

Northern Arc Capital enters a strategic partnership with Indian Bank

- The agreement will help the two financial institutions collaborate, co-operate, co-lend loans, and widen their respective markets and customer base.
- The strategic alliance envisages offering each other's lending products and services to customers and offering joint lending products.
- Northern Arc's n-POS platform, which provides comprehensive integrated solutions for partners and investors, will be used by Indian Bank to offer retail loans.

Chennai, May 26, 2022: Northern Arc, one of India's diversified financial services platforms, announced that it has entered a strategic partnership with Indian Bank. The partnership will help both institutions leverage synergies and offer customer-centric financial solutions to retail borrowers. The customers will be served through a completely online and seamless journey, helping them experience high-quality service.

The partnership will enable Indian Bank to access Northern Arc's n-POS platform, which helps NBFCs, fintech, digital lenders, and investors co-lend to retail borrowers. The platform provides fully integrated systems for partners and investors with real-time KYC validation and instant disbursement features.

It also provides investors access to the NAC score - an assessment of a borrower's financial strength and propensity to repay, that has been developed by Northern Arc. The scoring uses AI and ML algorithms and delves into over 25 million data points accumulated by Northern Arc over its past decade of working with more than 250 partner institutions across the country.

The n-POS platform also helps investors with periodic reporting and portfolio reconciliations. It has so far enabled over 7.5 million loans and has witnessed significant traction in the recent past - Over 5 million loans have been disbursed in the last year alone.

Announcing this landmark partnership in the financial services space, Imran Amin Siddiqui, Executive Director, Indian Bank said, "Indian Bank has tied up with several Fintech companies. We are happy to join hands with Northern Arc also for end-to-end digital products like personal loans. We expect that with this joint venture, we can increase the digital-based portfolio to a new level."

Commenting on the partnership, Ashish Mehrotra, MD & CEO, Northern Arc Capital said, "We are delighted to partner with Indian Bank and offer new-age digital solutions for our customers. Both institutions have complementary strengths and capabilities, which can be leveraged to expand our market, diversify the product suite and ensure a high-quality customer experience. The n-POS platform is a critical infrastructure for the industry and will solve key integration issues that were hampering co-lending partnerships."

About Northern Arc

Northern Arc Capital Limited is a platform in the financial services sector in India. 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.

Northern Arc has cumulatively raised over INR One Trillion in funds for its clients since the inception of its platform in 2009. Northern Arc's exposure was spread across 657 districts in 28 states and 7 Union Territories in India, as of March 31, 2021. It has disbursed a total of over 6 million loans to retail customers across individuals, households and small businesses.

It is backed by marquee private equity players like LeapFrog, IIFL, Accion, Augusta Investments (known as Affirma Capital), Dvara Trust, Eight Roads and Sumitomo Mitsui Banking Corporation.

Disclaimer:

Northern Arc Capital Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offering of its equity shares ("Offer") and has filed a Draft Red Herring Prospectus ("DRHP") with the Securities and Exchange Board of India ("SEBI"). The DRHP is available on the website of the SEBI at www.sebi.gov.in, the website of the National Stock Exchange of India Limited at www.nseindia.com and the website of the BSE Limited at www.bseindia.com and the respective websites of the book running lead managers to the Offer at www.axiscapital.co.in, www.credit-suisse.com, www.iiflcap.com and www.sbcaps.com. Investors should note that investment in equity shares involves a high degree of risk. For details, potential investors should refer to the RHP which may be filed with the Registrar of Companies in the future, including the section titled "Risk Factors". Potential investors should not rely on the DRHP filed with the SEBI in making any investment decision." The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) in the United States only to U.S. persons that are U.S. QIBs that are also QPs acting for its own account or for the account of another U.S. QIB that is a QP (and meets the other requirements set forth herein), in reliance on the exemption from registration under the Securities Act provided by Rule 144A or other available exemption and in reliance upon section 3(c)(7) of the U.S.

Investment Company Act, and (ii) outside the United States, to non-U.S. persons in reliance on Regulation S. There will be no public offering of the Equity Shares in the United States.

About Indian Bank

Indian Bank, with headquarters in Chennai, stands tall among the Public Sector Banks in the country. It is the seventh-largest bank among PSBs. Bank is having a business network consisting of nearly 5,700+ branches pan India with 3 Overseas Branches, and 4,836 ATMs reaching out to customers across the length and breadth of the Country. The Total Business of the Bank has surpassed 10 lakhs last year. Bank makes steady growth in all aspects by registering net profit year after year.