



Merger of ING Vysya Bank with Kotak Mahindra Bank

**Significant Complementarity and Growth Potential
Benefits To All Stakeholders**

November 20, 2014

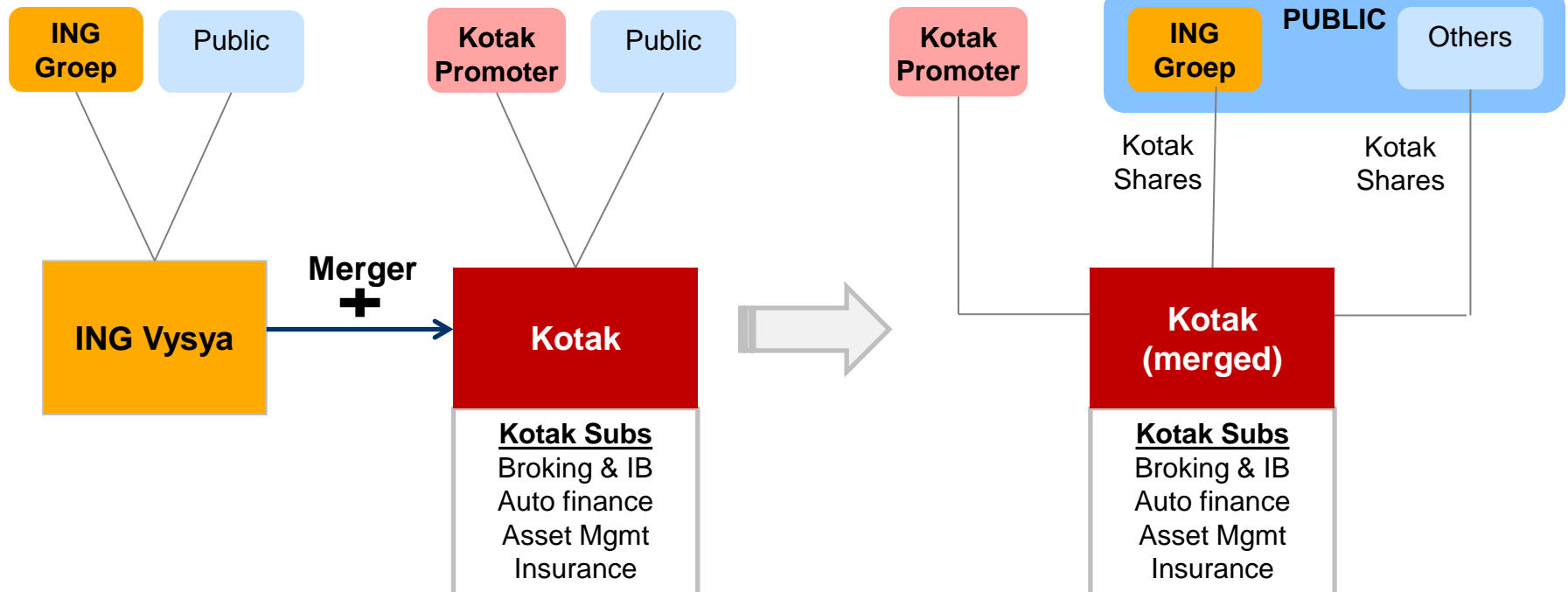
The Transaction

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



Presently

Upon Merger Effectiveness



The Transaction



Swap

- ▶ Share Exchange Ratio: 0.725 : 1
- ▶ 725 shares of Kotak for every 1,000 share 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 Cost Efficiencies

Revenue Synergies and Cost efficiency led Merger

Less need for branch expansion

Save on product introduction costs

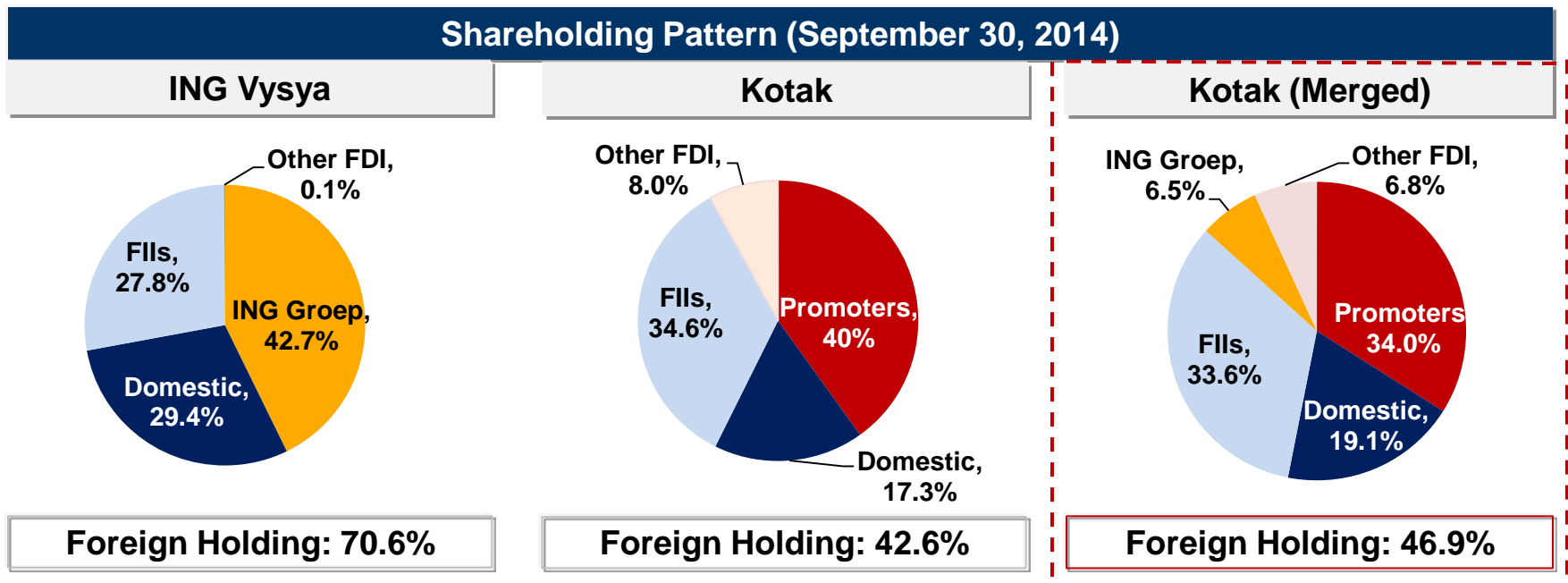
Origination cost savings – higher throughput of products through network

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



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

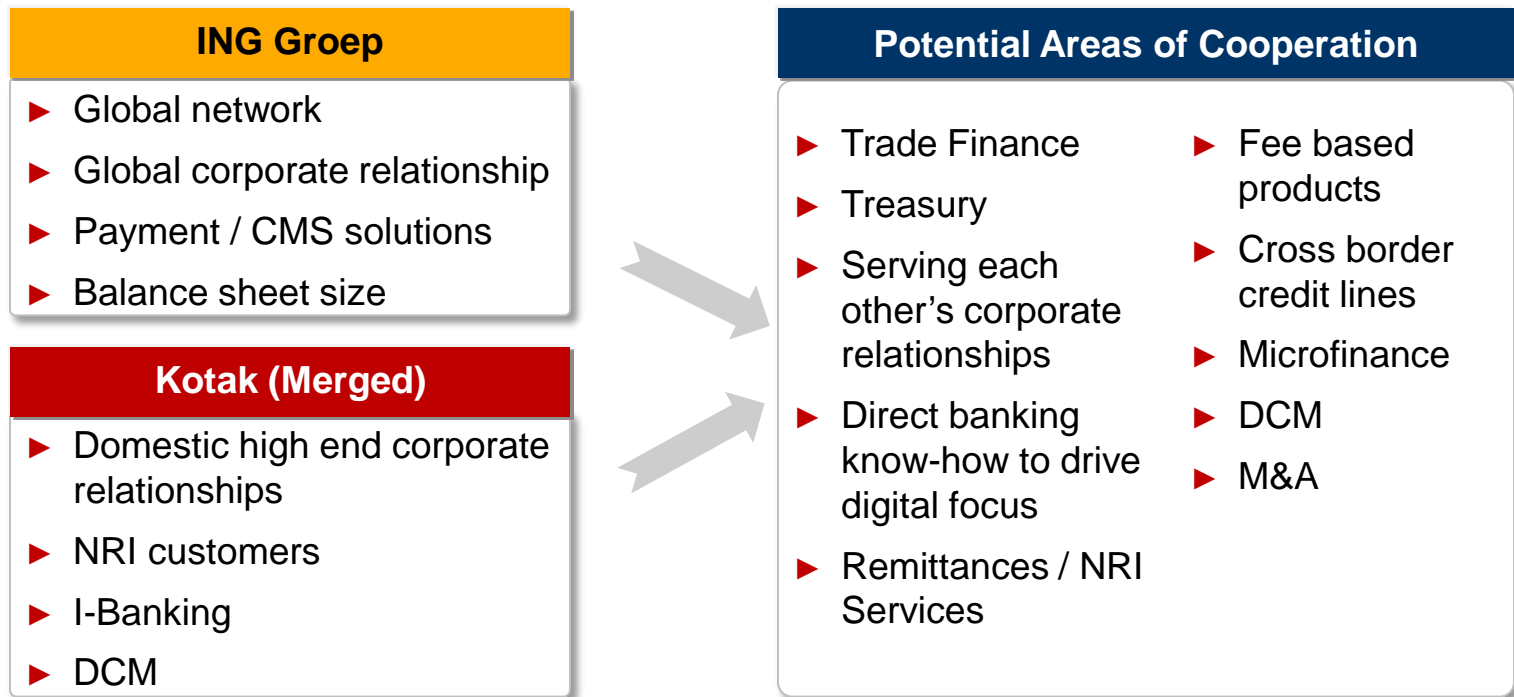
- ▶ Experience, expertise and diversity of employees is a significant asset for ING Vysya
- ▶ ING Vysya employees will have growth opportunities across Kotak group
- ▶ Kotak employees would be part of a larger and deeper pan India franchise

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 entity – 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



Creating a larger Financial Services Group....

Particulars	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

*As on September 30, 2014; Kotak (Merged) numbers are simple additive to that of ING Vysya and Kotak
1 Relates to customer accounts and excludes Kotak Life group customers*

... with a Long Term Growth Orientation

- ▶ Primary driver of merger -- Revenue synergies, complementarities and growth potential;
Cost effectiveness over time
- ▶ Enhanced product suite to serve their customers
- ▶ Wider distribution to serve customers

Summary Financials – Kotak (Merged Proforma)

Rs. Crore	Kotak (Merged) FY14	ING Vysya H1FY15	Kotak (Consol) H1FY15	Kotak (Merged) H1FY15
NII	7,427	960	3,094	4,054
Other Income	6,150	456	3,547	4,004
Total Income	13,576	1,416	6,641	8,057
PAT	3,123	324	1,416	1,740
Networth	26,147	7,449	20,554	28,003
Advances	1,07,521	39,558	81,418	1,20,976
Investments	55,512	20,264	42,694	62,958
Total Assets	1,82,650	64,582	1,34,401	1,98,983
<i>Note: Merged numbers are based on consolidated financials</i>				
Rs. crore	Kotak Standalone (Merged) FY14	ING Vysya H1FY15	Kotak Standalone H1FY15	Kotak Standalone (Merged) H1FY15
CA	15,749	7,475	9,472	16,947
SA	16,838	7,288	11,693	18,981
Total Deposits	1,00,289	44,652	68,103	1,12,754

Summary Ratios – Kotak (Merged Proforma)

Key Ratios (%)	Kotak (Merged) FY14	ING Vysya H1FY15	Kotak (Consol) H1FY15	Kotak (Merged) H1FY15
CASA*	32.49%	33.06%	31.08%	31.86%
NIM	4.53%	3.46%	5.05%	4.55%
Cost / Total Net Income*	51.35%	55.26%	51.87%	52.98%
GNPA	1.68%	1.59%	1.59%	1.59%
NNPA	0.68%	0.42%	0.84%	0.70%
CAR - Tier I*	16.47%	13.22%	16.63%	15.22%
CAR – Total*	17.97%	14.99%	17.59%	16.51%
ROA	1.82%	1.07%	2.21%	1.84%
ROE	13.04%	8.90%	14.26%	12.83%
Book Value / Share (Rs)	288	391	266	308

* Based on Standalone financials; Half year numbers are annualised, as applicable

Key P&L Items – Kotak (Merged Proforma)

Rs. Crore	Kotak (Merged) FY14	ING Vysya H1FY15	Kotak (Consol) H1FY15	Kotak (Merged) H1FY15
Net Interest Income	7,427	960	3,094	4,054
Other Income	6,150	456	3,547	4,004
Net Total Income	13,576	1,416	6,641	8,057
Employee Cost	2,757	459	1,140	1,599
Other Operating Expenses	5,626	323	3,308	3,631
Operating Expenditure	8,383	783	4,447	5,230
Operating Profit	5,193	634	2,194	2,828
Provision & contingencies	459	151	86	236
Exceptional Items	61	-	-	-
PBT	4,673	483	2,109	2,592
Provision for Tax	1,504	160	693	852
PAT	3,169	324	1,416	1,740
Other Adjustments	46	-	-	-
Consolidated Profit for the year	3,123	324	1,416	1,740

Note: merged financials are based on simple addition and does not entail any adjustments

Merger Process, etc

Process Overview

Key Activities	Particulars
Board Decisions, Announcement Date	<ul style="list-style-type: none">▶ November 20, 2014
Governing Regulation	<ul style="list-style-type: none">▶ 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	<ul style="list-style-type: none">▶ Upon receipt of all approvals including from RBI

Advisors

Advisors	Kotak	ING Vysya
Accounting Diligence Advisors	Ernst & Young LLP	PricewaterhouseCoopers Private Limited
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 Limited

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