

August 10, 2023

Ref.: SSFB/CS/42/2023-24

To,

National Stock Exchange of India Limited
Listing Department
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (East)
Mumbai – 400 051

BSE Limited
The Corporate Relations Department
Phiroze Jeejeebhoy Towers,
Dalal Street,
Fort,
Mumbai – 400 001

Symbol: **SURYODAY**

Scrip Code: **543279**

Dear Sir/Madam,

Sub: Press Release on the Unaudited Financial Results of Suryoday Small Finance Bank Limited (the "Bank") for the quarter (Q1) ended June 30, 2023 - Regulation 30 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref: Intimation of Outcome of meeting of the Board of Directors (the "Board") of Suryoday Small Finance Bank Limited (the "Bank") held on August 10, 2023 - Approval of the Unaudited Financial Results of the Bank for the quarter (Q1) ended June 30, 2023

In continuation to above mentioned intimation dated August 10, 2023 pertaining to Outcome of the Board meeting, please find attached herewith Press Release on the Unaudited Financial Results of Bank for the quarter (Q1) ended June 30, 2023.

This intimation shall also be made available on the Bank's website at <https://www.suryodaybank.com/> in terms of Regulation 30, 46 and 62 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The above is submitted for your kind information and appropriate dissemination.

Thanking You,

Yours truly,

For Suryoday Small Finance Bank Limited

Krishna Kant Chaturvedi
Company Secretary & Compliance Officer

Encl: As above

SURYODAY SMALL FINANCE BANK LIMITED

Reg. & Corp. off : 1101, Sharda Terraces, Plot. 65, Sector 11, CBD Belapur, Navi Mumbai: 400614 Tel: 022-40435800

E Mail: info@suryodaybank.com / **Web:** www.suryodaybank.com **CIN:** L65923MH2008PLC261472 / **GSTIN NO:** 27AAMCS5499J1ZG

10th August 2023, Navi Mumbai

Suryoday reports a Robust PAT of ₹48 crores; a growth of 5x YoY
Gross Advances up by 24% YoY to ₹6,372 crores

Suryoday Small Finance Bank Limited has announced its un-audited financial results for the quarter ended 30th June 2023.

Business Performance – Q1FY24

- The Bank's Gross Advances stood at ₹6,372 crores compared to ₹5,132 crores in Q1FY23, an increase of 24.2% year on year
- Disbursements stood at ₹1,190 crores compared to ₹1,012 crores in Q1FY23, an increase of 17.5% year on year
- Deposits stood at ₹5,722 crores as compared to ₹4,020 crores, registering a strong growth of 42.3% year on year
- Share of retail deposits stood at 75.7%
- Collection efficiency as of March 2023 stood at 100.4%
- The Bank has ~24.3 lakh customers, an increase of 21.0% over the base as at 30th June 2022
- Total number of branches stood at 609, with 95 being liability-focused outlets, 325 being asset focused branches and 189 Rural Centres
- Total number of employees stood at 6,386

Financial highlights – Q1FY24

- Net interest income stood at ₹224.7 crores compared to ₹177.1 crores in Q1FY23, an increase of 26.9% year on year
- Net total income stood at ₹275.8 crores compared to ₹190.2 crores in Q1FY23, an increase of 45.0% year on year
- The Cost of Funds has increased from 6.4% in Q1FY23 to 6.9% in Q1FY24 which is in line with overall rise in key interest rates by RBI
- Cost to income ratio has improved to 57.5% in Q1FY24 compared to 58.3% in the corresponding quarter last year
- Pre-Provisioning Operating Profit stood at ₹117.2 crores compared to ₹79.4 crores in Q1FY23, an increase of 47.5% year on year

Asset Quality and Capital – Q1FY24

- Gross NPA stood at 3.0% (10.0% - Q1FY23)
- Net NPA stood at 1.6% (5.0% - Q1FY23)
- Provision coverage ratio (excluding technical write offs) stood at 47.3%
 - ₹41.3 crores provisions towards ARC not considered in PCR
- CRAR of the Bank stood at 32.7%; Tier I capital of 30.2% and Tier II capital of 2.5%

Performance Highlights:

Particulars (figures in ₹crores.)	Q1 FY24	Q1 FY23	Y-o-Y	Q4 FY23	Q-o-Q	FY23
Interest Earned	358.1	281.4	27.2%	329.5	8.7%	1,183.7
Interest Expended	133.4	104.4	27.8%	119.3	11.8%	437.1
Net Interest Income	224.7	177.1	26.9%	210.1	6.9%	746.6
Other Income	51.0	13.2	288.0%	33.9	50.6%	97.4
Net Total Income	275.8	190.2	45.0%	244.1	13.0%	844.0
Operating Expenses	158.7	110.8	43.2%	142.4	11.4%	506.5
Employee Expense	75.2	53.2	41.3%	73.1	2.9%	242.4
Other Expense	83.5	57.6	44.9%	69.3	20.5%	264.2
Operating Profit	117.1	79.4	47.4%	101.7	151%	337.5
Provisions and Contingencies	53.7	69.3	-22.6%	51.5	4.2%	236.6
Net Profit Before Tax	63.4	10.1	527.3%	50.2	26.6%	100.9
Tax	15.8	2.4	570.3%	11.3	40.0%	23.2
Profit After Tax	47.6	7.8	514.2%	38.9	22.7%	77.7

Particulars	Q1 FY24	Q1 FY23	Y-o-Y	Q4 FY23	Q-o-Q	FY23
Gross Advances (₹crores)	6,372	5,132	24.2%	6,114	4.2%	6,114
Disbursement (₹crores)	1,190	1,012	17.5%	1,688	-29.5%	5,083
Deposits (₹crores)	5,722	4,020	42.3%	5,167	10.7%	5,167
Retail Deposit to Total Deposit	75.7%	78.8%	-310 bps	73.1%	252 bps	73.1%
CASA Ratio	14.9%	21.0%	-606 bps	17.1%	-219 bps	17.1%
Yield	20.5%	19.1%	138 bps	20.7%	-25 bps	19.3%
NIM	10.1%	9.1%	105 bps	10.4%	-24 bps	9.5%
Cost of Deposits	7.1%	6.5%	60 bps	7.1%	1 bps	6.9%
Cost of Borrowings	6.5%	6.2%	30 bps	6.4%	10 bps	6.3%
Cost of Funds	6.9%	6.4%	49 bps	6.8%	6 bps	6.7%
Cost to income	57.5%	58.3%	-76 bps	58.4%	-86 bps	60.0%
GNPA Ratio	3.0%	10.0%	-704 bps	3.1%	-10 bps	3.1%
NNPA Ratio	1.6%	5.0%	-337 bps	1.5%	13 bps	1.5%
PCR (Excluding write offs)	47.3%	52.7%	-540 bps	51.5%	-420 bps	51.5%
Book Value Per Share (BVPS)	153.8	142.6	7.9%	149.3	3.0%	149.3

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

“FY24 has commenced on a strong footing for our bank as well as for the overall sector at large. On the industry front, RBI has maintained the status quo by retaining the Repo rate at 6.5%. RBI also mandated scheduled banks to maintain an incremental cash reserve ratio of 10% on the increase in their net demand and time liabilities (NDTL) between May 19, 2023 and July 28, 2023 as a temporary measure. This measure is intended to absorb the surplus liquidity within the system.

We are pleased to report that the bank's Gross Advances grew by 24% to Rs. 6,372 Crores, with the Vikas Loan Portfolio at Rs. 1,283 crores with over 2.1 Lac customers. Vikas Loan, the bank's flagship product, is an unsecured business loans offered to the bank's graduating JLG customers and a substantial part of the portfolio is covered under CGFMU. The bank's disbursements for Q1FY24 grew by 17.5% YoY and stood at Rs. 1,190 crores.

The asset quality of the bank has witnessed significant improvement with GNPA at 3% during the quarter as compared to 10% in Q1FY23, similarly, NNPA stood at 1.6% versus 5.0% in Q1FY23. The bank is confident of gradually reducing GNPA to less than 2% on the back of sustained collection momentum coupled with business growth. The bank intends to create enough contingency provision to improve the PCR as well as to bring down NNPA below 0.5% in FY24. The bank's collection efficiency, as of Q1FY24, stands at 100.4%.

Despite one time ARC related provision, the bank has witnessed a growth of 5x Profit After Tax of Rs. 48 crores in Q1FY24, against Rs. 8 crores in Q1FY23.

Looking ahead to FY24, the bank aims to focus on growing Gross Advances by ~30%, Deposits by ~35%, achieving a Return on Assets (ROA) of ~2.2%, and a Return on Equity (ROE) of ~15%. Operationally, our key areas of focus include product diversification, maintaining GNPA level below 2.0%, creating adequate in contingency provision, leveraging digital initiatives, taking CGFMU cover for JLG and Vikas Loan, building a Vikas loan book of ~Rs. 2,000 crores and expanding our branch network.”

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 15 states and UTs across India through its 609 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:**

For further information, please contact

**Suryoday Small Finance Bank Limited****CIN: L65923MH2008PLC261472****Mr. Himadri Das**himadri.das@suryodaybank.comwww.suryodaybank.com**Strategic Growth Advisors Pvt. Ltd.**

CIN: U74140MH2010PTC204285

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