

News monitored for: Canara HSBC Life

'Aiming to increase AUM to ₹20K crore in 3 years'

Canara HSBC Oriental Bank of Commerce Life Insurance is planning to come out with new products in a bid to increase penetration among its prospective customer in the three banks that own stakes in the insurer. With a target to grow customer base by 40-50 per cent, the company is looking at managing assets worth Rs 20,000 crore in three years, company chief executive officer Anuj Mathur told Kumar Shankar Roy in an interview. Excerpts:

■ How does your premium book look in terms of different products split? How and where do you want to grow this by March-end 2017?

We have a good mix of products in both Ulip and traditional space which covers needs such as wealth accumulation, planned guaranteed payouts, and guaranteed monthly income. Our top selling products are Ulip endowment and traditional money back. We are looking at increasing our product suite to cover new product categories such as pension and annuities, traditional lump-sum savings and savings for children's education.

We are targeting to grow the business 40 per cent 50

per cent by end of FY17. This would be achieved by increasing sales capacity, increased operational efficiency and focus on the digital market. We are extremely positive on our business and have full support of our shareholders and partner banks to proceed on this path directionally.

■ The way financial sales happen is undergoing a paradigm shift. In this digital world, how are you positioning your company to drive growth and acquire customers?

The digital market is growing and there is no denying the fact that this will have a significant contribution to our company's revenue line in the future. We have taken initial steps of gearing up our infrastructure to cater to this very different set of customers and market. Technology, product suite, increased visibility on the web world, social media presence and the associated support system has been spruced up to suit the market and the target segment.

The New Year will see a heightened presence and activity of our company as we target up to 10 per cent of our revenue in the short-term from this channel. Having said so, we are also mindful of the fact that the digital world is evolving. The consumer decision making and buying pattern is evolving from the traditional physical-physical to a mix of digital-digital, digital-physical and physical-digital. We recognise this change in



preference and have accordingly pruned our systems (most importantly thinking process) thus working towards aligning the entire set of processes and services with this reality.

■ How much have promoters invested in Canara HSBC Oriental Bank of Commerce Life Insurance so far?

Our company was launched in June 2008 and is jointly owned by two of India's largest public sector banks, Canara Bank (holding 51 per cent), Oriental Bank of Commerce (23 per cent), and HSBC Insurance (Asia-Pacific) Holdings (26 per cent), the Asian insurance arm of HSBC. The company's paid-up capital is Rs 950 crore and our profit for the last fiscal year was Rs 103 crore.

■ When can we expect HSBC to up their stake in the life insurance company?

It's for the shareholders to decide, so no comments.

■ What is the AUM of Canara HSBC Oriental Bank of Commerce Life Insurance? How has it grown over the last three years? Where do see it by 2020?

Our AUM has steadily grown at a CAGR of 48 per cent over the last few years to reach Rs 9,600 crore (as on November 30 2015). This growth rate is a clear testimony to the confidence placed by our customers in us. In line with our business plans where we attempt to grow our customer base by 40 per cent-50 per cent, we are aiming to increase our AUM to Rs 20,000 crore in three years..

■ How does your product pipeline look? Are you looking at launching totally new products that address unmet needs?

Our product pipeline looks very healthy in terms of various category of products (traditional & Ulip). These have been filed with the regulator and should be available for launch in next 3-6 months. The new set of products will have a sharper proposition to address customer needs like retirement planning, protection, planning for child's education and guaranteed savings for lump-sum needs. These new product introductions will enhance the product suite significantly especially in the traditional space & will help us increase the penetration amongst our prospective customer base in the three banks (Canara, HSBC & OBC).

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