

February 9, 2023

Ref.: SSFB/CS/83/2022-23

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: Intimation of Outcome of meeting of the Board of Directors (the “Board”) of Suryoday Small Finance Bank Limited (the “Bank”) held on February 9, 2023 - Approval of the Unaudited Financial Results of the Bank for the quarter and nine months ended December 31, 2022.

Ref: Our intimation dated January 24, 2023 regarding the Board meeting of the Bank to be held on February 9, 2023 for approval of the Unaudited Financial Results of the Bank for the quarter and nine months ended December 31, 2022.

Pursuant to Regulations 30, 33, 52, 54 and other applicable provisions, if any, read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”), we hereby inform that further to the review and recommendation of the Audit Committee, the Board of Directors of the Bank, at their meeting held on February 9, 2023, have considered and approved the Unaudited Financial Results of the Bank for the quarter and nine months ended December 31, 2022 and taken on record the Limited Review Report thereon, issued by Statutory Auditors, M/s. Walker Chandiook & Co. LLP, Chartered Accountants (Firm Registration Number 001076N/N500013).

Accordingly, we hereby submit the following documents:

- i) Unaudited Financial Results of the Bank for the quarter and nine months ended December 31, 2022 as aforesaid, including line items as specified under Regulation 52(4) of the SEBI Listing Regulations; and
- ii) Limited Review Report, issued by Statutory Auditors of the Bank, M/s. Walker Chandiook & Co. LLP, Chartered Accountants (Firm Registration Number 001076N/N500013) on the abovementioned Unaudited Financial Results.

The copy of Press Release and the Investor Presentation relating to the Conference call on the abovementioned Financial Results of the Bank would be submitted separately.

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

Walker Chandiook & Co LLP

11th Floor, Tower II,
One International Center,
S B Marg, Prabhadevi (W),
Mumbai - 400013
Maharashtra, India
T +91 22 6626 2699
F +91 22 6626 2601

Independent Auditor's Review Report on Unaudited Quarterly Financial Results and Year to Date Results of the Bank pursuant to the Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Suryoday Small Finance Bank Limited

1. We have reviewed the accompanying Statement of unaudited financial results ('the Statement') of **Suryoday Small Finance Bank Limited** ("the Bank") for the quarter ended **31 December 2022** and year to date results for the period 01 April 2022 to 31 December 2022 being submitted by the Bank pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. The Statement, which is the responsibility of the Bank's management and approved by the Bank's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 'Interim Financial Reporting' ('AS 25'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India ('the RBI') from time to time, applicable to banks ('the RBI guidelines'), and other accounting principles generally accepted in India, and in compliance with the presentation and disclosure requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Suryoday Small Finance Bank Limited
Independent Auditor's Review Report on Unaudited Quarterly Financial Results and Year to Date Results of the Bank pursuant to the Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in AS 25, prescribed under Section 133 of the Act, the RBI guidelines, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement, or that it has not been prepared in accordance with the relevant prudential norms issued by the RBI in respect of income recognition, asset classification, provisioning and other related matters.
5. We draw attention to Note 5 of the accompanying Statement, which describes the uncertainties associated due to the outbreak of COVID-19 on the adequacy of the provision on loan assets outstanding as at 31 December 2022, which are dependent on the future developments.

Our conclusion is not modified in respect of this matter.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013

SUDHIR
NARAYANA
PILLAI

Digitally signed by SUDHIR
NARAYANA PILLAI
Date: 2023.02.09 18:55:44
+05'30'

Sudhir N. Pillai
Partner
Membership No:105782

UDIN:23105782BGXSZR9777

Place: Mumbai
Date: 09 February 2023

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2022

₹ In' Lakhs

Particulars	Quarter ended			Nine Months Ended		Year ended
	31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Interest Earned (a)+(b)+(c)+(d)	29,175	28,104	25,504	85,424	70,524	94,182
(a) Interest / discount on advances / bills	25,291	24,196	22,463	73,480	61,380	81,733
(b) Income on investments	3,770	3,680	2,897	11,218	8,132	11,166
(c) Interest on balances with Reserve Bank of India and other inter bank funds	114	227	140	722	1,000	1,268
(d) Others	-	1	4	4	12	15
2 Other Income	2,565	2,466	1,817	6,346	7,359	9,356
3 Total Income (1)+(2)	31,740	30,570	27,321	91,770	77,883	1,03,538
4 Interest Expended	10,830	10,511	8,773	31,778	26,721	35,737
5 Operating Expenses (i)+(ii)	14,585	10,749	10,496	36,415	29,516	41,310
(i) Employees cost	6,444	5,161	5,527	16,924	16,177	22,816
(ii) Other operating expenses	8,141	5,588	4,969	19,491	13,339	18,494
6 Total Expenditure (4)+(5) (excluding Provisions and Contingencies)	25,415	21,260	19,269	68,193	56,237	77,047
7 Operating Profit before Provisions and Contingencies (3)-(6)	6,325	9,310	8,052	23,577	21,646	26,491
8 Provisions (other than tax) and Contingencies	3,968	7,614	7,261	18,513	27,990	39,197
9 Exceptional Items	-	-	-	-	-	-
10 Profit / (Loss) from Ordinary Activities before tax (7)-(8)-(9)	2,357	1,696	791	5,064	(6,344)	(12,706)
11 Tax Expense	552	396	319	1,184	(1,852)	(3,403)
12 Net Profit / (Loss) from Ordinary Activities after tax (10)-(11)	1,805	1,300	472	3,880	(4,492)	(9,303)
13 Extraordinary items (net of tax expense)	-	-	-	-	-	-
14 Net Profit / (Loss) for the period (12)-(13)	1,805	1,300	472	3,880	(4,492)	(9,303)
15 Paid up equity share capital(Face Value of ₹ 10/- each)	10,616	10,616	10,615	10,616	10,615	10,616
16 Reserves excluding revaluation reserves	-	-	-	-	-	1,39,896
17 Analytical Ratios						
(i) Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil	Nil
(ii) Capital Adequacy Ratio	36.35%	35.88%	41.44%	36.35%	41.44%	37.86%
(iii) Earnings per share (EPS)(Face Value of ₹ 10/-each)*						
(a) Basic EPS before & after extraordinary items (net of tax expense)-(₹)	1.70	1.22	0.45	3.66	(4.23)	(8.76)
(b) Diluted EPS before & after extraordinary items (net of tax expense)-(₹)	1.70	1.22	0.44	3.66	(4.23)	(8.76)
(iv) NPA Ratios						
(a) Gross NPAs	22,885	53,266	51,083	22,885	51,083	59,742
(b) Net NPAs	14,602	24,244	25,704	14,602	25,704	28,337
(c) % of Gross NPAs to Gross Advances	4.23%	9.90%	10.48%	4.23%	10.48%	11.80%
(d) % of Net NPAs to Net Advances	2.74%	4.76%	5.57%	2.74%	5.57%	5.97%
(v) Return on assets (average) *	0.21%	0.15%	0.07%	0.45%	(0.66%)	(1.29%)
(vi) Net worth	1,39,003	1,38,621	1,52,992	1,39,003	1,52,992	1,45,156
(vii) Outstanding redeemable preference shares	-	-	-	-	-	-
(viii) Capital redemption reserve	-	-	-	-	-	-
(ix) Debt equity ratio	1.53	1.54	1.49	1.53	1.49	1.70
(x) Total debts to total assets	26.53%	28.03%	31.83%	26.53%	31.83%	31.19%

* Figures for the respective quarter ended are not annualized.

- Net worth is computed as per RBI Master Circular No. RBI/2015-16/70 DBR.No.Dir.BC.12 /13.03.00/2015-16 on Exposure Norms dated July 01, 2015.
- Debt represents total borrowings.
- Equity represents total of share capital and reserves.
- Total debt represent total borrowings of the Bank.



Suryoday Small Finance Bank Limited

CIN: L65923MH2008PLC261472

Sharda Terraces, Plot No. 65, Sector-11, CBD Belapur, Navi Mumbai-400 614.

Website: <https://www.suryodaybank.com>, Tel.: (022)4043 5800

Segment information in accordance with the Accounting Standard 17 - Segment Reporting for the operating segments of the Bank is as under:

Particulars	Quarter ended			Nine months ended		₹ in' Lakhs
	31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	Year ended
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Segment Revenue						
(a) Treasury	4,872	3,689	2,842	9,628	11,478	13,762
(b) Retail Banking	30,910	29,204	27,131	91,888	74,251	99,111
(c) Corporate	708	1,132	1,249	3,146	3,113	4,920
(d) Other Banking Operations	151	68	165	344	432	652
(e) Unallocated	-	-	-	-	-	-
Total	36,641	34,093	31,387	1,05,006	89,274	1,18,445
Less: Inter Segment Revenue	(4,901)	(3,523)	(4,066)	(13,236)	(11,391)	(14,907)
Income from Operations	31,740	30,570	27,321	91,770	77,883	1,03,538
2 Segment Results						
(a) Treasury	372	(382)	(263)	(3,543)	2,930	1,927
(b) Retail Banking	2,731	1,312	922	7,999	(9,137)	(12,968)
(c) Corporate	(564)	930	290	1,047	313	(925)
(d) Other Banking Operations	-	-	-	-	-	-
(e) Unallocated	(182)	(164)	(158)	(439)	(450)	(740)
Total Profit Before Tax	2,357	1,696	791	5,064	(6,344)	(12,706)
3 Segment Assets						
(a) Treasury	3,11,230	2,85,057	2,33,777	3,11,230	2,33,777	2,97,912
(b) Retail Banking	4,89,824	4,74,556	4,32,465	4,89,824	4,32,465	4,49,693
(c) Corporate	77,355	64,960	52,329	77,355	52,329	56,648
(d) Other Banking Operations	230	486	364	230	364	456
(e) Unallocated	11,395	13,437	10,714	11,395	10,714	13,310
Total	8,90,034	8,38,496	7,29,649	8,90,034	7,29,649	8,18,019
4 Segment Liabilities						
(a) Treasury	2,40,375	2,37,680	2,24,051	2,40,375	2,24,051	2,71,747
(b) Retail Banking	3,26,524	3,81,714	3,44,282	3,26,524	3,44,282	3,50,361
(c) Corporate	1,68,290	66,025	5,589	1,68,290	5,589	45,043
(d) Other Banking Operations	387	545	460	387	460	238
(e) Unallocated	(26)	(210)	(87)	(26)	(87)	118
Total	7,35,550	6,85,754	5,74,295	7,35,550	5,74,295	6,67,507
5 Capital Employed						
(Segment Assets - Segment Liabilities)						
(a) Treasury	70,855	47,377	9,726	70,855	9,726	26,165
(b) Retail Banking	1,63,300	92,842	88,183	1,63,300	88,183	99,332
(c) Corporate	(90,935)	(1,065)	46,740	(90,935)	46,740	11,605
(d) Other Banking Operations	(157)	(59)	(96)	(157)	(96)	218
(e) Unallocated	11,421	13,647	10,801	11,421	10,801	13,192
Total	1,54,484	1,52,742	1,55,354	1,54,484	1,55,354	1,50,512

- Inter-segment revenue is based on internally approved yield curve or at an agreed transfer rate on the funding provided by one business segment to another. Transaction cost is levied between segments on cost plus basis.
- The RBI vide its circular No. RBI/2022-23/19/DOR.AUT.REC.12/2022-23 dated April 07, 2022 on establishment of Digital Banking Units (DBUs), has prescribed reporting of Digital Banking Segment as a sub-segment of Retail Banking Segment. Indian Banks' Association (IBA) has formed DBU Working Group which include representatives of banks and RBI. The reporting of Digital Banking as a separate sub-segment of Retail Banking Segment, as applicable, will be implemented by the Bank based on the decision of the DBU Working Group.



Suryoday Small Finance Bank Limited
CIN: L65923MH2008PLC261472

Sharda Terraces, Plot No. 65, Sector-11, CBD Belapur, Navi Mumbai-400 614.
Website: <https://www.suryodaybank.com>. Tel.: (022)4043 5800

Notes :

1. Statement of Assets and Liabilities is given below:

Particulars	₹ In' Lakhs		
	As at 31.12.2022	As at 31.12.2021	As at 31.03.2022
	Unaudited	Unaudited	Audited
CAPITAL AND LIABILITIES			
Capital	10,616	10,615	10,616
Reserves and Surplus	1,43,868	1,44,739	1,39,896
Deposits	4,69,687	3,16,958	3,84,980
Borrowings	2,36,149	2,32,224	2,55,134
Other Liabilities and Provisions	29,714	25,113	27,393
Total	8,90,034	7,29,649	8,18,019
ASSETS			
Cash and Balances with Reserve Bank of India	50,765	13,466	15,945
Balances with Banks and Money at Call and Short notice	15,886	19,329	81,824
Investments	2,47,199	2,06,004	2,05,769
Advances	5,32,692	4,62,008	4,75,088
Fixed Assets	17,226	5,312	11,525
Other Assets	26,266	23,530	27,868
Total	8,90,034	7,29,649	8,18,019

2. The above financial results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at its meeting held on February 09, 2023. The financial results for the quarter and nine months ended December 31, 2022 have been subjected to Limited Review by the statutory auditors of the Bank, Walker Chandiook & Co. LLP. An unmodified review report has been issued by them thereon.
3. The above financial results of the Bank have been prepared in accordance with the Banking Regulation Act, 1949, generally accepted accounting principles in India, including Accounting Standards as prescribed under section 133 of the Companies Act, 2013, Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and the guidelines issued by the Reserve Bank of India (RBI).
4. The Bank has applied its significant accounting policies in the preparation of those financial results consistent with those followed in the annual financial statements for the year ended March 31, 2022. Circulars/ directions issued by RBI is implemented prospectively when it becomes applicable.
5. During Q1 FY 2022, India experienced a second wave of COVID-19, including a significant surge of COVID-19 cases following the discovery of mutant coronavirus variants. The impact of COVID-19, including changes in customer behaviour caused / triggered by disruption to their income, due to restrictions on business and individual activities, had led to significant volatility in Indian financial markets and a significant decrease in local economic activities. Whilst business activities have since nearly reached pre-COVID levels, the lower collection efficiency with respect to the COVID-19 impacted portfolio originated up to June 2021, has led to rise in customer defaults on this impacted portfolio. The Bank has utilised floating provision amounting to ₹ 9,128 lakhs against the sale of stressed loans to Edelweiss Asset Reconstruction Company in accordance with RBI Master Directions on Transfer of loan exposures, 2021 as updated on December 05, 2022. (Refer Note 6 and 7). The extent to which the COVID-19 pandemic shall continue to impact the Bank's results, on account of provisions towards the loan assets, shall depend on future developments.
6. On December 29, 2022, the Bank signed an agreement with Edelweiss Asset Reconstruction Company (EARC) for sale of identified stressed loans of the Bank in compliance with RBI guidelines governing the transfer of stressed loans - Reserve Bank of India (Sale of Loan Exposures) Direction, 2021 (RBI Master Directions) dated September 24, 2021 (updated December 05, 2022). The Board of Directors, at its meeting held on December 23, 2022, granted approval for conducting the auction based on the receipt of offer for sale of stressed loans with outstanding value as on November 30, 2022 (being the cut off date as per agreement entered) of ₹49,205 lakhs for a purchase consideration of ₹13,510 lakhs negotiated through bilateral agreement between the Bank and EARC. The Bank had outstanding specific provisions against the pool of ₹18,199 lakhs as on November 30, 2022. Further, the Bank has also utilised floating provision as stated in Note 5, against the said transfer in accordance with RBI Master Directions governing the transfer of stressed loans. The net book value (NBV) of the loan pool transferred in the Bank's books as on November 30, 2022 was ₹15,663 lakhs (including utilisation of floating provisions) against a purchase consideration of ₹13,510 lakhs, under the 15:85 cash and security receipts structure, and the difference of ₹2,153 lakhs between the net book value and purchase consideration has been booked as a loss on transfer of stressed assets under Schedule 16 - Operating expenses.



7. Details of loans transferred/acquired during the quarter ended December 31, 2022 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

- i) During the quarter ended December 31, 2022, the bank has not acquired any loans not in default through assignment of loans
ii) During the quarter ended December 31, 2022, the bank has not acquired any stressed loans (Non-performing asset and Special Mention Account)

iii) Details of stressed loans transferred during the quarter ended December 31, 2022 are given below:

Particulars	₹ In' Lakhs	
	To ARCs	To permitted transferees
No. of accounts	2,96,432	Nil
Aggregate principal outstanding of loans transferred ¹	49,205	Nil
Weighted average residual tenor of the loans transferred ² (Months)	7.94	Nil
Net book value of loans transferred (at the time of transfer) ³	15,663	Nil
Aggregate consideration	13,510	Nil
Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil

1. Includes NPA of ₹42,595 lakhs, written off loans of ₹6,215 lakhs and other stressed loans of ₹395 lakhs.

2. Excludes written off loans.

3. After considering specific provisions of ₹18,199 lakhs and floating provision of ₹9,128 lakhs.

8. Other income include processing fees, income on dealing in priority sector lending certificate, profit on sale of investment securities, unrealised loss on investment securities etc.

Upto March 31, 2022 the Bank used to amortise fees received from the sale of Priority Sector Lending Certificates (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 nine months ended December 31, 2022, the Bank has PSLC income of ₹3,688 lakhs. Had the Bank continued to amortise the fees from sale of PSLC, the Other Income for the nine months ended December 31, 2022 would have been lower by ₹1,034 lakhs.

9. The Capital adequacy ratio (CRAR) has been computed as per operating guidelines for Small Finance Banks in accordance with RBI Circular No. RBI/2016-17/81 DBR.NBD.No. 26/16.13.218/2016-17 dated October 06, 2016.

The Bank has followed Basel II standardized approach for credit risk in accordance with the operating guidelines issued by the Reserve Bank of India for Small Finance Banks. Further, the RBI vide its circular No. DBR.NBD.No. 4502/16.13.218/2017-18 dated November 08, 2017 has provided an exemption to all Small Finance Banks whereby no separate capital charge is prescribed for market risk and operational risk.

10. Figures of the previous periods have been regrouped / reclassified wherever necessary to conform to current period's classification.

Place: Navi Mumbai
Date : February 09, 2023



For and on behalf of the Board of Directors

R Babu Ramachandran

Baskar Babu Ramachandran
Managing Director and CEO
DIN : 02303132