

# **SHRIRAM CITY UNION FINANCE LIMITED**

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## **Performance Review for the quarter ended December 2015**

**29<sup>th</sup> January 2016**

# **Q3 - FY 2016 Performance Review**

(INR in Crores)

## **Assets Under Management:**

Assets Under management has recorded a growth of 17.5% on a year on year basis.

Non Gold Loan portfolio has increased by 16%.

Small Enterprises Finance during the same period has increased by 19%.

On a Quarterly basis, the growth in overall AUM is up by 4.7% and non gold portfolio has grown by 6.1%

Small enterprises finance during the quarter has increased by 4.8%

## **Disbursements:**

Disbursement have increased by 3% on YOY basis & the non gold disbursements recorded a 17.2% growth, with Small enterprises finance growing at 10% during the same period.

On a quarterly basis, disbursement grew at 3%

## **Personnel Expenses & OPEX**

On a QOQ basis, expenses have remained flat, with an YOY increase of 7%.

For the quarter ended Dec 15, cost to income ratio is at 39.88% as against 41.74% in quarter ended Dec 14

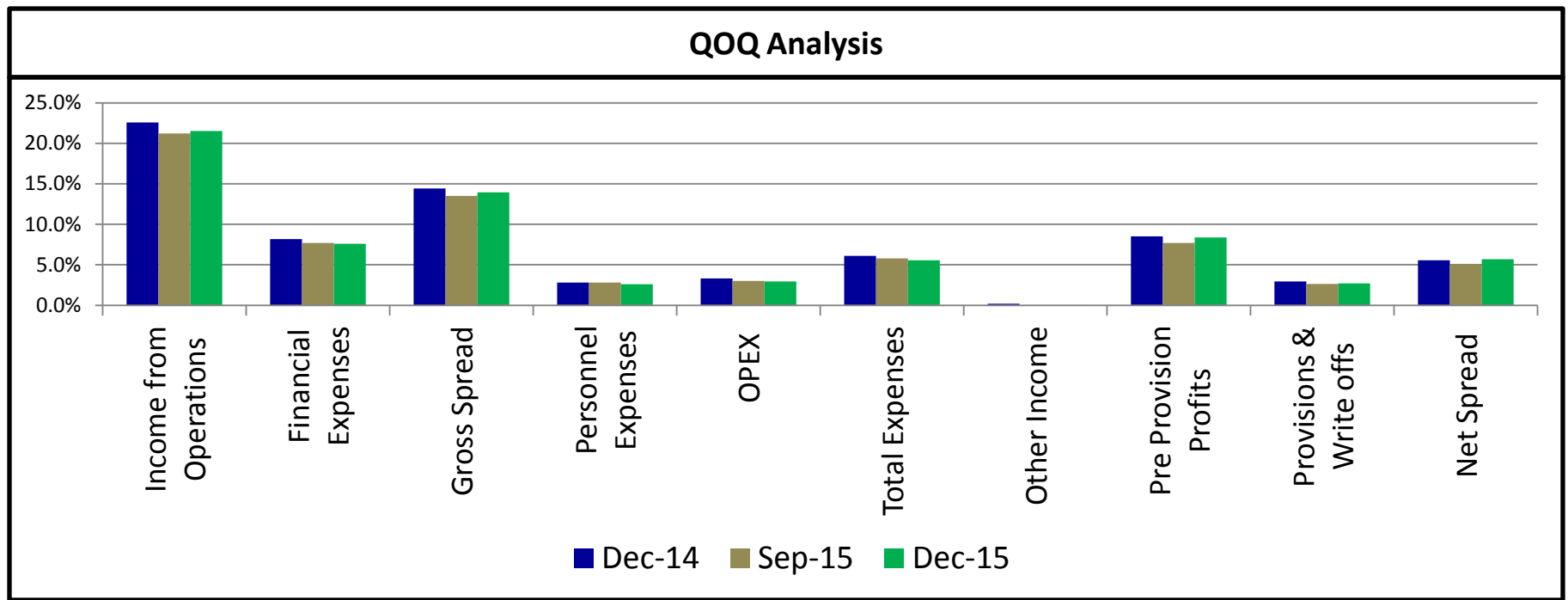
## **NPA Coverage Ratio**

NPA coverage ratio is at 80.6% at 180 days recognition

(INR in Crores)

Particulars	Quarter Ended			QOQ Growth	YOY Growth	9 months ended		YOY Growth
	Dec-14	Sep-15	Dec-15			Dec-14	Dec-15	
Assets Under Management	16176	18164	19015	4.7%	17.5%	16176	19015	17.5%
Disbursements	4537	4527	4665	3.0%	2.8%	12535	13426	7.1%
Income from Operations	896	945	1001	5.9%	11.8%	2590	2859	10.4%
Interest Expenses	323	344	353	2.8%	9.2%	1001	1030	2.9%
Net Interest Income	572	602	648	7.6%	13.2%	1589	1829	15.1%
Other Income	7	0	0	-49.9%	-96.5%	40	5	-87.9%
Personnel Expenses	111	124	121	-2.6%	9.3%	290	360	24.4%
Operating Expenses (incl Depreciation)	131	135	137	2.1%	5.0%	376	393	4.6%
Pre Provisions Profits	337	344	390	13.4%	15.5%	964	1081	12.2%
Provisions & Write offs	117	118	126	6.6%	7.3%	347	360	3.9%
Profit Before Tax	220	226	264	16.9%	19.8%	617	720	16.8%
Profit After Tax	143	146	174	19.4%	21.9%	408	474	16.1%

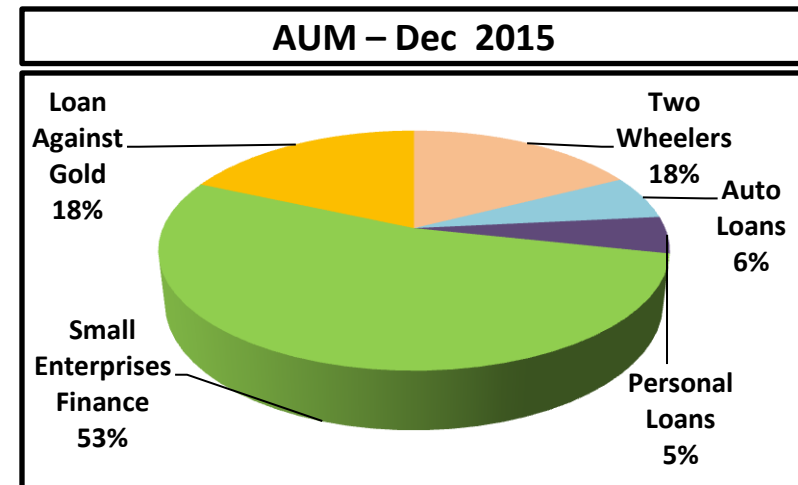
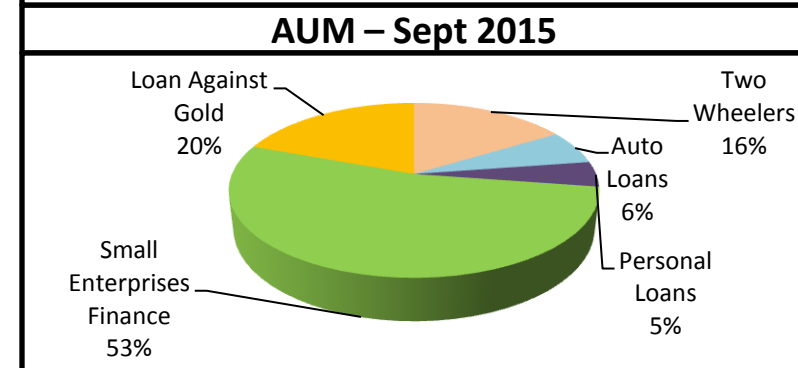
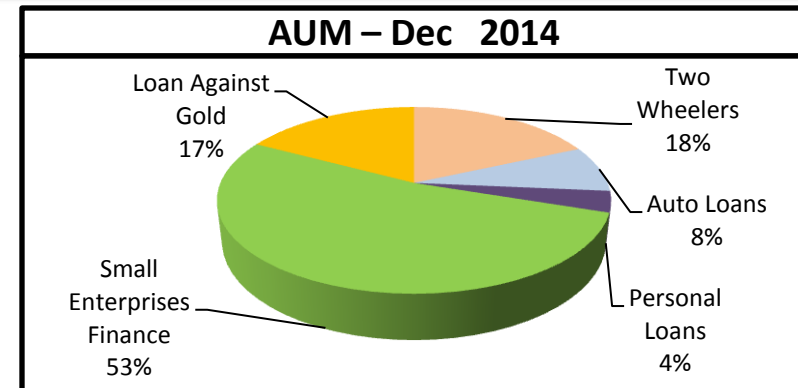
Particulars	Quarter ended		
	Dec-14	Sep-15	Dec-15
Yield on Assets	22.58%	21.22%	21.53%
NIMs	14.42%	13.51%	13.94%
Cost to Income Ratio	41.74%	42.96%	39.88%
Net Spread	5.55%	5.07%	5.68%
Gross NPAs	3.02%	3.30%	3.39%
Net NPAs	0.64%	0.65%	0.66%
Capital Adequacy Ratio	30.39%	27.76%	27.08%
ROE	14.49%	13.53%	15.63%
ROA	3.38%	3.09%	3.53%
Leverage	2.83	3.02	3.10
Book Value	610	666	687
Earnings Per Share	21.69	23.11	26.44



Analysis on Average AUM	Income from Operations	Financial Expenses	Gross Spread	Personnel Expenses	OPEX	Total Expenses	Other Income	Pre Provision Profits	Provisions & Write offs	Net Spread
Qtr ended Dec 2014	22.58%	8.16%	<b>14.42%</b>	2.79%	3.30%	6.09%	0.17%	<b>8.50%</b>	2.95%	<b>5.55%</b>
Qtr ended Sept 2015	21.22%	7.71%	<b>13.51%</b>	2.79%	3.02%	5.81%	0.01%	<b>7.71%</b>	2.65%	<b>5.07%</b>
Qtr ended Dec 2015	21.53%	7.60%	<b>13.94%</b>	2.60%	2.96%	5.56%	0.01%	<b>8.38%</b>	2.70%	<b>5.68%</b>

Product Segment	Assets Under Management (as at )				
	Dec-14	Sep-15	Dec-15	QOQ Growth	YOY Growth
Small Enterprises Finance	8505	9671	10132	5%	19%
Two Wheeler	2967	2972	3327	12%	12%
Loan Against Gold	2791	3527	3488	-1%	25%
Others	1914	1995	2069	4%	8%
<b>Total AUM</b>	<b>16177</b>	<b>18165</b>	<b>19016</b>	<b>5%</b>	<b>18%</b>

Particulars	As at		
	Dec -14	Sep-15	Dec-15
GNPA	461	582	632
NNPA	97	115	123
Provisions	364	467	509
Total Assets	15251	17649	18625
GNNPA %	3.02%	3.30%	3.39%
NNPA %	0.64%	0.65%	0.66%
Coverage Ratio	78.87%	80.24%	80.58%



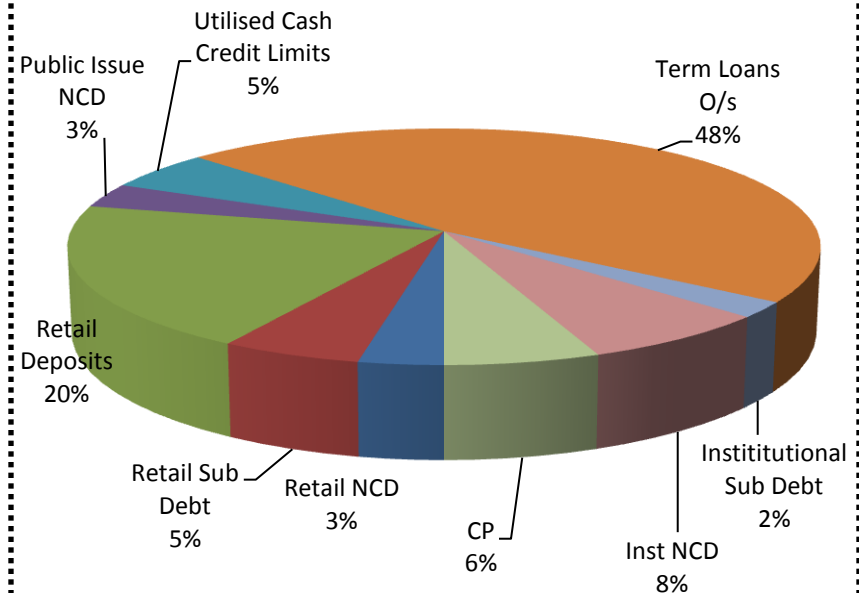
Particulars	Dec-14	Sep-15	Dec-15
Bank Borrowings	51%	53%	53%
Market Borrowings	6%	11%	15%
Retail Borrowings	33%	30%	29%
Public Issue(NCD)	10%	6%	3%
<b>Total Borrowings</b>	<b>11363</b>	<b>13267</b>	<b>14049</b>
<b>WACOB (qtr ended)</b>	<b>11.28%</b>	<b>10.64%</b>	<b>10.34%</b>

Particulars	Dec-14	Sep-15	Dec-15
<b>Total Borrowings (on Books)</b>	<b>11363</b>	<b>13267</b>	<b>14049</b>
Fixed Rate Borrowings	50%	47%	47%
Floating Rate Borrowings	50%	53%	53%

### Details as at Dec 2015

Segment	Fixed	Floating	Total
Total Borrowings	6645	7404	14049
Weighted Average Tenor (in Months)	20.92	25.49	23.33

### Borrowing Pattern – Dec 2015





# **Subsidiary Performance Review**

## **-Shriram Housing**

# Q3 FY16 – Financial Highlights



Particulars	Q-o-Q comparison			Y-o-Y comparison			Y-o-Y comparison		
	Q3 FY16	Q2 FY16	Growth	Q3 FY16	Q3 FY15	Growth	YTD FY16	YTD FY15	Growth
<b>AUM (INR cr.)</b>	1,082.0	1,001.4	<b>8.1%</b>	1,082.0	585.7	<b>84.7%</b>	1,082.0	585.7	<b>84.7%</b>
<b>Disbursements (INR cr.)</b>	164.7	169.6	<b>(2.9%)</b>	164.7	125.2	<b>31.5%</b>	519.6	321.6	<b>61.5%</b>
<i>Retail Disbursements (INR cr.)</i>	162.6	160.1	1.5%	162.6	119.2	36.4%	465.4	309.3	50.5%
<i>CF Disbursements (INR cr.)</i>	2.1	9.4	(77.7%)	2.1	6.1	(65.4%)	54.2	12.3	340.3%
<b>Income from Ops (INR lacs)</b>	4,460.9	4,016.0	<b>11.1%</b>	4,460.9	2,251.8	<b>98.1%</b>	11,799.9	5,576.5	<b>111.6%</b>
<b>Total Income (INR lacs)</b>	4,465.5	4,025.4	<b>10.9%</b>	4,465.5	2,262.8	<b>97.3%</b>	11,819.7	5,631.4	<b>109.9%</b>
<b>Interest expenses</b>	1,574.7	1,336.5	17.8%	1,574.7	432.37	264.2%	3,898.1	674.6	477.8%
<b>Expenses (Opex &amp; personnel expenses)</b>	1372.2	1257.4	9.13%	1372.2	918.35	49.42%	3900.0	2550.5	52.91%
<b>Pre Provision Profits</b>	1,518.8	1,431.5	6.10%	1,518.8	912.1	66.53%	4,021.6	2,406.30	67.13%
<b>Provisions &amp; Write offs</b>	388.9	226.2	71.90%	388.9	190.4	104.20%	835.7	341.4	144.80%
<b>Profit Before Tax (INR lacs)</b>	1,129.9	1,205.3	<b>(6.3%)</b>	1,129.9	721.7	<b>56.6%</b>	3,185.9	2,064.9	<b>54.3%</b>
<b>Profit After Tax (INR lacs)</b>	788.7	803.9	<b>(1.9%)</b>	788.7	483.1	<b>63.3%</b>	2,161.5	1,385.0	<b>56.1%</b>

- Net addition of ~INR 81 cr. of AUM q-o-q and ~85% growth y-o-y
- Highest ever retail disbursements in the current quarter
- Income doubled y-o-y on a quarterly as well as YTD basis

# Q3 FY16 – Financial Highlights



Particulars	Q-o-Q comparison			Y-o-Y comparison			Y-o-Y comparison		
	Q3 FY16	Q2 FY16	Variance	Q3 FY16	Q3 FY15	Variance	YTD FY16	YTD FY15	Variance
Income from Ops (% of avg. AUM)	17.04%	16.94%	0.10%	17.04%	16.69%	0.35%	17.26%	16.34%	0.93%
NIMs	11.02%	11.30%	(0.28%)	11.02%	13.49%	(2.47%)	11.56%	14.36%	(2.80%)
Cost to Income Ratio	47.46%	46.76%	(0.70%)	47.46%	50.17%	2.71%	49.23%	51.46%	2.22%
Gross NPAs	3.09%	2.35%	(0.74%)	3.09%	2.43%	(0.66%)	3.09%	2.43%	(0.66%)
Net NPAs	2.30%	1.78%	(0.66%)	2.30%	1.99%	(0.45%)	2.30%	1.99%	(0.45%)
ROA	2.85%	3.25%	(0.40%)	2.85%	3.12%	(0.27%)	2.98%	3.41%	(0.44%)
ROE	8.29%	8.63%	(0.34%)	8.29%	5.41%	2.88%	7.75%	5.24%	2.50%
Debt / Equity	1.83x	1.57x	(0.26x)	1.83x	0.90x	(0.93x)	1.83x	0.90x	(0.93x)

- Higher GNPA for the quarter has led to fall in ROA
  - (Impact 21 bps, INR 0.8 cr of income reversal & INR 1.49 cr of provisioning)
- To maintain higher coverage ratio (25.75%), excess provisioning of INR 2.07 cr. made over & above provisions as required by NHB as at Dec 2015. For Q3, higher provisions of INR .89 Cr were made
- As expected, NIMs continue to contract on account of increase in borrowings.
- Y-o-y ROE improvement on back of higher leverage

*Thank You*