

Ratnakar Bank acquires The Royal Bank of Scotland's (RBS's) Business Banking, Credit Cards & Mortgage businesses in India

- *In line with Ratnakar Bank's overall expansion strategy*
- *Businesses are complementary to Ratnakar Bank's existing range of products and services*
- *Over 1.2 Lakh customers across current account rich Business Banking, Credit Card and Mortgage businesses form part of this purchase*
- *Employees of RBS associated with these businesses are proposed to be absorbed by Ratnakar Bank*

Mumbai, 09-08-2013: Ratnakar Bank Ltd, one of India's fast growing private sector banks, today announced that that it has agreed to acquire RBS's Business Banking business, Credit Cards business & Mortgage portfolio in India subject to approvals from Competition Commission of India (CCI).

Ratnakar Bank, which has been undergoing a transformational journey since mid-2010, said that this transaction would complement well with its existing business and would help it add strength in the desired product and customer segments. The transaction is expected to help the Bank create further capabilities in a very short span of time and enhance CASA. Employees of RBS associated with these businesses are proposed to be absorbed by Ratnakar Bank.

For the customers of RBS, Ratnakar Bank will continue to offer all existing services and facilities enjoyed by them currently. RBS customers would also get access to a much larger and expanding branch network along with broader banking capabilities of Ratnakar Bank.

Rajeev Ahuja, Head of Strategy and Markets, Ratnakar Bank said, "We are happy to acquire this business as it fits very well with our growth strategy. Over the last three years the bank has been building scale and this transaction enables us to fast track our growth on multiple counts". He also went on to say that "RBS had built an extremely high quality business in India which is rich in current accounts and it will be our endeavour to ensure that we not only maintain the existing customer proposition, but also enhance it further. We are also very happy to welcome the talent pool of people from RBS who would join us in this process."

Derek Nazareth, Head of Retail and Commercial Banking, RBS India said: "We are delighted that we have reached agreement with Ratnakar Bank Ltd. for the sale of our Business Banking business, Credit Card business and Mortgage portfolio. Over the next few weeks we will be writing to all of our clients who are affected, and working closely with Ratnakar Bank to ensure a seamless transition for our customers."

PricewaterhouseCoopers were the advisors to Ratnakar Bank while Morgan Stanley and RBS M&IB Asia Pacific were the advisors to RBS. Luthra & Luthra Law Offices acted as lead legal counsel to Ratnakar Bank, who also received English law advice from Slaughter and May. AZB & Partners acted as Indian legal counsel and Linklaters LLP as English legal counsel for RBS.

RBS Statement: RBS has signed an agreement to sell its Business Banking business, Credit Card business and Mortgage portfolio in India to Ratnakar Bank Ltd. subject to approval from the Competition Commission of India (CCI). This is in line with our plans for Retail and Commercial Banking that we announced in November 2012. The deal comprises of over 1.2 lakh customers. RBS is fully committed to support impacted customers through this transition and will be writing to inform on the next steps for them. There is no impact on RBS's Corporate and Institutional Business (Markets and International Banking) or its Private Banking businesses in India. RBS will continue to offer financing, risk management, wholesale and investment banking, cash, payments, trade finance and a comprehensive range of wealth management solutions to its clients. RBS in India is also a major Business Services hub for the RBS Group.

By the end of 2013, we will maintain a Retail Banking presence in 10 locations across the country namely, Bengaluru, Chennai, Delhi, Gurgaon, Hyderabad, Kolkata, Mumbai, NOIDA, Pune and Vadodara.