April 27, 2020

Ref. No: HDFC Life/CA/2020-21/03

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

NSE Symbol: HDFCLIFE

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

BSE Security Code: 540777

Dear Sirs,

Sub: Outcome of the Board Meeting held on April 27, 2020

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors of the Company at their meeting held today i.e. April 27, 2020 have approved the following :-

1) **Financial Results**
The audited Standalone Financial Results for the quarter and year ended March 31, 2020 alongwith the audited Consolidated Financial Results for the year ended March 31, 2020. A copy of the same along with the reports of the Auditors thereon and press release are enclosed herewith.

We wish to inform that M/s Price Waterhouse Chartered Accountants LLP and M/s G. M. Kapadia & Co., Chartered Accountants, Joint Statutory Auditors of the Company, have issued Audit Reports on the Standalone and Consolidated Financial Statements with unmodified opinion.

2) **In principle approval for raising of funds by issuance of Non-Convertible Debentures (NCDs)**
Raising of funds through issuance of NCDs in the nature of Subordinated debt instrument up to Rs. 600 Crore (Rupees Six Hundred Crore only) in one or more tranches, on private placement basis subject to receipt of all the Regulatory approvals.

The Company has taken cognizance of IRDAI Circular No. IRDA/F&A/CIR/MISC/099/04/2020 dated April 24, 2020, urging the Insurers to take conscious call to refrain from dividend pay-outs from profits pertaining to financial year ending March 31, 2020.

The review of Indian Embedded Value ('IEV') by EY Actuarial Services LLP, an independent Actuary and opinion by Milliman Advisors LLP on ALM strategy (for non-participating savings business) adopted by the Company has also been annexed to the financial results.

The window for trading in equity shares of the Company by the Designated Persons (i.e. Identified Employees, Directors and Promoters of the Company and their immediate relatives) will open from April 30, 2020.

The meeting of the Board of Directors of the Company commenced at 2.00 p.m. (IST) and concluded at 4.00 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
252, Veer Savarkar Marg,
Opp Shivaji Park,
Dadar (W), Mumbai 400028

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

Auditors' Report on Standalone Financial Results for the quarter and year ended March 31, 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) (the Company) for the quarter and year ended March 31, 2020 which are included in the accompanying Statement of Standalone Audited Results for the quarter and year ended March 31, 2020, the Standalone Balance sheet as on that date and the receipts and payment account for the year ended on that date, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and IRDA Circular reference: IRDAI/F&I/ REG/ CIR/208/10/2016 dated 25th October 2016 ("Standalone financial results") which have been approved by the Board of Directors on April 27, 2020.

Management's Responsibility for the standalone financial results

2. These standalone financial results have been prepared on the basis of standalone 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 are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these quarterly and year ended March 31, 2020 standalone financial results based on our audit of such standalone financial statements, which have been prepared by the Company's Management in accordance with the recognition and measurement principles 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 these standalone financial results and which are not inconsistent with the accounting principles as prescribed in the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 (the "Regulations") and orders/directions/circulars issued by the Insurance Regulatory and Development Authority of India ("IRDAI") to the extent applicable.

4. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act) and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the standalone financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us these standalone financial results:

   I) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and IRDAI IRDA Circular reference: IRDAI/F&I/REG/CIR/208/10/2016 dated 25th October 2016 in this regard; and

   II) give a true and fair view of the net profit and other financial information for the quarter and year ended March 31, 2020 and also the standalone balance sheet and the receipts and payment account as at and for the year ended on that date.

Emphasis of Matter

6. We draw your attention to Note 5 to the standalone financial results which explains the uncertainties and the management's assessment of the financial impact due to the lockdown and other restrictions imposed by the Government and conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact is highly dependent upon circumstances as they evolve in the subsequent period. Our opinion is not modified in respect of this matter.

Other Matters

7. The actuarial valuation of liabilities for life policies in force is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial

valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 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 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 condensed financial statements of the Company.

8. The Statement dealt with by this report has been prepared for the purpose of filing with stock exchanges. This Statement is based on and should be read with the audited standalone financial statements of the company for the year ended March 31, 2020 on which we issued an unmodified audit opinion vide our report dated April 27, 2020.

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

Alpa Kedia
Partner
Membership No. 100681
UDIN: 20100681AAAAAZ8301

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

Rajen Ashar
Partner
Membership No. 048243
UDIN: 20048243AAAABW7229

Place: Mumbai
Date: April 27, 2020

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

Statement of Standalone Audited Results for the Quarter and Year ended March 31, 2020

(₹ in Lakhs)

Sr. No.	Particulars	Three Months ended / As at			Year ended / As at	
		March 31, 2020 (Audited)	December 31, 2019 (Audited)	March 31, 2019 (Audited)	March 31, 2020 (Audited)	March 31, 2019 (Audited)
POLICYHOLDERS' A/C						
1	Gross premium income					
	(a) First Year Premium	172,201	154,296	178,691	604,427	505,811
	(b) Renewal Premium	552,617	376,563	529,470	1,546,844	1,421,457
	(c) Single Premium	336,665	269,249	324,486	1,119,418	991,334
2	Net premium income[1]	1,046,446	785,430	1,024,750	3,222,360	2,892,401
3	Income from investments (Net)[2]	(1,022,992)	373,255	375,565	(331,087)	902,749
4	Other income	10,931	5,304	7,380	24,395	17,611
5	Contribution of funds from Shareholders' A/c[3]	7,479	883	29,811	10,475	30,895
6	**Total (2 to 5)**	**41,864**	**1,164,872**	**1,437,506**	**2,926,143**	**3,843,656**
7	Commission on					
	(a) First Year Premium	29,840	25,726	27,691	108,205	78,394
	(b) Renewal Premium	8,301	6,048	7,980	24,053	21,372
	(c) Single Premium	4,263	3,421	3,683	14,119	12,003
	Rewards	490	844	489	2,741	1,386
8	**Net Commission**[1]	**42,894**	**36,039**	**39,843**	**149,118**	**113,155**
9	Operating Expenses related to insurance business (a+b)					
	(a) Employees remuneration and welfare expenses	43,668	41,540	37,764	167,696	140,822
	(b) Other operating expenses*	81,550	63,613	83,685	258,994	239,254
10	**Expenses of Management (8+9)**	**168,112**	**141,192**	**161,292**	**575,808**	**493,231**
11	Provisions for doubtful debts (including bad debts written off)	-	-	-	-	-
12	Provisions for diminution in value of investments[6]	37,585	4,957	1,732	56,742	9,056
13	Goods & Services Tax/Service Tax charge on linked charges	9,300	8,905	9,327	35,324	33,982
14	Provision for taxes	12,218	4,639	18,970	14,903	22,679
15	Benefits Paid[4] (Net)[1]	532,691	580,933	468,995	1,902,148	1,398,891
16	Change in actuarial liability	(731,647)	399,649	717,628	244,076	1,750,746
17	**Total (10+11+12+13+14+15+16)**	**28,259**	**1,140,275**	**1,377,944**	**2,829,001**	**3,708,585**
18	**Surplus/Deficit (6-17)**	**13,605**	**24,597**	**59,562**	**97,142**	**135,071**
19	**Appropriations**					
	(a) Transferred to Shareholders A/c	45,166	16,910	47,594	119,139	120,690
	(b) Funds for Future Appropriations	(31,561)	7,687	11,968	(21,997)	14,381
20	**Details of Surplus / Deficit**					
	(a) Interim bonus paid	2,019	1,397	3,825	5,850	6,137
	(b) Terminal bonus paid	22,296	22,907	23,000	78,994	51,290
	(c) Allocation of bonus to policyholders	80,285	-	77,681	80,285	77,681
	(d) Surplus shown in the Revenue Account	13,605	24,597	59,562	97,142	135,071
	Total Surplus	**118,205**	**48,901**	**164,068**	**262,271**	**270,179**
SHAREHOLDERS' A/C						
21	Transfer from Policyholders' Account	45,166	16,910	47,594	119,139	120,690
22	Total income under Shareholders' Account					
	(a) Investment income[2]	8,601	11,302	17,280	43,781	40,839
	(b) Other income	1,856	-	1,176	1,856	2,108
23	Expenses other than those related to insurance business[5]	1,794	664	1,801	3,342	2,781
24	Transfer of funds to Policyholders' Account	7,479	883	29,811	10,475	30,895
25	Provisions for doubtful debts (including write off)	-	-	-	-	-
26	Provisions for diminution in value of investments[6]	17,903	304	(90)	19,785	973
27	**Profit before tax**	**28,447**	**26,361**	**34,528**	**131,174**	**128,988**
28	Provisions for tax	(2,724)	1,337	(1,873)	1,647	1,309
29	**Profit after tax and before Extraordinary items**	**31,171**	**25,024**	**36,401**	**129,527**	**127,679**
30	**Profit after tax and Extraordinary items**	31,171	25,024	36,401	129,527	127,679
31	**Dividend per share (₹) (Nominal value ₹ 10 per share)**					
	(a) Interim Dividend	-	-	1.63	-	1.63
	(b) Final Dividend	-	-	-	-	-
32	Profit carried to Balance Sheet[7]	456,929	425,757	327,403	456,929	327,403
33	Paid up equity share capital	201,880	201,861	201,738	201,880	201,738
34	Reserve & Surplus (excluding Revaluation Reserve)	496,750	465,008	364,088	496,750	364,088
35	Fair Value Change Account and Revaluation Reserve (Shareholders)	(19,197)	(1,066)	(301)	(19,197)	(301)
36	Total Assets:					
	(a) Investments:					
	- Shareholders'	585,548	604,405	504,979	585,548	504,979
	- Policyholders Fund excluding Linked Assets	6,718,861	6,559,485	5,712,446	6,718,861	5,712,446
	- Assets held to cover Linked Liabilities (Linked Assets)	5,418,208	6,481,170	6,337,741	5,418,208	6,337,741
	(b) Other Assets (Net of current liabilities and provisions)	(4,072)	(85,613)	(66,876)	(4,072)	(66,876)

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

Advertisement and publicity	33,024	26,562	35,531	106,957	98,365
Business development expenses	23,464	16,059	25,460	61,209	62,269

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 specifed limits
6 Inclusive of provision for standard and non-standard assets
7 Represents accumulated surplus

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

Standalone Balance Sheet as at March 31, 2020

(₹ in Lakhs)

Particulars	As at March 31, 2020 (Audited)	As at March 31, 2019 (Audited)
SOURCES OF FUNDS		
SHAREHOLDERS' FUNDS:		
Share Capital	201,880	201,738
Share application money received pending allotment of shares	559	39
Reserves and Surplus	496,750	364,088
Credit / (Debit) Fair Value Change Account	(19,197)	(301)
Sub-Total	**679,992**	**565,564**
BORROWINGS	-	-
POLICYHOLDERS' FUNDS:		
Credit / (Debit) Fair Value Change Account	4,960	111,213
Policy Liabilities	6,527,082	5,363,471
Insurance Reserve	-	-
Provision for Linked Liabilities	5,437,675	5,144,904
Add: Fair value change	(353,256)	907,221
Provision for Linked Liabilities	**5,084,419**	**6,052,125**
Funds for discontinued policies		
(i) Discontinued on account of non-payment of premium	332,790	284,574
(ii) Others	999	1,042
Total Provision for Linked & Discontinued Policyholders Liabilities	5,418,208	6,337,741
Sub-Total	**11,950,250**	**11,812,425**
Funds for Future Appropriations	88,303	110,301
TOTAL	**12,718,545**	**12,488,290**
APPLICATION OF FUNDS		
INVESTMENTS:		
Shareholders'	585,548	504,979
Policyholders'	6,718,861	5,712,446
Asset held to cover Linked Liabilities	5,418,208	6,337,741
LOANS	29,905	7,959
FIXED ASSETS	33,013	33,330
CURRENT ASSETS		
Cash and Bank Balances	67,987	123,982
Advances and Other Assets	362,717	280,099
Sub-Total (A)	**430,704**	**404,081**
CURRENT LIABILITIES	490,192	506,397
PROVISIONS	7,502	5,849
Sub-Total (B)	**497,694**	**512,246**
NET CURRENT ASSETS (C) = (A - B)	**(66,990)**	**(108,165)**
Miscellaneous Expenditure (to the extent not written off or adjusted)	-	-
Debit Balance in Profit and Loss Account (Shareholders' Account)	-	-
TOTAL	**12,718,545**	**12,488,290**
Contingent liabilities	218,849	152,987

HDFC Life Insurance Company Limited
(Formerly HDFC Standard Life Insurance Company Limited)
Receipts and Payments Account for the year ended March 31, 2020

(₹ in Lakhs)

Sr. No.	Particulars	Year ended March 31, 2020 (Audited)	Year ended March 31, 2019 (Audited)
A.	**Cash Flows from the operating activities:**		
1	Premium received from policyholders, including advance receipts	3,357,515	3,038,749
2	Other receipts	24,648	16,506
3	Payments to the re-insurers, net of commissions and claims/ Benefits	1,246	(6,739)
4	Payments of claims/benefits	(1,908,225)	(1,439,338)
5	Payments of commission and brokerage	(158,967)	(119,465)
6	Payments of other operating expenses [1]	(488,424)	(409,221)
7	Preliminary and pre-operative expenses	-	-
8	Deposits, advances and staff loans	110	(3,831)
9	Income taxes paid (net)	(27,846)	(31,699)
10	Goods and Services Tax/ Service tax paid	(63,959)	(57,896)
11	Other payments	-	-
12	Cash flows before extraordinary items	736,098	987,066
13	Cash flow from extraordinary operations	-	-
	Net cash flow from operating activities	**736,098**	**987,066**
B	**Cash flows from investing activities:**		
1	Purchase of fixed assets	(3,833)	(4,453)
2	Proceeds from sale of fixed assets	172	172
3	Purchases of investments	(10,668,446)	(5,811,242)
4	Loans disbursed	-	-
5	Loan against policies	(21,946)	(6,185)
6	Sales of investments	9,200,495	4,176,500
7	Repayments received	-	100
8	Rents/Interests/ Dividends received	630,131	562,471
9	Investments in money market instruments and in liquid mutual funds (net)	86,191	64,103
10	Expenses related to investments	(33)	(25)
	Net cash flow from investing activities	**(777,269)**	**(1,018,559)**
C	**Cash flows from financing activities:**		
1	Proceeds from issuance of share capital	3,277	5,975
2	Proceeds from borrowing	-	-
3	Repayments of borrowing	-	-
4	Interest/dividends paid	-	(39,642)
5	Share application Money	520	(49)
	Net cash flow from financing activities	**3,797**	**(33,716)**
D	**Effect of foreign exchange rates on cash and cash equivalents, (net)**	-	-
E	**Net increase in cash and cash equivalents:**	**(37,374)**	**(65,209)**
1	Cash and cash equivalents at the beginning of the year	614,873	680,082
2	**Cash and cash equivalents at the end of the year**	**577,498**	**614,873**
	Note - Components of Cash and cash equivalents at end of the year:		
	Cash and cheques in hand	141	19,469
	Bank Balances *	67,809	95,671
	Fixed Deposit (less than 3 months)	23,500	10,500
	Money Market Instruments	486,048	489,233
	Total Cash and cash equivalents	**577,498**	**614,873**
	Reconciliation of Cash & Cash Equivalents with Cash & Bank Balance:		
	Cash & Cash Equivalents	577,498	614,873
	Add: Deposit Account - Others	36	8,842
	Less: Fixed Deposit (less than 3 months)	(23,500)	(10,500)
	Less: Money market instruments	(486,048)	(489,233)
	Cash & Bank Balances	**67,987**	**123,982**
	* Bank Balances includes Unclaimed Dividend of ₹ 18 lakhs (₹ 18 lakhs at March 31, 2019)		

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 ₹ 1993 lakhs (previous year ended March 31, 2019: ₹ 1909 lakhs).

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

Statement of Standalone Audited Results for the Quarter and Year ended March 31, 2020

(₹ in Lakhs)

Particulars	Three Months ended / As at			Year ended / As at	
	March 31, 2020 (Audited)	December 31, 2019 (Audited)	March 31, 2019 (Audited)	March 31, 2020 (Audited)	March 31, 2019 (Audited)
Analytical Ratios:					
(i) Solvency Ratio	184%	195%	188%	184%	188%
(ii) Expenses of Management Ratio	15.8%	17.6%	15.6%	17.6%	16.9%
(iii) Policyholder's liabilities to shareholders' fund	1770.4%	1936.2%	2088.4%	1770.4%	2088.4%
(iv) Earnings per share (in ₹):					
a) Basic EPS before and after extraordinary items (net of tax expense) for the period (not annualized for three months)	1.54	1.24	1.81	6.42	6.34
b) Diluted EPS before and after extraordinary items (net of tax expense) for the period (not annualized for three months)	1.54	1.24	1.80	6.41	6.32
(v) NPA ratios: (for Policyholders' fund)					
a) Gross NPAs					
- Non Linked					
Par	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL
- Linked					
Non Par	5,125.0	5,125.0	4,875.0	5,125.0	4,875.0
Net NPAs					
- Non Linked					
Par	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL
- Linked					
Non Par	NIL	NIL	3,250.0	NIL	3,250.0
b) % of Gross NPAs					
- Non Linked					
Par	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL
- Linked					
Non Par	0.1%	0.1%	0.1%	0.1%	0.1%
% of Net NPA					
- Non Linked					
Par	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL
- Linked					
Non Par	NIL	NIL	0.1%	NIL	0.1%
(vi) Yield on Investments (on Policyholders' fund)					
A. Without unrealised gains					
- Non Linked					
Par	-0.2%	2.3%	2.0%	7.0%	7.4%
Non Par	2.4%	2.4%	2.1%	9.6%	8.4%
- Linked					
Non Par	1.2%	1.6%	1.1%	6.3%	6.6%
B. With unrealised gains					
- Non Linked					
Par	-2.8%	2.7%	3.0%	5.4%	9.5%
Non Par	4.8%	2.7%	2.7%	15.0%	9.6%
- Linked					
Non Par	-17.3%	3.2%	4.0%	-14.6%	7.5%
(vii) NPA ratios: (for Shareholders' fund)					
a) Gross NPAs	NIL	NIL	NIL	NIL	NIL
Net NPAs	NIL	NIL	NIL	NIL	NIL
b) % of Gross NPAs	NIL	NIL	NIL	NIL	NIL
% of Net NPAs	NIL	NIL	NIL	NIL	NIL

HDFC Life Insurance Company Limited
(Formerly HDFC Standard Life Insurance Company Limited)
Statement of Standalone Audited Results for the Quarter and Year ended March 31, 2020

(₹ in Lakhs)

Particulars		Three Months ended / As at			Year ended / As at	
		March 31, 2020 (Audited)	December 31, 2019 (Audited)	March 31, 2019 (Audited)	March 31, 2020 (Audited)	March 31, 2019 (Audited)
(viii)	Yield on Investments (on Shareholders' fund)					
	A. Without unrealised gains	0.1%	1.9%	3.4%	6.5%	9.1%
	B. With unrealised gains	-3.7%	2.3%	2.8%	2.9%	7.5%
(ix)	Persistency Ratio					
	13th month	88.4%	88.8%	87.1%	90.1%	87.2%
	25th month	80.5%	80.2%	78.9%	80.2%	80.5%
	37th month	71.8%	71.5%	71.2%	73.8%	72.0%
	49th month	65.9%	63.6%	68.8%	67.2%	67.7%
	61st month	54.6%	52.6%	53.7%	55.0%	52.3%
(x)	Conservation Ratio					
	Participating Life- Individual & group	82.1%	87.6%	80.8%	83.7%	84.4%
	Participating Pension- Individual & group	84.1%	86.6%	91.5%	90.8%	89.6%
		NA	NA	NA	NA	NA
	Non Participating Life - Individual & group	69.9%	72.1%	77.2%	70.0%	83.7%
	Non Participating Pension - Individual & Group	77.1%	86.1%	68.8%	79.5%	77.4%
	Non Participating - Life Group Variable	NA	NA	NA	NA	NA
	Non Participating - Pension group variable	NA	NA	NA	NA	NA
	Non Participating Fund - Annuity	NA	NA	NA	NA	NA
	Non Participating Fund - Individual & Group Health	59.7%	56.7%	59.1%	62.7%	57.6%
	Unit Linked - Individual Life	79.2%	83.5%	86.1%	81.6%	84.3%
	Unit Linked - Individual Pension	69.7%	73.9%	77.8%	74.6%	80.8%
	Unit Linked - Group Life	NA	NA	NA	NA	NA
	Unit Linked - Group Pension	NA	NA	NA	NA	NA

Notes :

1. Analytical ratios have been calculated as per definition given in IRDAI Analytical ratios disclosure.
2. 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.
3. 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.
4. The persistency ratios for the quarter ended March 31, 2020 have been calculated for the policies issued in the December to February period of the relevant years. E.g.: the 13th month persistency for the current quarter is calculated for the policies issued from December 2018 to February 2019. The persistency ratios for quarter ended December 31, 2019 and March 31, 2019 have been calculated in a similar manner.
5. The persistency ratios for the twelve months 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. The persistency ratios for twelve months ended March 31, 2019 have been calculated in a similar manner.

HDFC Life Insurance Company Limited
(Formerly HDFC Standard Life Insurance Company Limited)
Segment Reporting (Standalone) for the Quarter and Year ended March 31, 2020

(₹ in Lakhs)

Sr. No.	Particulars	Three Months ended			Year ended / As at	
		March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1	**Segment Income**					
A)	**Policyholders :**					
	Segment A - Participating - Individual & Group Life :					
	Net Premium	219,239	140,673	197,637	583,500	561,015
	Income from Investments[2]	(41,122)	56,908	53,747	136,368	182,271
	Transfer of Funds from shareholders' account	-	-	544	-	544
	Other Income	5,265	3,747	2,955	13,610	6,374
	Segment B - Participating - Individual & Group Pension :					
	Net Premium	6,550	5,089	7,697	20,260	21,888
	Income from Investments[2]	1,245	9,356	5,039	22,311	16,550
	Transfer of Funds from shareholders' account	-	-	3	-	3
	Other Income	155	59	100	304	190
	Net Premium	-	-	-	-	-
	Income from Investments[2]	-	-	-	-	-
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	-	-	-	-	-
	Segment C - Non Participating - Individual & Group Life :					
	Net Premium	262,771	213,604	233,228	899,868	639,475
	Income from Investments[2]	40,645	34,057	22,484	134,045	76,910
	Transfer of Funds from shareholders' account	7,158	532	20,013	9,536	20,013
	Other Income	541	394	237	2,293	640
	Segment D - Non Participating - Life Group Variable :					
	Net Premium	10,349	26,307	25,527	84,514	98,642
	Income from Investments[2]	5,728	5,492	4,638	21,963	16,124
	Transfer of Funds from shareholders' account	238	121	-	626	-
	Other Income	-	-	-	-	-
	Segment E - Non Participating - Individual & Group Pension :					
	Net Premium	32,625	24,013	18,284	73,302	69,946
	Income from Investments[2]	7,521	7,263	6,902	28,587	23,444
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	1	7	7	24	31
	Segment F - Non Participating - Pension Group Variable :					
	Net Premium	46,272	24,127	39,170	164,664	99,258
	Income from Investments[2]	6,919	7,101	4,840	27,485	16,631
	Transfer of Funds from shareholders' account	83	230	392	313	1,476
	Other Income	-	-	-	-	-
	Segment G - Non Participating - Individual & Group Annuity :					
	Net Premium	85,469	61,608	91,708	269,358	259,204
	Income from Investments[2]	13,424	18,007	11,289	60,045	33,106
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	(13)	24	42	57	121
	Segment H - Non Participating - Individual & Group Health :					
	Net Premium	2,311	2,755	4,046	9,478	12,469
	Income from Investments[2]	153	153	189	623	542
	Transfer of Funds from shareholders' account	-	-	1,580	-	1,580
	Other Income	(35)	5	9	(18)	35
	Segment I - Unit Linked - Individual Life :					
	Net Premium	328,112	246,112	352,544	959,915	978,698
	Income from Investments[2]	(955,921)	185,593	205,329	(765,401)	387,780
	Transfer of Funds from shareholders' account	-	-	7,278	-	7,278
	Other Income	5,021	1,063	4,021	8,116	10,197
	Segment J - Unit Linked - Individual Pension :					
	Net Premium	21,017	15,897	29,756	68,971	90,938
	Income from Investments[2]	(122,098)	29,533	43,606	(74,855)	96,176
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	(5)	5	10	8	23
	Segment K - Unit Linked - Group Life :					
	Net Premium	29,733	23,185	23,401	80,662	53,189
	Income from Investments[2]	(13,759)	12,570	14,405	21,399	38,020
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	-	-	-	-	-
	Segment L - Unit Linked - Group Pension :					
	Net Premium	1,996	2,060	1,750	7,869	7,678
	Income from Investments[2]	(3,267)	2,341	3,007	3,259	7,788
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	-	-	-	-	-
B)	**Shareholders :**					
	Income from Investments[2]	(9,301)	10,999	17,369	23,997	39,866
	Other Income	1,856	-	1,176	1,856	2,108

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

Segment Reporting (Standalone) for the Quarter and Year ended March 31, 2020

(₹ in Lakhs)

Sr No.	Particulars	Three Months ended / As at			Year ended / As at	
		March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
2	**Segment Surplus/ Deficit (net of transfer from Shareholders' A/c) :**					
	Segment A - Participating - Individual & Group Life	(19,832)	7,928	22,729	(8,541)	20,971
	Segment B - Participating - Individual & Group Pension	(109)	2,459	3,703	4,891	7,874
	Segment C - Non Participating - Individual & Group Life	15,502	(532)	7,543	13,124	53,557
	Segment D - Non Participating - Life Group Variable	(238)	(121)	4	(626)	219
	Segment E - Non Participating - Individual & Group Pension	206	1,519	4,307	7,522	6,139
	Segment F - Non Participating - Pension Group Variable	(84)	(628)	(392)	(313)	(1,476)
	Segment G - Non Participating - Annuity	(751)	(560)	(2,230)	3,319	608
	Segment H - Non Participating - Individual & Group Health	271	2,331	2,693	4,891	4,283
	Segment I - Unit Linked - Individual Life	8,109	7,443	(14,017)	46,930	(7,278)
	Segment J - Unit Linked - Individual Pension	2,779	3,056	5,057	12,394	16,388
	Segment K - Unit Linked - Group Life	179	686	266	2,599	2,369
	Segment L - Unit Linked - Group Pension	91	131	87	476	522
	Total	**6,123**	**23,712**	**29,750**	**86,666**	**104,176**
	Shareholders	(6,515)	8,997	18,618	20,862	37,884
	Grand Total	**(392)**	**32,709**	**48,368**	**107,528**	**142,060**
3	**Segment Assets:**					
	Segment A - Participating - Individual & Group Life	2,812,223	2,926,480	2,812,121	2,812,223	2,812,121
	Segment B - Participating - Individual & Group Pension	266,423	278,249	259,814	266,423	259,814
	Segment C - Non Participating - Individual & Group Life	1,650,757	1,473,731	1,126,013	1,650,757	1,126,013
	Segment D - Non Participating - Life Group Variable	295,331	290,462	244,931	295,331	244,931
	Segment E - Non Participating - Individual & Group Pension	409,096	372,911	334,165	409,096	334,165
	Segment F - Non Participating - Pension Group Variable	354,510	332,024	266,948	354,510	266,948
	Segment G - Non Participating - Annuity	777,715	690,964	496,723	777,715	496,723
	Segment H - Non Participating - Individual & Group Health	5,693	4,575	5,490	5,693	5,490
	Segment I - Unit Linked - Individual Life	4,228,828	5,122,255	4,940,365	4,228,828	4,940,365
	Segment J - Unit Linked - Individual Pension	614,863	781,018	847,255	614,863	847,255
	Segment K - Unit Linked - Group Life	498,895	497,996	466,266	498,895	466,266
	Segment L - Unit Linked - Group Pension	86,860	91,084	94,036	86,860	94,036
	Total	**12,001,194**	**12,861,749**	**11,894,127**	**12,001,194**	**11,894,127**
	Shareholder	667,483	650,617	555,592	667,483	555,592
	Unallocated [3]	49,868	47,080	38,572	49,868	38,572
	Grand Total	**12,718,545**	**13,559,446**	**12,488,291**	**12,718,545**	**12,488,291**
4	**Segment Policy Liabilities[4] :**					
	Segment A - Participating - Individual & Group Life	2,832,635	2,859,513	2,729,353	2,832,635	2,729,353
	Segment B - Participating - Individual & Group Pension	263,729	264,197	241,566	263,729	241,566
	Segment C - Non Participating - Individual & Group Life	1,643,115	1,467,602	1,123,246	1,643,115	1,123,246
	Segment D - Non Participating - Life Group Variable	293,364	288,765	243,562	293,364	243,562
	Segment E - Non Participating - Individual & Group Pension	408,081	372,334	333,887	408,081	333,887
	Segment F - Non Participating - Pension Group Variable	352,854	330,828	265,681	352,854	265,681
	Segment G - Non Participating - Annuity	778,089	692,702	498,487	778,089	498,487
	Segment H - Non Participating - Individual & Group Health	5,853	5,471	5,456	5,853	5,456
	Segment I - Unit Linked - Individual Life	4,255,269	5,144,819	4,962,786	4,255,269	4,962,786
	Segment J - Unit Linked - Individual Pension	614,865	781,477	847,255	614,865	847,255
	Segment K - Unit Linked - Group Life	498,879	498,011	466,196	498,879	466,196
	Segment L - Unit Linked - Group Pension	86,860	91,083	94,036	86,860	94,036
	Total	**12,033,593**	**12,796,802**	**11,811,511**	**12,033,593**	**11,811,511**
	Shareholders	679,992	665,915	565,564	679,992	565,564
	Unallocated	-	-	-	-	-
	Grand Total	**12,713,585**	**13,462,717**	**12,377,075**	**12,713,585**	**12,377,075**

Note:

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

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

Other disclosures :
Status of Shareholders Complaints for the quarter ended March 31, 2020

Sr No.	Particulars	Number of Complaints
1	Investor complaints pending at the begining of the quarter	NIL
2	Investor complaints received during the quarter ended March 31, 2020	NIL
3	Investor complaints disposed of during the quarter ended March 31, 2020	NIL
4	Investor complaints remaining unresolved as on March 31, 2020	NIL

Notes:

1. The above results of the company for the quarter and year ended March 31, 2020 were reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on April 27, 2020.

2. These financial results have been prepared in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable, and IRDAI Circular IRDA/F&I/REG/CIR/208/10/2016 dated October 25, 2016 on publication of financial results for Life Insurance companies.

3. In view of seasonality of industry, the results of interim period are not necessarily indicative of the results that may be expected of any other interim periods or for the full year.

4. During the quarter ended March 31, 2020, the Company has allotted 1,91,567 equity shares of face value of ₹10 each pursuant to exercise of employee stock options.

5. In light of the COVID-19'outbreak and information available upto the date of approval of these standalone financial results, the Company has assessed the impact on assets, including valuation and impairment of investments, liabilities including policy liability and solvency position. Based on the evaluation, the company has made:
(a) Adequate impairment provisions on the investments to an extent necessary.
(b) Additional death claim provision of ₹4100 lakhs as at the Balance sheet date, this provision is over and above the policy level liabilities calculated based on the prescribed IRDAI regulations.
The Company has also assessed its solvency position as at the balance sheet date and is at 184%, which is above the prescribed regulatory limit of 150%. Further, 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.The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes to future economic conditions.

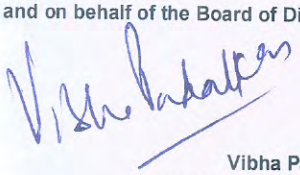
6. The Company has taken cognizance of IRDAI circular number IRDA/F&A/CIR/MISC/099/04/2020 dated April 24, 2020, and has not proposed any dividend for the financial year ended March 31, 2020.

7. Figures of the previous period have been regrouped wherever necessary, in order to make them comparable.

8. In accordance with the requirements of IRDAI Master Circular on "Preparation of Financial Statements and Filing Returns of Life Insurance Business" dated December 11, 2013 and IRDAI Circular on additional time allowed for filing regulatory returns (Circular ref IRDAI/Life/Cir/Misc/079/04/2020) dated April 04, 2020, the Company will publish the financials on the company's website not later than June 26, 2020.

9. The above standalone financial results have been audited by joint statutory auditors of the Company.

For and on behalf of the Board of Directors



Vibha Padalkar
Managing Director & CEO
(DIN: 01682810)

Mumbai
April 27, 2020

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 Consolidated Financial Results for the year ended March 31, 2020 of HDFC Life Insurance Company Limited (formerly known as HDFC Standard Life Insurance Company Limited) ("hereinafter referred to as the Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group")

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 Statement of consolidated financial results of HDFC Life Insurance Company Limited (formerly known as HDFC Standard Life Insurance Company Limited) ("hereinafter referred to as the Holding Company"), and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), for the year ended March 31, 2020 and the consolidated Balance sheet and the consolidated receipts and payment account as at and for the year ended on that date, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and IRDA Circular reference: IRDAI/F&I/ REG/ CIR/208/10/2016 dated 25th October 2016 ("Consolidated financial results") which have been approved by the Board of Directors on April 27, 2020. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended March 31, 2019, as reported in these financial results have been approved by the Parent's Board of Directors but have not been subjected to review.

Management's Responsibility for the Consolidated financial results

2. These consolidated financial results have been prepared on the basis of the consolidated financial statements prepared in accordance with the measurement and recognition principles specified in paragraph 3 below, which is the responsibility of the Holding Company's management. The respective Board of Directors of the companies included in the Group are responsible for selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation of the consolidated financial results that give true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of consolidated financial statements by the Directors of the Holding Company.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the year ended Mach 31, 2020 consolidated financial results based on our audit of such consolidated financial statements, which have been prepared by the Holding Company's Management in accordance with the recognition and measurement principles 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 these consolidated financial results and which are not inconsistent with the accounting principles as prescribed in the Insurance Regulatory and

Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 (the "Regulations") and orders/directions/circulars issued by the Insurance Regulatory and Development Authority of India ("IRDAI") to the extent applicable.

4. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act) and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as consolidated financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

6. The consolidated financial results includes the results of the following entities
   a) HDFC Pension Management Company Limited, and
   b) HDFC International Life and Re Company Limited

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us these consolidated financial results:

i. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and IRDAI IRDA Circular reference: IRDAI/F&I/REG/CIR/208/10/2016 dated 25th October 2016 in this regard; and

ii. give a true and fair view of the consolidated net profit and other financial information for year ended March 31, 2020 and also the consolidated balance sheet as at March 31, 2020 and the consolidated receipts and payment account for the year ended on that date.

Emphasis of Matter

8. We draw your attention to Note 5 to the consolidated financial results which explains the uncertainties and the management's assessment of the financial impact due to the lockdown and other restrictions imposed by the Government and conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact is highly dependent upon circumstances as they evolve in the subsequent period. Our opinion is not modified in respect of this matter.

Other Matters

9. The actuarial valuation of liabilities for life policies in force is the responsibility of the Holding 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 March 31, 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 financial statements of the Group.

10. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 3,36,180 (in '000') and net assets of Rs. 258,906 (in '000') as at March 31, 2020, total revenue of Rs. 10,856 (in '000') and Rs. 34,995 (in '000'), net loss of Rs. 1,231 (in '000') and Rs. 8,079 (in '000') for the quarter and year ended March 31, 2020 and net cash flows amounting to Rs. 10,616 (in '000') for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors. Our opinion on the Statement is not modified in respect of the above matter.

11. We did not audit the financial statements of one subsidiary located outside India, whose financial statements reflect total assets of Rs. 25,92,867 (in '000') and net assets of Rs. 21,75,157 (in '000') as at March 31, 2020, total revenue of Rs. 1,89,005 (in '000') and Rs. 4,89,214 (in '000'), net profit of Rs. 634 (in '000') and Rs. 29,864 (in '000') for the quarter and year ended March 31, 2020 and net cash flows amounting to Rs. 5,288 (in '000') for the year ended on that date, have been prepared in accordance with accounting principles generally accepted in their respective country and have been audited by other auditors under generally accepted auditing standards applicable in their respective country. The Company's management has converted the financial statements of such subsidiary located outside India from the accounting principles generally accepted in their respective country to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India, including other information, is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us. Our opinion on the Statement is not modified in respect of the above matter.

12. The consolidated financial results include the results for the quarter ended March 31,2020 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year. Our opinion on the Statement is not modified in respect of the above matter.

13. The consolidated financial results dealt with by this report has been prepared for the purpose of filing with stock exchanges. This Statement is based on and should be read with the audited consolidated financial statements of the group for the year ended March 31, 2020 on which we issued an unmodified audit opinion vide our report dated April 27, 2020.

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

Akedia

Alpa Kedia
Partner
Membership No. 100681
UDIN 20100681AAAABB7952
Place: Mumbai
Date: April 27, 2020

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

Rajen

Rajen Ashar
Partner
Membership No. 048243
UDIN 20048243AAAB9524

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

Statement of Consolidated Audited Results for the Quarter and year ended March 31, 2020

(₹ in Lakhs)

Sr. No.	Particulars	Three months ended			Year ended	
		March 31, 2020 (Unaudited) Refer note 6	December 31, 2019 (Unaudited)	March 31, 2019 (Unaudited) Refer note 7	March 31, 2020 (Audited)	March 31, 2019 (Audited)
POLICYHOLDERS' A/C						
1	Gross premium income					
	(a) First Year Premium	172,201	154,296	178,691	604,427	505,811
	(b) Renewal Premium	552,617	376,563	529,470	1,546,844	1,421,457
	(c) Single Premium	336,665	269,249	324,486	1,119,418	991,334
2	Net premium income[1]	1,047,595	785,498	1,025,126	3,224,498	2,893,067
3	Income from investments (Net)[2]	(1,022,992)	373,255	375,565	(331,087)	902,749
4	Other income	10,931	5,304	7,380	24,395	17,611
5	Contribution of funds from Shareholders' A/c[3]	7,479	883	29,811	10,475	30,895
6	**Total (2 to 5)**	**43,013**	**1,164,940**	**1,437,882**	**2,928,281**	**3,844,322**
7	Commission on					
	(a) First Year Premium	29,840	25,726	27,691	108,205	78,394
	(b) Renewal Premium	8,301	6,048	7,980	24,053	21,372
	(c) Single Premium	4,263	3,421	3,683	14,119	12,003
	Rewards	490	844	489	2,741	1,386
8	**Net Commission[1]**	**42,894**	**36,039**	**39,843**	**149,118**	**113,155**
9	Operating Expenses related to insurance business (a+b)					
	(a) Employees remuneration and welfare expenses	43,668	41,540	37,764	167,696	140,822
	(b) Other operating expenses*	81,550	63,613	83,685	258,994	239,254
10	**Expenses of Management (8+9)**	**168,112**	**141,192**	**161,292**	**575,808**	**493,231**
11	Provisions for doubtful debts (including bad debts written off)	-	-	-	-	-
12	Provisions for diminution in value of investments[6]	37,585	4,957	1,732	56,742	9,056
13	Goods & Services Tax/Service Tax charge on linked charges	9,300	8,905	9,327	35,324	33,982
14	Provision for taxes	12,218	4,639	18,970	14,903	22,679
	(a) Current Tax	-	-	-	-	-
	(b) Deferred Tax	-	-	-	-	-
15	Benefits Paid[4] (Net)[1]	533,256	581,119	469,074	1,903,505	1,398,977
16	Change in actuarial liability	(731,647)	399,649	717,628	244,076	1,750,746
17	**Total (10+11+12+13+14+15+16)**	**28,824**	**1,140,461**	**1,378,023**	**2,830,358**	**3,708,671**
18	**Surplus/Deficit (6-17)**	**14,189**	**24,479**	**59,859**	**97,923**	**135,651**
19	**Appropriations**					
	(a) Transferred to Shareholders A/c	45,750	16,792	47,891	119,921	121,270
	(b) Funds for Future Appropriations	(31,561)	7,687	11,968	(21,997)	14,381
20	**Details of Surplus / Deficit**	-				
	(a) Interim bonus paid	2,019	1,397	3,825	5,850	6,137
	(b) Terminal bonus paid	22,296	22,907	23,000	78,994	51,290
	(c) Allocation of bonus to policyholders	80,285	-	77,681	80,285	77,681
	(d) Surplus shown in the Revenue Account	14,189	24,479	59,859	97,924	135,651
	Total Surplus	**118,789**	**48,783**	**164,365**	**263,053**	**270,759**
SHAREHOLDERS' A/C						
21	Transfer from Policyholders' Account	45,750	16,792	47,891	119,921	121,270
22	Net Reinsurance Premium	675	401	945	2,234	1,896
23	Total income under Shareholders' Account		-	-	-	-
	(a) Investment Income[2]	8,820	11,516	17,486	44,629	41,427
	(b) Other income	1,911	33	1,187	1,986	2,144
24	Reinsurance Claims incurred	353	281	351	1,511	603
25	Expenses relating to reinsurance business & Change in reinsurance	1,065	67	953	1,834	2,075
26	Expenses other than those related to insurance business[5]	1,915	761	1,889	3,773	3,089
27	Transfer of funds to Policyholders' Account	7,479	883	29,811	10,475	30,895
28	Provisions for doubtful debts (including write off)	-	-	-	-	-
29	Provisions for diminution in value of investments[6]	17,903	304	(90)	19,785	973
30	**Profit before tax**	**28,441**	**26,446**	**34,595**	**131,392**	**129,102**
31	Provisions for tax	(2,724)	1,337	(1,873)	1,647	1,309
32	**Profit after tax and before Extraordinary items**	**31,165**	**25,109**	**36,468**	**129,745**	**127,793**
30	Extraordinary Items (Net of tax expenses)	-	-	-	-	-
33	**Profit after tax and Extraordinary items**	31,165	25,109	36,468	129,745	127,793
34	**Dividend per share (`) (Nominal value ` 10 per share)**	-				
	(a) Interim Dividend	-	-	1.63	-	1.63
	(b) Final Dividend	-	-	-	-	-
35	Profit carried to Balance Sheet[7]	456,343	425,177	326,598	456,343	326,598
36	Paid up equity share capital	201,880	201,861	201,738	201,880	201,738
37	Reserve & Surplus (excluding Revaluation Reserve)	497,420	464,541	362,784	497,420	362,784
38	Fair Value Change Account and Revaluation Reserve (Shareholders)	(19,197)	(1,066)	(301)	(19,197)	(301)
39	Total Assets:	-	-	-	-	-
	(a) Investments:	-	-	-	-	-
	- Shareholders'	588,503	606,159	503,600	588,503	503,600
	- Policyholders Fund excluding Linked Assests	6,718,861	6,559,485	5,712,446	6,718,861	5,712,446
	- Assets held to cover Linked Liabilities (Linked Assets)	5,418,208	6,481,170	6,337,741	5,418,208	6,337,741
	(b) Other Assets (Net of current liabilities and provisions)	(2,180)	(84,667)	(64,087)	(2,180)	(64,087)

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

Advertisement and publicity	33,024	26,562	35,531	106,957	98,365
Business development expenses	23,464	16,059	25,460	61,209	62,269

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 specifed limits
6 Inclusive of provision for standard and non-standard assets
7 Represents accumulated surplus

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

Consolidated Balance Sheet as at March 31, 2020

(₹ in Lakhs)

Particulars	As at March 31, 2020 (Audited)	As at March 31, 2019 (Audited)
SOURCES OF FUNDS		
SHAREHOLDERS' FUNDS:		
Share Capital	201,880	201,738
Share application money received pending allotment of shares	559	39
Reserves and Surplus	497,420	362,784
Credit / (Debit) Fair Value Change Account	(19,197)	(301)
Sub-Total	**680,662**	**564,260**
BORROWINGS	-	-
POLICYHOLDERS' FUNDS:	-	-
Credit / (Debit) Fair Value Change Account	4,960	111,213
Policy Liabilities		
i) relating to Life insurance business	6,527,082	5,363,471
ii) relating to Reinsurance business	4,177	2,714
Insurance Reserve	-	-
Provision for Linked Liabilities	**5,437,675**	**5,144,904**
Add: Fair value change	(353,256)	907,221
Provision for Linked Liabilities	5,084,419	6,052,125
Funds for discontinued policies		
(a) Discontinued on account of non-payment of premium	332,790	284,574
(b) Others	999	1,042
Total Provision for Linked & Discontinued Policyholders Liabilities	5,418,208	6,337,741
Sub-Total	**11,954,427**	**11,815,139**
Funds for Future Appropriations	88,303	110,301
TOTAL	**12,723,392**	**12,489,700**
APPLICATION OF FUNDS		
INVESTMENTS:		
Shareholders'	588,503	503,600
Policyholders'	6,718,861	5,712,446
Asset held to cover Linked Liabilities	5,418,208	6,337,741
LOANS	29,905	7,959
FIXED ASSETS	33,071	33,389
CURRENT ASSETS	-	-
Cash and Bank Balances	69,075	124,445
Advances and Other Assets	364,763	282,461
Sub-Total (A)	**433,838**	**406,906**
CURRENT LIABILITIES	491,389	506,470
PROVISIONS	7,605	5,871
Sub-Total (B)	**498,994**	**512,341**
NET CURRENT ASSETS (C) = (A - B)	**(65,156)**	**(105,435)**
Miscellaneous Expenditure (to the extent not written off or adjusted)	-	-
Debit Balance in Profit and Loss Account (Shareholders' Account)	-	-
TOTAL	12,723,392	12,489,700
Contingent liabilities	**218,966**	**153,062**

HDFC Life Insurance Company Limited
(Formerly HDFC Standard Life Insurance Company Limited)
Consolidated Receipts and Payments Account for the year ended March 31, 2020

(₹ in Lakhs)

Sr. No.	Particulars	Year ended March 31, 2020 (Audited)	Year ended March 31, 2019 (Audited)
A.	**Cash Flows from the operating activities:**		
1	Premium received from policyholders, including advance receipts	3,362,723	3,041,730
2	Other receipts	24,770	16,537
3	Payments to the re-insurers, net of commissions and claims/ Benefits	(2,848)	(7,802)
4	Payments of claims/benefits	(1,908,226)	(1,439,338)
5	Payments of commission and brokerage	(159,075)	(119,508)
6	Payments of other operating expenses[1]	(487,853)	(411,381)
7	Preliminary and pre-operative expenses	-	-
8	Deposits, advances and staff loans	114	(3,806)
9	Income taxes paid (net)	(27,847)	(31,702)
10	Goods and Services Tax/ Service tax paid	(63,949)	(57,886)
11	Other payments	24	(13)
12	Cash flows before extraordinary items	737,833	986,830
13	Cash flow from extraordinary operations	-	-
	Net cash flow from operating activities	**737,833**	**986,830**
B	**Cash flows from investing activities:**		
1	Purchase of fixed assets	(3,858)	(4,513)
2	Proceeds from sale of fixed assets	173	172
3	Purchases of investments	(10,672,602)	(5,811,033)
4	Loans disbursed	-	-
5	Loan against policies	(21,946)	(6,185)
6	Sales of investments	9,201,045	4,176,500
7	Repayments received	-	100
8	Rents/Interests/ Dividends received	630,374	562,704
9	Investments in money market instruments and in liquid mutual funds (net)	86,191	64,103
10	Expenses related to investments	(33)	(25)
	Net cash flow from investing activities	**(780,656)**	**(1,018,178)**
C	**Cash flows from financing activities:**		
1	Proceeds from issuance of share capital	3,277	5,975
2	Proceeds from borrowing	-	-
3	Repayments of borrowing	-	-
4	Interest/dividends paid	-	(39,642)
5	Share application Money	520	(49)
	Net cash flow from financing activities	**3,797**	**(33,717)**
D	**Effect of foreign exchange rates on cash and cash equivalents, (net)**	1,755	(24)
E	**Net increase in cash and cash equivalents:**	**(37,271)**	**(65,089)**
1	Cash and cash equivalents at the beginning of the year	615,267	680,356
2	**Cash and cash equivalents at the end of the year**	**577,996**	**615,267**
	Note - Components of Cash and cash equivalents at end of the year:		
	Cash and cheques in hand	141	19,524
	Bank Balances *	68,877	96,009
	Fixed Deposit (less than 3 months)	23,500	10,500
	Money Market Instruments	486,124	489,234
	Trustee bank account balance (Payable to NPS trust)	(646)	-
	Total Cash and cash equivalents	**577,996**	**615,267**
	Reconciliation of Cash & Cash Equivalents with Cash & Bank Balance:		
	Cash & Cash Equivalents	577,996	615,267
	Add: Deposit Account - Others	56	8,912
	Less: Fixed Deposit (less than 3 months)	(23,500)	(10,500)
	Less: Money market instruments	(486,124)	(489,234)
	Add: Point of Presence Funds held in trust	646	-
	Cash & Bank Balances	**69,075**	**124,445**
	* Bank Balances includes Unclaimed Dividend of ₹ 18 lakhs (₹ 18 lakhs at March 31, 2019)		

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 ₹ 1993 lakhs (previous year ended March 31, 2019: ₹ 1909 lakhs).

HDFC Life Insurance Company Limited
(Formerly HDFC Standard Life Insurance Company Limited)
Statement of Analytical Ratios (Consolidated) for the Quarter and Year ended March 31, 2020

(₹ in Lakhs)

Particulars	Three Months ended			Year ended	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	(Unaudited) Refer note 6	(Unaudited)	(Unaudited) Refer note 7	(Audited)	(Audited)
Analytical Ratios:					
(i) Solvency Ratio	184%	195%	188%	184%	188%
(ii) Expenses of Management Ratio	15.9%	17.7%	15.6%	17.6%	16.9%
(iii) Policyholder's liabilities to shareholders' fund	1769.3%	1938.0%	2093.8%	1769.3%	2093.8%
(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)	1.54	1.24	1.81	6.43	6.34
b) Diluted EPS before and after extraordinary items (net of tax expense) for the period (not annualized for three months)	1.54	1.24	1.81	6.42	6.33
(v) NPA ratios: (for Policyholders' fund)					
a) Gross NPAs					
- Non Linked					
Par	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL
- Linked					
Non Par	5125.00	5125.00	4875.00	5125.00	4875.00
Net NPAs					
- Non Linked					
Par	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL
- Linked					
Non Par	NIL	NIL	3250.00	NIL	3250.00
b) % of Gross NPAs					
- Non Linked					
Par	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL
- Linked					
Non Par	0.1%	0.1%	0.1%	0.1%	0.1%
% of Net NPA					
- Non Linked					
Par	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL
- Linked					
Non Par	NIL	NIL	0.1%	NIL	0.1%
(vi) Yield on Investments (on Policyholders' fund)					
A. Without unrealised gains					
- Non Linked					
Par	-0.2%	2.3%	2.0%	7.0%	7.4%
Non Par	2.4%	2.4%	2.1%	9.6%	8.4%
- Linked					
Non Par	1.2%	1.6%	1.1%	6.3%	6.6%
B. With unrealised gains					
- Non Linked					
Par	-2.8%	2.7%	3.0%	5.4%	9.5%
Non Par	4.8%	2.7%	2.7%	15.0%	9.6%
- Linked					
Non Par	-17.3%	3.2%	4.0%	-14.6%	7.5%
(vii) NPA ratios: (for Shareholders' fund)					
a) Gross NPAs	NIL	NIL	NIL	NIL	NIL
Net NPAs	NIL	NIL	NIL	NIL	NIL
b) % of Gross NPAs	NIL	NIL	NIL	NIL	NIL
% of Net NPAs	NIL	NIL	NIL	NIL	NIL
(viii) Yield on Investments (on Shareholders' fund)					
A. Without unrealised gains	0.10%	1.92%	3.41%	6.52%	9.12%
B. With unrealised gains	-3.65%	2.28%	2.77%	2.93%	7.51%
(ix) Persistency Ratio					
13th month	88.4%	88.8%	87.1%	90.1%	87.2%
25th month	80.5%	80.2%	78.9%	80.2%	80.5%
37th month	71.8%	71.5%	71.2%	73.8%	72.0%
49th month	65.9%	63.6%	68.8%	67.2%	67.7%
61st month	54.6%	52.6%	53.7%	55.0%	52.3%
(x) Conservation Ratio					
Participating life- Individual & group	82.1%	87.6%	80.8%	83.7%	84.4%
Participating pension- Individual & group	84.1%	86.6%	91.5%	90.8%	89.6%
Non Participating life - Individual & group	69.9%	72.1%	77.2%	70.0%	83.7%
Non Participating pension - Individual & Group	77.1%	86.1%	68.8%	79.5%	77.4%
Non Participating - Life Group Variable	NA	NA	NA	NA	NA
Non Participating - Pension group variable	NA	NA	NA	NA	NA
Non Participating fund - Annuity	NA	NA	NA	NA	NA
Non Participating fund - Individual & Group Health	59.7%	56.7%	59.1%	62.7%	57.6%
Unit Linked - Individual life	79.2%	83.5%	86.1%	81.6%	84.3%
Unit Linked - Individual pension	69.7%	73.9%	77.8%	74.6%	80.8%
Unit Linked - Group life	NA	NA	NA	NA	NA
Unit Linked - Group pension	NA	NA	NA	NA	NA

Notes :

1. Analytical ratios have been calculated as per definition given in IRDAI Analytical ratios disclosure.
2. 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.
3. 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.
4. The persistency ratios for the quarter ended March 31, 2020 have been calculated for the policies issued in the December to February period of the relevant years. E.g.: the 13th month persistency for the current quarter is calculated for the policies issued from December 2018 to February 2019. The persistency ratios for quarter ended December 31, 2019 and March 31, 2019 have been calculated in a similar manner.
5. The persistency ratios for the twelve months 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. The persistency ratios for twelve months ended March 31, 2019 have been calculated in a similar manner.

HDFC Life Insurance Company Limited
(Formerly HDFC Standard Life Insurance Company Limited)
Segment Reporting (Consolidated) for the Quarter and year ended March 31, 2020

(₹ in Lakhs)

Sr. No.	Particulars	Three Months ended			Year ended	
		March 31, 2020 (Unaudited) Refer note 6	December 31, 2019 (Unaudited)	March 31, 2019 (Unaudited) Refer note 7	March 31, 2020 (Audited)	March 31, 2019 (Audited)
1	**Segment Income**					
A)	**Policyholders :**					
	Segment A - Participating - Individual & Group Life :					
	Net Premium	219,239	140,673	197,637	583,500	561,015
	Income from Investments[2]	(41,122)	56,908	53,747	136,368	182,271
	Transfer of Funds from shareholders' account	-	-	544	-	544
	Other Income	5,265	3,747	2,955	13,610	6,374
	Segment B - Participating - Individual & Group Pension :	-	-	-	-	-
	Net Premium	6,550	5,089	7,697	20,260	21,888
	Income from Investments[2]	1,245	9,356	5,039	22,311	16,550
	Transfer of Funds from shareholders' account	-	-	3	-	3
	Other Income	155	59	100	304	190
	Segment C - Non Participating - Individual & Group Life :	-	-	-	-	-
	Net Premium	263,920	213,671	233,604	902,006	640,141
	Income from Investments[2]	40,645	34,057	22,484	134,045	76,910
	Transfer of Funds from shareholders' account	7,158	532	20,013	9,536	20,013
	Other Income	541	394	237	2,293	640
	Segment D - Non Participating - Life Group Variable :	-	-	-	-	-
	Net Premium	10,349	26,307	25,527	84,514	98,642
	Income from Investments[2]	5,728	5,492	4,638	21,963	16,124
	Transfer of Funds from shareholders' account	238	121	-	626	-
	Other Income	-	-	-	-	-
	Segment E - Non Participating - Individual & Group Pension :	-	-	-	-	-
	Net Premium	32,625	24,013	18,284	73,302	69,946
	Income from Investments[2]	7,521	7,263	6,902	28,587	23,444
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	1	7	7	24	31
	Segment F - Non Participating - Pension Group Variable :	-	-	-	-	-
	Net Premium	46,272	24,127	39,170	164,664	99,258
	Income from Investments[2]	6,919	7,101	4,840	27,485	16,631
	Transfer of Funds from shareholders' account	83	230	392	313	1,476
	Other Income	-	-	-	-	-
	Segment G - Non Participating - Annuity :	-	-	-	-	-
	Net Premium	85,469	61,608	91,708	269,358	259,204
	Income from Investments[2]	13,424	18,007	11,289	60,045	33,106
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	(13)	24	42	57	121
	Segment H - Non Participating - Individual & Group Health :	-	-	-	-	-
	Net Premium	2,311	2,755	4,046	9,478	12,469
	Income from Investments[2]	153	153	189	623	542
	Transfer of Funds from shareholders' account	-	-	1,580	-	1,580
	Other Income	(35)	5	9	(18)	35
	Segment I - Unit Linked - Individual Life :	-	-	-	-	-
	Net Premium	328,112	246,112	352,544	959,915	978,698
	Income from Investments[2]	(955,921)	185,593	205,329	(765,401)	387,780
	Transfer of Funds from shareholders' account	-	-	7,278	-	7,278
	Other Income	5,021	1,063	4,021	8,116	10,197
	Segment J - Unit Linked - Individual Pension :	-	-	-	-	-
	Net Premium	21,017	15,897	29,756	68,971	90,938
	Income from Investments[2]	(122,098)	29,533	43,606	(74,855)	96,176
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	(5)	5	10	8	23
	Segment K - Unit Linked - Group Life :	-	-	-	-	-
	Net Premium	29,733	23,185	23,401	80,662	53,189
	Income from Investments[2]	(13,759)	12,570	14,405	21,399	38,020
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	-	-	-	-	-
	Segment L - Unit Linked - Group Pension :	-	-	-	-	-
	Net Premium	1,996	2,060	1,750	7,869	7,678
	Income from Investments[2]	(3,267)	2,341	3,007	3,259	7,788
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	-	-	-	-	-
B)	**Shareholders :**	-	-	-	-	-
	Income from Investments[2]	(9,082)	11,212	17,575	24,844	40,454
	Other Income	1,911	33	1,188	1,986	2,144

HDFC Life Insurance Company Limited
(Formerly HDFC Standard Life Insurance Company Limited)
Segment Reporting (Consolidated) for the Quarter and year ended March 31, 2020

(₹ in Lakhs)

Sr No.	Particulars	Three Months ended / As at			Year ended	
		March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
2	**Segment Surplus/ Deficit (net of transfer from shareholders' A/c) :**					
	Segment A - Participating - Individual & Group Life	(19,832)	7,928	22,729	(8,541)	20,971
	Segment B - Participating - Individual & Group Pension	(109)	2,459	3,703	4,891	7,874
	Segment C - Non Participating - Individual & Group Life	16,085	(650)	7,840	13,905	54,137
	Segment D - Non Participating - Life Group Variable	(238)	(121)	4	(626)	219
	Segment E - Non Participating - Individual & Group Pension	206	1,519	4,307	7,522	6,139
	Segment F - Non Participating - Pension Group Variable	(84)	(628)	(392)	(313)	(1,476)
	Segment G - Non Participating - Annuity	(751)	(560)	(2,230)	3,319	608
	Segment H - Non Participating - Individual & Group Health	271	2,331	2,693	4,891	4,283
	Segment I - Unit Linked - Individual Life	8,109	7,443	(14,017)	46,930	(7,278)
	Segment J - Unit Linked - Individual Pension	2,779	3,056	5,057	12,394	16,388
	Segment K - Unit Linked - Group Life	179	686	266	2,599	2,369
	Segment L - Unit Linked - Group Pension	91	131	87	476	522
	Total	**6,706**	**23,594**	**22,955**	**87,447**	**104,756**
	Shareholders	(7,104)	9,199	18,388	20,299	37,418
	Grant Total	**(398)**	**32,793**	**41,343**	**107,746**	**142,174**
3	**Segment Assets:**					
	Segment A - Participating - Individual & Group Life	2,812,223	2,926,480	2,812,121	2,812,223	2,812,121
	Segment B - Participating - Individual & Group Pension	266,423	278,249	259,814	266,423	259,814
	Segment C - Non Participating - Individual & Group Life	1,650,373	1,473,552	1,126,593	1,650,373	1,126,593
	Segment D - Non Participating - Life Group Variable	295,331	290,462	244,931	295,331	244,931
	Segment E - Non Participating - Individual & Group Pension	409,096	372,911	334,165	409,096	334,165
	Segment F - Non Participating - Pension Group Variable	354,510	332,024	266,948	354,510	266,948
	Segment G - Non Participating - Annuity	777,715	690,964	496,723	777,715	496,723
	Segment H - Non Participating - Individual & Group Health	5,693	4,575	5,490	5,693	5,490
	Segment I - Unit Linked - Individual Life	4,228,828	5,122,255	4,940,365	4,228,828	4,940,365
	Segment J - Unit Linked - Individual Pension	614,863	781,018	847,255	614,863	847,255
	Segment K - Unit Linked - Group Life	498,895	497,996	466,266	498,895	466,266
	Segment L - Unit Linked - Group Pension	86,860	91,084	94,036	86,860	94,036
	Total	**12,000,810**	**12,861,570**	**11,894,707**	**12,000,810**	**11,894,707**
	Shareholders	672,813	653,496	556,421	672,813	556,421
	Unallocated [3]	49,868	47,080	38,572	49,868	38,572
	Grant Total	**12,723,491**	**13,562,146**	**12,489,700**	**12,723,491**	**12,489,700**
4	**Segment Policy Liabilities[4] :**					
	Segment A - Participating - Individual & Group Life	2,832,635	2,859,513	2,729,353	2,832,635	2,729,353
	Segment B - Participating - Individual & Group Pension	263,729	264,197	241,566	263,729	241,566
	Segment C - Non Participating - Individual & Group Life	1,643,115	1,467,602	1,123,246	1,643,115	1,123,246
	Segment D - Non Participating - Life Group Variable	293,364	288,765	243,562	293,364	243,562
	Segment E - Non Participating - Individual & Group Pension	408,081	372,334	333,887	408,081	333,887
	Segment F - Non Participating - Pension Group Variable	352,854	330,828	265,681	352,854	265,681
	Segment G - Non Participating - Annuity	778,089	692,702	498,487	778,089	498,487
	Segment H - Non Participating - Individual & Group Health	5,853	5,471	5,456	5,853	5,456
	Segment I - Unit Linked - Individual Life	4,255,269	5,144,819	4,962,786	4,255,269	4,962,786
	Segment J - Unit Linked - Individual Pension	614,865	781,477	847,255	614,865	847,255
	Segment K - Unit Linked - Group Life	498,879	498,011	466,196	498,879	466,196
	Segment L - Unit Linked - Group Pension	86,860	91,083	94,036	86,860	94,036
	Total	**12,033,593**	**12,796,802**	**11,811,511**	**12,033,593**	**11,811,511**
	Shareholders	684,839	668,614	566,974	684,839	566,974
	Unallocated	-	-	-	-	-
	Grand Total	**12,718,432**	**13,465,416**	**12,378,485**	**12,718,432**	**12,378,485**

Note:

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

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

Other disclosures :
Status of Shareholders Complaints for the quarter ended March 31, 2020

Sr No.	Particulars	Number of Complaints
1	Investor complaints pending at the begining of the quarter	Nil
2	Investor complaints received during the quarter ended March 31, 2020	Nil
3	Investor complaints disposed of during the quarter ended March 31, 2020	Nil
4	Investor complaints remaining unresolved as on March 31, 2020	Nil

Notes:

1. The above results of the company for the quarter and year ended March 31, 2020 were reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on April 27, 2020.

2. These financial results have been prepared in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable, and IRDAI Circular IRDA/F&I/REG/CIR/208/10/2016 dated October 25, 2016 on publication of financial results for Life Insurance companies.

3. In view of seasonality of industry, the results of interim period are not necessarily indicative of the results that may be expected of any other interim periods or for the full year.

4. During the quarter ended March 31, 2020, the Company has allotted 1,91,567 equity shares of face value of ₹10 each pursuant to exercise of employee stock options.

5. In light of the COVID-19'outbreak and information available upto the date of approval of these consolidated financial results, the Company has assessed the impact on assets, including valuation and impairment of investments, liabilities including policy liability and solvency position. Based on the evaluation, the company has made:
(a) Adequate impairment provisions on the investments to an extent necessary.
(b) Additional death claim provision of ₹4100 lakhs as at the Balance sheet date, this provision is over and above the policy level liabilities calculated based on the prescribed IRDAI regulations.
The Company has also assessed its solvency position as at the balance sheet date and is at 184%, which is above the prescribed regulatory limit of 150%. Further, 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.The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes to future economic conditions.

6. The amounts for the quarter ended March 31, 2020 are balancing amounts between the amounts as per audited accounts for the year ended March 31, 2020 and published unaudited year to date figures upto nine months ended December 31, 2019 which were subjected to review by the joint statutory auditors of the Company.

7. The consolidated figures for the quarter ended March 31, 2019 have been approved by the Board of Directors, but have not been subjected to review since the requirement of submission of quarterly consolidated financial results has become mandatory only from April 01, 2019.

8. The Company has taken cognizance of IRDAI circular number IRDA/F&A/CIR/MISC/099/04/2020 dated April 24, 2020, and has not proposed any dividend for the financial year ended March 31, 2020.

9. Figures of the previous period have been regrouped wherever necessary, in order to make them comparable.

10. The above consolidated financial results have been audited by joint statutory auditors of the Company.

For and on behalf of the Board of Directors

Vibha Padalkar

Mumbai
April 27, 2020

Vibha Padalkar
Managing Director & CEO
(DIN: 01682810)

Milliman Advisors LLP
B/712, 215 ATRIUM
Chakala, Andheri-Kurla Road
Andheri (E), Mumbai 400 059

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Mumbai 400 059

27 April 2020

The Board of Directors
HDFC Life Insurance Company Limited
13th Floor, Lodha Excelus
Apollo Mills Compound
N.M. Joshi Road
Mahalaxmi, Mumbai - 400 011

Re: Milliman's opinion on the ALM strategy adopted for non-participating savings business

Dear Members of the Board,

Introduction

Milliman Advisors LLP ("Milliman", "we", "us", "our") has been engaged by HDFC Life Insurance Company Limited ("HDFC Life", "you", "your", "the Company") to review the asset-liability management ("ALM") strategy you have implemented to manage the interest-rate risk in your non-participating savings business segment. Our scope of work includes the following:

- to conduct an independent review of HDFC Life's actuarial models in respect of the major products included in the analysis;
- to review the ALM strategy adopted by the Company, including a review of the duration and cash-flow matching;
- to review the appropriateness of the ALM strategy; and
- to review the analysis performed by the Company of the sensitivity of the value of assets and liabilities to changes in assumptions.

Description of the ALM strategy adopted by the Company

For ALM purposes, the Company has grouped its non-participating business into two portfolios:

- Portfolio 1: Savings and Protection – All non-single premium non-participating savings contracts and group protection products; and
- Portfolio 2: Annuity – All immediate and deferred annuities.

The two portfolios are managed separately with the Company determining target asset portfolios for each of the underlying liability profiles. The Company first projects 'best-estimate' liability ("BEL") cash flows, representing the future policy liabilities. These are based on the underlying product features, which are combined with projection assumptions based on the historical operating experience of the underlying products. The goal of the ALM process is then to establish a target asset portfolio that most closely replicates the behaviour of the BEL cash-flows.

The Company performs this ALM exercise monthly, so that each month the target asset portfolio is reviewed based on changes in available assets, the BEL cash flows from the underlying policies, and for changes in the assumptions.

Portfolio 1 - Savings and Protection

The Company manages the interest-rate risk on the non-participating savings and protection business by using various risk mitigation tools. A major tool is the complementary cash-flow matching of different products. The interest-rate risk on future premiums is, in part, mitigated by using the large portfolio of assets established from the receipt of single premiums in the protection segment. Claims and expenses in respect of these single premium protection policies are in turn met by the future premium cash flows in the savings portfolio.

By using the synergies from the complementary nature of the assets and liabilities in the savings and protection segments, the Company is able to apply a cash-flow matching strategy to manage interest-rate risk. In addition to fixed income government and corporate securities, the Company also includes the following asset classes when deriving the target asset portfolio:

- Partly-paid corporate bonds: These bonds enable investment of future policy premiums at interest rates known in advance, thus mitigating the interest-rate risk on investment of future premiums
- Strips: Strips (i.e. individual coupons and redemption cash flows from government bonds) allow the Company to refine the cash-flow profile of the assets in particular years.
- Forward-rate agreements ("FRAs"): FRAs allow the Company to lock-in the rates at which future policy premiums can be invested in long-term government bonds to meet the policy liabilities.

The Company derives the target portfolio using the following constraints:

- firstly, by aiming to match the BEL cash flows as closely as possible, starting from the longest-dated cash flow and working backwards to the valuation date; and
- secondly, by aiming to minimise the dollar duration of the net asset-liability position[1].

Portfolio 2 - Annuity

The ALM strategy for Portfolio 2 involves selecting a target asset portfolio that minimises the dollar duration of the net asset-liability position while aiming to achieve a target yield. As the underlying annuities are single premium contracts where no future premiums will be received, the key investment risks are linked to the reinvestment of future coupons and maturity proceeds from the target asset portfolio, which is selected from government and corporate bonds.

On a monthly basis, the Company reviews the pricing of annuity products to manage the mismatch between the incremental BEL cash-flows and the assets available for inclusion in the target portfolio.

Scenario analyses

As a way to understand the efficacy of the cash-flow / duration matching employed in the construction of the target portfolios, and the potential impact on shareholder value, we reviewed a number of interest-rate scenarios performed by the Company as at 31 March 2020. In each scenario, the change in the net asset-liability position was assessed.

These scenarios incorporated parallel shifts and shape changes in the yield curve within a range of 150bps above and below the 31 March 2020 government bond yield curve. The fall in the net asset-liability position of each portfolio across the scenarios was less than 4.5%.

In addition, we also reviewed scenarios where interest-rate variation was combined with changes in future persistency and mortality experience to reflect risks in the future BEL cash-flow profile. The fall in net asset-liability position of each portfolio across the scenarios was less than 7%.

Finally, we reviewed more 'extreme' scenarios. In particular, this range of scenarios incorporated a scenario where new-money interest rates fall to 4% p.a. for the next five years, 2% p.a. for years six to ten and 0% p.a. thereafter, with no policyholder lapses or surrenders. For these scenarios, the net asset-liability position remained positive.

We are satisfied that the analysis performed by the Company is appropriate and captures a range of possible outcomes.

[1] Dollar-duration measures the sensitivity of the net asset-liability position (that is, the present value of asset cash flows less the present value of BEL cash flows) to small, level changes in interest rates

Opinion and conclusions

Based on the review of work performed by the Company, we are of the opinion that the ALM strategy adopted by the Company for Portfolios 1 and 2 is appropriate to support the goal of protecting the net asset-liability position and meeting policyholder liability cash flows.

Reliances and limitations

This opinion has been prepared solely for use by HDFC Life for inclusion in disclosures for the year ending 31 March 2020. It should not be relied upon for any other purpose. Milliman does not intend to create a legal duty to any third party recipient of its work.

We have relied on information supplied by the management and staff of HDFC Life. Reliance was placed on, but not limited to, the general accuracy of all the information provided to us.

We have obtained a management representation letter from HDFC Life, stating that, to the best of HDFC Life's knowledge, the data and information provided to us is accurate and complete and that there are no material inaccuracies or omissions therein.

The Company's analysis of projected cash flows is based on a series of assumptions as to future operating experience. It should be recognised that actual experience will differ from these assumptions on account of changes in the operating and economic environment and natural variations in experience. To the extent that actual experience is different from the assumptions, the projected cash flows will also differ. The Company's analysis includes various scenarios to illustrate how vulnerable the outcomes are to changes in assumptions for the key risks across a range of outcomes, although these scenarios will not be exhaustive and other outcomes are possible. The Company's analysis was presented at 31 March 2020 and no warranty is given by Milliman that future experience after this date will be in line with the assumptions made.

Any change in the general operating environment would add a high degree of uncertainty to the Company's analysis. There is substantial uncertainty regarding the impact of COVID-19 on the economic, legal, and regulatory environment, and the level and nature of business activity, which could materially impact outcomes.

The Company's analysis only reflects the impact of the fast developing COVID-19 pandemic to the extent that it reflects economic conditions at 31 March 2020.

Yours faithfully

Richard Holloway
Partner

Philip Jackson
Partner

EY Actuarial Services LLP
14th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400028, India

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The Board of Directors
HDFC Life Insurance Company Limited
13th Floor, Lodha Excelus,
Apollo Mills Compound, N.M. Joshi Road Mahalaxmi,
Mumbai - 400011

27 April 2020

EY Actuarial Services LLP Opinion on Embedded Value as at 31 March 2020

Dear Members of the Board,

EY Actuarial Services LLP ("EY", "we", "us" or "our") has been engaged by HDFC Life Insurance Company Limited ("HDFC Life" or "the Company") to review and provide an independent actuarial opinion on the following results prepared by HDFC Life:

- Indian Embedded Value("IEV") as at 31 March 2020;
- Value of one year of new business ("VNB") for new business sold during the year ended 31 March 2020;
- Analysis of IEV movement from 1 April 2019 to 31 March 2020; and
- Sensitivity results on IEV and VNB as at 31 March 2020.

Opinion

Based on the review and subject to the reliances and limitations stated below, we are of the opinion that:

- the methodology used to determine the base IEV and VNB is in line with the Actuarial Practice Standard 10 ("Indian Embedded Value Principles").
- the economic assumptions used are internally consistent and the reference rates used for valuing projected cashflows are based on the government bond yield curve as at the valuation date;
- the non-economic assumptions are based on the Company's actual and expected future experience and are reasonable;
- the Analysis of IEV movement presented by the Company appears reasonable; and
- the sensitivity results are consistent with the stresses applied to the parameters indicated.

Reliances and Limitations

This report has been prepared solely for use by HDFC Life for inclusion in this Annual Report. It should not be relied upon for any other purpose. EY does not accept or assume any responsibility, duty of care or liability to anyone other than HDFC Life for or in connection with this review work.

For the purpose of this review, we have relied on information and data provided by the management and the information provided by the Company. The accuracy of the conclusions presented in this report are dependent on the completeness and accuracy of the information and data provided to us.

The results have been determined on a going-concern basis assuming continuation of a stable regulatory and operating environment. The actual experience might vary if this is not the case in future. Even if the same is borne out in practice, actual experience may differ from the assumptions underlying the results. The results are based on assumptions as to future experience and results will differ to the extent actual experience is

different from the underlying assumptions. These assumptions and parameters include those which may be influenced by management decisions and external factors such as inflation rates, investment yields, tax rates and the general economic environment.

Also, unless explicitly stated, the results do not consider any external (including regulatory) developments after the valuation date of 31 March 2020.

Yours truly,

Rajesh Dalmia,
FIAI, IAI Membership No. 42
Partner, EY Actuarial Services LLP

PRESS RELEASE - PERFORMANCE FOR THE YEAR ENDED MAR 31, 2020

BSE Code: 540777 **NSE Code: HDFCLIFE**

25% growth in Value of New Business, 18% growth in APE

Other Key Highlights:

- **19% growth in Individual WRP**
- **170 bps increase in private market share to 14.2% (basis Individual WRP)**
- **25.9% New Business Margin**
- **18.1% Operating return on Embedded Value**
- **22% growth in Protection APE**
- **PAT at Rs 1,295 Crs with robust 17% growth in backbook surplus**

Mumbai, April 27, 2020: The Board of Directors of HDFC Life approved and adopted today the consolidated and standalone audited financial results for the year ended March 31, 2020. Below is the summary of our standalone results:

Commenting on the current situation, Ms. Vibha Padalkar, MD & CEO said "As a result of this pandemic, human lives have been disrupted and organizations around the world are witnessing challenging times. As a responsible corporate citizen, the safety and well-being of our employees, customers and partners and ensuring uninterrupted service to our customers are our foremost priorities. Our head-start as a digital insurer has helped facilitate this."

Commenting on the FY20 performance, Ms. Vibha Padalkar, MD & CEO said "We continue to deliver growth higher than industry and register steady performance across all key metrics. We believe that insurance remains a multi-decade opportunity with significant potential. The opportunities across mortality, morbidity and longevity remain large in our country. Customer-centricity, product innovation, a diversified distribution network, and technological capabilities are key pillars of our strategy and enablers to provide a sustainable value proposition to our customers, partners and shareholders."

Key Financial Summary

Rs Cr	FY20	FY19	YoY
Key Financial and Actuarial Metrics			
Individual APE	6,145	5,204	18%
Total APE	7,407	6,260	18%
New Business Premium (Indl + Group)	17,239	14,971	15%
Renewal Premium (Indl + Group)	15,468	14,215	9%
Total Premium	**32,707**	**29,186**	**12%**
Assets Under Management	1,27,226	1,25,552	1%
Networth (1)	6,992	5,659	24%

Profit After Tax	1,295	1,277	1%
Indian Embedded Value	20,650	18,301	13%
Value of new business	1,919	1,537	25%

Rs Cr	**FY20**	**FY19**	**YoY**
Protection based on APE	1,270	1,045	22%
Protection based on NBP	4,762	4,042	18%

	FY20	**FY19**
Key Financial Ratios		
New Business Margins	25.9%	24.6%
Operating Return on EV	18.1%	20.1%
Operating Expenses / Total Premium	13.1%	13.1%
Solvency Ratio	184%	188%
13M / 61M Persistency (2)	88%/54%	84%/51%
Product mix by Indl APE (UL / Non par savings / Non par protection / Par)	28/45/8/19	55/20/7/18
Distribution mix by Indl APE (Corp Agents/ Agency/ Broker/ Direct)	55/14/9/22	64/13/4/19

Notes:

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

Other key highlights for the year ending March 31, 2020:

- ***Private Market Share:*** Individual WRP grew by 19% leading to expansion of market share by 170 bps to 14.2%. We have maintained our leadership position within the group segment, growing by 20%, resulting in a market share of 29.0%.

- ***New Business Lives:*** Total number of insured lives increased to 6.1 Cr, growing by 19%.

- ***Product Portfolio:*** *We* continue to maintain a balanced product mix. Our savings business which includes unit linked, par and non-par segments, grew by 18%. With a focus on tapping the protection space further, our Protection APE increased to Rs 1,270 Cr., growing by 22% in FY20 over the corresponding period last year. Our protection share basis APE is 17.2% in FY20.

- ***Distribution Mix:*** Our diversified distribution mix is evidenced by the wide access to our customers with 270 plus partners, including more than 40 new-ecosystem partners as on March 31, 2020. This is further supplemented by our 421 branches spread across the country.

- ***Assets Under Management:*** As on March 31, 2020, our AUM is Rs. 1.3 lakh Cr. (Debt:Equity mix - 71:29; more than 96% debt investments are in G-Secs and AAA bonds as on March 31, 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 2019, the first monthly instalment received would be reflected as First year premiums for 2018-19 and the remaining 11 instalments due in the first policy year would be reflected as first year premiums in 2019-20, when received
- **New business received premium** - The sum of first year premium and single premium, reflecting the total premiums received from the new business written
- **Operating expense** - It includes all expenses that are incurred for the purposes of sourcing new business and expenses incurred for policy servicing (which are known as maintenance costs) including shareholders' expenses. It does not include commission.
- **Operating expense ratio** - Ratio of operating expense (including shareholders' expenses) to total premium
- **Operating return on EV** - Operating Return on EV is the ratio of EVOP (Embedded Value Operating Profit) for any given period to the EV at the beginning of that period
- **Persistency** - The proportion of business renewed from the business underwritten. The ratio is measured in terms of number of policies and premiums underwritten
- **Premium less benefits payouts** - The difference between total premium received and benefits paid (gross of reinsurance)
- **Renewal premium** - Regular recurring premiums received after the first policy year
- **Solvency ratio** - Ratio of available solvency margin to required solvency margin
- **Total premium** - Total received premiums during the year including first year, single and renewal premiums for individual and group business

- **Weighted received premium (WRP)** - The sum of first year premium received during the year and 10% of single premiums including top-up premiums

About HDFC Life

HDFC Life Insurance Company Limited (formerly HDFC Standard Life Insurance Company Limited) ('HDFC Life' / 'Company') is a joint venture between HDFC Ltd., India's leading housing finance institution and Standard Life Aberdeen, a global investment company.

Established in 2000, HDFC Life is a leading long-term life insurance solutions provider in India, offering a range of individual and group insurance solutions that meet various customer needs such as Protection, Pension, Savings, Investment, Annuity and Health. As on March 31, 2020, the Company had 37 individual and 11 group products in its portfolio, along with 6 optional rider benefits, catering to a diverse range of customer needs.

HDFC Life continues to benefit from its increased presence across the country having a wide reach with 421 branches and additional distribution touch-points through several new tie-ups and partnerships. The count of our partnerships is in excess of 270, comprising traditional partners such as NBFCs, MFIs and SFBs, and includes more than 40 new-ecosystem partners. The Company has a strong base of financial consultants.

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

Disclaimer

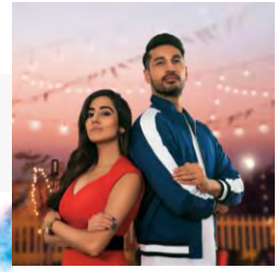
Except for the historical information contained herein, statements in this release which contain words or phrases such as 'will', 'would', 'indicating', 'expected to' etc., and similar expressions or variations of such expressions may constitute 'forward-looking statements'. These forward-looking statements 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.

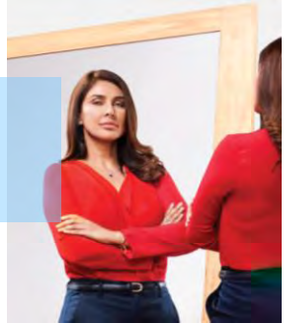
None of Company or any of its directors, officers, employees, agents or advisers, or any of their respective affiliates, advisers or representatives, undertake to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise and none of them shall 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.

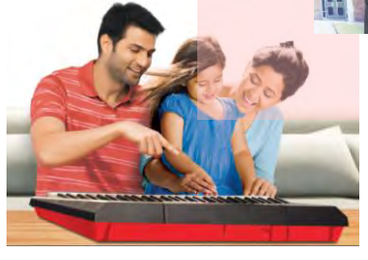
Before acting on any information you should consider the appropriateness of the information having regard to these matters, and in particular, you should seek independent financial advice.

HDFC Life Insurance

Investor Presentation – 12M FY20







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: FY20

Scale

Company APE	Rs (Bn.)	74.1
	Growth	18%
Mkt. Share – Overall	CY (%)	21.5
	PY (%)	20.7
Mkt. Share – Individual	CY (%)	14.2
	PY (%)	12.5
AUM	Rs (Tn.)	1.3
	Growth	1%
NB Lives Insured	Mn	61.3
	Growth	19%

Profitability

New Business Margin	CY	25.9%
	PY	24.6%
IEV	Rs (Bn.)	206.5
EVOP	Growth	18.1%
Profit After Tax	Rs (Bn.)	13.0
	Growth	1%
Operating Exp. Ratio	CY	13.1%
	PY	13.1%

Customer centricity

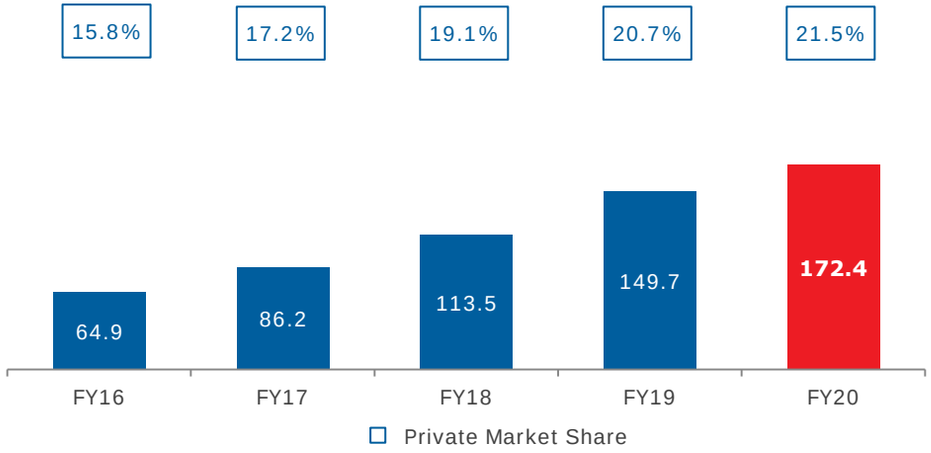
13th month persistency[1]	CY	88%
	PY	84%
Protection – NBP	Rs (Bn.)	47.6
	Growth	18%
Protection – APE	Rs (Bn.)	12.7
	Growth	22%
Claim settlement ratio[2]	FY20	99.1%
	FY19	99.0%
Complaints per 10k policies	FY20	47
	FY19	61

1. Persistency for Individual business
2. Computed basis NOPs for Individual Business
The numbers throughout the presentation are based on standalone financial results of the Company

Consistent performance across key metrics (1/2)

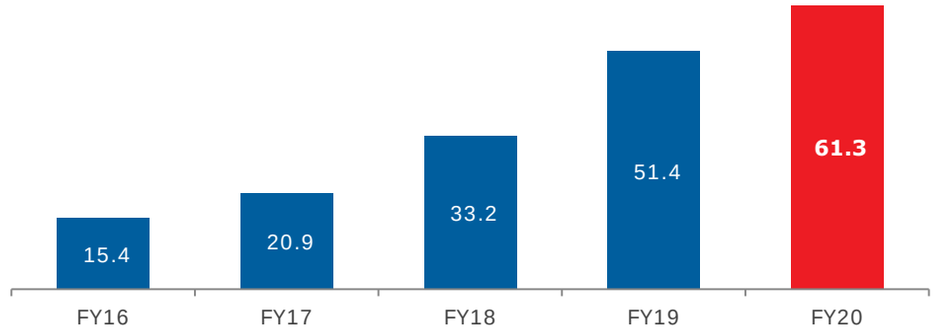
Leadership in new business premium (Rs Bn)

CAGR: 28%

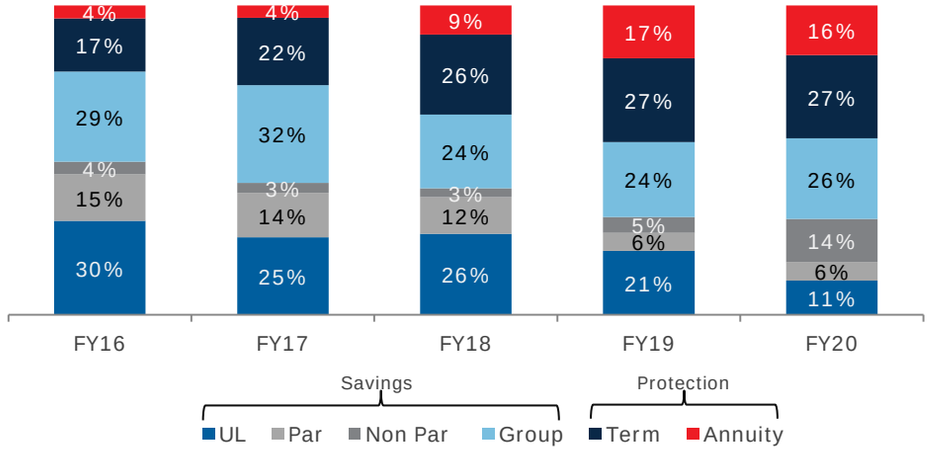


Number of lives (Mn)

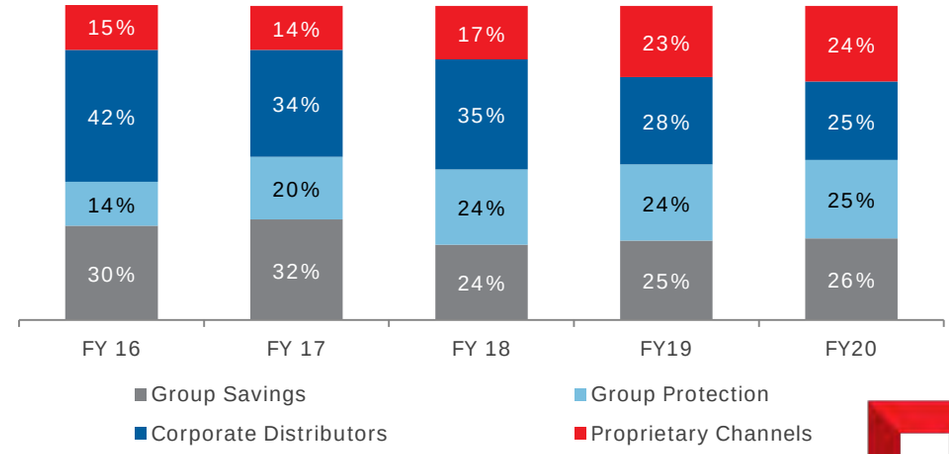
CAGR: 41%



Maintaining balanced Product Mix across cycles[1]



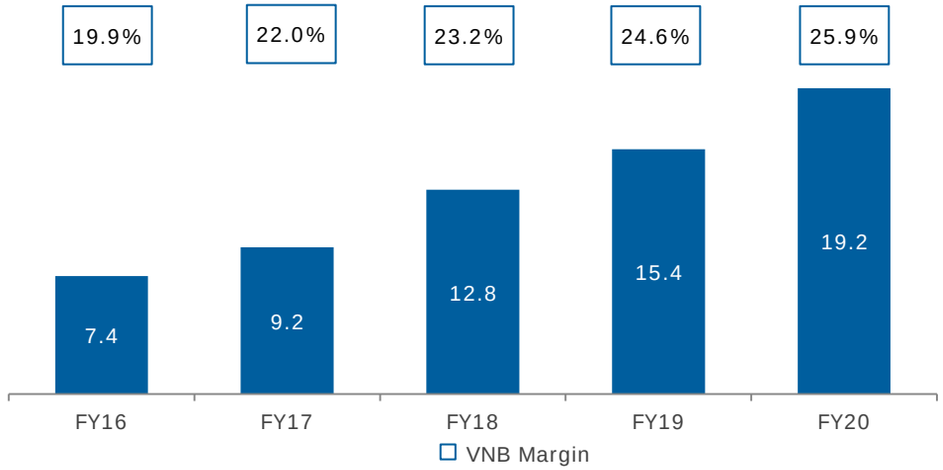
Focus on scaling proprietary channels[1]



1. As a % Overall NBP

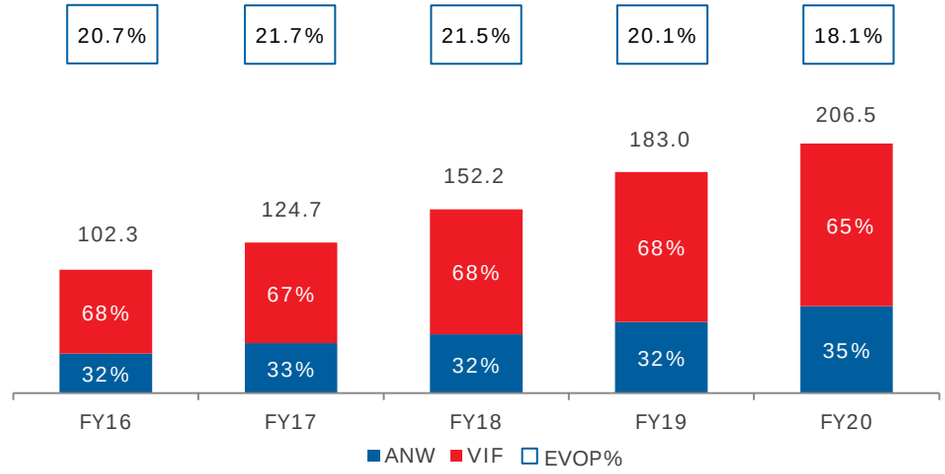
Consistent performance across key metrics (2/2)

Strong growth in VNB, Industry leading VNB margins CAGR: 27%

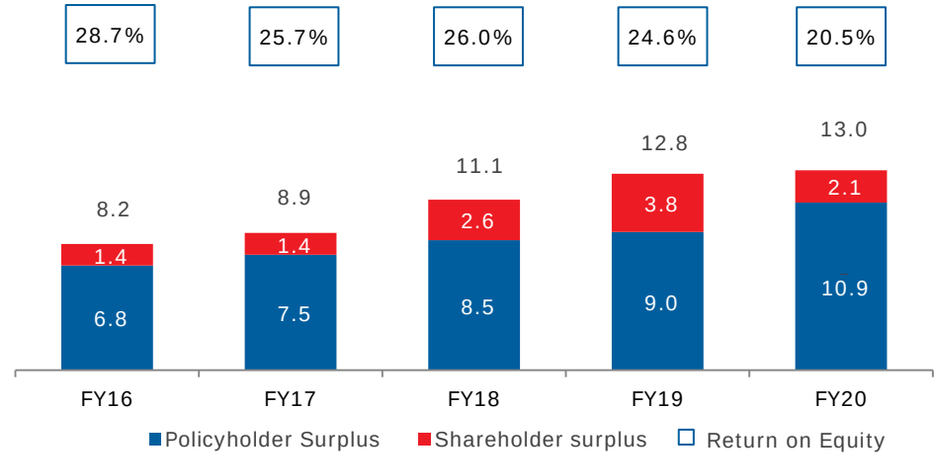


Healthy growth in Embedded Value CAGR: 19%

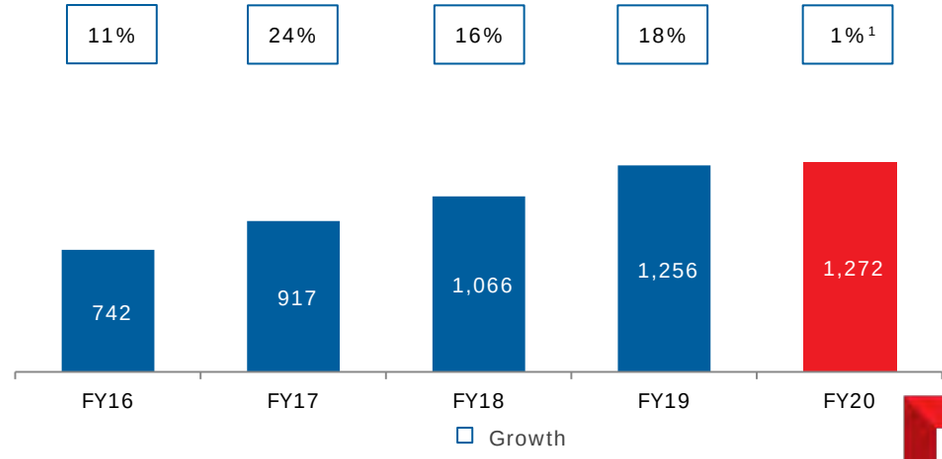
Rs Bn.



Consistent profitable growth (PAT) CAGR: 12%



Steady accretion to AUM CAGR: 14%



1. FY20 growth in Unit linked fund: -15%, Non linked fund: 17%

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

Balanced distribution mix

Developing multiple channels of growth to drive need-based selling

3

Market-leading innovation

Identifying latent customer needs to create new product propositions

4

Reimagining insurance

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

5

Quality of Board and management

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

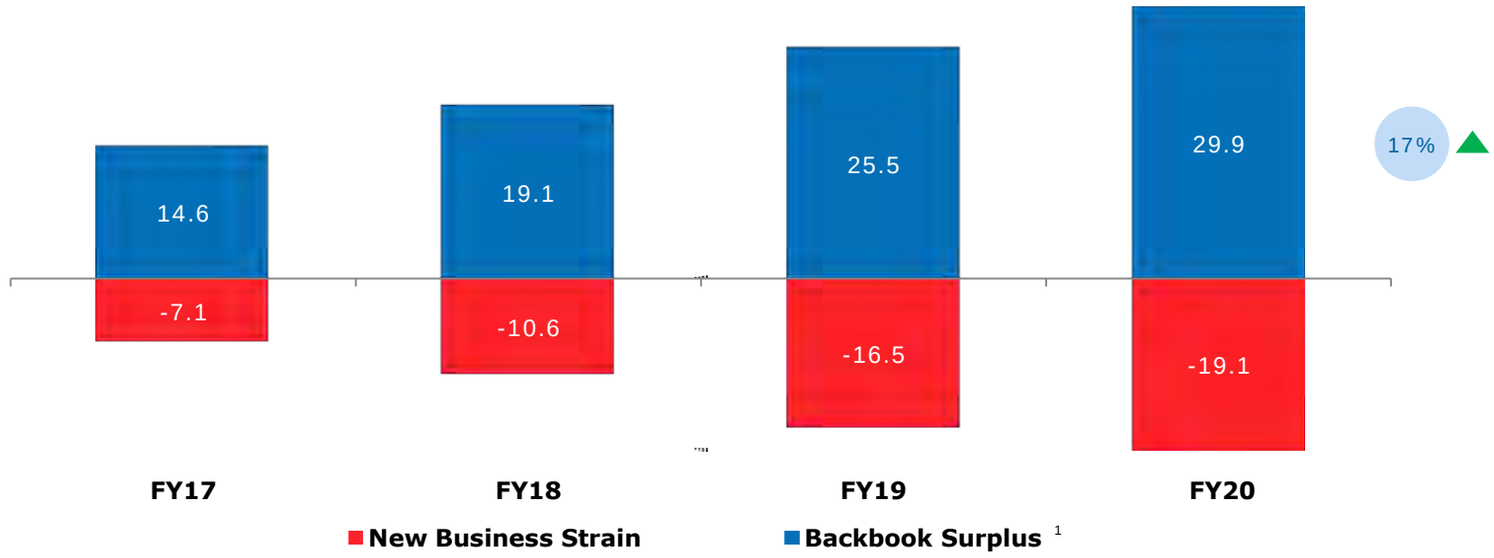
Our continuous focus on technology and customer-centricity has enabled us to maintain business continuity during the COVID-19 outbreak

Focus on profitable growth

Rs Bn.

	FY17	FY18	FY19	FY20
Economic Profit: New business Margin	22.0%	23.2%	24.6%	25.9%
Economic Profit: Value of new business	9.2	12.8	15.4	19.2
Accounting Profit: Profit after tax (PAT)	8.9	11.1	12.8	13.0
Accounting Profit: Underwriting profits	7.5	8.5	9.0	10.9
Accounting Profit: Shareholders' surplus	1.4	2.6	3.8	2.1

Underwriting profits breakup

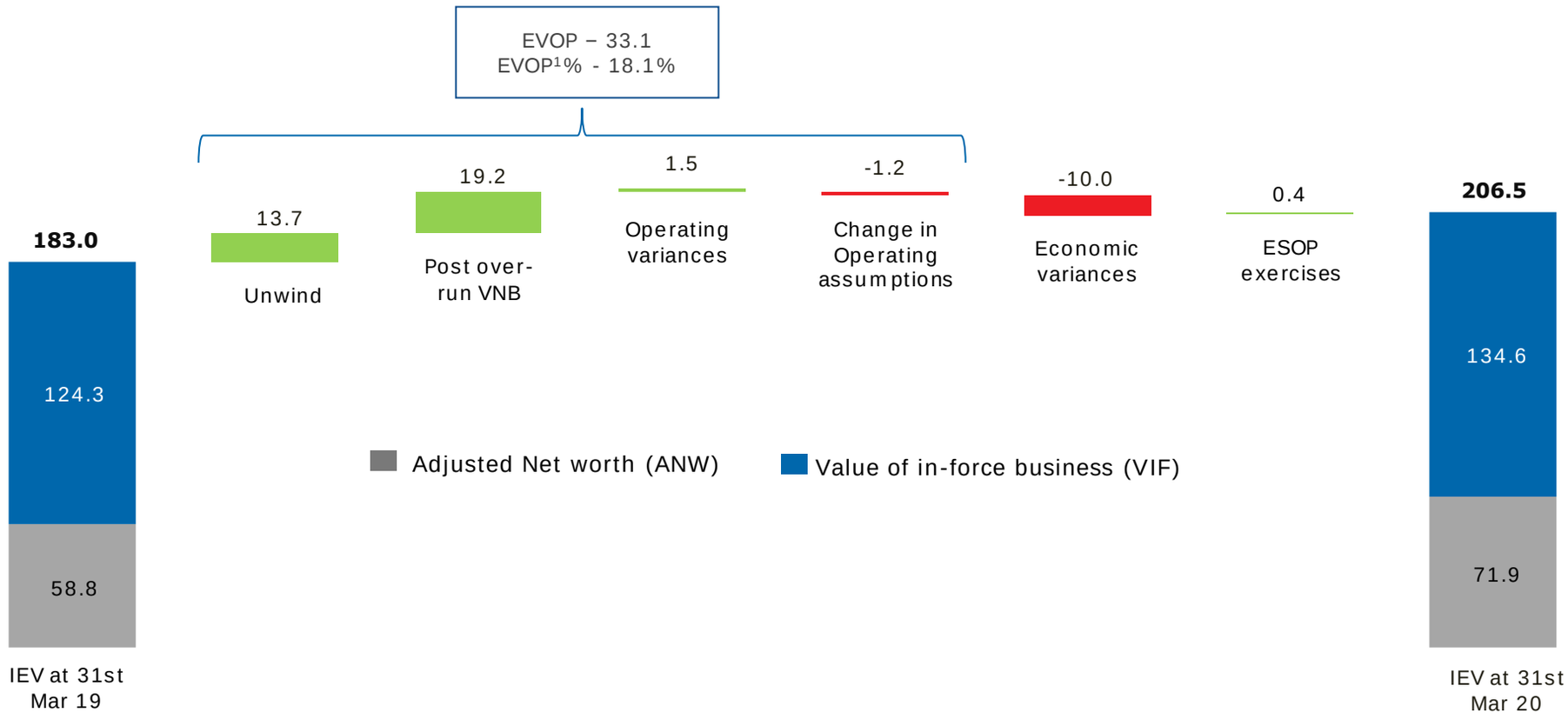


1. Includes impact of provision for Yes bank AT1 bonds / lower renewal collections

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

Analysis of change in IEV[1]

Rs Bn.

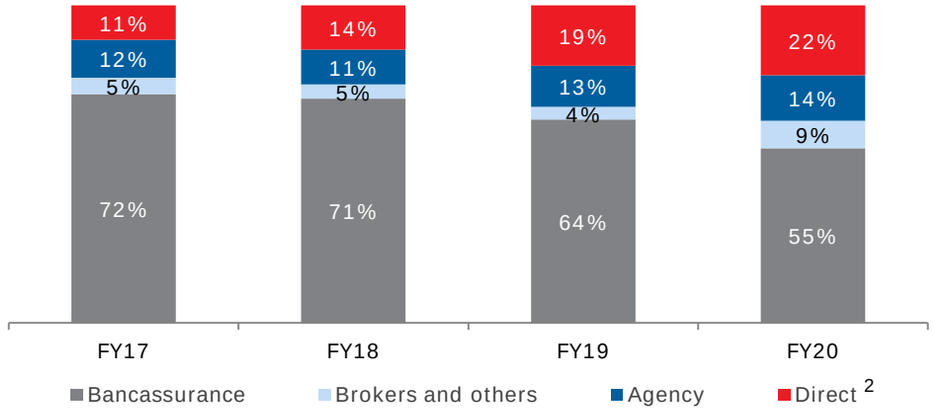


- Strengthening assumptions to reflect emerging experience in UL persistency
- Operating variances continue to be in line with our assumptions
- EVOP includes Covid reserve amounting to Rs 0.4 bn

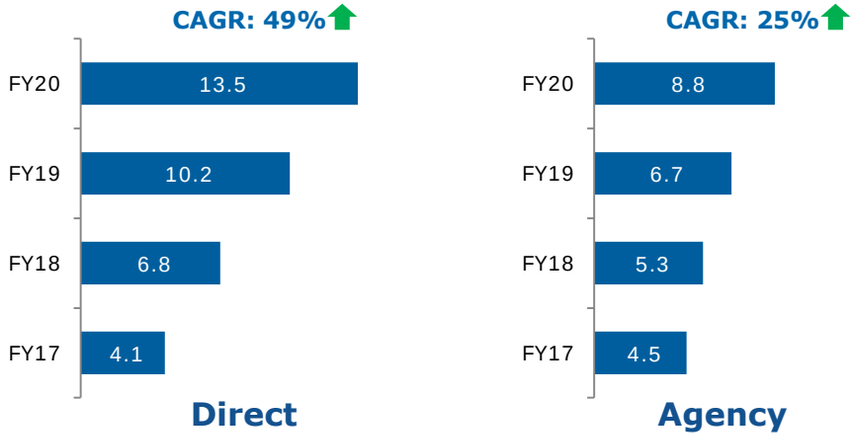
1. *IEV reviewed by Ernst & Young, an independent actuary (Review report appended with Financial disclosures)*
2. *EVOP% calculated as annualised EVOP (Embedded Value Operating Profit) to Opening EV*

Balanced distribution mix

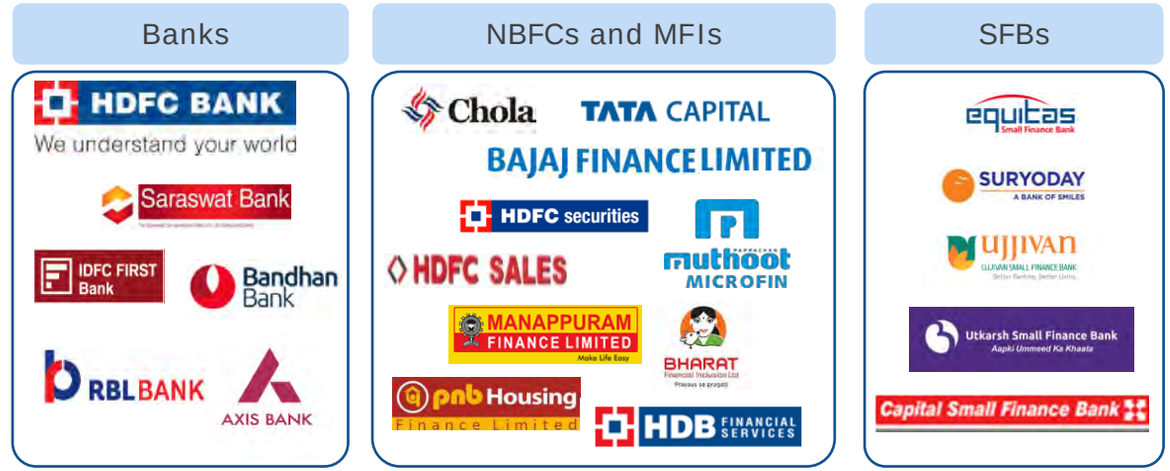
Increasing share of proprietary channels [1]



Consistent growth in proprietary channels [2] (Rs Bn.)



Strong and diversified network of 230+ traditional partners



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

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

1. Basis Individual APE
2. Direct includes Online channel

Update on channel performance

Agency

- ***32% -*** Increase in **agent productivity** driven by greater engagement and ease of doing business
- ***91%*** - Robust **13th month persistency** due to sustained focus on quality of business
- **32% - Business growth** with 12% Term share
- ***32% -*** Increase in recruitment of **high productivity agent profiles** (Financial Distributors, Homemakers, Retirees)

HDFC Bank

- **49%** - Share of digital new business with YoY growth of 23%
- **11% -** Share of new business getting achieved through alternate (non-branch) channels
- **Market share -** Maintained market share in open architecture environment
- **Profitable growth** – Focus on increasing Term share

Online

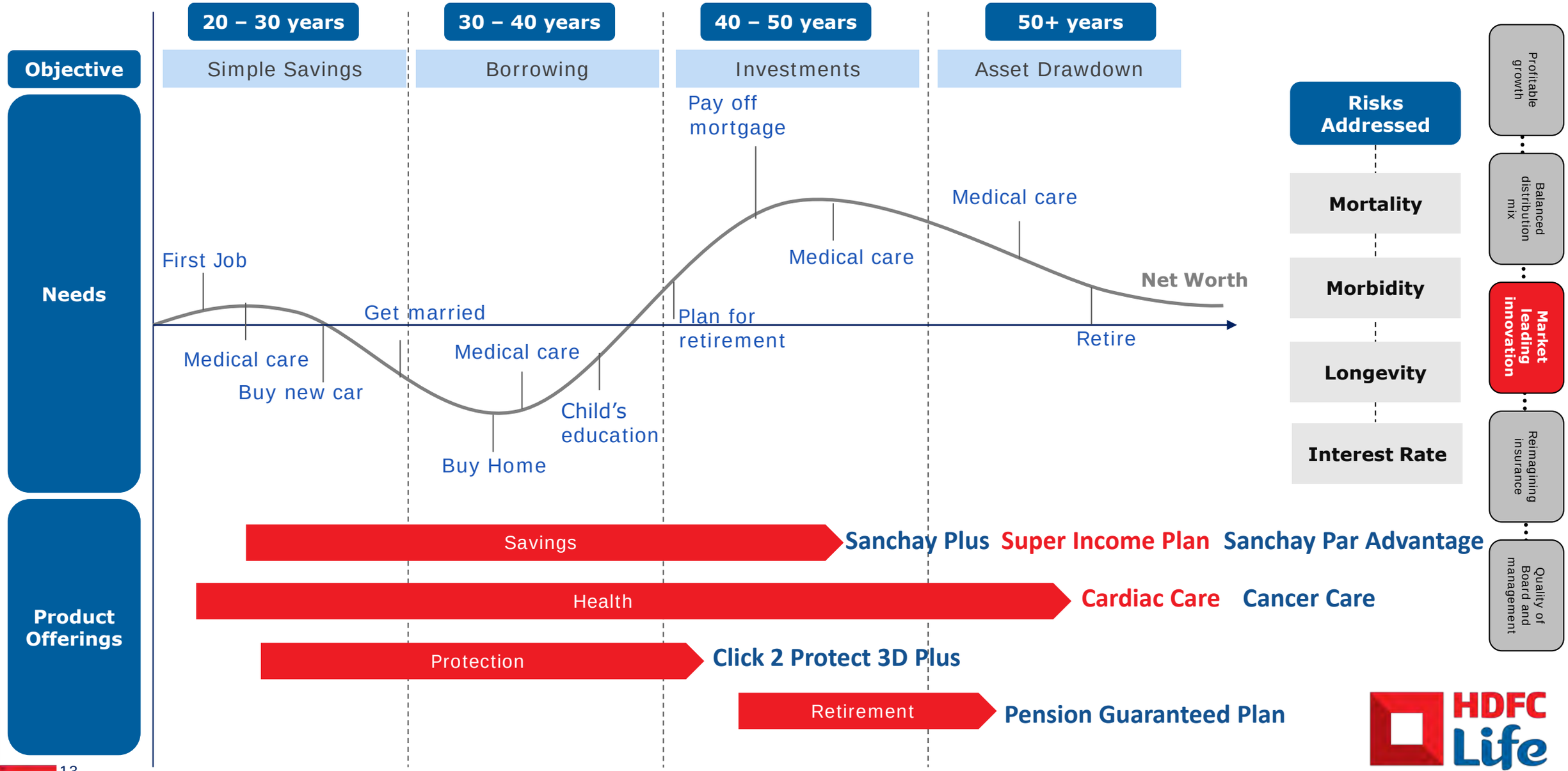
- **76% - Contribution of Online channel from non-metros** indicating increasing geographical presence
- **Building reach** - Experimentation and scale up of new advertisement platforms
- **Single journey –** Launched for Term + Savings combination product for online partners
- **ML capability –** Used successfully for Term and now extended to other product categories to increase leads and reduce cost per lead

Brokers

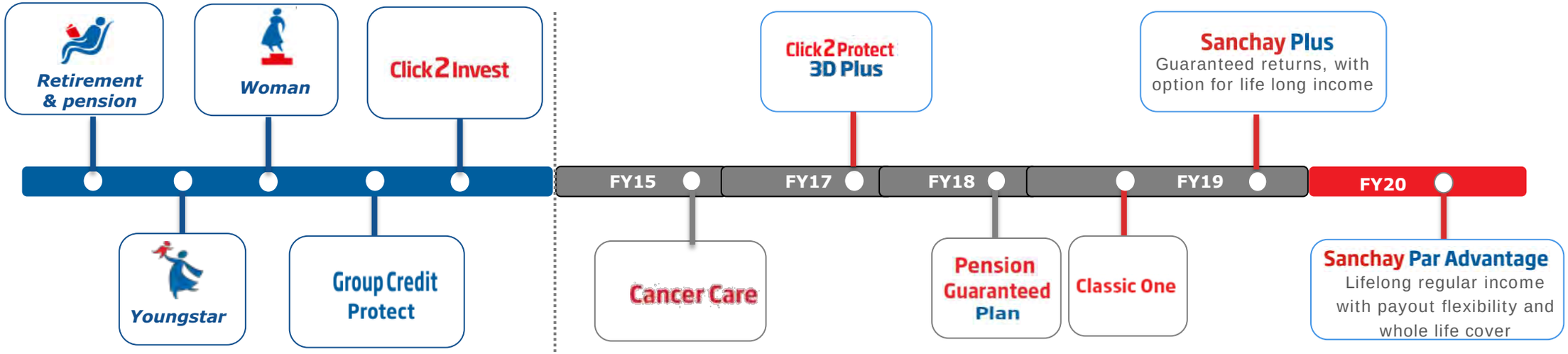
- **164% -** YoY growth in topline with focus on quality partners
- **Growing contribution from F2F partners** – 83% in FY20 vis-a-vis 43% in FY19
- **1200 bps** - Improvement in 13th month persistency
- **Increasing share in top partners –** 36% in FY20 vis-a-vis 7% in FY19 for the top 3 partners

1. PASA – Pre- Approved Sum Assured; F2F – Face to Face, FLS – Front Line Sales

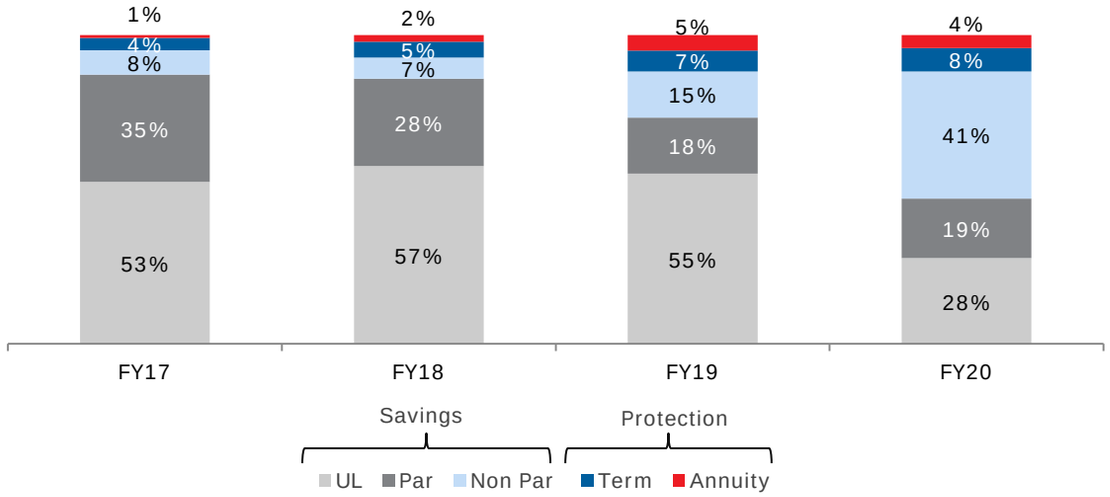
Addressing customer needs at every stage of life



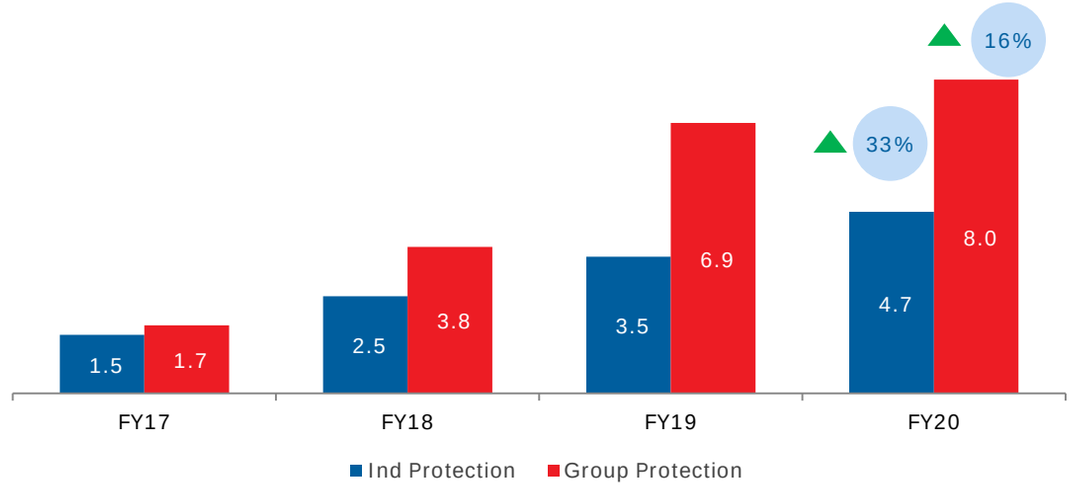
Expanding market through consistent product innovation



Diversified product suite helps in managing business cycles [1]



Continued focus on protection [2] (Rs Bn.)



1. As a % of individual APE

2. Based on new business premium. Group annuity included under annuity business

Our approach to retiral solutions

Opportunity to grow the current retiral corpus[2] of ~Rs 360 bn to 3x in the next 5 years

1. NPS

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

2. Individual income plans [1]

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

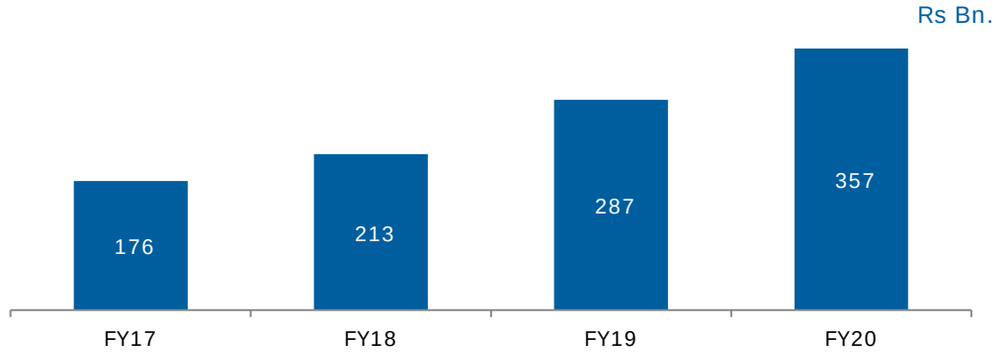
3. Immediate / deferred annuity

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

4. Group superannuation fund

- Managing funds for over 150+ corporates under superannuation scheme

Increasing retiral corpus[2]



Preferred long-term retiral service providers across corporates

UGB, Aryavart Bank, यूनियन बैंक ऑफ इंडिया, Union Bank of India, सेल SAIL, SIEMENS Ingenuity for life, ओएनजीसी ONGC, punjab national bank, इंडियनऑयल IndianOil, बैंक ऑफ़ बड़ौदा Bank of Baroda, Bharat Petroleum energising lives, gsk

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

Product mix across key channels[1]

Banca [2]

Segment	FY17	FY18	FY19	FY20
UL	61%	64%	67%	35%
Par	30%	26%	14%	17%
Non par savings	8%	8%	15%	44%
Term	1%	1%	2%	2%
Annuity	0%	1%	2%	2%

Agency

Segment	FY17	FY18	FY19	FY20
UL	26%	33%	26%	12%
Par	57%	48%	40%	34%
Non par savings	6%	5%	17%	40%
Term	11%	11%	12%	12%
Annuity	2%	3%	5%	3%

Direct

UL	47%	58%	50%	33%
Par	29%	17%	8%	14%
Non par savings	11%	9%	12%	20%
Term	6%	5%	6%	4%
Annuity	7%	11%	24%	29%

Online

UL	51%	47%	43%	28%
Par	3%	1%	1%	11%
Non par savings	1%	0%	15%	26%
Term	45%	52%	34%	32%
Annuity	0%	0%	6%	3%

Company

Segment	FY17	FY18	FY19	FY20	Q4 FY20
UL	53%	57%	55%	28%	26%
Par	35%	28%	18%	19%	34%
Non par savings	8%	7%	15%	41%	26%
Term	4%	5%	7%	8%	10%
Annuity	1%	2%	5%	4%	4%

Protection

Total APE	FY17	FY18	FY19	FY20
Term	8%	11%	17%	17%
Annuity	1%	2%	4%	4%
Total	**9%**	**13%**	**21%**	**21%**

Total NBP	FY17	FY18	FY19	FY20
Term	22%	26%	27%	27%
Annuity	4%	9%	17%	16%
Total	**26%**	**35%**	**44%**	**43%**

1. Basis Individual APE, Term includes health business

2. Includes banks and other corporate agents

Simplifying the customer journey using 5 building blocks

Platforms and Ecosystems

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

Life99 Retire with pride

- 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

Insta PRL

- 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

Insta Mix | Insta mSD | Insta FR | Insta Verify | Insta Serv 2.0 | Insta GO

InstaQuote!

HelloSelfie

Service Simplification

Simplified solutions for customers across the value chain

- **Online payments & services:** ~85% of renewal via online / debit mode

Chat bot ELLE

WhatsApp bot ETTY

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

- **Robotic Process Automation:** ~210+ bots deployed

InstA Virtual Assist for Sales & Service, current usages at ~1.76 million+ queries per month

Life.ai An omnichannel 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

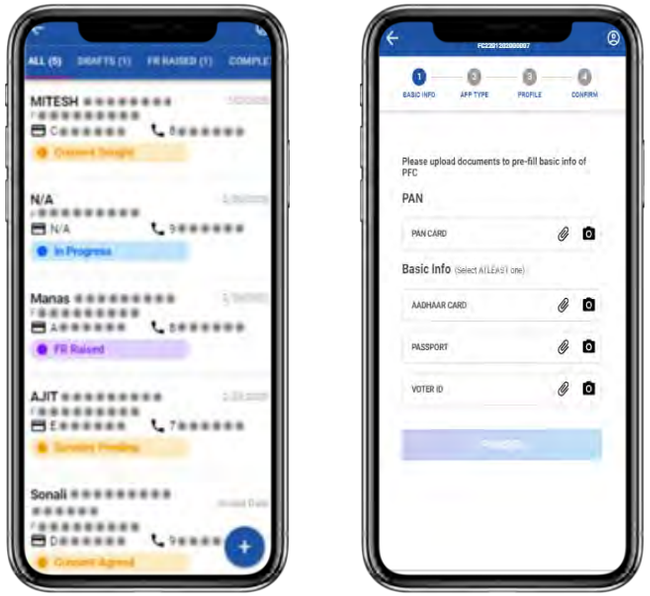
Reimagining insurance

Quality of Board and management

HDFC Life

Journey Simplification: Digital agent on-boarding and platform solutions

InstaPRL – Mobile app for on-boarding of prospective agents through journey simplification



1,200+ PRLs

3,600+ unique users

- **Expected to reduce TAT and improve efficiency**

LifeNext – End-to-end portal for group partners creating a seamless journey with plug-n-play integration

- **Centralized float management, ease of payment, claim management**
- **Faster partner on-boarding, greater transparency for partners & members**
- **Improvement in efficiency of Group operations**

Note: PRL: Pre Recruitment Licensing

Service Simplification: NLP based WhatsApp bot

Get started by scanning this QR Code

Or simply, send 'Hi' on WhatsApp to **+91 82918 90569**

Powered by:

Life.ai

An omnichannel conversational AI engine for sales growth, better customer engagement, and improved customer service

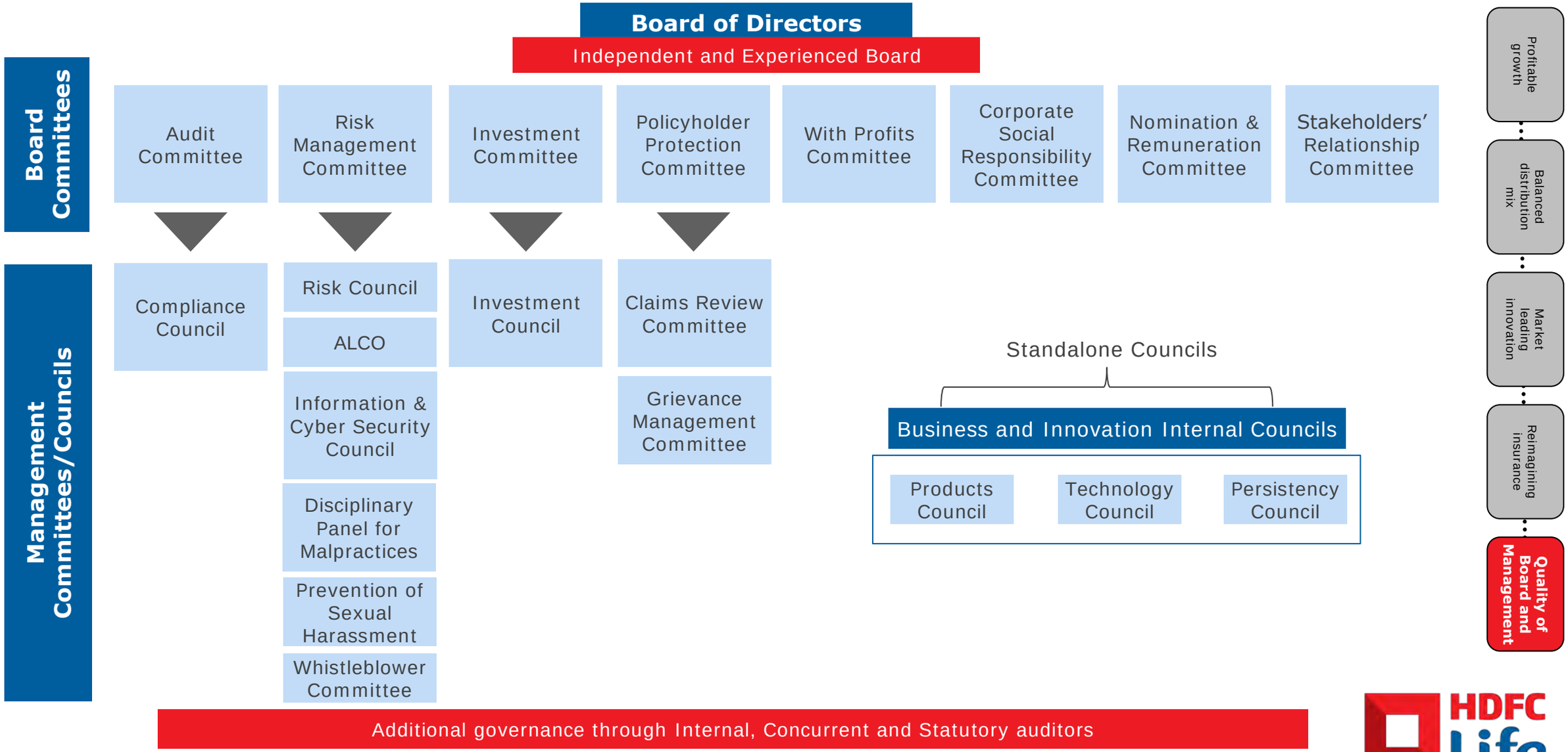
Illustrative queries

- **What is my fund value**
- **Fetch my policy details**
- **Status of my policy**
- **How do I get bonus**
- **What is mortality charge**

...and over 300 other queries!

HDFC Life

Governance Framework



The above list of committees is illustrative and not exhaustive

Financial risk management framework

Natural Hedges

- Protection and longevity businesses
- Unit linked and non par savings products
- Quantum of retail guaranteed products ~13% of AUM

Product design & mix monitoring

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

Managing Risk

ALM approach

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

Residual strategy

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

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

EV and VNB Sensitivity	Overall (FY20)		Non par (FY20) [1]	
Scenario	EV	VNB Margin	EV	VNB Margin
Interest Rate +1%	(1.2%)	(0.7%)	(1.3%)	(2.0%)
Interest Rate -1%	0.6%	0.2%	0.0%	1.7%

[1] Sensitivity shown for portfolio 1 and 2 as described in Slide 22

Summary of Milliman report on our ALM approach[1]

Scope of review	Portfolios reviewed
• Assess appropriateness of ALM strategy to manage interest rate risk in non-par savings business • Review sensitivity of value of assets and liabilities to changes in assumptions	▪ Portfolio 1: Savings and Protection – All non-single premium non-par savings contracts and group protection products ▪ Portfolio 2: All immediate and deferred annuities

Description	Stress scenarios tested	Net asset liability position
Interest rate scenarios	Parallel shifts/ shape changes in yield curve within +- 150 bps of March 31st 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:

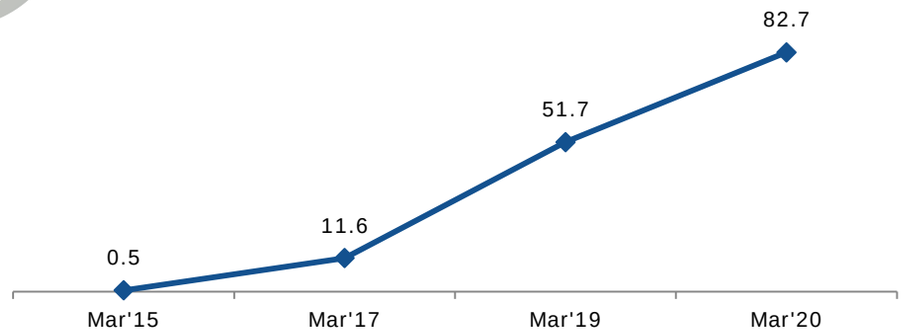
- **meet policyholder liability cash flows**
- **protect net asset-liability position thereby limiting impact on shareholder value**

1. Opinion issued by Milliman Advisors LLP on ALM strategy (for non par business) included as part of our Financial disclosures

Performance of wholly-owned subsidiary[1] companies

HDFC Pension

AUM, Rs Bn.



- Fastest growing PFM (Pension Fund Manager) under the NPS architecture (YoY growth of 60% in AUM)
- Market share grew from 27% in Mar'19 to 31% in Mar'20 amongst all private PFMs
- Ranks #1 in corporate subscribers base, #1 amongst all PFMs in net fund flow, retail subscriber base and AUM
- POP operations commenced with enrolling of both retail and corporate subscribers; 600+ corporate registrations till Mar'20

HDFC International Life and Re

- Registered growth of 72% in gross reinsurance premium and 101% in net profits in FY20
- Continue to register positive net profit
- As on December 30, 2019, S&P Global Ratings affirmed its long-term public financial strength rating of "BBB" while maintaining the outlook as "Stable"

1. Investment in subsidiaries not considered in Solvency Margin

3 Managing Covid-19

Approach to manage impact of the COVID-19 outbreak

Immediate measures taken:

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 collections 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

Opportunities

- **Reinvent operating model**
  - Enhanced focus on digital
  - Work from home
- **Higher demand for protection**
  - Increasing awareness levels
  - High protection gap
- **Consolidation of market share**
  - Product innovation
  - M&A

Risks: Mitigants

- **Fall in growth:** End-to-end digital journey
- **Adverse mortality experience:** Stringent underwriting on the back of data analytics; increased pricing
- **Credit risk:** Conservative investment strategy; ongoing portfolio review
- **Weak equity markets impacting solvency:** Balanced product mix; healthy backbook surplus
- **Fall in persistency:** Improved customer engagement & communication around need to retain cover
- **Expense over-run:** Focus on cost control measures, higher proportion of variable costs

Managing impact of COVID-19 on business

	New business / purchase	Customer interaction	Employee / Partner engagement
Agency	▪ **Digital sales journey -** End-to-end digital sales, from prospecting till conversion, including customer interactions	▪ **Seamless support experience -** instA suite of applications for customer query resolution	★ ▪ **e-learning platform -** 7,500+ agents attending training programs daily through mLearn / VC Platform
Bancassurance	★ ▪ **New business mobilization -** Promoting usage of netbanking, pre-approved sum assured offers and digital receipting at branches	▪ **Integration with platforms -** Customers can buy, renew, and seek support through multiple apps / portals	★ ▪ **Gamified contests -** Launched to drive adoption of digital engagement initiatives
Direct (offline)	▪ **iEarn -** AI based behavior influencing tool, nudges field salesperson for completion of specific tasks	★ ▪ **InstaServe -** OTP based policy servicing tool to handle customer queries	★ ▪ **Engagement and capability building -** VC based skill building program on virtual selling skills
Direct (online)	★ ▪ **Uninterrupted customer assistance -** Work from home solution enabled for contact center agents and employees	▪ **24*7 self-service options -** Promotion of solutions through website along with service and claims FAQs	★ ▪ **Employee engagement -** VC based skill building sessions with digital partners (Twitter, Google, Facebook)
Broker	▪ **Access to digital tools -** Key partners given access to instA and partner portal	▪ **'Resume' application option -** Post logins, customers can directly upload documents on our website	▪ **Partner trainings -** Conducted via digital collaboration tools

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

Enabling end to end digital journey: Servicing

Renewal Collections

- **~85% of renewal payments made digitally** via Website, Mobile app, Quick Pay, PayZapp, PayTm, Bharat Bill
- Tie-up with **Insure Pay**
- **SVAR (voice bot for renewal calling)**
- **Cloud telephony** used for employees working from home to do remote reminder and service calling

Maturity / Claims payout

- **Email, Whatsapp and customer portal 'My Account'** enabled to upload necessary docs
- **Simple '3 click claim' process** for some policies (**99.96% claims settled in 1 day in Q4**)
- **Video based process** enabled for Senior customers to submit Life Certificate
- **Robotic Process automation** handled more than 175 processes remotely

Policy Servicing

- **73% increase in adoption of web and app users** after lockdown
- **70% increase** in the usage of WhatsApp bot 'Etty', chatbot 'Elle', Twitter bot (Neo)
- **~70% customer servicing team** enabled to work from home
- **1.76 mn+ Monthly queries** handled by **InstA** (virtual assistant), **InstaServ** (Mobile app enabled to service customers)

HDFC Life has settled **~3,000 maturity claims**, settled **~ 300 death/health claims**, made **~21,000 annuity payouts**, processed **~95k transactions** in the first 15 days of lockdown

Enabling end to end digital journey: New Business (1/2)

Suite of mobile apps to facilitate customer on-boarding

Insta Verify | Insta GO | mSD | Insta Mix | Insta FR

Mobility

- **Mobile Sales Diary** or MSD
- **InstaVerify** (customer verification at POS)
- **InstaGo** (Geo-tagging enabled partner / lead management tool)
- **eCCD** for paperless customer consent

Faster integration with new partners and self service

API[1] Integration

- **Standard APIs set for NB integration for retail & Group**
- Drives better information security

Pre-conversion Verification via Chat

Chat PCV

- Automated verification
- Allows customers to do self verification with a very easy chat UI
- **No dependence on salesperson or call center**
- **>60% verifications** completed post Covid

Simplified insurance buying through a 3-click journey

INSTAInsure

Pre- Approved Sum Assured

- Intuitive UI/UX integrated across all digital assets
- Analytics-based automated underwriting, data-driven de-dupe
- Offering InstaInsure **to 15+ partners**

During Lockdown period[1] 3,000+ agents onboarded digitally (30% increase), 6,000+ telemedicals done (50% increase), 50,000+ applications submitted through digital mode and 45,000+ policies issued

1. *API: Application Program Interface*
2. *Number of transactions for the period 21st March to 13th April*

HDFC Life

Enabling end to end digital journey: New Business (2/2)

Complete integration with key channel partners

HDFC Bank Journey

- Ease of customer acquisition whereby, new **customer on-boarded every 60 seconds**
- **Deep integration** enabling auto populate several data and knocking out documents basis Bank KYC
- Present on **Mobile banking** and **Whatsapp banking** platform of HDFC bank
- **Policy issuance[2] in <3 hrs**

Lean front-end sales journey for POS[1] products

POSP[1]

- **Completely paperless, lean proposal form** making the process simpler and faster
- Cloud native (deployed on AWS); journey can happen without impacting TEBT
- Payment gateway integrated as a part of the sales journey

Gamification of buying journey

HelloSelfie

Hello Selfie

- Mechanism to gamify the insurance-buying journey especially for the new-age customers (e.g., millennials)
- Initiate the buying journey by scanning a QR code or visiting **selfie.hdfclife.com**

Ecosystem for retirement planning

Life99

Life99

- Single platform for all retirement services; avail services on the go
- Choose from **10+ pension & investment products**
- Check retirement readiness and compare with peers
- **200 partners** onboarded
- **10,000+ registered users**

1. *POS – Point of Sales, POSP – Point of Sales Product*
2. *Median TAT*

HDFC Life

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4 Customer Insights

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	6
Safe investment option	6	7
Additional investment option	7	5
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 9th reason to buy Life Insurance, compared to 4th 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

Source: Nielsen Syndicated U&A

Some additional customer insights[1]

Buying behaviour

- A repeat buyer is usually a metro resident, with income > Rs 10 lakhs and age > 35 years
- 50% of cross-selling takes place within 6 months & 80% within 18 months
- A typical repeat buyer has more than 3 credit cards and a home loan of Rs 30+ lakhs
- In 40% of the households, the second member of the family is likely to take a policy within 6 months of the first policy

Household

- 40% of families have exposure to only one product category (Par/Non-Par/UL)
- Family Policy Density is 3.7 v/s Client Policy Density of 1.3
- Between Mar 2013 and Nov 2018, customers below 30 years of age have grown by 11x in NOP as well as EPI growth

Distribution

- Contribution of online customers with income bracket >Rs 15 lakhs is significantly higher in proprietary channels as compared to aggregators
- In FY19, the activation of agents is quicker in tier III vis-à-vis activation in metros
- Agents between 36 – 50 years of age are selling more of protection plans as 1st policy

1. Based on internal analysis

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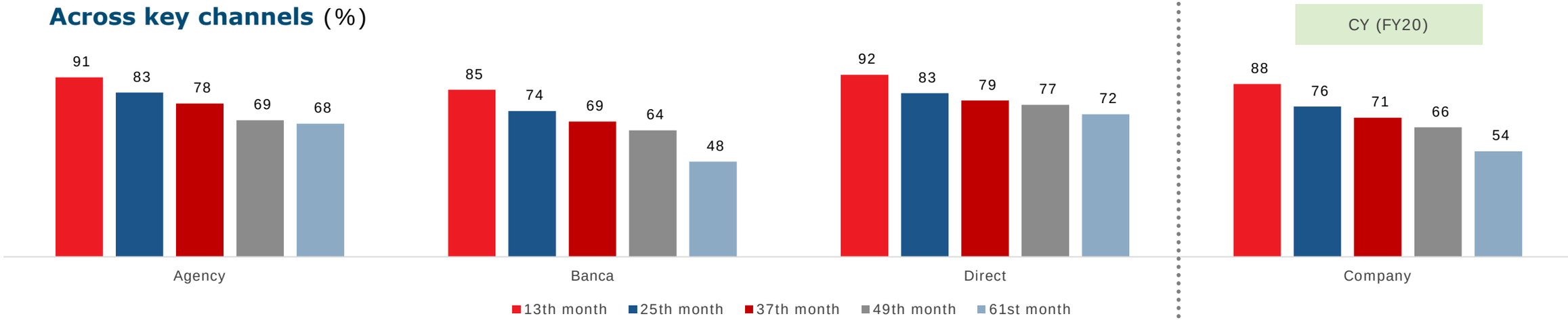
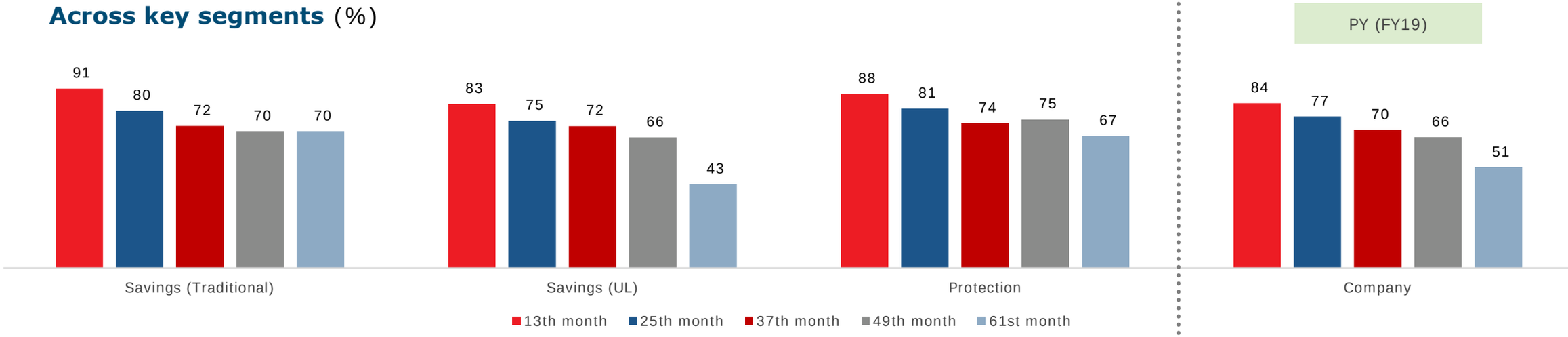
5 Annexures

Individual persistency for key channels and segments[1]

Across key channels (%)



Across key segments (%)



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

VNB and NBM walkthrough

Rs Bn.

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

VNB – Value of New Business
NBM – New Business Margin

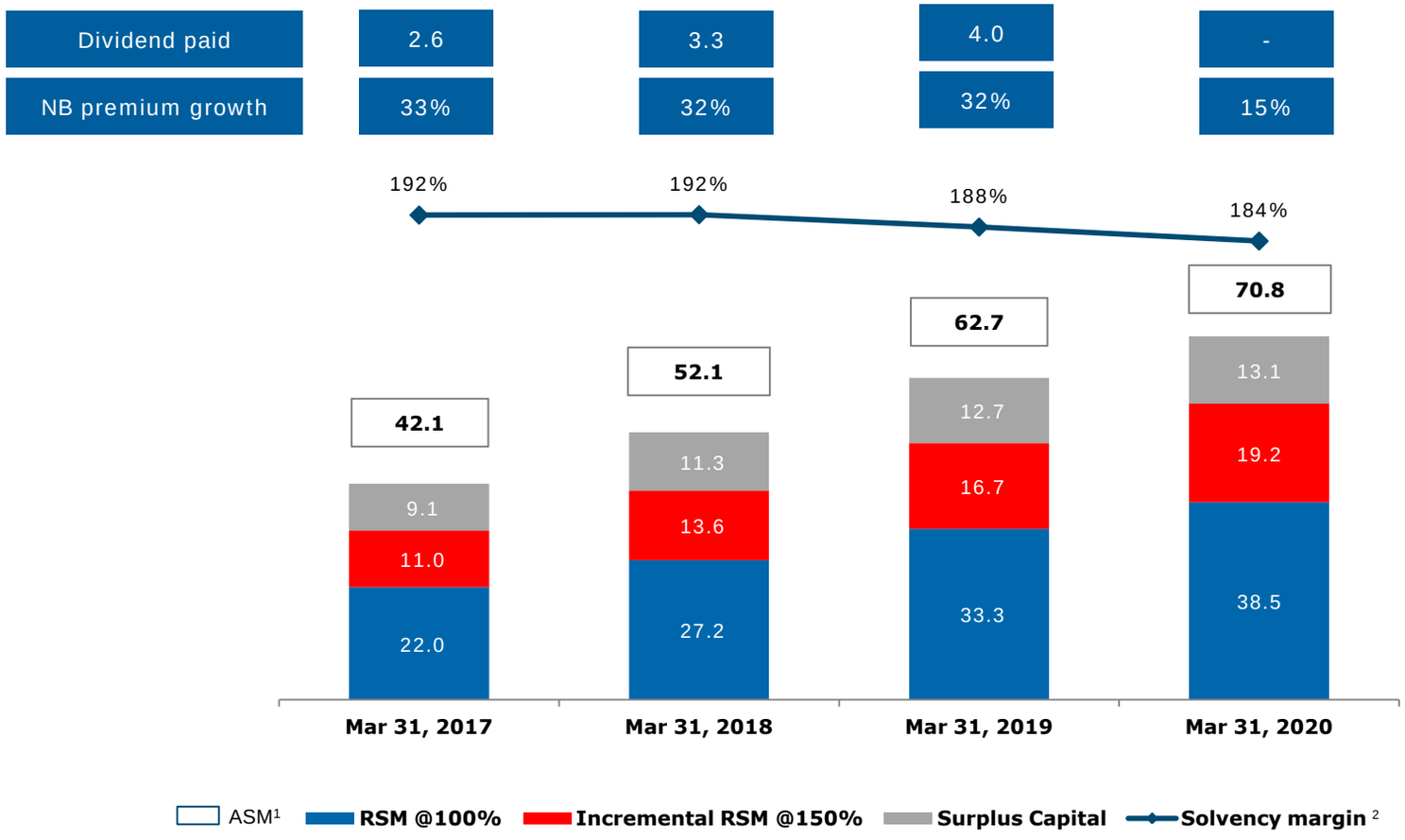
Sensitivity analysis: FY20

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

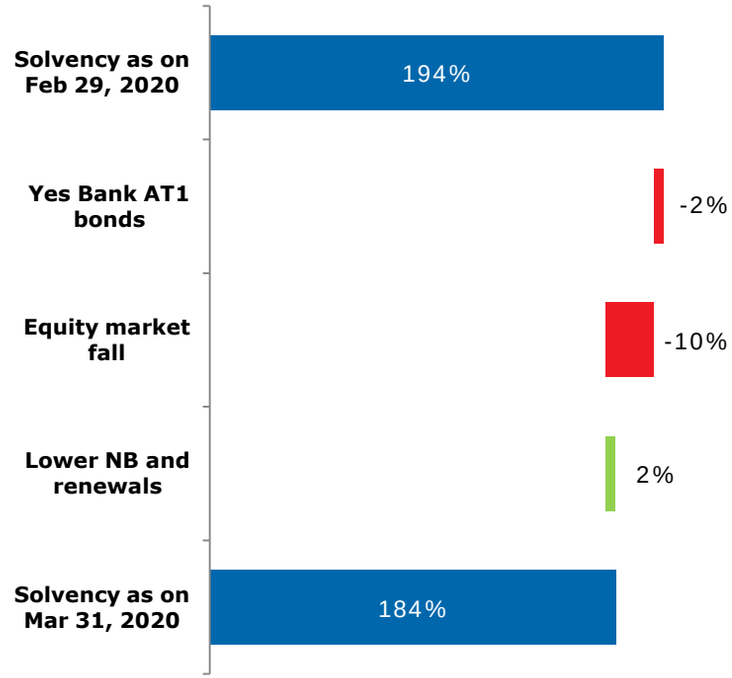
1. Post overrun total VNB for Individual and Group business

2. The tax rate is assumed to increase from 14.56% to 25% and hence all the currently taxed profits in policyholder/shareholder segments are taxed at a higher rate. It does not allow for the benefit of policyholder surplus being tax-exempt as was envisaged in the DTC Bill.

Stable capital position



Rs Bn.



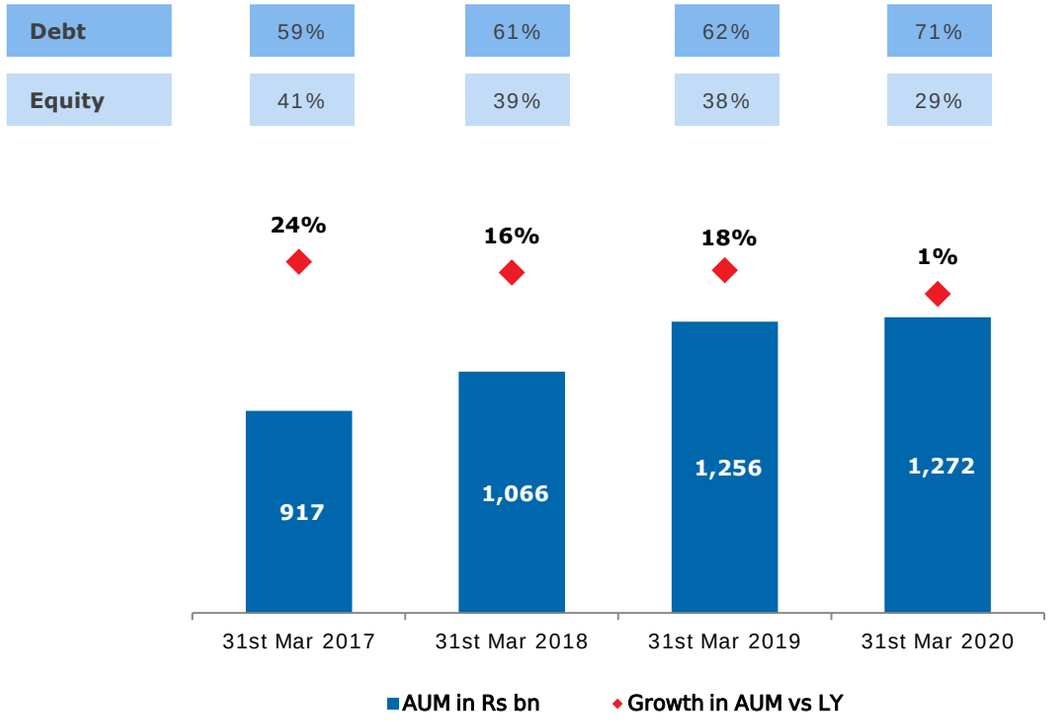
- Internal accruals have supported new business growth with no capital infused in last eight years *(except through issuance of ESOPs)*
- No dividend declared for FY20, in lines with the IRDAI circular to conserve capital

1. ASM represents Available solvency margin and RSM represents Required solvency margin

2. Investment in subsidiaries not considered in solvency margin

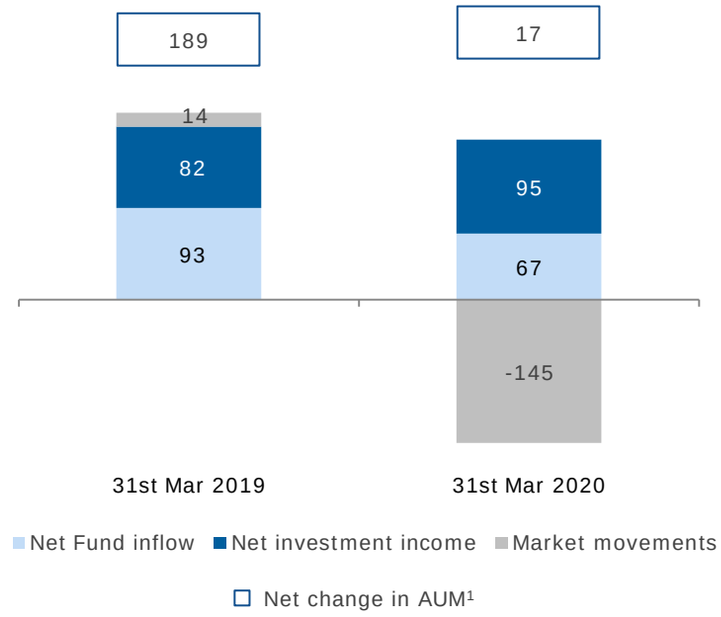
Assets under management

Assets Under Management



Change in AUM [1]

Rs Bn.



- Continue to rank amongst top 3 private players, in terms of assets under management [2]
- More than 96% of debt investments in Government bonds and AAA rated securities as on Mar 31, 2020

1. Calculated as difference from April to March
2. Based on Assets under Management as on Dec 31, 2019

Committed to Sustainability

Governance

- **Corporate governance policy**
- Self-assessment of Board Performance
- Board diversity policy
- Average Board experience is > 30 years
- **Code of conduct policy**
- **Risk management policy and enterprise risk management (ERM) framework** - designed and approved by the board
- **Sensitivity analysis and stress testing -** conducted periodically
- **Information security and cyber security -** As a part of the ISO 27001:2013 assessment program, independent auditors validated and certified the controls implemented
- **Data privacy policy -** applicable to customers, employees, and service providers
- **Focus on data privacy and cyber security -** nil cases in FY19
- **Performance management system -** deeply entrenched in the principles of 'balanced scorecard'

Social

- **Swabhimaan - giving back to society -** 23 CSR projects in education, health, environment, livelihood, and disaster relief implemented across 25 states and 3 UTs, impacting > 280K beneficiaries in India
- **Insured > 40 million lives** in microfinance
- **Robust talent management process -** Programs such as Potential Review Process (PRP), STRIDE and ZENITH assess the needs of employees
- **Contemporary and progressive employee development programs -** include web enabled, micro size learnings hoisted on platforms such as M-Learn and M-Connect
- **Employee satisfaction study -** ESAT scores with 71% actively engaged employees covering 95% of workforce
- **Customer satisfaction surveys -** conducted regularly
- **Employee health and wellbeing -** flexi working hours, childcare facility, paid paternity leave, paid maternity leave are available. Diversity and inclusiveness, health and fitness are key focus areas

Environment

- **Water conservation and energy efficiency -** goal- oriented initiatives adopted
- **Access to clean drinking water -** Set up water ATMs in 12 villages
- **Waste management initiatives -** segregation of waste, use of biodegradable garbage bags, ban on use of single use of plastic
- **Created ten city forests -** using the Japanese Miyawaki method in Mumbai and Nashik

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

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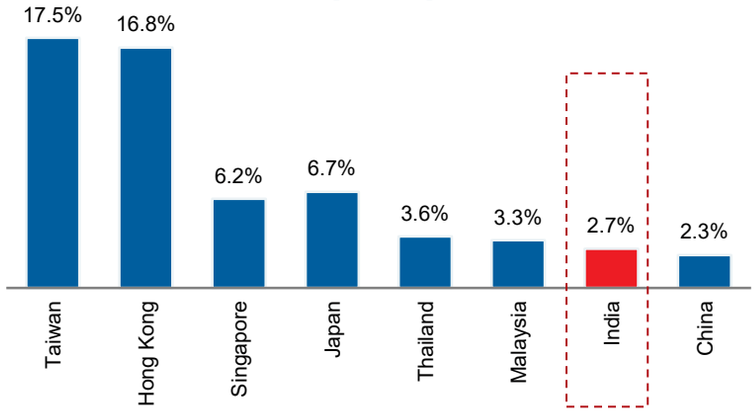
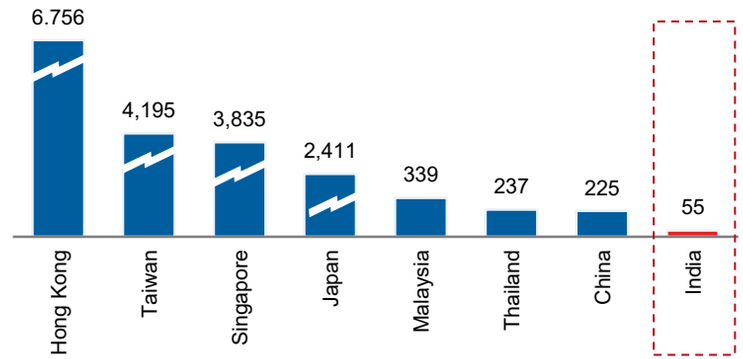
Growth opportunity: Under-penetration and favourable demographics

Life Insurance penetration [1] (2018)

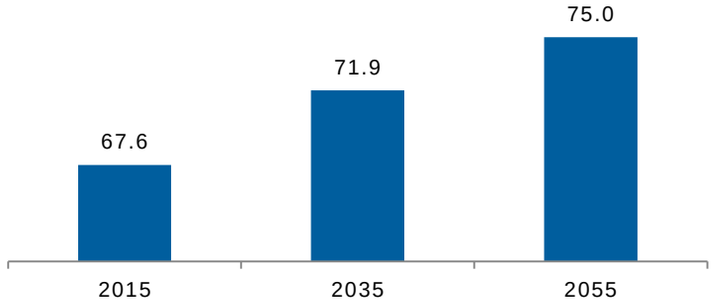


Life Insurance density US$ [2] (2018)

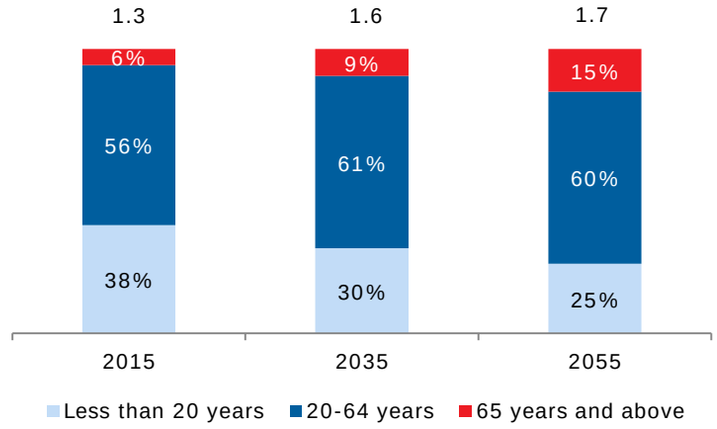


- India remains vastly under-insured, both in terms of penetration and density
- Huge opportunity to penetrate the underserviced segments, with evolution of the life insurance distribution model

Life expectancy (Years)



Population composition (Bn.)



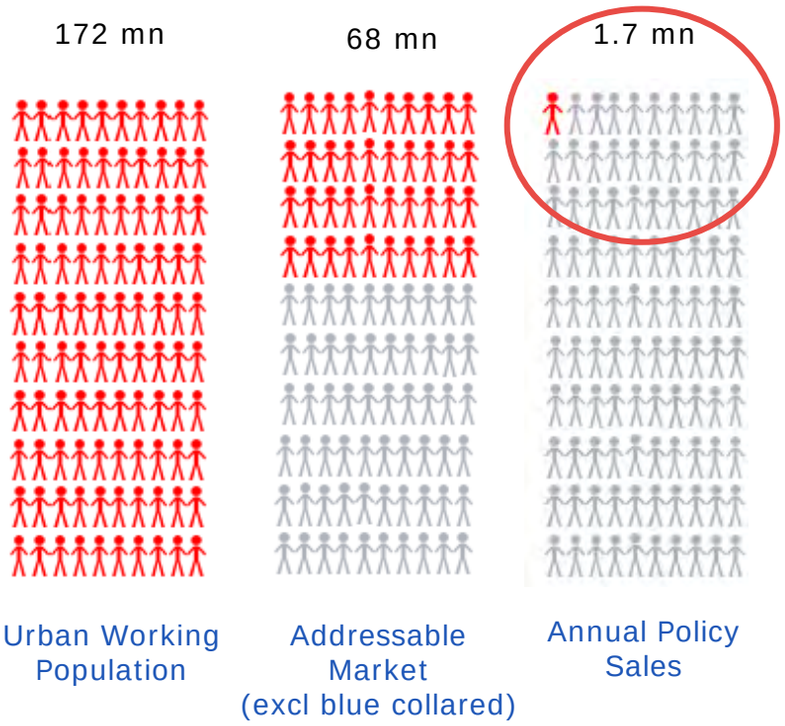
- India's insurable population is expected to touch 750 million by 2020
- India's elderly population is expected to double by 2035 (as compared to 2015)
- Emergence of nuclear families and advancement in healthcare facilities lead to increase in life expectancy thus facilitating need for pension and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

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

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

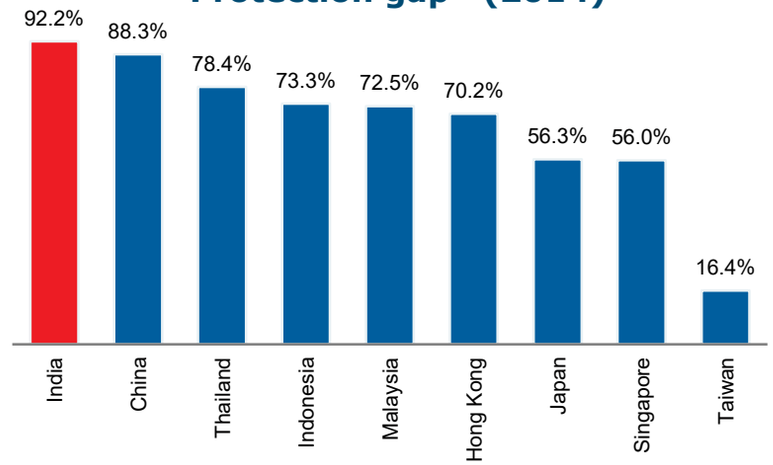
Source: Swiss Re (Based on respective financial year of the countries), MOSPI, United Nations World Populations Prospects Report (2017)

Low levels of penetration – Life Protection



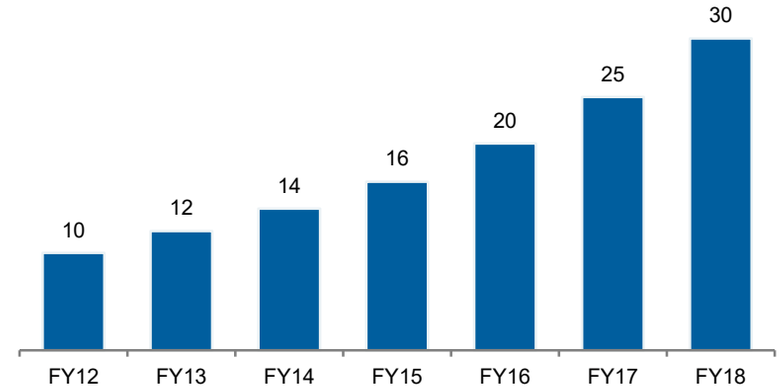
- Only 1 out of 40 people (2.5%) who can afford it is buying a policy every year 1
- Even within the current set, Sum Assured as a multiple of Income is <1x

Protection gap [2] (2014)



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

Trend of retail loans [3] (Rs Tn.)

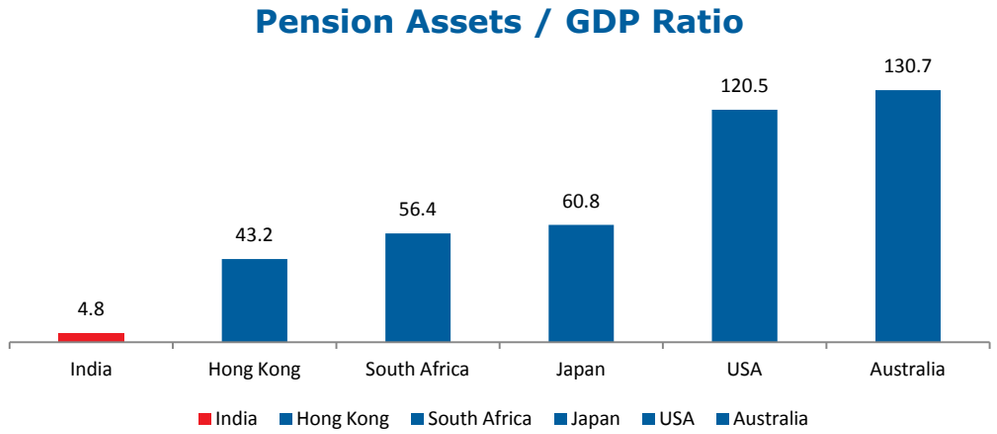


- Retail credit has grown at a CAGR of 21% over last 6 years
- Increasing retail indebtedness to spur need for credit life products
- Immense opportunity given:
  - Increasing adoption of credit
  - Enhancement of attachment rates
  - Improvement in value penetration
  - Widening lines of businesses

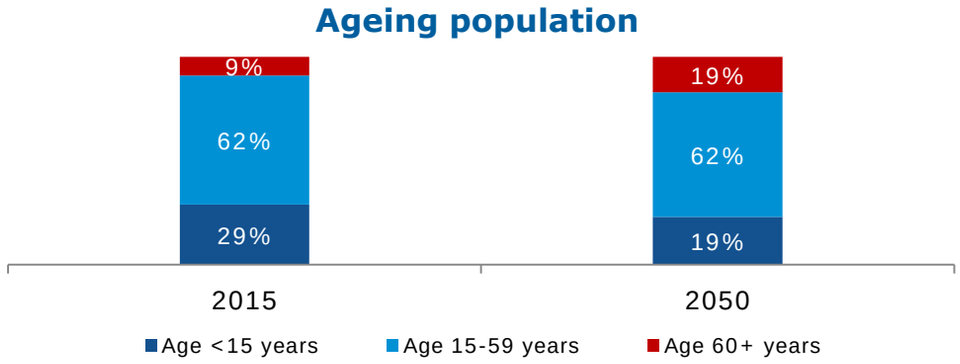
1. Goldman Sachs Report, March 2019
2. Swiss Re (Based on respective financial year of the countries)
3. Kotak institutional equities

Macro Opportunity of Pension Segment

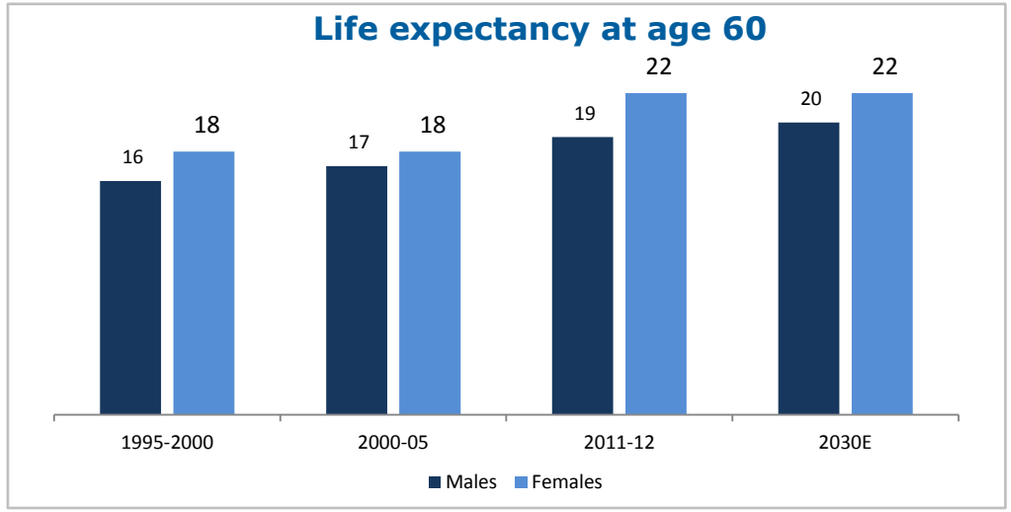
India's pension market is under-penetrated at 4.8% of GDP



60+ population is expected to almost triple by 2050



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



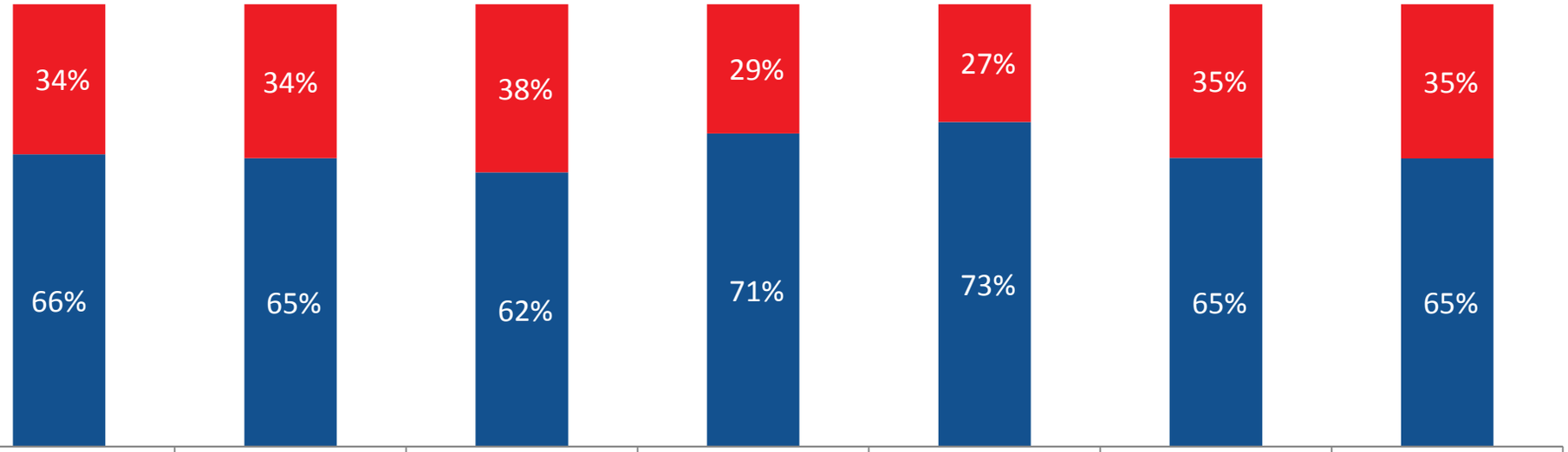
- Average household size has decreased from 4.6 in 2001 to 3.9 in 2018
- Total Pension AUM is expected to grow to Rs 47 Tn by 2025 (more than 1/3rd accounted for by NPS)
- Mandatory schemes to increase coverage for both unorganized and organized sectors

Source: Milliman Asia Retirement Report 2017; Survey by NSSO, Ministry of statistics and Programme implementation Crisil PFRDA, Census of India, UN Population Estimates

Government Bond Auctions

Government Bonds – Tenorwise Issuance

Rs Bn.



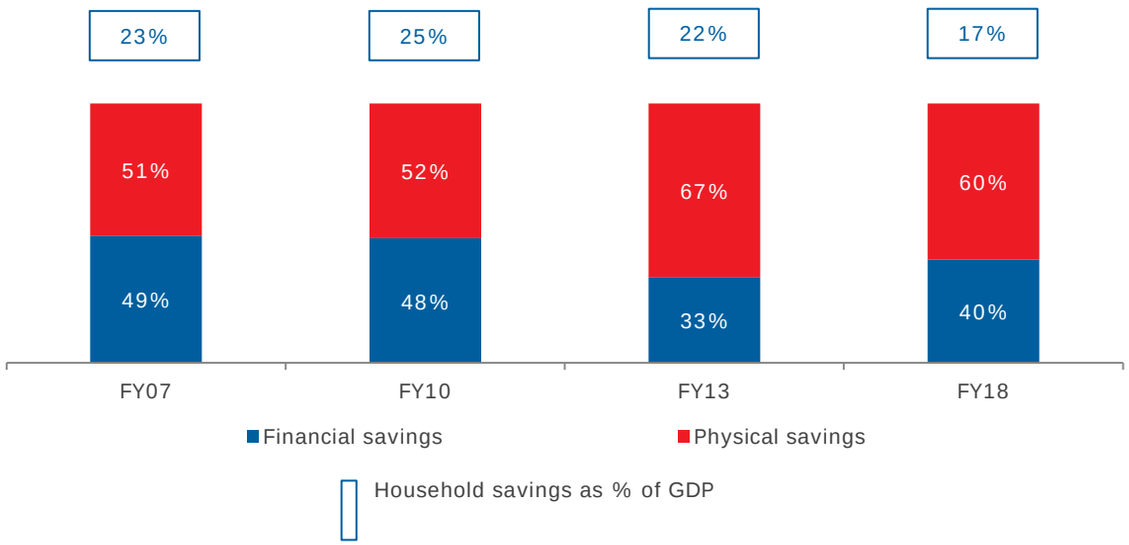
	FY14	FY15	FY16	FY17	FY18	FY19	FY20
>15yrs	1,93,000	2,06,000	2,25,000	1,54,520	1,80,529	2,04,000	2,38,000
<=15yrs	3,75,500	3,86,000	3,66,500	3,73,525	4,97,579	3,82,941	4,44,000
Total	5,68,500	5,92,000	5,91,500	5,28,045	6,78,109	5,86,941	6,82,000

- Auction of >15 year maturity bonds has been ~33% on an average facilitates writing annuity business at scale
- Budget estimate plan for government borrowing for FY20 at Rs. 7.1 trillion on gross basis
- The actual borrowing till Q4 is 96% of the budget

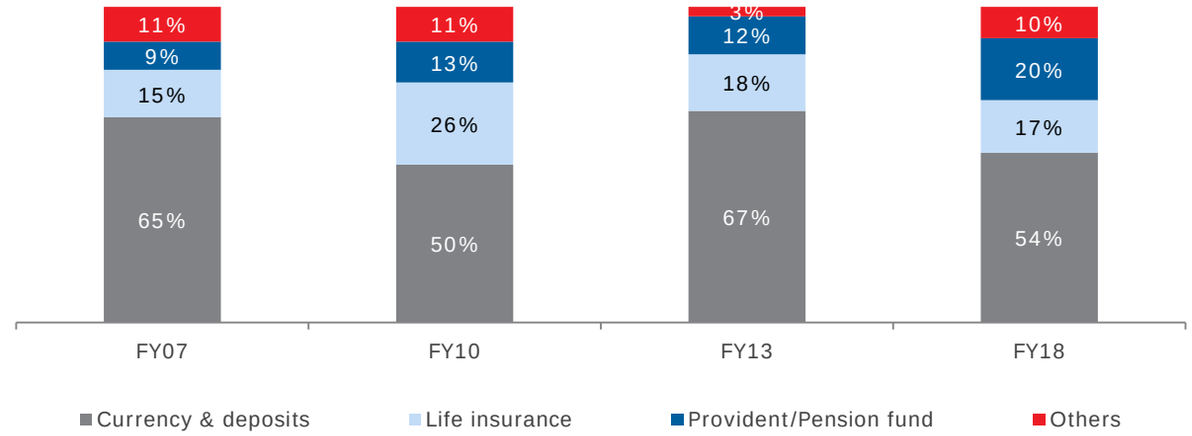
Source: CCIL & National Statistics Office, Union Budget,RBI

Life Insurance: A preferred savings instrument

Household savings composition



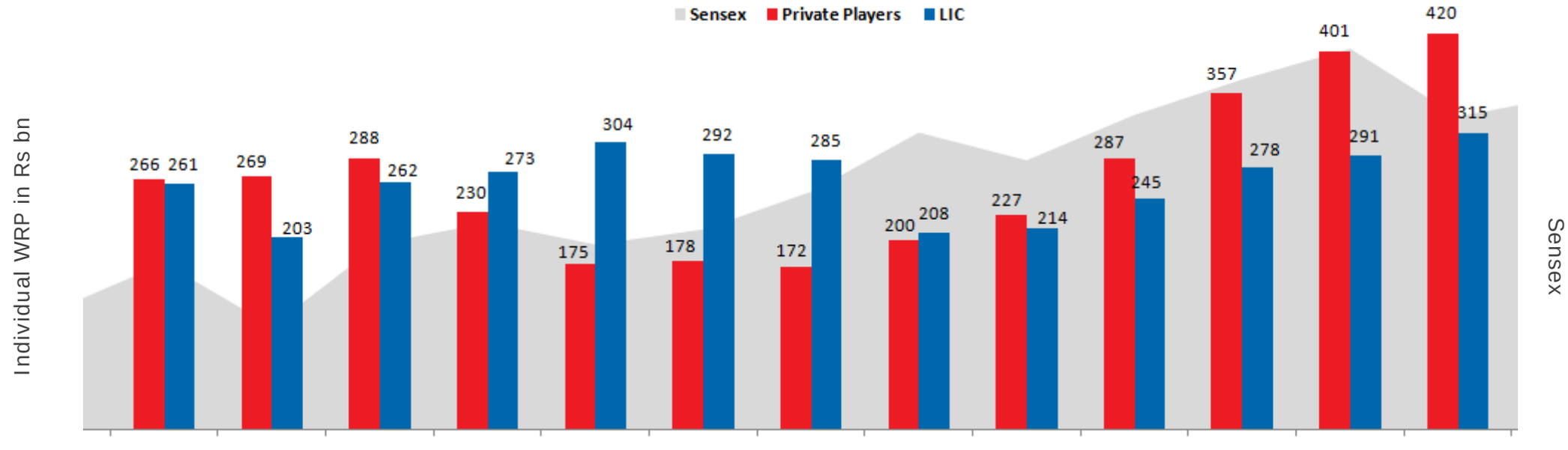
Financial savings mix



- Increasing preference towards financial savings with increasing financial literacy within the population
- Various government initiatives to promote financial inclusion:
  - Implementation of JAM trinity – around 381 mn new savings bank accounts opened till date
  - Launch of affordable PMJJBY and PMSBY social insurance schemes
  - Atal Pension Yojana promoting pension in unorganized sector

Source: DBIE-RBI Statistics, RBI Annual Report, Economic Survey, CSO, www.pmjdy.gov.in

Industry new business[1] trends



	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Private players Market share	50%	57%	52%	46%	37%	38%	38%	49%	52%	54%	56%	58%	57%
Growth % **Private**	*86%*	*1%*	*7%*	*-20%*	*-24%*	*2%*	*-3%*	*16%*	*14%*	*26%*	*24%*	*12%*	*5%*
LIC	*0%*	*-22%*	*29%*	*4%*	*11%*	*-4%*	*-2%*	*-27%*	*3%*	*15%*	*13%*	*5%*	*8%*
Overall	*31%*	*-10%*	*17%*	*-9%*	*-5%*	*-2%*	*-3%*	*-11%*	*8%*	*21%*	*19%*	*9%*	*6%*

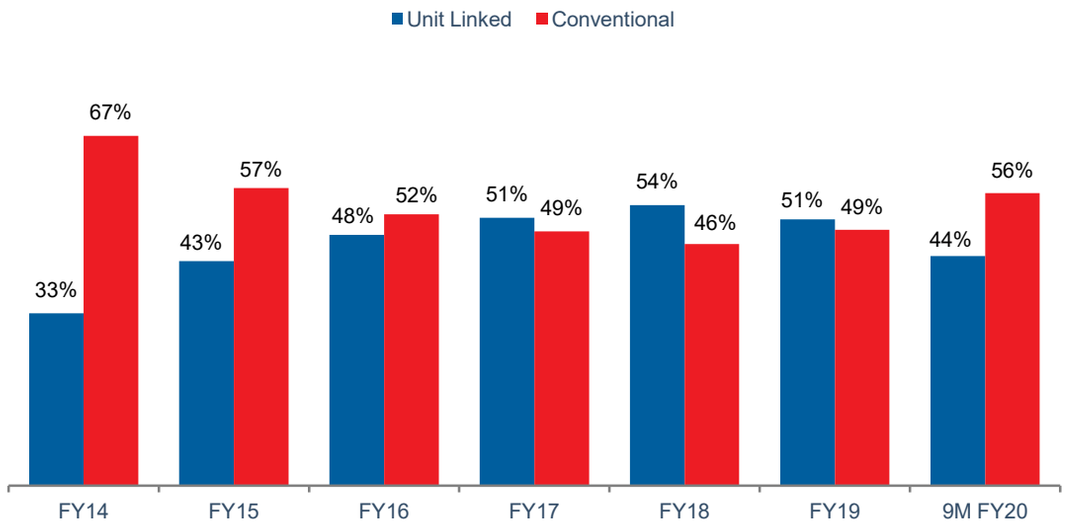
- Private sector gained higher Market share than LIC for the first time in FY16, post FY11 regulatory changes
- Amongst private insurers, insurers with a strong bancassurance platform continue to dominate with increasing market share of the total private individual new business

1.Basis Individual Weighted Received Premium (WRP)

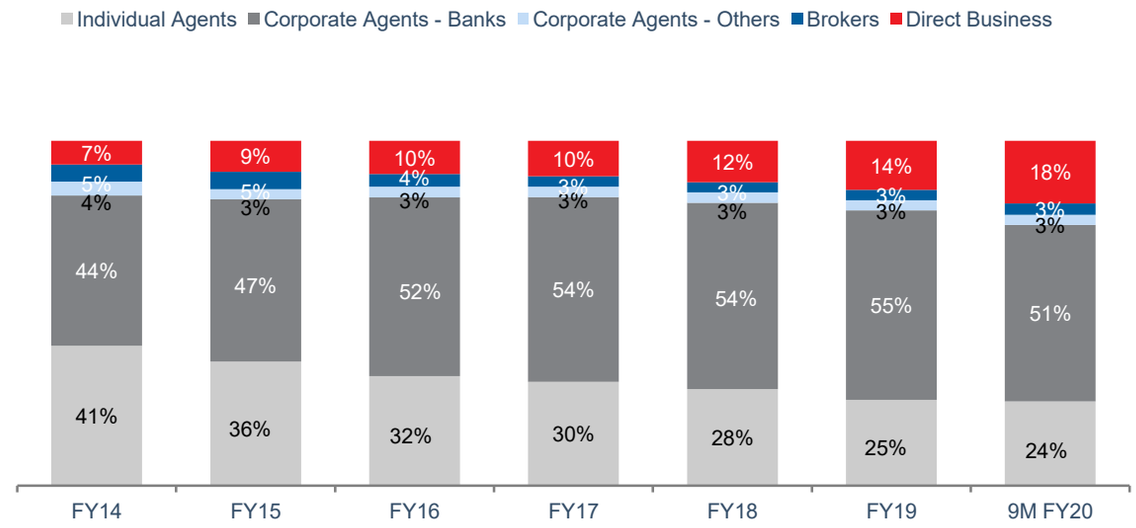
Source: IRDAI and Life Insurance Council

Private industry: Product and distribution mix

Product mix [1]



Distribution mix [2]



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

1. Basis Overall WRP (Individual and Group);

2. Basis Individual New business premia

Source: IRDAI and Life Insurance Council

Appendix

Financial and operational snapshot (1/2)

		FY20	FY19	FY18	FY17	CAGR
Total Premium		327.1	291.9	235.6	194.5	19%
New Business Premium (Indl. + Group)		*172.4*	*149.7*	*113.5*	*86.2*	*26%*
Renewal Premium (Indl. +Group)		*154.7*	*142.1*	*122.1*	*108.2*	*13%*
Individual APE		61.4	52.0	48.9	37.4	18%
Overall APE		74.1	62.6	55.3	41.9	21%
Group Premium (NB)		87.8	73.3	54.1	44.2	26%
Profit after Tax		13.0	12.8	11.1	8.9	13%
Policyholder Surplus		*10.9*	*9.0*	*8.5*	*7.5*	*13%*
Shareholder Surplus		*2.1*	*3.8*	*2.6*	*1.4*	*14%*
Dividend Paid	(1)	-	4.0	3.3	2.6	
Assets Under Management		1,272.3	1,255.5	1,066.0	917.4	12%
Indian Embedded Value		206.5	183.0	152.2	124.7	18%
Net Worth	(2)	69.9	56.6	47.2	38.1	22%
NB (Individual and Group segment) lives insured (Mn.)		61.3	51.4	33.2	20.9	43%
No. of Individual Policies (NB) sold (In 000s)	(3)	896.3	995.0	1,049.6	1,082.3	-6%

1. Including dividend distribution tax (DDT)
2. Comprises share capital, share premium and accumulated profits/(losses)
3. Including rural policies. Excluding rural policies, NOPs grew by CAGR of 2% between FY17-20

Financial and operational snapshot (2/2)

		FY20	FY19	FY18	FY17
Overall New Business Margins (post overrun)		25.9%	24.6%	23.2%	22.0%
Operating Return on EV	(1)	18.1%	20.1%	21.5%	21.7%
Operating Expenses / Total Premium		13.1%	13.1%	13.5%	12.6%
Total Expenses (OpEx + Commission) / Total Premium		17.7%	17.0%	18.0%	16.7%
Return on Equity	(2)	20.5%	24.6%	26.0%	25.7%
Solvency Ratio		184%	188%	192%	192%
Persistency (13M / 61M)	(3)	88%/54%	84%/51%	83%/50%	81%/59%
Market Share (%)					
- Individual WRP		14.2%	12.5%	13.3%	12.7%
- Group New Business		29.0%	28.4%	28.5%	24.3%
- Total New Business		21.5%	20.7%	19.1%	17.2%
Business Mix (%)					
- Product (UL/Non par savings/Non par protection/Par)	(4)	28/45/8/19	55/20/7/18	57/9/5/28	52/9/4/35
- Indl Distribution (CA/Agency/Broker/Direct)	(4)	55/14/9/22	64/13/4/19	71/11/5/14	72/12/5/11
- Total Distribution (CA/Agency/Broker/Direct/Group)	(5)	23/7/3/17/51	26/7/2/16/49	33/7/2/10/48	32/7/2/7/52
- Share of protection business (Basis Indl APE)		7.6%	6.7%	5.1%	4.0%
- Share of protection business (Basis Overall APE)		17.2%	16.7%	11.3%	7.8%
- Share of protection business (Basis NBP)		27.6%	27.0%	25.9%	21.8%

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

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

3. Persistency ratios (based on original premium) for individual business

5. Based on individual APE. UL: Unit Linked, Trad: Traditional, Par: Participating & CA: Corporate Agents. Percentages are rounded off

6. Based on total new business premium including group. Percentages are rounded off

Revenue and Profit & Loss A/c

Revenue A/c

	FY20	FY19
Premium earned	327.1	291.9
Reinsurance ceded	(4.8)	(2.6)
Income from Investments	(33.1)	90.3
Other Income	2.1	1.2
Transfer from Shareholders' Account	1.1	3.1
Total Income	**292.2**	**383.8**
Commissions	14.9	11.3
Expenses	42.7	38.0
GST on UL charges	3.5	3.4
Provision for taxation	1.5	2.3
Provision for diminution in value of investments	5.7	0.9
Benefits paid	181.3	133.6
Change in valuation reserve	24.4	175.1
Bonuses Paid	8.5	5.7
Total Outgoings	**282.5**	**370.3**
Surplus	**9.7**	**13.5**
Transfer to Shareholders' Account	11.9	12.1
Funds for future appropriation - Par	(2.2)	1.4
Total Appropriations	**9.7**	**13.5**

Profit and Loss A/c

Rs Bn.

	FY20	FY19
Income		
- Interest and dividend income	3.6	2.9
- Net profit/(loss) on sale	0.8	1.1
Transfer from Policyholders' Account	11.9	12.1
Other Income	0.2	0.2
Total	**16.5**	**16.4**
Outgoings		
Transfer to Policyholders' Account	1.1	3.1
Expenses	0.3	0.3
Provision for diminution in value of investments	2.0	0.1
Provision for Taxation	0.2	0.1
Total	**3.5**	**3.6**
Profit for the year as per P&L Statement	**13.0**	**12.8**
Interim Dividend paid (including tax)	0.0	(4.0)
Profit carried forward to Balance Sheet	**13.0**	**8.8**

Balance Sheet

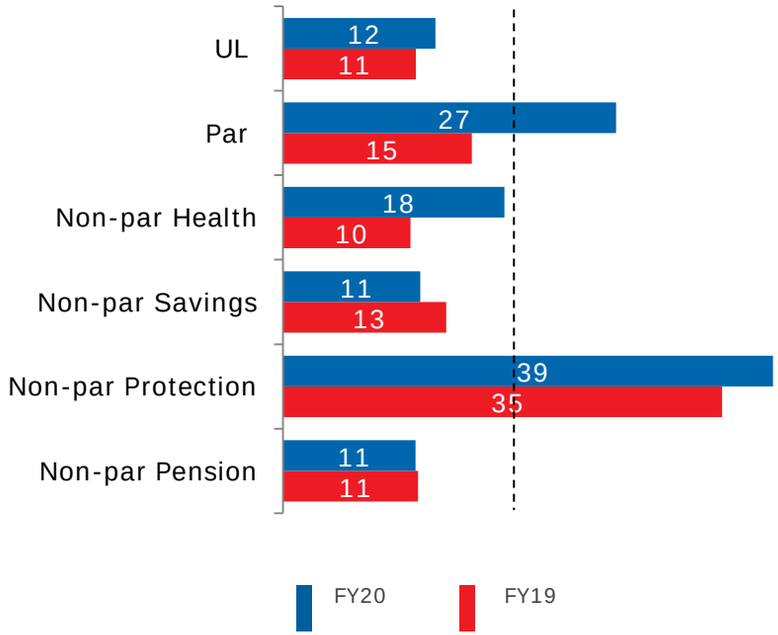
Rs Bn.

	Mar 31, 2020	Mar 31, 2019
Shareholders' funds		
Share capital (including Share premium)	24.2	23.8
Accumulated profits	45.7	32.7
Fair value change	(1.9)	(0.0)
Sub total	**68.0**	**56.6**
Policyholders' funds		
Fair value change	0.5	11.1
Policy Liabilities	652.7	536.3
Provision for Linked Liabilities	508.4	605.2
Funds for discontinued policies	33.4	28.6
Sub total	**1,195.0**	**1,181.2**
Funds for future appropriation (Par)	8.8	11.0
Total Source of funds	**1,271.9**	**1,248.8**
Shareholders' investment	58.6	50.5
Policyholders' investments: Non-linked	671.9	571.2
Policyholders' investments: Linked	541.8	633.8
Loans	3.0	0.8
Fixed assets	3.3	3.3
Net current assets	(6.7)	(10.8)
Total Application of funds	**1,271.9**	**1,248.8**

Segment wise average term and age[1]

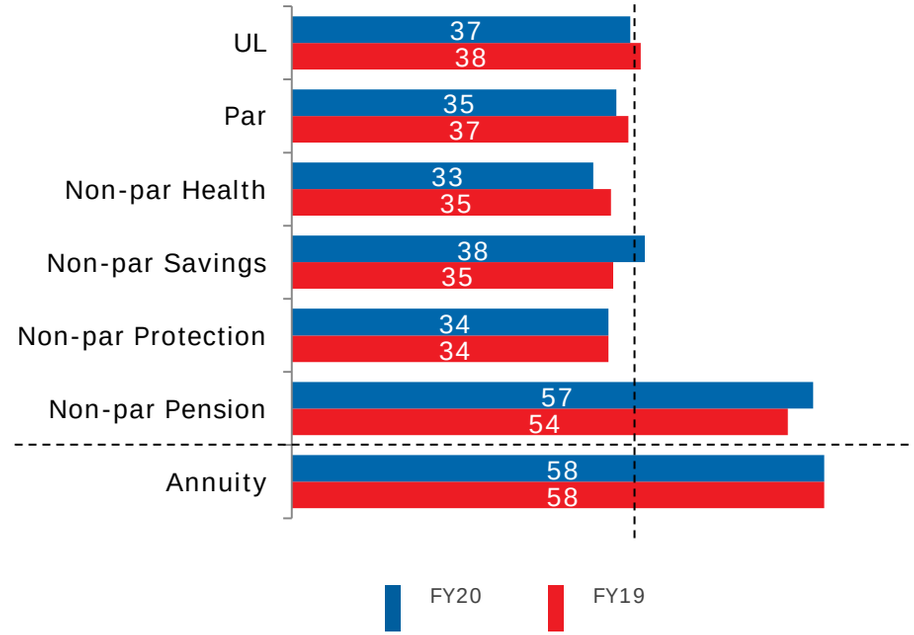
Average Policy Term excluding annuity (Yrs)

FY20: 19.6 (FY19: 14.6)



Average Customer Age excluding annuity (Yrs)

FY20: 37.2 (FY19: 37.5)



- 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

1. Basis individual new business policies (excluding annuity)

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[1]

Years	Forward rates %		Spot rates %	
	As at Mar 31, 2020	As at Mar 31, 2019	As at Mar 31, 2020	As at Mar 31, 2019
1	4.69	6.63	4.58	6.42
2	5.69	6.99	5.06	6.59
3	6.52	7.31	5.48	6.74
4	7.04	7.58	5.81	6.88
5	7.29	7.80	6.06	7.01
10	7.18	8.32	6.55	7.43
15	7.03	8.31	6.64	7.62
20	7.00	8.19	6.67	7.70
25	7.00	8.08	6.69	7.72
30+	7.00	8.01	6.70	7.72

1. Forward rates are annualised and Spot rates are continuous

Glossary (Part 1)

- **APE (Annualized Premium Equivalent)** - The sum of annualized first year regular premiums and 10% weighted single premiums and single premium top-ups
- **Backbook surplus –** Surplus accumulated from historical business written
- **Conservation ratio -** Ratio of current year renewal premiums to previous year's renewal premium and first year premium
- **Embedded Value Operating Profit ("EVOP")** – Measure of the increase in the EV during any given period, excluding the impact on EV due to external factors like changes in economic variables and shareholder-related actions like capital injection or dividend pay-outs.
- **First year premiums** - Regular premiums received during the year for all modes of payments chosen by the customer which are still in the first year. For example, for a monthly mode policy sold in March 2019, the first instalment would fall into first year premiums for 2018-19 and the remaining 11 instalments in the first year would be first year premiums in 2019-20
- **New business received premium** - The sum of first year premium and single premium.
- **New business strain** – Strain on the business created due to revenues received in the first policy year not being able to cover for expenses incurred

Glossary (Part 2)

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

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