

Media Release

Kotak Mahindra Group Acquires Vehicle Financing Portfolio of Volkswagen Finance

Gains access to over 30,000 high-quality customers

Mumbai, 16th September, 2021: Kotak Mahindra Group (Kotak) and Volkswagen Finance Private Limited (VWFPL) today announced that Kotak has acquired the vehicle financing loan portfolio of VWFPL, the Indian captive financing arm of Volkswagen Group. Kotak Mahindra Prime Limited (Kotak Prime) will acquire the passenger cars and two-wheelers portfolio, and Kotak Mahindra Bank Limited (KMBL) will acquire the commercial vehicles portfolio of VWFPL.

With this acquisition, Kotak will gain access to over 30,000 high-quality customers with a total loan outstanding with VWFPL of around ₹1,340 crore. All these acquired loans are classified as “Standard Loans” as per the current Reserve Bank of India (RBI) guidelines. In addition to the “Standard Loans”, Kotak has also acquired the Non-Performing Assets portfolio of VWFPL.

D Kannan, Group President – Commercial Banking, Kotak Mahindra Bank and Director of Kotak Mahindra Prime said, "The strategic intent behind this acquisition is to further strengthen Kotak’s vehicle financing loan portfolio and expand our market share. VWFPL has been operating in the country since 2009 and during this time has built a strong customer portfolio. The long-term growth prospects of the Indian vehicle market are very attractive and this acquisition reinforces Kotak’s standing as one of the leading vehicle financing players.”

“I would also like to take this opportunity to welcome Volkswagen customers to the Kotak Group and assure them that they will experience a seamless transition and enhanced customer experience with access to a wide suite of product offerings, backed by exceptional service standards,” added Kannan.

Speaking on the development, Aashish Deshpande, MD and CEO of Volkswagen Finance Pvt. Ltd. said, “The sale of our retail portfolio aligns to our new strategic focus towards a refined digital strategy through our subsidiary, the digital platform KUWY. It is a step towards the evolution of the customer journey in the digital space by offering a simplified and agile solution to both our customers and dealerships, while aligning effectively to support the VW India 2.0 strategy.”

About Kotak Mahindra Group

Established in 1985, 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 banking license from the Reserve Bank of India (RBI), becoming the first non-banking finance company in India to convert into a bank - Kotak Mahindra Bank Ltd (KMBL).

Kotak Mahindra Group (Group) offers a wide range of financial services that encompass every sphere of life. From commercial banking, to stock broking, mutual funds, life and general insurance and investment banking, the Group caters to the diverse financial needs of individuals and the corporate sector. The premise of Kotak Mahindra Group's business model is *concentrated India, diversified financial services*. The bold vision that underscores the Group's growth is an inclusive one, with a host of products and services designed to address the needs of the unbanked and insufficiently banked.

Kotak Mahindra Group has a global presence through its subsidiaries in UK, USA, Gulf Region, Singapore and Mauritius with offices in London, New York, Dubai, Abu Dhabi, Singapore and Mauritius respectively. As on 30th June, 2021, Kotak Mahindra Bank Ltd has a national footprint of 1,612 branches and 2,591 ATMs, and branches in GIFT City and DIFC (Dubai).

For more information, please visit the Company's website at <https://www.kotak.com>

About Kotak Mahindra Prime Limited

Kotak Mahindra Prime Limited (KMPL) is a subsidiary of Kotak Mahindra Bank Limited and is in the business of financing all passenger vehicles & two-wheelers. KMPL is India's leading car finance company since 1996 and started financing two-wheelers since 2018. The company is dedicated to financing in the form of loans for dealers and retail customers. The company offers financing for the entire range of passenger cars, multi-utility vehicles, pre-owned cars & two-wheelers. The company also offers inventory funding and term loans to car & two-wheeler dealers. It is also in the business of retail personal loans, developer funding and corporate loans. KMPL has preferred financier relationship with various manufacturers in India and has a retail distribution network comprising 115 branches in 21 states and union territories in the country.

For more information, please visit the company's website at <https://primeloans.kotak.com>.

About Kotak Mahindra Bank Limited

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The Bank has four Strategic Business Units – Consumer Banking, Corporate Banking, Commercial Banking and Treasury, which cater to retail and corporate customers across urban and rural India. The premise of Kotak Mahindra Group's business model is *concentrated India, diversified financial services*. The bold vision that underscores the Group's growth is an inclusive one, with a host of products and services designed to address the needs of the unbanked and insufficiently banked. As on 30th June, 2021, Kotak Mahindra Bank Ltd has a national footprint of 1,612 branches and 2,591 ATMs, and branches in GIFT City and DIFC (Dubai).

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About Volkswagen Finance Private Ltd:

Volkswagen Finance Private Limited ('VWFPL'), incorporated in 2009 and headquartered in Mumbai is owned by Volkswagen Financial Services AG, Germany. Volkswagen Financial Services ('VWFS') AG is a 100% owned subsidiary of Volkswagen AG and has its headquarters in Braunschweig, Germany. Volkswagen Financial Services is a business division of the Volkswagen AG group of companies and comprise Volkswagen Financial Services AG along with its associated

companies, Volkswagen Bank GmbH, Porsche Financial Services, and the financial services companies in the USA and Canada that belong directly or indirectly to Volkswagen AG – with the exception of the financial services of the Scania brand and Porsche Holding Salzburg. The key business fields embrace dealer and customer financing, leasing, the bank and insurance business, fleet management and mobility offers. Volkswagen Financial Services have a total of 16,558 employees worldwide – including 7,472 alone in Germany. Volkswagen Financial Services report total assets of around EUR 225,6 billion, an operating result of EUR 2.8 billion euros and a portfolio of around 21.9 million current contracts (as at: 31.12.2020).

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