

P R E S S R E L E A S E

For immediate release

Canara HSBC Oriental Bank of Commerce Life Insurance Garneres Rs 171 Crore in March in Gross Written Premiums Closes Fiscal 2009-10 with Rs 861 Crore

- *Recorded 189% growth in FY 2009-10 over the previous fiscal*
- *Crossed Rs 1000 crore in gross written premiums since launch in June 2008 – fastest player in the industry to achieve this milestone*
- *Comfortably exceeded both rural & social sector regulatory obligations*
- *Crossed Rs 1000 crore of AUM (Assets Under Management)*
- *Plans to increase capital base from Rs 625 crore to Rs 925 crore in FY 2010-11 to support business growth*

New Delhi, April 13, 2010: Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited – a joint venture between two of India’s largest public sector banks, Canara Bank and Oriental Bank of Commerce, and HSBC Insurance (Asia Pacific) Holdings Limited, has joined the big league of life insurance players by breaking through Rs 100 crore of new business in a month. The Company garnered Rs 171.1 crore in March, closing fiscal 2009-10 with Rs 861.3 crore in gross written premiums, recording a growth of 189% over FY 2008-09.

Canara HSBC Oriental Bank of Commerce Life Insurance Company’s business in terms of gross written premiums stood at Rs 1160 crore since launch in June 2008. The Company has underwritten 135,585 policies since inception.

Mr. Harpal Karicut, Chief Executive Officer, Canara HSBC Oriental Bank of Commerce Life Insurance Company, said: “It is indeed encouraging to see the Company on a strong growth trajectory in such a short span. Our achievement is the result of the commitment of our shareholders and employees in positioning the Company as a strong private life insurance player in a tumultuous yet competitive 2009.”

Operating a pure 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. This comprises more than 48 million customers and a pan-India network of over 4,400 branches. Currently, the Company’s products are available through around 900 branches of the three banks.

Mr Karlcut added, “This further testifies the scale of untapped potential among the large customer base of Canara Bank, Oriental Bank of Commerce and HSBC. We are confident that our strong distribution model, research-based products and customer centric initiatives will enable us to achieve our goal of taking life insurance to a large section of the society and help us evolve as one of the top insurance players in the market.”

The bancassurance model has enabled the Company in reaching out to customers from the rural and social sectors where the regulatory minimum required levels of sales have been exceeded for FY 2009-10.

Mr Karlcut added, “The Company is strongly committed to deliver need-based, affordable insurance solutions to the rural population, the social sector and economically weaker sections of the society, especially those who have none or very little access to organized financial services.”

Canara HSBC Oriental Bank of Commerce Life Insurance Company’s assets under management stood at Rs 1170 crore as on 31st March 2010. In FY 2009-10, the Company through its prudent investment strategy demonstrated consistent fund performance, exceeding benchmarks across all funds.

In order to meet its expansion plans, the shareholders have plans for further capital infusion of Rs 300 crore in FY 2010-11. This will take the total capital base from Rs 625 crore to Rs 925 crore.

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About Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited **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.

The Company operates a pure bancassurance model and has exclusive access to around 48 million customers and a pan-India network of over 4,400 branches of Canara Bank, HSBC and Oriental Bank of Commerce.

The formidable distribution strength and in-depth local market knowledge of Canara Bank and Oriental Bank of Commerce coupled with the considerable insurance experience, product range and proven bancassurance capabilities of HSBC make this an unparalleled union of financial strength, expertise and most importantly, trust.

Canara HSBC Oriental Bank of Commerce Life Insurance Company understands that today innovation is a key differentiator. Keeping market and demand forces in mind, the Company currently offers 7 products - 3 unit-linked and 4 traditional. Individual products include Stay Smart Plan, Retire Smart Plan, Saral Bima Plus, Pure Term and Immediate Pension. Group Products include Group Term and Group Loan Protection.

The Company currently has 29 offices across the country (in 27 cities) to provide necessary training and coaching support to the bank staff and ongoing service support to over 900 bank branches (with SPs) selling its products in 316 locations. Out of 316 locations, around 80 locations are in semi-urban and rural areas.

In December 2009, the Company tied up with two Rural Regional Banks (RRBs) – Pragathi Gramin Bank in Karnataka and Shreyas Gramin Bank in Uttar Pradesh – to deliver affordable insurance solutions to address the needs of the rural population, the social sector and economically weaker sections of the society, especially those who have none or very little access to organised financial services. Through a strong network of around 550 branches of the two RRBs, Canara HSBC Oriental Bank of Commerce Life Insurance Company will reach out to more than 4.6 million customers in addition to the existing customer base of 48 million.

The backbone of the Company's operations is a highly IT-enabled business model and policy administration system, including 'E-Application' which has replaced physical application forms required during sales. This has resulted in higher quality and faster policy issuance.

The Company is the fastest Indian life insurance company to cross Rs 500 crore and Rs 1000 crore in weighted premium income till date and it also has the Highest Average Premium (GWP) in the industry for individual business since launch.

Since launch on June 16, 2008 to March 31, 2010, the Company's business in terms of Gross Written Premium (GWP) stood at Rs 1160 crore and the number of policies sold are 1,35,585.

The Company's total capital base currently stands at Rs 625 crore.

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