

4th August 2022, Navi Mumbai

Suryoday Small Finance Bank Limited has announced its un-audited financial results for the quarter ended 30th June 2022.

Business Performance – Q1FY23

- The Bank's gross advances stood at ₹5,132.2 crores, an increase of 28.2% over the same period last year
- Disbursements stood at ₹1,012.2 crores, an increase of 180.4% over the same period last year
- Deposits stood at ₹4,020.1 crores, an increase of 21.2% over the same period last year
- Share of retail deposits stood at 78.8%
- Non-callable bulk deposits accounts for 100% of total bulk deposits
- CASA ratio excluding CDs stood at 20.9%, compared to 16.2% for the same period last year
- For the month ended 30th June 2022, the bank's one-EMI adjusted collection efficiency stood at 89%, compared to 87% for the month ended 31st March 2022
- The Bank had 20.1 lakh customers, an increase of 31.4% over the same period last year
- Total number of banking outlets stood at 564, with 92 being liability-focused outlets and 359 being asset focused branches
- Total number of employees stood at 5,239

Financial highlights – Q1FY23

- Net interest income stood at ₹177.1 crores, an increase of 43.4% over the same period last year
- Net total income stood at ₹190.2 crores, an increase of 30.0% over the same period last year
- Cost of Funds reduced to 6.4% compared to 7.4% in Q1FY22
- Cost to income moderated to 58.3%, compared to 63.1% in Q1FY22, primarily due to increase in income combined with a lower cost of borrowing
- Operating income for the quarter stood at ₹79.4 crores, an increase of 47.1% compared to same period last year

Asset Quality and Capital – Q1FY23

- Gross NPA stood at 10.0% (₹515.0 crores)
- Net NPA stood at 5.0% (₹243.8 crores)
- Provision coverage ratio stood at 75.1%.
- CRAR of the Bank stood at 36.4%; Tier I capital of 33.5% and Tier II capital of 2.9%

Performance Highlights:

Particulars (figures in ₹crores.)	Q1 FY23	Q1 FY22	Y-o-Y	Q4 FY22	Q-o-Q	FY22	FY21	Y-o-Y
Interest Earned	281.5	215.7	30.5%	236.6	19.0%	941.8	776.1	21.3%
Interest Expended	104.4	92.2	13.2%	90.2	15.7%	357.4	365.7	-2.3%
Net Interest Income	177.1	123.5	43.4%	146.4	21.0%	584.5	410.5	42.4%
Other Income	13.2*	22.8	-42.3%	20.0	-34.2%	93.6	76.4	22.5%
Net Total Income	190.2	146.3	30.0%	166.4	14.3%	678.0	486.9	39.3%
Operating Expenses	110.8	92.3	20.1%	117.9	-6.0%	413.1	328.6	25.7%
Employee Expense	53.2	51.8	2.7%	66.4	-19.9%	228.2	185.8	22.8%
Other Expense	57.6	40.6	41.9%	51.5	11.9%	184.9	142.8	29.5%
Operating Profit	79.4	54.0	47.1%	48.5	63.8%	264.9	158.3	67.4%
Provisions and Contingencies	69.3	110.8	-37.5%	112.1	-38.2%	392.0	146.2	168.2%
Net Profit Before Tax	10.1	-56.8	-117.8%	-63.6	-115.9%	-127.1	12.1	-
Tax	2.4	9.1	-74.2%	15.5	-84.8%	34.0	-0.2	-
Profit After Tax	7.8	-47.7	-116.3%	-48.1	-116.2%	-93.0	11.9	-

*Netting of MTM loss of ₹36.2 crores

*Up to March 31, 2022, the Bank used to amortise fees received from the sale of 'PSLC' over the residual quarters of the financial year in which the certificates were sold. From April 01, 2022, the Bank has started recognising fees received from the sale of PSLC on upfront basis. For the quarter ended June 30, 2022, the Bank has PSLC income of ₹ 28.74 crores. Had the Bank continued to amortise the fees from sale of PSLC, the Other Income for the quarter ended June 30, 2022, would have been lower by ₹ 21.55 crores.

Particulars	Q1 FY23	Q1 FY22	Y-o-Y	Q4 FY22	Q-o-Q	FY22	FY21	Y-o-Y
Gross Advances	5,132.2	4,004.0	28.2%	5,063.4	1.4%	5,063.4	4,206.0	20.4%
Disbursement	1,012.2	361.0	180.4%	980.1	3.3%	3,527.9	2,216.6	59.2%
Deposits	4,020.1	3,317.0	21.2%	3,849.8	4.4%	3,849.8	3,255.7	18.2%
Retail Deposit to Total Deposit	78.8%	85.8%	-700 bps	78.1%	+70 bps	78.1%	80.0%	-190 bps
CASA Ratio	20.9%	16.2%	+470 bps	20.2%	+70 bps	20.2%	15.4%	+480 bps
Yield	19.1%	18.1%	+100 bps	16.4%	+270 bps	18.2%	17.8%	+40 bps
NIM	9.1%	7.6%	+150 bps	7.8%	+130 bps	8.6%	7.1%	+150 bps
Cost of Deposits	6.5%	7.4%	-90 bps	6.7%	-20 bps	7.1%	7.7%	-60 bps
Cost of Borrowings	6.3%	7.5%	-120 bps	6.1%	+20 bps	6.8%	8.6%	-180 bps
Cost of Funds	6.4%	7.4%	-100 bps	6.5%	-10 bps	7.0%	8.0%	-100 bps
Cost to income	58.3%	63.1%	-480 bps	70.9%	-1260 bps	60.9%	67.5%	-660 bps
GNPA Ratio	10.0%	9.5%	+50 bps	11.8%	-180 bps	11.8%	9.4%	+240 bps
NNPA Ratio	5.0%	4.5%	+50 bps	5.9%	-90 bps	5.9%	4.7%	+120 bps
PCR (Including write offs)	75.1%	70.9%	+420 bps	69.8%	+530 bps	69.8%	63.7%	+610 bps
Book Value Per Share (BVPS)	142.6	146.1	-2.4%	140.0	1.9%	140.0	150.5	-7.0%

Commenting on the performance, Mr. Baskar Babu, MD & CEO, Suryoday Small Finance Bank, said:

"The bank has demonstrated resilience despite challenges the sector has experienced in the past couple of years due to Covid-19 Pandemic. At Suryoday we have been focusing on expanding our retail granular deposit franchise, and as a percentage of total deposits, these deposits contributed to 78.8% in Q1FY23. The Banks' CASA ratio excluding CDs increased to 20.9%, up from 16.2% as of June 30, 2021.

Our Gross Advances for the quarter grew by 28.2%, stood at ₹5,132 crores while disbursement for the quarter stood at ₹1,012 crores, compared to ₹361 crores in the same period last year indicating positive on-ground growth momentum. Further, on the lending side the bank is engaged with fintech companies to expand our lending product offerings.

Our Inclusive Finance Loans, where we provide microfinance loans to the country's unbanked and underbanked contributed 65.9% of the total advances book. In the long term the banks' focus will be to increase the share of secured lending portfolio comprising of affordable housing finance loans, small business loans, secured business loans, and commercial vehicles loans, while continue to intensely focus on financial inclusion. As of 30th June 2022, the share of this portfolio in the overall advances book stood at 34.1%. However, the bank targets to achieve a non-inclusive finance book of 50-55% by FY25.

On the collections front, the bank has seen improved on-ground scenarios, with one-EMI adjusted collection efficiency of 89.0% in June 2022. Additionally, the bank is well capitalised with a CRAR of 36.4% and a balance sheet liquidity of ₹1,284.1 crores which makes us well-positioned and agile to achieve the anticipated growth. Banks' Tier-1 capital stood at 33.5% and Tier-2 capital stood at 2.9%.

In the near term with the asset quality anticipated to improve with better repayments and accelerated collection efficiency efforts, we expect a significant revival of the sector, and Suryoday being one of the key players in the lending ecosystem will to continue grow in the coming quarters"

About Suryoday Small Finance Bank Limited:

Suryoday Small Finance Bank Limited is a scheduled commercial bank. Commencing its operations as an NBFC and for over a decade with a clear focus on serving customers in the unbanked and underbanked segments and promoting financial inclusion. Pursuant to receipt of the RBI Final Approval, Suryoday started its operations as an SFB on January 23, 2017. Suryoday is among the leading SFBs in India in terms of net interest margins, return on assets, yields and deposit growth and had the lowest cost-to-income ratio among SFBs in India in Fiscal 2020. The bank has a wide presence across 14 states and UTs across India through its 564 banking outlets, with a strong presence in Maharashtra, Tamilnadu and Odisha. We offer a wide array of services to our customers, through our array of asset and liability products, via our multiple delivery channels. Suryoday SFB is listed on NSE and BSE.

For more details, please visit, www.suryodaybank.com

Safe Harbour:

Some of the statements in this document that are not historical facts; are forward-looking statements. These forward-looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate. These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. These risks include, but are not limited to, the level of market demand for our services, the highly-competitive market for the types of services that we offer, market conditions that could cause our customers to reduce their spending for our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world, and other risks not specifically mentioned herein but those that are common to industry.

Company:**Investor Relations Advisors:**

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Investor Presentation – Q1 FY23

