

June 22, 2023

Ref.: SSFB/CS/28/2023-24

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: Submission of Investor Presentation under the Regulation 30 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Further to our letter no. SSFB/CS/26/2023-24 dated June 16, 2023, regarding intimation of an Investor & Analyst Meet of the Bank on June 22, 2023, we submit herewith the Investor Presentation relating to the Investor & Analyst Meet being presented at the meeting.

This 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 Regulations.

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



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A BANK OF SMILES

Investor & Analyst Day Presentation
June 2023

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2008-2012

Commencement

- Incorporation of Suryoday Micro Finance
- Received RBI license for NBFC & commenced MFI operations
- Commenced operations in Pune



2013-2017

SFB License

- AUM crosses Rs 1,000 Cr with 7.5L customer base and 200 branches
- Commenced CV, HL & LAP
- *Managed the challenge of Demonetisation*



2018-2022

IPO

- AUM crosses Rs 5,000 Cr
- Customer Base 0.6% Indian household
- Commenced Micro Home Loan
- *Managed the volatility of Covid headwinds*

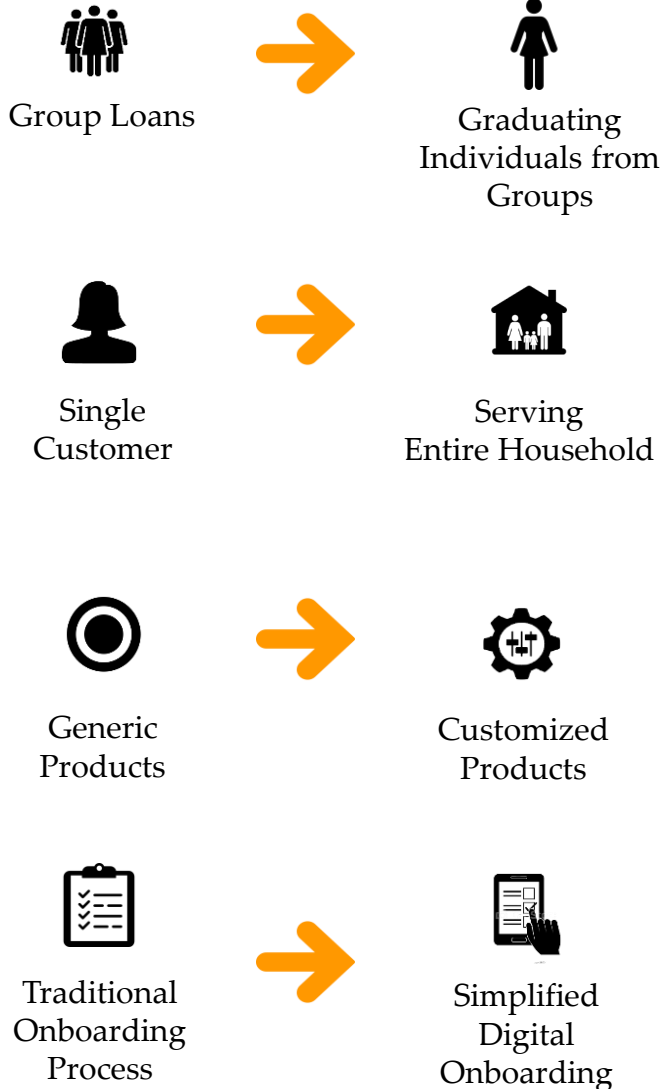


2023

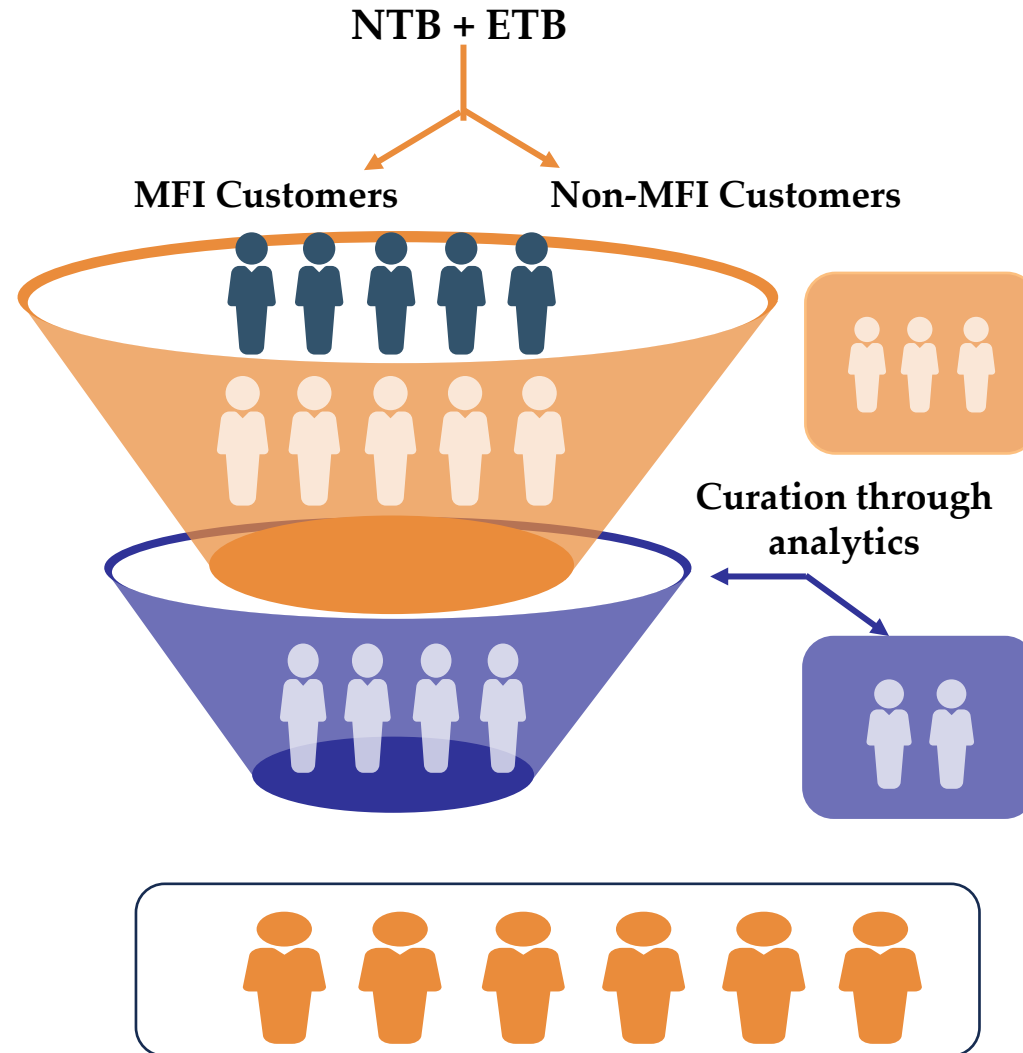
Year of Reset

- Completed 6 years of operations as a SFB
- Branch Network - 577
- AUM crosses Rs 6,000 Cr (Vikas Loan – Rs 1200 + Cr)
- Deposit crosses Rs 5,000 Cr
- IT transformation

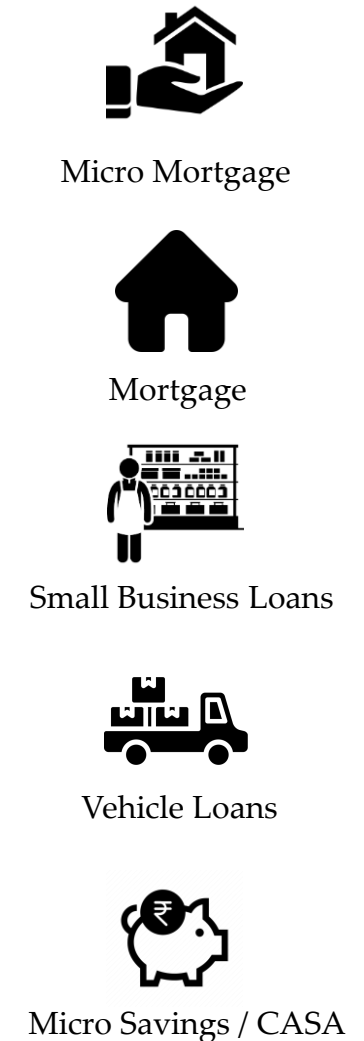
Insights

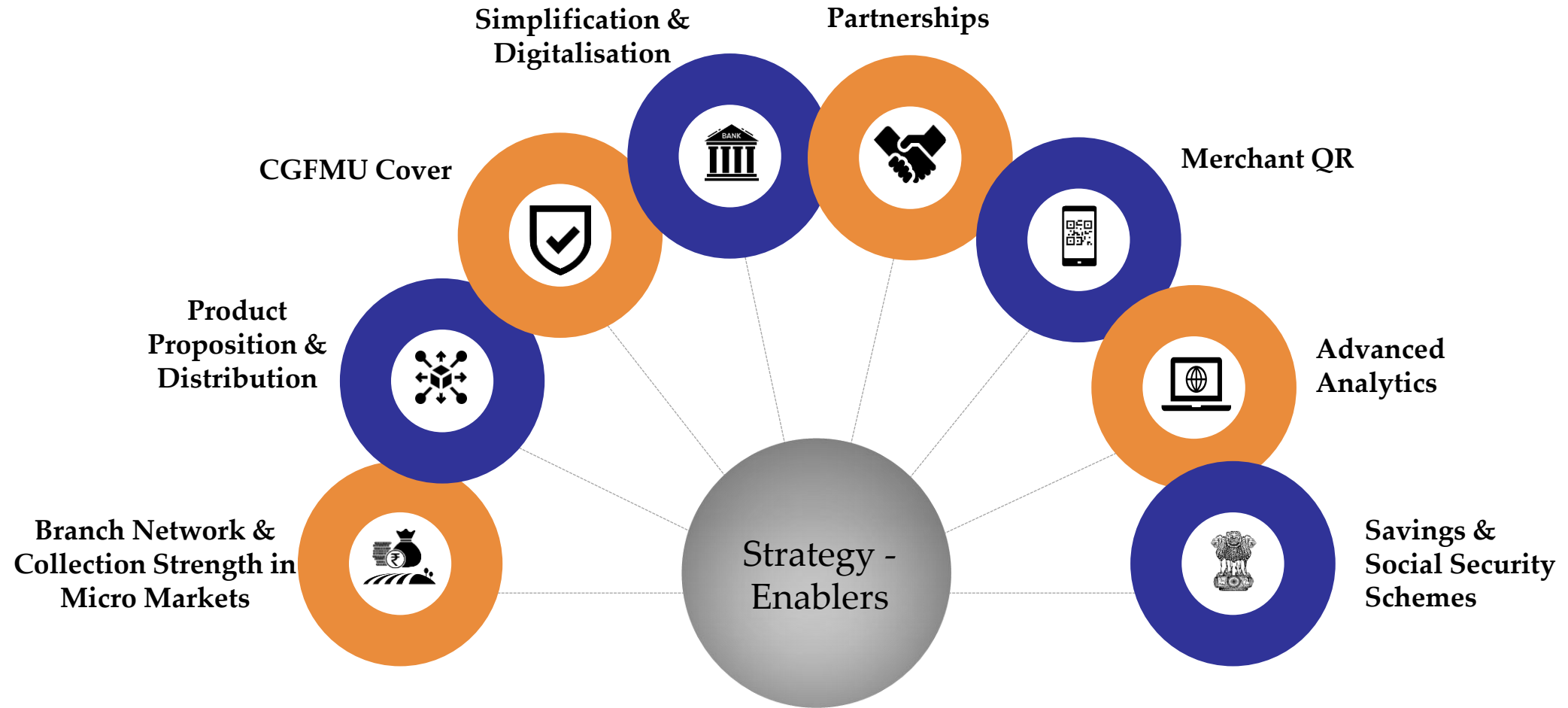


Market Access – Customer Acquisition Engine



Revenue Maximisation







Bank of Choice for 1% of Indian Households

Products



- Achieving competitive advantage with banking solutions for emerging household of 20 Cr
- Suitable liability offering across customer segments – **focus on CASA**

Technology + Analytics



- End to end digital journey for the entire products suite
- Pre-Approved loans based on risk assessment and analytics
- Enhanced customer experience for asset and liability offerings

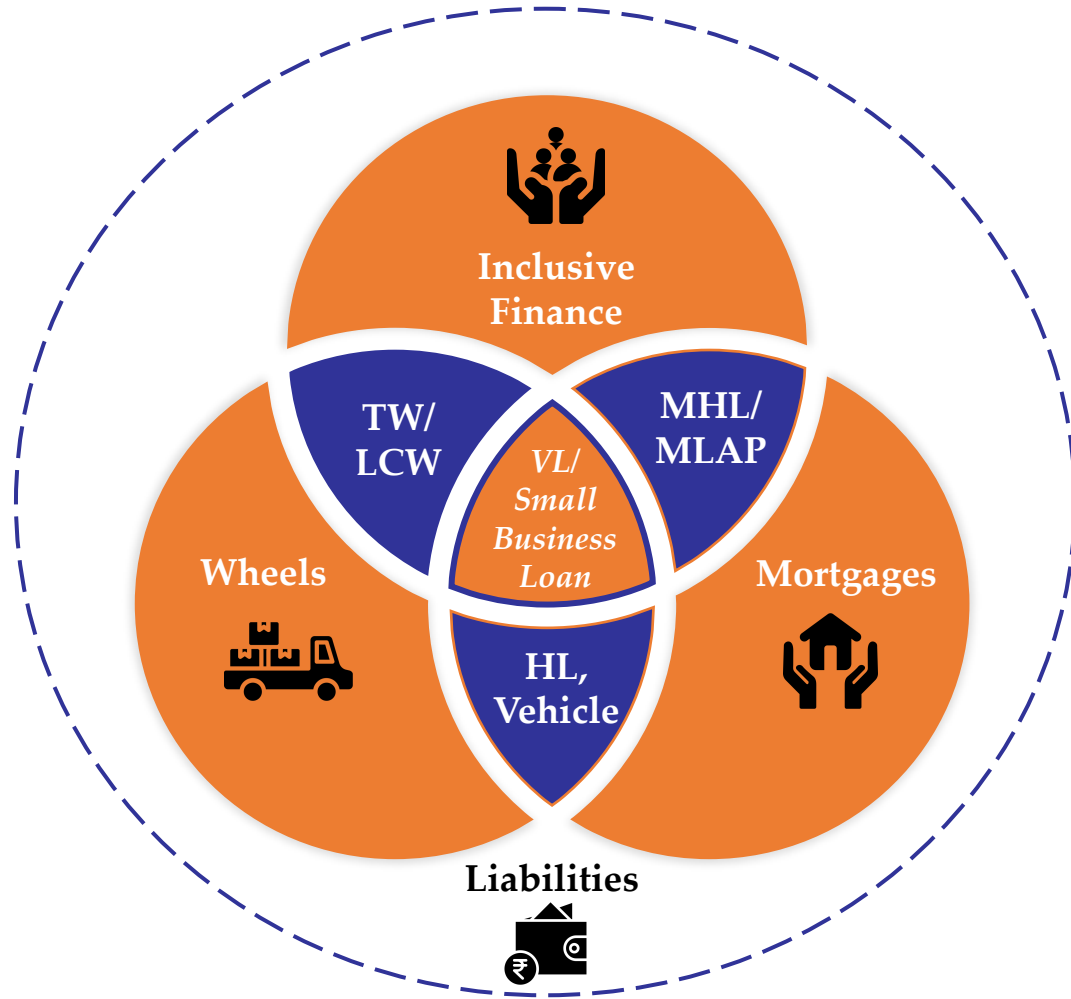
Network



- Leveraging presence in existing locations & expansion in newer pin codes
- Being a leader in Micro-Markets
- BC and digital Partnership

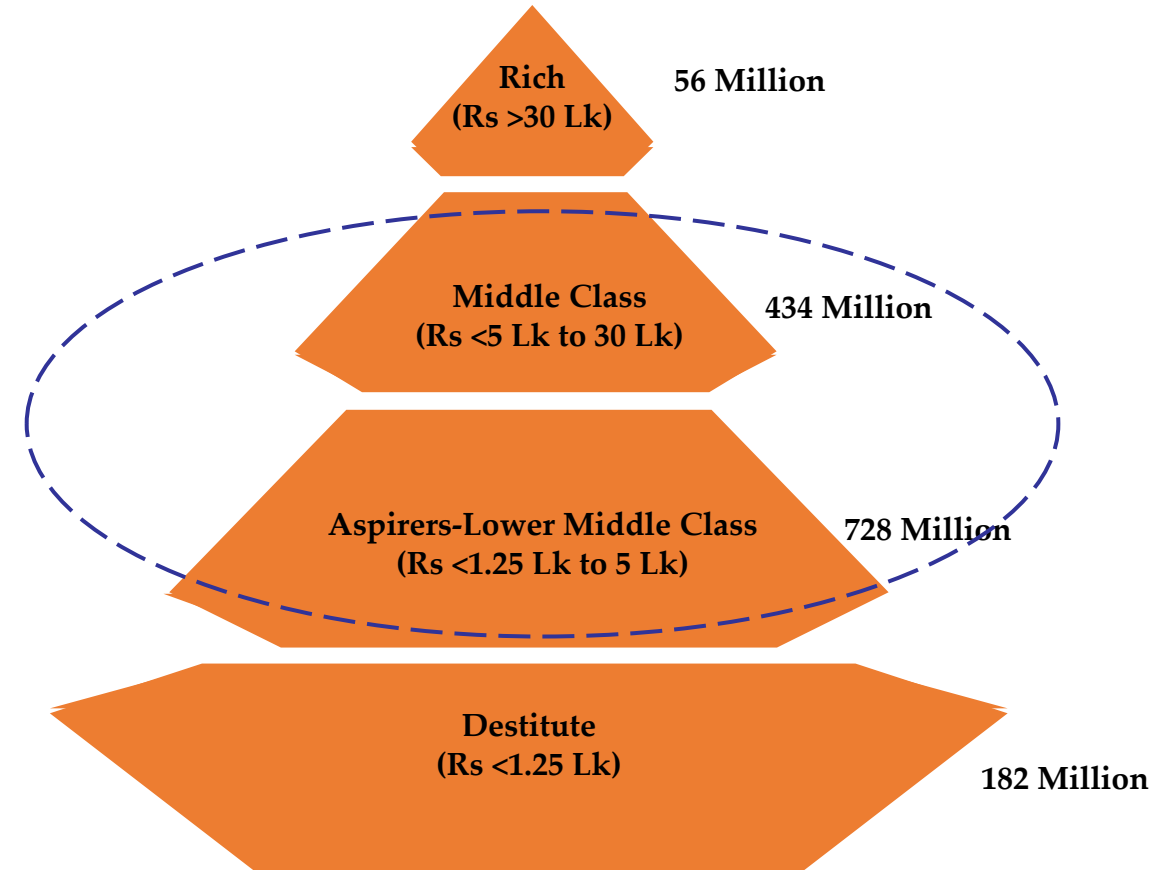
Offering comprehensive banking solutions to the middle section of the Indian Economy

SFB Strategy



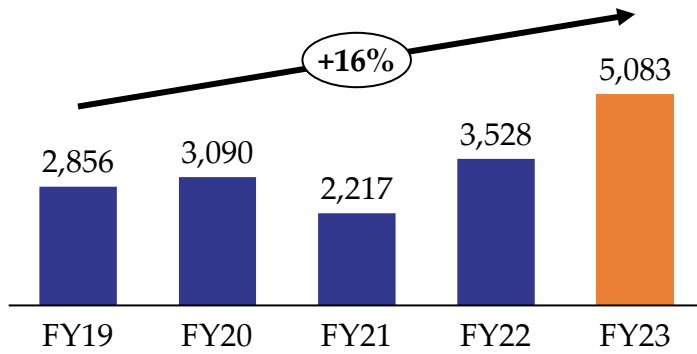
VL and Small Business Loans as a feeder for all other products

Market Potential

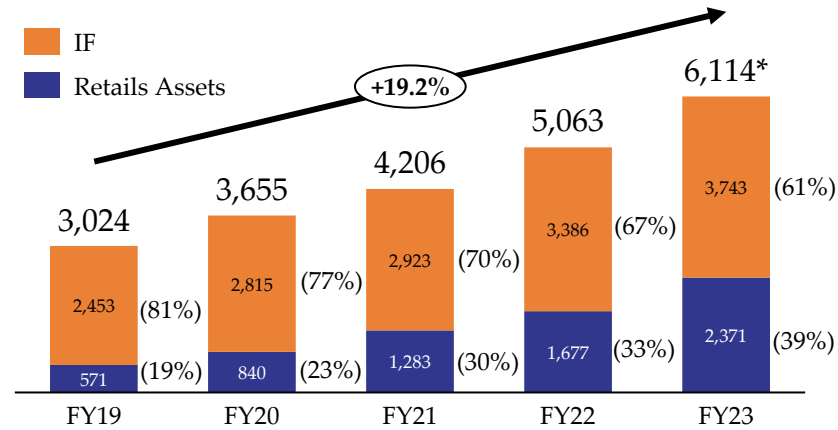


Household Income Pyramid - 2021

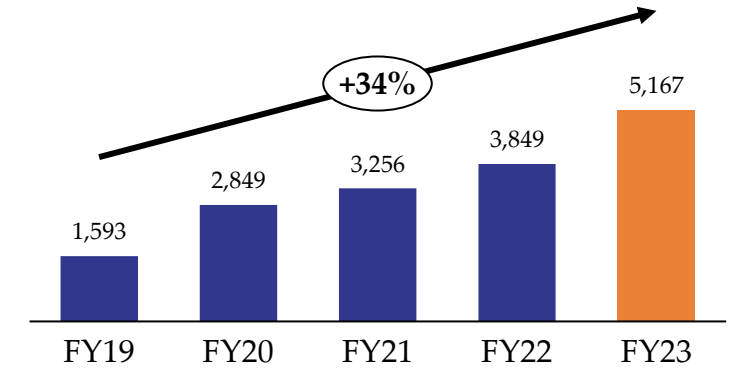
Disbursements (₹ crores)



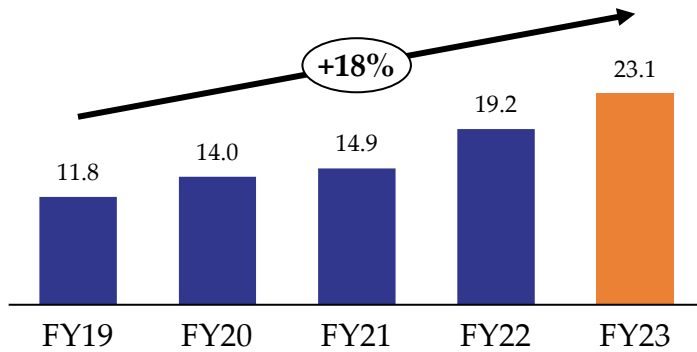
Gross Advances (₹ crores)



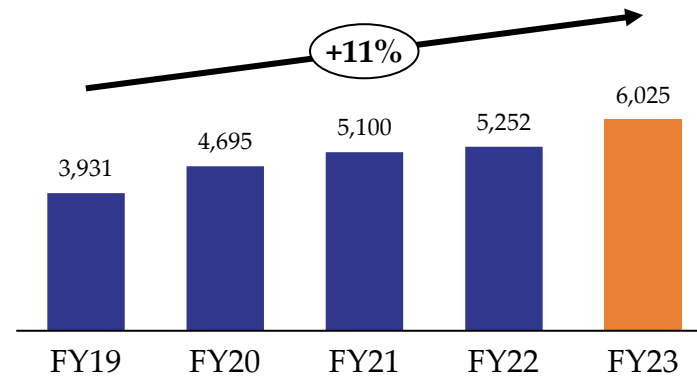
Deposits (₹ crores)



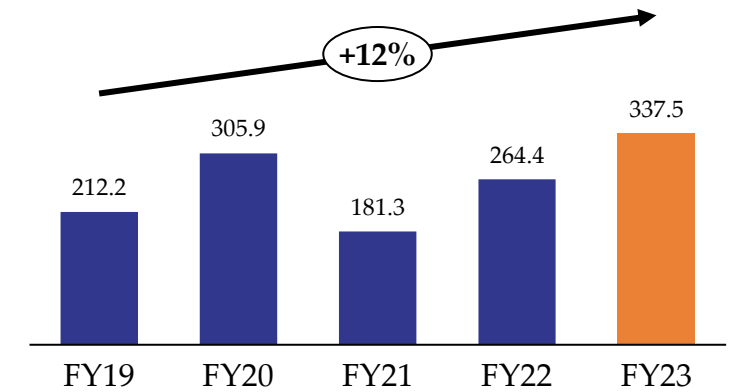
Customer Base (lakhs)



Employees (No's)



PPoP (₹ crores)



*Adjusted for ARC is ₹6,541 crores with CAGR of 21.2%

○ CAGR



Net Interest Margin

10.4% NIM to improve further with better liquidity optimisation



Cost to Income

Stands at 58.4% despite higher spends on IT transformation



Cost of Deposit

CASA is at 17.1% with cost of funds of 6.9% at par with competitors



Pre-Provisioning Operating Profit

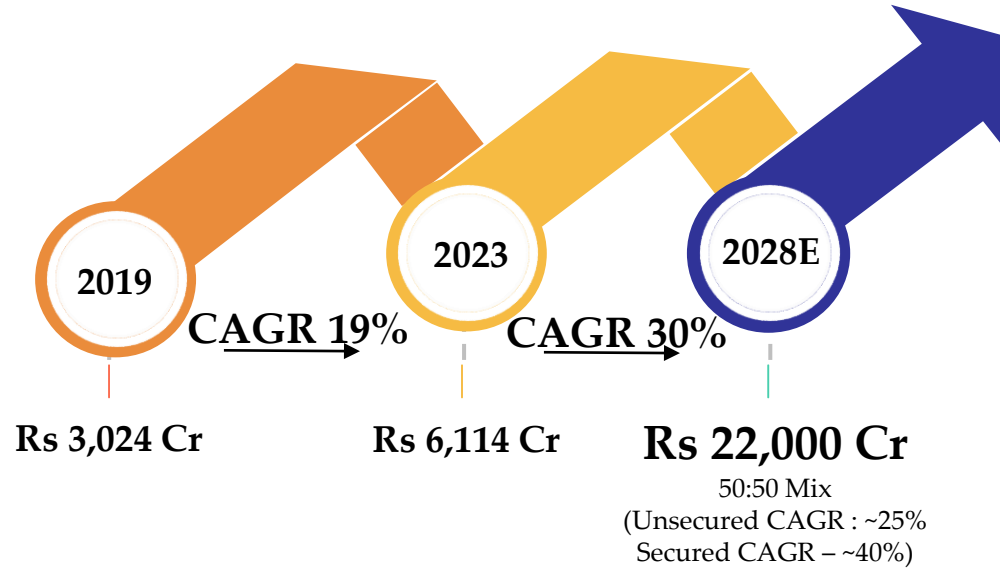
PPOP as a % of Total Balance sheet 5%



Profitability

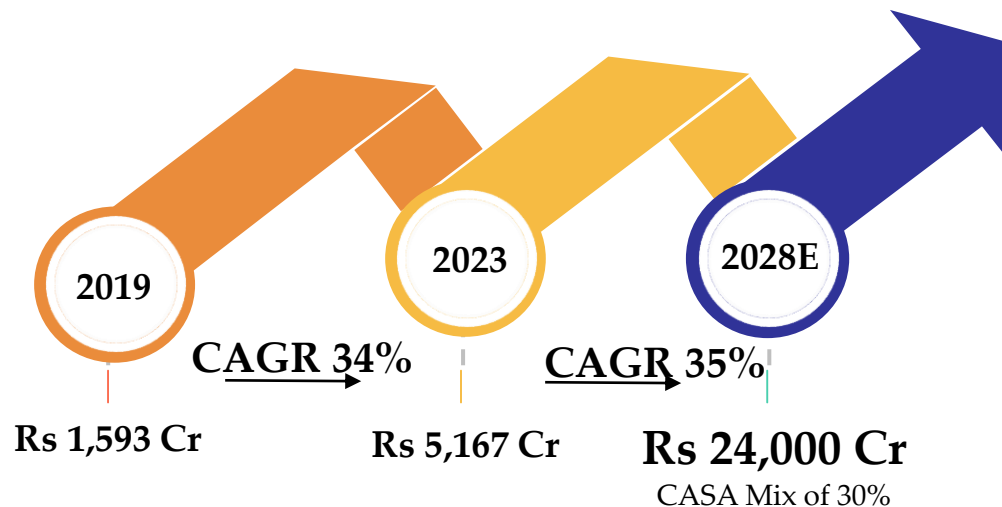
~10% RoE / EPS of Rs. 3.67 , Book Value of Rs 149.3

Gross Advances



- Unsecured business – Making quasi secure with CGFMU cover and contingency provision - should be ready for any cyclical incident that micro finance industry faces in every 4/5 years
- Secured business – Retail penetration with scale coupled with competitive advantage in micro markets will lead to cost optimisation

Deposits



- Complete granular deposit with real CASA Mix – sticky and transactional flow creating float
- Focus will be on offering products which can create a bond beyond banking – Investments and Social Security Schemes



Robust Credit Underwriting and Collection

- Robust portfolio monitoring which includes market analysis, risk assessment and control at branch level
- Strong measures undertaken for delinquency management by time optimisation of collection staff through analytics
- Robust underwriting by having customer connect and thorough KYC along with income and obligation assessment



CGFMU

- Scheme managed by National Credit Guarantee Trustee
- To guard against the intermittent challenge / cyclical risks
- Eligible loans (ATS up to Rs 10 Lacs) – currently bank is covering IF portfolio including Vikas Loans and part of CV portfolio



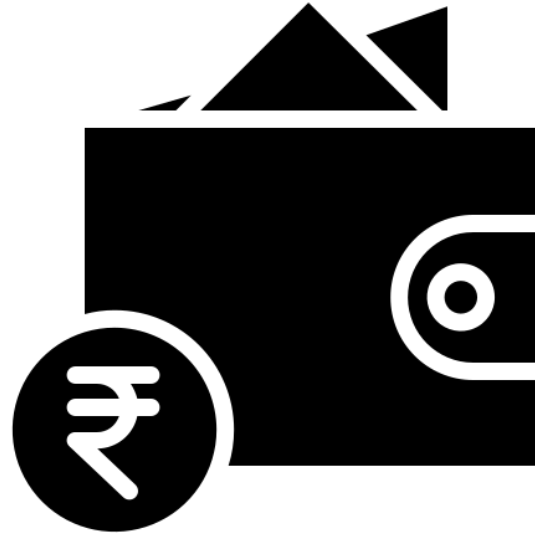
Contingency Provision

- Bank is planning to create an additional contingent provision over and above regular provision
- Bank wish to create 5% to 6% contingent provision over next 4 to 5 years on unsecured portfolio
- This provision will help the bank to cover any residual risk over and above CGFMU cover

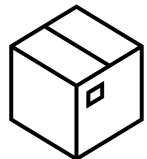


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Liabilities



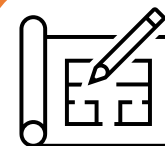
Product

- Persona/Segment based offerings- HNI, Women, Senior citizens, professionals, self-employed proposition segment (SME/MSME/Trader/Merchant) & Wealth solutions.
- Innovative Digital Products like Super app (MB), Strong IB platform & CIB.
- Digital Alliances
- Curated offerings, across client segment for Liabilities, Wealth and Assets



People

- Role Specific structures., Dedicated product verticals (NR/TASC/GBG/CA etc.)
- Strong relationship & Service teams.
- Employee as Branch Ambassadors through heightened employee engagement, Upskilling, Cross-skilling, Career progression plans



Initiatives

- PHIGITAL Customer experience. (Doorstep/SMS Banking –Semi Urban & Rural, Video Bkg/MB/CIB/IB – Metro & Urban.
- Analytics based customer engagement – 360 degree Client View, Data led customer offers.
- Launch of NPS & BSSC for best in class customer experience.



Distribution

- Branch location Observe, access, Execute & Measure.
- ATL and BTL Activities. Co-branding Visibility – hoarding, billboards
- Public place visibility Digital Alliances
- Social Media Marketing

Profiling



Senior Citizens

Higher rates on deposits, low-cost banking services and priority services at branches/doorstep



NR

Remittance efficiency, Digital Banking capability and alerts on International mobile.



Women

A Higher Interest rates, Exclusive offers, Easy-to-use banking services



HNI

Exclusive lifestyle and wellness benefits, faster query resolution and higher interest rates



TASC & GBG

Higher Interest rates and CMS solutions.

Digital Solutions



Collection & Payment(CMS)

- *Collection – PG links, e-mandates, e-POS
- * Auto Recon solutions
- * Virtual account for collection and payments.
- * Flexi Cash deposit limits.



Financing Solutions

- * QR/POS Financing – Daily EMI solutions
- *Scorecard backed digital lending.
- *BNPL.
- *Transaction based OD.



Value Added Services

- * Inventory Management & Bookkeeping
- * Segment specific - Education, Housing Societies
- * Digital store, Integration with e-com platforms.



Corporate Internet Banking

- * Tax Payments (Central and State Govt/Local Taxes) *
- * Comprehensive Salary propositions.*
- * API Banking. *
- * MSME lending solutions *.

Product Offerings



Senior Citizen Account



HNI Savings Account



Super App - MB



Internet Banking Revamped



Traders Current Account



Professional Current Account



Branch Channels

- Retail Bank Branches Presence – Strategic & Planned
- Branch Manpower - Strengthen with dedicated relationship/ acquisition/ Service & Ops model
- Liabilities through IF Branches



V-KYC to Video Banking Channel

- Online Acquisitions of digitally generated leads.
- Building a central Video Banking Team for acquisitions, servicing and cross sell



Acquisition led by Digital Partnership

- Startup & Fintech Companies.
- Digital Distributors.
- Digital Eco-systems

Customer



Bespoke Products

- Offer compelling value proposition



Digital Experience

- Seamless digital onboarding



Simplicity

- Multi-channel Customer centric experience
- Real time delivery



Personalised Offers

- Create unique insights for each customer



Security






- Safe and seamless
- Secure Transactions
- Detect and mitigate Fraud



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Inclusive Finance

 <p>Portfolio</p>	 <p>Quality Control</p>	 <p>Robust Operating Model</p>	 <p>Distribution</p>	 <p>Strong Platform in Place</p>
<p>AUM</p> <ul style="list-style-type: none"> JLG – Rs 2,508 Cr (CE: >98%) Individual Loan (Vikas Loan) – Rs 1,237 Cr (CE: >99%, PAR 30+ < 0.5%) 	<ul style="list-style-type: none"> Strong underwriting with introduction of virtual PD Securing Asset quality with guarantee cover scheme 	<ul style="list-style-type: none"> Enhancing employee capability through training and career progression Introduction of URM model Dedicated Collection Team 	<ul style="list-style-type: none"> Leveraging bank's network and unbanked rural centers for financial inclusion 	<ul style="list-style-type: none"> Digital onboarding and collection Pre-Approval through analytics

Parameter	JLG Loans	Vikas Loans
Customer Segment	Semi Urban	Semi Urban
Products	Group Loans	Individual Loans
Geography	Tier 1, 2 & 3	Tier 1, 2 & 3
Distribution	100% Inhouse	100% Inhouse
Collection	Inhouse Team	Inhouse Team
Avg. Ticket Size	Rs 30,000 for first cycle	Rs 70,000
Risk Management	Robust underwriting process and curation of customers through analytics combined with CGFMU cover	

Using JLG model as a feeder to graduate customers for comprehensive banking solutions

“AAA”- Approach

A - AOCPV



Center point verification at household level and data capture through Sarathi App for Underwriting and cross sell at Household level

A - Analytics



- Customer Acquisition
- Cross-sell/ Upsell
- Enhancing Customer Experience
- Risk Analytics

A - Augmentation



Serving the customer household members through artificial intelligence and data analytics

Products in Focus for Existing IF Customers

1. Micro Loans Against Property (MLAP)



2. Two-wheelers Loans



3. Small Business Loans



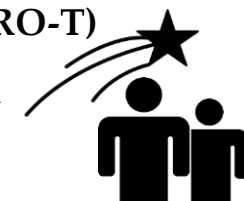
BC Partnerships

Venturing with BC partners for product and geographical expansion

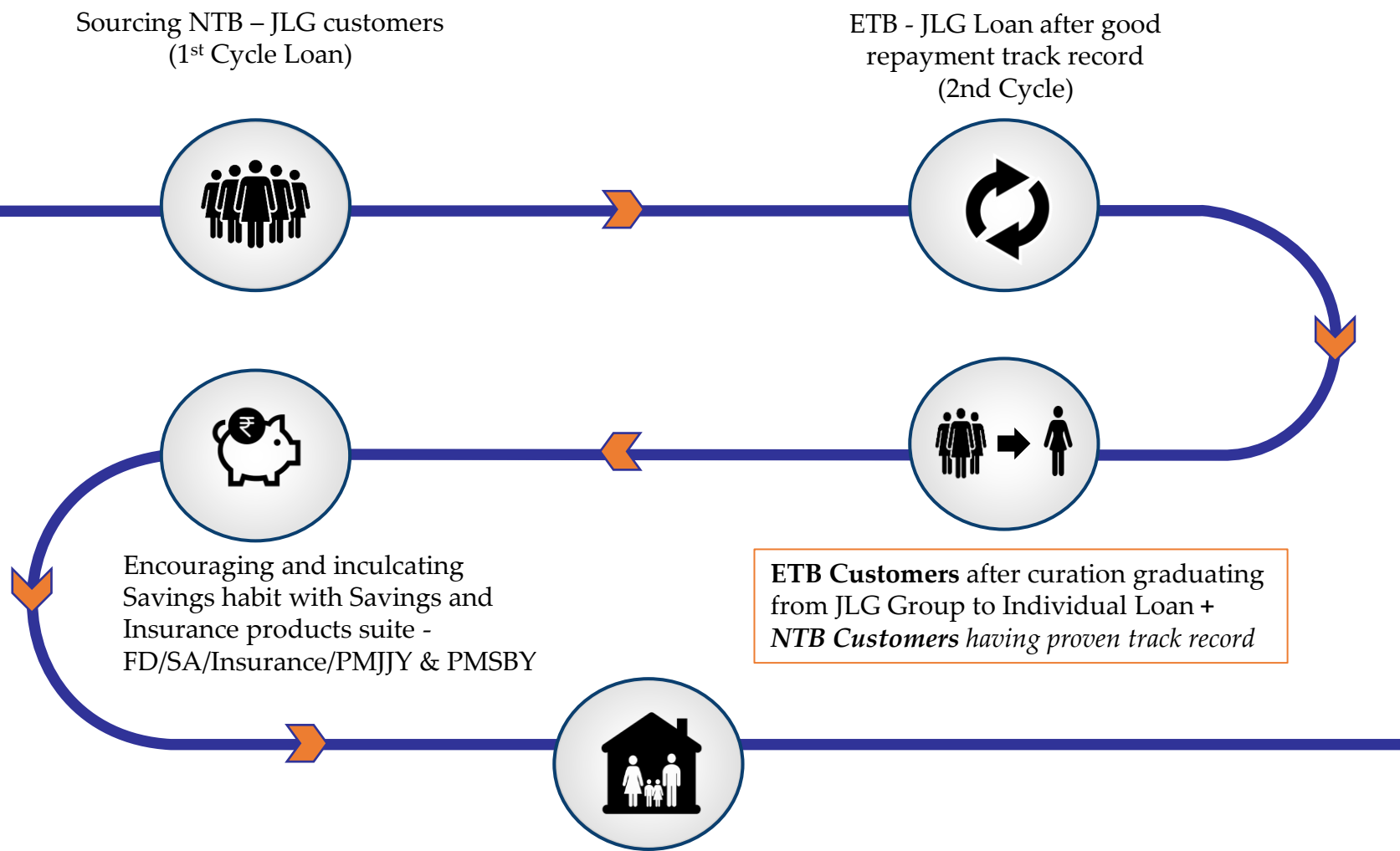


Unit Relationship Manager (URM) Model

- **Creating Micro Units within Branches - One Smile Unit = One Relationship Officer (RO) + One Relationship Officer Trainee (RO-T)**
- To be the One Bank for the entire Household and cater to the aspirations of each family member, URM model has been introduced
- URM to be a Rising Star and role model of the Branch.



Vikas Loan - Potential Pathway To Service Households



Success Mantra

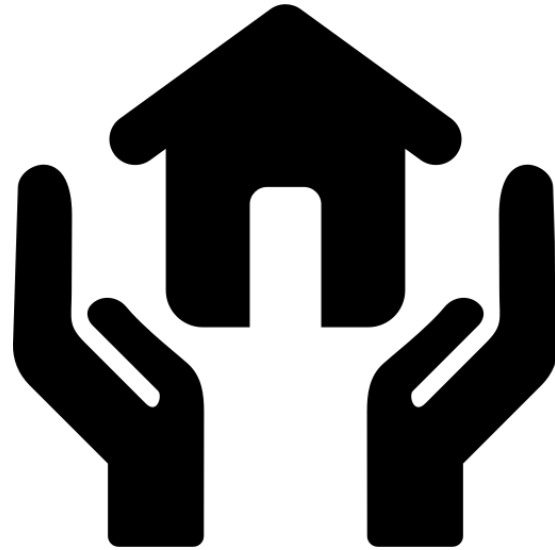
- Curation through analytics leading to preapproved customer base
- Robust Credit Underwriting with a quick turnaround
- Digital On-Boarding and Quick Turnaround
- Collection through digital channels – SI/UPI
- Visibility of Suryoday Savings Account for Analytics and Risk Management
- Portfolio Covered under CGMFU scheme

Gateway to serve customer's Household with bouquet of products

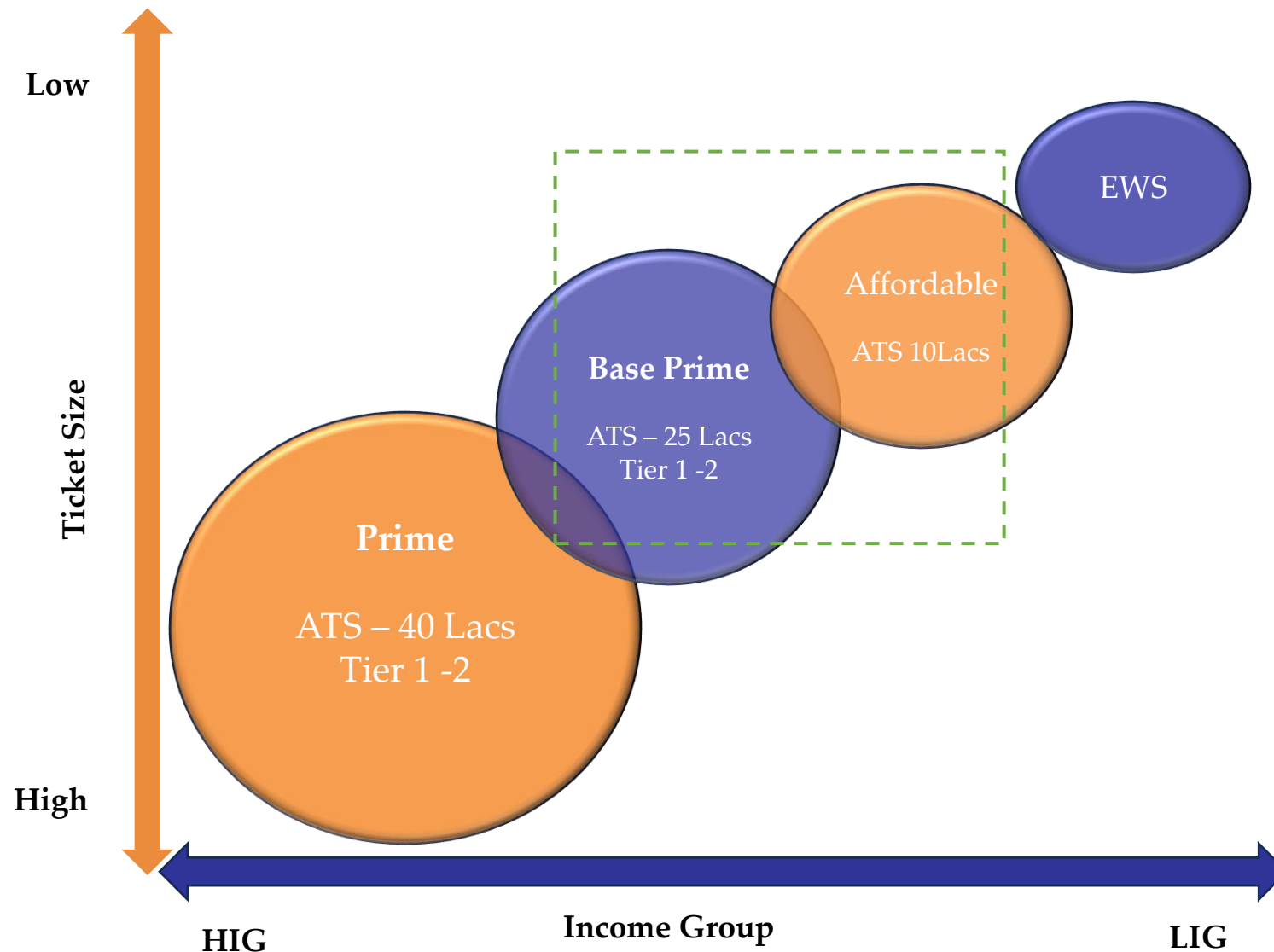


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Mortgages



- Favorable macro economics

- Large market with low penetration - No dearth of business

- Highly polarized market

- Affordable segment continues to grow

- Formalisation of MSME's

Strong Platform in Place



- End to end digital journey through LOS and quick turnaround time
- High growth platform with robust risk management framework

Robust Operating Model



- Strong foundation to deliver market leading portfolio and profitability
- Segment level focussed structure to deliver profitable & sustainable growth

Distribution



- Hybrid Distribution with Mix of Fixed & Variable Sourcing

Diversified Portfolio



- AUM**
- Mortgages – Rs 960 Cr/ Micro Mortgages – Rs 86 Cr
 - Healthy Product Mix catering to multiple segment across geographies

Strong Value Proposition



- Tested Loss Pool
- Slow Run-offs: 10-year tenure
- High Scalability

Parameter	Micro Mortgages	Kushal Loans
Customer Segment	Affordable / Semi Urban	Semi Prime / Urban Affordable
Products	Home Loans – Resale / Self construction	Home loans– Resale/Builder & Secured Business Loan
Geography	Tier 2 & 3	Tier 1 & 2
Distribution	100% Inhouse	Hybrid – Inhouse , Connectors & DSA's
Collection	Sourcing Team	Sourcing & Dedicated Collection Team
Average Ticket Size	Rs 6 Lakhs	Rs 25 Lakhs
Risk Management	Micro market policy for enabling higher predictability & conversion Branch Level portfolio monitoring covering early mortality , program & channel level portfolio performance	

Fast growing business with vision to build superior quality & profitable portfolio



Business Strategy

- Focus on retail resale , Direct Allotment for self use & secured MSME lending
- Go deeper in existing SSFB markets
- Focus on Near Prime (Kushal Loans) and affordable segment (Pragati Loans) to scale & maximize yields



Build a Diversified portfolio

- MSME focus with strong underline cash flows
- Credit tested customers and good business / job stability
- MIG / HIG Collateral with good marketability



Hybrid Distribution Model

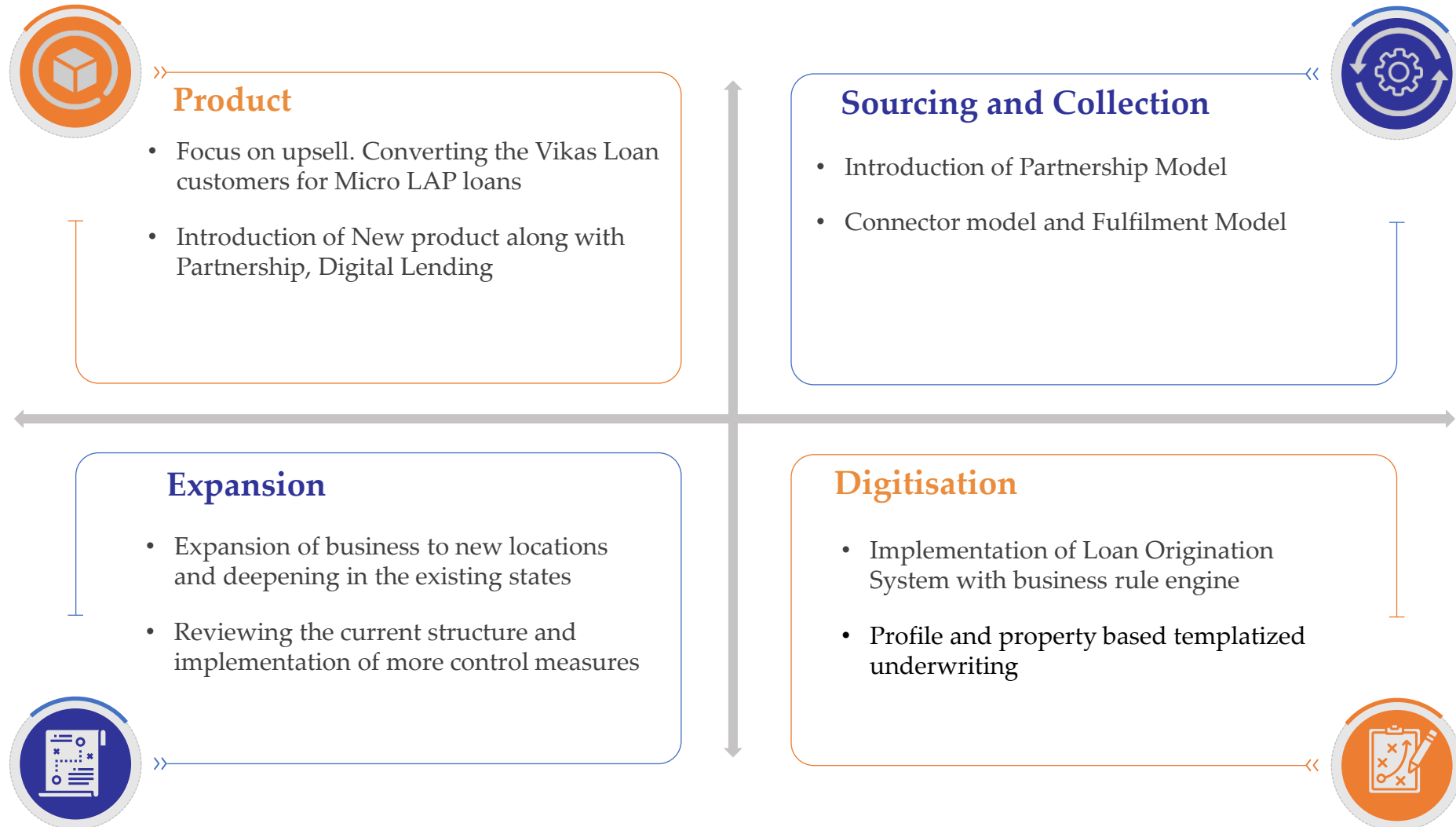
- Lean , Productive and Variable structure
- Balance mix of Direct & Outbound sourcing channel
- Leverage SSFB Branch Network / Cross sell
- Increase the sourcing funnel through partnership with Builder / Development authorities / digital players



Efficiency & Speed

- Leverage technology for superior quality and customer experience
- Digital journey with paper less sanction for speed , and enhance employee Productivity
- Customer experience & speed as the Key differentiator

Build a Quality , Profitable & Diversified portfolio with the right Mix of Housing & MSME Loans





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Wheels

New Customer Acquisition



- Strengthening the core sales team to focus on each segment
- Expanding in the rural space, catering the Tier 3 & Tier 4 locations
- Strict controls, continuous reviewing of policies
- Focused collection mechanism by adding dedicated force.-

Existing Customer Base



- Focus on going more granular retail base with higher yields
- Leveraging existing customer base

Cost Optimisation



- Scaling up business through hub and spoke model
- Technological enhancement & digitization of customer journey

Asset Quality



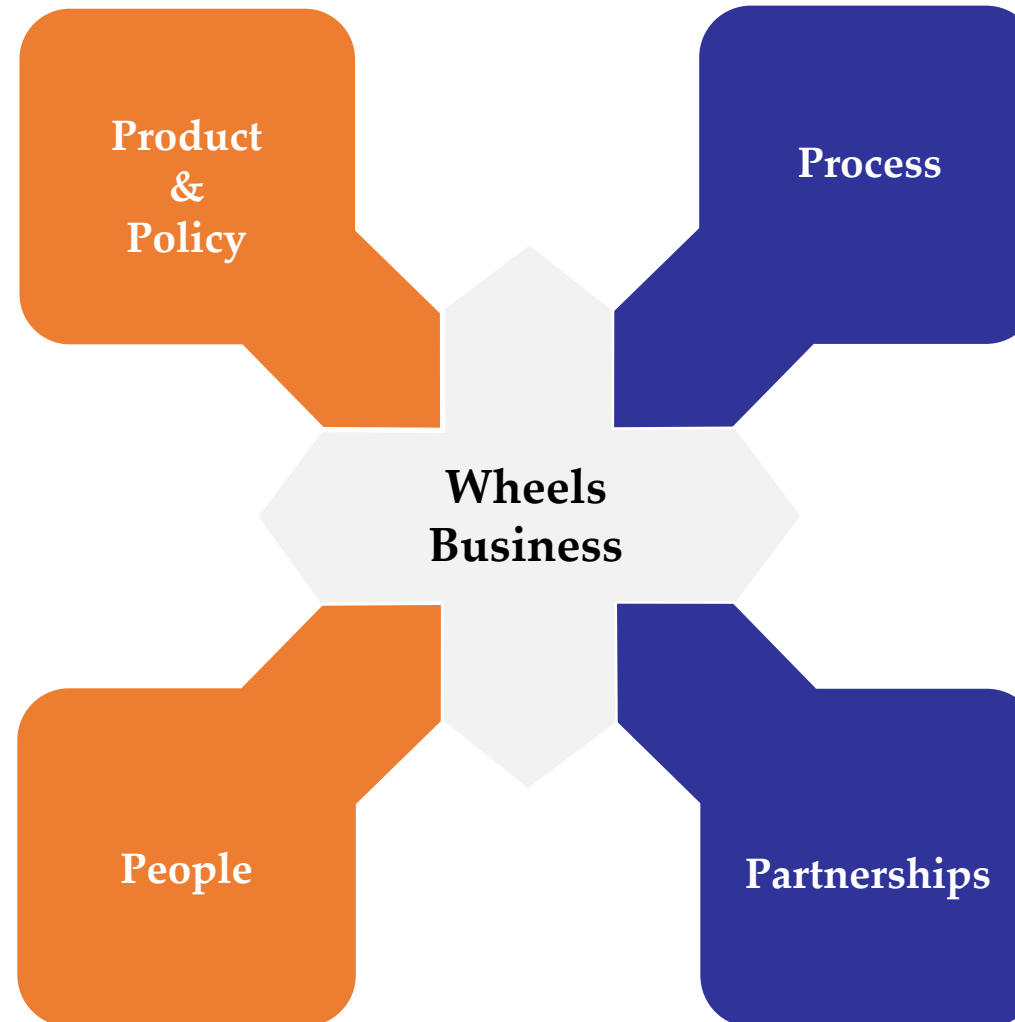
- Strengthened controls, continuous reviewing of policies.
- Strengthening collection mechanism by adding dedicated force.

Parameter	Commercial Vehicles	Two Wheelers
Customer Segment	Urban / Semi Urban	Urban / Semi Urban
Products	Used and New CVs	New Two Wheelers
Geography	Tier 2 & 3	Tier 1, 2 & 3
Distribution	Hub & Spoke	Dealer & Partnerships
Collection	Sourcing & Collection Team	Sourcing Team
Avg. Ticket Size	Rs 13 Lakhs	Rs 0.85 Lakhs
Risk Management	Diversified Portfolio, More Focus into granular retail segments. Relationship based model, continuous engagement with customers to ensure stickiness	

Banker of choice for Lower Middle-class group in targeted pin codes through pre-approved and digital experience

- Diversifying business through various products under Wheels Portfolio.
- Flexible policies in alignment with market dynamics to be competitive in the vehicle financing space.

- Hiring skilled and experienced manpower across locations.
- Conduct regular product and refresher trainings



- Revolutionizing Wheels business by shifting to digitisation.
- Introducing various programs Express Loans to ensure faster TAT and increased business.
- Transforming Wheels business by shifting to digitisation

- Partnering with Fintechs for effective leverage of distribution channel
- To expand in new geographies through partnership

Supporting factors to dominate the Used Commercial Vehicle Space



Opportunity in the Used Commercial Vehicle space is expected to grow two-fold in coming year

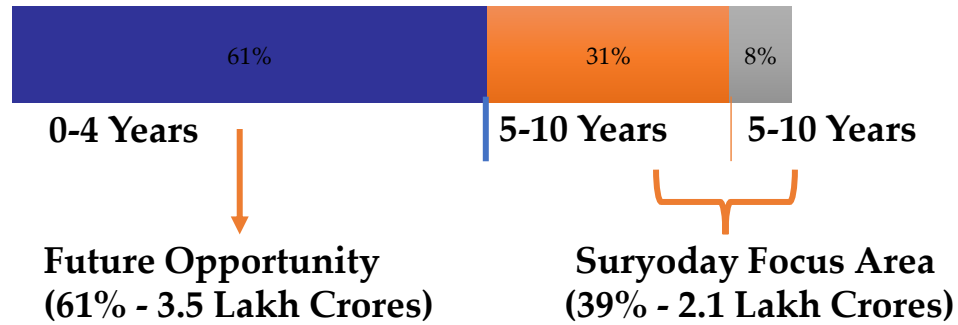


Aiming to capture sizeable market share in both organised and unorganised credit sector.

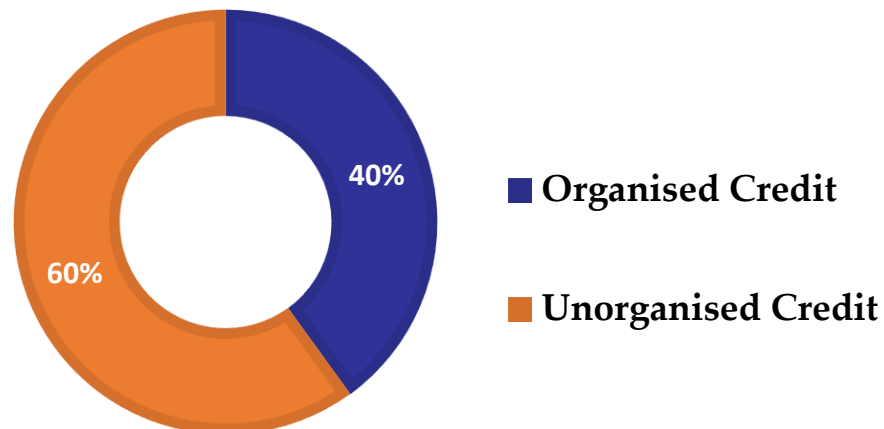


With increased penetration into rural areas SSFB will benefit with huge demand for cargo LCVs.

Large CV Market INR 5.6 Lakh Crores



CV Market Split





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Celebrating our Tech-Awards

TRANSFORMATION EXCELLENCE
Core Banking Transformation

BEST SECURITY PRACTICES
Small Finance Bank

Infosys
Finacle
INNOVATION AWARDS 2023

INDIA CISO SUMMIT & AWARDS 2023



Bundled product offering Cash Management + Working Capital



Products



Small Business Loans



M-LAP
(Micro housing loans to existing IF customers)



Digital
Current Account



NTB Vikas Loan/
Star Loans for IF



Used Car Loans

Product offering through digital way and seamless experience



Technology



QR Code
across Shops



QR code-based A/C
opening through
Digital -KYC



Advanced
Analytical tools
lead by Data
Science



Robotic process
automation

Investment in Employee ATL/BTL Activities



Investment



Retail Assets &
Branch Banking
Manpower for
accelerated growth



Brand building -
Marketing



Stakeholder
Management



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THANK YOU !

Company: Suryoday Small Finance Bank Limited



CIN: L65923MH2008PLC261472

Mr. Himadri Das

himadri.das@suryodaybank.com

Website: www.suryodaybank.com

Investor Relation Advisors: Strategic Growth Advisors Pvt. Ltd.

SGA Strategic Growth Advisors

CIN: U74140MH2010PTC204285

Mr. Aakash S Mehta / Mr. Abhishek Shah

aakash.s.m@sgapl.net / abhishek.shah@sgapl.net

Tel: +91 9870679263 / +91 9930651660