

July 20, 2018

Ref. No: HDFC Life/CA/2018-19/14

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

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

NSE Symbol: HDFCLIFE

BSE Security Code: 540777

Kind Attn.: Head - Listing

Kind Attn.: Sr. General Manager – DCS
Listing Department

Sub: Outcome of Board Meeting held on July 20, 2018

Dear Sir/Madam,

This is in furtherance to our letter dated June 29, 2018 intimating the date of the meeting of the Board of Directors for consideration of the Audited Standalone Financial Results of the Company for the quarter ended on June 30, 2018.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that the Board of Directors of the Company at their meeting held today i.e. July 20, 2018, have approved the following:

1. The Audited Standalone Financial Results for the quarter ended on June 30, 2018. A copy of the aforementioned results along with copies of the report issued by the Joint Statutory Auditors' thereon, and the press release issued in this regard are enclosed herewith.
2. The Board of Directors also approved the proposal for changing the corporate name of the Company from "HDFC Standard Life Insurance Company Limited" to "HDFC Life Insurance Company Limited", and concomitant amendments to the Memorandum and Articles of Association of the Company, subject to approvals of the Shareholders, and the relevant Statutory and Regulatory Authorities. This has been approved by our Board to align our registered corporate name with our brand name.

Please note that the meeting commenced at 11:00 am and concluded at 12:30 pm.

Please also note that the window for trading in equity shares of the Company by its Directors and employees shall open from July 23, 2018.

You are requested to take note of the above and arrange to bring it to the notice of all concerned.

Thanking You,

For HDFC Standard Life Insurance Company Limited



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

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 Financial Results for the quarter ended June 30, 2018 of HDFC Standard Life Insurance Company Limited

To The Board of Directors of
HDFC Standard Life Insurance Company Limited

1. We have audited the accompanying financial results of HDFC Standard Life Insurance Company Limited as at and for the quarter ended June 30, 2018 being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and IRDA Circular reference: IRDAI/F&I/ REG/CIR/208/10/2016 dated 25th October 2016. ("Standalone financial results") which have been approved by the Board of Directors on July 20, 2018.
2. These financial results have been prepared on the basis of the interim condensed financial statements prepared in accordance with the measurement and recognition principles specified in paragraph 3 below, which is the responsibility of the Company's management. The management's responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation of the standalone financial results that is free from material misstatement, whether due to fraud or error.
3. Our responsibility is to express an opinion on these quarterly financial results based on our audit of such interim condensed financial statements, which have been prepared by the Company's Management in accordance with the recognition and measurement principles laid down in Accounting Standard ('AS') 25, "Interim Financial Reporting", specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 issued thereunder, including the relevant provisions of the Insurance Act, 1938 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act") and other accounting principles generally accepted in India, to the extent considered relevant and appropriate for the purpose of quarterly financial results and which are not inconsistent with the accounting principles as prescribed in the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 (the "Regulations") and orders/directions/circulars issued by the Insurance Regulatory and Development Authority of India ("IRDAI") to the extent applicable.
4. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants



of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

5. In our opinion and to the best of our information and according to the explanations given to us these quarterly 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 standalone net profit and other financial information for the quarter ended June 30, 2018.

Other Matter

6. The actuarial valuation of liabilities for life policies in force is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at June 30, 2018 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India ("IRDAI") and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon the Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists, as contained in the interim condensed financial statements of the Company.

For Price Waterhouse Chartered Accountants LLP

Chartered Accountants

Firm Registration No.012754N/N500016



Anish P. Amin

Partner

Membership No. 040451

Place: Mumbai

Date: July 20, 2018

For G.M.Kapadia & Co.

Chartered Accountants

Firm Registration No.104767W



Rajen Ashar

Partner

Membership No. 048243



HDFC Standard Life Insurance Company Limited
Statement of Standalone Audited Results for the quarter ended June 30, 2018

(₹ in Lakhs)

Sr. No.	Particulars	Three Months ended / As at			Year ended / As at
		June 30, 2018	March 31, 2018	June 30, 2017	March 31, 2018
		(Audited)	(Audited)	(Audited)	(Audited)
POLICYHOLDERS' A/C					
1	Gross premium income				
	(a) First Year Premium	81,243	173,560	70,512	473,846
	(b) Renewal Premium	238,006	467,217	205,189	1,221,480
	(c) Single Premium	186,521	254,867	94,672	661,115
2	Net premium income ¹	500,128	890,002	366,153	2,337,096
3	Income from investments (Net) ²	179,674	(93,679)	277,220	859,463
4	Other income	4,592	1,730	5,121	11,182
5	Transfer of funds from Shareholders' A/c	1,352	15,408	241	15,665
6	Total (2 to 5)	685,746	813,461	648,735	3,223,406
7	Commission on				
	(a) First Year Premium	14,183	32,534	12,915	87,023
	(b) Renewal Premium	3,402	5,882	2,508	15,497
	(c) Single Premium	2,234	2,451	204	4,973
8	Net Commission ¹	19,819	40,867	15,627	107,493
9	Operating Expenses related to insurance business (a+b)				
	(a) Employees remuneration and welfare expenses	32,494	39,851	25,933	129,177
	(b) Other operating expenses*	39,964	70,131	30,446	186,753
10	Expenses of Management (8+9)	92,277	150,849	72,006	423,423
11	Provisions for doubtful debts (including bad debts written off)	-	-	-	-
12	Provisions for diminution in value of investments	1,015	2,028	(3)	(93)
13	Goods & Services Tax/Service Tax charge on linked charges	7,893	8,678	5,648	29,692
14	Provision for taxes	2,345	13,881	1,869	17,555
15	Benefits Paid ³ (Net) ¹	294,245	441,105	261,544	1,311,142
16	Change in actuarial liability	254,086	157,245	277,552	1,332,225
17	Total (10+11+12+13+14+15+16)	651,861	773,786	618,616	3,113,944
18	Surplus/Deficit (6-17)	33,885	39,675	30,119	109,462
19	Appropriations				
	(a) Transferred to Shareholders A/c	31,997	39,651	25,463	100,220
	(b) Funds for Future Appropriations	1,888	24	4,656	9,242
20	Details of Surplus / Deficit				
	(a) Interim bonus paid	666	1,166	486	2,313
	(b) Terminal bonus paid	4,869	6,681	3,888	19,341
	(c) Allocation of bonus to policyholders	-	70,835	-	70,835
	(d) Surplus shown in the Revenue Account	33,885	39,675	30,119	109,462
	Total Surplus	39,420	118,357	34,493	201,951
SHAREHOLDERS' A/C					
21	Transfer from Policyholders' Account	31,997	39,651	25,463	100,220
22	Total income under Shareholders' Account				
	(a) Investment Income	7,881	9,735	6,746	28,026
	(b) Other income	932	-	1,302	1,302
23	Expenses other than those related to insurance business	243	63	621	1,254
24	Transfer of funds to Policyholders' Account	1,352	15,408	241	15,665
25	Provisions for doubtful debts (including write off)	-	-	-	-
26	Provisions for diminution in value of investments	33	20	(17)	(45)
27	Profit before tax	39,182	33,895	32,666	112,674
28	Provisions for tax	1,164	(789)	1,029	1,774
29	Profit after tax and before Extraordinary items	38,018	34,684	31,637	110,900
30	Profit after tax and Extraordinary items	38,018	34,684	31,637	110,900
31	Dividend per share (₹) (Nominal value ₹ 10 per share)				
	(a) Interim Dividend	-	-	-	1.36
	(b) Final Dividend	-	-	-	-
32	Profit carried to Balance Sheet ⁴	277,382	239,365	192,985	239,365
33	Paid up equity share capital	201,252	201,174	199,885	201,174
34	Reserve & Surplus (excluding Revaluation Reserve)	309,283	270,640	212,733	270,640
35	Fair Value Change Account and Revaluation Reserve (Shareholders)	1,440	3,016	3,486	3,016
36	Total Assets:				
	(a) Investments:				
	- Shareholders'	412,957	407,033	336,002	407,033
	- Policyholders Fund excluding Linked Assets	4,795,644	4,534,714	3,646,479	4,534,714
	- Assets held to cover Linked Liabilities (Linked Assets)	5,754,764	5,718,539	5,492,122	5,718,539
	(b) Other Assets (Net of current liabilities and provisions)	(65,835)	(76,779)	(23,735)	(76,779)

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

Advertisement and publicity	14,846	25,936	7,229	71,598
Business development expenses	8,363	23,189	9,529	49,140

Foot notes:

- 1 Net of reinsurance
- 2 Net of amortisation and losses (including capital gains)
- 3 Inclusive of interim and terminal bonus
- 4 Represents accumulated surplus



HDFC Standard Life Insurance Company Limited
Statement of Standalone Audited Results for the quarter ended June 30, 2018

(₹ in Lakhs)

Particulars	Three Months ended / As at			Year ended / As at
	June 30, 2018	March 31, 2018	June 30, 2017	March 31, 2018
	(Audited)	(Audited)	(Audited)	(Audited)
Analytical Ratios:				
(i) Solvency Ratio	197%	192%	198%	192%
(ii) Expenses of Management Ratio	18.2%	16.8%	19.4%	18.0%
(iii) Policyholder's liabilities to shareholders' fund	2012.1%	2115.4%	2159.8%	2115.4%
(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)	1.89	1.73	1.58	5.53
b) Diluted EPS before and after extraordinary items (net of tax expense) for the period (not annualized for three months)	1.88	1.72	1.57	5.50
(v) NPA ratios: (for Policyholders' fund)				
a) Gross NPAs				
- Non Linked				
Par	NIL	NIL	1000.0	NIL
Non Par	NIL	NIL	NIL	NIL
- Linked				
Non Par	NIL	NIL	NIL	NIL
Net NPAs				
- Non Linked				
Par	NIL	NIL	417.6	NIL
Non Par	NIL	NIL	NIL	NIL
- Linked				
Non Par	NIL	NIL	NIL	NIL
b) % of Gross NPAs				
- Non Linked				
Par	NIL	NIL	0.0%	NIL
Non Par	NIL	NIL	NIL	NIL
- Linked				
Non Par	NIL	NIL	NIL	NIL
% of Net NPA				
- Non Linked				
Par	NIL	NIL	0.0%	NIL
Non Par	NIL	NIL	NIL	NIL
- Linked				
Non Par	NIL	NIL	NIL	NIL
(vi) Yield on Investments (on Policyholders' fund)				
A. Without unrealised gains				
- Non Linked				
Par	1.7%	1.7%	2.2%	8.9%
Non Par	2.0%	1.9%	2.0%	8.4%
- Linked				
Non Par	2.2%	2.2%	2.5%	9.4%
B. With unrealised gains				
- Non Linked				
Par	0.0%	0.4%	2.8%	5.7%
Non Par	-1.1%	1.7%	3.5%	5.8%
- Linked				
Non Par	1.3%	-3.3%	3.4%	8.5%
(vii) NPA ratios: (for Shareholders' fund)				
a) Gross NPAs	NIL	NIL	1,000.0	NIL
Net NPAs	NIL	NIL	417.6	NIL
b) % of Gross NPAs	NIL	NIL	0.3%	NIL
% of Net NPAs	NIL	NIL	0.1%	NIL
(viii) Yield on Investments (on Shareholders' fund)				
A. Without unrealised gains	1.9%	2.6%	2.1%	8.2%
B. With unrealised gains	-0.7%	-0.1%	2.6%	5.8%
(ix) Persistency Ratio				
13th month	85.0%	85.5%	82.5%	87.1%
25th month	77.8%	76.9%	74.7%	77.4%
37th month	71.2%	72.0%	65.7%	70.9%
49th month	63.6%	63.2%	59.1%	62.2%
61st month	49.5%	47.6%	52.3%	51.0%
(x) Conservation Ratio				
Participating life- Individual & group	89.9%	90.7%	90.9%	90.0%
Participating pension- Individual & group	82.0%	86.8%	93.7%	93.2%
Non Participating life- Individual & group	82.7%	84.7%	90.9%	85.1%
Non Participating pension- Individual & Group	93.7%	88.7%	99.7%	92.3%
Non Participating - Life Group Variable	NA	NA	NA	NA
Non Participating - Pension group variable	NA	NA	NA	NA
Non Participating fund - Annuity	NA	NA	NA	NA
Non Participating fund - Individual & Group Health	53.1%	68.2%	73.4%	74.8%
Unit Linked - Individual life	85.7%	80.1%	81.2%	79.5%
Unit Linked - Individual pension	81.1%	82.6%	94.0%	86.3%
Unit Linked - Group life	NA	NA	NA	NA
Unit Linked - Group pension	NA	NA	NA	NA

Notes:

- Analytical ratios have been calculated as per definition given in IRDAI Analytical ratios disclosure.
- The persistency ratios are calculated in accordance with the IRDAI circular no. IRDA/ACT/CIR/MISC/035/01/2014 dated January 23, 2014 and hence are with a lag.
- Group business, where persistency is measurable, has been included in the calculations. Rural business is excluded in the calculation of the persistency ratios.
- The persistency ratios for the quarter ended June 30, 2018 have been calculated for the policies issued in the March to May period of the relevant years. E.g. the 13th month persistency for the current quarter is calculated for the policies issued from March 2017 to May 2017. The persistency ratio for quarter ended March 31, 2018 and June 30, 2017 have been calculated in a similar manner.
- The persistency ratios for the year ended March 31, 2018 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 2016 to February 2017.



HDFC Standard Life Insurance Company Limited
Segment Reporting (Standalone) for the quarter ended June 30, 2018

(₹ in Lakhs)

Sr. No.	Particulars	Three Months ended / As at			Year ended / As at
		June 30, 2018	March 31, 2018	June 30, 2017	March 31, 2018
		(Audited)	(Audited)	(Audited)	(Audited)
1	Segment Income				
A)	Policyholders :				
	Segment A - Participating - Individual & Group Life :				
	Net Premium	103,840	215,741	91,531	563,505
	Income from Investments ²	40,787	40,117	46,493	194,231
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	1,272	476	973	2,362
	Segment B - Participating - Individual & Group Pension :				
	Net Premium	3,485	8,111	3,862	23,117
	Income from Investments ²	3,766	3,316	3,547	13,941
	Transfer of Funds from shareholders' account	-	352	-	352
	Other Income	26	14	16	74
	Segment C - Non Participating - Individual & Group Life :				
	Net Premium	118,168	150,539	74,219	425,930
	Income from Investments ²	16,403	14,881	11,551	52,970
	Transfer of Funds from shareholders' account	-	13,500	-	13,500
	Other Income	127	62	79	325
	Segment D - Non Participating - Life Group Variable :				
	Net Premium	23,087	28,080	11,088	51,197
	Income from Investments ²	3,409	2,799	2,329	10,206
	Transfer of Funds from shareholders' account	86	101	-	101
	Other Income	-	(0)	(0)	(0)
	Segment E - Non Participating - Individual & Group Pension :				
	Net Premium	15,139	22,368	4,307	65,678
	Income from Investments ²	4,935	5,324	4,374	19,215
	Transfer of Funds from shareholders' account	-	-	107	-
	Other Income	9	14	10	63
	Segment F - Non Participating - Pension Group Variable :				
	Net Premium	9,975	21,810	7,181	67,018
	Income from Investments ²	3,657	3,273	2,381	11,345
	Transfer of Funds from shareholders' account	942	200	135	457
	Other Income	-	-	-	-
	Segment G - Non Participating - Annuity :				
	Net Premium	40,895	64,844	7,349	106,554
	Income from Investments ²	5,472	4,155	2,760	17,990
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	25	24	7	70
	Segment H - Non Participating - Individual & Group Health :				
	Net Premium	3,075	3,445	1,589	9,150
	Income from Investments ²	102	75	73	305
	Transfer of Funds from shareholders' account	324	1,255	-	1,255
	Other Income	10	10	4	30
	Segment I - Unit Linked - Individual Life :				
	Net Premium	157,683	316,959	131,839	829,478
	Income from Investments ²	69,463	(146,116)	154,247	415,720
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	3,118	1,119	4,015	8,172
	Segment J - Unit Linked - Individual Pension :				
	Net Premium	17,130	35,026	19,063	103,191
	Income from Investments ²	28,976	(23,403)	34,767	89,506
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	4	12	17	97
	Segment K - Unit Linked - Group Life :				
	Net Premium	4,935	20,912	11,331	81,200
	Income from Investments ²	1,204	20	11,744	26,797
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	-	0	0	(0)
	Segment L - Unit Linked - Group Pension :				
	Net Premium	2,717	2,166	2,795	11,079
	Income from Investments ²	489	(137)	2,954	6,746
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	-	-	-	-
B)	Shareholders :				
	Income from Investments ²	7,848	9,708	6,763	28,067
	Other Income	932	-	1,302	1,302



HDFC Standard Life Insurance Company Limited
Segment Reporting (Standalone) for the quarter ended June 30, 2018

(₹ in Lakhs)

Sr No.	Particulars	Three Months ended / As at			Year ended / As at
		June 30, 2018	March 31, 2018	June 30, 2017	March 31, 2018
		(Audited)	(Audited)	(Audited)	(Audited)
2	Segment Surplus/ Deficit (net of transfer from Shareholders' A/c) :				
	Segment A - Participating - Individual & Group Life	341	4,760	3,847	11,187
	Segment B - Participating - Individual & Group Pension	1,547	5,189	809	7,979
	Segment C - Non Participating - Individual & Group Life	14,107	7,571	11,978	46,315
	Segment D - Non Participating - Life Group Variable	(86)	(242)	39	(101)
	Segment E - Non Participating - Individual & Group Pension	1,112	2,242	(107)	4,949
	Segment F - Non Participating - Pension Group Variable	(942)	(200)	(135)	(457)
	Segment G - Non Participating - Annuity	1,972	616	422	2,012
	Segment H - Non Participating - Individual & Group Health	(324)	377	234	1,427
	Segment I - Unit Linked - Individual Life	10,378	(88)	8,068	3,589
	Segment J - Unit Linked - Individual Pension	3,469	3,691	3,684	14,195
	Segment K - Unit Linked - Group Life	836	256	614	1,870
	Segment L - Unit Linked - Group Pension	123	96	425	831
	Total	32,533	24,268	29,878	93,796
	Shareholders	7,372	10,441	6,415	26,345
	Grand Total	39,905	34,709	36,293	120,141
3	Segment Assets:				
	Segment A - Participating - Individual & Group Life	2,591,717	2,490,433	2,101,540	2,490,433
	Segment B - Participating - Individual & Group Pension	241,595	233,775	213,661	233,775
	Segment C - Non Participating - Individual & Group Life	844,881	785,863	583,261	785,863
	Segment D - Non Participating - Life Group Variable	173,008	162,244	120,693	162,244
	Segment E - Non Participating - Individual & Group Pension	269,247	255,866	222,892	255,865
	Segment F - Non Participating - Pension Group Variable	191,892	183,605	123,179	183,605
	Segment G - Non Participating - Annuity	274,206	235,493	135,095	235,493
	Segment H - Non Participating - Individual & Group Health	5,245	4,329	2,881	4,329
	Segment I - Unit Linked - Individual Life	4,372,001	4,325,623	4,123,533	4,325,623
	Segment J - Unit Linked - Individual Pension	880,017	878,830	902,977	878,830
	Segment K - Unit Linked - Group Life	426,388	436,988	387,286	436,988
	Segment L - Unit Linked - Group Pension	90,105	92,807	94,910	92,807
	Total	10,360,302	10,085,856	9,011,908	10,085,855
	Shareholder	503,309	467,177	409,161	467,177
	Unallocated ³	33,920	30,474	29,798	30,475
	Grand Total	10,897,531	10,583,507	9,450,867	10,583,507
4	Segment Policy Liabilities⁴ :				
	Segment A - Participating - Individual & Group Life	2,528,316	2,448,310	2,069,448	2,448,310
	Segment B - Participating - Individual & Group Pension	227,219	222,961	207,142	222,961
	Segment C - Non Participating - Individual & Group Life	842,610	783,273	578,655	783,273
	Segment D - Non Participating - Life Group Variable	173,336	161,136	119,433	161,136
	Segment E - Non Participating - Individual & Group Pension	269,344	255,675	222,637	255,675
	Segment F - Non Participating - Pension Group Variable	192,263	182,479	122,792	182,479
	Segment G - Non Participating - Annuity	275,796	236,287	135,269	236,287
	Segment H - Non Participating - Individual & Group Health	5,210	4,294	2,807	4,294
	Segment I - Unit Linked - Individual Life	4,391,834	4,343,422	4,143,883	4,343,422
	Segment J - Unit Linked - Individual Pension	880,013	878,826	902,977	878,826
	Segment K - Unit Linked - Group Life	426,315	436,915	387,175	436,915
	Segment L - Unit Linked - Group Pension	90,105	92,807	94,910	92,807
	Total	10,302,361	10,046,386	8,987,128	10,046,386
	Shareholders	512,013	474,919	416,104	474,919
	Unallocated	-	-	-	-
	Grand Total	10,814,374	10,521,305	9,403,232	10,521,305

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



HDFC Standard Life Insurance Company Limited

Other disclosures :

Status of Shareholders Complaints for the quarter ended June 30, 2018

Sr No.	Particulars	Number of Complaints
1	Investor complaints pending at the beginning of the quarter	2
2	Investor complaints received during the quarter	11
3	Investor complaints disposed of during the quarter	13
4	Investor complaints remaining unresolved at the end of the quarter	NIL



Notes:

1. The above results of the company for the quarter ended June 30, 2018 were reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on July 20, 2018.
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 June 30, 2018, the Company has allotted 777,654 equity shares of face value of ₹ 10 each pursuant to exercise of employee stock options.
5. Figures of the previous period have been regrouped wherever necessary, in order to make them comparable.
6. In accordance with the requirements of IRDAI Master Circular on "Preparation of Financial Statements and Filing Returns of Life Insurance Business" dated December 11, 2013, the Company will publish the financials on the company's website not later than August 14, 2018.
7. The above standalone financial results have been audited by joint statutory auditors of the Company.

For and on behalf of the Board of Directors



Amitabh Chaudhry
Managing Director & CEO
(DIN: 00531120)

Mumbai
July 20, 2018



PRESS RELEASE

BSE Code: 540777

NSE Code: HDFCLIFE

Performance for the quarter ended Jun 30, 2018

Mumbai, Jul 20, 2018: The Board of Directors of HDFC Life approved and adopted today its consolidated and standalone audited financial results for the period ended Jun 30, 2018. Below is the summary of our standalone results:

Key Financial Summary

` Bn	FY18	FY17	YoY	Q1 FY19	Q1 FY18	YoY
Key Financial and Actuarial Metrics						
New Business Premium (Indl + Group)	113.5	86.2	32%	26.8	16.5	62%
Renewal Premium (Indl + Group)	122.1	108.2	13%	23.8	20.5	16%
Total Premium	235.6	194.5	21%	50.6	37.0	37%
Individual APE	48.9	37.4	31%	8.4	7.3	15%
Total APE	55.3	41.9	32%	10.3	8.2	26%
Group Premium (New Business)	54.1	44.2	22%	14.4	8.6	67%
Premium Less Benefit Payouts (1)	104.7	94.8	10%	21.3	10.7	98%
IGAAP Profit After Tax	11.1	8.9	24%	3.8	3.2	20%
Assets Under Management (AUM)	1,066.0	917.4	16%	1,096.3	947.5	16%
Value of new business (VNB)	12.8	9.2	39%	2.5	1.7	43%
Indian Embedded Value (IEV)	152.2	124.7	22%	156.9	132.2	19%
Net Worth (2)	47.2	38.1	24%	51.1	41.3	24%

	FY18	FY17	Q1 FY19	Q1 FY18
Key Financial Ratios				
Overall New Business Margins (post overrun)	23.2%	22.0%	24.2%	20.5%
Operating Return on EV	21.5%	21.7%	18.4%	22.0%
Operating Expenses / Total Premium	13.5%	12.6%	14.4%	15.4%
Return on Equity (3)	26.0%	25.7%	31.0%	31.9%
Solvency Ratio	192%	192%	197%	198%
13M / 61M Persistency (4)	87%/51%	84%/59%	87%/50%	85%/57%

Conservation Ratio	(5)	85%	82%	87%	87%
Business Mix (%)					
Product (UL / Non par savings / Non par protection / Par)	(6)	57/9/5/28	52/9/4/35	54/11/8/28	57/8/5/31
Protection business share (basis APE)	(7)	11.3%	7.8%	18.2%	11.1%
Protection business share (basis NBP)	(7)	25.9%	21.8%	31.6%	33.4%
Indl Distribution (CA/Agency/Broker/Direct)		71/11/5/14	72/12/5/11	65/11/5/19	68/10/7/15
Total Distribution (CA/Agency/Broker/Direct/Group)	(8)	33/7/2/10/48	32/8/2/7/51	24/7/2/14/54	30/6/3/9/52

Notes:

1. Gross of reinsurance for both individual and group segment
2. Net worth comprises of Share capital (including share application money received, but pending allotment), Share premium and Accumulated profits/(losses)
3. Calculated using net profit and average net worth for the respective period
4. Persistency ratios (based on original premium) as per methodology specified in IRDA circular no. IRDA/ACT/CIR/MISC/035/01/2014 dated January 23, 2014. Group business, where persistency is measurable, has been included in the calculations.
5. Conservation ratio is based on individual business
6. Based on individual APE excluding GST. UL: Unit Linked, Trad: Traditional, Par: Participating & CA: Corporate Agents. Percentages are rounded off
7. Previous year group numbers have not been reclassified based on current year numbers
8. On total new business premium, including business under group segment. Percentages are rounded off

Snapshot for the quarter ending Jun 30, 2018:

- **Private Market Share:** Consistently ranked amongst the top 3 private players in individual and group segments with market share of 13.3% based on Individual WRP and 30.1% based on Group business (*on received premium*) during Q1 FY19. Market share of 22.3% based on overall new business received premium during Q1 FY19;
- **Total Premium:** Registered strong growth of 37% to 50.6 Bn, aided by healthy new business growth of 62% and stable growth of 16% in renewal business;
- **Persistency Ratio:** The persistency ratios continue to trend strongly across most cohorts. While 13th month persistency increased to 87% (Q1 FY18: 85%), 61st month persistency was at 50% compared to 57% for the same quarter last year. The dip in 61st month persistency was specifically related to the impact of a specific cohort of business written in FY 13;
- **Assets Under Management:** Robust growth of 16% to 1,096.3 Bn, with underlying Debt: Equity mix of 61:39;
- **Embedded Value:** Embedded Value (*IEV methodology*) at 156.9 Bn as on Jun 30, 2018. Annualised Operating return on Embedded Value during the period was (*EVOP/Opening Embedded value*) 18.4%;
- **New Business Margins:** The value of new business (VNB) grew by 43% to 2.5 Bn. New business margins (post overrun) grew to 24.2% for the quarter ended Jun 30, 2018 versus 20.5% last year;

- **Profit After Tax (PAT):** PAT showcased strong growth of 20% to 3.8 Bn. Insurance profit (Policyholder surplus) comprised 81% of the total PAT for the quarter ended Jun 30, 2018;
- **Networth and Solvency ratio:** Networth increased by 24% to 51.1 Bn as at Jun 30, 2018. Maintained stable solvency ratio at 197%, versus 198% as on Jun 30, 2017;
- **Product Portfolio:** In line with stated strategy, continue to maintain a balanced product mix with ULIPs contributing 54%, Par 28% and Non par 19% of the Individual APE. Continued focus on protection business, thereby contributing 31.6% of total new business premium (Q1 FY18: 33.4%). 29.6% of our individual policies sold during Q1 FY19 were protection business policies (Q1 FY18: 28.9%);
- **Distribution Mix:** The Company has a diversified distribution mix, backed by strong presence across the country through 413 HDFC Life offices, along with wide access to the branches of our 163 bancassurance and 26 non-traditional ecosystem partnerships as on Jun 30, 2018. Cross-selling to group customers formed 7.7% of the individual new business policies sold during Q1 FY19. Overall 18 new partners were added during the quarter with an endeavour to diversify the distribution mix.

Commenting on the performance, Mr. Amitabh Chaudhry, MD & CEO, HDFC Life said “The Company has been a pioneer in establishing different pools of profitability through innovative products and diversified distribution. We continue to maintain a strong focus on technology, with the view to reimagine the entire customer journey thereby enhancing customer experience. We believe balanced product mix and focus on protection, coupled with the wider reach offered by our distribution partners, positions us well to maximize the long term growth potential of the insurance industry.

In line with our established brand name, the Board of Directors today approved the proposal for changing the corporate name of the Company from “HDFC Standard Life Insurance Company Limited” to “HDFC Life Insurance Company Limited”, subject to approval of the Shareholders and the relevant Statutory and Regulatory Authorities. Over the years, and post listing in particular, HDFC Life has established itself as one of the most valuable brands in the Indian insurance sector. This has been approved by our Board to align our registered corporate name with our brand name. HDFC Ltd. and Standard Life (Mauritius Holdings) 2006 Limited continue to be deeply involved with the Company as our promoters and held 51.6% and 29.3% stake in the Company respectively, as on June 30, 2018.”

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. AUM includes investments disclosed in the Balance sheet under Schedule 8, 8A, 8B & loans in the nature of investments included in Schedule 9
- **Conservation ratio** - Ratio of current year renewal premiums to previous year's renewal premium and first year premium

- **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 2018, the first monthly instalment received would be reflected as First year premiums for 2017-18 and the remaining 11 instalments due in the first policy year would be reflected as first year premiums in 2018-19, 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 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, and Health. As on Jun 30, 2018, the Company had 34 individual and 11 group products in its portfolio, along with 8 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 413 branches and additional distribution touch-points through several new tie-ups and partnerships comprising 163 bancassurance partners including NBFCs, MFIs, SFBs, etc and 26 partnerships within non-traditional ecosystems. 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 – Q1 FY19



A

Performance Snapshot

Additional Business Information

Annexures

Company overview

Financial and Actuarial snapshot

Total premium	Total NB	VNB ¹	IEV ²	AUM	Net-worth ⁴	13M Persistency ⁶
Growth %	Growth %	NB margin (Post overrun) ¹	EVOP ³ %	Growth %	ROE ⁵	61M Persistency ⁶
Rs 50.6 bn	Rs 26.8 bn	Rs 2.5 bn	Rs 156.9 bn	Rs 1,096.3 bn	Rs 51.1 bn	87%
37%	62%	24.2%	18.4%	16%	31.0%	50%

Operational snapshot

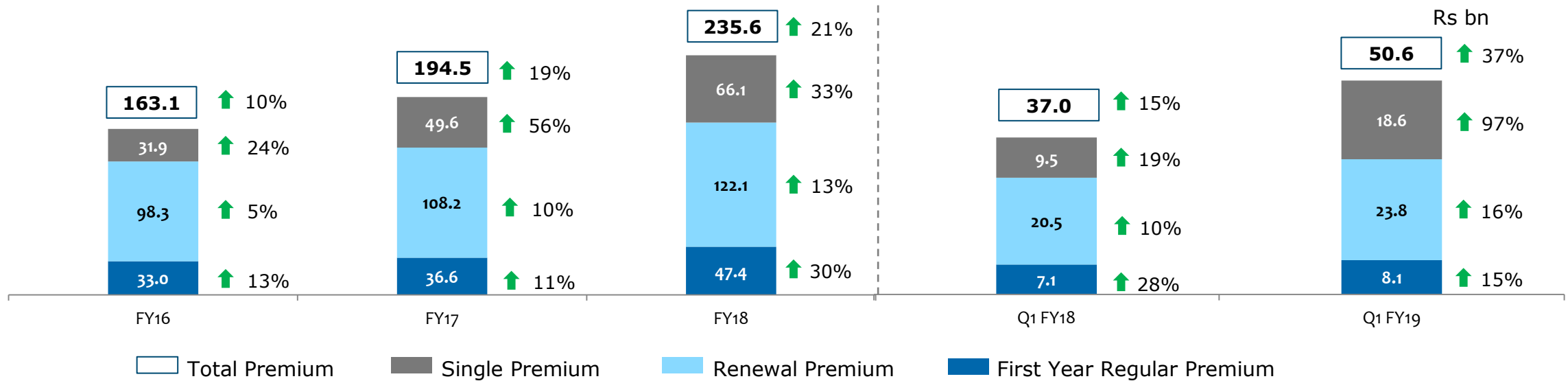
						
10.3 mn	Rs 1,234 bn	17,800+	163	26	413	15,000+
NB (Individual and Group segment) lives insured	New business sum assured	Employee headcount	Bancassurance partners	Non-traditional distribution partners	Offices ⁷	Partner branches ⁸

Notes: ¹ VNB: Value of New business; ² IEV: Indian Embedded value; ³ Operating return on EV – Annualised EVOP (Embedded value operating profit)/Opening EV; ⁴ Net worth comprises of Share capital (including share application money received, but pending allotment), Share premium and Accumulated profits/(losses); ⁵ Calculated using net profit and average net worth for the period (Net worth comprises of Share capital, Share premium and Accumulated profits/(losses)); ⁶ Calculated as per IRDAI circular (based on original premium). Group business, where persistency is measurable, has been included in the calculations; ⁷ Including corporate office in Mumbai and 2 hub operations; ⁸ For top 15 bancassurance partners

3 PS: The numbers throughout the presentation are based on standalone financial results of the Company

Strong premium growth and market positioning

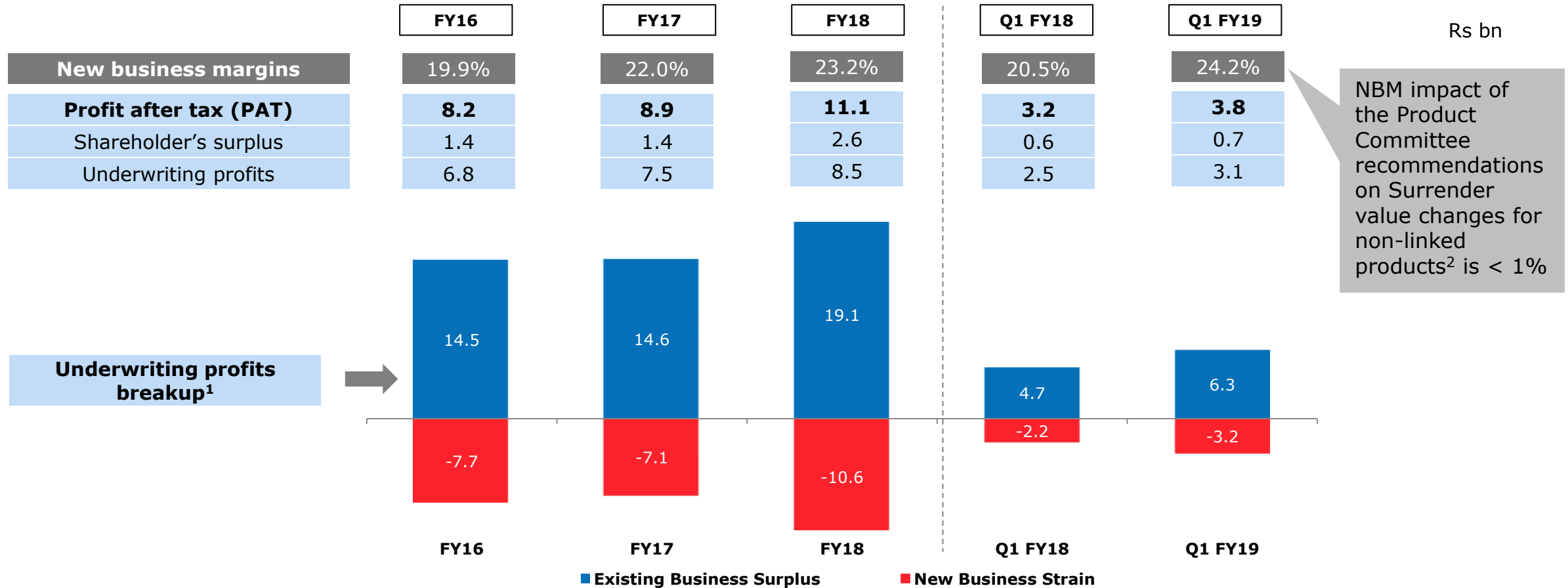
Consistent growth across premium categories despite volatile operating environment



Private Market share / Ranking

	FY16	FY17	FY18	Q1 FY18	Q1 FY19
Individual WRP	14.7% / 3	12.7% / 3	13.3% / 3	11.8% / 3	13.3%/ 3
Group premium	18.3% / 1	24.3% / 1	28.5% / 1	25.0% / 1	30.1%/ 1
Total new business received premium	15.8% / 3	17.2% / 2	19.1% / 1	16.4% / 3	22.3%/ 1

Profits breakup



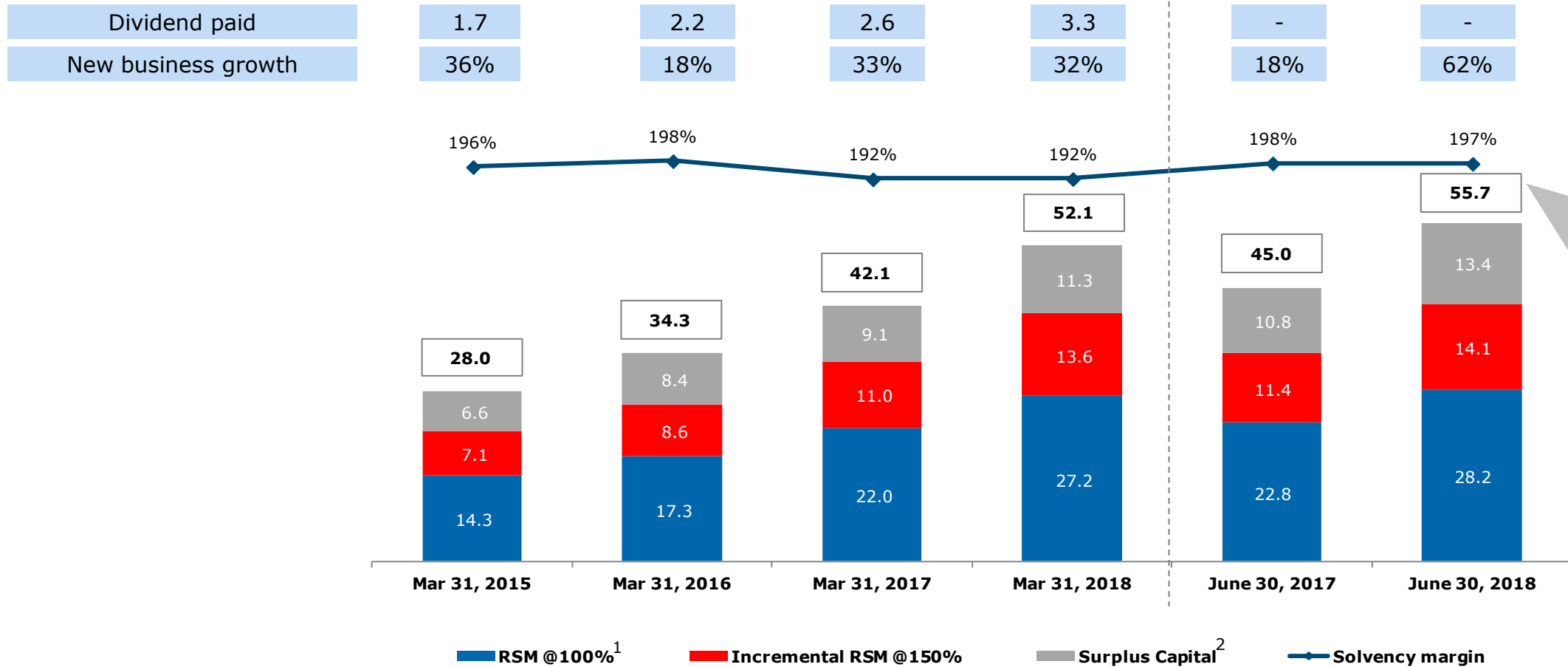
- Steady increase in underwriting profits backed by healthy existing business surplus, neutralising impact of new business strain caused by growth in business

Notes:

- Based on internal Company analysis, numbers may not add up due to rounding off
- The NBM impact of the Product Committee recommendations (for increase in surrender value on non linked products) has been assessed, assuming no other changes in product features or distribution costs. The actual impact would depend on the final regulatory changes

Capital position

Rs bn



No capital infusion required even if NB APE grows at CAGR of 50% in the next 3 years, as internal accrual of surplus from backbook can support the growth

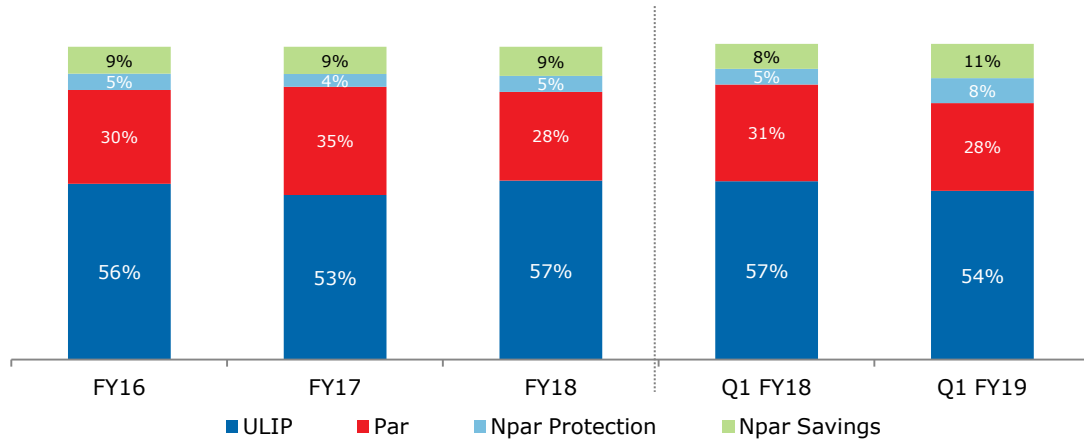
- Stable solvency ratio, despite consistent growth in underlying business
- No capital infused in last seven years (except through issuance of ESOPs), despite paying healthy dividends

Notes:

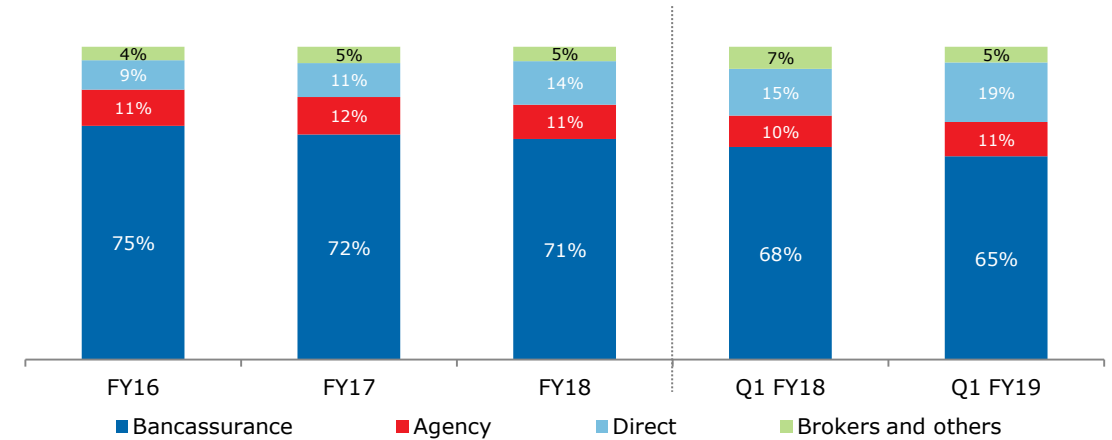
- RSM represents Required solvency margin
- Investment in subsidiaries not considered in solvency margin

Maintained consistent balance in product and distribution

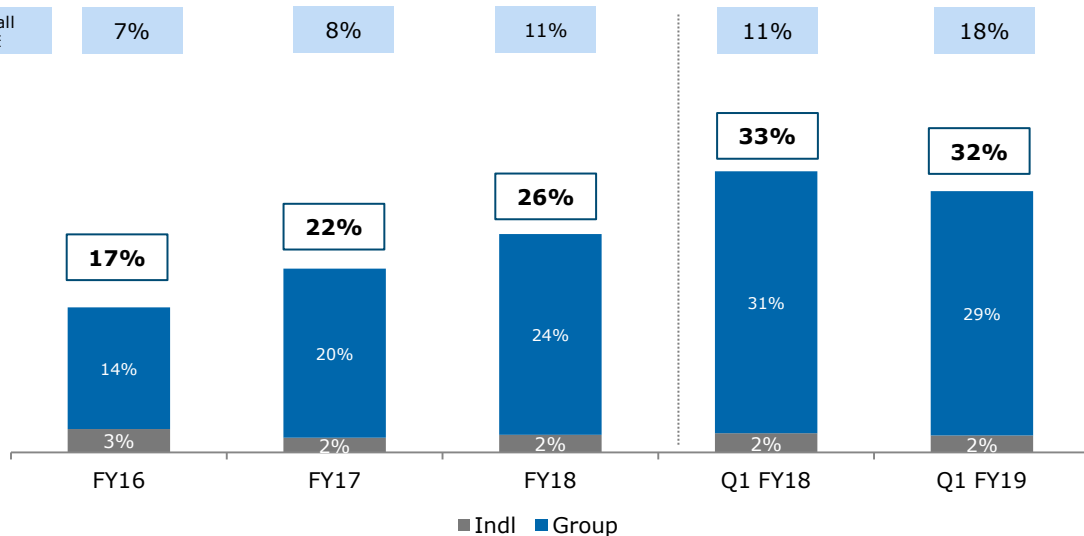
Balanced product mix (based on Individual APE)



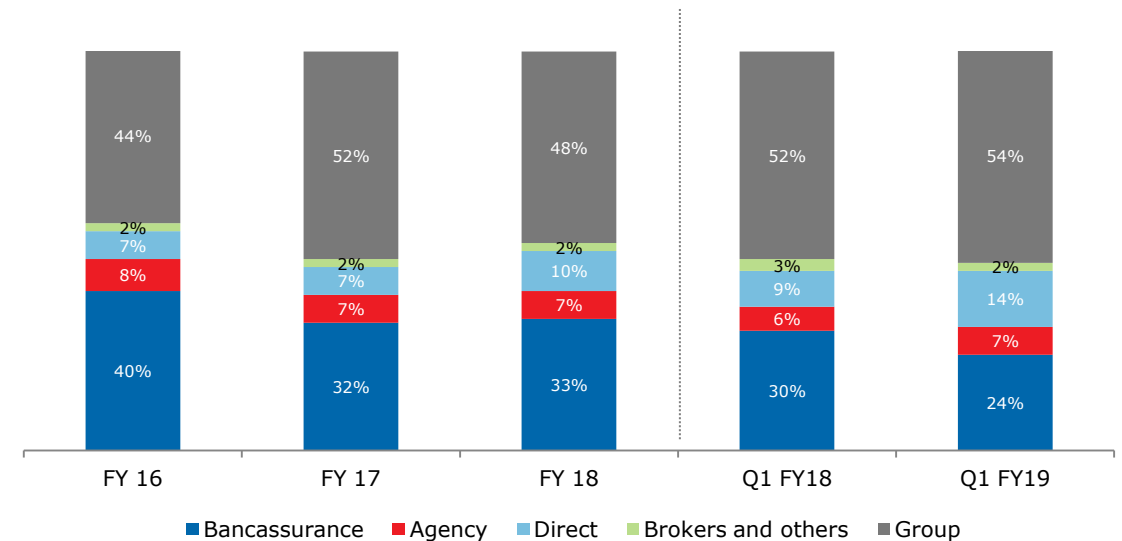
Stable distribution mix (based on Individual APE)



Increasing share of protection¹ products (as % of total NBP)



Stable distribution mix (based on total NBP)



Notes:

1. Previous year group numbers have not been reclassified based on current year numbers

Continued focus on protection

Opportunity

Rising protection gap

- ✓ **India has the highest protection¹ gap:** Gap has increased over 4x in last 15 years

Low retail loan protection

- ✓ **Retail credit:** Increasing retail credit by banks provide opportunity for insurance penetration

Health Insurance

- ✓ **Lack of adequate health cover:** Low penetration, rising medical cost and demand for quality healthcare to drive growth

Focus areas

Easy accessibility

- ✓ **Simplified products with wide options:** Selling products with multiple riders option with limited underwriting (Credit protect) across geographies

Support

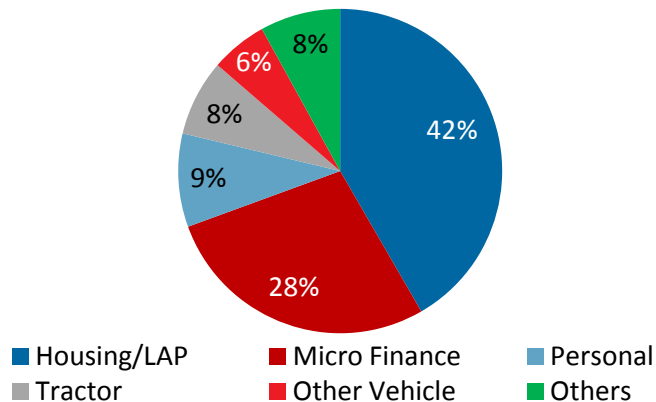
- ✓ **End-to-end support:** Provide our distribution partners with support throughout the process, from customer on-boarding to claims settlement

Digital Enablement

- ✓ **Technology enablement:** Initiatives like mobility platform gives us competitive edge to service the customer faster

Group protection - Credit protect (CP)

Credit protect (CP) – Loan Portfolio²



- Diversified portfolio across loan segments
- 189 distribution partners is testament to our strong reputation as preferred business partner
- HDFC group entities contributed <25% of the CP business
- The average rate³ charged to CP customers is 30% higher than that charged on individual protection product in lieu of limited underwriting
- Extensive manpower and support, with dedicated niche technology platforms offered to the partners to create further growth opportunities

Notes:

1. Previous year group numbers have not been reclassified based on current year numbers
2. Based on internal company analysis
3. Based on the New business profile of FY18

Financial and operational snapshot (1/2)

	FY16	FY17	FY18	CAGR	Q1 FY18	Q1 FY19	Growth
Key Metrics (Rs bn)							
New Business Premium (Indl+Group)	64.9	86.2	113.5	32%	16.5	26.8	62%
Renewal Premium (Indl+Group)	98.3	108.2	122.1	11%	20.5	23.8	16%
Total Premium	163.1	194.5	235.6	20%	37.0	50.6	37%
Individual APE	34.3	37.4	48.9	19%	7.3	8.4	15%
Group Premium (NB)	28.3	44.2	54.1	38%	8.6	14.4	67%
Premium Less Benefit Payouts ⁽¹⁾	80.6	94.8	104.7	14%	10.7	21.3	98%
Profit after Tax	8.2	8.9	11.1	16%	3.2	3.8	20%
- Policyholder Surplus	6.8	7.5	8.5	11%	2.5	3.1	22%
- Shareholder Surplus	1.4	1.4	2.6	38%	0.6	0.7	15%
Dividend Paid ⁽²⁾	2.2	2.6	3.3	23%	-	-	-
Assets Under Management	742.5	917.4	1,066.0	20%	947.5	1,096.3	16%
Embedded Value ⁽³⁾	102.3	124.7	152.2	22%	132.2	156.9	19%
Net Worth ⁽⁴⁾	31.5	38.1	47.2	22%	41.3	51.1	24%
New Business Sum Assured ⁽⁵⁾	2,714.9	3,887.6	4,734.5	32%	966.1	1,234.4	28%
No. of Individual Policies (NB) sold (In 000s) ⁽⁶⁾	1,150.3	1,082.3	1,049.6	-4%	183.9	202.5	10%

Notes:

1. Gross of reinsurance for both individual and group business
2. Including dividend distribution tax (DDT)
3. Based on internal company analysis (IEV methodology)
4. Comprises share capital, share premium and accumulated profits/(losses)
5. Comprises individual and group business
6. Including rural policies. NOPs
7. Previous year group numbers have not been reclassified based on current year numbers

Financial and operational snapshot (2/2)

	FY16	FY17	FY18	Q1 FY18	Q1 FY19
Key Ratios					
Overall New Business Margins (post overrun)	19.9%	22.0%	23.2%	20.5%	24.2%
Operating Return on EV ⁽¹⁾	20.7%	21.7%	21.5%	22.0%	18.4%
Operating Expenses / Total Premium	11.6%	12.6%	13.5%	15.4%	14.4%
Total Commissions / Total Premium	4.3%	4.1%	4.6%	4.2%	3.9%
Return on Invested Capital ⁽²⁾	37.9%	41.0%	49.1%	57.7%	65.3%
Return on Equity ⁽³⁾	28.7%	25.7%	26.0%	31.9%	31.0%
Solvency Ratio	198%	192%	192%	198%	197%
Persistency (13M / 61M) ⁽⁴⁾	81%/50%	84%/59%	87%/51%	85%/57%	87%/50%
Indl Conservation Ratio	80%	82%	85%	87%	87%
Business Mix (%)					
- Product (UL/Non par savings/Non par protection/Par) ⁽⁵⁾	56/9/5/30	52/9/4/35	57/9/5/28	57/8/5/31	54/11/8/28
- Indl Distribution (CA/Agency/Broker/Direct) ⁽⁵⁾	75/12/4/9	72/12/5/11	71/11/5/14	68/10/7/15	65/11/5/19
- Total Distribution (CA/Agency/Broker/Direct/Group) ⁽⁶⁾	40/8/2/7/43	32/7/2/7/52	33/7/2/10/48	30/6/3/9/52	24/7/2/14/54
- Share of protection business (Basis APE)	7.3%	7.8%	11.3%	11.1%	18.2%
- Share of protection business (Basis NBP)	17.2%	21.8%	25.9%	33.4%	31.6%

Notes:

1. EVOP (Embedded value operating profit)/Opening EV
2. Calculated using net profit and average share capital including share premium
3. Calculated using net profit and average net worth for the period (Net worth comprises of Share capital, Share premium and Accumulated profits/(losses))
4. Persistency ratios (based on original premium) as per methodology specified in IRDA circular no. IRDA/ACT/CIR/MISC/035/01/ 2014 dated January 23, 2014. Group business, where persistency is measurable, has been included in the calculations.
5. Based on individual APE excluding service tax. 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
7. Previous year group numbers have not been reclassified based on current year numbers

Key differentiators of HDFC Life

1

Balanced business mix

Developing multiple channels of growth and driving contextual, need-based product distribution

2

Market-leading product innovation

Effective risk management driving product designs that cater to innate and latent customer needs; and setting benchmarks in the life insurance industry

3

Focus on profitable growth

Leveraging emerging profit pools to achieve the fine balance between sales growth and profitability

4

Reimagining insurance

Market-leading digital capabilities to shape the insurance operating model of tomorrow

5

Quality of Board and management

Stable and experienced leadership guided by an independent and competent Board

Balanced business mix

Bancassurance (65% share)

- HDFC group entities sourced 13% of total group business and 29% of total new business in Q1 FY19
- 163 bancassurance partners (14 partners added in Q1 FY19)
- Top 15 bancassurance partners have over 15,000 branches
- Well positioned to capitalise on opportunities provided by open architecture

Alliances (incl. Broker) & Ecosystems (5% share)

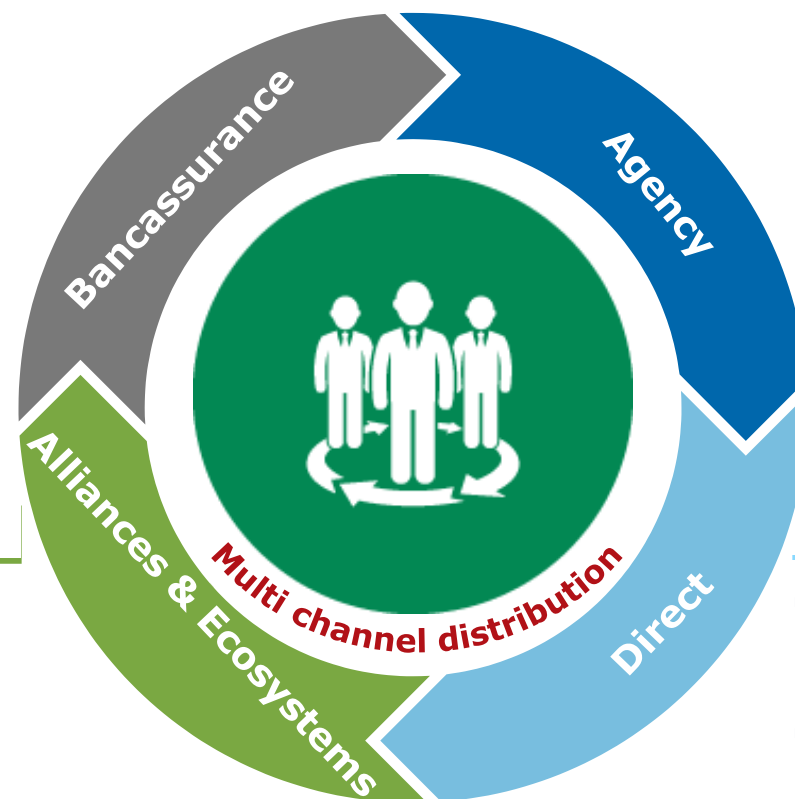
- 26 partners across non traditional ecosystem, who offers tremendous growth potential (4 partners added in Q1 FY19)
- Tie-up with most of the marquee insurance brokers and insurance marketing firms

Agency (11% share)

- Launched specialised "Agency LIFE" program last year with greater focus on recruiting quality agents, improving agent training and productivity
- Agency registered a growth of 26% over last year
- 83,128 individual agents as on 30th Jun 2018 – net addition of 6,080 during the quarter
- Continue to implement enhanced technology and mobile solutions to drive agent productivity

Direct (incl. Online) (19% share)

- 1,500+ frontline sales staff across direct sales channels including branch, group sales (B2B), online and digital sub-channels
- Robust online and digital sub-channel contributing 7% of Individual APE
- Aim to emphasize cross selling and up selling by leveraging analytical tools



Notes:

1. All figures are pertaining to Q1 FY19
2. Growth figures and channel share % is basis individual APE



Market-leading product innovation

Click2Protect Health: Life and indemnity-based health cover under a single plan- combination product with a stand-alone health insurer

Click 2 Protect:
Industry-leading protection product series

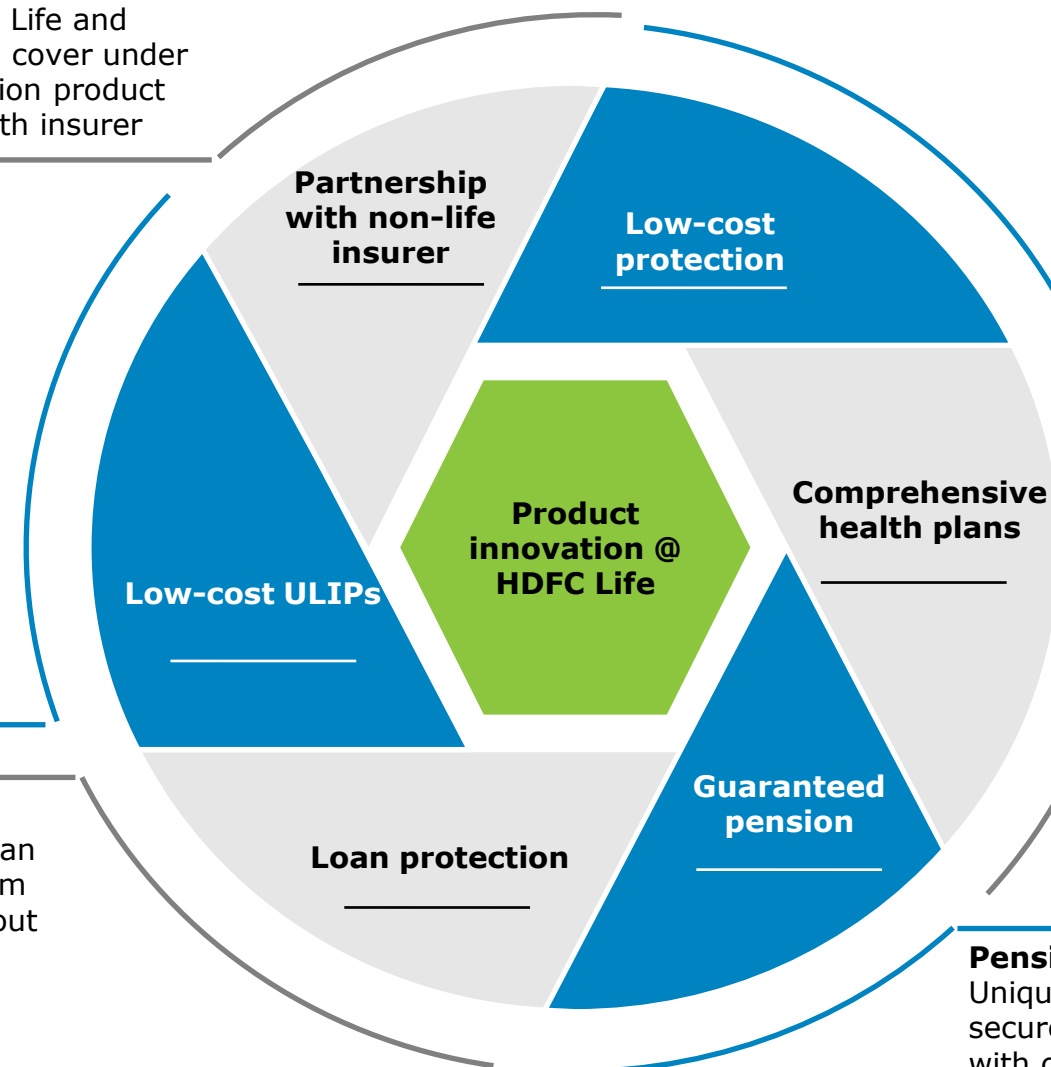
Cardiac Care:
Protection against 18 cardiac diseases

Cancer Care: Lump sum benefit and waiver of premium

Pension Guaranteed Plan:
Unique plan with ability to secure guaranteed return with deferment

Click 2 Invest: One of the first minimal charge structure ULIPs with 8 fund options available with exposure across asset classes

Credit Protect:
Protection against loan worries with minimum documentation without medicals



Focus on profitable growth

Differentiated products with profit leadership potential



Protection play:
Health, CI, ADB, Term



Retirement
products



Composite
products

New partners are widening customer base



Small Finance Banks &
NBFCs



Rural innovators



Payment apps

Integration with new ecosystems will drive growth



Consumer insights from social
media, app & mobile usage



Payment banks to provide
physical access



UPI, wallets for ease of
payment



E-commerce players,
aggregators and other new-
age start-ups as new sales
platforms



UIDAI, data analytics firms
for better understanding of
the customer



Credit agencies to support
risk and claims
management



Reimagining insurance

Differentiators

- Segregation of systems of records and system of engagement
- Improved CRM platform
- Enhanced security
- Rules Engine

- Technology: from back office function to arrowhead
- From digitizing the data to source data being digital
- Mobile enabled end-to-end journeys

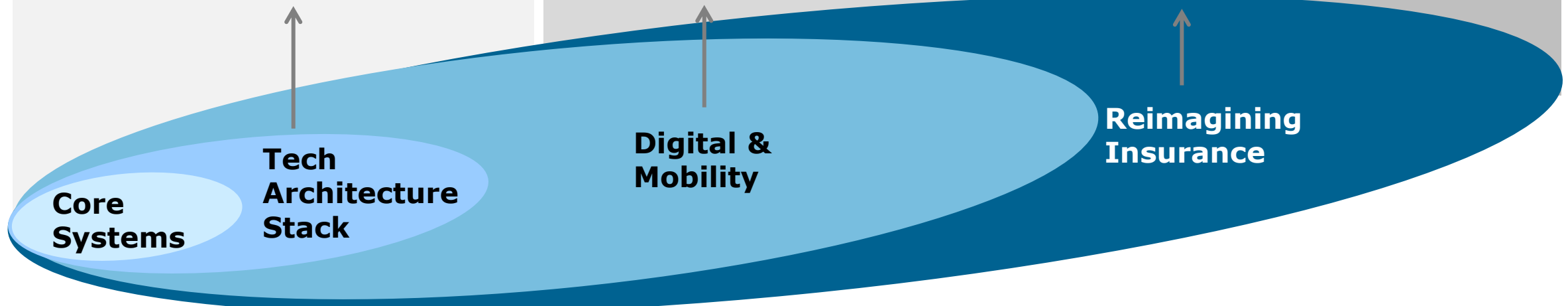
- Data lake
- Customer 360
- Alternative data sources
- Nudge & recommendation engines

Benefits

- Setting benchmark in responsiveness thru faster Go-To-Market & better TATs
- Scalability
- Optimized processes

- Ownership of e-product space
- Empowered sales force
- Paperless issuance
- Shift from online channels to digital channels

- Plug & play partner integration
- Creation of platforms & ecosystems
- Hyper-personalization
- Enhanced share of customer wallet
- Cashless, frictionless, instant issuance
- Virtual Assistants



Quality of Board and Management



Seasoned and stable senior management team, with decades of experience in financial services

Track record of delivering consistent results across business cycles

Active well-informed and independent Board oversees how the management serves and protects the interests of all stakeholders

Board evaluates performance based on an objective range of performance indicators



Performance of wholly-owned subsidiary companies



HDFC Pension

- Fastest growing Pension Fund Manager under the National Pension System (NPS) architecture with AUM of Rs 30.2 bn as on 30th Jun 2018 (113% YoY growth)
- Consistently gaining market share
- HDFC Pension ranks #1 across all the categories including AUM, Monthly Fund Flow and No. of Retail and Corporate Customers amongst private PFMs¹



HDFC International

- Offers reinsurance of individual life products and group credit schemes with UAE, Oman & Bahrain based ceding insurers
- Gross revenue of USD 0.7 million during Q1 FY19
- Became profitable during the quarter within three year of operation, which is testimony to the strength of underlying underwriting and risk assessment processes

Note:

1. Pension Fund Managers

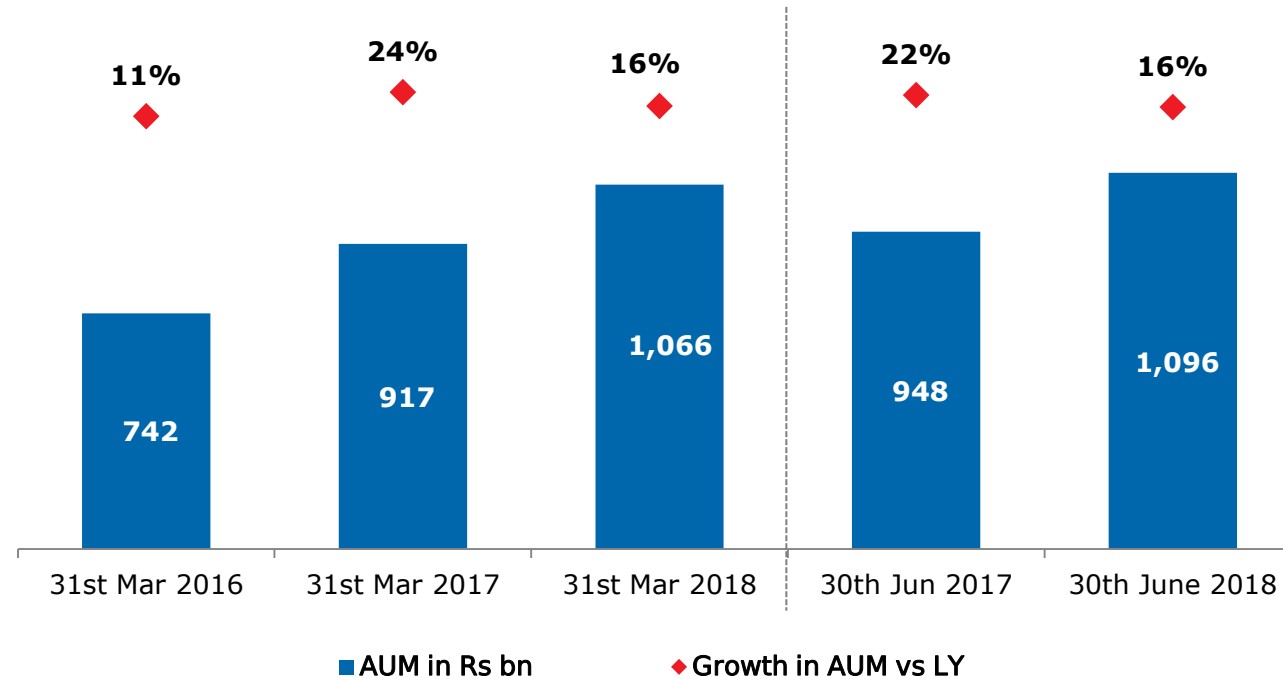
Performance Snapshot

B

Additional Business Information

Annexures

Assets under management



- Continued to rank¹ amongst top 3 private players, in terms of assets under management
- Debt:Equity mix of 61:39 as on Jun 30, 2018 - Over 96% of debt investments in AAA rated and Government bonds as on Jun 30, 2018
- As on Jun 30, 2018, 76% of our unit-linked funds² performed better than their respective benchmarks over a five-year period

Notes:

1. Based on Asset under Management as on Mar 31, 2018

2. With identified benchmarks under the equity, hybrid and duration bond fund categories

Channel wise product mix

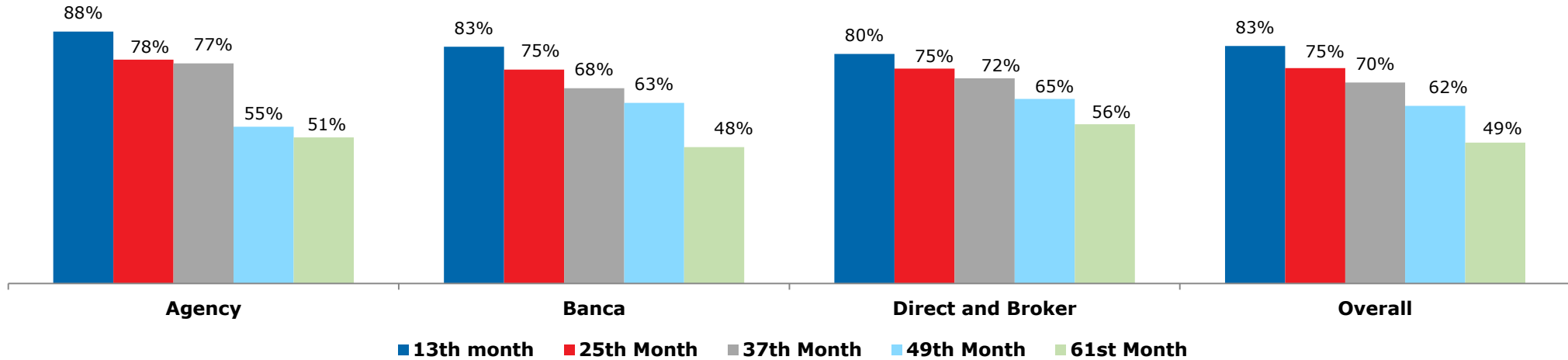
Channel summary ¹	Segment	FY15	FY16	FY17	FY18	Q1 FY18	Q1 FY19
Banca²	Par	10%	24%	30%	26%	26%	24%
	Non par protection	2%	2%	1%	1%	1%	3%
	Non par others	12%	9%	8%	9%	7%	8%
	UL	75%	66%	61%	64%	66%	65%
Agency	Par	55%	56%	57%	48%	53%	54%
	Non par protection	12%	13%	11%	11%	13%	13%
	Non par others	9%	6%	7%	8%	7%	13%
	UL	24%	25%	26%	33%	27%	20%
Direct and Broker	Par	50%	42%	41%	28%	34%	9%
	Non par protection	13%	17%	12%	16%	15%	24%
	Non par others	10%	9%	11%	11%	7%	20%
	UL	27%	32%	36%	45%	44%	47%
Total	Par	22%	30%	35%	28%	31%	28%
	Non par protection	5%	5%	4%	5%	5%	8%
	Non par others	11%	9%	9%	9%	7%	11%
	UL	62%	56%	52%	57%	57%	54%
Protection³ mix (Basis Indl + Group APE)		6%	7%	8%	11%	11%	18%
Protection mix (Basis Indl + Group NBP)		12%	17%	22%	26%	33%	32%

Notes:

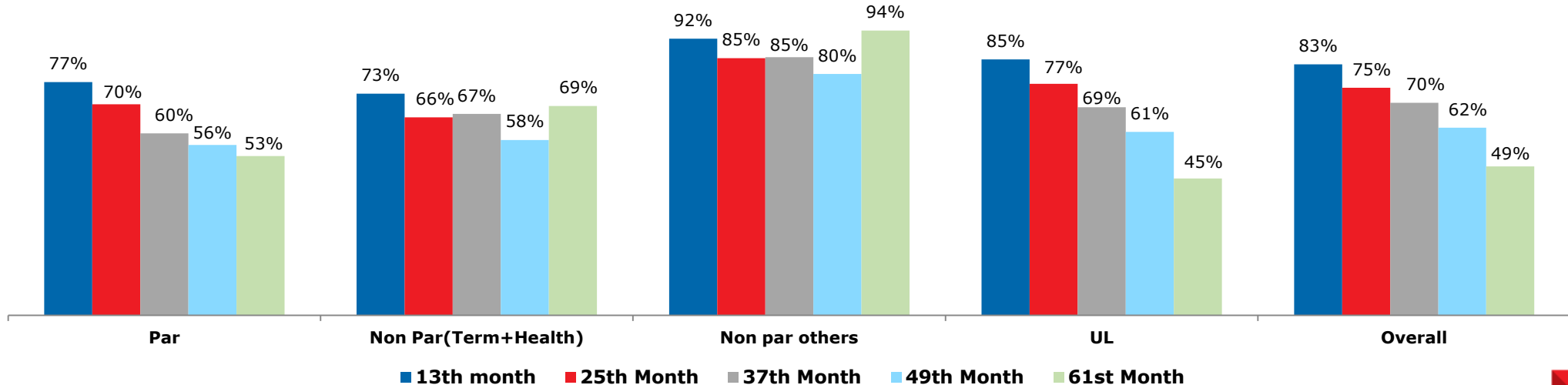
1. Basis Individual APE excluding tax
2. Includes banks and other corporate agents
3. Previous year group numbers have not been reclassified based on current year numbers

Individual persistency at channel and segment level – Q1 FY19

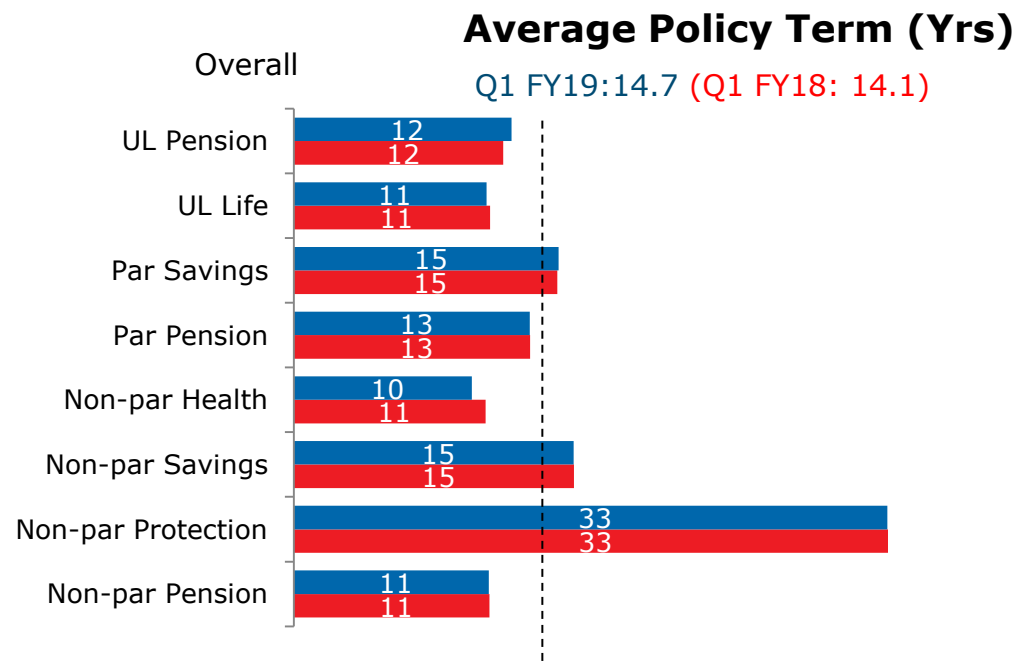
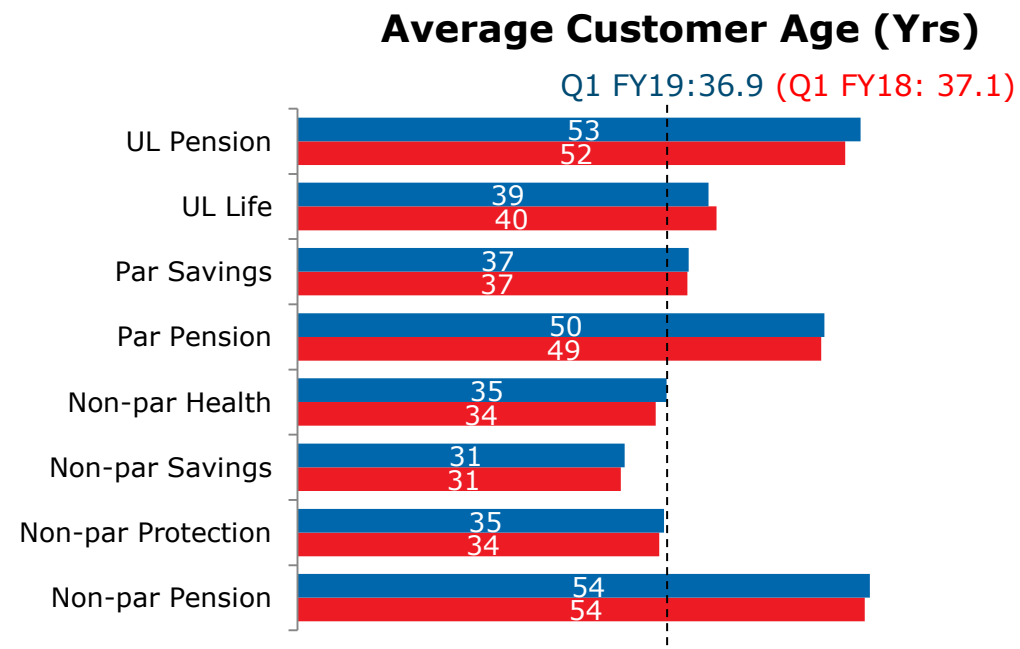
Persistency across channels



Persistency across segments



Segment wise average term and age¹

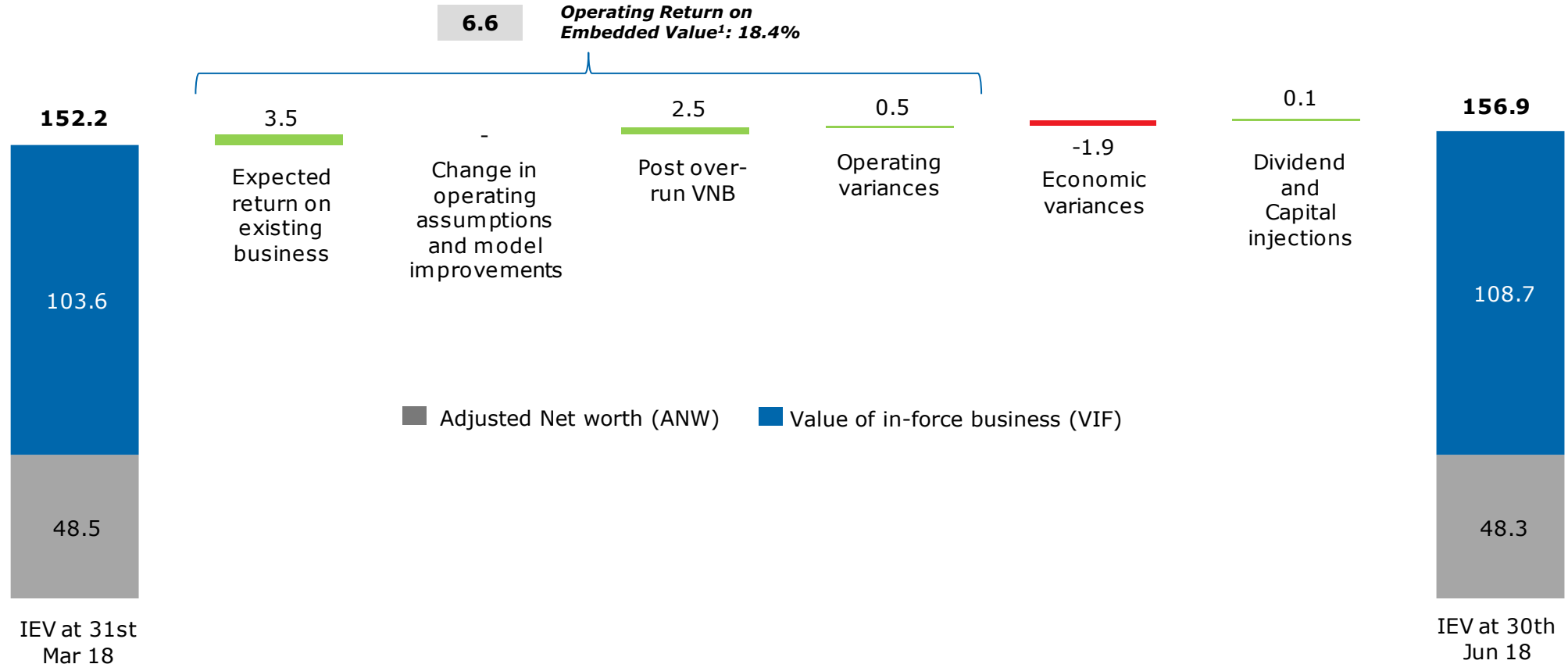


- Focus on long term insurance solutions, reflected in longer policy tenure
- Extensive product solutions catering customer needs across life cycles from young age to relatively older population

Analysis of change in IEV – Q1 FY19

Analysis of change in EV

(Rs bn)

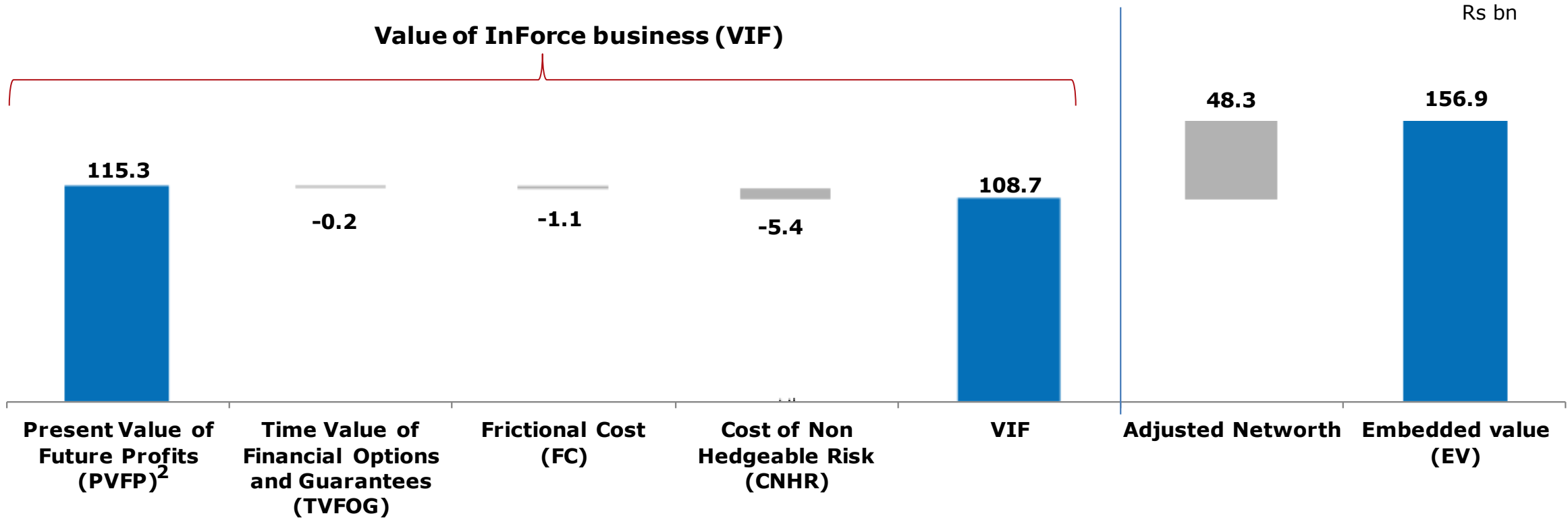


- Healthy operating return on EV delivered over a period of time in line with past trends
- Positive persistency, mortality and expense variances, reflecting favourable experience compared to assumptions

Note:

23 1. Operating Return on Embedded Value calculated as annualised EVOP (Embedded Value Operating Profit) to Opening EV

Indian Embedded Value (IEV)¹ – Q1 FY19

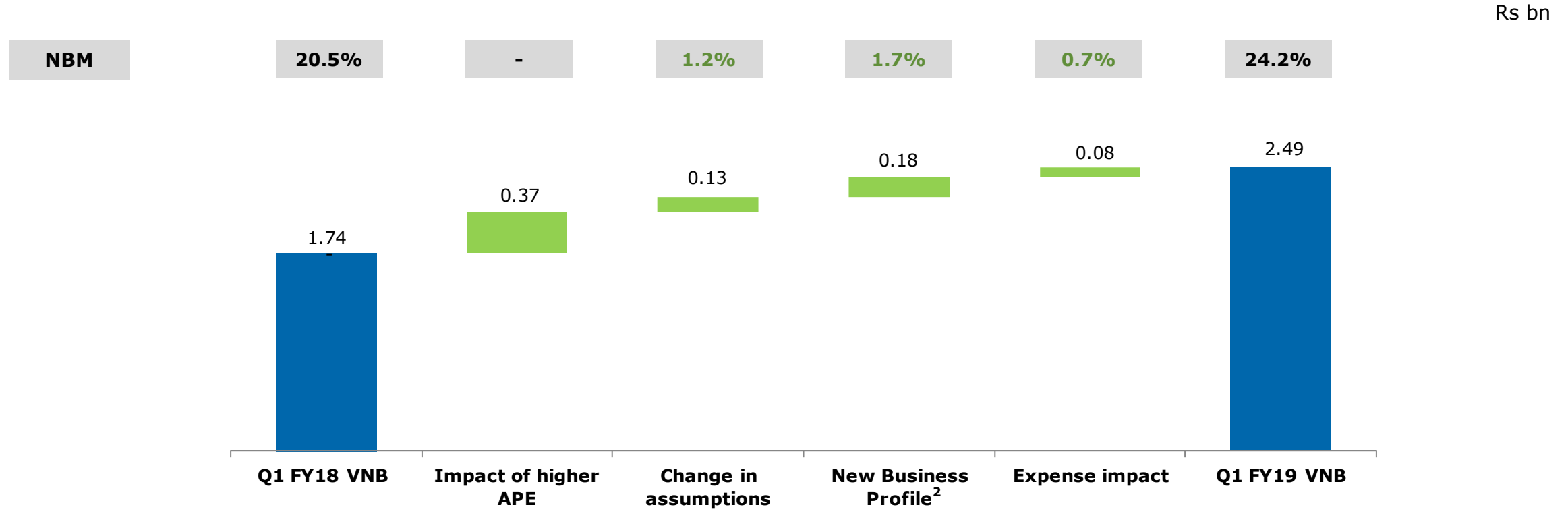


- Higher proportion of VIF at 69% of the total Embedded value
- TVFOG includes cost of guarantees for conventional participating products

Notes:

1. Based on internal analysis, detailed explanation of components provided in the Appendix to the presentation
2. PVFP pertains to Overall (Individual + Group) business

Value of new business (VNB) and NBM walkthrough¹



- Higher VNB due to growth in new business and increasing focus on protection business
- Lower expenses and change in NB profile contributed in expansion of NBM to 24.2%

Note:

1. Based on internal Company analysis

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

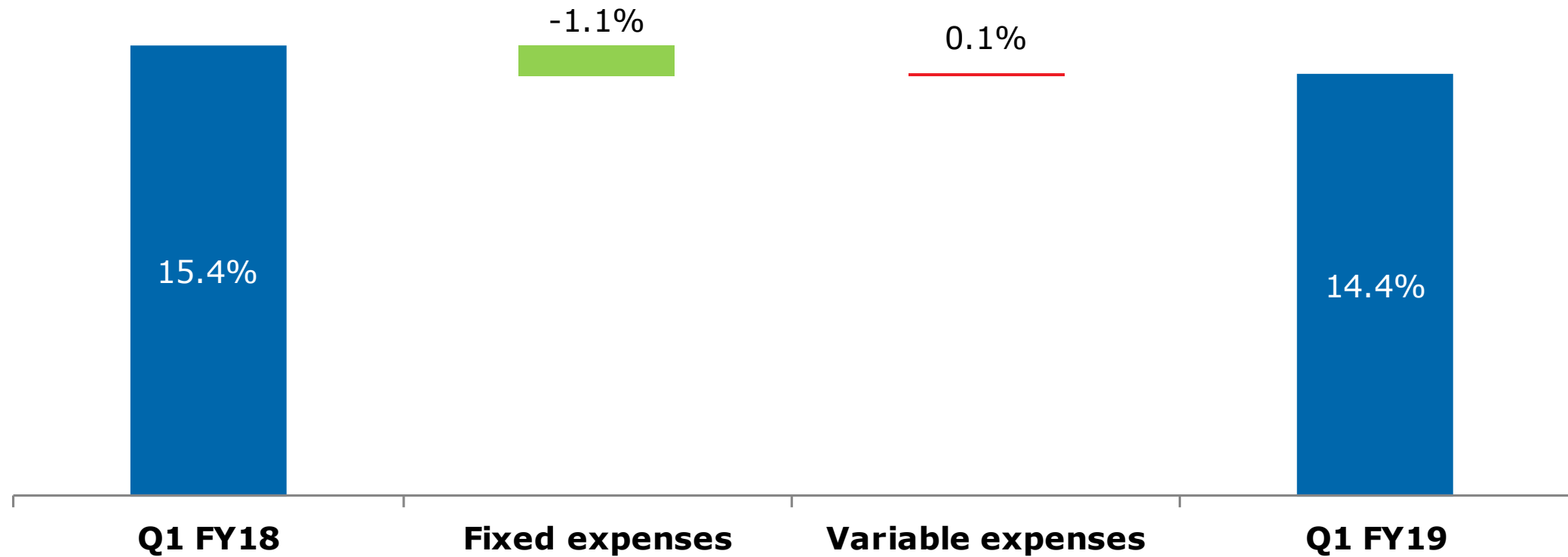
Sensitivity analysis – FY18

Analysis based on key metrics ¹	Scenario	% Change in VNB ²	Change in VNB Margin ²	% Change in EV
Change in				
Reference rate	Increase by 1%	0.27%	0.06%	-1.80%
	Decrease by 1%	-1.71%	-0.40%	1.93%
Equity market movement²	Decrease by 10%	-1.24%	-0.29%	-1.84%
Persistency (Lapse rates)	Increase by 10%	-5.63%	-1.30%	-1.75%
	Decrease by 10%	6.06%	1.41%	1.87%
Maintenance expenses	Increase by 10%	-2.18%	-0.51%	-0.63%
	Decrease by 10%	2.17%	0.51%	0.63%
Acquisition Expenses	Increase by 10%	-14.16%	-3.30%	NA
	Decrease by 10%	14.16%	3.30%	NA
Mortality / Morbidity	Increase by 5%	-5.19%	-1.21%	-0.77%
	Decrease by 5%	5.20%	1.21%	0.77%
Tax rate³	Increased to 25%	-14.38%	-3.35%	-7.55%

Notes:

1. Please refer to the report from Milliman
2. Post overrun total VNB for Individual and Group business
3. 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.

Operating expense trend



Notes:

1. Fixed costs include employee, infrastructure, information technology costs and any other costs which are fixed in nature
2. Variable costs include stamp duty, medical fees, sales incentives, brand awareness, operations support and any other costs which are linked to business

Bancassurance partners and cross-selling trends

25
Banks



111
NBFCs

BAJAJ FINANCE LIMITED



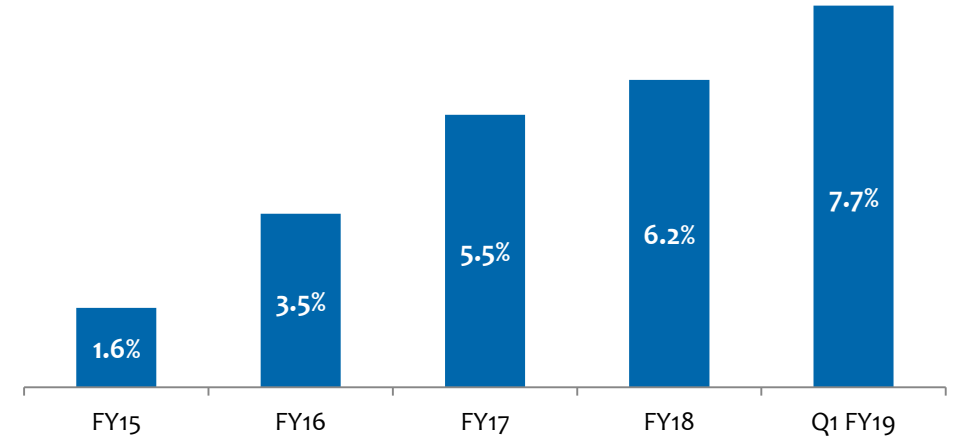
18
MFIs



9
SFBs



Increasing customer base provides unique opportunity to cross-sell¹



- Wide access through our 163 bancassurance and 26 non-traditional ecosystem partnerships provides us with increased opportunity to cross-sell

Agenda

Performance Snapshot

Additional Business Information

C

Annexures

Annexures

Revenue and Profit & Loss A/c

Rs bn

Particulars	FY17	FY18	Q1 FY18	Q1 FY19
Gross Premium Income	194.4	235.6	37.0	50.6
Reinsurance (net)	(1.7)	(1.9)	(0.4)	(0.6)
Net Premium Income (A)	192.7	233.7	36.6	50.0
Income from Investments				
Policyholders	111.4	86.0	27.7	18.0
Shareholders	2.3	2.8	0.7	0.8
Total Income from Investments (B)	113.7	88.8	28.4	18.8
Other Income (C)	1.0	1.2	0.6	0.6
Total Income (D=A+B+C)	307.4	323.7	65.7	69.3
Expenses and Outflow				
Commission	7.9	10.8	1.6	2.0
Operating expenses	24.5	31.7	5.7	7.3
GST / Service tax on UL charges	2.2	3.0	0.6	0.8
Benefits Paid ¹	100.0	131.1	26.2	29.4
Provision for diminution in value of investments	0.0	(0.0)	(0.0)	0.1
Change in Valuation Reserves (net)	160.5	133.2	27.8	25.4
Change in funds for future appropriations	1.6	0.9	0.5	0.2
Provision for tax	1.7	1.9	0.3	0.4
Total Expenses and Outflow (E)	298.5	312.6	62.5	65.5
Profit after tax (D-E)	8.9	11.1	3.2	3.8

Balance Sheet

Rs bn

Particulars	31st Mar 2017	31st Mar 2018	30th Jun 2017	30th Jun 2018
SOURCES OF FUNDS				
Capital invested (Share capital + Premium)	21.9	23.3	22.0	23.3
Reserves and Surplus	16.2	23.9	19.3	27.7
Credit / (Debit) Fair Value Change Account	0.3	0.3	0.3	0.1
Sub-Total	38.4	47.5	41.6	51.2
Policy Liabilities	323.8	423.2	340.4	445.0
Provision for Linked Liabilities	508.1	546.0	516.4	546.8
Funds for discontinued policies	29.9	25.9	32.8	28.7
Funds for Future Appropriations	8.7	9.6	9.1	9.8
Change in fair value account	4.0	6.2	4.8	8.3
Current Liabilities & Provisions	38.2	46.4	31.3	36.9
Total Liabilities	951.1	1,104.8	976.4	1,126.6
APPLICATION OF FUNDS				
Investments				
Shareholders	32.5	40.7	33.6	41.3
Policyholders' assets	346.9	453.5	364.6	479.6
Assets held to cover linked liabilities	538.0	571.8	549.2	575.5
Loans	0.5	0.2	0.5	0.2
Fixed Assets	3.5	3.4	3.5	3.3
Cash & Bank Balances	8.0	11.1	3.1	3.3
Advances & Other Assets	21.7	24.1	21.9	23.4
Debit Balance in Profit and Loss Account	-	-	-	-
Total Assets	951.1	1,104.8	976.4	1,126.6

Product committee recommendation

- The non-linked product regulations prescribe the minimum surrender value payable on surrender in each policy year as a certain % of the total premiums paid ranging from 30% in initial years to 90% of the premiums paid in later years.
- The surrender value of bonuses and guaranteed additions are payable over and above the guaranteed surrender value as a % of the premiums paid
- The surrender value on our non-linked products is higher than that specified and on average our surrender penalty is lower by 35% of that allowed under the regulations
- The persistency experience on our participating products is good especially after 2/3 years premiums are paid and this is reflected in the high conservation ratio of this segment
- The persistency experience is reflective of the need-based selling approach adopted by the Company wherein risk-averse policyholders prefer the guaranteed returns on the traditional products and stay invested for the original policy term
- If the recommendations of the Product Committee on increasing the minimum surrender value on non-linked products is implemented, the impact on our NBMs would be less than 1%

Embedded value: Methodology and Approach (1/2)

Overview

Embedded Value (EV) 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.

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. The intrinsic value of such options and guarantees is reflected in the 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 assumptions¹

Years	Forward rates %		Spot rates %	
	As at Jun 30, 2018	As at Jun 30, 2017	As at Jun 30, 2018	As at Jun 30, 2017
1	7.22	6.42	6.98	6.22
2	8.14	6.59	7.40	6.30
3	8.56	6.88	7.67	6.42
4	8.73	7.12	7.85	6.53
5	8.78	7.29	7.96	6.63
10	8.55	7.52	8.13	6.92
15	8.40	7.54	8.12	7.03
20	8.36	7.54	8.10	7.09
25	8.35	7.54	8.09	7.13
30+	8.35	7.54	8.07	7.15

- **APE (Annualized Premium Equivalent)** - The sum of annualized first year regular premiums and 10% weighted single premiums and single premium top-ups
- **Conservation ratio** - Ratio of current year renewal premiums to previous year's renewal premium and first year premium
- **First year premiums** - Regular premiums received during the year for all modes of payments chosen by the customer which are still in the first year. For example, for a monthly mode policy sold in March 2018, the first instalment would fall into first year premiums for 2017-18 and the remaining 11 instalments in the first year would be first year premiums in 2018-19
- **New business received premium** - The sum of first year premium and single premium.
- **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
- **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
- **13th month persistency** - Percentage of contracts measured by premium, still in force, 13 months after they have been issued, based on reducing balance approach

Disclaimer

This presentation is for information purposes only and does not constitute an offer or invitation to sell or the solicitation of an offer or invitation to purchase any securities ("Securities") of HDFC Standard Life Insurance Company Limited ("HDFC Life" or the "Company") in India, the United States, Canada, the People's Republic of China, Japan or any other jurisdiction. This presentation is not for publication or distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia). The securities of the Company may not be offered or sold in the United States in the absence of registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. The Company does not intend to register any securities in the United States. You confirm that you are either: (i) a "qualified institutional buyer" as defined in Rule 144A under the U.S. Securities Act of 1933, as amended, or (ii) outside the United States. By receiving this presentation, you are agreeing to be bound by the foregoing and below restrictions. Any failure to comply with these restrictions will constitute a violation of applicable securities laws.

This presentation should not, nor should anything contained in it, form the basis of, or be relied upon in any connection with any contract or commitment whatsoever. The information contained in this presentation is strictly confidential and is intended solely for your reference and shall not be reproduced (in whole or in part), retransmitted, summarized or distributed to any other persons without Company's prior written consent.

The Company may alter, modify or otherwise change in any manner the contents of this presentation, without obligation to notify you or any person of such revision or changes. This presentation may contain forward-looking statements that involve risks and uncertainties. Forward-looking statements are based on certain assumptions and expectations of future events. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Although Company believes that such forward-looking statements are based on reasonable assumptions, it can give no assurance that your expectations will be met. Representative examples of factors that could affect the accuracy of forward-looking statements include (without limitation) the condition of and changes in India's political and economic status, government policies, applicable laws, the insurance sector in India, international and domestic events having a bearing on Company's business, particularly in regard to the regulatory changes that are applicable to the life insurance sector in India, and such other factors beyond our control. You are cautioned not to place undue reliance on these forward-looking statements, which are based on knowledge, experience and current view of Company's management based on relevant facts and circumstances.

The data herein with respect to HDFC Life is based on a number of assumptions, and is subject to a number of known and unknown risks, which may cause HDFC Life's actual results or performance to differ materially from any projected future results or performance expressed or implied by such statements. Forecasts and hypothetical examples are subject to uncertainty and contingencies outside Company's control. Past performance is not a reliable indication of future performance.

This presentation has been prepared by the Company. No representation, warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information and opinions in this presentation. 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 presentation or its contents or otherwise arising in connection with this presentation. Further, nothing in this presentation should be construed as constituting legal, business, tax or financial advice or a recommendation regarding the securities. 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.

Thank you

