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

For further information, please contact:

Rohit Rao Kotak Mahindra Bank Ltd. Phone: +91-22-6166-0001 rohit.rao@kotak.com	Vinu Lal ING Vysya Bank Tel: +91-80-2500-5072 vinu.lal@ingvysyabank.com