

Amicus Capital invests INR 43 crores in Capital Small Finance Bank

Bangalore – July 8, 2019: Bangalore-based mid-market private equity fund Amicus Capital commits upto INR 43 crores in Punjab-based Capital Small Finance Bank (“**Capital SFB**” or “**the Bank**”). Existing investor Pi Ventures also participated in the current round of fund raise. The Bank also has HDFC Life, ICICI Prudential Life and Small Industries Development Bank of India (“**SIDBI**”) as its existing investors. The Bank, founded by Mr Sarvjit Singh Samra in the year 2000 as a Local Area Bank, and is today one of the leading banks in the state of Punjab and neighbouring areas.

Capital SFB was one of the 10 entities (out of 72 applicants) granted ‘In-Principle’ approval by the Reserve Bank of India to set up Small Finance Bank on September 16, 2015. Capital SFB was one of the two non-micro finance institutions out of these 10 entities. Capital SFB started operations as India’s 1st Small Finance Bank on April 24, 2016 after conversion from Capital Local Area Bank. Prior to conversion to a Small Finance Bank, Capital Local Area Bank was India’s largest Local Area Bank operating since January 14, 2000 with excellent performance in all spheres.

The Bank plans to use the proceeds of the current round of fund raise to rapidly expand its branch network into the states of Delhi, Haryana and Rajasthan and deepen penetration in the state of Punjab. The fund raise enables the Bank to achieve its growth targets while remaining well-capitalized in the near-term.

Commenting on the investment, Mr Sarvjit Singh Samra, Founder and Managing Director, Capital SFB said, *“Capital SFB has grown consistently since inception and holds a market leadership position in the state of Punjab. The current round of capital raise will help the Bank deepen its penetration in Punjab and expand rapidly into the states of Haryana, NCT Delhi and Rajasthan with a significant focus on MSME loans. We are excited at partnering with Amicus Capital, an institutional investor with significant experience in growing and scaling financial services businesses, as the Bank focuses on its next leg of expansion.”*

Commenting on the investment, Mr Mahesh Parasuraman, Co-Founder and Partner, Amicus Capital said, *“Capital SFB has a loyal low cost deposit franchise which is a significant competitive advantage in the current economic environment. We are excited at the prospect of partnering with a Bank with consistent track record of growth and profitability,*

experienced management team, strong asset quality and one of the best in class liability franchises in India. Amicus Capital is committed to helping the Bank to achieve a leadership position as the Bank expands deeper into Punjab and other neighbouring states."

Edelweiss was the financial advisor to the Bank for the transaction.

About Capital Small Finance Bank:

The Bank completed very successful three years of operations as a Small Finance Bank on April 24, 2019. The Bank transitioned from a Local Area Bank to Small Finance Bank with 47 branches. 87 new branches have become operational since then, taking the total number of branches to 134 spread across states of Punjab, Haryana, NCT Delhi and Union Territory of Chandigarh.

Capital SFB was granted Scheduled Status by the Reserve Bank of India vide Notification dated February 16, 2017.

Capital SFB is providing a variety of banking services to its customers. It has a diversified loan book comprising of agriculture loans, MSME loans, mortgage loans, personal loans, auto loans with a strong focus on agriculture and MSME sectors. The Bank has a strong deposit franchise with focus on retail customers for funding its deposit base. It has a good brand recall with focus on providing superior customer service and high customer engagement. Capital SFB is one of the few banks in the country to offer 7-Day branch banking services to its customers. The Bank is led by a highly experienced management team led by Mr Sarvjit Singh Samra.

Capital SFB has grown its loan book from INR 1,150 crores in FY 2016 to INR 2,600 crores at the end of FY 2019 at a CAGR of 31%. During the same period, its deposits have grown from INR 1,810 crores to INR 3,670 crores at a CAGR of 26%. The customer base of the Bank has grown to over 6.25 lacs.

About Amicus Capital:

Amicus Capital is an India dedicated mid-market growth capital fund set-up by experienced PE professionals, Sunil Theckath Vasudevan and Mahesh Parasuraman. The Fund is currently investing out of its first fund of US\$ 88 mn (INR 620 crores). Amicus Capital is focused on investing in four sectors where the investment team has deep experience and networks - financial services, consumer, healthcare and technology. The Fund seeks to invest US\$ \$8-20 mn in fast growing businesses looking to scale up once the

business model is proven. The fund aims to partner with entrepreneurs with minority stakes in their portfolio companies, to build scale and create segment/category leaders.

Capital SFB is Amicus Capital's third investment from its maiden fund. It had earlier invested in Delhi based online insurance aggregator RenewBuy.com and in Mumbai-based kitchen appliances and cookware firm Wonderchef.

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