

July 19, 2021

Ref. No.: HDFC Life/CA/2021-22/27

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

NSE Symbol: HDFCLIFE

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

BSE Security Code: 540777

Dear Sir/ Madam,

**Subject: Outcome of the Board Meeting held on July 19, 2021**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that the Board of Directors of the Company at their meeting held today i.e. Monday, July 19, 2021, have approved the audited standalone and unaudited consolidated financial results of the Company for the quarter ended June 30, 2021.

In this regard, please find enclosed herewith the following:-

- (i) Copy of the audited standalone financial results along with auditors report
- (ii) Copy of the unaudited consolidated financial results along with limited review report
- (iii) Press Release

We wish to inform that the trading window for dealing in securities of the Company will be open from Thursday, July 22, 2021, for all the Designated Persons (i.e. Identified Employees, Directors and KMPs) including their Immediate Relatives and Promoters of the Company.

The meeting of the Board of Directors of the Company commenced at 12:00 Noon and concluded at 02:00 p.m.

This is for your information and appropriate dissemination.

Thanking you,

**For HDFC Life Insurance Company Limited**



**Narendra Gangan**  
**General Counsel, Chief Compliance Officer &**  
**Company Secretary**

Encl.: As above

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

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

**Auditor’s Report on Standalone Financial Results for the quarter ended June 30, 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 as at and for the quarter ended June 30, 2021 being submitted by the Company, which has been digitally signed by us for identification purposes, pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and IRDA Circular reference: IRDAI/F&I/ REG/ CIR/208/10/2016 dated 25th October 2016 (“Standalone financial results”) and which have been approved by the Board of Directors on July 19, 2021.
2. These Standalone financial results have been prepared on the basis of the interim condensed financial statements prepared in accordance with the measurement and recognition principles specified in paragraph 3 below, which is the responsibility of the Company’s management. The management’s responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation of the standalone financial results that is free from material misstatement, whether due to fraud or error.
3. Our responsibility is to express an opinion on these quarterly Standalone financial results based on our audit of such interim condensed financial statements, which have been prepared by the Company’s Management in accordance with the recognition and measurement principles laid down in Accounting Standard (“AS”) 25, “Interim Financial Reporting”, specified under Section 133 of the Companies Act, 2013 (“the Act”), including the relevant provisions of the Insurance Act, 1938 (the “Insurance Act”), the Insurance Regulatory and Development Authority Act, 1999 (the “IRDA Act”) and other accounting principles generally accepted in India, to the extent considered relevant and appropriate for the purpose of quarterly financial results and which are not inconsistent with the accounting principles as prescribed in the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors’ Report of Insurance Companies) Regulations, 2002 (the “Regulations”) and orders/directions/circulars issued by the Insurance Regulatory and Development Authority of India (“IRDAI”) to the extent applicable.
4. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
5. In our opinion and to the best of our information and according to the explanations given to us these quarterly Standalone financial results:

- I) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and IRDAI- IRDA Circular reference: IRDAI/F&I/REG/CIR/208/10/2016 dated 25<sup>th</sup> October 2016 in this regard; and
- II) give a true and fair view of the net profit and other financial information for the quarter ended June 30, 2021.

### **Emphasis of Matter**

6. We draw your attention to Note 5 to the Standalone financial results which describe the management's assessment of the impact of the outbreak of Coronavirus (COVID-19) on the business operations of the Company. In view of the uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

### **Other Matter**

7. The actuarial valuation of liabilities (including excess mortality reserve) for life policies in force and for policies in respect of which premium has been discontinued but liability exists is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities as at June 30, 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 interim condensed financial statements of the Company.


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

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**Alpa Kedia**  
*Partner*  
Membership No. 100681  
**UDIN:** 21100681AAAAEK5469  
**Place:** Mumbai  
**Date:** July 19, 2021

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

**Rajen**  
**Ratansi**  
**Ashar**  Digitally signed by  
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**Rajen Ashar**  
*Partner*  
Membership No. 048243  
**UDIN:** 21048243AAAADV2145

**HDFC Life Insurance Company Limited**  
Statement of Standalone Audited Results for the Quarter ended June 30, 2021

(₹ in Lakhs)

Sr. No.	Particulars	Three Months ended / As at			Year ended / As at
		June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
		(Audited)	(Audited)	(Audited)	(Audited)
<b>POLICYHOLDERS' A/C</b>					
1	Gross premium income				
	(a) First Year Premium	128,556	238,921	102,183	685,843
	(b) Renewal Premium	388,932	635,040	323,912	1,847,687
	(c) Single Premium	248,106	417,058	160,161	1,324,820
2	Net premium income <sup>1</sup>	753,848	1,286,801	572,184	3,812,230
3	Income from investments (Net) <sup>2</sup>	696,356	601,542	874,910	3,267,757
4	Other income	2,175	6,661	3,800	18,339
5	Contribution of funds from Shareholders' A/c	8,051	24,128	-	25,856
6	<b>Total (2 to 5)</b>	<b>1,460,430</b>	<b>1,919,132</b>	<b>1,450,894</b>	<b>7,124,182</b>
7	Commission on				
	(a) First Year Premium	21,707	43,447	17,894	126,612
	(b) Renewal Premium	4,966	9,215	4,818	27,708
	(c) Single Premium	2,836	5,351	1,097	13,302
	Rewards	717	1,738	184	3,418
8	<b>Net Commission<sup>3</sup></b>	<b>30,226</b>	<b>59,751</b>	<b>23,993</b>	<b>171,040</b>
9	Operating Expenses related to insurance business (a+b)				
	(a) Employees remuneration and welfare expenses	43,756	53,103	31,197	167,558
	(b) Other operating expenses <sup>4</sup>	51,367	97,908	35,524	291,039
10	<b>Expenses of Management (8+9)</b>	<b>125,349</b>	<b>210,762</b>	<b>90,714</b>	<b>629,637</b>
11	Provisions for doubtful debts (including bad debts written off)	-	-	-	-
12	Provisions for diminution in value of investments <sup>5</sup>	(20,284)	(9,010)	(5,709)	(18,854)
13	Goods & Services Tax on linked charges	8,662	9,575	8,244	35,675
14	Provision for taxes	(181)	18,381	3,156	27,439
15	Benefits Paid <sup>6</sup> (Net)	580,143	883,757	279,885	2,257,478
16	Change in actuarial liability	760,820	762,268	1,049,429	4,082,963
17	<b>Total (10+11+12+13+14+15+16)</b>	<b>1,454,509</b>	<b>1,875,733</b>	<b>1,425,719</b>	<b>7,014,338</b>
18	<b>Surplus/Deficit (6-17)</b>	<b>5,921</b>	<b>43,399</b>	<b>25,175</b>	<b>109,844</b>
19	<b>Appropriations</b>				
	(a) Transferred to Shareholders' A/c	12,489	28,659	34,688	99,090
	(b) Funds for Future Appropriations	(6,568)	14,740	(9,513)	10,754
20	<b>Details of Surplus / Deficit</b>				
	(a) Interim bonus paid	10,081	11,715	1,819	20,182
	(b) Terminal bonus paid	15,461	22,280	12,885	59,228
	(c) Allocation of bonus to policyholders	-	74,153	-	74,153
	(d) Surplus shown in the Revenue Account	5,921	43,399	25,175	109,844
	<b>Total Surplus</b>	<b>31,463</b>	<b>151,547</b>	<b>39,879</b>	<b>263,407</b>
<b>SHAREHOLDERS' A/C</b>					
21	Transfer from Policyholders' Account	12,489	28,659	34,688	99,090
22	Total income under Shareholders' Account				
	(a) Investment Income <sup>7</sup>	25,933	27,130	9,645	64,757
	(b) Other income	-	-	-	-
23	Expenses other than those related to insurance business <sup>4</sup>	1,448	2,405	682	6,373
24	Transfer of funds to Policyholders' Account	8,051	24,128	-	25,856
25	Provisions for doubtful debts (including write off)	-	-	-	-
26	Provisions for diminution in value of investments <sup>5</sup>	(1,750)	(1,652)	(1,469)	(3,731)
27	<b>Profit before tax</b>	<b>30,673</b>	<b>30,908</b>	<b>45,120</b>	<b>135,349</b>
28	Provisions for tax	438	(886)	11	(661)
29	<b>Profit after tax and before Extraordinary items</b>	<b>30,235</b>	<b>31,794</b>	<b>45,109</b>	<b>136,010</b>
30	<b>Profit after tax and Extraordinary items</b>	<b>30,235</b>	<b>31,794</b>	<b>45,109</b>	<b>136,010</b>
31	<b>Dividend per share (₹) (Nominal value ₹ 10 per share)</b>				
	(a) Interim Dividend	-	-	-	-
	(b) Final Dividend	-	-	-	-
32	Profit carried to Balance Sheet <sup>6</sup>	623,175	592,940	502,038	592,940
33	Paid up equity share capital	202,214	202,094	201,917	202,094
34	Reserve & Surplus (excluding Revaluation Reserve)	675,450	640,737	542,628	640,737
35	Fair Value Change Account and Revaluation Reserve (Shareholders)	17,627	20,744	(5,529)	20,744
36	<b>Total Assets:</b>				
	(a) Investments:				
	- Shareholders'	897,066	854,211	629,539	854,211
	- Policyholders' Fund excluding Linked Assets	9,412,625	9,053,783	7,214,943	9,053,783
	- Assets held to cover Linked Liabilities (Linked Assets)	7,817,551	7,475,950	6,152,996	7,475,950
	(b) Other Assets (Net of current liabilities and provisions)	(56,278)	(77,361)	(103,618)	(77,361)
	*Details of Expenses contributing more than 10% of the expense of management are as below -				
	Advertisement and publicity	27,280	44,315	17,083	141,011
	Business development expenses	1,809	29,428	1,326	66,590

**Foot notes :**

- Net of reinsurance
- Net of amortisation and losses (including capital gains)
- Inclusive of interim and terminal bonus
- Includes Remuneration of MD/CEOs/WTDs over specified limits and Interest on Non-convertible debentures
- Inclusive of provision for standard and non-standard assets
- 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 July 19, 2021.

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**HDFC Life Insurance Company Limited**  
Statement of Standalone Audited Results for the Quarter ended June 30, 2021

(₹ in Lakhs)

Particulars	Three Months ended / As at			Year ended / As at
	June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
	(Audited)	(Audited)	(Audited)	(Audited)
<b>Analytical Ratios:</b>				
(i) Solvency Ratio	203%	201%	190%	201%
(ii) Expenses of Management Ratio	16.4%	16.3%	15.5%	16.3%
(iii) Policyholder's liabilities to shareholders' fund	1911.5%	1896.7%	1779.3%	1896.7%
(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)	1.50	1.57	2.23	6.73
b) Diluted EPS before and after extraordinary items (net of tax expense) for the period (not annualized for three months)	1.49	1.57	2.23	6.73
(v) NPA ratios: (for Policyholders' fund)				
a) Gross NPAs				
- Non Linked				
Par	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL
- Linked				
Non Par	5,250.0	5,250.0	5,125.0	5,250.0
Net NPAs				
- Non Linked				
Par	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL
- Linked				
Non Par	NIL	NIL	NIL	NIL
b) % of Gross NPAs				
- Non Linked				
Par	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL
- Linked				
Non Par	0.1%	0.1%	0.1%	0.1%
% of Net NPA				
- Non Linked				
Par	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL
- Linked				
Non Par	NIL	NIL	NIL	NIL
(vi) Yield on Investments (on Policyholders' fund)				
A. Without unrealised gains				
- Non Linked				
Par	2.0%	2.5%	1.6%	8.5%
Non Par	2.2%	2.3%	2.2%	9.5%
- Linked				
Non Par	2.7%	3.1%	0.6%	8.6%
B. With unrealised gains				
- Non Linked				
Par	1.9%	0.5%	6.2%	16.3%
Non Par	-1.4%	-1.0%	4.9%	7.2%
- Linked				
Non Par	6.5%	5.3%	13.3%	47.2%
(vii) NPA ratios: (for Shareholders' fund)				
a) Gross NPAs	NIL	NIL	NIL	NIL
Net NPAs	NIL	NIL	NIL	NIL
b) % of Gross NPAs	NIL	NIL	NIL	NIL
% of Net NPAs	NIL	NIL	NIL	NIL
(viii) Yield on Investments (on Shareholders' fund)				
A. Without unrealised gains	3.0%	3.3%	1.5%	8.9%
B. With unrealised gains	2.4%	1.1%	5.9%	15.4%
(ix) Persistency Ratio				
13th month	89.8%	91.4%	87.0%	91.7%
25th month	84.8%	83.7%	80.8%	84.2%
37th month	78.5%	76.3%	69.5%	74.7%
49th month	68.4%	68.6%	64.9%	69.6%
61st month	58.1%	54.6%	54.4%	54.4%
(x) Conservation Ratio				
Participating Life- Individual & group	86.3%	89.3%	79.5%	87.6%
Participating Pension- Individual & group	87.3%	92.2%	78.2%	90.0%
Non Participating Life - Individual & group	100.4%	87.7%	83.9%	86.4%
Non Participating Pension - Individual & Group	63.0%	70.7%	74.0%	77.1%
Non Participating - Life Group Variable	NA	NA	NA	NA
Non Participating - Pension group variable	NA	NA	NA	NA
Non Participating Fund - Annuity	NA	NA	NA	NA
Non Participating Fund - Individual & Group Health	86.7%	90.5%	77.1%	83.4%
Unit Linked - Individual Life	88.3%	87.5%	84.0%	85.7%
Unit Linked - Individual Pension	73.5%	74.3%	71.0%	71.9%
Unit Linked - Group Life	NA	NA	NA	NA
Unit Linked - Group Pension	NA	NA	NA	NA

**Notes :**

- Analytical ratios have been calculated as per definition given in IRDAI Analytical ratios disclosure.
- The persistency ratios are calculated in accordance with the IRDAI circular no. IRDAI/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 June 30, 2021 have been calculated for the policies issued in the March to May period of the relevant years. E.g.: the 13th month persistency for the current quarter is calculated for the policies issued from March 2020 to May 2020. The persistency ratios for quarter ended March 31, 2021 and June 30, 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 joint statutory auditors have digitally signed this statement for identification purposes only and this Statement should be read in conjunction with their report dated July 19, 2021.

HDFC Life Insurance Company Limited  
Segment Reporting (Standalone) for the Quarter ended June 30, 2021

(₹ in Lakhs)

Sr. No.	Particulars	Three Months ended			Year ended
		June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
		(Audited)	(Audited)	(Audited)	(Audited)
1	<b>Segment Income</b>				
A)	<b>Policyholders :</b>				
	<b>Segment A - Participating - Individual &amp; Group Life :</b>				
	Net Premium	128,086	273,045	105,133	746,872
	Income from Investments <sup>2</sup>	79,519	90,556	50,839	267,499
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	647	4,841	2,599	12,207
	<b>Segment B - Participating - Individual &amp; Group Pension :</b>				
	Net Premium	2,450	6,037	2,805	18,281
	Income from Investments <sup>2</sup>	10,327	5,288	5,372	22,704
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	2	258	42	493
	<b>Segment C - Non Participating - Individual &amp; Group Life :</b>				
	Net Premium	260,957	406,920	152,266	1,150,509
	Income from Investments <sup>2</sup>	61,818	59,428	41,102	208,452
	Transfer of Funds from shareholders' account	7,560	24,544	-	24,544
	Other Income	817	810	338	2,535
	<b>Segment D - Non Participating - Life Group Variable :</b>				
	Net Premium	8,961	9,703	3,224	46,244
	Income from Investments <sup>2</sup>	6,156	6,159	5,812	24,188
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	-	-	-	-
	<b>Segment E - Non Participating - Individual &amp; Group Pension :</b>				
	Net Premium	13,452	36,498	20,788	174,408
	Income from Investments <sup>2</sup>	12,141	9,957	8,874	38,867
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	4	10	8	29
	<b>Segment F - Non Participating - Pension Group Variable :</b>				
	Net Premium	39,142	40,830	39,444	155,676
	Income from Investments <sup>2</sup>	7,941	7,375	7,081	28,928
	Transfer of Funds from shareholders' account	491	731	-	1,312
	Other Income	-	-	-	-
	<b>Segment G - Non Participating - Individual &amp; Group Annuity :</b>				
	Net Premium	99,120	130,672	61,440	392,720
	Income from Investments <sup>2</sup>	23,729	21,129	17,388	77,754
	Transfer of Funds from shareholders' account	-	(1,147)	-	-
	Other Income	19	19	12	68
	<b>Segment H - Non Participating - Individual &amp; Group Health :</b>				
	Net Premium	852	1,549	1,018	5,291
	Income from Investments <sup>2</sup>	119	124	210	573
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	3	4	(1)	16
	<b>Segment I - Unit Linked - Individual Life :</b>				
	Net Premium	182,047	342,854	166,869	982,517
	Income from Investments <sup>2</sup>	457,060	381,980	628,756	2,280,991
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	681	714	801	2,986
	<b>Segment J - Unit Linked - Individual Pension :</b>				
	Net Premium	8,092	16,881	9,990	51,797
	Income from Investments <sup>2</sup>	36,867	24,284	71,663	226,325
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	2	3	1	7
	<b>Segment K - Unit Linked - Group Life :</b>				
	Net Premium	9,526	20,044	7,616	79,985
	Income from Investments <sup>2</sup>	17,958	3,657	36,860	93,501
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	-	-	-	-
	<b>Segment L - Unit Linked - Group Pension :</b>				
	Net Premium	1,162	1,767	1,590	7,930
	Income from Investments <sup>2</sup>	3,047	763	6,655	17,027
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	-	-	-	-
B)	<b>Shareholders :</b>				
	Income from Investments <sup>2</sup>	27,683	28,781	11,114	68,488
	Other Income	-	-	-	-

**HDFC Life Insurance Company Limited**  
Segment Reporting (Standalone) for the Quarter ended June 30, 2021

(₹ in Lakhs)

Sr No.	Particulars	Three Months ended / As at			Year ended / As at
		June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
		(Audited)	(Audited)	(Audited)	(Audited)
<b>2</b>	<b>Segment Surplus/ Deficit (net of transfer from Shareholders' A/c) :</b>				
	Segment A - Participating - Individual & Group Life	(4,965)	26,550	(7,791)	27,374
	Segment B - Participating - Individual & Group Pension	1,235	205	(88)	443
	Segment C - Non Participating - Individual & Group Life	(7,560)	(32,379)	7,240	(24,544)
	Segment D - Non Participating - Life Group Variable	513	187	116	394
	Segment E - Non Participating - Individual & Group Pension	1,718	(327)	2,775	3,292
	Segment F - Non Participating - Pension Group Variable	(491)	(731)	227	(1,312)
	Segment G - Non Participating - Individual & Group Annuity	1,051	1,768	653	620
	Segment H - Non Participating - Individual & Group Health	197	721	847	3,082
	Segment I - Unit Linked - Individual Life	2,169	18,671	17,260	58,214
	Segment J - Unit Linked - Individual Pension	2,851	3,946	2,975	12,909
	Segment K - Unit Linked - Group Life	1,022	556	845	2,940
	Segment L - Unit Linked - Group Pension	131	103	116	576
	<b>Total</b>	<b>(2,129)</b>	<b>19,270</b>	<b>25,175</b>	<b>83,988</b>
	Shareholders	25,797	27,261	10,421	62,777
	<b>Grand Total</b>	<b>23,668</b>	<b>46,531</b>	<b>35,596</b>	<b>146,765</b>
<b>3</b>	<b>Segment Assets:</b>				
	Segment A - Participating - Individual & Group Life	3,525,301	3,427,824	2,925,454	3,427,824
	Segment B - Participating - Individual & Group Pension	292,240	296,853	277,942	296,853
	Segment C - Non Participating - Individual & Group Life	2,718,299	2,543,157	1,788,766	2,543,157
	Segment D - Non Participating - Life Group Variable	332,653	328,648	294,395	328,648
	Segment E - Non Participating - Individual & Group Pension	615,403	611,066	435,615	611,066
	Segment F - Non Participating - Pension Group Variable	477,817	459,898	377,781	459,898
	Segment G - Non Participating - Individual & Group Annuity	1,289,340	1,191,472	846,168	1,191,472
	Segment H - Non Participating - Individual & Group Health	5,583	6,101	5,617	6,101
	Segment I - Unit Linked - Individual Life	6,449,728	6,123,677	4,884,844	6,123,677
	Segment J - Unit Linked - Individual Pension	659,531	654,642	657,209	654,642
	Segment K - Unit Linked - Group Life	613,246	601,226	528,933	601,226
	Segment L - Unit Linked - Group Pension	101,672	101,239	93,744	101,239
	<b>Total</b>	<b>17,080,813</b>	<b>16,345,803</b>	<b>13,116,468</b>	<b>16,345,803</b>
	Shareholder	938,266	912,354	726,754	912,354
	Unallocated <sup>3</sup>	51,884	48,426	50,637	48,426
	<b>Grand Total</b>	<b>18,070,963</b>	<b>17,306,583</b>	<b>13,893,859</b>	<b>17,306,583</b>
<b>4</b>	<b>Segment Policy Liabilities<sup>4</sup> :</b>				
	Segment A - Participating - Individual & Group Life	3,315,534	3,233,440	2,885,311	3,233,440
	Segment B - Participating - Individual & Group Pension	269,549	272,455	269,349	272,455
	Segment C - Non Participating - Individual & Group Life	2,724,481	2,528,444	1,774,194	2,528,444
	Segment D - Non Participating - Life Group Variable	332,146	326,681	291,795	326,681
	Segment E - Non Participating - Individual & Group Pension	614,400	609,933	434,193	609,933
	Segment F - Non Participating - Pension Group Variable	476,411	458,224	375,593	458,224
	Segment G - Non Participating - Individual & Group Annuity	1,284,591	1,184,165	845,374	1,184,165
	Segment H - Non Participating - Individual & Group Health	6,152	6,234	5,811	6,234
	Segment I - Unit Linked - Individual Life	6,481,594	6,150,655	4,911,985	6,150,655
	Segment J - Unit Linked - Individual Pension	659,545	654,651	657,208	654,651
	Segment K - Unit Linked - Group Life	615,483	601,190	528,951	601,190
	Segment L - Unit Linked - Group Pension	101,675	101,240	93,744	101,240
	<b>Total</b>	<b>16,881,561</b>	<b>16,127,312</b>	<b>13,073,508</b>	<b>16,127,312</b>
	Shareholders	955,413	923,772	739,302	923,772
	Unallocated	-	-	-	-
	<b>Grand Total</b>	<b>17,836,974</b>	<b>17,051,084</b>	<b>13,812,810</b>	<b>17,051,084</b>

**Note:**

1. Segments include:
  - a. Linked Policies: (i) Life (ii) General Annuity and Pension (iii) Health (iv) Variable
  - b. Non-Linked:
    1. Non-Participating Policies: (i) Life (ii) General Annuity and Pension (iii) Health (iv) Variable
    2. Participating Policies: (i) Life (ii) General Annuity and Pension (iii) Health (iv) Variable
  - c. Variable insurance shall be further segregated into Life and Pension.
2. Net of provisions for diminution in value of investment.
3. Unallocated row in the segmental assets above includes income tax deposited with tax authorities which is contested by the company and Advance Tax (net of provision for taxation). As per Accounting Standard 17, tax asset cannot be allocated across reporting segments.
4. Segment policy liabilities includes fund for future appropriations and excludes Credit / (Debit) Fair Value Change Account on Policyholders' funds.

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 July 19, 2021.

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HDFC Life Insurance Company Limited

Other disclosures :

Status of Shareholders Complaints for the quarter ended June 30, 2021

Sr No.	Particulars	Number of Complaints
1	Investor complaints pending at the beginning of the quarter	1
2	Investor complaints received during the quarter ended June 30, 2021	NIL
3	Investor complaints disposed of during the quarter ended June 30, 2021	1
4	Investor complaints remaining unresolved as on June 30, 2021	NIL



## Notes:

1. The standalone results of the company for the quarter ended June 30, 2021 were reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on July 19, 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 ended June 30, 2021, the Company has allotted 1,196,330 equity shares 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) excess mortality reserve of ₹ 70,000 lakh 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 and based on our current expectation of extra claims to be received in the future, both of which are certified by the appointed actuary. The excess mortality reserve of ₹ 16,500 lakh set up as at 31st March 2021 has been adequate to meet the liability due to extra death claims during Q1FY 22. The Company has also assessed its solvency position as at the Balance sheet date and is at 203% 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 period ended June 30, 2021 are consistent with those adopted in the financial statements for the previous financial year ended March 31, 2021. 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 had, during FY 2020-21, 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 period ended June 30, 2021, which is not material to the financial statements.
7. In accordance with the requirements of IRDAI Master Circular on "Preparation of Financial Statements and Filing Returns of Life Insurance Business" dated December 11, 2013, the Company will publish the financials on the company's website not later than August 14, 2021.
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, as several state governments are yet to formulate their rules. The Company is in process of evaluating the financial impact, if any.
9. Figures of the previous period have been regrouped wherever necessary, in order to make them comparable.
10. 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 July 19, 2021.

**Mumbai  
July 19, 2021**

**For and on behalf of the Board of Directors**

**Vibha  
Padalkar** Digitally signed by 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

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

1. We have reviewed the unaudited consolidated financial results of HDFC Life Insurance Company Limited (the “Parent”), and its subsidiaries (the parent and its subsidiaries hereinafter referred to as the “Group”), for the quarter ended June 30, 2021 which are included in the accompanying Consolidated Financial Results (the “Statement”). The Statement is being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, which has been digitally signed by us for identification purposes.
2. This Statement, which is the responsibility of the Parent’s Management and approved by the Parent’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (‘AS’) 25, “Interim Financial Reporting”, specified under Section 133 of the Companies Act, 2013 (“the Act”), including the relevant provisions of the Insurance Act, 1938 (the “Insurance Act”), the Insurance Regulatory and Development Authority Act, 1999 (the “IRDA Act”) and other accounting principles generally accepted in India, to the extent considered relevant and appropriate for the purpose of quarterly financial results and which are not inconsistent with the accounting principles as prescribed in the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors’ Report of Insurance Companies) Regulations, 2002 (the “Regulations”) and orders/directions/circulars issued by the Insurance Regulatory and Development Authority of India (“IRDAI”). Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

4. The Statement includes the results of the following entities:
  - a) HDFC Pension Management Company Limited and
  - b) HDFC International Life and Re Company Limited
5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with the recognition and measurement

principles laid down in the aforesaid Insurance Act, IRDA Act, and other accounting principles generally accepted in India and to the extent considered relevant and appropriate for the purpose of these consolidated financial results and which are not inconsistent with the accounting principles as prescribed in the Regulations and orders/directions/circulars issued by IRDAI to the extent applicable and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We draw your attention to Note 5 to the consolidated financial results which describe the management's assessment of the impact of the outbreak of Coronavirus (COVID-19) on the business operations of the Company. In view of the uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.
7. The actuarial valuation of liabilities (including excess mortality reserve) for life policies in force and for policies in respect of which premium has been discontinued but liability exists is the responsibility of the Parent Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities as at June 30, 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 unaudited financial results of the Group.
8. The consolidated unaudited financial results includes the financial results of two subsidiaries which have not been reviewed by their auditors or by us, whose interim financial results reflect total revenue of Rs. 274,491 ('000) and total net loss of Rs. 328, 060 ('000) for the quarter ended June 30, 2021 as considered in the consolidated unaudited financial results. According to the information and explanations given to us by the Management, financial results are not material to the Group. Our conclusion on the Statement is not modified in respect of the above matter.

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

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**Alpa Kedia**  
*Partner*  
Membership No. 100681  
**UDIN:** 21100681AAAAEL1859  
**Place:** Mumbai  
**Date:** July 19, 2021

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

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**Ashar**  
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**Rajen Ashar**  
*Partner*  
Membership No. 048243  
**UDIN:** 21048243AAAADW2929

HDFC Life Insurance Company Limited

Statement of Consolidated Unaudited Results for the Quarter ended June 30, 2021

(₹ in Lakhs)

Sr. No.	Particulars	Three Months ended / As at			Year ended/As at
		June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
		(Unaudited)	(Unaudited) Refer Note 8	(Unaudited)	(Audited)
<b>POLICYHOLDERS' A/C</b>					
1	Gross premium income				
	(a) First Year Premium	1,28,556	2,38,921	1,02,183	6,85,843
	(b) Renewal Premium	3,88,932	6,35,040	3,23,912	18,47,687
	(c) Single Premium	2,48,106	4,17,058	1,60,161	13,24,820
2	Net premium income <sup>1</sup>	7,54,005	12,86,955	5,73,373	38,14,881
3	Income from investments (Net) <sup>2</sup>	6,96,356	6,01,542	8,74,910	32,67,757
4	Other income	2,175	6,661	3,800	18,339
5	Contribution of funds from Shareholders' A/c	8,051	24,128	-	25,856
6	<b>Total (2 to 5)</b>	<b>14,60,587</b>	<b>19,19,286</b>	<b>14,52,083</b>	<b>71,26,833</b>
7	Commission on				
	(a) First Year Premium	21,707	43,447	17,894	1,26,612
	(b) Renewal Premium	4,966	9,215	4,818	27,708
	(c) Single Premium	2,836	5,351	1,097	13,302
	Rewards	717	1,738	184	3,418
8	<b>Net Commission<sup>1</sup></b>	<b>30,226</b>	<b>59,751</b>	<b>23,993</b>	<b>1,71,040</b>
9	Operating Expenses related to insurance business (a+b)				
	(a) Employees remuneration and welfare expenses	43,756	53,103	31,197	1,67,558
	(b) Other operating expenses <sup>3</sup>	51,367	97,908	35,524	2,91,039
10	<b>Expenses of Management (8+9)</b>	<b>1,25,349</b>	<b>2,10,762</b>	<b>90,714</b>	<b>6,29,637</b>
11	Provisions for doubtful debts (including bad debts written off)	-	-	-	-
12	Provisions for diminution in value of investments <sup>4</sup>	(20,284)	(9,010)	(5,709)	(18,854)
13	Goods & Services Tax on linked charges	8,662	9,575	8,244	35,675
14	Provision for taxes	(181)	18,381	3,156	27,439
15	Benefits Paid <sup>5</sup> (Net) <sup>1</sup>	5,81,833	8,84,243	2,80,499	22,61,255
16	Change in actuarial liability	7,60,820	7,62,268	10,49,429	40,82,963
17	<b>Total (10+11+12+13+14+15+16)</b>	<b>14,56,199</b>	<b>18,76,219</b>	<b>14,26,333</b>	<b>70,18,115</b>
18	<b>Surplus/Deficit (6-17)</b>	<b>4,388</b>	<b>43,067</b>	<b>25,750</b>	<b>1,08,718</b>
19	<b>Appropriations</b>				
	(a) Transferred to Shareholders A/c	10,956	28,327	35,263	97,964
	(b) Funds for Future Appropriations	(6,568)	14,740	(9,513)	10,754
20	<b>Details of Surplus / Deficit</b>				
	(a) Interim bonus paid	10,081	11,715	1,819	20,182
	(b) Terminal bonus paid	15,461	22,280	12,885	59,228
	(c) Allocation of bonus to policyholders	-	74,153	-	74,153
	(d) Surplus shown in the Revenue Account	4,388	43,067	25,750	1,08,718
	<b>Total Surplus</b>	<b>29,930</b>	<b>1,51,215</b>	<b>40,454</b>	<b>2,62,281</b>
<b>SHAREHOLDERS' A/C</b>					
21	Transfer from Policyholders' Account	10,956	28,327	35,263	97,964
22	Net Reinsurance Premium	2,064	2,746	29	4,538
23	Total income under Shareholders' Account				
	(a) Investment Income <sup>6</sup>	26,137	27,317	9,901	65,627
	(b) Other income	389	95	57	310
24	Reinsurance Claims incurred	1,884	1,305	230	1,762
25	Expenses relating to reinsurance business & Change in reinsurance contract liabilities (net of reinsurance assets)	2,160	1,115	628	2,212
26	Expenses other than those related to insurance business <sup>4</sup>	1,786	2,568	796	6,912
27	Transfer of funds to Policyholders' Account	8,051	24,128	-	25,856
28	Provisions for doubtful debts (including write off)	-	-	-	-
29	Provisions for diminution in value of investments <sup>5</sup>	(1,750)	(1,652)	(1,469)	(3,731)
30	<b>Profit before tax</b>	<b>27,415</b>	<b>31,021</b>	<b>45,065</b>	<b>1,35,428</b>
31	Provisions for tax	460	(885)	11	(659)
32	<b>Profit after tax and before Extraordinary items</b>	<b>26,955</b>	<b>31,906</b>	<b>45,054</b>	<b>1,36,087</b>
33	<b>Profit after tax and Extraordinary items</b>	<b>26,955</b>	<b>31,906</b>	<b>45,054</b>	<b>1,36,087</b>
34	<b>Dividend per share (₹) (Nominal value ₹ 10 per share)</b>				
	(a) Interim Dividend	-	-	-	-
	(b) Final Dividend	-	-	-	-
35	Profit carried to Balance Sheet <sup>6</sup>	6,19,385	5,92,430	5,01,397	5,92,430
36	Paid up equity share capital	2,02,214	2,02,094	2,01,917	2,02,094
37	Reserve & Surplus (excluding Revaluation Reserve)	6,72,614	6,40,944	5,43,288	6,40,944
38	Fair Value Change Account and Revaluation Reserve (Shareholders)	17,627	20,744	(5,529)	20,744
39	Total Assets:				
	(a) Investments:				
	- Shareholders'	9,00,748	8,52,364	6,32,629	8,52,364
	- Policyholders Fund excluding Linked Assets	94,12,625	90,53,783	72,14,943	90,53,783
	- Assets held to cover Linked Liabilities (Linked Assets)	78,17,551	74,75,950	61,52,996	74,75,950
	(b) Other Assets (Net of current liabilities and provisions)	(55,513)	(69,976)	(1,01,424)	(69,976)

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

Advertisement and publicity	27,280	44,315	17,083	1,41,011
Business development expenses	1,809	29,428	1,326	66,590

Foot notes :

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

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HDFC Life Insurance Company Limited				
Statement of Consolidated Unaudited results for the Quarter ended June 30, 2021				
(₹ in Lakhs)				
Particulars	Three Months ended / As at			Year ended/As at
	June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
	(Unaudited)	(Unaudited) Refer Note 8	(Unaudited)	(Audited)
<b>Analytical Ratios:</b>				
(i) Solvency Ratio	203%	201%	190%	201%
(ii) Expenses of Management Ratio	16.4%	16.3%	15.5%	16.3%
(iii) Policyholder's liabilities to shareholders' fund	1918.4%	1896.8%	1778.4%	1896.8%
(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)	1.33	1.58	2.23	6.74
b) Diluted EPS before and after extraordinary items (net of tax expense) for the period (not annualized for three months)	1.33	1.58	2.23	6.73
(v) NPA ratios: (for Policyholders' fund)				
a) Gross NPAs				
- Non Linked				
Par	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL
- Linked				
Non Par	5250.00	5250.00	5125.00	5250.00
Net NPAs				
- Non Linked				
Par	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL
- Linked				
Non Par	NIL	NIL	NIL	NIL
b) % of Gross NPAs				
- Non Linked				
Par	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL
- Linked				
Non Par	0.1%	0.1%	0.1%	0.1%
% of Net NPA				
- Non Linked				
Par	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL
- Linked				
Non Par	NIL	NIL	NIL	NIL
(vi) Yield on Investments (on Policyholders' fund)				
A. Without unrealised gains				
- Non Linked				
Par	2.0%	2.5%	1.6%	8.5%
Non Par	2.2%	2.3%	2.2%	9.5%
- Linked				
Non Par	2.7%	3.1%	0.6%	8.6%
B. With unrealised gains				
- Non Linked				
Par	1.9%	0.5%	6.2%	16.3%
Non Par	-1.4%	-1.0%	4.9%	7.2%
- Linked				
Non Par	6.5%	5.3%	13.3%	47.2%
(vii) NPA ratios: (for Shareholders' fund)				
a) Gross NPAs	NIL	NIL	NIL	NIL
Net NPAs	NIL	NIL	NIL	NIL
b) % of Gross NPAs	NIL	NIL	NIL	NIL
% of Net NPAs	NIL	NIL	NIL	NIL
(viii) Yield on Investments (on Shareholders' fund)				
A. Without unrealised gains	3.0%	3.3%	1.5%	8.9%
B. With unrealised gains	2.4%	1.1%	5.9%	15.4%
(ix) Persistency Ratio				
13th month	89.8%	91.4%	87.0%	91.7%
25th month	84.8%	83.7%	80.8%	84.2%
37th month	78.5%	76.3%	69.5%	74.7%
49th month	68.4%	68.6%	64.9%	69.6%
61st month	58.1%	54.6%	54.4%	54.4%
(x) Conservation Ratio				
Participating life- Individual & Group	86.3%	89.3%	79.5%	87.6%
Participating pension- Individual & Group	87.3%	92.2%	78.2%	90.0%
Non Participating life - Individual & Group	100.4%	87.7%	83.9%	86.4%
Non Participating pension - Individual & Group	63.0%	70.7%	74.0%	77.1%
Non Participating - Life Group Variable	NA	NA	NA	NA
Non Participating - Pension group variable	NA	NA	NA	NA
Non Participating fund - Individual & Group Annuity	NA	NA	NA	NA
Non Participating fund - Individual & Group Health	86.7%	90.5%	77.1%	83.4%
Unit Linked - Individual life	88.3%	87.5%	84.0%	85.7%
Unit Linked - Individual pension	73.5%	74.3%	71.0%	71.9%
Unit Linked - Group life	NA	NA	NA	NA
Unit Linked - Group pension	NA	NA	NA	NA

**Notes :**

- Analytical ratios have been calculated as per definition given in IRDAI Analytical ratios disclosure.
- The persistency ratios are calculated in accordance with the IRDAI circular no. IRDA/ACT/CIR/MISC/035/01/2014 dated January 23, 2014 and hence are with a lag 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 June 30, 2021 have been calculated for the policies issued in the March to May period of the relevant years. E.g.: the 13th month persistency for the current quarter is calculated for the policies issued from March 2020 to May 2020. The persistency ratios for quarter ended March 31, 2021 and June 30, 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 joint statutory auditors have digitally signed this statement for identification purposes only and this Statement should be read in conjunction with review report dated July 19, 2021.

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HDFC Life Insurance Company Limited

Consolidated Segment Reporting for the Quarter ended June 30, 2021

(₹ in Lakhs)

Sr. No.		Three Months ended / As at			Year ended
		June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
		(Unaudited)	(Unaudited) Refer Note 8	(Unaudited)	(Audited)
1	<b>Segment Income</b>				
A)	<b>Policyholders :</b>				
	<b>Segment A - Participating - Individual &amp; Group Life :</b>				
	Net Premium	1,28,086	2,73,045	1,05,133	7,46,872
	Income from Investments <sup>2</sup>	79,519	90,556	50,839	2,67,499
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	647	4,841	2,599	12,207
	<b>Segment B - Participating - Individual &amp; Group Pension :</b>				
	Net Premium	2,450	6,037	2,805	18,281
	Income from Investments <sup>2</sup>	10,327	5,288	5,372	22,704
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	2	258	42	493
	<b>Segment C - Non Participating - Individual &amp; Group Life :</b>				
	Net Premium	2,61,115	4,07,075	1,53,456	11,53,160
	Income from Investments <sup>2</sup>	61,818	59,428	41,102	2,08,452
	Transfer of Funds from shareholders' account	7,560	24,544	-	24,544
	Other Income	817	810	338	2,535
	<b>Segment D - Non Participating - Life Group Variable :</b>				
	Net Premium	8,961	9,703	3,224	46,244
	Income from Investments <sup>2</sup>	6,156	6,159	5,812	24,188
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	-	-	-	-
	<b>Segment E - Non Participating - Individual &amp; Group Pension :</b>				
	Net Premium	13,452	36,498	20,788	1,74,408
	Income from Investments <sup>2</sup>	12,141	9,957	8,874	38,867
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	4	10	8	29
	<b>Segment F - Non Participating - Pension Group Variable :</b>				
	Net Premium	39,142	40,830	39,444	1,55,676
	Income from Investments <sup>2</sup>	7,941	7,375	7,081	28,928
	Transfer of Funds from shareholders' account	491	731	-	1,312
	Other Income	-	-	-	-
	<b>Segment G - Non Participating - Individual &amp; Group Annuity :</b>				
	Net Premium	99,120	1,30,672	61,440	3,92,720
	Income from Investments <sup>2</sup>	23,729	21,129	17,388	77,754
	Transfer of Funds from shareholders' account	-	(1,147)	-	-
	Other Income	19	19	12	68
	<b>Segment H - Non Participating - Individual &amp; Group Health :</b>				
	Net Premium	852	1,549	1,018	5,291
	Income from Investments <sup>2</sup>	119	124	210	573
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	3	4	(1)	16
	<b>Segment I - Unit Linked - Individual Life :</b>				
	Net Premium	1,82,047	3,42,854	1,66,869	9,82,517
	Income from Investments <sup>2</sup>	4,57,060	3,81,980	6,28,756	22,80,991
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	681	714	801	2,986
	<b>Segment J - Unit Linked - Individual Pension :</b>				
	Net Premium	8,092	16,881	9,990	51,797
	Income from Investments <sup>2</sup>	36,867	24,284	71,663	2,26,325
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	2	3	1	7
	<b>Segment K - Unit Linked - Group Life :</b>				
	Net Premium	9,526	20,044	7,616	79,985
	Income from Investments <sup>2</sup>	17,958	3,657	36,860	93,501
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	-	-	-	-
	<b>Segment L - Unit Linked - Group Pension :</b>				
	Net Premium	1,162	1,767	1,590	7,930
	Income from Investments <sup>2</sup>	3,047	763	6,655	17,027
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	-	-	-	-
B)	<b>Shareholders :</b>				
	Income from Investments <sup>2</sup>	27,887	28,969	11,371	69,358
	Other Income	389	95	57	310

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Sr No.	Particulars	Three Months ended / As at			Year ended / As at
		June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
		(Unaudited)	(Unaudited) Refer Note 8	(Unaudited)	(Audited)
<b>2</b>	<b>Segment Surplus/ Deficit (net of transfer from shareholders' A/c) :</b>				
	Segment A - Participating - Individual & Group Life	(4,965)	26,550	(7,791)	27,374
	Segment B - Participating - Individual & Group Pension	1,235	205	(88)	443
	Segment C - Non Participating - Individual & Group Life	(9,094)	(32,712)	7,815	(25,670)
	Segment D - Non Participating - Life Group Variable	513	187	116	394
	Segment E - Non Participating - Individual & Group Pension	1,718	(327)	2,775	3,292
	Segment F - Non Participating - Pension Group Variable	(491)	(731)	227	(1,312)
	Segment G - Non Participating - Individual & Group Annuity	1,051	1,768	653	620
	Segment H - Non Participating - Individual & Group Health	197	721	847	3,082
	Segment I - Unit Linked - Individual Life	2,169	18,671	17,260	58,214
	Segment J - Unit Linked - Individual Pension	2,851	3,946	2,975	12,909
	Segment K - Unit Linked - Group Life	1,022	556	845	2,940
	Segment L - Unit Linked - Group Pension	131	103	116	576
	<b>Total</b>	<b>(3,663)</b>	<b>18,937</b>	<b>25,750</b>	<b>82,862</b>
	Shareholders	24,050	27,707	9,791	63,979
	<b>Grant Total</b>	<b>20,387</b>	<b>46,644</b>	<b>35,541</b>	<b>1,46,841</b>
<b>3</b>	<b>Segment Assets:</b>				
	Segment A - Participating - Individual & Group Life	35,25,301	34,27,824	29,25,454	34,27,824
	Segment B - Participating - Individual & Group Pension	2,92,240	2,96,853	2,77,942	2,96,853
	Segment C - Non Participating - Individual & Group Life	27,15,758	25,42,156	17,87,744	25,42,156
	Segment D - Non Participating - Life Group Variable	3,32,653	3,28,648	2,94,395	3,28,648
	Segment E - Non Participating - Individual & Group Pension	6,15,403	6,11,066	4,35,615	6,11,066
	Segment F - Non Participating - Pension Group Variable	4,77,817	4,59,898	3,77,781	4,59,898
	Segment G - Non Participating - Individual & Group Annuity	12,89,340	11,91,472	8,46,168	11,91,472
	Segment H - Non Participating - Individual & Group Health	5,583	6,101	5,617	6,101
	Segment I - Unit Linked - Individual Life	64,49,728	61,23,677	48,84,844	61,23,677
	Segment J - Unit Linked - Individual Pension	6,59,531	6,54,642	6,57,209	6,54,642
	Segment K - Unit Linked - Group Life	6,13,246	6,01,226	5,28,933	6,01,226
	Segment L - Unit Linked - Group Pension	1,01,672	1,01,239	93,744	1,01,239
	<b>Total</b>	<b>1,70,78,272</b>	<b>1,63,44,802</b>	<b>1,31,15,446</b>	<b>1,63,44,802</b>
	Shareholders	9,45,255	9,18,893	7,33,061	9,18,893
	Unallocated <sup>3</sup>	51,884	48,426	50,637	48,426
	<b>Grant Total</b>	<b>1,80,75,411</b>	<b>1,73,12,121</b>	<b>1,38,99,144</b>	<b>1,73,12,121</b>
<b>4</b>	<b>Segment Policy Liabilities<sup>4</sup> :</b>				
	Segment A - Participating - Individual & Group Life	33,15,534	32,33,440	28,85,311	32,33,440
	Segment B - Participating - Individual & Group Pension	2,69,549	2,72,455	2,69,349	2,72,455
	Segment C - Non Participating - Individual & Group Life	27,24,481	25,28,444	17,74,194	25,28,444
	Segment D - Non Participating - Life Group Variable	3,32,146	3,26,681	2,91,795	3,26,681
	Segment E - Non Participating - Individual & Group Pension	6,14,400	6,09,933	4,34,193	6,09,933
	Segment F - Non Participating - Pension Group Variable	4,76,411	4,58,224	3,75,593	4,58,224
	Segment G - Non Participating - Individual & Group Annuity	12,84,591	11,84,165	8,45,374	11,84,165
	Segment H - Non Participating - Individual & Group Health	6,152	6,234	5,811	6,234
	Segment I - Unit Linked - Individual Life	64,81,594	61,50,655	49,11,985	61,50,655
	Segment J - Unit Linked - Individual Pension	6,59,545	6,54,651	6,57,208	6,54,651
	Segment K - Unit Linked - Group Life	6,15,483	6,01,190	5,28,951	6,01,190
	Segment L - Unit Linked - Group Pension	1,01,675	1,01,240	93,744	1,01,240
	<b>Total</b>	<b>1,68,81,561</b>	<b>1,61,27,312</b>	<b>1,30,73,508</b>	<b>1,61,27,312</b>
	Shareholders	9,59,861	9,29,310	7,44,586	9,29,310
	Unallocated	-	-	-	-
	<b>Grand Total</b>	<b>1,78,41,422</b>	<b>1,70,56,622</b>	<b>1,38,18,094</b>	<b>1,70,56,622</b>

**Note:**

1. Segments include:
  - a. Linked Policies: (i) Life (ii) General Annuity and Pension (iii) Health (iv) Variable
  - b. Non-Linked:
    1. Non-Participating Policies: (i) Life (ii) General Annuity and Pension (iii) Health (iv) Variable
    2. Participating Policies: (i) Life (ii) General Annuity and Pension (iii) Health (iv) Variable
  - c. Variable insurance shall be further segregated into Life and Pension.
2. Net of provisions for diminution in value of investment.
3. Unallocated row in the segmental assets above includes income tax deposited with tax authorities which is contested by the company and Advance Tax (net of provision for taxation). As per Accounting Standard 17, tax asset cannot be allocated across reporting segments.
4. Segment policy liabilities includes fund for future appropriations and excludes Credit / (Debit) Fair Value Change Account on Policyholders' funds.

The joint statutory auditors have digitally signed this statement for identification purposes only and this Statement should be read in conjunction with review report dated July 19,2021.

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HDFC Life Insurance Company Limited

Other disclosures :

Status of Shareholders Complaints for the quarter ended June 30, 2021

Sr No.	Particulars	Number of Complaints
1	Investor complaints pending at the beginning of the quarter	1
2	Investor complaints received during the quarter ended June 30, 2021	NIL
3	Investor complaints disposed of during the quarter ended June 30, 2021	1
4	Investor complaints remaining unresolved as on June 30, 2021	NIL



## Notes:

1. The above consolidated financial results of the group for the quarter ended June 30, 2021 were reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on July 19, 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 ended June 30, 2021, the Holding company has allotted 1,196,330 equity shares 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 Holding Company has made:  
(a) adequate impairment provisions on the investments to an extent necessary,  
(b) excess mortality reserve of ₹ 70,000 lakh 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 and based on our current expectation of extra claims to be received in the future, both of which are certified by the appointed actuary. The excess mortality reserve of ₹ 16,500 lakh set up as at 31st March, 2021 has been adequate to meet the liability due to extra death claims during Q1 FY 22.  
The Holding Company has also assessed its solvency position as at the Balance sheet date and is at 203%, 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 period ended June 30, 2021 are consistent with those adopted in the financial statements for the previous financial year ended March 31, 2021.  
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 had, during FY 2020-21, 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 period ended June 30, 2021, which is not material to the financial statements.
7. 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, as several state governments are yet to formulate their rules. The Company is in process of evaluating the financial impact, if any.
8. 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 Holding Company
9. Figures of the previous period have been regrouped wherever necessary, in order to make them comparable.
10. The above consolidated financial results have been reviewed by joint statutory auditors of the Holding 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 review report dated July 19, 2021.

**Mumbai**  
**July 19, 2021**

**For and on behalf of the Board of Directors**

**Vibha**  
**Padalkar**

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

**PRESS RELEASE - PERFORMANCE FOR THE QUARTER ENDED JUNE 30, 2021**

**BSE Code: 540777**

**NSE Code: HDFCLIFE**

## **Steady performance: 30% APE growth; 40% growth in Value of New Business**

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### **Other Key Highlights:**

- **Ranked #2 in private sector, basis individual premium (market share of 17.8%)**
  - **26.2% New Business Margin on the back of growth and balanced product mix**
  - **Rs. 700 crore of excess mortality reserve created**
  - **20% growth in renewal premium**
  - **Solvency healthy at 203%**
- 

**Mumbai, July 19, 2021: The Board of Directors of HDFC Life approved and adopted today the audited standalone and reviewed consolidated financial results for the quarter ended June 30, 2021. Below is the summary of our standalone results:**

Commenting on the current situation, Ms. Vibha Padalkar, MD & CEO said “The pandemic has impacted lives across the world. For most organizations it has been a test of resilience and agility to adapt to the ever evolving situation. As a leading Life Insurance company, we are determined to help our customers and support our employees and other stakeholders during these trying times.”

Commenting on the Q1 FY22 performance, Ms. Vibha Padalkar, MD & CEO said “Against the backdrop of disruption in business on account of localised lockdowns, and surge in cases during the second wave, we recorded 22% growth and market share of 17.8% in private sector in terms of Individual WRP. We clocked 40% growth in terms of value of new business and we achieved a New Business Margin of 26.2% in Q1. Our product mix continues to remain balanced and our annuity business witnessed strong growth of 61% in this quarter. In comparison to Q1 of last fiscal, the Company clocked higher renewal collections, with 13th month persistency improving from 87% to 90%.

In the quarter gone by, we witnessed a steep rise in death claims, with peak claims in wave 2 at around 3-4 times of the peak claim volumes in the first wave. We paid over 70,000 claims in Q1. The gross and net claims provided for amounted to Rs. 1,598 crore and Rs. 956 crore respectively. Based on our current claims experience, we have set up an additional reserve of Rs. 700 crore to service the claims intimations expected to be received. Our endeavour is to promptly settle every bonafide claim. Our Profit after Tax stands at Rs. 302 crore (33% lower than Q1 FY21), on the back of higher claims reserving towards heightened claims intimation expected in Q2 and Q3. The strength of our balance sheet and back book surplus has enabled us to absorb the shock of heightened claims, whilst continuing to deliver growth.

With signs of the second wave receding, over the past month, we have seen a gradual pick-up in economic activity, across parts of the country. We see greater customer engagement and an increased interest in life insurance policies.”

## Key Financial Summary

Rs Crore	Q1 FY22	Q1 FY21	YoY	FY21	FY20
<b>Key Financial and Actuarial Metrics</b>					
Individual APE	1,306	1,072	22%	7,121	6,145
Total APE	1,561	1,198	30%	8,372	7,407
New Business Premium (Indl + Group)	3,767	2,623	44%	20,107	17,239
Renewal Premium (Indl + Group)	3,889	3,239	20%	18,477	15,468
Total Premium	7,656	5,863	31%	38,583	32,707
Assets Under Management	1,81,272	1,39,975	30%	1,73,839	1,27,226
Networth (1)	8,778	7,448	18%	8,430	6,992
Profit After Tax	302	451	-33%	1,360	1,295
Indian Embedded Value	27,331	22,580	21%	26,617	20,650
Value of new business	408	291	40%	2,185	1,919
Protection based on Individual APE	108	113	-4%	484	466
Protection based on Total APE	246	157	57%	1,070	1,270

	Q1 FY22	Q1 FY21	FY21	FY20
<b>Key Financial Ratios</b>				
New Business Margins	26.2%	24.3%	26.1%	25.9%
Pre-EMR Operating Return on EV (2)	16.5%	15.8%	18.5%	18.1%
Post-EMR Operating Return on EV (2)	14.4%			
Operating Expenses / Total Premium	12.5%	11.5%	12.0%	13.1%
Solvency Ratio	203%	190%	201%	184%
13M / 61M Persistency (3)	90%/53%	87%/53%	90%/53%	88%/54%
Product mix by Indl APE (UL / Non par savings / Annuity/ Non par protection / Par) (4)	27/32/5/8/29	27/28/5/11/30	24/31/5/7/34	28/41/4/8/19
Distribution mix by Indl APE (Corp Agents/ Agency/ Broker/ Direct) (4)	56/15/6/23	59/12/5/24	61/13/7/19	55/14/9/22

Notes:

1. Networth comprises Share capital, Share premium and Accumulated profits
2. EMR: Excess Mortality Reserve
3. Persistency ratios are calculated basis original premium, for Individual business
4. Percentages may not add up due to rounding off effect

### Other key highlights for the year ending June 30, 2021:

- **Overall Market Share:** Ranked #1 in terms of Overall New Business Premium in private sector with market share expanding by 160 bps from 20.7% to 22.3%. Our share within the group and individual new business segment stood at 25.9% and 17.8% respectively
- **Product Portfolio:** We continue to maintain a balanced product mix with share of participating savings, non participating savings, ULIPs, protection and annuity accounted for 29%, 32%, 27%, 8% and 5% of Individual APE respectively. Our focus on the protection segment resulted in 57% growth basis overall APE
- **Distribution Mix:** Our diversified distribution mix is evidenced by the wide access to our customers with nearly 300 partners and 1 lakh+ agents as on June 30, 2021. This is further supplemented by our 390 branches spread across the country
- **Assets Under Management:** As on June 30, 2021, our AUM was Rs. 1.8 lakh Cr. (Debt:Equity mix – 63:37); over 98% of debt investments were in G-Secs and AAA bonds as on June 30, 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
- **Premium less benefits payouts** - The difference between total premium received and benefits paid (gross of reinsurance)
- **Renewal premium** - Regular recurring premiums received after the first policy year
- **Solvency ratio** - Ratio of available solvency margin to required solvency margin
- **Total premium** - Total received premiums during the year including first year, single and renewal premiums for individual and group business
- **Weighted received premium (WRP)** - The sum of first year premium received during the year and 10% of single premiums including top-up premiums

### **About HDFC Life**

HDFC Life Insurance Company Limited ('HDFC Life' / 'Company') is a joint venture between HDFC Ltd., India's leading housing finance institution and Standard Life Aberdeen, a global investment company.

Established in 2000, HDFC Life is a leading long-term life insurance solutions provider in India, offering a range of individual and group insurance solutions that meet various customer needs such as Protection, Pension, Savings, Investment, Annuity and Health. As on June 30, 2021, the Company had 37 individual and 13 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 increased 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 around 300, comprising traditional partners such as NBFCs, MFIs and SFBs, and including new-ecosystem partners. The Company has a strong base of financial consultants.

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

## **Disclaimer**

*Except for the historical information contained herein, statements in this release which contain words or phrases such as 'will', 'would', 'indicating', 'expected to' etc., and similar expressions or variations of such expressions may constitute 'forward-looking statements'. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion in business, the impact of any acquisitions, technological implementation and changes, the actual growth in demand for insurance products and services, investment income, cashflow 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.*

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*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 – Q1 FY22







# Executive summary: Q1 FY22

## Revenue trends

	Individual WRP growth%	HDFC Life	22%
		Industry	16%
	Individual WRP	Rank	2
		Market share	17.8%
	Renewal premium	growth	20%
	13M Persistency	Q1 FY22	90%
		Q1 FY21	87%

## Profitability

	New Business Margin (%)	Q1 FY22	26.2%
		Q1 FY21	24.3%
		FY21	26.1%
	VNB	Rs bn	4.1
		growth	40%
	PAT	Rs bn	3.0
		growth	-33%
	Solvency <sup>1</sup> (2021)	Jun 30	203%
		Mar 31	201%

## Claims

- Settled over 70,000 claims in Q1. Gross and net claims provided for amounted to Rs 16 bn and Rs 10 bn respectively
- Peak claims in Wave 2 (Q1 FY22) at 3-4X of the peak claim volumes in Wave 1 (Q3 FY21)
- Reserves as on Mar 31, 2021 were sufficient to cover claims received in Q1
- Excess mortality reserve (EMR) of Rs 7 bn created based on current expectation of extra claims to be received in future

## Protection/Annuity

	Annuity growth%	HDFC Life	61%
		Industry	22%
	Credit protect growth%	Q1 FY22	204%
		Q1 FY21	-74%

1. Excludes impact of proposed final dividend of Rs 4.1 bn, to be paid in Q2 FY22 (subject to shareholders' approval)



# Agenda



1 Performance Snapshot



2 Our Strategy

3 Managing Covid-19

4 Customer Centricity



5 Annexures

6 India Life Insurance



Performance  
Snapshot

Our Strategy



Managing Covid-19

Customer Centricity

Annexures

India Life Insurance

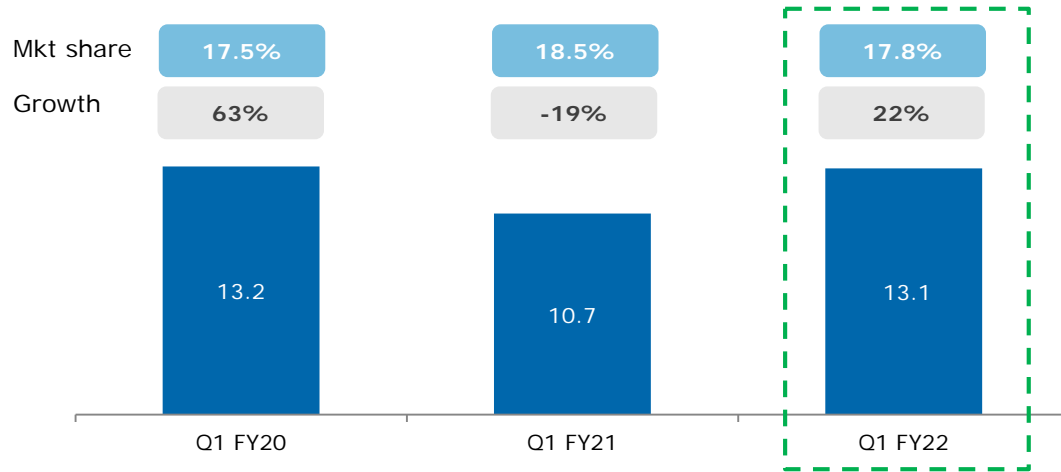


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Performance Snapshot

# Demonstrating resilience in the current environment (1/2)

## Steady Individual WRP trends



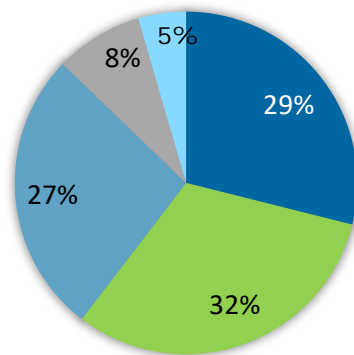
## Strong, sustainable growth<sup>1</sup>

Rs bn

Growth	HDFC Life	Pvt sector	Industry
Q1 FY22	22%	26%	16%
2 yr CAGR	-1%	-1%	-2%
3 yr CAGR	17%	6%	3%

## Balanced product mix

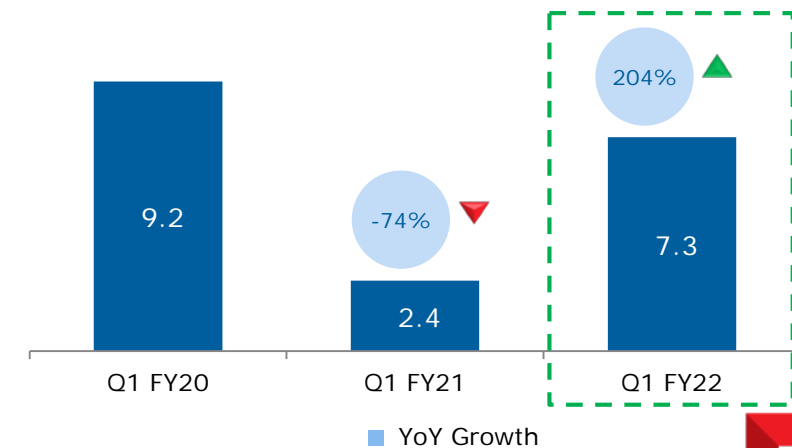
### Individual APE



- Continue to maintain balanced product portfolio
- 61% growth in annuity (individual + group)

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

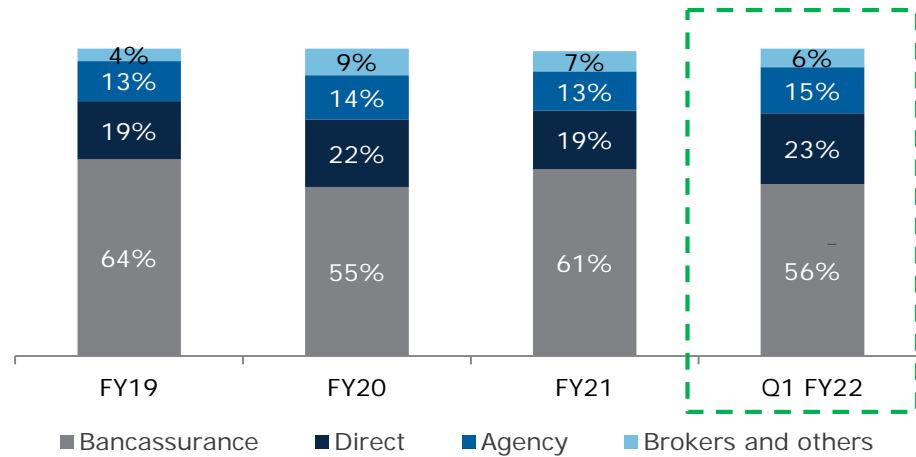
## Improvement in CP<sup>2</sup> volumes on the back of higher disbursements



# Demonstrating resilience in the current environment (2/2)

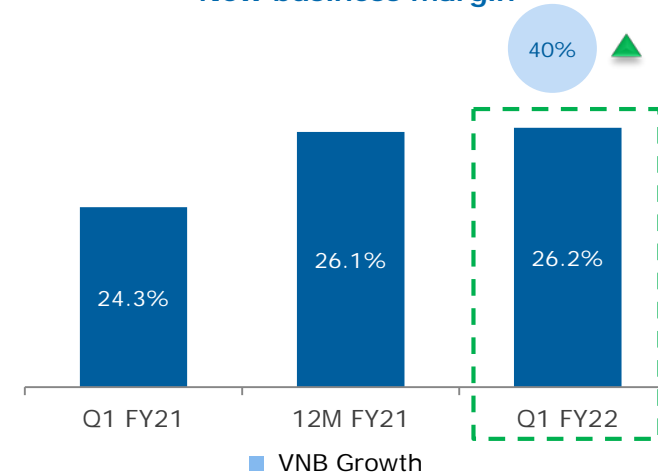
Rs bn

## Focus on diversified channel mix<sup>1</sup>



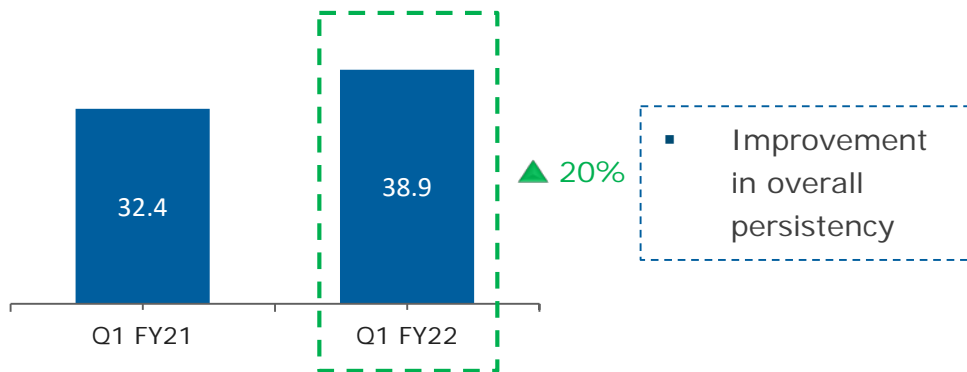
## Profitable growth

### New business margin



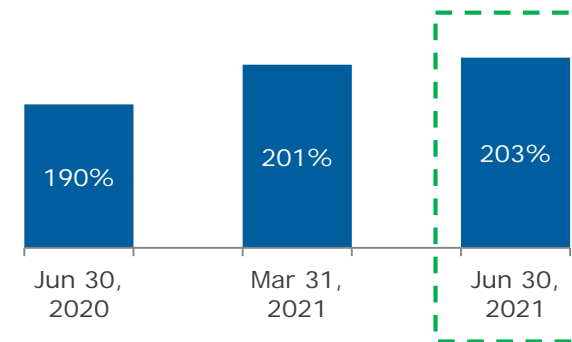
- VNB growth of 40% on the back of higher volumes and balanced product mix

## Strong growth in renewal premium



## Healthy solvency position

### Solvency margin<sup>2</sup>



- Maintained stable solvency ratio

1. Basis Individual APE

2. Excludes impact of proposed final dividend of Rs 4.1 bn, to be paid in Q2 FY22 (subject to shareholders' approval)





Performance  
Snapshot

**Our Strategy**



Managing Covid-19

Customer Centricity

Annexures

India Life Insurance



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**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

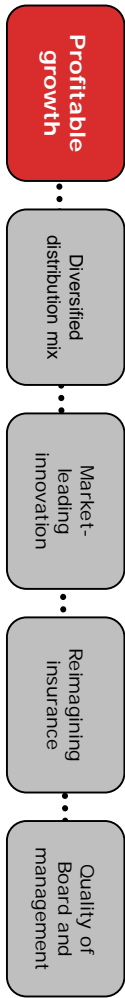
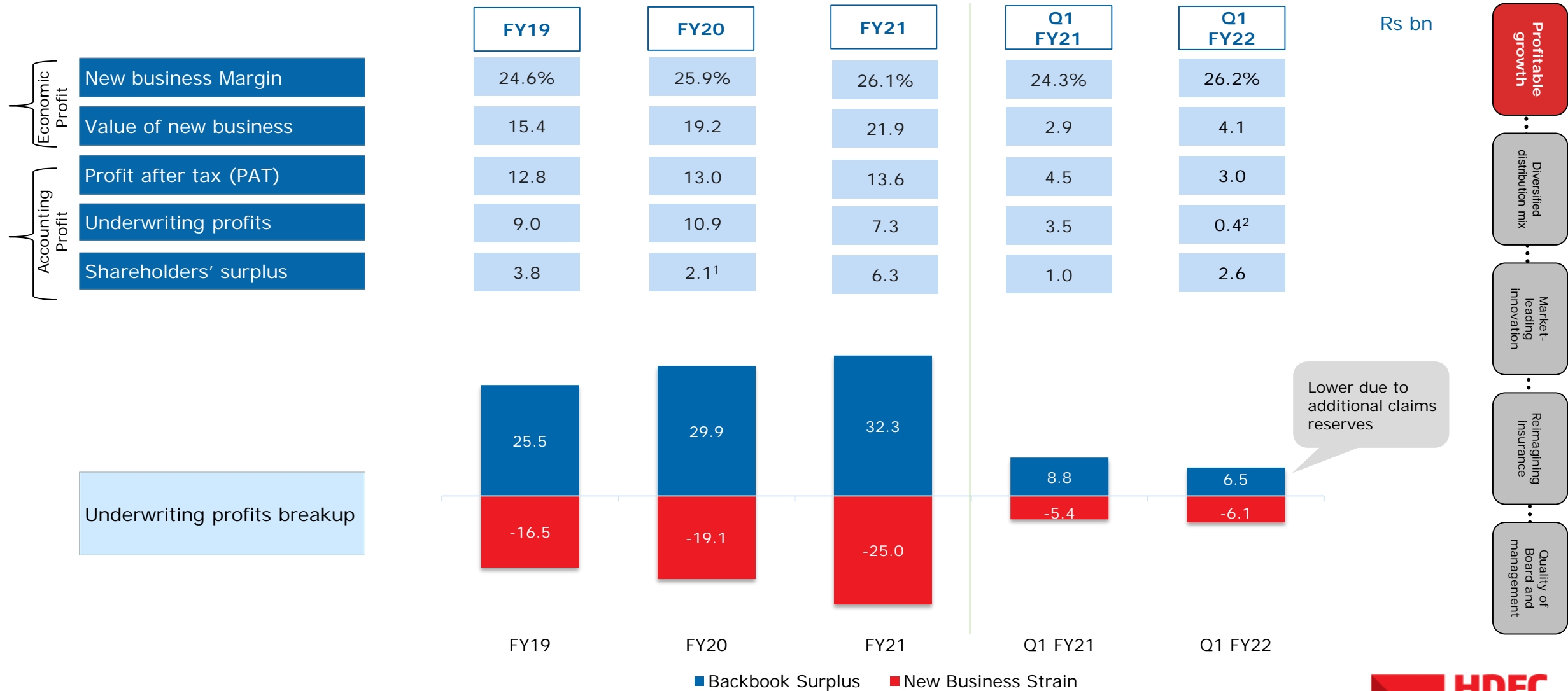


## Quality of Board and management

**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 even through the second wave of Covid-19”**

# Focus on profitable growth



Rs bn

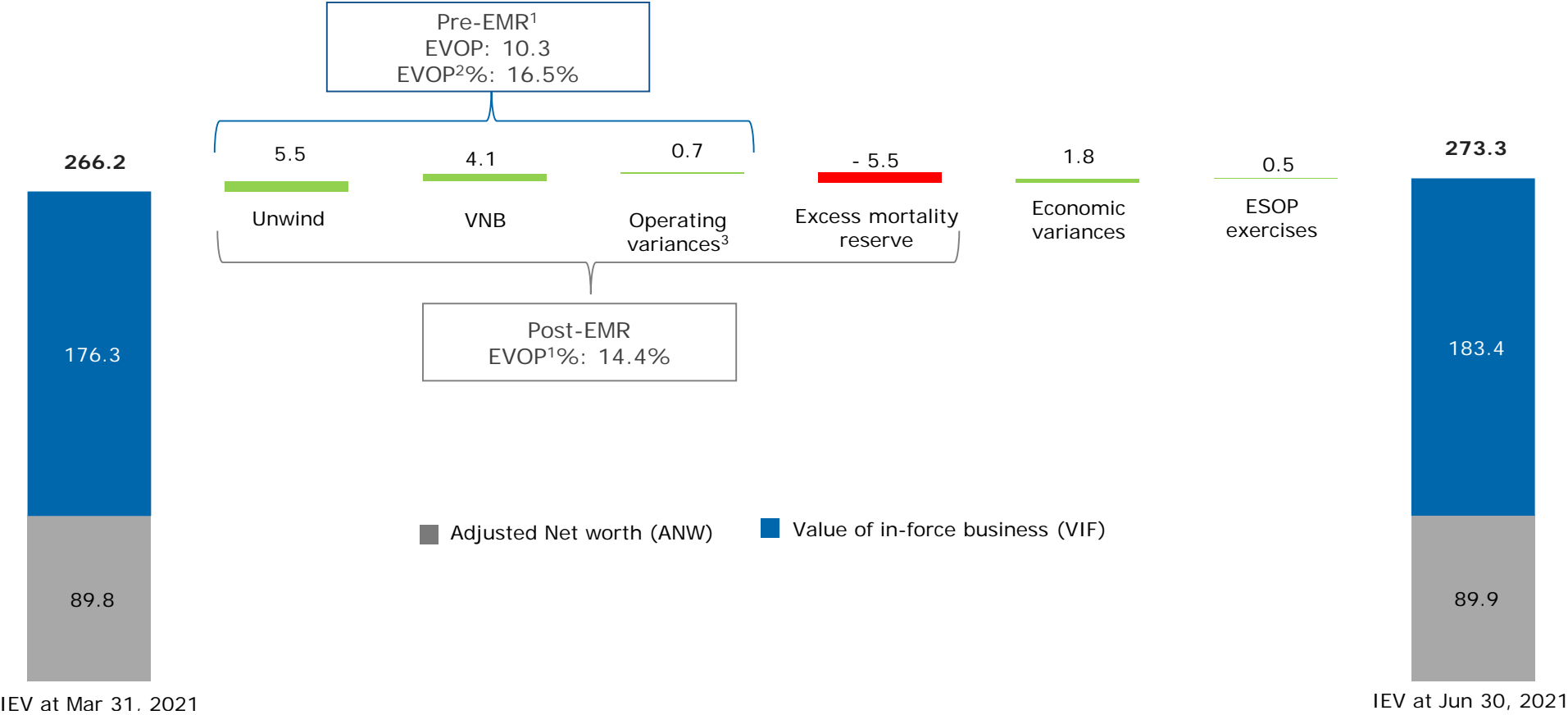
Underwriting profits breakup

■ Backbook Surplus ■ New Business Strain



1. FY20 shareholder surplus: Post accounting for impact of Yes Bank AT1 bonds write-off  
 2. Q1 FY22 underwriting profits: Post accounting for impact of excess mortality reserve (EMR) of Rs 7 bn

# Analysis of change in IEV<sup>1</sup>



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

- Excess claims received in Q1 FY22 absorbed by the reserve created at the start of the financial year
- Additional reserve of Rs 7 bn created for expected claims intimation

1. EMR: Excess mortality reserve  
 2. EVOP% calculated as annualised EVOP (Embedded Value Operating Profit) to Opening EV  
 3. Mortality variance: 0.03, Persistency variance: 0.5, Expenses and Others: 0.2





# Diversified distribution mix enabled by multiple levers

## Enhancing and expanding proprietary<sup>1</sup> channels

share increased from 32% in FY21 to 38% in Q1 FY22



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

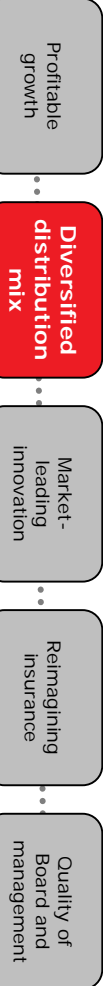


## Strong partnerships



250+ traditional partners

New Partnerships: ICICI Securities and TVS Credit



1. Proprietary channels include Agency, Direct and Online

# Bancassurance powered by technology, partner engagement and people

## Tech enablement



- Insta mobility enabling front-line to generate leads and close sales from any location



- Document elimination for low-risk segments



Cloud Telephony

- Analytics driven upsell, cross-sell and need-based selling



- One stop solution for generating illustration

## Partner engagement



- Platform to engage across bank's hierarchy



- Joint CSR initiatives that strengthen relationships



- Life insurance education and awareness campaigns



- InsurExpert - product and process knowledge series

## Upskilling workforce



- Learning on the go: mobile nuggets for skill enhancement



- Virtual assistant for answering customer/sales queries



- Comprehensive engagement and training programs for sales teams

Profitable growth

Diversified distribution mix

Market-leading innovation

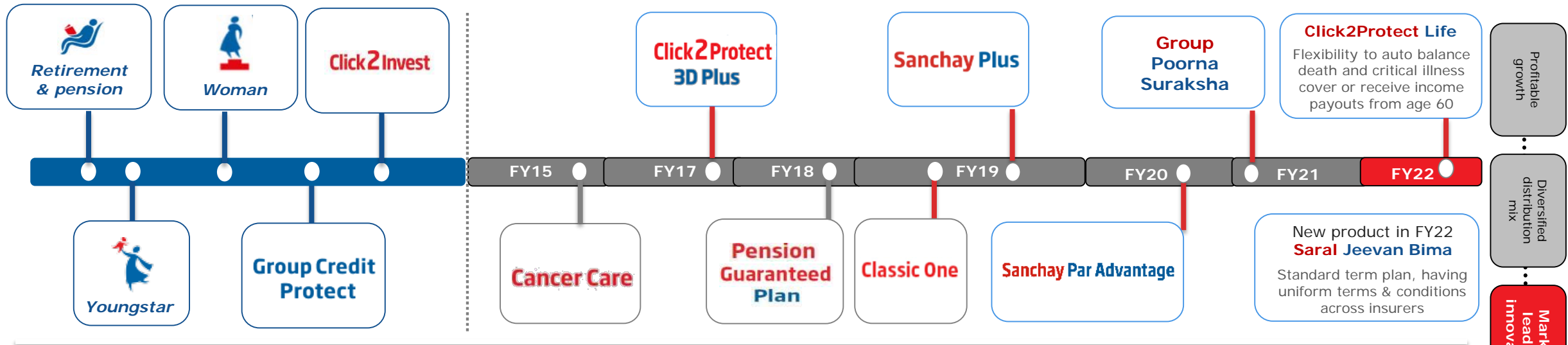
Reimagining insurance

Quality of Board and management

Geared to tap growing potential of Indian banking ecosystem

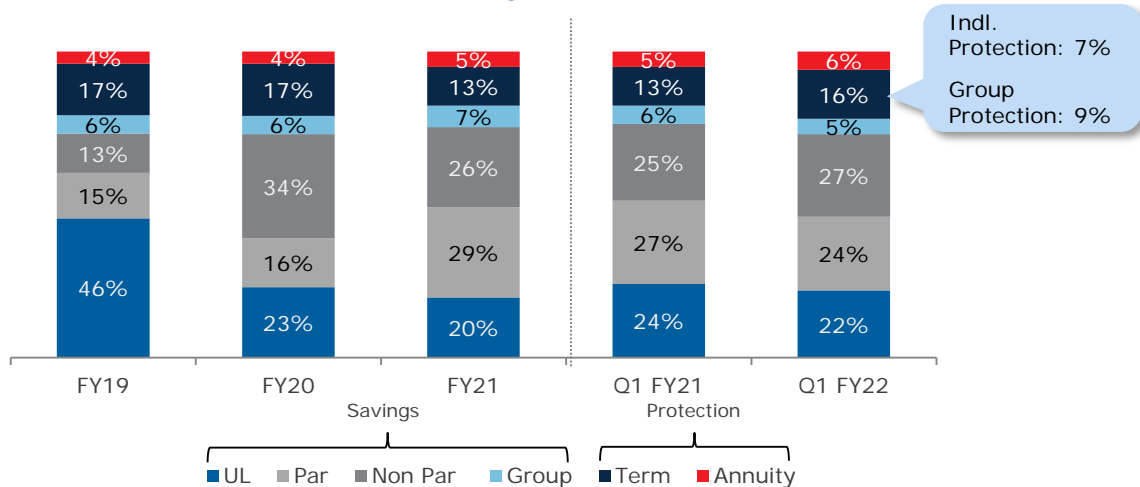


# Expanding market through consistent product innovation

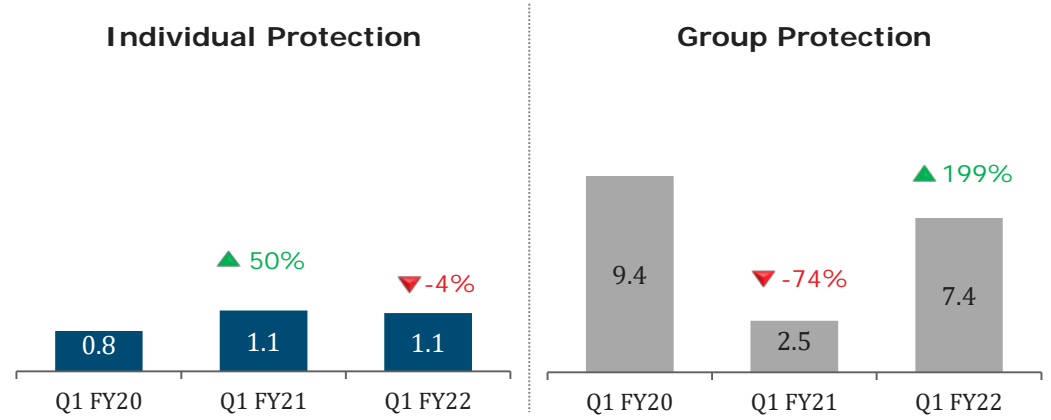


Profitable growth  
Diversified distribution mix  
Market-leading innovation  
Reimagining insurance  
Quality of Board and management

Balanced product suite helps in managing business cycles <sup>1</sup>



Calibrated growth in protection <sup>2</sup> (Rs bn)

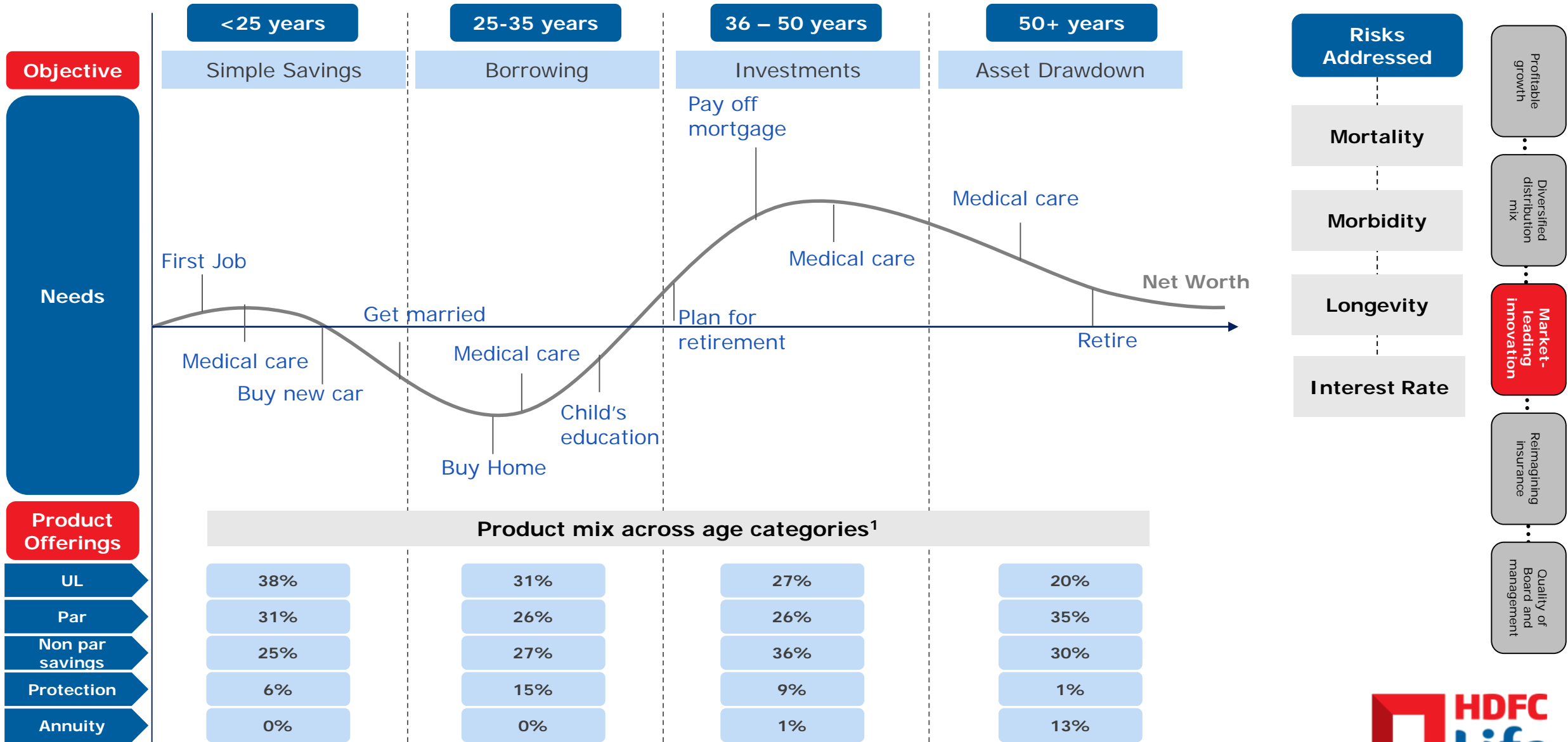


1. As a % of Total APE

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



# Addressing customer needs at every stage of life



1. Based on Individual WRP for Q1 FY22; Percentages may not add up due to rounding off effect

# Our approach to retirement solutions

**Opportunity to grow the retiral corpus<sup>1</sup> by 3x between FY21-25**  
**Retiral corpus as a % of total AUM<sup>2</sup> has increased from 19% in FY17 to 30% in Q1 FY22**

## 1. NPS



- Ranked #1 in Retail and Corporate NPS segment, with AUM of Rs 186.7 bn
- Registered strong AUM growth of 87% in Q1 FY22

## 2. Individual income plans<sup>3</sup>



- 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 >5,000 lives covered in Q1 FY22

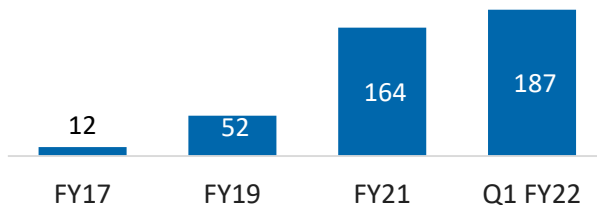
## 4. Group superannuation fund



- Managing funds for 150+ corporates under superannuation scheme

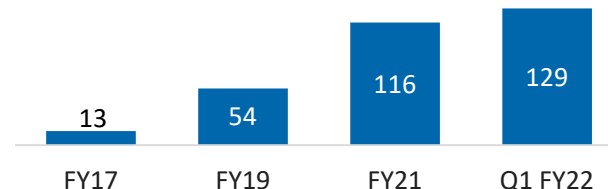
### NPS AUM

FY17-21 CAGR: 94% ▲



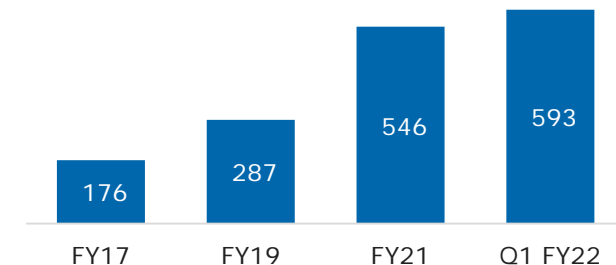
### Annuity portfolio

FY17-21 CAGR: 72% ▲



### Retiral corpus<sup>1</sup>

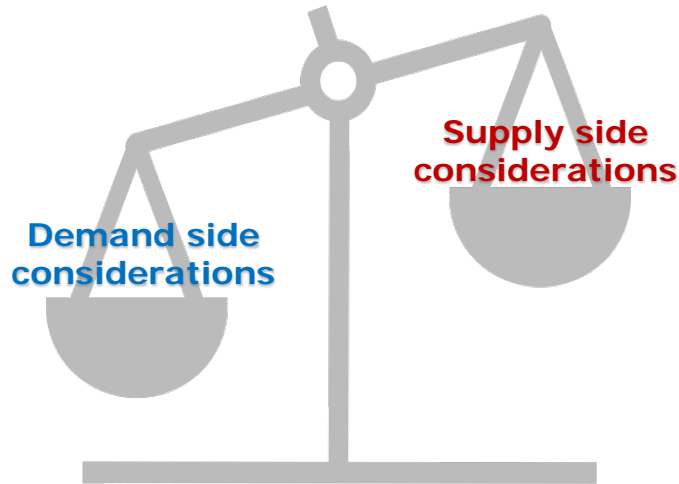
FY17-21 CAGR: 33% ▲



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

# Our protection philosophy

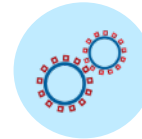
Protection is a multi-decade opportunity that we plan to address prudently with continued innovation



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

- ✓ Adverse mortality experience
- ✓ Recalibration by reinsurers
- ✓ Need for calibrated underwriting
- ✓ Sustaining robust claim settlement ratio
- ✓ Insurers moving beyond top 10 cities and salaried segment

## Our Focus Areas



Strengthening underwriting practices and use of deep learning underwriting models



Continue to address protection opportunity through group platform (Credit Life) apart from retail business



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

# Multi-pronged risk management approach for protection

1

## Reducing incidence of fraud & early claims

### Analytics and Data Enrichment

#### Risk+

AI-ML based risk models, rule engines, credit bureaus etc.

### No 'one size fits all' underwriting



Dynamic classification depending on profile, detailed medical & financial underwriting

### Regular portfolio review



To identify emerging trends, outliers and take corrective actions

2

## Limiting impact on profitability & solvency

### Reinsurance



Optimized reinsurance strategies for risk transfer

### Catastrophe agreement



To protect excess loss

### Prudent reserving



Well provisioned to prevent sudden shocks from current pandemic

3

## Balancing pricing & underwriting

### Active re-pricing



Ongoing wherever required (mostly applies for Group schemes)

### Product boundary conditions



Gate criteria depending upon sourcing channel

4

## Strong governance & audits @Partners

### TPAs & medical centers



Ensure process & quality adherence

### Distribution partners



Adherence to best practices and continuous monitoring of risk

Profitable growth

Diversified distribution mix

Market-leading innovation

Reimagining insurance

Quality of Board and management



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

Banca <sup>2</sup>	Segment	FY19	FY20	FY21	Q1 FY22
	UL	64%	32%	27%	30%
	Par	13%	18%	37%	34%
	Non par savings	17%	44%	30%	29%
	Term	4%	4%	4%	5%
	Annuity	3%	2%	2%	2%

Direct	Segment	FY19	FY20	FY21	Q1 FY22
	UL	50%	33%	29%	27%
	Par	8%	14%	17%	13%
	Non par savings	12%	20%	16%	22%
	Term	6%	4%	3%	4%
	Annuity	24%	29%	35%	34%

Agency	Segment	FY19	FY20	FY21	Q1 FY22
	UL	26%	12%	10%	13%
	Par	40%	34%	37%	29%
	Non par savings	17%	40%	39%	41%
	Term	12%	12%	11%	13%
	Annuity	5%	3%	3%	3%

Online <sup>3</sup>	Segment	FY19	FY20	FY21	Q1 FY22
	UL	62%	44%	39%	39%
	Par	2%	1%	1%	1%
	Non par savings	1%	18%	29%	29%
	Term	35%	37%	30%	29%
	Annuity	1%	1%	2%	2%

Company	Segment	FY19	FY20	FY21	Q1 FY22
	UL	55%	28%	24%	27%
	Par	18%	19%	34%	29%
	Non par savings	15%	41%	31%	32%
	Term	7%	8%	7%	8%
	Annuity	5%	4%	5%	5%

Protection		FY19	FY20	FY21	Q1 FY22
	Basis APE	17%	17%	13%	16%
	Basis NBP	27%	27%	20%	22%

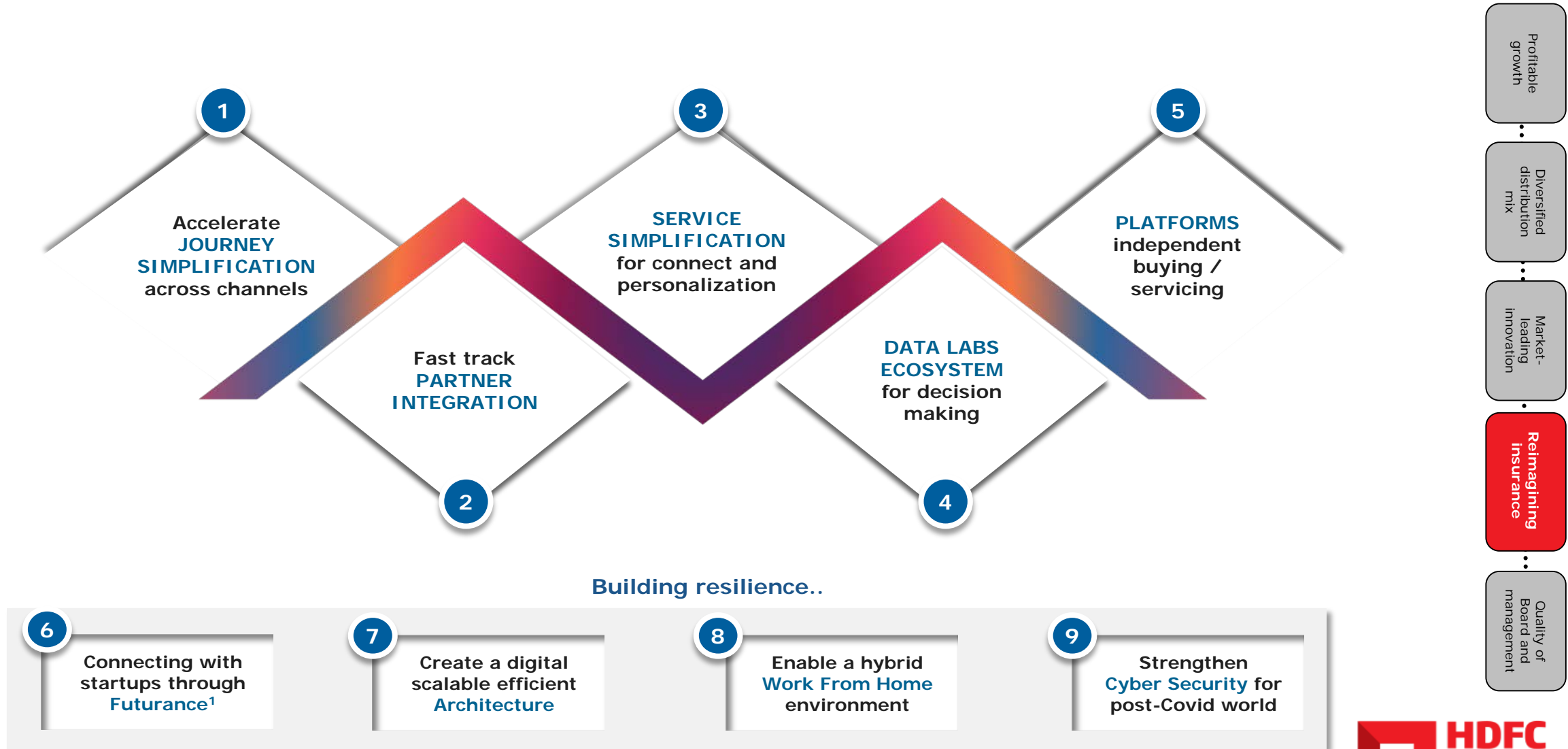
Annuity		FY19	FY20	FY21	Q1 FY22
	Basis APE	4%	4%	5%	6%
	Basis NBP	17%	16%	20%	26%

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
3. Includes business sourced through own website and web aggregators



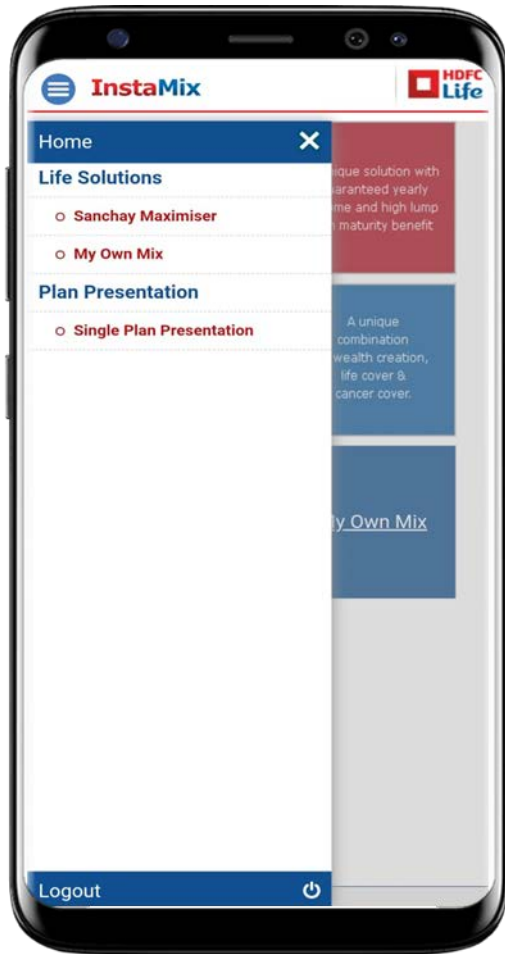


# Aligned to make life simpler for the customers in a turbulent environment



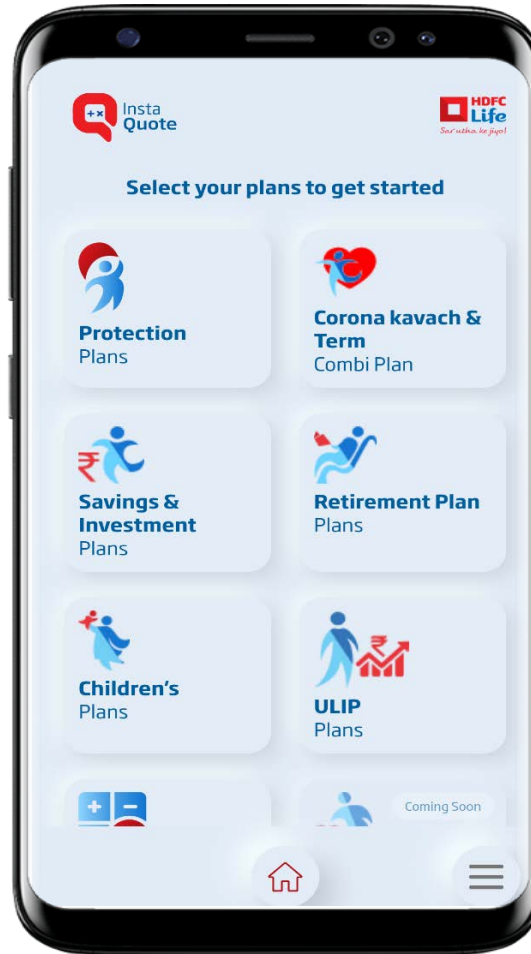
1. Futurance: A program to collaborate with startups for harnessing cutting-edge technology

# Journey Simplification – Enabling pre and post sales efficiency



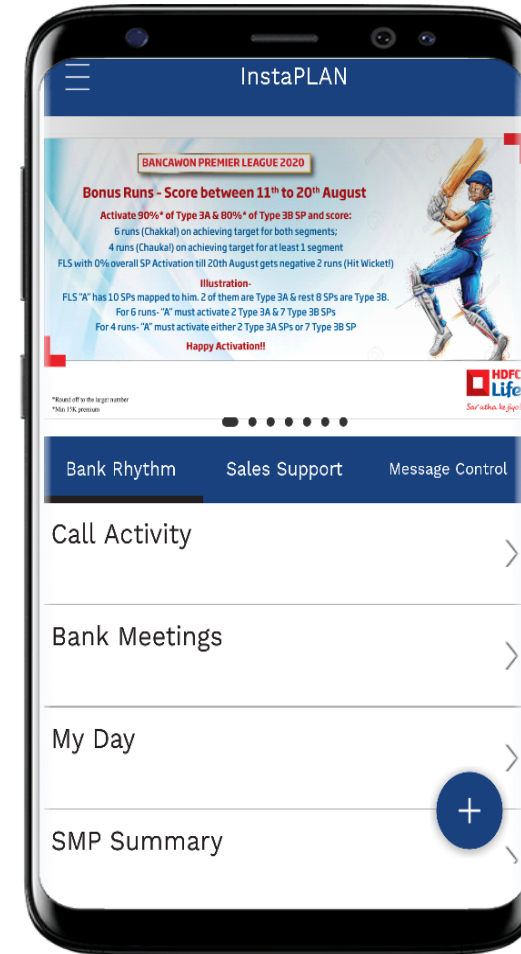
**InstaMix**

Integrated seamless journey  
Pre approved popular plan combos



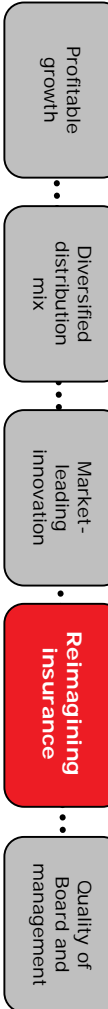
**InstaQuote**

Offline quote calculator for sales  
15,000+ daily quote generation




**InstaPlan**

Digital tool for sales activity management  
5,000+ active users



# Creating a scalable and efficient digital architecture



1 Sign Up

2 Choose API

3 Subscribe API

4 Test API

## InteGreat

Publish and test APIs for partner integration


**18 new business APIs** rolled out



## Payment Middleware

Unified API middleware for payment gateways

**2 payment gateways** on-boarded



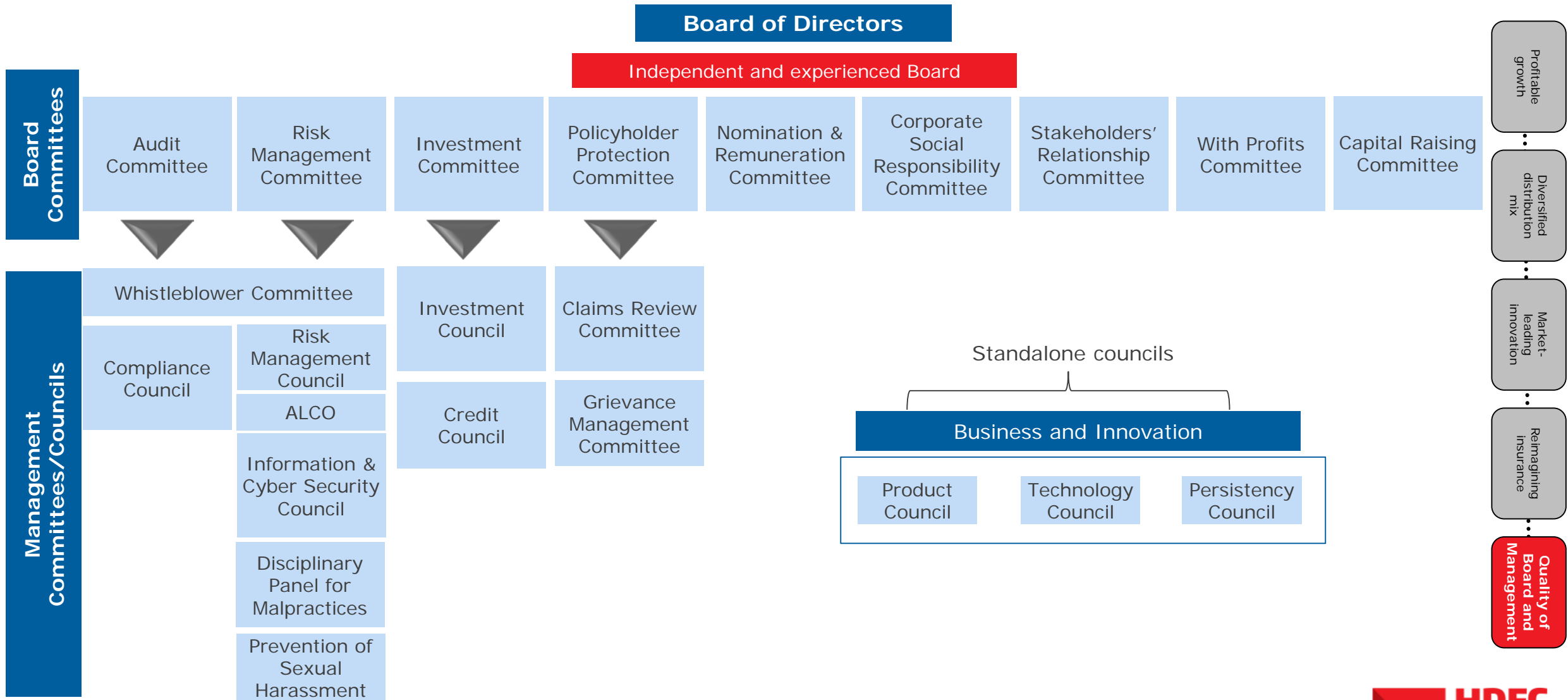
## CloudLife

Flexible & agile infrastructure services

**~65% reduction in downtime**

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

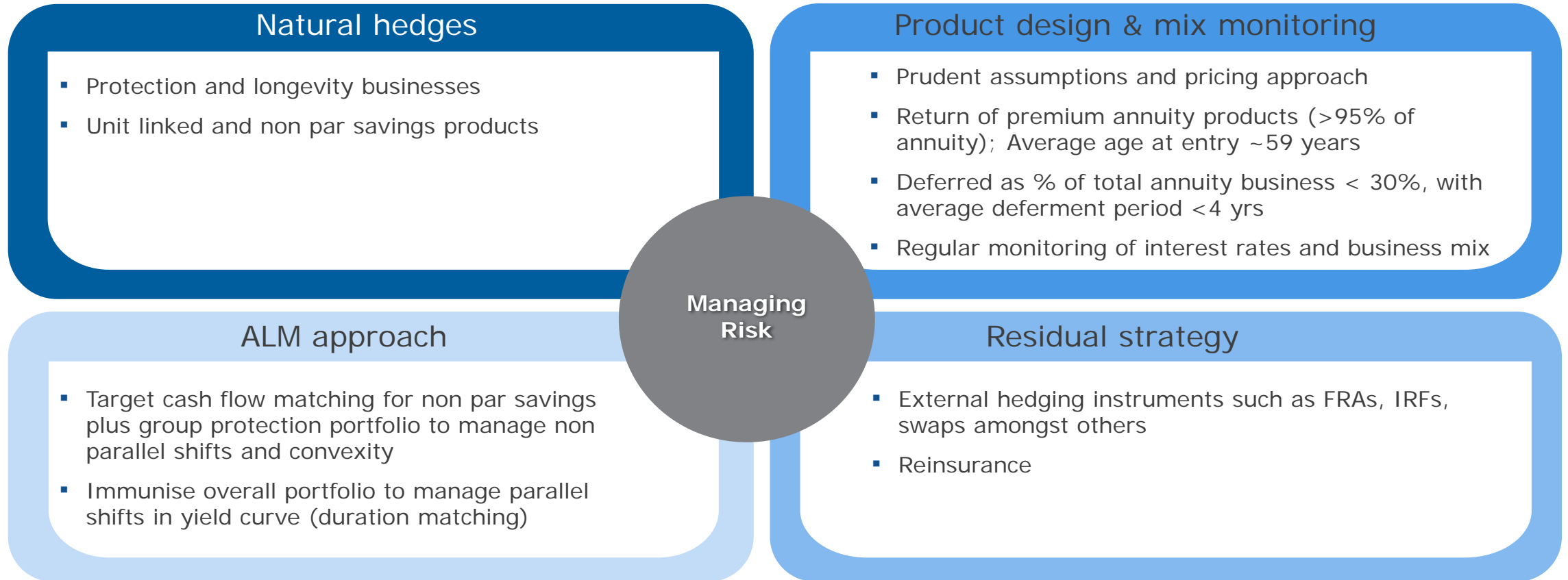
# Governance framework



Additional governance through Internal, Concurrent and Statutory auditors



# Financial risk management framework



Sensitivity	FY21				Q1 FY22			
	Overall		Non par <sup>1</sup>		Overall		Non par <sup>1</sup>	
Scenario	EV	VNB Margin	EV	VNB Margin	EV	VNB Margin	EV	VNB Margin
Interest Rate +1%	(2.2%)	(1.5%)	(2.3%)	(2.9%)	(2.2%)	(1.6%)	(2.5%)	(2.9%)
Interest Rate -1%	1.6%	0.9%	1.2%	1.8%	1.9%	1.1%	2.0%	2.1%

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





Performance  
Snapshot

Our Strategy



Managing Covid-19

Customer Centricity

Annexures



India Life Insurance

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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



## 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

## Employee Engagement/ Facilitation



### Vaccination drive



### Work from home



### Emotional & mental wellbeing program



### Doctor on call service



### ICU at home



### Walkathon

# 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. ~45% digital pre-conversion verification (through chat and eCCD) ★



**Telemedicals** – 64% of the medicals done through tele-medicals



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



**InstaInsure** - Simplified insurance buying through a 3-click journey

## Policy servicing



**SVAR** Digital Renewal collections - 87% based on renewal premiums and 96% 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%<sup>1</sup> eligible claims settled in 1 day. Claims initiation process also enabled through Whatsapp



**RPA** –Robotic Process automation handled ~300 processes remotely



**Contact centres** - Branch staff replacing call centre agents

## Customer interactions



**InstA**  
**Seamless support experience** - ~1.8 mn monthly queries handled by instA (virtual assistant)



**Use of mobile app** – Over 41% increase in mobile app usage



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



**24\*7 self-service options** - ~97% 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 Agency Life Platform ★



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



**Insta PRL**  
**Agent on-boarding** - Insta PRL enabling digital on-boarding of agents – 20,000+ applications logged in Q1 FY22



**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

1. Claim settlement ratio through LifeEasy (online) platform, as on 31<sup>st</sup> March 2021





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**Customer Centricity**

Annexures

India Life Insurance

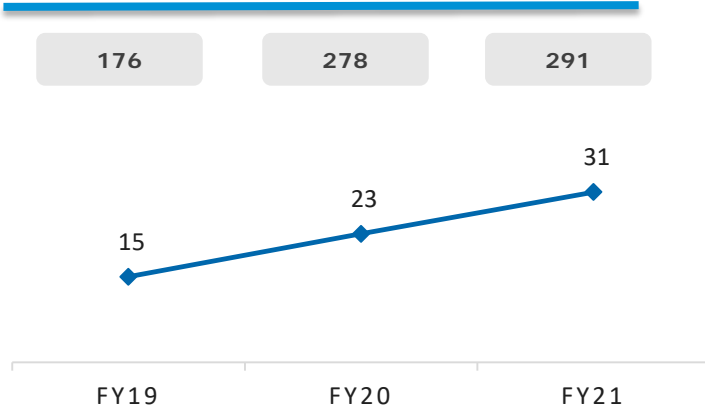
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**Customer Centricity**

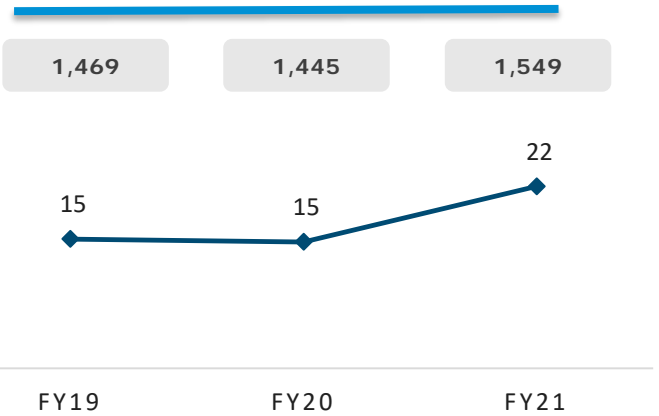


# Delivering significant customer benefits at scale

## Death claims payout



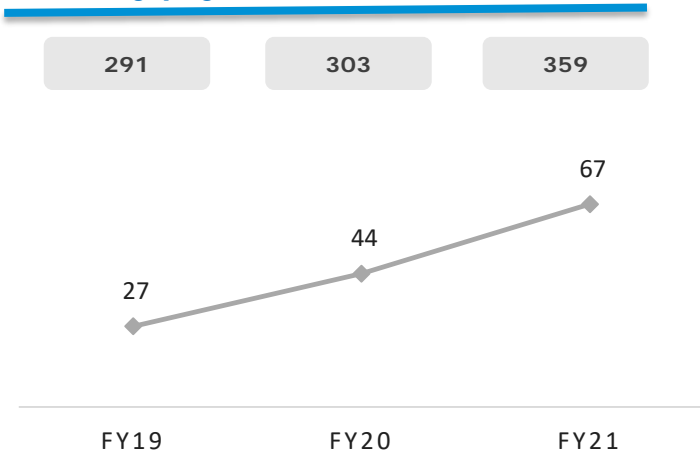
## Par bonus



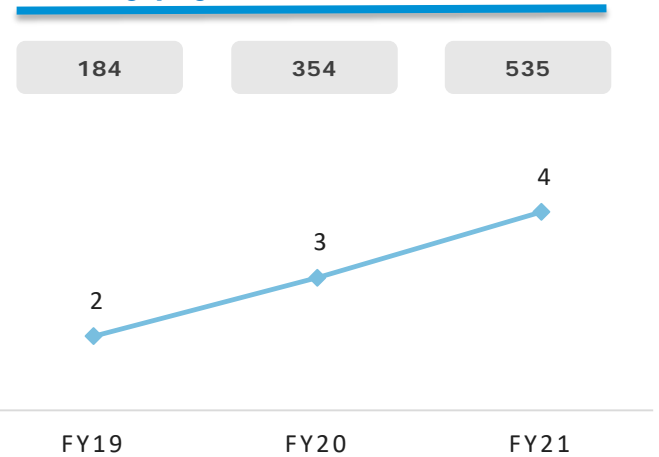
Rs bn

No. of lives benefitted (in '000s)

## Maturity payout



## Annuity payout



## Key metrics

Covering ~75 mn lives and managing ~5 mn inforce policies as on March 31, 2021

Settled death claims amounting to ~ Rs 69 bn over last 3 years

Paid maturity benefits amounting to ~ Rs 137 bn over last 3 years

Highest participating bonus of Rs 22 bn declared in FY21, benefitting more than 1.5 mn customers

Overall claim settlement ratio at 99.4% in FY21 (including ~100% for PMJJBY scheme)





Performance  
Snapshot

Our Strategy



Managing Covid-19

Customer Centricity

Annexures



India Life Insurance

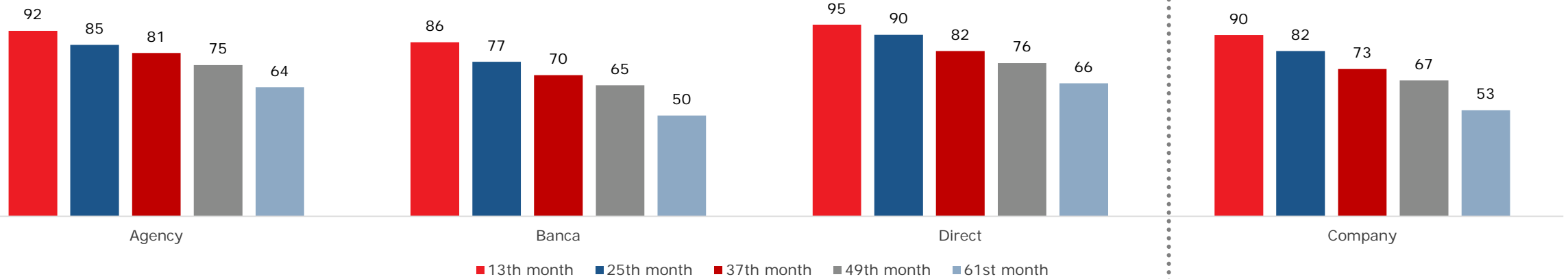
5

Annexures

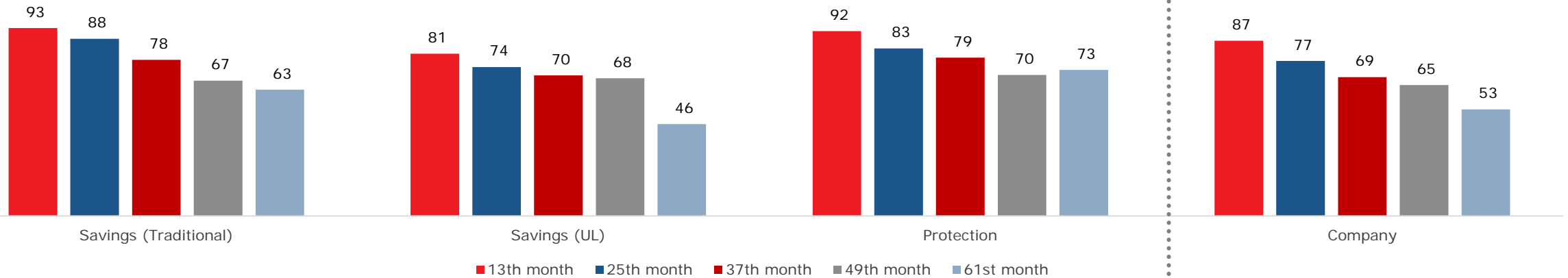


# Individual persistency for key channels and segments<sup>1</sup>

## Across key channels (%)



## Across key segments (%)



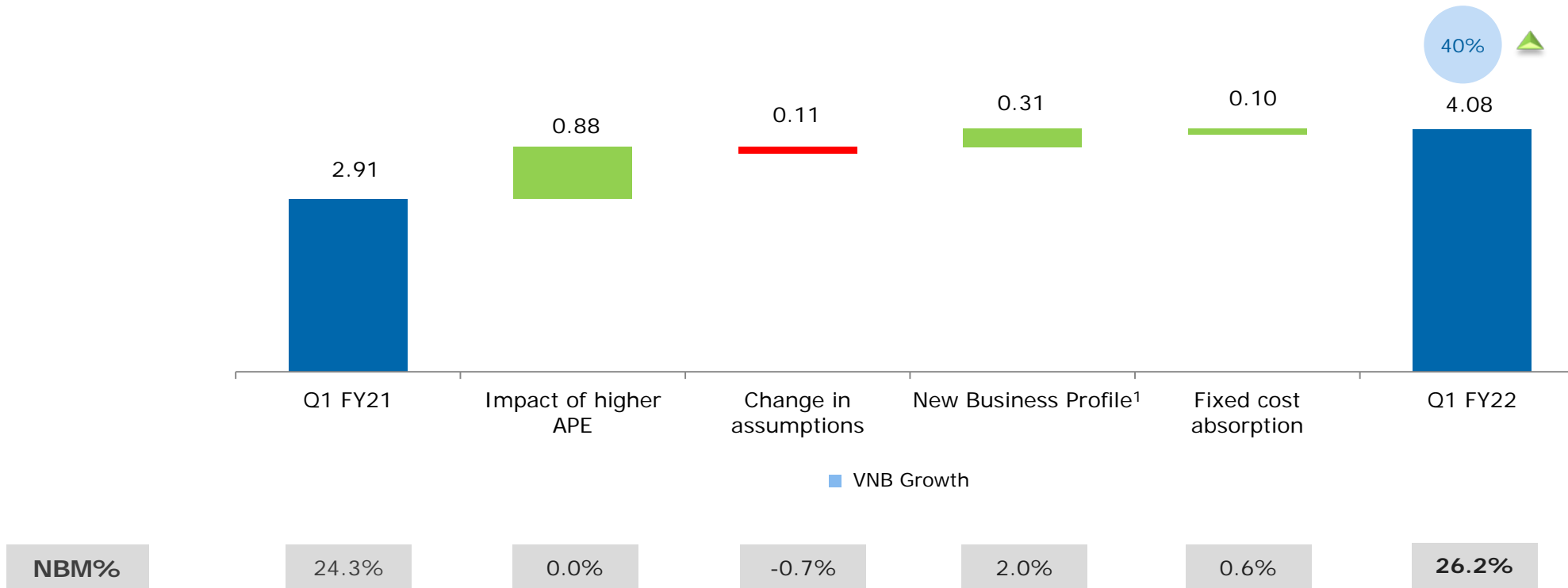
Actuarial  
Financial  
ESG



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

# Improving VNB trajectory

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 <sup>1</sup>	% Change in EV
<b>Change in</b>			
<b>Reference rate</b>	Increase by 1%	-1.5%	-2.2%
	Decrease by 1%	0.9%	1.6%
<b>Equity Market movement</b>	Decrease by 10%	-0.1%	-1.5%
<b>Persistency (Lapse rates)</b>	Increase by 10%	-0.3%	-0.6%
	Decrease by 10%	0.3%	0.5%
<b>Maintenance expenses</b>	Increase by 10%	-0.5%	-0.8%
	Decrease by 10%	0.5%	0.7%
<b>Acquisition Expenses</b>	Increase by 10%	-3.1%	NA
	Decrease by 10%	3.1%	NA
<b>Mortality / Morbidity</b>	Increase by 5%	-1.0%	-0.8%
	Decrease by 5%	1.0%	0.8%
<b>Tax rate<sup>2</sup></b>	Increased to 25%	-4.8%	-8.3%

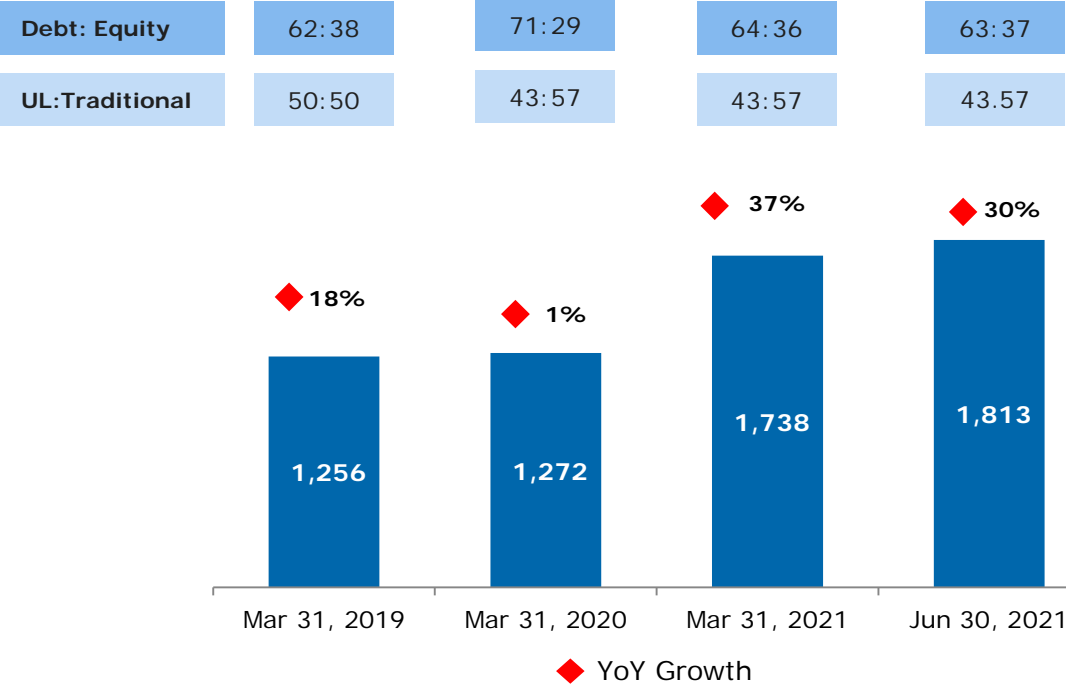


1. Post overrun total VNB for Individual and Group business

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.

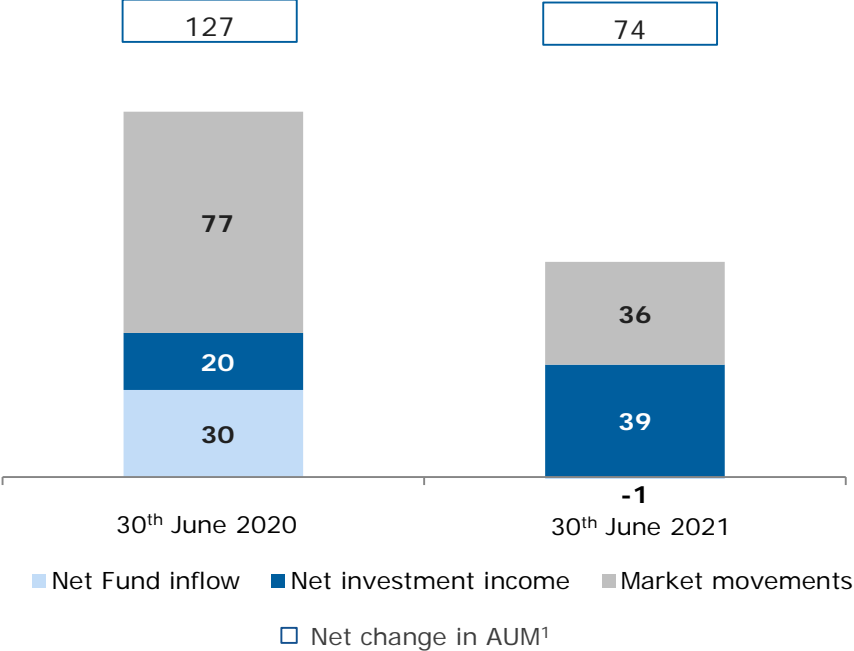
# Assets under management

## Assets Under Management



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

Rs bn



Over 98% of debt investments in Government bonds and AAA rated securities as on June 30, 2021

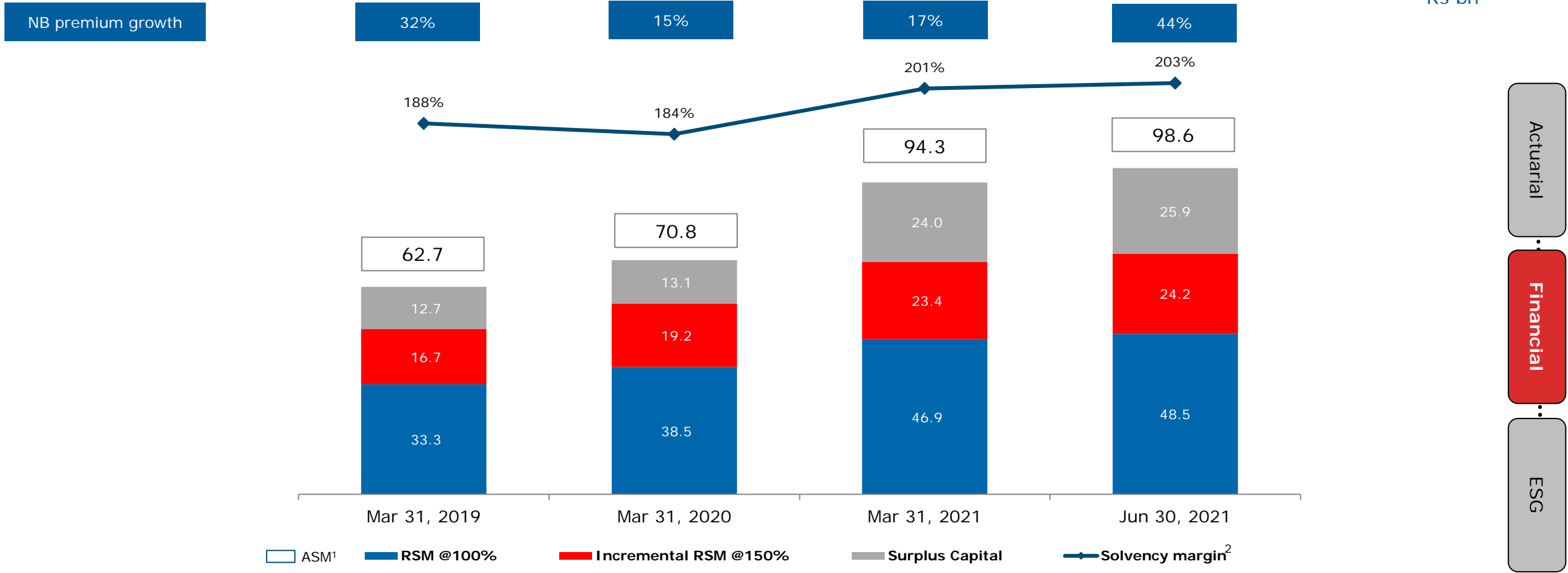
Actuarial  
Financial  
ESG

1. Calculated as difference from April to June



# Stable capital position

Rs bn



Actuarial  
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; Excludes impact of proposed final dividend of Rs 4.1 bn, to be paid in Q2 FY22 (subject to shareholders' approval)



# Focus on sustainability

Our ESG strategy focusses on five pillars, each of which aims to address ESG related risks and create long term value for all stakeholders

## Reflecting on our ESG Tenets

Our ESG strategy is based on following tenets:



Ethical Conduct



Responsible Investment



Diversity, Equity and Inclusion



Holistic Living



Sustainable Operations



- Active engagement with external agencies including MSCI, S&P Global (DJSI)



- MSCI rating improved from 'BB' in October 2019 to 'BBB' in August 2020
- S&P Global (DJSI) rating improved significantly in FY 2021



- First Integrated report published (FY 2021)



- ESG report published in July 2021



Actuarial

Financial

ESG

# Environment • Social • Governance

## 5 pillars of ESG



**Ethical Conduct**



**Responsible Investment**



**Diversity, Equity & Inclusion**



**Holistic Living**



**Sustainable Operations**

## Governance structure



### Corporate governance policy

- Commitment to ethical business practices
- Includes Corporate structure and stakeholder management



### Board evaluation & independence

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



### Board Diversity policy

- 27% women as on 30<sup>th</sup> June, 2021

## Compensation framework



### Remuneration policy

Seeks to balance the fixed and incentive pay



### Performance Management System

based on the principles of balanced scorecard



### Disclosure of managerial remuneration

in the annual report

## Business ethics and compliances



Code of Conduct



Whistle blower Policy



PRSH<sup>1</sup>



BRR<sup>2</sup> & Stewardship Code



Human Rights



Anti Bribery & Corruption Policy



AML<sup>3</sup>



Privacy Policy

## Risk management and BCM



### Risk management policy

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



### 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

## Information/Cyber Security Responsible Investment (RI)



- ISO 27001:2013 and ISMS assessment program
- Data Privacy Policy

- Generate optimal risk adjusted returns over the long term
- RI framework
  - applicable to all major asset classes including equity and bonds
  - integrated into investment analysis

1. PRSH: Prevention of Sexual Harassment

2. BRR: Business Responsibility Report

36 3. AML: Anti Money Laundering

# Environment • Social • Governance

## 5 pillars of ESG



Ethical Conduct



Responsible Investment



Diversity, Equity & Inclusion



Holistic Living



Sustainable Operations

### 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

### Training & 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 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**

### Employee diversity



- Actively promoting **diversity and inclusion**
- 25% women employees (maternity transition program, mentoring program for women, Economic Times Femina Best Workplaces for women)
- Promoting **diverse talent pool** (work profiles for second career women, specially-abled)
- LGBTQ+ friendly organisation
- Promoting diverse talent pool - #MyJobMyRules

### 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



# Environment • Social • Governance

## 5 pillars of ESG



Ethical Conduct



Responsible Investment



Diversity, Equity & Inclusion



Holistic Living



Sustainable Operations

## Inclusive growth



- The Corporate Social Responsibility wing is aligned with the UN Sustainable Development Goals (SDGs) with focus on Education, Health, Environment, Livelihood & Disaster Relief
  - FY21: 22 CSR projects across 24 states and 3 Union Territories impacting >233K beneficiaries in India
  - Support 10 out of the 17 UN Sustainable Development Goals



### COVID-19 Response in FY21

- 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

## Financial Inclusion



- In line with the Government's social scheme 'Pradhan Mantri Jeevan Jyoti Bima Yojana', HDFC Life offers HDFC Life Pradhan Mantri Jeevan Jyoti Bima Yojana Plan, which is a pure group term insurance product
- Group Jeevan Suraksha and Group Term Insurance are micro insurance products that have been designed for the members of micro finance institutions, co-operatives, self-help groups, etc.
- Under these plans, the Company covered a total of 2.1 cr lives till March 31, 2021



## Customer centricity



### Leveraging technology

- To simplify life insurance for customers through their journey across issuance, claims, servicing, or any other engagement
  - 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



### Customer Satisfaction

- Grievance Redressal Policy
  - 13<sup>th</sup> month persistency improved to 90%
- Complaints per 10K reduced from 47 in FY20 to 35 in FY21
  - Improvement in overall Customer Satisfaction (CSAT) Scores





# Environment • Social • Governance

## 5 pillars of ESG



Ethical Conduct



Responsible Investment



Diversity, Equity & Inclusion



Holistic Living



Sustainable Operations

## Energy and water



### Energy efficiency and water conservation initiatives

- Use of 3/5 star rated appliances with regular maintenance
- 69% of branches use LED based lighting system
- Use of sensor based urinals and water taps
- 12 water dispensing units installed in villages to provide clean drinking water
- Implementation of switch rooms across 384 branches resulting in reduced air-conditioning usage (both in running hours and temperature settings), leading to decrease in electricity bill units by 14% in FY21
- Replacement of Uninterruptible Power Supply UPS with new energy efficient devices; reduction of UPS capacity by 50% (equivalent to 750 KVA)
- Replacement of bottled drinking water with water purifiers
- Installation of sensor-based taps at corporate office and other select office locations

## Business travel



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

## Digitization



### Reduction of Paper Usage

- Online /e-forms for customers
- Annual report FY21 digitally communicated to all stakeholders
- Printers configured with default double side printing

## CSR initiatives



- 17 city forests in over 45,000 sq.ft. area using the Miyawaki method. Over 50 different native species used
- Over last three years, 41,695 trees have been planted
- Plans to expand to support solar on schools and water rejuvenation projects

## Waste management



- 310 Kgs of e-waste was recycled/ refurbished/disposed in an environmentally controlled manner, conforming to the guidelines of E-Waste (Management) Rules, 2016
- Donated old IT assets to recycling agencies for helping under-privileged sections of the society
- 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





Performance  
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India Life Insurance



6

India Life Insurance

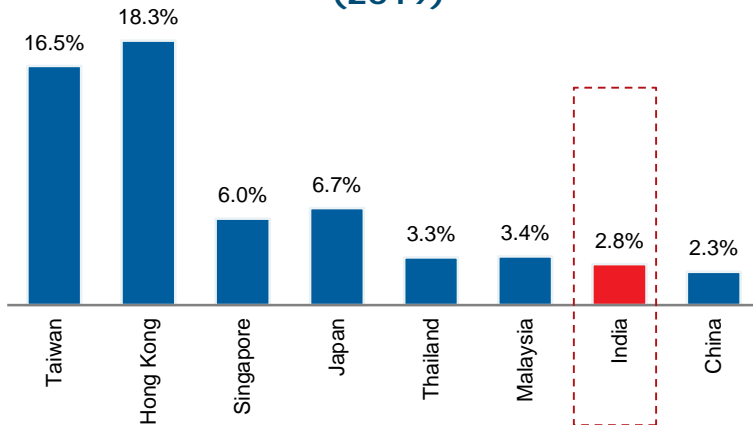


Life  
Insurance

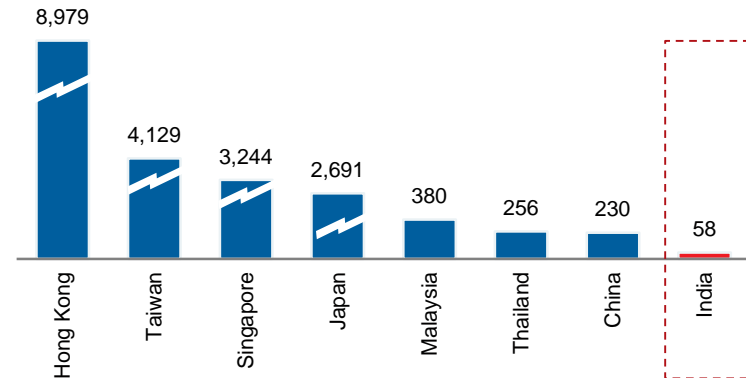


# Growth opportunity: Under-penetration and favorable demographics

**Life Insurance penetration <sup>1</sup> (2019)**

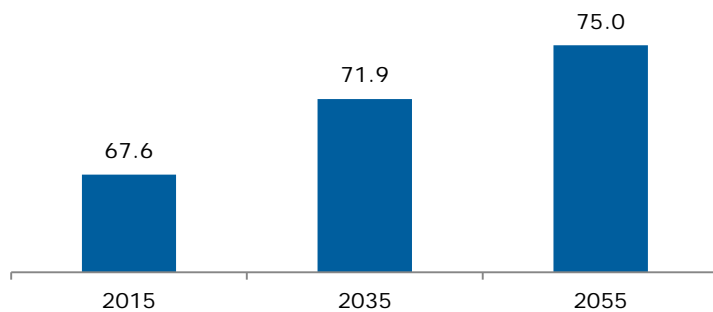


**Life Insurance density US\$ <sup>2</sup> (2019)**

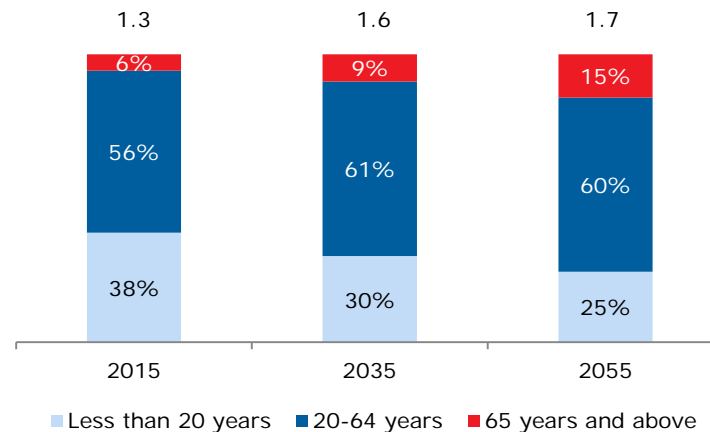


- India remains vastly under-insured, both in terms of penetration and density
- Huge opportunity to penetrate the underserved segments, with evolution of the life insurance distribution model

**Life expectancy (Years)**



**Population composition (bn)**



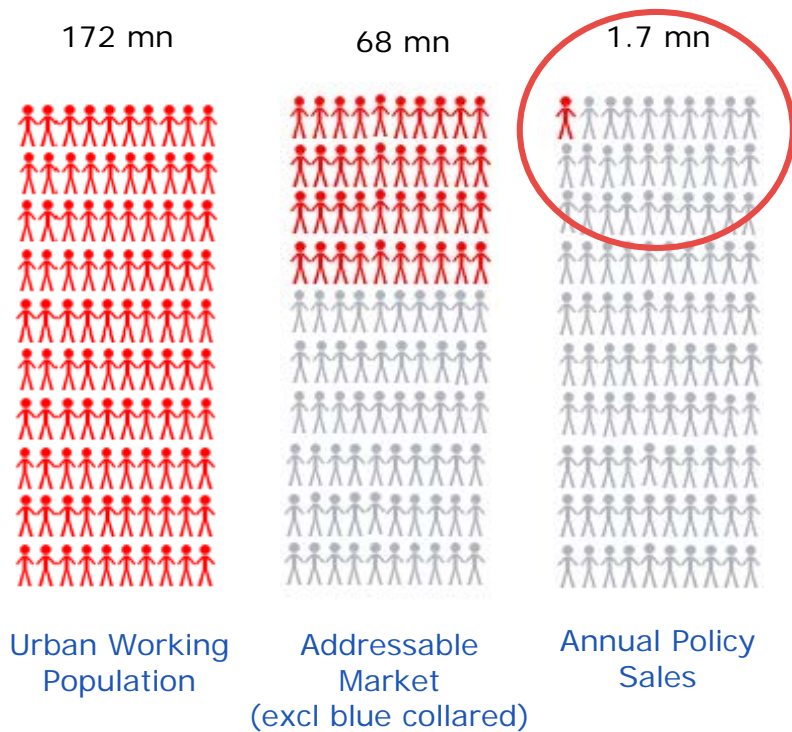
- India's insurable population estimated to be at ~1 bn by 2035
- Emergence of nuclear families and advancement in healthcare facilities lead to increase in life expectancy thus facilitating need for pension and protection based products

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

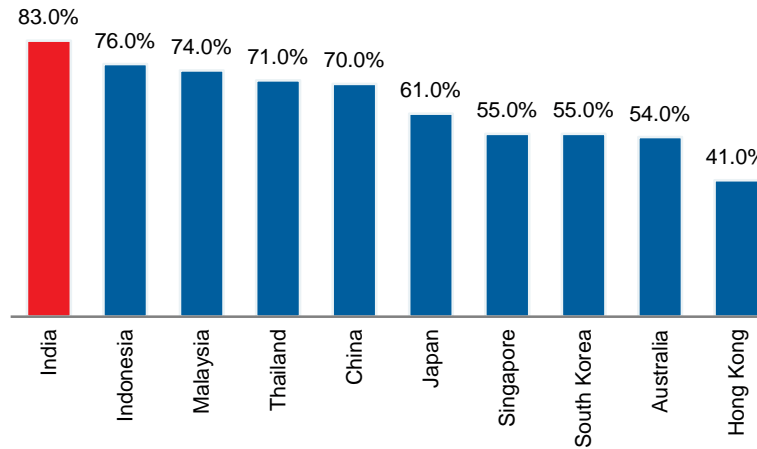
Source: Swiss Re (Based on respective financial year of the countries), MOSPI, United Nations World Populations Prospects Report (2017)

# Low levels of penetration – Life protection



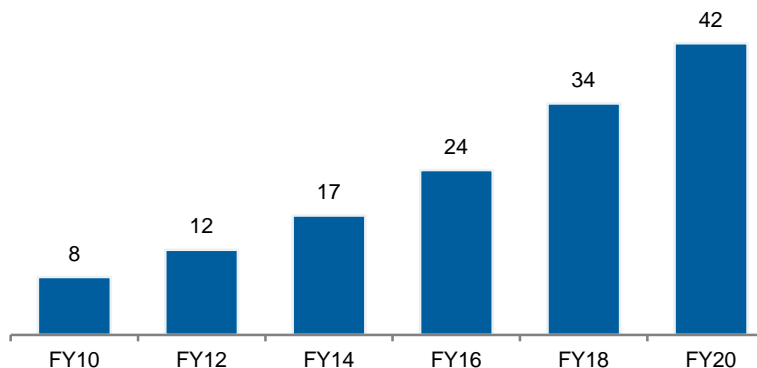
- Only 1 out of 40 people (2.5%) who can afford it, is buying a policy every year 1
- Even within the current set, Sum Assured as a multiple of Income is <1x

## Protection gap <sup>2</sup> (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 <sup>3</sup> (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

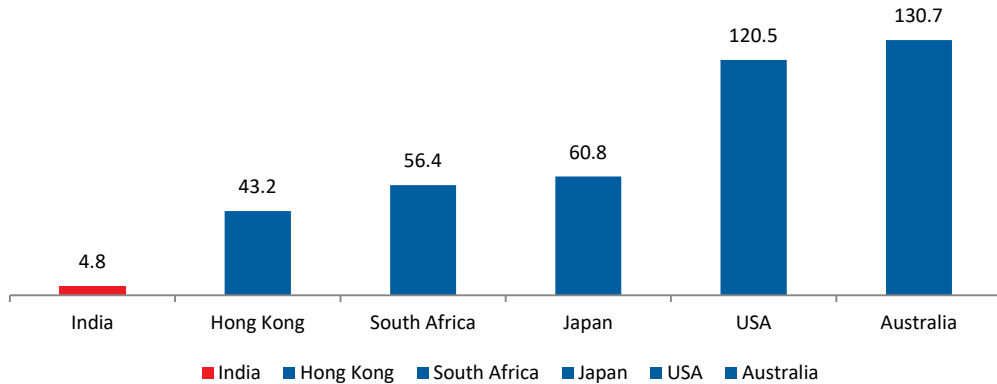
2. Swiss Re (Based on respective financial year of the countries)

3. Kotak institutional equities

# Macro opportunity – Retirement solutions

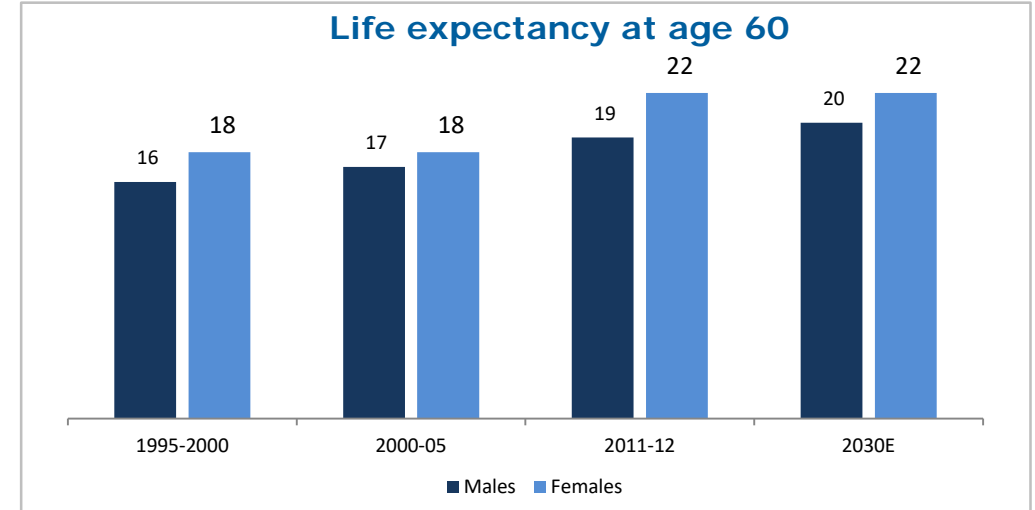
India's pension market is under-penetrated at 4.8% of GDP

Pension Assets / GDP Ratio



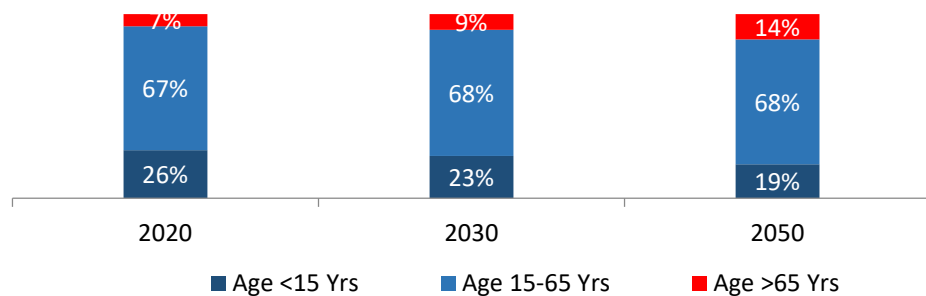
Improvements in life expectancy will lead to an average post retirement period of 20 years

Life expectancy at age 60



Elderly population is expected to almost triple by 2050

Ageing population



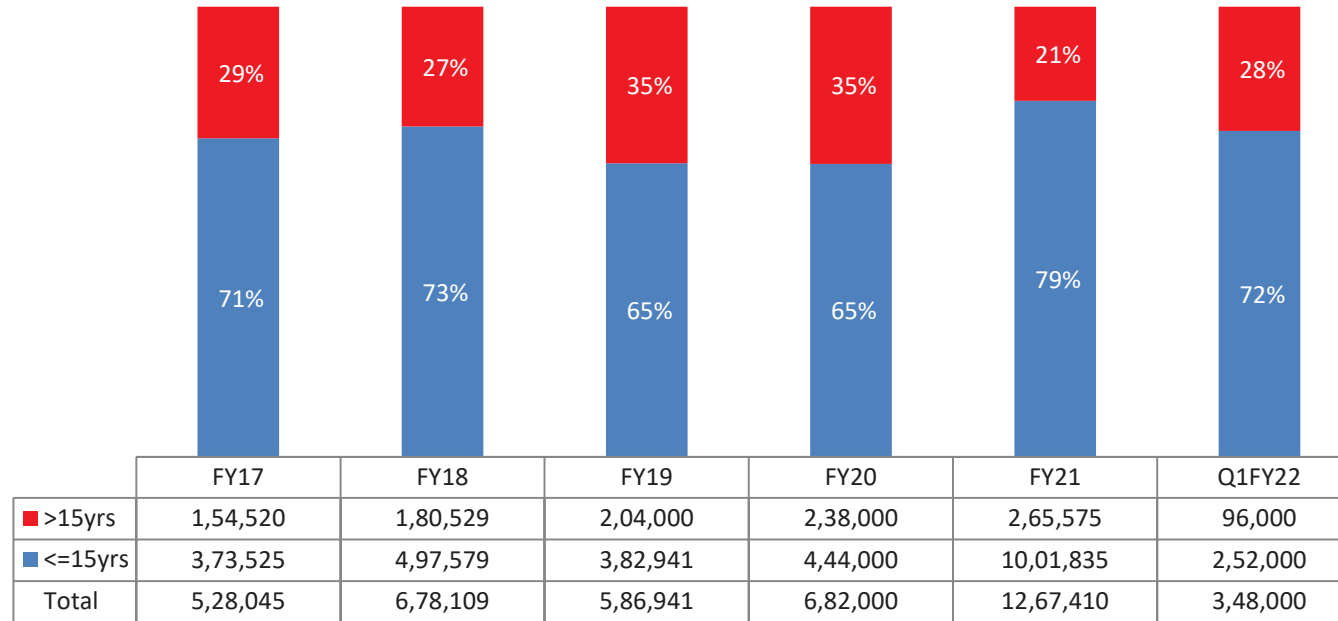
- Average household size has decreased from 4.6 in 2001 to 3.9 in 2018
- Total Pension AUM is expected to grow to Rs 118 Tn by 2030 (about 1/4<sup>th</sup> accounted by NPS)
- Mandatory schemes to increase coverage for both unorganized and organized sectors



# Government bond auctions

## Government Bonds – Tenorwise Issuance

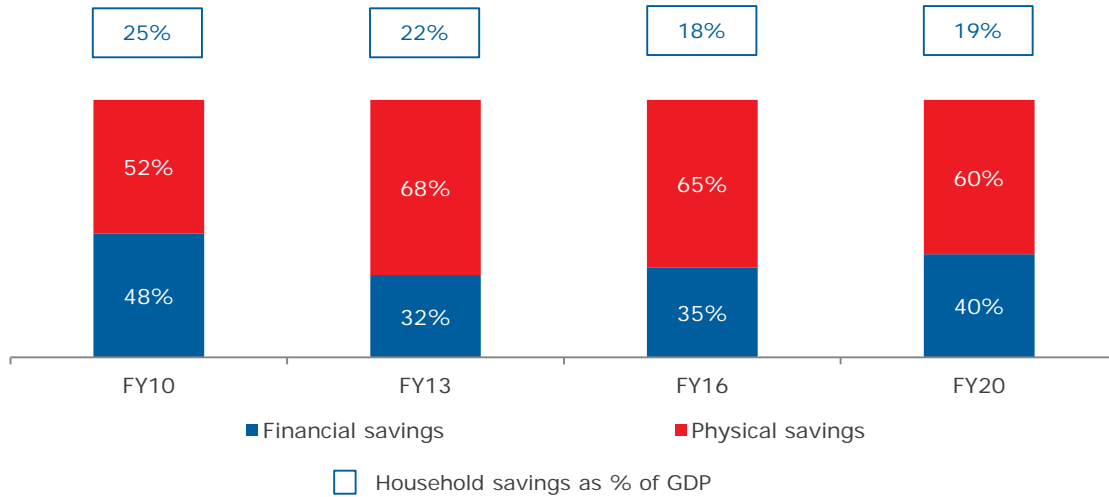
Rs cr



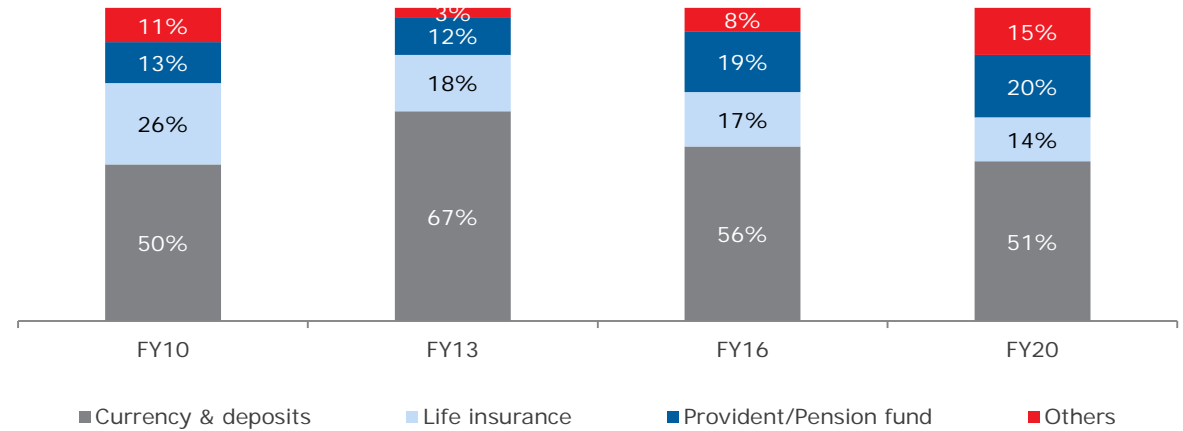
- Auction of >15 year maturity bonds has been ~25-30% on an average facilitates writing annuity business at scale
- The central govt. borrowing calendar for H1 FY22 is Rs 7,24,000 cr , ~60% of the full-year target of Rs 12,05,000 cr

# Life Insurance: A preferred savings instrument

## Household savings composition

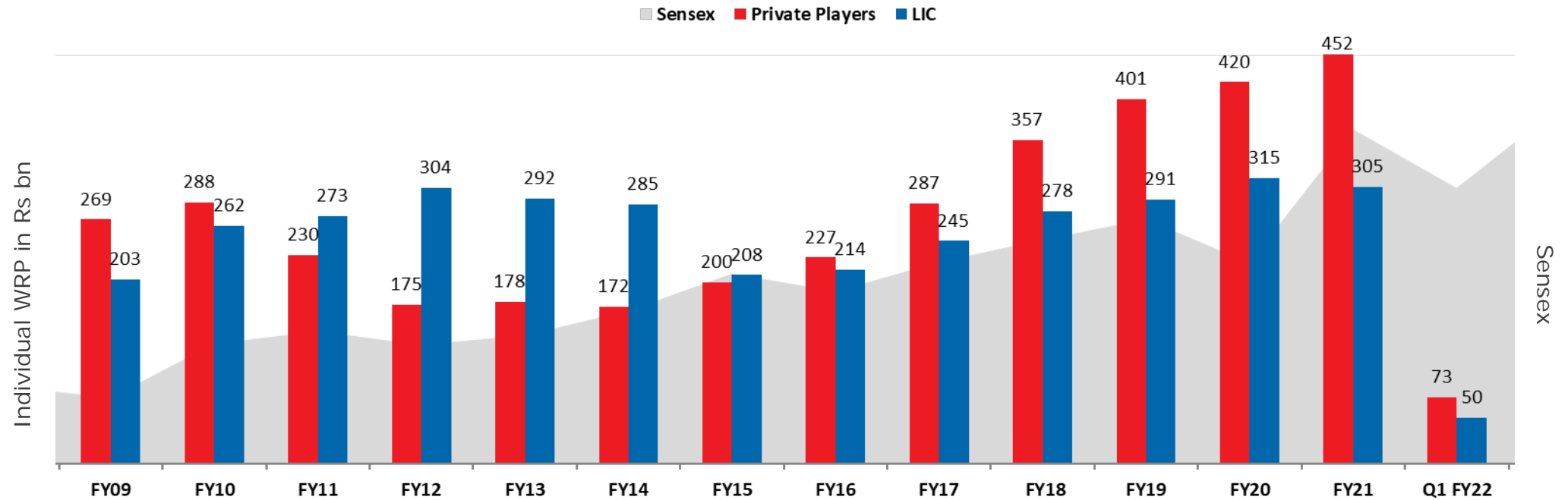


## Financial savings mix



- 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 business<sup>1</sup> trends



## Private players Market share

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	Q1 FY22
<b>Private</b>	57%	52%	46%	37%	38%	38%	49%	52%	54%	56%	58%	57%	60%	59%
<b>LIC</b>	1%	7%	-20%	-24%	2%	-3%	16%	14%	26%	24%	12%	5%	8%	26%
<b>Overall</b>	-22%	29%	4%	11%	-4%	-2%	-27%	3%	15%	13%	5%	8%	-3%	4%
<b>Overall</b>	-10%	17%	-9%	-5%	-2%	-3%	-11%	8%	21%	19%	9%	6%	3%	16%

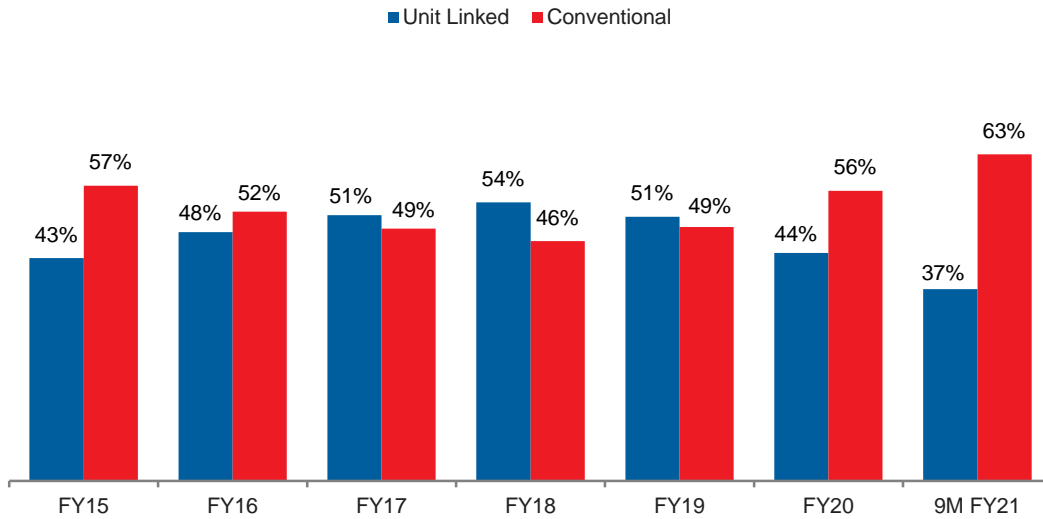
- Private sector gained higher Market share than LIC for the first time in FY16, post FY11 regulatory changes
- Amongst private insurers, insurers with a strong bancassurance platform continue to gain market share

1. Basis Individual Weighted Received Premium (WRP)

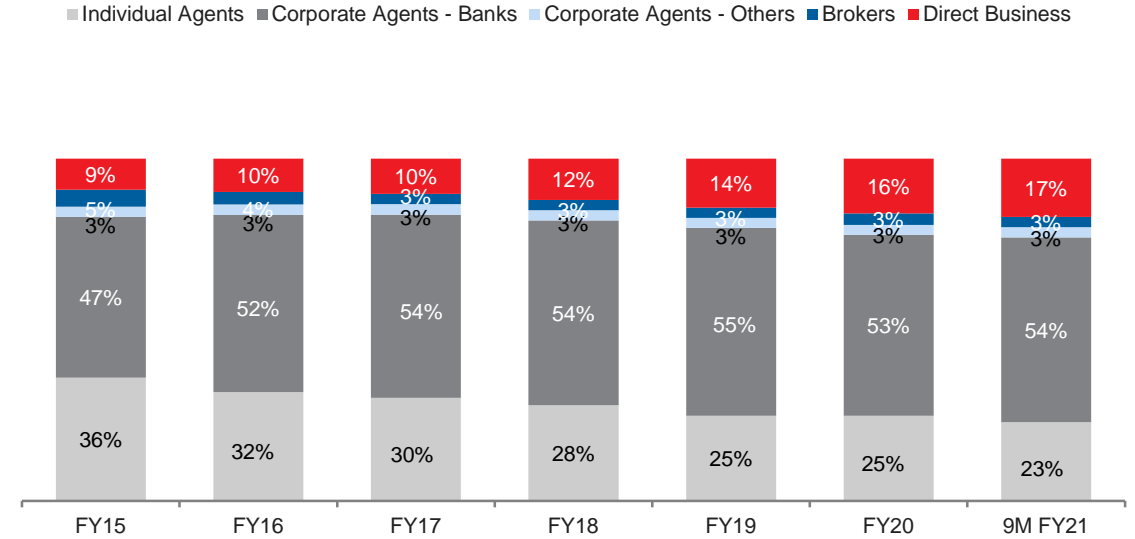
Source: IRDAI and Life Insurance Council

# Private industry: Product and distribution mix

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



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



- 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)

	Q1 FY22	Q1 FY21	Growth	FY21	FY20	FY19	CAGR	Rs bn.
<i>New Business Premium (Incl. + Group)</i>	37.7	26.2	44%	201.1	172.4	149.7	16%	
<i>Renewal Premium (Incl. +Group)</i>	38.9	32.4	20%	184.8	154.7	142.1	14%	
Total Premium	76.6	58.6	31%	385.8	327.1	291.9	15%	
Individual APE	13.1	10.7	22%	71.2	61.4	52.0	17%	
Overall APE	15.6	12.0	30%	83.7	74.1	62.6	16%	
Group Premium (NB)	19.0	10.6	78%	100.3	87.8	73.3	17%	
Profit after Tax	3.0	4.5	-33%	13.6	13.0	12.8	3%	
- <i>Policyholder Surplus</i>	0.4	3.5	-87%	7.3	10.9	9.0	-10%	
- <i>Shareholder Surplus</i>	2.6	1.0	148%	6.3	2.1	3.8	29%	
Dividend Paid	(1) -	-	NA	-	-	4.0	NA	
Assets Under Management	1,812.7	1,399.7	30%	1,738.4	1,272.3	1,255.5	18%	
Indian Embedded Value	273.3	225.8	21%	266.2	206.5	183.0	21%	
Net Worth	(2) 87.8	74.5	18%	84.3	69.9	56.6	22%	
NB (Individual and Group segment) lives insured (Mn.)	7.4	2.7	173%	39.8	61.3	51.4	-12%	
No. of Individual Policies (NB) sold (In 000s)	170.5	194.5	-12%	982.0	896.3	995.0	-1%	

1. Proposed final dividend of Rs 4.1 bn, to be paid in Q2 FY22 (subject to shareholders' approval)

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



# Financial and operational snapshot (2/2)

		Q1 FY22	Q1 FY21	FY21	FY20	FY19
Overall New Business Margins (post overrun)		26.2%	24.3%	26.1%	25.9%	24.6%
Operating Return on EV	(1)	16.5%	15.8%	18.5%	18.1%	20.1%
Operating Expenses / Total Premium		12.5%	11.5%	12.0%	13.1%	13.1%
Total Expenses (OpEx + Commission) / Total Premium		16.4%	15.6%	16.4%	17.7%	17.0%
Return on Equity	(2)	14.1%	25.0%	17.6%	20.5%	24.6%
Solvency Ratio		203%	190%	201%	184%	188%
Persistency (13M / 61M)	(3)	90%/53%	87%/53%	90%/53%	88%/54%	84%/51%
Market Share (%)						
- Individual WRP		17.8%	18.5%	15.5%	14.2%	12.5%
- Group New Business		25.9%	20.7%	27.6%	29.0%	28.4%
- Total New Business		22.3%	20.7%	21.5%	21.5%	20.7%
Business Mix (%)						
- Product (UL/Non par savings/Annuity/Non par protection/Par)	(4)	27/32/5/8/29	27/28/5/11/30	24/31/5/7/34	28/41/4/8/19	55/15/5/7/18
- Indl Distribution (CA/Agency/Broker/Direct)	(4)	56/15/6/23	59/12/5/24	61/13/7/19	55/14/9/22	64/13/4/19
- Total Distribution (CA/Agency/Broker/Direct/Group)	(5)	22/7/3/18/50	27/7/2/23/41	25/6/2/17/50	23/7/3/17/51	26/7/2/16/49
- Share of protection business (Basis Indl APE)		8.3%	10.5%	6.8%	7.6%	6.7%
- Share of protection business (Basis Overall APE)		15.7%	13.1%	12.8%	17.2%	16.7%
- Share of protection business (Basis NBP)		22.4%	13.6%	19.6%	27.6%	27.0%

1. Pre excess mortality reserve (EMR) EVOP% is 16.5%; Post accounting for EMR, EVOP% stands at 14.4%

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 <sup>1</sup>		
	Q1 FY22	Q1 FY21
Premium earned	76.6	58.6
Reinsurance ceded	(1.2)	(1.4)
Income from Investments	69.6	87.5
Other Income	0.2	0.3
Transfer from Shareholders' Account	-	-
<b>Total Income</b>	<b>146.0</b>	<b>145.0</b>
Commissions	3.0	2.4
Expenses	9.5	6.7
GST on UL charges	0.9	0.8
Provision for taxation	(0.0)	0.3
Provision for diminution in value of investments	(2.0)	(0.6)
Benefits paid	55.5	26.4
Change in valuation reserve	76.1	104.9
Bonuses Paid	2.6	1.5
<b>Total Outgoings</b>	<b>145.4</b>	<b>142.5</b>
<b>Surplus</b>	<b>0.6</b>	<b>2.5</b>
Transfer to Shareholders' Account	1.3	3.5
Funds for future appropriation - Par	(0.7)	(1.0)
<b>Total Appropriations</b>	<b>0.6</b>	<b>2.5</b>

Profit and Loss A/c <sup>1</sup>			Rs bn
	Q1 FY22	Q1 FY21	
<b>Income</b>			
Interest and dividend income	1.2	0.9	
Net profit/(loss) on sale	1.3	0.0	
Transfer from Policyholders' Account	1.2	3.5	
Other Income	-	-	
<b>Total</b>	<b>3.8</b>	<b>4.4</b>	
<b>Outgoings</b>			
Transfer to Policyholders' Account	0.8	-	
Expenses	0.0	0.1	
Interest on convertible debentures	0.1	-	
Provision for diminution in value of investments	(0.2)	(0.1)	
Provision for Taxation	0.0	0.0	
<b>Total</b>	<b>0.8</b>	<b>(0.1)</b>	
<b>Profit for the year as per P&amp;L Statement</b>	<b>3.0</b>	<b>4.5</b>	
Interim Dividend paid (including tax)	-	-	
<b>Profit carried forward to Balance Sheet</b>	<b>3.0</b>	<b>4.5</b>	

# Balance sheet

	Jun 30, 2021 <sup>1</sup>	Jun 30, 2020	Mar 31, 2021
<b>Shareholders' funds</b>			
Share capital (including Share premium)	25.4	24.3	25.0
Accumulated profits	62.3	50.2	59.3
Fair value change	1.8	(0.6)	2.1
<b>Sub total</b>	<b>89.7</b>	<b>73.9</b>	<b>86.4</b>
<b>Borrowings</b>	<b>6.0</b>	<b>-</b>	<b>6.0</b>
<b>Policyholders' funds</b>			
Fair value change	23.4	8.1	25.6
Policy Liabilities	897.2	684.2	855.2
Provision for Linked Liabilities	740.2	581.1	709.6
Funds for discontinued policies	41.5	34.2	38.0
<b>Sub total</b>	<b>1,702.3</b>	<b>1,307.6</b>	<b>1,628.4</b>
Funds for future appropriation (Par)	9.2	7.9	9.9
<b>Total Source of funds</b>	<b>1,807.1</b>	<b>1,389.4</b>	<b>1,730.7</b>
Shareholders' investment	89.7	63.0	85.4
Policyholders' investments: Non-linked	941.3	721.5	905.4
Policyholders' investments: Linked	781.8	615.3	747.6
Loans	4.8	3.0	4.2
Fixed assets	3.4	3.3	3.4
Net current assets	(13.8)	(16.7)	(15.4)
<b>Total Application of funds</b>	<b>1,807.1</b>	<b>1,389.4</b>	<b>1,730.7</b>

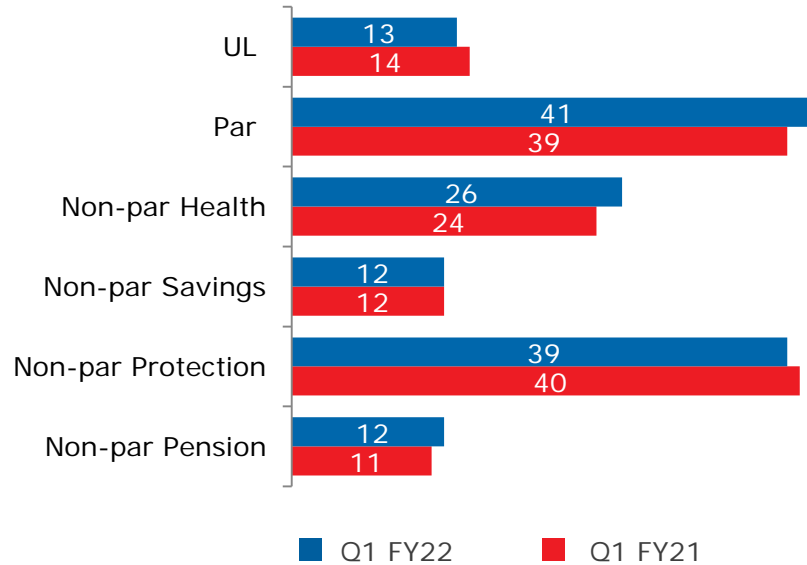
Rs bn

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

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

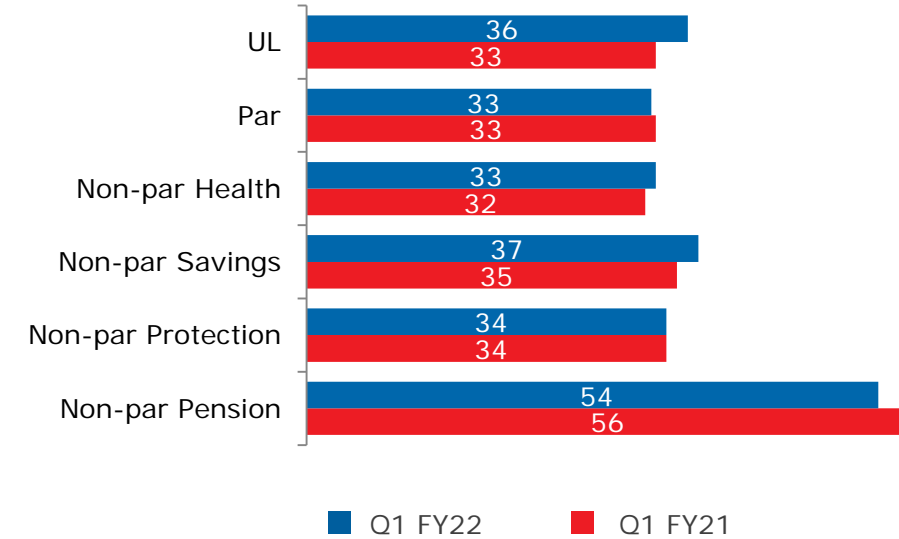
## Average Policy Term excluding annuity (Yrs)

Q1 FY22: 24.0 (Q1 FY21: 25.7)



## Average Customer Age excluding annuity (Yrs)

Q1 FY22: 36.0 (Q1 FY21: 34.2)



- Focus on long term insurance solutions, reflected in terms of long 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 – FY20

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

Description	Stress scenarios tested	Net asset liability position
Interest rate scenarios	Parallel shifts/ shape changes in yield curve within +/- 150 bps of March 31 <sup>st</sup> 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 assumptions<sup>1</sup>

Years	Forward rates %		Spot rates %	
	As at Jun 30, 2020	As at Jun 30, 2021	As at Jun 30, 2020	As at Jun 30, 2021
1	3.57	3.87	3.51	3.80
2	4.74	5.40	4.07	4.53
3	5.78	6.39	4.59	5.08
4	6.50	7.01	5.01	5.51
5	6.98	7.43	5.36	5.84
10	7.60	7.99	6.30	6.72
15	7.33	7.72	6.59	7.00
20	7.07	7.43	6.68	7.07
25	6.92	7.25	6.69	7.07
30	6.85	7.15	6.68	7.04

# Glossary (Part 1)

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- **APE (Annualized Premium Equivalent)** - The sum of annualized first year regular premiums and 10% weighted single premiums and single premium top-ups
- **Backbook surplus** – Surplus accumulated from historical business written
- **Conservation ratio** - Ratio of current year renewal premiums to previous year's renewal premium and first year premium
- **Embedded Value Operating Profit (“EVOP”)** – Measure of the increase in the EV during any given period, excluding the impact on EV due to external factors like changes in economic variables and shareholder-related actions like capital injection or dividend pay-outs.
- **First year premiums** - Regular premiums received during the year for all modes of payments chosen by the customer which are still in the first year. For example, for a monthly mode policy sold in March 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)

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

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