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## SKS Microfinance Limited registers 31% increase in PAT to Rs. 21.4 crore

**Mumbai, January 24, 2014:** SKS Microfinance Limited today announced a 31% increase in PAT to Rs. 21.4 crore in Q3-FY14 from Rs. 16.3 crore in Q2-FY14. This is the Company's fifth consecutive quarter of profit post its turnaround in Q3-FY13 with a profit of Rs. 1.2 crore.

Loan disbursements grew to Rs. 1,399 crore from Rs. 978 crore in Q2-FY14 (79% year-on-year growth – Rs. 784 crore in Q3-FY13). Consequently, the non-Andhra Pradesh portfolio grew to Rs. 2,364 crore in Q3-FY14 from Rs. 2,029 crore in Q2-FY14 (Rs. 1,496 crore in Q3-FY13). The Company had incremental draw-downs of Rs. 566 crore in Q3-FY14.

"The growth momentum has returned, and disbursements have gained traction with a 43% quarter-on-quarter growth and 79% year-on-year growth," said Mr. M.R. Rao, Managing Director & CEO, SKS Microfinance Limited. "The non-Andhra Pradesh portfolio has registered 58% year-on-year growth and 17% quarter-on-quarter growth. Our efficiency initiatives have been yielding results with reduction in Opex as a percentage of credit assets. In Q4-FY14 too, we do not plan to increase branches or headcount. However, the portfolio outstanding could grow by another 15% quarter on quarter, and that is when we will register further efficiency gains."

"Growth in credit assets, effective liquidity management and operating leverage playing out have placed our Return on Assets (ROA) and Return on Equity (ROE) in the best-of-the-breed league," said Mr. S. Dilli Raj, Chief Financial Officer, SKS Microfinance Limited. "Economic value of the unavailed deferred tax provision of Rs. 567 crore has also started showing up on the profit and loss statement. Sufficient liquidity, a positive asset liability management (ALM) structure and a strong distribution network equip us to address the huge unmet demand potential of the rural credit segment we target."

SKS Microfinance Limited had a net worth of Rs. 432 crore and capital adequacy of 28.1% (21.6% without taking RBI dispensation on provisioning for the Andhra Pradesh portfolio) as of December 31, 2013. Cash and bank balances stood at Rs. 309 crore.

### About SKS Microfinance Limited:

SKS Microfinance Limited is among the largest microfinance companies in India with presence across 15 states covering 1,00,000 villages. The states include: Andhra Pradesh, Karnataka, Maharashtra, Odisha, Madhya Pradesh, Bihar, Uttar Pradesh, Rajasthan, Uttaranchal, Haryana, West Bengal, Jharkhand, Chhattisgarh, Kerala and Punjab. The Company's mission is to provide financial services to the economically weaker sections.

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