

## PRESS RELEASE

### Karnataka Bank partners with Northern Arc Capital Limited (Northern Arc) nPOS platform for Colending & Pool Buyout

**Chennai, 29<sup>th</sup> January, 2024:** Karnataka Bank (KBL), a leading Private Sector Bank & Northern Arc Capital Limited ("Northern Arc"), one of India's diversified NBFCs and a financial services platform, have entered into a MOU, enabling the bank to offer customer-centric financial solutions to retail borrowers. The nPOS, Northern Arc's technology platform for co-origination, co-lending and pool buy-out aims to enable Karnataka Bank to seamlessly connect with multiple originators for loan origination, underwriting, disbursement, and collection, along with interactive dashboards, proactive nudges, and advanced reconciliation abilities.



This collaboration will allow bank to digitally onboard various NBFCs, to lend significant amount of money and onboard a larger customer base as a result of their better consumer outreach.

**Speaking on this arrangement, Shri Srikrishnan H, Managing Director & CEO, Karnataka Bank, said that, "Karnataka Bank's arrangement with Northern Arc through the platform of NACL (nPOS), is very strategic considering our aspirations to partner with multiple Fintechs. We are looking at multiple areas to collaborate and co-lending is a big focus to grow our Advances book. The relationship with Northern Arc**

will assist us in onboarding various NBFCs and ensuring last mile integration beyond our branch serving areas.”

**Ashish Mehrotra, CEO & MD, Northern Arc Capital said,** “We are delighted to partner with Karnataka Bank in their digital transformation journey. The nPOS platform will aim to enable the bank to accelerate its co-origination and co lending partnerships with Fintechs and NBFCs. This strategic alliance underscores our commitment to facilitate credit to the underserved and underbanked individuals and businesses and drive innovation within the financial industry by enabling banks to stay ahead within the rapidly evolving regulatory and digital landscape.”

**Sekhar Rao, ED, Karnataka Bank said,** “Karnataka Bank is excited to announce its tech-enabled partnership with Northern Arc. This collaboration aims to enhance digital lending, risk management and financial inclusion, and to provide the customers with innovative solutions. We look forward to delivering a seamless experience through this strategic alliance.”

The agreement was exchanged at Bengaluru by **Shri Srikrishnan H, Managing Director & CEO** of Karnataka Bank and **Ashish Mehrotra, CEO & MD, Northern Arc Capital**. Also present on the occasion were, Shri Vinaya Bhat P J, General Manager, Credit Marketing Department and other executives of Karnataka Bank & Northern Arc.

#### **BOILERPLATE:**

##### **About Karnataka Bank Limited**

Karnataka Bank, established in 1924 is celebrating its Centenary year and stands as a reputable and strong institution in India's banking sector. Headquartered in Mangaluru, Karnataka, its century-long legacy is a testament to the commitment to financial inclusion and customer satisfaction. The Bank continues to be a prominent player, offering a full range of products, for Retail, MSME, SME, Agri and Corporate segments with a wide variety of products including Trade finance, Foreign Exchange, Remittances and NRI services. The Bank's strategy is to embrace technological

advancements to stay relevant in the ever-evolving digital financial landscape. With a century of service, Karnataka Bank remains a trusted and reliable Financial Institution.

**About Northern Arc:**

Northern Arc is a diversified financial services platform set up primarily with the mission of catering to the diverse retail credit requirements of the under-served households and businesses in India. We are registered with the Reserve Bank of India as a Non-Banking Finance Company and over the last 14 years, created a differentiated and comprehensive play on the retail credit ecosystem in India. Since 2009, we have facilitated financing of over ₹1.50 trillion that has impacted over 80.59 million lives across 682 districts, 28 states and seven union territories. We have developed domain expertise in enabling credit across our six focused sectors in India - MSME financing, Microfinance, Consumer Finance, vehicle finance (commercial vehicle, two-wheeler and EV finance), affordable housing finance and Agriculture finance. In addition to being a key player across the focus sectors, we are concentrating on building expertise across the climate and renewable financing sector.

Disclaimer: All the data stated in the boiler plate is as of September 30, 2023.