

Investor Presentation – 9M FY24



Executive summary: 9M FY24

Revenue & Scale



Individual WRP	Growth	6%
	Market Share	15.0%



Renewal premium	Rs (Bn.)	220.4
	Growth	15%



AUM	Rs (Bn.)	2,797
	Growth	20%



IEV	Rs (Bn.)	451.7
	EVOP	16.5%

Profitability & Cost



New Business Margin (NBM)	CY	26.5%
	PY	26.5%



Value of New Business (VNB)	Rs (Bn.)	22.7
	Growth	5%



Profit After Tax (PAT)	Rs (Bn.)	11.6
	Growth	16%



Total exp. ratio ¹	CY	19.6%
	PY	19.4%

Customer & Capital



13 th month persistency	CY	86%
	PY	87%



Claim settlement ratio (FY23)	Overall	99.7%
	Individual	99.3%



Complaints per 10K policies ²	FY23	35
	FY22	25



Solvency	Dec'23	190%
	Mar'23	203%

- Total Expense Ratio is calculated as total expenses (including commission) divided by total premium
- Complaints data (excluding survival and death claims). Complaints per 10K policies on merged basis for FY22: 40

Agenda

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Performance Snapshot

2

Business Overview

3

Other Business Highlights

4

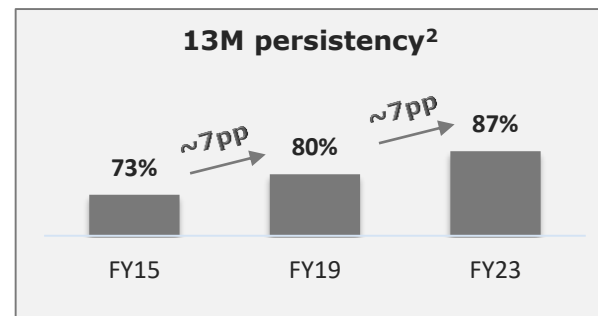
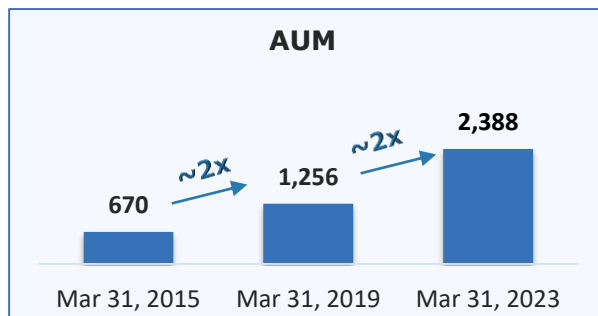
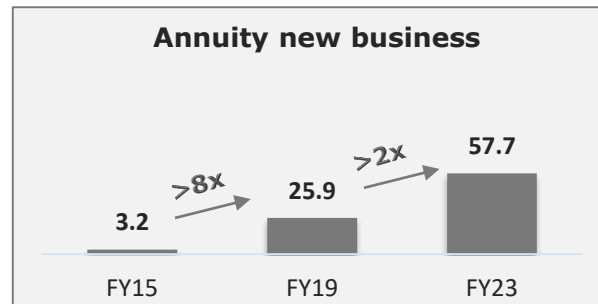
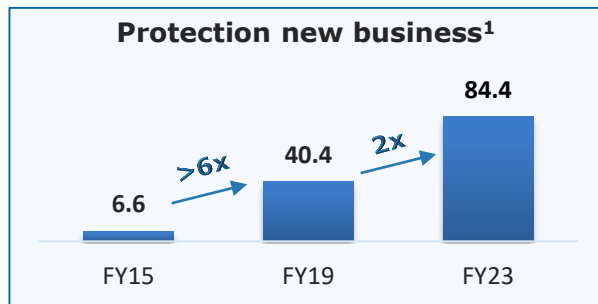
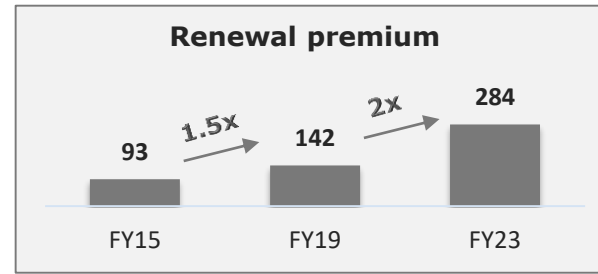
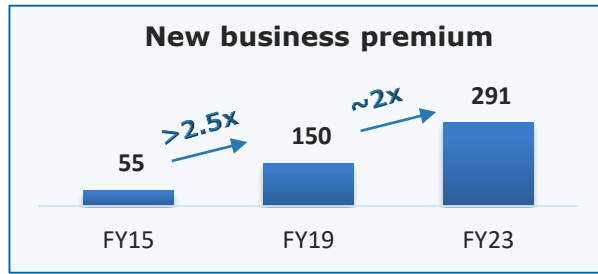
Life insurance in India



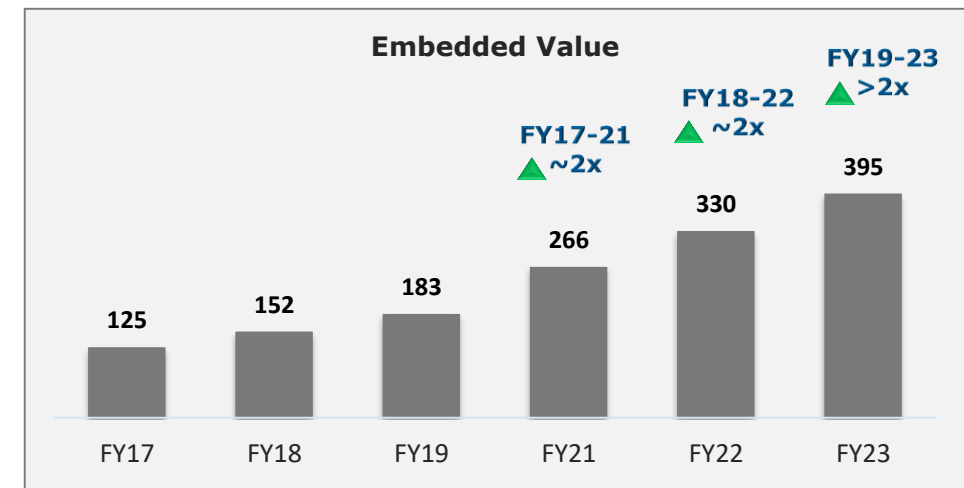
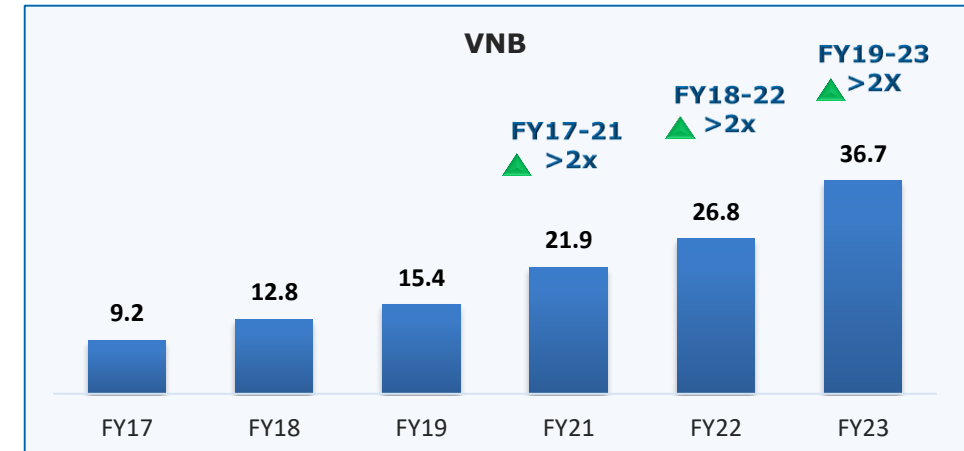
Consistent, predictable, sustained performance

Rs bn

Holistic growth

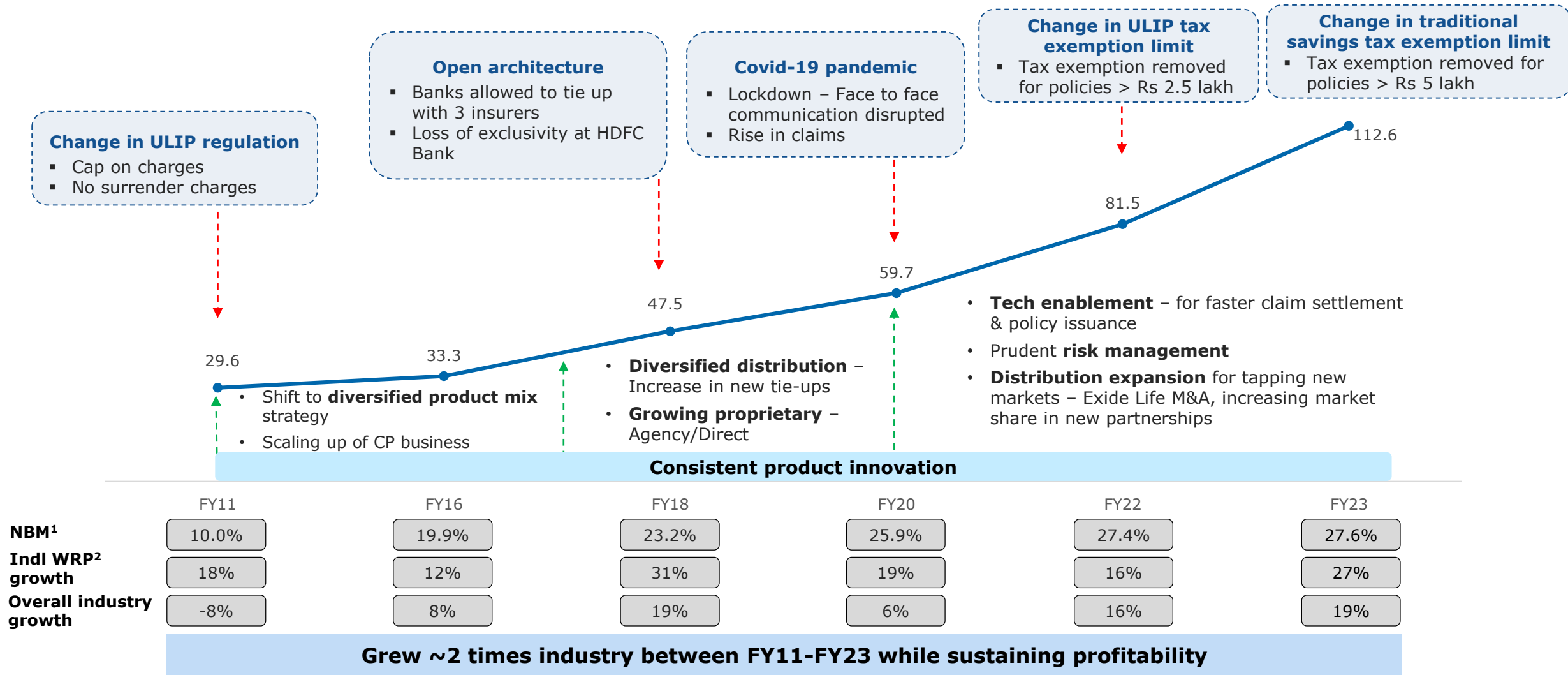


Consistent track record over multiple periods



1. Based on Overall NBP
2. Excluding single premium

Consistent performance across business cycles

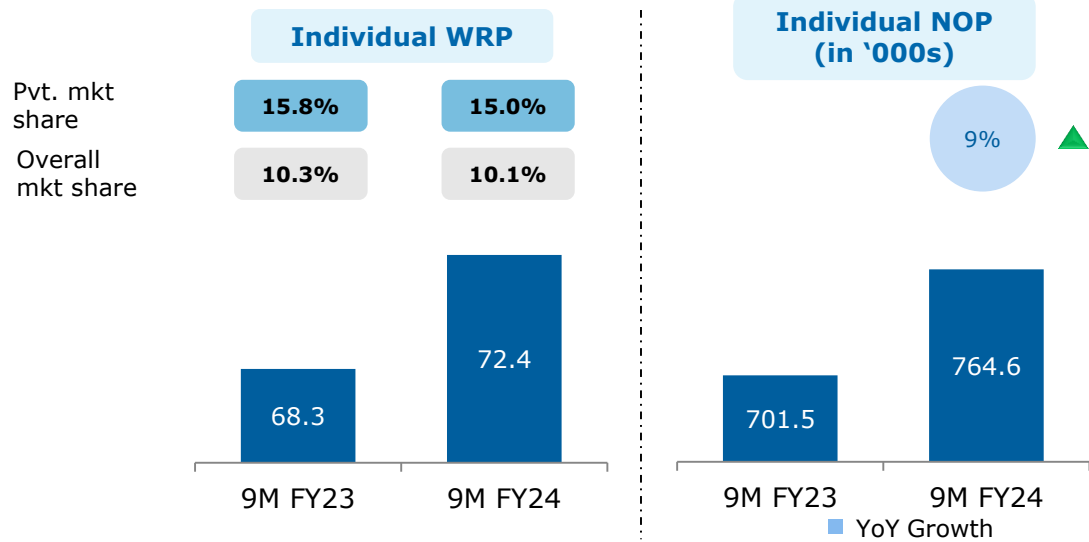


Note: Indi WRP in Rs bn
 1. New Business Margin
 2. WRP: Weighted Received Premium

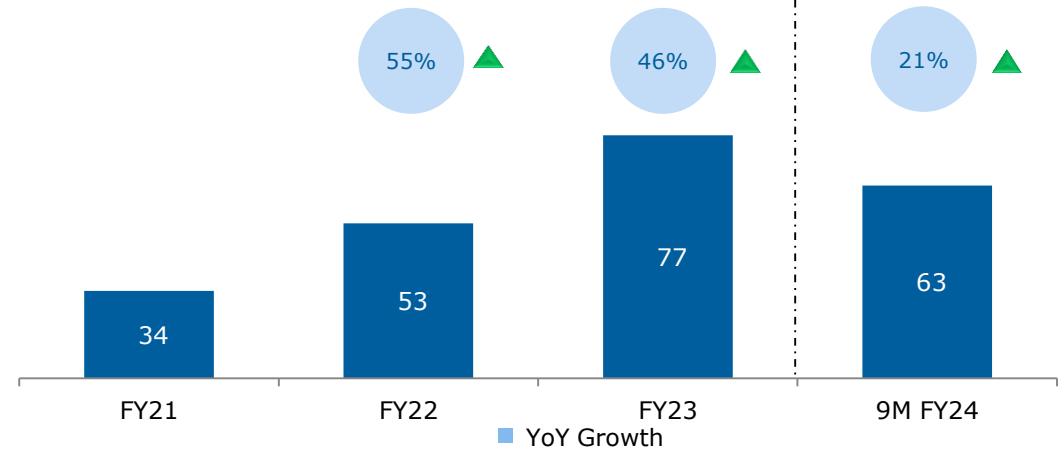
Robust delivery across key metrics (1/2)

Rs bn

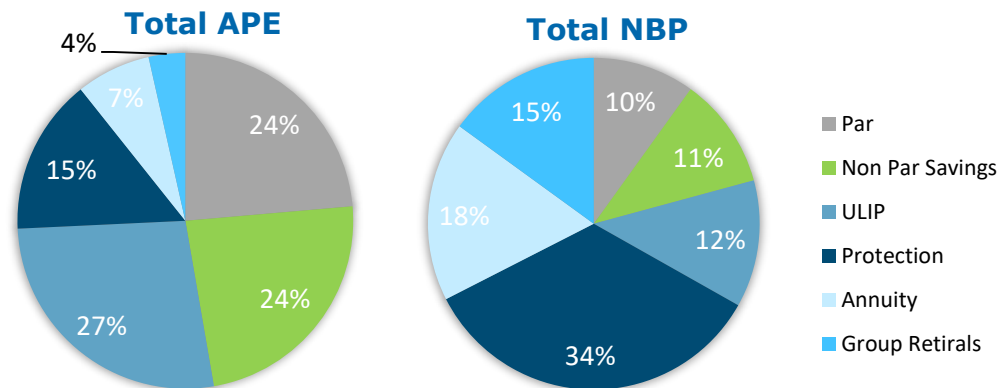
Steady performance



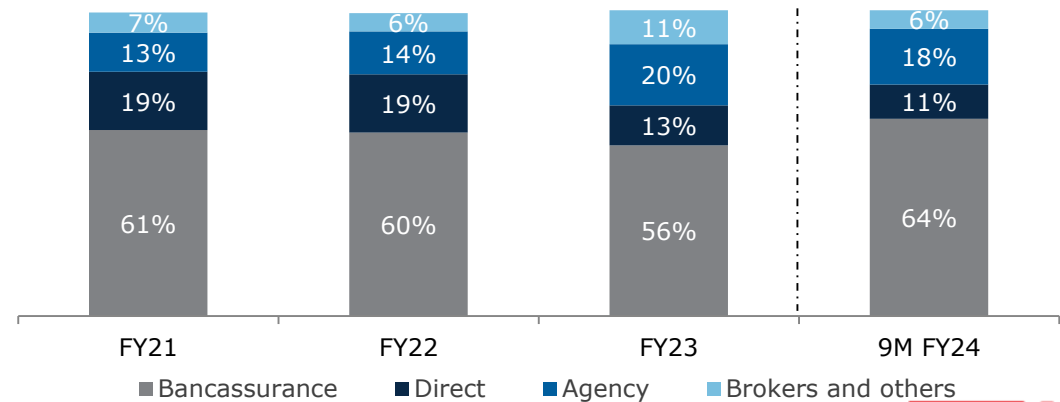
Sustained growth in credit protect business¹



Balanced product mix



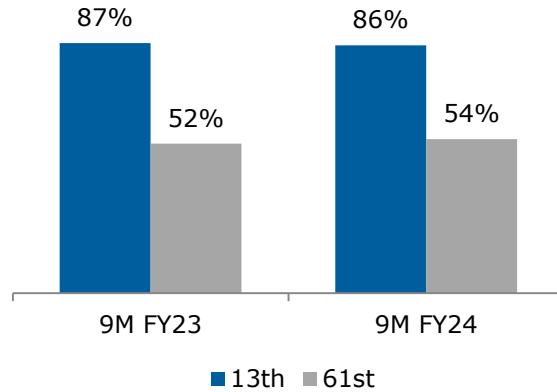
Focus on diversified channel mix²



1. Based on credit protect new business premium
 2. Based on Individual APE

Robust delivery across key metrics (2/2)

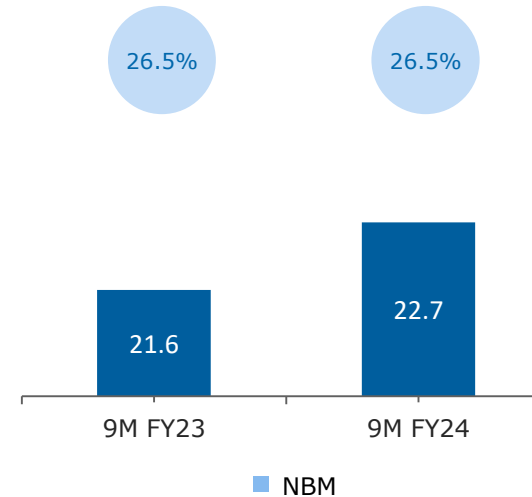
Stable Persistency



- Focus on quality of business and providing superior customer experience

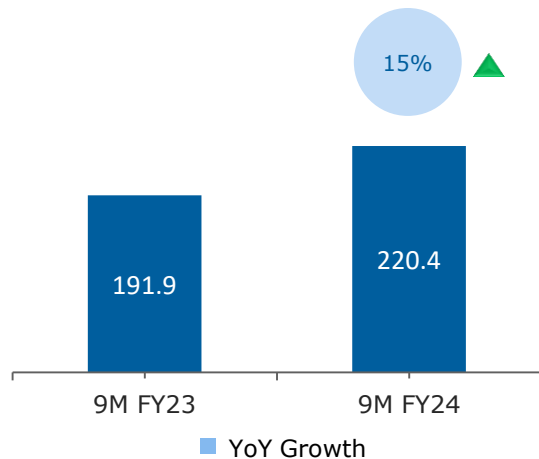
Sustained VNB margins despite headwinds

Rs bn



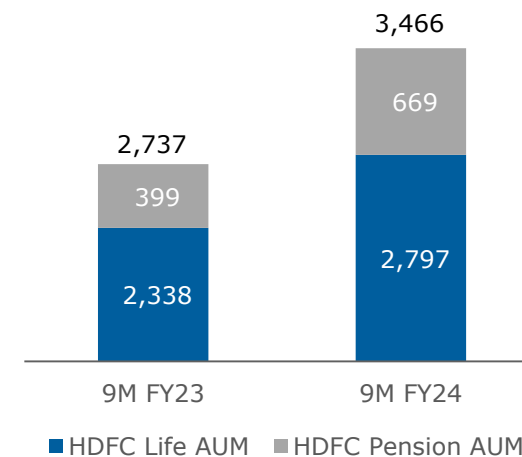
- Multiple pools of profitability contributing to VNB accretion
- VNB growth of 5% over 9M FY23

Strong growth in renewal premium



- Backed by strong persistency and growing backbook

Group assets under management of ~Rs 3.5 tn¹



- HDFC Life Debt:Equity mix (9M FY24) – 67:33

1. Group assets under management (AUM) includes AUM of HDFC Life and HDFC Pension (wholly owned subsidiary)

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Life insurance in India



Key elements of our strategy

1



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 & **deepening penetration**

3



Customer first

Creating superior **product** propositions and **customer journeys**, through consistent **innovation**

4



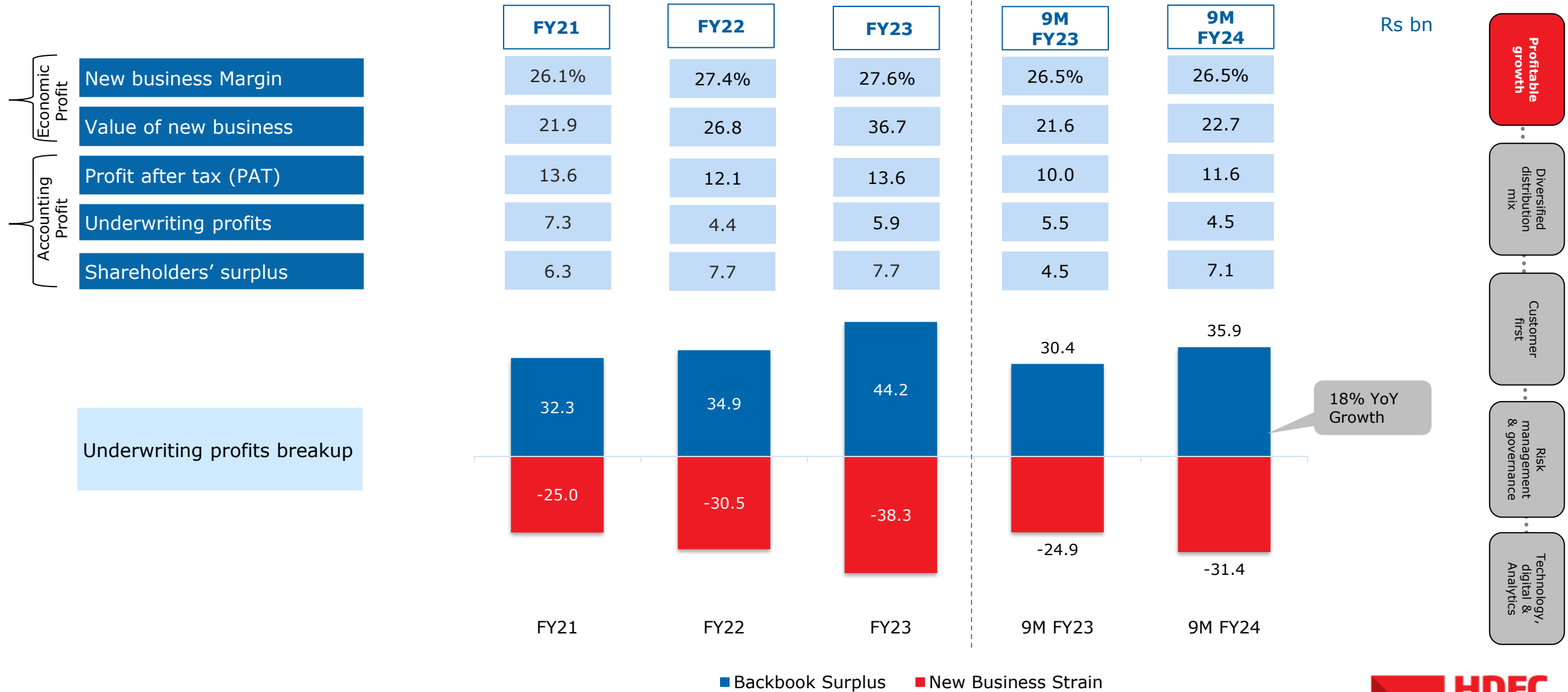
Risk management & board governance

Maintaining focus on **risk management** guided by an **independent and competent Board**

5

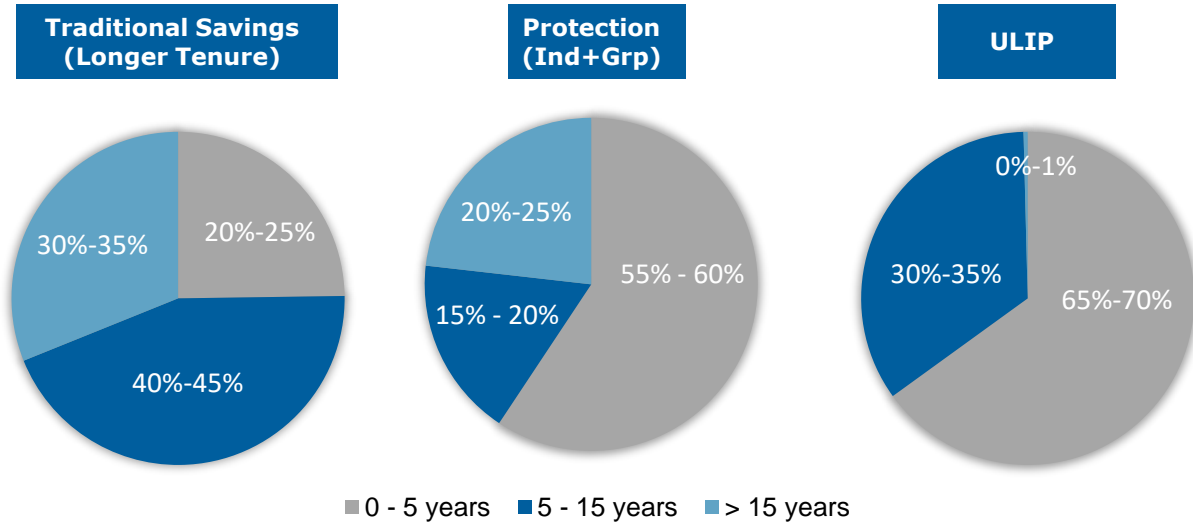
Future ready organisation: Leveraging **technology, digital** and **analytics**

Focus on profitable growth



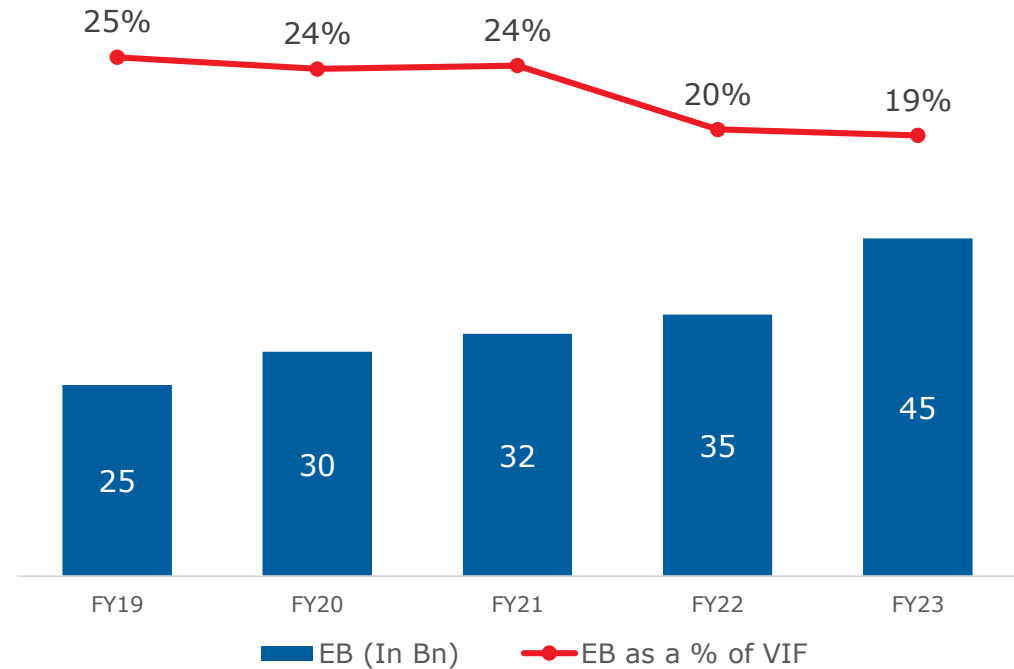
Emergence of Existing Business (EB) Surplus

Profit Emergence



- Shift in product profile to longer term savings over last 3-4 years
- Profit emergence is higher for longer tenure products, albeit over a longer time frame
 - ~ 3/4th of profits emerge after 5 years

EB Surplus emergence as a % of VIF



- Higher mix of long term profitable products to result in profit emergence over longer time horizon
- Track record of positive operating variance indicates high likelihood of profit emergence as per assumptions

Profitable growth

Diversified distribution mix

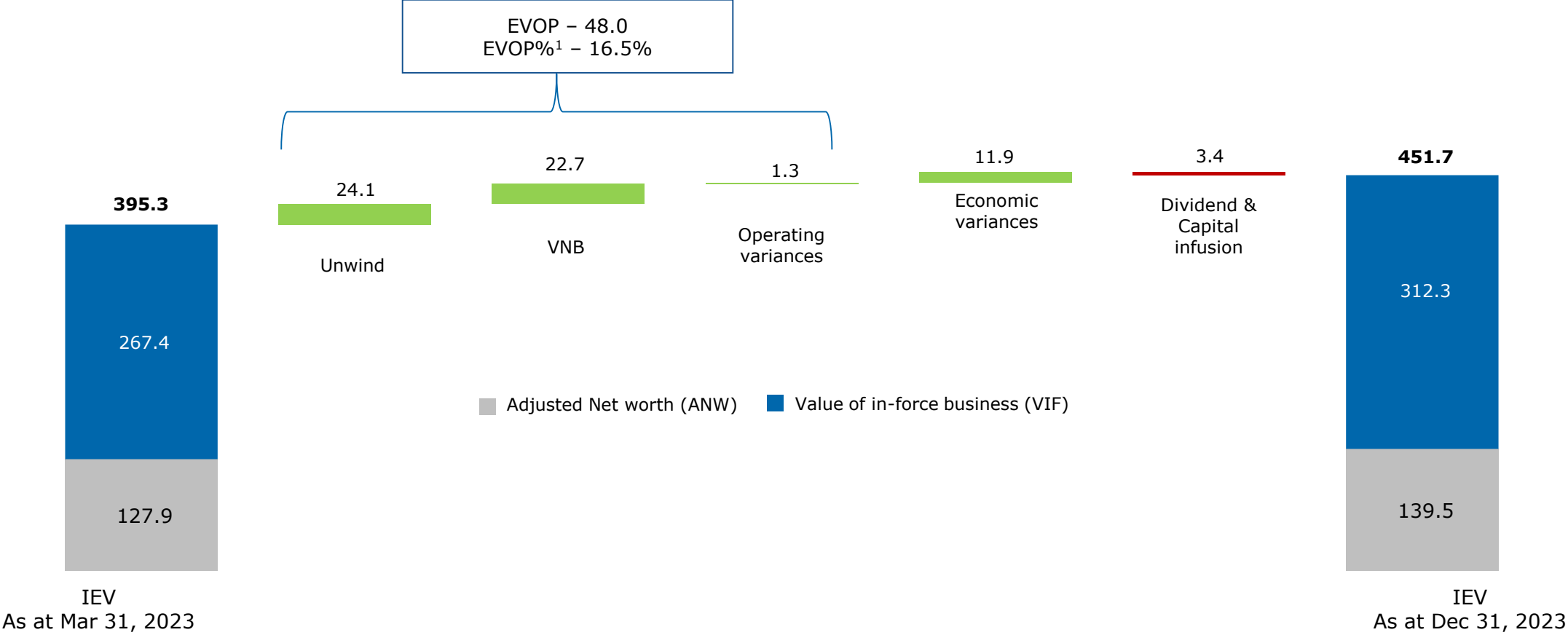
Customer first

Risk management & governance

Technology, digital & Analytics

Analysis of change in IEV

Rs bn



- Profitable growth
- Diversified distribution mix
- Customer first
- Risk management & governance
- Technology, digital & Analytics

Operating variance continues to be positive and in line with our assumptions

1. EVOP% calculated as annualised EVOP (Embedded Value Operating Profit) to Opening EV



Diversified distribution mix

Agency – segmented geographical growth



2L+ agents- **second largest agency** force amongst **private life insurers**¹



Segregating **Growth (tier 1)** and **Focus (tier 2,3)** markets with a **micro market** strategy



Deepening **penetration** with **agency partners**

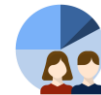


Leveraging machine learning tech for **partner engagement** and increasing **productivity**

HDFC Bank – Expansion in SURU markets



>900 HDFC bank branches added in **SURU (Semi-urban and Rural)** locations in last 18 months



Increasing **penetration** across all customer segments



Sharper focus on cross-sell and up-sell to existing customers

Partnerships & Alliances



> **90 banca partnerships**- Focus on maintaining **market share leadership** at partner level



Partnerships with Banks, NBFCs, SFBs, brokers, aggregators & digital ecosystems allow **entry into new market segments (Recent tie-ups: Karur Vysya Bank & Karnataka Bank)**



Strong growth momentum across protection

Direct/ Digital



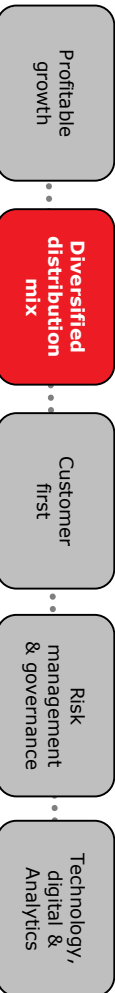
498 physical branches and 48 digital branches²



Leveraging analytics for **cross-sell/upsell**



Simplifying and personalizing journeys to offer better customer experience to **attract younger customers**

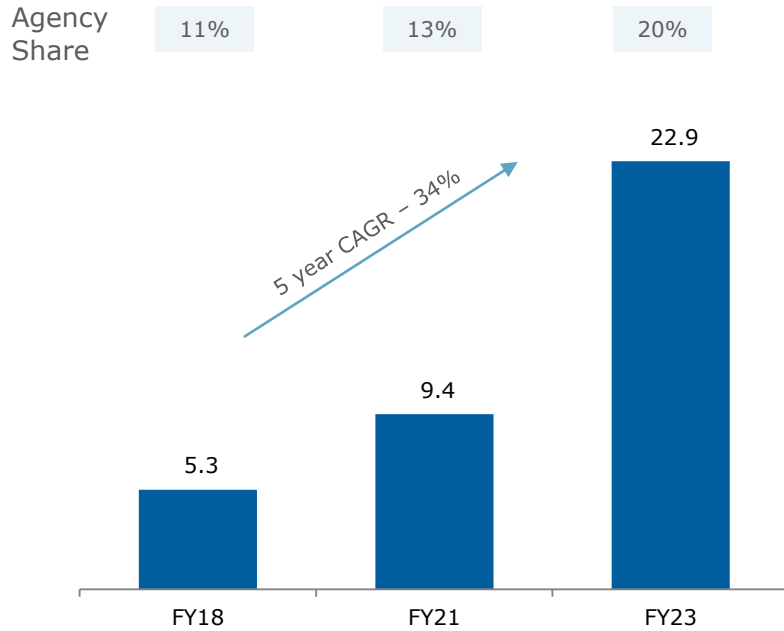


1. Based on 8MFY24
2. Digital Branches: Virtual branch for servicing customer requests remotely through dedicated app and webpage

Agency – Scaling up for future growth

Improving scale

Agency APE (INR billion)

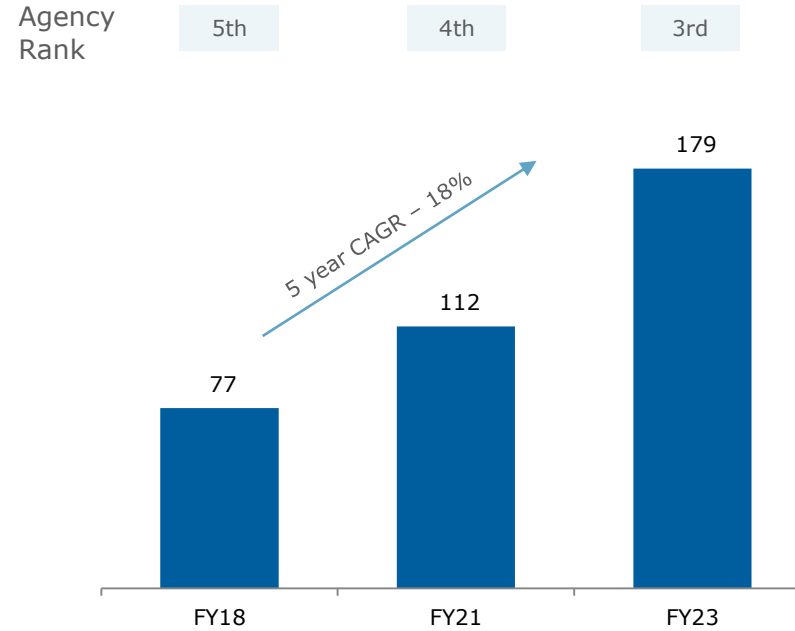


Fastest growing channel in last 5 years (**4x growth**)

3rd largest agency amongst private players¹

1. Based on FY23
2. Based on 9MFY24
3. Million Dollar Round Table

Number of Agents (000's)



First ever M&A in India **life insurance** industry

10%² increase in MDRT³ agents

Levers for future growth

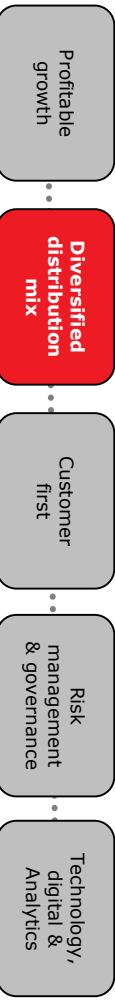
On-boarding **high performing profiles** - housewives, retired govt servants & financial distributors

Higher proportion of **protection and annuity**

Conscious market segmentation **into focus and growth areas**

Deepening penetration in Tier 1 cities **through leadership** in high potential pin codes

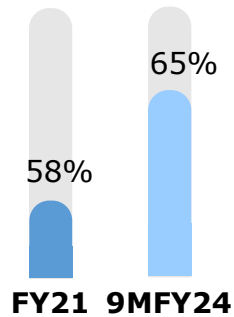
Use **AI** to hyper **personalize** product **offerings**



Emerging tier 2/3 cities - The Bharat opportunity

Our focus is to deepen our presence in tier 2 and 3

Contribution of tier 2 and 3 to HDFC Life APE



On NOP basis, Tier II and III contributed to **3/4th** of the business in 9MFY24



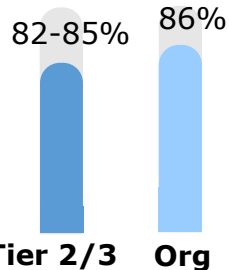
One of the **first** life insurers to have a **dedicated vertical** for tier 2/3 markets



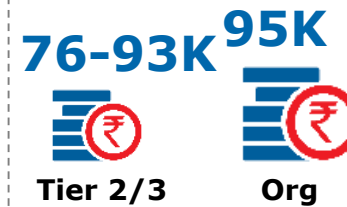
Higher **focus** on **micro markets** and **increase penetration** in tier 2/3 markets

While ensuring that quality of business is maintained

13M persistency closer to org



Tier 2,3 ATS closer to org ATS



Amongst **top 3 brands¹** for tier 2/3 customers



APE growth in tier 2/3 markets has been **>2x company level growth**



Faster NOP growth in tier 2/3 markets during 9M

And building capacity for future growth



36,000+
Partner branches

495+
HDFC Life branches

345+

Partners comprising banks, NBFCs, MFIs, SFBs, brokers, new ecosystem partners



Adding **75 new branches** in tier 2/3 markets



>75% of new agent addition in tier 2/3 markets



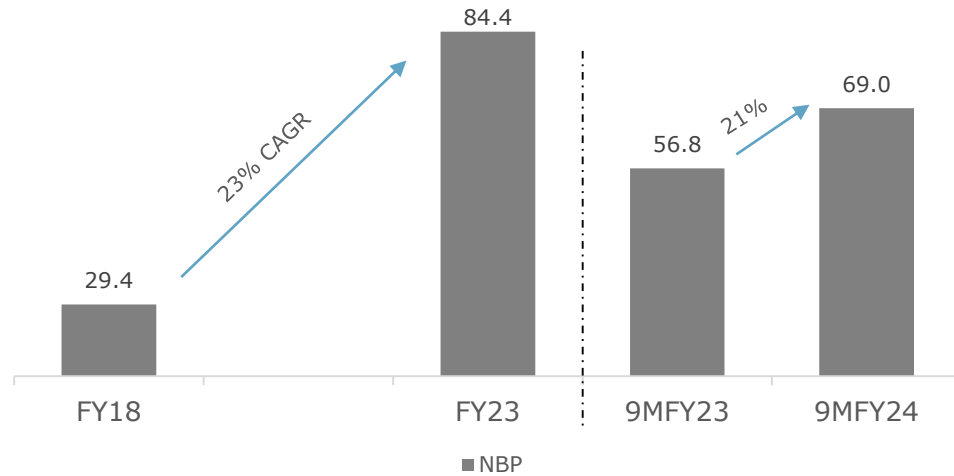
Expansion strategy **complementary to HDFC Bank's SURU expansion**

- Profitable growth
- Diversified distribution mix
- Customer first
- Risk management & governance
- Technology, digital & Analytics

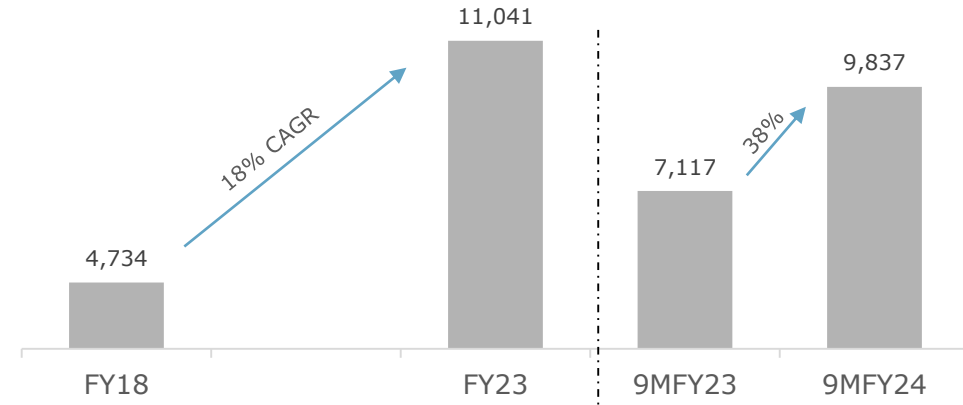
1. Study by Ipsos

Our focus on core insurance proposition

Protection (Individual + Group) trends

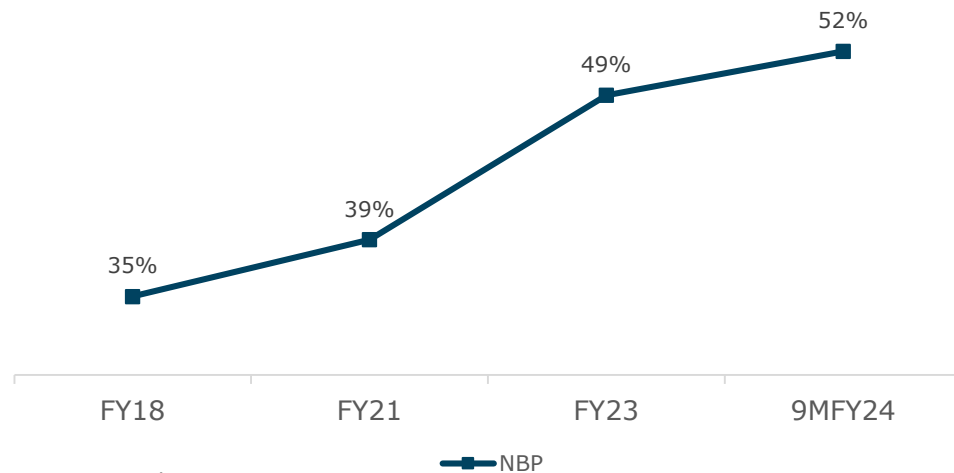


Sum Assured (Individual + Group) trends



Rs Bn.

Protection and Annuity as % of total NBP



- Offering embedded protection solutions based on customer orientation
- Protection and annuity contribute >50% of NBP
- Maintained #1 in overall sum assured²
- Covered ~50 million lives in 9MFY24
- 13M persistency² of >90% over last 3 years



1. Private industry
 2. Based on 9MY24
 3. Retail protection persistency

Product mix across key channels¹

Banca	Segment	FY21	FY23	9M FY23	9M FY24
	UL	27%	24%	26%	36%
Par	37%	27%	28%	27%	
Non par savings	30%	42%	38%	27%	
Term	4%	3%	3%	4%	
Annuity	2%	4%	4%	6%	

Agency	Segment	FY21	FY23	9M FY23	9M FY24
	UL	10%	10%	11%	22%
Par	37%	33%	37%	33%	
Non par savings	39%	49%	42%	33%	
Term	11%	6%	7%	8%	
Annuity	3%	3%	3%	4%	

Direct ²	Segment	FY21	FY23	9M FY23	9M FY24
	UL	33%	27%	20%	27%
Par	10%	13%	17%	14%	
Non par savings	22%	35%	32%	25%	
Term	15%	5%	3%	3%	
Annuity	20%	20%	28%	31%	

Brokers	Segment	FY21	FY23	9M FY23	9M FY24
	UL	1%	1%	1%	4%
Par	53%	31%	44%	47%	
Non par savings	42%	62%	46%	29%	
Term	4%	5%	6%	16%	
Annuity	0%	2%	3%	4%	

Company	Segment	FY21	FY23	9M FY23	9M FY24
	UL	24%	19%	21%	32%
Par	34%	27%	29%	28%	
Non par savings	31%	45%	39%	28%	
Term	7%	4%	4%	6%	
Annuity	5%	5%	6%	7%	

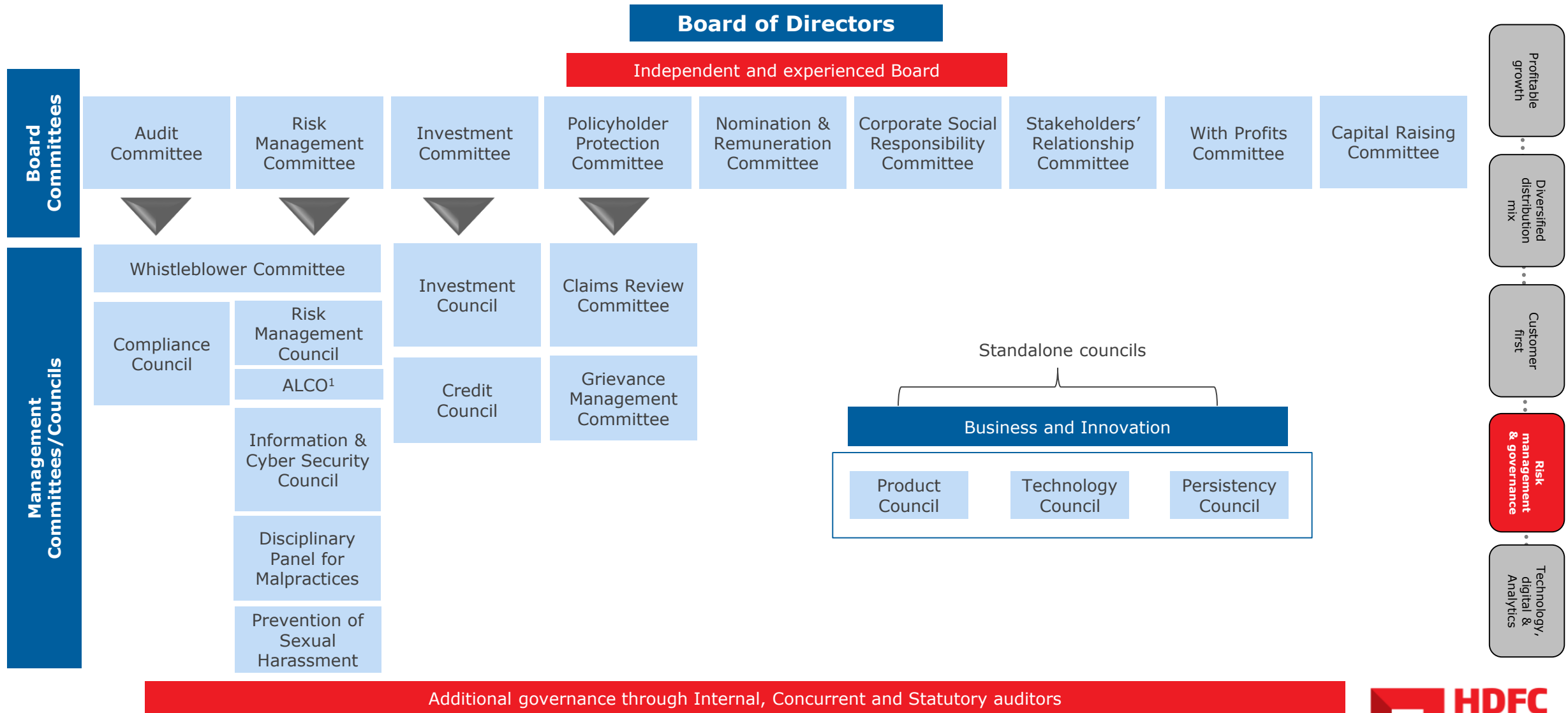
Protection		FY21	FY23	9M FY23	9M FY24
	Based on Total APE	13%	13%	15%	15%
Based on NBP	20%	29%	30%	34%	

Annuity		FY21	FY23	9M FY23	9M FY24
	Based on Total APE	5%	6%	8%	7%
Based on NBP	20%	20%	24%	18%	

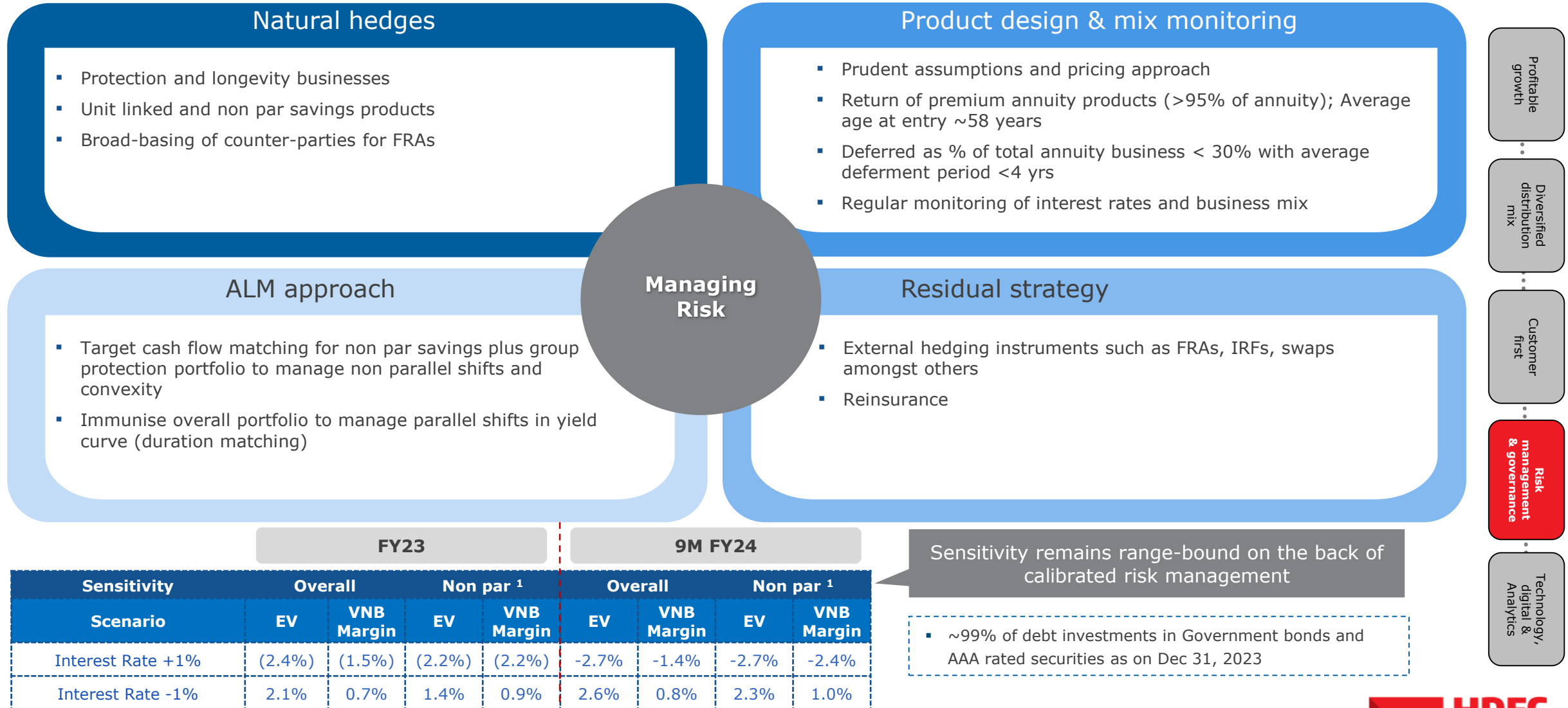


1. Based on Individual APE, Term includes health business. Percentages are rounded off
 2. Includes business sourced through web aggregators for previous years

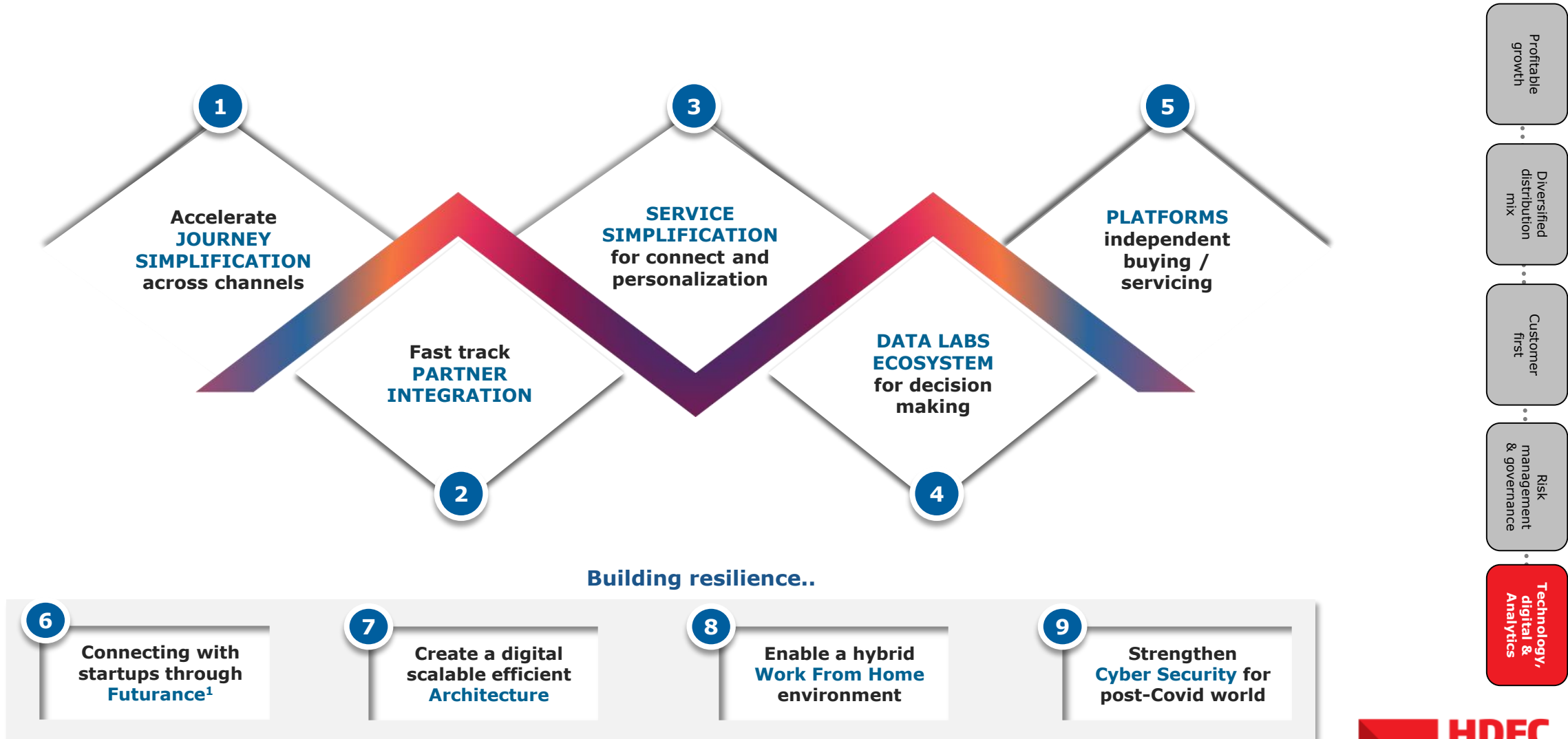
Risk management & board governance



Financial risk management framework



Future ready organisation: Leveraging technology, digital and analytics



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

Harnessing Gen AI Capabilities

In-house Generative AI platform with capabilities that can be leveraged across business processes



Ability to upload multiple documents and generate insights



Secure and authenticated APIs, enabling seamless integration with other apps



A built-in library of prompts to assist users



Strict data security protocols and deployment only on HDFC Life's VPC

Key business use-cases developed:

1



Customer Interaction Summarizer

Collates customer interactions across various touchpoints – generates concise summaries – faster service resolution

2



Report Analyzer

Analyses multiple financial reports and provides key highlights and comparison of reports

3



Pitch Generator

Generates sales pitches for specific product which is personalized for a specific user persona

Profitable growth

Diversified distribution mix

Customer first

Risk management & governance

Technology, digital & Analytics

Platforms: Insta Insure

Insurance platform to facilitate easier and faster onboarding of new-age customers

Insta Insure is a streamlined and innovative solution designed to onboard eligible customers of our partners with a pre-approved sum insured with minimal underwriting

Key features



From push notifications to on-demand

- Customers can now easily self-service; Automatic KYC and income verification



Ease of integration for partners

- Integration capabilities with partner services with adaptable front end



Multiple product offerings



Trust in our customers

- No physical medical checkup; No documentation/KYC required



Benefits



End-to-end straight through journey for customers



Reduced TATs; faster issuance



Adaptable frontend - Easy to integrate at any scale

Profitable growth

Diversified distribution mix

Customer first

Risk management & governance

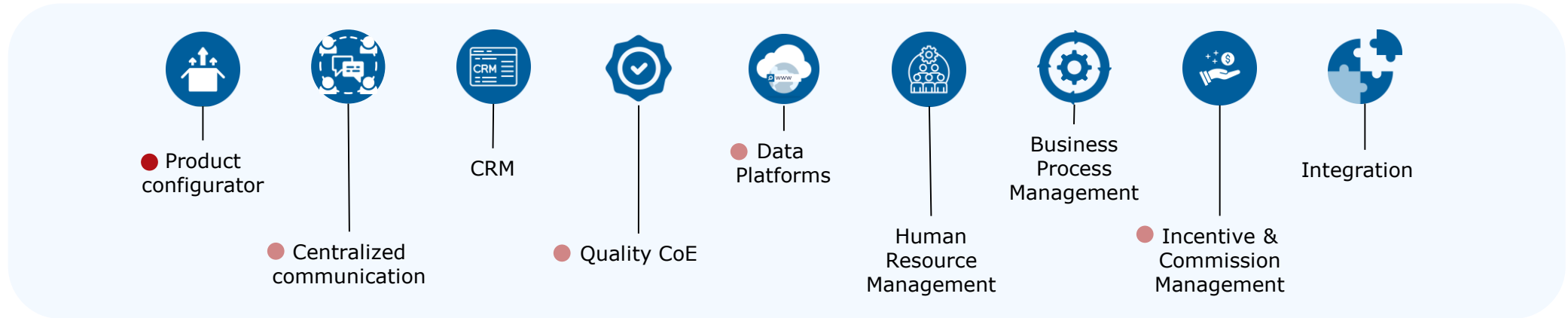
Technology, digital & Analytics

Digital, scalable, efficient architecture: Project Inspire

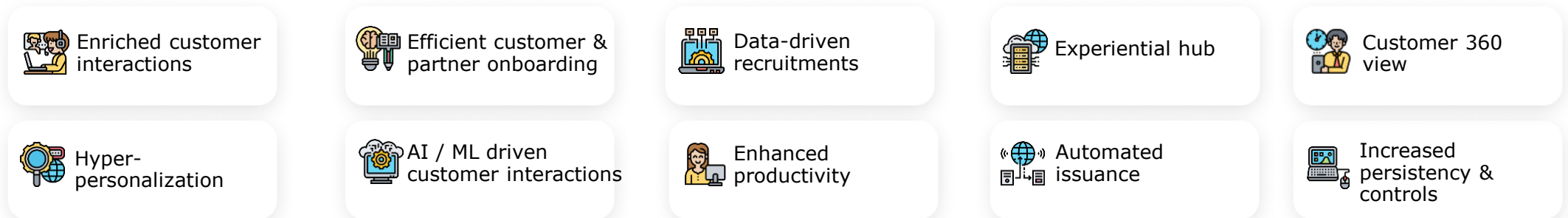
Future-ready digital transformation

Reimagining our systems and processes by investing in new technologies and capabilities

Envisioned tracks for transformation- moving towards execution



Our end state



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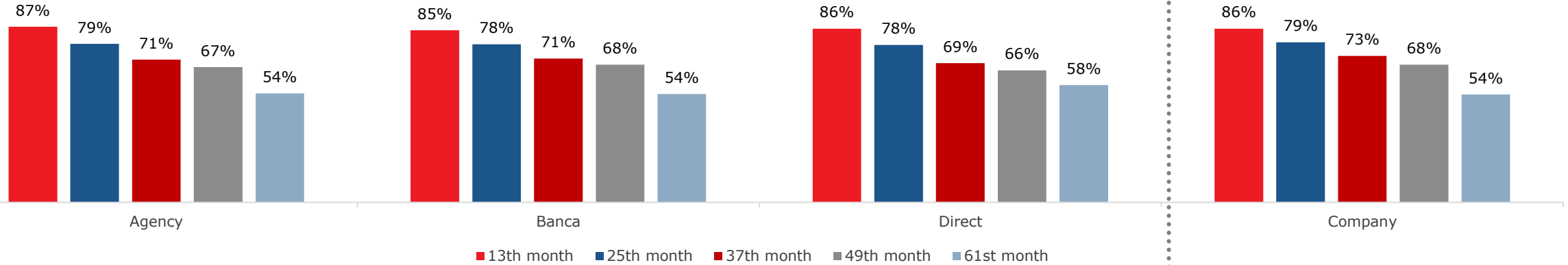
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Life insurance in India

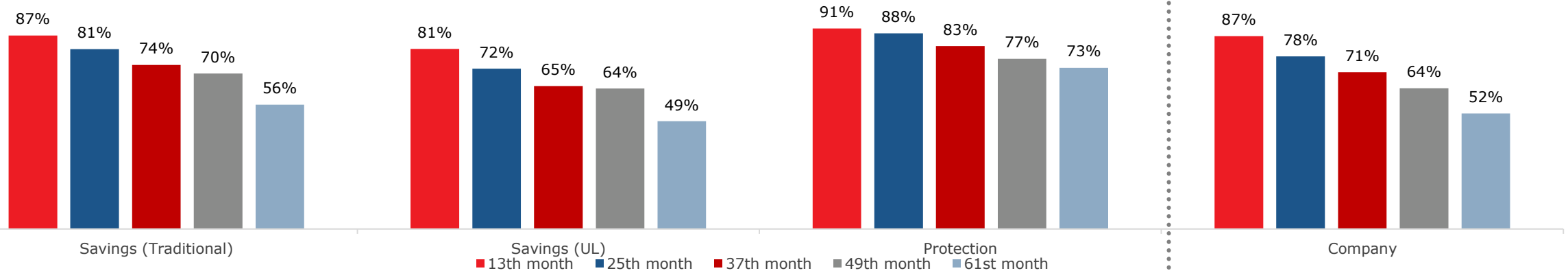


Persistency trends for HDFC Life

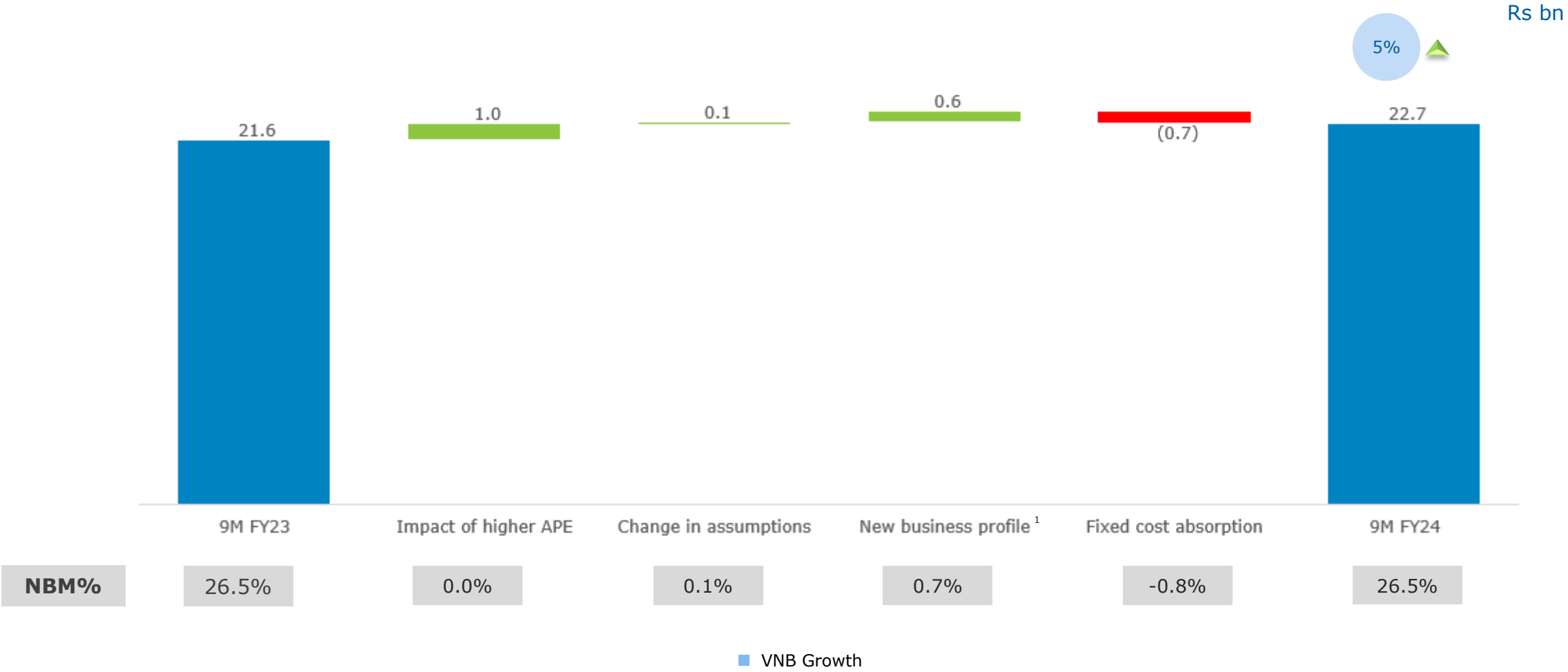
Across key channels



Across key segments



Improving VNB trajectory



Note: Numbers may not add up due to rounding off
 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 – H1FY24

Analysis based on key metrics	Scenario	Change in VNB Margin ¹	% Change in EV
Change in			
Reference rate	Increase by 1%	-1.5%	-2.8%
	Decrease by 1%	0.7%	2.7%
Equity Market movement	Decrease by 10%	-0.2%	-1.4%
Persistency (Lapse rates)	Increase by 10%	-0.5%	-0.1%
	Decrease by 10%	0.5%	0.2%
Maintenance expenses	Increase by 10%	-0.5%	-0.8%
	Decrease by 10%	0.5%	0.8%
Acquisition Expenses	Increase by 10%	-3.7%	NA
	Decrease by 10%	3.7%	NA
Mortality / Morbidity	Increase by 5%	-1.6%	-1.1%
	Decrease by 5%	1.6%	1.1%
Tax rate²	Increased to 25%	-4.9%	-9.0%

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.

Summary of Milliman report on our ALM approach – FY23

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

Description	Stress scenarios tested	Net asset liability position
Interest rate scenarios	Parallel shifts/ shape changes in yield curve within +- 150 bps of March 31 st 2023 Gsec yield curve	Changes by < 5.5%
Interest rate + Demographic scenarios	Interest rate variation + changes in future persistency/ mortality experience	Changes by < 9%
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**

ESG at a glance

The 5 Pillars of ESG

1. **Ethical Conduct & Governance**
2. **Responsible Investment**
3. **Diversity, Equity and Inclusion (DE&I)**
4. **Holistic Living**
5. **Sustainable Operations**

Environment

- Board approved **Environment and Climate Change Policy**
- Climate-related performance disclosed in accordance with the **TCFD** (Taskforce on Climate-related Financial Disclosures) recommendation
- **Renewable energy** consumption increased by **~55%** (from 239.8 MWh in FY22 to 530.8 MWh in FY23)
- Increased focus on **Circularity** and **Digitisation** for ensuring Sustainable operations (For detailed disclosures and KPIs, refer to the Integrated Annual Report FY 2022-23)
- GHG emissions (Scope I, II & III): **14,994.18 tCO₂e**

Social

- Launched Employee Resource Groups (ERGs) - Women in Insurance, Life of Pride and Happiness at work to create a more inclusive workplace
- Formulated **Health & Safety Policy** to foster a culture of holistic well-being
- Women in workforce: **26.3%**
- Average hours of training per FTE: **60.2**
- CSR contribution: **19.5 crore**
- No. of beneficiaries: **11.45 lakh**
- UN SDGs covered: **14 of 17**
- Customer Satisfaction (CSAT) Score (weighted average of FY 2022-23): **90.7%**
- Overall Claim Settlement Ratio: **99.7%**

Governance

- ESG governed by the Board **CSR & ESG Committee** and driven by the **ESG Management Committee** and cross functional teams
- **ESG Governance Committee** constituted under the investment team for integration of ESG factors in the fund management process and engagement with the investee companies
- **Responsible Investment (RI) Policy** and framework for integrating ESG issues into investment decisions
- **Asset classes covered under RI:** Equity and equity-related securities, Alternate Investment Funds (AIFs), Investment Trusts, Corporate Bonds & Government Securities
- Materiality Assessment conducted as per GRI Universal Standard 2021
- Submitted **1st UN-PRI report** (voluntary) for FY 2022-23

Financial and operational snapshot (1/2)

Rs bn.

	9M FY24	9M FY23	Growth	FY23	FY22*	FY21*
<i>New Business Premium (Incl. + Group)</i>	201.0	187.1	7%	290.9	241.5	201.1
<i>Renewal Premium (Incl. +Group)</i>	220.4	191.9	15%	284.5	218.1	184.8
Total Premium	421.4	379.1	11%	575.3	459.6	385.8
Individual APE	72.7	68.7	6%	114.0	81.7	71.2
Overall APE	85.6	81.7	5%	133.4	97.6	83.7
Profit after Tax	11.6	10.0	16%	13.6	12.1	13.6
- <i>Policyholder Surplus</i>	4.5	5.5	-19%	5.9	4.4	7.3
- <i>Shareholder Surplus</i>	7.1	4.5	57%	7.7	7.7	6.3
Dividend Paid	4.1	3.6	14%	3.6	4.1	-
Assets Under Management	2,797.1	2,338.4	20%	2,387.8	2,041.7	1,738.4
Indian Embedded Value	451.7	377.0	20%	395.3	300.5	266.2
Net Worth	⁽¹⁾ 137.8	126.0	9%	129.7	154.0	84.3
NB (Individual and Group segment) lives insured (Mn.)	49.6	45.5	9%	68.5	54.1	39.8
No. of Individual Policies (NB) sold (In 000s)	764.5	701.3	9%	1,054.1	915.1	982.0

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

*Numbers exclude Exide life business

Financial and operational snapshot (2/2)

	9M FY24	9M FY23	FY23	FY22*	FY21*
Overall New Business Margins (post overrun)	26.5%	26.5%	27.6%	27.4%	26.1%
Operating Return on EV	16.5%	17.5%	19.7%	16.6%	18.5%
Total Expenses (OpEx + Commission) / Total Premium	19.6%	19.4%	19.8%	16.5%	16.4%
Return on Equity ⁽¹⁾	11.5%	11.9%	11.9%	10.1%	17.6%
Solvency Ratio	190%	209%	203%	176%	201%
Persistency (13M / 61M)	86%/54%	87%/52%	87%/52%	87%/54%	85%/49%
Individual WRP Market Share (%)	15.0%	15.8%	16.5%	14.8%	15.5%
Business Mix (%)					
- Product (UL/Non par savings/Annuity/Non par protection/Par) ⁽²⁾	32/28/7/6/28	21/39/6/4/29	19/45/5/4/27	26/33/5/6/30	24/31/5/7/34
- Indl Distribution (CA/Agency/Broker/Direct) ⁽²⁾	64/18/6/11	59/18/9/15	56/20/11/13	60/14/6/19	61/13/7/19
- Total Distribution (CA/Agency/Broker/Direct/Group) ⁽³⁾	25/8/2/12/53	25/8/3/14/49	25/9/4/13/49	24/6/2/16/52	25/6/2/17/50
- Share of protection business (Based on Indl APE)	5.5%	4.3%	4.1%	5.6%	6.8%
- Share of protection business (Based on Overall APE)	15.0%	14.8%	13.3%	13.6%	12.8%
- Share of protection business (Based on NBP)	34.3%	30.4%	29.0%	24.0%	19.6%

1. Calculated using net profit and average net worth for the period (Net worth comprises Share capital, Share premium and Accumulated profits). Opening networth for FY23 has been adjusted in line with the scheme of merger approved by the court

2. Based on individual APE. UL: Unit Linked, Trad: Traditional, Par: Participating & CA: Corporate Agents. Percentages are rounded off

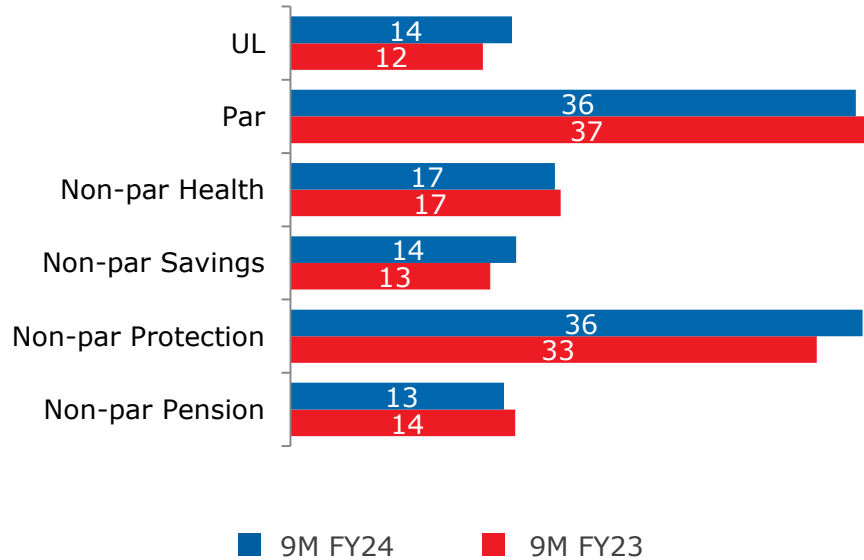
3. Based on total new business premium including group. Percentages are rounded off

*Numbers exclude Exide life business

Segment wise average term and age¹

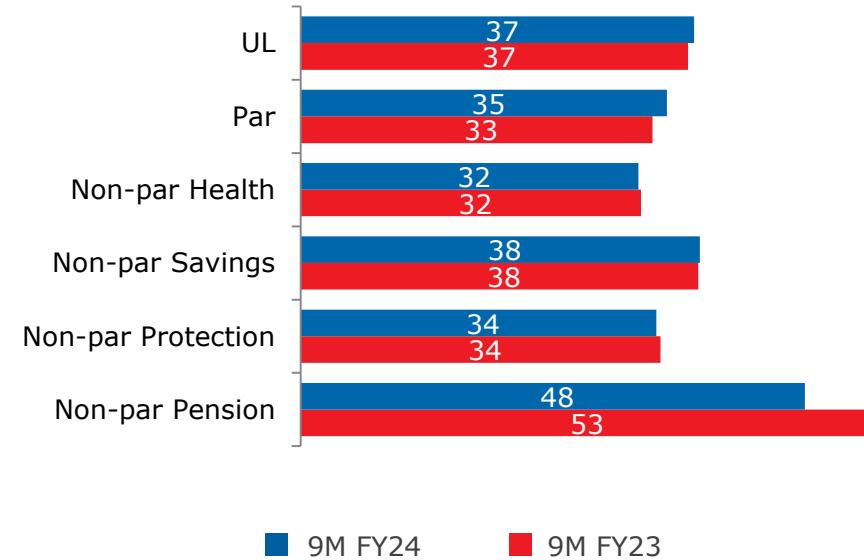
Average Policy Term excluding annuity (Yrs)

9M FY24: 23.2 (9M FY23: 22.8)



Average Customer Age excluding annuity (Yrs)

9M FY24: 36.1 (9M FY23: 35.5)

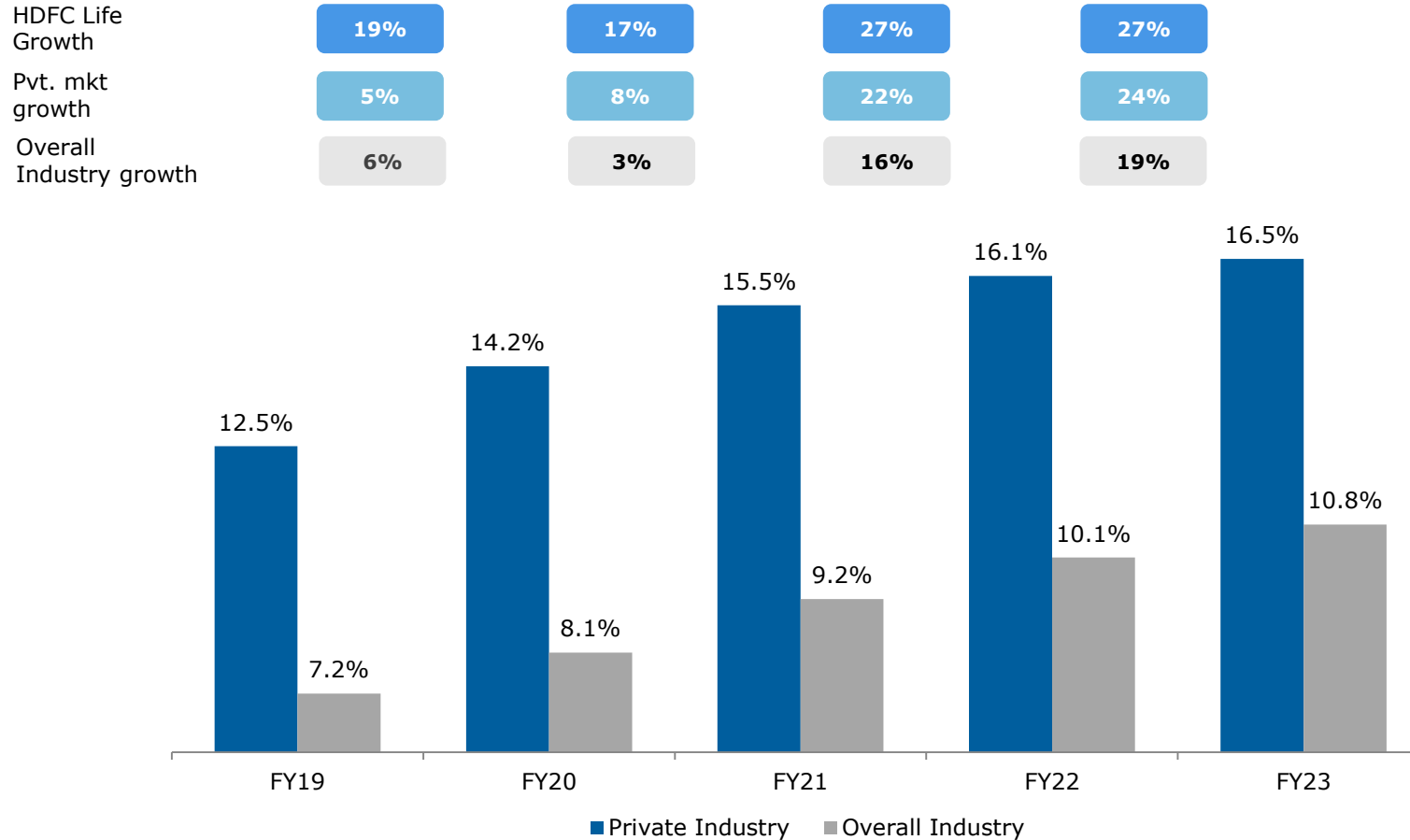


- Focus on long term insurance solutions, reflected in terms of long policy tenure
- Extensive product solutions catering customer needs across life cycles from young age to relatively older population

1. Based on individual new business policies (excluding annuity)

Consistently outpacing industry and gaining market share¹

HDFC Life market share trend



- Delivered strong performance across all metrics while increasing market share between FY19 and FY23
 - ✓ Overall market share gain of 1.5x from 7.2% in FY19 to 10.8% in FY23
- Consistently grew faster than overall and private industry between FY19 and FY23
 - ✓ Grown higher than overall industry in H1 FY24
- Continually ranked #1 in group business amongst private players over the last 5 years

1. Market share in terms of individual WRP
 Note: FY22 and FY23 individual WRP numbers are including Exide Life



Agenda

1

Performance Snapshot

2

Business Overview

3

Other Business Highlights

4

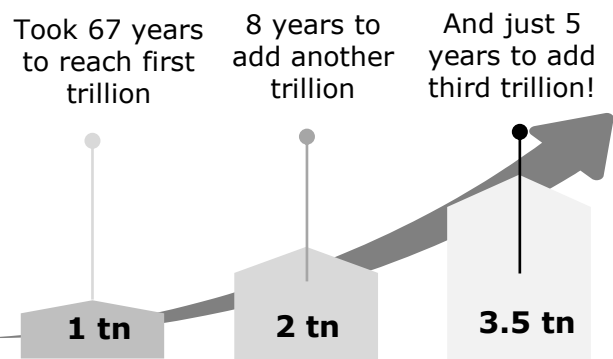
Life insurance in India



India – poised for sustainable growth

Fifth largest and fastest growing economy

India's GDP (in USD)¹



Demographic dividend- youngest economy¹

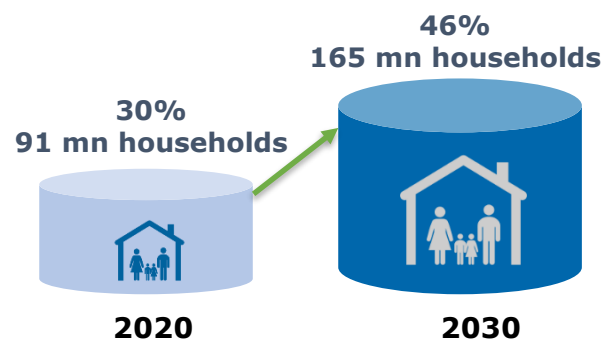


“At average age of 29 years, India to remain the youngest economy till 2070”

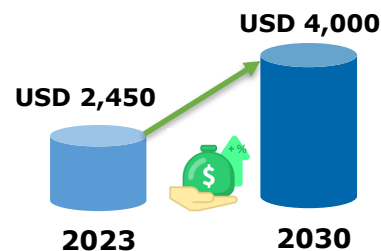
India surpassed Q2 growth expectations, growing by 7.6%. Expected to be third largest economy by 2030²

Rising affluence

India's middle income segment as % of all households³



India's per capita income



India's per capita income is likely to grow by nearly 70% by 2030⁴

Investment in physical and digital building blocks to further drive growth



1.45 lakh kms

- Total length of National Highways, an increase of 59% in past 9 years⁴
- 2nd largest road network after USA



74 bn

- Transactions worth Rs 1.3 bn processed via UPI in calendar year 2022, fastest growth in tier 2 and 3



- Total PLI outlay of >\$26bn
- Capex distributed evenly across sectors and geographies⁵



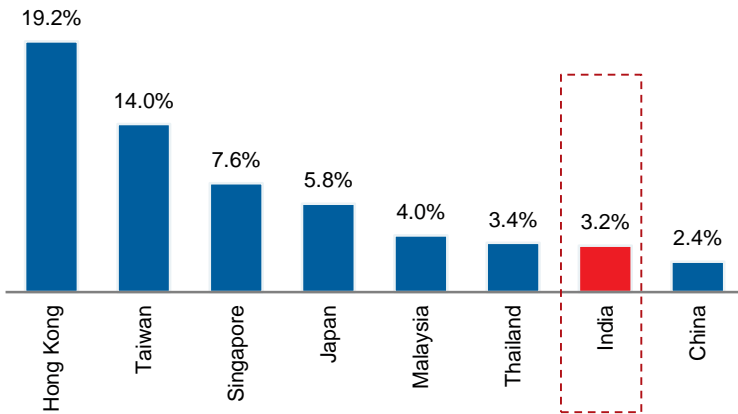
- GFCF⁶ to be >30% over the next 5 years⁵
- Bank credit to be 60% of GDP by FY30 from 50% currently⁵

The government will boost capital investment outlay by 33% to \$120bn in FY24

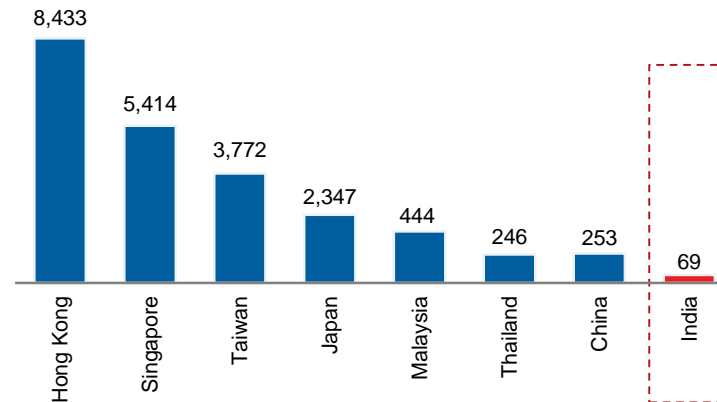
1. Invest India
2. MoSPI; S&P Global Market Intelligence
3. People Research on India's Consumer Economy (PRICE); average size of an household is 4.4 as in 2021
4. Standard Chartered Bank
5. CLSA, NDTV Profit
6. Gross Fixed Capital Formation

Growth opportunity: Under-penetration and favorable demographics

Life Insurance penetration¹ (FY 2022)

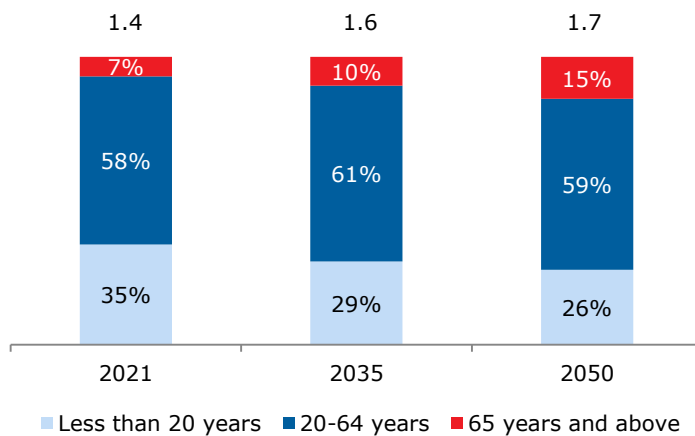


Life Insurance density US\$² (FY 2022)

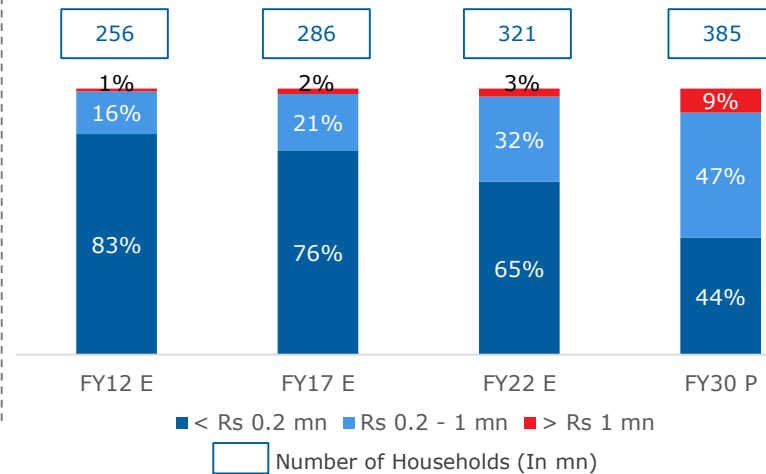


- India remains vastly under-insured, both in terms of penetration and density
- Huge opportunity to penetrate the underserved segments, with evolution of the life insurance distribution model

Population composition (bn)



Household distribution by income



- India's insurable population estimated to be at ~1 bn by 2035
- Number of middle income households is expected to almost double to 181 mn between FY22 and FY30
 - High proportion of this increase is expected to come from semi-urban and rural areas

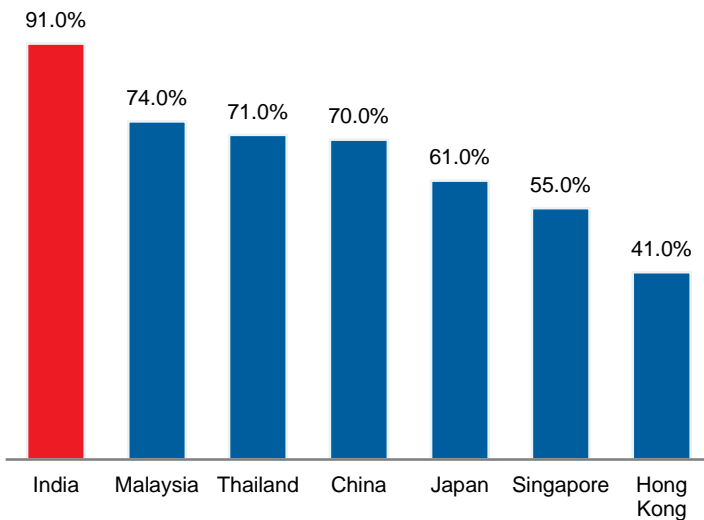
1. Penetration as measured by premiums as % of GDP,

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

Source: Swiss Re, MOSPI, United Nations World Populations Prospects Report (2022), CRISIL "The big shift in financialization" report 2022

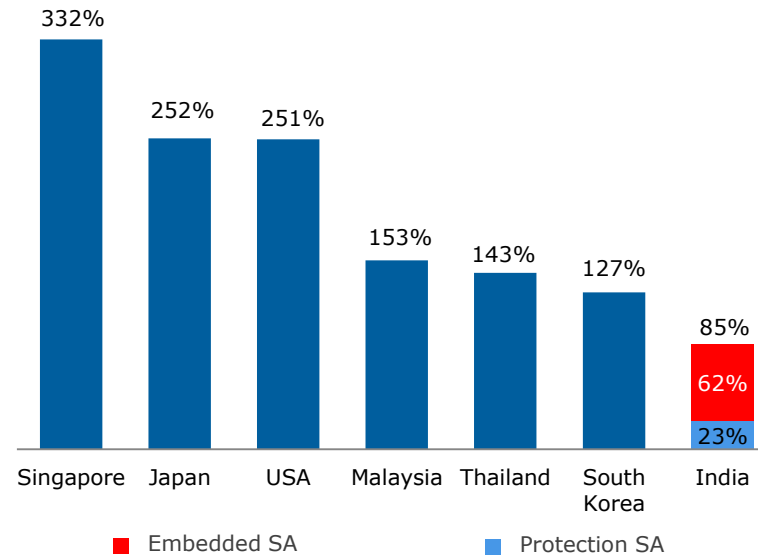
Low levels of penetration: Life protection

Protection gap (2019)¹



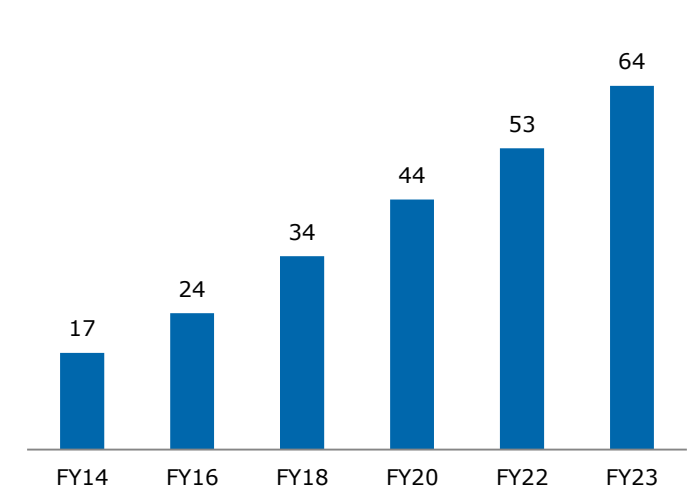
- India has the highest protection gap in the region
- Savings and life insurance coverage growth lagged economic and wage growth
- Protection gap growth rate to grow at ~4% per annum

Sum Assured as a % of GDP²



- India has the lowest sum assured (SA) as a % of GDP amongst its peers
- opportunity for protection growth in life insurance due to:
 - Rising middle income,
 - Increasing financial literacy
 - Limited life cover represents

Trend of retail loans³ (Rs Tn.)

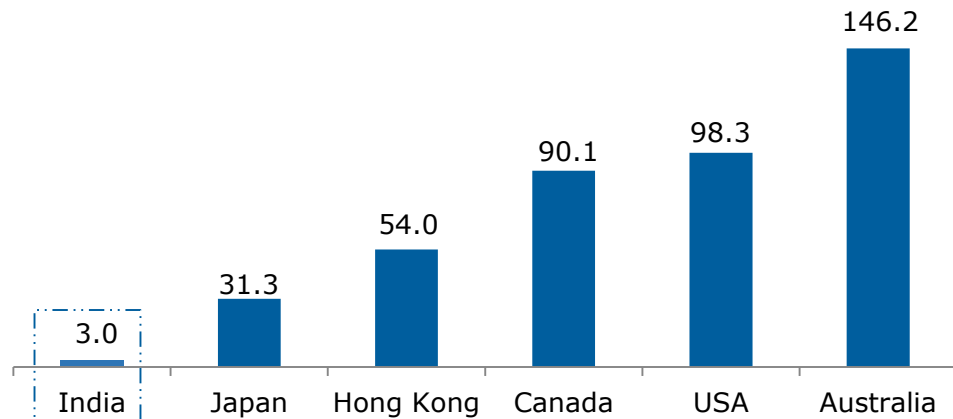


- Retail credit has grown at a CAGR of 16% over last 10 years
- Credit life need would be spurred by:
 - increasing retail indebtedness
 - Increasing attachment rates
 - Increasing value penetration,
 - Growing lines of business

1. Swiss Re. India's protection gap is as of CY22
 2. Jefferies "Composite Insurance License in India: Taking a Leaf from Global Experience" report 2022
 3. Kotak institutional equities

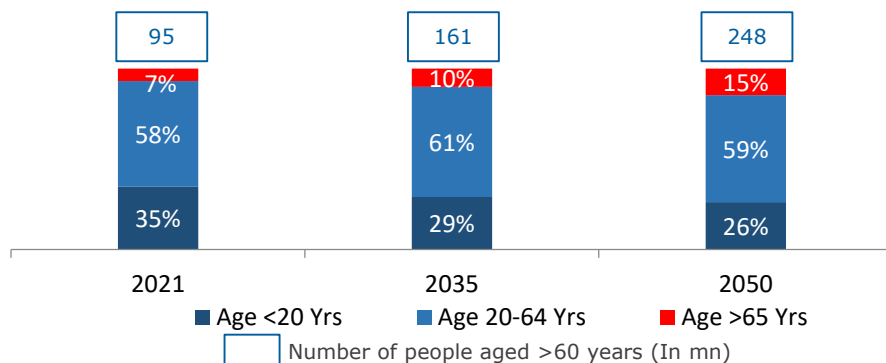
Macro opportunity: Retiral solutions

India's pension market is under-penetrated at 3%¹ of GDP

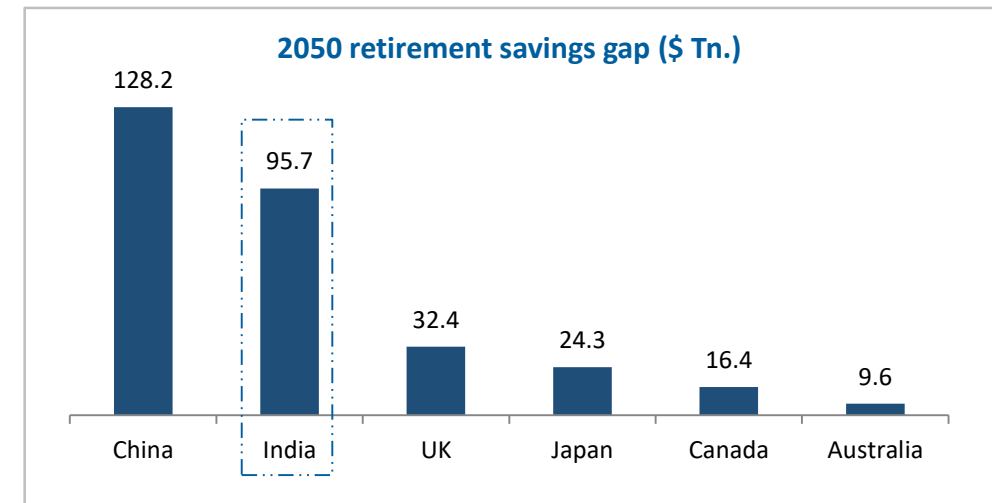


Elderly population is expected to increase 2.5x by 2050

Ageing population



India's retirement savings gap² to grow annually by 10% to reach ~\$96Tn in 2050



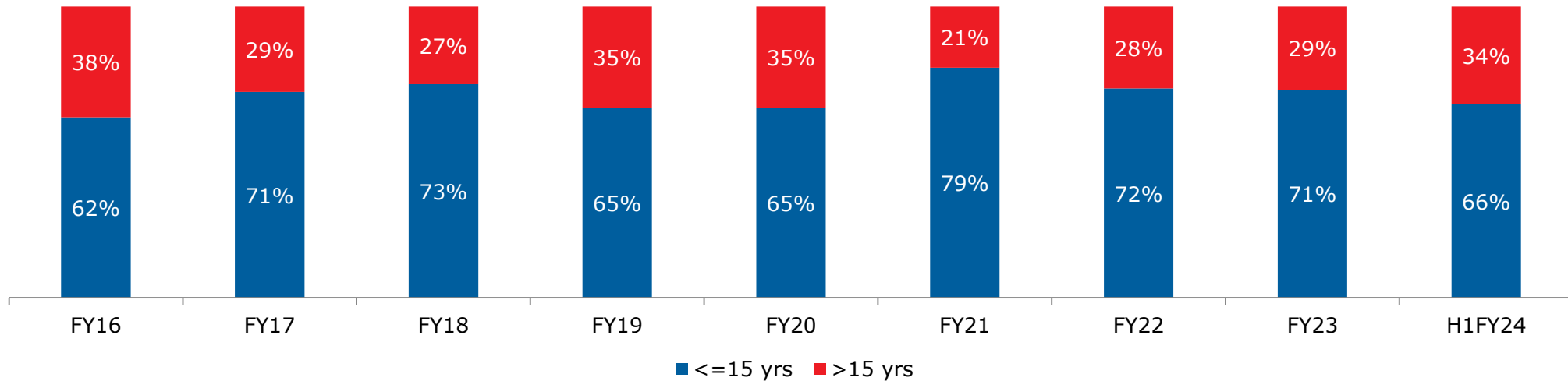
- Improvements in life expectancy will lead to an average post-retirement period of 20 years
- Average household size has decreased from 4.6 in 2001 to 3.9 in 2018
- Total Pension AUM is expected to grow to Rs 118 Tn by 2030 (about 1/4th accounted by NPS)
- Mandatory schemes to increase coverage for both unorganized and organized sectors

Source: Swiss Re: A Retirement lifeline (2023), OECD (2021), Milliman Asia Retirement Report 2017, Survey by NSSO, MoSPI, United Nations World Populations Prospects Report (2022)
 1. Comprising pension assets / funds
 2. Retirement savings gap = Desired retirement income (i.e. 70% of pre-retirement annual income) - Actual income (i.e. social security benefits + employer benefits + personal savings)

Government bond auctions

Government Bonds – Tenorwise Issuance

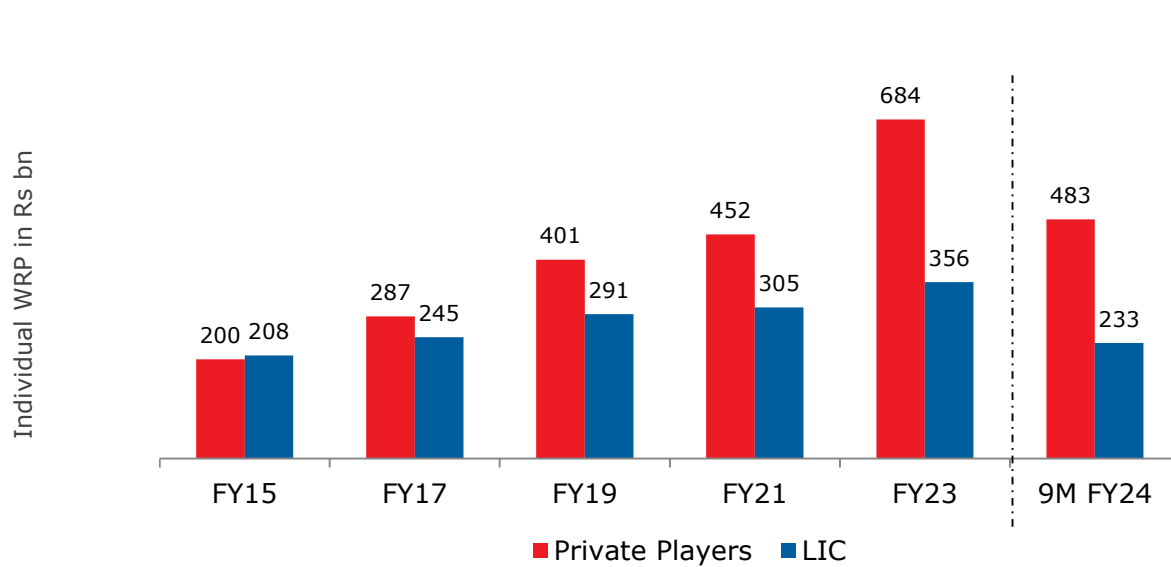
Rs cr



	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	9M FY24
<=15 yrs	3,66,500	3,73,525	4,97,579	3,82,941	4,44,000	10,01,835	8,48,000	10,04,000	8,47,000
>15 yrs	2,25,000	1,54,520	1,80,529	2,04,000	2,38,000	2,65,575	3,31,000	4,01,000	4,29,000
Total	5,91,500	5,28,045	6,78,108	5,86,941	6,82,000	12,67,410	11,79,000	14,05,000	12,76,000

- Auction of >15 year maturity bonds has been ~25-30% on an average which facilitates writing annuity business at scale
- Budget estimate of gross government borrowing for FY24 is at Rs 15.4 trillion

Industry new business trends



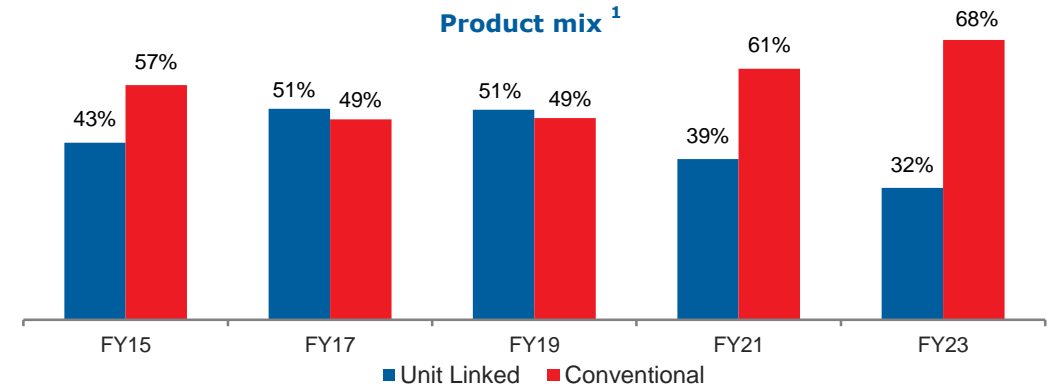
Private players Market share

	49%	54%	58%	60%	66%	67%
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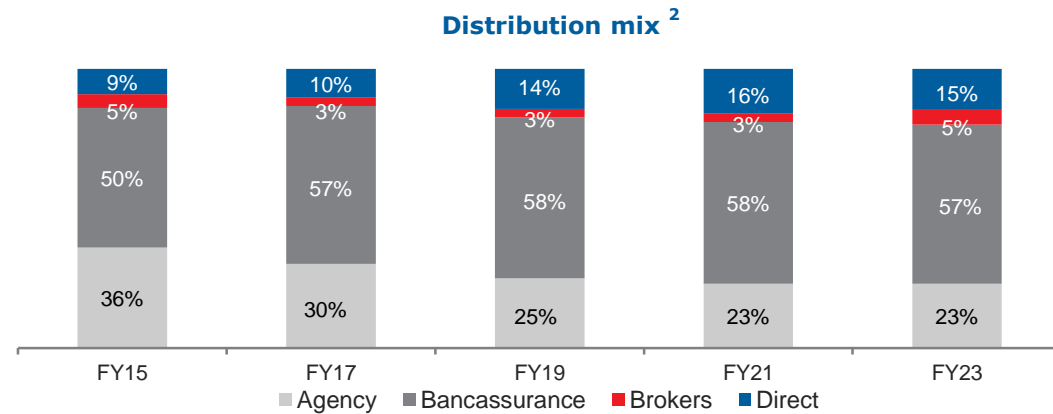
Growth %	Private	LIC	Overall
	16%	-27%	-11%
	26%	15%	21%
	12%	5%	9%
	8%	-3%	3%
	24%	9%	19%
	11%	0%	7%

- Private sector remained at higher market share than LIC FY16 onwards
- Amongst private insurers, insurers with a strong bancassurance platform continue to gain market share

Product mix ¹



Distribution mix ²



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

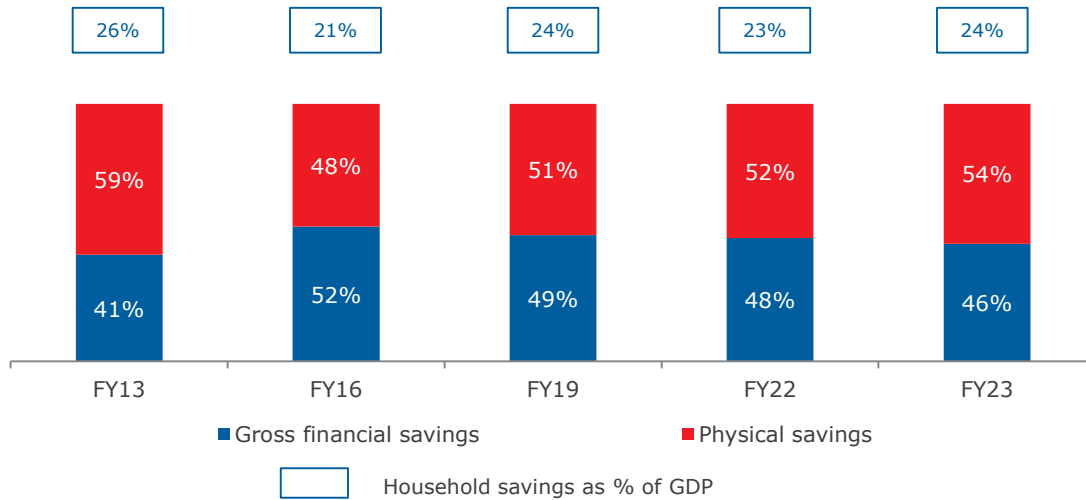
Source: IRDAI and Life Insurance Council;

1. Based on Overall WRP (Individual and Group) for all private players

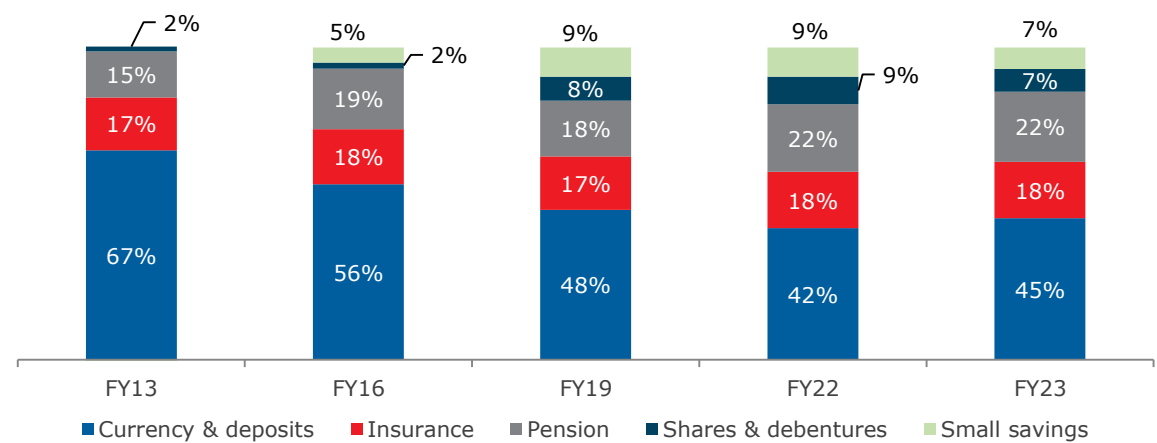
2. Based on Individual New business premia for all private players

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. Deposits in PMJDY accounts nearly doubled in 4 years from INR 0.96 Tn to INR 1.95 Tn
 - Nearly 90% of people in the country have a bank account, without any sharp urban-rural divide
 - Launch of affordable PMJJBY and PMSBY social insurance schemes
 - Atal Pension Yojana promoting pension in unorganized sector

Source: Motilal Oswal Financial Savings Update Sep '23, RBI Annual Report, Invest India

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FY23 Annual Report



FY23 ESG Report



9MFY24 ESG Deck



Sustainability Factsheet

