



Media Release

CPPIB extends credit operations in India through agreement with Kotak

Mumbai, India and Toronto, Canada (March 14, 2016): The Kotak Mahindra Group signed an agreement today with Canada Pension Plan Investment Board (CPPIB) for investment in stressed assets in India. The agreement facilitates a total investment of up to US\$525 million in the asset class, with CPPIB having the ability to invest up to US\$450 million.

This investment will address the growing opportunity arising from the current stress in the Indian banking and corporate sectors, and has a flexible investment mandate providing bespoke financing solutions to companies, in addition to investing in stressed asset sales by banks with the aim to restructure, recover and turnaround companies in distress.

S. Srinivasan, CEO, Kotak Special Situations Credit Fund, said: "The Kotak Mahindra Group, and its affiliate Phoenix ARC, has been an active player in the distressed and structured credit market for over a decade. The current environment has created a much larger opportunity that requires significant capital commitment. We are delighted to have a world-class institution such as CPPIB put patient capital to work, backed by strong and active asset management, to capitalize on the stressed assets market."

Adam Vigna, Managing Director, Principal Credit Investments, CPPIB, said: "This investment is an important step in CPPIB's strategy to build a diversified credit business and will add to our direct credit investment capabilities in India. We are pleased to have Kotak as our advisor, and this investment will serve as an excellent complement to our existing credit investment business in Asia. Through this agreement, CPPIB will selectively invest in assets that we believe will deliver value in line with our long-term investment mandate."

Eshwar Karra, CEO, Phoenix ARC Pvt. Ltd. said: "The asset reconstruction industry has limited capital and there is an urgent need for substantial capital to buy non-performing assets from banks, as and when these loans get sold at fair value. This pool of capital with a flexible mandate, will work alongside the ARC, and positions us to comprehensively address the capital needs of both the borrowers and the selling lenders."

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.



Effective April 1, 2015, ING Vysya Bank Ltd. has merged with Kotak Mahindra Bank Ltd. creating a Rs 2 trillion institution (consolidated). As on December 31, 2015, the merged entity – Kotak Mahindra Bank Ltd, has a significant national footprint of 1,298 branches and 1,987 ATMs spread across 653 locations, affording it the capacity and means to serve even better.

The consolidated net worth of the Group stands at Rs 323 billion (approx. US\$ 4.9 billion) as on December 31, 2015. 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.

The Alternate Assets Management business of the group was set up in early 2005. This business has raised in aggregate US\$ 2.49 billion across different asset classes including Private Equity Funds, Real Estate Funds, Infrastructure Funds and the Special Situations Credit Fund. This new initiative, Special Situations Credit Fund, addresses a pressing need and opportunity in the market.

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

About Canada Pension Plan Investment Board

Canada Pension Plan Investment Board (CPPIB) is a professional investment management organization that invests the funds not needed by the Canada Pension Plan (CPP) to pay current benefits on behalf of 19 million contributors and beneficiaries. In order to build a diversified portfolio of CPP assets, CPPIB invests in public equities, private equities, real estate, infrastructure and fixed income instruments. Headquartered in Toronto, with offices in Hong Kong, London, Luxembourg, Mumbai, New York City and São Paulo, CPPIB is governed and managed independently of the Canada Pension Plan and at arm's length from governments. At December 31, 2015, the CPP Fund totalled C\$282.6 billion. For more information about CPPIB, please visit www.cppib.com or follow us on [LinkedIn](#) or [Twitter](#).

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