

Avanse Financial Services raises INR ~357 Crores via Securitization Transaction facilitated by Northern Arc Capital

Mumbai, January 27, 2022: Avanse Financial Services Ltd, India's new age, technologically advanced, education-focused non-banking financial company (NBFC), has raised INR ~357 Crores via securitization transaction from a renowned global financial institution. This long-term funding is for a period of ~10 years. The transaction was facilitated by Northern Arc Capital. This fund will be utilized to strengthen and fulfil Avanse's mission of making education financing seamless and affordable for every deserving Indian student.

This new investment is a formidable step towards enhancing the education ecosystem of the country. This funding is well-poised to support the expansion of Avanse Financial Services' education financing program and thus, strengthen its leadership position in the lending space. The organization's deep domain expertise, healthy portfolio and robust business strategy have enabled it to receive this long-term investment. Despite all the market fluctuations amidst the ever-evolving macroeconomic scenarios, Northern Arc Capital was able to facilitate due diligence and successfully completed the transaction between both the parties.

Amit Ganda, CEO, Avanse Financial Services said, "This is a significant milestone as it is the first securitization transaction in the education loan space, invested by a global financial institution establishing this segment as an asset class at an international level. It has enabled us to boost our diversified long-term stable funding strategy. I believe this newly established relationship will grow multi-fold across different spectrums of financial services and will assist us in fulfilling students' academic aspirations and strengthening the education infrastructure of the country."

He further added, "Education is an essential aspect of the Indian culture, and thus, it is a non-discretionary spend sector backed by favourable demographics and heightened awareness. This makes education financing a sunshine segment and a multi-decade secular growth opportunity in India. This transaction demonstrates the investor community's trust in Avanse Financial Services' commitment towards democratizing education and education financing in India.

Bama Balakrishnan, COO, Northern Arc Capital said, "We are pleased to structure, facilitate and co-invest in this notable securitization transaction. Education financing is a burgeoning segment in India, and we foresee several innovative models emerging in this space. Avanse has been an early mover, demonstrating consistent growth and making access to high-quality education a reality for thousands of students in India. At Northern Arc, we are committed to supporting businesses like Avanse that bring transformative impact and the latest transaction is a testament to that."

Avanse Financial Services has fulfilled educational dreams of ~2 lac academic aspirants across ~15,000 institutes and courses in ~50 countries. Avanse has also provided growth and working capital to ~1K educational institutes catering to over ~5-6 lac students. For more information, please visit www.avanse.com.

About Avanse Financial Services:

Avanse Financial Services Limited is a new age, education focused NBFC on a mission to provide seamless and affordable education financing for every deserving Indian Student. The company provides loans across two segments:

- **Education Loan** – Loans designed to cater the entire education lifecycle of student spanning from school to post graduation.
 - Higher Education - Loans for International and Domestic Studies
 - Education Loans for E-Learning
 - School Fee Financing
 - Education Loans for Skill Development Courses

- **Educational Institutional Loans** – Loans for financing working and growth capital needs of educational institutes in India.

For more information, please visit www.avanse.com

About Northern Arc:

Northern Arc Capital Limited (formerly IFMR Capital Finance Limited) is a platform in the financial services sector in India set up primarily with the mission of catering to the diverse credit requirements of under-served households and businesses. As a leading player among India's diversified NBFCs, its business model is diversified across offerings, sectors, products, geographies, and borrower segments. It's proprietary integrated technology system called Nimbus and its risk management framework enable it to offer a diversified product suite efficiently at scale.

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 is spread across 657 districts in 28 states and 7 Union Territories in India, as on March 31, 2021.

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.