July 23, 2019

Ref. No. : HDFC Life/CA/2019-20/21

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

Kind Attn.: Head - Listing

BSE Limited
Sir P J Towers,
Dalal Street,
Mumbai – 400 001

BSE Security Code : 540777

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

Sir / Madam,

Subject : **Outcome of Board Meeting held on July 23, 2019**

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. July 23, 2019, have approved the Audited Standalone and Un-Audited Consolidated Financial results of the Company for quarter ended June 30, 2019.

We are enclosing herewith the following :-

(i) Copy of Audited Standalone Financial Results with Audit Report

(ii) Copy of Un-audited Consolidated Financial Results with Limited Review Report

(iii) Press Release

The window for trading in equity shares of the Company by its designated employees will open from July 26, 2019.

Please note that the Board Meeting commenced at 11.15 a.m. and concluded at 1.00 p.m.

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

Thanking You

For HDFC Life Insurance Company Limited

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

Encl. : As above

Price Waterhouse Chartered Accountants LLP
Chartered Accountants
252, Veer Savarkar Marg,
Opp Shivaji Park,
Dadar (W), Mumbai 400028

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

Auditor's Report on Standalone Financial Results for the quarter ended June 30, 2019 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) as at and for the quarter ended June 30, 2019 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 23, 2019.

2. These standalone financial results have been prepared on the basis of the interim condensed financial statements prepared in accordance with the measurement and recognition principles specified in paragraph 3 below, which is the responsibility of the Company's management. The management's responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation of the standalone financial results that is free from material misstatement, whether due to fraud or error.

3. Our responsibility is to express an opinion on these quarterly standalone financial results based on our audit of such interim condensed financial statements, which have been prepared by the Company's Management in accordance with the recognition and measurement principles laid down in Accounting Standard ("AS") 25, "Interim Financial Reporting", specified under Section 133 of the Companies Act, 2013 ("the Act") 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 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 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.

5. In our opinion and to the best of our information and according to the explanations given to us these quarterly 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 ended June 30, 2019.

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, 2019 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

Alpa Kedia
Partner
Membership No. 100681
UDIN: 19100681AAAABD4630

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

Rajen Ashar
Partner
Membership No. 048243
UDIN: 19048243AAAACO4067

Place: Mumbai
Date: July 23, 2019

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Mumbai

G. M. KAPADIA & CO.
MUMBAI
Chartered Accountants

HDFC Life Insurance Company Limited
(Formerly HDFC Standard Life Insurance Company Limited)
Statement of Standalone Audited Results for the Quarter ended June 30, 2019

(₹ in Lakhs)

Sr. No.	Particulars	Three Months ended / As at			Year ended / As at
		June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019
		(Audited)	(Audited)	(Audited)	(Audited)
POLICYHOLDERS' A/C					
1	Gross premium income				
	(a) First Year Premium	132,658	178,691	81,243	505,811
	(b) Renewal Premium	260,980	529,470	238,006	1,421,457
	(c) Single Premium	259,938	324,486	186,521	991,334
2	Net premium income[1]	645,116	1,024,750	500,128	2,892,401
3	Income from investments (Net)[2]	205,138	375,565	179,674	902,749
4	Other income	3,223	7,330	4,592	17,506
5	Transfer of funds from Shareholders' A/c	-	29,811	1,352	30,895
6	**Total (2 to 5)**	**853,477**	**1,437,456**	**685,746**	**3,843,551**
7	Commission on				
	(a) First Year Premium	25,845	27,691	14,183	78,394
	(b) Renewal Premium	3,353	7,980	3,402	21,372
	(c) Single Premium	3,025	3,683	2,234	12,003
8	**Net Commission[1]**	**32,223**	**39,354**	**19,819**	**111,769**
9	Operating Expenses related to insurance business (a+b)				
	(a) Employees remuneration and welfare expenses	39,398	37,764	32,494	140,822
	(b) Other operating expenses*	48,683	84,124	39,964	240,535
10	**Expenses of Management (8+9)**	**120,304**	**161,242**	**92,277**	**493,126**
11	Provisions for doubtful debts (including bad debts written off)	-	-	-	-
12	Provisions for diminution in value of investments[4]	8,408	1,732	1,015	9,056
13	Goods & Services Tax/Service Tax charge on linked charges	8,492	9,327	7,893	33,982
14	Provision for taxes	484	18,970	2,345	22,679
15	Benefits Paid[3] (Net)[1]	366,176	468,994	294,245	1,398,891
16	Change in actuarial liability	311,966	717,628	254,086	1,750,746
17	**Total (10+11+12+13+14+15+16)**	**815,830**	**1,377,893**	**651,861**	**3,708,480**
18	**Surplus/Deficit (6-17)**	**37,647**	**59,563**	**33,885**	**135,071**
19	**Appropriations**				
	(a) Transferred to Shareholders A/c	35,033	47,594	31,997	120,690
	(b) Funds for Future Appropriations	2,614	11,969	1,888	14,381
20	**Details of Surplus / Deficit**				
	(a) Interim bonus paid	1,628	3,825	666	6,137
	(b) Terminal bonus paid	13,031	23,000	4,869	51,290
	(c) Allocation of bonus to policyholders	-	77,681	-	77,681
	(d) Surplus shown in the Revenue Account	37,647	59,563	33,885	135,071
	Total Surplus	**52,306**	**164,069**	**39,420**	**270,179**
SHAREHOLDERS' A/C					
21	Transfer from Policyholders' Account	35,033	47,594	31,997	120,690
22	Total income under Shareholders' Account				
	(a) Investment Income	9,876	17,280	7,880	40,839
	(b) Other income	-	1,176	932	2,108
23	Expenses other than those related to insurance business	202	1,801	243	2,781
24	Transfer of funds to Policyholders' Account	-	29,811	1,352	30,895
25	Provisions for doubtful debts (including write off)	-	-	-	-
26	Provisions for diminution in value of investments[4]	1,019	(90)	33	973
27	**Profit before tax**	**43,688**	**34,528**	**39,181**	**128,988**
28	Provisions for tax	1,226	(1,873)	1,164	1,309
29	**Profit after tax and before Extraordinary items**	**42,462**	**36,401**	**38,017**	**127,679**
30	**Profit after tax and Extraordinary items**	42,462	36,401	38,017	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[5]	369,864	327,403	277,382	327,403
33	Paid up equity share capital	201,749	201,738	201,252	201,738
34	Reserve & Surplus (excluding Revaluation Reserve)	406,687	364,088	309,283	364,088
35	Fair Value Change Account and Revaluation Reserve (Shareholders)	(265)	(301)	1,440	(301)
36	Total Assets:				
	(a) Investments:				
	- Shareholders'	517,834	504,979	412,957	504,979
	- Policyholders Fund excluding Linked Assets	6,107,061	5,712,446	4,795,644	5,712,446
	- Assets held to cover Linked Liabilities (Linked Assets)	6,333,254	6,337,741	5,754,764	6,337,741
	(b) Other Assets (Net of current liabilities and provisions)	(120,924)	(66,876)	(65,835)	(66,876)

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

Advertisement and publicity	19,904	35,531	14,846	98,365
Business development expenses	9,130	25,949	8,363	63,655

Foot notes :

1 Net of reinsurance
2 Net of amortisation and losses (including capital gains)
3 Inclusive of interim and terminal bonus
4 Inclusive of provision for standard and non-standard assets
5 Represents accumulated surplus







HDFC Life Insurance Company Limited
(Formerly HDFC Standard Life Insurance Company Limited)
Statement of Standalone Audited Results for the Quarter ended June 30, 2019

(₹ in Lakhs)

Particulars	Three Months ended / As at			Year ended / As at
	June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019
	(Audited)	(Audited)	(Audited)	(Audited)
Analytical Ratios:				
(i) Solvency Ratio	193%	188%	197%	188%
(ii) Expenses of Management Ratio	18.4%	15.6%	18.2%	16.9%
(iii) Policyholder's liabilities to shareholders' fund	1993.8%	2088.4%	2012.1%	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)	2.10	1.81	1.89	6.34
b) Diluted EPS before and after extraordinary items (net of tax expense) for the period (not annualized for three months)	2.10	1.80	1.88	6.32
(v) NPA ratios: (for Policyholders' fund)				
a) Gross NPAs				
- Non Linked				
Par	Nil	Nil	Nil	Nil
Non Par	Nil	Nil	Nil	Nil
- Linked				
Non Par	4,875.0	4,875.0	Nil	4,875.0
Net NPAs				
- Non Linked				
Par	Nil	Nil	Nil	Nil
Non Par	Nil	Nil	Nil	Nil
Linked				
Non Par	1,625.0	3,250.0	Nil	3,250.0
b) % of Gross NPAs				
- Non Linked				
Par	Nil	Nil	Nil	Nil
Non Par	Nil	Nil	Nil	Nil
- Linked				
Non Par	0.1%	0.1%	Nil	0.1%
% of Net NPA				
- Non Linked				
Par	Nil	Nil	Nil	Nil
Non Par	Nil	Nil	Nil	Nil
- Linked				
Non Par	0.0%	0.1%	Nil	0.1%
(vi) Yield on Investments (on Policyholders' fund)				
A. Without unrealised gains				
- Non Linked				
Par	2.5%	2.0%	1.7%	7.4%
Non Par	2.2%	2.1%	2.0%	8.4%
- Linked				
Non Par	1.7%	1.1%	2.2%	6.6%
B. With unrealised gains				
- Non Linked				
Par	4.2%	3.0%	0.0%	9.5%
Non Par	4.8%	2.7%	-1.1%	9.6%
- Linked				
Non Par	0.7%	4.0%	1.3%	7.5%
(vii) NPA ratios: (for Shareholders' fund)				
a) Gross NPAs	Nil	Nil	Nil	Nil
Net NPAs	Nil	Nil	Nil	Nil
b) % of Gross NPAs	Nil	Nil	Nil	Nil
% of Net NPAs	Nil	Nil	Nil	Nil
(viii) Yield on Investments (on Shareholders' fund)				
A. Without unrealised gains	1.8%	3.4%	1.9%	9.1%
B. With unrealised gains	2.8%	2.8%	-0.7%	7.5%
(ix) Persistency Ratio				
13th month	88.8%	87.1%	85.0%	87.2%
25th month	77.6%	78.9%	77.8%	80.5%
37th month	71.4%	71.2%	71.2%	72.0%
49th month	67.3%	68.8%	63.6%	67.7%
61st month	55.5%	53.7%	49.5%	52.3%
(x) Conservation Ratio				
Participating Life- Individual & group	81.7%	80.8%	89.9%	84.4%
Participating Pension- Individual & group	100.7%	91.5%	82.0%	89.6%
Non Participating Life - Individual & group	70.7%	77.2%	82.7%	83.7%
Non Participating Pension - Individual & Group	78.7%	68.8%	93.7%	77.4%
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	62.2%	59.1%	53.1%	57.6%
Unit Linked - Individual Life	84.6%	86.1%	85.7%	84.3%
Unit Linked - Individual Pension	79.2%	77.8%	81.1%	80.8%
Unit Linked - Group Life	NA	NA	NA	NA
Unit Linked - Group Pension	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 is excluded in the calculation of the persistency ratios.
4. The persistency ratios for the quarter ended June 30, 2019 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 2018 to May 2018. The persistency ratio for the quarters ended June 30, 2018 and March 31, 2019 have been calculated in a similar manner.
5. The persistency ratios for the year ended March 31, 2019 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 2017 to February 2018.

HDFC Life Insurance Company Limited
(Formerly HDFC Standard Life Insurance Company Limited)
Segment Reporting (Standalone) for the Quarter ended June 30, 2019

(₹ in Lakhs)

Sr. No.	Particulars	Three Months ended			Year ended
		June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019
		(Audited)	(Audited)	(Audited)	(Audited)
1	**Segment Income**				
A)	**Policyholders :**				
	Segment A - Participating - Individual & Group Life :				
	Net Premium	92,776	197,637	103,840	561,015
	Income from Investments[2]	60,705	53,747	40,787	182,271
	Transfer of Funds from shareholders' account	-	544	-	544
	Other Income	1,588	2,945	1,272	6,347
	Segment B - Participating - Individual & Group Pension :				
	Net Premium	3,576	7,697	3,485	21,888
	Income from Investments[2]	6,815	5,039	3,766	16,550
	Transfer of Funds from shareholders' account	-	3	-	3
	Other Income	45	99	26	189
	Segment C - Non Participating - Individual & Group Life :				
	Net Premium	200,061	233,228	118,168	639,475
	Income from Investments[2]	27,094	22,484	16,403	76,910
	Transfer of Funds from shareholders' account	-	20,013	-	20,013
	Other Income	599	219	127	604
	Segment D - Non Participating - Life Group Variable :				
	Net Premium	12,832	25,527	23,087	98,642
	Income from Investments[2]	5,262	4,638	3,409	16,124
	Transfer of Funds from shareholders' account	-	-	86	-
	Other Income	-	-	-	-
	Segment E - Non Participating - Individual & Group Pension :				
	Net Premium	9,672	18,284	15,139	69,946
	Income from Investments[2]	6,918	6,902	4,935	23,444
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	8	7	9	31
	Segment F - Non Participating - Pension Group Variable :				
	Net Premium	66,020	39,170	9,975	99,258
	Income from Investments[2]	6,604	4,840	3,657	16,631
	Transfer of Funds from shareholders' account	-	392	942	1,476
	Other Income	-	-	-	-
	Segment G - Non Participating - Annuity :				
	Net Premium	69,498	91,708	40,895	259,204
	Income from Investments[2]	13,992	11,289	5,472	33,106
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	12	40	25	118
	Segment H - Non Participating - Individual & Group Health :				
	Net Premium	1,473	4,046	3,075	12,469
	Income from Investments[2]	147	189	102	542
	Transfer of Funds from shareholders' account	-	1,580	324	1,580
	Other Income	6	8	10	33
	Segment I - Unit Linked - Individual Life :				
	Net Premium	165,425	352,544	157,683	978,698
	Income from Investments[2]	38,521	205,329	69,463	387,780
	Transfer of Funds from shareholders' account	-	7,278	-	7,278
	Other Income	963	4,001	3,118	10,160
	Segment J - Unit Linked - Individual Pension :				
	Net Premium	13,653	29,756	17,130	90,938
	Income from Investments[2]	15,056	43,606	28,976	96,176
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	1	10	4	23
	Segment K - Unit Linked - Group Life :				
	Net Premium	7,964	23,401	4,935	53,189
	Income from Investments[2]	14,523	14,405	1,204	38,020
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	-	-	-	-
	Segment L - Unit Linked - Group Pension :				
	Net Premium	2,167	1,750	2,717	7,678
	Income from Investments[2]	2,727	3,007	489	7,788
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	-	-	-	-
B)	**Shareholders :**				
	Income from Investments[2]	8,858	17,369	7,848	39,866
	Other Income	-	1,176	932	2,108

Chartered Accountants LLP PRN 012754N/N500016 Mumbai
G. M. KAPADIA & CO. Chartered Accountants MUMBAI
HDFC LIFE INSURANCE COMPANY LIMITED MUMBAI

HDFC Life Insurance Company Limited
(Formerly HDFC Standard Life Insurance Company Limited)
Segment Reporting (Standalone) for the Quarter ended June 30, 2019

(₹ in Lakhs)

Sr No.	Particulars	Three Months ended / As at			Year ended / As at
		June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019
		(Audited)	(Audited)	(Audited)	(Audited)
2	**Segment Surplus/ Deficit (net of transfer from Shareholders' A/c) :**				
	Segment A - Participating - Individual & Group Life	3,249	22,729	341	20,971
	Segment B - Participating - Individual & Group Pension	995	3,703	1,547	7,874
	Segment C - Non Participating - Individual & Group Life	6,818	7,543	14,107	53,557
	Segment D - Non Participating - Life Group Variable	55	4	(86)	219
	Segment E - Non Participating - Individual & Group Pension	4,970	4,307	1,112	6,139
	Segment F - Non Participating - Pension Group Variable	239	(392)	(942)	(1,476)
	Segment G - Non Participating - Annuity	416	(2,230)	1,972	608
	Segment H - Non Participating - Individual & Group Health	458	2,693	(324)	4,283
	Segment I - Unit Linked - Individual Life	15,840	(14,017)	10,378	(7,278)
	Segment J - Unit Linked - Individual Pension	3,490	5,057	3,469	16,388
	Segment K - Unit Linked - Group Life	990	266	836	2,369
	Segment L - Unit Linked - Group Pension	128	87	123	522
	Total	**37,648**	**29,750**	**32,533**	**104,176**
	Shareholders	7,429	18,618	7,372	37,884
	Grand Total	**45,077**	**48,368**	**39,905**	**142,060**
3	**Segment Assets:**				
	Segment A - Participating - Individual & Group Life	2,856,130	2,812,121	2,591,717	2,812,121
	Segment B - Participating - Individual & Group Pension	263,733	259,814	241,595	259,814
	Segment C - Non Participating - Individual & Group Life	1,229,701	1,126,013	844,881	1,126,013
	Segment D - Non Participating - Life Group Variable	259,617	244,931	173,008	244,931
	Segment E - Non Participating - Individual & Group Pension	339,838	334,165	269,247	334,165
	Segment F - Non Participating - Pension Group Variable	328,201	266,948	191,892	266,948
	Segment G - Non Participating - Annuity	570,700	496,723	274,206	496,723
	Segment H - Non Participating - Individual & Group Health	5,908	5,490	5,245	5,490
	Segment I - Unit Linked - Individual Life	4,948,679	4,940,365	4,372,001	4,940,365
	Segment J - Unit Linked - Individual Pension	827,959	847,255	880,017	847,255
	Segment K - Unit Linked - Group Life	476,223	466,266	426,388	466,266
	Segment L - Unit Linked - Group Pension	93,337	94,036	90,105	94,036
	Total	**12,200,026**	**11,894,127**	**10,360,302**	**11,894,127**
	Shareholder	597,068	555,592	503,309	555,592
	Unallocated [3]	40,132	38,572	33,920	38,572
	Grand Total	**12,837,226**	**12,488,291**	**10,897,531**	**12,488,291**
4	**Segment Policy Liabilities[4] :**				
	Segment A - Participating - Individual & Group Life	2,779,079	2,729,353	2,528,316	2,729,353
	Segment B - Participating - Individual & Group Pension	247,966	241,566	227,219	241,566
	Segment C - Non Participating - Individual & Group Life	1,228,034	1,123,246	842,610	1,123,246
	Segment D - Non Participating - Life Group Variable	258,780	243,562	173,336	243,562
	Segment E - Non Participating - Individual & Group Pension	339,594	333,887	269,344	333,887
	Segment F - Non Participating - Pension Group Variable	327,471	265,681	192,263	265,681
	Segment G - Non Participating - Annuity	571,794	498,487	275,796	498,487
	Segment H - Non Participating - Individual & Group Health	5,942	5,456	5,210	5,456
	Segment I - Unit Linked - Individual Life	4,970,052	4,962,786	4,391,834	4,962,786
	Segment J - Unit Linked - Individual Pension	827,959	847,255	880,013	847,255
	Segment K - Unit Linked - Group Life	476,086	466,196	426,315	466,196
	Segment L - Unit Linked - Group Pension	93,337	94,036	90,105	94,036
	Total	**12,126,094**	**11,811,511**	**10,302,361**	**11,811,511**
	Shareholders	608,175	565,564	512,013	565,564
	Unallocated	-	-	-	-
	Grand Total	**12,734,269**	**12,377,075**	**10,814,374**	**12,377,075**

Note:

1. Segments include:

a. Linked Policies: (i) Life (ii) General Annuity and Pension (iii) Health (iv) Variable

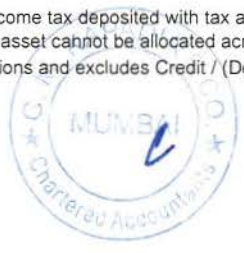
b. Non-Linked:

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 as on June 30, 2019

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 June 30, 2019	1
3	Investor complaints disposed of during the quarter ended June 30, 2019	1
4	Investor complaints remaining unresolved as on June 30, 2019	Nil

HDFC LIFE INSURANCE COMPANY LIMITED * MUMBAI

Notes:

1. The above results of the company for the quarter ended June 30, 2019 were reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on July 23, 2019.

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. The figures for the quarter ended March 31, 2019 are the balancing figures between audited figures in respect of the year ended March 31, 2019 and the published year-to-date figures for the nine months ended December 31, 2018.

4. 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.

5. During the quarter ended June 30, 2019, the Company has allotted 107,992 equity shares of face value of ₹10 each pursuant to exercise of employee stock options.

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

7. 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, 2019.

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

For and on behalf of the Board of Directors

Mumbai
July 23, 2019

Vibha Padalkar
Managing Director & CEO
(DIN: 01682810)

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Mumbai

G. M. KAPADIA & CO.
MUMBAI
Chartered Accountants

HDFC LIFE INSURANCE COMPANY LIMITED
MUMBAI

Price Waterhouse Chartered Accountants LLP
Chartered Accountants
252, Veer Savarkar Marg,
Opp Shivaji Park,
Dadar (W), Mumbai 400028

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

To The Board of Directors
HDFC Life Insurance Company Limited (formerly known as HDFC Standard Life Insurance Company Limited)

1. We have reviewed the unaudited consolidated financial results of HDFC Life Insurance Company Limited (the "Parent"), its subsidiaries (the parent and its subsidiaries hereinafter referred to as the "Group"), for the quarter ended June 30, 2019 which are included in the accompanying Consolidated Financial Results (the "Statement"). The Statement is being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, which has been initialed by us for identification purposes. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended June 30, 2018 and 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.

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard ('AS') 25, "Interim Financial Reporting", specified under Section 133 of the Companies Act, 2013 ("the Act"), including the relevant provisions of the Insurance Act, 1938 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act") and other accounting principles generally accepted in India, to the extent considered relevant and appropriate for the purpose of quarterly 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"). Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Price Waterhouse Chartered Accountants LLP PIN AAC-5001 FRN 012754N/N500016 Mumbai

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

   a) HDFC Pension Management Company Limited, and
   b) HDFC International Life and Re Company Limited

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Insurance Act, IRDA Act, and other accounting principles generally accepted in India and to the extent considered relevant and appropriate for the purpose of these consolidated financial results and which are not inconsistent with the accounting principles as prescribed in the Regulations and orders/directions/circulars issued by IRDAI to the extent applicable and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. The actuarial valuation of liabilities for life policies in force is the responsibility of the Parent Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at June 30, 2019 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India ("IRDAI") and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon the Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists, as contained in the consolidated unaudited financial results of the Group.

7. The consolidated unaudited financial results includes the financial results of two subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total revenue of Rs. 1,38,117 ('000) and total net profit after tax of Rs. 10,921 ('000) for the quarter ended June 30, 2019 as considered in the consolidated unaudited financial results. According to the information and explanations given to us by the Management, financial results are not material to the Group.

   Our conclusion on the Statement is not modified in respect of the above matter.

8. We were neither engaged to review, nor have we reviewed the comparative figures for the quarter ended on June 30, 2018 and March 31, 2019 accordingly, we do not express any conclusion on the consolidated results in the Statement for the quarter ended June 30, 2018 and March 31, 2019. As set out in note 8 to the Statement, these figures have been furnished by the Management.





Our conclusion on the Statement is not modified in respect of the above matter.

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

Alpa Kedia
Partner
Membership No. 100681
UDIN: 19100681AAAABE1143

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

Rajen Ashar
Partner
Membership No. 048243
UDIN: 19048243AAAACP3749

Place: Mumbai
Date: July 23, 2019

Price Waterhouse Chartered Accountants LLPIN AAC-5001 FRN 012754N/N500016 Mumbai

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

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

Statement of Consolidated Unaudited Results for the Quarter ended June 30, 2019

(₹ in Lakhs)

Sr. No.	Particulars	Three months ended / As at			Year ended / As at
		June 30, 2019 (Unaudited)	March 31, 2019 (Unaudited) (refer note 8)	June 30, 2018 (Unaudited) (refer note 8)	March 31, 2019 (Audited)
POLICYHOLDERS' A/C					
1	Gross premium income				
	(a) First Year Premium	132,658	178,691	81,243	505,811
	(b) Renewal Premium	260,980	529,470	238,006	1,421,457
	(c) Single Premium	259,938	324,486	186,521	991,334
2	Net premium income[1]	645,718	1,025,125	500,128	2,893,067
3	Income from investments (Net)[2]	205,138	375,565	179,674	902,749
4	Other income	3,223	7,330	4,592	17,506
5	Transfer of funds from Shareholders' A/c	-	29,811	1,352	30,895
6	**Total (2 to 5)**	**854,079**	**1,437,831**	**685,746**	**3,844,217**
7	Commission on		-		
	(a) First Year Premium	25,845	27,691	14,183	78,394
	(b) Renewal Premium	3,353	7,980	3,402	21,372
	(c) Single Premium	3,025	3,683	2,234	12,003
8	**Net Commission[1]**	**32,223**	**39,354**	**19,819**	**111,769**
9	Operating Expenses related to insurance business (a+b)		-		
	(a) Employees remuneration and welfare expenses	39,398	37,764	32,494	140,822
	(b) Other operating expenses*	48,683	84,124	39,964	240,535
10	**Expenses of Management (8+9)**	**120,304**	**161,242**	**92,277**	**493,126**
11	Provisions for doubtful debts (including bad debts written off)	-	-	-	-
12	Provisions for diminution in value of investments[4]	8,408	1,732	1,015	9,056
13	Goods & Services Tax/Service Tax charge on linked charges	8,492	9,327	7,893	33,982
14	Provision for taxes	484	18,970	2,345	22,679
15	Benefits Paid[3] (Net)[1]	366,342	469,073	294,245	1,398,977
16	Change in actuarial liability	311,966	717,628	254,086	1,750,746
17	**Total (10+11+12+13+14+15+16)**	**815,996**	**1,377,972**	**651,861**	**3,708,566**
18	**Surplus/Deficit (6-17)**	**38,083**	**59,859**	**33,885**	**135,651**
19	**Appropriations**		-		
	(a) Transferred to Shareholders A/c	35,469	47,891	31,997	121,270
	(b) Funds for Future Appropriations	2,614	11,968	1,888	14,381
20	**Details of Surplus / Deficit**				
	(a) Interim bonus paid	1,628	3,825	666	6,137
	(b) Terminal bonus paid	13,031	23,000	4,869	51,290
	(c) Allocation of bonus to policyholders	-	77,681	-	77,681
	(d) Surplus shown in the Revenue Account	38,083	59,859	33,885	135,651
	Total Surplus	**52,742**	**164,365**	**39,420**	**270,759**
SHAREHOLDERS' A/C					
21	Transfer from Policyholders' Account	35,469	47,891	31,997	121,270
22	Net Reinsurance Premium	557	902	431	1,853
23	Total income under Shareholders' Account		-		
	(a) Investment Income	10,081	17,486	7,993	41,427
	(b) Other income	18	1,188	939	2,144
24	Reinsurance Claims incurred	176	351	1	603
25	Expenses relating to reinsurance business & Change in reinsurance contract liabilities (net of reinsurance assets)	821	910	429	2,032
26	Expenses other than those related to insurance business	312	1,889	317	3,089
27	Transfer of funds to Policyholders' Account	-	29,811	1,352	30,895
28	Provisions for doubtful debts (including write off)	-	-	-	-
29	Provisions for diminution in value of investments[4]	1,019	(90)	33	973
30	**Profit before tax**	**43,797**	**34,596**	**39,228**	**129,102**
31	Provisions for tax	1,226	(1,873)	1,164	1,309
32	**Profit after tax and before Extraordinary items**	**42,571**	**36,469**	**38,064**	**127,793**
33	**Profit after tax and Extraordinary items**	42,571	36,469	38,064	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[5]	369,169	326,598	276,512	326,598
36	Paid up equity share capital	201,749	201,738	201,252	201,738
37	Reserve & Surplus (excluding Revaluation Reserve)	405,433	362,784	308,376	362,784
38	Fair Value Change Account and Revaluation Reserve (Shareholders)	(265)	(301)	1,440	(301)
39	Total Assets:				
	(a) Investments:				
	- Shareholders'	517,172	503,600	411,706	503,600
	- Policyholders Fund excluding Linked Assests	6,107,061	5,712,446	4,795,644	5,712,446
	- Assets held to cover Linked Liabilities (Linked Assets)	6,333,254	6,337,741	5,754,764	6,337,741
	(b) Other Assets (Net of current liabilities and provisions)	(118,103)	(64,087)	(63,993)	(64,087)
	*Details of Expenses contributing more than 10% of the expense of management are as below -				
	Advertisement and publicity	19,904	35,531	14,846	98,365
	Business development expenses	9,130	25,949	8,363	63,655

Foot notes :

1 Net of reinsurance
2 Net of amortisation and losses (including capital gains)
3 Inclusive of interim and terminal bonus
4 Inclusive of provision for standard and non-standard assets
5 Represents accumulated surplus

Price Waterhouse Chartered Accountants LLP LLPIN AAC-5001 FRN 012754N/N500016 Mumbai
G.M. KAPADIA & CO. MUMBAI
HDFC LIFE INSURANCE COMPANY LIMITED MUMBAI

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

Statement of Analytical Ratios (Consolidated) for the Quarter ended June 30, 2019

(₹ in Lakhs)

Particulars	Three Months ended / As at			Year ended / As at
	June 30, 2019 (Unaudited)	March 31, 2019 (Unaudited) (refer note 8)	June 30, 2018 (Unaudited) (refer note 8)	March 31, 2019 (Audited)
Analytical Ratios:				
(i) Solvency Ratio	193%	188%	197%	188%
(ii) Expenses of Management Ratio	18.4%	15.6%	18.3%	16.9%
(iii) Policyholder's liabilities to shareholders' fund	1998.5%	2093.3%	2016.0%	2093.3%
(iv) Earnings per share (in ₹):				
a) Basic EPS before and after extraordinary items (net of tax expense) for the period (not annualized for three months)	2.11	1.81	1.89	6.34
b) Diluted EPS before and after extraordinary items (net of tax expense) for the period (not annualized for three months)	2.11	1.81	1.88	6.33
(v) NPA ratios: (for Policyholders' fund)				
a) Gross NPAs				
Non Linked				
Par	Nil	Nil	Nil	Nil
Non Par	Nil	Nil	Nil	Nil
- Linked				
Non Par	4875.0	4875.0	Nil	4875.0
Net NPAs				
- Non Linked				
Par	Nil	Nil	Nil	Nil
Non Par	Nil	Nil	Nil	Nil
- Linked				
Non Par	1625.0	3250.0	Nil	3250.0
b) % of Gross NPAs				
- Non Linked				
Par	Nil	Nil	Nil	Nil
Non Par	Nil	Nil	Nil	Nil
- Linked				
Non Par	0.1%	0.1%	Nil	0.1%
% of Net NPA				
- Non Linked				
Par	Nil	Nil	Nil	Nil
Non Par	Nil	Nil	Nil	Nil
- Linked				
Non Par	0.0%	0.1%	Nil	0.1%
(vi) Yield on Investments (on Policyholders' fund)				
A. Without unrealised gains				
- Non Linked				
Par	2.5%	2.0%	1.7%	7.4%
Non Par	2.2%	2.1%	2.0%	8.4%
- Linked				
Non Par	1.7%	1.1%	2.2%	6.6%
B. With unrealised gains				
- Non Linked				
Par	4.2%	3.0%	0.0%	9.5%
Non Par	4.8%	2.7%	-1.1%	9.6%
- Linked				
Non Par	0.7%	4.0%	1.3%	7.5%
(vii) NPA ratios: (for Shareholders' fund)				
a) Gross NPAs	Nil	Nil	Nil	Nil
Net NPAs	Nil	Nil	Nil	Nil
b) % of Gross NPAs	Nil	Nil	Nil	Nil
% of Net NPAs	Nil	Nil	Nil	Nil
(viii) Yield on Investments (on Shareholders' fund)				
A. Without unrealised gains	1.8%	3.4%	1.9%	9.1%
B. With unrealised gains	2.8%	2.8%	-0.7%	7.5%
(ix) Persistency Ratio				
13th month	88.8%	87.1%	85.0%	87.2%
25th month	77.6%	78.9%	77.8%	80.5%
37th month	71.4%	71.2%	71.2%	72.0%
49th month	67.3%	68.8%	63.6%	67.7%
61st month	55.5%	53.7%	49.5%	52.3%
(x) Conservation Ratio				
Participating life- Individual & group	81.7%	80.8%	89.9%	84.4%
Participating pension- Individual & group	100.7%	91.5%	82.0%	89.6%
Non Participating life - Individual & group	70.7%	77.2%	82.7%	83.7%
Non Participating pension - Individual & Group	78.7%	68.8%	93.7%	77.4%
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	62.2%	59.1%	53.1%	57.6%
Unit Linked - Individual life	84.6%	86.1%	85.7%	84.3%
Unit Linked - Individual pension	79.2%	77.8%	81.1%	80.8%
Unit Linked - Group life	NA	NA	NA	NA
Unit Linked - Group pension	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
3. Group business, where persistency is measurable, has been included in the calculations. Rural business is excluded in the calculation of the persistency ratios.
4. The persistency ratios for the quarter ended June 30, 2019 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 2018 to May 2018. The persistency ratio for the quarters ended June 30, 2018 and March 31, 2019 have been calculated in a similar manner.
5. The persistency ratios for the year ended March 31, 2019 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 2017 to February 2018.

Price Waterhouse Chartered Accountants LLP IN AAC-5001 FRN 012754N/N500016 Mumbai
S.R. Batliboi & CO. LLP Chartered Accountants Mumbai
HDFC LIFE INSURANCE COMPANY LIMITED MUMBAI

HDFC Life Insurance Company Limited
(Formerly HDFC Standard Life Insurance Company Limited)
Segment Reporting (Consolidated) for the Quarter ended June 30, 2019

(₹ in Lakhs)

Sr. No.	Particulars	Three Months ended / As at			Year ended / As at
		June 30, 2019 (Unaudited)	March 31, 2019 (Unaudited) (refer note 8)	June 30, 2018 (Unaudited) (refer note 8)	March 31, 2019 (Audited)
1	**Segment Income**				
A)	**Policyholders :**				
	Segment A - Participating - Individual & Group Life :				
	Net Premium	92,776	197,637	103,840	561,015
	Income from Investments[2]	60,705	53,747	40,787	182,271
	Transfer of Funds from shareholders' account	-	544	-	544
	Other Income	1,588	2,945	1,272	6,347
	Segment B - Participating - Individual & Group Pension :	-	-	-	-
	Net Premium	3,576	7,697	3,485	21,888
	Income from Investments[2]	6,815	5,039	3,766	16,550
	Transfer of Funds from shareholders' account	-	3	-	3
	Other Income	45	99	26	189
	Segment C - Non Participating - Individual & Group Life :	-	-	-	-
	Net Premium	200,663	233,605	118,168	640,141
	Income from Investments[2]	27,094	22,484	16,403	76,910
	Transfer of Funds from shareholders' account	-	20,013	-	20,013
	Other Income	599	219	127	604
	Segment D - Non Participating - Life Group Variable :	-	-	-	-
	Net Premium	12,832	25,527	23,087	98,642
	Income from Investments[2]	5,262	4,638	3,409	16,124
	Transfer of Funds from shareholders' account	-	-	86	-
	Other Income	-	0	-	-
	Segment E - Non Participating - Individual & Group Pension :	-	-	-	-
	Net Premium	9,672	18,284	15,139	69,946
	Income from Investments[2]	6,918	6,902	4,935	23,444
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	8	7	9	31
	Segment F - Non Participating - Pension Group Variable :	-	-	-	-
	Net Premium	66,020	39,170	9,975	99,258
	Income from Investments[2]	6,604	4,840	3,657	16,631
	Transfer of Funds from shareholders' account	-	392	942	1,476
	Other Income	-	-	-	-
	Segment G - Non Participating - Annuity :	-	-	-	-
	Net Premium	69,498	91,708	40,895	259,204
	Income from Investments[2]	13,992	11,289	5,472	33,106
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	12	40	25	118
	Segment H - Non Participating - Individual & Group Health :	-	-	-	-
	Net Premium	1,473	4,046	3,075	12,469
	Income from Investments[2]	147	189	102	542
	Transfer of Funds from shareholders' account	-	1,580	324	1,580
	Other Income	6	8	10	33
	Segment I - Unit Linked - Individual Life :	-	-	-	-
	Net Premium	165,425	352,544	157,683	978,698
	Income from Investments[2]	38,521	205,329	69,463	387,780
	Transfer of Funds from shareholders' account	-	7,278	-	7,278
	Other Income	963	4,001	3,118	10,160
	Segment J - Unit Linked - Individual Pension :	-	-	-	-
	Net Premium	13,653	29,756	17,130	90,938
	Income from Investments[2]	15,056	43,606	28,976	96,176
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	1	10	4	23
	Segment K - Unit Linked - Group Life :	-	-	-	-
	Net Premium	7,964	23,401	4,935	53,189
	Income from Investments[2]	14,523	14,405	1,204	38,020
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	-	-	-	-
	Segment L - Unit Linked - Group Pension :	-	-	-	-
	Net Premium	2,167	1,750	2,717	7,678
	Income from Investments[2]	2,727	3,007	489	7,788
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	-	-	-	-
B)	**Shareholders :**	-	-		
	Income from Investments[2]	9,062	17,575	7,961	40,454
	Other Income	18	1,188	939	2,144







HDFC Life Insurance Company Limited
(Formerly HDFC Standard Life Insurance Company Limited)
Segment Reporting (Consolidated) for the Quarter ended June 30, 2019

(₹ in Lakhs)

Sr No.	Particulars	Three Months ended / As at			Year ended / As at
		June 30, 2019 (Unaudited)	March 31, 2019 (Unaudited) (refer note 8)	June 30, 2018 (Unaudited) (refer note 8)	March 31, 2019 (Audited)
2	**Segment Surplus/ Deficit (net of transfer from shareholders' A/c) :**				
	Segment A - Participating - Individual & Group Life	3,249	22,729	341	20,971
	Segment B - Participating - Individual & Group Pension	995	3,703	1,547	7,874
	Segment C - Non Participating - Individual & Group Life	7,253	7,840	14,107	54,137
	Segment D - Non Participating - Life Group Variable	55	4	(86)	219
	Segment E - Non Participating - Individual & Group Pension	4,970	4,307	1,112	6,139
	Segment F - Non Participating - Pension Group Variable	239	(392)	(942)	(1,476)
	Segment G - Non Participating - Annuity	416	(2,230)	1,972	608
	Segment H - Non Participating - Individual & Group Health	458	2,693	(324)	4,283
	Segment I - Unit Linked - Individual Life	15,840	(14,017)	10,378	(7,278)
	Segment J - Unit Linked - Individual Pension	3,490	5,057	3,469	16,388
	Segment K - Unit Linked - Group Life	990	266	836	2,369
	Segment L - Unit Linked - Group Pension	128	87	123	522
	Total	**38,083**	**30,047**	**32,533**	**104,756**
	Shareholders	7,102	18,388	7,419	37,418
	Grant Total	**45,185**	**48,435**	**39,952**	**142,174**
3	**Segment Assets:**				
	Segment A - Participating - Individual & Group Life	2,856,130	2,812,121	2,591,717	2,812,121
	Segment B - Participating - Individual & Group Pension	263,733	259,814	241,595	259,814
	Segment C - Non Participating - Individual & Group Life	1,230,716	1,126,593	844,881	1,126,593
	Segment D - Non Participating - Life Group Variable	259,617	244,931	173,008	244,931
	Segment E - Non Participating - Individual & Group Pension	339,838	334,165	269,247	334,165
	Segment F - Non Participating - Pension Group Variable	328,201	266,948	191,892	266,948
	Segment G - Non Participating - Annuity	570,700	496,723	274,206	496,723
	Segment H - Non Participating - Individual & Group Health	5,908	5,490	5,245	5,490
	Segment I - Unit Linked - Individual Life	4,948,679	4,940,365	4,372,001	4,940,365
	Segment J - Unit Linked - Individual Pension	827,959	847,255	880,017	847,255
	Segment K - Unit Linked - Group Life	476,223	466,266	426,388	466,266
	Segment L - Unit Linked - Group Pension	93,337	94,036	90,105	94,036
	Total	**12,201,041**	**11,894,707**	**10,360,302**	**11,894,707**
	Shareholders	598,212	556,421	503,897	556,421
	Unallocated [3]	40,132	38,572	33,923	38,572
	Grant Total	**12,839,385**	**12,489,700**	**10,898,122**	**12,489,700**
4	**Segment Policy Liabilities[4] :**				
	Segment A - Participating - Individual & Group Life	2,779,079	2,729,353	2,528,316	2,729,353
	Segment B - Participating - Individual & Group Pension	247,966	241,566	227,219	241,566
	Segment C - Non Participating - Individual & Group Life	1,229,049	1,123,826	842,610	1,123,826
	Segment D - Non Participating - Life Group Variable	258,780	243,562	173,336	243,562
	Segment E - Non Participating - Individual & Group Pension	339,594	333,887	269,344	333,887
	Segment F - Non Participating - Pension Group Variable	327,471	265,681	192,263	265,681
	Segment G - Non Participating - Annuity	571,794	498,487	275,796	498,487
	Segment H - Non Participating - Individual & Group Health	5,942	5,456	5,210	5,456
	Segment I - Unit Linked - Individual Life	4,970,052	4,962,786	4,391,834	4,962,786
	Segment J - Unit Linked - Individual Pension	827,959	847,255	880,013	847,255
	Segment K - Unit Linked - Group Life	476,086	466,196	426,315	466,196
	Segment L - Unit Linked - Group Pension	93,337	94,036	90,105	94,036
	Total	**12,127,109**	**11,812,091**	**10,302,361**	**11,812,091**
	Shareholders	609,318	566,394	512,604	566,394
	Unallocated	-	-	-	-
	Grand Total	**12,736,427**	**12,378,485**	**10,814,965**	**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)
      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.

Price Waterhouse Chartered Accountants LLP IN AAC-5001 FRN 012754N/N500016 Mumbai

G. M. KAPADIA & CO. Chartered Accountants

HDFC LIFE INSURANCE COMPANY LIMITED MUMBAI

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

Other disclosures :
Status of Shareholders Complaints as on June 30, 2019

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 June 30, 2019	1
3	Investor complaints disposed of during the quarter ended June 30, 2019	1
4	Investor complaints remaining unresolved as on June 30, 2019	Nil

HDFC LIFE INSURANCE COMPANY LIMITED * MUMBAI

Notes:

1. The above results of the company for the quarter ended June 30, 2019 were reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on July 23, 2019.

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. The figures for the quarter ended March 31, 2019 are the balancing figures between audited figures in respect of the year ended March 31, 2019 and unaudited year-to-date figures for the nine months ended December 31, 2018.

4. 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.

5. During the quarter ended June 30, 2019, the Company has allotted 107,992 equity shares of face value of ₹10 each pursuant to exercise of employee stock options.

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

7. The above consolidated financial results for the quarter ended June 30, 2019 have been reviewed by joint statutory auditors of the Company.

8. The consolidated figures for the quarters ended June 30, 2018 and 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.

For and on behalf of the Board of Directors

Vibha Padalkar
Managing Director & CEO
(DIN: 01682810)

Mumbai
July 23, 2019

LLPIN AAC-5001
FRN 012754N/N500016
Mumbai

M. P. CHITALE & CO.
Chartered Accountants

HDFC LIFE INSURANCE COMPANY LIMITED
MUMBAI

PRESS RELEASE - PERFORMANCE FOR THE QUARTER ENDED JUNE 30, 2019

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

HDFC Life's Value of New Business doubles to Rs. 509 crs in Q1 FY20

Other Key Highlights:

- **Robust Individual APE growth of 64%**
- **Term & Annuity APE growth of 63% and 69% respectively**
- **Industry leading NBM of 29.8%**
- **Solid Operating return on EV of 19.9%**
- **Healthy PAT Growth of 12%**

Mumbai, July 23, 2019: The Board of Directors of HDFC Life approved and adopted today the consolidated and standalone audited financial results for the quarter ended June 30, 2019. Below is the summary of our standalone results:

Commenting on the quarter's solid performance, Ms. Vibha Padalkar, MD & CEO said "In line with our stated strategy, we continue to focus on providing the best value proposition to our customers, partners and shareholders and generating profitable growth. We have recorded stellar topline growth, with strong traction witnessed across savings, protection and retirement solutions whilst maintaining our focus on profitability. Our diversified distribution mix coupled with product innovation has helped us address niche customer segments and emerging profit pools. We have witnessed strong growth in key indicators of economic value generated by our business viz. New Business Margins at 29.8% and Operating Return on Embedded Value at 19.9%. We have stepped up our efforts within the protection and retirement space, which we expect would fuel our growth across market cycles. Our digital capabilities put us in a good position to maximize the tremendous potential of the life insurance industry."

Key Financial Summary

Rs Cr	Q1 FY20	Q1 FY19	YoY	FY19	FY18
Key Financial and Actuarial Metrics					
Individual APE	1,378	840	64%	5,204	4,887
Total APE	1,710	1,027	67%	6,260	5,532
New Business Premium (Indl + Group)	3,926	2,678	47%	14,971	11,350
Renewal Premium (Indl + Group)	2,610	2,380	10%	14,215	12,215
Total Premium	**6,536**	**5,058**	**29%**	**29,186**	**23,564**
Assets Under Management (AUM)	1,29,581	1,09,634	18%	1,25,552	1,06,603
Indian Embedded Value (IEV)	19,230	15,693	23%	18,301	15,216
Networth (1)	6,084	5,106	19%	5,659	4,719
Value of new business (VNB)	509	249	104%	1,537	1,282
Profit After Tax (PAT)	425	380	12%	1,277	1,109

Rs Cr	Q1 FY20	Q1 FY19	YoY	FY19	FY18
Protection based on APE	304	187	63%	1,045	624
Protection based on NBP	1,014	847	20%	4,042	2,942
Annuity based on Ind APE	70	42	69%	261	107
Annuity based on NBP	695	409	70%	2,592	1,066

	Q1 FY20	Q1 FY19	FY19	FY18
Key Financial Ratios				
New Business Margins	29.8%	24.2%	24.6%	23.2%
Operating Return on EV (2)	19.9%	18.4%	20.1%	21.5%
Operating Expenses / Total Premium	13.5%	14.4%	13.2%	13.5%
Solvency Ratio	193%	197%	188%	192%
13M / 61M Persistency (3)	88%/54%	87%/50%	87%/52%	87%/51%
Product mix by Ind APE (UL / Non par savings / Non par protection / Par)	26/63/5/6	54/11/8/28	55/20/7/18	57/9/5/28
Distribution mix by Ind APE (Corp Agents/ Agency/ Broker/ Direct)	56/15/9/20	65/11/5/19	64/13/4/19	71/11/5/14

Notes:

1. Networth comprises Share capital, Share premium and Accumulated profits
2. During FY18, there was a one-time operating assumption change of positive 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
3. 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

Other key highlights for the quarter ending June 30, 2019:

- ***Private Market Share:*** We expanded our market share in the private sector to 25.1% as compared to 22.3% in Q1 FY19, based on total new business received premium. Consistently ranked amongst the top 3 private players in individual and group segments with market share of 17.5% based on Individual WRP (YoY increase of 420 bps) and remained steady at 30.0% based on Group business (on received premium) during Q1 FY20.

- ***New Business Lives and Sum Assured:*** Total number of lives insured grew by 26% to 1.3 Cr during Q1 FY20. Overall new business sum assured also saw an increase of 46% to Rs 1.8 lakh Cr during the same period.

- ***Product Portfolio:*** Maintaining a profitable product suite has always been at the forefront of our thinking, with an emphasis on the protection and retirement space. Term protection APE has

increased to Rs 304 Cr during Q1 FY20, from Rs 187 Cr in the corresponding period last year, representing a strong growth of 63%. Annuity APE was at Rs 70 Crs in Q1 FY20, growing by 69% over Q1 FY19. Protection and annuity businesses comprise a substantial 26% and 18% of total new business premium respectively.

- ***Distribution Mix:*** Our diversified distribution mix is demonstrated by the wide access to the customers of our 270 plus partners, including more than 40 new-ecosystem partners as on June 30, 2019. This is further supplemented by our 421 branches spread across the country.

- ***Assets Under Management:*** We are one of the leading fund managers in India with an AUM of around Rs. 1.3 lakh Cr; the debt:equity mix as on June 30, 2019 is 62:38. Almost 96% of debt investments are in GSecs and AAA bonds as on June 30, 2019.

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
- **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 June 30, 2019, the Company had 38 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 421 branches and additional distribution touch-points through several new tie-ups and partnerships with over 270 partners comprising NBFCs, MFIs, SFBs, etc and including 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

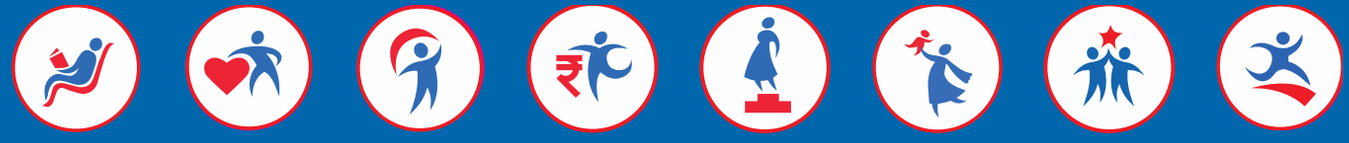
Except for the historical information contained herein, statements in this release which contain words or phrases such as 'will', 'would', 'indicating', 'expected to' etc., and similar expressions or variations of such expressions may constitute 'forward-looking statements'. These forward-looking statements 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 – Q1 FY20





HDFC Life

Agenda

1	**Performance Snapshot**
2	**Our Strategy**
3	**Annexures**
4	**India Life Insurance**









Agenda

1	**Performance Snapshot**	
2	Our Strategy	
3	Annexures	
4	India Life Insurance	

Executive summary: Q1 FY20

Scale

New Business Premium	Rs (Bn.)	39.3
	Growth	47%
NB Sum Assured	Rs (Tn.)	1.8
	Growth	46%
AUM	Rs (Tn.)	1.3
	Growth	18%
Individual Mkt. Share	CY (%)	17.5
	PY (%)	13.3
Overall NB Mkt. Share	CY (%)	25.1
	PY (%)	22.3

Profitability

Profit After Tax	Rs (Bn.)	4.2
	Growth	12%
New Business Margin	CY	29.8%
	PY	24.2%
IEV	Rs (Bn.)	192.3
EVOP %		19.9%
Operating Exp. Ratio	CY	13.5%
	PY	14.4%

Customer centricity

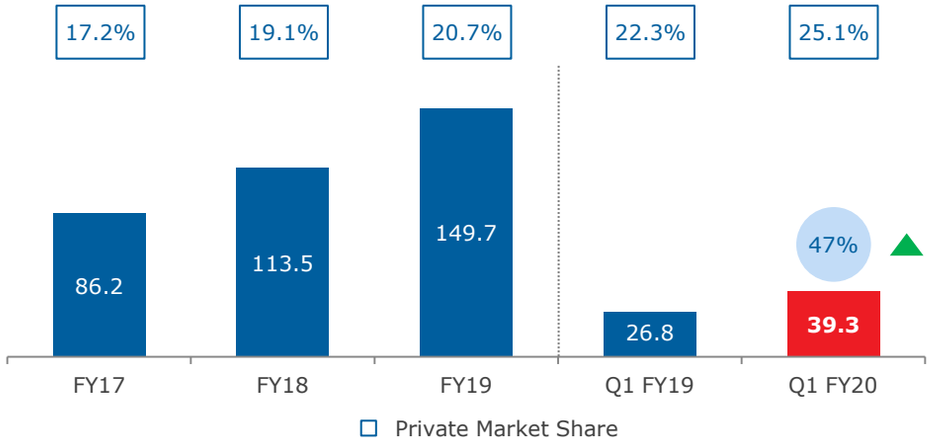
13th month persistency	CY	88%
	PY	87%
Protection (Term) [1]	Rs (Bn.)	10.1
	Growth	20%
Protection (Annuity) [1]	Rs (Bn.)	6.9
	Growth	70%
Claim settlement ratio [2]	FY19	99.0%
	FY18	97.8%
Complaints per 10k policies	FY19	61
	FY18	70

1. Based on Overall NBP
2. Computed basis NOPs for Individual Business

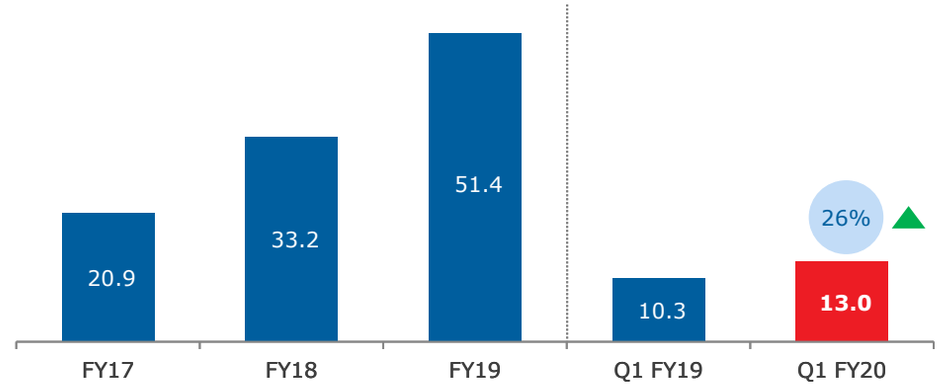
The numbers throughout the presentation are based on standalone financial results of the Company

Consistent performance across key metrics (1/2)

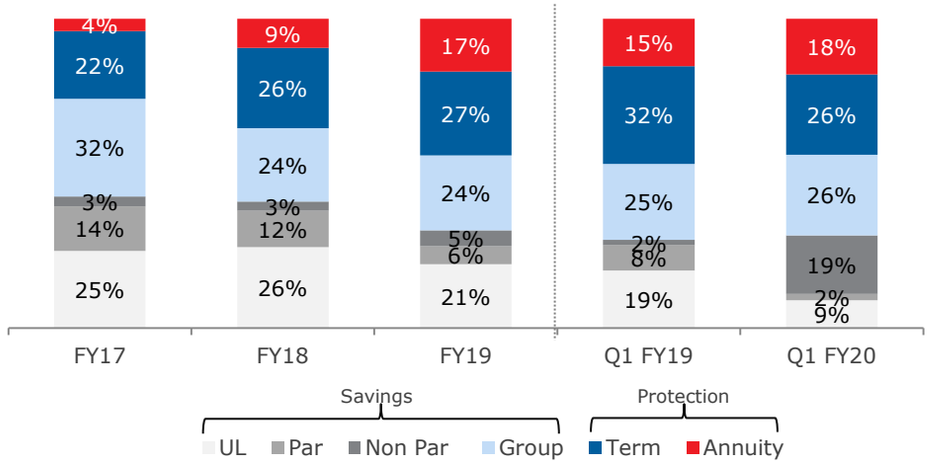
Leadership in new business premium (Rs Bn.)



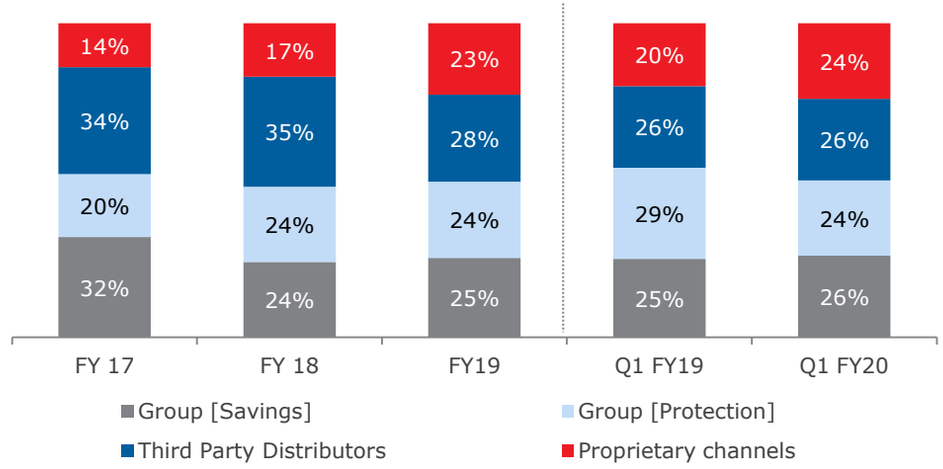
Increasing number of lives insured (Mn.)



Maintaining balanced product mix across cycles [1]



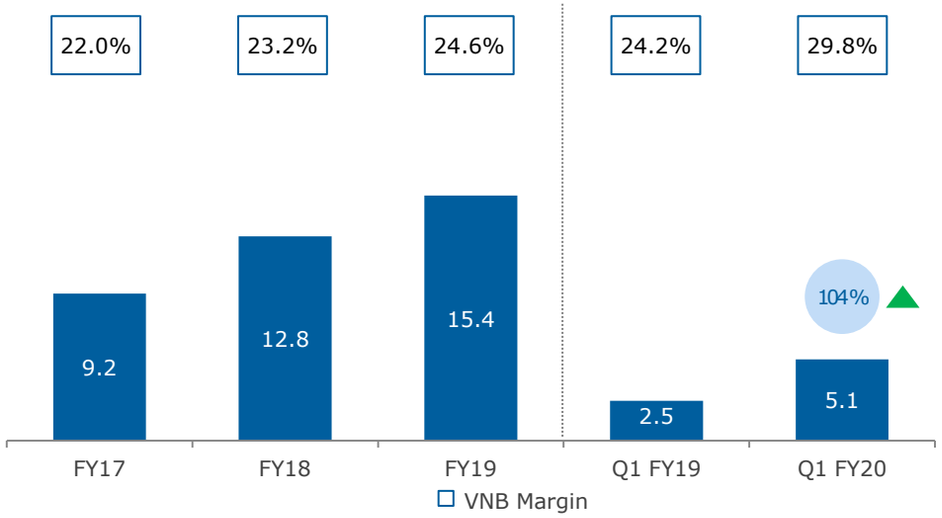
Focus on scaling proprietary channels [1]



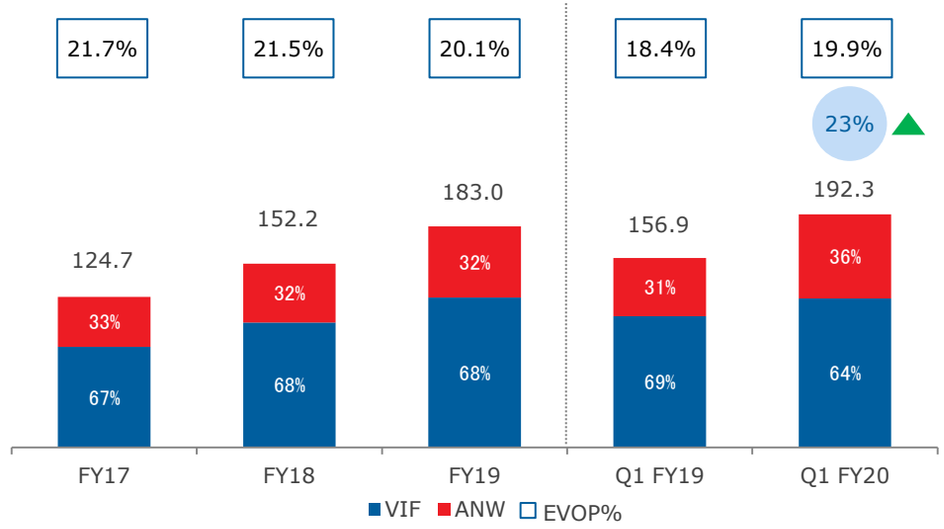
1. As a % Overall NBP

Consistent performance across key metrics (2/2)

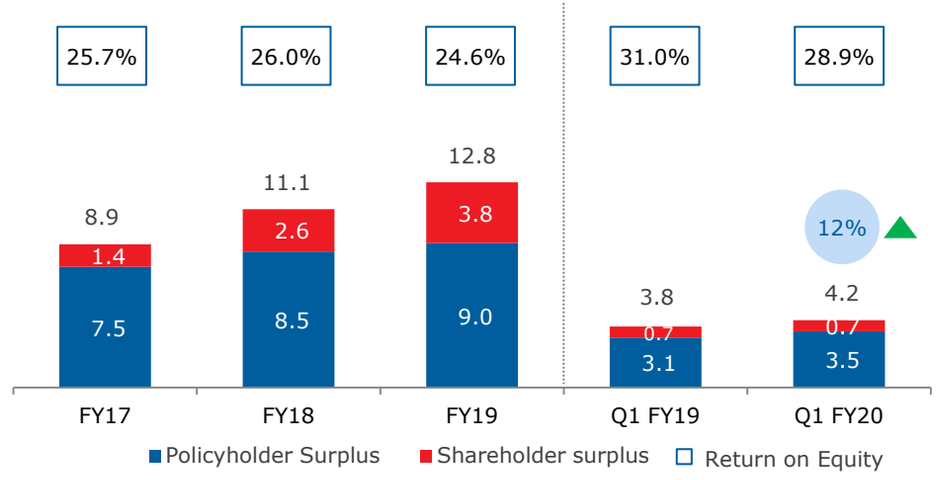
Strong growth in VNB, industry leading VNB margins (Rs Bn.)



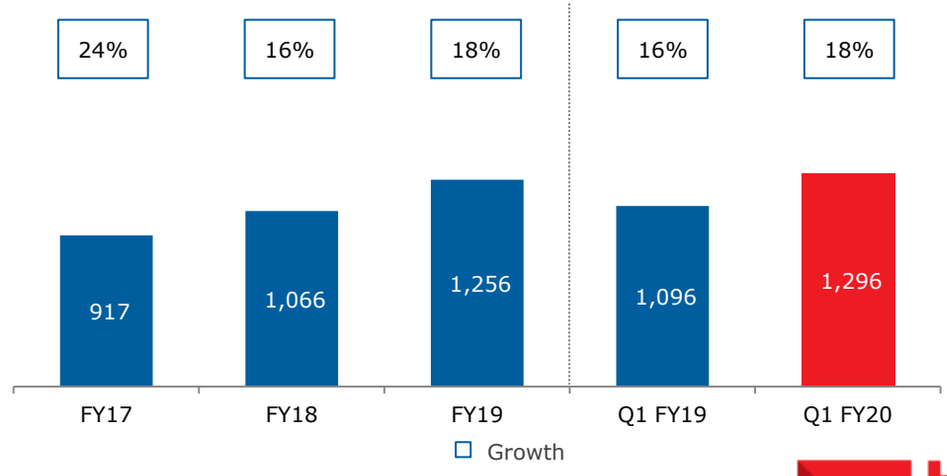
Healthy growth in Embedded Value (Rs Bn.)



Consistent profitable growth (PAT in Rs Bn.)



Steady growth in AUM (Rs Bn.)



Agenda

1	Performance Snapshot	
2	**Our Strategy**	
3	Annexures	
4	India Life Insurance	

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 distribution

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

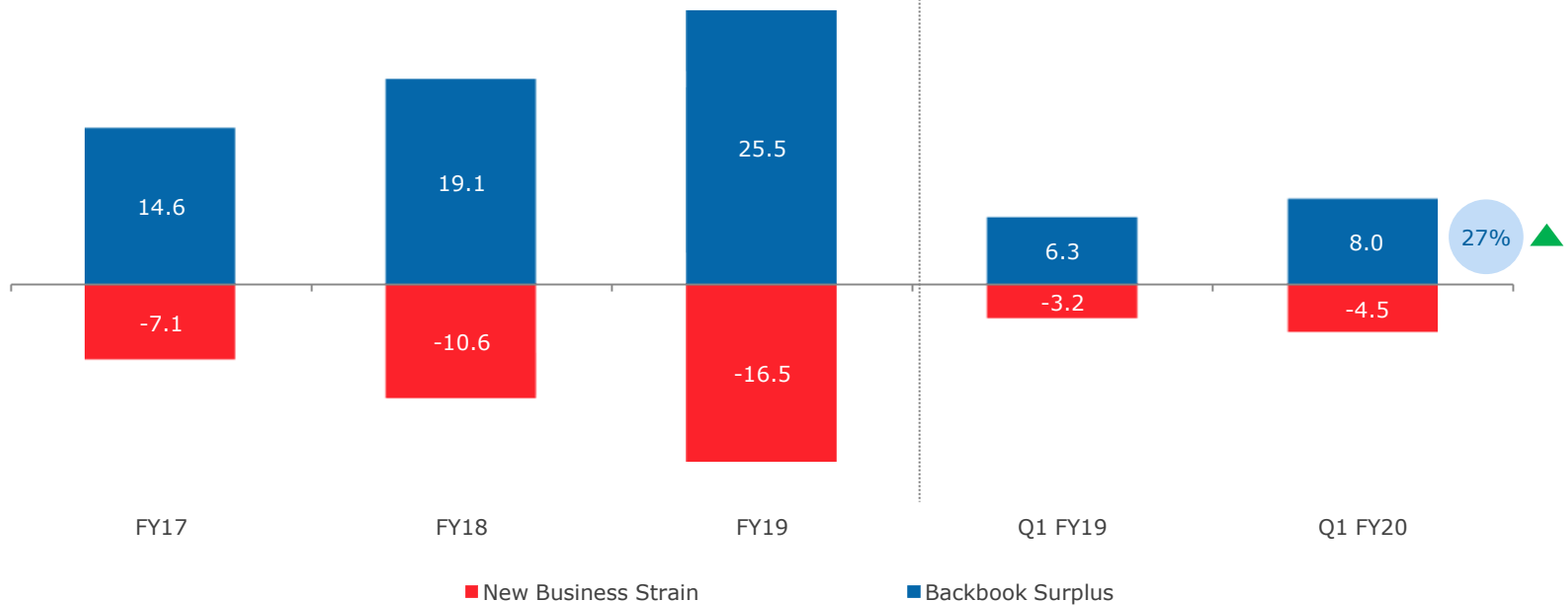
Maintaining a diversified distribution mix and profitable product suite powered by technology and backed by a customer-centric approach

Focus on profitable growth

Rs Bn.

	FY17	FY18	FY19	Q1 FY19	Q1 FY20
New business Margins	22.0%	23.2%	24.6%	24.2%	29.8%
Value of new business	9.2	12.8	15.4	2.5	5.1
Profit after tax (PAT)	8.9	11.1	12.8	3.8	4.2
Underwriting profits	7.5	8.5	9.0	3.1	3.5
Shareholder's surplus	1.4	2.6	3.8	0.7	0.7

Underwriting profits breakup



Profitable growth

Balanced distribution mix

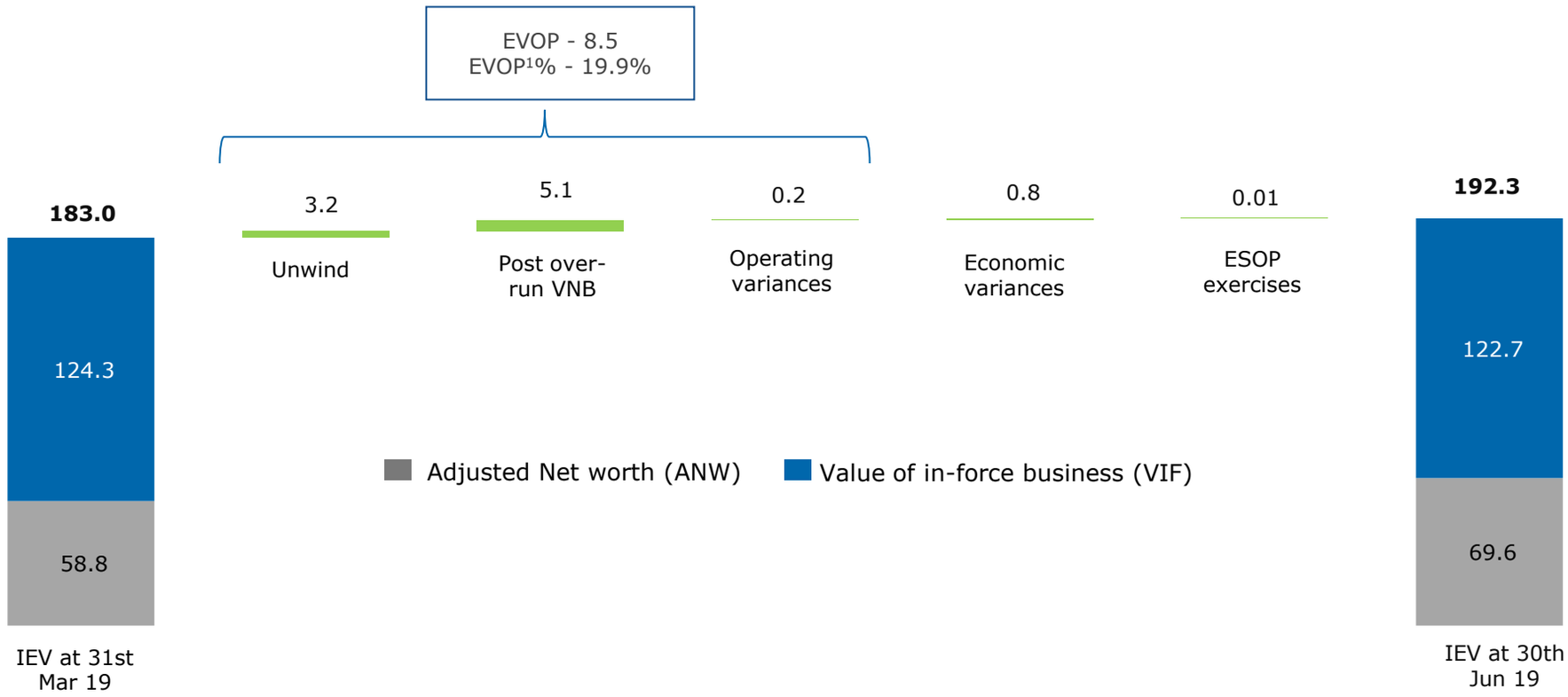
Market leading innovation

Reimagining insurance

Quality of Board and management

Analysis of change in IEV

Rs Bn.

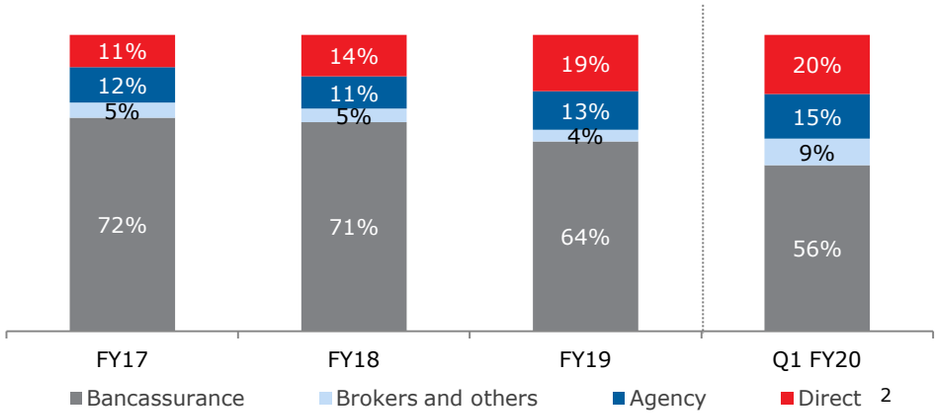


- Consistently delivered healthy operating returns on EV
- Positive operating variances in the last 10 years
- Witnessed positive experience across persistency, mortality and expenses during the quarter

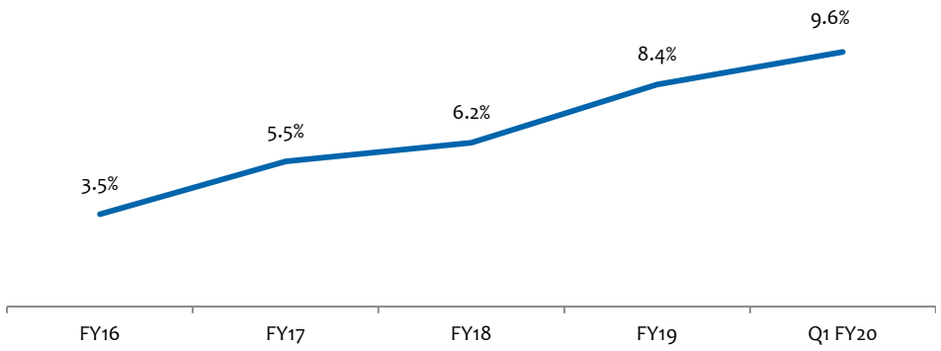
1. Operating Return on Embedded Value calculated as annualised EVOP (Embedded Value Operating Profit) to Opening EV

Balanced distribution mix

Increasing share of proprietary channels [1]



Optimizing cross-sell opportunities [3]



Strong and diversified network of 230+ partners

Banks

HDFC BANK – We understand your world
Saraswat Bank
IDFC FIRST Bank
RBL BANK
Bandhan Bank
United Bank of India

NBFCs and MFIs

Chola
BAJAJ FINANCE LIMITED
HDFC securities
Mahindra HOME FINANCE
HDFC SALES
muthoot MICROFIN
TATA Motorfinance
pnb Housing Finance Limited
Fullerton India

SFBs

equitas Small Finance Bank
SURYODAY A BANK OF SMILES
ujjivan
Utkarsh Small Finance Bank – Aapki Ummeed Ka Khaata
Capital Small Finance Bank
ESAF SMALL FINANCE BANK

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

Health	Ecommerce	Mobility	Telecom	Education	Fintech

Apollo Health and Lifestyle Ltd
HEALTHSPRING FAMILY HEALTH EXPERTS
paytm
Uber
airtel
AUXILO – The next level beckon
HOME CREDIT
FLEXILOANS

1. Basis Individual APE
2. Direct includes Online channel
3. Calculated as Number of policies cross sold to existing group customers / Total number of individual new business policies

Update on proprietary channels

Agency

- Ease of doing business and greater agent engagement resulted in **FLS productivity increasing** by over 100%
- Focus on quality of business resulted in best-in-class 13th month **persistency of 91%**
- Recruitment of **higher quality agent profiles** helped increase new agent productivity by 82%
- Healthy product mix is increasing **profitability** – 39% growth in term business

Direct

- **Multi-dimensional approach –** branch walk-ins, tele-sales, digital touch points, cross-sell to CP customers, Defence etc.
- Improvement in **FLS productivity by 21%**
- Mining enriched data and **leveraging analytics** for effective cross-sell / up-sell
- Launch of **ML-based hyper-personalization** solution to enhance employee productivity

Online

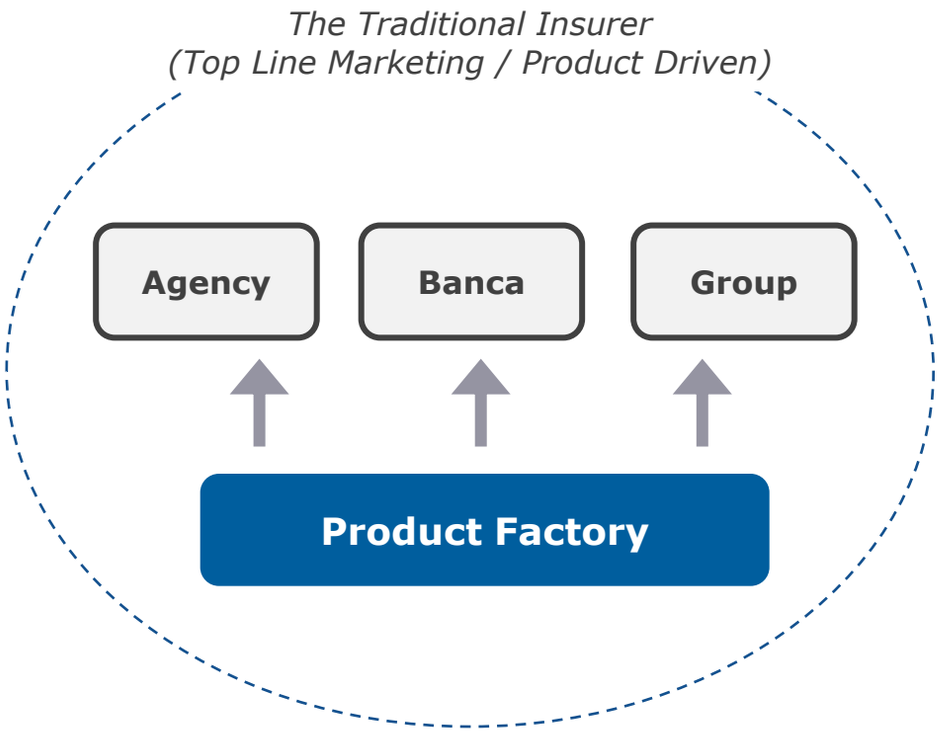
- Strong growth driven by higher ATS and a **multi-platform, multi-partner, multi-product** approach
- **Younger customers** (avg. age 31) as compared to company average

  Increasing contribution from **non-metros** (~50% of APE)
- Using **machine learning** to improve search efficiencies and reduce acquisition costs
- Expansion into **savings & longevity products**

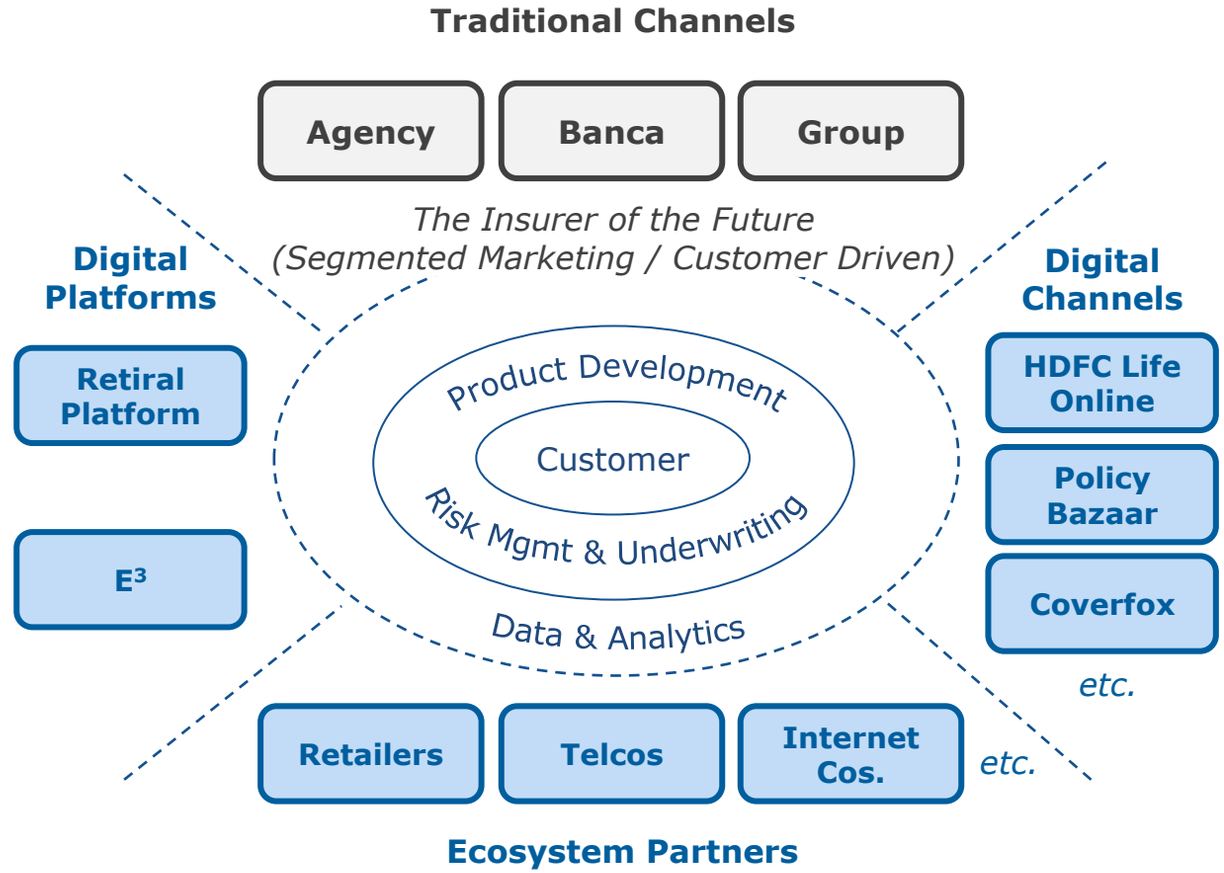
Profitable growth
Balanced distribution mix
Market leading innovation
Reimagining insurance
Quality of Board and management

Operating model moved from product centric to being customer centric

From the Traditional Insurer...



... to the Insurer of the Future



Profitable growth

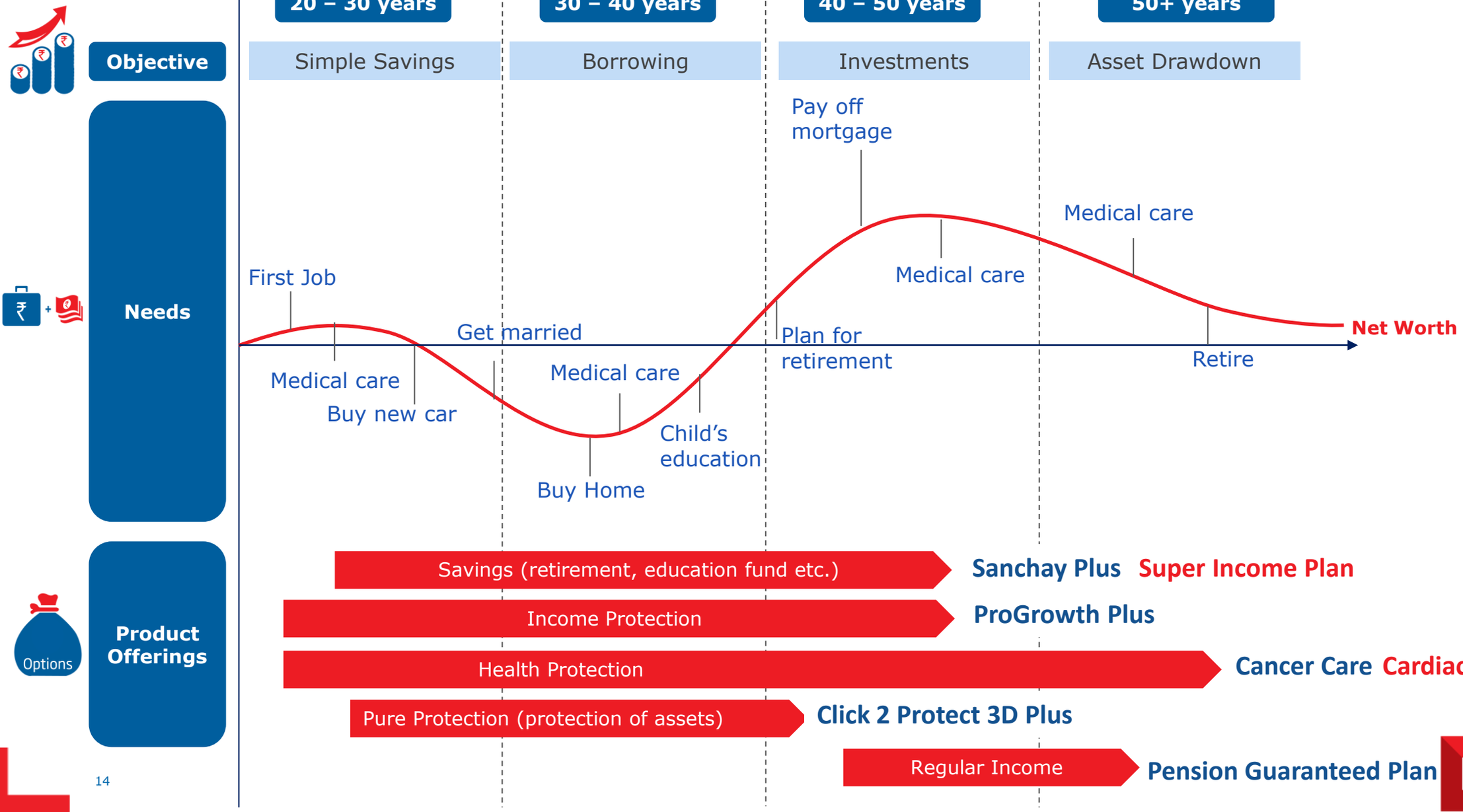
Balanced distribution mix

Market leading innovation

Reimagining insurance

Quality of Board and management

Addressing customer needs at every stage of life



Profitable growth

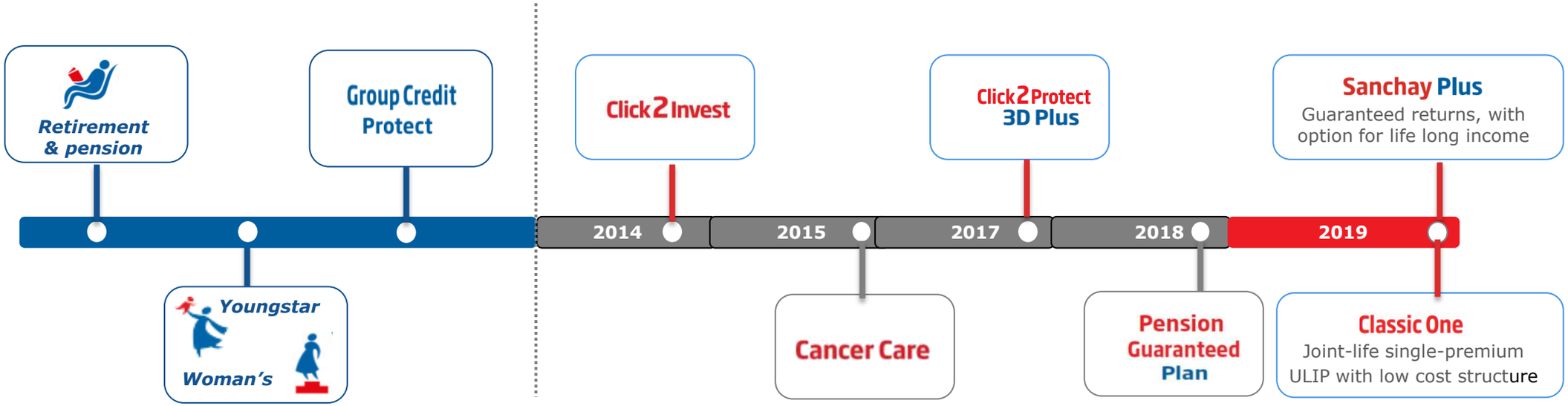
Balanced distribution mix

Market leading innovation

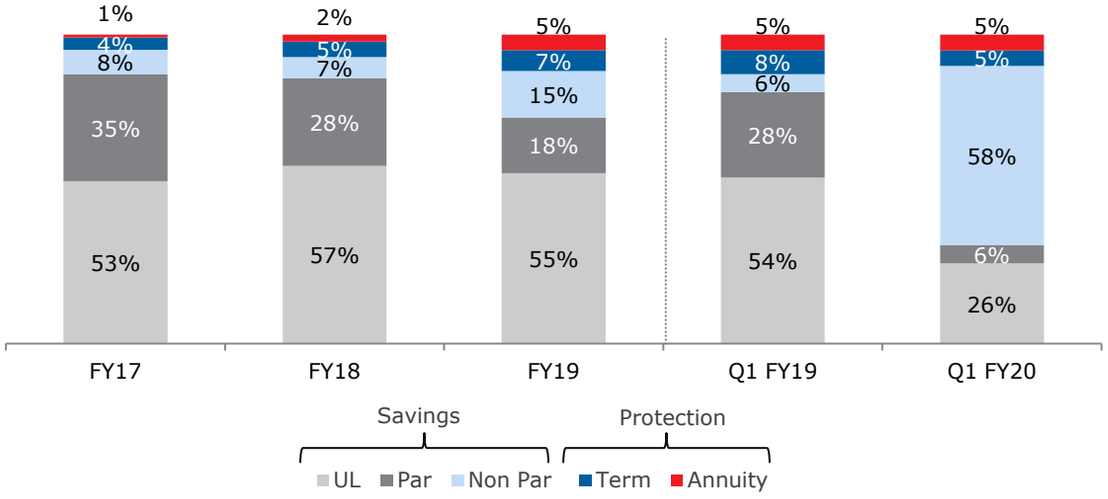
Reimagining insurance

Quality of Board and management

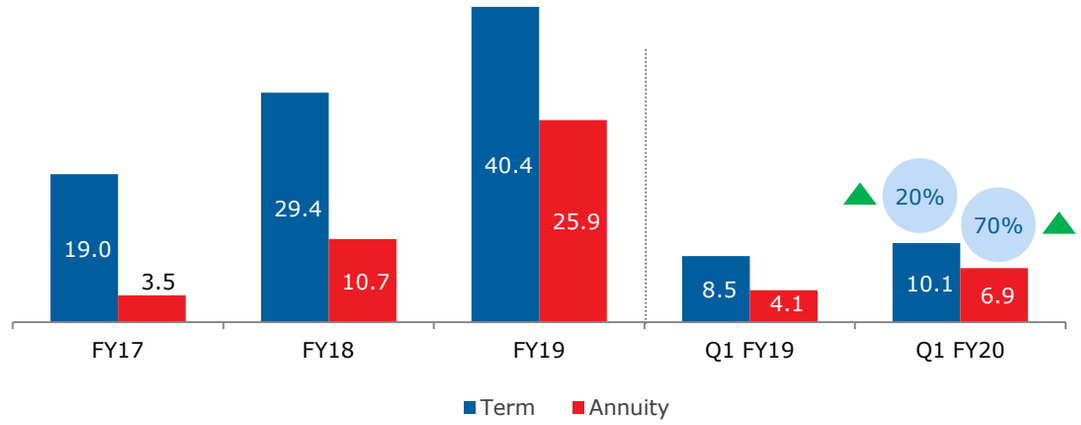
Expanding market through consistent product innovation



Diversified product suite enabling ability to manage business cycles [1]



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



Profitable growth
Balanced distribution mix
Market leading innovation
Reimagining insurance
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1. As a % of individual APE
2. Based on new business premium

Product mix across key channels[1]

Banca [2]

Segment	FY17	FY18	FY19	Q1 FY20
UL	61%	64%	67%	31%
Par	30%	26%	14%	5%
Non par savings	8%	8%	15%	60%
Term	1%	1%	2%	2%
Annuity	0%	1%	2%	2%

Agency

Segment	FY17	FY18	FY19	Q1 FY20
UL	26%	33%	26%	7%
Par	57%	48%	40%	9%
Non par savings	6%	5%	17%	73%
Term	11%	11%	12%	8%
Annuity	2%	3%	5%	2%

Direct

UL	47%	58%	50%	34%
Par	29%	17%	8%	2%
Non par savings	11%	9%	12%	29%
Term	6%	5%	6%	4%
Annuity	7%	11%	24%	31%

Online

UL	51%	47%	43%	40%
Par	3%	1%	1%	0%
Non par savings	1%	0%	15%	28%
Term	45%	52%	34%	26%
Annuity	0%	0%	6%	6%

Company

Segment	FY17	FY18	FY19	Q1 FY20
UL	53%	57%	55%	26%
Par	35%	28%	18%	6%
Non par savings	8%	7%	15%	58%
Term	4%	5%	7%	5%
Annuity	1%	2%	5%	5%

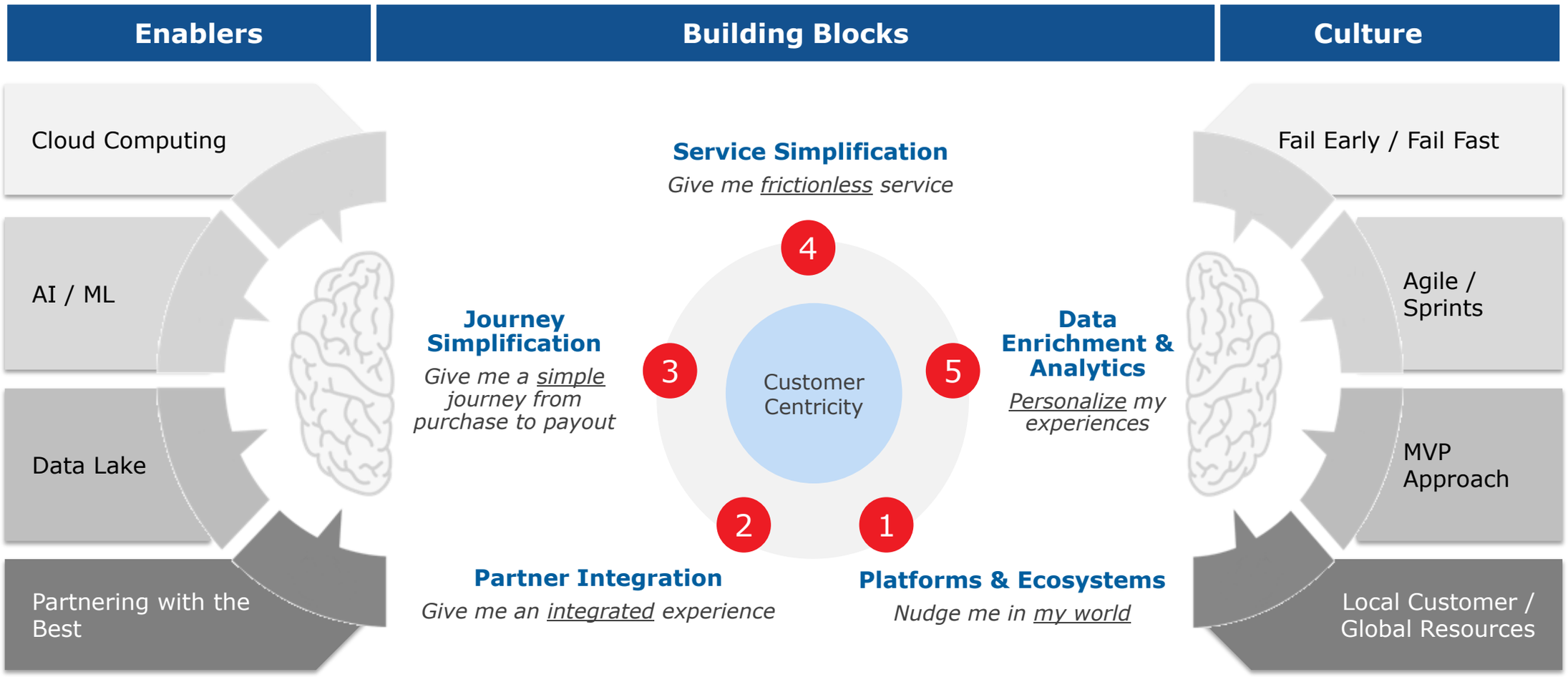
Protection

Total APE	FY17	FY18	FY19	Q1 FY20
Term	8%	11%	17%	18%
Annuity	1%	2%	4%	4%
Total	**9%**	**13%**	**21%**	**22%**

Total NBP	FY17	FY18	FY19	Q1 FY20
Term	22%	26%	27%	26%
Annuity	4%	9%	17%	18%
Total	**26%**	**35%**	**44%**	**44%**

1. Basis Individual APE, Term includes health business
2. Includes banks and other corporate agents

Created a new operating model to reimagine insurance



Core Systems | Digital Assets | E-Commerce | Data Labs | Platforms

Engines powering the new model

Profitable growth
Balanced distribution mix
Market leading innovation
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Simplifying the customer journey using 5 building blocks



Insurance beyond digital: allow multiple participants to connect, create & exchange value	Products and services built on API for ease of partner integration	Customer sales journeys simplified via mobility applications for sales force	Simplified solutions for customers across the value chain	Continuous improvement in raw data by gaining deeper insight into our customers' lives
Life99 Retire with pride ▪ One stop shop for retirement planning	**InstaInsure** ▪ **Get insured in minutes** - Hassle-free, automatic KYC and income verification (no documents required) ▪ **We trust you** - No medical check-up required and zero documentation ▪ **3-step buying journey** - Total 37 fields in proposal form reduced to 6-8 fields that need user input	**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 Ser✓2.0, Insta GO **InstaQuote!**	▪ **Online payments & services:** ~80% of renewal via online / debit mode **Chat bot ELLE** **Twitter bot NEO** ~90% of chats are self-serve via chat-bot ▪ InstA : Virtual Assist for Sales & Service, it has been accurately answering ~ 5 million queries per annum ▪ **Robotic Process Automation:** ~160 bots deployed	▪ **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

Quality of Board and Management

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

Seasoned senior management team with **rich experience in financial services**

Encouragement from Board to calibrate business strategies to harness new pools of profitability



Track record of delivering consistent results across business cycles

Key governance forums

More than 25 governance forums run within the company

- Policyholder Protection / Claims Review
- Investment Management
- ALCO
- Product Council
- Risk management
- Disciplinary Panel for Malpractices
- Information and Cyber Security Council
- Whistle-blower Committee / POSH
- Compliance Council

Financial risk management framework

Natural Hedges

- Protection and longevity businesses
- Unit linked and non par savings products
- Quantum of retail guaranteed products <9% 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 - 26%, Limited deferment period in deferred annuity (<4 yrs)
- Regular monitoring of interest rates and business mix

Managing Risk

ALM approach

- Long term government securities and partly paid bonds issued by top tier corporates
- Utilise excess asset duration from short duration liability products to support long duration liabilities

Residual strategy

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

Calibrated risk management has resulted in low EV and VNB sensitivity

EV and VNB Sensitivity	FY19		Q1 FY20	
Scenario	EV	VNB Margin	EV	VNB Margin
Interest Rate +1%	(1.70%)	(0.10%)	(1.30%)	(0.09%)
Interest Rate -1%	1.60%	0.10%	1.00%	0.10%

Risk Management for Non Par products

	Key risks	Quantum of risk	Mitigation	ALM metric
Annuity	Interest rate risk	ROPP[1]: Low Life: Low	▪ Duration and cash flow matching ▪ No supply side constraints on the long dated Govt bonds[2] ▪ Dynamic re-pricing in line with change in market yield	Net Sensitivity Ratio#: 1.0
	Reinvestment risk	ROPP: Low Life: Low	▪ Coupons used to meet annuity payouts	
	Longevity risk	ROPP: Low Life: High	▪ Life Annuity less than 2%	
Non - Annuity	Interest rate risk	Savings: High Protection: Moderate	▪ Achieved at a portfolio level	Net Sensitivity Ratio#: 0.95
	Reinvestment risk	Savings: High Protection: Low	▪ Well diversified portfolio over future time periods ▪ Internal cash flow hedges ▪ Assessment of slope change stress testing on cash flows	
	Mortality risk	Savings: Low Protection: High	▪ Adequate reinsurance	

Low and stable sensitivity to interest rate changes across product mix cycles

Non par Sensitivity	EV		VNB Margin	
Scenario	**FY19**	**Q1 FY20**	**FY19**	**Q1 FY20**
Interest Rate +1%	(0.3%)	0.1%	Zero / No Sensitivity	
Interest Rate -1%	0.1%	(0.5%)		

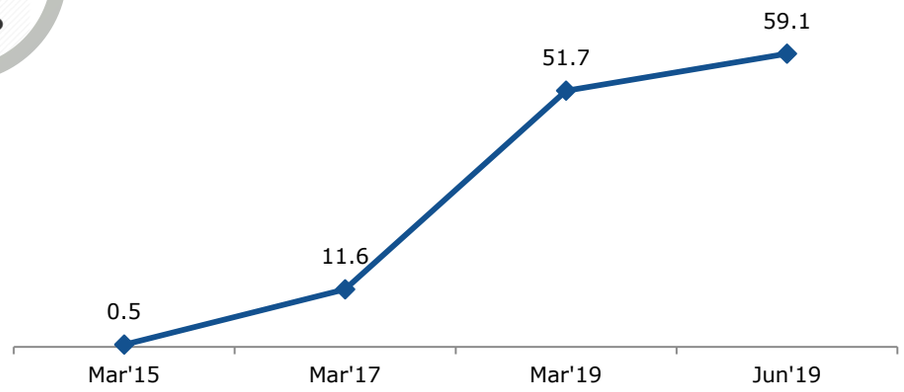
1. ROPP: Return of purchase price
2. Refer appendix on slide 34

#**Net Sensitivity Ratio** = Sensitivity of Assets / Sensitivity of Liabilities

Performance of wholly-owned subsidiary[1] companies

HDFC Pension

Rs Bn.



- Fastest growing PFM (Pension Fund Manager) under the NPS architecture (YoY growth of 96% in AUM)
- Market share grew from 23.0% in Jun'18 to 27.7% in Jun'19 amongst all private PFMs
- Ranks #1 in corporate subscribers base, #2 amongst all PFMs in net fund flow, retail subscriber base and AUM
- Received licence to operate as POP (Point of Presence)

HDFC International Life and Re



- Registered growth of more than 100% in revenue worth USD 1.7 Mn.
- Continues to trend positively on both technical & net profit
- Currently offers reinsurance capacity in GCC countries
- Has been assigned a a long-term insurer financial strength rating of "BBB" with a stable outlook, by S&P Global Ratings

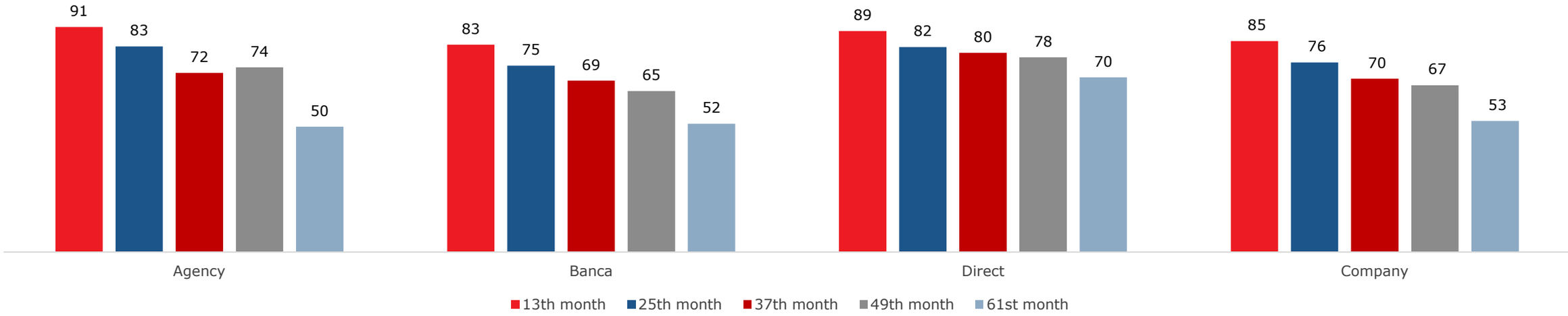
1. Investment in subsidiaries not considered in Solvency Margin

Agenda

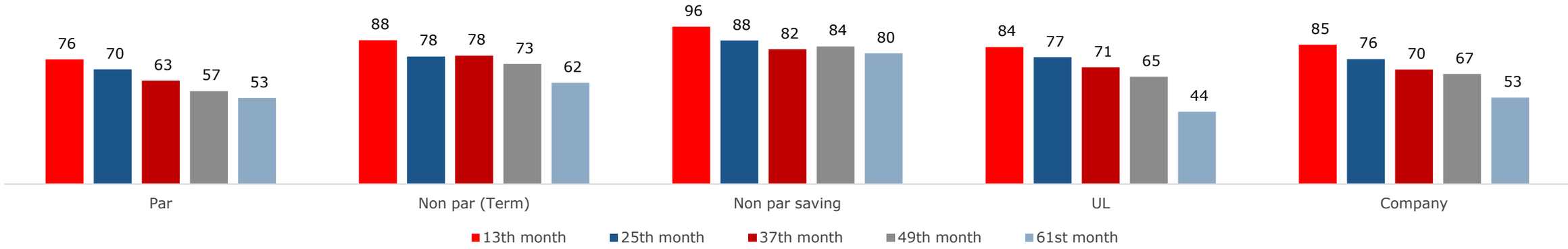
1	Performance Snapshot
2	Our Strategy
3	**Annexures**
4	India Life Insurance

Individual persistency for key channels and segments[1]

Across key channels (%)



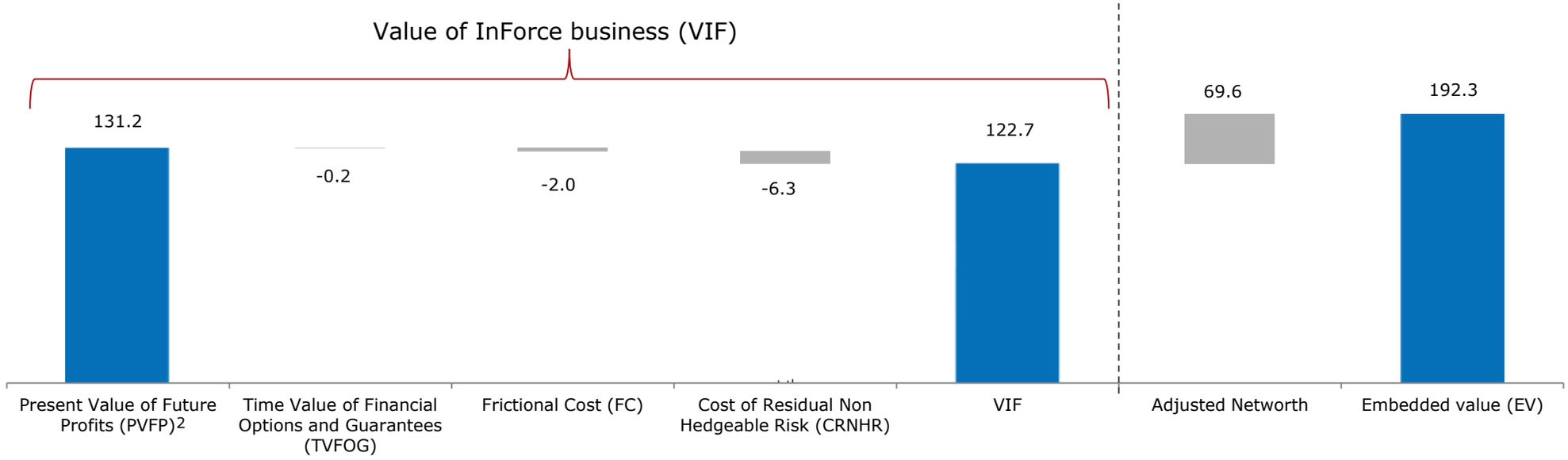
Across key segments (%)



1. Calculated as per IRDAI circular (based on original premium) for period ended Jun 30, 2019 for individual business

Indian Embedded Value (IEV)[1]

Rs Bn.

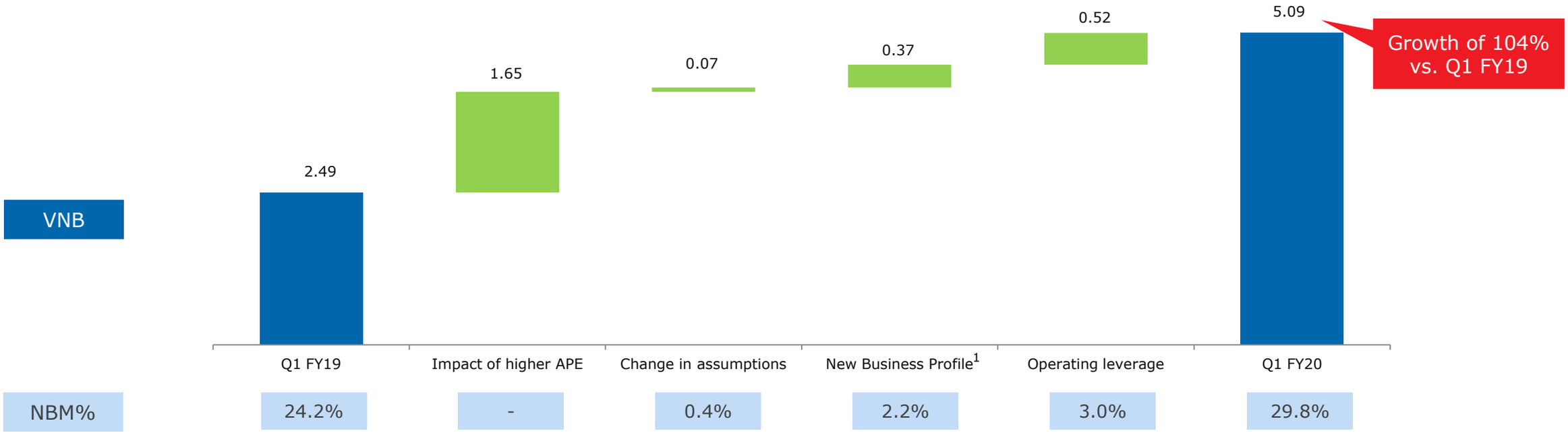


- Significant proportion of VIF at almost 2/3rd of the total Embedded value
- TVFOG includes cost of guarantees for conventional participating and unit linked products

1. Based on internal analysis, detailed explanation of components provided in the Appendix to the presentation
2. PVFP pertains to Overall (Individual + Group) 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: FY19

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%	-0.4%	-0.1%	-1.7%
	Decrease by 1%	0.2%	0.1%	1.6%
Equity Market movement	Decrease by 10%	-1.4%	-0.3%	-1.7%
Persistency (Lapse rates)	Increase by 10%	-2.9%	-0.7%	-1.4%
	Decrease by 10%	3.0%	0.7%	1.5%
Maintenance expenses	Increase by 10%	-2.1%	-0.5%	-0.7%
	Decrease by 10%	2.1%	0.5%	0.7%
Acquisition Expenses	Increase by 10%	-18.1%	-4.4%	NA
	Decrease by 10%	18.1%	4.4%	NA
Mortality / Morbidity	Increase by 5%	-5.2%	-1.3%	-0.9%
	Decrease by 5%	5.1%	1.3%	0.9%
Tax rate [2]	Increased to 25%	-13.8%	-3.4%	-6.6%

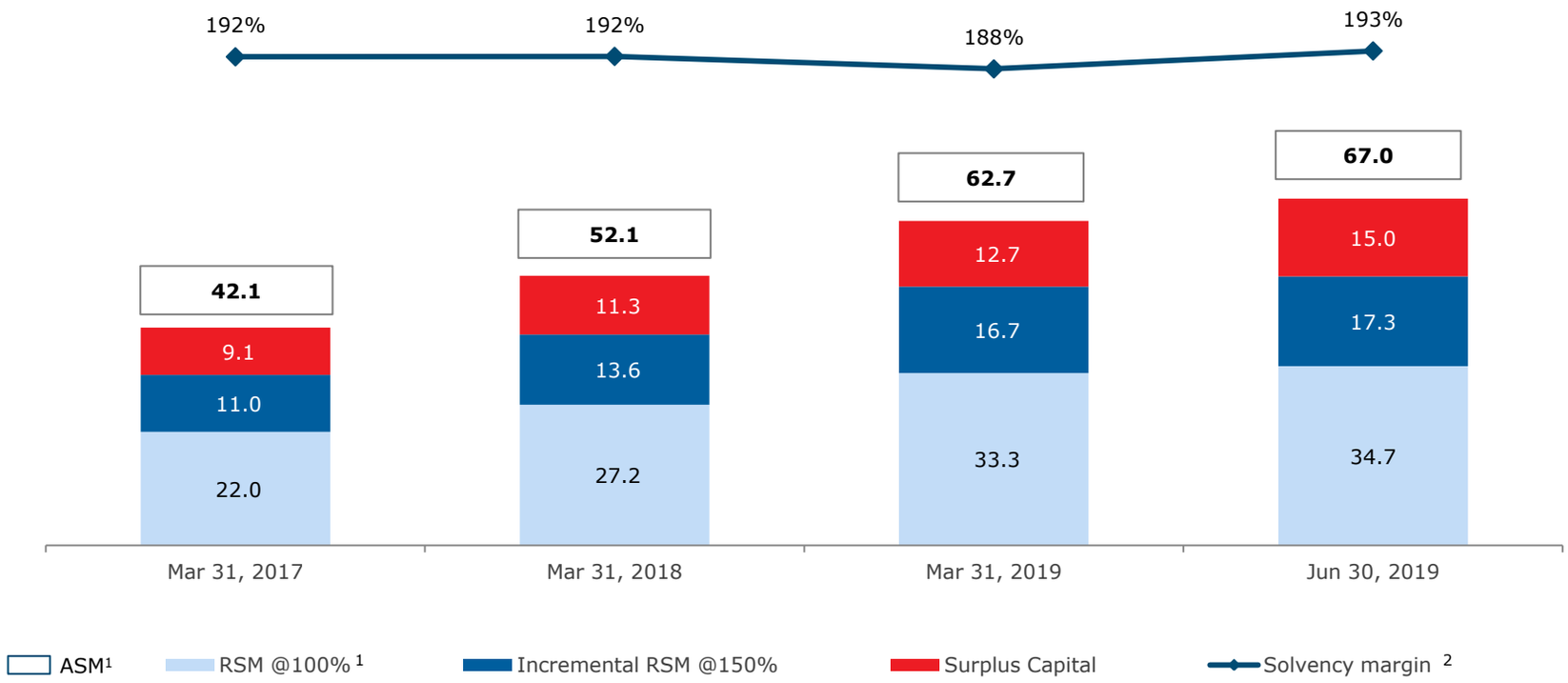
1. Post overrun total VNB for Individual and Group business

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.

	Mar 31, 2017	Mar 31, 2018	Mar 31, 2019	Jun 30, 2019
Dividend paid	2.6	3.3	4.0	-
New business growth	33%	32%	32%	47%

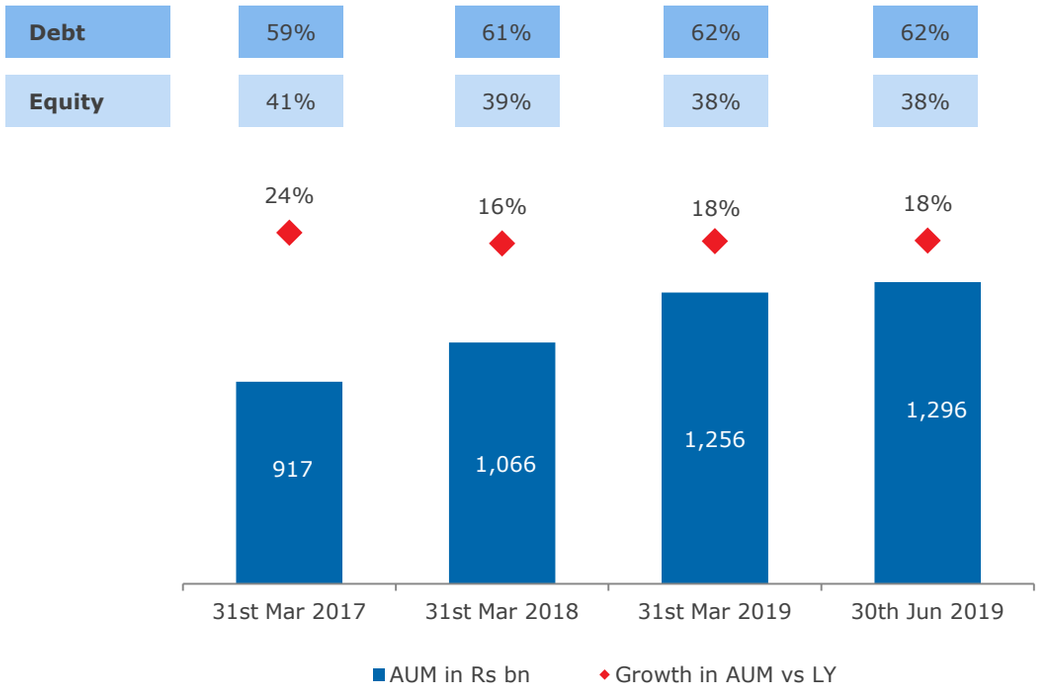


- Internal accruals have supported new business growth with no capital infused in last eight years *(except through issuance of ESOPs)*

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

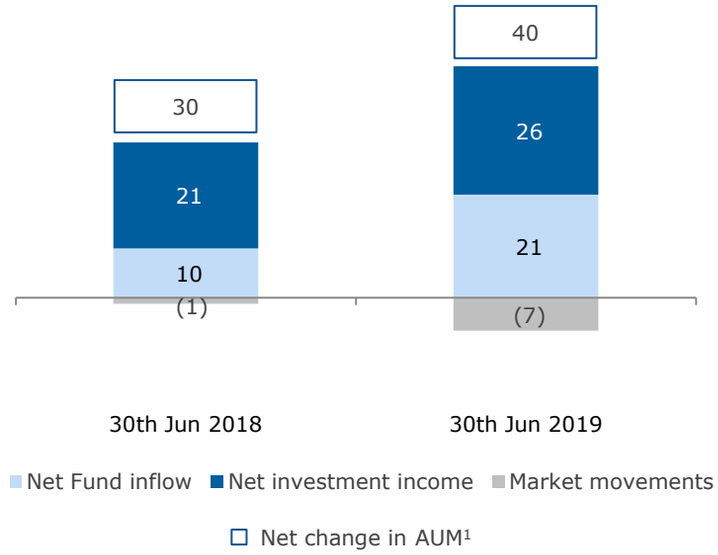
Assets under management

Assets Under Management



Change in AUM [1]

Rs Bn.



- Continue to rank amongst top 3 private players, in terms of assets under management [2]
- Almost 96% of debt investments in Government bonds and AAA rated as on Jun 30, 2019

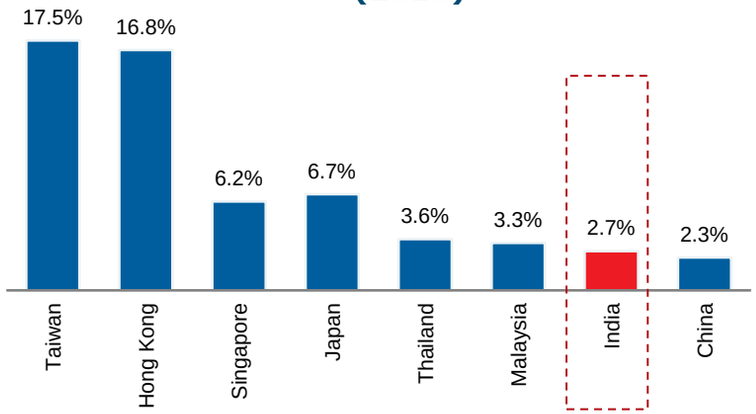
1. Calculated as difference from April to June
2. Based on Assets under Management as on Mar 31, 2019

Agenda

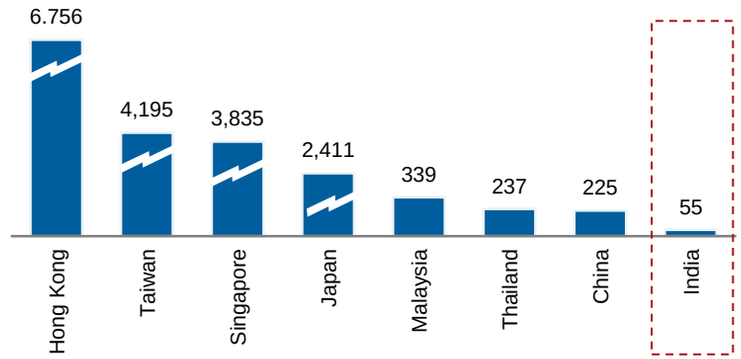
1	Performance Snapshot	
2	Our Strategy	
3	Annexures	
4	**India Life Insurance**	

Growth opportunity: Under-penetration and favourable demographics

Life Insurance penetration [1] (2018)

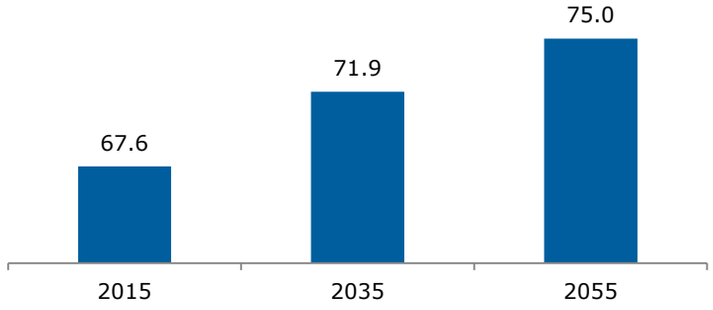


Life Insurance density US$ [2] (2018)

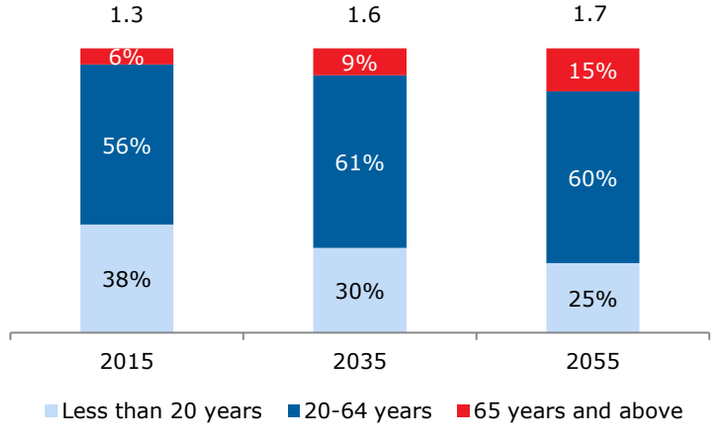


- India remains vastly under-insured, both in terms of penetration and density
- Huge opportunity to penetrate the underserviced segments, with evolution of the life insurance distribution model

Life expectancy (Years)



Population composition (Bn.)



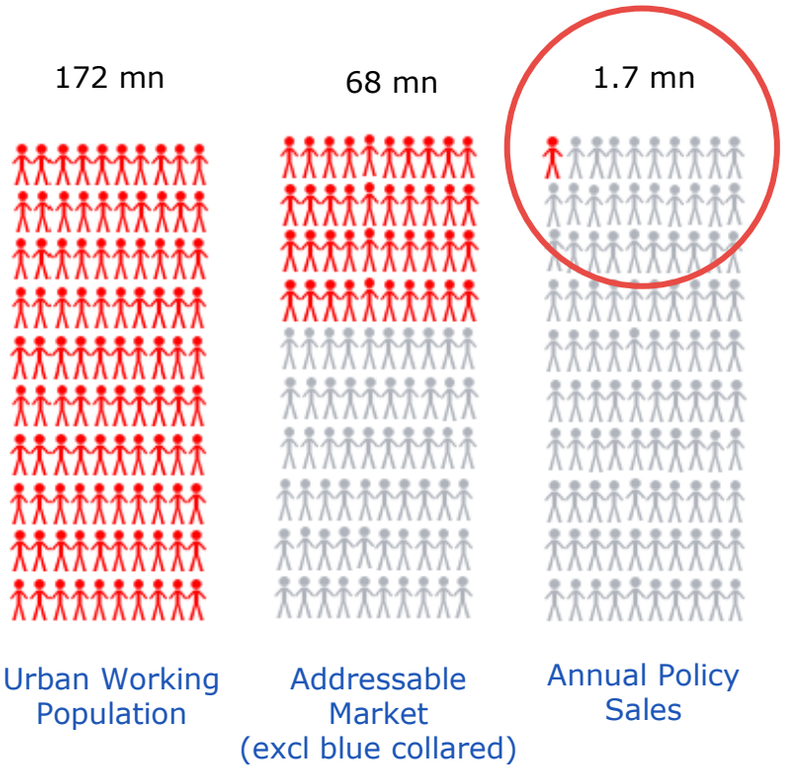
- India's insurable population is expected to touch 750 million by 2020
- India's elderly population is expected to double by 2035 (as compared to 2015)
- Emergence of nuclear families and advancement in healthcare facilities lead to increase in life expectancy thus facilitating need for pension and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

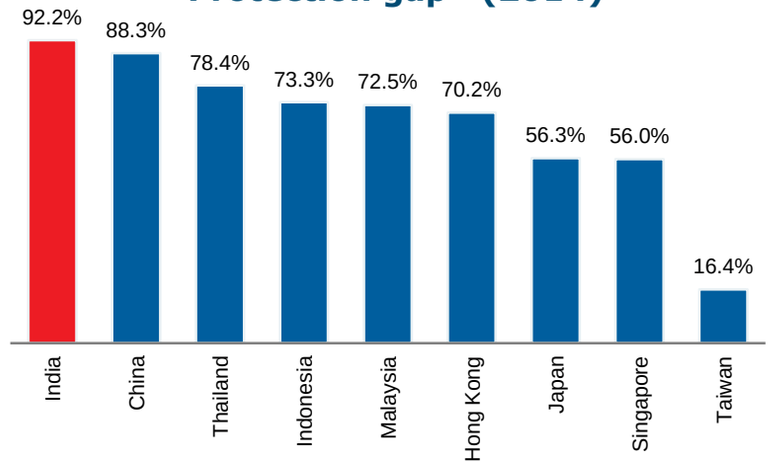
Source: Swiss Re (Based on respective financial year of the countries), MOSPI, United Nations World Populations Prospects Report (2017)

Low levels of penetration – Life Protection



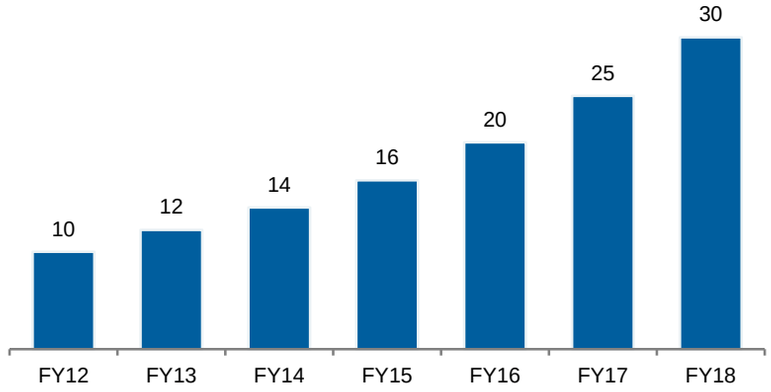
- Only 1 out of 40 people (2.5%) who can afford it is buying a policy every year 1
- Even within the current set, Sum Assured as a multiple of Income is <1x

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

India has a rapidly increasing ageing population with lack of awareness regarding systematic retirement planning

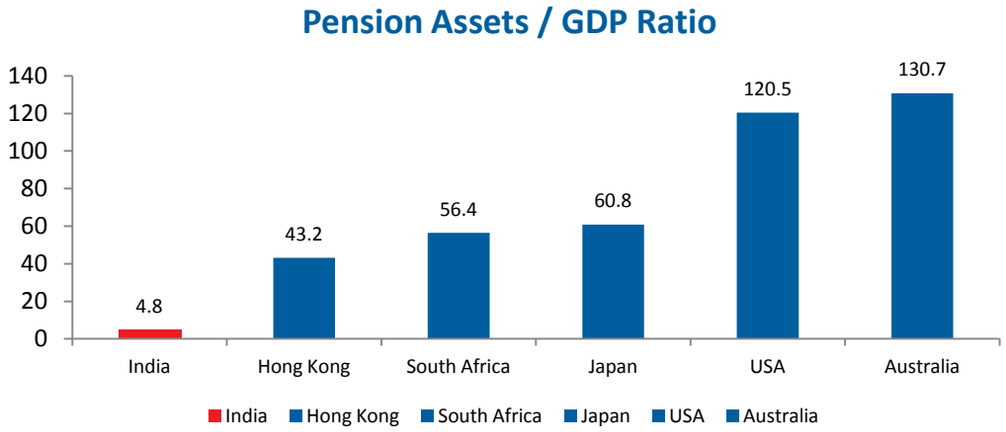
By 2050, **1 in 6 people** in India will be over the age of 60, bringing the future market to **200 million** people

41.5% of elderly male (65+) are working to meet their retirement needs

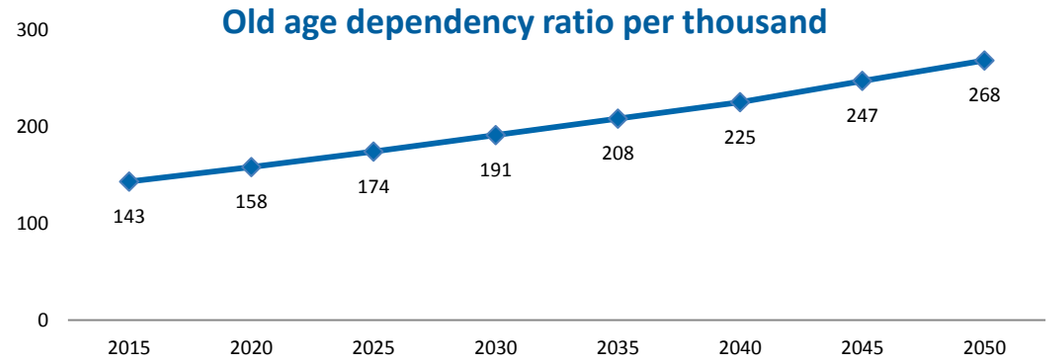
Unorganized workforce not under any formal pension scheme is **82.7%**

52% of elderly population in both urban and rural areas are fully dependent on others

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



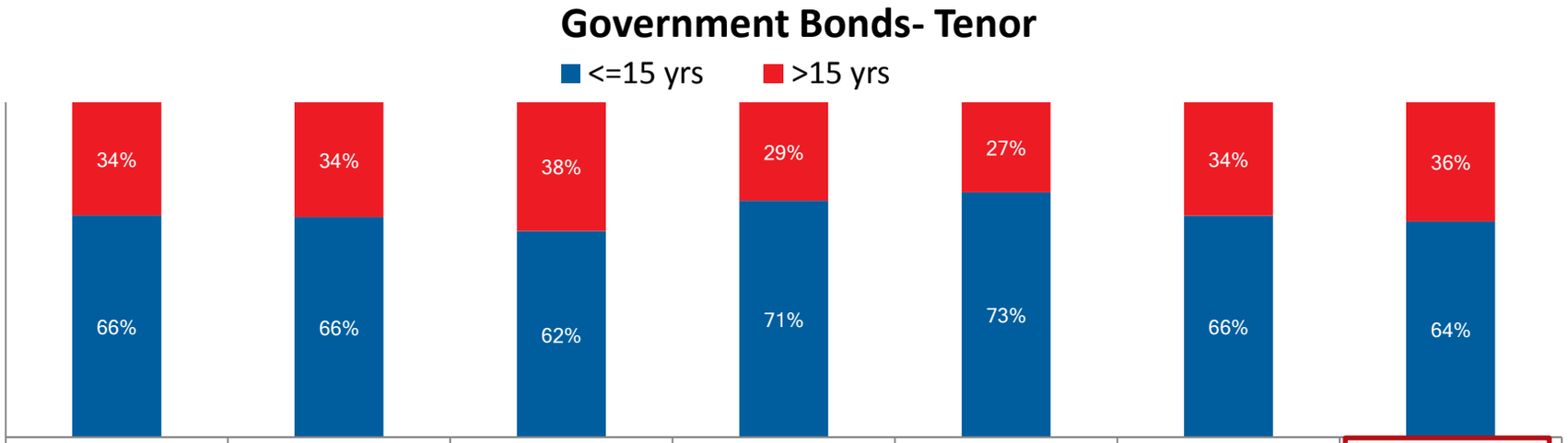
Rising old age dependency along with emergence of nuclear families to drive demand for retirement saving products



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

Rs Bn.



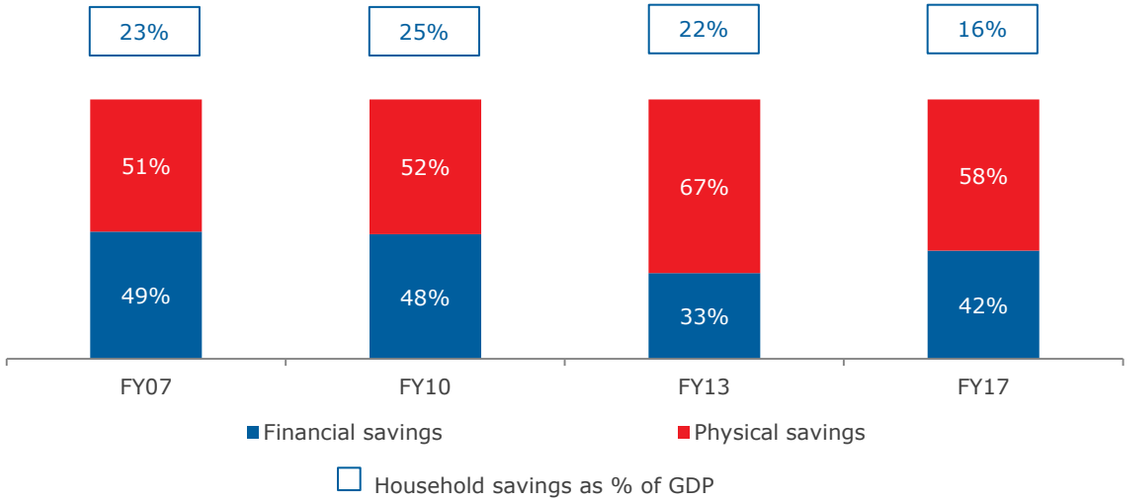
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20 (July 7, '19)
>15 yrs	1,880	2,030	2,250	1,710	1,580	1,930	840
<=15 yrs	3,690	3,890	3,600	4,110	4,300	3,780	1,522
Total	5,570	5,920	5,850	5,820	5,880	5,710	2,362

- Auction of >15 year maturity bonds has been ~33% on an average facilitates writing annuity business at scale
- Budget estimate for government borrowing for FY20 at Rs. 7.1 trillion on gross basis

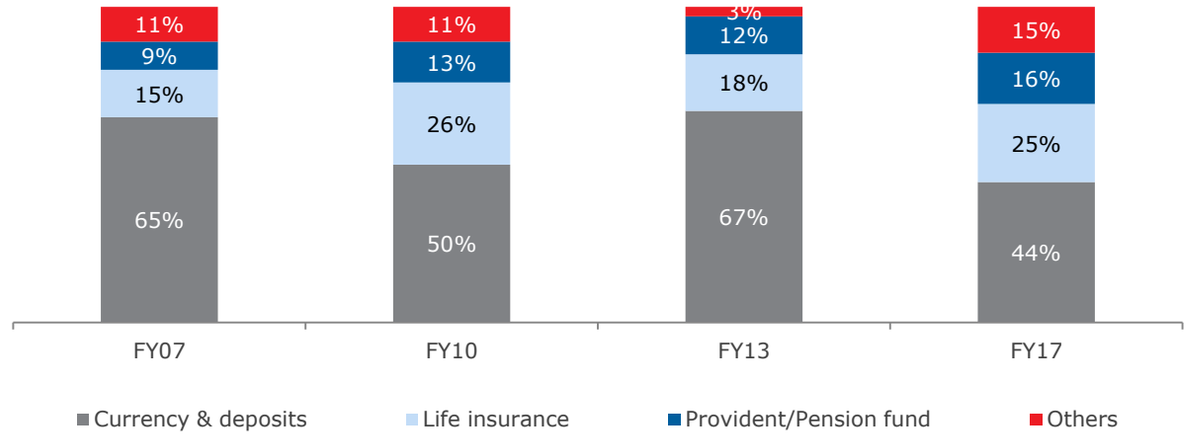
Source: CCIL & National Statistics Office, Union Budget

Life Insurance: A preferred savings instrument

Household savings composition



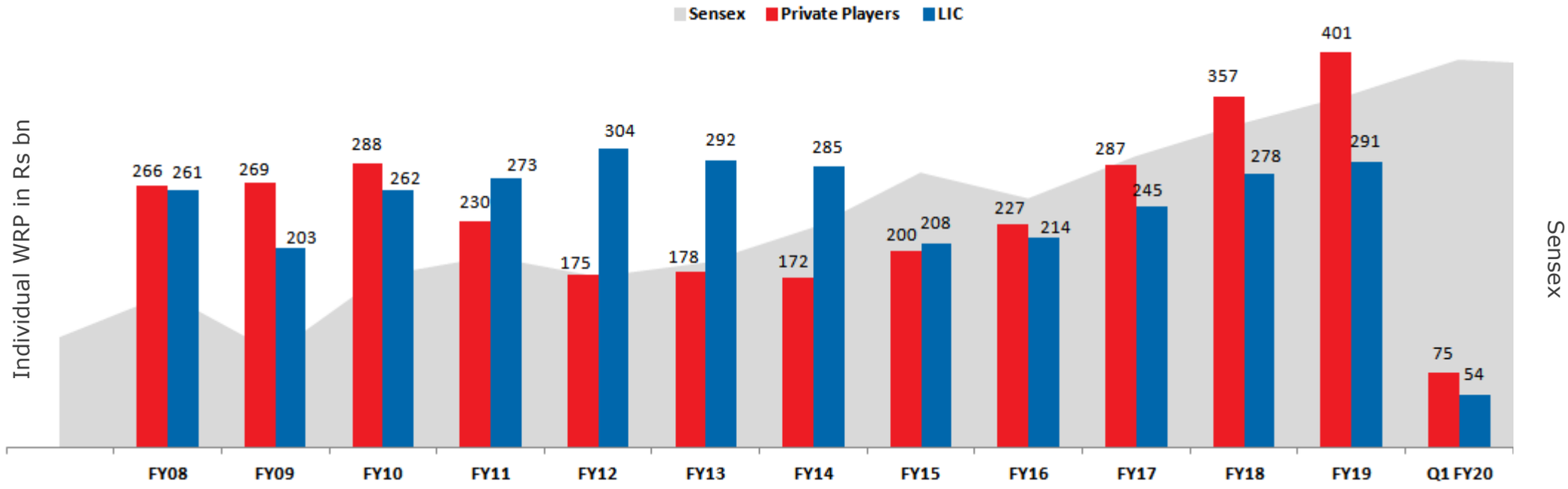
Financial savings mix



- Increasing preference towards financial savings with buoyant equity Market returns, along with impact of demonetisation on physical assets return profile
- Increasing share of Life Insurance within financial assets, as it caters to long-term saving and protection needs
- Various government initiatives to promote financial inclusion:
  - Implementation of JAM trinity – around 361 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
  - Set up of Small Finance Banks and Payment Banks to increase financial inclusion

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	Q1 FY20
Private players Market share		50%	57%	52%	46%	37%	38%	38%	49%	52%	54%	56%	58%	58%
Growth %	**Private**	*86%*	*1%*	*7%*	*-20%*	*-24%*	*2%*	*-3%*	*16%*	*14%*	*26%*	*24%*	*12%*	*24%*
	LIC	*0%*	*-22%*	*29%*	*4%*	*11%*	*-4%*	*-2%*	*-27%*	*3%*	*15%*	*13%*	*5%*	*3%*
	Overall	*31%*	*-10%*	*17%*	*-9%*	*-5%*	*-2%*	*-3%*	*-11%*	*8%*	*21%*	*19%*	*9%*	*14%*

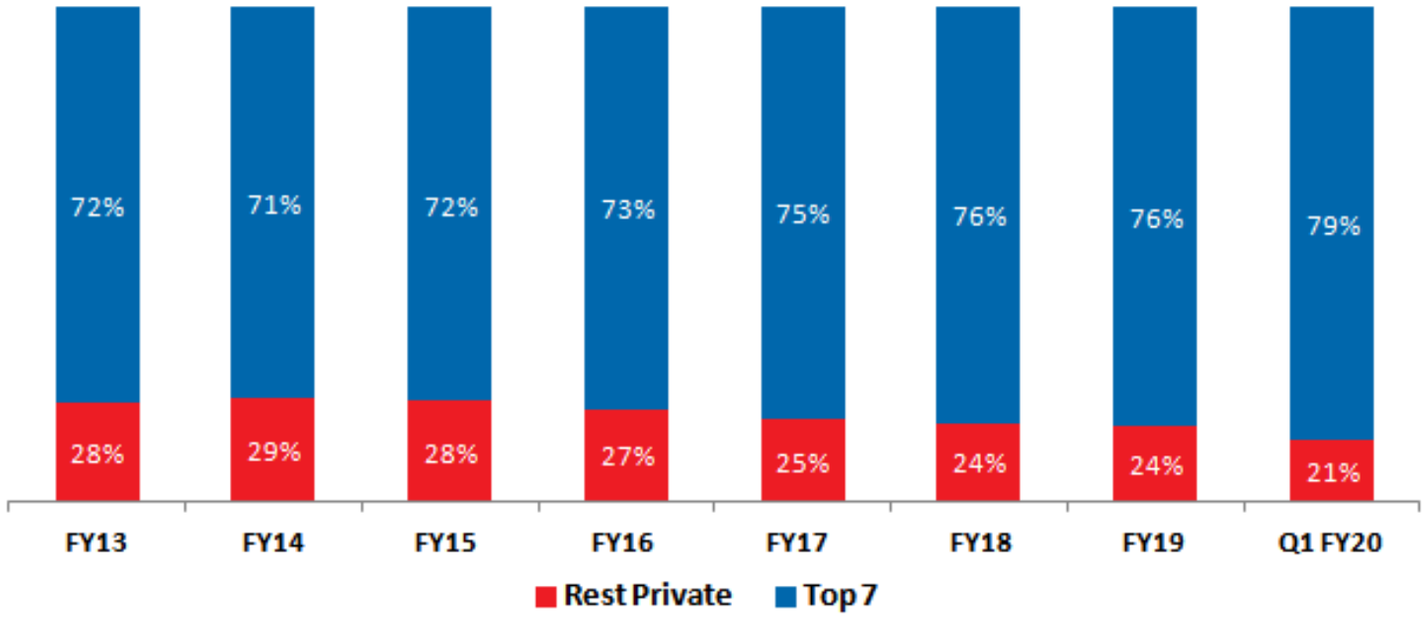
- Private sector gained higher Market share than LIC for the first time in FY16, post FY11 regulatory changes
- Based on individual WRP private sector has outpaced LIC since FY16

1.Basis Individual Weighted Received Premium (WRP)

Source: IRDAI and Life Insurance Council

Private industry: Market share trends

Top 7 private players vs other players

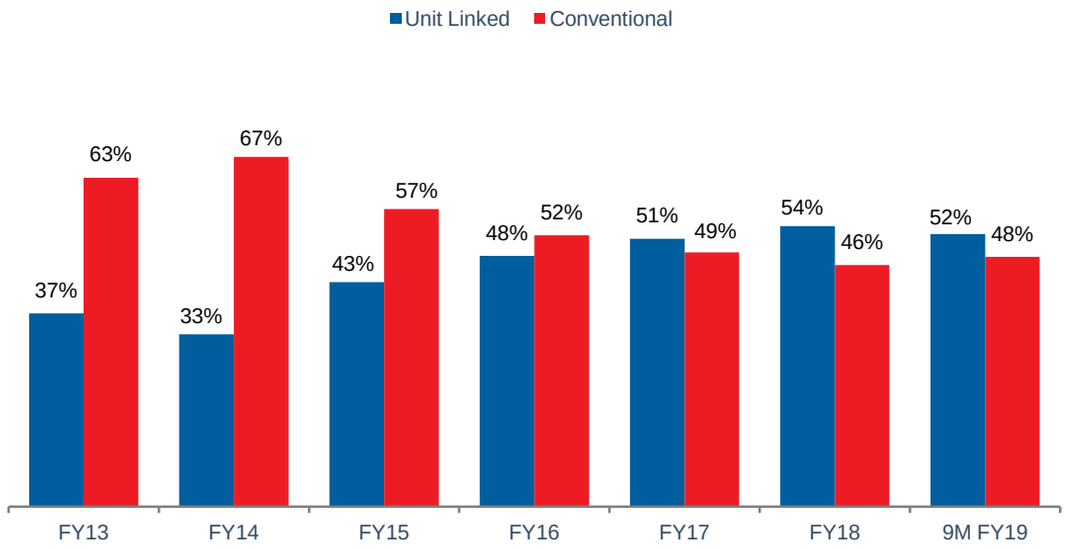


- Amongst private insurers, insurers with a strong bancassurance platform continue to dominate with increasing market share of the total private individual new business

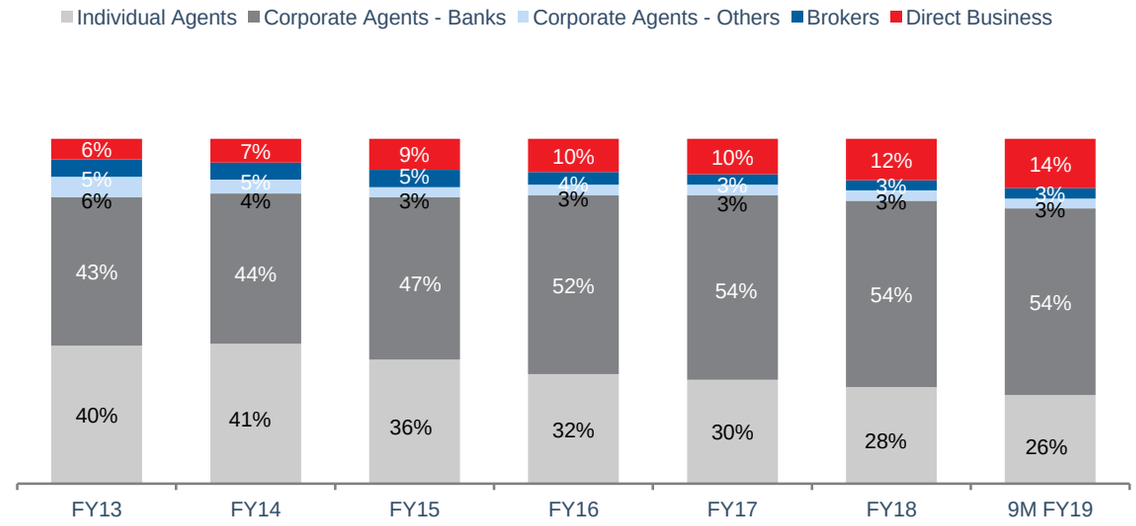
Notes :
Basis Individual Weighted Received Premium (WRP) as disclosed by IRDAI, Life Insurance Council
Top 7 players based on Q1 FY20 business numbers, comprising of, SBI Life, ICICI Pru HDFC Life, Max Life, Tata AIA, Bajaj Allianz and Birla Sun Life

Private industry: Product and distribution mix

Product mix [1]



Distribution mix [2]



- Reduced distributors' payout and high expense structure led many players to move to traditional products over last few years, however the focus is changing towards linked products with improved equity Market performance and increase in share of Banca
- Increasing thrust on protection business to help 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)

		FY17	FY18	FY19	CAGR	Q1 FY19	Q1 FY20	Growth
Key Metrics (Rs Bn.)								
New Business Premium (Indl. + Group)		*86.2*	*113.5*	*149.7*	*32%*	*26.8*	*39.3*	*47%*
Renewal Premium (Indl. +Group)		*108.2*	*122.1*	*142.1*	*15%*	*23.8*	*26.1*	*10%*
Total Premium		194.5	235.6	291.9	23%	50.6	65.4	29%
Individual APE		37.4	48.9	52.0	18%	8.4	13.8	64%
Overall APE		41.9	55.3	62.6	22%	10.3	17.1	67%
Group Premium (NB)		44.2	54.1	73.3	29%	14.4	19.7	36%
Profit after Tax		8.9	11.1	12.8	20%	3.8	4.2	12%
- Policyholder Surplus		*7.5*	*8.5*	*9.0*	*9%*	*3.1*	*3.5*	14%
- Shareholder Surplus		*1.4*	*2.6*	*3.8*	*64%*	*0.7*	*0.7*	1%
Dividend Paid	(1)	2.6	3.3	4.0	22%	-	-	NA
Assets Under Management		917.4	1,066.0	1,255.5	17%	1,096.3	1,295.8	18%
Indian Embedded Value		124.7	152.2	183.0	21%	156.9	192.3	23%
Net Worth	(2)	38.1	47.2	56.6	22%	51.1	60.8	19%
NB (Individual and Group segment) lives insured (Mn.)		20.9	33.2	51.4	57%	10.3	13.0	26%
New Business Sum Assured	(3)	3,887.6	4,734.5	6,058.2	25%	1,234.4	1,797.0	46%
No. of Individual Policies (NB) sold (In 000s)	(4)	1,082.3	1,049.6	995.0	-4%	202.5	203.3	0%

1. Including dividend distribution tax (DDT)
2. Comprises share capital, share premium and accumulated profits/(losses)
3. Comprises individual and group business
4. Including rural policies. Excluding rural policies, NOPs grew by CAGR of 8% between FY17-19

Financial and operational snapshot (2/2)

		FY17	FY18	FY19	Q1 FY19	Q1 FY20
Key Ratios						
Overall New Business Margins (post overrun)		22.0%	23.2%	24.6%	24.2%	29.8%
Operating Return on EV	(1)	21.7%	21.5%	20.1%	18.4%	19.9%
Operating Expenses / Total Premium		12.6%	13.5%	13.2%	14.4%	13.5%
Total Expenses (OpEx + Commission) / Total Premium		16.7%	18.0%	17.0%	18.2%	18.4%
Return on Equity	(2)	25.7%	26.0%	24.6%	31.0%	28.9%
Solvency Ratio		192%	192%	188%	197%	193%
Persistency (13M / 61M)	(3)	84%/59%	87%/51%	87%/52%	87%/50%	88%/54%
Market Share (%)						
- Individual WRP		12.7%	13.3%	12.5%	13.3%	17.5%
- Group New Business		24.3%	28.5%	28.4%	30.1%	30.0%
- Total New Business		17.2%	19.1%	20.7%	22.3%	25.1%
Business Mix (%)						
- Product (UL/Non par savings/Non par protection/Par)	(4)	52/9/4/35	57/9/5/28	55/20/7/18	54/11/8/28	26/63/5/6
- Indl Distribution (CA/Agency/Broker/Direct)	(4)	72/12/5/11	71/11/5/14	64/13/4/19	65/11/5/19	56/15/9/20
- Total Distribution (CA/Agency/Broker/Direct/Group)	(5)	32/7/2/7/52	33/7/2/10/48	26/7/2/16/49	24/7/2/14/54	24/7/3/17/50
- Share of protection business (Basis Indl APE)		4.0%	5.1%	6.7%	7.8%	5.5%
- Share of protection business (Basis Overall APE)		7.8%	11.3%	16.7%	18.2%	17.8%
- Share of protection business (Basis NBP)		21.8%	25.9%	27.0%	31.6%	25.8%

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). Group business, where persistency is measurable, has been included in the calculations.

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

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

Revenue and Profit & Loss A/c

Revenue A/c

	Q1 FY20	Q1 FY19
Premium earned	65.4	50.6
Reinsurance ceded	(0.8)	(0.6)
Income from Investments	20.5	18.0
Other Income	0.2	0.4
Transfer from Shareholders' Account	0.0	0.1
Total Income	**85.3**	**68.5**
Commissions	3.2	2.0
Expenses	8.8	7.2
GST on UL charges	0.8	0.8
Provision for taxation	0.0	0.2
Provision for diminution in value of investments	0.8	0.1
Benefits paid	35.1	28.8
Change in valuation reserve	31.2	25.4
Bonuses Paid	1.5	0.6
Total Outgoings	**81.5**	**65.1**
Surplus	**3.8**	**3.4**
Transfer to Shareholders' Account	3.5	3.2
Funds for future appropriation - Par	0.3	0.2
Total Appropriations	**3.8**	**3.4**

Profit and Loss A/c

Rs Bn.

	Q1 FY20	Q1 FY19
Income		
- Interest and dividend income	0.8	0.6
- Net profit/(loss) on sale	0.2	0.1
Transfer from Policyholders' Account	3.5	3.2
Other Income	0.0	0.1
Total	**4.5**	**4.1**
Outgoings		
Transfer to Policyholders' Account	0.0	0.1
Expenses	0.0	0.0
Provision for diminution in value of investments	0.1	0.0
Provision for Taxation	0.1	0.1
Total	**0.2**	**0.3**
Profit for the year as per P&L Statement	**4.2**	**3.8**
Interim Dividend paid (including tax)	0.0	0.0
Profit carried forward to Balance Sheet	**60.8**	**51.1**

Balance Sheet

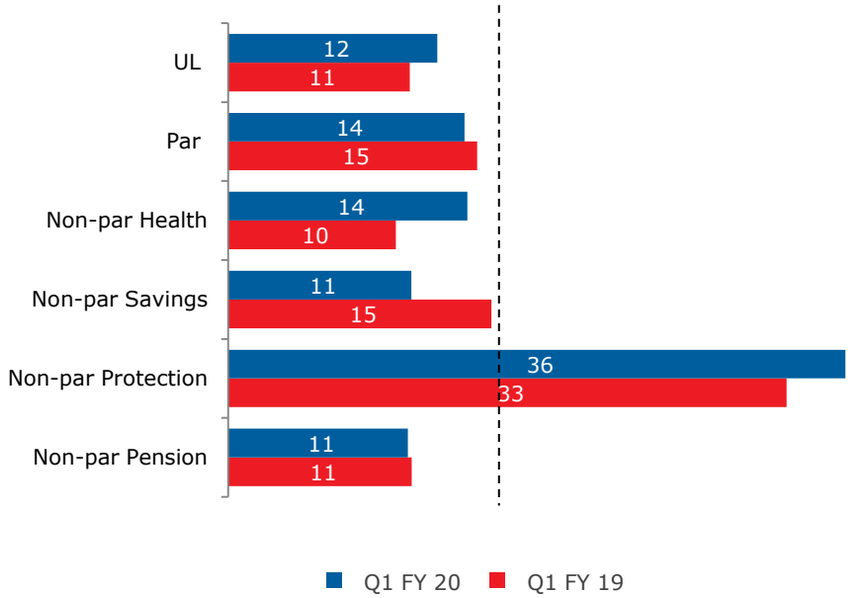
Rs Bn.

	Jun 30, 2019	Jun 30, 2018
Shareholders' funds		
Share capital (including Sh premium)	23.9	23.3
Accumulated profits	37.0	27.7
Fair value change	(0.0)	0.1
Sub total	**60.8**	**51.2**
Policyholders' funds		
Fair value change	10.3	8.3
Policy Liabilities	568.0	445.0
Provision for Linked Liabilities	600.4	546.8
Funds for discontinued policies	33.0	28.7
Sub total	**1,211.6**	**1,028.8**
Funds for future appropriation (Par)	11.3	9.8
Total Source of funds	**1,283.7**	**1,089.8**
	-	-
Shareholders' investment	51.8	41.3
Policyholders' investments: Non-linked	610.7	479.6
Policyholders' investments: Linked	633.3	575.5
Loans	1.2	0.2
Fixed assets	3.4	3.3
Net current assets	(16.7)	(10.1)
Total Application of funds	**1,283.7**	**1,089.8**

Segment wise average term and age[1]

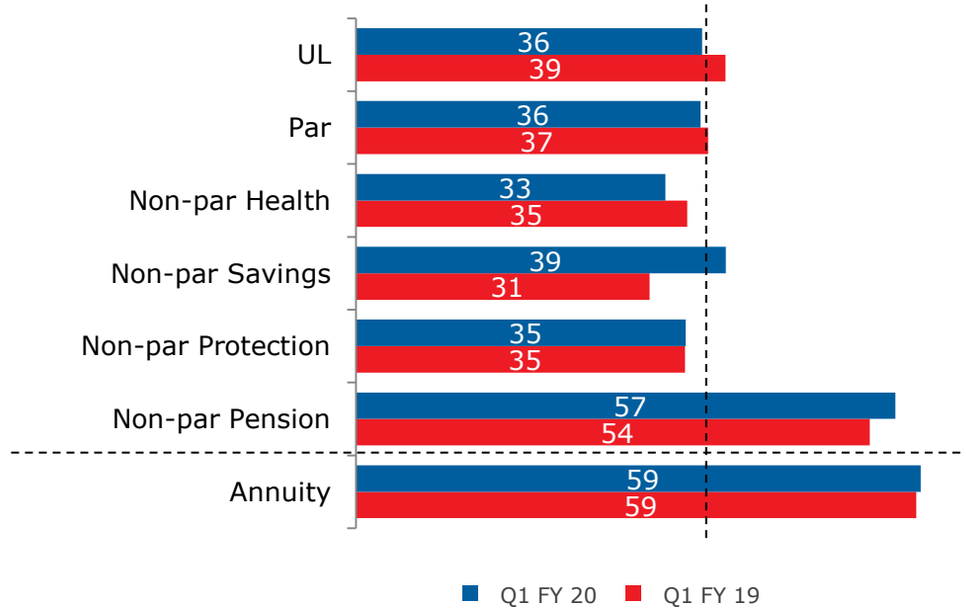
Average Policy Term excluding annuity (Yrs)

Q1 FY20: 14.8 (Q1 FY19 : 14.2)



Average Customer Age excluding annuity (Yrs)

Q1 FY20: 37.9 (Q1 FY19: 37.7)



- 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) sold in Q1 FY20

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.

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. 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 assumptions[1]

Years	Forward rates %		Spot rates %	
	As at Jun 30, 2019	As at Jun 30, 2018	As at Jun 30, 2019	As at Jun 30, 2018
1	6.31	7.22	6.12	6.98
2	6.70	8.14	6.30	7.40
3	6.98	8.56	6.45	7.67
4	7.19	8.73	6.58	7.85
5	7.35	8.78	6.68	7.96
10	7.64	8.55	6.99	8.13
15	7.67	8.40	7.12	8.12
20	7.65	8.36	7.18	8.10
25	7.64	8.35	7.22	8.09
30+	7.63	8.35	7.24	8.07

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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