

SHRIRAM CITY UNION FINANCE LIMITED

Performance Review for the quarter ended June 2016

Assets Under Management:

Assets Under management recorded a 17% growth in Assets Under Management on a year on year basis and stands at Rs. 20473 Crores. Non gold AUM recorded a 21% growth. Small Business constitutes 55% of AUM as at June 16 and has recorded a 20% YOY growth. For the quarter, AUM grew by 4.58% & non gold portfolio grew by 6.72% - during the previous year - quarter ended June 15 the Total AUM grew by 4.59% and non gold book AUM was up by 3.65%

Disbursements:

Disbursements for the quarter was at Rs. 5398 Cr, growth of 27% as compared to June 2015. 44% of the disbursements were in Small Business loans segment

Net Interest Margin & Cost to Income ratio

Net Interest Margin (NIM's) remains healthy at 13.71% as compared to 13.41% in June 15, despite Yield on Assets dropping from 21.4% to 21.1% , benefit of reduction in interest expenses has resulted in improvement of NIM's

Improvement in Cost to Income ratio – currently at 39.91% as compared to 41.84% during June 2015.

NPA

NPA continued to be recognized on 150 days past due basis and GNPA is at 5.11% as compared to 5.15% in previous quarter. Coverage continued to be maintained over 70%

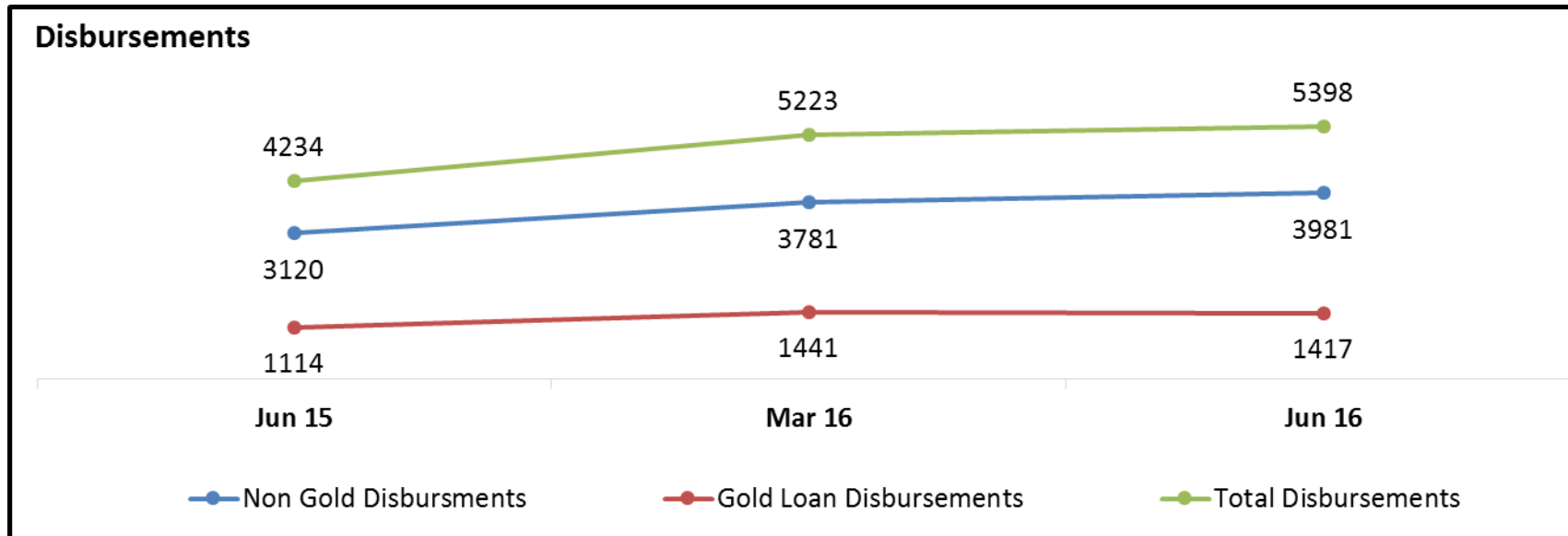
Profit After Tax:

Profit After Tax for the quarter stood at Rs.181.79 Cr . For the quarter ended June 2015, PAT was at Rs. 147.70 Cr where NPA recognition was at 180 DPD and 80% coverage

(INR in Crores)

Particulars	Quarter ended			Growth	
	Jun-15	Mar-16	Jun-16	YOY	QOQ
Assets Under Management	17483	19576	20473	17.1%	4.6%
Disbursements	4234	5223	5398	27.5%	3.4%
Income from Operations	913	976	1053	15.4%	8.0%
Interest Expenses	340	353	367	8.1%	3.9%
Net Interest Income	573	622	686	19.7%	10.3%
Other Income	4	16	2	-63.4%	-90.7%
Personnel Expenses	115	153	138	19.5%	-10.0%
Operating Expenses (incl Depreciation)	121	143	136	12.7%	-4.9%
Pre Provisions Profits	341	342	414	21.3%	20.9%
Provisions & Write offs	117	256	136	16.1%	-47.1%
Profit Before Tax	224	86	278	24.0%	222.2%
Profit After Tax	148	55	182	23.1%	227.8%

(INR in Crores)

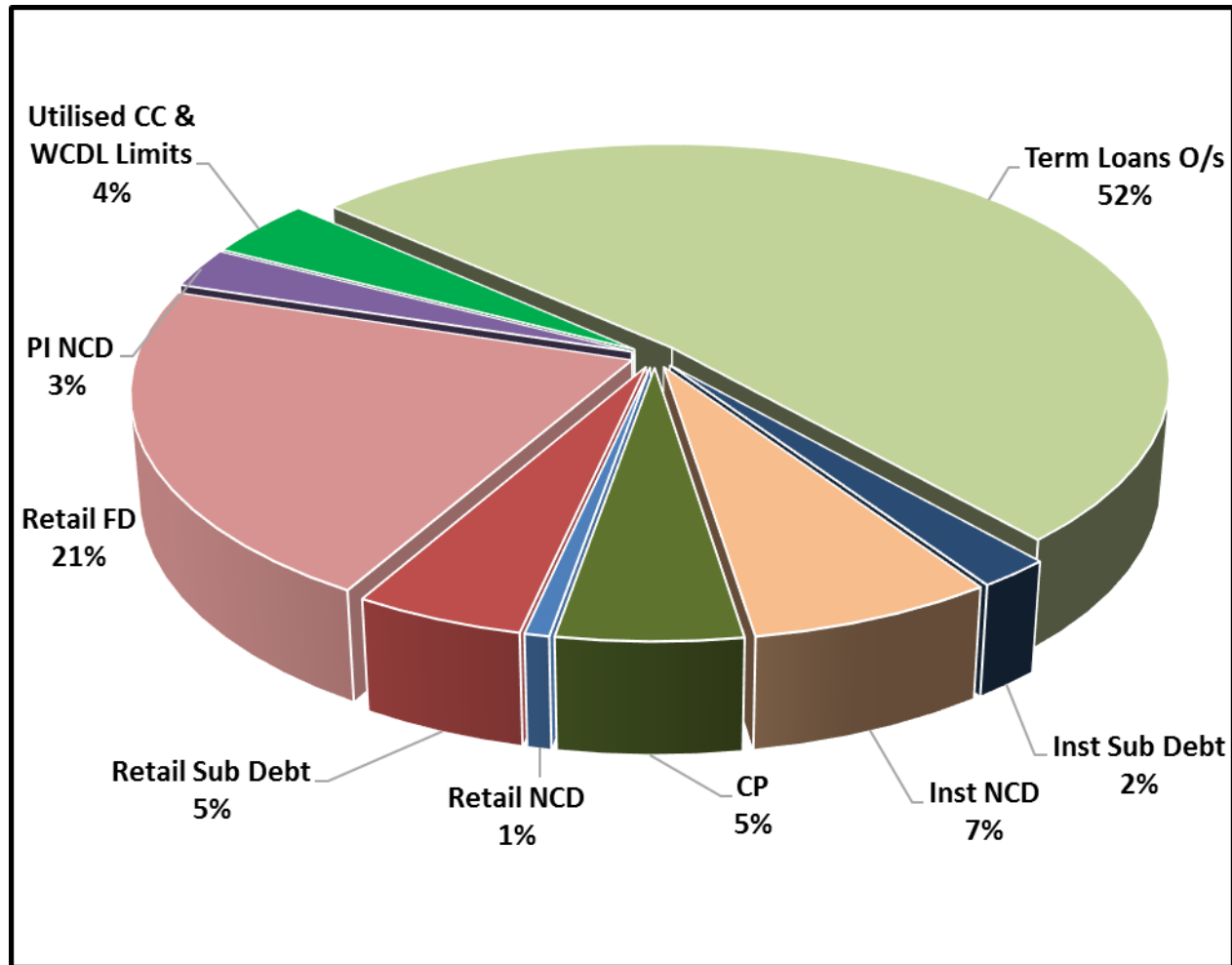


Segment Wise AUM	Jun 15	Mar 16	Jun 16
Small Enterprises Finance	54%	54%	55%
Two Wheeler	17%	18%	18%
Loan Against Gold	18%	17%	16%
Others	11%	11%	12%
Total Assets Under Management	17,483	19,576	20,473

(INR in Crores)

Analysis on Average AUM:	Jun-15	Mar-16	Jun-16
Income from Operations	21.35%	20.23%	21.04%
Financial Expenses	7.95%	7.33%	7.34%
Gross Spread	13.41%	12.90%	13.71%
Personnel Expenses	2.69%	3.17%	2.75%
OPEX	2.83%	2.97%	2.72%
Total Expenses	5.52%	6.14%	5.47%
Pre Provision Profits	7.98%	7.10%	8.27%
Provisions & Write offs	2.73%	5.31%	2.71%
Net Spread	5.25%	1.79%	5.56%

(INR in Crores)



Details as at June 16				
Segment	Fixed	Semi Fixed	Floating	Total
Total Borrowings	6,596	1,000	7,181	14,778
Weighted Average Tenor (in months)	18.72	27.60	24.42	22.09

(INR in Crores)

Particulars	As at		
	Jun-15	Mar-16	Jun-16
NPA Recognition Norms	180 DPD	150 DPD	150 DPD
GNPA	532	980	1024
NNPA	109	297	293
Provisions	423	683	731
Total Assets	16774	19024	20033
GNNPA %	3.17%	5.15%	5.11%
NNPA %	0.65%	1.56%	1.46%
Coverage Ratio	79.59%	69.70%	71.37%

June 2016 – GNPA (150 Days DPD) – Product Segment wise			
Product Segment	GNPA%	NNPA%	Coverage Ratio
Two Wheelers	4.91%	1.40%	72%
Auto Loans	6.45%	1.92%	70%
Personal Loans	5.89%	0.00%	100%
Small Enterprises Finance	5.38%	1.51%	72%
Loan Against Gold	3.63%	1.76%	51%
Total	5.11%	1.46%	71%

Particulars	Jun 15	Mar 16	Jun 16
Tier I CRAR	24.13%	23.36%	23.19%
Tier II CRAR	3.86%	2.78%	2.54%
Capital Adequacy Ratio	27.98%	26.14%	25.73%
Return on Average Net Worth	14.20%	4.91%	15.82%
Return on Average Total Assets	3.24%	1.08%	3.44%
Leverage	2.96	3.20	3.15
Book Value	643	683	711
Earnings Per Share	22.41	8.42	27.57

Subsidiary Performance Review -Shriram Housing

Q1 FY17 – Financial Highlights



(INR in Crores)

Particulars (INR cr.)	June 2015	March 2016	June 2016	YOY Growth	QOQ Growth
AUM	884.5	1,275.0	1,517.4	71.55%	19.01%
Disbursements	185.3	272.9	321.3	73.36%	17.73%
<i>Retail Disbursements</i>	142.7	244.6	219.3	53.66%	(10.37%)
<i>CF Disbursements</i>	42.6	28.3	102.0	139.30%	261.06%
Income from Ops	33.2	49.2	56.8	70.80%	15.34%
Total Income	33.3	49.3	56.8	70.66%	15.30%
Employee exp.	5.8	8.7	10.6	82.76%	21.49%
Interest expenses	9.9	17.5	21.9	122.33%	25.10%
Other expenses	6.9	10.0	8.5	22.68%	(15.27%)
Prov. & write-offs	2.2	2.1	8.2	273.83%	286.66%
Profit Before Tax	8.5	10.9	7.6	(11.18%)	(30.51%)
Profit After Tax	5.7	7.3	5.2	(8.16%)	(28.80%)

- Net addition of ~INR 242 cr. of AUM q-o-q and ~72% growth y-o-y
- ~54% increase in retail disbursements y-o-y
- Income from ops grew 71% y-o-y
- PBT dropped by over 30% over previous quarter due to high GNPA's and provisioning

Q1 FY17 – Financial Highlights



Particulars	June 2015	March 2016	June 2016	YOY Variance	QOQ Variance
Income from Ops (% of avg. AUM)	16.48%	16.79%	16.31%	(0.18%)	(0.49%)
NIMs	11.59%	10.81%	10.00%	(1.59%)	(0.81%)
Cost to Income Ratio	54.25%	59.00%	54.66%	(0.41%)	4.34%
Gross NPAs	2.45%	2.76%	3.95%	(1.50%)	(1.19%)
Net NPAs	2.00%	1.99%	2.85%	(0.85%)	(0.86%)
ROA	2.68%	2.33%	1.38%	(1.30%)	(0.95%)
ROE	6.29%	7.66%	5.37%	(0.92%)	(2.29%)
Debt / Equity	1.28x	2.19x	2.80x	1.52x	0.61x

- As expected, NIMs continue to contract on back of increased leverage
- Provision coverage ratio maintained at 27.82% with an excess provisioning of INR 2.38 cr. made over & above NHB requirement.

Thank You