



SEC:211:22-23/SR
February 6, 2023

The Manager - Listing
National Stock Exchange of India Limited
Capital Market – Listing
Exchange Plaza, 5th Floor
Plot No.C/1, G Block
Bandra-Kurla Complex
Bandra (E), Mumbai 400 051

Dear Sir,

Sub: Submission of Press Release

We have pleasure in enclosing the press release relating to Unaudited Financial Results for the quarter and nine months ended 31st December 2022.

Thanking you,

Yours truly,
For Sundaram Finance Limited

P.N. Srikant
Secretary & Compliance Officer

Encl:

CC: The Corporate Relationship
Dept. of Corporate Services
Bombay Stock Exchange Limited
Floor 25, P J Towers
Dalal Street
Mumbai 400 001

Sundaram Finance Limited





PRESS RELEASE

Unaudited standalone & consolidated financial results for the quarter and nine months ended Dec 31, 2022

Sundaram Finance logs highest-ever 9M disbursements of Rs. 15,587 crores, 64% over 9MFY22; AUM grows 13% to Rs. 33,558 crores

Net profit for 9MFY23 up by 28% at Rs. 772 crores

Continued improvement in asset quality with Gross Stage 3 assets at 2.43% (3.39% as of December 31, 2021) and Net Stage 3 assets at 1.35% (2.09% as of December 31, 2021)

Disbursements for Q3 FY23 up by 45% over Q3 FY22 and profits after tax for Q3 FY23 up by 20% to Rs. 243 crores from Rs. 202 crores in Q3 FY22

ROA at 2.8% (2.3% in 9MFY22) and Capital Adequacy Ratio at 23.3% (23.6% in 9MFY22)

120% interim dividend (Rs. 12 per share) declared

The Board of Directors of Sundaram Finance Ltd. (SFL) approved the unaudited standalone and consolidated financial results for the nine months ended December 31, 2022, at its meeting held on February 6, 2023, in Chennai.

"Economic activity continued to gain strength during the 3rd quarter. Our disbursements were the best during any quarter and our AUM has recorded strong growth. Our asset quality continued to improve and remains best in class. Profits during the quarter increased by 20% as compared to the same period last year. Overall, it has been a year where we have decisively put the vagaries of the pandemic behind us and accelerated our Growth with Quality and Profitability," said Harsha Viji, Executive Vice Chairman.

Disbursements for 9MFY23 recorded a growth of 64% over 9MFY22 with all asset classes and geographies witnessing significant growth in the third quarter. With improvement in economic activity and viability of our customers, Gross stage 3 assets improved substantially over the corresponding period of last year driven by our focused collections efforts & deep customer relationships. Gross stage 3 assets as on December 31, 2022, stood at 2.43% with provision cover of 45% as against 3.39% as on December 31, 2021, with provision cover of 39%. Profit after tax at Rs. 772 crores registered an increase of 28% in 9MFY23 as against Rs. 605 crores in 9MFY22. Return on assets at 2.8% improved over 9MFY22 (2.3%) and capital adequacy at 23.3% remains quite comfortable to support planned growth.

Sundaram Finance Limited



“The third quarter witnessed a bumper festival season and we have been able to strengthen our market share across geographies and asset classes. Looking ahead, as inflation eases and government capital expenditure crowds in private investment, we expect growth in the economy to pick up. Our investments in technology & data coupled with our traditional strengths of customer-obsession and people-centricity will provide us the impetus to scale up our business the Sundaram way,” said Rajiv Lochan, Managing Director.

STANDALONE PERFORMANCE HIGHLIGHTS FOR 9MFY23

- Disbursements for 9MFY23 recorded a growth of 64% to Rs. 15,587 crores as compared to Rs. 9,524 crores registered in 9MFY22. Disbursements for Q3FY23 recorded a growth of 45% to Rs. 5,553 crores as compared to Rs. 3,843 crores in Q3FY22.
- The assets under management stood at Rs. 33,558 crores as on 31st December 2022 as against Rs.29,796 crores as on 31st December 2021, up by 13%.
- The total restructured assets under Covid relief measures enabled by the Reserve Bank of India were at Rs. 765 crores, about 2.3% of loan outstanding, as on 31st December 2022.
- Gross stage 3 as on 31st December 2022 stood at 2.43% with 45% provision cover as against 3.39% with provision cover of 39% as on 31st December 2021. Net stage 3 as on 31st December 2022 closed at 1.35% as against 2.09% as on 31st December 2021.
- With the improvement in the asset quality, the impairment cost for 9MFY23 was Rs. 117 crores as against Rs. 347 crores in 9MFY22.
- The Gross and Net NPA, per RBI’s new asset classification norms for NBFCs, are 3.97% and 2.78% respectively as against 7.71% and 6.17% as of 31st December 2021.
- Cost to income ratio closed at 32.23% in 9MFY23 as against 29.96% in 9MFY22.
- Profit after tax registered an 28% rise in 9MFY23, with net profit at Rs. 772 crores. The company had registered a net profit of Rs. 605 crores in 9MFY22. Profit after tax registered 20% increase in Q3FY23, with net profit at Rs. 243 crores as compared to Rs. 202 crores in Q3FY22.
- Return on assets (ROA) for 9MFY23 closed at 2.8% as against 2.3% for 9MFY22. Return of equity (ROE) was at 14.2% for 9MFY23 as against 12.5% for 9MFY22. If we exclude investments in subsidiaries and group companies, core ROE was at 17.0% for 9MFY23 as against 16.2% for 9MFY22.
- Capital Adequacy Ratio stood at 23.3% (Tier I –17.8%) as of 31st December 2022 compared to 23.6% (Tier I – 16.7%) as of 31st December 2021.
- The Company has declared an interim dividend of Rs. 12 per share (120%).

Sundaram Finance Limited



CONSOLIDATED PERFORMANCE HIGHLIGHTS FOR 9MFY23

The consolidated results of SFL include the results of its standalone subsidiaries Sundaram Home Finance, Sundaram Asset Management and joint venture company Royal Sundaram General Insurance.

- The assets under management (AUM) in our lending and general insurance businesses stood at Rs. 51,866 crores as on 31st December 2022 as against Rs. 46,348 crores as on 31st December 2021. The assets under management of our asset management business stood at Rs. 56,791 crores as on 31st December 2022 as against Rs. 46,355 crores as on 31st December 2021.
- Profits after tax for 9MFY23 was Rs. 885 crores as compared to Rs. 833 crores in 9MFY22.

GROUP COMPANY PERFORMANCE HIGHLIGHTS

Our group companies continued to perform well.

- The asset management business closed the nine months ended 31st December 2022 with assets under management of Rs.56,791 crores (around 85% in equity) and consolidated profits from the asset management businesses was at Rs. 54 crores as against Rs. 73 crores in 9MFY22. The profits for the nine months were lower due to amortization of Rs. 234 crores of Asset Management rights consequent to the acquisition of Principal Mutual Fund. The charge to the P&L for the nine months ended 31st December 2022 was Rs. 18 crores.
- Royal Sundaram General Insurance, our joint venture with Ageas of Belgium, delivered Gross Written Premium of Rs. 2,579 crores in 9MFY23, a 20% increase over Rs. 2,147 crores in 9MFY22. The profit for 9MFY23 was at Rs. 6 crores as against Rs. 189 crores in 9MFY22. While the underlying operations of the insurance business remain profitable, the profits during the nine months were affected due to net loss of Rs. 70 crores on fair value of equity investments as against net gain of Rs. 82 crores accounted in the nine months ended December 2021.
- Sundaram Home Finance continued to grow strongly with disbursements up by 78% to Rs. 2,697 crores in 9MFY23. The profit for 9MFY23 was Rs. 150 crores, up by 30% as against Rs.115 crores in 9MFY22. The momentum on disbursements continued from Q4 of last year into 9M this year driven by an increasing demand for home loans in tier 2 and 3 towns in the southern markets, a priority focus for the company.

Sundaram Finance Limited



ABOUT SUNDARAM FINANCE

Sundaram Finance was established in 1954 and the company has today grown into one of the most trusted and diversified financial services groups in India providing financing for commercial vehicles, cars & utility vehicles, tractors and farm equipment, construction equipment, SME finance and a range of working capital products for financing diesel, tyres, insurance as well as working capital for SMEs. Through its subsidiaries and group companies, the company offers home finance, loans against property, mutual funds and investment management solutions and the full range of general insurance products and services. It has a nation-wide presence of over 650 branches, nearly 1.2 lakh depositors and over 4 lakh lending customers.

Sundaram Finance's vision is to be the most respected NBFC in the country and its mission is to deliver the Sundaram experience to all customers, big and small, in keeping with the ethos of the Company. Sundaram Finance embraces a philosophy that balances Growth with Quality and Profitability and remains rooted to its ideal of protecting and enhancing shareholder value. The founding philosophy of the company is that everything begins with the customer. Our founder, Late Sri T S Santhanam, enshrined in the company its core values - The Sundaram Way - that have been the company's guiding light over the decades. The company is deeply rooted in its values and proud of its heritage, also constantly innovating in terms of technology and processes to deliver the unique Sundaram experience to its customers and stakeholders.

For more information, please visit: <https://www.sundaramfinance.in/>

For further details, please contact:

- P N Srikant, Sundaram Finance, +91 44 2888 1207

Sundaram Finance Limited