

PRESS RELEASE

For immediate release

Canara HSBC Oriental Bank of Commerce Life Insurance Records 82% Growth in FY 2010-11 through Bancassurance Amongst the few private players to post positive growth in new business

- *Garnered Rs 265 crore in March 2011 and closed FY 2010-11 with Rs 1532 crore in gross written premiums**
- *Positioned amongst the top 10 private players in terms of weighted new business premium income in less than 3 years of launch***
- *Exceeded the rural and social regulatory minimum required levels of sales for FY 2010-11*
- *Maintains the highest 13th month persistency ratio amongst private players****

New Delhi, April 19, 2011: 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 recorded 82% growth in FY 2010-11 over the previous fiscal. The Company is also one of the few private players that has posted positive growth in new business in the fiscal.

Canara HSBC Oriental Bank of Commerce Life Insurance Company garnered Rs 265 crore in March and closed FY 2010-11 with Rs 1532 crore in gross written premiums. The Company issued over 1,11,000 policies in the fiscal. The Company is now comfortably positioned amongst the top 10 private players in terms of weighted new business premium income in less than 3 years of operations.

Focusing exclusively on distributing through its shareholders and their associated companies, the Company’s achievements testify the strength of the bancassurance model in efficiently reaching both urban and rural customers along with the corporate segment of the distributing banks.

Mr. John Holden, Chief Executive Officer, Canara HSBC Oriental Bank of Commerce Life Insurance Company, said, “The Company’s consistent growth is a result of the efficient bancassurance model of distribution, high quality sales leading to the trust of the customers and the commitment of our shareholders and employees in positioning the Company as a strong private life insurance player in the year of significant regulatory changes.”

Mr Holden added, “All products have been designed on the basis of insights gathered through extensive customer research. Impressive support from our shareholder banks, together with simple processes that are well integrated with the distributors, has resulted in the remarkable year-on-year growth for the Company.” Canara HSBC Oriental Bank of Commerce Life Insurance 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 no or very little access to organized financial services. The Company exceeded the rural and social regulatory minimum required levels of sales for FY 2010-11.

* Gross written premiums are net of service tax

** As per latest IRDA data available up to February 2011

*** As per data available up to December 2010

Mr Holden further added, “Through our bancassurance model we have increased our proximity to the rural hinterland. Apart from the rural markets of the three main distributing banks, our tie up with three Rural Regional Banks (RRBs) – Pragathi Gramin Bank in Karnataka, Shreyas Gramin Bank in Uttar Pradesh and South Malabar Gramin Bank in Kerala has resulted in 23% of the total policies issued in FY 2010-11 from rural areas.”

Along with the growth in new business, Canara HSBC Oriental Bank of Commerce Life Insurance Company continued to maintain the highest 13-month persistency ratio amongst private players.

Mr Holden added, “One of the key metrics of quality of sales and customer satisfaction is persistency. High persistency is a reflection of the customers’ trust in the Company and satisfaction with its products and services. In the present environment, persistency will play an important role to help the Company grow at a profitable rate and achieve a faster break-even.”

In the current fiscal, the Company will continue to focus on expanding its product portfolio to support the customers of distributor banks. In addition, it seeks to retain its market-leading persistency record and will seek to provide further support for the rural and social markets.

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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 has exclusive access to around 53 million customers and a pan-India network of over 4600 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. Based on market demand and customer preferences, the Company currently offers 10 products - 4 unit-linked and 6 traditional. Individual unit-linked products include Grow Smart Plan, Dream Smart Plan, Future Smart Plan and Insure Smart Plan and traditional products include Secure Smart Plan, Pure Term Plan and Immediate Pension Plan. Group Products include Group Term Plan, Group Loan Protection Plan and Group Traditional Plan on traditional platform.

The Company currently has 29 offices across the country (in 27 cities) to service customers, provide necessary training and coaching support to the bank staff and ongoing service support to around 800 bank branches (with SPs) selling its products in 316 locations. Out of 316 locations, around 80 locations are in semi-urban and rural areas.

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 no or very little access to organised financial services, the Company tied up with three Rural Regional Banks (RRBs) – Pragathi Gramin Bank in Karnataka, Shreyas Gramin Bank in Uttar Pradesh and South Malabar Gramin Bank in Kerala. Through a strong network of around 790 branches of the three RRBs, Canara HSBC Oriental Bank of Commerce Life Insurance Company will reach out to more than 7 million customers in addition to the existing customer base of 53 million.

Canara HSBC Oriental Bank of Commerce Life Insurance Company is the fastest Indian life insurance company to cross Rs 500 crore, Rs 1000 crore and Rs 1500 crore in weighted premium income till date.

Since launch on June 16, 2008 to March 31, 2011, the Company's business in terms of Gross Written Premium (GWP) stood at Rs 2670 crore and the number of policies sold are 2,46,451.

As on March 31, 2011, the Company's assets under management (AUM) stood at Rs 2740 crore.

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