

## Twitter Thread by [TheMarket](#)



**TheMarket**

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**Mkt share up 214 bps to 16.4%**

**NBM at 25.6%**

**8% Individual WRP growth compared to private industry de-growth of 6%**

**25.6% New Business Margin on the back of growth, balanced product mix**

## Key Financial Summary

Rs Cr	9M FY21	9M FY20	YoY	FY20	FY19
<b>Key Financial and Actuarial Metrics</b>					
Individual APE	4,661	4,394	6%	6,145	5,204
Total APE	5,491	5,296	4%	7,407	6,260
New Business Premium (Indl + Group)	13,547	12,150	11%	17,239	14,971
Renewal Premium (Indl + Group)	12,126	9,942	22%	15,468	14,215
Total Premium	25,673	22,092	16%	32,707	29,186
Assets Under Management	1,65,623	1,36,451	21%	1,27,226	1,25,552
Networth (1)	8,089	6,670	21%	6,992	5,659
Profit After Tax	1,042	984	6%	1,295	1,277

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20/82



Indian Embedded Value	25,054	20,841	20%	20,650	18,301
Value of new business	1,408	1,407	0.1%	1,919	1,537
Protection based on Individual APE	345	295	17%	466	351
Protection based on Total APE	691	886	-22%	1,270	1,045

	9M FY21	9M FY20	FY20	FY19
<b>Key Financial Ratios</b>				
New Business Margins	25.6%	26.6%	25.9%	24.6%
Operating Return on EV	18.3%	19.0%	18.1%	20.1%
Operating Expenses / Total Premium	12.1%	13.7%	13.1%	13.1%
Solvency Ratio	202%	195%	184%	188%
13M / 61M Persistency (2)	89%/53%	87%/53%	88%/54%	84%/51%
Product mix by Indl APE (UL / Par / Non par savings / Term & Health / Annuity)	23/35/30/7/5	28/13/47/7/4	28/19/41/8/4	55/18/15/7/5
Distribution mix by Indl APE (Corp Agents/ Agency/ Direct/ Broker)	63/12/19/6	55/14/21/9	55/14/22/9	64/13/19/4

### Notes:

17% growth in Protection (Indl) and 42% growth in Annuity in APE terms

22% growth in renewal premium with stable persistency

PAT of Rs 1,042 Cr, with growth of 6%

Solvency healthy at 202%

**HDFC Life Insurance Company Limited**  
**Statement of Standalone Audited Results for the Quarter and Nine months ended December 31, 2020**

Particulars	Three Months ended / As at			Nine Months ended/ As at		Year ended / As at
	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019	March 31, 2020
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
<b>Analytical Ratios:</b>						
(i) Solvency Ratio	202%	203%	195%	202%	195%	184%
(ii) Expenses of Management Ratio	18.2%	15.0%	17.6%	16.3%	18.5%	17.6%
(iii) Policyholder's liabilities to shareholders' fund	1878.6%	1810.4%	1936.2%	1878.6%	1936.2%	1770.4%
(iv) Earnings per share (in ₹):						
a) Basic EPS before and after extraordinary items (net of tax expense) for the period (not annualized for three and nine months)	1.31	1.61	1.24	5.16	4.87	6.42
b) Diluted EPS before and after extraordinary items (net of tax expense) for the period (not annualized for three and nine months)	1.31	1.61	1.24	5.16	4.87	6.41
(v) NPA ratios: (for Policyholders' fund)						
a) Gross NPAs (₹ in Lakhs)						
- Non Linked						
Par	NIL	NIL	NIL	NIL	NIL	NIL
Non Par	NIL	NIL	NIL	NIL	NIL	NIL
- Linked						
Non Par	5,125.0	5,125.0	5,125.0	5,125.0	5,125.0	5,125.0
Net NPAs (₹ in Lakhs)						
- 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	1.9%	2.2%	2.3%	5.8%	7.2%	7.0%
Non Par	2.4%	2.4%	2.4%	7.1%	7.0%	9.6%
- Linked						
Non Par	2.2%	2.5%	1.6%	5.4%	5.0%	6.3%
B. With unrealised gains						
- Non Linked						
Par	7.0%	1.9%	2.7%	15.8%	8.5%	5.4%
Non Par	4.2%	-0.5%	2.7%	8.7%	9.6%	15.0%
- Linked						
Non Par	14.9%	7.2%	3.2%	39.6%	3.2%	-14.6%
(vii) NPA ratios: (for Shareholders' fund)						
a) Gross NPAs	NIL	NIL	NIL	NIL	NIL	NIL
Net NPAs	NIL	NIL	NIL	NIL	NIL	NIL
b) % of Gross NPAs	NIL	NIL	NIL	NIL	NIL	NIL
% of Net NPAs	NIL	NIL	NIL	NIL	NIL	NIL
(viii) Yield on Investments (on Shareholders' fund)						
A. Without unrealised gains	1.8%	1.9%	1.9%	5.3%	6.6%	6.5%
B. With unrealised gains	5.8%	2.3%	2.3%	14.5%	7.3%	2.9%
(ix) Persistency Ratio						
13th month	92.9%	90.8%	88.8%	90.7%	89.7%	90.1%
25th month	82.6%	83.4%	80.2%	83.2%	80.0%	80.2%
37th month	72.1%	71.8%	71.5%	73.1%	73.4%	73.8%
49th month	67.4%	70.1%	63.6%	68.7%	67.7%	67.2%
61st month	51.8%	52.4%	52.6%	54.2%	54.7%	55.0%
(x) Conservation Ratio						
Participating Life- Individual & group	91.6%	86.0%	87.6%	86.5%	84.6%	83.7%
Participating Pension- Individual & group	104.5%	80.7%	86.6%	88.9%	94.5%	90.8%
Non Participating Life - Individual & group	86.3%	87.2%	72.1%	85.8%	70.0%	70.0%
Non Participating Pension - Individual & Group	87.4%	74.7%	86.1%	79.7%	80.6%	79.5%
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	77.9%	84.4%	56.7%	80.5%	64.0%	62.7%
Unit Linked - Individual Life	83.7%	86.7%	83.5%	84.8%	82.9%	81.6%
Unit Linked - Individual Pension	70.0%	71.6%	73.9%	70.9%	77.0%	74.6%
Unit Linked - Group Life	NA	NA	NA	NA	NA	NA
Unit Linked - Group Pension	NA	NA	NA	NA	NA	NA

**Notes :**

- Analytical ratios have been calculated as per definition given in IRDAI Analytical ratios disclosure.
- The persistency ratios are calculated in accordance with the IRDAI circular no. IRDA/ACT/IR/M/SC/035/01/2014 dated January 23, 2014 and hence are with a lag of one month.
- Group business, where persistency is measurable, has been included in the calculations. Rural business policies issued from FY 2018-19 onwards are included in persistency ratio calculations.
- The persistency ratios for the quarter ended December 31, 2020 have been calculated for the policies issued in the September to November period of the relevant years. E.g.: the 13th month persistency for the current quarter is calculated for the policies issued from September 2019 to November 2019. The persistency ratios for quarter ended September 30, 2020 and December 31, 2019 have been calculated in a similar manner.
- The persistency ratios for the nine months ended December 31, 2020 have been calculated for the policies issued in the December to November period of the relevant years. E.g.: the 13th month persistency for the current year is calculated for the policies issued from December 2018 to November 2019. The persistency ratios for the December 31, 2019 have been calculated in a similar manner.
- The persistency ratios for the year ended March 31, 2020 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 year is calculated for the policies issued from March 2018 to February 2019.

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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 January 22, 2021.

Pvt mkt share rank up to 2, gain 214 bps 14.3 to 16.4%

Balanced product mix %

Savings 35

Non participating savings 30

Ulips 23

Protection 7

Annuity 5

Distribution 300+ partners

AUM 31Dec 20

1.7 lakh cr

Debt:equity mix 64:36

98% debt in Gsecs & AAA

Renewal premium growth 22%

## Executive summary: 9M FY21

### Revenue growth and Market share

- Expansion in market share<sup>1</sup> by 214 bps from 14.3% to 16.4%
- Individual WRP grew by 19% in Q3. 8% growth in 9M FY21 v/s private industry de-growth of 6%

### Product mix

- Balanced product mix<sup>2</sup> (UL: 23%, Par: 35%, Non-par savings: 30%, Protection: 7%, Annuity: 5%)
- 17% growth in retail protection and 42% growth in Annuity

### Renewal collection

- Renewal premium growth of 22% with stable 13th month persistency

### Cost management

- Opex ratio at 12.1% for 9M FY21 compared to 13.7% in 9M FY20

### New business margins

- Improvement in sequential new business margins
- NBM of 25.6%, on the back of higher growth and favourable product mix

### Profit after tax

- PAT of Rs 10.4 bn, with growth of 6%

### Capital position

- Solvency ratio healthy at 202%

1. Based on Individual WRP. 2. Based on Indl APE  
The numbers throughout the presentation are based on standalone financial results of the Company



NBM 25.6%

PAT 10.4 bn, up 6%

Solvency ratio 202%

42% growth in annuity business

NBM %

2019 24.6

2020 25.9

9 months fy21 25.6

Strong partner ships

Hdfc bank ,Yes ,RBL , pnb housing ,ldfc 1st etc

Sustained growth in Individual protection %

2018 2.5

9mnth fy21 3

NPS - #1 with AUM 139 bn amongst pvt players ,strong growth AUM 9mnths 81%

26000 lives covered in 9mnths Fy21

5 building blocks

Insta suite

Instalnsure

Online payments & services

AI ,Big data ,Cloud

Life 99

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

Channel	Segment	FY18	FY19	FY20	9M FY21
Banco <sup>2</sup>	UL	64%	64%	32%	26%
	Par	25%	13%	18%	37%
	Non par savings	8%	17%	44%	30%
	Term	3%	4%	4%	5%
	Annuity	1%	3%	2%	2%
Direct	UL	58%	50%	33%	26%
	Par	17%	8%	14%	17%
	Non par savings	9%	12%	20%	13%
	Term	5%	6%	4%	4%
	Annuity	11%	24%	29%	40%
Agency	UL	33%	26%	12%	9%
	Par	48%	40%	34%	38%
	Non par savings	5%	17%	40%	36%
	Term	11%	12%	12%	13%
	Annuity	3%	5%	3%	3%
Online <sup>3</sup>	UL	57%	62%	44%	36%
	Par	1%	2%	1%	1%
	Non par savings	0%	1%	18%	29%
	Term	42%	35%	37%	33%
	Annuity	0%	1%	1%	2%
Company	UL	57%	55%	28%	23%
	Par	28%	18%	19%	35%
	Non par savings	7%	15%	41%	30%
	Term	5%	7%	8%	7%
	Annuity	2%	5%	4%	5%
Protection	Total APE	FY18	FY19	FY20	9M FY21
	Term	11%	17%	17%	13%
	Annuity	2%	4%	4%	5%
Total	13%	21%	21%	18%	
NBP	Total NBP	FY18	FY19	FY20	9M FY21
	Term	26%	27%	27%	17%
	Annuity	9%	17%	16%	19%
Total	35%	44%	43%	36%	

1. Basis Individual APE. Term includes health business  
 2. Includes banks, other corporate agents and online business sourced through banks / corporate agents. Nos for previous years have been restated in line with revised classification  
 3. Includes business sourced through own website and web aggregators. Nos for previous years have been restated in line with revised classification



Life insurance penetration %

Taiwan 16.5

Hong kong 18.3

Japan 6.7

China 2.3

India 2.8

Life insurance density US\$

Hong kong 8979

Taiwan 4129

Japan 2691

China 230

India 58

Indias insurable population to touch 750 mn 2020

Elderly population to double 2035

Protection gap 2019

India 83%

China 70

Singapore 55

Hong kong 41

Protection gap growth rate to grow 4% per annual

Retail credit growth CAGR 18% last 10 yrs, retail indebtedness to spur need for credit life products

Only 1 out of 40 people who can afford buying insurance

Indias pension mkt is under penetrated at 4.8% GDP

Increased life expectancy to lead to avg retirement period of 20 years

60+ population to triple by 2050

Total pension AUM to grow to 47 trillion by 2025

Mandatory schemes to increase coverage for org & unorganized sectors

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