

Media Release

Kotak Mahindra Bank and ING Vysya Bank Announce Merger

- *Significant complementarity and growth potential drives merger*
- *Compelling Revenue synergies*
- *Share exchange ratio of 725 shares for 1,000 shares*

Mumbai, November 20, 2014: The Board of Directors of Kotak Mahindra Bank Ltd (“Kotak”) and the Board of Directors of ING Vysya Bank Ltd (“ING Vysya”) at their respective meetings held today have approved an all-stock amalgamation of ING Vysya with Kotak.

The amalgamation is subject to the approval of the shareholders of Kotak and ING Vysya respectively, Reserve Bank of India under the Banking Regulation Act, the Competition Commission of India and such other regulatory approvals as may be required.

Upon obtaining all approvals, when the merger becomes effective, ING Vysya will merge with Kotak. Shareholders of ING Vysya will receive shares of Kotak in exchange of shares in ING Vysya at the approved share exchange (“swap”) ratio. All shareholders of Kotak and ING Vysya will participate thereafter in the (merged) Kotak business. All ING Vysya branches and employees will become Kotak branches and employees. ING Vysya’s CEO designate, Mr Uday Sareen, will be inducted into the top management of Kotak reporting directly to Mr Uday Kotak, Executive Vice Chairman and Managing Director of Kotak.

Merger terms

The Boards of Kotak and ING Vysya respectively considered the results of a due diligence review covering areas such as advances, investments, deposits, properties & branches, liabilities, material contracts etc.

S.R.Batliboi & Co., LLP, Chartered Accountants, and Price Waterhouse & Co LLP, the independent valuers appointed by Kotak and ING Vysya respectively, have recommended a share exchange ratio, which has been accepted by the respective Boards. Avendus Capital Private Ltd. provided a Fairness Opinion to Kotak on the share exchange ratio and Edelweiss Financial Services Ltd. provided a Fairness Opinion to ING Vysya.

Accordingly ING Vysya shareholders will receive 725 shares in Kotak for 1,000 shares of ING Vysya. The share exchange ratio is considered fair and reasonable given the underlying value of ING Vysya, as also giving shareholders the ability to benefit from the potential that can be realised upon merging into Kotak.

This exchange ratio indicates an implied price of Rs.790 for each ING Vysya share based on the average closing price of Kotak shares during one month to November 19, 2014, which is a 16% premium to a like measure of ING Vysya market price.

The proposed merger would result in issuance of approximately 15.2% of the equity share capital of the merged Kotak.

One of ING Vysya's directors will be joining the Board of Directors of Kotak.

Strategic Rationale and benefits

Kotak, with 641 branches and relatively deeper presence in the West and North, has a differentiated proposition for various customer segments including HNIs, deep corporate relationships including emerging corporates, a wide product portfolio, including agricultural finance and consumer loans, and a robust capital position.

ING Vysya has a strong customer franchise for over 8 decades, with a national branch network of 573 branches and deep presence in South India, particularly in Andhra Pradesh, Telengana and Karnataka. ING Vysya has a large customer base across all segments. It is particularly noted for a best-in-class SME Business, as also for serving large international corporates in India by access to the international relationships of ING Group.

The combined Kotak will have 1,214 branches, with a wide-spread pan-India network, getting both breadth and depth given the strong geographic complementarity between Kotak and ING Vysya. Substantial efficiencies will arise out of the proposed merger, which is likely to result in significant benefits for all stakeholders, be it shareholders, employees or customers, and ultimately the banking industry:

- Customers and employees will benefit from the combined Kotak having a wider geographical spread, expertise across customer segments, such as SME, HNI, Corporates, and on products such as private banking, asset management, insurance, investment banking, NRI offerings etc.
- Kotak's strong capital position potentially avoids capital raising and attendant dilution in the near to medium term for ING Vysya shareholders.
- Additionally, with ING Vysya nearing the cap for foreign shareholding, the merger would yield more liquidity with significant foreign headroom in Kotak even after merger, with foreign shareholding at ~47%.

Commenting on the announcement, Mr Uday Kotak, Executive Vice Chairman and Managing Director, Kotak Mahindra Bank, said – "This is a momentous occasion that brings together two banking institutions with significant complementary strengths. The opportunities and synergies that this merger will create will place Kotak and its incoming stakeholders from ING Vysya on a new trajectory of excellence and leadership. I firmly believe this merger will pave the way for a bigger and better financial services player with deep Indian roots and global standards of service. Kotak

values the diversity of ING Vysya, welcomes them as its family, and will work towards integrating them smoothly on this exciting journey that is ahead of us.”

Commenting on the announcement, Mr. Shailendra Bhandari, presently MD & CEO of ING Vysya Bank Ltd, said -- “Our two companies are a perfect match at a perfect time. Our customers will see tremendous value from the combined entity as we fill the gaps, in terms of a much larger footprint and a complete product suite, both national and international. Together, both companies will participate in the growth of one of India’s strongest and most successful banking franchises.”

ING Vysya’s CEO designate, Mr. Uday Sareen, said - "This is a historic day in our 84 year heritage. I truly believe that the merger is a game-changer for us, laying the foundation to help us leap-frog by several years and be part of, and further scale a truly national franchise. The combination creates a company that will deliver maximum value for our shareholders, enormous opportunities for employees and deliver the entire suite of financial products and services to our customers.”

Employees

Kotak has been rated among the best employers in the country and is renowned for its employee orientation and retention of talent. ING Vysya has a diverse set of employees, who have expertise in dealing with different customer segments. The combined entity will generate ample career opportunities for staff as well as a wider array of products to serve their customers, aided by management development opportunities across different businesses of Kotak Group.

Both organizations have strong cultures and employee best practices and the combined entity will work towards imbibing these and building a world-class organization.

ING Group

ING Group, which owns ~43% in ING Vysya, has indicated that it supports the proposed transaction. ING Group will become the largest non-promoter shareholder in combined Kotak.

ING Group and Kotak intend to explore areas of cooperation in cross border business, on the basis of a Framework for Future Cooperation that has been entered into, subject to mutual agreement on specific terms and all laws and regulations.

In addition to the experts who undertook valuation and issued fairness opinions, Ernst & Young LLP undertook due diligence review of ING Vysya for Kotak, and Amarchand & Mangaldas were legal advisors to Kotak. PricewaterhouseCoopers Private Limited carried out due diligence for ING Vysya and AZB & Partners were ING Vysya’s legal advisors.

About Kotak

Kotak Mahindra Group

Established in 1985, the Kotak Mahindra Group is one of India's leading financial services conglomerates. In February 2003, Kotak Mahindra Finance Ltd. (KMFL), the Group's flagship company, received a banking licence from the Reserve Bank of India (RBI). With this, KMFL became the first non-banking finance company in India to become a bank – Kotak Mahindra Bank Limited.

The consolidated balance sheet of Kotak Mahindra Group is over Rs. 1.34 lakh crore and the consolidated net worth of the Group stands at Rs. 20,554 crore (approx US\$ 3.3 billion) as on September 30, 2014. The Group offers a wide range of financial services that encompass every sphere of life. From commercial banking, to stock broking, mutual funds, life insurance and investment banking, the Group caters to the diverse financial needs of individuals and the corporate sector. The Group has a wide distribution network through branches and franchisees across India, and international offices in London, New York, Dubai, Abu Dhabi, Mauritius and Singapore.

Kotak Mahindra Bank

Kotak Mahindra Bank (KMB) offers complete retail financial solutions for varied customer requirements. The Savings Bank Account goes beyond the traditional role of savings, and provides a wide range of services through a comprehensive suite of investment services and other transactional conveniences like Online Shopping, Bill Payments, ASBA, Netc@rd, ActivMoney (Automatic TD sweep-in and Sweep-out) etc. Kotak's Jifi, a first-of-its-kind fully integrated Social Bank Account, redefines digital banking by seamlessly incorporating social networking platforms like Twitter and Facebook with mainstream banking. KayPay, the world's first bank agnostic payment product for Facebook users enables millions of bank account holders transfer money to each other at any hour of the day or night, without the need of net banking, or knowing various bank account related details of the payee.

KMBL also offers an Investment Account where Mutual Fund investments are recorded and can be viewed in a consolidated fashion across fund houses & schemes. Further, the Bank offers loan products such as Home Loans, Personal Loans, Commercial Vehicle Loans, etc. Keeping in mind the diverse needs of the business community, KMBL offers comprehensive business solutions that include Current Account, Trade Services, Cash Management Services and Credit facilities.

For more information, please visit company's website at <http://www.kotak.com/>

About ING Vysa

ING Vysya Bank

ING Vysya Bank Ltd is a premier private sector bank with retail, private and wholesale banking platforms that serve over two million customers. With over 80 years of history in India and leveraging ING's global financial expertise, the bank offers a broad range of innovative and

established products and services, across its 573 branches. The Bank, which has close to 10,000 employees, is also listed in Bombay Stock Exchange Limited and National Stock Exchange of India Limited. ING Vysya Bank was ranked among top 5 Most Trusted Brands among private sector banks in India in the Economic Times Brand Equity – Nielsen survey 2011.

ING is a global financial institution of Dutch origin offering banking services through its operating company ING Bank and holds significant stakes in listed insurers NN Group NV and Voya Financial, Inc. ING Bank's 53,000 employees offer retail and commercial banking services to customers in over 40 countries.

Corporate Identity Number: L85110KA1930PLC000124; Tel/Fax: 080-25005000/080-25005555 Email: communications@ingvysyabank.com Website : www.ingvysyabank.com Address: ING Vysya House, #22, MG Road, Bangalore-560001
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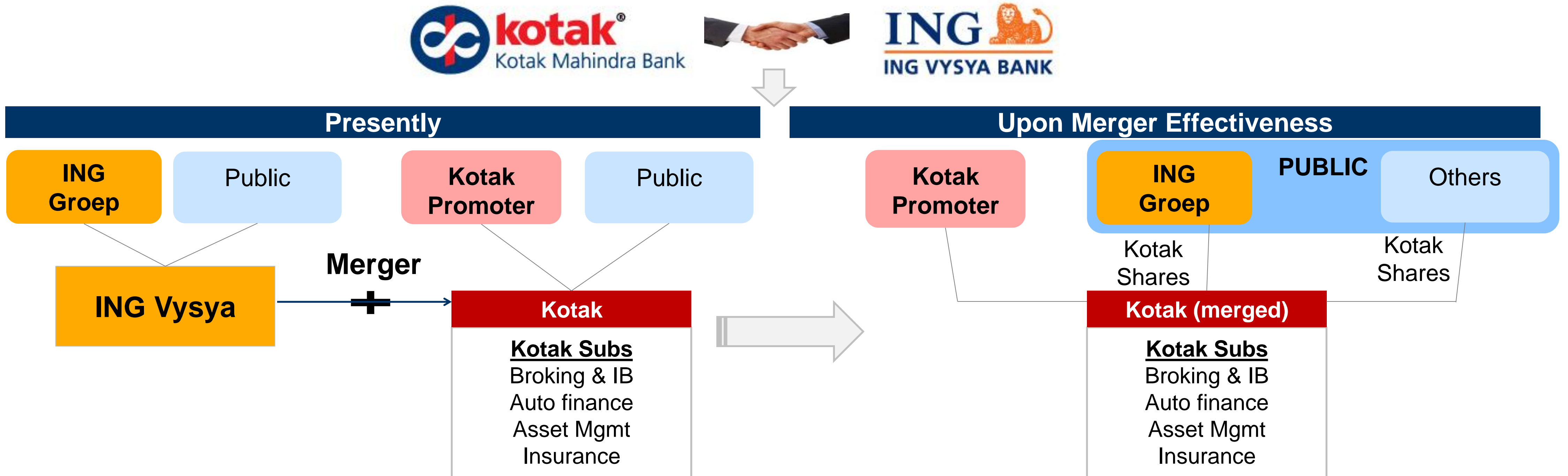
Merger of ING Vysya Bank with Kotak Mahindra Bank

Significant Complementarity and Growth Potential Benefits To All Stakeholders

November 20, 2014

The Transaction

The Board of Directors of ING Vysya and Kotak have today approved the merger of ING Vysya with Kotak, subject to all approvals



The Transaction



Swap

- ▶ Share Exchange Ratio: 0.725 : 1
- ▶ 725 shares of Kotak for every 1,000 shares of ING Vysya

Effective Date

Upon obtaining all approvals, at effective date:

- ▶ ING Vysya including its business and branches merges into Kotak
- ▶ Kotak issues shares to ING Vysya shareholders
- ▶ All shareholders (that of Kotak and ING Vysya) participate thereafter in the (merged) Kotak business

Strategic Rationale and Benefits

Complementary Network – Breadth and Depth Together

Wider Coverage and Balanced Footprint

Branches	ING Vysya ¹	Kotak	Kotak (Merged)
West	12%	46%	30%
North	20%	34%	27%
South	64%	15%	38%
East	4%	5%	5%
Total	573	641	1,214
ATMs	635	1,159	1,794

Branch Density Complementary in Key Cities

Branches	ING Vysya ¹	Kotak	Kotak (Merged)
Mumbai ²	36	88	124
Delhi NCR	34	90	124
Bangalore	40	20	60
Hyderabad	20	8	28
Ahmedabad	5	26	31
Chennai	13	14	27
Pune	4	21	25
Kolkata	10	12	22
Total	162	279	441

¹ Includes extension counters; ² Includes Mumbai and Thane

Complementarity to Drive Higher Customer Wallet Share

Significant Product Complementarities

	ING Vysya	Kotak	Kotak (Merged)
Corporate & Business Banking	✓✓	✓✓	✓✓✓
Commercial Banking (CV,CE etc)	✓	✓✓✓	✓✓✓
Consumer Finance	✓	✓✓✓	✓✓✓
Agriculture/Tractor	✓✓	✓✓✓	✓✓✓
Deposits - CA	✓✓	✓	✓✓
Deposits - SA	✓	✓✓	✓✓
Fees (Fx, Trade)	✓✓	✓	✓✓
Private Banking / Broking* / IB	✓	✓✓✓	✓✓✓
Asset Management* / Insurance*	–	✓✓	✓✓

✓ Level of Presence – No Significant Presence
 * Manufacturer's margins are accretive

Fuller Customer Segment Coverage

	ING Vysya	Kotak	Kotak (Merged)
Large Corporates	✓	✓✓	✓✓✓#
Mid Corporates	✓	✓✓	✓✓
SMEs (including Traders)	✓✓✓	✓✓	✓✓✓
High Net Worth Individuals	✓	✓✓✓	✓✓✓
Mass Affluent	✓	✓✓✓	✓✓✓
Mass Market	✓	✓	✓
NRIs	✓	✓✓	✓✓
MNCs	✓✓	✓	✓✓#

With ING Groep / Kotak cooperation

Larger Share of Customer Wallet
Expand Customer / Product horizons
Serve customers nationally and internationally

Synergies and Efficiency

Revenue Synergies led Merger Focus on Cost efficiency and not cost cutting

Achieves accelerated
branch presence

Save on product
introduction costs

Origination cost savings -
higher throughput of
products through network

Save on overlap of
infrastructure

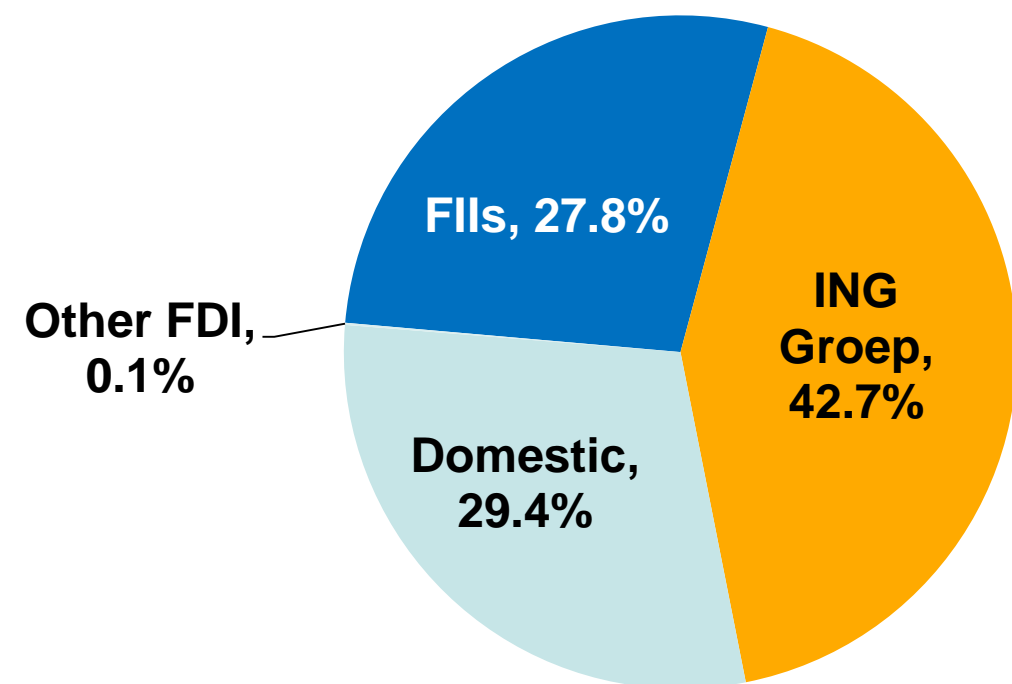
Time

Shareholders – Significant Value Drivers in Place

- ▶ Significant room for growth without dilution
 - ❑ CAR (ING Vysya)¹: 14.99%
 - ❑ CAR (Kotak)¹: 17.59%
 - ❑ CAR (Combined)¹: 16.51%
- ▶ Significant foreign shareholding headroom when merged
 - ❑ Provides significant trading flexibility to ING Vysya shareholders
 - ❑ Kotak is an Index stock
- ▶ ING Groep will be the largest non-promoter shareholder

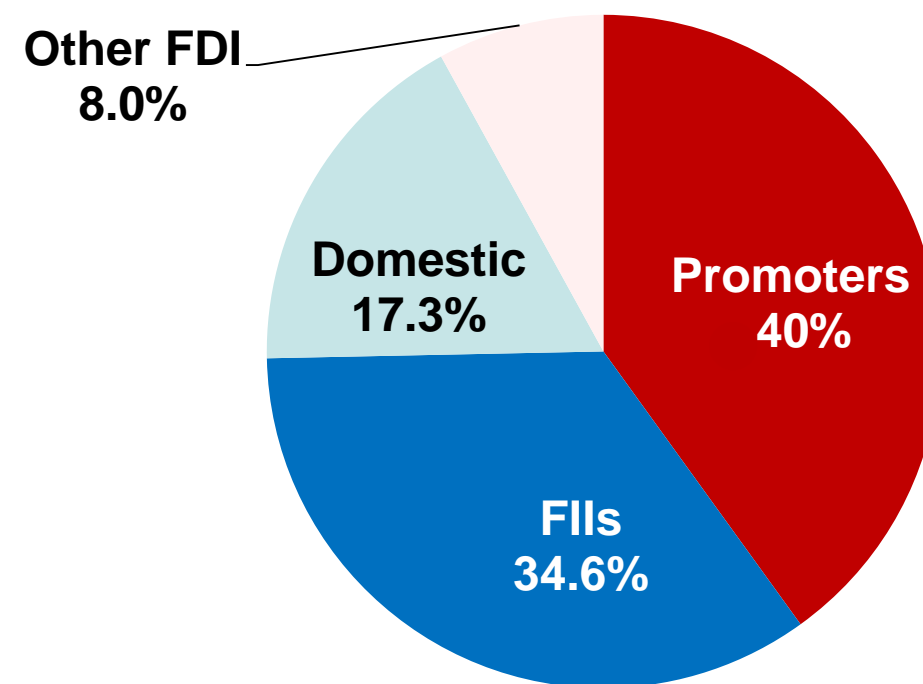
Shareholding Pattern (September 30, 2014)

ING Vysya



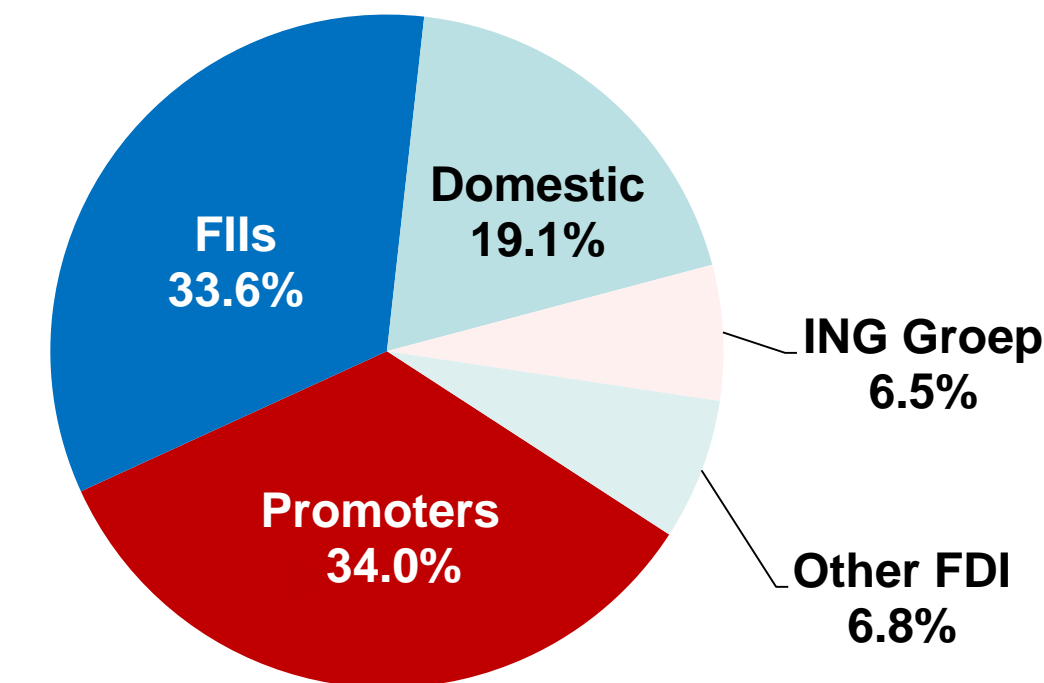
Foreign Holding: 70.6%

Kotak



Foreign Holding: 42.6%

Kotak (Merged)²



Foreign Holding: 46.9%

¹ CAR is based on standalone financials as of September 30, 2014 and includes H1FY15 profit; ² Considering the swap ratio of 0.725 shares of Kotak for every share of ING Vysya

Significant Growth Opportunities for Employees and Benefits for Customers

Employees

- ▶ Experience, expertise and diversity of employees is a significant asset for ING Vysya
- ▶ ING Vysya employees will have growth opportunities across Kotak group
- ▶ Kotak employees would be part of a larger and deeper pan India franchise

Customers

- ▶ ING Vysya's diverse customer segments with more than 2 million customers, will now have access to Kotak's wide product suite across financial services
- ▶ "Digital" a key strategic driver for both banks will be a priority for the merged Kotak
 - ▶ ING Groep, which has a successful global experience in this area, can play a vital role to assist over time

Business Cooperation – ING Groep and Kotak

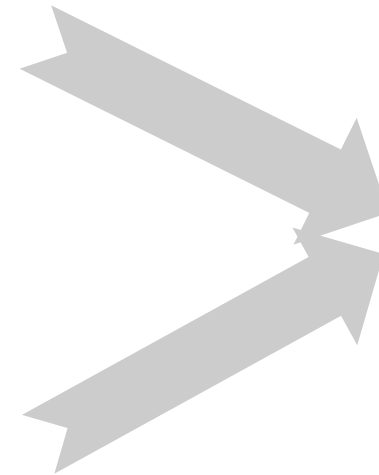
ING Groep & Kotak have entered into a Framework for Future Cooperation

ING Groep

- ▶ Global network
- ▶ Global corporate relationship
- ▶ Payment / CMS solutions
- ▶ Balance sheet size

Kotak (Merged)

- ▶ Domestic high end corporate relationships
- ▶ NRI customers
- ▶ I-Banking
- ▶ DCM



Potential Areas of Cooperation

- ▶ Trade Finance
- ▶ Treasury
- ▶ Serving each other's corporate relationships
- ▶ Direct banking know-how to drive digital focus
- ▶ Remittances / NRI Services
- ▶ Fee based products
- ▶ Cross border credit lines
- ▶ Microfinance
- ▶ DCM
- ▶ M&A

Creating a larger Financial Services Group...

Amount in Rs. crores	ING Vysya	Kotak	Kotak (Merged)
Branches (nos)	573	641	1,214
ATMs (nos)	635	1,159	1,794
Employees (nos)	10,591	29,220	39,811
Customers (millions)	~ 2	~ 8 ¹	~ 10
Total Income (FY14)	2,620	10,956	13,576
PAT (FY14)	658	2,465	3,123
Total Assets	64,582	1,34,401	1,98,983
Advances	39,558	81,418	1,20,976
Deposits	44,652	66,311	1,10,963
RoAA (Annualised)	1.07%	2.21%	1.84%
RoAE (Annualised)	8.90%	14.26%	12.83%

Data as on September 30, 2014; Kotak (Merged) numbers are simple additive to that of ING Vysya and Kotak – Consolidated

¹ Relates to customer accounts and excludes Kotak Life group insurance customers

...with a Long Term Growth Orientation

- ▶ Primary drivers of merger
 - ❑ Revenue synergies
 - ❑ Complementarities and growth potential
 - ❑ Cost effectiveness over time
- ▶ Enhanced product suite to serve their customers
- ▶ Wider distribution to serve customers

Merger Process, etc.

Process Overview

Key Activities	Particulars
Board Decisions, Announcement Date	▶ November 20, 2014
Governing Regulation	▶ Section 44A of the Banking Regulation Act, 1949
Regulatory Approvals Required	<ul style="list-style-type: none">▶ Shareholders of ING Vysya and Kotak▶ Reserve Bank of India▶ Competition Commission of India▶ Others as may be required under extant regulations
Effective Date	▶ Upon receipt of all approvals including from RBI

Advisors

Advisors	Kotak	ING Vysya
Accounting Diligence Advisors	Ernst & Young LLP	PricewaterhouseCoopers Private Ltd.
Legal Advisors	Amarchand & Mangaldas & Suresh A. Shroff & Co.	AZB & Partners
Valuers	S. R. Batliboi & Co., LLP	Price Waterhouse & Co LLP
Fairness Opinion	Avendus Capital Private Ltd.	Edelweiss Financial Services Ltd.

Disclaimer

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