

## PRESS RELEASE

# HDFC Life posts maiden profit of Rs 271 crore in 2011-12

*The company has registered 13% positive growth in total premium income to Rs 10,202 crore*

**Mumbai, May 2, 2012:** HDFC Life, one of India's leading private life insurance companies, has registered a maiden profit of Rs 271 crore in 2011-12. The company has recorded 13% growth in total premium to Rs 10,202 crore led by growth in renewal and group premium income.

### Key Financial and Operational Highlights (2011-12):

- **Total premium income:** Positive growth of 13% to Rs 10,202 crore from Rs. 9,004 crore in 2010-11
- **Renewal premium income** (Individual business): 29% increase to Rs 6,345 crore from Rs. 4,924 crore in 2010-11
- **Operating expenses ratio:** Over 450 basis points decrease at 11.5% as compared to 16.0% the previous year; Continuous monitoring and focus through strategic cost management initiatives have helped achieve the expenses reduction
- **Market share:** Garnered market share of 15.5% (a gain of 260 basis points in 2011-12) in individual business (private sector) in terms of Weighted Received Premia (WRP); Ranked number 2 amongst private life insurance companies (in individual & total business)
- **Conservation ratio:** Conservation ratio (individual business) at a very healthy figure of above 80% for the last two years
- **Assets Under Management:** 21.7% growth at over Rs 32,254 crore as compared to Rs 26,498 crore the previous year
- **Balanced product portfolio:** ULIPs contributed 56% and conventional policies 44% to the total individual business product pie
- **Diversified distribution mix:** Bancassurance channel contributed 73%, tied agency 19%, and the remaining by Direct and Broker channels.

Announcing the company's financial results, **Mr. Amitabh Chaudhry, MD& CEO, HDFC Life**, said, "I am extremely delighted and satisfied with our performance in 2011-12. The back book has started generating sufficient profits to offset the new business strain incurred on writing of new policies. This along with our consistent focus on cost monitoring and containment and focused efforts on conservation ratio have helped reduce the operating expense ratio over the last 3 years. We have launched several customer centric initiatives last year including the 'Most Important Document' to enhance product understanding among our customers and minimize mis-sale and the Financial Planning Tool for our distributors to offer comprehensive and scientific financial advice to customers. In fact, our consistent month-on-month performance and initiatives undertaken reflect in the 39 awards and recognitions received in 2011-12."

Vibha Padalkar, CFO, HDFC Life said, "Our customer centric approach brings the focus to maintain high persistency and comprises activities such as 'welcome calling' to ensure that the products we sell meet our customers' needs. These are then well backed-up by our after-sales service, wherein we engage with customers and educate them on the long-term benefits of staying invested in their life insurance products. We continue to work on engaging with customers, employees and partners better through improvements in technology, innovative and new products, active customer category management, and learning & development initiatives."

### **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 2011, the first installment would fall into first year premiums for 2010-11 and the remaining 11 installments in the first year would be first year premiums in 2011-12.

**Renewal premiums** - Regular recurring premiums received after the first year

**Total premium** - Total received 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

### **About HDFC Life:**

HDFC Life, one of India's leading private life insurance companies, offers a range of individual and group insurance solutions. It 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.

HDFC Life's product portfolio comprises solutions, which meet various customer needs such as Protection, Pension, Savings, Investment and Health. Customers have the added advantage of customizing the plans, by adding optional benefits called riders, at a nominal price. The company currently has 25 retail and 9 group products in its portfolio, along with 10 optional riders catering to the savings, investment, protection and retirement needs of customers.

HDFC Life continues to have one of the widest reaches among new insurance companies with about 480 branches in India touching customers in over 900 cities and towns. The company has also established a liaison office in Dubai. HDFC Life has a strong presence in its existing markets with a strong base of Financial Consultants.