

MAJOR MILESTONE:

- First branch in Koramangala opened- November 8,2005.

1. ORGANIZATION:

- Third batch of field staff started training- 5/12
- We are now a team of 23 & 10 trainees.
- Mr. Satyanath has joined our team from SAFAL Markets, part National Dairy Development Board

2. CAPITAL & FUNDING:

- Board has approved increasing authorized capital to Rs.30 Million. EGM scheduled on 10/12/05. Current paid up capital is Rs.24.31 Million.
- We have received Rs.3.2 Million of additional domestic capital subscription.
- We have received Rs.3.1 Million of capital subscription for the FDI portion.

3. BUSINESS DEVELOPMENT:

- We have inducted the first 100 customers on 28/11/05. (They save for first 3 months.)
- We have finalized our arrangement to provide life insurance cover to our customers with LIC & Bajaj Allianz.

4. MONTH AHEAD

- Work started on surveying & identifying our 2nd branch office
- Dialogue with foreign institutional investors in progress.
- The software development & setting up of the data centre in collaboration with Nucleus in progress.
- We will have our Auditor (Field) & Manager Financial Control in place in next 30 days.
- The Grameen Technical Advisor is awaiting visa from the Indian Embassy in Dhaka.
- We finalizing lease agreement to relocate our administrative office in April 2006.
- We expect our website to be up by next month.

Wish all of you a very happy festive season & a great new year.

Best Regards, Samit

Samit