

Investor Presentation – H1 FY24



Executive summary: H1 FY24

Revenue & Scale



Individual WRP	Growth	10%
	Market Share	15.7%



Renewal premium	Rs (Bn.)	136.4
	Growth	14%



AUM	Rs (Bn.)	2,649
	Growth	18%



IEV	Rs (Bn.)	429.1
	EVOP	16.4%

Profitability & Cost



New Business Margin (NBM)	CY	26.2%
	PY	26.2%



Value of New Business (VNB)	Rs (Bn.)	14.1
	Growth	10%



Profit After Tax (PAT)	Rs (Bn.)	7.9
	Growth	15%



Total exp. ratio ¹	CY	19.7%
	PY	19.3%

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	Sep'23	194%
	Mar'23	203%

1. Total Expense Ratio is calculated as total expenses (including commission) divided by total premium
 2. Complaints data (excluding survival and death claims). Complaints per 10K policies on merged basis for FY22: 40
 Note: H1 FY23 metrics across the presentation are on a merged basis and comparable to H1 FY24 metrics

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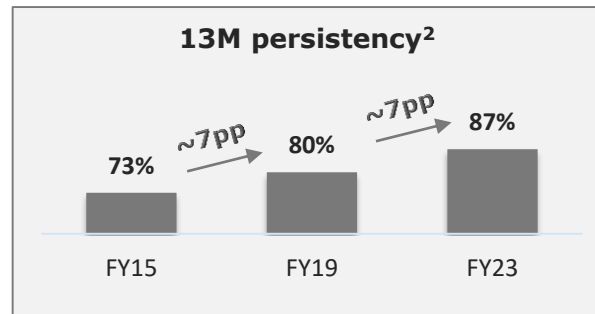
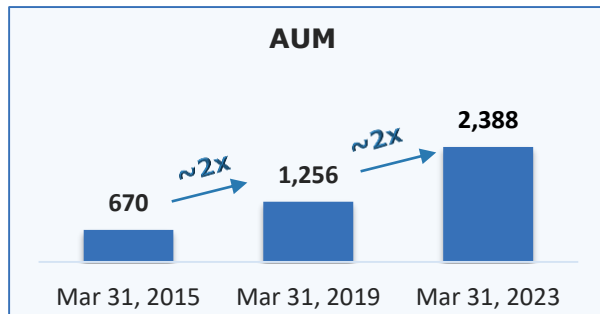
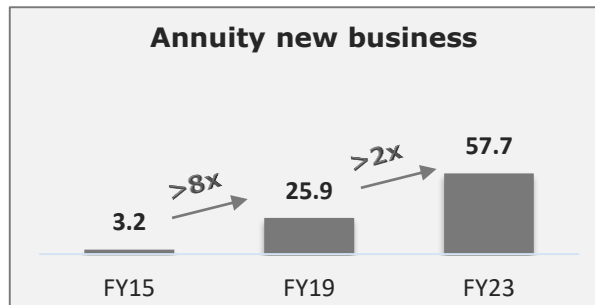
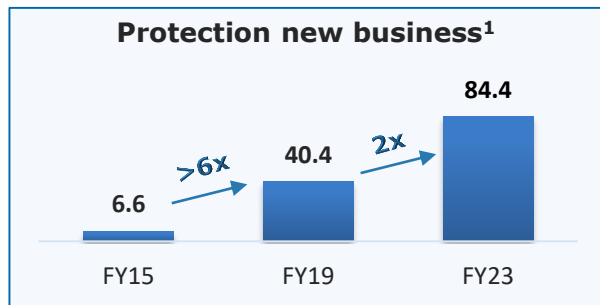
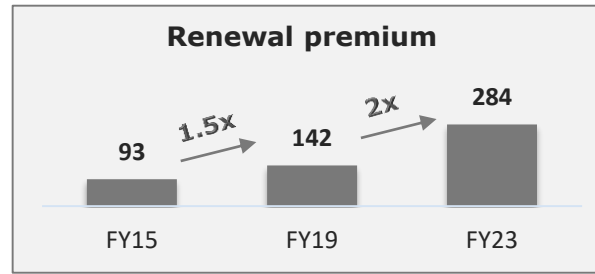
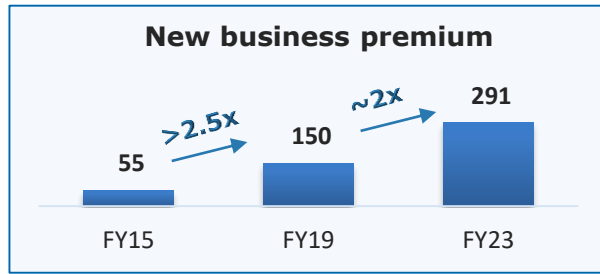
Life insurance in India



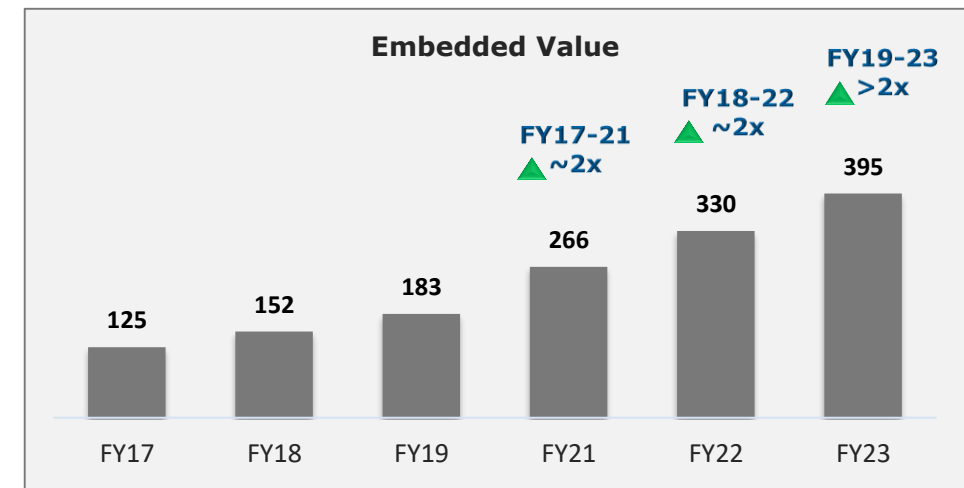
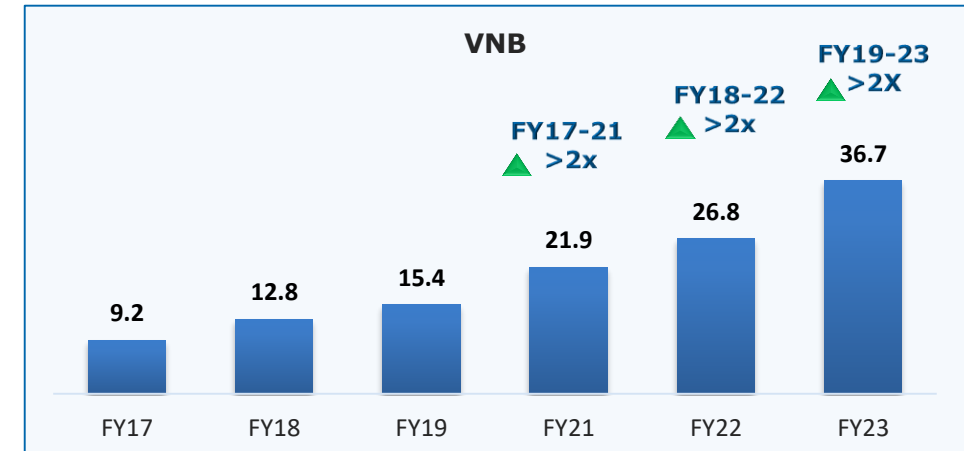
Consistent, predictable, sustained performance

Rs bn

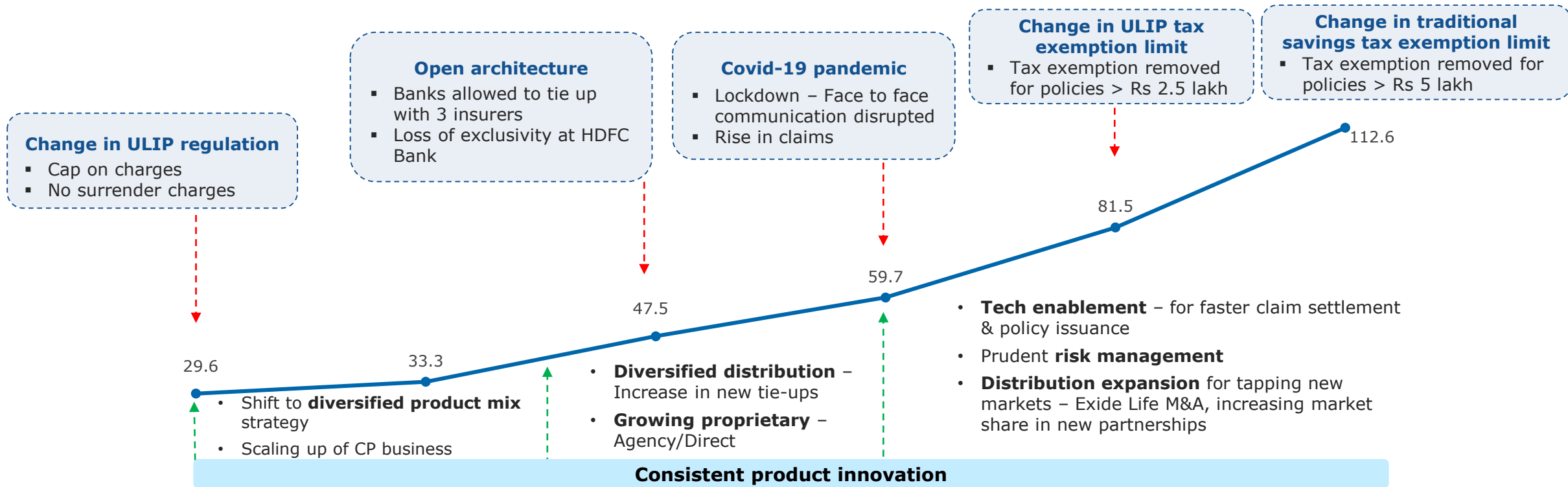
Holistic growth



Consistent track record over multiple periods



Consistent performance across business cycles



	FY11	FY16	FY18	FY20	FY22	FY23
NBM¹	10.0%	19.9%	23.2%	25.9%	27.4%	27.6%
Indl WRP² growth	18%	12%	31%	19%	16%	27%
Overall industry growth	-8%	8%	19%	6%	16%	19%

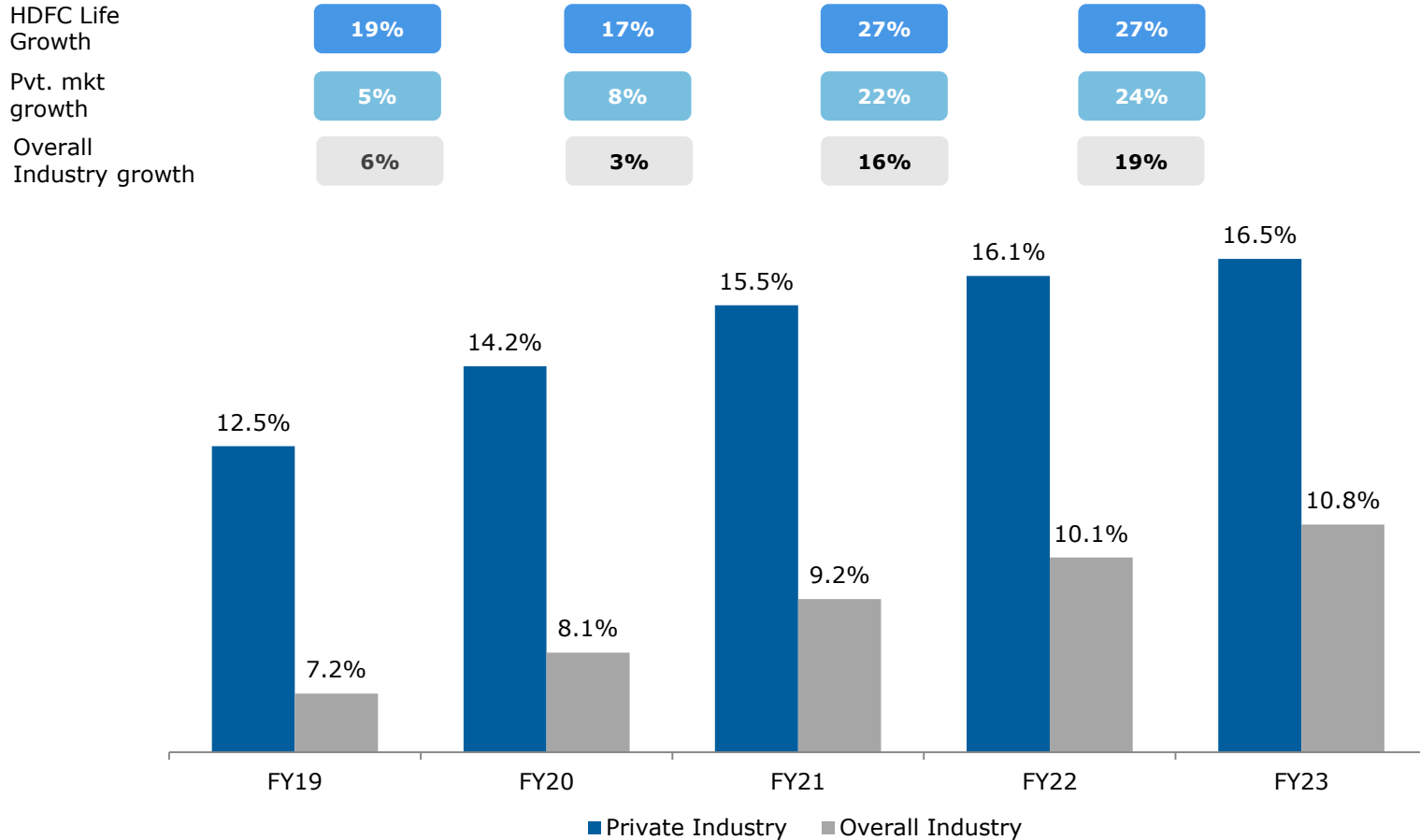
Grew ~2 times industry between FY11-FY23 while sustaining profitability

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



Consistently outpacing industry and gaining market share¹

HDFC Life market share trend



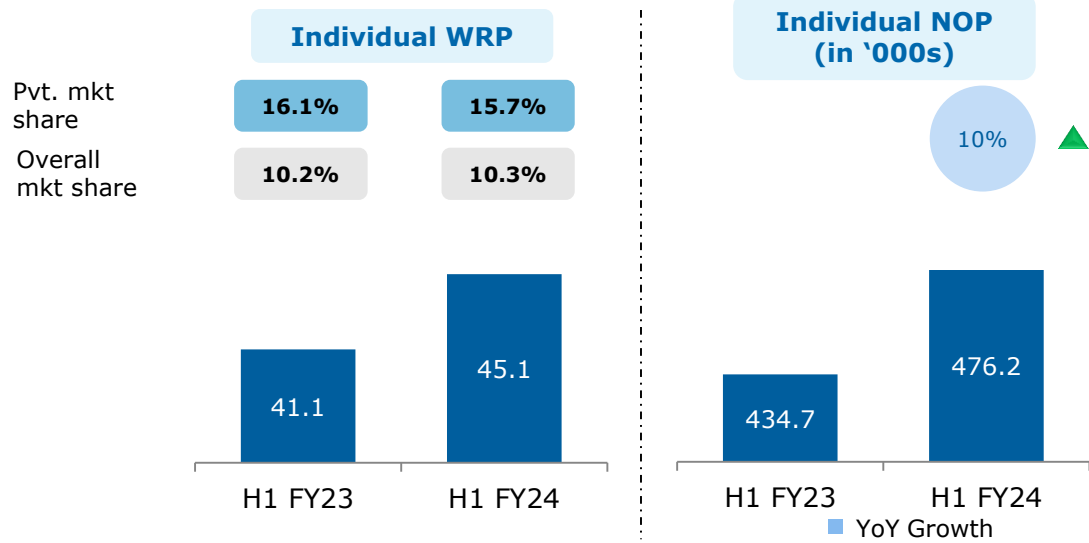
- Delivered strong performance across all metrics while increasing market share between FY19 and FY23
 - ✓ Overall market share gain of 1.5x from 7.2% in FY19 to 10.8% in FY23
- Consistently grew faster than overall and private industry between FY19 and FY23
 - ✓ Grown higher than overall industry in 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

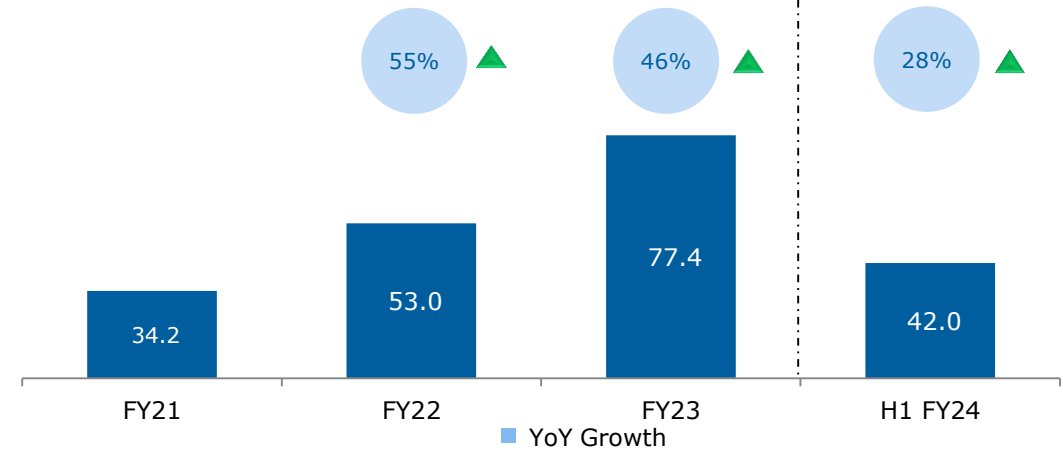


Robust delivery across key metrics (1/2)

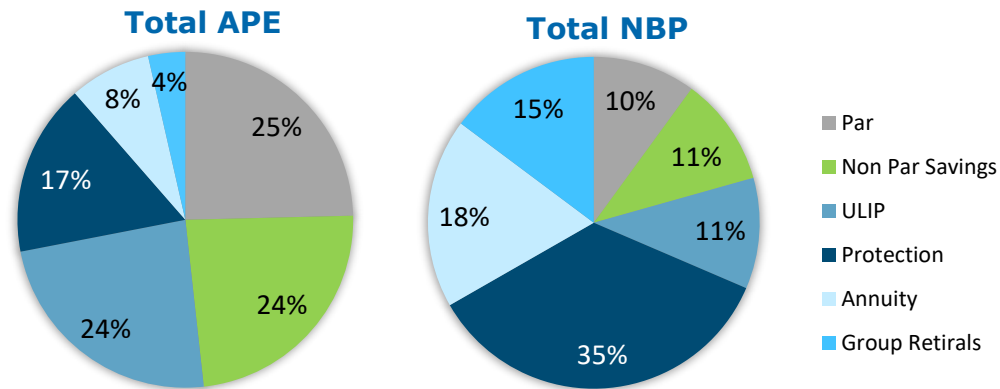
Sustained performance



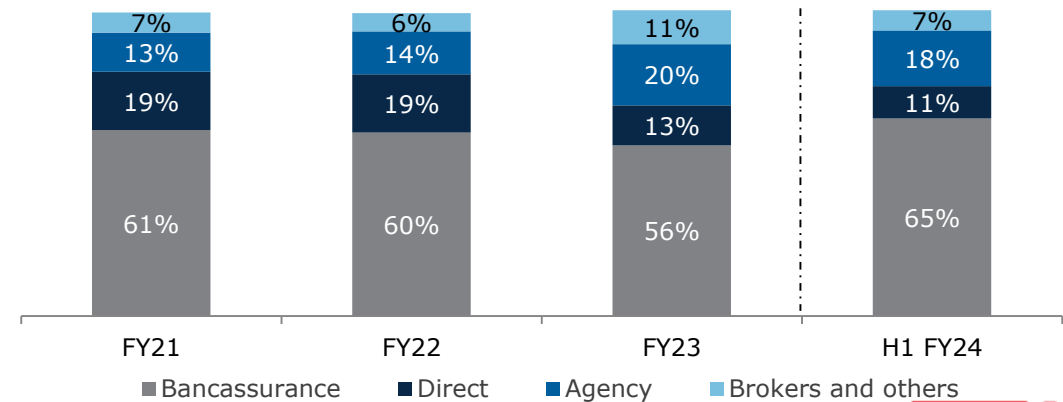
Strong CP volumes on the back of higher disbursements¹ Rs bn



Balanced product mix



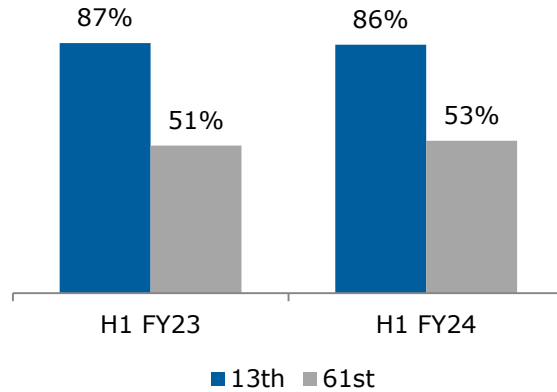
Focus on diversified channel mix²



1. Based on Credit Protect new business premium
 2. Based on Individual APE

Robust delivery across key metrics (2/2)

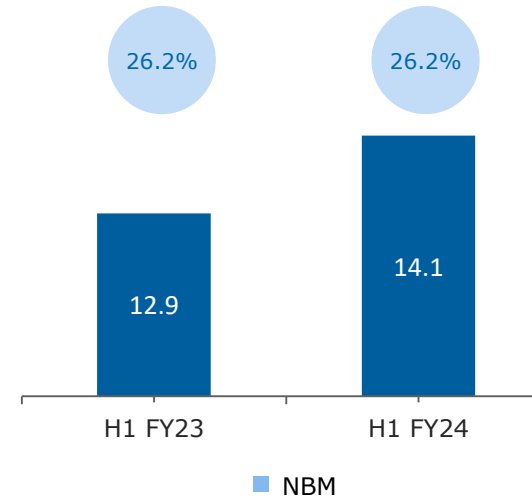
Stable Persistency



- Focus on quality of business and providing superior customer experience

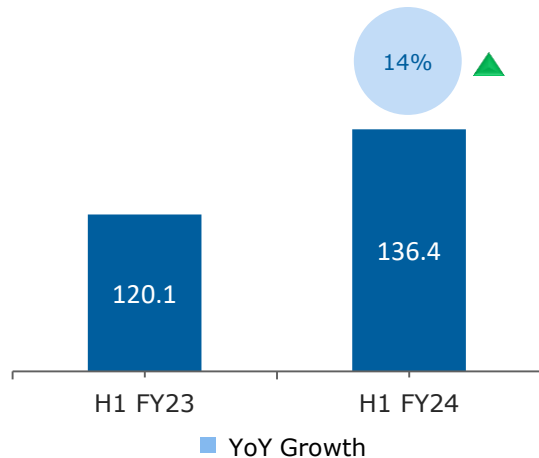
Healthy VNB growth

Rs bn



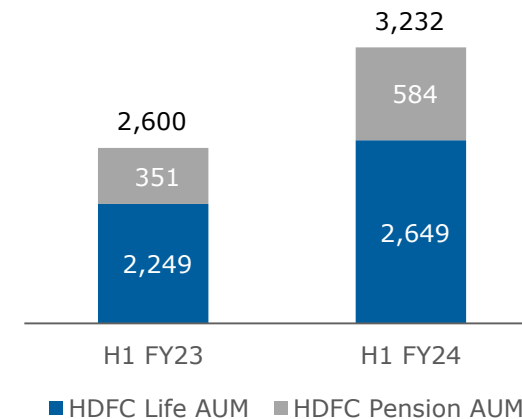
- Multiple pools of profitability contributing to VNB accretion
- VNB growth of 10% over H1 FY23

Strong growth in renewal premium



- Backed by strong persistency and growing backlog

Group assets under management of > Rs 3.2 tn¹



- HDFC Life Debt:Equity mix (H1 FY24) – 68:32

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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



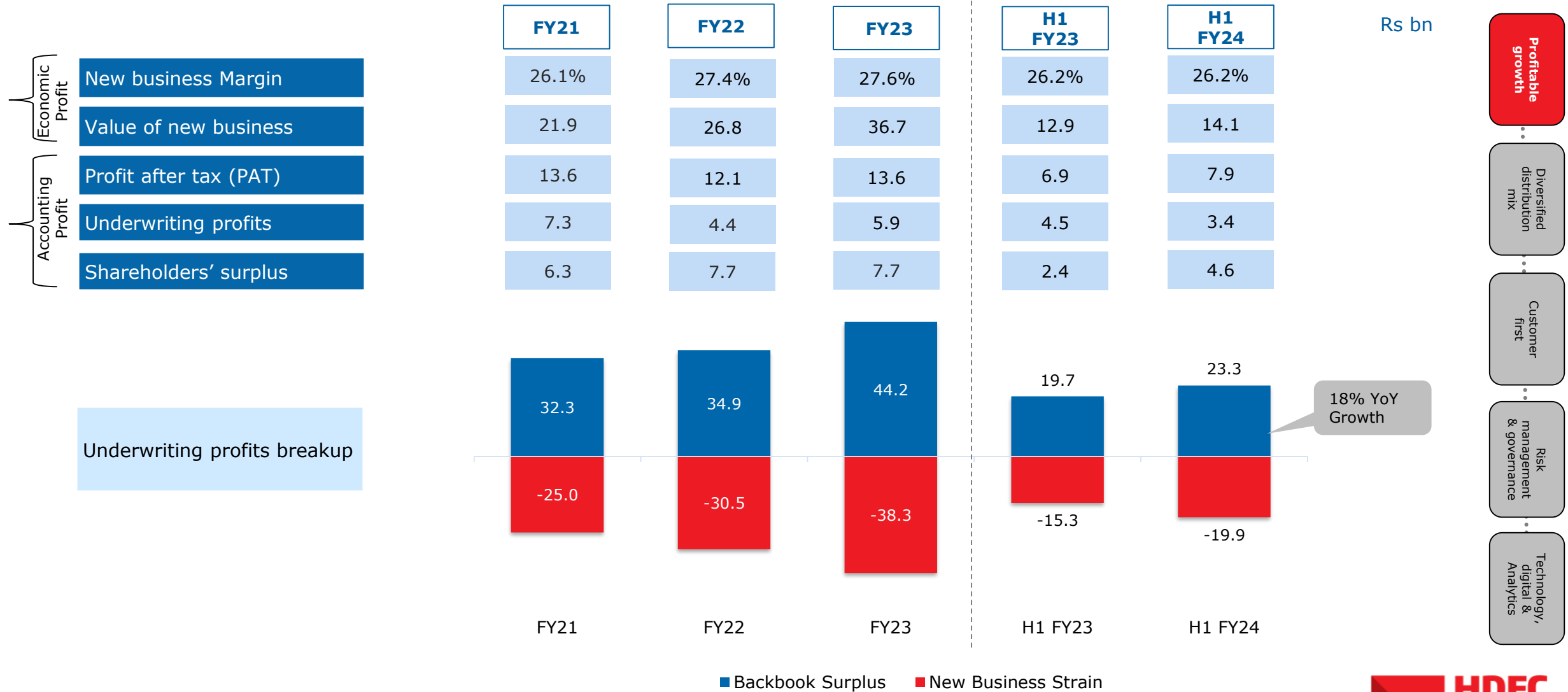
Risk management & board governance

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

5

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

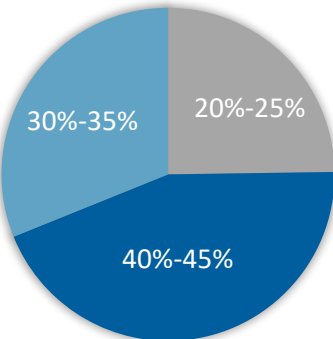
Focus on profitable growth



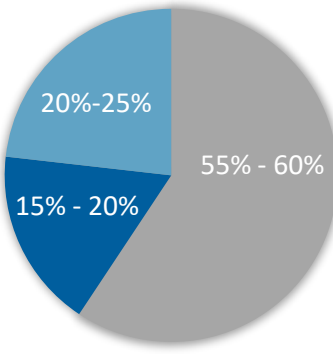
Emergence of Existing Business (EB) Surplus

Profit Emergence

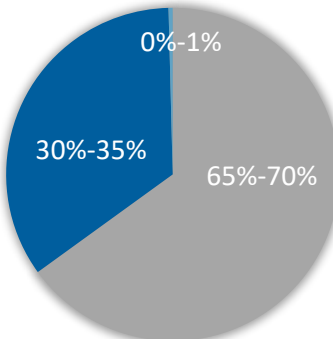
Traditional Savings (Longer Tenure)



Protection (Ind+Grp)



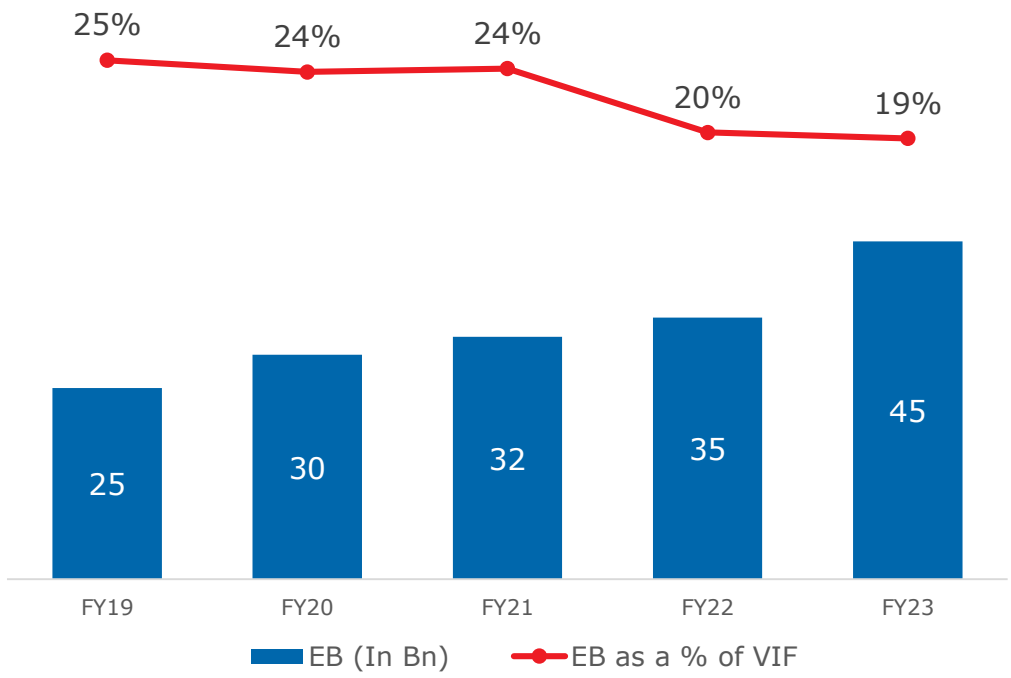
ULIP



■ 0 - 5 years ■ 5 - 15 years ■ > 15 years

- 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

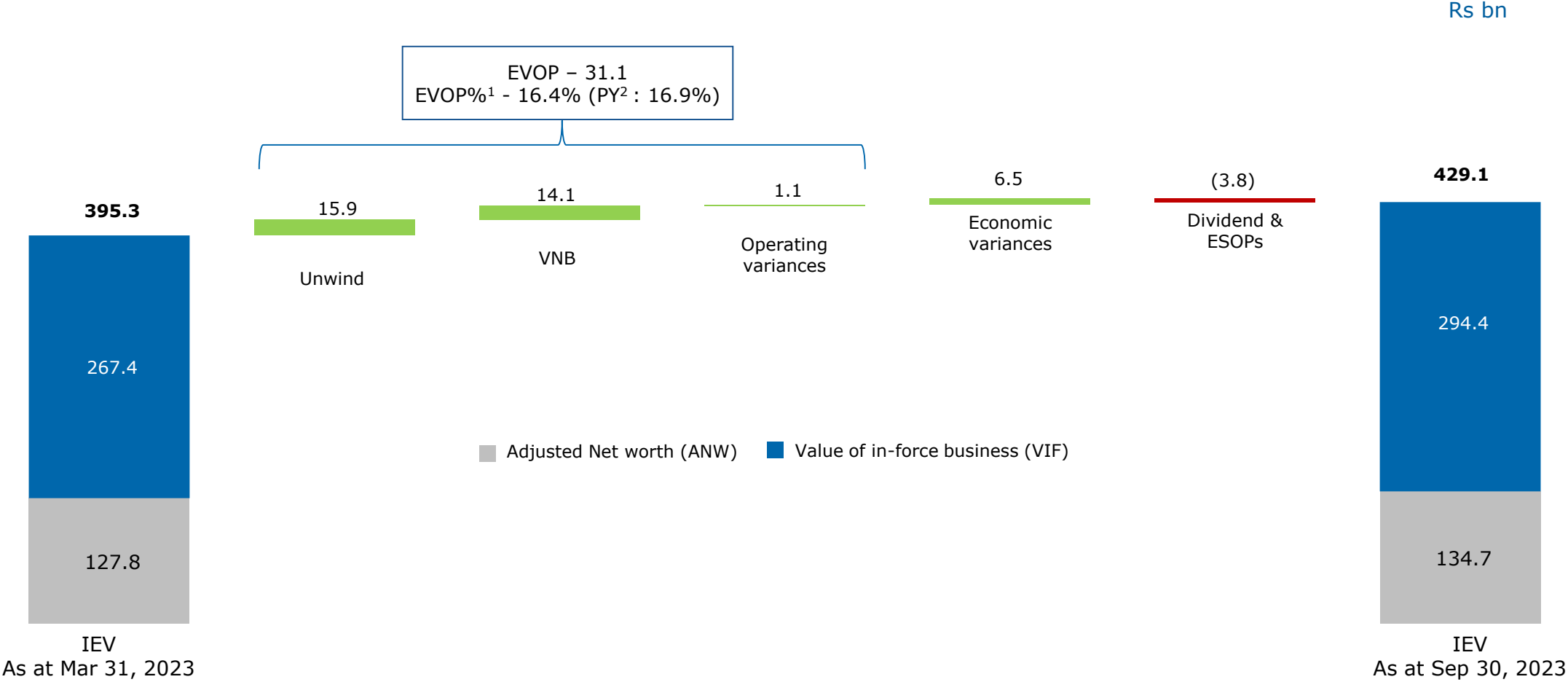


- Higher mix of long term profitable products to result in profit emergence over longer time horizon
- Track record of positive operating variance indicates high likelihood of profit emergence as per assumptions

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



Analysis of change in IEV



Profitable growth

Diversified distribution mix

Customer first

Risk management & governance

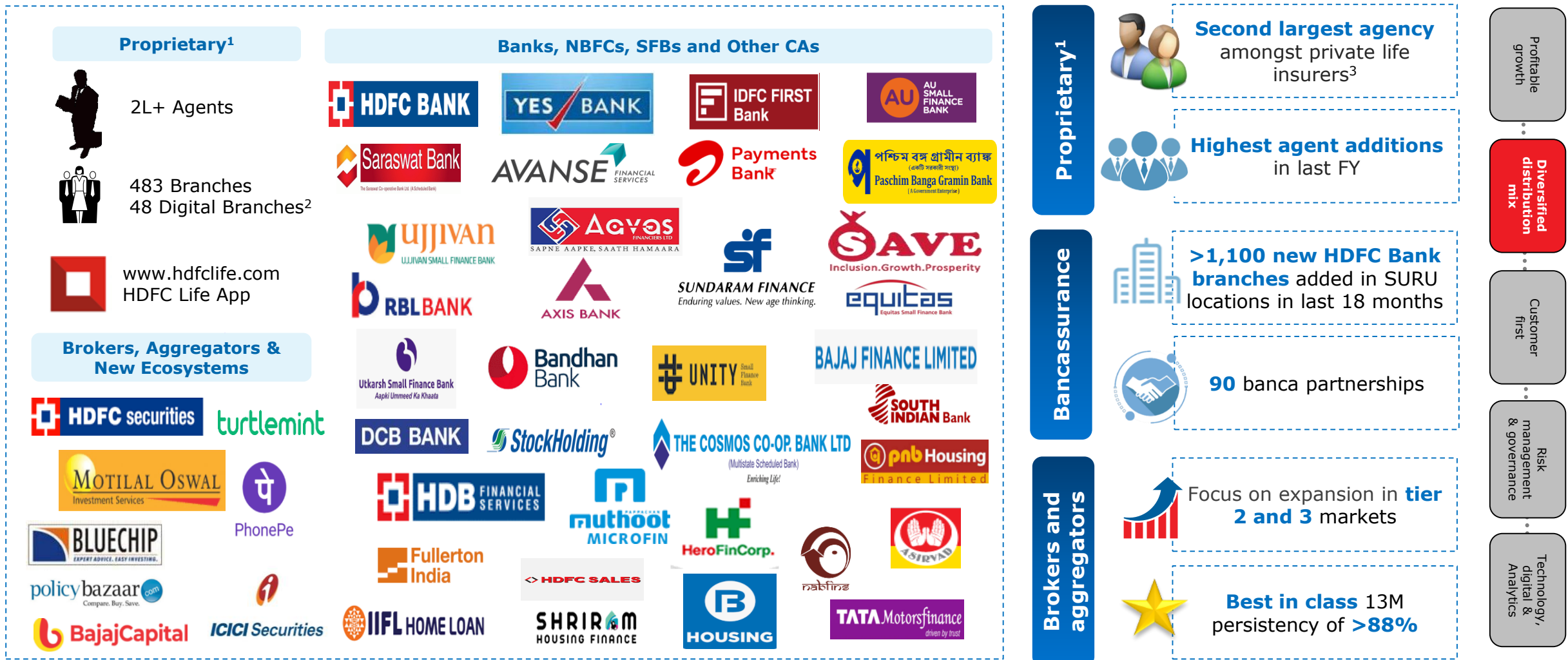
Technology, digital & Analytics

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
 2. H1FY23 EVOP on merged basis. Standalone H1FY23 EVOP was 17.7%



Diversified distribution enabled by multiple levers



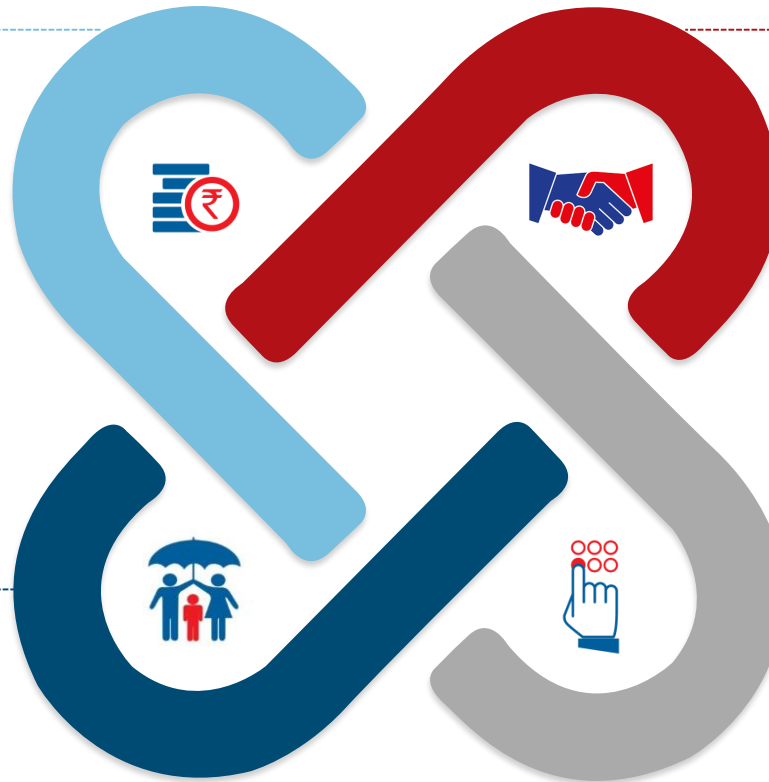
Diversified distribution mix growth strategy

Agency

- Segregating **Growth (tier 1)** and **Focus (tier 2,3)** markets
- Developing **micro market** strategy
- Acquisition of Exide Life **strengthened presence in South India**, especially in tier 2 and 3 markets

Bancassurance

- Increasing **penetration** across all customer segments
- HDFC Bank: Expanding in **SURU (Semi-urban and rural) markets**
- Sharper focus on cross-sell and up-sell to existing customers



Other Key Alliances

- Gained significant experience of working in multi-tie
- **New tie-ups** with partners like Indian Post Payments Bank, AU Small Finance Bank allows **entry into new market segments**
- **Strong growth momentum** across multiple partners

Direct/ Digital

- Leveraging analytics for **cross-sell/upsell**
- **Simplifying and personalizing journey** to offer better experience and attract younger customers
- Partnering with start-ups through Futurance program

Profitable growth

Diversified distribution mix

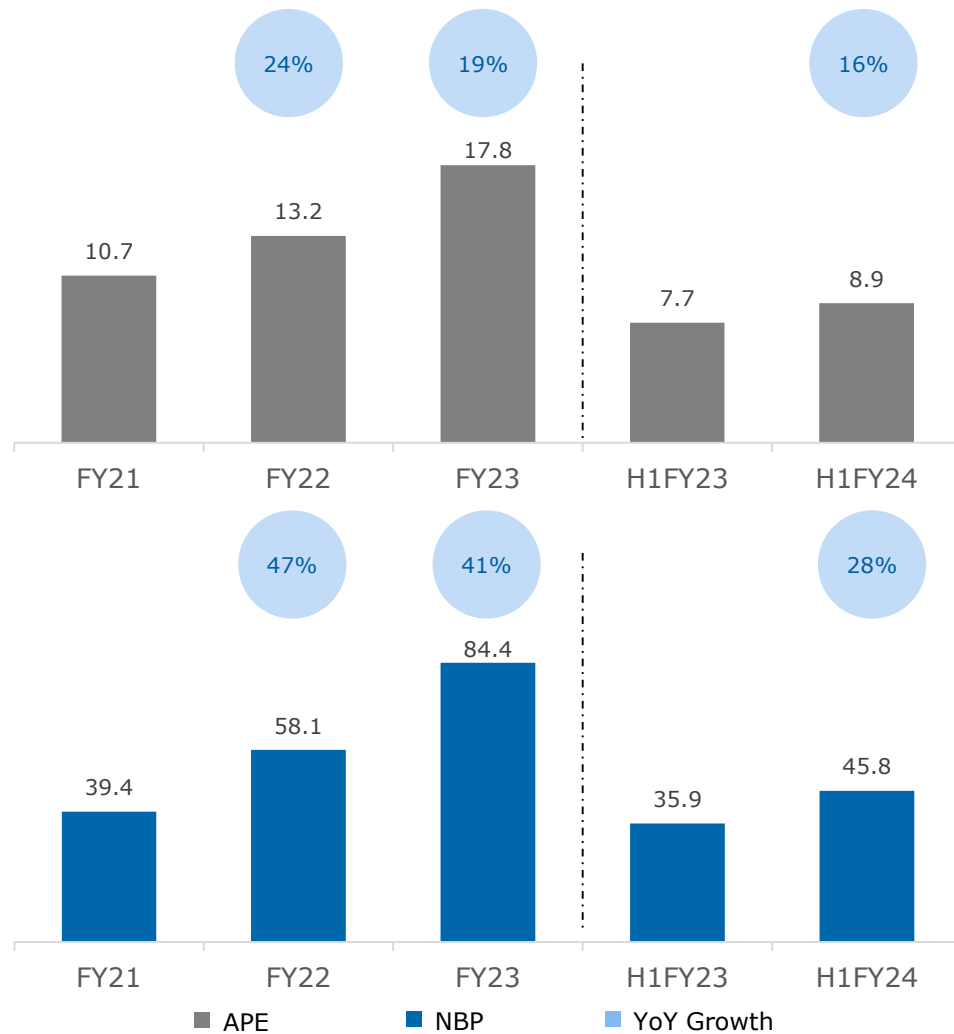
Customer first

Risk management & governance

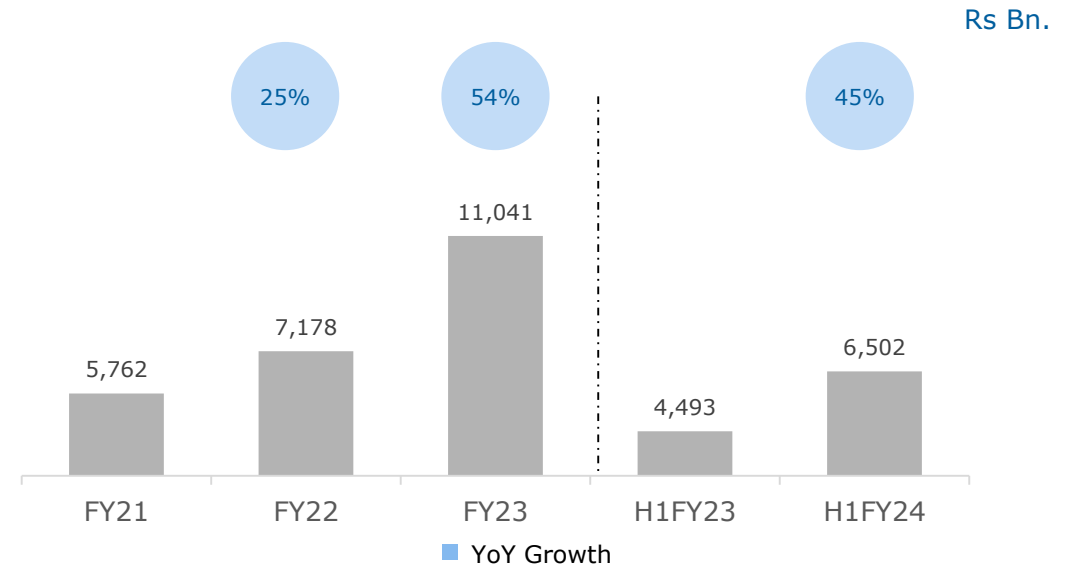
Technology, digital & Analytics

Focus on protection

Protection (Individual + Group) trends



Sum Assured (Individual + Group) trends



- Offering embedded protection solutions based on customer orientation
- New products launched in H1FY24 – C2P Elite and Sanchay Legacy
- Maintained #1 in overall sum assured¹
- Covered over 33 million lives in H1FY24
- 13M persistency² of >90% over last 3 years



1. Based on H1FY24
2. Retail protection persistency

Product mix across key channels¹

Banca ²	Segment	FY21	FY23	H1 FY23	H1 FY24
	UL	27%	24%	26%	33%
Par	37%	27%	29%	29%	
Non par savings	30%	42%	37%	27%	
Term	4%	3%	3%	4%	
Annuity	2%	4%	4%	6%	

Agency	Segment	FY21	FY23	H1 FY23	H1 FY24
	UL	10%	10%	11%	17%
Par	37%	33%	39%	34%	
Non par savings	39%	49%	39%	36%	
Term	11%	6%	7%	8%	
Annuity	3%	3%	4%	5%	

Direct/ Online ³	Segment	FY21	FY23	H1 FY23	H1 FY24
	UL	33%	27%	25%	34%
Par	10%	13%	15%	12%	
Non par savings	22%	35%	32%	23%	
Term	15%	5%	4%	6%	
Annuity	20%	20%	23%	26%	

Brokers	Segment	FY21	FY23	H1 FY23	H1 FY24
	UL	1%	1%	1%	3%
Par	53%	31%	51%	46%	
Non par savings	42%	62%	39%	31%	
Term	4%	5%	6%	16%	
Annuity	0%	2%	3%	4%	

Company	Segment	FY21	FY23	H1 FY23	H1 FY24
	UL	24%	19%	21%	28%
Par	34%	27%	31%	30%	
Non par savings	31%	45%	37%	28%	
Term	7%	4%	4%	6%	
Annuity	5%	5%	6%	8%	

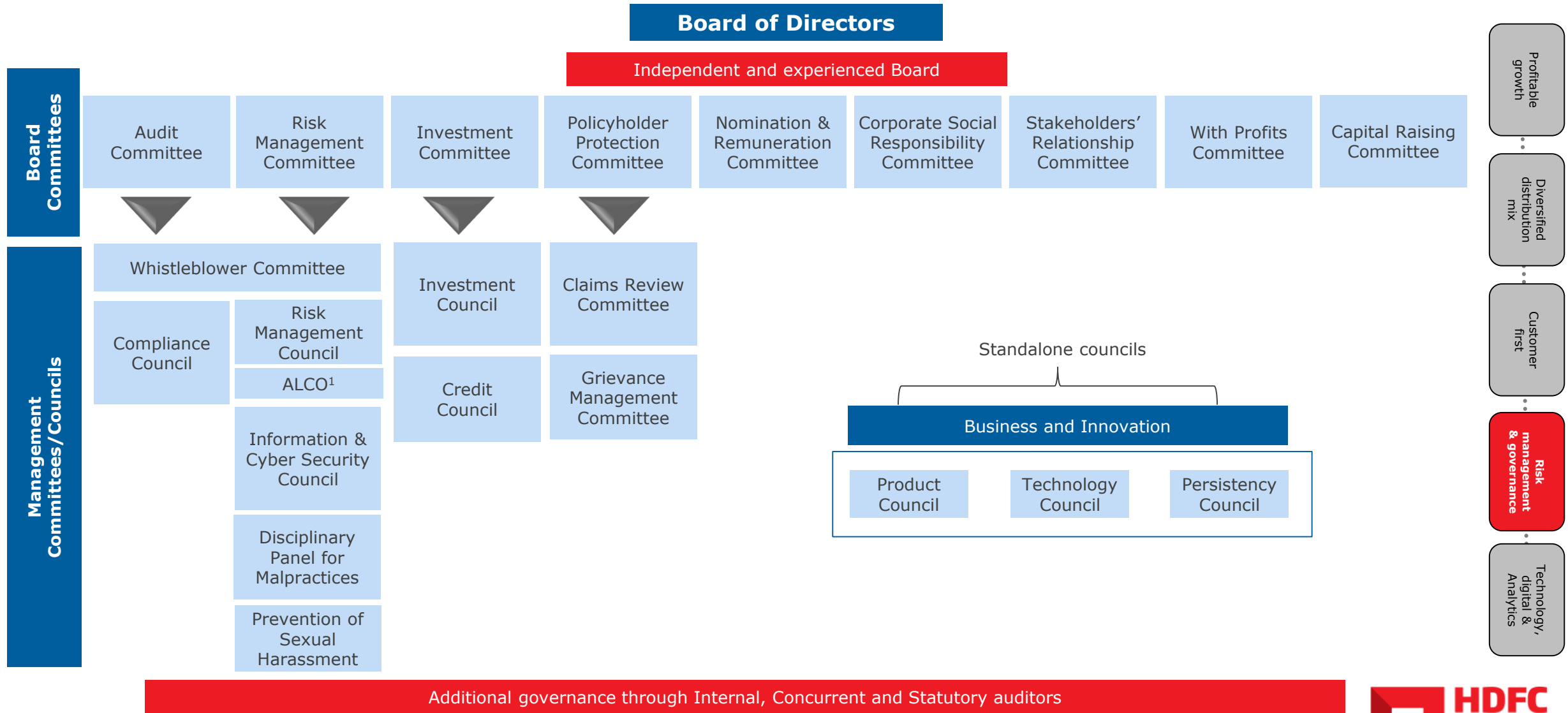
Protection		FY21	FY23	H1 FY23	H1 FY24
	Based on Total APE	13%	13%	16%	17%
Based on NBP	20%	29%	32%	35%	

Annuity		FY21	FY23	H1 FY23	H1 FY24
	Based on Total APE	5%	6%	7%	8%
Based on NBP	20%	20%	23%	18%	



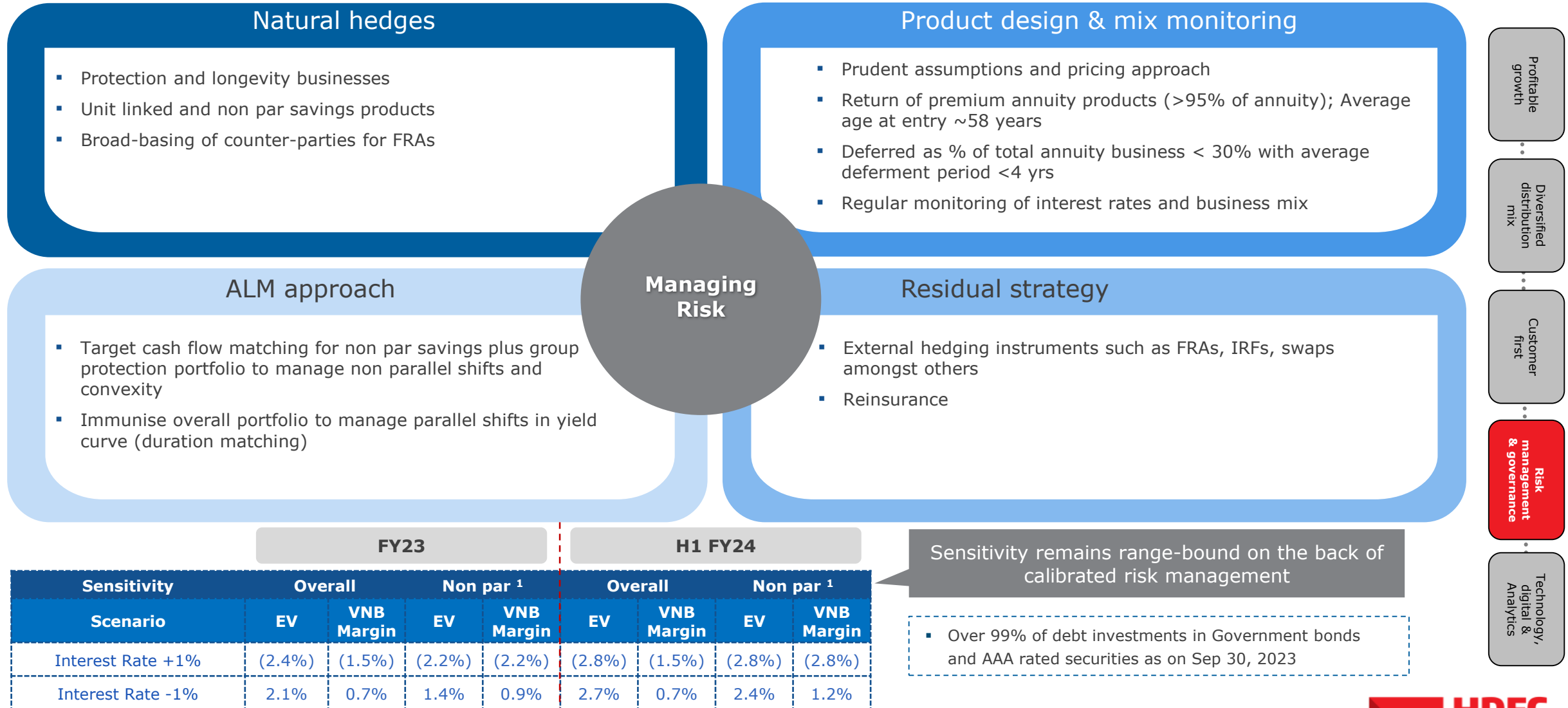
1. Based on Individual APE, Term includes health business. Percentages are rounded off
 2. Includes banks, other corporate agents and online business sourced through banks / corporate agents
 3. Includes business sourced through own website and web aggregators

Governance Framework

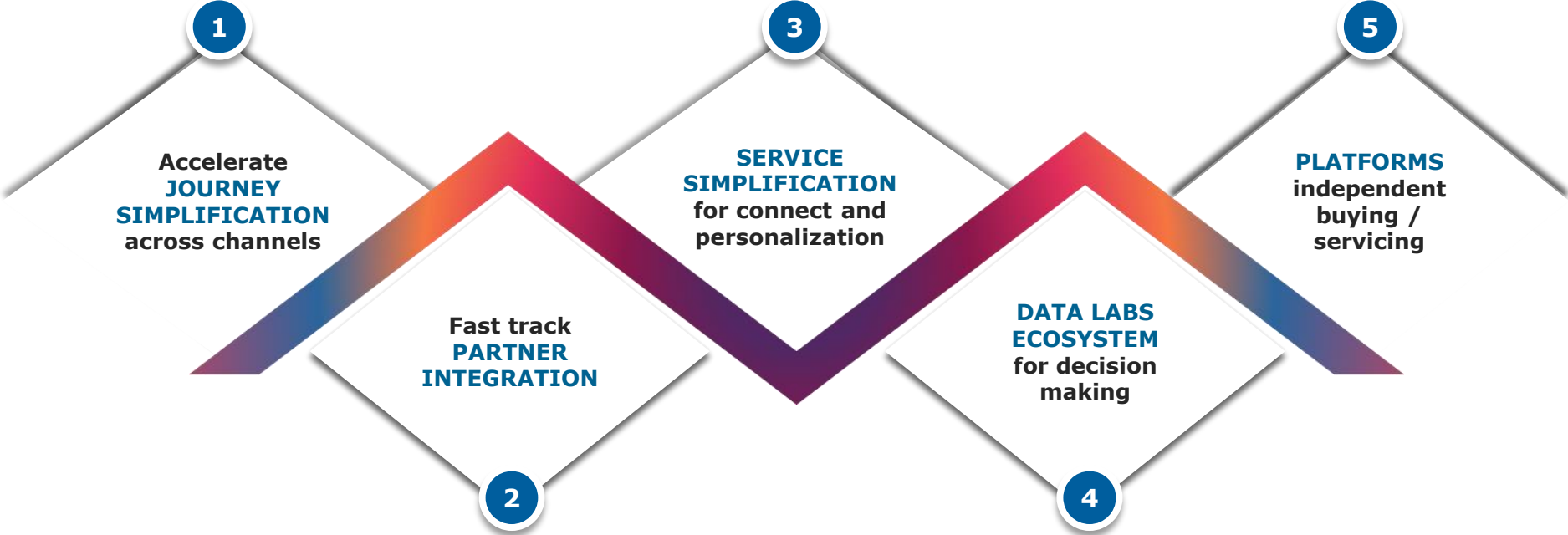


1. Asset Liability Management Council
2. The above list of committees is illustrative and not exhaustive

Financial risk management framework



Aligned to make life simpler for customers



Building resilience..



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

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



Journey Simplification

Using new age technologies to ease customer onboarding and improve experience

Incorporating facial recognition solutions for easier KYC verification and faster underwriting

Digi Video Check Process



Automation of pre-issuance customer liveness check and KYC verification

- Verifies customer identity by matching their Aadhar card with live video and geo-tagging

FaceMed



Improves fraud detection at medical stage and enhances pre-issuance verification

- Authenticates customer's live image captured with KYC docs

Benefits

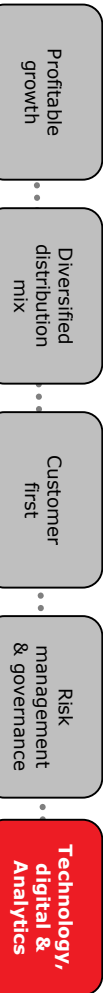
Significantly reduces manual interventions; less susceptible to errors

Convenience for customers

Real time fraud detection

Reduced TATs; faster issuance

Cost-effective

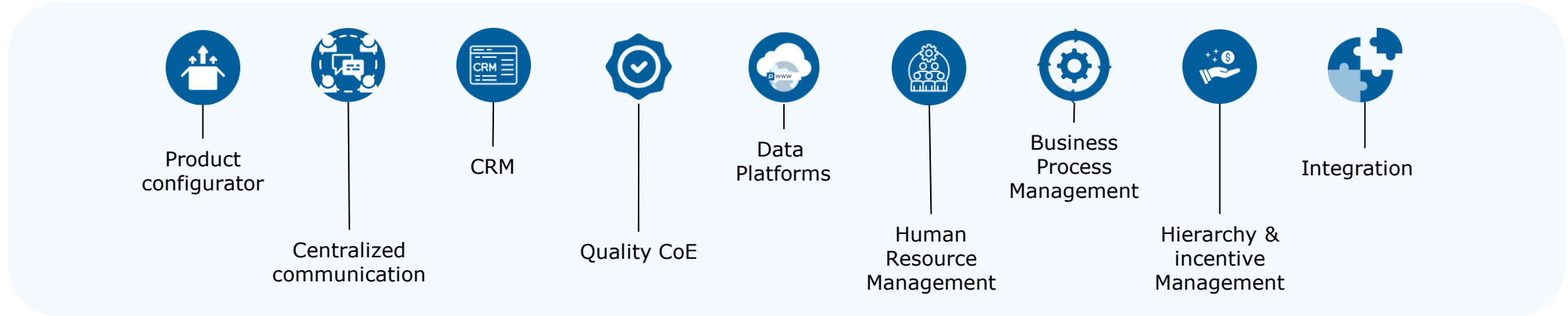


Project Inspire

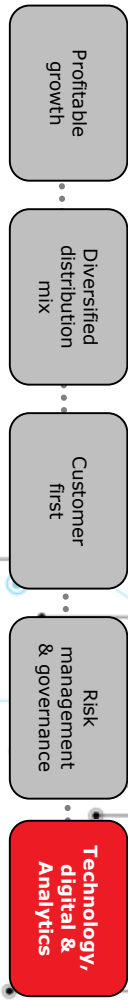
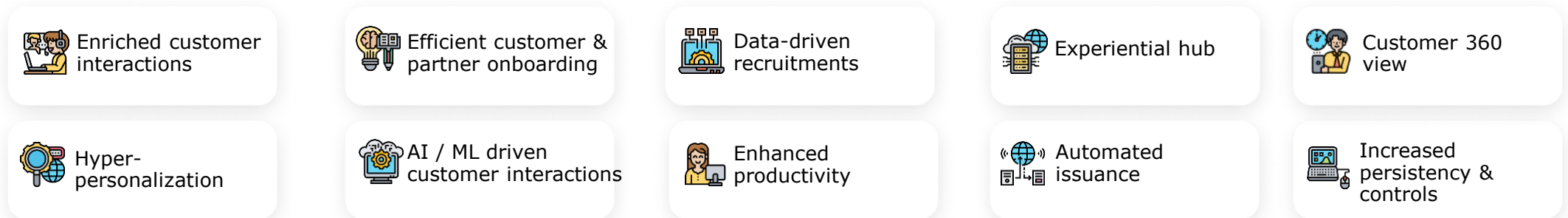
Future-ready digital transformation

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

Envisioned tracks for transformation



Our end state



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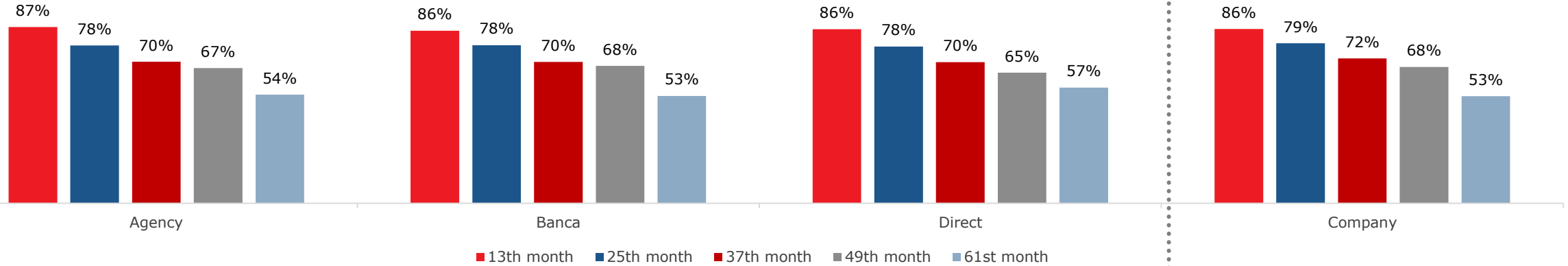
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Life insurance in India

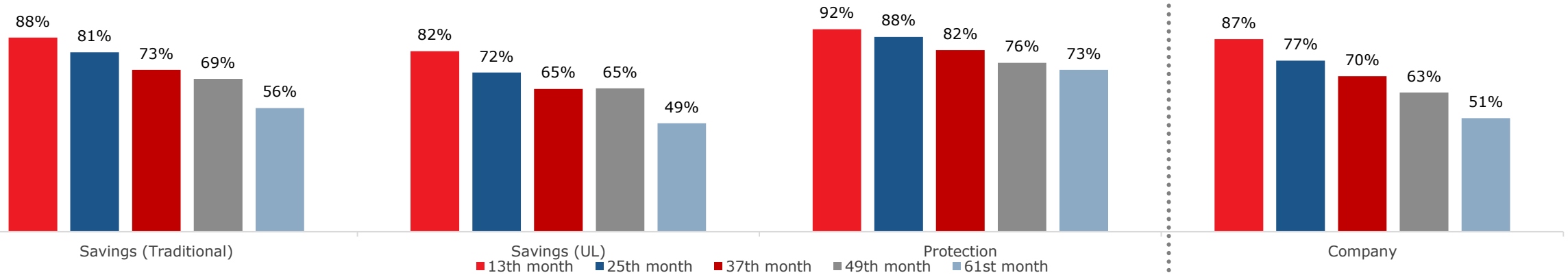


Persistency trends for HDFC Life

Across key channels



Across key segments



Improving VNB trajectory



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
- Voluntary disclosure of UN-PRI Report for FY 2022-23

Click here:

[HDFC Life ESG Report](#)

[HDFC Life Sustainability Factsheet](#)

[HDFC Life ESG Presentation](#)

Financial and operational snapshot (1/2)

Rs bn.

	H1 FY24	H1 FY23*	Growth	FY23*	FY22	FY21
<i>New Business Premium (Incl. + Group)</i>	129.7	113.2	15%	290.9	241.5	201.1
<i>Renewal Premium (Incl. +Group)</i>	136.4	120.1	14%	284.5	218.1	184.8
Total Premium	266.1	233.3	14%	575.3	459.6	385.8
Individual APE	44.8	41.1	9%	114.0	81.7	71.2
Overall APE	53.7	49.1	9%	133.4	97.6	83.7
Profit after Tax	7.9	6.9	15%	13.6	12.1	13.6
- <i>Policyholder Surplus</i>	3.4	4.5	-25%	5.9	4.4	7.3
- <i>Shareholder Surplus</i>	4.6	2.4	90%	7.7	7.7	6.3
Dividend Paid	4.1	3.6	14%	3.6	4.1	-
Assets Under Management	2,648.7	2,249.0	18%	2,387.8	2,041.7	1,738.4
Indian Embedded Value	429.1	360.2	19%	395.3	329.6	266.2
Net Worth	⁽¹⁾ 133.8	122.8	9%	129.7	154.0	84.3
NB (Individual and Group segment) lives insured (Mn.)	33.2	28.5	16%	68.5	54.1	39.8
No. of Individual Policies (NB) sold (In 000s)	476.2	434.7	10%	1,054.1	915.1	982.0

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

* H1FY23 and FY23 numbers are on a merged basis

Financial and operational snapshot (2/2)

	H1 FY24	H1 FY23*	FY23*	FY22	FY21
Overall New Business Margins (post overrun)	26.2%	26.2%	27.6%	27.4%	26.1%
Operating Return on EV	16.4%	16.9%	19.7%	16.6%	18.5%
Total Expenses (OpEx + Commission) / Total Premium	19.7%	19.3%	19.8%	16.5%	16.4%
Return on Equity ⁽¹⁾	12.0%	12.4%	11.9%	10.1%	17.6%
Solvency Ratio	194%	210%	203%	176%	201%
Persistency (13M / 61M)	86%/53%	87%/51%	87%/52%	87%/54%	85%/49%
Individual WRP Market Share (%)	15.7%	16.1%	16.5%	14.8%	15.5%
Business Mix (%)					
- Product (UL/Non par savings/Annuity/Non par protection/Par) ⁽²⁾	28/28/8/6/30	21/37/6/4/31	19/45/5/4/27	26/33/5/6/30	24/31/5/7/34
- Indl Distribution (CA/Agency/Broker/Direct) ⁽²⁾	65/18/7/11	57/18/8/17	56/20/11/13	60/14/6/19	61/13/7/19
- Total Distribution (CA/Agency/Broker/Direct/Group) ⁽³⁾	25/8/3/11/54	24/8/3/16/49	25/9/4/13/49	24/6/2/16/52	25/6/2/17/50
- Share of protection business (Based on Indl APE)	5.9%	4.4%	4.1%	5.6%	6.8%
- Share of protection business (Based on Overall APE)	16.6%	15.6%	13.3%	13.6%	12.8%
- Share of protection business (Based on NBP)	35.3%	31.7%	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

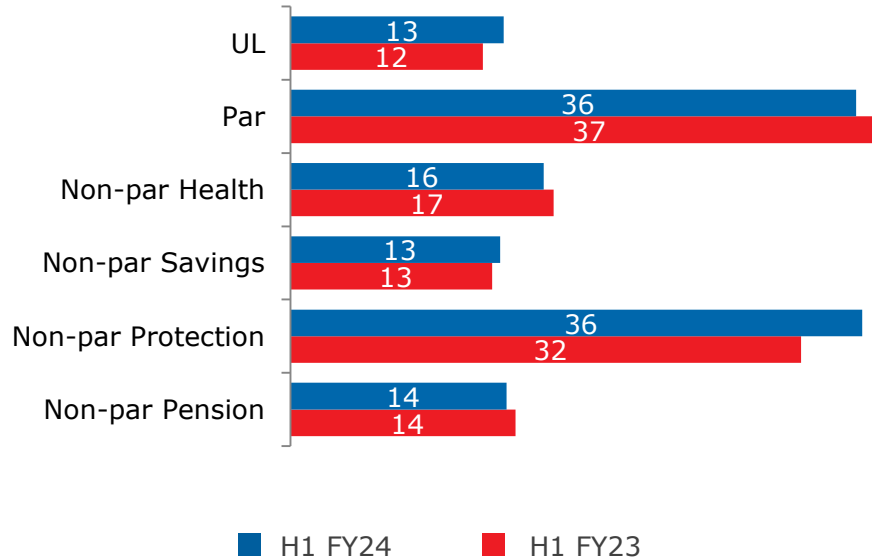
3. Based on total new business premium including group. Percentages are rounded off

* H1FY23 and FY23 numbers are on a merged basis

Segment wise average term and age¹

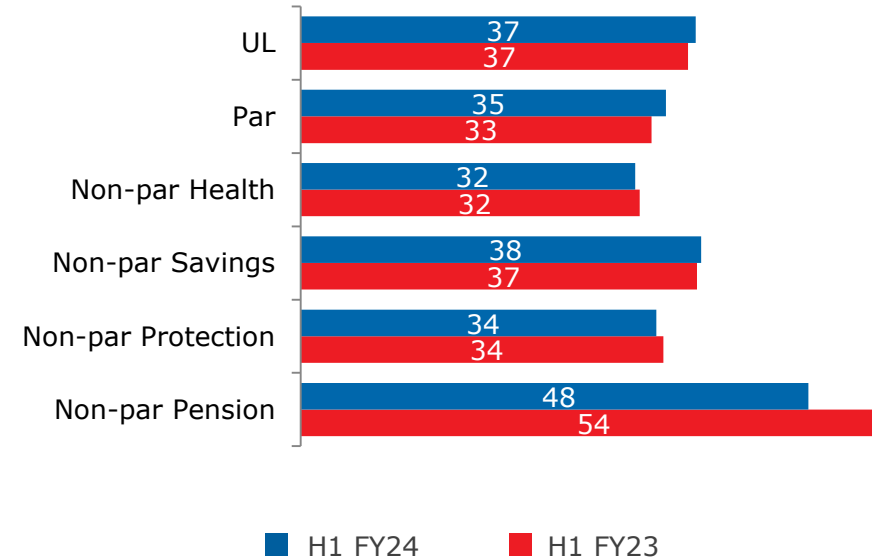
Average Policy Term excluding annuity (Yrs)

H1 FY24: 23.4 (H1 FY23: 23.1)



Average Customer Age excluding annuity (Yrs)

H1 FY24: 36.1 (H1 FY23: 35.4)



- 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)

Agenda

1

Performance Snapshot

2

Business Overview

3

Other Business Highlights

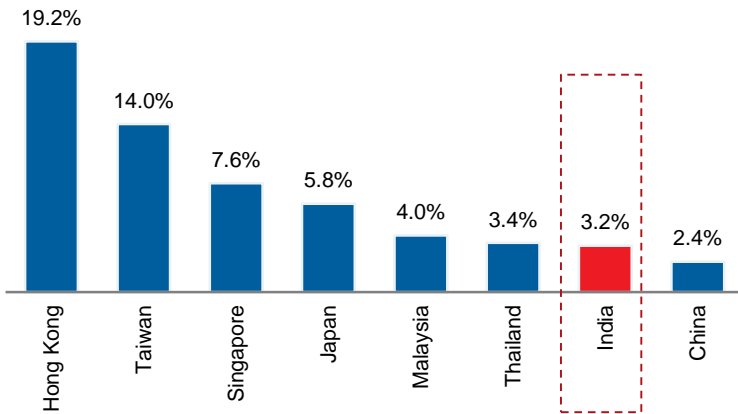
4

Life insurance in India

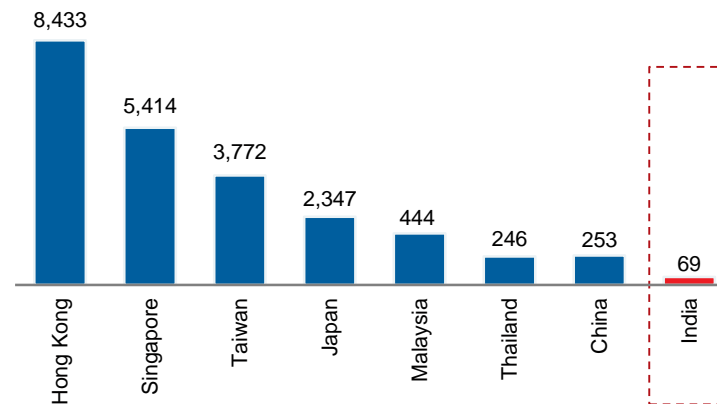


Growth opportunity: Under-penetration and favorable demographics

Life Insurance penetration ¹
(FY 2022)

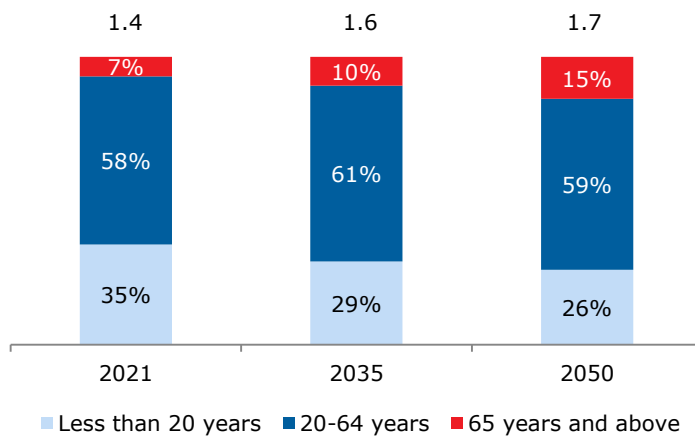


Life Insurance density US\$ ²
(FY 2022)

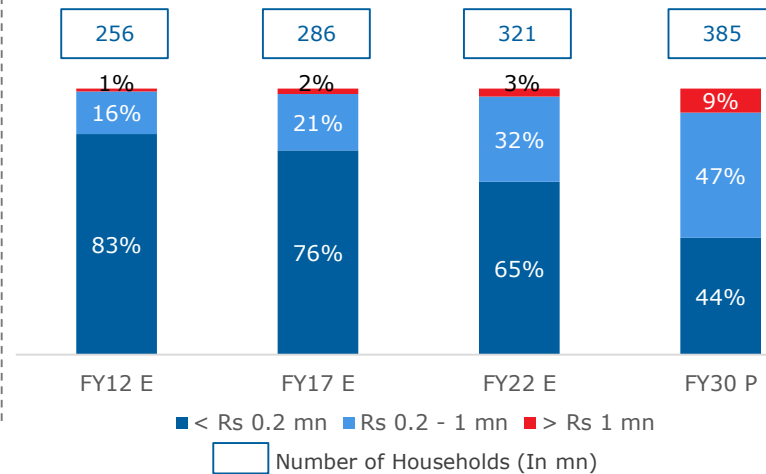


- India remains vastly under-insured, both in terms of penetration and density
- Huge opportunity to penetrate the underserved segments, with evolution of the life insurance distribution model

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

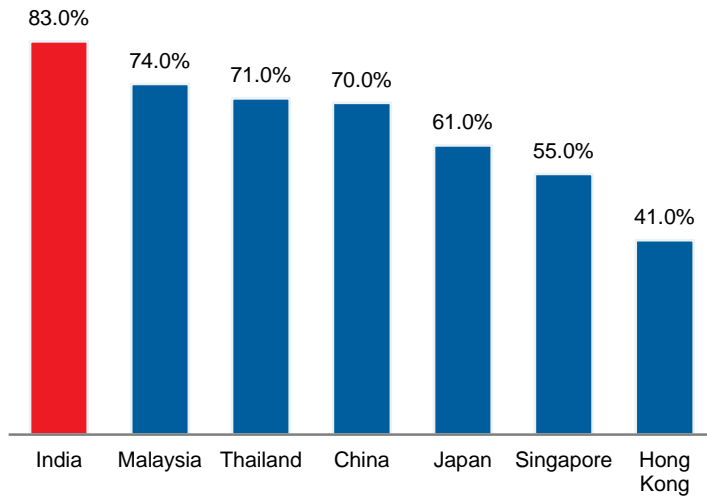
1. Penetration as measured by premiums as % of GDP,

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 financialisation" report 2022

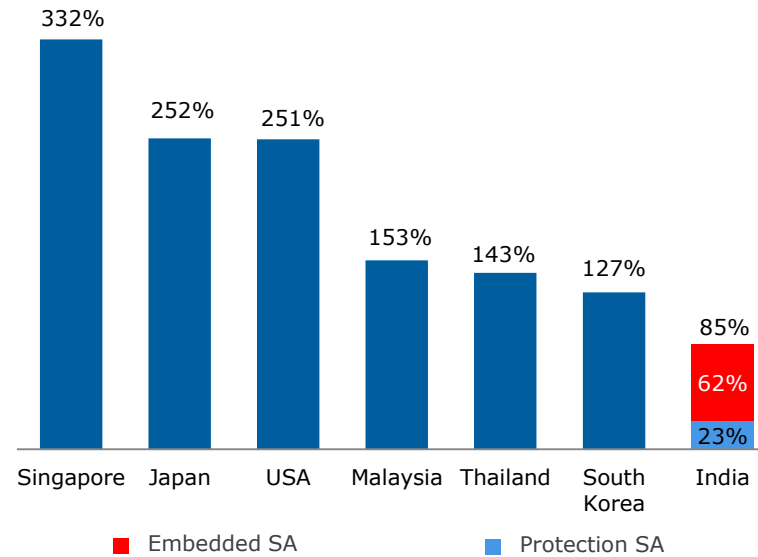
Low levels of penetration: Life protection

Protection gap ¹ (2019)



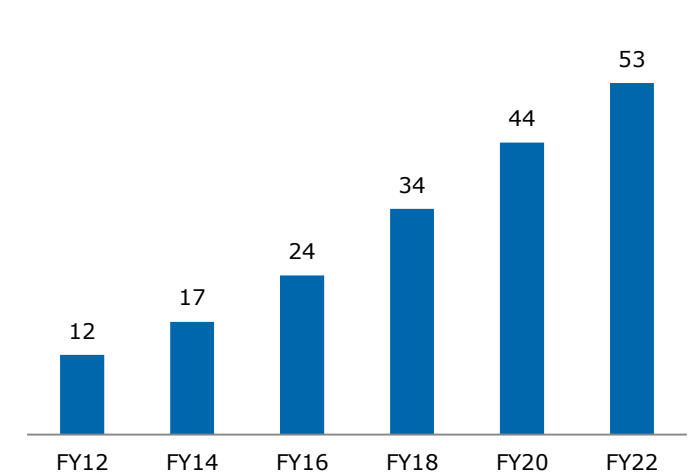
- India has the highest protection gap in the region
- Savings and life insurance coverage growth lagged economic and wage growth
- Protection gap growth rate to grow at ~4% per annum

Sum Assured as a % of GDP ²



- 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 loans ³ (Rs Tn.)

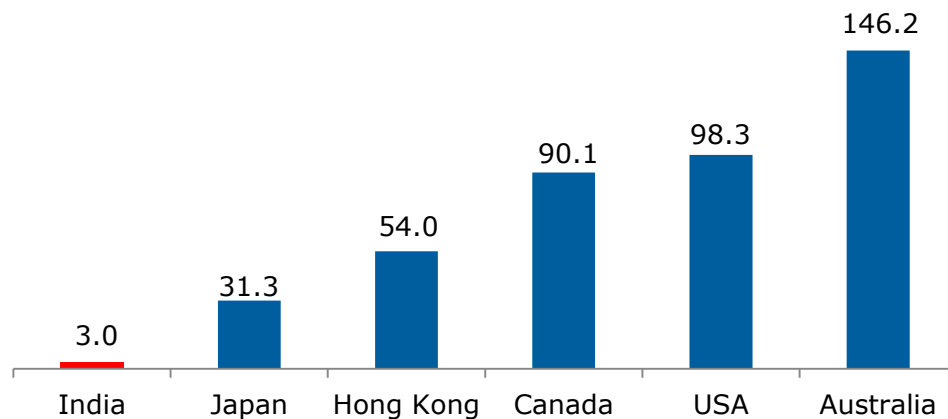


- Retail credit has grown at a CAGR of 16% over last 10 years
- Credit life need would be spurred by:
 - increasing retail indebtedness
 - Increasing attachment rates
 - Increasing value penetration,
 - Growing lines of business

1. Swiss Re (Based on respective financial year of the countries)
 2. Jefferies "Composite Insurance License in India: Taking a Leaf from Global Experience" report 2022
 3. Kotak institutional equities

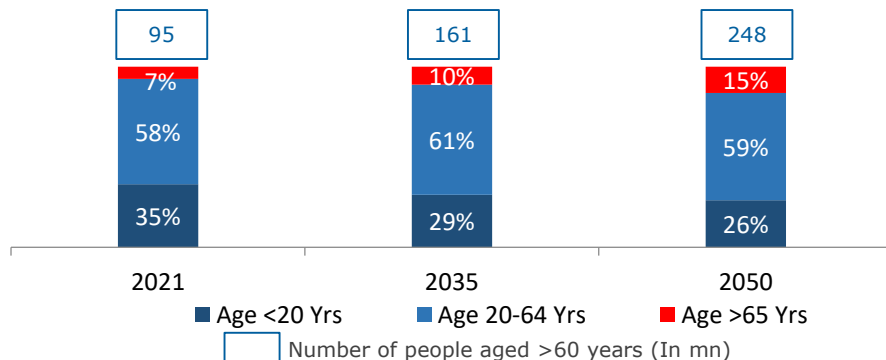
Macro opportunity: Retiral solutions

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

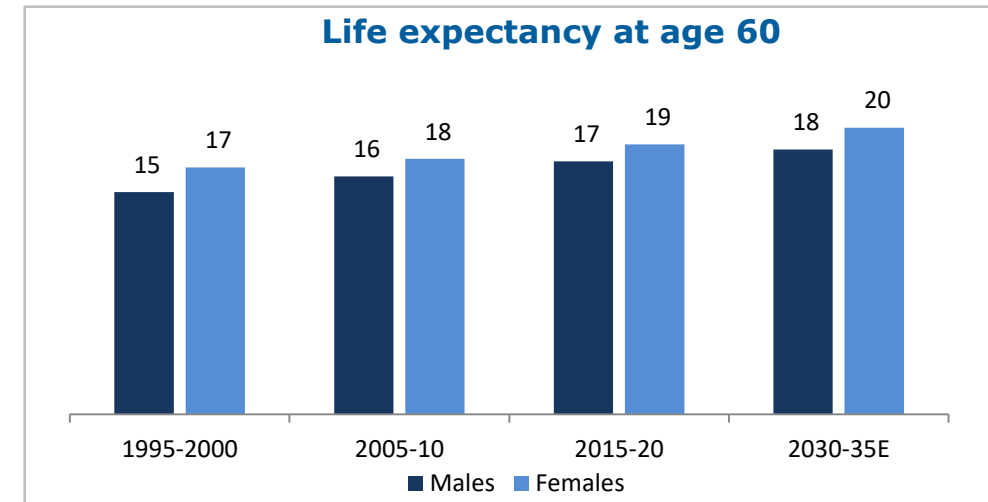


Elderly population is expected to increase 2.5x by 2050

Ageing population



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: OECD 2021, Milliman Asia Retirement Report 2017; Survey by NSSO, Ministry of statistics and Programme implementation Crisil PFRDA, Census of India, United Nations World Populations Prospects Report (2022)

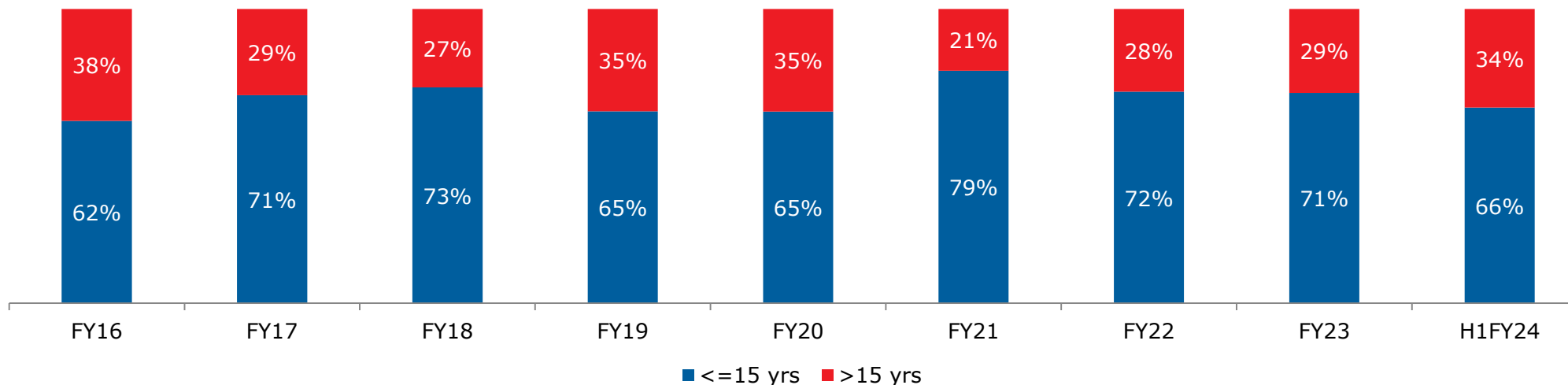
* Comprising pension assets / funds



Government bond auctions

Government Bonds – Tenorwise Issuance

Rs cr



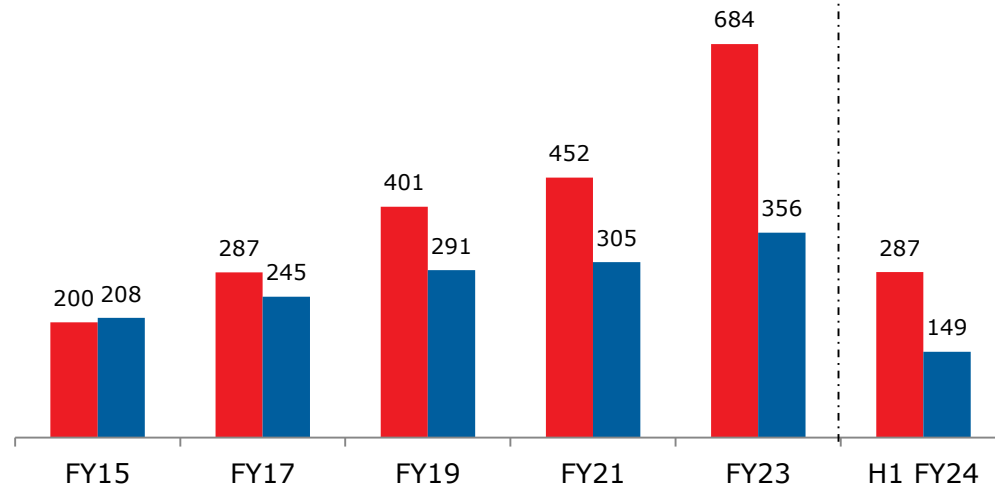
	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	H1 FY24
<=15 yrs	3,66,500	3,73,525	4,97,579	3,82,941	4,44,000	10,01,835	8,48,000	10,04,000	5,62,000
>15 yrs	2,25,000	1,54,520	1,80,529	2,04,000	2,38,000	2,65,575	3,31,000	4,01,000	2,87,000
Total	5,91,500	5,28,045	6,78,108	5,86,941	6,82,000	12,67,410	11,79,000	14,05,000	8,49,000

- 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

Source: CCIL & National Statistics Office, Union Budget, RBI

Industry new business trends

Individual WRP in Rs bn



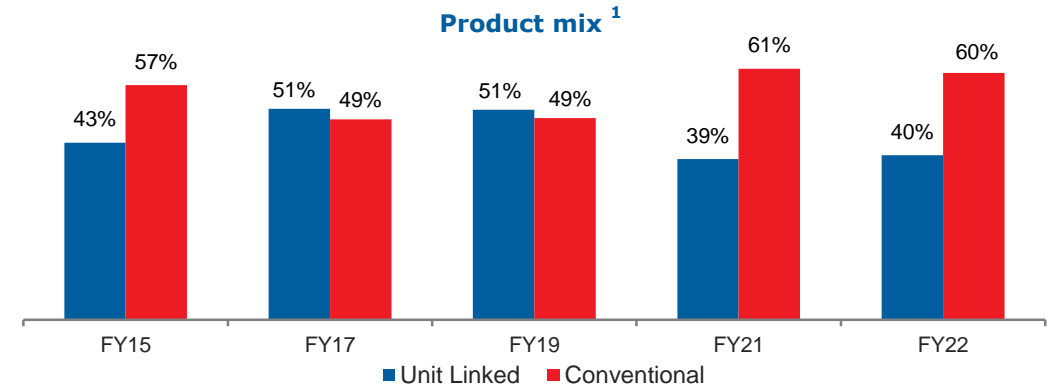
Private players Market share

Year	Market share (%)
FY15	49%
FY17	54%
FY19	58%
FY21	60%
FY23	66%
H1 FY24	66%

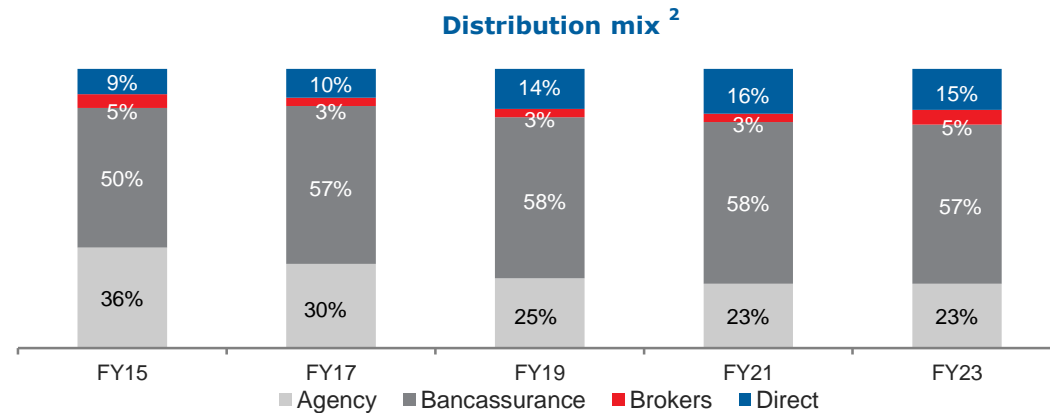
Growth %	Private	LIC	Overall
FY15	16%	-27%	-11%
FY17	26%	15%	21%
FY19	12%	5%	9%
FY21	8%	-3%	3%
FY23	24%	9%	19%
H1 FY24	13%	1%	8%

- 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



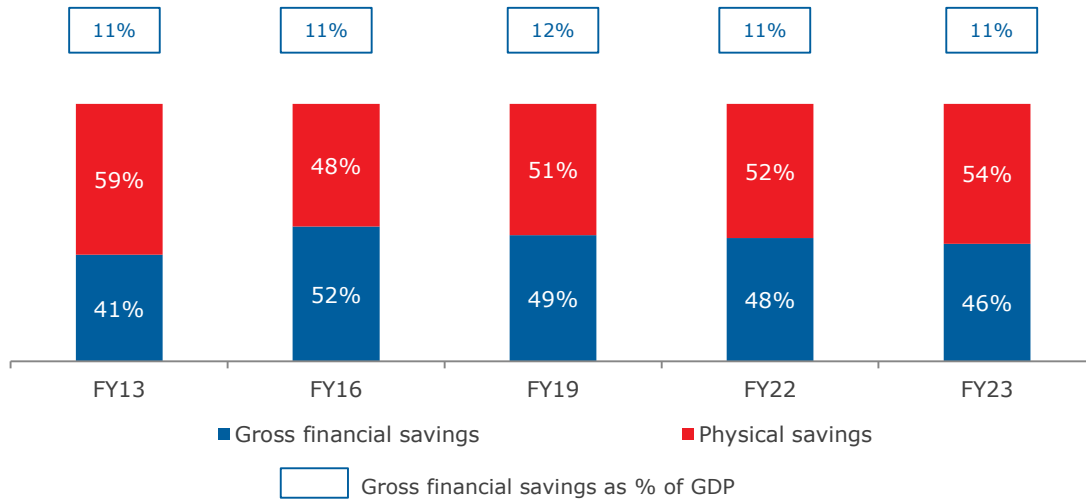
- Product mix has recently moved towards conventional business for the private players with high focus on non-par savings, protection
- Banca sourced business continues to dominate the channel mix on the back of increasing reach of banks along with increase in share of direct channel

Source: IRDAI and Life Insurance Council;
1. Based on Overall WRP (Individual and Group)

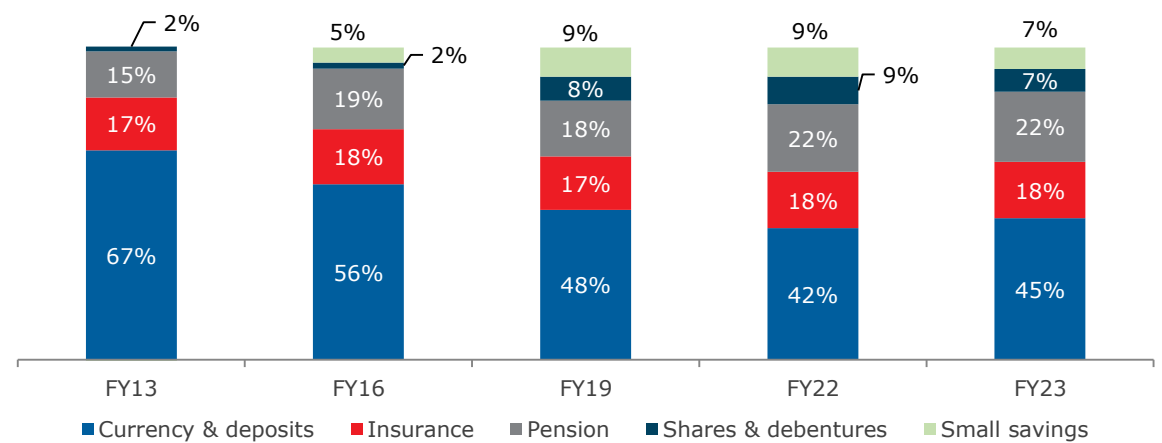
2. Based on Individual New business premia for all private players

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

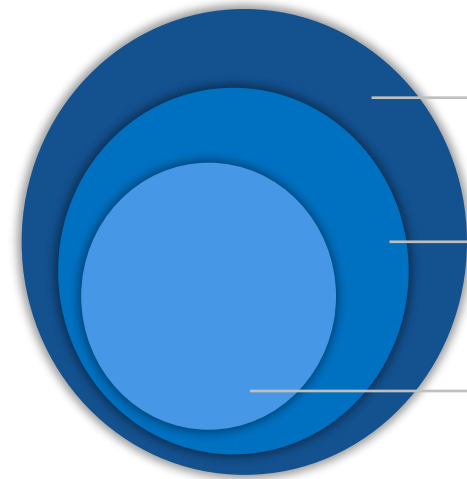
Source: Motilal Oswal Financial Savings Update Sep '23, RBI Annual Report, Invest India

Reasons for buying insurance – Tax as a reason has declined

Top reasons to buy life insurance ¹

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

Customer behaviour / trend ²



- | | |
|--|--|
| Macro-level
<i>Economy</i> | <ul style="list-style-type: none"> • State of the economy • Stock market |
| Individual-level
<i>Customer</i> | <ul style="list-style-type: none"> • Age • Income • Risk appetite |
| Micro-level
<i>Product specifics</i> | <ul style="list-style-type: none"> • Guaranteed returns with add-ons/ riders • Enables diversification |

- Major reasons to buy life insurance continue to be protection for family, securing child's needs and retirement planning
- Tax saving is the 9th reason to buy life Insurance, compared to 4th in 2013
- Share of >2.5 lakh ATS has increased from less than 1/5th to ~1/4th within ULIP business in the last 3 years (despite tax being applicable in that category in the last 2 years)

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