

April 26, 2021

Ref. No.: HDFC Life/CA/2021-22/07

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

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

NSE Symbol: HDFCLIFE

BSE Security Code: 540777

Dear Sir/ Madam,

Subject: Outcome of the Board Meeting held on April 26, 2021

Pursuant to Regulation 30, 33 and other applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), we wish to inform that the Board of Directors of the Company at their meeting held today i.e. Monday, April 26, 2021, has inter-alia approved the following:

➤ **Financial Results – Standalone and Consolidated**

The audited Standalone financial results for the quarter and year ended March 31, 2021 alongwith the audited Consolidated financial results for the year ended March 31, 2021. A copy of the same alongwith the reports of the Joint Statutory Auditors thereon, and copy of the press release is enclosed herewith.

We wish to mention that M/s Price Waterhouse Chartered Accountants LLP and M/s G. M. Kapadia & Co., Chartered Accountants, the Joint Statutory Auditors of the Company, have issued audit reports with unmodified opinion on the financial statements.

Disclosure(s) in accordance with Regulation 52 (4) of the Listing Regulations are also enclosed along with the Financial Results.

➤ **Final Dividend for the Financial Year 2020-21**

Recommended final dividend of ₹ 2.02/- per equity share of face value of ₹ 10 each for the financial year 2020-21, subject to approval of the Members at the ensuing Annual General Meeting (“AGM”) of the Company.

➤ **21st Annual General Meeting and the Record Date**

The 21st AGM of the Company will be held on Monday, July 19, 2021. The record date for the purpose of final dividend for the financial year 2020-21 is July 1, 2021.

➤ **Re-appointment of M/s G. M. Kapadia & Co., Chartered Accountants, as Joint Statutory Auditors**

The first term of M/s G. M. Kapadia & Co., Chartered Accountants (Firm Registration No.104767W), one of the joint Statutory Auditors of the Company, ends at the forthcoming AGM of the Company. The Board of Directors, based on the recommendation of the Audit Committee, has considered and approved the re-appointment of M/s G. M. Kapadia & Co., for second term of five (5) consecutive years, to hold office from the conclusion of 21st AGM until the conclusion of 26th AGM of the Company, subject to the approval of the Members at the ensuing AGM.

Further, pursuant to the requirements of Listing Regulations, a brief profile of M/s G. M. Kapadia & Co., Chartered Accountants is enclosed herewith as **Annexure 1**.

➤ **Re-appointment of Mr Sumit Bose as an Independent Director**

The current term of Mr Sumit Bose (DIN: 03340616) as an Independent Director of the Company, ends on July 18, 2021. The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee of the Board, has considered and approved the re-appointment of Mr Sumit Bose as Independent Director of the Company, not liable to retire by rotation, for second term of five (5) years effective from July 19, 2021, subject to the approval of the Members at the ensuing AGM, by way of a special resolution.

Pursuant to the requirements of Listing Regulations, the relevant details alongwith the brief profile of Mr Sumit Bose is enclosed herewith as **Annexure 2**.

Further, we affirm that Mr Sumit Bose has not been debarred from holding the office of Director by virtue of any SEBI order or any other such authority.

➤ **Re-appointment of Ms Vibha Padalkar as Managing Director and Chief Executive Officer**

The current term of Ms Vibha Padalkar (DIN: 01682810) as Managing Director & Chief Executive Officer (MD & CEO) of the Company, ends on September 11, 2021. The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee of the Board, has considered and approved the re-appointment of Ms Vibha Padalkar as MD & CEO of the Company for a period of five (5) years with effect from September 12, 2021, subject to approval of the Members at the ensuing AGM and Insurance Regulatory and Development Authority of India (IRDAI).

Pursuant to the requirements of Listing Regulations, the relevant details alongwith the brief profile of Ms Vibha Padalkar, MD & CEO is enclosed herewith as **Annexure 3**.

Further, we affirm that Ms Vibha Padalkar has not been debarred from holding the office of Director by virtue of any SEBI order or any other such authority.

7) **Re-appointment of Mr Suresh Badami as Whole-time Director (designated as “Executive Director”)**

The current term of Mr Suresh Badami (DIN: 08224871) as Executive Director of the Company, ends on September 16, 2021. The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee of the Board, has considered and approved the re-appointment of Mr Suresh Badami as Whole-time Director (designated as “Executive

Details of Re-appointment of M/s G. M. Kapadia & Co., Joint Statutory Auditors

Reason for change	Since, the current term of M/s G. M. Kapadia & Co., ends at the forthcoming 21 st AGM of the Company, it is proposed to re-appoint them for a second term of five (5) consecutive years, as Joint Statutory Auditors of the Company
Date of re-appointment	From the date of 21 st AGM i.e. July 19, 2021
Term of Appointment	To be re-appointed for second term of five (5) years, to hold office from the conclusion of the Twenty-first (21 st) AGM until the conclusion of the Twenty-sixth (26 th) AGM of the Company
Brief Profile	M/s G.M. Kapadia & Co. ("the Firm") has completed more than 82 years in practice. The firm has 14 partners and operates from 6 cities viz. Mumbai, Chennai, New Delhi, Bengaluru, Hyderabad and Jaipur. The Firm was rated amongst the leading tax firms in India by the International Tax Review for the 12th consecutive year in its publication - World Tax 2020. Also, the Firm was rated amongst the leading transfer pricing firms in India by the International Tax Review for the 7th consecutive year in its publication - World Transfer Pricing 2020. The firm renders full range of services to clients in various sectors like Financial Services, Technology Sector, Real Estate, Industrial Sector, Retail, Healthcare, Logistics, Non-profit organization etc.

Details of Re-appointment of Mr Sumit Bose (DIN: 03340616) as an Independent Director

Reason for change	Re-appointment of Mr Sumit Bose as an Independent Director of the Company, for a second term of five (5) years w.e.f. July 19, 2021
Date of re-appointment	July 19, 2021
Brief Profile	Mr Sumit Bose holds a Master of Science, (Social Policy and Planning) from the London School of Economics, a Master of Arts (History) from St. Stephen's College, University of Delhi and an Indian School Certificate from The Doon School, Dehradun. Sumit Bose was a member of the Indian Administrative Services where he served as Union Finance Secretary (as Secretary, Department of Revenue) immediately prior to superannuation. Mr. Bose has also served as Secretary (Expenditure) and Secretary (Disinvestment) as well as Secretary in the Thirteenth Finance Commission, consecutively in the Ministry of Finance, Government of India from August 2007 till superannuation. He was a member of the core group for the Union Budget from 2010 to 2015. In addition, he served the Government of Madhya Pradesh (GoMP) as Principal Secretary (Finance) and also did an early stint in the Department of Economic Affairs, Ministry of Finance, Government of India, as Deputy Secretary in the Fund Bank Division. During the course of his career, Mr. Bose undertook various consultancy assignments on aid effectiveness, land acquisition and resettlement and primary education with the World Bank, Commonwealth Secretariat, United Nations Development Programme and Department for International Development, (UK) in India and in Washington DC, London, Kenya and Turkey. Mr Bose serves as an independent director on the board of several corporates such as Coromandel International Limited, Tata AIG General Insurance Company Limited, J. B. Chemicals & Pharmaceuticals Limited and BSE Limited and non-profits organizations/ foundations such as Jal Seva Charitable Foundation, Foundation To Educate Girls Globally and Vidhi Centre for legal studies.
Disclosure of relationships between directors	Not related to any of the Directors of the Company

Details of re-appointment of Ms Vibha Padalkar (DIN: 01682810) as Managing Director & Chief Executive Officer

Reason for change	Re-appointment of Ms Vibha Padalkar as Managing Director & Chief Executive Officer of the Company for a period of five (5) years w.e.f. September 12, 2021
Date of re-appointment	For a period of five (5) years with effect from September 12, 2021
Brief Profile	Ms Vibha Padalkar is the Managing Director and Chief Executive Officer of the Company since September 12, 2018. Ms Padalkar joined HDFC Life in August 2008. Prior to joining HDFC Life, she has worked in varied sectors such as global Business Process Management, global FMCG and in an international audit firm. Ms Padalkar has been felicitated twice by the Institute of Chartered Accountants of India and several times by Business Today as being amongst the 'Top 30 most powerful women in business'. Ms Padalkar also serves as an independent director on the Board of Tata Power and is the Chairperson of its Risk Management Committee. Ms Padalkar qualified as a member of the Institute of Chartered Accountants of England and Wales in 1992. She is also a member of the Institute of Chartered Accountants of India.
Disclosure of relationships between directors	Not related to any of the Directors of the Company

Details of re-appointment of Mr Suresh Badami (DIN: 08224871) as Executive Director

Reason for change	Re-appointment of Mr Suresh Badami as Executive Director of the Company for a period of five (5) years w.e.f. September 17, 2021
Date of re-appointment	For a period of five (5) years with effect from September 17, 2021
Brief Profile	Mr Suresh Badami is the Executive Director of the Company since September 12, 2018. Mr Suresh Badami joined HDFC Life in October 2013 and is the Chief Distribution Officer of the Company. Prior to joining HDFC Life, he was associated with Dunlop India Limited, ICI India Limited, Cogensis Networks Private Limited, Max Ateev Limited, and ICICI Bank Limited. Mr Badami holds a Bachelor's degree in Science from Bangalore University and a Post Graduate Diploma in Management from Xavier Institute of Management, Bhubaneswar
Disclosure of relationships between directors	Not related to any of the Directors of the Company

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

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

Auditors' Report on Standalone Financial Results for the quarter and year ended March 31, 2021 of HDFC Life Insurance Company Limited

To The Board of Directors of
HDFC Life Insurance Company Limited

1. We have audited the accompanying standalone financial results of HDFC Life Insurance Company Limited (“the Company”) for the quarter and year ended March 31, 2021 which are included in the accompanying Statement of Standalone Audited Results for the quarter and year ended March 31, 2021, the Standalone Balance sheet as on that date and the receipts and payment account for the year ended on that date, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and IRDA Circular reference: IRDAI/ F&I/ REG/ CIR/ 208/ 10/2016 dated 25th October 2016 (“Standalone financial results”) which have been approved by the Board of Directors on April 26, 2021.

Management's Responsibility for the standalone financial results

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on these quarterly and year ended March 31, 2021 standalone financial results based on our audit of such standalone financial statements, which have been prepared by the Company's Management in accordance with the recognition and measurement principles specified under Section 133 of the Companies Act, 2013 (“the Act”), including the relevant provisions of the Insurance Act, 1938 (the “Insurance Act”), the Insurance Regulatory and Development Authority Act, 1999 (the “IRDA Act”) and other accounting principles generally

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

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

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us these standalone financial results:
 - I) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and IRDAI IRDA Circular reference: IRDAI/F&I/REG/CIR/208/10/2016 dated 25th October 2016 in this regard; and
 - II) give a true and fair view of the net profit and other financial information for the quarter and year ended March 31, 2021 and also the standalone balance sheet and the receipts and payment account as at and for the year ended on that date.

Emphasis of Matter

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

Other Matters

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

which premium has been discontinued but liability exists as at March 31, 2021 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 standalone financial statements of the Company. Our opinion is not modified in respect of this matter.

8. The Standalone financial results dealt with by this report has been prepared for the purpose of filing with stock exchanges. These Standalone financial results is based on and should be read with the audited standalone financial statements of the company for the year ended March 31, 2021 on which we issued an unmodified audit opinion vide our report dated April 26, 2021.

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

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Alpa Kedia
Partner
Membership No. 100681
UDIN: 21100681AAAABX9500

Place: Mumbai Date: April 26, 2021

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

Rajen Ratansi
Ashar

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Rajen Ratansi Ashar
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Rajen Ashar
Partner
Membership No. 048243
UDIN: 21048243AAAACC7790

HDFC Life Insurance Company Limited
Statement of Standalone Audited Results for the Quarter and Year ended March 31, 2021

(₹ in Lakhs)

Sr. No.	Particulars	Three Months ended / As at			Year ended / As at	
		March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
POLICYHOLDERS' A/C						
1	Gross premium income					
	(a) First Year Premium	238,921	177,224	172,201	685,843	604,427
	(b) Renewal Premium	635,040	457,698	552,617	1,847,687	1,546,844
	(c) Single Premium	417,058	327,899	336,665	1,324,820	1,119,418
2	Net premium income ¹	1,286,801	948,701	1,046,446	3,812,230	3,222,360
3	Income from investments (Net) ²	601,542	1,159,424	(1,022,992)	3,267,757	(331,087)
4	Other income	6,661	3,567	10,931	18,339	24,395
5	Contribution of funds from Shareholders' A/c ³	24,128	988	7,479	25,856	10,475
6	Total (2 to 5)	1,919,132	2,112,680	41,864	7,124,182	2,926,143
7	Commission on					
	(a) First Year Premium	43,447	33,206	29,840	126,612	108,205
	(b) Renewal Premium	9,215	6,816	8,301	27,708	24,053
	(c) Single Premium	5,351	4,114	4,263	13,302	14,119
	Rewards	1,738	684	490	3,418	2,741
8	Net Commission¹	59,751	44,820	42,894	171,040	149,118
9	Operating Expenses related to insurance business (a+b)					
	(a) Employees remuneration and welfare expenses	53,103	43,735	43,668	167,558	167,696
	(b) Other operating expenses*	97,908	86,995	81,550	291,039	258,994
10	Expenses of Management (8+9)	210,762	175,550	168,112	629,637	575,808
11	Provisions for doubtful debts (including bad debts written off)	-	-	-	-	-
12	Provisions for diminution in value of investments ⁵	(9,010)	(4,452)	37,585	(18,854)	56,742
13	Goods & Services Tax on linked charges	9,575	8,997	9,300	35,675	35,324
14	Provision for taxes	18,381	4,134	12,218	27,439	14,903
15	Benefits Paid ⁴ (Net) ¹	883,757	618,253	532,691	2,257,478	1,902,148
16	Change in actuarial liability	762,268	1,282,778	(731,647)	4,082,963	244,076
17	Total (10+11+12+13+14+15+16)	1,875,733	2,085,260	28,259	7,014,338	2,829,001
18	Surplus/Deficit (6-17)	43,399	27,420	13,605	109,844	97,142
19	Appropriations					
	(a) Transferred to Shareholders A/c	28,659	13,976	45,166	99,090	119,139
	(b) Funds for Future Appropriations	14,740	13,444	(31,561)	10,754	(21,997)
20	Details of Surplus / Deficit					
	(a) Interim bonus paid	11,715	4,968	2,019	20,182	5,850
	(b) Terminal bonus paid	22,280	11,680	22,296	59,228	78,994
	(c) Allocation of bonus to policyholders	74,153	-	80,285	74,153	80,285
	(d) Surplus shown in the Revenue Account	43,399	27,420	13,605	109,844	97,142
	Total Surplus	151,547	44,068	118,205	263,407	262,271
SHAREHOLDERS' A/C						
21	Transfer from Policyholders' Account	28,659	13,976	45,166	99,090	119,139
22	Total income under Shareholders' Account					
	(a) Investment Income ²	27,130	14,273	8,601	64,757	43,781
	(b) Other income	-	-	1,856	-	1,856
23	Expenses other than those related to insurance business ⁵	2,405	1,840	1,794	6,373	3,342
24	Transfer of funds to Policyholders' Account	24,128	988	7,479	25,856	10,475
25	Provisions for doubtful debts (including write off)	-	-	-	-	-
26	Provisions for diminution in value of investments ⁶	(1,652)	(1,279)	17,903	(3,731)	19,785
27	Profit before tax	30,908	26,700	28,447	135,349	131,174
28	Provisions for tax	(886)	201	(2,724)	(661)	1,647
29	Profit after tax and before Extraordinary items	31,794	26,499	31,171	136,010	129,527
30	Profit after tax and Extraordinary items	31,794	26,499	31,171	136,010	129,527

HDFC Life Insurance Company Limited
Statement of Standalone Audited Results for the Quarter and Year ended March 31, 2021

(₹ in Lakhs)

Sr. No.	Particulars	Three Months ended / As at			Year ended / As at	
		March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
31	Dividend per share (₹) (Nominal value ₹ 10 per share)					
	(a) Interim Dividend	-	-	-	-	-
	(b) Final Dividend	-	-	-	-	-
32	Profit carried to Balance Sheet ⁷	592,940	561,147	456,929	592,940	456,929
33	Paid up equity share capital	202,094	202,046	201,880	202,094	201,880
34	Reserve & Surplus (excluding Revaluation Reserve)	640,737	606,725	496,750	640,737	496,750
35	Fair Value Change Account and Revaluation Reserve (Shareholders)	20,744	22,814	(19,197)	20,744	(19,197)
36	Total Assets:					
	(a) Investments:					
	- Shareholders'	854,211	820,986	585,548	854,211	585,548
	- Policyholders Fund excluding Linked Assets	9,053,783	8,411,298	6,718,861	9,053,783	6,718,861
	- Assets held to cover Linked Liabilities (Linked Assets)	7,475,950	7,330,062	5,418,208	7,475,950	5,418,208
	(b) Other Assets (Net of current liabilities and provisions)	(77,361)	(46,509)	(4,072)	(77,361)	(4,072)

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

Advertisement and publicity	44,315	36,327	33,024	141,011	106,957
Business development expenses	29,428	27,825	23,464	66,590	61,209

Foot notes :

- 1 Net of reinsurance
- 2 Net of amortisation and losses (including capital gains)
- 3 Includes contribution of funds from shareholders accounts towards excess EOM
- 4 Inclusive of interim and terminal bonus
- 5 Includes Remuneration of MD/CEOs/WTDs over specified limits and Interest on Non-convertible debentures
- 6 Inclusive of provision for standard and non-standard assets
- 7 Represents accumulated surplus

The joint statutory auditors have digitally signed this statement for identification purposes only and this Statement should be read in conjunction with their report dated April 26, 2021.

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HDFC Life Insurance Company Limited
Standalone Balance Sheet as at March 31, 2021

(₹ in Lakhs)

Particulars	As at	
	March 31, 2021	March 31, 2020
	(Audited)	(Audited)
SOURCES OF FUNDS		
<i>SHAREHOLDERS' FUNDS:</i>		
Share Capital	202,094	201,880
Share application money received pending allotment of shares	197	559
Reserves and Surplus	640,737	496,750
Credit / (Debit) Fair Value Change Account	20,744	(19,197)
Sub-Total	863,772	679,992
BORROWINGS	60,000	-
<i>POLICYHOLDERS' FUNDS:</i>		
Credit / (Debit) Fair Value Change Account	255,501	4,960
Policy Liabilities	8,552,302	6,527,082
Insurance Reserve	-	-
Provision for Linked Liabilities	5,430,538	5,437,675
Add: Fair value change	1,665,814	(353,256)
Provision for Linked Liabilities	7,096,352	5,084,419
Funds for discontinued policies		
(i) Discontinued on account of non-payment of premium	377,616	332,790
(ii) Others	1,982	999
Total Provision for Linked & Discontinued Policyholders Liabilities	7,475,950	5,418,208
Sub-Total	16,283,753	11,950,250
Funds for Future Appropriations	99,058	88,303
TOTAL	17,306,583	12,718,545
APPLICATION OF FUNDS		
<i>INVESTMENTS:</i>		
Shareholders'	854,211	585,548
Policyholders'	9,053,783	6,718,861
Asset held to cover Linked Liabilities	7,475,950	5,418,208
LOANS	42,405	29,905
FIXED ASSETS	34,015	33,013
CURRENT ASSETS		
Cash and Bank Balances	103,556	67,987
Advances and Other Assets	392,875	362,717
Sub-Total (A)	496,431	430,704
CURRENT LIABILITIES	642,318	490,192
PROVISIONS	7,894	7,502
Sub-Total (B)	650,212	497,694
NET CURRENT ASSETS (C) = (A - B)	(153,781)	(66,990)
Miscellaneous Expenditure (to the extent not written off or adjusted)	-	-
Debit Balance in Profit and Loss Account (Shareholders' Account)	-	-
TOTAL	17,306,583	12,718,545
Contingent liabilities	185,391	218,849

The joint statutory auditors have digitally signed this statement for identification purposes only and this Statement should be read in conjunction with their report dated April 26, 2021.

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HDFC Life Insurance Company Limited
Receipts and Payments Account for the year ended March 31, 2021

(₹ in Lakhs)

Sr. No.	Particulars	Year ended	
		March 31, 2021	March 31, 2020
		(Audited)	(Audited)
A.	Cash Flows from the operating activities:		
1	Premium received from policyholders, including advance receipts	3,961,064	3,357,458
2	Other receipts	16,774	24,648
3	Payments to the re-insurers, net of commissions and claims/ Benefits	(17,025)	1,246
4	Payments of claims/benefits	(2,268,819)	(1,908,225)
5	Payments of commission and brokerage	(165,203)	(158,967)
6	Payments of other operating expenses ¹	(470,558)	(487,434)
7	Preliminary and pre-operative expenses	-	-
8	Deposits, advances and staff loans	2,191	110
9	Income taxes paid (net)	(25,336)	(27,846)
10	Goods and Services Tax paid	(62,783)	(63,959)
11	Other payments	-	-
12	Cash flows before extraordinary items	970,305	737,031
13	Cash flow from extraordinary operations	-	-
	Net cash flow from operating activities	970,305	737,031
B	Cash flows from investing activities:		
1	Purchase of fixed assets	(6,023)	(3,833)
2	Proceeds from sale of fixed assets	94	172
3	Purchases of investments	(9,116,941)	(10,669,379)
4	Loans disbursed	-	-
5	Loan against policies	(12,500)	(21,946)
6	Sales of investments	7,694,130	9,200,495
7	Repayments received	-	-
8	Rents/Interests/ Dividends received	833,301	630,131
9	Investments in money market instruments and in liquid mutual funds (net)	(291,573)	86,191
10	Expenses related to investments	(17)	(33)
	Net cash flow from investing activities	(899,529)	(778,202)
C	Cash flows from financing activities:		
1	Proceeds from issuance of share capital	7,632	3,277
2	Proceeds from borrowing	60,000	-
3	Repayments of borrowing	-	-
4	Interest/dividends paid	-	-
5	Share application Money	197	519
	Net cash flow from financing activities	67,829	3,796
D	Effect of foreign exchange rates on cash and cash equivalents, (net)	-	-
E	Net increase in cash and cash equivalents:	138,605	(37,375)
1	Cash and cash equivalents at the beginning of the year	577,498	614,873
2	Cash and cash equivalents at the end of the year	716,103	577,498
	Note - Components of Cash and cash equivalents at end of the year:		
	Cash and cheques in hand	9,857	141
	Bank Balances *	93,663	67,809
	Fixed Deposit (less than 3 months)	12,500	23,500
	Money Market Instruments	600,083	486,048
	Total Cash and cash equivalents	716,103	577,498
	Reconciliation of Cash & Cash Equivalents with Cash & Bank Balance:		
	Cash & Cash Equivalents	716,103	577,498
	Add: Deposit Account - Others	36	37
	Less: Fixed Deposit (less than 3 months)	(12,500)	(23,500)
	Less: Money market instruments	(600,083)	(486,048)
	Cash & Bank Balances	103,556	67,987
	* Bank Balances includes Unclaimed Dividend of ₹ 18 lakhs (₹ 18 lakhs at March 31, 2020)		

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 ₹ 1,489 lakhs (previous year ended March 31, 2020: ₹ 1,977 lakhs).

The joint statutory auditors have digitally signed this statement for identification purposes only and this Statement should be read in conjunction with their report dated April 26, 2021.

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HDFC Life Insurance Company Limited
Statement of Standalone Audited Results for the Quarter and Year ended March 31, 2021

(₹ in Lakhs)

Particulars	Three Months ended / As at			Year ended / As at	
	March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Analytical Ratios:					
(i) Solvency Ratio	201%	202%	184%	201%	184%
(ii) Expenses of Management Ratio	16.3%	18.2%	15.8%	16.3%	17.6%
(iii) Policyholder's liabilities to shareholders' fund	1896.7%	1878.6%	1770.4%	1896.7%	1770.4%
(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)	1.57	1.31	1.54	6.73	6.42
b) Diluted EPS before and after extraordinary items (net of tax expense) for the period (not annualized for three months)	1.57	1.31	1.54	6.73	6.41
(v) NPA ratios: (for Policyholders' fund)					
a) Gross NPAs					
- Non Linked					
Par	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL
- Linked					
Non Par	5,250.0	5,125.0	5,125.0	5,250.0	5,125.0
Net NPAs					
- Non Linked					
Par	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL
- Linked					
Non Par	NIL	NIL	NIL	NIL	NIL
b) % of Gross NPAs					
- Non Linked					
Par	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL
- Linked					
Non Par	0.1%	0.1%	0.1%	0.1%	0.1%
% of Net NPA					
- Non Linked					
Par	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL
- Linked					
Non Par	NIL	NIL	NIL	NIL	NIL
(vi) Yield on Investments (on Policyholders' fund)					
A. Without unrealised gains					
- Non Linked					
Par	2.5%	1.9%	-0.2%	8.5%	7.0%
Non Par	2.3%	2.4%	2.4%	9.5%	9.6%
- Linked					
Non Par	3.1%	2.2%	1.2%	8.6%	6.3%
B. With unrealised gains					
- Non Linked					
Par	0.5%	7.0%	-2.8%	16.3%	5.4%
Non Par	-1.0%	4.2%	4.8%	7.2%	15.0%
- Linked					
Non Par	5.3%	14.9%	-17.3%	47.2%	-14.6%

HDFC Life Insurance Company Limited
Statement of Standalone Audited Results for the Quarter and Year ended March 31, 2021

(₹ in Lakhs)

Particulars	Three Months ended / As at			Year ended / As at	
	March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
(vii) NPA ratios: (for Shareholders' fund)					
a) Gross NPAs	NIL	NIL	NIL	NIL	NIL
Net NPAs	NIL	NIL	NIL	NIL	NIL
b) % of Gross NPAs	NIL	NIL	NIL	NIL	NIL
% of Net NPAs	NIL	NIL	NIL	NIL	NIL
(viii) Yield on Investments (on Shareholders' fund)					
A. Without unrealised gains	3.3%	1.8%	0.1%	8.9%	6.5%
B. With unrealised gains	1.1%	5.8%	-3.7%	15.4%	2.9%
(ix) Persistency Ratio					
13th month	91.4%	92.9%	88.4%	91.7%	90.1%
25th month	83.7%	82.6%	80.5%	84.2%	80.2%
37th month	76.3%	72.1%	71.8%	74.7%	73.8%
49th month	68.6%	67.4%	65.9%	69.6%	67.2%
61st month	54.6%	51.8%	54.6%	54.4%	55.0%
(x) Conservation Ratio					
Participating Life- Individual & group	89.3%	91.6%	82.1%	87.6%	83.7%
Participating Pension- Individual & group	92.2%	104.5%	84.1%	90.0%	90.8%
Non Participating Life - Individual & group	87.7%	86.3%	69.9%	86.4%	70.0%
Non Participating Pension - Individual & Group	70.7%	87.4%	77.1%	77.1%	79.5%
Non Participating - Life Group Variable	NA	NA	NA	NA	NA
Non Participating - Pension group variable	NA	NA	NA	NA	NA
Non Participating Fund - Annuity	NA	NA	NA	NA	NA
Non Participating Fund - Individual & Group Health	90.5%	77.9%	59.7%	83.4%	62.7%
Unit Linked - Individual Life	87.5%	83.7%	79.2%	85.7%	81.6%
Unit Linked - Individual Pension	74.3%	70.0%	69.7%	71.9%	74.6%
Unit Linked - Group Life	NA	NA	NA	NA	NA
Unit Linked - Group Pension	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 March 31, 2021 have been calculated for the policies issued in the December to February period of the relevant years. E.g.: the 13th month persistency for the current quarter is calculated for the policies issued from December 2019 to February 2020. The persistency ratios for quarter ended December 31, 2020 and March 31, 2020 have been calculated in a similar manner.
- The persistency ratios for the year ended March 31, 2021 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 2019 to February 2020. The persistency ratios for the previous year ended March 31, 2020 have been calculated in a similar manner.

The joint statutory auditors have digitally signed this statement for identification purposes only and this Statement should be read in conjunction with their report dated April 26, 2021.

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HDFC Life Insurance Company Limited
Segment Reporting (Standalone) for the Quarter and Year ended March 31, 2021

(₹ in Lakhs)

Sr. No.	Particulars	Three Months ended			Year ended	
		March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1	Segment Income					
A)	Policyholders :					
	Segment A - Participating - Individual & Group Life :					
	Net Premium	273,045	196,337	219,239	746,872	583,500
	Income from Investments ²	90,556	61,591	(41,122)	267,499	136,368
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	4,841	2,046	5,265	12,207	13,610
	Segment B - Participating - Individual & Group Pension :					
	Net Premium	6,037	5,357	6,550	18,281	20,260
	Income from Investments ²	5,288	6,043	1,245	22,704	22,311
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	258	145	155	493	304
	Segment C - Non Participating - Individual & Group Life :					
	Net Premium	406,920	293,786	262,771	1,150,509	899,868
	Income from Investments ²	59,428	58,550	40,645	208,452	134,045
	Transfer of Funds from shareholders' account	24,544	-	7,158	24,544	9,536
	Other Income	810	613	541	2,535	2,293
	Segment D - Non Participating - Life Group Variable :					
	Net Premium	9,703	6,707	10,349	46,244	84,514
	Income from Investments ²	6,159	6,201	5,728	24,188	21,963
	Transfer of Funds from shareholders' account	-	-	238	-	626
	Other Income	-	-	-	-	-
	Segment E - Non Participating - Individual & Group Pension :					
	Net Premium	36,498	11,723	32,625	174,408	73,302
	Income from Investments ²	9,957	10,799	7,521	38,867	28,587
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	10	6	1	29	24
	Segment F - Non Participating - Pension Group Variable :					
	Net Premium	40,830	42,736	46,272	155,676	164,664
	Income from Investments ²	7,375	7,311	6,919	28,928	27,485
	Transfer of Funds from shareholders' account	731	363	83	1,312	313
	Other Income	-	-	-	-	-
	Segment G - Non Participating - Individual & Group Annuity :					
	Net Premium	130,672	93,564	85,469	392,720	269,358
	Income from Investments ²	21,129	20,388	13,424	77,754	60,045
	Transfer of Funds from shareholders' account	(1,147)	625	-	-	-
	Other Income	19	16	(13)	68	57
	Segment H - Non Participating - Individual & Group Health :					
	Net Premium	1,549	1,052	2,311	5,291	9,478
	Income from Investments ²	124	121	153	573	623
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	4	3	(35)	16	(18)
	Segment I - Unit Linked - Individual Life :					
	Net Premium	342,854	245,693	328,112	982,517	959,915
	Income from Investments ²	381,980	852,881	(955,921)	2,280,991	(765,401)
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	714	735	5,021	2,986	8,116
	Segment J - Unit Linked - Individual Pension :					
	Net Premium	16,881	11,692	21,017	51,797	68,971
	Income from Investments ²	24,284	93,939	(122,098)	226,325	(74,855)
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	3	1	(5)	7	8
	Segment K - Unit Linked - Group Life :					
	Net Premium	20,044	37,394	29,733	79,985	80,662
	Income from Investments ²	3,657	39,096	(13,759)	93,501	21,399
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	-	-	-	-	-
	Segment L - Unit Linked - Group Pension :					
	Net Premium	1,767	2,660	1,996	7,930	7,869
	Income from Investments ²	763	6,988	(3,267)	17,027	3,259
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	-	-	-	-	-
B)	Shareholders :					
	Income from Investments ²	28,781	15,552	(9,301)	68,488	23,997
	Other Income	-	-	1,856	-	1,856

HDFC Life Insurance Company Limited
Segment Reporting (Standalone) for the Quarter and Year ended March 31, 2021

(₹ in Lakhs)

Sr No.	Particulars	Three Months ended / As at			Year ended / As at	
		March 31, 2021	December 31, 2020	March 31, 2021	March 31, 2021	March 31, 2020
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
2	Segment Surplus/ Deficit (net of transfer from Shareholders' A/c) :					
	Segment A - Participating - Individual & Group Life	26,550	16,424	(19,832)	27,374	(8,541)
	Segment B - Participating - Individual & Group Pension	205	(1,130)	(109)	443	4,891
	Segment C - Non Participating - Individual & Group Life	(32,379)	(2,286)	15,502	(24,544)	13,124
	Segment D - Non Participating - Life Group Variable	187	157	(238)	394	(626)
	Segment E - Non Participating - Individual & Group Pension	(327)	1,152	206	3,292	7,522
	Segment F - Non Participating - Pension Group Variable	(731)	(363)	(84)	(1,312)	(313)
	Segment G - Non Participating - Individual & Group Annuity	1,768	(625)	(751)	620	3,319
	Segment H - Non Participating - Individual & Group Health	721	235	271	3,082	4,891
	Segment I - Unit Linked - Individual Life	18,671	8,946	8,109	58,214	46,930
	Segment J - Unit Linked - Individual Pension	3,946	2,970	2,779	12,909	12,394
	Segment K - Unit Linked - Group Life	556	783	179	2,940	2,599
	Segment L - Unit Linked - Group Pension	103	167	91	576	476
	Total	19,270	26,430	6,123	83,988	86,666
	Shareholders	27,261	13,510	(6,515)	62,777	20,862
	Grand Total	46,531	39,940	(392)	146,765	107,528
3	Segment Assets:					
	Segment A - Participating - Individual & Group Life	3,427,824	3,309,548	2,812,223	3,427,824	2,812,223
	Segment B - Participating - Individual & Group Pension	296,853	296,047	266,423	296,853	266,423
	Segment C - Non Participating - Individual & Group Life	2,543,157	2,251,146	1,650,757	2,543,157	1,650,757
	Segment D - Non Participating - Life Group Variable	328,648	329,597	295,331	328,648	295,331
	Segment E - Non Participating - Individual & Group Pension	611,066	567,157	409,096	611,066	409,096
	Segment F - Non Participating - Pension Group Variable	459,898	426,240	354,510	459,898	354,510
	Segment G - Non Participating - Individual & Group Annuity	1,191,472	1,059,963	777,715	1,191,472	777,715
	Segment H - Non Participating - Individual & Group Health	6,101	5,479	5,693	6,101	5,693
	Segment I - Unit Linked - Individual Life	6,123,677	5,950,268	4,228,828	6,123,677	4,228,828
	Segment J - Unit Linked - Individual Pension	654,642	684,706	614,863	654,642	614,863
	Segment K - Unit Linked - Group Life	601,226	597,278	498,895	601,226	498,895
	Segment L - Unit Linked - Group Pension	101,239	101,286	86,860	101,239	86,860
	Total	16,345,803	15,578,715	12,001,194	16,345,803	12,001,194
	Shareholder	912,354	878,864	667,483	912,354	667,483
	Unallocated ³	48,426	58,259	49,868	48,426	49,868
	Grand Total	17,306,583	16,515,838	12,718,545	17,306,583	12,718,545
4	Segment Policy Liabilities⁴ :					
	Segment A - Participating - Individual & Group Life	3,233,440	3,110,854	2,832,635	3,233,440	2,832,635
	Segment B - Participating - Individual & Group Pension	272,455	274,348	263,729	272,455	263,729
	Segment C - Non Participating - Individual & Group Life	2,528,444	2,220,695	1,643,115	2,528,444	1,643,115
	Segment D - Non Participating - Life Group Variable	326,681	327,266	293,364	326,681	293,364
	Segment E - Non Participating - Individual & Group Pension	609,933	565,771	408,081	609,933	408,081
	Segment F - Non Participating - Pension Group Variable	458,224	424,186	352,854	458,224	352,854
	Segment G - Non Participating - Individual & Group Annuity	1,184,165	1,054,618	778,089	1,184,165	778,089
	Segment H - Non Participating - Individual & Group Health	6,234	6,026	5,853	6,234	5,853
	Segment I - Unit Linked - Individual Life	6,150,655	5,982,888	4,255,269	6,150,655	4,255,269
	Segment J - Unit Linked - Individual Pension	654,651	684,709	614,865	654,651	614,865
	Segment K - Unit Linked - Group Life	601,190	596,857	498,879	601,190	498,879
	Segment L - Unit Linked - Group Pension	101,240	102,084	86,860	101,240	86,860
	Total	16,127,312	15,350,302	12,033,593	16,127,312	12,033,593
	Shareholders	923,772	891,674	679,992	923,772	679,992
	Unallocated	-	-	-	-	-
	Grand Total	17,051,084	16,241,976	12,713,585	17,051,084	12,713,585

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.

The joint statutory auditors have digitally signed this statement for identification purposes only and this Statement should be read in conjunction with their report dated April 26, 2021.

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HDFC Life Insurance Company Limited

Statement of Audited Standalone half yearly disclosures as per Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(₹ in Lakhs)

Particulars	Year ended / As at	
	March 31, 2021	March 31, 2020
	(Audited)	(Audited)
1 Credit Rating and change in credit rating	CRISIL AAA/Stable' and [ICRA] AAA'	NA
2 Asset cover available, in case of non-convertible debt securities ¹ (no of times)	14.8	NA
3 Debt Equity Ratio ² (no of times)	0.1	NA
4 i) Previous due date for the payment of interest of non-convertible debentures (a) 6.67% NCDs (issued on 29th July 2020)	NA	NA
ii) Whether Interest has been paid or not for the above due dates (a) 6.67% NCDs (issued on 29th July 2020)	NA	NA
5 i) Next due date for the payment of Interest of non-convertible debentures (a) 6.67% NCDs (issued on 29th July 2020)	29th July 2021	NA
ii) Amount for the payment of Interest of non-convertible debentures (a) 6.67% NCDs (issued on 29th July 2020)	4,002	NA
iii) Next due date for the re-payment of principal of non-convertible debentures ³ (a) 6.67% NCDs (issued on 29th July 2020)	29th July, 2030	NA
iv) Amount for the re-payment of principal of non-convertible debentures (a) 6.67% NCDs (issued on 29th July 2020)	60,000	NA
6 Debt service coverage ratio ⁴ (no of times)	57.1	NA
7 Interest service coverage ratio ⁵ (no of times)	57.1	NA
8 Outstanding redeemable preference shares (quantity and value)	NA	NA
9 Capital redemption reserve / debenture redemption reserve	NA	NA
10 Net Worth ⁶	843,028	699,189
11 Net profit/ loss after tax ⁷	136,010	129,527
12 Earnings per share		
a) Basic EPS before and after extraordinary items (net of tax expense) for the period (not annualized for six months)	6.73	6.42
b) Diluted EPS before and after extraordinary items (net of tax expense) for the period (not annualized for six months)	6.73	6.41

Notes :

- The Asset Cover Ratio computation is in accordance with the SEBI Circular SEBI/ HO/MIRSD/ CRADT/ CIR/ P/2020/230 dated November 12, 2020 and net assets are excluding Policyholders funds and Funds for Future Appropriations. Assets Cover ratio is computed as net assets divided by total borrowings.
- Debt-Equity Ratio is calculated as Total Borrowings divided by Networth. Net worth is shareholders funds excluding Credit / (Debit) Fair Value Change Account.
- The redemption/maturity date is ten years from the deemed date of allotment, however the company shall have the right to exercise the call option at the end of five years from deemed date of allotment and annually thereafter with prior approval of IRDAI.
- DSCR is calculated as Profit before interest, depreciation and tax divided by interest expense together with principal repayments of long-term debt during the period. Tax for this purpose includes tax of the company reduced by tax pertaining to par segment.
- ISCR is calculated as Profit before interest, depreciation and tax divided by interest expense. Tax for this purpose includes tax of the company reduced by tax pertaining to par segment.
- Net worth is shareholders funds excluding Credit / (Debit) Fair Value Change Account.
- Net profit/ loss after tax is the profit after tax as per shareholders account.
- Disclosures for previous period comparables are not applicable since the company has raised the debt during the year (29th July,2020).

HDFC Life Insurance Company Limited

Other disclosures :

Status of Shareholders Complaints as on March 31, 2021

Sr No.	Particulars	Number of Complaints
1	Investor complaints pending at the beginning of the quarter	0
2	Investor complaints received during the quarter ended March 31, 2021	2
3	Investor complaints disposed of during the quarter ended March 31, 2021	1
4	Investor complaints remaining unresolved as on March 31, 2021	1

HDFC Life Insurance Company Limited

Other disclosures :

Status of Investor Complaints for the quarter ended March 31, 2021

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 March 31, 2021	NIL
3	Investor complaints disposed of during the quarter ended March 31, 2021	NIL
4	Investor complaints remaining unresolved as on March 31, 2021	NIL

Notes:

1. The standalone results of the company for the quarter and year ended March 31, 2021 were reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on April 26, 2021.
2. The standalone 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 and year ended March 31, 2021, the Company has allotted 487,885 equity shares and 2,145,567 equity shares respectively of face value of ₹10 each pursuant to exercise of employee stock options.
5. In light of the COVID-19' pandemic outbreak, its continuous effect and information available upto the date of approval of these financial statements, the Company has assessed the impact of pandemic on its assets, including valuation and impairment of investments, liabilities including policy liability and solvency position. Based on the evaluation, the Company has made
 - (a) adequate impairment provisions on the investments to an extent necessary,
 - (b) additional COVID reserve of ₹ 16,500 lakhs as at the Balance Sheet date, for potential adverse mortality. This reserve is over and above the policy level liabilities calculated based on the applicable IRDAI regulations. The Covid reserve of ₹ 4,100 lakhs set up as at 31st March 2020 has been utilised to pay Covid claims during FY 21.The Company has also assessed its solvency position as at the Balance sheet date and is at 201%, which is above the prescribed regulatory limit of 150%. Further, based on the Company's current assessment of the business operations over next one year, it expects the solvency ratio to continue to remain above the minimum limit prescribed by the Insurance regulator. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes to future economic conditions.
6. The accounting policies and practices which are material for the purpose of determining results of operations for the year ended March 31, 2021 are consistent with those adopted in the financial statements for the previous financial year ended March 31, 2020 except for the following:
The Company had been consistently following the conservative practice of accounting for provision for lapsation in line with the generally accepted accounting principles. Pursuant to IRDAI letter dated December 08, 2020, the Company has changed its accounting policy of accruing provision for lapsation on premiums due. The change in accounting resulted in an increase in premium income and actuarial reserves with a resultant net impact on profit for the year ended March 31, 2021, which is not material to the financial statements.
7. The Board of Directors have recommended a final dividend of ₹ 2.02 per equity share of face value of ₹10 each in its board meeting held on 26th April, 2021, subject to Shareholders approval in the Annual General Meeting.
8. In accordance with the requirements of IRDAI Master Circular on "Preparation of Financial Statements and Filing Returns of Life Insurance Business" dated December 11, 2013, the Company will publish the financials on the company's website not later than May 25, 2021.
9. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company is in process of evaluating the financial impact, if any.
10. Figures of the previous period have been regrouped wherever necessary, in order to make them comparable.
11. The above standalone financial results have been audited by joint statutory auditors of the Company.

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The joint statutory auditors have digitally signed this statement for identification purposes only and this Statement should be read in conjunction with their report dated April 26, 2021.

Mumbai
April 26, 2021

For and on behalf of the Board of Directors

Vibha
Padalkar

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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

Auditor’s Report on Consolidated Financial Results for the quarter and year ended March 31, 2021 of HDFC Life Insurance Company Limited (“hereinafter referred to as the Holding Company”), and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”)

To The Board of Directors of
HDFC Life Insurance Company Limited

1. We have audited the accompanying Statement of consolidated financial results of HDFC Life Insurance Company Limited (“hereinafter referred to as the Holding Company”), and its subsidiaries (Holding Company and its subsidiaries together referred to as “the Group”), for the year ended March 31, 2021 and the consolidated Balance sheet and the consolidated receipts and payment account as at and for the year ended on that date, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and IRDA Circular reference: IRDAI/F&I/ REG/ CIR/208/10/2016 dated 25th October 2016 (“Consolidated financial results”) which have been approved by the Board of Directors on April 26, 2021.

Management’s Responsibility for the Consolidated financial results

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

Auditors’ Responsibility

3. Our responsibility is to express an opinion on the year ended March 31, 2021 consolidated financial results based on our audit of such consolidated financial statements, which have been prepared by the Holding Company’s Management in accordance with the recognition and measurement principles specified under Section 133 of the Companies Act, 2013 (“the Act”), including the relevant provisions of the Insurance Act, 1938 (the “Insurance Act”), the

Insurance Regulatory and Development Authority Act, 1999 (the “IRDA Act”) and other accounting principles generally accepted in India, to the extent considered relevant and appropriate for the purpose of these consolidated financial results and which are not inconsistent with the accounting principles as prescribed in the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors’ Report of Insurance Companies) Regulations, 2002 (the “Regulations”) and orders/directions/circulars issued by the Insurance Regulatory and Development Authority of India (“IRDAI”) to the extent applicable.

4. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act) and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as consolidated financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
5. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.
6. The consolidated financial results includes the results of the following subsidiaries
 - a) HDFC Pension Management Company Limited, and
 - b) HDFC International Life and Re Company Limited

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us these consolidated financial results:
 - i. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and IRDAI IRDA Circular reference: IRDAI/F&I/REG/CIR/208/10/2016 dated 25th October 2016 in this regard; and
 - ii. give a true and fair view of the consolidated net profit and other financial information for quarter and year ended March 31, 2021 and also the consolidated balance sheet as at March 31, 2021 and the consolidated receipts and payment account for the year ended on that date.

Emphasis of Matter

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

Other Matters

9. The actuarial valuation of liabilities for life policies in force is the responsibility of the Holding Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2021 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India ("IRDAI") and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon the Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists, as contained in the consolidated financial statements of the Group. Our opinion is not modified in respect of this matter.
10. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 3,69,163 (in '000') and net assets of Rs. 2,59,765 (in '000') as at March 31, 2021, total revenue of Rs. 14,700 (in '000') and Rs. 54,995 (in '000'), net profit /(loss) of Rs. (1,646) (in '000') and Rs. 860 (in '000') for the quarter and year ended March 31, 2021 and net cash flows amounting to Rs. 922 (in '000') for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors. Our opinion on the Consolidated financial results is not modified in respect of the above matter.
11. We did not audit the financial statements of one subsidiary located outside India, whose financial statements reflect total assets of Rs. 28,33,646 (in '000') and net assets of Rs. 26,61,060 (in '000') as at March 31, 2021, total revenue of Rs. 2,85,290 (in '000') and Rs. 7,61,432 (in '000'), net profit of Rs. 13,030 (in '000') and Rs. 6,816 (in '000') for the quarter and year ended March 31, 2021 and net cash flows amounting to Rs. 4,33,155 (in '000') for the year ended on that date, have been prepared in accordance with accounting principles generally accepted in their respective country and have been audited by other auditors under generally accepted auditing standards applicable in their respective country. The Company's management has converted the financial statements of such subsidiary located outside India from the accounting principles generally accepted in their respective country to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion insofar as it relates to the balances and affairs of such subsidiary located outside India, including other information, is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us. Our opinion on the Consolidated financial results is not modified in respect of the above matter.
12. The consolidated financial results include the results for the quarter ended March 31, 2021 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year. Our opinion on the Consolidated financial results is not modified in respect of

the above matter.

13. The consolidated financial results are dealt with by this report has been prepared for the purpose of filing with stock exchanges. These Consolidated financial results is based on and should be read with the audited consolidated financial statements of the Group for the year ended March 31, 2021 on which we issued an unmodified audit opinion vide our report dated April 26, 2021.

For Price Waterhouse Chartered Accountants LLP

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Alpa Kedia

Partner

Membership No. 100681

UDIN 21100681AAAABY9945

Place: Mumbai

Date: April 26, 2021

For G.M.Kapadia & Co.

Chartered Accountants

Firm Registration No.104767W

Rajen Ratansi
Ashar

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Rajen Ashar

Partner

Membership No. 048243

UDIN 21048243AAAACD9423

HDFC Life Insurance Company Limited

Statement of Consolidated Audited Results for the Quarter and Year ended March 31, 2021

(₹ in Lakhs)

Sr. No.	Particulars	Three Months ended / As at			Year ended / As at	
		March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
		(Unaudited) Refer Note 9	(Unaudited)	(Unaudited)	(Audited)	(Audited)
POLICYHOLDERS' A/C						
1	Gross premium income					
	(a) First Year Premium	2,38,921	1,77,224	1,72,201	6,85,843	6,04,427
	(b) Renewal Premium	6,35,040	4,57,698	5,52,617	18,47,687	15,46,844
	(c) Single Premium	4,17,058	3,27,899	3,36,665	13,24,820	11,19,418
2	Net premium income ¹	12,86,955	9,48,884	10,47,595	38,14,881	32,24,498
3	Income from investments (Net) ²	6,01,542	11,59,424	(10,22,992)	32,67,757	(3,31,087)
4	Other income	6,661	3,567	10,931	18,339	24,395
5	Contribution of funds from Shareholders' A/c ³	24,128	988	7,479	25,856	10,475
6	Total (2 to 5)	19,19,286	21,12,863	43,013	71,26,833	29,28,281
7	Commission on					
	(a) First Year Premium	43,447	33,206	29,840	1,26,612	1,08,205
	(b) Renewal Premium	9,215	6,816	8,301	27,708	24,053
	(c) Single Premium	5,351	4,114	4,263	13,302	14,119
	Rewards	1,738	684	490	3,418	2,741
8	Net Commission⁴	59,751	44,820	42,894	1,71,040	1,49,118
9	Operating Expenses related to insurance business (a+b)					
	(a) Employees remuneration and welfare expenses	53,103	43,735	43,668	1,67,558	1,67,696
	(b) Other operating expenses ⁵	97,908	86,995	81,550	2,91,039	2,58,994
10	Expenses of Management (8+9)	2,10,762	1,75,550	1,68,112	6,29,637	5,75,808
11	Provisions for doubtful debts (including bad debts written off)	-	-	-	-	-
12	Provisions for diminution in value of investments ⁶	(9,010)	(4,452)	37,585	(18,854)	56,742
13	Goods & Services Tax on linked charges	9,575	8,997	9,300	35,675	35,324
14	Provision for taxes	18,381	4,134	12,218	27,439	14,903
15	Benefits Paid ⁷ (Net)	8,84,243	6,19,640	5,33,256	22,61,255	19,03,504
16	Change in actuarial liability	7,62,268	12,82,778	(7,31,647)	40,82,963	2,44,076
17	Total (10+11+12+13+14+15+16)	18,76,219	20,86,647	28,824	70,18,115	28,30,357
18	Surplus/Deficit (6-17)	43,067	26,216	14,189	1,08,718	97,924
19	Appropriations					
	(a) Transferred to Shareholders A/c	28,327	12,772	45,750	97,964	1,19,921
	(b) Funds for Future Appropriations	14,740	13,444	(31,561)	10,754	(21,997)
20	Details of Surplus / Deficit					
	(a) Interim bonus paid	11,715	4,968	2,019	20,182	5,850
	(b) Terminal bonus paid	22,280	11,680	22,296	59,228	78,994
	(c) Allocation of bonus to policyholders	74,153	-	80,285	74,153	80,285
	(d) Surplus shown in the Revenue Account	43,067	26,216	14,189	1,08,718	97,924
	Total Surplus	1,51,215	42,864	1,18,789	2,62,281	2,63,053
SHAREHOLDERS' A/C						
21	Transfer from Policyholders' Account	28,327	12,772	45,750	97,964	1,19,921
22	Net Reinsurance Premium	2,746	1,428	675	4,538	2,234
23	Total income under Shareholders' Account	-	-	-	-	-
	(a) Investment Income ⁴	27,317	14,477	8,820	65,627	44,629
	(b) Other income	95	85	1,911	310	1,986
24	Reinsurance Claims incurred	1,305	430	353	1,762	1,511
25	Expenses relating to reinsurance business & Change in reinsurance contract liabilities (net of reinsurance assets)	1,115	87	1,065	2,212	1,834
26	Expenses other than those related to insurance business ⁵	2,568	1,990	1,915	6,912	3,773
27	Transfer of funds to Policyholders' Account	24,128	988	7,479	25,856	10,475
28	Provisions for doubtful debts (including write off)	-	-	-	-	-
29	Provisions for diminution in value of investments ⁶	(1,652)	(1,279)	17,903	(3,731)	19,785
30	Profit before tax	31,021	26,546	28,441	1,35,428	1,31,392
31	Provisions for tax	(885)	202	(2,724)	(659)	1,647
32	Profit after tax and before Extraordinary items	31,906	26,344	31,165	1,36,087	1,29,745
33	Profit after tax and Extraordinary items	31,906	26,344	31,165	1,36,087	1,29,745
34	Dividend per share (₹) (Nominal value ₹ 10 per share)					
	(a) Interim Dividend	-	-	-	-	-
	(b) Final Dividend	-	-	-	-	-
35	Profit carried to Balance Sheet ⁷	5,92,430	5,60,524	4,56,343	5,92,430	4,56,343
36	Paid up equity share capital	2,02,094	2,02,046	2,01,880	2,02,094	2,01,880
37	Reserve & Surplus (excluding Revaluation Reserve)	6,40,944	6,06,677	4,97,420	6,40,944	4,97,420
38	Fair Value Change Account and Revaluation Reserve (Shareholders)	20,744	22,814	(19,197)	20,744	(19,197)
39	Total Assets:					
	(a) Investments:					
	- Shareholders'	8,52,364	8,24,098	5,88,503	8,52,364	5,88,503
	- Policyholders Fund excluding Linked Assets	90,53,783	84,11,298	67,18,861	90,53,783	67,18,861
	- Assets held to cover Linked Liabilities (Linked Assets)	74,75,950	73,30,062	54,18,208	74,75,950	54,18,208
	(b) Other Assets (Net of current liabilities and provisions)	(69,976)	(45,098)	(2,180)	(69,976)	(2,180)

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

Advertisement and publicity	44,315	36,327	33,024	1,41,011	1,06,957
Business development expenses	29,428	27,825	23,464	66,590	61,209

Foot notes :

- 1 Net of reinsurance
- 2 Net of amortisation and losses (including capital gains)
- 3 Includes contribution of funds from shareholders accounts towards excess EOM
- 4 Inclusive of interim and terminal bonus
- 5 Includes Remuneration of MD/CEOs/WTDs over specified limits
- 6 Inclusive of provision for standard and non-standard assets
- 7 Represents accumulated surplus

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HDFC Life Insurance Company Limited		
Consolidated Balance Sheet as at March 31, 2021		
(₹ in Lakhs)		
Particulars	As at	
	March 31, 2021	March 31, 2020
	(Audited)	(Audited)
SOURCES OF FUNDS		
SHAREHOLDERS' FUNDS:		
Share Capital	2,02,094	2,01,880
Share application money received pending allotment of shares	197	559
Reserves and Surplus	6,40,944	4,97,420
Credit / (Debit) Fair Value Change Account	20,744	(19,197)
Sub-Total	8,63,979	6,80,662
BORROWINGS		
	60,000	-
POLICYHOLDERS' FUNDS:		
Credit / (Debit) Fair Value Change Account	2,55,501	4,960
Policy Liabilities		-
i) relating to Life insurance business	85,52,302	65,27,082
ii) relating to Reinsurance business	5,330	4,177
Insurance Reserve	-	-
Provision for Linked Liabilities	54,30,538	54,37,675
Add: Fair value change	16,65,814	(3,53,256)
Provision for Linked Liabilities	70,96,352	50,84,419
Funds for discontinued policies		
(a) Discontinued on account of non-payment of premium	3,77,616	3,32,790
(b) Others	1,982	999
Total Provision for Linked & Discontinued Policyholders Liabilities	74,75,950	54,18,208
Sub-Total	1,62,89,083	1,19,54,427
Funds for Future Appropriations	99,058	88,303
TOTAL	1,73,12,120	1,27,23,392
APPLICATION OF FUNDS		
INVESTMENTS:		
Shareholders'	8,52,364	5,88,503
Policyholders'	90,53,783	67,18,861
Asset held to cover Linked Liabilities	74,75,950	54,18,208
LOANS	42,405	29,905
FIXED ASSETS	34,152	33,071
CURRENT ASSETS		
Cash and Bank Balances	1,09,926	69,075
Advances and Other Assets	3,95,545	3,64,763
Sub-Total (A)	5,05,471	4,33,838
CURRENT LIABILITIES		
	6,44,004	4,91,389
PROVISIONS	8,001	7,605
Sub-Total (B)	6,52,005	4,98,994
NET CURRENT ASSETS (C) = (A - B)	(1,46,534)	(65,156)
Miscellaneous Expenditure (to the extent not written off or adjusted)	-	-
Debit Balance in Profit and Loss Account (Shareholders' Account)	-	-
TOTAL	1,73,12,120	1,27,23,392
Contingent liabilities	1,85,690	2,18,966

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The joint statutory auditors have digitally signed this statement for identification purposes only and this Statement should be read in conjunction with their report dated April 26, 2021.

HDFC Life Insurance Company Limited			
Consolidated Receipts and Payments Account for the Year ended March 31, 2021			
(₹ in Lakhs)			
Sr. No.	Particulars	Year ended/As at	
		March 31,2021	March 31,2020
		(Audited)	(Audited)
A.	Cash Flows from the operating activities:		
1	Premium received from policyholders, including advance receipts	39,68,308	33,60,528
2	Other receipts	17,067	24,770
3	Payments to the re-insurers, net of commissions and claims/ Benefits	(23,281)	(709)
4	Payments of claims/benefits	(22,68,819)	(19,08,226)
5	Payments of commission and brokerage	(1,65,408)	(1,59,075)
6	Payments of other operating expenses ¹	(4,71,676)	(4,86,839)
7	Preliminary and pre-operative expenses	-	-
8	Deposits, advances and staff loans	2,191	114
9	Income taxes paid (net)	(25,340)	(27,847)
10	Goods and Services Tax/ Service tax paid	(62,758)	(63,949)
11	Other payments	-	-
12	Cash flows before extraordinary items	9,70,284	7,38,767
13	Cash flow from extraordinary operations	-	-
	Net cash flow from operating activities	9,70,284	7,38,767
B.	Cash flows from investing activities:		
1	Purchase of fixed assets	(6,121)	(3,858)
2	Proceeds from sale of fixed assets	94	173
3	Purchases of investments	(91,13,257)	(1,06,73,218)
4	Loans disbursed	-	-
5	Loan against policies	(12,500)	(21,946)
6	Sales of investments	76,94,656	92,01,045
7	Repayments received	-	-
8	Rents/Interests/ Dividends received	8,34,090	6,30,962
9	Investments in money market instruments and in liquid mutual funds (net)	(2,91,573)	86,191
10	Expenses related to investments	(17)	(33)
	Net cash flow from investing activities	(8,94,628)	(7,80,684)
C.	Cash flows from financing activities:		
1	Proceeds from issuance of share capital	7,632	3,277
2	Proceeds from borrowing	60,000	-
3	Repayments of borrowing	-	-
4	Interest/dividends paid	-	-
5	Share application Money	197	519
	Net cash flow from financing activities	67,829	3,796
D.	Effect of foreign exchange rates on cash and cash equivalents, (net)	(540)	1,755
E.	Net increase in cash and cash equivalents:	1,42,945	(36,366)
1	Cash and cash equivalents at the beginning of the period	5,78,901	6,15,267
2	Cash and cash equivalents at the end of the period	7,21,846	5,78,901
	Note - Components of Cash and cash equivalents at end of the period:		
	Cash and cheques in hand	9,857	141
	Bank Balances *	99,080	68,231
	Fixed Deposit (less than 3 months)	12,702	24,405
	Money Market Instruments	6,00,207	4,86,124
	Total Cash and cash equivalents	7,21,846	5,78,901
	Reconciliation of Cash & Cash Equivalents with Cash & Bank Balance:		
	Cash & Cash Equivalents	7,21,846	5,78,901
	Add: Deposit Account - Others	56	57
	Less: Fixed Deposit (less than 3 months)	(12,702)	(24,405)
	Less: Money market instruments	(6,00,207)	(4,86,124)
	Add: Point of Presence Funds held in trust	933	646
	Cash & Bank Balances	1,09,926	69,075
	* Bank Balances includes Unclaimed Dividend of ₹ 18 lakhs (₹ 18 lakhs at March 31, 2020)		

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 ₹ 1,489 lakhs (previous year ended March 31, 2020: ₹1,977 lakhs).

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The joint statutory auditors have digitally signed this statement for identification purposes only and this Statement should be read in conjunction with their report dated April 26,2021.

HDFC Life Insurance Company Limited					
Statement of Consolidated Audited results for the Quarter and Year ended March 31, 2021					
(₹ in Lakhs)					
Particulars	Three Months ended / As at			Year ended/As at	
	March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
	(Unaudited) Refer Note 9	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Analytical Ratios:					
(i) Solvency Ratio	201%	202%	184%	201%	184%
(ii) Expenses of Management Ratio	16.3%	18.3%	15.9%	16.3%	17.6%
(iii) Policyholder's liabilities to shareholders' fund	1896.8%	1879.3%	1769.3%	1896.8%	1769.3%
(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)	1.58	1.30	1.54	6.74	6.43
b) Diluted EPS before and after extraordinary items (net of tax expense) for the period (not annualized for three months)	1.58	1.30	1.54	6.73	6.42
(v) NPA ratios: (for Policyholders' fund)					
a) Gross NPAs					
- Non Linked					
Par	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL
- Linked					
Non Par	5250.00	5125.00	5125.00	5250.00	5125.00
Net NPAs					
- Non Linked					
Par	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL
- Linked					
Non Par	NIL	NIL	NIL	NIL	NIL
b) % of Gross NPAs					
- Non Linked					
Par	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL
- Linked					
Non Par	0.1%	0.1%	0.1%	0.1%	0.1%
% of Net NPA					
- Non Linked					
Par	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL
- Linked					
Non Par	NIL	NIL	NIL	NIL	NIL
(vi) Yield on Investments (on Policyholders' fund)					
A. Without unrealised gains					
- Non Linked					
Par	2.5%	1.9%	-0.2%	8.5%	7.0%
Non Par	2.3%	2.4%	2.4%	9.5%	9.6%
- Linked					
Non Par	3.1%	2.2%	1.2%	8.6%	6.3%
B. With unrealised gains					
- Non Linked					
Par	0.5%	7.0%	-2.8%	16.3%	5.4%
Non Par	-1.0%	4.2%	4.8%	7.2%	15.0%
- Linked					
Non Par	5.3%	14.9%	-17.3%	47.2%	-14.6%
(vii) NPA ratios: (for Shareholders' fund)					
a) Gross NPAs	NIL	NIL	NIL	NIL	NIL
Net NPAs	NIL	NIL	NIL	NIL	NIL
b) % of Gross NPAs	NIL	NIL	NIL	NIL	NIL
% of Net NPAs	NIL	NIL	NIL	NIL	NIL
(viii) Yield on Investments (on Shareholders' fund)					
A. Without unrealised gains	3.3%	1.8%	0.1%	8.9%	6.5%
B. With unrealised gains	1.1%	5.8%	-3.7%	15.4%	2.9%
(ix) Persistency Ratio					
13th month	91.4%	92.9%	88.4%	91.7%	90.1%
25th month	83.7%	82.6%	80.5%	84.2%	80.2%
37th month	76.3%	72.1%	71.8%	74.7%	73.8%
49th month	68.6%	67.4%	65.9%	69.6%	67.2%
61st month	54.6%	51.8%	54.6%	54.4%	55.0%
(x) Conservation Ratio					
Participating life- Individual & group	89.3%	91.6%	82.1%	87.6%	83.7%
Participating pension- Individual & group	92.2%	104.5%	84.1%	90.0%	90.8%
Non Participating life- Individual & group	87.7%	86.3%	69.9%	86.4%	70.0%
Non Participating pension- Individual & Group	70.7%	87.4%	77.1%	77.1%	79.5%
Non Participating - Life Group Variable	NA	NA	NA	NA	NA
Non Participating - Pension group variable	NA	NA	NA	NA	NA
Non Participating fund - Individual & Group Annuity	NA	NA	NA	NA	NA
Non Participating fund - Individual & Group Health	90.5%	77.9%	59.7%	83.4%	62.7%
Unit Linked - Individual life	87.5%	83.7%	79.2%	85.7%	81.6%
Unit Linked - Individual pension	74.3%	70.0%	69.7%	71.9%	74.6%
Unit Linked - Group life	NA	NA	NA	NA	NA
Unit Linked - Group pension	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 March 31, 2021 have been calculated for the policies issued in the December to February period of the relevant years. E.g.: the 13th month persistency for the current quarter is calculated for the policies issued from December 2019 to February 2020. The persistency ratios for quarter ended December 31, 2020 and March 31, 2020 have been calculated in a similar manner.
- The persistency ratios for the year ended March 31, 2021 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 2019 to February 2020. The persistency ratios for the previous year ended March 31, 2020 have been calculated in a similar manner.

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HDFC Life Insurance Company Limited

Consolidated Segment Reporting for the Quarter and Year ended March 31, 2021

(₹ in Lakhs)

Sr. No.		Three Months ended / As at			Year ended / As at	
		March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
		(Unaudited) Refer Note 9	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1	Segment Income					
A)	Policyholders :					
	Segment A - Participating - Individual & Group Life :					
	Net Premium	2,73,045	1,96,337	2,19,239	7,46,872	5,83,500
	Income from Investments ²	90,556	61,591	(41,122)	2,67,499	1,36,368
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	4,841	2,046	5,265	12,207	13,610
	Segment B - Participating - Individual & Group Pension :					
	Net Premium	6,037	5,357	6,550	18,281	20,260
	Income from Investments ²	5,288	6,043	1,245	22,704	22,311
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	258	145	155	493	304
	Segment C - Non Participating - Individual & Group Life :					
	Net Premium	4,07,075	2,93,969	2,63,920	11,53,160	9,02,006
	Income from Investments ²	59,428	58,550	40,645	2,08,452	1,34,045
	Transfer of Funds from shareholders' account	24,544	-	7,158	24,544	9,536
	Other Income	810	613	541	2,535	2,293
	Segment D - Non Participating - Life Group Variable :					
	Net Premium	9,703	6,707	10,349	46,244	84,514
	Income from Investments ²	6,159	6,201	5,728	24,188	21,963
	Transfer of Funds from shareholders' account	-	-	238	-	626
	Other Income	-	-	-	-	-
	Segment E - Non Participating - Individual & Group Pension :					
	Net Premium	36,498	11,723	32,625	1,74,408	73,302
	Income from Investments ²	9,957	10,799	7,521	38,867	28,587
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	10	6	1	29	24
	Segment F - Non Participating - Pension Group Variable :					
	Net Premium	40,830	42,736	46,272	1,55,676	1,64,664
	Income from Investments ²	7,375	7,311	6,919	28,928	27,485
	Transfer of Funds from shareholders' account	731	363	83	1,312	313
	Other Income	-	-	-	-	-
	Segment G - Non Participating - Individual & Group Annuity :					
	Net Premium	1,30,672	93,564	85,469	3,92,720	2,69,358
	Income from Investments ²	21,129	20,388	13,424	77,754	60,045
	Transfer of Funds from shareholders' account	(1,147)	625	-	-	-
	Other Income	19	16	(13)	68	57
	Segment H - Non Participating - Individual & Group Health :					
	Net Premium	1,549	1,052	2,311	5,291	9,478
	Income from Investments ²	124	121	153	573	623
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	4	3	(35)	16	(18)
	Segment I - Unit Linked - Individual Life :					
	Net Premium	3,42,854	2,45,693	3,28,112	9,82,517	9,59,915
	Income from Investments ²	3,81,980	8,52,881	(9,55,921)	22,80,991	(7,65,401)
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	714	735	5,021	2,986	8,116
	Segment J - Unit Linked - Individual Pension :					
	Net Premium	16,881	11,692	21,017	51,797	68,971
	Income from Investments ²	24,284	93,939	(1,22,098)	2,26,325	(74,855)
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	3	1	(5)	7	8
	Segment K - Unit Linked - Group Life :					
	Net Premium	20,044	37,394	29,733	79,985	80,662
	Income from Investments ²	3,657	39,096	(13,759)	93,501	21,399
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	-	-	-	-	-
	Segment L - Unit Linked - Group Pension :					
	Net Premium	1,767	2,660	1,996	7,930	7,869
	Income from Investments ²	763	6,988	(3,267)	17,027	3,259
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	-	-	-	-	-
B)	Shareholders :					
	Income from Investments ²	28,969	15,755	(9,082)	69,358	24,844
	Other Income	95	85	1,911	310	1,986

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HDFC Life Insurance Company Limited

Consolidated Segment Reporting for the Quarter and Year ended March 31, 2021

(₹ in Lakhs)

Sr No.	Particulars	Three Months ended / As at			Year ended	
		March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
		(Unaudited) Refer Note 9	(Unaudited)	(Unaudited)	(Audited)	(Audited)
2	Segment Surplus/ Deficit (net of transfer from shareholders' A/c) :					
	Segment A - Participating - Individual & Group Life	26,550	16,424	(19,832)	27,374	(8,541)
	Segment B - Participating - Individual & Group Pension	205	(1,130)	(109)	443	4,891
	Segment C - Non Participating - Individual & Group Life	(32,712)	(3,490)	16,085	(25,670)	13,905
	Segment D - Non Participating - Life Group Variable	187	157	(238)	394	(626)
	Segment E - Non Participating - Individual & Group Pension	(327)	1,152	206	3,292	7,522
	Segment F - Non Participating - Pension Group Variable	(731)	(363)	(84)	(1,312)	(313)
	Segment G - Non Participating - Individual & Group Annuity	1,768	(625)	(751)	620	3,319
	Segment H - Non Participating - Individual & Group Health	721	235	271	3,082	4,891
	Segment I - Unit Linked - Individual Life	18,671	8,946	8,109	58,214	46,930
	Segment J - Unit Linked - Individual Pension	3,946	2,970	2,779	12,909	12,394
	Segment K - Unit Linked - Group Life	556	783	179	2,940	2,599
	Segment L - Unit Linked - Group Pension	103	167	91	576	476
	Total	18,937	25,226	6,706	82,862	87,447
	Shareholders	27,707	14,560	(7,104)	63,979	20,299
	Grant Total	46,644	39,786	(398)	1,46,841	1,07,746
3	Segment Assets:					
	Segment A - Participating - Individual & Group Life	34,27,824	33,09,548	28,12,223	34,27,824	28,12,223
	Segment B - Participating - Individual & Group Pension	2,96,853	2,96,047	2,66,423	2,96,853	2,66,423
	Segment C - Non Participating - Individual & Group Life	25,42,156	22,49,559	16,50,373	25,42,156	16,50,373
	Segment D - Non Participating - Life Group Variable	3,28,648	3,29,597	2,95,331	3,28,648	2,95,331
	Segment E - Non Participating - Individual & Group Pension	6,11,066	5,67,157	4,09,096	6,11,066	4,09,096
	Segment F - Non Participating - Pension Group Variable	4,59,898	4,26,240	3,54,510	4,59,898	3,54,510
	Segment G - Non Participating - Individual & Group Annuity	11,91,472	10,59,963	7,77,715	11,91,472	7,77,715
	Segment H - Non Participating - Individual & Group Health	6,101	5,479	5,693	6,101	5,693
	Segment I - Unit Linked - Individual Life	61,23,677	59,50,268	42,28,828	61,23,677	42,28,828
	Segment J - Unit Linked - Individual Pension	6,54,642	6,84,706	6,14,863	6,54,642	6,14,863
	Segment K - Unit Linked - Group Life	6,01,226	5,97,278	4,98,895	6,01,226	4,98,895
	Segment L - Unit Linked - Group Pension	1,01,239	1,01,286	86,860	1,01,239	86,860
	Total	1,63,44,802	1,55,77,128	1,20,00,810	1,63,44,802	1,20,00,810
	Shareholders	9,18,893	8,84,974	6,72,813	9,18,893	6,72,813
	Unallocated ³	48,426	58,259	49,868	48,426	49,868
	Grant Total	1,73,12,121	1,65,20,361	1,27,23,491	1,73,12,121	1,27,23,491
4	Segment Policy Liabilities⁴:					
	Segment A - Participating - Individual & Group Life	32,33,440	31,10,854	28,32,635	32,33,440	28,32,635
	Segment B - Participating - Individual & Group Pension	2,72,455	2,74,348	2,63,729	2,72,455	2,63,729
	Segment C - Non Participating - Individual & Group Life	25,28,444	22,20,695	16,43,115	25,28,444	16,43,115
	Segment D - Non Participating - Life Group Variable	3,26,681	3,27,266	2,93,364	3,26,681	2,93,364
	Segment E - Non Participating - Individual & Group Pension	6,09,933	5,65,771	4,08,081	6,09,933	4,08,081
	Segment F - Non Participating - Pension Group Variable	4,58,224	4,24,186	3,52,854	4,58,224	3,52,854
	Segment G - Non Participating - Individual & Group Annuity	11,84,165	10,54,618	7,78,089	11,84,165	7,78,089
	Segment H - Non Participating - Individual & Group Health	6,234	6,026	5,853	6,234	5,853
	Segment I - Unit Linked - Individual Life	61,50,655	59,82,888	42,55,269	61,50,655	42,55,269
	Segment J - Unit Linked - Individual Pension	6,54,651	6,84,709	6,14,865	6,54,651	6,14,865
	Segment K - Unit Linked - Group Life	6,01,190	5,96,857	4,98,879	6,01,190	4,98,879
	Segment L - Unit Linked - Group Pension	1,01,240	1,02,084	86,860	1,01,240	86,860
	Total	1,61,27,312	1,53,50,302	1,20,33,593	1,61,27,312	1,20,33,593
	Shareholders	9,29,310	8,96,197	6,84,839	9,29,310	6,84,839
	Unallocated	-	-	-	-	-
	Grand Total	1,70,56,622	1,62,46,499	1,27,18,432	1,70,56,622	1,27,18,432

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

Other disclosures :

Status of Shareholders Complaints as on March 31,2021

Sr No.	Particulars	Number of Complaints
1	Investor complaints pending at the beginning of the quarter	0
2	Investor complaints received during the quarter ended March 31, 2021	2
3	Investor complaints disposed of during the quarter ended March 31, 2021	1
4	Investor complaints remaining unresolved as on March 31, 2021	1

HDFC Life Insurance Company Limited

Other disclosures :

Status of Investor Complaints for the quarter ended March 31, 2021

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 March 31, 2021	NIL
3	Investor complaints disposed of during the quarter ended March 31, 2021	NIL
4	Investor complaints remaining unresolved as on March 31, 2021	NIL

Notes:

1. The above consolidated financial results of the group for the quarter and year ended March 31, 2021 were reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on April 26, 2021.
2. These consolidated 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 and year ended March 31, 2021, the Holding Company has allotted 487,885 equity shares and 2,145,567 equity shares respectively of face value of ₹10 each pursuant to exercise of employee stock options.
5. In light of the COVID-19' pandemic outbreak, its continuous effect and information available upto the date of approval of these financial statements, the Group has assessed the impact of pandemic on its assets, including valuation and impairment of investments, liabilities including policy liability and solvency position. Based on the evaluation, the Group has made
(a) adequate impairment provisions on the investments to an extent necessary,
(b) additional COVID reserve of ₹ 16,500 lakhs as at the Balance Sheet date, for potential adverse mortality. This reserve is over and above the policy level liabilities calculated based on the applicable IRDAI regulations. The Covid reserve of ₹ 4,100 lakhs set up as at 31st March 2020 has been utilised to pay Covid claims during FY 21.

The Holding Company has also assessed its solvency position as at the Balance sheet date and is at 201%, which is above the prescribed regulatory limit of 150%. Further, based on the Holding Company's current assessment of the business operations over next one year, it expects the solvency ratio to continue to remain above the minimum limit prescribed by the Insurance regulator. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements. The Group will continue to closely monitor any material changes to future economic conditions.
6. The accounting policies and practices which are material for the purpose of determining results of operations for the year ended March 31, 2021 are consistent with those adopted in the financial statements for the previous financial year ended March 31, 2020 except for the following:
The Holding Company had been consistently following the conservative practice of accounting for provision for lapsation in line with the generally accepted accounting principles. Pursuant to IRDAI letter dated December 08, 2020, the Holding Company has changed its accounting policy of accruing provision for lapsation on premiums due. The change in accounting resulted in an increase in premium income and actuarial reserves with a resultant net impact on profit for the year ended March 31, 2021, which is not material to the financial statements.
7. The Board of Directors have recommended a final dividend of ₹ 2.02 per equity share of face value of Rs. 10 each in its board meeting held on 26th April, 2021, subject to Shareholders approval in the Annual General Meeting.
8. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group is in process of evaluating the impact, if any.
9. The amounts for the quarter ended March 31, 2021 are balancing amounts between the amounts as per audited accounts for the year ended March 31, 2021 and published unaudited year to date figures upto nine months ended December 31, 2020 which were subjected to review by the joint statutory auditors of the Company
10. Figures of the previous period have been regrouped wherever necessary, in order to make them comparable.
11. The above consolidated financial results have been audited by joint statutory auditors of the Company.

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For and on behalf of the Board of Directors

The joint statutory auditors have digitally signed this statement for identification purposes only and this Statement should be read in conjunction with their report dated April 26, 2021.

**Mumbai
April 26, 2021**

Vibha Padalkar

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**Vibha Padalkar
Managing Director & CEO
(DIN: 01682810)**

PRESS RELEASE - PERFORMANCE FOR THE TWELVE MONTHS ENDED MAR 31, 2021

BSE Code: 540777

NSE Code: HDFCLIFE

26.1% New Business Margin; 17% Individual WRP growth for FY21, 40% for Q4

Key Highlights:

- **17% Individual WRP growth compared to 8% for private industry**
 - **26.1% New Business Margin (NBM); 14% growth in Value of New Business (VNB)**
 - **18.5% Embedded Value Operating Return (EVOP); EV at Rs. 26,617 crore**
 - **PAT at Rs. 1,360 crore; Proposed Final Dividend of Rs. 2.02 per share**
 - **Solvency at 201%**
-

Mumbai, Apr 26, 2021: The Board of Directors of HDFC Life approved and adopted the audited standalone and reviewed consolidated financial results for the year ended March 31, 2021. Below is the summary of our standalone results:

HDFC Life recorded robust growth of 17% in terms of Individual Weighted Received Premium (WRP) during FY21, on a base of 19% growth in FY20. In comparison, the private industry grew by 8% on a base of 5% growth in FY20. HDFC Life sold about 9.8 lakh new individual policies registering a YoY growth of 10%. The Value of New Business (VNB) increased by 14% to Rs. 2,185 crore on the back of consistent growth, balanced product mix and cost efficiencies, thereby translating to New Business Margin of 26.1%. HDFC Life's 13th and 25th persistency, stands at 90% and 81% respectively, up from 88% and 76% in the previous year.

Commenting on the company's performance and current situation, Ms. Vibha Padalkar, MD & CEO said, "In what has been uncertain times for humanity, we remain sensitive about the health impact and loss of lives due to the pandemic and continue to prioritise employee, customer and partner safety.

We are working closely with all our partners and re-insurers to ensure timely service and claim resolution. Over the course of the year, we have settled over 2.9 lakh death claims resulting in payouts in excess of Rs. 3,000 cr. Based on our actual experience in FY21 and after factoring in aspects such as latest mortality trends across business and customer segments and geographic spread of Covid 2.0, we have provided for a Covid reserve of Rs. 165 cr. for FY22. We will continue to review the adequacy of this reserve through the course of FY22. Despite logistical challenges through the year, we have insured close to 40 million lives in FY21. Our focus on our employees has been recognised and has helped us feature as a "Great Place to Work" amongst India's Top 30 Best Workplaces in BFSI.

Despite the challenges posed by the pandemic, we have been able to showcase resilient performance in FY21. Our market share in terms of Individual WRP has increased by 130 basis points from 14.2% in FY20 to 15.5% in FY21. We witnessed an upswing in the Savings business on a sequential basis, as more and more customers continued to evaluate investing in bundled solutions to secure both their financial needs as well as protect

their loved ones. We have been able to address various customer needs through our innovative product suite, whilst maintaining a sharp focus on risk management across all lines of business.

Given the resurgence of Covid and the looming uncertainty around economic and market momentum, we will continue to maintain a cautiously optimistic stance for FY22 and evaluate our approach dynamically. We will strive for consistent new business growth and an upward trajectory on New Business Margins, whilst adhering to a conservative risk management approach. The current pandemic has led to higher awareness around the need for protection and the inadequacy of current insurance coverage. Life insurance has surely emerged as a prominent theme to protect one's family whilst securing long-term financial goals. To this effect, we take cognizance of our responsibility as an insurer and we extend our sincere gratitude to all our employees and partners, who have stood by us in these tough times and helped us achieve our objective of being one of the most trusted insurers of choice. We also thank our regulator, IRDAI for issuing several enabling notifications, without which our business might have struggled."

Key Financial Summary

Rs Cr	FY21	FY20	YoY
Key Financial and Actuarial Metrics			
Individual APE	7,121	6,145	16%
Total APE	8,372	7,407	13%
New Business Premium (Indl + Group)	20,107	17,239	17%
Renewal Premium (Indl + Group)	18,477	15,468	19%
Total Premium	38,583	32,707	18%
Assets Under Management	1,73,839	1,27,226	37%
Networth (1)	8,430	6,992	21%
Profit After Tax	1,360	1,295	5%
Indian Embedded Value	26,617	20,650	29%
Value of new business	2,185	1,919	14%
Protection based on Individual APE	484	466	4%
Protection based on Total APE	1,070	1,270	-16%

	FY21	FY20
Key Financial Ratios		
New Business Margin (NBM)	26.1%	25.9%
Embedded Value Operating Return (EVOP)	18.5%	18.1%
Operating Expenses / Total Premium	12.0%	13.1%
Solvency Ratio	201%	184%
13M / 61M Persistency (2)	90%/53%	88%/54%

Product mix by Individual APE (UL / Par / Non par savings / Term & Health / Annuity)	(3)	24/34/31/7/5	28/19/41/8/4
Distribution mix by Individual APE (Corporate Agents/ Agency/ Direct/ Broker)	(3)	61/13/19/7	55/14/22/9

Notes:

1. Net worth comprises Share capital, Share premium and Accumulated profits
2. Persistency ratios are calculated based on original premium for Individual business
3. Numbers may not add up due to rounding off

Other key highlights for the twelve months ending March 31, 2021:

- **Private Market Share:** Our ranking improved to #2 in terms of Individual WRP and our market share expanded by 130 bps from 14.2% to 15.5%. Our private market share within the group and overall new business segment stood at 27.6% and 21.5% respectively.
- **Product Portfolio:** We continue to maintain a balanced product mix with share of participating savings, non-participating savings, ULIPs, protection and annuity accounting for 34%, 31%, 24%, 7% and 5% of Individual APE respectively. Our focus on the retiral segment resulted in 46% growth in the Annuity business.
- **Distribution Mix:** Our diversified distribution comprises a wide spectrum of over 300 partners, including more than 50 new-ecosystem partners. This is supplemented by 390 branches across the country.
- **Assets Under Management:** As on March 31, 2021, our AUM was Rs. 1.74 lakh crore (Debt: Equity mix – 64:36); about 98% of Debt investments were in G-Secs and AAA bonds as on March 31, 2021

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 2021, the first monthly instalment received would be reflected as First year premiums for 2020-21 and the remaining 11

instalments due in the first policy year would be reflected as first year premiums in 2021-22, 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
- **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 ('HDFC Life' / 'Company') is a listed life insurance entity promoted by HDFC Ltd., India's leading housing finance institution and Standard Life Aberdeen, a global investment company.

Established in 2000, HDFC Life is a leading long-term life insurance solutions provider in India, offering a range of individual and group insurance solutions that meet various customer needs such as Protection, Pension, Savings, Investment, Annuity and Health. As on March 31, 2021, the Company had 36 individual and 12 group products in its portfolio, along with 7 optional rider benefits, catering to a diverse range of customer needs.

HDFC Life continues to benefit from its presence across the country having a wide reach with 390 branches and additional distribution touch-points through several new tie-ups and partnerships. The count of our partnerships is in excess of 300, comprising traditional partners such as NBFCs, MFIs and

SFBs, and includes more than 50 new-ecosystem partners. The Company has a strong base of financial consultants.

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

Disclaimer

Except for the historical information contained herein, statements in this release which contain words or phrases such as 'will', 'would', 'indicating', 'expected to' etc., and similar expressions or variations of such expressions may constitute 'forward-looking statements'. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion in business, the impact of any acquisitions, technological implementation and changes, the actual growth in demand for insurance products and services, investment income, cash flow projections, our exposure to market risks, policies and actions of regulatory authorities; impact of competition; experience with regard to mortality and morbidity trends, lapse rates and policy renewal rates; the impact of changes in capital, solvency or accounting standards, tax and other legislations and regulations in the jurisdictions as well as other risks detailed in the reports filed by HDFC Limited, our holding company, with the United States Securities and Exchange Commission. HDFC Life undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

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

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

Investor Presentation – 12M FY21



Agenda



1 Performance Snapshot

2 Our Strategy

3 Managing Covid-19

4 Customer Insights

5 Annexures

6 India Life Insurance



Performance
Snapshot

Our Strategy

Managing Covid-19

Customer Insights

Annexures

India Life Insurance

1

Performance Snapshot



Executive summary: 12M FY21

Scale



Individual APE	Rs (Bn.)	71.2
	Growth	16%



Market Share ¹	CY (%)	15.5
	Growth	130 bps



AUM	Rs (Tn.)	1.7
	Growth	37%



IEV	Rs (Bn.)	266.2
	EVOP	18.5%

Profitability & Cost



New Business Margin	CY	26.1%
	PY	25.9%



VNB	Rs (Bn.)	21.9
	Growth	14%



Profit After Tax	Rs (Bn.)	13.6
	Growth	5%



Operating Exp. Ratio	CY	12.0%
	PY	13.1%

Customer & Capital



13 th month persistency	CY	90%
	PY	88%



Claim Settlement Ratio	Overall	99.4%
	Individual	98.0%



Solvency	CY	201%
	PY	184%

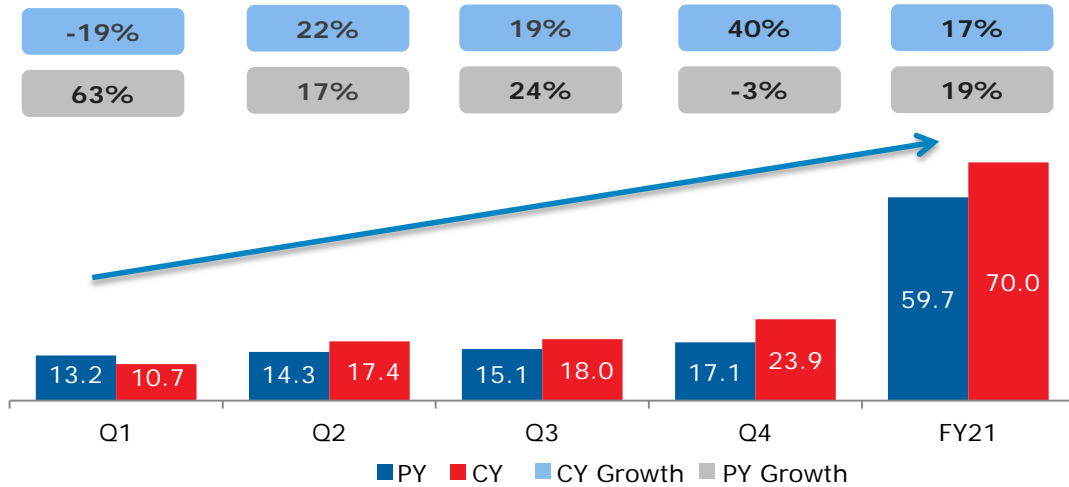


Complaints per 10k policies	CY	35
	PY	47

1. Based on Individual WRP

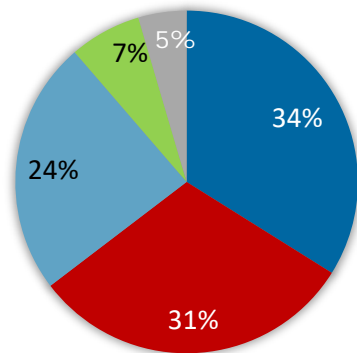
Demonstrating resilience in the current environment (1/2)

Improving QoQ business trends¹



Optimizing product mix

Individual APE



■ Par ■ Non Par Savings ■ ULIP ■ Non Par Protection ■ Annuity

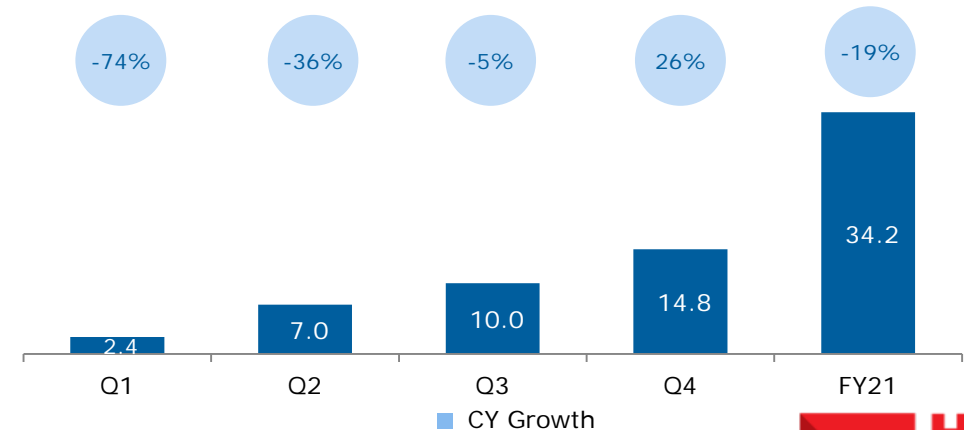
- Maintained balanced product mix
- 46% growth in annuity

Faster than industry growth¹

Rs Bn.

Growth	HDFC Life	Pvt sector	Industry
FY21	17%	8%	3%
FY20	19%	5%	6%
2 years CAGR	18%	6%	5%

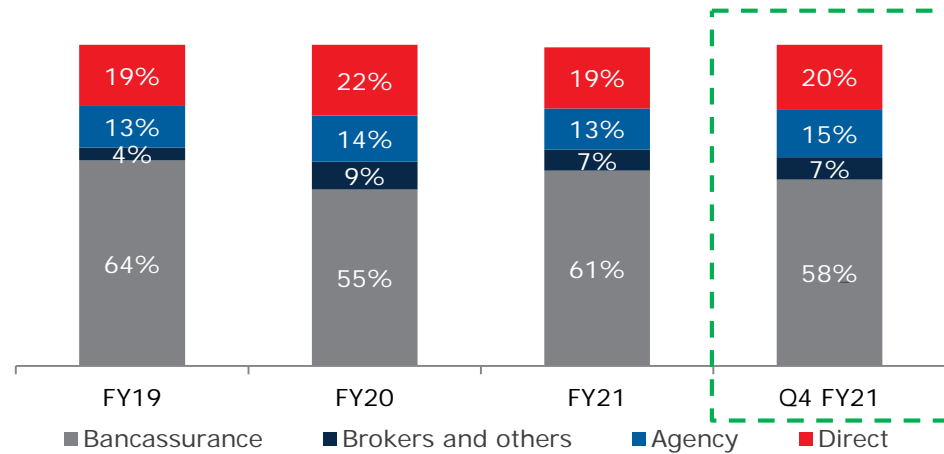
Improvement in CP² volumes with pickup in disbursements



1. Based on Individual WRP; 2. Based on Credit Protect NBP

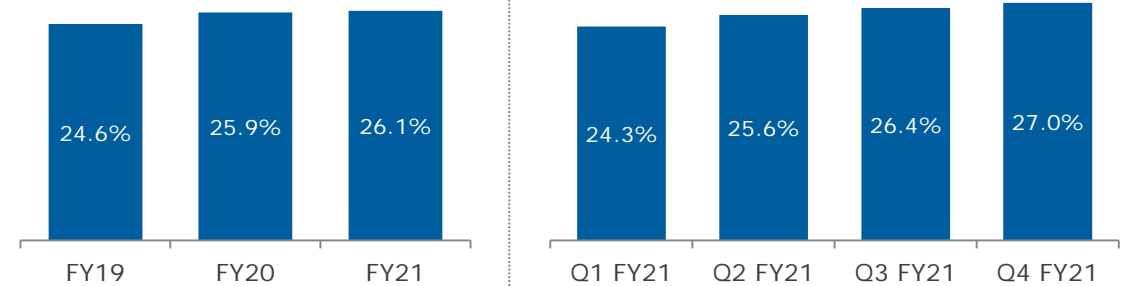
Demonstrating resilience in the current environment (2/2)

Focus on diversified channel mix¹

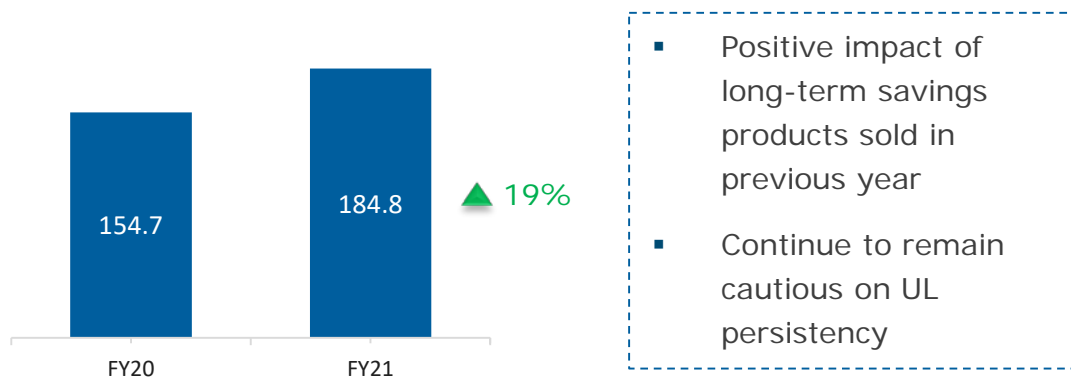


Steady expansion in VNB margin

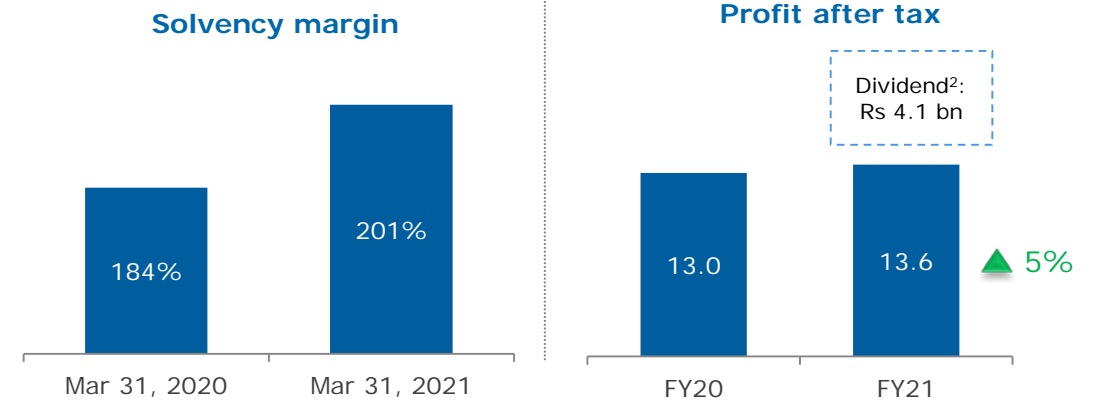
Rs Bn.



Strong growth in renewal premium



Healthy solvency position and consistent growth in PAT



1. Basis Individual APE

2. No dividend announced in FY20, in line with IRDAI circular on capital conservation; Proposed final dividend of Rs. 2.02 per share approved in Board meeting on 26th April 2021, this is subject to shareholders' approval



Performance
Snapshot

Our Strategy

Managing Covid-19

Customer Insights

Annexures

India Life Insurance



2

Our Strategy

Key elements of our strategy

1



Focus on profitable growth

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

2



Diversified distribution mix

Developing **multiple channels** of growth to drive need-based selling

3



Market-leading innovation

Creating **new product propositions** to cater to the **changing customer behaviour** and needs

4



Reimagining insurance

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

5

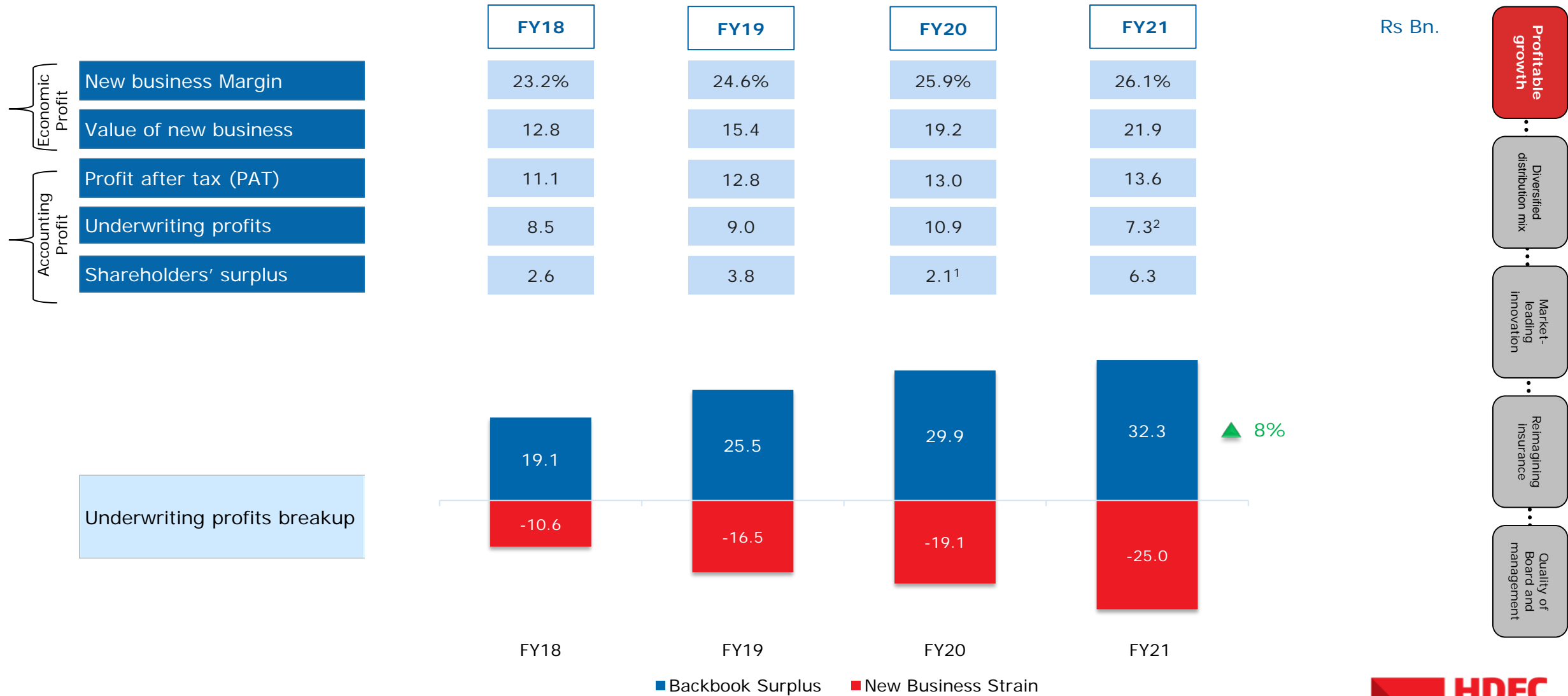


Quality of Board and management

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

“Our continuous focus on technology and customer-centricity has enabled us to maintain business continuity through FY21”

Focus on profitable growth



Rs Bn.

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

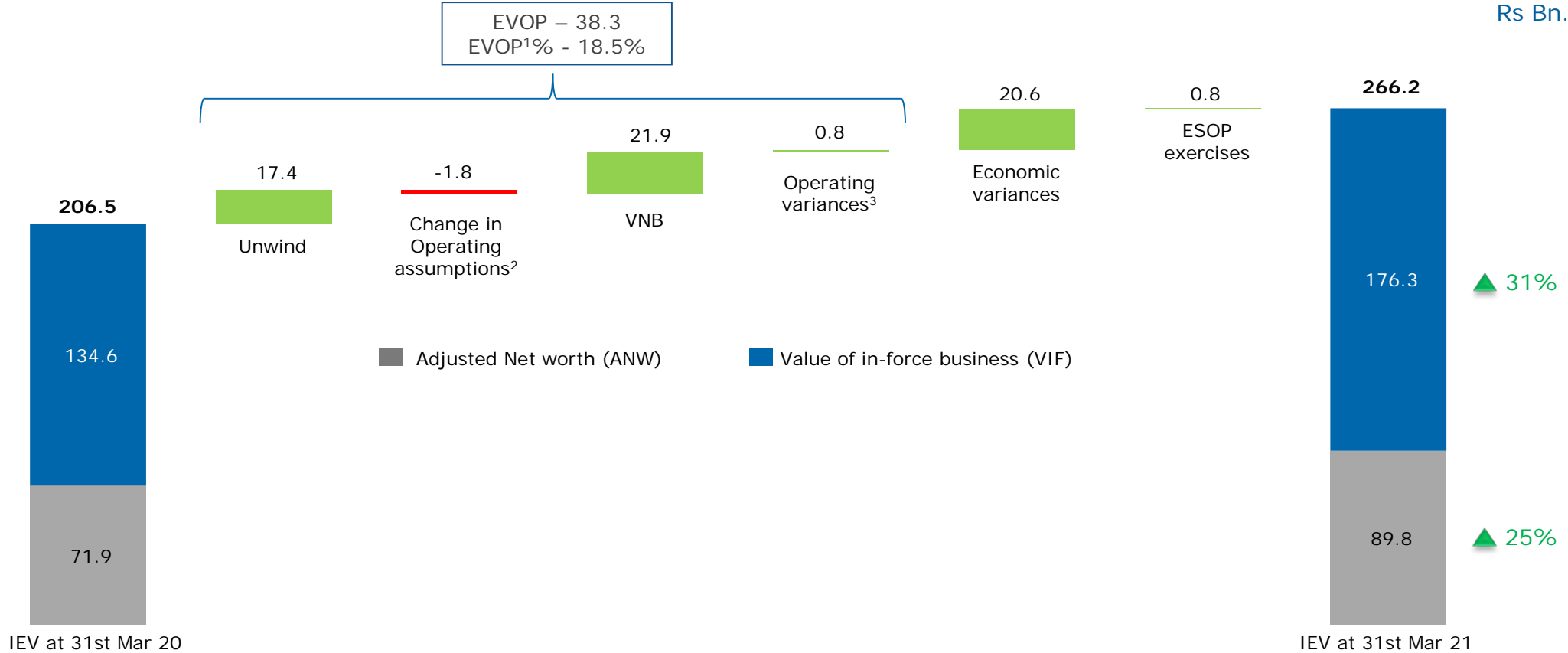
Underwriting profits breakup

■ Backbook Surplus ■ New Business Strain

1. Post accounting for impact of Yes Bank AT1 bonds write-off
 2. Post accounting for impact of assumption changes including additional Covid reserve



Analysis of change in IEV¹



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

▪ Negative mortality variance on account of excess Covid claims, offset by positive variance on persistency and expenses

1. EVOP% calculated as annualised EVOP (Embedded Value Operating Profit) to Opening EV; Covid reserve included as part of assumption changes
 2. Creation of Covid reserve of Rs. 1.65 bn for FY22, in anticipation of elevated covid related mortality
 3. Mortality variance: -0.5, Persistency variance: 0.3, Expenses and Others: 1.0



Diversified distribution mix enabled by multiple levers

Enhancing and expanding proprietary channels



Tapping new generation of customers through Online channel



Focus on building a skilled and structurally solid Agency channel along with increasing agent productivity



Expanding geographical reach via Online channel



Leveraging analytics for upsell and cross-sell via Direct channel

Emerging Ecosystem



50+ emerging ecosystem partnerships

Strong partnerships



250+ traditional partners

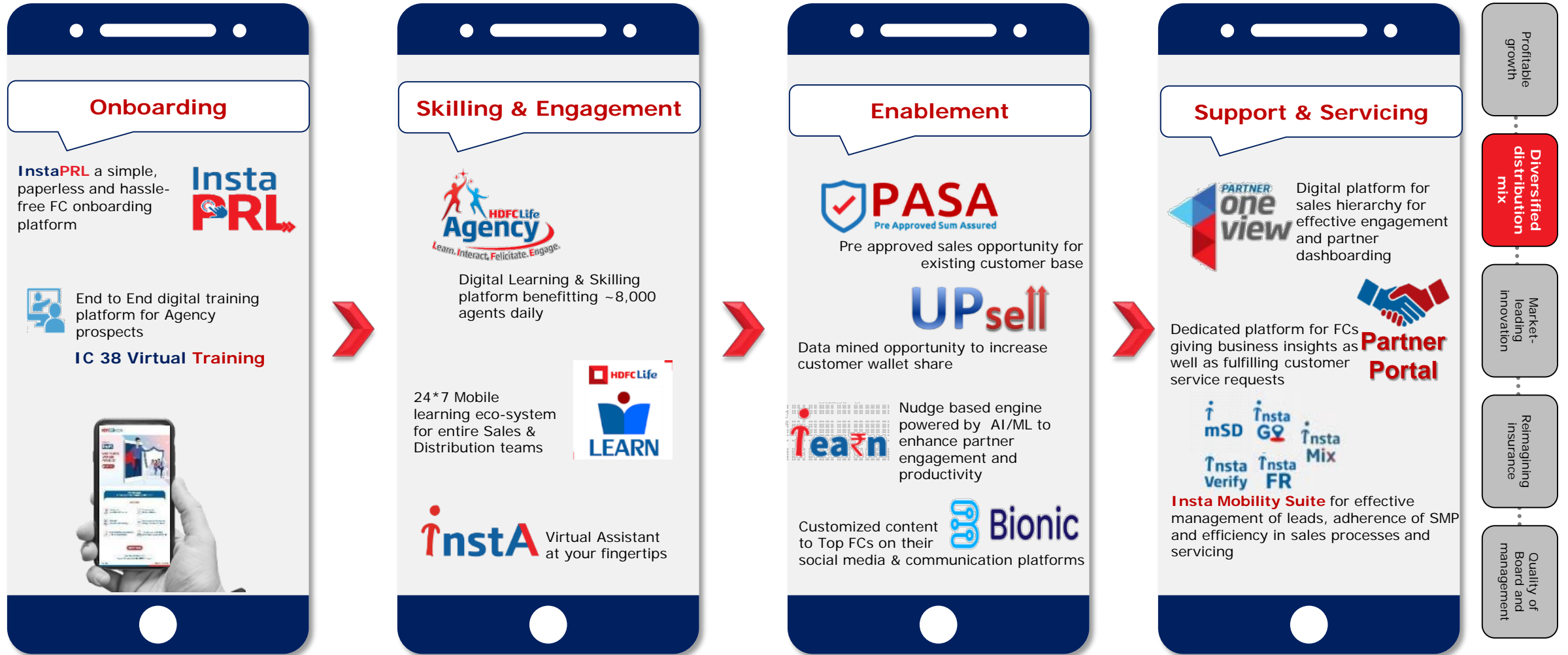
- Deepening partnership with existing banca partners including HDFC group entities, Bandhan Bank, IDFC First, amongst others
- Partnerships with Yes Bank, SBI Capital Markets, State Bank of Mauritius, Doha Bank, Edelweiss in FY21

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



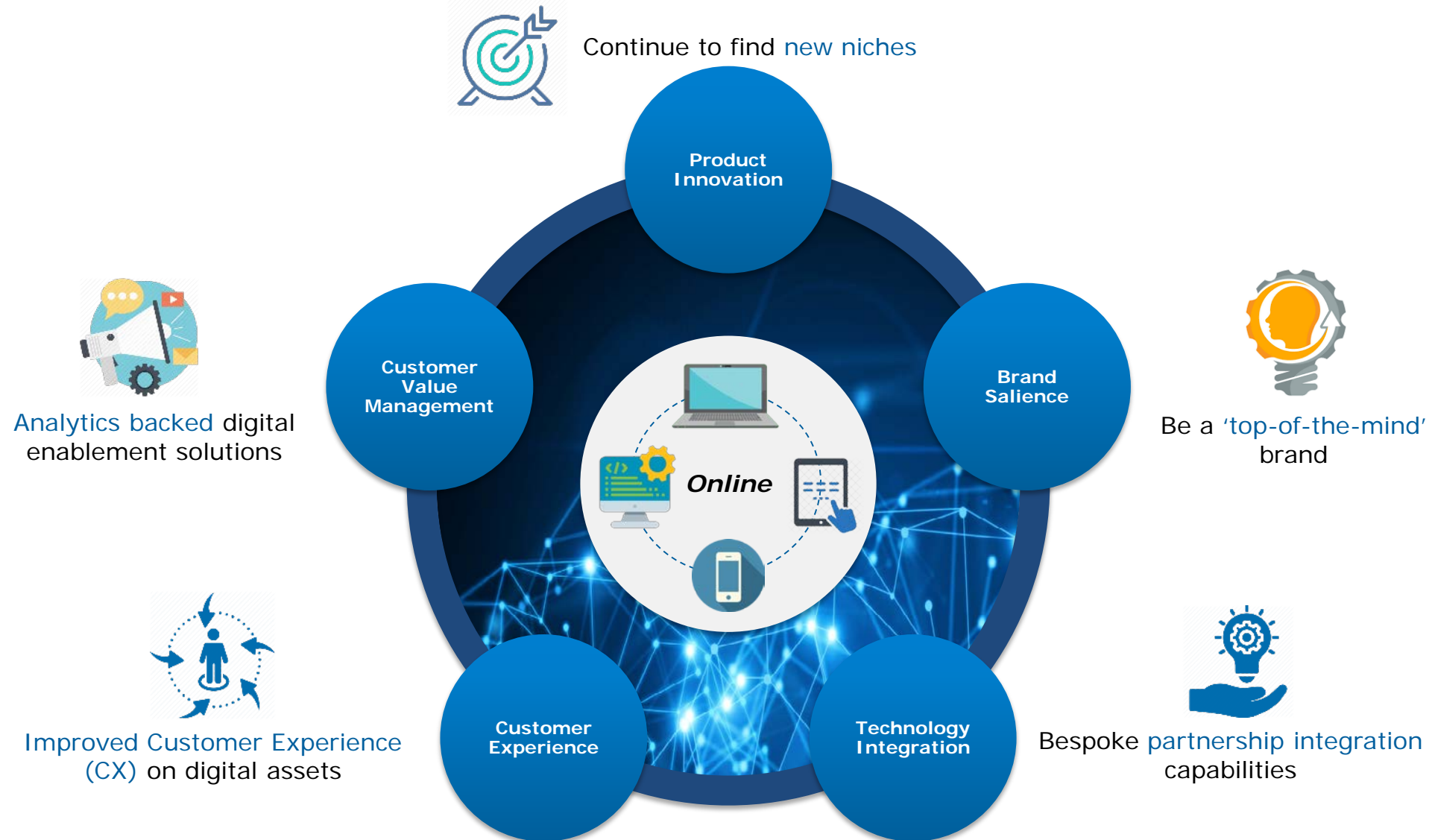
1. Proprietary channels include Agency, Direct and Online

Tech-led Agency



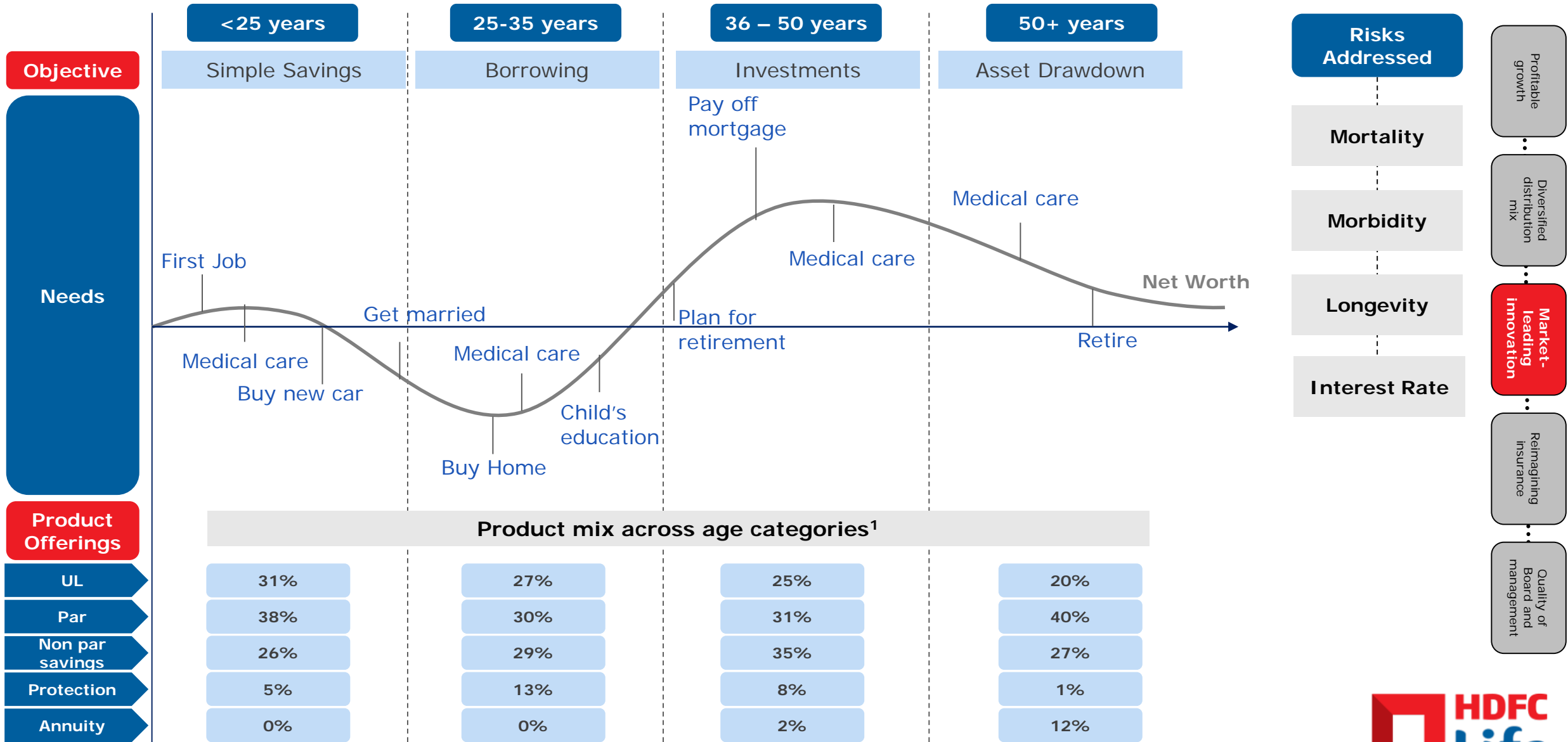
1. FC: Financial Consultant (agent)
2. SMP: Sales Management Process
3. AI/ML: Artificial Intelligence/Machine Learning

Digital flywheel – powering the Online channel



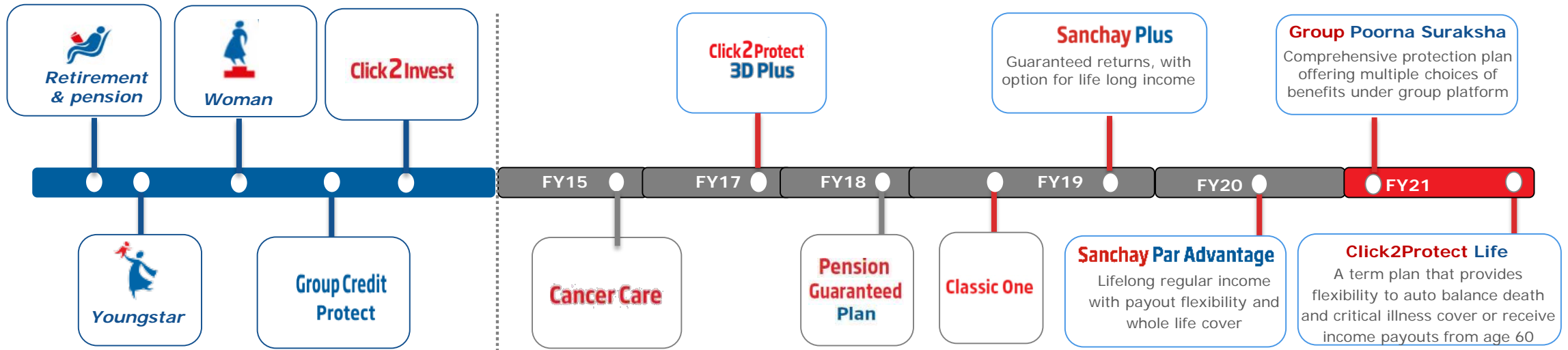
- Profitable growth
-
- Diversified distribution mix**
-
- Market-leading innovation
-
- Reimagining insurance
-
- Quality of Board and management

Addressing customer needs at every stage of life



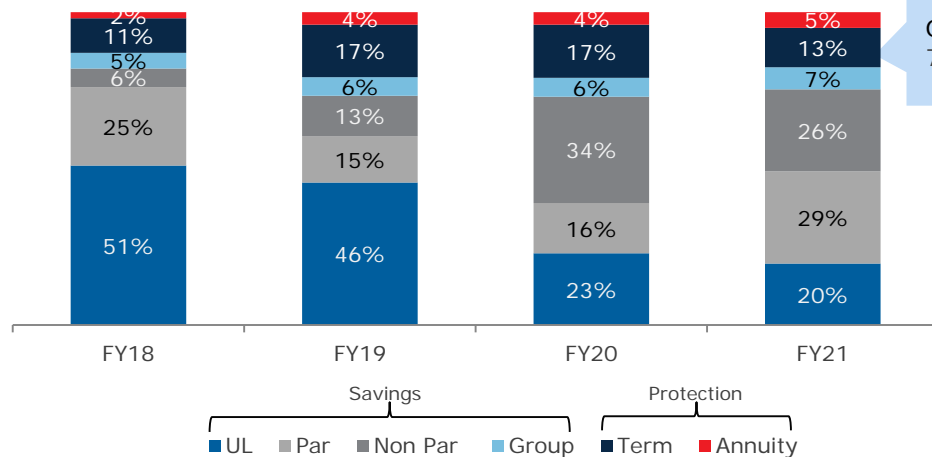
1. Based on Individual WRP for FY21

Expanding market through consistent product innovation



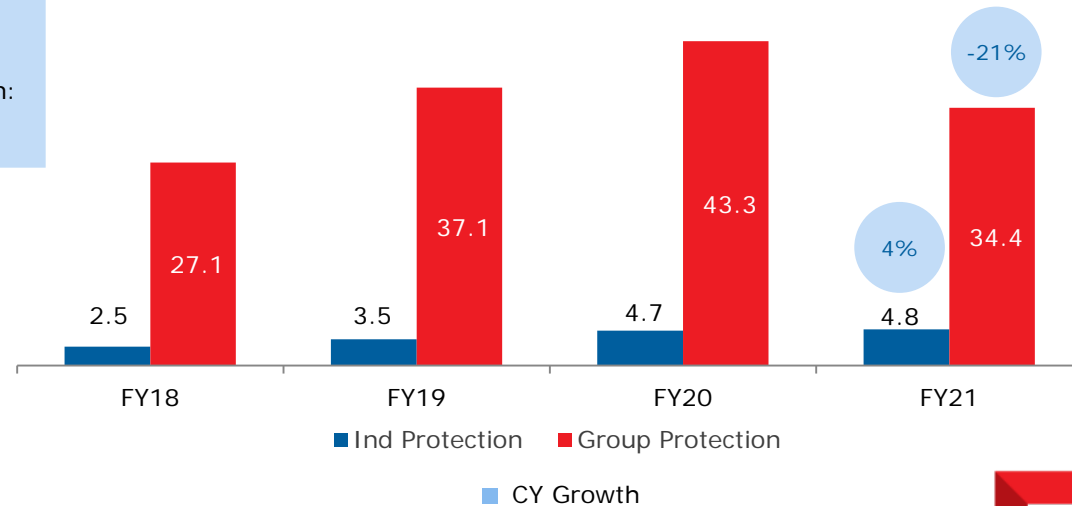
Profitable growth
Diversified distribution mix
Market-leading innovation
Reimagining insurance
Quality of Board and management

Balanced product suite helps in managing business cycles ¹



Ind Protection: 6% (PY 6%)
Group Protection: 7% (PY 11%)

Calibrated growth in protection ² (Rs Bn.)



1. As a % of Total APE

2. Individual protection numbers are based on APE and group protection numbers based on NBP. Group protection includes Credit protect, GTI, GPS and Group Health



Our approach to retirement solutions

Opportunity to grow the retiral corpus¹ by 3x between FY21-25

1. NPS



- Ranked #1 with AUM of Rs 163.8 bn amongst private owned Pension Fund Managers
- Registered strong AUM growth of 98% in FY21

2. Individual income plans ²



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

3. Immediate / deferred annuity



- Largest player in the private sector
- Servicing 130+ corporates and >40,000 lives covered in FY21

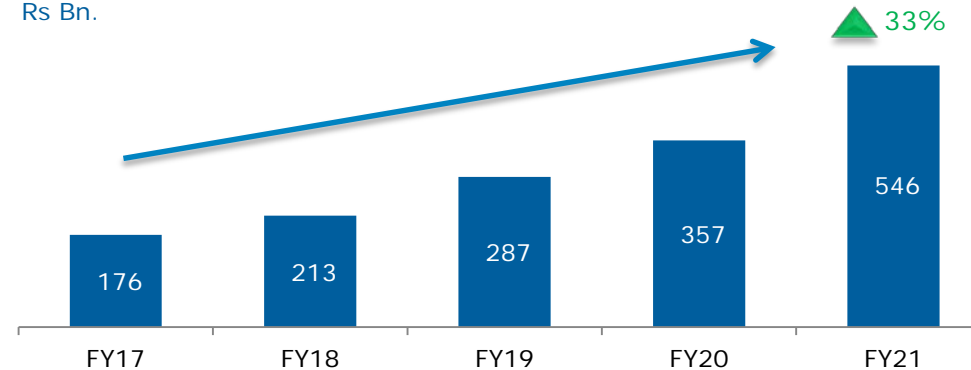
4. Group superannuation fund



- Managing funds for about 150+ corporates under superannuation scheme

Increasing retiral corpus¹

Rs Bn.

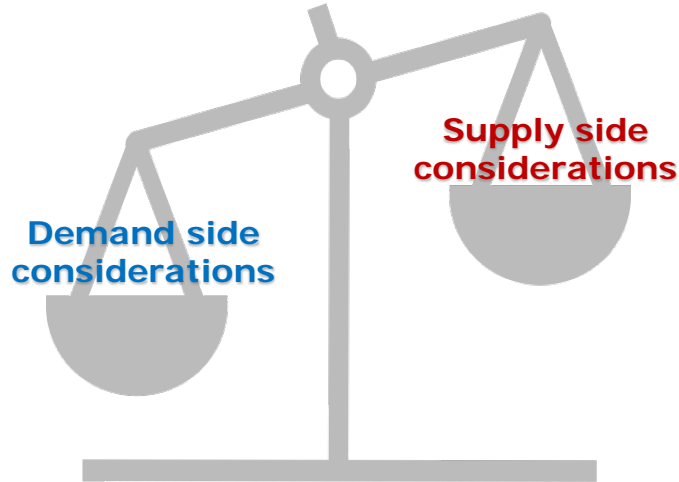


1. Includes NPS, Annuity, Group superannuation fund and long term variant of Sanchay Plus and Sanchay Par Advantage
 2. Comprises long term income and life long tenure options offered in Sanchay Plus and Sanchay Par Advantage



Our protection philosophy

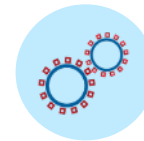
Protection is a multi-decade opportunity that we plan to address prudently with continued innovation



- ✓ Huge protection gap and under-penetration
- ✓ Customers valuing brand, on boarding experience and track record apart from the price

- ✓ Insurers moving beyond top 10 cities and salaried segment
- ✓ Continue to be calibrated in underwriting new business; robust claim settlement ratio
- ✓ Adverse mortality experience (risk of worsening due to ongoing pandemic)

Our Focus Areas



Strengthening underwriting practices and use of deep learning underwriting models



Growth in Credit Protect on the back of rise in loan disbursals and wider distribution



Product innovation catering to varying customer needs



Leveraging available market & industry platforms e.g., central medical repository for faster turnaround and greater underwriting precision

Profitable growth

Diversified distribution mix

Market-leading innovation

Reimagining insurance

Quality of Board and management

Product mix across key channels¹

Banca ²	Segment	FY18	FY19	FY20	FY21
	UL	64%	64%	32%	27%
	Par	25%	13%	18%	37%
	Non par savings	8%	17%	44%	30%
	Term	3%	4%	4%	4%
	Annuity	1%	3%	2%	2%

Direct	Segment	FY18	FY19	FY20	FY21
	UL	58%	50%	33%	29%
	Par	17%	8%	14%	17%
	Non par savings	9%	12%	20%	16%
	Term	5%	6%	4%	3%
	Annuity	11%	24%	29%	35%

Agency	Segment	FY18	FY19	FY20	FY21
	UL	33%	26%	12%	10%
	Par	48%	40%	34%	37%
	Non par savings	5%	17%	40%	39%
	Term	11%	12%	12%	11%
	Annuity	3%	5%	3%	3%

Online ³	Segment	FY18	FY19	FY20	FY21
	UL	57%	62%	44%	39%
	Par	1%	2%	1%	1%
	Non par savings	0%	1%	18%	29%
	Term	42%	35%	37%	30%
	Annuity	0%	1%	1%	2%

Company	Segment	FY18	FY19	FY20	FY21
	UL	57%	55%	28%	24%
	Par	28%	18%	19%	34%
	Non par savings	7%	15%	41%	31%
	Term	5%	7%	8%	7%
	Annuity	2%	5%	4%	5%

Protection	Total APE	FY18	FY19	FY20	FY21
	Term	11%	17%	17%	13%
	Annuity	2%	4%	4%	5%
	Total	13%	21%	21%	18%

Total NBP	Total NBP	FY18	FY19	FY20	FY21
	Term	26%	27%	27%	20%
	Annuity	9%	17%	16%	20%
	Total	35%	44%	43%	39%

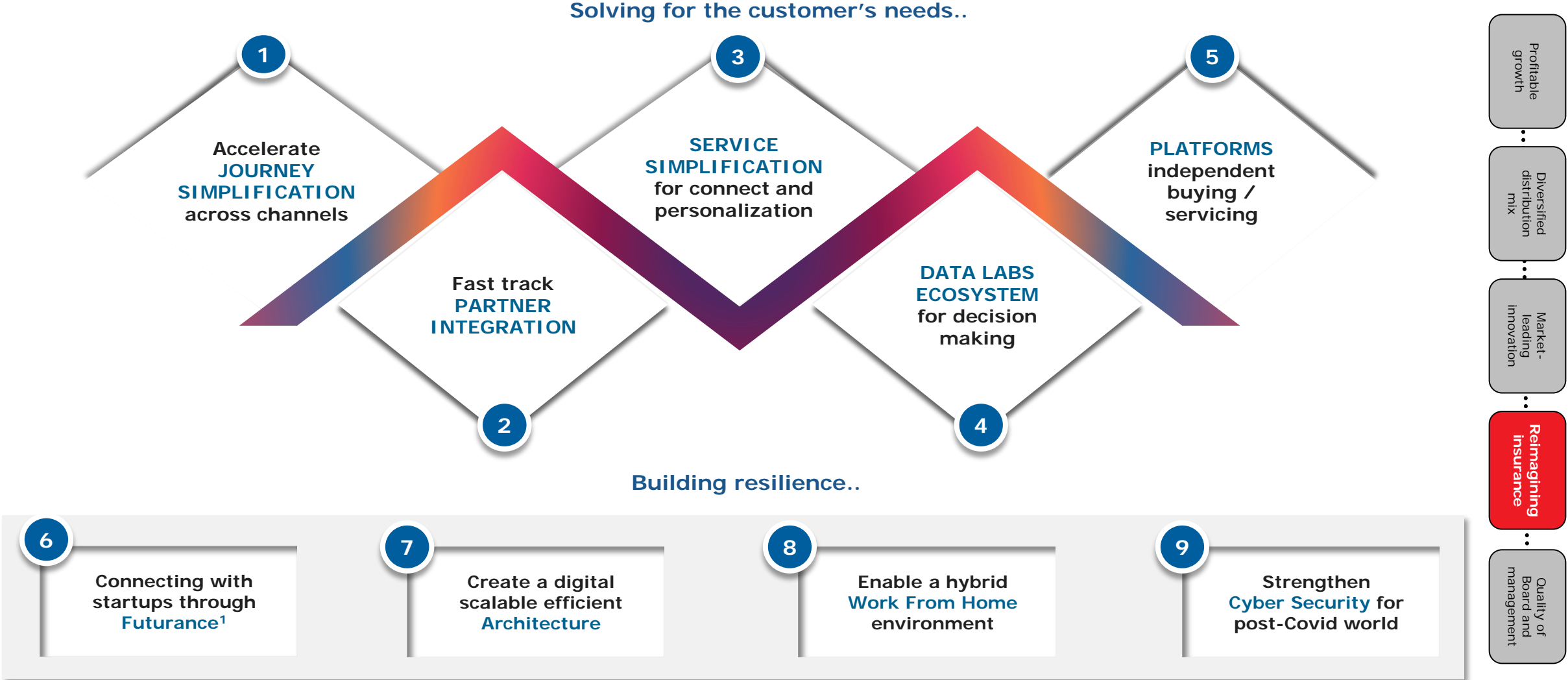
1. Basis Individual APE, Term includes health business. Percentages are rounded off

2. Includes banks, other corporate agents and online business sourced through banks / corporate agents. Nos. for previous years have been restated in line with revised classification

3. Includes business sourced through own website and web aggregators. Nos. for previous years have been restated in line with revised classification

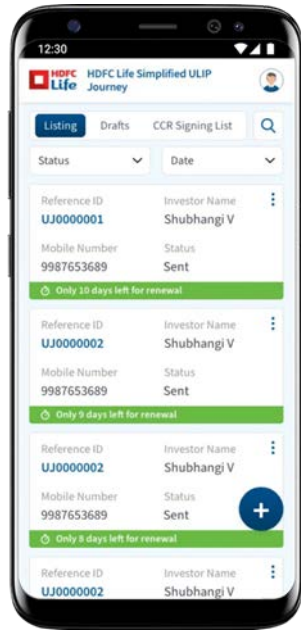


Aligned to make life simple for the customers in a turbulent environment

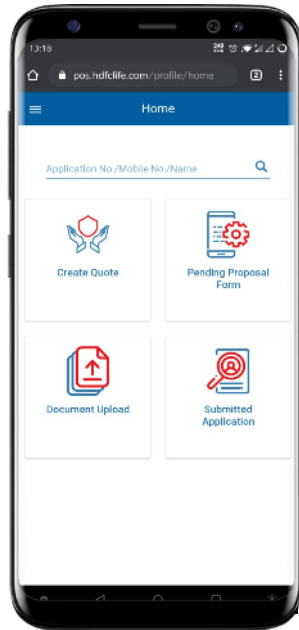


1. Futurance: A program to collaborate with startups for harnessing cutting-edge technology

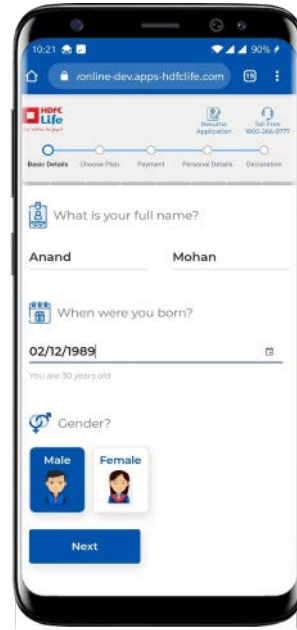
1. Journey Simplification – Short journeys for specific requirements



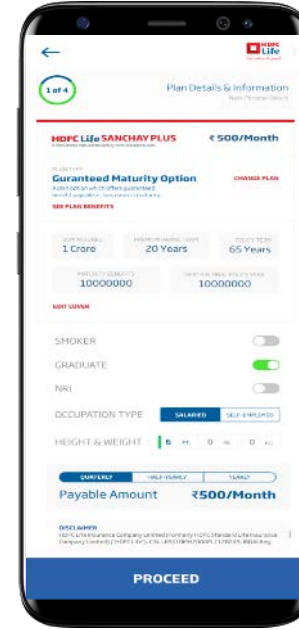
**InstaSIP –
ULIP Journey**



**POSP
Journey**



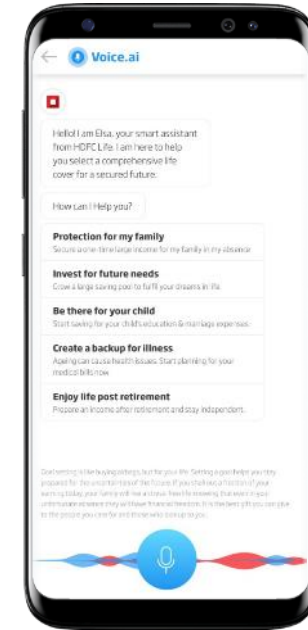
**LifeEasy¹ –
Protection
Journey**



PASA
Pre Approved Sum Assured



WISE



Voice WIP
Journey

Profitable growth

Diversified distribution mix

Market-leading innovation

Reimagining insurance

Quality of Board and management

**>99%
policy
issuance
journeys
fulfilled
digitally**

**<4 hrs.
overall
policy
issuance
TAT²**

**Faster
medical and
policy
issuance via
WISE³**

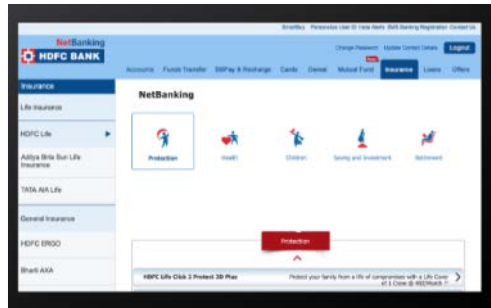
**~7 mn offers
rolled out
through
PASA⁴**

**51%
Online
business 5-
year CAGR⁵**

1. LifeEasy: Online customer intimation portal for Life claims
2. Policy issuance TAT calculation starts post submission of all required documents
3. WISE: Video sales platform
4. PASA: Pre-Approved Sum Assured
5. Online includes business sourced through own website, online business sourced through banks / corporate agents and web aggregators



2. Partner Integration– Different partners, different solutions



HDFC Bank



Paytm



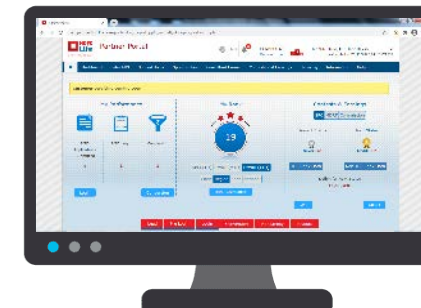
Life Next¹



Insta PRL²



Airtel



Partner Portal³

Multiple partners digitally integrated

End-to-end servicing of partner requests on *Partner Portal*

Straight through processing module for Group– *Life Next*

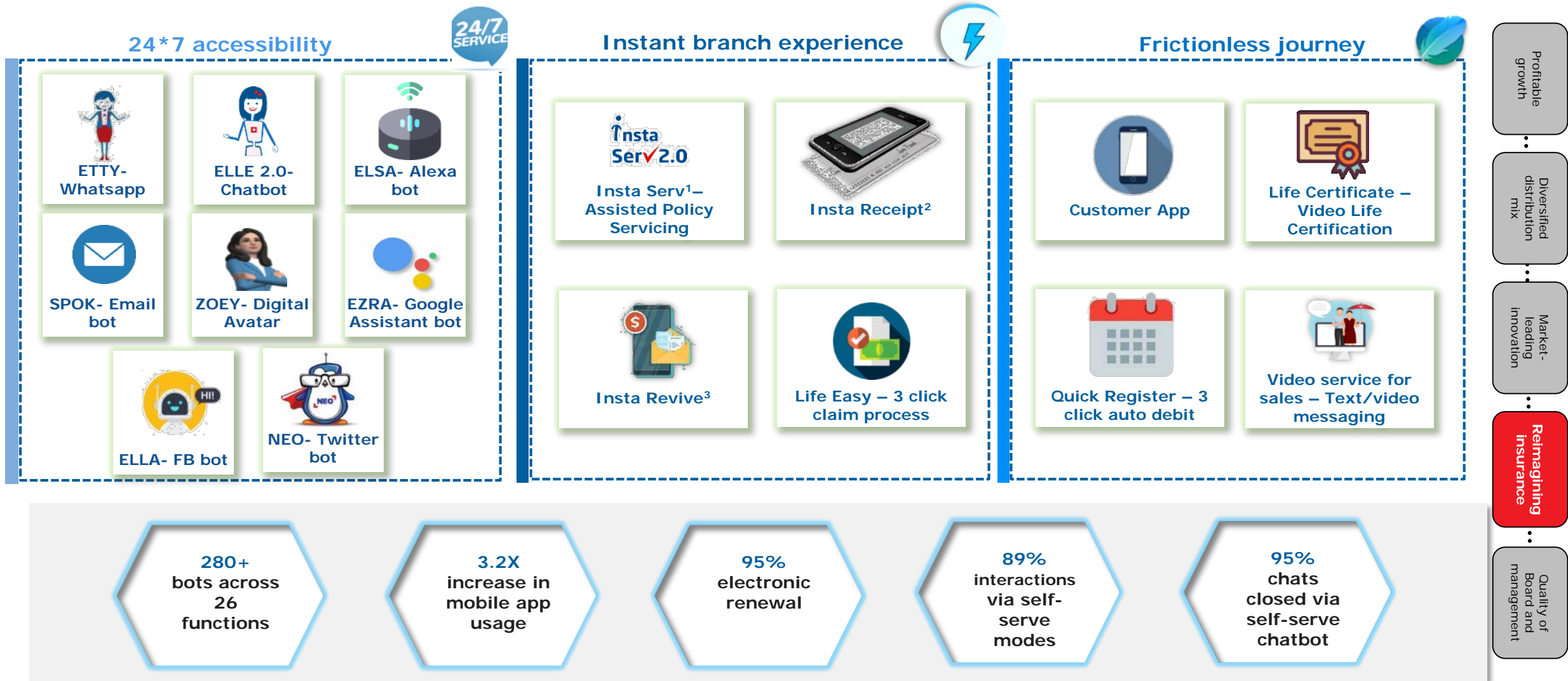
~ 98K digital agent recruitment - *InstaPRL*

<1sec policy issuance TAT on Airtel

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

1. Life Next: Module for transaction and Further Requirements processing for group credit life policy
 2. Insta PRL: application for onboarding agents
 3. Partner Portal: MIS dashboard, value-added services, contests etc. for partners

3. Service Simplification– Through 24*7 digital offerings



1. Insta Serv: Mobile app for service teams
 2. Insta Receipt: Instant Receipting of application
 3. Insta Revive: Instant Revival of lapsed policy

4. Data Labs– Creating a data led ecosystem and scaling AI

Deep learning model

UW engine
(automated underwriting) 

Text AI

InstA
(Virtual assistant for sales and service)

Sentilyzer
(Sentiment analysis of chats & mail)

NLP engine
(Interpretation of chat)

Vision AI

Facesense
(Face recognition)

AgeTymer
(Face ageing)

HealthProfiler
(BP and Heart Monitor)

Bodmeter
(Face BMI)


Machine Learning/Analytics

RAG & Risk+
(Advanced ML based model)

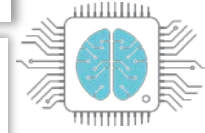
Persistency Model
(Persistency prediction)

Voice AI

SVAR
(INDUSTRY FIRST; Manages end-to-end renewal call) 

True Cue
(Voice authenticator) 

Emolyzer
(Emotion based analysis of voice data) 



Risk+: helps predict and avert early claims

98% precision – **Facesense**

99% **instA** accuracy

~ 1.6 mn monthly queries on **instA**

98% NLP¹ engine comprehension rate²

Profitable growth

Diversified distribution mix

Market-leading innovation

Reimagining insurance

Quality of Board and management

1. NLP: Natural Language Processing
2. NLP Engine comprehension rate: % cases where meaning of the text based chat is correctly inferred



5. Platforms and Ecosystem

Life 99¹: Ecosystem for retirement and pension segment



85K+
registered
users

8K+
Monthly
active
users

~11K
NPS
accounts
opened

~Rs 250 mn
of annuity
cover sold

650+
corporates
onboarded²

Profitable
growth

Diversified
distribution
mix

Market-
leading
innovation

Reimagining
insurance

Quality of
Board and
management

1. Life99: A platform under HDFC Pension Management Company
2. Count includes only those corporates which have minimum one user account registration

Leveraging technology to build resilience

Architecture Resilience – Scalability and Efficiency



Modular architecture



Custom APIs



Data Lake



Low Code Platforms



Cloud

Workforce Resilience – Hybrid Working Environment



Virtual Workspace



Work From Anywhere



Re-imagine Process



Digital Re-skilling



Morale and Productivity

Cyber Resilience – Strengthen Cyber Security for post-covid world



Zero Trust



Enhance SOC



Access Control



Secure Devices



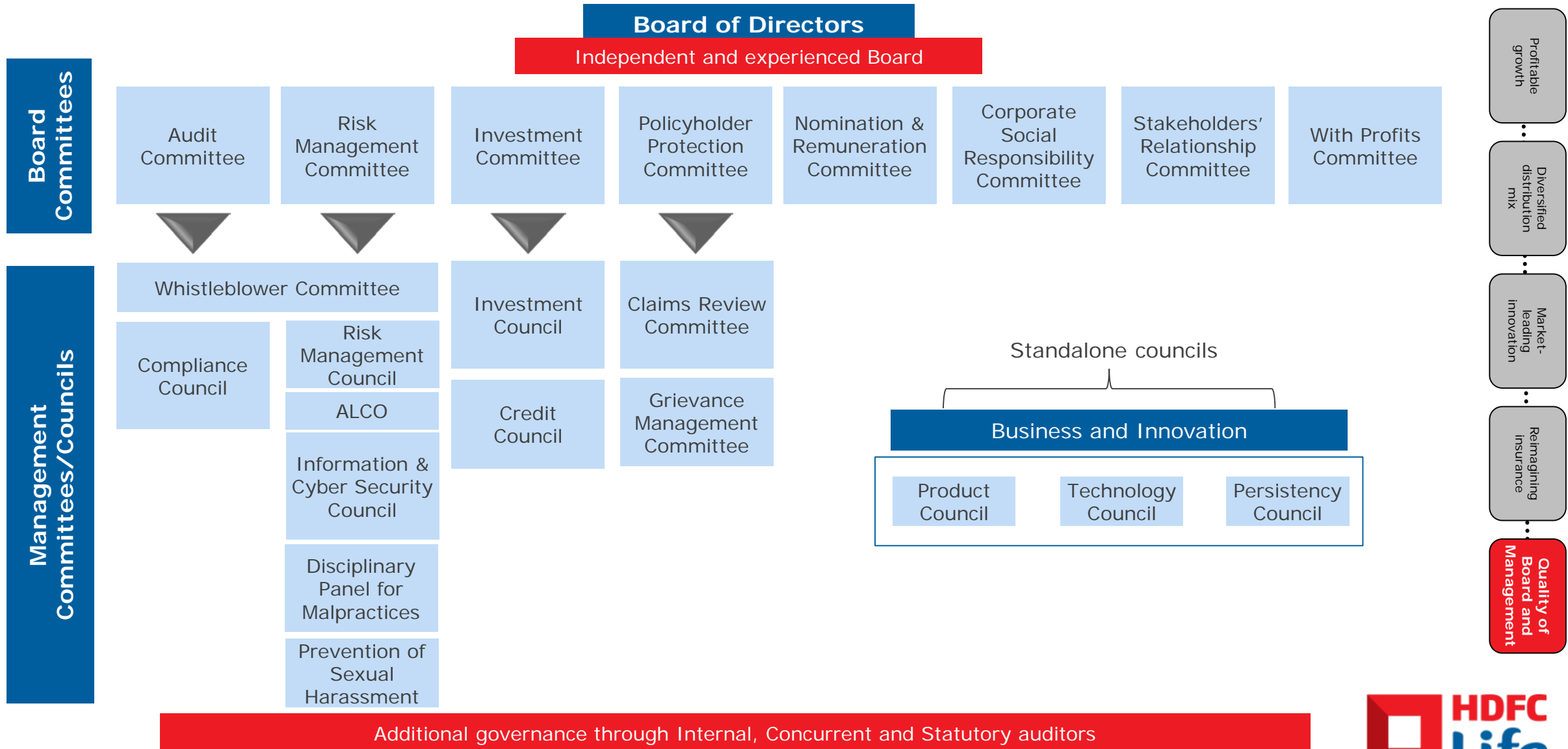
Face Recognition



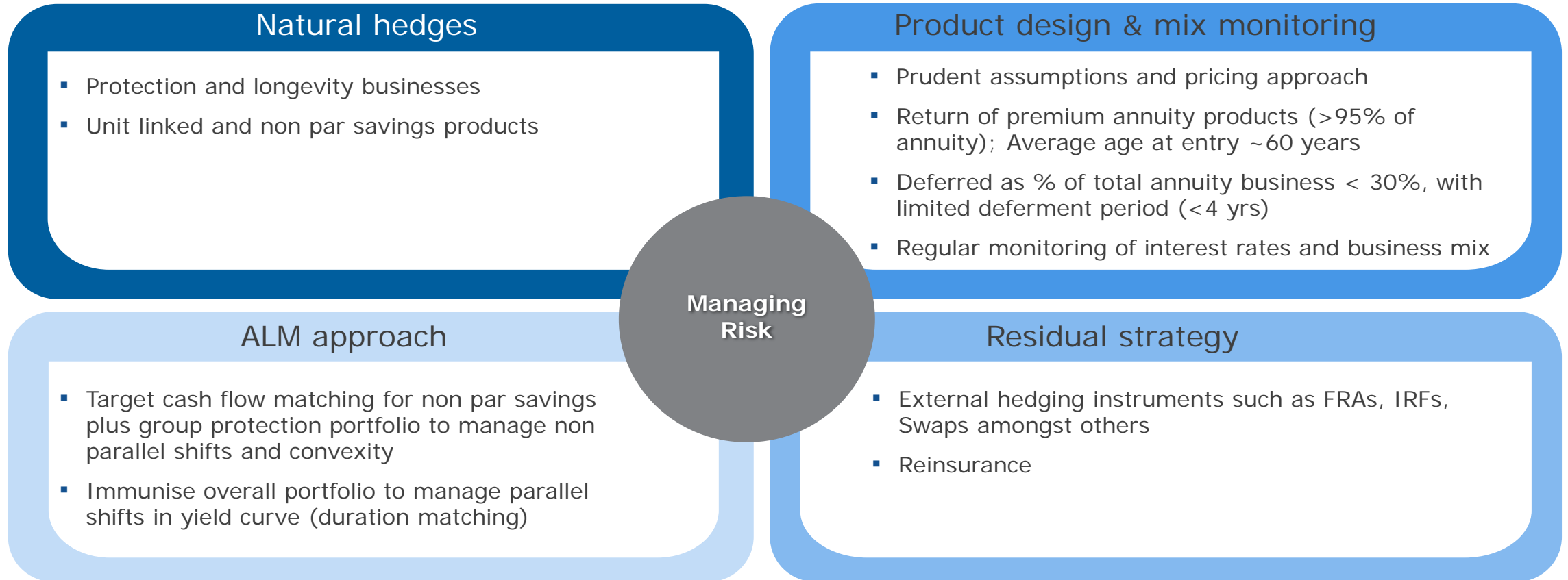
1. SOC: Security Operations Center

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

Governance framework



Financial risk management framework



Sensitivity	FY20				FY21			
	Overall		Non par ¹		Overall		Non par ¹	
Scenario	EV	VNB Margin	EV	VNB Margin	EV	VNB Margin	EV	VNB Margin
Interest Rate +1%	(1.2%)	(0.7%)	(1.3%)	(2.0%)	(2.2%)	(1.5%)	(2.3%)	(2.9%)
Interest Rate -1%	0.6%	0.2%	0.0%	1.7%	1.6%	0.9%	1.2%	1.8%

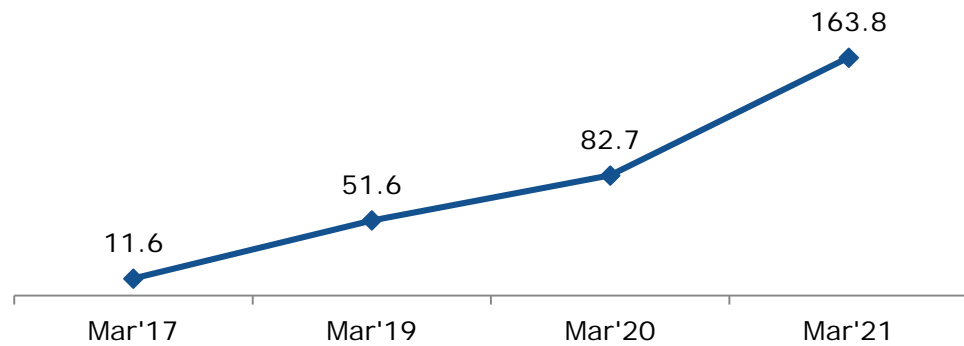
Sensitivity remains range-bound on the back of calibrated risk management

Performance of wholly-owned subsidiary¹ companies



HDFC Pension

AUM, Rs Bn.



- HDFC Pension continues to be the largest PFM (Pension Fund Manager) in Retail and Corporate NPS AUM segment
- Fastest growing PFM (Pension Fund Manager) under the NPS architecture (YoY growth of 98% in AUM)
- Market share grew from 31.1% in Mar'20 to 34.4% in Mar'21 amongst all PFMs
- Company has over 7.6 lakh customers - ~5.1 lakh in retail segment and ~2.5 lakh in corporate segment
- #1 POP in new Corporate NPS business



HDFC International Life and Re



- Registered growth of 81% in gross reinsurance premium in FY21
- Forayed into Kingdom of Saudi Arabia (KSA) and Qatar, both being strategically important (re)insurance markets
- Despite challenging external environment, momentum of growth trends and new opportunities remains positive
- S&P Global Ratings has reaffirmed its long-term public insurer financial strength rating of "BBB" with "Stable" outlook in Dec 2020

1. Investment in subsidiaries not considered in Solvency Margin

28 2. POP: Point of presence for enabling opening of accounts on a platform

Performance
Snapshot

Our Strategy

Managing Covid-19

Customer Insights

Annexures

India Life Insurance

3

Managing Covid



Dynamic approach to manage impact of the COVID-19 outbreak



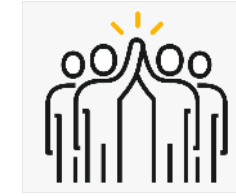
Accelerated digital selling

- Focus on selling products with end to end digital customer journeys



Digital Servicing

- Communication to customers about digital touch-points for claims, renewal collection and customer queries



Employee Engagement/ Facilitation

- Initiatives to keep employee morale high; infrastructure enablement and collaboration tools for WFH option



Prioritizing areas of focus

- Dynamic review and assessment, strengthening operating assumptions, heightened focus on cost



Responsive operating measures

- Regular branch operations being sustained with daily tracking of employee and agent safety



Emphasis on 'digital' across customer touch-points

New business / purchase



Digital sales journey - End-to-end digital sales, from prospecting till conversion, including customer interactions



Chat PCV and eCCD - No dependence on salesperson or call center. ~51% digital pre-conversion verification (through chat and eCCD) ★



Telemedicals – 42% of the medicals done through tele-medicals



Uninterrupted customer assistance - Work from home enabled across the organization; Access to Microsoft Teams, Citrix ★



Instalnsure - Simplified insurance buying through a 3-click journey

Policy servicing



Digital Renewal collections - 87% based on renewal premiums and 95% based on no. of policies; SVAR (voice bot for renewal calling) and use of Cloud telephony



Maturity payouts - Email, Whatsapp and customer portal 'My Account' enabled to upload necessary docs



LifeEasy - Simple '3 click claim' process (~100% eligible claims settled in 1 day). Claims initiation process also enabled through Whatsapp



RPA –Robotic Process automation handled more than 280 processes remotely



Contact centres - Branch staff replacing call centre agents servicing customers

Customer interactions



Seamless support experience - ~1.6 mn monthly queries handled by instA (virtual assistant)



Use of mobile app – Over 3.2x increase in mobile app usage



InstaServe - OTP based policy servicing tool to handle customer queries ★



24*7 self-service options - ~95% of chats are self-serve via chat-bot



Branches - Daily tracking of employee and agent safety

Employee / Partner engagement



e-learning platform – 7,000+ agents attending training programs daily through mLearn / VC Platform ★



Gamified contests - Launched to drive adoption of digital engagement initiatives ★



Agent on-boarding - Insta PRL enabling digital on-boarding of agents – ~98,000 applicants since launch in mid March



Employee engagement - VC based skill building sessions with digital partners (Twitter, Google, Facebook) ★



Partner trainings - Conducted via digital collaboration tools

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

Performance
Snapshot

Our Strategy

Managing Covid-19

Customer Insights

Annexures

India Life Insurance

4

Customer Insights



Customer Insights – Customer Behaviour/Preferences

Personalization takes centre stage

Consumers are looking for **customized experiences** specially when it comes to servicing

- No template-based responses
- On demand access
- Re-inventing behavior based offerings



Human+Machine model – Maintaining right balance is the key

34%

Customers are willing to open new account on mobile app/website, however **49%** customers also say that they place more trust in human advisors



Catering to changing customer demands

Different generational segments look for different benefits in a product - **one product, multiple benefits** can help serve wider customer base



Customers willing to share personal data with trusted brands

69%

Customers say that they would share data on health, exercise and driving habits in exchange for lower pricing



Sustainability – Demand of the younger generation

71%

of millennials and younger consumers say that they expect insurers to adhere to ethical and sustainable business practices



What strategies can insurers adopt?

- Investing in digital capabilities to meet the needs of generational segments
- Re-inventing behavior based offerings/products
- Digitally enabling sales channels to maintain right balance between human/machine touchpoints

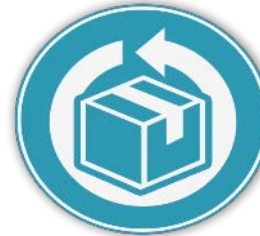
Customer Insights – Customer Behaviour/Preferences

Top reasons to buy Life insurance

	2019 rank	2013 rank
Protect family in case of death	1	1
To secure child's education/marriage	2	2
Old age security/retirement	3	3
For disciplined saving	4	8
Good returns	5	4
Safe investment option	6	7
Additional investment option	7	4
Dual benefit of investment and insurance	8	9
Tax Saving	9	4
To meet additional life cover	10	10

- Major reasons to buy Life Insurance continue to be protection for family, securing child's needs and retirement planning over last 6 years
- Tax saving is the 9th reason to buy Life Insurance, compared to 4th in 2013

Customer behaviour / trend



- The future intent to buy Life Insurance is the highest amongst financial products driven primarily by 21-40 year olds
- Within LI, the intent to buy **traditional policies** was highest, particularly by people in the ages of **41-50**



- The intent to buy **term insurance** was driven primarily by people in the **age group of 22-30**
- The key differentiating factors for consumers were **safety of investment** and **maturity value**



- There has been significant pickup in intention to buy **term products** in metros
- Online mode** for premium collection shows an increasing trend across geographies

Performance
Snapshot

Our Strategy

Managing Covid-19

Customer Insights

Annexures

India Life Insurance

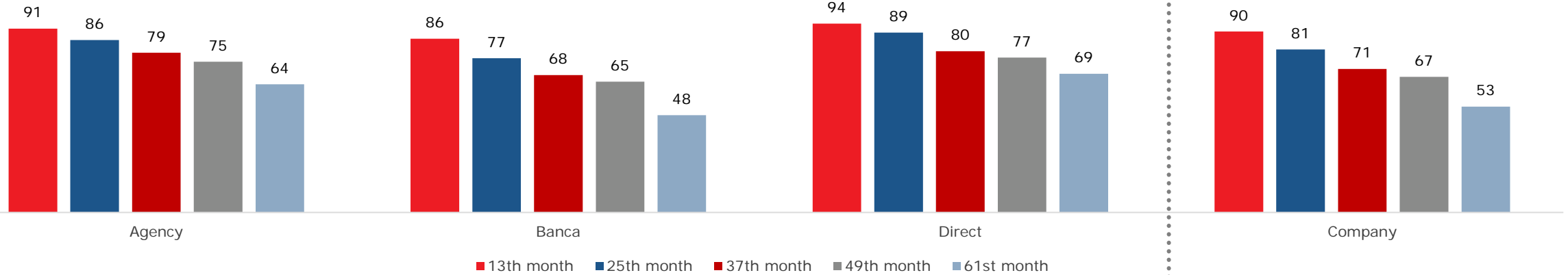
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Annexures

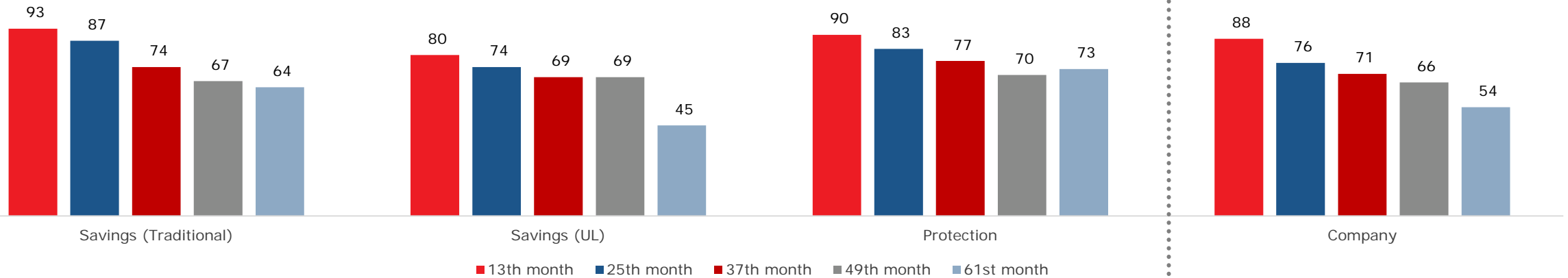


Individual persistency for key channels and segments¹

Across key channels (%)



Across key segments (%)



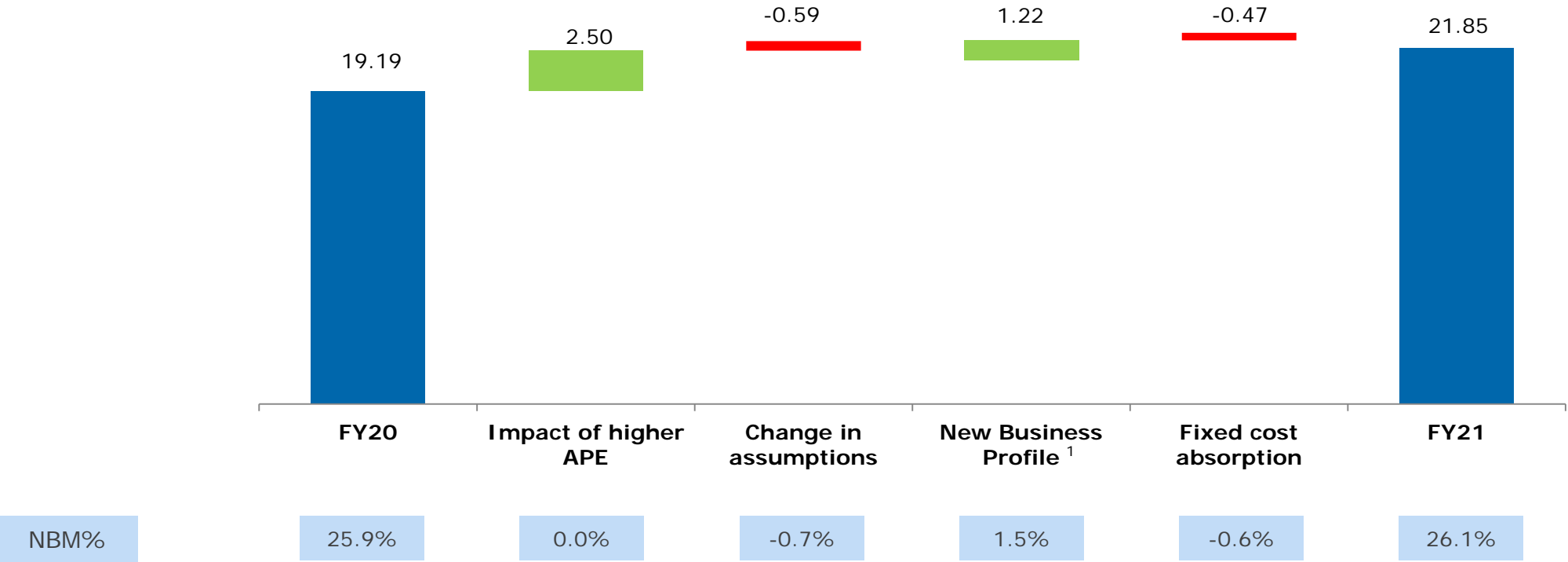
Actuarial
Financial
ESG



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

VNB and NBM walkthrough

Rs Bn.



- Actuarial
- Financial
- ESG

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 – FY21

Analysis based on key metrics	Scenario	Change in VNB Margin ¹	% Change in EV
Change in			
Reference rate	Increase by 1%	-1.5%	-2.2%
	Decrease by 1%	0.9%	1.6%
Equity Market movement	Decrease by 10%	-0.1%	-1.5%
Persistency (Lapse rates)	Increase by 10%	-0.3%	-0.6%
	Decrease by 10%	0.3%	0.5%
Maintenance expenses	Increase by 10%	-0.5%	-0.8%
	Decrease by 10%	0.5%	0.7%
Acquisition Expenses	Increase by 10%	-3.1%	NA
	Decrease by 10%	3.1%	NA
Mortality / Morbidity	Increase by 5%	-1.0%	-0.8%
	Decrease by 5%	1.0%	0.8%
Tax rate²	Increased to 25%	-4.8%	-8.3%

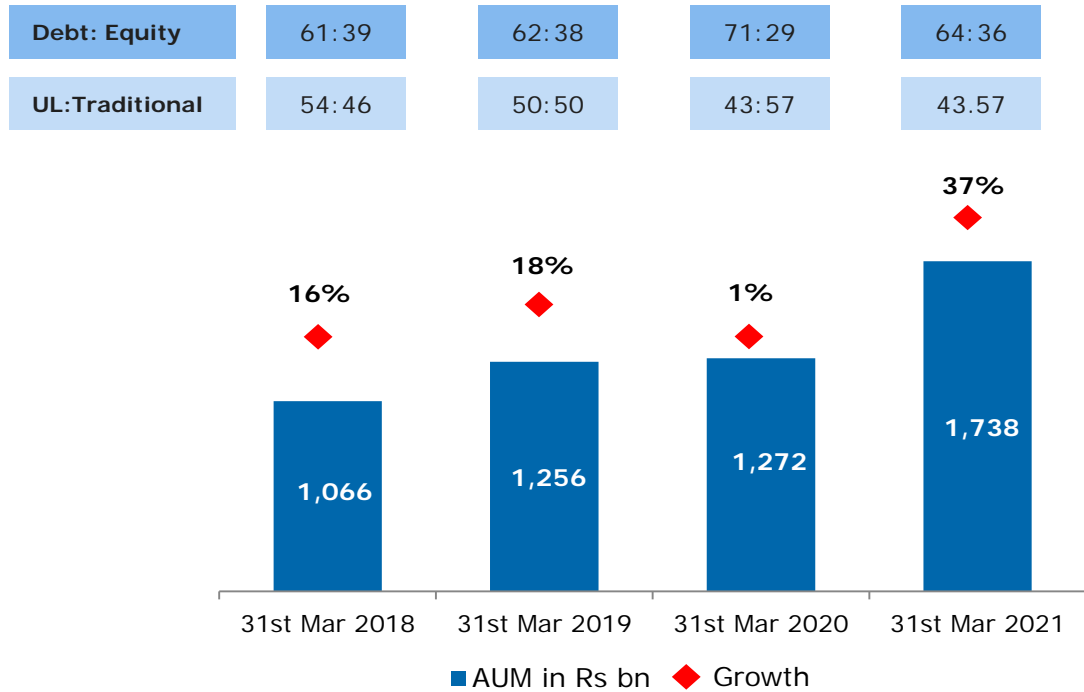


1. Post overrun total VNB for Individual and Group business

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.

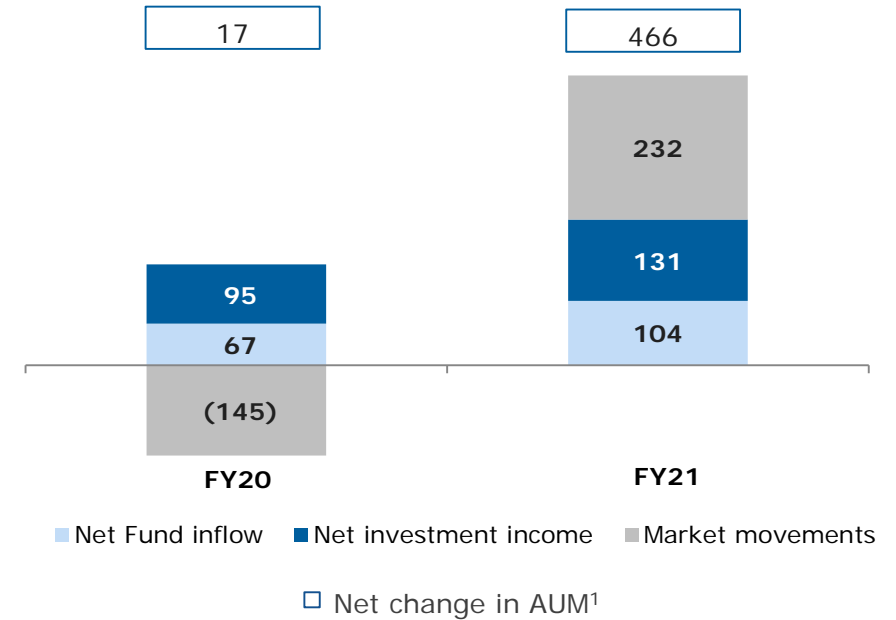
Assets under management

Assets Under Management



Change in AUM¹

Rs Bn.



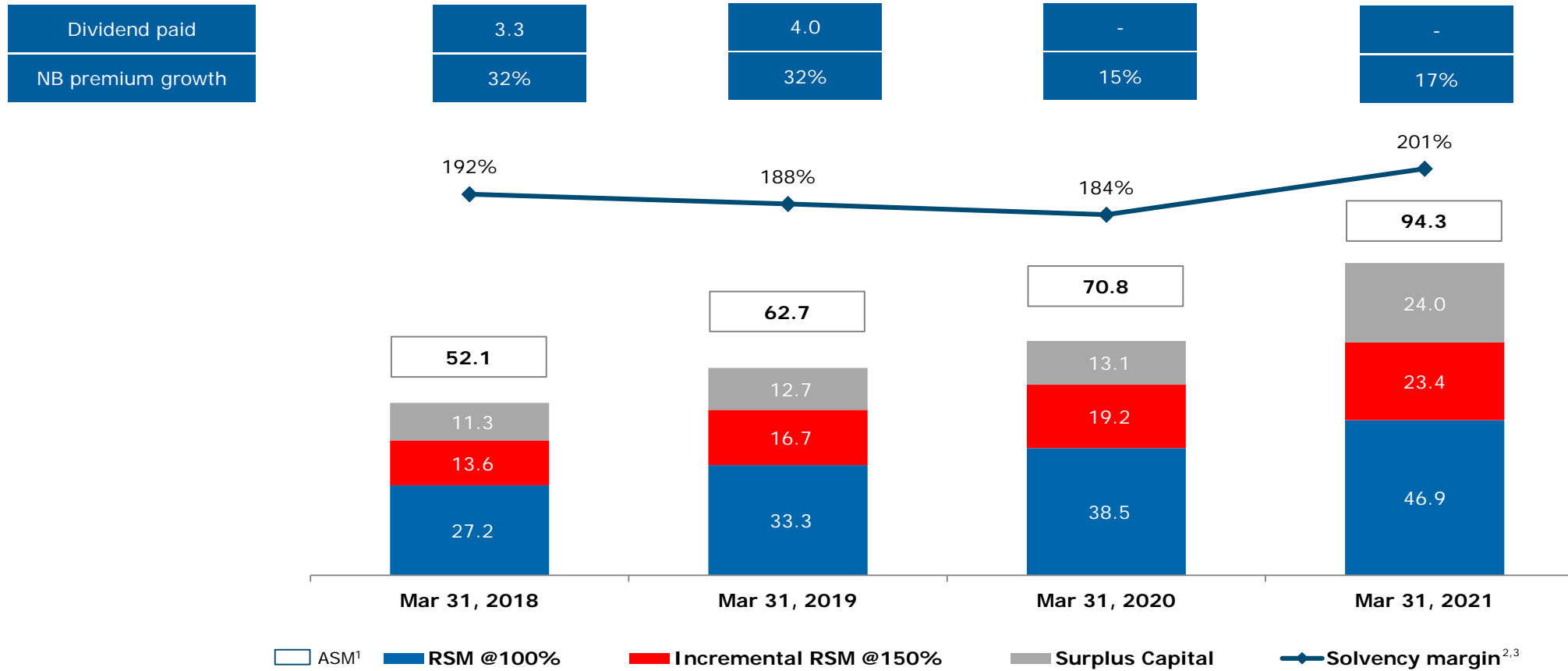
- Over 98% of debt investments in Government bonds and AAA rated securities as on Mar 31, 2021

Actuarial
Financial
ESG

1. Calculated as difference from April to March

Stable capital position

Rs Bn.



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Financial
ESG

Stable solvency ratio, augmented by steady accretion to backbook

1. ASM represents Available solvency margin and RSM represents Required solvency margin
2. Investment in subsidiaries not considered in solvency margin
3. Final dividend of Rs. 2.02 per share has been approved in the Board meeting on 26th April 2021; Final payout is subject to shareholders' approval in upcoming AGM and post payout, solvency ratio would be reduced to the extent of dividend paid



Governance - Promoting responsible behavior

Governance structure



Corporate governance policy

- Commitment to ethical business practices
- Includes Company's corporate structure, culture, policies and stakeholder management



Board Diversity policy

- 27% women
- Multiple nationalities & ethnicities



Board evaluation & independence

- Six independent directors
- 'Fit and Proper' as per regulation

Information / Cyber Security



ISO 27001:2013 and ISMS assessment program

- Controls validated and certified by Independent auditors and IRDAI auditors



Data Privacy Policy

- Applicable to customers, employees & service providers
- Disciplinary action is in line with the malpractice matrix

Risk Management and BCM



Risk management policy

- Risk oversight by Board of Directors
- Review in multiple management forums
- Enterprise risk management (ERM) framework
 - 'Three Lines of Defense approach'
 - Reviewed and approved by the Board



Mitigating & Managing Risk

- Modes of Risk awareness
 - Trainings, E-mailers, Seminars, Conferences, Quizzes and Special awareness Drives
- Sensitivity analysis and stress testing
- Business Continuity Management (BCM)
 - Creation of a recovery plan for critical business activities of a function

Compensation Framework



Remuneration policy

- Seeks to balance the fixed and incentive pay
- Reflects the short and long-term performance objectives of the Company



Performance Management System

- based on the principles of balanced scorecard



Disclosure of managerial remuneration in the annual report

Business Ethics/ Compliances



Code of Conduct



Whistle blower Policy



PRSH¹



BRR² & Stewardship Code



Human Rights



Anti Bribery & Corruption Policy



AML³



Privacy Policy






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1. PRSH: Prevention of Sexual Harassment
 2. BRR: Business Responsibility Report
 3. AML: Anti Money Laundering

Social initiatives - Culture of care and giving

Inclusive growth			Customer centricity	
 <p>swabhimaan CSR</p> <ul style="list-style-type: none"> The Corporate Social Responsibility wing is aligned with the UN Sustainable Development Goals (SDGs) with focus on Education, Health, Environment, Livelihood & Disaster Relief <ul style="list-style-type: none"> FY21: 22 CSR projects across 24 states and 3 Union Territories impacting >233K beneficiaries in India 	 <p>Financial Inclusion</p> <p>Insured 21 million lives through microfinance institutions in FY21</p>	 <p>COVID-19 Response</p> <ul style="list-style-type: none"> Contribution to PM Cares Fund Medical supplies, nutritional meals for frontline healthcare workers Distribution of Happiness Box consisting of immunity boosting supplements, hygiene support material and educational workbooks for underprivileged school children 	 <p>Leveraging technology</p> <ul style="list-style-type: none"> To simplify life insurance for customers through their journey across issuance, claims, servicing, or any other engagement <ul style="list-style-type: none"> Artificial Intelligence (AI) for text and speech recognition; Machine Learning (ML) to improve persistency; Cognitive bots (software robots) for 24x7 customer service; and Alternate data to enhance underwriting 	 <p>Customer Satisfaction</p> <ul style="list-style-type: none"> Grievance Redressal Policy Complaints per 10K reduced from 47 in FY20 to 35 in FY21 13th month persistency improved to 90% Improvement in overall Customer Satisfaction (CSAT) Scores

Actuarial

Financial

ESG

Social initiatives – Human Capital Development

Attracting talent



- **Virtual hiring and on-boarding** process without compromising on quality
- Robust **employee referral schemes** (>50% of the hiring through referrals)
- **Flexi job program** and flexi hours to promote WFH, attract gig workers
- **Hire–train–deploy** model through tie-up with reputed learning institutions

Employee engagement



- Online yoga, meditation sessions, fitness challenges (Walkathon, Fit by Bit), Click2Wellness app
- Emotional and well being assistance program for employees
- Engagement programs for employees and their families
- **Talk to Doctor** for unlimited free consultation
- Strong **Reward and Recognition framework**

Talent management/retention



- **Fast track growth** path for special categories of employees - Management Trainees & Graduate Trainees, etc.
- **Potential review and talent development** interventions for leadership
- Robust, transparent and objective **performance management system**
- **Career microsite, job portal** to educate employees on career opportunities within the company
- Higher increments, bonuses for those exceeding expectations
- Long term incentive plans in the form of **ESOPs** and cash to attract, retain and motivate good talent
- Elaborate **succession planning** for Key Managerial Personnel, critical senior roles

Focus on training and development



- Mandatory and optional **learning programs** for employees, contractors, channel partners
- **Mobile learning app** for self-paced learning
- **Virtual training** of employees during Covid
- Access to **curated online training** programs from reputed universities
- **Career coaching** and development interventions

Employee diversity



- Actively promoting **diversity and inclusion**
- 24% women employees (crèche facility, maternity transition program)
- Promoting **diverse talent pool** (work profiles for second career women, specially-abled)
- LGBTQ+ friendly organisation

Actuarial

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ESG

Environmental initiatives - Creating a better environment

Energy and Water



Energy efficiency and water conservation initiatives

- Use of 3/5 star rated appliances with regular maintenance
- Use of **LED based lighting** system
- Use of **sensor** based urinals and water taps
- **12 water dispensing units** installed in villages to provide clean drinking water

Digitization



Reduction of Paper Usage

- Online /e-forms for customers
- Annual report FY'20 was digitally communicated to all stakeholders
- Printers configured with default double side printing

Waste Management



- **Segregation and proper disposal of waste** - dry and wet
- **No single-use plastics**
 - Use of bio-degradable garbage bags
 - Cafeteria with reusable plates, cutlery, wooden stirrers etc.
 - Conference / meetings rooms with glass bottles and cups
 - Employees encouraged to bring their own mugs/glass
- Compliant under the Hazardous and Other Wastes (Management and Tran-boundary Movement) Rules, 2016 and **E-waste (Management), Rules, 2016**

CSR initiatives



Reducing operational footprint through CSR activities

- **17 city forests** created by planting **22,269 trees** in 45,900 sq.ft. area using the Miyawaki method. Over 50 different native species used

Business Travel



- **40+ video conferencing rooms** setup to reduce travel

Actuarial

Financial

ESG

Performance
Snapshot

Our Strategy

Managing Covid-19

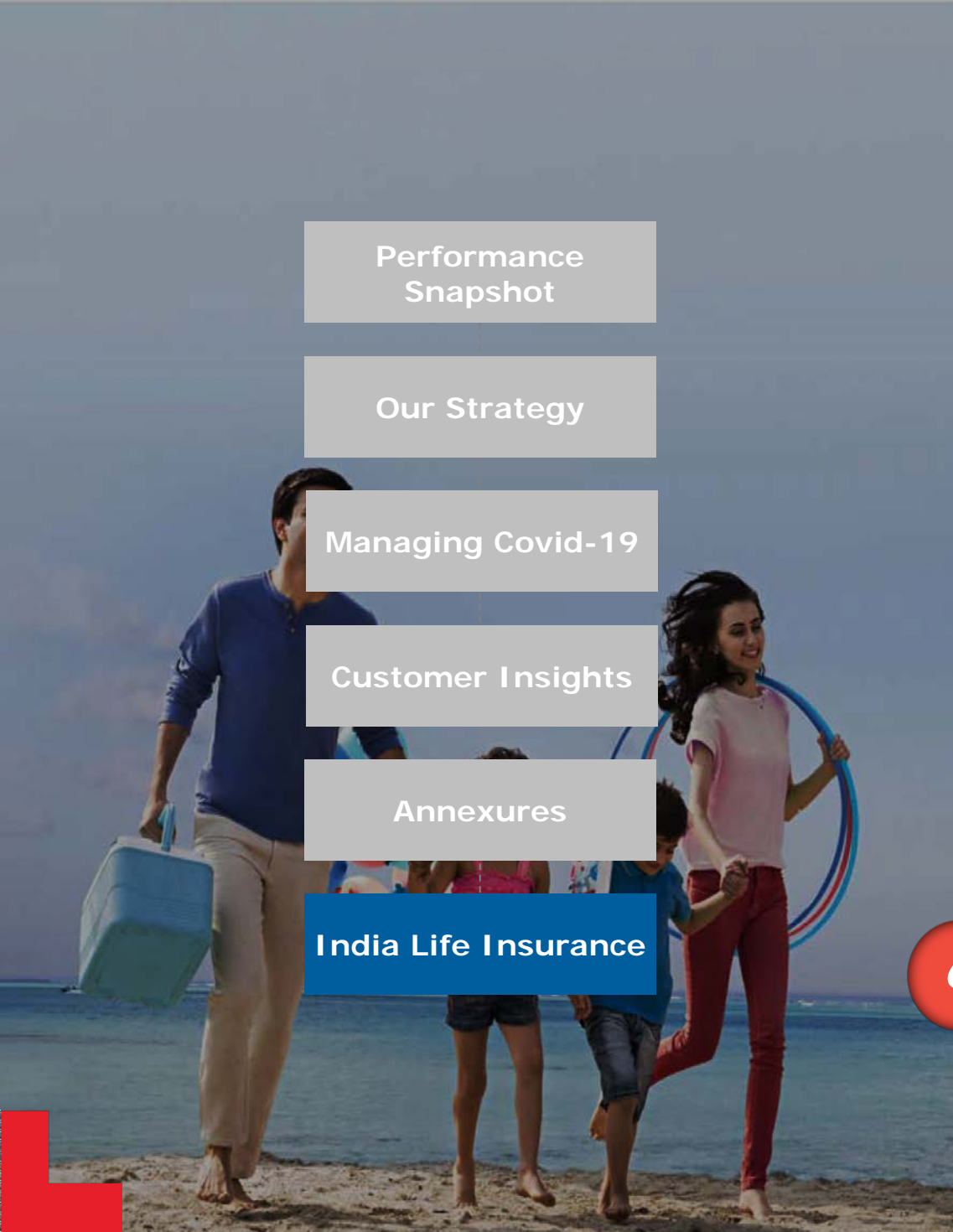
Customer Insights

Annexures

India Life Insurance

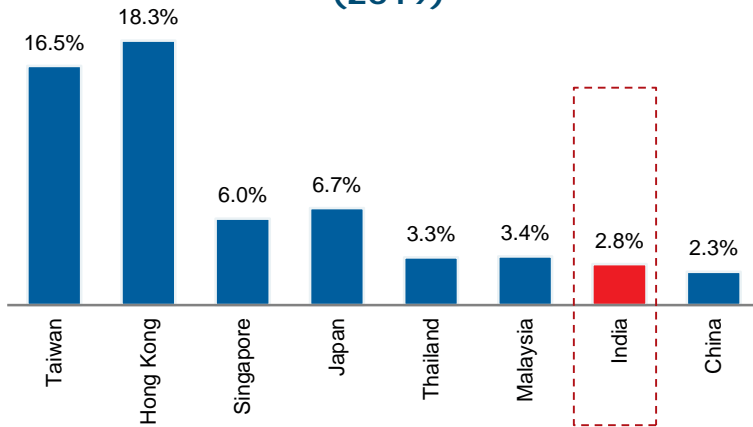
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India Life Insurance

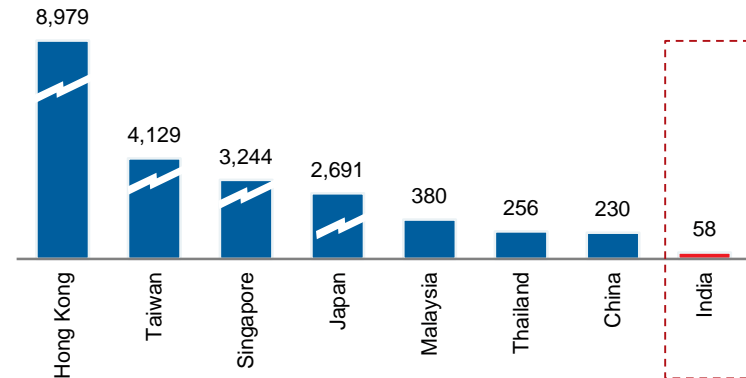


Growth opportunity: Under-penetration and favorable demographics

Life Insurance penetration ¹ (2019)

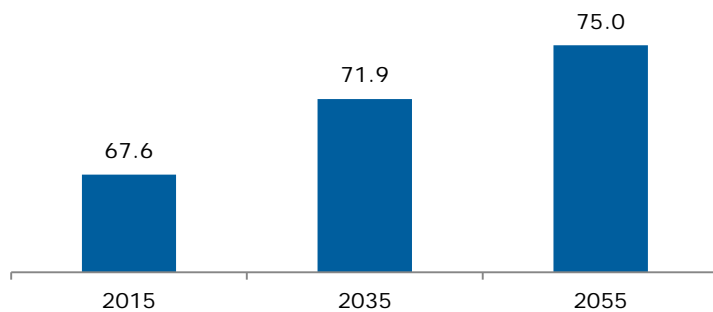


Life Insurance density US\$ ² (2019)

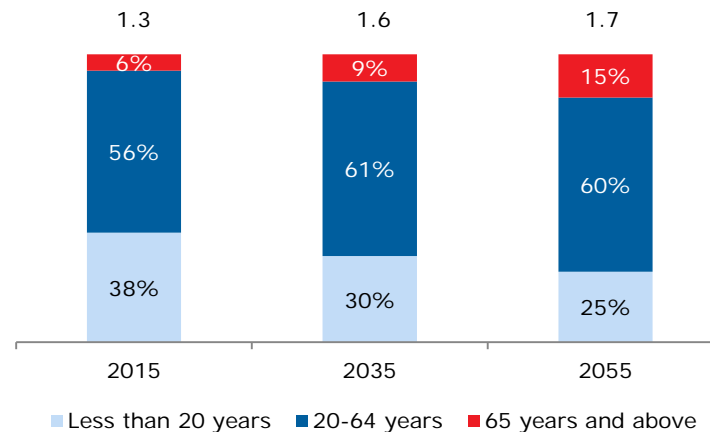


- India remains vastly under-insured, both in terms of penetration and density
- Huge opportunity to penetrate the underserved segments, with evolution of the life insurance distribution model

Life expectancy (Years)



Population composition (Bn.)



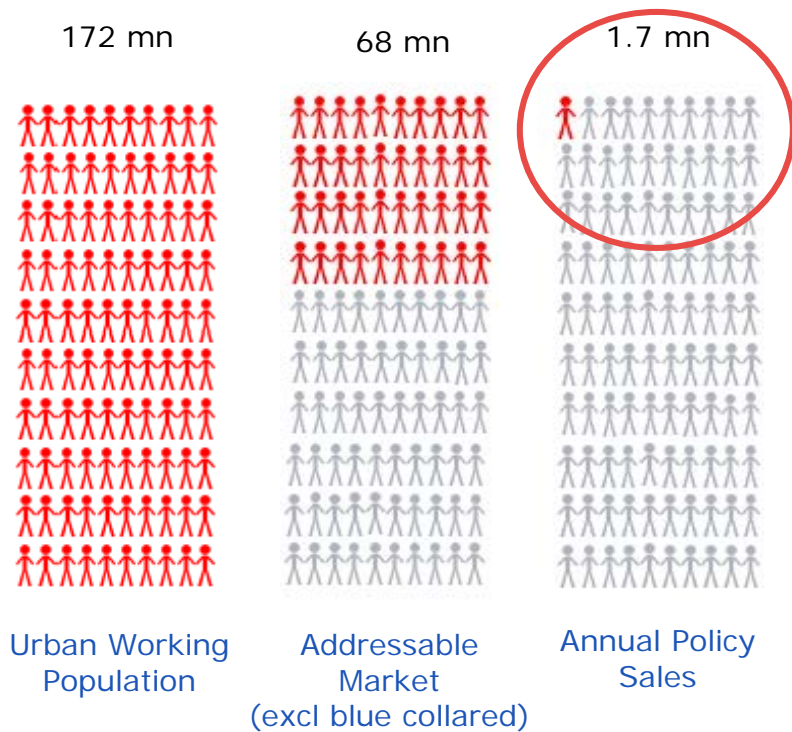
- India's insurable population estimated to be at ~1 bn by 2035
- Emergence of nuclear families and advancement in healthcare facilities lead to increase in life expectancy thus facilitating need for pension and protection based products

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

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

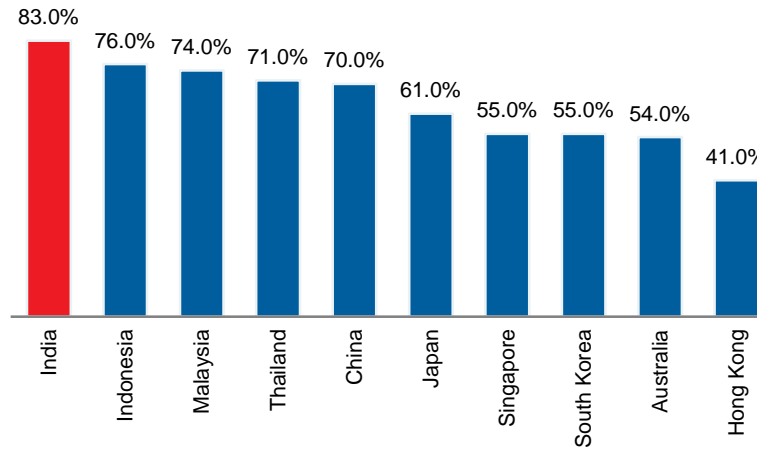
Source: Swiss Re (Based on respective financial year of the countries), MOSPI, United Nations World Populations Prospects Report (2017)

Low levels of penetration – Life protection



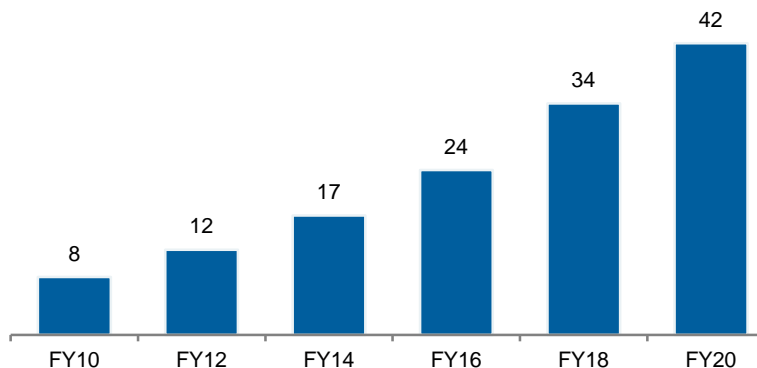
- Only 1 out of 40 people (2.5%) who can afford it, is buying a policy every year 1
- Even within the current set, Sum Assured as a multiple of Income is <1x

Protection gap ² (2019)



- 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 growth rate is predicted to grow at 4% per annum

Trend of retail loans ³ (Rs Tn.)



- Retail credit has grown at a CAGR of 18% over last 10 years
- Increasing retail indebtedness to spur need for credit life products
- Immense opportunity given:
 - Increasing adoption of credit
 - Enhancement of attachment rates
 - Improvement in value penetration
 - Widening lines of businesses

1. Goldman Sachs Report, March 2019

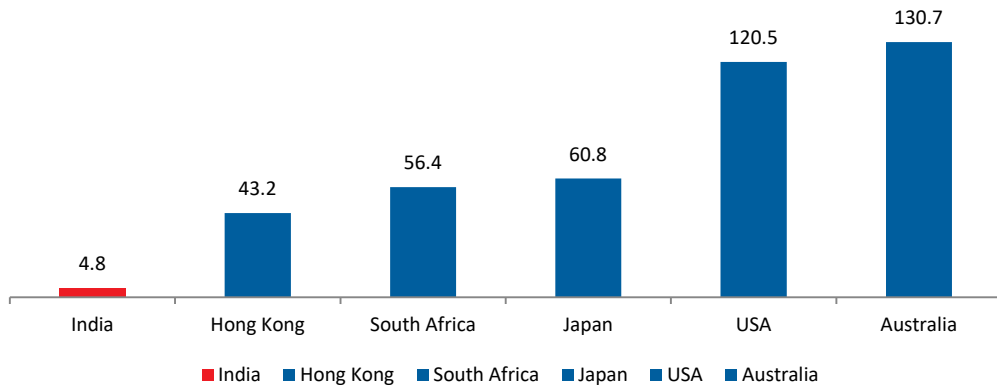
2. Swiss Re (Based on respective financial year of the countries)

3. Kotak institutional equities

Macro opportunity – Retirement solutions

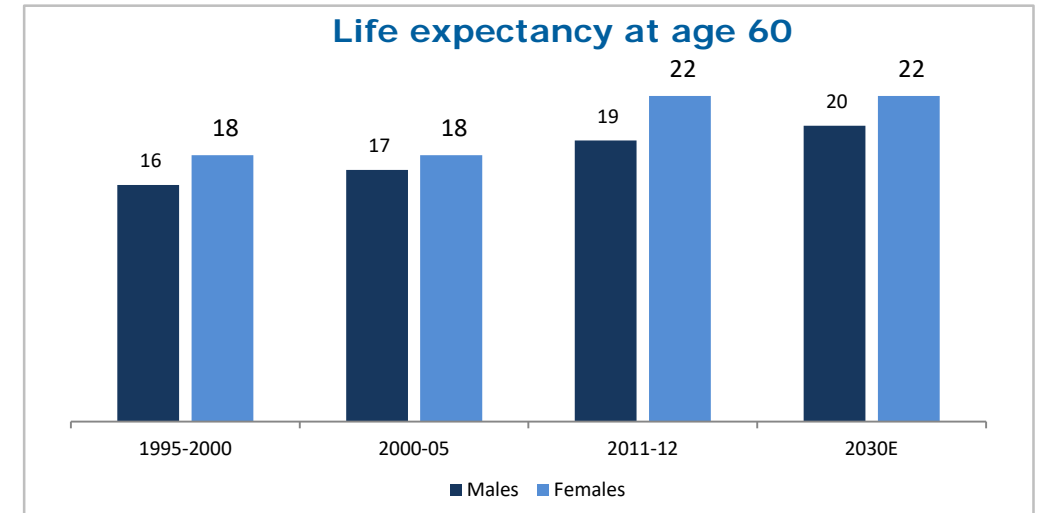
India's pension market is under-penetrated at 4.8% of GDP

Pension Assets / GDP Ratio



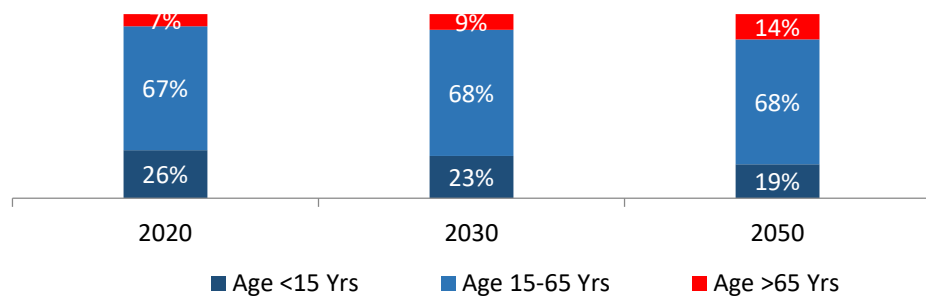
Improvements in life expectancy will lead to an average post retirement period of 20 years

Life expectancy at age 60



Elderly population is expected to almost triple by 2050

Ageing population



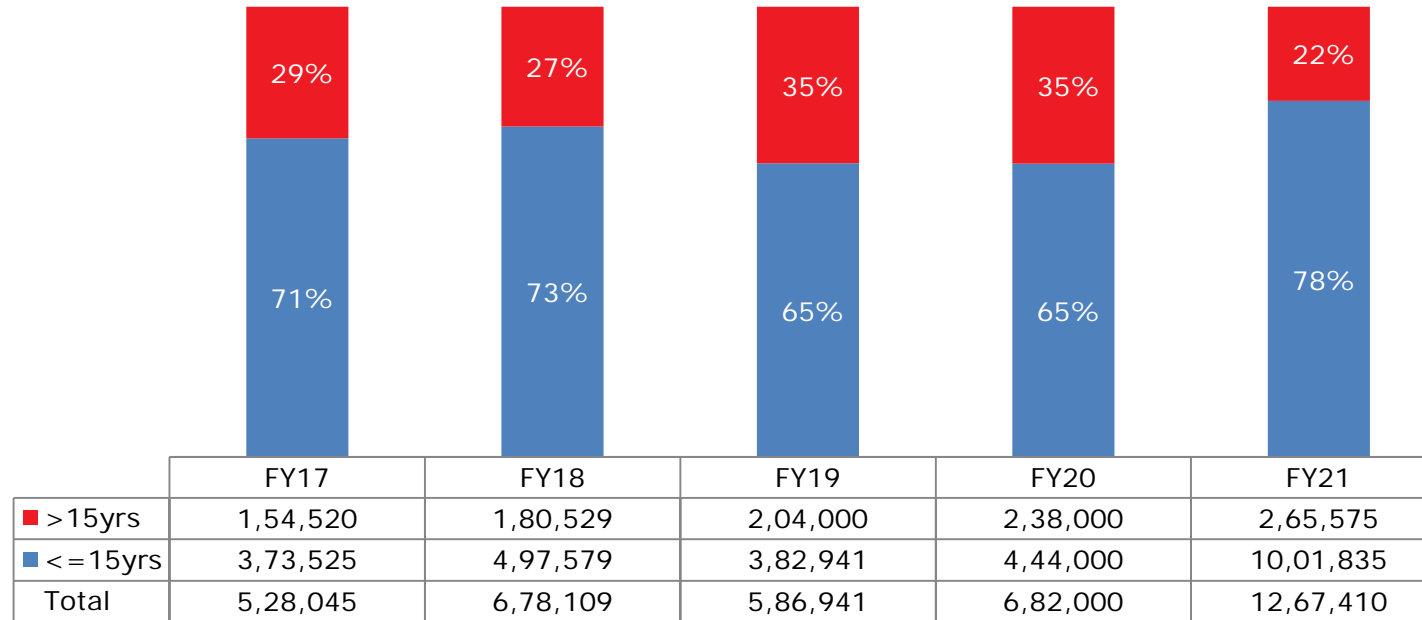
- Average household size has decreased from 4.6 in 2001 to 3.9 in 2018
- Total Pension AUM is expected to grow to Rs 118 Tn by 2030 (about 1/4th accounted by NPS)
- Mandatory schemes to increase coverage for both unorganized and organized sectors



Government bond auctions

Government Bonds – Tenorwise Issuance

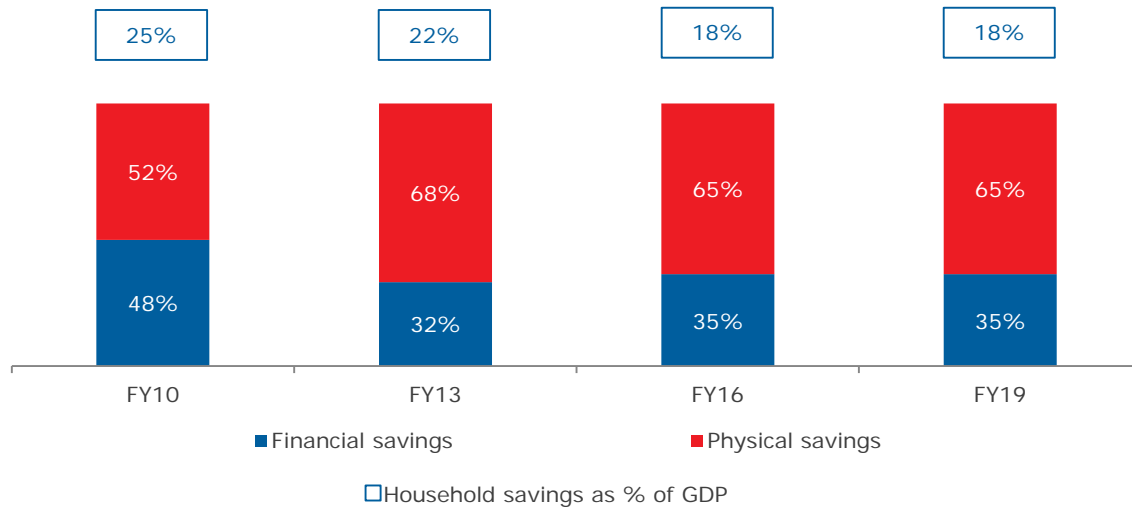
Rs Cr



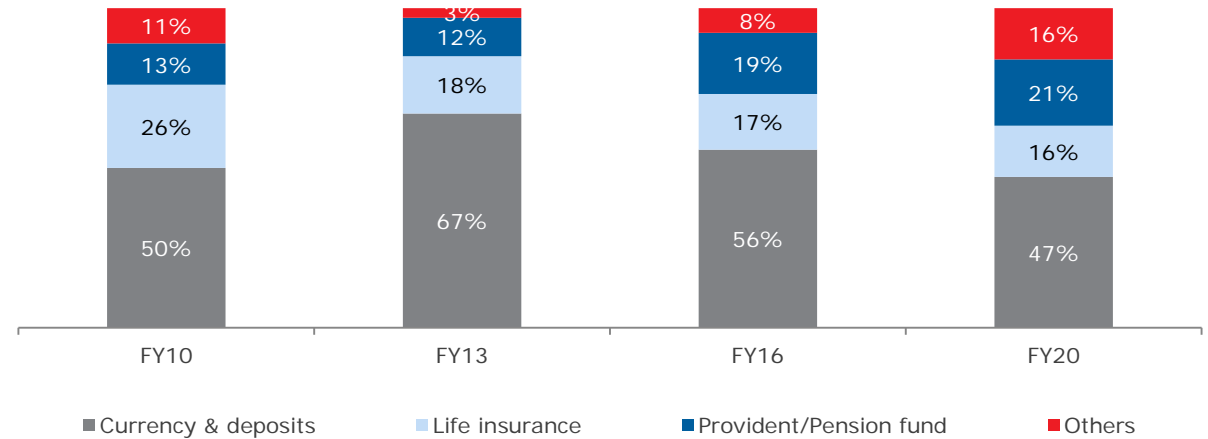
- Auction of >15 year maturity bonds has been ~25-30% on an average facilitates writing annuity business at scale
- Budget estimate plan for government borrowing for FY22 at Rs. 12 trillion on gross basis

Life Insurance: A preferred savings instrument

Household savings composition

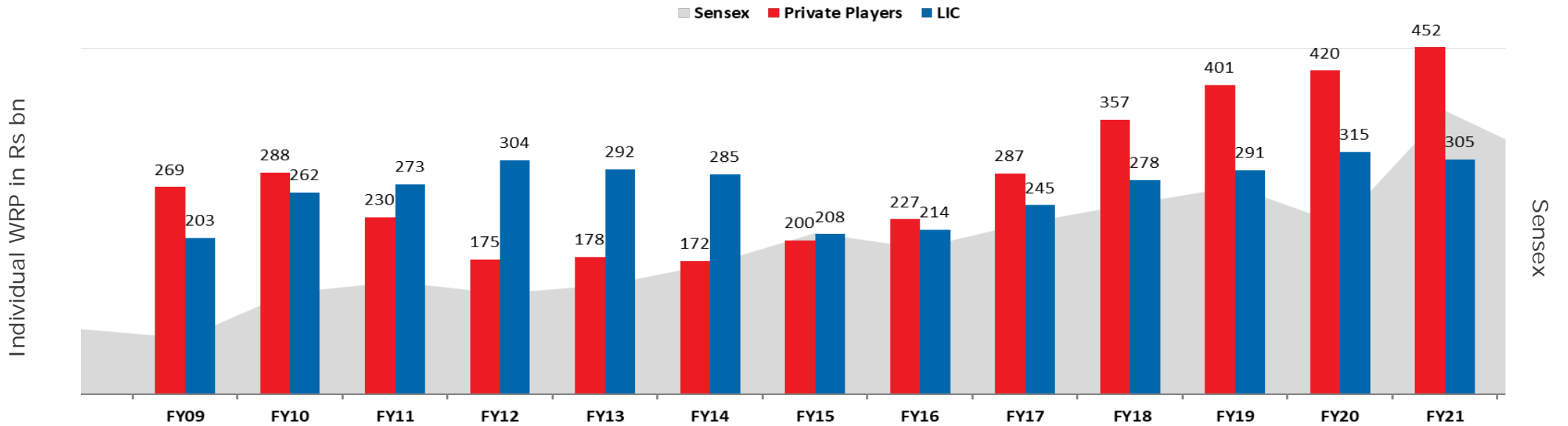


Financial savings mix



- Increasing preference towards financial savings with increasing financial literacy within the population
- Various government initiatives to promote financial inclusion:
 - Implementation of JAM trinity
 - Launch of affordable PMJJBY and PMSBY social insurance schemes
 - Atal Pension Yojana promoting pension in unorganized sector

Industry new business¹ trends



Private players Market share

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Market share	57%	52%	46%	37%	38%	38%	49%	52%	54%	56%	58%	57%	60%
Growth %													
Private	1%	7%	-20%	-24%	2%	-3%	16%	14%	26%	24%	12%	5%	8%
LIC	-22%	29%	4%	11%	-4%	-2%	-27%	3%	15%	13%	5%	8%	-3%
Overall	-10%	17%	-9%	-5%	-2%	-3%	-11%	8%	21%	19%	9%	6%	3%

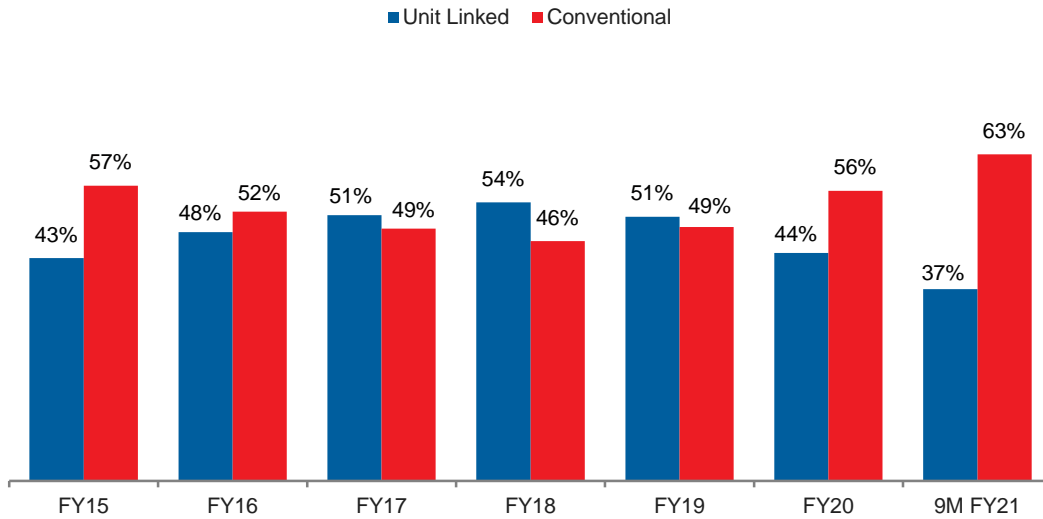
- Private sector gained higher Market share than LIC for the first time in FY16, post FY11 regulatory changes
- Amongst private insurers, insurers with a strong bancassurance platform continue to gain market share

1. Basis Individual Weighted Received Premium (WRP)

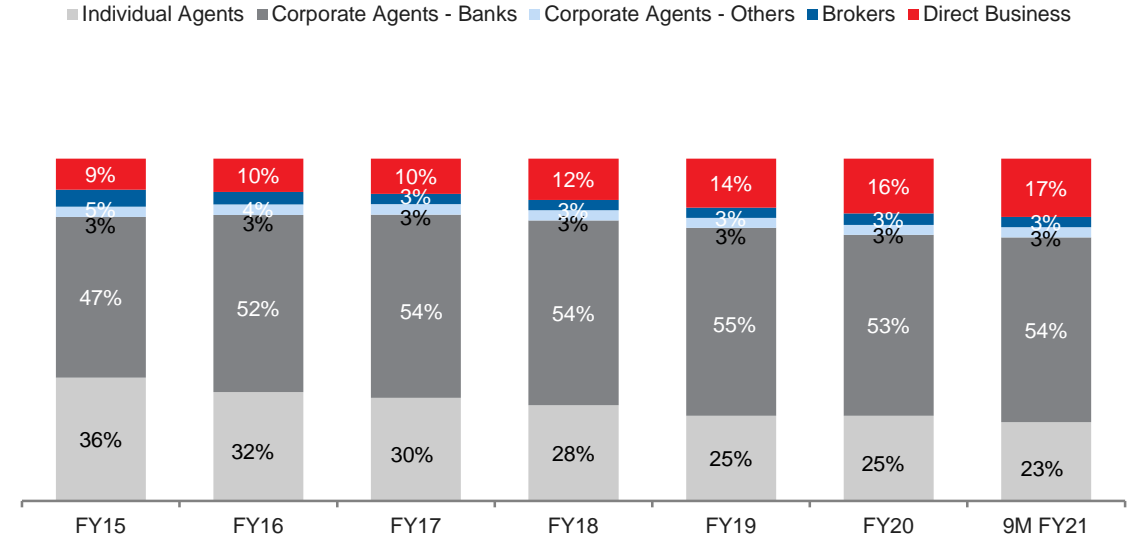
Source: IRDAI and Life Insurance Council

Private industry: Product and distribution mix

Product mix ¹



Distribution mix ²



- Product mix has recently moved towards conventional business for the private players with high focus on non-par savings, protection
- Banca sourced business continues to dominate the channel mix on the back of increasing reach of banks along with increase in share of direct channel, while share of Agency has been constant in the last few years

1. Basis Overall WRP (Individual and Group);

2. Basis Individual New business premia for all private players

Source: IRDAI and Life Insurance Council

Appendix

Financial and operational snapshot (1/2)

	FY21	FY20	YoY Growth	FY19	FY18	CAGR (3 yrs.)	Rs Bn.
<i>New Business Premium (Indl. + Group)</i>	201.1	172.4	17%	149.7	113.5	21%	
<i>Renewal Premium (Indl. + Group)</i>	184.8	154.7	19%	142.1	122.1	15%	
Total Premium	385.8	327.1	18%	291.9	235.6	18%	
Individual APE	71.2	61.4	16%	52.0	48.9	13%	
Overall APE	83.7	74.1	13%	62.6	55.3	15%	
Group Premium (NB)	100.3	87.8	14%	73.3	54.1	23%	
Profit after Tax	13.6	13.0	5%	12.8	11.1	7%	
- Policyholder Surplus	7.3	10.9	-33%	9.0	8.5	-5%	
- Shareholder Surplus	6.3	2.1	201%	3.8	2.6	34%	
Dividend Paid	(1) -	-	NA	4.0	3.3	NA	
Assets Under Management	1,738.4	1,272.3	37%	1,255.5	1,066.0	18%	
Indian Embedded Value	266.2	206.5	29%	183.0	152.2	20%	
Net Worth	(2) 84.3	69.9	21%	56.6	47.2	21%	
NB (Individual and Group segment) lives insured (Mn.)	39.8	61.3	-35%	51.4	33.2	6%	
No. of Individual Policies (NB) sold (In 000s)	982.0	896.3	10%	995.0	1,049.6	-2%	

1. Including dividend distribution tax (DDT); Proposed final dividend of Rs. 2.02 per share approved in Board meeting on 26th April 2021, this is subject to shareholders' approval
 2. Comprises share capital, share premium and accumulated profits/(losses)

Financial and operational snapshot (2/2)

		FY21	FY20	FY19	FY18
Overall New Business Margins (post overrun)		26.1%	25.9%	24.6%	23.2%
Operating Return on EV	(1)	18.5%	18.1%	20.1%	21.5%
Operating Expenses / Total Premium		12.0%	13.1%	13.1%	13.5%
Total Expenses (OpEx + Commission) / Total Premium		16.4%	17.7%	17.0%	18.0%
Return on Equity	(2)	17.6%	20.5%	24.6%	26.0%
Solvency Ratio		201%	184%	188%	192%
Persistency (13M / 61M)	(3)	90%/53%	88%/54%	84%/51%	83%/50%
Market Share (%)					
- Individual WRP		15.5%	14.2%	12.5%	13.3%
- Group New Business		27.6%	29.0%	28.4%	28.5%
- Total New Business		21.5%	21.5%	20.7%	19.1%
Business Mix (%)					
- Product (UL/Non par savings/Non par protection/Par)	(4)	24/36/7/34	28/45/8/19	55/20/7/18	57/9/5/28
- Indl Distribution (CA/Agency/Broker/Direct)	(4)	61/13/7/19	55/14/9/22	64/13/4/19	71/11/5/14
- Total Distribution (CA/Agency/Broker/Direct/Group)	(5)	25/6/2/17/50	22/7/3/17/51	26/7/2/16/49	33/7/2/10/48
- Share of protection business (Basis Indl APE)		6.8%	7.6%	6.7%	5.1%
- Share of protection business (Basis Overall APE)		12.8%	17.2%	16.7%	11.3%
- Share of protection business (Basis NBP)		19.6%	27.6%	27.0%	25.9%

1. During FY18, there was a one time positive operating assumption change of 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)

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

	FY21	FY20
Premium earned	385.8	327.1
Reinsurance ceded	(4.6)	(4.8)
Income from Investments	326.8	(33.1)
Other Income	1.6	2.1
Transfer from Shareholders' Account	2.6	1.1
Total Income	712.1	292.2
Commissions	17.1	14.9
Expenses	45.9	42.7
GST on UL charges	3.6	3.5
Provision for taxation	2.7	1.5
Provision for diminution in value of investments	(1.9)	5.7
Benefits paid	217.5	181.4
Change in valuation reserve	408.3	24.4
Bonuses Paid	7.9	8.5
Total Outgoings	701.2	282.5
Surplus	11.0	9.7
Transfer to Shareholders' Account	9.9	11.9
Funds for future appropriation - Par	1.1	(2.2)
Total Appropriations	11.0	9.7

Profit and Loss A/c

Rs Bn.

	FY21	FY20
Income		
Interest and dividend income	4.4	3.6
Net profit/(loss) on sale	2.1	0.8
Transfer from Policyholders' Account	9.9	11.9
Other Income	-	0.2
Total	16.4	16.5
Outgoings		
Transfer to Policyholders' Account	2.6	1.1
Expenses	0.4	0.3
Interest on Non-convertible debenture	0.3	-
Provision for diminution in value of investments	(0.4)	2.0
Provision for Taxation	(0.1)	0.2
Total	2.8	3.5
Profit for the year	13.6	13.0

1. Numbers may not add up due to rounding off effect

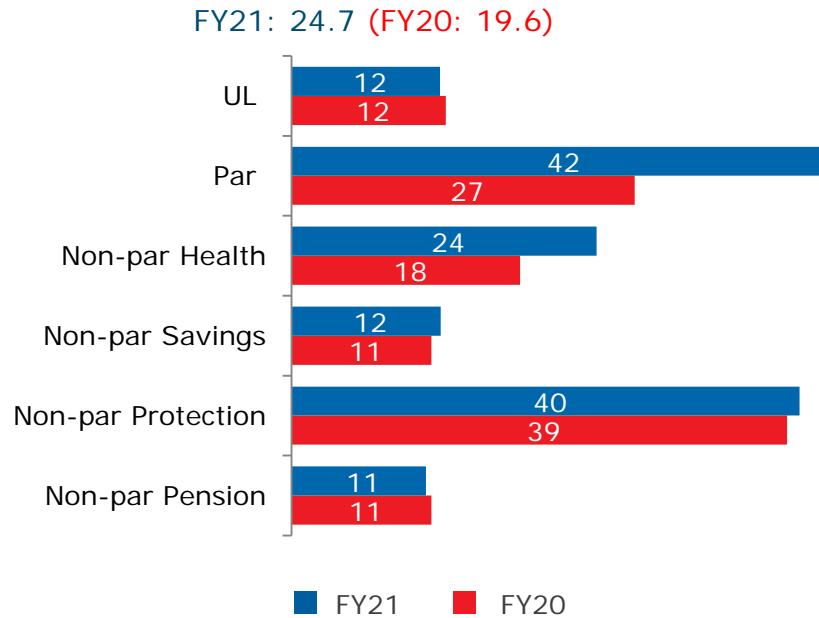
Balance sheet

	Mar 31, 2021	Mar 31, 2020
Shareholders' funds		
Share capital (including Share premium)	25.0	24.2
Accumulated profits	59.3	45.7
Fair value change	2.1	(1.9)
Sub total	86.4	68.0
Borrowings	6.0	-
Policyholders' funds		
Fair value change	25.6	0.5
Policy Liabilities	855.2	652.7
Provision for Linked Liabilities	709.6	508.4
Funds for discontinued policies	38.0	33.4
Sub total	1628.4	1,195.0
Funds for future appropriation (Par)	9.9	8.8
Total Source of funds	1,730.7	1,271.9
Shareholders' investment	85.4	58.6
Policyholders' investments: Non-linked	905.4	671.9
Policyholders' investments: Linked	747.6	541.8
Loans	4.2	3.0
Fixed assets	3.4	3.3
Net current assets	(15.4)	(6.7)
Total Application of funds	1,730.7	1,271.9

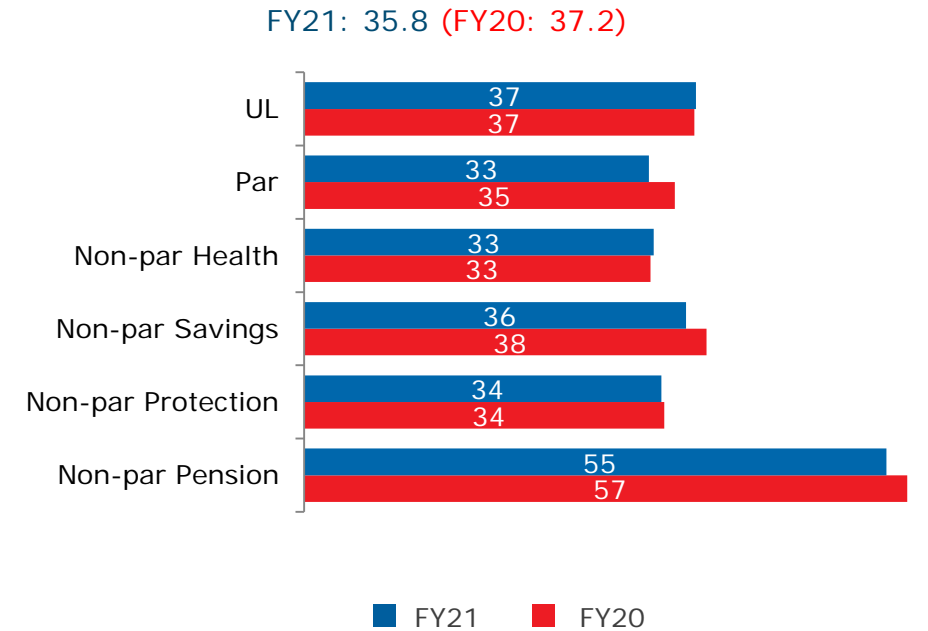
Rs Bn.

Segment wise average term and age¹

Average Policy Term excluding annuity (Yrs)



Average Customer Age excluding annuity (Yrs)



- 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

Summary of Milliman report on our ALM approach

Scope of review	Portfolios reviewed
<ul style="list-style-type: none"> Assess appropriateness of ALM strategy to manage interest rate risk in non-par savings business Review sensitivity of value of assets and liabilities to changes in assumptions 	<ul style="list-style-type: none"> Portfolio 1: Savings and Protection – All non-single premium non-par savings contracts and group protection products Portfolio 2: All immediate and deferred annuities

Description	Stress scenarios tested	Net asset liability position
Interest rate scenarios	Parallel shifts/ shape changes in yield curve within +/- 150 bps of March 31 st 2020 Gsec yield curve	Changes by < 4.5%
Interest rate + Demographic scenarios	Interest rate variation + changes in future persistency/ mortality experience	Changes by < 7%
100% persistency and low interest rates	100% persistency with interest rates falling to 4% p.a. for next 5 years, 2% p.a for years 6 -10 and 0% thereafter	Still remains positive

Opinion and conclusion

ALM strategy adopted for Portfolios 1 and 2 is appropriate to:

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



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 assumptions¹

Years	Forward rates %		Spot rates %	
	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020
1	3.95	4.69	3.87	4.58
2	5.31	5.69	4.52	5.06
3	6.27	6.52	5.04	5.48
4	6.95	7.04	5.46	5.81
5	7.42	7.29	5.80	6.06
10	7.97	7.18	6.71	6.55
15	7.52	7.03	6.95	6.64
20	7.06	7.00	6.96	6.67
25	6.76	7.00	6.90	6.69
30	6.59	7.00	6.82	6.70

Glossary (Part 1)

- **APE (Annualized Premium Equivalent)** - The sum of annualized first year regular premiums and 10% weighted single premiums and single premium top-ups
- **Backbook surplus** – Surplus accumulated from historical business written
- **Conservation ratio** - Ratio of current year renewal premiums to previous year's renewal premium and first year premium
- **Embedded Value Operating Profit (“EVOP”)** – Measure of the increase in the EV during any given period, excluding the impact on EV due to external factors like changes in economic variables and shareholder-related actions like capital injection or dividend pay-outs.
- **First year premiums** - Regular premiums received during the year for all modes of payments chosen by the customer which are still in the first year. For example, for a monthly mode policy sold in March 2021, the first instalment would fall into first year premiums for 2020-21 and the remaining 11 instalments in the first year would be first year premiums in 2021-22
- **New business received premium** - The sum of first year premium and single premium.
- **New business strain** – Strain on the business created due to revenues received in the first policy year not being able to cover for expenses incurred

Glossary (Part 2)

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

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