

August 04, 2022

Ref.: SSFB/CS/34/2022-23

To,
National Stock Exchange of India Limited
Listing Department
Exchange Plaza,
C-1, Block G,
Bandra Kurla Complex,
Bandra (E)
Mumbai - 400051
Symbol: **SURYODAY**

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

Scrip Code: **543279**

Dear Sir/Madam,

Sub: Presentation to Investors on Unaudited Financial Results of Suryoday Small Finance Bank Limited ("Bank") for the quarter ended on June 30, 2022 - Regulation 30 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In continuation to our intimation regarding Conference Call to discuss Financial Results of the Bank for the quarter ended June 30, 2022 vide letter dated July 27, 2022 and submission of the outcome of Board Meeting vide Bank's letter dated August 04, 2022, we submit herewith the Investors Presentation relating to Unaudited Financial Results of the Bank for the quarter ended June 30, 2022.

This intimation will also be made available on the Bank's website at <https://www.suryodaybank.com>.

The above is for your information and appropriate dissemination.

Thanking You,

For Suryoday Small Finance Bank Limited

KRISHNA KANT Digitally signed by KRISHNA
KANT CHATURVEDI
CHATURVEDI Date: 2022.08.04 22:52:20
+05'30'

Krishna Kant Chaturvedi
Company Secretary and Compliance Officer
Encl: As above



Suryoday Small Finance Bank Limited

Investor Presentation – Q1 FY23



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Q1 FY23 – Business Update

Performance Highlights - Q1 FY23 (1/3)

Gross Advances
₹5,132.2
 (+28.2% YoY)

- Our Gross Advances for the quarter grew by 28.2%, stood at ₹5,132.2 crores compared to ₹4,004.0 crores same period last year, while disbursement for the quarter stood at ₹1,012.2 crores, compared to ₹361.0 crores in the same period last year indicating positive on-ground growth momentum

Disbursement
₹1,012.2
 (+180.4% YoY)

- Further, on the lending side the bank is engaging with fintech companies to expand its lending product offerings

P&L Update –
Q1FY23

- Net interest income increased by 43.4% Y-o-Y to ₹ 177.1 crores in Q1FY23 and Net total income increased by 30.0% Y-o-Y to ₹ 190.2 crores in Q1FY23. NIM stood at 9.1% for Q1FY23 compared to 7.6% for Q1FY22
- Cost of Funds reduced to 6.4% in Q1FY23 compared to 7.4% in Q1FY22
- The cost-to-income ratio improved to 58.3% in Q1FY23 from 63.1% in Q1FY22, owing to higher income combined with lower borrowing costs
- PPOP increased by 47.1% from ₹54.0 crores to ₹79.4 crores in Q1FY23

Retail : Bulk Deposit
78.8% : 21.2%
CASA Ratio* : 20.9%

- 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
- As on 30th June 2022, The Banks' CASA ratio excluding CDs stood at 20.9%

*Excluding CD

Performance Highlights - Q1 FY23 (2/3)

<p>Asset Mix IF – 65.9% Others – 34.1%</p>	<ul style="list-style-type: none"> • Our Inclusive Finance Loans, focus on unbanked and underbanked segment contributed 65.9% of the total advances book. The Bank is focusing on increasing the secured portfolio mix including offering secured business loans, micro home loans to existing inclusive finance customers • As of 30th June 2022, the share of secured portfolio in the overall advances book stood at 34.1%. The bank targets to achieve secured book portfolio of 50-55% by FY25
<p>CRAR - 36.4% Tier – 1 : 33.5% Tier – 2 : 2.9%</p>	<ul style="list-style-type: none"> • As on 30th June 2022 the CRAR of the Bank is 36.4% compared to CRAR of 52.1% as on 30th June 2021 • Tier I capital comprises of 33.5% while Tier II capital stood at 2.9%
<p>Gross NPA 10.0%</p>	<ul style="list-style-type: none"> • GNPA as on 30th June 2022 declined to 10.0% compared to GNPA of 11.8% as on 31st March 2022; Net NPA also dipped sequentially to 5.0% as on 30th June 2022. Net NPA excluding ECLGS loans stands at 3.9% as of 30th June 2022
<p>Net NPA 5.0%</p>	<ul style="list-style-type: none"> • PAR 90+ portfolio as on 30th June 2022 stood at 6.7%. Total standard restructured pool is 6.1% of advances as on 30th June 2022
<p>Provision Coverage Ratio (PCR) 75.1%</p>	<ul style="list-style-type: none"> • Provision coverage ratio as on 30th June 2022 was at 75.1% • 54% of the standard restructured portfolio is paying at least once in two months • 45% of the NPAs are paying as on June 2022

Performance Highlights - Q1 FY23 (3/3)



One-EMI adjusted collection efficiency - June 22 – 89.0%

- For the month ended 30th June 2022, the bank's one-EMI adjusted collection efficiency was 89.0%, compared to 87.0% for month ended 31st March 2022

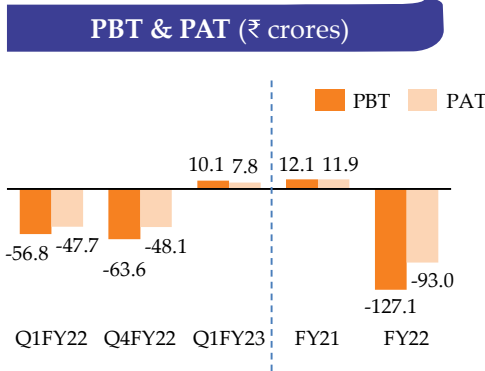
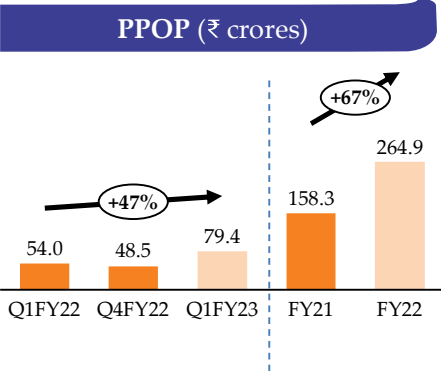
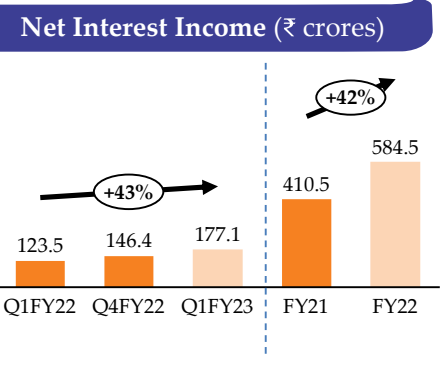
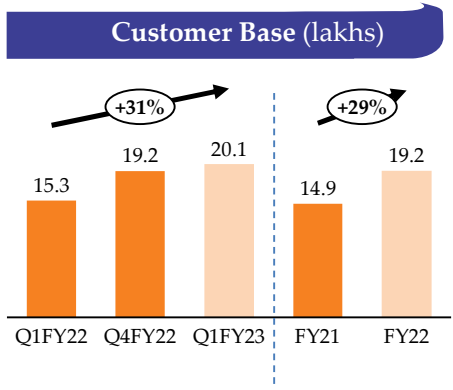
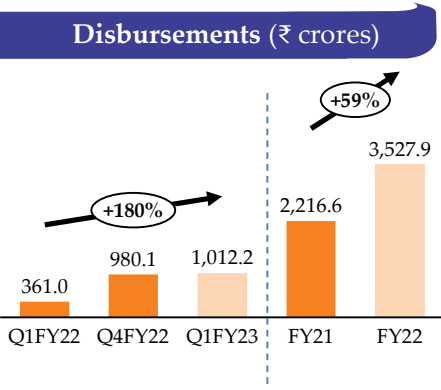
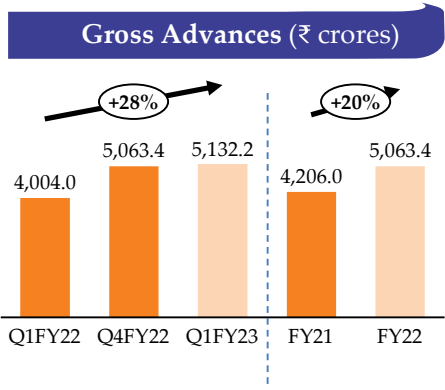
Branches - 564

- As on 30th June 2022, the bank has 564 branches

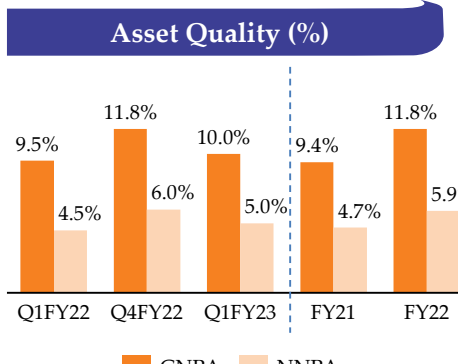
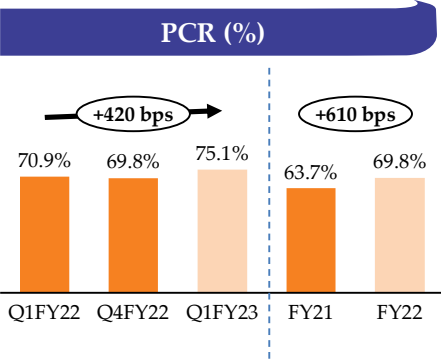
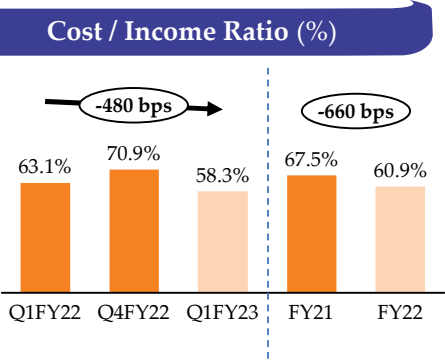
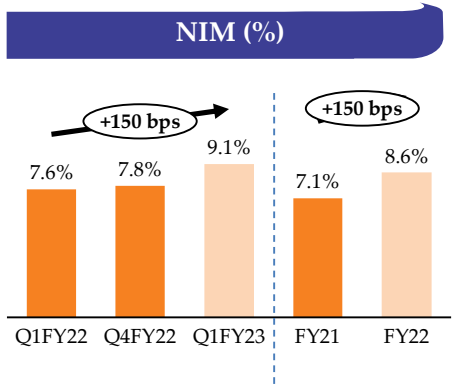
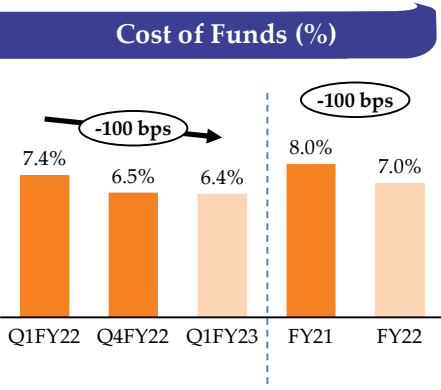
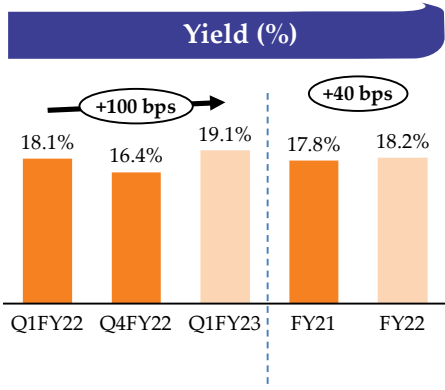
Technological & Digital Initiative

- Technology Transformation Project – **Pragyan** is on the verge of completion and is expected to go live in August 2022
- The Bank is migrating its Core Banking Solution to **Finacle**, the industry leader in digital banking solutions and has partnered with **Kyndryl** to support and manage the Bank's datacenters, infrastructure, applications, security, etc.
- The Bank has partnerships with **3 Payment Banks (Paytm, Airtel, Fino)** for an End-to-end Digital Process for Sweep Accounts and Fixed Deposits
- The Bank is engaged with **various FinTech's** for Deposits, Loans, Investment and Insurance products – with an entirely digital process and superior customer experience

Key Metrics – Trends (1/2)



Key Metrics – Trends (2/2)



GNPA NNPA



Guidance & Way Forward

Outlook & Way Forward...

The Story So Far

Outlook & Way Ahead

Loans & Advances



- JLG normalization to pre-Covid levels [₹800 Cr./ QTR]
- Focus on growing secured business: HP/ LAP
- Q1 FY23 Disbursement at ₹1,012.2 Cr. [up 180.4%]



- Target ₹400 Cr. of new business from Q2FY23 per month
- Target 40% secured portfolio and Maintain 25% to 30% YoY growth in AUM.
- Build Micro / Affordable HL, Secured Business loans.

Deposits



- Growing retail business at ₹3,166.9 Cr. [up 11.3% Y-o-Y]
- Reduce reliance on bulk deposits
- Increase retail customer base



- Increase share of composite branches.
- Target 85-90% Deposit from retail customers
- Non callable Bulk deposits for optimizing cost benefits
- Introduce Non callable retail deposits.

Asset Quality



- GNPA at 10.0% and NNPA at 5.0%, PCR at 75.1%
- Re-structured customers unlikely to need relief after FY22
- Customers in touch during COVID 3rd wave



- Target NNPA of around 4%.
- Intensify efforts for collection of restructured and stressed portfolio.

Digital & Technology



- Investments in digital technologies and analytics
- Transformation project for in-sourcing and upgradation
- Completely digital onboarding for Inclusive Finance business, leading to reduced turnaround times and improved productivity



- Completion of Transformation Project by Q2FY23
- Expansion of Branch Banking for retail business
- Digital outreach and expansion through distribution channel

Target ₹ 40 crore of monthly PPOP from Q2FY23

With Continued Focus on Customer Experience



Inclusive Finance

- Focus on retaining existing customers and adding new to bank customers.
- Vikas & Star loan products to offer end to end digital services to customers right from sourcing to collections
- Offering and processing small ticket Fixed Deposits (Min ₹1,000) to customers through BC (Business Correspondent) Agents within a TAT of 100 seconds
- Natural Calamity Insurance for inclusive finance customers to cover losses and damages on account of natural calamities
- Recurring deposit product for inclusive finance customers to make them a part of the formal banking channel.
- Vikas Loans - Collections of EMI is through the customer's Savings account. Which forms 20% of the overall Inclusive Finance portfolio.

Other Retail Assets– (Affordable Housing, Commercial Vehicles and Secured Business loans)

- Aimed at self-employed/ salaried applicants for the purchase of apartments/ construction of property
- Scaling of Affordable Home loans / LAP portfolio in the overall mix.
- Currently the Secured Business portfolio is at 33% which the bank intends to scale to 50% - 55% by FY25

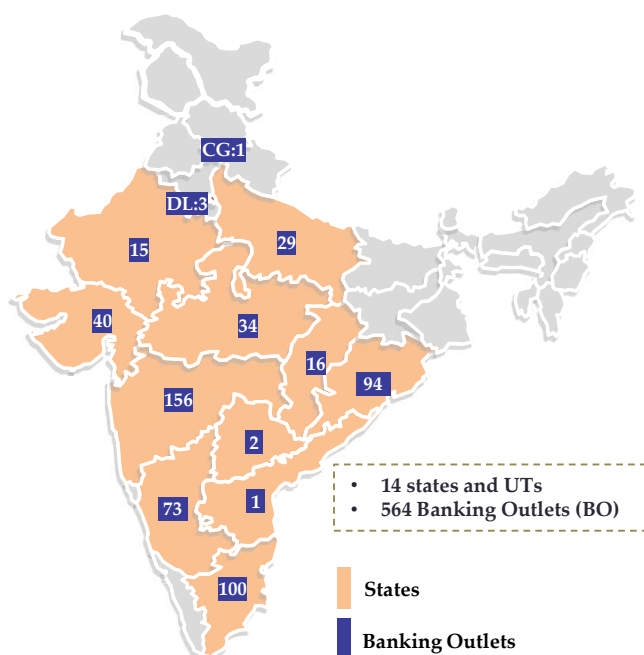
Micro Home Loans & Micro LAP

- Existing in 16 locations in Maharashtra and Karnataka.
- Further expanding in Tamilnadu, Gujarat and Madhya Pradesh in 31 locations.
- Targeting the graduating Micro Finance customers for home improvement and working capital needs.
- 100% collections efficiency as of June 2022

Digital Partnerships

- Partnerships with Fintechs to leverage digital processes and provide value-added products and services to our customers

Strong Distribution Channel



Branch Distribution

Asset focused outlets	359
Liability focused outlets	92*
Rural Centers	113
Total	564

Note:

* Includes 26 Composite Branches

Geographical Mix of the Branches

Outlets	Liability Focused	Asset Focused	URC
Tamil Nadu*	17	66	17
Maharashtra	36	72	48
Odisha	10	49	35
Karnataka	11	49	13
Madhya Pradesh	2	32	0
Gujarat	5	35	0
Others	11	56	0
Total	92	359	113

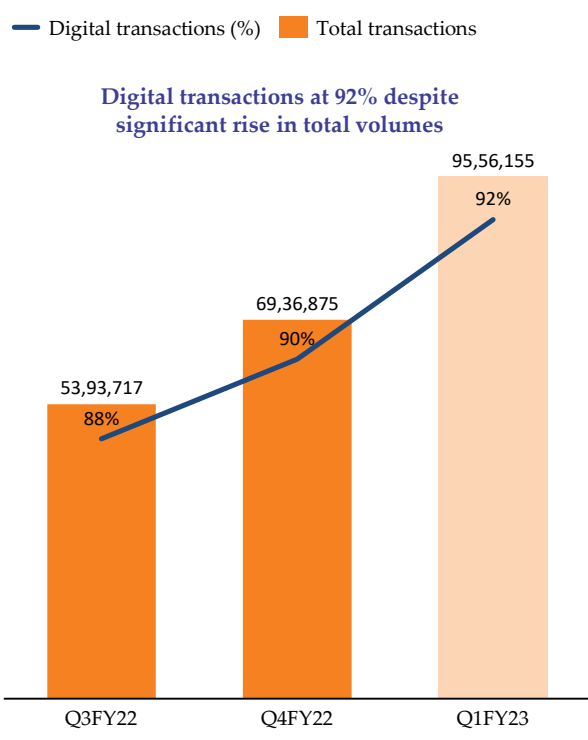
Note:

* Includes Puducherry

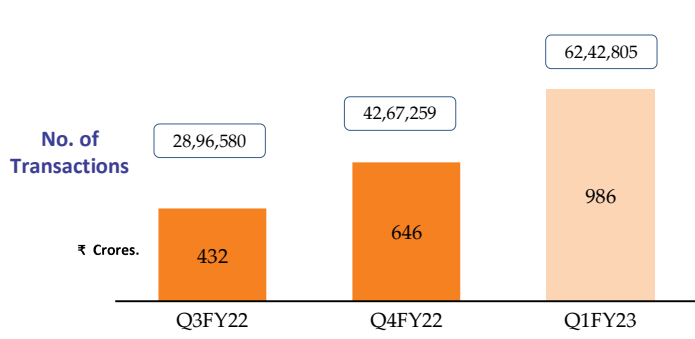
*100 branches in Tamil Nadu includes 2 branches in Puducherry

Leading to Enhanced Digital Footprint

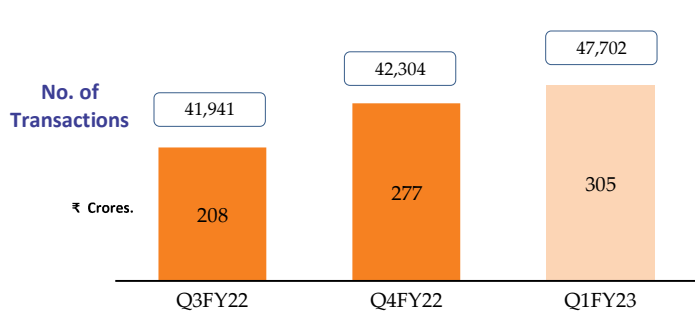
Digital Transactions



Transactions via UPI



Online Transactions – Net banking





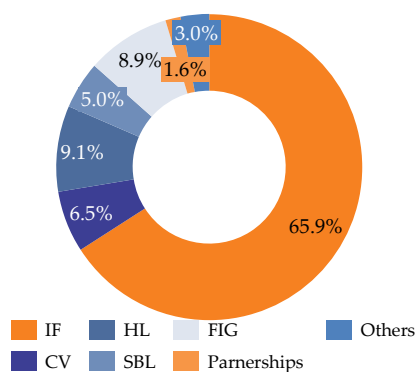
Asset Business Update

Asset Business Update

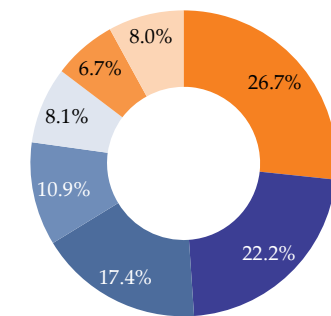
Particulars	IF	CV	HL	SBL	FIG	Partnerships	Others	Total
Gross Advances (₹ Crores)	3,382.1	332.8	466.8	258.1	455.8	80.3	156.2	5,132.2
Disbursement – Q1 FY23 (₹ Crores)	709.8	31.6	47.0	41.6	150.0	23.3	9.0*	1,012.2
Collection Efficiency - 1 EMI Restricted								
Month of June 2022 (%)	88%	88%	94%	90%	100%	86%	59%	89%

*Others is disbursements in micro-home loans having a portfolio size of ₹19.1

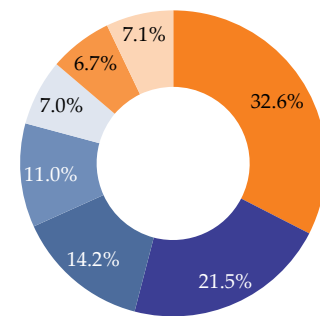
Portfolio Mix – Product Wise



Regional Portfolio Mix (IF)



Regional Portfolio Mix (Overall)



Note: Other businesses include Overdraft Business, Staff Loans and T-Nagar Business Loans.

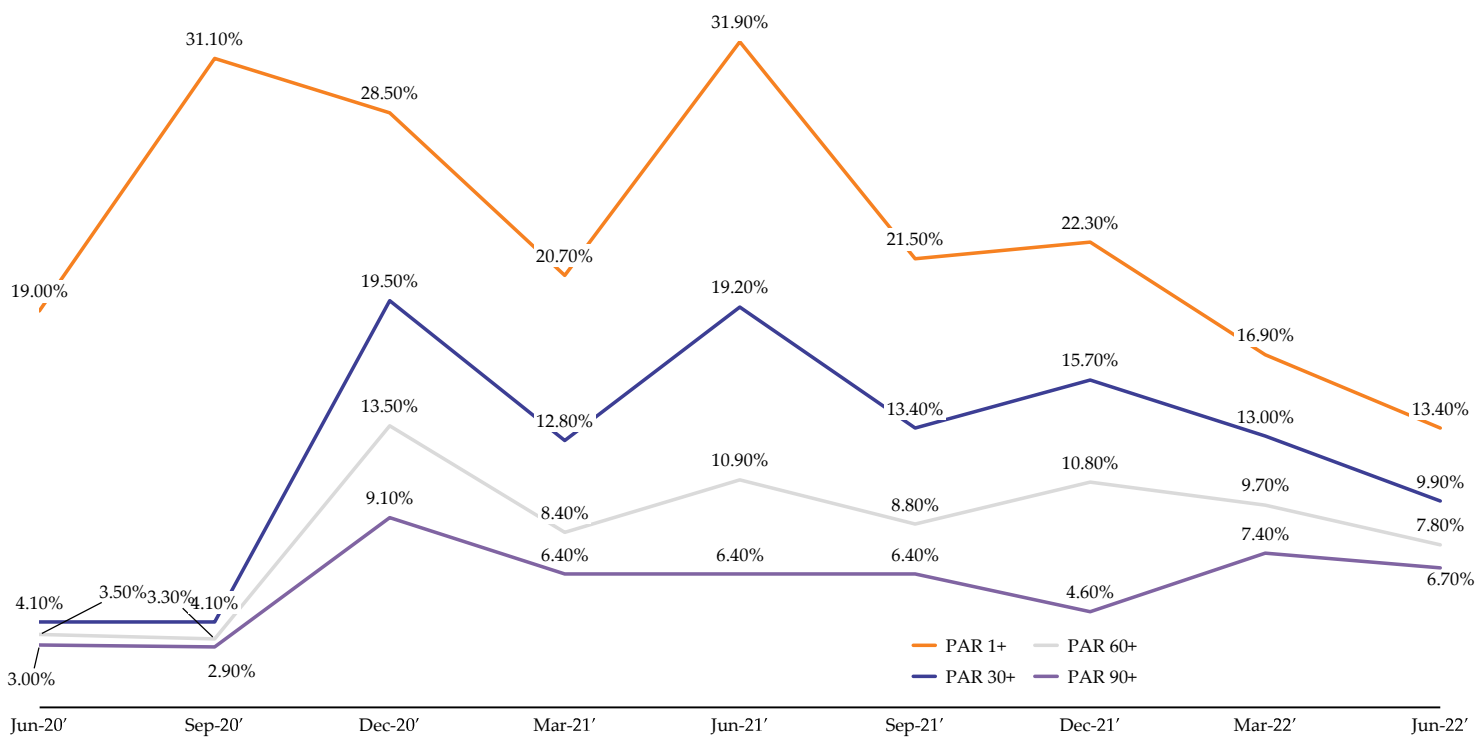
Asset Quality



Product	Gross Advances (₹ Crores) ¹	GNPA after w/off (₹ Crores)	NPA Provisions (₹ Crores)	Floating Provision (₹ Crores)	Total Provision (₹ Crores)	NNPA (₹ Crores)	GNPA ⁴ (%)	NNPA ⁴ %	PCR ² (%) (Incl. Tech W/off)	PCR ² (%) (Excl. Tech W/off)
JLG	3,381.5	383.4	125.6	91.3	216.9	166.6	11.3%	5.3%	78.5%	56.6%
HL	485.8	14.1	4.8	-	4.8	9.3	2.9%	1.9%	34.2%	34.2%
SBL	258.1	18.6	5.4	-	5.4	13.2	7.2%	5.2%	28.9%	28.9%
CV	333.9	37.7	23.7	-	23.7	14.0	11.3%	4.5%	70.0%	62.9%
FIG	455.8	0.0	0.0	-	-	0.0	0.0%	0.0%	0.0%	0.0%
Unsecured Business Loans	93.0	8.5	4.2	-	4.2	4.3	9.2%	4.8%	90.5%	49.6%
Other ³	124.0	52.6	16.2	-	16.2	36.4	42.4%	33.8%	53.2%	30.8%
Total	5,132.7	515.0	179.9	91.3	271.3	243.8	10.0%	5.0%	75.1%	52.7%

1. Gross Advances mean all outstanding loans and advances excluding advances written off.
2. PCR computation includes Technical Write-off of ₹ 463.7 crores. PCR excluding technical write-off stands at 52.7%
3. Other includes Staff Loan, OD, Individual Loan, Restructuring product, WCTL and FITL, BC overdraft
4. GNPA and NNPA includes ECLGS loans of ₹ 55.9 Crores wherein 'nil' provision is made following IRAC guidelines and will be recovered through Guarantee mechanism as per ECLGS circular. Excluding ECLGS loans GNPA and NNPA will reduce to 8.9% and 3.9% respectively as at June 30 2022
5. Includes Floating Provision of ₹ 91.28 crores

Movement of PAR



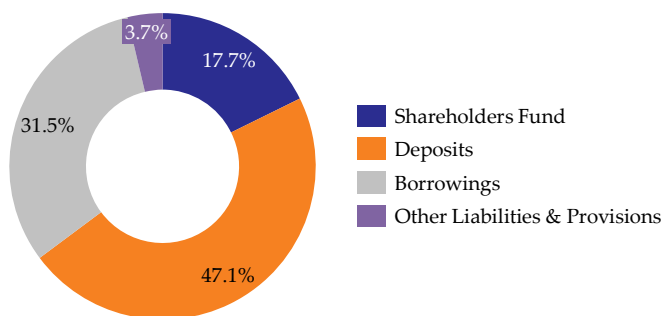
Note: PAR 90+ includes restructured accounts



Liability Update

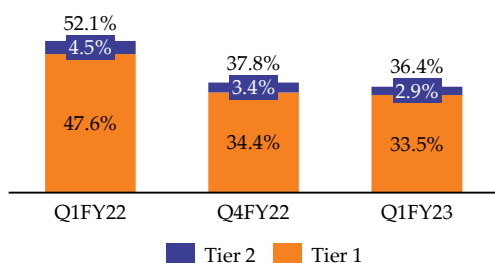
Healthy Balance Sheet

Balance Sheet Mix

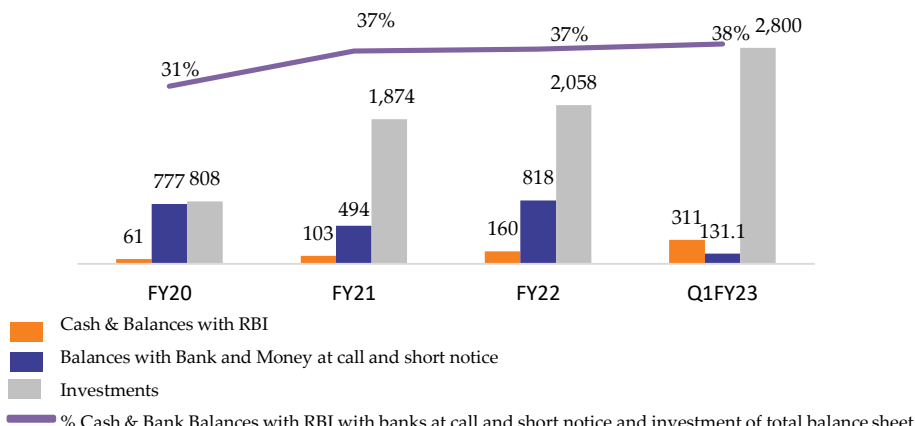


- As on 30th June 2022, Bulk deposits share in total deposits stood at 21.2%
- The Bank has Balance sheet liquidity of ₹1,284.1 (representing excess liquidity after considering statutory reserves required by RBI)
- This will be gradually utilized by the bank for undertaking disbursements activities in the coming quarters.
- Strong and stable ALM maintained.

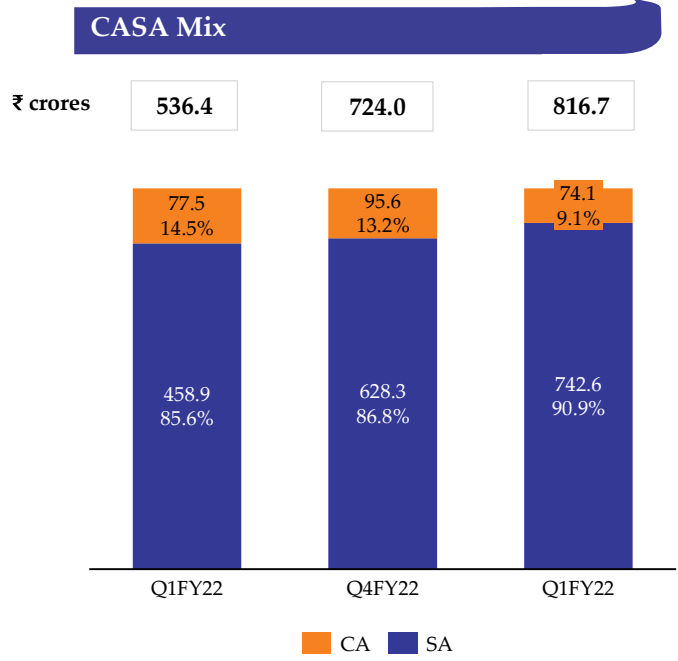
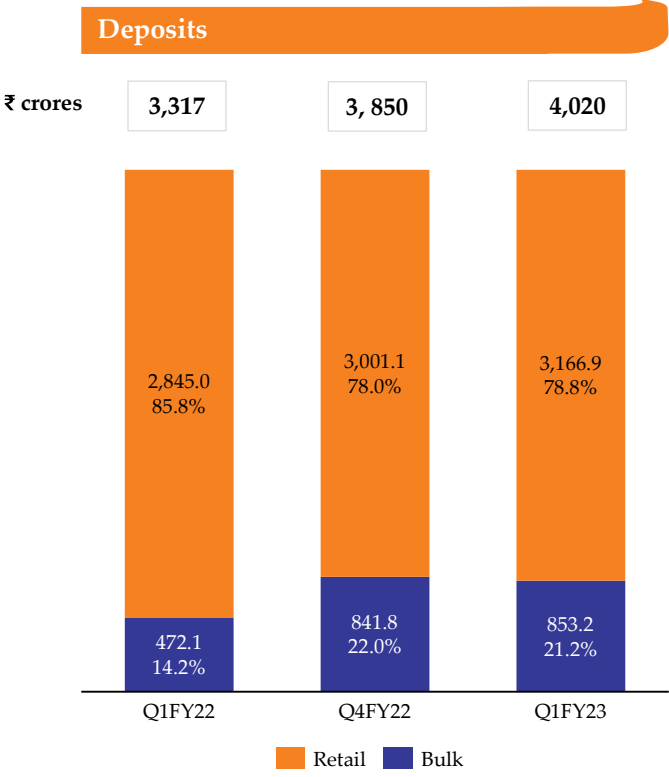
Capital Adequacy Ratio % (CRAR)



Liquidity as a % of the balance sheet



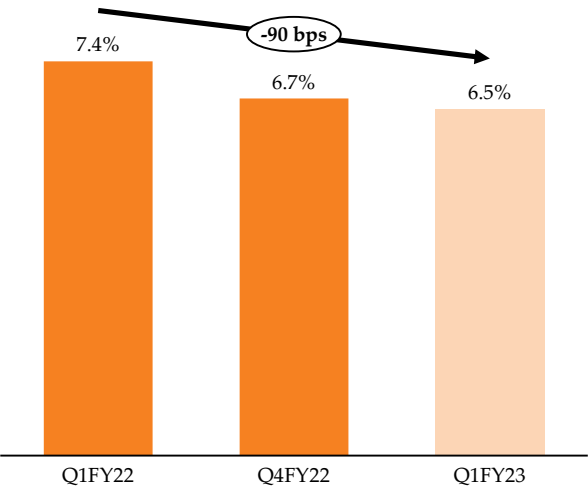
Deposit Update (1/2)



- Sustainable and steady increase in the CASA ratio
- Strong growth: CASA grew by 12.8% sequentially to ₹ 816.7 crore in Q1 FY23

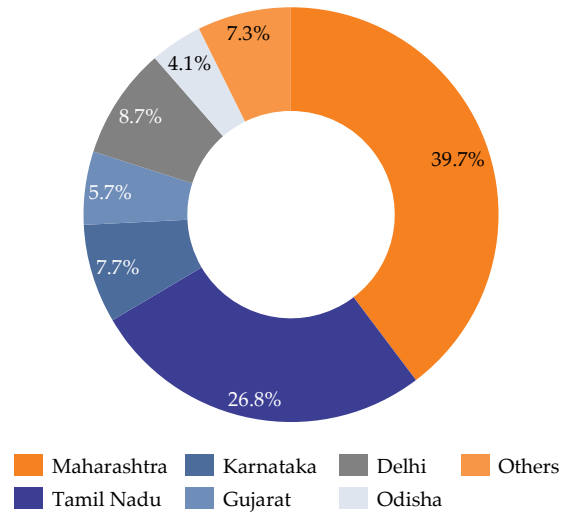
Deposit Update (2/2)

Cost of Deposits



Cost of deposits declined by ~90 basis to 6.5% as on 30th June 2022 on a YoY basis

Geographic diversification of Deposits



- The Bank had a total of 92 liability focused branches as on 30th June 2022 primarily in the states of Maharashtra & Tamil Nadu
- 6 branches converted to URCS operation from April 22 out of 98 branches

Note: Bulk deposits are non-pre-mature in nature.

Note: Puducherry is included in Tamil Nadu.



Financial & Key Ratios

Financials – Balance Sheet June 2022



Particulars (figures in ₹ crores)	Jun-22	Jun-21	Y-o-Y	Mar-22	Q-o-Q
Capital and Liabilities					
Net-worth	1,513.9	1,550.5	-2.4%	1,505.5	0.6%
Deposits	4,020.1	3,317.0	21.2%	3,849.8	4.4%
Borrowings	2,683.0	1,668.3	60.8%	2,551.3	5.2%
Others Liabilities and Provisions	312.8	217.5	43.8%	273.8	14.2%
Total	8,529.7	6,753.3	26.3%	8,180.5	4.3%
Assets					
Fixed Assets	150.2	42.0	257.5%	115.2	30.3%
Cash and Bank	442.0	812.6	-45.6%	977.1	-54.8%
Investments	2,799.8	1,882.7	48.7%	2,057.7	36.1%
Advances	4,862.5	3,793.5	28.2%	4,750.9	2.4%
Other Assets	275.1	222.5	23.6%	279.5	-1.6%
Total Assets	8,529.7	6,753.3	26.3%	8,180.5	4.3%

Financials – P&L Account Q1FY23



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	-	-63.6	-	-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	-	-48.1	-	-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.

Key Metrics



Particulars	Unit	Q1 FY22	Q1 FY21	Y-o-Y	Q4 FY22	Q-o-Q	FY22	FY21	Y-o-Y
Gross Advances	₹ Crores	5,132.2	4,004.0	28.2%	5,063.4	1.4%	5,063.4	4,206.0	20.4%
Disbursement	₹ Crores	1,012.2	361.0	180.4%	980.1	3.3%	3,527.9	2,216.6	59.2%
Deposits	₹ Crores	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%	-1,260 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 technical 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%

Corporate Social Responsibility

• The CSR activities of the Bank are predominantly implemented through Suryoday Foundation.

In Q2FY22 Foundation focused on following activities

- Selection of Blocks and Areas in 5 identified districts
- Partnering with local stakeholders (local NGOs, Banks, Post offices, Panchayat Members, Anganwadi worker and ICDS officials, Asha workers, Medical Officers and Schools etc.)
- Identification of partners for collaboration on technical areas
- Intervention with the beneficiaries across programs with outreach of 6,802 beneficiaries
- Continuing COVID 19 awareness and Vaccination through Suryoday Foundation. Additionally, 6000 beneficiaries have got vaccinated in the Chennai Metropolitan Area through the Rotary tie up



Sr. No	Name of the Programs	Program Locations	Outreach (Q4)	Outreach (Q1)
1	Program 1: Building Financial Capability of Domestic Workers	Maharashtra - Mumbai	3,939	1,124
		Tamil Nadu – Chennai		
2	Program 2: Building Financial Capability of Citizens of tomorrow – Program for School Children	Tamil Nadu - Cuddalore	3,922	1,173
		Puducherry		
		Odisha – Khorda		
3	Program 3: Building Financial Capability of rural communities – Program for Parents	Tamil Nadu - Cuddalore	3,753	1,230
		Puducherry		
		Odisha - Khorda		

Company :



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