

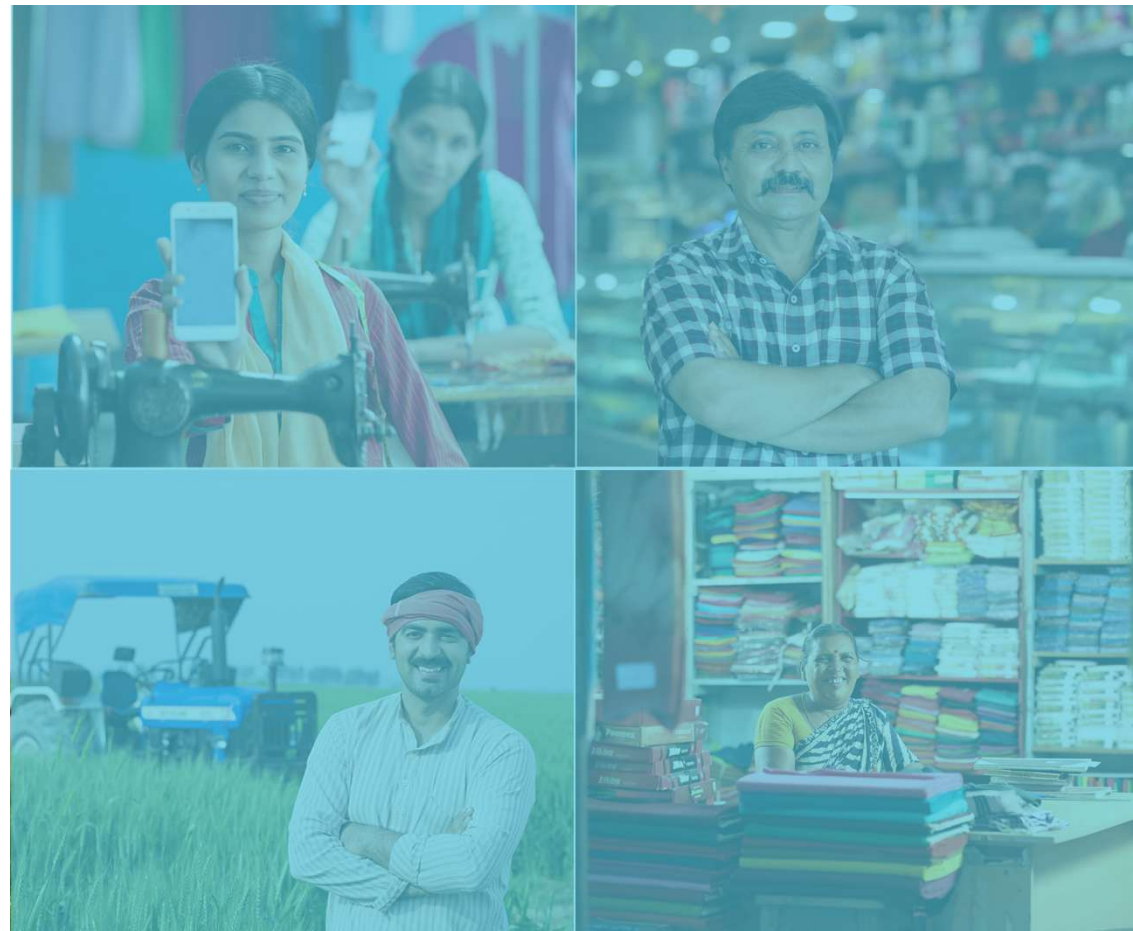


NORTHERN ARC

Investor Presentation
Q1FY27

AA-(Stable)

By ICRA Limited & India Ratings



Financing the Retail Credit Needs of India's
Underserved Households & Businesses across
focused sectors

Disclaimer



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Business Overview

Key Highlights – Q1FY27



Lending AUM

INR 16,855

+26%



Direct to Customer Mix

64%

+1,038 bps



Branches

430

+61



Net Interest Income

INR 394 Cr

+32%



Credit Cost

2.6%

-44 bps



Net NPA

0.5%

-6 bps



PAT

INR 114 Cr

+41%



RoA

2.7%

+29 bps



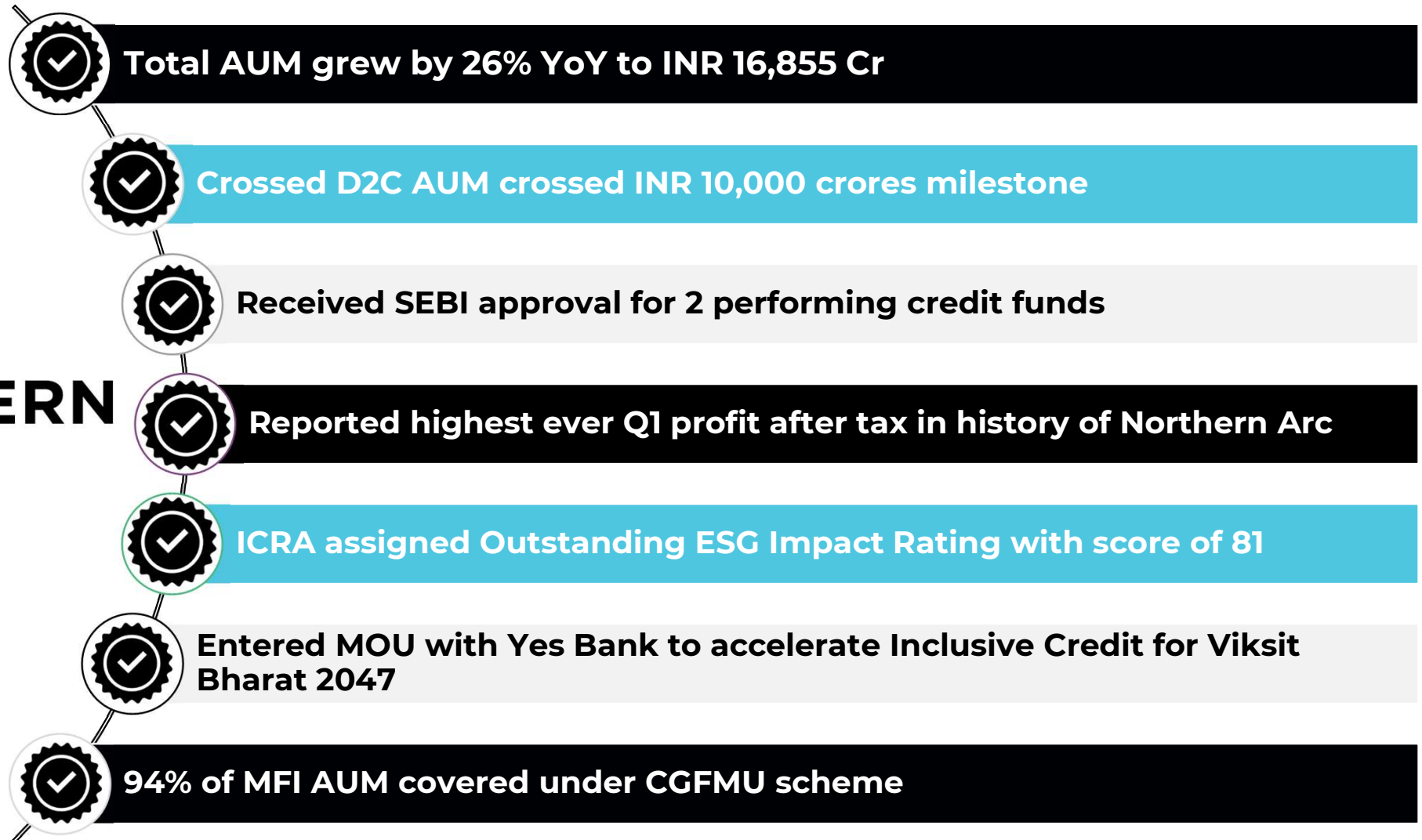
RoE

11.5%

+220 bps

YoY growth

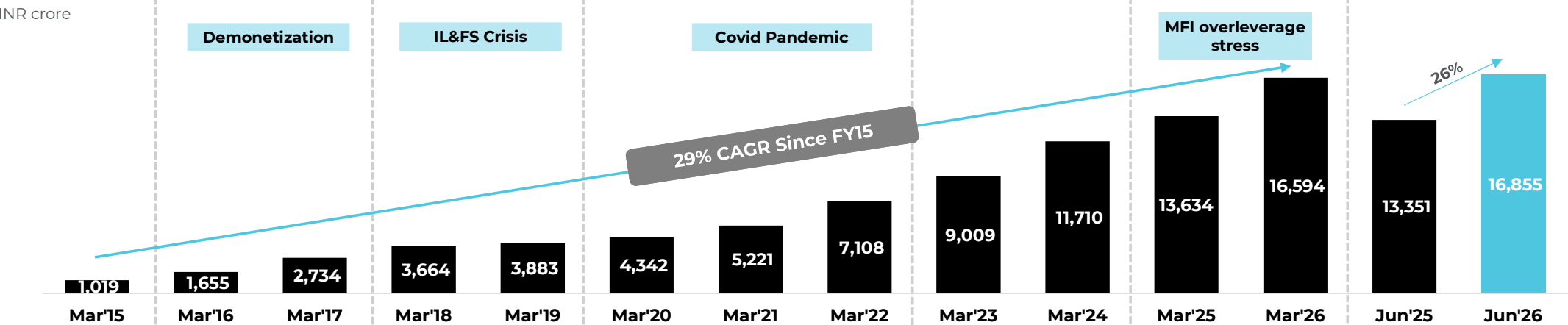
Key highlights – Q1FY27



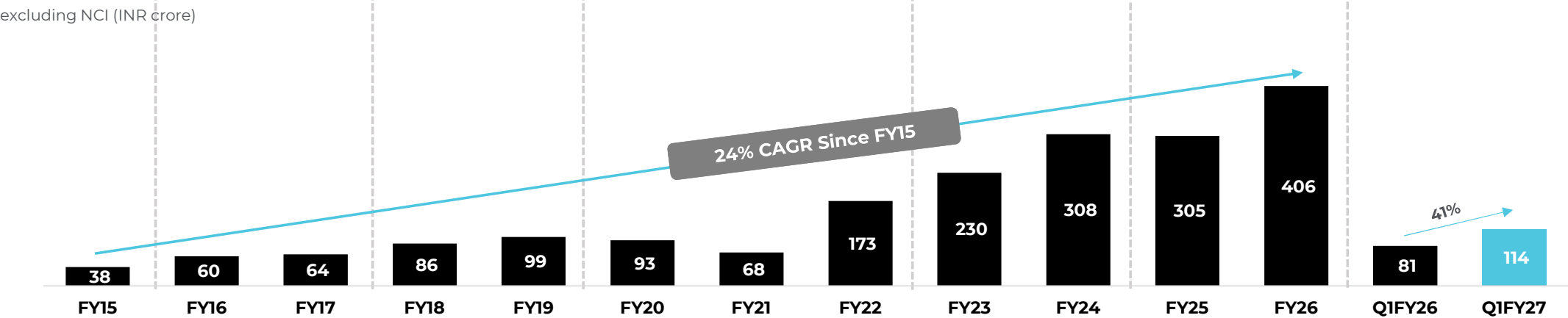
**NORTHERN
ARC**

Demonstrating growth in AUM and profitability across business cycles

Asset under management



Profit After Tax



FY25 includes one time provision of INR 68 crore on account of DLG provision

Northern Arc : Business Model

Financing the Credit Needs of India's Underserved Households & Businesses

Direct to Customer Lending



Sectors

MSME

Consumer

Rural

Channels

➤ Branches

➤ Digital

Lending – AUM INR 10,766 Cr

3.0 mn +

Customers

430

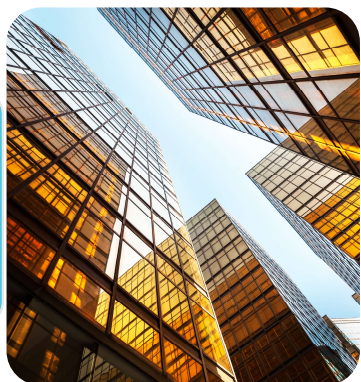
Branches

30

Digital Partners (Active)

Underwriting

Credit Solutions



Solutions across focus sectors

Lending – AUM INR 6,089 Cr

Fund Management – AUM INR 2,988 Cr

Placements – Volumes INR 1,611 Cr

Tech Solutions

373

Originator Partners

1,500+

Investor Partners

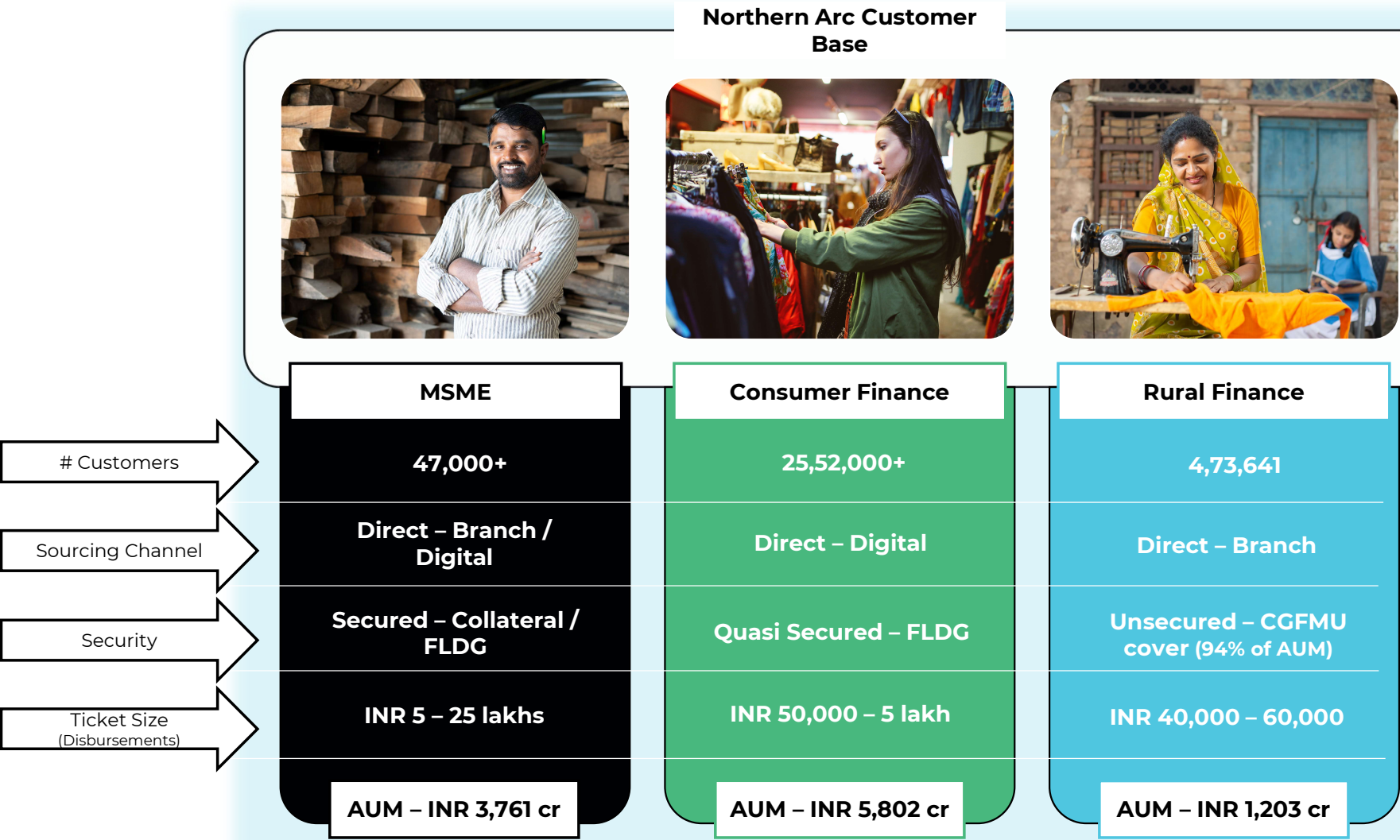
Data & Tech platforms

Direct to Customers Lending

Direct to Customers Lending: Built a strong retail engine

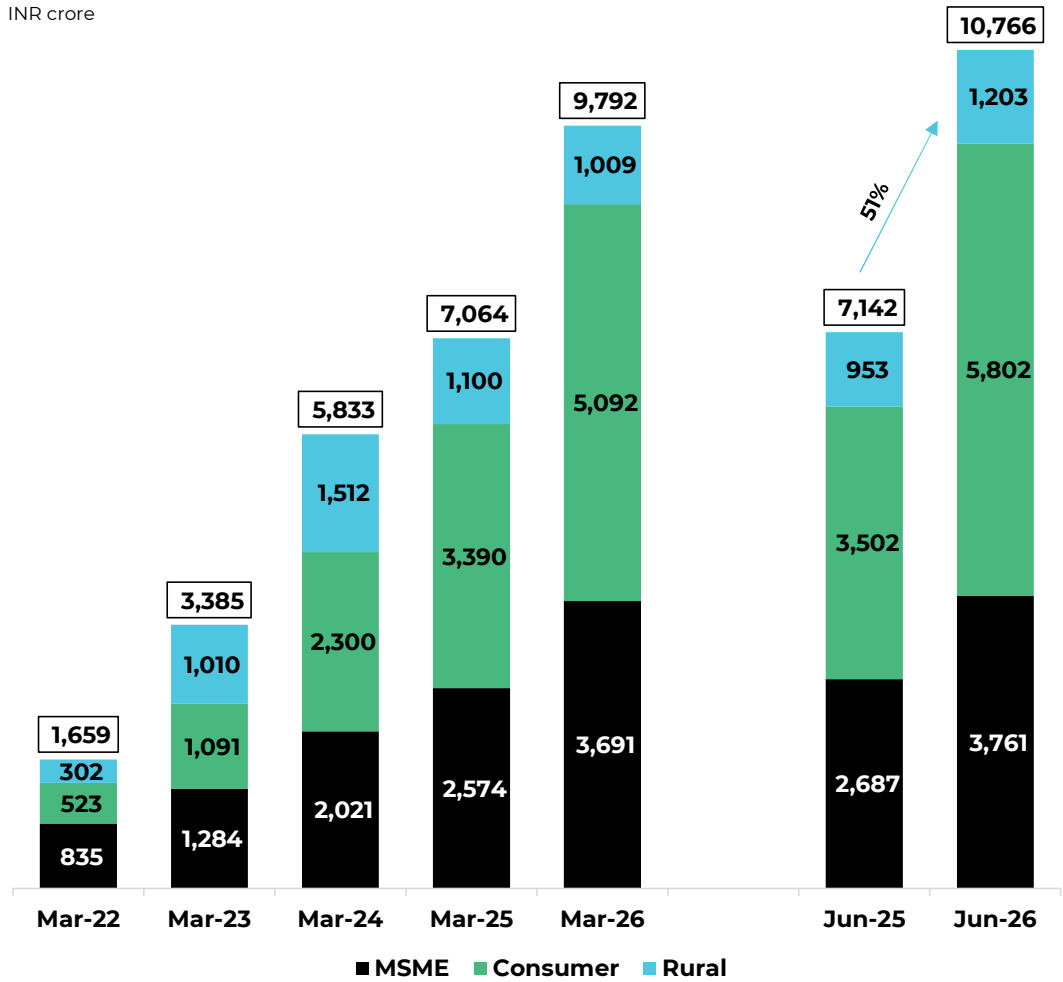
Leveraged learnings from the **Credit Solution business** to build :

- A strong D2C engine
- A robust underwriting and product program
- A seamless Digital journey, and
- A strong Collections Infrastructure



Growth : Building granular book with D2C AUM increasing to 64%

D2C AUM Growth Aligned with Stated Strategy



Multi-channel Distribution Model

 430
Branches

 30
Digital Partners
(Active)

Backed by robust Underwriting & Technology



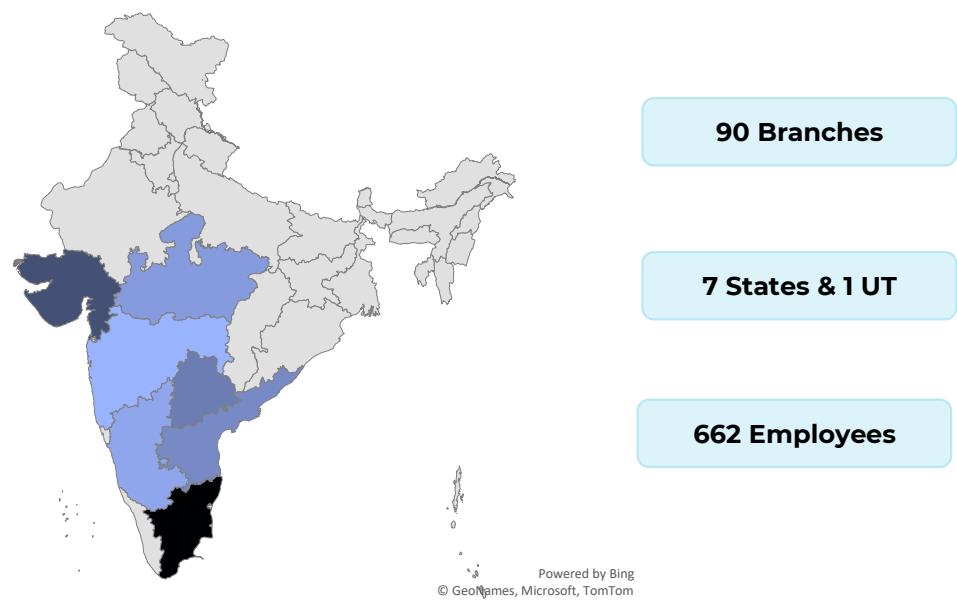
Underwriting



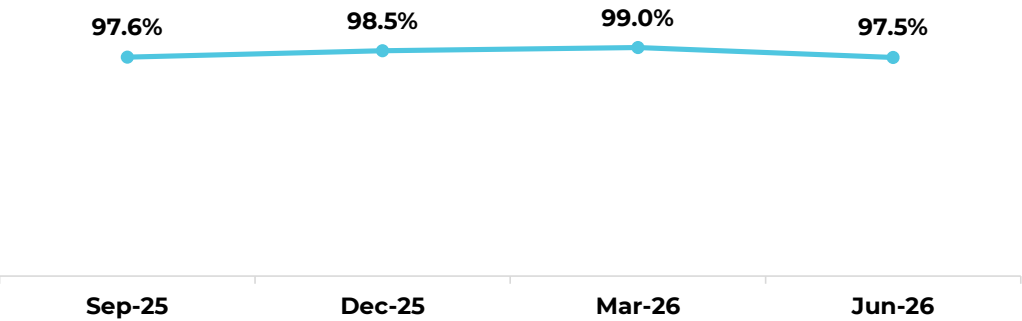
Co-lending & On-Lending Platform

MSME – Fulfilling business credit needs through Phygital model

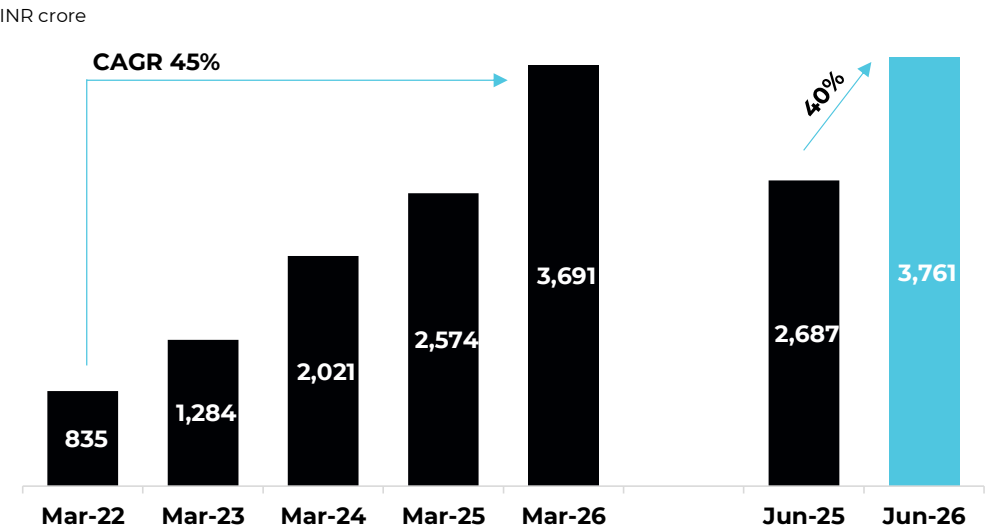
Building strong footprint to scale granular portfolio



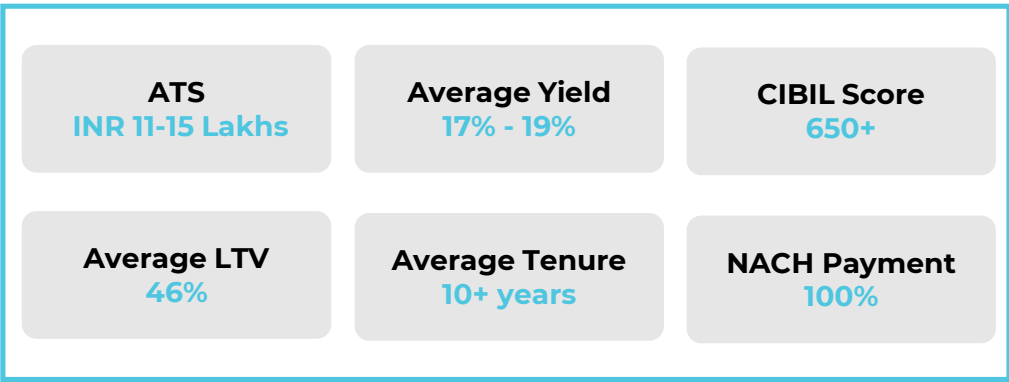
LAP Collection Efficiency (X-Bucket)



Sustained Growth Momentum in MSME AUM



Secured LAP Product Characteristics

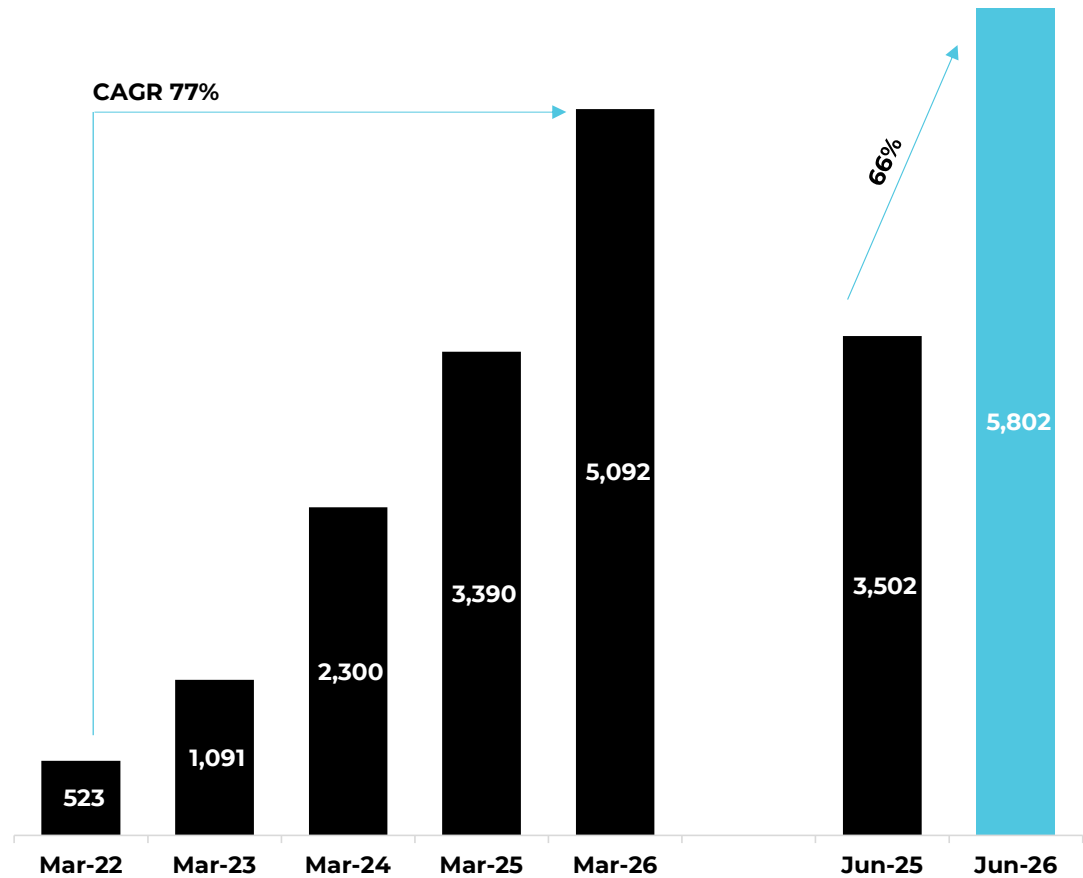


Consumer Finance – Sustained Momentum in Consumption Demand



Assets under Management

INR crore



Live Partners
19

Ticket Size
Rs. 50,000 – 5,00,000

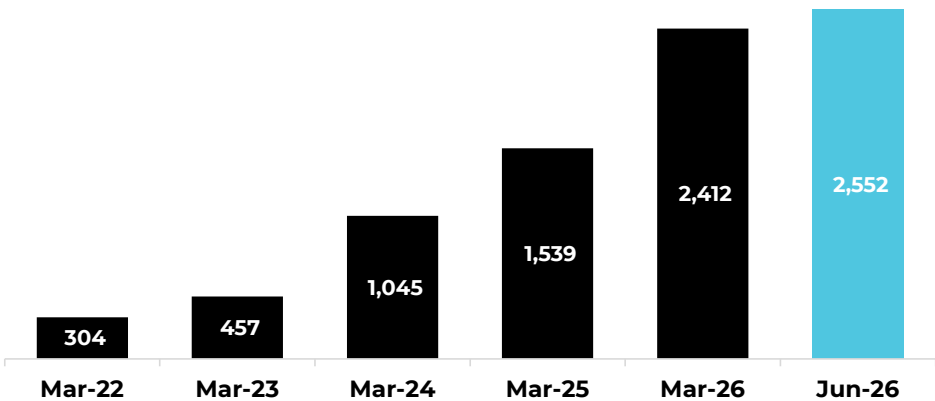
Net Yield
15% - 16%

Average Tenure
12 – 48 months

Backed by FLDG from Partners

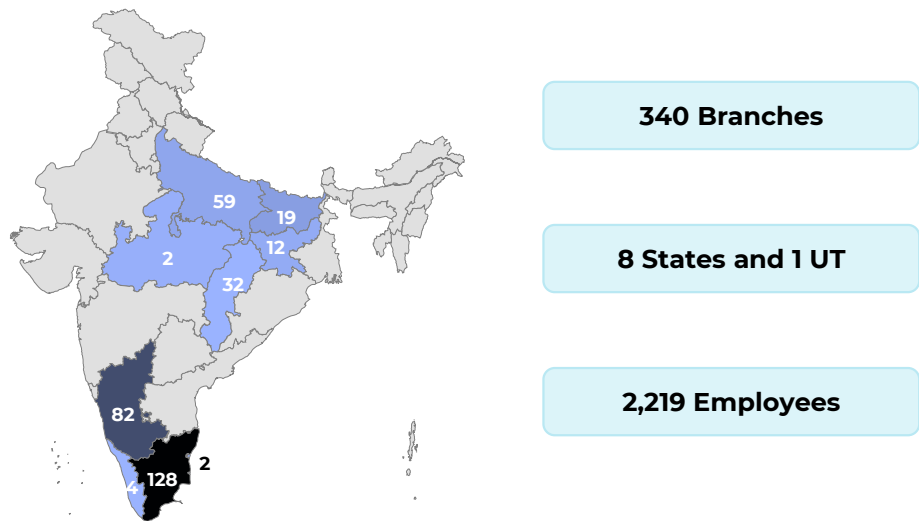
CIBIL Score
650+

Customers ('000)

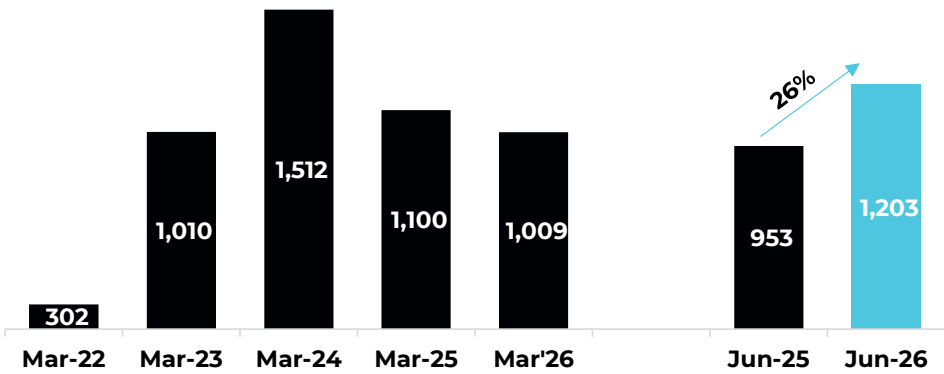


Rural Finance – Gaining AUM momentum following a period of conscious calibration

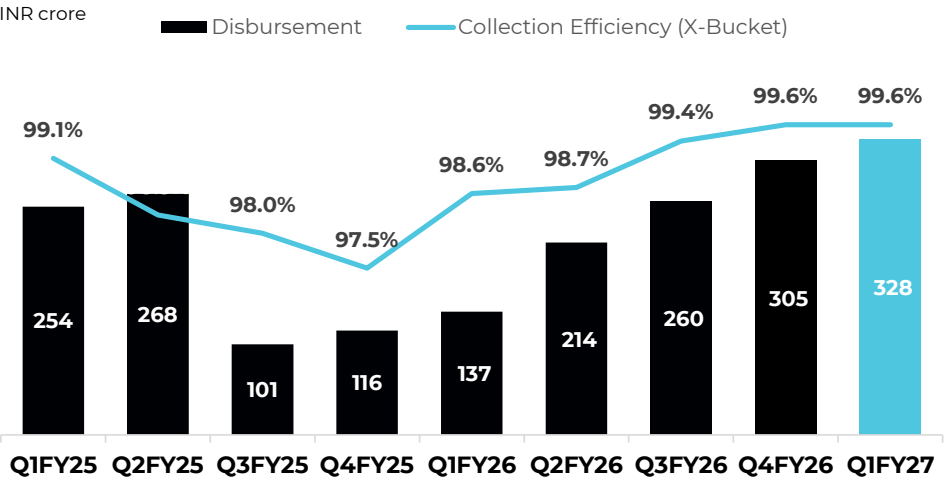
Pan India Presence



Assets under Management grew by 19% QoQ

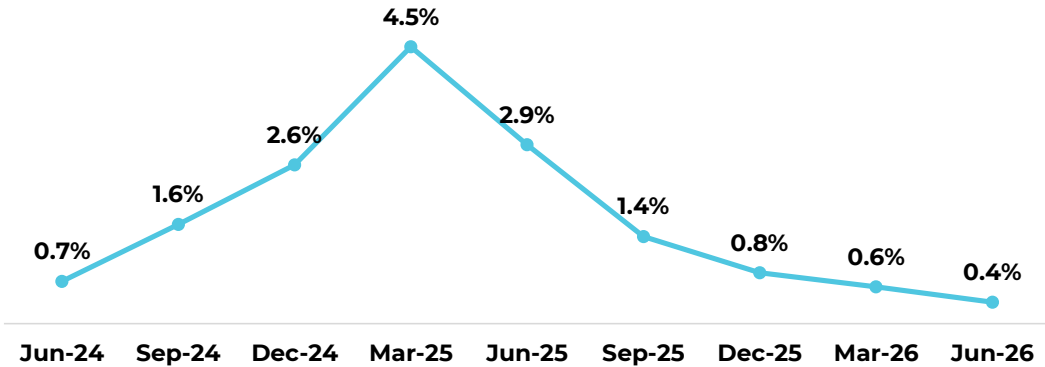


Disbursements gaining momentum



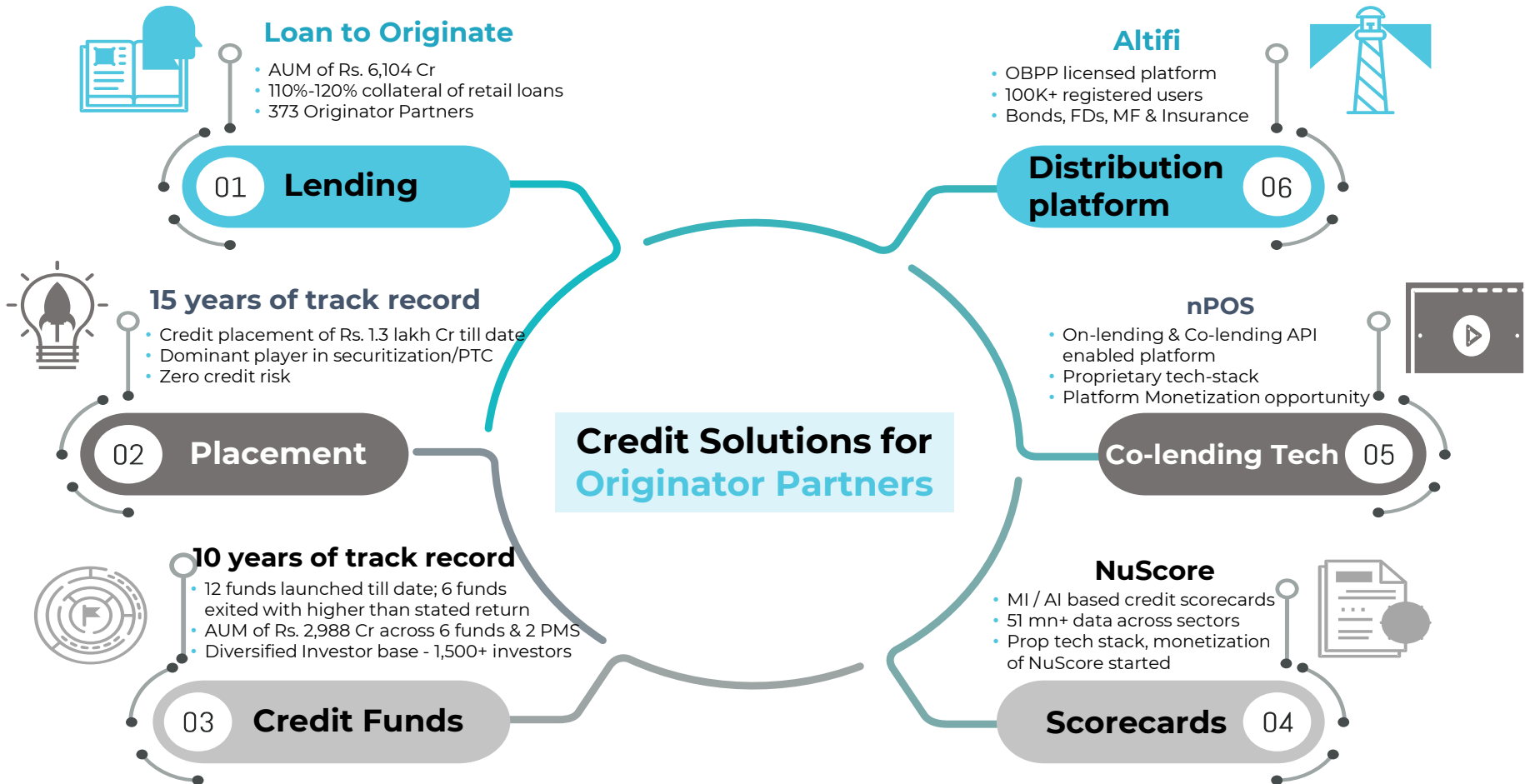
94% of portfolio covered under CGFMU

One of the lowest PAR 30+% among MFI peers



Credit Solutions

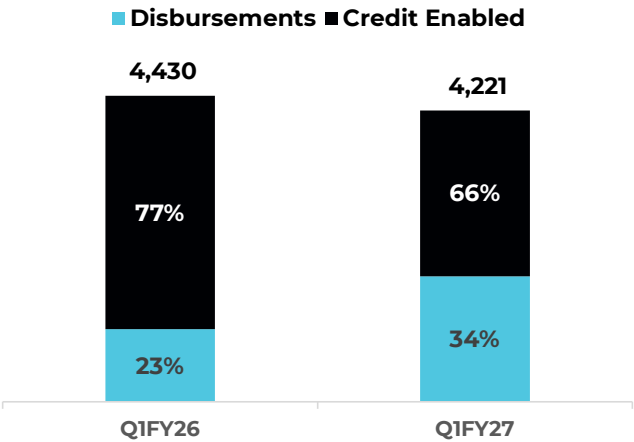
Credit Solutions – Powering Originator Partners Across the Full Credit Continuum



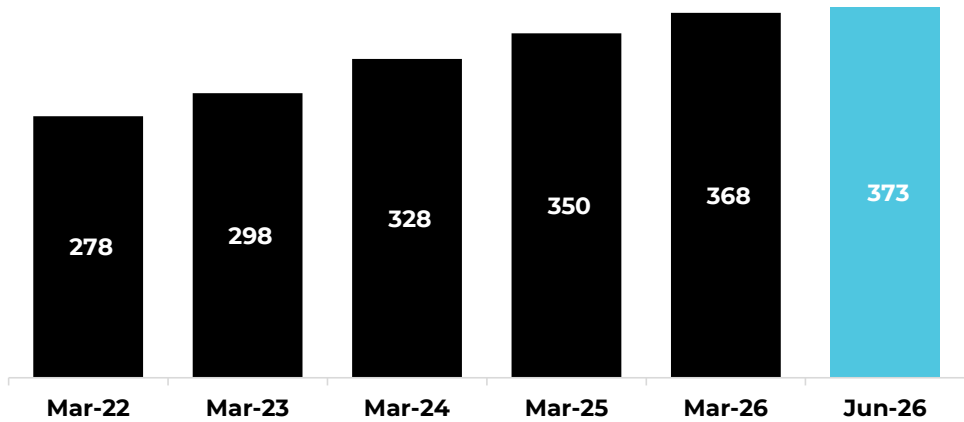
Credit Solutions – Focus on overall credit fulfilment of Originator Partners

Gross Transaction Volume

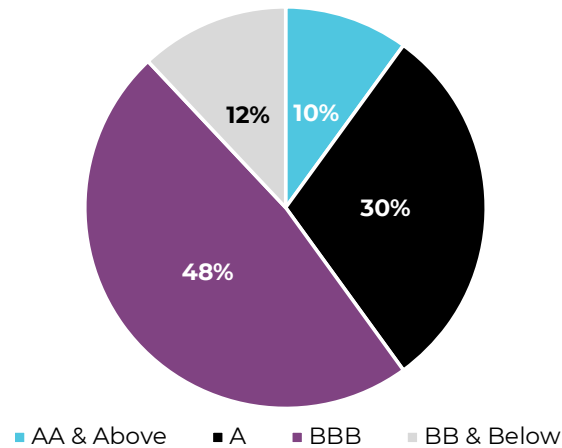
INR crore



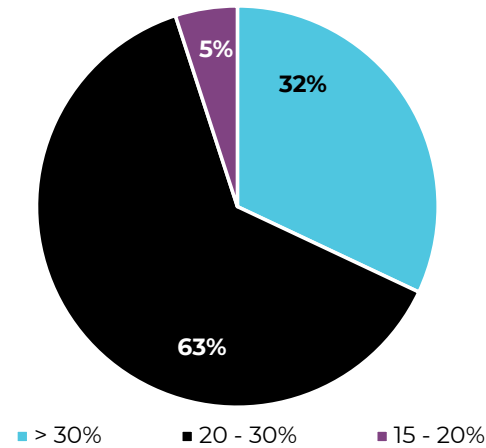
Originator Partners



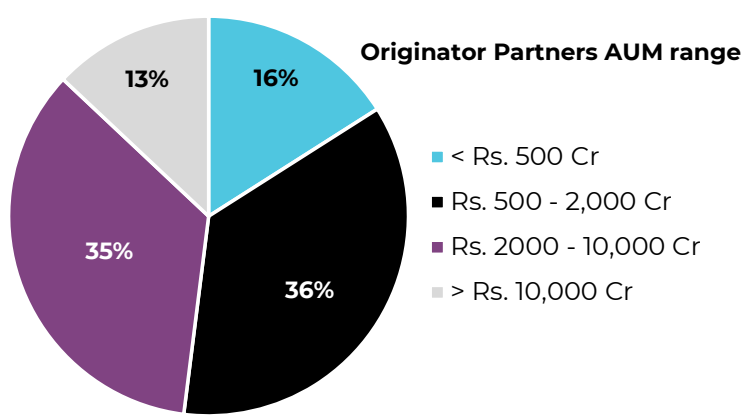
88% of Partners are BBB & above rated



95% of Partners have CRAR of 20%+

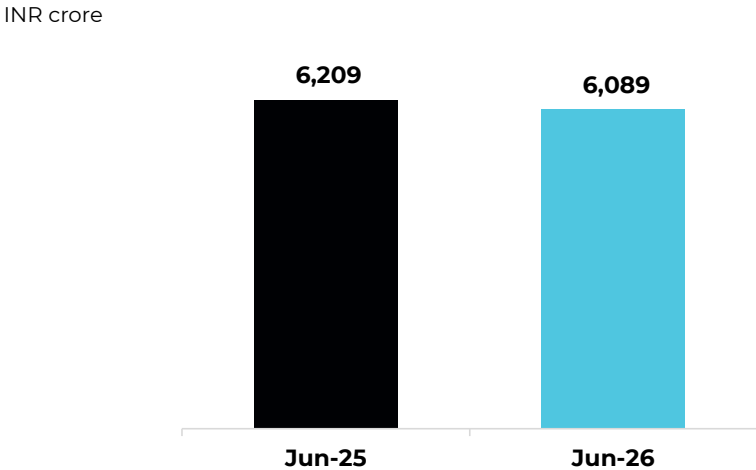


Enters Partnership at early stage

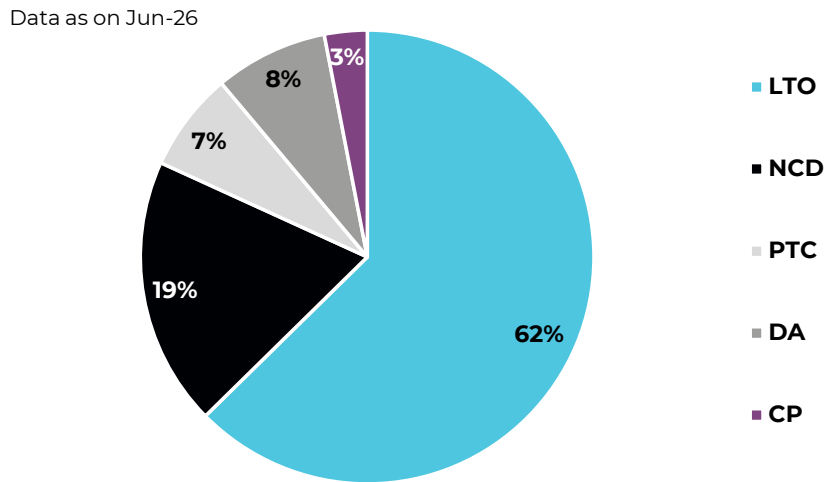


IR Lending – Judicious use of balance sheet to foster relationships

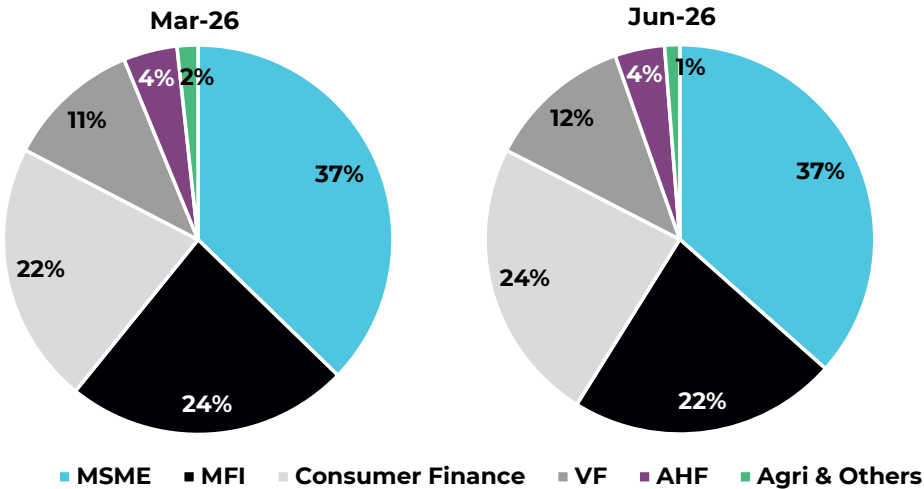
Calibration in Lending AUM with more focus on Fee based businesses



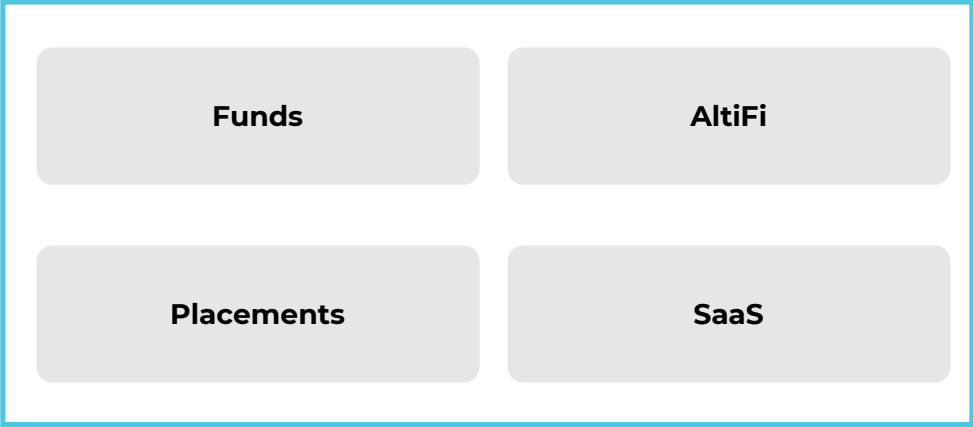
Lending AUM - by Product %



Building diversified Sector mix



Leveraging the IR balance sheet to expand credit offerings for partners via



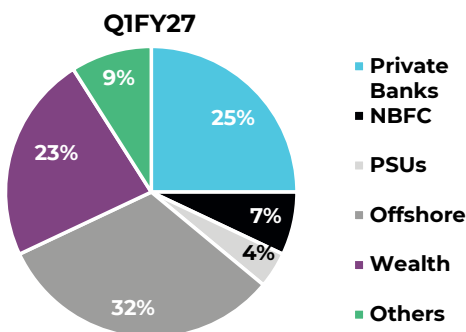
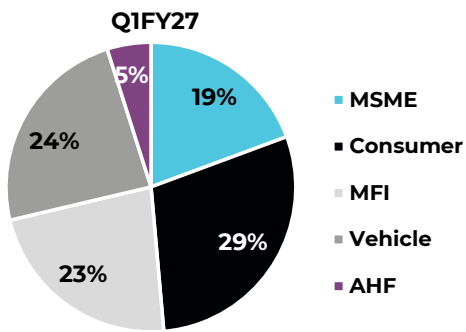
Risk free, fee-based businesses

Placement volumes subdued in midst of geopolitical tension

INR 1,611 Cr

Diversified Sector mix

Investor mix



Credit Funds – Strong track record of 11 years

AUM - INR 2,988 Cr

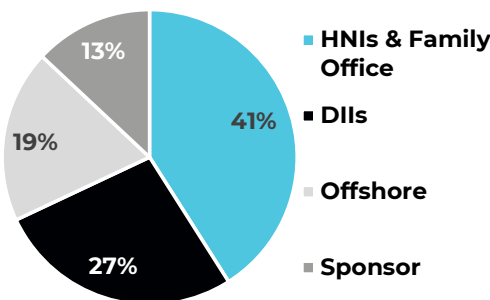
Rs. 16,500 Cr+ Funds Deployed

14.57% XIRR in 6 exited funds, without default/delay

6 AIFs 2 PMS Active Funds

250+ Unique portfolio companies

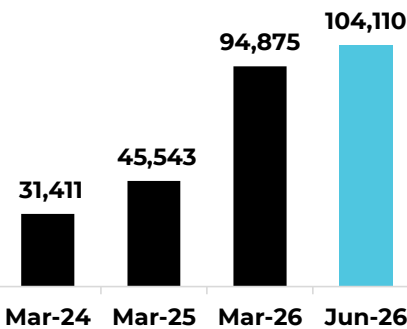
Diversified Investor base (AUM)



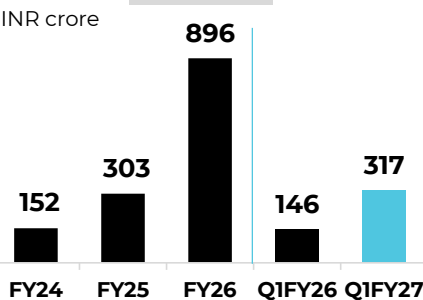
Altifi
By Northern Arc

SEBI licensed, Retail Bond platform

Registered Users



Volumes



Nivesh
extra pay
nahi karta.

- ₹ No fees
- 📄 No charges
- 📈 No commission

9-14%*
fixed returns p.a.
on bonds

Invest with clarity

- Access to 50-plus listed bonds across AAA to BBB+ ratings
- Options ranging from 3 to 30 months
- Minimum investment of INR 10,000

SCAN HERE
To know more

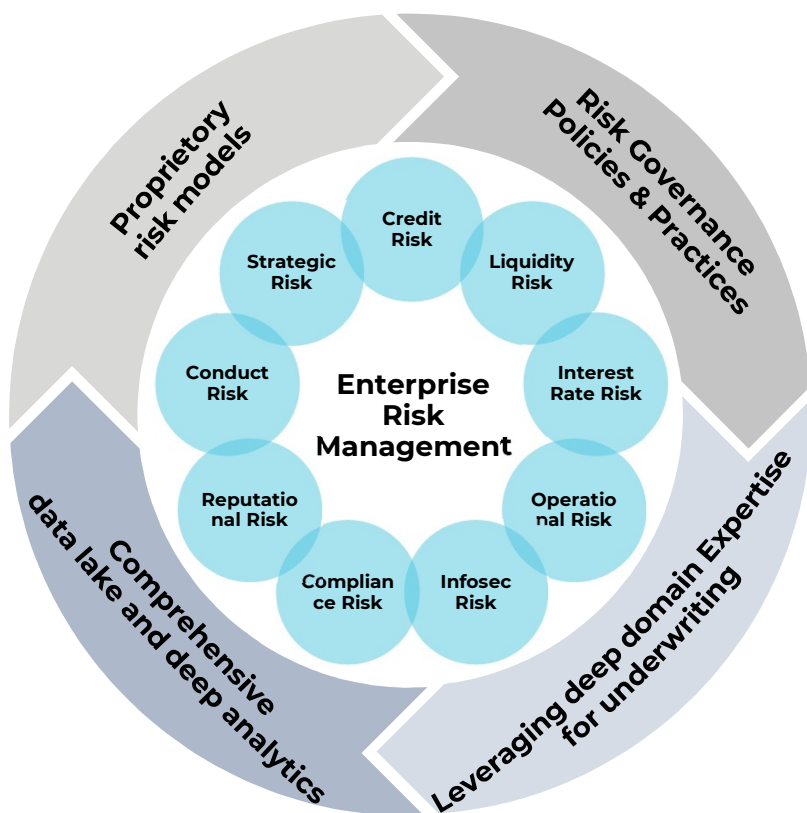


Risk Management

Robust Risk Management Framework

Robust risk management framework based on sector expertise, ground-level insights, extensive data analytics and proprietary risk models

Manage organizational risks



Through

Deep Domain Knowledge and Qualitative **Field-Level** Insights

Proprietary underwriting models built using ML techniques

Predictive models on borrower behavior & geo-risk management

51 mn+ loan data collected over 10+ years extensively analyzed

Risk Monitoring teams that onboard and monitor each originator and geography

Strong Collection Team that can work as back-up servicing partner

Using our Suite of Risk Analysis Tools



Transaction Loss Modelling



Portfolio Scrub Analysis

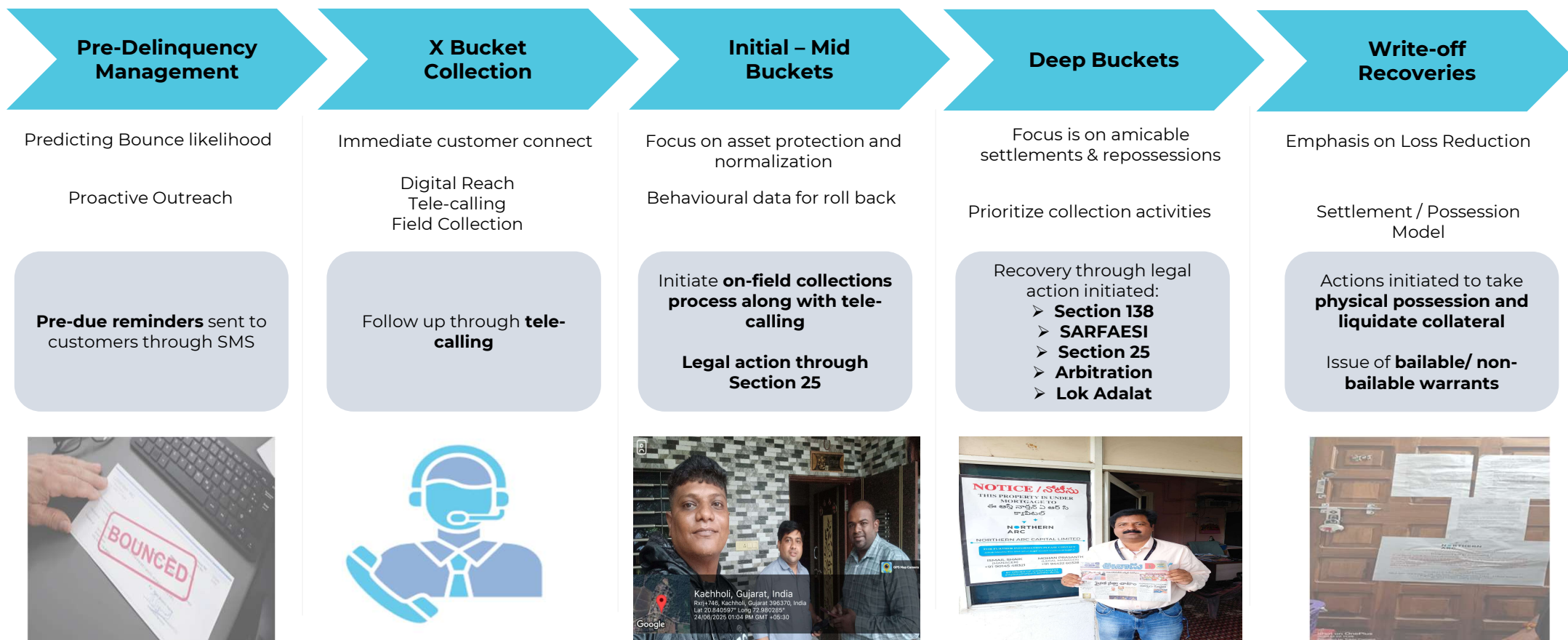


Pin code Analysis



Descriptive Analysis

Deep focus on collections



Sector wise asset quality – Consistent improvement seen across sectors



INR Crores / %	AUM	GNPA (%)		Credit Cost	
		Mar-26	Jun-26	Q1FY26	Q1FY27
Intermediate Retail	6,089	0.7%	0.8%	0.7%	1.5%
MSME	3,761	3.5%	2.6%	1.8%	0.9%
Consumer	5,802	0.3%	0.2%	6.1%	5.0%
Rural	1,203	0.04%	0.02%	7.7%	3.5%
Total	16,855	1.2%	1.0%	3.0%	2.6%

Portfolio Quality



INR crore/%	Assets under Management					Assets under Management (%)					ECL : Expected Credit Loss					ECL % : provision coverage for each stage				
By Staging	Jun'25	Sep'25	Dec'25	Mar'26	Jun'26	Jun'25	Sep'25	Dec'25	Mar'26	Jun'26	Jun'25	Sep'25	Dec'25	Mar'26	Jun'26	Jun'25	Sep'25	Dec'25	Mar'26	Jun'26
Stage I	12,141	13,031	13,905	15,424	15,756	96.7%	96.2%	96.8%	97.3%	97.4%	246.5	252.1	272.0	285.3	335.8	2.0%	1.9%	2.0%	1.8%	2.1%
Stage II	263	359	261	232	264	2.1%	2.6%	1.8%	1.5%	1.6%	89.8	83.5	62.3	27.8	28.7	34.1%	23.3%	23.9%	12.0%	10.9%
Stage III	151	163	205	194	162	1.2%	1.2%	1.4%	1.2%	1.0%	75.8	84.6	100.1	86.3	78.8	50.2%	51.9%	48.9%	44.5%	48.5%
Total On-Book	12,555	13,553	14,370	15,850	16,193	100.0%	100.0%	100.0%	100.0%	100.0%	412.1	420.2	434.5	399.3	443.4	3.3%	3.1%	3.0%	2.5%	2.7%
Assigned Assets	796	613	751	744	662															
Overall AUM	13,351	14,166	15,121	16,594	16,855															

Robust Technology Stack

nPOS – Digital Lending proprietary platform

Connecting Banks & Fintechs through APIs, swift data exchange & straight through processing

Fintechs / Merchants

nPOS

Banks / NBFCs

Built and operated by lending practitioners, not just technology teams

164

Merchants / Fintechs

Extensive network of partners

438Bn+

Cumulative Disbursements

Total value processed on the platform

29.0Mn+

Loans Disbursed

Cumulative retail loans across channels

700K+

Monthly Transactions

High-volume processing capacity

5+ years
Vintage

Matured platform with proven execution

24x7

Disbursement Readiness

Ensuring constant operational uptime

Stress-tested & refined across multiple lending cycles and regulatory environments

Industry Recognition

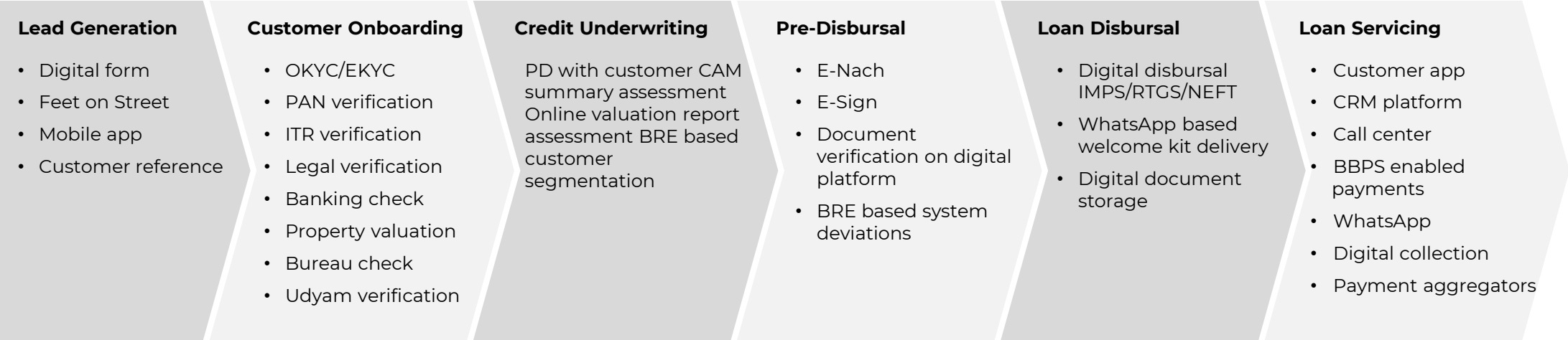


ET Edge Best Digital Lending Platform – 2025



Best Digital Lending Platform – 2025
(Bharat NBFC & Fintech Awards)

Leveraging Technology Stack

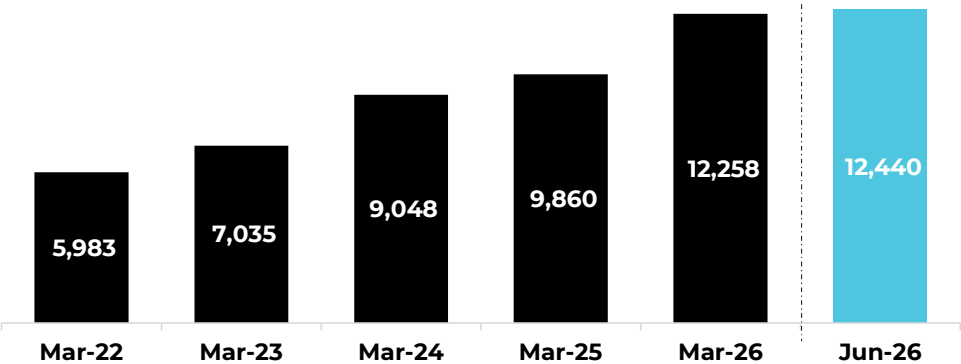


Strong Liability Franchise

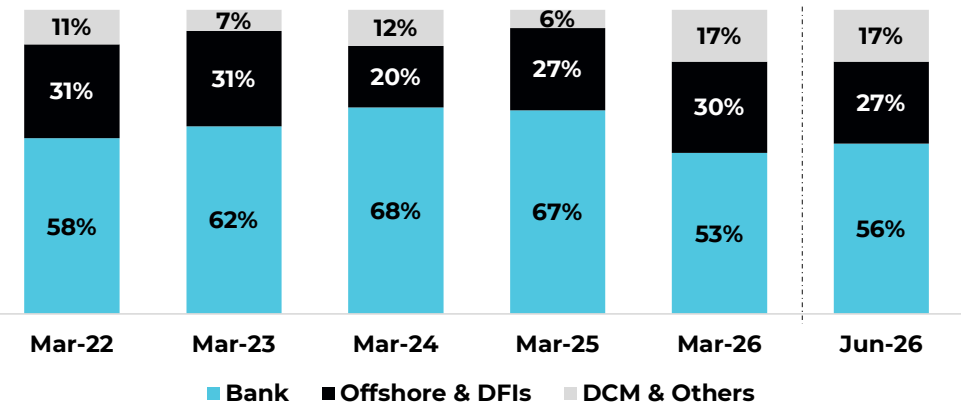
Diversified sources of funding...

Borrowings

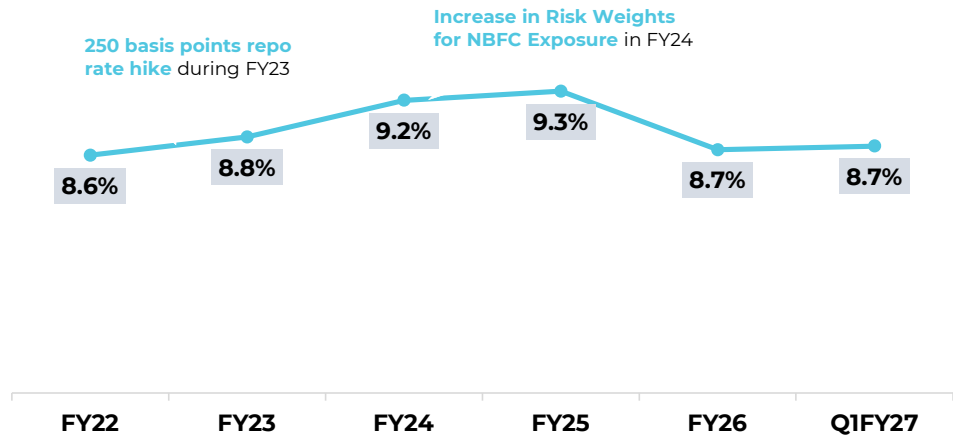
INR crore



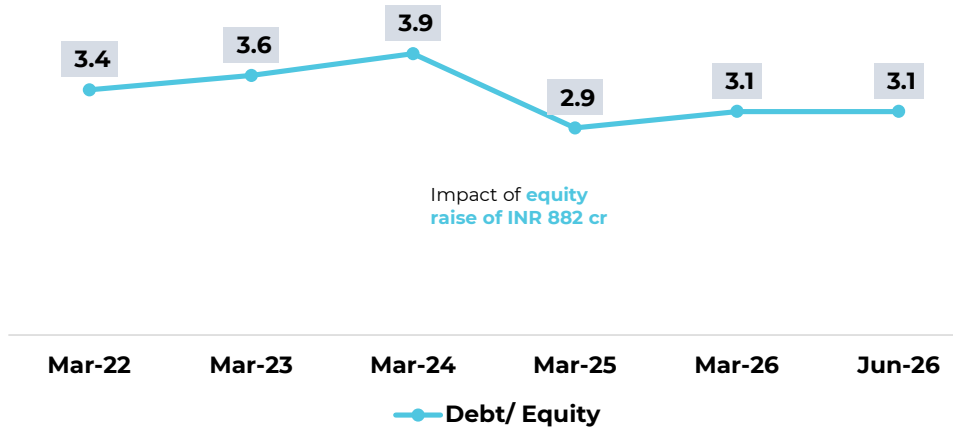
Borrowing Mix %



Incremental Cost of Funds



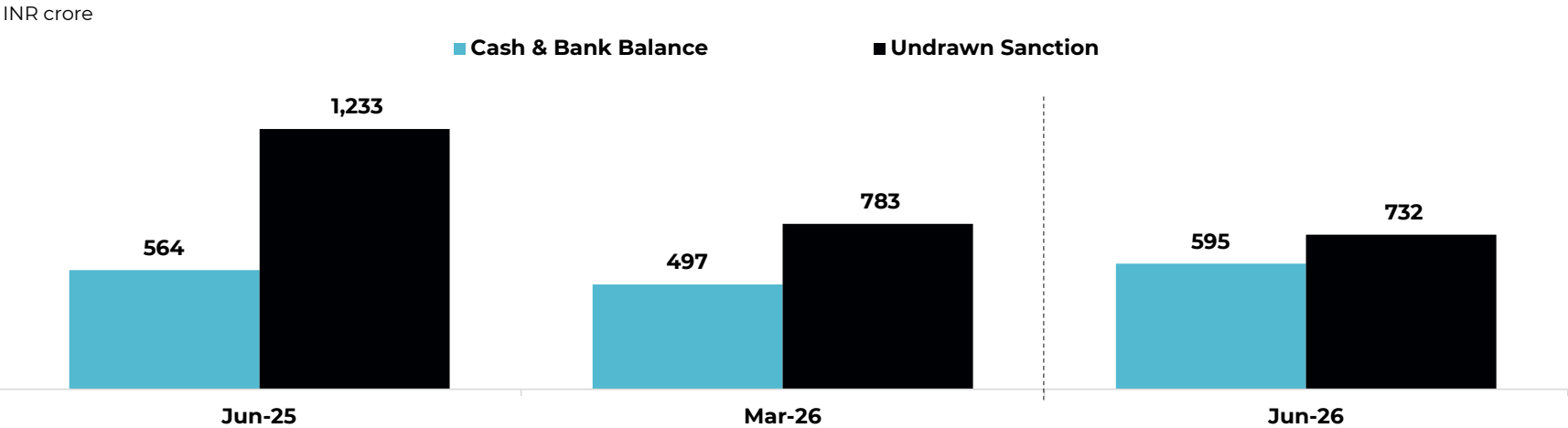
Leverage levels



...with proactive liquidity management



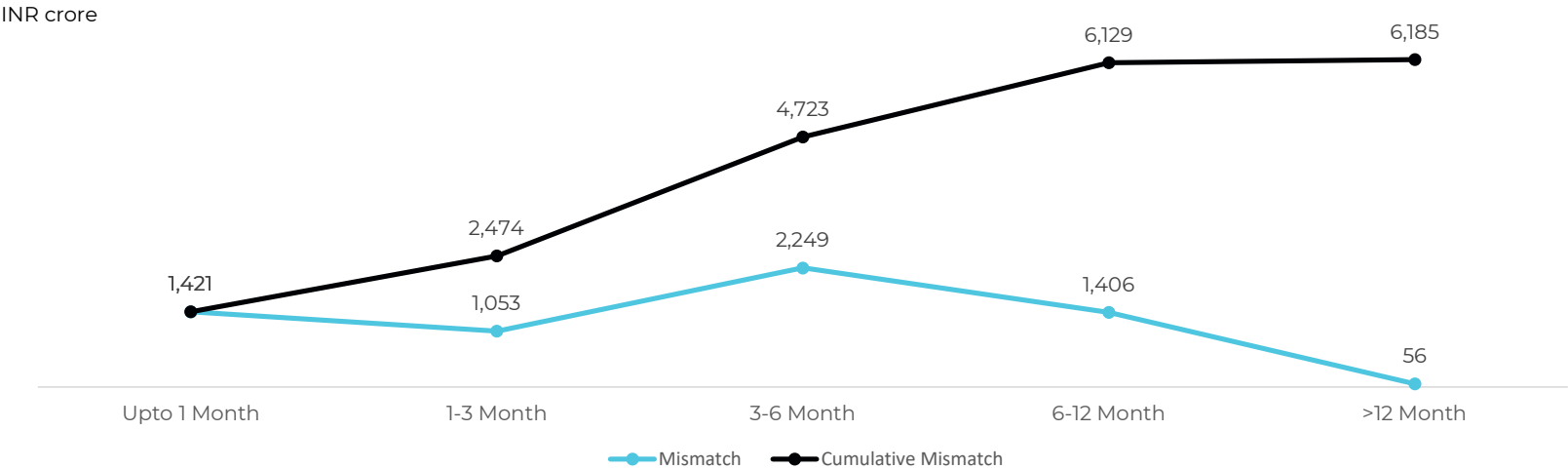
Liquidity position



Consistently adhered to all **RBI norms** as well as **ALCO guidelines** clearly reflecting strong Asset Liability position

No negative cumulative mis-match across all buckets (well below prescribed 15% limit)

ALM Profile as on 30-Jun-26

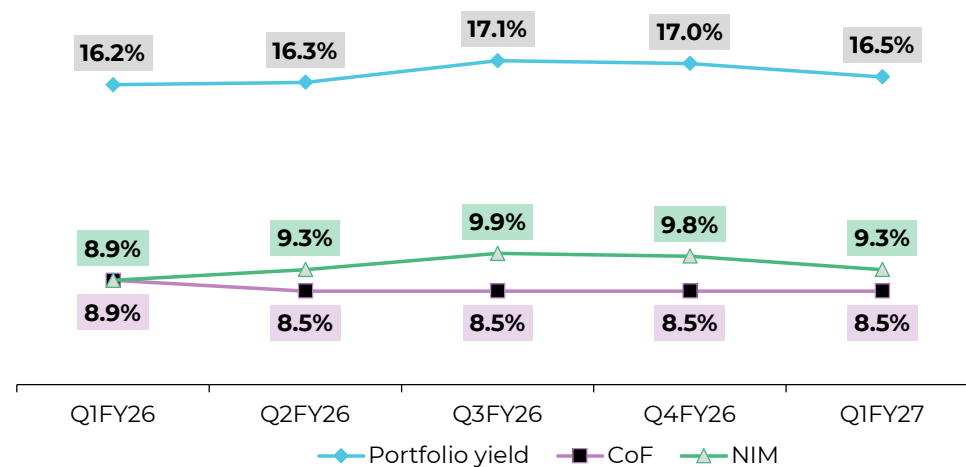
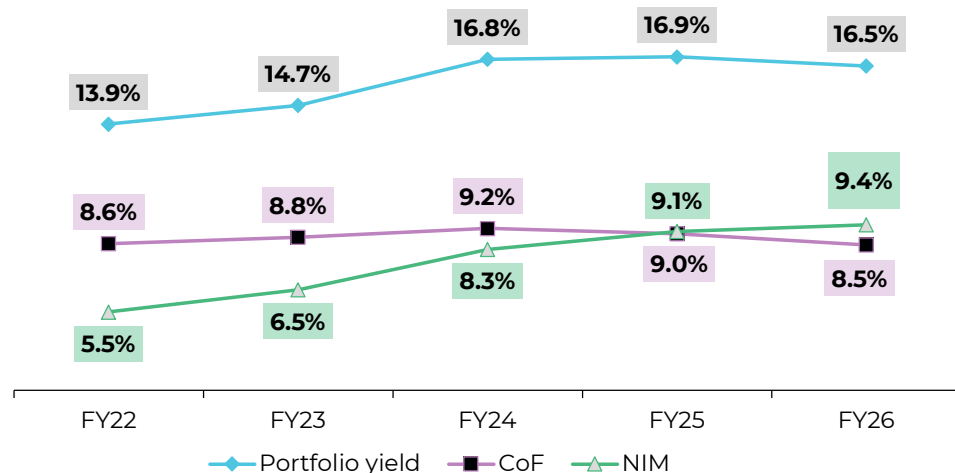


Asset Liability Committee of the Management (ALCO) tracks ALM closely every month

Financials

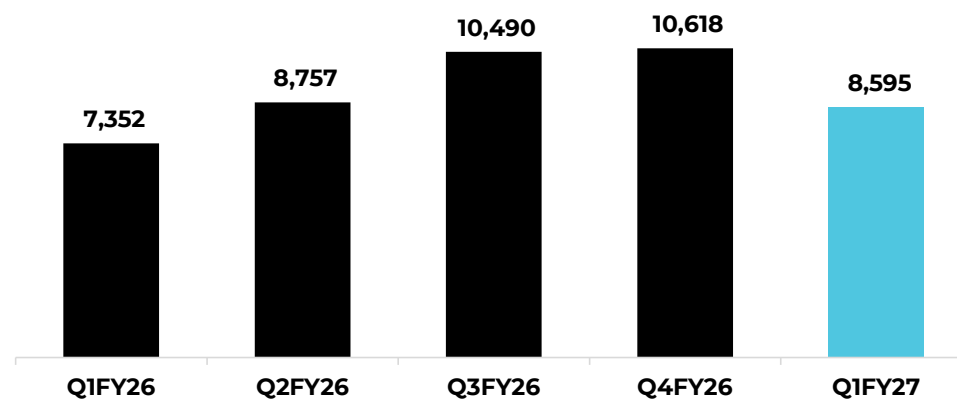
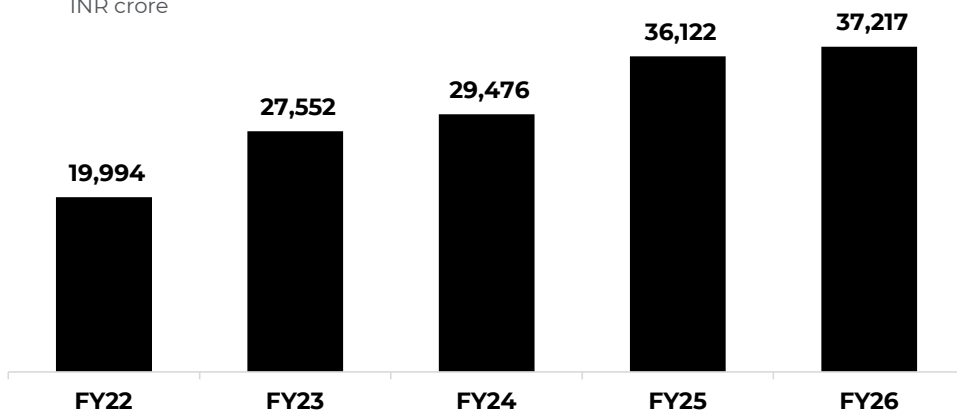
Operating Parameters

Portfolio Yields % and Cost of Funds %*



Gross Transaction Value

INR crore

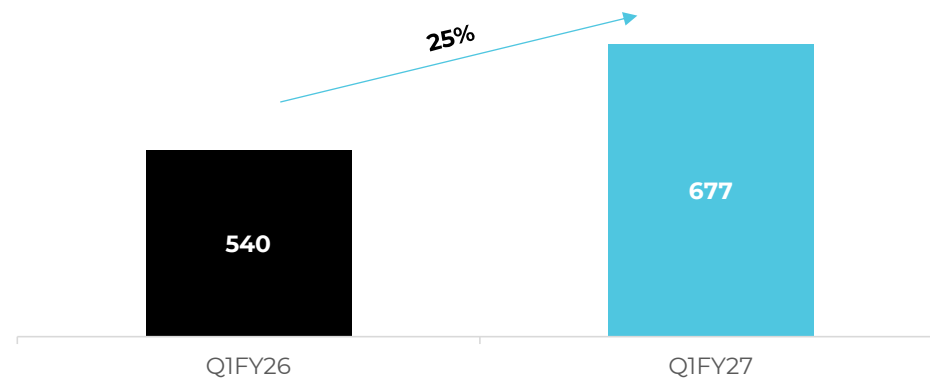
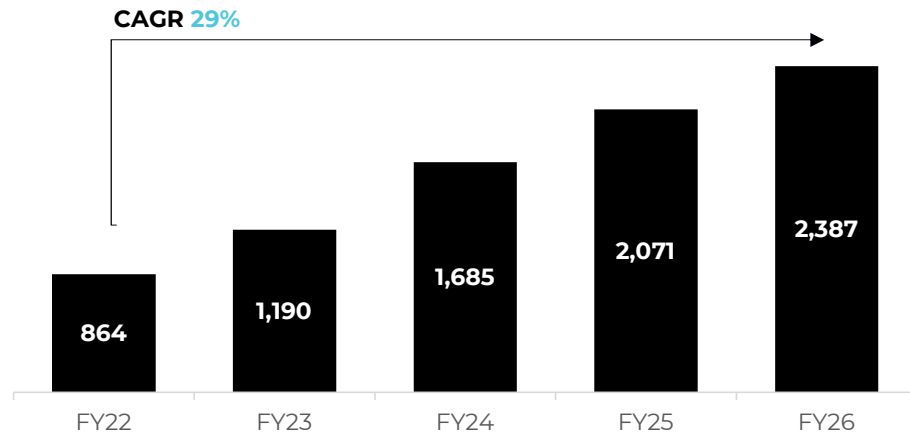


Notes: * Adjusted for fees and commission expense
 Yields: Ratio of 'Adjusted Interest Income' to 'Quarterly Average Earnings AUM'. Cost of Funds (CoF): ratio of 'Interest Expense' to 'Quarterly Average Borrowings'
 (I) NIM Ratio of 'Adjusted Interest Income net of Interest Expense' to 'Quarterly Average Total Assets'.

Sustainable growth in profitability

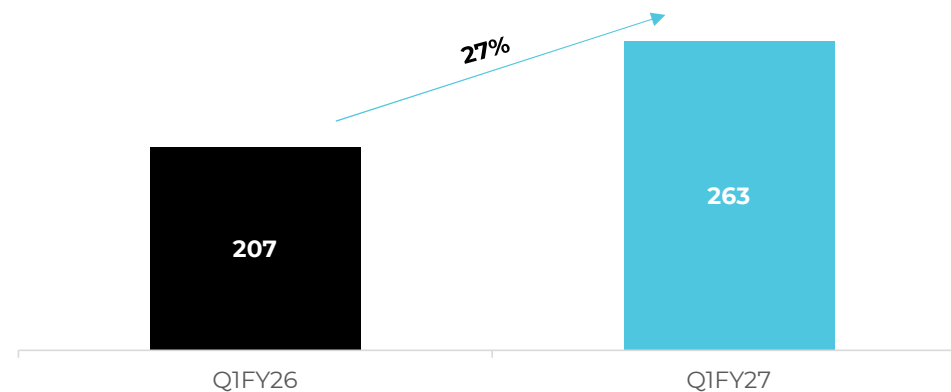
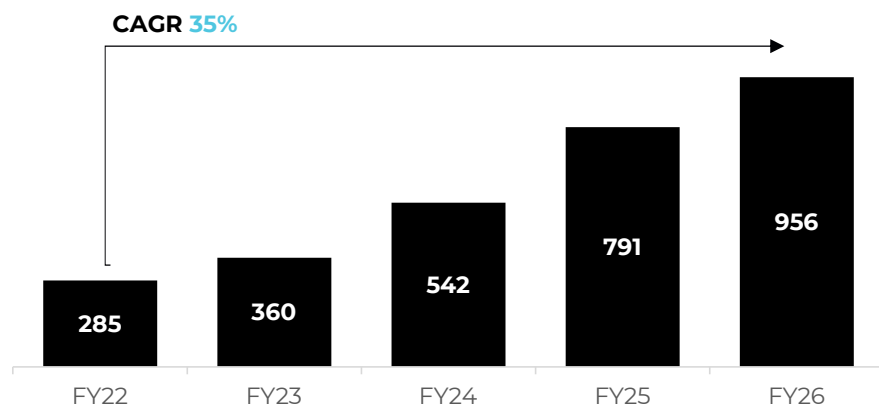
Revenue From Operations *

INR crore



Pre-Provisioning Operating Profit (PPoP) (INR Cr)

INR crore



Notes: * Revenue from Operations is Interest Income and Fee income adjusted for fees and commission expense

Consolidated Income Statement



INR crore	Q4FY26	Q1FY26	Q1FY27	YoY %	FY26
Interest income ¹	632	513	655	28%	2,279
Interest expense	245	215	260	21%	902
Net Interest Income	387	298	394	32%	1,377
Fee & Other Income	27	27	22	-20%	108
Net Revenue	414	325	416	28%	1,484
Employee Costs	85	76	93	22%	331
Operating Costs	59	42	61	43%	198
Total Operating Costs	145	118	153	30%	529
Pre-Provision Operating Profit (PPoP)	269	207	263	27%	956
Credit Costs	87	102	110	8%	412
Profit / (Loss) on Associates	(6)	-0.3	0.3	-	(8)
Profit before tax	176	105	153	46%	536
Tax expense	43	27	39	49%	132
Profit after tax	133	78	114	46%	404
Profit after tax (excluding NCI)	133	81	114	41%	406

Notes: 1. Interest income is adjusted for fees and commission expense

Financial Dupont



Particulars	Q4FY26	Q1FY26	Q1FY27	FY26
Interest Income ¹	15.9%	15.3%	15.5%	15.5%
Interest Expense	6.2%	6.4%	6.2%	6.1%
Net Interest Income	9.8%	8.9%	9.3%	9.4%
Fee and Other Income	0.7%	0.8%	0.5%	0.7%
Net Revenue	10.5%	9.7%	9.8%	10.1%
Employee Costs	2.2%	2.2%	2.2%	2.3%
Operating Costs	1.5%	1.3%	1.4%	1.3%
Total Operating Expense	3.7%	3.5%	3.6%	3.6%
Pre-Provision Operating Profit (PPoP)	6.8%	6.2%	6.2%	6.5%
Credit Costs	2.2%	3.0%	2.6%	2.8%
Profit Before Tax²	4.4%	3.2%	3.6%	3.6%
Tax	1.0%	0.8%	0.9%	0.8%
Profit after tax (RoA)	3.3%	2.4%	2.7%	2.8%
Return on Equity	14.0%	9.3%	11.5%	11.1%
Cost to income Ratio	35.0%	36.4%	36.8%	35.6%
<i>as a % of Quarterly Average Total Assets</i>				

1. Interest income is adjusted for fees and commission expense
2. PBT after share of profit/(loss) of associates and taxes

Balance Sheet



INR crore	Jun'25	Mar'26	Jun'26
Assets			
Financial assets			
Cash and bank balances	564	497	595
Loans	10,349	12,493	13,555
Investments	1,927	2,943	2,233
Other financial assets	165	597	580
Non-financial assets	252	215	216
Total assets	13,257	16,745	17,179
Liabilities and equity			
Financial liabilities			
Borrowings & Debt Securities	9,422	12,258	12,440
Other financial liabilities	242	523	602
Other non-financial liabilities	58	63	75
Equity	3,532	3,896	4,056
Non-controlling interest	3	5	6
Total liabilities and equity	13,257	16,745	17,179
Quarterly Avg. earning Assets	12,702	15,078	15,947
Quarterly Avg. total assets	13,448	16,076	16,962

Board & Management

Board of Directors :



Mr. P S Jayakumar
Chairman & Non-Executive
Independent Director

Former MD & CEO,
Bank of Baroda
~30 years of experience



Mr. Ashish Mehrotra
Managing Director &
Chief Executive Officer

Former MD & CEO, Max Bupa
Health Insurance
MD & Retail Bank Head,
Citibank India



Ms. Anuradha Rao
Non-Executive
Non-Independent Director

Former MD & CEO
SBI Funds Management
~36 years of experience



Mr. Ashutosh Arvind Pednekar
Non-Executive
Independent Director

Practicing Chartered Accountant
30+ years of experience



Mr. Sandeep Dhar
Non-Executive
Independent Director

35 years of experience in the BFSI
and IT services sectors



Mr. Michael Jude Fernandes
Non-Executive Nominee Director



Co-lead
Leapfrog Investments, South & SEA
~20 years of experience



Mr. Vijay Chakravarthi
Non-Executive Nominee Director



Partner – Affirma Capital
Former Executive Director,
Private Equity at Standard Chartered Bank



Ms. Vidya Krishnan
Non-Executive
Independent Director

Former Deputy MD – IT with State Bank of
India
~39 years of experience

**Marquee Investors
Driving Strong
Corporate
Governance
Standards**

LeapFrog
Financial
Inclusion India
(II) Ltd

16.2%

Augusta
Investments II
Pte. Ltd

16.0%

Eight Roads
Investments
Mauritius II
Limited

6.9%

International
Finance
Corporation

6.1%

Accion Africa-
Asia
Investment
Company

4.0%

Ashish Dhawan
& Group

3.9%

Sumitomo
Mitsui Banking
Corporation

3.8%

1. Shareholding as on June 30, 2026

Independent Director

Nominee Director

Others

Managed by experience leadership team



Ashish Mehrotra
Managing Director
& Chief Executive Officer

Former MD & CEO, Max Bupa
Health Insurance
MD and Retail Bank Head,
Citibank India



Pardhasaradhi Rallabandi
Group Risk Officer & Governance
Head

31+ years of experience in Banking
Previously associated with
Standard Chartered Bank



Gaurav Mehrotra
Chief Technology Officer

26+ years of experience in
technology. Previously
associated with JP Morgan,
Goldman Sachs & Infosys



Sandeep Singh
Head – Intermediate Retail

25+ years of experience
Previously associated with India
Ratings & Research



Moushumi Mandal
Chief People Officer

25+ years of experience
Previously associated with
National Stock Exchange (NSE)



Atul Tibrewal
Chief Financial Officer

22+ years of experience in finance
Previously associated with
Magma Fincorp & Birla
Corporation



Jagadish Babu Ramadugu
Managing Director & CEO
(Pragati)

28+ years of experience
Previously associated with Vaya
Finserv, Hindustan Coca-Cola,
Spencers & Asian Paints



Priyashis Das
Chief Executive Officer – Northern
Arc Securities

25+ years of experience
Previously associated with DBS,
Citibank, ABN and Tata AIA



Chetan Tivary
Chief Internal Audit Officer

30 years of experience in Audit
and Risk Management across
Mashreq Bank, HSBC Ltd, DCB
Bank and ABN AMRO Bank



Saurabh Jaywant
Chief Legal Officer

22+ years of experience in
financial services companies
Previously associated with
ICICI Bank



Amit Mandhanya
Chief Business Officer – Digital Lending

17+ years of experience
Previously associated with
Micro-Credit Ratings
International Limited



Bhavdeep Bhatt
Chief Executive Officer – Northern
Arc Investment Managers

29+ years of experience
Previously associated with Aditya
Birla Sunlife AMC, ICICI Prudential
AMC & Kotak AMC



Vipin G S
Chief Compliance Officer

24+ years of experience
Previously associated with
Manappuram Finance

Sustainability

ESG Impact Rating – A Testament to Sustainable Growth



ICRA

ESG Impact Rating

81

Outstanding

Environment Impact (Score 78 – Good)

NACL’s **resource-light financial services model** results in a low direct environmental footprint, with modest energy consumption and low Scope 1 and Scope 2 emissions.

Its environmental performance is supported by green-certified facilities, resource-efficient infrastructure and digitalisation, which has helped **conserve ~11 crore sheets of paper**.

A dedicated Environment & Climate Change Policy and ESMS framework further strengthen environmental risk management, reinforcing NACL’s commitment to responsible and sustainable growth.

Social Impact (Score 87 – Outstanding)

NACL’s social impact is driven by its **financial inclusion-led business model**, expanding access to credit for underserved households and enterprises. Through 432 branches, 57 digital partners and 368 Originator Partners, the Company has facilitated over INR 2.5 lakh Crore in financing, impacting 140 million lives across 680 districts.

Multilingual grievance redressal mechanisms further support accessibility, customer protection and responsible engagement across its diverse customer base.

NACL’s social profile is strengthened by employee welfare, customer protection, human rights frameworks and diverse CSR initiatives.

Governance practices (Score 80 – Outstanding)

NACL’s strong governance is reflected in ~95% Board attendance and a dedicated Board-level ESG Committee, providing oversight of ESG strategy, risk management, impact measurement and sustainable finance initiatives.

Robust risk and compliance frameworks, supported by ESMS, proprietary technology and automated monitoring systems, strengthen lending decisions, regulatory compliance and transaction oversight.

NACL’s governance framework is strengthened by the participation of reputed development finance institutions and impact investors, reinforcing its focus on responsible finance, developmental impact and robust ESG practices.

Awards and Accolades (FY26)



ETBFSI – Best BFSI Brand



Deloitte India Tech Fast 50



Best Fund Management Company



Hurun India Future Unicorn Award



Recognised Great Place to Work for 6 consecutive years

Thank you!

For any query, please contact :

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