BHARAT
Financial Inclusion Ltd
Prayaas se pragati
(Formerly known as 'SKS Microfinance Limited')

Head Office: 3rd Floor, My Home Tycoon, Block A, 6-3-1192, Kundanbagh
Begumpet, Hyderabad - 500 016, Telangana, India T: +91 40 4452 6000
F: +91 40 4452 6001; info@bfil.co.in I www.bfil.co.in
Corporate Identity Number: L65999MH2003PLC250504
Registered Office: Unit No. 410, Madhava, Bandra-Kurla Complex
Bandra (East), Mumbai - 400 051, Maharashtra, India T: +91 22 2659 2375

October 28, 2016

The Secretary
BSE Limited
Phiroze Jeejeeboy Towers
Dalal Street
Mumbai – 400001.

The Vice President - Listing
National Stock Exchange of India Limited
Exchange Plaza
Bandra- Kurla Complex
Mumbai – 400051.

Dear Sir/Madam,

Sub: Press Release

Please find attached hereto a copy of Press Release dated October 28, 2016.

This is for your information and records.

Thanking you,

Yours faithfully,
For Bharat Financial Inclusion Limited
(Formerly known as 'SKS Microfinance Limited')

Rajendra Patil
Sr. Vice President – Legal & Company Secretary

Encl: a/a

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Bharat Financial Inclusion Limited's Gross Loan Portfolio grows by 66% YoY to Rs. 9,046 crore in Q2-FY17

Company's interest rate spread is 8.5% (H1-FY17 YTD) as against RBI requirement of 10% on financial year basis

Hyderabad, October 28, 2016: Bharat Financial Inclusion Limited (earlier SKS Microfinance Limited) today announced that its Gross Loan Portfolio excluding the states of Andhra Pradesh and Telangana registered a 66% year-on-year and a 7% quarter-on-quarter growth to Rs. 9,046 crore in Q2-FY17 (Rs. 5,462 crore in Q2-FY16, Rs. 8,463 crore in Q1-FY17).

Bharat Financial Inclusion Limited also witnessed a 37% year-on-year membership growth to 62.9 lakh in Q2-FY17 (45.9 lakh in Q2-FY16).

The Company's interest rate spread is 8.5% (H1-FY17 YTD) as against the RBI's requirement of 10% on a financial year basis. Also, the Company's marginal cost of borrowing reduced to 9.4% in Q2-FY17 from 9.9% in Q1-FY17 (10.1% in FY16; 11.7% in FY15).

Loan disbursements showed a 51% year-on-year and a 7% quarter-on-quarter increase to Rs. 4,016 crore (Rs. 2,665 crore in Q2-FY16 and Rs. 3,769 crore in Q1-FY17). During the quarter, Bharat Financial Inclusion Limited had incremental drawdowns of Rs. 2,180 crore (Rs. 1,096 crore in Q1-FY17 and Rs. 1,569 crore in Q2-FY16) and half-year drawdowns of Rs. 3,276 crore excluding origination under managed loans. The Company also originated loans worth Rs. 306 crore and Rs. 609 crore under managed portfolio in Q2-FY17 and H1-FY17 respectively.

The quarter also witnessed completion of securitization transactions worth Rs. 639 crore (Nil in Q2-FY16) and Rs. 852 crore in H1-FY17, rated as 'AA (SO)'.

The Company's profit during the quarter stood at Rs. 146 crore (growth of 87% YoY and 5% QoQ) and Rs. 285 crore for H1-FY17 (growth of 105% YoY). The Company also recognized a MAT credit of Rs. 97 crore as on March 31, 2016, which translates into a PAT of Rs. 382 crore in H1-FY17.

During the quarter, a MAT credit of Rs. 33 crore has been recognized on the balance sheet. With this, the accumulated MAT credit is Rs. 161 crore as on September 30, 2016.

The un-availed deferred tax benefit of Rs. 256 crore will be available to offset tax on future taxable income.

Bharat Financial Inclusion Limited completed a Qualified Institution Placement of Rs. 750 crore, which was oversubscribed multiple times. As of September 30, 2016, the Company had a net

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worth of Rs. 2,514 crore and a capital adequacy of 33.4%. Cash and cash equivalents stood at Rs. 1,632 crore.

About Bharat Financial Inclusion Limited:

Bharat Financial Inclusion Limited is among the largest microfinance companies in India with presence across 18 states covering 1,00,000 villages. The states include: Karnataka, Maharashtra, Odisha, Madhya Pradesh, Bihar, Uttar Pradesh, Rajasthan, Uttaranchal, Haryana, West Bengal, Jharkhand, Chhattisgarh, Kerala, Punjab, Himachal Pradesh and Delhi. The Company's mission is to provide financial services to the economically weaker sections.

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