

## HDFC Standard Life Declares Results for FY2007-08; New Business Premium Income grows by 63%

**May 14, 2008, Mumbai:** HDFC Standard Life, one of the leading private life insurance companies in India declared its annual results for the financial year ending March 31, 2008. The company generated New Business Premium Income of Rs. 2,685 crores in FY2007-08 registering a year-on-year growth of 63%. The growth was primarily driven by the success of the company's initiative on structured sales processes based on customer needs and their assessments.

Mr. Deepak Satwalekar, MD & CEO, HDFC Standard Life attributed this growth to the quality of life insurance solutions offered by the company and its increased geographical reach. He also emphasised, "We believe that our success is a result of our efforts in giving customers, the best long-term solutions to take care of their insurance needs. Our endeavour to provide high quality insurance and pension solutions to customers through quality pre-sales advice, based on a sound need-based solutions approach, and post-sales service has started to pay off."

### Highlights of Financial Year 2007-08

- New Business Premium Income up by 63% to Rs. 2,685 crores. Total Premium Income is up by 70% at Rs. 4,859 crores as against Rs. 2,856 crores in FY2006-07
- Alternate Channels including bancassurance has recorded an impressive growth of over 63% to contribute 41% to the Effective Premium Income (EPI)
- Group business funds under management have increased to Rs. 959 crores, registering a growth of 83% over FY2006-07
- The average premium has increased to Rs. 33,000
- Company products and services are now available in 726 cities and towns across the country
- Strength of Financial Consultants has increased to 1,45,000.

HDFC Standard Life tracks its New Business Premium on the basis of Effective Premium Income (EPI). EPI is calculated by giving only a 10% value to a Single Premium policy and is an internationally accepted indicator of an insurance company's performance. The total premium income (including renewal premium) grew by 70% to touch a figure of Rs. 4,859 crores. High levels of persistency have resulted in higher level of renewal premiums. Although there has been a slight dip from 89% to 86%, we continue to have the highest persistency level in the industry. The cumulative sum assured for all policies issued upto March 31, 2008 crossed Rs. 87,000 crores.

In offering unit linked products, the structured sales process adopted by the company has paid rich dividends. "We believe that we should be able to lengthen the maturity profile of our policy portfolio, now that the regulatory disincentive has been removed with effect from April 1, 2008," added Mr. Satwalekar. HDFC Standard Life offers, both, life insurance policies as well as pension products on a unit linked platform as also the conventional 'with profits' platform.

Over 50% of the sum assured as on March 31, 2008, is in respect of non unit-linked policies. Over 30% of funds under management are in respect of non-linked business, which reflects the balanced book between conventional and unit-linked business in the total portfolio of the company.

The company's national relationships with large public and private sector banks have also helped it reach out to a larger number of customers across the country. The company plans to further strengthen these relationships through the introduction of products specially designed for this channel.

HDFC Standard Life continues to have one of the widest reaches among new insurance companies. The company strengthened its number of offices from 103 to 572 across the country in less than 3 years. Through these offices, the company today services customer needs in over 726 cities and towns. The company also increased its depth in existing markets by increasing its Financial Consultant strength from 74,000 as on March 31, 2007 to 1,45,000 as on March 31, 2008. There has been a huge jump of 300% over the last 3 years in the number of its Financial

Consultants who have qualified to become members of the prestigious Million Dollar Round Table (MDRT) Club. The strength of MDRT qualified members has gone up to 496 as on December 31, 2007.

As against the regulatory requirement of writing 18% of all policies in rural areas, HDFC Standard Life has issued over 217,000 policies accounting for 23% of all policies issued during 2007-08. Additionally, during 2007-08, HDFC Standard Life has covered 51,326 lives under the social sector category, as against the requirement of 25,000 lives. Overall, the company has covered over 9,59,000 lives during the year ending March 31, 2008.

To meet the demands arising from the company's rapid growth, shareholders have contributed additional Rs. 470 crores of equity to take the paid-up share capital as on March 2008 to Rs. 1,271 crores.

**About HDFC Standard Life:** HDFC Standard Life is one of India's leading private life insurance companies, which 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 Standard Life's** Product portfolio comprises solutions, which meet various customer needs such as Protection, Pension, Savings, and Investment. Customers have the added advantage of customizing the Plans, by adding optional benefits called riders, at a nominal price. The company currently has 21 retail and 6 group products in its portfolio.

**HDFC Standard Life** maintains very high professional standards during product offerings by providing sound financial advice, efficient post-sale service, and immaculate financial security. Ongoing training for conventional products, and specialized training, for unit-linked products, for its financial consultants, has also helped its customers choose the product, best suited for their needs.