



IndusInd Bank 



Press Release

“Microfinance continues to beat global slowdown”

Grameen Capital arranges Rs. 75 crore transaction for Bandhan and IndusInd Bank

Mumbai, April 08, 2009: Bandhan, IndusInd Bank and Grameen Capital India confirmed today having recently completed a Rs. 75 crore portfolio assignment of microfinance receivables.

This transaction was structured and arranged by Grameen Capital India and comprised a pool of advances to the agricultural and allied sectors made by Bandhan-Konnagar and Bandhan Financial Services Private limited.

Bandhan offered a pool of assets amounting to Rs. 75 crore for assignment to IndusInd Bank under this transaction, as per the Bank’s selection criteria. Bandhan has signed a management and collection agreement with the bank and would continue to administer these loans and channel the collections to the bank.

Over the last few years, the ‘originate to distribute’ approach has opened up an additional source of capital for the Indian microfinance sector. Over the last 12 months or so, Grameen Capital has helped MFIs raise over Rs. 300 crore using primarily this approach. Bandhan intends to raise over Rs.600 crore in the current financial year, a bulk of which will come from a combination of this approach and raising capital from other classes of investors.

Royston Braganza, CEO, **Grameen Capital India** said, “This transaction is another demonstration that the Microfinance sector continues to be strong even in the prevailing economic environment. The granularity of the portfolio, income generating nature of the loans (i.e. the ‘real’ economy) and intensive contact with the borrowers are key factors which contribute to the robustness of the sector. We are thrilled to bring Bandhan and IndusInd together for this transaction (incidentally, Bandhan means ‘togetherness’)”.

“It’s our first work with IndusInd and we are happy to have started in a big way. Of course we are friends with Grameen Capital India for quite some time. Though Bandhan has been raising substantial funds even in the meltdown situation, but every deal is important for us since it helps us to reach out to more poor. We look forward to strengthening this relationship”, Chandra Shekhar Ghosh, Founder and CEO of **Bandhan** added.

Speaking on this transaction, Roopa Satish, Head- Corporate & Investment bank for **IndusInd Bank**, added, “The deal fits in well with the strategy of the bank to pursue activities and businesses which have an element of sustainability”.

Post a successful closure of this transaction, Bandhan and Grameen Capital plan to work together on suitable structured finance solutions, given the ambitious growth plans to accelerate financial inclusion.

About Bandhan

Bandhan (www.bandhanmf.com) is one of the largest and fastest growing Microfinance Institution in India, working through a strong network of 675 branches spread across 11 states of the country. Since inception in July 2002, it has disbursed over Rs. 22 billion in microloans and presently has a microloan portfolio of over Rs. 7 billion spread over 1.5 million customers, all women. Bandhan was ranked 2nd globally and 1st among Indian MFIs, in the first ever list of World's top 50 Microfinance Institutions globally. Apart from bagging the prestigious Skoch Challenger Award in the Financial Inclusion category in March 2008, it has also received numerous awards and recognitions both nationally and internationally. Bandhan was founded by Chandra Shekhar Ghosh, Senior Ashoka Fellow, who has over two decades of experience in Microfinance and Social development. Bandhan aims to reach out to nearly 8.5 million customers by Y2013.

About IndusInd Bank

IndusInd Bank Ltd. is one of the new-generation private-sector banks in India which commenced its operations in 1994. The Bank currently has a network of 180 branches, spread over 147 geographical locations in 28 states and union territories across the country. The Bank also has a Representative Office each in Dubai and London.

The Bank is driven by state-of-the-art technology since its inception. It has multi-lateral tie-ups with other banks providing access to more than 18000 ATMs for its customers. It enjoys clearing bank status for both major stock exchanges - BSE and NSE - and three major commodity exchanges in the country - MCX, NCDEX, and NMCE. It also offers DP facilities for stock and commodity segments.

IndusInd Bank has been awarded the highest A1+ rating for its Certificates of Deposit by ICRA and the highest P1+ rating for its Fixed Deposits and Certificates of Deposit by CRISIL.

In recent past, the Bank was awarded 'The Smart Workplace' Award by Economic Times in association with Acer and Intel for enhancing the productivity of the employees through optimum use of resources as well as technology.

Visit us at www.indusind.com

About Grameen Capital India Limited

Grameen Capital India enables Microfinance Institutions (MFIs) develop wider access to the capital markets, primarily the domestic capital markets, through innovative debt and equity solutions, credit rating / enhancement arrangement and capital advisory services. It focuses on positioning Microfinance as an attractive asset class, helping MFIs raise low-cost on-lending funds. Since its launch in January 2008, it has facilitated flow of debt and equity capital worth nearly Rs. 500 crores into the microfinance sector. Grameen Capital India is collaboration between Grameen Foundation, IFMR Trust and Citicorp Finance India Limited.

For more information on this transaction, please contact Shashi Shrivastava, Vice-President, Grameen Capital India at shashi.shrivastava@grameencapital.in or +91 22 6675 2991.