



PRESS RELEASE

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For Immediate Release

Norwegian Microfinance Initiative Invests in Indian MFI, Utkarsh Micro Finance Pvt Ltd

Leads INR 250 Million investment in Series B Equity Funding

In a joint press release, The Norwegian Microfinance Initiative (NMI) and Utkarsh Micro Finance Pvt Ltd (Utkarsh) announced that the NMI Frontier Fund KS had led an INR 250 Mn Series B investment in Utkarsh. A registered Non-Banking Finance Company (NBFC), Utkarsh currently operates in 13 districts of Uttar Pradesh and Bihar. It has 56 branches, over 57,000 active clients and a loan portfolio of INR 410 Mn. Aavishkaar Goodwill (AG), an existing investor in the MFI also participated in this Series B round of investment in the company. IFC, a member of the World Bank Group is also an existing investor in Utkarsh and has been supporting the firm since March 2010.

"The investment of INR 250 mn is going to boost our growth plans. It has come at the right time as the sector has started growing once again. It is also noteworthy that our existing investors AG are participating in this round, strongly indicating their confidence in the sector and in Utkarsh. We're also very grateful for IFC's continued support. Another important aspect is that all our investors have a strong bent for social sector and truly believe in double bottom-line approach. We strongly believe that this investment will facilitate further penetration of microfinance in the most underpenetrated geography in the country." said Govind Singh, MD and CEO, Utkarsh.

"We are very pleased to invest with Utkarsh and to be part of the important work that the Company is doing toward financial inclusion in northern India. NMI was particularly attracted by Utkarsh's commitment to serving the poor in areas of India characterized by high population, high incidence of poverty, and very low financial inclusion. The potential for well-run MFIs like Utkarsh to make an impact in this region is tremendous, and we believe Utkarsh has the professionalism and commitment required to make a difference and to achieve the joint mission of Utkarsh and NMI on financial inclusion. This investment is also an attractive complement to NMI's other activities in India," said Henning Haugerudbråten, Investment Director, NMI Frontier Fund.

Intellecrap was the sole advisor for this transaction. Anurag Agrawal, Co-Founder Intellecrap, and Senior Vice President of the Investment Banking arm said, *"Utkarsh is doing some great work in promoting financial inclusion among low income communities, and Intellecrap is very happy to have played a role in their mission. This investment by NMI in Utkarsh is a reinforcement of our belief that, in spite of all that has happened over the last year or so in the microfinance sector, there is still a fundamental business proposition for microfinance in India and informed global investors are willing to commit significant capital to quality institutions who are doing good work on the ground to serve the large unmet demand for microfinance services. We are optimistic that this space will see gradual growth over the next few years, as it adapts to a changed regulatory environment".*

About Utkarsh Micro Finance Private Limited (Utkarsh)

Utkarsh is registered with Reserve Bank of India as Non-Banking Finance Company (NBFC). Its registered office and corporate office is in Varanasi (Uttar Pradesh). It is started to provide financial and non-financial services in its area of operations to the unbanked population who have skills but are in need of capital. Initially it has started with credit and insurance, but eventually it will also undertake other activities to bring transformation in the lives of underprivileged.

About Norwegian Microfinance Initiative (NMI)

The NMI is a new and innovative strategic partnership between the Norwegian public and private sectors that will invest in microfinance institutions (MFIs) in developing countries and provide professional assistance and technical support for these institutions. The mission of NMI is to contribute to the empowerment of poor people and to the creation of jobs, wealth, and economic and social sustainability in developing countries by investing in and supporting MFIs.

About International Finance Corporation (IFC)

IFC, a member of the World Bank Group is the largest global development institution focused exclusively on the private sector. We help developing countries achieve sustainable growth by financing investment, providing advisory services to businesses and governments, and mobilizing capital in the international financial markets. In fiscal 2011, amid economic uncertainty across the globe, we helped our clients create jobs, strengthen environmental performance, and contribute to their local communities-all while driving our investments to an all-time high of nearly \$19 billion. For more information, visit www.ifc.org.

About AavishkaarGoodwell (AG)

AG is a for-profit business development company that provides equity finance and hands-on support to enterprises active in the microfinance sector in India on a socially and commercially sustainable basis. It is a joint initiative of the teams behind Dutch social investment firm Goodwell Investments and Aavishkaar India, the world's first for-profit micro venture capital fund. It aims to improve access to affordable financial services for millions of families in the Base of the Pyramid in order to contribute to poverty alleviation and sustainable development. It also does this by developing and scaling up enterprises active in the microfinance sector and integrating them into the mainstream financial sector. AG aims to realize "benefits of scale": a substantial social impact and an attractive financial return.

About Intellecap

Intellecap is a global advisory firm with operations in India and Africa. Its 4 year old Investment Banking arm is dedicated to creating a vibrant eco-system in the sectors of healthcare, education, financial inclusion, clean technology, agriculture and rural businesses. The team at Intellecap has successfully helped companies raise over USD 200 Mn of funds. A ranking study by Venture Intelligence, placed Intellecap at the 2nd position amongst investment banks in the PE advisory space in India for calendar year 2010.

For Media Queries:**At NMI**

Cathrine Streeval
cs@nmimicro.no
+47 22 36 22 40

At Utkarsh

Abhisheka Kumar
abhisheka.kumar@utkarshmf.com
+91 97932 35888

At Intellecap

Dipika Prasad
dipika.prasad@intellecap.com
+91 40 4030 0211