

Press Release

Gross advances grew 20.6% YoY to ₹ 4,470 Cr

Deposits reduced marginally by 0.3% YoY to ₹ 3,129 Cr

Business activity picked up well during Q2 FY22

Disbursements for the quarter grew 194.6% YoY to ₹ 1,067 Cr

Collection efficiency improved to 83% in Sept-21 as compared to 70% in Jun-21

Navi Mumbai, November 11, 2021:

The Board of Directors of Suryoday Small Finance Bank Limited at its meeting held today, approved the unaudited financial results for the quarter and half year ended September 30, 2021.

Business Highlights:

- The gross advances of the Bank, as on 30 September 2021 stood at ₹ 4,470.4 Cr, registering a growth of 20.6% compared to the corresponding quarter of the previous year and 11.6% compared to the previous quarter, on account of strong pick up in business activities during the quarter.
- The Bank disbursed ₹ 1,067.0 Cr during the quarter ended 30 September 2021, compared to ₹ 362.2 Cr during corresponding quarter of the previous year and ₹ 360.6 Cr during the previous quarter.
- The deposits as on 30 September 2021 stood at ₹ 3,129.0 Cr, declining by 0.3% compared to the corresponding quarter of the previous year and 5.7% compared to the previous quarter.

However, the share of retail deposits, improved to 87.9% as on 30 September 2021, compared to 70.5% as on corresponding quarter of the previous year and 85.8% for the previous quarter. The share of non-callable bulk deposits stands at 97% of the overall bulk deposits as on 30 September 2021.

- The CASA ratio as on 30 September 2021 stood at 18.5%, compared to 11.1% as on corresponding quarter of the previous year and 16.2% as on previous quarter.
- Collection efficiency on an overall basis was at 108.3% for the month of September 2021, while the same stood at 83.3% on one-EMI adjusted collection efficiency.
- As of 30 September 2021, total count of banking outlets was 560, of which liability focussed outlets were 97. Total employee count stood at 5,085 as on 30 September 2021.

Financial highlights for the quarter ended 30 September 2021:

- Net interest income for the quarter ended 30 September 2021 stood at ₹ 147.2 Cr, growth of 34% compared to the corresponding quarter of the previous year and 19% compared to previous quarter. The increase in net interest income compared to the corresponding quarter of the previous year is primarily due to increase in gross advances over the period and lower cost of funds during the quarter.
- Other income for the quarter ended 30 September 2021 stood at ₹ 33.4 Cr, a growth of 194% compared to the corresponding quarter of the previous year and 51% compared to the previous quarter. The PSLC income stood at ₹ 9.5 Cr for the quarter ended 30 September 2021, compared to ₹ 8.1 Cr for the previous quarter and ₹ 7.2 Cr for the corresponding quarter of the previous year.
- Net total income for the quarter ended 30 September 2021 stood at ₹ 180.6 Cr, a growth of 49% compared to the corresponding quarter of the previous year and 24% compared to the previous quarter.
- Operating expenses for the quarter ended 30 September 2021 stood at ₹ 97.9 Cr, a rise of 40% compared to the corresponding quarter of the previous year and 6% compared to the previous quarter.
- Loss for the quarter ended 30 September 2021 stood at ₹ 1.9 Cr, compared to a PAT of ₹ 27.2 Cr in the corresponding quarter of the previous year and loss of ₹ 47.7 Cr compared to the previous quarter.
- The RoA / RoE for the quarter ended 30 September 2021 stood at (0.1%) / (0.5%), compared to RoA / RoE of 1.8% / 9.3% in the corresponding quarter of the previous year and RoA / RoE of (2.8%) / (12.1%) compared to the previous quarter.

Asset Quality and Capital

- As on 30 September 2021, GNPA was 10.2% (₹ 456.5 Cr) higher by 69 bps, compared to the GNPA as on 30 June 2021.
- Net NPA as on 30 September 2021 was 4.5% (₹ 188.3 Cr) higher by 1 bps as compared to Net NPA of 4.5% reported on 30 June 2021 and Net NPA of 0.4% as on 30 September 2020.
- Provision coverage ratio as on 30 September 2021 (including technical write-offs) stands at 71.2%, compared to 70.9% as at 30 June 2021 and 89.3% as at 30 September 2020.
- As on 30 September 2021, the Bank has Restructured portfolio of ₹ 590.5 Crore under Resolution Framework 2.0 – Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs) dated 5 May 2021, portfolio value of ₹ 61.9 Crore under Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses dated 5 May 2021. In addition, the Bank has restructured portfolio value of ₹ 141.0 under RBI Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances dated 1 July 2015. Total restructuring book stands at 17.7% Advances (standard is 14.0% and NPA is 3.7%) as at 30 September 2021.
- CRAR as of 30 September 2021 stands at 45.9%, of which the tier-1 capital stands at 41.8%. The risk weighted assets as of 30 September 2021 stands at ₹ 3,410.9 Cr.

Performance Highlights:

Performance Highlights	Q2 FY22	Q1 FY22	QoQ	Q2 FY21	YoY
Interest Earned	234.5	215.7	9%	201.4	16%
Interest Expended	87.2	92.2	-5%	91.9	-5%
NET INTEREST INCOME	147.2	123.5	19%	109.5	34%
Other Income	33.4	22.1	51%	11.3	194%
NET TOTAL INCOME	180.6	145.5	24%	120.9	49%
Operating Expenses	97.9	92.3	6%	69.7	40%
Employee Expense	54.7	51.8	6%	42.0	30%
Other Expense	43.2	40.6	6%	27.8	55%
OPERATING PROFIT	82.7	53.2	56%	51.1	62%
Provisions and Contingencies	97.3	110.0	-12%	14.7	562%
NET Profit Before Tax	(14.5)	(56.8)	-74%	36.4	nm
Tax expense / (income)	(12.6)	(9.1)	38%	9.2	-2.4
Profit After Tax	(1.9)	(47.7)	-96%	27.2	nm

Gross Advances	4,470	4,004	11.6%	3,708	20.6%
Disbursements	1067	361	195.6%	362	194.7%
Deposits	3,129	3,317	-5.7%	3,140	-0.3%

Key ratios	Q2 FY22	Q1 FY22	QoQ	Q2 FY21	YoY
Yield on Gross Advances	19.3%	18.1%	120 bps	19.2%	5 bps
Cost of Funds	7.1%	7.4%	(34 bps)	8.2%	(106 bps)
NIM	9.1%	7.6%	145 bps	7.8%	135 bps
Cost of Deposits	7.1%	7.4%	(34 bps)	7.8%	(75 bps)
Cost to Income	54.2%	63.5%	(927 bps)	57.7%	(352 bps)
Retail Deposit to Total Deposit	87.9%	85.8%	211 bps	70.5%	1,734 bps
CASA Ratio	18.5%	16.2%	233 bps	11.1%	740 bps
Total Capital Adequacy Ratio (As a % of CRWA)	45.9%	52.1%	(620 bps)	41.0%	490 bps
Tier I	41.8%	47.6%	(585 bps)	36.6%	517 bps
GNPA Ratio	10.2%	9.5%	69 bps	2.3%	796 bps
NNPA Ratio	4.5%	4.5%	1 bps	0.4%	411 bps
Provision coverage Ratio	71.2%	70.9%	34 bps	89.3%	(1,809 bps)
ROA	-0.1%	-2.8%	272 bps	1.8%	(195 bps)
ROE	-0.5%	-12.1%	1,163 bps	9.3%	(979 bps)
Book Value Per Share (₹)	145.9	146.1	-0.1%	133.2	9.5%

Mr. Baskar Babu, MD & CEO, Suryoday Small Finance Bank, “In continuation to business update for Q1 FY22, where we had discussed about the increasing trend of the repayment behaviour with easing of restrictions, we are happy to announce, the trend has improved during Q2 FY22, as the restrictions across states eased out and business activity started returning to normalcy. Further, during the month of Oct-21 as well, the bank disbursed ₹ 359 crore and reported collection efficiency of 83% (1-EMI adj.) and 104% (overall). The bank with its core value of customer centricity, will continue to strengthen its relationship with its wide customer base.”

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 13 states and UTs across India through its 560 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.