



& Associates

Chartered Accountants

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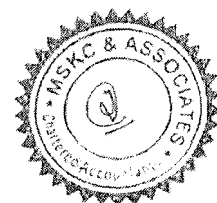
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573 Mount Road, Chennai
Tamil Nadu, India 600006

Independent Auditors' Review Report on unaudited half yearly financial results of Suryoday Small Finance Bank Limited pursuant to the Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors

Suryoday Small Finance Bank Limited

1. We have reviewed the accompanying statement of unaudited financial results of Suryoday Small Finance Bank Limited ("the Bank") for the half year ended September 30, 2019 (the 'Statement') attached herewith, being submitted by the Bank pursuant to the requirements of Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulation'). The disclosures relating to "Pillar 3 under Basel II Framework" and those relating to "Leverage Ratio", "Liquidity Coverage Ratio" under Capital Adequacy and Liquidity Standards issued by Reserve Bank of India ('RBI') as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid Statement have not been reviewed by us.
2. This Statement, which is the responsibility of the Bank's Management and approved by the 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 read with relevant rules issued thereunder, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ('the RBI Guidelines') and other recognized accounting principles generally accepted in India. 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review 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 Standards on Auditing 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.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the recognition and measurement principles laid down in AS 25, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, RBI Guidelines and other accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the 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 Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.





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Suryoday Small Finance Bank Limited
Independent Auditors' Review Report on Unaudited Financial Results
for the half year ended September 30, 2019

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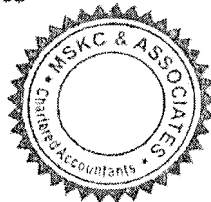
- 5 a. The Statement of the Bank for the year ended March 31, 2019, was audited by another auditor whose report dated May 29, 2019 expressed an unmodified opinion on that Statement.
- b. The Statement of the Bank for the half year ended September 30, 2018 was reviewed by another reviewer whose report dated November 2, 2018, expressed an unmodified conclusion on that Statement.

Our conclusion is not modified in respect of these matters.

For MSKC & Associates (Formerly known as R. K. Kumar & Co.)
Chartered Accountants
ICAI Firm Registration No.001595S

Tushar Kurani

Tushar Kurani
Partner
Membership No.: 118580
UDIN: 19118580AAAAAD5226



Mumbai
November 7, 2019

SURYODAY SMALL FINANCE BANK LIMITED (Scheduled Commercial Bank)			
Regd. Off: 1101, Sharada Terraces, Plot No. 65 Sector -11 CBD Belapur, Navi Mumbai - 400614 CIN No U65923MH2008PLC261472			
UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2019			
(Rs. in Lakhs)			
Particulars	Half year Ended September 30, 2019	Half year Ended September 30, 2018	Year Ended March 31, 2019
	Unaudited	Unaudited	Audited
I. INCOME			
Interest Earned	36,590	23,118	53,011
Other Income	4,663	3,674	6,935
Total	41,253	26,792	59,946
II. EXPENDITURE			
Interest Expended	13,093	8,268	19,129
Operating Expenses	12,437	8,459	19,596
Provisions and contingencies (Refer note 4 & 5)	7,201	6,221	12,561
Total	32,731	22,948	51,286
III. PROFIT/(LOSS)			
Net Profit for the period/year	8,522	3,844	8,660
Balance in profit and loss account brought forward	12,889	6,313	6,313
Total	21,411	10,157	14,973
IV. APPROPRIATIONS			
Transfer to Statutory Reserve	-	-	(2,165)
Transfer to Investment Fluctuation Reserve	-	-	(194)
Transfer to Capital Reserve	-	-	(4)
Balance carried over to Balance Sheet	21,411	10,157	12,610
V. Earnings Per Equity Share (Face value per share Rs.10)			
Basic	10.44	5.69	12.79
Diluted	10.30	5.69	12.61
(Half yearly earnings per share is not annualised)			

Notes:

- The results for the half year ended September 30, 2019 have been reviewed by the Audit Committee on November 6, 2019 and approved by the Board of Directors at the meeting held on November 7, 2019. The results were subjected to a 'Limited Review' by the statutory auditors of the Bank.
- During the half year ended September 30 2019, the Bank issued 1,99,565 equity shares of face value of Rs. 10 each against exercise of employee stock options under employee stock option scheme.
- In accordance with RBI guidelines, small finance banks are required to make Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel II Framework. The Bank's Pillar 3 disclosures are available on its website at the following link: <https://www.suryodaybank.com/regulatory-disclosure>. The disclosures have not been subjected to audit or review by the statutory auditors.
- The Bank has made a floating provision of Rs. 445.03 lakhs during the half year ended September 30, 2019. Accordingly, cumulative floating provision as at September 30, 2019 is Rs. 3676.58 lakhs. The provision is made over and above the minimum regulatory requirement as prescribed by RBI.
- The Government of India vide ordinance No.15 of 2019 dated September 20, 2019 amended the income tax provision by inserting section 115BAA. As per amended provisions, the Bank has opted to pay tax at rate of 22% plus applicable surcharge and cess subject to the condition mentioned under the amendment provisions and recognised the effect of change by revising the annual effective income tax rate. Due to the reduced tax rate, the Bank has re-measured its Net Deferred Tax Assets as at April 1, 2019 and the impact of this change has been fully recognized in the Statement of Profit and Loss Account under "Tax Expense" in the financial results for half year ended September 30, 2019.
- Previous period/year's figures have been re-grouped/re-classified wherever necessary to correspond with the current period/year's presentation.



Place: Mumbai
Date: November 7, 2019



For Suryoday Small Finance Bank Limited

R. Baskar Babu
R. Baskar Babu
Managing Director & Chief Executive Officer

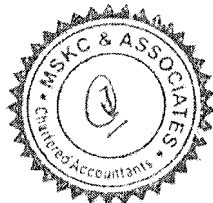
Segment information in accordance with the extant RBI guidelines and Accounting Standard on Segment Reporting (AS 17):

(Rs. in Lakhs)

Sr. No.	Particulars	Half year Ended September 30, 2019	Half year Ended September 30, 2018	Year Ended March 31, 2019
		Unaudited	Unaudited	Audited
1	Segment Revenue			
a	Retail banking	38,648	26,550	59,077
b	Treasury	3,666	1,803	4,442
c	Corporate	1,193	241	815
d	Other banking operations	590	193	638
	Total Revenue	44,097	28,787	64,972
	Less: Inter segment Revenue ¹	(2,844)	(1,995)	(5,026)
	Income from operations	41,253	26,792	59,946
2	Segment Results			
a	Retail banking	11,801	5,902	13,326
b	Treasury	490	47	462
c	Corporate	119	42	231
d	Other banking operations	-	-	-
e	Unallocated	(122)	(63)	(181)
	Profit Before Tax	12,288	5,928	13,838
3	Segment Assets			
a	Retail banking	323,751	235,450	271,686
b	Treasury	88,326	58,686	91,835
c	Corporate	25,393	3,714	11,982
d	Other banking operations	996	115	1,099
e	Unallocated	3,107	2,431	2,776
	Total	441,573	300,396	379,378
4	Segment Liabilities			
a	Retail banking	236,899	121,227	165,534
b	Treasury	101,806	116,761	123,989
c	Corporate	5,204	3,413	1,165
d	Other banking operations	597	122	586
e	Unallocated	51	706	41
	Total	344,557	242,229	291,315
5	Capital employed : Segment Assets - Segment Liabilities			
a	Retail banking	86,852	114,223	106,152
b	Treasury	(13,480)	(58,075)	(32,155)
c	Corporate	20,189	301	10,817
d	Other banking operations	399	(7)	513
e	Unallocated	3,056	1,725	2,736
	Total	97,016	58,167	88,063

Note:

- 1 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.



Balance Sheet as at September 30, 2019

(Rs. in Lakhs)

Particulars	As at September 30, 2019 Unaudited	As at March 31, 2019 Audited
CAPITAL AND LIABILITIES		
Capital	8,178	8,158
Reserves and Surplus	88,838	79,905
Deposits	231,565	159,343
Borrowings	90,664	112,423
Other Liabilities and Provisions	22,328	19,549
Total	441,573	379,378
ASSETS		
Cash and Balances with Reserve Bank of India	6,517	4,830
Balances with banks and money at call and short notice	26,326	22,806
Investments	73,178	66,439
Advances	320,812	271,190
Fixed Assets	2,419	1,898
Other Assets	12,321	12,215
Total	441,573	379,378
Contingent Liability	1,991	2,854



Place: Mumbai
Date: November 7, 2019



For Suryoday Small Finance Bank Limited

R. Baskar Babu

R. Baskar Babu
Managing Director & Chief Executive Officer

Disclosures under Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. The previous due date of payment of interest on non convertible debentures was September 29, 2019 and the same was paid on the due date. The next due date of payment of interest on non convertible debentures was October 1, 2019 and was paid on the due date.
- 2 Networth as at 30 September 2019 is INR 97,016 lakhs and networth net off intangible assets and deferred tax asset is INR 94,466 Lakhs.
3. Privately placed redeemable non-convertible secured debentures are secured against hypothecation of pool of loans with a security cover of 1 to 1.10 times of the outstanding of respective debentures. The Bank has not issued non-convertible debentures after conversion into a small finance bank.
4. CRISIL and Information and Credit Rating Agencies Limited (ICRA) has assigned short term rating of A1+. ICRA has assigned long term rating of "A".
5. Capital Redemption Reserve / Debenture Redemption Reserve: Debenture Redemption Reserve is not required in respect of privately placed debentures in terms of Rule 18(7)(b)(ii) of Companies (Share Capital and Debentures) Rules, 2014.
6. Outstanding Redeemable Preference Shares (quantity and value): Nil.
7. Analytical Ratio:

Particulars	Half year Ended September 30, 2019	Half year Ended September 30, 2018
	Unaudited	Unaudited
(i) Capital Adequacy Ratio	29.4%	27.0%
(ii) Debt to Equity ratio (Debt includes borrowings & deposits) (X)	3.3	3.9
(iii) Gross NPA (%)	2.4%	3.0%
(iv) Net NPA (%)*	1.2%	0.8%
(v) Return on Equity (ROE)	18.5%	13.6%
(v) Return on Assets(ROA)	4.2%	3.0%

*Net NPA ratio for all periods presented are without considering floating provision of INR 3,676.58 lakhs



For Suryoday Small Finance Bank Limited

R. Baskar Babu

R. Baskar Babu
Managing Director & Chief Executive Officer

Place: Mumbai
Date: November 7, 2019