



Ujjivan Financial Services (P) Ltd.

PRESS RELEASE

Ujjivan Raises Rs.40 Crores through Non-Convertible Debentures

Bengaluru, 5th January 2011: Bangalore-headquartered, Ujjivan Financial Services, a leading microfinance institution with pan-India presence, has raised INR 40 Crores of debt capital through issuance of listed, secured, redeemable, non-convertible debentures (NCDs) to DMW (Cyprus) Limited, a member of the Developing World Markets (DWM) group of companies. Unitus Capital is the exclusive financial advisor and sole arranger of the issue.

The NCDs are listed on the Bombay Stock Exchange and have been fully subscribed to by Connecticut-headquartered DWM, an asset manager and investment bank exclusively dedicated to making socially positive investments in order to promote sustainable economic and social development on a global scale.

The investment by the SEBI-registered FII, the sub-account holder, DMW (Cyprus) Limited into debt paper of an Indian microfinance institution comes at a critical time given the backdrop of the liquidity of the sector drying up in wake of the Andhra Pradesh crisis. The transaction confirms the inherent strength of Ujjivan's operations and highlights the leadership role played by DWM and Unitus Capital in global microfinance. Commenting on the landmark deal, Samit Ghosh, Managing Director, Ujjivan, said, "We expect the banks & financial institutions in India to resume lending to MFIs outside Andhra Pradesh post the Reserve Bank of India's directions of December 22nd, 2010. We are proud to be the recipient of the first international transaction after that date, where DWM has showed the way."

Complimenting Ujjivan Jim Kaddaras, Partner for Debt, Structuring and Legal Affairs at DWM, said, "We are delighted to be able to support Ujjivan at a time when Indian MFIs need reliable long-term partners who share both their financial and their social goals. DWM is committed to the microfinance sector in India, and we hope to expand our support to Indian MFIs in 2011."

"Given the current status of the sector, banks are wary of lending to MFIs. As such, it has become even more critical for MFIs to diversify their funding sources. The transaction has helped Ujjivan raise bulk funding at competitive rates and reaffirm the positive investor sentiments towards the Company and the sector in general. Unitus Capital takes pride in having structured and facilitated this transaction with a pioneering MFI and a leading microfinance investor," stated Gautam Verma, Director, Unitus Capital.

Note to Editor:

After the first year of profitable operations in 2009-10, Ujjivan voluntarily reduced loan interest rates nationally by nearly 2-3% p.a. in July 2010. Nearly 75% of the loans are used for small urban businesses and the rest used for varied purposes: housing, education, healthcare and emergencies. It is the largest MFI in Delhi and Mumbai in terms of branch network.

About Ujjivan:

Ujjivan Financial Services, a microfinance institution (MFI), started operations in Bangalore in November 2005 and is a partner of Grameen Bank, Bangladesh. It serves over 970,000 urban and semi-urban poor customers in 20 states across India through 351 branches and with over 4200 employees. In the last 5 years, Ujjivan has disbursed over Rs.1700 Crores of loans with a repayment rate above 99%. It won the Srijan MFI Transparency Award in 2010 and was ranked #1

in the microfinance industry in 2009 as the Best Place to Work. Ujjivan in partnership with sister NGO, Parinaam Foundation provides holistic services like healthcare, education and vocational training. Ujjivan also carries out social development programs in the communities it works in. *For more information, visit www.ujjivan.com*

About Unitus Capital:

Unitus Capital is a financial services firm specializing in arranging capital for companies benefiting those at the bottom of the economic pyramid in sectors including microfinance, renewable energy, health care and education. With operations in Bangalore, Beijing, London, Singapore and Sydney, Unitus Capital delivers a range of financial advisory and capital market services to clients across Asia. For more information, visit www.unituscapital.com

About DWM:

Developing World Markets is at the forefront of a global effort to create investible solutions to meet social and economic needs of the developing world. DWM structures transactions that open doors to the international capital markets for microfinance institutions and other socially motivated organizations. To date, DWM has raised or advised on over \$850 million for microfinance and other socially positive sectors. It currently manages over \$650 million in socially positive assets. *For more information, visit www.dwmarkets.com*

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