

Ref: STEC NSE/BSE 679/2022

October 21, 2022

The Secretary,
BSE Ltd
P J Towers,
Dalal St,
Mumbai 400 001

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

Sir,

Ref: ISIN – INE722A01011

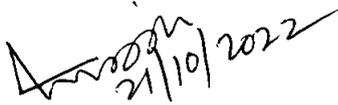
Scrip Code: BSE – 532498 and NSE - SHRIRAMCIT

Please find attached the presentation on financial results to be made by the Company to analysts / institutional investors. This is an intimation under Regulation 30 read with Schedule III (Part A) (15) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended from time to time.

We request you to kindly take the above information on record.

Thanking you,

Yours faithfully,
For Shriram City Union Finance Limited



21/10/2022

C R Dash
Company Secretary



Encl: a/a

Shriram City Union Finance Limited

Business Solution Centre, 144, Santhome High Road, Mylapore, Chennai – 600 004. Ph: +91 44 4392 5300, Fax: +91 44 4392 5430

Regd. Office: 123, Angappa Naicken Street, Chennai - 600 001. Ph : +91 44 2534 1431

E-mail : shriramcity@shriramcity.in Website : www.shriramcity.in

Corporate Identification Number (CIN) L65191TN1986PLC012840



Investor Presentation - Q2 FY 23 (September 2022)

Shriram City Union Finance Ltd.

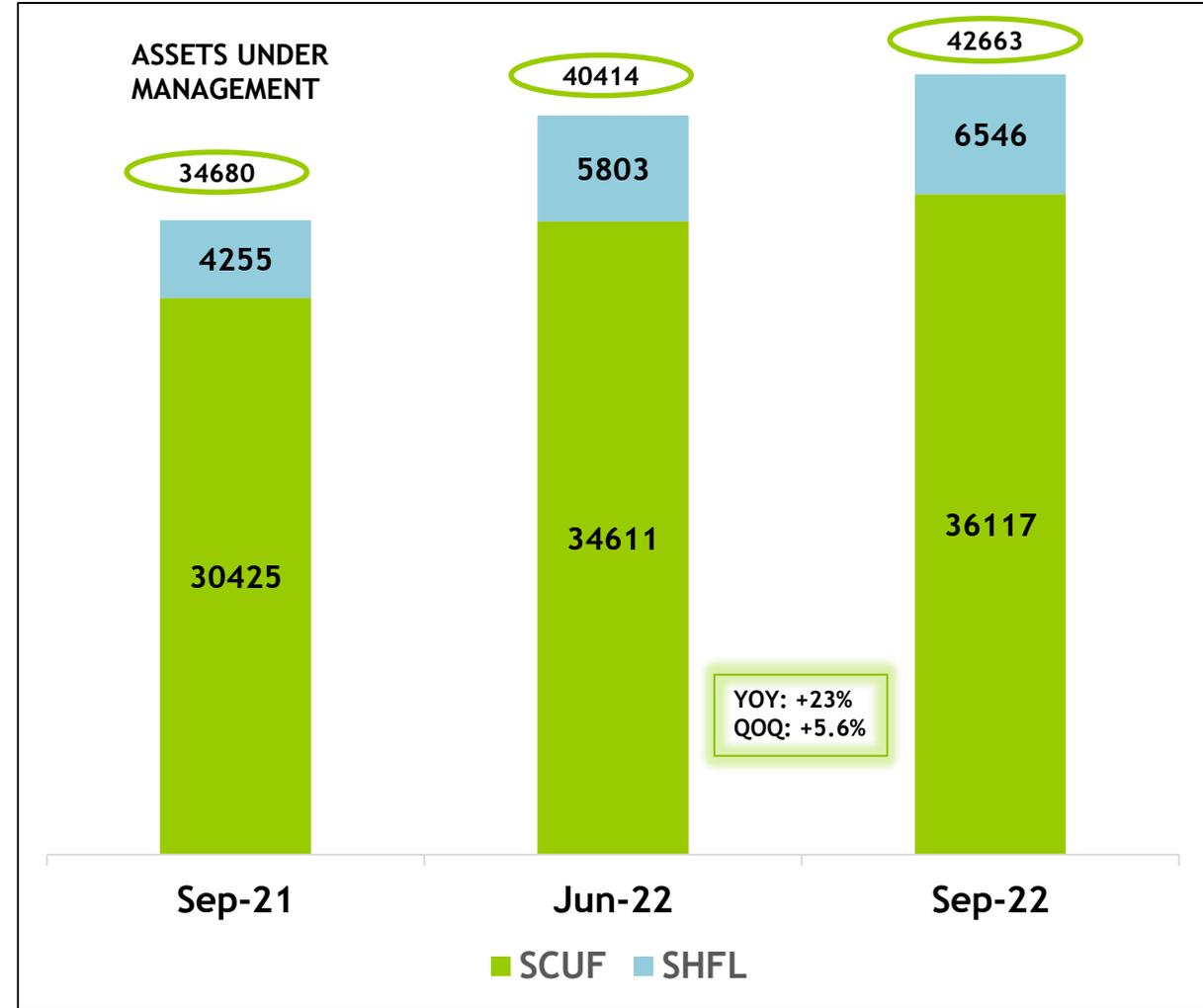
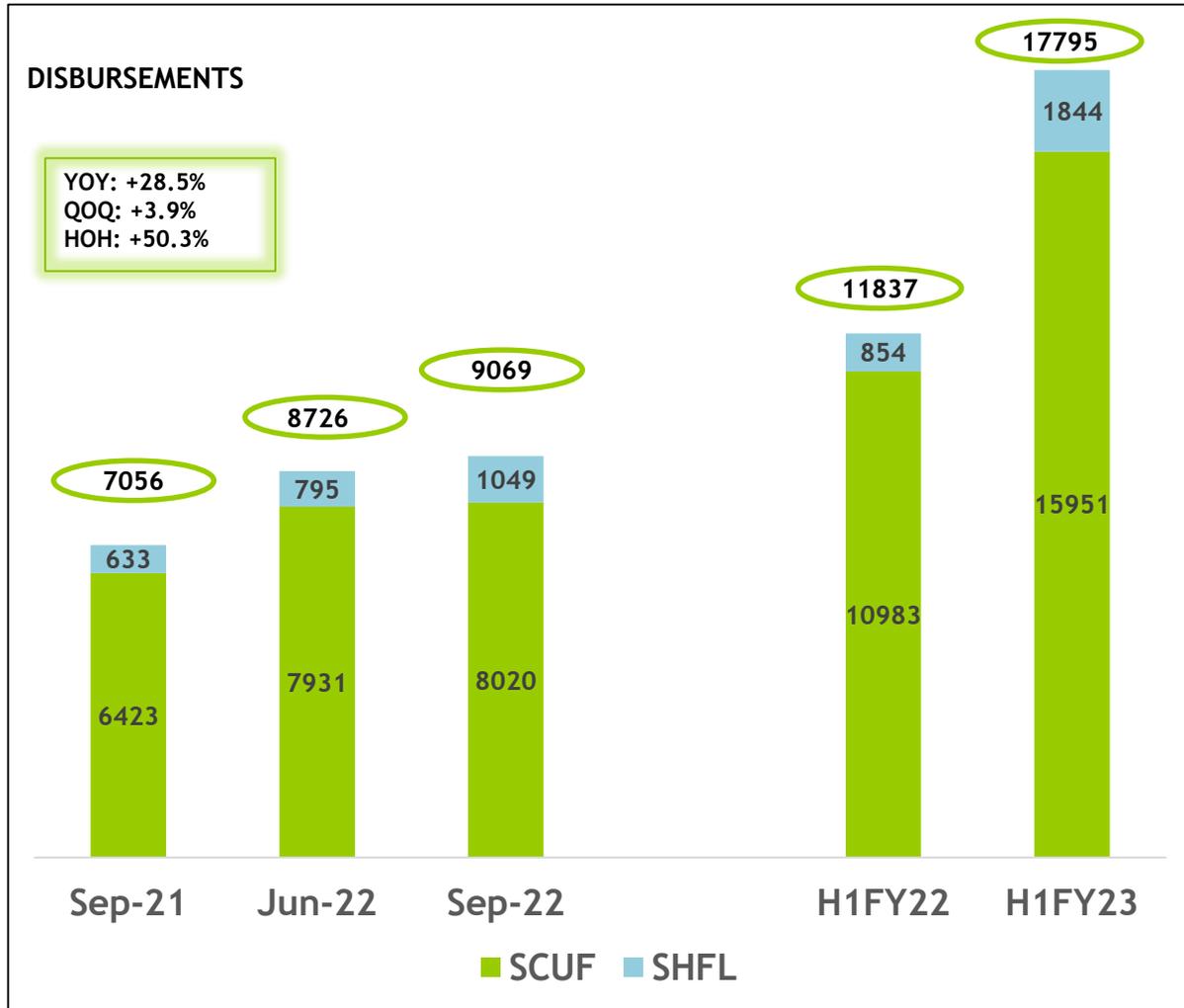
- Incorporated in the year 1986.
- Diversified NBFC with a wide range of products: small enterprise finance, Two Wheeler loans (new and preowned vehicles), loans against gold ornaments, Personal Loans, loans against preowned cars and PVs, Loan against Property.
- Largest financier (by volume) of Two Wheelers in the country.
- Prominent financier of small enterprises, with the largest market share of Small Loans.
- Deposit-accepting NBFC.
- 1021 branches across the country.

Shriram Housing Finance Ltd.

- Subsidiary of Shriram City Union Finance Ltd. with 85% share.
- Incorporated in the year 2010.
- Comprehensive product suite: Home Loans, Affordable Housing loans, Home Improvement/Extension loans, Top Up loans, Construction Finance, Loan against Property and Balance Transfers.
- One of India's fastest-growing affordable housing finance companies.
- 112 branches across India & 211 Griha Poorti Offices

Disbursement & Assets Under Management

Rs. Crores



Key Performance Highlights - Consolidated

Rs. Crores

Assets Under Management

Income from Operations

Net Interest Income

Pre Provision Profits

Profit After Tax

Sep 22

42663

23.0 %

2155

26.2 %

1327

29.8 %

741

22.9 %

383

27.2 %

Sep 21

34680

1708

1022

603

301

Sep 22

42663

5.6 %

2155

7.6 %

1327

6.4 %

741

5.4 %

383

8.5 %

Jun 22

40414

2003

1247

703

353

H1FY23

42663

23.0 %

4158

25.3 %

2574

29.5 %

1444

21.4 %

736

41.5 %

H1FY22

34680

3318

1987

1189

520

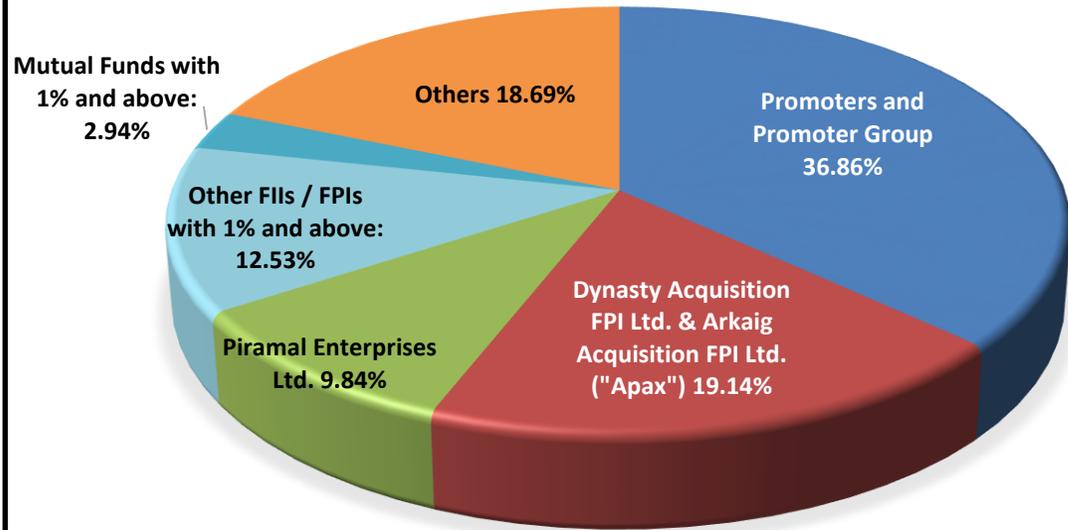
Shriram City Union Finance Ltd.			
STATE	BRANCHES	STATE	BRANCHES
Tamil Nadu	278	Bihar	12
Andhra Pradesh	183	West Bengal	11
Telangana	132	Uttarakhand	8
Maharashtra	97	Odisha	7
Karnataka	59	Himachal Pradesh	6
Uttar Pradesh	56	Puducherry	5
Gujarat	31	Jharkhand	3
Madhya Pradesh	28	Delhi	2
Rajasthan	25	Goa	2
Kerala	23	Jammu & Kashmir	2
Punjab	21	Chandigarh	1
Chhattisgarh	16	TOTAL BRANCHES	1021
Haryana	13	EMPLOYEE COUNT	30606

Shriram Housing Finance Ltd.	
STATE	BRANCHES
Tamil Nadu	22
Andhra Pradesh & Telangana	17
Gujarat	16
Maharashtra	14
Karnataka	14
Rajasthan	9
Madhya Pradesh	7
Uttar Pradesh	3
Kerala	2
Punjab	2
West Bengal	2
Chhattisgarh	2
Uttarakhand	1
Delhi	1
TOTAL BRANCHES	112
EMPLOYEE COUNT	1475*

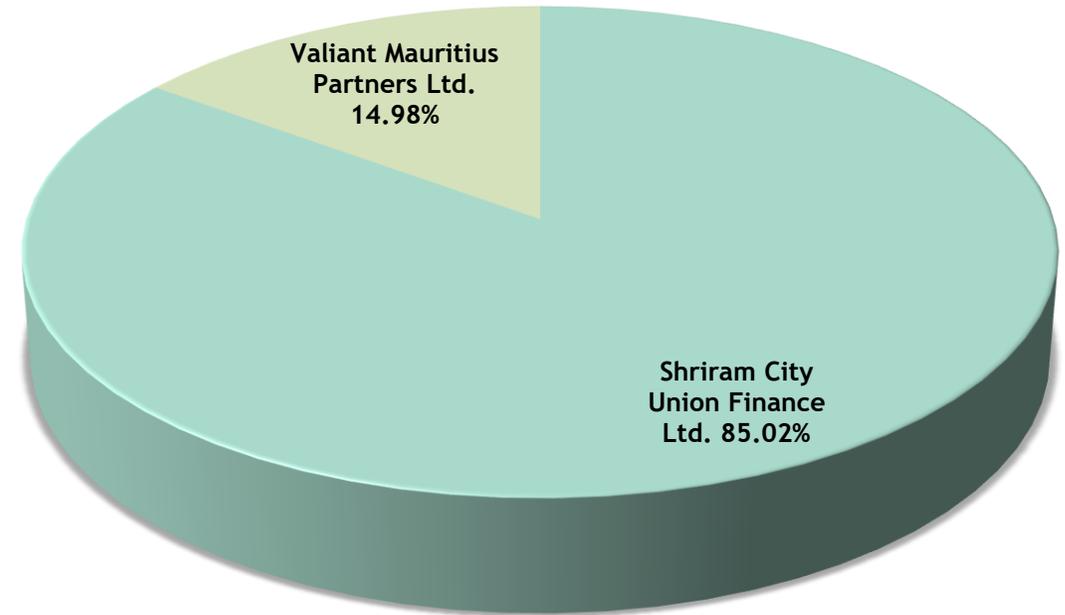
*Includes 589 off-roll employees

Shareholders Profile

SHRIRAM CITY



SHRIRAM HOUSING



Update on the proposed Merger

- The Company's Board of Directors had, in their meeting on 13th December 2021 approved the amalgamation of the Company with M/s Shriram Transport Finance Co. Ltd. as a step towards forming the merged entity "Shriram Finance Ltd."
- After having approached the regulatory authorities for their respective approvals for the merger, the Company has since received in-principle approvals from SEBI, BSE Ltd, National Stock Exchange Ltd., shareholders, secured and unsecured creditors, Competition Commission of India and Insurance Regulatory & Development Authority
- The Company now awaits the final approval of the amalgamation scheme from National Company Law Tribunal, Chennai Bench. The Company's petition was filed with said Bench of NCLT and scheduled for the final hearing on 19th October 2022. The matter was heard by the Hon'ble Bench, and the Company now awaits the relevant order.



Standalone Numbers

Executive Summary

- **Loan disbursements** of Rs. 8020 Cr in Q2FY23 versus Rs. 6423 Cr in Q2FY22 and Rs. 7931 Cr. in Q1FY23. The YOY growth was 24.9% YOY, and the disbursements in Q2FY23 have been our highest ever. Our disbursements for the first half of FY23 were 45.2% higher than the corresponding period last year.
- **Assets Under Management** stood at Rs. 36117 Cr in Q2FY23 against Rs. 30425 Cr in Q1FY23 and Rs. 34611 Cr in Q1FY23. Our AUM thus grew 18.7% YOY and 4.4% QOQ.
- We registered a **Profit Before Tax** of Rs. 466 Cr. and **Net Profit** of Rs. 349 Cr. in Q2FY23. These figures represent a YOY growth of 23.7% and 23.8% respectively. Our H1FY23 Net Profit was Rs. 672 Cr., a growth of 37.1% HOH. These are our highest ever profitability metrics.
- **Loan yields** continued to improve, coming in at 22.22% in Q2FY23 versus 21.11% in Q2FY22 and 21.75% in Q1FY23. The current yields are our highest in almost eight years.
- We clocked our highest ever **Interest Income** and **Net Interest Income** in Q2FY23. Interest income was Rs. 1964 Cr, up 24% YOY and 6.6% sequentially. NII was Rs. 1231 Cr., up 27.1% YOY and 6% QOQ. Our H1FY23 NII was Rs. 2393 Cr., higher by 26.7%.
- **Net Interest Margin** improved to 13.93% in the quarter, up from 12.90% in Q2FY22 and 13.71% in Q1FY23

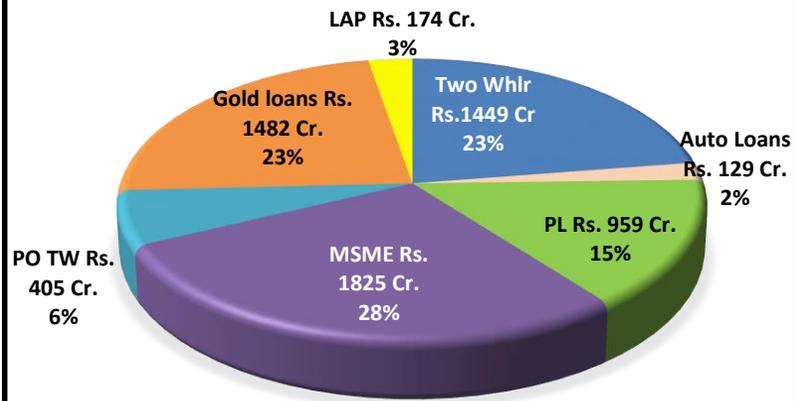
Executive Summary (contd.)

- **Covid-related provisioning** stood at Rs. 289 Cr. at the end of Q2FY23.
- Our **borrowings** as on 30th September'22 stood at Rs. 32312 Cr. versus Rs. 26494 Cr. at the end of Sep'21 and Rs. 32921 Cr. at the end of Jun'22. Banks at 51% continued to be our largest resource base, and our Fixed Deposits grew 23% YOY to Rs. 7572 Cr.
- **Liquidity backup** in the form of free cash & bank balances stood at Rs. 4559 Cr.. Sanctioned and Undrawn credit limits were at Rs. 2150 Cr.
- Comfortable **ALM** position with no mismatch on cumulative basis across future timelines. Our **Net Worth** stood at Rs. 9470 Cr.
- **Asset quality** continued to improve, with GNPA of 5.93% in Q2FY23 versus 6.86% in Q2FY22 and 6.11% in Q1FY23.
- **Credit costs** too improved to 2.55% in Q2FY23 from 2.70% in Q2FY22 and 2.68% in Q1FY23.

Disbursements for the Quarter

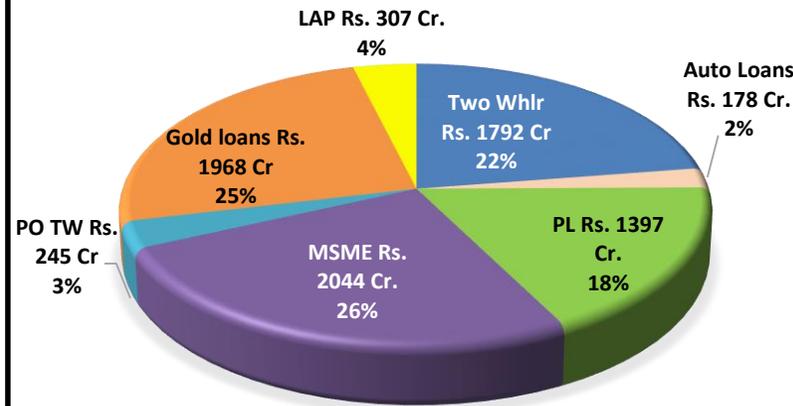
SEP 21

Rs. 6423 Cr



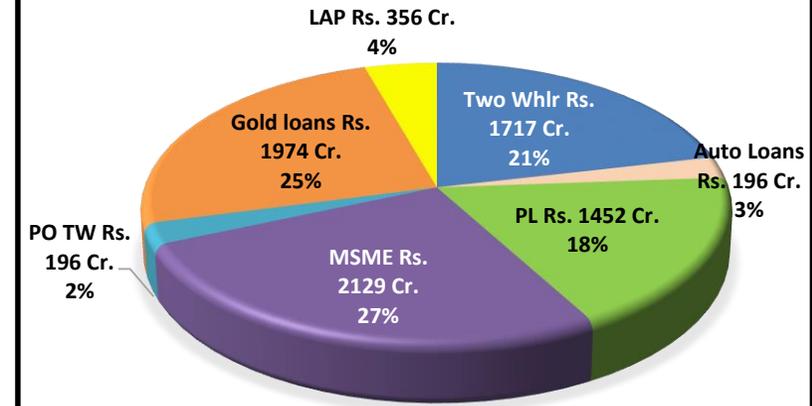
JUN 22

Rs. 7931 Cr.



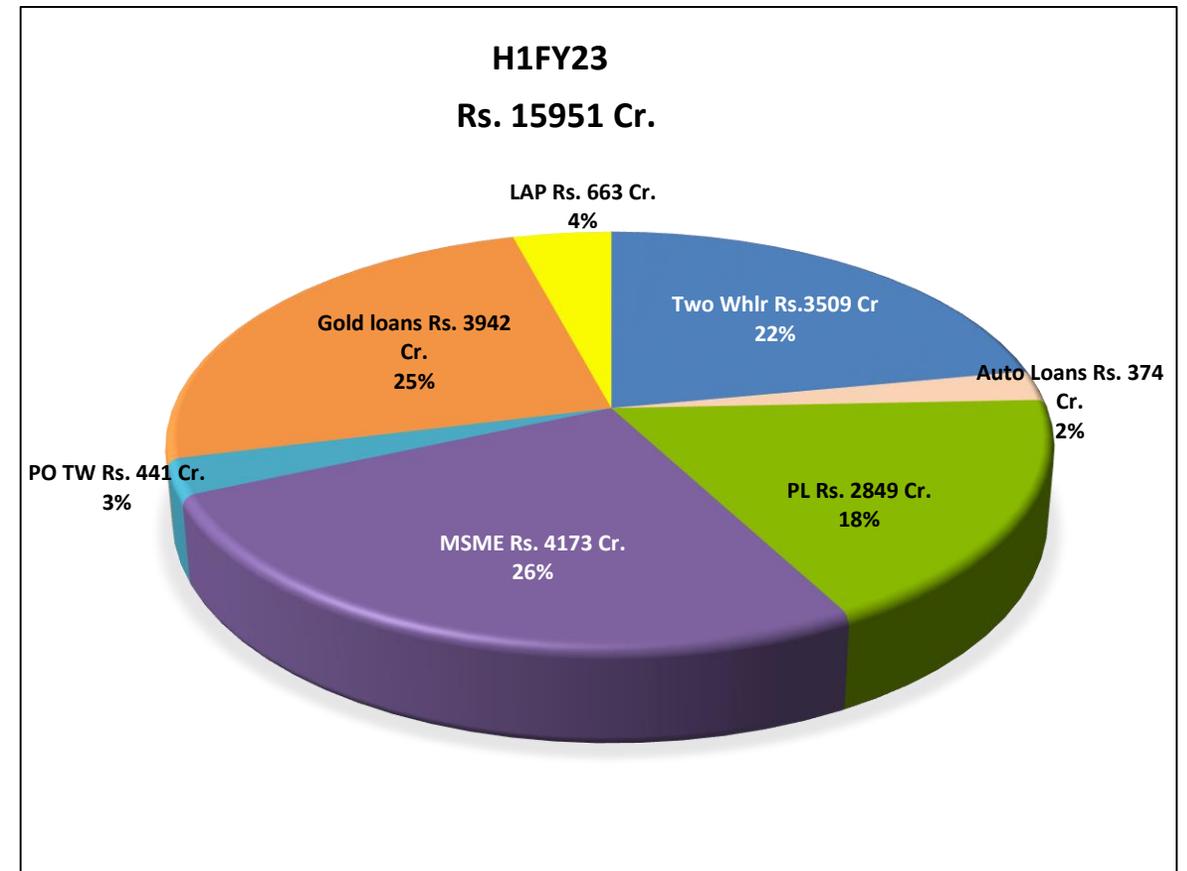
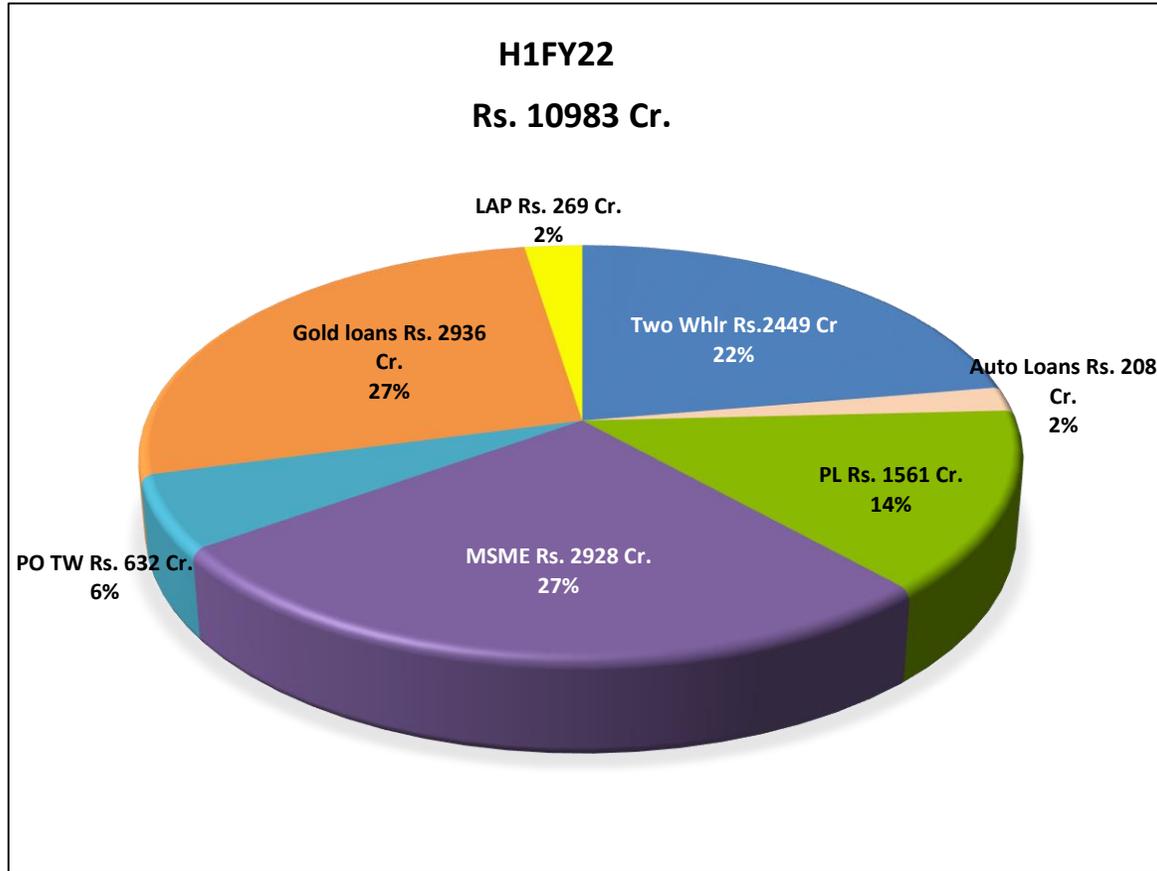
SEP 22

Rs. 8020 Cr.



YOY: + 24.9%
QOQ: + 1.1%

Disbursements for the Half-Year



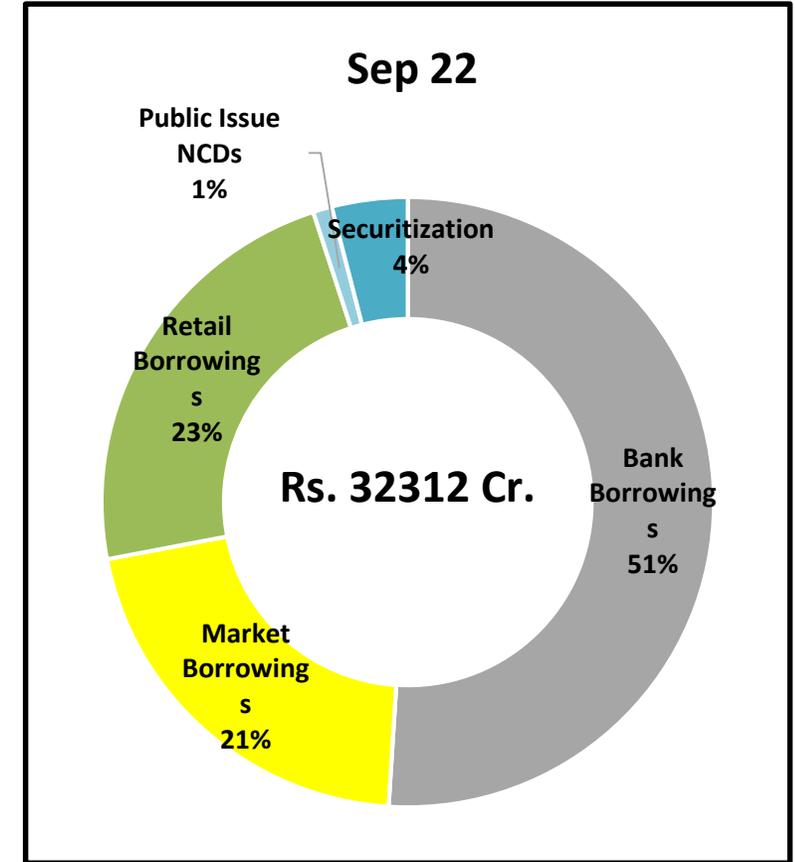
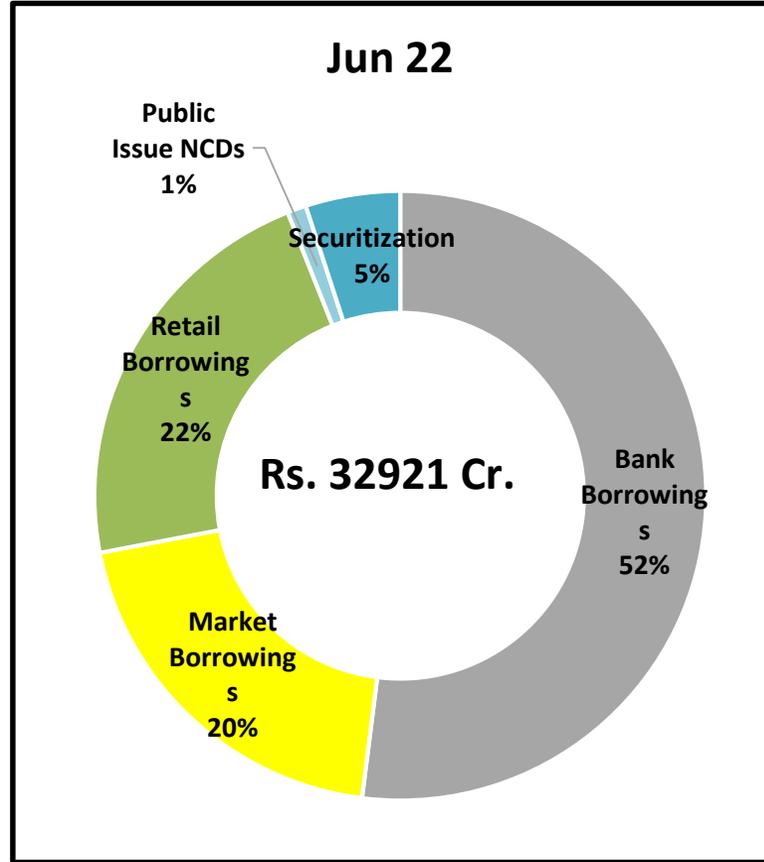
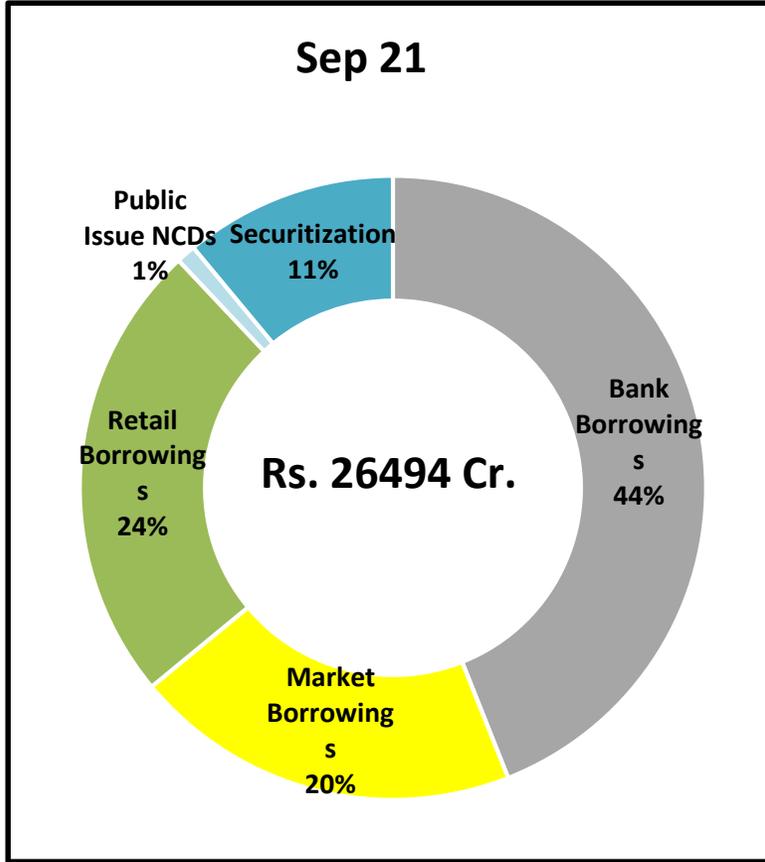
HOH growth: 45.2%

Assets Under Management

Product Segment	Sep 21		Jun 22		Sep 22	
	Value (Rs. Cr.)	% of AUM	Value (Rs. Cr.)	% of AUM	Value (Rs. Cr.)	% of AUM
Small Enterprises Finance	14389	47.3%	14868	43.0%	15092	41.8%
Two Wheelers	6755	22.2%	8005	23.1%	8132	22.5%
Personal Loans	2834	9.3%	4716	13.6%	5342	14.8%
Gold loans	4253	14.0%	4187	12.1%	4430	12.3%
Preowned Two Wheelers	1173	3.9%	978	2.8%	881	2.4%
Auto Loans	592	1.9%	811	2.4%	889	2.5%
Loan Against Property	429	1.4%	1046	3.0%	1351	3.7%
Assets Under Management	30425	100.0%	34611	100.0%	36117	100.0%

YOY: + 18.7%
QOQ: + 4.4%

Borrowings Profile



Borrowings Profile (contd.)

Rs. Crores

CREDIT RATING – LONG TERM



CREDIT RATING - FDs



CREDIT RATING – SHORT TERM



ALM Profile

Particulars	Total Inflows	Total Outflows	Mismatch	Cumulative Mismatch
0 - 7 days	4266	335	3931	3931
8 - 14 days	990	112	878	4809
15 - 30 days	2199	610	1589	6398
>1 - 2 months	2025	996	1029	7427
>2 - 3 months	2159	1687	472	7899
>3 - 6 months	5814	4164	1650	9549
>6 - 12 months	8627	8095	532	10081
>1 - 3 years	11547	13367	-1820	8261
>3 - 5 years	3850	3532	318	8579
> 5 years	3128	11911	-8783	-204
Total	44605	44809	-204	

Positive mismatch on cumulative basis across all buckets.

Provisions Analysis

Provisions Analysis	As at		
	Sep-21	Jun-22	Sep-22
Stage 3 - Gross	2082	2109	2138
Stage 3 - ECL Provisions	1067	994	986
Stage 3 - Net	1015	1115	1152
Stage 3 % - Gross	6.86%	6.11%	5.93%
Stage 3 % - Net	3.47%	3.32%	3.29%
Stage 3 Coverage Ratio (%)	51.24%	47.13%	46.11%
Stage 1 - Gross	24654	28409	29770
Stage 1 - ECL Provisions	830	886	908
Stage 1 - Net	23824	27523	28862
Stage 1 % - Gross	81.18%	82.26%	82.58%
Stage 1 - ECL Provisions %	3.37%	3.12%	3.05%
Stage 2 - Gross	3632	4017	4140
Stage 2 - ECL Provisions	211	211	208
Stage 2 - Net	3421	3806	3932
Stage 2 % - Gross	11.96%	11.63%	11.49%
Stage 2 - ECL Provisions %	5.79%	5.24%	5.03%

Rs. Crores

Note: Covid-19 provisions of Rs. 289 Cr. are included in ECL Provisions as mentioned above

Analysis of Stage 3 - Product wise

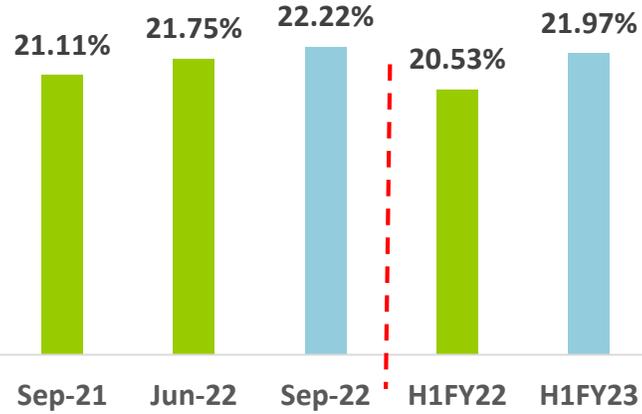
Product Segment	Stage 3 Gross %			Stage 3 Net %			Stage 3 ECL %		
	Sep-21	Jun-22	Sep-22	Sep-21	Jun-22	Sep-22	Sep-21	Jun-22	Sep-22
Small Enterprises Finance	7.50%	6.79%	6.71%	3.07%	3.84%	3.89%	60.89%	45.26%	43.69%
Two Wheeler	6.40%	5.90%	5.85%	3.48%	3.19%	3.29%	47.25%	47.40%	45.18%
Personal Loans	10.91%	8.93%	8.23%	5.96%	3.90%	3.54%	48.21%	58.56%	59.01%
Loan Against Gold	3.58%	1.74%	1.63%	3.44%	1.65%	1.54%	4.20%	5.57%	5.72%
Pre Owned Two Wheeler	4.91%	5.60%	5.52%	2.71%	3.07%	2.98%	46.08%	46.62%	47.49%
Auto Loans	9.51%	9.53%	9.42%	5.27%	5.27%	5.21%	47.04%	47.18%	47.14%
Loan Against Property	0.10%	0.62%	0.69%	0.04%	0.33%	0.39%	62.49%	46.46%	44.45%
Total	6.86%	6.11%	5.93%	3.47%	3.32%	3.29%	51.24%	47.13%	46.11%

Rs. Crores

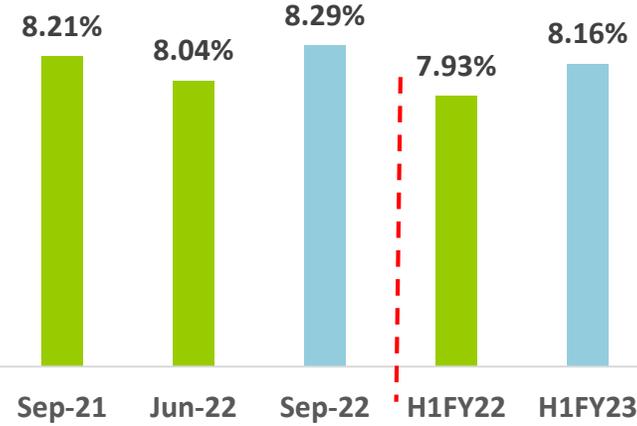
Particulars	Quarter ended			Growth		H1FY22	H1FY23	H1FY23 over H1FY22
	Sep 21	Jun 22	Sep 22	YOY	QOQ			
Assets Under Management	30425	34611	36117	18.7%	4.4%	30425	36117	18.7%
Interest Income	1584	1843	1964	24.0%	6.6%	3080	3807	23.6%
Interest Expenses	616	681	733	19.1%	7.7%	1191	1414	18.8%
Net Interest Income	968	1162	1231	27.1%	6.0%	1889	2393	26.6%
Operating Expenditure	389	503	540	38.9%	7.4%	740	1043	40.8%
Pre Provision Profits	579	659	691	19.2%	4.9%	1149	1350	17.5%
Provisions & Write offs	202	228	225	11.0%	-1.0%	493	453	-8.2%
Profit Before Tax	377	431	466	23.7%	8.0%	656	897	36.8%
Taxes	95	108	117	23.4%	7.3%	166	225	35.9%
Profit After Tax	282	323	349	23.7%	8.2%	490	672	37.1%

Key Financial Metrics (contd.)

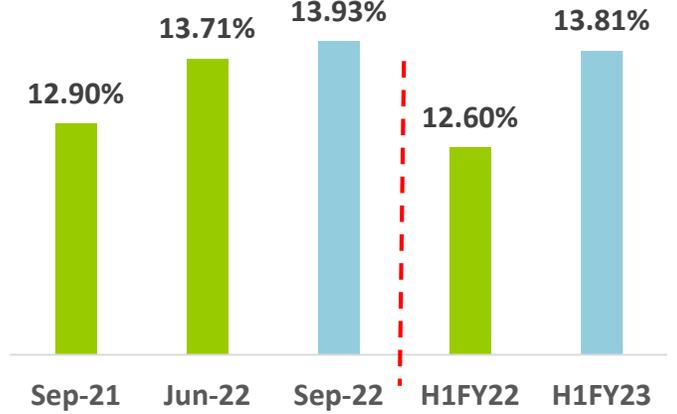
Yield on Assets



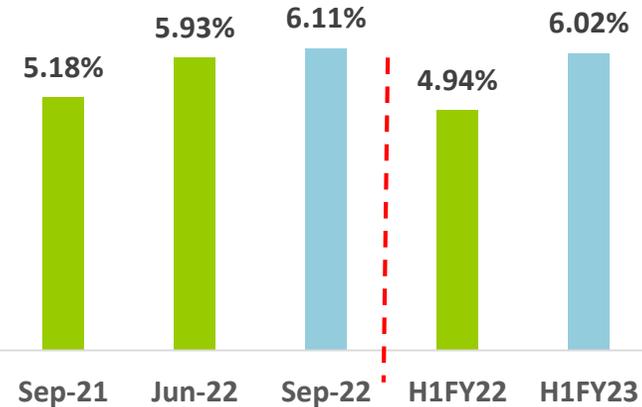
Finance Cost



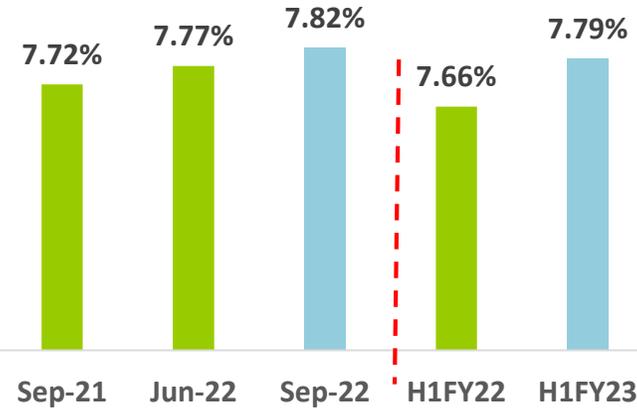
Net Interest Margin



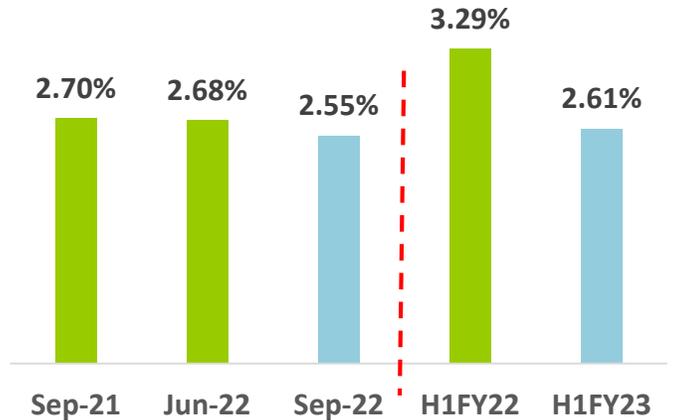
Operating Expenses



Pre Provision Profits

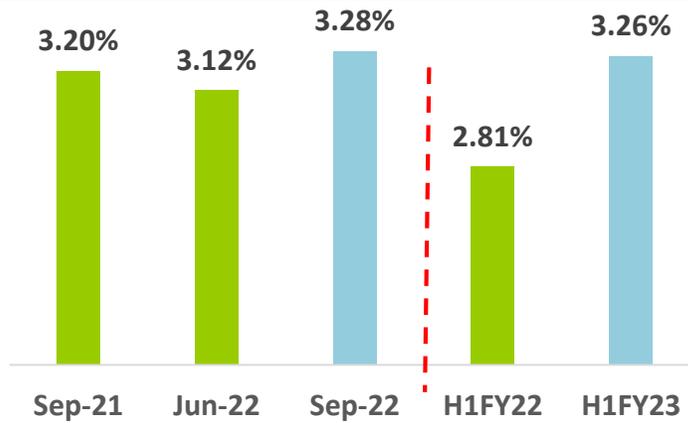


Credit Costs

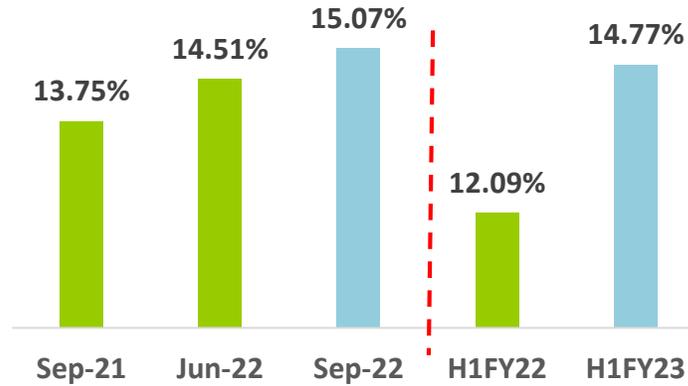


Key Ratios

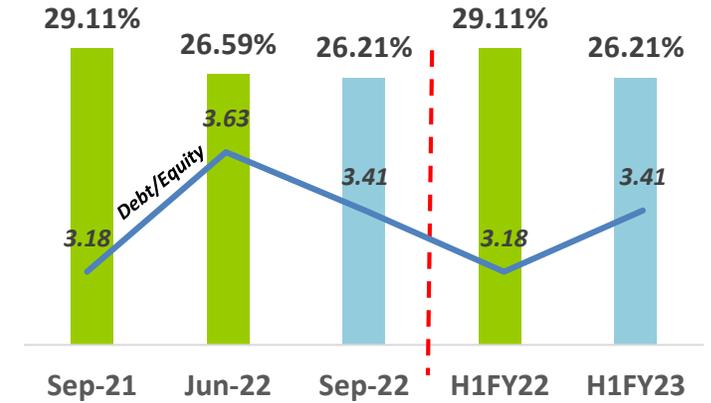
Return on Assets (%)



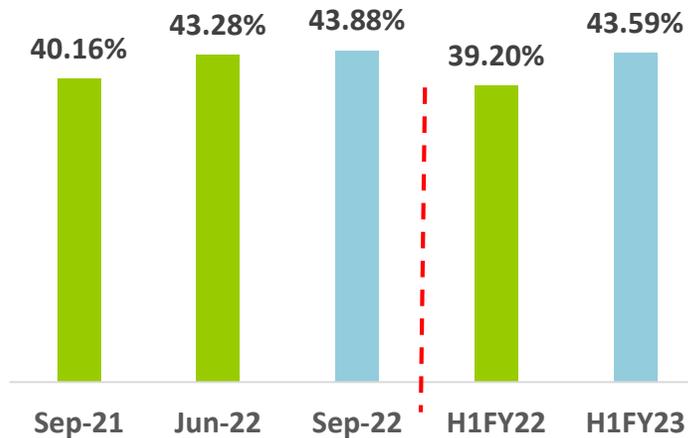
Return on Net worth



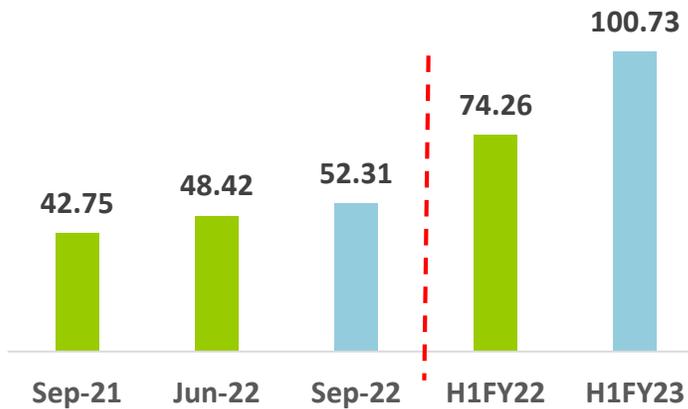
CRAR & Debt/Equity



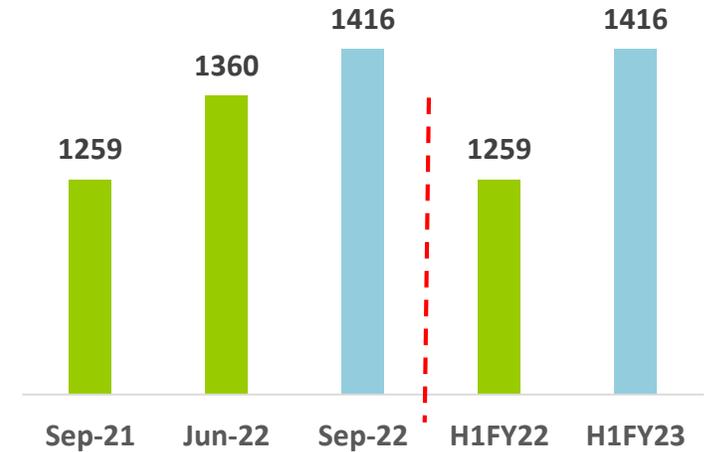
Cost to income ratio (%)



Earnings Per Share (Rs.)



Book Value Per Share (Rs.)





Standalone Numbers

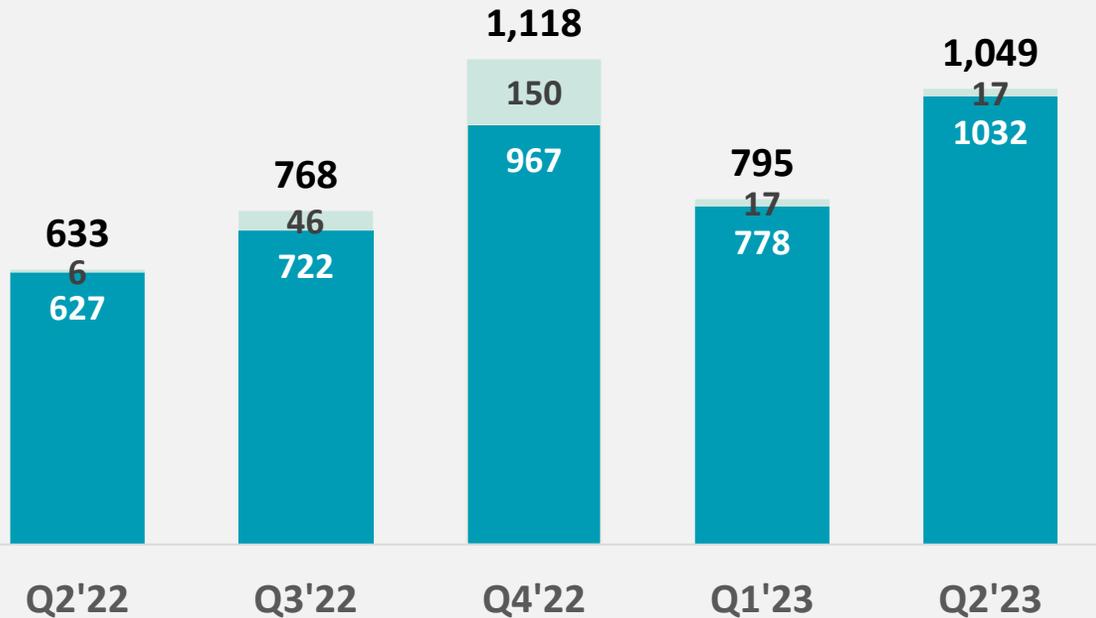
- **Assets Under Management (AUM)** : AUM as at end of Q2FY23 stands at Rs. 6,546 Cr versus Rs. 4,255 Cr in Q2FY22 and Rs. 5,803 Cr in Q1FY23, representing growth of 54% YOY and 13% QOQ.
- **Disbursements** : Highest quarterly Origination since inception, crossing 1,000 Cr quarterly origination for the first time. Disbursals for Q2FY23 was Rs.1,049 Cr as against Rs. 633 Cr in Q2FY22 and Rs.795 Cr in Q1FY23.
- **Portfolio Quality** : 90+ DPD less than 1% on AUM. Gross Stage 3 Assets lowest at 1.04% on Loan Book (excl. impact of RBI Circular dated 12th Nov'21). With impact of RBI Circular, Gross Stage 3 Assets are 1.5% on Loan book.
- **Profits** : Crossed quarterly Pre-provision operating profits of 50 Cr for the first time. PAT for the quarter at 34.0 Cr., represents growth of 81% YoY and 13% QoQ
- **Distribution Network:** 112 branches and 211 Griha Poorti locations represents investment in our distribution network.
- **Griha Poorti (GP) Initiative:**
 - “Griha Poorti”, the initiative launched to leverage on the group’s vast distribution network reached 211 locations (178 AP&TG + 33 Gujarat) and contributed 14% of total Home loan disbursals in Q2FY23.
 - Key features of “Griha Poorti”: 100% direct origination, granular portfolio, yield of 13.1% and negligible delinquency.
- Average ticket size of retail portfolio : Rs. 16.5 Lacs. Disbursal yield for Q2FY23 at 12.8%*
- Collection efficiency of 98.1% in September 2022
- Strong liquidity back up of Rs. 1,127 Cr. in the form of cash & bank balances and un-availed credit lines
- Marginal increase in incremental borrowing cost 11 bps YoY to 7.99% for Q2FY23.
- Comfortable ALM position with nil negative mismatch on cumulative basis

Note: Self originations excluding buyout; *Excludes buyout, Employee & Corporate loans

Investments in distribution paying off with quarterly Origination crossing 1000 Cr.

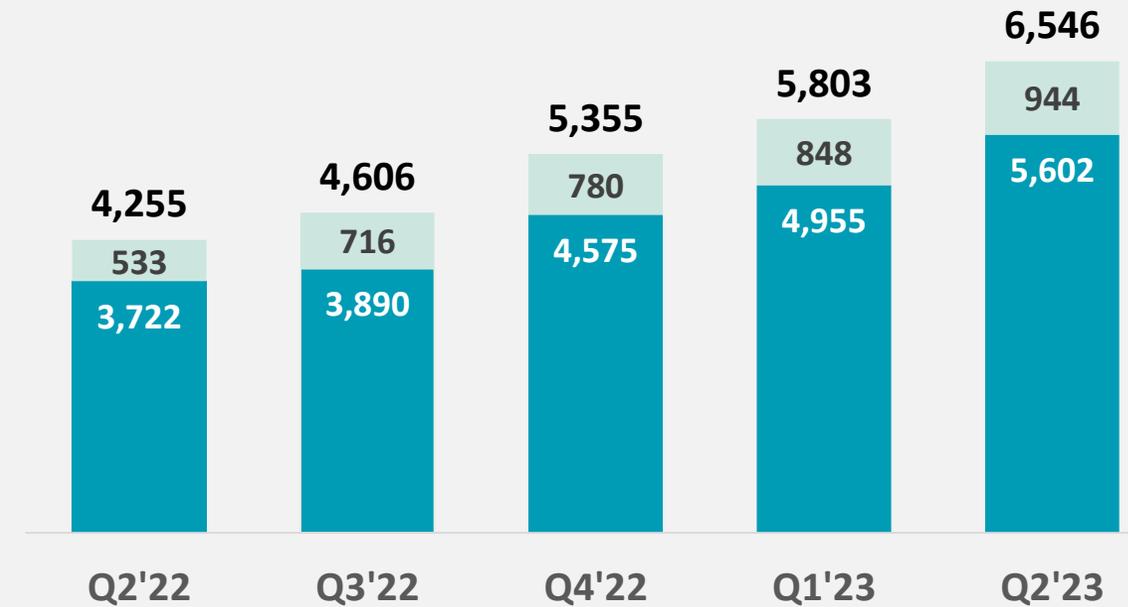
Quarterly Disbursement Trend

■ SHFL ■ Buyout



Quarterly AUM Trend

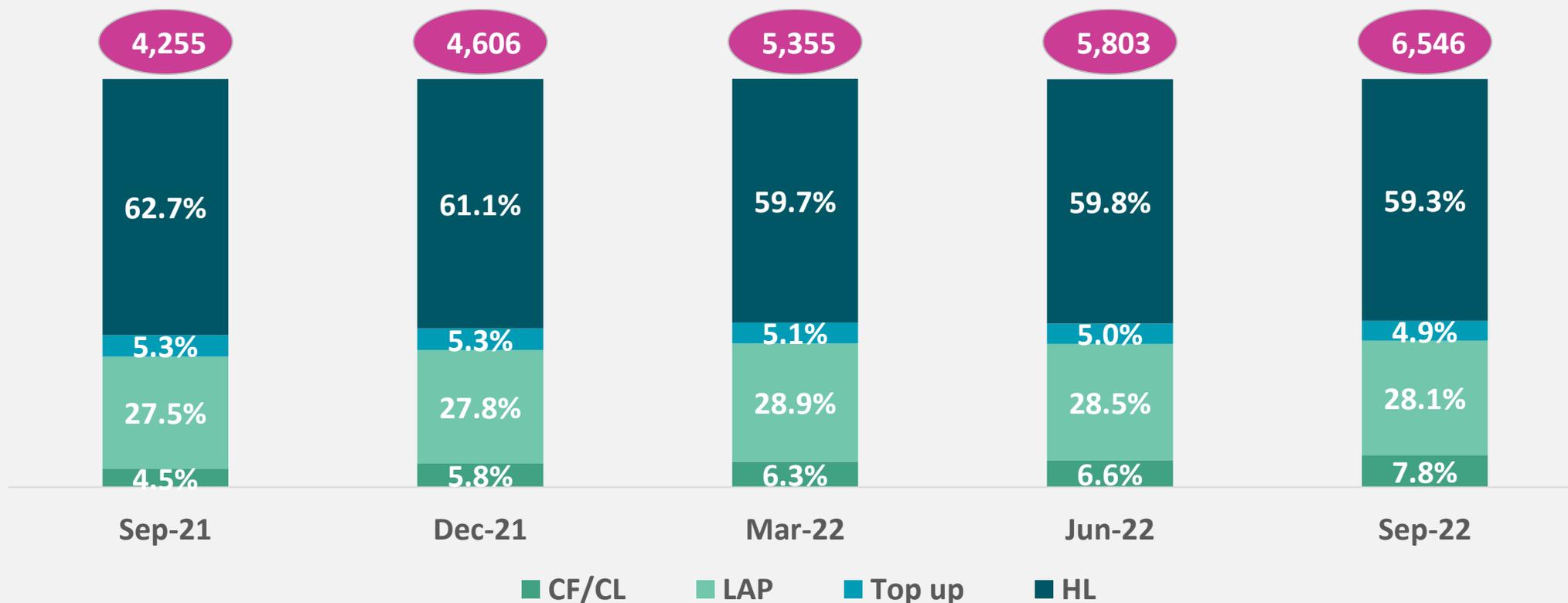
■ On Book ■ Off Book



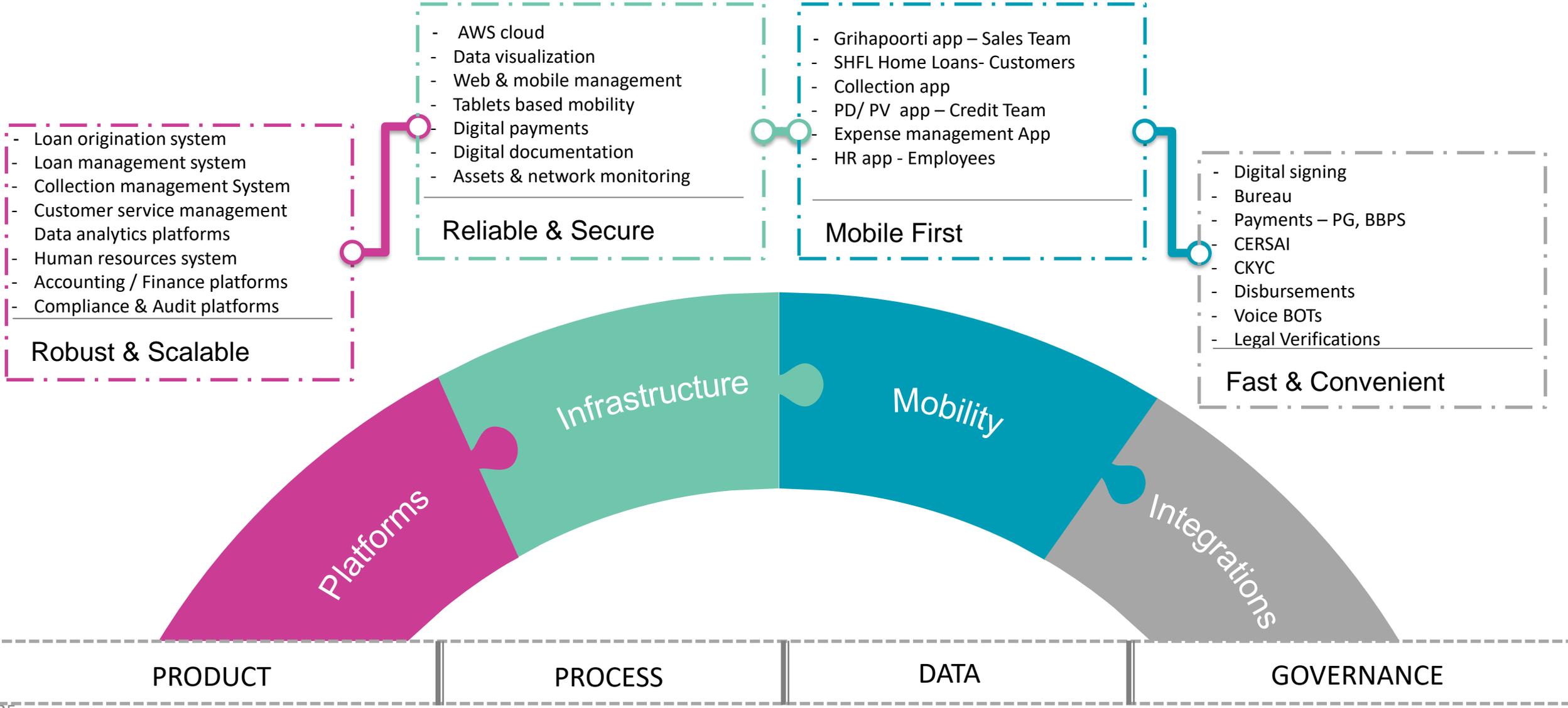
Highest quarterly Origination since inception, crossed 1,000 Cr for the first time;
AUM grew by 54% YoY and 13% QoQ

*Originations excludes buyout portfolio

Product Mix @ Portfolio

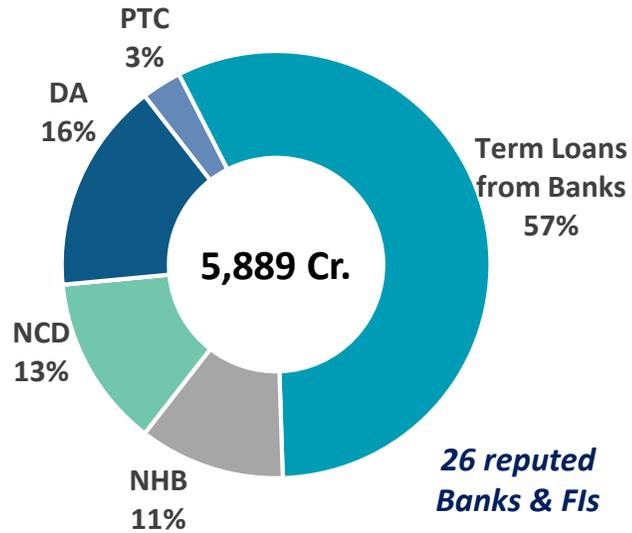


Information Technology Landscape

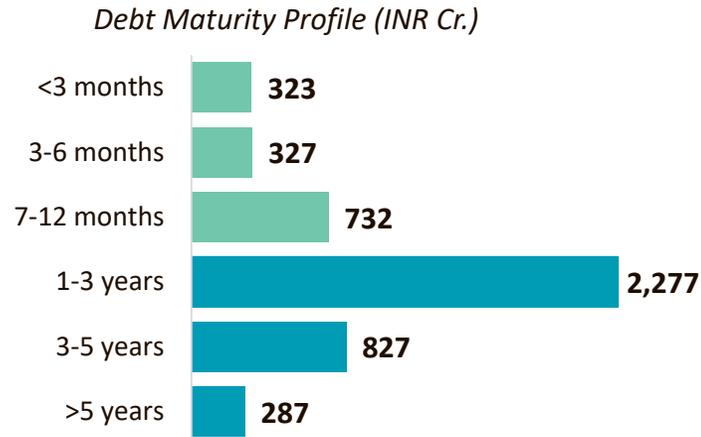


Diversified & prudent borrowing amidst rising interest rates

NHB part of diverse lender base



Stable long-term funding *



* Excludes Securitization (DA & PTC)

Augmented by high credit ratings

CRISIL
An S&P Global Company

AA (CWP#)

India Ratings & Research
A Fitch Group Company

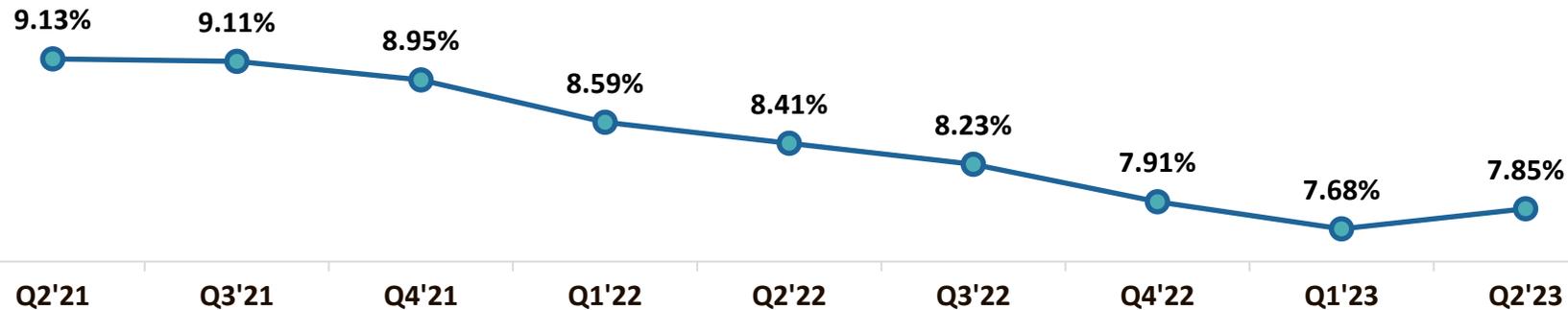
AA (Positive)

CARE Ratings
Professional Risk Opinion

AA (CWP#)

Credit Watch Positive

Marginal increase in Cost of Funds in Q2'23 due to macro economic conditions



COF calculated based on Avg debt utilization during the quarter

Building strong liability franchise

Net-worth

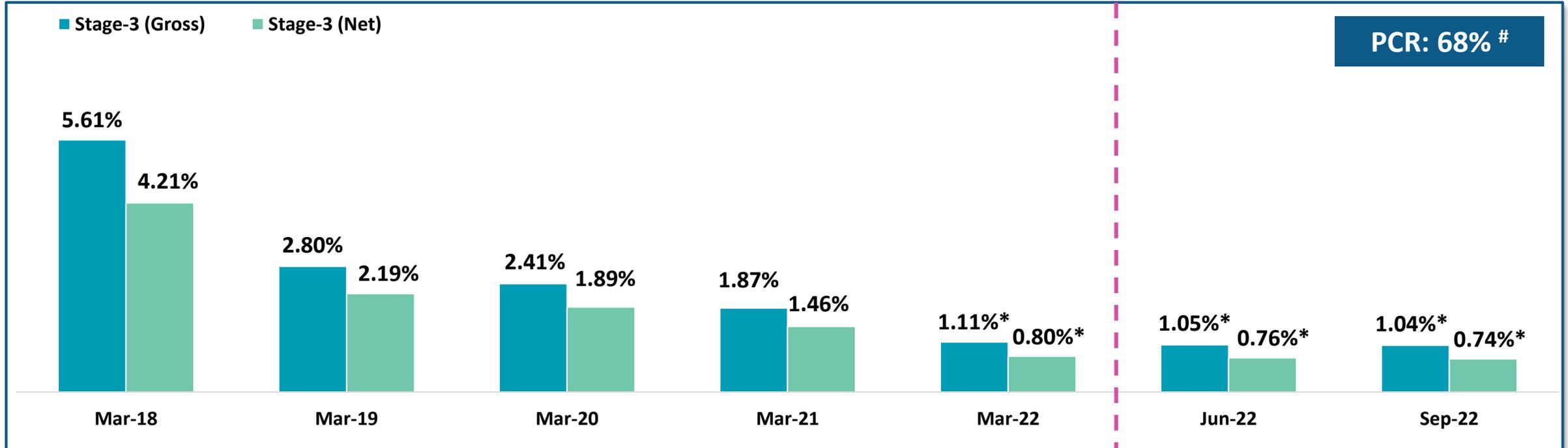
1,223 Cr.

CRAR

27.3%

Continuous improvement in portfolio quality with reduction in Gross & Net stage 3 assets

Stage-3 Movement (YoY)



GS3% including RBI Circular impact

Particulars	Amount (INR Cr.)	%
Gross Stage 3 Assets	58.2*	1.0%
Additional Stage 3 assets - RBI circular 12th Nov'21	27.2	0.5%
Total Stage 3 Assets (incl. RBI impact)	85.4	1.5%

Bucket wise position of additional Stage-3 assets per RBI Circular	1-30 DPD	31-60 DPD	61-90 DPD	Total
Amount in Cr.	3.7	5.0	18.5	27.2

* Does not include impact of RBI Circular dated 12th Nov'21

PCR: Total Provision / Stage-3 Assets including RBI Circular impact

Expected Credit Loss (ECL) Provision (Stage-wise) - SHFL

Particulars (INR Crore)	30-Sep-22	30-Jun-22	30-Sep-21
Gross Stage 1 & 2	5,516.3	4,877.6	3,650.6
ECL Provision Stage 1 & 2	37.5	33.5	26.6
Net Stage 1 & 2	5,478.8	4,844.1	3,624.0
ECL Provision % Stage 1 & 2	0.7%	0.7%	0.7%
Gross Stage 3 (Regular)	58.2	52.1	71.3
Gross Stage 3 (RBI Circular dated 12 th Nov'21)	27.2	25.1	0.0
Gross Stage 3	85.4	77.2	71.3
ECL Provision Stage 3 (Regular)	16.5	14.4	16.2
ECL Provision Stage 3 (RBI Circular dated 12 th Nov'21)	4.2	3.7	0.0
Net Stage 3	64.7	59.0	55.1
Coverage Ratio % Stage 3	24.27%	23.52%	22.67%
Gross Assets	5,601.6	4,954.8	3,721.9
Total Provision (Including Special & COVID Provision)	58.2	55.4	49.8
Net Assets	5,543.4	4,899.4	3,672.1
Total Provision (including Special / COVID Provision) / Gross Assets (%)	1.0%	1.1%	1.3%
Provision Coverage Ratio (%)	68.2%	71.8%	69.8%

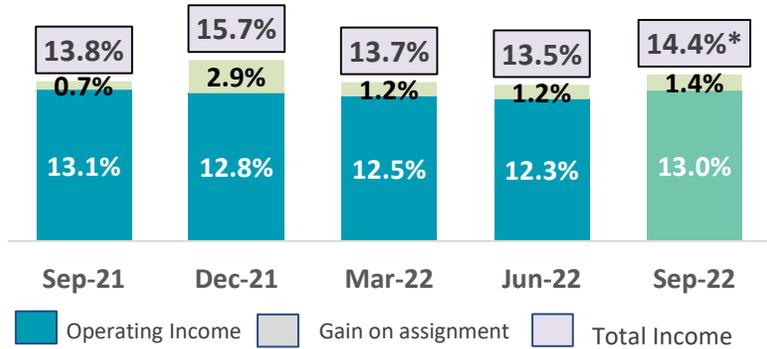
Healthy financial performance with steady growth in profits

(In Rs Crs.) Financials	Q2'23	Q-o-Q Comparison		Y-o-Y Comparison		H1'23	Y-o-Y Comparison	
		Q1'23	Δ QoQ	Q2'22	Δ YoY		H1'22	Δ YoY
Loan Book	5,602	4,955	13.1%	3,722	50.5%	5,602	3,722	50.5%
Disbursals	1,049	795	31.9%	633	65.8%	1,844	854	115.9%
Total Income	191.4	160.1	19.5%	123.9	54.4%	351.5	238.1	47.6%
Interest Income	148.5	128.3	15.7%	103.8	43.0%	276.9	199.9	38.5%
Net gain on Assignment	18.5	14.7	26.0%	6.6	181.5%	33.2	14.6	127.7%
Other Income	24.3	17.1	42.7%	13.5	80.4%	41.4	23.6	75.3%
Interest Expense	95.2	74.9	27.0%	70.1	35.7%	170.1	140.0	21.5%
NIM	96.2	85.2	13.0%	53.8	78.9%	181.4	98.2	84.8%
Operating Cost	45.9	41.6	10.4%	30.1	52.6%	87.6	58.2	50.4%
- Personnel Costs	25.0	25.1	(0.4)%	19.3	29.3%	50.1	38.5	30.1%
- Other Costs	21.0	16.5	26.6%	10.8	94.5%	37.5	19.7	90.0%
Profit before provisions & tax	50.3	43.6	15.4%	23.7	112.3%	93.9	40.0	134.9%
Provisions & write-offs	4.5	3.2	40.9%	-1.8	nm	7.7	-0.4	nm
PBT	45.8	40.4	13.4%	25.5	79.8%	86.1	40.4	113.3%
Taxes	11.7	10.1	15.7%	6.7	76.0%	21.9	10.7	104.1%
PAT	34.0	30.2	12.6%	18.8	81.1%	64.2	29.7	116.6%

Note: Financials are as per IND-AS

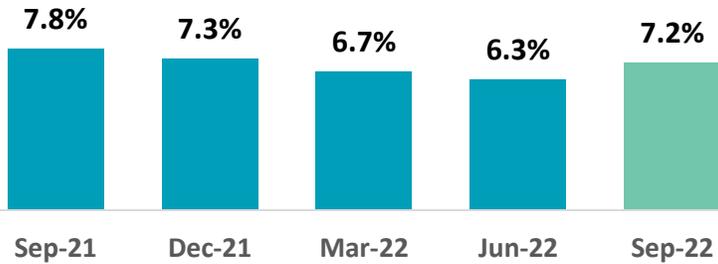
Key Financial Metrics & Ratios - SHFL

Yield on Assets

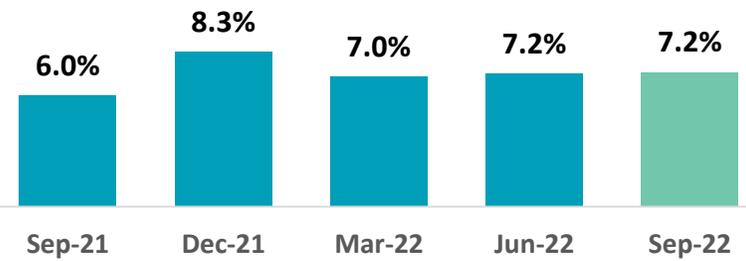


* Excluding buyout portfolio, Yield on assets is 55 bps higher at 14.95%

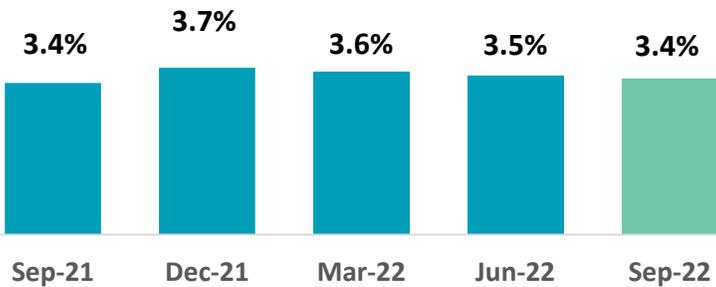
Interest Expenses



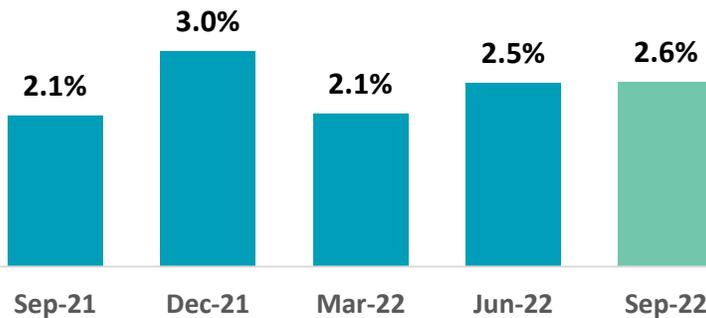
NIM



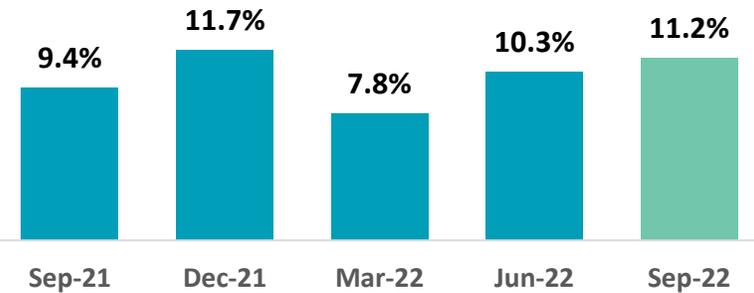
Operating Expenses



Return on Assets



Return on Equity



Note: All numbers are calculated as % of Avg. Loan book

Thank You

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