



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

Canara HSBC Oriental Bank of Commerce Life Insurance Plans Expansion

- **In line with its strategy of leveraging its shareholders' immense distribution reach, the Company ties-up with HSBC InvestDirect***
- **Increases Capital Base to Rs725 crore**

For immediate release

New Delhi, June 3, 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 entered into a strategic distribution tie-up with HSBC InvestDirect, one of India's leading financial services organizations. HSBC InvestDirect provides a wide range of services such as security broking, depository services, investment advisory, distribution of financial products, and securities related financing to its customers.

HSBC InvestDirect currently has a strong network of 77 branches which will help Canara HSBC Oriental Bank of Commerce Life Insurance Company reach out to more than 1.3 lakh customers with need-based life insurance solutions. This is in addition to the existing customer base of 48 million of the three distribution partners – Canara Bank, HSBC and Oriental Bank of Commerce and 4.6 million customers of two Regional Rural Banks (RRBs) – Pragathi Gramin Bank and Shreyas Gramin Bank.

Announcing the distribution tie-up, **Mr Harpal Karlcut, Chief Executive Officer, Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited**, said, "In addition to increasing our footprint across the country, the tie-up will benefit the customers of HSBC InvestDirect to whom the entire range of product offerings will be available. This will help them plan and achieve their financial goals at every stage of their lives."

Mr Karlcut further added, "Given that many Indians remain inadequately insured, our widened distribution will enable us to offer life insurance to a large section of the society. This is in line with our core strategy of strengthening the Company's position as one of the leading long term players in the Indian life insurance market by developing strong relationships with the customers of our shareholders and their associated companies through tailored products and high standards of service delivery.

Following our distribution tie-ups with two Rural Regional Banks, we are confident that our relationship with HSBC InvestDirect will be a great success."

In order to meet its expansion plans and support business growth, the life insurer's three shareholders have infused capital of Rs 100 crore on May 25, 2010 – increasing the total capital base to Rs 725 crore.

* Through HSBC InvestDirect Securities (India) Limited, in the capacity of a Corporate Agent.

Mr Karicut said, “The JV has strongly committed and aligned shareholders. With a capital base of Rs 325 crore, we were one of the most highly capitalized life insurance company at launch. The Company received a further infusion of Rs 200 crore in December 2008 and Rs 100 crore in December 2009. For FY 2010-11, the shareholders have already committed capital infusion to the tune of Rs 300 crore”

Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited closed FY 2009-10 with Rs 861.3 crore in gross written premiums, recording a growth of 189% over FY 2008-09.

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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 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 per policy in the industry for individual business since launch.

Since launch on June 16, 2008 to April 30, 2010, the Company's business in terms of Gross Written Premium (GWP) stood at Rs 1260 crore and the number of policies sold are 1,41,832.

The Company's total capital base currently stands at Rs 725 crore.

About HSBC InvestDirect

www.hsbcinvestdirect.co.in

HSBC InvestDirect offers a comprehensive range of value-added products and services backed by a professional service orientation for retail and corporate customers. The business activities undertaken by HSBC InvestDirect include (i) Securities Broking; (ii) Depository Services (iii) Investment Advisory; (iv) Distribution of financial products; and (v) Securities related financing (NBFC).

HSBC InvestDirect has around 77 branches. The employee strength is over 1600 as on April 30th 2010.

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