



with Oriental Bank of Commerce

## **Canara HSBC Oriental Bank of Commerce Life Insurance Celebrates Successful First Year of Operations**

### **Breaks into Top Ten Private Life Insurers**

**New Delhi, June 16th, 2009:** Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited – a partnership between two of India's largest public sector banks, Canara Bank and Oriental Bank of Commerce, and HSBC Insurance (Asia Pacific) Holdings Limited has completed a successful first year of operations. The company began its operations in June 2008.

At a press conference today in Delhi, Canara HSBC Oriental Bank of Commerce Life Insurance Company's Chairman, Mr A C Mahajan, also Chairman & MD, Canara Bank, Mr Alok Misra, Chairman & MD, Oriental Bank of Commerce, Ms Naina Lal Kidwai, Group General Manager and Country Head, HSBC India and Mr Harpal Karicut, Chief Executive Officer, Canara HSBC Oriental Bank of Commerce Life Insurance Company addressed the media on the Company's impressive performance over the last one year and its future plans.

Speaking on the occasion, Mr A C Mahajan, said, "As per the latest IRDA data available for April 2009, in less than one year of operations, Canara HSBC Oriental Bank of Commerce Life Insurance Company has been ranked ninth amongst twenty one private players in terms of market share on WPI basis (Weighted Premium Income). The Company also had the best sales performance in April 2009 over March 2009 of any insurer."

He added, "We are buoyed by the clear potential of the market and are driven by the extremely encouraging demand for Canara HSBC Life Oriental Bank of Commerce Insurance products. At launch the Company was capitalized at Rs 325 Crores and in December 2008, the shareholders infused a further Rs 200 Crores – increasing the current capital base to INR 525 Crores. The Company's three shareholders will be infusing more capital in the current fiscal to support the Company's growth.

Further, Canara Bank and Oriental Bank of Commerce will also be more than doubling their distribution capacity this fiscal by increasing their SPs (Specified Persons<sup>1</sup>) from 579 to over 1300. Beyond this, the Company is also seeking regulatory approval to appoint the following Regional Rural Banks as its Corporate Agents: Shreyas Gramin Bank, Pragathi Gramin Bank and South Malabar Gramin Bank. These three banks have over 750 branches and 7 million customers mostly in the Social Sector. With HSBC, we are exploring distribution opportunities with Investsmart (HSBC acquired 93.86 per cent of IL&FS Investsmart Limited, a leading retail brokerage in India)."

Ms Naina Lal Kidwai, said: "In its strong first year's showing, Canara HSBC Oriental Bank of Commerce Life Insurance Company has kept the customer top priority. We are proud and delighted to be serving such a vibrant market and have seen unprecedented response from customers.

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In a market that is yet inadequately insured, we are striving to meet the need that every Indian has for insurance. In this journey we are aided by our strong distribution model and are confident that these initiatives will enable us to achieve our goal of taking life-insurance to large sections of the society and help us evolve as a best in class insurance player in the market.” Giving details on the Company’s performance she said, “The attractiveness of our products and the acceptance that they have met with reflects in our numbers. We have collected an impressive premium of Rs 374.9 crore between June 2008 and May 2009; number of policies sold being more than 43,000 since our launch in June 2008 and today we have ten products on offer.”

Commenting on the product portfolio, Mr Alok Mishra added, “Canara HSBC Oriental Bank of Commerce Life Insurance Company understands that today innovation is a key differentiator. Keeping market and demand forces in mind, we have developed and launched new products on an average, every six weeks. Six unit linked investment and four traditional products have been introduced to customers.”

He added, “We have just launched Saral Bima this month. Saral Bima is slated to be one of our flagship products. This product is tailored to meet the investment cum insurance needs of our customers in the semi-urban and rural cities. It has a one page application form and requires no medicals and we aim to issue policies to customers within one day of receiving premiums which can be as low as Rs 6,000 per annum. This plan has loyalty additions and partial withdrawal facility valued by this customer segment. Early sales have ensured this will become our fastest selling product.”

Operating a bancassurance model, Canara HSBC Oriental Bank of Commerce Life Insurance Company has exclusive access to the customer bases of both the public sector banks, Canara Bank and Oriental Bank of Commerce, and of HSBC in India. Together this means around 50 million potential customers and a pan-India network of over 4,100 branches. Currently, the Company’s products are available through around 600 branches.

**About Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited ([www.canarahsbclife.com](http://www.canarahsbclife.com))**

Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited was launched in June 2008 and is jointly owned by two of India’s largest public sector banks – Canara Bank (holding 51%) and Oriental Bank of Commerce (23%) – and HSBC Insurance (Asia Pacific) Holdings Limited (26%), the Asian insurance arm of one of the world’s largest banking and financial services groups – HSBC.

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### **About Canara Bank**

Canara Bank, established in 1906, is today one of the largest nationalised banks in India in terms of aggregate business comprising of deposits and loans. It has an asset size valued at about Rs.219645.80 crores and global business valued at Rs.325112 crores as on 31 March 2009. 73.17% of the Bank's ownership is with the Government of India. Known for its strong fundamentals and sound business policies, Canara Bank has the distinction of posting profits every year since inception. The bank has a network of over 2,734 branches nationwide and 44,090 employees serving nearly 35 million customers. It has a credit rating of BBpi and AAA/stable from Standard & Poor's and CRISIL (Credit Rating Information Services of India Limited) respectively. The bank offers today a host of e-enabled delivery channels, including 2,019 ATMs, 2,065 Anywhere Banking Branches and 1,359 branches offering Internet and mobile facilities.

### **About HSBC**

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 9,500 offices in 86 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa. With assets of US\$2,527 billion at 31 December 2008, HSBC is one of the world's largest banking and financial services organisations.

### **About Oriental Bank of Commerce**

Oriental Bank of Commerce's business mix on 31st March 2009 stood at Rs. 1,67,434 crore. It has 1401 branches, 845 ATMs and over 14600 employees. It serves over 12 million customers. The India Government owns 51.1% of Oriental Bank of Commerce, which has a credit rating FAAA from CRISIL.

Notes:

1. Specified Persons: Licensed person to sell insurance by the IRDA