Ref No.: NACL/02/NOV/2026-27 November 03, 2026

To, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 **Scrip Code: 544260**	To, National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051 **Scrip Symbol: NORTHARC**

Sub: Press Release for the Investors on the Financial and Operational Performance of the Company for the second quarter and half year ended September 30, 2026.

With reference to the above subject, please find enclosed the Press Release for the Investors on the Financial and Operational Performance of the Company for the second quarter and half year ended September 30, 2026.

This intimation is also available on the website of the Company at https://www.northernarc.com/financial-results

For Northern Arc Capital Limited

PRAKASH CHANDRA PANDA

Digitally signed by PRAKASH CHANDRA PANDA
Date: 2026.11.03 17:35:24 +05'30'

Prakash Chandra Panda
Company Secretary & Compliance Officer

CC:
Catalyst Trusteeship Limited,
GDA House, Plot No.85,
Bhusari Colony (Right),
Paud Road,
Pune 411 038.

Press Release

Record Q2FY27 performance, Lending AUM grows 34% YoY to INR 19,003 Crore; PAT rises 41% YoY to INR 129 Crore as business momentum strengthens

INR Crore	Q2FY26	Q2FY27	YoY (%)	H1FY26	H1FY27	YoY (%)
NII	322	**425**	32%↑	620	**819**	32%↑
Credit Cost	2.66%	**2.55%**	11 bps↓	2.82%	**2.56%**	26 bps↓
PAT	92	**129**	41%↑	173	**244**	41%↑
RoA	2.63%	**2.82%**	19 bps↑	2.51%	**2.75%**	24 bps ↑

Mumbai, November 3, 2026: Northern Arc Capital Limited, a diversified financial services platform announced its results for the quarter ended September 30, 2026.

Key highlights for Q2FY27 & H1FY27:

- **Assets & Flows**
  - Lending AUM grew by 34% YoY / 13% QoQ to INR 19,003 Crore as on September 30, 2026
  - Direct lending (D2C) AUM grew to INR 12,502 Crore **(66% of overall AUM)**
  - Gross Transaction Volume for H1FY27 grew by 38% YoY to INR 22,303 Crore
  - Private Credit Fund AUM stood at INR 2,785 Crore as on September 30, 2026
  - Successfully redeemed seventh Private Credit AIF, India Impact Fund, with gross return of 14.6%
  - Achieved first closed of INR 400 Crore for new Diversified Debt Fund of INR 2,000 Crore

- **Financials**
  - Net Interest Income grew by 32% YoY / 8% QoQ to INR 425 Crore in Q2FY27
  - Fee & Other income grew by 31% YoY to INR 28 Crore in Q2FY27
  - Opex ratio remained stable QoQ at 3.6% in Q2FY27
  - PPoP grew by 32 % YoY / 9% QoQ to INR 286 Crore in Q2FY27
  - Credit cost decreased by 11 bps YoY / 5 bps QoQ to 2.6% in Q2FY27
  - Profit after tax grew by 41% YoY / 13% QoQ to INR 129 Crore in Q2FY27
  - Return on Assets increased by 19 bps YoY to 2.8% for Q2FY27
  - Return on Equity increased by 229 bps YoY to 12.4% for Q2FY27

- **Asset quality**
  - Gross NPA ratio was 1.25% as on September 30, 2026
  - Net NPA ratio was flat QoQ at 0.51 % as on September 30, 2026
  - Provisioning coverage ratio on Stage III assets improved to 58.9% as on September 30, 2026 from 48.5% on June 30, 2026

- **Capital Adequacy**
  - Capital adequacy ratio was 20.8% on September 30, 2026
  - Net worth grew by 15% YoY to INR 4,213 Crore

Commenting on the Q2FY27 results, Ashish Mehrotra, MD & CEO of Northern Arc Capital, said, *"The first half of FY27 reflects continued progress in scaling our diversified financial services business. Our D2C AUM crossed INR 12,500 Crore, with its share of overall AUM increasing to 66%.*

Our Credit Solutions business continues to build on the momentum with placement volumes grew 60% YoY to INR 4,088 Crore in Q2FY27; first close of our new Northern Arc Diversified Debt fund of over INR 400 Crore. These developments underscore our strategic focus on building a capital light credit solutions ecosystem with strong fee-based revenue streams.

Our overall AUM grew by 34% YoY to INR 19,003 Crore, alongside a record quarterly profit of INR 129 Crore in Q2FY27. We delivered a strong quarter backed by resilient portfolio performance and steadily improving profitability trends.

As we enter the second half of FY27, with the onset of the festive season, our priorities remain centred on sustaining growth across business verticals, expanding fee-led revenue streams and maintaining a cautiously optimistic approach to lending in selected geographies impacted by drought conditions".

About Northern Arc Capital:
Northern Arc Capital Limited (NACL) is a diversified financial services platform focused on expanding the flow of credit to individuals and businesses across India. The Company operates a differentiated credit model that combines Direct-to-Customer (D2C) lending with a Credit Solutions for Origination Partners.

Under its D2C lending business, NACL lends directly from its balance sheet to end customers across the MSME, consumer, and rural segments through a nationwide network of 446 branches and 28 digital live partnerships. Complementing this, the Credit Solutions business enables 382 Origination Partners to access capital through Northern Arc's fund management platform, placements from external investors, and the Company's own balance sheet. Together, this integrated approach has facilitated financing of approximately INR 2.7 lakh Crore to date, impacting over 142 million lives.

As a platform, NACL manages assets aggregating INR 21,790 Crore, comprising a lending balance sheet of INR 19,003 Crore and assets under management of INR 2,785 Crore within its fund business. In addition, the Company has facilitated credit placements of INR 1.32 lakh Crore to external investors. The platform is powered by technology, data-driven underwriting, and deep sectoral expertise, positioning Northern Arc as a distinctive and scalable credit solutions franchise within the financial services ecosystem.

Northern Arc is backed by leading global investors including Affirma Capital, LeapFrog Investments, the International Finance Corporation (IFC) and SMBC, and is guided by an experienced and highly regarded Board of Directors.

The Northern Arc group comprises Northern Arc Capital Limited which is the holding and operating company; Northern Arc Investment Managers Private Limited (also referred as NAIM/ Northern Arc Investment Managers), which houses the fund management business; Northern Arc Securities Private Limited (also referred as NASPL), which operates Altifi.ai as the online bond platform provider; Pragati Finserv Private Limited, exclusive rural distribution arm; and Northern Arc Foundation, the Company's CSR arm.

For more details, please visit https://www.northernarc.com/

**Disclaimer: All the numbers stated in the boilerplate are as of September 30, 2026.*

For Further Information, contact -

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