SKS Microfinance Limited completes the largest MFI rated pool assignment transaction for FY-12

- Portfolio rated as CARE A1+ SO (Highest Safety) by CARE

Hyderabad, February 6, 2012: SKS Microfinance Limited today announced the completion of a rated pool assignment of Rs.243 crore, the largest by any MFI in FY-12.

The rated pool assignment transaction of Rs 243 crore is rated CARE A1+(SO) (Highest Safety) by CARE. Instruments with a CARE A1+ (SO) rating are considered to have a strong capacity for timely payment of short-term debt obligations and carry the lowest credit risk.

Commenting on the transaction, Mr. S Dilli Raj, CFO, SKS Microfinance Limited, said, “SKS delivered all its promises to the credit-granting community through the painful transition phase post the AP MFI Act. Now, it is time to reap the fruits of consolidation.”

The pool comprises receivables from 3,22,312 women borrowers from the weaker sections as defined by the RBI. Pool receivables are identified from 18 non-AP states where SKS operates. The pool is well diversified with a single branch accounting for less than 1% of the pool, with the average loan amount being Rs 11,131.

Prior to this transaction, SKS completed six assignment/securitization post the AP MFI Act. All the rated papers have shown robust collection efficiency of more than 98%. Credit enhancement has not been utilized in any of these structures.

About SKS Microfinance Limited:

SKS Microfinance Limited (SKS) is a non-banking finance company (NBFC-MFI), registered and regulated by the Reserve Bank of India, whose mission is to provide financial services to low-income households.

SKS operates across 19 states of India. They include: Andhra Pradesh, Karnataka, Maharashtra, Orissa, Madhya Pradesh, Bihar, Uttar Pradesh, Rajasthan, Uttarakhand, Himachal Pradesh, Haryana, West Bengal, Jharkhand, Chhattisgarh, Gujarat, Kerala, Tamil Nadu, Punjab and Delhi.

SKS has been recipient of many awards, which include Social and Corporate Governance Award by BSE, NASSCOM Foundation for Best Corporate Social Responsibility Practice (2007), Social Performance Reporting Award (MFIs) - Silver Category for Social Performing rating conducted by MIX market (2009) etc.

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