

For Immediate Release

Kotak Life Insurance Records Profit of 18.5 crores, Growth of 39% in Q3-FY10

Mumbai, February 2, 2010: Kotak Mahindra Old Mutual Life Insurance Limited (Kotak Life Insurance) announced a profit of Rs. 18.52 crores in the period Oct-Dec 2009 (unaudited).

The company recorded growth of 39 per cent in Total Received Premium Income to Rs. 711.62 crore during the period Oct-Dec 2009 from Rs. 511.64 crores in the corresponding period previous year.

The Individual New Business Premium has grown from Rs. 247.5 crores in the period Oct-Dec 2008 to Rs. 299.3 crores in the period Oct-Dec 2009, a growth of 22 per cent. Renewal income witnessed a 59 per cent jump and grew to Rs. 372 crores in the Oct-Dec 09 period from Rs. 233.2 crores in the corresponding period last year.

Year to Date

The company recorded a profit of Rs. 33.9 crores in the period Apr-Dec 2009 as compared to a loss of Rs. 25.3 crores for the corresponding period in the previous year. The company has been able to improve its profit performance substantially and make profit due to lower New Business strain and cost reduction on the back of calibrated expansion. For the year 2008-09, the company posted its first ever profit of Rs 14.5 Cr. The gross premium has increased by 20% to 1730.9 crore in the period Apr-Dec 09 from 1437.3 crore in the corresponding period the previous year.

Commenting on the performance, Gaurang Shah, Managing Director, Kotak Life Insurance, said, "That we have achieved this in a challenging economic environment, attests the soundness of business decisions we have taken over time, which among others include introduction of innovative products and servicing structures, rationalization of costs and delivery mechanisms, a strong technology backbone, improving process efficiencies and creating a strong customer focused culture. This has been a year of consolidation over the performance in the last fiscal, where we were among the select few Life Insurers in the country to declare a profit"

Key Highlights:

- Profit of Rs. 18.5 crores in Q3 FY -09; YTD profit Rs. 33.9 crores
- Total Premium jumps by 39% from Q3 FY -09 to 711.6 crore
- Increased branch network to 214 branches across 152 cities in India in Dec 2009
- Total AUM crossed Rs. 5924 crores in Dec 2009 from Rs. 3374 crores in Dec 2008. (AUM has crossed the Rs. 6000 crores mark in Jan 2010)
- No infusion of fresh capital since Aug'08. Capital Base stands at Rs. 562 crores
- Solvency ratio is at a healthy 3.05, as against the statutory requirement of 1.50
- Number of policyholders crossed 1 million and total life covered 2.4 Million

About Kotak Mahindra Old Mutual Life Insurance

Kotak Mahindra Old Mutual Life Insurance is a 74:26 joint venture between Kotak Mahindra Bank Ltd., its affiliates and Old Mutual plc. A company that combines its international strengths and local advantages to offer its customers a wide range of innovative life insurance products, helping them take important financial decisions at every stage in life and stay financially independent. The company is one of the fastest growing insurance companies in India and has shown remarkable growth since its inception in 2000. Kotak Life Insurance employs around 6,213 people in its various businesses and has 214 branches across 152 cities.

The Kotak Mahindra Group

The Kotak Mahindra group is one of India's leading banking and financial services organizations, with offerings across personal financial services; commercial banking; corporate and investment banking and markets; stock broking; asset management and life insurance. The Kotak Group has a net worth of Rs. 7,509 cr and has a distribution network through branches, franchisees, representative offices and satellite offices across cities and towns in India and offices in London, New York, San Francisco, Singapore, Dubai and Mauritius, servicing around 6.7 million customer accounts.

Old Mutual plc

Old Mutual plc is an international savings and wealth management company based in the UK. Originating in South Africa in 1845, Old Mutual is a Global 500 and FTSE 100 company, listed in UK, South Africa and other 3 African exchanges. The group has a balanced portfolio of businesses offering Asset Management, Life Assurance, Banking and General Insurance Services in over 40 countries, with a focus on South Africa, Europe and the United States, and a growing presence in Asia Pacific.

** Numbers as on 31st December 2009*

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