

PRESS RELEASE

HDFC Life posts Rs 451 crore of profit in 2012-13

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- Ranked 2nd in private market share (Individual business)

- Recorded market share of 17.5% in Individual business (private industry), 6.7% (total industry)

Mumbai, May 7, 2013: [HDFC Life](#), India's leading private life insurance company, has registered a profit of Rs 451 crore in 2012-13. The company recorded 16% positive growth in new business premium income (Individual business), a respectable 20% growth in Group business, and 11% growth in total premium income.

Key Financial and Operational Highlights (2012-13):

- **New business premium income:** Positive growth of 16% to Rs 3,113 crore from Rs. 2,695 crore in 2011-12.
- **Renewal premium income (Individual business):** 9% increase to Rs 6,886 crore from Rs. 6,345 crore in 2011-12.
- **Total premium income:** Growth of 11% to Rs 11,323 crore from Rs 10,202 crore in 2011-12.
- **Market share:** Garnered market share of 17.5% (a gain of 200 basis points over previous year) in Individual business (private industry) in terms of Weighted Received Premia (WRP); Ranked number 2 amongst private life insurance companies (in Individual business).
- **Operating expenses ratio:** Achieved a tangible decline in expense ratio to 10.8%, one of the best in the private industry. Operating expense ratio was kept under control through various strategic initiatives. Despite focus on efficiencies, [HDFC Life](#) made significant investments in new channels, technology, branch refurbishments and international business, to position for growth in future.
- **Conservation ratio:** Focus on channels, products and customer-oriented initiatives along with well-defined premium reminder process have helped in maintaining the conservation ratio at 78%.
- **Assets Under Management:** 24% growth to Rs 40,108 crore as compared to Rs 32,254 crore in the previous year
- **Balanced product portfolio:** Maintained a balanced product mix with ULIPs contributing 61% and conventional business forming 39% of the APE (Annual Premium Equivalent) in the Individual business.
- **Diversified distribution mix:** Efforts to fortify and diversify channel mix yielded results with Bancassurance channel contributing 72%, Agency channel 16% and the remaining 12% by Broker, Direct and Online channels.



Announcing the company's financial results, **Mr. Amitabh Chaudhry**, MD& CEO, [HDFC Life](#), said, "2012-13 was one more year of the company consistently outperforming the industry growth rates in new business premium, reducing its operating expenses ratio, growing both individual & group premium, increasing renewals and improving new business margins. We have taken several steps to improve customer centricity, having rolled out a point-of-sale underwriting system 'Click2Buy'. We have also embarked upon a large technology-enabled transformation program that will make us more responsive to meeting customer and distributor needs. We continue to sell a balanced, profitable product mix and our speed to market has improved considerably as evidenced by ours being the first re-launched ULIP pension product to hit the market. We continued to grow our key channel partners, diversified our distribution mix and augmented our human capital during the year. Along with growth in our business, we will continue to work towards strengthening our risk management practices."

Vibha Padalkar, ED & CFO, [HDFC Life](#) said, "We have continued on our journey of becoming the preferred provider of long term insurance solutions for customers. Despite a tough macro-economic and regulatory environment, we have continued to both grow our operations and have invested for a sustainable future without a corresponding increase in operating expenses. The organization is also prepared for a smooth transition to the new product regime in 2013-14."

Glossary

Weighted received premium – The sum of first year regular premium and 10 percent weighted single premiums and single premium top-ups

First year premiums – Regular premiums received during the year for all modes of payments chosen by the customer which are still in the first year. For e.g. for a monthly mode policy sold in March 2012, the first installment would fall into first year premiums for 2011-12 and the remaining 11 installments in the first year would be first year premiums in 2012-13.

Renewal premiums – Regular recurring premiums received after the first year

Total premium – Total reported premium during the year including first year, single and renewal premium, for Individual and group business

Conservation ratio – Ratio of current year renewal premiums to previous year's renewal premium and first year premium

APE (Annualized Premium Equivalent) – The sum of annualized first year regular premiums and 10% weighted single premiums and single premium top-ups.

**About HDFC Life:**

Established in 2000, [HDFC Life](#) is India's leading long-term insurance solutions provider offering a range of individual and group insurance solutions that meet various customer needs such as [Protection](#), [Pension](#), [Savings](#), [Investment](#), and [Health](#). The company also offers [Women's Plans](#) to meet specific needs of [women](#). Customers have the added advantage of customizing plans, by adding optional benefits called riders, at a nominal price. The company currently has 32 retail and 10 group products in its portfolio, along with 10 riders.

We promote high integrity in business practices and shun short cuts and unethical practices, as we aspire to be the most trusted company, the easiest to deal with, and offer the best value for money. Since our inception, we have consistently focused on setting benchmarks in all aspects of insurance business.

[HDFC Life](#) continues to have the widest reach with about 500 branches in India touching customers in over 900 cities and towns. The company has also established a liaison office in Dubai. The company has a strong presence in its existing markets with a strong base of Financial Consultants.

HDFC Life is a joint venture between Housing Development Finance Corporation Limited (HDFC), India's leading housing finance institution and Standard Life plc, the leading provider of financial services in the United Kingdom.

For more information, please visit our website, www.hdfclife.com. You may also connect with us on [Facebook](#), [Twitter](#), [Youtube](#), [Linkedin](#), and [Google+](#).