

## **Northern Arc structures and executes USD 20 Mn ECB funding for CreditAccess Grameen Limited from Austria's Oesterreichische Entwicklungsbank AG (OeEB)**

**Chennai, April 13, 2023:** Northern Arc, the technology enabled diversified financial services platform has structured and arranged US\$ 20 Million ECB funding from The Development Bank of Austria, Oesterreichische Entwicklungsbank AG (OeEB) for CreditAccess Grameen Limited (CA Grameen), India's largest microfinance institution with over INR 21,000 crore gross loan portfolio at the end of March 2023.

The fundraise facilitated by Northern Arc comes close on the heels of CA Grameen's first ESG fundraise arranged by Northern Arc from Swedfund International AB qualifying under the [2X Challenge](#) in 2021. In the latest ECB funding, Northern Arc once again acted as the exclusive structurer and arranger of the transaction and assisted in the end-to-end Indian financial market scoping, credit analysis, due diligence, transaction structuring and execution, as a part of the deal process.

This long-term funding will be utilized by CA Grameen to provide micro loans to women borrowers from low-income households for income-generating activities, thereby promoting their access to formal financing. This transaction aligns well with OeEB's commitment to gender equality, anchored as a cross-sector objective in their investment strategy.

Commenting on the arrangement, **Ms. Bama Balakrishnan, Chief Operating Officer, Northern Arc Capital**, said "We congratulate both teams on the successful transaction in the backdrop of volatility in currency rates market and a challenging environment for overseas issuances. This transaction is another testament to Northern Arc's expertise in partnering with Originators across size and credit rating spectra. We look forward to continuing our efforts towards enabling financial inclusion and empowering women entrepreneurs in India."

**Mr. Udaya Kumar Hebbar, MD & CEO, CA Grameen**, said, "The OeEB fundraise marks the third ESG-linked loan in our inclusive finance journey with US\$ 80 million raised so far. We continue to assess and improve our ESG practices ensuring the alignment with our ethos of empowering local communities. Rural India is a shining spot in the sustainability realm where our deep presence and unique operating model makes a perfect case to channelise ESG funds whilst increasing investment resilience."

**Ms. Sabine Gaber, Member of OeEB's Executive Board**, said "We are delighted to extend this credit line to CA Grameen. We believe this will contribute to strengthening financial inclusion of poor and low-income households as well as towards promoting gender equality, in the rural areas of India. We are grateful to Northern Arc for their all-round assistance on this transaction."

### **About Northern Arc:**

Northern Arc is a technology enabled diversified financial services platform that provides credit to MSMEs, households, financial institutions and emerging businesses. Through technology and data, it provides a diverse set of solutions to cater to the credit requirements of emerging segments and small businesses. Its business model is diversified across offerings, sectors, products, geographies, and borrower segments.

By leveraging its deep data insights & scorecards, Northern Arc has cumulatively raised over INR 1.4 lakh crores (INR 1.4 trillion) in funds for its clients since inception of its platform in 2009. It has disbursed a total of over 9.5 million (95 lakhs) loans to retail customers across individuals, households, and small businesses. Through AltiFi, its wealth management platform, it offers fixed income investments to affluent and retail investors. AltiFi has amassed over 20,000 customers and transaction volume of 700 crores since its launch in 2021.

Northern Arc also has a wholly owned subsidiary that manages seven AIFs. Northern Investments has an aggregate investor commitment of over INR ~3000 crore and is in the process of raising funds for its tenth fund.

Northern Arc's exposure is spread across 657 districts in 29 states and 7 Union Territories in India. It is backed by marquee equity investors like Sumitomo Mitsui Banking Corporation (the world's fourteenth largest bank), LeapFrog, IIFL, Accion, Augusta Investments (known as Affirma Capital), Dvara Trust and Eight Roads (proprietary arm of Fidelity).

#### **About CreditAccess Grameen Limited (CA Grameen):**

CreditAccess Grameen Limited is a leading Indian microfinance institution headquartered in Bengaluru, focused on providing micro-loans to women customers predominantly in rural areas across India. The Company, on a consolidated basis, is now operating in 344 districts in 14 states (Karnataka, Maharashtra, Tamil Nadu, Chhattisgarh, Madhya Pradesh, Odisha, Kerala, Goa, Gujarat, Rajasthan, Uttar Pradesh, Bihar, Jharkhand, and West Bengal) and one union territory (Puducherry) in India through 1,782 branches. The Company's Promoter is CreditAccess India B.V., a multinational company specializing in micro and small enterprise financing. It is backed by institutional investors and has a micro-lending experience in India of more than a decade.

#### **About Oesterreichische Entwicklungsbank AG (OeEB):**

Oesterreichische Entwicklungsbank AG (OeEB) has been operating as the Development Bank of Austria since March 2008. It specialises in the provision of long-term finance for the implementation of private sector projects in developing countries which create sustainable development. Additionally, OeEB provides technical assistance, which can be used to enhance the developmental impact of projects. For more information, please visit <https://www.oe-eb.at/>