidity</b>     | Increase by 5%   | -0.7%                             | -0.8%          |
|                                  | Decrease by 5%   | 0.7%                              | 0.8%           |
| <b>Tax rate<sup>2</sup></b>      | Increased to 25% | -5.0%                             | -7.9%          |

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



Actuarial

Financial

ESG

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

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



# Stable capital position

|                   |
|-------------------|
| Dividend paid     |
| NB premium growth |

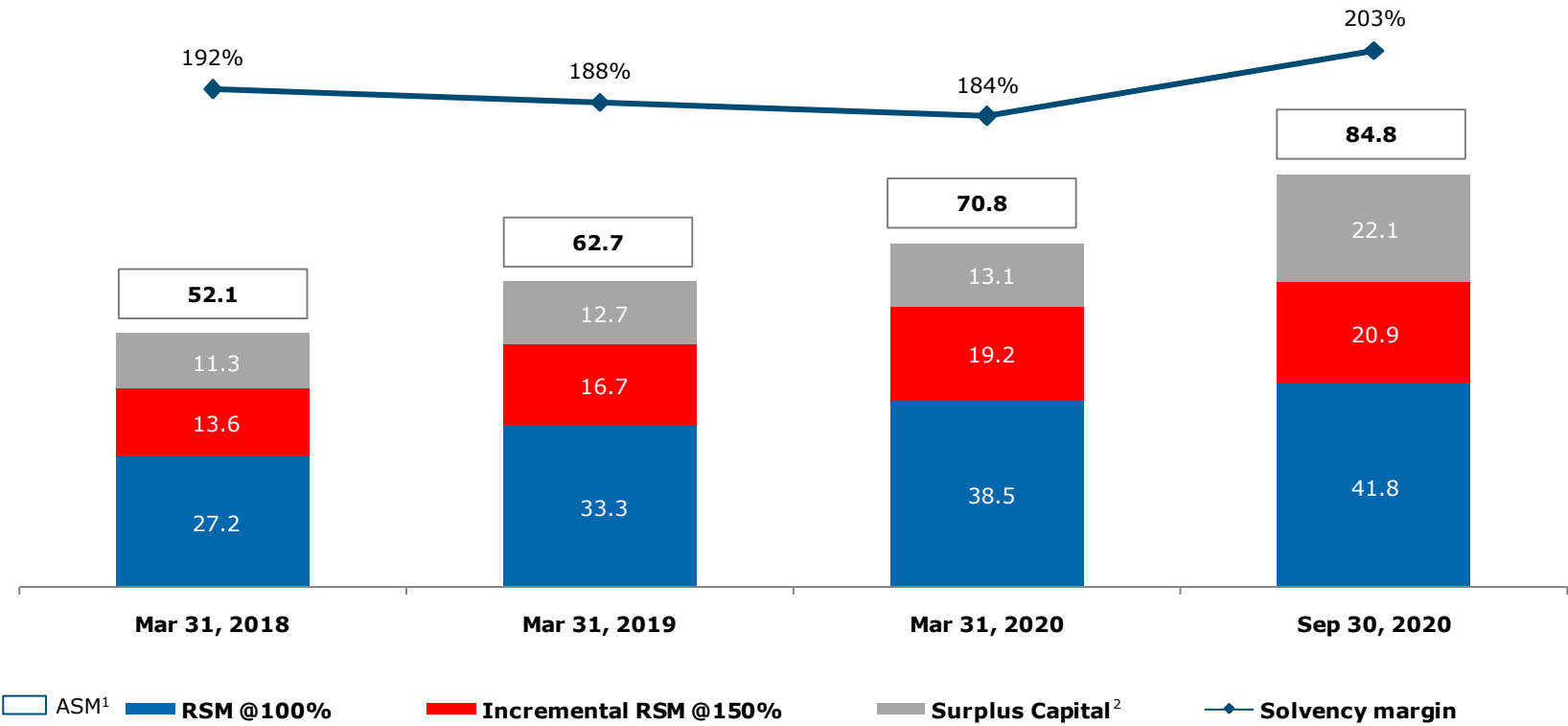
|     |
|-----|
| 3.3 |
| 32% |

|     |
|-----|
| 4.0 |
| 32% |

|     |
|-----|
| -   |
| 15% |

|    |
|----|
| -  |
| 7% |

Rs Bn.



- Actuarial
- Financial
- ESG

Sub-debt of Rs 6 bn has helped strengthen the solvency ratio, augmented by steady accretion to backbook

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

# Governance - Promoting responsible behavior

## Governance structure

- Corporate governance policy
- Board diversity policy
  - 30% women occupancy in the Board
  - Multiple nationalities and varied ethnicities
- Board evaluation and independence
  - Self-assessment of Board performance
  - 50% independent directors
  - Regulatory norm as per 'Fit and Proper'
  - Average Board experience is >30 yrs
- Board members are elected independently

## 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

## Risk Management and BCM

- Risk management policy
- Risk oversight by Senior Management & Board of Directors, via Risk Management Council and Risk Management Committee respectively
- Enterprise risk management (ERM) framework
  - 'Three Lines of Defense approach'
  - Designed and approved by the Board
- Modes of Risk awareness
  - Trainings, Workshops, E-mailers, Seminars, Conferences, Quizzes and Special awareness Drives
- Sensitivity analysis and stress testing
- Business Continuity Management(BCM)
  - Creation of a recovery plan for critical business activities of a function or process

## Compensation Framework

- Remuneration policy recommended by Nomination and Remuneration Committee
- Performance Management System based on the principles of balanced scorecard
- Detailed disclosure of managerial remuneration in the annual report

## 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

Actuarial

Financial

ESG

# Social initiatives - Culture of care and giving

## Inclusive growth

- **Swabhimaan**, the Corporate Social Responsibility wing is aligned with the UN Sustainable Development Goals (SDGs) with focus on Education, Health, Environment, Livelihood & Disaster Relief
  - FY 2020-21: 20+ CSR projects
  - FY 2019-20: 22 CSR projects across 25 states and 3 UTs impacting >280K beneficiaries in India
- **Financial Inclusion**: Insured >40 million lives through microfinance institutions in FY20
- **COVID-19 Response**:
  - Contribution to PM Cares Fund
  - Medical supplies, nutritional meals for frontline healthcare workers
  - Distribution of Happiness Box consisting of immunity boosting supplements, hygiene support material and educational workbooks for underprivileged school children

## Customer centricity

- Improve lives with products designed to suit the different life stage needs
- Focus on leveraging technology to simplify life insurance for customers through their journey across 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
- Overachieved on Voice of Customers (VOC) study in FY20

Actuarial

Financial

ESG

# Social initiatives – Human Capital Development

## Attracting talent

- Virtual hiring and on-boarding process without compromising on quality
- Robust employee referral schemes (>50% of the hiring through referrals)
- Flexi job program and flexi hours to promote WFH, attract gig workers
- Hire-train-deploy model through tie-up with reputed learning institutions

## Employee engagement

- Online yoga, mindfulness / meditation sessions, fitness challenges (Walkathon, Fit by Bit)
- Emotional and mental well being assistance program for employees
- Engagement programs for employees and their families
- Carpool app as a green initiative to provide safe transport for employees dependent on public transport
- Strong Reward and Recognition framework

## Talent management/retention

- Fast track growth path for special categories of employees - Management Trainees & Graduate Trainees, etc.
- Potential review and talent development interventions for leadership
- Robust, transparent and objective performance management system
- Career microsite, job portal to educate employees on career opportunities within the company
- Higher increments, bonuses for those exceeding expectations
- Long term incentive plans in the form of ESOPs and Cash to attract, retain and motivate good talent
- Elaborate succession planning for Key Managerial Personnel, critical senior roles

## Focus on training and development

- Mandatory and optional learning programs for employees, contractors, channel partners
- Mobile learning app for self-paced learning
- Virtual training of employees during Covid
- Access to curated online training programs from reputed universities
- Career coaching and development interventions for high potential talent

## Employee diversity

- Actively promoting diversity and inclusion
- 24% women employees (creche facility, maternity transition program)
- Promoting diverse talent pool (work profiles designed for second career women, freelancers, specially-abled)
- LGBTQ - friendly organisation

Actuarial

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# Environmental initiatives - Creating a better environment

## Energy and Water

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

## Digitization

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

## Waste Management

- Segregation and proper disposal of waste - dry and wet
- No single-use plastics
  - Use of bio-degradable garbage bags
  - Cafeteria 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

## 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

## Business Travel

- 40+ video conferencing rooms setup to reduce travel

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India Life Insurance

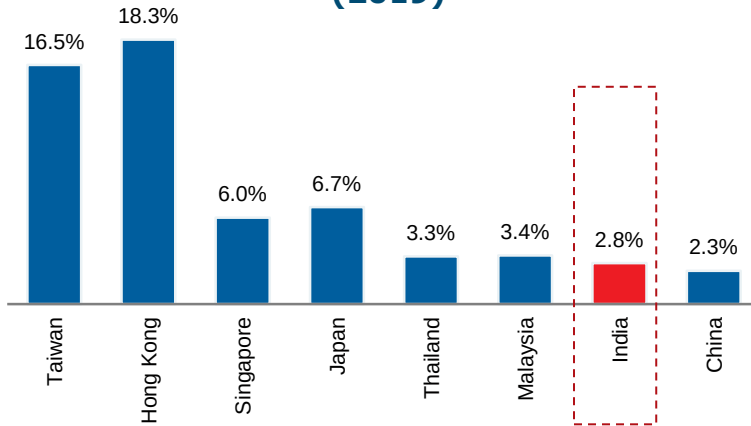
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India Life Insurance

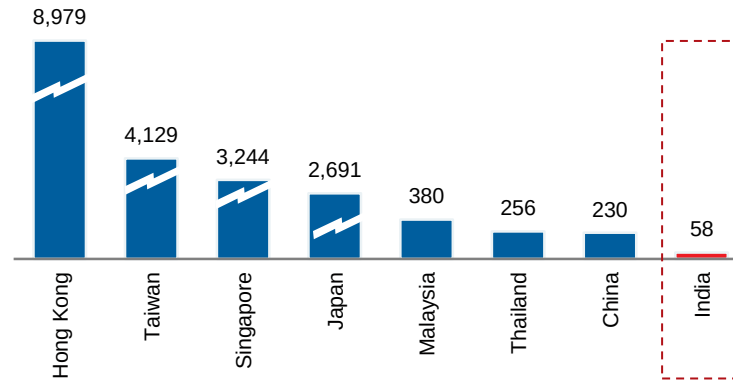
Life  
Insurance

# Growth opportunity: Under-penetration and favourable demographics

**Life Insurance penetration <sup>1</sup>  
(2019)**

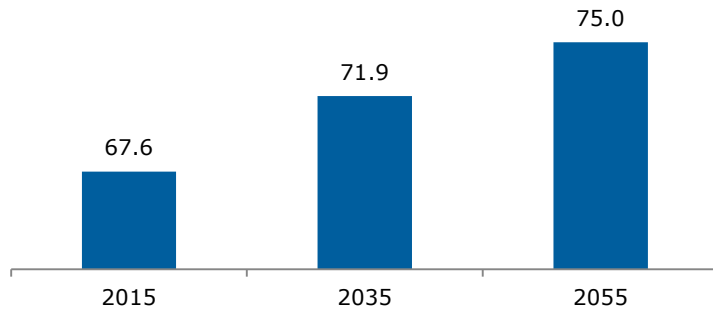


**Life Insurance density US\$ <sup>2</sup>  
(2019)**

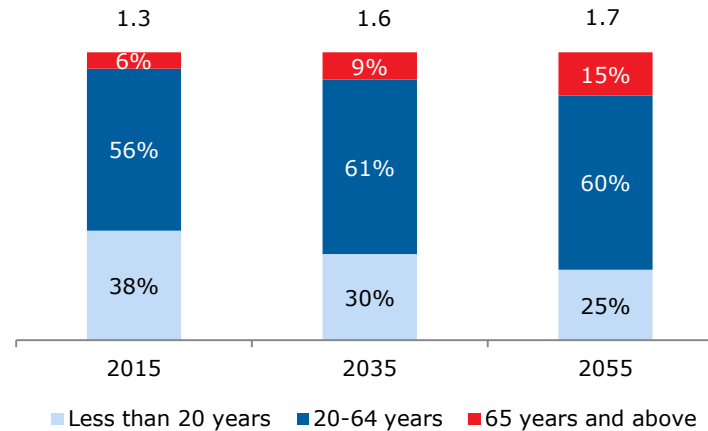


- India remains vastly under-insured, both in terms of penetration and density
- Huge opportunity to penetrate the underserved segments, with evolution of the life insurance distribution model

**Life expectancy (Years)**



**Population composition (Bn.)**

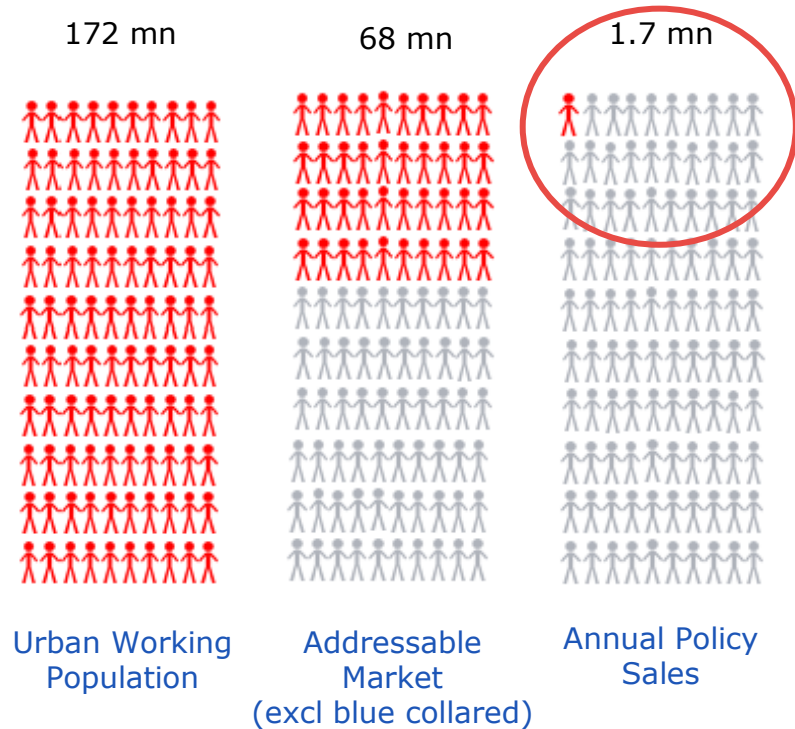


- India's insurable population is expected to touch 750 million by 2020
- India's elderly population is expected to double by 2035 (as compared to 2015)
- Emergence of nuclear families and advancement in healthcare facilities lead to increase in life expectancy thus facilitating need for pension and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

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

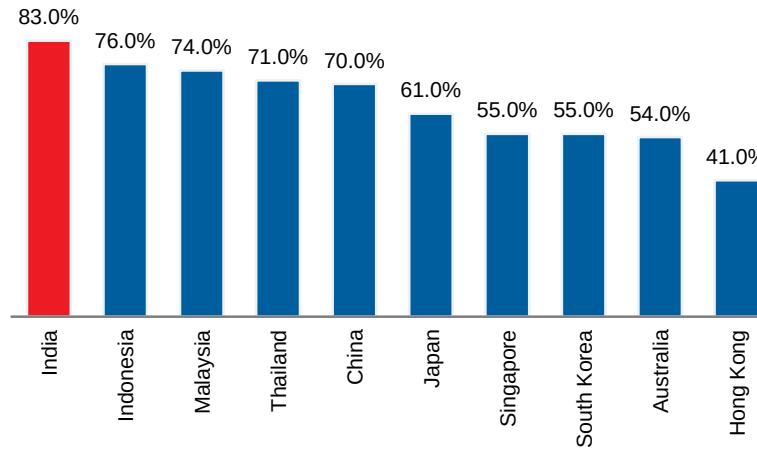
2. Density defined as the ratio of premium underwritten in a given year to the total population

# Low levels of penetration – Life protection



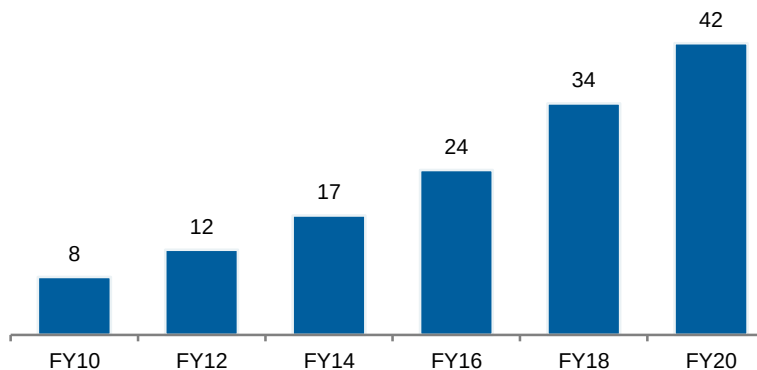
- Only 1 out of 40 people (2.5%) who can afford it is buying a policy every year 1
- Even within the current set, Sum Assured as a multiple of Income is <1x

Protection gap <sup>2</sup> (2019)



- India has the highest protection gap in the region, as growth in savings and life insurance coverage has lagged behind economic and wage growth
- Protection gap growth rate is predicted to grow at 4% per annum

Trend of retail loans <sup>3</sup> (Rs Tn.)



- Retail credit has grown at a CAGR of 18% over last 10 years
- Increasing retail indebtedness to spur need for credit life products
- Immense opportunity given:
  - Increasing adoption of credit
  - Enhancement of attachment rates
  - Improvement in value penetration
  - Widening lines of businesses

1. Goldman Sachs Report, March 2019

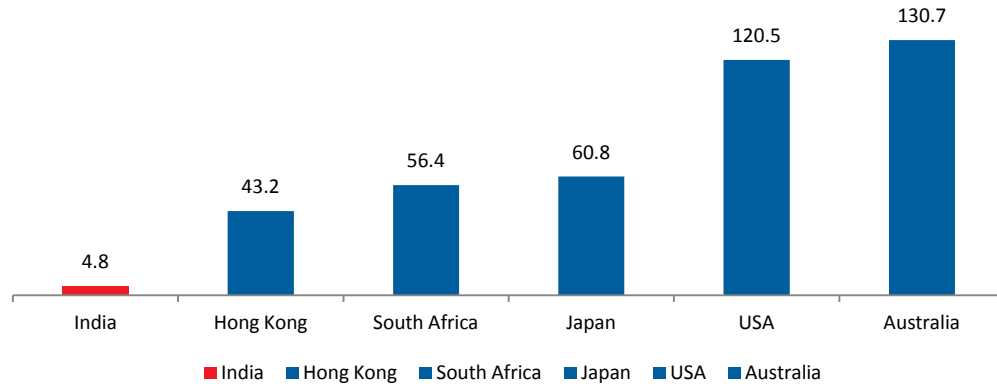
2. Swiss Re (Based on respective financial year of the countries)

3. Kotak institutional equities

# Macro opportunity – Retiral solutions

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

**Pension Assets / GDP Ratio**



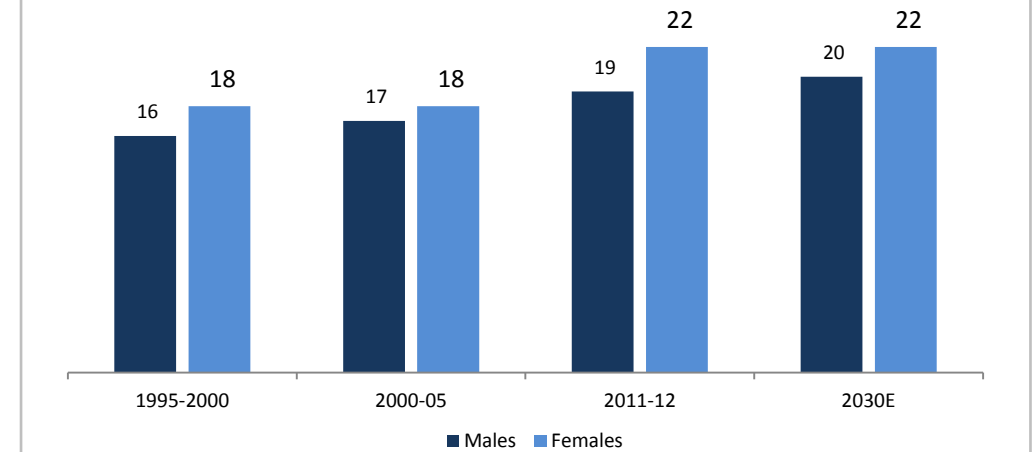
60+ population is expected to almost triple by 2050

**Ageing population**



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

**Life expectancy at age 60**

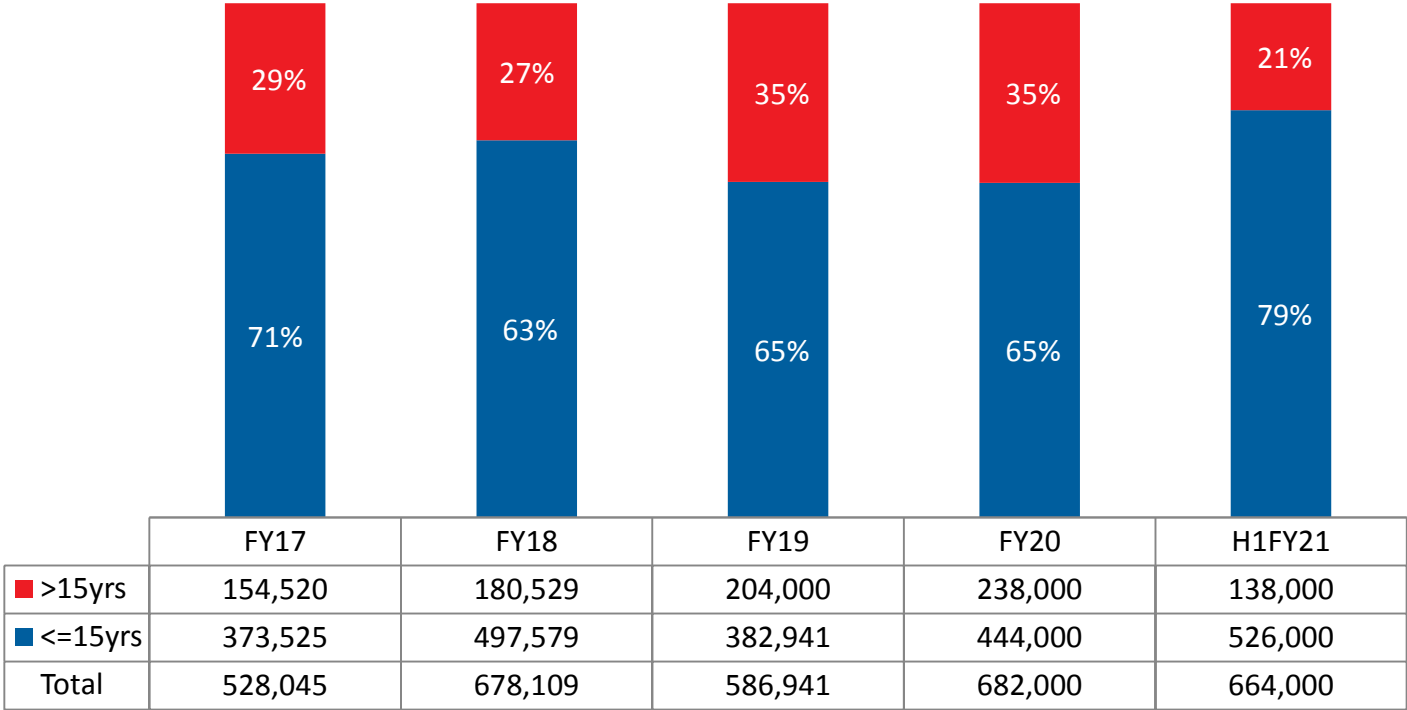


- Average household size has decreased from 4.6 in 2001 to 3.9 in 2018
- Total Pension AUM is expected to grow to Rs 47 Tn by 2025 (more than 1/3<sup>rd</sup> accounted for by NPS)
- Mandatory schemes to increase coverage for both unorganized and organized sectors

# Government bond auctions

Government Bonds – Tenorwise Issuance

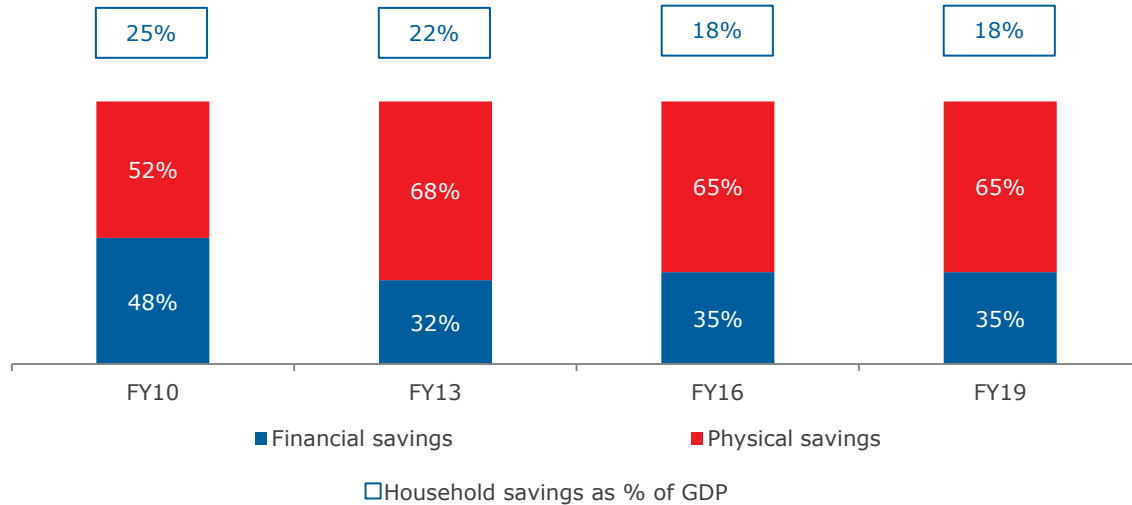
Rs Cr



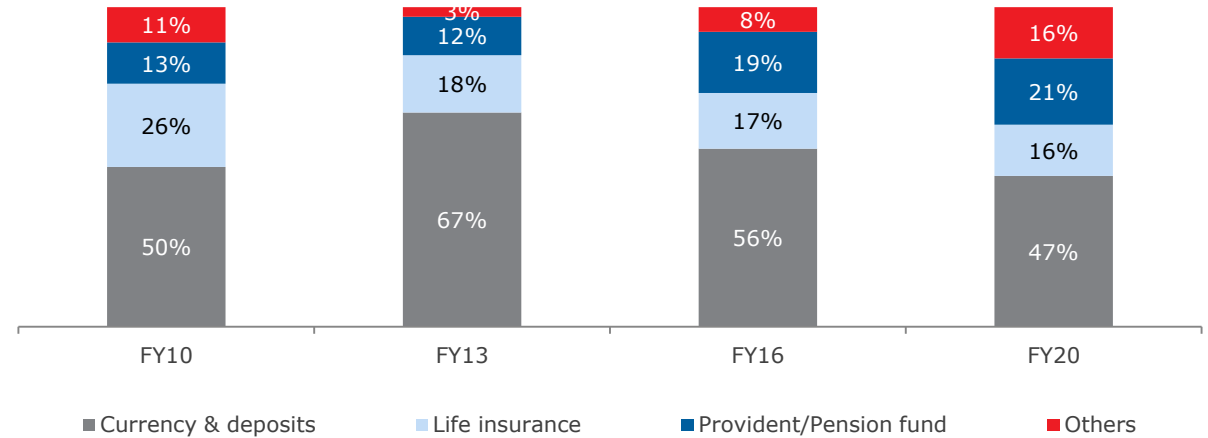
- Auction of >15 year maturity bonds has been ~25-30% on an average facilitates writing annuity business at scale
- Budget estimate plan for government borrowing for FY21 at Rs. 12 trillion on gross basis
- The actual borrowing till H1 is 55% of the budget

# Life Insurance: A preferred savings instrument

## Household savings composition

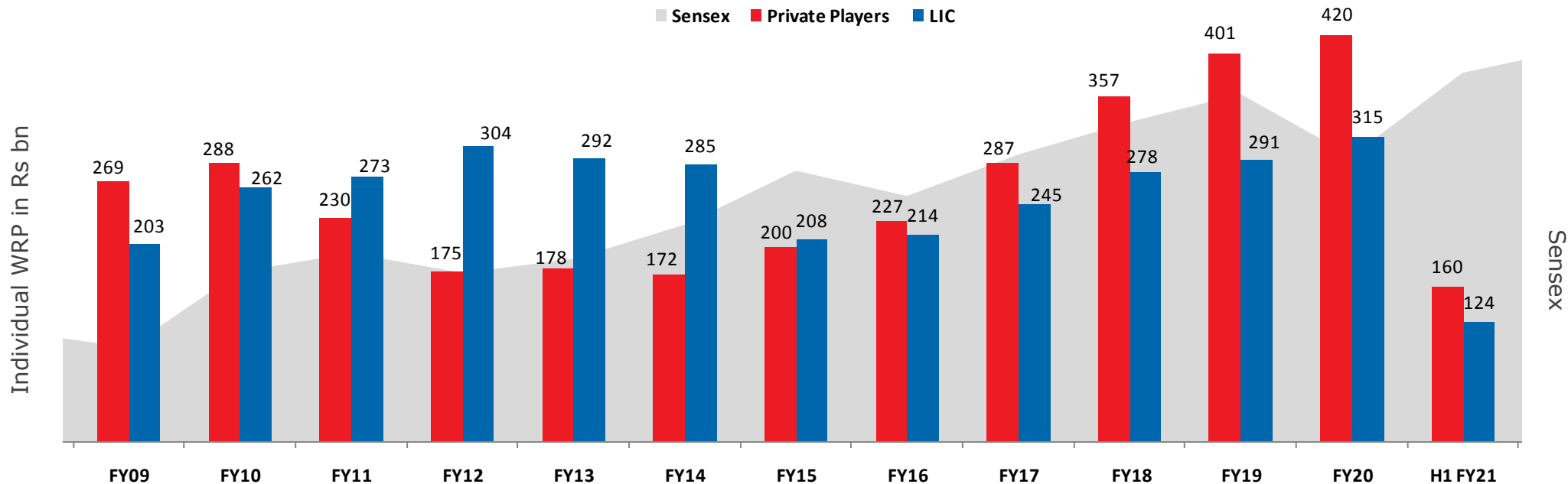


## Financial savings mix



- Increasing preference towards financial savings with increasing financial literacy within the population
- Various government initiatives to promote financial inclusion:
  - Implementation of JAM trinity
  - 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

| Growth % | Private players Market share |     |      |      |     |     |      |     |     |     |     |     |      |
|----------|------------------------------|-----|------|------|-----|-----|------|-----|-----|-----|-----|-----|------|
|          |                              |     |      |      |     |     |      |     |     |     |     |     |      |
|          |                              |     |      |      |     |     |      |     |     |     |     |     |      |
|          |                              |     |      |      |     |     |      |     |     |     |     |     |      |
| Private  | 57%                          | 52% | 46%  | 37%  | 38% | 38% | 49%  | 52% | 54% | 56% | 58% | 57% | 56%  |
| LIC      | 1%                           | 7%  | -20% | -24% | 2%  | -3% | 16%  | 14% | 26% | 24% | 12% | 5%  | -11% |
| Overall  | -22%                         | 29% | 4%   | 11%  | -4% | -2% | -27% | 3%  | 15% | 13% | 5%  | 8%  | -2%  |
|          | -10%                         | 17% | -9%  | -5%  | -2% | -3% | -11% | 8%  | 21% | 19% | 9%  | 6%  | -7%  |

- 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 gain market share

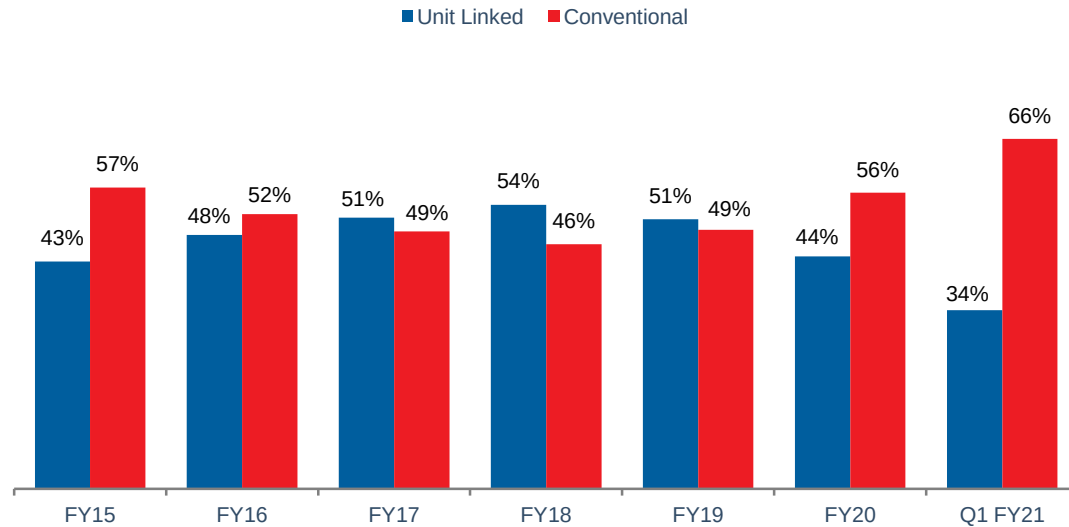
1.Basis Individual Weighted Received Premium (WRP)

Source: IRDAI and Life Insurance Council

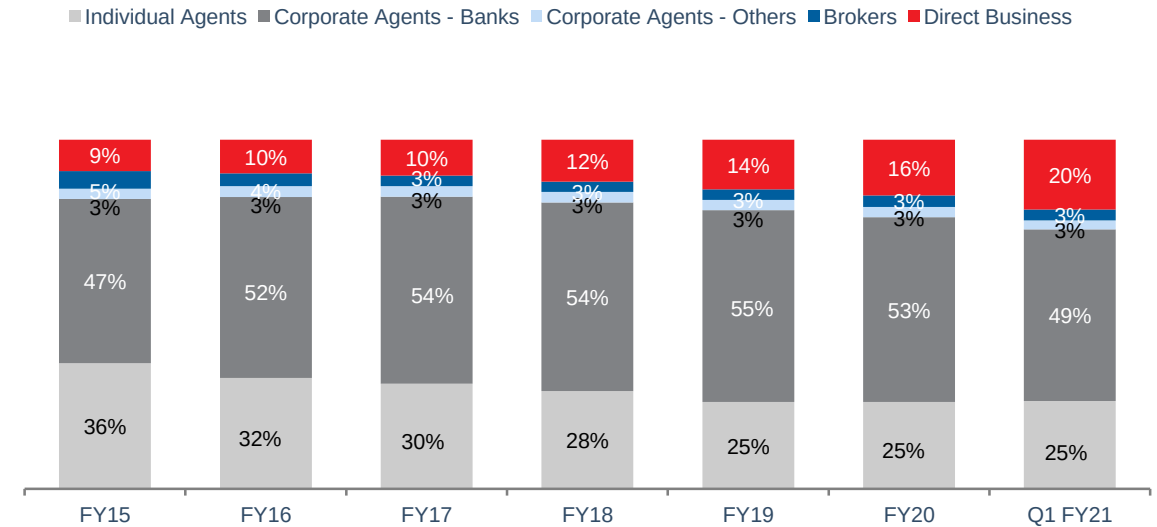


# Private industry: Product and distribution mix

**Product mix <sup>1</sup>**



**Distribution mix <sup>2</sup>**



- Product mix has recently moved towards conventional business for the private players due to volatile markets
- Increasing thrust on protection business by top players has helped improve the new business margins
- Banca sourced business continues to dominate the channel mix on the back of increasing reach of banks along with increase in share of direct channel, while share of Agency has been constant in the last few years

1. Basis Overall WRP (Individual and Group);

2. Basis Individual New business premia for all private players

Source: IRDAI and Life Insurance Council

# Appendix

# Financial and operational snapshot (1/2)

|                                                       | H1 FY21 | H1 FY20 | Growth | FY20    | FY19    | FY18    | CAGR | Rs Bn. |
|-------------------------------------------------------|---------|---------|--------|---------|---------|---------|------|--------|
| <i>New Business Premium (Indl. + Group)</i>           | 85.0    | 79.1    | 7%     | 172.4   | 149.7   | 113.5   | 23%  |        |
| <i>Renewal Premium (Indl. + Group)</i>                | 75.5    | 61.8    | 22%    | 154.7   | 142.1   | 122.1   | 13%  |        |
| Total Premium                                         | 160.5   | 140.9   | 14%    | 327.1   | 291.9   | 235.6   | 18%  |        |
| Individual APE                                        | 28.3    | 28.7    | -1%    | 61.4    | 52.0    | 48.9    | 12%  |        |
| Overall APE                                           | 33.3    | 34.7    | -4%    | 74.1    | 62.6    | 55.3    | 16%  |        |
| Group Premium (NB)                                    | 42.9    | 40.2    | 7%     | 87.8    | 73.3    | 54.1    | 27%  |        |
| Profit after Tax                                      | 7.8     | 7.3     | 6%     | 13.0    | 12.8    | 11.1    | 8%   |        |
| - Policyholder Surplus                                | 5.6     | 5.5     | 1%     | 10.9    | 9.0     | 8.5     | 13%  |        |
| - Shareholder Surplus                                 | 2.2     | 1.8     | 20%    | 2.1     | 3.8     | 2.6     | -11% |        |
| Dividend Paid <sup>(1)</sup>                          | -       | -       | NA     | -       | 4.0     | 3.3     | NA   |        |
| Assets Under Management                               | 1,506.2 | 1,310.1 | 15%    | 1,272.3 | 1,255.5 | 1,066.0 | 9%   |        |
| Indian Embedded Value                                 | 233.3   | 201.2   | 16%    | 206.5   | 183.0   | 152.2   | 16%  |        |
| Net Worth <sup>(2)</sup>                              | 77.9    | 64.0    | 22%    | 69.9    | 56.6    | 47.2    | 22%  |        |
| NB (Individual and Group segment) lives insured (Mn.) | 10.2    | 28.7    | -64%   | 61.3    | 51.4    | 33.2    | 36%  |        |
| No. of Individual Policies (NB) sold (In 000s)        | 444.2   | 420.4   | 6%     | 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)

|                                                       |     | H1 FY21      | H1 FY20      | FY20         | FY19         | FY18         |
|-------------------------------------------------------|-----|--------------|--------------|--------------|--------------|--------------|
| Overall New Business Margins (post overrun)           |     | 25.1%        | 27.5%        | 25.9%        | 24.6%        | 23.2%        |
| Operating Return on EV                                | (1) | 17.6%        | 19.6%        | 18.1%        | 20.1%        | 21.5%        |
| Operating Expenses / Total Premium                    |     | 11.1%        | 14.0%        | 13.1%        | 13.1%        | 13.5%        |
| Total Expenses (OpEx + Commission) / Total Premium    |     | 15.2%        | 19.0%        | 17.7%        | 17.0%        | 18.0%        |
| Return on Equity                                      | (2) | 21.0%        | 24.3%        | 20.5%        | 24.6%        | 26.0%        |
| Solvency Ratio                                        |     | 203%         | 192%         | 184%         | 188%         | 192%         |
| Persistency (13M / 61M)                               | (3) | 88%/53%      | 86%/53%      | 88%/54%      | 84%/51%      | 83%/50%      |
| Market Share (%)                                      |     |              |              |              |              |              |
| - Individual WRP                                      |     | 17.5%        | 15.2%        | 14.2%        | 12.5%        | 13.3%        |
| - Group New Business                                  |     | 27.4%        | 28.9%        | 29.0%        | 28.4%        | 28.5%        |
| - Total New Business                                  |     | 23.3%        | 22.4%        | 21.5%        | 20.7%        | 19.1%        |
| Business Mix (%)                                      |     |              |              |              |              |              |
| - Product (UL/Non par savings/Non par protection/Par) | (4) | 23/35/9/33   | 26/58/6/9    | 28/45/8/19   | 55/20/7/18   | 57/9/5/28    |
| - Indl Distribution (CA/Agency/Broker/Direct)         | (4) | 60/13/6/21   | 54/15/10/21  | 55/14/9/22   | 64/13/4/19   | 71/11/5/14   |
| - Total Distribution (CA/Agency/Broker/Direct/Group)  | (5) | 23/6/2/18/51 | 23/7/3/16/51 | 23/7/3/17/51 | 26/7/2/16/49 | 33/7/2/10/48 |
| - Share of protection business (Basis Indl APE)       |     | 8.5%         | 6.1%         | 7.6%         | 6.7%         | 5.1%         |
| - Share of protection business (Basis Overall APE)    |     | 12.1%        | 16.7%        | 17.2%        | 16.7%        | 11.3%        |
| - Share of protection business (Basis NBP)            |     | 14.1%        | 27.9%        | 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

|                                                  | H1 FY21      | H1 FY20      |
|--------------------------------------------------|--------------|--------------|
| Premium earned                                   | 160.5        | 140.9        |
| Reinsurance ceded                                | (2.8)        | (1.9)        |
| Income from Investments                          | 150.7        | 31.9         |
| Other Income                                     | 0.7          | 0.6          |
| Transfer from Shareholders' Account              | 0.1          | 0.2          |
| <b>Total Income</b>                              | <b>309.1</b> | <b>171.7</b> |
| Commissions                                      | 6.7          | 7.0          |
| Expenses                                         | 17.7         | 19.6         |
| GST on UL charges                                | 1.7          | 1.7          |
| Provision for taxation                           | 0.5          | (0.2)        |
| Provision for diminution in value of investments | (0.5)        | 1.4          |
| Benefits paid                                    | 72.5         | 75.0         |
| Change in valuation reserve                      | 203.8        | 57.6         |
| Bonuses Paid                                     | 2.9          | 3.6          |
| <b>Total Outgoings</b>                           | <b>305.2</b> | <b>165.9</b> |
| <b>Surplus</b>                                   | <b>3.9</b>   | <b>5.9</b>   |
| Transfer to Shareholders' Account                | 5.7          | 5.7          |
| Funds for future appropriation - Par             | (1.7)        | 0.2          |
| <b>Total Appropriations</b>                      | <b>3.9</b>   | <b>5.9</b>   |

## Profit and Loss A/c

Rs Bn.

|                                                  | H1 FY21    | H1 FY20    |
|--------------------------------------------------|------------|------------|
| <b>Income</b>                                    |            |            |
| Interest and dividend income                     | 2.0        | 1.7        |
| Net profit/(loss) on sale                        | 0.3        | 0.7        |
| Transfer from Policyholders' Account             | 5.6        | 5.7        |
| Other Income                                     | 0.0        | 0.0        |
| <b>Total</b>                                     | <b>8.0</b> | <b>8.1</b> |
| <b>Outgoings</b>                                 |            |            |
| Transfer to Policyholders' Account               | 0.1        | 0.2        |
| Expenses                                         | 0.1        | 0.1        |
| Interest on Non-convertible debenture            | 0.1        | -          |
| Provision for diminution in value of investments | (0.1)      | 0.2        |
| Provision for Taxation                           | 0.0        | 0.3        |
| <b>Total</b>                                     | <b>0.2</b> | <b>0.8</b> |
| <b>Profit for the year</b>                       | <b>7.8</b> | <b>7.3</b> |

# Balance sheet

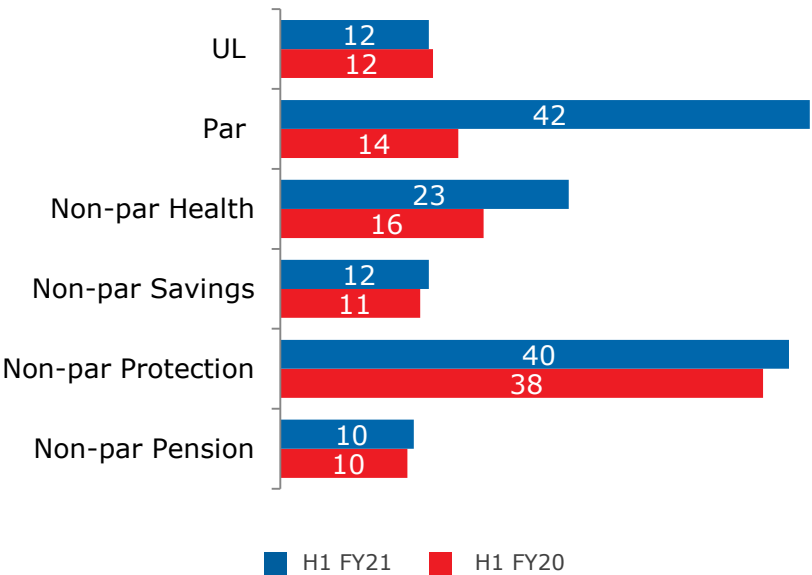
|                                         | Sep 30, 2020   | Sep 30, 2019   | Mar 31, 2020   |
|-----------------------------------------|----------------|----------------|----------------|
| <b>Shareholders' funds</b>              |                |                |                |
| Share capital (including Share premium) | 24.4           | 23.9           | 24.2           |
| Accumulated profits                     | 53.5           | 40.1           | 45.7           |
| Fair value change                       | 0.4            | (0.4)          | (1.9)          |
| <b>Sub total</b>                        | <b>78.2</b>    | <b>63.6</b>    | <b>68.0</b>    |
| <b>Borrowings</b>                       | <b>6.0</b>     | -              | -              |
| <b>Policyholders' funds</b>             |                |                |                |
| Fair value change                       | 11.2           | 8.0            | 0.5            |
| Policy Liabilities                      | 745.8          | 597.1          | 652.7          |
| Provision for Linked Liabilities        | 615.6          | 597.5          | 508.4          |
| Funds for discontinued policies         | 36.9           | 33.2           | 33.4           |
| <b>Sub total</b>                        | <b>1,409.5</b> | <b>1,235.8</b> | <b>1,195.0</b> |
| Funds for future appropriation (Par)    | 7.1            | 11.2           | 8.8            |
| <b>Total Source of funds</b>            | <b>1500.9</b>  | <b>1,310.5</b> | <b>1,271.9</b> |
| Shareholders' investment                | 74.4           | 53.0           | 58.6           |
| Policyholders' investments: Non-linked  | 779.3          | 626.4          | 671.9          |
| Policyholders' investments: Linked      | 652.5          | 630.6          | 541.8          |
| Loans                                   | 3.2            | 1.9            | 3.0            |
| Fixed assets                            | 3.3            | 3.4            | 3.3            |
| Net current assets                      | (11.9)         | (4.9)          | (6.7)          |
| <b>Total Application of funds</b>       | <b>1500.9</b>  | <b>1,310.5</b> | <b>1,271.9</b> |

Rs Bn.

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

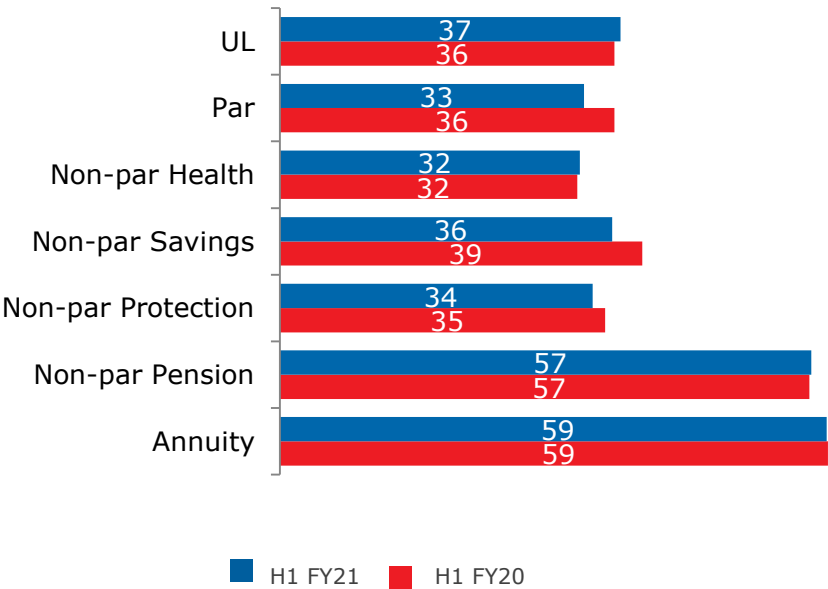
## Average Policy Term excluding annuity (Yrs)

H1 FY21: 25.2 (H1 FY20: 15.7)



## Average Customer Age excluding annuity (Yrs)

H1 FY21: 35.7 (H1 FY20: 37.6)



- 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

# 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**

# 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 Sep 30, 2020 | As at Sep 30, 2019 | As at Sep 30, 2020 | As at Sep 30, 2019 |
| <b>1</b>   | 3.90               | 5.67               | 3.83               | 5.51               |
| <b>2</b>   | 5.12               | 6.14               | 4.41               | 5.74               |
| <b>3</b>   | 6.01               | 6.58               | 4.89               | 5.95               |
| <b>4</b>   | 6.65               | 6.94               | 5.28               | 6.14               |
| <b>5</b>   | 7.09               | 7.25               | 5.59               | 6.31               |
| <b>10</b>  | 7.67               | 7.90               | 6.45               | 6.88               |
| <b>15</b>  | 7.37               | 7.85               | 6.71               | 7.12               |
| <b>20</b>  | 7.05               | 7.68               | 6.77               | 7.21               |
| <b>25</b>  | 6.84               | 7.55               | 6.75               | 7.23               |
| <b>30+</b> | 6.72               | 7.48               | 6.72               | 7.23               |

# Glossary (Part 1)

---

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

## Glossary (Part 2)

---

- **Operating expense** - It includes all expenses that are incurred for the purposes of sourcing new business and expenses incurred for policy servicing (which are known as maintenance costs) including shareholders' expenses. It does not include commission.
- **Operating expense ratio** - Ratio of operating expense (including shareholders' expenses) to total premium
- **Proprietary channels** – Proprietary channels include agency and direct
- **Protection Share** - Share of protection includes annuity and health
- **Persistency** – The proportion of business retained from the business underwritten. The ratio is measured in terms of number of policies and premiums underwritten.
- **Renewal premiums** - Regular recurring premiums received after the first year
- **Solvency ratio** - Ratio of available solvency Margin to required solvency Margins
- **Total premiums** - Total received premiums during the year including first year, single and renewal premiums for individual and group business
- **Weighted received premium (WRP)** - The sum of first year premium and 10% weighted single premiums and single premium top-ups

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