

October 22, 2021

Ref. No.: HDFC Life/CA/2021-22/51

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

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

NSE Symbol: HDFCLIFE

BSE Security Code: 540777

Dear Sir/ Madam,

**Subject: Outcome of the Board Meeting held on October 22, 2021**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that the Board of Directors at their meeting held today i.e. Friday, October 22, 2021, have approved the audited standalone and unaudited consolidated financial results of the Company for the quarter and half-year ended September 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 Monday, October 25, 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 1:40 p.m.

This is for your information and appropriate dissemination.

Thanking you,

**For HDFC Life Insurance Company Limited**

**NARENDRA  
GANGAN**

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**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 and half year ended September 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 for the quarter and half year ended September 30, 2021 which are included in the accompanying Statement of Standalone Audited Results for the quarter and half year ended September 30, 2021, the statement of standalone Balance sheet as on that date and the standalone receipts and payment account for the half-year ended on that date 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 October 22, 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 quarter and half year ended to date Standalone financial results:
- I) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and IRDAI- IRDA Circular reference: IRDAI/F&I/REG/CIR/208/10/2016 dated 25<sup>th</sup> October 2016 in this regard; and
  - II) give a true and fair view of the net profit and other financial information for the quarter and half year ended September 30, 2021 and also the standalone statement of Balance sheet as at September 30, 2021 and the standalone receipts and payment account for the half-year ended on that date.

### 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 exist is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities as at September 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 exist, 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:** 21100681AAAAFO1831

**Place:** Mumbai

**Date:** October 22, 2021

#### For G.M.Kapadia & Co.

Chartered Accountants

Firm Registration No.104767W

**Rajen  
Ratansi  
Ashar**

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**Rajen Ashar**

*Partner*

Membership No. 048243

**UDIN:** 21048243AAAAGL7783

**Statement of Standalone Audited Results for the Quarter and Six Months ended September 30, 2021**

								(₹ in Lakhs)
Sr. No.	Particulars	Three Months ended / As at			Six Months ended / As at		Year ended / As at	
		September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020		
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)		
POLICYHOLDERS' A/C								
1	Gross premium income							
	(a) First Year Premium	207,797	128,556	167,515	336,353	269,698	685,843	
	(b) Renewal Premium	503,450	388,932	431,037	892,382	754,949	1,847,687	
	(c) Single Premium	451,842	248,106	419,702	699,948	579,863	1,324,820	
2	Net premium income <sup>1</sup>	1,144,396	753,848	1,004,544	1,898,244	1,576,728	3,812,230	
3	Income from investments (Net) <sup>2</sup>	887,338	696,356	631,881	1,583,694	1,506,791	3,267,757	
4	Other income	4,502	2,175	4,311	6,677	8,111	18,339	
5	Contribution of funds from Shareholders' A/c	11,453	8,051	740	19,504	740	25,856	
6	<b>Total (2 to 5)</b>	<b>2,047,689</b>	<b>1,460,430</b>	<b>1,641,476</b>	<b>3,508,119</b>	<b>3,092,370</b>	<b>7,124,182</b>	
7	Commission on							
	(a) First Year Premium	36,554	21,707	32,064	58,261	49,958	126,612	
	(b) Renewal Premium	8,509	4,966	6,859	13,475	11,677	27,708	
	(c) Single Premium	4,834	2,836	2,739	7,670	3,836	13,302	
	Rewards	1,092	717	812	1,809	996	3,418	
8	<b>Net Commission<sup>3</sup></b>	<b>50,989</b>	<b>30,226</b>	<b>42,474</b>	<b>81,215</b>	<b>66,467</b>	<b>171,040</b>	
9	Operating Expenses related to insurance business (a+b)							
	(a) Employees remuneration and welfare expenses	50,966	43,756	39,524	94,722	70,721	167,558	
	(b) Other operating expenses <sup>4</sup>	84,023	51,367	70,612	135,390	106,136	291,039	
10	<b>Expenses of Management (8+9)</b>	<b>185,978</b>	<b>125,349</b>	<b>152,610</b>	<b>311,327</b>	<b>243,324</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>	(4,078)	(20,284)	318	(24,362)	(5,391)	(18,854)	
13	Goods & Services Tax on linked charges	9,263	8,662	8,860	17,925	17,104	35,675	
14	Provision for taxes	1,395	(181)	1,768	1,214	4,924	27,439	
15	Benefits Paid <sup>6</sup> (Net) <sup>1</sup>	833,756	580,143	475,582	1,413,899	755,467	2,257,478	
16	Change in actuarial liability	1,004,988	760,820	988,488	1,765,808	2,037,917	4,082,963	
17	<b>Total (10+11+12+13+14+15+16)</b>	<b>2,031,302</b>	<b>1,454,509</b>	<b>1,627,626</b>	<b>3,485,811</b>	<b>3,053,345</b>	<b>7,014,338</b>	
18	<b>Surplus/Deficit (6-17)</b>	<b>16,387</b>	<b>5,921</b>	<b>13,850</b>	<b>22,308</b>	<b>39,025</b>	<b>109,844</b>	
19	<b>Appropriations</b>							
	(a) Transferred to Shareholders A/c	20,194	12,489	21,766	32,683	56,454	99,090	
	(b) Funds for Future Appropriations	(3,807)	(6,568)	(7,916)	(10,375)	(17,429)	10,754	
20	<b>Details of Surplus / Deficit</b>							
	(a) Interim bonus paid	14,342	10,081	1,679	24,423	3,498	20,182	
	(b) Terminal bonus paid	26,259	15,461	12,383	41,720	25,268	59,228	
	(c) Allocation of bonus to policyholders	-	-	-	-	-	74,153	
	(d) Surplus shown in the Revenue Account	16,388	5,921	13,850	22,309	39,025	109,844	
	<b>Total Surplus</b>	<b>56,989</b>	<b>31,463</b>	<b>27,912</b>	<b>88,452</b>	<b>67,791</b>	<b>263,407</b>	
<b>SHAREHOLDERS' A/C</b>								
21	Transfer from Policyholders' Account	20,194	12,489	21,766	32,683	56,454	99,090	
22	<b>Total income under Shareholders' Account</b>							
	(a) Investment Income <sup>2</sup>	20,342	25,933	13,709	46,275	23,354	64,757	
	(b) Other income	-	-	-	-	-	-	
23	Expenses other than those related to insurance business <sup>4</sup>	2,350	1,448	1,444	3,798	2,126	6,373	
24	Transfer of funds to Policyholders' Account	11,453	8,051	740	19,504	740	25,856	
25	Provisions for doubtful debts (including write off)	-	-	-	-	-	-	
26	Provisions for diminution in value of investments <sup>5</sup>	(862)	(1,750)	670	(2,612)	(799)	(3,731)	
27	<b>Profit before tax</b>	<b>27,595</b>	<b>30,673</b>	<b>32,621</b>	<b>58,268</b>	<b>77,741</b>	<b>135,349</b>	
28	Provisions for tax	179	438	12	617	23	(661)	
29	<b>Profit after tax and before Extraordinary items</b>	<b>27,416</b>	<b>30,235</b>	<b>32,609</b>	<b>57,651</b>	<b>77,718</b>	<b>136,010</b>	
30	<b>Profit after tax and Extraordinary items</b>	<b>27,416</b>	<b>30,235</b>	<b>32,609</b>	<b>57,651</b>	<b>77,718</b>	<b>136,010</b>	
31	<b>Dividend per share (₹) (Nominal value ₹ 10 per share)</b>							
	(a) Interim Dividend	-	-	-	-	-	-	
	(b) Final Dividend	2.02	-	-	2.02	-	-	
32	Profit carried to Balance Sheet <sup>6</sup>	609,744	623,175	534,647	609,744	534,647	592,940	
33	Paid up equity share capital	202,313	202,214	201,946	202,313	201,946	202,094	
34	Reserve & Surplus (excluding Revaluation Reserve)	666,240	675,450	576,089	666,240	576,089	640,737	
35	Fair Value Change Account and Revaluation Reserve (Shareholders)	22,716	17,627	3,819	22,716	3,819	20,744	
36	<b>Total Assets:</b>							
	(a) Investments:							
	- Shareholders'	863,124	897,066	743,999	863,124	743,999	854,211	
	- Policyholders Fund excluding Linked Assets	9,942,800	9,412,625	7,792,993	9,942,800	7,792,993	9,053,783	
	- Assets held to cover Linked Liabilities (Linked Assets)	8,315,228	7,817,551	6,525,210	8,315,228	6,525,210	7,475,950	
	(b) Other Assets (Net of current liabilities and provisions)	13,448	(56,278)	(53,692)	13,448	(53,692)	(77,361)	
<b>*Details of Expenses contributing more than 10% of the expense of management are as below -</b>								
	Advertisement and publicity	46,687	27,280	43,286	73,967	60,369	141,011	
	Business development expenses	15,527	1,809	8,008	17,336	9,334	66,599	

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

Advertisement and publicity	46,687	27,280	43,286	73,967	60,369	141,011
Business development expenses	15,527	1,809	8,008	17,336	9,334	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/WTs over specified limits and Interest on subordinated debt
- 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 October 22, 2021.

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**HDFC Life Insurance Company Limited**  
**Standalone Balance Sheet as at September 30, 2021**

(₹ in Lakhs)

Particulars	As at		
	September 30, 2021	September 30, 2020	March 31, 2021
	( Audited)	( Audited)	( Audited)
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS:</b>			
Share Capital	202,313	201,946	202,094
Share application money received pending allotment of shares	399	632	197
Reserves and Surplus	666,240	576,089	640,737
Credit / (Debit) Fair Value Change Account	22,715	3,819	20,744
<b>Sub-Total</b>	<b>891,667</b>	<b>782,486</b>	<b>863,772</b>
<b>BORROWINGS</b>	<b>60,000</b>	<b>60,000</b>	<b>60,000</b>
<b>POLICYHOLDERS' FUNDS:</b>			
Credit / (Debit) Fair Value Change Account	300,190	111,944	255,501
Policy Liabilities	9,478,832	7,457,996	8,552,302
Insurance Reserve	-	-	-
<b>Provision for Linked Liabilities</b>	<b>5,491,657</b>	<b>5,526,487</b>	<b>5,430,538</b>
Add: Fair value change	2,405,993	629,286	1,665,814
Provision for Linked Liabilities	<b>7,897,650</b>	<b>6,155,773</b>	<b>7,096,352</b>
Funds for discontinued policies			
(i) Discontinued on account of non-payment of premium	415,245	368,400	377,616
(ii) Others	2,333	1,037	1,982
Total Provision for Linked & Discontinued Policyholders Liabilities	8,315,228	6,525,210	7,475,950
<b>Sub-Total</b>	<b>18,094,250</b>	<b>14,095,150</b>	<b>16,283,753</b>
Funds for Future Appropriations	88,684	70,874	99,058
<b>Sub-Total</b>			
<b>TOTAL</b>	<b>19,134,601</b>	<b>15,008,510</b>	<b>17,306,583</b>
<b>APPLICATION OF FUNDS</b>			
<b>INVESTMENTS:</b>			
Shareholders'	863,124	743,999	854,211
Policyholders'	9,942,800	7,792,993	9,053,783
Asset held to cover Linked Liabilities	8,315,228	6,525,210	7,475,950
<b>LOANS</b>	<b>53,931</b>	<b>32,466</b>	<b>42,405</b>
<b>FIXED ASSETS</b>	<b>33,351</b>	<b>32,719</b>	<b>34,015</b>
<b>CURRENT ASSETS</b>			
Cash and Bank Balances	43,773	32,234	103,556
Advances and Other Assets	514,643	386,395	394,253
<b>Sub-Total (A)</b>	<b>558,416</b>	<b>418,629</b>	<b>497,809</b>
<b>CURRENT LIABILITIES</b>	<b>624,620</b>	<b>531,066</b>	<b>642,318</b>
<b>PROVISIONS</b>	<b>7,629</b>	<b>6,440</b>	<b>9,272</b>
<b>Sub-Total (B)</b>	<b>632,249</b>	<b>537,506</b>	<b>651,590</b>
<b>NET CURRENT ASSETS (C) = (A - B)</b>	<b>(73,833)</b>	<b>(118,877)</b>	<b>(153,781)</b>
Miscellaneous Expenditure (to the extent not written off or adjusted)	-	-	-
Debit Balance in Profit and Loss Account (Shareholders' Account)	-	-	-
<b>TOTAL</b>	<b>19,134,601</b>	<b>15,008,510</b>	<b>17,306,583</b>
Contingent liabilities	125,530	210,938	185,391

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 October 22, 2021.

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**HDFC Life Insurance Company Limited**  
**Standalone Receipts and Payments Account for the six months ended September 30, 2021**

(₹ in Lakhs)

Sr. No.	Particulars	Six Months ended		Year ended
		September 30, 2021	September 30, 2020	March 31, 2021
		( Audited)	( Audited)	( Audited)
<b>A.</b>	<b>Cash Flows from the operating activities:</b>			
1	Premium received from policyholders, including advance receipts	2,020,513	1,667,650	3,961,064
2	Other receipts	6,474	6,737	16,774
3	Payments to the re-insurers, net of commissions and claims/ Benefits	7,973	(13,722)	(17,025)
4	Payments of claims/benefits	(1,517,941)	(737,540)	(2,268,819)
5	Payments of commission and brokerage	(89,441)	(65,351)	(165,203)
6	Payments of other operating expenses <sup>1</sup>	(272,764)	(208,370)	(470,558)
7	Preliminary and pre-operative expenses	-	-	-
8	Deposits, advances and staff loans	601	3,362	2,191
9	Income taxes paid (net)	(9,512)	(11,555)	(25,336)
10	Goods and Services Tax paid	(42,388)	(28,482)	(62,783)
11	Other payments	-	-	-
12	Cash flows before extraordinary items	103,515	612,729	970,305
13	Cash flow from extraordinary operations	-	-	-
	<b>Net cash flow from operating activities</b>	<b>103,515</b>	<b>612,729</b>	<b>970,305</b>
<b>B</b>	<b>Cash flows from investing activities:</b>			
1	Purchase of fixed assets	(1,933)	(2,134)	(6,023)
2	Proceeds from sale of fixed assets	29	3	94
3	Purchases of investments	(5,320,326)	(4,478,582)	(9,116,941)
4	Loans disbursed	-	-	-
5	Loan against policies	(11,526)	(2,560)	(12,500)
6	Sales of investments	4,650,201	3,626,491	7,694,130
7	Repayments received	-	-	-
8	Rents/Interests/ Dividends received	505,582	389,822	833,301
9	Investments in money market instruments and in liquid mutual funds (net)	63,956	(233,307)	(291,573)
10	Expenses related to investments	(25)	(12)	(17)
	<b>Net cash flow from investing activities</b>	<b>(114,042)</b>	<b>(700,279)</b>	<b>(899,529)</b>
<b>C</b>	<b>Cash flows from financing activities:</b>			
1	Proceeds from issuance of share capital	8,720	1,127	7,632
2	Proceeds from borrowing	-	60,000	60,000
3	Repayments of borrowing	-	-	-
4	Interest/dividends paid	(44,849)	-	-
5	Share application Money	399	632	197
	<b>Net cash flow from financing activities</b>	<b>(35,730)</b>	<b>61,759</b>	<b>67,829</b>
<b>D</b>	<b>Effect of foreign exchange rates on cash and cash equivalents, (net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>E</b>	<b>Net increase in cash and cash equivalents:</b>	<b>(46,257)</b>	<b>(25,791)</b>	<b>138,605</b>
1	Cash and cash equivalents at the beginning of the year	716,103	577,498	577,498
2	<b>Cash and cash equivalents at the end of the year</b>	<b>669,846</b>	<b>551,707</b>	<b>716,103</b>
	<b>Note - Components of Cash and cash equivalents at end of the year:</b>			
	Cash and cheques in hand	4,495	1,660	9,857
	Bank Balances *	39,242	30,538	93,663
	Fixed Deposit (less than 3 months)	-	-	12,500
	Money Market Instruments	626,109	519,509	600,083
	<b>Total Cash and cash equivalents</b>	<b>669,846</b>	<b>551,707</b>	<b>716,103</b>
	<b>Reconciliation of Cash &amp; Cash Equivalents with Cash &amp; Bank Balance:</b>			
	Cash & Cash Equivalents	669,846	551,707	716,103
	Add: Deposit Account - Others	36	36	36
	Less: Fixed Deposit (less than 3 months)	-	-	(12,500)
	Less: Money market instruments	(626,109)	(519,509)	(600,083)
	<b>Cash &amp; Bank Balances</b>	<b>43,773</b>	<b>32,234</b>	<b>103,556</b>
	* Bank Balances includes Unclaimed Dividend of ₹ 18 lakhs (₹ 18 lakhs at September 30, 2020 and ₹ 18 lakhs at March 31, 2021 )			

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

**Notes :**

1. Includes cash paid towards Corporate Social Responsibility expenditure ₹ 179 lakhs (previous year six months ended September 30, 2020: ₹ 755 lakhs and previous year ended March 31, 2021: ₹ 1,489 lakhs).

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**HDFC Life Insurance Company Limited**  
**Statement of Standalone Audited Results for the Quarter and Six Months ended September 30, 2021**

(₹ in Lakhs)

Particulars	Three Months ended / As at			Six Months ended / As at		Year ended / As at
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
<b>Analytical Ratios:</b>						
(i) Solvency Ratio	190%	203%	203%	190%	203%	201%
(ii) Expenses of Management Ratio	16.0%	16.4%	15.0%	16.1%	15.2%	16.3%
(iii) Policyholder's liabilities to shareholders' fund	2039.2%	1911.5%	1810.4%	2039.2%	1810.4%	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/six months)	1.36	1.50	1.61	2.85	3.85	6.73
b) Diluted EPS before and after extraordinary items (net of tax expense) for the period (not annualized for three/six months)	1.35	1.49	1.61	2.85	3.85	6.73
(v) NPA ratios: (for Policyholders' fund)						
a) Gross NPAs						
- Non Linked						
Par	NIL	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL	NIL
- Linked						
Non Par	5,250.0	5,250.0	5,125.0	5,250.0	5,125.0	5,250.0
Net NPAs						
- Non Linked						
Par	NIL	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL	NIL
- Linked						
Non Par	NIL	NIL	NIL	NIL	NIL	NIL
b) % of Gross NPAs						
- Non Linked						
Par	NIL	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL	NIL
- Linked						
Non Par	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
% of Net NPA						
- Non Linked						
Par	NIL	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL	NIL
- Linked						
Non Par	NIL	NIL	NIL	NIL	NIL	NIL
(vi) Yield on Investments (on Policyholders' fund)						
A. Without unrealised gains						
- Non Linked						
Par	2.4%	2.0%	2.2%	4.5%	3.8%	8.5%
Non Par	2.2%	2.2%	2.4%	4.5%	4.6%	9.5%
- Linked						
Non Par	4.0%	2.7%	2.5%	6.8%	3.1%	8.6%
B. With unrealised gains						
- Non Linked						
Par	4.0%	1.9%	1.9%	5.9%	8.2%	16.3%
Non Par	3.5%	-1.4%	-0.5%	2.1%	4.2%	7.2%
- Linked						
Non Par	8.3%	6.5%	7.2%	15.3%	21.5%	47.2%
(vii) NPA ratios: (for Shareholders' fund)						
a) Gross NPAs	NIL	NIL	NIL	NIL	NIL	NIL
Net NPAs	NIL	NIL	NIL	NIL	NIL	NIL
b) % of Gross NPAs	NIL	NIL	NIL	NIL	NIL	NIL
% of Net NPAs	NIL	NIL	NIL	NIL	NIL	NIL
(viii) Yield on Investments (on Shareholders' fund)						
A. Without unrealised gains	2.4%	3.0%	1.9%	5.5%	3.4%	8.9%
B. With unrealised gains	3.1%	2.4%	2.3%	5.5%	8.2%	15.4%
(ix) Persistency Ratio (Regular Premium/Limited Premium Payment)						
13th month	84.8%	82.5%	83.9%	85.9%	82.2%	84.9%
25th month	80.1%	73.2%	66.5%	75.7%	70.2%	71.3%
37th month	63.5%	64.7%	61.2%	66.0%	64.8%	65.1%
49th month	60.3%	61.0%	60.0%	62.8%	62.3%	62.7%
61st month	52.9%	51.6%	46.2%	52.3%	46.5%	48.9%
(x) Conservation Ratio						
Participating Life- Individual & group	87.5%	86.3%	86.0%	87.1%	83.3%	87.6%
Participating Pension- Individual & group	97.1%	87.3%	80.7%	93.1%	79.7%	90.0%
Non Participating Life - Individual & group	82.5%	100.4%	87.2%	90.3%	85.6%	86.4%
Non Participating Pension - Individual & Group	70.2%	63.0%	74.7%	67.5%	74.5%	77.1%
Non Participating - Life Group Variable	NA	NA	NA	NA	NA	NA
Non Participating - Pension group variable	NA	NA	NA	NA	NA	NA
Non Participating Fund - Annuity	NA	NA	NA	NA	NA	NA
Non Participating Fund - Individual & Group Health	79.8%	86.7%	84.4%	82.7%	81.7%	83.4%
Unit Linked - Individual Life	83.9%	88.3%	86.7%	85.7%	85.5%	85.7%
Unit Linked - Individual Pension	67.3%	73.5%	71.6%	69.9%	71.3%	71.9%
Unit Linked - Group Life	NA	NA	NA	NA	NA	NA
Unit Linked - Group Pension	NA	NA	NA	NA	NA	NA

**Notes :**

- Analytical ratios have been calculated as per definition given in IRDAI Analytical ratios disclosure.
- The persistency ratios are calculated in accordance with the IRDAI circular no. IRDAI/F&A/CIR/MISC/256/09/2021 dated September 30, 2021 and hence are with a lag of one month.
- The persistency ratios for the quarter ended September 30, 2021 have been calculated for the policies issued in the June to August period of the relevant years. E.g.: the 13th month persistency for the current quarter is calculated for the policies issued from June 2020 to August 2020. The persistency ratios for quarter ended June 30, 2021 and September 30, 2020 have been calculated in a similar manner.
- The persistency ratios for the six months ended September 30, 2021 have been calculated for the policies issued in the September to August period of the relevant years. E.g.: the 13th month persistency for the current year is calculated for the policies issued from September 2019 to August 2020. The persistency ratios for the six months September 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.
- Definition revised in accordance with IRDAI circular on 'Public Disclosures by Insurers' dated September 30, 2021; persistency for individual policies; figures of comparative period have been restated as per revised definition.

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 October 22, 2021.

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**HDFC Life Insurance Company Limited**  
**Segment Reporting (Standalone) for the Quarter and Six Months ended September 30, 2021**

(₹ in Lakhs)

Sr. No.	Particulars	Three Months ended			Six Months ended / As at		Year ended
		September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1	<b>Segment Income</b>						
A)	<b>Policyholders :</b>						
	<b>Segment A - Participating - Individual &amp; Group Life :</b>						
	Net Premium	214,417	128,086	172,355	342,503	277,488	746,872
	Income from Investments <sup>2</sup>	80,445	79,519	64,513	159,964	115,352	267,499
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	2,714	647	2,723	3,361	5,322	12,207
	<b>Segment B - Participating - Individual &amp; Group Pension :</b>						
	Net Premium	3,975	2,450	4,082	6,425	6,887	18,281
	Income from Investments <sup>2</sup>	13,286	10,327	6,001	23,613	11,373	22,704
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	227	2	47	229	89	493
	<b>Segment C - Non Participating - Individual &amp; Group Life :</b>						
	Net Premium	365,811	260,957	297,537	626,768	449,803	1,150,509
	Income from Investments <sup>2</sup>	74,296	61,818	49,372	136,114	90,474	208,452
	Transfer of Funds from shareholders' account	11,014	7,560	-	18,574	-	24,544
	Other Income	793	817	774	1,610	1,112	2,535
	<b>Segment D - Non Participating - Life Group Variable :</b>						
	Net Premium	21,546	8,961	26,609	30,507	29,833	46,244
	Income from Investments <sup>2</sup>	6,266	6,156	6,016	12,422	11,828	24,188
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	-	-	-	-	-	-
	<b>Segment E - Non Participating - Individual &amp; Group Pension :</b>						
	Net Premium	66,151	13,452	105,399	79,603	126,187	174,408
	Income from Investments <sup>2</sup>	11,050	12,141	9,238	23,191	18,112	38,867
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	8	4	4	12	12	29
	<b>Segment F - Non Participating - Pension Group Variable :</b>						
	Net Premium	33,487	39,142	32,666	72,629	72,110	155,676
	Income from Investments <sup>2</sup>	7,952	7,941	7,163	15,893	14,244	28,928
	Transfer of Funds from shareholders' account	(491)	491	218	-	218	1,312
	Other Income	-	-	-	-	-	-
	<b>Segment G - Non Participating - Individual &amp; Group Annuity :</b>						
	Net Premium	148,278	99,120	107,044	247,398	168,484	392,720
	Income from Investments <sup>2</sup>	24,967	23,729	18,848	48,696	36,236	77,754
	Transfer of Funds from shareholders' account	371	-	522	371	522	-
	Other Income	22	19	18	41	30	68
	<b>Segment H - Non Participating - Individual &amp; Group Health :</b>						
	Net Premium	(357)	852	1,672	495	2,690	5,291
	Income from Investments <sup>2</sup>	123	119	121	242	331	573
	Transfer of Funds from shareholders' account	559	-	-	559	-	-
	Other Income	4	3	10	7	9	16
	<b>Segment I - Unit Linked - Individual Life :</b>						
	Net Premium	245,762	182,047	227,101	427,809	393,970	982,517
	Income from Investments <sup>2</sup>	587,995	457,060	417,374	1,045,055	1,046,130	2,280,991
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	732	681	734	1,413	1,535	2,986
	<b>Segment J - Unit Linked - Individual Pension :</b>						
	Net Premium	10,151	8,092	13,234	18,243	23,224	51,797
	Income from Investments <sup>2</sup>	53,049	36,867	36,439	89,916	108,102	226,325
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	2	2	1	4	2	7
	<b>Segment K - Unit Linked - Group Life :</b>						
	Net Premium	21,918	9,526	14,931	31,444	22,547	79,985
	Income from Investments <sup>2</sup>	27,430	17,958	13,891	45,388	50,751	93,501
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	-	-	-	-	-	-
	<b>Segment L - Unit Linked - Group Pension :</b>						
	Net Premium	13,257	1,162	1,914	14,419	3,504	7,930
	Income from Investments <sup>2</sup>	4,579	3,047	2,621	7,626	9,276	17,027
	Transfer of Funds from shareholders' account	-	-	-	-	-	-
	Other Income	-	-	-	-	-	-
B)	<b>Shareholders :</b>						
	Income from Investments <sup>2</sup>	21,204	27,683	13,038	48,887	24,153	68,488
	Other Income	-	-	-	-	-	-



**HDFC Life Insurance Company Limited**  
**Segment Reporting (Standalone) for the Quarter and Six Months ended September 30, 2021**

(₹ in Lakhs)

Sr No.	Particulars	Three Months ended / As at			Six Months ended / As at		Year ended / As at
		September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
		(Audited)	(Audited)	(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	(3,430)	(4,965)	(7,810)	(8,395)	(15,601)	27,374
	Segment B - Participating - Individual & Group Pension	4,135	1,235	1,455	5,370	1,367	443
	Segment C - Non Participating - Individual & Group Life	(11,014)	(7,560)	2,881	(18,574)	10,121	(24,544)
	Segment D - Non Participating - Life Group Variable	114	513	(65)	627	51	394
	Segment E - Non Participating - Individual & Group Pension	2,066	1,718	(308)	3,784	2,467	3,292
	Segment F - Non Participating - Pension Group Variable	788	(491)	(445)	297	(218)	(1,312)
	Segment G - Non Participating - Individual & Group Annuity	(1,422)	1,051	(1,175)	(371)	(522)	620
	Segment H - Non Participating - Individual & Group Health	(756)	197	1,277	(559)	2,124	3,082
	Segment I - Unit Linked - Individual Life	10,981	2,169	13,337	13,150	30,597	58,214
	Segment J - Unit Linked - Individual Pension	2,576	2,851	3,017	5,427	5,992	12,909
	Segment K - Unit Linked - Group Life	718	1,022	755	1,740	1,600	2,940
	Segment L - Unit Linked - Group Pension	177	131	191	308	307	576
	<b>Total</b>	<b>4,933</b>	<b>(2,129)</b>	<b>13,110</b>	<b>2,804</b>	<b>38,285</b>	<b>83,988</b>
	Shareholders	18,676	25,797	11,582	44,473	22,003	62,777
	<b>Grand Total</b>	<b>23,609</b>	<b>23,668</b>	<b>24,692</b>	<b>47,277</b>	<b>60,288</b>	<b>146,765</b>
<b>3</b>	<b>Segment Assets:</b>						
	Segment A - Participating - Individual & Group Life	3,655,439	3,525,301	3,068,178	3,655,439	3,068,178	3,427,824
	Segment B - Participating - Individual & Group Pension	276,389	292,240	283,237	276,389	283,237	296,853
	Segment C - Non Participating - Individual & Group Life	2,977,069	2,718,299	2,015,018	2,977,069	2,015,018	2,543,157
	Segment D - Non Participating - Life Group Variable	344,907	332,653	320,421	344,907	320,421	328,648
	Segment E - Non Participating - Individual & Group Pension	678,376	615,403	547,693	678,376	547,693	611,066
	Segment F - Non Participating - Pension Group Variable	452,491	477,817	396,660	452,491	396,660	459,898
	Segment G - Non Participating - Individual & Group Annuity	1,440,614	1,289,340	966,863	1,440,614	966,863	1,191,472
	Segment H - Non Participating - Individual & Group Health	5,958	5,583	4,834	5,958	4,834	6,101
	Segment I - Unit Linked - Individual Life	6,872,546	6,449,728	5,253,456	6,872,546	5,253,456	6,123,677
	Segment J - Unit Linked - Individual Pension	673,354	659,531	635,232	673,354	635,232	654,642
	Segment K - Unit Linked - Group Life	645,213	613,246	545,532	645,213	545,532	601,226
	Segment L - Unit Linked - Group Pension	117,040	101,672	95,019	117,040	95,019	101,239
	<b>Total</b>	<b>18,139,396</b>	<b>17,080,813</b>	<b>14,122,143</b>	<b>18,139,396</b>	<b>14,122,143</b>	<b>16,345,803</b>
	Shareholder	937,719	938,266	829,892	937,719	829,892	912,354
	Unallocated <sup>3</sup>	57,486	51,884	56,475	57,486	56,475	48,426
	<b>Grand Total</b>	<b>19,134,601</b>	<b>18,070,963</b>	<b>15,008,510</b>	<b>19,134,601</b>	<b>15,008,510</b>	<b>17,306,583</b>
<b>4</b>	<b>Segment Policy Liabilities<sup>4</sup> :</b>						
	Segment A - Participating - Individual & Group Life	3,407,998	3,315,534	2,992,858	3,407,998	2,992,858	3,233,440
	Segment B - Participating - Individual & Group Pension	256,250	269,549	272,051	256,250	272,051	272,455
	Segment C - Non Participating - Individual & Group Life	2,959,013	2,724,481	2,005,244	2,959,013	2,005,244	2,528,444
	Segment D - Non Participating - Life Group Variable	343,976	332,146	318,090	343,976	318,090	326,681
	Segment E - Non Participating - Individual & Group Pension	677,503	614,400	546,387	677,503	546,387	609,933
	Segment F - Non Participating - Pension Group Variable	451,305	476,411	394,628	451,305	394,628	458,224
	Segment G - Non Participating - Individual & Group Annuity	1,434,564	1,284,591	956,414	1,434,564	956,414	1,184,165
	Segment H - Non Participating - Individual & Group Health	6,118	6,152	5,474	6,118	5,474	6,234
	Segment I - Unit Linked - Individual Life	6,909,184	6,481,594	5,286,806	6,909,184	5,286,806	6,150,655
	Segment J - Unit Linked - Individual Pension	673,385	659,545	635,232	673,385	635,232	654,651
	Segment K - Unit Linked - Group Life	646,402	615,483	545,877	646,402	545,877	601,190
	Segment L - Unit Linked - Group Pension	117,046	101,675	95,019	117,046	95,019	101,240
	<b>Total</b>	<b>17,882,744</b>	<b>16,881,561</b>	<b>14,054,080</b>	<b>17,882,744</b>	<b>14,054,080</b>	<b>16,127,312</b>
	Shareholders	951,667	955,413	842,486	951,667	842,486	923,772
	Unallocated	-	-	-	-	-	-
	<b>Grand Total</b>	<b>18,834,411</b>	<b>17,836,974</b>	<b>14,896,566</b>	<b>18,834,411</b>	<b>14,896,566</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.

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**HDFC Life Insurance Company Limited**

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

Particulars	Three Months ended / As at			Six Months ended / As at		Year ended / As at
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1 Asset cover available, in case of non-convertible debt securities <sup>1</sup>	1569%	1506%	1389%	1569%	1389%	1478%
2 Debt Equity Ratio <sup>2</sup> (no of times)	0.07	0.07	0.08	0.07	0.08	0.07
3 Debt service coverage ratio <sup>3</sup> (no of times)	43.58	8.75	52.00	89.66	122.83	55.26
4 Interest service coverage ratio <sup>4</sup> (no of times)	43.58	8.75	52.00	89.66	122.83	55.26
5 Total Borrowings (₹ in Lakhs)	60,000	60,000	60,000	60,000	60,000	60,000
6 Outstanding redeemable preference shares (quantity and value)	NA	NA	NA	NA	NA	NA
7 Capital redemption reserve / debenture redemption reserve	NA	NA	NA	NA	NA	NA
8 Net Worth <sup>5</sup> (₹ in Lakhs)	891,667	895,413	782,486	891,667	782,486	863,772
9 Net profit/ loss after tax <sup>6</sup> (₹ in Lakhs)	27,416	30,235	32,609	57,652	77,718	136,010
10 Earnings per share						
a) Basic EPS before and after extraordinary items (net of tax expense) for the period (not annualized for six months)	1.36	1.50	1.61	2.85	3.85	6.73
b) Diluted EPS before and after extraordinary items (net of tax expense) for the period (not annualized for six months)	1.35	1.49	1.61	2.85	3.85	6.73
11 Current ratio <sup>7</sup>	0.88	0.78	0.78	0.88	0.78	0.76
12 Long term debt to working capital <sup>10</sup>	NA	NA	NA	NA	NA	NA
13 Bad debts to Account receivable ratio <sup>10</sup>	NA	NA	NA	NA	NA	NA
14 Current liability ratio <sup>8</sup>	0.03	0.03	0.04	0.03	0.04	0.04
15 Total debts to total assets <sup>9</sup>	0.003	0.004	0.004	0.003	0.004	0.004
16 Debtors turnover <sup>10</sup>	NA	NA	NA	NA	NA	NA
17 Inventory turnover <sup>10</sup>	NA	NA	NA	NA	NA	NA
18 Operating margin (%) <sup>10</sup>	NA	NA	NA	NA	NA	NA
19 Net profit margin (%) <sup>10</sup>	NA	NA	NA	NA	NA	NA

**Notes :**

- The Asset Cover Ratio computation is in accordance with the SEBI Circular SEBI/ HO/MIRSD/ CRADT/ CIR/ P/2020/230 dated November 12, 2020 and net assets are excluding Policyholders funds and Funds for Future Appropriations. Assets Cover ratio is computed as net assets divided by total borrowings.
- Debt-Equity Ratio is computed as Total borrowings divided by Equity. Equity is calculated as shareholder's funds excluding redeemable preference shares, if any.
- DSCR is computed as Profit before interest and tax divided by interest expense due together with principal repayments of long-term debt during the period. Tax for the purpose of this ratio includes tax of the company reduced by tax pertaining to par segment.
- ISCR is computed as Profit before interest and tax divided by interest expense due. Tax for the purpose of this ratio includes tax of the company reduced by tax pertaining to par segment.
- Net worth represents shareholder's funds excluding redeemable preference shares, if any.
- Net profit/ loss after tax is the profit after tax as per shareholders account.
- Current ratio is computed as Current assets divided by Current Liabilities. Current Liabilities includes provisions.
- Current liability ratio is computed as Current Liabilities divided by Total Liabilities. Total Liabilities for the purpose of this ratio includes Borrowings, Policyholder's liabilities, Funds for future appropriation and Current liabilities. Current Liabilities includes provisions.
- Total debt to total assets is computed as Borrowings along with Interest expense due on borrowings divided by Total Assets.
- Not applicable to insurance companies.
- Sector specific equivalent ratios are as disclosed in Analytical ratios forming part of Standalone audited financial SEBI results.

**HDFC Life Insurance Company Limited**

**Other disclosures :**

**Status of Shareholders Complaints as on September 30, 2021**

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

**HDFC Life Insurance Company Limited**

**Other disclosures :**

**Status of Investor Complaints for the quarter ended September 30, 2021**

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

## Notes:

1. The standalone results of the company for the quarter and six months ended September 30, 2021 were reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on October 22, 2021.
2. The standalone financial results have been prepared in accordance with the requirements of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable, and IRDAI Circular IRDA/F&I/REG/CIR/208/10/2016 dated October 25, 2016 on publication of financial results for Life Insurance companies.
3. In view of seasonality of industry, the results of interim period are not necessarily indicative of the results that may be expected of any other interim periods or for the full year.
4. During the quarter ended September 30, 2021, the Company has allotted 991,817 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 up to 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 carries:  
(a) Adequate impairment provisions on the investments to an extent necessary and  
(b) Excess Mortality Reserve (EMR) of ₹ 20,400 lakh as at the Balance Sheet date for potential adverse mortality expected due to pandemic. This reserve are 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 Company has also assessed its solvency position as at the Balance sheet date and is at 190% 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 September 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 September 30, 2021, which is not material to the financial statements.
7. In accordance with the requirements of IRDAI circular on 'Public Disclosures by Insurers' dated September 30, 2021, the Company will publish the financials on the company's website not later than November 5, 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. The Board of Directors of the Company approved the Share Purchase and Share Swap Agreement dated 3rd September, 2021, entered into by and amongst the Company, Exide Industries Limited and Exide Life Insurance Company Limited, in connection with the acquisition of 100% of the share capital of and subsequent merger of Exide Life Insurance Company Limited into the Company for a total consideration of Rs. 668,700 lakhs.  
The proposed preferential issuance of equity shares to Exide Industries, has been approved by shareholders of the Company at the Extra Ordinary General Meeting held on 29th September, 2021. The transaction is subject to necessary regulatory approvals, which are currently awaited.
10. Figures of the previous period have been regrouped wherever necessary, in order to make them comparable.
11. The above standalone financial results have been audited by joint statutory auditors of the Company.

For and on behalf of the Board of Directors

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Ratansi  
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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 October 22, 2021.

Mumbai  
October 22, 2021

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 and half year ended September 30, 2021 which are included in the accompanying Consolidated unaudited Financial Results, the unaudited consolidated statement of Balance sheet on that date and the consolidated unaudited receipts and payments account for the half year ended on that date (the “Statement”). The Statement is being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, which has been 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 and half yearly financial results and which are not inconsistent with the accounting principles as prescribed in the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors’ Report of Insurance Companies) Regulations, 2002 (the “Regulations”) and orders /directions/circulars issued by the Insurance Regulatory and Development Authority of India (“IRDAI”). Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

4. The Statement includes the results of the following entities:
  - a) HDFC Pension Management Company Limited and
  - b) HDFC International Life and Re Company Limited
5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Insurance Act, IRDA Act, and other accounting principles generally accepted in India and to the extent considered relevant and appropriate for the purpose of these consolidated financial results and which are not inconsistent with the accounting principles as prescribed in the Regulations and orders/directions/circulars issued by IRDAI to the extent applicable and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. 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 exist is the responsibility of the Parent Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities as at September 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 exist, as contained in the consolidated unaudited financial results of the Group.
8. We did not review the interim financial results of one subsidiary included in the consolidated unaudited financial results, whose interim financial results reflect total assets of Rs. 2,698,190 ('000) and net assets of Rs. 1,817,417 ('000) as at September 30, 2021 and total revenues of Rs. 242,378 ('000) and Rs. 472,856 ('000) and total net profit/(loss) after tax of Rs. 3,851 ('000) and Rs.(332,181) ('000), for the quarter and half year ended September 30, 2021 respectively, and cash flows (net) of Rs. (424,696) ('000) for the half year ended September 30, 2021, as considered in the consolidated unaudited financial results. These interim financial results have been reviewed by their auditor in accordance with ISRE 2410, Review of Interim Financial Information Performed by Independent Auditor of the Entity and their report, vide which they have issued an unmodified conclusion, have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the other auditor and the procedures performed by us as stated in paragraph 3 above. Our conclusion on the Statement is not modified in respect of the above matters.

9. The consolidated unaudited financial results includes the financial results of one subsidiary which has not been reviewed by their auditor or by us, whose interim financial results reflect total assets of Rs. 695,577 ('000) and net assets of Rs. 541,375 ('000) as at September 30, 2021 and total revenue of Rs. 61,826 ('000) and Rs. 105,838 ('000) and total net profit after tax of Rs. 13,637 ('000) and Rs. 21,609 ('000) for the quarter and half year ended September 30, 2021 respectively and cash flows (net) of Rs. 31,260 ('000) for the six month ended September 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:** 21100681AAAAFP8079

**Place:** Mumbai

**Date:** October 22, 2021

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

Chartered Accountant Firm

Firm Registration No.104767W

**Rajen**

**Ratansi**

**Ashar**

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**Rajen Ashar**

*Partner*

Membership No. 048243

**UDIN:** 21048243AAAAGM1891



HDFC Life Insurance Company Limited							
Statement of Consolidated Unaudited Results for the Quarter and Six Months ended September 30, 2021							
(₹ in Lakhs)							
Sr. No.	Particulars	Three Months ended / As at			Six Months ended / As at		Year ended/As at
		September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31 2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>POLICYHOLDERS' A/C</b>							
1	Gross premium income						
	(a) First Year Premium	2,07,797	1,28,556	1,67,515	3,36,353	2,69,698	6,85,843
	(b) Renewal Premium	5,03,450	3,88,932	4,31,037	8,92,382	7,54,949	18,47,687
	(c) Single Premium	4,51,842	2,48,106	4,19,702	6,99,948	5,79,863	13,24,820
2	Net premium income <sup>1</sup>	11,44,553	7,54,005	10,05,671	18,98,558	15,79,044	38,14,881
3	Income from investments (Net) <sup>2</sup>	8,87,338	6,96,356	6,31,881	15,83,694	15,06,791	32,67,757
4	Other income	4,502	2,175	4,311	6,677	8,111	18,339
5	Contribution of funds from Shareholders' A/c	11,453	8,051	740	19,504	740	25,856
6	<b>Total (2 to 5)</b>	<b>20,47,846</b>	<b>14,60,587</b>	<b>16,42,603</b>	<b>35,08,433</b>	<b>30,94,686</b>	<b>71,26,833</b>
7	Commission on						
	(a) First Year Premium	36,554	21,707	32,064	58,261	49,958	1,26,612
	(b) Renewal Premium	8,509	4,966	6,859	13,475	11,677	27,708
	(c) Single Premium	4,834	2,836	2,739	7,670	3,836	13,302
	Rewards	1,092	717	812	1,809	996	3,418
8	<b>Net Commission<sup>3</sup></b>	<b>50,989</b>	<b>30,226</b>	<b>42,474</b>	<b>81,215</b>	<b>66,467</b>	<b>1,71,040</b>
9	Operating Expenses related to insurance business (a+b)						
	(a) Employees remuneration and welfare expenses	50,966	43,756	39,524	94,722	70,721	1,67,558
	(b) Other operating expenses <sup>4</sup>	84,023	51,367	70,612	1,35,390	1,06,136	2,91,039
10	<b>Expenses of Management (8+9)</b>	<b>1,85,978</b>	<b>1,25,349</b>	<b>1,52,610</b>	<b>3,11,327</b>	<b>2,43,324</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>5</sup>	(4,078)	(20,284)	318	(24,362)	(5,391)	(18,854)
13	Goods & Services Tax on linked charges	9,263	8,662	8,860	17,925	17,104	35,675
14	Provision for taxes	1,395	(181)	1,768	1,214	4,924	27,439
15	Benefits Paid <sup>6</sup> (Net) <sup>1</sup>	8,34,536	5,81,833	4,76,874	14,16,369	7,57,373	22,61,255
16	Change in actuarial liability	10,04,988	7,60,820	9,88,488	17,65,808	20,37,917	40,82,963
17	<b>Total (10+11+12+13+14+15+16)</b>	<b>20,32,082</b>	<b>14,56,199</b>	<b>16,28,918</b>	<b>34,88,281</b>	<b>30,55,251</b>	<b>70,18,115</b>
18	<b>Surplus/Deficit (6-17)</b>	<b>15,764</b>	<b>4,388</b>	<b>13,685</b>	<b>20,152</b>	<b>39,435</b>	<b>1,08,718</b>
19	<b>Appropriations</b>						
	(a) Transferred to Shareholders A/c	19,571	10,956	21,602	30,527	56,865	97,964
	(b) Funds for Future Appropriations	(3,807)	(6,568)	(7,916)	(10,375)	(17,429)	10,754
20	<b>Details of Surplus / Deficit</b>						
	(a) Interim bonus paid	14,342	10,081	1,679	24,423	3,498	20,182
	(b) Terminal bonus paid	26,259	15,461	12,383	41,720	25,268	59,228
	(c) Allocation of bonus to policyholders	-	-	-	-	-	74,153
	(d) Surplus shown in the Revenue Account	15,764	4,388	13,685	20,152	39,435	1,08,718
	<b>Total Surplus</b>	<b>56,365</b>	<b>29,930</b>	<b>27,747</b>	<b>86,295</b>	<b>68,201</b>	<b>2,62,281</b>
<b>SHAREHOLDERS' A/C</b>							
21	Transfer from Policyholders' Account	19,571	10,956	21,602	30,527	56,865	97,964
22	Net Reinsurance Premium	2,251	2,064	335	4,315	364	4,538
23	Total income under Shareholders' Account						
	(a) Investment Income <sup>7</sup>	20,653	26,137	13,932	46,790	23,833	65,627
	(b) Other income	454	389	72	843	129	310
24	Reinsurance Claims incurred	2,528	1,884	(203)	4,412	27	1,762
25	Expenses relating to reinsurance business & Change in reinsurance contract liabilities (net of reinsurance assets)	(792)	2,160	381	1,368	1,009	2,212
26	Expenses other than those related to insurance business <sup>4</sup>	2,795	1,786	1,558	4,581	2,354	6,912
27	Transfer of funds to Policyholders' Account	11,453	8,051	740	19,504	740	25,856
28	Provisions for doubtful debts (including write off)	-	-	-	-	-	-
29	Provisions for diminution in value of investments <sup>5</sup>	(862)	(1,750)	670	(2,612)	(799)	(3,731)
30	<b>Profit before tax</b>	<b>27,807</b>	<b>27,415</b>	<b>32,795</b>	<b>55,222</b>	<b>77,860</b>	<b>1,35,428</b>
31	Provisions for tax	216	460	12	676	23	(659)
32	<b>Profit after tax and before Extraordinary items</b>	<b>27,591</b>	<b>26,955</b>	<b>32,783</b>	<b>54,546</b>	<b>77,837</b>	<b>1,36,087</b>
33	<b>Profit after tax and Extraordinary items</b>	<b>27,591</b>	<b>26,955</b>	<b>32,783</b>	<b>54,546</b>	<b>77,837</b>	<b>1,36,087</b>
34	<b>Dividend per share (₹) (Nominal value ₹ 10 per share)</b>						
	(a) Interim Dividend	-	-	-	-	-	-
	(b) Final Dividend	2.02	-	-	2.02	-	-
35	Profit carried to Balance Sheet <sup>8</sup>	6,06,129	6,19,385	5,34,179	6,06,129	5,34,179	5,92,430
36	Paid up equity share capital	2,02,313	2,02,214	2,01,946	2,02,313	2,01,946	2,02,094
37	Reserve & Surplus (excluding Revaluation Reserve)	6,63,557	6,72,614	5,76,441	6,63,557	5,76,441	6,40,944
38	Fair Value Change Account and Revaluation Reserve (Shareholders)	22,715	17,627	3,819	22,715	3,819	20,744
39	Total Assets:						
	(a) Investments:						
	- Shareholders'	8,66,455	9,00,748	7,46,749	8,66,455	7,46,749	8,52,364
	- Policyholders Fund excluding Linked Assets	99,42,800	94,12,625	77,92,993	99,42,800	77,92,993	90,53,783
	- Assets held to cover Linked Liabilities (Linked Assets)	83,15,228	78,17,551	65,25,210	83,15,228	65,25,210	74,75,950
	(b) Other Assets (Net of current liabilities and provisions)	13,553	(55,513)	(51,385)	13,553	(51,385)	(69,976)
*Details of Expenses contributing more than 10% of the expense of management are as below -							
	Advertisement and publicity	46,687	27,280	43,286	73,966	60,369	1,41,011
	Business development expenses	15,527	1,809	8,008	17,336	9,334	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 and Interest on subordinated debt
- 5 Inclusive of provision for standard and non-standard assets
- 6 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 review report dated October 22, 2021.

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HDFC Life Insurance Company Limited			
Consolidated Balance Sheet as at September 30, 2021			
(₹ in Lakhs)			
Particulars	As at		
	September 30, 2021	September 30, 2020	March 31, 2021
	( Unaudited)	( Unaudited)	( Audited)
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS:</b>			
Share Capital	2,02,313	2,01,946	2,02,094
Share application money received pending allotment of shares	399	632	197
Reserves and Surplus	6,63,557	5,76,440	6,40,944
Credit / (Debit) Fair Value Change Account	22,715	3,819	20,744
<b>Sub-Total</b>	<b>8,88,984</b>	<b>7,82,837</b>	<b>8,63,979</b>
<b>BORROWINGS</b>	<b>60,000</b>	<b>60,000</b>	<b>60,000</b>
<b>POLICYHOLDERS' FUNDS:</b>			
Credit / (Debit) Fair Value Change Account	3,00,190	1,11,944	2,55,501
Policy Liabilities			
i) relating to Life insurance business	94,78,832	74,57,996	85,52,302
ii) relating to Reinsurance business	6,118	4,705	5,330
Insurance Reserve	-	-	-
Provision for Linked Liabilities	54,91,657	55,26,487	54,30,538
Add: Fair value change	24,05,993	6,29,286	16,65,814
<b>Provision for Linked Liabilities</b>	<b>78,97,650</b>	<b>61,55,773</b>	<b>70,96,352</b>
Funds for discontinued policies			
(a) Discontinued on account of non-payment of premium	4,15,245	3,68,400	3,77,616
(b) Others	2,333	1,037	1,982
Total Provision for Linked & Discontinued Policyholders Liabilities	83,15,228	65,25,210	74,75,950
<b>Sub-Total</b>	<b>1,81,00,368</b>	<b>1,40,99,855</b>	<b>1,62,89,083</b>
Funds for Future Appropriations	88,684	70,874	99,058
<b>TOTAL</b>	<b>1,91,38,036</b>	<b>1,50,13,566</b>	<b>1,73,12,120</b>
<b>APPLICATION OF FUNDS</b>			
<b>INVESTMENTS:</b>			
Shareholders'	8,66,455	7,46,749	8,52,364
Policyholders'	99,42,800	77,92,993	90,53,783
Asset held to cover Linked Liabilities	83,15,228	65,25,210	74,75,950
<b>LOANS</b>	<b>53,931</b>	<b>32,466</b>	<b>42,405</b>
<b>FIXED ASSETS</b>	<b>33,503</b>	<b>32,812</b>	<b>34,152</b>
<b>CURRENT ASSETS</b>			
Cash and Bank Balances	45,870	33,995	1,09,926
Advances and Other Assets	5,14,239	3,88,429	3,96,923
<b>Sub-Total (A)</b>	<b>5,60,109</b>	<b>4,22,424</b>	<b>5,06,849</b>
<b>CURRENT LIABILITIES</b>	<b>6,26,207</b>	<b>5,32,543</b>	<b>6,44,004</b>
<b>PROVISIONS</b>	<b>7,783</b>	<b>6,545</b>	<b>9,379</b>
<b>Sub-Total (B)</b>	<b>6,33,990</b>	<b>5,39,088</b>	<b>6,53,383</b>
<b>NET CURRENT ASSETS (C) = (A - B)</b>	<b>(73,881)</b>	<b>(1,16,664)</b>	<b>(1,46,534)</b>
Miscellaneous Expenditure (to the extent not written off or adjusted)	-	-	-
Debit Balance in Profit and Loss Account (Shareholders' Account)	-	-	-
<b>TOTAL</b>	<b>1,91,38,036</b>	<b>1,50,13,566</b>	<b>1,73,12,120</b>
<b>Contingent liabilities</b>	<b>1,25,694</b>	<b>2,11,085</b>	<b>1,85,690</b>

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 October 22, 2021.

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HDFC Life Insurance Company Limited				
Consolidated Receipts and Payments Account for the Six months ended September 30, 2021				
(₹ in Lakhs)				
Sr. No.	Particulars	Six Months ended		Year ended
		September 30, 2021	September 30, 2020	March 31, 2021
		( Unaudited)	( Unaudited)	( Audited)
<b>A.</b>	<b>Cash Flows from the operating activities:</b>			
1	Premium received from policyholders, including advance receipts	20,25,809	16,69,168	39,68,308
2	Other receipts	7,007	6,860	17,067
3	Payments to the re-insurers, net of commissions and claims/ Benefits	162	(15,241)	(23,281)
4	Payments of claims/benefits	(15,17,941)	(7,37,540)	(22,68,819)
5	Payments of commission and brokerage	(89,640)	(65,384)	(1,65,408)
6	Payments of other operating expenses <sup>1</sup>	(2,69,612)	(2,07,871)	(4,71,676)
7	Preliminary and pre-operative expenses	-	-	-
8	Deposits, advances and staff loans	598	3,364	2,191
9	Income taxes paid (net)	(9,521)	(11,559)	(25,340)
10	Goods and Services Tax paid	(42,457)	(28,465)	(62,758)
11	Other payments	-	-	-
12	Cash flows before extraordinary items	1,04,405	6,13,332	9,70,284
13	Cash flow from extraordinary operations	-	-	-
	<b>Net cash flow from operating activities</b>	<b>1,04,405</b>	<b>6,13,332</b>	<b>9,70,284</b>
<b>B</b>	<b>Cash flows from investing activities:</b>			
1	Purchase of fixed assets	(1,962)	(2,189)	(6,121)
2	Proceeds from sale of fixed assets	29	3	94
3	Purchases of investments	(53,30,512)	(44,79,484)	(91,13,257)
4	Loans disbursed	-	-	-
5	Loan against policies	(11,526)	(2,560)	(12,500)
6	Sales of investments	46,55,082	36,27,016	76,94,656
7	Repayments received	-	-	-
8	Rents/Interests/ Dividends received	5,05,903	3,89,895	8,34,090
9	Investments in money market instruments and in liquid mutual funds (net)	63,956	(2,33,307)	(2,91,573)
10	Expenses related to investments	(24)	(11)	(17)
	<b>Net cash flow from investing activities</b>	<b>(1,19,054)</b>	<b>(7,00,637)</b>	<b>(8,94,628)</b>
<b>C</b>	<b>Cash flows from financing activities:</b>			
1	Proceeds from issuance of share capital	8,692	1,127	7,632
2	Proceeds from borrowing	-	60,000	60,000
3	Repayments of borrowing	-	-	-
4	Interest/dividends paid	(44,849)	-	-
5	Share application Money	399	632	197
	<b>Net cash flow from financing activities</b>	<b>(35,758)</b>	<b>61,759</b>	<b>67,829</b>
<b>D</b>	<b>Effect of foreign exchange rates on cash and cash equivalents, (net)</b>	<b>216</b>	<b>(437)</b>	<b>(540)</b>
<b>E</b>	<b>Net increase in cash and cash equivalents:</b>	<b>(50,191)</b>	<b>(25,983)</b>	<b>1,42,945</b>
1	Cash and cash equivalents at the beginning of the period	7,21,846	5,78,901	5,78,901
<b>2</b>	<b>Cash and cash equivalents at the end of the period</b>	<b>6,71,655</b>	<b>5,52,918</b>	<b>7,21,846</b>
	<b>Note - Components of Cash and cash equivalents at end of the period:</b>			
	Cash and cheques in hand	4,494	1,660	9,857
	Bank Balances *	40,270	31,696	99,080
	Fixed Deposit (less than 3 months)	371	-	12,702
	Money Market Instruments	6,26,520	5,19,562	6,00,207
	<b>Total Cash and cash equivalents</b>	<b>6,71,655</b>	<b>5,52,918</b>	<b>7,21,846</b>
	<b>Reconciliation of Cash &amp; Cash Equivalents with Cash &amp; Bank Balance:</b>			
	Cash & Cash Equivalents	6,71,655	5,52,918	7,21,846
	Add: Deposit Account - Others	58	56	56
	Less: Fixed Deposit (less than 3 months)	(371)	-	(12,702)
	Less: Money market instruments	(6,26,520)	(5,19,562)	(6,00,207)
	Add: Point of Presence Funds held in trust	1,048	583	933
	<b>Cash &amp; Bank Balances</b>	<b>45,870</b>	<b>33,995</b>	<b>1,09,926</b>
	* Bank Balances includes Unclaimed Dividend of ₹ 18 lakhs (₹ 18 lakhs at September 30, 2020 and ₹ 18 lakhs at March 31, 2021 )			

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

**Notes :**

- 1 Includes cash paid towards Corporate Social Responsibility expenditure ₹ 179 lakhs (previous year six months ended September 30, 2020: ₹ 755 lakhs and previous year ended March 31, 2021: ₹ 1,489 lakhs).

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HDFC Life Insurance Company Limited						
Statement of Consolidated Unaudited Results for the Quarter and Six months ended September 30, 2021						
Particulars	Three Months ended / As at			Six Months ended / As at		(₹ in Lakhs)
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	Year ended/As at
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Analytical Ratios:</b>						
(i) Solvency Ratio	190%	203%	203%	190%	203%	201%
(ii) Expenses of Management Ratio	16.0%	16.4%	15.0%	16.2%	15.2%	16.3%
(iii) Policyholder's liabilities to shareholders' fund	2046.0%	1918.4%	1810.2%	2046.0%	1810.2%	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)	1.36	1.33	1.62	2.70	3.85	6.74
b) Diluted EPS before and after extraordinary items (net of tax expense) for the period (not annualized for three months)	1.36	1.33	1.62	2.69	3.85	6.73
(v) NPA ratios: (for Policyholders' fund)						
a) Gross NPAs						
- Non Linked						
Par	NIL	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL	NIL
- Linked						
Non Par	5250.00	5250.00	5125.00	5250.00	5125.00	5250.00
Net NPAs						
- Non Linked						
Par	NIL	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL	NIL
- Linked						
Non Par	NIL	NIL	NIL	NIL	NIL	NIL
b) % of Gross NPAs						
- Non Linked						
Par	NIL	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL	NIL
- Linked						
Non Par	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
% of Net NPA						
- Non Linked						
Par	NIL	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL	NIL
- Linked						
Non Par	NIL	NIL	NIL	NIL	NIL	NIL
(vi) Yield on Investments (on Policyholders' fund)						
A. Without unrealised gains						
- Non Linked						
Par	2.4%	2.0%	2.2%	4.5%	3.8%	8.5%
Non Par	2.2%	2.2%	2.4%	4.5%	4.6%	9.5%
- Linked						
Non Par	4.0%	2.7%	2.5%	6.8%	3.1%	8.6%
B. With unrealised gains						
- Non Linked						
Par	4.0%	1.9%	1.9%	5.9%	8.2%	16.3%
Non Par	3.5%	-1.4%	-0.5%	2.1%	4.2%	7.2%
- Linked						
Non Par	8.3%	6.5%	7.2%	15.3%	21.5%	47.2%
(vii) NPA ratios: (for Shareholders' fund)						
a) Gross NPAs	NIL	NIL	NIL	NIL	NIL	NIL
Net NPAs	NIL	NIL	NIL	NIL	NIL	NIL
b) % of Gross NPAs	NIL	NIL	NIL	NIL	NIL	NIL
% of Net NPAs	NIL	NIL	NIL	NIL	NIL	NIL
(viii) Yield on Investments (on Shareholders' fund)						
A. Without unrealised gains	2.4%	3.0%	1.9%	5.5%	3.4%	8.9%
B. With unrealised gains	3.1%	2.4%	2.3%	5.5%	8.2%	15.4%
(ix) Persistency Ratio (Regular Premium/Limited Premium Payment)						
13th month	84.8%	82.5%	83.9%	85.9%	82.2%	84.9%
25th month	80.1%	73.2%	66.5%	75.7%	70.2%	71.3%
37th month	63.5%	64.7%	61.2%	66.0%	64.8%	65.1%
49th month	60.3%	61.0%	60.0%	62.8%	62.3%	62.7%
61st month	52.9%	51.6%	46.2%	52.3%	46.5%	48.9%
(x) Conservation Ratio						
Participating life- Individual & Group	87.5%	86.3%	86.0%	87.1%	83.3%	87.6%
Participating pension- Individual & Group	97.1%	87.3%	80.7%	93.1%	79.7%	90.0%
Non Participating life - Individual & Group	82.5%	100.4%	87.2%	90.3%	85.6%	86.4%
Non Participating pension - Individual & Group	70.2%	63.0%	74.7%	67.5%	74.5%	77.1%
Non Participating - Life Group Variable	NA	NA	NA	NA	NA	NA
Non Participating - Pension group variable	NA	NA	NA	NA	NA	NA
Non Participating fund - Individual & Group Annuity	NA	NA	NA	NA	NA	NA
Non Participating fund - Individual & Group Health	79.8%	86.7%	84.4%	82.7%	81.7%	83.4%
Unit Linked - Individual life	83.9%	88.3%	86.7%	85.7%	85.5%	85.7%
Unit Linked - Individual pension	67.3%	73.5%	71.6%	69.9%	71.3%	71.9%
Unit Linked - Group life	NA	NA	NA	NA	NA	NA
Unit Linked - Group pension	NA	NA	NA	NA	NA	NA

**Notes :**

- Analytical ratios have been calculated as per definition given in IRDAI Analytical ratios disclosure.
- The persistency ratios are calculated in accordance with the IRDAI circular no. IRDAI/F&A/CIR/MISC/256/09/2021 dated September 30, 2021 and hence are with a lag of one month.
- The persistency ratios for the quarter ended September 30, 2021 have been calculated for the policies issued in the June to August period of the relevant years. E.g.: the 13th month persistency for the current quarter is calculated for the policies issued from June 2020 to August 2020. The persistency ratios for quarter ended June 30, 2021 and September 30, 2020 have been calculated in a similar manner.
- The persistency ratios for the six months ended September 30, 2021 have been calculated for the policies issued in the September to August period of the relevant years. E.g.: the 13th month persistency for the current year is calculated for the policies issued from September 2019 to August 2020. The persistency ratios for the six months September 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.
- Definition revised in accordance with IRDAI circular on 'Public Disclosures by Insurers' dated September 30, 2021; persistency for individual policies; figures of comparative period have been restated as per revised definition.

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HDFC Life Insurance Company Limited						
Segment Reporting (Consolidated) for the Quarter and Six Months ended September 30, 2021						
(₹ in Lakhs)						
Sr. No.		Three Months ended / As at			Six Months ended / As at	
		September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1	<b>Segment Income</b>					
A)	<b>Policyholders :</b>					
	<b>Segment A - Participating - Individual &amp; Group Life :</b>					
	Net Premium	2,14,417	1,28,086	1,72,355	3,42,503	2,77,488
	Income from Investments <sup>2</sup>	80,445	79,519	64,513	1,59,964	1,15,352
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	2,714	647	2,723	3,361	5,322
	<b>Segment B - Participating - Individual &amp; Group Pension :</b>					
	Net Premium	3,975	2,450	4,082	6,425	6,887
	Income from Investments <sup>2</sup>	13,286	10,327	6,001	23,613	11,373
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	227	2	47	229	89
	<b>Segment C - Non Participating - Individual &amp; Group Life :</b>					
	Net Premium	3,65,968	2,61,115	2,98,663	6,27,083	4,52,118
	Income from Investments <sup>2</sup>	74,296	61,818	49,372	1,36,114	90,474
	Transfer of Funds from shareholders' account	11,014	7,560	-	18,574	-
	Other Income	793	817	774	1,610	1,112
	<b>Segment D - Non Participating - Life Group Variable :</b>					
	Net Premium	21,546	8,961	26,609	30,507	29,833
	Income from Investments <sup>2</sup>	6,266	6,156	6,016	12,422	11,828
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	-	-	-	-	-
	<b>Segment E - Non Participating - Individual &amp; Group Pension :</b>					
	Net Premium	66,151	13,452	1,05,399	79,603	1,26,187
	Income from Investments <sup>2</sup>	11,050	12,141	9,238	23,191	18,112
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	8	4	4	12	12
	<b>Segment F - Non Participating - Pension Group Variable :</b>					
	Net Premium	33,487	39,142	32,666	72,629	72,110
	Income from Investments <sup>2</sup>	7,952	7,941	7,163	15,893	14,244
	Transfer of Funds from shareholders' account	(491)	491	218	-	218
	Other Income	-	-	-	-	-
	<b>Segment G - Non Participating - Individual &amp; Group Annuity :</b>					
	Net Premium	1,48,278	99,120	1,07,044	2,47,398	1,68,484
	Income from Investments <sup>2</sup>	24,967	23,729	18,848	48,696	36,236
	Transfer of Funds from shareholders' account	371	-	522	371	522
	Other Income	22	19	18	41	30
	<b>Segment H - Non Participating - Individual &amp; Group Health :</b>					
	Net Premium	(357)	852	1,672	495	2,690
	Income from Investments <sup>2</sup>	123	119	121	242	331
	Transfer of Funds from shareholders' account	559	-	-	559	-
	Other Income	4	3	10	7	9
	<b>Segment I - Unit Linked - Individual Life :</b>					
	Net Premium	2,45,762	1,82,047	2,27,101	4,27,809	3,93,970
	Income from Investments <sup>2</sup>	5,87,995	4,57,060	4,17,374	10,45,055	10,46,130
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	732	681	734	1,413	1,535
	<b>Segment J - Unit Linked - Individual Pension :</b>					
	Net Premium	10,151	8,092	13,234	18,243	23,224
	Income from Investments <sup>2</sup>	53,049	36,867	36,439	89,916	1,08,102
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	2	2	1	4	2
	<b>Segment K - Unit Linked - Group Life :</b>					
	Net Premium	21,918	9,526	14,931	31,444	22,547
	Income from Investments <sup>2</sup>	27,430	17,958	13,891	45,388	50,751
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	-	-	-	-	-
	<b>Segment L - Unit Linked - Group Pension :</b>					
	Net Premium	13,257	1,162	1,914	14,419	3,504
	Income from Investments <sup>2</sup>	4,579	3,047	2,621	7,626	9,276
	Transfer of Funds from shareholders' account	-	-	-	-	-
	Other Income	-	-	-	-	-
B)	<b>Shareholders :</b>					
	Income from Investments <sup>2</sup>	21,516	27,887	13,262	49,403	24,632
	Other Income	454	389	72	843	129

Sr No.	Particulars	Three Months ended / As at			Six Months ended / As at		Year ended / As at
		September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
		(Unaudited)	(Unaudited) Refer Note 8	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>2</b>	<b>Segment Surplus/ Deficit (net of transfer from shareholders' A/c) :</b>						
	Segment A - Participating - Individual & Group Life	(3,430)	(4,965)	(7,810)	(8,395)	(15,601)	27,374
	Segment B - Participating - Individual & Group Pension	4,135	1,235	1,455	5,370	1,367	443
	Segment C - Non Participating - Individual & Group Life	(11,637)	(9,094)	2,716	(20,731)	10,531	(25,670)
	Segment D - Non Participating - Life Group Variable	114	513	(65)	627	51	394
	Segment E - Non Participating - Individual & Group Pension	2,066	1,718	(308)	3,784	2,467	3,292
	Segment F - Non Participating - Pension Group Variable	788	(491)	(445)	297	(218)	(1,312)
	Segment G - Non Participating - Individual & Group Annuity	(1,422)	1,051	(1,175)	(371)	(522)	620
	Segment H - Non Participating - Individual & Group Health	(756)	197	1,277	(559)	2,124	3,082
	Segment I - Unit Linked - Individual Life	10,981	2,169	13,337	13,150	30,597	58,214
	Segment J - Unit Linked - Individual Pension	2,576	2,851	3,017	5,427	5,992	12,909
	Segment K - Unit Linked - Group Life	718	1,022	755	1,740	1,600	2,940
	Segment L - Unit Linked - Group Pension	177	131	191	308	307	576
	<b>Total</b>	<b>4,310</b>	<b>(3,663)</b>	<b>12,945</b>	<b>647</b>	<b>38,695</b>	<b>82,862</b>
	Shareholders	19,474	24,050	11,921	43,524	21,712	63,979
	<b>Grant Total</b>	<b>23,784</b>	<b>20,387</b>	<b>24,866</b>	<b>44,171</b>	<b>60,407</b>	<b>1,46,841</b>
<b>3</b>	<b>Segment Assets:</b>						
	Segment A - Participating - Individual & Group Life	36,55,439	35,25,301	30,68,178	36,55,439	30,68,178	34,27,824
	Segment B - Participating - Individual & Group Pension	2,76,389	2,92,240	2,83,237	2,76,389	2,83,237	2,96,853
	Segment C - Non Participating - Individual & Group Life	29,74,579	27,15,758	20,14,634	29,74,579	20,14,634	25,42,156
	Segment D - Non Participating - Life Group Variable	3,44,907	3,32,653	3,20,421	3,44,907	3,20,421	3,28,648
	Segment E - Non Participating - Individual & Group Pension	6,78,376	6,15,403	5,47,693	6,78,376	5,47,693	6,11,066
	Segment F - Non Participating - Pension Group Variable	4,52,491	4,77,817	3,96,660	4,52,491	3,96,660	4,59,898
	Segment G - Non Participating - Individual & Group Annuity	14,40,614	12,89,340	9,56,863	14,40,614	9,56,863	11,91,472
	Segment H - Non Participating - Individual & Group Health	5,958	5,583	4,834	5,958	4,834	6,101
	Segment I - Unit Linked - Individual Life	68,72,546	64,49,728	52,53,456	68,72,546	52,53,456	61,23,677
	Segment J - Unit Linked - Individual Pension	6,73,354	6,59,531	6,35,232	6,73,354	6,35,232	6,54,642
	Segment K - Unit Linked - Group Life	6,45,213	6,13,246	5,45,532	6,45,213	5,45,532	6,01,226
	Segment L - Unit Linked - Group Pension	1,17,040	1,01,672	95,019	1,17,040	95,019	1,01,239
	<b>Total</b>	<b>1,81,36,906</b>	<b>1,70,78,272</b>	<b>1,41,21,759</b>	<b>1,81,36,906</b>	<b>1,41,21,759</b>	<b>1,63,44,802</b>
	Shareholders	9,43,644	9,45,255	8,35,332	9,43,644	8,35,332	9,18,893
	Unallocated <sup>3</sup>	57,486	51,884	56,475	57,486	56,475	48,426
	<b>Grant Total</b>	<b>1,91,38,036</b>	<b>1,80,75,411</b>	<b>1,50,13,566</b>	<b>1,91,38,036</b>	<b>1,50,13,566</b>	<b>1,73,12,121</b>
<b>4</b>	<b>Segment Policy Liabilities<sup>1</sup>:</b>						
	Segment A - Participating - Individual & Group Life	34,07,998	33,15,534	29,92,858	34,07,998	29,92,858	32,33,440
	Segment B - Participating - Individual & Group Pension	2,56,250	2,69,549	2,72,051	2,56,250	2,72,051	2,72,455
	Segment C - Non Participating - Individual & Group Life	29,59,013	27,24,481	20,05,244	29,59,013	20,05,244	25,28,444
	Segment D - Non Participating - Life Group Variable	3,43,976	3,32,146	3,18,090	3,43,976	3,18,090	3,26,681
	Segment E - Non Participating - Individual & Group Pension	6,77,503	6,14,400	5,46,387	6,77,503	5,46,387	6,09,933
	Segment F - Non Participating - Pension Group Variable	4,51,305	4,76,411	3,94,628	4,51,305	3,94,628	4,58,224
	Segment G - Non Participating - Individual & Group Annuity	14,34,564	12,84,591	9,56,414	14,34,564	9,56,414	11,84,165
	Segment H - Non Participating - Individual & Group Health	6,118	6,152	5,474	6,118	5,474	6,234
	Segment I - Unit Linked - Individual Life	69,09,184	64,81,594	52,86,806	69,09,184	52,86,806	61,50,655
	Segment J - Unit Linked - Individual Pension	6,73,385	6,59,545	6,35,232	6,73,385	6,35,232	6,54,651
	Segment K - Unit Linked - Group Life	6,46,402	6,15,483	5,45,877	6,46,402	5,45,877	6,01,190
	Segment L - Unit Linked - Group Pension	1,17,046	1,01,675	95,019	1,17,046	95,019	1,01,240
	<b>Total</b>	<b>1,78,82,744</b>	<b>1,68,81,561</b>	<b>1,40,54,080</b>	<b>1,78,82,744</b>	<b>1,40,54,080</b>	<b>1,61,27,312</b>
	Shareholders	9,55,102	9,59,861	8,47,542	9,55,102	8,47,542	9,29,310
	Unallocated	-	-	-	-	-	-
	<b>Grand Total</b>	<b>1,88,37,846</b>	<b>1,78,41,422</b>	<b>1,49,01,622</b>	<b>1,88,37,846</b>	<b>1,49,01,622</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 October 22,2021.

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**Rajen Ratansi Ashar**  
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Date: 2021.10.22 13:17:49 +05'30'

**HDFC Life Insurance Company Limited**

**Other disclosures :**

**Status of Shareholders Complaints as on September 30, 2021**

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

**HDFC Life Insurance Company Limited**

**Other disclosures :**

**Status of Investor Complaints for the quarter ended September 30, 2021**

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



## Notes:

1. The consolidated financial results of the group for the quarter and six months ended September 30, 2021 were reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on October 22, 2021.
2. The 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 September 30, 2021, the Holding company has allotted 991,817 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 up to 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 Group carries:
  - (a) Adequate impairment provisions on the investments to an extent necessary and
  - (b) Excess Mortality Reserve (EMR) of ₹ 20,400 lakh as at the Balance Sheet date for potential adverse mortality expected due to pandemic. This reserve are 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 Holding Company has also assessed its solvency position as at the Balance sheet date and is at 190% 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 September 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 September 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 Board of Directors of the Company approved the Share Purchase and Share Swap Agreement dated 3rd September, 2021, entered into by and amongst the Company, Exide Industries Limited and Exide Life Insurance Company Limited, in connection with the acquisition of 100% of the share capital of and subsequent merger of Exide Life Insurance Company Limited into the Holding Company for a total consideration of ₹ 668,700 lakhs. The proposed preferential issuance of equity shares to Exide Industries, has been approved by shareholders of the Company at the Extra Ordinary General Meeting held on 29th September, 2021. The transaction is subject to necessary regulatory approvals, which are currently awaited.
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.

For and on behalf of the Board of Directors

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KEDIA**

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by ALPA KEDIA  
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**Rajen  
Ratansi  
Ashar**

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Rajen Ratansi Ashar  
Date: 2021.10.22  
13:18:20 +05'30'

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 October 22, 2021.

**Mumbai  
October 22, 2021**

**Vibha  
Padalkar**

Digitally signed by Vibha Padalkar  
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serialNumber=4d5f13e172c05171a79  
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b27190065dfc, cn=Vibha Padalkar  
Date: 2021.10.22 12:29:08 +05'30'

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

**PRESS RELEASE - PERFORMANCE FOR THE HALF YEAR ENDED SEPTEMBER 30, 2021**

**BSE Code: 540777**

**NSE Code: HDFCLIFE**

**Sustained quality growth: 23% increase in APE; 30% growth in VNB**

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**Other Key Highlights:**

- **41% growth in protection APE; 47% growth in annuity business**
  - **New Business Margin expands to 26.4%; Operating RoEV at 18.4% (pre-EMR)**
  - **18% growth in renewal premium**
  - **AUM of Rs 1.9 lakh crore, implying 27% yoy growth**
  - **Claims experience has been in line with expectations**
  - **2-year CAGR at 12% basis individual WRP vs 5% for industry**
- 

**Mumbai, October 22, 2021:** The Board of Directors of HDFC Life approved and adopted today the audited standalone and reviewed consolidated financial results for the half year ended September 30, 2021. Below is the summary of our standalone results:

Commenting on the current situation, Ms. Vibha Padalkar, MD & CEO said “With the vaccination program going well, approximately 70% of the adult population has received at least one dose, and we are hopeful that the intensity of any subsequent covid wave will be muted. Consumer sentiment remains buoyant and we are optimistic about sustained increase in business in the coming few months.”

Commenting on the H1FY22 performance, Ms. Vibha Padalkar, MD & CEO said “Our business performance remains strong with 22% growth and private market share of 16.2% in terms of Individual WRP in H1 FY22. New business margin (NBM) expanded by 130 bps with NBM at 26.4% for H1 FY22, higher than 25.1% in H1 FY21. Value of New Business was Rs 1,086 crore, recording a robust growth of 30% over last year. Our Profit after Tax stands at Rs. 577 crore for H1 (26% lower than H1 FY21), on the back of higher claims reserving warranted by the second wave of the pandemic.

The product mix was balanced with non-par savings at 32%, participating products at 30% and ULIPs at 26% on APE basis. Annuity business registered healthy growth of 47% vis-à-vis H1 FY21, with annuities contributing about 24% of our new business premium. We view protection business in a holistic way. Protection APE including group recorded yoy increase of 41% for H1 and comprises 21% of our new business premium. We have a wide range of products in our portfolio, both on the retail and group side, to address varying customer needs through multiple distribution channels.

Further, on claims, we settled around 2,00,000 claims in H1 FY22. Gross and net claims amounted to Rs 3,640 crore and Rs 2,466 crore respectively. The overall experience has been in line with our projections and we carry an Excess Mortality Reserve (EMR) of Rs 204 crore into H2 FY22.

Our subsidiary, HDFC Pension, crossed the milestone of 20,000 crore AUM and registered 97% growth yoy. The pace of growth has accelerated significantly - it took us 7 years to achieve the first 10,000 crore mark and

only 14 months for the next 10,000 crores. HDFC Pension continues to be the #1 private Pension Fund Manager (PFM) in terms of NPS AUM with a market share of 36% as on 30th Sep, 2021.

We believe that the current environment is conducive for a robust growth of the life insurance sector as there is an increased awareness about life insurance as a financial protection tool.”

## Key Financial Summary

Rs Crore	H1 FY22	H1 FY21	YoY	FY21	FY20
<b>Key Financial and Actuarial Metrics</b>					
Individual APE	3,427	2,834	21%	7,121	6,145
Total APE	4,112	3,334	23%	8,372	7,407
New Business Premium (Indl + Group)	10,363	8,496	22%	20,107	17,239
Renewal Premium (Indl + Group)	8,924	7,549	18%	18,477	15,468
Total Premium	19,287	16,045	20%	38,583	32,707
Assets Under Management	1,91,212	1,50,622	27%	1,73,839	1,27,226
Networth (1)	8,690	7,787	12%	8,430	6,992
Profit After Tax	577	777	-26%	1,360	1,295
Indian Embedded Value	28,703	23,332	23%	26,617	20,650
Value of new business	1,086	838	30%	2,185	1,919
Protection based on Total APE	571	404	41%	1,070	1,270

	H1 FY22	H1 FY21	FY21	FY20
<b>Key Financial Ratios</b>				
New Business Margins	26.4%	25.1%	26.1%	25.9%
Pre-EMR Operating Return on EV (2)	18.4%	17.6%	18.5%	18.1%
Post-EMR Operating Return on EV (2)	16.1%			
Operating Expenses / Total Premium	12.0%	11.1%	12.0%	13.1%
Solvency Ratio	190%	203%	201%	184%
13M / 61M Persistency (3)	91%/56%	88%/53%	90%/53%	88%/54%
13M / 61M Persistency (4)	86%/52%	82%/47%	85%/49%	81%/44%
Product mix by Indl APE (UL / Non par savings / Annuity/ Non par protection / Par) (5)	26/32/5/7/30	23/30/5/9/33	24/31/5/7/34	28/41/4/8/19
Distribution mix by Indl APE (Corp Agents/ Agency/ Broker/ Direct) (5)	60/13/6/21	60/13/6/21	61/13/7/19	55/14/9/22

Notes:

1. Networth comprises Share capital, Share premium and Accumulated profits
2. EMR: Excess Mortality Reserve (additional reserve created for excess mortality during Covid)
3. Persistency ratios are calculated basis original premium, for Individual business, including single premium
4. Limited pay/regular premium persistency calculated based on IRDAI's recent circular, excluding single premium and fully paid policies
5. Percentages may not add up due to rounding off effect

**Other key highlights for the year ending September 30, 2021:**

- **Overall Market Share:** Ranked #1 in terms of Overall New Business Premium in private sector with market share at 22.3%; Private market share within group and individual new business segment of 28.1% and 16.2% respectively
- **Product Portfolio:** Continue to maintain a balanced product mix with share of participating savings, non participating savings, ULIPs, protection and annuity accounted for 30%, 32%, 26%, 7% and 5% of Individual APE respectively
- **Distribution Mix:** Diversified distribution mix is evidenced by wide access to our customers with over 300 partners and 1 lakh+ agents as on September 30, 2021, further supplemented by 372 branches spread across the country
- **Assets Under Management:** AUM of Rs. 1.9 lakh Cr. (Debt: Equity mix 62:38); over 98% of debt investments in G-Secs and AAA bonds

**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 September 30, 2021, the Company had 38 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 372 branches and additional distribution touch-points through several new tie-ups and partnerships. The count of our partnerships is over 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.*

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

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






# Investor Presentation – H1 FY22







# Executive summary: H1 FY22

## Revenue trends

	Individual WRP	growth	22%
		market share	16.2%
	Renewal premium	growth	18%
	13M Persistency <sup>1</sup>	H1 FY22	91%
		H1 FY21	88%

## Profitability

	New Business Margin (%)	H1 FY22	26.4%
		H1 FY21	25.1%
	VNB	Rs bn	10.9
		growth	30%
	PAT	Rs bn	5.8
		growth	-26%
	Solvency <sup>2</sup> (2021)	Sep 30	190%
		Mar 31	201%

## Claims

- Settled around 2 lakh claims in H1. Gross and net claims provided for amounted to Rs 36.4 bn and Rs 24.7 bn respectively
- Individual claims tapered off in Q2 FY22; Overall experience in line with projections
- Excess mortality reserve (EMR) of Rs 7 bn as on Jun 30, 2021 sufficient to cover claims received to date
- With an additional EMR of Rs 0.6 bn in Q2, the unutilised reserves stands at about Rs 2 bn as on 30<sup>th</sup> September 2021

## Protection/Annuity

	Annuity growth%	HDFC Life	47%
	Credit protect growth%	H1 FY22	108%
		H1 FY21	-53%

1. Includes single premium

2. Post dividend payout of Rs 4.1 bn in Q2 FY22



# Agenda

Performance Snapshot

1

Our Strategy

2

Customer Insights

3

Exide Life Transaction Update

4

Managing Covid-19

5

Annexure

6

India Life Insurance

7



# Agenda

Performance Snapshot

1

Our Strategy

2

Customer Insights

3

Exide Life Transaction Update

4

Managing Covid-19

5

Annexure

6

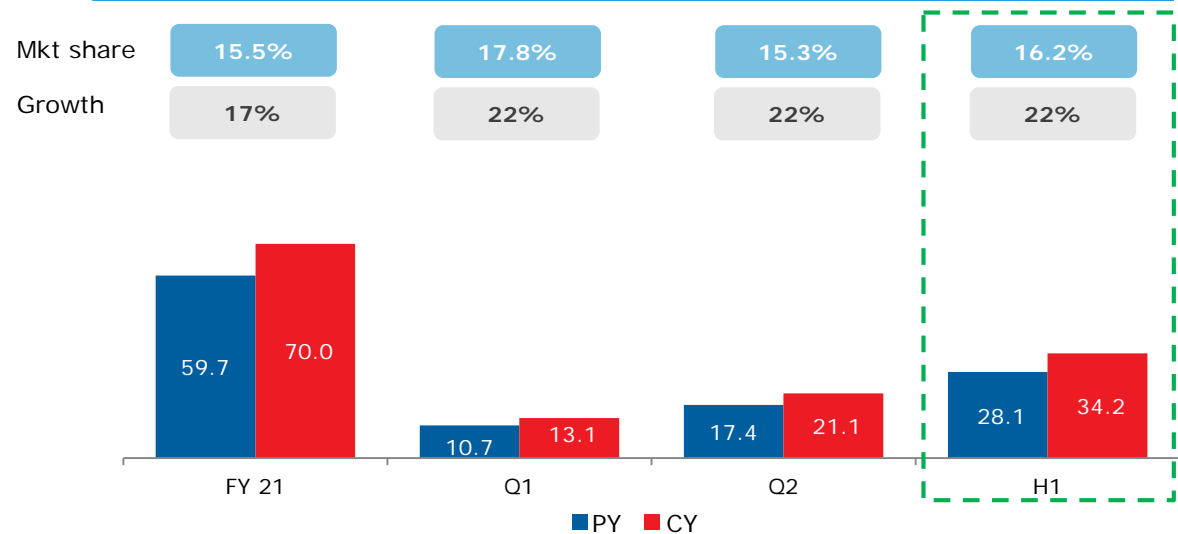
India Life Insurance

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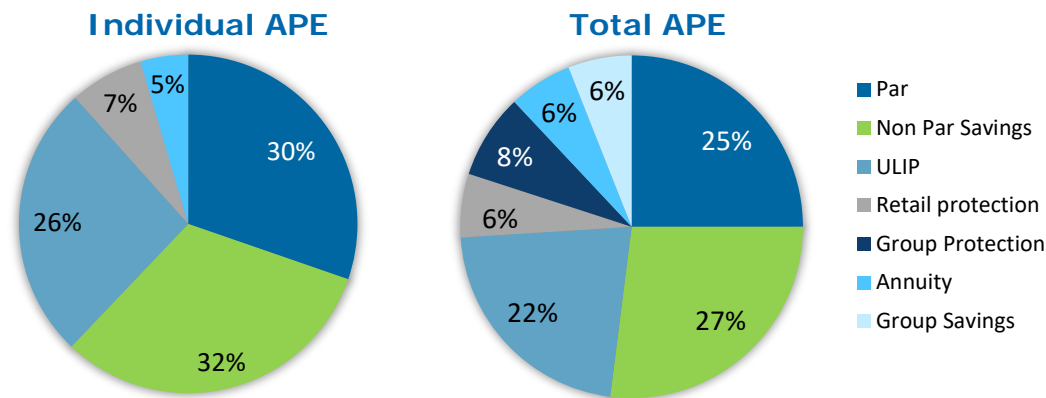


# Demonstrating resilience in the current environment (1/2)

## Steady Individual WRP trends



## Balanced product mix

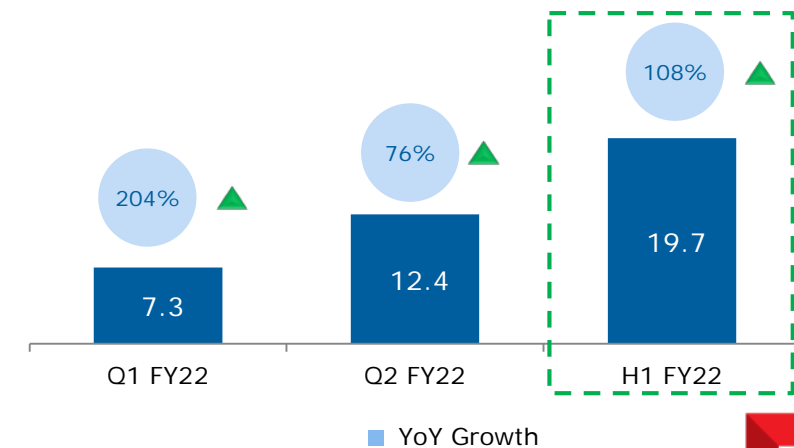


## Strong, sustainable growth<sup>1</sup>

Rs bn

Growth	HDFC Life	Pvt sector	Industry
H1 FY22	22%	32%	20%
2 yr CAGR	12%	8%	5%

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

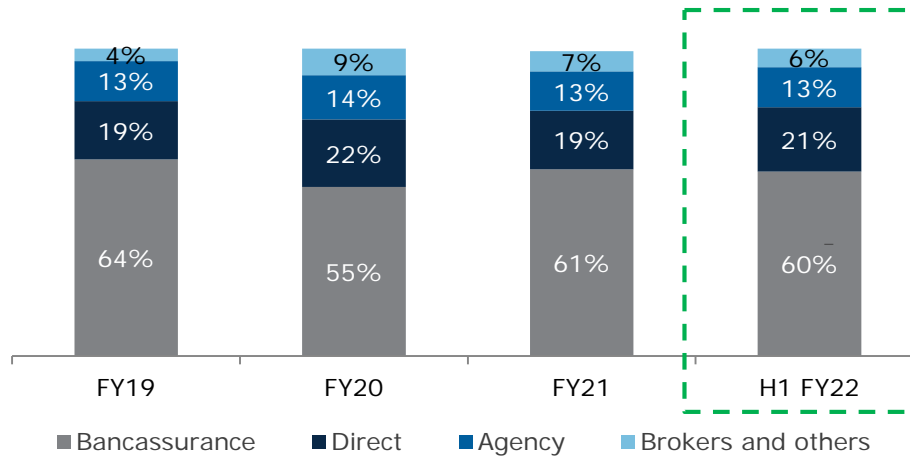


1. Based on Individual WRP; 2. Based on Credit Protect NBP

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

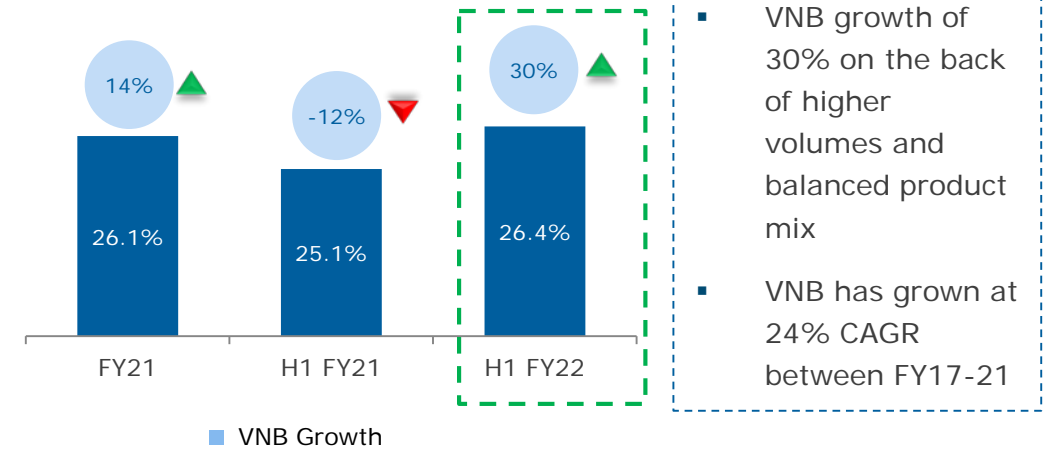
Rs bn

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

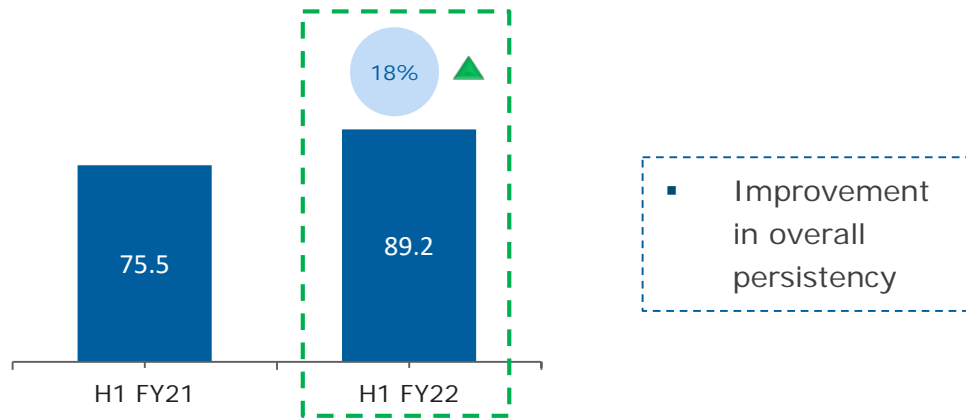


## Profitable growth

### New business margin

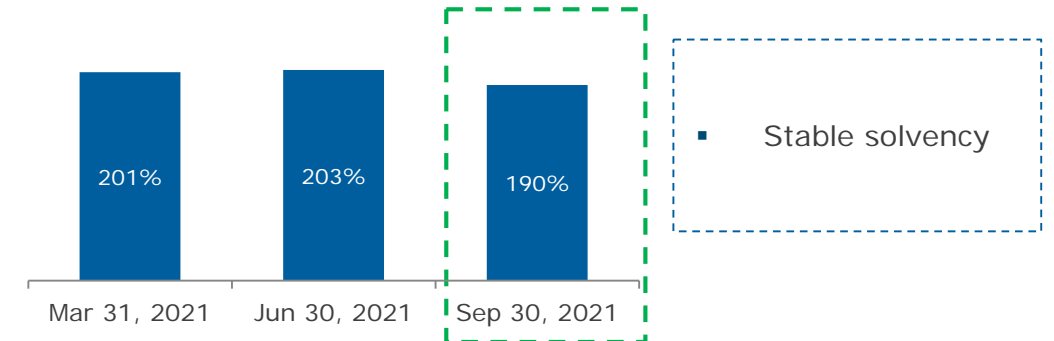


## Strong growth in renewal premium



## Healthy solvency position

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



1. Based on Individual APE  
2. Post dividend payout of Rs 4.1 bn in Q2 FY22



# Agenda

Performance Snapshot

1

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2

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3

Exide Life Transaction Update

4

Managing Covid-19

5

Annexure

6

India Life Insurance

7



# 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

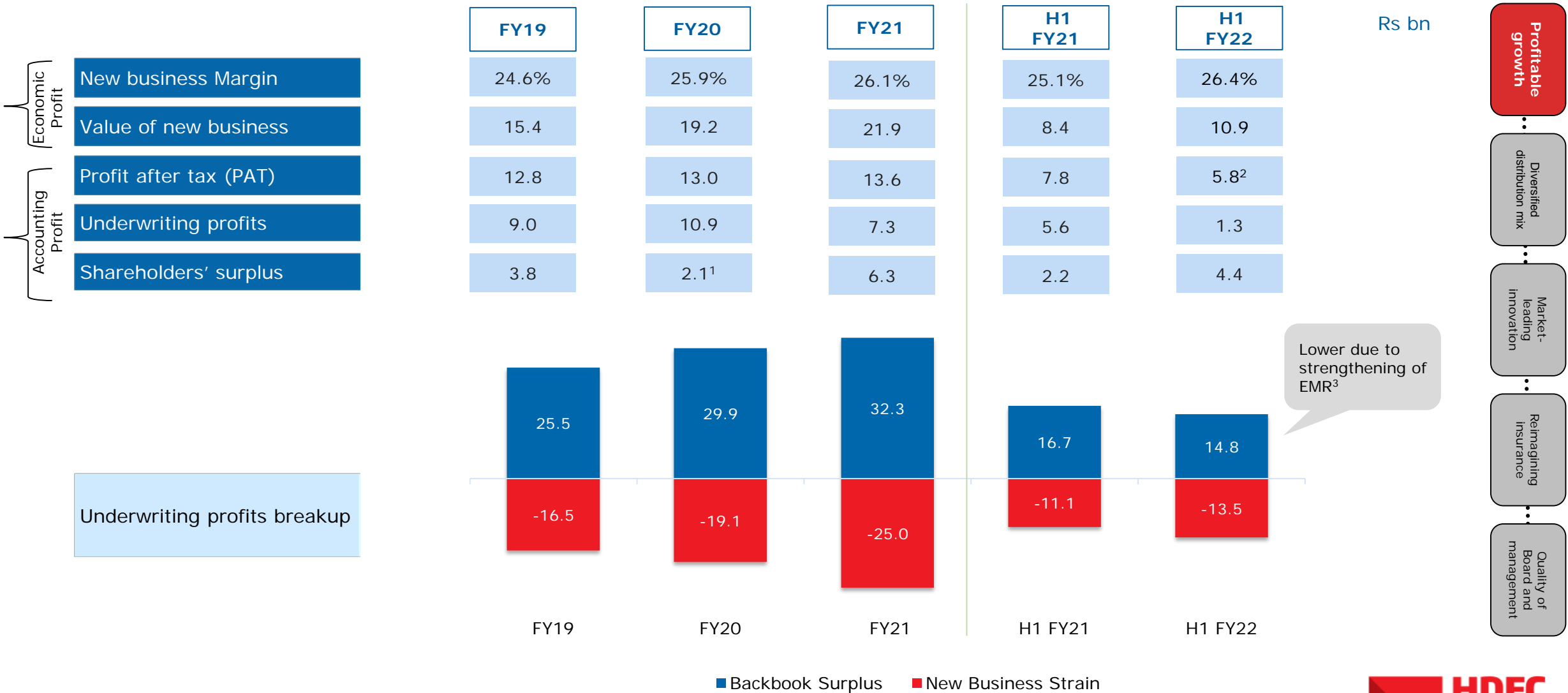


## Quality of Board and management

**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

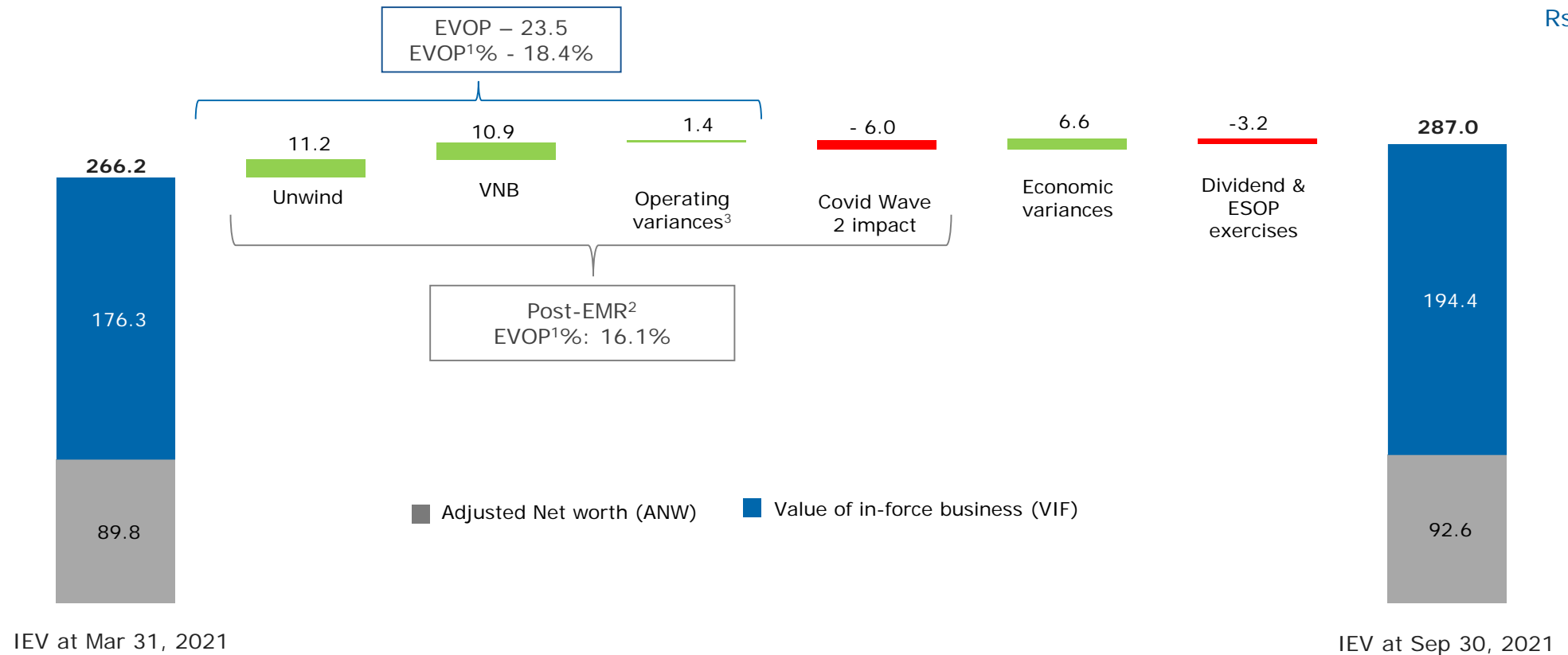


1. FY20 shareholder surplus: Post accounting for impact of Yes Bank AT1 bonds write-off

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

3. EMR: Excess Mortality Reserve

# Analysis of change in IEV



- Operating variance continues to be positive and in line with our assumptions
- Unutilised reserves of about Rs 2 bn carried into H2 FY22

1. EVOP% calculated as annualised EVOP (Embedded Value Operating Profit) to Opening EV  
 2. EMR: Excess mortality reserve  
 3. Persistency variance: 0.8, Expenses and Others: 0.6



# Diversified distribution mix enabled by multiple levers



**Strong Partnerships: 250+ partners**

**New Partnerships:** Capital Small Finance Bank, South Indian Bank, Nabard Financial Services

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



Tapping new generation of customers through Online channel



Expanding geographical reach via Online channel



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



Leveraging analytics for upsell and cross-sell via Direct channel

## Emerging ecosystem



Profitable growth

Diversified distribution mix

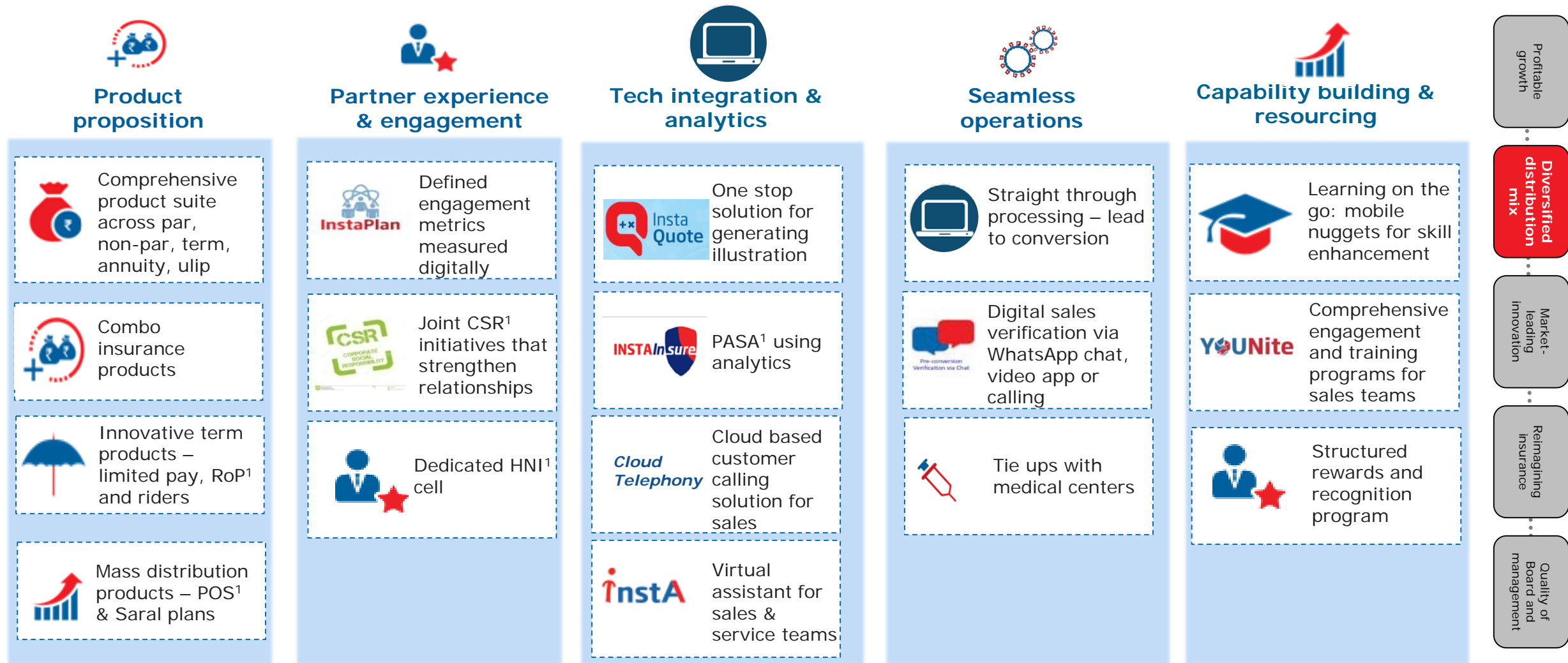
Market-leading innovation

Reimagining insurance

Quality of Board and management



# Bancassurance powered by innovation, technology and people



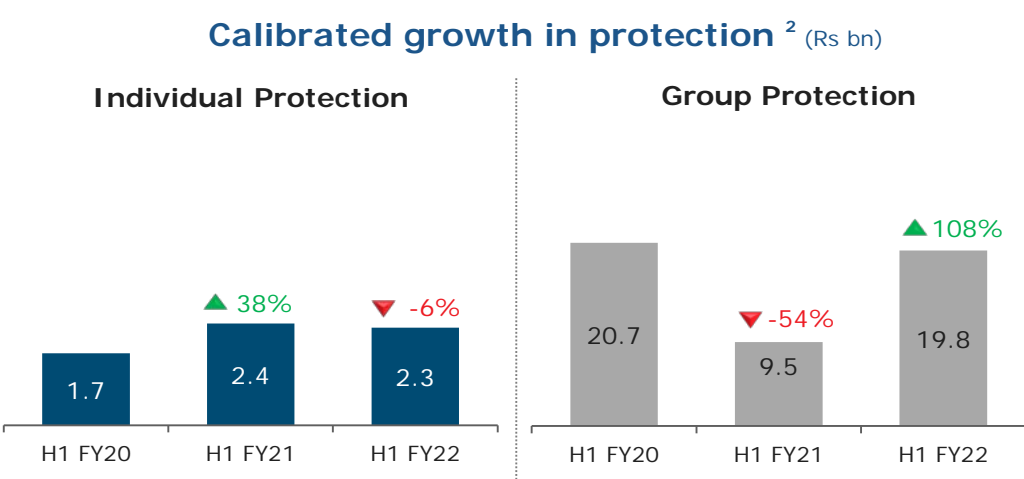
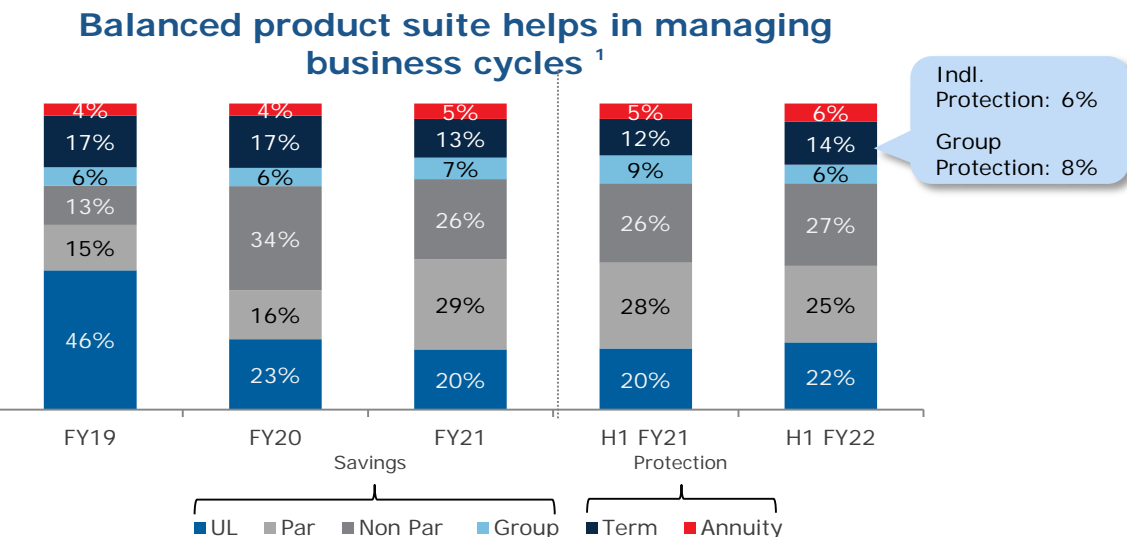
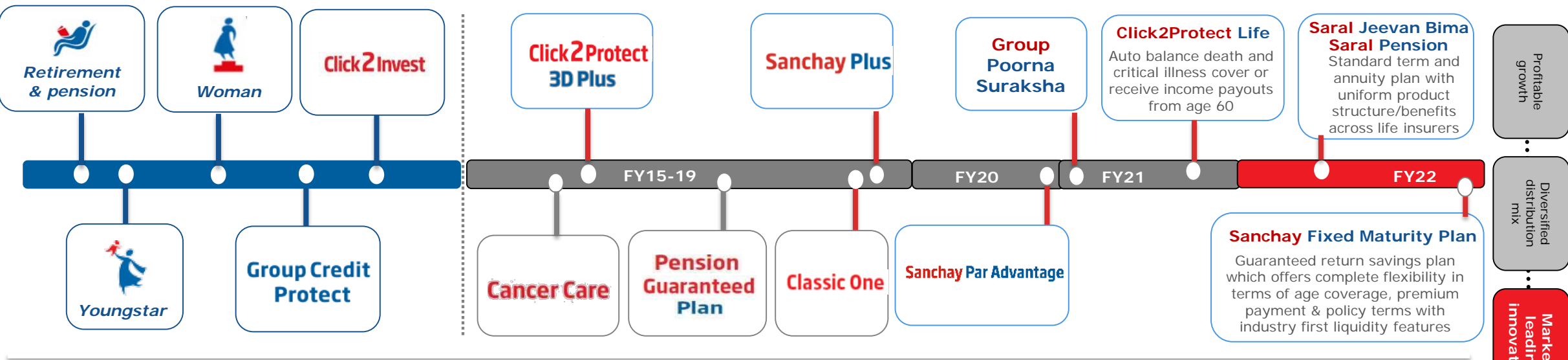
# Technology driving productivity in Agency channel



1. FC: Financial Consultant

2. IC38: Qualifying exam for becoming an insurance advisor, conducted by Insurance Institute of India

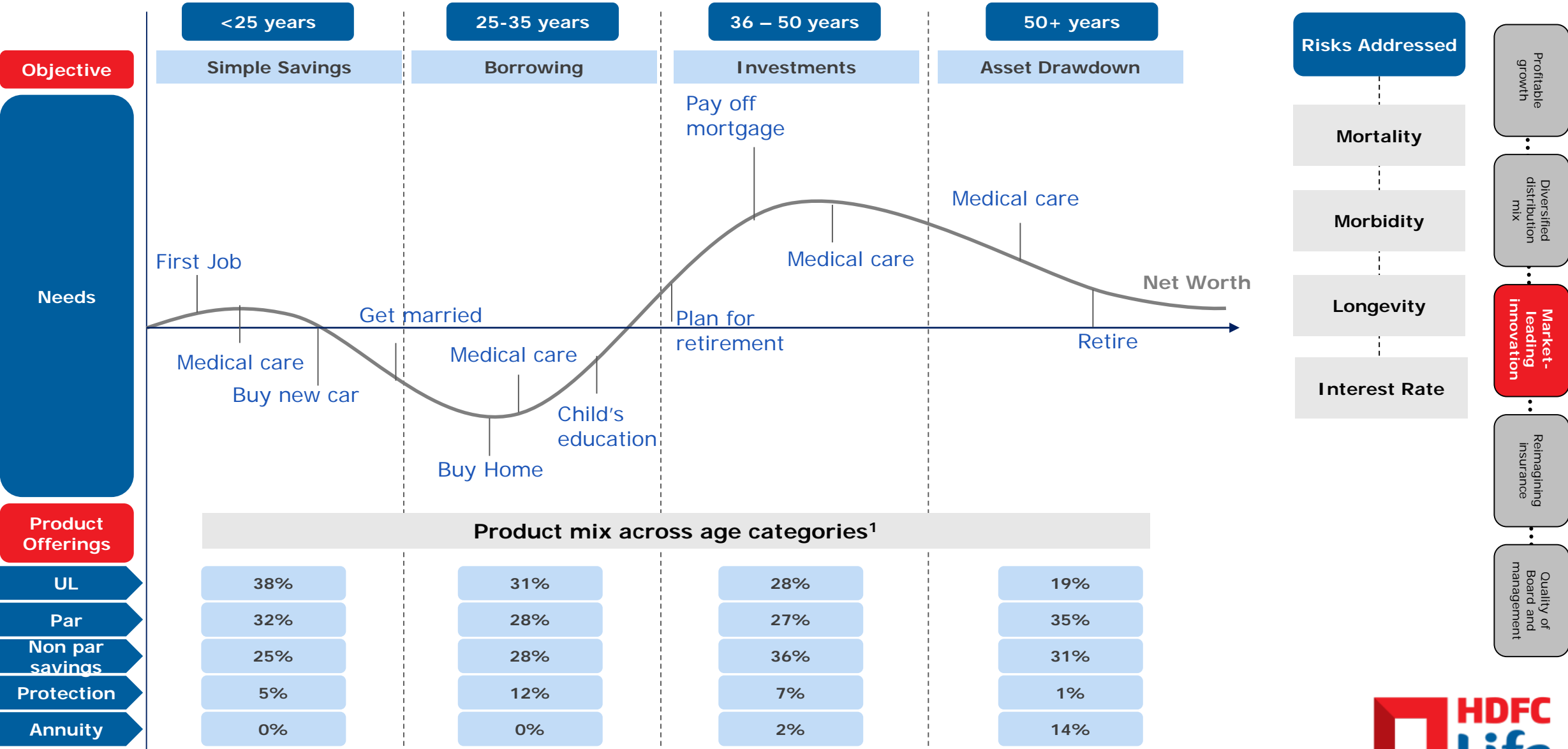
# Expanding market through consistent product innovation



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 H1 FY22; Percentages may not add up due to rounding off effect



# Our approach to retiral solutions

## 1. NPS



- Largest Pension Fund Manager (PFM) in Retail and Corporate NPS segment, with AUM of Rs 223.3 bn
- Registered strong AUM growth of 97% yoy

- Market share grew from 34.4% in Mar'21 to 36% in Sep'21 amongst all PFMs
- Company has around 9 lakh customers - ~5.8 lakh in retail segment and ~ 3.1 lakh in corporate segment

## 2. Immediate / deferred annuity



- Largest player in the private sector
- Servicing 150+ corporates and >20,000 lives covered in H1 FY22

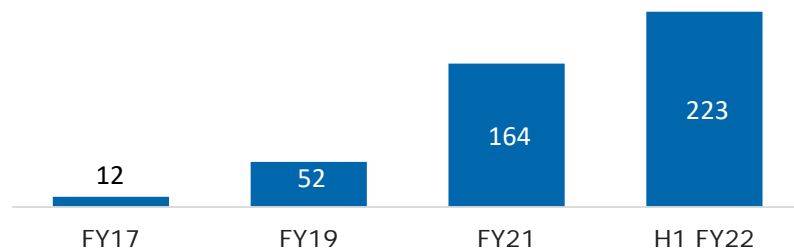
## 3. Group superannuation fund



- Managing funds for 150+ corporates under superannuation scheme

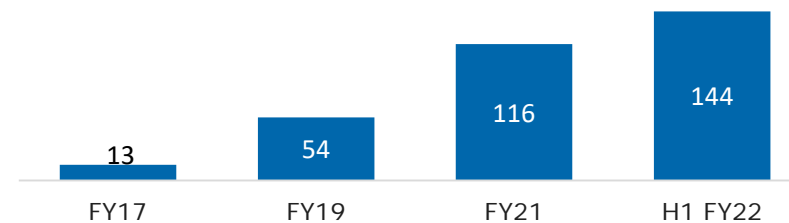
### NPS AUM

FY17-21 CAGR: 93% ▲



### Annuity portfolio

FY17-21 CAGR: 70% ▲



Rs bn



# Our protection philosophy

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

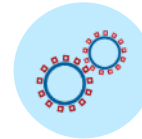
## Supply side considerations

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

## Demand side considerations

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

## 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

Pricing and underwriting to evolve in line with expanding geographical and demographic coverage

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	H1 FY22
	UL	64%	32%	27%	30%
	Par	13%	18%	37%	33%
	Non par savings	17%	44%	30%	31%
	Term	4%	4%	4%	4%
	Annuity	3%	2%	2%	2%

Direct	Segment	FY19	FY20	FY21	H1 FY22
	UL	50%	33%	29%	24%
	Par	8%	14%	17%	14%
	Non par savings	12%	20%	16%	23%
	Term	6%	4%	3%	3%
	Annuity	24%	29%	35%	37%

Agency	Segment	FY19	FY20	FY21	H1 FY22
	UL	26%	12%	10%	14%
	Par	40%	34%	37%	31%
	Non par savings	17%	40%	39%	40%
	Term	12%	12%	11%	11%
	Annuity	5%	3%	3%	3%

Online <sup>3</sup>	Segment	FY19	FY20	FY21	H1 FY22
	UL	62%	44%	39%	37%
	Par	2%	1%	1%	2%
	Non par savings	1%	18%	29%	33%
	Term	35%	37%	30%	26%
	Annuity	1%	1%	2%	2%

Company	Segment	FY19	FY20	FY21	H1 FY22
	UL	55%	28%	24%	26%
	Par	18%	19%	34%	30%
	Non par savings	15%	41%	31%	32%
	Term	7%	8%	7%	7%
	Annuity	5%	4%	5%	5%

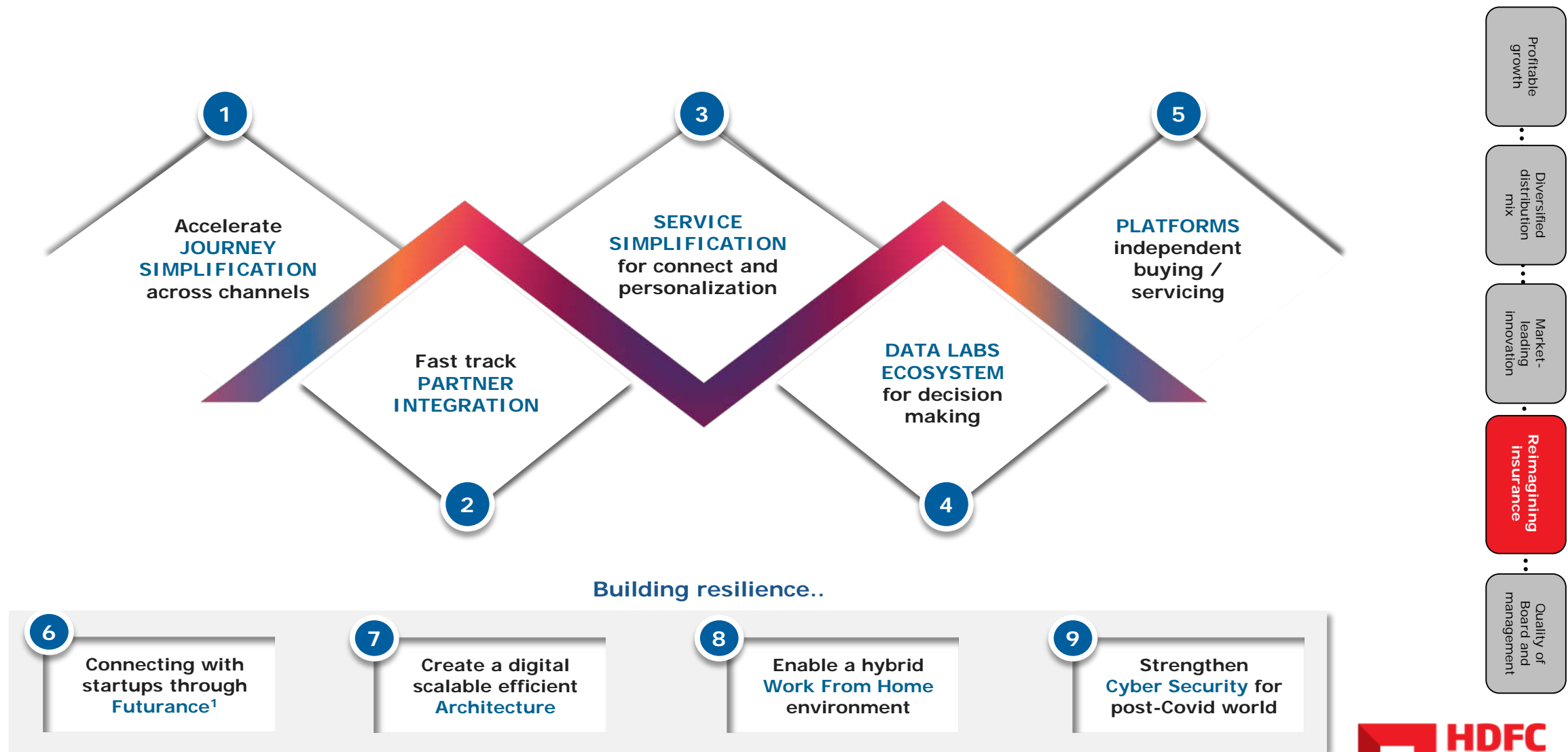
Protection		FY19	FY20	FY21	H1 FY22
	Based on APE	17%	17%	13%	14%
	Based on NBP	27%	27%	20%	21%

Annuity		FY19	FY20	FY21	H1 FY22
	Based on APE	4%	4%	5%	6%
	Based on NBP	17%	16%	20%	24%

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



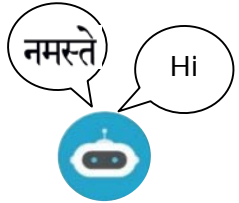
# Aligned to make life simpler for the customers in a turbulent environment



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

# Service Simplification – Conversational bots

## Highlights



**Chat in 8 languages**

Hindi, Gujarati, Marathi,  
Punjabi Bengali, Tamil,  
Telugu, Malayalam



**650+ queries**  
available on chat and  
**200+ on voice bot**



**9 lakh+ unique**  
**users** accessing  
conversational bots



Claims and loan  
facility available on  
WhatsApp bot

## Technical Capabilities built in-house



**Deep  
learning**



**Cognitive  
automation**



**Multi  
platform**



**NLP<sup>1</sup>**



**Agent  
handover**



**Voice  
enabled**



**Multi-  
lingual**



**Geo-tagging**



**2-factor  
Authentication**

Profitable  
growth

Diversified  
distribution  
mix

Market-  
leading  
innovation

Reimagining  
insurance

Quality of  
Board and  
management



**Elle**

Website bot



**Etty**

WhatsApp bot



**Neo**

Twitter bot



**Zoey**

Digital Avatar



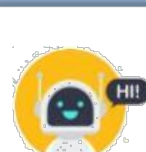
**Elsa**

Alexa bot



**Ezra**

Google bot



**Ella**

FB bot

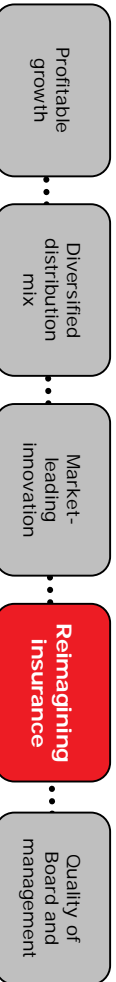
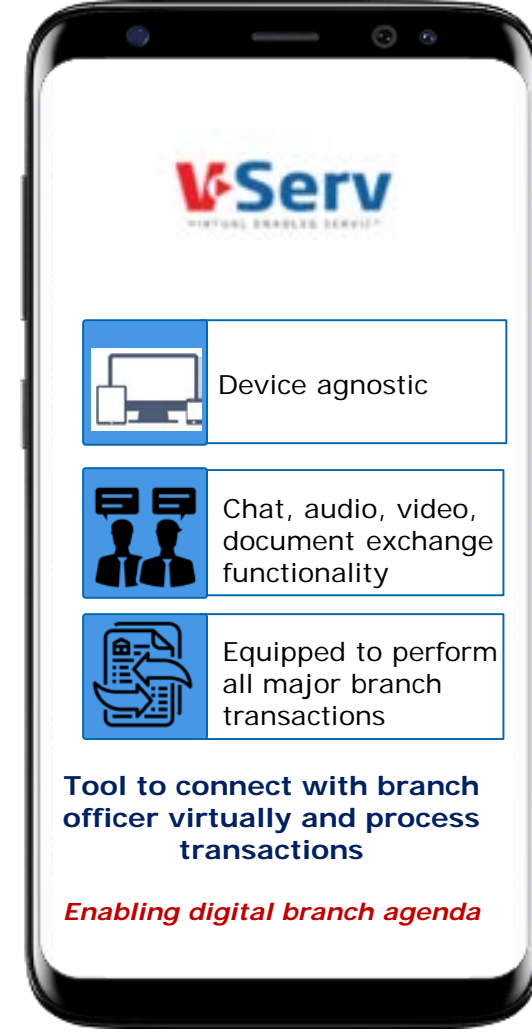
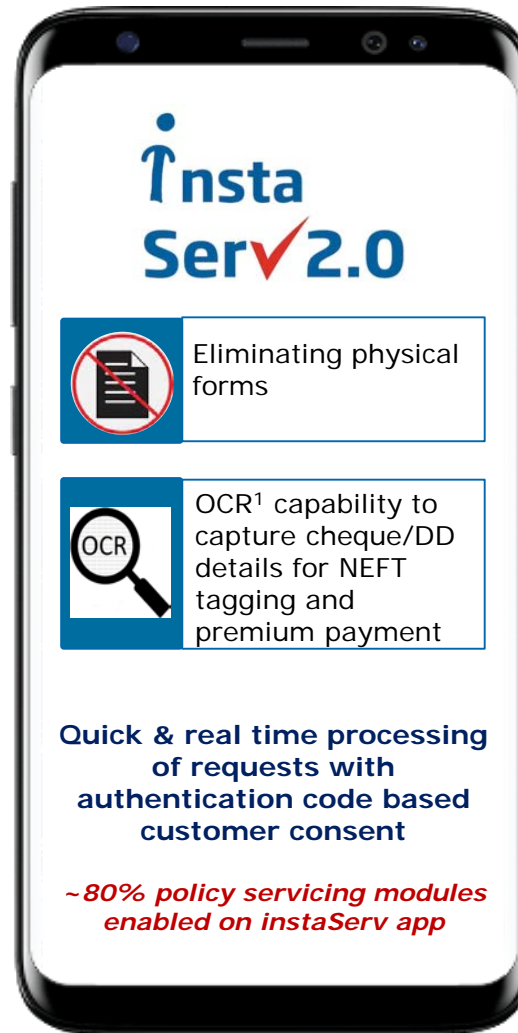
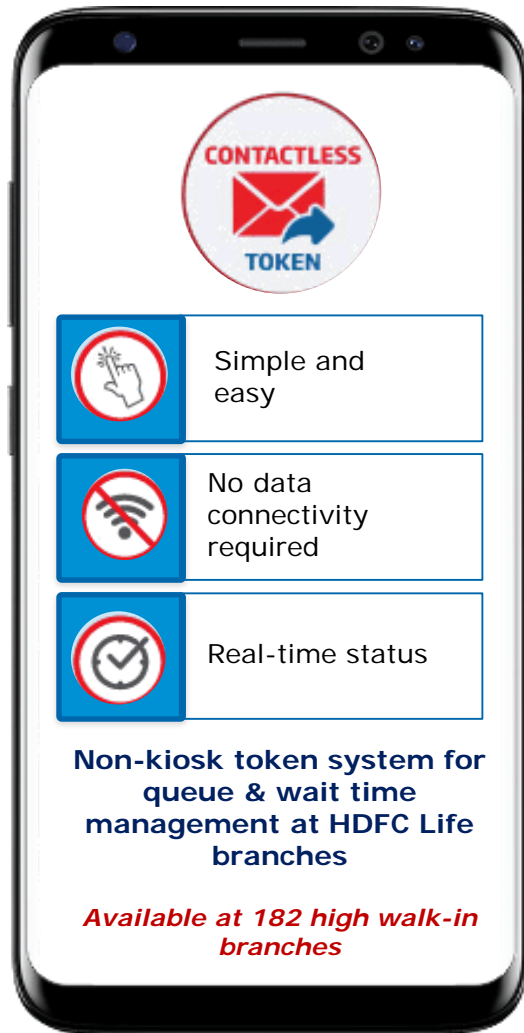


**Spok**

Email bot

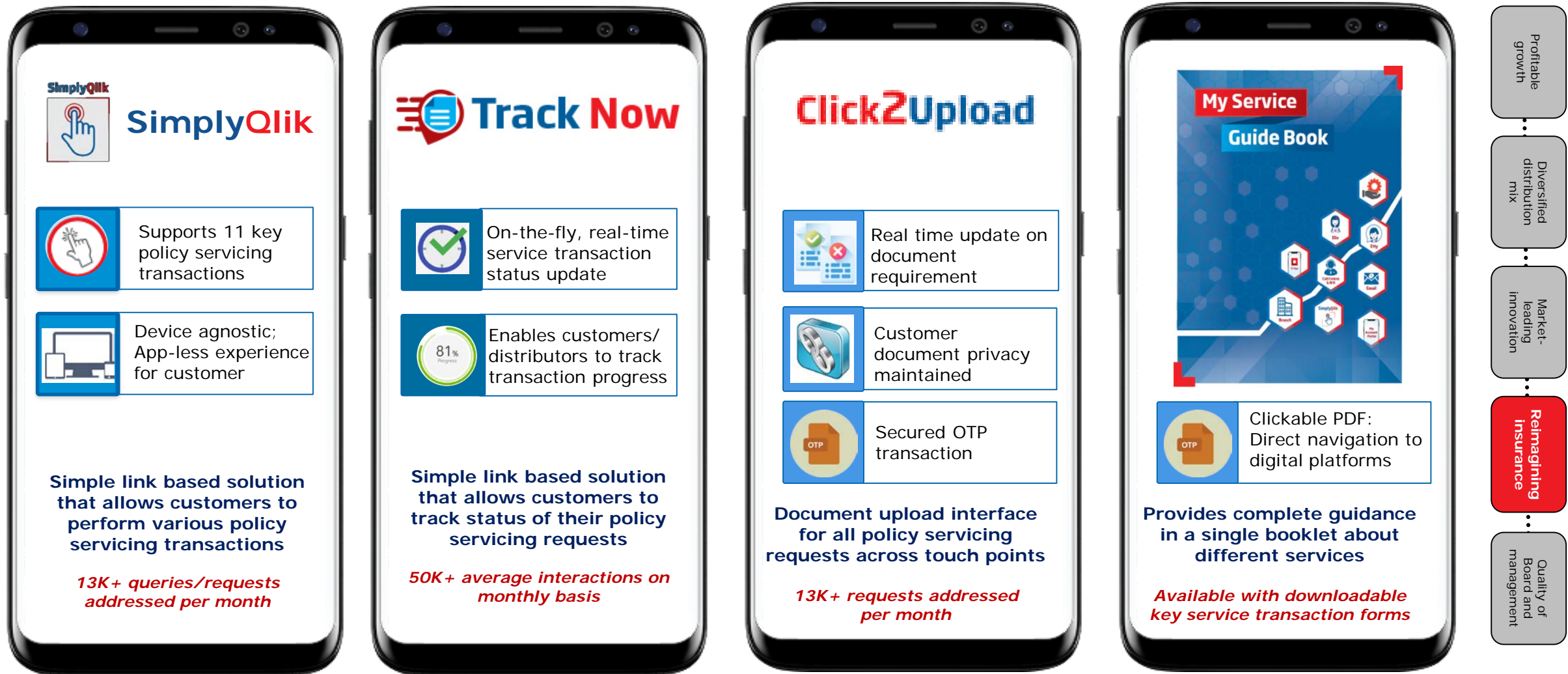
1. NLP: Natural Language Processing

# Service Simplification - Branch automation



1. OCR: Optical Character Recognition

# Service Simplification – Other digital interventions





# Experimenting with emerging tech through Futurance

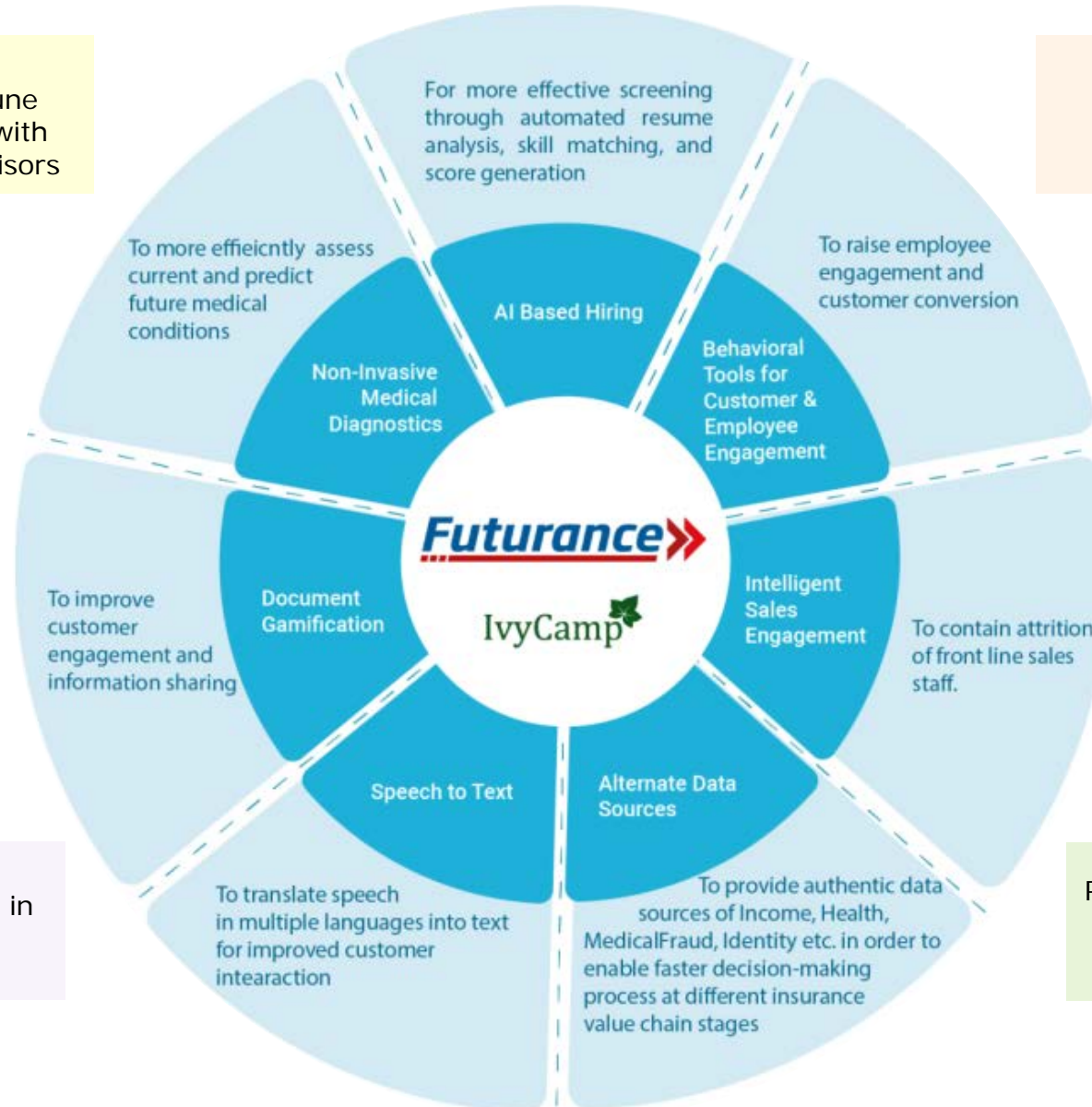
Initiative started in June 2019 in collaboration with IvyCamp Ventures Advisors

80+ startups have collaborated with us

As part of this program, startups connect with HDFC Life's business teams to find solution for specific use cases

Benefits – solves for futuristic customer and stakeholder needs; provides investment opportunity in tech field

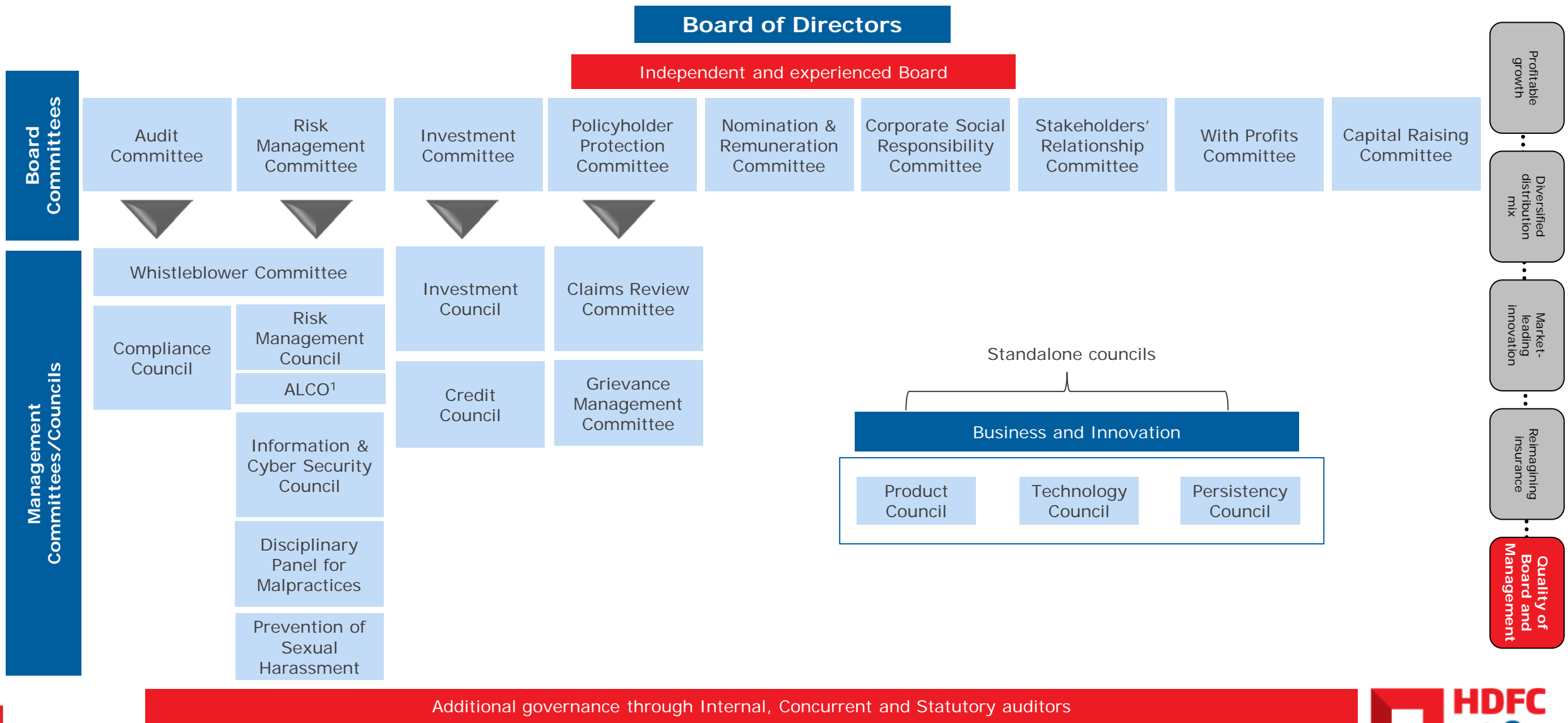
390 applications received in the first three phases



Popular technologies explored – Voice AI, gamification, CKYC, automation etc.



# Governance framework

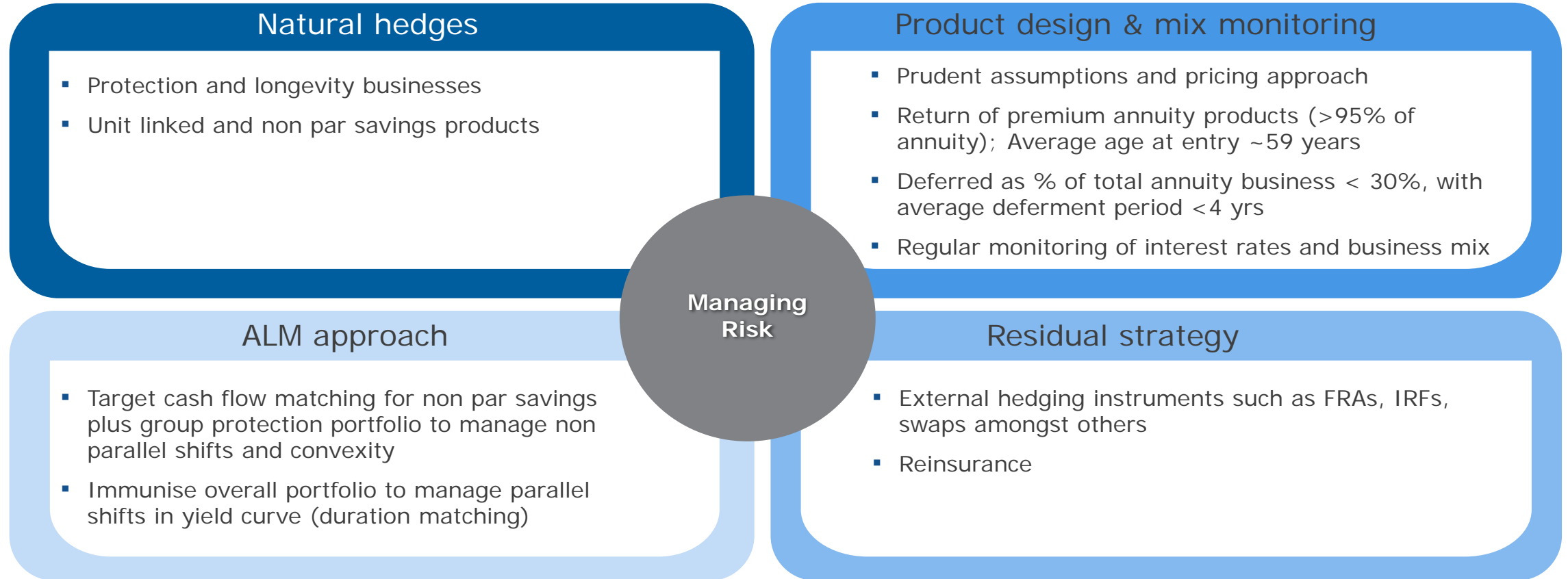


Note:

- 1. Asset Liability Management Council
- 2. The above list of committees is illustrative and not exhaustive



# Financial risk management framework



FY21					H1 FY22			
Sensitivity	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%)	(2.0%)	(1.4%)	(2.0%)	(2.5%)
Interest Rate -1%	1.6%	0.9%	1.2%	1.8%	1.6%	1.1%	1.3%	1.7%

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



# Agenda

Performance Snapshot

1

Our Strategy

2

Customer Insights

3

Exide Life Transaction Update

4

Managing Covid-19

5

Annexure

6

India Life Insurance

7



# Customer Insights from HDFC Life's LFI<sup>1</sup> study

## Survey Results

### Financial Sufficiency and Adequacy Index

- Measures comprehensiveness of financial planning
- Down by 8.7 pts** compared to 2019

90%

Consumers had seen some level of Job/ Business losses during Covid-19

### Financial Awareness Index

- Measures product knowledge
- Up by 2.1 pts** compared to 2019

67%

Consumers are concerned about economic slowdown

### Financial Planning Index

- Measures confidence level and discipline in financial planning
- Down by 4.2 pts** compared to 2019

51%

Consumers are concerned about job instability

### Financial Liberty Index

- Measures psychological feeling of financial freedom and security
- Down by 3.7 pts** compared to 2019

48%

Consumers are concerned about rising debts

## Higher need for financial planning given impact of pandemic

### 1. Consumer looking for a more holistic financial plan

*Avg. events considered for financial planning increases*

2019  
4.3

2021  
5.8



### 2. Planning for medical emergencies considered a key priority

*Financial security in case of medical emergency*

2019  
39%

2021  
46%



### 3. 40% respondents availed an insurance policy post Wave 1



### 4. Significant increase in awareness about LI, indicative of accentuated need

Those who have full knowledge

LI - Term  
**62% (+11)**

LI - Endowment  
**62% (+10)**

LI - ULIP  
**56% (+10)**

(Increase vis-à-vis 2019)

1. HDFC Life's 'Life Freedom Index (LFI)' study was conducted by NielsenIQ in August 2021

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5

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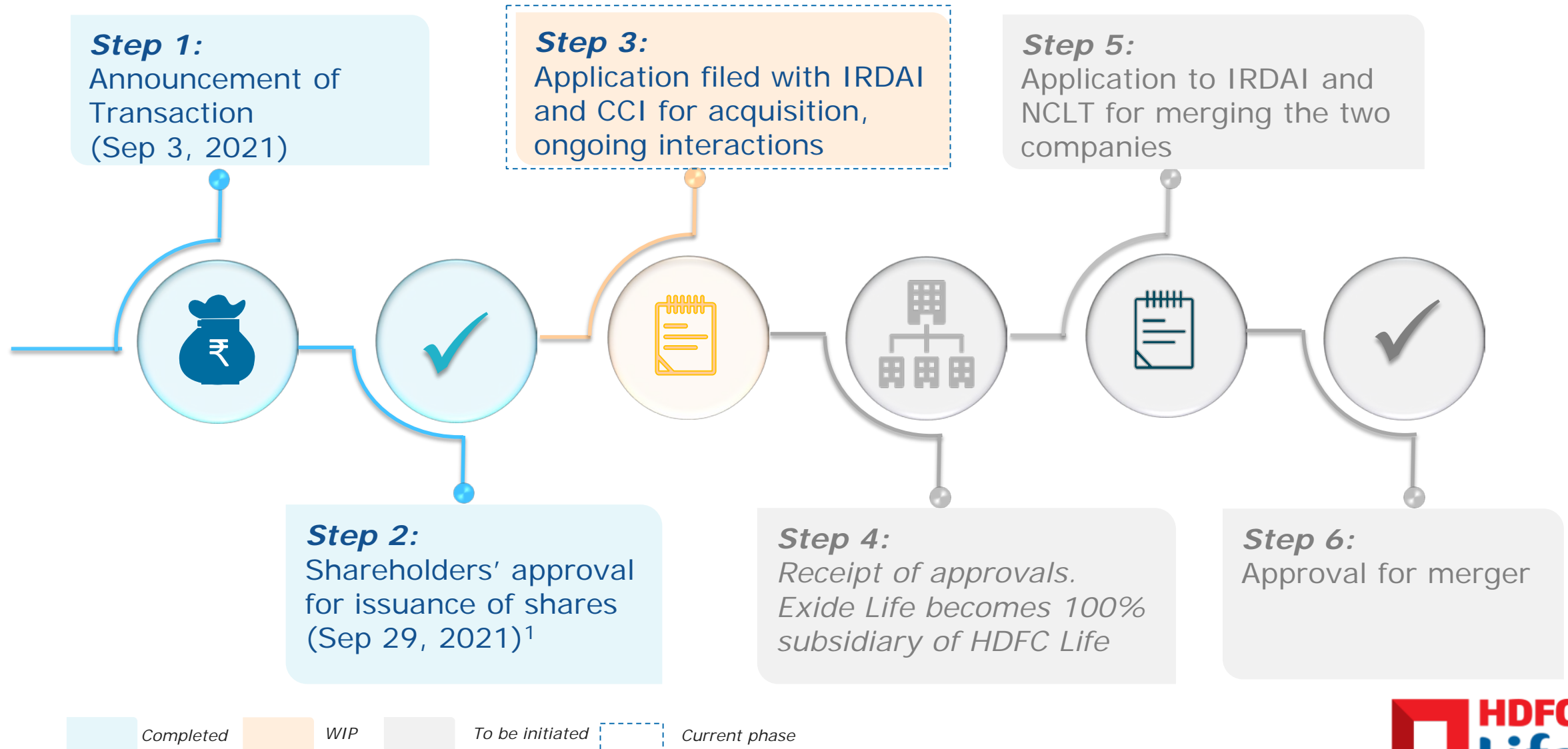
6

India Life Insurance

7



# Exide Life transaction timeline



1. Subject to approval from IRDAI and CCI



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1

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2

Customer Insights

3

Exide Life Transaction Update

4

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5

Annexure

6

India Life Insurance

7



# 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. ~48% digital pre-conversion verification (through chat and eCCD) in H1 FY22



**Telemedicals** – 57% of the medicals done through tele-medicals in H1 FY22



**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 in H1



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



**LifeEasy** - Simple '3 click claim' process, 94%<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



**InstaA** Seamless support experience – ~2.1 mn monthly queries handled by instA (virtual assistant)



**Use of mobile app** – Over 42% increase in mobile app usage



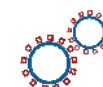
**InstaServe** - OTP based policy servicing tool to handle customer queries



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



**Branches** - Daily tracking of employee and agent safety



## Employee / Partner engagement



**e-learning platform** –7,000+ agents attending training programs daily through 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 – 40,000+ applications logged in H1 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) and WhatsApp platform, as on 30th September 2021

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3

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4

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5

Annexure

6

India Life Insurance

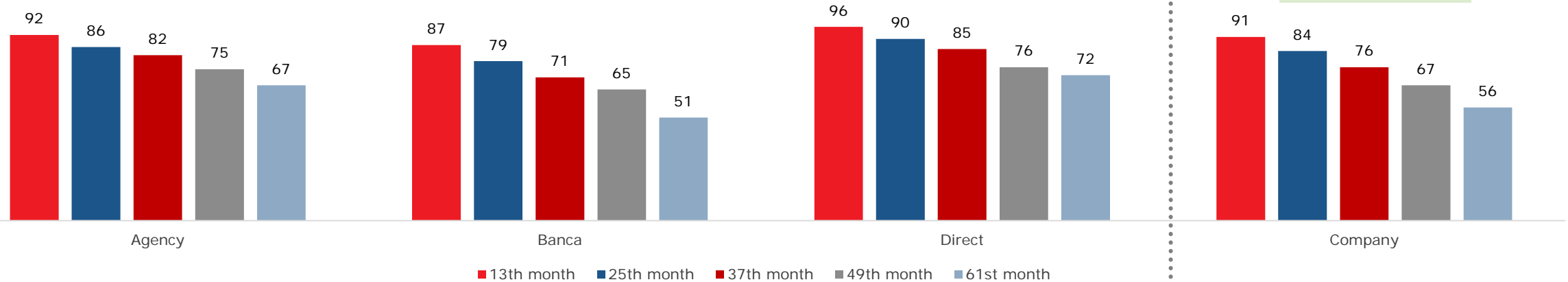
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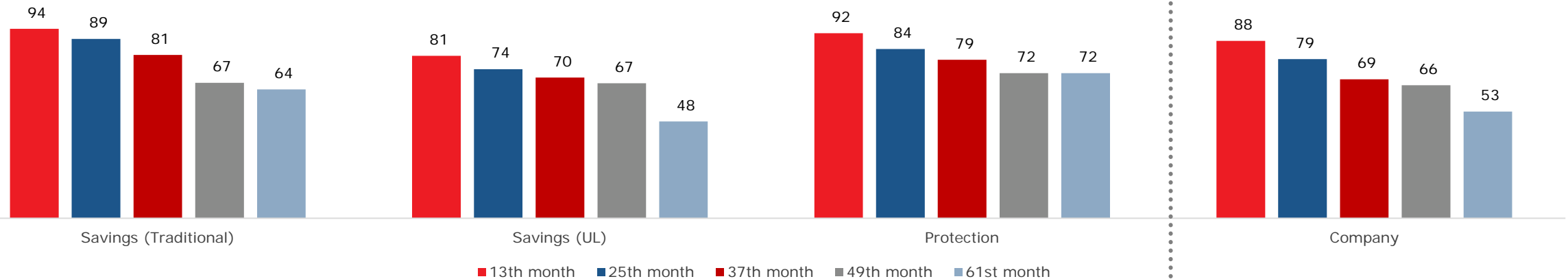


# Improvement in overall persistency trends<sup>1</sup>

## Across key channels (%)



## Across key segments (%)



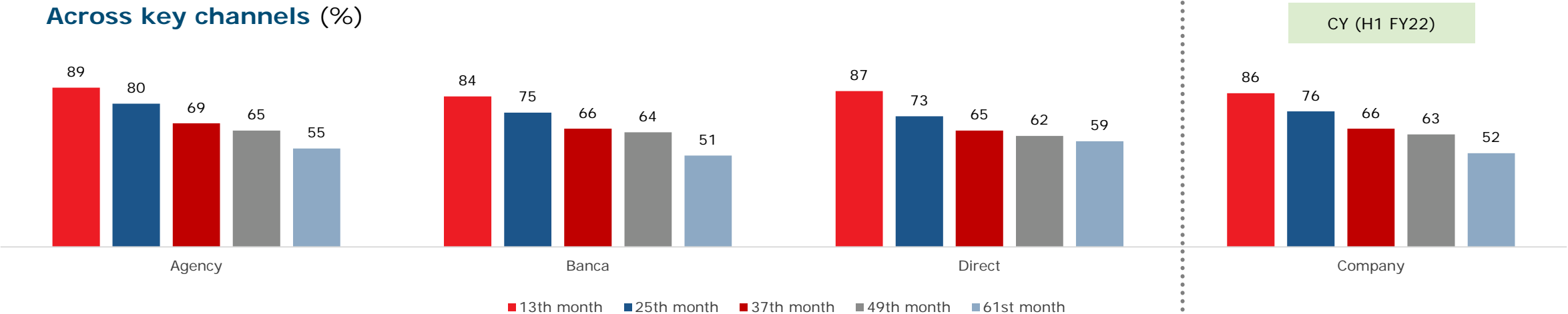
Actuarial

Financial

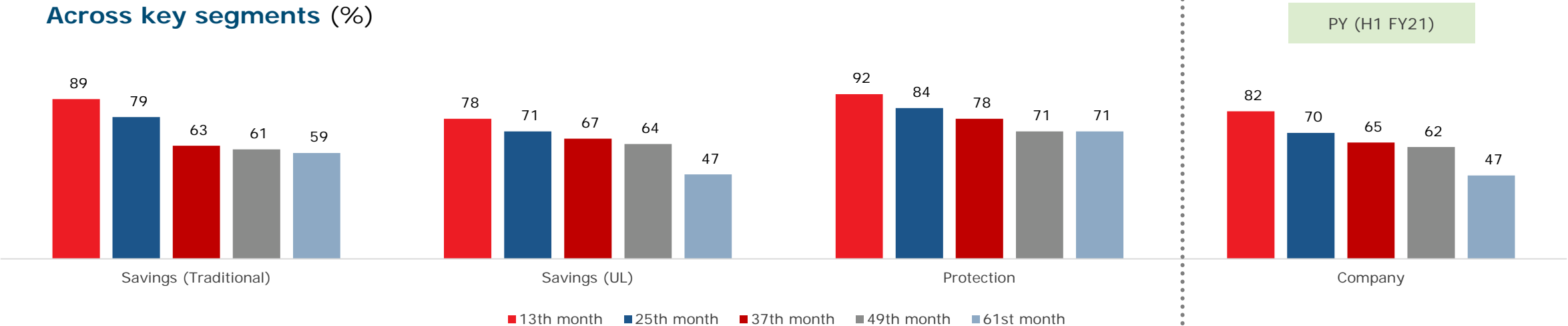
ESG

# Improvement in overall persistency trends<sup>1</sup>

## Across key channels (%)



## Across key segments (%)



Actuarial

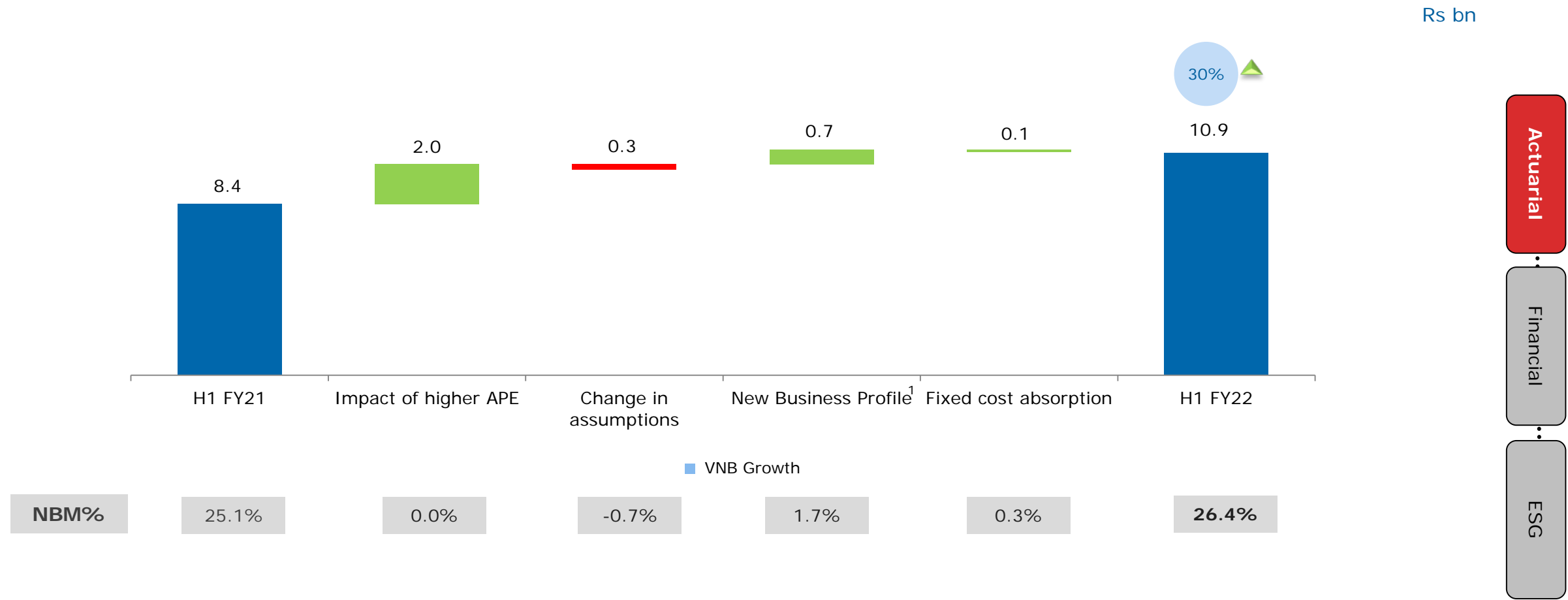
Financial

ESG



1. For individual business; Excluding single premium and fully paid up policies

# Improving VNB trajectory



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

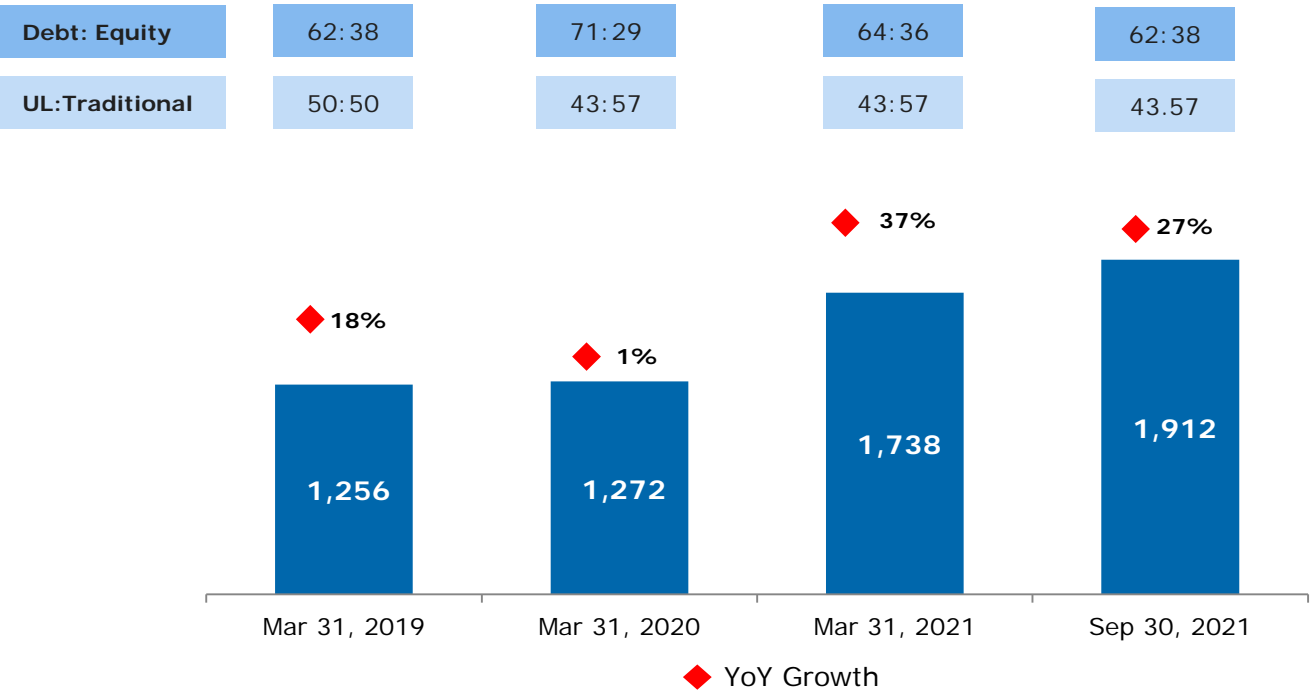
Analysis based on key metrics	Scenario	Change in VNB Margin <sup>1</sup>	% Change in EV
Change in			
Reference rate	Increase by 1%	-1.4%	-2.0%
	Decrease by 1%	1.1%	1.6%
Equity Market movement	Decrease by 10%	-0.1%	-1.7%
Persistency (Lapse rates)	Increase by 10%	-0.3%	-0.6%
	Decrease by 10%	0.3%	0.7%
Maintenance expenses	Increase by 10%	-0.5%	-0.8%
	Decrease by 10%	0.5%	0.8%
Acquisition Expenses	Increase by 10%	-3.2%	NA
	Decrease by 10%	3.2%	NA
Mortality / Morbidity	Increase by 5%	-1.1%	-0.8%
	Decrease by 5%	1.1%	0.8%
Tax rate <sup>2</sup>	Increased to 25%	-4.4%	-8.5%

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

Rs bn



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

Actuarial

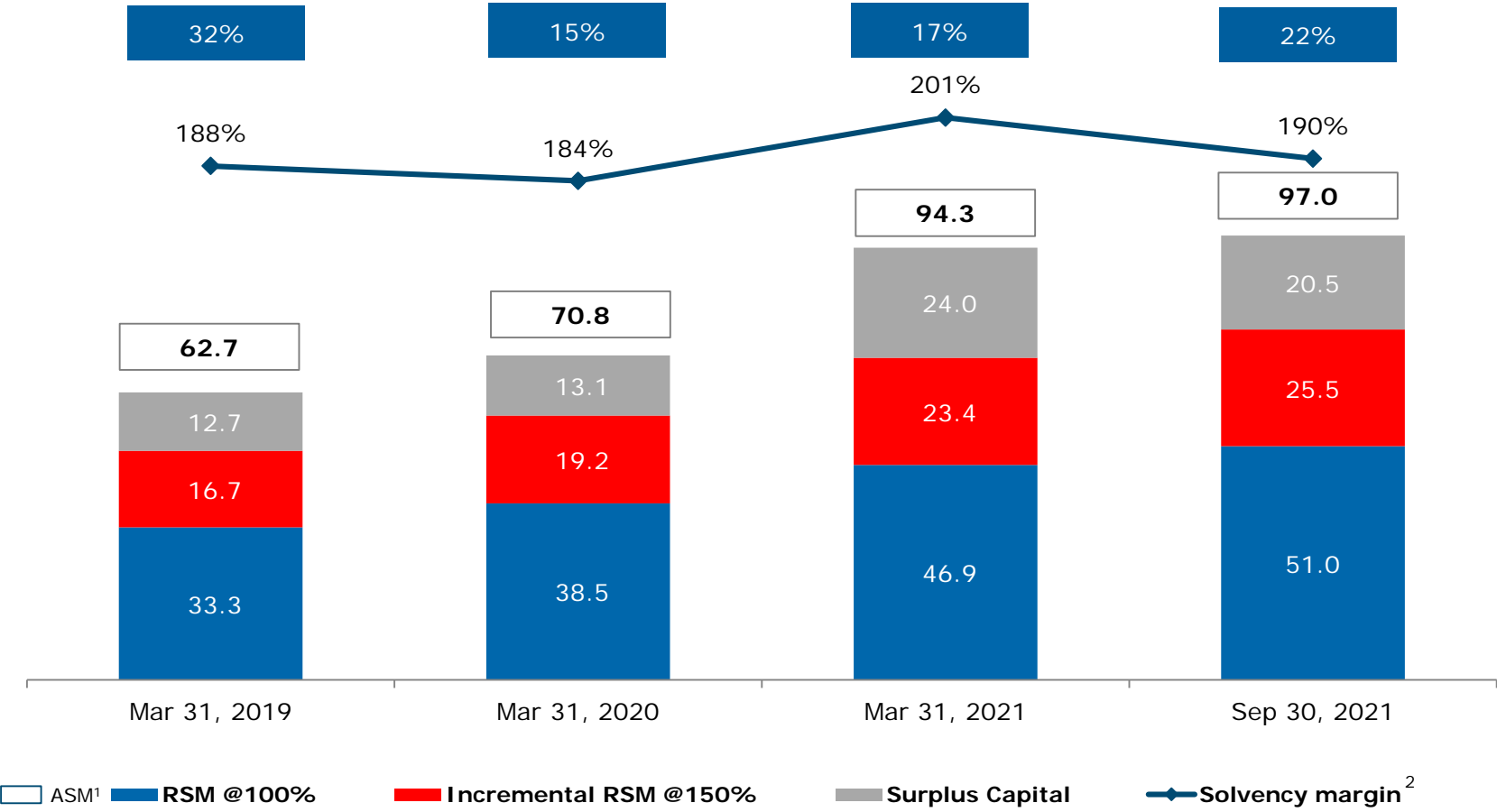
Financial

ESG

# Stable capital position

NB premium growth

Rs bn



Actuarial  
Financial  
ESG

Stable solvency ratio, augmented by steady accretion to backlog

1. ASM represents Available solvency margin and RSM represents Required solvency margin  
2. Investment in subsidiaries not considered in solvency margin; Includes impact of final dividend of Rs 4.1 bn, paid out in Q2 FY22



# 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 & Compensation Framework



### Corporate governance policy

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

### Board evaluation & independence

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

### Board Diversity policy

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

### 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

## Risk management and BCM



- 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

- 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

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

## Responsible Investment (RI)

- 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

## Business ethics and compliances



Code of Conduct



Whistle blower Policy



PRSH<sup>1</sup>



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



Anti Bribery & Corruption Policy



Human Rights



AML<sup>3</sup>



Privacy Policy

1. PRSH: Prevention of Sexual Harassment

2. BRR: Business Responsibility Report

42 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

- **Hybrid work model** and flexi hours to attract gig workers
- Robust **employee referral schemes** (>50% of the hiring through referrals)
- **Hire–train–deploy** model through tie-up with reputed learning institutions

### Training & development

- **Career coaching** and development interventions; woman mentoring
- **Mobile learning** app for self-paced learning
- **Training for all** including employees, contractors, channel partners
- **Virtual product training**
- **Skill Up: Curated online training** programs from reputed universities



### Employee engagement

- **Emotional and well being assistance** program for employees and their families
- **Doctor on Call:** Unlimited free consultation
- **E-Sparsh:** Online query & grievance platform
- Family integration programs: Little Strokes
- Platform for employee engagement: HDFC Life Got Talent, e-appreciation cards
- Regular online yoga classes, Click2Wellness app

### Employee diversity, equity & inclusion

- Promoting DEI ally ship: communication, strengthening policies, aligning workforce
- 26% women employees (maternity transition program, mentoring programs, Economic Times Femina Best Workplaces for women)
- Promoting **diverse talent pool** (work profiles for second career women, specially-abled) - #MyJobMyRules
- LGBTQ+ friendly organisation
- Mediclaim policy includes co-habiting partners



### Talent management/retention

- Brandon Hall awards for Learning Strategy, Simulation training, and Social Talent Acquisition program
- **Special programs for campus hires:** Management Trainees & Graduate Trainees, etc.
- **Talent development** interventions for leadership
- **Managerial skill building** workshops: Boot-camp (first time managers), Manager Transformation League
- **Career microsite, job portal** to educate employees on career opportunities within the company
- **Internal Career Fair** for employees to explore roles
- 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



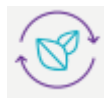
Responsible Investment



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

## 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 1.1 cr lives till Sep 30, 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 91%         |
| ○ Complaints per 10K reduced from 47 in FY20 to 38 in H1 FY22 | ○ 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



- 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)
- 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

## 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



- 20 city forests in over 50,000+ sq.ft. area using the Miyawaki method. Over 50 different native species used
- Over last three years, 75,000+ trees have been planted including plantations in Kheda, Gujarat and Sikkim
- Plans to expand to support solar on schools and water rejuvenation projects

### Business travel

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

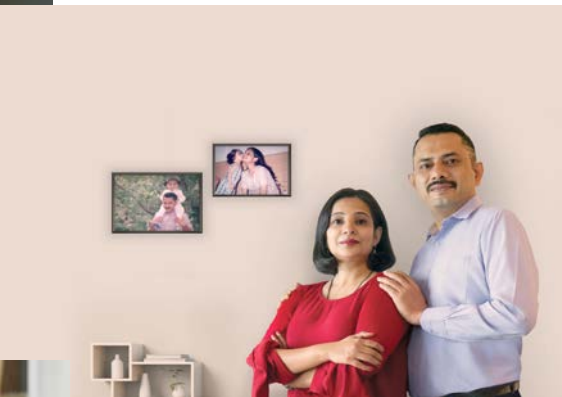


## Waste management



- 310 Kgs of e-waste was recycled/ refurbished/disposed in FY21 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





# Agenda

Performance Snapshot

1

Our Strategy

2

Customer Insights

3

Exide Life Transaction Update

4

Managing Covid-19

5

Annexure

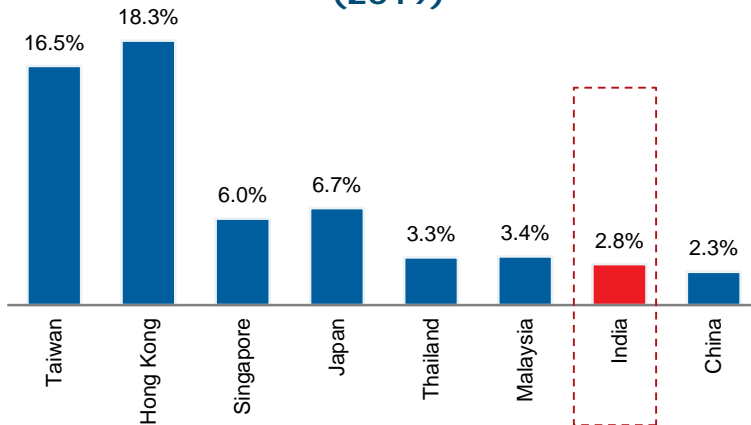
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India Life Insurance

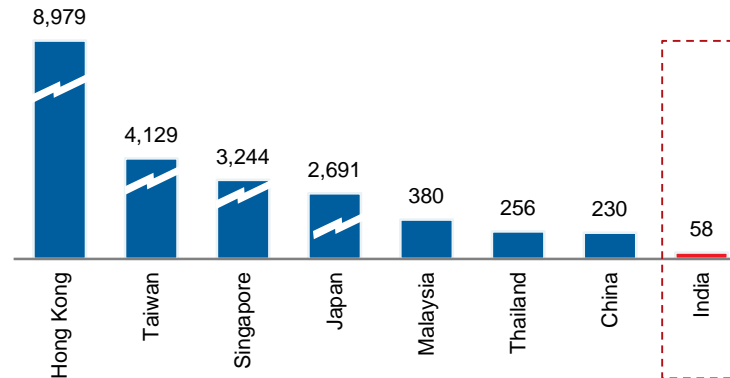
7

# Growth opportunity: Under-penetration and favorable demographics

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

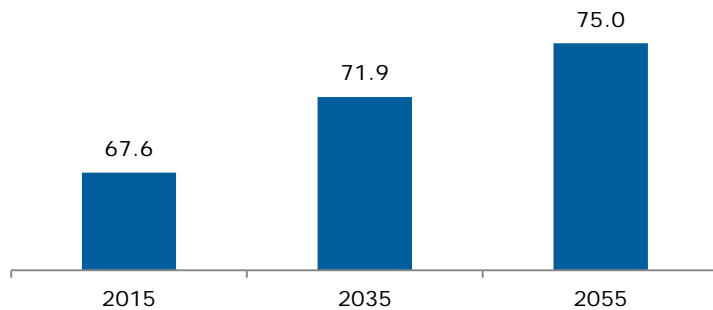


**Life Insurance density US\$ <sup>2</sup> (2019)**

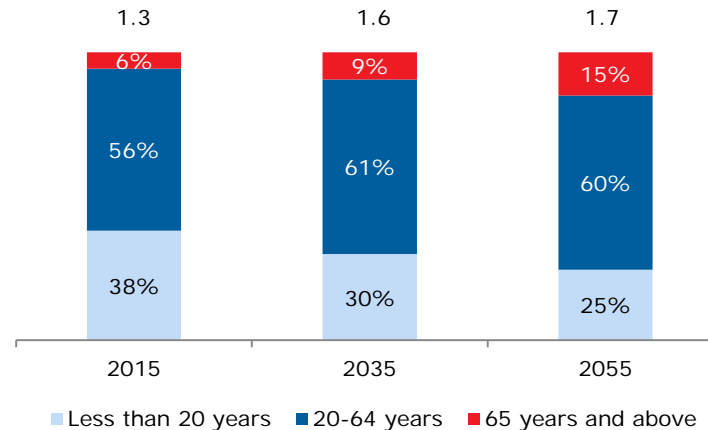


- India remains vastly under-insured, both in terms of penetration and density
- Huge opportunity to penetrate the underserved segments, with evolution of the life insurance distribution model

**Life expectancy (Years)**



**Population composition (bn)**



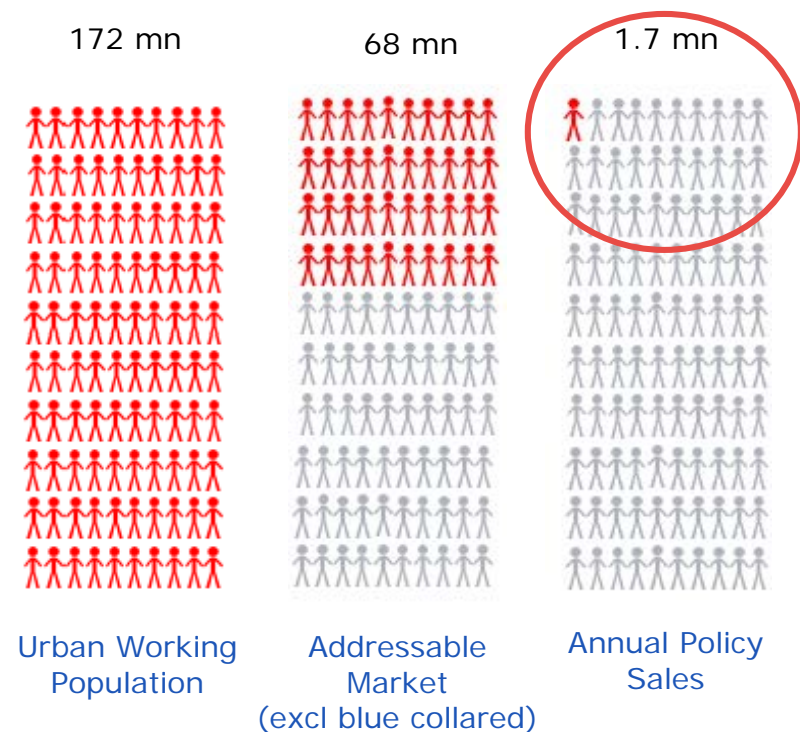
- India's insurable population estimated to be at ~1 bn by 2035
- Emergence of nuclear families and advancement in healthcare facilities lead to increase in life expectancy thus facilitating need for pension and protection based products

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

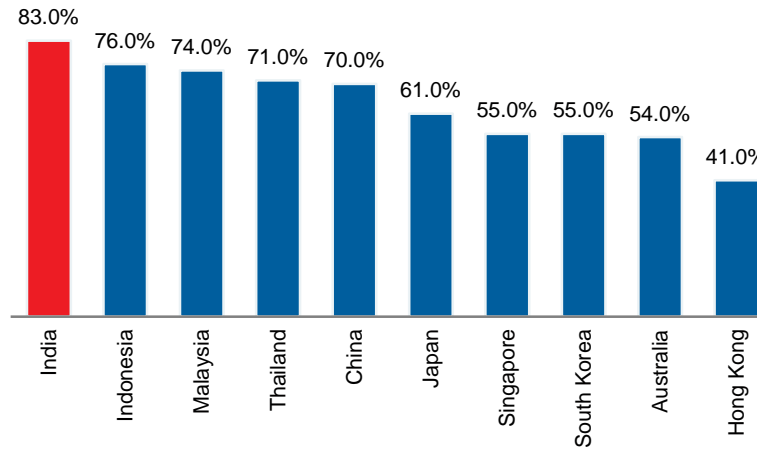
Source: Swiss Re (Based on respective financial year of the countries), MOSPI, United Nations World Populations Prospects Report (2017)

# Low levels of penetration – Life protection



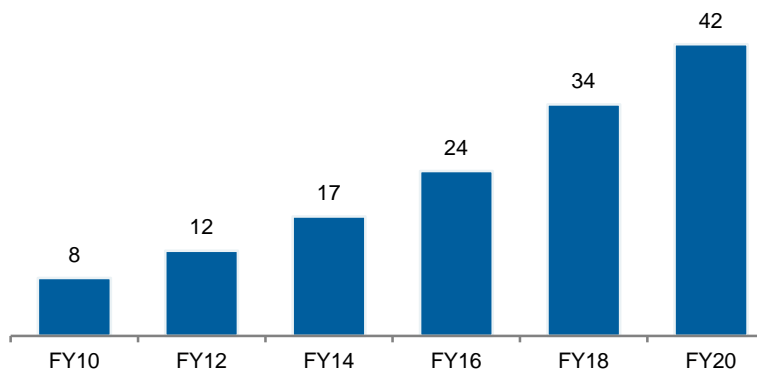
- Only 1 out of 40 people (2.5%) who can afford it, is buying a policy every year 1
- Even within the current set, Sum Assured as a multiple of Income is <1x

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

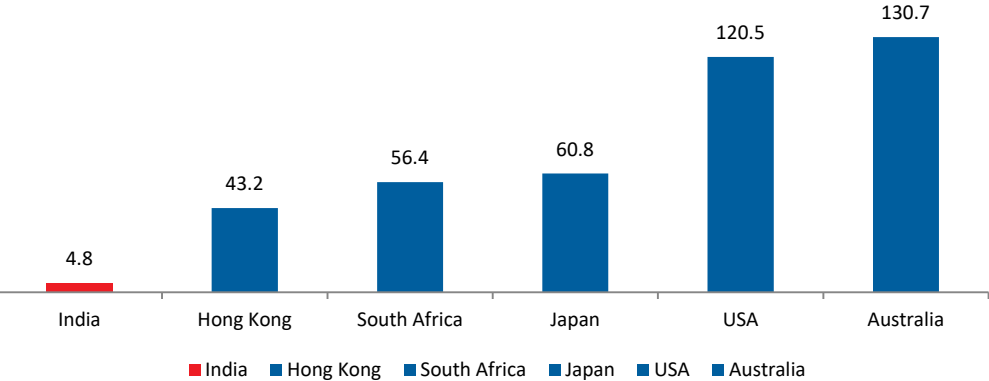
2. Swiss Re (Based on respective financial year of the countries)

3. Kotak institutional equities

# Macro opportunity – Retiral solutions

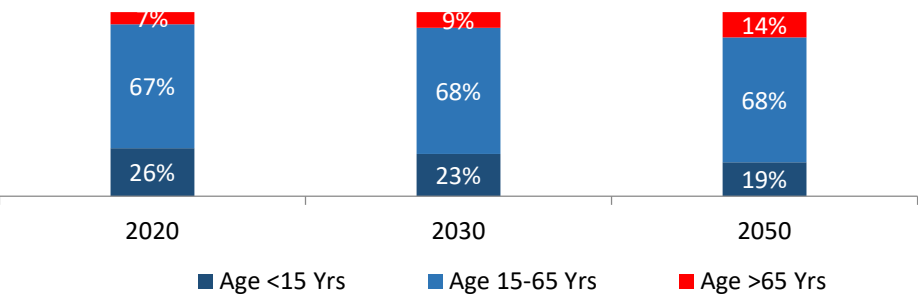
India's pension market is under-penetrated at 4.8% of GDP

Pension Assets / GDP Ratio



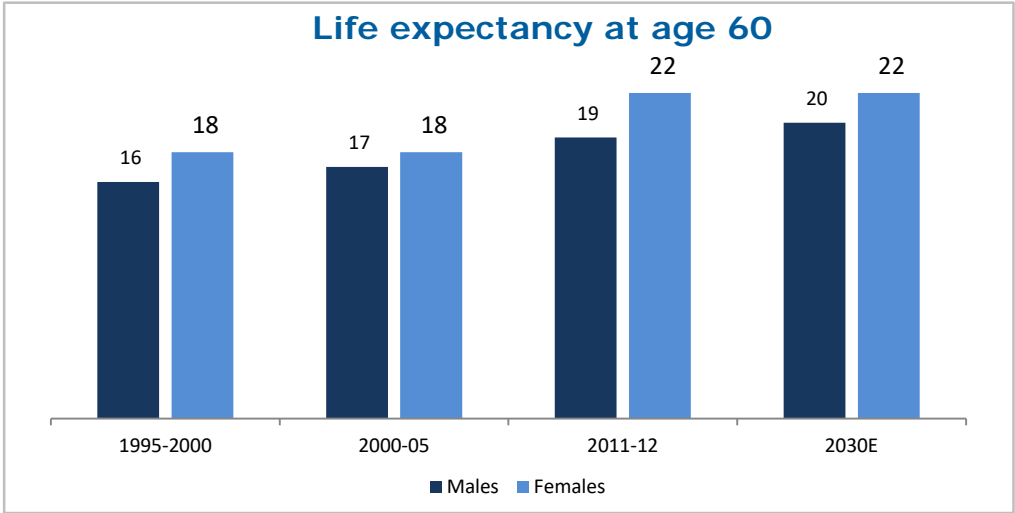
Elderly population is expected to almost triple by 2050

Ageing population



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

Life expectancy at age 60



- 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

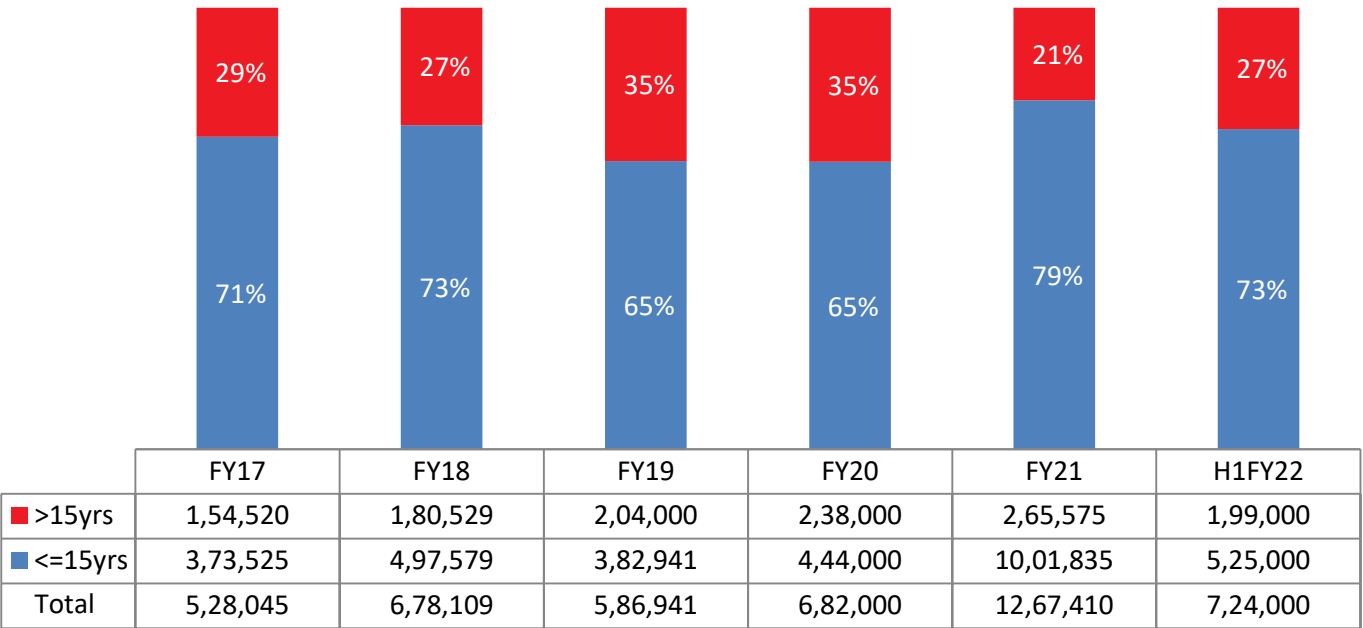




# Government bond auctions

## Government Bonds – Tenorwise Issuance

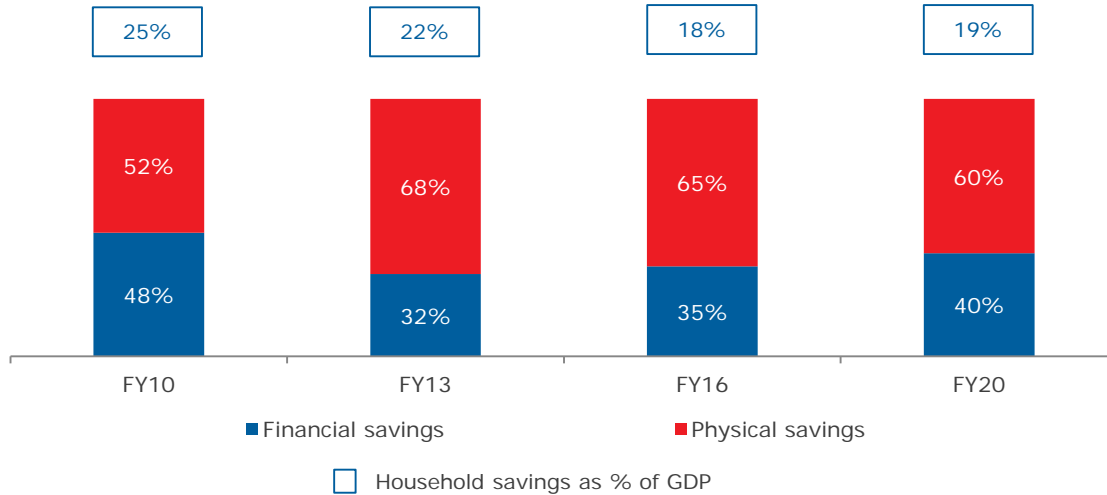
Rs cr



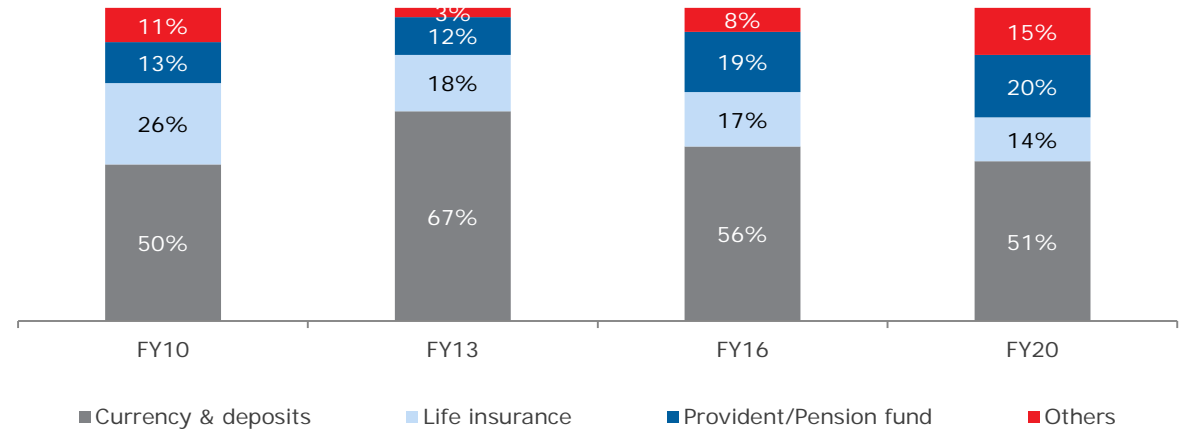
- Auction of >15 year maturity bonds has been ~25-30% on an average facilitates writing annuity business at scale
- The central govt. borrowing calendar for H1 FY22 is Rs 7,24,000 cr , ~60% of the full-year target of Rs 12,05,000 cr

# Life Insurance: A preferred savings instrument

## Household savings composition

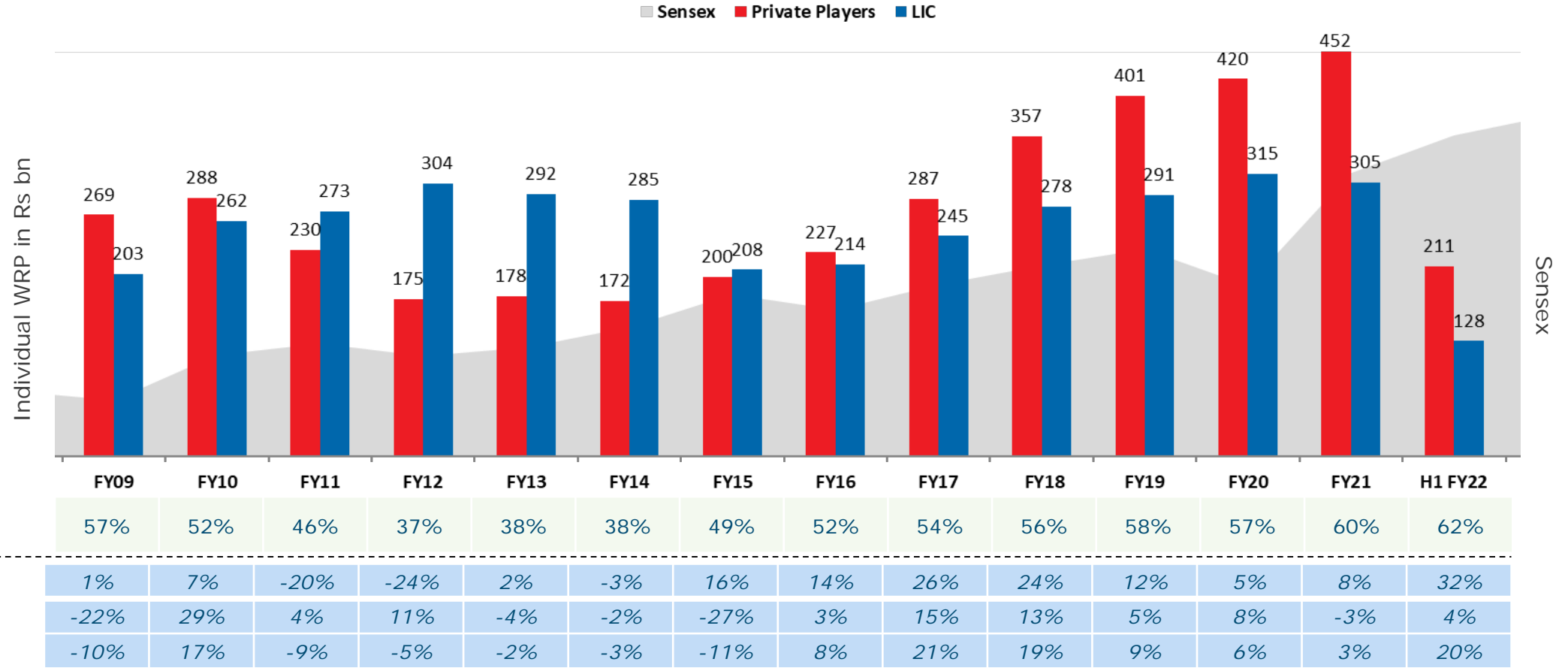


## Financial savings mix



- 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



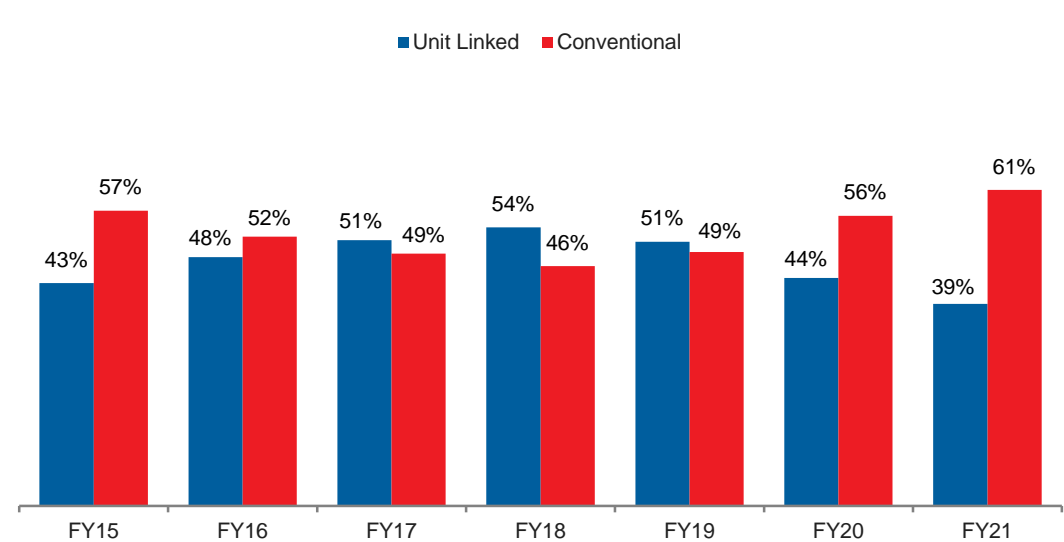
- Private sector gained higher Market share than LIC for the first time in FY16, post FY11 regulatory changes
- Amongst private insurers, insurers with a strong bancassurance platform continue to gain market share

1. Basis Individual Weighted Received Premium (WRP)

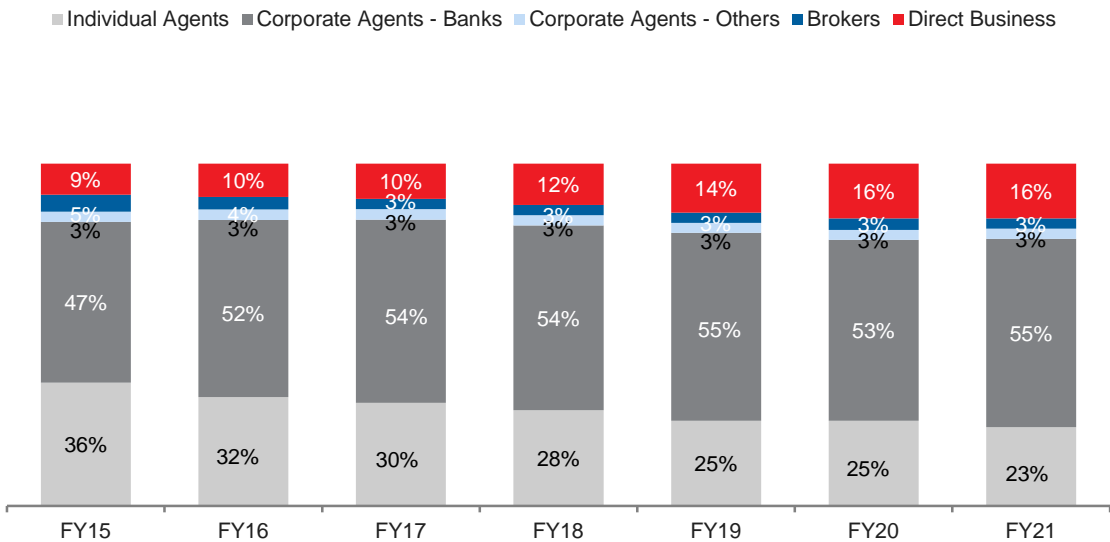
Source: IRDAI and Life Insurance Council

# 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

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)

	H1 FY22	H1 FY21	Growth	FY21	FY20	FY19	CAGR	Rs bn.
<i>New Business Premium (Indl. + Group)</i>	103.6	85.0	22%	201.1	172.4	149.7	16%	
<i>Renewal Premium (Indl. + Group)</i>	89.2	75.5	18%	184.8	154.7	142.1	14%	
Total Premium	192.9	160.5	20%	385.8	327.1	291.9	15%	
Individual APE	34.3	28.3	21%	71.2	61.4	52.0	17%	
Overall APE	41.1	33.3	23%	83.7	74.1	62.6	16%	
Group Premium (NB)	53.6	42.9	25%	100.3	87.8	73.3	17%	
Profit after Tax	5.8	7.8	-26%	13.6	13.0	12.8	3%	
- Policyholder Surplus	1.3	5.6	-76%	7.3	10.9	9.0	-10%	
- Shareholder Surplus	4.4	2.2	102%	6.3	2.1	3.8	29%	
Dividend Paid <sup>(1)</sup>	4.1	-	NA	-	-	4.0	NA	
Assets Under Management	1,912.1	1,506.2	27%	1,738.4	1,272.3	1,255.5	18%	
Indian Embedded Value	287.0	233.3	23%	266.2	206.5	183.0	21%	
Net Worth <sup>(2)</sup>	86.9	77.9	12%	84.3	69.9	56.6	22%	
NB (Individual and Group segment) lives insured (Mn.)	20.0	10.2	96%	39.8	61.3	51.4	-12%	
No. of Individual Policies (NB) sold (In 000s)	409.1	444.2	-8%	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)

		H1 FY22	H1 FY21	FY21	FY20	FY19
Overall New Business Margins (post overrun)		26.4%	25.1%	26.1%	25.9%	24.6%
Operating Return on EV	(1)	18.4%	17.6%	18.5%	18.1%	20.1%
Operating Expenses / Total Premium		12.0%	11.1%	12.0%	13.1%	13.1%
Total Expenses (OpEx + Commission) / Total Premium		16.3%	15.3%	16.4%	17.7%	17.0%
Return on Equity	(2)	13.5%	21.0%	17.6%	20.5%	24.6%
Solvency Ratio		190%	203%	201%	184%	188%
Persistency (13M / 61M)	(3)	91%/56%	88%/53%	90%/53%	88%/54%	84%/51%
Market Share (%)						
- Individual WRP		16.2%	17.5%	15.5%	14.2%	12.5%
- Group New Business		28.1%	27.4%	27.6%	29.0%	28.4%
- Total New Business		22.3%	23.3%	21.5%	21.5%	20.7%
Business Mix (%)						
- Product (UL/Non par savings/Annuity/Non par protection/Par)	(4)	26/32/5/7/30	23/30/5/9/33	24/31/5/7/34	28/41/4/8/19	55/15/5/7/18
- Indl Distribution (CA/Agency/Broker/Direct)	(4)	60/13/6/21	60/13/6/21	61/13/7/19	55/14/9/22	64/13/4/19
- Total Distribution (CA/Agency/Broker/Direct/Group)	(5)	23/6/2/17/52	23/6/2/18/51	25/6/2/17/50	23/7/3/17/51	26/7/2/16/49
- Share of protection business (Basis Indl APE)		6.6%	8.5%	6.8%	7.6%	6.7%
- Share of protection business (Basis Overall APE)		13.9%	12.1%	12.8%	17.2%	16.7%
- Share of protection business (Basis NBP)		21.4%	14.1%	19.6%	27.6%	27.0%

1. Pre excess mortality reserve (EMR) EVOP% is 18.4%; Post accounting for EMR, EVOP% stands at 16.1%

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

3. Individual 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>		
	H1 FY22	H1 FY21
Premium earned	192.9	160.5
Reinsurance ceded	(3.0)	(2.8)
Income from Investments	158.4	150.7
Other Income	0.5	0.7
Transfer from Shareholders' Account	2.0	0.1
<b>Total Income</b>	<b>350.7</b>	<b>309.1</b>
Commissions	8.1	6.7
Expenses	23.0	17.7
GST on UL charges	1.8	1.7
Provision for taxation	0.1	0.5
Provision for diminution in value of investments	(2.4)	(0.5)
Benefits paid	134.7	72.5
Change in valuation reserve	176.6	203.8
Bonuses Paid	6.6	2.9
<b>Total Outgoings</b>	<b>348.5</b>	<b>305.2</b>
<b>Surplus</b>	<b>2.2</b>	<b>3.9</b>
Transfer to Shareholders' Account	3.3	5.6
Funds for future appropriation - Par	(1.0)	(1.7)
<b>Total Appropriations</b>	<b>2.2</b>	<b>3.9</b>

Profit and Loss A/c <sup>1</sup> <span>Rs bn</span>		
	H1 FY22	H1 FY21
<b>Income</b>		
Interest and dividend income	2.5	2.0
Net profit/(loss) on sale	2.1	0.3
Transfer from Policyholders' Account	3.3	5.6
Other Income	-	-
<b>Total</b>	<b>7.9</b>	<b>8.0</b>
<b>Outgoings</b>		
Transfer to Policyholders' Account	2.0	0.1
Expenses	0.2	0.1
Interest on convertible debentures	0.2	0.1
Provision for diminution in value of investments	(0.3)	(0.1)
Provision for Taxation	0.1	0.0
<b>Total</b>	<b>2.1</b>	<b>0.2</b>
<b>Profit for the year as per P&amp;L Statement</b>	<b>5.8</b>	<b>7.8</b>
Interim Dividend paid (including tax)	(4.1)	-
<b>Profit carried forward to Balance Sheet</b>	<b>1.7</b>	<b>7.8</b>

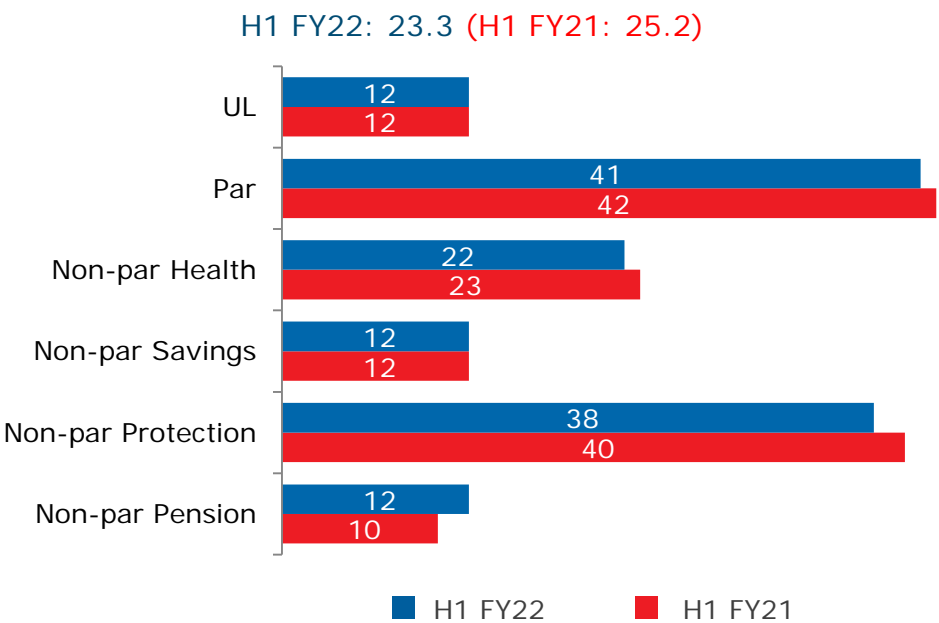
1. Numbers may not add up due to rounding off effect

# Balance sheet

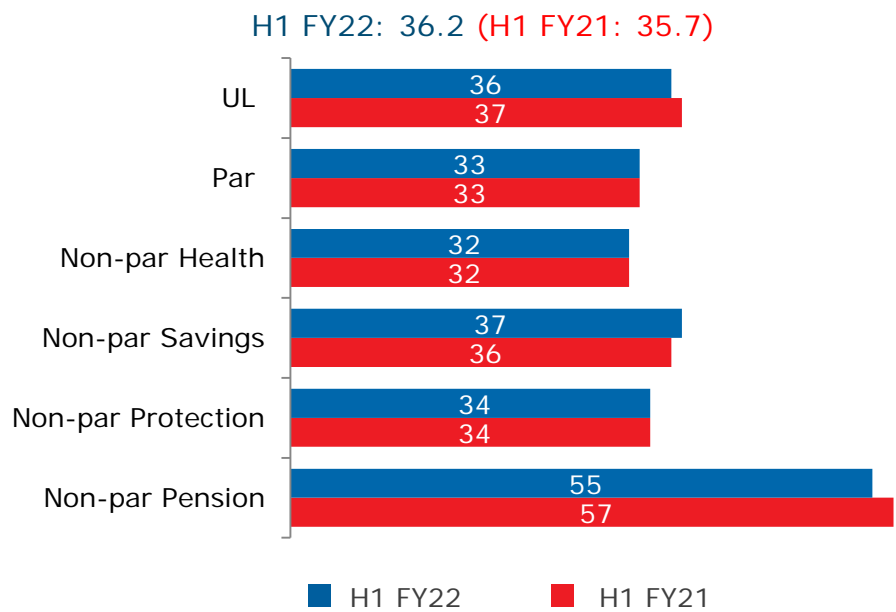
	Sep 30, 2021 <sup>1</sup>	Sep 30, 2020	Mar 31, 2021	Rs bn
<b>Shareholders' funds</b>				
Share capital (including Share premium)	25.9	24.4	25.0	
Accumulated profits	61.0	53.5	59.3	
Fair value change	2.3	0.4	2.1	
<b>Sub total</b>	<b>89.1</b>	<b>78.2</b>	<b>86.4</b>	
<b>Borrowings</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	
<b>Policyholders' funds</b>				
Fair value change	30.0	11.2	25.6	
Policy Liabilities	947.9	745.8	855.2	
Provision for Linked Liabilities	789.8	615.6	709.6	
Funds for discontinued policies	41.8	36.9	38.0	
<b>Sub total</b>	<b>1,809.4</b>	<b>1,409.5</b>	<b>1,628.4</b>	
Funds for future appropriation (Par)	8.9	7.1	9.9	
<b>Total Source of funds</b>	<b>1,913.5</b>	<b>1,500.8</b>	<b>1,730.7</b>	
Shareholders' investment	86.3	74.4	85.4	
Policyholders' investments: Non-linked	994.3	779.3	905.4	
Policyholders' investments: Linked	831.5	652.5	747.6	
Loans	5.4	3.2	4.2	
Fixed assets	3.3	3.3	3.4	
Net current assets	(7.4)	(11.9)	(15.4)	
<b>Total Application of funds</b>	<b>1,913.5</b>	<b>1,500.8</b>	<b>1,730.7</b>	

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

Average Policy Term excluding annuity (Yrs)



Average Customer Age excluding annuity (Yrs)



- 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

1. Basis individual new business policies (excluding annuity)

# 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 Sep 30, 2020	As at Sep 30, 2021	As at Sep 30, 2020	As at Sep 30, 2021
1	3.90	3.95	3.83	3.87
2	5.12	5.17	4.41	4.45
3	6.01	6.02	4.89	4.92
4	6.65	6.68	5.28	5.31
5	7.09	7.17	5.59	5.63
10	7.67	8.19	6.45	6.63
15	7.37	8.10	6.71	7.04
20	7.05	7.78	6.77	7.18
25	6.84	7.49	6.75	7.21
30	6.72	7.28	6.72	7.19



# 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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