kotak®
Kotak Mahindra Bank
ING
ING VYSYA BANK

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

ING Groep

Public

Kotak Promoter

Public

Merger

ING Vysya

Kotak

Kotak Subs
Broking & IB
Auto finance
Asset Mgmt
Insurance

Upon Merger Effectiveness

Kotak Promoter

ING Groep

PUBLIC

Others

Kotak Shares

Kotak Shares

Kotak (merged)

Kotak Subs
Broking & IB
Auto finance
Asset Mgmt
Insurance

Kotak means Kotak Mahindra Bank or Kotak Group as the context may apply, in this presentation

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	✓✓	✓	✓✓#

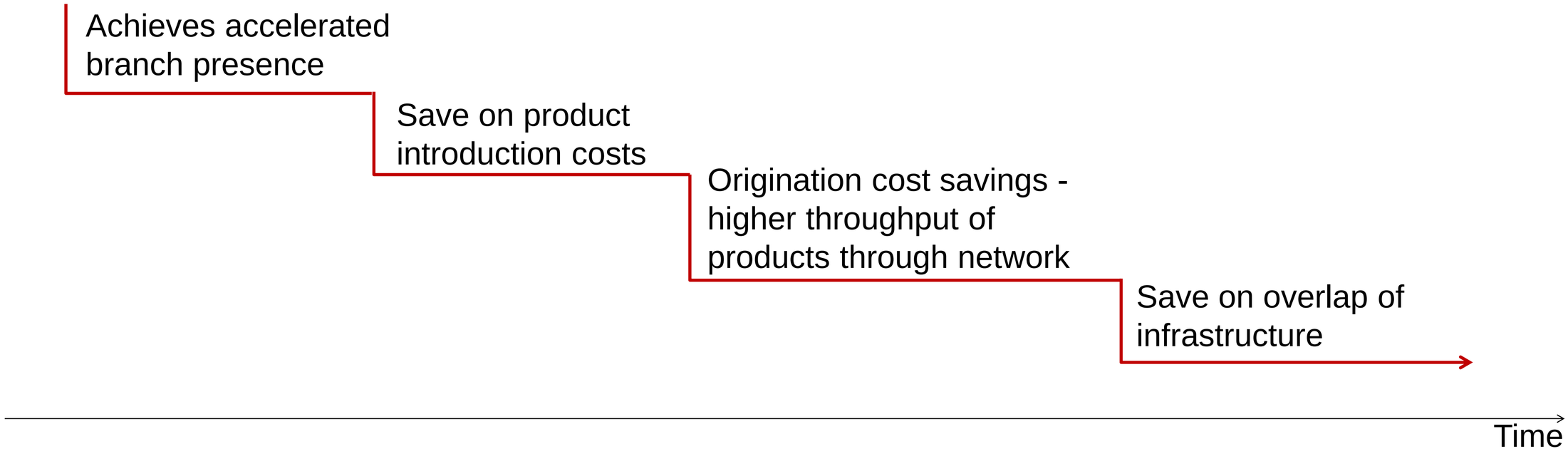
 # With ING Groep / Kotak cooperation

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



Shareholders – Significant Value Drivers in Place

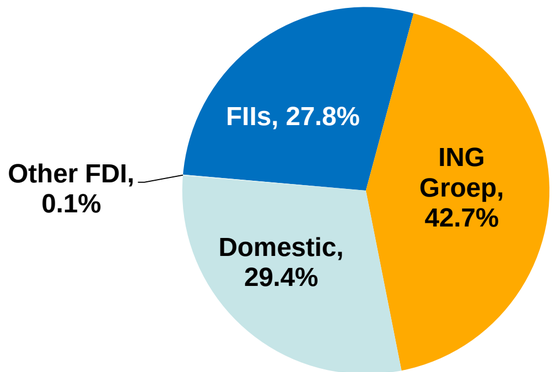
- Significant room for growth without dilution
  - CAR (ING Vysya)[1]: 14.99%
  - CAR (Kotak)[1]: 17.59%
  - CAR (Combined)[1]: 16.51%

- 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

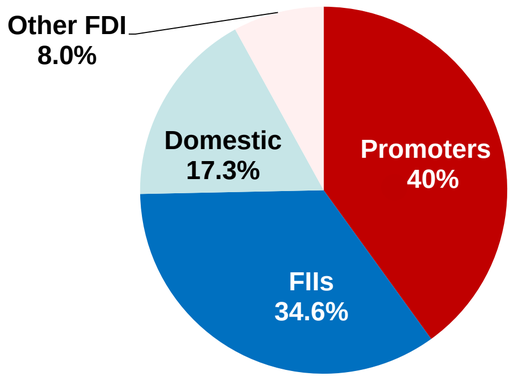
Shareholding Pattern (September 30, 2014)

ING Vysya



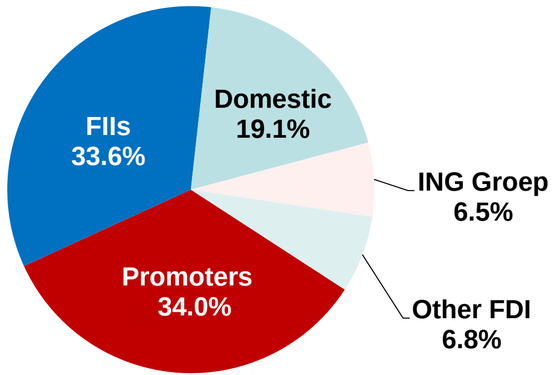
Foreign Holding: 70.6%

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	▶ 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.

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