

3rd February 2022, Navi Mumbai

Suryoday Small Finance Bank Limited has announced its Un-audited financial results for the third quarter and nine months ended 31st December 2021.

Business Performance

- The gross advances of the Bank, for the period ended 31st December 2021 stood at ₹4,872.3 Cr, the gross advances registered a growth of 24.7% compared to the same period last year, and grew 9.0% sequentially.
- Disbursement for the Q3 FY22 stood at ₹1,121.0 Cr. up from ₹1,067.0 crores in Q2 FY22 and ₹785.3 crores in Q3 FY21. Disbursement registered growth of 5.0% sequentially and 43.0% year on year.
- The deposits for the quarter ended 31st December 2021 stood at ₹3,169.5 Crore, the deposits degrew by 5.2% compared same period last year but grew 1.3% sequentially. Retail deposits increased YoY at 15.7% and Bulk reduced YoY by 60.1%
- The share of retail deposits, stood at 88.4% for the quarter ended 31st December 2021, compared to 87.9% in 30th September 2021.
- The share of non-callable bulk deposits stands at 100% of the overall bulk deposits for the quarter ended 31st December 2021.
- The CASA ratio for the quarter ended 31st December 2021, stood at 19.2%, compared to 13.3% for the corresponding quarter of the previous year and 18.5% sequentially.
- The one-EMI adjusted collection efficiency for the bank stood at 84% for the month ended 31st December 2021 compared to 83% for the month ended 30th September 2021 and 70% for the month ended 30th June 2021.
- Overall collection efficiency in the month of December 2021 was 109%
- As of December 31, 2021, the Bank has 18.5 lakh customers, with a total asset customer base of 16.2 lakh and a total liability customer base of 11.6 lakh, with a unique deposits customer base of 2.3 lakh between assets and liabilities.
- As of 31st December 2021, total count of banking outlets was 564, of which liability focussed outlets were 97. Total employee count stood at 5,253 as on 31st December 2021.

Financial highlights for the quarter ended 31st December 2021

- Net interest income increased by 13.6% Q-o-Q to ₹167.3 crore in Q3FY22 and Net total income increased by 7.0% Q-o-Q to ₹193.4 crore in Q3FY22. NIM increased to 9.9% for Q3FY22 compared to 9.1% for Q3FY21.
- Cost of Funds reduced to 6.8% in Q3FY22 compared to 7.1% in Q3FY21.
- Cost to income during the same period moderated to 56.6% as compared to 65.7% in Q3FY21 which was primarily due to rise in income coupled with lower cost of borrowing.
- Operating expenses for the quarter ended 31st December 2021 stood at ₹105.0 crore, a rise of 13.6% compared to the corresponding quarter of the previous year and a rise of 7.3% compared to the previous quarter.
- The company made a profit of ₹4.7 crore in Q3FY22 against a loss of ₹1.9 crore in Q2FY22.
- PPOP increased from ₹ 48.2 crore in Q3FY21 to ₹ 80.5 crore in Q3FY22 at 67%. Excluding MTM the PPOP was ₹36.5 crore in Q3FY21 increasing to ₹ 91.2 crore in Q3FY22 at 150%.
- The RoA/RoE for the quarter ended 31st December 2021 stood at 0.3% / 1.2%, compared to a RoA/RoE of -0.1%/ -0.5% in the corresponding quarter of the previous year and a RoA/ RoE of -0.6%/ -0.2% sequentially.

Asset Quality and Capital

- As on 31st December 2021, GNPA was 10.5% (₹510.8 crore)
- Net NPA as on 30th September 2021 was 5.6% (₹257.0 crore)
- Provision coverage ratio as on 31st December 2021 stands at 67.9%.
- As on 31st December 2021 the CRAR of the Bank is 41.4% as compared to 41.1% as on 31st December 2020; Tier I comprise of 37.8% and Tier II comprises of 3.6%.

Performance Highlights:

Particulars (figures in ₹crores.)	Q3 FY22	Q3 FY21	Y-o-Y	Q2 FY22	Q-o-Q	9M FY22	9M FY21	Y-o-Y
Interest Earned	255.0	203.6	25.3%	234.5	8.7%	705.2	624.3	13.0%
Interest Expended	87.7	93.9	-6.6%	87.2	0.6%	267.2	271.1	-1.4%
Net Interest Income	167.3	109.6	52.6%	147.3	13.6%	438.0	353.3	24.0%
Other Income	18.2	30.9	-41.1%	33.4	-45.5%	73.6	63.2	16.4%
Net Total Income	193.4	140.5	37.6%	180.7	7.0%	511.6	416.5	22.8%
Operating Expenses	105.0	92.4	13.6%	97.9	7.3%	295.2	231.6	27.4%
Employee Expense	55.3	47.4	16.7%	54.7	1.1%	161.8	133.6	21.1%
Other Expense	49.7	44.9	10.6%	43.2	15.1%	133.4	98.1	36.0%
Operating Profit	80.5	48.2	67.0%	82.8	-2.7%	216.5	184.9	17.1%
Provisions and Contingencies	72.6	46.7	55.5%	97.3	-25.4%	279.9	114.8	143.8%
Net Profit Before Tax	7.9	1.4	464.3%	-14.5	Nm	-63.4	70.1	Nm
Tax	-3.2	0.4	Nm	12.6	Nm	-18.5	15.2	Nm
Profit After Tax	4.7	1.1	327.3%	-1.9	Nm	-44.9	54.9	Nm

Gross Advances	4,872.3	3,908.0	24.7%	4,470.4	9.0%	4,872.3	3,908.0	24.7%
Disbursement	1,121.0	785.3	43.0%	1,067.0	5.0%	2,547.6	1,157.8	120.0%
Deposits	3,169.5	3,343.8	-5.2%	3,129.0	1.3%	3,169.5	3,343.8	-5.2%

Particulars	Q3 FY22	Q3 FY21	Y-o-Y	Q2 FY22	Q-o-Q	9M FY22	9M FY21	Y-o-Y
Retail Deposit to Total Deposit	88.4%	72.4%	1,600 bps	87.9%	50 bps	88.4%	72.4%	1,600 bps
CASA Ratio	19.2%	13.3%	590 bps	18.5%	70 bps	19.2%	13.3%	588 bps
Yield	19.2%	18.6%	60 bps	19.3%	-10 bps	18.8%	19.9%	-112 bps
NIM	9.9%	9.1%	79 bps	9.1%	70 bps	8.9%	8.3%	60 bps
Cost of Deposits	7.1%	7.1%	-	7.1%	-	7.2%	7.8%	-60 bps
Cost of Borrowings	6.3%	8.5%	-220 bps	7.2%	-90 bps	7.0%	8.6%	-161 bps
Cost of Funds	6.8%	7.1%	-30 bps	7.1%	-30 bps	7.1%	8.0%	-94 bps
Cost to income	56.6%	65.7%	-912 bps	54.2%	240 bps	56.8%	55.6%	120 bps
OER	8.9%	9.2%	- 30 bps	9.2%	-30 bps	8.9%	8.3%	52 bps
GNPA Ratio	10.5%	0.9%	-970 bps	10.2%	200 bps	10.5%	0.9%	-970 bps
NNPA Ratio	5.6%	0.3%	530 bps	4.5%	110 bps	5.6%	0.3%	530 bps
PCR (Including write offs)	67.9%	89.6%	-2,172 bps	71.2%	-330 bps	67.9%	89.6%	-2,172 bps
ROA*	0.3%	-0.1%	40 bps	-0.6%	90 bps	-0.9%	1.2%	-
ROE*	1.2%	-0.5%	170 bps	-0.2%	140 bps	-3.8%	6.3%	-
Book Value Per Share (BVPS)	146.35	133.54	9.6%	145.9	0.3%	146.35	133.54	9.6%

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

"During the first three quarters of FY22, Suryoday displayed firm footing in the face of adversity by taking careful actions to limit the pandemic's impact and overcome the industry's obstacles. While H1FY22 was majorly a difficult period for the industry we saw a considerably faster recovery in Q3FY22. Our disbursement of ₹1,121.0 crores in Q3FY22, compared to ₹1,067.0 crores in Q2FY22 and ₹785.3 crores in Q2FY22, indicates that our performance on the ground has improved.

Additionally, the bank has seen improved on-ground collection scenarios, with one-EMI adjusted collection efficiency of 84% for the month ended 31st December 2021, compared to 83% for the month ended 30th September 2021 and 70% for the month ended 30th June 2021, and overall collection efficiency in December 2021 stood at 109%, compared to 108% in September 2021.

Furthermore, the bank has enough liquidity buffers and a healthy balance sheet, putting us in a strong position to achieve medium to long-term growth. The bank is well capitalised, with a capital adequacy ratio of 41.4% at the end of 9MFY22, with Tier-1 accounting for 37.8% and Tier-2 accounting for 3.6%.

We're also working hard to improve our portfolio quality and grow our footprint in new and existing geographies. We assume the worst is over, as the Omicron strain is expected to be milder than earlier variants, and most staff and borrowers have been vaccinated now. In the coming quarters, we forecast stable credit demand and enhanced ecosystem recovery, allowing us to focus more on new disbursements and accomplish bank's growth targets."

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 555 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.

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