

HDFC Standard Life registers robust Q1 performance with 63% growth in first year premium

Achieves 2nd position and increases market share to 12% amongst private life insurance players

Key Highlights:

- 63.0% growth in first year premium received to Rs. 692.7 crore in Q1 2010-11 from Rs. 424.9 crore in Q1 2009-10
- 47.8% growth in total premium received to Rs. 1478.9 crore in Q1 2010-11 from Rs. 1000.5 crore in Q1 2009-10 with a 51.3% share of renewal premium
- 38.3% growth in renewal premium income to Rs. 758.9 crore in Q1 2010-11 from Rs. 548.8 crore in Q1 2009-10
- Market share (of weighted received premium) increased to 12.0% in Q1 2010-11 from 7.4% in Q1 2009-10
- Conservation ratio (of individual business) improved substantially to 83.5% in Q1 2010-11 from 61.9% in Q1 2009-10
- Assets under management (AUM) as of 30th June 2010 registered 116% growth to Rs. 22,298 crore from Rs. 10,307 crore as on 30th June 2009.

Mumbai, August 17, 2010: HDFC Standard Life, one of India's leading private life insurance companies, registered a robust Q1 2010-11 performance against a fast changing regulatory backdrop. The first quarter growth was coupled with lower operating expense and commission ratios and a steady rise in the conservation ratio.

On the company's stupendous growth, **Mr. Amitabh Chaudhry, MD & CEO, HDFC Standard Life**, said, "I am extremely satisfied that in spite of the challenges in the market, we have registered a fantastic first quarter. We have been successful in significantly lowering our expense ratio to 23.1% in Q1 2010-11 from 30.4% in Q1 2009-10. With a skew in premium income towards the latter half of the year, the operating expense ratio is expected to reduce further during the course of the year. Our total commission ratio also fell to 6.8% from 8.2% with a corresponding fall in new business commissions to 12.2% from 15.9%. Our conservation ratio also improved substantially, which indicates our customers' continued focus on life insurance as a long-term investment vehicle."

Mr. Chaudhry further added that the company ended the first quarter with an Indian GAAP loss of Rs 75.1 crore primarily due to new business strain caused by a strong growth in new business premium.

"We continue to focus on the industry's long-term story. We would invest in nurturing new business channels, improving customer service and making our distribution channels more productive. While we would persist in rationalising resources deployed by us, we would also ensure that we retain our strengths of distribution, reach and a strong sales force," concluded Mr. Chaudhry.

Glossary

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 2009 the first installment would fall into first year premiums for 2008-09 and the remaining 11 installments in the first year would be first year premiums in 2009-10

Renewal premiums – Regular recurring premiums received after the first year

Commission ratio – Ratio of total commissions paid out on first year, single and renewal premiums to total premiums

Operating expense ratio – Ratio of operating expenses excluding service tax to total premiums

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

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

About HDFC Standard Life:

HDFC Standard 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 Standard 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 their plans, by adding optional benefits called riders, at a nominal price. The company currently has 32 retail and 4 group products in its portfolio, along with five optional rider benefits catering to the savings, investment,

protection and retirement needs of customers. HDFC Standard Life continues to have one of the widest reaches with 538 branches servicing customer needs, along with a strong base of Financial Consultants.

For additional information, please contact:

Alethea Fernandes | Pavan Sahu

Hanmer MS&L Communications Pvt Ltd.

9920063248 | 9920207218