

PRESS RELEASE

Canara HSBC Oriental Bank of Commerce Life Insurance achieves cumulative break-even & a net profit of INR 165 crore for FY2018-19

Performance driven by

- Sustainable business model
- Customer centric approach
- High persistency
- Distribution strength

Gurugram, 15th May 2019: Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited announced their results for the financial year 2018-19 reporting a net profit of Rs 165 crore and at the same time has completely wiped off their accumulated losses.

Key Highlights of Company performance for the Financial Year 2018-19:

- New business premium income grew by 19% at Rs1460 crores in FY 2018-19 vs Rs 1228 crores in previous year.
- Over the last three years (2015-16 to 2018-19), the Company's individual new business premium (weighted premium income) has grown at a compounded annual rate of 27% while the overall industry has grown by 16%.
- The Company's gross written premium has increased by 26% from Rs 2781 crores in FY17-18 to Rs 3491 crores in FY18-19.
- Our business is having an Embedded Value of Rs 2,575 crores as the March 31, 2019
- The Company's 13th month persistency stands at 80.9%, and 61st month stood at 46%, both has grown up by 3% compare to previous year.
- The Company's overall (Individual plus group) claim settlement ratio is at 98%
- Operating expense ratio has improved to 11.8% from 13.3% in previous year
- Assets under management (AUM) is Rs 14,854 crore as on March 31, 2019
- The company's solvency margin is 394% as on March 31, 2019
- Over 25 lakh lives covered under Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)
- Launch Webassurance which is significant step towards providing the bank's customers a one-stop, convenient online solution empowering customers to address their financial needs through a completely digital and paperless process on the Insurance Self Network platform (ISNP)
- The Company has very recently operationalized Robotic Process Automation (RPA) in certain business processes for speed and agility

The company has been following a bancassurance led model since inception and it has been successful in growing the bancassurance business with active support from its partner banks. In recent times, the Company has also enhanced its focus on growing its digital

business and business through direct sales channel. The Company has deployed various analytical and propensity models for collections leading to significant increase in the persistency rates across various buckets.

During the year, the Company had launched many new products in line with the needs of its target customers. The company has launched its first health product 'Health First Plan' which also marks its foray into health space. It has also launched 'Invest 4G', a highly cost-efficient online unit-linked plan with no allocation or administration charges. Apart from this, Guaranteed Income Plan and Guaranteed Savings Plan were introduced to offer long term benefits with regular guaranteed income. Further, the Company had aligned its distribution strategy to focus on the higher penetration through mass market products like POS Easy Bima and POS Easy Bachat (Point of Sale product).

The Company continues to embrace newer technologies to drive efficiency & productivity in its processes, enabling process simplification and continued enhancement to customer experience and delight. Some of the initiatives include:

- Tablet based sales process including automated Financial Need assessment to offer a seamless and integrated paperless on boarding & servicing experience to its customer and connecting its wide distribution network
- IVR Servicing solutions offering varied self servicing options to its customers
- Enhanced online mobile responsive customer portal for servicing on the go
- Competitive product offerings for digital customer segment across its product suite of traditional, unit linked and health offerings

Announcing the Company's financial results, Mr R A Sankara Narayanan, Managing Director & Chief Executive Officer, Canara Bank and Chairman, Canara HSBC Oriental Bank of Commerce Life Insurance said, *"As a Chairman and major shareholder, I am delighted to announce that our Company continues on a profitable growth trajectory while a lot has changed in the last ten years. We three partner banks enjoy significant trust amongst our customers and this has helped the company while offering solutions."*

Speaking about Canara HSBC Oriental Bank of Commerce Life Insurance, Mr Narayanan further added, *"We are a customer centric organization and strongly believe in providing protection and creating value for the customer at every stage of their life cycle. Our aim is that the proposition to customer must be market competitive and provide a long term value creation. Financial inclusion is an important agenda of the Government of India. We have strong tie-ups with regional rural banks to increase our penetration and make our products available to rural customers. Through the distribution of our partner banks, we are able to reach out to the customers in tier 2 & 3 and we continue to expand business growth in these cities."*

Commenting on the financial results of the Company, Mr Anuj Mathur, Managing Director & Chief Executive Officer, Canara HSBC Oriental Bank of Commerce Life Insurance said, *"The last one year has been extremely good for us in terms of growth of overall business, our*

persistence numbers have also gone up compared to the previous year. We had taken various strategic initiatives during the year to progress on the growth path. Our Company has completed ten years of operations and has successfully wiped off accumulated losses. Our focus is to develop products customized to the requirements of our customers. Prime Minister's schemes like PMJJBY have been a big boost towards insurance inclusiveness. Further this year, our key focus area also will be on transformation in our business processes. We are exploring various avenues wherein we can digitally integrate with our partner banks to make life insurance a part of their product offerings for the customers."

About Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited

Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited was launched in June 2008 and is jointly owned by two of leading 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 access to around 115 million customers and a pan-India network of over 10,000 branches of Canara Bank, HSBC, Oriental Bank of Commerce and other partner banks. The vast infrastructure of all the banks enables distribution and accessibility of insurance products across the entire country, leading to greater convenience for customers and increasing insurance penetration across the markets (urban, semi urban, rural) of the country thus, contributing to the protection needs of the country.

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