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MESSAGE FROM THE MD & CEO



Dear JFS Team Members

This is my first letter to all of you after taking over from Mr Srinivasan as CEO. I wish to thank Chinu (as we all call him affectionately) for guiding me through this transition and we are grateful that his experience and knowledge will continue to be available to us in his new role as Executive Vice Chairman. This will be critical as we scale up and build on our vision of being a full service financial institution, to the financially

excluded.

However, JFS will not be able to achieve it's vision without the continued support of the entire JFS team. As they say in various management books, it is easy to replicate products/technology and strategy but the one thing that makes each organisation unique is it's culture and it's staff members. This has and will continue to be our greatest strength going forward.

As all of you know the Reserve Bank of India has announced the operational details for implementation of the Malegam Committee report. This will require us to improve productivity and efficiency; control costs and

ensure our portfolio quality is of the highest standards, even as we scale. This will require focussed execution from all of us, which to be honest we need to get better at **in terms of consistency**. I look forward to your support in this regard.

While closing, may I say that I am happy to see that our monthly newsletter is becoming increasingly popular and with the support of all of you ,will become a magazine that all of us look forward to reading.

Best Regards,
Radhakrishnan VS
MD & CEO

JANALAKSHMI MILESTONES

Branches

| | |
|---|----|
| Total number of branches as on 31 May 2011: | 66 |
| Number of States JFS operates in: | 10 |
| Number of Cities JFS operates in: | 47 |

Employees

| | |
|---|------|
| Total number of employees (JFS, JSS & Janaadhar) as on 31 May 2011: | 1095 |
| New employees joined this month: | 62 |

Borrowers

| | |
|--|---------|
| Total number of borrowers as on 31 May 2011: | 188,946 |
| Total disbursement (Rs): | 273 cr |
| Total outstanding (Rs): | 172 cr |

Retail Liabilities

Acquired 20,000 new customers in one month
Started cross sell accident insurance product, Micro Care- in partnership with Axis and Bajaj Allianz.
SG Loan disbursements have started through the savings accounts

Micro Pensions

Madurai Branch sourced the most number of accounts followed by Trichy and Saibaba Colony Branches

Gold Loans

Saibaba Colony Branch had the highest disbursements followed by K B Sandra and Trichy Branches

IN PICTURES



Janalakshmi Livelihood Mela held on 8th May, K R Puram, Bangalore



Liability Team celebrates crossing 1,00,000 accounts, Head Office, Bangalore

MFI IN THE NEWS

RBI should be the sole regulator for MFIs, says new Nabard chief

www.livemint.com/2011/06/09231855/RBI-should-be-the-sole-regulat.html?h=B

Can microfinance be a friend to the poor?

www.guardian.co.uk/global-development/poverty-matters/2011/jun/10/microfinance-friend-or-foe

Despite Fears of a Bubble, Microfinance Needed for Growth

<http://www.ipsnews.net/news.asp?idnews=56016>

MFI Regulator: Centre or State?

<http://economictimes.indiatimes.com/policy/mfi-regulator-centre-or-state/articleshow/8809448.cms>

THE LIVELIHOOD EXCHANGE PROGRAMME

The Livelihood Exchange in Janalakshmi Social Services, held its first Livelihood Mela in Bangalore on 8th May (Sunday) from 10am -2pm at ITI Vidya Mandir School ground in K. R. Puram, Bangalore. The location falls close to our K. R. Puram branch.

This mela was organized for our customers and their adult children to get a sense of the landscape of what customers seek and the skill enhancement /job opportunities in the urban context. We had invited various skill- providing and job placement agencies to set up stalls at the mela.

The mela had a turnout of 12 partners and 500 customers. This venture was a success and will pave the way for future programmes by the livelihood exchange.