January 23, 2020

Ref. No. : HDFC Life/CA/2019-20/49

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

NSE Symbol: HDFCLIFE

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

BSE Security Code: 540777

Dear Sir / Madam,

Sub: Outcome of Board Meeting held on January 23, 2020

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors of HDFC Life Insurance Co. Ltd. at their meeting held today i.e. January 23, 2020, have approved the Audited Standalone and Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2019.

We are enclosing herewith the copies of:-

(i) Audited Standalone Financial Results alongwith Auditors Report for the aforesaid period;

(ii) Unaudited Consolidated Financial Results alongwith Limited Review Report for the aforesaid period; and

(iii) Press Release on the financial results (including Investor Presentation)

Financial Results as stated above are also hosted on the website of the Company viz., www.hdfclife.com

The meeting of the Board of Directors of the Company commenced at 1.45 p.m. (IST) and concluded at 3.45. p.m. (IST).

Request you to take note of the above and 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
252, Veer Savarkar Marg,
Opp Shivaji Park,
Dadar (W), Mumbai 400028

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

Auditors' Report on Standalone Financial Results for the quarter and nine months ended December 31, 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) (the "Company") for the quarter and nine months ended December 31, 2019, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and IRDA Circular reference: IRDAI/ F&I/ REG/ CIR/208/10/2016 dated 25th October 2016 ("Standalone financial results") which have been approved by the Board of Directors on January 23, 2020.

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

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

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

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

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

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

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

   II) give a true and fair view of the net profit and other financial information for the quarter and nine months ended December 31, 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 December 31, 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 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
Registration No.012754N/N500016

Alpa Kedia
Partner
Membership No. 100681
UDIN: 20100681AAAAAC2666

Place: Mumbai
Date: January 23, 2020

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

Rajen Ashar
Partner
Membership No. 048243
UDIN: 20048243AAAAAQ1126

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 and Nine months ended December 31, 2019

(₹ in Lakhs)

Sr. No.	Particulars	Three Months ended / As at			Nine Months ended/ As at		Year ended / As at
		December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018	March 31, 2019
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
POLICYHOLDERS' A/C							
1	Gross premium income						
	(a) First Year Premium	154,296	145,272	125,234	432,227	327,120	505,811
	(b) Renewal Premium	376,563	356,684	330,898	994,227	891,987	1,421,457
	(c) Single Premium	269,249	253,567	240,003	782,753	666,849	991,334
2	Net premium income[1]	785,430	745,368	689,768	2,175,914	1,867,651	2,892,401
3	Income from investments (Net)[2]	373,255	113,512	238,485	691,905	527,184	902,749
4	Other income	5,304	4,820	2,775	13,464	10,231	17,611
5	Transfer of funds from Shareholders' A/c	883	2,113	(678)	2,996	1,084	30,895
6	**Total (2 to 5)**	**1,164,872**	**865,813**	**930,350**	**2,884,279**	**2,406,150**	**3,843,656**
7	Commission on						
	(a) First Year Premium	25,726	26,793	17,784	78,364	50,702	78,394
	(b) Renewal Premium	6,048	6,351	5,553	15,752	13,392	21,372
	(c) Single Premium	3,421	3,410	2,892	9,856	8,320	12,003
8	**Net Commission[3]**	**35,195**	**36,554**	**26,229**	**103,972**	**72,414**	**111,769**
9	Operating Expenses related to insurance business (a+b)						
	(a) Employees remuneration and welfare expenses	41,540	43,090	33,950	124,028	103,058	140,822
	(b) Other operating expenses*	64,457	66,437	58,525	179,694	156,465	240,640
10	**Expenses of Management (8+9)**	**141,192**	**146,081**	**118,704**	**407,694**	**331,937**	**493,231**
11	Provisions for doubtful debts (including bad debts written off)	-	-	-	-	-	-
12	Provisions for diminution in value of investments[4]	4,957	5,792	(26)	19,158	7,324	9,056
13	Goods & Services Tax/Service Tax charge on linked charges	8,905	8,626	8,432	26,023	24,655	33,982
14	Provision for taxes	4,639	(2,437)	1,725	2,686	3,709	22,679
15	Benefits Paid[3] (Net)[1]	580,933	422,347	299,398	1,369,457	929,898	1,398,891
16	Change in actuarial liability	399,649	264,108	479,951	975,723	1,033,118	1,750,746
17	**Total (10+11+12+13+14+15+16)**	**1,140,275**	**844,517**	**908,184**	**2,800,741**	**2,330,641**	**3,708,585**
18	**Surplus/Deficit (6-17)**	**24,597**	**21,296**	**22,166**	**83,538**	**75,509**	**135,071**
19	**Appropriations**						
	(a) Transferred to Shareholders A/c	16,910	22,030	17,692	73,973	73,096	120,690
	(b) Funds for Future Appropriations	7,687	(734)	4,474	9,565	2,413	14,381
20	**Details of Surplus / Deficit**						
	(a) Interim bonus paid	1,397	806	1,018	3,831	2,312	6,137
	(b) Terminal bonus paid	22,907	20,760	13,402	56,697	28,290	51,290
	(c) Allocation of bonus to policyholders	-	-	-	-	-	77,681
	(d) Surplus shown in the Revenue Account	24,597	21,296	22,166	83,538	75,509	135,071
	Total Surplus	**48,901**	**42,862**	**36,586**	**144,066**	**106,111**	**270,179**
SHAREHOLDERS' A/C							
21	Transfer from Policyholders' Account	16,910	22,030	17,692	73,973	73,096	120,690
22	Total income under Shareholders' Account						
	(a) Investment Income	11,302	14,001	8,348	35,180	23,559	40,839
	(b) Other income	-	-	-	-	932	2,108
23	Expenses other than those related to insurance business	664	683	202	1,549	980	2,781
24	Transfer of funds to Policyholders' Account	883	2,113	(678)	2,996	1,084	30,895
25	Provisions for doubtful debts (including write off)	-	-	-	-	-	-
26	Provisions for diminution in value of investments[4]	304	558	868	1,881	1,062	973
27	**Profit before tax**	**26,361**	**32,677**	**25,648**	**102,727**	**94,461**	**128,988**
28	Provisions for tax	1,337	1,808	1,085	4,372	3,183	1,309
29	**Profit after tax and before Extraordinary items**	**25,024**	**30,869**	**24,563**	**98,355**	**91,278**	**127,679**
30	**Profit after tax and Extraordinary items**	25,024	30,869	24,563	98,355	91,278	127,679
31	**Dividend per share (₹) (Nominal value ₹ 10 per share)**						
	(a) Interim Dividend	-	-	-	-	-	1.63
	(b) Final Dividend	-	-	-	-	-	-
32	Profit carried to Balance Sheet[5]	425,757	400,733	330,644	425,757	330,644	327,403
33	Paid up equity share capital	201,861	201,767	201,726	201,861	201,726	201,738
34	Reserve & Surplus (excluding Revaluation Reserve)	465,008	437,834	367,207	465,008	367,207	364,088
35	Fair Value Change Account and Revaluation Reserve (Shareholders)	(1,066)	(4,125)	176	(1,066)	176	(301)
36	Total Assets:						
	(a) Investments:						
	- Shareholders'	604,405	530,350	480,194	604,405	480,194	504,979
	- Policyholders Fund excluding Linked Assets	6,559,485	6,264,371	5,319,398	6,559,485	5,319,398	5,712,446
	- Assets held to cover Linked Liabilities (Linked Assets)	6,481,170	6,306,432	5,970,496	6,481,170	5,970,496	6,337,741
	(b) Other Assets (Net of current liabilities and provisions)	(85,613)	4,143	(34,810)	(85,613)	(34,810)	(66,876)
	*Details of Expenses contributing more than 10% of the expense of management are as below -						
	Advertisement and publicity	26,562	27,437	23,243	73,933	62,834	98,365
	Business development expenses	16,903	13,964	15,692	39,996	37,706	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. — Chartered Accountants — MUMBAI

HDFC LIFE INSURANCE COMPANY LIMITED — MUMBAI

HDFC Life Insurance Company Limited
(Formerly HDFC Standard Life Insurance Company Limited)
Statement of Standalone Audited Results for the Quarter and Nine months ended December 31, 2019

(₹ in Lakhs)

Particulars	Three Months ended / As at			Nine Months ended/ As at		Year ended / As at
	December 31, 2019 (Audited)	September 30, 2019 (Audited)	December 31, 2018 (Audited)	December 31, 2019 (Audited)	December 31, 2018 (Audited)	March 31, 2019 (Audited)
Analytical Ratios:						
(i) Solvency Ratio	195%	192%	191%	195%	191%	188%
(ii) Expenses of Management Ratio	17.7%	19.3%	17.0%	18.5%	17.6%	16.9%
(iii) Policyholder's liabilities to shareholders' fund	1936.2%	1962.1%	1947.1%	1936.2%	1947.1%	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)	1.24	1.53	1.22	4.87	4.53	6.34
b) Diluted EPS before and after extraordinary items (net of tax expense) for the period (not annualized for three months)	1.24	1.53	1.22	4.87	4.52	6.32
(v) NPA ratios: (for Policyholders' fund)						
a) Gross NPAs						
- Non Linked						
Par	NIL	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL	NIL
- Linked						
Non Par	5,125.0	5,125.0	NIL	5,125.0	NIL	4,875.0
Net NPAs						
- Non Linked						
Par	NIL	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL	NIL
- Linked						
Non Par	NIL	NIL	NIL	NIL	NIL	3,250.0
b) % of Gross NPAs						
- Non Linked						
Par	NIL	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL	NIL
- Linked						
Non Par	0.1%	0.1%	NIL	0.1%	NIL	0.1%
% of Net NPA						
- Non Linked						
Par	NIL	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL	NIL
- Linked						
Non Par	NIL	NIL	NIL	NIL	NIL	0.1%
(vi) Yield on Investments (on Policyholders' fund)						
A. Without unrealised gains						
- Non Linked						
Par	2.3%	2.3%	1.9%	7.2%	5.3%	7.4%
Non Par	2.4%	2.2%	2.1%	7.0%	6.2%	8.4%
- Linked						
Non Par	1.6%	1.6%	1.4%	5.0%	5.4%	6.6%
B. With unrealised gains						
- Non Linked						
Par	2.7%	1.4%	5.4%	8.5%	6.3%	9.5%
Non Par	2.7%	2.0%	6.3%	9.6%	6.6%	9.6%
- Linked						
Non Par	3.2%	-0.8%	2.0%	3.2%	3.3%	7.5%
(vii) NPA ratios: (for Shareholders' fund)						
a) Gross NPAs	NIL	NIL	NIL	NIL	NIL	NIL
Net NPAs	NIL	NIL	NIL	NIL	NIL	NIL
b) % of Gross NPAs	NIL	NIL	NIL	NIL	NIL	NIL
% of Net NPAs	NIL	NIL	NIL	NIL	NIL	NIL
(viii) Yield on Investments (on Shareholders' fund)						
A. Without unrealised gains	1.9%	2.6%	1.7%	6.6%	5.4%	9.1%
B. With unrealised gains	2.3%	1.9%	4.1%	7.3%	4.5%	7.5%
(ix) Persistency Ratio						
13th month	88.8%	89.3%	84.2%	89.7%	86.4%	87.2%
25th month	80.2%	77.7%	78.6%	80.0%	79.8%	80.5%
37th month	71.5%	74.5%	68.5%	73.4%	71.9%	72.0%
49th month	63.6%	65.2%	65.2%	67.7%	65.7%	67.7%
61st month	52.6%	54.6%	49.1%	54.7%	50.1%	52.3%
(x) Conservation Ratio						
Participating Life- Individual & group	87.6%	84.2%	82.9%	84.6%	86.6%	84.4%
Participating Pension- Individual & group	88.6%	99.3%	96.2%	94.5%	88.5%	89.6%
Non Participating Life - Individual & group	72.1%	67.1%	85.5%	70.0%	87.7%	83.7%
Non Participating Pension - Individual & Group	86.1%	76.5%	75.4%	80.6%	82.3%	77.4%
Non Participating - Life Group Variable	NA	NA	NA	NA	NA	NA
Non Participating - Pension group variable	NA	NA	NA	NA	NA	NA
Non Participating Fund - Annuity	NA	NA	NA	NA	NA	NA
Non Participating Fund - Individual & Group Health	56.7%	73.7%	70.4%	64.0%	56.9%	57.6%
Unit Linked - Individual Life	83.5%	81.2%	82.1%	82.9%	83.2%	84.3%
Unit Linked - Individual Pension	73.9%	78.1%	80.7%	77.0%	82.3%	80.8%
Unit Linked - Group Life	NA	NA	NA	NA	NA	NA
Unit Linked - Group Pension	NA	NA	NA	NA	NA	NA

Notes :

1. Analytical ratios have been calculated as per definition given in IRDAI Analytical ratios disclosure.
2. The persistency ratios are calculated in accordance with the IRDAI circular no. IRDA/ACT/CIR/MISC/035/01/2014 dated January 23, 2014 and hence are with a lag of one month.
3. Group business, where persistency is measurable, has been included in the calculations. Rural business policies issued from FY 2018-19 onwards are included in persistency ratio
4. The persistency ratios for the quarter ended December 31, 2019 have been calculated for the policies issued in the September to November period of the relevant years. E.g.: the 13th month persistency for the current quarter is calculated for the policies issued from September 2018 to November 2018. The persistency ratios for quarter ended September 30, 2019 and December 31, 2018 have been calculated in a similar manner.
5. The persistency ratios for the nine months ended December 31, 2019 have been calculated for the policies issued in the December to November period of the relevant years. E.g.: the 13th month persistency for the current year is calculated for the policies issued from December 2017 to November 2018. The persistency ratios for nine months ended December 31, 2018 have
6. 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 LLPIN AAC - 5001 FRN: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 and Nine months ended December 31, 2019

(₹ in Lakhs)

Sr. No.	Particulars	Three Months ended			Nine Months ended		Year ended
		December 31, 2019 (Audited)	September 30, 2019 (Audited)	December 31, 2018 (Audited)	December 31, 2019 (Audited)	December 31, 2018 (Audited)	March 31, 2019 (Audited)
1	**Segment Income**						
A)	**Policyholders :**						
	Segment A - Participating - Individual & Group Life :						
	Net Premium	140,673	130,812	125,635	364,261	363,378	561,015
	Income from Investments[2]	56,908	59,877	50,607	177,490	128,524	182,271
	Transfer of Funds from shareholders' account	-	-	-	-	-	544
	Other Income	3,747	2,987	893	8,345	3,419	6,374
	Segment B - Participating - Individual & Group Pension :						
	Net Premium	5,089	5,045	5,730	13,710	14,191	21,888
	Income from Investments[2]	9,356	4,895	4,066	21,066	11,511	16,550
	Transfer of Funds from shareholders' account	-	-	-	-	-	3
	Other Income	59	44	36	149	90	190
	Segment C - Non Participating - Individual & Group Life :						
	Net Premium	213,604	223,432	144,821	637,097	406,247	639,475
	Income from Investments[2]	34,057	32,249	20,193	93,400	54,426	76,910
	Transfer of Funds from shareholders' account	532	1,846	-	2,378	-	20,013
	Other Income	394	725	156	1,752	403	640
	Segment D - Non Participating - Life Group Variable :						
	Net Premium	26,307	35,026	22,021	74,165	73,115	98,642
	Income from Investments[2]	5,492	5,481	4,353	16,235	11,486	16,124
	Transfer of Funds from shareholders' account	121	267	(370)	388	-	-
	Other Income	-	-	-	-	-	-
	Segment E - Non Participating - Individual & Group Pension :						
	Net Premium	24,013	6,992	15,575	40,676	51,662	69,946
	Income from Investments[2]	7,263	6,885	6,231	21,066	16,542	23,444
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	7	8	6	23	25	31
	Segment F - Non Participating - Pension Group Variable :						
	Net Premium	24,127	28,245	30,919	118,392	60,088	99,258
	Income from Investments[2]	7,101	6,864	4,143	20,566	11,791	16,631
	Transfer of Funds from shareholders' account	230	-	(308)	230	1,084	1,476
	Other Income	-	-	-	-	-	-
	Segment G - Non Participating - Annuity :						
	Net Premium	61,608	52,783	63,933	183,889	167,496	259,204
	Income from Investments[2]	18,007	14,622	9,444	46,622	21,817	33,106
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	24	19	24	70	79	121
	Segment H - Non Participating - Individual & Group Health :						
	Net Premium	2,755	2,939	3,103	7,166	8,423	12,469
	Income from Investments[2]	153	170	137	470	353	542
	Transfer of Funds from shareholders' account	-	-	-	-	-	1,580
	Other Income	5	5	8	17	26	35
	Segment I - Unit Linked - Individual Life :						
	Net Premium	246,112	220,266	240,002	631,802	626,154	978,698
	Income from Investments[2]	185,593	(33,594)	107,194	190,520	182,451	387,780
	Transfer of Funds from shareholders' account	-	-	-	-	-	7,278
	Other Income	1,063	1,030	1,649	3,095	6,176	10,197
	Segment J - Unit Linked - Individual Pension :						
	Net Premium	15,897	18,404	21,143	47,954	61,182	90,938
	Income from Investments[2]	29,533	2,654	11,270	47,243	52,570	96,176
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	5	5	4	13	14	23
	Segment K - Unit Linked - Group Life :						
	Net Premium	23,185	19,780	15,151	50,929	29,788	53,189
	Income from Investments[2]	12,570	8,065	17,599	35,159	23,615	38,020
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	-	-	-	-	-	-
	Segment L - Unit Linked - Group Pension :						
	Net Premium	2,060	1,646	1,734	5,873	5,928	7,678
	Income from Investments[2]	2,341	1,458	3,283	6,527	4,781	7,788
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	-	-	-	-	-	-
B)	**Shareholders :**						
	Income from Investments[2]	10,999	13,442	7,479	33,299	22,497	39,866
	Other Income	-	-	-	-	932	2,108

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

HDFC LIFE INSURANCE COMPANY LIMITED MUMBAI

G. M. KAPADIA & CO. Chartered Accountants MUMBAI

HDFC Life Insurance Company Limited
(Formerly HDFC Standard Life Insurance Company Limited)
Segment Reporting (Standalone) for the Quarter and Nine months ended December 31, 2019

(₹ in Lakhs)

Sr No.	Particulars	Three Months ended / As at			Nine Months ended/ As at		Year ended / As at
		December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018	March 31, 2019
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
2	**Segment Surplus/ Deficit (net of transfer from Shareholders' A/c) :**						
	Segment A - Participating - Individual & Group Life	7,928	113	3,235	11,291	(1,758)	20,971
	Segment B - Participating - Individual & Group Pension	2,459	1,546	1,239	5,000	4,171	7,874
	Segment C - Non Participating - Individual & Group Life	(532)	(8,664)	14,059	(2,378)	46,014	53,557
	Segment D - Non Participating - Life Group Variable	(121)	(322)	586	(388)	215	219
	Segment E - Non Participating - Individual & Group Pension	1,519	827	669	7,316	1,832	6,139
	Segment F - Non Participating - Pension Group Variable	(628)	160	308	(229)	(1,084)	(1,476)
	Segment G - Non Participating - Annuity	(560)	4,214	(191)	4,070	2,838	608
	Segment H - Non Participating - Individual & Group Health	2,331	1,830	1,028	4,620	1,590	4,283
	Segment I - Unit Linked - Individual Life	7,443	15,538	(2,417)	38,821	6,739	(7,278)
	Segment J - Unit Linked - Individual Pension	3,056	3,068	3,542	9,615	11,331	16,388
	Segment K - Unit Linked - Group Life	686	743	638	2,420	2,103	2,369
	Segment L - Unit Linked - Group Pension	131	126	148	385	435	522
	Total	**23,712**	**19,179**	**22,844**	**80,543**	**74,426**	**104,176**
	Shareholders	8,997	10,951	6,193	27,377	19,266	37,884
	Grand Total	**32,709**	**30,130**	**29,037**	**107,920**	**93,692**	**142,060**
3	**Segment Assets:**						
	Segment A - Participating - Individual & Group Life	2,926,480	2,870,562	2,741,605	2,926,480	2,741,605	2,812,121
	Segment B - Participating - Individual & Group Pension	278,249	270,624	252,642	278,249	252,642	259,814
	Segment C - Non Participating - Individual & Group Life	1,473,731	1,364,986	979,120	1,473,731	979,120	1,126,013
	Segment D - Non Participating - Life Group Variable	290,462	283,410	223,538	290,462	223,538	244,931
	Segment E - Non Participating - Individual & Group Pension	372,911	346,569	314,455	372,911	314,455	334,165
	Segment F - Non Participating - Pension Group Variable	332,024	355,432	224,881	332,024	224,881	266,948
	Segment G - Non Participating - Annuity	690,964	623,450	402,637	690,964	402,637	496,723
	Segment H - Non Participating - Individual & Group Health	4,575	2,441	4,831	4,575	4,831	5,490
	Segment I - Unit Linked - Individual Life	5,122,255	4,960,873	4,605,739	5,122,255	4,605,739	4,940,365
	Segment J - Unit Linked - Individual Pension	781,018	801,594	845,050	781,018	845,050	847,255
	Segment K - Unit Linked - Group Life	497,996	487,614	450,700	497,996	450,700	466,266
	Segment L - Unit Linked - Group Pension	91,084	89,540	92,543	91,084	92,543	94,036
	Total	**12,861,749**	**12,457,095**	**11,137,741**	**12,861,749**	**11,137,741**	**11,894,127**
	Shareholder	650,617	600,678	553,940	650,617	553,940	555,592
	Unallocated [3]	47,080	47,525	43,597	47,080	43,597	38,572
	Grand Total	**13,559,446**	**13,105,298**	**11,735,278**	**13,559,446**	**11,735,278**	**12,488,291**
4	**Segment Policy Liabilities[4] :**						
	Segment A - Participating - Individual & Group Life	2,859,513	2,821,263	2,672,445	2,859,513	2,672,445	2,729,353
	Segment B - Participating - Individual & Group Pension	264,197	254,477	238,099	264,197	238,099	241,566
	Segment C - Non Participating - Individual & Group Life	1,467,602	1,359,685	992,933	1,467,602	992,933	1,123,246
	Segment D - Non Participating - Life Group Variable	288,765	281,845	223,203	288,765	223,203	243,562
	Segment E - Non Participating - Individual & Group Pension	372,334	346,248	314,441	372,334	314,441	333,887
	Segment F - Non Participating - Pension Group Variable	330,828	354,457	224,844	330,828	224,844	265,681
	Segment G - Non Participating - Annuity	692,702	624,413	404,524	692,702	404,524	498,487
	Segment H - Non Participating - Individual & Group Health	5,471	5,587	5,300	5,471	5,300	5,456
	Segment I - Unit Linked - Individual Life	5,144,819	4,963,886	4,617,503	5,144,819	4,617,503	4,962,786
	Segment J - Unit Linked - Individual Pension	781,477	801,594	845,050	781,477	845,050	847,255
	Segment K - Unit Linked - Group Life	498,011	486,471	451,033	498,011	451,033	466,196
	Segment L - Unit Linked - Group Pension	91,083	89,540	92,543	91,083	92,543	94,036
	Total	**12,796,802**	**12,389,466**	**11,081,918**	**12,796,802**	**11,081,918**	**11,811,511**
	Shareholders	665,915	635,524	569,137	665,915	569,137	565,564
	Unallocated	-	-	-	-	-	-
	Grand Total	**13,462,717**	**13,024,990**	**11,651,055**	**13,462,717**	**11,651,055**	**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.

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HDFC LIFE INSURANCE COMPANY LIMITED MUMBAI

G. M. KAPADIA & CO. Chartered Accountants MUMBAI

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

Other disclosures :
Status of Shareholders Complaints as on December 31, 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 December 31, 2019	1
3	Investor complaints disposed of during the quarter ended December 31, 2019	1
4	Investor complaints remaining unresolved as on December 31, 2019	NIL



Notes:

1. The above results of the company for the quarter and period ended December 31, 2019 were reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on January 23, 2020.

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

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

4. During the quarter ended December 31, 2019, the Company has allotted 9,34,813 equity shares of face value of ₹10 each pursuant to exercise of employee stock options.

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

6. In accordance with the requirements of IRDAI Master Circular on "Preparation of Financial Statements and Filing Returns of Life Insurance Business" dated December 11, 2013, the Company will publish the financials on the company's website not later than February 14, 2020.

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

For and on behalf of the Board of Directors

Vibha Padalkar

Vibha Padalkar
Managing Director & CEO
(DIN: 01682810)

Mumbai
January 23, 2020

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

G. M. KAPADIA & CO. Chartered Accountants MUMBAI

HDFC LIFE INSURANCE COMPANY LIMITED MUMBAI

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

Review Report on Consolidated Financial Results for the quarter and nine months ended month December 31, 2019 of HDFC Life Insurance Company Limited (formerly known as HDFC Standard Life Insurance Company Limited)

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 and nine months ended December 31, 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.

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

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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 December 31, 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. Our conclusion is not modified in respect of this matter.

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. 71,251 ('000) and Rs. 324,557 ('000) and total net profit after tax of Rs. 9,112 ('000) and Rs. 23,031 ('000) for the quarter and nine months ended December 31, 2019 respectively, as considered in the consolidated unaudited financial results. According to the information and explanations given to us by the Management, these financial results are not material to the Group.

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

Price Waterhouse Chartered Accountants LLP
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Mumbai

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MUMBAI
Chartered Accountants

8. We were neither engaged to review, nor have we reviewed the comparative figures for the quarter and nine months ended December 31, 2018. Accordingly, we do not express any conclusion on the consolidated results in the Statement for the quarter and nine months ended December 31, 2018. As set out in note 7 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
Registration No.012754N/N500016

Akedia

Alpa Kedia
Partner
Membership No. 100681
UDIN: 20100681AAAAAD4764

Place: Mumbai
Date: January 23, 2020

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

Rajen Ashar
Partner
Membership No. 048243
UDIN: 20048243AAAAAR1717

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 and nine months ended December 31, 2019

(₹ in Lakh)

Sr. No.	Particulars	Three months ended			Nine Months ended		Year ended
		December 31, 2019 (Unaudited)	September 30, 2019 (Unaudited)	December 31, 2018 (Unaudited) (refer note 7)	December 31, 2019 (Unaudited)	December 31, 2018 (Unaudited) (refer note 7)	March 31, 2019 (Audited)
	POLICYHOLDERS' A/C						
1	Gross premium income						
	(a) First Year Premium	154,296	145,272	125,234	432,227	327,120	505,811
	(b) Renewal Premium	376,563	356,684	330,898	994,227	891,987	1,421,457
	(c) Single Premium	269,249	253,567	240,003	782,753	666,849	991,334
2	Net premium income[1]	785,498	745,687	689,887	2,176,903	1,867,942	2,893,067
3	Income from investments (Net)[2]	373,255	113,512	238,485	691,905	527,184	902,749
4	Other income	5,304	4,820	2,775	13,464	10,231	17,611
5	Transfer of funds from Shareholders' A/c	883	2,113	(678)	2,996	1,084	30,895
6	**Total (2 to 5)**	**1,164,940**	**866,132**	**930,469**	**2,885,268**	**2,406,441**	**3,844,322**
7	Commission on						
	(a) First Year Premium	25,726	26,793	17,784	78,364	50,702	78,394
	(b) Renewal Premium	6,048	6,351	5,553	15,752	13,392	21,372
	(c) Single Premium	3,421	3,410	2,892	9,856	8,320	12,003
8	**Net Commission[1]**	**35,195**	**36,554**	**26,229**	**103,972**	**72,414**	**111,769**
9	Operating Expenses related to insurance business (a+b)						
	(a) Employees remuneration and welfare expenses	41,540	43,090	33,950	124,028	103,058	140,822
	(b) Other operating expenses*	64,457	66,437	58,525	179,694	156,465	240,640
10	**Expenses of Management (8+9)**	**141,192**	**146,081**	**118,704**	**407,694**	**331,937**	**493,231**
11	Provisions for doubtful debts (including bad debts written off)	-	-	-	-	-	-
12	Provisions for diminution in value of investments[4]	4,957	5,792	(26)	19,158	7,324	9,056
13	Goods & Services Tax/Service Tax charge on linked charges	8,905	8,626	8,432	26,023	24,655	33,982
14	Provision for taxes	4,639	(2,437)	1,725	2,686	3,709	22,679
15	Benefits Paid[3] (Net)[5]	581,119	422,787	299,406	1,370,248	929,906	1,398,977
16	Change in actuarial liability	399,649	264,108	479,951	975,723	1,033,118	1,750,746
17	**Total (10+11+12+13+14+15+16)**	**1,140,461**	**844,957**	**908,192**	**2,801,532**	**2,330,649**	**3,708,671**
18	**Surplus/Deficit (6-17)**	**24,479**	**21,175**	**22,277**	**83,736**	**75,792**	**135,651**
19	**Appropriations**						
	(a) Transferred to Shareholders A/c	16,792	21,910	17,803	74,171	73,379	121,270
	(b) Funds for Future Appropriations	7,687	(734)	4,474	9,565	2,413	14,381
20	**Details of Surplus / Deficit**						
	(a) Interim bonus paid	1,397	806	1,018	3,831	2,312	6,137
	(b) Terminal bonus paid	22,907	20,760	13,402	56,697	28,290	51,290
	(c) Allocation of bonus to policyholders	-	-	-	-	-	77,681
	(d) Surplus shown in the Revenue Account	24,479	21,175	22,277	83,736	75,792	135,651
	Total Surplus	**48,783**	**42,741**	**36,697**	**144,264**	**106,394**	**270,759**
	SHAREHOLDERS' A/C						
21	Transfer from Policyholders' Account	16,792	21,910	17,803	74,171	73,379	121,270
22	Net Reinsurance Premium	401	600	361	1,559	951	1,853
23	Total income under Shareholders' Account		-				
	(a) Investment Income	11,516	14,211	8,503	35,808	23,941	41,427
	(b) Other income	33	25	9	76	956	2,144
24	Reinsurance Claims incurred	281	701	222	1,157	251	603
25	Expenses relating to reinsurance business & Change in reinsurance contract liabilities (net of reinsurance assets)	67	(117)	441	771	1,121	2,032
26	Expenses other than those related to insurance business	761	785	280	1,859	1,201	3,089
27	Transfer of funds to Policyholders' Account	883	2,113	(678)	2,996	1,084	30,895
28	Provisions for doubtful debts (including write off)	-	-	-	-	-	-
29	Provisions for diminution in value of investments[4]	304	558	868	1,881	1,062	973
30	**Profit before tax**	**26,446**	**32,706**	**25,543**	**102,950**	**94,508**	**129,102**
31	Provisions for tax	1,337	1,808	1,085	4,372	3,183	1,309
32	**Profit after tax and before Extraordinary items**	**25,109**	**30,898**	**24,458**	**98,578**	**91,325**	**127,793**
33	**Profit after tax and Extraordinary items**	25,109	30,898	24,458	98,578	91,325	127,793
34	**Dividend per share (₹) (Nominal value ₹ 10 per share)**						
	(a) Interim Dividend	-	-	-	-	-	1.63
	(b) Final Dividend	-	-	-	-	-	-
35	Profit carried to Balance Sheet[5]	425,177	400,068	329,773	425,177	329,773	326,598
36	Paid up equity share capital	201,861	201,767	201,726	201,861	201,726	201,738
37	Reserve & Surplus (excluding Revaluation Reserve)	464,541	437,095	366,014	464,541	366,014	362,784
38	Fair Value Change Account and Revaluation Reserve (Shareholders)	(1,066)	(4,125)	176	(1,066)	176	(301)
39	Total Assets:						
	(a) Investments:						
	- Shareholders'	606,159	530,219	478,797	606,159	478,797	503,600
	- Policyholders Fund excluding Linked Assests	6,559,485	6,264,371	5,319,398	6,559,485	5,319,398	5,712,446
	- Assets held to cover Linked Liabilities (Linked Assets)	6,481,170	6,306,432	5,970,496	6,481,170	5,970,496	6,337,741
	(b) Other Assets (Net of current liabilities and provisions)	(84,667)	6,761	(32,659)	(84,667)	(32,659)	(64,087)
	*Details of Expenses contributing more than 10% of the expense of management are as below -						
	Advertisement and publicity	26,562	27,487	23,243	73,933	62,834	98,365
	Business development expenses	16,903	13,964	15,692	39,996	37,706	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. Chartered Accountants 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 and nine months ended December 31, 2019

(₹ in Lakhs)

Particulars	Three Months ended			Nine Months ended		Year ended
	December 31, 2019 (Unaudited)	September 30, 2019 (Unaudited)	December 31,2018 (Unaudited) (refer note 7)	December 31, 2019 (Unaudited)	December 31,2018 (Unaudited) (refer note 7)	March 31, 2019 (Audited)
Analytical Ratios:						
(i) Solvency Ratio	195%	192%	191%	195%	191%	188%
(ii) Expenses of Management Ratio	17.7%	19.3%	17.1%	18.5%	17.6%	16.9%
(iii) Policyholder's liabilities to shareholders' fund	1938.0%	1964.9%	1951.6%	1938.0%	1951.6%	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)	1.24	1.53	1.21	4.89	4.54	6.34
b) Diluted EPS before and after extraordinary items (net of tax expense) for the period (not annualized for three months)	1.24	1.53	1.21	4.88	4.52	6.33
(v) NPA ratios: (for Policyholders' fund)						
a) Gross NPAs						
- Non Linked						
Par	NIL	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL	NIL
- Linked						
Non Par	5125.0	5125.0	Nil	5125.0	0.0	4875.0
Net NPAs						
- Non Linked						
Par	NIL	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL	NIL
- Linked						
Non Par	NIL	NIL	NIL	NIL	NIL	3250.0
b) % of Gross NPAs						
- Non Linked						
Par	NIL	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL	NIL
- Linked						
Non Par	0.1%	0.1%	NIL	0.1%	NIL	0.1%
% of Net NPA						
- Non Linked						
Par	NIL	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL	NIL
- Linked						
Non Par	NIL	NIL	NIL	NIL	NIL	0.1%
(vi) Yield on Investments (on Policyholders' fund)						
A. Without unrealised gains						
- Non Linked						
Par	2.3%	2.3%	1.9%	7.2%	5.3%	7.4%
Non Par	2.4%	2.2%	2.1%	7.0%	6.2%	8.4%
- Linked						
Non Par	1.6%	1.6%	1.4%	5.0%	5.4%	6.6%
B. With unrealised gains						
- Non Linked						
Par	2.7%	1.4%	5.4%	8.5%	6.3%	9.5%
Non Par	2.7%	2.0%	6.3%	9.6%	6.6%	9.6%
- Linked						
Non Par	3.2%	-0.8%	2.0%	3.2%	3.3%	7.5%
(vii) NPA ratios: (for Shareholders' fund)						
a) Gross NPAs	NIL	NIL	NIL	NIL	NIL	NIL
Net NPAs	NIL	NIL	NIL	NIL	NIL	NIL
b) % of Gross NPAs	NIL	NIL	NIL	NIL	NIL	NIL
% of Net NPAs	NIL	NIL	NIL	NIL	NIL	NIL
(viii) Yield on Investments (on Shareholders' fund)						
A. Without unrealised gains	1.9%	2.6%	1.7%	6.6%	5.4%	9.1%
B. With unrealised gains	2.3%	1.9%	4.1%	7.3%	4.5%	7.5%
(ix) Persistency Ratio						
13th month	88.8%	89.3%	84.2%	89.7%	86.4%	87.2%
25th month	80.2%	77.7%	78.6%	80.0%	79.8%	80.5%
37th month	71.5%	74.5%	68.5%	73.4%	71.9%	72.0%
49th month	63.6%	65.2%	65.2%	67.7%	65.7%	67.7%
61st month	52.6%	54.6%	49.1%	54.7%	50.1%	52.3%
(x) Conservation Ratio						
Participating life- Individual & group	87.6%	84.2%	82.9%	84.6%	86.6%	84.4%
Participating pension- Individual & group	86.6%	99.3%	96.2%	94.5%	88.5%	89.6%
Non Participating life - Individual & group	72.1%	67.1%	85.5%	70.0%	87.7%	83.7%
Non Participating pension - Individual & Group	86.1%	76.5%	75.4%	80.6%	82.3%	77.4%
Non Participating - Life Group Variable	NA	NA	NA	NA	NA	NA
Non Participating - Pension group variable	NA	NA	NA	NA	NA	NA
Non Participating fund - Annuity	NA	NA	NA	NA	NA	NA
Non Participating fund - Individual & Group Health	56.7%	73.7%	70.4%	64.0%	56.9%	57.6%
Unit Linked - Individual life	83.5%	81.2%	82.1%	82.9%	83.2%	84.3%
Unit Linked - Individual pension	73.9%	78.1%	80.7%	77.0%	82.3%	80.8%
Unit Linked - Group life	NA	NA	NA	NA	NA	NA
Unit Linked - Group pension	NA	NA	NA	NA	NA	NA

Notes :

1. Analytical ratios have been calculated as per definition given in IRDAI Analytical ratios disclosure.
2. The persistency ratios are calculated in accordance with the IRDAI circular no. IRDA/ACT/CIR/MISC/035/01/2014 dated January 23, 2014 and hence are with a lag of one month.
3. Group business, where persistency is measurable, has been included in the calculations. Rural business policies issued from FY 2018-19 onwards are included in persistency ratio calculations.
4. The persistency ratios for the quarter ended December 31, 2019 have been calculated for the policies issued in the September to November period of the relevant years. E.g.: the 13th month persistency for the current quarter is calculated for the policies issued from September 2018 to November 2018. The persistency ratios for quarter ended September 30, 2019 and December 31, 2018 have been calculated in a similar manner.
5. The persistency ratios for the nine months ended December 31, 2019 have been calculated for the policies issued in the December to November period of the relevant years. E.g.: the 13th month persistency for the current year is calculated for the policies issued from December 2017 to November 2018. The persistency ratios for nine months ended December 31, 2018 have been calculated in a similar manner.
6. 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 — LLPIN AAC-6001 — FRN-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 (Consolidated) for the Quarter and nine months ended December 31, 2019

(₹ in Lakhs)

Sr. No.	Particulars	Three Months ended			Nine Months ended		Year ended
		December 31, 2019 (Unaudited)	September 30, 2019 (Unaudited)	December 31, 2018 (Unaudited) (refer note 7)	December 31, 2019 (Unaudited)	December 31, 2018 (Unaudited) (refer note 7)	March 31, 2019 (Audited)
1	**Segment Income**						
A)	**Policyholders :**						
	Segment A - Participating - Individual & Group Life :						
	Net Premium	140,673	130,812	125,635	364,261	363,378	561,015
	Income from Investments[2]	56,908	59,877	50,607	177,490	128,524	182,271
	Transfer of Funds from shareholders' account	-	-	-	-	-	544
	Other Income	3,747	2,987	893	8,345	3,419	6,374
	Segment B - Participating - Individual & Group Pension :	-	-	-	-	-	-
	Net Premium	5,089	5,045	5,730	13,710	14,191	21,888
	Income from Investments[2]	9,356	4,895	4,066	21,066	11,511	16,550
	Transfer of Funds from shareholders' account	-	-	-	-	-	3
	Other Income	59	44	36	149	90	190
	Segment C - Non Participating - Individual & Group Life :	-	-	-	-	-	-
	Net Premium	213,671	223,752	144,940	638,087	406,537	640,141
	Income from Investments[2]	34,057	32,249	20,193	93,400	54,426	76,910
	Transfer of Funds from shareholders' account	532	1,846	-	2,378	-	20,013
	Other Income	394	725	156	1,752	403	640
	Segment D - Non Participating - Life Group Variable :	-	-	-	-	-	-
	Net Premium	26,307	35,027	22,021	74,165	73,115	98,642
	Income from Investments[2]	5,492	5,481	4,353	16,235	11,486	16,124
	Transfer of Funds from shareholders' account	121	267	(370)	388	-	-
	Other Income	-	-	-	-	-	-
	Segment E - Non Participating - Individual & Group Pension :	-	-	-	-	-	-
	Net Premium	24,013	6,992	15,575	40,676	51,662	69,946
	Income from Investments[2]	7,263	6,885	6,231	21,066	16,542	23,444
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	7	8	6	23	25	31
	Segment F - Non Participating - Pension Group Variable :	-	-	-	-	-	-
	Net Premium	24,127	28,245	30,919	118,392	60,088	99,258
	Income from Investments[2]	7,101	6,864	4,143	20,566	11,791	16,631
	Transfer of Funds from shareholders' account	230	-	(308)	230	1,084	1,476
	Other Income	-	-	-	-	-	-
	Segment G - Non Participating - Annuity :	-	-	-	-	-	-
	Net Premium	61,608	52,783	63,933	183,889	167,496	259,204
	Income from Investments[2]	18,007	14,622	9,444	46,622	21,817	33,106
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	24	19	24	70	79	121
	Segment H - Non Participating - Individual & Group Health :	-	-	-	-	-	-
	Net Premium	2,755	2,939	3,103	7,166	8,423	12,469
	Income from Investments[2]	153	170	137	470	353	542
	Transfer of Funds from shareholders' account	-	-	-	-	-	1,580
	Other Income	5	5	8	17	26	35
	Segment I - Unit Linked - Individual Life :	-	-	-	-	-	-
	Net Premium	246,112	220,266	240,002	631,802	626,154	978,698
	Income from Investments[2]	185,593	(33,594)	107,194	190,520	182,451	387,780
	Transfer of Funds from shareholders' account	-	-	-	-	-	7,278
	Other Income	1,063	1,030	1,649	3,095	6,176	10,197
	Segment J - Unit Linked - Individual Pension :	-	-	-	-	-	-
	Net Premium	15,897	18,404	21,143	47,954	61,182	90,938
	Income from Investments[2]	29,533	2,654	11,270	47,243	52,570	96,176
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	5	5	4	13	14	23
	Segment K - Unit Linked - Group Life :	-	-	-	-	-	-
	Net Premium	23,185	19,780	15,151	50,929	29,788	53,189
	Income from Investments[2]	12,570	8,065	17,599	35,159	23,615	38,020
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	-	-	-	-	-	-
	Segment L - Unit Linked - Group Pension :	-	-	-	-	-	-
	Net Premium	2,060	1,646	1,734	5,873	5,928	7,678
	Income from Investments[2]	2,341	1,458	3,283	6,527	4,781	7,788
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	-	-	-	-	-	-
B)	**Shareholders :**	-	-	-	-	-	-
	Income from Investments[2]	11,212	13,653	7,635	33,926	22,879	40,454
	Other Income	33	25	9	76	956	2,144

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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 (Consolidated) for the Quarter and nine months ended December 31, 2019

(₹ in Lakhs)

Sr No.	Particulars	Three Months ended / As at			Six Months ended / As at		Year ended /
		December 31, 2019 (Unaudited)	September 30, 2019 (Unaudited)	December 31, 2018 (Unaudited) (refer note 7)	December 31, 2019 (Unaudited)	December 31, 2018 (Unaudited) (refer note 7)	March 31, 2019 (Audited)
2	**Segment Surplus/ Deficit (net of transfer from shareholders' A/c) :**						
	Segment A - Participating - Individual & Group Life	7,928	113	3,235	11,291	(1,758)	20,971
	Segment B - Participating - Individual & Group Pension	2,459	1,546	1,239	5,000	4,171	7,874
	Segment C - Non Participating - Individual & Group Life	(650)	(8,784)	14,170	(2,180)	46,297	54,137
	Segment D - Non Participating - Life Group Variable	(121)	(322)	586	(388)	215	219
	Segment E - Non Participating - Individual & Group Pension	1,519	827	669	7,316	1,832	6,139
	Segment F - Non Participating - Pension Group Variable	(628)	160	308	(229)	(1,084)	(1,476)
	Segment G - Non Participating - Annuity	(560)	4,214	(191)	4,070	2,838	608
	Segment H - Non Participating - Individual & Group Health	2,331	1,830	1,028	4,620	1,590	4,283
	Segment I - Unit Linked - Individual Life	7,443	15,538	(2,417)	38,821	6,739	(7,278)
	Segment J - Unit Linked - Individual Pension	3,056	3,068	3,542	9,615	11,331	16,388
	Segment K - Unit Linked - Group Life	686	743	638	2,420	2,103	2,369
	Segment L - Unit Linked - Group Pension	131	126	148	385	435	522
	Total	**23,594**	**19,059**	**22,955**	**80,741**	**74,709**	**104,756**
	Shareholders	9,199	11,101	5,977	27,403	19,030	37,418
	Grant Total	**32,793**	**30,160**	**28,932**	**108,144**	**93,739**	**142,174**
3	**Segment Assets:**						
	Segment A - Participating - Individual & Group Life	2,926,480	2,870,562	2,741,605	2,926,480	2,741,605	2,812,121
	Segment B - Participating - Individual & Group Pension	278,249	270,624	252,642	278,249	252,642	259,814
	Segment C - Non Participating - Individual & Group Life	1,473,552	1,365,920	979,403	1,473,552	979,403	1,126,593
	Segment D - Non Participating - Life Group Variable	290,462	283,410	223,538	290,462	223,538	244,931
	Segment E - Non Participating - Individual & Group Pension	372,911	346,569	314,455	372,911	314,455	334,165
	Segment F - Non Participating - Pension Group Variable	332,024	355,432	224,881	332,024	224,881	266,948
	Segment G - Non Participating - Annuity	690,964	623,450	402,637	690,964	402,637	496,723
	Segment H - Non Participating - Individual & Group Health	4,575	2,441	4,831	4,575	4,831	5,490
	Segment I - Unit Linked - Individual Life	5,122,255	4,960,873	4,605,739	5,122,255	4,605,739	4,940,365
	Segment J - Unit Linked - Individual Pension	781,018	801,594	845,050	781,018	845,050	847,255
	Segment K - Unit Linked - Group Life	497,996	487,614	450,700	497,996	450,700	466,266
	Segment L - Unit Linked - Group Pension	91,084	89,540	92,543	91,084	92,543	94,036
	Total	**12,861,570**	**12,458,029**	**11,138,024**	**12,861,570**	**11,138,024**	**11,894,707**
	Shareholders	653,496	602,229	554,410	653,496	554,410	556,421
	Unallocated [3]	47,080	47,525	43,597	47,080	43,597	38,572
	Grant Total	**13,562,146**	**13,107,783**	**11,736,031**	**13,562,146**	**11,736,031**	**12,489,700**
4	**Segment Policy Liabilities[4] :**						
	Segment A - Participating - Individual & Group Life	2,859,513	2,821,263	2,672,445	2,859,513	2,672,445	2,729,353
	Segment B - Participating - Individual & Group Pension	264,197	254,477	238,099	264,197	238,099	241,566
	Segment C - Non Participating - Individual & Group Life	1,467,602	1,360,619	992,933	1,467,602	992,933	1,123,826
	Segment D - Non Participating - Life Group Variable	288,765	281,845	223,203	288,765	223,203	243,562
	Segment E - Non Participating - Individual & Group Pension	372,334	346,248	314,441	372,334	314,441	333,887
	Segment F - Non Participating - Pension Group Variable	330,828	354,457	224,844	330,828	224,844	265,681
	Segment G - Non Participating - Annuity	692,702	624,413	404,524	692,702	404,524	498,487
	Segment H - Non Participating - Individual & Group Health	5,471	5,587	5,300	5,471	5,300	5,456
	Segment I - Unit Linked - Individual Life	5,144,819	4,963,886	4,617,503	5,144,819	4,617,503	4,962,786
	Segment J - Unit Linked - Individual Pension	781,477	801,594	845,050	781,477	845,050	847,255
	Segment K - Unit Linked - Group Life	498,011	486,471	451,033	498,011	451,033	466,196
	Segment L - Unit Linked - Group Pension	91,083	89,540	92,543	91,083	92,543	94,036
	Total	**12,796,802**	**12,390,400**	**11,081,918**	**12,796,802**	**11,081,918**	**11,812,091**
	Shareholders	668,614	637,077	569,894	668,614	569,894	566,394
	Unallocated	-	-	-	-	-	-
	Grand Total	**13,465,416**	**13,027,477**	**11,651,812**	**13,465,416**	**11,651,812**	**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.

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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)

Other disclosures :
Status of Shareholders Complaints as on December 31, 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 December 31, 2019	1
3	Investor complaints disposed of during the quarter ended December 31, 2019	1
4	Investor complaints remaining unresolved as on December 31, 2019	Nil

HDFC LIFE INSURANCE COMPANY LIMITED
MUMBAI

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Notes:

1. The above results of the Group for the quarter and nine months ended December 31, 2019 were reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on January 23, 2020.

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

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

4. During the quarter ended December 31, 2019, the Parent company has allotted 9,34,813 equity shares of face value of ₹10 each pursuant to exercise of employee stock options.

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

6. The above consolidated financial results for the quarter and nine months ended December 31, 2019 have been reviewed by joint statutory auditors of the Company.

7. The consolidated figures for the quarter and nine months ended December 31, 2018 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
January 23, 2020

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

G. M. KAPADIA & CO. Chartered Accountants MUMBAI

HDFC LIFE INSURANCE COMPANY LIMITED MUMBAI

PRESS RELEASE - PERFORMANCE FOR THE NINE MONTHS ENDED DEC 31, 2019

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

45% growth in Value of New Business, 31% in APE

Other Key Highlights:

- **31% growth in Individual WRP**
- **26.6% New Business Margin**
- **19.0% Operating return on Embedded Value**
- **32% growth in Protection APE**
- **8% growth in PAT with 27% growth in backbook surplus**

Mumbai, January 23, 2020: The Board of Directors of HDFC Life approved and adopted today the consolidated and standalone audited financial results for the nine months ended December 31, 2019. Below is the summary of our standalone results:

Commenting on the 9M FY20 performance, Ms. Vibha Padalkar, MD & CEO said "We continue to deliver consistently across all key metrics, whilst maintaining our focus on profitable growth. Product innovation remains a key focus area for us, with our newly launched product Sanchay Par Advantage being received well. Expanding and diversifying our distribution mix continues to be a vital component of our strategy. We have sustained growth momentum across our proprietary channels, coupled with steady performance across our corporate partners. Our market share basis Individual WRP has increased by 160 basis points to 14.3%. These factors have positioned us to harness the long term growth potential of the life insurance industry and provide a sustainable value proposition to our customers, partners and shareholders."

Key Financial Summary

Rs Cr	9M FY20	9M FY19	YoY	FY19	FY18
Key Financial and Actuarial Metrics					
Individual APE	4,394	3,363	31%	5,204	4,887
Total APE	5,296	4,050	31%	6,260	5,532
New Business Premium (Indl + Group)	12,150	9,940	22%	14,971	11,350
Renewal Premium (Indl + Group)	9,942	8,920	11%	14,215	12,215
Total Premium	**22,092**	**18,860**	**17%**	**29,186**	**23,564**
Assets Under Management	1,36,451	1,17,701	16%	1,25,552	1,06,603
Networth (1)	6,670	5,690	17%	5,659	4,719
Profit After Tax	984	913	8%	1,277	1,109
Indian Embedded Value	20,841	17,397	20%	18,301	15,216
Value of new business	1,407	971	45%	1,537	1,282

Rs Cr	9M FY20	9M FY19	YoY	FY19	FY18
Protection based on APE	886	673	32%	1,045	624
Protection based on NBP	3,413	2,792	22%	4,042	2,942
Annuity based on NBP	1,839	1,675	10%	2,592	1,066

	9M FY20	9M FY19	FY19	FY18
Key Financial Ratios				
New Business Margins	26.6%	24.0%	24.6%	23.2%
Operating Return on EV (2)	19.0%	19.7%	20.1%	21.5%
Operating Expenses / Total Premium	13.8%	13.8%	13.2%	13.5%
Solvency Ratio	195%	191%	188%	192%
13M / 61M Persistency (3)	90%/55%	86%/50%	87%/52%	87%/51%
Product mix by Indl APE (UL / Non par savings / Non par protection / Par)	28/52/7/13	59/14/7/20	55/20/7/18	57/9/5/28
Distribution mix by Indl APE (Corp Agents/ Agency/ Broker/ Direct)	55/14/9/21	67/11/4/18	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 positive 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). Group business, where persistency is measurable, has been included in the calculations

Other key highlights for the nine months ending December 31, 2019:

- ***Private Market Share:*** 31% growth in Individual WRP, enabling us to increase our market share by 160 basis points to 14.3%. We have maintained our leadership position within the group segment, growing by 25%, resulting in a market share of 28.6%.

- ***New Business Lives:*** Total number of lives insured grew by 29% to 4.5 Cr during 9M FY20.

- ***Product Portfolio: We have recorde***d growth across all product segments, whilst maintaining a balanced product mix. Our savings business which includes unit linked, par and non-par segments, grew by 32%. With an eye to tap the protection space further, our Protection APE has grown by 32% in 9M FY20 over the corresponding period last year, to Rs 886 Cr. Our protection share basis APE is 16.7% in 9M FY20.

- ***Distribution Mix:*** Our diversified distribution mix is evidenced by the wide access to our customers with 270 plus partners, including more than 40 new-ecosystem partners as on December 31, 2019. This is further supplemented by our 421 branches spread across the country.

- ***Assets Under Management:*** As on December 31, 2019, our AUM is Rs. 1.4 lakh Cr. (Debt:Equity mix - 63:37; 96% debt investments are in G-Secs and AAA bonds as on December 31, 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.
- **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 December 31, 2019, the Company had 42 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. The count of our partnerships is in excess of 270, comprising traditional partners such as NBFCs, MFIs and SFBs, and includes more than 40 new-ecosystem partners. The Company has a strong base of financial consultants.

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

Disclaimer

Except for the historical information contained herein, statements in this release which contain words or phrases such as 'will', 'would', 'indicating', 'expected to' etc., and similar expressions or variations of such expressions may constitute 'forward-looking statements'. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion in business, the impact of any acquisitions, technological implementation and changes, the actual growth in demand for insurance products and services, investment income, cash flow projections, our exposure to market risks, policies and actions of regulatory authorities; impact of competition; experience with regard to mortality and morbidity trends, lapse rates and policy renewal rates; the impact of changes in capital , solvency or accounting standards , tax and other legislations and regulations in the jurisdictions as well as other risks detailed in the reports filed by HDFC Limited, our holding company, with the United States Securities and Exchange Commission. HDFC Life

undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

None of Company or any of its directors, officers, employees, agents or advisers, or any of their respective affiliates, advisers or representatives, undertake to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise and none of them shall have any liability (in negligence or otherwise) for any loss howsoever arising from any use of this press release or its contents or otherwise arising in connection. Further, nothing in this press release should be construed as constituting legal, business, tax or financial advice or a recommendation regarding the securities. Although Company believes that such forward-looking statements are based on reasonable assumptions, it can give no assurance that such expectations will be met. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of Company's management on future events. Forecasts and hypothetical examples are subject to uncertainty and contingencies outside Company's control. Past performance is not a reliable indication of future performance.

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

HDFC Life Insurance

Investor Presentation – 9M FY20














Agenda

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

Performance Snapshot
Our Strategy
Annexures
India Life Insurance



1 Performance Snapshot

Executive summary: 9M FY20

Scale

Company APE	Rs (Bn.)	53.0
	Growth	31%
Mkt. Share – Overall	CY (%)	21.4
	PY (%)	21.0
Mkt. Share – Individual	CY (%)	14.3
	PY (%)	12.6
AUM	Rs (Tn.)	1.4
	Growth	16%
NB Lives Insured	Mn	44.8
	Growth	29%

Profitability

New Business Margin	CY	26.6%
	PY	24.0%
IEV	Rs (Bn.)	208.4
EVOP	Growth	19.0%
Profit After Tax	Rs (Bn.)	9.8
	Growth	8%
Operating Exp. Ratio	CY	13.8%
	PY	13.8%

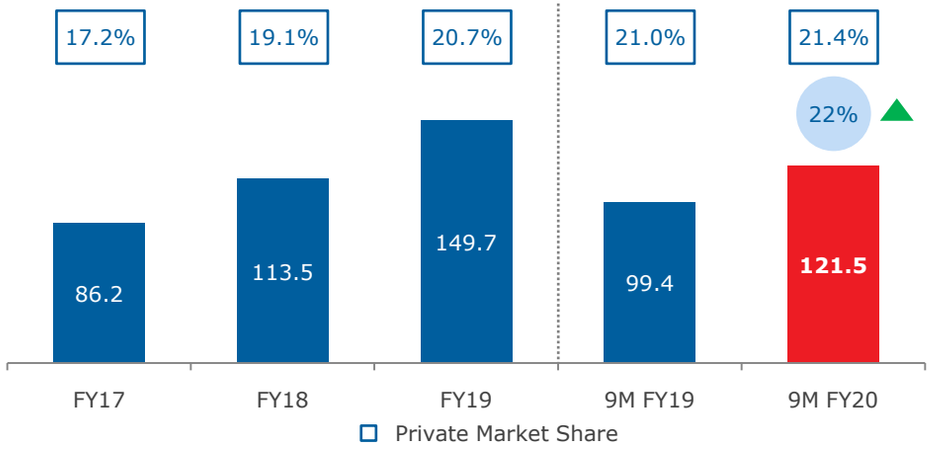
Customer centricity

13th month persistency[1]	CY	90%/87%
	PY	86%/82%
Protection – NBP	Rs (Bn.)	34.1
	Growth	22%
Protection – APE	Rs (Bn.)	8.9
	Growth	32%
Claim settlement ratio[2]	FY19	99.0%
	FY18	97.8%
Complaints per 10k policies	FY19	61
	FY18	70

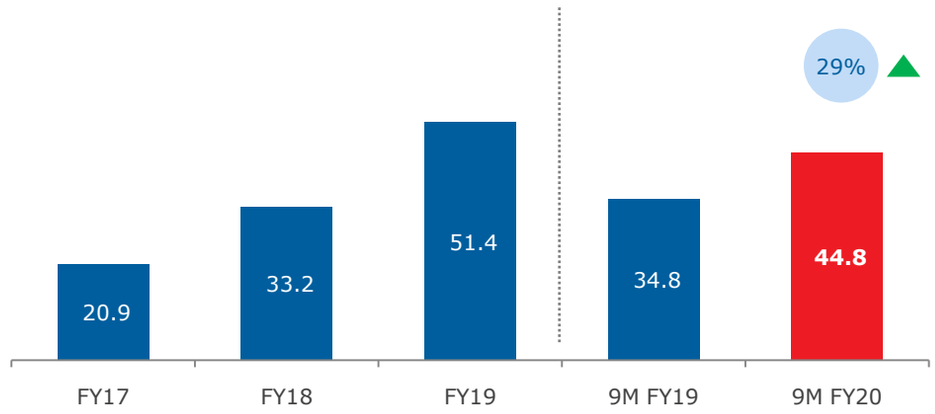
1. Persistency including group business/ Persistency for Individual business
2. Computed basis NOPs for Individual Business
The numbers throughout the presentation are based on standalone financial results of the Company

Consistent performance across key metrics (1/2)

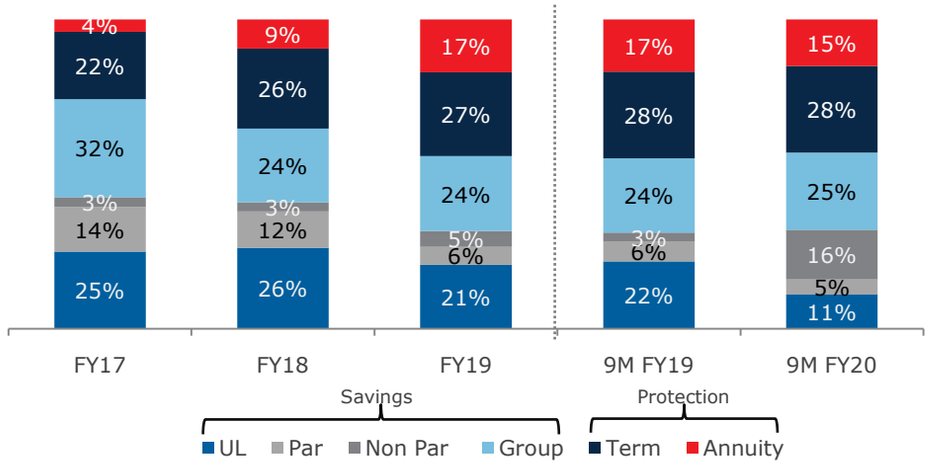
Leadership in new business premium (Rs Bn.)



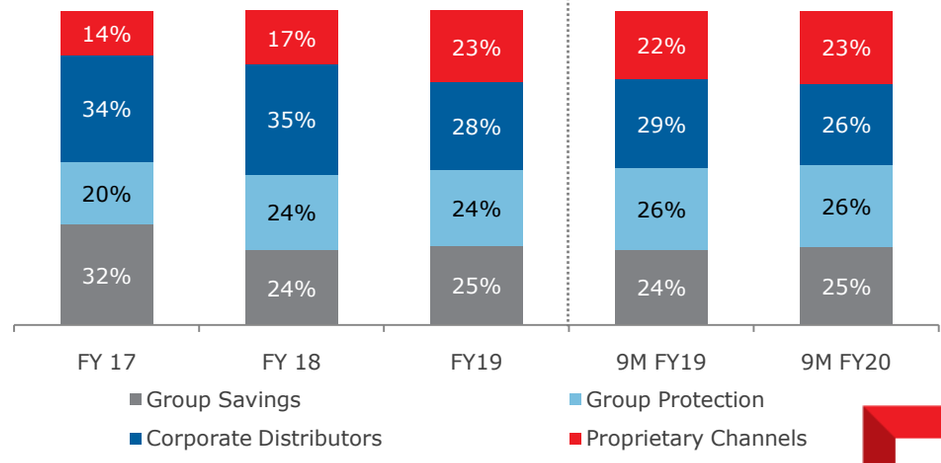
Increasing number of lives insured (Mn.)



Maintaining balanced product mix across cycles [1]



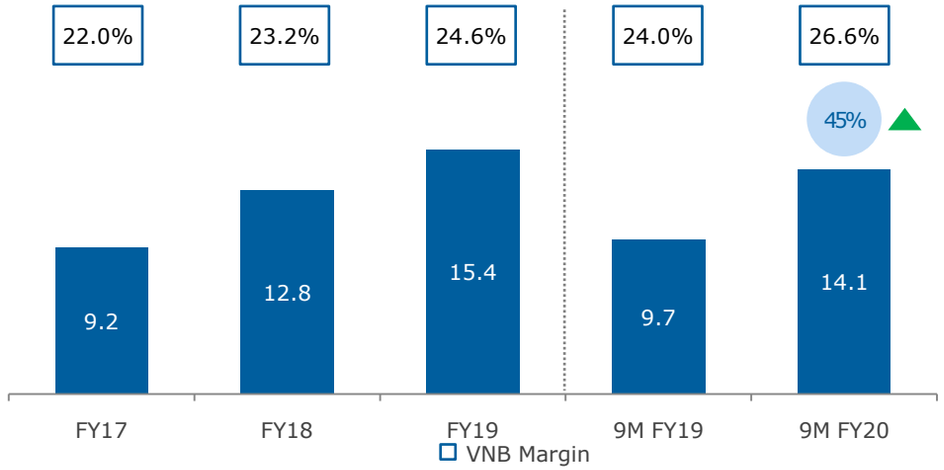
Focus on scaling proprietary channels [1]



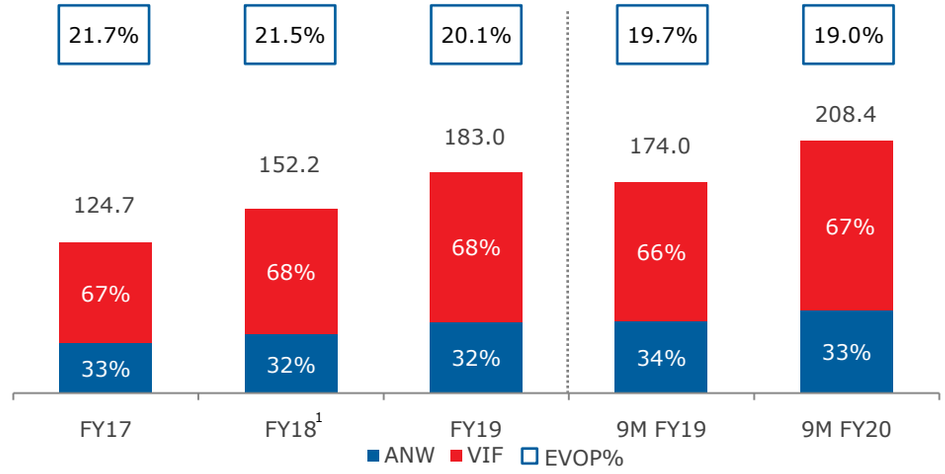
1. As a % Overall NBP

Consistent performance across key metrics (2/2)

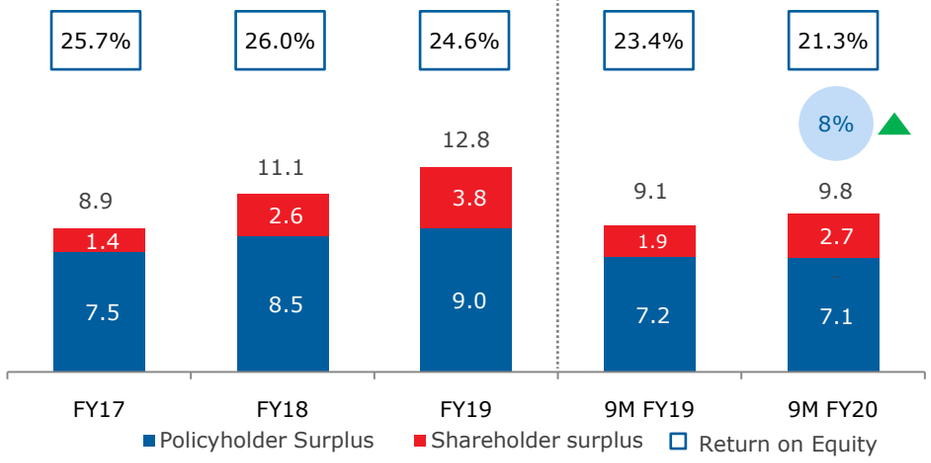
Strong growth in VNB, steady expansion in VNB margins (Rs Bn.)



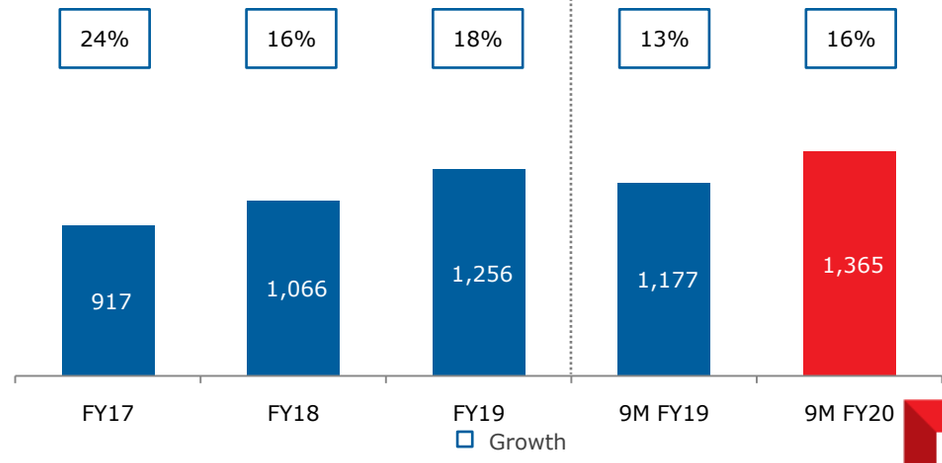
Healthy growth in Embedded Value (Rs Bn.)



Consistent growth in PAT (Rs Bn.)



Stable growth in AUM (Rs Bn.)



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

Performance Snapshot
Our Strategy
Annexures
India Life Insurance



2 Our Strategy

Key elements of our strategy

1

Focus on profitable growth

Ensuring sustainable and profitable growth by identifying and tapping new profit pools

2

Balanced distribution mix

Developing multiple channels of growth to drive need-based selling

3

Market-leading innovation

Identifying latent customer needs to create new product propositions

4

Reimagining insurance

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

5

Quality of Board and management

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

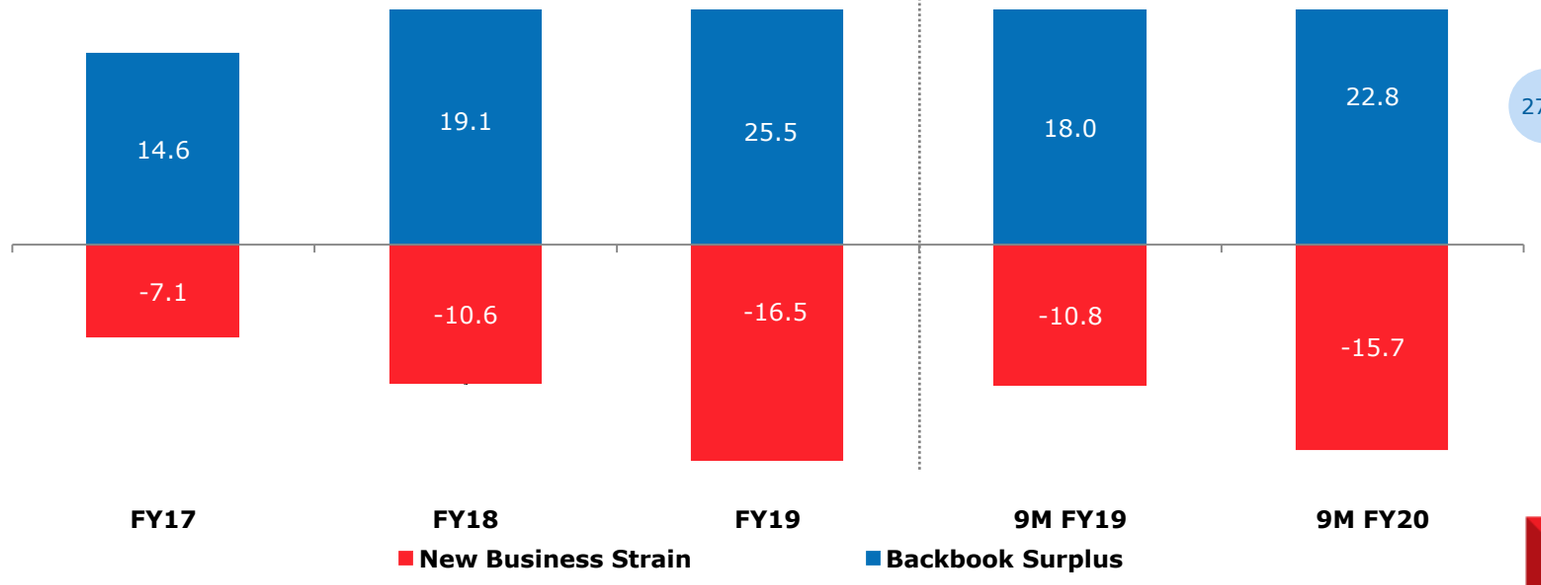
Maintaining a diversified distribution mix and profitable product suite powered by technology and backed by a customer-centric approach

Focus on profitable growth

Rs Bn.

	FY17	FY18	FY19	9M FY19	9M FY20
Economic Profit: New business Margin	22.0%	23.2%	24.6%	24.0%	26.6%
Economic Profit: Value of new business	9.2	12.8	15.4	9.7	14.1
Accounting Profit: Profit after tax (PAT)	8.9	11.1	12.8	9.1	9.8
Accounting Profit: Underwriting profits	7.5	8.5	9.0	7.2	7.1
Accounting Profit: Shareholders' surplus	1.4	2.6	3.8	1.9	2.7

Underwriting profits breakup



Profitable growth

Balanced distribution mix

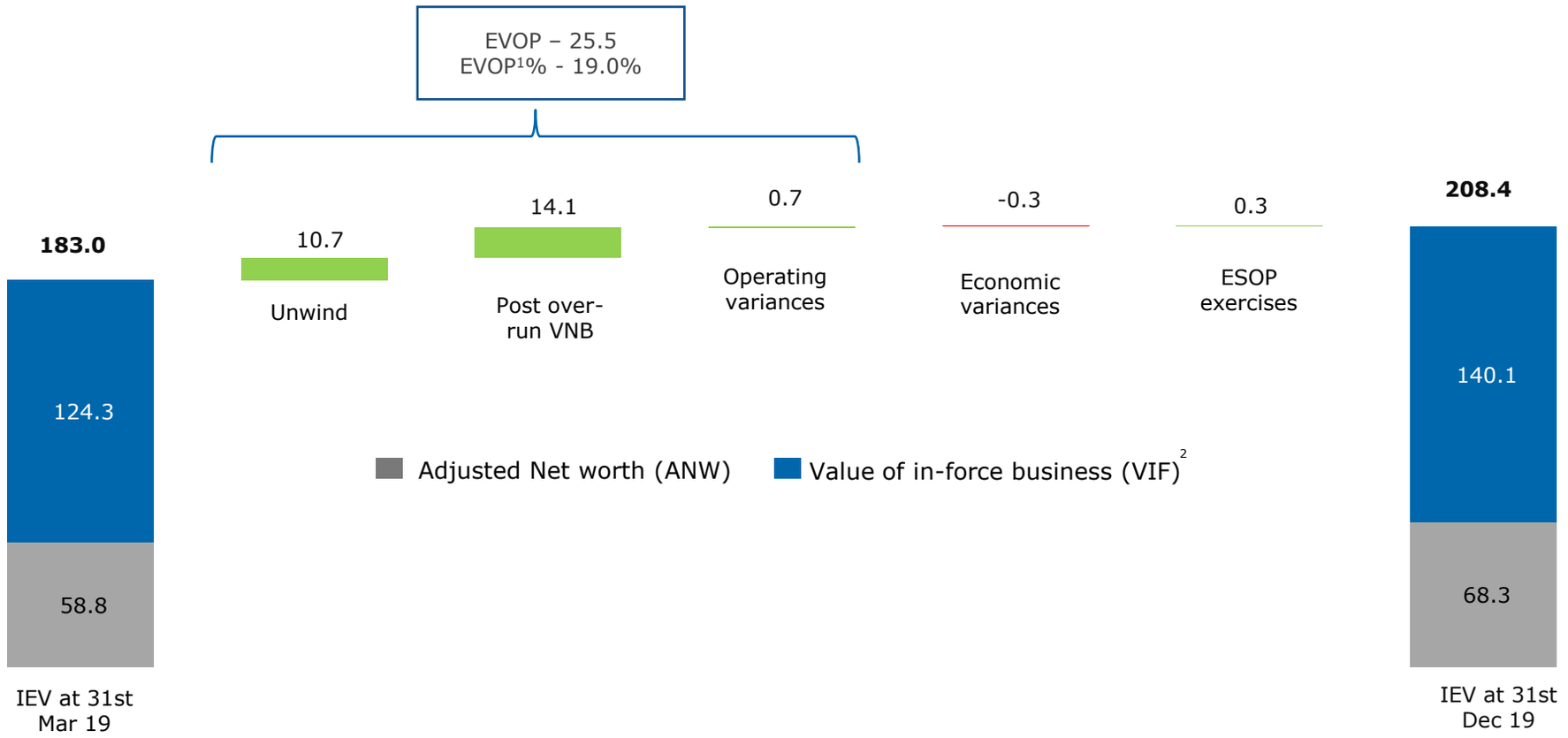
Market leading innovation

Reimagining insurance

Quality of Board and management

Analysis of change in IEV

Rs Bn.

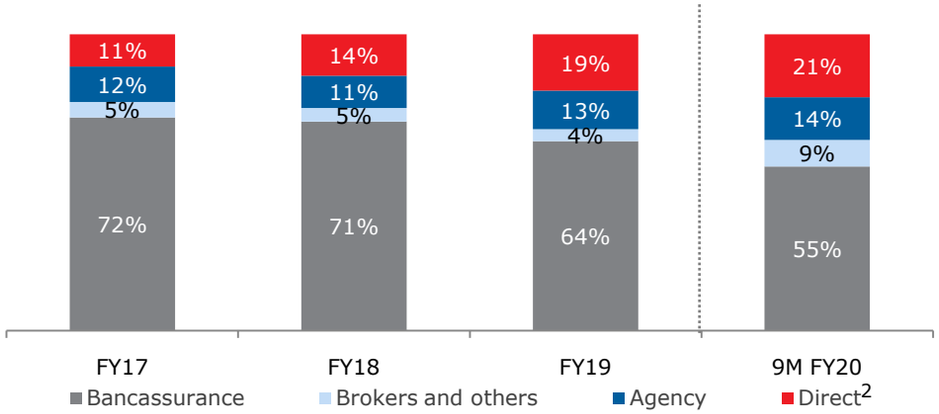


- Consistently delivered healthy operating returns on EV
- Positive operating variances in the last 10 years
- Operating experience for the period closely tracking our assumptions

1. *EVOP% calculated as annualised EVOP (Embedded Value Operating Profit) to Opening EV*
2. *Market value changes in policyholder assets are reflected in VIF in Dec'19, as against Networth in Mar'19. Basis the revised methodology, the VIF proportion would have been higher in Mar'19 by 1%.*

Balanced distribution mix

Increasing share of proprietary channels [1]



Strong and diversified network of 230+ traditional partners

Banks

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

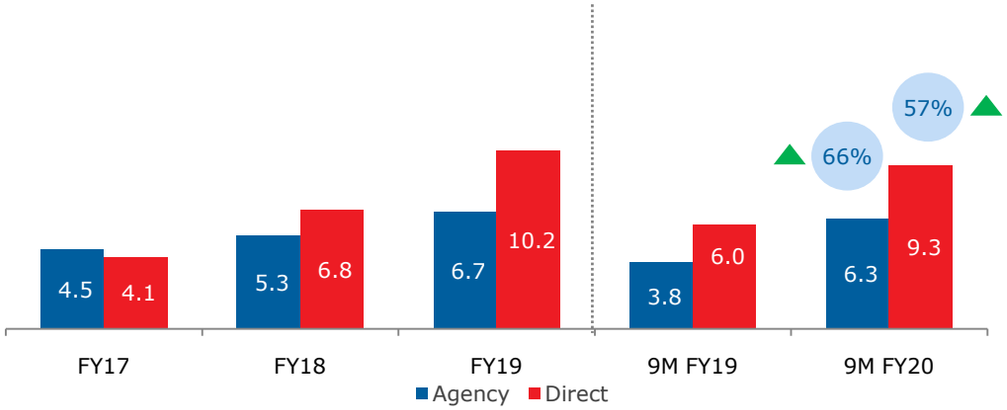
NBFCs and MFIs

Chola
TATA CAPITAL
BAJAJ FINANCE LIMITED
HDFC securities
HDFC SALES
muthoot MICROFIN
MANAPPURAM FINANCE LIMITED
pnb Housing Finance Limited
HDB FINANCIAL SERVICES

SFBs

equitas Small Finance Bank
SURYODAY A BANK OF SMILES
ujjivan
Utkarsh Small Finance Bank
Capital Small Finance Bank

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



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

Health	Ecommerce	Mobility	Telecom	Mutual Fund	Fintech
Apollo Health and Lifestyle Ltd	paytm	Uber	airtel	AXIS MUTUAL FUND	HOME CREDIT
HEALTHSPRING FAMILY HEALTH EXPERTS	Quikr				FLEXILOANS

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

1. Basis Individual APE
2. Direct includes Online channel

Progress by proprietary channels

Agency

57% - Increase in **FC (Financial Consultant) productivity** due to greater engagement and ease of doing business

91% - Robust **13th month persistency** due to sustained focus on quality of business

35% - Increase in recruitment of **high productivity FC profiles** (Housewives, Retirees, Financial Distributors)

Better profiling and re-skilling - of FLS resulted in higher productivity

Direct

77% - Adoption of **i-earn**, a hyper personalization app

137% - Growth in usage of **InstaGo**, a geo-tagging based **lead management tool**, during Q3

New growth engines – Greater investments in select affinity channels (e.g. defence, paramilitary etc.)

Expansion – Geographic presence expansion to additional branches for a sub-channel yielded positive results

Online

31- Average age of customers; significantly **younger** compared to other channels' average

Single journey – launched for Term + Savings **combination product** for online partners

2/3rd – Share of Savings in the **diversified product mix;** focus shifted from simple Term products

ML capability – used successfully for Term and now **extended** to other product categories to increase leads and reduce cost per lead

Profitable growth

Balanced distribution mix

Market leading innovation

Reimagining insurance

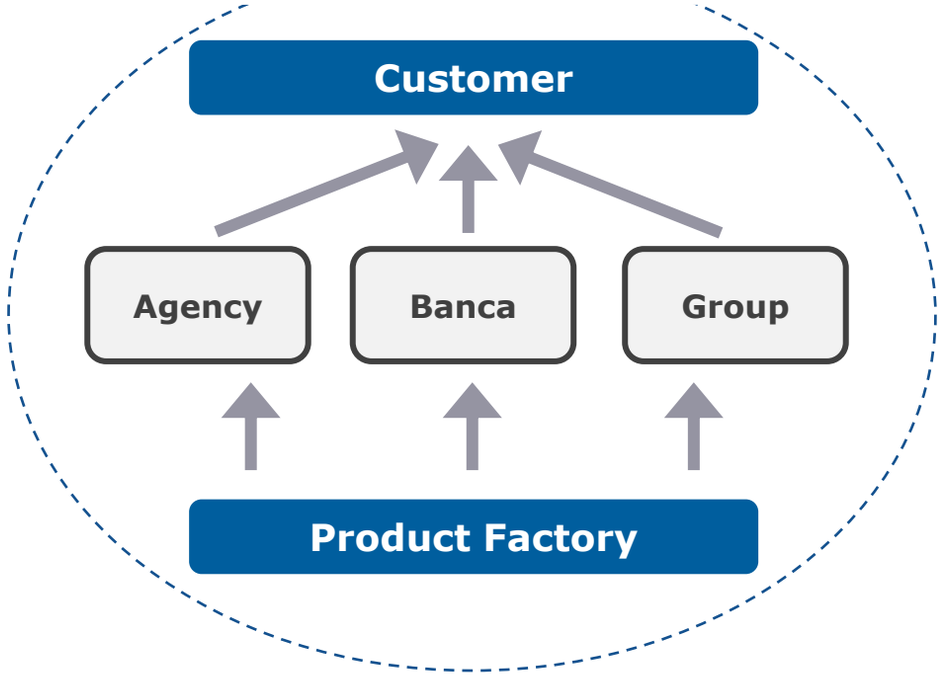
Quality of Board and management

With key building blocks in place, proprietary channels well poised for next phase of growth

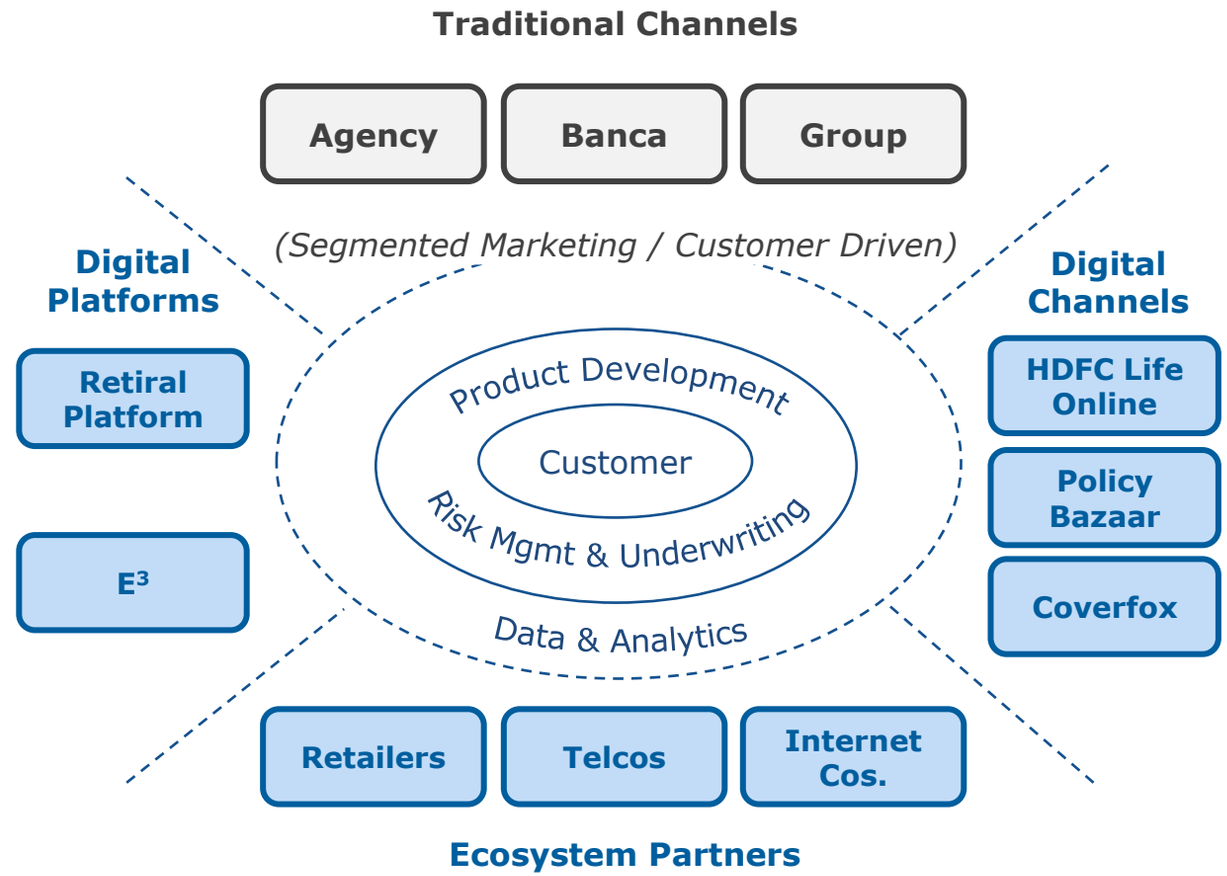
Operating model moved from product centric to being customer centric

From the Traditional Insurer…

(Top Line Marketing / Product Driven)

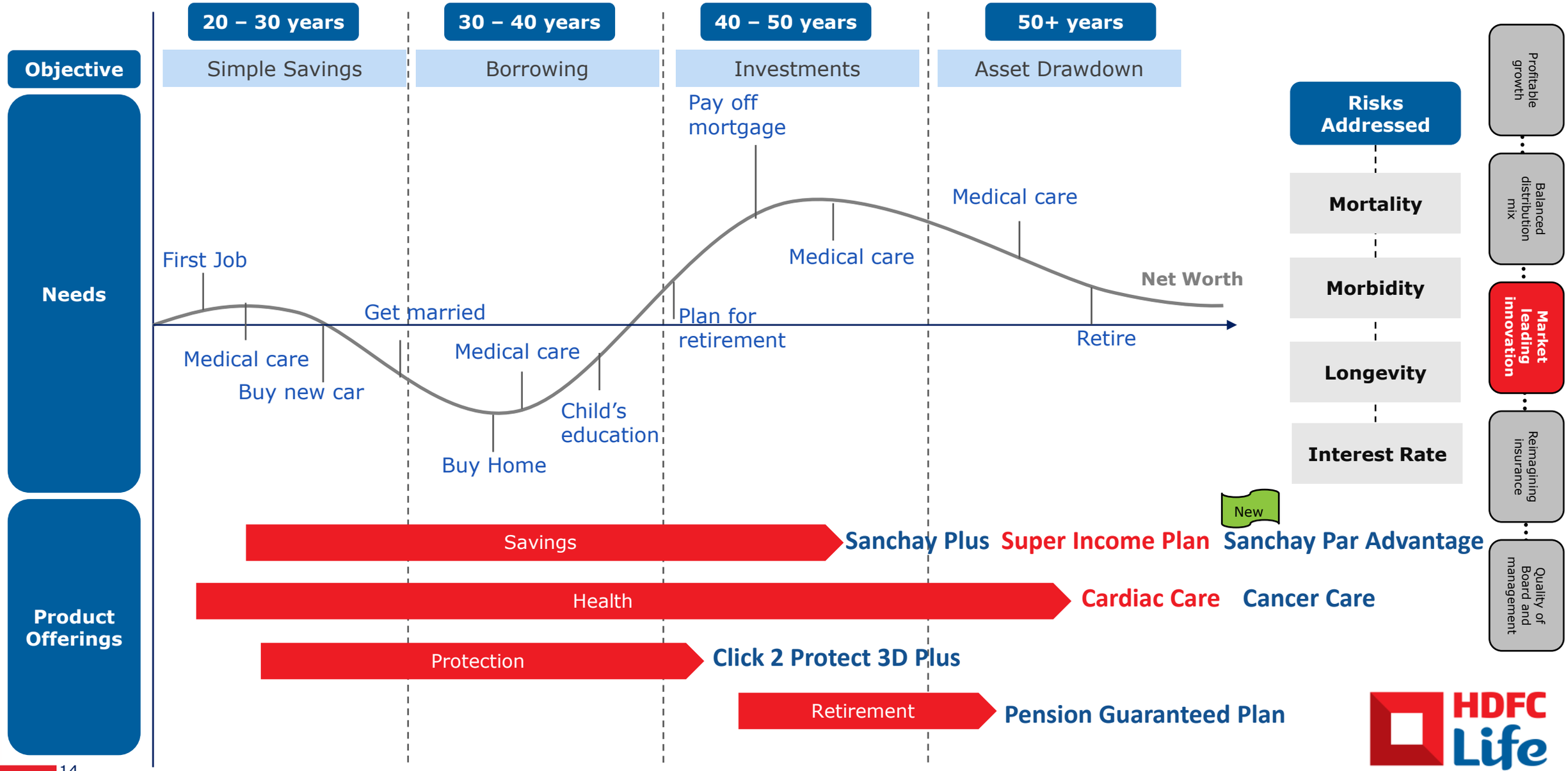


… to the Insurer of the Future

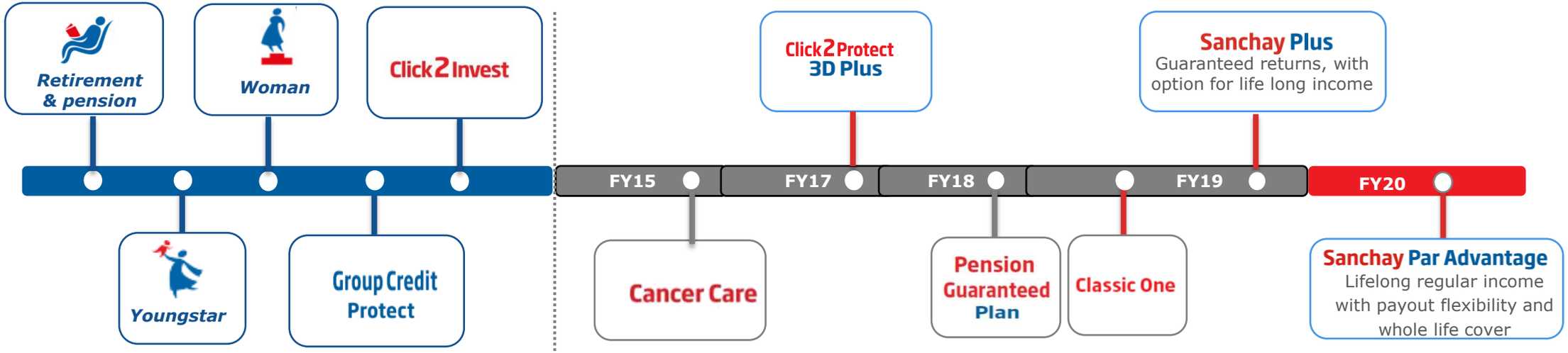


- Profitable growth
- Balanced distribution mix
- **Market leading innovation**
- Reimagining insurance
- Quality of Board and management

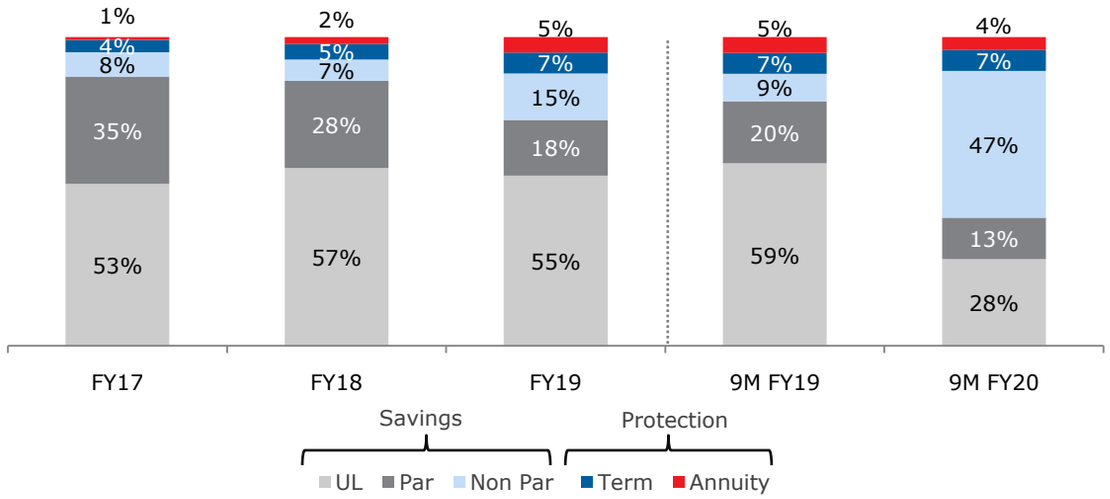
Addressing customer needs at every stage of life



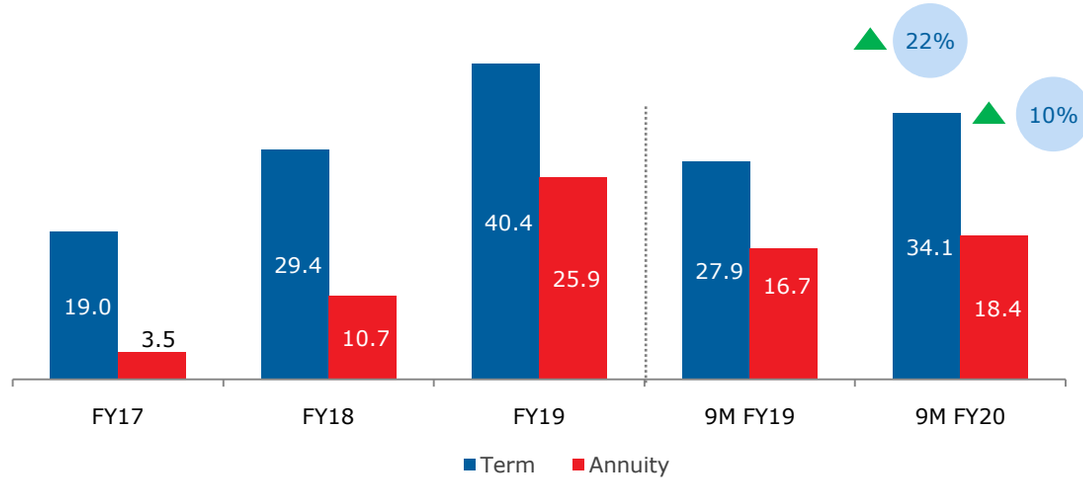
Expanding market through consistent product innovation



Diversified product suite helps in managing business cycles [1]



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



1. As a % of individual APE

2. Based on new business premium

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

Product mix across key channels[1]

Banca [2]

Segment	FY17	FY18	FY19	9M FY20
UL	61%	64%	67%	36%
Par	30%	26%	14%	11%
Non par savings	8%	8%	15%	50%
Term	1%	1%	2%	2%
Annuity	0%	1%	2%	2%

Agency

Segment	FY17	FY18	FY19	9M FY20
UL	26%	33%	26%	12%
Par	57%	48%	40%	26%
Non par savings	6%	5%	17%	50%
Term	11%	11%	12%	10%
Annuity	2%	3%	5%	3%

Direct

UL	47%	58%	50%	33%
Par	29%	17%	8%	10%
Non par savings	11%	9%	12%	24%
Term	6%	5%	6%	4%
Annuity	7%	11%	24%	28%

Online

UL	51%	47%	43%	30%
Par	3%	1%	1%	11%
Non par savings	1%	0%	15%	26%
Term	45%	52%	34%	29%
Annuity	0%	0%	6%	3%

Company

Segment	FY17	FY18	FY19	9M FY20	Q3 FY20
UL	53%	57%	55%	28%	33%
Par	35%	28%	18%	13%	21%
Non par savings	8%	7%	15%	47%	35%
Term	4%	5%	7%	7%	8%
Annuity	1%	2%	5%	4%	4%

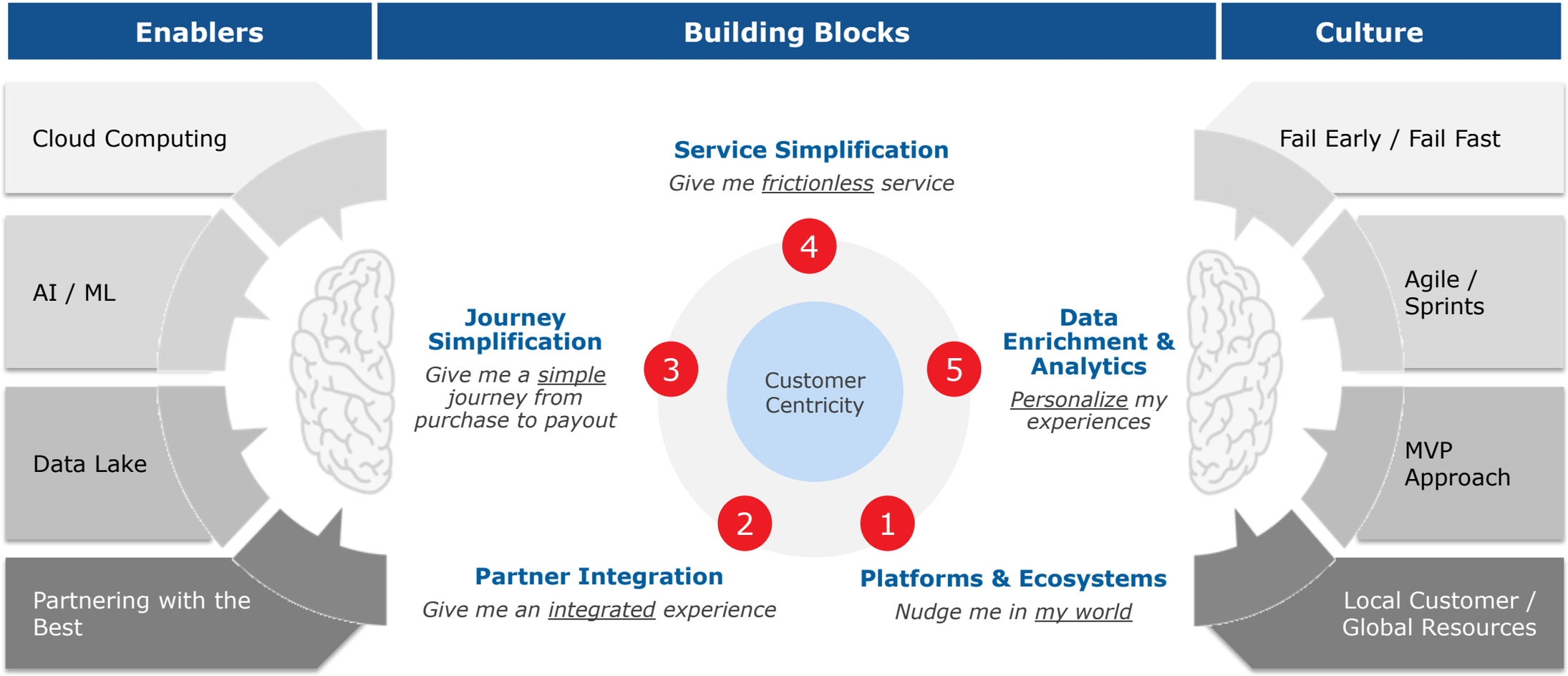
Protection

Total APE	FY17	FY18	FY19	9M FY20
Term	8%	11%	17%	17%
Annuity	1%	2%	4%	3%
Total	**9%**	**13%**	**21%**	**20%**

Total NBP	FY17	FY18	FY19	9M FY20
Term	22%	26%	27%	28%
Annuity	4%	9%	17%	15%
Total	**26%**	**35%**	**44%**	**43%**

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
Reimagining insurance
Quality of Board and management

Simplifying the customer journey using 5 building blocks

Platforms and Ecosystems

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

Life99 Retire with pride

- One stop shop for retirement planning

Partner Integration

Products and services built on API for ease of partner integration

InstaInsure

- **Pre-approved sum assured** – Partner integrated KYC and income verification
- **Quick easy to understand form filling** – Seamless and customer friendly user interface
- **3-step buying journey** – End-to-end digital journey enabling partner's customers to buy the policy

Journey Simplification

Customer sales journeys simplified via mobility applications for sales force

Insta Suite

- Bringing our technological capabilities on the mobile platform in order to empower sales force

Insta Mix | Insta mSD | Insta FR | Insta Verify | Insta Ser✓2.0 | Insta GO

InstaQuote!

HelloSelfie

Service Simplification

Simplified solutions for customers across the value chain

- **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, current usages at ~17 million+ queries per month
- **Robotic Process Automation:** ~185+ bots deployed

Data Enrichment and Analytics

Continuous improvement in raw data by gaining deeper insight into our customers' lives

- **Artificial Intelligence:** Use of predictive analysis for persistency, underwriting and claims (fraud prevention)
- **Big Data / Customer 360:** Brings all customer data – interactions, transactions & relationships in one place, in real time
- **Cloud Storage:** Data Lake (repository for entire enterprise data management)

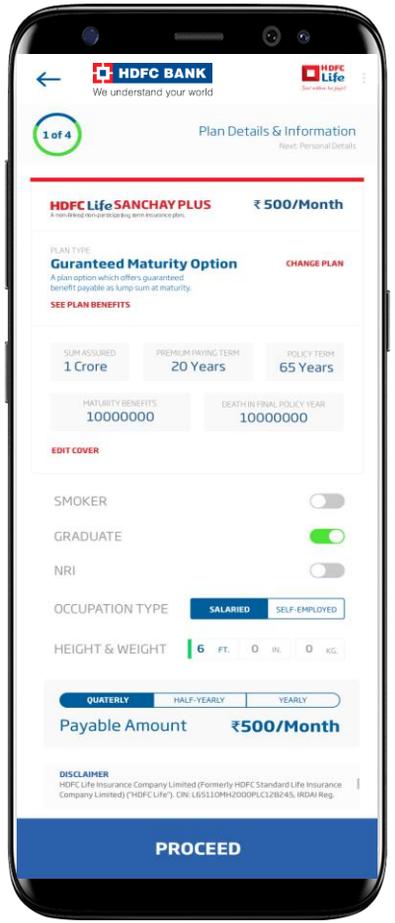
  Lead Lake (For effective lead storage & enrichment)

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

HDFC Life

Partner Integration: InstaInsure

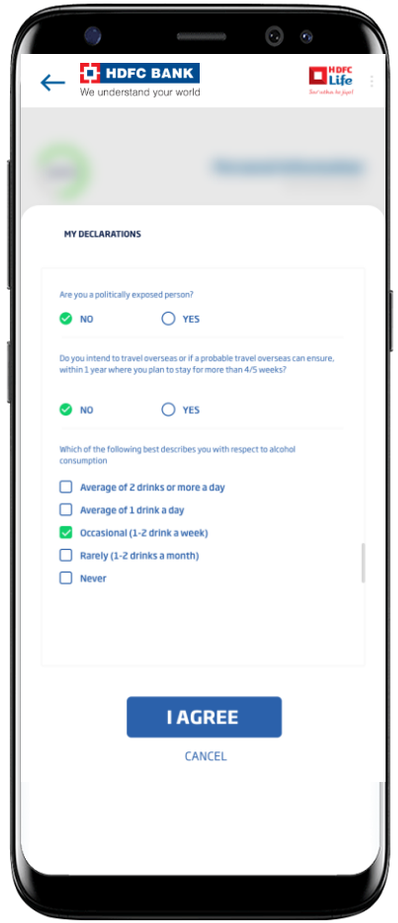
Intuitive user interface integrated in web and mobile

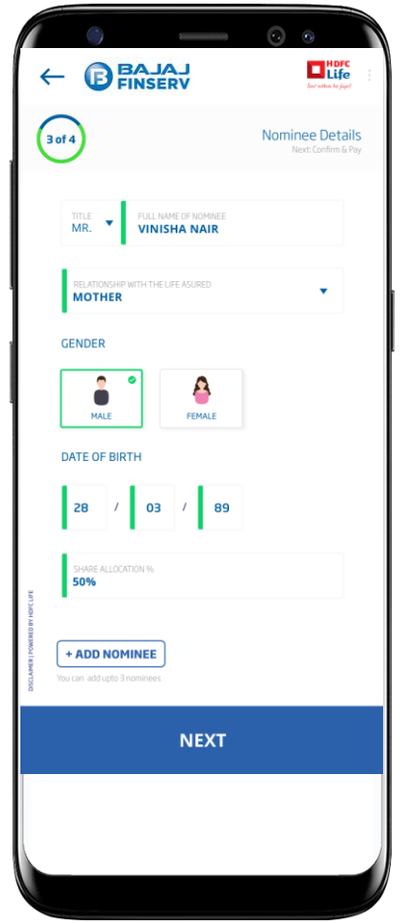


Quick customer journey

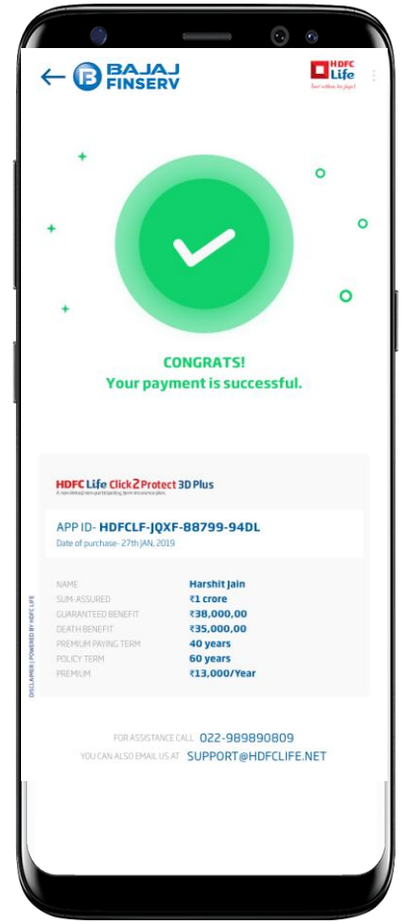


Relevant questions asked



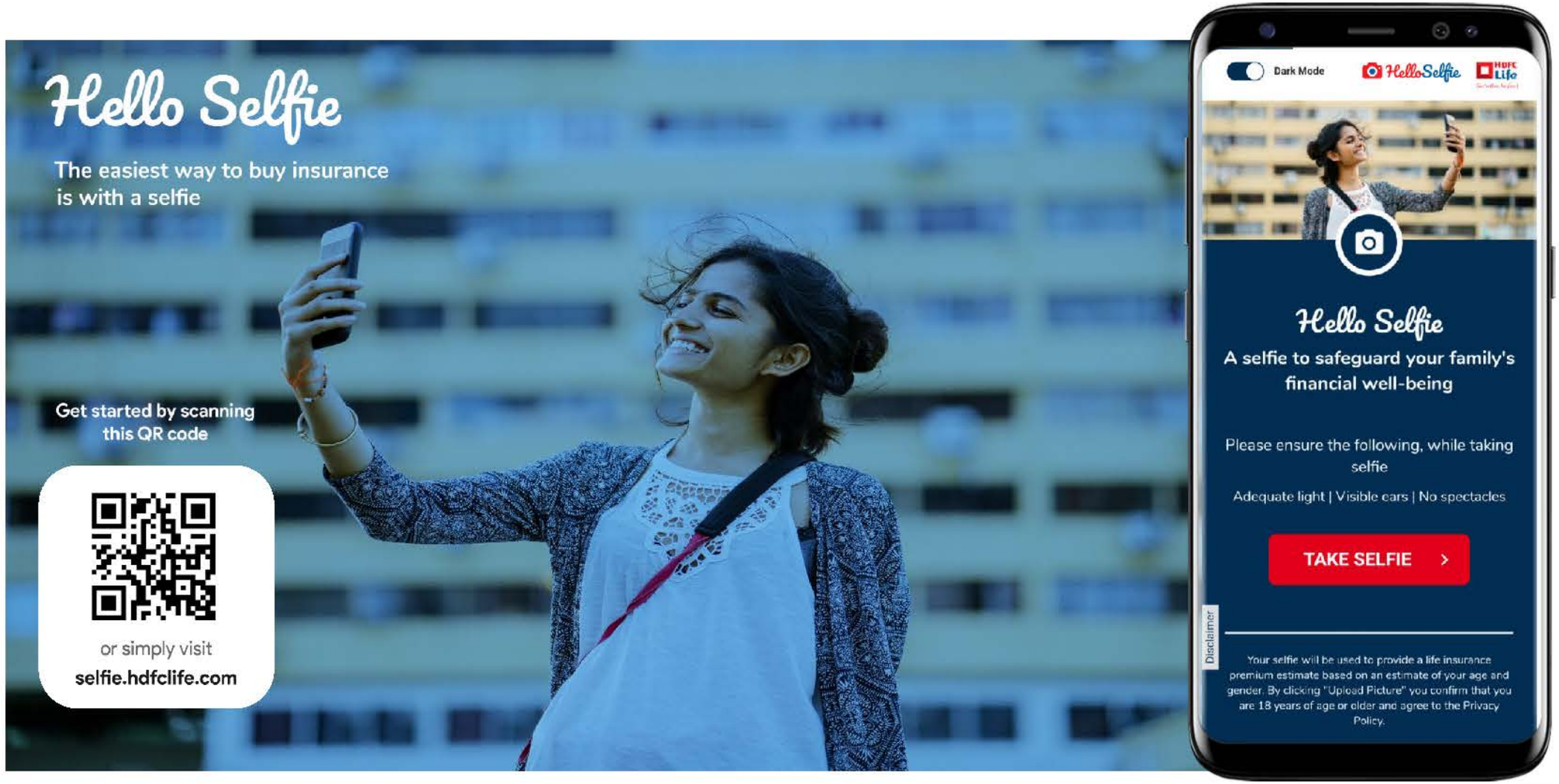


Faster policy issuance



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

Journey Simplification: Hello Selfie, Buy Insurance with a Selfie



Profitable growth

Balanced distribution mix

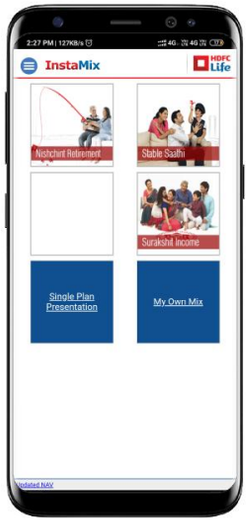
Market leading innovation

Reimagining insurance

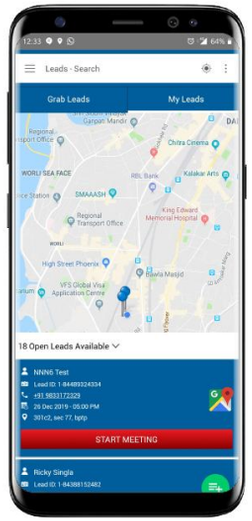
Quality of Board and management

Journey Simplification: Mobility Application Suite

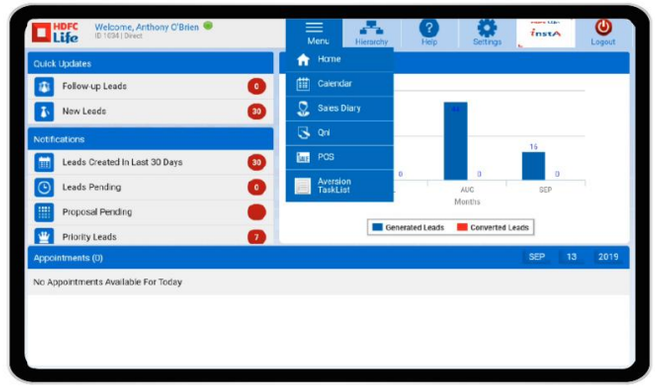
Prospecting | Lead Creation | Lead Fulfilment | Form Filling | Online Payment | E-Signature | Upload doc | FR (Further Requirement) Fulfilment | Verification | Support



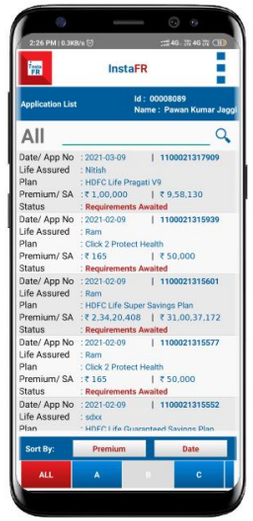
Insta Mix
(Prospect pitching tool)



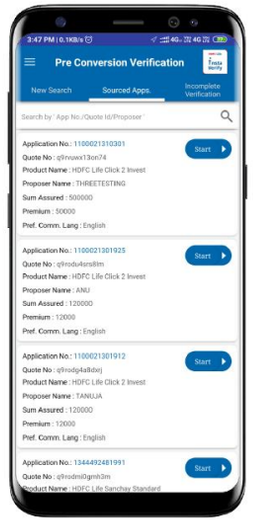
Insta GO
(Geo based lead management)



mSD
(Customer onboarding)



Insta FR
(Document upload manager)



Insta Verify
(Digital verification)

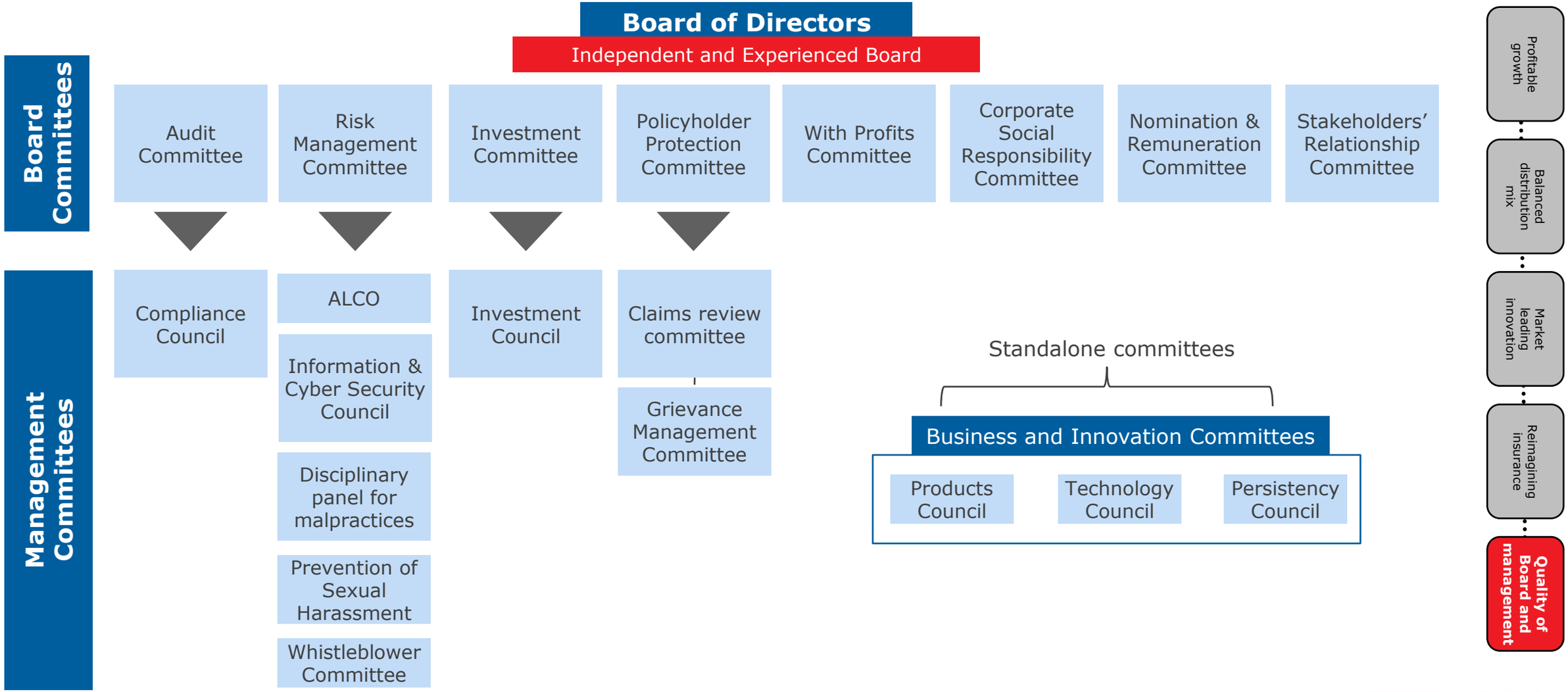


m-HelpLine
(App helpdesk)

InstA - Enablement tool for FLS throughout the customer journey

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

Governance Framework



The above list of committees is illustrative and not exhaustive

Financial risk management framework

Natural Hedges

- Protection and longevity businesses
- Unit linked and non par savings products
- Quantum of retail guaranteed products <11% of AUM

Product design & mix monitoring

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

Managing Risk

ALM approach[1]

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

Residual strategy

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

Calibrated risk management has resulted in low EV and VNB sensitivity

EV and VNB Sensitivity	FY19		9M FY20	
Scenario	EV	VNB Margin	EV	VNB Margin
Interest Rate +1%	(1.7%)	(0.1%)	(1.4%)	(0.2%)
Interest Rate -1%	1.6%	0.1%	1.2%	0.1%

[1] Our approach has been validated by a leading actuarial firm

Risk Management for Non Par products

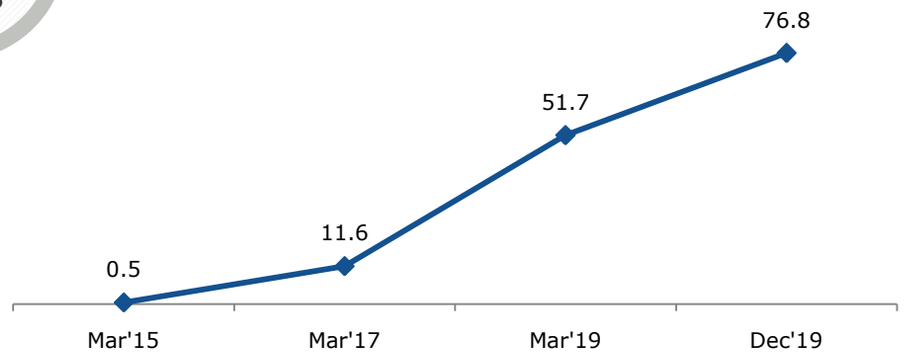
	Key risks	Quantum of risk	Mitigation
Annuity	Interest rate risk	ROPP[1]: Low Life: Low	▪ Duration matching ▪ No supply side constraints on the long dated Govt bonds[2] ▪ Dynamic re-pricing in line with change in market yield
	Reinvestment risk	ROPP: Low Life: Low	▪ Coupons used to meet annuity payouts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

1. ROPP: Return of Purchase Price
2. Refer appendix on slide 37

Performance of wholly-owned subsidiary [1] companies

HDFC Pension

AUM, Rs Bn.



- Fastest growing PFM (Pension Fund Manager) under the NPS architecture (YoY growth of 93% in AUM)
- Market share grew from 25% in Dec'18 to 30% in Dec'19 amongst all private PFMs
- Ranks #1 in corporate subscribers base, #2 amongst all PFMs in net fund flow, retail subscriber base and AUM
- POP operations commenced with enrolling of both retail and corporate subscribers; 400+ corporate registrations till Dec'19

HDFC International Life and Re



- Registered growth of 79% in revenue to USD 3.9 Mn in 9M FY20
- Continues to trend positively on both technical & net profit
- In December, 2019, S&P Global Ratings affirmed its long-term public financial strength of "BBB" while maintaining the outlook as "Stable"

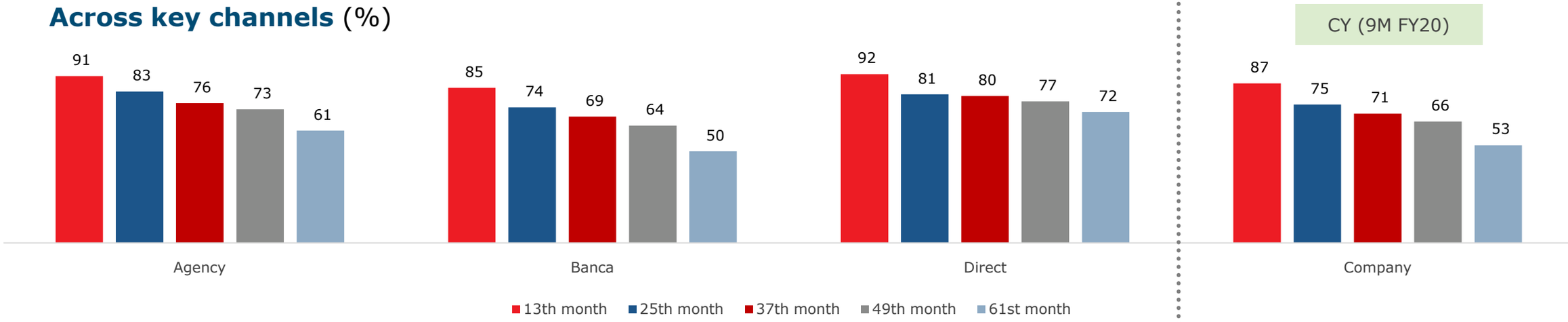
1. Investment in subsidiaries not considered in Solvency Margin



3 Annexures

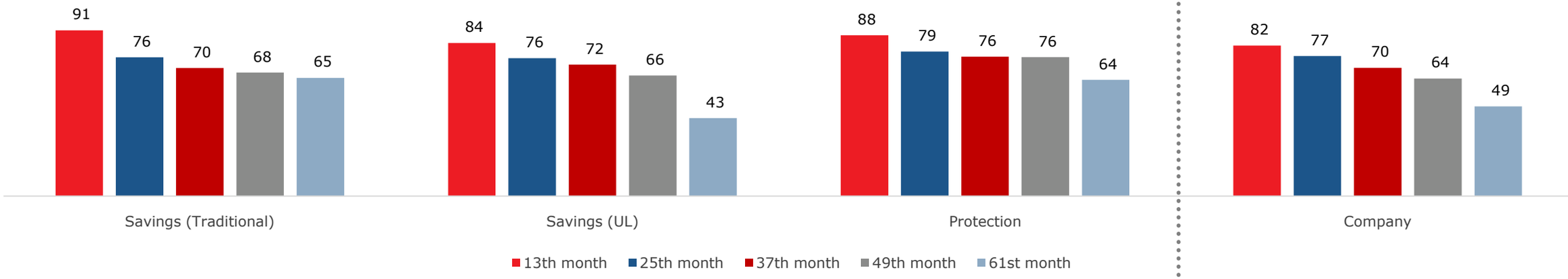
Individual persistency for key channels and segments[1]

Across key channels (%)



CY (9M FY20)

Across key segments (%)

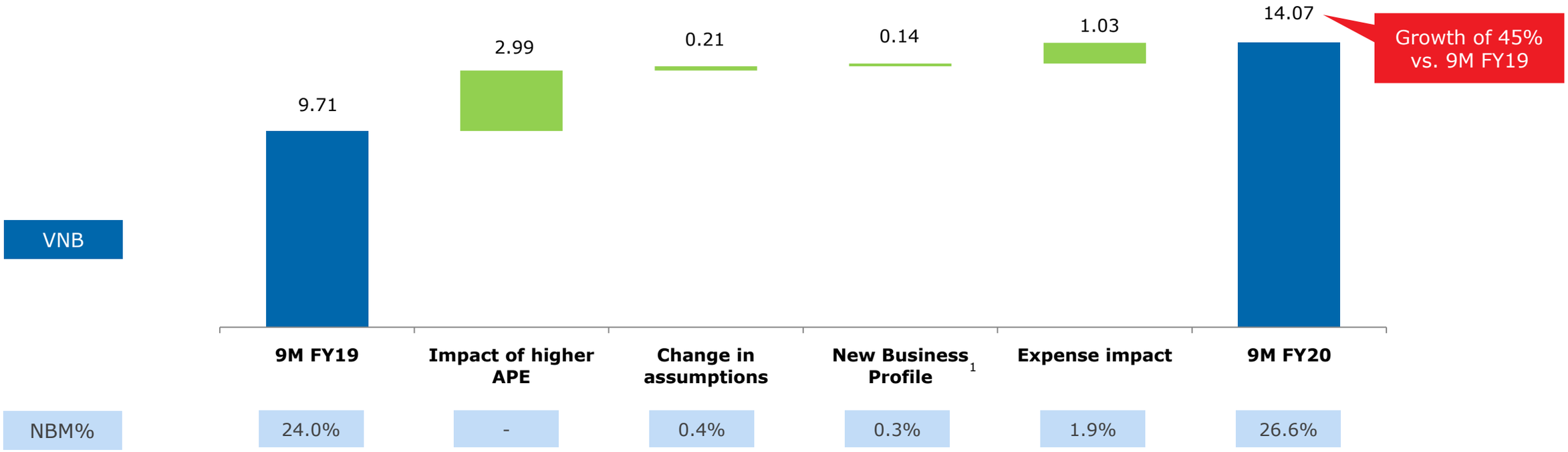


PY (9M FY19)

1. Calculated as per IRDAI circular (based on original premium) for period ended Dec 31, 2019 for individual business

VNB and NBM walkthrough

Rs Bn.



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

VNB – Value of New Business

NBM – New Business Margin

Sensitivity analysis: H1 FY20

Analysis based on key metrics	Scenario	% Change in VNB [1]	Change in VNB Margin [1]	% Change in EV
Change in				
Reference rate	Increase by 1%	-0.3%	-0.1%	-1.4%
	Decrease by 1%	0.3%	0.1%	1.2%
Equity Market movement	Decrease by 10%	-0.9%	-0.3%	-1.3%
Persistency (Lapse rates)	Increase by 10%	-0.8%	-0.3%	-1.0%
	Decrease by 10%	0.6%	0.2%	1.2%
Maintenance expenses	Increase by 10%	-2.2%	-0.7%	-0.8%
	Decrease by 10%	2.2%	0.7%	0.8%
Acquisition Expenses	Increase by 10%	-13.1%	-4.3%	NA
	Decrease by 10%	13.2%	4.4%	NA
Mortality / Morbidity	Increase by 5%	-3.8%	-1.1%	-0.8%
	Decrease by 5%	3.6%	1.0%	0.9%
Tax rate[2]	Increased to 25%	-17.4%	-5.8%	-7.3%

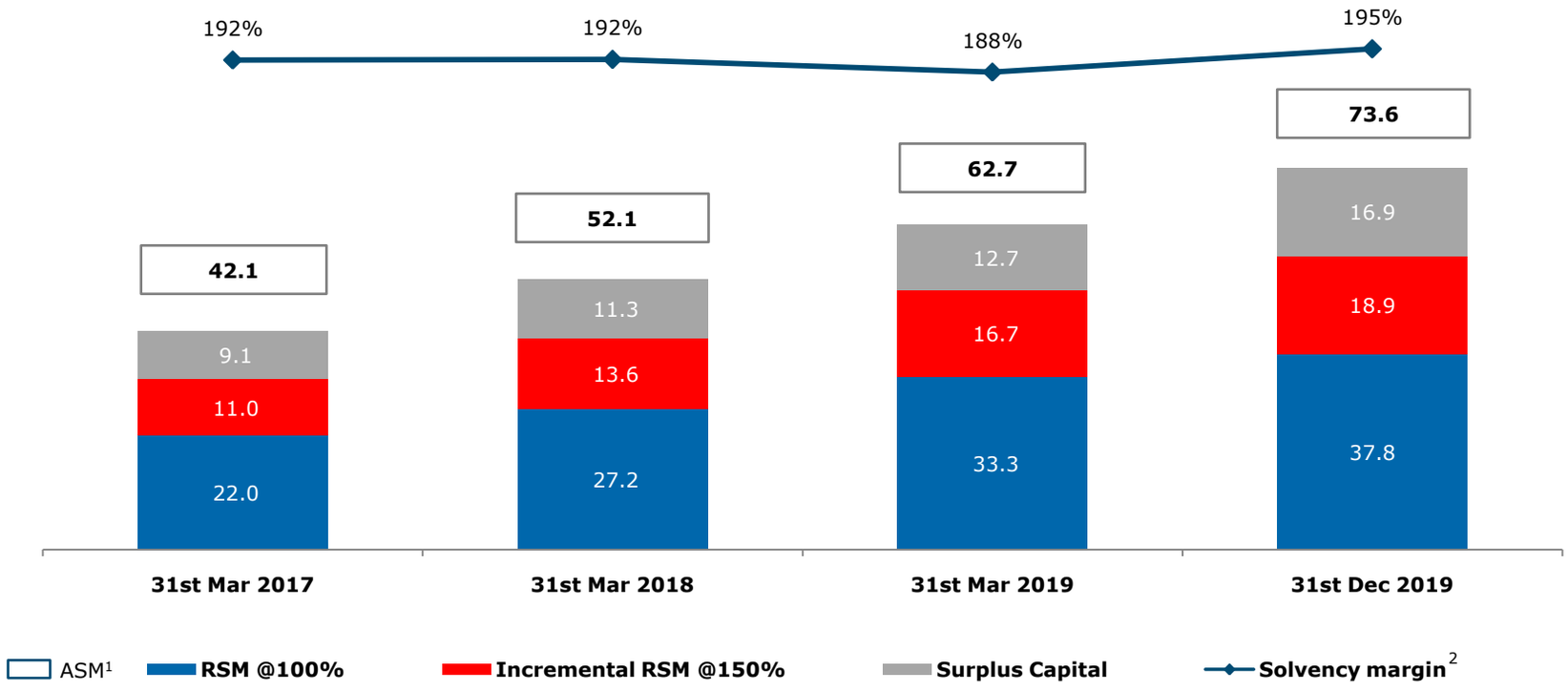
1. Post overrun total VNB for Individual and Group business

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.

Dividend paid	2.6	3.3	4.0	
New business premium growth	33%	32%	32%	22%

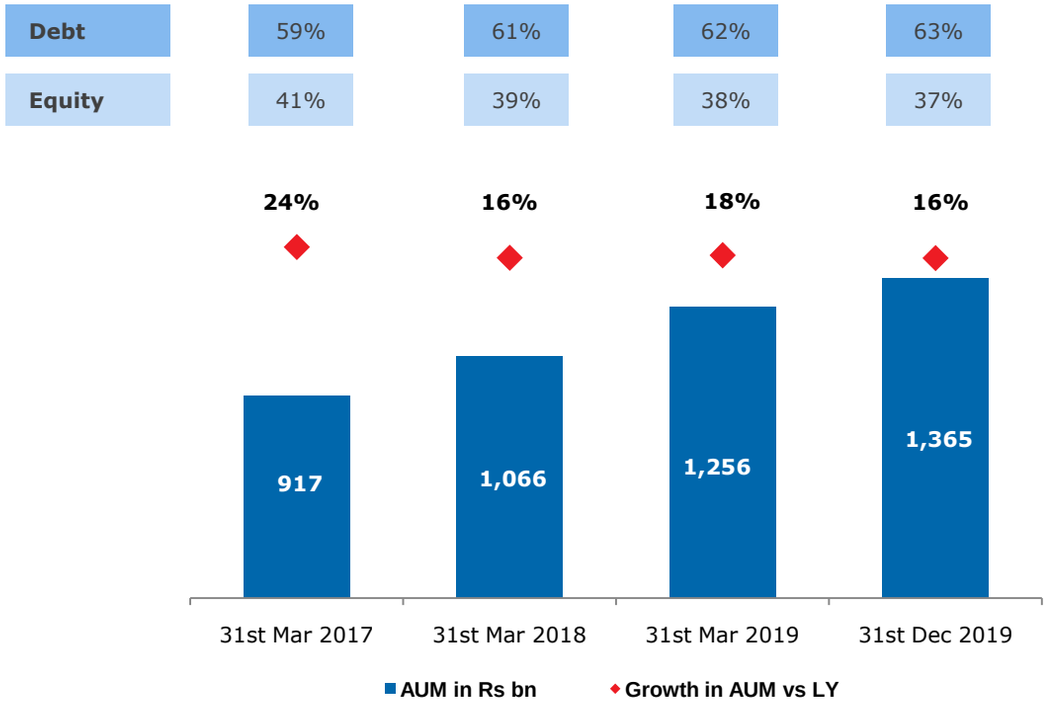


- Internal accruals have supported new business growth with no capital infused in last eight years *(except through issuance of ESOPs)*

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

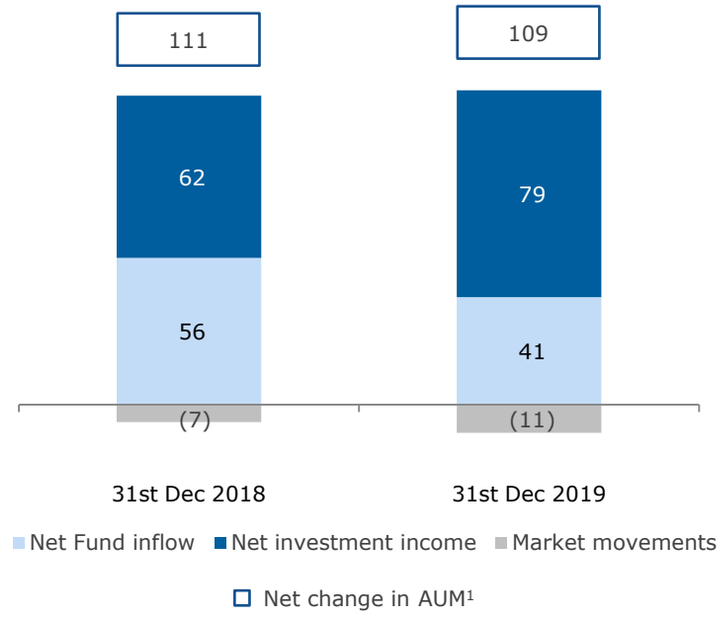
Assets under management

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 securities as on Dec 31, 2019

1. Calculated as difference from April to December
2. Based on Assets under Management as on Sep 30, 2019

Environmental, Social, Governance (ESG): Committed to Sustainability

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



HDFC LIFE VALUES

Environmental

- Adoption of Initiatives across water conservation and energy efficiency
- Waste management initiatives like ban on use of plastic garbage bags and use of biodegradable garbage bags
- Created nine city forests using the Japanese Miyawaki method in Mumbai and Nasik
- Access to clean drinking water by setting up Water ATMs in 12 villages and 7 schools

Social

- Insured over 40 million lives in the microfinance segment
- 19 projects in Education, Health, Environment, Livelihood and Disaster Relief in 20 states and 3 UTs, impacting >200,000 beneficiaries
- Conducting financial literacy classroom trainings and mass awareness campaigns
- Education interventions include scholarships, digital classrooms, providing cycles to girl children, mid-day meals , youth career guidance
- Health interventions include care for children with congenital heart defects, paediatric cancer, club foot and malnutrition

Governance

- Corporate Governance Policy ensures strong governance framework at the Board level and periodic assessment of the progress
- Code of Conduct sets forth the principles with focus on delivering value for customers, employees and shareholders

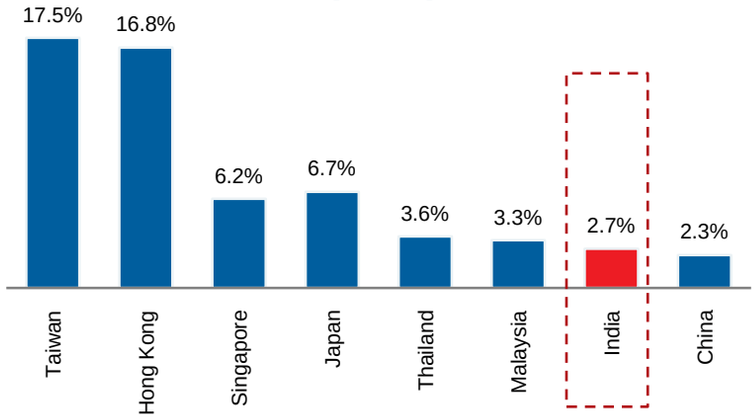
Performance Snapshot
Our Strategy
Annexures
India Life Insurance



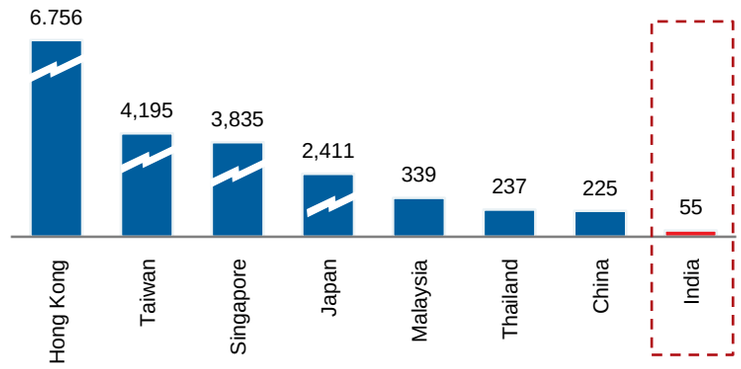
4 India Life Insurance

Growth opportunity: Under-penetration and favourable demographics

Life Insurance penetration [1] (2018)

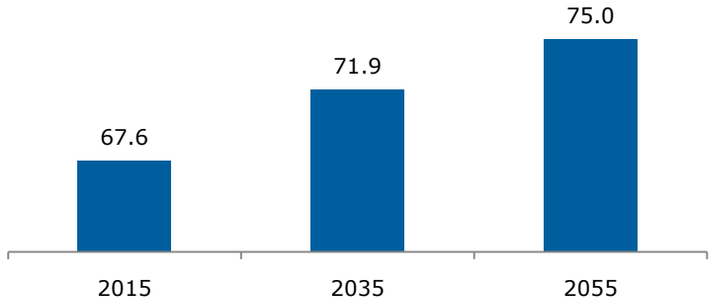


Life Insurance density US$ [2] (2018)

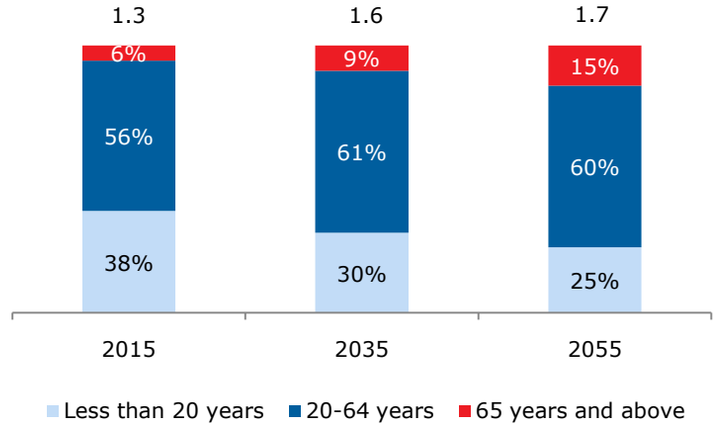


- India remains vastly under-insured, both in terms of penetration and density
- Huge opportunity to penetrate the underserviced segments, with evolution of the life insurance distribution model

Life expectancy (Years)



Population composition (Bn.)



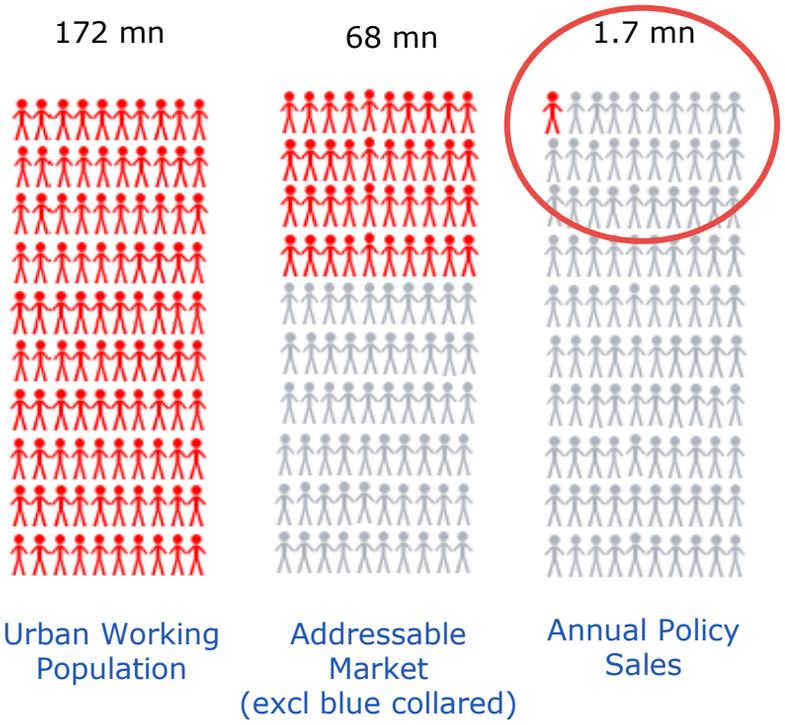
- India's insurable population is expected to touch 750 million by 2020
- India's elderly population is expected to double by 2035 (as compared to 2015)
- Emergence of nuclear families and advancement in healthcare facilities lead to increase in life expectancy thus facilitating need for pension and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

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

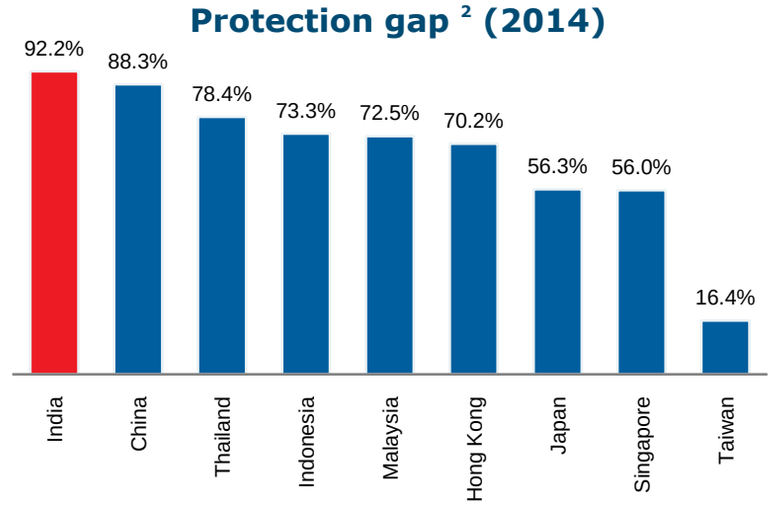
2. Density defined as the ratio of premium underwritten in a given year to the total population

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

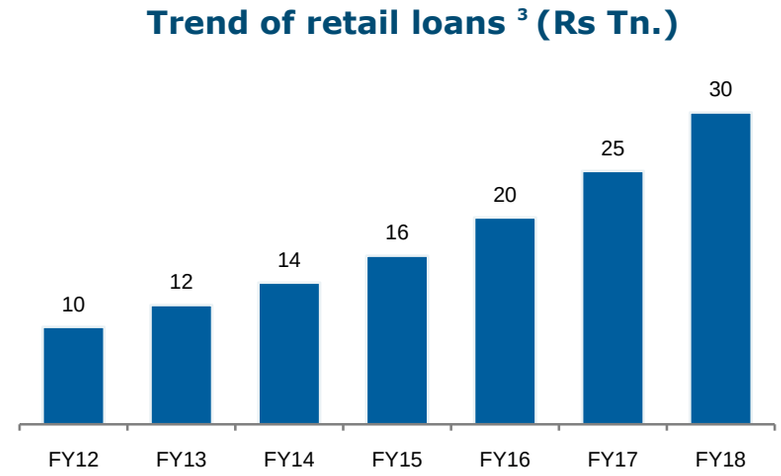
Low levels of penetration – Life Protection



- 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



- 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



- 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

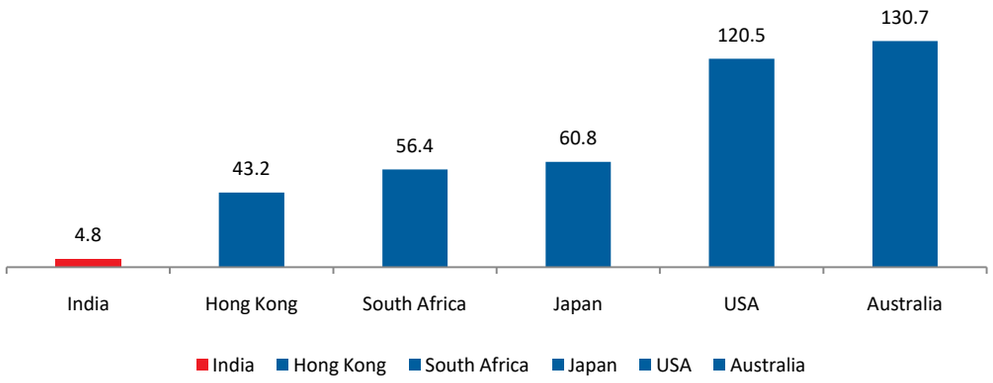
By 2050, **1 in 6 people** in India will be over the age of 60, bringing the future market to **200 million** people

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

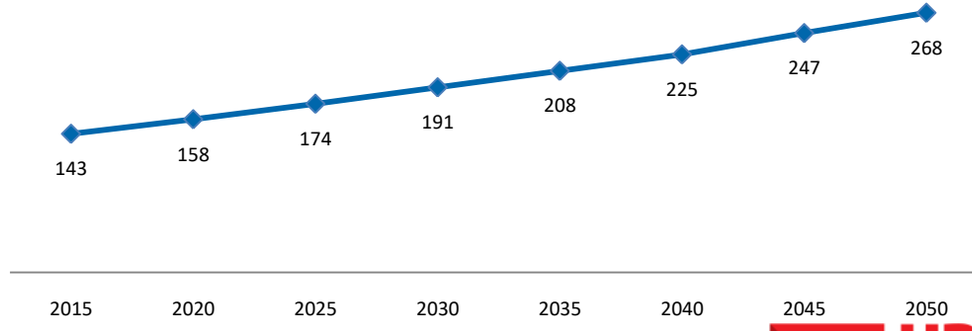
Unorganized workforce not under any formal pension scheme is **82.7%**

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

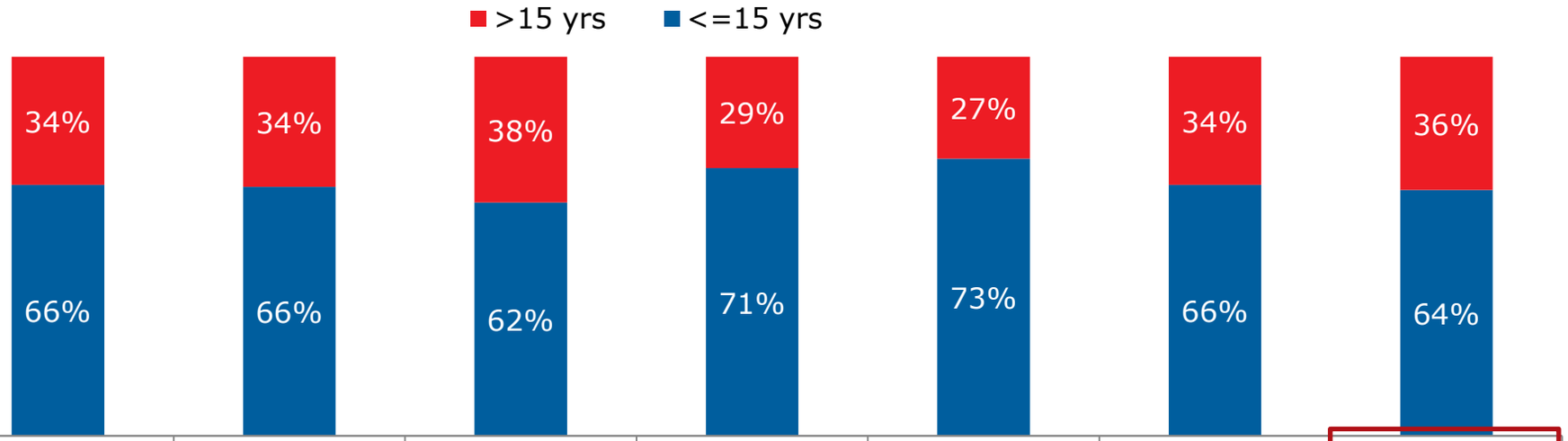


Source: Milliman Asia Retirement Report 2017; Survey by NSSO, Ministry of statistics and Programme implementation Crisil PFRDA, Census of India, UN Population Estimates

Government Bond Auctions

Government Bonds – Tenorwise Issuance

Rs Bn.



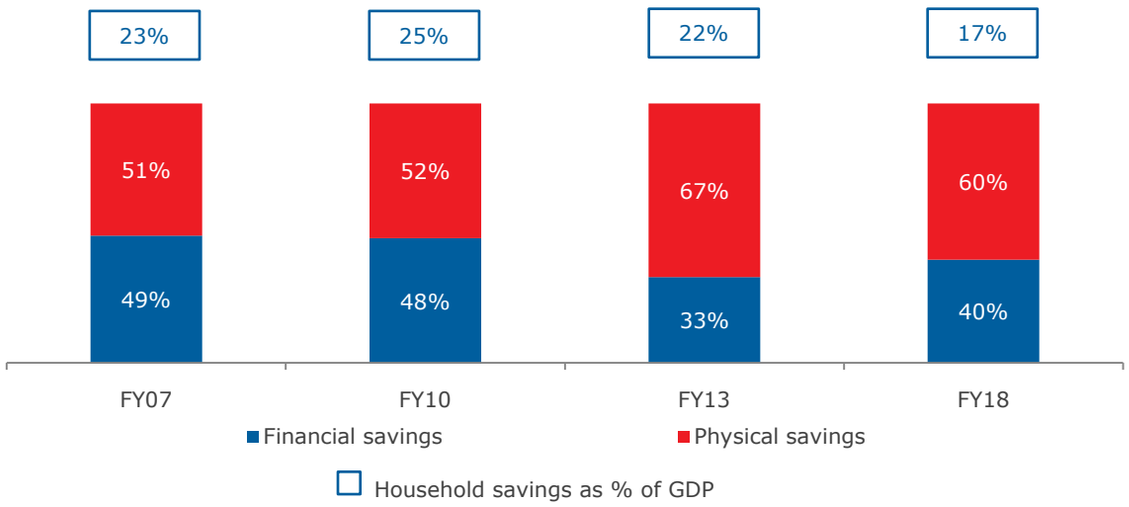
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20 (9M FY 19-20)
>15 yrs	1,880	2,030	2,250	1,710	1,580	1,930	2,170
<=15 yrs	3,690	3,890	3,600	4,110	4,300	3,780	4,010
Total	5,570	5,920	5,850	5,820	5,880	5,710	6,180

- Auction of >15 year maturity bonds has been ~33% on an average facilitates writing annuity business at scale
- Budget estimate plan for government borrowing for FY20 at Rs. 7.1 trillion on gross basis.
- The actual borrowing till Q3 is 87% of the budget

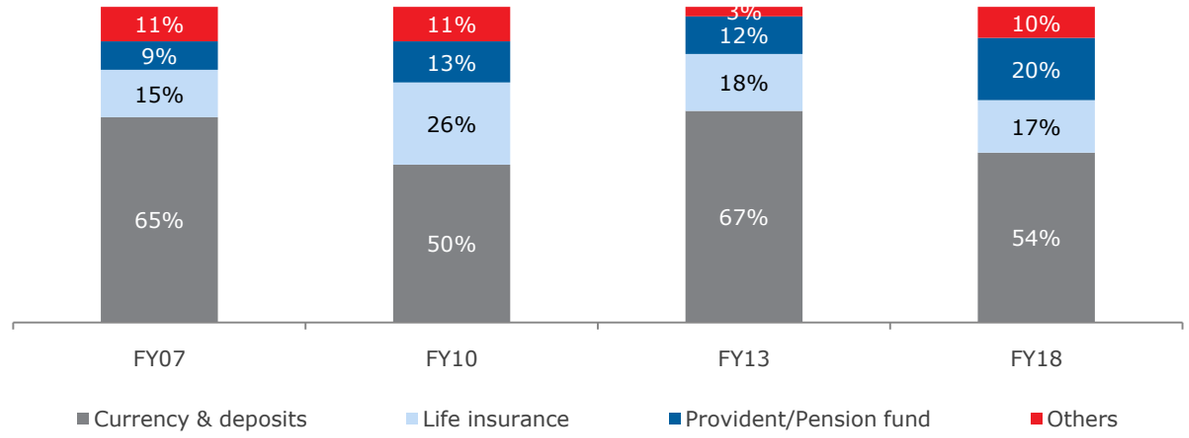
Source: CCIL & National Statistics Office, Union Budget,RBI

Life Insurance: A preferred savings instrument

Household savings composition



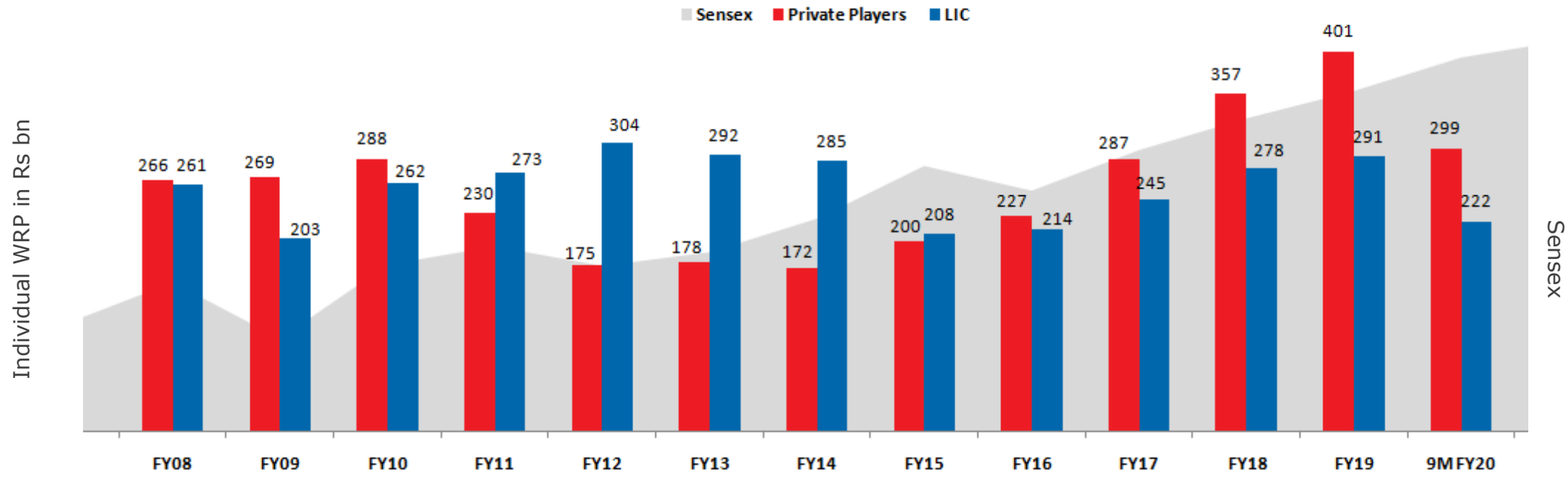
Financial savings mix



- Increasing preference towards financial savings with increasing financial literacy within the population
- Various government initiatives to promote financial inclusion:
  - Implementation of JAM trinity – around 378 mn new savings bank accounts opened till date
  - Launch of affordable PMJJBY and PMSBY social insurance schemes
  - Atal Pension Yojana promoting pension in unorganized sector

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

Industry new business[1] trends



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

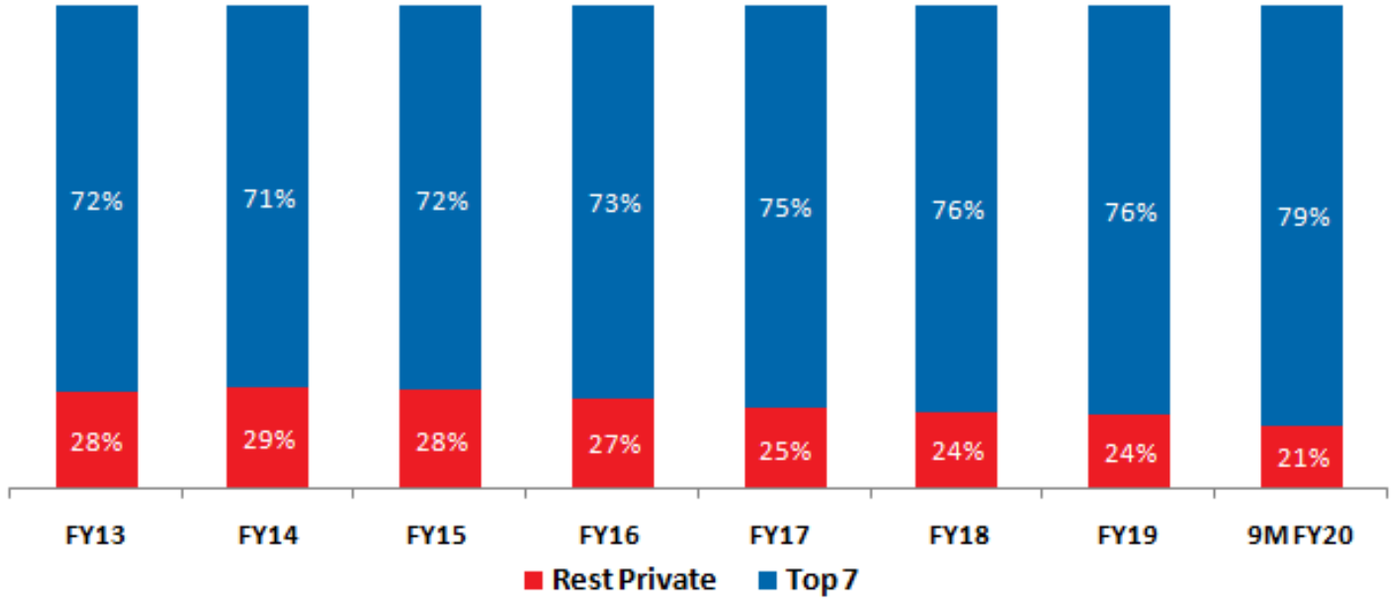
Private sector gained higher Market share than LIC for the first time in FY16, post FY11 regulatory changes

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

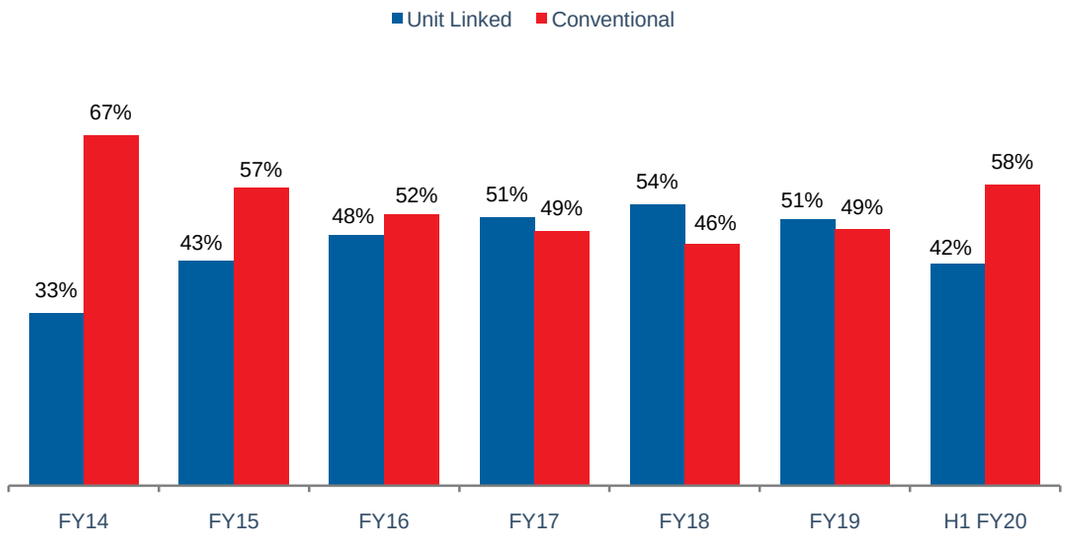


- Amongst private insurers, insurers with a strong bancassurance platform continue to dominate with increasing market share of the total private individual new business

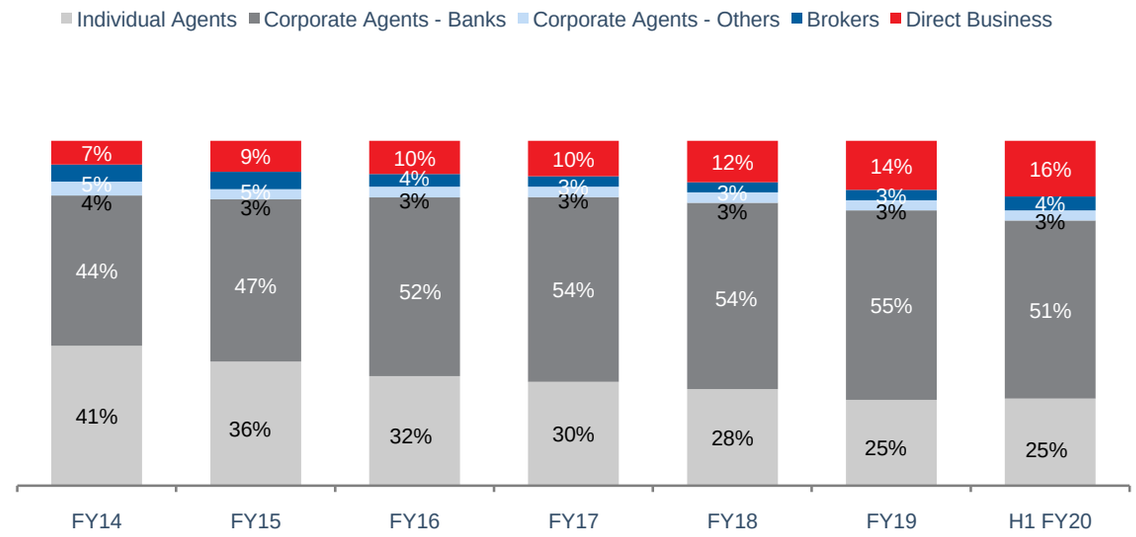
Notes :
Basis Individual Weighted Received Premium (WRP) as disclosed by IRDAI, Life Insurance Council
Top 7 players based on 9M FY20 business numbers, comprising of, SBI Life, ICICI Pru HDFC Life, Max Life, Tata AIA, Bajaj Allianz and Birla Sun Life

Private industry: Product and distribution mix

Product mix [1]



Distribution mix [2]



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

1. Basis Overall WRP (Individual and Group);

2. Basis Individual New business premia

Source: IRDAI and Life Insurance Council

Appendix

Financial and operational snapshot (1/2)

		9M FY20	9M FY19	Growth	FY19	FY18	FY17	CAGR
New Business Premium (Indl. + Group)		*121.5*	*99.4*	*22%*	*149.7*	*113.5*	*86.2*	*32%*
Renewal Premium (Indl. +Group)		*99.4*	*89.2*	*11%*	*142.1*	*122.1*	*108.2*	*15%*
Total Premium		220.9	188.6	17%	291.9	235.6	194.5	23%
Individual APE		43.9	33.6	31%	52.0	48.9	37.4	18%
Overall APE		53.0	40.5	31%	62.6	55.3	41.9	22%
Group Premium (NB)		61.5	49.6	24%	73.3	54.1	44.2	29%
Profit after Tax		9.8	9.1	8%	12.8	11.1	8.9	20%
- Policyholder Surplus		*7.1*	*7.2*	-1%	*9.0*	*8.5*	*7.5*	*9%*
- Shareholder Surplus		*2.7*	*1.9*	42%	*3.8*	*2.6*	*1.4*	*64%*
Dividend Paid	(1)	-	-	NA	4.0	3.3	2.6	22%
Assets Under Management		1,364.5	1,177.0	16%	1,255.5	1,066.0	917.4	17%
Indian Embedded Value		208.4	174.0	20%	183.0	152.2	124.7	21%
Net Worth	(2)	66.7	56.9	17%	56.6	47.2	38.1	22%
NB (Individual and Group segment) lives insured (Mn.)		44.8	34.8	29%	51.4	33.2	20.9	57%
No. of Individual Policies (NB) sold (In 000s)	(3)	639.5	664.6	-4%	995.0	1,049.6	1,082.3	-4%

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

Financial and operational snapshot (2/2)

		9M FY20	9M FY19	FY19	FY18	FY17
Overall New Business Margins (post overrun)		26.6%	24.0%	24.6%	23.2%	22.0%
Operating Return on EV	(1)	19.0%	19.7%	20.1%	21.5%	21.7%
Operating Expenses / Total Premium		13.8%	13.8%	13.2%	13.5%	12.6%
Total Expenses (OpEx + Commission) / Total Premium		18.5%	17.7%	17.0%	18.0%	16.7%
Return on Equity	(2)	21.3%	23.4%	24.6%	26.0%	25.7%
Solvency Ratio		195%	191%	188%	192%	192%
Persistency (13M / 61M)	(3)	90%/55%	86%/50%	87%/52%	87%/51%	84%/59%
Market Share (%)						
- Individual WRP		14.3%	12.6%	12.5%	13.3%	12.7%
- Group New Business		28.6%	28.2%	28.4%	28.5%	24.3%
- Total New Business		21.4%	21.0%	20.7%	19.1%	17.2%
Business Mix (%)						
- Product (UL/Non par savings/Non par protection/Par)	(4)	28/52/7/13	59/14/7/20	55/20/7/18	57/9/5/28	52/9/4/35
- Indl Distribution (CA/Agency/Broker/Direct)	(4)	55/14/9/21	67/11/4/17	64/13/4/19	71/11/5/14	72/12/5/11
- Total Distribution (CA/Agency/Broker/Direct/Group)	(5)	23/7/3/16/51	27/6/2/15/50	26/7/2/16/49	33/7/2/10/48	32/7/2/7/52
- Share of protection business (Basis Indl APE)		6.7%	6.7%	6.7%	5.1%	4.0%
- Share of protection business (Basis Overall APE)		16.7%	16.6%	16.7%	11.3%	7.8%
- Share of protection business (Basis NBP)		28.1%	28.1%	27.0%	25.9%	21.8%

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

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

3. Persistency ratios (based on original premium). 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

	9M FY20	9M FY19
Premium earned	220.9	188.6
Reinsurance ceded	(3.3)	(1.8)
Income from Investments	69.2	52.7
Other Income	1.1	0.6
Transfer from Shareholders' Account	0.3	0.1
Total Income	**288.1**	**240.2**
Commissions	10.4	7.2
Expenses	30.4	26.0
GST on UL charges	2.6	2.5
Provision for taxation	0.3	0.4
Provision for diminution in value of investments	1.9	0.7
Benefits paid	130.6	89.5
Change in valuation reserve	97.6	103.3
Bonuses Paid	6.1	3.1
Total Outgoings	**279.8**	**232.7**
Surplus	**8.4**	**7.6**
Transfer to Shareholders' Account	7.4	7.3
Funds for future appropriation - Par	1.0	0.2
Total Appropriations	**8.4**	**7.6**

Profit and Loss A/c

Rs Bn.

	9M FY20	9M FY19
Income		
- Interest and dividend income	2.7	2.1
- Net profit/(loss) on sale	0.9	0.2
Transfer from Policyholders' Account	7.4	7.3
Other Income	0.0	0.1
Total	**10.9**	**9.7**
Outgoings		
Transfer to Policyholders' Account	0.3	0.1
Expenses	0.2	0.1
Provision for diminution in value of investments	0.2	0.1
Provision for Taxation	0.4	0.3
Total	**1.1**	**0.6**
Profit for the year as per P&L Statement	**9.8**	**9.1**
Interim Dividend paid (including tax)	0.0	0.0
Profit carried forward to Balance Sheet	**9.8**	**9.1**

Balance Sheet

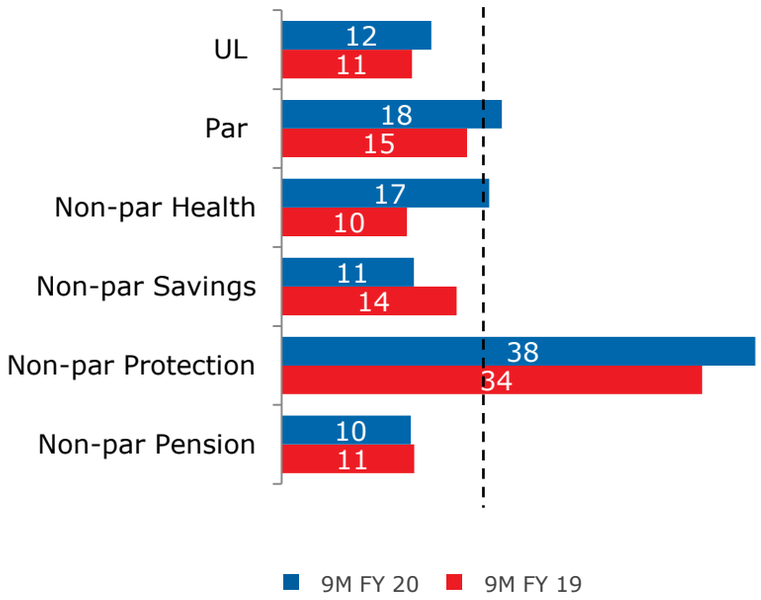
Rs Bn.

	Dec 31, 2019	Dec 31, 2018	Mar 31, 2019
Shareholders' funds			
Share capital (including Share premium)	24.1	23.8	23.8
Accumulated profits	42.6	33.1	32.7
Fair value change	(0.1)	0.0	(0.0)
Sub total	**66.6**	**56.9**	**56.6**
Policyholders' funds			
Fair value change	9.7	8.4	11.1
Policy Liabilities	619.6	501.3	536.3
Provision for Linked Liabilities	613.5	568.0	605.2
Funds for discontinued policies	34.6	29.0	28.6
Sub total	**1,277.4**	**1,106.8**	**1,181.2**
Funds for future appropriation (Par)	12.0	9.8	11.0
Total Source of funds	**1,355.9**	**1,173.5**	**1,248.8**
Shareholders' investment	60.4	48.0	50.5
Policyholders' investments: Non-linked	655.9	531.9	571.2
Policyholders' investments: Linked	648.1	597.0	633.8
Loans	2.6	0.5	0.8
Fixed assets	3.4	3.4	3.3
Net current assets	(14.5)	(7.3)	(10.8)
Total Application of funds	**1,355.9**	**1,173.5**	**1,248.8**

Segment wise average term and age[1]

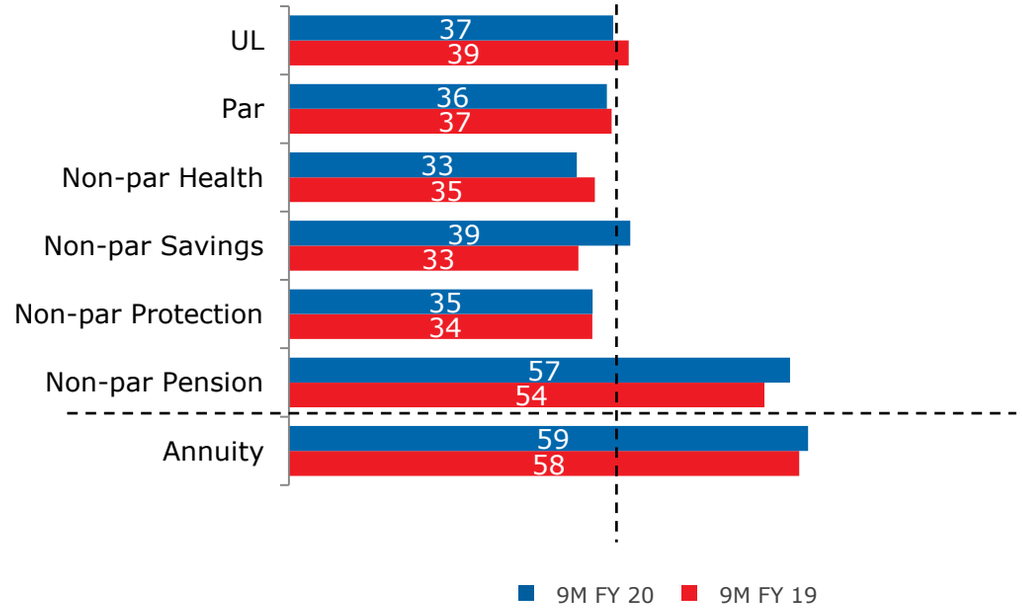
Average Policy Term excluding annuity (Yrs)

9M FY20: 17.0 (9M FY19 : 15.0)



Average Customer Age excluding annuity (Yrs)

9M FY20: 37.5 (9M FY19: 36.7)



- 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)

Indian Embedded value: Methodology and Approach (1/2)

Overview

Indian Embedded Value (IEV) consists of:

- **Adjusted Net Worth (ANW),** consisting of:
  - Free surplus (FS);
  - Required capital (RC); and
- **Value of in-force covered business (VIF)**: Present value of the shareholders' interest in the earnings distributable from assets allocated to the covered business, after making sufficient allowance for the aggregate risks in the covered business.

Components of Adjusted Net Worth (ANW)

- **Free surplus (FS):** FS is the Market value of any assets allocated to, but not required to support, the in-force covered business as at the valuation date. The FS has been determined as the adjusted net worth of the Company (being the net shareholders' funds adjusted to revalue assets to Market value), less the RC as defined below.
- **Required capital (RC):** RC is the amount of assets attributed to the covered business over and above that required to back liabilities for the covered business. The distribution of this to shareholders is restricted. RC is set equal to the internal target level of capital equal to 170% of the factor-based regulatory solvency requirements, less the funds for future appropriations ("FFA") in the participating funds.

Indian Embedded value: Methodology and Approach (2/2)

Components of Value in-force covered business (VIF)

- **Present value of future profits (PVFP):** PVFP is the present value of projected distributable profits to shareholders arising from the in-force covered business determined by projecting the shareholder cash flows from the in-force covered business and the assets backing the associated liabilities.

- **Time Value of Financial Options and Guarantees (TVFOG):** TVFOG reflects the value of the additional cost to shareholders that may arise from the embedded financial options and guarantees attaching to the covered business in the event of future adverse market movements. Intrinsic value of such options and guarantees is reflected in PVFP.

- **Frictional costs of required capital (FC):** FC represents the investment management expenses and taxation costs associated with holding the RC. VIF includes an allowance for FC of holding RC for the covered business. VIF also includes an allowance for FC in respect of the encumbered capital in the Company's holdings in its subsidiaries.

- **Cost of residual non-hedgeable risks (CRNHR):** CRNHR is an allowance for risks to shareholder value to the extent that these are not already allowed for in the TVFOG or the PVFP. In particular, the CRNHR makes allowance for:
  – asymmetries in the impact of the risks on shareholder value; and
  – risks that are not allowed for in the TVFOG or the PVFP.

  CRNHR has been determined using a cost of capital approach. CRNHR is the present value of the cost of capital charge levied on the projected capital in respect of the material risks identified.

Embedded Value: Economic assumptions[1]

Years	Forward rates %		Spot rates %	
	As at Dec 31, 2019	As at Dec 31, 2018	As at Dec 31, 2019	As at Dec 31, 2018
1	5.55	7.00	5.40	6.77
2	6.30	7.39	5.75	6.95
3	6.87	7.65	6.05	7.09
4	7.23	7.82	6.28	7.20
5	7.43	7.93	6.46	7.28
10	7.52	8.02	6.86	7.50
15	7.47	7.95	6.98	7.56
20	7.45	7.94	7.03	7.58
25	7.45	7.98	7.06	7.60
30+	7.45	8.04	7.08	7.62

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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