

October 23, 2019

Ref. No. : HDFC Life/CA/2019-20/36

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

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

**NSE Symbol : HDFCLIFE**

**BSE Security Code : 540777**

Kind Attn.: Head - Listing

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

Sir / Madam,

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

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors of the Company at their meeting held today i.e. October 23, 2019, have approved / noted the following :

- 1) Audited Standalone and Un-Audited Consolidated Financial results of the Company for quarter and half year ended September 30, 2019. We are enclosing herewith the following:
  - (i) Copy of Audited Standalone Financial Results with Audit Report
  - (ii) Copy of Un-audited Consolidated Financial Results with Limited Review Report
  - (iii) Press Release
- 2) Mr Norman Keith Skeoch resigned as Director of the Company pursuant to withdrawal of his nomination by Standard Life (Mauritius Holdings) 2006 Limited, one of the promoters of the Company with effect from October 22, 2019.
- 3) Appointment of Ms Stephanie Bruce as an Additional Director (Non-Executive Nominee Director) of the Company with effect from October 28, 2019. Ms. Stephanie Bruce is a Nominee Director appointed by Standard Life (Mauritius Holdings) 2006 Limited.

In compliance with the circular No. NSE/CML/2018/02 issued by National Stock Exchange of India Limited and circular No. LIST/COMP/14/2018-19 issued by BSE Limited (both circulars dated June 20, 2018), this is to confirm that Ms Stephanie Burce has not been debarred from holding the office of Director by virtue of any SEBI order or any other Authority.

The details required for the change in Director under Regulation 30 of the Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 is provided in the enclosed 'Annexure I'.

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

**Corporate & Registered Office:**

13<sup>th</sup> Floor, Lodha Excelus, Apollo Mills Compound,

N. M. Joshi Marg, Mahalaxmi, Mumbai – 400011

CIN: L65110MH2000PLC128245

+91 22 6751 6666

1860-267-9999

Available Mon-Sat from 10 am to 7 pm (Local charges apply)  
DO NOT prefix any country code e.g. +91 or 00.

www.hdfclife.com



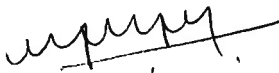
The window for trading in equity shares of the Company by its designated employees will open from October 26, 2019.

Please note that the Board Meeting commenced at 11.15 a.m. and concluded at 1.30 p.m.

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

Thanking You

**For HDFC Life Insurance Company Limited**



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

Encl. : As above

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**ANNEXURE 1**

**Appointment of Ms Stephanie Bruce as an Additional Director (Non-Executive Nominee Director)**

Sr. No.	Details of events that need to be provided	Information of such events
1.	Reason for change viz. appointment, resignation, removal, death or otherwise	Appointment
2.	Date of appointment/cessation (as applicable)  Term of appointment	October 28, 2019  Ms Stephanie Bruce is appointed as an Additional Director (Non-Executive Nominee Director) liable to retire by rotation, with effect from October 28, 2019. Her appointment as an Additional Director (Non-Executive Nominee Director) shall be upto the next Annual General Meeting.
3.	Brief profile (in case of appointment)	Ms Stephanie Bruce is a Chartered Accountant. She is the Director and Chief Financial Officer of Standard Life Aberdeen PLC. She is a member of the council for the Institute of Chartered Accountants of Scotland and Chairperson of its Audit Committee.
4.	Disclosure of relationship between directors (in case of appointment of a director)	Ms Stephanie Burce is not related to any Director of the Company and is not holding any shares in her name.

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**Price Waterhouse Chartered Accountants LLP**

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

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

Chartered Accountants  
1007, Raheja Chambers,  
213 Nariman Point,  
Mumbai – 400021

**Auditors' Report on Standalone Financial Results for the quarter and half year ended September 30, 2019 of HDFC Life Insurance Company Limited (formerly known as HDFC Standard Life Insurance Company Limited)**

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

1. We have audited the accompanying standalone financial results of HDFC Life Insurance Company Limited (formerly known as HDFC Standard Life Insurance Company Limited) for the quarter and half year ended September 30, 2019 which are included in the accompanying Statement of Standalone Audited Results for the quarter and half year ended September 30, 2019, the statement of assets and liabilities as on that date and the receipts and payment accounts for the half-year ended on that date, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and IRDA Circular reference: IRDAI/F&I/ REG/ CIR/208/10/2016 dated 25th October 2016 ("Standalone financial results") which have been approved by the Board of Directors on October 23, 2019.
2. These standalone financial results have been prepared on the basis of the interim condensed financial statements prepared in accordance with the measurement and recognition principles specified in paragraph 3 below, which is the responsibility of the Company's management. The management's responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation of the standalone financial results that is free from material misstatement, whether due to fraud or error.
3. Our responsibility is to express an opinion on these quarterly and half year ended to date 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 half year ended to date standalone financial



results and which are not inconsistent with the accounting principles as prescribed in the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 (the "Regulations") and orders/directions/circulars issued by the Insurance Regulatory and Development Authority of India ("IRDAI") to the extent applicable.

4. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act) and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the standalone financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
5. In our opinion and to the best of our information and according to the explanations given to us these quarterly and half year ended to date standalone financial results:
  - I) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and IRDAI IRDA Circular reference: IRDAI/F&I/REG/CIR/208/10/2016 dated 25<sup>th</sup> October 2016 in this regard; and
  - II) give a true and fair view of the net profit and other financial information for the quarter and half year ended September 30, 2019 and also the statement of assets and liabilities as at September 30, 2019 and the receipts and payment accounts for the half-year ended on that date.

#### 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 September 30, 2019 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the IRDAI and the Institute of



Actuaries of India in concurrence with the Authority. We have relied upon the Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists, as contained in the interim condensed financial statements of the Company.

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

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

*Alpa Kedia*

**Alpa Kedia**

*Partner*

Membership No. 100681

UDIN: 19100681AAAADN8298

Place: Mumbai

Date: October 23, 2019

*Rajen Ashar*

**Rajen Ashar**

*Partner*

Membership No. 048243

UDIN: 19048243AAAADN6402





**HDFC Life Insurance Company Limited**  
(Formerly HDFC Standard Life Insurance Company Limited)  
Statement of Standalone Audited Results for the Quarter and Six Months ended September 30, 2019

Sr. No.	Particulars	Three Months ended / As at			Six Months ended / As at		(₹ in Lakhs)
		September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	Year ended / As at
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
<b>POLICYHOLDERS' A/C</b>							
1	Gross premium income						
	(a) First Year Premium	145,272	132,658	120,644	277,930	201,887	505,811
	(b) Renewal Premium	356,684	280,980	323,083	617,664	561,089	1,421,457
	(c) Single Premium	253,567	259,938	240,325	513,505	426,846	991,334
2	Net premium income <sup>1</sup>	745,368	645,116	677,755	1,390,494	1,177,883	2,892,401
3	Income from investments (Net) <sup>2</sup>	113,512	205,138	109,024	318,650	288,699	902,749
4	Other income	4,844	3,223	2,850	8,067	7,442	17,506
5	Transfer of funds from Shareholders' A/c	2,113	-	410	2,113	1,762	30,895
6	<b>Total (2 to 5)</b>	<b>865,837</b>	<b>853,477</b>	<b>790,039</b>	<b>1,719,314</b>	<b>1,475,786</b>	<b>3,643,551</b>
7	Commission on						
	(a) First Year Premium	26,793	25,845	18,736	52,638	32,919	78,394
	(b) Renewal Premium	6,351	3,353	4,437	9,704	7,839	21,372
	(c) Single Premium	3,410	3,025	3,193	6,435	5,428	12,003
8	<b>Net Commission<sup>3</sup></b>	<b>36,554</b>	<b>32,223</b>	<b>26,366</b>	<b>68,777</b>	<b>46,186</b>	<b>111,769</b>
9	Operating Expenses related to Insurance business (a+b)						
	(a) Employees remuneration and welfare expenses	43,090	39,398	36,614	82,488	68,108	140,822
	(b) Other operating expenses <sup>4</sup>	66,461	48,683	57,962	115,144	97,926	240,535
10	<b>Expenses of Management (8+9)</b>	<b>146,105</b>	<b>120,304</b>	<b>120,942</b>	<b>266,409</b>	<b>213,220</b>	<b>493,126</b>
11	Provisions for doubtful debts (including bad debts written off)	-	-	-	-	-	-
12	Provisions for diminution in value of investments <sup>5</sup>	5,792	8,408	6,335	14,200	7,350	9,056
13	Goods & Services Tax/Service Tax charge on linked charges	8,626	8,492	8,331	17,118	16,223	33,982
14	Provision for taxes	(2,437)	484	(361)	(1,953)	1,984	22,679
15	Benefits Paid <sup>3</sup> (Net) <sup>1</sup>	422,347	366,176	336,254	788,523	630,499	1,398,891
16	Change in actuarial liability	264,108	311,966	299,080	576,074	553,167	1,750,746
17	<b>Total (10+11+12+13+14+15+16)</b>	<b>844,541</b>	<b>815,830</b>	<b>770,581</b>	<b>1,660,371</b>	<b>1,422,443</b>	<b>3,708,480</b>
18	<b>Surplus/Deficit (6-17)</b>	<b>21,296</b>	<b>37,647</b>	<b>19,458</b>	<b>58,943</b>	<b>53,343</b>	<b>135,071</b>
19	Appropriations						
	(a) Transferred to Shareholders A/c	22,030	35,033	23,407	57,063	55,404	120,690
	(b) Funds for Future Appropriations	(734)	2,614	(3,949)	1,880	(2,061)	14,381
20	<b>Details of Surplus / Deficit</b>						
	(a) Interim bonus paid	806	1,628	629	2,434	1,294	6,137
	(b) Terminal bonus paid	20,760	13,031	10,019	33,791	14,888	51,290
	(c) Allocation of bonus to policyholders	-	-	-	-	-	77,681
	(d) Surplus shown in the Revenue Account	21,296	37,647	19,458	58,943	53,343	135,071
	<b>Total Surplus</b>	<b>42,862</b>	<b>52,306</b>	<b>30,106</b>	<b>95,168</b>	<b>69,525</b>	<b>270,179</b>
<b>SHAREHOLDERS' A/C</b>							
21	Transfer from Policyholders' Account	22,030	35,033	23,407	57,063	55,404	120,690
22	Total income under Shareholders' Account						
	(a) Investment Income	14,001	9,876	7,331	23,877	15,212	40,839
	(b) Other income	-	-	-	-	932	2,108
23	Expenses other than those related to insurance business	883	202	535	885	778	2,781
24	Transfer of funds to Policyholders' Account	2,113	-	410	2,113	1,762	30,895
25	Provisions for doubtful debts (including write off)	-	-	-	-	-	-
26	Provisions for diminution in value of investments <sup>5</sup>	558	1,019	181	1,577	194	973
27	<b>Profit before tax</b>	<b>32,677</b>	<b>43,688</b>	<b>29,632</b>	<b>76,366</b>	<b>68,814</b>	<b>128,988</b>
28	Provisions for tax	1,808	1,226	934	3,034	2,098	1,309
29	<b>Profit after tax and before Extraordinary items</b>	<b>30,869</b>	<b>42,462</b>	<b>28,698</b>	<b>73,331</b>	<b>66,716</b>	<b>127,679</b>
30	<b>Profit after tax and Extraordinary items</b>	<b>30,869</b>	<b>42,462</b>	<b>28,698</b>	<b>73,331</b>	<b>66,716</b>	<b>127,679</b>
31	Dividend per share (₹) (Nominal value ₹ 10 per share)						
	(a) Interim Dividend	-	-	-	-	-	1.63
	(b) Final Dividend	-	-	-	-	-	-
32	Profit carried to Balance Sheet <sup>5</sup>	400,733	369,864	308,081	400,733	306,081	327,403
33	Paid up equity share capital	201,767	201,749	201,391	201,767	201,391	201,738
34	Reserve & Surplus (excluding Revaluation Reserve)	437,834	406,687	339,103	437,834	339,103	364,088
35	Fair Value Change Account and Revaluation Reserve (Shareholders)	(4,125)	(265)	(146)	(4,125)	(146)	(301)
36	<b>Total Assets:</b>						
	(a) Investments:						
	- Shareholders'	530,350	517,834	443,749	530,350	443,749	504,979
	- Policyholders Fund excluding Linked Assets	6,264,371	6,107,061	5,105,256	6,264,371	5,105,258	5,712,446
	- Assets held to cover Linked Liabilities (Linked Assets)	6,306,432	6,333,254	5,774,283	6,306,432	5,774,283	6,337,741
	(b) Other Assets (Net of current liabilities and provisions)	4,143	(120,924)	(103,232)	4,143	(103,232)	(66,876)

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

Advertisement and publicity	27,467	19,904	24,745	47,371	39,591	98,365
Business development expenses	13,964	9,130	13,651	23,094	22,014	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



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**HDFC Life Insurance Company Limited**  
(Formerly HDFC Standard Life Insurance Company Limited)  
**Standalone Balance Sheet as at September 30, 2019**

(₹ in Lakhs)

Particulars	As at		
	September 30, 2019 ( Audited)	March 31, 2019 ( Audited)	September 30, 2018 ( Audited)
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS:</b>			
Share Capital	201,767	201,738	201,391
Share application money received pending allotment of shares	48	39	451
Reserves and Surplus	437,834	364,088	339,103
Credit / (Debit) Fair Value Change Account	(4,125)	(301)	(146)
<b>Sub-Total</b>	<b>635,524</b>	<b>565,564</b>	<b>540,799</b>
<b>BORROWINGS</b>			
<b>POLICYHOLDERS' FUNDS:</b>			
Credit / (Debit) Fair Value Change Account	80,306	111,213	81,766
Policy Liabilities	5,970,855	5,363,471	4,729,351
Insurance Reserve	-	-	-
<b>Provision for Linked Liabilities</b>	<b>5,254,859</b>	<b>5,144,904</b>	<b>4,803,619</b>
Add: Fair value change	719,777	907,221	682,162
Provision for Linked Liabilities	<b>5,974,636</b>	<b>6,052,125</b>	<b>5,485,781</b>
Funds for discontinued policies			
(i) Discontinued on account of non-payment of premium	330,609	284,574	287,493
(ii) Others	1,187	1,042	1,009
Total Provision for Linked & Discontinued Policyholders Liabilities	6,306,432	6,337,741	5,774,283
<b>Sub-Total</b>	<b>12,357,593</b>	<b>11,812,425</b>	<b>10,585,400</b>
Funds for Future Appropriations	112,179	110,301	93,859
<b>TOTAL</b>	<b>13,105,296</b>	<b>12,488,290</b>	<b>11,220,058</b>
<b>APPLICATION OF FUNDS</b>			
<b>INVESTMENTS:</b>			
Shareholders'	530,350	504,979	443,749
Policyholders'	6,264,371	5,712,446	5,105,258
Asset held to cover Linked Liabilities	6,306,432	6,337,741	5,774,283
<b>LOANS</b>	<b>19,162</b>	<b>7,959</b>	<b>2,796</b>
<b>FIXED ASSETS</b>	<b>33,988</b>	<b>33,330</b>	<b>33,175</b>
<b>CURRENT ASSETS</b>			
Cash and Bank Balances	52,111	123,982	52,905
Advances and Other Assets	398,140	279,643	283,584
<b>Sub-Total (A)</b>	<b>450,251</b>	<b>403,625</b>	<b>336,489</b>
<b>CURRENT LIABILITIES</b>	<b>493,312</b>	<b>505,941</b>	<b>471,356</b>
<b>PROVISIONS</b>	<b>5,946</b>	<b>5,849</b>	<b>4,336</b>
<b>Sub-Total (B)</b>	<b>499,258</b>	<b>511,790</b>	<b>475,692</b>
<b>NET CURRENT ASSETS (C) = (A - B)</b>	<b>(49,007)</b>	<b>(108,165)</b>	<b>(139,203)</b>
Miscellaneous Expenditure (to the extent not written off or adjusted)	-	-	-
Debit Balance in Profit and Loss Account (Shareholders' Account)	-	-	-
<b>TOTAL</b>	<b>13,105,296</b>	<b>12,488,290</b>	<b>11,220,058</b>
Contingent liabilities	240,819	152,987	122,291



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**HDFC Life Insurance Company Limited**  
(Formerly HDFC Standard Life Insurance Company Limited)  
**Receipts and Payments Account for the Six Months ended September 30, 2019**

(₹ in Lakhs)

Sr. No.	Particulars	Six months ended		Year ended
		September 30, 2019	September 30, 2018	March 31, 2019
		( Audited)	( Audited)	( Audited)
<b>A.</b>	<b>Cash Flows from the operating activities:</b>			
1	Premium received from policyholders, including advance receipts	14,42,906	12,57,441	30,38,749
2	Other receipts	7,304	7,029	16,506
3	Payments to the re-insurers, net of commissions and claims/ Benefits	1,996	78	(7,317)
4	Payments of claims/benefits	(7,98,686)	(6,53,969)	(14,39,338)
5	Payments of commission and brokerage	(78,150)	(57,480)	(1,18,203)
6	Payments of other operating expenses <sup>1</sup>	(2,40,446)	(1,90,214)	(4,09,905)
7	Preliminary and pre-operative expenses	-	-	-
8	Deposits, advances and staff loans	(105)	553	(3,831)
9	Income taxes paid (net)	(10,034)	(13,176)	(31,699)
10	Goods and Services Tax/ Service tax paid	(29,820)	(29,727)	(57,896)
11	Other payments	-	-	-
12	Cash flows before extraordinary items	2,94,965	3,20,535	9,87,066
13	Cash flow from extraordinary operations	-	-	-
	<b>Net cash flow from operating activities</b>	<b>2,94,965</b>	<b>3,20,535</b>	<b>9,87,066</b>
<b>B</b>	<b>Cash flows from investing activities:</b>			
1	Purchase of fixed assets	(2,409)	(1,323)	(4,453)
2	Proceeds from sale of fixed assets	147	32	172
3	Purchases of investments	(57,56,210)	(28,56,379)	(3,78,35,614)
4	Loans disbursed	-	-	-
5	Loan against policies	(11,203)	(994)	(6,185)
6	Sales of investments	51,30,926	23,00,035	3,62,64,975
7	Repayments received	-	72	100
8	Rents/Interests/ Dividends received	3,23,263	2,70,131	5,62,471
9	Investments in money market instruments and in liquid mutual funds (net)	-	-	-
10	Expenses related to investments	(22)	(23)	(25)
	<b>Net cash flow from investing activities</b>	<b>(3,15,508)</b>	<b>(2,88,449)</b>	<b>(10,18,559)</b>
<b>C</b>	<b>Cash flows from financing activities:</b>			
1	Proceeds from issuance of share capital	29	217	564
2	Share Premium	416	1,747	5,411
3	Proceeds from borrowing	-	-	-
4	Repayments of borrowing	-	-	-
5	Interest/dividends paid	-	-	(39,642)
6	Application money pending allotment	9	362	(49)
	<b>Net cash flow from financing activities</b>	<b>454</b>	<b>2,326</b>	<b>(33,716)</b>
<b>D</b>	<b>Effect of foreign exchange rates on cash and cash equivalents, (net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>E</b>	<b>Net increase in cash and cash equivalents:</b>	<b>(20,089)</b>	<b>34,412</b>	<b>(65,209)</b>
1	Cash and cash equivalents at the beginning of the year	6,14,873	6,80,082	6,80,082
2	Cash and cash equivalents at the end of the year	5,94,784	7,14,494	6,14,873
	<b>Note - Components of Cash and cash equivalents at end of the year:</b>			
	Cash and cheques in hand	5,406	8,449	19,469
	Bank Balances *	46,670	35,613	95,671
	Fixed Deposit (less than 3 months)	-	-	10,500
	Money Market Instruments	5,42,708	6,70,432	4,89,233
	<b>Total Cash and cash equivalents</b>	<b>5,94,784</b>	<b>7,14,494</b>	<b>6,14,873</b>
	<b>Reconciliation of Cash &amp; Cash Equivalents with Cash &amp; Bank Balance:</b>			
	Cash & Cash Equivalents	5,94,784	7,14,494	6,14,873
	Add: Deposit Account - Others	35	8,843	8,842
	Less: Fixed Deposit (less than 3 months)	-	-	(10,500)
	Less: Money market instruments	(5,42,708)	(6,70,432)	(4,89,233)
	<b>Cash &amp; Bank Balances</b>	<b>52,111</b>	<b>52,905</b>	<b>1,23,982</b>
	* Bank Balances includes Unclaimed Dividend of ₹ 19 lakhs (₹ 18 lakhs at September 30, 2018 and ₹ 18 lakhs at March 31, 2019)			

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

**Notes :**

- Includes cash paid towards Corporate Social Responsibility expenditure ₹ 421 lakhs (previous period ended September 30, 2018: ₹ 360 lakhs and previous year ended March 31, 2019: ₹ 1909 lakhs).



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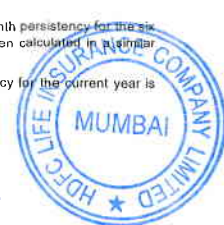
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HDFC Life Insurance Company Limited  
(Formerly HDFC Standard Life Insurance Company Limited)  
Statement of Standalone Audited Results for the Quarter and Six Months ended September 30, 2019

Particulars	Three Months ended / As at			Six Months ended / As at		Year ended / As at
	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	March 31, 2019
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
<b>Analytical Ratios:</b>						
(i) Solvency Ratio	192%	193%	193%	192%	193%	188%
(ii) Expenses of Management Ratio	19.3%	18.4%	17.7%	18.9%	17.9%	16.9%
(iii) Policyholder's liabilities to shareholders' fund	1962.1%	1993.8%	1959.6%	1962.1%	1959.6%	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)	1.53	2.10	1.43	3.63	3.31	6.34
b) Diluted EPS before and after extraordinary items (net of tax expense) for the period (not annualized for three months)	1.53	2.10	1.42	3.63	3.30	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	4,875.0	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	1,625.0	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 Not NPA						
- Non Linked						
Par	NIL	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL	NIL
- Linked						
Non Par	NIL	0.0%	NIL	NIL	NIL	0.1%
(vi) Yield on Investments (on Policyholders' fund)						
A. Without unrealised gains						
- Non Linked						
Par	2.3%	2.5%	1.7%	4.8%	3.4%	7.4%
Non Par	2.2%	2.2%	2.0%	4.5%	4.0%	8.4%
- Linked						
Non Par	1.6%	1.7%	1.8%	3.4%	4.0%	6.6%
B. With unrealised gains						
- Non Linked						
Par	1.4%	4.2%	0.9%	5.6%	0.8%	9.5%
Non Par	2.0%	4.8%	0.9%	6.8%	-0.2%	9.6%
- Linked						
Non Par	-0.8%	0.7%	0.0%	-0.1%	1.3%	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	2.6%	1.8%	1.7%	4.6%	3.6%	9.1%
B. With unrealised gains	1.9%	2.8%	0.8%	4.9%	0.2%	7.5%
(ix) Persistency Ratio						
13th month	89.3%	88.8%	84.8%	89.1%	86.6%	87.2%
25th month	77.7%	77.6%	80.6%	79.5%	79.1%	80.5%
37th month	74.5%	71.4%	69.8%	72.9%	72.1%	72.0%
49th month	65.2%	67.3%	65.4%	68.2%	64.2%	67.7%
61st month	54.6%	55.5%	52.4%	54.2%	50.3%	52.3%
(x) Conservation Ratio						
Participating Life- Individual & group	84.2%	81.7%	88.1%	83.1%	88.8%	84.4%
Participating Pension-Individual & group	99.3%	100.7%	84.9%	99.9%	83.7%	89.6%
Non Participating Life - Individual & group	67.1%	70.7%	93.6%	68.6%	86.9%	83.7%
Non Participating Pension - Individual & Group	76.5%	78.7%	83.9%	77.3%	87.2%	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	73.7%	62.2%	48.9%	68.2%	50.7%	57.6%
Unit Linked - Individual Life	81.2%	84.6%	82.7%	82.6%	84.0%	84.3%
Unit Linked - Individual Pension	78.1%	79.2%	84.7%	78.6%	83.2%	80.8%
Unit Linked - Group Life	NA	NA	NA	NA	NA	NA
Unit Linked - Group Pension	NA	NA	NA	NA	NA	NA

**Notes :**

- Analytical ratios have been calculated as per definition given in IRDAI Analytical ratios disclosure.
- The persistency ratios are calculated in accordance with the IRDAI circular no. IRDA/ACT/CIR/MISC/035/01/2014 dated January 23, 2014 and hence are with a lag of one month.
- Group business, where persistency is measurable, has been included in the calculations. Rural business policies issued from FY 2018-19 onwards are included in persistency ratio calculations.
- The persistency ratios for the quarter ended September 30, 2019 have been calculated for the policies issued in the June to August period of the relevant years. E.g.: the 13th month persistency for the current quarter is calculated for the policies issued from June 2018 to August 2018. The persistency ratios for quarter ended June 30, 2019 and September 30, 2018 have been calculated in a similar manner.
- The persistency ratios for the six months ended September 30, 2019 have been calculated for the policies issued in the September to August period of the relevant years. For e.g.: the 13th month persistency for the six months ended September 30, 2019 is calculated for the policies issued from September 2017 to August 2018. The persistency ratios for the six months ended September 30, 2018 have been calculated in a similar manner.
- 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.



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HDFC Life Insurance Company Limited  
(Formerly HDFC Standard Life Insurance Company Limited)  
Segment Reporting (Standalone) for the Quarter and Six Months ended September 30, 2019

(₹ in Lakhs)

Sr. No.	Particulars	Three Months ended			Six Months ended		Year ended
		September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	March 31, 2019
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1	Segment Income						
A)	Policyholders :						
	Segment A - Participating - Individual & Group Life :						
	Net Premium	130,812	92,776	133,903	223,588	237,744	561,015
	Income from Investments <sup>2</sup>	58,877	60,705	37,130	120,582	77,917	182,271
	Transfer of Funds from shareholders' account	-	-	-	-	-	544
	Other Income	2,991	1,588	1,249	4,579	2,521	6,347
	Segment B - Participating - Individual & Group Pension :						
	Net Premium	5,045	3,576	4,975	8,621	8,460	21,868
	Income from Investments <sup>2</sup>	4,895	6,815	3,680	11,710	7,445	16,550
	Transfer of Funds from shareholders' account	-	-	-	-	-	3
	Other Income	44	45	28	89	54	189
	Segment C - Non Participating - Individual & Group Life :						
	Net Premium	223,432	200,061	143,258	423,483	261,425	639,475
	Income from Investments <sup>2</sup>	32,249	27,094	17,830	59,343	34,233	76,910
	Transfer of Funds from shareholders' account	1,846	-	-	1,846	-	20,013
	Other Income	723	599	110	1,322	243	604
	Segment D - Non Participating - Life Group Variable :						
	Net Premium	35,026	12,832	28,007	47,858	51,094	98,642
	Income from Investments <sup>2</sup>	5,481	5,262	3,724	10,743	7,133	16,124
	Transfer of Funds from shareholders' account	267	-	284	267	370	-
	Other Income	-	-	-	-	-	-
	Segment E - Non Participating - Individual & Group Pension :						
	Net Premium	6,992	9,672	20,948	16,664	36,087	69,946
	Income from Investments <sup>2</sup>	6,885	6,918	5,376	13,803	10,311	23,444
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	7	8	10	15	19	31
	Segment F - Non Participating - Pension Group Variable :						
	Net Premium	28,245	66,020	19,194	94,265	29,170	99,258
	Income from Investments <sup>2</sup>	6,864	6,804	3,991	13,468	7,647	16,631
	Transfer of Funds from shareholders' account	-	-	449	-	1,392	1,476
	Other Income	-	-	-	-	-	-
	Segment G - Non Participating - Annuity :						
	Net Premium	52,783	69,498	62,667	122,281	103,562	259,204
	Income from Investments <sup>2</sup>	14,622	13,992	6,901	28,614	12,373	33,106
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	27	12	30	39	55	118
	Segment H - Non Participating - Individual & Group Health :						
	Net Premium	2,939	1,473	2,245	4,412	5,320	12,469
	Income from Investments <sup>2</sup>	170	147	114	317	216	542
	Transfer of Funds from shareholders' account	-	-	(324)	-	-	1,580
	Other Income	6	6	8	12	18	33
	Segment I - Unit Linked - Individual Life :						
	Net Premium	220,266	165,425	228,470	385,691	386,153	978,698
	Income from Investments <sup>2</sup>	(33,594)	38,521	5,795	4,927	75,257	387,780
	Transfer of Funds from shareholders' account	-	-	-	-	-	7,278
	Other Income	1,042	963	1,404	2,005	4,522	10,160
	Segment J - Unit Linked - Individual Pension :						
	Net Premium	18,404	13,653	22,909	32,057	40,038	90,938
	Income from Investments <sup>2</sup>	2,654	15,056	12,324	17,710	41,300	96,176
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	6	1	6	7	10	23
	Segment K - Unit Linked - Group Life :						
	Net Premium	19,780	7,964	9,702	27,744	14,637	53,189
	Income from Investments <sup>2</sup>	8,065	14,523	4,812	22,588	6,017	38,020
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	-	-	-	-	-	-
	Segment L - Unit Linked - Group Pension :						
	Net Premium	1,646	2,167	1,477	3,813	4,194	7,676
	Income from Investments <sup>2</sup>	1,458	2,727	1,010	4,185	1,498	7,788
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	-	-	-	-	-	-
B)	Shareholders :						
	Income from Investments <sup>2</sup>	13,442	8,858	7,170	22,300	15,018	39,866
	Other Income	-	-	-	-	932	2,108



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**HDFC Life Insurance Company Limited**  
(Formerly HDFC Standard Life Insurance Company Limited)  
**Segment Reporting (Standalone) for the Quarter and Six Months ended September 30, 2019**

(₹ in Lakhs)

Sr No.	Particulars	Three Months ended / As at			Six Months ended / As at		Year ended / As at March 31, 2019
		September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	
2	<b>Segment Surplus/ Deficit (net of transfer from Shareholders' A/c) :</b>						
	Segment A - Participating - Individual & Group Life	113	3,249	(5,333)	3,362	(4,992)	20,971
	Segment B - Participating - Individual & Group Pension	1,546	995	1,365	2,541	2,932	7,874
	Segment C - Non Participating - Individual & Group Life	(8,664)	6,818	17,849	(1,846)	31,956	53,557
	Segment D - Non Participating - Life Group Variable	(322)	55	(284)	(267)	(370)	219
	Segment E - Non Participating - Individual & Group Pension	827	4,970	50	5,797	1,162	6,139
	Segment F - Non Participating - Pension Group Variable	160	239	(450)	399	(1,392)	(1,476)
	Segment G - Non Participating - Annuity	4,214	416	1,057	4,630	3,029	608
	Segment H - Non Participating - Individual & Group Health	1,830	458	885	2,286	561	4,283
	Segment I - Unit Linked - Individual Life	15,538	15,840	(1,222)	31,378	9,156	(7,278)
	Segment J - Unit Linked - Individual Pension	3,068	3,490	4,320	6,558	7,789	16,388
	Segment K - Unit Linked - Group Life	743	990	629	1,733	1,465	2,369
	Segment L - Unit Linked - Group Pension	126	128	163	254	286	522
	<b>Total</b>	<b>19,179</b>	<b>37,648</b>	<b>19,049</b>	<b>56,827</b>	<b>51,582</b>	<b>104,176</b>
	Shareholders	10,951	7,429	5,702	18,380	13,074	37,884
	<b>Grand Total</b>	<b>30,130</b>	<b>45,077</b>	<b>24,751</b>	<b>75,207</b>	<b>64,656</b>	<b>142,060</b>
3	<b>Segment Assets:</b>						
	Segment A - Participating - Individual & Group Life	2,870,562	2,856,130	2,670,069	2,870,562	2,670,069	2,812,121
	Segment B - Participating - Individual & Group Pension	270,624	263,733	247,143	270,624	247,143	259,814
	Segment C - Non Participating - Individual & Group Life	1,364,986	1,229,701	907,344	1,364,986	907,344	1,126,013
	Segment D - Non Participating - Life Group Variable	283,410	259,617	199,110	283,410	199,110	244,931
	Segment E - Non Participating - Individual & Group Pension	346,569	339,838	294,243	346,569	294,243	334,165
	Segment F - Non Participating - Pension Group Variable	355,432	328,201	199,999	355,432	199,999	266,948
	Segment G - Non Participating - Annuity	623,450	570,700	335,829	623,450	335,829	496,723
	Segment H - Non Participating - Individual & Group Health	2,441	5,908	5,187	2,441	5,187	5,490
	Segment I - Unit Linked - Individual Life	4,960,873	4,946,679	4,414,383	4,960,873	4,414,383	4,940,365
	Segment J - Unit Linked - Individual Pension	801,594	827,959	858,002	801,594	858,002	847,255
	Segment K - Unit Linked - Group Life	487,614	476,223	430,313	487,614	430,313	466,266
	Segment L - Unit Linked - Group Pension	89,540	93,337	89,688	89,540	89,688	94,036
	<b>Total</b>	<b>12,457,095</b>	<b>12,200,026</b>	<b>10,651,310</b>	<b>12,457,095</b>	<b>10,651,310</b>	<b>11,894,127</b>
	Shareholder	600,678	597,068	529,178	600,678	529,178	555,592
	Unallocated <sup>3</sup>	47,525	40,132	39,570	47,525	39,570	38,572
	<b>Grand Total</b>	<b>13,105,298</b>	<b>12,837,226</b>	<b>11,220,058</b>	<b>13,105,298</b>	<b>11,220,058</b>	<b>12,488,291</b>
4	<b>Segment Policy Liabilities<sup>4</sup> :</b>						
	Segment A - Participating - Individual & Group Life	2,821,263	2,779,079	2,603,081	2,821,263	2,603,081	2,729,353
	Segment B - Participating - Individual & Group Pension	254,477	247,966	232,544	254,477	232,544	241,566
	Segment C - Non Participating - Individual & Group Life	1,359,685	1,228,034	912,777	1,359,685	912,777	1,123,246
	Segment D - Non Participating - Life Group Variable	281,845	258,780	200,605	281,845	200,605	243,562
	Segment E - Non Participating - Individual & Group Pension	346,248	339,594	294,496	346,248	294,496	333,887
	Segment F - Non Participating - Pension Group Variable	354,457	327,471	201,413	354,457	201,413	265,681
	Segment G - Non Participating - Annuity	624,413	571,794	337,949	624,413	337,949	498,487
	Segment H - Non Participating - Individual & Group Health	5,587	5,942	5,284	5,587	5,284	5,456
	Segment I - Unit Linked - Individual Life	4,963,886	4,970,052	4,431,242	4,963,886	4,431,242	4,962,786
	Segment J - Unit Linked - Individual Pension	801,594	827,959	858,002	801,594	858,002	847,255
	Segment K - Unit Linked - Group Life	486,471	476,086	430,412	486,471	430,412	466,196
	Segment L - Unit Linked - Group Pension	89,540	93,337	89,688	89,540	89,688	94,036
	<b>Total</b>	<b>12,389,466</b>	<b>12,126,094</b>	<b>10,597,493</b>	<b>12,389,466</b>	<b>10,597,493</b>	<b>11,811,511</b>
	Shareholders	635,524	608,175	540,799	635,524	540,799	565,564
	Unallocated	-	-	-	-	-	-
	<b>Grand Total</b>	<b>13,024,990</b>	<b>12,734,269</b>	<b>11,138,292</b>	<b>13,024,990</b>	<b>11,138,292</b>	<b>12,377,075</b>

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**  
(Formerly HDFC Standard Life Insurance Company Limited)

**Other disclosures :**

**Status of Shareholders Complaints as on September 30, 2019**

Sr No.	Particulars	Number of Complaints
1	Investor complaints pending at the beginning of the quarter	NIL
2	Investor complaints received during the quarter ended September 30, 2019	1
3	Investor complaints disposed of during the quarter ended September 30, 2019	1
4	Investor complaints remaining unresolved as on September 30, 2019	NIL



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**Notes:**

1. The above results of the company for the quarter and half year ended September 30, 2019 were reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on October 23, 2019.
2. These financial results have been prepared in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable, and IRDAI Circular IRDA/F&I/REG/CIR/208/10/2016 dated October 25, 2016 on publication of financial results for Life Insurance companies.
3. In view of seasonality of industry, the results of interim period are not necessarily indicative of the results that may be expected of any other interim periods or for the full year.
4. During the quarter ended September 30, 2019, the Company has allotted 182,870 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 November 7, 2019.
7. The above standalone financial results have been audited by joint statutory auditors of the Company.

Mumbai  
October 23, 2019

For and on behalf of the Board of Directors

Vibha Padalkar  
Managing Director & CEO  
(DIN: 01682810)



**Price Waterhouse Chartered Accountants LLP**

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

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

Chartered Accountants  
1007, Raheja Chambers,  
213 Nariman Point,  
Mumbai – 400021

**Review Report on Consolidated Financial Results for the quarter and half year ended September 30, 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 half year ended September 30, 2019 which are included in the accompanying Consolidated Financial Results, the unaudited consolidated statement of assets and liabilities as on that date and the consolidated receipts and payments account for the half year ended on that date (the “Statement”). The Statement is being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, which has been initialed by us for identification purposes. Attention is drawn to the fact that the consolidated figures for the corresponding quarter and half year ended September 30, 2018, as reported in these financial results have been approved by the Parent’s Board of Directors, but have not been subjected to review.
2. This Statement, which is the responsibility of the Parent’s Management and approved by the Parent’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (‘AS’) 25, “Interim Financial Reporting”, specified under Section 133 of the Companies Act, 2013 (“the Act”), including the relevant provisions of the Insurance Act, 1938 (the “Insurance Act”), the Insurance Regulatory and Development Authority Act, 1999 (the “IRDA Act”) and other accounting principles generally accepted in India, to the extent considered relevant and appropriate for the purpose of quarterly and half yearly financial results and which are not inconsistent with the accounting principles as prescribed in the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors’ Report of Insurance Companies) Regulations, 2002 (the “Regulations”) and orders/directions/circulars issued by the Insurance Regulatory and Development Authority of India (“IRDAI”). Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial



information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

4. The Statement includes the results of the following entities:
  - a) HDFC Pension Management Company Limited, and
  - b) HDFC International Life and Re Company Limited
5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Insurance Act, IRDA Act, and other accounting principles generally accepted in India and to the extent considered relevant and appropriate for the purpose of these consolidated financial results and which are not inconsistent with the accounting principles as prescribed in the Regulations and orders/directions/circulars issued by IRDAI to the extent applicable and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. 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 September 30, 2019 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India ("IRDAI") and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon the Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists, as contained in the consolidated unaudited financial results of the Group. 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 assets of Rs. 2,691,283 ('000) and net assets of Rs. 2,293,198 ('000) as at September 30, 2019 and total revenue of Rs. 115,189 ('000) and Rs. 253,306 ('000) and total net profit after tax of Rs. 2,998 ('000) and Rs. 13,919 ('000) for the quarter and half year ended September 30, 2019 respectively and cash flows (net) of Rs.2,398 ('000) for the six month ended September 30, 2019, 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.

8. We were neither engaged to review, nor have we reviewed the comparative figures for the quarter and half year ended September 30, 2018 accordingly, we do not express any conclusion on the consolidated results in the Statement for the quarter and half year ended September 30, 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**  
Chartered Accountants  
Registration No.012754N/N500016

  
**Alpa Kedia**  
Partner  
Membership No. 100681  
UDIN: 19100681 AAAA DP4256

**Place:** Mumbai  
**Date:** October 23, 2019

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

  
**Rajen Ashar**  
Partner  
Membership No. 048243  
UDIN: 19048243 AAAA HE 3529



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

**Statement of Consolidated Unaudited Results for the Quarter and six months ended September 30, 2019**

(₹ in Lakhs)

Sr. No.	Particulars	Three months ended			Six Months ended		Year ended
		September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	March 31, 2019
		(Unaudited)	(Unaudited)	(Unaudited) (refer note 7)	(Unaudited)	(Unaudited) (refer note 7)	(Audited)
<b>POLICYHOLDERS' A/C</b>							
1	Gross premium income						
	(a) First Year Premium	145,272	132,658	120,644	277,930	201,887	505,811
	(b) Renewal Premium	356,684	260,980	323,083	617,664	561,099	1,421,457
	(c) Single Premium	253,567	259,938	240,325	513,505	426,846	991,334
2	Net premium income <sup>1</sup>	745,687	645,718	677,926	1,391,405	1,178,055	2,893,067
3	Income from investments (Net) <sup>2</sup>	113,512	205,138	109,024	318,650	288,699	902,749
4	Other income	4,844	3,223	2,850	8,067	7,442	17,506
5	Transfer of funds from Shareholders' A/c	2,113	-	410	2,113	1,762	30,895
6	<b>Total (2 to 5)</b>	<b>866,156</b>	<b>854,079</b>	<b>790,210</b>	<b>1,720,235</b>	<b>1,475,958</b>	<b>3,844,217</b>
7	Commission on						
	(a) First Year Premium	26,793	25,845	18,736	52,638	32,919	78,394
	(b) Renewal Premium	6,351	3,353	4,437	9,704	7,839	21,372
	(c) Single Premium	3,410	3,025	3,193	6,435	5,428	12,003
8	<b>Net Commission<sup>1</sup></b>	<b>36,554</b>	<b>32,223</b>	<b>26,366</b>	<b>68,777</b>	<b>46,186</b>	<b>111,769</b>
9	Operating Expenses related to insurance business (a+b)						
	(a) Employees remuneration and welfare expenses	43,090	39,398	36,614	82,488	69,108	140,822
	(b) Other operating expenses <sup>3</sup>	66,461	48,683	57,962	115,144	97,926	240,535
10	<b>Expenses of Management (8+9)</b>	<b>146,105</b>	<b>120,304</b>	<b>120,942</b>	<b>266,409</b>	<b>213,220</b>	<b>493,126</b>
11	Provisions for doubtful debts (including bad debts written off)	-	-	-	-	-	-
12	Provisions for diminution in value of investments <sup>4</sup>	5,792	8,408	6,335	14,200	7,350	9,056
13	Goods & Services Tax/Service Tax charge on linked charges	6,626	8,492	8,331	17,118	16,223	33,982
14	Provision for taxes	(2,437)	484	(361)	(1,953)	1,984	22,679
15	Benefits Paid <sup>5</sup> (Net) <sup>1</sup>	422,787	366,342	336,254	789,130	630,499	1,398,977
16	Change in actuarial liability	264,108	311,966	299,080	576,074	553,167	1,750,746
17	<b>Total (10+11+12+13+14+15+16)</b>	<b>844,981</b>	<b>815,996</b>	<b>770,581</b>	<b>1,660,978</b>	<b>1,422,443</b>	<b>3,708,566</b>
18	Surplus/Deficit (6-17)	21,175	38,083	19,629	59,257	53,515	135,651
19	Appropriations						
	(a) Transferred to Shareholders A/c	21,910	35,469	23,579	57,377	55,576	121,270
	(b) Funds for Future Appropriations	(734)	2,614	(3,949)	1,880	(2,061)	14,381
20	<b>Details of Surplus / Deficit</b>						
	(a) Interim bonus paid	806	1,628	629	2,434	1,294	6,137
	(b) Terminal bonus paid	20,760	13,031	10,019	33,791	14,888	51,290
	(c) Allocation of bonus to policyholders	-	-	-	-	-	77,681
	(d) Surplus shown in the Revenue Account	21,175	38,083	19,629	59,257	53,515	135,651
	<b>Total Surplus</b>	<b>42,741</b>	<b>52,742</b>	<b>30,277</b>	<b>95,482</b>	<b>69,697</b>	<b>270,759</b>
<b>SHAREHOLDERS' A/C</b>							
21	Transfer from Policyholders' Account	21,910	35,469	23,579	57,379	55,576	121,270
22	Net Reinsurance Premium	596	557	159	1,153	590	1,853
23	Total income under Shareholders' Account						
	(a) Investment income	14,211	10,081	7,444	24,291	15,438	41,427
	(b) Other income	25	18	8	43	947	2,144
24	Reinsurance Claims incurred	701	176	28	877	30	603
25	Expenses relating to reinsurance business & Change in reinsurance contract liabilities (net of reinsurance assets)	(121)	821	251	698	681	2,032
26	Expenses other than those related to insurance business	785	312	603	1,097	920	3,089
27	Transfer of funds to Policyholders' Account	2,113	-	410	2,113	1,762	30,895
28	Provisions for doubtful debts (including write off)	-	-	-	-	-	-
29	Provisions for diminution in value of investments <sup>4</sup>	558	1,019	161	1,577	194	973
30	<b>Profit before tax</b>	<b>32,706</b>	<b>43,797</b>	<b>29,737</b>	<b>76,504</b>	<b>68,964</b>	<b>129,102</b>
31	Provisions for tax	1,808	1,226	934	3,034	2,098	1,309
32	<b>Profit after tax and before Extraordinary items</b>	<b>30,898</b>	<b>42,571</b>	<b>28,803</b>	<b>73,470</b>	<b>66,866</b>	<b>127,793</b>
33	<b>Profit after tax and Extraordinary items</b>	<b>30,898</b>	<b>42,571</b>	<b>28,803</b>	<b>73,470</b>	<b>66,866</b>	<b>127,793</b>
34	Dividend per share (₹) (Nominal value ₹ 10 per share)						
	(a) Interim Dividend	-	-	-	-	-	1.63
	(b) Final Dividend	-	-	-	-	-	-
35	Profit carried to Balance Sheet <sup>5</sup>	400,068	369,169	305,315	400,068	305,315	326,598
36	Paid up equity share capital	201,767	201,749	201,391	201,767	201,391	201,738
37	Reserve & Surplus (excluding Revaluation Reserve)	437,095	405,433	338,799	437,095	338,799	362,784
38	Fair Value Change Account and Revaluation Reserve (Shareholders)	(4,125)	(265)	(146)	(4,125)	(146)	(301)
39	Total Assets:						
	(a) Investments:						
	- Shareholders'	530,219	517,172	443,179	530,219	443,179	503,600
	- Policyholders Fund excluding Linked Assets	6,264,371	6,107,061	5,105,258	6,264,371	5,105,258	5,712,446
	- Assets held to cover Linked Liabilities (Linked Assets)	6,306,432	6,333,254	5,774,283	6,306,432	5,774,283	6,337,741
	(b) Other Assets (Net of current liabilities and provisions)	6,761	(118,103)	(101,239)	6,761	(101,239)	(64,037)

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

Advertisement and publicity	27,467	19,904	24,745	47,371	39,591	98,365
Business development expenses	13,964	9,130	13,651	23,094	22,014	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



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4/2/19

**HDFC Life Insurance Company Limited**  
(Formerly HDFC Standard Life Insurance Company Limited)  
Consolidated Balance Sheet as at September 30, 2019

(₹ in Lakhs)

Particulars	As at		
	September 30, 2019 (Unaudited)	March 31, 2019 ( Audited)	September 30,2018 (Unaudited) (refer note 7)
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS:</b>			
Share Capital	201,767	201,738	201,391
Share application money received pending allotment of shares	48	39	451
Reserves and Surplus	437,095	362,784	338,799
Credit / (Debit) Fair Value Change Account	(4,125)	(301)	(146)
<b>Sub-Total</b>	<b>634,785</b>	<b>564,261</b>	<b>540,495</b>
<b>BORROWINGS</b>			
<b>POLICYHOLDERS' FUNDS:</b>			
Credit / (Debit) Fair Value Change Account	80,306	111,213	81,766
Policy Liabilities			
i) relating to Life insurance business	5,970,855	5,363,471	4,729,351
ii) relating to Reinsurance business	3,226	2,714	1,726
Insurance Reserve			
Provision for Linked Liabilities	5,254,859	5,144,904	4,803,619
Add: Fair value change	719,777	907,221	682,162
Provision for Linked Liabilities	5,974,636	6,052,125	5,485,781
Funds for discontinued policies			
(a) Discontinued on account of non-payment of premium	330,609	284,574	287,493
(b) Others	1,187	1,042	1,009
Total Provision for Linked & Discontinued Policyholders Liabilities	6,306,432	6,337,741	5,774,283
<b>Sub-Total</b>	<b>12,360,819</b>	<b>11,815,139</b>	<b>10,587,126</b>
Funds for Future Appropriations	112,179	110,301	93,859
<b>TOTAL</b>	<b>13,107,783</b>	<b>12,489,700</b>	<b>11,221,480</b>
<b>APPLICATION OF FUNDS</b>			
<b>INVESTMENTS:</b>			
Shareholders'	530,219	503,600	443,179
Policyholders'	6,264,371	5,712,446	5,105,258
Asset held to cover Linked Liabilities	6,306,432	6,337,741	5,774,283
<b>LOANS</b>	19,162	7,959	2,796
<b>FIXED ASSETS</b>	34,153	33,388	33,240
<b>CURRENT ASSETS</b>			
Cash and Bank Balances	52,518	124,445	53,326
Advances and Other Assets	400,067	282,005	285,322
<b>Sub-Total (A)</b>	<b>452,585</b>	<b>406,450</b>	<b>338,648</b>
<b>CURRENT LIABILITIES</b>	493,119	506,013	471,569
<b>PROVISIONS</b>	6,020	5,871	4,355
<b>Sub-Total (B)</b>	<b>499,139</b>	<b>511,884</b>	<b>475,924</b>
<b>NET CURRENT ASSETS (C) = (A - B)</b>	<b>(46,554)</b>	<b>(105,434)</b>	<b>(137,276)</b>
Miscellaneous Expenditure (to the extent not written off or adjusted)	-	-	-
Debit Balance in Profit and Loss Account (Shareholders' Account)	-	-	-
<b>TOTAL</b>	<b>13,107,783</b>	<b>12,489,700</b>	<b>11,221,480</b>
Contingent liabilities	240,915	153,062	122,336



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**HDFC Life Insurance Company Limited**  
(Formerly HDFC Standard Life Insurance Company Limited)  
**Consolidated Receipts and Payments Account for the six months ended September 30, 2019**

Sr. No.	Particulars	Six months ended		Year ended
		September 30, 2019	September 30, 2018	March 31, 2019
		(Unaudited)	(Unaudited) (refer note 7)	(Audited)
<b>A.</b>	<b>Cash Flows from the operating activities:</b>			
1	Premium received from policyholders, including advance receipts	1,445,090	1,258,369	3,040,969
2	Other receipts	7,342	7,042	16,537
3	Payments to the re-insurers, net of commissions and claims/ Benefits	366	(123)	(7,858)
4	Payments of claims/benefits	(798,686)	(653,969)	(1,439,338)
5	Payments of commission and brokerage	(78,154)	(57,480)	(118,246)
6	Payments of other operating expenses <sup>1</sup>	(240,669)	(191,112)	(411,828)
7	Preliminary and pre-operative expenses	-	-	-
8	Deposits, advances and staff loans	(100)	576	(3,806)
9	Income taxes paid (net)	(10,035)	(13,178)	(31,702)
10	Goods and Services Tax/ Service tax paid	(29,819)	(29,715)	(57,886)
11	Other payments	(32)	(49)	(13)
12	Cash flows before extraordinary items	295,304	320,361	986,830
13	Cash flow from extraordinary operations	-	-	-
	<b>Net cash flow from operating activities</b>	<b>295,304</b>	<b>320,361</b>	<b>986,830</b>
<b>B</b>	<b>Cash flows from investing activities:</b>			
1	Purchase of fixed assets	(2,427)	(1,370)	(4,513)
2	Proceeds from sale of fixed assets	147	32	172
3	Purchases of investments	(5,757,155)	(2,857,040)	(37,835,406)
4	Loans disbursed	-	-	-
	Loan against policies	(11,203)	(994)	(6,185)
5	Sales of investments	5,130,981	2,300,091	36,265,074
6	Repayments received	-	72	100
7	Rents/Interests/ Dividends received	323,386	270,227	562,704
8	Investments in money market instruments and in liquid mutual funds (net)	45	(56)	(99)
9	Expenses related to investments	(22)	(23)	(25)
	<b>Net cash flow from investing activities</b>	<b>(316,248)</b>	<b>(289,061)</b>	<b>(1,018,178)</b>
<b>C</b>	<b>Cash flows from financing activities:</b>			
1	Proceeds from issuance of share capital	29	217	564
2	Share Premium	416	1,747	5,411
3	Proceeds from borrowing	-	-	-
4	Repayments of borrowing	-	-	-
5	Interest/dividends paid	-	-	(39,642)
6	Application money pending allotment	9	362	(49)
	<b>Net cash flow from financing activities</b>	<b>454</b>	<b>2,326</b>	<b>(33,716)</b>
<b>D</b>	<b>Effect of foreign exchange rates on cash and cash equivalents, (net)</b>	<b>425</b>	<b>938</b>	<b>(24)</b>
<b>E</b>	<b>Net increase in cash and cash equivalents:</b>	<b>(20,065)</b>	<b>34,564</b>	<b>(65,088)</b>
1	Cash and cash equivalents at the beginning of the year	615,212	680,356	680,356
2	<b>Cash and cash equivalents at the end of the year</b>	<b>595,147</b>	<b>714,920</b>	<b>615,267</b>
	<b>Note - Components of Cash and cash equivalents at end of the year:</b>			
	Cash and cheques in hand	5,406	8,449	19,525
	Bank Balances *	46,988	35,994	96,009
	Fixed Deposit (less than 3 months)	-	-	10,500
	Money Market Instruments	542,753	670,477	489,233
	<b>Total Cash and cash equivalents</b>	<b>595,147</b>	<b>714,920</b>	<b>615,267</b>
	<b>Reconciliation of Cash &amp; Cash Equivalents with Cash &amp; Bank Balance:</b>			
	Cash & Cash Equivalents	595,147	714,920	615,267
	Add: Deposit Account - Others	55	8,883	8,911
	Less: Fixed Deposit (less than 3 months)	-	-	(10,500)
	Less: Money market instruments	(542,753)	(670,477)	(489,233)
	Add: Point of Presence Funds held in trust	69	-	-
	<b>Cash &amp; Bank Balances</b>	<b>52,518</b>	<b>53,326</b>	<b>124,445</b>
	* Bank Balances includes Unclaimed Dividend of ₹ 19 lakhs (₹ 18 lakhs at September 30, 2018 and ₹ 18 lakhs at March 31, 2019)			

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

**Notes :**

- 1 Includes cash paid towards Corporate Social Responsibility expenditure ₹ 421 lakhs (previous period ended September 30, 2018: ₹ 360 lakhs and previous year ended March 31, 2019: ₹ 1909 lakhs).



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**HDFC Life Insurance Company Limited**  
(Formerly HDFC Standard Life Insurance Company Limited)  
Statement of Analytical Ratios (Consolidated) for the Quarter and six months ended September 30, 2019

Particulars	Three Months ended			Six Months ended		Year ended
	September 30, 2019 (Unaudited)	June 30, 2019 (Unaudited)	September 30, 2018 (Unaudited) (refer note 7)	September 30, 2019 (Unaudited)	September 30, 2018 (Unaudited) (refer note 7)	March 31, 2019 (Audited)
(₹ in Lakhs)						
<b>Analytical Ratios:</b>						
(i) Solvency Ratio	192%	193%	193%	192%		188%
(ii) Expenses of Management Ratio	19.3%	18.4%	17.7%	18.9%		16.9%
(iii) Policyholder's liabilities to shareholders' fund	1964.9%	1996.5%	1961.0%	1964.9%	1961.0%	2093.3%
(iv) Earnings per share (in ₹):						
a) Basic EPS before and after extraordinary items (net of tax expense) for the period (not annualized for three months)	1.53	2.11	1.43	3.64	3.32	6.34
b) Diluted EPS before and after extraordinary items (net of tax expense) for the period (not annualized for three months)	1.53	2.11	1.43	3.64	3.31	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						
Par	Nil	Nil	Nil	Nil	Nil	Nil
Non Par	5125.0	4875.0	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						
Par	Nil	Nil	Nil	Nil	Nil	Nil
Non Par	Nil	1625.0	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						
Par	0.1%	0.1%	Nil	0.1%	Nil	0.1%
Non Par						
% of Net NPA						
- Non Linked						
Par	Nil	Nil	Nil	Nil	Nil	Nil
Non Par	Nil	Nil	Nil	Nil	Nil	Nil
- Linked						
Par	Nil	0.0%	Nil	Nil	Nil	0.1%
Non Par						
(vi) Yield on Investments (on Policyholders' fund)						
A. Without unrealised gains						
- Non Linked						
Par	2.3%	2.5%	1.7%	4.8%	3.4%	7.4%
Non Par	2.2%	2.2%	2.0%	4.5%	4.0%	8.4%
- Linked						
Par	1.8%	1.7%	1.8%	3.4%	4.0%	6.6%
Non Par	1.4%	4.2%	0.9%	5.6%	0.8%	9.5%
- Linked						
Par	2.0%	4.8%	0.9%	6.8%	-0.2%	9.6%
Non Par	-0.8%	0.7%	0.0%	-0.1%	1.3%	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	2.6%	1.8%	1.7%	4.6%	3.6%	9.1%
B. With unrealised gains	1.9%	2.6%	0.8%	4.9%	0.2%	7.5%
(ix) Persistency Ratio						
13th month	89.3%	88.8%	84.8%	89.1%	86.6%	87.2%
25th month	77.7%	77.6%	80.6%	79.5%	79.1%	80.5%
37th month	74.5%	71.4%	69.6%	72.9%	72.1%	72.0%
49th month	65.2%	67.3%	65.4%	68.2%	64.2%	67.7%
61st month	54.6%	55.5%	52.4%	54.2%	50.3%	52.3%
(x) Conservation Ratio						
Participating life- Individual & group	84.2%	81.7%	88.1%	83.1%	88.8%	84.4%
Participating pension- Individual & group	99.3%	100.7%	84.9%	99.9%	83.7%	89.6%
Non Participating life - Individual & group	67.1%	70.7%	93.6%	68.6%	88.9%	83.7%
Non Participating pension - Individual & Group	76.5%	78.7%	83.9%	77.3%	67.2%	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	73.7%	62.2%	48.9%	68.2%	50.7%	57.6%
Unit Linked - Individual life	81.2%	84.6%	82.7%	82.6%	84.0%	84.3%
Unit Linked - Individual pension	78.1%	79.2%	84.7%	78.6%	83.2%	80.8%
Unit Linked - Group life	NA	NA	NA	NA	NA	NA
Unit Linked - Group pension	NA	NA	NA	NA	NA	NA

**Notes :**

- Analytical ratios have been calculated as per definition given in IRDAI Analytical ratios disclosure.
- The persistency ratios are calculated in accordance with the IRDAI circular no. IRDA/ACT/C/RMISC/035/01/2014 dated January 23, 2014 and hence are with a lag of one month.
- Group business, where persistency is measurable, has been included in the calculations. Rural business policies issued from FY 2018-19 onwards are included in persistency ratio calculations.
- The persistency ratios for the quarter ended September 30, 2019 have been calculated for the policies issued in the June to August period of the relevant years. E.g.: the 13th month persistency for the current quarter is calculated for the policies issued from June 2018 to August 2018. The persistency ratios for quarter ended June 30, 2019 and September 30, 2018 have been calculated in a similar manner.
- The persistency ratios for the six months ended September 30, 2019 have been calculated for the policies issued in the September to August period of the relevant years. For e.g.: the 13th month persistency for the six months ended September 30, 2019 is calculated for the policies issued from September 2017 to August 2018. The persistency ratios for the six months ended September 30, 2018 have been calculated in a similar manner.
- 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.



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**HDFC Life Insurance Company Limited**  
(Formerly HDFC Standard Life Insurance Company Limited)  
Segment Reporting (Consolidated) for the Quarter and six months ended September 30, 2019

(₹ in Lakhs)

Sr. No.	Particulars	Three Months ended			Six Months ended		Year ended
		September 30, 2019 (Unaudited)	June 30, 2019 (Unaudited)	September 30, 2018 (Unaudited) (refer note 7)	September 30, 2019 (Unaudited)	September 30, 2018 (Unaudited) (refer note 7)	March 31, 2019 (Audited)
1	<b>Segment Income</b>						
A)	<b>Policyholders :</b>						
	<b>Segment A - Participating - Individual &amp; Group Life :</b>						
	Net Premium						
	Income from Investments <sup>2</sup>	130,812	92,776	133,903	223,588	237,744	561,015
	Transfer of Funds from shareholders' account	59,877	60,705	37,130	120,582	77,917	182,271
	Other Income	-	-	-	-	-	544
	<b>Segment B - Participating - Individual &amp; Group Pension :</b>	2,991	1,588	1,249	4,579	2,521	6,347
	Net Premium	-	-	-	-	-	-
	Income from Investments <sup>2</sup>	5,045	3,576	4,975	8,621	8,460	21,888
	Transfer of Funds from shareholders' account	4,895	6,815	3,680	11,710	7,445	16,550
	Other Income	-	-	-	-	-	3
	<b>Segment C - Non Participating - Individual &amp; Group Life :</b>	44	45	28	89	54	189
	Net Premium	-	-	-	-	-	-
	Income from Investments <sup>2</sup>	223,752	200,663	143,429	424,415	261,597	640,141
	Transfer of Funds from shareholders' account	32,249	27,094	17,830	59,343	34,233	76,910
	Other Income	1,846	-	-	1,846	-	20,013
	<b>Segment D - Non Participating - Life Group Variable :</b>	723	599	116	1,322	243	604
	Net Premium	-	-	-	-	-	-
	Income from Investments <sup>2</sup>	35,026	12,832	28,007	47,858	51,094	98,642
	Transfer of Funds from shareholders' account	5,481	5,262	3,724	10,743	7,133	16,124
	Other Income	267	-	284	267	370	-
	<b>Segment E - Non Participating - Individual &amp; Group Pension :</b>	-	-	-	-	-	-
	Net Premium	6,992	9,672	20,948	16,664	36,087	69,946
	Income from Investments <sup>2</sup>	6,885	6,918	5,376	13,803	10,311	23,444
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	7	8	10	15	19	31
	<b>Segment F - Non Participating - Pension Group Variable :</b>	-	-	-	-	-	-
	Net Premium	28,245	66,020	19,194	94,265	29,170	99,258
	Income from Investments <sup>2</sup>	6,864	6,604	3,991	13,468	7,647	16,631
	Transfer of Funds from shareholders' account	-	-	449	-	1,392	1,476
	Other Income	-	-	-	-	-	-
	<b>Segment G - Non Participating - Annuity :</b>	27	12	30	39	55	118
	Net Premium	52,783	69,498	62,667	122,281	103,562	259,204
	Income from Investments <sup>2</sup>	14,622	13,992	6,901	28,614	12,373	33,106
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	-	-	-	-	-	-
	<b>Segment H - Non Participating - Individual &amp; Group Health :</b>	27	12	30	39	55	118
	Net Premium	2,939	1,473	2,245	4,412	5,320	12,469
	Income from Investments <sup>2</sup>	170	147	114	317	216	542
	Transfer of Funds from shareholders' account	-	-	(324)	-	-	1,580
	Other Income	6	6	8	12	18	33
	<b>Segment I - Unit Linked - Individual Life :</b>	-	-	-	-	-	-
	Net Premium	220,266	165,425	228,470	385,691	386,153	978,698
	Income from Investments <sup>2</sup>	(33,594)	38,521	5,795	4,927	75,257	387,780
	Transfer of Funds from shareholders' account	-	-	-	-	-	7,278
	Other Income	1,042	963	1,404	2,005	4,522	10,160
	<b>Segment J - Unit Linked - Individual Pension :</b>	-	-	-	-	-	-
	Net Premium	18,404	13,653	22,909	32,057	40,038	90,938
	Income from Investments <sup>2</sup>	2,654	15,056	12,324	17,710	41,300	96,176
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	6	1	6	7	10	23
	<b>Segment K - Unit Linked - Group Life :</b>	-	-	-	-	-	-
	Net Premium	19,780	7,964	9,702	27,744	14,637	53,189
	Income from Investments <sup>2</sup>	8,065	14,523	4,812	22,588	6,017	38,020
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	-	-	-	-	-	-
	<b>Segment L - Unit Linked - Group Pension :</b>	-	-	-	-	-	-
	Net Premium	1,646	2,167	1,477	3,813	4,194	7,678
	Income from Investments <sup>2</sup>	1,458	2,727	1,010	4,185	1,498	7,788
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	-	-	-	-	-	-
B)	<b>Shareholders :</b>						
	Income from Investments <sup>2</sup>	13,653	9,062	7,283	22,714	15,244	40,454
	Other Income	25	18	8	43	947	2,144



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**HDFC Life Insurance Company Limited**  
(Formerly HDFC Standard Life Insurance Company Limited)  
**Segment Reporting (Consolidated) for the Quarter and six months ended September 30, 2019**

(₹ in Lakhs)

Sr No.	Particulars	Three Months ended / As at			Six Months ended / As at		Year ended /
		September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	March 31, 2019
		(Unaudited)	(Unaudited) (refer note 8)	(Unaudited) (refer note 8)	(Unaudited)	(Unaudited)	(Audited)
2	<b>Segment Surplus/ Deficit (net of transfer from shareholders' A/c) :</b>						
	Segment A - Participating - Individual & Group Life	113	3,249	(5,333)	3,362	(4,992)	20,971
	Segment B - Participating - Individual & Group Pension	1,546	995	1,385	2,541	2,932	7,874
	Segment C - Non Participating - Individual & Group Life	(8,784)	7,253	18,020	(1,530)	32,127	54,137
	Segment D - Non Participating - Life Group Variable	(322)	55	(284)	(267)	(370)	219
	Segment E - Non Participating - Individual & Group Pension	827	4,970	50	5,797	1,162	6,139
	Segment F - Non Participating - Pension Group Variable	160	239	(450)	399	(1,392)	(1,476)
	Segment G - Non Participating - Annuity	4,214	416	1,057	4,630	3,029	608
	Segment H - Non Participating - Individual & Group Health	1,830	458	885	2,288	561	4,283
	Segment I - Unit Linked - Individual Life	15,538	15,840	(1,222)	31,378	9,156	(7,278)
	Segment J - Unit Linked - Individual Pension	3,068	3,490	4,320	6,558	7,789	16,388
	Segment K - Unit Linked - Group Life	743	990	629	1,733	1,465	2,369
	Segment L - Unit Linked - Group Pension	126	128	163	254	286	522
	<b>Total</b>	<b>19,059</b>	<b>38,083</b>	<b>19,220</b>	<b>57,143</b>	<b>51,753</b>	<b>104,756</b>
	Shareholders	11,101	7,102	5,634	18,204	13,053	37,418
	<b>Grant Total</b>	<b>30,160</b>	<b>45,185</b>	<b>24,854</b>	<b>75,347</b>	<b>64,806</b>	<b>142,174</b>
3	<b>Segment Assets:</b>						
	Segment A - Participating - Individual & Group Life	2,870,562	2,856,130	2,670,069	2,870,562	2,670,069	2,812,121
	Segment B - Participating - Individual & Group Pension	270,624	263,733	247,143	270,624	247,143	259,814
	Segment C - Non Participating - Individual & Group Life	1,365,920	1,230,716	907,516	1,365,920	907,516	1,126,593
	Segment D - Non Participating - Life Group Variable	283,410	259,617	199,110	283,410	199,110	244,931
	Segment E - Non Participating - Individual & Group Pension	346,569	339,838	294,243	346,569	294,243	334,165
	Segment F - Non Participating - Pension Group Variable	355,432	328,201	199,999	355,432	199,999	266,948
	Segment G - Non Participating - Annuity	623,450	570,700	335,829	623,450	335,829	496,723
	Segment H - Non Participating - Individual & Group Health	2,441	5,908	5,187	2,441	5,187	5,490
	Segment I - Unit Linked - Individual Life	4,960,873	4,948,679	4,414,383	4,960,873	4,414,383	4,940,365
	Segment J - Unit Linked - Individual Pension	801,594	827,959	858,002	801,594	858,002	847,255
	Segment K - Unit Linked - Group Life	487,614	476,223	430,313	487,614	430,313	466,266
	Segment L - Unit Linked - Group Pension	89,540	93,337	89,688	89,540	89,688	94,036
	<b>Total</b>	<b>12,458,029</b>	<b>12,201,041</b>	<b>10,651,482</b>	<b>12,458,029</b>	<b>10,651,482</b>	<b>11,894,707</b>
	Shareholders	602,229	598,212	530,428	602,229	530,428	556,421
	Unallocated <sup>3</sup>	47,525	40,132	39,570	47,525	39,570	38,572
	<b>Grant Total</b>	<b>13,107,783</b>	<b>12,839,385</b>	<b>11,221,480</b>	<b>13,107,783</b>	<b>11,221,480</b>	<b>12,489,700</b>
4	<b>Segment Policy Liabilities<sup>4</sup> :</b>						
	Segment A - Participating - Individual & Group Life	2,821,263	2,779,079	2,603,081	2,821,263	2,603,081	2,729,353
	Segment B - Participating - Individual & Group Pension	254,477	247,966	232,544	254,477	232,544	241,566
	Segment C - Non Participating - Individual & Group Life	1,360,619	1,229,049	912,949	1,360,619	912,949	1,123,826
	Segment D - Non Participating - Life Group Variable	281,845	258,780	200,605	281,845	200,605	243,562
	Segment E - Non Participating - Individual & Group Pension	346,248	339,594	294,496	346,248	294,496	333,887
	Segment F - Non Participating - Pension Group Variable	354,457	327,471	201,413	354,457	201,413	265,681
	Segment G - Non Participating - Annuity	624,413	571,794	337,949	624,413	337,949	498,487
	Segment H - Non Participating - Individual & Group Health	5,587	5,942	5,284	5,587	5,284	5,456
	Segment I - Unit Linked - Individual Life	4,963,886	4,970,052	4,431,242	4,963,886	4,431,242	4,962,786
	Segment J - Unit Linked - Individual Pension	801,594	827,959	858,002	801,594	858,002	847,255
	Segment K - Unit Linked - Group Life	486,471	476,086	430,412	486,471	430,412	466,196
	Segment L - Unit Linked - Group Pension	89,540	93,337	89,688	89,540	89,688	94,036
	<b>Total</b>	<b>12,390,400</b>	<b>12,127,109</b>	<b>10,597,665</b>	<b>12,390,400</b>	<b>10,597,665</b>	<b>11,812,091</b>
	Shareholders	637,077	609,318	542,052	637,077	542,052	566,394
	Unallocated	-	-	-	-	-	-
	<b>Grand Total</b>	<b>13,027,477</b>	<b>12,736,427</b>	<b>11,139,717</b>	<b>13,027,477</b>	<b>11,139,717</b>	<b>12,378,485</b>

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

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

Sr No.	Particulars	Number of Complaints
1	Investor complaints pending at the beginning of the quarter	Nil
2	Investor complaints received during the quarter ended September 30, 2019	1
3	Investor complaints disposed of during the quarter ended September 30, 2019	1
4	Investor complaints remaining unresolved as on September 30, 2019	Nil





**Notes:**

1. The above results of the Group for the quarter and six months ended September 30, 2019 were reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on October 23, 2019.
2. These financial results have been prepared in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable, and IRDAI Circular IRDA/F&I/REG/CIR/208/10/2016 dated October 25, 2016 on publication of financial results for Life Insurance companies.
3. In view of seasonality of industry, the results of interim period are not necessarily indicative of the results that may be expected of any other interim periods or for the full year.
4. During the quarter ended September 30, 2019, the Parent company has allotted 182,870 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 six months ended September 30, 2019 have been reviewed by joint statutory auditors of the Company.
7. The consolidated figures for the quarter and six months ended September 30, 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.

Mumbai  
October 23, 2019

For and on behalf of the Board of Directors

*Vibha Padalkar*

Vibha Padalkar  
Managing Director & CEO  
(DIN: 01682810)



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**PRESS RELEASE - PERFORMANCE FOR THE HALF YEAR ENDED SEP 30, 2019**

**BSE Code: 540777**

**NSE Code: HDFCLIFE**

## **Strong growth of 57% in Value of New Business, 38% in APE**

### **Other Key Highlights:**

- **Ranked #1 in total new business premium**
- **Industry leading NBM of 27.5%**
- **Solid Operating return on EV of 19.6%**
- **Term APE growth of 43%**
- **Healthy PAT Growth of 10%**

**Mumbai, October 23, 2019:** The Board of Directors of HDFC Life approved and adopted today the consolidated and standalone audited financial results for the half year ended September 30, 2019. Below is the summary of our standalone results:

Commenting on the half year's solid performance, Ms. Vibha Padalkar, MD & CEO said "We have delivered strong performance across all key metrics and have continued to sustain our profitability. Despite a challenging macro-environment, we have grown by 35% on Individual WRP, compared to industry growth of 11%. This has enabled us to increase our market share by 220 basis points to 15.2%. Our diversified distribution mix is underpinned by the strong growth of our proprietary channels, coupled with steady performance across our corporate partners. We remain committed to tap the immense protection and retirals opportunity in India. We expect our continued product innovation and advancements in the use of technology to sustain our performance across business cycles. These factors put us in a good position to harness the long term growth potential of the life insurance industry and provide the best value proposition to our customers, partners and shareholders."

### **Key Financial Summary**

<b>Rs Cr</b>	<b>H1 FY20</b>	<b>H1 FY19</b>	<b>YoY</b>	<b>FY19</b>	<b>FY18</b>
<b>Key Financial and Actuarial Metrics</b>					
Individual APE	2,865	2,096	37%	5,204	4,887
Total APE	3,473	2,514	38%	6,260	5,532
New Business Premium (Indl + Group)	7,914	6,287	26%	14,971	11,350
Renewal Premium (Indl + Group)	6,177	5,611	10%	14,215	12,215
<b>Total Premium</b>	<b>14,091</b>	<b>11,898</b>	<b>18%</b>	<b>29,186</b>	<b>23,564</b>
Assets Under Management	1,31,012	1,13,233	16%	1,25,552	1,06,603
Indian Embedded Value	20,124	16,378	23%	18,301	15,216
Networth (1)	6,396	5,409	18%	5,659	4,719
Value of new business	957	610	57%	1,537	1,282
Profit After Tax	733	667	10%	1,277	1,109

Rs Cr	H1 FY20	H1 FY19	YoY	FY19	FY18
Protection based on APE	580	407	43%	1,045	624
Protection based on NBP	2,225	1,802	23%	4,042	2,942
Annuity based on Indl APE	123	105	17%	261	107
Annuity based on NBP	1,223	1,036	18%	2,592	1,066

	H1 FY20	H1 FY19	FY19	FY18
<b>Key Financial Ratios</b>				
New Business Margins	27.5%	24.3%	24.6%	23.2%
Operating Return on EV (2)	19.6%	19.6%	20.1%	21.5%
Operating Expenses / Total Premium	14.1%	14.1%	13.2%	13.5%
Solvency Ratio	192%	193%	188%	192%
13M / 61M Persistency (3)	89%/54%	87%/50%	87%/52%	87%/51%
Product mix by Indl APE (UL / Non par savings / Non par protection / Par)	26/58/6/9	59/11/7/23	55/20/7/18	57/9/5/28
Distribution mix by Indl APE (Corp Agents/ Agency/ Broker/ Direct)	54/15/10/21	67/11/4/17	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 half year ending September 30, 2019:**

- **Private Market Share:** We expanded our market share in the private sector to 15.2% based on Individual WRP, on the back of YoY growth of 35%. We continue to rank #1 amongst private players in total new business premium and group business (received premium) with market share of 22.4% and 28.9% respectively during H1 FY20.
- **New Business Lives and Sum Assured:** Total number of lives covered increased to 2.9 Crs in H1 FY20, growing by 33%. Overall new business sum assured also saw an increase of 68% to Rs 4.4 lakh Cr during the same period.
- **Product Portfolio:** A profitable product suite has always been one of the key pillars of our strategy with high focus on the protection and retirals space. Protection APE has increased to Rs 580 Cr during H1 FY20, from Rs 407 Cr in the corresponding period last year, representing a growth of



43%. Annuity APE was at Rs 123 Crs in H1 FY20, growing by 17% over H1 FY19. Protection and annuity businesses comprise 28% and 15% of total new business premium respectively.

- **Distribution Mix:** Our diversified distribution mix is demonstrated by the wide access to our customers with 270 plus partners, including more than 40 new-ecosystem partners as on September 30, 2019. This is further supplemented by our 421 branches spread across the country.
- **Assets Under Management:** We are one of the leading fund managers in India with an AUM of over Rs. 1.3 lakh Cr; the debt:equity mix as on September 30, 2019 is 63:37. Almost 96% of debt investments are in GSecs and AAA bonds as on September 30, 2019.

### Definitions and abbreviations

- **Annualized Premium Equivalent (APE)** - The sum of annualized first year regular premiums and 10% weighted single premiums and single premium top-ups
- **Assets under Management (AUM)** - The total value of Shareholders' & Policyholders' investments managed by the insurance company.
- **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 September 30, 2019, the Company had 40 individual and 11 group products in its portfolio, along with 8 optional rider benefits, catering to a diverse range of customer needs.

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

For more information, please visit our website, [www.hdfclife.com](http://www.hdfclife.com). You may also connect with us on Facebook, Twitter, YouTube and LinkedIn.

### **Disclaimer**

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

*and regulations in the jurisdictions as well as other risks detailed in the reports filed by HDFC Limited, our holding company, with the United States Securities and Exchange Commission. HDFC Life undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.*

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

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



# HDFC Life Insurance

Investor Presentation – H1 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: H1 FY20

## Scale



Company APE	Rs (Bn.)	<b>34.7</b>
	Growth	<b>38%</b>



Mkt. Share

Overall	CY (%)	<b>22.4</b>
	PY (%)	<b>21.2</b>
Individual	CY (%)	<b>15.2</b>
	PY (%)	<b>13.0</b>



AUM	Rs (Tn.)	<b>1.3</b>
	Growth	<b>16%</b>



NB Sum Assured	Rs (Tn.)	<b>4.4</b>
	Growth	<b>68%</b>

## Profitability



New Business Margin	CY	<b>27.5%</b>
	PY	<b>24.3%</b>



IEV	Rs (Bn.)	<b>201.2</b>
	EVOP Growth	<b>19.6%</b>



Profit After Tax	Rs (Bn.)	<b>7.3</b>
	Growth	<b>10%</b>



Operating Exp. Ratio	CY	<b>14.1%</b>
	PY	<b>14.1%</b>

## Customer centricity



13 <sup>th</sup> month persistency	CY	<b>89%</b>
	PY	<b>87%</b>



Protection

NBP	Rs (Bn.)	<b>22.2</b>
	Growth	<b>23%</b>
APE	Rs (Bn.)	<b>5.8</b>
	Growth	<b>43%</b>



Claim settlement ratio <sup>1</sup>	FY19	<b>99.0%</b>
	FY18	<b>97.8%</b>



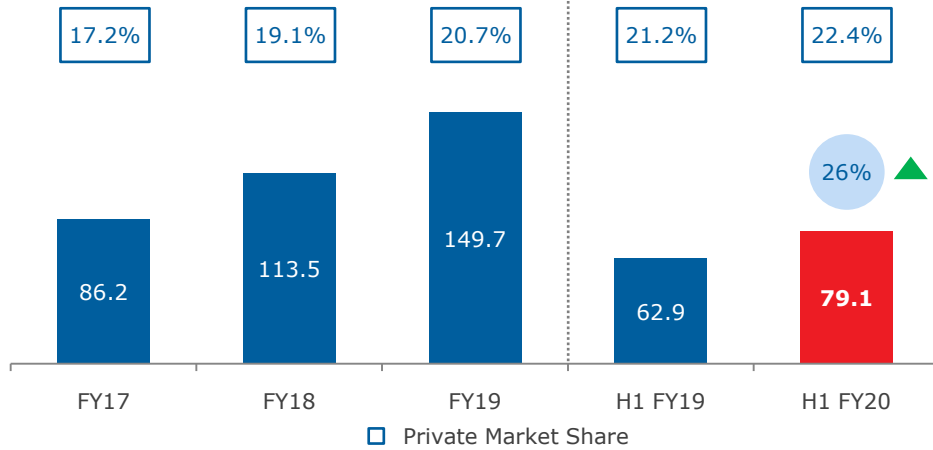
Complaints per 10k policies	FY19	<b>61</b>
	FY18	<b>70</b>

1. Computed basis NOPs for Individual Business

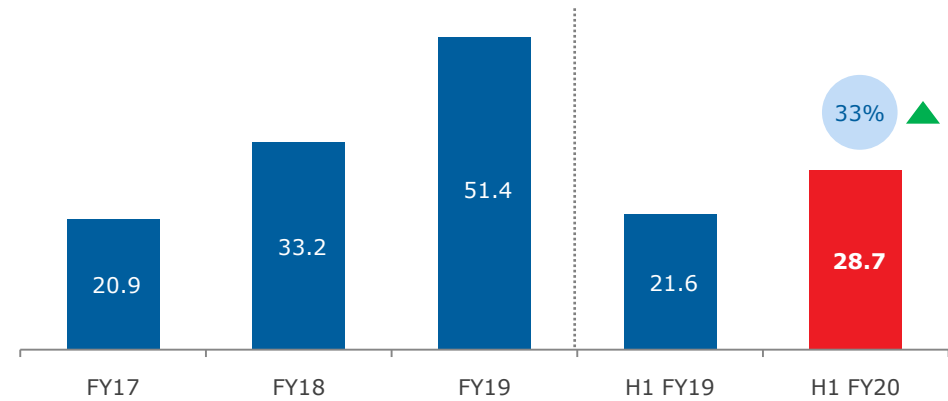
The numbers throughout the presentation are based on standalone financial results of the Company

# Consistent performance across key metrics (1/2)

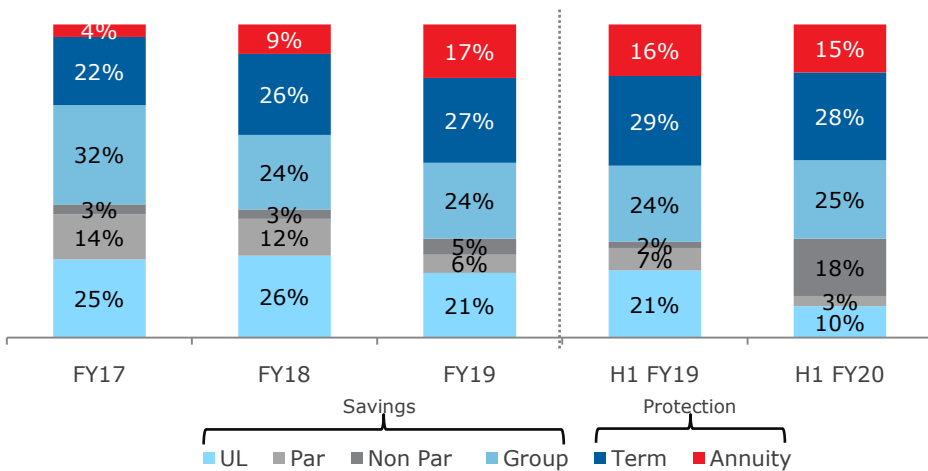
## Leadership in new business premium (Rs Bn.)



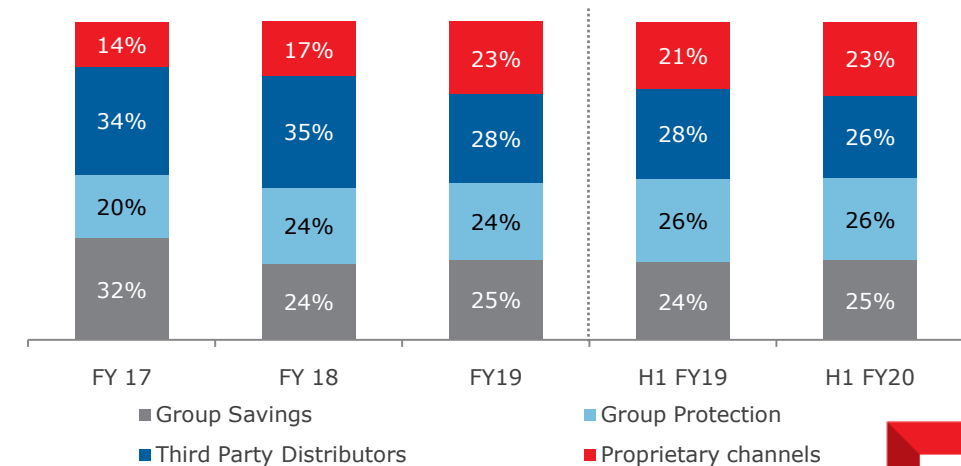
## Increasing number of lives insured (Mn.)



## Maintaining balanced product mix across cycles <sup>1</sup>

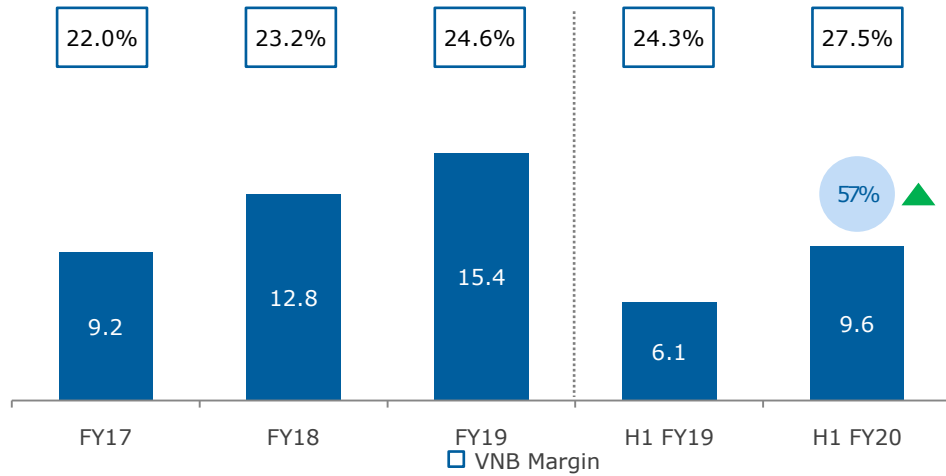


## Focus on scaling proprietary channels <sup>1</sup>

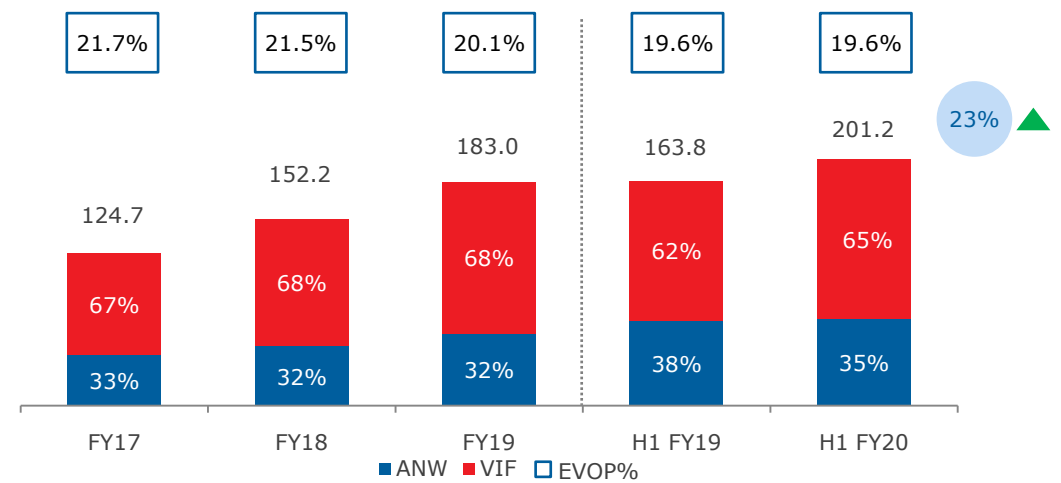


# Consistent performance across key metrics (2/2)

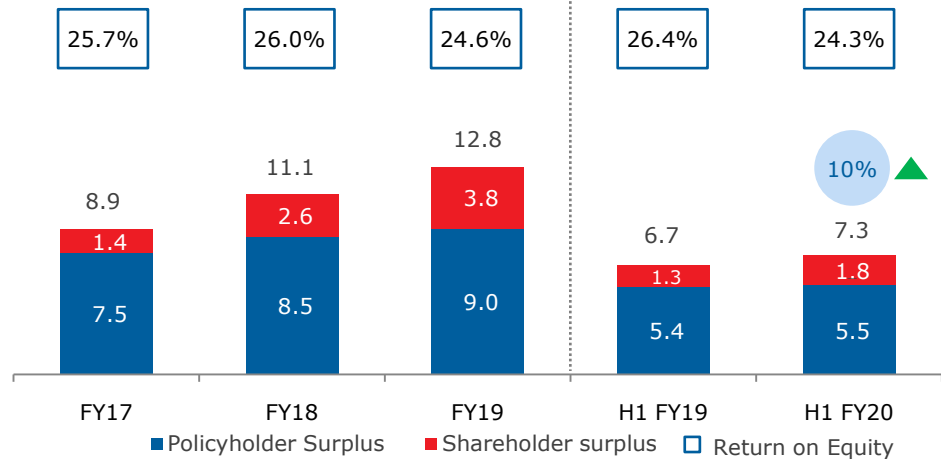
**Strong growth in VNB, steady expansion in VNB margins** (Rs Bn.)



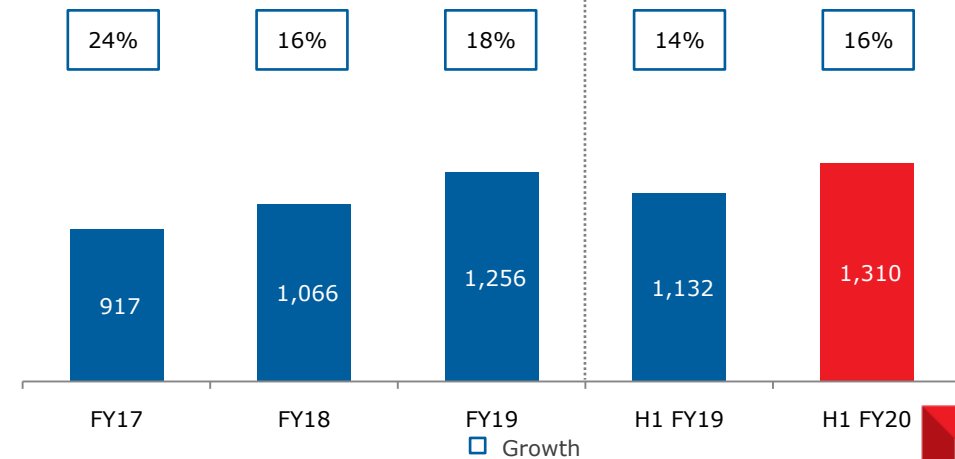
**Healthy growth in Embedded Value** (Rs Bn.)



**Consistent profitable growth** (PAT in Rs Bn.)



**Stable growth in AUM** (Rs Bn.)





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

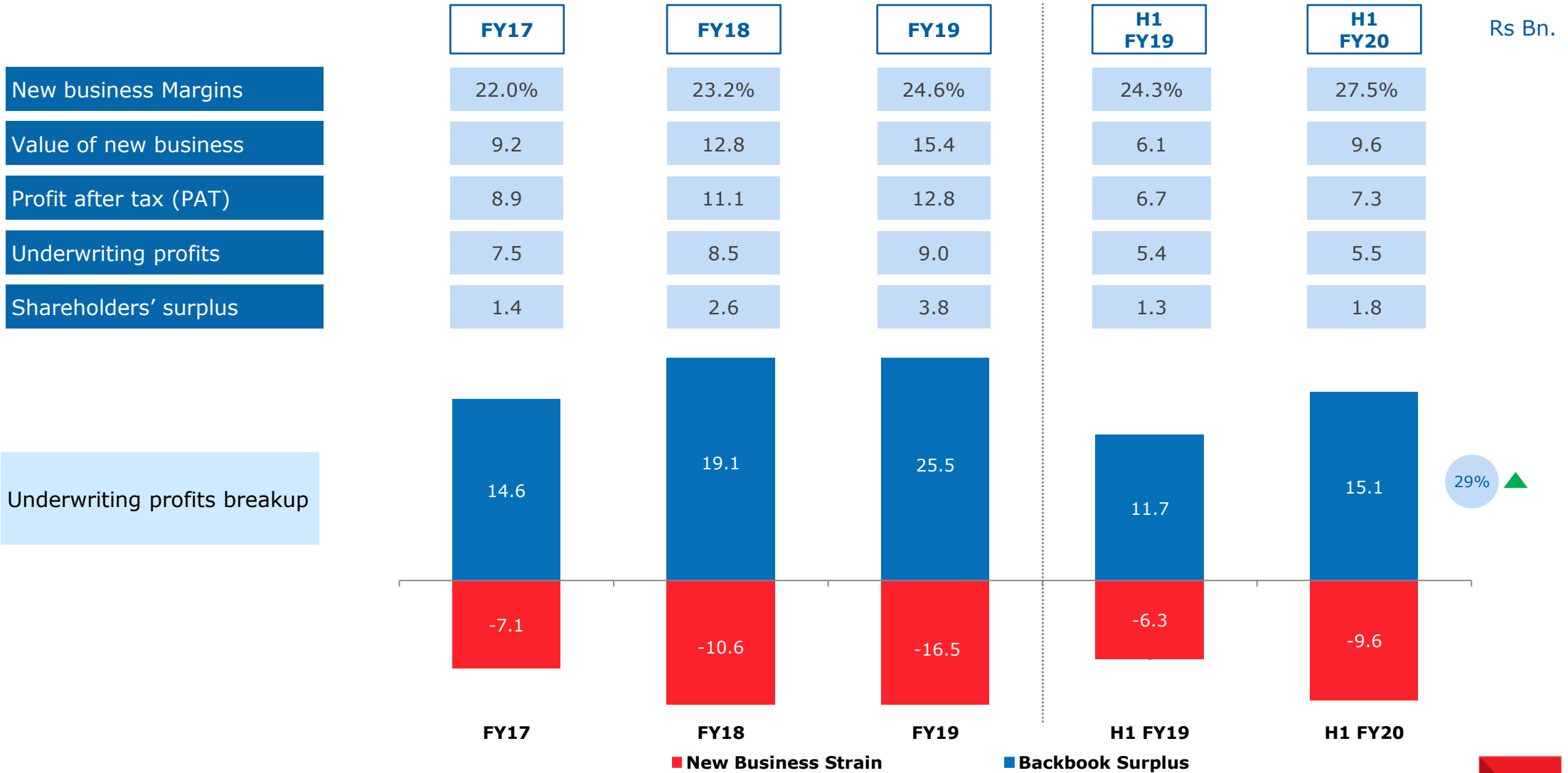


## Quality of Board and management

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

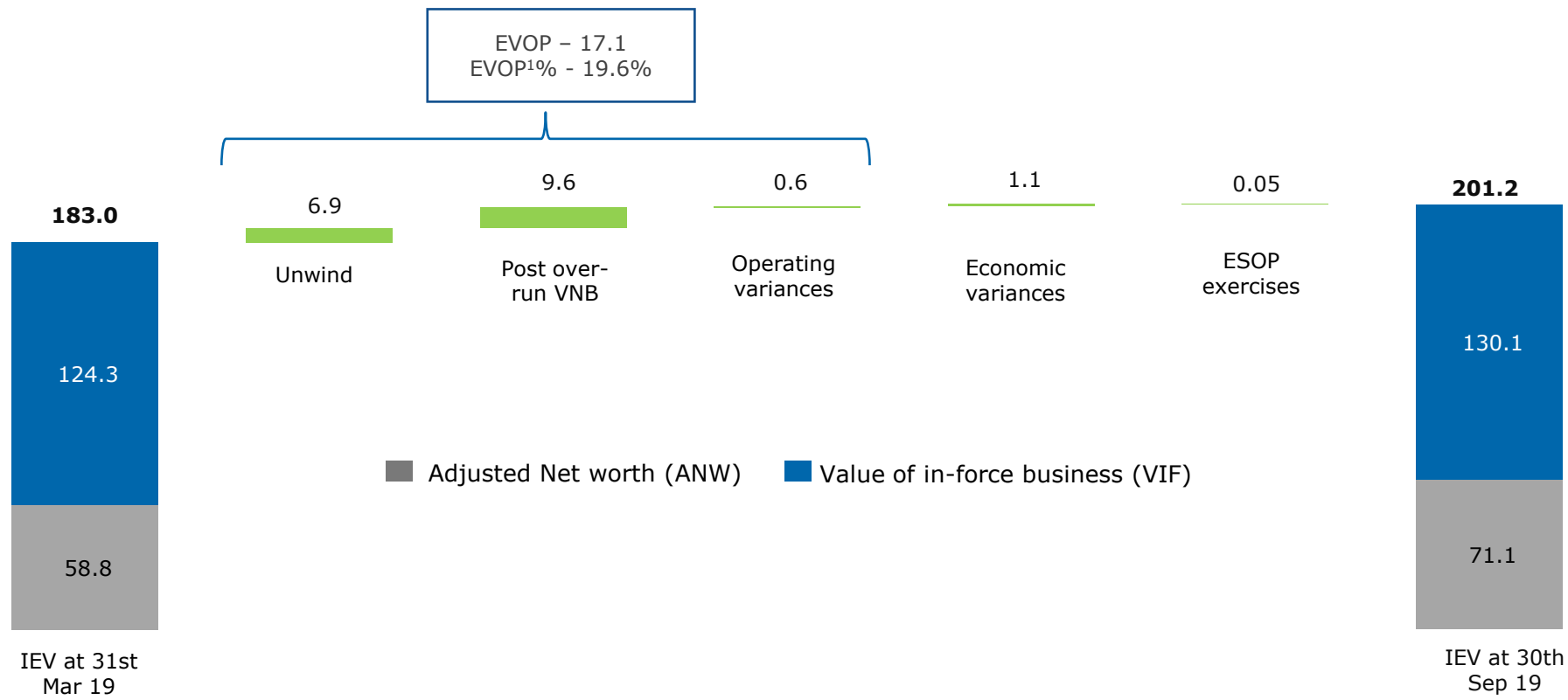
**Maintaining a diversified distribution mix and profitable product suite powered by technology and backed by a customer-centric approach**

# Focus on profitable growth





# Analysis of change in IEV

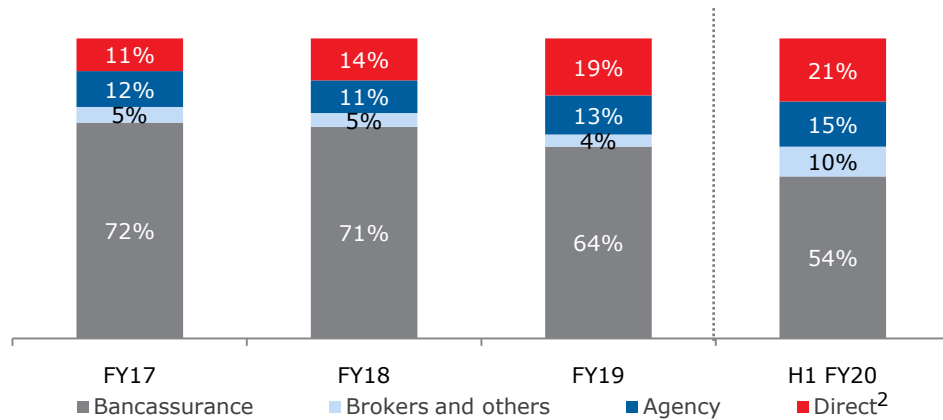


- Consistently delivered healthy operating returns on EV
- Positive operating variances in the last 10 years
- Operating experience for the period closely tracking our assumptions

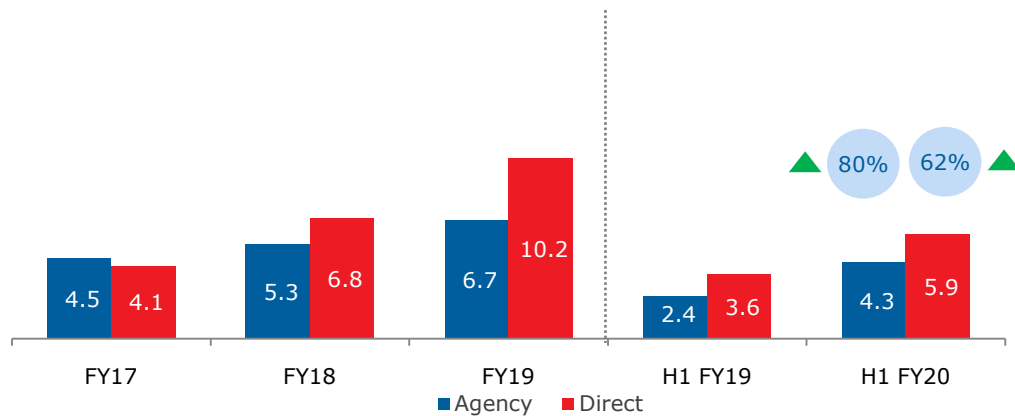


# Balanced distribution mix

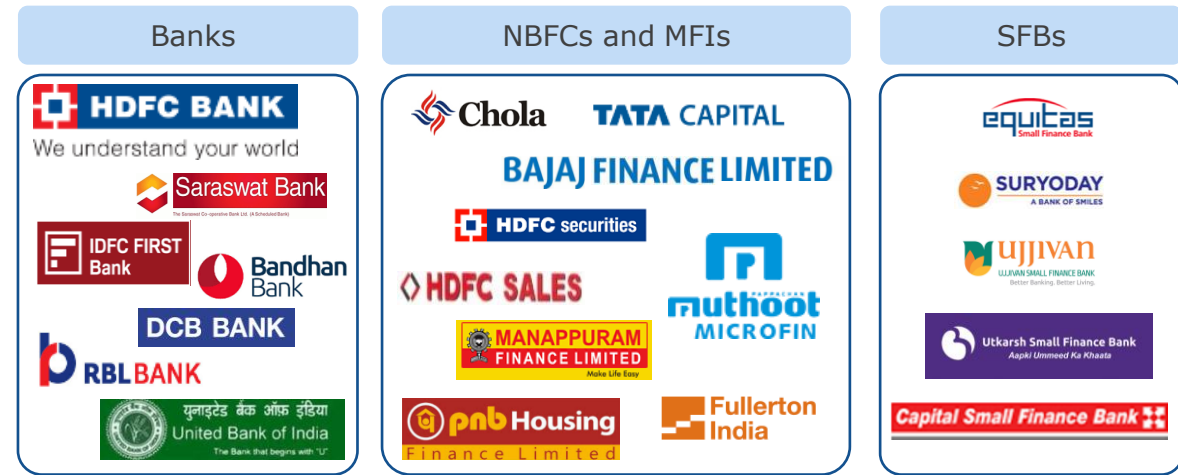
## Increasing share of proprietary channels<sup>1</sup>



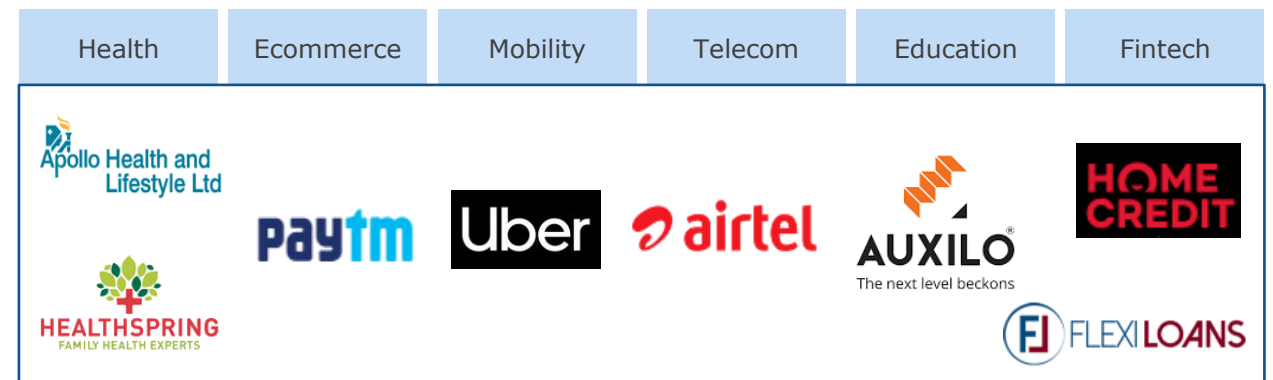
## Consistent growth in proprietary channels<sup>2</sup> (Rs Bn.)



## Strong and diversified network of 230+ traditional partners



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



Profitable growth

Balanced distribution mix

Market leading innovation

Reimagining insurance

Quality of Board and management

1. Basis Individual APE

2. Direct includes Online channel

# Progress by proprietary channels

## Agency



**84%** - Increase in **FLS productivity** due to ease of doing business and greater agent engagement



**91%** - Robust **13<sup>th</sup> month persistency** due to improved focus on quality of business



**44%** - Increase in **new agent productivity** due to recruitment of higher quality agents



**32%** - Growth in term business. Better **product mix** has improved profitability

## Direct



**19%** - Improvement in **FLS productivity**



Launch of **ML-based hyper-personalization** solution to enhance employee productivity



Pan-India launch of a robust **lead management tool** with geo-tagging capabilities



**32%** - Contribution of Annuity and Term in the **product mix**

## Online



**Younger customers** (avg. age 31) as compared to company average



Increasing **contribution from non-metros** (~50% of APE)



**Diversified product mix:** Protection: Savings – 32:68



**ML capability** used to increase leads and reduce cost per lead

Profitable growth

Balanced distribution mix

Market leading innovation

Reimagining insurance

Quality of Board and management

Registered strong growth of 80% in Agency and 62% in Direct (incl Online)

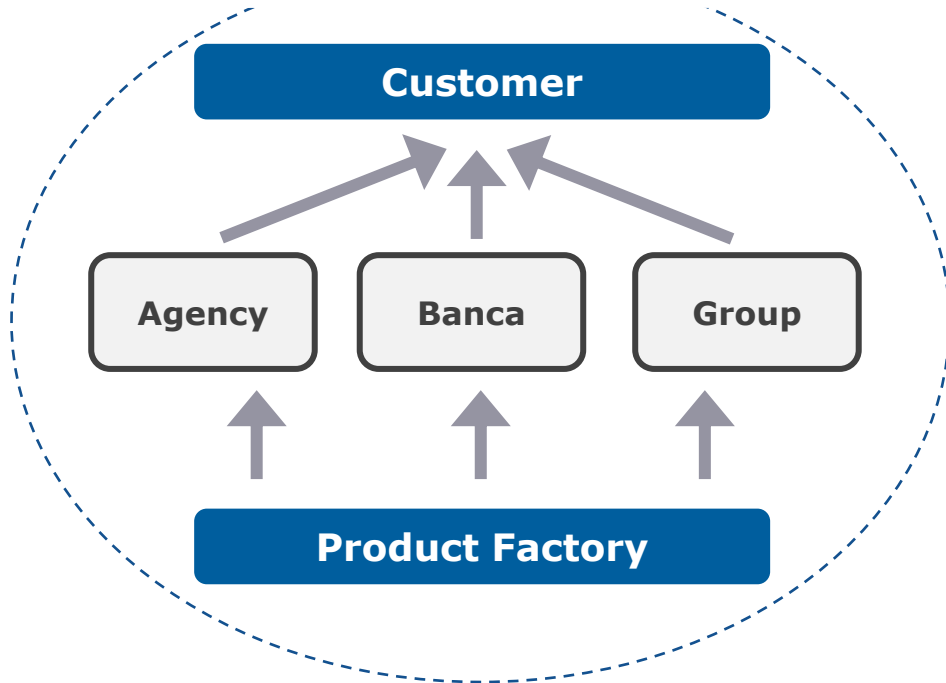




# Operating model moved from product centric to being customer centric

## From the Traditional Insurer...

*(Top Line Marketing / Product Driven)*

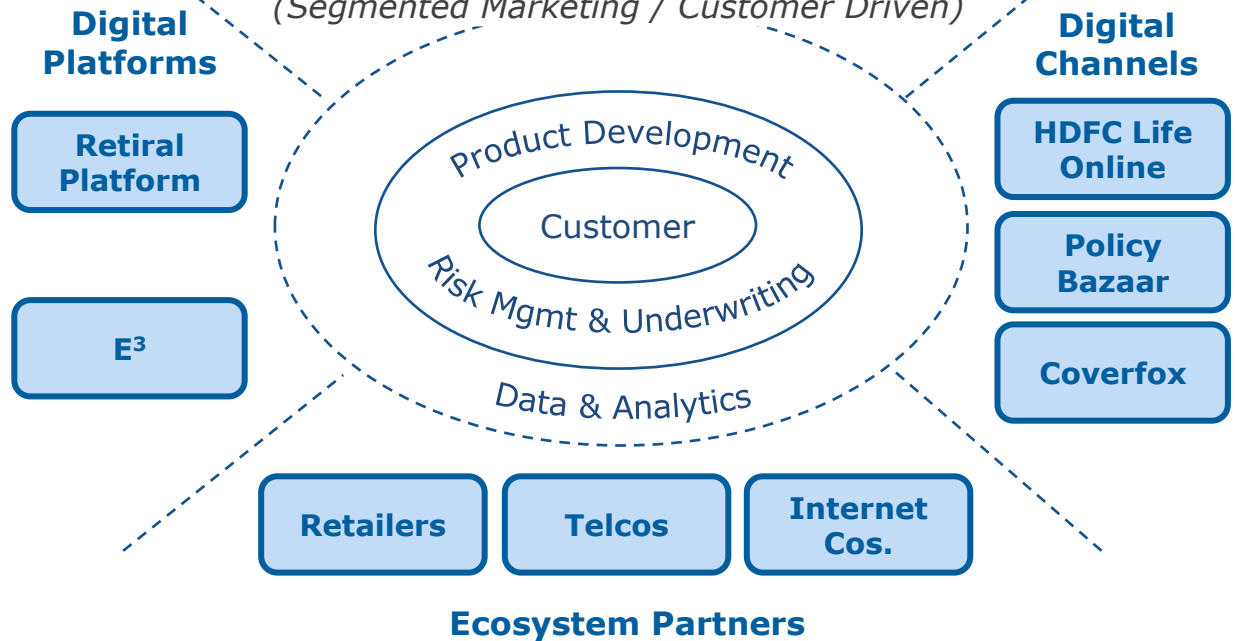


## ... to the Insurer of the Future

### Traditional Channels

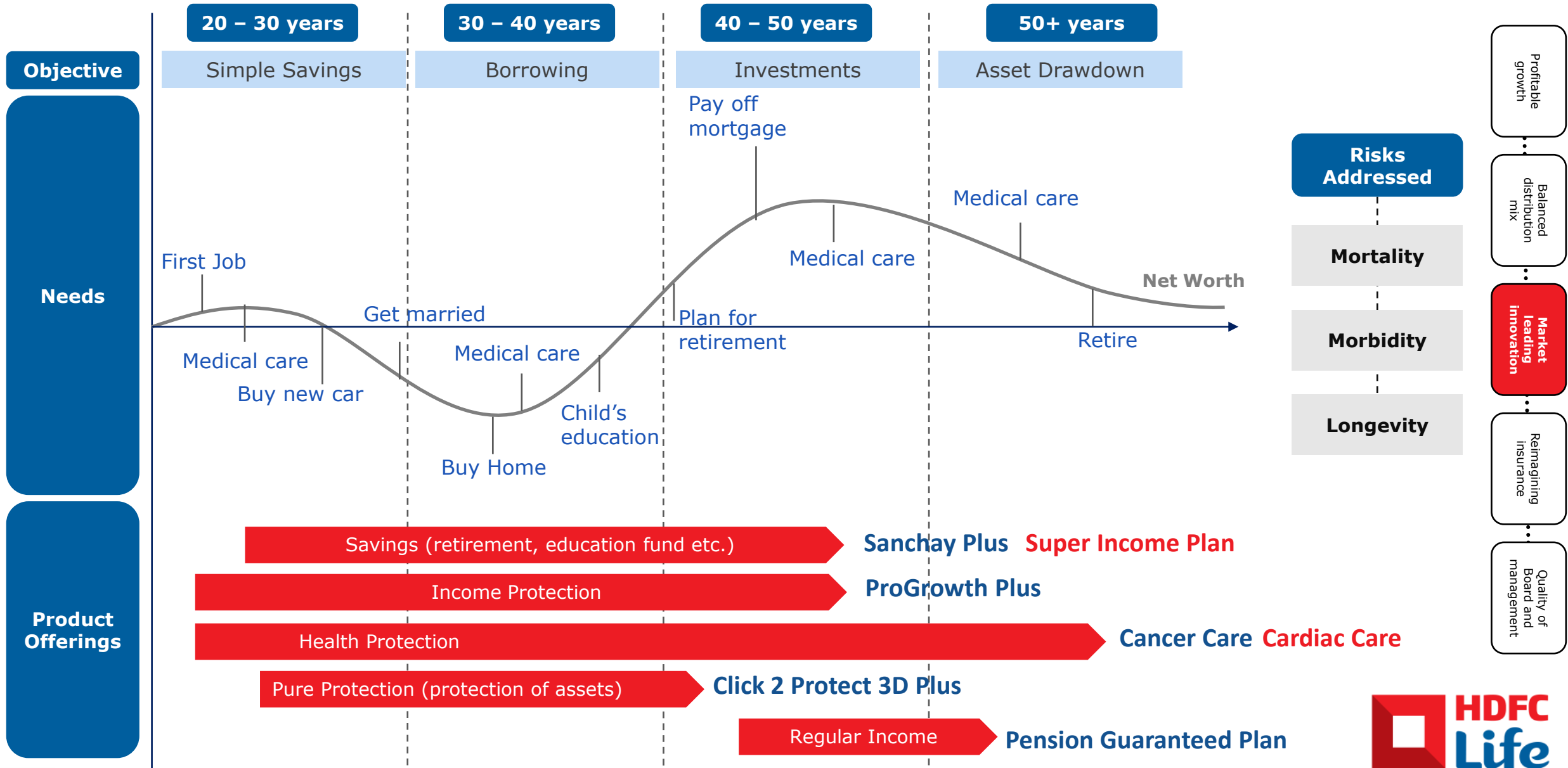


*(Segmented Marketing / Customer Driven)*

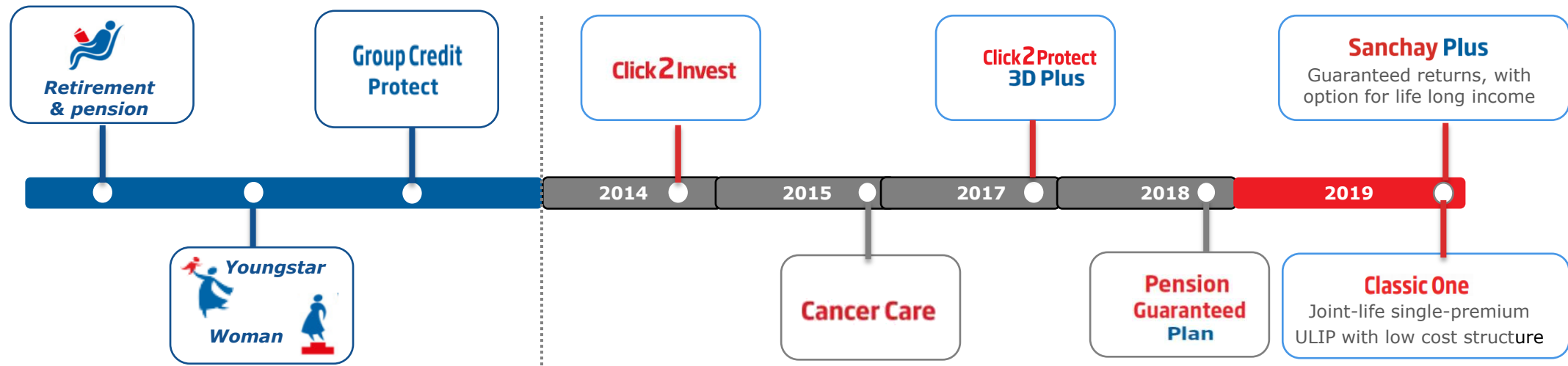


- Profitable growth
- Balanced distribution mix
- Market leading innovation
- Reimagining insurance
- Quality of Board and management

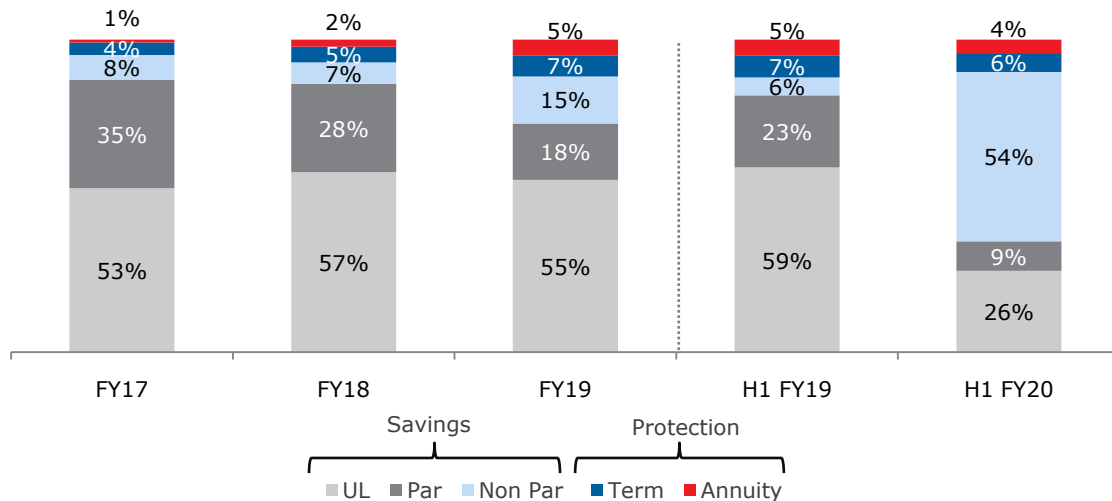
# Addressing customer needs at every stage of life



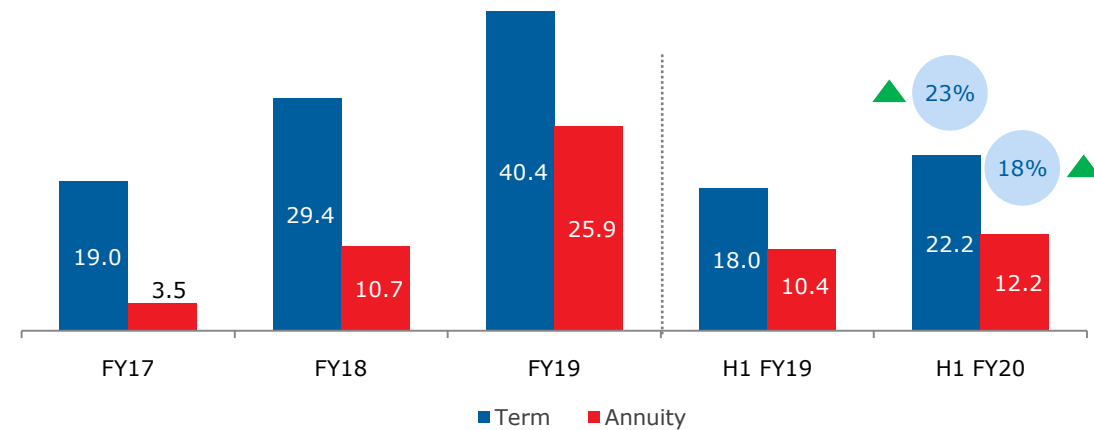
# Expanding market through consistent product innovation



**Diversified product suite enabling ability to manage business cycles <sup>1</sup>**



**Continued focus on protection <sup>2</sup> (Rs Bn.)**



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

1. As a % of individual APE  
2. Based on new business premium



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

Banca <sup>2</sup>	Segment	FY17	FY18	FY19	H1 FY20
	UL	61%	64%	67%	33%
	Par	30%	26%	14%	8%
	Non par savings	8%	8%	15%	56%
	Term	1%	1%	2%	2%
	Annuity	0%	1%	2%	2%

Direct	Segment	FY17	FY18	FY19	H1 FY20
	UL	47%	58%	50%	33%
	Par	29%	17%	8%	6%
	Non par savings	11%	9%	12%	29%
	Term	6%	5%	6%	4%
	Annuity	7%	11%	24%	28%

Agency	Segment	FY17	FY18	FY19	H1 FY20
	UL	26%	33%	26%	8%
	Par	57%	48%	40%	17%
	Non par savings	6%	5%	17%	63%
	Term	11%	11%	12%	9%
	Annuity	2%	3%	5%	2%

Online	Segment	FY17	FY18	FY19	H1 FY20
	UL	51%	47%	43%	36%
	Par	3%	1%	1%	5%
	Non par savings	1%	0%	15%	27%
	Term	45%	52%	34%	28%
	Annuity	0%	0%	6%	4%

Company	Segment	FY17	FY18	FY19	H1 FY20	Q2 FY20
	UL	53%	57%	55%	26%	26%
	Par	35%	28%	18%	9%	13%
	Non par savings	8%	7%	15%	54%	51%
	Term	4%	5%	7%	6%	7%
	Annuity	1%	2%	5%	4%	4%

Protection	Total APE	FY17	FY18	FY19	H1 FY20
	Term	8%	11%	17%	17%
	Annuity	1%	2%	4%	4%
	<b>Total</b>	<b>9%</b>	<b>13%</b>	<b>21%</b>	<b>20%</b>

Total NBP	FY17	FY18	FY19	H1 FY20	
	Term	22%	26%	27%	28%
	Annuity	4%	9%	17%	15%
	<b>Total</b>	<b>26%</b>	<b>35%</b>	<b>44%</b>	<b>43%</b>

Profitable growth

Balanced distribution mix

Market leading innovation

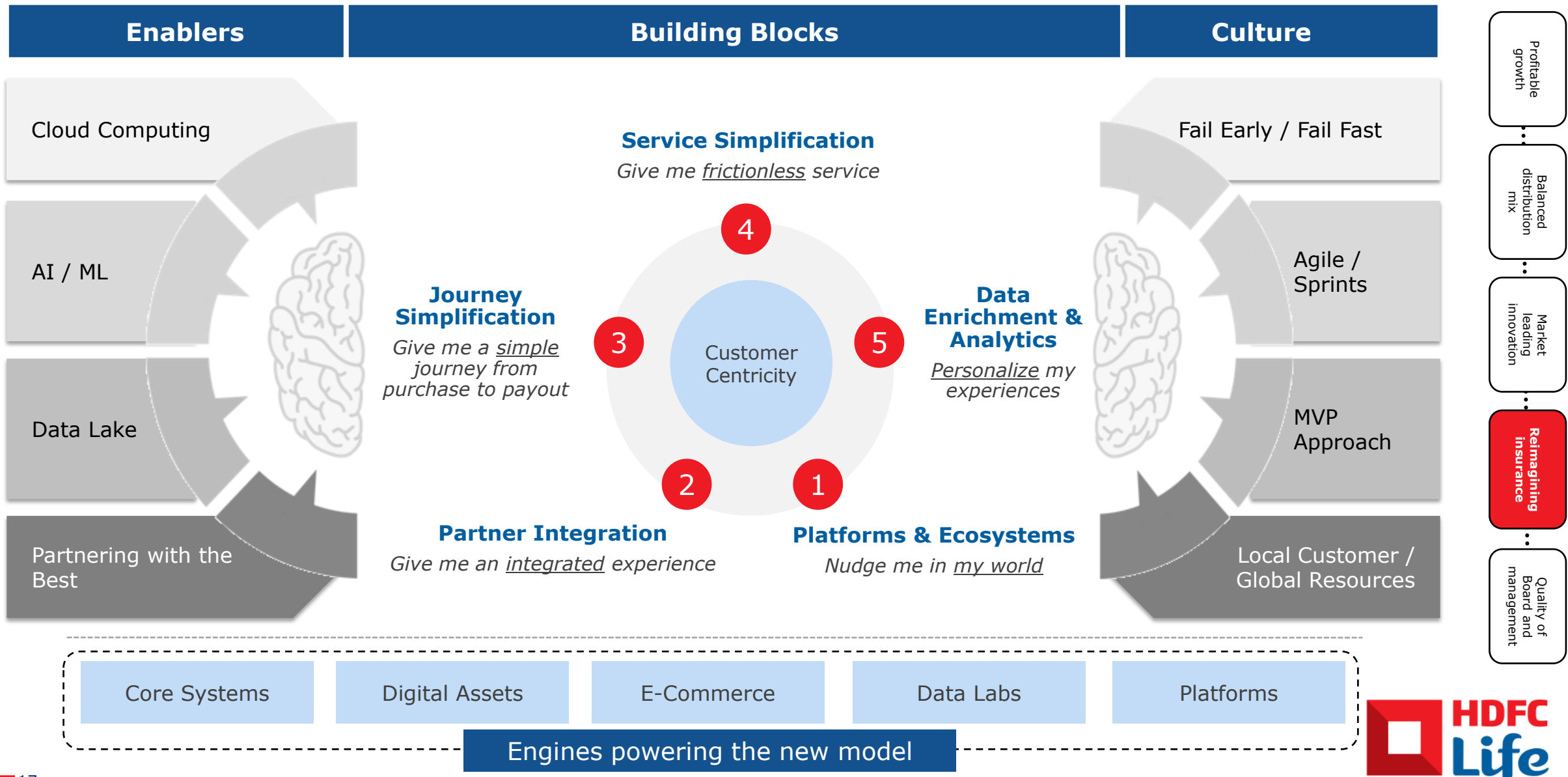
Reimagining insurance

Quality of Board and management

1. Basis Individual APE, Term includes health business

2. Includes Banca and other corporate agents

# Created a new operating model to reimagine insurance



# Simplifying the customer journey using 5 building blocks



## Platforms and Ecosystems

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



- One stop shop for retirement planning



## Partner Integration

*Products and services built on API for ease of partner integration*

### Instalnsure

- **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



### InstaQuote!



## 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,** ~5 million queries per annum
- **Robotic Process Automation:** ~160 bots deployed



## Data Enrichment and Analytics

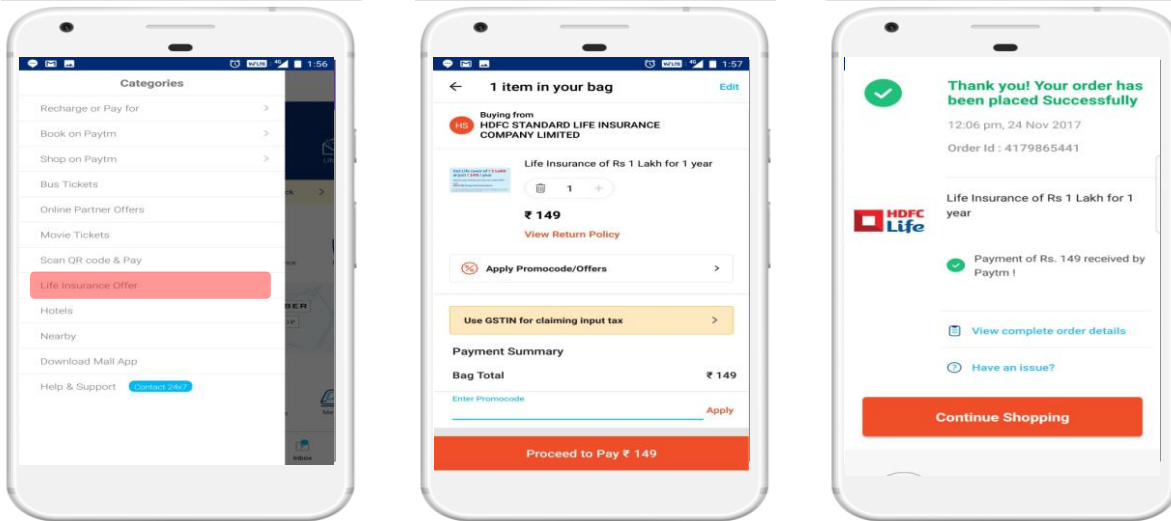
*Continuous improvement in raw data by gaining deeper insight into our customers' lives*

- **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)



# Partner Integration – New Ecosystems

## paytm



- Get insured in 3 clicks
- Around 7.7 lakh policies sold till date

## airtel



- Over 30 lakh policies sold since launch
- About 28k policies being issued per day
- Average real-time issuance in <1 second

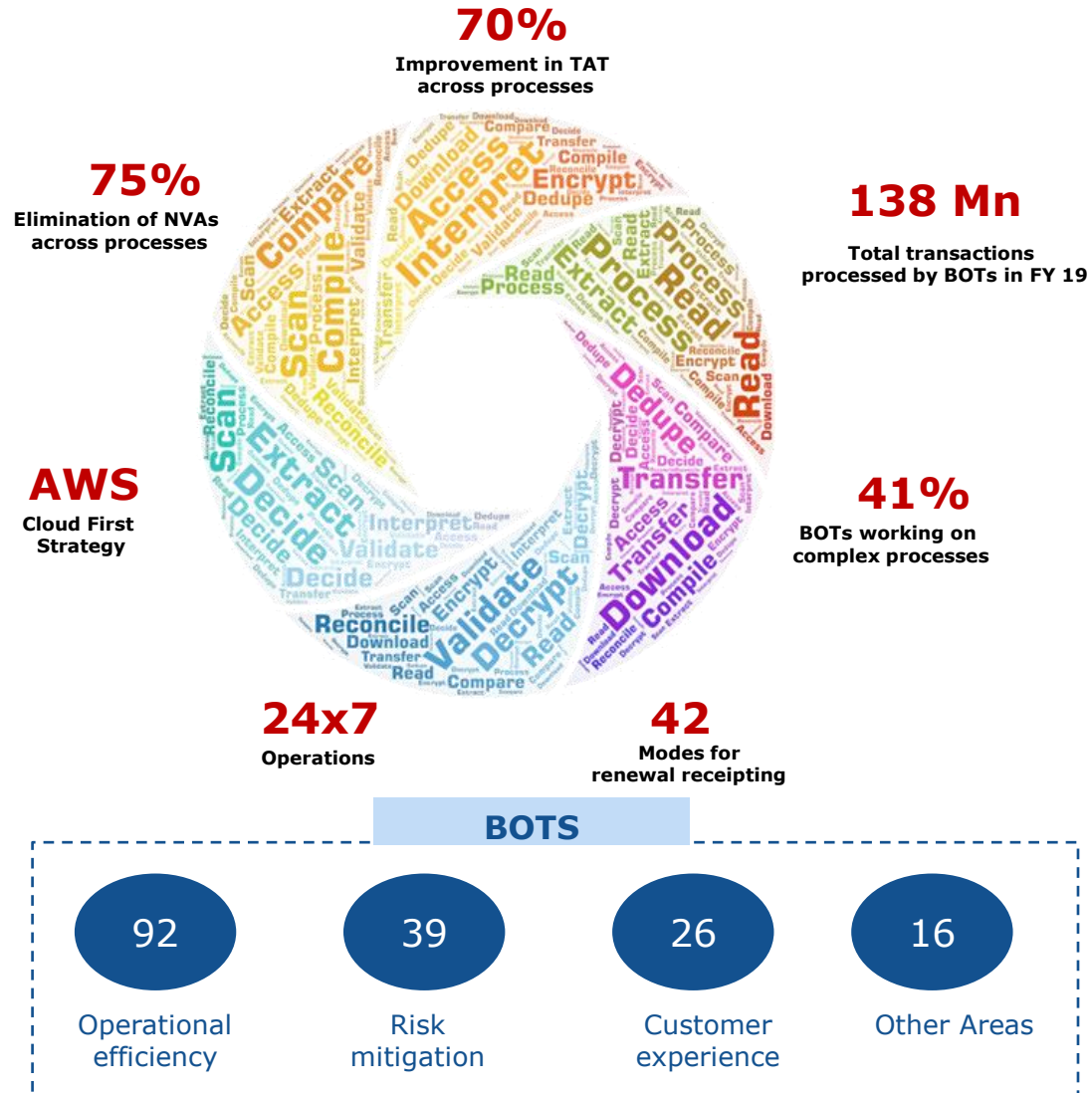
- Profitable growth
- Balanced distribution mix
- Market leading innovation
- Reimagining insurance
- Quality of Board and management

## HDFC Life



# Service Simplification – RPA and InstaA

## Digitizing processes through 150+ BOTs



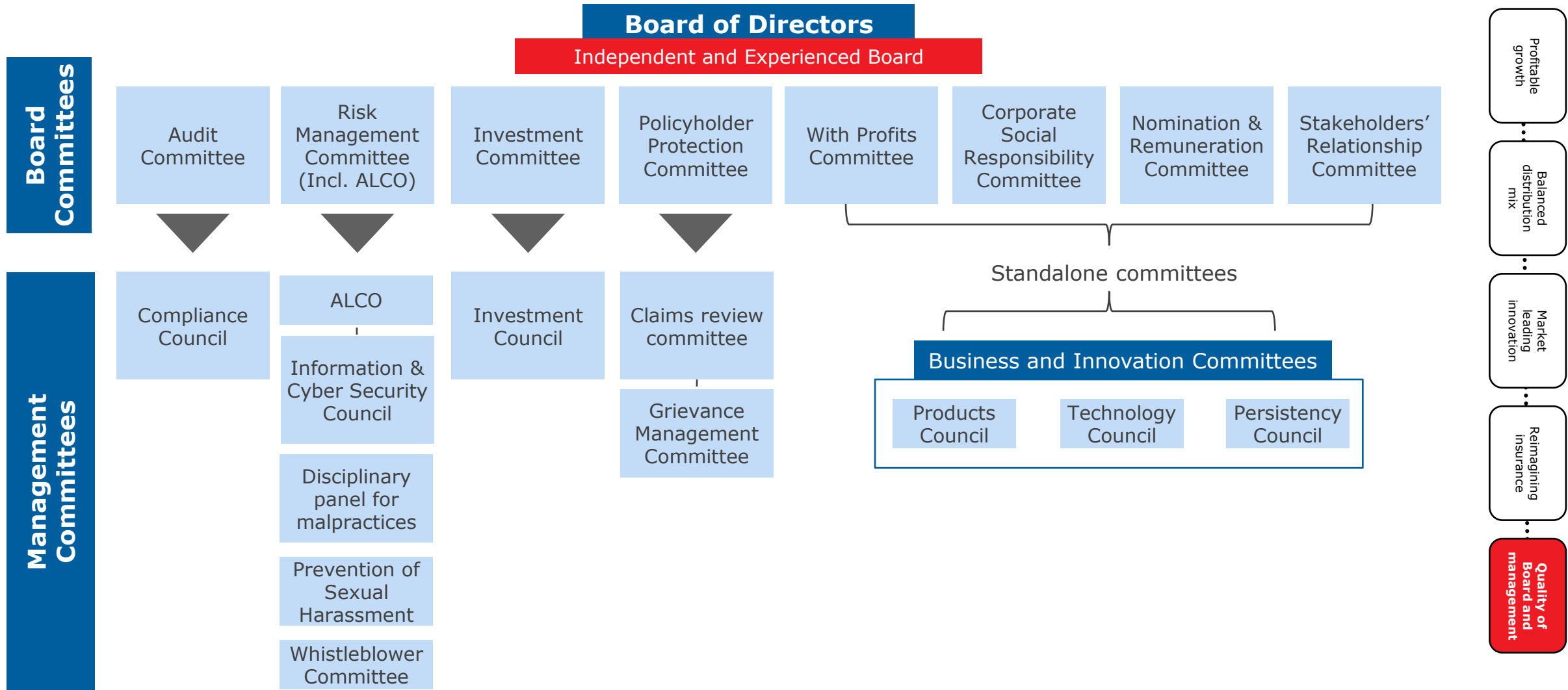
## instaA – Virtual Assistant for Sales & Service



- Personal assistant for employees to access business information at their fingertips
- Leverages Artificial Intelligence, Machine Learning and NLP technology
- Equipped to answer 950+ query types addressing 1 lakh+ intents
- 12 lakh+ monthly queries with 99% accuracy



# Governance Framework



Additional governance through Internal, Concurrent and Statutory auditors



# Financial risk management framework

## Natural Hedges

- Protection and longevity businesses
- Unit linked and non par savings products
- Quantum of retail guaranteed products <10% 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 - 28%, Limited deferment period in deferred annuity (<4 yrs)
- Regular monitoring of interest rates and business mix

## Managing Risk

## ALM approach<sup>1</sup>

- 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

<sup>1</sup> Our approach has been validated by a leading actuarial firm

EV and VNB Sensitivity	FY19		H1 FY20	
	EV	VNB Margin	EV	VNB Margin
Interest Rate +1%	(1.7%)	(0.1%)	(1.4%)	(0.1%)
Interest Rate -1%	1.6%	0.1%	1.2%	0.1%

# Risk Management for Non Par products

	Key risks	Quantum of risk	Mitigation	ALM metric
<b>Annuity</b>	Interest rate risk	ROPP <sup>1</sup> : Low Life: Low	<ul style="list-style-type: none"> <li>Duration matching</li> <li>No supply side constraints on the long dated Govt bonds<sup>2</sup></li> <li>Dynamic re-pricing in line with change in market yield</li> </ul>	Net Sensitivity Ratio#: 1.02
	Reinvestment risk	ROPP: Low Life: Low	<ul style="list-style-type: none"> <li>Coupons used to meet annuity payouts</li> </ul>	
	Longevity risk	ROPP: Low Life: High	<ul style="list-style-type: none"> <li>Life Annuity less than 2%</li> </ul>	
<b>Non - Annuity</b>	Interest rate risk	Savings: High Protection: Moderate	<ul style="list-style-type: none"> <li>Target cash-flow matching at portfolio level</li> </ul>	Net Sensitivity Ratio#: 1.01
	Reinvestment risk	Savings: High Protection: Low	<ul style="list-style-type: none"> <li>Well diversified portfolio over future time periods</li> <li>Internal STRIPS, Partly paid bonds, FRA</li> <li>Assessment of slope change stress testing on cash flows</li> </ul>	
	Mortality risk	Savings: Low Protection: High	<ul style="list-style-type: none"> <li>Adequate reinsurance</li> </ul>	

1. ROPP: Return of Purchase Price  
2. Refer appendix on slide 36

#Net Sensitivity Ratio =  $\frac{\text{Sensitivity of Assets}}{\text{Sensitivity of Liabilities}}$

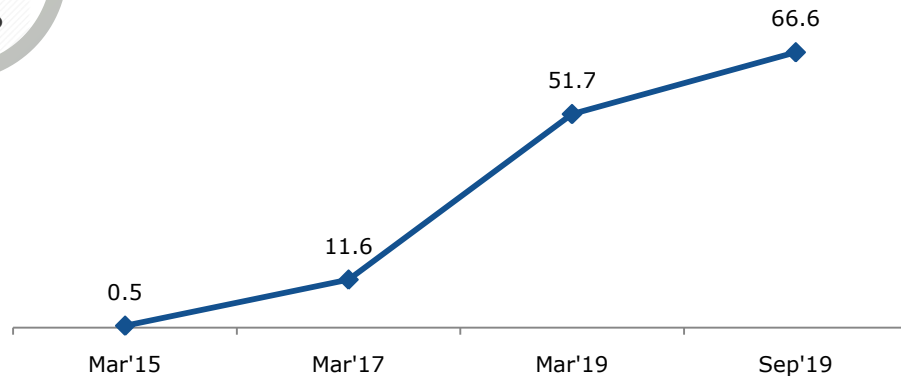


# Performance of wholly-owned subsidiary<sup>1</sup> companies



## HDFC Pension

Rs Bn.



- Fastest growing PFM (Pension Fund Manager) under the NPS architecture (YoY growth of 96% in AUM)
- Market share grew from 24.0% in Sep'18 to 29.0% in Sep'19 amongst all private PFMs
- Ranks #1 in corporate subscribers base, #2 amongst all PFMs in net fund flow, retail subscriber base and AUM
- Received licence to operate as POP (Point of Presence)



## HDFC International Life and Re



- Registered growth of more than 100% in revenue to USD 3.1 Mn in H1 FY20.
- Continues to trend positively on both technical & net profit
- Currently offers reinsurance capacity in GCC countries, Jordan & Egypt

Performance  
Snapshot

Our Strategy

**Annexures**

India Life  
Insurance

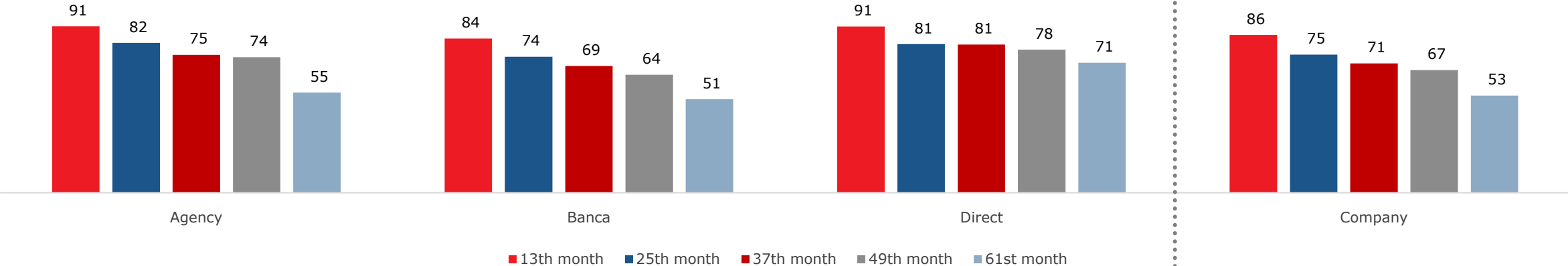
**3**

**Annexures**

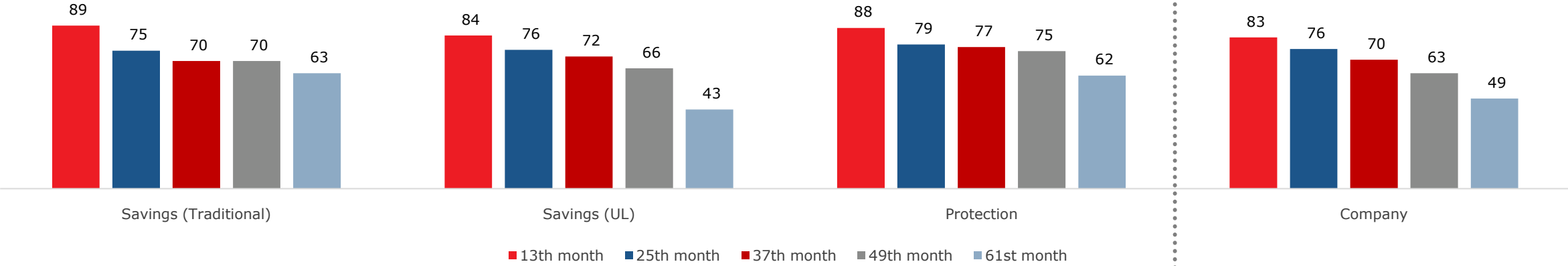


# Individual persistency for key channels and segments<sup>1</sup>

## Across key channels (%)



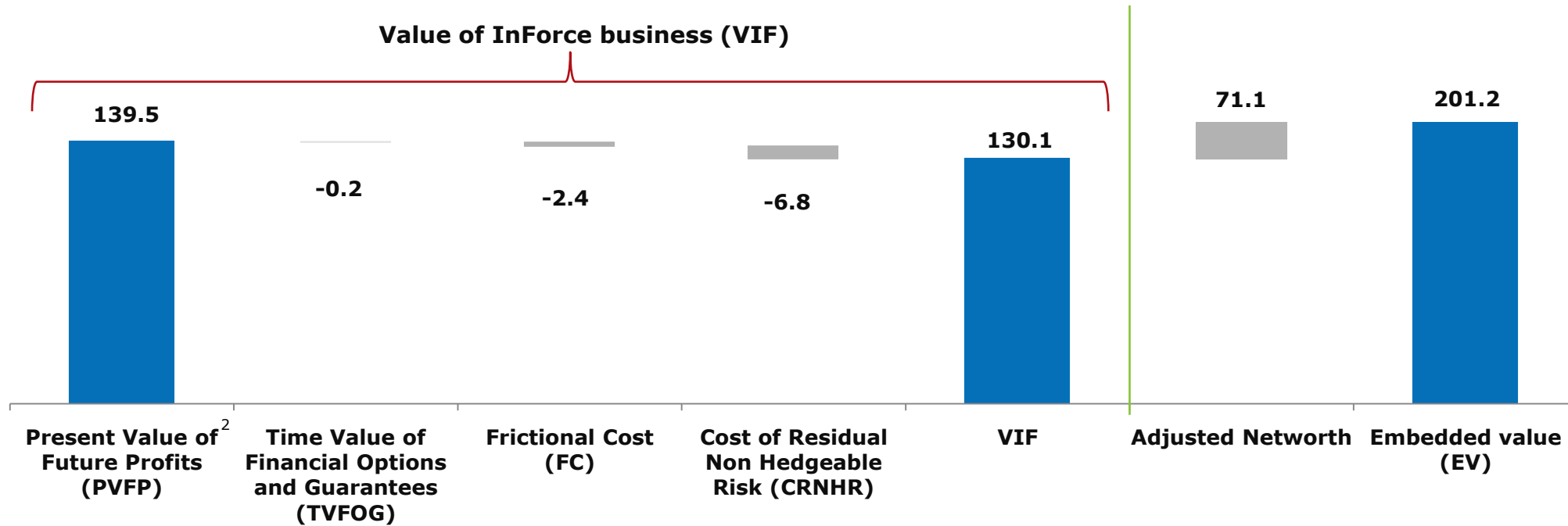
## Across key segments (%)



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

# Indian Embedded Value (IEV)<sup>1</sup>

Rs Bn.



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

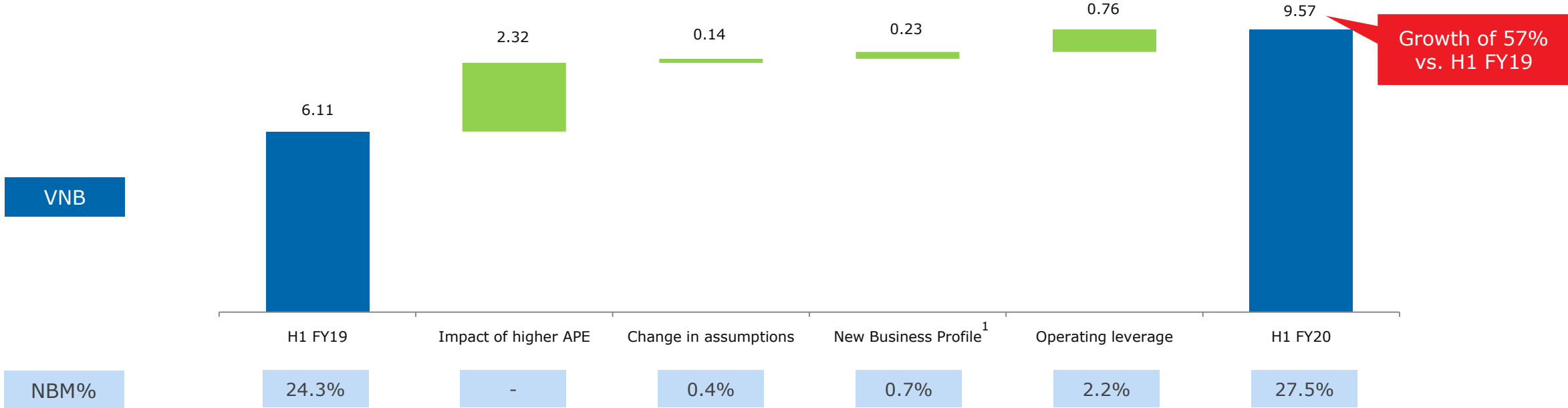
1. Based on internal analysis, detailed explanation of components provided in the Appendix to the presentation

2. PVFP pertains to Overall (Individual + Group) business



# VNB and NBM walkthrough

Rs Bn.



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

VNB – Value of New Business  
 NBM – New Business Margin



# Sensitivity analysis: H1 FY20

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

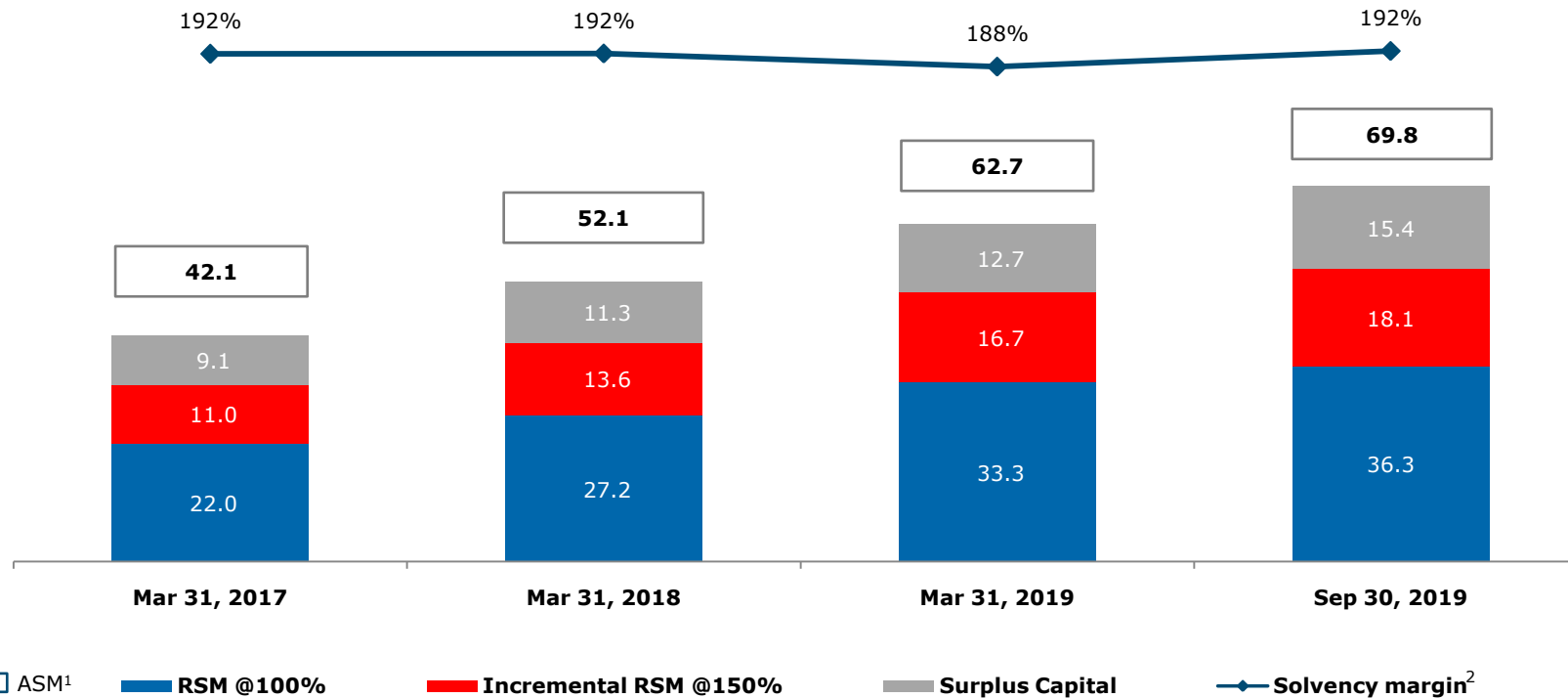
1. Post overrun total VNB for Individual and Group business

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

Dividend paid	2.6	3.3	4.0	-
New business premium growth	33%	32%	32%	26%

Rs Bn.



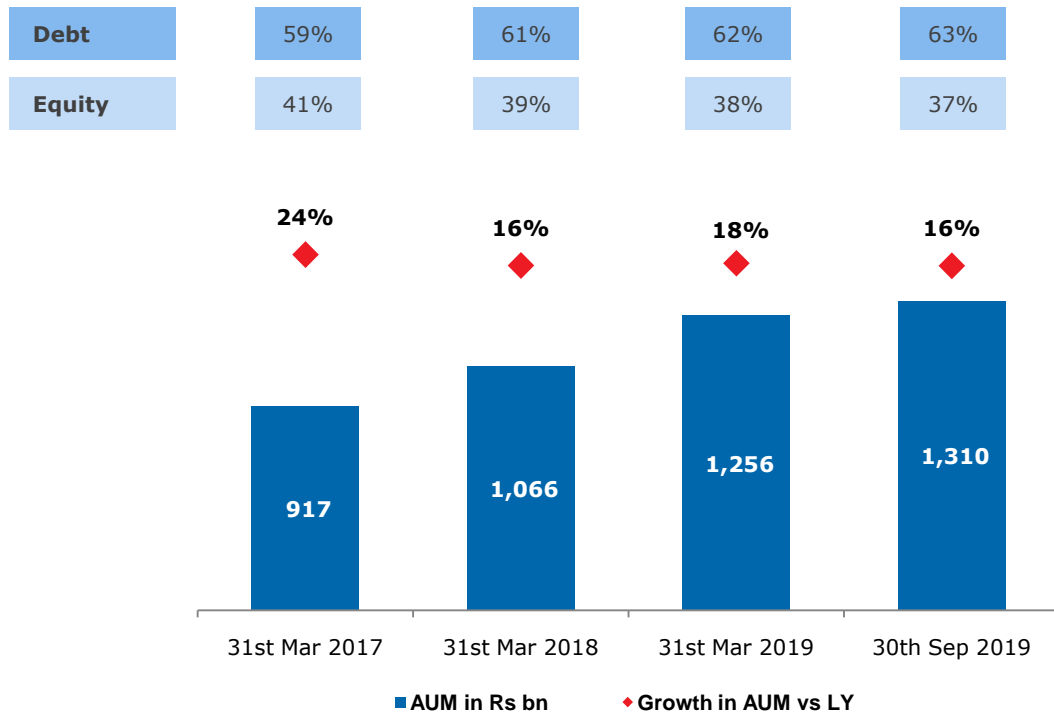
Internal accruals have supported new business growth with no capital infused in last eight years (except through issuance of ESOPs)

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



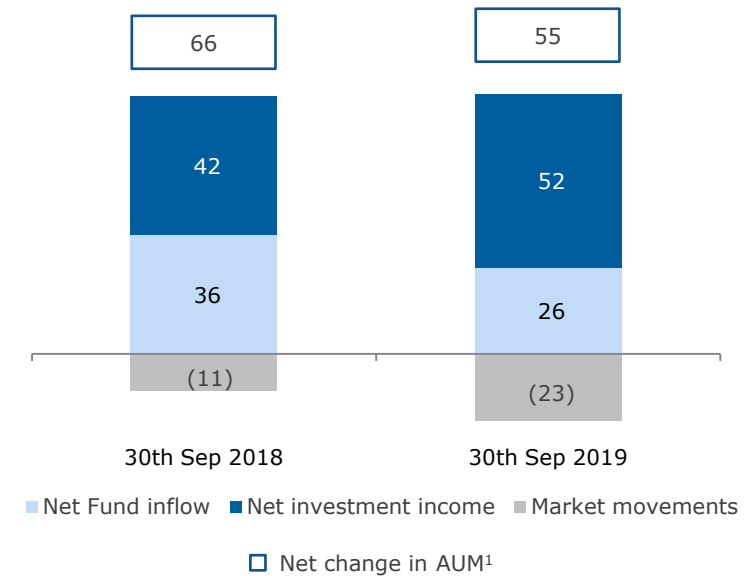
# Assets under management

## Assets Under Management



## Change in AUM<sup>1</sup>

Rs Bn.



- Continue to rank amongst top 3 private players, in terms of assets under management<sup>2</sup>
- Almost 96% of debt investments in Government bonds and AAA rated securities as on Sep 30, 2019

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



Performance  
Snapshot

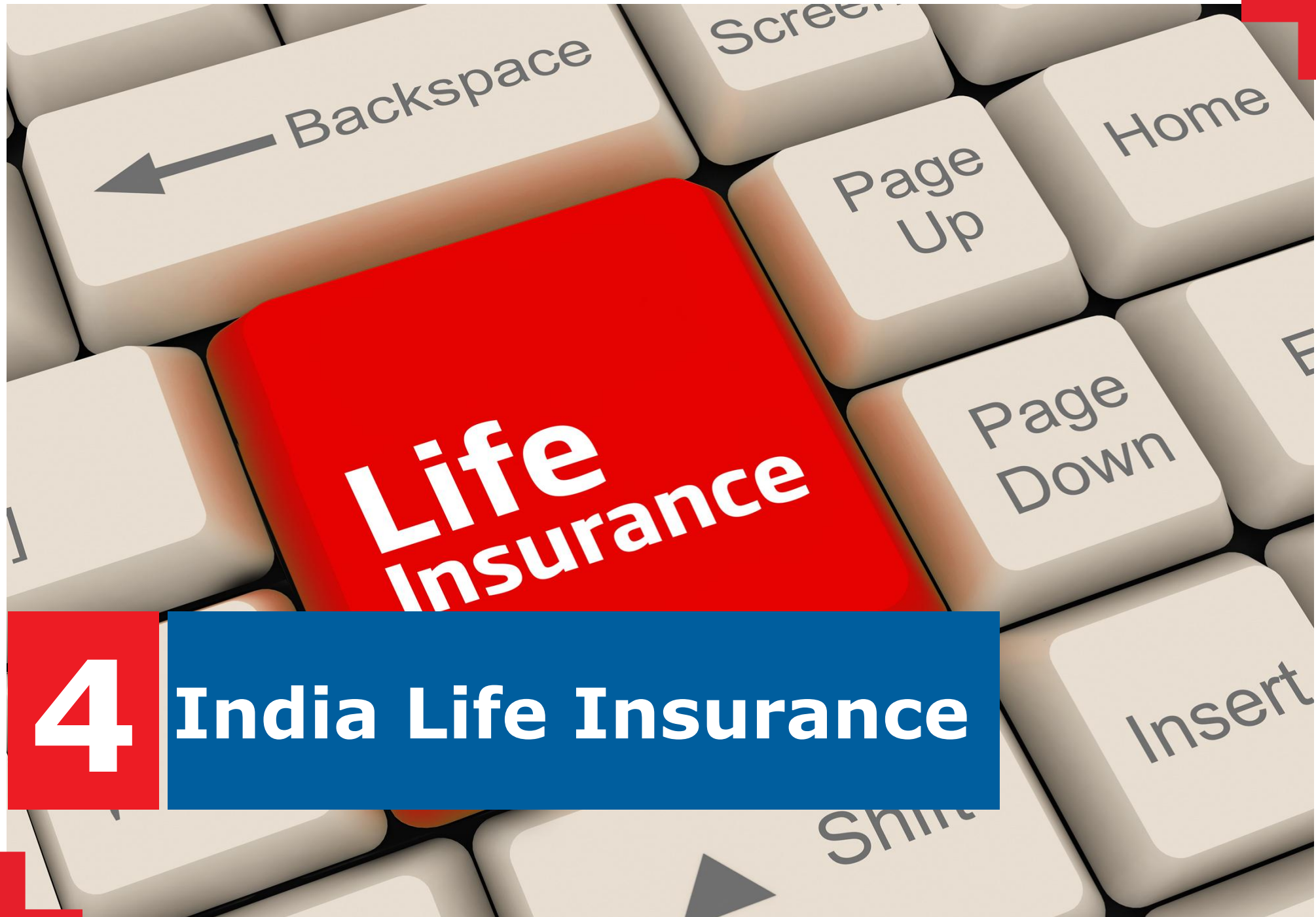
Our Strategy

Annexures

India Life  
Insurance

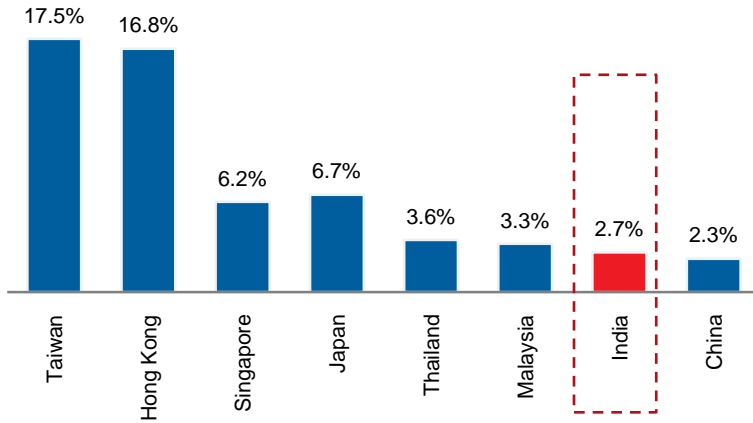
**4**

**India Life Insurance**

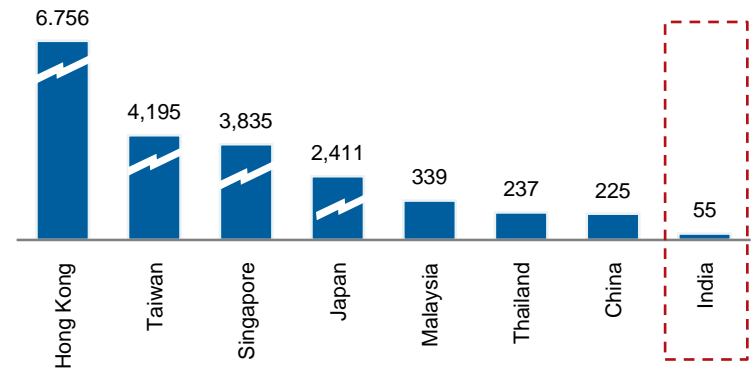


# Growth opportunity: Under-penetration and favourable demographics

**Life Insurance penetration <sup>1</sup>  
(2018)**

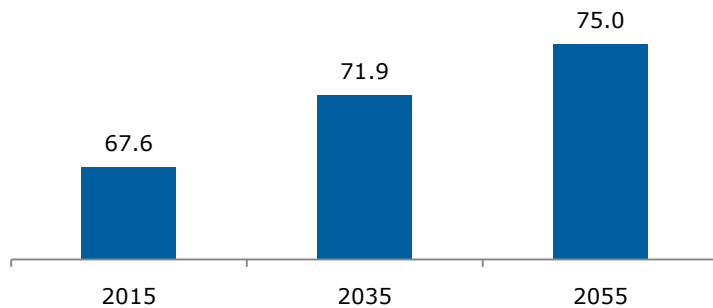


**Life Insurance density US\$ <sup>2</sup>  
(2018)**

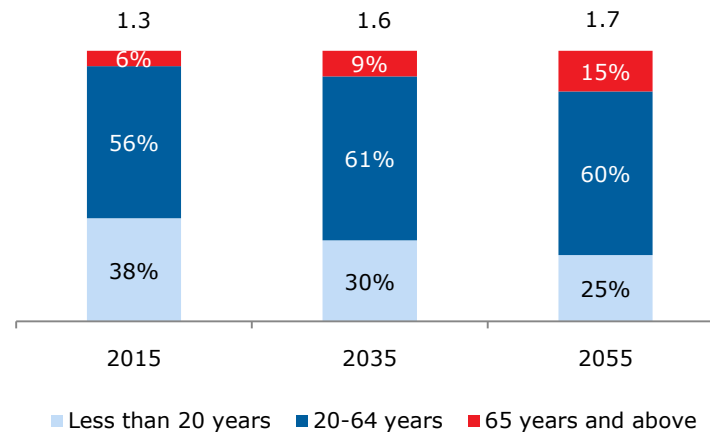


- India remains vastly under-insured, both in terms of penetration and density
- Huge opportunity to penetrate the underserved segments, with evolution of the life insurance distribution model

**Life expectancy (Years)**



**Population composition (Bn.)**



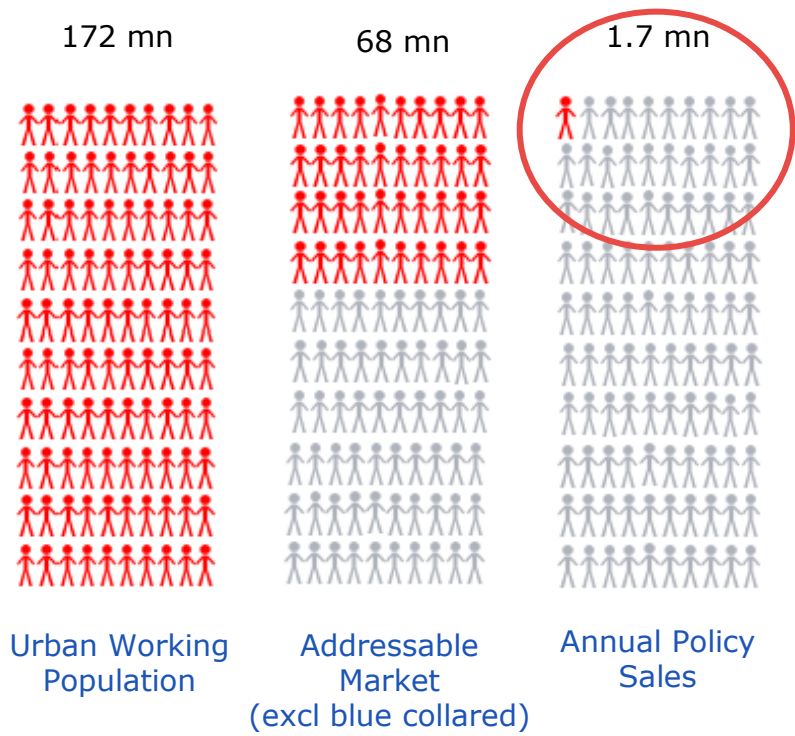
- India's insurable population is expected to touch 750 million by 2020
- India's elderly population is expected to double by 2035 (as compared to 2015)
- Emergence of nuclear families and advancement in healthcare facilities lead to increase in life expectancy thus facilitating need for pension and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

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

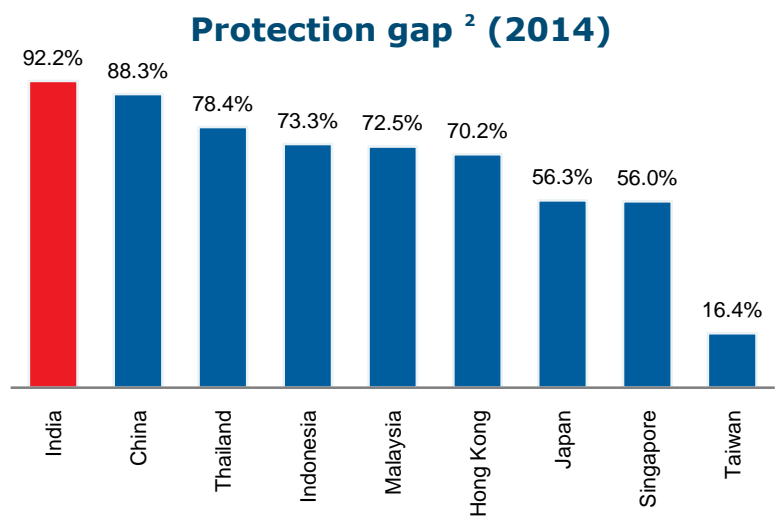
2. Density defined as the ratio of premium underwritten in a given year to the total population

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

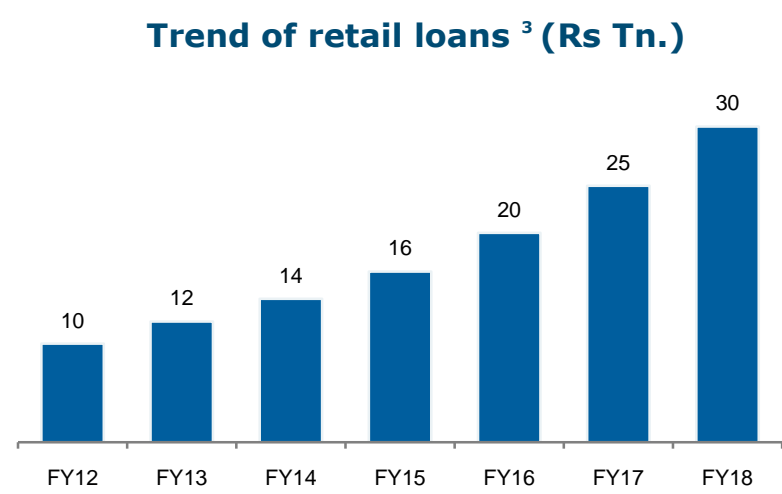
# Low levels of penetration – Life Protection



- 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

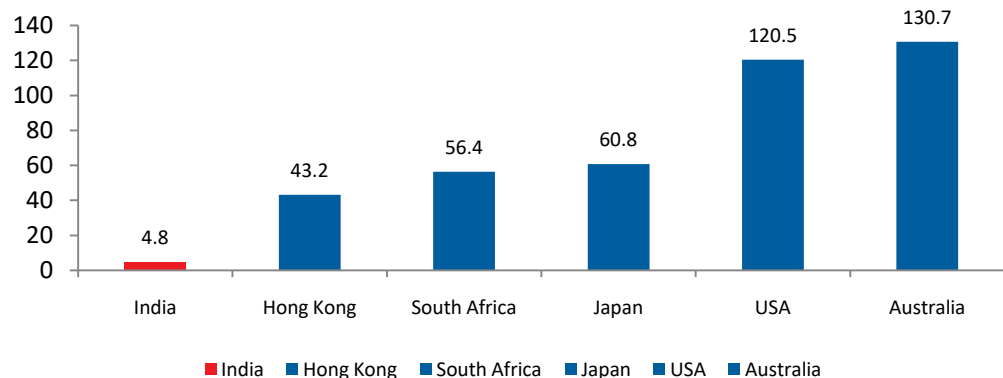
Unorganized workforce not under any formal pension scheme is **82.7%**

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

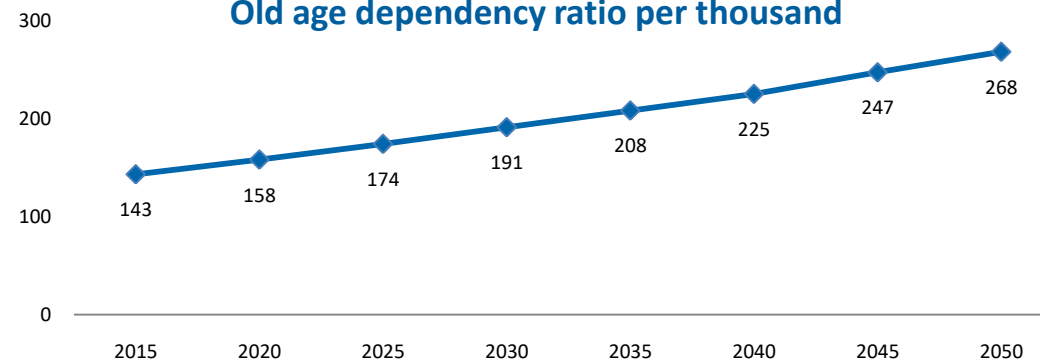
India's pension market is under-penetrated at 4.8% of GDP

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

**Pension Assets / GDP Ratio**



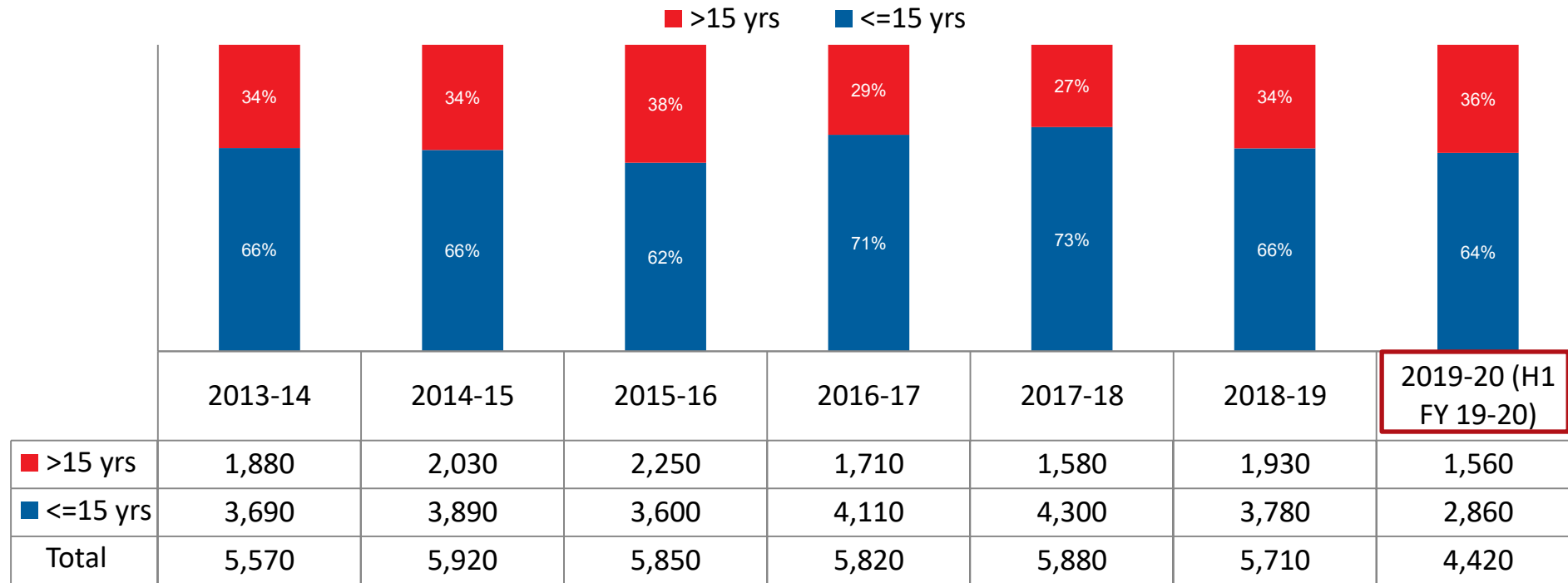
**Old age dependency ratio per thousand**



# Government Bond Auctions

## Government Bonds- Tenor

Rs Bn.

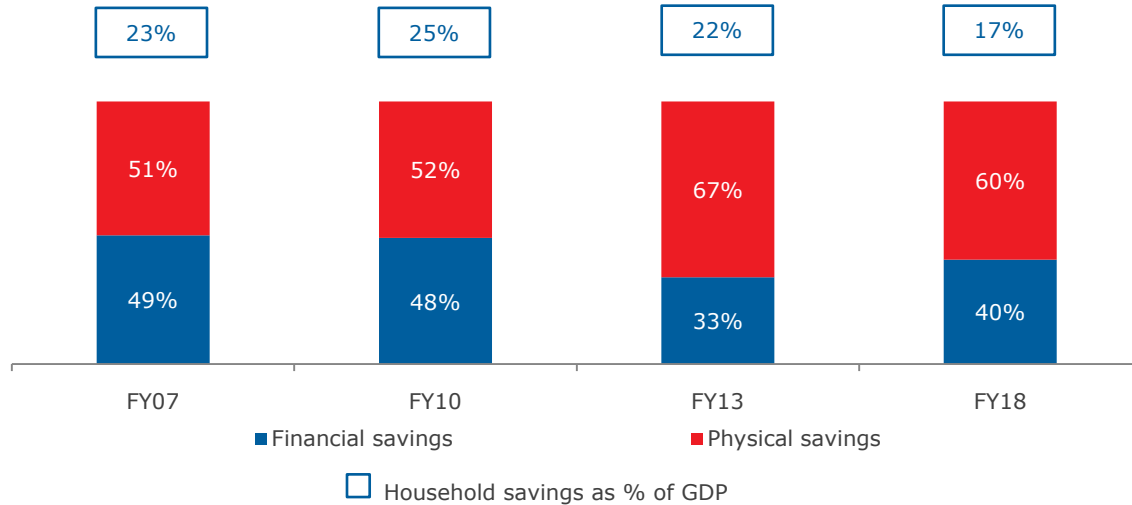


- Auction of >15 year maturity bonds has been ~33% on an average facilitates writing annuity business at scale
- Budget estimate plan for government borrowing for FY20 at Rs. 7.1 trillion on gross basis.
- The actual borrowing for H1 is 62% of the budget.

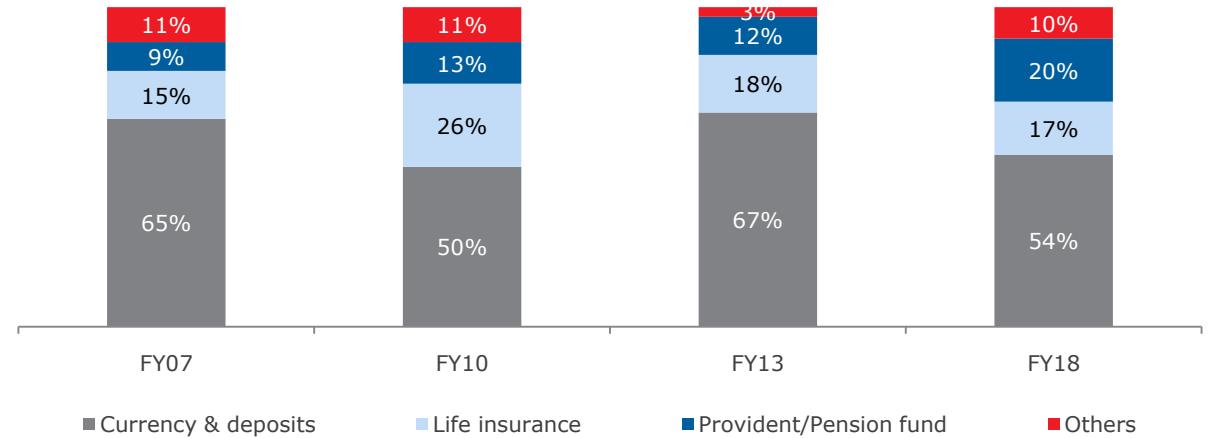


# Life Insurance: A preferred savings instrument

## Household savings composition

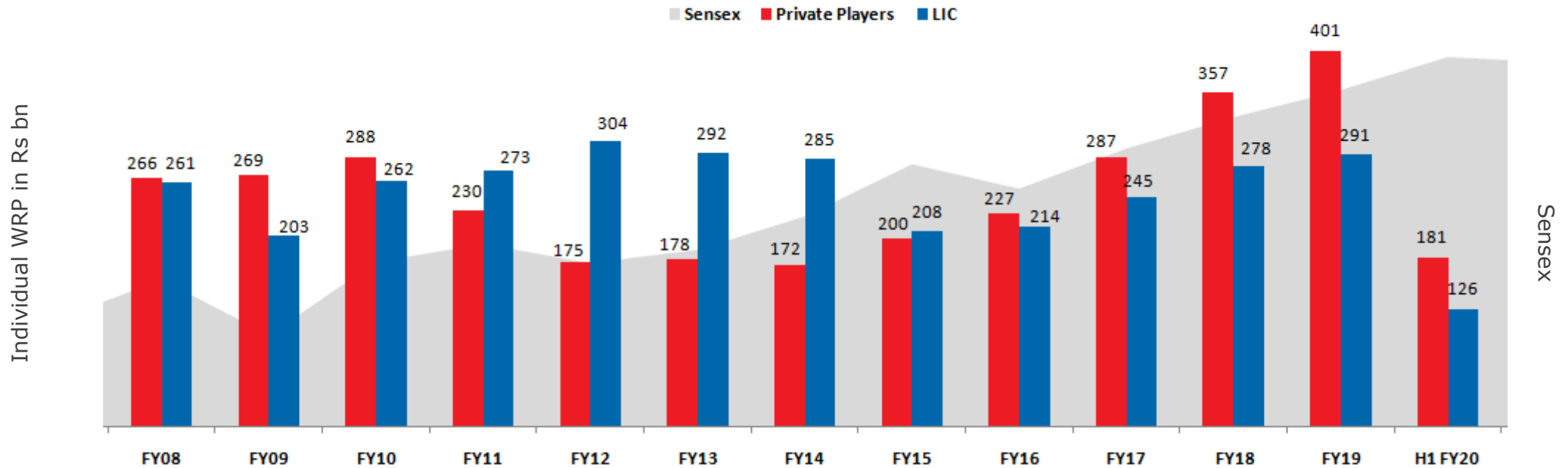


## Financial savings mix



- Increasing preference towards financial savings with increasing financial literacy within the population
- Various government initiatives to promote financial inclusion:
  - Implementation of JAM trinity – around 372 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

# Industry new business<sup>1</sup> trends



## Private players Market share

FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	H1 FY20
50%	57%	52%	46%	37%	38%	38%	49%	52%	54%	56%	58%	58%

## Growth %

Private	86%	1%	7%	-20%	-24%	2%	-3%	16%	14%	26%	24%	12%	24%
LIC	0%	-22%	29%	4%	11%	-4%	-2%	-27%	3%	15%	13%	5%	3%
Overall	31%	-10%	17%	-9%	-5%	-2%	-3%	-11%	8%	21%	19%	9%	14%

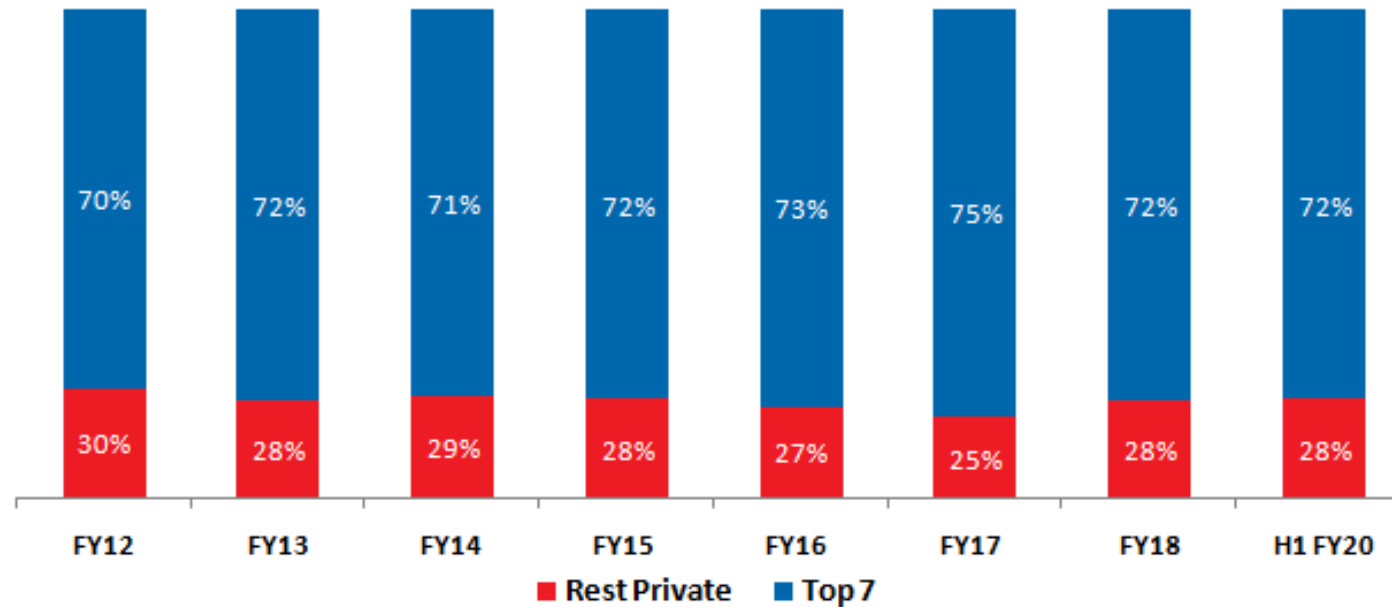
- Private sector gained higher Market share than LIC for the first time in FY16, post FY11 regulatory changes
- Private sector continues to outpace LIC based on individual WRP

1. Basis Individual Weighted Received Premium (WRP)

Source: IRDAI and Life Insurance Council

# Private industry: Market share trends

## Top 7 private players vs other players



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

Notes :

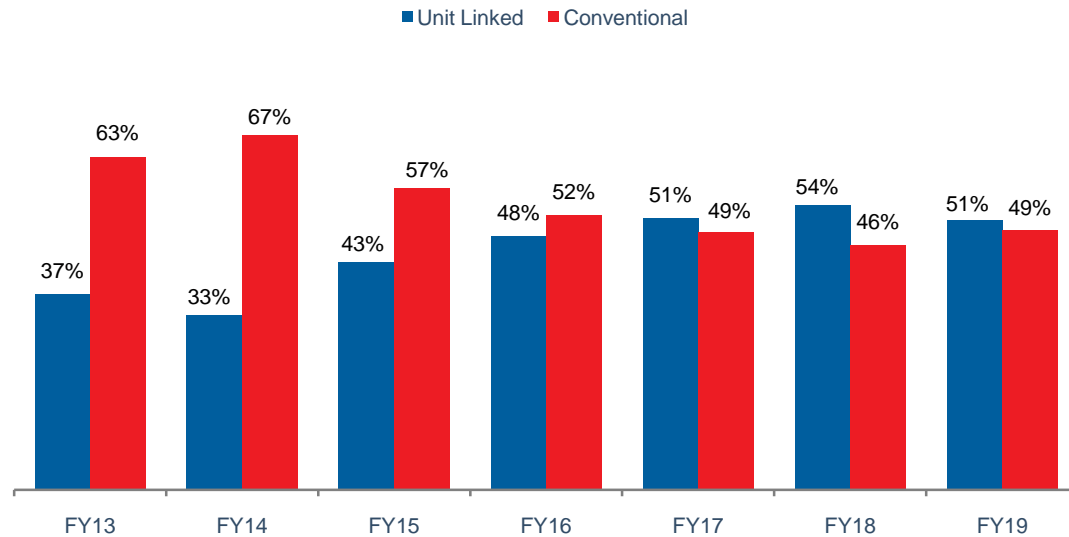
Basis Individual Weighted Received Premium (WRP) as disclosed by IRDAI, Life Insurance Council

Top 7 players based on Q1 FY20 business numbers, comprising of, SBI Life, ICICI Pru HDFC Life, Max Life, Tata AIA, Bajaj Allianz and Birla Sun Life

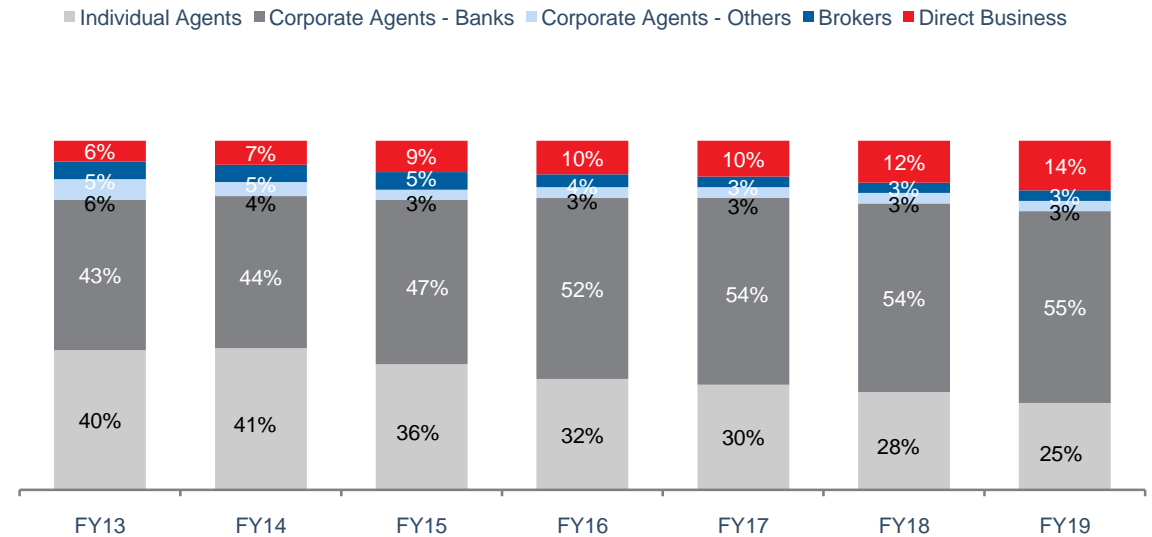


# Private industry: Product and distribution mix

## Product mix <sup>1</sup>



## Distribution mix <sup>2</sup>



- 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)

	FY17	FY18	FY19	CAGR	H1 FY19	H1 FY20	Growth
<b>Key Metrics (Rs Bn.)</b>							
New Business Premium (Indl. + Group)	86.2	113.5	149.7	32%	62.9	79.1	26%
Renewal Premium (Indl. +Group)	108.2	122.1	142.1	15%	56.1	61.8	10%
Total Premium	194.5	235.6	291.9	23%	119.0	140.9	18%
Individual APE	37.4	48.9	52.0	18%	21.0	28.7	37%
Overall APE	41.9	55.3	62.6	22%	25.1	34.7	38%
Group Premium (NB)	44.2	54.1	73.3	29%	32.0	40.2	26%
Profit after Tax	8.9	11.1	12.8	20%	6.7	7.3	10%
- Policyholder Surplus	7.5	8.5	9.0	9%	5.4	5.5	2%
- Shareholder Surplus	1.4	2.6	3.8	64%	1.3	1.8	41%
Dividend Paid	(1) 2.6	3.3	4.0	22%	-	-	NA
Assets Under Management	917.4	1,066.0	1,255.5	17%	1,132.3	1,310.1	16%
Indian Embedded Value	124.7	152.2	183.0	21%	163.8	201.2	23%
Net Worth	(2) 38.1	47.2	56.6	22%	54.1	64.0	18%
NB (Individual and Group segment) lives insured (Mn.)	20.9	33.2	51.4	57%	21.6	28.7	33%
New Business Sum Assured	(3) 3,887.6	4,734.5	6,058.2	25%	2,618.2	4,386.6	68%
No. of Individual Policies (NB) sold (In 000s)	(4) 1,082.3	1,049.6	995.0	-4%	439.3	420.4	-4%

1. Including dividend distribution tax (DDT)

2. Comprises share capital, share premium and accumulated profits/(losses)

3. Comprises individual and group business

4. Including rural policies. Excluding rural policies, NOPs grew by CAGR of 8% between FY17-19



# Financial and operational snapshot (2/2)

		FY17	FY18	FY19	H1 FY19	H1 FY20
<b>Key Ratios</b>						
Overall New Business Margins (post overrun)		22.0%	23.2%	24.6%	24.3%	27.5%
Operating Return on EV	(1)	21.7%	21.5%	20.1%	19.6%	19.6%
Operating Expenses / Total Premium		12.6%	13.5%	13.2%	14.1%	14.1%
Total Expenses (OpEx + Commission) / Total Premium		16.7%	18.0%	17.0%	18.0%	19.0%
Return on Equity	(2)	25.7%	26.0%	24.6%	26.4%	24.3%
Solvency Ratio		192%	192%	188%	193%	192%
Persistency (13M / 61M)	(3)	84%/59%	87%/51%	87%/52%	87%/50%	89%/54%
Market Share (%)						
- Individual WRP		12.7%	13.3%	12.5%	13.0%	15.2%
- Group New Business		24.3%	28.5%	28.4%	28.0%	28.9%
- Total New Business		17.2%	19.1%	20.7%	21.2%	22.4%
Business Mix (%)						
- Product (UL/Non par savings/Non par protection/Par)	(4)	52/9/4/35	57/9/5/28	55/20/7/18	59/11/7/23	26/58/6/9
- Indl Distribution (CA/Agency/Broker/Direct)	(4)	72/12/5/11	71/11/5/14	64/13/4/19	67/11/4/17	54/15/10/21
- Total Distribution (CA/Agency/Broker/Direct/Group)	(5)	32/7/2/7/52	33/7/2/10/48	26/7/2/16/49	27/7/2/14/50	23/7/3/16/51
- Share of protection business (Basis Indl APE)		4.0%	5.1%	6.7%	6.8%	6.1%
- Share of protection business (Basis Overall APE)		7.8%	11.3%	16.7%	16.2%	16.7%
- Share of protection business (Basis NBP)		21.8%	25.9%	27.0%	28.7%	27.9%

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

	H1 FY19	H1 FY20
Premium earned	119.0	140.9
Reinsurance ceded	(1.2)	(1.9)
Income from Investments	28.9	31.9
Other Income	0.5	0.6
Transfer from Shareholders' Account	0.2	0.2
<b>Total Income</b>	<b>147.3</b>	<b>171.7</b>
Commissions	4.6	6.9
Expenses	16.7	19.8
GST on UL charges	1.6	1.7
Provision for taxation	0.2	(0.2)
Provision for diminution in value of investments	0.7	1.4
Benefits paid	61.2	75.0
Change in valuation reserve	55.3	57.6
Bonuses Paid	1.6	3.6
<b>Total Outgoings</b>	<b>142.0</b>	<b>165.8</b>
<b>Surplus</b>	<b>5.3</b>	<b>5.9</b>
Transfer to Shareholders' Account	5.5	5.7
Funds for future appropriation - Par	(0.2)	0.2
<b>Total Appropriations</b>	<b>5.3</b>	<b>5.9</b>

## Profit and Loss A/c

Rs Bn.

	H1 FY19	H1 FY20
<b>Income</b>		
- Interest and dividend income	1.4	1.7
- Net profit/(loss) on sale	0.2	0.7
Transfer from Policyholders' Account	5.5	5.7
Other Income	0.1	0.0
<b>Total</b>	<b>7.2</b>	<b>8.1</b>
<b>Outgoings</b>		
Transfer to Policyholders' Account	0.2	0.2
Expenses	0.1	0.1
Provision for diminution in value of investments	0.0	0.2
Provision for Taxation	0.2	0.3
<b>Total</b>	<b>0.5</b>	<b>0.8</b>
<b>Profit for the year as per P&amp;L Statement</b>	<b>6.7</b>	<b>7.3</b>
Interim Dividend paid (including tax)	0.0	0.0
<b>Profit carried forward to Balance Sheet</b>	<b>6.7</b>	<b>7.3</b>

# Balance Sheet

Rs Bn.

	Mar 31, 2019	Sep 30, 2018	Sep 30, 2019
<b>Shareholders' funds</b>			
Share capital (including Share premium)	23.8	23.5	23.9
Accumulated profits	32.7	30.6	40.1
Fair value change	(0.0)	(0.0)	(0.4)
<b>Sub total</b>	<b>56.6</b>	<b>54.1</b>	<b>63.6</b>
<b>Policyholders' funds</b>			
Fair value change	11.1	8.2	8.0
Policy Liabilities	536.3	472.9	597.1
Provision for Linked Liabilities	605.2	548.6	597.5
Funds for discontinued policies	28.6	28.9	33.2
<b>Sub total</b>	<b>1,181.2</b>	<b>1,058.5</b>	<b>1,235.8</b>
Funds for future appropriation (Par)	11.0	9.4	11.2
<b>Total Source of funds</b>	<b>1,248.8</b>	<b>1,122.0</b>	<b>1,310.5</b>
Shareholders' investment	50.5	44.4	53.0
Policyholders' investments: Non-linked	571.2	510.5	626.4
Policyholders' investments: Linked	633.8	577.4	630.6
Loans	0.8	0.3	1.9
Fixed assets	3.3	3.3	3.4
Net current assets	(10.8)	(13.9)	(4.9)
<b>Total Application of funds</b>	<b>1,248.8</b>	<b>1,122.0</b>	<b>1,310.5</b>

# Balance Sheet

Rs Bn.

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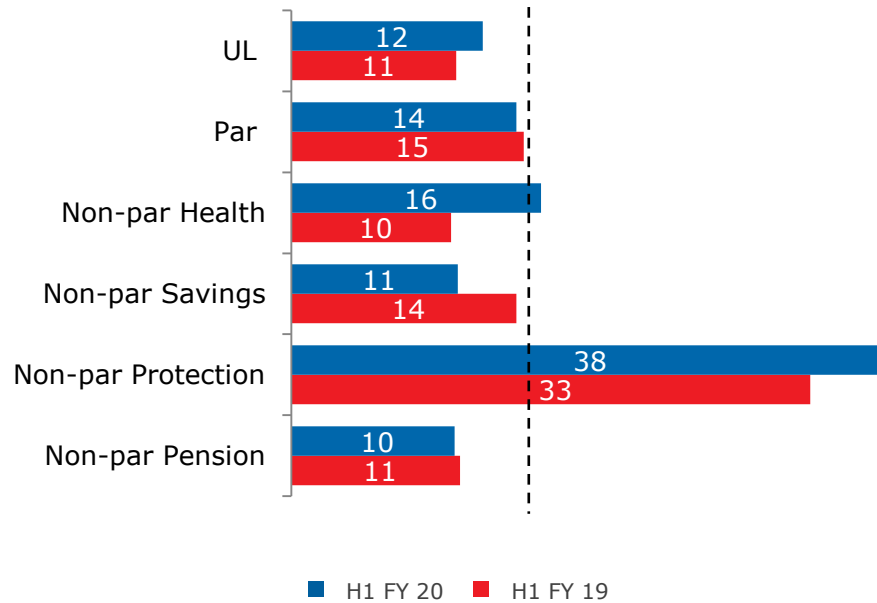




# Segment wise average term and age<sup>1</sup>

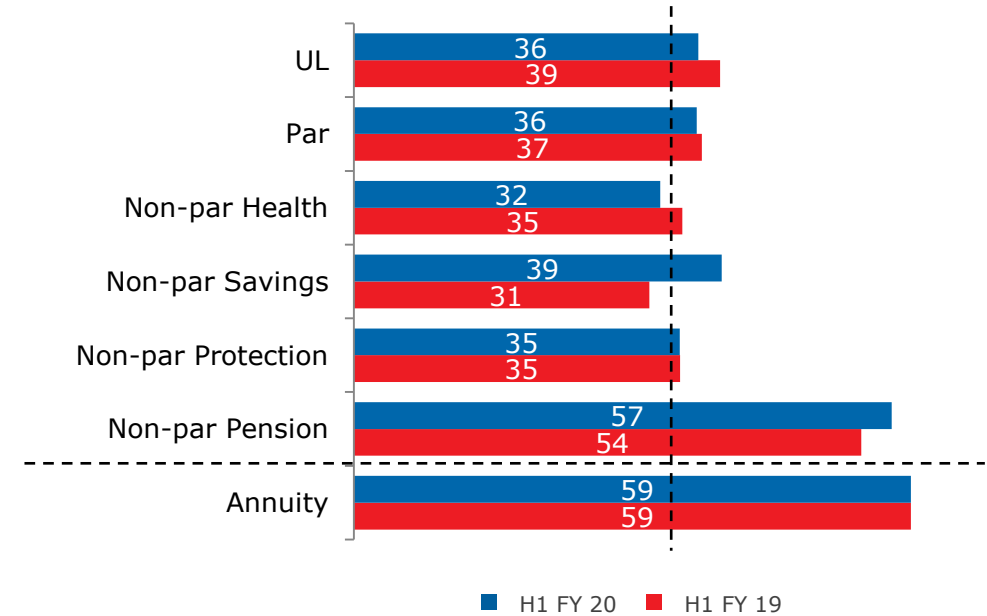
## Average Policy Term excluding annuity (Yrs)

H1 FY20: 15.7 (H1 FY19 : 14.9)



## Average Customer Age excluding annuity (Yrs)

H1 FY20: 37.6 (H1 FY19: 36.8)



- 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

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

## Overview

**Indian Embedded Value (IEV)** consists of:

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

## Components of Adjusted Net Worth (ANW)

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

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

## Components of Value in-force covered business (VIF)

- **Present value of future profits (PVFP):** PVFP is the present value of projected distributable profits to shareholders arising from the in-force covered business determined by projecting the shareholder cash flows from the in-force covered business and the assets backing the associated liabilities.
- **Time Value of Financial Options and Guarantees (TVFOG):** TVFOG reflects the value of the additional cost to shareholders that may arise from the embedded financial options and guarantees attaching to the covered business in the event of future adverse market movements. Intrinsic value of such options and guarantees is reflected in PVFP.
- **Frictional costs of required capital (FC):** FC represents the investment management expenses and taxation costs associated with holding the RC. VIF includes an allowance for FC of holding RC for the covered business. VIF also includes an allowance for FC in respect of the encumbered capital in the Company's holdings in its subsidiaries.
- **Cost of residual non-hedgeable risks (CRNHR):** CRNHR is an allowance for risks to shareholder value to the extent that these are not already allowed for in the TVFOG or the PVFP. In particular, the CRNHR makes allowance for:
  - asymmetries in the impact of the risks on shareholder value; and
  - risks that are not allowed for in the TVFOG or the PVFP.

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

# Embedded Value: Economic assumptions<sup>1</sup>

Years	Forward rates %		Spot rates %	
	As at Sep 30, 2019	As at Sep 30, 2018	As at Sep 30, 2019	As at Sep 30, 2018
<b>1</b>	5.67	7.69	5.51	7.41
<b>2</b>	6.14	8.33	5.74	7.70
<b>3</b>	6.58	8.57	5.95	7.88
<b>4</b>	6.94	8.67	6.14	7.99
<b>5</b>	7.25	8.72	6.31	8.06
<b>10</b>	7.90	8.73	6.88	8.22
<b>15</b>	7.85	8.62	7.12	8.25
<b>20</b>	7.68	8.52	7.21	8.24
<b>25</b>	7.55	8.45	7.23	8.22
<b>30+</b>	7.48	8.41	7.23	8.20

# Glossary (Part 1)

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- **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)

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- **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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