

Press Release

Gross advances grow 13.3% YoY to ₹ 4,004 Cr
Deposits growth at 15.6% YoY to ₹ 3,317 Cr
Accelerated provisioning takes PCR to 70.9%
Business activity picks-up in July-21
Collection efficiency improves to 79% in July-21

Navi Mumbai, August 12, 2021:

The Board of Directors of Suryoday Small Finance Bank Limited at its meeting held today, approved the un-audited financial results for the quarter ended June 30, 2021.

Business Highlights:

- The gross advances of the Bank, for the period ended 30 June 2021 stood at ₹ 4,004 Cr, the gross advances registered a growth of 13.3% compared to the corresponding quarter of the previous year and declined 4.3% compared to the previous quarter, on account of lockdowns across geographies.
- The Bank disbursed ₹ 361 Cr for the quarter ended 30 June 2021, compared to ₹ 12 Cr for the corresponding quarter of the previous year and ₹ 1,058 Cr for the previous quarter. The Bank disbursed ₹ 360 Cr, in the month of July 2021.
- Disbursements under the ECLGS scheme for the quarter ended 30 June 2021 stood at ₹ 25.1 Cr, compared to ₹ 61.5 Cr for the previous quarter. The disbursements under this scheme stood at ₹ 95.2 Cr for the year ended 31 March 2021.
- The deposits for the quarter ended 30 June 2021 stood at ₹ 3,317 Cr, the deposits registered a growth of 15.6% compared to the corresponding quarter of the previous year and grew 1.9% compared to the previous quarter.
- The share of retail deposits, improved to 85.8% for the quarter ended 30 June 2021, compared to 61.9% for the corresponding quarter of the previous year and 80.0% for the previous quarter. The share of non-callable bulk deposits stands at 90% of the overall bulk deposits for the quarter ended 30 June 2021.
- The CASA ratio for the quarter ended 30 June 2021, stood at 16.2%, compared to 11.9% for the corresponding quarter of the previous year and 15.4% for the previous quarter.
- Collection efficiency on an overall basis was at 89% for the month of June 2021, while the same stood at 70% on one-EMI adjusted collection efficiency. The collection efficiency in July 21 is at 107% on an overall basis and 79% on One-EMI adjusted basis.
- As of 30 June 2021, total count of banking outlets was 555, of which liability focussed outlets were 97. Total employee count stood at 5,072 as on 30 June 2021.

Financial highlights for the quarter ended 30 June 2021:

- Net interest income for the quarter ended 30 June 2021 stood at ₹ 123.5 Cr, a decline of 1.7% compared to the corresponding quarter of the previous year and a rise of 42.1% on a lower base of previous quarter. The reduction in net interest income compared to the corresponding quarter of the previous year is primarily due to reversal of interest income of ₹ 7.8 Crore on NPA accounts, impact of negative carry on account of excess liquidity maintained during the quarter and increase in the operating expenses by 32.8%.
- Other income for the quarter ended 30 June 2021 stood at ₹ 22.8 Cr, a growth of 7.7% compared to the corresponding quarter of the previous year and a fall of 33.9% compared to the previous quarter. The PSLC income stood at ₹ 8.1 Cr for the quarter ended 30 June 2021, compared to ₹ 15.0 Cr for the previous quarter and ₹ 5.9 Cr for the corresponding quarter of the previous year. Similarly, the trading profit for the quarter ended 30 June 2021 stood at ₹ 7.7 Cr, compared to ₹ 1.1 Cr in the previous quarter and ₹ 14.1 Cr for the corresponding quarter of the previous year.
- Net total income for the quarter ended 30 June 2021 stood at ₹ 146.3 Cr, a decline of 5.8% compared to the corresponding quarter of the previous year and grew 59.4% compared to the previous quarter.
- Operating expenses for the quarter ended 30 June 2021 stood at ₹ 92.3 Cr, a rise of 32.8% compared to the corresponding quarter of the previous year and a fall of 4.8% compared to the previous quarter.
- Loss for the quarter ended 30 June 2021 stood at ₹ 47.7 Cr, compared to a PAT of ₹ 26.6 Cr in the corresponding quarter of the previous year and loss of ₹ 43.0 Cr compared to the previous quarter.
- The RoA/ RoE for the quarter ended 30 June 2021 stood at (2.8%) / (12.1%), compared to a RoA/ RoE of 1.9%/ 9.6% in the corresponding quarter of the previous year and a RoA/ RoE of (2.6%)/ (12.3%) compared to the previous quarter.

Asset Quality and Capital

- As on 30 June 2021, GNPA was 9.5% (₹ 381.1 Cr) higher by 11 bps, compared to the GNPA as on 31 March 2021. During the year ended 30 June 2021, the Bank has done a technical write-off of ₹ 78.5 Cr.
- Net NPA as on 30 June 2021 was 4.5% (₹ 169.6 Cr) down 25 bps compared to Net NPA of 4.7% reported on 31 March 2021 and Net NPA of 0.5% as on 30 June 2020.
- Provision coverage ratio as on 30 June 2021 (including technical write-offs) stands at 70.9%, compared to 63.7% as at 31 March 2021 and 86.0% as at 30 June 2020.

- As on 30 June 2021, the Bank has Restructured portfolio of ₹ 110.4 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 ₹ 251.3 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 ₹ 58.2 under RBI Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances dated 1 July 2015. Total restructuring book stand at 10.5% Advances (standard is 8.7% and NPA is 1.8%) as at 30 June 2021.
- CRAR as of 31 March 2021 stands at 52.1%, of which the tier-1 capital stands at 47.6%. The risk weighted assets as of 31 March 2021 stands at ₹ 3,058.3 Cr.

Performance Highlights:

Performance Highlights	Q1 FY22	Q4 FY21	QoQ	Q1 FY21	YoY	FY21
Interest Earned	215.7	151.8	42%	219.3	-2%	776.1
Interest Expended	92.2	94.6	-2%	85.2	8%	365.7
NET INTEREST INCOME	123.5	57.2	116%	134.1	-8%	410.5
Other Income	22.8	34.6	-34%	21.2	8%	99.5
NET TOTAL INCOME	146.3	91.8	59%	155.3	-6%	510.0
Operating Expenses	92.3	97.0	-5%	69.5	33%	328.6
Employee Expense	51.8	52.3	-1%	44.1	17%	185.8
Other Expense	40.6	44.7	-9%	25.4	60%	142.8
OPERATING PROFIT	54.0	-5.2	nm	85.8	-37%	181.3
Provisions and Contingencies	110.8	52.7	110%	53.6	107%	169.2
NET Profit Before Tax	-56.8	-58.0	nm	32.2	-276%	12.1
Tax	-9.1	-15.0	nm	5.6	nm	0.2
Profit After Tax	-47.7	-43.0	nm	26.6	-280%	11.9

Gross Advances	4,004	4,186	-4%	3,534	13%	4,186
Disbursements	361	1,058	-66%	12	2844%	2,217
Deposits	3,317	3,256	2%	2,869	16%	3,256

Ratio Analysis	Q1 FY22	Q4 FY21	QoQ	Q1 FY21	YoY	FY21
Yield on Gross advances	18.1%	12.1%	595 bps	22.0%	-391 bps	17.8%
Cost of Funds	7.4%	7.8%	-31 bps	8.0%	-57 bps	8.0%
NIM	7.6%	3.7%	398 bps	10.0%	-241 bps	7.1%
Cost of Deposits	7.4%	7.4%	2 bps	7.9%	-49 bps	7.7%
Cost to Income	63.1%	105.7%	-4258 bps	44.8%	1835 bps	64.4%
Retail Deposit to Total Deposit	85.8%	80.0%	577 bps	61.9%	2391 bps	80.0%
CASA Ratio	16.2%	15.4%	72 bps	11.9%	430 bps	15.4%
Total Capital Adequacy Ratio (As a % of CRWA)	52.1%	51.5%	63 bps	36.4%	1569 bps	51.5%
Tier I	47.6%	47.2%	40 bps	35.4%	1224 bps	47.2%
GNPA Ratio	9.5%	9.4%	11 bps	2.8%	670 bps	9.4%
NNPA Ratio	4.5%	4.7%	-25 bps	0.5%	394 bps	4.7%
Provision coverage Ratio	70.9%	63.7%	718 bps	86.0%	-1514 bps	63.7%
ROAE	-2.8%	-2.6%	nm	1.9%	nm	0.2%
ROAA	-12.1%	-12.3%	nm	9.6%	nm	1.0%
Book Value Per Share (₹)	146.1	150.5	-3%	130.0	12%	150.5

Mr. Baskar Babu, MD & CEO, Suryoday Small Finance Bank, “In continuation to business update in June-21, 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 further for the month of July-21, as the restrictions across states eased out and business activity started returning to normalcy. The bank during the month of July-21 disbursed ₹ 360 Crore, which is closer to the entire disbursements done for the Q1 FY22. The bank reported a collection efficiency (1-EMI adj.) of 79% and 107% (overall), for the month of July-21, which was on an increasing trend from the previous month. Further, with easing of restrictions and pick-up in the business activity, we do believe the numbers would improve substantially. The bank with its our core value of customer centricity continues to strengthen its relationship with its wide customer base, in these testing times.”

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.