

For immediate release

Allahabad Bank inks up MOU with Kotak Mahindra Old Mutual Life Insurance Ltd.

Offers 2nd group insurance plan for education loan borrowers

Lucknow, October 14, 2008: Allahabad Bank signed a MOU today with one of the country's leading Life Insurance Companies Kotak Mahindra Old Mutual Life Insurance Ltd. (Kotak Life Insurance) in tune with its pursuit to provide value added service and financial security to the education loan borrowers of the Bank.

Commenting on the tie-up, Shri Gaurang Shah, Managing Director, Kotak Life Insurance expressed his happiness to be associated with Allahabad Bank and reposed confidence that the customized group insurance policy will benefit all the three parties – Education loan borrowers, Allahabad Bank and Kotak Life Insurance. In its constant endeavor to create value for its customers and business partners, association of Kotak Life Insurance with Allahabad Bank will further strengthen position of the insurance company in the industry.

Expressing his views on the occasion, Shri K. R. Kamath, Chairman and Managing Director, Allahabad Bank said that association with Kotak Life Insurance will provide Education Loan borrowers of Allahabad Bank best-in-class products and services beyond the normal education loan. The product with its wider scope of coverage in terms of age of entry and amount of coverage would bring more and more Education Loan borrowers into its fold.

Through this strategic tie-up, Kotak Life Insurance will offer a group credit life insurance plan designed to cover the education loan borrowers of Allahabad Bank against any eventuality during the period of loan. In case of an unfortunate event like death of the borrower due to natural or accidental circumstances, the insurance cover will provide for repayment of the outstanding loan amount, thus giving the borrower's family solace and eliminating the chances of family members being subject to loan recovery or asset repossession.

The Bank has been providing life insurance coverage to its education loan borrowers in association with LIC of India. The present tie-up with Kotak Life Insurance will provide the Education Loan Borrowers an alternative choice to get the coverage with some added features like wider age band of 16-32 years for entry into the scheme, higher amount of coverage upto Rs.50 lakhs and comparatively lower premium.

Allahabad Bank has been one of the frontrunners amongst the public sector banks to foray into selling of third party products which also includes whole range of insurance products (both life and non-life) besides mutual fund products to provide one-stop financial solution to its customers.

The tie-up would be a win-win situation for both the partners. While Allahabad Bank will be able to provide value added service to its customers, for Kotak Life Insurance, the tie-up would enable instant reach to the Education Loan Customers of the Bank pan India. This tie-up would also open up prospects for both the partners to get closer and plan launching of more customized products in future.

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Allahabad Bank

The oldest joint-stock bank of the country, Allahabad Bank was founded on April 24, 1865 by a group of Europeans at Allahabad. At that juncture organized industry, trade and banking started taking shape in India. The Bank came out with Initial Public Offer (IPO), in October 2006, of 10 crores share of face value Rs. 10 each, reducing Government shareholding to 71.16%. The Bank's business crossed Rs. 1,22,000 crores in March 2008. The Bank has 2154 branches including a foreign branch in Hong Kong as on 31/03/2008.

Kotak Mahindra Old Mutual Life Insurance

Kotak Mahindra Old Mutual Life Insurance is a joint venture between Kotak Mahindra Bank Ltd., its affiliates and Old Mutual plc. A company that combines its international strengths and local advantages to offer its customers a wide range of innovative life insurance products, helping them take important financial decisions at every stage in life and stay financially independent. The company is one of the fastest growing insurance companies in India and has shown remarkable growth since its inception in 2001. Kotak Life Insurance employs around 4,935 people in its various businesses and has 151 branches across.

For more information, please visit, www.kotaklifeinsurance.com or contact:

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