

8 May 2008

CANARA HSBC ORIENTAL BANK OF COMMERCE LIFE INSURANCE RECEIVES INSURANCE LICENSE FROM IRDA

Gurgaon (New Delhi) / Bangalore: Canara Bank, HSBC Insurance (Asia-Pacific) Holdings Limited and Oriental Bank of Commerce have today been granted a license by the Regulator (Insurance Regulatory and Development Authority) to jointly launch a life insurance company in India.

The new company, to be called Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited, has already been capitalised at Rs 325 crore (approximately US\$81 million).

Shri MBN Rao, Chairman and Managing Director of Canara Bank and Chairman of the Board of the Company, said: "All the shareholders are deeply committed to the Indian life insurance market and are pleased to receive the certificate of registration. Alongside the regulatory approval, a project team has been established in Gurgaon to build the significant operational and sales support capability that will be needed to serve the immense distribution reach of the shareholders."

David L Fried, Chairman and Chief Executive Officer of HSBC Insurance (Asia-Pacific) Holdings Limited, added: "With the support of Canara Bank and Oriental Bank of Commerce and HSBC's insurance expertise, we have made significant progress in getting the Company ready to operate. All three shareholders are committed to ensuring that the new company is operated to world-class standards and is competitive in India's fast-growing insurance market."

Shri Alok K Misra, Chairman and Managing Director of Oriental Bank of Commerce said: "Our customers and staff are already tremendously excited about the forthcoming launch and we're taking steps to increase the staffing and support. We expect to see a significant increase in production following the launch of the Company."

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Notes of editors

1. Canara Bank

Canara Bank, established back in 1906, is today the largest nationalised bank in terms of aggregate business comprising of deposits and loans. It has an asset size valued at about US\$38.5 billion as at 31 March 2007. 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 2,678 branches nationwide and over 45,000 employees serving more than 29 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 over 1,900 ATMs, 1,833 Anywhere Banking Branches and 1,157 branches offering Internet and mobile facilities.

2. Oriental Bank of Commerce

Oriental Bank of Commerce is the eleventh largest bank by assets, which totaled US\$22.61 billion at 31 March 2008. It has 1,402 service outlets throughout India and over 14,700 staff serving its 10.4 million customers. The India Government owns 51.1 per cent of Oriental Bank of Commerce, which has a credit rating of BBpi and AA+/FAAA/P1+ from Standard & Poor's and CRISIL respectively.

3. HSBC Insurance (Asia Pacific) Holdings Limited

HSBC Insurance (Asia Pacific) Holdings Limited, a wholly owned subsidiary of the Hongkong and Shanghai Banking Corporation Limited, is the parent company of four underwriting companies: HSBC Insurance (Asia) Limited, HSBC Life (International) Limited, HSBC Insurance (Singapore) Pte Limited and HSBC Amanah Takaful (Malaysia) Sdn Bhd (49 per cent held). Its shareholdings also include 50 per cent less 1 share of Hana HSBC Life Insurance Co., Ltd in Korea, 26 per cent of Canara HSBC Oriental Bank of Commerce Life Insurance Co. Ltd in India, and 10 per cent of Bao Viet Holdings in Vietnam. Through its companies, it has a presence in the Hong Kong Special Administrative Region (SAR), the Macau SAR, Singapore, Malaysia, Taiwan, Korea, India and Vietnam. In Mainland China, it has representative offices in Beijing, Shanghai and Guangzhou. HSBC Insurance (Asia Pacific)'s total assets were in excess of HK\$100 billion at the end of December 2007.

4. HSBC in India

The HSBC Group in India is represented by several entities including The Hongkong and Shanghai Banking Corporation Limited which offers a full range of banking and financial services to its over 2 million customers through its 47 branches and 170 ATMs across 26 cities. HSBC is one of India's leading financial services groups, with over 33,000 employees in its banking, investment banking and capital markets, asset management, insurance broking, two global IT development centres and six global resourcing operations in the country. The Bank is the founding and a principal member of the HSBC Group which, with over 10,000 offices in 83 countries and territories and assets of US\$2,354 billion at 31 December 2007, is one of the world's largest banking and financial services organisations

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