

BUY**TP: Rs 918 | ▲ 21%****HDFC LIFE**

| Insurance

| 16 July 2025

A steady quarter

- **HDFCLIFE reported healthy APE growth of 13% YoY in Q1FY26, stronger than industry growth (up 7%)**
- **VNB margins witnessed expansion of 9bps YoY, aided by higher average ticket sizes, and ULIPs with higher rider attachments**
- **We maintain BUY on HDFCLIFE with TP to Rs 918 (earlier Rs 900), implying 2.5x in its Jun'27 P/EV. HDFCLIFE remains our top pick**

Vijiya Rao | Niraj Jalan

research@bobcaps.in

Healthy APE growth: APE grew 13% YoY to Rs 32.3bn, on a higher base (for Q1FY25 APE was up 23% YoY) vs our estimate of Rs 32.6bn. The company continued to demonstrate a steady APE growth despite the volatile/challenging external environment. Further, it outperformed industry growth during the quarter. Overall, industry APE growth, including LIC, was at 7% YoY in Q1FY26 and APE for private players grew 10% YoY during the quarter. Thus, HDFC Life outperformed the industry growth, in terms of the overall industry as well as private APE growth. Consequently, market share gains stood at 70bps YoY, in terms of new business premiums.

VNB margin expansion: VNB margin expanded by 9bps YoY to 25.09% in Q1FY26 vs our expectation of 26.1%. This was primarily aided by higher average ticket sizes, supported by traction in select unit linked and par products, coupled with enhanced rider attachments to ULIPs. Contrary to initial expectations, ULIPs remained strong, aided by buoyant equity markets. ULIPs' share currently stands at 33% in the product mix vs 32% in Q1FY25 vs 40% in Q4FY25. Management anticipates a more balanced contribution from both ticket size and policy volumes. Further, absolute VNB increased 13% YoY to Rs 8.1bn vs our estimate of Rs 8.5bn. The company foresees a gradual shift towards traditional products, thereby lending support to margins.

Maintain BUY: We believe HDFCLIFE is well placed to achieve its APE growth outlook of 18-21% and VNB margin of 26-27% in FY26-28E, aided by better product mix and strong APE growth momentum. Incremental focus on the agency channel growth, along with increasing penetration in Tier-2 and -3 cities bode well. Further, regulatory concerns are beginning to recede while some competitive intensity persists. Hence, we maintain BUY on HDFCLIFE with TP to Rs 918 (earlier Rs 674), implying 2.5x in its Jun'27 P/EV and continue to prefer HDFCLIFE as our top pick.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	HDFCLIFE IN/Rs 757
Market cap	US\$ 18.8bn
Free float	50%
3M ADV	US\$ 26.8mn
52wk high/low	Rs 821/Rs 584
Promoter/FPI/DII	50%/25%/13%

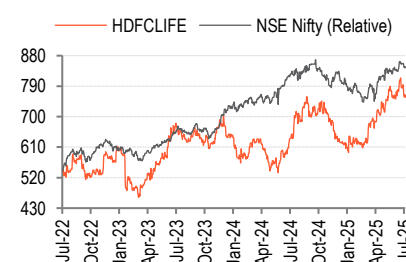
Source: NSE | Price as of 15 Jul 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
NBP (Rs mn)	3,33,653	3,92,346	4,55,121
APE (Rs mn)	1,54,790	1,86,522	2,20,096
VNB (Rs mn)	39,626	46,589	56,248
Embedded Value (Rs mn)	5,54,230	6,43,744	7,50,258
VNB margin (%)	25.6	25.9	26.5
EVPS (Rs)	257.4	299.0	348.5
EPS (Rs)	8.4	10.3	11.4
Consensus EPS (Rs)	-	-	-
P/EV (x)	2.9	2.5	2.2

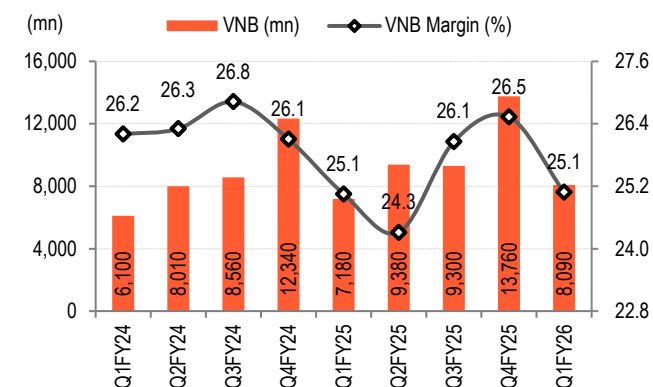
Source: Company, Bloomberg, BOBCAPS Research

Stock performance

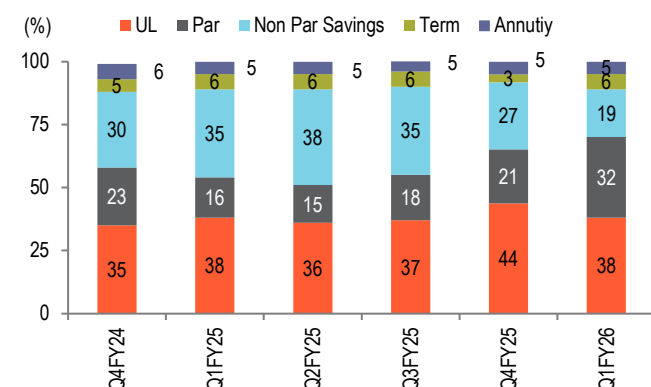


Source: NSE

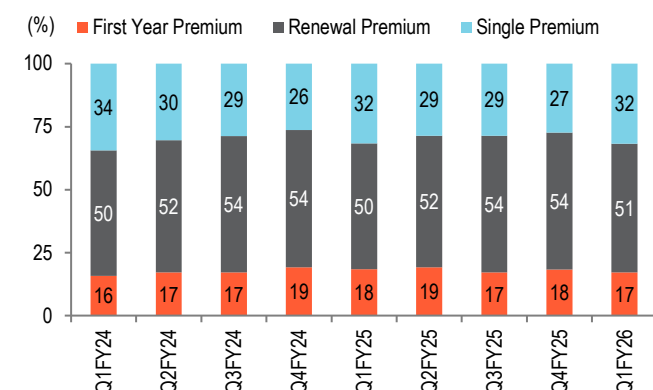


Fig 1 – VNB margin expected to remain range-bound

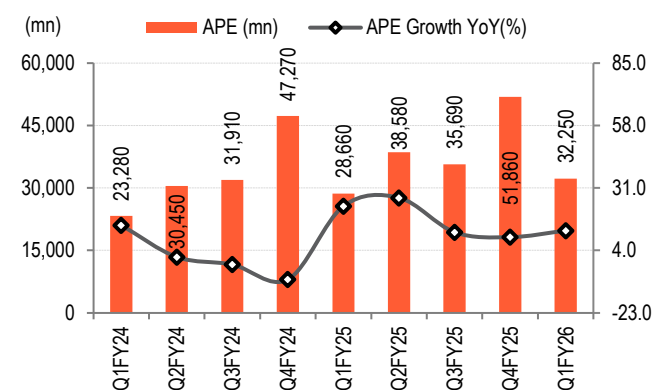
Source: Company, BOBCAPS Research

Fig 2 – ULIP demand continues to remain strong

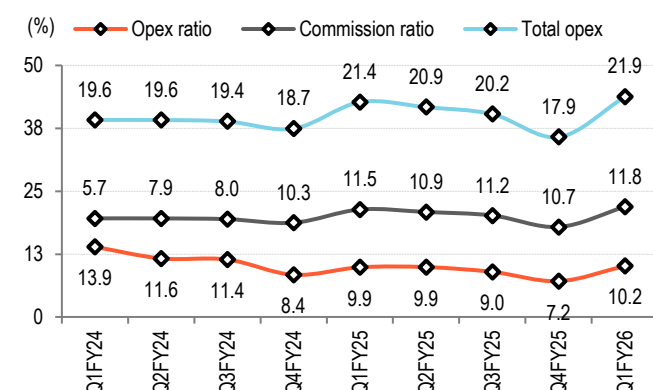
Source: Company, BOBCAPS Research

Fig 3 – Stable gross premium mix

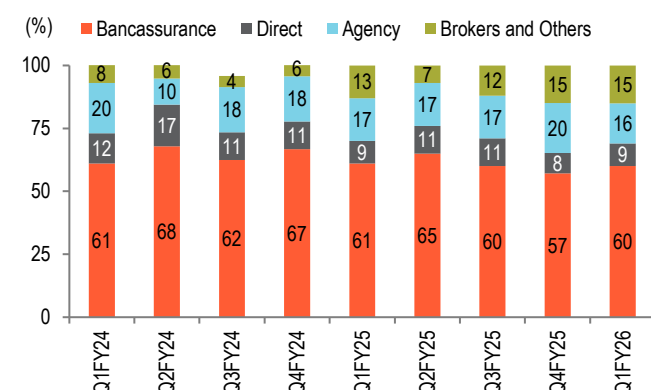
Source: Company, BOBCAPS Research

Fig 4 – APE grew by 12.5% at Rs 32,250 mn

Source: Company, BOBCAPS Research

Fig 5 – Opex ratio came in at 21.9%

Source: Company, BOBCAPS Research

Fig 6 – Growth in agency channel to grow faster than other channels

Source: Company, BOBCAPS Research

Fig 7 – Policyholder's account

(Rs mn)	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)	FY25	FY24	YoY (%)
Gross premium income	1,48,751	1,28,109	16.1	2,40,316	(38.1)	7,10,449	6,30,765	12.6
First Year Premium	25,502	23,579	8.2	43,960	(42.0)	1,29,761	1,11,108	16.8
Renewal Premium	76,030	64,106	18.6	1,30,623	(41.8)	3,76,796	3,34,451	12.7
Single Premium	47,219	40,424	16.8	65,733	(28.2)	2,03,892	1,85,205	10.1
Reinsurance	4,090	3,013	35.8	2,660	53.7	14,288	11,173	27.9
Net premium income	1,44,661	1,25,096	15.6	2,37,656	(39.1)	6,96,161	6,19,592	12.4
Income from investments (Net)	1,45,950	1,41,244	3.3	180	80893.3	2,59,453	3,83,543	(32.4)
Other income	739	667	10.7	768	(3.8)	2,830	3,357	(15.7)
Contribution of funds from Shareholders' A/c	666	64	940.0	227	193.2	1,004	1,251	(19.7)
Total	2,92,015	2,67,072	9.3	2,38,831	22.3	9,59,448	10,07,743	(4.8)
Commission on								
First Year Premium	14,250	8,398	69.7	21,560	(33.9)	58,603	31,511	86.0
Renewal Premium	1,295	1,069	21.2	1,996	(35.1)	5,896	5,219	13.0
Single Premium	1,947	5,236	(62.8)	2,258	(13.8)	13,854	15,833	(12.5)
Others	0	0		0		0	0	
Net Commission	17,492	14,703	19.0	25,814	(32.2)	78,353	52,563	49.1
Benefits Paid (Net)	86,798	88,278	(1.7)	1,10,404	(21.4)	3,93,459	3,96,965	(0.9)
Change in actuarial liability	1,70,165	1,45,657	16.8	81,959	107.6	4,15,156	4,84,194	(14.3)
Surplus/Deficit	834	5,627	(85.2)	1,633	(48.9)	10,430	7,751	34.6

Source: Company, BOBCAPS Research

Fig 8 – Shareholder's account

(Rs mn)	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)	FY25	FY24	YoY (%)
Transfer from Policyholders' Account	3,663	2,665	37.5	2,467	48.5	9,968	7,991	24.7
Investment Income	3,202	2,572	24.5	3,274	(2.2)	11,251	10,022	12.3
Other income	0	0	-	0		1	131	(98.9)
Expenses other than those related to insurance business	616	198	211.6	532	15.6	1,429	1,209	18.2
Transfer of funds to Policyholders' Account	666	64	940.0	227	193.2	1,004	1,251	(19.7)
Provisions for diminution in value of investments	(22)	0		119	-	126	45	181.4
Profit before tax	5,607	4,975	12.7	4,862	15.3	18,661	15,638	19.3
Provisions for tax	142	198	(28.5)	97	46.7	640	(50)	
Profit after tax and before Extraordinary items	5,465	4,777	14.4	4,765	14.7	18,021	15,689	14.9

Source: Company, BOBCAPS Research

Earnings call highlights

Business Highlights

- HDFCLIFE reported robust gross premium income growth of 16.1% YoY in Q1FY26 at Rs 1,48,751 mn. This growth was driven by strong performance in renewal and single premium segments, which increased by 18.6% and 16.8% respectively. First year premium income grew by 8.2% at Rs 25,502 mn.
- Over 70% of new customers acquired in Q1FY26 were first-time buyers. The growth was supported by higher average ticket sizes and strong traction in select unit-linked and participating products. Going forward, management expects a balanced contribution to growth from both ticket size and policy volumes.
- PAT increased 14% YoY to Rs 5,465 mn supported by a 15% growth in back book profits.
- EV stands at Rs. 583.6 bn with operating ROEV of 16.3% on a rolling 12-month basis.
- Credit Protect business witnessed a recovery, aided by higher disbursements, improved attachment rates, and expansion into new lending segments.
- Management expects H2FY26 to outperform H1FY26, supported by a low base in H2FY25 and a high base in H1FY25.
- EV grew by 17% and stood at Rs. 554.23 bn with 16.7% ROEV.

APE and VNB Margin

- Individual APE grew by 12.5% YoY, outperforming at the overall industry as well as private sector levels. This led to a market share gain of 70 bps at the industry level and 40 bps within the private sector.
- HDFC Life expects margins to remain range-bound in the near term, with potential for expansion over the next 3 years.

Persistency Ratio

- The 13th-month persistency ratio declined by approximately 1%, primarily due to a reduction in large-ticket policies following recent tax changes.
- Conversely, the 61st-month persistency improved across cohorts, reflecting stronger retention in long-term savings products.

Product Mix

- Share of unit linked stood at 38%, participating products at 32%, non-par savings at 19%, term at 6% while annuity share came in at 5%.
- Demand for ULIP products remained strong, supported by sustained performance in equity markets. However, HDFC Life anticipates a gradual shift toward traditional products during FY26.
- Participating products have seen increased traction, driven by refreshed propositions and macroeconomic uncertainty.

- Share of non-par products declined due to aggressive pricing in the market. Management expects non-par mix to stabilise in the mid-20% range in FY26, while the par product mix is projected to slightly decline to marginally above 25%.

Channel Mix

- Agency channel delivered 2Y CAGR of 10% post the changes in surrender regulations.
- Management expects agency channel growth to outperform other distribution channels, which are projected to grow at similar levels.

Valuation Methodology

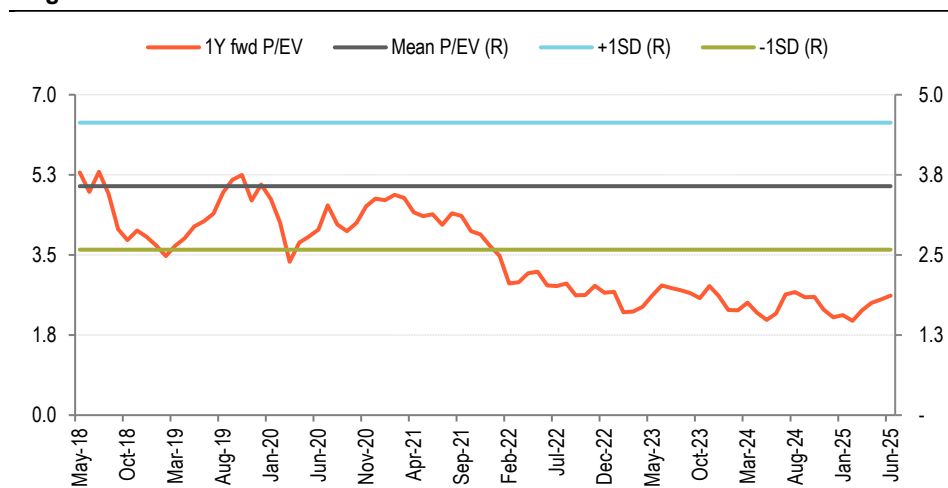
We believe HDFCLIFE is well placed to achieve its APE growth outlook of 18-21% and VNB margin of 26-27% in FY26-28E, aided by better product mix and strong APE growth momentum. Incremental focus on the agency channel growth, along with increasing penetration in Tier-2 and -3 cities, bode well. Further, regulatory concerns are beginning to recede while some competitive intensity persists. Hence, we maintain BUY on HDFCLIFE with TP to Rs 918 (earlier Rs 674), implying 2.5x in its Jun'27 P/EV and continue to prefer HDFCLIFE as our top pick.

Fig 9 – Actual vs Estimates

Rs mn	Q1FY26A	Q1FY26E	Actual vs. Estimates (%)
Gross Premium	1,48,751	1,55,439	(4.3)
APE	32,250	32,641	(1.2)
VNB	8,090	8,503	(4.9)
VNB Margin	25.1	26.1	-97bps

Source: Company, BOBCAPS Research

Fig 10 – P/EV Band



Source: Company, BOBCAPS Research

Key risks

Key downside risks to our estimates are:

- **Change in regulatory framework:** Any unfavourable change in regulations can affect business growth. For example, ULIP proceeds are currently taxed to the extent the yearly premium exceeds Rs 0.25mn. Similarly, any change in income tax rate for insurance companies could adversely impact profitability, in our view.
- **Losses from capital and bond markets:** Prolonged weakness in capital markets could hamper growth of ULIPs. Although insurance companies are opting for balanced product mixes, many of them have sizeable business coming from ULIPs.
- **Increasing interest rates:** Guaranteed-return businesses could be affected by an increase in interest rates as other financial instruments (e.g. deposits) become more attractive.

- **Adverse economic events:** A significant economic decline may result in financial difficulties or defaults by issuers of bonds in the company's investment portfolios. The shareholders' equity and earnings and policyholders' funds may also be affected by fair value revaluation of bonds held in investment portfolios.
- **High surrender of policies:** Life insurance companies face the risk of surrendered policies. In ULIPs, customers can withdraw policies after five years even if they have been taken for longer durations. Policies can also be surrendered in case of job loss and monetary requirements, among other factors, which lowers the persistency ratios.

Glossary

Glossary of Abbreviations			
APE	Annual Premium Equivalent	NBP	New Business Premium
EOM	Expenses of Management	ROEV	Return on Embedded Value
EV	Embedded Value	ROP	Return of Premium
EVOP	Embedded Value Operating Profit	RWRP	Retail Weighted Received Premium
HNI	High Net Worth Individuals	ULIP	Unit Linked Insurance Plan
IRDAI	Insurance Regulatory and Development Authority	VNB	Value of New Business

Financials

Revenue Account (Technical)

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Gross premium income	6,30,765	7,10,449	8,34,778	9,68,342	11,29,087
First year premium	1,11,108	1,29,761	1,50,260	1,74,302	2,03,236
Renewal premium	3,34,451	3,76,796	4,42,432	5,13,221	5,98,416
Single premium	1,85,205	2,03,892	2,42,086	2,80,819	3,27,435
Net written premium	6,19,592	6,96,161	8,16,263	9,46,866	11,02,022
Income from investments	3,83,543	2,59,453	3,49,604	3,99,314	4,82,141
Other Income	4,608	3,834	4,006	4,185	4,373
Total income	10,07,743	9,59,448	11,69,873	13,50,365	15,88,536
Commissions	52,563	78,353	91,673	1,06,341	1,21,228
Operating expenses	69,011	62,218	65,951	75,184	86,086
Benefits and bonuses paid	3,96,965	3,93,459	4,80,020	5,52,023	6,18,266
Change in liabilities (net)	4,84,194	4,15,156	5,10,226	5,92,373	7,34,542
Others	0	0	0	0	0
Total expenses	10,02,732	9,49,186	11,47,870	13,25,920	15,60,122
Surplus before tax	5,011	10,263	22,003	24,445	28,414
Provision for tax	(5,924)	(5,882)	2,012	2,212	2,556
Surplus after tax	7,751	10,430	13,932	15,327	17,950
Trf to shareholders' a/c	7,991	9,968	13,653	15,020	17,591
Balance being FFA	(240)	462	0	0	0

Income Statement (Non-technical)

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Trf from policyholders' a/c	7,991	9,968	13,653	15,020	17,591
Income from investments	10,022	11,251	12,283	13,570	14,974
Contr. to policyholders' fund	1,251	1,004	1,034	1,065	1,097
Others	(1,123)	(1,554)	(1,768)	(2,048)	(2,375)
PBT	15,638	18,661	23,134	25,477	29,093
Provision for taxation	(50)	640	925	1,019	1,164
PAT	15,689	18,021	22,208	24,458	27,929
Dividend+Interim div.+DDT	4,304	4,521	4,521	4,521	4,521

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Equity	1,46,517	1,61,256	1,78,937	1,98,873	2,22,281
Policyholders' funds	27,34,890	31,53,161	37,28,737	44,20,792	52,53,512
FFA	12,115	12,576	13,583	14,669	15,843
Others	43,771	68,348	73,536	79,417	86,083
Total liabilities	29,37,293	33,95,342	39,94,792	47,13,751	55,77,719
Shareholders' funds	1,48,819	1,83,863	2,12,362	2,39,969	2,59,167
Policyholders' funds	18,17,966	21,62,671	27,03,338	32,98,073	38,91,726
Assets to cover linked liab.	9,55,416	10,16,282	11,68,724	13,44,032	15,32,197
Others	0	0	0	0	0
Total assets	29,37,293	33,95,342	39,94,792	47,13,751	55,77,719

Key Metrics

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
AUM (Rs mn)	29,22,201	33,62,815	40,84,424	48,82,074	56,83,089
NBP (Rs mn)	2,96,314	3,33,653	3,92,346	4,55,121	5,30,671
APE (Rs mn)	1,32,910	1,54,790	1,86,522	2,20,096	2,59,713
VNB (Rs mn)	34,955	39,626	46,589	56,248	68,126
VNB margin (%)	26.3	25.6	25.9	26.5	27.2
Embedded value (Rs mn)	4,74,680	5,54,230	6,43,744	7,50,258	8,77,385
ROEV (%)	17.5	16.7	17.0	17.2	17.5
ROE (%)	11.4	11.7	13.1	12.9	13.3
Opex ratio (%)	10.9	8.8	7.9	7.8	7.7
Cost ratio (%)	19.3	19.8	19.0	18.8	18.4
Solvency ratio (%)	-	-	-	-	-
EPS (Rs)	7.3	8.4	10.3	11.4	13.0
BVPS (Rs)	68.5	75.0	83.1	92.4	103.2
EVPS (Rs)	220.6	257.4	299.0	348.5	407.5

Source: Company, BOBCAPS Research

NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA ("US") OR IN OR INTO ANY OTHER JURISDICTION IF SUCH AN ACTION IS PROHIBITED BY APPLICABLE LAW.

Disclaimer

Name of the Research Entity: **BOB Capital Markets Limited**

Registered office Address: **1704, B Wing, Parinee Crescenzo, G Block, BKC, Bandra East, Mumbai 400051**

SEBI Research Analyst Registration No: **INH000000040 valid till 03 February 2025**

Brand Name: **BOBCAPS**

Trade Name: **www.barodaetrade.com**

CIN: **U65999MH1996GOI098009**



Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

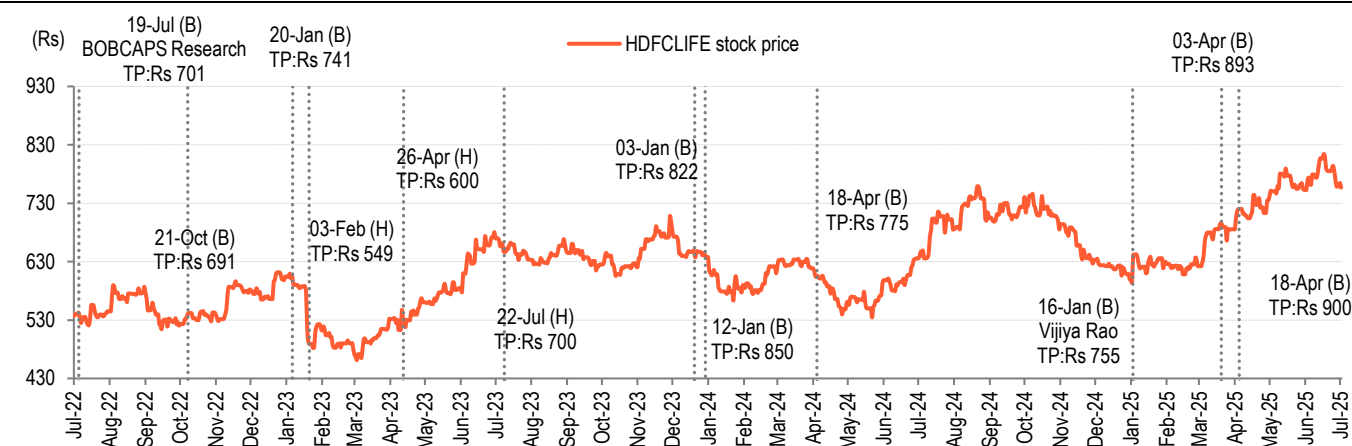
HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Ratings and Target Price (3-year history): HDFC LIFE (HDFCLIFE IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

Analyst certification

The research analyst(s) authoring this report hereby certifies that (1) all of the views expressed in this research report accurately reflect his/her personal views about the subject company or companies and its or their securities, and (2) no part of his/her compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of BOB Capital Markets Limited (BOBCAPS).

General disclaimers

BOBCAPS is engaged in the business of Stock Broking and Investment Banking. BOBCAPS is a member of the National Stock Exchange of India Limited and BSE Limited and is also a SEBI-registered Category I Merchant Banker. BOBCAPS is a wholly owned subsidiary of Bank of Baroda which has its various subsidiaries engaged in the businesses of stock broking, lending, asset management, life insurance, health insurance and wealth management, among others.

BOBCAPS's activities have neither been suspended nor has it defaulted with any stock exchange authority with whom it has been registered in the last five years. BOBCAPS has not been debarred from doing business by any stock exchange or SEBI or any other authority. No disciplinary action has been taken by any regulatory authority against BOBCAPS affecting its equity research analysis activities.

BOBCAPS is also a SEBI-registered intermediary for the broking business having SEBI Single Registration Certificate No.: INZ000159332 dated 20 November 2017.

BOBCAPS prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, BOBCAPS prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover.

Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein.

This material should not be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction. We are not soliciting any action based on this material. It is for the general information of BOBCAPS's clients. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, clients should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. BOBCAPS research reports follow rules laid down by Securities and Exchange Board of India and individuals employed as research analysts are separate from other employees who are performing sales trading, dealing, corporate finance advisory or any other activity that may affect the independence of its research reports.

The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. BOBCAPS does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding any potential investment in certain transactions — including those involving futures, options, and other derivatives as well as non-investment-grade securities — that give rise to substantial risk and are not suitable for all investors. The material is based on information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. Opinions expressed are our current opinions as of the date appearing on this material only. We endeavour to update on a reasonable basis the information discussed in this material, but regulatory, compliance, or other reasons may prevent us from doing so.

We and our affiliates, officers, directors, and employees, including persons involved in the preparation or issuance of this material, may from time to time have “long” or “short” positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein and may from time to time add to or dispose of any such securities (or investment). We and our affiliates may assume an underwriting commitment in the securities of companies discussed in this document (or in related investments), may sell them to or buy them from customers on a principal basis, and may also perform or seek to perform investment banking or advisory services for or relating to these companies and may also be represented in the supervisory board or any other committee of these companies.

For the purpose of calculating whether BOBCAPS and its affiliates hold, beneficially own, or control, including the right to vote for directors, one per cent or more of the equity shares of the subject company, the holdings of the issuer of the research report is also included.

BOBCAPS and its non-US affiliates may, to the extent permissible under applicable laws, have acted on or used this research to the extent that it relates to non-US issuers, prior to or immediately following its publication. Foreign currency denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of or income derived from the investment. In addition, investors in securities such as ADRs, the value of which are influenced by foreign currencies, effectively assume currency risk. In addition, options involve risks and are not suitable for all investors. Please ensure that you have read and understood the Risk disclosure document before entering into any derivative transactions.

No part of this material may be (1) copied, photocopied, or duplicated in any form by any means or (2) redistributed without BOBCAPS's prior written consent.

Company-specific disclosures under SEBI (Research Analysts) Regulations, 2014

The research analyst(s) or his/her relatives do not have any material conflict of interest at the time of publication of this research report.

BOBCAPS or its research analyst(s) or his/her relatives do not have any financial interest in the subject company. BOBCAPS or its research analyst(s) or his/her relatives do not have actual/beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

The research analyst(s) has not received any compensation from the subject company or third party in the past 12 months in connection with research report/activities. Compensation of the research analyst(s) is not based on any specific merchant banking, investment banking or brokerage service transactions.

BOBCAPS or its research analyst(s) is not engaged in any market making activities for the subject company.

The research analyst(s) has not served as an officer, director or employee of the subject company.

BOBCAPS or its associates may have material conflict of interest at the time of publication of this research report.

BOBCAPS's associates may have financial interest in the subject company. BOBCAPS's associates may hold actual / beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

BOBCAPS or its associates may have managed or co-managed a public offering of securities for the subject company or may have been mandated by the subject company for any other assignment in the past 12 months.

BOBCAPS may have received compensation from the subject company in the past 12 months. BOBCAPS may from time to time solicit or perform investment banking services for the subject company. BOBCAPS or its associates may have received compensation from the subject company in the past 12 months for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory services in a merger or specific transaction. BOBCAPS or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months.

Other disclaimers

BOBCAPS and MAYBANK (as defined below) make no representation or warranty, express or implied, as to the accuracy or completeness of any information obtained from third parties and expressly disclaim the merchantability, suitability, quality and fitness of this report. The information in this report has not been independently verified, is provided on an “as is” basis, should not be relied on by you in connection with any contract or commitment, and should not be used as a substitute for enquiries, procedures and advice which ought to be undertaken by you. This report also does not constitute an offer or solicitation to buy or sell any securities referred to herein and you should not construe this report as investment advice. All opinions and estimates contained in this report constitute BOBCAPS's judgment as of the date of this report and are subject to change without notice, and there is no obligation on BOBCAPS or MAYBANK to update this report upon issuance. This report and the information contained herein may not be reproduced, redistributed, disseminated or copied by any means without the prior consent of BOBCAPS and MAYBANK.

To the full extent permitted by law neither BOBCAPS, MAYBANK nor any of their respective affiliates, nor any other person, accepts any liability howsoever arising, whether in contract, tort, negligence, strict liability or any other basis, including without limitation, direct or indirect, special, incidental, consequential or punitive damages arising from any use of this report or the information contained herein. By accepting this report, you agree and undertake to fully indemnify and hold harmless BOBCAPS and MAYBANK from and against claims, charges, actions, proceedings, losses, liabilities, damages, expenses and demands (collectively, the “Losses”) which BOBCAPS and/or MAYBANK may incur or suffer in any jurisdiction including but not limited to those Losses incurred by BOBCAPS and/or MAYBANK as a result of any proceedings or actions brought against them by any regulators and/or authorities, and which in any case are directly or indirectly occasioned by or result from or are attributable to anything done or omitted in relation to or arising from or in connection with this report.

Distribution into the United Kingdom (“UK”):

This research report will only be distributed in the United Kingdom, in accordance with the applicable laws and regulations of the UK, by Maybank Securities (London) Ltd (“MSL”) who is authorised and regulated by the Financial Conduct Authority (“FCA”) in the United Kingdom (MSL and its affiliates are collectively referred to as “MAYBANK”). BOBCAPS is not authorized to directly distribute this research report in the UK.

This report has not been prepared by BOBCAPS in accordance with the UK's legal and regulatory requirements.

This research report is for distribution only to, and is solely directed at, selected persons on the basis that those persons: (a) are eligible counterparties and professional clients of MAYBANK as selected by MAYBANK solely at its discretion; (b) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended from time to time (the “Order”), or (c) fall within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc. as mentioned in the stated Article) of the Order; (all such persons together being referred to as “relevant persons”).

This research report is directed only at relevant persons and must not be acted on or relied on by any persons who are not relevant persons. Any investment or investment activity to which this material relates is available only to relevant persons and will be engaged in only with relevant persons.

The relevant person as recipient of this research report is not permitted to reproduce, change, remove, pass on, distribute or disseminate the data or make it available to third parties without the written permission of BOBCAPS or MAYBANK. Any decision taken by the relevant person(s) pursuant to the research report shall be solely at their costs and consequences and BOBCAPS and MAYBANK shall not have any liability of whatsoever nature in this regard.

No distribution into the US:

This report will not be distributed in the US and no US person may rely on this communication.

Other jurisdictions:

This report has been prepared in accordance with SEBI (Research Analysts) Regulations and not in accordance with local regulatory requirements of any other jurisdiction. In any other jurisdictions, this report is only for distribution (subject to applicable legal or regulatory restrictions) to professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions by Maybank Securities Pte Ltd. (Singapore) and / or by any broker-dealer affiliate or such other affiliate as determined by Malayan Banking Berhad.

If the recipient of this report is not as specified above, then it should not act upon this report and return the same to the sender.

By accepting this report, you agree to be bound by the foregoing limitations.